UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 84th CONGRESS
SECOND SESSION

VOLUME 102—PART 2

JANUARY 27, 1956, TO FEBRUARY 17, 1956

(PAGES 1439 TO 2826)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1956

DEPOSITED BY THE
UNITED STATES OF AMERICA

Congressional Record

United States of America — PROCEEDINGS AND DEBATES OF THE 84th CONGRESS, SECOND SESSION

SENATE

FRIDAY, JANUARY 27, 1956

(Legislative day of Monday, January 16, 1956)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, bowing for a hallowed moment at this shrine of Thy grace we acknowledge before Thee that too often our lives are restless pools, we are perplexed and disturbed by the social turmoil of our times, our minds are burdened by many anxieties, tempted to cynicism by human perversity and cruelty, disheartened and disillusioned by human folly which seems to profit so little by bitter reaping. We would lay our problems and tasks before Thee—not to escape them, but praying for Thy empowering so that with strength and courage we may carry them with a new gallantry. And so we look upward in our morning prayer that in a continual sense of Thy presence we may be delivered from the fret and fever of today's demands upon us, from the world's discordant noises, from the praise or blame of men, and from the confused thoughts and vain imaginations of our own hearts. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 26, 1956, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the bill (S. 1289) to establish a domestic relations branch in the municipal court for the District of Columbia, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

SUBCOMMITTEE MEETING DURING SENATE SESSION

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate Permanent Subcommittee on Investigations, under the chairmanship of the senior Senator from Arkansas [Mr. MCCLELLAN], be permitted to sit during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

BIRTHDAY GREETINGS TO SENATOR GEORGE

Mr. SMITH of New Jersey. Mr. President, through my "secret service," I have been informed that the distinguished President pro tempore of the Senate, the senior Senator from Georgia [Mr. GEORGE], now occupying the chair, will celebrate the anniversary of his birth on the 29th of January. I hope that occasion may be appropriately celebrated. I regret to say that I shall not be in the city next week. I shall be in Brazil, in connection with the inauguration of the President of that country.

Before I leave, I cannot refrain from expressing my affection and extending felicitations and best wishes, and my wishes for many happy returns, to the distinguished chairman of the Committee on Foreign Relations. I express the fervent hope that he will be with us for many more years. We need him. We have an affection for him. I extend to him most cordial birthday greetings.

VISIT OF HISAKICHI MAEDA

Mr. KNOWLAND. Mr. President, I am pleased to introduce to the Members of the Senate Mr. Hisakichi Maeda, who is a member of the House of Councillors of Japan, the upper body in the Japanese parliamentary system. Mr. Maeda is also a member of the finance committee of that body, who is making a visit to the United States. He is also a distinguished publisher in his country. I take pleasure in presenting him to the Senate. [Applause, Senators rising.]

The PRESIDENT pro tempore. The Senate is very glad indeed to welcome Mr. Maeda to the Senate. The Chair hopes he will feel entirely at home with us here this morning. He can be assured that we give him a hearty welcome.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and that any statement made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF SMALL BUSINESS ACT OF 1953—CONFERENCE REPORT

Mr. CLEMENTS. Mr. President, I should like to ask the Senator from Oregon [Mr. MORSE] if he is prepared this morning to present a conference report on the small-business bill which was passed some time ago.

Mr. MORSE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7871) to amend the Small Business Act of 1953. I ask unanimous consent for the present consideration of the report.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7871) to amend the Small Business Act of 1953, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That subsection (b) of section 204 of the Small Business Act of 1953, as amended, is hereby amended to read as follows:

"'(b) The Administration is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of $375,000,000 outstanding at any one time. For this purpose appropriations not to exceed $375,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in section 207 (a), (b) (1), (b) (2), and (b) (3). Not to exceed an aggregate of $150,000,000 shall be outstanding at any one time for the purposes enumerated in section 207 (a). Not to exceed an aggregate of $125,000,000 shall be outstanding at any one time for the purposes enumerated in section 207 (b) (1). Not to exceed an aggregate of $100,000,000 shall be outstanding at any one time for the purposes enumerated in section 207 (b) (2) and (b) (3). The Administration shall pay into

miscellaneous receipts of the Treasury at the close of each fiscal year, interest on the net amount of the cash disbursements from such advances at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities.'

"SEC. 2. The proviso in paragraph (1) of subsection (b) of section 207 of the Small Business Act of 1953, as amended, is hereby amended to read as follows: '*Provided*, That no such loan including renewals and extensions thereof may be made for a period or periods exceeding twenty years: *And provided further*, That the interest rate on the Administration's share of loans made under this paragraph shall not exceed 3 per centum per annum;'.

"SEC. 3. (a) Subsection (b) of section 207 of the Small Business Act of 1953, as amended, is hereby further amended (1) by striking the word 'and' which follows the semicolon at the end of paragraph (3); (2) by striking the period at the end of paragraph (4) and inserting in lieu thereof '; and'; and (3) by adding at the end of such subsection a new paragraph as follows:

"'(5) to further extend the maturity of or renew any loan made pursuant to this section, beyond the periods stated therein, or any loan transferred to the Administration pursuant to Reorganization Plan Numbered 2 of 1954, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan.'

"(b) Subsection (f) of section 207 of such Act is hereby repealed."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

WAYNE MORSE,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
HERBERT LEHMAN,
By WAYNE MORSE,
IRVING IVES,
By WAYNE MORSE,
J. GLENN BEALL,
FREDERICK PAYNE,
Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH GAMBLE,
HENRY O. TALLE,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report? The matter is privileged.

There being no objection, the Senate proceeded to consider the report.

Mr. MORSE. Mr. President, I should like to make a very brief statement on the conference report, and after I have completed the statement I should like to yield to the Senator from Connecticut [Mr. BUSH] who I observe would like to have the floor on this matter.

Mr. President, the conference report was agreed to unanimously by all members of the conference—majority and minority from both Houses. The Senate will recall that the Senate bill combined the business loan authority and the disaster loan authority into a single fund, increasing the total amount of that fund from the present $175 million to $210 million, an increase of $35 million.

The House bill, on the other hand, retained separate funds for disaster loans and business loans, and increased the limit of the disaster loan authority by $100 million. In conference the House conferees insisted upon, and the Senate conferees agreed to, the continuation of existing separate limits for business loans and disaster loans, as was provided in the House bill. Once this agreement was reached, it was obvious the $35 million increase contained in the Senate bill was grossly inadequate. It would require approximately $50 million merely to restore the disaster fund to its original position. We considered that an additional $50 million would provide a fund for disaster loans comparable to the amount available if the 2 loan funds had been combined. Therefore, we agreed to the House provision for a $100 million increase in the disaster loan authority. We hope that this increase will establish a disaster loan authority large enough to avoid confusion and uncertainty among disaster victims of the kind which has been experienced over the last few months.

The Senate amendment fixed the maximum maturity for all disaster loans at 20 years. Under existing law, the limit is 10 years for all disaster loans except for certain types of home loans, which may have maturities up to 20 years. The House bill contained no such provision. However, the House conferees receded on this point.

The Senate amendment clarified the provisions of the Small Business Act as to interest rates on disaster loans. It fixed a maximum interest rate of 3 percent on SBA direct disaster loans and on SBA's share of disaster loans made in participation with private lenders. The House bill contained no such provision. However, the conferees on behalf of the House receded and agreed to this Senate provision.

In connection with this provision, the conferees agreed to a statement of intent taken from the Senate committee report, as follows:

> After considering this testimony and the proposals * * *, the committee determined to fix a 3 percent maximum interest rate only on the Small Business Administration's portion of disaster loans to small businesses. This decision was reached in the understanding that private lenders will be permitted to participate in such disaster loans at interest rates in excess of 3 percent only in those unusual cases where such participation will be advantageous to the borrower.

A similar statement is incorporated in the statement of the managers on behalf of the House.

The Senate bill made a technical change in section 207, to which the House agreed with an additional technical amendment.

On behalf of myself and all members of the conference, I recommend approval of the conference report.

Mr. President, I yield to the Senator from Connecticut.

Mr. BUSH. I thank the Senator from Oregon for yielding to me for a brief comment.

Mr. President, in my opinion the conference report just presented is very acceptable, and I hope the Senate will adopt it. It does three important things which the bill orginally introduced sought to accomplish, namely, it increases the provision for disaster loans very substantially; extends the maximum maturity period to 20 years; and fixes the interest rate at 3 percent on disaster loans and on the Small Business Administration's share of disaster loans made in participation with private lenders.

The House has gone a little farther than we did. But if the predictions of the Small Business Administration are borne out, the bill will not cost anyone any more than the original bills would have cost. However, I think all of us will have a very great feeling of comfort and satisfaction in the fact that the Small Business Administration will not likely be embarrassed at all by any lack of funds in connection with disaster loans.

In conclusion, Mr. President, I wish to congratulate the Senator from Oregon for the way he has handled and expedited this very vital piece of legislation through the Senate. Likewise, I congratulate those in charge of the bill in the House of Representatives, who have done so much in ably and speedily bringing the conference report to us.

I speak for all the people of Connecticut when I say we shall be very, very grateful to the Congress for effecting this first important piece of legislation which has grown out of the disastrous floods we suffered in 1955.

I thank the Senator from Oregon.

Mr. MORSE. I thank the Senator from Connecticut for his remarks. As chairman of the subcommittee, I wish to say that although the Senator from Connecticut was not a member of the subcommittee, he devoted his time to all our work and attended our meetings, and made many very valuable suggestions. His bill was used extensively by the subcommittee; and we voted to use the major provisions of his bill, along with the major provisions of the Morse bill, in arriving at the bill which finally we reported to the Senate. The Senator from Connecticut was very helpful throughout. As chairman of the subcommittee, I wish to thank him very much for the assistance he rendered.

In regard to the additional amount voted in the House bill, I wish to say that the House conferees pointed out that the $100 million was added on the floor of the House itself. The House committee brought in a bill providing for a lesser amount; but the House itself added the larger amount, namely, the $100 million.

Of course, such a thing does not often happen in either branch of the Congress.

As the Senator from Connecticut knows, the real point of difference between the two Houses was over the matter of combining the two funds. The House debate showed very clearly, and the House conferees made very clear to us, that they were simply adamant on that point. There was great concern in the House about combining the funds, because the Members of the House wished to make absolutely certain that regular business loans would be handled separately and that the Small Business Administration would have sufficient funds with which to make those loans. The House felt that the fund for disaster loans should be made sufficiently large to avoid any need of combining the two funds in order to obtain sufficient moneys with which to meet the needs

arising from such disasters. We discussed the matter pro and con, and the conferees on the part of the Senate felt that they should yield to the conferees on the part of the House on that point.

Mr. BUSH. Mr. President, will the Senator from Oregon yield for an observation?

Mr. MORSE. I yield.

Mr. BUSH. I should like to say that if I had been a member of the conference committee, along with the Senator from Oregon, I would have acted exactly as he did—feeling that the larger amount of authorization would take care of the situation very satisfactorily. Therefore, Mr. President, in view of this action by the committee, the division is perfectly all right.

Mr. MORSE. Mr. President, if there are no further questions, I ask for a vote on the question of agreeing to the conference report.

The PRESIDENT pro tempore. The question is an agreeing to the report.

The report was agreed to.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

EXTENSION OF TIME FOR FILING REPORT BY DISTRICT OF COLUMBIA ARMORY BOARD

A letter from the manager, District of Columbia Armory Board, Washington, D. C., requesting a 30-day extension of the time in which to submit the annual report and financial statement of that board; to the Committee on the District of Columbia.

STATEMENT OF RECEIPTS AND EXPENDITURES, CHESAPEAKE & POTOMAC TELEPHONE CO.

A letter from the vice president, the Chesapeake & Potomac Telephone Co., Washington, D. C., transmitting, pursuant to law, a statement of receipts and expenditures of that company, for the year 1955 (with an accompanying paper); to the Committee on the District of Columbia.

COMPARATIVE GENERAL BALANCE SHEET, CHESAPEAKE & POTOMAC TELEPHONE CO.

A letter from the vice president, the Chesapeake & Potomac Telephone Co., Washington, D. C., transmitting, pursuant to law, a comparative general balance sheet of that company, for the year 1955 (with an accompanying paper); to the Committee on the District of Columbia.

REPORT OF FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Federal Maritime Board and Maritime Administration, for the fiscal year 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF ADMINISTRATOR OF CIVIL AERONAUTICS

A letter from the Secretary of Commerce, transmitting, pursuant to law, the fifth and final annual report of the Administrator of Civil Aeronautics, for the period July 1, 1954, to September 30, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

A letter from the executive officer, National Advisory Committee for Aeronautics, Washington, D. C., transmitting, pursuant to law, a report on tort claims paid by that Committee for the period January 1 through December 31, 1955 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Trivan or Thomas Dadasovich from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on March 15, 1955 (with an accompanying paper); to the Committee on the Judiciary.

GRANTING OF APPLICATIONS FOR PERMANENT RESIDENCE FILED BY CERTAIN ALIENS—WITHDRAWAL OF NAMES

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of several aliens who have filed applications for permanent residence, transmitted to the Senate on January 16, 1956, and July 25, 1955 (with accompanying papers); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF DISPLACED PERSONS—WITHDRAWAL OF NAMES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of Boyan Petkoff Choukanoff and Ekaterina Boyanova Choukanova, transmitted to the Senate on July 15, 1955, pursuant to section 4 of the Displaced Persons Act of 1948, as amended, with a view to the adjustment of their immigration status (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter, in the nature of a petition, from the Montana Federation of Women's Clubs, Forsyth, Mont., signed by Mrs. Gerry Mortensen, president, praying for a delay in the construction of the Yellowtail Dam project; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Council of the City of Porterville, Calif., favoring the enactment of legislation to provide for the immediate construction of the Success Dam flood control project; to the Committee on Public Works.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. GREEN, from the Committee on Rules and Administration:

S. Con. Res. 65. Concurrent resolution to create a joint congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President; without amendment (Rept. No. 1462).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRICKER:

S. 3066. A bill to provide for an adjustment in the monthly rates of pension payable to the widows of Civil War veterans; to the Committee on Finance.

By Mr. LONG (for himself, Mr. BEALL, Mr. BIBLE, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CARLSON, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. DOUGLAS, Mr. DUFF, Mr. DWORSHAK, Mr. ERVIN, Mr. FULBRIGHT, Mr. GEORGE, Mr. GORE, Mr. GREEN, Mr. HENNINGS, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KENNEDY, Mr. KUCHEL, Mr. LANGER, Mr. LEHMAN, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCNAMARA, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Pennsylvania, Mr. MARTIN of Iowa, Mr. MUNDT, Mr. MURRAY, Mr. NEELY, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. POTTER, Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. SYMINGTON, Mr. THURMOND, Mr. WATKINS, Mr. WELKER, and Mr. YOUNG):

S. 3067. A bill to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Finance.

(See the remarks of Mr. LONG when he introduced the above bill, which appear under a separate heading.

By Mr. PASTORE:

S. 3068. A bill for the relief of Arsene Kavoukdjian (Arsene Kavookjian); to the Committee on the Judiciary.

By Mr. DIRKSEN:

S. 3069. A bill to exempt from taxation certain property of the General Federation of Women's Clubs, Inc., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGNUSON:

S. 3070. A bill for the relief of the A-1 Bonding Co., Inc.; to the Committee on the Judiciary.

By Mr. IVES:

S. 3071. A bill for the relief of Constantine Cokkinos; to the Committee on the Judiciary.

By Mr. PURTELL:

S. 3072. A bill to require the inspection and certification of certain vessels carrying passengers; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of New Jersey (for himself, Mr. GEORGE, Mr. WILEY, and Mr. GREEN):

S. J. Res. 128. Joint resolution to extend greetings to the Sudan; to the Committee on Foreign Relations.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. MAGNUSON:

S. J. Res. 129. Joint resolution authorizing the Commissioner of Public Roads to designate a highway system to be known as the Lewis and Clark National Tourway; to the Commmittee on Public Works.

RESOLUTION

The following resolution was submitted, and referred, as indicated:

Mr. NEUBERGER submitted the following resolution:

S. Res. 201. Resolution to express the sense of the Senate to provide funds for Federal projects for hydroelectric, flood control, irrigation, or navigation purpcses in sums equal to amounts extended to foreign countries for the same purposes; to the Committee on Interior and Insular Affairs.

(See resolution printed in full, which appears under a separate heading.)

TIME DURING WHICH CERTAIN VETERANS MAY BE GRANTED NATIONAL SERVICE LIFE INSURANCE

Mr. LONG. Mr. President, on behalf of myself, and 52 of my colleagues, I introduce, for appropriate reference, a bill to provide a further opportunity for our veterans to have the protection afforded by national service life insurance. The bill provides a period of 1 year from the

date of enactment during which veterans can apply for this insurance protection. It is required that they be able to make a showing of good health to the Veterans' Administration.

What is intended by this bill is to permit veterans of World War II and the Korean war to obtain this insurance if they have either not previously applied for the insurance or have permitted their policies to lapse.

In the case of those whose policies have been permitted to lapse, the veterans concerned would not be able to have reinstated the original policies but would have to pay premiums on the basis of their attained age at the time of this new application.

The cost of this program cannot be accurately estimated in advance, and I have not obtained any estimates from the departments concerned. Inasmuch as the premiums to be paid are based on actuarial tables, however, the only cost to the Government will be the cost of administering the program. This cost, of course, will be minimized by the fact that the only effect of the bill will be to increase the number of policies in force.

It will not require any new organization or special administrative procedures other than the processing of new applications. It is my hope that the Veterans' Administrator will provide his best estimates with respect to costs which may be entailed by this proposed legislation very promptly, because I should like to proceed as expeditiously as possible in obtaining consideration of this measure.

Many of our young men regret very much that they did not take advantage of the opportunity of continuing in effect or converting their insurance coverage which was made available during World War II. At that time they were war-weary and did not give as serious thought to their future as they might have done. Some of them were tired of having the Government arrange their affairs and wanted to be free of anything remotely connected with Government service. Now they have very considerable family responsibilities and they realize that they need additional protection offered at a very low cost by national service life insurance.

I should like to emphasize that the bill does not make additional persons eligible beyond those who were made eligible by the basic laws concerned. The bill will merely provide an opportunity for those who were originally eligible to submit their applications for coverage.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief memorandum setting forth the provisions of the law which are affected by the bill, and a somewhat technical explanation of the effect which the bill would have, together with a definition of "good health," provided in Veterans' Administration Regulation 3401.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the memorandum and definition will be printed in the RECORD.

The bill (S. 3067) to provide a 1-year period during which certain veterans may be granted national service life insurance, introduced by Mr. LONG (for himself, Mr. BEALL, Mr. BIBLE, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CARLSON, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. DOUGLAS, Mr. DUFF, Mr. DWORSHAK, Mr. ERVIN, Mr. FULBRIGHT, Mr. GEORGE, Mr. GORE, Mr. GREEN, Mr. HENNINGS, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KENNEDY, Mr. KUCHEL, Mr. LANGER, Mr. LEHMAN, Mr. McCARTHY, Mr. McCLELLAN, Mr. McNAMARA, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Pennsylvania, Mr. MARTIN of Iowa, Mr. MUNDT, Mr. MURRAY, Mr. NEELY, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. POTTER, Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. SYMINGTON, Mr. THURMOND, Mr. WATKINS, Mr. WELKER, and Mr. YOUNG), was received, read twice by its title, and referred to the Committee on Finance.

The memorandum and definition, presented by Mr. LONG, are as follows:

MEMORANDUM

Section 1 of the bill would restore for 1 year the eligibility (in effect prior to April 25, 1951) of persons who served between October 8, 1940, and September 2, 1945, both dates inclusive, to apply for and be granted National Service life insurance under section 602 (c) (2) of the National Service Life Insurance Act of 1940, as amended, upon proof of good health and payment of the required premium.

Part I of the act of April 25, 1951 (Public Law 23, 82d Cong.) (Servicemen's Indemnity Act of 1951), provides for the payment of a maximum of $10,000 free servicemen's indemnity for death in active service on and after June 27, 1950, and, under certain circumstances, for death within 120 days after discharge from such active service. Part II of the act of April 25, 1951 (Insurance Act of 1951) added section 619 to the National Service Life Insurance Act of 1940, as amended, which section, among other things, prohibits the further issue of insurance to persons on active duty; to World War I veterans based on service between October 6, 1917, and July 2, 1921; and to World War II veterans based on service between October 8, 1940, and September 2, 1945. As indicated above, section 1 of my bill would give World War II veterans another chance, for 1 year, to apply for such insurance.

Part II of the act of April 25, 1951, also added sections 620 and 621 to the National Service Life Insurance Act of 1940, as amended, to give persons discharged from service after that date a chance to obtain a special type of nonparticipating national service life insurance at lower premium rates. Section 620 of the act provides insurance after discharge from active service after April 25, 1951, to the service-connected disabled who apply therefor within 1 year from the date service connection of such disability is determined by the Veterans' Administration. Section 621 of the act provides insurance (without any good-health requirement) for persons who were ordered into active service for a period exceeding 30 days and were discharged therefrom after April 25, 1951, if application is made therefor within 120 days after separation from such active service. Some persons who served during the Korean conflict period failed to apply for insurance during the required period. Section 2 of my bill would allow such persons 1 year from the date of enactment thereof within which to apply for insurance under sections 620 and 621 of the act. However, the bill would require submission of evidence of good health satisfactory to the Administrator where application is made under section 621 within 1 year but more than 120 days after separation from active service.

VETERANS' ADMINISTRATION REGULATION 3401—DEFINITION OF GOOD HEALTH

The words "good health" when used in connection with insurance, mean that the applicant is, from clinical or other evidence, free from disease, injury, abnormality, infirmity, or residual of disease or injury to a degree that would tend to weaken or impair the normal functions of the mind or body or to shorten life.

EXTENSION OF GREETINGS TO STATE OF SUDAN

Mr. SMITH of New Jersey. Mr. President, on January 1 a new independent state was born. I refer to the Sudan. On that day the flags of Great Britain and of Egypt, who had jointly ruled the Sudan since 1898, were lowered, and that country received from its former rulers recognition of its independence.

On the same day Queen Elizabeth II, Prime Minister Eden, and Foreign Secretary Lloyd of Great Britain congratulated the Sudan on its independence.

Similar words of greetings have been sent to the Sudan by our Government and by the President, and the United States recognized the newly independent State of the Sudan on January 1, 1956.

It has always been my feeling that when the United States—and specifically the Congress—has an opportunity to demonstrate its approval of and support for nations which are just obtaining their independence and self-government, we should take that opportunity.

The United States, as a former colonial power, has traditionally been most sympathetic toward other people who are striving for freedom, independence, and self-government.

I believe we should always strongly support those in other lands who can demonstrate their ability to govern themselves responsibly and in a democratic fashion.

Mr. President, with these principles in mind, on behalf of myself, the distinguished chairman of the Committee on Foreign Relations, the Senator from Georgia [Mr. GEORGE], and the ranking members on that committee from both parties, the Senator from Rhode Island [Mr. GREEN] and the Senator from Wisconsin [Mr. WILEY], I introduce, for appropriate reference, a joint resolution extending greetings of the Congress to the Sudan, expressing, in the words of the resolution, "the earnest hope that the Parliament and the people of the Sudan will enjoy continuing success in the development of a sovereign democratic republic" and reaffirming "the friendship of the United States for the people of the Sudan."

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 128) to extend greetings to Sudan, introduced by Mr. SMITH of New Jersey (for himself, Mr. GEORGE, Mr. GREEN, and Mr. WILEY), was received, read twice by its title, and referred to the Committee on Foreign Relations.

FUNDS FOR CERTAIN PUBLIC WORKS PROJECTS

Mr. NEUBERGER. Mr. President, never before in world history has a government solemnly announced that it was too poor to afford for its own people something which it was willing to finance for the people of another country.

Yet that has occurred in the United States of America, under our present Republican administration. For this reason, I am submitting, for appropriate reference, a resolution, to state as our public policy that, whenever any sum is spent by our Government for a multipurpose river project outside the borders of the United States, an equal sum should be appropriated that same year for multipurpose river projects inside the boundaries of the United States. My resolution also adds: "and such equal sum should be in addition to ordinary appropriations during such year for multipurpose dam projects within the United States."

Why is such a resolution necessary, Mr. President? I shall explain the reasons.

FUNDS FOR EGYPT DAM, NONE FOR HELLS CANYON

According to the press, the present national administration is preparing to help Egypt erect at Aswan on the Nile River a great dam project for water power, irrigation, and flood control, which will cost a total of $1,300,000,000. Yet this same administration has told the inhabitants of the Pacific Northwest that we are too poor in purse to erect a dam costing $350 million—about one-fourth the cost of the Egyptian project, at Hells Canyon along the Snake River, which is the finest water-power site still undeveloped in the United States.

Mr. President, if some of us read this in a satire by Jonathan Swift, or in a novel by Alexander Dumas, we would regard it as so fantastic as to be beyond human credulity.

Yet it is happening right before our own eyes. The United States Government is planning to help finance Sadd el'Ali, as the high dam on the Nile River is known to Egyptians. But the leaders of our Government shake their heads negatively when the people of the States of Oregon, Washington, and Idaho ask about the high dam on the Snake River. This explains why I occasionally refer to Secretary of the Interior Douglas McKay, one of the spokesmen for this Jekyll-and-Hyde policy, as "no Sadd el'Ali."

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. MORSE. Does the Senator have the same understanding I do, that the proposal of the administration is to grant $56 million to Egypt for the Aswan Dam, which will be just a complete giveaway of tax money? But we cannot get them to go along with the appropriations for a self-liquidating dam at Hells Canyon, a dam which over the years would return to the Treasury many times its cost.

Does my colleague have the same feeling about this matter that I do?

Mr. NEUBERGER. I certainly do. The administration has said there are not funds in the Treasury for the Hells Canyon Dam.

Mr. MORSE. But apparently the administration has $56 million to give away to Egypt, although no return will be had by us from that dam, whereas from Hells Canyon Dam the American people will get back everything they invest, and also the profits over the years. Is not that true?

Mr. NEUBERGER. Yes; the distinguished senior Senator from Oregon is entirely correct.

Mr. MORSE. It all seems to depend on whether there are in the United States private utilities which wish to obtain everything they can from the Government, by way of tax amortizations and by way of skimming the cream from projects for the utilization of our rivers. However, we find that when it comes to Egypt, the administration desires to give away $56 million.

Let me serve notice now that when the Aswan Dam proposal reaches the floor of the Senate, the Senate will have an opportunity to decide whether it wishes to give away $56 million and not vote for an amendment on Hells Canyon.

Mr. NEUBERGER. Mr. President, I am very glad that the senior Senator from Oregon takes that position.

In May of 1954, Secretary McKay, who is an ex-Republican Governor of Oregon, told the residents of Oregon in a statewide TV and radio broadcast that, because our Government was burdened with a debt of $275 billion, it was necessary to forego further Federal dams such as Bonneville, McNary, Hungry Horse, and Grand Coulee. The Secretary said that Congress, conscious of this national debt, was beginning to be reluctant to appropriate funds for Federal projects in the Columbia River basin.

COLUMBIA DAMS REPAY TREASURY

I suppose such reluctance might be a fact, although it should be emphasized that existing Federal dams on the Columbia River system are paying for themselves, through power revenues, and that the Bonneville Power Administration is $65 million ahead of its repayment schedule for principal plus interest.

But in the name of reason, Mr. President, if it is our $275 billion national debt that keeps us from financing a high dam on the Snake River in the United States of America, how can we finance a still higher dam on the Nile River in Egypt? What are we using to help pay for the Egyptian dam—Confederate dollars, counterfeit coins, or wampum?

How can our Treasury be so empty when we need a dam on the Oregon-Idaho border, but so full when the administration wants to put up a dam in Egypt? I thought I knew the names of my 48 States pretty well, but has Egypt been included in the Union while I was not looking? Maybe we took it in as a State ahead of Alaska, inasmuch as this administration is so opposed to Alaska because Alaska might commit the unpardonable crime of electing two Democratic Senators. Are the Senators from Egypt present in the Chamber?

Mr. President, I am not an opponent of foreign aid. To the contrary, I am a supporter of foreign aid. Support for our mutual security and technical assistance programs was an important issue in my campaign for the United States Senate. I believe it is far cheaper for the United States to strengthen our friends and allies through financial assistance than to be without friends or allies when we would have to prepare for a possible defense against aggressors. On the Senate rollcalls last year, when efforts were made to weaken our foreign-aid program, I allied myself with those Senators, under the leadership of the distinguished senior Senator from Georgia [Mr. GEORGE], who stood by substantial and generous commitments to nations which might be at our side in any crisis between the free world and the Soviet world.

But, Mr. President, it is hard to justify a foreign-aid program which offers to another country a gift which has been denied to our own people. In the present instance, it is a multipurpose river projects providing hydroelectric power, irrigation, navigation, and flood control. I would feel the same if we presented another nation with food or clothing when we were being denied these necessities in America. Of course, this is not the case with food or clothing, which are in more than ample supply.

ADMINISTRATION CHOKES RIVER PLANS

However, the present national administration has choked off a vast and successful program of American river development. For example, the budget for fiscal 1957 carries no substantial increase over fiscal 1956 in funds for river control, despite the fact that the past year has been troubled by a series of tragic and disastrous floods in New England, in California, and in the States of the Pacific Northwest. Flood control for Egypt, but not for the United States. Is this grim irony to continue? At Hells Canyon, though abandonment of the plans for a high Federal dam, the region where I live is losing nearly 3 million acre-feet of valuable and perhaps lifesaving storage which could provide flood control.

These circumstances make both ironic and absurd the news in the press that the United States is about to advance $56 million as the first installment on its assistance to Egypt in the financing of Sadd el'Ali, the high dam across the Nile River. I wonder whether one major factor in this amazing situation is the fact that no private utility company evidently covets the site on the Nile, whereas a very influential private-power corporation already has a half-Nelson on the site along the Snake River? After all, this administration never—no, never—does anything to offend or disturb a private-utility company. Never. What if 3 million acre-feet of storage for flood control are sacrificed for all time? What if more than 405,000 firm kilowatts of energy are lost eternally? Still, we must remember that this administration cannot jettison its political alliance with the private utilities; that would be unthinkable.

POVERTY HANDMAIDEN TO COMMUNISM

So that I not be misunderstood, Mr. President, let me say once more that I do not criticize American technical and economic assistance to underdeveloped countries, whether for railroads, public-health and sanitation systems, agricultural modernization, or multipurpose

river-development projects. In past years, we have spent millions of dollars for such projects in many countries of Latin America, Europe, and Asia; and Egypt is but the latest instance, and a spectacular one.

I support American assistance of this type, because only rising standards of living will enable the millions of people of underdeveloped nations to take their place in the kind of world both they and the people of America want. Poverty, disease, hunger, and malnutrition are the handmaidens of communism. Only with our help can other peoples achieve the standards they seek as independent nations, without a 999-year mortgage to Soviet imperialism.

A high dam is fine for the Nile River in Egypt, just as a high dam is fine for the Snake River in the United States. If our help with a high dam to raise their living standards will give the people of Egypt friendship for and confidence in the free and democratic West, very good. But I have been concerned, Mr. President, with reports that the United States and Soviet Russia are virtually bidding against each other for a chance to pay for Egypt's Aswan project. Under such circumstances, will not the people of Egypt, and of all other underdeveloped nations, cynically conclude that we are merely submitting to international blackmail? Will not this bidding for their favor strike them as reminiscent of buying a harem slave girl on the auction block?

ADMINISTRATION LABEL ON HIGH DAMS: "NOT TO BE TAKEN INTERNALLY"

Perhaps, Mr. President, there is still hope for the people of the Pacific Northwest. Perhaps even this administration, even Secretary McKay, would break down and favor a Sadd el'Ali at Hells Canyon, if the people of the Pacific Northwest could obtain an offer from Russia to advance the funds which the United States somehow cannot find for that project.

Joke though we may, Mr. President, this basically is no joking matter. It is sad and distressing. What will historians say of a government which let floods surge down the Feather and Snake and Coquille Rivers in its own country, but kept eyes only on the Nile River, 6,000 miles away? Apparently high dams are for export only. "Not to be taken internally" is the administration's label on the high-dam bottle, I suppose.

Mr. President, I ask unanimous consent to have the full text of my resolution printed at this point in the RECORD.

There being no objection, the resolution (S. Res. 201) was ordered to be printed in the RECORD, as follows:

Resolved, That it is the sense of the Senate that whenever any sum is appropriated by the United States Government for the purpose of financing or assisting in the financing, on either a loan or grant basis, of a multipurpose dam project for hydroelectric, flood control, irrigation, or navigation purposes in any foreign country, an equal sum should be appropriated during the same year for one or more Federal projects for hydroelectric, flood control, irrigation, or navigation purposes within the United States, and such equal sum should be in addition to ordinary appropriations during such year for multipurpose dam projects within the United States.

Mr. NEUBERGER. Mr. President, I also should like to propose to my colleague the illustrious senior Senator from Oregon [Mr. MORSE], who is the foremost champion of public power in this Chamber, that, as a member of the Foreign Relations Committee, he consider the inclusion of a Hells Canyon provision in the Sadd el'Ali bill, if the administration sends such proposed legislation to the Senate. If anyone can dramatize this paradox of Sadd el'Ali for Egypt and no Sadd el'Ali for the United States, it is the senior Senator from Oregon, with his fighting qualities and his gift of oratory and persuasion.

In conclusion, Mr. President, I ask unanimous consent that there appear with my remarks a press release on this subject from my office, dated December 13, 1955; an article from the Economist of London, dated December 3, 1955, entitled "The Sudanese and the High Dam"; and an Associated Press dispatch from the Oregon Daily Journal of Portland, Oreg., dated December 17, 1955.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

PRESS RELEASE FROM THE OFFICE OF SENATOR RICHARD L. NEUBERGER, DECEMBER 13, 1955

A recommendation that the United States ask the World Bank for $300 million to build a high Federal dam across the Snake River in Hells Canyon came today from Senator RICHARD L. NEUBERGER, Democrat of Oregon.

"Secretary of the Interior McKay has abandoned North America's finest remaining hydroelectric site to the Idaho Power Co. for piece-meal use, on the grounds that our Treasury is so depleted," said NEUBERGER. "Yet this same Republican administration favors both American and World Bank assistance to Egypt for erection of Sadd el' Ali, the high dam across the Nile River."

NEUBERGER claimed that, if the Federal Treasury is too hard pressed to finance a great dam across the Snake River in the United States, he finds it difficult to understand how this same Treasury can help to pay for a dam across the Nile River in Egypt.

"I guess no Republican private-utility lobbyists are opposed to a dam in Egypt," NEUBERGER added.

The 42-year-old Oregon Senator declared that history contains "few ironies to match that of a great nation which is willing to help finance a high dam on the Nile River, 6,000 miles away, but insists it is too poor in purse to finance a high dam to generate a million vitally needed kilowatts of power, control floods, and assist navigation and irrigation within its own borders."

"Apparently the administration feels that what's good for Egypt is not good for the United States," he added. "Is it rash to think America's resources deserve development at least equal to Egypt's? All possible steps should be taken to save the magnificent natural resource at Hells Canyon, even if the United States must obtain international assistance from the World Bank to do so."

The Oregon Senator, who described himself as a supporter of programs to assist friendly nations overseas, said it was passing strange that administration spokesmen say the United States cannot raise funds to develop Hells Canyon.

[From the London (England) Economist of December 3, 1955]

THE SUDANESE AND THE HIGH DAM

Colonel Nasser's project for a high dam on the Nile has so dramatic a ring that it has captured imagination outside as well as inside Egypt. Therefore its implications for those who live upstream of it are escaping attention. The world hears that the Sudan, which is the country principally concerned, is to have half of the net benefit of the new water, and since this is more water than the Sudanese are using now, it imagines that they are getting a generous deal. But in fact they are perturbed. In Khartoum a young government, beset with domestic problems, is being asked to give now a decision on proportions that will affect the Sudanese for all time. The issue to the Sudanese is not just their share in the immediate benefit (in the technical sense of additional usable water) nor yet the major disturbance to the Halfa region that was described by the Cairo correspondent of the Economist 2 weeks ago. It is to safeguard a fair share, stretching far into the future, in the waters of the Nile.

The prime object of the dam is over-year storage, retaining the excess of high years to supplement low, so that all years are average and use can be constant and full. Clearly, the capacity of the reservoir must be very large, enough to cope with a cycle of low years yet with room for the excess if high years come instead—it must never get too full or too empty. Nor can use begin until an adequate starting supply has been accumulated, which means earmarking surplus water for an unknown and possibly lengthy initial period.

The idea of the high dam was developed from the proposal for a third raising of the Aswan Dam for flood protection, and as then conceived was combined with a project for flood escape into the Wadi Rayan further downstream. In its present form, with over-year storage, it dates from late 1952. Until then, over 50 years' study of Nile control, covering the whole of the Nile Basin, had led to schemes for overyear storage at source—in the East African lakes and in Lake Tana, in Ethiopia. The main works were to include, for the Equatorial (White) Nile, use of Lakes Victoria, Kioga, and Albert, with dams and regulators and a 170-mile channel through the area known as the Sudd to reduce loss in the Southern Sudan swamps; for the Blue Nile, a dam at Lake Tana and probably one at Roseires; and for the Main Nile, north of Khartoum, one or more dams primarily for flood protection. The Owen Falls Dam has already been built high enough to allow future storage in Lake Victoria, with Egypt making a contribution to the cost.

These components, spread over a vast area and involving many countries, obviously have to be tackled in stages. The fascination of the high-dam scheme is that it appears to solve all problems, technical and political, by a single project. For Egypt, it has the obvious attractions of gathering water in one place (and that on the doorstep), giving flood protection, and providing power. For the Sudan, these attractions are reversed; the water is a thousand river miles downstream from the area of use, and if it is to be made available where needed, costly works that would affect the river and so themselves require agreement, will be necessary; there is no flood protection element at all, and a share of power, if on offer, is from a point hundreds of miles over the Nubian Desert. Further, the Aswan region is one of the hottest and driest in the world, and losses by evaporation will be at a maximum. For completely efficient control as much over year storage as possible should be cited where evaporation is lowest.

To fix the picture, some round figures are necessary. The population of Egypt is about 20 million, of the Sudan about half that figure. The gross areas under irrigation in Egypt now total roughly 6 million acres, in the Sudan roughly 1½ million. Neither can be considered simply—for example, the Egyptian practice of 3 crops in 2 years compares with an annual crop in the Sudan, and fallows differ—and the plain fact is that both countries have enough land, and prospective population, to use any amount of water.

The limit, in a word, is water. The average annual flow of the Nile, measured at Aswan, is 85 milliard (thousand million) tons; it has been recorded as ranging from 42 to 155 milliard tons. Four-fifths passes from July to December, with the peak of the flood in September, and much is surplus and lost to the sea. At present the Sudan uses 4, and Egypt 48 milliard tons. Full control, by the high dam, would add 84−(4+48)=32 milliard tons, the division of which is now in question. Between 10 and 12 milliard tons would be lost, mainly by evaporation from the huge reservoir, and the net gain would thus be about 20 milliard tons of usable water, at Aswan. The comparable aggregate benefit of the schemes previously under study was estimated in 1952 at 10 milliard tons. The figure of 20 milliard is clearly an upper limit, assuming hundred-percent control: That of 10 milliard is almost certainly conservative. The high-dam project in its present form displaces, but cannot fully replace, the other schemes; they may follow, in the distant future, but with reduced benefit to be shared later.

POSSIBILITIES OF DEVELOPMENT

The half share offered by Egypt refers to the net benefit of 20 milliard (i. e., at the cost of half the 12 milliard loss) and may more than treble the Sudan's present rights. This is a great increase and would certainly cover development for many years. But it covers only development already planned. Both closer cropping and the utilization of further areas (known to be suitable for development through postwar surveys in which consulting engineers and aerial survey took part) can double—and possibly treble—the Sudan's potential use of water.

The Sudan does not question Egypt's right to the 48 milliard tons now used, but does feel that Egypt had several thousand years' start (and, incidentally, acquired the cheap water), and that fair shares should take some account of the totals to date. To accept the present offer means that the Sudanese accept (besides the right of Egypt to draw on all surplus until the High Dam is first filled) a limit of certainly half, and possibly a third, to their long-term development potential—while Egypt may, in comparison, nearly achieve its target. The Sudanese would prefer first to settles shares of the balance of 32 milliard tons (and so, in effect, of the full 84 milliard) and then to be free to tackle such projects as they wished in order to make use of their share; at the same time they would be ready with consideration and assistance for any project Egypt might propose.

[From the Oregon Daily Journal of Portland, Oreg., of December 17, 1955]

DAM GIFT OFFERED—UNITED STATES, BRITAIN AID TO EGYPT PLANNED

WASHINGTON, December 17.—The United States and Britain have offered to give Egypt $70 million to begin construction of one of the world's greatest dams on the Nile River.

The State Department announced today that the two Western Powers had "assured the Egyptian Government * * * of their support in this project."

The announcement did not disclose any figures.

The offer of an initial $70 million, of which the United States would put up $56 million and Britain $14 million, was described, however, to be the heart of the proposition.

The move by the Western Powers is designed in part to counteract growing Russian influence in the Middle East bolstered particularly by the sale of arms to Egypt by Red Czechoslovakia.

It was learned the Western offer was made here last Friday to Egyptian Finance Minister Abdel Moneim El-Kaissouni by Under Secretary of State Herbert Hoover, Jr., and British Ambassador Roger Makins.

Kaissouni was scheduled to start back to Cairo today, by way of London, to discuss it with his government.

The great Nile project will irrigate about 2 million acres of arid land, to help feed Egypt's increasing population, and generate about 9 billion kilowatt-hours of power each year to boost industrialization.

Congress and the British Parliament must vote approval.

Russia has been reported offering to make Egypt a 50-year loan at 2½ percent interest to help finance the structure which will cost a reported $1,300,000,000 and take 15 to 18 years to complete.

State Department officials refused to say whether one of the conditions in the Western offer is that Russia should be barred entirely from the project but it was understood that this is in fact a condition, whether explicit or implied.

Mr. NEUBERGER. So, Mr. President, I am submitting my resolution to place the Senate on record as telling this administration that, for each dollar spent to provide power and flood control and irrigation overseas, at least one extra dollar should be budgeted for these priceless benefits in the United States. I do not like to suggest such a condition on our foreign-aid program, which has helped through the years to strengthen our allies and the free world, and thus ourselves. But, Mr. President, never before have we had a national administration which proclaimed as its policy that what was good for Egypt was not good for the United States of America. To straighten out that policy, I submit the resolution.

The resolution (S. Res. 201) was received and referred to the Committee on Interior and Insular Affairs.

Mr. MORSE. Mr. President, will my colleague yield to me?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to his colleague?

Mr. NEUBERGER. I yield.

Mr. MORSE. I wish to say to my colleague that I appreciate his very generous remarks. I desire to assure him that if the Aswan Dam and the $56 million item get to the floor of the United States Senate, I shall give my colleague an opportunity to vote on that dam and also to vote on an amendment which will protect the people of the United States in a high dam at Hells Canyon, which will provide for a self-liquidating project that will help us with flood control and help us obtain the cheap power we need for our country.

Let me say in conclusion that I am just at a loss to understand an administration which thinks it could get by with a proposal to use $56 million of the American taxpayers' money to build a high dam in Egypt, and then argue that it is creeping socialism in the United States if in the United States we build a dam that will pay back to the taxpayers of our country more than its cost over the years.

Mr. NEUBERGER. Mr. President, let me remind the senior Senator from Oregon that the $56 million is just the beginning of the first contract for the Aswan Dam.

But evidently, as he realizes, high dams are for export only, and are not to be taken internally.

REPAIR ASSISTANCE TO NEW HOMES DAMAGED BY MAJOR DISASTERS—DISCHARGE OF A COMMITTEE—JOINT RESOLUTION PLACED ON CALENDAR

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate Committee on Banking and Currency be discharged from further consideration of House Joint Resolution 471. The joint resolution is identical with Calendar No. 1426, Senate Joint Resolution 113, to permit Federal Housing Administration title I repair assistance to new homes damaged by major disasters.

I will say to Members of the Senate that this matter has been cleared by Members from both sides of the aisle in the Banking and Currency Committee and also with the minority leadership.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the joint resolution will be placed on the calendar.

RESOLUTIONS TAKEN FROM THE CALENDAR AND REFERRED

Mr. CLEMENTS. Mr. President, I ask unanimous consent that Calendar No. 1460, Senate Resolution 193, to provide additional funds for the Committee on Labor and Public Welfare; Calendar No. 1461, Senate Resolution 194, authorizing the Committee on Labor and Public Welfare to employ four additional temporary clerical assistants; and Calendar No. 1462, Senate Resolution 180, providing additional funds for the Committee on Interstate and Foreign Commerce, be taken from the calendar and referred to the Committee on Rules and Administration.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address by him on the brink-of-war controversy, delivered before the safe-deposit section of the District of Columbia Bankers' Association on January 26, 1956.

REDUCTION IN FUNDS FOR THE ARMED SERVICES

Mr. SYMINGTON. Mr. President, the most highly publicized feature of the President's recent budget message was its prediction that the budget would be balanced during the year 1956. If these figures turn out to be accurate, there will have been a shift from a $4.2 billion deficit last year to a $200 million surplus this year.

Despite all the talk about our determination to increase our military strength, let us look from whence came this ability to obtain suddenly a balanced budget in 1956. Any American who believes it important for his country to remain free should be interested in the following facts:

To get a balanced budget this year, expenditures for combat aircraft are being reduced over a billion dollars. We

have heard much recent talk about our inability to compete with the Communists on a quantity basis; and that therefore we must excel in quality, especially technological quality. But, Mr. President, in order to achieve this balanced budget in 1956, expenditures for defense research and development have been cut $27 million.

This is not all. Although we now admit that the Soviets are far ahead of us under the sea, to achieve this balanced budget in 1956, we are cutting our Navy $300 million.

Despite the steady heavy reductions in the Army over the past 3 years, in order to achieve this balanced budget, we are cutting Army expenditures some $390 million.

We have heard and read much about being able to cut the Army and Navy and Marines because of the growing importance of airpower. Nevertheless, in order to achieve a balanced budget in 1956, we are now cutting the expenditures for the Air Force more than even those for the Army and Navy—$450 million.

What have been the favorable developments in our international relations, what have been the buildups in the military strength of our allies, that make it possible further to reduce our expenditures for national security during 1956?

All this is even more interesting because of testimony given the Senate, in secret session, stressing the almost unbelievable buildup in Communist air and sea strength in recent months. Their supremacy on the land has long been known.

Anybody who has even casually studied this problem knows that if these reductions are made this year, they will have to be made up next year, unless the announced goals are changed. But a year lost in military strength can never be made up.

Is it not interesting to note that whereas the expenditures for each of the armed services are being reduced hundreds of millions of dollars in the year 1956, plans to increase them are announced for 1957?

Despite all these conditions, we continue to cut our expenditures for national security and that is shown in a document which can be obtained by the Soviet Embassy for nothing.

This administration has boasted, and no doubt will continue to boast, that it has achieved a balanced budget, despite a tax reduction. But it is crystal clear that this has been done in one way, and one way only, namely, by reducing the military strength of the United States.

LETTER FROM GOVERNOR OF WISCONSIN URGING FACTS BE PRESENTED ON NATURAL GAS RATE ISSUE

Mr. WILEY. Mr. President, I was pleased to receive this morning from the Governor of my State, the Honorable Walter J. Kohler, a very important communciation. In it, he rightly pointed out several exceedingly significant facts concerning the utter lack of information on costs and prices for the production of natural gas—an utter lack of facts, compared to the enormous abundance of facts on interstate transmission of gas and local distribution of gas.

The reason for this discrepancy is, of course, the fact that the rates charged by local utilities are determined by State or local regulatory commissions. The rates charged by the interstate pipelines are an open, verified record before the Federal Power Commission. But there is a "paper curtain" over the real facts as regards the economics of the natural gas producers.

As my good friend, the Senator from Michigan [Mr. POTTER], has pointed out, not a single natural gas producer chose to present the facts before the Senate Interstate Commerce Committee.

The chief executive of my State, recognizing this and related situations, makes the wise recommendation that the Senate Interstate Commerce Committee should get the facts. He urges recommittal of the pending bill to that committee.

As I have been glad to point out on many occasions, I, too, believe that this matter should, at the very start of this session, have been recommitted to the Interstate Commerce Committee. Because of the relative lateness of the hour in debate on this issue, my colleagues may feel otherwise. I commend to them, however, the most excellent letter addressed to me by Governor Walter J. Kohler. I point out that it represents another chapter in an absolutely uninterrupted record on the part of the State of Wisconsin in defending the rights of 400,000 of its own consumers, and of 30 million natural gas consumers as a whole throughout our Nation. I know of no State which has had a better record in fighting the good fight.

I know of no State public service commission which has done a better job in scrutinizing this entire natural gas rate subject than that which has been performed by the Public Service Commission of Wisconsin, whose chairman is the Honorable James R. Durfee, a man whom I am proud to call a friend. What is more important is that he is a friend of the people of his State and of the Nation.

In the letter the Governor of Wisconsin refers, among other things, to an attack which was made on the regulatory commissions of the various States.

He suggests that this is an investigation which might very well be undertaken, on recommittal, by the appropriate committee. I ask that the entire letter be printed in the RECORD following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MADISON, WIS., *January 25, 1956.*

Hon. ALEXANDER WILEY,
Senator, State of Wisconsin,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: The present debate in the United States Senate on the Fulbright bill to exempt natural-gas producers from Federal regulation has resulted in a hopeless confusion of disputed figures and statistics about the natural-gas industry.

There can be no confusion as to the basis for rates charged by local utilities to the consumer of natural gas in Wisconsin or elsewhere. These rates are determined by State or local regulatory commissions, such as our public service commission in Wisconsin. There is no mystery or confusion here, as the utilities must file their records as to costs of operation and testify under oath and cross-examination on their rate hearings before these regulatory commissions. The basis for these rates is a matter of public record within every natural-gas consumer State.

Just as gas regulation in the State is an open verified public record, so also is the regulation of interstate natural-gas pipelines by the Federal Power Commission. There can be no confusion as to the basis for rates charged local utilities by these interstate pipelines. This, too, is a matter of public, verified record, officially determined by the Federal Power Commission.

Nevertheless, in the present debates, representatives of the gas producer States have attempted to place the responsibility for higher gas consumer rates upon the State and local regulatory commissions. Senator MONRONEY, of Oklahoma, a principal spokesman for the Fulbright bill, asserted recently on the Senate floor:

"I cannot understand how the local public regulatory bodies, which appeared before us at our hearings and cried in behalf of the poor consumers, have been sitting so idly by, failing to apply the yardstick of the cost of distribution elsewhere, and learning, perhaps, that the guilty fingerprints on the gun, if you please, which is holding up the consumers for high gas rates are their own fingerprints in permitting such high charges to go unchecked and unregulated." (CONGRESSIONAL RECORD, p. 292, Jan. 9, 1956.)

Last May and June, representatives of several regulatory commissions of consumer States, including Wisconsin, appeared voluntarily and testified before the hearings of the Senate Committee on Interstate and Foreign Commerce, against the Fulbright bill. They were cross-examined at length by Senators from producer States, including Senator MONRONEY. Neither Senator MONRONEY nor any other Senator ever raised these unfounded accusations against our State commission or any other State or local regulatory agency during the committee hearings. Such unfounded charges are now being made, for the first time, from the secure sanctuary of the Senate floor, without opportunity for reply by those accused. I am confident that this last minute vilification of the integrity and competence of an essential part of the government of the many consumer States will be resented and repudiated by them, regardless of political consideration.

The real confusion in statistics on natural gas prices lies in the fact that there are no accurate verified figures for costs and prices for production of natural gas comparable to the figures for interstate transmission or local distribution. While the case of the *State of Wisconsin et al. v. Phillips Petroleum Company et al.* was decided by the United States Supreme Court in June 1954, not one natural-gas producer has yet been required to submit its records in proof of its demands for increased prices, although producer increases totaling over $32 million have been allowed since the Phillips decisions. (F. P. C. News Digest, January 9, 1956.)

Furthermore, not one natural-gas producer ever appeared before the Senate committee hearings last summer to testify in support of their own bill. Senator POTTER of Michigan, a member of the Senate committee which conducted the hearings last summer, stated just the past week in the Senate debate on the Fulbright bill:

"Not one single producer—I should like to emphasize that—not one single producer af-

forded himself of the ample opportunity to plead his financial distress.

"Not one single producer appeared before the committee to show us the records, to give us his figures, to point out in what way he was suffering financially from the present regulatory situation.

"If their situation is as bad as they would like to have us think, why did they not appear to testify? There is a good reason, and I think that reason is quite apparent.

"The natural-gas producers feared to appear, to open their books, and present exact figures, because to do so would be to open a Pandora's box of questions, the answers to which would have been embarrassing to their cause, to say the least." (CONGRESSIONAL RECORD, p. 838, Jan. 19, 1956.)

If, as Senator MONRONEY, of Oklahoma, now charges, there are guilty fingerprints on the gun, the State and local regulatory commissions have registered their fingerprints as a matter of public record. The only missing fingerprints on the record are those of the natural gas producers. Let the producers themselves, who now seek exemption from the law, come forward before the Senate committee with their records. Let Senator MONRONEY withhold his last minute charges against the integrity and competence of State and local regulatory commissions all over this Nation until his own producer constituents from Oklahoma show their hands to the Senate.

This natural gas issue does not only involve their industry, the sixth largest in our country, but also involves about 30 million natural gas consumers including about 400,000 in Wisconsin. There may be substantial merits to both sides of the controversy which must be determined on the facts. What are the real first hand facts as to the natural gas production industry? How can the Senate determine these facts when not one producer has testified before the Senate committee?

I therefore respectfully recommend that you ask that the Fulbright bill be recommitted to the Senate Committee on Interstate and Foreign Commerce for further hearings, and specifically for hearings on first hand, direct testimony from the producers of natural gas themselves as to the real facts concerning their claim for exemption from the present Natural Gas Act.

If this measure has real merit, let the producers themselves furnish the proof. They are the ones who now seek to be exempted from the present law. Until this proof is forthcoming, the State of Wisconsin will continue to oppose the present Fulbright bill.

Respectfully yours,

WALTER J. KOHLER,
Governor.

THE ADMINISTRATION'S SCHOOL CONSTRUCTION PROGRAM

Mr. SMITH of New Jersey. Mr. President, on January 12 I introduced for myself and 16 of my colleagues Senate bill 2905, to implement the administration's school construction program.

This bill has received a great deal of support from the leaders in the education field and also from the press.

A recent Gallup poll indicates great support from the American public for a program of Federal aid for public-school construction.

I ask unanimous consent to have printed in the body of the RECORD the article by Dr. George Gallup, published in the New York Herald Tribune on January 22, 1956.

I also ask unanimous consent to have printed in the body of the RECORD as part of my remarks sundry editorials and articles from newspapers in Washington, New York, Philadelphia, and Chicago supporting the administration's emergency public school construction program.

Finally, I ask unanimous consent to have printed in the body of the RECORD as part of my remarks a statement by the National Education Association supporting the administration's school construction proposal.

There being no objection, the article, editorials, and statement were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of January 22, 1956]

SIXTY-SEVEN PERCENT OF POLL VOTE BACKS FEDERAL AID TO SCHOOLS—GALLUP FINDS ALL MAJOR GROUPS FOR PLAN, REGARDLESS OF POLITICS

(By George Gallup)

PRINCETON, N. J., January 21.—The American public is solidly in agreement with President Eisenhower's proposal to grant Federal aid to the public schols.

All major groups of the population, all parts of the country, and the rank-and-file of both the Republican and Democratic Parties approve of Government financial help for the building of new public schools, in the latest institute survey.

In a special message to Congress earlier this month, President Eisenhower proposed an emergency 5-year $2 billion Federal aid program for school construction.

NEW POLLS PLANNED

Interviewing in today's survey was completed before the President made his proposal. New polls will be taken to determine the effect of his message on United States public opinion.

The issue was posed to a scientifically drawn cross-section of the public in the following manner:

"Some people say that the Federal Government in Washington should give financial help to build new public schools, especially in the poorer States. Others say that this will mean higher taxes for every one and that States and local communities should build their own schools. How do you, yourself, feel—do you favor or oppose Federal aid to help build new public schools?"

The results for all adults:

	Percent
Favor	67
Oppose	24
No opinion	9

Although every population group is in favor of such a proposal, the following differences are observed:

1. Democrats are slightly more in favor of the proposal than are Republicans and independents.

2. By regions of the country, far westerners give proportionately the greatest indorsement to the Federal aid plan. Southerners, on the other hand, show the least inclination to favor such a proposal.

RESULTS BY PARTIES

The results on the above are given in table form below:

Politics	Percent
Favor aid:	
Republicans	64
Democrats	70
Independents	67
Oppose aid:	
Republicans	28
Democrats	21
Independents	22
No opinion:	
Republicans	8
Democrats	9
Independents	11

Region	Percent
East (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Delaware, Maryland, New Jersey, New York, Pennsylvania, and West Virginia):	
Favor aid	69
Oppose aid	23
No opinion	8
Midwest (Illinois, Indiana, Michigan, Ohio, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin):	
Favor aid	69
Oppose aid	22
No opinion	9
South (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia):	
Favor aid	60
Oppose aid	29
No opinion	11
Far West (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming, California, Oregon, and Washington):	
Favor aid	75
Oppose aid	17
No opinion	7

PUBLIC SYMPATHETIC

Today's survey is one more example of a general public sympathy toward educational problems.

An earlier survey, reported in October 1955, found that 2 out of 3 adults would be willing to pay more in taxes, if the extra money were used to raise school teachers' salaries.

The same survey also revealed that the public thought higher salaries would be the key factor in getting more personnel in the teaching profession.

[From the Philadelphia Inquirer of January 13, 1956]

AN EMERGENCY UNITED STATES SCHOOL PROGRAM

President Eisenhower's request for congressional action on a 5-year, $2 billion Federal school program points up 2 vital aspects of the crisis in the Nation's educational system.

One is that shortage of educational facilities for our children—due to a wartime lag in construction combined with a soaring birth rate—poses a national problem demanding prompt action if we are not to pay a heavy price tomorrow for failing to educate our children today.

The other is that providing proper schooling for our children is and should remain a local responsibility—but many communities, to their shame, have avoided it.

Because any failure to give our children proper educational opportunities can weaken the Nation, the President proposes that the Federal Government take unprecedented action to alleviate the shortage of public school classrooms which has denied schooling to some, and subjected millions of children to overcrowding.

Major part of the program is a proposal that the Federal Government provide a total of $1,250,000,000 over the next 5 years to aid in the construction of new public schools and additional classrooms. "Aid" is the key word, for Mr. Eisenhower insists that any sums granted by the Federal Government be matched by the States.

To complement this system of grants, the Federal Government also would purchase—up to a total of $750 million—local school construction bonds where the local district

cannot sell them in private markets at reasonable rates.

Need would be the basis for the grants. In a way this would penalize communities which have acted on their own to build their own schools. But the President suggests a formula for denying aid to States or communities which have the resources to build schools, but have simply failed to use them.

There is no question that this program or any like it, if passed by Congress, would put the Federal Government into the business of helping to pay for public schools which, up to now, has been a local responsibility. But the President feels that the need calls for drastic temporary measures, and statistics on the lack of classrooms back him up.

There is ample evidence, however, that Mr. Eisenhower has not shifted his ground on the imperative need for local communities to handle their own problems, in this and many other fields.

The requirement for matching contributions by the States is one provision he recommends to insure local action. Another is his request that any legislation contain safeguards against the danger that Federal aid will diminish local control of education.

Most important is the time limit. Mr. Eisenhower emphasizes that current and replacement needs for public school classrooms in general are being met. The 5-year program is to catch up with the war and postwar backlog of needs. After that is done, the Federal Government would step out of the school picture.

We hope that is the way it works out. For essential though it may be at this time, the Federal aid-to-schools plans demonstrate once more the way the Federal Government moves in when local communities fail to meet their own problems. And once the Federal Government has started to handle local problems—and to pay the bills—it is far to easy for the local communities to let down.

If this program goes through, it may give hard-pressed communities a chance to catch up on their job of schooling their children. It should spur local efforts to get more, better-trained and better-paid teachers—surely as important as school buildings.

Above all, if it is to be successful, it ought to strengthen the willingness of people in every State and local community to meet their own school responsibilities once the emergency is over.

[From the New York Mirror of January 13, 1956]

IKE'S SCHOOL-AID PROGRAM

President Eisenhower's proposed 5-year, $2 billion plan for Federal help in school construction is as follows:

Direct aid of $250 million each year for the neediest school districts, with the States matching the funds on a sliding-scale, ability-to-pay basis. Plus $750 million available for Federal purchase of school bonds where local school districts cannot find buyers at reasonable interest rates.

The program is to overcome the classroom shortage. After that, says the President, who emphasizes local and State responsibility for education, "The Federal grant program can and must terminate."

We take no quarrel with this enlightened, emergency proposal. Who could oppose the expenditure for schools, over a 5-year period, of less than half the amount projected for foreign aid in 1 year?

[From the Washington Post and Times Herald of January 13, 1956]

HOPE FOR THE SCHOOLS

The President's special message to Congress on education proposes a genuine and effective program of Federal aid for the Nation's public schools. The grants to be made under the proposal are somewhat less generous than those of the Kelley bill now pending before the House—$1,250,000,000 over a 5-year period as compared with $1,400,000,000 over a 4-year period. But the President has entirely abandoned the lamentable requirement of his last year's proposal that school districts take something in the nature of a pauper's oath before they could receive any grant at all. His new message reveals a much livelier understanding of the realities of the school problem. A great deal of the credit for this belongs, we fancy, to Marion Folsom, the new Secretary of Health, Education, and Welfare.

Mr. Eisenhower accompanied his specific recommendations with an outline of essential principles to be observed in connection with Federal grants. They are, briefly, that grants must not reduce the incentive for State and local efforts, that they should be distributed in accordance with relative need and that they should not in any way weaken "the American tradition that control of education must be kept close to the local communities." With the first and last of these, there will be little dispute in Congress and none whatever among educators. The Kelley bill would distribute Federal grants strictly in accordance with the distribution of school-age population. Allotment taking relative State resources into account has much to recommend it but many encounter political difficulties.

The President's sponsorship, at long last, of a full-fledged, bona fide Federal grant-in-aid program for education makes enactment of the program in this session of Congress a real possibility. He has been slow in recognizing the necessity for this program. The opening sentence of his message—"For several years now, our educational system has been the object of intensified appraisal"—is a marvel of understatement. The need for Federal aid was generally recognized long, long before the White House Conference. It is now an imperatively pressing need; and the President can best make amends for the delay by putting the full force of his office behind congressional action now. An education bill can be enacted if Mr. Eisenhower and Republican leaders in Congress get vigorously behind it. The importance of the program is plain. "We must recognize," as the President put it, "that a weakness in education anywhere is a weakness in the Nation as a whole."

[From the Washington Evening Star of January 13, 1956]

FEDERAL SCHOOL AID

The Federal Government, after much hesitation, has plunged headfirst into the turbulent waters of the Nation's school problem.

President Eisenhower's message outlines a proposed Federal-aid program which is designed to make possible, assuming a determined local effort, the construction of some 410,000 new classrooms in the next 5 years.

By any standard of measurement this is a big undertaking. The suggested Federal effort may be too much, too little, or about right. That is something which can be threshed out in the congressional debate which is certain to envelop this politically potent project.

For the moment it may be better to dwell, not upon the details of the President's program, but upon what he calls certain principles which are indispensable if Federal aid is to serve the cause of American education most effectively.

In summary form, these principles are: (1) Federal grants must not reduce the incentive for State and local effort, but, instead, should stimulate an increase in those efforts. To this end, it is proposed that grants be made only on a matching basis, and that proportionately smaller grants be made to States which are not exerting a maximum effort in their own behalf. (2) Federal funds should be distributed among the States according to relative need. In other words, the matching formula would be worked out so that the poorer States would get proportionately more Federal money, and the wealthier States proportionately less.

It seems to the Star that these are eminently sound principles, which should be faithfully adhered to. There is perhaps one more relevant principle which the President did not mention, but which should be kept in mind.

It is a fine thing to supply our children with modern schools and ample classrooms. But an up-to-date school system in terms of classrooms does not necessarily result in a good education. From all indications the Russians are leaving us behind in certain critical educational areas. Yet the chances are that their physical school plant, by and large, would look like a pretty primitive affair compared to ours. The difference lies in the kind of education which is offered, and which Russian youngsters are required to take. Our own educational problem is not going to be solved by 410,000 new classrooms, or by twice that many, as long as our sights are set on pushing the maximum number of children through school with a minimum of cerebral activity on their part.

[From the Chicago Sun-Times of January 13, 1956]

IKE'S PLAN TO BUILD SCHOOLS

School construction was seriously cut back during World War II and afterward because of a shortage of material and labor. After the war, the baby boom soon filled up the schools to overflowing.

Hundreds of thousands of children all over the country study in doubled-up classes or in makeshift buildings. And the tidal wave on the schools continues. The shortage of classrooms will get worse as time goes on.

Local communities have been trying to keep up with the increased demands, but there exists today a shortage of 203,000 classrooms. Many communities simply do not have the wealth required to meet the sudden need for new and modern school buildings. There is general agreement by all who have studied the problem that the Federal Government should help out.

In his special message on the subject yesterday, President Eisenhower said:

"The responsibility for public education rests with the States and local communities. Federal action which infringes upon this principle is alien to our system. But our history has demonstrated that the Federal Government, in the interest of the whole people, can and should help with certain problems of a nationwide scope and concern when States and communities—acting independently—cannot solve the full problem or solve it rapidly enough."

In this complicated atomic 20th century the education of youngsters must be of Federal concern. National security as well as needs of industry demand an educated and skilled citizenry.

The question before the Nation, therefore, is not whether the Government should help build schools, but how.

One plan, sponsored by Democrats, would simply dole out Federal money to communities or States on the basis of school-age population. The President instead proposes formulas that will not only help local communities but encourage them to do all they can on their own to meet the schoolroom shortage.

Under the Democratic plan, Federal funds might merely replace funds which otherwise would be raised at State and local levels. Ike's plan would require that Federal grants be matched by State appropriations. More-

over, he proposes a formula by which States that are lagging behind their ability to support public schools would not get as much Federal money. This should prod them into spending a greater proportion of their own funds for schools, to the ultimate benefit of the children.

In addition, the President proposes that Federal aid be distributed according to relative need. Larger amounts of money per school-age child would go to States with lower income per child; such States would not be required to put up as large a proportion of matching funds.

The President is saying that communities must do all they can to provide school facilities, but in those areas that are truly handicapped for lack of money, the children should not be handicapped for lack of education. A nation's greatest resource is its people; the next generation must be properly prepared for the great decisions and jobs it will face.

We hope this well thought out Eisenhower plan will not be handicapped by attempts to relate it to efforts to end segregation in public schools. These efforts should be directed at the local level, and any attempt to make school aid contingent on nonsegregation will, as a practical matter, simply doom the school aid program in Congress.

[From the New York Times of January 15, 1956]

EDUCATION IN REVIEW—PRESIDENT'S PLAN FOR FEDERAL AID TO SCHOOLS REMOVES OBJECTIONS TO HIS FIRST PROPOSALS

(By Benjamin Fine)

The President's message on education was well received in the academic field. Spokesmen for representative educational groups agreed that the proposals were a constructive step in the direction of better schools.

This is in marked contrast to the reception given to the President's program a year ago. Then the leading educators, almost without exception declared the plan impractical, unworkable, and without merit. They did not believe the school would he helpful.

When President Eisenhower presented his program on education Thursday, he showed a much deeper insight, and a broader grasp of the Nation's school needs than at any previous time. He presented a program that may well prove a landmark in Federal aid to the Nation's schools.

MAJOR PROPOSALS

In essence, these were the highlights of the President's plan for Federal support:

(1) A program of Federal grants amounting to $1,250,000,000 at a rate of $250 million annually for 5 years. This would be matched with State funds, to supplement local construction efforts.

(2) A program to authorize $750 million over 5 years for Federal purchase of local school-construction bonds when school districts cannot sell them in private markets at reasonable interest rates.

(3) A 5-year program of advances to help provide reserves for bonds issued by State school financing agencies. These bonds would finance local construction of schools to be rented and eventually owned by the local school systems.

(4) A 5-year $20 million program of matching grants to States for planning to help communities and States overcome obstacles to their financing of school construction.

The key to the above program is item No. 1—the direct grants in aid of $250 million annually for 5 years. This would mean, since the loans would be almost matched by the States, a total of close to $2,500,000,000 over the 5 years. It was estimated that about 60,000 classrooms could be constructed with this amount (at the prevailing cost of some $40,000 for each classroom). The additional classrooms may be just enough to meet the needs of a growing school population, providing the present rate of 60,000 or more classrooms a year is maintained, aside from the Federal program.

Whether the Democrats go along with the President's message remains to be seen. A bill, introduced by Representative AUGUSTINE B. KELLEY, Democrat, of Pennsylvania, and receiving bipartisan support, has been approved by the House Labor and Education Committee. It is scheduled to come up for a vote during this congressional session.

MATCHING AID

The bill calls for direct Federal aid, on a matching basis, of $400 million a year for 4 years. This would mean $1,600,000,000 in 4 years, rather than the $1,250,000, in 5. It is doubtful whether the administration will accept this measure.

But the difference is not too deep. Certainly, the difference has been whittled down drastically since the message of a year ago. And it is altogether likely that a compromise will be affected.

The President laid down several essential principles in his proposed Federal-aid program. The first, and most important, is that Federal grants will not reduce the incentive for State and local efforts. Rather, it is hoped that the Federal funds will stimulate an increase in such efforts. As the President noted, if Federal funds are used merely to replace funds that otherwise would or could be provided at State and local levels, there will be no net gain to the schools.

Accordingly, the message suggested that the grants be matched on a sliding scale. Some States have more resources than others. This formula was proposed by the President:

In distributing Federal funds, larger amounts per school-age child should be allotted to States with lower income per child.

In fixing matching requirements States with low income should not be required to put up as large a proportion of funds as higher income States.

As the States distribute these funds, the highest priority should be given to school districts with the least economic ability to meet their needs.

The Secretary of Health, Education, and Welfare, Marion B. Folsom, presented some rather interesting statistics concerning the school building program. This phase of education has been covered with political fog in recent months. Fortunately, the Secretary cut away the doubts, and came up with some constructive figures.

In the 1949–50 school year, he said, 36,000 classrooms were built in the country at a cost of about $1 billion. This last year the country built 67,000 classrooms at a cost of nearly $2,500,000,000. Yet this did not make a dent in the problem of overcrowding and obsolescence.

CLASSROOMS NEEDED

In the next 5 years, based on population trends, 210,000 new classrooms will be needed to keep up with the additional pupils who will crowd the schools. Another 80,000 units will be needed to relieve overcrowded conditions that already exist. And still another 180,000 classrooms will be needed to get rid of the obsolete buildings. This will make a total of 470,000 classrooms needed.

At the present rate of construction it is expected that the country will construct 410,000 classrooms. This will mean a shortage of 60,000. And here is where the Federal program enters the picture. The grants-in-aid from the Government are expected to provide funds for these classrooms.

Thus it can readily be seen the great bulk of the school-building financing will continue to come from the local and State authorities. This is in keeping with the administration policy of priming the States, but not replacing their responsibilities with Federal funds. The initiative, President Eisenhower stresses, must ever remain with the local communities.

Few would challenge that viewpoint. The proposals of the President appear to be both sound and practical. Even the former critics are now in President Eisenhower's corner. Typical of others is this statement by Dr. Worth McClure, executive secretary, American Association of School Administrators, a group that charged the President with playing politics last year:

"The President's message on school housing should bring hope to parents, teachers, and others concerned with the mounting threat to our public school system.

"I wish his proposal for grants to the States for school construction had carried a more nearly adequate amount. However, the amount will be fixed by the Congress anyway. Let us hope that the Congress, in its wisdom, will see fit to face the emergency and make realistic provision for it."

SEGREGATION QUESTION

Whether Congress will pass the measure, though, remains to be seen. The question of segregation may enter the picture, some of the educators warned. The belief has been expressed that States that do not conform with the Supreme Court ruling to desegregate should not get any of the proposed Federal funds. If that proviso enters the picture and gains support, the entire administration program is seriously endangered.

Some educators were unhappy about the limitations of the program. They would have wanted funds to go for the everyday operation of the schools, and for higher teacher salaries. But on the whole, the feeling is that the message went about as far as could be expected at this time.

[From the National Education Association News]

NATIONAL EDUCATION ASSOCIATION SUPPORTS NEW EISENHOWER EDUCATION PROPOSALS

WASHINGTON, D. C., January 14.—The National Education Association (NEA) today expressed general approval of the $1,250,000,000 school building program which President Eisenhower submitted to Congress on January 12.

NEA President J. Lester Buford praised the proposals. He noted that they are in line with the recommendations of the delegates to the recent White House Conference on Education and close to the long-time legislative program of increased Federal support for education advocated by NEA.

It was pointed out by Dr. Buford that the new proposals center around direct Federal grants totaling over a billion dollars in 5 years, with Federal bond buying and credit assistance included as supporting features.

"Aside from substantially increasing the amount of money suggested for grants," Dr. Buford stated that, "The significant major change from the 1955 Eisenhower plan is that now each section of the four-part program can be put into operation independently, or can be used in conjunction with the others."

Dr. Buford added: "The President's revised and broadened program will be especially heartening to the parents of nearly 1 million American children who are being deprived of full educational opportunities during the current school year. A report completed by the National Education Association only last week revealed that shortages of teachers and classrooms are continuing to squeeze children into understaffed, overcrowded, often obsolete school buildings on half or part-time schedules.

"A quarter-century of inadequate support for schools has now developed into an educational crisis. It is no longer a question of whether the Federal Government ought to act in this matter. The question is: How quickly can it act?"

ARTICLE BY DREW PEARSON REGARDING ROGUE RIVER NATIONAL FOREST

Mr. GOLDWATER. Mr. President, last week on the floor of the Senate I called the attention of this body to a number of errors Drew Pearson had made in reporting the Al Sarena case now being heard before a subcommittee of the Senate Interior and Insular Affairs Committee. Today I wish to invite the attention of the Senate to another of this irresponsible writer's efforts to smear the Secretary of the Interior and the Republican Party, only this effort cannot be called an error. It must carry the ugly and correct title of a lie.

Yesterday, January 26, there appeared in the Washington Post under the by-line of Mr. Pearson the following statement:

> Buried in the Senate Interior Committee files is an interesting letter, which was picked up when the Senate subpenaed the records of Secretary McKay.
>
> It's a letter from a friend of President Eisenhower addressed to him, asking that the Al Sarena section of the Rogue River National Forest be released to the McDonald family.
>
> Across the letter in his own handwriting President Eisenhower had scribbled "Dear Doug." Then followed a personal request from Ike to Doug to see what he could do about granting the Rogue River request.

Mr. President, at the subcommittee hearing yesterday, January 26, I asked committee counsel if such a letter were in the files of the committee. He said none existed. The same question was put to each of the staff members present, and the same negative answer was received. Under Secretary Davis on being questioned denied the existence of such a letter. House staff members voluntarily offered the information that their files contained no such letter.

Mr. President, it is clearly evident that no such letter exists. It is further obvious that Mr. Pearson will stop at nothing to further his efforts to smear the Secretary of the Interior and the Republican Party, but it is difficult for one accustomed as I am to his constant flow of inaccuracies and half truths to believe that he would stoop to a lie in an effort to smear the President of the United States; but his words convict him.

THE PRESIDENT'S HEALTH—NEWSLETTER FROM SENATOR NEUBERGER

Mr. GOLDWATER. Mr. President, I am very much pleased that the junior Senator from Oregon [Mr. NEUBERGER] has remained in the Chamber, because I did not wish to discuss the subject to which I am about to address myself in his absence.

Politics has never had the reputation of being a soft game. It is a hard one, and in an election year things are said intemperately, and personal feelings may be strained. We in politics expect that, and we have become accustomed to the rigors of politics. This year will be no exception to the established rule; but it is becoming obvious, from remarks made by certain members of the opposition, that the gutter might become the new level for their remarks.

In volume II, No. 1, of a newsletter to home, a remark was made by a Senator who has long associated himself with the highest ideals of politics. He has written extensively, and has spoken frequently to that point.

What has happened to make him change? Is the atmosphere of Washington so bad an influence? I hope it is not; and I hope that the Senator will not in the future infer that any member of the Republican Party would suggest the use of drugs by the President of the United States, as he did, when he said in his newsletter:

> There even exists the danger that panicky politicians in the President's entourage, more interested in their own ambitions than in the President's health, might try to have him propped up unwisely with drugs and other such aids, so that he could fulfill speaking and TV commitments, to the permanent detriment of his well-being—just to get by election day.

In order to be perfectly fair in this presentation, I ask unanimous consent that the portion of the newsletter under the heading "Why I Think the President Will Not Run Again" be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHY I THINK THE PRESIDENT WILL NOT RUN AGAIN

Every day somebody from Oregon writes to ask whether I think President Eisenhower will run for reelection. Although I have no more information about this than the next person, it is my opinion the President does not intend to be a candidate in 1956.

I base this on one assumption. Much as I disagree with the President on many major issues, I have faith in his commonsense on so personal a matter as his own health. I doubt if he would want a presidential campaign to take place in which his physical well-being would dominate the other great questions facing our country and the world.

Yet, what if the President ran again, and a virus or infection struck him midway through the campaign? This, of course, can happen to anyone at any time. If the virus were severe enough to compel the President to cancel engagements and speeches, millions of Americans inevitably would assume he had been stricken seriously once more. That might decide the election then and there. There even exists the danger that panicky politicians in the President's entourage, more interested in their own ambitions than in the President's health, might try to have him propped up unwisely with drugs and other such aids so that he could fulfill speaking and TV commitments, to the permanent detriment of his well-being—just to get by election day.

This would be a tragic state of affairs, sad for Dwight Eisenhower and bad for the United States. I question whether the President will enter a campaign where the slightest illness or indisposition on his part could become an issue subordinating foreign policy, agriculture, resources, and all the problems which confront us. That is why I, with no inside sources of information to go on, still think those prophets wrong who predict the President will run again in 1956.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. NEUBERGER. I should like to say to the Senator from Arizona that I am happy he accepted my suggestion that the entire text of that part of the newsletter be printed in the CONGRESSIONAL RECORD. Anyone reading the text cannot help noting the friendly tone in which it is written. Indeed, if the Senator had read the entire letter on the floor, I believe Senators would have noted that I said in the letter I had great faith in the President's good commonsense concerning his own health and his relationship to the country.

The letter is so friendly, in my opinion, that I took the initiative—I believe it was either yesterday or the day before—of sending a copy of it to the President, so that he could read the full text of it. I sent it with a personal note expressing my good wishes toward him in the matter of his health.

I believe that the entire letter is justified by the fact alone that after the President, at the age of 65, has had a serious heart attack, there are people in his party all over the country who are urging him to run again in a strenuous campaign for a very exacting office.

I am a Democrat and the Senator from Arizona is a Republican, but in retrospect, now, I do not hesitate to say that I believe my party made a mistake in 1944 when Franklin D. Roosevelt was encouraged to run for a fourth term, even though President Roosevelt, to my knowledge, had had no warning of anything like a heart attack.

I believe the distinguished Senator from Arizona and I will just have to leave it to the future to see what happens. I have no inside information at all, even far less than the Senator from Arizona has, but it is my opinion that the President will not run for a second term.

Mr. GOLDWATER. Mr. President, the Senator from Oregon is entitled to his opinion as to whether or not the President will run again. I could not agree with him more about ex-President Roosevelt.

I agree with him also that the letter was written in a very friendly tone. However, I am not discussing the cordiality of the writing; I am discussing the fact that in the letter the junior Senator from Oregon suggested that drugs might be urged upon the President in order to enable him to feel that he should run or to enable him to make television appearances.

I believe that the junior Senator from Oregon, on proper reflection, will agree that that was a most improper remark to make, even though it was made in the heat of a political campaign.

I have tried to approach this discussion this morning—and I am sure the Senator has too—in a vein that will prevent this sort of thing happening in the future. There is no need to become acrimonious about it, although if the other side continues in that vein, I can assure them that we on this side of the aisle can get very bitter, too.

I do not like to be accused, as a member of my party, of going to a man who has been ill and saying to him, "Mr. President, maybe you had better take a shot in the arm."

Mr. NEUBERGER. Mr. President, I should like to say to the distinguished Senator from Arizona that I hope he and all the members of his party and all members of my party will approach and

discuss this question with the health of President Eisenhower and his future permanent health foremost in mind.

Mr. GOLDWATER. I might say, in closing, that probably there are just as many Democrats as Republicans in the country who are urging President Eisenhower to run, because universally the people of America recognize his worth.

Mr. LEHMAN obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield to me briefly?

Mr. LEHMAN. I am glad to yield to the distinguished minority leader.

Mr. KNOWLAND. Mr. President, I had not intended to discuss this subject, but it has come upon the floor of the Senate and I must, as a Member of the Senate, say that I was deeply shocked when I had called to my attention the newsletter of the distinguished junior Senator from Oregon [Mr. NEUBERGER].

I merely wish to say that I believe it casts a reflection on the President of the United States to say he would permit any such thing to be done. I believe it casts a reflection upon the integrity of the White House staff, to suggest they would urge that any such action would be taken. I believe it casts a reflection upon the integrity of the medical profession to say that a member of that honored profession would advise the President of the United States that any such course be taken.

I hope that in the heat of the campaign we will not have a repetition of this type of statement.

Mr. POTTER. Mr. President, will the Senator from New York yield on that point?

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Washington will state it.

Mr. MAGNUSON. Are we still in the morning hour?

The PRESIDENT pro tempore. The Senate is in the morning hour.

Mr. MAGNUSON. May those of us who have committee meetings transact routine business now?

The PRESIDENT pro tempore. Objection is heard.

BIRTHDAY ANNIVERSARY OF ALBERT GALLATIN, FORMER SECRETARY OF THE TREASURY

Mr. LEHMAN. Mr. President, Sunday, January 29, will be the anniversary of the birthday of the great Albert Gallatin, the Secretary of the Treasury, who assumed that office on May 14, 1801.

He was a Swiss by birth. Indeed, he still spoke English with a strong accent while he was abroad representing the United States as Minister to France and to England.

He was a great man, reflecting the highest traditions of democracy which he learned in his native Switzerland and which he acquired in the new republic of his choice, the United States. His statue stands at the entrance to the Treasury Building here in Washington.

I have prepared a statement commemorating the anniversary of his birth, and I ask unanimous consent that it be presented in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

The name Albert Gallatin, besides bringing to mind our second and perhaps greatest Secretary of the Treasury, has always been for me the symbol of financial wisdom and integrity. His other roles as Senator, Congressman, Minister to France and England, president of the National Bank of New York City, and father of American ethnology only serve to reveal the breadth of service and interest of this multi-faceted genius. He was born 194 years ago tomorrow in Geneva, Switzerland, and emigrated to his adopted land at the age of 19. I would like today to pay tribute to his exceptional contributions to our country as a great Democrat, financier and builder of solid commercial relations with foreign lands.

Gallatin began to make his political weight felt in his early thirties when he helped redraft the Constitution of Pennsylvania to give due representation to the newly arrived immigrants. He had gone to that State to engage in real estate operations after a brief career in New England as businessman and teacher at Harvard. His outspoken opposition to the heavy internal tax policy of Hamilton during the presidency of John Adams sent Gallatin to Congress.

Although he was not to see taxes lowered until the administration of President Jefferson, Gallatin, as a young Congressman and intellectual leader of the Jeffersonian party in the House, did succeed in making the representatives of the people the custodians of Government spending. He founded and was first chairman of the House Ways and Means Committee, whose function it became to initiate Federal revenue bills.

After his appointment as Secretary of the Treasury by President Jefferson in 1801, he saw to it that tax collectors were appointed on the basis of fitness rather than patronage, and worked to liquidate the public debt and lower taxes. Unlike his predecessor Hamilton, Gallatin favored a system of yearly appropriations by Congress and curbs on his personal power as an executor of the will of Congress. Appropriations were to be for a calendar year and the unspent money would revert to the Treasury. Any other course, Gallatin contended, opened the path to corruption.

Honesty and integrity, plus a warm regard for the rights of average citizens, were the guideposts of this idealistic, yet thoroughly practical man.

In the wider sphere of international relations, the extension of trade, Gallatin held, was the key to progress and prosperity, just as commercial war was the enemy.

As a representative of the United States overseas, Gallatin served on a commission that negotiated the Treaty of Ghent with England that concluded the War of 1812. In 1818, he assisted United States Minister Richard Rush in London in concluding a commercial convention. In 1827, at the behest of John Quincy Adams, Gallatin as Minister to England, sent the problems of the delicate northeast boundary dispute with Britain to the King of Holland for arbitration. Had the Senate not rejected Gallatin's efforts in this arbitration, Maine would today be larger by several thousand square miles, for this issue was not to be settled—adversely for the United States—until 15 years later.

In New York City, from 1831 to 1839, Gallatin was president of the national bank which was to bear his name until 1912 when it was absorbed by the Hanover Bank.

Switzerland, the land of his birth, gave the illustrious immigrant the training in fundamentals (he distinguished himself as a scholar at Geneva Academy); while the young republic of America provided him with the opportunity to employ his vast talents in her development.

From time to time in the history of our country's commercial relations with other nations, sight is lost of the wise precepts of Gallatin. Errors in judgment, politically motivated, are often made. One such step backward was committed not long ago when a higher tariff was imposed on Swiss watch imports. This error was more recently compounded by the increased bicycle tariff. Our country's position as a reliable commercial partner has been senselessly and seriously weakened in the eyes of other nations.

But today, since Gallatin was born a Swiss, I would like to mention briefly the problem of trade as it concerns both his adopted and native lands. Since the bulk of the American watch importing industry is centered in my home State, I have a special interest in this matter.

The tariff increase not only hurts the Swiss, but, because of reduced imports, levies a serious threat to the livelihood off American importers, as well as the skilled assemblers who work for them and the wholesale and retail jewelers who sell the watches. The American consumer, whose interest Gallatin had always in mind, and for whom he worked to reduce taxes, is also adversely affected. We must pay more for our watches. Also, with fewer watches being brought in, revenues from import duties are not increased, but rather may actually decrease.

Both within and without my State, the manufacturers and farmers who send goods—for which they are paid in cash—to Switzerland, must view with alarm any attempt to weaken the purchasing power of America's best cash customer in Europe. For it is only reasonable that the Swiss, in shifting markets for their products to other areas, will buy their necessities increasingly from other nations.

Wise tariff policies in Gallatin's time proved to pay substantial dividends. There is to me no doubt that they will today. Let us honor the memory of a great American by looking again at his farsighted policies and adapting them to our present needs in a vastly shrunk and interdependent world.

EZRA T. BENSON, SECRETARY OF AGRICULTURE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have the privilege of addressing the Senate for not more than 10 minutes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota?

The Chair hears none, and the Senator may proceed.

Mr. HUMPHREY. Mr. President, I am sure that many of my colleagues will be interested in what I have to say, and I would appreciate their attention, if I may have it.

Some of my colleagues are aware of the fact that in past weeks I have been spending a little time reading publications. For instance, I read the January 16 issue of Life magazine with considerable interest. I am a subscriber to Harper's magazine, and I read with considerable interest an article appearing in the December issue. It was delayed reading, for I have been behind in my reading because of pressing duties in the Senate. However, I did read an article by John Fischer, entitled "The Country Slickers Take Us Again."

Listen, Mr. President, to what Mr. Fischer had to say, and then listen to what someone else had to say about it.

I shall quote only a few sentences, and then ask unanimous consent to have the entire article printed in the RECORD.

I read from the article:

Our pampered tyrant, the American farmer, is about to get his boots licked again by both political parties.

I read further from the article:

The record of recent elections indicates that the farmer is generally eager to sell his vote to the highest bidder, and that city people are too indifferent (or benumbed) to resent this legalized corruption, even when the bribe is lifted right out of their own pockets.

Another quotation:

When any hog keeps his jowls in the trough long enough, he gets to thinking he owns the trough.

Listen to this:

The ordinary Iowa farmer has a minimum of two new cars and they are usually brand new Buicks or Oldsmobiles or Cadillacs. These Iowa swinegrowers and steer fatteners are of course better off than many of their brethren in other States.

Listen to this quotation:

As a result, the individual farmer isn't much worse off—only about 5 percent—than he was at the peak of his scandalous wartime prosperity.

Listen to this:

The article says that Assistant Secretary Earl L. Butz contends that "too many people are trying to stay in agriculture."

Reading further:

That is the nub of the whole story—and politicians of both parties have been avoiding it for years. At least 40 million of our 350 million acres of cropland ought to be taken out of production. At least 1 million out of our 5½ million farm families ought to be nudged gradually off the land, and helped to find some useful occupation.

And, Mr. President, he gets better—or worse, I should say. The article goes on to say:

A grand-scale reshuffling of districts, both for Congress and the legislatures, seems to be the only long-range remedy. That will require something akin to an insurrection by the long-swindled city voters—followed by years of patient log-rolling and political maneuver. We can make a start next November, however, by throwing eggs at every candidate who poses as the Farmer's Friend. That will help get rid of one surplus, and a lot of political hypocrisy at the same time.

Mr. President, I ask unanimous consent that this nefarious—no, I withdraw the word "nefarious," and will say this injudicious article—be printed in its full text in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COUNTRY SLICKERS TAKE US AGAIN

(By John Fischer)

Our pampered tyrant, the American farmer, is about to get his boots licked again by both political parties.

Before next November's elections, Democrats and Republicans alike will be groveling all over the barnyard as they court the country vote—but the Democratic antics will be the most embarrassing. Nearly all Democratic politicians are now convinced that the farmers offer the largest single block of detachable votes—and many seem willing to use almost any tool of demagoguery which promises to pry it loose from the Republican grasp.

So when Congress opens up for business next month, the Democrats will set up a pious, baritone moan about the wretched plight of American agriculture. They will pass a farm-relief bill, loaded till its axles creak with rigid price supports, loans, conservation payments, and other shabbily disguised subsidies. Then they will pray for the President to veto it. Quite possibly he will have the courage and honesty to do just that—and Democratic Congressmen will then be sure that they have the farm vote in a gunny sack.

This cynicism is probably justified. The record of recent elections indicates that the farmer is generally eager to sell his vote to the highest bidder, and that city people are too indifferent (or benumbed) to resent this legalized corruption, even when the bribe is lifted right out of their own pockets. But don't blame the politicians for this record. They didn't make it. We did—all of us.

Our only excuse is that for 20 years—from 1920 until 1940—the farmers were in pretty bad shape. During these decades, city people got in the habit of giving them handouts, and haven't yet discovered that times have changed. The farmer not only got in the habit of accepting his dole; he came to believe that it belonged to him permanently, as a matter of right. When any hog keeps his jowls in the trough long enough, he gets to thinking he owns the trough.

Just how rugged is the farmer's plight today?

You should have such a plight.

When Harrison Salisbury, of the New York Times, traveled through the Middle West last summer, he reported that "the ordinary Iowa farmer * * * has a minimum of two new cars and they are usually brand new Buicks or Oldsmobiles or Cadillacs." These Iowa swine growers and steer fatteners are of course better off than many of their brethren in other States. Still, the average farm family, taken the country over, has assets totaling about $22,000.

It is true that the slice of the national income which goes to agriculture has shrunk in the last 4 years—that is what the moaning is all about—but the farm population has dwindled too. As a result, the individual farmer isn't much worse off—only about 5 percent—than he was at the peak of his scandalous wartime prosperity.

Everybody knows that it is the taxpayer who keeps the farmers (or rather, a favored group of them) living in clover and Cadillacs; but even the taxpayer seldom realizes how much it is costing him. The Treasury spent nearly $3 billion during the last fiscal year to support farm prices—but that was just the beginning. The scheme is rigged to nick the taxpayer twice; once when he pays to take surplus crops off the market, thus propping up prices; and again when he has to pay these artificial prices at the grocery store.

If you complain, the farmer—or rather the highly skilled lobbyists who front for him in Washington—have a plausible answer:

"Why shouldn't I get a subsidy, when nearly everybody else does? Look at the airlines, the steamship companies, the manufacturers with their tariffs—all getting fat at the taxpayer's expense. That has become the American way of life."

But there is a catch to this argument. The other subsidized industries are producing something that we need or, at least, can use. The farmers are being subsidized to produce millions of tons of things—cotton, wheat, rice, butter, and so on—which we don't need, can't possibly use, and can't even give away.

The Government has "invested" $7 billion to hide these useless crops away in dead storage. Wheat, for example, almost a billion bushels of it, is now overflowing from every grain elevator in the country—stored in old Liberty ships tied up as floating warehouses, heaped in long yellow mounds on the bare ground all through the Southwest. Nobody wants it, because wheat is in mountainous surplus the world over. Yet Washington is encouraging the farmers to plant still more, and promising to take it off their hands at a guaranteed high price.

Who gets the money?

Not the needy farmers. There are some of them—about 1½ million families whose acreage produces less than $1,000 a year. If the Federal bounty went to them, maybe it could be justified as sheer charity. In fact, relatively little of this river of greenbacks ever trickles in their direction.

The big subsidies go to the big farmers, such as the Delta Pine & Land Co., of Scott, Miss. It has $1,292,472 worth of cotton "under loan" to the Government. ("Loan" is part of the elaborate semantics used by the farm lobbyists to conceal the real nature of these subsidies. "Pawn" would be more accurate, since the Government is going to keep the cotton and the farmer the money. Nobody even pretends that these "loans" will ever be paid off.)

The Chandler Co., of Saragosa, Tex., is into the Treasury for $814,000 worth of cotton. Senator HOMER E. CAPEHART, farmer, of Indiana, is on the records for a $21,742 wheat loan. Adams Bros. & Co., of Odebolt, Iowa, got $179,127. The Louisiana Irrigation & Mill Co., of Crowley, La., turned its surplus rice over to the taxpayer for $486,727.

The list runs on for page after alarming page. What it shows is that the big helpings of Government gravy are going to about 2 million farmers—many of them corporations—who grow 85 percent of the total farm output. They operate a little more than a third of the farms. Yet they form the most powerful vested interest in the American economy. Since they dug into their positions of special privilege during Democratic administrations, Mr. Truman does not sound entirely convincing when he describes the Eisenhower regime as "a special privilege government."

In fact, Secretary of Agriculture Ezra Taft Benson has made a few gingerly efforts to bring a little sense back into our farm economy. Whereupon Democratic Congressmen, and some Republicans, promptly denounced him as a callous-hearted ogre. They pounced with even more indecent glee on one of his understrappers, Assistant Secretary Earl L. Butz, who was indiscreet enough to blurt out the truth.

"Too many people are trying to stay in agriculture," Butz said.

That is the nub of the whole story—and politicians of both parties have been avoiding it for years. At least 40 million of our 350 million acres of cropland ought to be taken out of production. At least 1 million out of our 5½ million farm families ought to be nudged gradually off the land, and helped to find some useful occupation.

One respected economist, Ross D. Robertson, of the St. Louis Federal Reserve Bank, goes much further. He suggests that "it is not inconceivable that 5 percent of the work force could produce all the farm products which the United States and a part of the rest of the world would take at profitable prices." If he is right, we could get along with less than half of the people we are now supporting in agriculture.

The explanation is that during the past 20 years farming has undergone a more sweeping technological revolution than anything industry has yet seen. New machinery, new fertilizers, new varieties of hybrid seed, new pest killers, new techniques have caused an astronomical rise in output, per man and per acre. Elementary commonsense, then, would suggest that the unneeded people ought to be shifted into other job, and the unneeded acres into better uses—notably timber and grass.

Our present farm policy, of course, works in precisely the opposite direction. It tends

to freeze both manpower and resources into their present obsolete and wasteful patterns. Moreover, the nostrum favored by most Democratic Congressmen—higher and even less flexible farm supports—would merely freeze these patterns higher still.

Why is it that any word of commonsense about farm problems is such political dynamite? Fundamentally, because our whole political structure, on every level, is stacked in favor of the farmer. North Dakota with its 680,000 people (mostly farmers) elects just as many Senators as New York with its 12 million (mostly city folks). Many a rural Congressman represents only one-half to one-fourth as many voters as his colleagues from city districts. In like fashion, nearly every State legislature is rigged to give an outrageously overaized representation to the country districts. (The political boundaries were drawn years ago, before the cities grew up; they can be changed only by legislative action; and the cornfed statesmen don't like to vote themselves out.)

A grand-scale reshuffling of districts, both for Congress and the legislatures, seems to be the only long-range remedy. That will require something akin to an insurrection by the long-swindled city voters—followed by years of patient log-rolling and political maneuver. We can make a start next November, however, by throwing eggs at every candidate who poses as the farmer's friend. That will help get rid of one surplus, and a lot of political hypocrisy at the same time.

By way of footnote, it might be well to add that the writer of these churlish lines is not merely an exasperated city taxpayer. He is that, all right. But he also comes from a farming family, grew up in farming communities, did a certain amount of farm work himself, owns an interest in farm property, and benefits from farm subsidies which he has done nothing to deserve. This is worth mentioning only because it suggests that there may be other people with a financial stake in our present ridiculous farming system—perhaps more than anybody suspects—who are ready for a change in the direction of sanity.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I would substitute for "injudicious" the word "nefarious."

Mr. HUMPHREY. The article is outrageous. It is designed to set city worker and city dweller against country worker and country dweller. But the author has a right to state his own views, and is entitled to a full expression of his views, wrong though they may be—and those views are, to my mind, unbelievably and incredibly wrong.

Mr. President, in the February issue of Harper's magazine which I hold in my hand, among letters to the editor appears a letter which I now read. Listen to this:

> I have read the article by John Fischer in the December issue of Harpers, with a great deal of interest. It is excellent.

It is signed "Ezra T. Benson, Secretary of Agriculture, Washington, D. C."

Now, Mr. President, Mr. Benson's letter to the editor is not only injudicious; it is another example of the Eisenhower Cabinet getting into print when it ought not to be, but, worse than that, this letter is an insult to every farmer in America. This man should be fired—now—this afternoon.

Mr. President, when the Secretary of Agriculture, as the farmers' spokesman, can endorse statements such as "scandalous wartime prosperity"; when he can endorse statements about farmers such as this: "When any hog keeps his jowls in the trough long enough, he gets to thinking he owns the trough"; when any Secretary of Agriculture can call the farm program "legalized corruption"; when a Secretary of Agriculture can recommend and endorse—not just endorse, but say that such a statement as that the people should stand and throw eggs at Members of Congress, is excellent——

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I rise in defense of Secretary Benson.

Mr. HUMPHREY. I appreciate that.

Mr. DOUGLAS. Is it not true that Mr. Benson, in adopting the policy he has espoused, is merely voicing the opinions and policies of the present administration?

Mr. HUMPHREY. That happens to be my conviction.

Mr. DOUGLAS. Then why not center the responsibility where it belongs, and not make Mr. Benson the whipping boy?

Mr. HUMPHREY. I said, first of all, that the administration should fire Mr. Benson, but I did not get around to the latter part of my thought, which is that what we need is a new administration.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does the Senator have any suspicion or reason to believe that the letter attributed to the Secretary of Agriculture, which he has just read, may be a forgery? Does the Senator believe it is an authentic letter? I cannot believe it could be authentic.

Mr. HUMPHREY. I would not imagine that Harpers magazine would print a letter with the name of Ezra T. Benson, Secretary of Agriculture, Washington, D. C., signed, without being sure it had a genuine letter.

Mr. MORSE. I think that is a reasonable presumption, but I wish to say, frankly, that I am at a loss to understand how the Secretary of Agriculture could write that letter, if he did write it. I have always considered him a very shortsighted reactionary, but I never believed he would supply us with evidence that he would be just a plain fool.

Mr. HUMPHREY. Mr. President, if the Secretary of Agriculture did not write that letter, I shall be the first to stand on this floor and apologize. I want the Secretary to know that. But I shall not accept the excuse that "someone in my office wrote it, and I signed it, but I did not know about it."

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Mr. Benson has been Secretary of Agriculture for 3 years, has he not?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. How much have agricultural prices declined during his stewardship?

Mr. HUMPHREY. Approximately 20 percent.

Mr. MANSFIELD. Does he believe in parity?

Mr. HUMPHREY. His chief said he did.

Mr. MANSFIELD. Mr. Benson has become quite proficient in speaking out of both sides of his mouth, with one exception, and that is that he is obdurate so far as flexible price supports are concerned. I hope he will come out soon with at least a 90 percent parity bill.

Mr. HUMPHREY. Let me state my exact purpose, in making these remarks. I did not come to the floor in a trick play with these magazine articles. I read them to members of the committee before I came here, and I was not exactly in a kindly attitude when I read them. My friends on the other side will undoubtedly speak for themselves, but I will say in their behalf that they were indignant and upset. They could not believe that this had happened, but it has happened. It explains what I have repeatedly said is the attitude of the Secretary toward the farm programs. He has made statement after statement in behalf of the administration which indicated that he was not going to administer the programs as they should be administered.

The PRESIDENT pro tempore. The time of the Senator from Minnesota has expired.

Mr. KUCHEL. Mr. President——

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the time of the Senator from Minnesota may be extended 5 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Minnesota is recognized for an additional 5 minutes.

Mr. HUMPHREY. I wish particularly to thank the junior Senator from California [Mr. KUCHEL], who is seeking the floor. He is always courteous and considerate. I shall be glad to reciprocate his kindness.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Did the Senator from Minnesota happen to see the television program last night on which the Secretary of Agriculture appeared?

Mr. HUMPHREY. I regret that I did not. I was at a dinner last night, given in behalf of our colleague, the senior Senator from Oregon [Mr. MORSE], where I heard delivered by our friend, Senator MORSE, one of the most brilliant addresses I have ever heard. Therefore, I was unable to see the television broadcast. I should also say that the senior Senator from Oregon was the recipient of the Sidney Hillman award, a singular honor.

Mr. SYMINGTON. I am certain it was a notable occasion, one worthy of the great senior Senator from Oregon.

In the broadcast to which I referred, the Secretary of Agriculture mentioned that at the time he took office, he was much worried about the fall in farm prices which had been in progress during the years prior to his taking office. Does the Senator from Minnesota know that in July 1955 the Secretary of Agriculture said in my State he was happy with the prosperity of the American farmer?

Mr. HUMPHREY. I was not aware of that statement. I am very glad to get this information. I am aware that an

economist of the Department of Agriculture, speaking in one of the New England States, I believe it was Massachusetts, reminded the American people, particularly the farmers, that the farmers had been living in a dream world in 1951, and could never expect to return to it.

Of course, other people were living in a nice dream world in 1951. This administration does not want farmers to have dreams; it wants them to have nightmares.

Mr. SYMINGTON. Mr. President, will the Senator yield for another question?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. How can the people of the cities be swindled when, according to a group of figures I have seen, labor has increased its return 14 percent; corporations have increased their earnings 18 percent before taxes, and 32 percent after taxes; while the income of the farmer in the same 3-year period has been reduced around 20 percent? How can it be said that the town and city people, laboring people, or business people, are being swindled? I am glad the latter groups received increased incomes. Incidentally, the stock-market values have increased some 50 percent in the last 3-year period. Some of those people say, "How can Mr. Benson approve anyone saying these people have been swindled by American farmers."

Mr. HUMPHREY. The Senator's figures are self-revealing in terms of what the truth is.

I disagree completely with the article by Mr. Fischer. I do not intend to attack Mr. Fischer. He has a right to his point of view. I will debate the farm question with Mr. Fischer as an individual. But I think it is fair to expect that a man who is the head of a department and who was appointed by a President who said he wanted to see the farmers get 100 percent of parity—I think it is fair to expect that such a Secretary would not endorse this article, and certainly would not say that it was excellent.

It seems to me that what the Secretary should have done was to have demanded equal space in Harpers and to have answered the article, as he did on Ed Murrow's show last night.

Is it not interesting that when there was something favorable for the farmer, as has been reported to me from Mr. Murrow's show, Mr. Benson wants to answer it? I did not hear that Mr. Benson wanted to answer the article in Harpers magazine. If Mr. Benson does not have time to answer it, perhaps it can be answered by the White House.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I am asking for information. As the Senator from Minnesota knows, one of the alibis of Secretary Benson has been that he has been unable to place the flexible Benson price-support program into operation as yet because he inherited a high-support program. Am I correct in my understanding that, since Benson has been Secretary of Agriculture, in the case of every commodity over which the Department of Agriculture has had jurisdiction, it has lowered the parity price, with the exception of the price of wool; and that in the case of wool, Congress passed a wool bill? Then, just 2 days before the President's state of the Union message, in which the President made his comment about agriculture, the Department of Agriculture lowered the parity price on rice? Is that true or false?

Mr. HUMPHREY. The Senator from Oregon is correct.

Mr. MORSE. It is to be noted that the wool bill adopted in principle for wool the Brannan plan.

I think the time has come to make clear to the people of the country that Benson does not tell them the facts about whether or not he has been putting the flexible price-support program into effect. He has been putting it into effect on every commodity over which he has had jurisdiction, and the purchasing power of the American farmer has been going down ever since he took office as a result of his program. His policies have been to the detriment of the American farmer.

I think the time has come to go after Secretary Benson for what he has done to American agriculture, and to make clear to Americans that he is America's No. 1 economic enemy, both to the farmers and to the economy as a whole.

Mr. HUMPHREY. I was interested in the comments of the minority leader, when he said he was deeply shocked by the comments of the junior Senator from Oregon. I wonder if the minority leader is deeply shocked by the letter of the Secretary of Agriculture.

I observe that a very good friend of agriculture has just come to the floor, the distinguished junior Senator from North Dakota [Mr. YOUNG]. The Senator from North Dakota and I had an opportunity to look at this article together. I shall not speak for the Senator from North Dakota, but I may say that as I read the article, I wished that I had followed his lead when he voted against the confirmation of Benson's nomination. The junior Senator from North Dakota is one of the Senators in the chamber today having good sense about agriculture.

Mr. YOUNG. Mr. President——

The PRESIDENT pro tempore. The Senator from North Dakota is recognized, under the rule, for 2 minutes.

Mr. YOUNG. I think the article which appeared in Harper's magazine is one of the most untrue, unfair, and dastardly articles ever written against the farmers of the United States. If it is true that Secretary of Agriculture Benson signed the letter, in which he said he read the article and approved it, I think he ought to resign immediately and to apologize to the farmers of America.

Mr. CASE of South Dakota. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. CASE of South Dakota. I, too, read the article bearing the initials of Mr. Fischer in the December issue of Harper's. I, also, was among those who were angered by it. I think it was entirely uncalled for.

I am shocked, if what now purports to be a letter praising the article by the Secretary of Agriculture was written by him, and if it is the entire letter as signed by him. I have some doubts on that score.

Mr. YOUNG. I may say that I have, too.

Mr. CASE of South Dakota. At present I have a call in for the Secretary at his office. A search is being made to determine whether or not this is an authentic letter, whether or not the Secretary signed it, and whether or not the letter was printed in full. If the facts are as Harper's would make them appear to be, Mr. Benson has ended his usefulness as Secretary of Agriculture.

Mr. HUMPHREY. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. HUMPHREY. Would it be appropriate if the junior Senator from Minnesota should communicate with Harper's to see if they have the letter?

Mr. YOUNG. Yes; it would be.

Mr. HUMPHREY. I shall do so immediately.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MORSE. I think the Senator from South Dakota [Mr. CASE] has raised an important point, one which I raised in a question in my earlier remarks. We ought to know whether or not Benson signed the letter. The presumption is that he did, but certainly we should know whether it is a forgery.

Mr. KUCHEL. Mr. President——

The PRESIDENT pro tempore. The Chair reminds the Senator from California that the Senate is operating under the 2-minute rule.

Mr. KUCHEL. I ask unanimous consent that I may speak for not to exceed 10 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from California is recognized for 10 minutes.

Mr. KUCHEL. My only purpose in rising to speak very briefly is to refute some of the statements which have been made by a few of my brethren on the other side of the aisle with respect to agricultural legislation. I do not speak as an expert on that subject. Indeed, on the one, single occasion during my short tenure in the Senate when a major piece of agriculture legislation was before the Senate, I cast my vote as an American rather than as a partisan. So did the Senate of the United States. That one, single occasion was when the Senate had before it the question whether the Senate should continue rigid price supports or should adopt flexible price supports.

To those of my brethren who have spoken during the last few minutes, and who have denounced the administration because it has followed a policy of urging flexibile price support legislation, I wish to recall now, that in 1948 the Democratic Party publicly promised the people of America that it would advocate flexible price support legislation in the next session of Congress.

It did that, and, to the credit of then President Truman, he followed his platform and he urged flexible price support legislation. But the Congress of the United States, which convened after the 1948 election, turned it down.

Two years later the incoming President of the United States asked Congress to adopt flexible price support legislation. During debate in the Senate, I sat, and listened to flexible price support legislation being persuasively advocated, not alone by Senate Republicans, but also by Senate Democrats, and particularly by one individual on the Democratic side of the aisle who is highly qualified to speak on agriculture. I refer to the distinguished junior Senator from New Mexico [Mr. ANDERSON], who was Secretary of Agriculture in the Cabinet of President Truman. CLINTON ANDERSON, Democrat, and GEORGE AIKEN, Republican, led the fight for the Eisenhower proposal.

When I voted in favor of flexible price support legislation, I did it as an American. I think it ill becomes some few Members of the Senate to denounce the Secretary of Agriculture.

I believe the senior Senator from Oregon called Mr. Benson "a fool" during his comments of a few moments ago. I deny that. Whatever else can be said, I am sure the Secretary of Agriculture is a man of honor and integrity, and is a man who is doing his level best to give assistance in the acknowledged plight of the farmer in the American economy today. And he is doing it under a law which Democrats helped to pass and which they used as a national pledge a few years ago.

That is all I have to say, Mr. President.

The PRESIDENT pro tempore. Is there further morning business?

Mr. ALLOTT. Mr. President, I ask unanimous consent to speak for 5 minutes on the subject of agriculture.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Colorado? The Chair hears none. The Senator is recognized for 5 minutes.

Mr. ALLOTT. Mr. President, I should like to address myself to the same subject which has been so vehemently discussed here in the last few minutes. I should like to call the attention of my colleagues on the Senate floor to a few inescapable facts which cannot be avoided in a discussion of this controversy.

Let us take a look at the record of farm prices in this country. Under President Roosevelt, from March 1937 to August 1939, farm prices fell 35 percent in 29 months.

Under President Truman, from January 1948 to January 1950, they fell 22 percent in 24 months.

Under President Truman, from March 1951 to December 1952, they fell 16 percent in 21 months.

In other words, under those 3 Democrat Presidents farm prices fell 35, 22, and 16 percent, or a total of 73 percent, in that period of time.

Last summer, in a discussion of the matter on the floor of the Senate, the very distinguished Senator who is chairman of the Committee on Agriculture and Forestry talked about approaching the agricultural problem from a nonpolitical viewpoint. At that time, as the junior Senator from Colorado, I seconded that thought. And I say to my colleagues in the Senate today that the sooner some of the intemperate remarks being broadcast over the country cease the sooner will we be able to take care of this great minority of our citizens, who now total only 13 percent of our population, but whose welfare is so vital to the welfare of the whole country.

Last spring 16 Senators joined with me in the introduction of a bill affecting farm credit. From all over the country, letters have come into my office pointing out the necessity of an expanded form of farm credit. Never have I taken a position with respect to this matter that was arbitrary. Every week last year I importuned the chairman of the Committee on Agriculture and Forestry, and the chairman of the subcommittee concerned, for a hearing upon the bill to which I referred.

Other bills for credit to the farmer are now pending in this body. They should be considered. They need to be considered. They have a right to be considered.

Now is the time when we, in this agricultural situation, may show the difference between having a partisan interest in what happens and having a true interest in the welfare of the farmer.

The few statistics which I have quoted could be backed up with many others. The statement has been made that the wool bill is the Brannan plan. I disagree. It is the pattern of the Sugar Act. It is patterned after the Sugar Act, and it was so intended.

So it seems to me that today we who really have an interest in the welfare of the farmer should devote ourselves to a judicial hearing and consideration of how we are going to help the farmer, rather than indulge in name calling and blame placing.

Mr. AIKEN subsequently said: Mr. President, I understand that early in the session this afternoon, while I was still in a session of the Committee on Agriculture and Forestry, there was considerable discussion with respect to a letter which the Secretary of Agriculture is purported to have written to Harper's magazine, relative to an article which appeared in the December issue of that magazine.

When I learned that the discussion had taken place I promptly communicated with the Secretary's office. I found that such a letter does exist; and that the Secretary assumes full responsibility for the letter and its contents.

This is thoroughly in keeping with the customary honesty of the man. However, I insisted upon learning the facts relative to the communication.

I find that the publisher of Harper's magazine did send an article to the Secretary, with an accompanying letter stating that he thought that he would like to have it.

The letter from the publisher was handled in a routine manner, like thousands of others which come to the Secretary's desk every week.

It appears that the reply in acknowledgment was prepared by one of the girl secretaries of one of the agencies connected with the Secretary's office.

It appears that then, in routine manner, the Secretary's signature was affixed by another clerk, and away went the letter, with the consequent uproar.

I know for a fact—and I obtained this information after insistence—that the Secretary did not see the article. He did not see the letter accompanying it. He did not see or sign the letter which has caused all the commotion here.

However, as I have said, he does assume responsibility for it, just as, in previous cases, he has assumed responsibility when employees of the Department have made mistakes.

Technically he is responsible for the thousands of letters which go out of the Department over his signature just as the head of every other department is responsible for what goes out of his department.

The article in Harper's magazine was entirely out of keeping with the character of the Secretary. I know positively that if he had had any inkling that such an article existed, or that such a commendatory letter was being sent out over his signature, he would never have permitted it to be done.

Mr. HUMPHREY subsequently said: Mr. President, I understand that during my absence from the Chamber this afternoon, while I was attending to other matters, the distinguished senior Senator from Vermont [Mr. AIKEN] made comment regarding the letter which was sent by the Secretary of Argiculture to Harper's magazine, such letter having been published in the February issue of Harper's magazine.

The letter, of course, refers to the article in Harper's magazine for December entitled "The Country Slickers Take Us Again." I notice that the comment of the distinguished Senator from Vermont indicates that he has been in touch with the Secretary's office. I also note that the Secretary assumes full responsibility for the letter and its contents. The Senator from Vermont further stated that "this is thoroughly in keeping with the customary honesty of the man."

I notice that the Senator from Vermont stated the letter was a reply in the form of an acknowledgment, allegedly prepared by one of the girl secretaries of one of the agencies connected with the Secretary's office. The Senator from Vermont further stated that after the letter was prepared, the Secretary's signature was affixed by another clerk in a rather routine manner, "and away went the letter, with the consequent uproar."

I accept the explanation of the Senator from Vermont, because I have a high regard for him. However, I wish to say that when the Secretary of Agriculture permits his signature to be affixed to a document, he ought to have the people who prepare such letters and documents state what the views of the Secretary are. I gather that that is the kind of people he has in his office. That is the kind of people I have in my office. It is that caliber of people every Senator has in his office.

I have noticed a tendency in the administration, when anything goes wrong, to say it is someone else who is responsible. Well, Mr. President, that may be fine. However, if a person wants to take credit for the rain, he must also take the blame for the drought.

I notice that when I commented on the Life magazine article, the President of the United States said he had not read the article. At first Mr. Dulles said he had not read it. Now we find that the Secretary of Agriculture had not read this article.

However, I would have the Senate note that in the Secretary's reply—and he assumes full responsibility for the reply—he says, "I have read the article." I would gather that that means what I was taught those words to mean, namely, that he had read the article.

Furthermore, Harper's magazine informs us, through the press services this afternoon, that all of the letter was not quoted, and that there was yet another paragraph, which reads:

Please accept my thanks for sending the article to me, and please convey my thanks to Mr. Fischer for a job well done.

That second paragraph indicates that the article was not sent to a secretary in Mr. Benson's office, but to Mr. Benson himself. It is not unusual for those of us who are in public life to have members of our staff prepare our replies, but it is generally assumed—and I would hope this assumption had validity—that those replies carry out the wishes and feelings and convictions and policies of the people for whom the letters are prepared for signature, namely, the principals involved.

The principal in this instance is the Secretary of Agriculture.

In order that the RECORD may be complete at this point, at least, I should like to say that there is another press service dispatch, apparently out of New York, dealing with this subject. I should like to read it now. It was taken from the ticker in the lobby of the Senate. It reads:

In New York, Fischer—

He is the editor of Harper's magazine—

said the letter was written on a Department of Agriculture letterhead and he had no reason to doubt the authenticity of the signature.

Fischer said that before publication of the article, "I sent a copy to the Information Office of the Department of Agriculture and asked them to check the accuracy of the statistics." He said, the Information Office "told me the statistics were correct, without assuming responsibility for any expressions of opinion."

I digress to point out, first of all, that the article was sent to the Office of Information of the Department of Agriculture. That Office is under the direction of the Secretary, and under the immediate direction of a person appointed by the Secretary. It is to be assumed that the Office is responsible to the Secretary of Agriculture. I continue to quote from the press release:

He—

Meaning Mr. Fischer—

said that, as a purely routine matter, a page proof of the article was sent to Benson, a day or two before publication, by H. A. Knowles, of Philadelphia, who handles publicity for Harper's. The Benson letter, published among the Letters to the Editor in the magazine, was Benson's acknowledgment to Knowles.

Mr. President, I know there will be those who will say that we are making a rather big issue out of what somebody might call, in rationalization, a minor matter.

I submit to my colleagues that the article to which the letter was directed in terms of compliment and approval, and even to the point where it was called a job well done, is an article that condemns in the most vigorous terms our agricultural policies.

It is an article which is anything but complimentary to our farmers. It is an article which portrays the farmers of America as ingrates, or people on a perpetual dole. It is an article designed to set city people against country people. I have been of the opinion for some time that there was far too much of that kind of propaganda emanating out of the Department of Agriculture.

It is for those reasons that I take sharp exception.

It is reassuring, of course, to have the Secretary of Agriculture say that he takes full responsibility for the article. That is what a man would say. Mr. Benson is a man of courage. I happen to believe that he is a man of poor judgment in matters of agricultural policy, and, in this instance, of poor judgment in terms of correspondence.

Mr. President, I should like to say one final word. I had expected that there would be some effort made to rationalize this unfortunate and, I am sure, not inadvertent act on the part of the Secretary of Agriculture. I indicated as much at the time of my original presentation in the Senate.

I must say that there have been other speeches made in the past 3 years which gave inspiration and, I imagine, some encouragement to the publication of the article in Harper's magazine to which I referred. Too many letters come to Members of Congress which carry the same kind of what I would call prejudicial information and messages. I do not believe any Member of Congress on either side of the aisle will wish to endorse the Secretary's letter to Harper's.

I invite my friends on the other side of the aisle to testify to whether they approve of the Secretary's letter, which approved of the article as being an excellent one and as a job well done.

I believe the American people have a right to know whether their representatives in Congress—Senators and Representatives—feel that the article was worthy of this kind of attention. It appears to me that what the Secretary should have done was to write to the editor and challenge the article. If there were the right kind of philosophy in the Department of Agriculture, from the top down, his secretarial staff, who are his appointees, would have intercepted the article and proceeded at once to write a vigorous reply.

As I said earlier, the Secretary has demanded equal time to answer Mr. Murrow for what was said on Mr. Murrow's TV show last evening, even though the Secretary was permitted to speak for 5 minutes on that show.

I wonder why the Secretary should become so excited about a television show which did not seem to please him, and yet should wait 2 months before he even indicated anything about the Harper's magazine article.

There would not have been any indication of interest in the Harper's article if I had not stood on the floor this afternoon and challenged it, or challenged the Secretary for what he did. I suggest that, if Mr. Benson gets an hour on TV, instead of trying to answer the splendid portrayal, according to those who saw it, by Mr. Murrow, he answer the Harper's article. I am confident that Mr. Fischer, who is a competent journalist, will give him plenty of space to answer the article if such space is requested. Harper's believes in freedom of the press.

I wish the RECORD to be clear that, while I disagree with the content of the article and with the intent and the general philosophy of Mr. Fischer, I do not disagree with his right to write it or to state it. Do not tell me that the Department of Agriculture did not know that the publication contained this article. Do not tell me that the Secretary of Agriculture did not read the article in Life magazine some time ago which indicated the same kind of thinking. Yet, when someone goes on the radio or on television and points out what is really happening to our farm families, the Secretary wants to have time to reply. But if someone writes an article that distorts and paints an improper picture of the situation, the Secretary does not reply.

It is rather difficult to write an article about agriculture from 49th Street in New York. The largest patch of ground in New York is Central Park, and that is not cultivated for commercial purposes.

So, Mr. President, I say very frankly that the Secretary should set this matter right first and let Mr. Murrow's program continue on in the interest of the people.

Mr. LONG. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. LONG. Do I correctly understand that the article which the Senator is discussing cast a very unfavorable reflection upon the farmers?

Mr. HUMPHREY. If the people of Louisiana read this article and know that Mr. Benson said it was an excellent one, and a job well done, I think the Senator from Louisiana will have trouble restraining them from marching on Washington.

I should like to ask the Senator whether he thinks, from reading this particular article, that it correctly portrays what is happening to the farm people in Louisiana. Listen to this:

Our pampered tyrant, the American farmer, is about to get his boots licked again by both political parties.

Does the Senator think the farmers are pampered?

Mr. LONG. Many of them are going broke, if they are pampered tyrants. I imagine they are willing to give up their farming activities, because they cannot make a living, or at least many of them cannot.

Mr. HUMPHREY. The article also states that the farmer has come to believe that the dole belongs to him permanently, as a matter of right, and it also says:

When any hog keeps his jowls in the trough long enough, he gets to thinking he owns the trough.

Is that a correct characterization of the farmer?

Mr. LONG. So far from defending himself against a statement by Mr. Murrow, the Secretary should be defending the farm families and not be congratulating Mr. Fischer upon the good job that had been done.

Mr. HUMPHREY. The Senator is correct. If someone will go out and get a copy of the United States Code he will find the public law which established the Department of Agriculture, and it will be found that it provides that the Secretary shall protect and promote the interests of agriculture.

We have had plenty of periodicals lately. I do not know which department will take on the next magazine article, but I suggest that there is nothing in any public law which I can recall, or in any constitutional provision, that says we are supposed to increase the circulation of magazines or approve of their articles, particularly when they are derogatory.

I think my colleagues will be interested to know why the Secretary thought it was an excellent piece and a job well done, when the article further says:

> A grand-scale reshuffling of districts, both for Congress and the legislatures, seems to be the only long-range remedy.

And it goes on to suggest the throwing of eggs at every candidate who poses as the farmer's friend.

I am sure there will be a few eggs that will spatter on some of our Republican colleagues.

The article goes on to say:

> That will help get rid of one surplus, and a lot of political hypocrisy at the same time.

Mr. DOUGLAS. Is that a quotation from the article?

Mr. HUMPHREY. That is correct. There does not appear to be any depressing surplus of eggs right now. The price went down 6 cents a dozen a short time ago, and when the budget message came through the price went down 3 cents a dozen.

Mr. President, I have no more to say on this matter. I gather it will be something which will be discussed from time to time. I think the Senator from South Dakota made a very appropriate observation today when he said he was of the opinion that the Secretary of Agriculture had outlived his usefulness. There are those who thought possibly he had had a longer extension of life on the job than the circumstances merited.

Mr. President, I shall await any further comment which others may have on this particular question, and I shall be prepared Monday to place in the RECORD a photostatic copy of the letter which we are discussing. I called Harpers today to check it, to make sure that the letter was in their possession, and I am happy to note that the Senator from Vermont [Mr. AIKEN] also knows that a copy of the letter is in the Department of Agriculture.

Mr. KNOWLAND. Mr. President, with his customary candor the Secretary of Agriculture authorized the following statement this afternoon:

> The article was sent into my office, but in the rush of my duties I did not see it. The letter was signed with my name by an assistant, Miller Shurtleff, who has this authority for occasional routine acknowledgments. But, as Secretary of Agriculture, I must take the responsibility for this and I so do. Of course, the contents of the article as reported to me by my staff does not in the slightest reflect my views. We pulled a boner on this one. I am sorry.

That is the end of the quotation from the statement of the Secretary of Agriculture. I think it is the type of statement which would naturally be made by a man of integrity and candor, who admits that he made a mistake and acknowledges it.

Mr. HUMPHREY. Mr. President, I wish to say that I feel the Secretary has done right in his apology. I hope my colleagues will not think I am too unkind or too unfair when I say that the article has been published since December. There was no apology about the article or the letter until it became a matter of controversy on the Senate floor.

Mr. ALLOTT. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. ALLOTT. Did the Senator read the article when it was published?

Mr. HUMPHREY. I regret to say that I was behind in my reading.

Mr. ALLOTT. I have not seen the article yet, but I intend to read it. Perhaps it did not come to the attention of the Secretary, either.

Mr. HUMPHREY. The Secretary was sent a page proof of the article. I was not sent a page proof, but may I say, Mr. President, that a Member of the House of Representatives placed it in the RECORD 2 days ago. There was no argument about it, and it did not hit the news. The Secretary did not apologize about it then.

Oh, Mr. President, I will rub it off the board in the sense that the Secretary in a manly way had accepted his responsibility.

I say very frankly that it is peculiar that the Department of Agriculture was willing to endorse an article like that. Are they writing letters, willy-nilly, endorsing articles which appear in periodicals? I have been told that there is a group in the Department which looks through the publications to find what are called pro-Benson articles. Then they write letters of congratulation. I am certain that that is what has happened to the Secretary. All pro-Benson articles are not necessarily excellent. They are not necessarily well done.

What I am discussing is a matter of public policy. Agriculture legislation is one of the most important public policies before Congress today.

It is unpleasant for me to state that I have a difficult time getting replies from the Secretary of Agriculture. I may not be the most influential Senator, but I am 1 of 2 Senators from Minnesota. I write to the Secretary repeatedly. About all I have received from him in reply has been a letter in the form of an offset, inviting me to see a wheat exhibit.

When I write to the Secretary of Agriculture, I would like to hear from the Secretary in return. I am tempted to send letters back to the persons who replied, and say: "I did not write to you." I know the Secretary has to have a staff to answer letters, but he might find time to answer some of my communications.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. It is a fact that I have written 17 times from my office to the Secretary of Agriculture reporting specific complaints by Missouri farmers of maladministration of the ASC program in Missouri. In reply to them I have received only one answer from the Secretary.

Is it not true that when the distinguished junior Senator from Minnesota conducted a hearing in Missouri, he requested, a month beforehand, that a representative of the Department of Agriculture be present at the hearing, and that, although apparently there is much time available for the Department to write letters to magazines, no one representing the Department of Agriculture came to the hearing?

Mr. HUMPHREY. The Senator from Missouri is correct. I wrote in September, but I did not receive a reply until the first week in November. Then the answer was not by the Secretary. I have forgotten now who replied. I believe it was an assistant to an Assistant Secretary. As the Senator from Missouri knows, no officer, no observer, or no counselor from the Department of Agriculture was made available.

Mr. SYMINGTON. Is it not true that many times questions came up during the hearing which could have been solved without difficulty to the interest of everyone concerned if there had been someone present from the Department to interpret the regulations incident to the office management of county committees?

Mr. HUMPHREY. Such a person could have been exceedingly helpful.

From page 282 of volume II of the United States Code, 1952 edition, I read the following:

> There shall be at the seat of government a Department of Agriculture, the general design and duties of which shall be to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, in the most general and comprehensive sense of that word, and to procure, propagate, and distribute among the people new and valuable seeds and plants.

The code then continues to enumerate the duties of the Department. I read:

> The Department of Agriculture shall be an executive department, under the supervision and control of a Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate.

Moreover—

> The Secretary of Agriculture shall procure and preserve all information concerning agriculture which he can obtain by means of books and correspondence, and by practical and scientific experiments, accurate records of which experiments shall be kept in his office, by the collection of statistics, and by any other appropriate means within his power.

It appears that one of the duties of the Secretary is that he "shall procure and preserve all information"; furthermore, that he shall, according to the

code, "acquire and diffuse among the people of the United States useful information on subjects connected with agriculture."

There are a considerable number of other duties prescribed in the code, but I think we all know what the duties are.

I repeat that it would be a little different if this were an article written for the February issue, of which a galley proof had gone to the Secretary, and then, as a routine matter, a letter had been written commending it. I happen to believe there are enough people in the information service of the Department who have had sufficient time to send around the country all kinds of information about the farm program. They had time to put out in November a regular campaign document, to the effect that the farm program which really is not working, does work. But they apparently did not have time to inform the Secretary about the article in Harpers, even though the facts are so well organized.

It will have to be said that there was efficiency. There was sufficient efficiency for the letter to be sent, and the letter speaks for itself, all the apologies to the contrary. I think we would all be better off if every Senator made up his mind, and so stated frankly, that this kind of doctrine in an article, which apparently was endorsed advertently or inadvertently, is something which is not a reflection of the views of Congress.

Mr. AIKEN. Mr. President, I have no desire to continue the controversy about the article in Harper's magazine. The Secretary has said it does not in the slightest degree reflect his views. I think that statement is truthful.

I should like to say a word about the television program produced by Mr. Ed Murrow last night. It was an hour-long program, 55 minutes of it devoted to a showing of the plight of the farmers at their worst. At the end of 55 minutes the Secretary was given 4 minutes—I think a commercial cut off 1 minute—in which to present the other side of the story. I think there was a good audience viewing the program last night. I think the public relations department of the Farmers Union had built up the audience as much as they could. I feel certain it must have been very disappointing to them to have had Mr. Benson, in 4 minutes, give such an adequate rebuttal to the 55 minutes of propaganda which Mr. Murrow put on. However, as I understand it, the Columbia Broadcasting System has agreed to give time sufficient so that at least one fairly well-to-do farmer may come before the television audience of America. Of course, some farmers are in good shape; others are not.

I believe that for the month of November, 25 States showed larger agricultural incomes than in the last year, and 23 showed less. Those which showed a lesser income were largely the hog States.

It is very difficult to understand some persons. I had a letter only this afternoon from a farmer in Iowa. He is as mad as hops because the price of hogs went up 5 cents. He said last week he got 10 cents; this week he received 15 cents. I do not know what can be done to please him.

There is one suggestion I should like to make. For almost a year there has been a very intensified, organized campaign, attacking the Secretary of Agriculture, attacking everything he does, attacking the President, and constantly predicting that agriculture has gone to pieces; or if it has not gone to pieces, that it is going to pieces. This has been a well-organized propaganda effort to drive down the farm prices. To a certain extent, it has succeeded. But farm prices seem to be turning upward again.

I know this is very disappointing to those who have put on such an intensive propaganda campaign to drive prices down.

We know that farm prices are made partly by the law of supply and demand and partly by psychology. Sometimes it is difficult to determine which percentage can be credited to which influence. But I well recall the year 1947 and early 1948, when all the farm organizations of America were working together, and when a Republican Congress was working with a Democratic administration constructively to improve farm conditions in the United States. Those were the highest net income years this country has ever known. That was not due to legislation; it was not due to the application of laws at that time. It was due to the fact that the people who claimed to be interested in agriculture—and most of us were—were working together for a common purpose.

Now we seem to have lost that common purpose. There seem to be some whose sole aim in life is to embarrass the Secretary in every effort he makes to improve agricultural conditions in this cuntry; who have dedicated themselves to doing all they can to impede him in his work and to discredit him. That does not make for a prosperous agriculture.

Instead of attack after attack on the Secretary, on the President, and on all those whose responsibility it is to keep the country prosperous, including its prosperous agriculture, I should like to see people come forward with constructive suggestions, stop being abusive, and really lend themselves to the good of American agriculture so that it may be stronger and may continue to be free.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there further business to come before the Senate?

Mr. HUMPHREY. Mr. President, I should like to make a comment. I surely concur with the Senator's remark that constructive suggestions should be made and constructive attitudes should be taken. Constructive attitudes, however, do not necessarily mean we should just be mute rubberstamps and just accept any program and philosophy as laid down from on high.

I hope some of our friends will not be too unkind with us if we say we may have gotten a little confused in the beginning, when in 1952 this great agricultural policy of ours was thrown into the maelstrom of politics. I think I know a little bit about that. I attended the first meeting where it happened, out in Minnesota, near Kasson and Plowville. I do not think any Member in the Chamber will deny that statements were made as to what the future agricultural policy was going to be.

I can recall the statement "not less than 90 percent of parity."

I can recall that the Minneapolis Star carried headlines, which I displayed in the Senate, and which are matters of official record: "Eisenhower pledges 100 percent of parity."

I can recall pledges that there would be equal price supports on feed grains and perishables as there were on basics. I stand here waiting for anyone to prove to the contrary. That was the pledge.

Not only was that pledge made, but my distinguished colleagues on the Committee on Agriculture and Forestry know that those pledges have been talked about by members of the Department of Agriculture themselves. It happened in the campaign at Brookings, S. Dak., at Fargo, N. Dak., and I imagine elsewhere.

Furthermore, Mr. President, this administration has gotten every tool it has wanted for its farm program. The administration was able to defeat those of us who believed in higher support levels. It has been able to get a foreign aid program, under the Mutual Security Act, to dispose of surpluses, for the relief of famine. I was one of the original proponents of such a program. To show my colleagues the partisanship involved, when I proposed the program, there was opposition by the administration. The same proposal, word for word, was opposed in the committee by representatives of the administration. The administration sent down the second proposal. I happened to have the original; the administration sent down the carbon copy. That is in the CONGRESSIONAL RECORD.

Public Law 480 was put on the books, so we could sell our surplus commodities for soft currencies.

A flexible price-support program was put on the books. The expanded special milk program was put on the books. The Secretary got his way on lower price supports for dairy products. The school lunch program was expanded.

Farm research programs were expanded.

Despite the feet dragging of the administration, we increased soil conservation and research. This administration has had everything to work with except the will and the right spirit.

I know that spokesmen for the administration like to attribute all their ills to those who preceded them. That was a good argument the first year. They could get by with it the second year. They could even stretch it a bit for the third year. But it appears to me that in the fourth year they are really running out of arguments. Let us not have any more of this rationalizing about the miserable failure of the administration in the field of agriculture.

I was interested in what the President had to say in his message, when he again embraced the family farm. But the Assistant Secretary of Agriculture, Mr. Butz, said agriculture was big business, and that if those in that business were not efficient, they had to get out. And the Under Secretary has, time after time,

talked about so-called marginal farms, and the fact that they are going to have to disappear.

The President came back again to us with the philosophy about the family farm. In his message he talked about limiting price supports in quantity. I had a bill on that subject turned down by the same administration. I do not say my bill was perfect. I do not say it was even close to being perfect. But I say it was a germ of an idea, and the idea was rejected—not merely the mechanics of it, but the idea was rejected.

Members in the Senate and the House—and I was one of them—made soil-bank proposals, which could have gone into effect last year. This administration now loves the soil bank. I guess it is loved because the word "bank" is in it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment. This administration rejected the soil-bank idea. Now it is the "new, bold, imaginative" farm program.

Mr. President, we are going to give the administration a better farm program than it has asked for. The Senate Committee on Agriculture and Forestry has been trying to work on a farm bill in a nonpartisan spirit. Yet the Secretary of Agriculture says, "Let us not play politics with agriculture." May I say to my friends on the other side of the aisle that even as late as last night the Secretary of Agriculture was bowing to the administration. He ought to look at the mirror. Then he ought to go to the White House and look at its occupants, from the top on down. He might find out what is wrong with the agricultural program.

No one says these problems are simple, but I want to say for the RECORD, imagine what Mr. Khrushchev and Mr. Bulganin would be doing if they had the surpluses of food and fiber that we have. The trip through Burma and India which they recently took would look like slow motion compared to the next one they would take.

Here is a Government which cannot figure out what to do with abundance. Imagine what would happen if it were faced with scarcities. We would be singing God Bless America, in a spirit of prayers for help, and not merely as a song.

Imagine an administration stymied by the facts of agricultural economics, when it can get almost unlimited appropriations, and when it can get almost wholehearted cooperation from Congress. Everything the administration asks for, it gets. Yet officials in the administration are so busy writing letters of congratulation to Harper's that they cannot find time to have bills introduced to raise the price of hogs or livestock. They cannot do anything to help the agricultural economy until it is too late.

As I said a while ago, up to date the hog-purchase program has been a failure. I say officials of the Department cannot prove to the contrary, because they have been asked to submit evidence to the contrary.

Every day one can read in the columns of newspapers, "Republican Congressmen Go to White House on Hog Problems," "Republican Leaders Go to White House About Hog Prices," or "Go to Department of Agriculture About Hog Prices." There still is not an effective program to do something about hog and livestock prices paid to the producer.

We have made a suggestion. Sixteen Senators signed a letter to the Secretary of Agriculture on January 1, suggesting that certain programs be adopted, and certain things be done. I regret to say I have not had a reply to that letter as yet. Today is the 27th of January. I know it is a long way from the Department of Agriculture up to Capitol Hill, but if the mail service is not running, let us get one of the ponies out of the stables, and maybe a reply can be carried to Capitol Hill. If they have enough time to prepare the speeches they give, and enough time to prepare the letters they write, certainly they have enough time to answer 16 Members of the United States Senate.

Frankly, Mr. President, I am not happy about the kind of official treatment that is given to some of us just because we disagree with them. In this country is there any law against disagreeing, Mr. President?

I can recall when Members on the other side of the aisle were disagreeing to a point almost beyond description with the Brannan plan. If one wishes to talk about politics in the farm program that is when politics came in—and it was not brought in by Democrats.

I did not happen to subscribe to all the features of the Brannan plan, and I am not now subscribing to all of them. But I wish to make it crystal clear that all the explanations to the contrary are not going to erase from the memory of the American people the fact that when the Republicans are in power, the stock market prices go up, and farm commodity prices go down. If a man had been in hibernation for 20 years, like Rip Van Winkle, or if a man had been isolated in the Arctic or Antarctic regions for 20 years or more, and if thereafter, upon his return to the United States, he happened to hear it said, "The prices on the stock market are at an alltime high, but hog prices are $10 a hundred," that man would know at once that the Republicans were in power. [Laughter.] He would not have to listen to any radio broadcast or look at any television program, in order to know that.

Mr. President, I have expressed my view. I shall be back again.

Mr. CASE of South Dakota. Mr. President, during the afternoon I saw on the news ticker a report on some remarks I made earlier in the afternoon. I think there was one misinterpretation in the report I saw as to what I had said. That misinterpretation was in associating me with a demand on the President for dismissal of the Secretary of Agriculture. I made no such demand, nor did I join in that.

I now have before me the transcription of what I said; I have obtained it from the Official Reporter for the CONGRESSIONAL RECORD. I am reported as saying—and this is as I recall it, and as it will appear in the CONGRESSIONAL RECORD tomorrow:

> Mr. CASE of South Dakota. I, too, read the article bearing the initials of Mr. Fischer in the December issue of Harper's. I, also, was among those who were angered by it. I think it was entirely uncalled for.
>
> I am shocked, if what now purports to be a letter praising the article by the Secretary of Agriculture was written by him, and if it is the entire letter as signed by him. I have some doubts on that score.
>
> Mr. YOUNG. I may say that I have, too.
>
> Mr. CASE of South Dakota. At present I have a call in for the Secretary at his office. A search is being made to determine whether or not this is an authentic letter, whether or not the Secretary signed it, and whether or not the letter was printed in full. If the facts are as Harper's would make them appear to be, Mr. Benson has ended his usefulness as Secretary of Agriculture.

I said that. The account I saw on the news ticker indicated that I had joined with the remarks made by someone else in demanding that the President discharge Mr. Benson forthwith.

Mr. President, I did not call for that. I do think, though, that, on the record as it stands, the usefulness of Mr. Benson as Secretary of Agriculture has been compromised to the point where Mr. Benson on his own initiative should very seriously consider whether he wishes to lay on the President the additional burden that is his as a result of this unfortunate incident. In other words, I think the initiative should come from Mr. Benson himself.

I understand that the distinguished minority leader, the Senator from California, has already presented to the Senate the following forthright statement by Secretary Benson:

> The article was sent into my office, but in the rush of my duties I did not see it. The letter was signed with my name by an assistant, Miller Shurtleff, who has this authority for occasional routine acknowledgments. But, as Secretary of Agriculture, I must take the responsibility for this and I so do. Of course, the contents of the article as reported to me by my staff does not in the slightest reflect my views. We pulled a boner on this one. I am sorry.

Of course, that is a very forthright statement by the Secretary of Agriculture and a generous one in its acceptance of responsibility for a "boner" that he did not personally commit.

However, Mr. President, the difficulty is that of trying to get a constructive agricultural program passed by the Congress, when the organization of the Department of Agriculture is such that a letter can go out from the Secretary's office, over his authorized signature, saying, "I have read the article by John Fischer, in the December issue of Harper's, with a great deal of interest. It is excellent" when as a matter of fact the Secretary had not read the article, and when it did not represent his beliefs. It will be very difficult for the President of the United States, or for anyone who wishes to help the President get his program enacted, to get word to enough people of the country so as to disavow effectively a letter going out from the office of the Secretary of Agriculture, and bearing his signature—although it was signed by someone who is authorized to

make such signatures—and including the words:

I have read the article * * * it is excellent.

It will be difficult to erase the impression that has been created of an endorsement for a very great slander on the American farmer.

That is the great burden that has been placed upon the President and upon those who would like to see the President's program for agriculture enacted. That is why I feel that the usefulness of the Secretary of Agriculture has been compromised by this unfortunate incident.

It is made all the worse, Mr. President, because a different example of Cabinet action was reflected in the papers this morning. In this morning's newspapers I read that the Secretary of Labor had some differences with Representative BARDEN, a Member of the House of Representatives, regarding the handling of certain labor legislation in the House of Representatives. The Associated Press report, appearing in this morning's Washington Post and Times Herald, reads in part as follows:

A long-developing feud over the way the House Labor Committee has handled administration proposals broke into the open yesterday.

Secretary of Labor James P. Mitchell told a news conference that Chairman GRAHAM A. BARDEN, Democrat, of North Carolina, has been bottling up many legislative plans of President Eisenhower without letting them go to hearings.

BARDEN laughed when he heard of Mitchell's remarks and said: "Somebody should have whispered to the gentleman that I did not come up here to be dictated to by him or any other administrator."

"If he would spend more time administering the laws he already has instead of trying to run Congress, we would be better off," BARDEN added.

The Associated Press article, by Norman Walker, proceeds:

This prompted a further statement from Mitchell that he was glad to be able to report to Congressman BARDEN that labor standards laws have been more vigorously enforced by this administration than ever before.

Then the article continues with a quotation from Secretary Mitchell, as follows:

"It is my job to foster, promote, and develop the welfare of wage earners and I will continue to do so."

Mitchell got into the subject when newsmen asked what he thought of the chances of administration labor plans being approved by Congress this session.

And so forth. The great difficulty which Mr. Benson has had all along has been to persuade the farmers that he has been on their side. They have wanted a Secretary who was outspoken in his efforts to foster their welfare, and not to liquidate them.

A very great problem in getting sound agricultural legislation at this time is the difficulty of persuading the farmers that the program which has been advocated by the administration, and for which now the Secretary of Agriculture comes up to plead, is being advanced by a man who is seeking "to foster, promote, and develop the welfare" of the people in the industry whose Cabinet Department he heads.

The Secretary of Labor gets credit for working for laws more favorable to labor. He flatly says:

It is my job to foster, promote, and develop the welfare of wage earners, and I will continue to do so.

For months the major problem of Mr. Benson has been that too many farmers have not felt he is on their side. They think he wants to penalize them for overproduction and perhaps to liquidate many of them. They have become suspicious of what he espouses and do not give him the hearing they would give to one they looked upon as their champion.

It is incredible that a complimentary letter could go from the office of the Secretary of Agriculture on any article published under the headline "The Country Slickers Take Us Again," and with the opening sentence:

Our pampered tyrant, the American farmer, is about to get his boots licked again by both political parties.

The letter coming from the office of the Secretary of Agriculture, and stating that the article is excellent, that it had been read by the Secretary of Agriculture, places a tremendous burden on the President and upon the administration. Disavow it, the Secretary of Agriculture has clearly and forthrightly done. He has manfully said he is sorry it happened.

But I know, and everyone else who has been active in the field of congressional politics for any period of time must realize, the difficulty, in the face of the records, of persuading the farmer, for whom the Secretary of Agriculture is supposed to be seeking constructive legislation, that anything that happens in that Department is really in the interest of the farmer, if things such as the writing of this letter can happen.

Whoever actually did read the article for the Department should be exposed, and whoever wrote the letter knowingly should be suspended as disloyal to agriculture and disloyal to the Secretary.

I think it is regrettable and unfortunate, but the usefulness of the Secretary has certainly been compromised. I sincerely trust that he will give consideration to whatever steps may be necessary to let the administration's program receive fair and constructive consideration in the Congress.

Mr. AIKEN. Mr. President, I can imagine that some of the headlines tomorrow may read "Legislators Clamor for Benson's Scalp." I merely point out that those who clamor for Benson's scalp today clamored for it in January of 1953, and have been continuously clamoring for Benson's scalp ever since. If they had spent half as much time in helping to carry on good, constructive agriculture programs as they have spent in clamoring for Benson's scalp, I am sure the prices of agricultural commodities today would be higher than they are.

Mr. SYMINGTON. Mr. President, I listened to the distinguished senior Senator from Vermont [Mr. AIKEN] with respect to the broadcast last night, every word of which I heard. I have great admiration for Mr. Edward Murrow, and I thought he was most fair. At least 1, if not 2, of the farmers who spoke on the broadcast expressed a philosophy which I felt was quite close to the philosophy expressed many times by the Secretary of Agriculture, in his statements on the problems of the farmer, if not that exact philosophy.

As I understand, although he talked at the end of the program, Mr. Benson now wants to have more time from the Columbia Broadcasting System to answer a broadcast which I thought was quite fair in its original presentation.

It is my suggestion that some Member of the Senate—perhaps the distinguished senior Senator from Louisiana [Mr. ELLENDER], chairman of the Committee on Agriculture and Forestry, or the distinguished Senator from Minnesota [Mr. HUMPHREY], who has just spoken on the subject—should also ask for time, in order that there may be a debate before the American people with respect to just what is the problem which has resulted in the steady decrease in farm prices.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

The PRESIDENT pro tempore. Under the previous order, the Senator from New York is recognized.

Mr. NEUBERGER. Mr. President, will the Senator from New York yield to me, so that nominations on the Executive Calendar may be considered? It will not take more than 10 minutes.

Mr. LEHMAN. Mr. President, I ask unanimous consent that I may be permitted to yield for not over 10 minutes, with the understanding that I do not lose my right to the floor.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Oregon is recognized.

Mr. NEUBERGER. Mr. President, I thank the distinguished Senator from New York for yielding to me.

I now move that the Senate proceed to the consideration of executive business, for the consideration of nominations under new reports.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of T. Keith Glennan, of Ohio, to be a member of the National Science Board, National Science Foundation, which was referred to the Committee on Labor and Public Welfare.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Banking and Currency:

William McChesney Martin, Jr., of New York, to be a member of the Board of Gov-

ernors of the Federal Reserve System (reappointment).

By Mr. BYRD, from the Committee on Finance:

Herold Christian Hunt, of Massachusetts, to be Under Secretary of Health, Education, and Welfare;

John Edward Mulroney, of Iowa, to be a judge of the Tax Court of the United States;

Wilbert H. Beachy, of Pennsylvania, to be collector of customs for customs collection district No. 12, with headquarters at Pittsburgh;

Frederick C. Peters, of Pennsylvania, to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia; and

S. Power Warren, of Colorado, to be assayer of the mint of the United States at Denver, Colo.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar under "new reports."

ATOMIC ENERGY COMMISSION

The legislative clerk read the nomination of Harold S. Vance, of Indiana, to be a member of the Atomic Energy Commission.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Marvin Leland McLain, of Iowa, to be an Assistant Secretary of Agriculture.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COMMODITY CREDIT CORPORATION

The legislative clerk read the nomination of Marvin Leland McLain, of Iowa, to be a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

EXPORT-IMPORT BANK OF WASHINGTON

The legislative clerk read the nomination of Samuel C. Waugh, of Nebraska, to be President of the Export-Import Bank of Washington.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. NEUBERGER. Mr. President, I ask that the President be notified forthwith of the nominations today confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. KILGORE. Mr. President, the following nominations have been referred to, and are now pending before the Committee on the Judiciary:

Lyle F. Milligan, of Wisconsin, to be United States marshal for the eastern district of Wisconsin, for a 4-year term, vice Clemens F. Michalski, resigned;

Justin C. Morgan, of New York, to be United States district judge for the western district of New York, vice John Knight, deceased;

Richard H. Levet, of New York, to be United States district judge for the southern district of New York, vice John C. Knox, retired; and

Oliver Gasch, of the District of Columbia, to be United States attorney for the District of Columbia, for a 4-year term, vice Leo A. Rover, elevated.

Notice is hereby given to all persons interested in these nominations to file with the committee on or before Friday, February 3, 1956, any representations or objections in writing they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

LEGISLATIVE SESSION

Mr. NEUBERGER. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed consideration of legislative business.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. BUSH. Mr. President, I understand the Senator from New York [Mr. LEHMAN] has the floor. Will he yield to me a moment?

Mr. LEHMAN. I yield to the Senator.

Mr. BUSH. Mr. President, since the debate on the Harris-Fulbright bill opened, I have been hopeful that a satisfactory amendment could be inserted into the bill, designed to protect the consumers of my State and other States against unjustifiable increases in the price of natural gas and assure them a continuing supply of this essential fuel.

However, prolonged discussions between representatives of opposing viewpoints have failed to produce a workable compromise, and for that reason I do not intend to offer an amendment. Convinced that the Harris-Fulbright bill, in its present form, fails to give adequate protection to the consumers, I shall vote against it.

Mr. LEHMAN. Mr. President, gas has been used by homeowners in New York State for more than a hundred years. In literally millions of apartments and private homes it is used for cooking. It has a wide use for hot water heating, clothes drying, house heating, and many other purposes. All these consumers have invested substantial amounts in gas appliances. It has been estimated that the average gas consumer who does not use gas for space heating has an investment of $400 in gas appliances, and that the average gas consumer who uses gas to heat his home has an investment of $1,000 in gas appliances.

There are, in all, over two and a half million gas consumers in New York State. And they are all tied in by a great web of steel pipes to the producers of gas. When the price of gas goes up in the field, the pipeline company goes before the Federal Power Commission and gets a rate increase, passing along to the distributing companies the larger amount it has to pay to the producers. And when the distributing companies are required to pay more to the pipelines, their higher costs are in turn reflected in the prices they have to charge the ultimate consumers.

It will not do to say—as some of my colleagues have said—that if the price of gas goes up, the consumer can simply switch to another fuel. The consumer has too big an investment. In many cases he is still making payments on the gas appliances—either as mortgage payments if the appliances came with his house, or time payments if they were bought separately. Even when the appliances are all paid for, he cannot throw away a $400 investment, or a $1,000 investment in the case of house-heating consumers. The suggestion that the consumer can switch to another fuel displays a surprising callousness to the financial problems of the average man.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. LONG. Does the Senator know why gas in New York sells to the consumer for such an outrageously high price?

Mr. LEHMAN. For many reasons, I suppose, so far as New York City is concerned, and so far as certain other cities are concerned. In New York City, of course, the cost of installation for distribution purposes was exceedingly high, because the greater part of New York City rests on rock, which requires a very large expenditure in order to lay the pipes and other necessary mechanisms to distribute the gas to the houses.

I am not defending the price which is charged to the consumers of New York City by the various distributing companies. I am not even defending, necessarily, the price charged by the pipelines which bring the gas to the city gate. But I am saying that any increase that is made in the price of gas at the well will be reflected in the price of gas charged the consumer.

Mr. LONG. Would the Senator like to have me demonstrate to him how the price to his consumers could be cut in half?

Mr. LEHMAN. I should be very glad indeed to have the Senator do so, but I should be much more appreciative if he would demonstrate it to the public utilities commission. However, I shall be very glad indeed to hear the Senator from Louisiana.

Mr. LONG. I can demonstrate to the Senator, in a couple of moments, how that could be accomplished.

In the first place, the Senator knows that the real reason why the price of gas is so high in New York is the tremendous charge for distribution. In New York City the people pay only 7.8, or, roughly, 8 cents, for their gas. On the other hand, in New York City, the city is charging $1.77 to distribute it. If the Senator would like to have cheaper gas, the thing

to do is to get the consumers to use a great deal more gas.

The Senator knows that when a gas main is laid to a house it costs just as much to lay a main for cooking alone as it does to lay a main for both cooking and heating. The Senator knows that, does he not?

Mr. LEHMAN. I know that the greater the volume that is involved in distribution, the less, proportionately, will be the cost of distribution. That is axiomatic.

Mr. LONG. That is correct. On that point we completely agree. It costs just as much to send a man around to read a meter showing a small figure as it does to read a meter showing a high figure. The Senator knows that, does he not?

Mr. LEHMAN. I know that the less complicated distribution is, the lower the cost of distribution becomes.

Mr. LONG. That is correct. Also a pipeline which is a distribution company is entitled to make a 6 percent return on its investment, regardless of whether the pipes are being used to carry a great deal of gas or only a small amount of gas. That cost represents a fixed charge which must be written off.

The point I am coming to is that if the consumers were to use a great deal more gas, the cost of distribution would fall to a very great degree; and by reducing the cost of distribution, in line with what is charged in other cities, the consumers in the city of New York would get their gas for half what they are paying. Let me demonstrate what I mean.

In New York, because so little gas is used by housewives, and what little is used by them is used primarily for cooking, New York being an apartment city where people find it cheaper to heat apartments with coal or oil, the charges for distribution is $1.77. On the other hand, at Nashville the charge for distribution is 60 cents. If we change the figure of $1.77 to 60 cents, add the figure of 23 cents for transportation, and then assume that instead of 7.8 cents, the consumers are paying the full thermal value, which is about 25 cents, we still arrive at a price for gas of approximately $1.10, as against the $2.42 which is now being paid.

I know that the Senator would like to assist consumers. I suggest that that is the way it ought to be done.

Mr. LEHMAN. Of course, I should like to see the consumption of gas in New York increased. I should like to see it increased in many other communities. However, there is one thing which I think the Senator from Louisiana must take into account.

There has been no assurance to the residential consumer, and there can be no assurance that the cost of gas at the wellhead is going to be even comparatively stable. We know that if the Fulbright-Harris bill, which is now before the Senate, shall be enacted, there will be virtually no protection whatsoever with respect to the cost which may be charged to the consumer.

I am sure the Senator from Louisiana knows that the homeowner is not in the same position as the industrial or commercial user of gas. The industrial or commercial consumer of gas is in a position to lay in supplies of coal throughout the summer months, when the price of coal is relatively low, as we all realize, of course. He can switch without any difficulty whatever.

However, the residential consumer of gas is not in that position. He cannot switch from gas to coal and from coal back to gas, depending upon the price at which he can obtain his supplies. Therefore, there has been a certain amount of resistance. After all, there are already more than 2 million consumers of gas in the State of New York, which is not an insubstantial number.

Mr. LONG. When the Senator mentions protecting the consumer, he must bear in mind that in most instances the consumer is protected by competition among producers of commodities. As a practical matter, I could suggest to the Senator what the competitive ceiling price of gas would be. It would be approximately 25 cents, because that represents the value of the thermal equivalent in coal. That represents the amount of coal which would be required to equal heat equivalent a thousand B. t. u.'s of gas. The Senator can be sure that when it becomes cheaper, when it becomes a better investment, to heat with coal or fuel oil than with gas, the gas industry will cease constructing pipelines to bring gas to the consumer.

Mr. LEHMAN. It seems to me that what the Senator from Louisiana is proposing is to raise the price still further and bring about less consumption, making the pro rata distribution cost even greater than it is today. I am sure the Senator cannot convince me that if the consumer paid 10 or 15 or 20 or 25 cents more for his gas, whether that gas be used for residential purposes or for any other purpose, such an increase in the rate would encourage additional consumption. It seems to me that is a perfectly untenable position for the Senator from Louisiana to take.

Mr. LONG. I am proposing to the Senator that in the city of New York, in the great State which he has the honor to represent, a person heating one of the large apartment buildings could afford to heat that building with gas if he were to pay the full equivalent of what it would cost to heat the building with coal or oil. The reduced distribution costs would permit him to heat with gas. I say a consumer could afford to pay the producer 25 cents per thousand cubic feet for gas, which is four times what they are paying now, and heat his home or building for less than it would cost to heat it with coal or oil.

I ask that the Senator from New York consider these figures. The gas could be transported for 23.5 cents. Because of the increase in the volume against the constant overhead, the distribution charge could be cut from $1.77, to as low as 33 cents. Therefore the cost would be reduced by more than one-half.

If the Senator wishes to help the consumers of his State, he should get behind the Harris-Fulbright bill and show the consumers how they can get gas at half the price they are now paying. So far as the consumers are concerned, they would not care too much, or be interested too much, in how much the distributor or the producer or the pipeline company was getting. The important thing to the consumer is how much he has to pay for the gas. The Senator from New York should support the bill, and show the consumers in his State how the price of the gas could be cut in half.

Mr. LEHMAN. The Senator from Louisiana has a very good sense of humor. Therefore, I shall accept his suggestion as a demonstration of his sense of humor. It would be a very strange philosophy to hold that it would be possible to increase the consumption of gas by raising its price. That is what the Senator from Louisiana is suggesting.

Mr. LONG. No; I am saying that the way to make the price of gas cheaper is to use the gas for household heating as well as for cooking, and in that way get it for less than half the price the consumer is now paying.

Mr. LEHMAN. If the Public Service Commission in the State of New York is willing to go into the question of the cost of gas distribution and the question of the cost of transportation by the pipeline, that is all right with me. However, I do not believe the Senator from Louisiana should say to me that the consumer should be told that the way to increase the use of gas is to pay 5 cents or 10 cents or 15 cents or 25 cents more for the gas. Five cents may sound like a very small amount, but when it is multiplied by the number of units of gas used, it can amount to a great deal of money.

Mr. LONG. I ask the Senator from New York to please ponder what I am proposing. I am proposing to the Senator from New York that the consumers in New York could afford to pay four times what the producer is being paid now. That would cause the gas to be sold, on a heat equivalent basis with coal and oil, for half the price the consumers now pay. In other words, if the Senator could persuade the consumers in his State to use gas for heating their homes, instead of using other fuels, the price of gas could be cut in half.

Mr. LEHMAN. If I were to agree with the premise of the Senator from Louisiana, I could have some understanding of his conclusions. However. I completely disagree with the premise of the Senator from Louisiana as he enunciated it.

Mr. LONG. I might suggest to the Senator that we can no longer supply his consumers with gas at the rate of 7 or 8 cents. Those are the old contract figures. If he wants to buy some gas he will have to pay 12, 15, or perhaps even 20 cents, in order to get enough gas for his State. On the other hand, I have suggested how the cost of the gas to the consumer could be cut in half as compared with what the consumers are now paying, if they were to use the equivalent of coal or oil so far as equivalent heating units were concerned.

Mr. LEHMAN. It would require the consumers to make a very large investment in installations in order to make

it possible to use natural gas for the purposes the Senator suggests.

Mr. LONG. It would be necessary to make an investment, but having made such an investment, a consumer would realize a tremendous saving in the cost of heating his home.

Mr. LEHMAN. Perhaps that is so.

Mr. LONG. Perhaps after the Senator thinks about what I have said he may tell me why my suggestion would not work. I believe that with the consumption of more gas, even though consumers in New York would have to pay higher prices, and even though the producers would get a higher price, and even with a major increase in the price of the gas to the producer to 400 percent, the price being paid by those serving New York, the consumers would still make a tremendous saving.

Mr. LEHMAN. I may say to my colleague from Louisiana, for whom I have great admiration, that certainly his philosophy is a very weird one indeed, if he means to say that the way to get an increase in consumption is to raise the price. I have never known that to be a fact in the many years in which I have been in both public life and in business, and I was in business for 30 years before I went into public life.

Mr. LONG. The Senator is a very able businessman. I know that he was very active in business before he retired from it to go into public life. I am sure he realizes that a great many economies can be effected by doing business on a large scale.

Mr. LEHMAN. Not by raising the price in the way the Senator proposes.

Mr. LONG. I would suggest that the price to the consumers be reduced, and I hope that the Senator will urge the consumers in his State to try to have the gas at the point of consumption sold at a lower price.

Mr. LEHMAN. Mr. President, perhaps I should mention as well the situation of thousands of small home owners who heat their homes with gas, but the chimneys of whose homes are so constructed that other heating fuels cannot be used. This may seem like a small matter to some, but to the hard-working owners of those homes, it is a serious matter indeed to be told that all one has to do is switch to another fuel.

It is this utter dependence of the consumer that clothes the entire natural gas industry with the public interest.

The distribution companies are closely regulated today by the local State utilities commissions. The pipelines are regulated by the Federal Power Commission.

The issue is whether the public interest requires regulation of the rates of the major producers who sell in interstate commerce.

A question must be asked in determining whether that regulation is appropriate. Are the practices in the gas-producing business such that regulation is required to protect the public interest? Reference to the record requires that this question be answered unqualifiedly in the affirmative. Not too long ago, natural gas found in connection with oil exploration was usually burnt off and discharged as smoke as a waste byproduct of petroleum deposits. Then later gas came to be sold in large amounts to interstate pipelines for 4 cents per thousand cubic feet. Today, the large oil companies which control the bulk of the gas reserves have forced up the price to levels, in the case of some contracts, of 21 cents per thousand cubic feet and even more. Furthermore, the producers are still insisting on the inclusion in their contracts of the notorious escalation clauses, under which the price of gas under a particular contract can keep on going up as the producers push the prices up on new contracts, but can never go down—because in this establishment all the escalators are up escalators, and there are no down escalators.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield to the distinguished Senator from Oregon.

Mr. NEUBERGER. Mr. President, I should like to thank the distinguished Senator from New York for the very able address he is delivering on the subject of the natural gas bill. I wish I had his knowledge of the subject.

The region which I in part represent is, I believe, one of the few major regions in the United States which does not have natural gas. However, at this very moment a pipeline is under construction across the plains and mountains to the Pacific Northwest from the gas fields of Colorado and New Mexico. That means that the bill now under debate will be very pertinent to the consumers—the housewives and businessmen and industrialists—of the State of Oregon and to those in other States of the Pacific Northwest.

For that reason I thank the distinguished Senator from New York for the very able and valiant fight he is making in opposition to the bill, which undoubtedly has as its major purpose the ultimate raising of the price of gas to the consumer.

Mr. LEHMAN. I thank the Senator for his comments. New York is a producer of gas although a very small producer. However, it is a very large consumer of gas. I can say to the Senator that the gas bill which is now before the Senate is opposed by the vast majority of the people of my State, by the State administration, by the Public Service Commission, and by other bodies, as I shall disclose later in my remarks.

(At this point Mr. LEHMAN yielded to Mr. PAYNE. By unanimous consent, the address of Mr. PAYNE and the ensuing colloquy appear at the conclusion of Mr. LEHMAN'S address.)

Mr. LEHMAN. Mr. President, despite the large volume of gas contracted for in past years at prices of 4 cents to 7 cents per thousand cubic feet, the average field price of gas today is about 10 cents per thousand cubic feet. The producers have openly stated their intention to establish prices of around 25 cents, and, as I have said, they are already well on the way to reaching this initial objective.

The operation of the escalation clauses has the gradual effect of spreading a price for new gas over the old contracts, just as water poured into a pail from one side raises the level over the entire surface. What will a 25-cent average price mean to the consumers of the Nation? The figures are appalling. A 15-cent increase in the field price of gas will cost the consumers of the Nation the staggering total of $900 million a year.

I do not know whether the increase will be 15 cents for 1,000 cubic feet, or 10 cents or 25 cents. But I do know, on the basis of conservative estimates, that for every 5-cent increase in the price of natural gas at the wellhead, there is a cost increase for the consumers of the Nation of $300 million a year.

But that is not all. In fact, that is just the beginning.

For every 5-cent increase in the price of natural gas at the wellhead, the value of known and proved reserves increases $6 billion. A 15-cent increase in the price of gas would mean an automatic increase in the value of known and proved reserves of $18 billion. The known and established gas assets of the producers would be increased by $18 billion automatically.

Just think of that. What a windfall this bill represents.

Of course, the consumers of the Nation, including those in my own State, would foot the bill over the years and pay for this natural gas at these increased rates.

I am going to do my best, Mr. President, to protect the consumers of my State from being forced to contribute to this incredible profits windfall—a windfall equal to almost one-third of the annual budget of the United States.

Mr. President, when I indicate I shall do everything within my power to protect the consumers within my State, of course I mean that I shall do everything within my power to protect the interests of the consumers in all 48 States of the Union.

This bill is not going to stimulate the exploration of new wells so much as it will stimulate the profits on those wells and those reserves now in existence.

It may reasonably be asked: If the producers' prices are subject to regulation under the Natural Gas Act, why has the Federal Power Commission not prevented the increases that have already taken place? The answer requires a little history.

The Federal Power Commission had been persuaded that it had no jurisdiction over producers' prices, although it reached this conclusion despite the failure of the Congress to pass the Kerr bill over President Truman's veto in 1950.

Finally, on June 7, 1954, the Supreme Court decided the Phillips Petroleum case, Three Hundred and Forty-seventh United States Reports, page 672. That decision established firmly and finally the proposition that the Natural Gas Act does cover the rates of gas producers and that these rates are subject to regulation by the Federal Power Commission.

As of June 7, 1954, however, the Federal Power Commission had no machinery to handle producers' prices. It had established no standards or techniques for judging them, and it had the enormous administrative problem of getting on file in some systematic order the thousands of producer contracts.

The Federal Power Commission still has not decided on the merits of a single producer rate case, although several cases now are in the later stages.

I do not want to go into the question whether the Commission has been dilatory in its handling of these producer cases, for that question is irrelevant to the issue before us.

Mr. President, it is sufficient to observe, first, that the sheer paperwork problem, to be handled with a limited staff, was considerable; and, second, that the strategy of the producers in these rate cases before the Commission has been to stall and stall, in the hope that the Congress would pass the pending bill.

Parenthetically, it should be mentioned that in the producer cases pending, and now being tried before the Commission, the producers have systematically and uniformly refused to reveal any information whatever about the extent of their profits. One wonders why they are so secretive on this subject. Can it be that the effect of the 27½ percent depletion allowance they received in their Federal income taxes results in the payment of so small a tax bill in relation to profits that they are afraid to reveal the facts to the public? Or is it to be anticipated that the opportunity to charge off against income, for income tax purposes, the cost of drilling unproductive wells results in such a high level of profits, that the producers will conceal their financial figures as long as possible?

Mr. President, I wish to point out that the statements of many of the leading oil companies in the United States show that in the year 1954 they were able to avoid all Federal income or corporation taxes, except to a very minor extent. In most cases, they have paid no tax; in many other cases they have paid very small taxes—taxes of only 1, 2, 5, or 10 percent—whereas the ordinary tax on corporations is, as all of us know, 52 percent. I raise that question because I think it is a very important one. I believe that the 27½ percent depletion allowance which is permitted to the oil companies is one of the scandals of our time; and we should and must make every possible effort to do away with it, in justice to all the people of the United States, the taxpayers.

In all events, the fact remains that until a year-and-a-half ago a majority of the Federal Power Commission did not regard itself as empowered to regulate the producers, and since then it has not effectively regulated producer prices.

However, the effect of the Phillips case decision in 1954 was to start a train of events inexorably leading to regulation of producer rates; and in view of the skyrocketing of prices in the last 3 years, this has come none too soon.

The producer contracts are now on file with the Federal Power Commission. Many of the price increases sought by producers, merely on the basis of the operation of escalator clauses, have been suspended by the Commission, and are now the subject of hearings. Many of these increases are being fought by public bodies and by the distribution companies.

At this point I wish to say that never in my memory has there been such a gathering of forces in my State of New York in opposition, not only to the increases which have already been applied for, but to the pending legislation.

The Governor of my State, Governor Harriman; the mayors of the leading cities of my State, headed by Mayor Robert F. Wagner, of New York City; the New York State Public Service Commission, which is a bipartisan board exactly balanced between Democrats and Republicans; and the attorney general of New York, who happens to be a Republican; both Senators from New York, and our entire congressional delegation, so far as I know, are all strongly and vigorously opposed to the pending legislation.

Mr. President, in a few moments I shall refer in some detail to the position taken by these officials of New York State.

Right now I want to comment on the opposition which has been offered by the New York Public Service Commission to the recent request for price increases. The New York State Public Service Commission is doing yeoman service in coming before the Federal Power Commission to oppose these proposed price increases—increases based not on higher costs, on higher taxes, or inadequate earnings, but solely and simply on escalation clauses. In other words, the only reason why these producers claim higher prices is that someone else is getting a higher price.

I am pleased to express my appreciation for the efforts of the New York Public Service Commission in protecting the consumers of New York by opposing these unjustified price increases.

I wish to point out that I have not always been wholly satisfied with the attitude of the New York Public Service Commission on regulation matters. Although I have not had all the facts—I have had no opportunity to obtain them—I have the impression that the New York Public Service Commission has, at times, been lax in allowing disproportionate rate increases to some of our utilities in New York.

I have not believed, certainly not in recent years, that rate regulation was the whole answer to consumer protection. But the consumer must be protected and regulation is one of the available public devices to protect the consumer against unconscionable rate gouging on the part of utilities which, being monopolies, usually have the consumers at their mercy.

That is why, Mr. President, I am so strongly opposed to this bill. Whatever the difficulties in the regulatory process as applied by the FPC to gas producers, it is better than no regulation at all.

Regulation of producers' rates by the Federal Power Commission has been far from perfect, or even satisfactory; but this regulation, if it may be called that at this stage, has been of such short duration that a reasonable man must withhold judgment. At least it can be said that the process has started; that some brake has been imposed on the wild spiraling of prices; and that in the end, the courts will establish the limits of administrative discretion within which the Federal Power Commission will be empowered to fix rates.

Mr. President, we should not be gullible enough to believe the arguments of the proponents of this bill that if the producers' prices remain under their present regulation by the Federal Power Commission, the regulation will consist in finding the original cost—of the productive wells only—and applying a wooden 6 percent return to that rate base. There is no reason to believe that the Federal Power Commission has any such purpose or plan for the regulation of producers' rates.

In the first place, it is universally acknowledged that the cost of digging unsuccessful wells must be borne by the consumers. Secondly, it is universally acknowledged that the producer prices for new gas must be fixed high enough to encourage exploration. It does not follow, of course, that gas already found, developed, and flowing through the pipelines must be written up in value in order to encourage exploration.

It is enough that prices for new gas be high enough to make it economical for the speculator to run the risk of failure.

The extent to which cost should be an element in fixing producers' prices will one day be determined by the courts. But at least the public has the protection of knowing that the standard which will be used is the time-honored standard of just and reasonable rates. This standard has been in the Natural Gas Act since 1938, and since time immemorial has been used in other statutes dealing with the fixing of rates in the public interest. At least there is a body of tradition to build on. It is not a pig in a poke. And, as I have stated, and as I now emphasize, the Supreme Court has explicitly ruled that this phrase does not bind the Commission to the use of any particular formula.

What would be the effect of the pending bill on this situation? The long and short of it is that in place of the comparatively well-understood phrase "just and reasonable rates," there would be substituted "reasonable market price." If the pipeline were to pay more than the reasonable market price to the producer, it would not be able to pass the excess along to its customers in a rate case.

The unfortunate truth is that nobody knows what the words "reasonable market price" mean. They are completely novel in the field of price regulation. We have no clear idea how they would operate—or perhaps I should say that we all have different ideas as to how they will operate. But I believe that there is one idea underlying that phrase that would be common to all the interpretations, fundamentally, the attention of the Commission is directed to what other people are currently willing to pay for gas.

What a shocking standard to apply in fixing prices which must be borne by 27 million gas consumers in the Nation—two and a half million in New York State alone. The other fellow may be willing to pay a high price for any one of a hundred reasons. Perhaps he will save a large amount of buying gas in a field adjacent to his main pipeline, and thus is

willing to go overboard. Perhaps he is buying for a special market. Perhaps he needs only a small amount to complete a program, and will pay a high price just to finish the job. And surely our history does not permit us to overlook the possibility that pipeline A may pay a higher price in a certain field for the specific purpose of triggering the escalation clauses in that field, either to benefit the producers in that field or to hurt the pipelines and distributing companies and consumers that take gas from that field.

There is still another reason why a pipeline may be willing to pay a deliberately high price for the purchase of gas from a particular field. If the pipeline itself owns gas reserves in that field, it stands to benefit if the prices in that field go up, for under this bill the pipeline is allowed to receive the very same "reasonable market price" for gas it produces from its own wells. In other words, the pipeline has an incentive to let the prices rise.

Consider further the case where pipeline A owns gas reserves in field A and pipeline B owns gas reserves in field B. This bill gives an incentive for pipeline A to buy some gas in field B at a higher price if pipeline B buys some gas in field A at a higher price. I contend that it is not only unwise and contrary to the public interest but downright immoral for the Congress to adopt legislation which presents, as I have shown, such a strong temptation to dip into the public's pocketbook, a public which, as I have shown, is a captive market bound to the producer's will because of the public's investment in facilities. I pointed that out very clearly earlier in my remarks today.

It has been said that it is inherently unfair to tie down the producers to a fixed price for 20 years.

Comparison has been made with the coal purchased by electric utilities. It has been pointed out that, if the price of coal or other fuel rises, the electric utility simply passes the increase along to its customers.

But this argument overlooks some crucial points of distinction. If the price of coal goes up, the electric utility is free to use some other fuel. In contrast, the pipeline is obligated to continue to purchase gas for 20 years, regardless of the price, and anyway, even if it could get out of some of its contracts, the fixed costs of a transportation company are so high that it has to use its facilities at top capacity to keep its own costs from skyrocketing. Furthermore, coal prices fluctuate; they go up and they go down. But producer prices for gas have a way of "fluctuating" in one direction only—they only go up. In fact, as I have observed, the escalation clauses in these producer contracts provide for increases in prices if others are paying more, but they make no provision whatever for decreases in prices. How unfair it is to compare these prices with coal prices, which move down as often as they move up.

As I have said, the phrase "reasonable market price" is novel and untried; it is bound to lead to years of litigation; and chief of its defects is the fact that it is based on the strange concept that the standard for rate regulation should be not the cost of production, but the price that some people may be currently willing to pay, for whatever reasons. This is no standard to be written into law if we are sincerely trying to protect the public interest. This is no criterion designed to protect the consuming public.

I am proud to say that we in New York, whose task it is to protect our citizens, have not been slow to see through this extravagant and expensive approach.

As I have already said, New York State is vigorously and unitedly opposed to this legislation. New York speaks with one voice in demanding that this legislation be set aside.

I think, Mr. President, that when all but a handful of 16 million people in one State are in strong opposition to a piece of legislation, we should think many times before passing it.

I hope the producer States will take pause and give consideration to the impact which this legislation would have upon a great consumer State like New York, and upon many other great consuming States.

I do not think this should become a political issue. I do not think this should become an issue as between States.

I dislike to see the interests of the producing States lined up against the interests of the consuming States. In general, I have always believed that what is good for one part of the country is good for the whole country.

I have very frequently voted for appropriations for the construction of great Federal projects which were of no direct benefit or interest to the people of my own State, but were of great benefit to many other areas in this country. I did so under the strong conviction which I still hold, and which I hope I may be able to hold for the remainder of my service in public life, that what is good for one great section of the country is good for all sections of the country.

I have never seen that statement successfully contradicted or proven to be wrong. What I have described as my thesis of good government and sound legislation must be met with equal response. That thesis and that principle of government must work both ways. It cannot permanently work in one direction only.

I point out that the proposed legislation is not good for the people of my State of New York, and therefore I do not think, in the long run, that it will be good for the people of Texas and Oklahoma.

From all the evidence I have seen, the gas and oil producers can continue to prosper under the regulation of the Federal Power Commission and they have prospered mightily. Certainly the Federal Power Commission as presently constituted has shown its friendliness—its excessive friendliness, in my judgment—to the producing States and to the proprietary interests. There is no excessive zeal in the Federal Power Commission today to defend the interests of the consumers. So I would hope that from the producers' viewpoint well enough is left alone and that this legislation will be defeated.

But to return, Mr. President, to the viewpoints expressed by leading figures and factors in my own State.

Governor Harriman has expressed himself strongly and unequivocally on this matter.

In fact, I have just received a telegram from Governor Harriman, which states in no uncertain terms how he feels, and how the State administration of New York feels, about the Harris-Fulbright bill.

I should like to read this forthright statement of position from the Governor of the largest State in the Union into the RECORD:

> On behalf of the millions of people in New York State who are users of natural gas, I wish to assure you that you have their full support, as well as mine, in opposing Senate bill 1853, which would exempt producers of natural gas from Federal regulatory control. I opposed this measure last year when it was before the House committee, and again before the Senate committee, and the objections I made then are as valid now.
>
> Even with the present Federal and State regulations on transmission and distribution rates, the price of natural gas has been rising sharply. We could anticipate further steep increases if the rate-determining jurisdiction of the Federal Power Commission over the producers were to be removed.
>
> The so-called protective features of S. 1853 will not effectively safeguard the consumer against unjust, unreasonable, and excessive rates, as our New York Public Service Commission has already pointed out.
>
> Natural gas consumers in New York and other States need, and are entitled to, protection against arbitrary price increases imposed by producers in the present sellers' market. State regulation cannot provide that protection. It can only be provided by the Federal Government.
>
> For the Federal Government to abandon its responsibility would adversely and seriously affect natural gas consumers who have spent an enormous sum in the aggregate to convert their facilities to the use of this fuel on representations that it was not only efficient, but would be cheap.
>
> Householders and other consumers dependent upon natural gas must rely on their elected representatives and public regulatory bodies to protect them against unjustified price increases.
>
> I realize, as everybody does, that producer prices must be adequate to stimulate a steady and expanding flow of gas at prices fair to producers and consumers alike. I am confident that the Federal Power Commission would recognize that necessity, as past experience has shown.
>
> I know that I speak for the overwhelming majority of New York natural gas consumers in expressing strong opposition to the passage of S. 1853.
>
> AVERELL HARRIMAN.

These, Mr. President, are the views of Governor Harriman, of New York.

The mayor of New York City, Mayor Robert F. Wagner, who is chairman of a committee of 259 mayors, organized to oppose the enactment of the proposed legislation, announced only on Tuesday of this week that he was calling upon all his committee members to mobilize sentiment in their areas against the Harris-Fulbright bill.

According to Mayor Wagner, this committee represents over 30 million captive

natural gas consumers. These 30 million consumers would be victimized if this legislation passes.

According to Mayor Wagner's estimate, the removal of regulatory controls will increase gas consumers' bills in the Nation by as much as $800 million a year with individual consumers paying an extra $40 to $50 annually in their gas bills. Mayor Wagner said:

> The extensive discussions about the bill have made it clear that there is no sound reason for imposing this additional heavy charge upon consumers. The imposition of another burdensome price increase upon consumers who have already been subjected to several successive price increases constitutes an unjustifiable breach of faith, particularly with those consumers who are in no financial position to reconvert to other fuels.
>
> I count upon my fellow members of the mayor's committee to advise their Senators and constituents of the consumers' viewpoint and the urgent need to register that opposition immediately.

Mr. President, I ask unanimous consent to insert into the RECORD a press release from the office of the mayor of New York City, describing Mayor Wagner's call to the 259 mayors who are organized in opposition to this bill, and the views expressed by Mayor Wagner in this connection. Mayor Wagner was good enough to send me this statement at my request, so that it might be read into the RECORD of this historic debate here in the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LEHMAN. Mr. President, I have referred to the views of the Governor of New York and of the mayor of New York, who is chairman of the committee of the conference of mayors in opposition to the pending bill.

As I have already indicated, the New York State Public Service Commission is not only opposed to this bill, but has been opposing the requests made to the Federal Power Commission under present law for rate increases. The New York Public Service Commission is to be commended for its vigilance in this matter.

The Public Service Commission of New York is also to be commended for its forthright stand on the pending legislation.

It has prepared comprehensive data in regard to what this bill will mean for the consumers of New York State. The public service commission has been helping to lead the fight against this legislation within New York State. I ask unanimous consent that an exchange of communications between myself and Chairman Feinberg of the public service commission be printed in the RECORD at this point, along with supporting material supplied me by the public service commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. LEHMAN. Mr. President, in connection with the material I have just placed in the RECORD, I desire to reiterate that the Public Service Commission of New York State is a bipartisan body, half Republican and half Democratic. The present chairman is a Republican. So far as I know, the position of the Public Service Commission in this matter has been determined by the unanimous vote of the members of that commission.

Also, Mr. President, the attorney general of New York, the Honorable Jacob Javits, a former Member of the House of Representatives, has expressed his strong opposition to the Harris-Fulbright bill, and is in complete agreement with the New York State administration in the attitude it takes on this matter.

Finally, Mr. President, the public utilities of my State are also opposed to the bill, and the press of the State is generally opposed to it.

Today the New York Times printed a very instructive and thoughtful editorial on the subject, and I wish to have it in the RECORD. It reads:

LAST CHANCE ON NATURAL GAS

The Fulbright-Harris bill to exempt independent producers of natural gas from Federal price control is in our opinion socially, economically, and politically wrong. As the measure has passed the House by a 6-vote margin, the impending vote in the Senate is crucial. It offers the last chance to preserve effective Federal restraints on the price of gas at the wellhead, which directly affects the price of gas to the pipeline transporter, thus to the local distributor, and in turn to the household and industrial consumer.

The Fulbright-Harris bill is socially wrong because it would relieve a vital segment of the gas industry from a form of Federal regulation essential under the actual circumstances of production and marketing of natural gas. Looking at the industry as a whole, we see that urban distribution is regulated and the pipeline transportation that brings the gas across country is regulated; yet under the Fulbright-Harris bill an important part of production would be relieved of regulation except through a cumbersome device that would have little if any practical effect. In a way that does not apply to other extractive fuel industries such as oil or coal, the consumer is a captive, is tied through the pipelines to the producer and can be protected adequately from undue price increases only by utility-type regulation. Normally we disfavor governmental control of prices; but this is a situation where it is necessary despite the claim of the industry that competition in purchase and sale of gas in the field already provides adequate consumer protection.

We do not think it does, and that is why we say that the Fulbright-Harris bill is economically wrong. The industry talks of only a few pennies a day; but these few pennies will mean millions of dollars a year in additional costs. Senator DOUGLAS, of Illinois, who is leading the fight against this bill and has made the kind of detailed analysis of it that one has come to expect from him, points out that the field price of gas has already risen about 120 percent in the past 6 years, with indicated additional increases, in the absence of controls, of from 50 to over 100 percent. Since large-scale industrial users in many cases can easily shift from gas to other fuels if the price of the former goes too high, the burden of the increase will undoubtedly fall on the small captive household consumer.

The Fulbright-Harris bill is politically wrong in the sense that its passage, if it passes, will surely backfire on many of the Senators who endorse it, on the Texas Democratic Party leadership that is fighting for it, and on the administration that, to put it mildly, is not opposing it. The favorite Democratic charge of "giveaway" will sound odd to voters when they think of the Democratic sponsorship of the natural gas bill. The administration claim that it wishes to protect the consumer will sound equally odd when, as we venture to predict, such regulation as is provided in this bill proves totally inadequate to regulate.

Mr. President, I need not labor this point any further. My State is against this bill. I am against this bill. I think the reasons for our opposition are very clear. It could not be otherwise.

We are the ones who will pay the piper if this legislation is enacted—we and the other consumer States of the Union.

While desiring with all my heart the maximum possible prosperity for the gas-producing States, I believe that their welfare and well-being will best be served by the defeat of this measure. I hope they will have enough confidence in the Federal Power Commission to leave the regulation of their rates in the hands of that Commission.

We consumers are captives of the gas producers. We are at their mercy. The arm of Government can and must protect us. It can only protect us under present circumstances through rate regulation vested in the Federal Power Commission.

EXHIBIT 1

OFFICE OF THE MAYOR,
City Hall, January 24, 1956.

Mayor Robert F. Wagner, chairman of a committee of 259 mayors organized to oppose the enactment of the Harris-Fulbright natural gas bill, today announced that he was calling upon all his committee members to "voice again their firm conviction that the interests of over 30 million captive natural-gas consumers whom they represent require the defeat of this bill and any other bill intended to lift Federal controls from natural-gas producers.

"It is essential that the millions of consumers throughout the Nation represented by this large group of mayors be advised immediately of the full impact of increased gas costs which would inevitably result from any elimination of existing controls," Mayor Wagner said. "Informed experts have estimated that removal of controls will increase gas customers' bills by as much as $800 million a year, with individual consumers paying an additional $40 to $50 annually. The extensive discussions about the bill have made it clear that there is no sound reason for imposing this additional heavy charge upon consumers. On the contrary, producers of gas do not deny that they are enjoying handsome profits, to a large extent tax free because of the availability of a 27½-percent-depletion allowance."

Mayor Wagner, joined by other executive members of the mayor's committee, Mayors Dilworth of Philadelphia, Lawrence of Pittsburgh, West of Nashville, and Zeidler of Milwaukee, emphasized that the "biggest and most important objective of our associates on the committee of mayors will be to acquaint our constituents with the facts in order that they might make their views known at this critical time to their Senators who are now debating the bill." Mayor Wagner continued:

"Together with other members of the mayors' committee, I testified in 1955 before a congressional committee and outlined in detail the deficiencies of the bill. I am pleased to note that major metropolitan newspapers which have recently made thorough and objective studies of the bill have uniformly concluded that the bill should be defeated in the best interest of the consumers and the Nation as a whole.

"In light of the heavy and unnecessary burden that this bill would impose upon consumers, a brief restatement of some of the important reasons for retention of Federal regulation may be helpful.

"Contrary to the claims of the gas producers, the natural gas industry is a monopoly. Consumers have traditionally been afforded essential protection from monopolies by way of price regulation. The undeniable fact is that a handful of large producers control over 80 percent of natural gas production in this country. There is no real competition among producers. Rather, since the demand for natural gas exceeds the supply, the only competition is among consumers.

"Nor is there any real merit to the producers' claim that price regulation after the product has entered the pipeline affords adequate protection to the consumer. Freedom from regulation at the source of production substantially defeats all attempts at regulation when the product is in course of transmission and distribution.

"There is even less merit to the producers' argument that increases in field prices will be relatively small. An increase measured even in pennies rapidly mounts to huge sums drawn from the pockets of the consumers. There is strong evidence supporting the conclusion that the increase in price per thousand cubic feet will be measured in dimes rather than pennies.

"The plain fact, unchallenged in all discussions, is that the removal of regulation proposed by the Harris-Fulbright bill will result in an increase in the price of gas to millions of American families who have made a tremendous investment in the purchase of gas appliances in the expectation of continued reasonable charges. The imposition of another burdensome price increase upon consumers who have already been subjected to several successive price increases constitutes an unjustifiable breach of faith, particularly with those consumers who are in no financial position to reconvert to other fuels.

"The necessity for immediate, continued, and vigorous opposition to the bill is further emphasized by the massive publicity campaign now being conducted by the natural gas lobby in an attempt to confuse the public.

"Among other misleading statements, the lobby says that 'a handful of utilities, led by big eastern interests, advocate' regulation of natural gas producers, attempting thereby to give the impression that the opposition to the bill is limited to eastern utilities. The fact is that public-spirited consumer and labor groups, as well as our committee of mayors, representing communities throughout the Nation and over 30 million families, have been and are vigorously opposing the bill. Insofar as some local utilities also oppose certain portions of the bill they are to be commended.

"Senators LEHMAN and IVES, of New York, have already announced their opposition to the Harris-Fulbright bill. I count upon my fellow members of the mayors' committee to advise their Senators and constituents of the consumers' viewpoint and the urgent need to register that opposition immediately."

EXHIBIT 2

STATE OF NEW YORK,
PUBLIC SERVICE COMMISSION,
Albany, December 30, 1955.

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LEHMAN: When Congress reconvenes next week we understand that one of the first items of business before the Senate will be action on S. 1853, the Fulbright bill to exempt producers of natural gas from Federal regulatory control. This bill was favorably reported out of committee at the last session, and its companion House bill, H. R. 6645, has already been passed by the House.

Our study of the Fulbright bill, made against the background of our extensive knowledge of the distribution end of the natural-gas business in New York and our more limited, but still fairly wide, knowledge of the transmission and production segments of the industry, has convinced us that passage of this bill will be highly detrimental to the ultimate consumers of natural gas in this State. Consequently, we strenuously urge your active opposition to this bill.

A more detailed statement of our position is enclosed for your information. It supplements Commissioner Mylott's statement before the House committee considering the Harris bill, a copy of which was forwarded to you on April 29, 1955. Both this letter and the enclosure have been approved by the full commission.

With kind regards,
Sincerely yours,
BENJAMIN F. FEINBERG.

UNITED STATES SENATE,
January 6, 1956.

Mr. BENJAMIN F. FEINBERG,
Chairman, Public Service Commission of the State of New York, Albany, N. Y.

DEAR COMMISSIONER FEINBERG: I have your letter of December 30, and am pleased indeed to know of the stand taken by the Public Service Commission on the Harris-Fulbright bill. It should be almost unnecessary for me to tell you that I am strongly opposed to this legislation and will work for its defeat. I am very glad to have the analysis of the bill, prepared by the PSC, and I assure you that it will be useful. Indeed, I expect to refer to it on the floor of the Senate, if and when debate on this subject starts and, were it not so long, I would want to introduce it into the CONGRESSIONAL RECORD right now.

Please convey my respects and my sense of gratification at the action taken by the commission to your colleagues on the commission and express my special greetings to my very good friends, Commissioners Baich and Jacoby.

Very sincerely yours,
HERBERT H. LEHMAN,
United States Senator.

STATEMENT OF PUBLIC SERVICE COMMISSION OF THE STATE OF NEW YORK ON S. 1853

The Legislature of the State of New York created the public-service commission to insure that consumers of utility service in this State would enjoy the benefits of just and reasonable rates. In fixing the rates gas-distribution companies may charge consumers in this State, the commission must consider all of the distributors' costs, including, obviously, the cost of acquiring the gas they purchase for resale. However, since virtually all natural gas sold in this State enters from out-of-State sources, the price at which such gas enters New York is beyond the control of State regulation. It was to close this hiatus and thereby assure adequate protection for the ultimate consumer that Congress passed the Natural Gas Act in 1938, giving the Federal Power Commission regulatory jurisdiction over every "sale in interstate commerce of natural gas for resale for ultimate public consumption."

Pursuant to the mandate of the Natural Gas Act, the Federal Power Commission thereupon commenced regulation of the transmission portion of the natural-gas industry. However, notwithstanding the language of the act just quoted, the Commission held that it lacked jurisdiction over the sales made by independent producers[1] in interstate commerce of natural gas for resale. This self-imposed limitation was swept aside by the Supreme Court of the United States on June 7, 1954, in the celebrated Phillips decisions. Since that date, the Federal Power Commission, in accordance with the legislative mandate of the Natural Gas Act as interpreted in the highest court in the Nation, has with some reluctance undertaken to regulate producers.

The producer interests are now before Congress urging that they should be exempted from regulation. But exemption would reopen in part the very hiatus closed by the Natural Gas Act and would work to the detriment of the ultimate consumers in New York and other gas-consuming States.

Although both the Senate bill and its House counterpart contain some moderately elaborate window dressing, ostensibly giving the Federal Power Commission jurisdiction to nullify producer rates in excess of the reasonable market price, we are convinced that such statutory language, if enacted, would furnish no protection to the ultimate consumer against unjust, unreasonable and excessive producer rates. Currently and for sometime the market price has been established by wholly artificial means. It is not established as the result of the free interplay of forces of competition or of the laws of supply and demand. Rather, it is attained as the result of self-serving, insidious, so-called escalation or favored-party price-fixing clauses contained in virtually every producer-pipeline contract. Under these clauses the price paid at every wellhead skyrockets automatically whenever an additional source of supply is tapped at a higher price. Thus, one purchase of an infinitesimal amount of gas can and often does establish a uniform so-called market price for an entire area and under these boot-strap clauses the fluctuation can only be upward, never downward. The enactment of a statute prescribing the reasonable market price as the standard of measurement of just and reasonable rates to producers would thus in all likelihood merely lend legislative and administrative sanctity to the process by which natural-gas producers are now attempting to take advantage of the tremendous captive market they command. Rates so established would obviously be fixed by reference to what that market (i. e., the ultimate consumer in the gas-consuming States) will bear.

The matter is a complex one, involving tremendous amounts of money,[2] and its full understanding requires a brief summary of the recent history of natural-gas prices.

The bulk of natural gas consumed in this country is produced in the Southwest, far distant from the market areas of the North. In particular, most of the gas now being used in the State of New York is produced in the States of Texas and Louisiana.

Prior to the conclusion of the Second World War, natural gas in the Southwest was, in large measure, a useless byproduct of oil production and was frequently flared as a waste product. However, in the postwar era a vast new network of pipelines was built to carry natural gas from the Southwest to the North. During this era, and through the early 1950's, the transmission companies serving the New York area paid producers prices ranging from perhaps 6 cents to 10 cents per thousand cubic feet. Even as recently as early 1954, a price in excess of 10 cents per thousand cubic feet was unusual.

However, during the past year, the price has shot up to between 17 and 21 cents per thousand cubic feet, and two of the principal pipelines serving the New York area have recently been authorized to acquire substantial additional volumes of gas in southwest Louisiana at 17 and 18 cents per thousand cubic feet.

---

[1] An independent producer being a producer not affiliated with a transmission company.

[2] At December 31, 1954, the estimated United States natural-gas reserves were 211 trillion cubic feet. This means that for each 1 cent per thousand cubic feet increase in the price of gas, the value of those reserves to their owners increases over $2 billion.

The end does not appear to be in sight. In a recent FPC case to which we were a party, a representative of one of the larger producers of natural gas indicated that his company was thinking in terms of an immediate price of 25 cents per thousand cubic feet with rises to 30 or 40 cents per thousand cubic feet in the foreseeable future.

In none of the many FPC cases to which we have been a party has any producer alleged that a price of 15, 16, or 17 cents per thousand cubic feet was necessary in order to enable him to make a reasonable profit, or to enable him to raise new capital for further exploration. Basically, the sole line of proof which we have heard adduced is that the transmission companies are willing and can afford to pay the higher price. Of course, the transmission companies pass along any increase in the price they pay the producers, to their distributing company customers, and these companies in turn pass along such increases to the ultimate consumers.

If S. 1853 is enacted into law the result will be that the rates charged by a distribution company to its consumers will be regulated by State regulatory commissions such as the public service commission, the rates charged by transmission companies to such distribution companies will be regulated by the Federal Power Commission, but the rates charged by the producer to the transmission company will be beyond any effective control. We desire to make it just as clear as we can that producer rates, whether regulated or unregulated, will be paid for by the ultimate consumer.

We are not opposed in principle to legislation which would amend the Natural Gas Act in favor of the producer, so long as any such change would still protect the ultimate consumer. It is because we are convinced that S. 1853 does not do this that we urge your opposition to the bill.

Mr. PAYNE. Mr. President, as a member of the Committee on Interstate and Foreign Commerce, the junior Senator from Maine has given thorough study to S. 1853, a bill to amend the Natural Gas Act, which is currently under consideration by this body. I voted to report the bill to the Senate for debate when that question was before the committee. At that time I filed a statement of independent views endorsing the bill in principle while indicating that I had certain reservations in regard to the use of the phrase "reasonable market price." I ask unanimous consent that my statement of independent views be printed at this point in my remarks:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

VIEWS OF MR. PAYNE

While in general agreement with the purposes of S. 1853, a bill to amend the Natural Gas Act, as amended, insofar as it would exempt independent producers and gatherers of natural gas from strict public utility regulation under the Natural Gas Act as interpreted by the Supreme Court in the case of *Phillips Petroleum Company* v. *Wisconsin* (347 U. S. 672), it is the opinion of the undersigned that the recommendation of the Federal Power Commission for use of the phrase "just and reasonable price" should have been incorporated in the bill in lieu of references to a so-called reasonable market price.

In its report on S. 1853, dated May 6, 1955, the Federal Power Commission stated:

"The phrase used in the bill for the Commission to consider in fixing the allowance of payments by interstate pipeline companies to producers is that the payments to producers shall not be in excess of the market price or the reasonable market price. This seems to be less definite than the phrase just and reasonable price and the latter appears to be proper."

The phrase "reasonable market price" is a new and undefined regulatory standard; its inclusion in the basic law will leave the Federal Power Commission with a burdensome discretion which may well precipitate endless litigation and create uncertainty in the law, opening the door to the possibility that consumers may not have adequate protection from excessive increases in the price of natural gas in the future.

In a matter of this nature the Congress must carefully weigh the needs of the industry against the consumer interest in arriving at a national policy. The undersigned has carefully reviewed the hearings, reports, and proposed legislation. It is felt that the independent producers have made out a good case for exemption from certain phases of strict public utility type control and regulation. In analyzing the present price structure of the industry, it is clear that the price of natural gas at the wellhead is a relatively minor factor in the price to the consuming public and that the greater portion of the consumer price is for transmission of the gas from the fields to the consumption centers and for actual distribution to consumers. However, unless the language in the law itself spells out the standard for the degree and type of control over the producers which the Federal Power Commission is to exercise, wellhead prices might become a more appreciable factor in determining the price to the consuming public in the future.

If the standard to guide the Federal Power Commission is spelled out in the law as the just and reasonable price it is believed that between the Federal Power Commission, with its jurisdiction over interstate commerce, and the State regulatory commissions, with their jurisdiction over intrastate commerce, all components of the industry will be under reasonable regulatory control and consumers will be provided reasonable protection without unnecessarily hindering the development of the industry.

While the undersigned voted to report the bill to the Senate, he did so because it was felt that this matter should not be further delayed in committee and should have complete and full consideration and debate by the Senate itself in fairness to both consumers and producers.

The undersigned specifically reserves the right to offer and support amendments on the Senate floor to establish the regulatory standard of "just and reasonable price" recommended by the Federal Power Commission and to otherwise improve the bill.

Mr. PAYNE. Mr. President, since filing that statement of independent views last July the junior Senator from Maine has had an opportunity not only to give further study to this question; but also to analyze the application of "just and reasonable price" to the natural gas industry as it may relate to consumer interest, national policy, and the ability of the Federal Power Commission to establish a yardstick that would be both fair and equitable to all concerned.

As an accountant, this study has completely convinced me that the just and reasonable price yardstick cannot and should not be applied to natural gas producers as the courts have held repeatedly that this is strictly a public utility phrase and as such it, of course, must be interpreted and applied on the long established and well-documented strict accounting basis relating to public utility regulation.

To propose application of this criterion in determining the price for natural gas producers is to simply and plainly transform these producers into public utilities. In my judgment natural gas producers are not public utilities and never should be so classified. There is a very broad principle of national policy involved here which would completely reverse long established concepts if the position of the opponents of this measure was to prevail.

Mr. PASTORE. Mr. President, will the Senator from Maine yield?

Mr. PAYNE. May I suggest to my dear friend, the Senator from Rhode Island, that I would much prefer, if agreeable, to continue with my speech, because there are certain points which I wish to make very plain. Then, if sufficient time remains, I shall be most happy to attempt to answer any questions which may be raised.

Mr. President, to me, no regulatory commission, however well-intentioned, could possibly hope to devise a fair and equitable pricing formula on a cost-plus-profit base for such a variable risk-taking industry.

Furthermore, while some of my colleagues do believe sincerely that we can use the cost-plus means of regulating field prices of natural gas without undue risk, it is my considered judgment that consumers depending on interstate shipments of natural gas would be penalized by such a formula and that my colleagues may do a great disservice to the consumer because of a failure fully to understand the complete problem.

Public utilities are single-service industries that are granted a monopoly of that particular service, and whose costs of performing that service are capable of accurate determination. Having determined such cost, an addition of 6 percent on capital invested, divided by estimated units of service to be sold, would result in an approved, long-accepted "just and reasonable price" yardstick.

Let us see what happens if we try to apply this procedure to natural gas.

It is possible, limiting ourselves to theory, to develop a hypothetical case in which utility regulation could be applied. Let us say that John Smith, a single operator getting into production for the first time, has drilled a well that taps an estimated billion-cubic-foot reservoir of completely dry gas. His ascertainable costs of drilling and operation come to $100,000. We divide the 1 billion into the hundred thousand and get a cost of 10 cents per thousand cubic feet. We might then set the price to cover the initial investment, plus operating expenses, plus a margin sufficient to result in a return of 6 percent after taxes. This sounds simple enough in theory, but would present insurmountable difficulties in practice.

We face no mere theory when we contemplate control over the producers. We face hard facts that have the unfortunate habit of presenting anything but the simplicities of theory.

Take but a single well as it exists in actuality rather than as a hypothetical case. It is the project not of John Smith alone in first-strike success but of a partnership of three. Richard Roe, one of the other partners, has been in on 13 dry-hole ventures in discouraging succession before this. Edward Edmund-

son, the third partner, has been in on four previous failures. What, now, can you say of the cost of this particular well when finally it is brought in? Shall three different prices be assigned to the production?

Or try another question—how much gas will this partnership's well eventually produce, anyway? It makes quite a difference in the preceding example if the well is estimated to produce over its life 1 billion or 2 billion cubic feet. In practice the question is unanswerable until the well is finally abandoned. Drilling to completion depth, this partnership may have logged three possibly productive horizons at shallower depths. No one can tell whether they will produce, much less how much, until the casing has been perforated there some years from now. And even the yield from the well they have presently tapped is a matter of slightly educated guesswork predicated on arbitrary assumptions. If the reservoir is so-and-so big, as indicated, and if pressures can be maintained at these-and-that levels, and if the porosity averages such and such, then probably the total yield of gas will be this answer. That is the best any engineer can do. Given competitive pricing, it matters little whether he is 10 or even 20 percent off in his calculations. Everyone knows he is no crystal-ball oracle. But given rate regulation on cost, an error of 10 percent in the calculations would more than wipe out all profit. Would an engineer care to stake his reputation on a guess whether a given well would yield a trillion cubic feet or only 900 billion? The precise calculations of utility rates down to fractions of a cent are simply not applicable, when dealing with such imponderables, and to develop a sound and practical accounting formula to determine cost under such conditions as these is impracticable, if not impossible.

Yet even this does not exhaust the catalog of difficulties. Today this well as it exists in actuality is producing, not just dry gas, but some oil and some recoverable condensate. Worse than that, the rate at which it is producing this crude and condensate today is not necessarily the same rate at which it will produce them a month from today. What now do we do about determining the actual cost of the gas production alone? Do we simply disregard the value of the associated products? Do we arbitrarily assume some dreamed-up average ratio and apportion costs by guess? Do we meter production daily and adjust the rate to all the fluctuations of flow? Do we fix a price for the crude and condensate even in the absence of legislative authority?

I ask these questions and am only glad that I do not have to answer them. No person, no agency—not even a super Federal Power Commission—could possibly answer them satisfactorily. Arbitrary and very flexible judgment would have to be applied.

This is the kind of difficulty—insuperable difficulty—into which we run if we consider just a single well in the effort to determine true cost. Move back a step to consider the multiplicity of actual wells, and the problems multiply geometrically. For immediately we are involved in the intricate complexities of relative fairness.

The late Justice Jackson, in the Hope natural gas case, took judicial notice of the most salient of these problems when he commented:

> Let us assume that Doe and Roe each produces in West Virginia for delivery to Cleveland the same quantity of natural gas each day. Doe, however, through luck or foresight or whatever it takes, gets his gas from investing $50,000 in leases and drilling. Roe drilled poor territory, got smaller wells, and has invested $250,000. Does anybody imagine that Roe can get or ought to get for his gas 5 times as much as Doe because he has spent 5 times as much? The service one renders to society in the gas business is measured by what he gets out of the ground, not by what he puts into it, and there is little more relation between the investment and the results than in a game of poker.

It is small wonder, since he saw the problem so clearly, that the Justice applied to the utility rate-base method suggested for gas production the telling adjectives "fantastic" and "delirious."

Yet even his analysis goes to only part of the difficulty. Unfortunately, what he considered a pertinent question has not had the answer it deserves. There really are some who imagine that Roe, under the circumstances, ought to get five times as much as Doe. There are some who argue in seeming seriousness that such a utility rate formula should be applied. What I have yet to hear is anyone explain what is to happen as a practical matter if a system of cost-plus or "just and reasonable price" is applied.

Let us suppose, by stretching the imagination, that the Federal Power Commission worked out some average, arbitrary formula for calculating costs and see what would happen in the case of discovering gas in, let us say, southern Louisiana. Company A, efficient or lucky or both, has low costs and can justify a price of only 7 cents a thousand cubic feet for its production by the assumed formula. Company B, inefficient or unlucky or both, has high costs and can justify on the arbitrary costing formula a price of 16 cents a thousand. Then let us further suppose, which takes no stretch of the imagination at all, that the intrastate competitive market price, beyond the reach of Federal regulation, is 12 cents per thousand cubic feet. Where will company A sell its output? It will sell it in the intrastate market where it will be paid 5 cents per thousand cubic feet over its cost. Where will company B sell its output? Not in the intrastate market, where the price is 4 cents below its cost, but in the interstate market, where it will receive its cost of 16 cents plus 6 percent. The insertion of the words "just and reasonable price" in this bill will drive the high-cost gas into interstate commerce and the low-cost gas into the intrastate market. The consumers in our nonproducing States will be the victims of such a move.

These are only a few of the consequences of chaos that must inevitably follow an attempt to impose utility-type regulation on the producers. But the repetition of specifics could serve only to underline the one conclusion—this formula cannot reasonably be applied.

Let us, then state the problem as it really exists. If we substitute the words "just and reasonable price" for the phrase "reasonable market price" in the pending bill, we will be voting for direct utility-type regulation of the producers. It can be concluded that if we impose on the producers direct utility regulation on a cost-plus rate basis, we will condemn gas production to chaos.

That conclusion, though, leaves us with a question: Is it possible nonetheless to erect consumer safeguards beyond those naturally and automatically provided by producer competition? The answer is "Yes," and it lies in the very phrase around which this discussion revolves. The bill before us provides such safeguard by allowing the Federal Power Commission to disallow anything above a "reasonable market price" as the wellhead value of gas.

It has been contended, but without supporting facts, that the phrase "reasonable market price" is meaningless. It involves denying to words any meaning at all. The fact is that this phrase is not only definable, but already has been defined.

"Market price" itself, of course, is a term with clear legal meaning. A market price is one set between a seller and a buyer who are equally free to bargain. It is a competitive price, a nonmonopolistic price.

The opponents of the bill rest their case for utility-type regulation on the premise that a monopoly or a semimonopoly exists in natural-gas production which makes such strict regulation essential.

The facts clearly indicate that there is no monopoly in natural-gas production. There are more than 8,000 competing producers in this industry. The records show that the concentration of control over output is lower in natural-gas production than in 382 of our Nation's 452 industries. They show that field prices for natural gas have fluctuated in almost textbook accord with the shifts of competitive pressures. No single one of the many economic tests the experts apply, in fact, gives the slightest indication of monopoly in gas production. The simple truth is that the advocates of utility-type control cannot really substantiate their charge of monopoly in this field.

Mr. FULBRIGHT. Mr. President, would the Senator from Maine wish to yield at this point?

Mr. PAYNE. I have requested, I may say to my good friend from Arkansas, that I might be permitted to complete my speech because of the limitation of time under which I am speaking by agreement with the Senator from New York [Mr. LEHMAN]. Then, as I have stated to the Senator from Rhode Island [Mr. PASTORE], who asked me to yield earlier, if it be permissible, and if time can be arranged in which to do so, I shall be happy to answer any questions which may be raised.

Mr. FULBRIGHT. I thank the Senator.

Mr. PAYNE. Mr. President, in order to provide thorough consumer safeguards, however, the authors of this legislation have introduced a qualifying adjective before the "market price" phrase making it "reasonable market price."

As the House Committee on Interstate and Foreign Commerce observed in its report recommending passage of the Harris bill:

> The addition of the word "reasonable" to the familiar term "market price" is to be viewed in conjunction with the requirement in the bill that in making its determination the Commission shall consider, among other things, whether such price was competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices. When these provisions are all read in the light of each other, it is apparent that the Commission is not narrowly limited in the matters which it may consider in determining the reasonable market price, but that instead the Commission may look to all of the factors which are properly relevant. Among other factors requiring recognition and consideration are (1) the quality of the natural gas being purchased; (2) conditions of delivery; (3) the level of prices established currently by generally comparable contracts; (4) prices in different fields and producing areas; (5) whether such prices and the contract price have been established by arm's-length bargaining; and (6) the variation of competitive market prices.

Is "reasonable market price," then, as some contend, an entirely meaningless phrase? Quite the contrary. It is as concrete, as specific in its own way as the slow increase of judicial decision has made that other phrase, "just and reasonable price." But the phrase "reasonable market price," while providing full safeguards for consumer interest, has an inestimable advantage over this other that has been urged as a substitute. It has the advantage of not being tied to costs, which would be an impossible yardstick of variable length as a measure of proper natural-gas prices.

Let me conclude by recalling some fairly elementary, but often forgotten, economics from the history of utility regulation. There was a time in this Nation when what we now think of as utility services were being supplied by competing companies within given communities. There would be several gas companies, perhaps, several transit companies, possibly several telephone and electric companies. But it become apparent before long that, for several reasons, this competitive setup was not working in the public interest. For one obvious thing, it was annoying, and worse, to have these various companies forever tearing up property, public and private, to put in duplicating facilities. Beyond that, with all the competition, many of the companies were unable to achieve the financial stability necessary to continuous service. And most important of all, whole segments of the community were being deprived of service. There would be several companies scrambling for patronage in the densely populated areas, but none were anxious to serve outlying areas.

The solution which eventually evolved was the creation of public utilities. One company alone, it was decided, would be given the franchise to serve a community. This would avoid the waste and disruption of duplicated facilities, and would also insure a sound financial base for service continuity. Because the exclusiveness of a franchise gave the company a public character, it was delegated governmental rights of eminent domain in acquiring property; and because one purpose of the franchise was to assure communitywide service, the single company was required to accept all customers at published rates.

In passing, I should note that none of the factors involved in creation of these utilities is at work in the field of natural gas production. There is no violation of the public tranquility in the drilling of gas wells. Naturally, then, no one has suggested giving any one producer or group of producers an exclusive franchise to drill. Public welfare has not been threatened by any lack of abundant and continuous supply. Naturally, then, no one has suggested that the producers must be ordered to serve everyone who wants to buy. Drilling is done on private land after private negotiation, so there has been no suggestion of giving the producers the rights of condemnation. In truth, then, the natural-gas producers have not a single one of the essential earmarks of a true public utility. That is why the effort to force them under utility-type regulation under such circumstances to me is unsound and unjust.

I have not recited this brief history, though, to make the point that the producers are not utilities. My point is, rather, about rates.

Having established the utilities as legalized monopolies, the men in Government quickly realized they had eliminated competition as the natural regulator of rates. They had to come up with a substitute to prevent abuse of the monopoly they had created. That substitute was Government regulation, Government prescription of permissible rates.

What was the basis on which the rates were to be prescribed? Here we are at the very crux of our question. The rates to be set, it was determined, should be as close as possible to those that competition would have established without regulation. They were not, of course, to be rates that would return as large a profit as a high-risk enterprise might secure, for the risk had largely been legislated out of the utilities. Neither were they to be rates that would return only as small a profit as an investment in gilt-edged bonds would bring. While the risk was limited in the utilities, it was not eliminated. But the goal was to establish a rate which would bring a profit sufficient to attract the necessary capital, recognizing that capital could also go into industries of higher risk where the rate of return is not regulated. Given mobility of capital, the rate had to be fair, or the utilities could never attract the necessary financing. Our utility regulations were established, not to prevent the earning of profits, but actually, as far as possible, to guarantee them.

We have before us now a proposal that will, without the impossibly cumbersome apparatus of cost guesswork, insure this same end in natural-gas production. Avoiding the discouragement to incentive that is unavoidable with an artificial pricing of gas on an arbitrary costing formula, it will leave the producers free to explore, produce, and sell in confidence that they will not be denied a reasonable market price, whatever that may be, when they sell their gas. It will provide a barrier against the intrusion of monopoly, or even semimonopoly, in the determination of wellhead gas prices. And it will furnish, not just 1 or 2, but 7 separate provisions for consumer protection against even a hint of exploitation.

Approaching a vote on this bill, Mr. President, we in the Senate are confronted by fairly simple questions: Do we honestly believe in the freedom of enterprise of which so many of us speak, or do we think that only an all-powerful Government can be trusted to run our lives? Do we believe in competition to the extent that we will act to preserve and strengthen it, or do we fear the very thing that has made our Nation great?

Why should natural-gas production be singled out for utility-type regulation? Why not gasoline? Why not oil? Why not coal? They are resources used by distributing companies for the production of gas, power, and so forth. They have been produced competitively over the years, and have been sold on a competitive basis free from utility-rate regulation.

I would call your attention to what William E. Rappard, founder and director of the Graduate Institute of International Studies, Geneva, writes near the end of his remarkable little book, The Secret of American Prosperity. He says:

> We do not know of anyone who would contend that the undisputed prosperity of the American economy was not stimulated by the free and refreshing breath of competition which is constantly fanning the ardor of its equally exceptional and undisputed productivity * * * of the undoubtedly numerous causes of the productivity which lie at the root of this prosperity, it is the spirit of competition which takes first place.

It is not always relaxing to watch competition at work, for the system is one of constant tensions. Today freedom in the market place brings high prices that induce a further production to meet the demand and so lower those prices. Tomorrow, the same freedom brings amazingly low prices that discourage entry into the field of production, and so result in a new balancing of supply and demand.

Mr. President, there are always people who want to put an end to this fluctuation. If the prices are temporarily high, they want ceilings established to protect the consumers. If the prices are temporarily low, they want floors hastily built to prevent economic disaster to the producers. Over and over again they propose to freeze our flexible system at one point or another. But fluctuations like these are only part of the price we must pay for our economic freedom and progress. And that freedom itself is a thing beyond price.

Those who argue for controls propose that we now cancel competition in natural gas production, in the name of consumer protection. I may be proved wrong in my conclusion; but it is a conclusion reached only after careful study and analysis, and with all the consumer and producer interests taken into consideration. It is a conclusion which I believe to be not only fair and equitable, but in the best interests of our Nation's future progress under a free competitive system, unhampered by regimentation or impracticable and unjustified governmental controls.

For these reasons the junior Senator from Maine will support the Fulbright bill when this debate is concluded and the roll is at last called.

Mr. President, at this point I ask unanimous consent to have printed in the body of the RECORD, following these remarks, a telegram I have received from the National Grange and a telegram I have received from the American Farm Bureau Federation, both of which—representing, as they do, great organizations concerned with the well-being of thousands upon thousands of our people scattered throughout this land—express their concern regarding the proposed legislation and urge passage of the bill.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

THE NATIONAL GRANGE,
Washington, D. C., January 13, 1956.

The Honorable FREDERICK G. PAYNE,
United States Senate,
Washington, D. C.

DEAR SENATOR PAYNE: It is our understanding that the Senate will take up the natural gas bill on the Senate floor Monday, January 16.

The Grange urges you to vote for the bill. At the Cleveland session of the National Grange, held last November, the following resolution on natural gas was adopted:

"The National Grange reaffirms its stand in opposition to the fixing of prices of natural gas at the wellhead by the Federal Government."

It is the opinion of the National Grange that there will be enough competition at the wellheads to protect the consumers, and at the same time we think that it is only fair that natural gas be priced competitively, like other fuels are. Should there develop a tendency toward monopolistic price fixing of natural gas at the wellhead, then the proper remedy would be the application of the antitrust laws. We recognize the necessity of public utility control over the distribution of natural gas where a natural area monopoly exists.

Respectfully yours,
LLOYD C. HALVORSON,
Economist.

WASHINGTON, D. C., *January 16, 1956.*

Hon. FREDERICK PAYNE,
Senate Office Building:

Enactment Harris bill to terminate Federal regulation field prices natural gas respectfully recommended. A free market in competitive conditions is most effective guarantee of continuing adequate supply and best assurance interests of producers will be protected.

JOHN C. LYNN,
American Farm Bureau Federation.

Mr. PAYNE. Mr. President, I wish to thank the Senator from New York for his courtesy to me in extending to me the privilege of making these remarks at this time.

I should also like to ask him, for the benefit of the Senator from Rhode Island [Mr. PASTORE] and the Senator from Arkansas [Mr. FULBRIGHT], whether he will be willing to permit me to yield to them for a few minutes, so that they may now ask me the questions which earlier I asked them to postpone.

Mr. LEHMAN. Mr. President, I am glad to ask unanimous consent for that purpose; and I also ask unanimous consent—which I neglected to request before—that the remarks of the Senator from Maine be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection? Without objection, it is so ordered.

Mr. PAYNE. Then, Mr. President, I am very glad indeed to yield at this time to the Senator from Arkansas.

Mr. FULBRIGHT. I thank the Senator from Maine, and also the Senator from New York.

First, Mr. President, I should like to compliment the Senator from Maine on his very able and statesmanlike speech. I believe he has analyzed the issue accurately and in a very forceful manner.

If I may, I should like for a moment to develop the idea of competition, which the opponents of this measure have ridiculed, in a sense, or have denied that it exists.

In addition to the more than 8,000 competing producers in the industry, who have been mentioned by the Senator from Maine, is it not a fact that every citizen of the United States is free to undertake to find additional supplies of gas? Furthermore, if there is a possibility of an enormous increase in the price—a prediction with which some persons attempt to frighten us—is it not true that such an increase would be a way to bring the supply back into line with the demand?

Mr. PAYNE. Of course that is correct. Furthermore, let me point out that no element of a utility exists in this field. For instance, there is no right of eminent domain. This field presents a wide-open opportunity for anyone who wishes to do so to explore the possibility of developing new sources of gas, without being hampered in any way, shape, or manner.

Mr. FULBRIGHT. I think the Senator from Maine made that point very well; and I simply wish to reemphasize it—namely, that not only is there freedom in that respect, but also that anyone who thinks there are fabulous profits to be made in this business is free to enter it at any time he wishes.

In addition, we have recently had evidence to the effect that companies in our neighboring countries of Mexico and Canada are seeking a market in the United States for their natural gas. In other words, such competition is entering this market from those two very large additional sources; is not that correct?

Mr. PAYNE. That is correct.

Mr. FULBRIGHT. So I think the point the Senator from Maine makes—namely, the point of competition existing in this business—is absolutely unanswerable; and such competition is the traditional method by which the very productive economy of our Nation has been regulated.

Mr. DANIEL. Mr. President, will the Senator from Maine yield to me?

Mr. PAYNE. Mr. President, I have already agreed to yield first to the Senator from Rhode Island [Mr. PASTORE].

Mr. PASTORE. That is quite all right, Mr. President; I am glad to wait.

Mr. PAYNE. Very well; then I am very happy to yield at this time to the Senator from Texas.

Mr. DANIEL. I thank both Senators.

Mr. President, I desire to join in complimenting the distinguished Senator from Maine upon his address.

As a member of the Senate Committee on Interstate and Foreign Commerce, the Senator from Maine had the privilege of hearing all the evidence; and, in my opinion, he could look upon it as objectively as could any other member of the committee.

Mr. PAYNE. Mr. President, let me say that I appreciate that statement. I tried to look upon the evidence objectively, as I am sure all other members of the committee did.

Mr. DANIEL. Certainly I am happy that the Senator from Maine has reached the conclusion he has, especially with reference to the necessity for using the term "reasonable market price," instead of terms which would mean a utility type of regulation; and I am also glad that he believes that passage of the bill will bring more gas into interstate commerce, and thereby will cause the price to stay at a reasonable level, as it was before we were threatened with this type of regulation.

Mr. PAYNE. That observation is a correct one. I desire to assure the Senator from Texas that, as I believe all Members of the Senate knew, I filed a separate report because of my concern over the consumer interests, and because I wanted adequate time in which to make a determination clearly and concisely in my own mind as to whether the so-called reasonable market price would stand the reasonable test of protecting the consumer interests, and would also give the natural gas industry a chance to develop, as it must develop, in order to supply the great demands this Nation has.

Mr. FULBRIGHT. Mr. President, will the Senator from Maine yield once more to me?

Mr. PAYNE. I am very happy to yield to the Senator from Arkansas.

Mr. FULBRIGHT. One other point which occurs to me is that the same Federal Power Commission will administer whichever standard of regulation is agreed upon by the Congress; is not that correct?

Mr. PAYNE. That is correct.

Mr. FULBRIGHT. So it seems to me quite unrealistic for the opponents of the bill to say that the Federal Power Commission will not enforce the standards set forth in the bill, whereas the same Commission would enforce the other standards to which the opponents refer. It seems to me that if the Federal Power Commission will enforce either one, it is just as likely to enforce one properly as it is to enforce the other properly.

As a matter of fact, did not the representatives of the Federal Power Commission who appeared before the committee indicate that the method of regulation provided in the pending bill is an easier one—one which is easier to apply, and one which they think they can apply very readily?

Mr. PAYNE. I cannot say that is exactly the statement which was made. The Chairman of the Commission raised a question in regard to the difference between the usage of the two phrases I mentioned in the course of my speech.

But I want to point out very clearly that anyone who knows the accounting formula by which public-utility rates are determined, knows very well indeed that when a given quantity of coal or a given quantity of oil having a certain British thermal unit content, is used to produce steam under a certain pressure, it is possible to make an accurate determination of the amount of kilowatts that particular force of steam will produce in going through the turbines, and with all the various factors taken into consideration.

In the case of a head of water coming down over a dam and going through the wheels into the turbines and through the generators, that value can be accurately measured. It is easy to measure costs when the factors are easy of determination, because we have to apply only known factors. But when we get into figures affecting the natural-gas business, with many different component parts to analyze, with a hole going down into the ground, and with no one but an engineer capable of making even an estimate, we have a different situation. The engineer certainly does not want to place himself in the position of trying to read a crystal ball. He must make a factual presentation as to the possible developments. However, his estimate can be based only upon what he has observed in other places. He may or may not be within a mile of the correct figure. His estimate may be less or more than the correct figure. His computation may be valueless.

From the standpoint of the consumer, there would be a great difference in the rate, which is based upon an estimate, if the figure arrived at represented an underestimate. There would be a great difference in the cost pattern to the consumer. If the figure were overestimated, there would be a serious effect in both directions, because there would be a tendency to dry up the exploration of further gas deposits.

Mr. FULBRIGHT. I did not phrase my question properly. I was trying to make the point which the Senator made, that the Commission recognizes the very great difficulties involved in arriving at cost in the gas-producing business.

Mr. PAYNE. Absolutely. Any person who has had anything to do with accounting or ratemaking bases would say that it is practically impossible, if not absolutely impossible, to arrive at a utility type of rate structure and apply it to the gas-producing business at the wellhead, just as a similar formula is applied to the normally conceived utility operation.

Mr. FULBRIGHT. I thank the Senator.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PAYNE. I am glad to yield to the Senator from Rhode Island. He has been very patient.

Mr. PASTORE. First of all, I wish to say to the distinguished Senator from Maine that I do not question his purpose. Nor do I question his sincerity in the presentation of the position he takes with respect to the pending bill.

Mr. PAYNE. I appreciate the statement just made by the distinguished Senator from Rhode Island. Neither do I question for a single moment the absolute sincerity of my colleague in the position he has taken. This issue affords an avenue for disagreement among people on the basis of the way they see the problem.

Mr. PASTORE. The Senator has developed a theory which has more or less amazed and mystified me. The entire thesis of the proponents of the bill has been along the line that we must either go back to a strict 6 percent return on capital, under the utility formula, or accept this bill. We have not had an opportunity to explore the middle road, so to speak, in order to do equity to the producer and the consumer.

I am perfectly willing to admit at the very outset that the producer is not precisely in the same position as the pipeline company. None of the opponents of the bill have so argued.

I am perfectly willing to admit that the producers are not in the same position as the distribution companies. No one has ever argued that. But the distinguished Senator from Maine has taken the position that unless we pass this bill we shall be in the position where we must accept the same formula with respect to the producer that we accept with respect to the pipeline company or the distribution company. That, I think, is the fallacy of the argument of the proponents.

I think I attended almost all the hearings of the subcommittee, if not all of them. I think the distinguished Senator from Maine will bear me out when I say that I took occasion during the hearings to point out that the passage of this bill would be a clear-cut victory for no one, and that an out-and-out defeat of the bill would be a clear-cut victory for no one. This problem, whether the bill is passed or defeated, will arise to plague us again, and I am afraid pretty soon.

The distinguished Senator from Maine has developed this theory: He has stated that we cannot apply the rule of a "just and reasonable" rate because the Supreme Court has said, in every case involving a public utility company, that "just and reasonable" means thus and so, which precludes the prerogative of the Congress to say what we mean by "just and reasonable" in the case of a producer or gatherer.

The argument is further developed that, after all, the only term that can be accepted as a standard and understood by all people, is the standard of a "market price," because everyone knows what a market price is. But having said that, the proponents do not terminate their argument. They go on to say that the market price which they are talking about is not the market price defined in the dictionary. What have they said? On page 6 they have said, in effect, "The market price we are talking about in the bill is not the market price which is the result of the operation of the law of supply and demand, as we know it, in free competitive enterprise."

They are telling the Commission how it shall determine the market price. In other words, the market will not determine the market price. The Federal Power Commission will determine the market price; and the proponents of the bill undertake to tell the Commission how to do it. The Senator from Maine says we cannot tell the Commission what it may do with respect to the term "just and reasonable," but that we can tell them what to do with respect to the term "market price." This is how it is done. These are the words of the bill, found on page 6, beginning in line 22, and I quote:

> In determining the reasonable market price of natural gas under the provisions of this section 5—

The framers of the bill fail to say that it shall be the result of the operation of the law of supply and demand, in an open and free market, at arm's length. Oh, no. There are gimmicks in the bill. Reading further from page 6, and I quote—

> the Commission shall consider, among other things—

Which might mean even throwing in the old kitchen sink—the bill says, "among other things." No one knows what those things are.

I invite the distinguished Senator from Maine to explain what these things are.

Continuing—

> whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply—

And in that regard, I can see the Supreme Court fighting for the next decade, trying to decide what that means—

> and the reasonableness of the provisions of the contract—

That might mean anything, in anyone's language. If we take the Senate membership as a criterion, it will be split 96 different ways—

> as they relate to existing or future prices.

In the name of good commonsense, will the distinguished Senator tell me that this is "market price" as defined in Webster's dictionary?

Mr. PAYNE. Let me say to my good friend that he is making an argument, basically, which I certainly do not wish to go along with. If I correctly understand the Senator, he is trying to make the argument that we would remove the independent natural-gas industry entirely from any jurisdiction or control whatsoever on the part of the Federal Power Commission. That I will not subscribe to.

Mr. PASTORE. I do not say that at all. Let me use the very nice words used by the distinguished Senator from Maine. I listened very attentively to

what he had to say. This is the crux of his remarks. Three times he used the expression "fair and equitable." The word "equitable" means equity to the producer and equity to the consumer. When we talk about equity we balance rights. I love that expression. The distinguished Senator from Maine used it three times. I do not know whether that was done inadvertently or deliberately.

Why can we not say, in fairness to the consumer, that the price shall be a fair and equitable price, and that in determining that price the Federal Power Commission shall take into consideration "among other things"—and I am willing to accept that expression—whether it was competitively arrived at, the reasonableness of the terms of the contract, the assurance of supply, and existing and future prices? Why can we not do that and terminate this debate. The reason is, there is a gimmick in the bill.

When the proponents of the bill begin to talk about "reasonable market price," they begin by saying that the market price is the price, for example, on the basis of which a piece of property is condemned. But they say, "We do not mean that exactly."

They say "among other things." I should like to know what they are. They propose to determine whether this was done, or that was done, or something else was done. By the time we get through, the "reasonable market price" could be anything. To whose disadvantage would that operate? It would operate to the disadvantage of the poor little captive consumer, for whom everyone here is bleeding, when the sole purpose of the bill is to do one thing; namely, raise the price of gas. Amen.

Mr. PAYNE. My distinguished colleague from Rhode Island has served as the Governor of his State. I had the privilege of serving my State as its Governor. I am sure he had the highest regard for the public utilities commission which exercised jurisdiction in matters affecting the requirements of the consumer by always trying, presumably, to protect the interests of the consumer.

Let me suggest that over the years, as a result of the prices that have been developing on the transmission lines in the utilities field, as such, I have never heard such a great outburst of concern in the name of the consumer interests as I have heard in this particular case. Let me suggest that there are many interpretations that can be applied to the words "reasonable market price." If we look up the words in the dictionary, we find several definitions given with respect to what is meant by that expression. We could take the word "equitable," and by going to the dictionary we could find what that word means. We could do the same thing with respect to expressions like "just and reasonable," which is a utility phrase.

Let me say, with respect to what is meant by a just and reasonable rate, that down through the years, by test after test after test, there has been developed, through the courts by adjudication, a precise and exact meaning of the phrase, which is a strict public utility concept of ratemaking. That is why we propose a reasonable market price.

My colleagues know very well that I had considerable reservation on this proposition, because I have the consumer interests at heart now just as much as I ever had them at heart, regardless of any difference of opinion my distinguished colleague from Rhode Island and I may have.

Mr. PASTORE. I do not question that at all.

Mr. PAYNE. In order to arrive at an understanding of what we mean by a reasonable market price, it becomes necessary, unless that phrase is to be very loosely interpreted, to spell out exactly what is meant by it. It is necessary to spell out the component parts of it for the guidance of the Federal Power Commission, which will have to act in order to protect the consumer while at the same time not retarding the exploitation of further natural gas deposits in the interest of the consumer.

Mr. PASTORE. Why can we not make the same explanation with respect to "just and reasonable?" Why can we not make it in that regard just as easily? Are we not assembling here today to consider changing an opinion of the Supreme Court, with reference to producers and gatherers, by passing the pending bill? If we do pass it.

We could change the opinion of the Supreme Court by telling the Federal Power Commission what we mean by a "just and reasonable" rate with reference to the producer. Why does the Senator make that possibility seem so impossible of realization? What attracts the Senator to "reasonable market price," and what repels him with respect to the other phrase?

What is wrong with using the phrase "fair and equitable"? If we want to be fair, and if we want to be equitable, what is wrong with using that expression?

Mr. PAYNE. What does fair and equitable mean?

Mr. PASTORE. Fair and equitable means a price that is fair and equitable to the producer and to the consumer.

Mr. PAYNE. So does "reasonable market price."

Mr. PASTORE. Oh, no; it does not.

Mr. PAYNE. It does, under the criterion that has been established.

Mr. PASTORE. Why does not the Senator leave out phrases like "among other things"?

Mr. PAYNE. Because as I explained before, when a person goes to a dictionary to find the meaning of a particular phrase he finds not one meaning, but a series of different meanings.

Mr. PASTORE. Mr. President, may I ask the Senator one more question?

Mr. PAYNE. If the Senator from New York will yield further.

Mr. LEHMAN. I shall be glad to yield an additional 5 minutes.

Mr. PAYNE. I thank the Senator from New York very much.

Mr. PASTORE. I am sure the Senator is familiar with the fact that under subsection (e) of section 3 of the bill it is provided that in the case of existing contracts, a pipeline company is not obligated to pay more than the so-called reasonable market price. Is that correct?

Mr. PAYNE. That is correct.

Mr. PASTORE. If it is fair to the producer that we use a reasonable market price as a standard of measuring the cost or the value, why do we not also say, under subsections (b) and (c), that with relation to future contracts the pipeline company shall not be obligated to pay more than the Federal Power Commission holds is a reasonable market price? Why is such a provision omitted? Why is it stated that with respect to existing contracts a pipeline company shall not be obligated to pay more, but with respect to new or future contracts the pipeline company may pay more but cannot charge off more than the reasonable market price. Why is that loophole left wide open, with no restriction upon the pipeline company and the producer to be bound by the price that is fixed by the Federal Power Commission in regard to new contracts? I have been asking that question for 2 whole weeks, and I have yet not received an answer.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. PAYNE. I yield.

Mr. DANIEL. Does the Senator from Maine wish to answer that question, or does he want another member of the committee to answer it?

Mr. PAYNE. I am glad to yield to the Senator from Texas.

Mr. DANIEL. I tried earlier in the debate to answer that question of the Senator from Rhode Island. I should like to ask the Senator from Maine if it is not true that in committee we did not have such a provision in either place. In other words, when the bill was first considered in the House, that provision was not contained in the bill. I refer to a provision that the pipeline company shall not be required to pay more.

Mr. PAYNE. The Senator is correct.

Mr. DANIEL. However, it was thought that on contracts that are already written——

Mr. PASTORE. It was thought by whom, may I ask?

Mr. DANIEL. By the House committee.

Mr. PASTORE. We are on the floor of the Senate now.

Mr. DANIEL. I know. In our committee we happened to agree with the House on most of the provisions by a vote of 11 to 4. We went over what had been done by the House. We even made the House committee report a part of our committee report by a vote of 11 to 4. In committee we saw that the House had added a provision that a pipeline company shall not be required to pay more on present contracts. Some question was raised that if we did not make specifically clear what we had in mind, under present existing contracts, the pipeline companies might be required to pay more money.

With respect to new contracts, certainly the companies can take care of themselves. It would seem to me, and it seemed to the members of the House committee and to the members of the Senate committee, that that was a fact.

Certainly one thing is sure, that the pipeline companies cannot pass onto the

consumer anything over and above a reasonable market price. It is my understanding that that is what the opponents of the bill are looking at particularly.

Mr. PASTORE. Mr. President, will the Senator yield that I may ask a question of the Senator from Texas?

Mr. PAYNE. I am happy to yield for that purpose.

Mr. PASTORE. If it is intended that the pipeline company is not to pay more than a reasonable market price, and if it is intended that the producer is not to charge or collect more than a reasonable price in future contracts, why does not the Senator so state in the bill?

Mr. DANIEL. We did not think it was necessary to do so. If the pipeline companies wish to pay more, and absorb the difference, that is all right with us.

Mr. PASTORE. That is the gimmick in the bill.

Mr. DANIEL. The Senator calls it a gimmick. Does the Senator know of any member of our committee who put that in the bill as a gimmick?

Mr. PASTORE. Oh, I think the producers wrote the bill.

Mr. DANIEL. The Senator knows better than that. I do not know why the Senator says that. I do not know what reason the Senator has for making that statement.

Mr. PASTORE. It is constantly being said that this is the bill which comes from the House, and we are always talking about what happened in the House. Let us talk about what is being done in the Senate. Let us talk about our responsibility. If we do not want the pipeline company to pay more, or if we do not want the producer to charge more, why in the name of good sense do we not say so in the bill? Why do we beat around the bush? That is what I want to know.

Why should we not use the same language in future contracts as we use in reference to existing contracts? What is so unreasonable about that request? Why are the proponents of the bill so concerned about that?

Mr. DANIEL. Mr. President, will the Senator from Maine yield further?

Mr. PAYNE. I yield.

Mr. DANIEL. I do not know whether the Senator from Rhode Island has paid any attention to what was done in the House committee. It so happened that I was paying attention to it. The Senator certainly know what went on in our committee. If he had studied the House committee's work I do not think he would charge Representative HARRIS and other sponsors of the bill with having had it drawn by the producers, because, if there was ever a bill which, after first being dropped into the hopper, was changed and rewritten, with stronger provisions put into it to take care of consumers, this is that bill. I think the Senator from Rhode Island has made a very unfair charge against Representative HARRIS and other Members of the House who I happen to know wrote certain provisions in this bill, and worked on it after many, many hours of committee sessions.

Mr. PASTORE. Mr. President, will the Senator from Maine yield further?

Mr. PAYNE. I yield.

Mr. PASTORE. I have not said anything derogatory with respect to Representative HARRIS, the House committee, or anyone else. However, it is not unusual that a bill is submitted with a great deal of mechanical work already done. All I meant to say was that the amendments were studied by the people interested in them. Of course, it was passed upon by lawyers representing the producers, every time a change was made. I do not doubt that someone looked it over.

Mr. DANIEL. Mr. President, will the Senator from Maine yield?

Mr. PAYNE. I yield.

Mr. DANIEL. Will the Senator from Rhode Island deny that those who are fighting the bill, the distributing companies, had anything to do with it?

Mr. PASTORE. Absolutely.

Mr. DANIEL. In the House committee?

Mr. PASTORE. I do not know about the House committee, but many representatives of producers and distributors have talked to me, as have representatives of consumers. It happens every day of every week. The gallery is crowded with lobbyists. [Laughter.]

Mr. PAYNE. Mr. President, let me say that my distinguished colleague, the Senator from New York, has been most kind to me, and I know he has some very pertinent remarks which he wishes to make on this subject. I think, out of fairness to him——

Mr. LEHMAN. May I say to my distinguished colleague from Maine that this is a very interesting session, and I shall be glad to yield to him another 5 minutes.

Mr. PAYNE. I thank the Senator from New York.

Mr. DANIEL. Mr. President, will the Senator from Maine yield?

Mr. PAYNE. I yield.

Mr. DANIEL. I simply wish to say, Mr. President, that if the Senator from Rhode Island will look at the House hearings and examine the work done by the House committee on this bill he will find that the House committee members rewrote the bill and added provisions to it in order to meet objections which had been brought in by distributing companies and by consumers. In my opinion, they added provisions to the original bill which would take care of the consumers against any unwarranted increase in rates. I desired to say that for the RECORD, so that it will be seen that there will be no soundness to the charge that the bill was written by the producers.

Mr. PAYNE. Mr. President, I am in a position similar, I think, to the position of my colleagues, the Senators from Oregon. We in Maine have no natural gas at the present time, and our people would like to have it. We are in a section of the country where there is no fuel except some wood.

Mr. WILEY. There is plenty of gas of another kind.

Mr. PAYNE. We hope we can bottle some of it. We do have bottle gas. A line for transmission of natural gas went up into New Hampshire. I am definitely convinced, after talking with persons in all phases of the business, that if utility regulation is continued in effect as applied to gas producers, we will not get a supply at any price. I am very much concerned over what can take place which will not be of value to the consumers in our area, because if the producers find that by getting around interstate commerce regulations that place them under the Federal Power Commission, they can put their gas into intrastate shipment, they are going to make one of the most carefully concerted drives to attract more and more industries to come into their region and use a greater supply of gas in their areas than we have ever seen up to this time. I do not wish to see that kind of thing happen in my region of the country.

When I closed my remarks I said I might be proved to be wrong, but at least I was making my observations exactly as my distinguished colleague from Rhode Island has done, with a sincere, conscientious, and honest belief that the position which I have taken is good for the consumer and good for the development of probable reserves of natural gas, which will be in the best interests of the entire country.

Mr. PASTORE. Mr. President, I do not impugn the motives, the sincerity, or the honesty of the distinguished Senator from Maine or the distinguished Senator from Texas. I merely wish to say that if we do something here in violation of the public interest, only upon the threat that if it is not done, the producers will do this and that, God save America.

Mr. FULBRIGHT. Mr. President, will the Senator from Maine yield?

Mr. DOUGLAS. Mr. President, will the Senator from Maine yield for a question?

Mr. PAYNE. I shall first yield to the Senator from Arkansas.

Mr. FULBRIGHT. In regard to the last statement of the Senator from Rhode Island as to what was said by the Senator from Maine with reference to a threat, there is no threat to anyone. The Senator was merely stating what will happen because of the economic situation.

Mr. PAYNE. I have set forth very clearly the example of one company which obtained a certain price, and another company, which was not as efficient, which obtained another price.

Mr. FULBRIGHT. There is one statement in the remarks of the Senator from Rhode Island that is not accurate. The Senator seems to assume that if any legislation happens to be beneficial to the producers it is necessarily inimical to the interest of the consumer. Our position is that if it is fairly drawn it will be beneficial to both parties. When we say it is in the consumers' interest, we do not mean that it has no relation to the interest of the producers or to the public interest, but we do mean that both parties in the State of Maine will benefit by having an adequate supply.

Mr. PASTORE. Mr. President, will the Senator from Maine yield further?

Mr. PAYNE. I yield.

Mr. PASTORE. If it is in the public interest to place under supervision gas which is sold by producers for the purpose of resale in interstate commerce,

should that responsibility not be met only because there may be a fear that the gas will not be put into interstate commerce?

Mr. PAYNE. If we wish to apply that kind of a philosophy, why do we not put straight utility-type controls on the production of coal?

Many gas companies in this country use coal to manufacture gas which is put through distribution lines for the use of consumers. Why do we not apply the utility-type control on coal mines and say "this is the proper price," because they, too, are regulated when they ship in interstate commerce? They then come under the Interstate Commerce Commission as to the rates to be paid for the hauling of the coal to the place of final manufacture. The distribution system is regulated also. Let us apply the principle clear across the board and place these things under regimentation.

Mr. PASTORE. Will the Senator from Maine permit me to answer that question?

Mr. PAYNE. Gladly.

Mr. PASTORE. First of all, the distribution company which ultimately levies the charge upon the consumer has nothing to do with the negotiations as to price between the pipeline company and the producer. The consumer will be more or less at the mercy of whatever price is arrived at between the pipeline and the producer until ultimately it is passed upon by the Federal Power Commission. That is the first reason. There is no intimacy in contractual relationship between the distribution company and the producer himself.

Second—and this is the best argument on this particular subject, and we have to realize the characteristics of this business—the consumer is strictly a captive customer, not from the point where he is attached to the service at the burner tip; but if we follow the line, it starts at the point where the gas goes into interstate commerce. So the serious question here is, Where does the regulation begin and where does it end?

In the case of coal, if a distribution company does not like the coal in mine A, where it has a right to buy its coal, it can go to mine B. If it does not like mine B, it can go to mine C.

If it cannot carry the coal by freighter, it might carry it by barge. If it cannot carry it by barge, it is likely to carry it by truck. If the transportation cost runs up, the distribution company can even pick up a bucket and get a bucketful of coal.

Can that be done with natural gas?

Mr. PAYNE. Does the Senator want to give to the producers of natural gas all the benefits which the utility companies enjoy, such as the right of eminent domain, and the other rights they enjoy? What will happen then?

Mr. PASTORE. That is where I think the proponents are missing the nicety of the question at issue. There is nothing in the Phillips case and nothing in the Natural Gas Act which says that the producer shall be controlled by the Federal Power Commission. The Senator is missing the point completely. All that the Natural Gas Act provides, by the interpretation of the Supreme Court in June 7, 1954, is this—and it is the important point: Only when—and I repeat that—only when the gas is sold for purposes of resale in interstate commerce does it come under Federal jurisdiction. So the producer is not compelled to sell in interstate commerce and be subject to Federal regulations. The producer is not bothered by any control.

All the Supreme Court said was, "Do what you want with your gas. But once you put the gas in interstate commerce, once you sell the gas for purposes of resale in interstate commerce, it is then affected with the public interest." Why? Because of the ultimate captive consumer. That is the reason why it must be supervised by the Federal Power Commission. If we forget that, we can take the whole Natural Gas Act, as I said before, and drown it in the Potomac River.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PAYNE. If the Senator from New York will permit me to have additional time, I shall be glad to yield.

Mr. LEHMAN. Mr. President, I think the discussion we are having today, and which we have been carrying on for the last week or 10 days, is really the kind of debate and discussion in which the United States Senate should indulge. I heartily approve of it. Far be it for me to stop this kind of debate. I am only 77 years old, and I expect to have plenty of time in which to complete my speech. [Laughter.]

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PAYNE. With that understanding, I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. I am trying to understand the argument of the eminent Senator from Maine. Do I correctly understand him to say that if we had Federal regulation of the price of gas entering into interstate commerce, the producers would sell their gas intrastate?

Mr. PAYNE. I said they would, in my opinion, basing my feeling entirely upon the situation in the Northeast, for instance.

Mr. DOUGLAS. But the gas would not reach the Northeast because it would be sold in the South.

Mr. PAYNE. I feel that that might be so. Either that or else we would get it only at a high price.

Mr. DOUGLAS. The producers would sell their gas in the States of origin only if they got a higher price for it there than if they put it in the interstate pipelines. Is not that true?

Mr. PAYNE. It is my feeling, from the study I have made—and I have given an example in my statement—that if well A and well B produced at a cost of 7 cents a thousand cubic feet, and the fair market price in intrastate commerce was somewhere around 12 cents, but another producer struck a well, and the price of his gas got up to 14 cents, the producer who produced for 7 cents would put his gas into the intrastate field, while the higher priced gas would go into the interstate field.

Mr. DOUGLAS. There is no proposal that a uniform price should be fixed for all producers. No one has ever proposed that.

Mr. PAYNE. But the Senator should realize——

Mr. DOUGLAS. No, no. I am asking the Senator from Maine a question; he is not asking me a question.

What the Senator from Maine is saying is that if the Federal Government is holding down the price at which the gas goes into the interstate pipeline, the producers will sell their gas at home. Is that correct?

Mr. PAYNE. Will the Senator repeat his question?

Mr. DOUGLAS. If the Federal Government regulates the price at which gas enters the interstate pipeline, and thus restrains it, the producer will then sell his gas at home.

Mr. PAYNE. I do not say he necessarily will.

Mr. DOUGLAS. But he will tend to do so.

Mr. PAYNE. I think probably he will channel into his home market the gas on which he can get a better price.

Mr. DOUGLAS. And new industries will come in.

Mr. PAYNE. I think they would, if there were a definite drive for new industries. It is as if we in the Northeast tapped a great source of new power at a very reasonable rate. I have a very definite feeling that we could put on a definite drive to attract industry.

Mr. DOUGLAS. My friend, the Senator from Maine, has made a very interesting argument, because what he is saying is that if the price at which gas moves interstate is kept down, the gas will be sold at home. But it would be sold at home only if higher prices were charged for interstate movement. Then more would be sold intrastate than would be sold interstate.

But if that happened, industry would not come there. It would prefer to locate along the pipelines—at least the petrochemical industry would—and take the gas as it moves along through the pipelines. Although the price charged may go up, it would not be possible to get new industry, because industry will move in the direction of cheaper gas.

Mr. PAYNE. It generally follows that when there is a demand for a particular commodity, when that demand has been reached and supplied satisfactorily, and a great supply is coming into the area or into the country as a whole, prices automatically do not go up. Prices have a tendency to level off.

The junior Senator from Louisiana [Mr. LONG], before the Senator from Illinois came to the floor, gave a very definite example of what he believed would happen in the New York area with regard to the price of gas if certain conditions were met. I am inclined to agree with his views as he set them forth. A distribution system now exists. It is a question of whether a greater and greater volume can be put through that distribution system—and it is apparently adequate; and if a greater volume is moved through the system, certainly under the utility control at the State level, the prices will show up in the unit cost, and the price per unit

will be considerably less than it is at present.

Mr. LEHMAN. Mr. President, will the Senator from Maine yield back a half minute to me?

Mr. PAYNE. I am happy to yield.

Mr. LEHMAN. I was interested in the Senator's statement about what the Senator from Louisiana said. But the thesis of the Senator from Louisiana was that the way in which to increase the consumption of gas was to raise the price of gas. To me, that simply does not make the slightest kind of sense.

Mr. PAYNE. I did not understand that to be the observation of the Senator from Louisiana.

Mr. LEHMAN. Then I did not make myself clear in my colloquy with the Senator from Louisiana.

Mr. PAYNE. I certainly would not dispute the Senator from New York, but I did not understand the Senator from Louisiana to make such a statement. I want the RECORD to be clear.

Mr. President, I wish to thank my colleague sincerely for the courtesy he has extended to me. I appreciate it.

Mr. DOUGLAS. Mr. President, will the Senator from New York withhold the resumption of his speech until I have had an opportunity to fire one more question at my good friend from Maine?

Mr. LEHMAN. I shall be glad to do so.

Mr. DOUGLAS. The Senator from Maine has advanced the most fantastic argument I have heard in a long time. What he is saying is that the gas producers, unless they can get high prices in the North, will sell their gas locally. If they charge lower prices, that will be cutting off their noses to spite their faces. I do not think the gas industry will do that. If they favor higher prices, industry will not go there. The petrochemical industry might well go north of the gas fields and draw off the ethane from the gas and use that.

So the argument of the Senator from Maine is completely defective, wildly fantastic, improbable, has no basis in fact whatsoever, and is unworthy of consideration.

Mr. PAYNE. Let me say that if my reasoning is fantastic, if it is unrealistic, and if it is impractical, I do think it is probably not the first time such an observation has ever been made on the floor of the Senate.

Mr. DOUGLAS. That is probably true.

Mr. PAYNE. Let me merely state that what I was saying was that if the price to our people in the Northeast and the preponderance of the cost to the consumers at the present time is not due to prices to the producer at the wellhead, but is due to prices of the distribution systems and the pipelines, and if the cost continues to climb upward, even if it is not because of the producers' prices at the well, there will simply be thrown away the possibility of natural gas being used as a competitive fuel in that area, so that there will never be consumption of natural gas there, because the consumers will not pay for it.

Mr. DOUGLAS. As the Senator knows, I grew up in the State of Maine, and we had cold winters.

Mr. PAYNE. The Senator had better come back.

Mr. DOUGLAS. If I could have had the use of natural gas, it would have been a great solace. There are many consumers who would like to have natural gas, but their income is limited. If the price of gas goes up, that fuel is going to be denied to the people of Maine. So the Senator from Maine is standing in the way of heat for a very cold part of the country, and is condemning many thousands of his constituents to many cold winters. Incidentally, the price of oil would also go up, because the prices of the two fuels are interconnected.

Mr. PAYNE. The State of Maine did give to my distinguished friend from Illinois a very good background. We like to refer to him as a distinguished former son of Maine. Because he is very well versed in history and very well versed in the distribution of population in my native State and his former State, the Senator knows beyond any doubt that, beyond the Portland and Lewiston areas of Maine, we have no places of mass concentration of population to such an extent that gas could be economically fed into that area. To the best of my knowledge, Portland and Lewiston are the only two communities in my State that have gas distribution systems. The other ones which had been in existence were ripped up, and bottled gas is now furnished to the people of those areas.

Mr. DOUGLAS. It is quite cold in Lewiston and Portland, and I dislike to see the Senator from Maine standing in the way of warm homes.

Mr. PAYNE. The Senator from Illinois may be sure that the Senator from Maine will never stand in the way of progress in our State.

Mr. LEHMAN. Mr. President, will the Senator yield to me?

Mr. PAYNE. The Senator from New York has the floor.

Mr. LEHMAN. I know I did have the floor. I just wished to point out to the Senator from Maine that I realize perfectly well that the only two areas in the State of Maine which would be affected by the bill, even in the remote future, probably would be Portland and Lewiston.

Mr. PAYNE. I should like to add Auburn to those two areas.

Mr. LEHMAN. I make this very urgent plea to the Senator from Maine. There are 16 million people in the State of New York who would be directly affected by the bill. Does not the Senator from Maine think it is reasonable to take into consideration their plight, interest, and well being, in considering the pending bill?

Mr. PAYNE. The Senator from New York is correct. I want to take everybody's welfare into consideration and give it the due regard to which it is entitled; and that applies across the board.

Mr. LEHMAN. I shall touch on that a little later. I do wish to point out how it does affect the people of the State of New York.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED—LETTER OF ALEX M. CLARK

Mr. WILEY. Mr. President, on yesterday a little altercation took place on the floor between the Senator from Indiana [Mr. CAPEHART] and myself, in which he quoted a letter which I had written to one Alex M. Clark. Apparently he himself had not read the letter, because, in the letter, I said, referring to the organization:

> They feel the organization's name is a phony and its purpose is a phony.

I said further:

> I assure you, sir, I make all the above comments not in any personal way as a reflection against you or any individual mayor or ex-mayor who happens to see things differently from myself and from my associates in our fight to protect the Nation's interest.

Yesterday on the floor I said I would consume a few moments in reply, and I have prepared quite an extended reply, showing that I was more than right in calling the organization what I did. I make no retraction because I mislabeled the group. In fact, I show that even Time magazine was fooled by the name. I have in my hand other material, which would make interesting reading in connection with the subject.

I may say, Mr. President, I have enjoyed the discussion this afternoon, and I think everyone has profited from it. I felt that there was not only the right kind of debate, but that a sense of humor prevailed throughout the debate. I am sure persons in the galleries have appreciated it.

I ask unanimous consent that the material which I have prepared in reply to what took place yesterday be printed in the RECORD following my remarks, and I ask unanimous consent that it follow the speech of the distinguished Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

The material prepared by Mr. WILEY is as follows:

SENATOR WILEY RENEWS CONDEMNATION OF PHONY "CONSUMER" GAS ORGANIZATION—POINTS OUT EVEN TIME MAGAZINE WAS APPARENTLY FOOLED BY IT—URGES REAL PRO-CONSUMER AMENDMENTS TO GAS BILL

(Excerpts of address by Hon. ALEXANDER WILEY of Wisconsin, in United States Senate, Friday, January 27, 1956)

I shall comment on the pending order of business before the Senate, the Harris-Fulbright bill.

My position is, as follows: I completely oppose this bill in its present form.

I favor amendments to the bill which would be genuinely designed to protect the Nation's consumers.

But before I get into the substance of my remarks on the bill itself, I want to turn to the issue which engaged our attention yesterday afternoon.

NO RETRACTION OF CHARGES AGAINST MISLABELED GROUP

As will be recalled, my good friend from Indiana [Mr. CAPEHART] chose to take offense at an open letter which I had addressed to one of his constituents—former Mayor Alex Clark, of Indianapolis.

I regret the decision of my colleague from Indiana. No offense was intended by me. No offense was implied. No offense was justified. So, no apology will be offered.

I stated very specifically in the open letter which I wrote to Mayor Clark that I was not reflecting personally upon him or upon anyone associated with his organization. I stated that competent observers and I objected to the name of the organization. That name is utterly unjustified by the facts.

It is utterly misleading, as I shall shortly prove, by reference to no less than that that leading peridical Time.

I would not think, however, of reflecting upon a man whom I have never met, and of whom I know almost nothing at all—nor would I reflect upon a list of mayors—whether they be in Texas, Oklahoma, Florida, or anywhere else in the Union—just because they happen to disagree with me on this issue.

There are probably included in that list a good many men with whom I ordinarily might agree on a great many issues. I happen to oppose them on this issue. That is my right, and that is their right.

I think, however, that they had no business getting involved in an organization with such a deceptive name.

THE JOINT COMMITTEE OF CONSUMERS AND SMALL PRODUCERS

And what is that name? It is the Joint Committee of Consumers and Small Producers of Natural Gas.

SPOTLIGHTING WITH TRUTH

Mr. President, we have laws against mislabeling. We have pure food and drug laws. But when a special interest group puts on sheeps' clothing and attracts a lot of misinformed mayors and with some noble title like "consumer" we have no recourse to the laws. But we do have recourse to throwing a spotlight of truth on the organization, as I am doing now.

Are they afraid of the truth?

I stated in my open letter that this committee does not really represent the consumers of America. How could it?

If the Harris-Fulbright bill passes unamended the consumers will be gouged—taken for a ride.

How could this organization possibly, therefore, represent the consumers?

WHY IS THIS GROUP NOT IN FAVOR OF DOUGLAS AMENDMENT?

But what of the small producers of natural gas? Are they represented by this organization?

Well, I think we could tell the answer to that question by asking: What is the position of this organization on the proposed Douglas amendment which would actually exempt small producers from natural gas rate control?

I personally favor the Douglas amendment. I am for freeing the small producers from Federal rate regulation. I do not believe that it is necessary to subject producers who sell to the pipelines less than 2 billion cubic feet of gas per year to Federal rate control. All of these small producers combined do not control a sizable enough volume of natural gas to merit control.

Effective control can be attained by simply controlling the relatively small number of large producers who do virtually monopolize the market.

There are ample legal precedents for exempting small producers while controlling large producers.

I repeat. What is the position of the misnamed "joint committee" on the Douglas amendment?

If it is truly for the small producers, then let it come out in favor of the Douglas amendment. I have not heard a word, however, from this joint committee with regard to the Douglas amendment.

LOBBY'S TACTICS IS TO AVOID ALL MEMBERS

Its silence speaks volumes. Obviously, the people pulling the strings of this committee are not in the slightest interested in the small producer; it is the big fellows they are trying to help; it is the big fellows which they represent.

The word has gone out: "No amendments to the Harris-Fulbright bill." It must be passed intact.

Why? So the House won't get another chance to vote on it, and the people will be denied another opportunity to get their interests protected.

That is the oil and gas lobby's strategy.

Thus, we have seen that the joint committee is misnamed on both counts. It is not a joint committee of consumers; it is not a joint committee for the best interests of small producers of natural gas.

Its apparent aim is the advancing of the cause of the monopolistic forces which want to gouge the American public.

I said earlier that the name of this joint committee is deceptive. I will prove that point now.

First, I point out that our Nation's great periodicals are obviously somewhat complicating our lives and our national debates.

First, that truly great picture magazine, Life, headlines a major article on our foreign policy as though we were being pushed to the brink of war.

Then this week, its esteemed sister publication, Time, becomes confused and accidentally pushes us over the brink into at least a momentary misunderstanding on an important domestic issue.

I commend to the attention of my readers the current issue of Time magazine. In the business section, on page 78, it comments regarding the opposition of my colleague from Michigan, Mr. POTTER, to this bill. Then Time goes on to say that, ranged with Senator POTTER, is the Joint Committee of Consumers and Small Producers of Natural Gas.

That reference is, of course, utterly incorrect. The joint committee is obviously utterly opposed to Senator POTTER'S position.

But here we have a leading magazine of the United States, a magazine which rightly prides itself on its accuracy, a magazine which spends literally a "fortune" to check, double check, and triple check every single word of every single line in its 52 weekly issues.

And yet, what do we find? Even Time magazine has been misled by the title of the joint committee. If Time magazine, with its skilled researchers, can be misled, what may we expect of the rest of the Nation? Of course, there are lobby groups on both sides of this issue. That is their prerogative. But let's get the lobbies straight and let none of them deceive us.

Now, with regard to the foreign policy controversy, fortunately, Mr. Henry R. Luce, in his statement of this week, has with commendable forthrightness and dispatch (and in a manner which we would expect from so honored an American leader), set the matter straight on the "brink of war" article.

And no doubt, very soon Time's "letters" editor will be correcting the blooper on Alex Clark's committee.

Time-Life, Inc., is commendably prompt in correcting its very rare errors.

But how about former Mayor Alex M. Clark? Will he correct the misleading title of his group?

CLARK AND CLARK, A CURIOUS COINCIDENCE

And let me ask another question. Former Mayor Joseph Clark, of Philadelphia, had headed up a group of dedicated mayors who have wisely banded together to fight the genuine consumers' fight on this issue.

Is it a coincidence—mere coincidence—leading to mere accidental confusion—that another Clark now pops up and heads an opposite-type committee?

It reminds many people of the time when the late Senator George W. Norris, of Nebraska, was running for another term in the Senate and the desperate opposition found another man named Norris to run against him, along with other opposition, so as to split away his vote by planned confusion.

The tactic didn't work then. I trust it won't work now.

I remarked in my open letter to former Mayor Alex Clark that, in my judgment, the folks of Indiana like frankness, as we in Wisconsin like frankness. I was not and am not going to pussyfoot in my comments to former Mayor Alex Clark. As a man who has been in public life, and as a Hoosier, I know he would not want me to pussyfoot in talking with him.

WISCONSINITES RECOGNIZE SPECIAL INTERESTS

We, of Wisconsin, have a good nose for phony organizations. The State of Wisconsin has one of the most outstanding records in the Union for fighting special interests and organizations dedicated to special interests.

I ask my colleague from Indiana this question: Suppose we in Wisconsin were to find that an organization has been hatched, called the Joint Committee of Producers of Natural Dairy Products. And suppose we were to find that this so-called joint committee actually represented not natural products, but synthetic products—artificial concoctions—not, let us say, nature's fluid milk, but some chemical concoctions made in a laboratory.

Obviously, under the circumstances, we would have the perfect right to term the organization "a phony." We would demand that the organization parade under a real name—under its own colors. We Americans believe in hoisting our true colors to our mast and not in flying under false colors.

This misnamed committee, with offices in room 220 of the Washington Hotel should therefore rename itself, in the interest of fair play and forthrightness.

The members of the committee, who are probably estimable gentlemen, should ask that the committee rename itself so that it does not deceive Time magazine; does not deceive the Members of the Senate and does not deceive the members of the public as a whole.

PADDING OF ALEX CLARK COMMITTEE

I should like to make just a few final comments on the subject of the list of mayors purportedly supporting Mayor Alex Clark's committee.

This list was inserted in the CONGRESSIONAL RECORD yesterday, beginning on page 1376 by my colleague from Indiana, Mr. CAPEHART.

It is, of course, important to devote some time to analyzing this list, and I have not had as yet very much time.

It is obvious, however, that the list is completely padded.

In the first place, obviously Mr. Alex Clark lists mayors of States producing natural gas.

In the second place, when he gets around to listing States where natural gas is not produced, we find that most of the mayors on his list come from the tiniest communities, many of which do not have gas service.

Of course, these communities are entitled to speak their position. But it would be one thing to claim to speak for a city of, let us say, 150,000, and it would be another thing to speak for a community of, let us say, 1,000.

The State which has the most names of mayors listed on the Alex Clark Committee is Minnesota. Seventy-four mayors and communities are listed. Of these, however, only 13 have populations in excess of 2,000.

In one town, Windon, he lists both the mayor and the mayor-elect.

One might ask Mr. Alex Clark what is the position of the present mayor of Indianapolis who succeeded him. If he wants to list a former mayor and a present mayor, why does he not refer to his own home town?

In the whole State of Connecticut, he lists merely two towns. In Delaware, only one. In Georgia, only seven small towns. And, yes, in Indiana, only six.

The great State of Virginia is represented by only one mayor. I think that the Mother of Presidents is entitled to be represented a

bit more when someone attempts to speak for her.

Five towns are listed in my own State of Wisconsin. The mayors of these towns have a perfect right to speak. I do not criticize them at all in whatever views they may personally hold. But, obviously, they do not, by the wildest stretch of the imagination, speak for the whole State of Wisconsin. And they certainly do not speak in this instance even for the cities of La Crosse, Jefferson, Sauk City, Green Bay, and Tomah.

I have previously placed in the CONGRESSIONAL RECORD a detailed listing of the dozens of expressions from mayors and common councils all over Wisconsin, supporting my position and opposing the bill.

And lastly, we get around to the State of New Jersey. I should like to point out that the Atlantic City Press of January 16, 1956, exposed the facts in the attack which Mr. Alex Clark led against the South Jersey Gas Co., a distributor of natural gas in southern New Jersey.

In his attack, Mr. Alex Clark purported to have the support of 10 mayors in his attack on the company.

Four of these mayors were interviewed by the newspaper, and all four denied that they supported Mr. Alex Clark, or that they had even given their names to be used.

Mayor Joseph Altman, of Atlantic City, stated that he had been innocently led into lending his name to the committee by a resort oil-company representative, according to the Atlantic City Press. He said that he had requested further information, but never heard again about it until his name turned up in a news release.

"I am very suspicious and angry," Mayor Altman said.

Perhaps Mayor Altman is not alone. Perhaps, as seems likely, Mr. Alex Clark has been listing people whom he has no right to list.

I shall have more to say on this whole subject of Mr. Alex Clark's committee list a little later on. I do so merely to set the record straight. I do so, so that Members of the Senate will not be deceived into giving credence to his list.

It does not speak for the consumers. It does not speak for the small natural-gas producers.

But enough on this matter.

Let the record now speak for itself.

FURTHER COMMENTS NEXT WEEK

Now, Mr. President, it had been my intention to address myself today to the substance of the Harris-Fulbright bill, and in particular to that fantastically inept yardstick for regulation which it offers, the so-called reasonable market price yardstick.

I find, however, that my schedule requires that I now briefly set out once more for my State, to fulfill several speaking engagements.

I must necessarily, therefore, defer the bulk of my remarks until my return early next week.

THE REASONABLE MARKET PRICE YARDSTICK

I believe that it would be well, however, that we turn our attention to expert comments on the yardstick, which has been delivered before the House Interstate Commerce Committee in April of last year. They were submitted on behalf of the organization which, in my judgment, has done the most outstanding job of any similar comparable group in America on the natural-gas issue, namely, the Public Service Commission of Wisconsin, ably headed by James R. Durfee.

In his brief filed with the House Interstate Commerce Committee, Commissioner Durfee utterly demolished the reasonable market price yardstick.

I ask unanimous consent that excerpts from his brief be printed at this point in the body of the CONGRESSIONAL RECORD. They get to the heart of the problem far better, I believe, than virtually any other single presentation of similar material, with the possible exception of the masterly exposition on this same point by my colleague from Illinois [Mr. DOUGLAS].

EXCERPTS FROM BRIEF FROM WISCONSIN PUBLIC SERVICE COMMISSION

THE "REASONABLE MARKET PRICE" PROVISION OF H. R. 4560

A "reasonable market field price" standard is proposed to be applied both to gas purchased by a pipeline from a nonaffiliated producer and to gas produced by the pipeline or an affiliate. "Reasonable market price" is to be determined by the Federal Power Commission in the light of (1) the effect of a contract upon assurance of supply (2) relationship of contract provisions to existing or future market field prices. The proposed standard, if it can be dignified as such, cannot be precisely defined and in the absence of specific limiting factors is an open invitation for the Federal Power Commission to approve any level of prices the producers seek. If this bill became law it could be argued with considerable merit that any field price which was less than the highest price paid in the field would have to be rejected by the Federal Power Commission because any price which is not as high or higher than existing market field prices would have an adverse effect upon future supplies and the existing level of market prices in the field. It appears to the Wisconsin commission that this provision is a one-way street and that it will accomplish for the producers everything that favored nation and escalator clauses were designed to accomplish. In other words we think the favored nation concept has been written into bill H. R. 4560.

THE PROPOSED METHOD OF CONTROLLING FIELD PRICES IS UNWORKABLE

Aside from the merits of the reasonable market price standard the method of controlling prices for gas sold to interstate pipelines is completely unworkable. You have already been told by pipeline representatives that the bill should be amended so as to make certain that the consumers and not the pipelines should pay if the Federal Power Commission finds that a contract price is not a reasonable market price. Further the pipelines want an advance commitment from the Federal Power Commission that their contractual prices are reasonable market prices. Since interstate pipelines are regulated there is no basis for burdening them with the consequences of the unworkable provisions of the proposed bill.

In the first place the limited control provided in the bill is indirect in that it extends only to the pipeline companies and not the producers. Regulatory experience over a number of years demonstrates the ineffectiveness of disallowance in operating expenses of costs actually incurred but considered by regulatory agencies to be excessive or unreasonable. This very weakness was one of the reasons for passage of the Holding Company Act in 1934. The information necessary to support reasonable market prices in the field in the light of supply and future prices is peculiarly within the knowledge of producers, to the extent that anyone knows anything about it. Certainly neither the consumers, nor the distributors, can be expected to be informed, and although the pipelines may be fairly well informed they lack the incentives to drive a hard bargain with the producers.

THE APPLICATION OF THE "REASONABLE MARKET PRICE" FORMULA TO PIPELINE PRODUCED GAS IS UNFAIR TO CONSUMERS

The proposal to allow reasonable market prices for pipeline produced gas or gas produced by an affiliate would write into the Natural Gas Act the principle adopted by the Federal Power Commission in the Panhandle case decided April 15, 1954. That decision cost the consumers of Panhandle's distributing companies some 5 to 6 million annually more than the method which had previously been employed and the end is by no means yet in sight. The cost of developing, expanding and retaining pipeline-owned gas reserves has already been paid for by consumers. A revaluation of these same reserves will place an unwarranted additional cost burden upon consumers. The principle is basically unfair to the consumers. The adoption of the reasonable market price principle means that the Federal Power Commission will be required to accord weight to field prices which are determined in part by artificial means rather than normal demand-supply relationships. These artificial props consist of prices established by application of escalator and favored nation clauses and State established minimum wellhead prices. Prices so established are not necessarily related either to cost or value of service nor do they represent prices established in a free market. The principle, in effect, allows the pipeline cost of reproduction or current prices for produced gas. Thus, the pipeline would receive a windfall amounting to many millions of dollars annually at the expense of the consumers for gas reserves previously acquired and whose cost was definitely ascertainable.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. The speech I have prepared will take considerable time to deliver, probably an hour. In order to expedite its delivery, and so that Senators may find the speech at one place in the RECORD, I ask unanimous consent that any interruptions may appear at the end of my remarks, rather than during the course of them, and I ask my colleagues not to ask me questions until I have completed my presentation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, the issue involved in the amendments to the Natural Gas Act is a fairly simple one. The question is whether we believe in free competitive enterprise or whether we believe that competition has failed to serve its purpose in the American economy, and that socialization, public regulation, and Federal price control must be used as a substitute.

We have before us a situation never contemplated by the authors of the original Natural Gas Act. When that bill was passed by Congress it was intended merely to regulate the pipelines which carried gas in interstate commerce, just as any other public utility would be regulated. The bill was based on simple utility principles, and no one thought it would be construed to give the Federal Power Commission the authority to fix the price at which gas could be sold by independent operators to pipeline companies. The bill passed without objec-

tion. Not a single producer appeared to oppose the bill.

The explanations given before the committees and on the floor were to the effect that the bill did not undertake to regulate the producer of natural gas, and the bill specifically stated as much. In at least 13 decisions, the Federal Power Commission so interpreted the act. Producers contracted to sell their gas relying upon that assurance. Nevertheless, we are now faced with a situation wherein the Supreme Court has interpreted the act in such a fashion as to require the Federal Power Commission to regulate a producer of natural gas on the same basis as a pipeline company.

A pipeline company is a public utility operating under a certificate of convenience and necessity. It has a contract which guarantees the monopolistic control of a particular market and assures it a fair return on the investment. It takes a minimum risk.

On the other hand, an individual seeking to develop the production of natural gas is taking great risks. He has no guaranties whatsoever. If he is exploring for gas, the chances are 8 out of 9 that his exploratory well will be a failure and that he will lose almost the entire investment in the well. Even if he is merely developing a field after an exploratory well has been drilled, each well entails a considerable risk that he will be beyond the limits of production. Even the drilling itself is subject to blowouts and similar hazards. He is not in any sense guaranteed a monopoly, and his undertaking is extremely hazardous. He is competing with 8,000 other producers of the same product. Yet the act sets but a single standard, merely referring to a fair and reasonable return on the investment. This is usually construed to mean that the person is entitled to a return of his investment plus 6 percent interest during the time that the money is tied up.

No one has ever seriously argued that this is the standard to which the producers of natural gas should be bound. Everyone agrees that gas producers are entitled to a greater return. Even the senior Senator from Illinois [Mr. DOUGLAS] with his characteristic generosity is willing to permit as much as 8 percent.

Not a single State in America attempts to place a ceiling by law on the price for which a producer is permitted to sell his gas. I repeat, Mr. President, there is not a single State in America in which gas is produced and where natural gas production has been subjected to a ceiling price, other than the limitations of free competition and contracts freely entered.

Although many statements of error have been made, no one is in position to justify Federal price control over this single industry without admitting that many other industries should be subjected to the same type of regulation and control. If the price of natural gas is to be subjected to Federal regulation and control, why should it be the only fuel so controlled? Why not oil? Why not coal? Why not iron ore, copper, tungsten, sulfur, salt, and every other mineral extracted from the soil?

If one is to say that natural gas is vested with the public interest because it is consumed in millions of homes, why not oil, which serves as the base of the fuel that moves every automobile and almost every locomotive and steamship in the land, as well as heating untold millions of homes? Granted that it is inconvenient to convert from the use of gas in household heating back to oil-burning equipment, how many Senators have tried to convert the fuel for their automobiles from gasoline to natural gas, or some other fuel? I daresay they would find the conversion equally as difficult.

In addition, it is impossible to regulate a gas well producing gas if the same well also produces oil, distillate, or other materials unless the Government is to regulate the production of the other materials as well. There is no other way upon which a cost formula can be applied to relate the price per unit of gas to the investment. In some wells drilled at shallow depth, deposits of gas are discovered, perhaps 20 times as great as in other wells drilled to greater depths and at greater cost. The fact is that competition always has been and always should be the basis upon which the price of natural gas should be determined.

Reference has been made to the increase in the cost of natural gas. Those who complain about this increase do not usually refer to the fact that more than 90 percent of the cost of gas to the consumer, more than 90 cents out of every dollar, results from the cost of transmitting the gas in interstate commerce and distributing it to the consumers in the cities.

When gas is available in large quantities, the economies of transporting and distributing this fuel make possible large economies that result in substantial savings to the consumers. For example, the ability of a pipeline to maintain a sufficient load factor so that it can obtain constant use of the full capacity of the pipeline tends greatly to reduce the cost of transporting the product. Likewise the ability of the distributor to sell in larger quantities to each individual customer makes possible a major reduction in the unit cost for gas.

It would cost hardly any more to lay a distribution line to a house if the house is using gas for household heating, cooking, and refrigeration, than it would cost to lay a distribution line to the same house if that house were using gas for cooking only. When a man comes to read the meter, the cost of that service is no greater if he reads a large number than it is if he reads a small number. Likewise, in the accounting department of a distribution company, no more bookkeeping is required to handle a large transaction than would be required to record a small one.

It is easy to demonstrate that the unit cost of gas delivered to the consumer will go down if the consumer is in position to buy more and more gas. The unit cost would tend to go up if less gas were available. The transporting people can deliver gas for a lower unit cost if they adjust their affairs to provide large underground storage capacity to store gas delivered near the market area during summer months, when gas deliveries are not being fully utilized, and thereby make it possible to bring those stored reserves onto the market during the winter months when the demand for the commodity is at its peak. Thus if the producer is permitted to make a sufficient price that he is willing to sell his gas freely in interstate commerce, the pipelines and the distribution companies will be in position to make major savings in the service they render for each unit of gas delivered.

If the present bill shall be passed, it will assist pipelines and distribution companies in reducing their cost per unit of gas delivered. Unless this measure becomes law, the present law will make it very difficult for pipelines and distributors to achieve the economies to which I have referred.

The small share of the consumer dollar that goes to the producer does not justify placing the producer under Federal price control. Particularly is this the case when we recognize that Federal price control will mean that gas reserves will not be freely available to the interstate market.

For gas sold in New York, the producer receives only 3 cents of every dollar paid for gas. In Washington, D. C., the gas producer receives only about 8 cents of every dollar that the consumer pays for natural gas. In Chicago, which is at the end of a shorter pipeline, the gas producer receives only about 10 cents of every dollar paid for natural gas.

When the consumer looks at the small price tag of 10 cents to 3 cents out of every dollar he pays for gas as the cost of his supply, he would much more prefer to pay another cent, if need be, and be assured of an unfailing abundant supply to meet his demands upon the coldest days, than he would to take the risk that always goes with Federal price control, such as inadequate supply, shortages, and poor service.

Unless the present law shall be amended, consumers outside the producing States will not be able to obtain additional reserves of natural gas to meet their needs. Available statistics show that already nine major pipelines are finding it impossible to obtain sufficient additional reserves to offset the amount of gas they are draining from their existing reserves.

I ask unanimous consent to place in the RECORD a statement I have prepared, demonstrating that the rate at which additional supplies of gas have been made available to pipelines has dropped off from a high of 18.9 trillion cubic feet in 1950 to 6 trillion cubic feet in 1954.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Annual additions of natural gas reserves to interstate pipelines, 1949–54

[In billions of cubic feet]

1949	11,500
1950	18,900
1951	12,100
1952	18,800
1953	10,100
1954	6,000

Sources: Annual reports of pipeline companies to Federal Power Commission; for 1954 and prior years; statistics of natural gas companies, for 1954 and prior years (FPC); data supplied by pipeline companies.

The above figures represent the annual additions to natural gas reserves by the following major pipeline companies, including reserves owned and contracted for: Arkansas Louisiana Gas Co., Cities Service Gas Co., Colorado Interstate Gas Co., El Paso Natural Gas Co., Lone Star Gas Co., Natural Gas Pipeline Company of America, Northern Natural Gas Co., Permian Basin Pipeline Co., Panhandle Eastern Pipe Line Co., Trunkline Gas Co., Southern Natural Gas Co., Texas Eastern Transmission Co., Texas Gas Transmission Corp., Texas Illinois Natural Gas Pipeline Co., Transcontinental Gas Pipeline Co., United Gas Pipeline Co.

In 1954 the 16 pipeline companies added 5,935 billion cubic feet to their available supplies, including both contracted for and owned reserves. Withdrawals from available supplies by these companies totaled 4,454 billion cubic feet, so that the net additions to available supplies totaled 1,481 billion cubic feet.

For 7 among the 16 pipeline companies, gross additions to reserves excedeed withdrawals during 1954.

For 9 among the 16 companies, withdrawals during 1954 were in excess of gross additions. The summary figures are as follows:

[Million cubic feet]

	Additions to supply	Withdrawals from supply
Pipelines with net increase (7)	4,573,900	1,996,200
Pipelines with net decrease (9)	1,361,400	2,457,400
Total, 16 pipelines	5,935,300	4,453,600

Mr. LONG. Mr. President, furthermore, an analysis of 16 major pipeline companies shows that 9 of the 16 were unable to acquire additional reserves in 1954 at a rate sufficient to offset the depletion of their existing gas supply.

It is true that the discovery of new gas is sufficient to offset the depletion of existing reserves in a general sense, but the fact that opponents of the Fulbright bill fail to make clear is that, even before utility-type regulation has been placed upon gas producers selling their gas in interstate commerce, the rate at which new gas is being committed to interstate contracts has been reduced to one-third of its previous rate. I predict, with all confidence, that unless the Harris-Fulbright bill is passed, the rate at which such reserves are committed to interstate commerce will be reduced to a mere fraction of that one-third.

Producers are finding it more and more desirable to withhold their gas from the market until they find a sale within the State where it is produced. New industries are daily moving into the Louisiana, Texas, and Oklahoma areas, seeking to obtain an assured supply of natural gas. Even now gas to supply the needs of major heavy industries within the producing States is becoming in short supply. If Federal price control upon a cost basis is to be imposed upon interstate sales of natural gas, the large additional reserves that are being discovered will be held off the market until they can be sold within the producing States, where Federal price control is not applicable.

Anyone who has studied economics for a single semester should know that those millions of consumers in Northern States who desire to purchase natural gas for use in their homes will not be able to buy it if their agents are forbidden to pay a price for the gas at least as high as the price for which the gas is being sold within the producing State.

Measures that have thus far been taken to assure a supply of gas will not prove adequate. Already the Supreme Court has undertaken to say that a contract for the sale of gas can be binding upon the producer to sell, although the price can be changed by the Federal Power Commission or the Court. Some of these contracts provide that the contract of sale is automatically terminated if the Federal Power Commission or the courts undertake to change the price from that stipulated in the contract. The Supreme Court has nevertheless undertaken to hold that a producer, once having undertaken to sell gas, can be required to continue to deliver it and held to all terms of the contract to which he was compelled to agree, and at the same time be denied the benefit of the one provision for which he bargained, namely, the price.

The Supreme Court has held that a producer who contracted to sell for 20 years can be made to continue to deliver his gas indefinitely, or as long as the reserves last. But, I say, Mr. President, that even such outrageous injustices cannot obtain for the consumer an adequate supply. I say this because with the depletion of present reserves which have been contracted for sale to interstate pipelines, new reserves will not be available. They will be sold within the States where they are discovered, in order to obtain the better prices which would be there available.

Under the Harris-Fulbright bill, there would be sufficient price regulation by the Federal Power Commission to protect the consumer against unfair or unreasonable increases in the price paid to the producers of natural gas. The Federal Power Commission would have the responsibility of reviewing the reasonableness of the price the pipelines pay under new contracts. It would also be necessary to obtain approval of the Federal Power Commission before an increase in gas prices as the result of an escalator clause or a favored nations clause, could cause the price to exceed that which is determined to be a reasonable market price by the Federal Power Commission.

What the act does in effect is place a ceiling price on the sale of new gas and old gas alike. The principal difference from the existing law, as interpreted by the Supreme Court, would be that the fair market price would be determined by looking to the competitive factors of the industry—the availability of supply and the pressures of demand—instead of a cost basis. When a fair market price is determined by the Federal Power Commission, a seller could be confident that he could sell his gas at that price, or any price below it, and that he would be safe from being required to deliver his gas for a lesser price than that to which he agreed.

Likewise the Federal Power Commission would have the responsibility of protecting the public from the operation of escalator clauses, favored nations provisions, and renegotiation stipulations, if the effect of any of those contractual terms were to operate in a manner that would permit the price of gas to advance beyond the fair market price determined by the Federal Power Commission. This is a major concession to consumers outside the producing States. Even so, I predict that it would tend to impede the availability of new supplies in interstate commerce. A producer within his own State could expect to have the benefit of such stipulations if the gas were sold locally. It is entirely speculative whether he would receive the benefit of those stipulations if his gas were sold into interstate commerce.

Thus, Mr. President, it is only fair that those who produce natural gas should have the right to sell it for a competitive price into interstate commerce on the same basis that they are privileged to sell it into purely local or intrastate commerce. It is clear that it was never the purpose of the Congress to attempt to place Federal price controls upon the producer of natural gas. If his price is to be regulated, as it will be under the bill before us, the gas producer should not be regulated on a cost basis as though he were a public utility. He never has been, and, let us pray, never will be controlled on that basis.

The 8,000 gas producers of this Nation are free, independent businessmen. Anyone else who cares to enter into the business has the privilege of doing so. While it is speculative and hazardous, an industry which has bankrupted far more businessmen than it has made them wealthy, yet it still offers a glowing promise of success and fortune. It is one of the few remaining industries where an individual with limited capital may compete with the great and the mighty, and, blessed by good fortune and good judgment, become wealthy. It is an industry operated in the best tradition of the American capitalistic system.

It would be a sad day for America indeed—a great loss to the Nation, far beyond the loss to those participating in the production of gas—should this industry be socialized, or should it be nationalized as those who oppose us would seek to accomplish. For what little they might gain, perhaps a few cents' savings on a utility bill during the next few years, they would bring to us the conditions that we, above all people, should seek to avoid. They would destroy the efficiency of operation that makes for an ever-expanding supply and better living conditions. They would destroy the incentives to explore and take great risk in the hope of realizing great benefit. They would undermine the zeal and enthusiasm that have enabled this young industry to surpass many others, and they would set a precedent that would be an ill omen for our American capitalistic system.

Indeed, if a mere misconstruction of the congressional intent can convert a multibillion-dollar industry into a Federal public utility, and Senators and Congressmen have not the courage to preserve the system that has sustained this great Nation through good fortune and adversity, then our Nation is in greater danger then we suspect. If

Senators, merely for the sake of a few pennies of short term savings—unjustified, uncertain, and speculative savings—on a consumer gas bill, will not stand up and be counted in favor of free enterprise, then God help this Nation when we face the difficult issue of freedom and survival that will compel us to make hard decisions in the future. Some of our decisions will always be unpopular. Some will be misunderstood. Some decisions will require courage and statesmanship. But such decisions must be made in justness and fairness, if the people of this Nation are to prosper and the Nation itself is to survive.

ERRORS OF OPPONENTS OF THE FULBRIGHT BILL

I have heard a considerable number of errors made by individual opponents of the bill. I should like to address myself to some of them.

In my judgment, the opponents of the pending measure are fighting contrary to their own best interest and the best interest of the States they represent. I respect them for their sincerity as distinguished Members of this body. Yet I believe that they have fallen into fundamental errors which cause them to arrive at mistaken conclusions.

Two days ago the Senator from Illinois concluded a 5-day speech. I am proud to be his personal friend. I regard him as a devoted public servant.

During the last campaign, it was my pleasure to speak in behalf of his reelection.

As his friend and former deskmate in this body, I was distressed to see him so completely in error, notwithstanding the fact that he studied this matter at great length. It appears to me that his efforts in opposition to the pending measure may stem from a deep-seated conviction that the producers of oil and gas are far from the good citizens and competitive businessmen that most of us regard them as being.

THE FUNDAMENTAL FALLACY

The fundamental mistake made by the senior Senator from Illinois and those who take a similar position on this proposed legislation is that if they prevail, it would be virtually impossible to purchase additional substantial quantities of natural gas for shipment into interstate commerce. If their effort is successful in imposing the utility type of regulation, the State of Illinois, along with the other gas-consuming States, would be in the absurd position of sending its agents to Louisiana, Texas, and Oklahoma with instructions that those agents are to purchase gas for northern consumption at a price substantially below the price that the producers are able to obtain within the producing States.

Why in the name of common sense would any gas producer want to sell his gas to customers in the State of Illinois for 3 or 4 cents a thousand cubic feet, when he could sell the same gas within the producing State for 12 cents, or in some instances for as much as 20 cents a thousand cubic feet? If purchasers in Illinois are able to offer only one-fourth of the price for which a gas producer can sell his gas in the State of its origin, anyone who has had a single semester in economics should readily agree that the gas will be purchased within the producing States.

I am informed that already there are more than 250,000 citizens of the State of Illinois who are presently listed on applications seeking gas service. As much as we in Louisiana, Texas, and Oklahoma would like to accommodate them, our producers would certainly prefer to sell their gas to be consumed within our own States, if Illinois buyers will pay us no more than 25 percent of the price for which gas is to be sold within interstate commerce.

Thus far, Mr. President, utility-type regulation has not been imposed upon the producers of natural gas. They see the Supreme Court's handwriting on the wall, but many of them cannot yet believe that the events which they dread will come to pass. They have confidence that the Congress and the Federal Power Commission will somehow prevent the type of regulation that is being recommended by our opponents. Yet the producers of gas are sufficiently worried that already they are withholding their new reserves from interstate commerce.

Earlier in my speech I referred to the fact that 9 out of 16 major pipelines already are unable to acquire sufficient additional gas to replace the reserves that they are depleting. Mind you, Mr. President, the rate at which new reserves are being committed to interstate commerce has declined to one-third of its 1950 figure.

The senior Senator from Illinois quite correctly points out that the discovery and development of new supplies of gas have kept pace with the rate at which the existing reserves are being depleted. What the Senator failed to tell us is that the rate at which the new reserves are being committed to interstate commerce have fallen to one-third its former total. Furthermore, it was not indicated that many pipelines already are unable to obtain sufficient additional gas to replace the supplies that are depleted.

NEW SUPPLIES OF GAS WILL BE HELD WITHIN THE PRODUCING STATES

Senators opposing the Harris-Fulbright bill seem to be under the mistaken impression that producers of gas cannot find a market for their product within the producing States. This is contrary to the facts. Approximately 50 percent of marketed production of natural gas is already consumed within the States where it is produced.

The State of Louisiana is foremost among the gas producers, when the quantities of gas produced are compared to the size of the State. Approximately 55 percent of the gas produced in Louisiana is sold into interstate commerce. But, on the other hand, let us look at the rapid increase in the sales of gas within the State. Since 1947 the sale of natural gas within Louisiana has more than doubled. I predict that it will double again within the next 10 years; and in that case, Louisiana will need all its gas—if we consider only the current rate of production.

This increase has resulted from the tendency of large industrial concerns in need of tremendous supplies of natural gas to locate near the source of supply, where the gas can be purchased most economically and can be transported for shorter distances, thereby reducing costs. This tendency has been accelerated by the fact that other natural resources, such as sulfur, salt, and water, are located in abundant quantities in the same region. Thus the Louisiana and Texas gulf coast area is rapidly becoming the center of the petro-chemical industry of the Nation.

From 1947 to 1954, a period of 7 years, the consumption of gas in Louisiana increased from 375 to 637 billion cubic feet a year. Ninety-two percent of this consumption in 1954 was for industrial purposes. Most of this increase was the result of the location of new major industries moving to the State to obtain the benefit of the abundant quantities of natural gas locally available, along with the other natural advantages.

Esso Standard Oil, of Baton Rouge, used 57.3 billion cubic feet in 1954. This plant has been in Baton Rouge for a number of years.

Now let me list some of the new plants which are moving into the area and are asking for natural gas. Following are some industries that have established major plants within Louisiana since 1947, together with the quantities of gas the new plants are consuming:

Kaiser Aluminum, at New Orleans, consumes 40.3 billion cubic feet each year.

The Cit-Con plant, owned jointly by Cities Service and Continental Oil Co., at Lake Charles, consumes 25.5 billion cubic feet a year.

These 2 plants accounted for 25 percent of the increased consumption. They employ approximately 4,000 persons.

American Cyanamid last year dedicated its new plant for the manufacture of chemical fertilizers in the New Orleans area. It is estimated that the plant will consume approximately 6.6 billion cubic feet a year.

Lion Oil Co. erected in the New Orleans area a chemical plant which it soon sold to Monsanto Chemical Co. It is estimated that the new plant will consume approximately 8 billion cubic feet a year.

This is only the beginning. A few months ago, Kaiser Aluminum announced that it is undertaking the construction of its third major plant in the New Orleans-Baton Rouge area. At Gramercy, La., it will erect a $60 million plant for the processing of aluminum. This plant will use approximately 15 billion cubic feet annually.

United States Rubber announced this week that north of Baton Rouge it is undertaking the construction of a major installation which will cost approximately $100 million when it reaches its full capacity. It will use about 1½ billion cubic feet a year.

Mr. President, I may say that when we consider the amount of natural gas consumed by the United States Rubber Co., we should not overlook the fact that by establishing a $100 million plant just to the north of the Esso Standard plant, it is anticipated that Esso Standard will be processing additional quantities of gas into butadiene, which in turn will be sold to the United States Rubber Co.

That, in turn, will mean a tremendous increase in the use of natural gas by Esso Standard, which already is in the area.

Another major rubber company has taken options in the area near the Texas and Louisiana boundary for a plant that I would anticipate to be of a similar nature and capacity.

At least three other major corporations of America are presently negotiating for locations along the Mississippi River in the New Orleans-Baton Rouge area.

Mr. President, this is what is happening when natural gas producers are merely confronted with the threat that they will be treated unfairly and made to deliver their product into interstate commerce at a mere fraction of its actual market value. Already industries find it desirable to establish themselves in the area where the hydrocarbons and the chlorines are available in abundant supply.

The Senator from Illinois made the point that natural gas is already in short supply. I say to the Senator that it is in short supply within the producing States, as well as outside. It is becoming increasingly difficult to locate the enormous quantities of natural gas to meet the requirements of industries like Kaiser Aluminum, United States Rubber, Cities Service, Esso Standard, Monsanto Chemical, and others.

When the producer has large quantities of gas available for sale without Federal regulation, the interstate customers will plead for gas in vain, if they are unable to meet the price. The producers desiring to sell their gas as profitably as possible will hold it for the local market.

INJUSTICE OF THE EXISTING LAW

Personally I have mixed feelings with regard to the fate of this legislation. If this pending measure should fail to pass, the type of regulation that the Senator from Illinois would seek to impose upon interstate commerce would limit the availability of natural gas to the producing States and tend greatly to increase the large number of industries being established in those States. This would be of tremendous advantage to the State I represent.

On the other hand, it would be a complete injustice to the gas producers and the royalty owners. In more than 13 decisions, the Federal Power Commission informed producers that they could sell their gas freely into interstate commerce. Pipelines are not interested in laying their pipes at great expense to the marginal wells that produce only a small amount of gas. The amount of gas available does not justify the expense. Thus, there would be many producers who would be limited to an 8-percent return on their profitable wells.

Many other producers have already amortized their investment along with their 8-percent return, however. Presumably they would be required to deliver their gas for the remainder of the life of the well at no cost to the purchaser. It would amount to a virtual confiscation of the producer's property. Such an injustice I cannot vote to uphold.

On the other hand, wells that had been drilled unsuccessfully—wells producing small amounts of oil and gas, which had never been committed to interstate commerce—would be losses that the producer could not charge against his profitable wells. With regard to the unprofitable wells, the gas would be too expensive and the quantity too small to justify laying pipe to it under competitive conditions. A pipeline would be failing to protect the interest of its customers were it to sign a contract to accept gas from such a well.

I know personally of wells capable of producing small quantities of gas at rather isolated locations on a cost-plus-8-percent basis. A price of $10 per thousand cubic feet could be justified, compared to the average price of 12½ cents being paid for gas today. Anyone would be foolish to agree to purchase such gas on a public utility basis. The cost would be too high.

Let us consider for a moment the position of a royalty owner. The royalty owners who have leased their property to a gas producer are entitled to receive about one-eighth of the amount paid to the gas producer. The great number of farmers and other landowners who have come to depend on monthly royalty checks from the production of gas beneath property in which they hold an interest would have their payments drastically reduced and stopped completely in some instances.

Persons who have purchased royalty interests relying upon 13 decisions of the Federal Power Commission, looking to the fair market value of the product, as well as the price stipulated in the contract, would lose much of their investment. These royalty owners are very numerous, and they certainly are found in all walks of life in Louisiana, where gas is found in all sections of the State.

Likewise, the consumers outside the producing States would be denied service. The 250,000 customers who are seeking gas service in Illinois, for example, would not be able to obtain the product unless they were able to acquire it from a pipeline built from Canada, which would not be subject to the Natural Gas Act.

The existing law, as advocated by the Senator from Illinois, is totally unfair and discriminatory. Producers selling their gas within the producing States where more than 50 percent of it is sold already would be able to obtain the going market price for their gas. Producers in Canada and Mexico could obtain the going market price for gas. Producers in the United States selling their gas to pipelines constructed into Canada or Mexico could sell their gas for the going market price. Producers owning wells situated on the outer Continental Shelf in the Gulf of Mexico could sell their gas for the going market price, provided the pipeline carrying that gas did not cross a boundary between two States and perhaps even if the pipeline did cross State boundaries, depending upon whether a sale of gas from the international zone into a particular State is to be regarded as interstate commerce when it crosses a boundary between two States.

Yet those unfortunate individuals who were misled into committing their reserves into interstate commerce would be discriminated against and victimized.

These measures point up the complete impossibility of administering the type of price control on natural gas that has been advocated by the Senator from Illinois and others. What our opponents are advocating is a measure that will stifle and prevent interstate commerce, insofar as natural gas is concerned.

THE FALLACY THAT THE PRODUCER HAS AN UNFAIR ADVANTAGE OVER THE CONSUMER

Some mayors of northern cities and Senators representing such areas have argued that northern consumers are at the mercy of the gas producers. They would suggest that once a pipeline has connected the producers and consumers, the producer is in position to obtain an unfair advantage over the consumer, or at least that he would be in position to do so if the Harris-Fulbright bill were passed.

No one could be in greater error. The truth of the matter is that the consumer has had an advantage in purchasing gas because of the manner in which the industry is organized. The thermal equivalent of gas at the wellhead would compare to approximately 25 cents worth of coal at the mouth of the mine, or about 25 cents worth of oil at the well. We are told that the average price for gas today is 12½ cents.

Thus, the bare cold facts of the matter show that natural gas is still selling on the average at a price approximately one-half of its value when compared at the thermal equivalent of coal or oil. This results from the difficulties that a gas producer experiences in selling his product. In order to get it to the market, he must persuade someone to make a major investment in gathering lines and pipelines, and he must have access to distribution systems.

Thus far, the producer of natural gas has never been in position to bargain with more than perhaps 2 or 3 buyers. I can show Senators many instances in Louisiana where gas producers have no buyer whatever to whom the gas can be sold because the cost of laying pipe to a remote location more than offsets the profit that could be realized from the sale of the gas.

If the cities of New York, Boston, Philadelphia, Washington, and Baltimore, and 20 or 30 others were bidding against one another for additional gas reserves, a single seller would be in position to play one against the other and to bargain for a higher price than he could obtain if one single purchaser were acquiring gas for the entire group. A pipeline can be a single purchaser buying for a large number of customers. In such instances, the single purchaser often offers only one price. Take it or leave it, he will pay no more. Gas producers generally know that they can extract very little, if any, additional price from a pipeline beyond the price that the line considers to be the going price for gas.

Furthermore, the Federal Power Commission now has, and under the Harris-

Fulbright bill will continue to have, jurisdiction to review the reasonableness of the price. The cost of transporting his gas to the market is often beyond the ability of the producer to pay. He must wait until one of the few prospective purchasers are willing to make him an offer. If he will not accept the offer to sell, then he continues to sit idly with his reserves while other producers in the same general area may decide to sell their gas and proceed to drain the gas from under him.

At times, the producer is compelled to pay rentals to the original landowners and even royalties to make up for the fact that he is not selling gas, in order to hold his lease. He is unable to obtain a sale for his gas and he is unable to persuade anyone to construct a gathering line, or even to borrow the money to build a gathering line to put his gas into a pipeline until he has agreed upon a contract to sell his gas.

Thus, although there are millions of ultimate customers for gas that the producer has for sale, he is in a position to bargain with only 1 or perhaps 2 or 3 representatives of these customers, and he is not in a position to sell his gas until he has agreed upon a long-term contract with one of them. Thus, far from having an advantage over the ultimate consumer, the gas producer has always been in a position where he was at a disadvantage—a very great disadvantage—in his effort to obtain the true value of his product when he sold it.

Now that I have discussed the long-term contract, let me refer to the contractual terms that have been the source of so much hysteria and misstatement of fact. A gas producer does not desire to sell his gas upon a long-term contract. The history of gas production, with the exception of a few years has indicated a steady trend toward an increase in the price. The same thing is true of almost every other product. Senators are well aware of the fact that a dollar today buys only about as much as 50 cents would have bought before World War II.

Generally speaking, anyone who made a 20-year contract to deliver his product, let us say in the year 1936, particularly a contract to deliver his entire production without any adjustment in the price during the ensuing 20 years, would have been in a bad position indeed if he was still bound by that contract.

Twenty years ago oil was selling for 97 cents per barrel. Today it is selling for $2.83 per barrel. Coal was selling for $1.77 per ton at the mine. Today it is selling for $4.82 per ton. For that matter, let us take butter: Twenty years ago it was selling at 36 cents per pound. Now it is selling at 71 cents, and the producer is complaining bitterly that his price is too low.

No one producing oil, coal, or butter is going to sign a contract to deliver a given number of units every year at a constant dollar price for the next 20 years. He would think you were foolish if you insisted upon such a condition in a contract. Then why should a gas producer sign a contract to sell his product for 20 years. It is not his idea. He does not desire such a stipulation. He would rather leave it out and sell on a year by year basis.

The reason he is required to sign such a stipulation is that a pipeline company cannot obtain sufficient capital to construct a pipeline; nor can it obtain a certificate of convenience and necessity unless assured of a source of supply that will last long enough to amortize their investment. Therefore, the pipeline companies, in order to obtain adequate reserves to enable them to borrow the money to finance their pipelines, and in order to obtain adequate reserves to obtain a certificate of convenience and necessity, have been required to obtain contracts for the delivery of gas over a 20-year period.

How did they hope to obtain this gas and persuade a producer to forego the much greater price that he might be able to obtain 5, 10, or 15 years in the future? They did it by offering a substantially higher price than the producer could receive on a short-term basis. They also agreed that from time to time they would adjust the price to place it in line with competitive conditions at the subsequent date.

Several types of stipulations have been devised in the effort to make it possible for the purchaser to obtain a commitment that would assure the availability of gas over a long period of time without denying the producer the advantage which would accrue to him if he delayed the sale of his gas until a better price was offered. A typical escalator clause would provide that the purchaser would pay the seller 7 cents per thousand cubic feet for the first 5 years, 8 cents per thousand cubic feet for the next 5 years, and 9 cents per thousand cubic feet for the remainder of the life of the reserves.

Another type of clause frequently referred to is the renegotiation clause. This provision usually stipulated that every 5 years the piepline would reconsider the price that it was paying the producer. If the pipeline found that it was necessary to pay a higher price in order to obtain additional gas reserves in the same general vicinity it would increase the price paid to the producer to the same price that was then currently being paid for the purchase of additional gas in the nearby vicinity. Under the Fulbright bill such renegotiated prices would be subject to review and approval by the Federal Power Commission.

A second type of condition discussed was the so-called favored-nation clause. This was a contractual provision which required the pipeline buyer to meet higher competitive prices in similar producing areas recognizing like quantity and quality.

Mr. President, that is what the escalator clauses are all about. That is all that is involved in a favored-nations clause. That is all that is involved in a renegotiation clause. I know that the Senator from Illinois and other opponents of this bill would not stand here and fight to outlaw the stipulation in the contract between the CIO and the General Motors Corp. which states that if the cost of living goes up the workers will receive an automatic pay raise. I have never heard him or other Senators protest about a similar escalator clause in the contract between the steelworkers and United States Steel. This type stipulation is well recognized in labor-management relations. If the principle is just and equitable when it is applied for the benefit of a laboring man, why should it become evil when it operates to the benefit of an independent producer of gas?

The purpose of such provisions is to make it possible for a producer to sell his gas under a long-term contract without foregoing the advantages that would have accrued to him had he waited over a long period of time in the hope of an increase in the going market price.

Under the Harris-Fulbright bill the increases in gas prices would be limited to a reasonable market price as established by the Federal Power Commission. No one need have any fear that the producers are going to sell their gas for more than a fair market price because they are forbidden by law to do so, and the Federal Power Commission is assigned the duty and responsibility to see that it does not happen.

THE FALLACY THAT GAS COMPANIES WOULD FIND IT TO THEIR ADVANTAGE TO PAY MORE THAN A FAIR MARKET PRICE

A few days ago the distinguished junior Senator from Rhode Island [Mr. PASTORE] undertook to suggest that there was some evil motive and some hidden gimmick in the pending bill. He suggested that a pipeline could, if it desired, pay more than the fair market price and thus increase the fair market price. The Senator from Rhode Island is in error when he suggests that a pipeline could advance the fair market price by paying more than the fair market price. Assuming that the pipeline made the mistake of trying to do so, what would happen?

Let us take the average case. Twenty-two percent of gas reserves are owned by the pipelines themselves. Let us assume that a pipeline agreed to pay 16 cents per thousand for gas and the fair market price was determined to be only 13 cents per thousand. To arrive at a figure with which we can work, let us say that the pipeline paid the gas producers $1 million each year in excess of the fair market price. The pipeline would be compelled to go before the Federal Power Commission and seek a rate increase in order to pay the higher price for gas.

It takes approximately 2 years for a petition for a rate increase to be finally acted upon by the Federal Power Commission. Thus, if the pipeline was overpaying the producers by $1 million each year, in 2 years it would have overpaid them by a total of $2 million. Of this amount the pipeline would have owned 22 percent of the production. Thus the Federal Power Commission would require the pipeline to reduce rates to the consumers to permit them to retrieve the $440,000 for which the pipeline had overcharged the consumers for the gas produced by the pipeline itself. The company would also be required to reduce its rates to consumers or to refund a sufficient amount of money to compensate for the $1,560,000 which it had overpaid the independent producers.

It is true that the pipeline could, if it so desired, take a loss of $1,560,000 on this transaction. Under the Harris-Fulbright bill, it could not be required to do so. It could insist that the producers either refund the overpayment or accept a lesser price until the pipeline had been reimbursed its funds. As a matter of fact, it is rather typical of the oil and gas industry that a purchasing company simply holds up funds until it has its money back if the seller, for some reason, owes money to the purchaser.

Thus it will be seen that this is no gimmick. The operation of the act would mean that the Federal Power Commission would simply fix a ceiling price on gas. The difference between the Natural Gas Act as presently interpreted by the Supreme Court and the amendments which I am here supporting would be that the ceiling price would be determined by the competitive price at which gas was generally available for sale both within and without the producing States. Producers would not be entitled to obtain a greater price.

Frankly, I anticipate that the so-called fair market price for sale in interstate commerce would be somewhat higher, perhaps 1 cent per mcf, than the average price for gas within a State. The reason is rather obvious. A producer would prefer to sell his gas within the State where he is not subject to regulation by the Federal Power Commission, in fact, where his price is not subject to regulation at all.

This is particularly true with a contract containing a favored-nations clause, renegotiation clause, or escalator clause. If any of these clauses exist in a contract for local sale of gas within the producing State, the producer knows that he will receive the benefit of those clauses when circumstances require that their operation should go into effect. He has no assurance that he would receive the benefit of these clauses if he were to sell his gas in interstate commerce under the amendments to the Natural Gas Act. These factors would naturally cause a producer to be willing to sell his gas purely within the producing area for a lesser price.

ENFORCEMENT OF THE EXISTING LAW WOULD BE AN ADMINISTRATIVE IMPOSSIBILITY

The Federal Power Commission is in the best possible position to know what the job of attempting to enforce the present law as interpreted by the Supreme Court in the Phillips decision really involves. The Commission has been studying this problem for several years. More than 2 years after the Phillips decision forced them to face the task as a matter of direct responsibility, they still testified that they had "not yet reached the point of really coming to grips with all the detailed problems involved."

The big problem, of course, is the determination and allocation of production costs. Here the individual situations make for endless combinations of factors, and there are fluctuations from day to day which would challenge the genius of IBM's biggest electronic brain.

The Federal Power Commision budget for the present fiscal year, as compared with 2 years ago, has already been increased by a million dollars, due almost entirely to this preliminary effort on their part. The best estimate seems to be that to attempt to implement the Phillips decision would increase the FPC's workload about 20 times.

I submit, Mr. President, that some attention should be paid to the opinions of those who have been wrestling with the problem of placing in effect this public-utility type regulation. I have never known of a case in which an administrator testified in advance that he could not do a job adequately, whose statement had not been proven correct when he was forced to do it anyway.

PRESENT LAW WOULD TEND TO DRIVE THE SMALL OPERATORS OUT OF BUSINESS AND THUS INCREASE THE CONCENTRATION OF OWNERSHIP INTERESTS

The Federal Power Commission is not the only group which has found the administrative work involved in treating gas producers as public utilities a matter of impracticality. Even small producers and individuals having only minor interests in small holdings are being faced with the necessity of hiring accounting and legal staffs to defend these interests.

Mr. President, from the economic and financial standpoint, as soon as the legal and accounting costs begin to mount, the small operators and small holders will find themselves with a liability instead of an asset. Let me give an illustration that comes to my mind. Picture a man with a marginal well that produces both oil and gas. Let us assume that he drilled to 3,000 feet at a cost of about $20,000. Let us further assume that his well proved to be a marginal one producing about $100 worth of oil and $150 worth of gas each month.

When he is confronted with forms and applications for supplying information requested by the Federal Power Commission and is confronted with the necessity of employing attorneys, accountants, and rate experts to support his case for the maintenance of his contract price, he will find that the expense does not justify his continued operation of the well. He would prefer to sell the well to a larger company for the best price he was able to obtain. He would be thereby increasing the trend toward concentration and monopoly, which we all deplore.

It is because the small operators are in many cases unfamiliar with the type of problem with which the present act would force them to deal that they would prefer to sell their small holdings rather than to cope with it.

I know the senior Senator from Illinois [Mr. DOUGLAS] has the interest of the small-business men very much at heart. Yet the position which he is advocating in this debate is contrary to the best interest of a small oil and gas producer. It would spell the ruin of many of those small-business men.

I have heard the Senator from Illinois quote figures relating to the concentration of ownership in the oil and gas industry. The position that he is advocating would tremendously increase the concentration of which he complains.

THE DOUGLAS AMENDMENT

Perhaps it is because the senior Senator from Illinois realizes the complete injustice, inequity, and hardship which the present Natural Gas Act would cause to the small producer of gas, that he has offered his amendment to exempt all producers except the 35 largest producers. The 35 largest producers include such corporations as the Standard Oil of Indiana, the Texas Co., Phillips Petroleum, and others. These companies have literally millions of small stockholders in addition to those who hold large blocks of stock.

Let us examine the paradox that would occur if opposing Senators were successful in applying their amendments to the Natural Gas Act.

Mr. Sidney Richardson, a man whose net worth is estimated to be approximately $200 million, would be exempt. The same would be true with regard to a large number of multimillionaires whom I could name.

On the other hand, Mrs. James Smith, a widow with 2 children, who inherited from her husband 25 shares of stock in Standard Oil of New Jersey, would have her only investment subjected to regulation as a public utility in an unfair and discriminatory fashion.

Some time ago a personal friend of mine and an executive of a major oil company, came to Washington, D. C., at a great loss of personal salary in order to serve his Government during the Korean war. On an occasion when I was arguing in favor of legislation to benefit small-business men at the expense of larger concerns, my friend pointed out to me the difference in value between his personal savings and that of the larger independent oil and gas operators. He said, "You talk about those little fellows. Boy, how I would like to be one of those little guys worth a mere $100 million."

Under the Douglas amendment, many millionaires would be exempt from regulation. The millions of small stockholders of the 35 large companies which our opponents would like to regulate as public utilities would suffer from punitive, unfair, and discriminatory regulation.

The Senator from Illinois suggested that my position on the pending measure was contrary to the position taken by my father, the late Huey Long, who campaigned tirelessly for his share-the-wealth platform. Let me say to my good friend the senior Senator from Illinois that somebody has to make the wealth before anyone can share it.

HOW TO REDUCE PRICES TO THE CONSUMER

Mr. President, we who are supporting the bill are no less interested in reducing the cost of gas to the consumer than are those who are opposing us. The only difference is that we believe we know how to do it because we think that our economics are sound and that the free-enterprise system will bring lower prices than will an attempt to impose unfair and despised regulation upon producers. I demonstrated to the Senator from New York [Mr. LEHMAN] how the distribution costs could be cut insofar as a given unit of gas is concerned. For example, in the

city of New York the consumer pays $2.42 for gas at the burner tip. This high cost is broken down as follows: 7.8 cents paid to the producer; 23.5 cents paid as the cost of transporting the gas to the city gate; $1.77 charged by the distributor; total $2.42.

Why is the distribution charge so high? In Kansas City, Mo., the charge for distribution is 37.5 cents. In Denver it is 39.5 cents. The principal reason is that most consumers of natural gas in the city of New York use it only for cooking. The gas could be sold much more cheaply if they were to use it for household and apartment heating, as well.

To be more specific: It costs just as much to lay a pipe from the street into a private home or apartment building, regardless of whether the pipe is to deliver gas for household heating and cooking, or only for cooking. Some apartment buildings would require a larger pipe, but the cost of laying the pipe and connecting it to the distribution system of the house is about the same in either instance.

It costs just as much for an employee to read the meter each month, regardless of whether the meter has a large figure or a small one on its face. The cost is no different for sending a bill to the consumer whether that customer happens to owe a large amount of money or a small amount.

The company is entitled to make a 6 percent return on its investment in gas mains and distribution equipment, regardless of whether the mains are carrying large amounts of gas constantly or only periodically. In other words, almost every cost, with the exception of the purchase of the gas itself from the pipeline, is a fixed and constant cost. These costs must be apportioned among the consumers regardless of whether the consumers are using large amounts of gas or small amounts. The same is true with regard to the profits. Assuming that a corporation had $10 million invested in gas mains and other gas distribution equipment, the company is entitled to make a 6-percent return, which would be $600,000 each year return on its investment. Likewise, it would be entitled to charge the consumers for the annual depreciation of the equipment, which might be approximately $400,000 each year. It is also entitled to charge for wages, salaries, and other expenses. In few instances would the laying of new mains be necessary if the consumers elected to purchase gas for household heating in addition to the gas they use for cooking purposes.

Here is the way that the cost of gas to consumers in the city of New York should be reduced. Persuade those consumers to use gas for household heating, and thereby persuade them to use four times as much gas as they are using now. The gas company could then distribute the gas for a mere one-fourth of the price that it is charging. Thus, instead of costing $1.77 to distribute, the cost of distribution would be only 33 cents. New pipelines would necessarily be constructed. These new pipelines would charge 23.5 cents for each thousand cubic feet of gas as their charge for distribution.

Unfortunately, it would be necessary to pay more for the gas, and there is a very obvious reason why this would be the case. New York is presently receiving gas at 7.8 cents, based on old contracts. At the time that those contracts were signed the producers were delighted to obtain the contract price that they are now receiving.

But things have changed, Mr. President, and gas producers are able to sell their gas within the States of Louisiana, Texas, and Oklahoma to local industries, in some instances for as much as 15 cents per thousand cubic feet. I am informed that some contracts are presently being negotiated for 20 cents per thousand cubic feet. Obviously, if consumers in the city of New York desire to purchase enormous quantities of additional gas supplies, the very fact that they are in the market bidding for the gas will of itself tend to force the price up.

Nevertheless there is a practical ceiling on the price to which natural gas can rise. A person can purchase for 25 cents enough coal or enough fuel oil to supply the heat equivalent of 1,000 cubic feet of gas. If gas companies hope to get more than that price, they are in for a disappointment. Heavy industries are the principal users of gas. They use a great deal more gas than do household consumers. If the price of gas should rise above the price of coal or fuel oil, for a given heat equivalent, then obviously most of the major industries that are now using gas would immediately switch to fuel oil or to coal. Therefore, New York consumers could be fairly sure that the price which the producer gets for this gas will never go above 25 cents per thousand cubic feet unless the price of coal and oil should rise.

Thus let us assume that those serving the city of New York found it necessary to pay producers 25 cents per thousand cubic feet in order to obtain great additional quantities of gas, the price to the housewife could nevertheless be reduced because of the large reductions in the cost of distributing a given unit of gas. The price to the housewife could be arrived at in the following fashion: 33 cents for distribution; 23.5 cents for transportation; 25 cents for gas in the field; total, 81.5 cents.

This 81.5 cents compares to the $2.42 that the housewife in New York is now paying for natural gas. She would be buying delivered gas for less than one-third of the price that she is now paying.

Notice, Mr. President, the cost of distribution would thus be reduced by three-fourths when compared to the previous charge for a given unit of gas, a saving sufficient to more than wipe out the additional 18 cents in increased price to the producer made necessary in order to obtain sufficient additional gas reserves.

I know that the point will be made that gas is already being sold for a cheaper price if it is being used for household heating. Nevertheless, even that figure could be cut tremendously if those consumers who are using gas for cooking alone would change over and use it for household heating as well.

The fact of the increased volume would mean that the cost of distribution to the average customer would be reduced tremendously. Assuming that it could not be cut to a mere one-fourth, the cost of distribution could, nevertheless, be reduced by far more than is necessary to offset the increased cost of purchasing the gas from the producer. Assuming that the distributor is able to reduce his cost of distribution on a unit basis by a mere 6 percent, the savings would be sufficient to offset a 10-cent increase in the price paid to producers on new contracts. If there were a favored-nations clause in the contract under which gas is acquired for the city of New York, this increased efficiency of distribution would also offset the additional cost necessary to distribute the gas that is presently being transported to the New York area.

On the other hand, Mr. President, unless the Harris-Fulbright bill is passed, the city of New York will never benefit from these efficiencies. I make this statement without fear of successful contradiction; and why do I do so?

I say it because the producers would be unwilling to sell enormous quantities of additional gas into interstate commerce unless the interstate purchasers were willing to pay the same price as the local purchasers.

Thus, once again, looking to the charge of $2.42 to a New York housewife—far from reducing that charge to the housewife in New York City, the distribution company could not even hold it within the $2.42 because as gas reserves are depleted, less gas will be available for distribution. With less gas to distribute, the fixed costs of the distributing company will be spread across a smaller number of units of gas delivered. This will necessarily cause the charge for distribution to increase on a unit basis.

Therefore, the housewife could expect that price to rise in the event that the bill fails to pass. Housewives in New York could anticipate lower prices if they did what housewives are doing in Louisiana—use their gas for heating as well as cooking—but only in the event the Harris-Fulbright bill is passed, because otherwise additional quantities of gas could not be made available.

The distribution company would be unable to acquire supplies of gas to replace those that are being depleted at the present time. Far from reducing the astronomical charge of $1.77 as a fee for distributing gas to the housewife, the gas company would be required to increase it. Thus my sincere but misguided friends from consuming States would find that their housewives would be paying more for gas in consuming States if the bill fails to pass than they would be paying if the Harris-Fulbright bill becomes law. As a matter of fact, Mr. President, the fact that President Truman vetoed the Kerr natural-gas bill several years ago has already prevented distribution companies from achieving economies that would have accompanied an expanded market, inasmuch as the present status of the law concerning interstate sale of natural gas has made it impossible to obtain the large additional reserves that would have already been committed to interstate commerce.

ATTITUDE OF COAL PRODUCERS

For some time I have been curious to know the inner thinkings of the coal

producers of this Nation. As a matter of self-interest, those producers fought bitterly against the construction of interstate pipelines. For some time I had thought that the coal producers would want to see the Natural Gas Act applied stringently to producers. If this were done, producers would be unwilling to sell additional gas into interstate commerce. In that event, the coal producers would need have no fear of competition from natural gas in retaining their present customers. Even if the coal producers were benefited by such a result, I rather doubt that they would advocate it, because, once the Government starts to nationaize any given fuel and requires the producers to sell their product on a public utility basis, we can expect that the principle will be eventually extended to other fuels, as I have attempted to demonstrate. There is also a selfish reason why coal producers should favor the pending bill. Until the price of natural gas is advanced to meet the price of coal, industries will continue to bypass coal. They will move to the gas-producing regions, where gas may be acquired cheaply, if fuel is a major part of their expense.

I might illustrate this point simply by referring to the Kaiser Aluminum Corp. for one specific example. The Kaiser operation requires enormous quantities of fuel. Kaiser in its recent expansion program undertook to erect a $60-million plant, in addition to the two plants already located in the State of Louisiana, to achieve the economies connected with abundant quantities of natural gas at low cost. Simultaneously they undertook to erect another major plant in an area where coal can be acquired very cheaply. If the price of gas were advanced out of reason, the Texas and Louisiana Gulf Coast area would no longer be as attractive for new industries.

If the price of gas were in line with the price of coal, then a State like Louisiana would be at a stand-off with the State of West Virginia, insofar as the cost of fuel is concerned, when an industrialist was considering in which of the two areas he should like to locate his plant. Following the same logic, Mr. President, when the Senators from West Virginia voted against the Kerr natural gas bill, some years ago, they unwittingly decreed that a considerable number of major industries would find it undesirable to locate in West Virginia and provide employment for the distressed coal miners whom those Senators would like very much to help.

So, Mr. President, when we come down to the bare fundamentals, and lay all the facts on the record, we find that those who believe they would be injured by the passage of the Harris-Fulbright bill would, in fact, be helped. Far from injuring the housewife, she would receive her gas at a more reasonable price. Far from injuring consuming States, they would have a better opportunity to acquire new industries. Far from injuring those who compete with the natural gas industry, they would be benefited. What earthly incentive could any Senator from a consuming State suggest as a motive for voting against the Fulbright-Harris bill?

The only conceivable purpose would be the forlorn hope that one could convince an uninformed housewife that he had been her friend, when in fact he had not; or that he could convince an industrial consumer of gas in a nonproducing State that he had been benefited by a cheaper price for gas, when in fact his supplies were to be cut off. In other words, the only purpose that I could conceive as an objective in voting against the Harris-Fulbright bill—if one fully understands the issue—would be the hope of some political gain by representatives of nonproducing States.

POSITION TAKEN BY OPPONENTS IS NOT EVEN GOOD POLITICS

Even in that forlorn illusion, our opponents are in error. I have here, Mr. President, a compilation of the rollcall vote that occurred when the Kerr natural gas bill was before the United States Senate in 1950. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the vote was ordered to be printed in the RECORD, as follows:

Yeas—Democrats: Anderson, Byrd, Chapman, Connally, Eastland, Ellender, Frear, Fulbright, Hayden, Hoey, Holland, Hunt, Johnson of Colorado, Johnson of Texas, Johnston of South Carolina, Kerr, Long, McCarran, McClellan, McFarland, McKellar, Maybank, Robertson, Russell, Sparkman, Stennis, Thomas of Oklahoma, Withers. Republicans: Bricker, Bridges, Butler of Nebraska, Capehart, Darby, Ecton, Gurney, Hickenlooper, McCarthy, Martin, Millikin, Schoeppel, Taft, Watkins, Wherry, Young.

Paired for—Democrats: Downey, George, Thomas of Utah. Republicans: Cain, Malone.

Nays—Democrats: Benton, Chavez, Douglas, Gillette, Graham, Green, Humphrey, Kefauver, Kilgore, Lehman, Murray, Myers, Neely, O'Conor, O'Mahoney, Taylor. Republicans: Aiken, Cordon, Donnell, Dworshak, Ferguson, Flanders, Hendrickson, Ives, Jenner, Kem, Knowland, Langer, Lodge, Morse, Mundt, Saltonstall, Smith of Maine, Smith of New Jersey, Thye, Tobey, Wiley, Williams.

Paired Against—Democrats: Hill, McMahon, Magnuson. Republicans: Brewster, Vandenberg.

Announced against—Democrats: Leahy, Tydings.

Mr. LONG. Mr. President, since 1950, 20 of the Senators who voted on that rollcall have been defeated. Of that number, 7 voted for the Kerr natural gas bill, and 13 voted against it. They are as follows:

Senators voting for, subsequently defeated: McFarland, McKellar, Thomas of Oklahoma, Ecton, Gurney, Thomas of Utah (paired for), Cain (paired for).

Senators voting against, subsequently defeated: Benton, Gillette, Graham, Myers, O'Mahoney, Taylor, Cordon, Donnell, Ferguson, Kem, Lodge, Tydings (announced against), Brewster (paired against).

Thus, Mr. President, based on the record to this date, if a Senator merely wants to vote good politics, the experience thus far is a ratio of nearly 2 to 1 in favor of protecting the gas producers from utility type regulation. Far from being good economics, the position urged by our opponents is not even good politics.

One of my personal friends, who has always been well informed on the subject of politics, told me that one of the principal factors in President Truman's mind when he vetoed the Kerr natural gas bill in 1950 was the fear that it would injure the chances of Democratic Senators seeking reelection. Specifically, my friend told me that President Truman felt that his approval of the Kerr natural gas bill might result in the defeat of Senator Scott Lucas of Illinois and Senator Francis Myers of Pennsylvania. In addition, I was told that President Truman feared that his approval of the Kerr natural gas bill might result in the defeat of Alex Campbell, of Indiana, and A. J. Loveland, of Iowa, who were seeking election against Republican opponents who had voted for the Kerr bill. As it turned out, President Truman vetoed the bill.

Mr. President, I should like to have my distinguished friend, the junior Senator from Michigan [Mr. MCNAMARA], who now is the Presiding Officer of the Senate, note in particular this point: After President Truman vetoed the Kerr natural-gas bill, all four of those Democratic Members of Congress were defeated. In the election that year, the Republicans were very successful. While picking up a number of Democratic States, only one of their encumbents was defeated for reelection. His name was Forrest Donnell, of Missouri, a Senator who had voted against the Kerr natural gas bill.

I am not here contending that the vote on the Kerr natural gas bill was the only issue, or that it was even a major contributing cause to the success or defeat of a single Senator. I am only saying that if Senators hope to realize any political benefit from their vote against the Fulbright-Harris bill, they are in for a great disappointment. The record indicates that their chances of reelection would be better if they voted for the bill.

Mr. President, much as I regretted to see my distinguished friend, the former senior Senator from Michigan, Mr. Ferguson, retire from this body, I recall that he was one of the great leaders in this body in the fight against the Kerr natural gas bill, and was one of the great advocates of placing the natural gas industry under Federal regulation. I know that the present distinguished occupant of the chair will recall that matter.

PROFITS OF OIL AND GAS COMPANIES

Fundamental to the arguments made by the Senator from Illinois and his associates is the assumption that oil and gas companies are making unreasonable profits. The Senator from Illinois stood on this floor and read at great length from figures for the profits of oil and gas companies. He told us that their profits were fantastic and that they paid very little taxes.

Under questioning from myself and the junior Senator from Oklahoma [Mr. MONRONEY], the Senator from Illinois admitted that his figures did not relate entirely to gas production, but that they were for the combined profits of oil and gas companies, resulting from the production of both oil and gas. He said he was compelled to use overall figures in the absence of the specific figures; and for this, he blamed the oil companies for

their failure to break down their profit-and-loss statements in matters that would better document his argument.

The oil and gas companies have nothing to hide in this connection. It merely happens that the average well produces both oil and gas, and it is impossible to prorate the costs between the two.

Incidentally, Mr. President, that is one of the No. 1 headaches confronting the Federal Power Commission at this moment, when it is facing the task of trying to regulate as utilities the natural gas companies in their sales of natural gas.

A seller simply sells all products—the oil, the gas, the butane, the propane, and whatever else comes out of the well—for the best price he can obtain for each of them.

Anyone in the oil and gas business sets up his profit-and-loss statement on any given well, based on the income as against the cost. Anyone in the business would handle the matter in that way.

But the companies do make available to both the Government and to business generally a breakdown of their profit-and-loss statements; and they make it available in a manner which, I believe, should have been presented to the Senate. That is to say, the large companies make available a breakdown of their profits, as between profits from domestic operations—operations within the United States—and profits from overseas or foreign operations.

Very little, if any, of the latter group of profits result from the production of gas. Very little of it is subject to taxation by the United States, for the very obvious reason that when the United States undertakes to tax the profits a company makes in a foreign land, it is found that the foreign country is also taxing those profits.

Now let us examine the figures, minus those for the foreign operations. On that basis, we find—and now I am relying upon statistics provided by the United States Treasury Department—that the producers of petroleum and natural gas are making a net return of 7 percent on their investment.

Mr. President, if our opponents with their characteristic generosity, are willing to concede an 8-percent return on the investment to be justified, I fail to understand why they complain about a 7-percent return that these companies are making.

Furthermore, Mr. President, oil and gas products are not the most profitable commodities produced within the United States. Let me refer to a few that show a higher ratio of profit. The motor vehicle and equipment companies reported a net profit of 12.6, for the year 1952. The profits after taxes of that industry increased by 50 percent in 1955, alone.

Chemical and allied products showed a net profit on investment of 9.3; paper and allied products, 9.2; total manufacturing, 8.1. Why are our opponents worried about oil company profits? From domestic products of oil and gas, the return of profit is less than most of our major industries. Do they wish to regulate the overseas operations? If so, they will find that difficult indeed. And, here again, let me get to one of our opponents' additional fallacies in referring to the failure of companies to pay taxes, in line with that which they would recommend. I am sure that they overlooked the foreign-tax problem.

There are five major oil companies which join together in one major company to produce oil in Saudi Arabia. They agreed to pay to the Government of Saudi Arabia 50 percent of their profits under an agreement that made it possible for them to take the so-called foreign-tax credit. In other words, they paid a tax in excess of $200 million to the ruler of Saudi Arabia. The United States Government, in line with the laws adopted by Congress, thereby permitted them to offset the $200 million that they paid the Government of Saudi Arabia for the $200 million that they would have otherwise owed the United States.

Thus, their liability to the United States Government was only a few hundred thousand dollars.

Mr. President, perhaps Senators think the foreign-tax credit is unreasonable, but let us see what the companies would have had to pay had there been no tax credit. Saudi Arabia taxes the company 50 percent on its profits. If this nation were to impose an income-tax rate of 52 percent, the total gross tax on income would reach 102 percent. I doubt that anyone here will recommend that taxes on any corporation should be as high as 102 percent.

I now ask unanimous consent to place in the RECORD a table that I have prepared showing the ratio of profits to net worth in selected industries as prepared by the United States Treasury Department.

It is not possible to give separate earnings reports on natural gas and petroleum. Records simply do not permit segregation.

Different people refer to numerous sources of data to make such comparisons. I feel that perhaps the most valid comparison reflecting similar modes of preparation are based upon the Statistics of Income published by the United States Treasury Department. The last volume published, February 2, 1955, reflects conditions for the year 1952. The table gives a comparison of profit ratios to net worth after taxes.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Ratio of net profit after income taxes to net worth petroleum and natural gas and other selected industries [1]

	Net worth (millions of dollars)	Net profit (millions of dollars)	Percent on net worth
Crude petroleum and natural gas production [2]	3,702	260.9	7.0
Total mining and quarrying	7,932	469.4	5.9
Food and kindred products	8,247	506.0	6.1
Tobacco manufacturers	1,474	123.3	8.4
Textile—mill products	6,182	197.7	3.2

[1] Statistics of Income for 1952, U. S. Treasury Department, Internal Revenue Service. Table No. 2, "Assets and liabilities, receipts and deductions, returns with balance sheets by major industrial groups."

[2] On a combined basis these 2 industrial classifications reported net worth, $20,771,000,000; net profit, $1,368,100,000; percent on net worth, 6.5.

Ratio of net profit after income taxes to net worth petroleum and natural gas and other selected industries [1]—Continued

	Net worth (millions of dollars)	Net profit (millions of dollars)	Percent on net worth
Lumber and wood products, except furniture	2,674	205.8	7.7
Furniture and fixtures	1,079	82.5	7.6
Paper and allied products	4,487	412.4	9.2
Chemicals and allied products	10,339	966.4	9.3
Petroleum and coal products [2]	17,069	1,097.2	6.4
Stone, clay, and glass products	3,139	274.9	8.8
Primary metal industries	10,624	744.4	7.0
Motor vehicles and equipment, except electrical	7,583	957.5	12.6
Total manufacturing	109,496	8,880.1	8.1
Total trade	32,525	2,161.6	6.6
All industrial groups	254,006	19,504.4	7.7

NOTE.—It should be noted from the above table that earnings against net worth of the oil and gas industry is neither the highest nor the lowest on the scale among American industrial classifications. Actually, it is under the average for all industries. Obviously, the oil and gas industry must achieve some such representative earnings if capital required for expansion is to be attracted from the competitive capital market.

Mr. LONG. Mr. President, although I have not taken as much of the Senate's time as has the senior Senator from Illinois, I have, nevertheless, been attempting to set forth clearly my reasons for supporting the pending bill. In conclusion, let me summarize these reasons:

First. The existing situation is discriminatory because it would place a type of control on the producers of natural gas which is not proposed to apply to the competing fuels.

Second. The effect of the public utility type regulation would be confiscatory insofar as profitable production is concerned, not only confiscatory of property owned by the producers and operators of gas wells, but of the many thousands of people who own royalty interests in them.

Third. The public utility type regulation is not only unfair and discriminatory but it is also unworkable as a type of control over natural-gas production, because:

A. Natural gas and liquefied petroleum products and byproducts are produced from the same wells.

B. Paperwork and redtape which would be required by cost accounting are not only beyond anything attempted heretofore, but actually could not provide the basis for equitable decisions by the Federal Power Commission.

Fourth. Insofar as exploration and development of further supplies of natural gas for interstate markets are concerned, they would virtually cease.

Fifth. Natural-gas producers would refuse to commit additional reserves for sale in interstate commerce, preferring to await a more equitable sale for use intrastate. Thus the controls would become a highly undesirable barrier to interstate commerce.

Sixth. The attempt to apply public utility controls over natural-gas production is not only economic nonsense, it is directly contrary to the fundamental precepts of American justice and the concepts of free competitive enterprise upon which the progress of the Nation has been based thus far and upon which we must depend increasingly in the

worldwide struggle against the destructive doctrines of Communist strangulation.

Mr. DANIEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, today the Federal Power Commission has issued 12 very significant rulings which have been called to my attention by Representative EVINS, of Tennessee, and with respect to which I should like to speak briefly, before asking that they be made a part of the RECORD.

Today, the 27th of January, 1956, the Federal Power Commission has released 12 orders instituting an investigation of the rates charged by several big gas producers, including such giant companies as the Humble Oil & Refining Co., Continental Oil, Stanolind Oil & Gas Co., Atlantic Refining Co., Chicago Corp., Tide Water Associated Oil Co., and others.

These investigations relate to increased rates charged the Tennessee Gas Transportation Co., which the Federal Power Commission, late in 1954, had permitted to be put into effect, totaling millions of dollars annually.

The action by the Federal Power Commission today is most significant, particularly when it is remembered that in 1954 the Commission allowed these producers large rate increases without any hearing or determination as to whether the new and higher rates in question were just and reasonable under the Natural Gas Act.

The issuance of these orders has come as a result of the public-spirited work of a number of Tennessee municipalities, and also the Public Service Commission of Tennessee, and the Knoxville Utilities Board, who have made a heroic fight in this connection supported by other State utility commissions, cities and numerous distributing companies. After more than a year following the effective date of these increased rates, and after these complaints had been made and were pending for months without action, the Federal Power Commission, in these orders, finds that the rates and charges of these gas companies should be investigated under the Natural Gas Act, to determine whether they are lawful, or, in other words, whether they are just and reasonable under the law Congress enacted in 1938.

Mr. President, the particular attention of the Senate and the public is invited to the following statements and findings which appear in the investigative orders. In each of the 12 orders the Federal Power Commission states that the rates and charges of the gas producers in question, "upon the basis of data available to the Commission"—I skip some lines which do not affect the meaning—"may be unjust, unreasonable, unduly discriminatory, or preferential."

The Commission goes on to find that "it is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that investigations be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged, or collected" by the several respondents.

At long last the Commission, after much prodding, has begun to move. It has begun to move only after a heroic effort by the Tennessee authorities and municipalities, and certain other groups.

But we should also realize that if we pass the Harris-Fulbright bill which is now before us, the Federal Power Commission will not have authority to continue with these investigative orders.

The question naturally arises as to why the Power Commission waited so long. Do they believe that the Fulbright bill is now about to be passed, so that they will clear their skirts, but no effective action to protect consumers will finally be taken? Or is this a genuine effort at reform? I pass no judgment, except to say that ultimately tens of millions of dollars will be involved. If the Fulbright bill is passed, this ruling, arrived at deliberately by the Federal Power Commission, will be made completely null and void.

Mr. President, I ask unanimous consent that the text of the 12 orders, together with a press release issued by the Federal Power Commission in this connection, be made a part of the RECORD at this point.

There being no objection, the press release and orders were ordered to be printed in the RECORD, as follows:

FEDERAL POWER COMMISSION INSTITUTES INVESTIGATIONS OF RATES CHARGED BY 16 INDEPENDENT NATURAL-GAS PRODUCERS

(Docket Nos. G–9277 et al.)

WASHINGTON, D. C., January 27, 1956.—The Federal Power Commission issued a series of 12 orders today instituting investigations of the rates charged by 16 independent producers of natural gas.

The FPC said that the investigations were being instituted on its own motion to determine whether any of the producers' rates are "unjust, unreasonable, unduly discriminatory or preferential." If it finds that they are, the Commission said, it will then fix just and reasonable rates. The investigation covers all rates of the 16 producers which are subject to FPC jurisdiction. Hearing dates in each of the proceedings will be fixed by further order.

All of the producers involved in the investigations sell natural gas to Tennessee Gas Transmission Co., of Houston, Tex., among other purchasers. Changes in rates filed by the producers and allowed to go into effect about November 1, 1954, resulted in a total annual increase of about $6,200,000 to Tennessee.

Last August 31, the Tennessee Public Service Commission and several other Tennessee cities and distributing companies which receive gas from Tennessee's pipeline system filed complaints with the FPC requesting that investigations of the producers' rates be instituted. They also asked that the complaints and any proceedings instituted by the FPC on its own motion be consolidated for hearing with a pending rate increase application by Tennessee. The FPC, however, said that "no good cause" had been shown for the requested consolidation, nor to delay final determinations in the Tennessee rate increase docket pending conclusion of the newly instituted investigations.

Commissioner Seaborn L. Digby filed separate statements, concurring in part and dissenting in part with the Commission's orders instituting the investigations. Commissioner Digby said that he supported the orders insofar as they provide for investigations concerning the rates specified in the complaints by the Tennessee Public Service Commission and others. However, he declared that he strongly disagreed with those parts of the orders providing for investigation of all the rates being charged by the producers and not covered by the complaints. "The enlargement of the proceeding to include all rates charged by the respondent producers is unfair to the parties in the complaint proceeding, and is completely baseless in factual justification," he asserted.

The producers involved in the rate investigations are: The Chicago Corp.; Gulf Plains Corp.; Alfred C. Glassell, Jr.; Stanolind Oil & Gas Co.; Continental Oil Co.; Western Natural Gas Co.; The Altex Corp.; The Atlantic Refining Co.; Tide Water Associated Oil Co.; Ralph E. Fair; Ralph E. Fair, Inc.; Gilliring Oil Co.; Humble Oil & Refining Co.; C. V. Lyman; The Nueces Co.; and Sinclair Oil & Gas Co.

UNITED STATES OF AMERICA—FEDERAL POWER COMMISSION

(Before Jerome K. Kuykendall, Chairman; Claude L. Draper; Commissioners Seaborn L. Digby, Frederick Stueck, and William R. Connole)

IN THE MATTER OF THE CHICAGO CORP., DOCKET NO. G–9277; THE CHICAGO CORP., GULF PLAINS CORP., DOCKET NO. G–9280

Order instituting investigations

Adopted January 26, 1956.

Issued January 27, 1956.

The Chicago Corp. and Gulf Plains Corp. (respondents) are independent producers of natural gas and are natural-gas companies within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On September 23, 1954, the Chicago Corp. (Chicago) filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated Docket No. G–2999 and was amended on November 29, 1954. No hearing has been held or final order issued in such docket to date.

On August 27, 1954, Chicago filed with the Commission a contract and supplement thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Carthage field, Texas, which were designated by the Commission as the Chicago Corp., et al., FPC gas rate schedule No. 3 and supplement No. 1 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 7.306 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 2 to the aforesaid FPC gas rate schedule No. 3, also filed with the Commission on August 27, 1954, the rate for the sale of gas by Chicago to TGT was increased from 7.306 cents per thousand cubic feet to 7.547 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 3 to the said FPC gas rate schedule No. 3 was filed with the Commission on September 30, 1954, and proposed to be made effective on November 1, 1954. Through the filing of this supplement Chicago proposed to increase its rate for the sale of gas to TGT from 7.547 cents per thousand cubic feet to 12.808 cents per thousand cubic feet, which would result in

a total increase in cost to TGT of approximately $2,184,000 per year. The said supplement was allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

On August 27, 1954, Chicago filed with the Commission a contract and four supplements thereto providing for the sale and delivery of natural gas to TGT from the Stratton-Agua Dulce and San Salvador fields, Tex. These documents were designated by the Commission as the Chicago Corporation, et al. FPC gas rate schedule No. 5 and supplements Nos. 1 through 4 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid schedule, was 9.781 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 5 to the aforesaid FPC gas rate schedule No. 5, filed with the Commission on August 27, 1954, the rate for the sale of gas to TGT was increased from 9.781 cents per thousand cubic feet to 10.020 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

By supplement No. 6 to the aforesaid FPC gas rate schedule No. 5, filed with the Commission by Chicago on September 30, 1954, and proposed to be made effective on November 1, 1954, the rate for the sale of gas to TGT was proposed to be increased from 10.020 cents per thousand cubic feet to 11.903 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $390,000 per year under the supplement. The aforesaid supplement No. 6 was allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission, et al.[1] filed with the Commission complaints under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket Nos. G-9277 and G-9280, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaints the rates and charges demanded observed, charged and collected by the defendants,[2] in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC gas rate schedules Nos. 3 and 5 of the Chicago Corp., et al., are unjust, unreasonable and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendants to answer the allegations of the complaints in writing and under oath within such time as may be specified by the Commission;

2. Promptly institute such investigations and hold such hearings as may be necessary to determine all facts, circumstances and matters required for a final determination as to what are just and reasonable rates to be paid defendants by TGT, and, after hearings, fix by order the just and reasonable rates of defendants to be thereafter observed and in force with respect to sales of natural gas by defendants to TGT;

3. Consolidate the complaints and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G-5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G-5259 prior to a final determination of the issues presented by the complaints and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

In addition to the sales of natural gas hereinbefore specifically referred to, it appears from the Commission's files that the said respondents also engage in other sales of natural gas in interstate commerce. It further appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondents herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that investigations be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged, or collected by the said respondents in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices, or contracts affecting such rates, charges, or classifications.

2. No good cause has been shown for the Commission to grant complainants' prayer for consolidation of these proceedings with the proceeding designated docket No. G-5259, which is a rate increase proceeding of TGT, nor to delay final determinations in such docket pending conclusion of the investigations in these proceedings.

The Commission orders:

(A) An investigation of respondent, the Chicago Corp., and an investigation of respondent, Gulf Plains Corp., be and they hereby are instituted pursuant to the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by such respondents, any of the rates, charges, or classifications demanded, observed, charged, or collected, or any rules, regulations, practices, or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory, or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondents named in paragraph (A) above that any of their rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's rules of practice and procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of these proceedings with the proceeding designated "Docket No. G-6259," as set forth in the complaints filed herein by Tennessee Public Service Commission, et al., be, and it hereby is, denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

Digby, Commissioner, concurring in part and dissenting in part:

The Commission, by this and other orders adopted today, is instituting an investigation of the rates of a number of independent producers who are selling gas to Tennessee Gas Transmission Co. The rates to Tennessee of each of these independent producers is the subject to a complaint filed by the Public Service Commission of the State of Tennessee, and joined in by many of the distributing companies who buy gas from Tennessee Gas Transmission Co. Answers have been filed by the independent producers to the complaints, and in most instances, if not all, motions to dismiss the complaints for reasons set out in the combination answers and motions are pending. These motions to dismiss have never been considered by the Commission. Aside from the charges contained in the complaints, nothing has been presented to the Commission to indicate that these rates are unlawful. All of the rates are effective rates. I hope that the Commission's action in provoking 5 (a) investigations in these proceedings will not be taken as an indication that a similar course will be followed by the Commission merely becauss someone has asked for a 5 (a) proceeding. Otherwise all of the rates might soon be under investigation resulting in a breakdown of the administrative process, and without hope of carrying out the purposes of the Natural Gas Act. Furthermore, in this connection I would call attention to the fact that the law requires that rate proceedings under section 4 (e) of the Natural Gas Act be given preference over proceedings under section 5 of the act. At this time many rate hearings are in progress under the provision of 4 (e) of the act.

I am concurring in this and other similar orders provoking 5 (a) proceedings by the Commission insofar as the sales to Tennessee Gas Transmission Co. are concerned and hope that the issuance of these orders is not an empty and meaningless action. The complaint filed by the Public Service Commission of Tennessee, joined in by many others, is entitled to a full and complete hearing at the earliest possible date.

This order, together with others in the same group, contains the following statement:

"In addition to the sales of natural gas hereinbefore specifically referred to, it appears from the Commission's files that the said respondents also engage in other sales of natural gas in interstate commerce. It further appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondents herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential."

Based on this statement, the order institutes a 5 (a) investigation of all sales of natural gas in interstate commerce made by the respondent producers. In the first place, I would like to state emphatically that nothing has been pointed out to me which would cause me to join in the above statement. In

---

[1] The other complainants are: Knoxville Utilities Board; cities of Athens, Clarksville, Fayetteville, Gallatin, and Springfield, Tenn.; Chattanooga Gas Co.; Cleveland Natural Gas Co.; Tennessee Gas Co.; and Tullahoma Natural Gas Co., Inc. All of these named complainants, except Tennessee Public Service Commission and Knoxville Utilities Board, purchase gas directly or indirectly from TGT for resale for public consumption.

[2] In addition to the Chicago Corp., the following defendants were named in the complaint filed in Docket No. G-9277: Hayden Oil Co.; Clyde H. Alexander; Creston H. Alexander; Euna M. Alexander; Glenn E. Alexander; Ben R. Briggs and Hugh M. Briggs, individually and as coadministrators of the estate of Fanny May Briggs, deceased; Charles E. Dimit; Helen Mae Dimit; N. V. Kinsey; R. Lacy, Inc.; B. F. Phillips Petroleum Co.; and Sabine Natural Gas & Products Co.

fact, no single rate has been identified in connection with any sale by any of these respondents other than those to Tennessee. It is my thought that to institute a 5 (a) investigation of rates concerning which we have received no complaint, and concerning which we have no facts to support the above statement, is entirely unrealistic and outside of the purposes of the Natural Gas Act. Furthermore, the enlargement of these proceedings by including investigation of each and every sale of these major gas companies will serve only to defeat the purposes of the Tennessee Public Service Commission's complaint. Also, it will duplicate 4 (e) rate proceedings now in hearing before the Commission.

I support this order insofar as it provokes a 5 (a) investigation concerning the rates specified in the complaints by the Tennessee Public Service Commission and others. I strongly disagree with that part of the order which also provokes a 5 (a) investigation of all rates being charged by respondent producers and not covered by the complaints filed. Actually, no rate other than those complained of has been identified for consideration by the Commission. The enlargement of the proceeding to include all rates charged by the respondent producers is unfair to the parties in the complaint proceeding, and is completely baseless in factual justification.

IN THE MATTER OF ALFRED C. GLASSELL, JR., DOCKET NO. G-9278

Order instituting investigation

Adopted January 26, 1956.

Issued January 27, 1956.

Alfred C. Glassell, Jr. (respondent) is an independent producer of natural gas and is a natural-gas company within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On September 22, 1954, respondent filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated docket No. G-2956. No hearing has been held or final order issued in such docket to date.

On September 14, 1954, respondent filed with the Commission a contract providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Carthage Field, Tex., which was designated by the Commission as Alfred C. Glassell, Jr., et al. FPC Gas Rate Schedule No. 1. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 7.027 cents per thousand cubic feet at 14.65 psia.

By supplement No. 1 to the aforesaid FPC Gas Rate Schedule No. 1, also filed with the Commission on September 14, 1954, the rate for the sale of gas by respondent to TGT was increased from 7.027 cents per thousand cubic feet to 7.2 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 2 to the said FPC Gas Rate Schedule No. 1 was filed with the Commission on October 1, 1954, and proposed to be made effective on November 1, 1954. Through the filing of this supplement respondent proposed to increase its rate for the sale of gas to TGT from 7.200 cents per thousand cubic feet to 12.808 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $1,163,000 per year under the supplement. The said supplement was allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission et al., filed with the Commission a complaint under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated Docket No. G-9278, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaint the rates and charges demanded, observed, charged, and collected by the defendants,[1] in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC Gas Rate Schedule No. 1 of Alfred C. Glassell, Jr., et al., are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendants to answer the allegations of the complaint in writing and under oath within such time as may be specified by the Commission;

2. Promptly institute such investigation and hold such hearings as may be necessary to determine all facts, circumstances and matters required for a final determination as to what are just and reasonable rates to be paid defendants by TGT, and, after hearings, fix by order the just and reasonable rates of defendants to be thereafter observed and in force with respect to sales of natural gas by defendants to TGT;

3. Consolidate the complaint and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G-5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G-5259 prior to a final determination of the issues presented by the complaint and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

On the basis of data available to the Commission, it appears that the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondent herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that an investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged, or collected by the respondent in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices, or contracts affecting such rates, charges, or classifications.

2. No good cause has been shown for the Commission to grant complainants' prayer for consolidation of this proceeding with the proceeding designated docket No. G-5259, which is a rate-increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigation in this proceeding:

The Commission orders:

(A) An investigation of respondent, Alfred C. Glassell, Jr., be and it hereby is instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by respondent, any of the rates, charges or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory, or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to respondent that any of its rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of this proceeding with the proceeding designated Docket No. G-5259, as set forth in the complaint filed herein by Tennessee Public Service Commission, et al., be, and it hereby is, denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF SINCLAIR OIL & GAS CO, DOCKET NO. G-9291; SINCLAIR OIL & GAS CO., DOCKET NO. G-9292

Order instituting investigation

Adopted January 26, 1956.

Issued January 27, 1956.

Sinclair Oil & Gas Co. (Respondent) is an independent producer of natural gas and is a natural gas company within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On September 21, 1954 (Supplemented November 26, 1954, in Docket No. G-2887 only), Respondent filed applications for certificates of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. These applications were designated Docket Nos. G-2887 and G-2889. Certificates were granted by orders issued December 22, 1954, and were accepted January 17, 1955.

On September 20, 1954, Respondent filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Donna Area, Hidalgo County, Tex., which were designated by the Commission as Sinclair Oil & Gas Co. FPC Gas Rate Schedule No. 3 and Supplements Nos. 1 through 3 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the said rate schedule was 10 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 5 to respondent's FPC Gas Rate Schedule No. 3, filed wtih the Commission on October 4, 1954, the rate for the sale of gas by respondent to TGT was increased from 10 cents per thousand cubic feet to 10.24 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

[1] In addition to Alfred C. Glassell, Jr., the following defendants were named in the complaint: H. B. Langford; City National Bank of Houston, Tex., trustee for, and Alfred C. Glassell, Jr., cotrustee for Alfred Glassell Comegys Trust, William McLloyd Comegys III Trust, Anne Bernard Crichton Trust, Kate Curry Crichton Trust, Janie Curry Lee Trust, Joanna Lee Trust, Alfred McIntyre Stringfellow Trust, and Charles Stringfellow III Trust.

Supplement No. 4 and supplement No. 1 to supplement No. 4 to respondent's FPC Gas Rate Schedule No. 3 were filed with the Commission September 30, 1954 and proposed to be made effective on November 1, 1954. Through the filing of these supplements, respondent proposed to increase its rate for the sale of gas to TGT from 10.24 cents per thousand cubic feet to 12.123 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $117,000 per year under the supplements. The said supplements were allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

On September 20, 1954, respondent filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to TGT from the Mustang Island Field, Texas. These documents were designated by the Commission as Sinclair Oil & Gas Company FPC Gas Rate Schedule No. 1 and supplements Nos. 1 through 5 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid schedule, was 10 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 7 to respondent's FPC Gas Rate Schedule No. 1 filed with the Commission on October 4, 1954, the rate for the sale of gas to TGT was increased from 10 cents per thousand cubic feet to 10.24 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

By supplement No. 6 and supplement No. 1 to supplement No. 6 to respondent's FPC Gas Rate Schedule No. 1, filed with the Commission by respondent on September 30, 1954, and proposed to be made effective on November 1, 1954, the rate for the sale of gas to TGT was proposed to be increased from 10.24 cents per thousand cubic feet to 12.123 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $40,000 per year under the supplements. The aforesaid supplements were allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission, et al. filed with the Commission complaints under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket Nos. G–9291 and G–9292, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaints the rates and charges demanded, observed, charged and collected by Sinclair Oil & Gas Co. (defendant) in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC Gas Rate Schedules Nos. 1 and 3 of respondent, are unjust, unreasonable and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendant to answer the allegations of the complaints in writing and under oath within such time as may be specified by the Commission;

2. Promptly institute such investigations and hold such hearings as may be necessary to determine all facts, circumstances, and matters required for a final determination as to what are just and reasonable rates to be paid defendant by TGT, and, after hearings, to fix by order the just and reasonable rates of defendant to be thereafter observed and in force with respect to sales of natural gas by defendant to TGT;

3. Consolidate the complaints and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G–5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G–5259 prior to a final determination of the issues presented by the complaints and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

In addition to the sales of natural gas hereinbefore specifically referred to, it appears from the Commission's files that the said respondents also engage in other sales of natural gas in interstate commerce. It further appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by respondent herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that an investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged, or collected by the respondent in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices, or contracts affecting such rates, charges, or classifications.

2. No good cause has been shown for the Commission to grant complainant's prayer for consolidation of these proceedings with the proceeding designated Docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigation in these proceedings.

The Commission orders:

(A) An investigation of respondent, Sinclair Oil & Gas Co., be and it hereby is instituted under the provision of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by respondent, any of the rates, charges, or classifications demanded, observed, charged, or collected, or any rules, regulations, practices, or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondent that any of its rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of these proceedings with the proceeding designated docket No. G–5259, as set forth in the complaints filed herein by Tennessee Public Service Commission, et al., be, and it hereby is denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF RALPH E. FAIR AND RALPH E. FAIR, INC., DOCKET NO. G–9285

Order instituting investigations

Adopted January 26, 1956.

Issued January 27, 1956.

Ralph E. Fair and Ralph E. Fair, Inc. (respondents) are independent producers of natural gas and are "natural-gas companies" within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On November 29, 1954 Ralph E. Fair filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated Docket No. G–6559. No hearing has been held or final order issued in such docket to date.

On November 29, 1954, Ralph E. Fair, Inc., filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated Docket No. G–6216. A certificate was granted by order issued December 23, 1955 and accepted on January 6, 1956.

On October 25, 1954, respondents filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Hagist ranch field and other areas in Duval and Jim Wells Counties, Tex., which were designated by the Commission as Ralph E. Fair, Inc., et al. FPC gas rate schedule No. 3 and supplements Nos. 1 through 5 thereto. The rate on June 7, 1954 for the sale of gas to TGT under the aforesaid rate schedule was 10.0 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplements Nos. 6 and 7 to the aforesaid FPC gas rate schedule No. 3, also filed with the Commission on October 25, 1954, the rate for the sale of gas by respondents to TGT was increased from 10.0 cents per thousand cubic feet to 10.246 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplements Nos. 8 and 9 to the said FPC gas rate schedule No. 3 were filed with the Commission on October 25, 1954 and proposed to be made effective on November 1, 1954. Through the filing of these supplements respondents proposed to increase their rate for the sale of gas to TGT from 10.246 cents per thousand cubic feet to 12.123 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $30,000 per year. The said supplements were allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission, et al, filed with the Commission a complaint under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket No. G–9285, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaint the rates and charges demanded, observed, charged, and collected by the defendants,[4] in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC gas rate schedule No. 3 of Ralph E. Fair, Inc., et al., are unjust, unreasonable, and otherwise unlawful and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendants to answer the allegations of the complaint in writing and

[4] In addition to Ralph E. Fair and Ralph E. Fair, Inc., the following defendants were named in the complaint filed in docket No. G–9285: Woodward & Co. (a copartnership) and L. W. Callender.

under oath within such time as may be specified by the Commission;

2. Promptly institute such investigations and hold such hearings as may be necessary to determine all facts, circumstances and matters required for a final determination as to what are just and reasonable rates to be paid defendants by TGT, and, after hearings, fix by order the just and reasonable rates of defendants to be thereafter observed and in force with respect to sales of natural gas by defendants to TGT;

3. Consolidate the complaint and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G–5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G–5259 prior to a final determination of the issues presented by the complaint and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

In addition to the sales of natural gas hereinbefore specifically referred to, it appears from the Commission's files that the said respondents also engage in other sales of natural gas in interstate commerce. It further appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondents herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that investigations be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged or collected by the said respondents in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices, or contracts affecting such rates, charges, or classifications.

2. No good cause has been shown for the Commission to grant complainants' prayer for consolidation of this proceeding with the proceeding designated docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigations in this proceeding.

The Commission orders:

(A) An investigation of respondent, Ralph E. Fair, and an investigation of respondent, Ralph E. Fair, Inc., be and they hereby are instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by such respondents, any of the rates, charges, or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges or classifications are unjust, unreasonable, unduly discriminatory or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondents named in paragraph (A) above that any of their rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of these proceedings with the proceeding designated docket No. G–5259, as set forth in the complaint filed therein by Tennessee Public Service Commission et al., be, and it hereby is, denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTERS OF THE ATLANTIC REFINING CO., TIDE WATER ASSOCIATED OIL CO., DOCKET NO. G–9283; THE ATLANTIC REFINING CO., DOCKET NO. G–9284

Order instituting investigations

Adopted January 26, 1956.

Issued January 27, 1956.

The Atlantic Refining Co., and Tide Water Associated Oil Co. (Respondents) are independent producers of natural gas and are natural gas companies within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On October 1, 1954 (supplemented on November 5, 1954 and March 11, 1955) the Atlantic Refining Co. (Atlantic) filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designed Docket No. G–3894. A certificate was granted by order issued July 5, 1955 and acceptance filed July 18, 1955.

On September 30, 1954, Tide Water Associated Oil Co., (Tide Water) filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated Docket No. G–3736. A certificate was granted by order issued August 29, 1955, and accepted September 26, 1955.

On October 1, 1954, Atlantic filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Mustang Island Field, Texas, which were designated by the Commission as the Atlantic Refining Co. FPC Gas Rate Schedule No. 5 and Supplements Nos. 1 and 2 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 10 cents per M c. f. at 14.65 psia.

By Supplement No. 3 to the aforesaid FPC Gas Rate Schedule No. 5, also filed with the Commission on October 1, 1954, the rate for the sale of gas by Atlantic to TGT was increased from 10 cents per M c. f. to 10.246 cents per M c. f. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 4 to the said FPC Gas Rate Schedule No. 5 was filed with the Commission on October 1, 1954, and proposed to be made effective on November 1, 1954. Through the filing of this supplement Atlantic proposed to increase its rate for the sale of gas to TGT from 10.246 cents per M c. f. to 12.123 cents per M c. f., which would result in a total increase in cost to TGT of approximately $219,000 per year under the supplement. The said supplement was allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

On August 30, 1954, Tide Water filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to TGT from the Mustang Island Field, Texas. These documents were designated by the Commission as Tide Water Associated Oil Co. FPC Gas Rate Schedule No. 9 and Supplements Nos. 1 through 4 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid schedule, was 10 cents per M c. f. at 14.65 psia.

By supplement No. 5 to the aforesaid FPC gas rate schedule No. 9, also filed with the Commission on August 30, 1954, the rate for the sale of gas to TGT was increased from 10 cents per thousand cubic feet to 10.246 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

By supplement No. 6 and supplement No. 1 to supplement No. 6 to the aforesaid FPC rate schedule No. 9, filed with the Commission by Tide Water on October 1, 1954, and proposed to be made effective on November 1, 1954, the rate for the sale of gas to TGT was increased from 10.246 cents per thousand cubic feet to 12.123 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $37,000 per year under the supplements. The aforesaid supplements were allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

On October 1, 1954, Atlantic filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to TGT from the North Minnie Rockfield, Texas, which were designated by the Commission as the Atlantic Refining Co. FPC gas rate schedule No. 6 and supplements Nos. 1 through 3 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the said rate schedule was 9.781 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 4 to the aforesaid FPC gas rate schedule No. 6, also filed with the Commissoin on October 1, 1954, the rate for the sale of gas by Atlantic to TGT was increased from 9.781 to 10.021 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 5 to the said FPC gas rate schedule No. 6 was filed with the Commission on October 1, 1954, and proposed to be made effective November 1, 1954. Through the filing of this supplement, Atlantic proposed to increase its rate for the sale of gas to TGT from 10.021 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $106,000 per year under the supplement. The said supplement was allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission, et al. filed with the Commission complaints under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket Nos. G–9283 and G–9284, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaints the rates and charges demanded, observed, charged and collected by Atlantic and Tide Water (defendants) in connection with the sale of natural gas to TGT under and pursuant to the current effective FPC gas rate schedules, are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendants to answer the allegations of the complaints in writing and

under oath within such time as may be specified by the Commission;

2. Promptly institute such investigations and hold such hearings as may be necessary to determine all facts, circumstances and matters required for a final determination as to what are just and reasonable rates to be paid defendants by TGT, and, after hearings, fix by order the just and reasonable rates of defendants to be thereafter observed and in force with respect to sales of natural gas by defendants to TGT;

3. Consolidate the complaints and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G–5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G–5259 prior to a final determination of the issues presented by the complaints and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable and equitable relief as may be warranted.

In addition to the sales of natural gas hereinbefore specifically referred to, it appears from the Commission's files that the said respondents also engage in other sales of natural gas in interstate commerce. It further appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondents herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that investigations be instituted by the Commission, upon its own motion, into and concerning all rates, charges or classifications demanded, observed, charged or collected by the said respondents in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices or contracts affecting such rates, charges or classifications.

2. No good cause has been shown for the Commission to grant complainant's prayer for consolidation of these proceedings with the proceeding designated Docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigations in these proceedings.

The Commission orders:

(A) An investigation of respondent, the Atlantic Refining Co., and an investigation of respondent, Tide Water Associated Oil Co., be and they hereby are instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by such respondents, any of the rates, charges or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondents named in paragraph (A) above that any of their rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15 and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of these proceedings with the proceeding designated docket No. G–5259, as set forth in the complaints filed herein by Tennessee Public Service Commission, et al., be and it hereby is denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF WESTERN NATURAL GAS CO., DOCKET NO. G–9281

Order instituting investigation

Adopted January 26, 1956.
Issued January 27, 1956.

Western Natural Gas Co. (respondent) is an independent producer of natural gas and is a natural-gas company within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On October 22, 1954, respondent filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated docket No. G–4549. No hearing has been held or final order issued in such docket to date.

On October 22, 1954, respondent filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the San Salvador field, Texas, which were designated by the Commission as Western Natural Gas Co. FPC gas rate schedule No. 1 and supplements Nos. 1 through 6 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 6.09 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 7 to respondent's FPC gas rate schedule No. 1, also filed with the Commission on October 22, 1954, the rate for the sale of gas by respondent to TGT was increased from 6.09 cents per thousand cubic feet to 6.289 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

On October 22, 1954, respondent filed with the Commission a renegotiated contract, which superseded its FPC gas rate schedule No. 1 as supplemented and which was designated by the Commission as respondent's FPC gas rate schedule No. 2. Supplement No. 1 and supplement No. 1 to supplement No. 1 to such FPC gas rate schedule No. 2 were filed on November 22, 1954. Through the filing of these documents respondent proposed to increase its rate for the sale of gas to TGT to 11.903 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $445,000 per year under the renegotiated contract as supplemented. The said rate schedule and supplements were allowed to become effective without suspension by the Commission on November 22 and December 23, 1954, respectively.

Thereafter, on August 31, 1955, Tennessee Public Service Commission et al., filed with the Commission a complaint under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket No. G–9281, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaint the rates and charges demanded, observed, charged, and collected by the Western Natural Gas Co. (defendant) in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC gas rate schedule No. 2 of respondent, are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendant to answer the allegations of the complaint in writing and under oath within such times as may be specified by the Commission;

2. Promptly institute such investigation and hold such hearings as may be necessary to determine all facts, circumstances, and matters required for a final determination as to what are just and reasonable rates to be paid defendant by TGT, and, after hearings, fix by order the just and reasonable rates of defendant to be thereafter observed and in force with respect to sales of natural gas by defendant to TGT;

3. Consolidate the complaint and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G–5259, for both hearing and determination, and to make no final determination in the proceedings in docket No. G–5259 prior to a final determination of the issues presented by the complaint and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

On the basis of data available to the Commission, it appears that the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by respondent herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that an investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges or classifications demanded, observed, charged or collected by the respondent in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices or contracts affecting such rates, charges or classifications.

2. No good cause has been shown for the Commission to grant complainants' prayer for consolidation of this proceeding with the proceding designated docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigation in this proceeding.

The Commission orders:

(A) An investigation of respondent, Western Natural Gas Co., be and it hereby is instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by respondent, any of the rates, charges or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges or classifications are unjust, unreasonable, unduly discriminatory or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondent that any of its rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the

Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of this proceeding with the proceeding designated Docket No. G–5259, as set forth in the complaints filed herein by Tennessee Public Service Commission, et al., be and it hereby is denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF THE ALTEX CORPORATION
DOCKET NO. G–9282

Order instituting investigation

Adopted January 26, 1956.
Issued January 27, 1956.

The Altex Corp. (respondent) is an independent producer of natural gas and is a "natural-gas company" within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On October 4, 1954, respondent filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated docket No. G–4102. No hearing has been held or final order issued in such docket to date.

On October 4, 1954, respondent filed with the Commission a contract providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the East Alice area, Jim Wells County, Tex., which was designated by the Commission as the Altex Corp. FPC gas rate schedule No. 1. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 10 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 1 to respondent's FPC gas rate schedule No. 1, also filed with the Commission on October 4, 1954, the rate for the sale of gas by respondent to TGT was proposed to be increased from 10 cents per thousand cubic feet to 10.215 cents per thousand cubic feet with respect to tax reimbursement. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 1 and supplements Nos. 1 and 2 to supplement No. 1 to respondent's FPC gas rate schedule No. 1 were filed with the Commission on October 4, 1954, and proposed to be made effective on November 1, 1954, with respect to a favored-nation increase. Through the filing of these supplements, respondent proposed to increase its rate for the sale of gas to TGT from 10.215 cents per thousand cubic feet to 12.123 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $106,000 per year under the supplements. The said supplements were allowed to become effective without suspension by the Commission on November 4, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission et al. filed with the Commission a complaint under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated Docket No. G–9282, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaint the rates and charges demanded, observed, charged, and collected by the Altex Corp. (defendant), in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC gas rate schedule No. 1 of respondent, are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief, the said complainants ask this Commission to:

1. Require defendant to answer the allegations of the complaint in writing and under oath within such time as may be specified by the Commission.

2. Promptly institute such investigation and hold such hearings as may be necessary to determine all facts, circumstances, and matters required for a final determination as to what are just and reasonable rates to be paid defendant by TGT, and, after hearings, fix by order the just and reasonable rates of defendant to be thereafter observed and in force with respect to sales of natural gas by defendant to TGT.

3. Consolidate the complaint and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G–5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G–5259 prior to a final determination of the issues presented by the complaint and involved in the Commission's investigation.

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

On the basis of data available to the Commission, it appears that the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondent herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that an investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged, or collected by the respondent in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices, or contracts affecting such rates, charges, or classifications.

2. No good cause has been shown for the Commission to grant complainants' prayer for consolidation of this proceeding with the proceeding designated docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigation in this proceeding.

The Commission orders:

(A) An investigation of respondent, the Altex Corp., be and it hereby is instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by respondent, any of the rates, charges or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges or classifications are unjust, unreasonable, unduly discriminatory or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondent that any of its rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of this proceeding with the proceeding designated docket No. G–5259, as set forth in the complaint filed herein by Tennessee Public Service Commission, et al., be, and it hereby is denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF STANOLIND OIL & GAS CO., CONTINENTAL OIL CO., DOCKET NO. G–9279

Order instituting investigations

Adopted January 26, 1956.
Issued January 27, 1956.

Stanolind Oil & Gas Co. and Continental Oil Co. (respondents) are independent producers of natural gas and are natural-gas companies within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On November 1, 1954, Stanolind Oil & Gas Co. (Stanolind) filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated docket No. G–4623. No hearing has been held or final order issued in such docket to date.

On November 30, 1954, Continental Oil Co. (Continental) filed with the Commission an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This applicaton was designated docket No. G–6588. No hearing has been held or final order issued in such docket to date.

On November 1 and December 13, 1954, Stanolind filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Carthage Field, Tex., which were designated by the Commission as Stanolind Oil & Gas Co. FPC gas rate schedule No. 72 and supplements Nos. 1 through 5 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 7.027 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By Supplement No. 6 to Stanolind's FPC Gas Rate Schedule No. 72, filed with the Commission on November 1, 1954, the rate for the sale of gas by Stanolind to TGT was increased from 7.027 cents per thousand cubic feet to 7.200 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 7 and Supplement No. 1 to Supplement No. 7 to Stanolind's FPC Gas Rate Schedule No. 72 were filed with the Commission on November 26, 1954, and proposed to be made effective on December 1, 1954. Through the filing of these supplements Stanolind proposed to increase its rate

for the sale of gas to TGT from 7.200 cents per thousand cubic feet to 12.802 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $316,000 per year. The said supplements were allowed to become effective without suspension by the Commission on December 27, 1954. On July 5, 1955, Stanolind filed Supplement No. 2 to Supplement No. 7 to its FPC Gas Rate Schedule No. 72 to correct the rate from 12.802 cents to 12.808 cents per thousand cubic feet.

On November 30, 1954, Continental Oil Co. filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to TGT from the Carthage field, Texas. These documents were designated by the Commission as Continental Oil Co. FPC Gas Rate Schedule No. 3 and Supplements Nos. 1 through 3 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid schedule, was 7.027 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 4 and supplement No. 1 to supplement No. 4 to Continental's FPC gas rate schedule No. 3, filed with the Commission by Continental on November 30, 1954, and proposed to be made effective on December 1, 1954, it was proposed to increase the rate for the sale of gas to TGT to 12.802 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $225,000 per year under said supplements. The aforesaid supplements were allowed to become effective without suspension by the Commission on December 31, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission et al., filed with the Commission a complaint under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket No. G-9279, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaint the rates and charges demanded, observed, charged, and collected by the defendants,[5] in connection with the sale of natural gas to TGT under and pursuant to the currently effective said FPC Gas Rate Schedules of Stanolind and Continental, are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendants to answer the allegations of the complaint in writing and under oath within such time as may be specified by the Commission;

2. Promptly institute such investigations and hold such hearings as may be necessary to determine all facts, circumstances, and matter required for a final determination as to what are just and reasonable rates to be paid defendants by TGT, and, after hearings fix by order the just and reasonable rates of defendants to be thereafter observed and in force with respect to sales of natural gas by defendants to TGT;

3. Consolidate the complaint and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G-5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G-5259 prior to a final determination of the issues presented by the complaint and involved in the Commission's investigations; and

4. Grant to complainants such other, further, and reasonable and equitable relief as may be warranted.

[5] In addition to Stanolind and Continental the following defendants were named in the complaint: Robert K. Crain, Delta Drilling Co., the Hunter Co., Inc., Rogers Lacy, Inc., Warren Petroleum Corp., and N. H. Wheless Oil Co.

In addition to the sales of natural gas hereinbefore specifically referred to, it appears from the Commission's files that the said respondents also engage in other sales of natural gas in interstate commerce. It further appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondents herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that investigations be instituted by the Commission, upon its own motion, into and concerning all rates, charges or classifications demanded, observed, charged or collected by the said respondents in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices or contracts affecting such rates, charges or classifications.

2. No good cause has been shown for the Commission to grant complainants' prayer for consolidation of this proceeding with the proceeding designated docket No. G-5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigations in this proceeding.

The Commission orders:

(A) An investigation of respondent, Stanolind Oil & Gas Co., and an investigation of respondent, Continental Oil Co., be and they hereby are instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by such respondents, any of the rates, charges or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges or classifications are unjust, unreasonable, unduly discriminatory or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondents named in paragraph (A) above that any of their rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of this proceeding with the proceeding designated docket No. G-5259, as set forth in the complaint filed herein by Tennessee Public Service Commission, et al., be, and it hereby is, denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission, Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTERS OF HUMBLE OIL & REFINING CO., DOCKETS NOS. G-9287, G-9288

Order instituting investigation

Adopted January 26, 1956.
Issued January 27, 1956.

Humble Oil & Refining Co. (respondent) is an independent producer of natural gas and is a "natural-gas company" within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On September 24, 1954, respondent filed applications for certificates of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act (amended May 12, 1955, and July 5, 1955). These applications were designated dockets Nos. G-3072 and G-3078. Certificates were granted by order issued December 16, 1954, and accepted December 28, 1954.

On September 10, 1954, respondent filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Hagist Ranch field, and other fields in Texas, which were designated by the Commission as Humble Oil & Refining Co. FPC Gas Rate Schedule No. 11 and Supplements Nos. 1 through 7 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 10 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 8, to respondent's FPC gas rate schedule No. 11, also filed with the Commission on September 10, 1954, the rate for the sale of gas by respondent to TGT was increased from 10.0 cents per thousand cubic feet to 10.246 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplements Nos. 9 and 10 to respondent's FPC gas rate schedule No. 11, were filed with the Commission on September 29, 1954, and proposed to be made effective on November 1, 1954. Through the filing of these supplements respondent proposed to increase its rate for the sale of gas to TGT from 10.246 cents per thousand cubic feet to 12.123 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $221,000 per year under the supplements. The said supplements were allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

On September 10, 1954, respondent filed with the Commission a contract and supplement thereto providing for the sale and delivery of natural gas to TGT from the Mariposa field, Texas. These documents were designated by the Commission as Humble Oil & Refining Co. FPC Gas Rate Schedule No. 17 and Supplement No. 1 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid schedule, was 10.0 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 2 respondent's FPC gas rate schedule No. 17, filed with the Commission on September 10, 1954, the rate for the sale of gas to TGT was increased from 10.0 cents per thousand cubic feet to 10.246 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

By supplements Nos. 3 and 4 to respondent's FPC Gas Rate Schedule No. 17, filed with the Commission by respondent on September 29, 1954, and proposed to be made effective on November 1, 1954, the rate for the sale of gas to TGT was increased from 10.246 cents per thousand cubic feet to 12.123 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $156,000 per year. The said supplements Nos. 3 and 4 were allowed to

become effective as proposed and without suspension by the Commission on November 1, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission et al. filed with the Commission complaints under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket Nos. G–9287 and G–9288, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaints the rates and charges demanded, observed, changed, and collected by the defendant (respondent herein) in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC Gas Rate Schedules Nos. 11 and 17 of respondent, are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendant to answer the allegations of the complaints in writing and under oath within such time as may be specified by the Commission;

2. Promptly institute such investigations and hold such hearings as may be necessary to determine all facts, circumstances and matters required for a final determination as to what are just and reasonable rates to be paid defendant by TGT, and, after hearings, fix by order the just and reasonable rates of defendant to be thereafter observed and in force with respect to sales of natural gas by defendant to TGT;

3. Consolidate the complaints and any proceedings instituted by the Commission on its motion with the proceedings in Docket No. G–5259, for both hearing and determination, and make no final determination in the proceedings in Docket G–5259 prior to a final determination of the issues presented by the complaints and involved in the Commission's investigations; and

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

In addition to the sales of natural gas hereinbefore specifically referred to, it appears from the Commission's files that the said respondents also engage in other sales of natural gas in interstate commerce. It further appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondent herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act and that investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges or classifications demanded, observed, charged or collected by the respondent in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices or contracts affecting such rates, charges or classifications.

2. No good cause has been shown for the Commission to grant complainants' prayer for consolidation of these proceedings with the proceeding designated docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigation in these proceedings.

The Commission orders:

(A) An investigation of respondent, Humble Oil & Refining Co., be and it hereby is instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by respondent, any of the rates, charges or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges or classifications are unjust, unreasonable, unduly discriminatory or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondent that any of its rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force.

(c) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of these proceedings with the proceeding designated Docket No. G–5259, as set forth in the complaints filed herein by Tennessee Public Service Commission et al., be, and it hereby is, denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF THE NUECES CO., DOCKET NO. G–9290

Order instituting investigation

Adopted January 26, 1956.

Issued January 27, 1956.

The Nueces Co. (respondent) is an independent producer of natural gas and is a natural-gas company within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On October 1, 1954 (supplemented on January 1, 1955), respondents filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated "Docket No. G–3999." No hearing has been held or final order issued in such docket to date.

On October 1, 1954, respondent filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Agua Dulce field, Texas, which were designated by the Commission as the Nueces Co. FPC gas rate schedule No. 1 and supplements Nos. 1 through 4 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 9.781 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By supplement No. 5 to respondent's FPC gas rate schedule No. 1, also filed with the Commission on October 1, 1954, the rate for the sale of gas by respondent to TGT was increased from 9.781 cents per M c. f. to 9.826 cents per M c. f. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 6 to respondent's FPC gas rate schedule No. 1 was filed with the Commission on October 21, 1954, and proposed to be made effective on November 21, 1954. Through the filing of this supplement respondent proposed to increase its rate for the sale of gas to TGT from 9.826 cents per M c. f. to 11.903 cents per M c. f., which would result in a total increase in cost to TGT of approximately $138,000 per year under the supplement. The said supplement was allowed to become effective as proposed and without suspension by the Commission on November 21, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission, et al., filed with the Commission a complaint under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket No. G–9290, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaint the rates and charges demanded, observed, charged and collected by the Nueces Co. (defendant) in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC gas rate schedule No. 1 of respondent, are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendant to answer the allegations of the complaint in writing and under oath within such time as may be specified by the Commission;

2. Promptly institute such investigation and hold such hearings as may be necessary to determine all facts, circumstances, and matters required for a final determination as to what are just and reasonable rates to be paid defendant by TGT, and, after hearings, fix by order the just and reasonable rates of defendant to be thereafter observed and in force with respect to sales of natural gas by defendant to TGT;

3. Consolidate the complaint and any proceedings instituted by the Commission on its motion with the proceedings in docket No. G–5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G–5259 prior to a final determination of the issues presented by the complaint and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

On the basis of data available to the Commission, it appears that the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondent herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that an investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged or collected by the respondent in connection with any transportation or sale of natural gas subject to the jurisdiction of the Commission, and any rules, regulations, practices, or contracts affecting such rates, charges, or classifications.

2. No good cause has been shown for the Commission to grant complainants prayer for consolidation of this proceeding with the proceeding designated docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigation in this proceeding.

The Commission orders:

(A) An investigation of respondent, the Nueces Co., be and it hereby is instituted under the provisions of the Natural Gas Act

for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by respondent, any of the rates, charges, or classifications demanded, observed, charged, or collected, or any rules, regulations, practices, or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory, or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondent that any of its rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of this proceeding with the proceeding designated docket No. G–5259, as set forth in the complaints filed herein by Tennessee Public Service Commission, et al., be, and it hereby is, denied.

(E) Interested State commissions may participate as provided in sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF GILLRING OIL CO., DOCKET NO. G-9286

Order instituting investigation

Adopted January 26, 1956.
Issued January 27, 1956.

Gillring Oil Co. (respondent), is an independent producer of natural gas and is a natural-gas company within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On October 1, 1954, respondent filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated docket No. G–3938. No hearing has been held or final order issued in such docket to date.

On October 1, 1954, respondent filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Agua Dulce Field, Tex., which were designated by the Commission as Gillring Oil Co. FPC gas rate schedule No. 1 and supplements Nos. 1 through 3 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the said rate schedule was 9.781 cents per thousand cubic feet at 14.65 pounds per square inch absolute.

By Supplement No. 4 to respondent's FPC Gas Rate Schedule No. 1 filed with the Commission on September 30, 1954, the rate for the sale of gas by respondent to TGT was proposed to be increased from 9.781 cents per thousand cubic feet to 10.021 cents per thousand cubic feet. This rate increase was effectuated to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 5 and Supplement No. 1 to Supplement No. 5 to respondent's FPC Gas Rate Schedule No. 1 were filed with the Commission on September 30, 1954, and proposed to be made effective on November 1, 1954. Through the filing of these supplements respondent proposed to increase its rate for the sale of gas to TGT from 10.021 cents per thousand cubic feet to 11.903 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $137,000 per year. The said supplements were allowed to become effective as proposed and without suspension by the Commission on November 1, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission, et al., filed with the Commission a complaint under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket No. G–9286, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaint the rates and charges demanded, observed, charged, and collected by Gillring Oil Co. (defendant) in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC Gas Rate Schedule No. 1 of respondent, are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendant to answer the allegations of the complaint in writing and under oath within such time as may be specified by the Commission;

2. Promptly institute such investigation and hold such hearings as may be necessary to determine all facts, circumstances, and matters required for a final determination as to what are just and reasonable rates to be paid defendant by TGT, and, after hearings, fix by order the just and reasonable rates of defendant to be thereafter observed and in force with respect to sales of natural gas by defendant to TGT;

3. Consolidate the complaint and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G–5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G–5259 prior to a final determination of the issues presented by the complaint and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable an equitable relief as may be warranted.

On the basis of data available to the Commission, it appears that the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondent herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that an investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged or collected by the respondent in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices or contracts affecting such rates, charges or classifications.

2. No good cause has been shown for the Commission to grant complainant's prayer for consolidation of this proceeding with the proceeding designated docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigations in this proceeding.

The Commission orders:

(A) An investigation of respondent, Gillring Oil Co., be and it hereby is instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by respondent, any of the rates, charges or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges or classifications are unjust, unreasonable, unduly discriminatory or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to respondent that any of its rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of this proceeding with the proceeding designated docket No. G–5259, as set forth in the complaint filed herein by Tennessee Public Service Commission, et al., be, and it hereby is, denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF C. V. LYMAN, DOCKET NO. G–9289

Order instituting investigation

Adopted January 26, 1956.
Issued January 27, 1956.

C. V. Lyman (respondent), is an independent producer of natural gas and is a natural-gas company within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

On April 11, 1955, respondent filed an application for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Natural Gas Act. This application was designated "Docket No. G–8743" and was supplemented on December 30, 1955. No hearing has been held or final order issued in such docket to date.

On September 17, 1954, respondent filed with the Commission a contract and supplements thereto providing for the sale and delivery of natural gas to Tennessee Gas Transmission Co. (TGT) from the Agua Dulce and Bentonville areas, Nueces and Jim Wells Counties, Texas, which were designated by the Commission as C. V. Lyman FPC gas rate schedule No. 2 and supplements Nos. 1 through 3 thereto. The rate on June 7, 1954, for the sale of gas to TGT under the aforesaid rate schedule was 9.781 cents per thousand cubic feet at 14 pounds per square inch absolute.

By Supplement No. 4 to respondent's FPC gas rate schedule No. 2, also filed with the Commission on September 17, 1954, the rate for the sale of gas by respondent to TGT was proposed to be increased from 9.781 cents per thousand cubic feet to 10.021 cents per thousand cubic feet. This rate increase was to offset the increase in the production tax made effective by the State of Texas on September 1, 1954.

Supplement No. 5 and supplement No. 1 to supplement No. 5 to respondent FPC gas rate schedule No. 2 were filed with the Commission on November 15, 1954, and proposed to be made effective on November 1, 1954. Through the filing of these supplements, respondent proposed to increase its rate for the sale of gas to TGT from 10.021 cents per thousand cubic feet to 11.903 cents per thousand cubic feet, which would result in a total increase in cost to TGT of approximately $124,000 per year under the supplements. The said supplements were allowed to become effective without suspension by the Commission on December 16, 1954.

Thereafter, on August 31, 1955, Tennessee Public Service Commission, et al., filed with the Commission complaints under the provisions of the Natural Gas Act, particularly under sections 5 (a) and 13 thereof, designated docket No. G–9289, wherein it was stated, inter alia, that on the basis of the facts recited in the said complaint the rates and charges demanded, observed, charged, and collected by C. V. Lyman (defendant) in connection with the sale of natural gas to TGT under and pursuant to the currently effective FPC gas rate schedule No. 2 of respondent, are unjust, unreasonable, and otherwise unlawful, and are not the lowest reasonable rates, as required by the Natural Gas Act.

In their prayer for relief the said complainants ask this Commission to:

1. Require defendant to answer the allegations of the complaint in writing and under oath within such time as may be specified by the Commission;

2. Promptly institute such investigation and hold such hearing as may be necessary to determine all facts, circumstances, and matters required for a final determination as to what are just and reasonable rates to be paid defendant by TGT and, after hearings, fix by order the just and reasonable rates of defendant to be thereafter observed and in force with respect to sales of natural gas by defendant to TGT;

3. Consolidate the complaint and any proceedings instituted by the Commission on its motion with the proceeding in docket No. G–5259, for both hearing and determination, and make no final determination in the proceedings in docket No. G–5250 prior to final determination of the issues presented by the complaint and involved in the Commission's investigation; and

4. Grant to complainants such other, further, reasonable, and equitable relief as may be warranted.

In addition to the sales of natural gas hereinbefore specifically referred to, it appears from the Commission's files that the said respondents also engage in other sales of natural gas in interstate commerce. It further appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sale or transportation of natural gas by the respondent herein, subject to the jurisdiction of the Commission, and the rules, regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

1. It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the National Gas Act that an investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges or classifications demanded, observed, charged, or collected by respondent in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices, or contracts affecting such rates, charges, or classifications.

2. No good cause has been shown for the Commission to grant complainant's prayer for consolidation of this proceeding with the proceeding designated docket No. G–5259, which is a rate increase proceeding of TGT, nor to delay final determination in such docket pending conclusion of the investigation in this proceeding.

The Commission orders:

(A) An investigation of respondent, C. V. Lyman, be and it hereby is instituted under the provisions of the Natural Gas Act for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by respondent, any of the rates, charges, or classifications demanded, observed, charged, or collected, or any rules, regulations, practices, or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory, or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to the respondent that any of its rates, charges, classifications, rules, regulations, practices, or contracts subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 5, 14, 15, and 16 thereof, and the Commission's Rules of Practice and Procedure, a public hearing be held upon a date to be fixed by further order of the Commission concerning the matters specified in paragraphs (A) and (B) above.

(D) The prayer for consolidation of this proceeding with the proceeding designated Docket No. G–5259, as set forth in the complaint filed herein by Tennessee Public Service Commission, et al., be, and it hereby is, denied.

(E) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby concurring in part and dissenting in part.

LEON M. FUQUAY,
Secretary.

FREEDOM, FEDERALISM, AND THE FUTURE—ADDRESS DELIVERED BY SENATOR MORSE

Mr. NEUBERGER. Mr. President, in the Shoreham banquet hall last night, the illustrious senior Senator from Oregon [Mr. MORSE] made a most outstanding address on the topic of Freedom, Federalism, and the Future.

This was when the Senator from Oregon deservedly received the annual Sidney Hillman award for meritorious public service. The award was presented by the international president of the Amalgamated Clothing Workers of America, Jacob S. Potofsky. This honor has gone in the past to such noted citizens as Dr. Frank P. Graham, former distinguished Member of the Senate from North Carolina, Herbert H. Lehman, Justice William O. Douglas, and Oscar Ewing. Some of these men were present to pay tribute to my colleague.

With characteristic generosity, Senator MORSE is not retaining for his own use the $1,000 check which accompanies the Sidney Hillman award. Instead, it will be used to establish a scholarship at the University of Oregon Law School. The scholarship will be dedicated to Senator MORSE's devoted friend and former student, James Landye, an able and scholarly labor lawyer, who died in Portland, Oreg., at the untimely age of 45, a few weeks ago. The scholarship will be, jointly, a monument to James Landye, to Sidney Hillman, and to WAYNE MORSE.

Mr. President, I ask unanimous consent that the splendid address on our Federal political system, delivered on this occasion by the senior Senator from Oregon [Mr. MORSE], be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FREEDOM, FEDERALISM, AND THE FUTURE

(Address of Senator WAYNE MORSE on receiving the Sidney Hillman Foundation award for meritorious public service, January 26, 1956)

The Sidney Hillman Foundation award is not deserved by me as an individual. In all humility I accept it because of a common faith, shared by Sidney Hillman, that our Federal constitutional system is the guarantor of civil rights and political and economic freedom of choice for the individual in our great Republic.

In accepting the award tonight, I shall discuss Freedom, Federalism and the Future, because I believe that through the implications of that topic we can pay deserved tribute to the self-sacrificing and dedicated service of Sidney Hillman to the economic and political rights of all Americans. Sidney Hillman was a modern day federalist, in that he was a constitutional liberal. By that I mean that he believed, as I do and as I think all liberals should, that under our Federal constitutional system it is a primary responsibility of our Government to see to it through appropriate executive, legislative, and judicial action, that the people of our Nation are protected in, and have the opportunity to enjoy, the private property rights guarantees and the human rights guarantees of our Constitution.

We have a long way still to go in the United States in seeing to it that our people do enjoy the constitutional liberalism which our forefathers wrote so indelibly into the Constitution. At the present time, reactionary political forces of America are staging a resurgence of anti-federalism. Unless they are repudiated, the civil rights and economic rights of millions of fellow Americans will suffer. A serious recession in our historic political philosophy of constitutional rights for the individual is occurring in many parts of America these days. Before more damage is done to our Federal system of Government, we should affirm the sound Lincoln rebuttal to the Calhoun State-supremacy doctrine, namely—under our Federal system the summation of the sovereignty of the several States is less than the sovereignty of the Nation as a whole.

Thus, in accepting the Sidney Hillman Foundation award tonight, I do not do so on any assumption that I am entitled to it because of my record of public service. I accept it only because of my dedicated devotion as a constitutional liberal to a basic symbol of Federal constitutional government which Sidney Hillman shared, and to which I think the American people need to pay great heed in this year of political decision. Our Federal system of Government is being undermined and weakened by anti-federalist forces who know that they can best serve their selfish economic interests and can best expoit the mass of our people in their quest for power through a weakened Federal Government. It is a great honor indeed to receive an award that has been conferred in years past upon such great American as President Truman, Bishop Sheil, Oscar

Ewing, Senator Lehman, Dr. Frank Graham, and Mr. Justice Douglas.

This award has been conferred for great accomplishments in the fields of civil liberties, civil rights, health, and public welfare, education, political science, and law. In accepting the award tonight I would relate the liberties and individual rights of the American people under our Federal system to their economic interests in our natural resources.

LIBERTIES, RIGHTS, AND RESOURCES

Some may wonder whether civil liberties and rights can be grouped in any logical way with the development of natural resources. I submit that they are closely and intimately related.

It is the purpose of our democratic way of life to enable each individual to realize his own highest capabilities. Opportunity for the individual must be based upon freedom of choice intellectually, economically, and politically.

Centuries of suffering and searching, setbacks and steps forward have taught that individual freedom and opportunity are the indispensable conditions of progress. Our own Nation, although quite young in terms of the history of civilization, has demonstrated most fully the vigor and value of the democratic way of life.

The life of Sidney Hillman is a classic example of what the democratic system means to the individual and how a single human being, given the opportunity to do so, can enrich the lives of countless thousands and contribute to the democratic philosophy.

Where but in America could a Lithuanian immigrant develop into one of the leading citizens of his day and have a leading role in creating a whole new concept of the rights and responsibilities of workingmen and women? Sidney Hillman, like Philip Murray and William Green, and other great American leaders in other fields, came from stock that languished in anonymity for centuries of poverty and toil. Surely their talent for creative work and service was shared by their ancestors who lived out their appointed time without any recorded accomplishments. Those talents were buried and possibly burned out during eras when only a few were permitted to enjoy the fruits of the work of the many.

Who knows how many Sidney Hillmans died unfulfilled in the ghettos of Europe? Who knows how many Philip Murrays were ground into insignificance and personal defeat in the mines and mills and the manors of the Old World?

We do know that in this new world of opportunity, with all its imperfections and awkwardness of youth, their talents and vision were translated into accomplishments for them and whole generations.

It is because of men like these and the system in which they could flower, that there is no proletariat and there are no peasants in the United States.

PEOPLE AND PROGRESS

The unequaled progress which this Nation has enjoyed is not the result of the automatic operation of history. Democracy is not a frictionless machine which grinds out accomplishments. We have not reached a plateau of perfection on which we can travel simply on the momentum of past accomplishments. There is no automation to operate a free society.

THE LESSONS OF THE PAST

Our advances teach that there is no substitute for talent planted in the rich soil of democracy.

The unparalleled progress of the United States has been rooted in our democratic processes. That progress has not been uniform nor uninterrupted. The lessons of the past teach that we have moved forward by surges under the impetus of national leadership.

Other western nations have shared in the general benefits of technological progress. We have been aided by the rich resources of our natural resources.

What has set us apart from other less fortunate nations is a system of government that is conducive to individual accomplishment and betterment that redounds to the common good. This is not to say that this Nation has moved forward while others stood still or declined. Progress has not been ours alone. But the United States has achieved a standard of living and a way of life that is the envy and often the inspiration of the world.

THE FEDERAL SYSTEM

Our Federal system, in which State and Nation share authority and responsibility, has been rich in achievement. Throughout our brief and hectic history there have been controversy and struggle over the proper roles of State and Nation.

In the beginning a loose confederacy of absolutely sovereign States was abandoned for a federal union in which the national power was declared supreme in several areas. Shortly after the establishment of the Nation the repressive alien and sedition laws called forth the Virginia and Kentucky resolutions of Jefferson and Madison declaring the right of States to denounce Federal laws as unconstitutional. The Virginia and Kentucky resolutions were adopted before the authority of the Supreme Court to pass upon the constitutionality of Federal action was proclaimed by Marshall, a Virginian, and became rooted in our system. But it was congressional action that ended the Alien and Sedition Acts and reinstated freedom of speech and the press. Both Jefferson and Madison strengthened the prestige and authority of the National Government during their Presidencies. Quite early the Supreme Court of Marshall asserted the exclusive jurisdiction of the Federal Government where it had legislative jurisdiction.

The question of slavery precipitated the most profound and desperate controversy over the respective powers of Nation and State. Calhoun developed the theory of State nullification of Federal acts and laid the philosophical basis for secession.

That question was settled in the complex economic and political situation of the 1860's by the Civil War. Abraham Lincoln, above all others, was the philosopher of the Union. That era culminated in the Federal guaranties of the 14th amendment of civil rights within the States.

Today we find an attempted revival of individual State authority to resist Federal action on the ground of asserted and self-assumed unconstitutionality. This so-called interposition is a new form of secession, shockingly expressed by a Virginia politician at the State level following the recent adoption at the polls of the Gray amendment sanctioning second-class citizenship in Virginia with the comment: "It looks as if we won the Civil War." Despite such braggadocio and verbal swagger, we can expect that the 14th amendment will survive and remain vigorous long after shortsighted racist politicians have strutted their brief day in the public limelight.

Until the turn of the century the Federal-State controversy abated while the adolescent Nation grew westward and developed industrially and financially. Federal land policy in the homestead laws shaped that growth.

Under Theodore Roosevelt the Federal power was given a new direction—Federal legislation and action in the fields of economics and resource development. "Trust-busting" and Federal responsibility for multipurpose development of water resources were both designed to promote economic democracy as a protection of political democracy. Theodore Roosevelt gave classic expression to the view that large concentrations of private economic power endangered the free exercise of political rights and popular government. In action he demonstrated the responsibility of the National Government to control the growth of big business to preserve economic freedom. This policy was also applied to the use of natural resources to insure maximum development in the interests of those who owned them—the people of the Nation. We must never forget the economic rights of the individual cannot be separated from his political rights, even though we have an administration whose leader says he is a liberal in human rights but a conservative in economic questions. It is the clear duty of our Federal Government to follow a course of action that will protect and foster the economic welfare of the people of our Nation as a whole. That is why under our Federal system it is the duty of the Federal Government to protect the economic rights of the people of the Nation from such exploitation as a giveaway of their heritage in tidelands, in the maximum electric power and flood control potential of their rivers, including those at Hells Canyon on the Snake. The people have the right to be protected by their National Government from private monopoly exploitation of natural gas and executive collusion to the economic detriment of the people in such shady deals as Dixon-Yates.

The obligations of the Federal Government to the people to protect their intertwined political and economic rights also underlaid Wilson's New Freedom and Franklin Roosevelt's New Deal.

By and large, the great eras of advance and reform were nutured by Federal action. Certainly local and State activities contributed immeasurably to those waves of advance as with factory inspection laws, workmen's compensation and State extension of the franchise and other political reforms in which my own State of Oregon was a pioneer.

Vigorous national government in the fields of both personal liberty and economic reforms have been resisted by a resurgence of the philosophy of States rights. I would not deprecate for a moment the enormous contributions of the States to the progressive perfection of our nationwide democracy. Nor would I take a backseat to anyone in defending the primary jurisdiction of the States over several areas of our organized life, such as in local control of education. That great conservative libertarian Justice Holmes advocated freedom for "the making of social experiments that an important part of the community desires, in the insulated chambers afforded by the several States * * *". That was sound doctrine when he enunciated it in 1921 and it is sound doctrine today.

However, we must be on guard against the invoking of States rights to defeat or waken sound and proper and urgent national programs. Throughout the New Deal programs to relieve mass distress and revive the private enterprise system were resisted and fought in the name of States rights. Many of those programs were designed to and did encourage the States to initiate and carry through needed programs with Federal aid and matching State expenditures. Many of those programs were Federal in origin and financing but administered by the States. The attack was made nonetheless.

And it has continued to this day with vehemence and vigor. Without a doubt many who criticize the extent of Federal activities do so with the greatest sincerity and from the highest motives. It is unfortunate that others are impelled by lack of understanding. And still others cynically desire that the burdens of needed programs be placed upon those less able to bear them.

STATES RIGHTS AND CIVIL LIBERTIES AND RIGHTS

No region and no group have a monopoly of either virtue or vision. Progress in the protection of individual liberty and opportunity has been uneven in both time and place.

Yet there can be no doubt that the libertarian philosophy of the Declaration of Independence and the guaranties of the Federal Constitution and Bill of Rights have been the mainspring and bulwark of liberty and equal opportunity.

They have shaped and inspired men of good will throughout our land and, indeed, the world. In times of challenge and doubt it has been the principles of the Federal Constitution and their application by the Supreme Court of the United States that have reaffirmed the rules of law and liberty.

The basic freedoms of speech, assembly, the press and individual conscience have been made the law of the land by the Federal Constitution.

It has been the Supreme Court acting for the Nation in applying the Constitution that has said to local officials and courts: Thou shalt not lend official aid to treat any group of citizens of the United States unequally.

THE CURRENT CRISIS IN EDUCATION

We are faced today with a constitutional crisis in the field of education. There is no agency of Government that touches all citizens more intimately than the schools. Local autonomy has been and must remain unchallenged. Equally local education must operate within the framework of fairness and availability called for by the Federal constitutional guaranty of equal protection of the laws.

Individual liberty is the highest ideal of our system. That system is founded upon the conviction that such liberty is best preserved by the rule of law with all of its procedural guaranties and even-handedness insured by the Constitution.

There are those who threaten to reject the rule of law because it has come into conflict with their beliefs as to the proper method of educating children who are white and children who are Negroes.

This Nation and the rule of law have withstood such challenges before. Our greatest safeguard has been the inherent lawfulness of our people in fundamental matters despite our usual irreverence for authority. That, we trust and hope will see us through the present difficulty.

But I would say to those who bridle and would resist the final arbiter of law under the Constitution. Take care that you do not proceed to lawlessness, for lawlessness is its own defeat.

CURBING THE CONSTITUTION

In the economic field, the battle of attrition against the use of Federal programs to promote the general welfare has continued unabated.

The constitutional attacks of the Liberty League and like-minded opponents of Federal action have been rejected. Under the 10th amendment the States do have rights. As I have said repeatedly in the Senate States rights can be asserted only where the National Government goes beyond the powers given to it by the Constitution. But the clamor of States rights is repeatedly raised—without constitutional validity—where avoidance of Federal action, or any governmental action is sought. It often has become a slogan and a shibboleth to turn over a subject to the States in the confidence that 48 legislatures are harder to persuade than the one National Congress.

A new phase of fear has been substituted. For motives both good and bad, the bugaboo of Federal domination has been raised to frighten people into opposition to Federal discharge of constitutional functions.

It was hardly more than a year ago that the President of the United States, while dedicating a Federal multipurpose dam on the Columbia River, warned against the evils of Federal monopoly in the electric power field.

This was a scare argument having no basis in fact. Nationally, the Federal agencies generate only 13 percent of all electric power. In the area in which the President spoke private utilities distribute most of the Federal power.

The present administration came into power on a propaganda wave of distilled distrust of the Federal Government. Candidate Eisenhower, with no civilian experience, inveighed against long-haired bureaucrats in Washington. Having taken office, his administration has continued to warn against the excesses of Federal Government. This administration has committed more sins in the name of antifederalism than its party predecessors perpetrated in the cause of normalcy.

Self-denial of power is a wholesome thing. But the destruction and dissipation of governmental programs and the sowing of seeds of distrust in the National Government is a disservice to the Nation.

This administration has attempted to excuse unconscionable acts of favoritism—such as the attempted Dixon-Yates and Hells Canyon giveaways—in the name of limiting Federal activities—activities and programs sanctioned by nothing less than the Constitution of the United States.

The attack has been many pronged. The Hoover Commission and its task forces—loaded with biased and self-interested advocates—have spearheaded this attack upon a National Government that is responsive to national needs.

So the Hoover Task Force on Power and Resources stated that "these activities should be reexamined in the light of what is sound business and good public policy, irrespective of the legal extent to which they can be expanded under the Constitution." That has a familiar ring.

I would prefer as a yardstick that what is good constitutional law is good for business, and everyone else.

It is one of the myths of anti-Federalism that the national debt has grown so much that more and more responsibilities should be handed back to the States.

This has been a favorite of the administration and those who endorse its plan to turn the clock back, how far back we cannot be sure. Yet between the last year of World War II and 1952, when the antifederalists took office, the gross and net Federal debt declined. During the same period State debt almost tripled and local debt almost doubled.

The fact is that State and local governments now face greater difficulties in meeting their already large responsibilities and many have reached the statutory limits for debt imposed by law. In addition, despite the exemption of local government land income from Federal taxation, State and local governments pay higher interest than the Federal Government when they borrow. This difficult situation has been made more difficult by the policies of this administration in raising interest rates on United States Government bonds, thereby raising interest rates for all borrowers, including State and local governments.

This is strange action indeed for a Federal administration which abdicates its responsibilities and piously proclaims that it is turning back to the States, programs for citizen welfare and service.

By some odd coincidence the economic and States' rights policies of this anti-Federalist administration always result in less service to the public and more profits to bankers and big business.

THE DOLLAR SIGN IN STATES RIGHTS

The crowning irony is that there is a most emphatic dollar sign in the States rights controversy. This is so because State and local taxes bear most heavily on low-income groups, while Federal taxes, despite a trend since 1942 to the contrary, have been progressive.

This is clearly shown in a recent report of the Joint Committee on the Economic Report based upon 1954 taxes.

Let us take a program financed by the Federal Government on one hand, and State and local governments on the other. For each $1,000 collected for a Federal program, an individual earning under $3,000 would pay $81. For the same expenditure by State and local governments, he would pay almost double. Compare this with the share paid by an individual earning over $10,000; he pays almost 50 percent more to the Federal Government than to his State and local government.

My own State of Oregon is a good example because it is not extreme. We have beaten down attempts to impose the sales tax again and again. Yet on a comparative basis, State and local taxes bear more heavily on low-income earners than on those in upper brackets.

Assuming a Federal aid to education program of $1 billion, Oregon would receive $10 million on a per child basis. Oregon's Federal tax payments for the program would be approximately $9 million. This difference represents no saving to those in Oregon with income of $7,500 or over. But if the revenue were raised in Oregon for the extra million it would receive on Federal aid that 1 million would have to be paid by Oregonians earning under $7,500 a year.

This is the almost universal pattern, except that in most States it is worse. On the average, 60 percent of State and local income—the most regressive taxes—comes from sales and excise taxes. The Federal Government obtains only 15 percent of its revenue from this source.

The pattern is clear. The reduction of Federal activities and shifting them to the States means that upper bracket taxpayers bear less of the load and those less able to pay bear more of it.

Progressive taxation is part of the democratic philosophy. We have observed the comparative weakness and instability of some European countries that do not practice it.

In this country the anti-Federalists would eliminate or shift needed Federal programs to the States. This means shifting the tax burden to the already overburdened States and localities and consumers or abandonment of the governmental function.

This is a key consideration in Federal aid to education which this anti-Federalist administration has fought for 3 years. Only recently it has modified its position—with the usual too-little, too-late formula.

In the last 3 years this administration has avoided and scrimped on medical research and other social services in order to balance off multi-billion dollar tax relief to large corporations, large estates, and stockholders.

This administration has been scuttling investments in flood control, power and irrigation development to justify its tax giveaway and transfer great and profitable power sites to private utilities.

This, then, is the dollar sign in the anti-Federalist, States rights drive.

DEMOCRATIC GOVERNMENT SERVES THE PEOPLE

In past periods of progress it has been the Federal Government that has been the ultimate protector of individual rights. It has been the Federal Government that has done the necessary job to root out depression and provide a measure of security for all citizens. It has not done this alone, but it has set the pattern and the pace.

This has been done democratically—with both large and small "d"s—by Presidents elected by the Nation and by the men and women elected to Congress. The Federal Government has been under the control of the people and responsive to their needs and will.

There is much to be done to improve and make more democratic all levels of Government. It is unwise and unfair to disparage

the Federal Government which is, through the judiciary, the final defender of individual liberty, and through the legislative and executive machinery, the patternmaker for the national economy. If anything, the job today is to meet the difficulties of State and local governments by aiding them in meeting their present responsibilities more adequately thereby maintaining their integrity.

The Federal Government, with the protections afforded by the separation of power system of the Constitution, has been and should be the guardian and protector of individual rights. By appropriate discharge of its assigned duties, it shall remain the servant of the people and the shield of economic and political democracy.

In my opinion, it is subversive to the cause of freedom to instill distrust and lack of confidence in our system of Federal sovereignty. As a constitutional liberal, I hold to the point of view that the underlying purpose of our Federal system of delegated powers is to promote the general welfare of the people of the Nation as a whole. It is a conviction of mine that the promotion of the general welfare of the people of the Nation as a whole is the keystone of our Federal constitutional system.

This concept of constitutionalism is the pulsating heart of constitutional liberalism. It pumps into our Government system the very lifeblood of our free society, i. e., the general welfare of our people. Therefore, I do not accept the point of view of those State's righters who still cling to the notion that the sovereignty of the State is superior to the sovereignty of the Federal Government, even if in the exercise of State sovereignty the general welfare of the people of the Nation as a whole is denied.

The approach of the constitutional liberal to the questions of Federal sovereignty does not mean that the Federal Government becomes the master and not the servant of the people nor does it mean that the Federal Government encroaches upon State sovereignty where predominant national interests are not involved. What it does mean is that each citizen of each State must never forget that he is a citizen of the United States and that his primary responsibility as master rather than as servant of Government is to follow a course of citizen statesmanship action which will promote the general welfare of the people of the Nation as a whole.

The State righter tends to overlook the dynamics of the constitutional doctrines written into our basic law. He overlooks the flexibility and adjustability of those doctrines to changing social, economic, and political conditions from decade to decade. He tends to interpret the Constitution as a system of static rules to be applied by a dead, rather than a living hand of the law. He would have the Federal Government relinquish more and more of its sovereign rights and duties in the field of interstate commerce, natural resources, monopoly control, taxation, civil rights, and yes, in almost every field in which the enforcement of Federal jurisdiction is essential to promoting and protecting the general welfare of the people of the Nation as a whole.

We cannot escape the fact that the general welfare of our people as a whole cannot be dissected according to State lines. If the constitutional liberal is right in his contention that the promotion of the general welfare of our people is the keystone of our constitutional system, then that fact dictates that the several States and the Federal Government should approach issues involving national interests on a coordinated and cooperative basis. However, that does not mean that coordination and cooperation are a one-way street, calling upon the Federal Government to delegate more and more of its Federal sovereignty to the States. To the contrary, the constitutional liberal contends that the general welfare of our people will not be promoted unless the sovereign rights of the Federal Government are applied and administered uniformly across the Nation as a whole.

One of the great dangers in the growing demand on the part of the State righter for a delegation of more and more Federal jurisdiction to the States, as in the case of labor legislation, for example, is growing legal, economic, social, and political inequality within the United States. This unfortunate trend violates a basic guaranty of the equality of justice, to which guaranty our constitutional fathers were dedicated.

It is my deep conviction that the American people, as the masters of their Federal Government through the application of our constitutional system of checks and balances, have no cause in fact to fear their Federal Government. To the contrary, the promotion of their general welfare is dependent in no small measure upon the Federal Government, through their elected representatives exercising, through constitutional legislation, the jurisdictional sovereignty of the Federal Government.

In accepting the Sidney Hillman Foundation award, I have discussed my views of federalism because I think they epitomize Sidney Hillman's devotion to the ideals of equality of economic opportunity, equality of political rights, and equality of justice for all fellow Americans as citizens of the United States, irrespective of State lines.

According to my sights, if our generation is to keep faith with the rightful heritage of future generations in our Federal constitutional system we must resist the varied attempts to weaken constitutional Federal sovereignty.

TRIBUTE TO SENATOR MORSE

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. George L. Scott, International News Service staff correspondent in Portland, Oreg., about the forthcoming "WAYNE MORSE Battle" in Oregon, along with an article written by me for INS stating why I think my colleague should be reelected to the United States Senate this year.

In spite of charges by Oregon Republicans, the campaign against Senator MORSE cannot be based upon facts and issues. It will center around personal attacks on Senator MORSE. This is because Oregon Republicans have no real issue against the Senator.

Of course, they are bitter because Senator MORSE had the independence and courage to change his political affiliation. But his attackers neglect to mention that such illustrious Americans as Abraham Lincoln, Theodore Roosevelt, George W. Norris, Wendell L. Willkie, and Robert M. LaFollette also changed political parties. It is an act of political valor when a man rises above partisanship to place his principles beyond political allegiance.

I have served with Senator MORSE during the past year in the United States Senate. I know him, as other Senators know him—as a loyal, conscientious, faithful and courageous public servant. I think our State and Nation would be the losers, indeed, if Senator MORSE were to retire from the Senate either voluntarily or through a defeat at the polls.

WAYNE MORSE offers a model of public service for young men and women who desire to enter public life in the United States. Perhaps much less known than his capacity for public service is the fact that Senator MORSE is a devoted husband and father. I have rarely met a person who shows such affection and fondness for his family—and they for him. Many times, when Senator MORSE has been holding the Senate floor in some lonely battle for the people, I have seen Mrs. Morse and one or more of their daughters in the Senate gallery, there to encourage him on. I know how much this support means to him in carrying on in the face of the unfair attacks so frequently made against him by Republican spokesmen in Oregon.

In addition to the other material, I ask that there also be included in the RECORD an editorial from the January 21, 1956, edition of Labor's Daily, under the title "WAYNE MORSE—National Asset."

There being no objection, the articles and editorial were ordered to be printed in the RECORD, as follows:

WAYNE MORSE BATTLE IN OREGON

(By George L. Scott)

PORTLAND, OREG., January 20.—The Wayne Morse battle will soon be in full flame throughout Oregon.

With the State's primary only 4 months away, political observers predict the Oregon senatorial race will be the hottest campaign in the Nation.

Oregon Democrats are determined to retain full senatorial power in the Senate for the first time in 40 years. This was presented to them "on a platter" when GOP-elected Senator MORSE shifted to the Democratic side.

MORSE's defection has aroused political circles in this nominally Republican State to fever pitch. Charges and counter charges have come from both sides.

To date, only the GOP candidate has signed for the primary contest. This is State representative Elmer Deetz, Canby dairy farmer. He registered without fanfare or apparent blessing from the State Republican committee.

Would-be GOP candidates are generally marking time until Gov. Paul Patterson declares his intentions around the first of February. Those close to the Governor think he will enter the primary and become an odds-on favorite to win the nomination and oppose MORSE in November.

Two money-raising banquets, a $100-a-plate function tonight to listen to President Eisenhower on a closed TV circuit, and a February 2 dinner addressed by Ezra Taft Benson, Secretary of Agriculture, will spark the GOP drive to fill its campaign coffers.

In a statement to international news service, Oregon's Democratic Senator RICHARD L. NEUBERGER pointed out:

"Recent dispatches in Oregon newspapers quoted leaders of the Republican Party as saying that 'unstinted financial support' will be given in 1956 to the opponent of Senator WAYNE MORSE. It is my opinion that this torrent of money will not wash MORSE out of the Senate. The votes of the people of Oregon cannot be swayed by a blitzkrieg of cash on barrelhead.

"Although many issues will appear in the campaign, I believe that the entire question of public power and conservation of natural resources will prove to be decisive. Senator MORSE is on the wise and progressive side of this issue, so far as the people are concerned."

NEUBERGER predicted, "the Republicans will make much of the fact that Senator MORSE has changed his political affiliation. I doubt if the average man and woman will consider this is a sin. A political party is not sacred. It is the duty of an official to follow his conscience rather than a party banner."

Speaking for the Republicans, Wendall Wyatt of Astoria, Republican State central committee chairman, declared that they will "rely on facts and issues" and "the facts and

issues we have on Senator MORSE are on our side."

"Senator MORSE," said Wyatt, "attacks the personal integrity of his opponents from President Eisenhower on down. We, on the other hand, will not descend to 'smears' or personalities.

Oregon's senior Senator says he will campaign on his record. That is what we want him to do, because he has an inexcusably poor record."

Wyatt declared that MORSE has little to show for his 11 years in office and charged that "few men in public life have been wrong so many times as Senator MORSE."

STATEMENT BY RICHARD L. NEUBERGER

Recent dispatches in Oregon newspapers quoted leaders of the Republican Party as saying that "unstinted financial support" will be given in 1956 to the opponent of Senator WAYNE MORSE. It is my opinion that this torrent of money will not wash MORSE out of the Senate. The votes of the people cannot be swayed by a blitzkreig of cash on the barrelhead.

Although many issues will figure in the campaign, I believe that the entire question of public power and conservation of natural resources will prove to be decisive. Senator MORSE is on the wise and progressive side of this issue, so far as the people are concerned.

The Pacific Northwest was benefiting by a sound Federal program of river development until that program was stopped by Secretary of the Interior McKay and the present administration. The program had been nonpartisan. MORSE believes this program should be restored. A majority of Oregon's people emphatically agree with him.

The Republicans will make much of the fact that Senator MORSE has changed his political affiliation. He was originally elected as a Republican. Now he is a Democrat. I doubt if the average man and woman will consider this a sin. A political party is not sacred. It is the duty of an official to follow his conscience rather than a party banner. Lincoln began as a Whig and ended as a Republican. George Norris changed from Republican to Independent. Theodore Roosevelt transferred to the Bull-Moose Party after being a Republican. Wendell L. Willkie, who was to be the 1940 Republican candidate for President, started out in politics as a Democrat.

Republican leaders cannot challenge MORSE's position on fundamental issues—social security, aid to education, public power, world trade, the farm question. Therefore, these Republican leaders claim (1) that MORSE betrayed the Republican Party and (2) that MORSE talks too much or is absent too much.

Such trivialities, I find, have scant appeal to average voters. In the first place, most voters themselves put principles above party. They admire that kind of independence in candidates. Secondly, the other charges against MORSE have largely been dissipated by the facts. For example, the Oregon State Republican chairman attacked MORSE for allegedly having a poor attendance record. Figures for the recent first session of the 84th Congress soon disclosed that MORSE had been far more often present during roll calls than 2 out of Oregon's 3 Republican House Members.

Because of the strong Republican trend in Oregon in the past, many easterners think of Oregon as a reactionary State. This is not true. Oregon was the first State to adopt the initiative and referendum, the State which led in commemorating Labor Day, the State that showed the way in a modern road system. But, in the past, Republican leadership in Oregon, typified by McNary, was progressive. Now the Republican Party officials in our State have reverted to extreme conservatism.

In conclusion, I predict that the character assassination which was used against me in 1954 will fail in the tense 1956 campaign, if it is tried against Senator MORSE. The average resident of Oregon does not believe any political campaign offers the slightest excuse for shelving the 10 Commandmants and the Sermon on the Mount.

[From Labor's Daily of January 21, 1956]

WAYNE MORSE—NATIONAL ASSET

The disciples of predatory wealth in Oregon, still smarting from the walloping liberal Senator RICHARD NEUBERGER gave them 2 years ago when he defeated the GOP's darling of the Power Trust, former Senator Guy Cordon, are in for another licking.

This time the haymakers will be delivered by the voters and one of the Nation's outstanding statesmen, Senator WAYNE MORSE.

MORSE is running for reelection as a Democrat. He originally was a Republican, but kicked out of the traces in disgust during the 1952 presidential campaign and became an independent. A man of the highest integrity and moral stamina, MORSE was unable to stomach the Republicans' gutter style of campaigning, and threw his support to Adlai Stevenson. Some time later he decided to cast his lot with other great liberals in the Democratic Party.

One of the best known figures in the Senate, MORSE has rendered outstanding service to the country as well as his own State. His brilliant mind and forceful oratory, always amply backed by a mastery of his subjects, make him a formidable opponent in debate.

MORSE has waged an effective battle against the power trust in Oregon, and nationally. He ridiculed Interior Secretary Douglas McKay, calling him the worst head of that Department since the scandals of the Harding administration. He voted against giving President Eisenhower blanket authority in the Quemoy and Matsu crisis.

MORSE invariably is found on the side of labor and the plain people.

Thus it is inevitable that he should incur the wrath of Oregon's Republican-dominated, business-controlled press.

Like NEUBERGER, who was supported by only two of the State's more than a score of daily newspapers, MORSE will be a prime target of a press slavishly devoted to profits instead of people.

He'll be lambasted as a deserter from Republican ranks, as a left-winger, starry-eyed socialist, stooge of the labor "bosses" and all the other worn out, tiresome cliches greedy wealth and reactionaries throw at tried and proved servants of the people.

But MORSE's honesty and intelligence and his unswerving devotion to his country and his constituents will see him through to victory.

He has said that he will campaign on his record. Less competent candidates often say that. In MORSE's case, however, it is a record that will stand microscopic examination by the voters.

WAYNE MORSE is one of America's great assets. Oregon voters surely recognize they have been accorded a rare privilege in sending a man of his caliber to Congress.

They should return him there by the greatest majority ever given to a candidate for such an important position.—RSW.

IMMIGRATION LAWS DEMAND ATTENTION

Mr. KUCHEL. Mr. President, thus far the Senate has had no opportunity even to consider one highly important piece of legislation which demands our attention.

On repeated occasions the President of the United States has asked Congress to consider revising the immigration laws of our country by eliminating the inequities and inequalities which are now a part of them.

I wish very briefly to repeat several paragraphs from the state of the Union message which the President presented early in January:

In keeping with our responsibility of world leadership and in our own self-interest, I again point out to the Congress the urgent need for revision of the immigration and nationality laws. Our Nation has always welcomed immigrants to our shores. The wisdom of such a policy is clearly shown by the fact that America has been built by immigrants and the descendants of immigrants. That policy must be continued realistically with present-day conditions in mind.

I recommend that the number of persons admitted to this country annually be based not on the 1920 census but on the latest, the 1950 census. Provision should be made to allow for greater flexibility in the use of quotas, so, if one country does not use its share the vacancies may be made available for the use of qualified individuals from other countries.

The law should be amended to permit the Secretary of State and the Attorney General to waive the requirements of fingerprinting on a reciprocal basis for persons coming to this country for temporary visits. This and other changes in the law are long overdue and should be taken care of promptly. Detailed recommendations for revision of the immigration laws will be submitted to the Congress.

Mr. President, there is a number of bills now pending in the Judiciary Committee on this subject. I regret and deplore the fact that thus far in this Congress no action of any kind has been taken upon them, and no consideration whatsoever has been given to the problems involved. The Senate of the United States has not had an opportunity to consider the matter at all, because the committee has failed to make any recommendations and has sent no proposals whatever to us.

Mr. President, one of the great newspapers of my State, the San Francisco Call-Bulletin, has published an excellent editorial entitled "America's Racist Immigration Law," under date of January 16, and I ask unanimous consent that that editorial be made a part of my remarks at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMERICA'S RACIST IMMIGRATION LAW

An important piece of unfinished business has been called to the attention of Congress by President Eisenhower.

It concerns changes which should be made, and made promptly, in our immigration laws.

Specifically, it concerns the un-American discrimination inherent in certain provisions of the Immigration and Nationality Act of 1952, generally known as the McCarran-Walter Act.

This legislation was in many ways constructive, and it contains many good features (screening out Communists who would sneak into the United States, for instance) favored by virtually all Americans.

But it also has provisions which create an urgent need for revision of the law, as the President put it in his state of the Union message. And it should be kept in mind that in calling for a revision of the act neither President Eisenhower nor this newspaper is urging or favors outright repeal of the McCarran-Walter measure. The distinc-

tion between "revision" and "repeal" is, we hope, clear to everyone interested in seeing that such an important act reflects the ageless principles of true Americanism.

The most pressing need is for revision of that section of the act containing the formula setting immigration quotas.

Whatever the original purpose of this formula may have been, it is in effect discriminatory.

Under the act as now written, immigration quotas are set up according to the national origins of the white population in the United States at the time of the 1920 census.

The practical result of this formula has been to assign about 82 percent of the annual immigration quota to the nations of northern and western Europe, and to discriminate cruelly against the others.

Another result of the present law has been to hold the immigration ceiling at the abnormally low figure of 154,000 a year, whereas we could, and should, admit more. (The figure of 251,000 has been suggested as suitable to the country's needs and capacities.)

What the present law says, in effect, is that an Englishman or a German, for instance, is welcome in the United States, but that a Greek or an Italian or a Jew from eastern Europe is not.

This, obviously, is notoriously contrary to the American concept of judging a man by his individual worth, not by his nationality or religion, and the contrast is so stark that the Communists have seized upon it to make propaganda against America all over the world.

Ironically, the present act is keeping out of this country literally thousands of worthy and distressed human beings—many of them fugitives from Communist oppression—whose presence in this country would be an asset to the Nation.

The refuge of our shores is withheld from those who need it, and held out to those who don't. Britain, to cite an example, now has an annual quota of 65,000, of which about 8,000 a year come in. Greece has a quota of 300—with more than 20,000 Greeks registered for immigration.

President Eisenhower wisely proposes that the immigration act be brought up to date so that the quotas are assigned on the basis of the 1950 census rather than that of 1920. And he has further urged that "provisions should be made to allow for greater flexibility in the use of quotas, so if one country does not use its share, the vacancies may be made available for the use of qualified individuals from other countries."

Congress should act speedily and favorably upon his recommendations.

As the President said, the need is urgent. And it is the need of the Nation, as well as those from afar who would join the ranks of our citizens.

UPPER HARBOR PROJECT, MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, the head of navigation of the great Upper Mississipi Waterway presently lies below the Falls of St. Anthony at Minneapolis. There a small landing of no more than 16 acres comprises the entire terminal facilities for the great city of Minneapolis—a financial, commercial and industrial city of well over half a million people. Since the 1930's it has been the dream of Minneapolis and the great area of Minnesota served by Minneapolis to construct a major harbor above the Falls of St. Anthony which would be capable of handling river traffic from the 9-foot channel of the Ohio and Mississippi Rivers.

The authorized navigation project which provided for the 9-foot channel up to the present Minneapolis Barge Terminal below St. Anthony Falls was modified by the Rivers and Harbors Acts of August 26, 1937, and March 2, 1945, to provide for extending the improvement a distance of 4.6 miles farther up the Mississippi River and through the heart of Minneapolis.

During the 1st session of the 84th Congress I supported appropriations to make possible the completion by spring of 1956 of the lower lock and dam of the project. These funds were appropriated, and work is presently nearing completion on the lower lock.

In the meantime, an investigation has gone forward conducted by the Corps of Engineers to review the entire project in the light of the rising costs since the original authorization in 1945. This was done in compliance with a resolution adopted in August 1954 by the Committee on Public Works of the House of Representatives.

The district engineer's report was submitted on April 15, 1955. This review report recommends completion of the St. Anthony Falls extension. The report has been approved by the division engineer and is presently being considered by the Board of Engineers for Rivers and Harbors of the Corps of Engineers. A special hearing by the board was announced for January 20, 1956, in the city of Minneapolis. In the weeks preceding this hearing, I received a statement and a number of letters and resolutions supporting the completion of the project. At this time I ask unanimous consent of the Senate to print at this point in the RECORD a number of letters and resolution which illustrate the kind of support which the upper harbor project enjoys in the Minneapolis area.

There being no objection, the statement, letters, and resolutions were ordered to be printed in the RECORD, as follows:

CONTINUATION AND COMPLETION OF THE EXTENSION OF THE 9-FOOT CHANNEL TO THE NORTH CITY LIMITS OF MINNEAPOLIS

(Statement of Arthur D. Strong, president, A. D. Strong Co., Minneapolis, Minn.)

My name is Arthur D. Strong. I am president of A. D. Strong Co., industrial realtors in the city of Minneapolis. I have beeen actively engaged in the rental and sale of industrial properties in the city of Minneapolis since 1919, over 35 years. I was secretary of the Upper Mississippi Waterway Association from 1930 to 1955. I have been actively connected with the group of river proponents who brought about the canalization of the 9-foot channel from St. Louis to Minneapolis, which as you know was authorized in 1930 and finished in 1940. As an industrial realtor in Minneapolis I have long advocated the extension of the 9-foot channel to the north city limits of Minneapolis, realizing the inadequate harbor facilities below St. Anthony Falls within the corporate city limits of Minneapolis. The present approximate 16 acres of land used for harbor facilities for our city is extremely hampered because of the topography of the river and the fact that the University of Minnesota is on the easterly banks of the Mississippi River at this point and many large hospitals are located on the westerly banks, limiting road access and rail access to the present river frontage at this location.

To extend the 9-foot channel to the north city limits of Minneapolis above St. Anthony Falls an authorization was made by the Congress in 1937 but because of legal objections made by the principal railroads in this area on account of the changes in the bridges and the fact that through the authorization of 1937 the city money was to be used for the changing of these bridges, necessitated delay in the starting of this project which should have started in the year 1937 when costs were low. We did not get approval of the final authorization until approximately 1941 which was the beginning of World War II. Further delays because of the war prevented the original appropriation until such time as costs were greatly increased. However, as you know, it is a matter of history that the first appropriation was made for stage I which provided for the dredging from the present harbor limits to the lower dam and after herculean efforts on the part of the proponents of this project and with the aid of our delegation in Washington, funds have been appropriated for the completion of the lower lock which is now under construction and which will be completed in the fiscal year 1956.

It was recommended by the board of directors of the Minneapolis Chamber of Commerce at the suggestion of Congressman WALTER H. JUDD, that the Public Works Committee of the Board of Engineers be requested to resurvey this project to schedule the future work on the upper lock and dam. This move was taken in order to help relieve the financial obligations of our country which were carrying unusually high expenditures for defense purposes and foreign aid assistance. I would like to point out that it was never, in my opinion, the intention of the chamber of commerce to eliminate this project since their present stand endorses the completion of the project. The request was only for the purpose of rescheduling the timing of appropriation of funds for the completion of the 9-foot channel to the north city limits of Minneapolis.

As you know, the tonnage on the upper Mississippi River has increased far in excess of the expectations of the proponents of water transportation. The tonnage to the Twin Cities area this year, which includes Minneapolis, St. Paul, and the Minnesota River, totals over 5,300,000 tons, nearly a million tons more than the preceding year.

As an industrial real estate man I am aware of a number of large and responsible industries who are interested in industrial locations which would give them rail, water, and truck transportation. As you know, there is a large acreage of land available on the approximately 6 miles of frontage above St. Anthony Falls to the north city limits of Minneapolis. Further, the completion of this project will give relatively easy access to further industrial areas above the north city limits of Minneapolis where there is large acreage of land with rail and truck service available. I am fully aware of the small power dam owned by the Northern States Power Co. at Fridley which has a small lift. By the completion of this project this would give easy access to water transportation to such important industrial areas as exist in the county of Anoka where are located such industries as the Northern Pump Co., the Minnesota Linseed Oil Co., the new electric power company at Elk River adjacent to the Mississippi River, etc. Below Elk River is 1,200 acres of industrial land in Anoka County owned by General Mills, Inc., which would lend itself as an excellent site should it have water transportation for a large chemical plant such as the W. R. Grace Co. or the Dupont Co. for the making of urea in this area. As you know, we have easy access to a large supply of natural gas and urea and its type of chemical industries for fertilizer manufacture is needed in this farm-producing area to rehabilitate the soil.

The St. Paul district, as stated by your own district engineer, has benefited by the development by private capital of riverside industrial plants in the amount of $125 million. It was the river that motivated such important industrial plants as the new oil refinery at South Bend together with a new chemical plant, the installation of the Minnesota Mining & Manufacturing Co. at Hastings, Minn., the fertilizer plant at St. Paul, the Archer-Daniels elevator at St. Paul, the new gravel development by J. L. Shiely Co., together with a site for the Marquette Cement Co. and others. Water transportation has given to St. Paul a tremendous industrial impetus which is truly beneficial to both industry and agriculture.

The Minnesota River with its present authorized 2½-foot channel is of course important. At the present time there is located on the Minnesota River the Black Dog plant of the Northern States Power Co. which uses a large northern movement of bulk coal. Port Cargill at Savage, Minn., is a tremendous terminus where a great deal of bulk grain is moved south and they also receive bulk coal, bulk oil, and molasses. This tonnage on the Minnesota River has also proved beneficial to industry and agriculture.

As an industrial realtor and a member of the Society of Industrial Realtors, who not only sells industrial real estate in Minneapolis but in other communities, such as Memphis, Milwaukee, East St. Louis, etc., I fully appreciate the important elements considered by large industrial organizations in need of low-cost water transportation on our inland waterways system. It is my firm belief that Minneapolis, St. Paul, and the present facilities of Port Cargill on the Minnesota River are all needed to fully take care of the future potential industrial growth of this area. The Minnesota River even though it is subject to severe high-water stages will be beneficial to certain types of industrial development. Since 1940 it has certainly been demonstrated that St. Paul, as the principal northern terminus of the 9-foot channel, has benefited because of water transportation. Likewise, the extension of the 9-foot channel to the north city limits of Minneapolis will give to Minneapolis, the largest metropolitan city at the northerly end of this great waterway, an opportunity to develop industrially, and to offer to large eastern industrial concerns an opportunity to locate in Minneapolis in order to take advantage of our splendid labor and serve a very large trade territory, including Minnesota, North and South Dakota, and eastern Montana.

It is my opinion as an industrial real-estate man that there has been expressed in Minneapolis a great deal of irresponsible thinking as to the potential operations of the Minnesota River even though it be canalized to a 9-foot depth. My principal reason for criticizing this irresponsible thinking is the fact that the Minnesota River extends westerly approximately 1,600 miles. It is an alluvial stream winding along the bottom of an old glacier bed. This river, as we know, is subject to severe flooding. It is not unusual for the stretch from Port Cargill to the mouth of the Mississippi River to rise at least 27 feet. This terrific rise, of course, floods large areas on both sides of the river and it would be difficult for me as an industrial real-estate man to recommend many types of industries that may wish to use this location to invest large sums of money for capital improvements that would be subject to such serious flood conditions. The danger of flooding industrial areas has been recently crystallized by the serious flood damage in the northeastern industrial areas of the United States this last year.

There are those who, of course, wish to create a 9-foot channel on the Minnesota River to Chaska, Minn. This, of course, will necessitate an authorization by the Congress which is a long, tedious, and difficult task. It took many years to get the authorization for the 9-foot channel from St. Louis to Minneapolis enacted, and equally many years to get the authorization for the extension of the 9-foot channel to the north city limits of Minneapolis.

We have been advised that public authorities in St. Paul are very anxious and interested in authority for the development of Pig's Eye Island which at the present time is subject to severe flooding and must be raised and filled to safe stage to interest industrial improvement. This, too, necessitates authorization by the Congress. It is my belief that eventually this will be done but again it will take many years and such improvement is in the far distant future.

Historically, Minneapolis is the 16th largest city in the United States, and the only city of its size that does not have adequate water transportation, and a city which is not only a commercial city but an industrial city serving probably the largest and richest trade territory in the United States. Its industrial growth has been evidenced by these basic elements.

In conclusion, the extension of the 9-foot channel to the north city limits of Minneapolis is now properly authorized and is a continuing contract and a large portion of the work is completed and paid for. The city of Minneapolis has appropriated a tremendous sum of money, time, and effort for many years urging the Federal Government to complete this project. I personally urge that this Board approve unqualifiedly the recommendation that Congress appropriate sufficient funds for the early completion of this project as now presently authorized by Congress, for by so doing it will be of the greatest benefit to industry, labor, and commerce serving this important trade area.

JANUARY 5, 1956.

OSBORNE MCMILLAN ELEVATOR CO.,
Minneapolis, Minn., January 13, 1956.

INDUSTRIAL COMMITTEE, MINNEAPOLIS CHAMBER OF COMMERCE,
Minneapolis, Minn.

GENTLEMEN: The hearing by the United States Corps of Engineers on the upper harbor development will be held in Minneapolis on January 20. This is the sort of project on which associations such as ours always have done yeoman work for the cities which they represent, and we believe the Minneapolis Chamber of Commerce should give it aggressive and wholehearted support. We earnestly solicit such support.

* * * * *

While we know that the grain tonnage on our rivers is now substantial, we also know that it will continue to grow. The present population of the United States is approximately 167 million as against approximately 150 million in 1950. At the present rate of growth, and this should be accelerated because of the immense number of new families being established, the rate of increase could be about three to four million per year. That would mean that 25 years hence our population would be in the neighborhood of 240 to 250 million people. It is generally agreed that the largest percentage of population growth will be in the Southern, Southeastern, Southwestern, and Western States. This is the area that has and will continue to depend on the upper Midwest for a large proportion of its food and feeds. This means that large amounts will move from our northwest farms into these areas. In order to be competitive, these agricultural commodities will have to move by water.

Also, the river is intended to supply an outlet for our agricultural products for export. The expansion of our foreign markets depends on South American countries and the East and Far East. European countries to which we formerly exported large volumes of food are becoming self-sustaining, viz, France which has now become an export nation on wheat. The upper harbor would release 90 million bushels of landlocked grain-storage capacity located within the city of Minneapolis to help serve these outlets. These statements are made to refute the idea that the St. Lawrence Seaway should in any way be used as an argument against the development of the upper harbor. We do not believe there is any conflict between the two.

From the standpoint of national defense, the upper harbor would be invaluable. Transportation facilities are always strained during good-business cycles and have been and would again be in the event of armed conflict.

The Minneapolis tax load will continue getting heavier. The need for more teachers, police, firemen, and others, as well as the increase in compensation to these people, is a serious problem.

We should try to retain industry now located here and encourage new industries to come in. The saturation point in home building has very nearly been reached, and we must turn to industry for additional revenue. Is it logical, therefore, that industry should be invited to move or locate on the Minnesota River or St. Paul, or elsewhere?

We sincerely believe that in view of the above facts the upper harbor is economically justified. However, this country has been built on projected thinking and has become the great Nation that it is by preparing in advance for projected growth.

In each circumstance, the realized growth has far exceeded the projected growth. To illustrate historically: the Louisiana Purchase, the Alaska Purchase, the Panama Canal. There were, of course, many others, but these are mentioned because they bring out the idea more clearly. None of these projects was economically justified, and each brought severe criticism to the administration in office at the time, but they represented sound thinking by responsible people.

There are many more favorable factors justifying the completion of the upper harbor in Minneapolis, but we believe those outlined here are sufficient and that you will give this project your sincere and undivided support in order to assure an affirmative report by the Corps of Engineers.

Respectfully yours,

PHILIP E. PAQUETTE,
Executive Vice President.

RESOLUTION OF THE MINNEAPOLIS BOARD OF REALTORS

Resolved by board of directors of the Minneapolis Board of Realtors, That upon unanimous recommendation of its Industrial and Waterways Committee, the board of directors of the Minneapolis Board of Realtors reaffirms its position in support of the Upper Harbor project which position has been consistent since the inception of the project dating back to 1935–37;

Further, that the board of directors are proud of the constructive efforts made over the past 30 years by such members of its organization as S. S. Thorpe, C. N. Chadbourn, W. W. Morse, and of late, of course, A. D. Strong, toward the construction of the 9-foot channel and ultimate authorization for the Upper Harbor;

Further, that the board of directors of the Minneapolis Board of Realtors has the utmost faith in the future development of the city of Minneapolis specifically and the upper Midwest area generally and firmly believes we should do all in our power to secure authority for construction of every available form of transportation which will make for easier access to and from our city for industry and businesses within its limits;

Further, that it be the considered opinion of the board of directors of the Minneapolis Board of Realtors that the completion of the Upper Harbor project will be entirely justified in the future by the expansion and industrial growth of our city through full

utilization of excellent harbor facilities available to the city limits and even in the future beyond that point: Therefore, be it

Resolved, That the board of directors of the Minneapolis Board of Realtors urges upon the United States Army Board of Engineers for Rivers and Harbors, that it abandon any ideas of modifying the existing authority for construction of a Federal navigation project in the vicinity of St. Anthony Falls and that it proceed with all haste toward completion of this long-awaited project.

Adopted this 10th day of January 1956 by board of directors of the Minneapolis Board of Realtors.

ANTON G. HANSON,
President.
BERNARD G. RICE,
Executive Vice President.

THIRTEENTH AVENUE BUSINESS MEN'S ASSOCIATION,
Minneapolis, Minn., May 12, 1955.
Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR: We would like to inform you that our association went on record favoring the completion of the Upper Mississippi Harbor for the following reasons:

1. National defense (the river cannot be bombed out).
2. Warehousing and storage of vital materials for Middle Northwest States.
3. Cheaper freight cost for bulk merchandise.
4. Jumpoff place for air freight to Canada and Alaska.
5. Possible connection—Mississippi with Lake Superior.
6. Natural waterway for transportation, boating, recreation from the Gulf, Middle States, etc., to Minnesota vacation land.

These and other arguments plead for its completion but we believe you know them all. However, we urge you to continue the good fight in our behalf and to oppose most strenuously any opposition. You are doing your utmost, we know, and thank you for it.

RAY MIKOLAJCZYK,
Secretary-Treasurer.

RESOLUTION OF CAMDEN-FREMONT BUSINESS MEN'S ASSOCIATION, MINNEAPOLIS, MINN.

Whereas the authorized Federal navigation project in the vicinity of St. Anthony Falls, Minn., commonly referred to as the Mississippi River upper harbor project, was initiated upon recommendation of the Corps of Engineers of the United States Army; and

Whereas, since the initiation of said project, over $12 million in Federal and local funds will have been expended in completion of that part of the work already undertaken; and

Whereas said upper harbor project provides for extension of the existing 9-foot channel to a potential harbor and terminal area in the city of Minneapolis, and no modification of the project as presently authorized would produce a satisfactory 9-foot channel to the proposed harbor and terminal area at lesser cost than the existing plan; and

Whereas vast benefits will accrue to industry located in and about Minneapolis and St. Paul, and to farmers and business and labor generally throughout the upper midwestern area of the United States: Therefore be it

Resolved, That the Camden-Fremont Business Men's Association of Minneapolis, Minn., in regular meeting assembled this 5th day of December 1955, urgently request that the Mississippi River upper harbor project be expeditiously completed in accordance with existing authorization, as recommended by the Corps of Engineers of the United States Army, and be it further

Resolved, That copies of this resolution be sent to the Corps of Engineers of the United States Army, to Minnesota's United States Senators and Representatives in Congress, to the National Rivers and Harbors Congress, and to all other organizations, public bodies, and officials concerned with said project.

WEST BROADWAY BUSINESS ASSOCIATION,
Minneapolis, Minn., December 19, 1955.
Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR: The executive board of the West Broadway Commercial Club has been directed by the members to write this letter at this time, strongly urging speedy completion of the Federal navigation project in the vicinity of St. Anthony Falls, Minn.

For many years the people of Minneapolis and surrounding territory have looked forward to the completion of this project, commonly referred to as the Mississippi River upper harbor project.

Now that the work has reached nearly the half-way stage of construction, and present commitments and completed work involve over $12 million in Federal and local funds, it would be an economic tragedy to have the project abandoned or crippled by modification of the presently authorized plans.

Extension of the present 9-foot channel to the potential harbor and terminal area, as now authorized, will bestow great economic benefits on the entire contributory trade area—a large part of the upper midwestern part of the United States.

Our organization joins with other supporters of the project in requesting completion of the upper harbor project in accordance with present authorizations, and at the earliest possible time. Please do all that you can to help and hasten this work.

Thank you for your kind consideration of this matter, your past favorable action, and your continued cooperation until the project is completed.

Sincerely yours,

G. M. WEINBERG,
President.

Mr. HUMPHREY. On January 20, 1956, I submitted testimony to the Board of Engineers for Rivers and Harbors, meeting at Minneapolis, Minn. This hearing was participated in by representatives of the city of Minneapolis and many of the business and industrial leaders of our community, as well as spokesmen for inland water transportation. Because of the importance of the St. Anthony Falls extension in the economy of the Upper Midwest, I ask unanimous consent of the Senate to print at this point in the RECORD my testimony in behalf of the continuation of the project.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF HUBERT H. HUMPHREY, UNITED STATES SENATE, BEFORE THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS, MINNEAPOLIS, MINN., JANUARY 20, 1956

A generation ago, the 9-foot channel of the Mississippi was completed as far north as the municipal landing below Minneapolis, around the bend of the Mississippi below the falls of St. Anthony. The lowest cost means of transportation—water transportation—was thus provided to the Twin Cities from New Orleans on the Gulf of Mexico and from the great coal centers on the upper Ohio River. The Twin Cities, at that time, joined a great web of inland water transportation.

Estimates of increased tonnage at the time this 9-foot channel was completed were considered by many as visionary. "Water transportation" it was said "is fading." "The 9-foot channel will never pay for itself."

What, in fact, has happened to the volume of river traffic in this past generation? Everywhere in the Nation, it has expanded greatly. On the upper Mississippi Waterway, it has expanded far beyond the dreams of the builders of the 9-foot channel. In the St. Paul district alone, tonnage shipped in and out of the district has risen more than 20 times, 2,000 percent. In 1935, only 185,000 tons had been shipped in and out. By the end of World War II (1945), the tonnage had risen almost 6 times, to 1,260,000 tons. By 1954 (my last figures) the tonnage had tripled again—in 9 years. In 1954, 3,900,000 tons passed through the district, which includes the harbors at St. Paul and Minneapolis.

The splendid harbor of St. Paul illustrates what proper harbor facilities can mean to a city. St. Paul receipts and shipments by water amounted only to 70,000 tons in 1935. By 1954 St. Paul tonnage alone had increased 27 times, to over 1,900,000 tons.

The Minneapolis terminal is another story. While Minneapolis began with approximately the same tonnage as St. Paul in 1935, the total tonnage passing through the limited Minneapolis facilities below the falls of St. Anthony amounted to 700,000 tons at its peak in 1946. Minneapolis today has about one-third the tonnage of the St. Paul harbor.

Minneapolis has indeed benefited by the 9-foot channel of the Mississippi. But it has lagged far behind other cities—and notably its sister city of St. Paul—in securing the benefits of low-cost water transportation.

What is wrong with the present Minneapolis barge terminal? Why has Minneapolis so significantly fallen behind other cities on the Mississippi in the use of that magnificent waterway? The answer is clear to anyone who stands on the Washington Avenue Bridge and looks down at the 16 acres of available space for landings and docks, for storage for railroad and truck terminal facilities, for the development of industrial plants to utilize direct water transportation. From the bridge one looks down on a scene of intense, confined activity. Sheer cliffs make access to the terminal difficult. There is just not enough room.

Minneapolis has recognized this limitation for many, many years. Even in the midthirties, far-sighted men and wome were already calling for a program to construct an adequate harbor above the Falls of St. Anthony. I recall vividly the intense interest in the St. Anthony Falls extension throughout Minneapolis when I was mayor of that wonderful city, right after World War II. Minnesotans of all areas recognized the economic benefits which would accrue to the entire State by making possible a great expansion of low-cost water transport to and from the great rail and truck center of Minneapolis.

As water transport across the Nation has proved its great worth in the past 20 years, the estimates of the increased tonnage—and therefore benefits to Minneapolis and Minnesota from the upper harbor—have risen correspondingly. Today it is estimated that the Upper Harbor would increase incoming shipments by water by 1,300,000 tons annually. It would increase outgoing tonnage by 810,000 tons. Compare this to the present tonnage—in and out—of the present Minneapolis terminal—averaging in the neighborhood of only half a million tons.

Increased tonnage figures, by themselves, do not excite wide public understanding. What they mean, however—to Minnesota shippers, manufacturers, utilities, farmers, consumers, and taxpayers—is lower costs.

For example, the city engineer of Minneapolis has estimated the saving to Minneapolis had the city been able to bring in by direct water transportation the rock,

asphalt cement and emulsion, road oil and fuel oil which were used in its street-building and repair activities in 1954. On streets alone, the saving to the taxpayers of Minneapolis would have amounted to $304,000.

Lower shipping costs from Minneapolis on grain, iron and steel scrap, concrete aggregate, and all types of packaged merchandise always mean higher net returns to Minnesota—more cash in Minnesota pockets.

Lower shipping costs to Minneapolis on coal, petroleum, sand and gravel, phosphate fertilizer for our farms, fabricated iron, steel, and many other commodities, always mean lower prices for the things Minnesotans buy. They mean expanding Minnesota markets for shippers up and down the Mississippi and Ohio rivers.

Lower shipping costs—and space to build industrial plants and receiving facilities adjacent to the water's edge—mean new industry for Minneapolis and Minnesota.

Let me expand on this point. Minnesota is going to grow—financially, industrially, in terms of population, in terms of income and standard of living. Minneapolis is already a great wholesale and financial center. It is already a great rail, and truck, and airline center. Its industrial growth has outstripped our transportation facilities. And without the additional ingredient of low-cost water transportation, the growth of industrial Minneapolis and of all Minnesota will be slower and smaller than our great potential.

Transportation is the very life of industry and commerce. Yet we as a people have consistently fallen behind the realities of our dynamic economy. We have shown a real limitation. We have planned our airports too small, the runways too short. We have built our roads too narrow, our ships too small, our river channels too shallow. We have built too few boxcars. We have consistently failed to see that we must build not for the next 2 or even 10 years, but for the next 50 years.

I believe in the upper harbor. I have fought for the construction of the upper harbor throughout my 10 years of public life and before. I have supported it through the period of rising costs—which have affected all construction, and all of our personal lives, incidentally. I have watched the progress of the construction of the lower lock and dam with great satisfaction and also with impatience. I want to see the great upper harbor of Minneapolis a reality.

Costs have gone up. Of course they have. The original cost estimates of the project have gone up along with them. But we have been courageous enough to have pressed ahead despite the rising costs, in the conviction that to stop would mean the loss of all that had gone before—millions of dollars of Federal funds and funds from the city of Minneapolis.

Today, part one of this project is on the point of completion. There is actually in existence the lower lock and dam which will make possible the move up to the upper lock and the dredging of a major harbor in the heart of Minneapolis.

More than $12 million has been invested in this lower lock and dam. Now we are ready to proceed with the completion of the harbor. The district engineer of the Corps of Engineers has made an exhaustive study of the costs and engineering problems. He has stated that the cost of the remaining work to be done amounts to $20,765,900. He has also reported that the annual transportation savings which can reasonably be anticipated from the channel extension are greater than the annual carrying charges on the cost of work yet to be undertaken to complete the project. He has recommended that we go ahead.

The division engineer has concurred. He has recommended completion of the project.

I respect the judgment of these engineers and I commend them for their clear exposition of the cost and engineering problems.

In the past several years, a point of view has been taken by some individuals that the St. Anthony Falls extension should be abandoned—or at least set aside indefinitely. This point of view holds that it would be better and less costly to shift operations to the Minnesota River.

I believe that a 9-foot channel in the Minnesota River would be of great value to Minneapolis and to Minnesota. The Minnesota River should become part of the great integrated water network of which the Mississippi is the trunk. I have supported the Minnesota River Channel. The district engineers have reported it to be economically feasible.

But the Minnesota River Channel is no substitute for the upper harbor on the Mississippi. It can supplement, but not replace, the upper harbor. The Minnesota River development is at the stage that the upper harbor was in the midthirties. But we should not drop one project, recommended by the Corps of Engineers, already authorized by the Congress of the United States after the most extensive and protracted studies and hearings, for which heavy appropriations have already been made—in favor of a new project which is still in the preliminary planning and survey stage.

I shall support the extension of the 9-foot channel in the Minnesota River, but it will require considerable time before ever a shovel is turned on that project.

Those who have suggested that construction on the upper harbor project be dropped apparently disregard the waste that would be involved in not bringing the entire extension to completion. Unless we have the upper lock, there would be no benefit to navigation whatsoever. Those who suggest the abandonment of the project at this point are asking us to send $12 million down the river. It is unthinkable that such an investment should be lost. But it is more fantastic to suggest that the tremendous benefits of low-cost transportation should be denied to Minneapolis by stopping in midstream.

Those who suggest halting construction on the upper harbor not only disregard the waste involved. I regret to say that they also exhibit very little faith in the future development of Minneapolis and of Minnesota, and very little vision as to what it could mean in terms of expanded use of our railroad and truck systems.

I should like to add that it would also be a breach of good faith on the part of the Federal Government to discontinue the work without bringing the project to fulfillment; the local contributions total nearly $3 million.

Others in this presentation today will bring forth additional facts and figures to demonstrate the real benefits which will derive for the completion of the upper harbor. I am familiar with those figures. I think that on the whole they are conservative, and I say this because similar calculations in the past when applied to previous river developments have fallen so strikingly short of the actual benefits which have accrued.

I urge, once again, that the board of engineers support the report of their district and division engineers so that the task of gaining the necessary congressional appropriations for the completion of the St. Anthony Falls extension may proceed with speed and dispatch.

In conclusion I wish everyone attending this meeting to know that I will support the St. Anthony Falls extension right down the line—through the necessary subcommittee and committee hearings and to the floor of the United States Senate if necessary. This project must go through. Minneapolis must be given the opportunity it has worked for so long and so vigorously.

ORDER FOR RECESS UNTIL MONDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it take a recess until Monday next at 12 o'clock noon.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, it is so ordered.

TIME FOR A NEW METHOD OF ELECTING PRESIDENTS

Mr. DANIEL. Mr. President, it is high time that the Congress submit to the States and to the people a constitutional amendment providing for a new method of electing Presidents of the United States. There is now pending on the calendar Senate Joint Resolution 31, which would abolish the electoral college and divide the electoral vote in proportion to the popular vote in each State. I hope it will be scheduled for debate and action in February soon after we have completed work on the gas bill and on the farm bill.

The joint resolution is coauthored by Democrats and Republicans alike. It was introduced on behalf of myself, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wisconsin [Mr. WILEY], the Senator from Illinois [Mr. DIRKSEN], the Senators from Tennessee [Mr. KEFAUVER and Mr. GORE], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Indiana [Mr. JENNER], the Senator from New York [Mr. IVES], the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from West Virginia [Mr. NEELY], the Senators from Montana [Mr. MURRAY and Mr. MANSFIELD], the Senators from Alabama [Mr. SPARKMAN and Mr. HILL], the Senator from Delaware [Mr. WILLIAMS], the Senator from Oregon [Mr. NEUBERGER], and the Senator from Virginia [Mr. BYRD].

Representative FRANCIS E. WALTER, of Pennsylvania, and Representative CHAUNCEY W. REED, of Illinois, have introduced the same resolution in the House today.

Without a doubt, the electoral-college method of electing the President is the most archaic and undemocratic feature of the United States Constitution. It was one of the few mistakes made by the Founding Fathers—a mistake they made because they thought the people could not be trusted to select the President and Vice President.

As originally intended, the States were to select well-informed public men as electors, and they were to meet and select a President and Vice President without reference to popular vote or any other method of expression from the people. The original form has been retained in the solemn words of the Constitution, although for more than a century it has had no practical use.

In fact, the electoral college system has never functioned as contemplated

by the framers of the Constitution. For many years the electors have been mere figureheads casting their votes for the candidate who received the majority of the popular vote in their respective States. These votes could just as well be reported and counted without the intervention of dummy officers known as presidential electors.

All reason for the electoral college has long since disappeared, and the form should be removed from our Constitution before it rises to haunt us by flouting the will of the people in selecting a President. As long as the form remains in the Constitution, it is possible for electors to cast their independent votes contrary to the expressed will of their constituents, and this, in fact, has been done in more than one instance.

The practice which has been substituted for the constitutional form is just as evil and undemocratic. I refer to the custom which is generally understood and followed—that all electoral votes of each State will be cast for the candidate who receives a plurality of the popular vote within that State. In effect this disfranchises millions of American voters. Their votes for a candidate for President are not counted in the electoral vote unless their candidate received a majority of the popular vote in their State.

For instance, if a candidate receives a 1-vote plurality in the State of New York, he now receives 100 percent of the electoral votes of New York, and the candidate receiving only one less vote at the polls receives none of the New York electoral vote. Is it any wonder that overemphasis is given to political machines and pressure groups which can make the slight difference in the pivotal States?

The proposed amendment would abolish the electoral college and provide for the division of the total electoral vote of each State in an exact ratio with the popular vote. This would mean that every person's vote would be counted as it was cast. It is the nearest possible approach to electing a President by direct popular vote of the people, and at the same time retaining and preserving the present proportional strength of each State in the election of a President.

Although referred to now as the Daniel amendment, this proposed resolution is worded exactly the same as the so-called Gossett-Lodge resolution which was passed by the Senate February 1, 1950, by a vote of 64 to 27—volume 96, part 1, CONGRESSIONAL RECORD, page 1278, 81st Congress, 2d session. We agreed upon the same language because it has been studied thoroughly and approved by the Judiciary Committees of both the House and Senate in previous sessions of Congress. Briefly, the resolution would accomplish the following:

First. Abolish the fictitious electoral college.

Second. Abolish the office of presidential elector.

Third. Provide for direct voting for President and Vice President.

Fourth. Retain the electoral voting strength of each State as at present—one vote for each Member of Congress—but provide that such electoral vote be divided in exact ratio with the popular vote.

Fifth. Provide that the winning candidate must receive at least 40 percent of the electoral vote, failing in which the Congress would select the President from the candidates having the two highest numbers of electoral votes. This was the so-called Lucas amendment adopted in the Senate in 1950 in order to prevent splinter parties.

Mr. President, in due time it is my intention to speak at length concerning the evils of the present electoral-college system and the benefits to be obtained from the proposed reform. For the present, I shall simply summarize a few of the benefits, as follows:

First. We will cleanse our Constitution of an archaic provision which we have failed to obey and defend for more than a century.

Second. We will have democratic elections, with every person's vote counting for the candidate for whom it was cast.

Third. There will be less opportunity for fraud and pressure-group action.

Fourth. Sectionalism will be largely abated. A vote in every State will be just as important and count just as much as a vote in the present pivotal States. This is not the case now. With certain exceptions in 1952, the emphasis usually is on 8 or 10 pivotal States and the remaining States enjoy very little of the campaign and are usually ignored as sources of presidential candidates.

Mr. President, I ask unanimous consent that the text of Senate Joint Resolution 31 be printed in the body of the RECORD at this point.

There being no objection, Senate Joint Resolution 31 was ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That an amendment is hereby proposed to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by three-fourths of the legislatures of the several States. Said amendment shall be as follows:

ARTICLE II

"SECTION 1. The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years, and together with the Vice President, chosen for the same term, be elected as provided in this Constitution.

"The electoral college system of electing the President and Vice President of the United States is hereby abolished. The President and Vice President shall be elected by the people of the several States. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Congress shall determine the time of such election, which shall be the same throughout the United States. Until otherwise determined by the Congress, such election shall be held on the Tuesday next after the first Monday in November of the year preceding the year in which the regular term of the President is to begin. Each State shall be entitled to a number of electoral votes equal to the whole number of Senators and Representatives to which such State may be entitled in the Congress.

"Within 45 days after such election, or at such time as the Congress shall direct, the official custodian of the election returns of each State shall make distinct lists of all persons for whom votes were cast for President and the number of votes for each, and the total vote of the electors of the State for all persons for President, which lists he shall sign and certify and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate. On the 6th day of January following the election, unless the Congress by law appoints a different day not earlier than the 4th day of January and not later than the 10th day of January, the President of the Senate shall in the presence of the Senate and House of Representatives open all certificates and the votes shall then be counted. Each person for whom votes were cast for President in each State shall be credited with such proportion of the electoral votes thereof as he received of the total vote of the electors therein for President. In making the computations, fractional numbers less than one one-thousandth shall be disregarded. The person having the greatest number of electoral votes for President shall be President, if such number be at least 40 percent of the whole number of such electoral votes. If no person have at least 40 percent of the whole number of electoral votes, then from the persons having the two highest numbers of electoral votes for President the Senate and the House of Representatives sitting in joint session shall choose immediately, by ballot, the President. A majority of the votes of the combined authorized membership of the Senate and the House of Representatives shall be necessary for a choice.

"The Vice President shall be likewise elected, at the same time and in the same manner and subject to the same provisions, as the President, but no person constitutionally ineligible for the office of President shall be eligible to that of Vice President of the United States.

"The Congress may by law provide for the case of the death of any of the persons from whom the Senate and the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate and the House of Representatives may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 2. Paragraphs 1, 2, and 3 of section 1, article II, of the Constitution, the 12th article of amendment to the Constitution, and section 4 of the 20th article of amendment to the Constitution, are hereby repealed.

"SEC. 3. This article shall take effect on the 10th day of February following its ratification.

"SEC. 4. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the States within 7 years from the date of its submission to the States by the Congress."

RECESS TO MONDAY

Mr. DANIEL. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 34 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, January 30, 1956, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate January 27 (legislative day of January 16), 1956:

NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION

T. Keith Glennan, of Ohio, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1958, vice Chester I. Barnard.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 27 (legislative day of January 16), 1956:

ATOMIC ENERGY COMMISSION

Harold S. Vance, of Indiana, to be a member of the Atomic Energy Commission for the term expiring June 30, 1960.

DEPARTMENT OF AGRICULTURE

Marvin Leland McLain, of Iowa, to be an Assistant Secretary of Agriculture.

COMMODITY CREDIT CORPORATION

Marvin Leland McLain, of Iowa, to be a member of the Board of Directors of the Commodity Credit Corporation.

EXPORT-IMPORT BANK OF WASHINGTON

Samuel C. Waugh, of Nebraska, to be President of the Export-Import Bank of Washington.

EXTENSIONS OF REMARKS

Address by Hon. Alexander Wiley, of Wisconsin, on "Brink of War" Controversy

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Friday, January 27, 1956

Mr. WILEY. Mr. President, last evening it was my pleasure to address the safe deposit section of the District of Columbia Bankers' Association. My subject was the so-called "brink of war" controversy.

I send to the desk the text of my address, and ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY URGES END OF "BRINK OF WAR" SQUABBLE, SAYS WE MUST GET ON TO MORE SUBSTANTIAL REVIEW OF OUR PROGRAMS AHEAD

I am pleased to address the members of this section on a subject which I know is of deep interest to you, as it is, of course, to all other thinking Americans.

I refer, of course, to the foreign policy of our country.

It will be my aim tonight to confine my remarks to but a few of the more basic problems confronting us.

THE MANY CRISIS AREAS ON THE WORLD SCENE

If time were to permit, it would be a pleasure for me to take a detailed view of some of the more crucial individual settings on the world stage.

One could devote an entire evening just to exploring such highly significant areas of crises, as those I will mention now:

North Africa, scene of continued serious tension and disturbances, as Morocco and Algeria move toward more self-government; North Africa, where our own strategic air bases represent a vital deterrent against world war III;

The ever-ominous Taiwan (Formosa) Strait area, where recent Red artillery bombardment, air and naval action, may indicate the possibility of the reemergence of the Formosa-Pescadores, Quemoy-Matsu problem to the No. 1 position of crisis on the world scene;

Troubled India, where civil strife over the states' reorganization has offered another example of treacherous Red meddling in disturbed waters;

The powder keg Middle East, where hands are still close to triggers on both sides of the Arab-Israeli borders, while arms shipments pour in from Soviet bloc and other areas;

Our ally, France, where the Communists are cunningly maneuvering to capitalize on their 152-vote bloc so to form a so-called popular-front government in the badly splintered National Assembly;

Indonesia, where the Communists are also maneuvering to exploit differences within and between Moslem parties' ranks and thereby get a Red toehold in a new coalition cabinet;

South America, which, while fortunately not in crisis, per se, is studying the significant trade bait, dangled by Soviet Premier Bulganin; this is the latest instance of Red peaceful-coexistence strategy—penetration through "rubles now, revolution later."

PROBLEMS BEFORE CONGRESS

Or, getting still closer to home, one could review in detail the policy problems in the Congress, regarding mutual security legislation, key questions such as: "Should Congress write in a long-range declaration of intent, as regards future aid, or should it attempt the more unprecedented step of a direct, long-range commitment, as such, or should it cut out economic aid entirely, or what it should do?"

Or, too, one could refer to the proposed welcome increase in the appropriations for the United States Information Agency—an issue on which the President of the United States feels very strongly—an issue on which I personally feel very keenly, too, for USIA is our principal instrument in the worldwide battle for men's minds and, as such, the move to strengthen it is long overdue. USIA has had its ups and downs. Time after time, it has been pulled up from the roots, examined, investigated, cut, and then thrust back into the earth, as if it could quickly take hold once again, in its worldwide operations for the truth.

And one could refer to dozens of other specific problems as well.

WHY THESE PROBLEMS CONCERN US

Now, of course, I know that passing through your minds, as I have mentioned this brief list, may have been the question, "Senator WILEY, why should we be concerned with all these far-distant places? What business is it of ours if two far-off countries are quarreling over some bit of territory, say, the Saar, or Dutch New Guinea, or Kashmir, or if there are civil disturbances in some land?"

The answer is, I feel, very clear. The answer is that any situation which endangers the peace of any part of the world, may endanger the peace of the whole world.

There is no part of the world today so far distant from any other part as to be of no interest to us, and to other men of good will.

You and I read every day in our newspapers that the world has been shrunken by men's inventiveness. General Taylor has told how we have been developing a guided missile with a 200-mile range. Both the U. S. S. R. and ourselves have been pushing forward to develop the dreaded intercontinental missile, a ballistic—free—missile, or a guided missile controlled by electronic means.

Meanwhile, planes have been piercing the barrier of sound at better than 1,000 miles an hour. Jet planes are being introduced as well into commercial aviation, shrinking the oceans and land distances, still further.

All of these, and a hundred other factors in today's world, necessitate our close attention to once remote developments in the world scene.

BANKERS CONSERVE, WARS DESTROY LIFE

It is natural that you, in particular, as bankers, should be interested in this subject, because it is the banker's obligation to conserve. He is, of course, a trustee of other peoples' funds—funds which represent not only their life's resources, but their very lives themselves.

Nothing could be more contrary to the idea of conservation than war.

The 140,000 United States lives which we expended—in deaths and wounds in Korea—the $22 billion which were exploded on that peninsula on behalf of the defense of a free people—these are but the smallest symbols of infinitely worse costs which would be borne in the event of a third world war.

THE BASIC QUESTION BEFORE US

We come now, then, to the basic question of the evening: "Are we on the right path? Are we moving in the right direction toward heading off such a war?"

Has the foreign policy of your country and mine been a sound one, or has it, as some of its critics contend, been full of blunders?

Have we needlessly pushed to the brink of war, as some people falsely interpret and unsoundly contend?

The answer is as follows:

OUR COURSE IS SOUND

The basic foreign policy of our land is sound. It is sound because it has been molded and reviewed and refined by the best minds, the best hearts, the best capacities available to our Republic. Not just Republican leadership, but Democratic leadership as well, have contributed to every single major step which we have taken in recent years.

Under the great leadership of President Eisenhower and Secretary of State John Foster Dulles, we have basically moved not toward war, but toward an endurable and just peace.

Of course, we have been in danger. Of course, we have been at the edge of war at times.

But we have never been pushed to the edge by the design of any American.

On those occasions when we have been admittedly close to war, it has not been because of any American's foolhardy desire to get close to it. Rather, we have been pushed to the edge because of the reckless, aggres-

sive actions of the Soviet Union and Red China.

Under those circumstances, we had the alternative of either retreating in panic, that is, committing an act of appeasement, or standing still in paralysis, tonguetied, unable to even speak our position.

Or we had the alternative of standing firm and announcing clearly and definitely that we would take whatever action we deemed necessary in our national interest and in the interest of the cause of freedom.

Thus, we proved we had no intention of retreating. We had no intention and never will have any intention of committing an aggressive act. But we did not propose and do not propose to run from danger like a coward or a slacker or a fool.

And, so, by our words and deeds of firmness, we have prevented war.

Our enemy respects nothing but firmness. Our enemy despises weakness. Our enemy capitalizes on indecision on its opponent's part.

All that we need do today is announce or imply that we have no intention of standing firm when the next crisis comes; that we will retreat pellmell in panic, and you can be sure that our enemy will immediately seize upon such explicit or implicit position, and commit some new acts of aggression.

That is why it is so absolutely essential that this brink of war controversy be dispensed with—promptly and completely. That is why we Americans must quit quibbling over the language used by a reporter in a magazine article, and get down to hard cases and hard issues and hard choices.

LET US HEAR OF ANY SPECIAL ALTERNATIVES

In recent days in the Senate we have heard a great many criticisms of the administration's foreign policy. We have heard a great many assertions to the effect that our foreign policy has no new ideas; it is not dynamic; it is not flexible, etc.

But we have not heard one single solitary word of recommendation of a constructive and specific alternative. We have not seen one single instance where any member of the opposition has stated that we should be doing something specifically which we are not doing now, either with some country or some group of countries or with the free world, as a whole or the Soviet bloc as a whole.

TRIBUTE TO SENATOR GEORGE

Lest my remarks be misconstrued, I repeat this point: In the past 3 years, we could not have made the progress that we have genuinely made without the magnificent help of outstanding leaders of the Democratic Party and the mass of Democratic legislators, as well.

Of course, I refer in particular to the universally esteemed work of the chairman of our own committee, Georgia's statesman, America's distinguished champion, Senator WALTER GEORGE.

Whatever foreign policy differences he may have with the administration—pale into insignificance before the strength of his basic teamwork in the past and, I am certain, his continuing, invaluable teamwork in the future.

This Sunday, he celebrates his 78th milestone. I know that the best wishes of the Nation are with him and with his dear wife.

And, if I may be permitted a word regarding what is, of course, an internal decision of a great State of Dixie, I know that the hopes of this Nation are that Georgia and America will continue to be represented by him in the years to come.

VITAL NEW PROBLEMS CONFRONT UNITED STATES

A mass of old and new international problems loom up before him and before all of us now—problems of America's participation in the Organization for Trade Cooperation; problems of advancing President Eisenhower's open-sky proposals in the U. N. Disarmament Commission; problems of strengthening SEATO; of preventing any erosion in the Middle East Treaty Organization (because in part of the disturbances in Jordan, whose possible entry into the Organization had previously been thought feasible, in some quarters).

We and our friends confront other problems, as well. There are internal difficulties like Turkey's domestic economic troubles; Greece's election struggle; the United Kingdom's trade gap; the Republic of Korea's heavy economic problems burdened by the awful destruction of the war she so bravely fought in defense of her freedom.

These are real problems, substantial, continuing problems, the sort of problems which should genuinely engage our and our friends' attention, rather than will-o'-the-wisp problems of interpreting an article in Life magazine.

What good will further bickering over the Life article serve?

THE HARM OF THE BRINK-OF-WAR CONTROVERSY

In point of fact, such bickering could do a great deal of harm.

Thinking Americans may genuinely be concerned lest Moscow and Peking misinterpret this whole controversy as allegedly signifying that part of the leadership of the United States is toying with the idea of spurning firm steps in protecting our national interests.

I say it will be a sad day for the world if the aggressive cliques in Moscow and Peking may get this false idea that many American leaders can be presumed so gunshy, so fearful about the chance of conflict, that they will want us to retreat pellmell in the event the Reds poise to throw their forces once more into some new aggression, as in Korea.

If the ruling cliques in Peking and Moscow get that notion in their head, then both local and international peace may be seriously endangered.

The fact of the matter is that my Democratic friends will soon realize, if they do not now, that we must not give any such false impression to Peking and Moscow. Neither the responsible leadership of the Democratic Party nor of the Republican Party, of course, proposes to appease the Soviet Union.

Neither responsible leadership will sacrifice any land, as Czechoslovakia was sacrificed at Munich.

As you have noted, I do not want to prolong the "brink of war" controversy. But I feel I would be remiss if I did not set it into proper perspective by pointing out one further historical fact.

AN INTERESTING QUOTE DURING THE FORMOSA DEBATE

Many of us were interested in the remarks recently made by my eloquent friend from Minnesota, Senator HUMPHREY.

But it was also interesting to recall that back on January 28, 1955, at the time the Formosa-Pescadores resolution was approved so overwhelmingly by the Senate, that Senator HUMPHREY—then, as now, exceedingly active—said this on the floor of the Senate, as recorded in the CONGRESSIONAL RECORD, volume 101, part 1, page 938:

"Although the resolution involves a firm commitment—and we must realize it could lead to war—I believe that basically it represents high diplomacy backed up by strength."

I repeat, Senator HUMPHREY frankly said "it could lead to war."

The Formosa resolution could indeed have led to war, as its could still conceivably lead to war.

But war could not and would not have been the decision on our part: it would be the decision of Peking and Moscow. We don't want war. Do they?

Yes, Senator HUMPHREY was right. The Formosa resolution was, indeed, an act of "high diplomacy backed up by strength." It was and is a resolution to prevent war, not to bring war, a resolution of firmness—to prevent the world from plunging over the brink of war, if at all possible.

And exactly whose "high diplomacy" did the Formosa resolution represent? The high diplomacy, principally, of the Secretary of State of the United States, the very man whom my friend from Minnesota now takes to task.

It is good to take this look at the record; but it is even better to make our remarks today consistent with our words and deeds of yesterday.

The Secretary of State has been consistent, and he has been right in his consistency. He has stated time and again, in effect, that unless we post notice to an aggressor that his aggression will not go unpunished, we may anticipate that the aggressor may be willing to risk war.

We must make sure that the aggressor feels that there is definitely more to lose than to gain from his aggression; and then he will not dare ignite the spark that could lead to local war, and possibly to international war.

My friend from Minnesota has a great deal of constructive work to perform. He is, for instance, chairman of a very important disarmament subcommittee, and he has other pressing tasks, worthy of his energy and talents.

The Nation can benefit from his constructive work on constructive issues—issues of substance, and not of language, issues well justified for review from every national standpoint.

Of course, foreign policy is always susceptible to review. It is always subject to constructive changes. Our diplomacy is not and could not be infallible.

But, if there is to be a review, let it be a review worthy of this great Nation, worthy of its challenge, worthy of this critical hour, a review of substance, a review in which specific alternatives are suggested by those who choose to criticize and are carefully evaluated by all men of good will.

A legislator—Republican or Democratic—serves his party best as he serves his Nation best. My Democratic friends will bring greatest credit on their party as they bring, as many of them have brought so often in the past, credit on their Nation.

They have been, by and large, good teammates on our foreign policy, since the Republican regime took over in January 1953. I hope their teamwork will continue—uninterrupted. We need them, we want them. That is the message of our President and of our Secretary of State and of all responsible thought inside the Republican Party.

CONCLUSION

I have tried to review some of the principal challenges facing our country tonight. I have touched briefly upon some of the specific areas in which our country is heavily engaged.

I have not attempted to make my remarks on the brink of war issue all-inclusive, because they could not possibly do justice in complete detail to this subject.

I hope, however, that I have spelled out for you why it is so essential that we move beyond this issue; why we must keep united; why we must continue to advance with a firm, sure, foreign policy—one based upon the President's dynamic leadership and upon dynamic nonpartisan teamwork.

SENATE

MONDAY, JANUARY 30, 1956

(Legislative day of Monday, January 16, 1956)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Rogers M. Smith, foreign mission board, Southern Baptist Convention, Richmond, Va., offered the following prayer:

Almighty God, our Heavenly Father, we pray thy richest blessings upon President Eisenhower, Vice President Nixon, Secretary Dulles, and all others in the executive branch of our Government.

We pray for Chief Justice Warren and those in the judicial branch.

We pray for our military leaders and all those in uniform at home and abroad.

We pray for every citizen no matter his color, race, or station in life.

We pray for our Senators and Representatives in Congress. God grant that they will be men of character, conviction, courage, and compassion. As they wrestle with national and international problems, may they have the patience of Job, the wisdom of Solomon, the dedication of Paul, and the love of Jesus.

In Jesus name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, January 27, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on January 28, 1956, the President had approved and signed the following acts:

S. 1166. An act to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended;

S. 1689. An act to authorize the Secretary of the Interior to execute a repayment contract with the Yuma Mesa Irrigation and Drainage District, Gila project, Arizona, and for other purposes;

S. 1745. An act authorizing the Secretary of the Interior to issue a patent in fee to Nellie Ohlerking Archambeau Moran; and

S. 2170. An act to permit sale of Commodity Credit Corporation stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form.

LEAVES OF ABSENCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Rhode Island [Mr. GREEN] be excused from attendance on the sessions of the Senate during all of this week, when he will be attending the inauguration of the President of Brazil as the official representative of the Senate Committee on Foreign Relations.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. SALTONSTALL. Mr. President, I make the same request on behalf of the Senator from New Jersey [Mr. SMITH], for the same reason.

The PRESIDENT pro tempore. Without objection, leave is granted.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, following a brief executive session, there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and that any statement made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business for action on nominations, starting under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

FRANK M. JOHNSON, JR.—EXECUTIVE REPORT OF A COMMITTEE

Mr. KILGORE. Mr. President, from the Committee on the Judiciary, I submit a unanimous report of that committee favoring the confirmation of the nomination of Frank M. Johnson, Jr., of Alabama, to be United States district judge for the middle district of Alabama.

The PRESIDENT pro tempore. The nomination will be placed on the Executive Calendar.

If there be no further reports of committees, the nominations on the Executive Calendar, under new reports, will be stated.

FEDERAL RESERVE SYSTEM

The legislative clerk read the nomination of William McChesney Martin, Jr., of New York, to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of Harold Christian Hunt, of Massachusetts, to be Under Secretary of Health, Education, and Welfare.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of John Edward Mulroney, of Iowa, to be a judge of the Tax Court of the United States.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

ASSAYER OF THE MINT

The legislative clerk read the nomination of S. Power Warren, of Colorado, to be Assayer of the mint of the United States at Denver, Colo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COLLECTORS OF CUSTOMS

The legislative clerk read the nomination of Frederick C. Peters, of Pennsylvania, to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia, Pa.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Wilbert H. Beachy, of Pennsylvania, to be collector of customs for customs collection district No. 12, with headquarters at Pittsburgh, Pa.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified forthwith of the nominations today confirmed.

The PRESIDENT pro tempore. Without objection, the President will be immediately notified.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to make a brief announcement for the information of the Senate. It is hoped that at the conclusion of the pending business the Senate may proceed to the consideration of the following bills and resolution:

Calendar No. 1414, H. R. 7930, authorizing the completion of the initial stage of development of the Russian River Basin, Calif.;

Calendar No. 1420, H. R. 2667, amendments to section 208 (b) of the Technical Changes Act of 1953. The amendments relate to estate and death taxes;

Calendar No. 1421, H. R. 7054, amending estate tax provisions of the Internal Revenue Code with respect to credits against the tax where decedent and spouse both die within a 2-year period;

Calendar No. 1422, H. R. 7094, amending charitable contribution deduction limitations under the Internal Revenue Code;

Calendar No. 1423, H. R. 7247, extending the no-loss recognition provisions for certain railroad reorganizations to December 1957 from December 1955;

Calendar No. 1426, Senate Joint Resolution 113, permitting Federal Housing Administration title I provisions for the repair of homes to apply to new homes damaged in major disasters;

Calendar No. 1427, H. R. 6298, authorizing the sale of a war-housing project in Moses Lake, Wash., and other similarly situated communities;

Calendar No. 1429, S. 2884, extending to the 1956 durum wheat crop the acreage allotments provided for in the 1938 Agricultural Adjustment Act;

Calendar 1458, H. R. 7156, an act to provide for the conveyance of certain land of the United States to the board of county commissioners of Lee County, Fla.;

Calendar 1459, Senate bill 2990, to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955;

Calendar 1463, Senate bill 1456, to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended;

Calendar 1464, Senate bill 1992, to provide for the conveyance of a certain tract of land in Madison County, Ky., to the Pioneer National Monument Association; and

Calendar 1482, H. R. 7030, to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. President, I do not know on just what day the Senate will get to the consideration of the bills and the joint resolution which have been scheduled. It may not be before the end of the week or the early part of next week, but I should like to have each Senator on notice of the possibility that the measures mentioned may be called up when action is concluded on the pending bill.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON BORROWING AUTHORITY

A letter from the Acting Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on borrowing authority, for the quarter ended September 30, 1955 (with an accompanying report); to the Committee on Banking and Currency.

AUDIT REPORT ON FINDINGS RELATING TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on findings relating to the civil service retirement and disability fund, United States Civil Service Commission, for the fiscal years 1954 and 1955 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION CONTRACT, YOSEMITE NATIONAL PARK, CALIF.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract in Yosemite National Park, Calif. (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED PUBLIC ASSISTANCE AMENDMENTS OF 1956

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the public assistance and related provisions of the Social Security Act to provide separate matching of assistance expenditures for medical care, to provide gradually for equal matching of old-age assistance expenditures supplementing old-age and survivors insurance benefits, to make clear the purpose of encouraging States to provide assistance and services to help strengthen family life and to help needy families and individuals attain self-support or self-care, to assist in improving administration of public assistance programs through research and training, to improve aid to dependent children, and for other purposes (with an accompanying paper); to the Committee on Finance.

DOMESTIC AND COMMUNITY SANITATION FACILITIES AND SERVICES FOR INDIANS

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to provide domestic and community sanitation facilities and services for Indians, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

SURVEY AND SPECIAL STUDIES OF SICKNESS AND DISABILITY, AND REPORTS THEREON

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

EXTENSION OF HOSPITAL AND MEDICAL FACILITIES SURVEY AND CONSTRUCTION PROGRAM

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend for 2 years the duration of the hospital and medical facilities survey and construction provisions (title VI) of the Public Health Service Act (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORT OF UNITED STATES ATOMIC ENERGY COMMISSION

A letter from the members of the United States Atomic Energy Commission, transmitting, pursuant to law, the 19th semiannual report of that Commission, dated January 1956 (with an accompanying report); to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of Kentucky; to the Committee on Appropriations:

"Senate Resolution 5

"Resolution memorializing the Congress of the United States to provide Federal funds for education

"Whereas the future of the American way of life with its multitude of benefits to the people of our country depends upon the proper education of the youth of the land; and

"Whereas the national security and defense of the Nation and the health and welfare of our people will be enhanced by increased emphasis on education: Now, therefore, be it

"Resolved by the General Assembly of the Commonwealth of Kentucky:

"SECTION 1. That the General Assembly of the Commonwealth of Kentucky in regular session assembled hereby petitions and memorializes the Congress of the United States to appropriate Federal funds in an amount adequate to provide for a sound educational program for every boy and girl in the United States.

"SEC. 2. That the Congress of the United States is hereby urgently requested to provide Federal funds to meet the emergency conditions that now exist in Kentucky and in many other States which cannot themselves finance the full cost of sufficient programs to meet their educational needs.

"SEC. 3. That the Senators and Representatives in the Congress of the United States from Kentucky are urged to support legislation to accomplish the foregoing.

"SEC. 4. That copies of this memorial, duly authenticated, be sent by the clerk of the senate to the President and the Chief Clerk of the Senate of the United States, the United States Senators from Kentucky, the Speaker and the Chief Clerk of the House of Representatives of the United States, and the Representatives in Congress from Kentucky.

"Attest:

"CHAS. C. WAGGONER,
"Chief Clerk of the Senate."

A resolution of the Senate of the State of Kentucky; to the Committee on Public Works:

"Senate Resolution 7

"Resolution requesting and petitioning the United States Congress to take immediate action on legislation designed to establish for America a modern highway system

"Whereas our present road system is entirely inadequate to serve the needs of our growing peacetime economy; and

"Whereas if war should come to our Nation the existing deficiencies of our road system would surely be of great hindrance to the defense of our country and might well cost us our national life; and

"Whereas the present killing of more than 36,000 human beings and the injuring of over a million people each year on our highways creates a national emergency which demands immediate alleviating action: Now, therefore, be it

"Resolved by the Senate of the Commonwealth of Kentucky (the House of Representatives concurring therein):

"SECTION 1. That the General Assembly of the Commonwealth of Kentucky in regular session assembled, the senate and house concurring, requests and petitions the 84th Congress of the United States to take immediate action on legislation which will establish for America a modern system of highways adequate to serve the needs of our growing economy during times of peace and to insure the successful defense of our Nation and our citizens in the event war should come to us.

"SEC. 2. That the Senators and Representatives of Kentucky in the 84th Congress are urged to expedite enactment of legislation designed to accomplish the foregoing.

"SEC. 3. That copies of this petition, duly authenticated, be sent by the clerk of the Kentucky Senate to the President and Chief Clerk of the Senate of the United States, the United States Senators from Kentucky, the Speaker and Chief Clerk of the House of Representatives of the United States, and the Representatives in Congress from Kentucky.

"Attest:

"CHAS. C. WAGGONER,
"Chief Clerk of the Senate."

A resolution of the General Assembly of the State of Georgia; to the Committee on the Judiciary:

"Senate Resolution 20

"Resolution to congratulate the Commonwealth of Virginia for its leadership in the struggle to preserve the time-honored American concept of State and local control over education, to resist usurpation of legislative power by the United States Supreme Court, and to protect the liberty of citizens against enforced submission to foreign ideologies calculated to destroy their cultural heritage

"When in the course of human events it becomes necessary for citizens to resist usurpation of power and destruction of liberty, men of good will everywhere will lend an attentive ear to a statement of the causes which prompt such resistance. We have read with sympathy and understanding the report of the commission on public education in Virginia, observed with admiration the orderly procedure followed in submitting a recommendation of that commission to a vote of the people, and noted the overwhelming approval it received in a free election. We extend congratulations to Thomas B. Stanley, Governor of Virginia, Garland Gray, chairman of the Virginia commission, the General Assembly of Virginia and to the people of Virginia.

"We note in the commission's report a statement that 'Until the decision in the Davis and companion cases, segregation of the races in the public schools had been recognized as coming within the valid exercise of the police powers of the several States.' The report cites among other cases the decision in *Gong Lum* against *Rice* (275 U. S. 78 (1927)) wherein Chief Justice Taft, speaking for a unanimous court, observed, '* * * it is the same question which has been many times decided to be within the constitutional power of the State legislature to settle without interference under the Federal Constitution.' With this statement all honest men must agree.

"We note further from the report that 'When the 14th amendment was adopted 3 generations ago, no one dreamed that it had any application to segregation in the public schools,' and that 'Even the Congress which initiated the 14th amendment provided for segregated schools in the District of Columbia.' Only those who prefer to make up rather than to look up our constitutional history can dissent from this finding.

"We are disturbed by the glib way in which the Supreme Court in 1954 brushed aside carefully documented history as 'inconclusive,' disregarded time-honored rules of evidence, overruled the established law of the land, and sought, through judicial fiat, to subject the people of the Southern States to a practice wholly inconsistent with their history, tradition, and present circumstances. Rarely in the history of government, tyrannical or otherwise, is a more flagrant abuse of power to be discovered.

"Mr. Chief Justice Warren and his associates should remember the admonition of Mr. Justice Stone that 'Courts are not the only agency of government that must be assumed to have capacity to govern'; of Mr. Justice Cardoza that 'the law arises out of the facts'; and of Mr. Justice Burton that 'It is a fundamental concept of our Constitution that where conditions are diverse the solution of problems arising out of them may well come through the application of diversified treatment matching the diversified needs as determined by our local governments.'

"We note from the Virginia Commission's report that the Supreme Court 'gave no consideration to the adverse effect of integration upon white children, although this was expressly called to the attention of the Court'; that 'in some localities (in Virginia) where there are few Negroes the problem of adjustment is not so serious as it is in localities with large Negro populations'; that at public hearings, 'Not only did a majority of persons speaking * * * feel that integration would lead to the abolition or destruction of the public-school system, but some groups indicated * * * that they preferred to see the public-school system abandoned if the only alternative was integration'; that school properties in Virginia, "representing an investment of nearly half a billion dollars, are owned by the localities, and the money for their support is raised in great part from local taxes"; and that 'Obviously the schools cannot continue without the support of the people. * * *'

"We the representatives of the people chosen to sit in Georgia's senate find the conditions in this State to be in large measure similar to those in the Commonwealth of Virginia. We applaud the efforts currently being made by the statesmen of Virginia to find a workable solution to the acute problem unjustly cast upon all of the Southern States.

"Georgia's public schools, like those of Virginia, have been built up 'slowly and painfully from the ashes of 1865.' The loss to children of both the white and Negro race, especially to those whose parents are in the lower-income groups, and the loss certain to result to the State and Nation from the abandonment of public schools in any area, are apparent. Hence, while ready to abandon our public schools if pushed to the point where nothing short of that course can preserve the integrity of the races, we look with keen interest at other proposals to solve the acute problem cast upon us by a blind and vicious judiciary.

"We are impressed by the recommendations of the Virginia Commission that local school boards, 'people who know their own communities and whose children will profit or suffer by their decisions,' be given wide discretion in such matters as the employment of teachers, assignment of pupils, maintenance or abandonment of cafeterias, and maintenance of coeducation or separation by sex.

"We are in complete accord with the recommendation that 'no child be required to attend an integrated school.' We shall watch with intense interest the development of the Virginia plan for financial grants for education in private schools to parents who object to sending their children to public schools where a commingling of the races prevails.

"In the critical early years of the American Republic, Washington, Mason, Jefferson, and other sons of Virginia were our foremost leaders. We are pleased to find in Virginia today a spirit of leadership characteristic of that which actuated the fathers who founded that Commonwealth and the United States of America. Sons of Virginia, Georgia salutes you! And be it

"*Resolved*, That the Secretary of this body send an engrossed copy of this resolution to the Governor of Virginia and a printed copy thereof to (1) the President of the United States, (2) the Governor of each State in the Union, (3) Mr. Justice Burton of the United States Supreme Court, (4) the President of the United States Senate, (5) the Speaker of the United States House of Representatives, (6) the Speaker of the Virginia house of delegates and (7) the president of the Virginia Senate."

A telegram, in the nature of a petition, from the Utah Livestock Production Credit Association, Salt Lake City, Utah, embodying a resolution adopted by that association, relating to market prices for agriculture and livestock production; to the Committee on Agriculture and Forestry.

The petition of Carlos J. Estrada, of Mercedita, P. R., praying for the enactment of legislation to guarantee or concede equal or part of the rights or privileges already extended to veterans who served in the Army more than 90 days in the Second World War; to the Committee on Finance.

The memorial of the Gila River Pima-Maricopa Indian Community Council, assembled at Sacaton, Ariz., remonstrating against the enactment of legislation to provide the transfer of the care, operation, and maintenance of Indian irrigation or power project works to water users' association or irrigation districts organized under State law and for other purposes; to the Committee on Interior and Insular Affairs.

The petition of Edward F. Collins, of Teaneck, N. J., praying for a redress of grievances; to the Committee on the Judiciary.

A letter, in the nature of a petition, from Cornelia Dabney Tucker, of Charleston, S. C., relating to the integration of races in public schools (with accompanying papers); to the Committee on the Judiciary.

A resolution adopted by the municipal council, of the city of Rahway, N. J., favoring the enactment of legislation to permit Christa Holder and her daughter to remain in the United States; to the Committee on the Judiciary.

A resolution adopted by the Altadena Republican Women's Club, of Altadena, Calif., protesting against any extension of Federal aid to education; to the Committee on Labor and Public Welfare.

The memorial of F. G. Swanson, of Tyler, Tex., remonstrating against the subsidization of certain postal rates; to the Committee on Post Office and Civil Service.

A resolution adopted by the board of supervisors, Erie County, Buffalo, N. Y., protesting against enactment of the bill (S. 1853) to amend the Natural Gas Act, as amended; ordered to lie on the table.

PROHIBITION OF LIQUOR ADVERTISING IN INTERSTATE COMMERCE—PETITION

Mr. THYE. Mr. President, within the past weeks I have received a number of petitions from thoughtful Minnesotans who are concerned about the problem of alcoholism and who feel that one approach to the problem would be the enactment of pending legislation prohibiting interstate transmission by mail or otherwise, of newspapers, periodicals, newsreels, photographic films, or records advertising alcoholic beverages. The Senator from North Dakota [Mr. LANGER] is the author of the pending legislation.

I should like to bring to the attention of Members of Congress a representative communication on this question, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 26, 1956.

Hon. EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SIR: We favor S. 923, the Langer bill, to prohibit the transportation of alcoholic beverage advertising in interstate commerce and over the air. The manner in which these are now functioning constitutes a violation of States rights, since some States have the rare wisdom to prohibit such advertising for the good of our future citizens. We also object strenuously to the drinking scenes now creeping into features on TV, which are otherwise sponsored.

Unless our Representatives and Senators in Congress take a stand on these matters, both juvenile and adult delinquencies will continue to mount. Your opportunity and responsibility to the citizens who have elected you is tremendous.

We hope and we pray for favorable action regarding this wise bill, in order that our radio and TV media may soon become blessings rather than the hazards they all too frequently have become.

Respectfully,

Cora C. Broecker, Alice Ochs Walker, Mrs. Louise Clements, Mrs. J. W. Kerr, Mrs. Geo. S. Anderson, Helen A. Fogtmann, Mrs. Louis R. Wilson, Mrs. Ethel Torgeson, Florence L. Meyer, Louise P. Sheldon, Minnie Warren Dungan, Virginia Atchinson, Eleanor M. Broecker, Abbott Sheldon, Elizabeth Gestie, Gwendolyn P. Anderson, Ray R. Davison, Mrs. Ray R. Davison.

ESTABLISHMENT OF RIVER BASIN AGENCIES—RESOLUTION OF NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Mr. MURRAY. Mr. President, last week the National Rural Electric Cooperative Association held its annual meeting in St. Louis, Mo., with nearly 6,000 persons in attendance—the largest convention the association has ever held.

Among the many resolutions passed by this group was one condemning the report of the Presidential Advisory Committee on Water Resources Policy, which recently was submitted to the Congress. The association urged, instead, the establishment of river-basin agencies such as TVA and that recommended in the Missouri Basin Survey Commission Report.

Because the matter of water policy is of such great importance, and will come before this session of the Congress, I ask unanimous consent to have printed in the RECORD the text of the National Rural Electric Cooperative Association's resolution on the subject.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 4–R OF NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

PRESIDENT'S ADVISORY COMMITTEE ON WATER RESOURCES REPORT

Whereas the President of the United States on January 17, 1956, sent to the Congress a report by the Presidential Advisory Committee on Water Resources Policy dated December 22, 1955; which report the President, under date of May 26, 1954, requested the Committee to submit to him not later than December 1, 1954; and

Whereas said report, if adopted, would prevent the creation of a water resources program, including the development of waterways for navigation by the imposition of user charges and, under the guise of creating a water resources program, would destroy the Federal electric power program, because:

1. The report actually proposes no Federal water resources program, but only further study and bureaucratic delay.

2. The report proposes the creation of an unworkable superstructure of bureaucracy to be superimposed upon the existing agency responsibilities, namely:

(a) Basin committees on which State and local government bodies will be represented.

(b) The use of interstate compacts.

(c) A Federal interagency advisory group.

(d) A water resources coordinator.

(e) A Board of Review.

3. The report proposes the same type of partnership arrangements as those proposed by the Hoover Commission report, under which all the benefits of waterpower developments will go the preferred private interests, to the detriment of the people and their public and cooperative organizations.

4. The report proposes a comparison of the cost of Federal versus private development of water resource projects, not on an actual cost-and-benefit basis, but on the fictitious basis of adding to the costs of Federal development all of the tax and added interest costs of private development.

5. The report proposes that only recent and up-to-date evaluations should be used, which means that no Federal projects can ever be authorized since the necessary delays between the time of the study and final congressional action would always require the study to be sent back for more recent computations.

6. The report limits project evaluation to a 50-year economic life, even though a longer life may be established, thereby artificially increasing power costs and reducing feasibility of the project.

7. The report proposes allocation of nonpower costs to power facilities and operation, thereby further increasing power costs and reducing feasibility.

8. The report proposes non-Federal development of water resources wherever feasible, thereby placing further obstacles in the path of Federal development of any water-resource project.

9. The report proposes a review of all projects by local interests, which would operate as a veto by private interests over Federal Government plans and proposals.

10. The report, in many of its statements, is contradictory, confused, and beyond comprehension; and

Whereas said report is, in essence, but a reaffirmance and extension of the Hoover Commission report, which we have condemned as destructive of the rights of the people, and which will not solve any of the water problems of our country: Now, therefore, be it

Resolved, That we condemn the report by the Presidential Advisory Committee on Water Resources Policy and that we urge the Congress to reject its proposals and to discharge its obligations under the laws and Constitution of the United States to formulate and develop a sound water-resources policy to protect the people from the ravages of floods and consequences of water shortages and to make available to the people the benefits of a sound and comprehensive water-resource program, and, to that end, that the Congress adopt and authorize programs such as TVA and that recommended in "The Missouri Basin Survey Commission Report" for all river basins; and be it further

Resolved, That copies of this resolution be sent to the President of the United States and all Members of Congress.

W. O. COLEMAN,
Secretary.

YOUTH EMPLOYMENT AND JUVENILE DELINQUENCY—REPORT OF A COMMITTEE (S. REPT. NO. 1463)

Mr. KEFAUVER. Mr. President, pursuant to Senate Resolution 62, 84th Congress, 1st session, as extended, from the Committee on the Judiciary, I submit a report of the Subcommittee To Investigate Juvenile Delinquency on Youth Employment and Juvenile Delinquency. I ask that the report be printed.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Tennessee.

REPORT ON THE AMERICAN PATENT SYSTEM—REPORT OF A COMMITTEE (S. REPT. NO. 1464)

Mr. O'MAHONEY. Mr. President, pursuant to Senate Resolution 92, 84th Congress, 1st session, from the Committee on the Judiciary, I submit a report of the Subcommittee on Patents, Trademarks, and Copyrights on the American Patent System. I ask that the report be printed, with illustrations.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Wyoming.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. NEELY (by request):

S. 3073. A bill to provide for an adequate and economically sound transportation system or systems to serve the District of Columbia and its environs; to create and establish a public body corporate with powers to carry out the provisions of this act; and for other purposes; to the Committee on the District of Columbia.

By Mr. CURTIS (for himself and Mr. GOLDWATER):

S. 3074. A bill to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes; to the Committee on Rules and Administration.

(See the remarks of Mr. CURTIS when he introduced the above bill, which appear under a separate heading.)

By Mr. HILL (for himself and Mr. SMITH of New Jersey):

S. 3075. A bill to extend for 2 years the duration of the hospital and medical facilities survey and construction provisions (title VI) of the Public Health Service Act; and

S. 3076. A bill to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. JOHNSTON of South Carolina:

S. 3077. A bill to correct an inequity resulting from the setting of the effective date of Public Law 68 of the 84th Congress; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 3078. A bill for the relief of Lucien R. Dendoncker; to the Committee on the Judiciary.

By Mr. PURTELL (for himself and Mr. BUSH):

S. 3079. A bill to authorize Federal assistance to States and local governments for the restoration of property and facilities of public park and recreational areas damaged or destroyed in major disasters; to the Committee on Public Works.

By Mr. IVES:

S. 3080. A bill for the relief of Vitalis John Molho; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 3081. A bill to provide for the conveyance of certain mineral rights to Albert Walls, of Aztec, N. Mex.;

S. 3082. A bill to provide for the conveyance of certain mineral rights to Wiley Long, of Hobbs, N. Mex.;

S. 3083. A bill to provide for the conveyance of certain mineral rights to Edwin E. Travis, of Gladiola, N. Mex.;

S. 3084. A bill to provide for the conveyance of certain mineral rights to Walter L. Greebon, of Hobbs, N. Mex.;

S. 3085. A bill to provide for the conveyance of certain mineral rights to Charlie B. Cochran, of Hobbs, N. Mex.;

S. 3086. A bill to provide for the conveyance of certain mineral rights to Loyal J. Calley, of Carlsbad, N. Mex.;

S. 3087. A bill to provide for the conveyance of certain mineral rights to Charles H. Weir, of Hobbs, N. Mex.;

S. 3088. A bill to provide for the conveyance of certain mineral rights to Albert Walls, of Aztec, N. Mex.; and

S. 3089. A bill to provide for the conveyance of certain mineral rights to Maud Hooper Fleetwood, of Westminster, Calif.; to the Committee on Interior and Insular Affairs.

REVISION OF FEDERAL ELECTION LAWS, TO PREVENT CORRUPT PRACTICES IN FEDERAL ELECTIONS

Mr. CURTIS. Mr. President, on behalf of myself, and the Senator from Arizona [Mr. GOLDWATER], I introduce, for appropriate reference, a bill to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes. I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which had been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Nebraska may proceed.

Mr. CURTIS. Mr. President, the purpose of this bill is to revise the Federal elections laws and to prevent corrupt practices in Federal elections. At the present time the amounts permitted by law for a candidate or political party to spend are entirely unrealistic. They do not take into account the present costs of advertising or the use of modern media for political advertising. The increases in these limits fixed by law are identical with the increases in the bill, S. 636, which is now on the Senate Calendar.

This measure is vastly different from the remaining portions of S. 636. It does not extend Federal jurisdiction over intrastate committees and elections. It would not extend Federal reporting and control over primary elections. It does deal with the practice of forcing workers to contribute to a political party in order to hold their jobs.

This bill has as its major objective political freedom for the workers of the United States. At the present time, thousands of workers are compelled to pay dues into a union to hold their jobs and the union in turn takes their money and supports candidates or a political party. This is done sometimes by a direct political contribution and sometimes the workers' dues money is paid by the union to a political action committee, and the political action committee in turn makes the contribution.

The official reports filed by Emil Mazey, secretary-treasurer of UAW-CIO shows that the union used its money—dues—in financing the action of the political action committee which openly supported certain candidates. In a number of instances the unions have made political contributions directly.

This is done notwithstanding the fact that 40 percent of the union members are Republicans. The principle would be the same if the Republicans had a majority of the union members and the contributions were made to the Republican Party and Republican candidates. It is wrong and it is unfair forcibly to take a contribution out of anybody's pay check and turn it over to a political party. Sixty-six percent of the total union membership opposes this practice.

This bill supports the principle enunciated by President Eisenhower in his talk before AFL-CIO merger meeting. In that speech the President said:

> The rights of minorities holding differing social, economic, and political views must be scrupulously protected and their views accurately reflected.

I firmly believe in the right of workers and everyone else voluntarily to support any candidate or any political party of their choosing. This should be carried on without intimidations or hindrances. Workers through their unions, of course, should be diligent in expounding their views on legislation, candidates, and proposals dealing with labor. But all workers should be treated as free American citizens, and should never be coerced, intimidated, or have their money forcibly taken away from them for political purposes.

I believe this bill would successfully end this practice. At the present time a union, in order to enter into a union shop contract, which is one whereby the workers must stay in the union to hold his job, must make certain showings of compliance with the law. This bill would add the provision that the union must show that in the preceding 24 months it has not made a contribution to, or an expenditure for, a political party or political candidates, either directly or indirectly, or made a contribution to or an expenditure for, any other group which makes such contributions or expenditures.

This is not a Republican issue. It is an American issue. Certain union politicians have violated their trust and have made the workers the pawn of the Democratic Party. In compelling them to support financially a political party or lose their job they have violated the fundamental constitutional right of freedom which is guaranteed to all citizens. The issue would be exactly the same if this handful of union politicians were conniving with the Republican Party.

I ask unanimous consent that the bill, together with an explanation of its various sections, prepared by me, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and explanatory statement will be printed in the RECORD.

The bill (S. 3074) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes, introduced by Mr. CURTIS (for himself and Mr. GOLDWATER), was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 303 (c) of the Federal Corrupt Practices Act, 1925 (relating to keeping of receipted bills for expenditures by political committees), is amended by striking out "$10" and inserting in lieu thereof "$100."

(b) Section 305 (a) (4) of such act (relating to listing of expenditures by political committees) is amended by striking out "$10" and inserting in lieu thereof "$100."

(c) Section 306 of such act (relating to statements to be filed by persons other than political committees) is amended by striking out "$50" and inserting in lieu thereof "$100."

(d) Section 309 of such act (relating to limitations upon amount of expenditures by candidates) is amended to read as follows:

"SEC. 309. (a) A candidate, in his campaign for election, shall not make expenditures in excess of the amount which he may lawfully make under the laws of the State in which he is a candidate, nor in excess of the amount which he may lawfully make under the provisions of this title.

"(b) A candidate, in his campaign for election, may make expenditures up to—

"(1) the sum of $50,000 if a candidate for Senator or Representative at Large, or the sum of $12,500 if a candidate for Representative, Delegate, or Resident Commissioner; or

"(2) an amount equal to the amount obtained by multiplying 10 cents by the total number of votes cast in either the last primary election or the last general election for all candidates for the office which the candidate seeks.

"(c) Money expended by a candidate to meet and discharge any assessment, fee, or charge made or levied upon candidates by the laws of the State in which he resides, or expended for his necessary personal, traveling, or subsistence expenses, or for telegraph or telephone service, shall not be included in determining whether his expenditures have exceeded the sum fixed by paragraph (1) or (2) of subdivision (b) as the limit of campaign expenses of a candidate."

SEC. 2. (a) Subsection (a) of section 608 of title 18 of the United States Code (relating to limitations on political contributions) is amended by striking out "$5,000" where it first appears therein and inserting in lieu thereof "$10,000."

(b) Subsection (b) of section 608 of title 18 of the United States Code is amended by adding at the end thereof the following new paragraph:

"This subsection shall not be construed to prohibit the purchase from any political committee of any goods, commodities, advertising, or articles sold by such political committee on a nonprofit basis."

(c) The first paragraph of section 609 of title 18 of the United States Code is amended to read as follows:

"No political committee shall receive contributions or make expenditures in amounts greater than the amount obtained by multiplying 20 cents by the total number of votes cast for all candidates for the office of presidential elector in any one of the last three final elections for that office."

SEC. 3. (a) Chapter 29 of title 18 of the United States Code is amended—

(1) by inserting at the end of such chapter the following new section:

"§ 613. Contributions or expenditures by corporations and labor organizations which are parties to contracts requiring membership therein as condition of employment.

"It is unlawful for any corporation or labor organization, which is a party to a contract requiring as a condition of employment membership, either at the time of employment or at any time thereafter, in a labor organization, to make or receive a contribution or to make an expenditure, directly or indirectly, in connection with any election at which presidential and vice-presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or to make a contribu-

tion to any committee, association, or organization, whether political or nonpolitical in character, which makes such contributions or expenditures, or for any candidate, political committee, or other person, to accept or receive any contribution prohibited by this section.

"Every corporation and every labor organization which makes or receives any contribution or makes any expenditure in violation of this section shall be fined not more than $5,000; and every officer of any corporation or labor organization who consents to the making or receipt of any contribution or to the making of any expenditure by the corporation or labor organization, and any person who accepts or receives any contribution, in violation of this section, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both; and if the violation was willful, shall be fined not more than $10,000 or imprisoned not more than 2 years, or both.

"As used in this section, the term 'labor organization' has the same meaning as when used in section 610."

(2) by striking out "609 and 610" in section 591 of such chapter and inserting in lieu therof "609, 610, and 613."

(3) by inserting at the end of the analysis, at the beginning of such chapter, the following:

"613. Contributions by corporations or labor organizations which are parties to contracts requiring membership therein as condition of employment."

(b) (1) The first proviso in section 8 (a) (3) of the National Labor Relations Act is amended by inserting before the colon at the end thereof a comma and the following: "and (iii) if there is on file with the Board a statement acceptable to it filed within 90 days prior to the effective date of such agreement by such labor organization and by any national or international labor organization of which it is an affiliate or constituent unit that within the 24-month period preceding the filing of such statement such labor organization, or the labor organization of which it is an affiliate or constituent unit, has not directly or indirectly made or received a contribution, or made an expenditure (as those terms are defined in section 591 of title 18 of the United States Code), in connection with any election at which presidential and vice-presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, and that it has not made a contribution to any committee, association, or organization, whether political or nonpolitical in character, which makes such contributions or expenditures."

(2) The amendment made by paragraph (1) shall not be construed to make an unfair labor practice the performance of any obligation under a collective-bargaining agreement entered into prior to the date of enactment of this act, but any renewal or extension of any such agreement, entered into on or after such date, shall be considered a new agreement for the purposes of such amendment.

SEC. 4. (a) (1) Section 12 of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended (5 U. S. C., sec. 118k), is hereby repealed.

(2) Section 18 of such act is amended by striking out "or in the second sentence of section 12 (a)."

(b) (1) The first paragraph of section 595 of title 18 of the United States Code is amended by striking out "or by any State, Territory, or possession of the United States, or any political subdivision, municipality, or agency thereof, or agency of such political subdivision or municipality (including any corporation owned or controlled by any State, Territory, or possession of the United States or by any such political subdivision, municipality, or agency), in connection with any activity which is financed in whole or in part by loans or grants made by the United States, or any department or agency thereof."

(2) The second paragraph of such section is amended by striking out "by any State or political subdivision thereof, or by the District of Columbia or by any Territory or possession of the United States" and inserting in lieu thereof "by the District of Columbia."

(3) The heading of such section is amended to read as follows:

"§ 595. Interference by administrative employees of Federal Government."

(4) That portion of the analysis at the head of chapter 29 of title 18 of the United States Code which reads:

"595. Interference by administrative employees of Federal, State, or Territorial Governments."

is amended to read as follows:

"595. Interference by administrative employees of the Federal Government."

SEC. 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provisions to other persons and circumstances shall not be affected thereby.

The explanatory statement, presented by Mr. CURTIS, is as follows:

The first section amends various sections of the Federal Corrupt Practices Act, 1925, as follows:

(1) Subsection (a) amends section 303 (c) of such act which now requires the treasurer of a political committee to obtain and keep a receipted bill for every expenditure exceeding $10 in amount. Under the amendment receipted bills would be required only for expenditures in excess of $100.

(2) Subsection (b) amends section 305 (a) (4) of such act which now requires the treasurer of a political committee to report the name and address of each person to whom an expenditure of $10 or more has been made. The amendment would require such reporting only in the case of expenditures of $100 or more.

(3) Section 306 of such act requires every person (other than a political committee) who makes an expenditure of $50 or more in any calendar year, other than by contributions to a political committee, for the purpose of influencing an election in two or more States to file a detailed statement of such expenditures. The amendment made by subsection (c) increases the $50 limitation to $100.

(4) Subsection (d) amends section 309 of such act which imposes limits on expenditures which candidates may make. Existing law allows a candidate (unless State law prescribes a lesser amount) to make expenditures up to—

(a) $10,000 if a candidate for Senator, or $2,500 if a candidate for Representative, Delegate, or Resident Commissioner, or

(b) 3 cents multiplied by the number of votes cast at the last election for the same office, but not to exceed $25,000 for Senator or $5,000 for Representatives, Delegates, or Resident Commissioner.

The amendment increases the amounts so that expenditures could be made up to—

(a) $50,000 if a candidate for Senator or Representative at Large, or $12,500 if a candidate for Representative, Delegate, or Resident Commissioner, or

(b) 10 cents multiplied by the number of votes cast at the last primary or last general election for the particular office.

Under existing law certain expenses need not be included in computing the above limitations. These are: assessment fees; personal, traveling, and subsistence expenses; amounts spent for stationery, postage, writing, or printing (other than for use on billboards or in newspapers); amounts spent for distributing letters, circulars, or posters, or for telegraph or telephone service. The amendment continues only the exemptions for assessment fees, for personal, traveling, and subsistence expenses and for telegraph and telephone expenses.

Section 2 amends certain provisions of title 18 of the United States Code.

(1) Subsection (a) amends section 608 (a) of title 18 which provides penalties for the making of political contributions in excess of $5,000. The amendment raises this limit to $10,000.

(2) Subsection (b) amends section 608 (b) of title 18 so as to exempt from the prohibition contained in such section against the purchase of articles the proceeds of which inure to the benefit of a political committee, articles sold by a political committee on a nonprofit basis.

(3) Subsection (c) increases the maximums on contributions and expenditures by political committees from $3 million to an amount equal to 20 cents multiplied by the total number of votes cast in any of the three latest presidential elections.

Section 3 (a) adds a new section 613 to title 18 of the United States Code. The new section makes it unlawful for a corporation or labor organization which is a party to a contract requiring union membership as a condition of employment to make a contribution or to make an expenditure, directly or indirectly, in connection with a Federal election, either general or primary or to make a contribution to any committee, association, or organization (whether or not political) which makes such contributions or expenditures. It also makes it unlawful to receive a contribution from such an organization. This section would to some extent parallel existing section 610 of title 18, insofar as corporations and unions having this type of contract are concerned, except that the amendment will cover indirect as well as direct expenditures and contributions.

Section 3 (b) amends section 8 (a) (3) of the National Labor Relations Act so as to provide an additional condition upon the right of an employee and a labor organization to enter into a union-shop contract. At the present time such a contract may be entered into only if the union is the representative of the employees and has filed certain financial statements, its officers have filed non-Communist affidavits, and the employees have not voted to deny the union the right to enter into such a contract. The amendment would require, in addition, the filing of a statement, satisfactory to the National Labor Relations Board, within 90 days prior to the effective date of the contract to the effect that the union had not made political contributions or expenditures in a Federal election (including a primary) within the preceding 24 months.

Section 4 removes from the Hatch Act the provisions relating to political activity by State employees engaged in activities financed in part by loans or grants made by the Federal Government.

Section 5 of the amendment contains the usual separability clause.

CORRECTION OF INEQUITY RESULTING FROM FIXING EFFECTIVE DATE OF PUBLIC LAW 68

Mr. JOHNSTON of South Carolina. Mr. President, I introduce, for appropriate reference, a bill to correct the inequity resulting from the setting of the effective date of Public Law 68 of the 84th Congress.

Under Public Law 134 of the 79th Congress employees in the field postal service were paid on the basis of a 360-day year, and were paid for Saturday or Sunday whether or not service was performed on those days. This resulted in an hourly rate of pay equal to the annual salary divided by 2,880 hours.

Public Law 68 of the 84th Congress authorized the Postmaster General to make the effective date of the change in pay periods and the reclassification provisions effective at any time within 180 days of enactment. Acting upon the authority granted by the act, the Postmaster General made the act effective on December 3, 1955, a Saturday. This had the effect of paying employees at the 360-day per year rate for December 1 and 2, but denying them pay for Saturday and Sunday as contemplated by Public Law 134. Public Law 68, by changing the method of payment, does not provide pay for Saturday or Sunday service. The net result was that regular employees (as distinguished from substitutes) received an hourly rate of pay for services on December 1 and 2 on the basis of a year of 2,880 hours. The average loss to each employee is something in excess of $4.50 per day for each of these days.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3077) to correct an inequity resulting from the setting of the effective date of Public Law 68 of the 84th Congress, introduced by Mr. JOHNSTON of South Carolina, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENT

Mr. KERR. Mr. President, on behalf of myself, the Senator from Delaware [Mr. FREAR], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Montana [Mr. MANSFIELD], the Senator from Idaho [Mr. DWORSHAK], the senior Senator from North Dakota [Mr. LANGER], the senior Senator from Alabama [Mr. HILL], the Senator from Florida [Mr. SMATHERS], the Senator from Wisconsin [Mr. WILEY], the senior Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. KEFAUVER], the junior Senator from Louisiana [Mr. LONG], the senior Senator from Mississippi [Mr. EASTLAND], the junior Senator from North Dakota [Mr. YOUNG], the Senator from Missouri [Mr. SYMINGTON], the Senator from South Carolina [Mr. JOHNSTON], my colleague, the junior Senator from Oklahoma [Mr. MONRONEY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the junior Senator from Alabama [Mr. SPARKMAN], and the junior Senator from Mississippi [Mr. STENNIS], I submit for appropriate reference, an amendment, intended to be proposed by us to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes.

The amendment is identical to the bill (S. 627) to provide supplementary benefits for recipients of public assistance and benefits for others who are in need through the issuance of certificates to be used in the acquisition of surplus agricultural food products, which was introduced on January 21, 1955, by myself and the same Senators who are now joining with me as cosponsors of this amendment.

When Senate bill 627 was introduced, it was referred to the Committee on Agriculture and Forestry, and re-referred to the Committee on Finance. I have polled the cosponsors of the original bill, and all join me in submission of the amendment. It will add a new title III to House bill 7225.

The PRESIDENT pro tempore. The amendment will be received, referred to the Committee on Finance, and printed.

THE SMALL PROJECTS BILL—CHANGE OF CONFEREE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the senior Senator from Colorado [Mr. MILLIKIN] be excused as a Senate conferee on House bill 5881, the so-called Small Project bill, providing for State-Federal cooperation on certain reclamation projects; and that the senior Senator from Wyoming [Mr. BARRETT] be named a conferee in his stead. Naturally, this request is made with the full consent of the senior Senator from Colorado, and with the full concurrence of the senior Senator from Utah [Mr. WATKINS] who is the other minority conferee on the measure; and is made on behalf of the Senator from New Mexico [Mr. ANDERSON], and with the approval of the minority leader.

Mr. WATKINS. Mr. President, I urge that this be done; I think it is the fair thing to do.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. POTTER:

Address delivered by him at salute-to-Eisenhower dinner at Chattanooga, Tenn., on January 20, 1956.

By Mr. LEHMAN:

Address delivered by him before the nationalities division of the Democratic National Committee, on January 28, 1956.

By Mr. EASTLAND:

Address delivered by Representative JOHN J. FLYNT, JR., before a joint session of the Georgia General Assembly, on January 24, 1956.

By Mr. BUTLER:

Article written by him, entitled "Facts For Farmers and Other Americans," published in the Forward magazine for November 1955.

PROPOSED SALE OF GOVERNMENT-OWNED RUBBER PLANT NEAR CHARLESTON, W. VA.—TELEGRAM FROM FRANK KNIGHT

Mr. NEELY. Mr. President, the attention of the Senate is earnestly requested to the reading of a telegram sent to me last Friday by Mr. Frank Knight, of Charleston, W. Va., who is the managing editor of the Charleston Gazette and one of the outstanding newspapermen of the Nation. This message refers to the recently negotiated sale of the Government-owned rubber plant situated at Institute, a few miles from the capital of the State. Mr. Knight says:

Fulbright resolution of disapproval on sale of Institute plant greatest concern to all West Virginia and particularly Charleston area. Facts in sale commission's report to Congress so overwhelmingly favorable to Government that it seems incredible any opposition should develop. Goodrich-Gulf already possesses plans for enlarging its Port Neches, Tex., plant, over which there is no Government control whatever. Company merely decided to purchase Institute as alternative and quicker method of expanding its facilities. Therefore net effect of blocking pending sale to Goodrich-Gulf will not be to prevent some imaginary injury to a healthy competitive situation within industry as Fulbright hints but merely to defeat the use of a ready facility in West Virginia in favor of expansion of facilities in Texas as large as the company wants to expand them. Will you be good enough on receipt of this telegram to inform me in what special manner, if any, you believe the Gazette can be helpful in defeating the pending disapproval resolution?

Mr. President, if the people of West Virginia could officially express themselves on the important question discussed in this telegram, they would, in my opinion, unanimously vote with Mr. Knight against the disapproval resolution of which the distinguished Senator from Arkansas [Mr. FULBRIGHT] is the author.

It is my hope and belief that a majority of the Senate will, at the proper time, vote for and with the people of West Virginia in this case. For this anticipated service I sincerely thank my friends in the Senate in advance.

SEVENTY-FOURTH ANNIVERSARY OF BIRTH OF FRANKLIN DELANO ROOSEVELT

Mr. JOHNSON of Texas. Mr. President, I should like to call the attention of the Senate to the fact that today marks the 74th anniversary of the birth of our late, beloved President, Franklin Delano Roosevelt.

We are still too close to the period which is inescapably associated with his name to have historical perspective. But even at this range, it is apparent to every American that he was one of the giants of all times.

He was a controversial figure—but in the sense that all great men are controversial. He was a leader of courage and conviction, and such men live constantly in the swirling tides of national and international conflict.

As one who was closely associated with our late President, I will never forget the meaning of his leadership to our country.

He became President at a time when we were dispirited, discouraged, groping, almost with a sense of hopelessness, for a way out of our difficulties. He left us with a sense of courage and a feeling of buoyancy which will never desert us in our hours of trial.

Mr. President, the verdict of history is still to be written. But however the book is finally closed, the last line must say that Franklin D. Roosevelt was a man capable of facing the terrible problems of terrible times.

Mr. LEHMAN. Mr. President, today is the 74th birthday of Franklin Delano Roosevelt. I ask unanimous consent that I may speak on this subject for approximately 5 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from New York is recognized for 5 minutes.

Mr. LEHMAN. Mr. President, today, January 30, marks the 74th anniversary of the 31st President of the United States, Franklin D. Roosevelt. It is now 11 years since his death. While he was Governor of New York, and, to a much greater extent, while he was President, his birthday was observed by many of his fellow citizens. It soon came to be a kind of national observance, although not under official auspices. By his strongly expressed wish, these celebrations became fund-raising events to combat the dread disease of poliomyelitis.

During the past year the world has rejoiced at the discovery of a vaccine that promises to bring this dread affliction under control. This discovery was made possible, in large part, by the March of Dimes and the efforts of our late beloved President.

Franklin Roosevelt's compassion for humanity, as well as his philosophy of government, were eloquently reflected in his great utterances and official pronouncements. Even today his words ring out with the clarity of truth and the conviction of a deep sincerity. They recall movingly the vast changes he helped to effect, and the mighty problems which he so courageously faced in his time. It is well to recall some of them on this day, his birth date.

Do you recall, Mr. President, when he said he would lead the great fight for "the forgotten man at the bottom of the economic pyramid"? Do you recall his almost revolutionary criterion for the national growth? He said:

> The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

Do you remember his aim to make every family independent of the degrading influence of charity and the dole? He said:

> Continued dependence on relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber.

Do you remember his concern with those who sought selfish gain at the expense of the country? He said:

> We have always known that needless self-interest was bad morals; we now know that is bad economics.

Franklin Roosevelt had words, too, for those who would close our doors to the tired, poor, and huddled masses yearning to breathe free. He said:

> All of our people—except the fullblooded Indians—are immigrants, or the descendants of immigrants.

In words which will never be forgotten, and will always be associated with his name, he urged us to conquer hysteria. He said:

> The only thing we have to fear is fear itself * * * nameless, unreasoning fear.

As to foreign policy, Franklin Roosevelt called us to high purposes and performance. He mobilized the English language and the power of his personality, to save mankind from fascism. He said:

> We must be the great arsenal of democracy.

And in defining our foreign policy, he said:

> In the field of world policy I would dedicate this Nation to the policy of the good neighbor. More than an end to war, we want an end to the beginnings of all wars.

Finally, in the last words he ever wrote, he called us to accept the challenges of the day, and to put aside our fears of the unknown.

> The only limit to our realization of tomorrow will be our doubts of today.

All these, and many more, are the noble words of a man who fully deserves to be enshrined forever in the hearts of the American people. And he has been, despite all his venomous detractors.

Franklin Roosevelt, in fact, lives on in his achievements, which have become part of the American heritage.

Last year at this time, I introduced a joint resolution, which still is pending before the Senate; it is Senate Joint Resolution 73, which would make the birthday of President Roosevelt a national holiday. I do not know what the prospects are for the passage of the joint resolution at this session. I surely hope it will pass. If it does not pass at this session, however, I am sure it will pass at some future session. Someday the birthday of Franklin Delano Roosevelt will be officially celebrated throughout the Nation and throughout the rest of the free world.

This session of Congress did pass one piece of legislation, introduced by me, dealing with the late President Roosevelt. It passed a bill establishing a Roosevelt Memorial Commission to study the erection of a suitable memorial to the late, great Franklin Delano Roosevelt.

That legislation was passed by the Senate and by the House, and was signed by the President. The Commission has been appointed. I hope that it will soon convene and launch the work for which it was created.

I hope to see the day when a suitable memorial—and I have no preconceived notions about what kind of a memorial it should be—will be authorized by the Congress of the United States and by a grateful nation. His memory, in fact, needs no memorial of stone and mortar to preserve it; but it would do this generation honor to authorize and build such a memorial.

From it we might draw increased inspiration to meet courageously the great challenges of this time.

BIRTHDAY GREETINGS TO SENATOR GEORGE

Mr. NEUBERGER. Mr. President, having just placed in the Appendix of the daily RECORD an article and an editorial in tribute to one who has celebrated her 76th birthday, I wish to extend to the distinguished senior Senator from Georgia [Mr. GEORGE], who is now presiding as the President pro tempore, greetings on his 78th birthday, and to wish for him many happy future birthdays.

The PRESIDENT pro tempore. The Chair thanks the Senator from Oregon.

BIRTHDAY ANNIVERSARY OF ALBERT GALLATIN, FORMER SECRETARY OF THE TREASURY

Mr. SPARKMAN. Mr. President, in large part, the realization of the vision of democracy in our United States is due to the happy conjunction of men of talents and genius on a scale perhaps unexampled in the history of the world.

Not least among those who charted the course for American democracy and steered the vessel of liberty through the stormy seas of international rivalry and across the deep gulfs of sectionalism and ideology which threatened the life of the young Republic was Albert Gallatin, of Geneva, Switzerland, whose birthday anniversary was yesterday. He was born on January 29, 1761.

Together with Washington, John Adams, Jefferson, Monroe, John Jay, and many others, this young foreigner, who arrived on our soil in Boston at the age of 19, is indeed deserving of his inclusion in the ranks of the Founding Fathers.

Senator, Representative in Congress, and Secretary of the Treasury, it was largely owing to the herculean efforts and great perspicacity of this man that the credit of the United States was established in the money markets of the world and that war with our great ally of the Revolution, France, was averted.

Day and night, year in and year out, in the damp winters and steamy summers of the country Capital in Washington, it was Albert Gallatin, as President Jefferson's Secretary of the Treasury, who, at the peril of his health, worked to reduce the national debt, lower taxes, and run the Government on the basis of rigid economy. Never in a single year of both the Jefferson administrations did the record fail to show a surplus of revenue despite the reduction of internal taxes. Indeed, even with the expenses of the Louisiana Purchase, $33,580,000 of the national debt had been wiped out by the end of Jefferson's second term.

Who was this man of whom the noted American historian of the period, former Ambassador to Spain Claude Bowers, said: "There was no mind—in the House—so well stocked with facts with a broader vision, more masterful in logic, more clear, downright and more impervious to abuse, who remained the perfect gentleman" despite outright jeers and abuse at his foreign birth and accent?

Albert Gallatin came from one of the first families of Geneva, whose members figured prominently in the political life

of that city. The family was aristocratic, the young Gallatin democratic. And, when he was told by his proud grandmother, upon graduating with honors from the Academy of Geneva, that it was time he served in the army of her friend, the Landgrave of Hess, Gallatin refused. Like so many Swiss patriots before him, the young man said he would not serve a tyrant and had his ears soundly boxed as a result. Shortly afterward, he left secretly to go to the young Republic of the New World.

Arriving in Boston in 1780, the youth of 19 first entered business; later, he went to live happily in a Maine cabin for a short time before returning to Cambridge to teach French at Harvard for a year.

In Philadelphia, where he had an introduction to Ben Franklin's son-in-law, the editor of the Aurora, and later in Richmond, where he was to receive advice from Washington, John Marshall, and Patrick Henry, the new American, now 21, was to meet many of America's notables.

Though he declined Washington's offer of an appointment as his land agent in Virginia, young Gallatin did turn to real estate successfully in the backwoods of Pennsylvania where his democratic point of view won him the political support of the people there.

His first major political job in drafting the Constitution of Pennsylvania found him fighting for popular government, freedom of the press, and popular suffrage.

When the Pennsylvanians elected him to the United States Senate, he questioned Hamilton's management of the fiscal affairs of the Nation and, provoking the ire of the Hamiltonian Party, was unseated on a questionable technicality. But, shortly after, under President Adams, he was to be swept into office in the House of Representatives and in 1796 assumed the intellectual leadership of the Jeffersonian Party in the House.

Because he believed the House should have control of the purse, he fought for and was first chairman of the House Ways and Means Committee. Because he believed that war spelled the end of progress and prosperity, he was largely instrumental—by seeing that appropriations were limited—in stopping the impending war with Napoleon over harassments of American seamen.

As Secretary of the Treasury under Jefferson Gallatin worked to extend commercial treaties with foreign lands and after the War of 1812—in 1815 on his first return trip to Geneva—he was instrumental in negotiating a commercial treaty with England whereby discriminatory duties were abolished. He was to hold the posts of Minister to France and England before his retirement from public life in 1827 to enter private banking. He died in Astoria, Long Island, in 1842, after writing several volumes of American history and founding the American Ethnological Society.

What is the lesson this ardent believer in democracy and lifelong advocate of commercial concord can teach us today? That harmonious commercial relations with the nations of the world are infinitely more fruitful than strife and discord.

In this light it would be fitting now to consider how America's commercial relations could be improved, especially with Switzerland, land of Gallatin's birth.

Like America, the Swiss are lovers of democracy, and since the signing of the Swiss-American Treaty of Friendship and Commerce in 1850 excellent trading partners of ours. Indeed, Switzerland is our best cash customer in Europe, despite the fact that its ability to buy American goods has been curtailed by the imposition of a 50-percent tariff increase on watches—its principal export to the United States—and will be limited further if pending new and onerous watch-tariff legislation due to come up before Gallatin's Ways and Means Committee is enacted.

By such harassments, which fly in the face of President Eisenhower's own trade, not aid policy, we only hurt our friends and do not help ourselves. In the tradition of Gallatin, let us begin this session then in a manner he would have approved. Let us seek, with the Swiss and other friendly nations, more mutually profitable trade relations.

SENATOR MORSE, OF OREGON

Mr. MANSFIELD. Mr. President, in the national magazine of the Fraternal Order of Eagles for February 1956, there appears a heartwarming article entitled "Oregon's MORSE." This story of Oregon's outstanding senior Senator tell a great deal in a few words.

A long-time Eagle himself, Senator MORSE stands for—and, most important, works for—the humanitarian legislation which this great American fraternal organization advocates. He has been outstanding in the fields of social security, pensions, workman's compensation, and better schools. All of these are proposals which have had the wholehearted support of this organization, and Senator MORSE has led the fight for them.

Senator MORSE likes to refer from time to time to the outstanding accomplishments of George Norris. In my opinion, Senator MORSE stands on his own feet, and may well serve as an inspiration to others in their fights for human liberty and tolerance. He is not a man to be dominated by expediency, but he is one who will fight on the basis of principle to the last ditch. His knowledge in both the domestic and foreign policy fields is incontestable. His courage and integrity have been proved on numerous occasions; and he has never forgotten that it is his job to do the most good for the most people all of the time.

Senator MORSE has on many occasions been the conscience of the Senate. He has served his State and his Nation ably and well. A farmer, a teacher, a lawyer, a statesman, he is a distinct credit and a valuable asset to the Senate of the United States.

Mr. President, I ask unanimous consent that I may include with my remarks the article carried on Oregon's senior Senator in the February 1956 issue of the Eagle.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OREGON'S MORSE: THE CONTROVERSIAL SENATOR BELIEVES AND FIGHTS FOR THE ISSUES WHICH ARE BACKED BY THE EAGLES

(By Phillip Allen)

If there is one man in the United States Senate who has the look of eagles about him, it is WAYNE LYMAN MORSE, the crag-faced, bushy-browed lawmaker from Oregon.

As it turns out, this descriptive phrase—oft applied to MORSE—is quite accurate. Oregon's controversial Senator is an Eagle with a capital E. As a longtime member of Eugene Aerie, No. 275, he has been a Senate leader in the Eagles' crusade for social security, pensions, workmen's compensation, and better schools.

"I'm awfully proud of my membership in the Eagles," says MORSE. "They stand for—and, more important, work for—the things that I believe in."

The wiry Oregonian with the piercing eyebrows also is proud of his penchant for political independence, which he has demonstrated as spectacularly as any man since Eagle Teddy Roosevelt organized the Bull Moose Party in 1912. "We should have more independent politicians," says MORSE. "The trouble with politics is that it is too often dominated by expediency—and not by principle."

What kind of a man is MORSE? One key to a man is his sense of humor, and MORSE—to the amazement of many who meet him expecting to find an austere, humorless intellectual—has a keen one. Most of the stories he tells are at the expense of himself, punctuated by a deep, growling laugh.

One of them concerns an experience he had as a horseman. In 1949 MORSE was driving his sulky roadster horse at the Oregon State Fair, Salem. He was whizzing past other drivers on a turn when the horse's bridle broke. He couldn't hold the horse back, and his buggy overturned, pinning him underneath it.

MORSE's spine was badly injured and he was unconscious for 2 hours. He was lifted onto a stretcher and carried out of the arena. The crowd applauded and MORSE, unconscious and with no later-memory of the incident, waved his arms to the crowd all the way across the field.

"The doctor," laughs MORSE, "just shook his head and said, 'What a man—he's a politician even when he's unconscious.'"

MORSE has won 25 trophies and 10 championships with horses he raised himself. In 1951 he was walking through the stable when a scared mare let fly with both hind feet. MORSE got the full blow on the right side of his face; his jaw was broken in 4 places and 13 teeth were knocked out.

MORSE walked into an empty stall, lay down, and spit out his teeth. He didn't stop talking for 30 minutes, giving instructions about what to do with his horse, what hospital he wanted to go to, what to tell his family, etc. He again had been unconscious throughout and later had no memory of it.

"But," as the Eagle Senator says, "my ability to talk goes very deep." If MORSE ever has been at a loss for words, there is no recorded instance of it available for future biographers to mull over. His tongue is trigger-quick, even in moments of pain. Recently he delivered a fiery 2-hour speech in the Senate right after undergoing a painful jaw operation.

To relieve the pain, he chewed codeine during the speech and afterwards collapsed into a sound sleep in the Senate cloakroom. "That sleep," grins MORSE, "raised a lot of false hopes that I had had a heart attack."

Outside of the political arena, MORSE is anything but fierce. He and his attractive wife Mildred ("Midge") live placidly at their

Eugene farm home, and his greatest pleasure is working his farm acres.

The Eagle solon, recently described by Time magazine as having "no mental superior in the Senate," is an honest-to-goodness farmer. When he is home at Eugene, he gets up every morning at 5:30 and spends the day happily manuring his fields and taking care of the prize saddle horses and Devon cattle he has been raising most of his life.

WAYNE MORSE, who grew up dirt poor in Wisconsin, always has had to know the value of things. He worked his way through the University of Wisconsin raising cattle and hitting the Dakota harvest trail in the summers.

"Those experiences," he says now, "have a lasting effect on you. If you've been poor and hungry, you never forget it. And—if you're lucky enought to become a United States Senator—you never forget that it's your job to do the most good for the most people all of the time."

WAYNE MORSE'S friends and enemies—and he has many of both—will agree that he has lived up to this creed.

DEDICATION OF BOOK, I MET GOD THERE—TO SENATOR JOHNSTON OF SOUTH CAROLINA

Mr. SPARKMAN. Mr. President, a few days ago I had a letter from one of the leading clergymen of our country, the Reverend John E. Huss, pastor of the Southside Baptist Church, of Spartanburg, S. C., and with the letter he sent me a copy of his book entitled "I Met God There."

I should like to read the dedication. It is to Senator and Mrs. Olin D. Johnston. It reads:

As senior Senator from South Carolina, Mr. JOHNSTON has distinguished himself as a brilliant lawmaker and has brought to his important office the qualities of mind and heart which reveal him as a man of God, and a noble servant of the people.

Daily inspired and encouraged by his beloved and devoted companion of the years, Mrs. Johnston, the Senator has displayed those qualities of character and devotion which are the abiding ideals of Southern life and culture.

To Senator and Mrs. Olin D. Johnston, this book is affectionately dedicated.

EXCHANGE OF CORRESPONDENCE BETWEEN THE PRESIDENT OF THE UNITED STATES AND PREMIER BULGANIN OF RUSSIA

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the recent exchange of correspondence between President Eisenhower and Premier Bulganin.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE, *January 28, 1956.*

His Excellency NICOLAI A. BULGANIN,
Chairman of the Council of Ministers of the Union of Soviet Socialist Republics, Moscow.

DEAR MR. CHAIRMAN: I wish to thank you for your letter of January 23d, delivered to me by Ambassador Zaroubin. I have given it careful thought.

Let me say at the outset that I do indeed believe that the present international situation requires all states, particularly the great powers, to seek to lessen international tension and strengthen international confidence and cooperation.

As the power of destruction grows, it becomes imperative not merely to strive to control and limit that power, but also to do away with antagonisms which could tempt men to use that power. That view, I can assure you, is held by the people of the United States and by their political leaders without any exception whatsoever.

I am confident that that view is also shared by all the peoples of the world, and that those who have been entrusted with political authority have a high duty to respond to the universal longing of the peoples for peace.

As you are good enough to recall, I have more than once alluded to the immensely valuable asset we have in the historic friendship between our peoples. I profoundly believe that upon that foundation better political relations could be established. I can assure you, Mr. Chairman, that there is in the whole world no people more sincerely dedicated to building a structure of peace than the American people. Our whole Nation longs for a cessation of the strains and dangers now present in the international situation. There is indeed no honorable thing that we would not do if we were convinced that it would promote a just peace in the world.

It is from this viewpoint that I have examined your present suggestion that the cause of peace would now be served by the conclusion between our countries of a treaty of friendship and cooperation of 20 years' duration.

I first observe that our countries are already bound to each other by a solemn treaty—the Charter of the United Nations. The treaty which you now propose would consist of three substantive articles. I observe also that each one of these is already covered by the explicit provisions in this United Nations Treaty between us.

The first article of your draft would bind our two countries to develop friendly relations between our peoples on the basis of equal rights, mutual respect and noninterference in internal affairs. As members of the United Nations we are already bound through that organization "to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples."

The second article of your proposed treaty would bind us to settle our international disputes by peaceful means alone. This is an undertaking to which our two countries are already bound by the provisions of article 2 (3) of the Charter of the United Nations which specifies that "all members shall settle their international disputes by peaceful means."

The third article would bind us to the strengthening of economic, cultural, and scientific cooperation. Chapter IX of the Charter of the United Nations dealing with international economic and social cooperation pledges us to work for "solutions of international economic, social, health, and related problems," and to "international cultural and educational cooperation."

The Charter of the United Nations constitutes a solemn treaty not only between your country and our own—it is a treaty among many countries, all of whom are bound to us and to each other, and all of whom are concerned with world peace. The American people sincerely desire to help make reality of these charter goals.

But the present state of international tension was not prevented by the words of the charter. How can we hope that the present situation would be cured merely by repeating those words in a bilateral form

I wonder whether again going through a treaty-making procedure, and this time on a bilateral basis only, might indeed work against the cause of peace by creating the illusion that a stroke of a pen had achieved a result which in fact can be obtained only by a change of spirit.

Friendly collaboration between states depends not solely upon treaty promises but upon the spirit that animates the governments of the states concerned and upon actual performance.

It was in the hope of promoting such a spirit and such performance that I went to Geneva last July, a course which had no peacetime precedent in American history. Despite the doubts of many that the mission would, in fact, serve any useful purpose, I felt that the existing situation was so serious that no chance for improvement, however slight, ought to be neglected. In Geneva you expressed similar views and aspirations.

I had earnestly hoped that out of that meeting with you and with the heads of Government of France and the United Kingdom would come a bettering of international relations, especially as between the 4 nations there represented and in relation to particular problems for which our 4 nations had a particular responsibility.

Unhappily, the American people have had sadly to conclude that the events following our meeting have not given substance to their hope.

Permit me to recall to your mind a short record of recent events.

At Geneva we directed our foreign ministers to propose effective means for the solution of three specific problems.

The first of these problems was that of European security and Germany. We explicitly agreed that the settlement of the German question and the reunification of Germany by means of free elections should be carried out in conformity with the national interests of the German people and the interests of European security. However, despite constructive proposals put forward by the three Western Powers for German reunification and European security, your Government felt that it could not at this time entertain any proposal dealing with the reunification of Germany by means of free elections.

The second problem was that of disarmament. In our Geneva discussion of that problem I made my "open skies" proposal in the hope that we might actually do something to convince the world that we had no aggressive purposes against each other. But this proposal your Government rejected at the Foreign Ministers meeting.

The third problem was the development of contracts between East and West. The Western Ministers proposed many concrete measures to bring about closer relations and better understanding, none of which was accepted by your Government. Despite that fact there has, as you point out, recently been some improvement in contracts between the Soviet Union and the United States of America.

A further deterioration has taken place because to us it has seemed that your Government had, in various areas of the world, embarked upon a course which increases tensions by intensifying hatreds and animosities implicit in historic international disputes. I share your conviction that an improvement in Soviet-American relations is urgently needed. But frankly, our people find it difficult to reconcile what appears to us to be the purposes of your Government in these areas with your present words—words which so rightly emphasize the special responsibility of our Governments to lessen international tension and strengthen confidence and cooperation between States.

I deal with the history of this past year solely for the purpose of enabling us with better prospect of success to chart our future. This Nation holds out the hand of friendship to all who would grasp it in sincerity. I have often said, and I now repeat, that there is nothing I would not do to promote peace with justice for the world. But

we know that it is deeds and not words alone which count.

Consider, Mr. Chairman, what a vast change would be effected not only in our relations but throughout the entire world if there were prompt measures to reunify Germany in freedom within the framework of security; if there were carried out our wartime pledge to respect the right of peoples to choose the form of government under which they will live; if there were arranged such mutual opening of our countries to inspection that the possibilities of surprise attack would vanish and if reductions of armament were made practical, with the release of productive power for the betterment of mankind. Consider, also, the mountain of distrust and misunderstanding that would disappear if our peoples freely exchanged news, information, visits, and ideas.

These are all matters which you and I have discussed together at Geneva. They are results to which my Nation remains dedicated and toward which we are prepared at any moment to move in a spirit of conciliation. May I hope, from your letter, that you too are dedicated to these great ends?

I shall look forward to receiving a further expression of your views.

Sincerely,

DWIGHT D. EISENHOWER.

THE KREMLIN, MOSCOW,
January 23, 1956.

His Excellency DWIGHT D. EISENHOWER,
President of the United States of America, Washington, D. C.

DEAR MR. PRESIDENT: In the firm conviction that you share my concern over the present state of the relations between our countries, I should like to impart to you my ideas regarding possible means of improving those relations.

You, I am sure, agree with me that the present international situation requires all states, particularly the great powers, which bear special responsibility for assuring worldwide peace and the security of nations, to take measures that may help further to lessen international tension and strengthen confidence and cooperation between states. This would satisfy the heartfelt longing of peoples to live in peace and tranquility and to devote their material resources and energy to creative and constructive work, cultural advancement, and prosperity

At the meeting of the heads of governments of the Four Powers at Geneva, we all expressed our readiness to strive for a lessening of international tension and an improvement in relations between states in accordance with the principles of peaceful coexistence and economic cooperation.

There is no doubt that for any future lessening of international tension the question of relations between the Soviet Union and the United States has special significance.

This raises the problem of the necessity for taking steps to improve substantially the relations between the Union of Soviet Socialist Republics and the United States of America. Such improvement of Soviet-American relations would be a genuine contribution toward ameliorating the entire international situation and maintaining and consolidating world peace.

The history of the relations between our countries is convincing proof of the fact that their friendly cooperation, based on a striving for mutual understanding, mutual respect for sovereignty, and which was later based on the common struggle against the forces of aggression, satisfies the highest interests of the peoples of both countries.

It is certainly not by accident that, with the exception of the period of foreign intervention against the young Soviet Republic, the peoples of our states have never fought each other; that between them there have never been and are not now any irreconcilable differences, nor any frontiers or territories that might become an object of dispute or conflict.

This is why the Soviet people received with complete understanding your statement at the conference of the heads of government of the Four Powers at Geneva, in which you remarked: "The American people would like to be friends of the Soviet people. There are no disputes between the American and Soviet peoples, there are no conflicts between them, there is no commercial hostility. Historically our peoples have always lived in peace."

Life itself has proven that cooperation between the U. S. S. R. and the United States of America has been based, not on accidental and short-lived motives but on fundamental and enduring interests. This found a significant manifestation, first of all, in the fact that our countries were allies during both World Wars.

You, as one of the outstanding military leaders of the anti-Hitler coalition, are especially aware of the fact that the military cooperation between the Soviet Union and the United States during the years of the Second World War played a most important part in crushing the common foe—the Fascist aggressors. Bound by the ties of blood shed by the best sons of the people of both countries, their military alliance, which was also shared by Great Britain, France, China, Poland, Yugoslavia, Czechoslovakia, Norway, Greece, and other countries of the coalition of freedom-loving peoples, endured with honor all trials of the war, which was thrust upon our peoples by the forces of aggression in the West and in the East.

It is highly regrettable that in the postwar period the relations of friendship and cooperation between the U. S. S. R. and the United States of America should have worsened. The impairment of relations between the Soviet Union and the United States of America, whatever the reasons may be, is contrary to the interests of both the Soviet and the American peoples and adversely affects the entire international situation.

I am sure that you, like myself, are convinced that the differences between the social structures of the U. S. A. and the U. S. S. R. should not prevent our countries from maintaining the political, economic, and cultural relations in which our peoples are interested. In the years preceding the Second World War, Soviet-American relations progressed considerably, especially in the economic field. During the war the relations between our countries reached new heights, which was due to the wide support of the peoples of our countries and which strengthened their mutual sympathies. This helped shorten the war and lessen the sacrifices of nations.

It is, of course, impossible not to take account of the fact that during the period of the cold war between the U. S. S. R. and the U. S. A. serious disagreements have arisen with regard to various international problems connected with disarmament, the assurance of security in Europe, the German question, together with certain problems of the Far East, and the importance of the above-mentioned problems is recognized. At the last meeting of the foreign ministers of the four powers at Geneva, even with the narrowing of the gap between the positions of both sides with regard to individual matters under discussion, substantial divergences became manifest and further efforts will in time be needed to reach the necessary agreement on a solution of the above problems.

Nevertheless, a continuation of the existing state of Soviet-American relations cannot further the settlement of unsolved international problems. At the same time an improvement in Soviet-American relations that would satisfy our people's longings for the furthering of friendly relations between our countries might create a new international atmosphere favorable to the settlement of controversial questions by means of negotiations on a mutually acceptable basis.

It is impossible not to see that a practical solution of the problem of a further lessening of international tension and strengthening of confidence between States, including the improvement of Soviet-American relations, is in the interest of both the Soviet and the American peoples as well as of all other nations.

I believe that you, Mr. President, will agree that under existing conditions international tension is fraught with the possibility of breaking the peace, with nations reaping all the dangerous consequences thereof.

Moreover, it is well known to everyone that the newest implements of war, such as atomic and hydrogen weapons, various instruments of present-day jet and rocket techniques, as well as other kinds of weapons of mass destruction, place the peoples of all countries in an equally dangerous situation in the event that international peace is disturbed, threatening to subject their territories and, above all, densely populated districts of highly developed countries to the devastating effects of atomic war.

At the present time more than ever, it is the duty of each State to be concerned with the maintenance and strengthening of peace, the settlement of international disputes by peaceful means alone, in harmony with the aims and principles of the United Nations.

There can be no doubt that the peoples of the Soviet Union and the United States of America are equally interested in putting an end to the armaments race, which forces them to waste their strength and resources for unproductive purposes. The existing armaments race not only saddles nations with a heavy burden of military expenditures and thereby creates obstacles to the promotion of their material welfare, but also greatly intensifies the danger of a new war.

The improvement of Soviet-American relations would lighten the task of putting an end to the armaments race and would contribute to a fuller utilization of the economic resources of states in the interest of peace. In this case the resources now going into unproductive military expenditures could be used for purposes of improving the material well-being of nations, lowering taxes, raising real wages, housing and public construction, aiding underdeveloped countries in the interest of peace, and of strengthening international cooperation.

All of this would contribute considerably toward the expansion of the domestic market as well as the furtherance of international trade and would moreover insure a corresponding increase in production and in employment of the population on the basis of an expansion of the peace economy.

The fact should be recognized that events have recently taken place the positive significance of which could not fail to be reflected in the overall international situation. The past year was one in which no war was being waged in any part of the world. Recently certain complicated international problems that had remained unsolved after the end of the Second World War have been settled.

For the first time since the last war, a meeting of the heads of government of the Four Powers was held in Geneva, and the results achieved by us at that meeting were genuinely and fervently welcomed by the peoples of the entire world as corresponding to their aspirations and hopes.

Recently an improvement has been noted in contacts between countries of the East and West, particularly between the Soviet Union and the United States of America, although it is still far from possible to consider such contacts as broad and adequate. As for the U. S. S. R. and the U. S. A., these expanded contacts have shown how great are the longings of the peoples of our two

countries for the further development of such contacts and of friendly cooperation.

In all these important international events, in which the Soviet Union has been advocating a stronger peace and friendship among nations, the results achieved have to a considerable extent been due to the cooperation that has taken place between our countries.

I am genuinely convinced that an improvement in Soviet-American relations is urgently needed.

In my opinion this purpose could be served by the conclusion of a treaty of friendship and cooperation between our countries.

Such a treaty could make provision for the parties, in a spirit of genuine cooperation and mutual understanding, to develop and strengthen the friendly relations between the people of the U. S. S. R. and the United States on the basis of the principle of equal rights, mutual respect for state sovereignty, and noninterference in internal affairs, and to settle all their international disputes, in accordance with the provisions of the U. N. Charter, by peaceful means alone.

The treaty might also provide for the agreement of the parties to cooperate in developing and strengthening economic, cultural, and scientific cooperation between the U. S. S. R. and the United States, based on the principle of mutual advantage and equality of rights.

My colleagues and I feel that the conclusion of such a treaty between the Soviet Union and the United States of America would be an important contribution to the development of Soviet-American relations and at the same time an act of great international significance.

I firmly believe that the proposal concerning the conclusion of a treaty of friendship and cooperation between the U. S. S. R. and the United States for the improvement of Soviet-American relations in the interest of strengthening peace and for the further lessening of international tension will be favorably received by you and will evoke a positive response from the Soviet and American peoples, as well as from those of other countries.

It is my opinion that the spirit of the treaty which I propose is embodied in the draft enclosed herewith.

I trust that I may soon receive an expression of Your Excellency's thoughts on this subject.

Respectfully,

N. BULGANIN.

A TREATY OF FRIENDSHIP AND COOPERATION BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED STATES OF AMERICA

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the President of the United States of America.

Inspired by a desire for a further lessening of international tension and for the establishment of trust between states and acting in the interest of maintaining worldwide peace and security.

Being desirous of strengthening the friendship between the peoples of the Soviet Union and the United States of America.

Being convinced that a strengthening of friendship and cooperation between the Soviet Union and the United States of America on the basis of the principles of equal rights, mutual respect for state sovereignty, and noninterference in each other's internal affairs, conforms to the vital interests of both countries.

Asserting their faith in the aims and principles of the Charter of the United Nations and their desire to cooperate and live in peace with all peoples and with all governments.

Have resolved to conclude the present treaty of friendship and cooperation and have designated as their plenipotentiary representatives:

For the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics ------ ------.

For the President of the United States of America ------ ------, who, having communicated to each other their full powers, which have been found to be in good and due form, have agreed as follows:

ARTICLE I

The contracting parties will develop and strengthen, in the spirit of sincere cooperation and mutual understanding, friendly relations between the peoples of the Soviet Union and of the United States of America on the basis of equal rights, mutual respect for state sovereignty, and noninterference in internal affairs.

ARTICLE II

The contracting parties have agreed, in conformity with the provisions of the Charter of the United Nations, to settle all their international disputes by peaceful means alone.

ARTICLE III

The contracting parties will contribute to the development and strengthening of economic, cultural and scientific cooperation between the two states, on the basis of the principle of mutual benefit and equal rights.

To implement the present article, appropriate agreements may be concluded between the contracting parties.

ARTICLE IV

The present treaty shall be subject to ratification. It shall become effective on the date of exchange of instruments of ratification which is to take place in the city of ——— in the shortest possible time.

The treaty shall be valid for 20 years from the date of its coming into force. Upon the expiration of the aforesaid period each of the contracting parties shall have the right to denounce it. Such denunciation shall become effective 1 year from the date on which notice thereof is given.

In witness whereof, the Plenipotentiaries have signed this treaty and have affixed their seals thereto.

Done at ——— on ——— 1956, in 2 copies in the Russian and English languages, both texts being equally authentic.

By authority of the Presidium of the Supreme Soviet of the U. S. S. R.

By authority of the President of the United States of America.

VISIT OF ABDUL WAHAB KHAN AND MOHAMMED BASHEER AHMAD

Mr. SALTONSTALL. Mr. President, I have the honor to present to Members of the Senate Mr. Abdul Wahab Khan, President of the Pakistan Constituent Assembly, or the Pakistan Parliament.

Mr. Khan is a distinguished lawyer from East Pakistan. He passed his bar examination at the University of Calcutta in 1921. For 20 years he served as assistant public prosecutor. He was elected to the East Pakistan Legislative Assembly in 1952 on the United Front ticket. He is associated with a large number of educational institutions and is founder-president of many schools in East Pakistan. He was recently elected as president of the Pakistan Constituent Assembly.

[Applause, Senators rising.]

Mr. FULBRIGHT. Mr. President, I join the Senator from Massachusetts in welcoming Mr. Khan, the leader of the Constituent Assembly of one of our most valued allies. I know that other Senators take great pleasure, as I do, in this gesture of friendship on the part of our visitor who has come to visit the Senate. I know that all Members of the Senate on this side join in the welcome extended to Mr. Khan.

Mr. SALTONSTALL. Mr. President, I also have the honor to say to the Senate that in the distinguished visitors' gallery is Mr. Mohammed Basheer Ahmad, who is secretary to the Pakistan Constituent Assembly and is a well-known Pakistani leader. He has assisted his country in the drafting of a constitution which is currently being discussed by the Pakistan Constituent Assembly.

[Applause, Senators rising.]

The PRESIDENT pro tempore. The Senate is very glad indeed to welcome the distinguished visitors. The Chair hopes they will enjoy their visit with us.

THE EDUCATION OF THE INDIANS

Mr. GOLDWATER. Mr. President, the education of our Indian peoples is one of the most important and worthwhile subjects in which this body can interest itself. For a long period of time, I have been interested, as have many Arizona citizens, in the problems of Indian education.

In line with this long-standing interest, I introduced Senate Joint Resolution 110, and the able Representative from Arizona, JOHN J. RHODES, introduced a similar measure, House Joint Resolution 451. These measures direct the Secretary of the Interior to have the Bureau of Indian Affairs study and investigate Indian education, with particular emphasis on, first, the educational problems of Indian children from non-English-speaking homes; and, second, the possibility of establishing a more orderly, equitable, and acceptable program for transferring Indian children to public schools.

The intent of their resolutions is that a major share of the study and investigation shall consist of original educational research and original inquiry into the interests and desires of Indian and non-Indian citizens in the field of Indian education. Neither Mr. RHODES nor I have any desire for a study that merely rewrites material already in the files. We hope the proposed legislation will bring about some effective answers in facing the problems of Indian education, both now and in the future.

In view of this interest and the legislation, which is now pending before the appropriate Senate and House committees, I shall quote from a letter which I received from the Commissioner of the Bureau of Indian Affairs, Mr. Glenn L. Emmons:

My staff and I have reviewed the report of the Subcommittee on Indian Education of the Arizona White House Conference on Education and we are much impressed with the work of the committee. We are also fully in accord with their recommendations.

A continuing objective of this Bureau is an orderly transition of Indian children to the public school systems of the States of their residence. In some States this objective is well on the road to achievement; in others with large Indian populations, such as Arizona and New Mexico, much remains to be done. As you so well know, moving forward on this objective becomes complexly involved in such factors as school financing,

building construction needs, school districting, Indian and community attitudes, etc. Therefore, we agree that a comprehensive independent study, such as that envisioned by the Arizona committee could serve a much needed and timely purpose by pointing up the facts upon which this Bureau could base future educational plans in each State. We would be glad to support legislation authorizing funds for such a study.

The resolutions introduced by Mr. RHODES and myself were based on these recommendations. The subcommittee is very ably headed by Dr. William H. Kelly, of Tucson, director of the bureau of ethnic research at the University of Arizona. Members of the group are Harry L. Stevens, vice chairman, assistant area director, Phoenix area office, Bureau of Indian Affairs; Platt Cline, editor and publisher, Arizona Daily Sun, Flagstaff; H. A. Hendrickson, principal, Snowflake High School, Snowflake; Delbert R. Jerome, director of Indian education, State office of public instruction, Phoenix, Paul Jones, chairman of the Navaho Tribal Council, Window Rock; and Samuel Thomas, chairman of the Arizona Commission on Indian Affairs and manager of Pima-Maricopa Tribal Farms, Sacaton.

It is my sincere hope, Mr. President, that this proposed legislation will be acted upon during this session of Congress, so that these Americans will benefit from the results of this research that much sooner.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the text of the report on Indian education in Arizona, prepared for the Arizona White House Conference on Education by the subcommittee on Indian education, and dated October 17, 1955.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON INDIAN EDUCATION

(Submitted to the executive committee of the Arizona White House Conference on Education by the subcommittee on Indian education)

INTRODUCTION

During the present year it is expected that all Arizona Indian children who present themselves for school attendance will be provided with classroom space. This situation is the result of the Johnson-O'Malley Act which provides funds for Indian children in public schools, the Navaho-Hopi rehabilitation program which has provided funds for school construction, and the Navaho school emergency program initiated by Mr. Glenn L. Emmons, Commissioner of Indian Affairs. As the result of these programs, school enrollment of Indian children in Arizona has increased from 16,261 in 1952–53 to 23,928 in 1954–55.

With the problem of providing school facilities out of the way, at least for the moment, attention can now be turned to the special educational problems that must be solved, and to a permanent program for Indian education to replace some aspects of the emergency program. Costs are high, and the problems are very special and complex, because of the scattered and isolated location of most Indian homes in the State, and because of the differences that exist between Indian tribes and between Indians and non-Indians in language and customs.

The total cost of educating Arizona Indian children last year, including amounts paid by Federal, State, local, and church agencies, was approximately $13,395,427. The per capita cost, estimated on the basis of total enrollment, was about $559.40.

There are two aspects to the language and culture problem in Indian education. In the first place, it is the intention of both the Indians and Indian Service administrators to use the school experience of Indian children as the chief means of establishing a better Indian adjustment with non-Indian customs and institutions. If this special function of Indian education is to produce the best results, a way must be found to bring the Indian parent, as well as the child, into the educational process.

Secondly, language and cultural differences enter directly into the problem of teaching. Indian children must be taught a new language and new social customs in addition to the usual academic subjects, and this requires specialized skills on the part of teachers and, in some cases, a special teaching program for the first years of school.

The magnitude of the language and culture problem in Indian education is indicated by the fact that almost all Indian children in Arizona enter school with no knowledge of English, and come from homes where the vast majority of parents have little or no formal education, and little real knowledge of the values and goals of non-Indian civilization. Conditions, of course, vary from tribe to tribe with the most serious problems concentrated on the Navaho Reservation.

The subcommittee on Indian education has held five formal meetings during the period of its work, and individual members have spent considerable time in special study assignments. Many specialists in Indian education, including administrators in the Bureau of Indian Affairs, have taken part in our discussions and have supplied valuable information. The agreement, above all others, that has emerged from our work is that those who are responsible for Indian education must be given the opportunity to keep their policies and procedures up to date, and to revise and perfect their operations.

Federal and State agencies, and the American public, now appear willing and ready to make Indian education of greatest possible benefit to the Indian people, and to make education the key program for the establishment of improved social and economic conditions among Indians. Evidence for this is in the unanimous support which was given to the Navaho school-emergency program.

Given this situation, and the experience gained from the Navaho program, some very fundamental questions involving policy and procedures are raised, and considering the cost and magnitude of the Indian education program, deserve more careful answers than are now available.

With this in mind, and to indicate the areas where greater knowledge and direction would be most desirable, agreement has been reached on the following points:

AREAS OF AGREEMENT

1. Financial responsibility: The present confusion and uncertainty with respect to the allocation of Indian educational costs between Federal and State governments must be resolved, and definite criteria must be established with respect to the economic, political, legal, and other conditions that must prevail in Indian communities before Indian students are transferred to public schools. The organization of an effective and economical program for Indian education in Arizona appears to depend upon the solution of this problem.

2. Nonsegregated schools: Wherever possible, Indian children should receive their education in nonsegregated schools. Among other things, the transfer of Indian children to nonsegregated schools, as in the past, should rest upon the consent of the Indian community.

3. Long-range plans: Long-range plans for Indian education are badly needed, and the responsibility for carrying out the plans should be lodged in a single agency, logically the State department of public instruction, with attention directed toward all Indian children in Federal and public schools. Such an agency should consult with Indians at every stage of planning and execution.

4. Curriculum and teaching skills: The education of Indian children, whether in public or Federal schools, who come from homes where English is not the preferred language, requires the use of special skills, experience, and methods. Because of total language difference, and special cultural differences, this is a more difficult matter than in the case of other non-English-speaking groups.

5. Parent-teacher program: Because the education of Indian children is an important part of the acculturation program, it is necessary that some part of the school responsibility be a program of parent-teacher conferences so that some coordination be achieved between home and school influence in training the child for adult life.

6. Adult education: For the same reason, a program of Indian adult education should be established for those parents who have not attended school or who, for any reason, do not understand the methods, purposes, and goals of education for their children.

7. Boarding schools: Except under very unusual circumstances, Indian children under the age of 12 should not be separated from their parents during the school year for the purpose of receiving an education. Where necessary and possible, day schools for such children should be established.

8. Higher education: As a part of the total Indian adjustment program, and especially in light of the Indian desire to assume full responsibility for the management of their community affairs, greater opportunities for higher education for Indians should be provided through grants of Federal and other funds for this purpose. As in the case of non-Indians, the higher education program should include opportunities for college, junior college, and vocational training.

RECOMMENDATION

It is recommended that the Congress of the United States authorize an independent overall study of Indian education, and that necessary funds be appropriated for this purpose.

It is suggested that the following points be considered in the organization of the study group and in the scope of its work.

1. The study committee should be composed of education specialists representing both State and Federal agencies, along with private citizens, Indian and non-Indian, from some of the States with large numbers of Indian citizens.

2. The study committee should receive adequate compensation for its work and, in addition, be authorized to make contracts with research organizations for the carrying out of special study assignments.

3. A major share of the study should consist of original educational research, and original inquiry into the interests and desires of Indian and non-Indian citizens in the field of Indian education.

4. Special attention in the study should be paid to the education problems surrounding children from non-English-speaking homes.

5. Special attention in the study should also be paid to the development of a program designed to obtain the most orderly, equitable, and acceptable program for transferring Indian children to public schools.

6. The study should be of sufficient scope and competence as to provide a reliable guide to Congress, to the Bureau of Indian Affairs, and to State officials, for the establishment of more efficient and economical long-range plans and policies in Indian education.

STATEMENT BY SENATOR WATKINS ON THE PRESIDENT'S AGRICULTURAL PROGRAM

Mr. WATKINS. Mr. President, I ask unanimous consent that a statement on the President's agricultural program, which I filed yesterday with the Senate Committee on Agriculture and Forestry, be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I appreciate the opportunity of appearing before this distinguished committee which has the great responsibility of recommending farm legislation which will promote the economic prosperity of our rural population and expand our national economy.

I appear before you this morning not only as the senior Senator from Utah, representing the people of that great State, but also as a practical farmer. For many years I operated a ranch for the production of grain and alfalfa hay, and I now operate a fruit farm in Utah County. I can, therefore, appreciate, from firsthand experience, the hardships which extreme output fluctuations have upon farm prices and farm income.

But in light of all the current discussion about the declining parity ratio and prices received by farmers, and the fact that this is an election year, Mr. Chairman, it is very important that we see this matter in proper perspective. Commonsense and respect for the facts concerning the basic soundness of American agriculture ought to guide the Congress in enacting farm legislation.

Therefore, Mr. Chairman, I should like to point out some of the factors which clearly indicate that American agriculture is basically in a sound condition:

First, the Council of Economic Advisers in its publication, Economic Indicators, for January 1956, points out that net income per farm at the end of the third quarter of 1955 was only $8 less than at the end of the third quarter of 1954. Second, the prices paid by farmers for family living items increased only 1 point from 273 in January 1955 to 274 in December 1955. This indicates a relatively stable consumer price level. The prices paid by farmers for production items, on the other hand, declined 11 points from 254 in January 1955 to 243 in December 1955.

Third, the total value of all farm assets is some $163 billion, down only $3 billion from the peak. Total debt of all farmers is $18 billion, only 11 percent of total farm assets. Farmers as a whole own enough stock or other liquid assets, quickly convertible into cash, to more than pay this indebtedness.

Fourth, only 3 out of 10 farmers have mortgaged debts and over 80 percent of all farms mortgaged are mortgaged for less than 50 percent of their market value—over one-half are mortgaged for less than 30 percent of their market value.

Fifth, perhaps the best indicator for determining the basic soundness of any segment of the economy is the trend in the number of bankruptcy cases filed by different types of business. Cases involving farmers have constituted exactly six-tenths of 1 percent of the total number of such cases for the past 5 years—1951 through 1955. In 1955, only 386 out of 59,404 bankruptcy cases involved farmers, and remember, Mr. Chairman, the 1954 agricultural census reveals that we have some 4.7 million farmers.

Now, Mr. Chairman, there is another matter that I should like to discuss for a few moments. The 1950 Agricultural Census provided us, for the first time, with income data by economic class of farms. Many agricultural economists who have analyzed this data have consistently pointed out (as several did to the Joint Committee on the Economic Report during the 1955 hearings on the President's Economic Report) that the income position of those owners or operators of one-third of our farms which produce 85 percent of our marketable crop value, was very good in 1949, and that even in spite of the price difficulties farmers have experienced since 1950, they have maintained their position.

In 1940 over half of all farmers—more than 3 million—produced crops, the average value of which was only $700. Five years later, one-third of our farms were producing only 4 percent of the crop value; another one-third produced an additional 16 percent. Think of it, in one of the most prosperous years ever enjoyed by farmers, two-thirds of our farms produced only 20 percent of the marketable crop value. In 1948, 43 percent of our farms—over 2½ million—produced only 6 percent of the gross farm income. This was in the year, Mr. Chairman, which saw the total farm net income aggregate at the postwar peak of $17.6 billion. If adjustments are made for price level fluctuations, the contribution of these farms has not altered much for the better over the past 7 years.

What significant conclusion can be drawn from this data? What implications, Mr. Chairman, do they have for price support policy? Namely these:

1. Two-thirds of our so-called farms produce very little for sale, and in many cases cannot even produce the food required to meet the needs of their operators and their families.

2. Two-thirds of our farms produce so very little that they cannot take advantage of or benefit from the price-support programs carried out by the Commodity Credit Corporation.

3. No wonder average per capita farm income is but one-half of the average per capita nonfarm income—two-thirds of our farmers contribute very little to total farm income. Their inclusion by definition as "farmers" only serves to make average per capita farm income compare unfavorably with per capita nonfarm income.

Secretary Benson, in his talk at the Pantograph Farm and Soil Day, Bloomington, Ill., last August 25, put it this way:

"It is the very low incomes of part-time and noncommercial farmers, lumped into agricultural income statistics, that distorts the true picture. The real truth is that incomes of commercial farmers—farmers who operate family-sized units such as predominate in this area—compare favorably with those of urban people with similar abilities and capital."

It is obvious then, Mr. Chairman, that the chief beneficiaries of our price-support programs have been and are the upper one-third of our farmers who produce 80 percent of the annual marketable crop value in this country and who receive 80 percent of farm income. These farmers, financially speaking, are the best off of our farm population; but, without doubt, even most of these farmers, because of the nature of price competition they operate in, need price-support assistance during certain periods. It is among this top one-third of our farmers that we find most of the family farms which, as President Eisenhower noted in his special agricultural message, "are the bulwark of our agriculture."

How does the average per capita income of these farmers compare with that of the nonfarm workers? Very favorably indeed, Mr. Chairman, and remember these are the farmers who produce the bulk of our food, and these are the farmers who are the chief beneficiaries of our price-support programs. The 1950 Census of Agriculture, as I have previously noted, published for the first time complete information on farm income by economic class of farm. Analysis of these data reveals that:

1. 1.2 million of the then existing 5.3 million farms, containing 209.1 million acres of harvested cropland, produced crops or livestock for sale at a value or in excess of $5,000. Expressed another way, 22 percent of the farms existing in 1949 produced 74 percent of the total value of farm products sold, utilizing some 60 percent of the total harvested cropland.

2. The average family income, including both money and nonmoney income, of the 5 million persons living on these 1.2 million farms was $5,143. By comparison, in 1949, the average family income of all families on farms was $2,650, and the average family income of urban and rural nonfarm families was only $3,650, some $1,493 less.

3. The average per capita income—including both money and nonmoney values—of these farms was $1,229, twice the average per capita farm income of all people on farms, which was only $651.

It is evident, Mr. Chairman, that the income situation of some one-third of our farmers, who produce 85 percent of our annual marketable crop value, is actually superior to that of the average nonfarm family. Our producing farmers are sharing in the great economic prosperity which the people of this country have enjoyed during the Eisenhower administration. Let no one make a mistake about that.

Our real income problem in agriculture is the welfare of those two-thirds who produce very little, and a great majority of whom are actually only part-time farmers. The inclusion of these income figures in agricultural income statistics not only has led to a distorted and unfavorable comparison of farm with nonfarm income, but also to the assumption that price support can help this large group of small farmers and part-time farmers. Actually the concealed need of this group, as President Eisenhower's special report on low-income farmers told us, is for public programs largely nonagricultural in nature.

But the most startling fact of all, Mr. Chairman, is that only 9 percent or 484,000, of the farms in 1949 produced 51 percent of the total value of all farm products sold, utilizing only 34 percent of the harvested cropland. These are the largest and most efficient farms, operated by farmers with the highest incomes.

1. The average family income, including both money and nonmoney, of this 9 percent of our farmers was $6,585, nearly 2.5 times that of all farm families.

2. Their average per capita income, including both money and nonmoney, was $1,594, about 2.5 times that of all farm people.

These also are the farms whose operators are and have been receiving the largest subsidies under the price-support programs. One private research organization recently reported that 1.9 percent of our farmers received 25 percent of the price-support subsidy in 1953.

As I pointed out in my supplemental view contained in the 1955 Report of the Joint Committee on the Economic Report:

"For every dollar that the small farmer received through price support, many more dollars go to the big operator, and the competitive advantage of the big operator is thereby increased.

"For example, in Kansas for the 1953 crop, the average wheat loan was $1,525 and the average of the 5 largest loans was $106,963. In Mississippi the average cotton loan was $372 and the average of the 5 largest loans was $479,535. In Iowa, the average corn loan was $2,154, while the average of the 5 largest loans was $98,535.

"For wheat, corn, and cotton in the above States the 5 largest loans averaged 25, 46,

and 1,290 times as great as the State average" (pp. 64–65).

Mr. President, the largest loans under the price-support program are those received by corporation farms—not family farms. With respect to cotton, the largest loans were made by—

1. The Delta & Pine Land Co., of Scott, Miss., which placed 7,220 bales under loan in the amount of $1,269,492.66.

2. Giffen, Inc., of Huron, Calif., which placed 7,314 bales under loan in the amount of $1,246,516.46.

With respect to wheat:

1. Harrigen Farms, of Prosser, Wash., which placed 152,840 bushels under loan in the amount of $354,339.

2. United States Wheat Corp., of Hardin, Mont., which placed 184,516 bushels under loan, with a loan value of $348,646.20.

With respect to corn:

1. Adams Bros. & Co., of Odebolt, Iowa, which placed 124,800 bushels under loan, at a face value of $190,944.

2. Emil Savich, Rensselaer, Ind., who placed 102,648 bushels under loan, in the amount of $166,289.76.

These farms are among the 484,000, or 9 percent, which as I have noted produced 51 percent of the total value of all products in 1949.

Mr. Chairman, I am quite well aware of the fact that the parity ratio has fallen from 107 percent of parity in 1951 to 80 percent of parity in December 1955; and I am also aware of the fact that the prices received index has fallen from 302 in 1951 to 223 in December 1955. But I would remind you that whatever effect the increased production of the basic commodities—wheat, corn, cotton, tobacco, rice, and peanuts—has had upon the drop in the parity ratio and prices received by farmers, that effect was increased under the rigid 90-percent price-support program.

You are aware, as well as I, that although the Republicans have been in office since January 20, 1953, the basic commodities were supported under wartime legislation during this period, enacted by a Democratic-controlled Congress calling for 90-percent support, until the summer and early fall of 1955, when the flexible price-support provisions of the Agricultural Act of 1954 went into operation.

It is also evident that the ability of the flexible price-support program to bring the supply of basic commodities into line with demand cannot be demonstrated at this time because, as Secretary Benson told you last Thursday, "the law is smothered by the surpluses accumulated under our past programs." As of December 5, 1955, the Commodity Credit Corporation had in inventory (1) 919,436,423 bushels of wheat; (2) 696,538,203 bushels of corn; (3) 6,336,412 bales of cotton.

Personally, I was pleased that the President did not take the politically expedient way out by recommending a return to the 90-percent rigid price-support program. The size of the CCC inventories of their three basic commodities should make it evident to all of us that a return to that now-discredited program does not offer farmers any relief from the low price situation they are currently facing.

From what I have said, I believe it is evident that the producing part of agriculture, that is, those farmers who can take advantage of price support—some 2 million farm owners and operators—are relatively in a sound financial position. But it is also obvious that before they can take advantage of and receive useful and effective price support assistance under the flexible support program, the current surpluses must be disposed of.

SOIL BANK PLAN

As a means of reducing these surpluses which, as Secretary Benson told the committee last Thursday, "we should not ask the Nation to undertake more than once," the President has proposed the establishment of a soil bank. This soil bank, as the Secretary also told you, is proposed "to help bring about a balance of supplies and markets." You are familiar with its details and I need not, therefore, discuss them.

I am of the opinion, based upon two opinions prepared for me by the American Law Division of the Legislative Reference Service of the Library of Congress (attached to my statement as exhibits 1 and 2), that the Secretary of Agriculture now has the authority under the Soil Conservation and Domestic Allotment Act of 1936, as amended, to establish the proposed acreage-reserve program and to make payments to participating farmers in cash under that same authority, if the Congress will appropriate funds for payments to farmers for withdrawing soil-depleting crops from production, which it has not done since 1943. The Secretary can also make payments in kind under the general and specific powers contained in the Commodity Credit Corporation Charter Act.

I am also of the opinion that the Secretary of Agriculture has authority under the Soil Conservation and Domestic Allotment Act of 1936, as amended, to establish the conservation reserve program and to make cash payments to participating farmers under an expanded agricultural conservation program to include, in addition to the present soil-building practice payments, cash payments for withdrawing soil-depleting crops from production.

Although these competent legal opinions seem to support my opinion, I believe it essential that the Congress, as a statement of national policy, should formally enact such a soil bank plan and pull this diverse authority together into one piece of legislation. I can fully appreciate the desire of the executive branch of the Government in wanting to have the Congress—the legislative and policy forming branch of the Government—outline the basic framework and details of this dynamic proposal. The President and Secretary Benson are to be complimented, not criticized, for seeking congressional guidance in this matter which so vitally affects not only the welfare of agriculture but also the welfare of the entire country.

Mr. Chairman, I sincerely hope that the committee will give considerable attention to local administration of this program. Specifically, I believe there will be need of increasing the number and quality of full-time office personnel trained in administration in county agricultural stabilization and conservation committee offices. The administrative details are going to increase and complicate local administration.

I believe it essential that, in light of livestock prices and the effect production of nonbasic crops on acreage diverted from basic commodities has had in many areas, grazing of livestock or cropping must be rather strictly controlled on reserved lands. The committee, in this respect, ought to give serious consideration to requiring that farmers, in order to participate in these programs, must agree (1) to comply with their acreage allotments and marketing quotas in order to get payments under the Agricultural Conservation Program, and (2) to place part of their acreage in either the acreage reserve or conservation reserve as a condition of eligibility for price support.

DOLLAR LIMITATION UPON PRICE SUPPORT ASSISTANCE

Mr. Chairman, the lack of a limit upon the amount of subsidy farmers can receive gives unnecessary financial assistance to most of the 480,000 farms in the first two economic classes of farms, which, as defined by the Census Bureau, produce products valued at $10,000 or more. It is clear, as I have already pointed out, that many of these farms simply do not need unlimited price support assistance. Many of these farms, year in and year out, will return to their operators net incomes much higher than 90 percent of our people ever hope to receive, even if they did not receive a dollar of Government subsidy. This they can do by applying to their land just the right amounts of labor and capital equipment to produce the large possible volume at the lowest possible per unit cost, resulting in the highest gross income possible to achieve with their particular size of farm.

These are the farms which have been producing the bulk of the basic commodities now in surplus, encouraged by a rigid 90 percent price support program. They produce not for consumption, not those commodities in greatest need, but for Government storage warehouses. How well they have succeeded is evidenced by the record high inventories of these commodities which as of December 5, 1955, the Commodity Credit Corporation had in inventory: Wheat, 919,436,423 bushels; corn, 696,538,203 bushels; cotton, 6,336,412 bales.

I should also like to point out, Mr. Chairman, that ample precedent exists for limiting the amount of financial assistance farmers may receive from the Federal Government. The Sugar Act of 1948 provides for a reduction in the rate of payment of from 5 to 50 cents per hundredweight depending upon the quantity of sugar produced off the farms "proportionate share" or acreage allotment, when that quantity is in excess of 350 pounds, ranging up to more than 30,000 pounds. Also, Mr. Chairman, assistance a farmer can get under the agricultural conservation program was, by law, limited to $10,000. By a provision in the Department of Agriculture's Appropriation Act, that amount has been further reduced to $1,500.

Therefore, Mr. Chairman, I hope the committee will recommend a limitation of $75,000 as the amount of price support subsidy a farmer can receive on the products grown on his farm during any year. This amount is sufficiently high to give "full protection to efficiently operated family farms," as President Eisenhower recommended in his special agricultural message.

SURPLUS DISPOSAL

Mr. Chairman, I have devoted considerable study to the proposal to repeal Section 304 of Public Law 480 in order to permit sales or barter of agricultural surpluses to the U. S. S. R. or nations controlled or dominated by the U. S. S. R. My conviction is that Congress should very carefully review this proposal for these reasons:

1. U. S. S. R. foreign policy is designed to accomplish world domination and elimination of democratic government and the capitalistic system wherever they exist.

2. U. S. S. R.'s lack of ability to get increased agricultural production, as the Joint Committee on the Economic Report printed out in its excellent study Trends in Economic Growth: A Comparison of the Western Powers and the Soviet Bloc (1955) "is the tightest bottleneck for Soviet economic expansion and one that may become important obstacle to further rapid industrialization of the Soviet Union" (p. 25). At present, agriculture requires the effort of over one-half the total population compared to less than one-sixth in the United States and the productivity per farm worker in the U. S. S. R. is but one-fifth that of the average farm worker in the United States.

3. At first glance it seems that the 8,500,000 square miles of area in the U. S. S. R. would give the impression of providing enormous agricultural potential as the Joint Committee's study previously referred to expressed it, but such is not the case. Competent authorities cited in the study point out that "about 55 percent of the total area was

judged to be completely excluded from agricultural occupation" (p. 100) because of climatic and topographic factors, and that the U. S. S. R. "has only about 70 percent as much standard farmland as the United States" (p. 101)—not enough to solve its overall agricultural problem.

4. It may well be, therefore, that to give the Russians our surplus commodities under these circumstances will be in fact to give the U. S. S. R. and nations dominated or controlled by her the most strategic commodities we have as far as the U. S. S. R. is concerned. Simply put, Soviet Russia cannot continue to increase her industrial production—weapons and war materials primarily—until she can release more agricultural workers for industrial employment. This the U. S. S. R. cannot do until she can increase her food supply.

5. It would be absolute folly in my opinion to remove the major bottleneck to continued industrialization faced by the U. S. S. R. by giving her our surplus commodities as long as the objective of her foreign policy is world domination. Events since Geneva, in this respect, do not convince me that this is still not the objective of her foreign policy. As long as the President has set aside $42.4 billion, or 64 percent, of the new 1957 fiscal year budget for protection for deterring possible aggression and for strengthening our international alliances, it seems the Congress should approach this matter with extreme caution.

RESEARCH

Mr. Chairman, as you know, the President requested an increase of 25 percent in research funds so that for the 1957 fiscal year $103 million will be available not only to carry out the usual research activities of the Department but to expand research relating to the development of new uses, new markets, and new crops.

During the fiscal years 1948–55, the Department of Agriculture spent $47 million in marketing and related economic research and State agencies some $9.8 million under the Research Marketing Act during the same period. Now I am in complete agreement that we "must further improve our marketing mechanism * * * so that the benefits of our abundance may be still more widely distributed," as the President stated in his special agricultural massage. But I am also convinced that mere improvement of the marketing mechanism—a real boon and subsidy to the processing, transportation, wholesale, and retail food industries—does not necessarily mean that (1) resulting lower marketing costs are passed on to the farmer in the form of higher prices on lower handling costs (quite to the contrary, I suspect that most of this saving finds its way into the profits account), and, (2) the total demand is increased for the commodity in question whose marketing costs are lowered.

As much is implied by the President's statement in his special message that "marketing margins have continued to increase, even while farm prices have been declining. Thus the farmer's share of the retail food dollar has shrunk appreciably. Retail prices have changed little, thereby impeding desired increases in consumption. We must find ways to lower costs of food distribution."

Now it may be that lower marketing costs resulting from marketing research carried out by the Department of Agriculture at a cost of $56.8 million during the past 8 fiscal years have been swallowed up by increased labor and transportation costs. But, as I have watched the press releases from the Department over the past few years announcing the results of many of these marketing research projects, it is difficult for me to see how some of these findings could result in (1) any material increased demand for the commodity in question, or (2) higher returns to farmers.

Research undoubtedly is an effective way to help attain the goal of lower costs of food distribution, but it should not be carried out by the Department of Agriculture if it will not help farmers sell more food at higher return. I recommend to the committee, therefore, that it undertake a study of (1) the effect marketing research activities of the Deparment have had upon this matter, and (2) its method of approving the initiation of specific projects, and (3) its method of evaluating the effect each specific project has had upon commodity prices and demand.

STRENGTHENING COMMODITY PROGRAMS

Sugar: Mr. Chairman, I appeared before the Senate Finance Committee on January 16 to urge adoption of the committee print amendment proposed by Mr. BENNETT to H. R. 7030, to amend the Sugar Act of 1948. Therefore, today will limit my testimony on this matter to the discussion of only a few major reasons why I believe the Congress should adopt the President's recommendation with respect to the Sugar Act.

The demand for sugar, Mr. Chairman, as we all know has continued to increase as our population has increased. One authority has estimated this increase to be 135,000 short tons, raw value per year based upon an annual 2.5 million addition to total population, which has been the annual increase for several years. Per capita sugar consumption has also increased over the years from 18 pounds to 96.2 pounds during the period 1860–1954, which also saw our total population increase from 31.4 million to some 164 million.

So that you may have a concise but comprehensive picture of the domestic sugar industry, which will be affected by the action the Congress takes, let me digress just a moment and call these facts to your attention:

1. Sugar beets are grown as a cash crop in 22 of our Western and North Central States, on some 27,965 farms. In 1954, the latest year for which reliable figures are available, the total farm value of the beet crop was $185,828,000.

2. Sugarcane grown for sugar was grown as a cash crop on 3,908 farms in Louisiana and Florida during 1954, with a total farm value of $55,713,000.

3. In 1955 there were some seventy-odd sugar beet factories in operation, 57 cane mills and some refineries. The investment in land, plant, and equipment, which this part of the sugar industry represents, totaled over one-third of a billion dollars.

4. Some 300,000 seasonal workers are given employment during the planting and harvesting season; some 70,000 plant workers depend for a livelihood upon the production of domestic sugar; and some 50,000 producers depend upon sugar beets and cane for a large part of their cash income.

5. Domestic consumers have benefited price-wise from the operation of the Sugar Act and domestic sugar production. For example, I should like to point out that whereas sugar cost 13.5 cents per pound in 1870, we consumers paid only 8 cents per pound in 1953. Relative to other food prices, sugar prices have risen less since 1940. According to the Bureau of Labor Statistics, wholesale price index, the combined 1952 price of all food was 254 percent of the 1940 prices; sugar by comparison was only 195 percent of the price prevailing in 1940.

Now, Mr. Chairman, I should like to take a minute or two and point out the importance an expanded domestic sugar beet industry has to Western agriculture. As you know, one of the major problems which has served to help pile up the burdensome $7 billion surpluses, which the Commodity Credit Corporation now has on hand, is that a great many farmers lack substantial diversified production opportunities. They continue to produce the same crop regardless of the price received, regardless of supplies already on hand, and regardless of what it does in the way of ruining our soil reserves.

In Western agriculture, Mr. Chairman, the growing of sugar beets is important in maintaining diversified or rotation farming. This is so because:

1. Sugar beets return everything they take from the soil. They serve to promote soil equilibrium when grown in rotation with hay, grains, and legumes. The extensive root system often reaches 6 or 8 feet deep, and, of course, when the beets are dug the bulk of their root system—a ton per acre it is estimated—is left to rebuild the soil resources.

2. As you know, the major agricultural industry of the intermountain area is livestock production. In Utah farmers derived in 1954 some 70 percent of their income from that source, compared to a national average of 55 percent. The byproducts of beet sugar—tops, molasses, and pulp—provide a rich and very necessary source of supplemental feed for livestock in an area generally considered to be a deficit feed area. Experiments carried out at our Western State experiment stations show that the byproducts from 1 acre of beets, if properly fed, will produce 300 pounds of meat.

I should like to point out, Mr. Chairman, in this connection that per capita beef consumption has increased some 24 pounds since 1950.

The Department of Agriculture estimates that by 1960 we will need 2 billion more pounds of meat each year if our projected population requirements are to be met. This will require more feeder livestock for finishing in the Midwest and on the west coast. As you know, the bulk of cattle in our area is not slaughter cattle. Rather the great ranges of our mountains and desert areas primarily produce feeder cattle. But in order to build larger breeding herds to meet future needs, more feed is going to be required, especially for winter feeding. It is in this respect that the byproducts of sugar beets—tops, pulp, and molasses—play such an important role. Greater amounts will be needed in the future and this requires obviously a larger acreage allotment for the production of domestic sugar beets.

I should like to point out also that the bulk of the grains, legumes, and hay produced in rotation with sugar beets in the Western States are likewise fed to livestock. They do not find their way to Government warehouses in any appreciable quantity.

The present Sugar Act quota provisions, however, Mr. Chairman, restrict the domestic beet area's production to only 1,800,000 short tons, raw value, based upon an annual estimated need of 8 million short tons, raw value. This domestic production was restricted even though the actual distribution required to meet our needs actually exceeded this statutory estimate of 8 million tons in 1952, 1953, 1954, and 1955, respectively, by 104,000 tons. Unless this quota is adjusted upward—and I am of the opinion that the Bennett amendment to H. R. 7030 is a start in the right direction—the following adverse effects upon western agriculture and the Nation as a whole will readily become more apparent:

1. Decline in farm income, a matter I want to discuss further in a moment.

2. Less, not more, diversified agriculture, with continued loss of flexibility in planting alternatives, and less opportunity for farmers to take advantage of more favorable prices.

3. Continued deterioration of our soil and water resources at the very time when all of us are interested in maintaining soil fertility for future use.

Adverse effect upon livestock production for future projected needs.

The present law, then, Mr. Chairman, serves to deny domestic beet and cane producers an opportunity to expand, to grow,

and to develop. This restriction upon acreage in the beet areas, coupled with technological progress in beet farming, has served to work real hardships on farmers at a time when every sector of the economy except agriculture is enjoying unprecedented prosperity and economic growth.

New seed strains, use of fertilizers, better methods of cultivation resulted in an increased yield per acre from 13.6 tons in 1948 to 16 tons in 1954. Expressed another way, the average yield, raw value, per planted acre for the 3 years ending in 1950, was 1.92 tons. For the 3-year period ending in 1954, that yield per planted acre increased to 2.2 tons—a 15-percent gain. The effect of technological development for output is easy to see. For example, the acreage of sugar beets in 1954 was 878,000 acres, yet the production was 1,998,000 short tons, raw value—198,000 short tons in excess of its quota.

This has necessitated a decrease in the acreage allotment required to meet the domestic beet areas quota of 180,000 tons raw value. For example, the beet acreage in 1954 was 944,000 acres and for 1955 it was set at 850,000 acres—a 10-percent decrease.

Because of acreage restrictions, two adverse situations have resulted:

1. Acreage released from sugar-beet production have been diverted to the production of other crops, many of which were already in surplus and were under price support during a period which saw the parity ratio fall from 92 percent in December 1953, to 80 in December 1955.

2. Large numbers of farmers have simply had to stop producing beets because their allotments are so small that it is not economical to produce them. Labor costs are too high if the beets must be hoed, thinned, and topped by hand, and it doesn't pay to buy expensive mechanical equipment to do these jobs unless it can be applied to the optimum-sized land area which can reduce per-unit costs of output to the lowest possible point.

Yet, on the other hand, acreage restrictions and low prices for other alternative crops have created a great demand by farmers for an adequate proportionate share of the domestic sugar-beet quota.

When farmers have alternative crop production alternatives, farmers' choices are largely determined, other things being equal (resources, know-how, etc.) by the price relationship between these various alternatives. When one examines these relationships in terms of the farm price as a pecrentage of the parity price, it is not too difficult to see why farmers in our domestic beet areas are demanding, and I believe rightly so, an opportunity to grow beets.

For example, while the price of sugar for the years 1948–54 has averaged 93 percent of parity as of November 1955, the price of sugar stood at 98 percent of parity. Compare this with the parity prices of other crops grown in rotation with sugar beets:

1. Barley: Parity price has declined from 81 to 69 percent of parity 1954 to 1955.

2. Oats: Parity price declined during the same period from 88 to 74 percent of parity.

3. Grain sorghums: Declined from 87 to 69 percent of parity.

4. Beans: From 93 to 73 percent of parity.

5. Potatoes: Parity price has declined from 70 percent in 1954 to 57 in 1955.

Certainly, Mr. Chairman, this committee can recognize the need in light of the sober facts I have presented today to permit American farmers to supply a larger percentage of our domestic sugar needs than that permitted by Sugar Act of 1948. Farmers caught in a cost-price squeeze, as they have been since soon after the end of the Korean war, ought to have the greatest possible freedom and flexibility to produce those commodities in growing demand, which offer the best income alternative. The production of sugar beets, as these figures indicate, is one such bright alternative.

I believe, Mr. Chairman, that the least the Congress can do to assist these farmers is to provide for a modest increase in the domestic quota provided by the Bennett amendment to H. R. 7030 now pending before the Senate Finance Committee. This provides that 55 percent of the amount by which the Secretary of Agriculture's annual estimated needs exceeds 8,350,000 short tons, raw value, shall be added to the basic quota now provided in the Sugar Act of 1948 as follows:

1. Of the first such 165,000 tons; 51.5 percent is to be added to the basic sugar quota of 1,800,000 tons of the beet area, and 48.5 percent to the basic quota of 500,000 tons of the cane area.

2. The next 20,000 tons is to be added to Puerto Rico's basic quota of 1,080,000 tons.

3. The next 3,000 tons to the Virgin Islands basic quota of 12,000 tons.

4. If any remains of the 55 percent of the amount by which the Secretary's estimated needs exceeds 8,350,000 tons, it is to be apportioned on the basis of the basic quotas of the domestic suppliers.

Since I have already taken more time than I should have taken, Mr. Chairman, I shall conclude my remarks at this point.

Thank you for your attention and your courtesy.

EXHIBIT 1

THE LIBRARY OF CONGRESS,
Washington, D. C., November 18, 1955.

Legislative Reference Service.
To: Hon. ARTHUR V. WATKINS.
Attention: Dr. Frischnecht.
From: American Law Division.
Subject: Question whether the Soil Conservation and Domestic Allotment Act of 1936 still forms a legislative basis for congressional appropriations for making soil conservation practice payments for diverting acreage from soil-depleting crops.

In the original section 8 (b) of the Soil Conservation and Domestic Allotment Act, added by the act of February 29, 1936, the last sentence provides:

"The Secretary in administering this section shall in every practical way encourage and provide for soil conserving and soil rebuilding practices rather than the growing of soil depleting commercial crops" (49 Stat. 1150 ch. 104 "sec. 8 (b)").

This provision was repeated in the act of February 16, 1938, which amended and superseded section 8 (b) of the Soil Conservation and Domestic Allotment Act. In addition, the amending act provided that "Rules and regulations governing payments or grants under this subsection shall be as simple and direct as possible, and, wherever practicable, they shall be classified on two bases: (a) Soil-depleting crops and practices, (b) soil-building crops and practices" (52 Stat. 32 ch. 30 "sec. 8 (b)"; U. S. Code 16: 590h (b)).

Subsequent appropriation acts from June 29, 1937, through July 22, 1942 (the Department of Agriculture Appropriation Acts, fiscal years 1938 to and including 1942; 50 Stat. 430 to 56 Stat. 691–692), appropriated funds "to enable the Secretary of Agriculture to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act" and each such act authorized certain amounts for compliances under the act of February 29, 1936, pursuant to provisions of the programs for the previous year.

In the Department of Agriculture Appropriation Act, 1944, approved July 12, 1943, the following provisos were inserted:

"*Provided*, That no part of said appropriation or any other appropriation in this act shall be used for incentive or production adjustment payments, except for soil conservation and water conservation payments and payment of acreage allotment commitments on commodities as defined in the Agricultural Adjustment Act of 1938, as amended * * *:

"*Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1944 programs of soil-building practices and soil- and water-conservation practices, under the act of February 29, 1936" * * * (57 Stat. 417 ch. 215).

In the House hearings on this bill (H. R. 2481, 78th Cong.), on February 12, 1943, the Secretary of Agriculture was questioned concerning incentive payments to induce farmers to increase production of certain crops needed during the war and for which additional funds had been requested (hearings before the subcommittee of the Committee on Appropriations, House of Representatives, 78th Cong., 1st sess., on the Agriculture Department appropriation bill for 1944, pp. 798–847). The members of the committee questioned the Secretary's authority under the Soil Conservation and Domestic Act to make such payments. In an editor's note on pages 847–848 of these hearings, it is stated:

"On a subsequent day, February 15, when the subcommittee met to begin hearings on the regular agricultural appropriation bill, Mr. Tarver made the following statement:

" 'DISAPPROVAL BY COMMITTEE OF ESTIMATE FOR INCENTIVE PAYMENTS TO FARMERS

" 'Mr. TARVER. Mr. Secretary, the subcommittee has directed me to advise you with reference to the estimate contained in House Document 101 for $100 million to carry on the so-called incentive-payment program that it has, upon the basis of reasoning set out in a motion which has been approved and copy of which will be furnished you by the committee, decided to disapprove the estimates in question.

" 'The action of the committee of seven was unanimous except for the position of the chairman of the subcommittee, who was not in favor of the adoption of the motion.' " (*Ibid.*, pp. 847–848.)

When reported out of committee the bill, H. R. 2481, appropriated $300 million solely for programs under the Agricultural Adjustment Act of 1938, as amended, and for compliances with soil-building practices and water-conservation practices under the Soil Conservation and Domestic Allotment Act, as amended * * *" and added the second proviso concerning availability of funds for salaries, etc., which appeared in the final act, quoted above, but omitted the other proviso.

Mr. Tarver called attention to the incentive payments when he submitted the bill (89 CONGRESSIONAL RECORD, p. 3353). The House added a proviso (the Cannon amendment), as follows:

"*Provided*, That no part of said appropriation or any appropriation carried in this bill shall be used for incentive payments" (89 CONGRESSIONAL RECORD, p. 3609).

The bill as reported out by the Senate committee had stricken out all these restrictions. After many conferences the bill in its final form was passed.

It would seem that Congress intended to prevent incentive payments to increase the production of certain essential war crops, but by limiting the incentive or production adjustment payments to soil-conservation and water-conservation payments it also prohibited use of this appropriation for payments for diverting acreage from soil depleting crops. It does not appear to have been the intention of Congress to prohibit payments for soil-rebuilding practices. Apparently such payments are included as part of payments for soil-conserving practices.

Similar restrictions appear in the Department of Agriculture Appropriation Act, 1945, approved June 28, 1944 (58 Stat. 499–450 c. 296), with the following clause added to the second proviso concerning availability of funds for salaries, etc.: "* * * but the pay-

ments or grants under such program shall be conditioned upon the utilization of land with respect to which such payments or grants are to be made, in conformity with farming practices which will encourage and provide for soil-building and soil-and-water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State Committee of the Agricultural Adjustment Agency for the respective States" (pp. 449-450).

The Department of Agriculture Appropriation Act, 1946, and subsequent appropriation acts no longer contain these restrictions, but continue to make the funds available for salaries and expenses in connection with formulation and administration of programs of soil-building and soil-conserving practices, etc. The temporary restrictions which affected the authority to make payments for diverting acreage from soil depleting crops are no longer in force and the authority still exists in the basic Soil Conservation and Domestic Allotment Act, section 8 (b), for payments concerning "soil-depleting crops and practices," provided Congress appropriates the money therefor (U. S. Code 16: 590h (b)).

EXHIBIT 2

THE LIBRARY OF CONGRESS,
Washington, D. C., January 17, 1956.

To: Hon. ARTHUR V. WATKINS.
Attention: Dr. Frischknecht.
From: American Law Division.
Subject: Authority of the Commodity Credit Corporation to make payments in kind to farmers for placing lands in the proposed acreage reserve and conservation reserve programs under President's soil bank plan.

ACREAGE-RESERVE PROGRAM

Under the President's soil bank plan, the acreage-reserve program provides for voluntary reduction in acreage of certain crops. The farmers are to agree to plant less acres of land and not to graze or harvest any crop on the acreage-reserve. In return the cooperating farmers would be allocated certificates for commodities. The value of the certificates is to be based on the normal yields of the acres held in reserve. These certificates are to be made available to the farmers through their county agricultural stabilization committees at normal harvest time for each crop. They are to be redeemable by the Commodity Credit Corporation in cash, or in kind at specified rates. The program would be financed with surplus commodities already owned by the Government.

CONSERVATION-RESERVE PROGRAM

The second part of the soil bank plan provides for contracts with farmers voluntarily to shift into forest lands, etc. cultivated lands needing conservation measures. In return the Government would make annual payments to the farmer for a period of years related to the length of time needed to establish the new use of the land.

AUTHORITY OF THE COMMODITY CREDIT CORPORTATION UNDER ITS EXISTING CHARTER

The Federal charter of the Commodity Credit Corporation, under act of June 29, 1948, as amended (62 Stat. 1070-1075, ch. 704, as amended) provides in the general powers of the corporation that it "may enter into and carry out such contracts or agreements as are necessary in the conduct of its business" (sec. 4 (g)). The borrowing authority of the corporation is limited to an aggregate of $12 billion (sec. 4 (1), as amended by Public Law 344, 84th Cong.).

Under its specific powers it may support the prices of agricultural commodities through payments and other operations (sec. 5 (a)), it may dispose of surplus agricultural commodities (sec. 5 (d)), it may, with the consent of the agency concerned, utilize on a compensated or uncompensated basis the services of any Federal or any State agency or political subdivision thereof (sec. 11) and may utilize on a contract or fee basis committees or associations of producers etc. (sec. 12).

AUTHORITY OF THE CCC TO MAKE PAYMENTS IN KIND TO FARMERS FOR PLACING LANDS IN PROPOSED ACREAGE RESERVE

The Commodity Credit Corporation would apparently be authorized to make payments to farmers or to dispose of surplus agricultural commodities (make payments in kind) to farmers through their county agricultural stabilization committees [which are composed of farmers elected by the farmers paid from Federal funds and supervised by the Secretary of Agriculture], provided the corporation keeps within its borrowing limit (under authority of secs. 4 (g), 4 (1), 5 (a), 5 (d), and 11 of its charter).

AUTHORITY OF THE CCC TO MAKE PAYMENTS IN KIND TO FARMERS FOR PLACING LANDS IN PROPOSED CONSERVATION RESERVE PROGRAM

It is questionable whether payments for taking of agricultural lands out of production in order to convert their use to forest lands, etc., as soil-conservation measures, would come within the charter authority of the Commodity Credit Corporation to "support the prices of agricultural commodities through * * * payments," or any other provision in its charter. Besides, the President in his message does not recommend payments in kind in connection with these payments.

However, the Secretary of Agriculture is authorized under section 8 (b) of the Soil Conservation and Domestic Allotment Act to carry out the purposes specified in section 7 (a) of that act (including promotion of the economic use and conservation of land) "by making payments, or grants, or other aid to agricultural producers, * * * measured by (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion; (2) changes in the use of their land, etc." (U. S. Code 16: 590 h (b)), provided Congress appropriates the money therefor.

EZRA TAFT BENSON, SECRETARY OF AGRICULTURE

Mr. DIRKSEN. Mr. President, I ask unanimous consent to proceed for 3 minutes.

The PRESIDENT pro tempore. Without objection, the Senator from Illinois may proceed.

Mr. DIRKSEN. Mr. President, a few days hence we shall observe the birthday of Abraham Lincoln.

Burdened with problems, and with the fate of the Union itself on his shoulders, he was constantly harassed by publishers and preachers, Senators and sentimentalists, politicians and arm-chair strategists, and many others.

He was charged with every sin of omission and commission. He was charged with mistakes and timidity, with failure to execute the law, and even with ignorance.

On one occasion, Mr. President, when Lincoln was so tormented and harassed, he said:

> Suppose all you owned was in gold and the gold had been put into the hands of Blondin to carry across the Niagara River on a rope. Would you shake the rope and keep shouting contradictory advice, or would you hold your breath and your tongue and keep hands off until he was safely over the river? The Government is carrying an immense load and doing the best it can. Don't badger us. We will get you safe across.

Mr. President, that is in point, Mr. President, because Ezra Taft Benson, Secretary of Agriculture, carries a very heavy load, not of his making. It is an inherited load. Today there is a clamor for his political skin and his blood. Recently on the floor of the Senate he was harassed because of an article which appeared in a magazine. It was an article which he had never seen. There was clamor for his dismissal.

To me it is rather strange that no question was ever raised about the discernment of the publisher. If that publisher had known anything at all about Ezra Taft Benson, he would have known that Ezra Taft Benson would not have subscribed to an article of that nature.

I ask Senators: Have we ever had a Secretary of Agriculture who has displayed such patience, such forbearance, such determination, such moral stamina, and so strong a desire to find solutions for the farm problem?

Have we ever had a Secretary of Agriculture who has traveled so far to find the answers? Since he became Secretary of Agriculture he has traveled 250,000 miles. In a single week he flew from Washington to California, then to New York, then to Houston, Tex., then to New Orleans, and then back to Washington, to pick up the stitches and to do his duty. Ezra Taft Benson is like the prophet Ezekiel of old, whom the Lord told to go and talk to the people in captivity. The book says, "He sat where they sat." Ezra Taft Benson sat where the farmers sat, that he might hear from the farmers themselves, and find the solution to the problems.

A weakling, or a seeker for the expedient or a political solution, would have succumbed to the pressure long ago. Frankly, this country can be grateful that we have a man of such spiritual poise and moral stamina in this hour as Ezra Taft Benson, Secretary of Agriculture.

Mr. BENNETT. Mr. President, I ask unanimous consent to proceed for 4 minutes.

The PRESIDENT pro tempore. Without objection, the Senator from Utah may proceed.

Mr. BENNETT. Mr. President, over the past weekend, we have witnessed and some of us have participated in two strangely parallel series of events. The first has been well resolved; the second lacks only the final chapter, which I hope will be supplied on the Senate floor in the next few days.

Both of these episodes began with a false assumption. The first occurred because Mrs. Irene Slagsvold, for 15 years a career employee of the Department of Agriculture, tried to help lighten the load of mail piling up in the office of the Secretary. One of the letters, written by Horace A. Knowles, public relations representative of Harper's magazine, said—referring to a certain article prepared for the magazine—that it had been prepared "in support of—the Secretary's—position." That sounded good and suggested an obvious return letter of approval. Mrs. Slagsvold's false assumption was that Knowles' appraisal of the article was correct and could be trusted, so she did

not read the article but wrote a letter for the Secretary's signature as though he had; and then, in a spirit of good will, she added the fatal phrase, "It is excellent."

This was an unfortunate assumption, and the chain of equally unfortunate blunders that followed—including the attaching of a signature by a trusted assistant who also failed to read the article—put the Secretary squarely on the spot.

To those of us who know the spirit and stature of the man, his reaction was completely predictable. He did not storm at Mrs. Slagsvold publicly and demand her resignation. Instead, as the trustworthy head of his Department, he freely acknowledged the error and took full responsibility, in behalf of the Department, for a mistake he did not make and for a series of failures of which he was the victim—not the cause. This was the act and attitude of a man of unusual courage and spiritual maturity.

The parallel series began here in the Senate last Friday from a very similar false assumption; namely, that Secretary Benson was personally responsible for the letter signed with his name. In both cases, a little checking in the beginning would have revealed the truth and prevented the whole unfortunate business. If Mrs. Slagsvold had glanced through the article, she would never have written as she did; and if any of my colleagues who spoke so violently against the Secretary had checked with his office first, the violent denunciations would never have been made.

At this point, however, the almost exact similarity in the series of events breaks down. While the Secretary did not publicly denounce Mrs. Slagsvold and call for her immediate dismissal, the Secretary's critics—like the Red Queen—cried, "Off with his head," and shouted for his immediate resignation.

It may be fortunate that this occurred on Friday and that the clamor has had a chance to die down over the weekend, during which time the whole story has come out; for there still remains the final chapter of the second story of the parallel. Now that my colleagues have the facts, will they show the same courage the Secretary did? Will they acknowledge their mistake and take the responsibility?

As I see it, there are three ways the Senate episode can end.

First, nothing more may be said—an ending that will leave the people wondering.

Second, the Secretary's critics may retreat behind a word screen of rationalization and further denunciation which, in the face of the facts, would be unfortunate.

In fact, either of these endings would be unfortunate, not only for the participants but also for the Senate. Not much more than a year ago, we passed through a trying experience which was accepted as necessary to restore the public respect for the Senate as a body of responsible men, capable of maturity of judgment, who do not—like Shakespeare's hawk—"check at every feather" or shoot from the hip before the facts are known. If we are still concerned with the pestige and dignity of the Senate, we must constantly guard ourselves against any new evidence of irresponsibility.

So today, I hope my critical colleagues will adopt the third solution and, following the example of the Secretary, have the moral courage to admit that this whole business was based on a false assumption, that what they did was wrong, and now that the facts are known, they regret their part in it. This ending might be unique, but it would be exhilarating and the respect of the country for the Senators and the Senate would undoubtedly rise significantly.

As things have turned out, the Secretary now needs no defense. I hope this may prove equally true for his critics.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a newspaper story which appeared in Sunday's Star, yesterday, headed "Polite Little Woman Bemoans Three Words She Wrote Stirring Anti-Benson Storm."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLITE LITTLE WOMAN BEMOANS THREE WORDS SHE WROTE STIRRING ANTI-BENSON STORM

(By Mary McGrory)

No one feels worse about Agriculture Secretary Benson's hapless thank-you letter than the hitherto anonymous Department of Agriculture secretary who wrote it.

"I thought I was being helpful," says Mrs. Irene Slagsvold, whose three-word, "It is excellent" acknowledgement of a Harper's magazine article called "The Country Slickers Take Us Again" has reaped a new surplus crop of ill will for Mr. Benson.

Mrs. Slagsvold, 51, who has been in the Agriculture Department for 15 years, was in bed at her Garrett Park home Friday when she heard that Secretary Benson had to eat her words, while cries of "off with his head" resounded through the Senate.

"It was just one of those things," said Mrs. Slagsvold in the sinking voice of one who knows there is nothing to be said. "It is so unfortunate."

VERY POLITE LITTLE WOMAN

She is suffering from a cold, but even worse from remorse and embarrassment.

Mrs. Slagsvold's superior, Assistant to the Secretary Robert D. McMillen, describes her as "a very polite little woman, very hard-working, and loyal to the Secretary."

"She wouldn't hurt anyone, much less the Secretary," says Mr. McMillen, who takes full responsibility for the situation.

Mr. McMillen thinks that only Mrs. Slagsvold's good intentions, good manners, and good housekeeping led her to her role in the current harvest of trouble.

MAIL PILES UP

The mail was piling up because of the Secretary's appeal for letters from farmers with their suggestions about the farm problem. It was accumulating on Mr. McMillen's desk. Mrs. Slagsvold, trying to lighten the load, acknowledged receipt of a letter from Horace A. Knowles, public relations representative of Harper's magazine.

Mr. Knowles' letter said he thought Mr. Benson might like to see John Fischer's article "in support of your position."

Mr. McMillen said it is the policy of the Department to answer all letters—many of which are critical these days—"as politely as possible."

"Mrs. Slagsvold's letter was entirely too polite under the circumstances," he said ruefully. "She took the letter at face value. It is not the practice to write testimonials."

Says Mrs. Slagsvold, "Why did I write those famous three words? I just can't explain it."

Mrs. Slagsvold did not read the article. Neither did Mr. McMillen, who initialed her letter. Neither did Miller M. Shurtleff, assistant to the Executive Assistant to the Secretary, who signed it. Nor did Secretary Benson, over whose name it appeared in the February issue of Harpers.

"I wish I had," says Mrs. Slagsvold.

Mr. Shurtleff, who feels that the title alone should have "raised a flag in the minds of those who saw it," says that the Secretary wants all the letters "acknowledged in a courteous way on the theory that everybody has a right to his own viewpoint."

PAMPERED TYRANTS

Mr. Fischer's viewpoint, as expressed in the article, is that farmers are "pampered tyrants."

Mr. Benson's gracious reply said, "I have read the article by John Fischer in the December issue of Harpers with a great deal of interest. It is excellent."

Mr. McMillen called the sequence of events "a tragedy of errors."

Mr. Shurtleff said that at the meetings he thinks will be held on the matter he intends to recommend that no one write letters about articles they haven' read.

And Mrs. Slagsvold, who did it with her little typewriter, says, "I don't know whether to laugh or to cry."

Mr. WATKINS. Mr. President, will my colleague yield?

Mr. BENNETT. I yield.

Mr. WATKINS. Mr. President, I am glad my colleague has brought up this matter this morning.

The people of Idaho and Utah, where Secretary Benson is much better known than he is in Washington, have great confidence and respect for him, for his honesty and integrity.

One of my activities is that of a farmer, which is about the only one I have except my work as a Senator of the United States. But as one farmer, after having talked with many other farmers in my State and in the Intermountain West, I know Mr. Benson has the support of the people of that area. They know him, they love him, and they respect his judgment. They know he is actually doing his level best for the farmers of this country.

They realize that the job he has undertaken is one of the most difficult in government. Everyone who is at all familiar with the agricultural problem knows that statement to be true. He did make a mistake, but he was man enough to send word to this body that the mistake had been made. I do not think anyone will doubt his veracity in connection with his story of how the incident happened.

I hope Senators will have the same charitable view they would have if they themselves were in similar circumstances.

It so happens in my office that there are many communication which I have to trust someone else to sign, such as the matter of acknowledgment of books and advance articles, and all that sort of thing. I have to trust to someone else to read them, or, at least, to acknowledge them.

A mistake has been made. I feel, under all the circumstances, that much of the criticism could have been avoided

if Senators had been a little charitable and waited until they received an explanation from the Secretary. We expect people to be charitable to us. We make mistakes. We may have signed letters in the past which, if they had come to public notice under similar circumstances, would have to be explained. It can, and undoubtedly does, happen in many offices in the United States in business offices as well as in Government offices.

I have great confidence in Secretary Benson, and I believe the people of this country also have great confidence in him, and I think the esteem in which he is held will not suffer by reason of this incident. But the principles and a sound farm program for which he has been fighting should not be overlooked for a moment. They should not be sidetracked by such incidents, no matter how embarrassing they may be to the individuals involved.

Mr. BENNETT. Mr. President, I asked for 4 minutes, but by yielding to my colleague the time has been somewhat stretched.

Mr. YOUNG. Mr. President, will the Senator from Utah yield to me for a moment?

Mr. BENNETT. Mr. President, I ask unanimous consent that I may yield to the Senator from North Dakota.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. YOUNG. Mr. President, none of my statements regarding the Secretary of Agriculture has ever been of a personal nature. The Senator from Utah said that the repect of the Senate was at stake. May I suggest that the respect of the farmers of the Nation is also at stake, too? I know of no better way for the Secretary of Agriculture to endear himself to the farmers than for him to take one of these articles such as the one in Harper's magazine and tell the people of the Nation what is wrong with it. The farmer has been looking for a long while for a little defense from the Secretary in connection with such articles as we have been discussing, but I do not know of one instance in which he has taken issue with articles such as these.

Mr. BENNETT. Mr. President, my time has been exhausted, and I thank the Senate for this opportunity to speak.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7871) to amend the Small Business Act of 1953.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5844) to increase the fee for executing an application for a passport, and it was signed by the President pro tempore.

The PRESIDENT pro tempore. Is there further morning business? If not, the Chair lays before the Senate the unfinished business.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

INTERPRETATION OF CERTAIN PHRASES USED IN CONNECTION WITH THE NATURAL-GAS BILL

Mr. SALTONSTALL. Mr. President, in an effort to improve my own understanding of certain of the terms that have been under discussion relative to S. 1853, I recently asked Mr. John H. Simms, legislative counsel of the Senate, to have prepared for me a memorandum comparing the meanings and interpretations of the phrases: First, "just and reasonable price"; second, "fair and equitable price"; third, "reasonable market price."

At Mr. Simms' direction, Mr. Douglas B. Hester, assistant legislative counsel of the Senate, has prepared such a memorandum which he frankly states is not so exhaustive as he would like to make it, but which I have found helpful and enlightening. With the thought that it might be of equal interest to the Senate, as it debates S. 1853, I ask unanimous consent, Mr. President, to have this memorandum placed in the body of the RECORD:

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR SENATOR SALTONSTALL

This memorandum relates to your inquiry as to the legal meaning of the terms (1) "just and reasonable price," (2) "fair and equitable price," and (3) "reasonable market price," so that you may better formulate your policy as to which of such terms might most properly be employed in S. 1853 to establish a standard to determine what part of the price to be paid for natural gas by a pipeline company may be treated as an operating expense when that company applies for a rate increase.

JUST AND REASONABLE PRICE

The term "just and reasonable," when applied to prices, rates, or charges that public utility companies are permitted to impose for their services, has been interpreted by the courts to mean a price sufficiently great to permit the utility to realize a proper return on its capital investment but which does not exceed the value to the consumer of the services furnished.

(Due to the time factor involved, research has been largely confined to secondary authorities, and for this reason the following notes have been quoted from Words and Phrases rather than from the original court decisions on the basis of which such notes were made.)

1. To ascertain what constitutes a "just and reasonable rate" two fundamental principles must be considered, the right of the carrier to a fair return on its investment, and the right of the public to be charged no more than reasonable value of the services. (*Alexandria & W. Ry. Co.* v. *Railroad Commission of Louisiana* (79 So. 863, 864; 143 La. 1067).)

2. It is duty of railroad commission to fix just and reasonable rates for public utilities, which must not be so low as to approach line of confiscation nor so high as to be unjust or oppressive, and "just and reasonable rate" need not approach either line. (*Waukesha Gas & Electric Co.* v. *Railroad Commission of Wisconsin* (194 N. W. 846, 849; 181 Wis. 281).)

3. In Public Utilities Act, Public Law 1911, page 377, section 16c, N. J. S. A. 48: 2-21, giving the public utility commissioners power to fix "just and reasonable individual rates," the word "individual" means more than a mere distinction between the rates of one corporation and the joint rates thereafter mentioned; and as the statute refers to all public utility corporations, the expression "individual" rates must be equally applicable to all, and as applied to gas companies means the rate to the individual consumer; a "just and reasonable individual rate" is a question of fact for the tribunal by which it is to be determined, and can never exceed the value of the service to the consumer, nor be so low as to amount to confiscation, but allow both sides to profit by skillful conduct of the business and its volume, the improvement of methods, and the increase of efficiency, allowing for possible competition; the question being not what profit it may be reasonable for a company to make, but what it is reasonable to charge the consumer. (*Public Service Gas Co.* v. *Board of Public Utility Comm'rs* (87 A. 651, 655, 84 N. J. L. 463, L. R. A. 1918A, 421).)

4. On petition by telephone company to public service commission to fix increased rates for telephone service, commission during period of inflation was bound to accord weight to company's reproduction cost study, unless some portion of the study was palpably erroneous. (*Application of Diamond State Tel. Co.* (Del. Super., 103 A. 2d 304, 324).)

5. The phrase "just and reasonable rates" within statute authorizing public service commission to fix public utility gas rates determined by the commission to be "just and reasonable" means those which will be productive of a proper return of investment and which will assure confidence in the financial integrity of the enterprise so as to maintain its credit and to attract capital. (*Application of Northern Utilities Co.* (247 P. 2d 767, 784, 70 Wyo. 225).)

6. The Natural Gas Act granting Federal Power Commission power to fix "just and reasonable rates" does not include the power to fix rates which will disallow or discourage resales for industrial use. (*Federal Power Commission* v. *Hope Natural Gas Co.* (64 S. Ct. 281, 294, 320 U. S. 591, 88 L. Ed. 333).)

7. In determining whether charge for gas is "just and reasonable" cost to the seller must enter into consideration but is not necessarily determinative. (*Application of Republic Light, Heat & Power Co.* (38 N. Y. S. 2d 302, 307, 308, 310, 265 App. Div. 74).)

8. In determining whether charge for gas is "just and reasonable," whatever is a fair and just price to the seller is at least presumptively a fair and just price which the public-utility purchaser may pay and competitive conditions and market prices and proper provision for the future must be taken into account and day-to-day costs are not the only costs to be considered. (*Application of Republic Light, Heat & Power Co.* (38 N. Y. S. 2d 302, 307, 308, 310, 265 App. Div. 74).)

9. In determining "just and reasonable charge" for electricity or gas, court should take into account all things which enter into, or which are likely to enter into, the business of supplying gas over a period of time. (*Application of Republic Light, Heat & Power Co.* (38 N. Y. S. 2d 302, 307, 308, 310, 265 App. Div. 74).)

FAIR AND EQUITABLE PRICE

The term "fair and equitable" is a term of art, but it deals with receiverships, corporate reorganizations, and other such matters, and no case has been found where the term has been applied to the price of services or commodities. The following are examples of the usage of the term quoted from the notes in Words and Phrases:

1. The words "fair and equitable" are words of art with a fixed meaning as applied

to receiverships, and rationale thereof is recognition of contractual rights. (*Bailey* v. *Minsch*, C. C. A. Mass. (168 F. 2d 635, 637).)

2. Statutory requirements of "fair and equitable" railroad reorganization are satisfied so long as creditors receive full compensatory treatment and each group shares in securities of the whole enterprise on an equitable basis. (*Ecker* v. *Western Pacific Railroad Corp.* (Cal. 63 S. Ct. 692, 713, 318 U. S. 448, 87 L. Ed. 892).)

3. A proposed plan to dissolve parent public utility holding company and to reclassify its preferred and voting common stock is "fair and equitable" within Public Utility Holding Company Act, if preferred stockholders' rights are transmuted into their equivalents. (*In re Securities and Exchange Commission* (C. C. A. Del., 142 F. 2d 411, 419).)

4. An arrangement which does not conform to principle that unsecured creditors are entitled to priority over stockholders to full extent of their debts is not "fair and equitable" within Bankruptcy Act. (*Mecca Temple of Ancient Arabic Order of Nobles of Mystic Shrine* v. *Darrock* (C. C. A. N. Y., 142 F. 2d 869, 872).)

5. Where insolvent membership corporation had income in excess of disbursements and submitted plan of arrangement proposed to pay each bondholder, regardless of whether he was a member, 10 percent of principal without interest and did not curtail rights of members to compensate losses to bondholders and did not subordinate rights of creditor members to rights of other creditors, provision of Bankruptcy Act requiring plan to be fair and equitable justified dismissal of arrangement proceeding. Id.

6. Under provision requiring Price Administrator to fix generally fair and equitable rents for defense-area housing accommodations, administrator was not required to establish maximum rents at level of rents generally prevailing for comparable accommodations. (*Northwood Apartments* v. *Brown* (Em. App. 137 F. 2d 809, 812, 813).)

7. A plan of corporate reorganization to be fair and equitable must accord to creditors, first secured and then unsecured creditors, prior rights in debtor's property before stockholders are entitled to any participation, and any attempt by which subordinated rights or interests are secured at the expense of prior rights is not approved. *In re Barium Realty Co.* (D. C. Mich., 62 F. Supp. 81, 85.)

8. The doctrine in equity reorganization that stockholders' interest in property is subordinated to rights of creditors, first, of secured, and then of unsecured, creditors, and that any arrangement of the parties by which the subordinate rights and interests of stockholders are attempted to be secured at expense of prior rights of either class of creditors comes within judicial denunciation, is embedded in the requirement that the plan of corporate reorganization be fair and equitable. (*Case* v. *Los Angeles Lumber Products Co.* (Cal. 60 S. Ct. 1, 7, 9, 10, 308 U. S. 106, 84 L. Ed. 3).)

9. Fair and equitable, made the condition of confirmation under provisions of Bankruptcy Act relating to corporate reorganization are words of art having a well-understood meaning in reorganizations in equitable receiverships and signify that the final arrangement must conform to principle that, in any plan of corporate reorganization, unsecured creditors are entitled to priority over stockholders to full extent of their debts and that any scaling down of claims of creditors without fair compensating advantage to them which is prior to rights of stockholders is inadmissible. (Bankr. Act, secs. 221, 366, 11 U. S. C. A. secs. 621, 766; *Securities and Exchange Commission* v. *United States Realty & Improvement Co.*, N. Y. (60 S. Ct. 1044, 1051, 310 U. S. 434, 84 L. Ed. 1293); *In re Janson Steel & Iron Co.*, D. C. Pa. (47 F. Supp. 652, 655, 656).)

REASONABLE MARKET PRICE

The term "reasonable market price" does not appear to have been the subject of judicial construction to the extent necessary for it to have become a term of art. Only one case has been found where the courts have construed this term and there it was interpreted to mean, in connection with the price of realty, a price fixed freely, and not under compulsion. (*City of Bismarck* v. *Casey* (49 N. W. 2d 372, 376, 77 N. D. 295).) However the term "reasonable market value," which would appear to mean about the same thing as "reasonable market price" has been frequently construed by the courts. The following are examples of the usage of the term "reasonable market value" as quoted from the notes in Words and Phrases:

1. By "reasonable market value" of timber sold and conveyed, material as damages in an action for breach of contract, is meant sum timber would bring, when manufactured into merchantable timber, on open market; that is, when sold by an owner willing, but not compelled, to sell, to a buyer willing, but not compelled, to buy. (*Sanders* v. *Pinney* (174 p. 471, 472, 103 Wash. 162).)

2. Yardstick of "reasonable market value" for ascertaining values presupposes a market for class of property involved, and where there is no market at time for such property, other elements, such as original costs, costs of building or improvements, rents adaptability for future use and enjoyment, and opinion of witnesses in position to have a correct judgment as to values, must be considered. (*De Moville* v. *Merchants & Farmers Bank of Greene County* (170 So. 756, 761, 233 Ala. 204).)

3. "Reasonable market value," within arbitration agreement providing that arbitrators should base price determination upon "reasonable market value" of gas in territory, was price that willing purchaser would be willing to pay a willing seller for gas delivered in comparable quantities and under like conditions. (*United Fuel Gas Co.* v. *Columbian Fuel Corp.* (C. C. A. W. Va., 165 F. 2d 746, 750).)

4. Reasonable market value is the price which the property will bring when offered for sale by one willing but not obliged to sell and brought by one who is willing but is not compelled to purchase. (*Connoley* v. *Beyer Crushed Rock Co.* (197 S. W. 2d 653, 355 Mo. 684).)

5. "Cash market value," "fair market value," "reasonable market value" or "fair cash market value, are substantially synonymous. (*Housing Authority of Birgmingham Dist.* v. *Title Guarantee Loan & Trust Co.* (8 So. 2d 835, 837, 243 Ala. 157).)

6. "Reasonable market value" of property is value thereof as between one who desires, but is not compelled, to buy it, and one who is willing, but not compelled, to sell it. (*Hatten* v. *Parcels of Land Encumbered with Delinquent Tax Liens* (217 S. W. 2d 511, 514, 358 Mo. 853).)

Inasmuch as the instant inquiry as to the meaning of the term "reasonable market price" relates to the meaning of that term as used in S. 1853, the explanation of the meaning of the term in the Senate report on S. 1853 would be more authoritative in the instant inquiry than the foregoing judicial constructions. Senate Report No. 1219 (the Senate report on S. 1853) states, beginning on page 39 of such report, as follows:

"Basically, the term "reasonable market price" is used because of the committee's belief that the Commission should treat natural gas as a commodity in fixing the rates of pipeline companies, but it should be understood that the reasonable market price is not the price of the last sale, nor is it the highest price, the weighted highest price, the average field price, or other price arrived at by the mechanical application of a single criterion. Instead, it is a price which the Commission, exercising its judgment and discretion in weighing a number of relevant factors, determines is the reasonable market price.

"This treatment of natural gas as a commodity is to be distinguished from the original cost rate-base approach which the Commission has used in connection with the pipeline transportation functions. Thus, the concept of 'reasonable market price' differs from that of 'just and reasonable rate' which the Commission is directed to apply under section 5 of the Natural Gas Act for purposes of rates which the interstate pipelines charge distributing companies.

"* * * * * *

"Thus, if the Commission were to determine merely the 'market price' of natural gas in a particular field or area in which there is an open market between buyers and sellers equally free to bargain, there would be relatively small need for the exercise of administrative judgment or discretion.

"However, under the bill the Commission is to determine the 'reasonable market price' of the gas 'at the point at which the gas is delivered into the transportation facilities of the natural-gas company.' It is not a market price alone that the Commission is to determine, but the 'reasonable' market price at a particular point. The addition of the word 'reasonable' to the familiar term 'market price' is to be viewed in conjunction with the requirement in the bill that in making its determination the Commission shall consider, among other things, whether such price was competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices. When these provisions are all read in the light of each other, it is apparent that the Commission is not narrowly limited in the matters which it may consider in determining the reasonable market price, but that instead the Commission may look to all of the factors which are properly relevant.

"Among other factors requiring recognition and consideration are (1) the quality of the natural gas being purchased; (2) conditions of delivery; (3) the level of prices established currently by generally comparable contracts; (4) prices in different fields and producing areas; (5) whether such prices and the contract price have been established by arm's-length bargaining; and (6) the variation of competitive market prices."

(Beginning on p. 40 of the report, each of the above enumerated factors is further elaborated on and explained.)

CONCLUSION

It should be pointed out that the courts in determining the meaning of general and indefinite terms such as "reasonable," "fair," and "equitable" rely heavily upon the purpose and legislative intent, as revealed by legislative history, of the act in which such terms are employed. Thus, the meaning of any of the terms here under consideration will depend, to a great extent, upon statements made on the floors of Congress during the debates on S. 1853 explaining the meaning of such terms, the purpose for which they are employed, and the effect they are intended to achieve, as well as upon explanations and elaborations on the meaning of such terms contained in the reports of the committees which reported S. 1853.

In this connection, the Senate report makes it clear that the committee recognized a distinction between the terms "reasonable market price" and "just and reasonable price," and that it chose to employ the former for the express purpose of providing a more liberal price standard, from the point of view of the natural gas pipeline companies, than would have resulted if the term "just and reasonable price" had been adopted. This follows from the fact that in determining a "just and reasonable price" only two fundamental principles must be

considered, viz: the right of the carrier to a fair return on its investment, and the right of the public to be charged no more than the reasonable value of the services furnished; whereas the committee report requires that, in determining the "reasonable market price" of natural gas, there be considered among other factors, (1) the quality of the natural gas being purchased, (2) conditions of delivery, (3) the level of prices established currently by generally comparable contracts, (4) prices in different fields and producing areas, (5) whether such prices and the contract price have been established by arm's-length bargaining, and (6) the variation of competitive market prices.

In view of the foregoing it seems safe to assume that, if an amendment should be adopted to S. 1853 substituting "just and reasonable price" for the term "reasonable market price" which is now contained in the bill, the courts would interpret such an amendment as imposing a less liberal price standard, from the point of view of the natural gas pipeline companies, than that now imposed in S. 1853, assuming, of course, that the explanation of the purpose of the amendment on the floor of the Senate did not clearly indicate a contrary intention.

As has been pointed out in the preceding pages of this memorandum, no case has been found where the term "fair and equitable" has been applied to the price of services or commodities. Therefore the effect of an amendment to S. 1853 adopting such term in lieu of the term "reasonable market price" which is now contained in the bill is largely a matter for conjecture, and would depend largely upon explanations of the purpose and intended effect of the amendment, as revealed by debates relative thereto on the floor of the Senate. However, it may be stated as a matter of opinion that, should such an amendment be adopted, the result would be that a less liberal standard, from the point of view of the natural gas pipeline companies, would be imposed than that now contained in S. 1853, assuming the absence of a contrary intention as revealed by the legislative history surrounding the amendment and its adoption. This opinion is based on the rationale that the courts could not otherwise than assume that some change in effect was intended to result by reason of the amendment, it being an established judicial principle that the courts will presume that the legislature has not done a useless thing; and further that the courts would assume that the Congress, in substituting a general and indefinite term for a term which had been so scrupulously and broadly defined as was "reasonable market price" in the Senate report, intended not to require the Commission, in establishing a standard to determine what part of the price to be paid for natural gas by a pipeline company may be treated as an operating expense when that company applies for a rate increase, to consider all the factors the Senate report had required it to consider in arriving at the "reasonable market price" of natural gas.

Again it is felt, purely as a matter of opinion and without the benefit of court precedent or other authority, that as between the term "just and reasonable price" and the term "fair and equitable price," the latter would achieve the more liberal result from the point of view of the natural gas pipeline companies. This opinion is based on the theory that the courts would assume that the Congress, in adopting such a broad, general, and indefinite standard in lieu of one the determination of which depended only upon two factors, intended to permit the Commission to consider factors other than (1) the right of the company to a fair return on its investment, and (2) the right of the public to be charged no more than the reasonable value of the gas furnished, which are, of course, the determining factors in arriving at a "just and reasonable price."

Respectfully,

DOUGLAS B. HESTER,
Assistant Counsel.

JANUARY 27, 1956.

Mr. FULBRIGHT. Mr. President, it has been most gratifying to proponents of the pending natural gas bill to see the strong editorial support that some of the Nation's leading newspapers in all parts of the country have been giving this bill.

Yesterday, in its Sunday edition, the New York Herald Tribune ran a lengthy editorial in which it strongly endorsed the bill. In the editorial, which is entitled "Natural Gas in a Free Economy," the Herald Tribune has this to say:

> The objective of a free economy should be to so stimulate production as to enhance continually the standard of living, to expand goods and services, making them cheaper and better. In the case of natural gas the Fulbright bill would assist this process.

The Herald Tribune goes on to say:

> The action the Senate takes now will determine whether the United States moves on to new triumphs of the free enterprise system or takes a step backward.

I ask unanimous consent, Mr. President, that the entire editorial from the New York Herald Tribune of January 29, 1956, be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NATURAL GAS IN A FREE ECONOMY

The current Senate debate on control of natural-gas prices supplies ample proof of the truth of President Eisenhower's comment that the question is "one of the most argumentative in all this field of Federal control over the natural resources of America." It has cut across party lines, pitted section against section, utility companies against producing companies, and stirred up a cloud of conflicting statistics. Yet there is a hard core of principle at the heart of the argument which can only be violated at a great potential cost to the Nation.

In the field of public utilities, where, in the nature of things, there can be no free competition, Government regulation—by Nation, State, or locality—is the rule. The utility company, whether it provides gas, electricity, or transportation, acquires a franchise from the appropriate governing body, which in turn regulates the rates that the public shall be charged. An essential element in this rate-fixing is cost, including the costs of the raw materials purchased by the utility in the open market. These costs fluctuate, since they are not controlled in a free economy, nor can they be if the economy remains free. The cost to the consumer of gas produced from coal, for example, is regulated by public service commissions—but the cost of the coal is determined by the market price of that commodity.

It is only in the last 20 years that natural gas has been taken seriously as a great natural resource; since 1946 the number of families using it has more than doubled, to perhaps 21 million, and it is now firmly established as a major factor for home and industrial use. Like any other commodity, the principal elements involved in bringing it to the consumer are extraction, processing, and distribution—but these take unusual forms in the case of natural gas.

Gas is searched for and drilled for like petroleum—indeed, it is often found in company with oil. From the fields it is transported by a great and growing net of interstate pipelines (except for very considerable amounts—about half—used locally) to utility companies. The latter have long been regulated. Control of the pipelines by the Federal Power Commission was established under the Natural Gas Act of 1938. But the price at the wellhead, like the price of coal, or any similar commodity, was left to the operations of the competitive system.

The FPC ruled that the 1938 law did not authorize it to assume control of the wellhead prices and restricted itself to regulating the charges of the interstate pipelines, based on those prices. Natural gas consumption began to boom; there was stiff competition for available supplies and prices rose. In 1938, the average wellhead price was 4.9 cents per thousand cubic feet; in 1953, it was 9.2—in line with, but a little less than, the increase in commodity prices generally over the same period.

Meanwhile, concern grew as to whether there was an ambiguity in the 1938 law; whether, in spite of the practice of the FPC, it did mean that wellhead prices should be controlled. In 1950, Congress passed an amendment to the Natural Gas Act explicitly excluding producers from the operations of the act. This was vetoed by President Truman. In 1954 the Supreme Court in the Phillips Petroleum case, held, by a 5–3 majority, that the legislative history of the 1938 statute "indicates a congressional intent to give the Commission jurisdiction over the rates of all wholesalers of natural gas in interstate commerce, whether by a pipeline company or not, and whether occurring before, during, or after transmission by an interstate pipeline company."

There has been, of course, considerable debate as to whether the court correctly interpreted the "intent of Congress." Associate Justice Douglas, who has never been known as a foe of Government regulation per se, believed it did not; in his dissenting opinion he stated that "Congress was concerned with the interstate pipelines, not with independent producers." Be that as it may, Congress can plainly state its intent now, as it did in 1950, that the producers shall not be regulated, or only to the extent necessary to prevent abuses. This is the substance of the Harris bill, which has passed the House, and of the companion Fulbright bill before the Senate.

The argument for regulation is that competition is not free in natural gas, because of the nature of its distribution by pipelines which represent a sizable capital investment and cannot be rerouted as easily as a fleet of trucks. Moreover, there have been abuses, such as certain types of escalation clauses in contracts with the suppliers, whereby a new high price paid anywhere in the field automatically goes into the existing contracts.

Yet competition does exist. The number of producers of natural gas have been variously estimated at from 4,000 to 8,000, and while it is apparent that the great majority of these are marginal producers, Senator CARLSON has pointed out that no single producer sells as much as 5 percent of the gas used in the United States. Moreover, where a pipeline has contracts with only one producer (as was the case with Phillips Petroleum and the Michigan-Wisconsin pipeline) it is possible to establish reasonable protection for the consumer without the fantastically difficult overall controls now vested in the FPC—which is still protesting against exercising them.

The Harris-Fulbright bill would forbid the FPC to allow a pipeline to pass on to its customers higher prices for natural gas than a fair market price. This would prevent unfair forms of escalation clauses or difficulties arising from a particular situation which tended toward a monopoly. And the antitrust laws remain in reserve for gross abuses.

Meanwhile, the confusion resulting from the sudden imposition of FPC controls has had a damaging effect upon the search for new gas fields which constitutes the principal

guaranty against rising gas costs. After the court decision of 1954, oil-well completions rose about 8 percent—but gas-well completions declined about 12 percent. The cost of the gas at the wellhead is only a fraction of the total to the consumer—it bulks larger near the source and diminishes to as little as 3 percent in New England. But the producer must have the incentive to seek out new fields—a costly, risky operation. There is no use in safeguarding the consumer by fixing rates while at the same time stifling the growth which alone can keep actual costs within reason.

"In the interest of a sound fuels policy," said the President's Advisory Committee on Energy Supplies and Resources Policy a year ago, "and the protection of the national defense by assuring such a continued exploration for and development of adequate reserves as to provide an adequate supply of natural gas, we believe the Federal Government should not control the production, gathering, processing or sale of natural gas prior to its entry into an interstate transmission line."

This is sound policy. The objective of a free economy should be to so stimulate production as to enhance continually the standard of living, to expand services and goods, making them cheaper and better. In the case of natural gas the Fulbright bill would assist this process; to attempt price-fixing, on the other hand, would shrink the sources of a necessary raw material and provide a most dangerous precedent for socializing other commodities.

As Senator LYNDON JOHNSON has said: "What applies to gas may well apply to oil—they come out of the same hole—and that what applies to oil can apply to coal. If it applies to coal, it can apply to butter and to automobiles, and to everything else that is produced." The action the Senate takes now will determine whether the United States moves on to new triumphs of the free enterprise system—or takes a step backward.

Mr. FULBRIGHT. Mr. President, another editorial of interest appeared last Thursday in the Chicago American—an editorial by which the fourth of that city's large dailies came out in support of this bill. These four Chicago dailies, in the very hometown of this bill's most distinguished opponent, have joined scores of other newspapers in consuming areas in recognizing that the form of regulation proposed in the bill is one that both protects the consumer and assures him of increased supplies.

This most recent Chicago editorial concluded on this note:

The long range result of Federal control must be a future market shortage and high consumer prices.

I ask unanimous consent, Mr. President, that the editorial entitled "Natural Gas Dispute," from the Chicago American of January 26, 1956, also be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NATURAL GAS DISPUTE

Fundamental facts of interest to the consumer are being obscured in the Senate controversy over Federal control of the natural gas industry.

The natural gas business falls into three divisions—producers who obtain the fuel at the wells and who operate mainly in six States; interstate pipelines which transport natural gas to consumer markets, the bulk of which are situated in 33 large importing States; and distributors or, in plain language, local gas companies. Pipelines and local gas companies operate as monopolies.

To protect the public, local gas companies are regulated under State laws as public utilities. The Federal Government has no jurisdiction in this field.

Further to protect the public, Congress in 1938 passed the Natural Gas Act, giving the Federal Power Commission authority over the pipelines engaged in interstate commerce. The act specifically exempted producers at the well from Federal regulations.

COURT-MADE LAW

In June 1954 the Supreme Court ruled, by a split decision, that producers also were subject to Federal control if any part of their production was sold across State lines.

In sum, the Court held that a law passed by Congress contained something that Congress had not put in the law.

This, as in the preceding matter of oil-bearing tidelands, was a case of the Federal judiciary invading the legislative powers of Congress.

Congress nullified the earlier decision by passing a law that returned the tidelands seized by the Federal Government to the States which had owned them for 100 years without dispute.

Following that precedent, the Harris-Fulbright bill was introduced in Congress to rescind the natural-gas decision and was passed by the lower House last year. The bill now is pending in the Senate.

The basic issue, therefore, is that legislative powers under the Federal Constitution belong solely to Congress and may not be usurped by either the executive or judicial branch.

NOT A MONOPOLY

Obviously, if the Federal Government has power to regulate the production of natural gas, then, as Senator BRIDGES has said: "We must also extend Government control to the production of coal, lead, zinc, copper, and all other mining."

Opponents of the Fulbright bill assert the production of natural gas is a monopoly from which the public must be protected by Federal intervention.

No reliable facts are offered to support this contention.

It is true that 197 companies produce 90 percent of the natural-gas supply. But of these 197 companies competing with each other, none controls 5 percent of the total production. Moreover, in this highly competitive industry there are actually 8,000 producers operating 71,000 gas wells in 28 States.

That is hardly a monopoly.

Opponents of the Fulbright bill also allege that the consuming public is the victim of price extortion by the natural-gas companies.

There are some 25 million residential natural-gas consumers, mostly in large cities, and the millions of families who read the Hearst newspapers are among them. Naturally, we are on their side; always have been and always will be.

ABOUT PRICES

But here are some facts:

Prices vary geographically, but here in Chicago the householder pays an average of $1.09 per 1,000 cubic feet for gas. The producer gets 11 cents—10 percent of the retail price.

The producer averages only 10 cents per 1,000 cubic feet for natural gas piped into New England. The pipelines get only 50 cents. But the average home price in New England is $2.40 per 1,000 cubic feet, the local distributor getting $1.80. The distributor's price is thus 2,400 percent of the producer's price.

In Washington, D. C., a residential consumer pays $1.31 for natural gas for which the producer receives 12½ cents.

According to a congressional estimate, a local utility company collects 18 cents for delivering 2 cents worth of natural gas.

Plainly, the high costs to consumers are attributable much more to local service and distribution than to exploitation by producers; and local utilities are subject to State or municipal regulation.

SUPPLY DIMINISHING

Opponents of the Fulbright bill contend that Federal regulation, as unconstitutionally decreed by the Supreme Court, will increase the market supply of natural gas and reduce consumer prices.

Market statistics indicate exactly the opposite effects.

Expanding potential markets demand expanding supplies.

But the interstate supply is diminishing. Because of Federal regulation at the wellheads, many independent producers are selling their product only within their own States, where Federal control is absent. Likewise, wildcatting, or bringing in new wells, is declining.

The long-range result of Federal control must be a future market shortage and high consumer prices.

Mr. FULBRIGHT. Mr. President, another excellent editorial appeared in the Pittsburgh Post-Gazette of January 19, 1956. I ask unanimous consent, Mr. President, that this editorial also be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REASONABLE GAS PRICES

Gas and oil producers are making their annual attempts to push through Congress legislation to prevent the Federal Power Commission from regulating the price of natural gas at the wellhead.

The Senate is debating the Harris-Fulbright bill, which passed the House last summer by a vote of 209 to 203. This bill would have the effect of reversing a 1954 Supreme Court decision which held that the FPC should exercise control over wellhead-gas prices under terms of the Natural Gas Act of 1938.

Until that decision, the FPC had confined its control to the prices charged by interstate pipelines for gas delivered to local distributors. And the local distributors, in turn, are regulated by the State public utility commissions.

Natural gas regulation is a complex and confused issue which has vexed the Congress and the public for the last several years. There is no unanimity of opinion on the subject even in Texas, the greatest producing area, where some distributors distrust the motives of the producers, many of them big oil companies.

Opponents of the legislation naturally put the worst interpretation on the motives of the producers, of whom only 197 out of some 4,000 provide 90 percent of the gas sold in interstate commerce. They see the Harris-Fulbright bill as a blatant attempt by the big producers to gouge captive consumers, particularly in the populous northeast, for all the traffic will bear. How, they ask, can the ultimate rate charged the consumer be controlled effectively in the absence of direct control at the wellhead?

The producers argue, on the other side, that the Harris-Fulbright bill would work to the benefit of consumers because it would encourage exploration, competition, and an adequate supply of gas.

What's more, they contend, the debate over gas regulation is no longer over whether the producers shall be controlled, but how they shall be controlled.

While the Harris-Fulbright bill would free producers of direct utility-type controls (based on costs plus fixed profits), it is argued, it would provide indirect FPC safeguards against unreasonable prices by con-

trolling the amounts pipeline operators could pay producers.

This legislation would authorize the FPC to examine wellhead rates in all new or renegotiated contracts between producers and pipeline operators. If the price set is considered more than a "reasonable market price", then the FPC could forbid the pipeline to pass on the extra cost.

This argument naturally raises the all-important question: what is a "reasonable market price"? How is it to be determined? The gas bill says the FPC must determine: (1) whether the price has been competitively arrived at; (2) the effect of the contract on the assurance of supply; (3) the reasonableness of the contract provisions as they affect existing or future prices. A House committee report on the bill also said the FPC must consider anything else that could influence the reasonableness of the price.

As we see it, there is no virtue in imposing regulation simply for the sake of regulation. Congress' primary concern with this issue should be the protection of more than 1½ million commercial and industrial consumers and of 60 million people who rely upon natural gas in their homes for cooking, heating and cooling.

Would the indirect controls set up in the Harris-Fulbright bill provide sufficient consumer protection? Has the question of "reasonable market price" been adequately defined, and is it a practical means of control?

If the Senate can answer those questions affirmatively, then we see no valid objection to the Harris-Fulbright bill. If not, then the bill should be amended to provide adequate safeguards or it should be killed.

Mr. FULBRIGHT. Mr. President, the last two paragraphs of the editorial had this to say:

Would the indirect controls set up in the Harris-Fulbright bill provide sufficient consumer protection? Has the question of "reasonable market price" been adequately defined, and is it a practical means of control?

If the Senate can answer those questions affirmatively then we see no valid objection to the Harris-Fulbright bill. If not, then the bill should be amended to provide adequate safeguards or it should be killed.

The answers to those two Post-Gazette questions are, I think, the heart of this whole issue. In this bill, I am convinced, these two questions are answered affirmatively, and I have so informed the Post-Gazette. At this point in the RECORD, Mr. President, I should like to enter my reply to the Post-Gazette.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EDITOR, THE POST-GAZETTE,
Pittsburgh, Pa.

DEAR SIR: I should like to answer affirmatively the two questions asked in your excellent and thoughtful editorial of January 19.

The first question you asked was whether the indirect controls set up in the Harris-Fulbright natural gas bill provide sufficient consumer protection. It is my firm conviction they do.

This proposed legislation protects the consumer in two ways: On the one hand, the bill perpetuates the competition that has long prevailed among gas producers. It insures consumers that they will reap the benefits of this competition. On the other hand, it guarantees that an interstate pipeline may not pay to the producer and then pass on to the consumer more than the reasonable market wellhead price for natural gas. And the bill gives the Federal Power Commission the duty and authority to determine this reasonable market price.

As to the importance of competition, it should be remembered that up until June 7, 1954, there was no Federal control of any kind over the production of gas. Competition determined the wellhead price, the Nation's supply of gas increased steadily, and—from 1938 through 1953—the field price of gas went up less than the cost-of-living in spite of the fast-growing demand for gas.

To reinforce the proven benefits of competition, the bill now before the Senate adds another consumer protection: a guaranty that the consumer will not be charged more than a reasonable market price. The bill provides that the interstate pipelines cannot pass on to consumers any field price which the Federal Power Commission finds to be more than the reasonable market price.

An important reason for this method of control is this: It makes much more sense, it is more efficient, to control the prices that some 120 pipelines pay for their gas rather than to attempt to fix the prices at which more than 8,000 independent producers sell the same gas.

The second question you asked was whether reasonable market price has been adequately defined, and is it a practical means of control.

The facts are that reasonable market price is not a legally vague term, as the proponents of direct Federal utility control have charged, but instead it is a combination of well-defined and commonly used legal terms.

Market price has a definite legal meaning. Black's Law Dictionary defines it as "the actual price at which the given commodity is currently sold or has recently been sold in the open market; that is, not at a forced sale, but in the usual and ordinary course of trade and competition, between buyers and sellers equally free to bargain, as established by record of late sales."

Addition of the qualifying term reasonable is merely an indication that the rule of reason shall be applied by the Federal Power Commission. In regulating railroads, the Interstate Commerce Commission proceeds largely on this same basis of reasonableness.

Some of the opponents of the bill have urged that the phrase "just and reasonable" price be used instead of "reasonable market price." This may sound good, but the facts are that the term "just and reasonable" carries with it a specific legal meaning which the courts have spelled out over the years. Specifically, "just and reasonable" means cost-plus, or utility-type regulation. The FPC itself has cited one case where application of this misleading "just and reasonable" concept actually resulted in a negative price to the producer of 1.24 cents per thousand cubic feet.

The committee report on this bill had this further word to say on reasonable market price. It is not, the report said, "* * * the highest price, the weighted highest price, the average field price, or other price arrived at by the mechanical application of a single criterion. Instead, it is a price which the Commission, exercising its judgment and discretion in weighing a number of relevant factors, determines is the reasonable market price."

There can be no doubt, it seems to me, that the term "reasonable market price" is adequately defined in the bill and that it represents a practical means of control.

Most people will agree, I think, that this Nation's policy on natural gas should be set by Congress. It should not be set by the Supreme Court. It should not be set by the Federal Power Commission. Under our form of government, the ultimate responsibility for this policy rests with Congress. By passing this bill, Congress will be stating a policy which is workable, efficient, and eminently fair to all. It will be stating a policy that is definitely in the public interest.

With kind regards, I am

Sincerely yours,

J. W. FULBRIGHT.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Chance for Gas Bills," which was published in the Times-Picayune.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHANCE FOR GAS BILLS

Washington reports say the chances of Senate passage of the Harris-Fulbright bills relieving several thousand natural-gas producers of the incubus of Federal regulation are 50–50 or better. On the showdown, due next week on the Senate floor, we hope the results are so decisively in favor of the bills that the question of applying Government regulation in this field where it doesn't belong will not come up again soon. The House passed the Harris bill last summer.

The Federal Power Commission got into producer price regulation of gas against its own will through the Supreme Court interpretation in 1954 of a 1938 law. Much of Congress itself was surprised to learn from the Court that it "intended" to regulate producer prices when it passed the pipeline regulatory bill.

Of course, there is no excuse for regulation. The number of producers, varying from time to time, has been figured at about 2,100 to 4,000. There seems to be no question of plenty of competition in selling the gas, both locally and to the interstate pipelines.

Senator DOUGLAS, of Illinois, and some of his conferees have made much ado about the possibility of Southwestern producers holding the householders of the North in price captivity, charging them what they choose. That is ridiculous not only because the thousands of producers are in competition but also because the price of gas at the well head is only about 10 percent of what the ultimate consumer pays. What is more, the interstate pipelines have to show that they have a market and have contracts for a long-term supply of gas before they can get a permit to build a line.

There seems to be wide agreement that one principal effect of regulation at the wellhead is to discourage exploration and cut down the total supply of gas. That is anything but a help to the consumer. Senator FULBRIGHT and others have pointed out that another major effect would be to virtually guarantee the earnings of the pipeline distributors. Apparently that would be so where the FPC fixed a wellhead gas price lower than that named in the long-term contracts of the pipelines.

So far as big producer States like Louisiana and Texas are concerned, regulation holds no particular terrors. Gas for intrastate transport and use is not subject to FPC rule. These States can use their gas at home and there will be plenty of it for local consumption regardless of the effect of Federal regulation on wildcatting. But failure to eliminate the wellhead price control would hurt the industry. Moreover the creeping extension of Federal controls into areas of economy where there is no good excuse for it should be stoutly resisted. To allow it makes for more regimentation, more expensive government, and more drag on our economy.

Mr. FLANDERS. Mr. President, there has been considerable interest among my constituents in the Harris-Fulbright bill which we are presently discussing. Correspondence has been almost entirely

favorable to the bill. In fact, the only dissenting letter was received last Friday.

The volume of correspondence received one might suppose to have been generated by the active campaign put on in favor of the bill by people in the oil and gas business. There is doubtless much truth to this assumption. However, the letters in their wording do not show the usual signs of organized support. They are not identical in language. What has happened I firmly believe is that the very act of calling attention to the bill by whatever means, struck an immediate response in the settled convictions of the average citizen of my State.

It is a fact that Vermonters in general do not like Government control. We trust to competition wherever competition is possible and are alarmed at the immense complications of Federal regulation.

The Federal Power Commission seems to be of the same mind as that which moves my constituents. For them to undertake the regulation which the Supreme Court has handed to them would be extremely complex and bothersome, costly both to the producers and the Government. The natural gas business is not susceptible to a single price in the fields. The pipelines do not supply under a single-price system, the distributors do not. How they are going to regulate prices at the wells will pose a very complex problem.

There is another interest of Vermonters in this bill. Our State is the only one of the whole 48 which does not have access to natural gas. We are afraid that there is not going to be enough to go around unless conditions are such that the continued search for new sources, and in addition a continued incentive to export, is maintained in the producing States. We want gas and feel sure that we have a better chance of getting it if the pipelines are full than if new production is slowed down or diverted to intrastate uses, as may be expected from full application of Federal control.

I am sure also that I am expressing the sentiments of my State when I say that we want to preserve the powers and jurisdictions of the three branches of our Federal Government—the legislative, administrative, and judicial. Not being a lawyer, I find completely incomprehensible the action of the Supreme Court in ignoring the plan language of the Natural Gas Act of 1938. Section 1 (b) of that act reads as follows:

> The provisions of this chapter shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution—

And this is the important point—

> or to the production or gathering of natural gas.

To the layman this seems a clear case of legislation by the Supreme Court. In effect they say to the Congress, "What you put into the Gas Act of 1938 is not good for the people of the United States. We therefore declare your action null and void and decree that 'the production or gathering of natural gas' shall, in spite of your intent, be subject to Federal price control."

As a matter which goes back to the fundamental principles of our Constitution, it is necessary for the Congress to take action on this usurpation of our functions by the Supreme Court. It was necessary that the bill we are now considering be drawn up and offered to the Congress for consideration and action. If we are to reconsider the action we took in 1938, it is the Congress which must reconsider. The Supreme Court has no jurisdiction.

The Congress is deciding at this time whether it still holds to the purposes expressed in the action it passed 18 years ago or whether it has now decided to change its intent and establish a new policy.

It is my strong hope that we will stand by the law as it was originally enacted.

UPPER COLORADO RIVER WATER STORAGE PROJECT

Mr. WATKINS. Mr. President, in several of my recent floor speeches, I have made reference to the million-dollar southern California water lobby and its tactics in misrepresenting the Colorado River storage project and in attacking the very reclamation program itself. Today, I wish to cite specifically some of the devious methods used by this State-supported lobby.

Some of my colleagues doubtless remember the spate of newspaper articles and editorial comment introduced into the CONGRESSIONAL RECORD last spring, when this proposed legislation was under active consideration.

After Congress adjourned, I learned what had stimulated much of this volume of adverse newspaper comment. It was largely the result of rather wide publication of a so-called tax map which had been distributed by the southern California lobby. This material purported to show that the four upper basin States pay virtually nothing toward the construction costs of this project, while the other States pay the bill through increased taxes. Actually, the fact is that the four upper Colorado River Basins will reimburse 99 percent of the capital construction costs, two-thirds of it at full interest, and will meet all operation and maintenance costs on the project.

This so-called tax map, an adroit amplication of the big lie technique of propaganda, gained acceptance by a number of newspapers throughout the country, because it appeared, on its face, to emanate from a reputable tax research organization. The cutlines provided for this tax map were deliberately prepared by the southern California water lobby to cloak its propaganda with the respectability of a nationally known tax research group. These cutlines read:

> The tax map above shows how much the upper Colorado River Basin project bills, now before Congress, would cost the taxpayers of each State in the Nation. These bills call for a number of large dams on the upper reaches of the Colorado River and numerous irrigation projects in the States of Colorado, New Mexico, Utah, and Wyoming. National tax authorities say that hidden subsidies in these so-called reclamation project bills would cost the people of the United States more than $4 billion in added taxes. The total cost to taxpayers is based on repayment schedules presented to the Senate and House Interior Committees by the United States Bureau of Reclamation. The cost to each State is based on computations by the Tax Foundation, New York City, and Washington, D. C.

I emphasize the words "national tax authorities."

My attention to this propaganda distribution, which must have cost the southern California lobby hundreds of dollars, was attracted by an editorial which appeared in the Jerome North Side News of Jerome, Idaho, on August 11, 1955. This editorial, entitled "Duped by California Water Lobby Misrepresentations," described how this newspaper had printed the tax sketch, only to discover later that it was propaganda masquerading as information from a tax research agency. I hereby request unanimous consent to have the editorial reproduced at this point in my remarks:

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DUPED BY CALIFORNIA WATER LOBBY MISREPRESENTATIONS

During May the News published a sketch illustrating the cost to Idaho of $13,600,000 in new taxes for the upper Colorado River Basin project. The sketch listed the tax which each State would be compelled to pay into the Federal Treasury to finance its share of this huge project. An explanation under the sketch explained that the total cost of the project was $4 billion and this amount would be charged to each State on a per capita basis. New York was highest with nearly a half billion in added taxes.

We find now that the publication of this sketch with the supplemented information was erroneous. We were duped. A so-called tax foundation with addresses in New York City and Washington, D. C., provided the information, according to the picture explanation. We were duped and have found out that the sketch with the erroneous information and statistics was compiled by the water lobby for the State of California. The upper Colorado bill authorizing the project in its entirety calls for an appropriation from Congress of only $760 million which is a far cry from $4 billion.

Also, as in the case in most combination irrigation and power projects, the lands to be irrigated under the provisions of the bill will pay off the cost of the construction eventually just as was the case in Idaho on several Federal and private projects such as American Falls Dam, Owyhee Dam, etc.

The upper Colorado project is not an exclusive power undertaking such as Hell's Canyon. It provides for expansion of irrigation in Colorado, New Mexico, Utah, and Wyoming along with the many ramifications of the proposed project. It provides for a payment of 2½ percent interest on all moneys appropriated by Congress for its construction.

Such a program would not cost Idaho $13,600,000 in added taxes. But California is confusing the issues intentionally so that the upper river States will be deprived of their waters and these waters in turn will

revert to California. A few years ago, California had a plan to appropriate waters from the Snake in Idaho, as far fetched as that may seem but it was a plan. Idaho should certainly stand by the other Mountain States to preserve these water rights for the beneficial development of the States in which they originate. We have never heard of California sharing with other States such rights as oil rights, fishing rights, or any other natural resources which that great State possesses in its natural boundaries. And it is not logical or consistent that the neighboring States of the West should give up such cherished rights in water which they might hold or should serve to develop for their own use.

Mr. WATKINS. Mr. President, I requested the forthright publisher of the Jerome News to provide me with a tear sheet of the propaganda handout. On its receipt, I submitted a photostat of the clipping to the Tax Foundation's Washington office. A spokesman for the foundation informed my staff that the tax organization was already engaged in mailing out letters denying any connection with that propaganda effort. A copy of such an explanatory letter was made available to me, in evidence of the good faith and neutrality on the part of the highly respected Tax Foundation, and I hereby request unanimous consent to have this letter printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 11, 1955.

Mr. H. ALLEN PAINTER,
Editor, Hackettstown Gazette,
Hackettstown, N. J.

DEAR MR. PAINTER: Our attention has been called to an editorial appearing in your newspaper on May 12 entitled, "One Hundered Forty-four Million Dollars for New Jersey To Pay." This editorial was reprinted in the Appendix of the CONGRESSIONAL RECORD of June 24, 1955. The editorial says the Tax Foundation mailed to your paper a map showing what it would cost the various States if the upper Colorado River Basin project is approved.

I am writing this letter simply to set the record straight in regard to the map sent you. The map was not sent by the Tax Foundation, which is a private, nonprofit research organization. We have seen copies of this map in other newspapers. It was prepared by the Colorado River Association, with which the Tax Foundation has no connection. Apparently, the Colorado Association adapted a formula the Tax Foundation devised to apportion the tax burden among the various States, applied this to the cost of the upper Colorado River Basin project, and credited the Tax Foundation with the resulting figures. The foundation did not prepare these figures, which were published without our knowledge or consent.

For your information, I am enclosing the May 1954 issue of one of our monthly publications, Tax Outlook, which carries on page 12 an article, A Better Yardstick, describing the formula we developed for allocating the tax burden.

Sincerely yours,

VINCENT D. MARTIRE,
Editorial Director.

Mr. WATKINS. Mr. President, lest anyone is unaware of the identity of the Colorado River Association, referred to in the foundation's letter, I wish to point out that it is a registered lobby, which has reported receipts of, roughly, $100,000 a year for the last 5 years, primarily to oppose the Colorado River storage project. The description of the organization, as listed in the quarterly lobbying reports to Congress, is as follows:

Colorado River Association, 306 West Third Street, Los Angeles, Calif.; citizens' organization for presentation of public information concerning Colorado River water matters. Opposes any legislation jeopardizing California's water rights on the Colorado River.

This now-discredited tax map was the Colorado River Association's big propaganda assault of 1955.

Now this rich and powerful southern California lobby has turned its unrestrained propagandists loose in another area of public misrepresentation. In recent weeks, the lobby has produced another map for mailing to unsuspecting newspapers and Congressmen. This propaganda document purports to give some information on rich farm land in other States that should be placed under cultivation in lieu of a long-range project to develop badly needed water for a four-State semidesert area larger than New England. This propaganda seeks to obscure the fact that the Colorado River storage project now before Congress is primarily a long-range comprehensive plan to conserve water and make it available for multiple uses in the semidesert area.

As was the case with the first propaganda map, used by many newspapers which should not have been so imposed upon by a lobby, this 1956 propaganda carries no information about its connection with one of Washington's largest and most highly organized lobbies. Instead, the cutlines provided seek to clothe the propaganda with the prestige of the Soil Conservation Service, just as the southern California lobbyists tried to represent that the source of its tax map was the tax foundation.

The southern California lobbyists also distort facts in the propaganda device to the extent of claiming that the $760 million self-liquidating Colorado River storage project will cost $4 billion in added taxes. And they further misrepresent the facts by suggesting that the project will bring into production 583,000 acres in new agricultural lands, when, in truth, the units proposed for authorization will add only 132,000 acres of new land over an estimated 30-year construction period—probably less land than will be retired from cultivation in that area over the same period.

Relative to the matter of idle farmland in the Midwest, the lobby's cutlines contain these statements:

The map above shows that there are nearly 4 million acres of rich, idle farmland in the Midwest waiting to produce more food for the Nation when needed. * * * Figures for the idle midwestern land were obtained from the United States Soil Conservation Service. This land could be brought into production at a fraction of the cost of creating new agricultural lands in the upper Colorado River Basin.

In view of my revealing experience with the so-called tax map, I directed an inquiry to the Soil Conservation Service on the source of such figures attributed to that agency by the southern California lobby. The following letter from Administrator D. A. Williams, of the Soil Conservation Service, was received in answer to my inquiry, and I hereby request unanimous consent to have this letter reproduced in the RECORD at this point of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES,
DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D. C., January 24, 1956.

Hon. ARTHUR V. WATKINS,
United States Senate.

DEAR SENATOR WATKINS: I am answering your letter of January 13, 1956, inquiring about substantial areas of idle land in the Midwest.

The map which was attached to your letter was new to me but apparently the figures could be identified as coming from the Soil Conservation Service as the result of Mr. John U. Terrell's visit to my office last September. At that time he asked for figures on the amount of idle land in a number of Midwest and Southern States. I advised him that in 1944 the Soil Conservation Service made a land classification of the United States, based on the use of land at that time, but that these figures were more than 10 year old and probably not too reliable. Then he asked if he could call on some of our field offices to discuss the matter of idle land. I agreed to this request and so advised our State conservationists. I stated to them that since the land facts he desired were obtained from surveys and estimates made with the use of public funds, and that this information was not confidential, they could give it to him. In my letter to them I specifically stated, "We have not agreed to supply any interpretation of those data." A copy of this letter is enclosed.

There was no reason to ask Mr. Terrell to submit the figures he obtained by visiting our State offices and he did not do so. Therefore, we had no indication as to how the data were to be used.

It is apparent, from the acreage figures on the map enclosed in your letter, there is greater variation in the figures between the States than should be the case if conditions in the different States were consistently reflected in the figures on a uniform basis. Since the estimates given were the result of verbal discussions with some 20 individuals or groups, some variation was to be expected. However, with due allowance for such differences, it would appear that in some instances, at least, quite different interpretations as to what data was desired modified the figures used. Some of the State figures are identical with the estimates made in the 1944 survey. On the other hand, we find that some of the States attempted to hurriedly revise these rough, early estimates and bring them up to date based on present land use. Under these conditions the revised figures for Michigan, for example, would not be comparable to the old Wisconsin figures even if similar concepts for "idle land" were used which appears open to question. The present land conditions in the two States are actually much more comparable than the figures used indicate.

We were not in any way involved in any interpretation placed upon these figures or implications drawn therefrom. In fact, the Service no longer uses the term "idle land" because of the wide variations in what different people considered the term to mean. The Bureau of the Census has had a similar experience with the term.

I am able to supply only very general information with regard to estimated cost of bringing land not now in production into agricultural use. A small acreage of land included in the figures undoubtedly is land that could be put into cultivation for less

than $20 per acre. This is because it has been only temporarily abandoned. However, a much greater amount of this land will need rather extensive treatment before it can be either pastured or cultivated. The estimated cost of clearing land varies from about $50 to as much as $120 per acre, depending upon the use to which it is to be put. For that land which needs drainage—and a large acreage of it does—the estimated cost would vary from about $60 to as much as $150 per acre. To these costs would need to be added, in many places, a fertilizer cost varying from as little as $10 to as much as $60 per acre, depending again upon the use and kind of crop to be grown.

It should be pointed out that some of this land lies in small tracts inaccessible for efficient use. Other areas must remain as they are until major improvements such as leveeing and costly drainage outlets are established.

Sincerely yours,

D. A. WILLIAMS,
Administrator.

WASHINGTON, D. C., *September 27, 1955.*

To: State conservationists—Alabama, Arkansas, Florida, Georgia, Louisiana, Maryland, Mississippi, Pennsylvania, South Carolina, Virginia.

From: D. A. Williams, Administrator.

Subject: Request for information.

A Mr. John U. Terrell has requested permission to visit some of our State offices for information on land facts in the States. Since this information is based on our surveys and estimates, and is not confidential in nature, you may supply such facts as you may have.

We have not agreed to supply any interpretations of those data.

It is my understanding that Mr. Terrell will visit your office within the next few weeks.

Mr. WATKINS. Mr. President, it will be noted that Mr. Williams refers to a visit to his office last fall by a Mr. John U. Terrell. Once again, I will call attention to the published reports of lobbyists to the Congress, which disclose that Mr. Terrell is an employee of the Colorado River Association, and thus his salary for such lobbying and propaganda efforts is $12,000 a year from this southern California lobbying organization.

It will be noted also, Mr. President, that Mr. Terrell was advised that the figures he had requested were more than 10 years old and probably not too reliable. Furthermore, he and the Government offices he contacted were very clearly advised that the Soil Conservation Service had not agreed to supply any interpretation of those data. The interpretation which Mr. Terrell placed on those figures, obtained so informally from a reputable Government agency, was clearly that which the southern California water lobby wanted to place upon them.

For one thing, Mr. Williams clearly points out that the SCS no longer uses the term "idle land," seized upon by the southern California lobby as an element of their big lie technique of propaganda exploitation.

The SCS Administrator also disclosed that some of the so-called idle acreage referred to by southern California lobbyists, was only temporarily idle, when so classified 10 years or more ago.

Furthermore, his letter shows that much of the land which the southern California lobby claims can be made productive for $15 to $150 an acre actually would cost much more than that to restore and maintain its productivity. The estimates of the head of an expert agency on this subject are that most of the lands involved would require clearing costs of $50 to $150 an acre, drainage costs of $60 to $150 per acre, and annual fertilizer costs of $10 to $60 an acre. In addition, Administrator Williams also makes this point:

It should be pointed out that some of this land lies in small tracts inaccessible for efficient use. Other areas must remain as they are until major improvements such as leveeing and costly drainage outlets are established.

I trust that Members of Congress and newspaper reporters and editors who have been taken in by this artful southern California propaganda, for perhaps a second time, will read with care the documents which I am presenting, and keep them in mind when they receive any similar propaganda from southern California or its well-heeled Washington lobby.

Now it appears that the next performance of this unabashed southern California lobby will be an attempt to discredit the engineering study of the site of the proposed Glen Canyon Dam. This promises to be the biggest lie yet essayed by this lobby in its sustained application of the "big lie" technique of propaganda dissemination.

At the risk of dignifying this bald effort to discredit the Government engineers who built Hoover Dam and Grand Coulee Dam, 2 of the recognized engineering wonders of the world, I wish to make 2 points, before these ingenious propaganda showmen begin their latest travesty with truth on this subject:

First, the Glen Canyon site is such an outstanding dam site on the Colorado River that the city of Los Angeles invested $60,000 in 1947 to enable the Bureau of Reclamation to complete its engineering investigations of the site. These investigations showed 700 feet of competent sandstone below the river surface upon which the dam would rest. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, a letter from the Bureau of Reclamation, setting forth the details of this contractual arrangement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington D. C., October 19, 1955.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WATKINS: This is in further response to your letter of September 16, 1955, in which you requested information regarding the financial participation of California interests in the investigation of the Glen Canyon Dam and Reservoir.

Investigation of the Glen Canyon Dam and Reservoir was initiated early in 1946 by the Bureau of Reclamation in connection with investigation of the Bridge Canyon project in the lower Colorado River Basin. Because of the limited storage capacity in the Bridge Canyon Reservoir, upstream sediment retention reservoirs were required. Preliminary consideration indicated that this could be accomplished by the construction of a dam on the Little Colorado River and one on the San Juan River. Upper basin representatives expressed some disfavor of the dam at the bluff site on the San Juan River and expressed a preference for the Glen Canyon site on the main stem of the Colorado River, which would eliminate the need for the Bluff Dam for many years. It was determined, therefore, that both sites should be explored.

Geologic examinations and foundation exploration were begun early in 1947. In June of that year it became evident that the Bureau of Reclamation appropriations for general investigations for fiscal year 1948 would be curtailed and that sufficient funds would not be available for this project to continue the exploration work unless funds from some other source could be made available. Because of the critical power situation in the Southwest resulting from an expanding power market together with a shortage of fuel oil, available natural gas, however, it was considered essential that the exploratory work at Glen Canyon be continued in fiscal year 1948 and that all possible means of accomplishing this work be explored. Accordingly, the work was temporarily suspended and the equipment idled but not moved from the site.

The city of Los Angeles Department of Water and Power, being a potential user of power developed on the Colorado River, has always manifested considerable interest in the Bureau of Reclamation activities in relation to the Bridge Canyon and Glen Canyon developments. On several occasions after initiation of studies on the Bridge Canyon development the city requested and was furnished considerable information and drawings. Because of its continuing interest in the investigation of power developments on the river, it was anticipated that the city would also request similar information and data resulting from the investigations of the Glen Canyon site.

Representatives of the department of water and power, upon learning that the exploratory work at Glen Canyon was being suspended due to lack of sufficient funds, indicated verbally that the city might consider contributing some funds on a matching-fund basis toward completion of the investigation. In return the city wished to be furnished data developed in the course of the investigation, similar to the type of information obtained by the city in connection with the Pridge Canyon Dam without any financial participation in the cost of the investigations.

In keeping with the Bureau's practice of accepting matching funds from States and political subdivisions for investigation purposes, sufficient matching funds were made available through rescheduling of available Bureau of Reclamation general investigation funds. After discussions in conference with representatives of the city of Los Angeles, a draft of contract for investigation of the Glen Canyon Dam site between the Bureau of Reclamation and the city of Los Angeles was prepared, wherein the city agreed to advance up to $60,000 for this investigation. Subsequently, on December 2, 1947, after approval by the Secretary of the Interior, the contract was executed. A copy of the contract (I 76r-339) together with Resolution No. 198 of the Board of Water and Power Commissioners of the City of Los Angeles, authorizing the agreement, is enclosed. Exploration of the Glen Canyon Dam site was thus enabled to continue to completion.

As preliminary arrangements with the city of Los Angeles were carried out through conference there is no correspondence with the city covering these arrangements. I trust, however, that the above discussion, together with the copies of the contract and the resolution by the Board of Water and Power Commissioners of the City of Los An-

geles, will provide you with the information you desire.

Sincerely yours,

E. G. NIELSEN,
Acting Commissioner.

Mr. WATKINS. Second, Mr. President, the geology of the Glen Canyon site was thoroughly explored in congressional hearings, and the selection of that site was approved by both the Senate and the House Interior and Insular Affairs Committees. In the Senate hearings, significant attention was given to this testimony by a most competent engineering witness, Reclamation Commissioner Wilbur A. Dexheimer. Mr. Dexheimer made this positive summary declaration of his views:

Mr. DEXHEIMER. I have personally been in on the original exploration and the construction of Hoover Dam, Shasta Dam, and many others from days before they were conceived. I have investigated this site and gone through the geology. We have done a great deal more investigation on Glen Canyon than we have on Hoover or the others. We have no doubt at all but what a dam of 700 feet height at the Glen Canyon site is entirely practical, feasible, and economical, and would be safe from an engineering standpoint.

Later on in the hearing, he was asked if those conclusions were "tentative." Mr. Dexheimer replied:

No, sir. They are firm conclusions for a structure up to 700 feet. There is no question in our minds.

Mr. President, the Glen Canyon structure proposed in the bill now before the House is a 700-foot dam.

It is clear that the engineering professionals in the Department of the Interior have made this positive evaluation, unequivocally approving the Glen Canyon Dam site, and few will deny that they are eminently qualified to make such an evaluation.

Only the southern California lobby propagandists and their spokesmen will contribute to the coming unwarranted and irresponsible attack on the Glen Canyon Dam engineering, and I trust that the Congress and the press will not be taken in by the specious argumentation that will be marshaled by the lobby in the third recent major attempt to confuse the public and the Congress on the facts associated with a key feature of the eminently sound and economically feasible Colorado River storage project.

The facts are that the Colorado River storage project is a well-planned, economically sound water development project for a semidesert portion of the country that needs water for various purposes. We have planned this project to reimburse the Government—through revenue from water and power which will be used and paid for by residents of our area—for 99 percent of the capital construction costs, two-third of it at full interest, and to meet the costs of operation and maintenance.

The only major opposition to the project now is being provided by the southern California water lobby, which stands to profit by millions and millions of dollars if it can succeed in delaying or defeating development by the four upper-basin States of water allocated to them in a solemn interstate compact, effected a quarter century ago. This is so because the water, if unused, will continue to flow downstream, where it powers southern California hydropower turbines, and either is used in California or Mexico or wastes into the Pacific Ocean.

I hope this delineation of the southern California lobby's methods will open the eyes of observers as to the lack of credibility of much of the misinformation which has been directed by a selfish lobby against this deserving project.

Mr. KUCHEL. Mr. President, I should like to make a very brief statement in reply to some of the comments made by the Senior Senator from Utah [Mr. WATKINS].

When he began to speak, I was out of the Chamber, attending a luncheon on the House side of the Capitol, at which the honored guests were several paraplegic war veterans from California. I entered the Chamber while the distinguished Senator from Utah was speaking. I have not had an opportunity to study the text he used. I wish to do so, and subsequently perhaps to make some further comment on it.

However, Mr. President, let me say that at the time when I entered the Chamber, the distinguished senior Senator from Utah was speaking about Glen Canyon Dam. The proposed dam at Glen Canyon was one of the projects embodied in the so-called upper Colorado River development bill, as it was introduced last year in the United States Senate.

Mr. President, I well remember the rather long and extensive hearings in the Senate Committee on Interior and Insular Affairs, in connection with the entire project. So far as the recommendations of the Department of the Interior with respect to Glen Canyon are concerned, I well remember that representatives of the Bureau of Reclamation testified before us, in support of their conclusions with respect to the feasibility of the Glen Canyon Dam.

But, Mr. President, I also remember that men of competence and of honor and of unquestioned integrity in the engineering field came before the committee and urged further studies with respect to approval by the committee of Glen Canyon Dam. Indeed, some of them testified in a fashion which I think to any reasonable man indicated that further studies were in order.

Mr. President, in my judgment, those men appeared in person and through reports they made which were furnished to us on the committee, and were made a part of the committee's documents, in complete good faith. I am shocked and I am deeply and bitterly disappointed that what they uttered to the committee in good faith would now be termed a lie. That, Mr. President, is simply not so. It seems to me that any of us can understand that individuals of equal competence in the engineering field may reach diametrically opposite conclusions based upon their own professional judgment. Those who happen to disagree with the conclusions reached by the Bureau of Reclamation with respect to Glen Canyon Dam are entitled, in the Senate of the United States, to the weight of their own conclusions. They should not be punished or pummeled, nor have attached to their honorable conclusions the ugly word "lie."

I regret very much that the senior Senator from Utah has suggested that the conclusions which were reached by engineers and others from the State of California must be so treated, and that those engineers and people from our State must have their considered, honored, and honorable judgments so described in the Senate.

Just one further word, and I shall be through. So far as I am concerned, I stood on this floor for 2 days and argued, as best I could—I do not believe I argued in a demagogic fashion—against approval of the piece of legislation in which my friend was interested. So far as I am concerned, the Senate has sat in judgment on that question, and it is now about to be disposed of in the House of Representatives. I do not want my friend from Utah, or any other Senator, taking the floor and denouncing as liars people who may disagree with him.

On one recent occasion there was before this body the question of whether or not a Member of the Senate should be disciplined. In my judgment we need, in this debate, to listen, comment, and disagree, if we so desire. But we need to stay clear of invective and animadversions of the kind that have been uttered on this floor today, and which, sometimes in the past, have had an ugly effect upon our subsequent deliberations.

Mr. WATKINS. Mr. President, if my distinguished friend from California will read the entire statement, he will see that I was making known to the Senate of the United States and to the people of the country what the southern California water lobby actually does. I pointed out what it has actually done in the past with respect to the tax matter and several other matters. I made no attack on the engineers who testified. They are not named at all. The entire statement goes to what this particular lobby has been doing. I am willing to stand on what I said about them. I understand, on fairly good authority, that they are now preparing some more attacks to try to discredit the Bureau of Reclamation and the proponents of this project, with respect to this dam. If they actually go through with what they have prepared, it will be exactly what I called it; and I am ready to back up my statement. I have no apologies for describing this lobby for what it does, and what it has been doing over the years with regard to this entire project.

I am making no attack upon the State of California or the people of the State of California, but upon a well-financed group of water lobbyists who from time to time have been misrepresenting this great project to the people of the United States. After they have received all the benefit downstream, they come forward with these attacks on the upper basin States.

We need the water. We know that, except for the attacks being made, there would be very little doubt about the passage of the legislation in the House of Representatives. There is not as much

time to present the subject in the House as there is in the Senate. Therefore I have taken the floor in defense of my State, against these attacks.

Mr. KUCHEL. Mr. President, I realize that there are no rules of relevancy in the Senate. If there were, I would interpose an objection on the ground that, since the problem before us is moot, there would be no relevancy to the comments my colleague has made.

I repeat, in conclusion, that I am bitterly shocked and disappointed at what the senior Senator from Utah has said.

Mr. JOHNSON of Texas. Mr. President, I am sorry the Senator from California and the Senator from Utah do not see things alike, but they always have ample opportunity to express their views. I am glad they had the opportunity to express their views on a subject upon which the Senate has already acted.

I hope that at an early date the Senate may be ready to act upon another subject, one which was have discussed for some 2 weeks, namely, the unfinished business.

It is now half past one. I have listened to the very interesting discussion by the distinguished junior Senator from North Dakota [Mr. YOUNG] and the junior Senator from Utah [Mr. BENNETT] on the subject of the Secretary of Agriculture.

Now we have heard this discussion on water projects. We have in store for us what I am sure will be a very able and learned discussion on the unfinished business by the Senator from Oregon, Mr. MORSE. I hope that Senators who may not as yet have reached any conclusion with respect to this bill, which has been before this body in some form for several years, and has been discussed at some length, will be able to attend the session of the Senate this afternoon, and the remaining sessions this week, in the hope that any Senator who may have anything to say on the unfinished business may have an opportunity to say it before a vote is taken.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EZRA TAFT BENSON, SECRETARY OF AGRICULTURE

Mr. MORSE. Mr. President, before I proceed with my discussion of the pending bill, I wish to make a few comments on the Benson episode, because this morning some of his Republican alibiers, taking the floor of the Senate, said some very surprising things.

I refer particularly to the two Senators from Utah [Mr. WATKINS and Mr. BENNETT]. In fact, the junior Senator from Utah [Mr. BENNETT], by implication and innuendo, sought to leave the impression that, because some of his colleagues criticized Mr. Benson on the floor of the Senate, perhaps the Senate ought to give some consideration to the protection of its good name by reflecting on the fact that some time ago a censure resolution was adopted by the Senate. I was a little amused by what I interpreted to be the innuendo in the remarks of the junior Senator from Utah.

I happened to be one of the critics of Mr. Benson last Friday, and I shall reread into the RECORD today my criticism of last Friday. I stand on every word of it.

It is rather interesting for the American people to learn that when the Fischer article was received by Harper's magazine, the editor of the magazine, on reading the article, associated its thought content with the views and record of the Secretary of Agriculture, and had the article sent, as the RECORD will show, to the Secretary of Agriculture. He called his attention to the article, and expressed the opinion that the Secretary would be very much interested in it.

It is very interesting to hear the alibis of the two Senators from Utah with regard to their interpretation of the Secretary of Agriculture's agricultural policy. They would like to have us make the assumption that the article cannot be reconciled with Mr. Benson's agricultural policy since he has come into office. Although there can be a difference of opinion about it, I wish to express my opinion that the article is a pretty accurate reflection of Mr. Benson's agricultural philosophy, as he has expounded that philosophy and sought to put it into practice, to the great detriment of farmers, ever since he became Secretary of Agriculture.

With regard to the gross inefficiency in his office which the incident discloses, I believe the American people will be interested in the fact that there came from the Secretary's office a letter which purported to be an official letterhead and which in effect approved the thesis of the article.

The Senators from Utah are also quite wrong if they take the position that the critics last Friday afternoon did not take some steps to check on the article. My colleagues made it very clear that Mr. Benson was not available. However, I happened to be in the cloakroom when the editor of Harper's was reached on the telephone. The editor of Harper's gave us the assurance the magazine had the letter and was satisfied it was signed by Mr. Benson, because the signature had all the appearance of Mr. Benson's signature.

I am also interested, as a lawyer, in another assumption of my two Utah colleagues, namely, that we must now take for granted that every statement which comes from the Department of Agriculture with regard to the letter is a statement of fact.

Mr. President, frequently I have seen witnesses start out with a bit of testimony which during cross examination they had to change substantially. All I am saying is that I do not propose to accept at face value the alibi which has come out of the Department of Agriculture. The reason I do not accept it at its face is that I have completely lost confidence in the Department of Agriculture under Mr. Benson's leadership.

Let us go back to the RECORD of last Friday, at page 1453. The Senator from Minnesota [Mr. HUMPHREY], after reading excerpts from the magazine article, said:

> Mr. HUMPHREY. The article is outrageous. It is designed to set city worker and city dweller against country worker and country dweller. But the author has a right to state his own views, and is entitled to a full expression of his views, wrong though they may be—and those views are, to my mind, unbelievably and incredibly wrong.
>
> Mr. President, in the February issue of Harper's magazine which I hold in my hand, among letters to the editor appears a letter which I now read. Listen to this:
>
> "I have read the article by John Fischer in the December issue of Harper's, with a great deal of interest. It is excellent."
>
> It is signed "Ezra T. Benson, Secretary of Agriculture, Washington, D. C."
>
> Now, Mr. President, Mr. Benson's letter to the editor is not only injudicious; it is another example of the Eisenhower Cabinet getting into print when it ought not to be, but, worse than that, this letter is an insult to every farmer in America. This man should be fired—now—this afternoon.
>
> Mr. President, when the Secretary of Agriculture, as the farmers' spokesman, can endorse statements such as "scandalous wartime prosperity"; when he can endorse statements about farmers such as this: "When any hog keeps his jowls in the trough long enough, he gets to thinking he owns the trough"; when any Secretary of Agriculture can call the farm program "legalized corruption"; when a Secretary of Agriculture can recommend and endorse—not just endorse, but say that such a statement as that the people should stand and throw eggs at Members of Congress is excellent——
>
> Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?
>
> Mr. HUMPHREY. I yield.
>
> Mr. DOUGLAS. I rise in defense of Secretary Benson.
>
> Mr. HUMPHREY. I appreciate that.
>
> Mr. DOUGLAS. Is it not true that Mr. Benson, in adopting the policy he has espoused, is merely voicing the opinions and policies of the present administration?
>
> Mr. HUMPHREY. That happens to be my conviction.
>
> Mr. DOUGLAS. Then why not center the responsibility where it belongs, and not make Mr. Benson the whipping boy?
>
> Mr. HUMPHREY. I said, first of all, that the administration should fire Mr. Benson, but I did not get around to the latter part of my thought, which is that what we need is a new administration.
>
> Mr. MORSE. Mr. President, will the Senator from Minnesota yield?
>
> Mr. HUMPHREY. I yield.
>
> Mr. MORSE. Does the Senator have any suspicion or reason to believe that the letter attributed to the Secretary of Agriculture, which he has just read, may be a forgery? Does the Senator believe it is an authentic letter? I cannot believe it could be authentic.

I digress, Mr. President, from the reading of the RECORD, to point out that I stated on the floor of the Senate, when the Benson letter was read by the Senator from Minnesota, that I could not believe a Secretary of Agriculture would write such a letter, knowing that there is always the possibility of forgery, there is always the possibility of "frame," there is always the possibility of things which are not authentic being circulated as though they were authentic. I thought

it fit and proper to raise the question as to whether there had been any reason on the part of the Senator from Minnesota to question the authenticity of the document.

I continue reading:

Mr. HUMPHREY. I would not imagine that Harper's magazine would print a letter with the name of EZRA T. BENSON, Secretary of Agriculture, Washington, D. C., signed, without being sure it had a genuine letter.

Mr. MORSE. I think that is a reasonable presumption, but I wish to say, frankly, that I am at a loss to understand how the Secretary of Agriculture could write that letter, if he did write it. I have always considered him a very shortsighted reactionary, but I never believed he would supply us with evidence that he would be just a plain fool.

Mr. HUMPHREY. Mr. President, if the Secretary of Agriculture did not write that letter, I shall be the first to stand on this floor and apologize. I want the Secretary to know that. But I shall not accept the excuse that "someone in my office wrote it, and I signed it, but I did not know about it."

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Mr. Benson has been Secretary of Agriculture for 3 years, has he not?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. How much have agricultural prices declined during his stewardship?

Mr. HUMPHREY. Approximately 20 percent.

Mr. MANSFIELD. Does he believe in parity?

Mr. HUMPHREY. His chief said he did.

Mr. MANSFIELD. Mr. Benson has become quite proficient in speaking out of both sides of his mouth, with one exception, and that is that he is obdurate so far as flexible price supports are concerned. I hope he will come out soon with at least a 90-percent parity bill.

Mr. HUMPHREY. Let me state my exact purpose, in making these remarks. I did not come to the floor in a trick play with these magazine articles. I read them to members of the committee before I came here, and I was not exactly in a kindly attitude when I read them. My friends on the other side will undoubtedly speak for themselves, but I will say in their behalf that they were indignant and upset. They could not believe that this had happened, but it has happened. It explains what I have repeatedly said is the attitude of the Secretary toward the farm programs. He has made statement after statement in behalf of the administration which indicated that he was not going to administer the programs as they should be administered.

I pause again, Mr. President, to say that the Senator from Minnesota presented the whole matter to the committee on the day on which it was discussed on the floor of the Senate, and the Republican members of the committee were forewarned by the Senator from Minnesota. The record discloses that the Secretary of Agriculture could not be reached in the intervening time, but the Senator from Minnesota did reach the editor of Harper's, and I was in the cloakroom when the discussion took place.

Then, Mr. President, there follows in the RECORD further colloquy, and because I am involved in the criticisms by the two Senators from Utah, I come to the next remark I made in the colloquy, which I wish to repeat today, and it stands today as I said it last Friday. I said:

Mr. MORSE. I am asking for information. As the Senator from Minnesota knows, one of the alibis of Secretary Benson has been that he has been unable to place the flexible Benson price-support program into operation as yet because he inherited a high-support program. Am I correct in my understanding that, since Benson has been Secretary of Agriculture, in the case of every commodity over which the Department of Agriculture has had jurisdiction, it has lowered the parity price, with the exception of the price of wool; and that in the case of wool, Congress passed a wool bill? Then, just 2 days before the President's state of the Union message, in which the President made his comment about agriculture the Department of Agriculture lowered the parity price on rice? Is that true or false?

Mr. HUMPHREY. The Senator from Oregon is correct.

Mr. MORSE. It is to be noted that the wool bill adopted in principle for wool the Brannan plan.

I think the time has come to make clear to the people of the country that Benson does not tell them the facts about whether or not he has been putting the flexible price-support program into effect. He has been putting it into effect on every commodity over which he has had jurisdiction, and the purchasing power of the American farmer has been going down ever since he took office as a result of his program. His policies have been to the detriment of the American farmer.

I think the time has come to go after Secretary Benson for what he has done to American agriculture, and to make clear to Americans that he is America's No. 1 economic enemy, both to the farmers and to the economy as a whole.

Mr. President, that is the great offense which I am supposed to have committed last Friday as one of those who criticized Benson. I repeat the criticism today, and I intend to add further criticism. So far as the letter episode is concerned, I am glad Mr. Benson now testifies to the American people, and I respect him for the testimony, that he did not write the letter. But I think the American people are entitled to a Secretary who conducts his office more efficiently than the episode indicates and does not make false representations to the American people, because whatever anyone may say about rationalizing the incident, the fact remains that Secretary Benson gave a false impression in regard to the letter itself.

In regard to his farm policies, I can see very little difference between what he has been doing to American agriculture and what Fischer would apparently like to have the administration do further to American agriculture. We may just as well face the fact that if we continue the Benson farm program of flexible supports, thousands upon thousands of farmers will be driven from their farms. More than a million have left the farms since Benson came into power in 1953, and under his policies American agriculture will continue to be depressed. Leaving Benson aside, and coming to the question of policy, the time has come to repudiate the Benson program by legislation which will restore the purchasing power of the American farmers.

So, Mr. President, in closing this item, I stand firmly on everything I said last Friday. I sought to make clear on the record that the letter might not be an authentic letter, but it still stands that the letter is, nevertheless, an official record of the Department of Agriculture and represents a type of inefficiency from which the American people are entitled to be protected.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LONG. I regret asking the question at this moment, except that I must leave the floor in a few minutes, and I wanted to have the Senator's judgment.

Does it seem logical to the Senator that the persons who prepare the mail of their superiors should know what the point of view of their superiors is, under a given set of circumstances, as the basis for preparing such mail for their signature?

Mr. MORSE. Yes, the Senator from Louisiana is quite right. But let me say, in fairness to the alibi given by Secretary Benson to the press, that the alibi is that not even the person who prepared the letter had read the magazine article. I think the statements which have been made to the press would justify the interpretation that nobody in the Department of Agriculture had read the magazine article. I think that is a very interesting representation. I should like to see some cross-examination on that matter, with the witnesses being under oath before a Senate committee, as to whether there was not anyone who had any connection whatsoever with the incident knew the thesis of the article.

Mr. LONG. Would it not seem logical to the Senator from Oregon that the person who prepared the reply should at least have read the title and the subtitle?

Mr. MORSE. I should think so; but I am left with the impression from a reading of the newspaper articles that the employees of the Department acted in a complete vacuum, as they do in so many matters in the Department of Agriculture.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. MORSE. Mr. President, I now turn to the subject which is before the Senate, and in discussing the natural gas bill which I consider to be against the general welfare of the people of the United States, I wish, first, to discuss it from the standpoint of what I deem to be an inherent principle of our Federal system of Government.

In all my work in the Senate, in evaluating proposed legislation which comes before us, I try, first, to ascertain what principles are involved in a measure, and what is the relationship of the principles of legislation to the principles of our Federal system, because, as Senators, I believe we have the great duty at all times to make certain that we protect, preserve, and strengthen our Federal system of Government.

(At this point Mr. MORSE yielded to Mr. MONRONEY. Mr. MONRONEY'S remarks appear in the RECORD following the conclusion of Mr. MORSE'S speech.)

Mr. MORSE. Mr. President, I am greatly concerned about the dangerous

anti-Federalist movement which is sweeping the United States particularly under the present administration. I think it is incumbent upon us, as Senators who have taken an oath to uphold the Constitution, to analyze this tendency, to which I wish to address myself in the first part of my remarks, and then to apply my analysis to the pending bill.

I call to the attention of the Senate the fact that the general welfare clause of the Constitution really is the essence of the Constitution when it comes to implementing the objectives of our Federal system. Yet we are fast coming to the point that when the Supreme Court of the United States, which under the doctrine of the separation of powers, has jurisdiction to pass upon congressional legislation and to determine its constitutionality and consonance with the Constitution, hands down a decision which some States' righters do not like, the proposal is then made to set up Congress as a super Supreme Court and to reverse the Court by way of legislation reversing the decision.

When I was a student in college, I was very much interested in a proposal which a great liberal in this body, the former senior Senator from Wisconsin, Bob La Follette, once made, the proposal being to give Congress power to overrule the decisions of the Supreme Court by a three-fourths vote of both Houses. In one form, the proposal would have required a two-thirds vote. The vote varied in various proposals as they were offered from time to time.

As an academic student, prior to my entering law school, I was enticed by that theory. In fact, I was on a debating team which debated the affirmative of the question, and our side won. But that did not make us right. I remember that I even delivered a college oration on the question. I take it out every once in a while and smile. I did not have to be in law school very long to recognize how unsound the proposal was, because in principle it sought to destroy the separation-of-powers doctrine. In principle, it sought to make Congress supreme in the matter of constitutional law. It was, in effect, advocating making the Supreme Court a standing committee of Congress. So as a law student and as a lawyer, I rejected the notion that Congress should have the authority to overrule decisions of the Supreme Court à la the La Follette plan.

It is very interesting to see that now, by indirection and circumvention, we are coming at about the same end result. In the tidelands legislation we gave away, not millions, but billions of dollars worth of the wealth belonging to all the people of the country, the benefit of which they should have been permitted to enjoy under the general welfare clause of the Constitution. There has been one give-away program after another by this administration in the field of natural resources.

Now there is before the Senate a gas bill. In my judgment, when all is said and done, the only effect of enactment of the bill would be to strike at the supremacy of the United States Supreme Court, and strike at our Federal system of government.

In my judgment, we had better take a long look at the constitutional theory with which we are dealing at this time. We had better recognize our obligation to keep faith with the oath we took when we became Members of this body to protect and preserve the Constitution.

So, from the standpoint of the theoretical principle of constitutionalism, and by way of some introductory remarks, I wish to approach a discussion of the specific provisions of the bill. I make these remarks, because as a lawyer, with a student's interest in the Constitution, I think the people need to be forewarned, before it is too late, what is happening in our country with regard to the weakening and undermining of our constitutional system. Our country cannot remain strong unless we as legislators have respect for the great doctrine laid down by Marshall, in the great Marbury case that, after all, it was in the Supreme Court that these great questions of constitutional jurisdiction should be determined.

(At this point Mr. MORSE yielded to Mr. POTTER for comments on Ukrainian Independence Day, which appears elsewhere in the RECORD, under the appropriate heading.)

Mr. MORSE. Mr. President, I believe, and I think all liberals should believe, that under our Federal constitutional system it is a primary responsibility of our Government to see to it, through appropriate executive, legislative, and judicial action, that the people of the Nation are protected in, and have the opportunity to enjoy, the private property and the human rights guaranties of the Contitution. In my judgment, constitutional liberalism is that attitude which seeks to translate into legislative action the private property and the human rights guaranties of the Constitution in a manner which will protect the general welfare of our people.

We have a long way still to go in the United States in seeing to it that our people do enjoy the constitutional liberalism which our forefathers wrote so indelibly into the Constitution. At the present time, reactionary political forces of America are staging a resurgence of antifederalism. Unless they are repudiated, the civil rights and economic rights of millions of fellow Americans will suffer. A serious recession in our historic political philosophy of constitutional rights for the individual is occurring in many parts of America these days. Before more damage is done to our Federal system of government, we should affirm the sound Lincoln rebuttal to the Calhoun State-supremacy doctrine—namely, under our federal system the summation of the sovereignty of the several States is less than the sovereignty of the Nation as a whole.

Mr. President, as I have occasionally listened to some States righters, I have been led to the suspicion that they believe the sovereignty of an individual State is greater than is the sovereignty of the other 47 States. I think it is very important that we reaffirm the doctrine of Federal sovereignty which was landmarked in the famous Marbury case by Marshall, a decision which had to be entrenched by the loss of a great amount of blood both by the North and the South in the Civil War. Now, in my opinion, we need to be on guard against a new form of secession by specific issue, a sort of legislative secession, a secession which would be effectuated by taking away from the Federal Government Federal jurisdiction over problems which the people are entitled to have handled by the Federal Government, under specific grants of authority and the general welfare clause of the Constitution.

The unequaled progress which this Nation has enjoyed is not the result of the automatic operation of history. Democracy is not a frictionless machine which grinds out accomplishments. We have not reached a plateau of perfection on which we can travel simply on the momentum of past accomplishments. There is no automation to operate a free society.

THE LESSONS OF THE PAST

Our advances teach that there is no substitute for talent planted in the rich soil of democracy.

The unparalleled progress of the United States has been rooted in our democratic processes. That progress has not been uniform or uninterrupted. The lessons of the past teach that we have moved forward by surges, under the impetus of national leadership.

Other Western nations have shared in the general benefits of technological progress. We have been aided by the rich resources of our land.

What has set us apart from other less fortunate nations is a system of government that is conducive to individual accomplishment and betterment that redounds to the common good. This is not to say that this Nation has moved forward while others stood still or declined. Progress has not been ours alone. But the United States has achieved a standard of living and a way of life that are the envy and often the inspiration of the world.

THE FEDERAL SYSTEM

Our Federal system, in which State and Nation share authority and responsibility, has been rich in achievement. Throughout our brief and hectic history there have been controversy and struggle over the proper roles of State and Nation.

In the beginning a loose confederacy of absolutely sovereign States was abandoned for a Federal Union in which the national power was declared supreme in several areas. Shortly after the establishment of the Nation the repressive alien and sedition laws called forth the Virginia and Kentucky resolutions of Jefferson and Madison, declaring the right of States to denounce Federal laws as unconstitutional. The Virginia and Kentucky resolutions were adopted before the authority of the Supreme Court to pass upon the constitutionality of Federal action was proclaimed by Marshall—a Virginian—and became rooted in our system. But it was congressional action that ended the Alien and Sedition Act and reinstated freedom of speech and the press. Both Jefferson and Madison strengthened the prestige and authority of the National Government during their presidencies. Quite early the

Supreme Court of Marshall asserted the exclusive jurisdiction of the Federal Government where it had legislative jurisdiction.

Interestingly enough, Mr. President, when it was suggested to Madison, later, after the Virginia and Kentucky resolutions, that the States might go so far as to adopt a policy of nullification, Madison rejected nullification.

The question of slavery precipitated the most profound and desperate controversy over the respective powers of Nation and State. Calhoun developed the theory of State nullification of Federal acts and laid the philosophical basis for secession.

That question was settled in the complex economic and political situation of the 1860's by the Civil War. Abraham Lincoln, above all others, was the philosopher of the Union. That era culminated in the Federal guaranties of the 14th amendment of civil rights within the States.

Until the turn of the century, the Federal-State controversy abated while the adolescent Nation grew westward and developed industrially and financially. Federal land policy in the homestead laws shaped that growth.

Under Theodore Roosevelt, the Federal power was given a new direction—Federal legislation and action in the fields of economics and resource development. Trustbusting and Federal responsibility for multipurpose development of water resources were both designed to promote economic democracy as a protection of political democracy. Theodore Roosevelt gave classic expression to the view that large concentrations of private economic power endangered the free exercise of political rights and popular government. In action he demonstrated the responsibility of the National Government to control the growth of big business, so as to preserve economic freedom.

Mr. President, I digress to give emphasis to that point, because it is involved in the pending bill. Here, again, Mr. President, we have—and I speak respectfully—another open, frontal attack on the part of powerful big-business interests, in an attempt to weaken the economic freedom of the individual, by taking away from Federal jurisdiction the power, through the Federal Power Commission, to protect the consumer, insofar as fair natural-gas prices are concerned. The Supreme Court has held that the jurisdiction rests in the Federal Power Commission. That ruling is not pleasant to certain economic forces in certain States, who look upon Federal protection and Federal regulation as a block, insofar as their selfish economic designs are concerned, to the establishment of a gas-price policy based upon the jungle law of charging what the traffic will bear.

Beneath all the debate on this bill, Mr. President, when we boil all of it down to its few essentials, we see that in this case the Senate is faced with an attempted raid upon the consumers of America, by way of a piece of proposed legislation which, if enacted, will take away from such consumers the protection of the Federal system, the protection of the Supreme Court, and the protection of the Federal Power Commission, to see to it that they shall not be charged natural-gas prices based on the jungle law of what the traffic will bear.

Mr. President, I do not know how we can keep faith with our obligation under the Constitution, insofar as the general welfare clause is concerned, if in this instance we give away a very precious Federal jurisdiction. This Federal jurisdiction cannot be evaluated in dollars and cents. It is priceless. It involves the question of freedom; it goes to the question of protecting the individual Americans in a Federal system whereby they cannot be imposed upon, and their rights cannot be scuttled and diminished by powerful economic groups which wish to get out from under the application of the Federal system.

O, Mr. President, some lawyer on the opposition side will ask: "Do you question the power of the Congress to do this?"

Of course I do not, Mr. President. If the Congress wishes to delegate or abdicate this Federal power, it can do so. But I say when it does that, it steps outside the spirit and intent of the constitutional fathers when they established our constitutional system.

Theodore Roosevelt knew it. He recognized the danger, to the common welfare, of economic combines so powerful that they could control State legislatures. So he made the great trustbusting fight, to his everlasting historical credit.

As I have said, Mr. President, in action Theodore Roosevelt demonstrated the responsibility of the National Government to control the growth of big business, so as to preserve economic freedom. This policy was also applied to the use of natural resources to insure their maximum development in the interests of those who own them, namely, the people of the Nation.

Mr. President, I would add, by way of emphasis, an observation in regard to that comment, because here is another very basic principle which I believe is at stake in connection with this bill. In these days in America we are going a long way in failing to keep faith with what I believe to be a principle whose validity cannot be rebutted, namely, that we are but the trustees, in our generation, of the natural resources of our country. In the broader sense, we do not own them. Throughout this debate there has been talk of gas companies which own certain volumes of natural gas; and sometimes in the discussion of this natural-resource problem, we find the false assumption that apparently private utilities come to own streams, or that the people who own land on the banks of streams own the water in the streams. Of course those are legal forms we have adopted in order to adjudicate disputes which develop over private claims in respect to natural-resource users. But when all is said and done, the people of the United States as a whole own these natural resources, and they own them as trustees of God's providence in supplying those resources, for the benefit of future generations of American boys and girls.

I know the danger of arguing this way. There are those who will read into such statements implications which have no bearing upon intent, and seek to create the impression that he who makes the statements is advocating some form of social state. Quite to the contrary, as will be abundantly clear before I am through.

I yield to no other Member of this body in my defense of and my desire to strengthen enlightened capitalism in this country; but we do not strengthen enlightened capitalism by playing into the hands of monopolistic combines. The proponents of the bill cannot escape the fact that, when all is said and done, after the gas is placed in the pipeline, we are dealing with what amounts to a monopoly, so far as that particular gas supply is concerned, because the consumer is not free to go into the market and buy gas from some other producer. He is shackled; he is straitjacketed; he is handcuffed to the producer of the gas and to the owner of the pipeline in which the gas is sent to the distributor. So we are dealing with the concept of monopoly. In my judgment, we are faced with the same kind of problem which confronted Theodore Roosevelt when he saw, in his era, the giant of monopoly growing to the point where it threatened to choke to death the economic rights and economic freedoms of the people of the Nation as a whole.

So when I am speaking of the principles of our Federal system of government, I am not speaking in a purely theoretical atmosphere. I am speaking about a principle which I say, we as Senators, have the obligation to apply to specific legislation. The specific legislation before us at this time is the gas bill. I say that this gas bill is based upon a principle which would weaken our Federal system of government. If we weaken the Federal system of government, we do great damage to the economic welfare of our people, as well as to their political rights.

We must never forget the economic rights of the individual cannot be separated from his political rights. It is the clear duty of our Federal Government to follow a course of action that will protect and foster the economic welfare of the people of our Nation as a whole. That is why under our Federal system it is the duty of the Federal Government to protect the economic rights of the people. The people have the right to be protected by their National Government from private monopoly exploitation of natural gas.

So when I speak of protecting Federal jurisdiction in respect to this bill, I am also speaking about a power vested in the Federal Government by our constitutional fathers, designed to prevent the kind of economic exploitation of the gas consumers of the Nation which, in my judgment, would follow passage of the bill, if the Senate should make the mistake of passing it.

The obligations of the Federal Government to the people to protect their intertwined political and economic

rights also underlaid Wilson's New Freedom and Franklin Roosevelt's New Deal.

By and large the great eras of advance and reform were nurtured by Federal action. Certainly local and State activities contributed immeasurably to those waves of advance as with factory inspection laws, workmen's compensation, and State extension of the franchise and other political reforms in which my own State of Oregon was a pioneer.

Vigorous National Government in the fields of both personal liberty and economic reform have been resisted by a resurgence of the philosophy of States rights. I would not deprecate for a moment the enormous contributions of the States to the progressive perfection of our nationwide democracy. Nor would I take a back seat to anyone in defending the primary jurisdiction of the States over several areas of our organized life, such as in local control of education. That great conservative libertarian Justice Holmes advocated freedom for "the making of social experiments that an important part of the community desires, in the insulated chambers afforded by the several States." That was sound doctrine when he enunciated it in 1921 and it is sound doctrine today.

However, we must be on guard against the invoking of States rights to defeat or weaken sound and proper and urgent national programs. Throughout the New Deal programs to relieve mass distress and revive the private-enterprise system were resisted and fought in the name of States rights. Many of those programs were designed to and did encourage the States to initiate and carry through needed programs with Federal aid and matching State expenditures. Many of those programs were Federal in origin and financing but administered by the States. The attack was made nonetheless.

It has continued to this day with vehemence and vigor. Without a doubt many who criticize the extent of Federal activities do so with the greatest sincerity and from the highest motives. It is unfortunate that others are impelled by lack of understanding. Still others cynically desire that the burdens of needed programs be placed upon those less able to bear them.

It has been the Supreme Court acting for the Nation in applying the Constitution that has said to local officials and courts: Thou shalt not lend official aid to treat any group of citizens of the United States unequally.

CURBING THE CONSTITUTION

In the economic field, the battle of attrition against the use of Federal programs to promote the general welfare has continued unabated.

The constitutional attacks of the Liberty League and like-minded opponents of Federal action have been rejected. Under the 10th amendment the States do have rights. As I have said repeatedly in the Senate, States' rights can be asserted only when the National Government goes beyond the powers given to it by the Constitution. But the clamor of States' rights is repeatedly raised—without constitutional validity—when avoidance of Federal action, or any governmental action, is sought. It often has become a slogan and a shibboleth to turn over a subject to the States in the confidence that 48 legislatures are harder to persuade than the one National Congress.

I think the principal fallacious argument presented by the States righters needs to be pinned down once again, because time and time again during my 11 years in the Senate I have heard it argued on this floor that a certain piece of legislation proposed to be implemented and enforced by the Federal Government would be a violation of States' rights. We hear orations on the floor of the Senate that make the eagle over the Vice President's desk almost flap its wings.

Yet the fallacy is obvious. It is one of the most common non sequiturs we hear on the floor of the Senate, because the argument of States rights in opposition to a piece of Federal legislation can never properly be raised, so far as its legal soundness is concerned, unless the proponents of the argument contend that the proposed legislation is unconstitutional.

What they attempted to do is pull the wool over the eyes of millions of Americans. The antifederalism drive in this country has created the impression in the minds of many millions of Americans that they should fear the Federal Government because of the assertion which is made that the Federal Government is encroaching upon the legal rights of the States. That impression is intensified because the States righters relate their argument to the contention that certain proposed legislation is unconstitutional.

A year ago the Senate had before it for consideration a bill proposing to establish branch offices of the Federal Savings and Loan Insurance Corporation. Anguished cries arose on the floor of the Senate about the violation of States rights.

As the RECORD will show, I asked the proponents of that argument to tell me whether they thought the bill was unconstitutional. I said, "Unless you are willing to support the argument that the proposed legislation is unconstitutional, your States rights argument has no place in the debate." I said, "If you want to argue that, as a matter of public policy, the Federal Government should not delegate Federal jurisdiction, that is another matter, a horse of a different color."

They prefer frequently to leave the impression that proposed Federal legislation which is designed to protect the general welfare under the Constitution violates the legal rights of the States, by intimating that it is unconstitutional.

Of course, the Federal savings and loan association legislation had been held constitutional by the Supreme Court. The opponents knew that they did not have a leg to stand on in challenging the constitutionality of the proposed legislation. Therefore, we came to issue over whether or not we ought further to delegate or abdicate Federal jurisdiction.

I would draw the issue, in part, in the debate on this bill on the question of whether we should, in effect, delegate to the States the jurisdiction which the United States Supreme Court has said the Federal Power Commission has, namely, the jurisdiction to regulate gas producers or abdicate such jurisdiction entirely.

My answer is no. My answer, from the standpoint of protecting our Federal system, is that the bill further weakens our Federal system of government. In the Federal system of government the American people have precious rights—political, judicial, and economic. I shall not be a party to circumventing the United States Supreme Court, that great citadel of justice. I believe it ought to be the sanctum which determines the constitutional rights of the American people. I believe we should stop what I call the antifederalist trend of the administration to weaken further the Federal system.

A new phase of fear has been substituted. For motives both good and bad, the bugaboo of Federal domination has been raised to frighten people into opposition to Federal discharge of constitutional functions.

It was hardly more than a year ago that the President of the United States, while dedicating a Federal multipurpose dam on the Columbia River, warned against the evils of Federal monopoly in the electric power field. That was a scare argument which had no basis in fact. Nationally, the Federal agencies generate only 13 percent of all electric power. In the very area in which the President spoke, private utilities distribute most of the Federal power which is generated.

The present administration came into power on a propaganda wave of distilled distrust of the Federal Government. Candidate Eisenhower inveighed against "long-haired bureaucrats" in Washington. After the President took office, his administration continued to warn against the excesses of Federal Government. The administration has committed more sins in the name of antifederalism than its predecessors ever perpetrated in the cause of "normalcy."

Self-denial of power is a wholesome thing. But the destruction and dissipation of Government programs and the sowing of seeds of distrust in the National Government is a disservice to the Nation.

I speak respectfully but emphatically, and from deep conviction, when I say the administration has been scuttling investments in flood control, power, and irrigation development in an effort to justify its tax giveaway and transfer of great and profitable power sites to private utilities.

This, then, is the dollar sign in the anti-Federalist States rights drive. The pending bill has a great big dollar sign on it. It is a dollar sign which will recoup into the treasuries of selfish monopolies hundreds of millions of dollars, as the gas consumers pay through the nose in the years ahead, if the pending bill should pass.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield to the Senator from Connecticut.

Mr. PURTELL. Does the Senator want the Senate to believe that the pending bill is an administration bill?

Mr. MORSE. I shall make a prediction to my good friend from Connecticut, namely, that more Republicans will vote for it than Democrats.

Mr. PURTELL. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. PURTELL. Will the Senator answer my question? Is this an administration bill?

Mr. MORSE. No; it is not an administration bill, but——

Mr. PURTELL. I thank the Senator from Oregon.

Mr. MORSE. Does the Senator from Connecticut wish to assure me that the President will veto the bill?

Mr. PURTELL. I thank the Senator for his answer.

Mr. MORSE. Will the Senator now answer my question?

Mr. PURTELL. I shall be glad to answer it. I can make no prophecy as to what will happen.

Mr. MORSE. I will.

Mr. PURTELL. I thank the Senator for his reply, that the pending bill is not an administration bill.

Mr. MORSE. The bill is an anti-Federalist bill, and is in line with the vicious antifederalism which has characterized the administration from the time President Eisenhower took office, and during the campaign when he was a candidate.

Mr. PURTELL. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. PURTELL. Is it not correct to say that the bill is known as the Fulbright bill?

Mr. MORSE. It is known as the Fulbright bill.

Mr. PURTELL. I thank the Senator.

Mr. MORSE. It is supported, I am satisfied, by a majority of the Republicans in the Senate.

Mr. PURTELL. Does the Senator from Oregon realize that the Senator from Connecticut, who is a Republican and very proud of it, is a minority member of the committee which reported the bill to the Senate?

Mr. MORSE. I am very proud of the Senator from Connecticut for abandoning what I believe is the philosophy of his party on the pending bill.

Mr. PURTELL. I am sure the Senator would wish to be corrected—and he shall be corrected—and I therefore assure the Senator from Oregon that in this particular instance I was following the philosophy of good government, for which my party stands.

Mr. MORSE. The President's Cabinet committee recommended the bill.

Mr. PURTELL. Is the Senator exactly correct in saying that the Cabinet committee's recommendation was that the pending bill be passed?

Mr. MORSE. The Cabinet committee recommended the principle of the bill. In other words, it recommended the principle of relieving the Federal Power Commission of its regulatory power in this instance.

Mr. PURTELL. Was the Senator from Connecticut correct in his understanding that the Senator from Oregon said the Cabinet committee had recommended the bill? Is that correct?

Mr. MORSE. I will correct that.

Mr. PURTELL. I thank the Senator.

Mr. MORSE. If the Senator wishes to engage with me in a debate on semantics——

Mr. PURTELL. No; I do not wish to do so.

Mr. MORSE. The result is exactly the same, and the Senator from Connecticut knows it. The fact is that the Cabinet committee of this administration is on record as being in favor of the principle. What is the principle? It is the principle of antifederalism. I will ram that down the throat of the administration in my speech.

Mr. PURTELL. I am happy to have the Senator from Oregon correct his earlier statement that the bill was backed by the administration in any way.

Mr. MORSE. The Senator from Connecticut will always find the Senator from Oregon, when there is any misunderstanding of his meaning, correcting the misunderstanding. However, I repeat my meaning. It is that the Cabinet committee of this administration is on record as being in favor of taking this regulatory power away from the Federal Power Commission. Being in favor of it is in favor of the antifederalism principle. It is sad indeed that we have an administration which has done all that this administration has done to weaken our Federal system and to arouse the fears of the American people concerning their Federal Government. It is a shocking disservice to history. It is particularly shocking, in the light of the glorious record of federalism in this country for the administration to try to make the American people fear their Federal Government when the facts do not justify such a fear. I say that is a disservice to the American people.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. NEUBERGER. Is it not correct to say that this bill cannot possibly become law without the signature of a Republican President?

Mr. MORSE. That is correct. The Senator from Connecticut [Mr. PURTELL] is not willing to prophesy what will happen when the bill reaches the White House.

Mr. PURTELL. Mr. President, will the senior Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. PURTELL. I said that I did not feel I had the right, nor would I exercise it, to predict what would be done with the bill. It happens that I agree with the Senator from Oregon that this bill should not become law.

Mr. MORSE. What great sin would be committed if the Senator should conjecture as to what the President may do? I do not know to whom I could turn in the Senate who would perhaps be in a better position than is the Senator from Connecticut to say what the President will do.

Mr. PURTELL. Many Senators attempt to project their thinking into the answers of other men too often on the Senate floor. I think we are debating great principles in connection with the pending measure, and I hope the Senator from Oregon will add further to the information on this particular legislative proposal, so that the American people may better know what we are voting on.

Mr. MORSE. I am doing my best to invite the Senator's attention to the importance of protecting our Federal system. I think this bill would help to break down such protection, to the great detriment of the American people.

Mr. NEUBERGER. Mr. President, will the senior Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. NEUBERGER. Is it not a fact that, when the question of a 10-percent postal pay increase was pending last year, many speeches were made on the other side of the aisle calling attention to the probable attitude of the President of the United States on the bill then being considered?

Mr. MORSE. I think the RECORD will show that predictions were made on the other side of the aisle that if the bill should pass in the form in which we considered it, it would be vetoed. My interpretation was that those making such predictions thought they could influence votes by warning the Senate that if it passed the bill, the bill would be vetoed. I thought it would be interesting to ascertain whether any Member of the Senate wished to tell us what the President's position would be should the pending bill be passed.

Mr. NEUBERGER. Does not the distinguished Senator also remember that the last time a Democratic President occupied the White House, a bill very similar to this one was vetoed by that Democratic President on April 18, 1950?

Mr. MORSE. I shall speak at great length later this afternoon regarding that veto message. Mr. Truman is a great federalist. If the Senator will study the position which Truman took on this philosophical question of government, he will end up with the conclusion that Truman was one of the greatest federalists who ever sat in the White House. He recognized the importance of preserving and protecting the Federal system. He recognized the importance of our not delegating to the States Federal jurisdiction.

I do not wish to engage in a long discussion of it, but let us take up the veto message on the Taft-Hartley bill in 1947 by President Truman. One of the soundest bases for that veto message was the encroachment of the bill upon the jurisdiction of the Federal Government, the delegation to the States of jurisdiction over interstate commerce. It undercut the interstate commerce clause of the Constitution.

Consider the proposals made during the present Congress on the part of anti-federalists. They want to take more and more power away from the Federal Government, and delegate Federal jurisdiction to the States. If that movement is not stopped, we shall weaken the whole

Federal system and undermine the welfare of the American people whose protection is envisioned by the general welfare clause of the Constitution. I am fighting the pending bill because, in my judgment, its enactment would weaken our Federal system. We are still, after all, a Federal system.

Mr. NEUBERGER. Is it not true that if the Republican President in the White House signs this bill, should it pass, his party will become a full and irrevocable participant in the enactment of the bill?

Mr. MORSE. There can be no question about that. As I said to the Senator from Connecticut, I am willing to venture the prediction that when the roll is called, there may be more Republicans than Democrats voting in favor of the bill.

Mr. NEUBERGER. Is it not also possible that the political capital which the Republicans hope to make out of certain Democratic sponsorship of the bill would be completely neutralized, if the possible Democratic candidates for President of the United States should make clear that if one of them should sit where Harry Truman once sat, he would do with respect to a bill such as this exactly what Harry Truman did with respect to the bill which he vetoed on April 18, 1950?

Mr. MORSE. The Senator is correct. The people of the country are not going to be fooled about this bill. They will understand the purpose of the bill, so far as its Federal-weakening features are concerned. The people are not going to be fooled as to the purposes of providing a nice bonanza to the power combines by enacting the bill.

Mr. NEUBERGER. I should like to say to my distinguished senior colleague that I am not going to speak at any length on the bill, because he is so much better informed about it than I am, and I shall be delighted to entrust to him the protection of the interests of our State with reference to what is contemplated by the bill. In my opinion the people of our State owe the Senator a debt of gratitude, because, although our particular area has not yet received natural gas, it will be using it within the next 5 or 6 months when a very costly and extensive pipeline project is completed to the State of Oregon. In my opinion, the senior Senator from Oregon is championing the public interest against special interests in his stand on this natural gas bill.

Mr. MORSE. I want my colleague to know that I deeply appreciate the statement he has made.

I saw the Senator from Alabama [Mr. HILL] on the floor a moment ago. I have often spoken to him about the teamwork of the two Senators from Alabama. It is pretty well recognized throughout the Senate that those two Senators work shoulder to shoulder on issue after issue affecting the welfare of their State and of the Nation. I joshed the senior Senator from Alabama recently regarding the reputation of the two Senators from Alabama as being the closest teammates in the Senate. They are carrying out what they consider to be their constitutional obligation. In the consideration of the proposed gas legislation we have no right to represent the people of our State if we vote for this bill, which would weaken the Federal Government.

Mr. NEUBERGER. It has been said that only the 7th son of a 7th son can prophesy, but I wish to risk one prophecy now and to say that in 1957—God willing, of course—the same two Senators from Oregon will be working together on such matters as this.

Mr. MORSE. I am perfectly willing to leave the result to the people of Oregon.

Returning to my thesis, Mr. President, in past periods of progress it has been the Federal Government that has been the ultimate protector of individual rights. It has been the Federal Government that has done the necessary job to root out depression and provide a measure of security for all citizens. It has not done this alone, but it has set the pattern and pace.

This has been done democratically—with both large and small "d's"—by Presidents elected by the Nation and by the men and women elected to Congress. The Federal Government has been under the control of the people, and responsive to their needs and will.

There is much to be done to improve and make more democratic all levels of Government. It is unwise and unfair to disparage the Federal Government, which is, through the judiciary, the final defender of individual liberty, and through the legislative and executive machinery the pattern maker for the national economy. If anything, the obligation today is to meet the difficulties of State and local governments by aiding them in meeting their present responsibilities more adequately, thereby maintaining their integrity.

The Federal Government, with the protections afforded by the separation of power system of the Constitution, has been and should be the guardian and protector of individual rights. By appropriate discharge of its assigned duties, it shall remain the servant of the people and the shield of economic and political democracy.

In my opinion, it is subversive to the cause of freedom to instill distrust and lack of confidence in our system of Federal sovereignty. As a constitutional liberal, I hold to the point of view that the underlying purpose of our Federal system of delegated powers is to promote the general welfare of the people of the Nation as a whole. It is a conviction of mine that the promotion of the general welfare of the people of the Nation as a whole is the keystone of our Federal constitutional system.

This concept of constitutionalism is the pulsating heart of constitutional liberalism. It pumps into our Government system the very lifeblood of our free society, that is, the general welfare of our people. Therefore, I do not accept the point of view of those States righters who still clung to the notion that the sovereignty of the State is superior to the sovereignty of the Federal Government, even if in the exercise of State sovereignty the general welfare of the people of the Nation as a whole is denied.

The approach of the constitutional liberal to the theory of Federal sovereignty does not mean that the Federal Government becomes the master and not the servant of the people, nor does it mean that the Federal Government encroaches upon State sovereignty where predominant national interests are not involved. What it does mean is that each citizen of each State must never forget that he is a citizen of the United States and that his primary responsibility as master rather than as servant of government is to follow a course of citizen statesmanship action which will promote the general welfare of the people of the Nation as a whole.

The State righter tends to overlook the dynamics of the constitutional doctrines written into our basic law. He overlooks the flexibility and adjustability of those doctrines to changing social, economic, and political conditions from decade to decade. He tends to interpret the Constitution as a system of static rules to be applied by a dead rather than a living hand of the law. He would have the Federal Government relinquish more and more of its sovereign rights and duties in the field of interstate commerce, natural resources, monopoly control, taxation, civil rights, and, yes, in almost every field in which the enforcement of Federal jurisdiction is essential to promoting and protecting the general welfare of the people of the Nation as a whole.

We cannot escape the fact that the general welfare of our people as a whole cannot be dissected according to State lines. If the constitutional liberal is right in his contention that the promotion of the general welfare of our people is the keystone of our constitutional system, then that fact dictates that the several States and the Federal Government should approach issues involving national interests on a coordinated and cooperative basis. However, that does not mean that coordination and cooperation are a one-way street, calling upon the Federal Government to delegate more and more of its Federal sovereignty to the States. To the contrary, the constitutional liberal contends that the general welfare of our people will not be promoted unless the sovereign rights of the Federal Government are applied and administered uniformly across the Nation as a whole.

One of the great dangers in the growing demand on the part of the States righter for a delegation of more and more Federal jurisdiction to the States, as in the case of labor legislation, for example, is the approving of legal, economic, social, and political inequality within the United States. This unfortunate trend violates a basic guaranty of the equality of justice, to which guaranty of our constitutional fathers were dedicated.

It is my deep conviction that the American people, as the masters of their Federal Government through the application of our constitutional system of checks and balances, have no cause in fact to fear their Federal Government. To the contrary, the promotion of their general welfare is dependent in no small measure upon the Federal Government,

through their elected representatives exercising—through constitutional legislation—the jurisdictional sovereignty of the Federal Government.

I have made these remarks by way of preface to my discussion of the specifics of the bill, because I believe the problem of federalism cannot be separated from the philosophy of the bill. I cannot escape the fact that involved in the bill is at least the assurance of another anti-Federal attack. I cannot escape the conclusion that one of the results of the bill will be to weaken further another arm of the Government, because the Supreme Court has held, in a decision which the proponents of the bill do not like, that the Federal Power Commission does have the jurisdiction to regulate the price of the gas of the producer.

The whole theory of effective and fair regulation is on the side of defeating the Fulbright bill to amend the Natural Gas Act.

This is so because the wholesale price of natural gas, which the producer and gatherer charges the interstate pipeline, will be reflected in every subsequent price, whether regulated or not, until it reaches the consumer.

The producing companies, predominantly big oil companies, have over and over again frankly stated their theory that producers ought to be allowed to get the market value of their gas as a competitor with other fuels such as coal and oil. That means charging what the traffic will bear. It means, as I said earlier in my speech, the application of the economic jungle law to the gas consumers of the country. The Supreme Court very wisely in its decisions has held that under our Federal system and the Natural Gas Act the Federal Power Commission does have the jurisdiction to regulate the price.

But let me ask the sponsors of the bill to tell us where the competition, which they say is what they are asking for, occurs. Certainly it is not in the field, where the producer delivers the gathered and processed gas to the big interstate pipeline. The big pipeline company is not choosing between coal and oil and natural gas, depending on which is offered at any time the most cheaply. That kind of competition is not involved in this case.

One of the proponents of the bill spoke about the type of competition. We have a right to ask the proponents to define the terms and to tell us the kind of competition they are talking about. There is no competition as between oil and gas. The producer has no choice but to sell to the pipelines, if he wants to move his gas in interstate commerce.

Similarly, competition does not occur at the point where the big interstate pipeline diverts gas to the distributing utility. The distributing company is not choosing between oil and natural gas, depending on which is offered more cheaply. No. The competition occurs when the consumer chooses whether to install coal-burning, oil-burning, or natural-gas-burning appliances and heaters; and the big natural gas-producing oil interests want the price they get to be determined by what the consumer is willing to pay when he chooses in this competitive market. The only competitive problem which confronts us is that form of competition, the choice on the part of the consumer to determine whether he will buy a coal burner or a gas burner, or an oil burner or a gas burner.

What the monopolistic combine seeks to do is to get the price up to the point where it can charge the gas consumer everything the traffic will bear.

We can stand on the Senate floor and talk this question up and down for years; but what I have just stated is the heart of it.

I am delighted to see on the floor at the present time the distinguished Governor of Michigan, Mr. Williams. I say to him that the heart of the question, so far as the consumers of America are concerned, is whether to let monopolistic, powerful companies avoid and escape Federal control and regulation, so that they can hike the price of gas to unconscionable levels.

Is that protecting the general welfare of the country? Is that in keeping with our Federal system? Is that living up to the responsibility we have of protecting the Federal system of government?

There will be an abdication again on the part of Congress, if the proponents of the bill can get by with it, of a Federal responsibility and obligation, to the detriment of the general welfare of the people of the United States. I shall always be glad that my record will show that I not only spoke out against this kind of exploitation of the consumers of America, but that I bottomed my objection on the sound Federal principle that, under the Constitution, the powers delegated to the Federal Government should be exercised by the Federal Government. I should like to see Congress call a halt to this process of weakening our Federal system, whereby Federal authority is delegated to the States.

During the 1952 campaign—that campaign of political expediency—this administration tried to scare the housewives of America about prices, and tried to scare the farmers of America about bureaucracy in Washington, and tried to instill in the rank and file of our citizenry loss of confidence and faith in our Federal system.

The Republican Presidential candidate talked about the national debt and tried to scare the people about it. Not once did Candidate Eisenhower propose a capital budget, not has he proposed one as President Eisenhower. If there were a capital budget, then the national debt would take on an entirely different appearance, because capital investments would be separated from operating costs. When the national debt is considered in the light of an analysis of the fiscal problems of America from the standpoint of a capital budget, it will be found that Uncle Sam is in a good financial position.

There are carried as parts of our national debt great capital self-liquidating investments, such as Grand Coulee or Bonneville, and other great wealth-producing national assets. Yet we have an administration which is trying to tell the American people that we cannot afford to build additional capital investments of that kind, although the administration can propose to give $56 million to Egypt as the first contribution to the building of the Aswan Dam.

Mr. President, I am making this point because it deals with the principle of federalism, on which I am bottoming my argument against the bill. Take the debts of the States. When the President of the United States talks about Federal debt, and when his administration comes forward with proposals to delegate to the States more and more Federal jurisdiction, it might be imagined that the proposal is to delegate it to jurisdictions which are in good fiscal condition. The sad fact is that the real public debt problem in this country is to be found at the State and local level, and not at all at the Federal level. And let me say to the consumers of America, it is at the State level that people get stuck with regressive taxation.

Let us consider the little fellow, the person who has a small income. What happens to him, on the average, under State taxation as compared with Federal taxation? We find that the taxpayer pays through the nose just about twice as much for the same kind of service from the State government as he pays to the Federal Government, because State taxes, by and large, are regressive, while Federal taxes, by and large, are progressive, although we in Congress have been having a difficult time keeping them progressive. We are constantly up against terrific attacks by those who want to adopt more and more regressive taxes.

Mr. President, one of the reasons big business is on the side of anti-Federalism and on the side of those who want the Federal Government to relinquish more and more of its Federal jurisdiction is that, through Federal taxation, big business is charged more on the basis of ability to pay than it would be if the regressive local taxation principle dominated.

Let me give an illustration of what I mean. Let us take a given product. I care not whether it is called X, Y, or Z. A calculation of the cost if the tax were administered and fostered by the Federal Government, as compared with the State government, would reveal that the American taxpayer with an income of $7,500 or less would pay about twice as much taxes for a governmental service, on a State basis, than he would pay on a Federal basis. And vice versa, the citizen with an income of more than $7,500 would pay less, on a State basis, than he would pay on a Federal basis.

When one takes the theory of government about which I am talking, and starts translating it into specific legisiative proposals, then one can see what the anti-Federalists are up to. The anti-Federalist forces in America are forces which, by and large, seek to serve the selfish interests of big business and capitalistic combines. The Federalists in America are those who recognize the Federal responsibility to promote the general welfare of our people, under the Constitution of the United States, and do those things which, under the Constitution, should be done by the Federal Government, and not delegate them to the States or leave them undone.

I repeat, that question is involved in the pending bill. Here again there is represented a movement which would force the consumer to pay an outrageous price for his gas, because the bill would strengthen the control and the power of monopoly over the gas.

The big producers want the householder to pay all that the traffic will bear. Then they want regulation to restrict the distributing utility and the pipeline company to a regulated charge for their services. In this way, of course, all the profit of the high price at the consumer end will pour into the already overflowing cash registers of the big oil-gas producers. They admit this in their own statements.

Of course, this would make all the regulation of interstate pipelines by the Federal Power Commission and all the regulation of natural-gas distributing utilities a silly and expensive performance.

If consumers are going to pay the competitive market price for natural gas anyway, what is the use of going through all the motions of elaborate regulatory procedure? Why make a pretense that the consumer who is going to pay the market price anyway is protected by regulation?

If this bill amending the Natural Gas Act to exempt from regulation the prices charged by gas producers for interstate sales should become law, the remaining regulation would be a fraud on the public.

STATES CANNOT REGULATE

Mr. President, let no one contend that if Congress abolishes Federal regulation the producing States can regulate the prices charged for gas sold in the gasfields to the interstate pipelines for resale in some other State. The United States Supreme Court has held many times that they cannot. In other words, the proponents of the bill cannot have the law work both ways. If they should follow the anti-Federal principle of the bill, and the Federal Government should delegate or abdicate its jurisdiction, then let me point out that the States, of course, would not be able to regulate the gas in interstate pipelines. That is the theory on which the producing States have tried to get around the time-honored holding of the Supreme Court that one State cannot act to burden interstate commerce, that is, legislate prices which must be paid by consumers in another State.

Just within the last year the Supreme Court has handed down such a decision in the case of the State of Oklahoma, which tried to fix a minimum field price for natural gas produced in the State on the general theory that it was doing it for purposes of conservation.

The Supreme Court pierced that veil of subterfuge. The Supreme Court went to the heart of the purpose of the legislation, and found that what the State of Oklahoma was in effect trying to do was to regulate interstate commerce—a power it does not possess. Of course, the Supreme Court denied that the State of Oklahoma had that authority.

The interstate pipeline companies would not tolerate a situation in which the State tried to regulate the gas once it got into interstate pipelines. In the Oklahoma case they appealed to the Federal courts the order of the producing State attempting to fix the field price of natural gas. And, as I pointed out, the United States Supreme Court decided that the producing State could not do such a thing under the law.

The Supreme Court had previously said the same thing, equally plainly, when it upheld the authority of the Federal Power Commission to regulate the field prices charged interstate pipelines by the Interstate Natural Gas Co. That was in 1947. The fight we are waging in the Senate today, Mr. President, is one which began in 1947, after that historic landmark decision by the United States Supreme Court.

In fact, it was the Supreme Court decision in the Interstate case that started the million-dollar drive of the big oil-gas companies to amend the Natural Gas Act so as to reverse the Supreme Court and repeal the Federal Power Commission's authority to regulate field prices of natural gas where the sales are wholesale sales in interstate commerce. It was antifederalist in its objective, and the gas companies have repeated this fight ever since that historic decision in 1947.

POLITICAL ASPECTS OF ISSUE SINCE 1948

This fight began in 1948, with what was known as the Moore-Rizley bill. The first battle was fought before Senate and House committees in 1948, the election year in which the people reelected President Harry Truman. As I shall recall later, it was President Truman who courageously vetoed the Kerr-Harris bill, which finally was driven through Congress in 1950 after a battle which lasted 2 years, and affected the whole structure of the Federal Power Commission.

The Moore-Rizley bill died in the Senate in 1948, in part because neither party was anxious to be tarred with the oil monopoly brush in an election year—especially when the vast majority of voters are consumers, not producers, of natural gas. If my advice were asked by party chiefs, I would respectfully suggest that the same reasoning might be the part of wisdom in this election year of 1956.

The author of the Senate bill, my very good friend, the Senator from Arkansas [Mr. FULBRIGHT], recently delivered his argument in favor of the enactment of his bill. It appears as an article in the January 5, 1956, issue of the Public Utilities Fortnightly, a periodical which deals with operations of power companies, telephone companies, and natural gas companies; and, naturally, it presents their point of view. In the article, the able Senator from Arkansas terms a purely political decision obviously "faulty and superficial." He says:

> The issue is economic, not political, and it should be measured by economic factors, not political factors.

Later, I shall deal with the economics of the issue, and I shall come to a conclusion different from the one reached by my good friend, the Senator from Arkansas. But here I want merely to note his appraisal of the political aspect of the question.

The Senator from Arkansas makes the political argument crystal clear. He says:

> If a question is to be answered in terms of 25 million consumers or 4,000 producers, 40 consuming States or 8 producing States, then there is a certain finality about the choice.

Mr. President, I am glad the able Senator from Arkansas called that to our attention in this presidential election year of 1956, for, as a result of the present refusal of the Federal Power Commission to proceed effectively with the exercise of its jurisdiction over the field prices of natural gas they are going up steadily, with new contracts being negotiated at prices approaching the ceiling established by what is supposed to be competition at the consumer level.

With consumer bills for natural gas up by some hundreds of millions of dollars since 1950, if the Congress acts to eliminate any future control of such rates the 25 million consumers may well consider it a political as well as an economic issue. Mr. President, let me say most respectfully that I pray they do, because ours is still a political democracy; and I certainly pray that we have not gotten ourselves into a situation in which we have so weakened our Federal system that the great majority of the American people should not be allowed to speak out politically against abdication of Federal authority.

TWENTY GIANTS VERSUS 25 MILLION CONSUMERS

When reduced to its simplest terms, the argument of the Senator from Arkansas is indeed a strangely contradictory one. It reads like this: "You've got to let the big producers charge higher prices and make bigger profits in order to encourage them to explore and find more natural gas so that competition will force them to accept lower prices." Surely this is worse than the trickle-down theory of benefits to the little man, Mr. Consumer.

Actually, as demonstrated over and over again, it is not a question of 25 million consumers against 4,000 producers, but it is a question of 25 million consumers against perhaps 60 big owners of the bulk of the Nation's natural-gas reserves, without whose permission no great interstate pipeline can get sufficient gas reserves committed to enable it to meet its contract commitments to deliver huge annual blocks of natural gas to distribution utilities over a 20-year period.

The list of these big producers, who dominate the country's supplies of natural gas—and these are the ones who will be put in the drivers seat, under this bill—include such giants as Phillips Petroleum Co.; Standard Oil of New Jersey, through its subsidiary, Humble Oil & Refining Co.; Standard Oil of Indiana, through its subsidiary Stanolind Oil & Gas Co.; Magnolia Petroleum Co.; Shell Oil Co.; the Chicago Corp.; Sinclair Oil & Gas Co., and so forth.

Thus, the report of the Federal Power Commission on S. 1498, a bill to amend the Natural Gas Act, 81st Congress, contained a table listing 33 leading oil companies holding 62.5 percent of the country's total oil and gas acreage. This information was taken from the Petroleum Data Year Book for 1947, the year the

drive started to pass this inflation bill which would end effective regulation of all natural-gas rates.

Mr. President, we can get a further picture of the concentration of natural gas in the hands of a few big corporations, by looking at some figures from the records of the Texas Comptroller for 1952. In doing so, we should recall that in 1954, Texas produced over 50 percent of the country's total natural-gas production.

First, to show the domination of each of the three major producing areas in Texas, controlling the ability of interstate pipelines starting from such areas to get 20-year commitments for tremendous blocks of natural gas:

The Texas comptroller's records show that more than 80 percent of the gas production in the Texas Panhandle area came from 15 large producers.

The records show, similarly, that 65 percent of the gas production in the west Texas area came from 15 large producers.

The records show that 69 percent of the gas production of the east Texas area came from 15 large producers.

But the records of the Texas comptroller show that the concentration of control over natural-gas production in Texas was even greater than these figures indicate.

Actually, over 50 percent of area production was in the hands of power companies in the Panhandle area, 8 companies in the west Texas area, and 8 companies in the east Texas area.

Mr. President, if we take account of companies producing in 2 or more areas, we find that in 1952, 16 big companies were responsible for about 52 percent of the hugh combined production of these 3 Texas areas.

In this connection, it is interesting to see what the Wall Street Journal has said as recently as November 2, 1954, about the tremendous blocs of natural-gas reserves owned by two giant oil companies.

In connection with a move by Standard Oil of New Jersey to raise its ownership of Humble Oil Co. stock from 72 percent to 80 percent, the Wall Street Journal reported that it was revealed that Humble's net reserves of natural gas totaled 16 trillion—or 16 million million—cubic feet.

The same issue of the Wall Street Journal reported that Humble's reserves of natural gas were topped only by those of Phillips Petroleum Co. "whose reserves are believed to exceed 18 trillion"—that is 18 million million—"cubic feet."

Mr. President, I wonder if the Members of this great body realize the significance of the facts I am reciting. They mean that two giant oil companies, standing by themselves, control reserves of natural gas exceeding 34 trillion—34 million million or 34 followed by 12 ciphers—cubic feet of natural gas reserves.

Do Senators think I am going to remain in the Senate and vote to undercut our Federal system of government, delegating that kind of control to State bodies—or freeing wellhead pricing from all regulation—while recognizing that the general-welfare clause is still in the Constitution? I say most respectfully that it happens, in my judgment, to be the duty of every Member of the Congress to protect consumers from that kind of undermining and undercutting of our Federal system.

This power of 2 great economic giants in the oil industry means that these 2 well-known oil corporations controlled about one-sixth of the total natural-gas reserves of the entire country.

Because the Supreme Court has said they are subject to Federal regulation, we have a bill to take these poor little economic weaklings, who own the 34 trillion cubic feet of gas, out from under the regulation of Uncle Sam. I happen to believe that he still ought to be a "Dutch Uncle" of every consumer in the country; and I happen to believe that it would be a travesty upon our Federal system to pass this piece of anti-Federal legislation.

According to the records of the Texas comptroller, these two oil companies were responsible for approximately the same share of 1951 production of natural gas in that State.

If the share of Texas production is even approximately the share of the country's natural-gas reserves in the case of other producers, this would confirm the fact that a small group of very large oil and pipeline companies dominate the natural-gas reserves on which the consuming States today must depend for their supplies of this premier source of energy.

So, Mr. President, I think the able junior Senator from Arkansas would perhaps have been more accurate if he had said that, politically speaking, we see some 25 million consumers pitted against perhaps 20 giants of oil and gas, the largest ones also reaching out to control petroleum reserves in Canada, South America, the Near East, and elsewhere.

One may ask what 20 poor giants can do against 25 million American citizens. It would probably present a more accurate picture if we could picture the oil and gas giants in terms of their control of billions of dollars of annual gross income, whose annual savings in Federal corporate income taxes through the 27½-percent depletion allowance probably run into the billions.

We know what happens when we make our fight for the elimination of the 27½ percent tax giveaway depletion allowance to these giants. We know what the pressure is then. But I think we ought to try it again, because I am still of the opinion, as I have said in past debates on the 27½ percent depletion allowance, that we cannot justify that giveaway of taxes which ought to be collected for the benefit of the taxpayers of the country.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from North Dakota.

Mr. LANGER. I ask my distinguished friend whether or not it is true that the same terrific lobby which is at work today is at work every time we try to get rid of the 27½ percent depletion allowance.

Mr. MORSE. It is the lobby which tried to beat the Senator the last time he ran for reelection in North Dakota.

Mr. LANGER. I expect the same gang to be against the distinguished Senator from Oregon in his next campaign.

Mr. MORSE. I hope they will be against me; otherwise I should feel that I was slipping as a liberal. [Laughter.]

The Senator is quite correct. They are exactly the same gang.

Mr. President, these companies represent a tremendous centralized economic power which presents a threat of domination of the ecoonmic and politicial life of the Nation. Instead of taking the Federal harness off them, we ought to hitch them to their public responsibilities, because monopolies do have public responsibilities. They have a public responsibility to serve the interests of the public. Yet, in my judgment, the pending bill seeks to take all the harness of Federal restraint off them and turn them loose to gallop over the economic rights of 25 million gas consumers in the United States.

Mr. President, the 25 million are largely unorganized and inarticulate consumers, who are constantly subjected to the most artfully prepared advertising, radio, and television propaganda, by the great oil trust which, along with the power trust, wields more political power in practically all of the 48 States of the Union than is healthy for the preservation of our democratic institutions.

BILL IN CONFLICT WITH FUNDAMENTAL PRINCIPLES OF NATURAL GAS ACT

Before suggesting some of the economic problems involved in the proposed curtailment of the Federal Power Commission's authority to regulate the prices at which big producers deliver natural gas supplies to interstate pipelines, I wish to complete my argument that this bill is in conflict with the fundamental principles of effective regulation, and that it would render regulation of later stages of the natural gas business a futile and empty gesture, giving consumers a false sense of protection against monopoly. In fact, I do not believe section 3 of the bill is worth the paper it is written on.

I wish to point out that the bill before us conflicts with the very purpose of the Natural Gas Act.

The purpose of the Natural Gas Act of 1938 was to provide Federal regulation of both the transportation of natural gas in interstate commerce and the wholesale sale of natural gas in interstate commerce for resale.

The State public utility commissions had found that they could not regulate the retail rates at which the utilities sold natural gas to consumers when the gas supplies of the distributing companies were purchased from outside their States.

Of course, this was because the State utility commissions could not regulate the cost of the gas supply because it was determined by a wholesale sale in interstate commerce for resale, and the Supreme Court has held over and over again that such a sale is beyond the reach of State regulation.

Yet that sale at wholesale in interstate commerce for resale was determining what the consumer must pay for the natural gas used in his cooking or house heating. So State regulation of retail gas rates was thwarted.

For example, the city of Cleveland, Ohio, and the Ohio Public Service Commission found themselves unable to establish reasonable rates for gas used by homes in that city because they could not fix reasonable charges for the natural gas purchased by the East Ohio Gas Co. from the Hope Natural Gas Co. at the State border.

The price charged the East Ohio Co. by Hope Natural was not regulated by anyone until Congress gave the Federal Power Commission authority to regulate it through the Natural Gas Act.

If we enact the bill under consideration, which would amend the Natural Gas Act to exempt from Federal Power Commission regulation the prices charged by producers for supplies of natural gas delivered to interstate pipelines for resale to distributing utilities in other States, we will undo all that was intended to be accomplished under that act.

This will be the result because we shall be placing the Federal Power Commission in the same helpless position in attempting to exercise jurisdiction over pipeline sales that the State commissions found themselves in when they tried to establish reasonable rates to consumers when there was no regulatory control over what the distributing company had to pay for its gas supply from other States.

Frankly, Mr. President, if this bill shall pass, we might just as well repeal the Natural Gas Act altogether and let the big pipeline companies and the big oil companies fight over division of the swag. At least everyone would be relieved of futile regulatory expense. And consumers would be just as well off because, according to the theory of proponents of the bill, gas prices should be determined by competition with other fuels, anyway.

As the Senator from Arkansas [Mr. FULBRIGHT] says in his public utility Fortnightly article, speaking of the relationship between consumers and producers:

> Twice removed from each other, separated by the pipeline and distributor, consumer and producer are not in a position to bargain with each other; third party bargaining between the two, the role proposed for the FPC, has no economic basis and would be a legal absurdity.

The fact is that, once the producer of natural gas has chosen to participate in supplying a utility market, with its assurance of an uninterrupted guaranteed demand and a protected price, a monopoly relationship from producer to consumer, he has become an essential part of the utility business.

That is what the proponents of the bill will not admit. Although it is a demonstrable fact in connection with the problem before us, we cannot reach agreement on it.

I wish to repeat what I have just said, Mr. President. The fact is that once the producer of natural gas has chosen to participate in supplying a utility market, with its assurance of an uninterrupted guaranteed demand and a protected price, a monopoly relationship from producer to consumer, he has become an essential part of the utility business.

The consumer is bound, through the distributing utility which supplies him and the pipeline which supplies the distributing utility, to buy that producer's gas over a period of perhaps 20 years. If he wants to continue using natural gas, he cannot decide that he will shift his patronage to another natural-gas producer, perhaps in some other region, because it offers cheaper gas in a competitive market.

Probably no one has stated the regulatory economics of the issue before us in this bill more clearly than President Truman in his veto of the predecessor of this bill in April 1952.

President Truman met squarely the argument that there is no more reason to regulate the prices charged by producers of natural gas than the prices charged by producers of oil or coal or any other commodity. At the same time, he met the argument that competition between producers would be sufficient to protect consumers. President Truman said:

> I believe that authority to regulate such sales is necessary in the public interest because of the inherent characteristics of the process of moving gas from the field to the consumer. Unlike purchasers of coal and oil, purchasers of natural gas cannot easily move from one producer to another in search of lower prices. Natural gas is transported to consumers by pipelines, and is distributed in a given consuming market by a single company. The pipeline companies and, in turn, the consumers of gas, are bound to the producers and gatherers in a given field by the physical location of their pipelines, which represent large investment of funds, and cannot be easily moved to other fields in search of a better price.

That is a great statement. I have not heard it successfully rebutted in the debate. We are dealing here with a monopoly situation, and with a utility situation. We are not dealing with a situation in which housewife A calls up X Coal and Fuel Co. and asks for its price on a ton of coal, then calls up Y Coal and Fuel Co., and finding that she can get a ton of coal for $2 less, orders the coal from Y company. That is not the situation here. The argument about coal and gas is based, in my judgment, upon an entirely erroneous premise, because here the competitive factor cannot exist with respect to gas. The housewife cannot call up another gas company and get a different price on the gas she uses in her home. I believe President Truman made that fact crystal clear in his great veto message.

Turning to the limited competition among producers of natural gas for the huge and expanding pipeline market, President Truman continued:

> These characteristics of the natural-gas business impose natural limitations upon effective competition among sellers. Competition is further limited by the degree of concentration of ownership of natural-gas reserves. While there are a large number of producers and gatherers, a relatively small number of them own a substantial majority of the gas reserves. Furthermore, the demand for natural gas has been growing phenomenally in recent years, and its natural advantages as a fuel, coupled with its present price advantage, indicate that demand may soon be pressing hard upon total supplies.
>
> Under these circumstances, there is a clear possibility that competition will not be effective, at least in some cases, in holding prices to reasonable levels. Accordingly, to remove the authority to regulate, as this bill would do, does not seem to me to be wise public policy.

I do not know how we can do better in this argument than President Truman did in his veto message. There is the kernel of the issue. The issue is whether, under our Federal system, the Federal Government will maintain its jurisdiction, in order to protect 25 million consumers of gas, or whether the Federal Government will step aside and turn the consumers over to the jungle law of charging what the traffic will bear.

President Truman correctly—and let me add, in terms of the tremendous power of oil, courageously—stated that "the continuance of that authority will adequately protect the public interest by permitting the Commission to prevent unreasonable and excessive prices, which will give large windfall profits to gas producers, at the expense of consumers, with no profit to the Nation in terms of additional exploration and production."

President Truman was speaking for the interest of the rate payers, the 25 million consumers who, without the effective protection of their Government would be at the mercy of gigantic corporations holding a quasi-monopolistic grip on one of the people's basic energy resources in the form of natural gas.

WHO REPRESENTS THE CONSUMER?

This brings me to another statement of an able Senator from Arkansas [Mr. FULBRIGHT].

In his article he writes:

> The demand for Federal regulation clearly does not come from consumers. Those representing themselves as consumer spokesmen came mainly from municipal governments and State commissions charged with the regulation of distributing utilities; the case they made was a case for the utilities interest, not for the public interest. Through all this controversy, there have been no petitions from consumers for Federal relief from high gas prices. There has been no showing that the imaginary captive consumers are being gouged; on the contrary, they are saving money, enjoying the cheapest fuel available.

Now, Mr. President, before a rather careful analysis of what this statement seems to say about our local governments and our State regulatory bodies, I will just call the Senate's attention to one fairly large body of consumers which has definitely gone on record in opposition to any bill designed to exempt producers of gas from regulation by the Federal Power Commission.

I refer to the resolution adopted on December 8, 1955, by the newly merged AFL–CIO, with a combined membership of some 15 million American wage earners. With their families they probably represent over 50 million American consumers.

Before I read the resolution, Mr. President, let me say that I am always a little amused about what appears to me to be the implication in some of the com-

ments of some politicians regarding the position of the working men and women of America on economic and political issues. Some politicians seem to think that they should not have economic and political views. I sometimes think they would like to have the workers of America disfranchised, because, when the point of view of the workingmen of America is cited, there is always the attitude on the part of some—"Well, that does not count."

But when we are dealing with the point of view and the interests of 15 million fellow Americans, we are dealing, Mr. President, with a substantial percentage of our consumer class. So, when the Senator from Arkansas, in his article to which I have referred, advances the argument that the consumers have not petitioned for protection against his bill, I invite his attention to this resolution which, in my judgment, represents millions of consumers. The resolution reads as follows:

A determined effort is being made by the producers of natural gas to pass legislation which would exempt the primary production of gas from regulation by the Federal Power Commission. The House of Representatives during the past session of Congress passed the Harris bill. The issue is now pending in the Senate.

There is ample evidence that removal of regulation would increase prices to consumers of gas by many millions of dollars and unreasonably swell the profits of the producers. Historically, organized labor has consistently supported the interests of the consumers: Now, therefore be it

Resolved, That this convention of the ALF-CIO instructs its officials to vigorously oppose any bill designed to exempt the primary production of gas regulation by the Federal Power Commission.

In the face of this resolution it would be difficult to maintain that the opposition to the bill before us does not come from a large group of consumers.

Consumers from all over the country have written to me on this subject. Potential consumers in Oregon have written protesting against this bill.

In the first place the representatives of municipal governments, the mayors and municipal law officers, were speaking for effective regulation.

Mr. LEHMAN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. LEHMAN. Of course, there is very little machinery in our Government, either Federal or local, through which the consumers have a direct voice, except at election time. But I would take my own State as a very definite example of the way consumers feel.

In my State, which has a population of more than 16 million, the Governor has gone on record as being strongly opposed to this bill. The 2 Senators, 1 a Republican [Mr. IVES], and myself, a Democrat, have gone on record as being strongly opposed to the bill. The mayor of the largest city—in fact, the mayors of all the cities of New York—has gone strongly on record as opposed to the bill. The chairman of the public service commission, who is a Republican, is strongly opposed to the passage of the bill. The attorney general of the State of New York, a Republican, has also gone strongly on record against it.

So that every important public official in the State of New York, statewide and locally, representing all the 16 million people of the State, has the strongest kind of opposition to this bill. I do not know how there could possibly be any stronger testimony as to the attitude, the feeling, and the interest of the consumers, than that which shows every important official. Statewide and local, representing the people, as having declared himself in opposition to this bill.

Mr. MORSE. Mr. President, I wish to thank the Senator from New York for the statement he has just given for the record, which supports the thesis which I am advancing that the bill is opposed by millions of consumers. There is no doubt about it. This is an anti-consumers' bill, and the consumers know it. I think, however, in view of the argument which has been made that the consumers have not been heard in opposition to the bill, we must make the record we are making at this time.

Mr. LEHMAN. I agree with the Senator.

Mr. MORSE. I thank the Senator from New York for giving me the information he has furnished.

Mr. President, when I finish the discussion of this particular point I wish to yield to my colleague [Mr. NEUBERGER] on another subject matter which he wishes to bring up very briefly, if I may get the unanimous consent at that time.

Bearing out what the Senator from New York has just said, the mayors and municipal law officers were speaking in favor of reasonable gas rates for the homes and small businesses in their cities. They were reflecting the interest of hundreds of business, labor, and other organizations in their communities which speak for consumers. Their political interest required them to do this, if you will, but that is the way democracy works unless it is perverted by the huge slush funds at the disposal of great corporations.

In many parts of the country, these municipal spokesmen already faced a situation in which homes had converted to natural gas for space heating in the faith that regulated natural gas rates would make this service economical, only to be faced with rising rates which seemed to make the sale of this service to them an expensive fraud.

Mr. President, it is tremendously significant when the National Institute of Municipal Law Officers takes the position that this bill will destroy the effectiveness of natural gas rate regulation and bring boosts of hundreds of millions of dollars in the gas bills of millions of consumers.

Frankly, I do not think Congress can laugh off the fact that Mayor Joseph S. Clark, Jr., of Philadelphia appeared in opposition to the bill on behalf of a mayors' committee, representing 49 cities of more than 100,000 population in 21 States of the Union. The combined 1950 population of the cities represented totals 29 million, which means that, with their suburban populations, they represent some 45 million people.

On behalf of this tremendous body of consumers Mayor Clark testified before the Senate Interstate and Foreign Commerce Committee, during its hearings on the Fulbright bill (S. 712) that he was "speaking in opposition to any legislation which would exempt the producers of natural gas from the initial sale to pipeline companies for resale in interstate commerce."

After listing the mayors represented on the mayors' committee, Mayor Clark said:

The mayors in question come from Oregon to Alabama and from Colorado or California to Massachusetts. I think it is fair to say that they represent a very large majority of the urban consumers of natural gas.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD the list of mayors appearing at the Senate committee hearings on the Natural Gas Act in May and June, 1955.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Hon. Joseph S. Clark, Jr., mayor, Philadelphia, Pa.
Hon. John J. Moloney, mayor, city of Covington, Ky.
Hon. Anthony J. Celebreeze, mayor, Cleveland, Ohio.
Hon. David L. Lawrence, mayor, Pittsburgh, Pa.
Hon. Donald H. Mead, mayor, Syracuse, N. Y.
Hon. Frank P. Zeidler, mayor, city of Milwaukee, Wis.
Hon. Leo A. Berg, mayor, Akron, Ohio.
Hon. George R. Demster, mayor, Knoxville, Tenn.
Hon. Eric C. Hoyer, mayor, Minneapolis, Minn.
Hon. Quigg Newton, mayor, Denver, Colo.
Hon. Joseph F. Dillon, mayor, St. Paul, Minn.
Hon. Norris Poulson, mayor, Los Angeles, Calif.
Hon. Stephen A. Zona, mayor, Parma, Ohio.
Hon. Alex M. Clark, mayor, Indianapolis, Ind.
Hon. Andrew Broaddus, mayor, Louisville, Ky.
Hon. George E. Brunner, mayor, Camden, N. J.
Hon. Haydon Burns, mayor, Jacksonville, Fla.
Hon. Leo P. Carlin, mayor, Newark, N. J.
Hon. Thomas D'Alesandro, Jr., mayor, Baltimore, Md.
Hon. Walter H. Reynolds, mayor, Providence, R. I.

Mr. MORSE. Mr. President, the record of the hearings shows that this was no inactive committee supporting Mayor Clark as its single spokesman, for a large number of the cities were either directly represented at the hearings or filed individual statements.

Of equal importance is the presentation of Mr. James H. Lee, assistant corporation counsel of Detroit, Mich., representing the National Institute of Municipal Law Officers. In the course of an extended statement before the Senate committee, Mr. Lee presented a resolution adopted at the institute's annual convention in San Francisco in September, 1954. In presenting this resolution, he said:

The National Institute of Municipal Law Officers (NIMLO) has a membership of over 900 cities located in each of the 48 States,

the District of Columbia, and in the Territories of Hawaii, Alaska, and Puerto Rico.

The NIMLO resolution described the primary purpose of Congress in adopting the Natural Gas Act of 1938 so as "to protect consumers from exploitation by suppliers of natural gas, while at the same time assuring the suppliers of a fair and reasonable price for their product."

The resolution further set forth that "the means by which the Congress accomplished this purpose was to confer jurisdiction upon the FPC to fix reasonable rates for sales of natural gas in interstate commerce for resale to consumers."

The resolution stated that, since the adoption of the act, NIMLO has "taken the clear and consistent position that this purpose of the Congress should be carried out and that the jurisdiction of the Federal Power Commission thus conferred should remain unimpaired."

On the basis of these premises, the National Institute of Municipal Law Officers resolved "That NIMLO hereby reaffirms its prior position and opposes the enactment of Federal legislation which would weaken or impair the jurisdiction and functioning of the Federal Power Commission under the Natural Gas Act as now written."

Mr. President, this sounds to me like straight talk on behalf of consumers. And I think that we should hesitate a long while before tagging this as making "a case for the utilities interest, not for the public interest," as the Senator from Arkansas [Mr. FULBRIGHT] did in his speech, when he attempted to argue that the consumers have not been heard from. This is my rebuttal to the article written by the Senator from Arkansas, I say to him, most respectfully, that I do not know of any measure which has come before the Senate in recent years which has been opposed more strenuously by the consumers of the United States than the natural gas bill, unless it might have been its Siamese twin, the giveaway tidelands bill.

Mr. President, I now yield to my junior colleague [Mr. NEUBERGER] who, I understand wishes to discuss another subject, with the understanding that his remarks will appear after the conclusion of my speech.

(Mr. NEUBERGER addressed the Senate on the nomination of Wesley A. D'Ewart to be Assistant Secretary of the Interior. Mr. NEUBERGER's remarks appear in the RECORD following the conclusion of Mr. MORSE's speech.)

ORDER FOR RECESS TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon yield to me for a moment to make a unanimous-consent request?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it take a recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. MORSE. Mr. President, I wish to return to the argument I was making in rebuttal of the contention that consumers have not come forward in protest against the bill now before the Senate.

For a moment, I wish to speak about the position taken on the bill by State commissions.

THE POSITION OF STATE COMMISSIONS

The State utility commissions are intimately aware of what is involved in this proposed legislation. Actually, in a short 3-year period they had faced a situation in which the rates charged consumers of natural gas had increased by $370 million a year, and I am talking about the increased cost of the same amount of gas that they consumed in the earlier year. More than half of this increase was due to increases in the unregulated cost of gas supply to the distributing utilities.

In the experiences leading up to enactment of the Natural Gas Act of 1938, which the present bill would largely emasculate, they knew what it meant to try to regulate rates to the ultimate consumer when no one was authorized to regulate the rates charged by the producer for the gas supply.

As a matter of regulatory principle, the utility business must be regulated as a whole, from the costs created in the production end of the business to the costs incurred in the transmission and distribution parts of the business. The history of regulation shows that if we let the concept of value displace the concept of cost of service at any point, we are lost, for the value concept has an inveterate habit of absorbing all that the traffic will bear.

For this reason, I think that Members of the Senate, before voting on this bill, should read very carefully the statements of Chairman James E. Durfee and Rates and Research Department Chief H. J. O'Leary, of the Wisconsin Public Service Commission, one of the oldest and most experienced State commissions in the country. These statements, combined as part I and part II of a single statement, will be found beginning on page 1728 of the hearings before the House Committee on Interstate and Foreign Commerce, Natural Gas Act, Exemption of Producers, April and May 1955.

The Wisconsin Public Service Commission, with its direct participation in the Phillips Petroleum Co. case, which led to the important decision of the United States Supreme Court, is in a particularly strong position to answer most of the questions raised by proponents of this ill-conceived legislative proposal.

GAS PRODUCER PERFORMS A UTILITY FUNCTION

Chairman Durfee had previously written an article, published in the January 20, 1955, issue of the Public Utilities Fortnightly, under the title "Wisconsin and the Phillips case." I shall call the attention of the Members of the Senate to certain things which Mr. Durfee said in that article, because I believe it provides a convincing answer to the interpretation of the oil industry that the producers' price for natural gas should be no more subject to regulation than should the price of gasoline, the price of coal, the price of wheat, or the price of automobiles.

Mr. Durfee's article gives us a clear picture of the situation which led the State of Wisconsin to make an all-out fight in the courts for reversal of the Federal Power Commission's 4-to-1 decision abdicating authority to regulate the prices at which Phillips Petroleum sells gas to interstate pipeline companies for resale in Wisconsin and other States outside the great southwestern gas-producing region. Here is the picture as the chairman of the Wisconsin commission presented it:

Over 95 percent of the present natural gas companies in Wisconsin at that time got their gas supply from the Michigan-Wisconsin Pipe Line Co., which had a virtual monopoly of the sale of gas to Wisconsin utilities.

Michigan-Wisconsin Pipe Line then bought all its gas in Texas from the Phillips Petroleum Co. under contracts which gave Phillips an unregulated monopoly of supply.

The 1945 contract between Phillips and Michigan-Wisconsin provided for an initial delivery rate of 345 million cubic feet daily, at an initial price of 5 cents per thousand cubic feet. But, under various provisions of the contract, including escalator clauses and other changes, the rate was successively raised to more than 8.5 cents by the beginning of full deliveries in 1950.

Phillips' rates to the pipeline company automatically increased another 40 percent by the end of July 1954, as a result of escalator provisions without any showing of necessity or reasonableness of such automatic increase.

On the basis of these facts, the Wisconsin commission chairman answered two questions:

The first question was, How did Phillips get the pipeline company to agree to an increase of 70 percent in the contract price of gas supply before even the beginning of full delivery?

The second question was, Why did the pipeline company, in an arm's length, unaffiliated transaction, agree to the escalator clauses? Chairman Durfee answers:

> The answer is that the Michigan-Wisconsin Pipe Line Co. was by that time committed to a contract to Phillips as its sole supplier. Its pipeline was authorized and partially constructed from Phillips delivery point in Texas. The pipeline company was bound to Phillips by its contract, by its FPC certificate, by the physical location of its pipeline, and by its capital investment in its line. It could not move its pipeline like a garden hose from one producer to another in search of lower prices.

Mr. President, the bill before us could only be justified on the "garden hose" theory of interstate pipeline construction.

Chairman Durfee turns specifically to answer the coal and oil argument of proponents of this bill, as follows:

> The argument has been made that if sales of natural gas in interstate commerce are to

be subject to Federal regulation, then such regulation could be extended to the coal and oil industries. The Wisconsin consumer of natural gas is bound by the Michigan-Wisconsin Pipe Line to Phillips for his supply. Because of this virtual monopoly, Phillips was able to increase its prices to over 70 percent from the original contract before it even began to make full contract delivery and to negotiate the escalator clauses added to the original contract.

Mr. President, although all States are not dependent on a single pipeline tied to a single big producer for gas supply, the situation is substantially the same for other consumer markets and other pipelines, as I have pointed out earlier in this speech.

From the point of view of producer, pipeline, distribution company, and consumer, the situation differs materially from businesses concerned with the distribution of commodities or services which are available to consumers from a number of dealers who, in turn, can shift from year to year from one producer to another for their wholesale purchases. And the difference involves the characteristics of a public service industry from production to distribution.

This essential difference between the natural-gas producer and the producer of commodities which are not regulated is recognized by the industry itself in a major statement before the Federal Power Commission. This statement was filed to justify the escalator on automatic increase clauses in the producer contracts for supplies of gas to pipeline companies.

This official statement emphasizes the difference in the status of the natural-gas producer as follows:

> The gas producer, instead of being free to change from one buyer to another as market conditions vary, is generally required to commit his supply to one purchaser for up to 20 years. This requirement is imposed on the producer for two reasons: (1) the buyer needs to be satisfied about continuity of supply for a period sufficient to amortize his investment in order that he may finance construction of transportation facilities; (2) where gas is required by an interstate transportation company the Federal Power Commission requires a showing by applicants for certificates of convenience and necessity that they have sufficient supplies to meet their prospective demands for a period. This particular situation is unique in the natural gas business. Sellers of other commodities and even services are as a rule not required to commit themselves to continue selling to the same purchaser for a period of 20 years, and in no case are they required to agree to the price at which they will sell over this period.

I say good naturedly that I think the proponents of the bill who have tried to present their plausible argument that if the Federal Government regulates gas it ought to regulate coal, should have read the arguments of the industrial proponents of the bill, the natural gas producers, because they themselves, in a statement before the Federal Power Commission, recognized the difference. The difference is the difference between no possibility of competition, in the case of gas, and the possibility of competition in the case of coal.

Mr. President, the statement which I read is in the records of the Federal Power Commission. It is subscribed to by 10 natural gas producer associations, including Mid-Continental Oil & Gas Associates, American Petroleum Institute, New Mexico Oil & Gas Association, West Central Texas Oil & Gas Association, North Texas Oil & Gas Association, Texas Independent Producers & Royalty Owners Association, Western Oil & Gas Association, Independent Petroleum Association of America, Illinois Oil & Gas Association, and Oil Producers Agency of California.

What these producers associations are describing in their statement is essentially a utility relationship to a utility market, a relationship similar to that in the power business, where separate power supply companies engage in the production of hydro or steam power for sale to distribution companies for resale, as, for instance, the Chicago District Electric Generating Co., on the border of Illinois and Indiana, or the Montaup Electric Co., in Massachusetts. No one questions the need for regulating the prices charged by such producing companies.

What the producers obviously want is the proverbial opportunity to eat their cake and have it, too. They urge utility limitations when it suits their purpose and deny them when it does not. In fact, as they do in the statement which I have just quoted, they are not above asserting and denying the characteristics of a regulated utility business in the same breath.

Mr. President, the fact is, as I have already suggested, that the consumer cannot shop around from dealer to dealer for his natural gas supply as he can for fuel oil, gasoline, coal, wheat products, or automobiles. He cannot turn on his radio or television and hear a half dozen different dealers in natural gas battling it out on the air as to who will give him the "best deal in town" for his winter's gas supply.

The consumer must buy his natural gas from one regulated utility, which, in turn, buys its supplies under long-term contracts with pipelines also subject to regulation. And these, in turn, are dependent for supplying consumer markets on correspondingly long-term contracts with producers, so graphically described in my quotation from the 10-producer association statement.

If this first deal, the wholesale sale for resale by the producers to the pipeline, goes unregulated, regulation of the remainder of this public service becomes useless. In my judgment, it becomes a mockery. It is not the way to protect the interest of the consumer.

The greatest bonanza that ever happened to the giant oil and gas producers was the development of huge interstate pipelines which gave them participation in the expanding utility markets of the entire country. They stopped flaring the gas produced as a byproduct of production of petroleum, and sold it in a guaranteed market in which regulation assures a fair return to suppliers as well as reasonable rates to consumers. If they take advantage of participation in this utility market they must be subject to its rules and regulations.

Thus, both from the State Commission side and the producer side we learn that the relations of the producers of natural gas to the transmitting and distributing utilities have all the characteristics of a utility relationship and, with these characteristics, they must be regulated or subseuent regulation further along the line will be futile.

NATURAL GAS ACT CLOSES REGULATION GAP

What the proponents of the bill should do, if they mean what they say, is to seek repeal of the Natural Gas Act because the Natural Gas Act was designed to close the gap in regulation which checkmated the efforts of State regulatory commissions to assure consumers "just and reasonable rates."

Thus, the House Committee on Interstate and Foreign Commerce, in reporting the bill which became the Natural Gas Act, pointed out that States for years had regulated interstate transactions and retail sales in interstate commerce where such sales were considered local in character. The Committee went on to state:

> There is no intention in enacting the present legislation to disturb the States in their exercise of such jurisdiction. However, in the case of sales for resale, or so-called wholesale sales, in interstate commerce (for example, sales by producing companies to distributing companies) the legal situation is different. Such transactions have been considered to be not local in character and, even in the absence of congressional action, not subject to State regulation. (See *Missouri* v. *Kansas Gas Co.* ((1924) 265 U. S. 298) and *Public Service Commission* v. *Attleboro Steam & Electric Co.* ((1927) 273 U. S. 83).

Mr. President, one cannot read that House committee report, filed at the time the Natural Gas Act was passed in 1938, and escape the conclusion that the congressional intent was to subject natural-gas producers to Federal regulation.

The congressional purpose to close the gap in natural-gas regulation was made equally clear by former Senator Burton K. Wheeler, chairman of the committee in charge of the bill (H. R. 6586), which became the Natural Gas Act of 1938. Senator Wheeler said, at page 2422 of the CONGRESSIONAL RECORD of the 75th Congress:

> The courts have held that sales for resale, or so-called wholesale sales in interstate commerce, are not subject to State regulation.
>
> Neither the sending nor the receiving State may regulate the wholesale rates. The consumption of natural gas in the States is secured for the most part through interstate transmission, and the cost thereof is a material element in determining the price the local consumer must pay for that gas.

He made his point even clearer at page 2424 of the same RECORD, when he added:

> Federal jurisdiction plus the jurisdiction of the several States should be so utilized and coordinated as to produce effective regulation and the termination of the existing abuses to the end that there should be no unregulated twilight zone. Otherwise, our system fails in a very crucial situation.
>
> If a man should produce gas in my State and ship it in interstate commerce, then he would have to sell it at the price fixed by the Commission.

Senator Wheeler referred to the Federal Power Commission.

Mr. President, one cannot read that congressional history without reaching the inescapable conclusion that before

we came to the Senate, in this very Chamber, Senator Wheeler made perfectly clear the intent of Congress when the 1938 act was enacted. He said there must not be a twilight zone remaining unregulated. He talked about the wholesale resale of gas. He talked about the very thing the Supreme Court, in its historic decision, said was subject to regulation by the Federal Power Commission.

Incidentally, it is impossible to read the Wheeler speech without recognizing the fact that Senator Wheeler bottomed his speech, as I did my speech at the beginning, upon the basic constitutional principle of protecting Federal jurisdiction and preventing a further weakening of Federal authority under the interstate commerce clause of the Constitution.

The United States Supreme Court in the Hope Natural Gas Co. case, in upholding the Federal Power Commission's decision regulating the wholesale rates charged distributing companies, said:

> The primary aim of this legislation (the Natural Gas Act) was to protect consumers against exploitation at the hands of natural gas companies.

That is not my language, although I adopt it. It is the language of the United States Supreme Court. The Court went right to the heart of the problem involved in the pending bill. In that sentence, the Court set forth the essence of the argument being made by those of us who are opposed to the bill.

The primary aim of the legislation, said the Supreme Court, was to protect consumers against exploitation at the hands of the natural gas companies.

The primary result of the proposed legislation before the Senate, if it is passed, will be to subject the consumers of America to the exploitation of certain big monopolies. I have already discussed their records.

Later, in the Interstate Natural Gas Co. case, the Supreme Court continued its interpretation of the Natural Gas Act. The Court stated:

> In a series of decisions announced prior to the passage of the act, this Court had held that, although Congress had not acted, the regulation of wholesale rates of gas and electrical energy moving in interstate commerce is beyond the constitutional powers of the States. * * * As was stated in the House committee report, the "basic purpose" of Congress in passing the Natural Gas Act was to occupy this field in which the Supreme Court had held that the States may not act. In denying the Federal Power Commission jurisdiction to regulate the production or gathering of natural gas, it was not the purpose of Congress to free companies such as petitioner from effective public control. The purpose of that restriction was, rather, to preserve in the States powers of regulation in areas in which the States are constitutionally competent to act.

Subsequently, the Court made clear what it meant when it interpreted the act's exceptions of the production and gathering of natural gas from the Commission's regulatory jurisdiction. It quoted the report of the House committee to the effect that the bill "takes no authority away from State commissions, and is so drawn as to complement and in no manner usurp State regulatory authority." The Court then said:

> Clearly, among the powers thus reserved to the States is the power to regulate the physical production and gathering of natural gas in the interests of conservation or any other consideration of legitimate local concern.

In *Panhandle Eastern Pipe Line Co.* v. *Public Service Commission* (332 U. S. 507), the United States Supreme Court interpreted the intent of Congress in the Natural Gas Act as the creation of a comprehensive and effective regulatory scheme. It said at page 520:

> The Natural Gas Act created an articulate legislative program based on a clear recognition of the respective responsibilities of the Federal and State regulatory agencies. It does not contemplate ineffective regulation at either level. We have emphasized repeatedly that Congress meant to create a comprehensive and effective regulatory scheme, complementary in its operation to those of the States and in no manner usurping their authority.

In 1948, after the Court's Interstate Natural Gas Co. decision, the Federal Power Commission initiated a case to determine whether it had jurisdiction over the Phillips Petroleum Co., independent producer selling the largest quantities of natural gas to interstate pipelines for resale, and, if so, to fix just and reasonable rates. In August 1951, the Commission decided, 4 to 1, that it lacked such jurisdiction. Commissioner Thomas C. Buchanan filed a dissenting opinion based on the legislative and judicial history. Consumer interests, led by the State of Wisconsin, appealed the decision to the courts.

The Supreme Court on June 7, 1954, reversed the Commission's Phillips decision. The Court specifically held that such sales as those made by Phillips Petroleum in interstate commerce for ultimate consumption were subject to the jurisdiction and regulation of the Federal Power Commission under the Natural Gas Act. It held further, that the exemption of production and gathering ran to the physical activities, facilities, and property, and did not include the business of production and gathering with the sale of the product considered an integral part of the business. It held that the legislative history of the Natural Gas Act "indicates a congressional intent to give the Commission jurisdiction over the rates of all wholesales of natural gas in interstate commerce, whether by a pipeline company or not, and whether occurring before, during, or after transmission by an interstate pipeline company."

On April 11, 1955, the Supreme Court closed a final gap in regulation with an order denying the right of the State of Oklahoma to fix minimum prices for natural gas sold by producers to interstate pipelines for resale in other States. The Court said:

> We held in *Phillips Petroleum Co.* v. *Wisconsin* (347 U. S. 672), that such a sale and transportation cannot be regulated by a State but are subject to the exclusive regulation of the Federal Power Commission. The Phillips case, therefore, controls this one.

This knocks out price-fixing orders of the States of Kansas and Oklahoma, designed under the guise of conservation to assure producers a floor under their prices which the Federal Power Commission would have to allow in fixing their rates.

REGULATED RETURN VERSUS WHAT THE TRAFFIC WILL BEAR

Mr. President, I will now turn to the economics of the issue involved in this herculean effort to persuade voters throughout the country that the proposed amendment to the Natural Gas Act is a consumers' bill and that all that consumers have to do to secure lower gas rates is to get behind a bill which will assure producers higher prices for the gas which they deliver to the interstate pipelines.

Again, first, I want to say something about the confusion which has been introduced by the deliberate effort to put the burden of high gas prices on the distributing companies, to a lesser extent on the pipeline companies, and to absolve the big oil company producers of any major responsibility. As the Senator from Arkansas [Mr. FULBRIGHT] says in his article:

> The residential consumer's gas rate is created beyond, not at the wellhead. Typically, 90 percent of the rate is for service, the transporting, and distributing; only 10 percent of each consumer dollar is for the commodity itself.

The Senator from Arkansas contends that "the commodity price in the field is the fixed price, controlled by contract." He adds that "the ultimate price is a variable price, subject to adjustment to allow the distributor full recovery of current costs plus a guaranteed profit.

The able Senator from Arkansas argues from this premise, which I believe to be mistaken, that:

> Control of the one stable price in the producer-consumer sequence can have only one purpose: to protect the variable rates of the distributor, keeping those rates palatable and competitive for a competitive market.

He tries to make out in this way that Federal regulation would serve the utilities' interest, rather than the public interest.

Mr. President, I would first refer to the figures which Chairman Durfee of the Wisconsin Public Service Commission cited to show clearly that the commodity price in the field is not a fixed price but a highly variable price. In the Phillips Petroleum-Michigan Wisconsin Pipe Line case, according to his statement, the contract price for gas supply went up 70 percent before the beginning of full delivery, and then went up 40 percent more. That hardly sounds like a fixed price.

But, before going into details as to the relationship between increases in the prices charged by the big oil company producers in the field and the prices which consumers must pay for their gas service I would like to point out that there is something fundamentally wrong in principle in this attempt to justify a special interest bill.

The fact is that, under regulation, the distributing company and the pipeline company get only their actual operating costs, including depreciation, taxes, and

so forth, plus a fair return on their investment.

But how about the increased prices which the big oil companies will get for the natural gas which they sell interstate pipelines for ultimate delivery to consumers? How about the big profits which they are insisting upon over and above what would be allowed them if they were subject to Federal Power Commission regulation?

Mr. President, I digress a moment to say that I am somewhat amused at two facets of the argument of the opposition. The first facet is that the consumer will not be done any injustice if this bill shall pass, that the bill is really in the interest of the consumers. If that be so, Mr. President, why are the proponents so anxious to pass the bill?

I do not like to be kidded, Mr. President, and I do not like to see the American people kidded by the kind of rationalization the proponents of the bill have been advancing. They are against Federal regulation because they know it would keep prices down. That is why they are against it.

Then there is a second argument which amuses me. I have just finished pointing out that although in the regulation of distributing companies they are subject to a fair return on their investment, I have no doubt that some of the distributing companies and some of the gas utility companies are gouging the public. I am in favor of going after them. Of course, there is not very much we can do as to some of them, because of what the Supreme Court has held in regard to the requirement of State regulation. In bringing up a family I have been confronted with the same problem which usually confronts every parent from the time the children start toddling around and begin making demands in their own little, independent way until they finally grow up, and are married, and establish their own homes. The childish argument which parents meet when they seek to restrain a child from doing something which is not in the child's interest is, "But, Daddy"—or "Mamma"—"Mary does it; John does it; Henry does it. Their parents let them do it."

That child-like argument is involved, I say most respectfully, in some of the arguments of the proponents of this bill, when they say, "Look at these bad boys, these distributors, these gas utility companies; look at the prices they are charging. Why should we not have the same freedom they have?" They fail to recognize, of course, the difference in jurisdictional authority. The Federal Government has authority over wellhead pricing under the Federal Constitution. The Supreme Court has so held. I am for maintaining the Federal authority, because I am satisfied that only through the exercise of Federal authority can we stop the gas companies, whose courses of action I have outlined earlier in this speech, from gouging the consumers in the form of high gas prices.

I do not intend to vote for the pending bill on the basis of the argument I have had to meet many times in rearing my children, that we should allow the producers to get by with it because someone else is doing things which are not in the interest of the public.

Mr. LANGER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. LANGER. Does the distinguished Senator from Oregon know of any reason why natural gas should not be regulated the same as electric light rates are regulated?

Mr. MORSE. I know of no reason. That is the basis of my contention.

Mr. LANGER. Or telephone rates?

Mr. MORSE. I know of no reason. Natural gas is a public utility. We have a complete line of connection from the gas in the ground to the gas going through the meter in the Senator's and other consumers' homes. It is a utility transaction, I do not care how much the proponents of the bill try to call it something else. As has been brought out by the Supreme Court itself, what we have here is a utility, and it should be subjected to utility regulation.

Mr. LANGER. Is the Senator acquainted with the fact that in North Dakota the Northern States Power Co. was charging excessive rates, and when we started an action before our public service commission we were met with the same hue and cry with which we are met today? Yet the company had to return a million dollars to the city of Fargo.

Likewise, we brought an action in Grand Forks and the company returned $60,000. In Minot, N. Dak., the company had to return $60,000.

On a small scale, is that not similar to what will happen if we get away from Federal regulation?

Mr. MORSE. In my judgment, that is correct. It is a part of the contention I have been presenting for several hours.

Mr. LANGER. I am very much interested in the speech of the distinguished Senator. It is very illuminating. He is making a very good speech.

Mr. MORSE. I appreciate the length of time the Senator has been on the floor and he has extended to me a great personal courtesy by his presence. I wish to say, and I mean no flattery, that for the fight the Senator from North Dakota has made in the Senate to protect consumers' interest we all owe homage to him. He has done a great job in opposing just such legislation as this, because he has recognized, as I have tried to point out earlier in my speech, that under our Federal system Federal authority should be exercised.

Mr. LANGER. I thank the Senator. I should like to have him repeat one or two statements he made on the floor. How much of the natural gas is controlled by some of the oil companies? The Senator stated that information, but I did not quite get it.

Mr. MORSE. I said in my speech that about 20 giant companies control well over 50 percent of the gas lines in this country.

Mr. LANGER. So when the proponents talk about the small producer, they use him as a screen, is that not true?

Mr. MORSE. If they want to express great concern for a small producer, all they have to do is to vote for the Douglas amendment, because the Douglas amendment seeks to take care of the small producer. The real job here, as I pointed out earlier in my speech, is to bring the relatively few oil and gas giants under control, and it will not be necessary to worry about the consumer being protected in the price of gas.

Mr. LANGER. I have been receiving a great many telegrams, as I assume the Senator from Oregon has also. It is very significant that those who send them want to have the Fulbright-Harris bill passed without amendment. In other words, they do not want to have an amendment which would protect the small producer. Does the Senator agree with that view?

Mr. MORSE. That is a part of the strategy. They think they see, though I believe they are mistaken, a chance to make a great big economic killing, all at once, and they do not want anything to be thrown in their way by way of an amendment roadblock.

Mr. LANGER. May it not also be for the reason that the bill passed the House of Representatives by only six votes? Those who favor the passage of the bill without amendment may be afraid that in the conference, if there should be a conference, the House might not agree to the conference report.

Mr. MORSE. Afraid? I think they will take judicial notice of that.

Mr. President, those increases in profits, which they are claiming, are excess profits, over and above a fair return on their investment which regulation would allow them.

Regulation would allow them not only all their current operating costs, but all their costs of exploration for additional gas reserves, all their well-drilling expenses, whether the holes drilled proved to be dry or productive wells, and, in addition, a return on all their investment, including investment in reserves, sufficient to attract new capital into expansion of the business.

This is not simply theory. This is what the Federal Power Commission has consistently done where the cost of producing natural gas for pipeline transportation has been a factor in its regulation of rates as, for instance, where the pipelines produced gas from their own reserves or obtained the gas from affiliate producers.

But a fair return, be it 6 percent or 8 percent for producing properties, is not enough for these giant oil and gas producers. They are too used to the profits they get from unregulated monopoly in the field of oil and gasoline, which they maintain by control of excess production under the Interstate Oil Compact Commission and the Hot Oil Act.

Mr. President, a 5-cent increase in the field price of natural gas does not pay for additional costs; it is sheer, unadulterated profit. Reckoned on the 5.8 trillion cubic feet of natural gas sold in 1954 to utility consumers, plus the 500 billion cubic feet used in company operations, this would add about $315 million to the annual profits of the producers before taxes and an equivalent amount to the cost of gas to consumers.

Moreover, we must not forget the generosity which Congress has shown to the

big oil and gas producers in permitting them to make a 27½ percent depletion allowance in calculating their Federal income-tax returns. So the natural gas producers will be able to keep more of these excess profits than other businessmen would be able to keep, if they lay their hands on this kind of pure velvet.

Over the 20-year period, normally treated as a sound contract period for natural gas pipeline supply, a 5-cent excess profit on the 1954 utility gas supply would amount to more than $6 billion of added wealth for the big oil and gas producers, which certainly explains the pressure behind the bill we are considering today.

PRODUCER PRICES ARE IMPORTANT FACTOR IN WHAT CONSUMER PAYS

Now let us turn to the contention that only 10 percent of each residential bill goes to pay the producers for the natural gas supplied to the pipelines. This contention is being widely echoed by all the proponents of the proposal to strip the Federal Power Commission of its authority to regulate these prices.

. The Senator from Arkansas [Mr. FULBRIGHT], in his article, shows the basic misconception of the industry on which this argument is based. For, after noting that the distributing utilities' plea against the bill "omits any reference to lower domestic rates as among their purposes," the Senator continues:

> The dark threat of being "priced out of the market" refers to the industrial market, not the cook-stove and water-heater market of the housewife. * * * In other words, the utilities want gas field prices made lower so that they can sell greater volumes at their lowest rate, rather than for the purpose of reducing their highest rates—the rates which consumer families pay for home use.

In the first place, the able Senator from Arkansas overlooks the fact that the great and expanding residential demand today is for use of natural gas for space heating—one of the greatest conveniences that has come to our homes, and one of highest uses of natural gas.

Thus, Barron's magazine in its issue of November 14, 1955, contains an article on the distribution end of the natural gas business. The article contains the following figures, showing the increasing percentage of residential gas customers using gas for house heating:

Percent of residential gas customers using gas for house heating

	1950 (percent)	Estimated 1956 (percent)
New England	4.6	15.5
Middle Atlantic	11.7	27.7
East North Central	26.1	52.8
West North Central	49.7	76.9
South Atlantic	30.1	58.2
East South Central	62.3	78.9
United States	40.7	60.1

Those figures tell a dramatic story of what has happened in the whole natural gas field.

Before turning to discuss the organization of the business which makes it possible for natural gas distributing utilities to carry this expanding highly seasonal load economically, I call attention to the fact that the same Barron's article indicates that in the Northeastern States rising natural-gas prices are beginning to threaten the opportunity of homes to use this most desirable house-heating fuel.

Thus, after referring to the fact that some distributors have told congressional committees that increasing natural-gas prices are seriously hampering their efforts to expand sales and that in some areas the retail price of gas now tops that of competitive fuels, Barron's goes on to say:

> Statistics bear out the latter point in only a very few areas, the most important of which is New York. The cost of heating an average home by gas in New York last year exceeded that with oil or coal. However, in most of the other big cities the cost of house heating by gas was less than that for oil and, except in Chicago and Philadelphia, less than for coal.

As I shall show later, the cost of the natural gas supply is not only continuing to climb, but is also continuing to absorb a larger and larger share of the consumer's dollar. Unless this trend is arrested, the cost of heating a home with natural gas will begin to exceed the corresponding cost with oil and coal in an ever-increasing number of cities. According to the same Barron's article:

> The principal worry of the gas distributors—the almost continuous increase in the wholesale price they have to pay—has resulted from the tremendous competition for new reserves by the many natural-gas transmission companies that spread-eagle the country. As recently as 1947, the average price paid for gas in the field by the pipelines and others was only 6 cents. Today, it is over 10 cents. Under more recent contracts, some pipeline companies have paid more than 20 cents in the field for substantial reserves of natural gas for future delivery.

I note, in passing, the reference to the fact that competition is today among buyers for supplies, bidding up field prices, rather than among eager sellers seeking a market. It is obvious that the regulatory force of competition among producers is lacking and that prices will, therefore, go up to whatever levels "the traffic will bear." I shall refer to this point again later.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. POTTER. Is it not true that under the bill now before the Senate a pipeline which is also a producer would be affected by what is a fair market price? What incentive would there be for the pipeline to negotiate for a low price?

Mr. MORSE. None.

Mr. POTTER. It would be to the pipeline's economic benefit to get as high a contract price as it could, because that would immediately raise the price of gas which it produced.

Mr. MORSE. It would increase the price of gas all along the the line.

Mr. POTTER. So, in essence, the pending bill is even more liberal in behalf of the producers than was the Kerr bill.

Mr. MORSE. That is correct. I prefer the Kerr bill to the pending bill, and the Senator knows how hard I fought the Kerr bill.

Mr. President, returning now to the "10 cents out of the residential consumer's dollar" argument, the conclusions which proponents of the Fulbright-Harris bill draw from this statement are based on an oversimplification of the setup of the gas business.

For instance, an increase in the price paid the big oil-gas producers in the field affects more than the direct cost of the block of 1,000 cubic feet that the residential or any other consumer buys. It indirectly increases the cost to the consumer because it appears in such pipeline and distribution system costs as fuel used for pumping and other purposes, and gas lost in transmission, underground storage, and distribution.

Double the cost of gas at the point where the producer delivers it to the pipeline company and this part of the pipeline and distribution company operating expenses is doubled. Figures contained in Gas Facts, publication of the American Gas Association Bureau of Statistics, suggest that this additional cost may all together add up to as much as one-seventh added to the cost of gas supply purchased in the field.

Furthermore, the gas pipelines and distributing companies must organize their businesses so as to be able to take care of the very high peak loads of the house-heating business. These occur in the winter, and particularly on very low temperature, windy days. If they had to charge the annual cost of the delivery capacity required to carry these loads to the househeating customers themselves, the rates would be so high as to preclude this important residential use of natural gas.

The pipeline and distributing company answer is, of course, to find customers who will purchase gas at times when the pipeline capacity is not used for meeting the househeating peak loads.

In other words, to carry on the business for the benefit of residential consumers, pipeline and distribution systems must take advantage of what is called diversity between different classes of service, including industries which are willing to buy this fuel on an interruptible basis, shifting to other fuels when the house-heating loads are climbing. The pipeline companies in particular must be able to establish prices which will attract such off-peak loads, the distribution companies must have a balanced residential, commercial, and industrial customer combination.

Mr. President, with this brief reference to the complications of gas service as a sound business proposition, benefiting residential consumers, I will turn to some interesting figures provided by Gas Facts and the Federal Power Commission Annual Statistics of Natural Gas Companies, both for 1954, to see what the true relationship between producers' prices and consumers' bill is.

Using Federal Power Commission statistics, we find that the average price paid by a group of pipelines operating in both years for their gas supply has been steadily rising from 6.72 cents per thousand cubic feet, in 1950, to 10.8 cents in 1954. This is equivalent to an increase of more than $200 million a year in the cost of the gas which they purchased in the latter year. Applied to purchases of all pipelines in 1954, the increase would be at least $240 million.

In terms of our attempt to get a sound picture of the importance of producer prices in the cost of natural gas to consumers, it is interesting to find that the 1950 pipeline gas supply cost represented about 19 percent of the average price paid by ultimate consumers in that year, whereas the 1954 cost represented about 24.4 percent of what the ultimate consumers throughout the United States paid.

According to Gas Facts, the average consumer of natural gas in 1954 paid 44.3 cents per thousand cubic feet, with residential users paying an average of 80.5 cents, commercial customers an average of 62.0 cents, and industrial customers an average of 23.7 cents.

The Gas Facts figures similarly show that between 1950 and 1954 the average price of gas sold by pipelines and utilities at wholesale for resale went up from 17.4 cents to 24.9 cents, equivalent to an increase of about $430 million a year in the cost of the gas sold for resale in the latter year. This figure, of course, included duplications due to the fact that some of the gas passes through more than one wholesale transaction. Elimination of such duplications would probably reduce the figure by about 30 percent, to some $300 million.

But it is significant that the percentage of the average price charged for such wholesale sales for resale to the average price paid by the consumer has increased from 49.3 percent to 56.2 percent.

Mr. President, the significant fact is that the average price charged the interstate pipelines by producers is taking an increasing proportion of the average price charged by pipelines for wholesale sales to distribution companies, and both are taking an increasing proportion of the average price paid utilities by the ultimate consumers.

Under these circumstances, it appears hardly reasonable to attempt to place the burden on the regulated pipelines and distribution utilities.

RECENT INCREASES IN PRODUCER PRICES

Mr. President, recent releases by the Federal Power Commission enable us to bring our analysis very nearly up to date.

In the first place, we learn from release No. 8266, G–4059, that between June 7, 1954, and December 1, 1955, the Commission received rate filings from independent producers of natural gas, proposing increases totaling $48,587,000. These reflect not the increasing price which pipelines must pay for new blocks of gas, but increases in the price of natural gas under existing contracts.

In the second place, we learn from release No. 8267, G–4060, that the cost of natural gas purchased by natural gas pipeline companies is increasing at more than double the rate of increase in the quantity.

In other words, for the 12 months ended October, 1955, the cost of natural gas to the pipelines represented an increase of 19.9 percent over the corresponding increase for the previous 12 months, while the quantity of natural gas purchased increased only 8.4 percent. This means that in just 1 year, the price which pipelines had to pay for gas supply per thousand cubic feet had increased about 10 percent.

The figures are:

Natural gas pipeline purchases of gas supply, 1954–55

	1954	1955	Percent increase
Cost of purchased gas	$745,380,191	$893,889,101	19.9
Quantity purchased (M c. f.)	5,916,633,000	6,412,898,000	8.4
Per M c. f. (cents)	12.6	13.9	

In the third place, from this release we learn that between 1954 and 1955, the proportion of the revenue collected by natural gas pipeline companies, as represented by the cost of purchased gas, increased from 48.3 percent to 49.9 percent, continuing the trend I have already noted for the cost of gas supply to increase its share of the consumer's dollar.

In this connection, it is interesting to learn from the Commission's statistics on natural gas companies that over the 10-year period, 1944–54, production expense, of which today more than 95 percent represents the cost of purchased gas, increased its bite out of the company revenues from 35 percent to 51 percent. This reflected an increase of from 5.9 cents to 13 cents in the production cost per thousand cubic feet sold, or an increase of 120 percent. And 5 cents of the 7 cent increase in the cost of natural gas supply has come since 1950.

PRICE INCREASE PREDICTIONS IN 1949 PROVE CORRECT

These Federal Power Commission statistics, showing an increase of 5 cents in the production cost—representing mainly cost of purchased gas—between 1950 and 1954, show clearly why we cannot trust the arguments of proponents of this big oil-gas company bill.

In 1949, the representative of the Federal Power Commission, who testified then against the prototype of the bill which the Senate is considering today, illustrated what might be expected to result. He suggested how the results could be measured by increases in the wealth of the big owners of natural gas reserves, at the expense of consumers. For purposes of illustration, he assumed increases of 5 cents and 10 cents per thousand cubic feet as likely results of enacting the 1949 Kerr-Harris bills; and he showed that this would increase the value of natural gas reserves held by producers in the great Panhandle and Hugoton gas fields by $2.1 billion and $4.2 billion, respectively.

Proponents of the 1949 bills contended that the spokesman for the Federal Power Commission at that time was merely dealing in hypothetical figures; in that great, historic debate on the floor of the Senate, an attempt was made to brush off that argument by saying, "That is conjectural; it is hypothetical; it is not a reality." The proponents of the bill contended then, as they are contending today, that the proposal would not mean higher gas rates to consumers. Because the Federal Power Commission has refused to apply wellhead regulation, we have had these increases. The Supreme Court's decision threatens to change that. But the hypothetical of the Federal Power Commission witness when the Kerr-Harris bill was before the Senate, has become a reality, today; and the reason why it has become a reality is that we have not had effective Federal regulation.

Today, Mr. President, proponents of the bill before us are similarly attacking estimates of what a 5-cent, a 10-cent increase over average 1953 producer prices would cost consumers. They speak sarcastically of statistics which indicate that such increases are a threatening possibility.

But look at the record as it appears in the Federal Power Commission statistics showing what has happened in 5 years during which the Commission has acted as if the original bill had not been vetoed. The Federal Power Commission presentation in 1949 was based on projections of 1947 statistics. The significant thing is that the first assumption of a 5-cent increase in producer charges to pipeline companies has already been exceeded, and now the trend is headed for the 10-cent increase projection. The Federal Power Commission's figures show that the increase from 1947 to 1954 was about 6 cents, and early figures for 1955 show it is still going up. In other words, the projection of the Federal Power Commission at the time when the Kerr-Harris bill was before the Senate, was a sound projection; and it has become a reality.

Let me note here, in passing, that Federal Power Commission cases which had involved regulation of the cost of gas production, on an all cost including fair return basis, had found producer prices, such as prevailed in 1947, more than ample to give producers all they were entitled to, including a fair return on investment in a utility business.

Mr. President, that was before the Federal Power Commission adopted the outlook of the oil-gas combine in two decisions, which, first, abdicated jurisdiction in the Phillips Petroleum case; and, second, allowed Panhandle Eastern Pipeline Co. fair field prices for the natural gas produced from the company's own reserves. In both these decisions the Commission was reversed by the United States Supreme Court. Mr. President, there the United States Supreme Court—which in its original decision in the Phillips case laid down the principles of Federalism which I discussed earlier this afternoon—was pointing out the power of the Federal Power Commission to do the regulating. But the Federal Power Commission proceeded to administer its affairs as though the decision of the Supreme Court in the Phillips case had never been handed down. In several cases, the Federal Power Commission's rulings were based upon what I considered to be a complete failure on the Commission's part to carry out its regulatory duties. Again the Supreme Court reaffirmed the principle of Federalism which it had enunciated in the Phillips case.

Now the time has come, it seems to me, for us to make perfectly clear that we want the Federal Power Commission to proceed to protect the consumers of the Nation by means of well-head regulation. To do that, we must defeat the pending anticonsumers' bill.

So, Mr. President, let me point out what the 6-cent increase in field prices, following the figures projected by the Commission in its 1949 presentation, is contributing to the great corporations which control the bulk of the country's natural gas reserves.

First, in terms of the 6.4 trillion cubic feet of natural gas which the Federal Power Commission reports that pipeline companies purchased in the 12 months ending with October 1955, the 6-cent per thousand cubic feet increase in average field prices from 1947 to 1954 meant something like $384 million to the producing interests. Let us remember that that is $384 million annually.

Second, in terms of windfall profits to the owners of natural gas reserves, the following figures are worth noting:

For the Phillips Petroleum Co., which the Wall Street Journal reported as holding 18 trillion cubic feet of gas reserves, the 6-cent increase—which is not hypothetical, but has actually become fact—has jumped the value of this big oil company's holdings by over $1 billion.

For the Humble Oil Co., the big subsidiary of Standard Oil Company of New Jersey, we recall that the Wall Street Journal ranked Humble's holdings of natural-gas reserves at 16 trillion cubic feet, second only to those of the Phillips Petroleum Co. The 6-cent increase since 1947 in the cost of gas supply to pipe lines, applied to Humble's total reserves, would mean an increase in value of just under $1 billion.

We do not have to deduct costs, including a fair return from this windfall, because such costs were more than covered in the average 1947 price.

Mr. President, the most recent estimates place the total estimated recoverable reserves of the United States at approximately 211 trillion cubic feet. On this total, the rise in the cost of gas since 1947 from 7 cents per thousand cubic feet to more than 13 cents per thousand cubic feet represents a total added value of some $12 billion, and this huge sum will ultimately come out of consumers' pockets.

Someone will point out that a portion of the natural gas being currently produced is selling below the average pipeline supply figure, because it is being sold under old contracts before the sellers' market got underway. But experience has shown conclusively that, if all possibility of field price regulation is eliminated, purchasers under old contracts seeking to renew contracts, as they run out, or to contract for additional gas supplies to meet expanding requirements will be forced to accept the going price of gas for their entire requirements. In other words, old contract rates will be continually revised up to levels representing all that the traffic will bear. The big oil and gas producers will have the public over a barrel.

Mr. President, because the interstate pipeline market is such a profit-hungry one, and the reserves of natural gas limited, the prices which the pipelines pay will also tend to establish the field prices which will have to be paid by purchasers, whether industrial or otherwise, within the producing States themselves.

In very brief, enactment of this bill, which would knock out all possibility of regulating the prices charged by gas producers for their wholesale sales to interstate pipelines, will mean a stupendous gift from the people to a small group of big oil and gas producers, including the oil giants of our land and of the world.

The billions of additional dollars that this combine will collect will come out of consumers' pocketbooks, directly or indirectly; they come from no other source.

That is why I think I should be forgiven if I express a little shock at one of the arguments of the proponents of the bill, that this is a consumers' protective bill. It does not merely pick their pockets; it takes their wallets and bank accounts away from them, so far as concerns the money they set aside for gas costs. This is an atrocious bill from the standpoint of consumer interest. The figures which I have just discussed show that the bill would cost the consumers of the country billions of dollars. It not only violates the principle of federalism to which I referred earlier, but it cannot be justified either from the standpoint of our constitutional system or from the standpoint of sound economics.

One of the extraordinary aspects of this producer raid on consumer pocketbooks is the fact, which I have already suggested, that the people of the producer States will be among the hardest hit. This is so because natural gas is their major energy resource, as hydroelectric energy is the major resource of my State and region, the Pacific Northwest.

Considering the extent to which the additional profits from higher field prices will flow out of these producer States to the great centers of investment, it is more than probable that the bill, if enacted, will ultimately cost them more than they will get out of it. I am reminded of an article in Harper's monthly some years ago by the late Bernard DeVoto, entitled, "The West Against Itself." DeVoto's thesis was that the people of the West allowed themselves to be mobilized by representatives of the great absentee-owned corporations against their own best interests. And he was talking about natural resources.

PRESIDENT TRUMAN PROTECTED PUBLIC INTEREST

Former President Harry Truman was a consistent friend of the low- and middle-income families, of the families which are the consumers of our land. He knew that our civilization is a great energy civilization. He knew what made low-cost energy of supreme importance for industrial expansion, full employment, electrified farming, and higher living standards for all.

So Harry Truman was consistent in his handling of both the power issue and the natural gas issue. He supported Federal programs for development of the hydroelectric resources of our river valleys, with a preference in sale of the power to public and cooperative electric systems at the lowest possible rates; and, in spite of tremendous pressures from representatives of his own party in the great oil States, he vetoed the forerunner of the present bill, which would reduce regulation of natural gas rates to a hollow sham.

Perhaps he recognized that the important oil and gas States are great consumers as well as great producers of natural gas. Perhaps he felt that they would ultimately thank him for blocking this big oil and gas producer drive for higher prices and profits at the expense of their own industrial expansion. Perhaps he knew that they would wake up in time to prevent increasing field prices from impairing their ability to attract new industry by offers of low-cost natural gas as a source of energy and raw materials.

ENACTMENT OF THE BILL WILL ADVERSELY AFFECT PRODUCING STATES

In this connection it is important to remember that, as an attraction to industries seeking low-cost energy and chemical raw materials, the competition with coal is not in terms of the delivered cost of gas in the coal-producing industrial States of the Northeast. It is between what natural gas can be offered for in the producing States and what it would cost the industry seeking a location to obtain the same energy and the same raw materials from close to mine-mouth locations in the Appalachian area itself.

The people of the big gas-producing States should give careful consideration to two items of news which suggest that rising field prices of natural gas are already adversely affecting the industrial attractiveness of locating in their areas. The first, in the April 4, 1955, issue of Electrical World, suggested that electric power companies in the Southwest are considering a shift from natural gas to low-grade coal to fuel their steam-generating stations. The second is the widely published news that a big aluminum company will locate a new ingot plant in the Appalachian coal area with a contract with the American Gas & Electric System for 9-month coal-produced electricity at close to 4 mills per kilowatt-hour.

Mr. President, if we look at the statistics published in Gas Facts, the American Gas Association publication, using the issues of 1945–46, and 1953, we find that the average cost of natural gas to industries in the producing States went up from 10.47 cents per thousand cubic feet in 1946, to 13.63 cents per thousand in 1953. That represents an increase of 30 percent. In Arkansas, the State of the able authors of both the Senate and the House bills, the cost of industrial gas went up from 9.55 cents to 13.80 cents, or about 45 percent.

The figures suggest that the average industrial rates in the producing States tend to go up by somewhat the same increments as the average cost of natural gas supplied at the field end of the interstate pipelines. In fact, they tend to be about 4 cents per thousand cubic feet above the charges for gas delivered to the pipelines.

This affords us a basis for estimating what is likely to happen to the prices

offered industry by the gas-producing States if the Arkansas-sponsored amendment to the Natural Gas Act becomes law. For the avowed intent of the big oil and gas interests backing the bill is to secure prices established by competition at the consumer ends of the pipelines.

To get some idea of what this will mean, we have an analysis here, prepared by Thomas D. Bailey, petroleum engineering consultant of Oklahoma City, Okla. This analysis was prepared as a basis for his appearance before the Oklahoma and Kansas State regulatory commissions in their proceedings for the fixing of minimum wellhead prices on natural gas, which the United States Supreme Court has since held they cannot do so far as wholesale sales in interstate commerce for resale are concerned. Bailey submitted the same analysis to the Federal Power Commission in the form of a letter, dated December 8, 1954, in response to the Commission's proposed rulemaking dealing with the escalator provisions of producer contracts with interstate pipelines.

Based on analyses of the delivered wholesale cost of competitive coals in such big market centers as Detroit, Kansas City, Omaha, Minneapolis, and Denver, Mr. Bailey came to the conclusion that the market value theory of wellhead price to independent producers, for natural gas sold in interstate commerce, would result in an increase in present field prices to 25 cents per thousand cubic feet.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. PASTORE. First I wish to compliment and congratulate the Senator from Oregon for his very splendid exposition of the issue before the Senate and for the argument he has just made. I have listened very attentively to his address. He has very clearly brought out a point which the proponents of the bill apparently have overlooked.

I believe that we of the opposition are in accord that the only effect of the bill, if passed, would be to increase the price of natural gas. Many of the proponents of the bill who come from producing States have the idea that if the bill is enacted into law there will be a big boom in their States. They have argued that about 50 percent of the gas which is produced is sold in intrastate commerce, as against the other 50 percent which is sold in interstate commerce.

Logically, if the results of the passage of the bill is to boost the price of gas sold in interstate commerce, it will likewise boost the price of gas sold in intrastate commerce.

That is a very valid point, which the distinguished Senator from Oregon is making, and I believe it has been overlooked by the proponents of the bill.

In other words, the squeeze will not only be upon the consumer in the nonproducing States, but it will also be exerted upon the consumers in the producing States.

I say that because once the price of gas is increased in interstate commerce, the tendency will be to raise the price in intrastate commerce.

Mr. MORSE. Mr. President, I thank the distinguished Senator from Rhode Island for helping me to emphasize that point. Before I discuss it further, I wish to say that I have read everything the Senator from Rhode Island and the Senator from Illinois [Mr. DOUGLAS] have said in opposition to the bill in this historic debate. I want the Senator from Rhode Island to know that those of us who are helping him in the great fight he is making to protect the consumers of the country, will always be very appreciative of his leadership. What I have done, today, for the most part, has been to restate some additional evidence and information and to lay down many of the premises which the Senator from Rhode Island and the Senator from Illinois have already stated and laid down.

In addition, I have sought to discuss the subject from the standpoint of a very deep conviction of mine with respect to what is happening to the Federal system in this country today.

I have tried to point out in my speech that the pending bill is just another piece of legislation which, if enacted, will have the effect of weakening our Federal system.

It will have the effect of causing the Federal Government to turn over to the States another Federal jurisdiction that will not be to the welfare of the people of the country as a whole. That is the particular point I am now stressing. It has already been brought out by the Senator from Illinois and by the Senator from Rhode Island in the debate heretofore. I am seeking to give it special emphasis. In that connection, I wish to make two points.

First, I believe an increase in the price of gas at the wellhead, which is bound to flow from the enactment of the bill, as I said earlier in the day—and that is exactly what the proponents have in mind, and that is why they do not want Federal regulation—will result to the economic detriment of the States in which the gas is produced, because it will result in an increase in the price of gas used in those States.

Secondly, I wish to stress the fact that the increase in the price will not be of very much economic value to those States, because in many particulars they are confronted with absentee ownership of the great reserves. We have had that problem confront us in the State of Oregon time and time again. Economic help to the people of an area results from the expansion of their economy. I respectfully point out to the proponents of the bill that they are mistaken if they believe the passage of the bill will mean a great expansion of the economy of their States as a result of an increase in the price of gas at the wellhead. To the contrary, it will prevent economic expansion, and the benefit, by and large, will go into the pockets of the absentee owners.

Mr. PASTORE. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. PASTORE. By comparison with other States, Rhode Island is not a large gas-consuming State. It is known more as a large oil-consuming State. However, is it not fair for us to assume, inasmuch as the production of gas is tied in so closely with the production of oil, that should there be a large rise in the price of gas, the effect of it would be to raise the price of oil as well?

Mr. MORSE. There can be no question about that. I believe that will be one of the inevitable results. It is exactly what happened when the administration increased the interest rate on Government bonds. It had the effect of increasing the interest charges on all loans in our economy. Here, too, if we start to increase the wellhead price of the gas, we will see it reflected in the price of oil and the consumers will undergo a double gouging.

In terms of what the American Gas Association figures show about the relation between producer prices to interstate pipelines and charges for industrial gas in the producing States, this could mean a serious limitation on one of the most attractive advantages these States can today offer industry. For it could easily mean that where industrial users of gas in those States were paying about 10 cents per thousand on the average in 1946 and nearly 14 cents per thousand in 1953, similar users would be asked to pay as much as 29 to 30 cents per thousand cubic feet when the general level of producer prices reach the levels established by competition in consumer areas beyond their borders.

INCREASES IN FIELD PRICES WILL HIT ALL CONSUMING STATES

Mr. President, I think I have made it clear that the increases in the prices which producers will ask for natural gas, if enactment of the Fulbright-Harris bill permanently frees them from Federal regulation of interstate sales, will hit all consuming States roughly in proportion to their consumption, and the largest consuming States in 1953 were Texas, Ohio, and Louisiana, in that order.

I wish to say, Mr. President, that I believe the consumers in those States should take a good, long look at the arguments of the proponents of this bill before falling for what I consider to be the fallacious contention that it is a bill which protects consumer interest. It does not even protect consumer interest in the producing States.

I do not think we need to argue about whether the total increase in the country's annual natural-gas bill is going to be $500 million or $800 million or some larger figure. But we can have a pretty good idea of its order of magnitude because, in the short space from 1950 to 1954, Federal Power Commission figures show an actual 5-cent per thousand cubic feet increase in the average cost of natural-gas supply to all pipelines. That represents an increased cost of the natural gas purchased by consumers in 1954 totalling $290 million for this item alone. This is the increase over what the gas would have cost if the producer prices had remained at the 1950 level, and there is no indication that the oil company appetite for profits had been sated.

Already we have record of contracts to supply natural gas to interstate pipelines ranging up to 20 cents per thousand with escalator provisions carrying them up to 24 cents.

In the light of these actual facts, which have happened despite the arguments of proponents of the 1949 bill, it is not hard to accept predictions that, if all possibility of regulation were removed by enactment of the bill before us, field prices would rise to levels closely approximating the 25-cent level suggested by Mr. Bailey.

The resulting windfall profits, including the harvest gathered from both interstate and intrastate sales would then be fantastic. The unearned increase in the value of the privately owned natural-gas reserves could be figured at between $20 and $30 billion.

THE INTEREST OF THE PACIFIC NORTHWEST

Mr. President, out in my part of the country, in Oregon and Washington and Idaho, consumers are about to get natural gas service for the first time as a result of 2 decisions of the Federal Power Commission, 1 in June 1954 and the final 1 in November 1955. Under these two decisions, Pacific Northwest Pipeline Corporation is authorized to construct the necessary pipelines and deliver gas supply to the States of Colorado, Utah, Wyoming, Idaho, Oregon and Washington.

The Commission also authorized El Paso Natural Gas Co. to construct new pipeline facilities to deliver additional supplies of natural gas to five Western States. The authorization includes natural gas exchanges with the Pacific Northwest Pipeline Corp.

Under the two authorizations, Pacific Northwest will get supplies of natural gas from both the San Juan Basin in New Mexico and Colorado and from the West Coast Transmission Co., Ltd., which will draw supplies from Northern British Columbia and Alberta in Canada. The authorization calls for importing up to 300 million cubic feet a day from Canada. The Canadian gas is considered supplemental to the gas from the San Juan Basin. The total capacity of the Pacific Northwest system when completed will be 678 million cubic feet of gas per day.

A portion of the gas supply for this pipeline company will come from Canada and, consequently, will not be directly affected by the proposed legislation. And, under the interchange arrangement with the El Paso Natural Gas Co., some 50 million cubic feet per day of its gas supplies for its expanded service will come from Pacific Northwest Pipeline Corp. from fields in Wyoming.

Becaues of these complications it is difficult to be precise about the immediate effect of this legislation on the new consumers of gas in the Pacific Northwest. But, as the need for gas supplies in the region expands, the rising field prices in the United States would provide a leverage for insistence on corresponding increases in the cost of Canadian gas. On this basis, it is a fair estimate that every rise of 5 cents in the field price of domestic supplies would cost consumers in the States served by the Pacific Northwest Pipeline Corp. some $10 million a year, assuming the present line capacity.

Needless to say, Mr. President, I do not intend to sit in the Senate and see the consumers of the Pacific Northwest gouged in this fashion any more than I intend to sit here and see consumers anywhere else in the country, including the gas-producing States themselves, gouged by this kind of an anticonsumer bill.

HIGH ENERGY COSTS WOULD THREATEN OUR WORLD POSITION

Mr. President, in the course of my remarks, I have taken the occasion to refer to the wisdom and courage of President Truman's veto of the predecessor to this bill to foster high natural-gas rates. I have stated that his veto message was strictly in accord with sound regulatory economics. I have described our former President as speaking in the interest of the consumers—the 25 million people who, without the protection of the Government, would be at the mercy of gigantic corporations with a monopoly grip on energy resources now supporting two-thirds of our energy economy.

Mr. President, I have also referred to President Truman's great consistency in supporting a national energy policy assuring lower electric rates as well as lower natural-gas prices. I have pointed out that this consistent policy has embraced not only regulation of the prices charged by producers of natural gas but also Federal participation in power generated from our waterpowers and our new atomic-energy resources.

Mr. President, this consistent policy in favor of low-cost energy has an importance beyond the assuring of low-cost energy to the common people of this country, the millions of homes and farms where such energy spells high standards of living.

For, throughout the world today, high energy costs are recognized as a major handicap to nations seeking to be strong in an era of increasing economic competition between peoples professing different ideologies. And we hear more and more pronouncements that worldwide recognition of the significance of the A-bomb is shifting the conflict from the military to the economic field.

Europe is uniting on the plank of cheap energy. From England to Japan we hear constant talk of programs to supply low-cost energy. And from Soviet Russia we hear of a new 5-year program resting in a major way on plans to overtake the United States in the use of energy resources.

The struggle for world leadership will depend increasingly on the energy resource policies of the nations involved.

Mr. President, that is why the present drive to change the country's energy resources policy strikes me as so wrong.

I have spoken of the consistency of President Truman in this field. In justice, I must also acknowledge the equal consistency of President Eisenhower's administration in its proclaimed energy resources policy, but not to give it the same acclaim. For, although everything is done to keep the President from personal involvement in unpopular policies, his Cabinet-level advisory committees on both mineral energy resources and water resources policy have come out in support of the big power and oil corporations, rather than on the side of the little man who represents the tens of millions of households—the consumers.

These Eisenhower spokesmen have come out in support of the drive of the power companies to free themselves from competition.

Mr. President, the growth of the conservation movement, with its emphasis on hydroelectric power from unified river-basin programs and the growth of the movement to provide effective utility regulation have gone on side by side since the days of President Theodore Roosevelt's "big stick." And to the extent that they have been effective, they have meant much to America's standard of living and America's industrial strength.

Both high standards of living and industrial strength are essential to America's continued leadership in the world struggle ahead. For this reason, I am convinced that we should follow the tradition of which President Truman was the most recent leader, rather than joining forces that are threatening to reverse that policy. For the new corporation-inspired policy would open the way for monopoly to exact an ever-increasing toll from the country's use of its vast energy resources.

Whether we today have a President in the White House with the courage to go against his own big-business advisers and stop an ill-advised bill with another veto, I think we should not leave the responsibility to him.

Mr. President, in the interest of preserving sound utility regulation, in the interest of the 29 million consumers of natural gas with their expanding use of this convenient method of heating their homes, in the interest of equality of regions in industrial development based on use of different indigenous energy resources to attract their share of industry, and in the interest of our strength as a Nation, I urge the defeat of this bill.

I reiterate the argument I made earlier this afternoon about the principle of federalism which is involved in the debate. I say again that Congress should stop trying to set itself up as a super Supreme Court. We should recognize that in the oil and gas cases the Supreme Court consistently has made clear that, under the Constitution, the jurisdiction of regulation vests in Congress. I think we should be on our way with the regulation, and should not be passing legislation which would end the regulation.

THE RESPONSIBILITY OF THE SENATE AND THE PRESIDENT

The bill has already passed the House of Representatives. It would seem clear that the Senate is the last real hope for preventing a raid upon the consumers of America, for there is no indication or expectation of a Presidential veto.

President Truman vetoed a similar bill in 1950. There was not a sufficient margin of votes to attempt overriding his veto.

As of today, the division of votes in the Senate is close. We may very well win this fight for the people. If we do not, the margin will once again be close. Then the decision will be up to President Eisenhower. His veto could not be overridden.

Truman saved the gas consumers of the Nation. Unfortunately there is no

such prospect for a Presidential save, if it should become necessary, this year.

But the people should know who protects their interests and how important it is to have in the White House a President prepared to do battle for the public interest.

I close by saying that even though my good friend, the Senator from Arkansas [Mr. FULBRIGHT], in his article tried to contend that this was an economic and not a political issue, I wish to stress the point that it is both economic and political. I stress the importance of the bill to the people of the country, recognizing the principles which are involved in this historic debate, so that they can give their answer in 1956, if the Senate lets them down.

I believe that what we should do is to defeat the bill, and really, in effect, sustain our Federal system; really back up the great, historic decision of Marshall, when he made clear that, after all, the determination of the constitutional powers of the Government rests with the Supreme Court of the United States.

THIRTY-EIGHTH ANNIVERSARY OF UKRAINIAN INDEPENDENCE DAY

During the delivery of Mr. MORSE's speech,

Mr. POTTER. Mr. President, last year a meeting at the summit was held in Geneva, Switzerland. The avowed purpose of this meeting was to arrive at a solution of some of the many problems which plague our world today. It was hoped that some way could be found to lessen the tensions of the cold war. It was hoped that some common ground could be found whereon we could solve some of the many actual and ideological conflicts between the countries behind the Iron Curtain and the rest of the world.

Although almost unlimited high hopes were held by many, it was pointed out by our President, Dwight Eisenhower, that we should approach such a conference realistically. He asked us to regard that conference with open minds, hoping for the best of accomplishments, yet waiting until we saw tangible results to form our judgment of such accomplishments.

We all know now, as indeed many of us did then, that the Communists of Russia were simply using this meeting at the summit as another tactic in their continuing drive to bring all the free nations of the world under the iron cloak of communism. As usual, the Communists took every opportunity to twist the real meaning of that meeting, and to convert the good will with which we attended that meeting into a weapon which they could use.

Mr. President, it was necessary, then, at Christmas time, that President Eisenhower remind the world of our real sincerity in engaging in a meeting at the summit. President Eisenhower told Communist secretary, Khruschev, "The peaceful liberation of the captive peoples has been, is, and until success is achieved, will continue to be a major goal of United States foreign policy."

January 22 was the 38th anniversary of Ukrainian Independence Day, and the Ukrainians of the free world celebrate the observance of that day. We, in America, hold dear our freedom. Elsewhere in the world, freedom-loving people look forward to the future with the hope that they may someday enjoy the blessings of freedom. It is well then, I believe, to call attention to the fight for freedom that goes on all around the world continuously.

Mr. President, this 38th anniversary of the independence observance of the Ukrainians is a timely demonstration to the world that the enslaved nations held captive within the Soviet Union look forward to freedom, and that their kinsmen in the free world—like Americans of Ukrainian descent—not only pray but also work for the day when once again the proud nation of Ukrainian ancestors will free itself of Communist oppression. This observance serves again as a bright ray of light in the darkness of an oppression which we pray may one day be rolled away from the face of the earth.

I wish to thank the distinguished Senator from Oregon for yielding to me at this time, and to commend him for a very logical presentation of a case with which I happen to agree.

Mr. MORSE. I am pleased to have yielded to the Senator from Michigan.

NOMINATION OF WESLEY A. D'EWART TO BE ASSISTANT SECRETARY OF THE INTERIOR

During the delivery of Mr. MORSE's speech,

Mr. NEUBERGER. Mr. President, the date of October 5, 1955, is rapidly achieving a special place on the calendar for countless Americans concerned with use of natural resources on the public domain of the United States. The day is gaining this status because it has emerged as a new high water mark in the assaults on publicly owned natural resources, which have come with increasing frequency under the present administration.

It was on October 5 that Presidential Assistant Sherman Adams—acting on the recommendation of Secretary of the Interior Douglas McKay—flew to the bedside of President Eisenhower, who was recuperating at Fitzsimons Army Hospital in Denver. The President's medical treatment was interrupted so he could place his signature on a document providing, among other things, for the interim appointment of Wesley D'Ewart, ex-Representative from the State of Montana, as Assistant Secretary of the Department of the Interior. Mr. D'Ewart was to be put in charge of administering Federal laws and establishing policies governing public lands of the Federal Government.

Apparently the appointment of Mr. D'Ewart to this position of control over the destinies of national parks, wildlife refuges, Indian lands, timbered mountain slopes and grazing lands of the Federal Government was important to someone of great influence. What other explanation could there be for interruption in the pattern for treatment of the President of the United States, stricken by a heart attack less than 2 weeks before?

It was reassuring to learn from the New York Times that the incident had no adverse effect on the President's recovery for which we all have earnestly hoped. Reporting on the signing of the interim appointments, the Times said:

> The Presidential action taken today was essentially routine, requiring no expenditure of mental or physical energy on the President's part.

I fear, however, that this action could lead to serious adversity for our national conservation policies. Mr. D'Ewart's background in the field of natural resource management was as well known to the administration as it was to the thousands of sportsmen and wildlife enthusiasts who had protested against his legislative efforts on behalf of a handful of stockmen, large lumber companies, and other special interests.

In the 83d Congress, Mr. D'Ewart sponsored H. R. 4023, a bill which would have given about 18,000 favored stockmen a vested interest in our national forests and a larger measure of control over their use than the 40 million hikers, fishermen, hunters, and campers who use the forests for recreation. According to the press, it was Secretary McKay who echoed the alarm of conservationists by describing the D'Ewart bill as "lousy" and providing cattlemen with special privilege "at the expense of all the rest of the people."

It appears that, in the interim between introduction of his notorious grazing giveaway and his appointment as Assistant Secretary of the Interior, Mr. D'Ewart has been able to convince Secretary McKay that he has revised his ways. Now Mr. McKay attempts to rationalize the appointment of Mr. D'Ewart by describing him as a man of "very, very good judgment."

It is my hope, Mr. President, that if the Senate Interior and Insular Affairs Committee finds it necessary to hold hearings on the confirmation of Mr. D'Ewart's appointment, special attention will be given to the interesting metamorphosis which has converted the sponsor of "lousy" legislation—and when I use this shabby word I am quoting Mr. McKay—into a person of "very, very good judgment."

FROM "LOUSY" TO "VERY, VERY GOOD JUDGMENT"

One can only conclude from the turnabout analysis of Mr. D'Ewart's qualifications that either Mr. McKay was mistaken in his original evaluation of Mr. D'Ewart's grazing giveaway, or else Mr. McKay has now come around to Mr. D'Ewart's way of thinking.

Surely a political craftsman so astute as Sherman Adams was fully aware of the storm which swirled around the D'Ewart bill and eventually brought about its defeat in Congress. Nor could he and Mr. McKay have been insensitive to Mr. D'Ewart's role in trying to obtain passage in the House of Representatives of the Ellsworth-Cordon timber exchange bill. This proposed legislation, for which Mr. D'Ewart served as the willing handmaiden of its sponsors, would have given the big lumbermen, and only the big lumbermen, an opportunity to roost permanently on some of the finest public timber acreage belonging to the

United States Forest Service and even in the bill's early form, the National Park Service.

I cite these two examples in the legislative history of Mr. D'Ewart in the hope of illustrating the apparent policy concepts of the man the Senate is being asked to install as a chief custodian of the Nation's public lands. Since assuming the duties of the Assistant Secretary of the Interior, there has been no recognizable or visible change in Mr. D'Ewart's attitude toward the public domain. One of his first official acts evidently was to give approval to an order for oil and gas leasing on national wildlife refuges. This action ended a 2-year stop edict during which a study committee had been working to develop better protection for wildlife refuges from oil and gas prospectors.

I should like to digress, Mr. President, to say that the oil and gas prospectors evidently hold a very privileged position in this country, as witness the heroic fight the senior Senator from Oregon is making today against the bill to remove Federal regulation from the prices which the prospectors can charge.

The rapidity with which a lease was granted under this new policy to a subsidiary of the Seagram whisky distilleries for petroleum prospecting on 12,000 acres of the Lacassine National Wildlife Refuge establishes a precedent which increases fear for the future of these great sanctuaries, where our wild creatures and waterfowl have formerly been safeguarded. Wildlife should be superior to the financial welfare of a distillery.

Mr. President, during the past 3 years of the present administration, we have witnessed an unparalleled back-pedalling in the preservation of natural resources. I think the time has come for a complete appraisal of the influence of this alarming trend on our future well-being as a nation.

WHAT WILL BECOME OF OUR RESOURCES IN THE FUTURE?

No nation has used up its natural resources as profligately and recklessly as has the United States. True, we have more automobiles, electric lights, airplanes, books, and food than any other country in the world. We are better clothed and better housed than most of the world's population. But we must be constantly reminded that this great material wealth is derived fundamentally from our ability to tap a vast abundance of natural resources. It took European and Asiatic countries many centuries to attain the same degree of destruction of resources which has occurred during only a few generations in the United States.

The accelerated onslaught against our resources which we have witnessed in the past 3 years gives rise to genuine concern over the national welfare of the future. It sometimes seems that many in high places within the administration look at our natural resources as if our own generation might be the last one to occupy this great continent. While our population grows at a fast pace, our supply of natural resources dwindles. Will the time come when America's living standards are limited by a shortage of raw materials derived from our God-given storehouse?

How can we face the judgment of history if our supplies run out, when the pressure of population and the condition of affairs among nations places new and unprecedented demands on the available supplies? Few tasks require more wisdom, foresight, and sense of responsibility than that of continuing our prosperity and effective national defense without, at the same time, exhausting the resources which make these things possible.

Is this a time, then, to place in a position of authority an administrator whose record of unfriendly acts in the field of resource conservation would seem to foreshadow further regression from the time-honored principles established by President Theodore Roosevelt and the other great guardians of our public domain? I think not, Mr. President.

I hope it will not become necessary for the Senate Interior and Insular Affairs Committee to hold hearings on Mr. D'Ewart's nomination as Assistant Secretary. I urge President Eisenhower to reconsider the ill-advised action which was taken on October 5, 1955, and to withdraw the appointment, naming instead an individual whose record holds greater hope for a revival of sound conservation on our public lands.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the Pittsburgh Post-Gazette, dated November 3, 1955; a statement from the November 18, 1955, Outdoor News Bulletin of the Wildlife Management Institute; resolutions from the Estacada (Oreg.) Rod and Gun Club, the Powder River Sportsmen's Club, Inc., and the Multnomah Anglers and Hunters Club, all in my home State, and a telegram from the tribal council of the Agua Caliente Band, Middion Indians.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Post-Gazette of November 3, 1955]

WRONG MAN FOR JOB

In announcing his opposition to a proposed transfer of land in the Wichita Mountains Wildlife Refuge in Oklahoma to the Department of the Army, Secretary of the Interior Douglas McKay is helping to stem the current drive to pare down or even eliminate some of the 300 Federal wildlife refuges. To meet the Army's request for land to be used in a planned expansion program at adjacent Fort Sill, Secretary McKay has offered to assist in the establishment of necessary firing sites within the refuge.

The Secretary's proposal was accompanied by a commendable promise to preserve the integrity of the refuge. But unfortunately the man he named to act for him on the Wichita refuge does not inspire confidence that the Interior Department will act in the best interests of conservation. Mr. McKay's representative will be the new Assistant Secretary, Wesley A. D'Ewart, former Congressman from Montana.

While in Congress, Mr. D'Ewart was sponsor of a bill to give western cattlemen permanent and virtually free grazing rights on public lands, a measure which Mr. McKay himself described as "lousy." Earlier this year, as a special assistant to Secretary of Agriculture Benson, Mr. D'Ewart drafted another grazing-lands bill—Congress having rejected his first bill. Mr. D'Ewart has also sought to give private timber operators the right to carry their logging operations into public parks.

Now, as Assistant Secretary of the Interior for Public Land Management (under recess appointment since October 5), Mr. D'Ewart will be in an effective position to carry out his peculiar notions of conservation. Since conserving the Nation's natural resources is one of the primary functions of the Interior Department, the Senate when it reconvenes in January should reject Mr. D'Ewart's nomination. Congress should also revive Representative LEE METCALF's bill to prevent the Interior Department from disposing of public refuge land without specific congressional approval.

[From the Outdoor News Bulletin of November 18, 1955]

(EDITOR'S NOTE.—Inserted with this issue of the Bulletin is a sample of the reaction of some of the Nation's leading newspapers to the appointment of former Congressman Wesley A. D'Ewart, of Montana, as Assistant Secretary of Interior for public land management. Like those editors, most of the conservationists across the country were dumbfounded by this appointment.)

In 1953, D'Ewart was berated far and wide as the sponsor of the stockmen's grazing bill that touched off a bitter battle in the Congress. On the other hand, it is known that he has befriended the National Park Service upon several occasions. Consequently, the conservationists have been inclined to adopt a wait-and-see attitude concerning his new position in Interior.

The conservationists undoubtedly were more inclined to take this position in view of Interior Secretary McKay's recent announcement of his unalterable opposition to the Army's plan to grab 10,700 acres of the Wichita Mountains National Wildlife Refuge in Oklahoma. The Army, in its current effort to take over a large portion of the refuge, attempted to circumvent the Department of the Interior by trying to get congressional authorization for the transfer of refuge lands.

D'Ewart's name became associated with the small group of grazing permittees who were attempting to gain special privileges on the national forests through his introduction of the stockmen's grazing bill. The bill bogged down in face of widespread public opposition, and a substitute Hope-Aiken bill was defeated soundly.

D'Ewart was the floor manager in the House for the ill-fated Ellsworth timberland exchange bill which would have given a few large timber producers national forest holdings at the expense of the small independent operators and the general public. The House voted to kill the bill despite D'Ewart's efforts to gain its enactment.

In another natural resources field, mining, D'Ewart apparently misunderstood the public values that were being sacrificed in the national forests under the outmoded mining laws. Although he gave outside support to a bill that modernized the archaic statutes after he left Congress, D'Ewart had introduced a bill previously that would have done little more than rephrase the old, obsolete law.

Whereas Wesley D'Ewart, a former Representative in Congress from the State of Montana, presented legislation while in Congress which could have adversely affected the interest of the majority of the States entitled to use the forest reserves and public domain of the United States; and

Whereas the said Wesley D'Ewart actively advocated this legislation as well as other legislation directly opposed to conservation interests; and

Whereas the Secretary of the Interior, Douglas McKay, has recently appointed the

said Wesley D'Ewart as Assistant Secretary of the Interior for Public Land Management: Now, therefore, be it

Resolved by the Estacada Rod and Gun Club of Estacada, Oreg., this 17th day of November 1955, That the appointment of Wesley D'Ewart is hereby protested, and that the Secretary of the Interior, Douglas McKay, is hereby requested to withdraw the appointment of the said Wesley D'Ewart, in view of his known policy with respect to conservation matters detrimental to the general public.

Submitted by:

ESTACADA ROD AND GUN CLUB.
FRANK MARSHALL, *President.*
ALICE E. CARTER, *Secretary.*

NOVEMBER 29, 1955.

Mr. DOUGLAS MCKAY,
Secretary of the Interior,
Washington, D. C.

DEAR MR. MCKAY: The Powder River Sportsmen's Club, Inc., an organization of some 700 sportsmen in Baker County, Oreg., did, at their regular meeting on November 21, 1955, conclude that—

"Whereas Wesley D'Ewart, former Congressman from Montana, while a Member of Congress, introduced certain legislation which we believe would have adversely affected the interests of those entitled to use the public domain and the forest reserves of the United States; and

"Whereas Mr. D'Ewart worked vigorously for this legislation which we consider detrimental to sound conservation; and

"Whereas Mr. Douglas McKay, Secretary of the Interior, has recently appointed Mr. D'Ewart to a position in charge of range mangement of the Department of Interior: Now, therefore be it

"Resolved, That we, the Powder River Sportsmen's Club vigorously protest the appointment of Mr. D'Ewart to this position; and be it further

"Resolved, We request the withdrawal of this appointment in view of his known attitude in conservation matters, highly detrimental to the interests of the general public; and be it further

"Resolved, That copies of this resolution be sent to Senator RICHARD NEUBERGER, to Senator WAYNE MORSE, to EDITH GREEN, Congresswoman, to the Oregon State Game Commission, post office box 4136, Portland, Oreg."

Sincerely,

POWDER RIVER SPORTSMEN'S CLUB.
F. J. MURPHY, *Secretary.*

PORTLAND, OREG., *December 28, 1955.*

Senator RICHARD NEUBERGER,
Portland, Oreg.

DEAR SIR: I have been instructed by the board of directors of the Multnomah Anglers and Hunters Club to send you a copy of a resolution passed on by the board of directors:

"Whereas Wesley D'Ewart, former congressman from the State of Montana, introduced legislation while in Congress which would have adversely affected the interest of the majority of the States entitled to use the public domain and forest reserves of the United States; and

"Whereas the said W. D'Ewart vigorously worked this legislation as well as other legislation detrimental to conservation interests; and

"Whereas the Secretary of the Interior, Douglas McKay, has recently appointed the said W. D'Ewart to the position in control of the Range Management Division of the Department of the Interior; Now, therefore, be it

"Resolved by the Multnomah Anglers and Hunters Club of Portland, Oreg., this 20th day of October 1955, That such appointment be, and the same is hereby, protested, in view of his known attitude with respect to conservation matters detrimental to the general public."

MULTNOMAH ANGLERS AND HUNTERS CLUB.
By WM. E. KNAUER, *Secretary.*

PALM SPRINGS, CALIF., *January 3, 1956.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Respectfully and urgently ask you do all possible to oppose Senate confirmation of Wesley D'Ewart as Assistant Secretary of Interior. Mr. D'Ewart's past record strongly indicates he would neither act in sympathy nor in justice for our best interests. Please advise your intentions in this matter.

EILEEN MIGUEL,
Secretary, Tribal Council, Agua Caliente Band, Middion Indians.

Mr. MORSE. Mr. President, will my junior colleague yield for a question or two?

Mr. NEUBERGER. I am glad to yield.

Mr. MORSE. First, I wish to congratulate the junior Senator from Oregon on the stand which he has taken, and which has brought to him a very deserved commendation.

I think we have sustained a tragic loss in the death of the great Bernard DeVoto, whom I have considered for many years as the outstanding fighter and crusader not only on behalf of the conservation groups in this country but for the protection of our natural resources as well. My junior colleague has now assumed the leading position in the United States among the fighting defenders of the conservation interests. Therefore I want to ask the Senator if I am correct in the deduction that conservation groups across this country generally are opposed to the D'Ewart nomination.

Mr. NEUBERGER. I thank my distinguished senior colleague for what he has said, and I wish to reply by saying I think there are very few outstanding outdoor or conservation groups in America which have not announced themselves as opposed to Mr. D'Ewart's confirmation and to the policies which Mr. D'Ewart advocated when he was a Member of Congress.

I am pleased that the senior Senator from Oregon has mentioned Bernard DeVoto. I believe he will be interested to know that only a few weeks before Mr. DeVoto's untimely death at the age of 58, I received a letter from Mr. DeVoto. In that letter he asked if I could furnish him with some biographical episodes about the senior Senator from Oregon, because it was his hope to write, for Harper's magazine, a tribute to the magnificent work which the senior Senator from Oregon had done, not only in the field of conservation, but in the entire realm of the public welfare, during his nearly 12 years in the United States Senate.

Only recently I received a letter from Mrs. DeVoto, pointing out to me that was one of the last projects Mr. DeVoto worked on before he died last November. I know it is the hope of Mrs. DeVoto, and of many other admirers throughout the country of the senior Senator from Oregon, that as much of that project as has been completed will be published before November of 1956.

I think it is also particularly important that the senior Senator from Oregon mentioned Mr. DeVoto in connection with my brief speech about our vast outdoors. I have just learned from his devoted wife that it is her intention, and that of some of his devoted friends to go up to the Clearwater National Forest, where the trail of Lewis and Clark can still be seen. As the Senator knows, Mr. DeVoto was the foremost authority on the original westward migration which began with Lewis and Clark, over the magnificient Lolo Trail, which Lewis and Clark pioneered 150 years ago.

Mrs. DeVoto informed me that the ashes of Mr. DeVoto are now in a vault at the Rocky Mountain headquarters of the United States Forest Service at Ogden, Utah, and some of his loyal friends, among them Mr. Floyd Olsen, are going to take the ashes and scatter them over the Lochsa Fork of the Clearwater River, in accordance with one of his last wishes.

Therefore, it is significant that the senior Senator from Oregon should mention Mr. Bernard DeVoto, because the senior Senator from Oregon is aware of the vast outdoor domain to which Mr. DeVoto dedicated so great a portion of his life, and where he will have his final resting place.

Mr. MORSE. Mr. President, I wish to say to my colleague that I am deeply moved by what he has just said, not only with regard to Mr. Bernard DeVoto, but with regard to the information given to him by Mrs. DeVoto. It was the first I had heard of it. I considered Mr. Bernard DeVoto one of my dear friends. He advised me on many problems of conservation and natural resources. At the last luncheon I had with him, we discussed the D'Ewart nomination, and he made it very clear to me that he would consider the confirmation of D'Ewart as very much to the detriment not only of conservation interests, but the protection of our natural resources for future generations of Americans.

I should like to ask the junior Senator from Oregon if it is not true that throughout our State, even among nonconservation groups, we find many questions raised as to the advisability of confirmation of this particular nomination.

Mr. NEUBERGER. Not only do we find questions raised about the nomination of Mr. D'Ewart to be Assistant Secretary of Interior, but, as the Senator knows, we find constant questioning and anxiety over the policies of this administration with respect to all natural resources, whether those resources be gas and oil, or whether they be magnificent outdoor scenic area, such as the upper McKenzie River watershed, the Clearwater River watershed, and all of the other outdoor areas where the American people have their playgrounds.

Mr. MORSE. I know that the junior Senator from Oregon is familiar with the editorial which was published in the October 8, 1955, issue of the Oregonian, entitled "McKay's Bad Choice." In view of the fact that the junior Senator from Oregon has raised this matter on the floor of the Senate this afternoon, I wish my colleagues to have the benefit of the editorial, and I want them to have the benefit of it as part and parcel of the Senator's very able discussion this afternoon. So rather than have it printed in

the RECORD, I am going to read it into the RECORD as a part of my speech on this subject, because I think the Oregonian, one of the largest newspapers in the State of Oregon, and certainly a newspaper which has not usually been on the other side of the political fence from "Give-away McKay," has published an editorial of which the Senate ought to be apprised. I shall now read it. The editorial is entitled "McKay's Bad Choice."

Secretary of the Interior Douglas McKay's penchant for baring his neck on the political guillotine baffles us. The latest incident is his appointment of Wesley A. D'Ewart, of Montana, as Assistant Secretary of the Interior for Public Land Management. The odds are that the Democratic Senate never will confirm this appointment when it meets in January. It should not.

As a Representative in Congress, Mr. D'Ewart was the warm friend and spokesman for a group of big-spread cattlemen, who have been trying for years to rewrite the lands acts to give them feudal rights in the public domain. In 1953, the bill he introduced at the request of the cattlemen, known as the D'Ewart bill or the stockmen's grazing act, aroused a nationwide storm of opposition from conservationists.

In defense of the rights of 30 million Americans who use the public domain annually, as well as in the interest of conserving watersheds on which urban life and cropland farmers depend for water and power, and in opposition to the demands of 14,830 ranchers who have permits to graze cattle and sheep in the national forests, the Oregonian said at that time:

"In brief, the bill would give ranchers a vested right to national forest grazing lands which now they use as a public privilege. The right would be perpetual, in virtually all cases. Grazing lands would become, in effect, a part of the rancher's property, without the cost of taxes and administration, and for payment of a low fee. They could be sold with the home ranch to a new owner and handed down to descendants. Wealthy ranchers could buy other base property strategically located to give them a monopoly on all the grazing lands they could use. A reasonable supposition is that the result would be larger and larger ranches, and fewer smaller ranches."

The D'Ewart bill was defeated by the Republican Congress and Representative D'Ewart himself was defeated in his race for the Senate against Montana's Democratic incumbent, JAMES E. MURRAY, by 127 votes. A new grazing bill was written by James E. McArdle, Chief of the Forest Service, and introduced as the Hope-Aiken bill. The new proposal eliminated many of the bad features of the D'Ewart bill. But conservation interests divided on it, and the Democratic attacks carrying over from D'Ewart's efforts obscured its good features.

Democratic candidates in 1954 tried to paint the stockmen's bill as an administration raid on the public lands for private interests, treating the vicious D'Ewart bill and the reasonably fair Hope-Aiken bill as one and the same. What will they say now that Secretary McKay has turned over administration of Interior's public lands to Mr. D'Ewart? Politics aside, we cannot agree with the Secretary that Mr. D'Ewart is "a man of very, very good judgment." The sponsor of the infamous 1953 stockmen's bill cannot be expected to press for multiple use of the public domain.

There is one mistake in the editorial in regard to the majority by which the Senator from Montana [Mr. MURRAY] defeated Mr. D'Ewart. The majority by which the Senator from Montana [Mr. MURRAY] was elected, was 1,728.

I also wish to read into the RECORD at this point an editorial from the East Oregonian, dated November 3, 1955. The East Oregonian is published in the eastern part of our State, the great ranch area of the State. The editorial reads as follows:

Secretary of Interior McKay's appointment of the former Montana Congressman, Wesley D'Ewart, as Under Secretary of Interior is certain to get the full treatment when it hits the floor of the Senate in January. Montana's Senator MURRAY has said that D'Ewart is personally obnoxious. You will understand why if you read the story of the campaign D'Ewart conducted against MURRAY last year.

Furthermore, many Senators, knowing D'Ewart's record on conservation of natural resources would as soon put a convicted bank robber in charge of the United States Treasury as to give this man any control over the resources of which the Department of the Interior is custodian.

I also wish to read into the RECORD a resolution passed by the Estacada Rod and Gun Club, signed by Frank Marshall, president, and Alice E. Carter, secretary:

Whereas Wesley D'Ewart, a former Representative in Congress from the State of Montana, presented legislation while in Congress which would have adversely affected the interest of the majority of the States entitled to use the forest reserves and public domain of the United States; and

Whereas the said Wesley D'Ewart actively advocated this legislation as well as other legislation directly opposed to conservation interests; and

Whereas the Secretary of the Interior, Douglas McKay has recently appointed the said Wesley D'Ewart as Assistant Secretary of the Interior for Public Land Management: Now, therefore, be it

Resolved by the Estacada Rod and Gun Club, of Estacada, Oreg., this 17th day of November 1955, That the appointment of Wesley D'Ewart is hereby protested, and that the Secretary of the Interior, Douglas McKay, is hereby requested to withdraw the appointment of the said Wesley D'Ewart, in view of his known policy with respect to conservation matters detrimental to the general public.

Submitted by:

ESTACADA ROD AND GUN CLUB,
FRANK MARSHALL, *President,*
ALICE E. CARTER, *Secretary.*

I also wish to insert at this point in the RECORD, by unanimous consent, a very excellent news release by my junior colleague [Mr. NEUBERGER] dated Tuesday, October 11, 1955, in opposition to the D'Ewart nomination.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Senator RICHARD L. NEUBERGER, Democrat of Oregon, announced through his office here Tuesday that he intends to vote against confirmation of ex-Representative Wesley D'Ewart, of Montana, to be Assistant Secretary of the Interior when the selection comes before the Senate in January. D'Ewart received an interim appointment from Secretary of the Interior McKay last week.

NEUBERGER is a member of the Senate Committee on Interior and Insular Affairs, which must consider the D'Ewart nomination.

The 42-year-old Oregon Senator stated that he based his stand on the fact that "Mr. D'Ewart's entire approach to natural resources has been based on favoritism to special interest and monopoly. He has been hostile to the widespread enjoyment of our great Western outdoors for recreation and for public purposes. It is incredible that Mr. McKay should try to place D'Ewart in a position where he could have custody of our public domain."

NEUBERGER was particularly critical of D'Ewart's introduction of a grazing bill which the Senator described as "giving about 18,000 favored stockmen a larger measure of control over our national forests than 33 million hikers, fishermen, hunters, and campers, who use the forests for recreation."

The Oregon Senator also criticized D'Ewart's role in trying to obtain passage in the House of Representatives of the Ellsworth-Cordon timber-exchange bill. NEUBERGER said that this bill "gave the big lumbermen, and only the big lumbermen, an opportunity to roost permanently on some of the finest public timber acreage belonging to the Forest Service and even the National Park Service."

Mr. MORSE. Mr. President, I also request unanimous consent to have printed at this point in the RECORD a news release from the office of the Senator from Montana [Mr. MURRAY], under date of October 6, 1955, in opposition to the nomination of D'Ewart to be Under Secretary of the Interior.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

SENATOR MURRAY VIEWS D'EWART'S RECORD

Senator JAMES E. MURRAY (Democrat of Montana), today issued the following statement:

"The administration today swore in Wesley A. D'Ewart as Assistant Secretary of the Interior. As chairman of the Senate Interior and Insular Affairs Committee and a Senator from a State to which Interior Department policy and practices are extremely important, I am compelled to report highlights of the record of this interim appointee regarding areas over which he will, in the doubtful event of his confirmation by the Senate, have considerable influence.

"These areas are: Federal grazing lands, Indian affairs and, inasmuch as the National Park Service would be under his supervision, forests.

"1. PUBLIC DOMAIN

"During the 83d Congress Mr. D'Ewart, then a Republican Representative from Montana, sponsored H. R. 4023. This bill would have given western cattlemen permanent rights to grazing on the public domain. Its provisions amazed not only conservationists. Secretary of the Interior Douglas McKay, the man who according to press reports 'sought' Mr. D'Ewart for his new, interim job, called the D'Ewart bill 'lousy.'

"In a May, 1953, interview with the Associated Press in Denver the Secretary said:

" 'H. R. 4023 would give cattlemen vested rights to their grazing permits. * * * I'm an old cowhand and I'm confident we'll live up to the campaign pledge and do something for the cattlemen, but not at the expense of all the rest of the people.'

"2. INDIAN AFFAIRS

"Last month the National Congress of American Indians, meeting in Spokane, Wash., passed the following resolution:

" 'Whereas there have been press reports to the effect that Wesley A. D'Ewart, former Congressman from Montana, is being considered for appointment as Assistant Secretary of the Interior; and

" 'Whereas the National Congress of American Indians is of the opinion that the record of Mr. D'Ewart as a Member of Congress and of the House Committee on Interior and Insular Affairs was one which showed him to be unsympathetic toward the Indian

people and their efforts to maintain their diminishing land base: Now, therefore, be it

"'*Resolved*, That President Eisenhower be advised of such facts and that he be urged to desist from nominating Mr. D'Ewart as Assistant Secretary of the Interior or any other position involving administration of Indian affairs.'

"3. FORESTS

"Last year the House considered and fortunately sent back to committee H. R. 4646, the Ellsworth timber exchange bill, which would have permitted private timber operators to cut their way into the national parks. The most succinct summary of this bill was made by my able colleague from Montana, Representative LEE METCALF. He said the bill would have 'allowed big timber operators to exchange stumps for trees' in national park forests. The floor manager for this bill was Wesley D'Ewart.

"I believe the above-stated facts will indicate why I am appalled by the D'Ewart appointment. I believe too that the record of my more than 20 years in the United States Senate, and previous experience in other elective offices, will show that I have never been vindictive against unsuccessful candidates who opposed me, as Mr. D'Ewart did in 1954, even though in this latter instance the campaign tactics used against me were reprehensible.

"I make this brief statement for the sole purpose of putting before the American people, and my colleagues in the Senate, the record of a man whose confirmation would, I fear, spell disaster for the public domain and the sound utilization of this Nation's previous natural resources."

Mr. NEUBERGER. Mr. President, let me thank my senior colleague for the very effective help he has given to us in our efforts to block the confirmation of the nomination of a man who has been so active and so prominent in the fight, not to save our natural resources, but to exploit them and to raid them. I know that the conservationists of the country owe a debt to the senior Senator from Oregon for his very effective work in behalf of conservation and to thwart those who would destroy what remains of our national heritage.

In conclusion, I should like to make another minor correction in the fine editorial published in the Oregonian: I believe that the correct name of the Chief of the United States Forest Service is Richard E. McArdle, rather than James E.

Mr. MORSE. The correction will be made.

Mr. President, in closing this discussion, I should like to say that I think the nomination of Mr. D'Ewart should be rejected because of his sorry record, his record against the public interest in the field of conservation and natural-resource development.

I think the nomination also should be rejected on the basis of the objection which I understand the Senator from Montana [Mr. MURRAY] will raise—an objection which rarely is raised in the Senate, and is raised only when extremely good cause exists. I refer to the "personally obnoxious" objection. Good cause does exist for the Senator from Montana to raise it, if he decides to do so, because I am familiar with the campaign which was conducted by the D'Ewart forces against the Senator from Montana in the 1954 election. It was a shoddy, sad, disgraceful performance. Mr. President, a man who, in running for election to the Senate of the United States, would permit such a campaign to be conducted in his behalf, and against his opponent, does not deserve to be seated by the Senate as Undersecretary of the Interior, or to hold any other Federal office within the confirmation power of the Senate of the United States.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

During the delivery of Mr. MORSE's speech,

Mr. MONRONEY. Mr. President, will the Senator from Oregon yield briefly to me, since I must leave the floor in order to prepare a speech?

Mr. MORSE. I am glad to yield to the Senator from Oklahoma, provided I do not lose my right to the floor, and provided his remarks will appear following the conclusion of my speech.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Without objection, it is so ordered.

Mr. MONRONEY. There has been much discussion about the number of newspapers which have been opposing the passage of the Harris-Fulbright bill. Some Senators, because of the viewpoints of local newspapers or of such newspapers as the New York Times which have taken editorial positions against the bill, are likely to think that all the newspapers of the Nation are opposed to the bill.

The best count I can get indicates that the editorial opinions and local news stories which have appeared in more than 1,400 newspapers of the United States is in a ratio of 4½ to 1 in favor of the Fulbright-Harris bill. The count is 1,118 in favor of the bill, as against only 252 opposed.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of the names of some of the leading newspapers of the country which, either editorially or in their news columns, have endorsed the passage of the bill.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Connecticut: New Haven Register.

Massachusetts: Boston Herald.

New Hampshire: Manchester Union-Leader, Nashua Telegraph.

Maine: Bath Times.

Pennsylvania: Philadelphia Bulletin, Reading Eagle, Beaver Falls News-Tribune.

New York: New York Herald Tribune, World-Telegram and Sun.

Ohio: Cincinnati Times-Star, Cleveland Plain Dealer, Columbus Dispatch, Ohio State Journal, Hubbard News, Xenia Gazette.

Illinois: Chicago Tribune, Chicago Daily News, Chicago Sun-Times, Chicago American.

Michigan: Detroit Times, Grand Rapids Press, Saginaw News, Port Huron Times-Herald.

Wisconsin: La Crosse Tribune, Waukesha Freeman, and papers in Fort Atkinson, Park Rapids, Plattsville, Ripon, and Wausau.

Florida: Tampa Tribune, Leesburg Commercial and Ledger, Jacksonville Herald, Panama City Herald.

Washington: Papers in Aberdeen, Bellingham, Olympia, Seattle, Spokane, and Tacoma—and not a single unfavorable editorial has been found.

Mr. MONRONEY. Mr. President, furthermore, I point out that none of them on the list is from Oklahoma, Texas, or any other gas-producing States, where, it might be presumed, many of the papers would naturally be more inclined to adopt a friendly position toward the gas producers than would the newspapers in the gas-consuming States.

I further direct attention to a publication which probably is looked on as being one of the most liberal of all periodicals, namely, the New Republic. In its issue of January 30, 1956, I found a very interesting article which mentions the very considered manner in which the bill is being discussed. In part, the article reads as follows:

Another reason for the polite tone is that debate has turned out much more two-sided than the northern press has acknowledged. Here are some of the telling arguments advanced by southern proponents of the bill, the purpose of which is to free natural-gas producers from regulation by the Federal Power Commission, while retaining Federal price regulation over the gas during interstate transmission.

The price of natural gas at the wellhead is today about the same as it was in 1928, despite the fact that there was no Federal regulation over producers during the first 26 years of that period. The stability of gas prices stems from the fact that most pipeline contracts call for a flat 20-year price. Pipeline contracts signed recently are at higher rates, some around 15 cents per 1,000 cubic feet, compared to a previous 10 cents.

If gas producers are subjected to a utility-type regulation and limited to a just and reasonable return—often set at 8 to 10 percent by utility control bodies—there would not be sufficient capital for the high risks of drilling new wells.

I merely wish to state that even the New Republic, which has often been called the bible of many liberals, recognizes that the New York Times and the great Washington Post, also liberal publications, do not recognize, namely, that there are two sides to the question. It recognizes that the choice is not between regulation and no regulation, but is between utility type regulation under a formula of cost plus reasonable return, or regulation limiting what the pipelines may pay to a reasonable market price. Those of us from the gas areas contend that the latter formula is the most effective means of regulation and one which will protect the consumer to the greatest degree, both as to price and as to a continuing supply.

I am very grateful to the distinguished Senator from Oregon, who is always so courteous in permitting Senators to interrupt him. I am sorry I shall not be able to listen to the Senator as he delivers his address, but I hope I shall find it possible to return before he has concluded.

Mr. MORSE. I am delighted to have yielded to the Senator from Oklahoma.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I have sent to the desk, in behalf of the distinguished minority leader, the majority leader, and the distinguished Senator from Rhode Island [Mr. PASTORE], a proposed unanimous-consent agreement, which I ask to have read.

The PRESIDING OFFICER. The clerk will read the proposed agreement.

The legislative clerk read as follows:

Ordered, That, effective on Monday, February 6, 1956, at the conclusion of routine morning business, during the further consideration of the bill S. 1853, a bill to amend the Natural Gas Act, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. PASTORE. I may say to the majority leader and the minority leader that I have been making a day-to-day canvass of Senators who I thought might be interested in speaking in opposition to the bill. I am pretty well convinced in my own mind that whatever speeches are still to be made on the part of the opposition can be fitted into the schedule of the Senate quite comfortably for the remainder of the week. I have no objection, therefore, as to the limitation of debate beginning next Monday.

However, I feel that inasmuch as I do not know at this time the number of Senators who might wish to speak on the final passage of the bill, I thought possibly in the unanimous-consent agreement a little more liberality could be exercised by extending the 2-hour period to possibly 3 hours.

Mr. JOHNSON of Texas. Would that please the Senator from Rhode Island?

Mr. PASTORE. It would please me.

Mr. JOHNSON of Texas. Mr. President, I modify the proposed agreement accordingly.

Mr. PASTORE. I have no further objection.

The PRESIDING OFFICER. The proposed unanimous-consent agreement is modified accordingly, so as to provide 3 hours debate on the final passage of the bill instead of 2 hours; and, without objection, the agreement is entered into.

(The agreement as entered into is as follows:)

Ordered, That, effective on Monday, February 6, 1956, at the conclusion of routine morning business, during the further consideration of the bill S. 1853, a bill to amend the Natural Gas Act, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. JOHNSON of Texas. Mr. President, I wish to refer to a matter I have discussed with the minority leader and with the Senator from Rhode Island [Mr. PASTORE]. It is the plan of the Senate to meet on Monday at 10 o'clock, so that the Senate will have ample time during that day for discussion. I desired that the RECORD show that plan.

Mr. LANGER. Mr. President, did the majority leader announce that the Senate would meet at 10 o'clock tomorrow morning, or Monday morning?

The PRESIDING OFFICER. The Senate will meet at 11 o'clock tomorrow morning, and at 10 o'clock in the morning on Monday, February 6.

AMERICA'S NEGLECTED HIGHWAYS

Mr. KUCHEL. Mr. President, when the final chronology of events during the year 1955 has been written, the closing chapter will contain shameful statistics. Although 1955 was a year of peace in most quarters, and one of record economic prosperity, the staggering toll of death on our own Nation's highways must be a grim and heartbreaking entry in the summary of events which occurred in the United States.

I rise to discuss a problem which I earnestly feel is among the most crucial facing the country and the Congress. I believe, with utmost sincerity, that the situation existing on America's highways is so appalling that enactment of legislation authorizing a comprehensive and farsighted roadbuilding program should be recognized as urgent in any so-called "must" list of domestic measures to be considered at this session of the Congress.

Mr. President, there is no question that a number of far-reaching and complex domestic matters require our serious attention and our devoted efforts to make our Nation a more secure, more prosperous, and happier place for a steadily-growing population.

I concur with the statements of President Eisenhower and those of numerous other people, including many of my colleagues in this chamber, that we must bolster the national farm economy, we must help provide better educational facilities for succeeding generations, we should undertake to insure greater social security and better health, we must safeguard our people to the utmost against disasters, and we must further the sound utilization of natural resources.

However, I see no point or purpose in concentrating on these other problems and allowing to go on unchecked the continued slaughter and tremendous economic waste which can be traced directly to the shortcomings of our national highway system. When we read in the newspapers on 2 week-ends in a row that new traffic fatality records were recorded over successive holidays, dates which should be joyous for all people, Christmas and New Year's, perhaps we should wonder whether 1956 truly will be a happy new year and whether 1955 was as gratifying as most of us had believed.

I pray that everyone who ventures on America's highways will strive constantly to make 1956 a safer year than those which preceded it.

Mr. President, I was rather interested in noticing a few moments ago an item which appeared on the news ticker to the effect that a distinguished American, a native-born Californian, and a distinguished publisher, Mr. William Randolph Hearst, Jr., commented on this problem as he spoke here in Washington today before the National Association of Automobile Dealers. The wire report reads:

The editor in chief of Hearst newspapers said Congress is aware the problem has to be solved right now.

Hearst called for the continued cooperation of the automobile dealers in support of better roads.

Hearst said the American people will not put up with wanton death on the streets and roads for very long.

He warned of possible legislation unless adequate steps are taken to improve highway safety.

Referring to a suggestion by one Congressman that he might support a law to limit automobile speed, Hearst warned that this kind of solution to the safety problem is going to be seriously proposed and effectively supported if something isn't done on a voluntary basis.

Mr. President, those words of Mr. Hearst are correct, and if this Congress—God forbid—should once again march up the hill and down the hill, and at the end of the session find itself without any constructive legislation providing for the building of a great interstate system of modern and efficient highways across the length and breadth of this land, then I say that in future years the demand will be for compulsory legislation such as that to which the Members of Congress alluded.

I wish briefly to refer to the state of the Union message which the President of the United States sent to the Congress a few weeks ago, and particularly to those paragraphs in which once again he calls to the attention of the Senate and the House of Representatives the urgent need for highway legislation.

Said the President of the United States in his state of the Union message:

Legislation to provide a modern, interstate highway system is even more urgent this year than last, for 12 months have now passed in which we have fallen further behind in road construction needed for the personal safety, the general prosperity, the national security of the American people. During the year, the number of motor vehicles has increased from 58 million to 61 million. During the past year over 38,000 persons lost their lives in highway accidents,

while the fearful toll of injuries and property damage has gone on unabated.

In my message of February 22, 1955, I urged that measures be taken to complete the vital 40,000-mile interstate system over a period of 10 years at an estimated Federal cost of approximately $25 billion. No program was adopted.

If we are ever to solve our mounting traffic problem, the whole interstate system must be authorized as one project, to be completed approximately within the specified time. Only in this way can industry efficiently gear itself to the job ahead. Only in this way can the required planning and engineeering be accomplished without the confusion and waste unavoidable in a piecemeal approach. Furthermore, as I pointed out last year, the pressing nature of this problem must not lead us to solutions outside the bounds of sound fiscal management. As in the case of other pressing problems, there must be an adequate plan of financing. To continue the drastically needed improvement in other national highway systems, I recommend the continuation of the Federal aid highway program.

Across the country I think it may be said, in complete truthfulness, that the people and the press of America applauded and approved the reiteration by the President of the United States of the need for legislation at this session of the Congress to construct a 40,000-mile interstate modern and efficient highway system. Many laudatory comments were made of the President's recommendations in the newspapers of California and the Nation. I ask unanimous consent to have printed in the RECORD one such editorial published in the Los Angeles Examiner under date of January 10, 1956, entitled "Fine Ike Highway Message."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FINE IKE HIGHWAY MESSAGE

In his message to Congress, President Eisenhower found the state of the Union pretty good, but he found the state of the Nation's highways worse than ever.

In the year that has elapsed since he first brought the highway situation to the attention of Congress, 3 million more cars joined the traffic jam and more than 38,000 Americans died in highway accidents, he said.

And he added that the "fearful toll of injuries and property damage has gone on unabated."

President Eisenhower is not one to attempt to usurp the duties of Congress, and he did not do so in this message.

He merely indicated what the problem is, what the solution is, and left it to Congress to do the financing.

This is, of course, the heart of the problem and Congress cannot escape its duty.

Our mangling, maiming traffic toll is a national disgrace that only Congress can mitigate or remove.

The Los Angeles Examiner thinks that the President's message placed the responsibility where it belongs.

And Congress cannot lightly or cynically dodge it.

Mr. KUCHEL. Mr. President, we in this Congress must do our part in writing a law under which the Federal Government, the 48 States, and the other units of government will be able to make a start toward remedying the neglect and the deficiencies of the highway system so that we can end the killing and maiming of tens of thousands whose deaths and injuries can be attributed to outmoded, unsafe, overcrowded traffic arteries.

During the 1955 session of this Congress, I participated with colleagues of the Public Works Committee in endeavoring to write a bill which would help to solve our highway problem. In these efforts, I subscribed wholeheartedly to the program recommended by President Eisenhower and the administration, because I found the facts and figures, the conclusions and the recommendations of the Commission headed by Gen. Lucius Clay persuasive and convincing.

That Commission was nonpartisan in character, it was impartial in its deliberations, and it unanimously recommended the bases upon which some of us sponsored legislation to carry into effect that which had been previously recommended.

I very much wish it were possible at this session for me to introduce a comprehensive bill which would go a long way toward literally putting our Nation on the kind of roads an atomic-era, highly mobile economy and civilization require.

After consulting with our Parliamentarian, and having in mind the constitutional prerogatives of the House of Representatives to originate revenue measures, I have decided not to introduce an original bill.

I do not desire to advocate a program for spending immense sums of money without facing the issue of financing such a program.

For myself, Mr. President, I therefore desire to say that I am prepared to espouse and to vote for a fair and equitable schedule of taxes on highway users who stand to benefit from a comprehensive roadbuilding program.

Under the Constitution, revenue measures must originate in the House. I hope the House will adopt an interstate highway bill, with equitable revenue measures as a part of it. The tax features of such a proposal would then be referred to the Senate Finance Committee, where hearings would independently be held on the fairness of the revenue features. All of us in the Senate could then pass our own judgment on the equity of the tax provisions.

I am ready to vote for new revenue provisions to pay a part of the cost, so long as they are fair. And I am ready, also, to approve general fund financing for the balance of the program.

I do not consider it unsound to borrow money for capital improvements, such as highways, for I am convinced that the returns from the kind and quality of highway system we need and that we would acquire under this type of proposal would actually pay a long-range return which would counteract the financing cost.

Current taxes cannot raise all the moneys required for a complete pay-as-you-go program for the type of highway construction we need in our land. So I wish to make it perfectly clear that I also want by my vote to authorize such borrowing as may be necessary to carry on the program embodied generally in the Clay Commission's recommendations. The point is we need to do our part in preventing the killing and maiming of people on our highways.

There is a universal recognition of the inadequacy of our existing highway system. Last year, in the Congress, much deliberation was given to the proposals for tackling the immense backlog of highway needs. Unfortunately, for a combination of reasons, the problem was not solved last year; and an entire year has been lost in setting into motion the men and machinery which must give us an efficient, up-to-date, safe network on which Americans can travel.

The need for a broad-scale program for rebuilding and building is undeniable. Competent authorities estimate that the number of vehicles in operation will increase by 20 million in 10 years. The length of our highway system is virtually frozen, for additions in the past 15 years aggregate only about 1 percent of the prewar mileage.

There is no question that traffic congestion exists in practically every section of the country. How much it costs is impossible to measure. Recently I saw a figure that the waste—in terms of time, gasoline, and rubber—amounted to $5 billion a year. The cost in terms of suffering is, of course, incalculable; but we must shudder at the thought that last year more people lost their lives on American highways than the number of men killed in the entire 3 years of the Korean war.

The deficiencies in the highway system as it stands today are, on the other hand, definitely measurable. The Clay Commission and the Bureau of Public Roads, using data collected during 1954, estimated that $100 billion should be spent to build the entire system up to modern standards. Only 15 percent of the 40,000 miles in the interstate segment of our highway network is classified as adequate from the viewpoint of capacity, safety, and engineering efficiency.

The bill which I hope I shall be able to vote for at this session would not do the entire job. But it would carry us well toward the goal of a modern interstate system linking 42 of our State capitals, serving 90 percent of all cities over 50,000 population, and carrying over one-seventh of all traffic. That is putting first things first.

I propose a 13-year program, calling for a Federal Government expenditure of—in round figures—$24 billion for the entire system, and for the continuance, during the same period of time, of the traditional Federal-aid program at the rate of $700 million a year, with recognition, however, that this figure will require periodic reexamination by the Congress. This type of legislation will facilitate acquisition of rights-of-way, and is realistic in providing that 90 percent of the cost of the interstate system should be borne by the Federal Government.

I may add, Mr. President, that I want the provisions of the prevailing wage laws, as now written into Federal statutes, to apply with equal vigor to the interstate road construction program upon which I hope we are about to embark.

The obligation is clear, on the part of the Federal Government, to assume

overwhelming responsibility for modernizing and improving the interstate network. The 40,000 miles comprising this part of our national system are undeniably essential to our peacetime economy, and would be vital to our national defense and national survival in time of war.

Mr. President, the expenditure of funds for urgent work on the interstate routes cannot be left to whim or to chance. We cannot afford to allocate the money on a basis of regional jealousy or political influence. This problem is not possible of solution if local pride is allowed to tilt the scales of fair play.

By assuming responsibility for 90 percent of the cost of the interstate system, the Federal Government will give a hypodermic to State construction of other needed highways. The present law requires the State to put up 40 percent of the cost of work on interstate routes. The greater part of these sums of money would be releaased for other State and local purposes, including the matching of the Federal allocations for primary, secondary, and farm-to-market roads and for urban projects.

Recently, Mr. President, I read with a great deal of interest a series of newspaper articles written by Mr. John H. O'Brien, of the Hearst newspapers. He is one of the best-informed men on the subject of Federal highway legislation. I have a copy of the salient features of his articles, all of which deal with the highway problem as we face it at this session of Congress. The articles will be worthy of study by the Members of the Senate and the House in considering the question of the type of legislation we need and the problems involved. I ask unanimous consent that the reprint I hold in my hand may be printed at this point in the CONGRESSIONAL RECORD, as a part of my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

THE OPTIMISTS

This certain fact emerges from the welter of conflicting opinion concerning Federal highway legislation.

There will not be a satisfactory bill unless every individual and organization concerned with the shocking inadequacy of our highways fights continuously and effectively for one.

There could be an adequate bill—one that will do the job that must be done—but one that will not be obtained by default. It must be fought for, bargained for, perhaps compromised for.

Equally competent observers, working with the same set of facts, are divided as to what can be accomplished.

They may roughly be divided into optimists and pessimists. Before an educated guess can be made as to which is more nearly right, we have to listen to both sides.

Here is what the optimists say:

"In the first place, the disaster that befell highway legislation in 1955, when you look back at it, did produce some benefits.

"After all, it took 50 years of hard work to pass St. Lawrence Seaway legislation that involved about $100 million. We were trying to pass a $35 billion highway bill in a single session.

"The problem is pretty well understood now. There is a general agreement that an emergency exists and that it simply must be recognized and dealt with.

"We think the atmosphere is right for almost every Congressman to pitch in and do the job at this session.

"The 1955 session was under no great obligation to pass any highway legislation. The 1954 act covered Federal aid legislation for 2 years and it would not normally come up for discussion until 1956.

"This session has to take up the question, whether the Congress likes it or not, even if it is a very political year.

"The statement that legislators don't like to increase taxes is one of those political generalities that sound good, but aren't so.

"From the number of different kinds of taxes we have now a strong argument could be made out for an exactly opposite statement.

"We believe a lot of Congressmen found out in their home districts that their constituents want a good Federal-aid highway bill, they want it now, and they know they'll have to pay for it.

"Politically, highway legislation is in far better shape now because the Republican bond-financing plan is dead and the administration is willing to go along with a pay-as-you-go bill.

"If the Democrats produce a bill that will pay for the job, that contains equitable tax provisions, and that contains the proper standards and safeguards there isn't going to be too much opposition to it in either party.

"We think it will produce a majority of both sides.

"We think that the Congress is returning in a mood to settle the highway problem as fast as possible.

"Then the administration can take the credit for initiating the program originally and the Democrats can take the credit for producing the legislation.

"If you don't believe this, look at it the other way.

"Who will be willing to take the rap for another stalemate? And believe me, one party or the other is going to have to assume that responsibility.

"We rest our case right here. The Democrats will produce the bill and the Republicans will help them pass it.

"It's as simple as that."

There, essentially, is the optimistic point of view.

But before we let ourselves be persuaded, let's hear from the pessimists.

THE PESSIMISTS

Pessimists tend to regard themselves as realists, and here is what they say about passage of a good highway bill in 1956:

"The people who thought there would be an adequate highway bill in the last session of Congress failed to take into consideration a lot of facts. They're making the same mistake again.

"We don't even agree that everybody really wants the kind and system of roads that would be built under the bills that will come before Congress.

"The 1955 bills all collapsed on the House floor because the House Members were so split up on the question of who was going to pay for the program that no bill could get near a majority.

"That's true today.

"The trucking industry and its thousands of members reacted violently to the tax provisions of the Fallon (Democratic) bill.

"They had to because they are locked in a bitter fight with the railroads, and highway legislation is in the middle of the fight.

"The petroleum industry and the rubber industry don't like tales, either.

"The railroads won't help because they don't want to see the truckers provided with wide, straight rights-of-way.

"The motel people don't like limited access to the new roads; they want their motels on the right-of-way.

"Any Congressman will think twice before he votes for higher taxes in what promises to be one of the most 'political' years in our history.

"Emphasis on construction of the national system of interstate highways, as contained in the bills we're talking about, doesn't please Congressmen from rural districts.

"All the bills will help heavily populated States and urban areas more than they will agricultural, predominantly rural States and that will cause the same House split it did before.

"Advocates of toll roads, both those who have already built them and those planning them, are less than enthusiastic about the interstate system.

"Take any Congressman you want and he'll have something he objects to about any highway bill. It isn't that you can't please everybody with a bill; you can't please anybody.

"The plain facts are that you have to have a majority in the House to pass a bill. Where is this majority?

"Oh, there will be a bill. Congress will increase the present Federal aid by $200 million or so.

"Then they'll go home and tell their constituents they voted for over a billion dollars in Federal aid and make it sound like a terrific accomplishment.

"They'll all sound like leaders of the better-roads movement to people who don't know the facts.

"Let's be realistic."

There is the pessimist talking and he's a pretty persuasive fellow.

But is he right?

REPRESENTATIVE FALLON

Those who believe there will be an adequate Federal highway bill in 1956 and those who believe there will not be have had their say.

Now, what is actually going on in the field of highway legislation?

First, the Eisenhower bill which raised its highway money through the issuance of special bonds is dead and all but forgotten.

If it is revived, it will be the work of an individual and not the administration.

There will be no administration bill as such. The President and his advisers are willing to go along with a Democratic bill that raises its finances through increases in highway-user taxes.

Representative GEORGE H. FALLON, Democrat of Maryland, whose 1955 bill was defeated, plans to introduce two bills early in the session.

The first will be a bill providing for the construction of the national system of interstate highways.

It will contain financial authorizations, but the actual writing of the tax bill to support the authorizations will be done by the House Ways and Means Committee.

The second bill will be the usual biennial Federal-aid highway bill and will provide authorizations for expenditure on the remaining systems of Federal-aid roads.

Authorizations in this bill have always been tantamount to appropriation.

The maneuver by which the revenue provisions of the 1955 Fallon bill were written by the House Public Works Committee instead of the Ways and Means Committee generated some opposition to the bill last year.

Such opposition will not be present in 1956.

Fallon's 1955 bill drew violent and effective opposition from the trucking industry and from the petroleum and rubber industries to a lesser (or less apparent) degree.

FALLON still believes that the truckers should pay something more than passenger car owners and that the tax provisions should penalize them.

He believes they cause more damage to roads than private cars and that roads that will support truck traffic cost more to build.

The trucking industry is willing to pay the increased taxes contained in the so-called Steed amendment.

These are across-the-board increases; that is, they bear just as heavily on the passenger car as the truck, depending upon use.

Of course, the truckers with low gasoline mileage and with expensive tires pay a great deal more in taxes per vehicle than the passenger car owner, but both pay at the same rate.

FALLON thinks truckers should pay at a higher rate somewhere along the line; the truckers will fight any attempt to make them pay at a higher rate than other highway users.

The fight of the truckers is part of a larger fight between them and the railroads.

Higher truck taxes mean higher truck freight rates and a competitive advantage for the rails.

For this reason, the Fallon bill which heavily taxed the trucking industry was labeled railroad bill by those who understood what the truckers' fight was all about.

Actually, the railroads were in a good position and the truckers in a bad one on the highway bill question.

If the Fallon bill had passed, truck freight rates would have gone up and the railroads would have been happy. If it failed, as it did, the truckers would take the rap for beating it. And they did.

The truckers on the other hand wanted a good Federal-aid highway bill to pass.

They must have better roads and they realize it.

If they supported the Fallon bill they had to support a tax schedule they regarded as ruinous.

If they opposed it, they had to accept the blame.

They chose to oppose it.

The Steed amendment is the answer as far as the truckers are concerned. They will get what they regard as a fair tax increase and they will get the roads they must have.

SENATOR GORE

In addition to the pay-as-you-go philosophy of the Fallon bill, there are other financial methods that are being considered in and out of Congress.

The most important is the philosophy of Senator ALBERT GORE, Democrat of Tennessee, whose own version of a highway bill passed in the Senate during the last session.

Senator GORE sees no reason why the highway bill, alone of all the bills that pass through Congress, must contain its own self-liquidating revenue provisions.

He believes Federal aid to roads should come out of the general revenues of the Treasury, just as all other Federal aid does.

He asks:

"Why single out the highway bill?"

He can get his answer from Secretary of the Treasury George M. Humphrey.

Humphrey is willing to have Congress appropriate the full amount collected through the Federal tax on gasoline and spend it on roads.

He regards the gas tax as an absolutely fair measure of road use and he sees the justice of using the receipts on roads.

He will oppose vigorously any attempt to pay for highways out of the general funds of the Treasury beyond the gas-tax receipts. He says:

"If they take any more than that, I must have some other tax funds to replace the difference."

He sees nothing objectionable, from the Treasury standpoint, to increased taxes. Actually, he regards such financing as less inflationary than the Eisenhower bond plan.

The statement is often made that President Eisenhower will veto any highway bill that does not pay for itself.

But there is another belief that he will not veto such a bill if it does not throw the budget too much out of line.

Mr. Humphrey, President Eisenhower, and probably most Republicans want to see the budget balanced. It will make a nice talking point for the fall of 1956.

Senator GORE has another statement that sounds attractive to many. He points out that his bill is already halfway through the Congress.

And if the House will just pass it, too, there's your highway bill, signed, sealed, and delivered.

Last July he made a special trip over to the House to appear before the Public Works Committee in defense of his bill.

He has learned a great deal about highway legislation and highway problems and he is an effective pleader.

He is waging a fight for his bill now and he will continue to do so during the session.

If the battle over taxation starts again and gets as bitter as it did in 1955, there are many who will run for the Gore bill as a bomb shelter.

In addition to those who favor higher taxes or direct appropriation, there are those who favor both of these plus bonds.

The theory is that somewhat higher taxes will pay part of the cost of the interstate system construction and will not be violently opposed; some direct appropriation would help and would not damage the budget enough to cause a veto; and a little bond issue wouldn't draw the wrath that the big Eisenhower issue drew.

Bills using any or all of these financing methods will undoubtedly appear, but the prestige now supports the Fallon bill, which has the blessing of Speaker SAM RAYBURN and has no administration opposition.

AND SO A BILL

After taking many complex and conflicting factors into consideration, probably the safest statement that can be made about the fate of Federal highway legislation is that a reasonably adequate bill will be passed.

The leaders of the better roads movement will not get the "perfect" bill they want, but the fundamental provisions of a good bill probably will be salvaged.

These leaders probably would be happy to obtain from this session of Congress a bill that stresses the interstate system, that provides for limited access on that system, that calls for the Federal Government to pay about 90 percent of the cost, and that calls for a construction program of at least 5 years' duration.

These are the fundamental necessities of a good bill and if Congress accepts them a good start will have been made toward solving the highway problem.

The provision for limited access on the interstate system is of vital importance.

Without it, the billions of dollars that it will take to build the interstate system will be mainly wasted and the job, some day, will have to be done all over again.

A 10-year program would make far more sense than one for 5 years, particularly for the road builders and materials people who will have to expand greatly to handle the construction.

But if Congress clearly demonstrates its intention to finance completion of the system, even in 5-year phases, at least a start will have been made.

There is general agreement that Federal funds should pay at least 90 percent of interstate costs.

There is potential and actual opposition to the stressing of the interstate over other Federal aid road systems, but this probably can be overcome when the problem is explained.

All of 40,000 miles of the system now have been allotted, and there is discontent among those who find their city, county, or district not on the system.

They want 90 percent Federal money on their road jobs, too.

The engineers say that when the interstate is completed there will be mileage left over to distribute because of the straightening of routes.

If even 5 percent of the system's mileage can be saved through route straightening there will be 2,000 additional miles available for distribution.

It does not make sense to good roads leaders to increase the 40,000-mile figure now when nobody is sure the Congress will even get the 40,000 miles built.

There is one remaining problem to be solved, and that is the formula by which the interstate funds will be distributed.

Which State is to get what?

Good roads people say that each State should get what it needs to complete the interstate.

The system should be built as a system, coast to coast, border to border. State lines are meaningless, they say, on a national highway network.

Senator GORE's bill contains a distribution formula that gives some States more than they need and others less.

He doesn't like the needs formula because he says that the Federal Government could distribute or withhold its grants for political reasons.

He wants the distribution to be spelled out in the bill so that each State will know what it is going to get right from the start.

He is insistent on this and any bill that goes over to the Senate from the House without a distribution formula is going to collide with the Senator.

Sum up:

There will be a reasonably adequate Federal highway bill, but if we are to have one the leaders of the better roads movement will have to fight for it.

The optimists seem to have a better case—at least, as of today.

Mr. KUCHEL. In all that I have said today, and in what little I hope to be able to say on this subject in the days to come, I desire to express the earnest hope that, upon a nonpartisan and nonpolitical basis, the Congress of the United States may see the wisdom of drafting legislation under which the Government of our country will undertake the great responsibility involved in authorizing legislation to create and to build across this Nation 40,000 miles of modern and efficient highways in the interest of all the American people.

RECESS TO 11 O'CLOCK A. M. TOMORROW

Mr. CLEMENTS. Mr. President, pursuant to the order previously entered, I move that the Senate now stand in recess until 11 o'clock a. m., tomorrow.

The motion was agreed to; and (at 6 o'clock and 21 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Tuesday, January 31, 1956, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate January 30 (legislative day of January 16), 1956:

COURT OF MILITARY APPEALS

Homer Ferguson, of Michigan, to be a judge of the Court of Military Appeals for the remainder of the term expiring May 1, 1956, vice Paul W. Brosman, deceased.

Homer Ferguson, of Michigan, to be a judge of the Court of Military Appeals for the term of 15 years expiring May 1, 1971.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 30 (legislative day of January 16), 1956:

FEDERAL RESERVE SYSTEM

William McChesney Martin, Jr., of New York, to be a member of the Board of Governors of the Federal Reserve System, for a term of 14 years from February 1, 1956.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Herold Christian Hunt, of Massachusetts, to be Under Secretary of Health, Education, and Welfare.

THE TAX COURT OF THE UNITED STATES

John Edward Mulroney, of Iowa, to be a judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1944.

TREASURY DEPARTMENT

S. Power Warren, of Colorado, to be assayer of the mint of the United States at Denver, Colo.

COLLECTORS OF CUSTOMS

Frederick C. Peters, of Pennsylvania, to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia, Pa.

Wilbert H. Beachy, of Pennsylvania, to be collector of customs for customs collection district No. 12, with headquarters at Pittsburgh, Pa.

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 30, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal and ever-blessed God, daily Thou art challenging us with the noble task of seeking and striving for the spiritual unity of all mankind.

Show us how we may put forth a more heroic effort in behalf of building a social order of friendship and fraternity.

May the welfare and happiness of every member of the human family be our deep personal concern and may we be partners in establishing good will among men.

Grant that we may be inspired to give ourselves unreservedly to the glorious enterprise of world peace.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, January 26, 1956, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7871) entitled "An act to amend the Small Business Act of 1953."

DISTRICT OF COLUMBIA TRANSPORTATION SERVICE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, a few days ago the Board of Commissioners of the District of Columbia sent a letter to you transmitting a draft of a bill which they had prepared, providing for the creation of a transit authority that next August would succeed to all of the franchise rights presently exercised in the District of Columbia by the Capital Transit Co.

Under the rules, Mr. Speaker, you referred it to the House Committee on Interstate and Foreign Commerce for consideration. Accordingly, as chairman of the Subcommittee on Transportation and Communications of the Interstate and Foreign Commerce Committee, I am today introducing the bill as requested by the District Commissioners.

Mr. Speaker, we are all aware of the importance of this problem and of the complications involved. The Congress had this difficult problem in the last session as a result of an unsettled strike which deprived the citizens of the District of transportation so vital to the continued conduct of their affairs.

The Congress thought it had resolved the problem when it passed legislation giving certain authority to the Commissioners which the Commissioners had requested. Under the legislation the Commissioners succeeded in restoring transit operations, but they have been unsuccessful in their negotiations for a successor to Capital Transit Co. Thus, the major issue of assured continued transit facilities for the people of the District is still unsettled.

The Commissioners' authority to resolve the problem, under the legislation passed during the last session, expires this coming August 14, without any program as yet having been worked out providing for continued transportation. Therefore, we have received this proposal.

Our committee has a heavy schedule of legislative matters before it, a schedule set up for some time. Notwithstanding this heavy schedule, the committee immediately will seek to obtain the reports from the various governmental agencies concerned as to their views and suggestions on this bill. Usually, it requires some time to obtain reports which are a necessary prerequisite in the consideration of any bill. However, as soon as these reports are received from the departments and agencies, our committee will endeavor to work out a schedule of hearings on the bill with the view of expediting consideration of this pressing problem.

In order that the principal provisions of the bill may be appreciated, I am including herewith for the RECORD a copy of the letter of January 25, 1956, to you from Mr. Samuel Spencer, President, Board of Commissioners, outlining the nature of the legislation they have proposed:

GOVERNMENT OF THE
DISTRICT OF COLUMBIA,
EXECUTIVE OFFICES,
Washington, D. C., January 25, 1955.

Hon. SAM RAYBURN,
The Speaker of the House
of Representatives,
Washington, D. C.

DEAR SPEAKER RAYBURN: In my letter of December 30, 1955, to Congressman JOHN L. MCMILLAN, chairman of the Committee on the District of Columbia of the House of Representatives, reporting on the developments which had taken place in the matter of furnishing mass transportation in the District of Columbia since the enactment of Public Law 389, 84th Congress, approved August 14, 1955, I informed him that the District Commissioners were preparing legislation for the creation of a transit authority in the Washington metropolitan area to provide mass transportation service beginning on August 15, 1956. I have the honor to transmit herewith a draft of the recommended legislation.

The enclosed draft of legislation has been prepared by the District Commissioners in collaboration with the Public Utilities Commission, and with the assistance of Messrs. Portland Merrill and Walter Cleave of Blyth & Co., bankers, and Mr. John Mitchell, attorney, of the firm of Caldwell, Marshall, Trimble & Mitchell, of New York City.

The proposed legislation would create a Transit Authority which would succeed on August 15, 1956, to all of the franchise rights presently exercised by the Capital Transit Co. in the District of Columbia and which would be authorized to extend its service within the metropolitan area by agreement with the jurisdictions concerned outside the District of Columbia. The Authority is given the exclusive right to provide mass transportation service in the District of Columbia, except for franchise rights of passenger carriers (other than Capital Transit Co.), existing on the date of the enactment of this act. The act provides further that the Interstate Commerce Commission shall not authorize additional interstate service within the Washington metropolitan area when such service is in competition with the service rendered by the Authority, without the approval of the Authority. It also provides that the Authority shall not operate its interstate service in competition with existing services of other systems.

The powers of the Authority would be vested in a board of 5 directors appointed for 5-year terms so staggered as to provide for the appointment of 1 new director each year beginning in 1958. The compensation of the directors is limited to $3,600 in any 1 year of service; except in the first year following the date of organization of the Authority, when an amount of $5,000 would be allowed. The Commissioners consider this to be a nominal compensation for citizens of the stature for such an authority, and feel that the primary incentive to service on the board of directors must be a sense of public interest and duty.

The Authority is granted broad powers to create and manage an effective transportation system in accordance with sound business practices. It is exempted from laws and regulations which are designed for normal governmental functions but are too

restrictive for an operation of this kind. In carrying out its duties the Authority would be granted the power of eminent domain in the District of Columbia under the conditions set forth in the act.

The Authority would be financed through its own revenue bonds or other instruments of its own credit and would not be empowered to pledge the credit of the United States or of the District of Columbia. The proposed legislation sets forth in detail the power of the Authority to issue its own credit instruments. Because of the imperative requirement for the Authority to act promptly in acquiring the necessary properties to meet its service obligations on August 15, 1956, and the impracticability of floating a private bond issue while the cost of these acquisitions are yet unsettled, the act provides for a loan of not exceeding $20 million with interest from the United States Treasury to the District of Columbia, which would be advanced by the District to the Authority to provide for the initial operations. It is contemplated that the initial operations would be financed through the use of this government loan and that this loan would be paid off from the proceeds of private financing as soon as the initial uncertainties as to the obligations and prospective earnings of the Authority could be clarified.

The Authority would be self-regulating in the establishment of schedules, routings, and changes therein and conditions of service, and in setting fares or other fees for service.

The Board is directed to establish a suitable organization and to make its own provisions with certain limitations for the terms of employment and compensation of officers and employees.

The Authority is not clothed with Government immunity but is subject to suit, with the provision that notice of injury or damage to persons or property must be given to the Board within 6 months after the alleged occurrence if the suit is to be maintained.

The Authority is given the power to issue regulations governing the use of its properties and to set limited penalties for enforcement thereof. It is authorized to initiate investigations into matters relating to its activities.

Because of the urgency of preparatory work to enable the Authority to meet its operating obligations to begin on August 15, 1956, this act would authorize the Board of Commissioners of the District of Columbia to exercise the powers of the Board of Directors of the Authority until such time as the Board of Directors of the Authority could be organized to assume these responsibilities.

The Commissioners of the District of Columbia and the Public Utilities Commission join in recommending the prompt enactment of the enclosed legislation to create a Washington Metropolitan Transit Authority to operate mass transit in the District of Columbia after August 14, 1956.

Section 27 of the enclosed bill which has to do with interim financing of the Authority by a Federal loan has been submitted to the Bureau of the Budget and the Commissioners have been informed that the Bureau has no objection to that section as presently drafted.

Sincerely yours,

SAMUEL SPENCER,
President, Board of Commissioners, District of Columbia.

THE LATE PRESIDENT FRANKLIN DELANO ROOSEVELT

The SPEAKER. The Chair recognizes the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Speaker, it will be my purpose to take but a few minutes of the hour's time allotted to observe the 74th birthday of Franklin Delano Roosevelt and then I will gladly yield to as many Members of the House as desire to speak on this same subject.

Seventy-four years ago today Franklin Delano Roosevelt was born at Hyde Park, N. Y. Although 11 years have passed since he departed life from the American scene, the memory of his greatness is fresh in our minds. Much has been written about the life of the 32d President of the United States, but I regard it as a singular honor to pay tribute to his greatness on the anniversary of his birth. It was my high privilege, and it will always remain a great inspiration to me to know that I served as a Member of the 79th Congress while he occupied the highest office within the gift and trust and confidence of the American people as President of these United States.

With each passing year, we become more and more conscious of the world's debt to Franklin Delano Roosevelt. He has been enshrined among the great men of all time—a world leader with vision, courage, and the ability to wield his power as President of this land for the good of all mankind. He worked mightily for the things he loved. He loved people.

History will undoubtedly remember Roosevelt as a great war leader, as a reformer, and as an architect of international policy. But we cannot forget his profound understanding of the strategic needs of every man, woman, and child in this Nation. On his success as a leader of his party, hinged his opportunity as a statesman. He was not only a Democrat, but he was a politician of unusual adroitness. He possessed a high degree of political skill. He used this magnificent skill to the ultimate end that all people might have life in its broadcast sense and have it more abundantly.

After winning a resounding victory at the polls in 1932, Mr. Roosevelt entered the White House in the darkest hour of the depression, and found it necessary to close the doors of every bank in the United States. Then he set about the initial tasks of recovery and reconstruction. The greatest business country in the world was being set on its feet. As a first move toward that tremendous undertaking the people had to be awakened. They were prepared by their President for a new concept of government and for the shaping of a national community. He demonstrated his unbounded belief in America—in its resources and in its future.

Actually, Mr. Roosevelt was sailing over an uncharted sea. But if the course he took proved to be wrong, he was ready for change. Time and again the Congress was shaken by his convictions—but the Nation moved ahead.

Roosevelt had been President for more than 6 years when the German armies marched into Poland. He had foreseen that war in Europe must confront the United States with enormous complications. In October 1937, 12 months before the crisis of appeasement, he sounded a first alarm. An emphatic speech delivered in Chicago called for the quarantining of all aggressors. People were absorbed in domestic affairs—they had not begun to think about their position in a world which was becoming dangerous.

It was not surprising this state of mind continued until the invasion of France and the Netherlands brought the realization of total war. Roosevelt knew that our globe is one world, and from the beginning he was prepared for the full implications of the truth.

A war Government in the United States is a stupendous structure, but the mind of Franklin D. Roosevelt ranged over the entire field of war production and management.

He chose his military leaders well and supported them with unswerving loyalty. Never in our history have our armies and fleets been so ably commanded from the very outset of war. President Roosevelt would have been the last to wish that anyone should assert that he was the author of our victories; but he made them possible through his wise choice of leaders, by his clear understanding of the basic principles of strategy and by his ability to mobilize behind the fighting forces the full resources of the American Nation.

It has been said that it was one of fate's most tragic ironies that Franklin D. Roosevelt was cast in the role of the supreme leader of the most powerful Nation the world had ever known, engaged in the most tremendous war in history. For he was a man who loved peace, who sought for his countrymen and his fellowmen of other nations peace, prosperity, brotherhood, and freedom.

The steps he took in building power for war were constantly accompanied by the clearest insistence upon the purpose of the war as the protection and fulfillment of the principles of democracy.

That insistence was the essence of the Four Freedoms attached to the lend-lease proposal of 1941. The same essential freedoms were fixed in the fighting purposes of Britain and America in the Atlantic Charter in 1941. In 1944 he advanced from freedoms to rights in the economic bill of rights which he embodied in his January message to Congress on the state of the Union. He repeated that bill of rights in his speech at Soldier Field, Chicago, October 28, 1944. It is worth remembering now:

The right of a useful and remunerative job in the industries or shops or farms or mines of the Nation;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;

The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;

The right of every famly to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment;

The right to a good education.

Franklin Delano Roosevelt is gone. But the task of facing the facts and preserving the legacy he gave the world is ours.

On this anniversary of his birth, may we look to his formulas which have inspired Americans to face realities for themselves and to shoulder their responsibilities fearlessly.

In 1956 Members of the Congress of the United States and all Americans would do well to linger on the wisdom of the words President Roosevelt spoke in 1945:

The creed of our democracy is that liberty is acquired and kept by men and women who are strong and self-reliant, and possessed of such a wisdom as God gives to mankind—men and women who are just and understanding and generous to others—men and women who are capable of disciplining themselves—for they are the rulers and they must rule themselves.

In his message to Congress January 7, 1943, he said:

It would be inconceivable—it would, indeed, be sacrilegious—if this Nation and the world did not attain some real, lasting good out of all these efforts and sufferings and bloodshed and death. The men in our Armed Forces want a lasting peace and, equally, they want permanent employment for themselves, their families and their neighbors when they are mustered out at the end of the war.

We fight to retain a great past—and we fight to gain a greater future. Today the United Nations are the mightiest coalition in history. They can and must remain united for the maintenance of the peace by preventing any attempt to rearm in Germany, in Japan, in Italy, or in any other nation that seeks to violate the 10th Commandment—"Thou shalt not covet."

In his speech accepting the Presidential nomination on July 11, 1944, he said:

To win this war wholeheartedly, unequivocally and as quickly as we can is our task of the first importance. To win this war in such a way that there be no further world wars in the foreseeable future is our second objective. To provide occupations, and to provide a decent standard of living for our men in the Armed Forces after the war, and for all Americans, are the final objectives.

And, in his last address to Congress, March 1, 1945, he said:

For the second time in the lives of most of us, this generation is face to face with the objective of preventing wars. To meet that objective, the nations of the world will either have a plan or they will not. The groundwork of a plan has now been furnished, and has been submitted to humanity for discussion and decision.

No plan is perfect. Whatever is adopted at San Francisco will doubtless have to be amended time and again over the years, just as our own Constitution has been.

I am confident that the Congress and the American people will accept the results of this conference as the beginning of a permanent structure of peace upon which we can begin to build, under God, that better world in which our children and grandchildren, yours and mine, the children and grandchildren of the whole world must live and can live.

In his fourth inaugural address on January 20, 1945, he said:

We have learned that we cannot live alone, at peace; that our own well-being is dependent upon the well-being of other nations, far away.

We have learned that we must live as men, and not as ostriches, nor as dogs in the manger.

We have learned to be citizens of the world, members of the human community.

We have learned the simple truth, as Emerson said that "the only way to have a friend is to be one."

We can gain no lasting peace if we approach it with suspicion and mistrust—or with fear.

We can gain it only if we proceed with the understanding and the confidence and the courage which flow from conviction.

In his message to Congress, January 1, 1939, he said:

The world has grown so small and weapons of attack so swift that no nation can be safe in its will to peace so long as any other powerful nation refuses to settle its grievances at the council table.

There comes a time in the affairs of men when they must prepare to defend, not their homes alone, but the tenets of faith and humanity on which their churches, their governments, and their very civilization are founded. The defense of religion, of democracy, and good faith among nations is all the same fight. To save one we must now make up our minds to save all.

In his address to the Democratic National Convention, July 9, 1940, he said:

We face one of the great choices of history.

It is not alone a choice of government by the people versus dictatorship.

It is not alone a choice of freedom versus slavery.

It is not alone a choice between moving forward and falling back.

It is all of these rolled into one.

It is the continuance of civilization as we know it versus the ultimate destruction of all that we have held dear—religion against godlessness; the ideal of justice against the practice of force; moral decency versus the firing squad; courage to speak out, and to act, versus the false lullaby of appeasement.

In Washington, D. C., October 24, 1934, he said:

I need not tell you that true wealth is not a static thing. It is a living thing made out of the disposition of men to create and to distribute the good things of life with rising standard of living. Wealth grows when men cooperate; but it stagnates in an atmosphere of misunderstanding and misrepresentation.

Here, in America, the material means are at hand for the growth of true wealth. It is in the spirit of American institutions that wealth should come as the reward of hard labor—hard labor, I repeat—of mind and hand. That is a pretty good definition of what we call the profit system. Its real fulfillment comes in the general recognition of the rights of each factor of the community.

It is not in the spirit of partisans, but it is in the spirit of partners, that America has progressed.

In our midst this day as a distinguished Member of this House from my native State of California sits JAMES ROOSEVELT, a distinguished son of the great American whose birthday we commemorate today. And because he is with us as a Member I relate an incident about him while his father, Franklin Delano Roosevelt, was President and while the Roosevelt family lived at the White House, as stated by Clark Kinnaird in his book, The Real F. D. R., and as published by the Citadel Press in 1945 at page 17 thereof the editor wrote:

In 1940, when demands rose within the party for him to run for a third term, JAMES ROOSEVELT was on the White House staff and was called in when the President asked his advisors to confer with him and submit reasons why he should run. When the conference was over, Jimmy said: "Are you trying to kill my father? No man can live through three terms in that job."

"Jimmy," said a conferee, "he's your father, but he belongs to the world."

There is other evidence that members of the family did not expect or want F. D. R. to submit to more than 8 years of the Presidency.

In his message to Congress January 4, 1935, he said:

The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

In his address at Dallas, Tex., June 12, 1936, he said:

The net result of monopoly, the net result of economic and financial control in the hands of the few, has meant ownership of labor as a commodity.

If labor is to be a commodity in the United States, in the final analysis it means we shall become a nation of boardinghouses instead of a nation of homes.

If our people ever submit to that, they will have said goodbye to their historic freedom. Men do not fight for boardinghouses. They will fight for their homes.

In his second inaugural address, January 20, 1937, he said:

Here is the challenge to our democracy: In this Nation I see tens of millions of its citizens—a substantial part of its whole population—who at this very moment are denied the greater part of what the very lowest standards of today call the necessities of life.

I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day.

I see millions whose daily lives in city and on farm continue under conditions labeled indecent by a so-called polite society half a century ago.

I see millions denied education, recreation, and the opportunity to better their lot and the lot of their children. I see millions lacking the means to buy the products of farm and factory and by their poverty denying work and productiveness to many other millions.

I see one-third of a nation ill-housed, ill-clad, ill-nourished.

In his speech at Chicago, October 28, 1944, he said:

I believe in free enterprise—and always have. I believe in the profit system—and always have. I believe that private enterprise can give full employment to our people. If anyone feels that my faith in our ability to provide 60 million peacetime jobs is fantastic, let him remember that some people thought the same thing about my demand in 1940 for 50,000 airplanes. I believe in exceptional rewards for innovation, skill, and risk-taking by business.

In his address at Roanoke Island, August 18, 1937, he said:

My anchor is democracy—and more democracy. And, my friends, I am of the firm belief that the Nation, by an overwhelming majority supports my opposition to the vesting of supreme power in the hands of any class, numerous but select.

I seek no change in the form of American Government. Majority rule must be preserved as the safeguard of both liberty and civilization.

Under it property can be secured; under it abuses can end; under it order can be maintained—and all this for the simple, cogent

reason that to the average of our citizenship can be brought a life of greater opportunity, of greater security, of greater happiness.

In his message to Congress, January 6, 1941, he said:

There is nothing mysterious about the foundations of a healthy and strong democracy. The basic things expected by our people of their political and economic systems are simple. They are:

Equality of opportunity for youth and for others.

Jobs for those who can work.

Security for those who need it.

The ending of special privilege for the few.

The preservation of civil liberties for all.

The enjoyment of the fruits of scientific progress in a wider and constantly rising standard of living.

And, in his address to Democratic Party workers October 5, 1944, he said:

The right to vote must be open to our citizens irrespective of race, color, or creed, without tax or artificial restriction of any kind. The sooner we get to that basis of political equality, the better it will be for the country as a whole.

The written record from all peoples and all nations of the world spoke eloquently in eulogies of this great American. But, perhaps the eulogy most frequently thought of as perhaps the greatest was by his great friend, Winston Churchill on April 17, 1945, in the House of Commons when Mr. Churchill was Prime Minister. At that time on the floor of the House of Commons Prime Minister Churchill said of him:

He was the greatest American friend we have ever known, and the greatest champion of freedom who has ever brought help and comfort from the new world to the old. I conceived an admiration for him as a statesman, a man of affairs, and as a war leader. I felt the utmost confidence in his upright, inspiring character and outlook, and a personal regard and affection beyond my power to express today. It is a loss, indeed a bitter loss, to humanity that these heartbeats are stilled forever.

Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EVINS. Mr. Speaker, although we are aware of the fact that Franklin Delano Roosevelt was one of the greatest Presidents this Nation has had—and one who stands revered throughout the free world—it is most interesting to note that in a recent impartial survey of the public and the press the three greatest Presidents were listed as Washington, Lincoln, and Franklin D. Roosevelt.

In the listing of our greatest Presidents the name of Franklin D. Roosevelt is invariably included. His place in our history as one of our greatest Presidents is clearly and unmistakably established.

From the tragic days of the depression, when farms were being foreclosed on every hand and businesses closing their doors, through victory in time of the greatest threat our Nation has known—in World War II—and into a period of stability and prosperity—the name of Franklin D. Roosevelt stands out. He lead our Nation in her most trying days and years into a brighter day of hope and well-being. He lifted the hopes not only of our Nation, but of the world and his place in history was never more deserved or earned.

Mr. BLATNIK. Mr. Speaker, I would like to join the other Members of the House of Representatives in paying tribute to the memory of a great and unforgotten American — Franklin Delano Roosevelt. It is fitting that on this anniversary of his birthday we should pay our respects to the man who, probably more than anyone else in our history, epitomized the strength and greatness of the American Nation. It was his own personal courage and vision which gave direction to a floundering ship of state in the dark days of the depression and which stood as a tower of strength during the war years.

Seldom has there been a man who knew and understood so well the common man and the role of the Federal Government in providing for his general welfare. It was Franklin Roosevelt's philosophy of government and politics which enabled the New Deal to help the American people pull themselves up from the mire of a depression. It was a philosophy which did not abhor government, but which saw in it a force for good rather than a mere necessary evil. It was this philosophy, coupled with unflinching courage in carrying out his program, that puts us in Franklin Roosevelt's debt forever. No one has put it better than one of his former political opponents, former Gov. Alf Landon, who said:

I think his greatest accomplishment was giving leadership to the awakening of the American people to a new sense of civic consciousness in dealing with the social and economic problems of an expanding, complex industrial society.

Not everyone agreed with Franklin Roosevelt's philosophy. Like every great man in history he was as well known for his enemies as for his friends. But in four unprecedented elections a hundred million of the latter outnumbered the former many fold. All the flowing words and phrases we can put forth today will never measure up to this tribute paid this man by the American people while he lived. They saw in him a leader embodying their hopes and dreams of a better life and a brighter tomorrow. The American people understood the man who wrote the day he died:

The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.

Neither the man who wrote them nor the works will ever be forgotten. There in a sentence is the greatness of Franklin Roosevelt; and in this Nation, as well. We would all do well to remember his last words and apply them to our considerations of the great domestic and foreign problems facing us today. Franklin Roosevelt's life is not a mere memory to be honored once a year. It is a guidepost lighting our way to a better and fuller life for all mankind.

Mr. CELLER. Mr. Speaker, on the birthday of Franklin Delano Roosevelt it would be well for all of us, regardless of political affiliation, to pause at this moment in our history and reflect upon the significant contributions he made; how he served his country in the dread times of depression and during the tragedy of the World War; how he gave courage to the people; and how, through that leadership, he saved the very structure of this country's democracy.

Today the country goes forward in the heritage bequeathed to us by his administration. Much of what was called heresy in his lifetime has now become unmistakably part of the American way of life. The bulk of the legislation enacted during his administration has remained on our books, regardless of the party in power.

He was loved throughout the world, and I recall, as do all of you, the grief, the personal grief, that shook the country and the friends of our country at his passing.

He preserved our traditions because he understood tradition, understood what is flexible and courageous, and that very flexibility and that very courage are the underlying principles which led us from the status of colonies to the stature of world leadership. And these are the qualities that bid us not to stand still, not to be fearful, but to move forward in keeping with the urgency of our needs.

Our country is stronger today because that solid foundation was reinforced by the vision and imagination and courage of Franklin Delano Roosevelt. No country's strength is built overnight. The testimony which demands we give honor to Franklin Delano Roosevelt is before us, the testimony of the fearful years when hunger and chaos threatened to engulf us and the testimony of the magnificent unity and power of the country in the conduct of war.

There is a memorial to Franklin Delano Roosevelt in the confidence with which this country can face the future. There is a memorial to Franklin Delano Roosevelt each time we recognize that there is nothing to "fear but fear itself."

Mr. RHODES of Pennsylvania. Mr. Speaker, I join my colleagues in paying tribute to our late beloved President, Franklin D. Roosevelt on this, the 74th anniversary of his birth.

It is difficult to measure in historical terms the extent of the great contribution which Franklin Roosevelt made to the welfare of the American people. We remember well his clear voice, reassuring us in the depths of depression and despair, urging all Americans to remain calm and steadfast in the belief that our shattered economy could be rebuilt from the ruin to which it had fallen in those days of crisis.

Under the leadership of Franklin Roosevelt, great social and economic reforms were established. Millions of Americans returned to their jobs. Our economy was rejuvenated. Emergency relief and public-works projects were set up. Social security and unemployment-compensation programs were enacted into law. Labor was given the right to organize and bargain collectively. A farm program was established. Securities and exchange practices were brought under public regulation. A reciprocal-trade

program and fair-labor standards legislation was enacted, along with many other milestones in his program to alleviate the effects of the depression. Franklin Roosevelt's dynamic New Deal program paved the way for a brighter and more secure future for all Americans.

As war clouds gathered in the world and dictators began their oppression of free peoples in other nations, Franklin Roosevelt took the necessary steps to prepare our Nation in the defense of our cherished way of life. His understanding and devotion to the needs and desires of our people during the depression was equaled by his courageous leadership of our country in time of war and international crisis. The combined strain of depression and war finally exacted its toll and Franklin Roosevelt succumbed prematurely on the eve of our triumphant victory over the forces of totalitarian aggression.

On this occasion we can best commemorate his birthday by rededicating ourselves to continue the fight for his timeless humanitarian goals of world peace and by renewing our efforts to achieve the objectives of full employment and economic abundance for the average American citizen whom Franklin Roosevelt loved and whose interests he so vigorously championed.

Mr. O'HARA of Illinois. Mr. Speaker, I join with my colleagues in tribute to one of the great men of history, a man whose courage and example will be remembered throughout the centuries. When Franklin Delano Roosevelt took the helm we were sailing in troubled waters which threatened us with shipwreck. He steered us into the calm sunlit waters of a new day.

Tonight throughout the Nation people will be gathering to pay tribute to his statesmanship as well as to that smiling indomitable courage which lifted him in his own life above physical handicap.

In life we followed him when he guided us from the darkness of the wilderness of despair into the sunlight of a new day. His spirit remains to inspire us to conquer new world dangers and to guide us through a maze of perplexities as we go on and on and on in the task of broadening the horizons for all mankind.

Mr. DOYLE. Mr. Speaker, I yield to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, as we study and view history, we find that there are two lines of outstanding personages recorded therein. One line of persons who have made great constructive contributions to the progress of mankind and whom I term the "constructive figures" in history, and the other line, those who are "destructive figures." The list is not so large either way, but it is a list that those of us who have studied history are aware exists. Those who have contributed, as history records to the progress of mankind, are the constructive figures, those who during their lifetimes gave leadership of progress of mankind and not of the destruction of mankind. And, among the great constructive figures of history is the immortal Franklin D. Roosevelt. Franklin D. Roosevelt's memory and spirit will always live. It will always live in the heart and mind of the average person, whether of our country or of any other country, because he symbolized those great things that epitomized the ideals of the average person. In my opinion, Franklin D. Roosevelt was one of the foremost constructive figures of the world's history and always will be. As the other day we paused to pay tribute to another one of our former late Presidents, William McKinley, so is it well that we pause today to pay tribute to not only one of our greatest Presidents but one of the greatest figures of all time in the known history of man, Franklin D. Roosevelt.

It was my pleasure to work shoulder to shoulder with him during the years that he was President of the United States. I did so because I believed in his philosophy.

His love of the average person was noticeable. I think the finest tribute that was paid him upon his death appeared in a newspaper, by some person unnamed, who said:

> He must have been a great man because, when I heard of his death, the tears came to my eyes.

So we pay tribute today to Franklin D. Roosevelt, the man. We pay tribute to his memory as Franklin D. Roosevelt, the President. Greater than that, we pay tribute to the memory of Franklin D. Roosevelt who will always be remembered in history as one of the greatest constructive figures of all time.

Mr. DOYLE. Mr. Speaker, I yield to the gentleman from Tennessee.

Mr. COOPER. Mr. Speaker, I deem it quite a distinguished honor to join with my colleagues in paying brief but very sincere tribute to the life, character, and public service of Hon. Franklin D. Roosevelt. It was my privilege to cherish a very warm friendship with him and to work very closely with him throughout his administrations. I believe it can be truly said that his heart beat in tune with the interest and the welfare of the masses of our people and that he enjoyed a degree of confidence, respect, and genuine affection of our people and the people throughout the world unsurpassed in the annals of history.

It is my conviction that when the historian comes to record the history of his administrations, and especially the historic 100 days at the beginning of his administration, there will be found more material out of which to fashion the history of this country than in any similar period in all time.

It was my privilege to attend many conferences with him and to observe the great courage and the matchless leadership that he exhibited on all occasions. I believe it can be truly said that he stood out in bold relief as one of the greatest statesmen of all time.

It is, indeed, fitting and proper that we should pause on this occasion, the anniversary of his birth, and pay brief and sincere tribute to his memory.

It was my privilege to be a member of the funeral committee that traveled with his remains to his last resting place in Hyde Park, one of the most beautiful places that I ever saw for the interment of a human being. One of the most impressive things to me was that on that long, all-night trip, at every crossroads, every village, every hamlet, every town, and every city, as that funeral train passed through, there were vast throngs of people standing there, openly weeping, as the remains of their friend passed by.

So it is fitting and proper that we should pay this brief tribute on this occasion.

Mr. DOYLE. Mr. Speaker, I yield to the gentleman from Georgia.

Mr. PRESTON. Mr. Speaker, 74 years ago there was born to a wealthy New York family a son. This lusty infant, born into the lap of luxury and reared in an atmosphere of abundance that is known to few of us, became in due course the foremost champion of the common man that this century has produced. Indeed, few men have been produced by any century who equal Franklin Delano Roosevelt, whose birthday we celebrate today.

I mention his wealthy heritage because it is rare that any individual who has been so far removed from want and need himself dedicates his life to improving the lot of the common man. We have all seen and heard scores of men who profess their deep concern for the rank and file, but none of us have seen any man accomplish for the poor, the oppressed, and the downtrodden what Franklin D. Roosevelt achieved.

How well do I remember the desperate plight of our Nation when his inspired hand took over the reins of our Government in 1933. How deeply is engraved on my mind the sight of the farmers and business people of my small Georgia town, who, in too many instances were unable to buy for their families the food they needed and the clothes they required to maintain a meager existence.

As a young lawyer, I was shocked at the seeming callousness of the foreclosures, the evictions, the dispossession of the people in my rural community. Verily, even hope was almost gone when on the steps of this same Capitol, this scion of great wealth took his solemn oath as President of this desperate Nation.

Of course, the Reconstruction Finance Corporation, the Federal Home Loan Bank Board, and other devices had been instituted in an effort to relieve the crisis that was shaking this Nation to its foundations. These institutions had been bailing out the great railroads, the banking empires, and other huge corporations, but the farmers, the homeowners, the small-business people, the investing public were without any semblance of shelter from the storm of adversity that crushed them to earth.

In a comparatively brief time, under the leadership of Franklin D. Roosevelt hope replaced fear and panic. Homes were saved, farms were restored. The farmers' income began to rise. People who for months had had no paycheck were given work.

The panic was gone. This Government's great energy was devoted to marshaling the country's vast resources

to heal the scars of the great depression that had threatened its very existence.

But neither my words, nor anyone's words, even though they be graven on stone will serve properly to honor this great American.

His works are his own most enduring memorial. Over this land stretch more than 4 million miles of REA power lines bringing blessed light and current to almost 20 million rural Americans. Without the inspired leadership of Franklin Roosevelt whose courage and vision inaugurated this vast movement to electrify rural America, our millions of countrymen would have been deprived of this blessing for added generations.

Today millions of Americans are enjoying a secure old age, reaping the benefits of the social-security system that was instituted by Franklin D. Roosevelt over the determined opposition of entrenched interests. These social-security benefits, made possible in large measure by the investment of the workers themselves of portions of their wages, dispel the specter of want that for so long haunted the great body of American workers.

Another segment of the population, the investing public is no longer subject to the marauding tactics of willful greed and avarice which fleeced so many thousands for so many years of their hard-earned savings. The Securities and Exchange Commission is another innovation of Franklin Roosevelt's administration. The bill creating this body was authored and sponsored by our distinguished Speaker, SAM RAYBURN. This significant law protects the investors from the conscienceless manipulations of a greedy few.

Let me mention just one more enduring stone in the lasting monument of achievement of Franklin D. Roosevelt. Today millions of Americans know their bank deposits are safe because the Federal Deposit Insurance Corporation guarantees the safety of these institutions. How swiftly did Franklin Roosevelt restore to this Nation its confidence in its banks which had been so badly shaken by the thousands of bank failures of the early thirties. The foundation stone of this serene confidence is the Federal agency which owes its being to Franklin Roosevelt's leadership.

We all know that during his lifetime and since his death malicious detractors have sought to blacken Franklin Roosevelt's name and memory. We also know that while this vitriol has stained the pages of many publications it has not in any lasting fashion scarred the monument of his achievement, nor for one passing moment clouded the clear image of his greatness engraved in the hearts of millions of grateful Americans.

Napoleon is reputed to have said:

> The memory of my 40 victories in battle will be forgotten, but my code Napoleon will live for 40 centuries.

Franklin Roosevelt, indeed, guided our imperiled Nation successfully through the most devastating war the world has ever known, a feat that history will most surely remember.

But it is my conviction that Franklin Roosevelt's most enduring memorial will always be found in the hearts of his grateful countrymen. A memory ever green, nurtured forever by the fruits of his splendid accomplishment in behalf of our so long forgotten man.

Mr. DOYLE. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, today is a memorable date. On this day, 74 years ago, Franklin Delano Roosevelt was born. Our country has been blessed with some great Presidents. Especially in our moments of crisis, providence has provided us with great men to guide us. There are true giants among our Presidents: Washington, who led our armies to victory and then accepted the unanimous call to the Presidency until the new Constitution was firmly established; Jefferson, the philosopher of democracy; and Jackson, who led the common people in their struggle. The emergence of a Lincoln during our greatest crisis, when the fabric of our national existence was almost rent in twain, encourages us to see a special destiny in our national life.

The man whose anniversary we honor today has taken his place securely among those great men in our history. He was inaugurated in the midst of the greatest peacetime crisis of our history, and he led us back into prosperity; he was President when the Nation was attacked by the greatest alliance of evil that had ever sought to enslave the world, and he became the architect of our victory. He died over 10 years ago, but the passage of time and the growth of historical perspective have not diminished his stature. No, the eulogies spoken when he died need no revision now; the passage of the years has only added to our certainty that 74 years ago today was born the greatest man of the 20th century.

Mr. Speaker, what shall I say of this man who guided the destinies of this Nation for a longer time than anyone in its history? Franklin Roosevelt gave us unprecedented executive leadership in peacetime and yet those years were unparalleled in legislative accomplishment. The years of Roosevelt's peacetime administrations witnessed the greatest transformation of the Nation's fortunes from ruin back to prosperity. On that March day, 23 years ago, when he was inaugurated, the country was paralyzed in the grip of a depression such as it had never experienced before. Twelve million were unemployed, farmers were ruined and daily being evicted from their land, business was at a standstill, banks were failing with dreadful regularity, the soup kitchens, the apple sellers, starvation, human misery on a scale so vast one can only shudder to remember it.

The Nation was on the brink of despair. The crisis was desperate and who can envisage the calamities that might have overtaken us if constructive measures to alleviate the Nation's plight had not been taken?

On inauguration day a new spirit came to America. The people had elected a fighter—a man not to be dismayed by disaster but rather to be encouraged and emboldened by it. As he had mastered the paralysis that had attacked him, through his own great courage and vigor, so now he summoned the Nation to do battle with the scourge with which it was afflicted. From his own spirit, he infused courage into the whole Nation.

Who can forget the new thrill of hope that coursed through the Nation when they heard the new President's words? Here was a man who would act—a man who would exhaust all his energies to alleviate the people's suffering. Those first 100 days showed the mettle and the spirit of the man. Much was done in haste but those days showed the philosophy of the man; Government was not going to stand by while the wealth of the Nation was dissipated. Business was to be revived, the farmer aided, labor be put back to work and given the opportunity to earn a fair wage. From that day on, there has no longer been a "forgotten man" in American society.

Those hundred days began a new era in American history. Since that time, President and Congress have accepted the responsibility for ensuring that the conditions for a sound economy exist. There were no antibusiness measures—far from it. The great achievement of the period was to create an economy in which free private enterprise could flourish. The permanent achievements of the Roosevelt administrations come from the legislation of a later period but they were the culmination of the spirit of 1933—of the spirit that tried to create a vigorous economy in which all would get their due reward.

The Roosevelt program of reform and recovery made immeasurable and permanent contributions to the American way of life. Who would turn back the clock to the days before social security? Who would deny to labor the just rights of collective bargaining? Who wishes to deprive the farmer of his fair share of the national income? Under Roosevelt's leadership an economy on the brink of ruin was converted into one in which free enterprise flourishes as in no other country in the world. We have our different party affiliations and differ amongst ourselves, as I hope we always will, yet there is much in that record that all of us regardless of party welcome as a blessing to all Americans.

Mr. Speaker, Franklin D. Roosevelt was a great leader but even more, he was a great democratic leader. In an age when economic chaos resulted in the subversion of democratic liberties in so many countries, he led us out of the chaos while strengthening our liberties. Reconstruction and reform did not come by executive fiat but by the constitutional process of legislation. The President proposed and persuaded, he could not command. He proposed measures the Congress did not like—and they were not passed. The triumph of Roosevelt's leadership was that it was based on toleration and consent, that it rested on persuasion and reason.

Those powers of persuasion I need not recall to you, Mr. Speaker, or to any of my colleagues here. Who can forget when he used to come into our living rooms in his fireside chats and tell us the situation and then convince us of our ability to master it. "We have nothing to fear but fear itself," is not an isolated text from one of his speeches—it is the

message that he gave to America. He taught us all the confidence that democratic government can master the dangers that attack it from within and without.

I have already said that Roosevelt was a great fighter. His first great victory was a personal one. With indomitable courage, he fought and conquered the dread disease that attacked him after he had already spent 10 years in the public service. After that he fought the public's battles. The same courage that supported him then, now became a constant inspiration to all others. During the days of the New Deal, he fought the great fight against poverty and destitution, but in the last years of his life, he led the Nation in an even greater struggle.

Roosevelt was a great peacetime President; he was an even greater wartime President. The President was a soldier in that fight as surely as the private in the ranks, and he was killed in that fight just as surely as so many other brave men.

The ordeal of preparation for the war was immense but the burden of decision was even greater. Our President is the Commander in Chief and he must bear the final responsibility for those agonizing decisions that launch the great campaigns—and send so many to their death. Roosevelt never shrank from the decision but the toll of suffering that it caused to a man of his warm humanity is unimaginable.

He led us to the dawn of victory but he was not spared to see the day of peace. He was a fighter to the end and only death itself could call him from the struggle.

Mr. Speaker, my words can never adequately express the debt that this Nation owes to Franklin Delano Roosevelt nor is it possible for me to depict in full the regard which this country felt for him. But on this, the anniversary of his birth, it is fitting that we remember him and try to express our gratitude that in its days of crisis, in war and in peace, America had such a man to lead it. Franklin Roosevelt came of patrician stock but he loved the common people even as they loved him. Throughout his long years of public service, through three full terms as President and for part of a fourth, he fought with all his great courage and strength for right and decency. The years have cooled the heat of partisan passion that used to envelop his name and now all of us can rejoice in the good fortune that gave to America a Franklin Delano Roosevelt.

AMENDING THE SMALL BUSINESS ACT OF 1953

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (H. R. 7871) to amend the Small Business Act of 1953, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1685)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7871) to amend the Small Business Act of 1953, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That subsection (b) of section 204 of the Small Business Act of 1953, as amended, is hereby amended to read as follows:

"'(b) The Administration is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of $375,000,000 outstanding at any one time. For this purpose appropriations not to exceed $375,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in section 207 (a), (b) (1), (b) (2), and (b) (3). Not to exceed an aggregate of $150,000,000 shall be outstanding at any one time for the purposes enumerated in section 207 (a). Not to exceed an aggregate of $125,000,000 shall be outstanding at any one time for the purposes enumerated in section 207 (b) (1). Not to exceed an aggregate of $100,000,000 shall be outstanding at any one time for the purposes enumerated in section 207 (b) (2) and (b) (3). The Administration shall pay into miscellaneous receipts of the Treasury at the close of each fiscal year, interest on the net amount of the cash disbursements from such advances at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities.'

"SEC. 2. The proviso in paragraph (1) of subsection (b) of section 207 of the Small Business Act of 1953, as amended, is hereby amended to read as follows: '*Provided*, That no such loan including renewals and extensions thereof may be made for a period or periods exceeding twenty years: *And provided further*, That the interest rate on the Administration's share of loans made under this paragraph shall not exceed 3 per centum per annum;'

"SEC. 3. (a) Subsection (b) of section 207 of the Small Business Act of 1953, as amended, is hereby further amended (1) by striking the word 'and' which follows the semicolon at the end of the paragraph (3); (2) by striking the period at the end of paragraph (4) and inserting in lieu thereof '; and'; and (3) by adding at the end of such subsection a new paragraph as follows:

"'(5) to further extend the maturity of or renew any loan made pursuant to this section, beyond the periods stated therein, or any loan transferred to the Administration pursuant to Reorganization Plan Numbered 2 of 1954, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan.'

"(b) Subsection (f) of section 207 of such Act is hereby repealed."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH GAMBLE,
HENRY O. TALLE,
Managers on the Part of the House.

WAYNE MORSE,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
HERBERT LEHMAN
By WAYNE MORSE,
IRVING IVES
By WAYNE MORSE,
J. GLENN BEALL,
FREDERICK PAYNE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7871) to amend the Small Business Act of 1953 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying and clerical changes, the following statement explains the differences between the House bill and the substitute agreed to in conference:

INCREASED AUTHORIZATION FOR DISASTER LOANS

The Small Business Act now authorizes the Small Business Administration to make business loans up to $150,000,000 outstanding at any one time and disaster loans up to $25,000,000 outstanding at any one time. The House bill continued the existing separate limitations for business loans and disaster loans and raised the authorization for disaster loans to $125,000,000. The Senate amendment merged the two loan authorizations and raised the combined limit for business and disaster loans by $35,000,000. The Senate recedes and the conference agreement follows the provisions of the House bill. Because of the many differences between the disaster-loan program and the regular small-business-loan program, the conferees agreed to continue the separate authorizations, and thus emphasize that the regular small-business program should be vigorously pursued, independently of the needs for disaster loans.

MAXIMUM MATURITY FOR DISASTER LOANS

Under the Small Business Act the maximum maturity is fixed at 10 years for all disaster loans except for certain types of home loans which may have maturities up to 20 years. The Senate amendment authorized the Small Business Administrator to make disaster loans of all types up to terms of 20 years. The House bill contained no corresponding provision. The House recedes and the conference substitute follows the language of the Senate amendment in this respect. The committee of conference does not expect that all disaster loans will be made with a term of 20 years. However, the committee believes that in many cases a term longer than 10 years might be desirable for disaster business loans as well as home loans and in such cases a 20-year maximum term should be available under the statute.

INTEREST RATES ON DISASTER LOANS

The Senate amendment contained a provision clarifying the Small Business Act as

to interest rates on the Federal share of disaster loans under the Act. The amendment makes no change in the existing practice of SBA as to interest rates on this Federal share. It fixes the maximum interest rate at 3 percent on SBA direct disaster loans and on SBA's share of disaster loans made in participation with private lenders, including deferred participation loans. For example, on a deferred participation loan of $1,000, SBA might agree to assume $500 of the loan if requested to do so by the lender. The maximum interest rate on this $500 portion would be 3 percent. The House bill contained no corresponding provision. The House recedes, and the conference substitute includes this provision of the Senate amendment. The committee of conference, in applying the 3 percent maximum interest rate only to SBA's portion of disaster loans, does so with the understanding that private lenders will be permitted to participate in such loans at interest rates in excess of 3 percent only in those unusual cases where such participation will be advantageous to the borrower.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH GAMBLE,
HENRY O. TALLE,
Managers on the Part of the House.

Mr. TALLE. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Iowa.

Mr. TALLE. Is it not true that this is a unanimous report?

Mr. SPENCE. Yes.

Mr. TALLE. It was a most amicable conference. Will the chairman of the Banking and Currency Committee summarize the proceedings?

Mr. SPENCE. It is a unanimous report. It is substantially the bill that was messaged to the Senate. The House of Representatives separated the authority of the Small Business Administration to make loans to small business and to make disaster loans. The Senate bill merged them. In conference the conferees on the part of the Senate agreed to the House provision.

The House bill increased the authority to make disaster loans from $25 million to $125 million. The Senate increased the authority by $35 million. The Senate receded on that point and agreed to the House version.

The Senate amendment made it definite and certain that the interest rate should not be more than 3 percent on the Government share of the loan. The managers on the part of the House agreed.

The present law provides that the ordinary disaster loans shall be for not more than 10 years, but that on home loans the maturity may be increased to 20 years. The Senate bill provided that all types of disaster loans may have a maturity not greater than 20 years. The House accepted that. Substantially, I may say, the House bill is the bill which was messaged to the Senate with these few exceptions. The House passed it unanimously; and I assume the House will pass the report unanimously today.

Mr. TALLE. Mr. Speaker, the minority merely desires to state that the gentleman from Kentucky [Mr. SPENCE] has given a true summary of what occurred at the conference last Friday afternoon. I may add that all of the House conferees were eager to preserve the principle of separation of the two kinds of loans, and under the provisions of the conference report they will be independent. That principle was approved in the House bill, and it was sustained by a unanimous vote of the conferees.

Mr. SPENCE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the chairman of the Committee on Interstate and Foreign Commerce, the gentleman from Tennessee [Mr. PRIEST], be given until midnight to file a report on the bill (H. R. 8704) for the extension of the Poliomyelitis Vaccination Assistance Act of 1955, together with the additional views of the gentleman from Massachusetts [Mr. HESELTON] thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ARMS FOR ISRAEL

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I am putting in the Appendix of the daily RECORD today the text of a statement on arms for Israel issued by Mrs. Franklin D. Roosevelt on her own behalf and on behalf of President Harry S. Truman, and on behalf of Walter P. Reuther, vice president of the American Federation of Labor and Congress of Industrial Organizations. I commend it to the attention of our colleagues and suggest that if they concur in these sentiments to make it known to our President and our Secretary of State who will be meeting today, and probably the rest of the week, with the Prime of Minister of Great Britain. He is the same gentleman who in 1932, 1934, 1935, 1936, and 1938 helped make British foreign policy, which contributed more than any other single factor to bringing on World War II. Whatever he suggests now must be most carefully examined lest it carry us over the brink and into world war III.

SITUATION IN THE MIDDLE EAST

Mr. RODINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, we can do much to insure the peace of the world by bringing about a solution to the explosive problem confronting us in the Middle East. We must be realistic—we must be firm for the threat to peace in the Middle East is not an isolated one—instead it spreads out as a threat to world peace. The pouring of Communist arms into this area is but another means of infiltration to spread communism—to enlist supporters who will carry out Moscow's orders—a diabolical Communist maneuver to upset the precarious balance of power in this area. The United States must restate and implement its basic principles in such a way that there can be no uncertainty as to where it stands.

The State of Israel has committed itself to the practice and defense of democracy. It has demonstrated as an historical fact that a people inspired with a belief can with human skill and perseverance make grow from the desert a nation that stands as a stronghold of democracy. The United States, which was the first Government to give Israel recognition, has long declared its firm friendship for Israel. Now we must recognize the State of Israel is fighting for survival—that this is a threat to the peace of the world.

There are two steps we should take: First, assist with defensive arms to Israel so that her people may not be exposed to imminent annihilation; second, offer formal security treaties to each of the nations in that area. A security pact with each of the Arab States would assure them that there will be no aggressive war waged by the State of Israel. Similarly, a security pact with Israel would assure her against attack from any of her neighbors. In this way, these nations committed to preserving the peace may peacefully build their economies—and the peace of the world will be strengthened.

TARIFFS AND TRADE TREATIES

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time for the purpose of informing my colleagues that later during the session today I have a special order for 40 minutes. I am taking a few minutes of that time to insert in the RECORD the detail of what constitutes the General Agreement on Tariffs and Trade Treaties in Geneva; also the new set-up known as the Office of Trade Cooperation that will be placed before us at this session of Congress. I acquired this information at considerable cost to myself, and I would appreciate it if every Member of the Congress would read this, because I think he should know just ex-

actly what is comprised in these two groups. If after you have studied this you are still willing to surrender the constitutional authority of Congress to control trade treaties, then there is nothing further the gentleman from West Virginia can do about it. I shall, of course, continue to oppose the surrender of the rights of the Congress.

HON. E. T. BENSON, SECRETARY OF AGRICULTURE

Mr. METCALF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, on July 8, 1953, I addressed a letter to the Secretary of Agriculture. It was my desire to call to his personal attention a loyalty case—a case in which in my opinion there was a grave miscarriage of justice.

Under date of July 21, 1953, I received a reply from the Department of Agriculture signed E. T. Benson, Secretary:

> I also have reviewed our file—

The letter read. At another point, there was this phrase:

> I can find no basis for reversing it—

"It" meaning the decision.

The letter also said:

> The record in this case is voluminous. It includes investigative reports in addition to transcripts of hearings.

When I read the transcript, I could not find any basis for the decision of the Loyalty Review Board. I disapproved of basing the action of the Board on investigative reports, the contents of which were not revealed to the accused or his counsel; but there was some consolation in the statement that Mr. Benson had read some evidence that convinced him that the decision was correct.

Events of the past few days, however, have made me doubt even this. I refer to the letter to Harper's magazine, signed with the name of the Secretary of Agriculture, who wrote:

> I have read the article with a great deal of interest. It is excellent.

This is the article which insults every farmer in America.

Last Friday, Mr. Benson said:

> The article was sent into my office, but in the rush of my duties I did not see it. The letter was signed with my name by an assistant, who has this authority for occasional routine acknowledgments.

Since Mr. Benson had not read the Harper's article and did not sign that letter which bore his name, perhaps he did not read the record in the case I have cited. Therefore, I have written him, asking if he read the record in the case I wrote him about and if he signed the letter to me.

Mr. HOFFMAN of Michigan. If you keep writing him how do you expect him to read them all?

The SPEAKER. The time of the gentleman from Montana has expired.

SECRETARY BENSON'S APOLOGY

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, in order that we may keep the record straight relative to the publicized so-called apology of the Secretary of Agriculture, let me say that last Friday when he told the world that he had not signed a letter that appeared in Harper's magazine, that he had not read the article, and so forth, I just want the record to show that the apology did not come until after the heat got hot last Friday afternoon, and at the request of members of his own party.

I have in my hand here a copy of a publication circulated in the Department of Agriculture, sometimes called the Green Hornet. This was published last Thursday morning, when it was generally circulated throughout the Department of Agriculture. The Secretary at that time had notice of the fact that I had called his attention on Wednesday to the article which appeared in the December issue of Harper's; I also called attention to the letter which bore his name which appeared in the February issue of Harper's. He did not take the opportunity to offer that apology on Wednesday; he did not offer the apology on Thursday; he did not offer the apology on Friday morning; he did not offer it until Friday afternoon when the heat got hot, when even members of his own party in Congress called for his resignation.

Then he came through with the apology.

It is the same old story, Mr. Speaker. Not until he is forced into a corner from which there is no escape does the Secretary come forth with a so-called apology which no one can construe as being made voluntarily.

The Secretary is quoted now as saying that he does not endorse the article which appeared in the December issue of Harper's. But regardless of who wrote or who signed the letter which appeared over his name saying that "It is excellent," there appears to be no question that it was written in the Secretary's office. Despite the fact that the Secretary has written, "Of course, the contents of the article as reported to me by my staff does not in the slightest reflect by views," must we not assume that both his actions and his expressions within the sanctity of his private office, have caused his associates and personal employees to believe that the article did express his true views?

I will be looking forward to the "Letters to the Editor" in the March issue of Harper's.

THE PRESIDENT'S REPLY TO THE RUSSIAN OVERTURES

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, I rise to express my appreciation, my public appreciation, of the letter sent by the President of the United States in reply to the letter of the Premier of the Soviet Union.

The President made a very complete statement of facts as to why the United States could not, and should not, enter into any 20-year agreement with Soviet Russia. I am glad the President expressed all the reasons. Again I want to commend very highly, and I am sure the American people thoroughly agree with it, that paragraph of the President's letter wherein he said that the only way Soviet Russia can express her sincerity is not by words but by deeds and by actions.

I go further and say that the only way they can express to the United States and to the world that they are interested in peace is to release from behind the Iron Curtain all of those nations that are now in slavery under the Communist yoke, and take steps for the unification of Germany.

I know the American people will applaud and uphold the President in his position.

SIGNED AND UNSIGNED LETTERS

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, while we are talking about letters that were signed and unsigned, I am sure this is not limited to either side of the aisle.

I recall receiving a letter from former President Harry Truman in which he expressed to me the thought that the Marine Corps had a propaganda machine equal to that of Stalin's but that it was going to remain the police force of the Navy as long as he was President of the United States. However, before he retired as President of the United States he signed a bill which gave the Marine Corps equal status on the Joint Chiefs of Staff, which was the subject of the letter I wrote to him.

So the question of signed or unsigned letters is not limited to either party. That was one letter I am sure former President Truman regretted he ever signed.

I am sure most of the Members of the House remember former President Truman's letter to me which follows:

> THE WHITE HOUSE,
> *Washington, August 29, 1950.*
>
> Hon. GORDON L. McDONOUGH,
> *House of Representatives,*
> *Washington, D. C.*
>
> MY DEAR CONGRESSMAN McDONOUGH: I read with a lot of interest your letter in regard to the Marine Corps. For your information the Marine Corps is the Navy's police force and as long as I am President that is what it will remain. They have a propaganda machine that is almost equal to Stalin's.

Nobody desires to belittle the efforts of the Marine Corps but when the Marine Corps goes into the Army it works with and for the Army and that is the way it should be.

I am more than happy to have your expression of interest in this naval military organization. The Chief of Naval Operations is the Chief of Staff of the Navy of which the Marines are a part.

Sincerely yours,

HARRY S. TRUMAN.

RELIEF FROM TAXES ON GASOLINE AND SPECIAL FUELS USED ON FARMS

Mr. RAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAY. Mr. Speaker, when H. R. 8780 comes before the House today under suspension of the rules, the time for debate will be very short. Therefore, I have asked this opportunity to state my views.

H. R. 8780 is presented because many people engaged in farming, particularly those whose farm operations are on a relatively small scale, are in a distressed economic condition and must have immediate help. The ones we hear most about are engaged in the kinds of farming to which price supports and production controls apply. In a very real sense, therefore, the Federal Government has some responsibility for their plight. The loss of revenue which the Government will suffer if this bill becomes law has been covered in the budget now before us.

I will vote for the bill as an emergency measure.

But H. R. 8780 gives substantial tax relief to all engaged in farming. The larger the farming operation carried on by an individual, the more gasoline and so forth he will use and the larger will be his tax benefit. Conversely, the man whose farming operations are on a relatively small scale will get correspondingly small benefits.

There are many prosperous farmers. It is my understanding that most of the prosperous farmers are to be found among those who do not get subsidies, who are not subject to acreage or other production controls and who can take pride in standing on their own feet. Under this bill, those prosperous farmers will get relief which they do not need and, as far as I know, have not asked for. The ones who need help may not get enough but what they do receive will, by reason of the concessions made to those who do not need them, be very costly to the Public Treasury. H. R. 8780 should be regarded as stopgap rather than permanent legislation.

Mr. Speaker, it is high time that the whole farm program be brought into proper perspective, that the Government confine its help to those who need and deserve help, and that it cease making donations to those who do not need help. Such action would go far to avoid the accumulation of surpluses, it would permit the elimination of many of the troublesome controls which still continue, and it would reintegrate farming in the country's free enterprise system.

SECRETARY OF AGRICULTURE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I want to be helpful if I may. If the Secretary of Agriculture is a fast reader, and I assume he is, and if he read 24 hours each day, I wonder if he could personally read all the mail that comes to him. Along the line of trying to be helpful, if our Democratic friends would not find so much fault with the Secretary, he would have more time to read more letters himself, but you keep him so busy all the time with your complaints, and in that criticism you were joined by a couple of Members in the other body who belong to our party. They sure got on the ball quickly, those two gentlemen, suggesting that he resign. I cannot appreciate that. But, keep it in mind, will you, please, not to find fault with the Secretary all the time, if he, just as you and I, delegate some of his duties, and when a mistake is made, he accepts responsibility and apologizes. It is difficult for some to appreciate a frank, honest official.

GALLANTRY

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I, too, want to be helpful. It seems to me that one issue has been overlooked in the discussion of Secretary Benson's letter, and that is the issue of gallantry. I was brought up to believe that a man kept his mouth shut unless there was something about a woman that he could say in a complimentary sense. Now, why was it necessary to pin the blame for Mr. Benson's self-confessed boner on a poor little woman?

FORMER PRESIDENT TRUMAN

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, I do not know whether I want to be helpful or not. I have not made up my mind about that yet. The gentleman who a few minutes ago was down to this mike was recalling a letter that President Truman, of Missouri, signed and then later signed a bill that was at variance with that letter. That is probably true because the man who made that statement is a very truthful man. But I am sure of one thing. If Harry Truman ever signed a letter that came out with his signature affixed to it, he has never and never will deny signing that letter nor deny a knowledge of the contents of that letter, and he will never hide behind an office force and try to make the people that work for him responsible for the things he did himself. I am sure that that has never happened and will never happen.

TAXES ON GASOLINE AND SPECIAL FUELS USED ON FARMS

Mr. COOPER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 8780) to amend the Internal Revenue Code of 1954 to relieve farmers from excise taxes in the case of gasoline and special fuels used on the farm for farming purposes.

The Clerk read as follows:

Be it enacted, etc.—

SECTION 1. Relief from excise tax on gasoline.

Subchapter B of chapter 65 of the Internal Revenue Code of 1954 (rules of special application for abatements, credits, and refunds) is amended by renumbering section 6420 as 6421 and by inserting after section 6419 the following new section:

"SEC. 6420. Gasoline used on farms.

"(a) Gasoline: If gasoline is used on a farm for farming purposes, the Secretary or his delegate shall pay (without interest) to the ultimate purchaser of such gasoline the amount determined by multiplying—

"(1) the number of gallons so used, by

"(2) the rate of tax on gasoline under section 4081 which applied on the date he purchased such gasoline.

"(b) Time for filing claim; period covered: Not more than one claim may be filed under this section by any person with respect to gasoline used during the 1-year period ending June 30 of any year. No claim shall be allowed under this section with respect to any 1-year period unless filed on or before September 30 of the year in which such 1-year period ends.

"(c) Meaning of terms: For purposes of this section—

"(1) Use on a farm for farming purposes: Gasoline shall be treated as used on a farm for farming purposes only if used (A) in carrying on a trade or business, (B) on a farm situated in the United States, and (C) for farming purposes.

"(2) Farm: The term 'farm' includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

"(3) Farming purposes: Gasoline shall be treated as used for farming purposes only if used—

"(A) by any person in connection with cultivating soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife;

"(B) by the owner, tenant, or operator of a farm, in handling, drying, packing, grading, or storing any agricultural or horticultural commodity in its unmanufactured state; but only if such owner, tenant, or operator produced more than one-half of the commodity

which he so treated during the period with respect to which claim is filed;

"(C) by the owner, tenant, or operator of a farm, in connection with—

"(i) the planting, cultivating, caring for, or cutting of trees, or

"(ii) the preparation (other than milling) of trees for market,

incidental to farming operations; or

"(D) by the owner, tenant, or operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment.

"(4) Gasoline: The term 'gasoline' has the meaning given to such term by section 4082 (b).

"(d) Exempt sales; other payments or refunds available: No amount shall be paid under this section with respect to any gasoline which the Secretary or his delegate determines was exempt from the tax imposed by section 4801. The amount which (but for this sentence) would be payable under this section with respect to any gasoline shall be reduced by any other amount which the Secretary or his delegate determines is payable under this section, or is refundable under any provision of this title, to any person with respect to such gasoline.

"(e) Applicable laws:

"(1) In general: All provisions of law including penalties, applicable in respect of the tax imposed by section 4081 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds of overpayments of the tax so imposed.

"(2) Examination of books and witnesses: For the purpose of ascertaining the correctness of any claim made under this section or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(3) Fractional parts of a dollar: Section 7504 (granting the Secretary discretion with respect to fractional parts of a dollar) shall not apply.

"(f) Regulations: The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

"(g) Effective date: This section shall apply only with respect to gasoline purchased after December 31, 1955.

"(h) Cross references:

"(1) For exemption from tax in case of diesel fuel and special motor fuels used on a farm for farming purposes, see section 4041 (d).

"(2) For civil penalty for excessive claim under this section, see section 6675.

"(3) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to claims, other offenses, and forfeitures)."

SEC. 2. Relief from taxes on diesel fuel and special motor fuels.

(a) (1) Section 4041 of the Internal Revenue Code of 1954 (relating to excise taxes on diesel fuel and special motor fuels) is amended by adding at the end thereof the following new subsection:

"(d) Exemption for farm use:

"(1) Exemption: Under regulations prescribed by the Secretary or his delegate—

"(A) no tax shall be imposed under subsection (a) (1) or (b) (1) on the sale of any liquid sold for use on a farm for farming purposes, and

"(B) no tax shall be imposed under subsection (a) (2) or (b) (2) on the use of any liquid used on a farm for farming purposes.

"(2) Use on a farm for farming purposes: For purposes of paragraph (1) of this subsection, use on a farm for farming purposes shall be determined in accordance with paragraphs (1), (2), and (3) of section 6420 (c)."

(2) The amendment made by paragraph (1) shall take effect on the day after the date of the enactment of this act.

(b) (1) Section 6416 (b) (2) (C) of such code (relating to credit or refund of overpayment of tax on special fuels) is amended to read as follows:

"(C) In the case of a liquid taxable under section 4041, sold for use as fuel in a diesel-powered highway vehicle or as fuel for the propulsion of a motor vehicle, motorboat, or airplane, if (i) the vendee used such liquid otherwise than as fuel in such a vehicle, motorboat, or airplane or resold such liquid, or (ii) such liquid was (within the meaning of paragraphs (1), (2), and (3) of section 6420 (c)) used on a farm for farming purposes;".

(2) The amendment made by paragraph (1) shall apply with respect to liquid sold after December 31, 1955.

SEC. 3. Civil penalty for excessive claims for gasoline used on farms.

Subchapter B of chapter 68 of the Internal Revenue Code of 1954 (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"SEC 6675. Excessive claims for gasoline used on farms.

"(a) Civil penalty: In addition to any criminal penalty provided by law, if a claim is made under section 6420 (relating to gasoline used on farms) for an excessive amount, unless it is shown that the claim for such excessive amount is due to reasonable cause, the person making such claim shall be liable to a penalty in an amount equal to whichever of the following is the greater:

"(1) Two times the excessive amount; or

"(2) $10.

"(b) Excessive amount defined: For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which—

"(1) the amount claimed under section 6420 for any period, exceeds

"(2) the amount allowable under such section for such period.

"(c) Assessment and collection of penalty:

"For assessment and collection of penalty provided by subsection (a), see section 6206."

SEC. 4. Technical amendments.

(a) (1) Subpart A of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to excise tax on gasoline) is amended by adding at the end thereof the following new section:

"SEC. 4084. Relief of farmers from tax in case of gasoline used on the farm.

"For provisions to relieve farmers from excise tax in the case of gasoline used on the farm for farming purposes, see section 6420."

(2) The table of sections for such subpart A is amended by adding at the end thereof the following:

"SEC. 4084. Relief of farmers from tax in case of gasoline used on the farm."

(b) (1) Subchapter A of chapter 63 of such Code (relating to assessment) is amended by renumbering section 6206 as 6207 and by inserting after section 6205 the following new section:

"SEC. 6206. Special rules applicable to excessive claims under section 6420.

"Any portion of a payment made under section 6420 which constitutes an excessive amount (as defined in section 6675 (b)), and any civil penalty provided by section 6675, may be assessed and collected as if it were a tax imposed by section 4081 and as if the person who made the claim were liable for such tax. The period for assessing any such portion, and for assessing any such penalty, shall be 3 years from the last day prescribed for the filing of the claim under section 6420."

(2) The table of sections for such subchapter A is amended by striking out

"SEC. 6206. Cross references."

and inserting in lieu thereof

"SEC. 6206. Special rules applicable to excessive claims under section 6420.

"SEC. 6207. Cross references."

(c) The table of sections for subchapter B of chapter 65 of such Code is amended by striking out

"SEC. 6420. Cross references."

and inserting in lieu thereof the following:

"SEC. 6420. Gasoline used on farms.

"SEC. 6421. Cross references."

(d) Section 6504 of such Code (cross references for limitations on assessments) is amended by adding at the end thereof the following:

"(13) Assessments to recover excessive amounts paid under section 6420 (relating to gasoline used on farms) and assessments of civil penalties under section 6675 for excessive claims under section 6420, see section 6206."

(e) Section 6511 (f) of such Code (cross references for limitations on credit or refund) is amended by adding at the end thereof the following:

"(5) For limitations in case of payments under section 6420 (relating to gasoline used on farms), see section 6420 (b)."

(f) Section 6612 (c) of such Code (cross references for restrictions on interest) is amended by striking out "and" before "6419" and by inserting before the period at the end thereof the following: ", and 6420 (relating to payments in the case of gasoline used on the farm for farming purposes)."

(g) The table of sections for subchapter B of chapter 68 of such Code is amended by adding at the end thereof the following:

"SEC. 6675. Excessive claims for gasoline used on farms."

(h) Section 7210 of such Code (relating to failure to obey summons) is amended by striking out "sections 7602," and inserting in lieu thereof "sections 6420 (e) (2), 7602,".

(i) Sections 7603 (relating to service of summons), 7604 (relating to enforcement of summons), and 7605 (relating to time and place of examination) of such Code are each amended by striking out "section 7602" wherever it appears and inserting in lieu thereof "section 6420 (e) (2) or 7602."

The SPEAKER. Is a second demanded?

Mr. REED of New York. Mr. Speaker, I demand a second.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may be permitted to extend their remarks in the RECORD on the pending bill before the vote is taken.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, while it is possible that some of my remarks that will follow may be critical of the Eisenhower farm program in general, I would like to assure the distinguished membership of this august body that I rise in support of the legislation pending before us at this time.

H. R. 8780, as explained by our beloved chairman, the Honorable JERE COOPER, of Tennessee, and others who have preceded me in addressing the House today, would provide tax relief to the farmers from excise taxes imposed on gasoline and special fuels when these fuels are used on the farm for farming purposes.

This legislation was endorsed in principle in the President's farm message as presented to the Congress on January 9, 1956. However, it is significant to note that one of my very able and distinguished colleagues on the Committee on Ways and Means, the Honorable A. SIDNEY HERLONG, of Florida, had a proposal similar in purpose pending before the committee since March 10, 1955. His legislation, H. R. 4804, was never reported on by the Treasury Department despite the fact that such a request for a report was made by the committee on March 25, 1955.

We should not fool ourselves into thinking that we are solving the Republican farm problem by the enactment of this measure. The total revenue loss to the Federal Treasury from the bill is estimated to be $60 million per year. Treasury officials advise us that they anticipate 5 million claims for refund will be filed as a result of this refund procedure. By simple arithmetic you can arrive at a very small average annual refund that might result. But the relief is even more distorted than that when it is realized that many of our small farmers do not own mechanical equipment used on the farm that consume either gasoline or special fuels. Therefore, I suggest that while some farmers will realize no gain from this provision, the large corporation farm may realize another Republican windfall.

I do not quarrel with any economic relief that might be granted to any farmer. We all recognize that little benefit has befallen our American agriculture since the Eisenhower administration took office. The Democrats are anxious to do everything possible to assist the small farmer, the medium size farmer and the big farmer in their present Republican plight. We Democrats want to restore to our entire farm population the prosperity and economic well-being that was enjoyed by that important segment of our economy under Democratic administrations. I would suggest that the time is long overdue for the Congress to relieve the American farmer of the shackles of the "dynamic conservatism" for agriculture that has been imposed upon him to his economic detriment by the Eisenhower administration.

My congressional district is essentially industrial in character. The people I represent come from the factory, the shop and the store but like the farmer they are Americans who work with their hands and with their minds. They join me in realizing that the farmer's economic well-being means their economic well-being. For that reason I have always supported forward-looking farm legislation because I knew that my vote was not only a vote for my constituents but also a vote for the economic integrity of America.

I believe it important, Mr. Speaker, that we make it clear that by granting this tax relief to agriculture we are giving no suggestion of endorsing the principle of earmarking funds so that Federal revenues derived from highway uses would be solely used for highway purposes. I believe it would be dangerous if an inference should be drawn from this legislation that the Congress intends such an implication of earmarking. Rather than being intended as earmarking legislation, this measure has been favorably reported to the House by the Committee on Ways and Means to partially relieve the farmer from the price-cost squeeze that has been imposed upon him by the irresponsible and short-sighted Republican farm program.

It is my hope, Mr. Speaker, that the Eisenhower administration will see fit to support other meritorious tax legislation that will grant more substantial tax relief to not only our American farmers but to all our American taxpayers. It is essential that such tax reduction, particularly granting relief to low-income taxpayers, be enacted during this session of Congress so as to restore balance to the Federal tax burden borne by our citizens. This balance was distorted by the tax cuts given primarily to corporations and to high-income families during the Republican 83d Congress. I would suggest to the responsible fiscal officials of the Eisenhower administration and to my colleagues in the House that tax reduction which would restore our taxing system to the principle of taxation according to ability to pay is long overdue. In the meantime, I support the enactment of H. R. 8780.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I hope there will be no opposition to this bill. The American farmer is suffering from what is probably the worst farm depression since the early thirties. The exemption of fuel used on the farm from Federal gasoline taxes will lower the cost of farm production very little, but in the light of the farmers' present plight, he needs all the help he can get.

Mr. Speaker, many suggestions have been advances for alleviating the farm situation which is admittedly drastic. Last year, the House passed legislation restoring a fixed 90 percent parity support for basic commodities. Should this bill pass the other body and become law, I am certain it will be of a great deal of help to the farmer.

There is no need to deceive ourselves, however, into believing that any domestic program we may adopt will be the answer to our problem. If we are to solve this crisis, we are going to have to recapture our world markets which we have lost through vacillating foreign policies. We will never recapture our world markets until we wake up to the fact that we are subsidizing our foreign competitors with our tax money. American farmers are being taxed to subsidize their competitors all over the world. Such inane policies are slowly but surely driving our farmers out of business.

The time has come to face up to the facts. Foreign aid is slowly but surely wiping out the family farm.

U. S. News & World Report recently made public a survey showing that the average southern cotton farmer received only 7 cents an hour for his labor, while the average industrial worker received well over $1.50 per hour. The latter has no investment while the farmer has his life's earnings invested in land and machinery. No interest is earned on this investment, of course.

Mr. BROOKS of Louisiana. Mr. Speaker, of course, I support H. R. 8780. It is a bill which will relieve farmers of the necessity of paying an excise tax on gasoline purchased by them and consumed by them on the farm. This bill corrects an injustice of long standing and by permitting this tax exemption it places Congress in line with our own State Legislature of Louisiana in this respect.

The Federal road program is and should be largely a program providing interstate highways. These highways are needed for national-defense purposes, and they stretch from one end of the land to the other. They are not local in their purposes but are intended to facilitate commerce throughout the land.

We are about to pass another huge road program. This program will provide billions of dollars for interstate highways, needed largely for national defense. It is proposed, however, that such a bill be financed by an addition to our gasoline tax. The farmer is not interested especially in this program. It will provide no special benefit to him any more than to any other individual in the country, and I think it is an act of simple justice that he be relieved of the burden of paying the tax on gasoline and diesel fuels that has nothing to do with the road program.

It has well been said by an able Representative from the State of Tennessee on this floor in the past 2 days that the American farmer is now caught in a price squeeze. While our industrial economy hums on at high pitch, the farmer's condition has steadily declined. Prices for things he purchases continue to mount and his expenses increase with the high cost of doing business in an inflated economy. At the same time, the prices which he receives for his own commodities steadily decline. Unless he is exempt, he faces the possibility that the Federal road tax may be further increased and his burden of taxation may be increased at a time when his financial condition does not permit him to reach out and assume new obligations.

This bill will save our American farmer $60 million. Farmers will file applications to be relieved of the excise tax on gasoline and farm fuels once a year, at the end of the fiscal year. They will receive from the Treasury a check for the amount that they have paid in, representing the tax paid for farm-used gasoline and diesel fuels. In our free economy the sum of $60 million is a

small amount. To the average farmer it is a saving which will be of great assistance to him in this period of economic pinch which is pushing him slowly into an intolerable position.

Mr. BEAMER. Mr. Speaker, as a farmer myself and as a Representative from the Fifth District of Indiana that boasts of some of the finest farm land in the United States, I feel that I am deeply conscious of the fact that the farmer is not sharing in this Nation's unprecedented economy. Many letters come from farm friends and I have visited hundreds and thousands of farmers.

The big majority suggest that some help in solving their problem will be appreciated. The elimination of the excise tax on gasoline and lubricating oils used for agricultural purposes is one of the measures that will bring immediate relief to farmers.

I introduced a similar measure, H. R. 8586, and appreciated the prompt action taken by the Ways and Means Committee on these measures. It is hoped that the Committees on Agriculture in the House and Senate will give prompt attention to other proposals helpful to the farmers.

Mr. AVERY. Mr. Speaker, because of my long-standing support for the provisions of H. R. 8780, which exempts fuel used in farm production from Federal excise tax, and because I was delayed by inclement weather and could not return from an official business trip to my home district in time to register my vote, I wish to take this means of going on record in favor of the bill. Had I been here, I would have voted "yea." I have long been a proponent of this type of legislation. I am confident H. R. 8780 will soon become law and the farm people will shortly be enjoying this saving in production costs. I ask leave to have this statement entered in the permanent RECORD immediately following the vote on H. R. 8780.

Mr. COOPER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the pending bill, H. R. 8780, which I introduced, is designed to relieve farmers from the burden of the excise taxes presently imposed on gasoline and special motor fuels used on farms for farming operations. These taxes are now 2 cents per gallon.

The gentleman from New York [Mr. REED] introduced an identical bill, H. R. 8781. It is estimated that enactment of this legislation will provide about $60 million of tax relief to farmers each year.

This legislation is not predicated on the fact that gasoline, diesel fuel, and special motor fuels used by farmers are used for nonhighway purposes, but upon the belief that the Congress should effectuate this tax relief for our hard-pressed farmers. The industrial segment of our economy continues to operate at a high level. On the other hand, the agricultural segment continues to experience a decline both in farm prices and farm income. Serious as this decline in farm income is in itself, prospects for the future are even more grave, because, unless reversed, this decline is likely to cause serious repercussions throughout our entire economy.

Today the farmer is caught in a severe price-cost squeeze. The price which he receives for his products are declining, while at the same time the costs of the goods which he must purchase are rising. While I recognize that this is a problem which must be met on every front possible, and that the pending bill is only a step in the right direction, the bill is a beginning and will reduce the farmer's operating costs in the amount of $60 million by relieving him from the gasoline, diesel fuel, and special motor fuels excise tax in his farming operations.

On January 16, 1956, I introduced H. R. 8461 which would provide relief for farmers who have a gross income of $10,000 or less by way of an optional standard deduction. H. R. 8461 would benefit many of these low-income farmers whether or not they own machinery which uses gasoline and special motor fuels. I have requested that reports on my bill from the Department of Agriculture and the Treasury Department be expedited. It is my hope that these reports will be favorable and that we can provide additional tax relief for low-income farmers along these lines.

The pending bill would grant a refund directly to the farmer of the tax paid on gasoline used:

First, in carrying on trade or business; second, on farms in the United States; third, for farming purposes. The definition of "farm" used in the bill is the same as that presently found in the Internal Revenue Code with respect to the Federal Insurance Contributions Act. The term "farming purposes" is also defined in the bill and includes use by any person in connection with cultivation of the soil, or the raising or harvesting of agricultural or horticultural commodities, including the raising, shearing, feeding, caring for, training and management of livestock, bees, poultry, and fur-bearing animals, and wildlife.

In addition, the bill provides relief in the case of diesel fuel and special motor fuels, such as propane, butane, and hot tractor fuel used on a farm for farming purposes. Present law already provides that the tax on diesel fuel is to apply only when such fuel is used in highway vehicles. The pending bill would exempt diesel fuel used in highway vehicles where such vehicles are used on a farm for farming purposes. With respect to special motor fuels, present law provides that the tax is to be imposed only when the fuel is used in a motor vehicle, motorboat or airplane. The pending bill provides an exemption for such use on a farm for farming purposes.

In the case of diesel fuel and special motor fuels which have been sold taxpaid, provision is made for credit or refund when such fuels are used on a farm for farming purposes.

Mr. Speaker, although this bill is by no means a full answer to the plight in which farmers find themselves today, it will relieve them from some of their costs. The bill was reported unanimously on a rollcall vote by our committee. I urge that it be enacted.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As I understand it, this was one of the recommendations of the President?

Mr. COOPER. The gentleman is correct.

Mr. McCORMACK. I also understand that the gentleman from Florida [Mr. HERLONG] introduced a similar bill, a bill to accomplish the same purpose in March of 1955?

Mr. COOPER. That is correct. Quite a number of other bills were introduced along the same line in the last session.

Mr. McCORMACK. Can the gentleman advise us if a report was requested of the Treasury Department on the Herlong bill and the other bills?

Mr. COOPER. Yes, that is my recollection. I can also state to the gentleman that the administration opposed it the last session.

Mr. McCORMACK. In other words, it is another conversion?

Mr. COOPER. Apparently so. The administration took the position all last year that the administration would oppose any excise tax changes that resulted in any loss of revenue. Of course this bill will lose $60 million of revenue, so the administration was opposed to it all last year. But this year in his agricultural message to Congress the President recommended it and the administration is now supporting the pending bill.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. MARTIN. It is equally true that this tax was put into effect in 1932, and that for 20 years no effort was made by the Democrats who controlled Congress most of the time to remove it. Therefore, we must believe that they also have had a conversion when they now bring the bill in at this time.

Mr. COOPER. Of course it was continued during the 80th Republican Congress.

Mr. MARTIN. There were other conversions besides any change on the part of the Republicans.

Mr. COOPER. During the entire 3 years of Mr. Eisenhower's administration it has been continued, and has continued up until now.

Mr. MARTIN. And in 20 years of Democratic administration.

Mr. COOPER. And all the time you have been in power.

Mr. MARTIN. And all the time you have been in power also.

Mr. REED of New York. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill, H. R. 8780, carries out President Eisenhower's recommendation that farmers be relieved of the burden of the present Federal excise tax on gasoline when used in tractors, trucks, and other farm equipment for agricultural purposes. The bill also extends relief in the case of diesel and other special motor fuels. It was reported unanimously by the Committee on Ways and Means. An identical bill was introduced by myself at the same time as that now before the House.

I do not consider this to be a tax-reduction measure, but an act of simple

equity designed to correct a longstanding injustice against the American farmer. These Federal excises merely serve to increase the farmer's production costs. In so doing they add materially to the severe price-cost squeeze from which, in the words of President Eisenhower, "our farm people, with the help of government, must be relieved."

Of course, it is true that the farmer today can deduct, in computing his income taxes, these Federal excises to the extent that they are business expenses. By this means he is partially relieved of their burden. Unfortunately this relief varies widely between different taxpayers. The average small farmer with only a small taxable income gets very little benefit from the deduction. The farmer who does not have enough income to be subject to the income tax at all gets absolutely no benefit whatsoever. This bill will correct this discrimination and will relieve all farmers of this burden.

Congress will again consider this session a highway program. It has been widely proposed that the cost of this program be met, at least in part, by increased taxes on gasoline. In my opinion, it would be unconscionable for nonhighway farm operations to be forced to share this burden when such operations would receive no benefit from the program. I consider this to be an important reason for prompt action on this bill.

The bill provides in effect that refunds are to be paid to purchasers of gasoline used on a farm for farming purposes. Under present tax rates, this refund will be 2 cents a gallon, the amount of the Federal gasoline tax. The refunds will be paid annually on the basis of claims filed after June 30 with respect to the preceding 12 months. The farmer will file his claim with the Internal Revenue Service and will have until September 30 to do so. Refunds claimed after this coming June 30 will only be for taxes paid on gasoline purchased during the first 6 months of 1956.

I had hoped that a system could be worked out so that farmers could be exempt from the tax at the time they purchase the gasoline rather than requiring the more cumbersome procedure of paying the tax and then claiming a refund. However, it proved impossible to work out such a plan. Practically all States use a refund procedure such as our committee bill provides.

Finally, I should point out that the bill does not relieve farmers of the Federal tax on lubricating oils. My original bill did provide such relief. However, we discovered that the exemption of lubricating oils would mean such a small saving to the average farmer that the exemption would not be worth while in view of the bookkeeping headaches involved.

Mr. Speaker, I believe that the Committee on Ways and Means is to be congratulated for its prompt action on this recommendation of President Eisenhower.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. AUGUST H. ANDRESEN. I strongly favor the passage of this bill, H. R. 8780, which carries out the recommendation of the President to provide for a refund of the Federal gasoline tax to farmers who use gasoline for nonhighway purposes. I wish to commend the Ways and Means Committee for its prompt action in reporting a bill. The Committee on Agriculture, of which I am a member, unanimously urged the Ways and Means Committee to report this bill and I am very glad that such action was taken. It is my hope that the House of Representatives will report this bill today and that it soon may be enacted into law in order to relieve our farmers from paying the Federal tax on gasoline used for nonhighway purposes.

Mr. REED of New York. Thank you, sir, very much.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. PELLY. Can the gentleman tell us if the budget has allowed for this loss of $60 million in revenue?

Mr. REED of New York. Oh, yes, they have allowed for that.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. GROSS. Mr. Speaker, I want to associate myself with the statement made by the gentleman from New York that this is not necessarily tax relief, but rather the correction of a tax inequity and an injustice upon the farmers of this country. Further, I want to say that if anyone entertains the idea that this is a real correction of the economic situation which confronts the farmers of the Nation, they are just as wrong as they can be. This may be helpful, but it does not correct the serious economic situation that has been permitted to overwhelm the American farmer.

Mr. REED of New York. But it does help.

Mr. GROSS. It does help, and I certainly support this legislation.

Mr. COOPER. Mr. Speaker, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, our colleague, the gentleman from North Carolina [Mr. FOUNTAIN] is absent because of official business. He has requested me to state to the House that he is strongly in favor of the bill, H. R. 8780, and if he were able to be present today, he would vote for it.

Mr. COOPER. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Speaker, it will be my purpose this afternoon to support passage of H. R. 8780, a bill to relieve farmers of the burden of the Federal excise taxes imposed on gasoline and special motor fuels used on farms for farming purposes.

This legislation is expected to result in a revenue loss to the Federal Treasury of $60 million annually. When it is considered that 5 million claims for refund are expected to be filed pursuant to this legislation, a simple mathematical computation will indicate that the average weekly tax relief that the individual American farmer would realize from this measure is in the neighborhood of 23 cents.

This pittance that is being doled out to the American farmer upon the recommendation of the Republican administration is opposed to the billions of dollars in tax relief granted to corporations and high income taxpayers during the Republican 83d Congress, and the billions of dollars lost to our farmers in income under Republican mismanagement. It may be that Secretary Humphrey would have the Congress designate this 23 cents per week tax relief as the "administration's Revenue Act of 1956."

Because the revenue implications with respect to each farmer was so small, I proposed in lieu of the proposed refund that a $10 tax credit be adopted for each American farmer. My proposal would have assured equal distribution of this pittance in tax relief as opposed to the present result that will likely occur whereby the small farmer will receive little or nothing and the big farmer will reap the principal tax benefits.

Mr. Speaker, I suggest that this not be the last tax relief legislation to be brought before the second session of the 84th Congress. The American farmer, indeed, all Americans who work for their livelihood, require tax reduction soon. Such tax reduction legislation must be equitable in principle and grant the bulk of the relief to our low income taxpayers who were so neglected in the Republican 83d Congress. I suggest that such tax relief could do much not only to raise the standard of living of our average American citizen, but it would also assist materially in the elimination of crop surpluses and other economic ills confronting our American farmer.

I urge my colleagues in the House to join with me in supporting the enactment of H. R. 8780.

In closing I would like to compliment the distinguished chairman of our committee, the Honorable JERE COOPER, of Tennessee, and my colleague on the committee, for the able work they have done in preparing this legislation for House consideration.

Mr. REED of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I think the farmers of the country can feel proud of the fact that the House of Representatives has almost unanimously come to the conclusion that the farmers have a just cause in their request to have the gasoline tax removed from gasoline used on the farm for farming purposes.

That the Congress has almost come to the conclusion to pass this bill is almost proved by the fact that this bill is brought up under a suspension of the rules. Everybody familiar with the rules of this House knows that when a bill is brought up under a request for a suspension of the rules that that means that there is practically no opposition to it.

All of us who know anything about the farm problem know that we have come to a place where we can now say something definite to the farmers and something that they can understand.

The President, in his agriculture message a short time ago, emphatically endorsed this program, and told us what to do about it. The same day that the President made his speech I introduced a

bill providing for a reduction of 2 cents a gallon on gasoline used by farmers on their farms. This will amount to a reduction of $60 million. The farmers will appreciate this immensely.

I am proud that the Democrats have rallied behind this recommendation of the President and that we, the Republicans and the Democrats of the Ways and Means Committee, working together, have voted out this bill. Sixty million dollars is a large amount of money, but it is not a lot of money when it is divided among thousands of law-abiding farmers all over this Nation.

This bill is going to be difficult to administer in several ways, but, on the whole, it will become easy of administration. Practically all of the States now have laws giving farmers freedom from paying a tax on gasoline now being used on the farms.

The farmers in States that now collect the tax on gasoline used on the farms will find that this bill that we are considering today will be administered much as a State law is now being administered. They are going to have to pay the Federal tax just as they now pay the State tax. This bill does not do away with the system of paying, and they are going to get a reduction. They will have to pay until the 30th of June, and then they will have until September to file a claim for a reduction. I would say to the farmers that this is going to be a proposition that will be just as fair as their State law. I thing it is a well recognized fact that our farmers are as honest as any class of our people.

We have put into this bill the best that we could find available. We have put into it the experience of the finest experts of the country and we are giving the farmers something that they have to take care of. If they cooperate it will be to their advantage. If they resist this legislation it will be to their disadvantage.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to my chairman.

Mr. COOPER. I am sure the gentleman will recall that we used the assistance of about 25 experts in our committee in trying to work this cut on the best basis we possibly could.

Mr. JENKINS. Yes. I am glad to have the concurrence of our distinguished chairman in that respect.

I leave this with you my colleagues. If you were to take any advice from me, it would be that you get a copy of this report. It is well written and well prepared. I think we are giving the farmers of this country a chance to get a $60 million rebate in taxes, and I am sure that they will not abuse it. If there is anybody in this country who is a fine, upstanding, law-abiding class of people, it is the farmers. I was brought up on a farm myself. So I advise all farmers to observe the law and they will find it greatly to their advantage.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. REED of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, like many of my colleagues, I am very happy that this legislation is before us today. I am sure it will be passed expeditiously. I compliment the committee for its prompt consideration of the bill to relieve the farmers of this tax obligation in their farm operations. This bill is an affirmative step which will be of material help and assistance to them.

One fact I want to mention is that in my own State of Illinois where we have such an exemption from State tax on gasoline, the program has worked out exceedingly well. There has been no chiseling and no effort on the part of anyone to try to take advantage of the exemption. I see no reason why such should not be the case in the matter of this Federal tax exemption.

Another pleasing thing to me is that this measure comes before us without political maneuvering. True, there has been a little political bantering here this morning about this bill, but this bill was brought out in a nonpartisan fashion for the benefit of agriculture as a whole in this country.

I sincerely hope speedy action is taken on all recommendations of the President for the welfare of our farmers. Let us act on the rest of these recommendations for our American farmers in the same cooperative and nonpartisan spirit we have considered this bill.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Massachusetts.

Mr. BATES. Mr. Speaker, I wish to ask a question of the chairman of the committee. I understand that fishermen are exempt on motor fuels. However, on page 11 of the committee report, under section 6416, it states that such fuels are taxable. Can the gentleman advise me under what section fishermen are exempt?

Mr. COOPER. I call the gentleman's attention to the fact that section 4222 of the Internal Revenue Code exempts them.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. MORANO. Does that exemption include oystermen and their boats?

Mr. COOPER. I call the gentleman's attention to the fact that the language reads "Fuel supply." It is my understanding it does include gasoline. The title of the section is: "Exemption from tax of certain supplies for vessels and airplanes."

Mr. REED of New York. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in colloquy with the gentleman from New York [Mr. REED].)

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. REED of New York. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, there is no doubt that the farmer today is caught in a severe price-cost squeeze. In recent years the prices farmers have received for farm produce have been declining while the costs of articles he must buy have been rising.

One of the most important domestic problems facing Congress at the present time is to help the farmer meet this situation.

This problem must be met on several fronts. One of the ways in which it could be met is to repeal the 2 cents per gallon tax presently imposed on the gasoline the farmer uses on his farm. H. R. 8780 reduces the farmer's operating cost by removing the taxes in the case of gasoline and special fuels used by the farmers but in both cases only with respect to the use on farms for farming purposes.

I do not see how any economic group could object to this proposed legislation.

When the original 2 cents per gallon tax was imposed for Federal assistance to States in the construction of highways, it was assumed that the drivers over these highways would pay the tax. The farmer was the one single large economic group that was penalized by the imposition of this tax who was not actually using the highways. He has been taxed all these years in the use of gasoline and special fuels which had no connection with highways. He will continue to be taxed for gasoline actually used on highways and not connected with farm operations. In this respect he will pay exactly the same tax as any other user of highways.

Refunds will be paid to the farmer on gasoline only where used in carrying on a trade or business on a farm in the United States, and for farming purposes. The term "farm" as used in this legislation is defined as including stock, dairy, poultry, fruit, truck-farms, plantations, ranches, or other similar uses primarily for the raising of agricultural commodities. The term "farming purposes" is also well defined. It includes the use by any person in connection with the cultivation of the soil, or the raising or harvesting of agricultural or horticultural commodities, including the raising, shearing, feeding, caring for, training, and management of livestock, poultry, and wildlife.

Section 2 of the bill also provides relief for diesel fuel and special motor fuels such as propane, butane, and so forth, including what is sometimes referred to as hot tractor fuel. Provision is made for credits or refunds with respect to diesel fuel and special motor fuels that have been sold tax-paid. This refund is obtained by taking the claim to the person making the first tax-paid sale.

I believe this is good legislation. It is estimated that this will provide farmers with approximately $60 million of tax relief this year. This tax relief is badly needed and I believe will be of some assistance to the farmer who has been badly pressed in the price-cost squeeze that I have previously mentioned.

I trust this bill will pass. As my good friends from the city know, we have in past years assisted economically pressed other groups with tax legislation where it would stimulate and expand industry to employ more people. This legislation for the farmer accomplishes some of the things that have been undertaken for other economic groups in other times.

I come from a large agricultural area. I have talked with farmers this year. They are not seeking any advantage but only something that in all fairness they are entitled to.

Mr. REED of New York. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Speaker, I want to ask a question of the chairman of the committee: Mr. Chairman, in my district citrus growers use gasoline powered wind machines for frost protection. I am wondering whether under the terms of this bill such use of gasoline will be exempt from this tax.

Mr. COOPER. That is carried under the bill.

Mr. REED of New York. Mr. Speaker, I yield one minute to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, I think this action is long overdue and I would like to compliment the members of the Ways and Means Committee on both sides of the aisle for bringing this bill to the floor. I am much pleased to see the Congress act so promptly on one of the important recommendations contained in President Eisenhower's agriculture message of January 9, 1956.

Mr. REED of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from North Dakota, [Mr. BURDICK].

Mr. BURDICK. Mr. Speaker, I am in favor of the pending bill that will save some expense to the farmers. I am delighted to know of the nonpartisan action of the two great parties in the United States coming together on this occasion and giving each farmer in America $8.60.

The recommendation by the President that Congress take off the tax that farmers pay on gasoline to run their machinery has caused a lot of criticism in some quarters, as it is claimed that this is a positive exemption of the farmers from a tax which everybody should pay.

Let us examine this situation. The gas tax in the first place was passed for the direct purpose of building roads. When a farmer buys gas to propel his auto and uses the roads, he is paying just as everybody else pays, but when we tax him for gas to operate farm machinery, it has nothing to do with roads, and therefore the purpose of this tax on tractor gas disappears. It is only justice that this unfairness be remedied.

Secondly, everything the farmer buys has gone up tremendously in the last few years, and yet what he has to sell has gone down. If the farmers could use their dollar to buy a dollar's worth of goods, there would be no call for support prices; farmers would be satisfied with the present farm prices if the dollar they get would be the value of anyone's dollar; but when the farmer's dollar in the market has been so discounted that it takes three of his dollars to match a dollar in the price of necessary material and machinery, the farmer asks that some form of parity between these two extremes be established. Taking off the tax on gasoline for tractor use will help some, but not enough to bring about parity.

No friend of agriculture ought to object to taking off this tax, and those who are now objecting would see, if they thought a moment, that the taking off of this tax is the just thing to do. The tax on tractor gas used by farmers has constructed thousands of miles of road which their tractors never use.

Mr. REED of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

RELIEF FROM TAXES ON GASOLINE AND SPECIAL FUELS USED ON FARMS IS FAIR AND EQUITABLE

Mr. REES of Kansas. Mr. Speaker, the bill before us today is similar to a bill I introduced in this House almost a year ago. I am glad to know the committee has seen fit to submit this proposed legislation, the approval of which is long past due. The measure is fair; it is equitable.

Other nonhighway users of gasoline, including airplanes and motorboats, are exempt from taxes on gasoline and diesel fuel. Certainly the farmer who uses gasoline and diesel fuel to operate his farm equipment is entitled to similar treatment.

It is generally understood that gasoline tax, whether State or Federal, is intended for the use of building and improving our highways. This legislation will relieve the farmers of our country of a tax that heretofore has been inequitable and really unfair.

I am glad to have had a part in securing the approval of this legislation in the House. I trust there will be no delay in securing its final approval. I am sure the farmers will appreciate this tax relief amounting to approximately $70 million.

Mr. REED of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. LOVRE].

Mr. LOVRE. Mr. Speaker, I rise in support of the bill now under consideration and at this time should like to call attention to the fact that the first official action taken by the Committee on Agriculture of the House in the 2d session of the 84th Congress was to recommend to the Committee on Ways and Means that a bill such as the one we have now under consideration be passed as quickly as possible. So once again I want to thank the committee for its prompt attention.

Mr. REED of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Speaker, I have a rather personal interest in the pending legislation since I introduced a similar bill in 1953. I reintroduced the same bill in 1955, in the first session of the present 84th Congress, which bill was referred to the Ways and Means Committee for consideration.

This bill has the especial merit that the provisions are retroactive to December 31, 1955. Farmers entitled to a refund can secure the money upon filing their claim with their Internal Revenue Office between July 1 and September 1, 1956. It will put a little money in the pocket of the farmer during the present crop year.

My mail reflects the unanimous support that comes for this measure from the grass roots of the country. All of the farmers are in favor of this legislation. I have received no communication voicing objection to it.

I heartily commend the committee for bringing in this bill and it ought to pass unanimously. Its favorable consideration augurs well for the development of a good and workable legislative program before the final adjournment of the 84th Congress.

Mr. COOPER. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Speaker, of course I am in favor of H. R. 8780 and if there is a rollcall vote I shall vote for the bill. However, it is a very weak gesture in the right direction.

The Republican administration now in control of the executive branch of the Government should be very proud of this. The Republican administration during the 3 years it has been in power has cost the American farmer $14 billion in loss of income and loss of inventory value. Now, through the President, they propose to give back $60 million to the farmers. If I cast up the figures on that and if I am not very much in error $60 million is only four-tenths of 1 percent of the $14 billion that this administration has cost the American farmers. It is equivalent to taking a hundred dollars out of their pockets and then turning around 2 or 3 times and saying "Here is 40 cents back. Does that not show I have been your lifelong friend?"

It reminds me of an old farm story I heard of a farmer who drove to town 10 miles with his wife and 11 children sitting on the hay in the old farm wagon. When they got to town the children were saying, "Daddy, we are hungry, we are hungry." So the old farmer went into the grocery store and bought six bananas. He brought them out to the wagon, peeled them, cut them in half, and gave his wife and 11 children a half banana apiece and said: "Now, you blankety-blanks, eat until you bust."

This piece of legislation reminds me of that story. Of course, it will help. But the 2 cents a gallon for gasoline that the farmers use when they are facing foreclosure and the inability to pay their debts all over the United States is the best example I have ever seen in my life of coming with too little and getting there too late.

Mr. HOEVEN. Mr. Speaker, I am pleased to see this part of President Eisenhower's program for American agriculture presented to the House so early in the session. I have wholeheartedly supported this legislation from its inception and feel it will give some lift to our distressed farm population. In fact, it will return some $60 million to the pockets of the American farmer. I shall vote for the bill and hope it passes the House unanimously.

Mr. DENTON. Mr. Speaker, I am strongly in favor of H. R. 8780, to amend the Internal Revenue Code to relieve farmers from the Federal excise tax on gasoline.

During the past two years, I have attended a number of meetings of farmers in my district, and the question invariably came up: "Why are we required to pay the Federal tax on gasoline used in

our farm equipment?" They pointed out that the State of Indiana gave a refund to farmers on the State tax that they paid on gasoline used for this purpose, and that it would be only fair if the Federal Government would do the same.

I concluded they were absolutely right, and, for that reason, on March 10, 1955, I introduced H. R. 4795, which provided that the farmer should receive a refund on the Federal tax paid on gasoline used in his farming equipment.

When the Federal gasoline tax was first enacted, farmers were not nearly so mechanized as they are today. Now, farmers use a great variety of motor-driven equipment and buy gasoline to operate this equipment. They are obliged to pay a tax on this fuel just as though the equipment were to be used on the highway, when it is not.

The purpose of the gasoline tax is to require the people who use the roads to pay for their construction, maintenance and upkeep. Practically all transportation on the highways is mechanized, and, by levying this tax on motor-driven highway vehicles, the people who use the roads can be required to pay for them. For the same reason, it is unfair to require the farmer to pay a gasoline tax, which is a road tax, on the gasoline used in equipment on his farm.

The farmers probably felt this tax more keenly at the times I talked with them during this last year because of their present economic plight. The measure now before the House will give the farmer a small measure of relief, but I hope that still further legislation will be enacted which will give him more substantial aid in his present financial difficulties.

Mr. FLYNT. Mr. Speaker, I rise in support of the motion to suspend the rules and pass H. R. 8780, which is a bill to amend the Internal Revenue Code to provide for refunds of gasoline tax paid on gasoline which is used for nonhighway purposes.

The theory of the gasoline tax is and has been that it is levied to provide the means for Federal participation and construction and maintenance of highways. Therefore, it is reasonable to assume that the burden of this tax should be borne by those who use the highways of our Nation. Throughout the United States, including the district and the State which I have the honor to represent, there are many users of gasoline who use varying amounts of gasoline they purchase in farm tractors, track type vehicles, sawmills, harvesting machines and similar farm and industrial equipment.

For a number of years, many States, including the State of Georgia, in their wisdom and judgment, have seen fit to provide for a refund of all or part of the gasoline tax on gasoline which these nonhighway vehicles use.

I have felt that Federal action on this subject is long overdue and I am glad to support this bill today and this motion to suspend the rules and pass it by a two-thirds vote.

Mr. Speaker, I would like to close by adding this note of caution—that this bill is designed to provide a much needed relief. It is not designed to provide a means of defrauding the Government. When this bill becomes law, I hope and expect that the Internal Revenue Service will take the proper measures to see that no portion of gasoline used for highway purposes will be made the subject of a tax refund. If and when abuses of this provision of law are made, I hope and I expect that proper action will be taken against offenders and violators.

I urge a suspension of the rules and passage of H. R. 8780.

Mr. MILLS. Mr. Speaker, as the distinguished chairman of the House Committee on Ways and Means has explained to us, H. R. 8780 would amend the Internal Revenue Code to provide the refund of Federal excise taxes on gasoline to farmers for gasoline used on their farms for farming purposes, and to provide an exemption from the Federal excises imposed on special motor fuels used under similar circumstances. The members of the Committee on Ways and Means have unanimously reported this legislation to the House.

It is estimated that this measure will provide approximately $60 million in tax relief to farmers each year. However, when it is realized that the Treasury Department expects 5 million claims for refund to be filed, pursuant to these amendments to the Internal Revenue Code, the average farmer will not realize great financial benefit from this administration-endorsed tax relief. However, because this proposed tax relief moves in the desired direction of reducing farm operating costs, I am happy to support its enactment.

The administration of these amendments to the Internal Revenue Code by the Treasury Department and the Internal Revenue Service will undoubtedly pose many problems. In my view, they are problems that can be overcome by informed judgment and wisely-prepared regulations. It is my hope that in issuing regulations pursuant to these amendments the Treasury Department will consult with interested farm groups to assure that such regulations are prepared in such a way as to provide for the proper administration of the provisions without providing undue record-keeping burdens on our farm population.

In citing the existence of administrative problems that will arise under the adoption of these amendments to the Internal Revenue Code, I would like to call the attention of the membership of the House to a statement made by a Treasury official in testifying before a subcommittee of the House Committee on Ways and Means last October. The Subcommittee on Excise Tax Technical and Administrative Problems was receiving testimony on matters within its jurisdiction from Treasury officials, and on the question of granting an exemption from the Federal excise tax on gasoline these officials expressed the following views:

> I outlined for the benefit of the committee at that time the administrative difficulties that exemptions generally give the Service and expressed some concern over the control problems that would be attendant upon an exemption that might be accorded to farmers in the case of the gasoline tax where you were dealing with literally millions of gallons of gasoline each year. I also outlined for the committee the exemption certificate problem, which is burdensome, of course, not only to the Revenue Service but to the taxpayers as well.

While I believe that we have eliminated some of the administrative problems by granting a refund procedure rather than an exemption procedure, I suggest that many such problems still exist and express the hope that the Treasury Department has plans for meeting them.

In view of the fact that the chairman of the Committee on Ways and Means has so ably described the provisions of the bill, I will not undertake to deal specifically with each section of H. R. 8780. However, there are two features of the legislation that I would like to call to the attention of my colleagues in the House. The first of these features pertains to the civil penalty provisions for excessive claims for refund. These civil penalties provided in the bill would impose a penalty of two times of the excessive amount claimed, but not less than $10 in the case of excessive claims that cannot be shown to be due to reasonable cause. It was the opinion of the members of the Committee on Ways and Means that the civil penalties applicable in this case should not be unduly severe in view of the small amounts of refund that will be generally involved and in view of the lack of experience with the provision. Of course, the customary criminal penalties will be applicable in the case of fraudulent claims.

The second feature of the bill that I would like to call to the House's attention relates to the collection of excessive refunds erroneously paid and the collection of any civil penalty that might be imposed. The bill provides that any amount due the Government resulting from either of the aforementioned causes may be assessed and collected as if it were a tax imposed by section 4081 of the code and as if the person who made the claim were liable for such tax. This provision will relieve the Government of the requirement that suit be brought in order to recover any such amount that is owing to the Federal Government.

Mr. Speaker, I have no illusions that this tax relief will be equally available to all farmers. Neither do I anticipate that it will provide a solution to the grave problems confronting our farm economy. I believe it is incumbent upon the Congress as the elected representatives of the people to seek out effective and practical methods whereby the farmer can have restored to him a more equitable portion of our national income. For leadership in that endeavor, we must look to the two great Agricultural Committees of the Congress. It is my hope that before too many months have passed the Congress will have an opportunity to approve legislation that will give encouragement, incentive, and economic promise to our American farm population. In the meantime, I urge my colleagues in the House to support the adoption of H. R. 8780.

Mr. EVINS. Mr. Speaker, in the President's message to the Congress on farm problems and the need for additional farm legislation, the specific recommendation was made to lift the Fed-

eral excise tax on gasoline used on the farm for farming purposes.

My distinguished colleague, the chairman of the Ways and Means Committee the gentleman from Tennessee [Mr. COOPER] immediately introduced legislation to relieve the farmers in this regard—however, broadening his bill in order to include in this needed exemption not only tractors, trucks, and similar farm machinery but also to include every possible other source of exemption.

I favor and support this bill—it is only a small step in the direction of giving assistance to the farmers of the Nation—but, under the conditions prevailing, it certainly is a welcome step.

The larger problem remains of writing a bill to deal properly and satisfactorily with the overall farm situation. General relief and a solution to the present situation is vital and remains the major problem. I welcome this—the present step—and commend the chairman and members of the committee for its speedy action to provide relief in this connection.

Mr. HENDERSON. Mr. Speaker, H. R. 8780, when enacted, will provide for a savings of approximately $60 million for the farmers of this country by permitting them to obtain refunds of the Federal gasoline tax on all gasoline used by them in the operation of their farms. My State of Ohio has long exempted its farmers from the payment of the Ohio gasoline tax. Such tax relief has met with favor where the exemption privilege is properly used.

I am especially pleased that this legislation is receiving consideration today because it provides for the enactment of legislation similar to that embodied in H. R. 8683 which I introduced several weeks ago. The bill I introduced provided for exempting the farmer from the payment of the tax at the time of purchase and eliminated the necessity for filling out complicated forms. The bill before us today provides for payment of the tax at time of purchase. The farmer may apply for a refund for the gasoline used exclusively on the farm. Such procedure is designed to prevent abuses of the privilege. Such abuses might occur, but I regret that it is necessary to complicate this measure of relief by making it difficult to obtain the refund.

Mr. Speaker, this legislation marks the first step in enacting President Eisenhower's farm program. I am pleased to see that it is receiving the overwhelming support of my colleagues on both sides of the aisle. I hope that with this as a beginning, the Congress will proceed toward the speedy enactment of additional items in the President's agriculture program.

Mr. QUIGLEY. Mr. Speaker, I endorse this bill and recommend its enactment. H. R. 8780 accomplishes the purposes embodied in a bill, H. R. 5136, introduced by me on March 22, 1955.

This measure is one which will give equity to farmers. My only regret is that it has required an agricultural crisis to bring endorsement by the administration.

Mr. McGREGOR. Mr. Speaker, I am most happy to add my support and vote to H. R. 8780 which relieves farmers from excise taxes in the case of gasoline and special fuels used on the farm for farming purposes. I was most happy when President Eisenhower in his state of the Union message insisted that the Congress pass this legislation immediately and bring some semblance of relief to the farmers.

I sincerely hope that the Agriculture Committee will start hearings immediately on the other portions of the President's recommendations to give relief to agriculture groups. I hope that the committee will forget politics and recognize that the farmers need immediate help. I feel certain that this Congress is in accord with most of the President's recommendations to give immediate relief to the agriculture people.

Mr. O'HARA of Minnesota. Mr. Speaker, it is my intention to support H. R. 8780 and to vote for its passage. The time is long past due for making exempt from the Federal gasoline tax, the gasoline that is used solely on the farm for farm purposes, and I am glad to see that President Eisenhower's recommendation for removal of this tax has been so promptly acted upon by the Ways and Means Committee.

It is true that the amounts may not be large, but at this time with the farm situation what it is, it will be of help to the average farmer.

I sincerely hope further and greater consideration will be given to the other farm problems by the Congress in the near future.

Mrs. FRANCES P. BOLTON. Mr. Speaker, may I take this opportunity to express my strong support of H. R. 8780, the bill before us to relieve farmers of the burden of the Federal excise tax on gasoline and special fuels used on farms for farming purposes.

For the past several years, the farmer has seen the prices of everything he produces decline, whereas the costs of the articles he must buy have been steadily rising. But there is a way we can help him. This is by giving him relief from the 2 cents a gallon tax presently imposed on the gasoline he uses on his farm, as provided in H. R. 8780.

This bill provides also for annual refunds payable directly to the farmer for the Federal tax he pays on the gasoline and special fuels he uses for farming purposes. Adequate safeguards are provided against excessive claims by section 3 of the bill. Should a claim for a gasoline refund be excessive, a civil penalty may be imposed unless it can be shown that the claim for the excessive amount is due to reasonable cause.

Mr. Speaker, although I have very few farmers in my present district, I do sympathize with the farmer whose problems are many. I hope sincerely that the rules will be suspended and H. R. 8780 passed.

Mr. COOPER. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. COOPER. Mr. Speaker, on that I demand the yeas and nays and I ask unanimous consent that further consideration of the bill be carried over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 352) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective January 3, 1956, expenses of conducting the investigations authorized by section 17 of rule XI of the Rules of the House of Representatives, incurred by the Committee on Un-American Activities, acting as a whole or by subcommittee, not to exceed $275,000, including expenditures for employment of such experts, special counsel, investigators, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. That the official stenographers to committees may be used at all hearings, if not otherwise officially engaged.

The SPEAKER. The question is on the resolution.

Mr. JACKSON. Mr. Speaker, on that I demand the yeas and nays.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that further consideration of the resolution be carried over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 355) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of further conducting the studies and investigations authorized by House Resolution 22 of the 84th Congress, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $125,000, including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized by such committee and approved by the Committee on House Administration.

With the following committee amendment:

Page 1, line 5, strike out "$125,000" and insert "$100,000."

The committee amendment was agreed to.

The resolution was agreed to, and a motion to reconsider was laid on the table.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 359) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, in carrying out its duties during the 84th Congress, the Committee on House Administration is authorized to incur such expenses (not in excess of $10,000) as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

Mr. MARTIN. Mr. Speaker, if the gentleman will yield, I understand this money is needed for a survey that the committee desires to make relative to various activities.

Mr. BURLESON. As a matter of fact, it is very doubtful that the Committee on House Administration will need these funds to any greater extent than the payment of telephone and telegram services. However, it is anticipated that a subcommittee on campaign expenditures will be selected within the Committee on House Administration. The gentleman will recall that for some years this special committee has been outside the Committee on House Administration. We propose that the subcommittee shall be a part of the full committee, and therefore we anticipate the possible use of these funds.

Mr. MARTIN. I thank the gentleman.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

STATIONERY ALLOWANCE

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of the bill (H. R. 8787) to provide for a prorated stationery allowance in the case of a Member of the House of Representatives elected for a portion of a term.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the case of any Member of the House of Representatives, Delegate, or Resident Commissioner who is elected for a portion of a term, the amount of stationery allowance which such Member, Delegate, or Resident Commissioner shall be paid shall be an amount, with respect to the year in which he commences his service, which is the same percentage of the total stationery allowance payable for service for all of such year as the number of months of his service in such year (counting the month in which he is elected as one month) is of the total number of months in such year. Such prorated stationery allowance shall be paid from the contingent fund of the House into the revolving fund for stationery allowances established in the eighth paragraph under the heading "Contingent Expenses of the House" under the general heading "House of Representatives" in the Legislative Branch Appropriation Act, 1948.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE PATTERN OF GATT

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 40 minutes.

Mr. BAILEY. Mr. Speaker, high on the agenda of Congress for 1956 is the question of United States participation in the Organization for Trade Cooperation, part of the international General Agreement on Tariffs and Trade. Few people in this country are familiar with the mass of documents which make up the General Agreement. Fewer still fully appreciate its effect on the economy of the United States. Here, as an introduction, is a brief review of GATT and a preview of OTC. It is being offered for the information of my colleagues.

The General Agreement on Tariffs and Trade, called GATT, is a sweeping accord provisionally accepted by 35 nations, including the United States, for the regulation of international trade. It affects the market for nearly every product grown, mined, or manufactured in any of the participating nations, from wheat and steel to toy balloons. Decisions taken at GATT headquarters in Geneva can and do control the prosperity of people as far away as the borders of Pakistan—or Middletown, Ohio.

ORIGIN

In 1946 the United Nations Economic and Social Council called a meeting of nations to establish an International Trade Organization. Its purposes were broad—to achieve, by better regulation of international trade, full employment, and rising standards of living throughout the postwar world.

ITO, as the project was called, failed. Nearly every major organization in the United States opposed it. The American Bar Association said:

> The charter has more the appearance of a world government constitution than that of a specialized agency of the United Nations.

Among its aims, however, was the liberalization of international trade. This persisted. In 1947, with the United States State Department taking the lead, delegates from 23 nations met in Geneva to negotiate a general reduction of tariffs and work out rules concerning other forms of trade control—quotas, currency restrictions, state trading, and so forth.

GATT was the outcome. By no means simple to begin with, GATT has been extensively amended and revised at subsequent meetings, notably at Annecy, France, in 1949, at Torquay, England, in 1950–51 and again at Geneva in 1955. Three of the original member nations—Syria, Lebanon, and China—have dropped out. Liberia, which was the first and only nation to accept GATT otherwise than provisionally, has also withdrawn. Fifteen others, including Germany and Japan, have joined. The present contracting parties are: Australia, Austria, Belgium, Brazil, Burma, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, Federation of Rhodesia and Nyasaland, Finland, France, Germany, Greece, Haiti, India, Indonesia, Italy, Japan, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Peru, Sweden, Turkey, Union of South Africa, United Kingdom, United States of America, and Uruguay.

PATTERN

Contrary to popular impression GATT is rather a collection of documents than one text. It includes:

First. A series of lengthy schedules, one for each country, listing the tariff concessions agreed to by that country.

More than 60,000 concessions have now been negotiated by the participating nations. In GATT language, a "concession" can mean either an actual reduction in rate or a binding—that is, a promise not to change an existing rate.

Most of the concessions granted by the United States represent actual reductions. A great many of those granted by other countries are simple bindings. In a few cases, due to special circumstances, the schedules actually include increases in rates.

Few people in this country outside the State Department have seen a complete set of the schedules. They are bulky, occupying 5 large volumes, with a total of approximately 3,000 pages. Copies may be obtained in the United States only through the international documents service, Columbia University Press, 2960 Broadway, New York 27, N. Y., at $15 per set.

Second. An elaborate text describing the objectives of GATT and spelling out comprehensive rules, with many complicated exceptions, concerning the regulation of trade in general.

The participating nations, called contracting parties, agree they should conduct their relations in the field of trade and economic endeavor with a view to raising standards of living, insuring full employment and a large and steadily growing volume of real income and effective demand, developing the full uses of the resources of the free world and expanding the production and exchange of goods, and promoting the progressive development of the economies of all the contracting parties.

The contracting parties propose to contribute to these objectives, which reflect the objectives of ITO, by accepting an impressive body of rules. These in general terms provide for the further reduction of tariffs, the elimination of other forms of trade restrictions, and equal treatment by each member country for imports from and exports to other member countries.

But these rules are surrounded by a multitude of exceptions, decisions, waivers, and interpretations. It is impossible to understand the real effect of GATT without examining closely all this supplementary material.

Example 1: Article II flatly requires each member country to treat trade with all other member countries on exactly equal terms. The next section, however, excepts the vast British empire-preference system, the French system of preferences for colonial and former colonial area, the Benelux Customs Union, the special arrangements in effect between the United States and Cuba, and so forth. By a rough estimate, more than half of the trade covered by GATT is affected by these and related exceptions.

Example 2: Article XI flatly forbids the use of quotas or any other form of quantitative restriction to limit imports. The same and other articles, however, authorize the use of extensive quota systems by countries in balance-of-payments difficulties, by underdeveloped countries, and, with respect to agricultural and fisheries products, where domestic production is controlled at the same time.

Nearly every member country except the United States faces balance-of-payments difficulties or is underdeveloped or both. The United States itself employs quotas in the case of various agricultural products, including, by special waiver, dairy products not subject to domestic controls.

While exact figures are hard to get, it is a safe guess that less than one-third of the trade covered by GATT actually moves free of quotas or other quantitative restriction.

These are called the substantive provisions of GATT. As published in GATT's Basic Instruments and Selected Documents, they now run to more than 800 pages, including various reports on which important decisions, waivers and interpretations are based. Copies of the Basic Instruments and Selected Documents may be obtained in the United States only through the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y.

Note: Although primarily concerned with foreign trade, the rules affect also domestic policies which impinge on foreign trade. Certain features of the United States farm price support program, for example, conflict with GATT rules. In this case the State Department obtained a waiver—on condition, however, that we change the program as soon as circumstances permit.

Third. A form of charter for a proposed Organization for Trade Cooperation, called OTC.

Many of GATT's rules call for decision in specific cases by the contracting parties acting jointly, by either majority or two-thirds vote. Problems of interpretation and other disputes are handled in the first instance by consultation among the parties concerned. If that fails, or if a question of precedent is involved, the contracting parties decide, usually by majority vote. The contracting parties may also, by two-thirds vote, waive the rules in exceptional circumstances.

In the past such questions have usually been settled at general meetings, as part of general negotiations about tariff rates and other matters. At the 1955 meeting, however, it was proposed to vest these and related powers in a permanent Organization for Trade Cooperation, or OTC. The Organization would consist of an assembly representing all the members of GATT, with 1 vote each. Thus the Grand Duchy of Luxembourg, with 300,000 population and foreign trade worth considerably less than $1 billion, will have the same voice as the United States, with a population of 162 million and foreign trade worth $40 billion.

The assembly will work through a 17-member executive committee. Routine affairs will be administered by a director general and staff.

Great controversy has developed about OTC. GATT itself is only provisionally accepted, and, so far as the United States is concerned, has never been approved by Congress. It is jumping the gun, critics say, to establish a quasi-judicial agency before the agreement it will administer is firm. They fear that by the temptation to interpret GATT in terms of the broad objectives borrowed from ITO, the new organization will rapidly assume direct control of international trade, allocating markets and raw materials. And they stress that in OTC the United States would have only one vote or possibly, if party to a dispute, none.

The proposed charter for OTC appears in volume I —revised—of GATT's Basic Instruments and Selected Documents, mentioned above. For a complete picture, however, this has to be read with the text of GATT itself, which delegates to OTC many powers not specified in the charter. Here are a few examples of questions with which OTC would be concerned:

(a) What proportion of a country's market should be supplied by imports? See GATT, section 2, article XI.

(b) How the import share of the market should be divided among the supplying countries? See GATT, section 3, article XIII.

(c) What is a country's fair share of the world's export market in a particular product? See GATT, section 3, article XVI.

(d) Which countries are underdeveloped or in balance of payment difficulties, and thereby entitled to special exemptions from GATT's rules? See GATT, articles XVIII and XII.

(e) What is a country's fair share of raw material or other products in short supply? See GATT, section 1 (j), article XX.

(f) In July 1955 the contracting parties to GATT published a report, which OTC would inherit, admonishing industrial nations like the United States to concentrate on manufactures, leaving the production of foodstuffs to underdeveloped nations. See GATT Report on International Trade, July 1955, pages 21–31.

WHERE GATT STANDS

Much of the current publicity about GATT implies that it is a fully effective going concern. So it is for some purposes, particularly for the purpose of sponsoring tariff reduction negotiations and registering the concessions agreed upon. Otherwise, however, its position is unclear.

GATT NOT SUBMITTED TO CONGRESS

Although it has been in operation for 8 years, GATT has never been submitted to Congress. The State Department maintains that the Trade Agreements Act of 1934, as amended and extended, authorized it to accept GATT, at least provisionally, without coming back to Congress for ratification. In each extension of the act since GATT was signed Congress, however, has provided that the extension should not be read to imply either approval or disapproval of GATT.

OTC NOW BEFORE CONGRESS

By a bill styled H. R. 5550, Congress has been requested to approve United States participation in OTC. This bill is scheduled for consideration early in this session. It is expected that in connection with this bill Congress will examine the substantive provisions of GATT as well as the organizational provisions of OTC.

The issues raised by GATT and OTC have long been coming to a head. Now Congress is confronted by a clear-cut choice. The decision will have far-reaching effect on the prosperity of the United States and the free world for years to come. It is of vital importance for the press and the public to know the essential facts about GATT and the problems it raises as well as those it hopes to cure.

GATT's rules govern commerce among 35 nations. These include nations as different as the United States and the Federation of Rhodesia and Nyasaland. Even Communist Czechoslovakia is a member. Trade between these nations, which have a combined population of more than 1 billion persons, exceeds $100 billion per year.

Covering so vast a range, GATT's rules are necessarily complicated. GATT's Basic Instruments and Selected Documents, which set forth the rules, their exceptions and the multitude of decisions, interpretations, and waivers which have grown up around them, now run to more than 800 pages, with more to come. All references herein are to the 1955 revised version of GATT, as printed in volume I—revised—of these documents.

But, despite this complexity, the rules generally reveal a fairly simple pattern. GATT's announced objective is to liberalize trade by reducing tariffs and other barriers and eliminating discriminatory treatment in international commerce. After establishing elaborate machinery for reducing tariffs, GATT proceeds to (a) condemn other methods of regulating trade—e. g., preference systems, quotas, subsidies, and exchange restrictions; (b) permit the use of such methods in so-called special circumstances, subject to agreement by other contracting parties and, if OTC is approved, supervision by OTC; (c) establish procedures for obtaining such agreement, referring disputes to OTC, and so forth.

By condemning most existing methods of control, and permitting them to continue only to the extent approved by OTC, GATT and OTC acquire an unprecedented jurisdiction over the right of otherwise free nations to regulate trade. This jurisdiction is not unlike that asserted by the court in an antitrust consent decree. By such decree the defendant admits he has been living in sin, promises to reform and, while reforming, keeps his conduct subject to continuing supervision by the Antitrust Division of the Department of Justice and the court. In this case GATT is the consent decree and OTC the Department of Justice.

TARIFFS

Tariffs are generally regarded as the fairest method of regulating imports. In the United States the rates generally are

the same for all competing suppliers. They are in most cases designed primarily to offset low wages or other special advantages enjoyed by foreign producers.

By GATT, however, it is assumed that existing rates among member nations are too high. Accordingly, a basic article of the agreement, article XXIX, binds participating nations to negotiate tariff reductions at regular intervals, as sponsored by OTC. At the heart of the agreement is the concept that, once cut, a tariff rate should never again be raised, and should be subject to further reductions.

Various important exceptions to this rule are allowed—for example, in the event imports enter in such increased quantities as to threaten serious injury to domestic producers, or in case an increase is necessary to protect infant industries in an underdeveloped nation. But these exceptions are available only at a price. The Government seeking to change a rate must either work out a compensating reduction in some other rate or, if that cannot be agreed, face compensatory action by the other party or parties concerned—see particularly article III; section A, article XVIII; and articles XIX and XXVIII.

In 1952, for example, because dried figs were entering the United States in damaging volume, the President raised the duty on dried figs from 2½ cents to 4½ cents per pound. Thereupon Turkey, with the tacit consent of the other parties to GATT, raised her rate on office equipment and milling machinery. Greece, with no rates she wanted to raise, formally requested the United States either to return to the 2½-cent rate or, failing that, reduce rates on other products Greece was selling in the United States market. It took 3 years to work out a solution.

If OTC is approved, the problem of determining appropriate compensation in such cases will become its responsibility, to be decided by majority vote.

TECHNIQUE OF FUTURE REDUCTIONS

GATT recognizes that various countries—including the United States—have already reduced tariffs to such an extent that they have lost bargaining position. Section 2 of article XXIX therefore provides that "the binding against increase of low duties duty-free treatment shall, in principle, be recognized as a concession equivalent in value to the reduction of high duties."

In a further effort to solve this dilemma, a GATT working party has proposed an automatic reduction of duties by each country according to algebra, by the following formula:

$$\text{(percent reduction for each nation)} = 30\% \times \frac{N-P}{D-P}$$

in which N equals the average incidence of present rates (as determined by a separate formula), D equals a demarcation line above which rates should not remain (as determined by another formula) and P equals the floor below which rates do not have to be cut (as determined by still another formula).

Such a formula would represent a complete departure from the product by product method of bargaining pursued to date.

DISCRIMINATION

For reasons often deeply rooted in history many nations extend special trade favors to closely related other nations. England, for example, maintains an extensive empire preference system. France maintains a similar system with respect to her colonies and former colonies. By the Benelux Customs Union Belgium, the Netherlands and Luxemburg accept imports from each other more freely than from the rest of the world. The United States has a special arrangement for preference rates on imports from Cuba and the Philippines.

GATT is opposed in principle to such discriminations. Article II flatly requires each member country to treat imports from each other member country exactly alike. Numerous other articles reflect this same principle—for example, article XIII.

These rules, however, are so far removed from actual practice that sweeping exceptions are necessary. Special provision, for example, is made for the British Empire preference system, and for the French system, provided the margin of preference is not increased—section 2, article II. Customs unions like Benelux are actually encouraged—article XXIV. The arrangements between the United States and Cuba and the Philippines are permitted to continue—article II, section 2 (b) and (c). General exceptions for countries in balance of payment difficulties and underdeveloped countries are allowed—article XIV.

MOST OF THESE EXCEPTIONS ARE CONDITIONAL

GATT now in most cases reserves the right to determine whether or not a country meets the terms of a claimed exception and is observing the conditions prescribed. If not, the country in question must either change its laws to conform to the nondiscrimination principle or face such compensatory action by other members as GATT—or OTC—may authorize. If there is a dispute among the countries affected, GATT—or OTC—decides.

FAVORS TO OWN PRODUCERS

Except for tariffs, GATT does not as a general rule allow a member country to discriminate against imports in favor of its own producers. Article IV, for example, forbids taxes on imports in excess of those applied to domestic products, freight rates which work to the disadvantage of imports, regulations requiring a specified minimum content of domestic materials in commercial mixtures, and the like.

These rules permit few exceptions. This explains in part why GATT has been accepted only provisionally. The United States, for example, imposes special taxes on imported oleomargerine, inedible fats and oils of foreign origin, certain imported seeds, and various kinds of imported lumber and sugar. It also imposes more stringent regulation on importers than on domestic producers in connection with antitrust, unfair trade practice and misbranding laws, and so forth. Congress must repeal or modify these and other laws in conflict with GATT rules before the United States can accept GATT definitively.

PRICE CONTROL

By section 9 of article IV the contracting parties formally recognize that domestic price control systems can have effects prejudicial to the interests of contracting parties supplying imported products. Accordingly each country, including the United States, agrees that in applying any price control measures it will take account of the interests of other member countries with a view to avoiding to the fullest practicable extent such prejudicial effects. To what extend OTC may intervene in the event of dispute in such case is not clear.

QUANTITATIVE RESTRICTIONS

Nearly every nation, including the United States, limits in varying degrees, by quota or otherwise, the quantities of various foreign products it will accept.

The reasons are threefold—to reserve foreign exchange for the purchase of products deemed essential; to prevent imports in volume at prices which would defeat domestic control programs—price supports, production controls, and so forth; to reserve the bulk of the market for domestic producers.

These restrictions do not always apply equally to imports from different countries. Since the war, for example, the countries of Western Europe have restricted imports from hard currency areas more severely than those from soft currency neighbors.

Various countries also restrict exports. The reasons vary, for example, to relieve shortages at home or prevent the flow of strategic materials to potential enemies. Again the restrictions do not always apply equally. Many nations, for example, employ such restrictions to channel exports to dependent markets or to markets in which they can earn dollars.

GATT, by section 1, article XI, flatly forbids the use of quantitative restrictions. By section 2 of the same article, however, and by following articles, many sweeping exceptions are allowed. These permit, among other things, the use of such restrictions if and as necessary (a) to enforce measures which similarly restrict domestic production or sale of like products—limited to agricultural and fisheries products—section 2 (c) (i) article XX; (b) to forestall a serious decline in foreign exchange reserves or, in the case of countries with very low reserves, to achieve a reasonable increase—article XII; (c) to protect infant industries in underdeveloped countries—article XVII.

The responsibilities of OTC in connection with these exceptions are formidable. In the case of (b) and (c) it exercises over the country claiming exception the kind of consent decree jurisdiction mentioned earlier. If other countries claim to be adversely affected, OTC convenes them into a general consultation to work out a settlement. If that fails, OTC may, by majority vote—in some cases two-thirds—recommend a plan. If the country claiming the exception refuses to accept this plan, OTC may then release the other countries affected to take whatever compensatory action OTC decides is appropriate.

The extent of these powers, particularly as they apply to smaller nations, is

illustrated by Ceylon's case. Ceylon, as an underdeveloped country, wanted to encourage its handloom-textile industry. It could not do so in face of mass-production competition from the rest of the world, particularly India. It therefore proposed to limit imports according to a formula which would reserve a specified proportion of the estimated market for its own producers.

A working party looked over Ceylon's plan, which literally spelled out by the yard the quantity of sarongs, undershirts, cotton lace, and so forth, it wanted to produce. Ceylon was induced to agree to use only domestic raw materials. Subject to this proviso, the working party agreed the plan was fair.

But if a dispute had developed, GATT would have found itself in the position of imposing specific controls on Ceylon and dictating, by the vote of other nations, the course of Ceylon's economic development.

Exception (a) precipitated a difficult problem for the United States. Most of our farm price support program meets the terms of the exception. With respect to various dairy products, however, we support the market by Government purchase, without corresponding domestic production controls. The lack of production controls ruled dairy products out of the exception. Yet without quotas there was no way to keep imports attracted by the high support prices from flooding in and wrecking the purchase program.

The State Department finally obtained a special waiver, subject, however, to the following conditions: (a) the United States will give due consideration to objections or suggestions voiced about the quotas by other member countries; (b) will remove each quota as soon as conditions permit; (c) will report progress once a year and, if any quota then remains on any farm product—whether covered by the waiver or not—explain why and describe steps being taken to solve the problem—decision of March 5, 1955, Basic Instruments and Selected Documents, Third Supplement, page 32.

Meanwhile the Netherlands was authorized, by way of compensation, to reduce its quota for wheat from the United States from 72,000 metric tons to 60,000 metric tons per year.

SUBSIDIES

GATT provides that if any member nation maintains any subsidy which directly or indirectly reduces imports or increases exports it will notify OTC and discuss with other member nations "the possibility of limiting the subsidization."—Article XVI.

What happens if discussion fails?

Article XXIII provides that, if any member country considers that action by another member country is either, first, impairing "any benefit accruing to it directly or indirectly under this agreement"; or, second, impeding any objective of this agreement, the matter may be referred to OTC. This presumably includes any form of subsidy which gives domestic producers any special advantage in either the home or export market, and any form of subsidy which, by artificially stimulating production in one country, retards the progressive development of the economies of other countries—article I. Since subsidies take many forms, including special freight rates, government contracts, tax advantages, et cetera, this exposes to scrutiny each country's entire fiscal and economic policy.

Exception for primary products: GATT permits but advises against the use of export subsidies to move primary products—wheat, cotton, mine products, and so forth. But it expressly forbids the application of any subsidy on a primary product in a manner which results in capture of more than an equitable share of the world export trade in that product—article XIV—presumably, in case of dispute as to what is an equitable share, GATT—or OTC—decides. This provision seriously complicates the problem disposing of the huge farm surplus—$7 billion worth—now held by the United States Government.

Other products: With respect to products other than primary products, GATT forbids, as from January 1, 1958, subsidies in any form which result in sales for export at prices lower than those prevailing in the domestic market. Meanwhile it forbids member countries to increase any existing such subsidies—article XIV.

EXCHANGE RESTRICTIONS

Soft currency countries habitually employ exchange controls which affect trade with other countries. By assigning different exchange rates for different transactions, these controls frequently provide special incentives for imports and exports of the kind the Government desires. They can thus work to dilute many of GATT's basic principles, including the value of tariff concessions negotiated under GATT auspices.

To check this, GATT requires each member either to join the International Monetary Fund, which purportedly is attempting to eliminate exchange controls, or enter into a special exchange agreement with OTC. The effect is to establish, either by the International Monetary Fund or the special agreement, a par value for each member country's currency in terms of gold or 1944 dollars. Thereafter no country is allowed to change this par, or buy or sell gold or the currency of other member countries at any other rate, except as permitted by the International Monetary Fund or the special agreement.

The exceptions, however, are numerous. As with other GATT rules, OTC assumes jurisdiction if an exception is claimed. For example, if a change substantially affects the value of tariff concessions previously negotiated, any member nation affected may request compensation and, if necessary, take the case to OTC for decision.

In this way OTC is in a position to acquire extensive authority, mainly indirect, over the monetary policy of every member nation—see section 3, article III, articles XV and XXIII, and model special agreement, Basic Instruments and Selected Documents, volume II, page 115.

AMENDMENT

Amendments to the first three articles, concerning objectives, most-favored nations treatment, and the schedules of tariff concessions, must be unanimous.

Amendments to the remaining articles, which spell out many of the most important obligations, may be taken by two-thirds vote. But an objecting member may either withdraw entirely from GATT or, if OTC consents, remain a member without accepting the amendment. In the latter case, OTC could presumably impose special conditions as the price of consent.

WITHDRAWAL

Any member may withdraw now, while GATT is only provisionally accepted, on 60 days' notice. If and when GATT is definitively accepted, 6 months' notice will be required. But withdrawal from this highly complicated arrangement, after it might be definitively accepted, could be very costly.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I will say to the gentleman from West Virginia [Mr. BAILEY] that I appreciate the statement he has made and I shall read with very much interest the remarks he has offered for the RECORD. If this ITO organization is what I think it is, from what I have been able to learn about it, I shall be with him all the way in this fight.

Mr. BAILEY. Mr. Speaker, I suggest to the gentleman that he read the article that I am presenting for the RECORD under this special order.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. First to commend the gentleman from West Virginia for his continued effort in oppositoin to GATT which in my opinion is nothing more than an extension of the reciprocal trade agreements. I would like to read a partial list of agricultural trade and industrial organizations or associations along with individual companies with investments and operations in Pennsylvania, which filed protests with congressional committees in Washington in 1955 against the damage, injury and threats to their American enterprises, by the competition in American markets from cheap foreign imports:

National Board of Fur Farm Organizations.
American Mining Congress.
National Coal Association.
Anthracite Institute.
Zinc Industry, by Otto Herres, mining engineer.
Pennsylvania Grade Crude Oil Association.
Bradford District Pennsylvania Producers Association.
Southwestern Pennsylvania Producers Association.
National Dairy Industry.
National Milk Producers Association.
Association of Cocoa and Chocolate Manufacturers of the United States: Bachman Chocolate Manufacturing Co., Mount Joy; Blumenthal Bros. Chocolate Co., Philadelphia; Hershey Chocolate Co., Hershey; Klein Chocolate Co., Elizabethtown; Wilbur-Suchard Co., Lititz.
United States Beverage Distilling Industry.
Wine Institute.
Wines Association of Pennsylvania.
Mushroom Growers Cooperative Association.

Brandywine Mushroom Corporation, West Chester.
National Association of Green House Vegetable Growers.
National Apple Institute.
American Cotton Manufacturers' Institute, Inc.
National Association of Wool Manufacturers.
National Association of Cotton Manufacturers.
The Underwear Institute.
The Philadelphia Wool and Textile Association.
National Association of Blouse Manufacturers, Inc.
American Lace Manufacturers Association.
North American Lace Co., Philadelphia.
Tufted Textile Manufacturers Association.
Textile Fabrics Association.
National Knitted Outerwear Association.
Carpet Institute.
American Viscose Corp., Meadville.
Cordage Institute: Edwin H. Fitler Co., Philadelphia; Thomas Jackson & Sons, Reading; Rinek Cordage Co., Easton.
Card Clothing Manufacturers Association: Benjamin Booth Co., Philadelphia.
National Association of Finishers of Textile Fabrics.
Soft Fibre Manufacturers' Institute: Hanover Cordage Co., Hanover; Thomas Jackson & Sons, Reading; Lehigh Spinning Co., Allentown; Ludlow Manufacturing Sales Co., Allentown; Revenah Spinning Mills, Hanover; Schlichter Jute Cordage Co., Philadelphia.
The Twisted Jute Packing and Oakum Institute.
Silk and Rayon Printers and Dyers Association of America, Inc.
The Thread Institute.
The Woven Woolen Felt Industry: Philadelphia Felt Co., Frankford.
The Hat Institute.
The Wool Hat Manufacturers' Association.
John B. Stetson Co., Philadelphia.
Hardwood Plywood Institute.
The Wall Paper Institute.
Printing Industry of America, Inc.
The Book Manufacturing Institute.
Manufacturing Chemists Association, Inc.
Synthetic Organic Chemical Manufacturers' Association.
American Cyanamid Co., Inc.
Rubber Manufacturers Association (footwear division).
National Authority for Ladies Handbag Industry.
American Fabric Glove Association.
Pittsburgh Plate Glass Co., Pittsburgh.
American Glassware Association.
United States Potters Association.
Vitrified China Association, Inc.
Shenango Pottery Co., New Castle, Pa.
Tile Council of America.
The Pin, Clip, and Fastener Associatiton.
Delong Hook & Eye Co., Philadelphia.
Industrial Fasteners Institute.
The Industrial Wire Cloth Institute.
United States Wood Screw Service Bureau.
Talon Co., Meadville, Pa.
The National Machine Tool Builders Association.
Landis Tool Co., Waynesboro.
S. Morgan Smith Co., York and Philadelphia.
Rockwell Manufacturing Co., Pittsburgh.
Rockwell Spring & Axle Co., Coraopolis.
Electrical Machinery Industry.
Westinghouse Electric Corp., Pittsburgh, East Pittsburgh, Beaver, Essington, Sharon, Sunbury, and Trafford.
General Electric Co., Philadelphia and Erie.
McGraw Electric Co., East Stroudsburg.
Pennsylvania Transformer Co., Canonsburg.
National Electric Products Co., Ambridge.
Pacific Electric Manufacturing Co., Scranton.
Proctor Electric Co., Philadelphia.
Stackpole Carbon Co., Kane, Johnsonburg and St. Marys.
Syntron Co., Homer City and Blairsville.
Allis-Chalmers Manufacturing Co., Pittsburgh.
Elliott Co., Jeannette and Ridgway.
Okonite Co., Wilkes-Barre.
Air Products Co., Emmaus.
National Electrical Manufacturers Association (telephone equipment section).
Western Electric Co., Inc.
High-voltage Electrical Porcelain Insulator Industry.
The Bicycle Institute of America, Inc.
Manufacturers of Optical and Ophthalmic Glass, Lenses and Instruments.
American Optical Co.
Scientific Apparatus Makers Association.
H. B. Instrument Co., Philadelphia.
National Association of Photographic Manufacturers, Inc.
American Watch Manufacturers Association, Inc.
Hamilton Watch Co., Inc., Lancaster.
The Toy Manufacturers of the United States: Girard Manufacturing Co., Girard; Louis Marx Co., Inc., Erie; H. L. Moore Co., Cochranton.
Lead Pencil Manufacturers Association, Inc.
Fountain Pen and Mechanical Pencil Manufacturers Association, Inc.
Insulation Board Institute.
Pennsylvania Railroad Co.

These businesses are fighting for their economic existence against foreign competition which is responsible in a marked degree for the unemployment we have in our labor surplus areas.

Mr. BAILEY. The gentleman from Pennsylvania is exactly right.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. HOFFMAN of Michigan. Because I have a high regard for the gentleman's ability and the soundness with which he usually speaks and his knowledge of his subject, I certainly will read what the gentleman has had to say, but I am asking now, Is the purport of the gentleman's talk along the thought that we should take care of our own people first?

Mr. BAILEY. Certainly. The purport of my talk is that we should not, without careful consideration, give up our constitutional guaranties; the Congress has to control these matters, not to surrender to the executive department, which in turn would surrender to a group in Geneva in which we will have 1 representative out of 34.

Mr. HOFFMAN of Michigan. The gentleman said, "surrender to the executive department." I assume the gentleman goes far enough to oppose any surrender to the judicial branch, too?

Mr. BAILEY. Certainly.

Mr. HOFFMAN of Michigan. Where they overrule us and tell us what we should have said.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

COLONIAL WILLIAMSBURG AND SIR WINSTON CHURCHILL

The SPEAKER pro tempore (Mr. STAGGERS). Under previous order of the House, the gentleman from New Jersey [Mr. AUCHINCLOSS] is recognized for 10 minutes.

Mr. AUCHINCLOSS. Mr. Speaker, a historic event was held in Drapers' Hall in London, England, on December 7, 1955, when Mr. Winthrop Rockefeller presented the Williamsburg award to that great citizen of the world, Sir Winston Churchill. This was the first Williamsburg award to be presented, it being a town crier's bell made by craftsmen now living in Williamsburg and representing a symbol of the people's vigil.

I wish it were within my power to describe the significant beauty and glory of Williamsburg and at the same time explain its sanctity to Americans. Indeed, it is holy ground because the precepts and principles of liberty and human dignity which ever since have had such an influence in the minds of men all over the world were conceived and born there.

From 1699 to 1780 Williamsburg was the capital of the Virginia colony, a period of 81 years of great importance to our Nation. It was the center of the cultural as well as the political life in the Colonies and ranked high with Boston, Philadelphia, and New York. It was a meeting place for such great Americans as George Washington, Patrick Henry, George Wythe, Thomas Jefferson, George Mason, and other illustrious men who shaped the destinies of our Republic. Here Patrick Henry made his Caesar-Brutus speech and submitted his resolution in defiance of the Stamp Act. Here, George Mason drew up the Virginia Declaration of Rights. Here on May 15, 1776 the resolution for independence was drafted which led directly to the decision of July 4, and at this place Thomas Jefferson's Statute for Religious Freedom was introduced. Truly, Williamsburg was the birthplace of all we hold precious and most dear.

Let me quote briefly from an outstanding address given by Dr. Grayson L. Kirk, president of Columbia University, entitled "Religious Liberty: Man's Link to Man," delivered on May 15, 1955, on the occasion of the prelude to independence period held annually at Williamsburg:

> To all Americans, Williamsburg is more than a city in which generosity and imagination have combined to recreate the stately beauty of a bygone century. This is one of the great shrines, not only to American but of human liberty. It is to the shrine, rather than to the city, that we bring our tribute and our gratitude today.
>
> A hundred and seventy-nine years have passed since the men of Virginia met here and set forth their views concerning the natural and proper order of society. The immediate effect of their work was made manifest in Philadelphia a few weeks later when all the Colonies joined in that historic declaration which elaborated the Williamsburg document. The lasting effects of their courage are still with us today and indeed with the peoples of the world wherever the freedoms of mankind have found constitutional expression. It is not too much to say that millions of men who have never heard of Williamsburg now live safer, happier, and

better lives because of what was said and done here.

The men who met here had more than courage and determination. They had vision. And men must have both if they are to build for the future. Courage without vision may be blind. Vision without courage may be impotent in the face of opposition. The two, in combination, are likely to be irresistible.

Let us remember that these leaders were men of substance. Their cultural ties with Georgian England were close. They were no less vulnerable than many of their fellow colonists to England's commercial and fiscal policies. One might have thought that they would have had much to lose and little to gain from revolutionary adventure. But because they had vision and principle they did not seek to buy economic protection at the price of political servitude.

These men did not believe that there was any virtue in the chaos of anarchy. They believed wholeheartedly in the principle that liberty derives from orderly and just government. They insisted that such a government should rest upon the consent of the governed, and they held with equal conviction and passion that the individual citizen enjoys by natural inheritance certain fundamental rights which no government, however constituted, can legitimately invade. Thus it was that the final resolution of May 15, 1776, ordered that "a committee be appointed to prepare a declaration of rights, and such a plan of government as will be most likely to maintain peace and order in this colony, and secure substantial and equal liberty to the people." Here was coupled a project for a plan of government and a bill of rights, each to complement the other. Here in this single sentence was set down the essence of the American philosophy of law, order, and freedom—all three interrelated, all equal, all fundamental, and all underpinned by a sublime ethical precept. Here in one document were the canons of political liberty and an unmistakable assertion of religious freedom. With such a heritage, Americans of every generation are bound to think badly of governments which recognize no limitations upon the scope or nature of their authority over their citizens.

And then again, later on in his same speech, Dr. Kirk said:

The basic hypothesis of the experiment proclaimed here was that men do have enough good will, enough intelligence, enough energy, enough tolerance and fortitude so that they may go about their daily work with hope and faith, and not in fear and despair. Let us take heart from the examples of those men who met here in our Nation's beginnings. As they extended outward from this city to all the American Colonies, their brilliant expressions of commonly shared convictions, tolerant of one another's differences, let us emphasize before the world today the common moral law of men of good will everywhere, ignoring our differences and strengthening our unity. The spirit that will guide us through our present perplexities is not the spirit of militancy, but the spirit that, in all eras, has led men sooner or later to the love of God through the love of their fellow men.

Dr. Kirk thus describes with great eloquence the spirit which prompted the trustees of Williamsburg to select the recipient of the first Williamsburg award. They sought out one who had contributed to the inspiration of man in his love for freedom and desire to live at peace with all men. They sought one who by his example of courage and determination, by his vision and faith "has led men sooner or later to the love of God through the love of their fellow man," and they found such a one in Sir Winston Churchill. President Eisenhower summed it all up so well when he said in the message he sent to this meeting:

It is most fitting that the first Williamsburg award should be made to Sir Winston Churchill—an award which bears the name of the one-time capital of the great Virginia Colony, and which reawakens memories of the fearless men of 18th-century America. The cause of freedom was the cause of Washington, Jefferson, Madison, Patrick Henry, and others who once walked the streets of the historic capital. In our time, no man has given more to that cause than Sir Winston. With all who honor him, I join in extending to him my heartiest congratulations and warmest regards.

Sincerely,

DWIGHT D. EISENHOWER.

The whole story is nobly told in the speech of Mr. Winthrop Rockefeller's when the award was given, and it is printed at the conclusion of these remarks. As I have already stated the ceremony took place at Drapers' Hall, London, England, on December 7, 1955, and the occasion was described by Life magazine in its issue of December 19, as follows:

The 204 guests who attended were field marshals, admirals, statesmen, ambassadors, and just plain old friends on hand to applaud Churchill. Among them was Clement Attlee, who just that morning had retired as leader of the Labor Party and accepted an earldom. He put on white tie and tails in honor of his old rival.

After sampling a banquet which included oysters, smoked salmon, English roast lamb, Virginia ham, and cheese souffle, washed down by French vintage wines, Winthrop Rockefeller, chairman of the Williamsburg trustees, made the award—a silver town crier's bell and $10,000. Speaking of the bell, Sir Winston replied, "Its silver tone is gentle. I shall ring it whenever I feel there is duty to be done."

America and humanity were honored on this occasion. What was said by the speakers renewed our faith in the goodness of things and our determination to carry on with the spirit that inspired our forefathers in their determination that man should be free and not regimented by any bureaucracy or tyranny of government. In making possible the restoration of Williamsburg, thereby revitalizing our American ideals, Mr. John D. Rockefeller, Jr., has performed a signal service to mankind and has brought about an appreciation of the value of our heritage. All Americans should visit this shrine and renew their pledge of loyalty to our country "one Nation under God with liberty and justice for all."

Mr. Winthrop Rockefeller's address follows:

Sir Winston, honored guests, I am here this evening to speak for many people.

I speak first for the trustees of Colonial Williamsburg.

I speak for old friends of our honored guest—some of whom have been proud to come from far away to meet again with a comrade in arms.

I speak for millions of Americans who love and honor Sir Winston Churchill.

In the presence of the Ambassadors of other nations, I hope that I may speak also for their countrymen who have fought and are fighting for a world of freedom, justice, and honor.

Above all, I believe that I speak for the spirit of those men of 18th century Williamsburg, who are the real creators of the Williamsburg award.

Williamsburg is almost as old as the English colonization of North America. In 1633, it was built north of Jamestown between the York and James Rivers in the vast colony of Virginia. In 1699 it became the capital of the colony and was named Williamsburg after William the Third.

For 81 years—from 1699 to 1780—it was the political and cultural center of the largest and, in many respects, the most influential of the British colonies.

When the American dream of freedom and independence was taking form, Williamsburg provided one of the most important intellectual training grounds for the leaders in that struggle.

As the drive for independence became a reality, Williamsburg was the scene of the enactment of the Virginia Resolution, which led to the Declaration of Independence.

There the forerunner of the American Bill of Rights was written by George Mason and adopted by the legislature.

There a company of brilliant and courageous men proclaimed the rights of man in words and deeds no one who loves liberty can ever forget.

But in 1780 history left Williamsburg. Slowly the proud old city was forgotten.

Fifty years ago, the rector of Bruton Parish Church, in Williamsburg—a deeply thoughtful man—dreamed of restoring the historic city. Many years later he told my father of that dream.

My father, immediately impressed with the spiritual significance of this colonial capital became deeply interested in its preservation.

He came to believe that if the city could be brought back to life—if the environment of the 18th century could be re-created—living Americans would better understand the lives and times of the men who here helped build our Nation. They would appreciate more fully the nature and the meaning of the contribution they made to our country. He, therefore, determined to begin the restoration of Colonial Williamsburg.

It was a project to which he was to be increasingly drawn over the years, and to which he was to give of himself without stint. That the lost city should be reborn to speak for itself was his special objective.

Now, almost 30 years later, the work is still not finished, but 18th century Williamsburg again stands much as it stood in the days of its greatness.

Since the restoration began to take shape, 7 million Americans have visited Colonial Williamsburg and it has drawn visitors from 80 foreign countries. People of all ages, nations, creeds, and races are coming in increasing numbers.

No more gracious visitor, I may say, has ever visited Williamsburg than Her Majesty, the Queen Mother, who a year ago became the first member of the royal family ever to visit the city where British governors once lived and ruled a Crown Colony. Sitting—by her own wish—in the pew once occupied by George Washington, she worshipped in Bruton Parish Church. Never was Williamsburg more completely captivated by a King or Queen.

Today the people who come to Williamsburg from many lands and many walks of life are drawn by something far more than curiosity. Perhaps what they find was best expressed by a young American soldier during the Second World War. In a greatly cherished letter to my father, he wrote:

"This visit made me realize the heritage and rich gifts of our country. Of all the sights I have seen, and the books I have read, and the speeches I have heard, none ever made me see the greatness of this country with more force and clearness than when

I saw Williamsburg slumbering peacefully on its old foundations. * * *

"As a soldier in the United States Army, I am proud to have set foot on such grand old soil. More than ever it has made me live in the daily hope that by facing the future together, we shall all survive it together, both as a united nation and as free men."

The lessons taught by the lives of the men of 18th century Williamsburg are timeless. They remind us, among other things, that there is a fellowship of free men—a comradeship of courage—that is not contained within the borders of any land or within the limits of any time. The example of the men of 18th-century Williamsburg speaks across the ages to the perilous present—not only to Americans but to all men who love liberty. We today take heart and comfort from the courage and steadfastness of our forebears.

It was with this realization that the trustees of Colonial Williamsburg conceived the Williamsburg award. It intends to be an honor. But more than that it intends to make all men, wherever they may be, aware that there is such a fellowship—that it extends down the ages—that it reaches across every boundary of race, creed, and geography.

It is to be hoped, then, that this award will serve as a continual reminder that there are today, as there were yesterday, vigorous, courageous and intelligent leaders—that he who defends liberty and justice anywhere defends it everywhere.

It is not a twentieth-century Williamsburg which speaks through the Williamsburg award. This is a salute across time. It is great men—of your blood and ours—who speak across nearly two centuries to say to the recipients of this award:

"You are of the great company."

When it came time to select the first recipient of the Williamsburg award, it was our task to find "a person who has influenced the course of national or world events significantly by expressing in sustained action or in eloquent and persuasive statement a belief in the liberty of the human spirit, in the rights of man, and in the value of the individual." And all roads led to one man.

In the wonderful phrasing of his biographer, E. D. O'Brien, "the long procession of Winston Churchill" marched past. And there was never any question that he, more than any other living man, belonged to the great company of the defenders of liberty. No political leader in our time has given a braver example of resistance to tyranny and all encroachments on the rights of free men. None has fought harder—or more successfully—for the rights of the individual. None has done more to preserve and extend Anglo-American friendship which was strong in the hearts of many men of eighteenth-century Williamsburg even when they broke with their mother country.

I will not try to offer any further citation. Sir Winston needs none. He, the symbol of a free world in time of terrible danger, his eloquent words ring in the hearts of men around the globe. By his words and actions, he has written a finer citation than any that could be written for him.

There is, however, one message which comes—not across two centuries but across 3,000 miles of water. It is from Gettysburg. It reads:

"It is most fitting that the first Williamsburg award should be made to Sir Winston Churchill—an award which bears the name of the one-time capital of the great Virginia Colony, and which reawakens memories of the fearless men of 18th-century America. The caure of freedom was the cause of Washington, Jefferson, Madison, Patrick Henry, and others who once walked the streets of the historic capital. In our time, no man has given more to that cause than Sir Winston. With all who honor him, I join in extending to him heartiest congratulations and warmest regards.

"Sincerely,

"DWIGHT D. EISENHOWER."

Sir Winston, I am honored to present to you—in the presence of this distinguished audience—the first Williamsburg award. The symbol of it is a town crier's bell—made at Colonial Williamsburg by artisans, as such bells were made in the days of your forefathers.

On it have been inscribed these words:

"This bell, symbol of the people's vigil, is given to commemorate the presentation of the Williamsburg award to Sir Winston Churchill for his unexampled contribution in our time to the historic struggle of men to live, free and self-respecting, in a just society."

"THE TRUSTEES OF COLONIAL WILLIAMSBURG."

"DECEMBER 7, 1955."

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

DON'T KILL THE GOOSE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include two newspaper statements.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, in mass production industries workers need protection from greedy employers. They got it in 1935 when the yellow-dog contract, which denied a worker a job if he belonged to a union, was outlawed.

Today the union or closed-shop contract denies the worker a job unless he belongs to the union.

Speaking generally, then a man could not get a job if he belonged to a union; today he cannot get one unless he belongs to a union.

Both contracts were unfair.

Employers of today who create jobs and meet payrolls are just as much entitled to a fair deal as were the employees prior to 1935.

Employers have no monopoly of the desire to better themselves financially. Neither they nor workers are to be criticized because of any fair effort to better their financial condition.

If prosperity and advancement for either group is to continue, there must be equitable treatment for both.

An employee will not continue to render a worthwhile service unless he receives a wage which will not only provide food, shelter, and clothing, but enable him to marry, have a family, assist in their education.

An employer will not, he cannot, continue to operate unless he makes a profit.

Hence it is that there must be a balancing of opportunities. That we try to bring about through collective bargaining.

Industrial profits have heretofore been held in check by competition. Antitrust laws were enacted to prevent a monopoly of production by one or a few big corporations in control of production or marketing.

An employer forced to grant an ever-increasing wage may, because the wage increase is added to his sales price, lose his market. Or he may be denied a profit and when he is, he will quit—and no one can force him to continue in business.

The closed or union shop—a labor monopoly—is equally dangerous to the welfare and the freedom of the employee.

Why, when union officials can, and have, as many a union member has complained to me, arbitrarily raised membership dues from $2.50 per month to $7.50 per month, there is no limit to the tribute they can exact from their members. And when, in addition, they can, as they have, use part of that $2.50 or $7.50, or a special assessment, for political purposes—to support policies and candidates the individual workers oppose, then the unionman has lost not only his economic independence, the right to his own earnings, but the freedom heretofore enjoyed under our form of Government. The union official has become a tyrannical dictator with the power to cut the worker's take-home pay.

There is another danger—the union boss, the international organizer, can, and, as I read the January 25 issue of the AFL–CIO News has, put an employer out of business. Read the following from that issue of labor's press:

CLEVELAND WORSTED CO. DISSOLVES, 1,400 IDLE

CLEVELAND, OHIO.—Directors of the 77-year-old Cleveland Worsted Co. voted themselves a quick financial killing by ordering the liquidation of the firm but 1,400 members of the Textile Workers are continuing their 5-month-long strike against the mill.

Civic authorities roundly condemned the callous disregard for veteran employees, many of them people past middle age, and the Cleveland City Council twice flayed the company's management for its lack of responsibility.

ORDERED PLANT CLOSED

TWUA members have been on strike since August 22. The union won an NLRB election at the mill last June but Louis A. Poss, 75, president of the firm, maintained he would never sign a contract.

Later he modified this to say he would sign with the union if there was no wage increase or other benefits provided but again he changed his mind and ordered the plant closed down.

Poss' antics during the preelection campaign are recalled with bitterness now. The night before the voting Poss roamed through the plant embracing elderly workers and exhorting them to "vote for me" or waggling a warning finger at union supporters. His vote was 449 compared to 884 for TWUA.

His attitude was described as "even more incomprehensible" because the firm's branch in Ravenna, Ohio, with 450 workers, has been under TWUA contract since 1937. Union officials have described Poss as fancying himself a "small-time Sewell Avery" who is closing his mills "out of sheer pique."

Poss and the dozen or so others who control the firm will find little to pique them, however, in the quick financial killing they stand to make out of the liquidation.

TWENTY-SIX MILLION DOLLARS IN PROFITS

The action in Cleveland is all too tragically familiar in New England textile centers where ruthless men have found that it is very often more attractive financially to liquidate a mill than to keep it in operation. The welfare of the community or the employees becomes of small consequence.

TWUA obtained a court order giving it the list of stockholders and appealed to them to continue the business, pointing to trade press comments that Cleveland Worsted was "a paragon of the staple worsted manufacturing industry with earnings surpassing anything by its competition."

Solomon Barkin, research director of TWUA, estimated that the company had made net profits of $26 million since 1942.

The firm's stock had been selling for about $80 a share until rumors of impending liquidation hit the market. Then the stock soared to $125 a share as investors greedily eyed the $18 million cash surplus on the firm's books which will be divided on liquidation.

GRAY CLOSED LUMBER COMPANY RATHER THAN NEGOTIATE

WAVERLY, VA.—Virginia State Senator Garland S. Gray, who headed the commission which brought forth a plan to circumvent the Supreme Court's antisegregation ruling, in 1952 closed down his Gray Lumber Co. here rather than negotiate with the union.

"No damned union is going to run my business," Gray, who has given Sussex and Surrey Counties $45,000 for private, white swimming pools to guard against mixing, was quoted as saying.

Six days before his decision to close his plant, his employees voted 99 to 8 in an NLRB election to be represented by the International Woodworkers. Seven months later the business, which Gray sold to his son, reopened under the name of Elmon Gray & Co. It is still nonunion.

Possibly, but just possibly, by an appeal to the NLRB the Grays might be forced to bargain collectively on the theory that it was but a continuation of the old business. However, the son might decide that he, too, had had enough.

Lambasting the two business concerns, as is the right of labor, may relieve the feelings of the editor, but it will not put the former employees back to work. No man can be forced to work at a particular job nor, on the other hand, can he be forced to either create or continue a business giving jobs.

Do not put the employer, be he individual, partnership, or corporation, who creates the job and meets the payroll, out of business. Already many a smaller and some larger industrial plants have gone South.

Large corporations with millions to spend for new and ever-improving machinery make it difficult for the smaller industrialist to meet the competition. If, in addition, the employer in the small city or town is forced by organizers from the cities to pay the same wage paid in the big plant which can produce at less cost, the local employer may well be forced out of business—many a job lost.

The goose which may not be laying the desired golden egg, but perhaps a silver one, may just die for lack of nourishment.

TAX CUT FOR LOW-INCOME TAXPAYERS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I have today introduced a bill to provide a tax cut for low-income taxpayers, and I rise to discuss my reasons for so doing, and to urge the Congress to give early and favorable consideration to my bill.

A substantially identical bill was introduced in the first session of this 84th Congress by my late distinguished father, the Honorable JOHN D. DINGELL, and cosponsored by other Members of the House and Senate. However, certain modifications are necessary in my late father's bill relative to changes in the effective dates in the tax schedule included in that legislation.

This bill is indeed a tribute to the vision of the late Congressman JOHN D. DINGELL, and to his humaneness and concern for the common man, due to its great importance to the little people of this country.

This proposal provides for raising exemptions for each taxpayer and his dependents from $600 to $700 per annum. It goes further and repeals the special treatment accorded corporate dividends by the Republican-sponsored changes in the tax laws, those infamous provisions which exclude completely from taxation certain amounts of dividends of corporations, and which, in addition, give tax preference on all amounts of corporate dividend income over the earned income of the average American citizen.

These provisions of the current law represent tax favoritism for the wealthy in its purest form.

The provision for the increase of exemptions will cost the Government $2,474,000,000. Of this sum, over one-half, or $1,247,000,000 will go to families with incomes under $5,000 per annum. In other words, this is the little man's tax cut. This provision will absolve 5.6 million small taxpayers from paying any income tax whatsoever.

The other provision, which repeals the special treatment accorded corporate dividends, will recapture for the Treasury $420 millions per annum.

We all realize that the removal of a number of small taxpayers from the rolls will result in substantial economies in bookkeeping for the Government. Experience shows that the administrative cost of collecting the tax of small taxpayers is proportionately very high, and in a number of cases actually exceeds the amount received by the Government from that individual taxpayer.

This tax cut will increase the buying power of the little man, the one who most needs it, and will serve to put more food of better quality on his family table, give him an opportunity to buy small luxuries and necessities which he could not otherwise afford, and allow him to increase the general prosperity of all by buying more goods and services from businessmen, merchants, manufacturers, and farmers.

Indeed, Mr. Speaker, this precise form of tax cut is the sort which is most beneficial to the economy, and best illustrates the wise philosophy of the Democratic Party, that true prosperity is best created by increasing the buying power of the small man. It is the little fellow who most needs money to buy the goods of this world. He is the man whose daily needs compel him to spend almost every cent of his hard earned income as rapidly as it is earned. Increased prosperity on the part of the little man will result in increased income for all who sell to him. All those in the higher income brackets will not only get a tax cut, but will profit from the increased income of the small-tax payer, with whom they trade.

Sound economic studies by the Treasury Department and outstanding economists show us that this increased prosperity will also offer a still larger tax base so Uncle Sam will lose considerably less than the entire amount of the tax cut given the people.

I here insert into the RECORD a table showing the reduction of taxes for various representative income groups for the average family with two children:

Income before deduction for personal exemptions	Present law tax	Plan tax	Reduction	
			Amount	Percent
$3,000	$120	$40	$80	66.7
$4,000	320	240	80	25.0
$5,000	520	440	80	15.4
$8,000	1,152	1,064	88	7.6
$10,000	1,592	1,504	88	5.5
$15,000	2,900	2,780	120	4.1
$25,000	6,268	6,116	152	2.4
$50,000	18,884	18,648	236	1.2
$100,000	51,912	51,624	288	.6
$500,000	402,456	402,092	364	.1
$1,000,000	857,456	857,092	364	(1)

[1] Less than 0.05 percent.

For example, under this program the average worker in the factories of Detroit earning the average wage of $5,000 per annum, with a wife and two children, would receive a tax cut of $80, or 15.4 percent.

I note a disquieting thing about the present administration's current tax philosophy: The administration appears bent on playing politics with the possibility of giving those in the lower income brackets a tax cut. I regret that the administration should attempt to delay a tax reduction for the little man to secure for itself a political advantage when it brooked no delay during previous Republican Congresses to give tax cuts to the corporations and to those in the higher income brackets. Yet it appears that is precisely what is happening, and I so charge the administration.

The welfare of the small taxpayer is such that the administration must not delay giving him the benefits of a tax cut until it can take exclusive credit for such a move. A wise and humane government recognizes that there is enough glory for all in an act which benefits all the people. And there is certainly glory enough for all in the tax reduction I urge.

Dr. Arthur Burns, Chairman of the Council of Economic Advisers, after careful study, takes the position that continuing growth of our economy is to be assumed. Even considering the possibility that the current boom might slow down somewhat, he still believes that the economy will continue to expand, as it has every year since the war, at a rate of about 4 percent.

The administration takes its usual conservative view that business profits will continue at exactly the 1955 level of $43 billion, and that the national income will continue at $312 billion, precisely what it is today.

Dr. Burns is recognized as one of the great practical economists of our day and chairman of one of the most experienced groups of economists in the world. They are indeed the watchdog of the Nation's economy.

The figures advanced by Dr. Burns are very interesting. Under this uniform postwar growth of our economy or, at the rate of 4 percent per annum, it will grow $12 billion during the coming year. Past experience shows that, of this sum, the Treasury's tax share will run about $3 billion, which figure permits a balanced budget, reduction of the national debt, and a reduction of taxes for the people who most need it—a tax cut in almost the exact figures which I have set forth above and provided in the bill which I am introducing.

On the other hand, if the economy is in the condition which the administration assumes and is not due for the usual expansion which we have uniformly had through the postwar years, then it is plain that two very serious conditions will arise, for which the administration manifests no concern whatsoever. First, there will not be jobs and opportunity for all those of our growing population who wish to enter the labor force; and, second, our economy would not then absorb the increased labor productivity, which is due to new methods and increased mechanization.

If the administration's analysis is correct, it is its plain duty to take positive action at once, and to advise this Congress of the true state of affairs immediately, so that we may act to provide for a continuing growth in our economy.

It is significant that no Presidential message of this session made any worthwhile proposal for readjustment of the present tax structure to promote greater fairness for the little man. Speaking of the past, the state of the Union message points out that two-thirds of the $7.5 billion released by the tax cut of 1954 went to individuals. However, only one-quarter of the total relief granted to individuals in 1954 went to the two-thirds of the American families who earn less than $5,000 per year. The other three-quarters went to those taxpayers with larger incomes, both by way of direct tax cuts and loopholes through which those of higher income can avoid taxation which the small taxpayer cannot escape.

I think the proposals set forth in my bill provide fairly for the reduction of the tax burden on the little fellow, while at the same time taking into account consideration of the needs of the economy, and reduction of the national debt. Together they provide for some readjustment of the existing tax structure, and elimination of one very obvious tax favoritism for a special interest group by elimination of the dividend credit treatment in the 1954 Code.

I am confident that the Ways and Means Committee of this House, led by its distinguished and able chairman, the gentleman from Tennessee [Mr. COOPER], who together with my late father sponsored this legislation in the last session, will take favorable action on this proposal without regard for the political conniving of the administration. I am also confident the committee will take other steps to see to it that the small taxpayer gets the fair treatment he so justly deserves and the economy he so greatly needs.

THE ALTOONA (PA.) TRIBUNE REACHED THE 100TH MILESTONE IN THE FIELD OF JOURNALISM

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to adress the House for 15 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the centennial edition of the Altoona (Pa.) Tribune, issued January 12, 1956, presented a nostalgic review of world-shattering events that transpired during the past century.

Through a series of reprinted articles and photographs, the reader enjoyed not only a refresher course in American and world history but likewise a chronological review of the transformation of the Altoona area in 1849 from its pastoral setting into a thriving industrial section of Pennsylvania which takes pardonable pride in the fact that it is the site of the famous Horseshoe Curve on the Pennsylvania Railroad and the home of the largest railroad shops in the world.

The Pennsylvania Railroad was only 3 years old when in 1849 it purchased farmland in Blair County, Pa., and began the erection of the railroad shops and yards which were destined to transform Altoona into an important railroad center of the Pennsylvania Railroad system.

The Altoona Tribune over the span of a century has recorded the growth and development of the Pennsylvania Railroad and other industries in the Altoona area with the result that today in the American tradition of free enterprise Altoona is a bustling city of diversified industries.

Pictures of locomotives and the railroad yards before the turn of the century, as shown in the centennial edition of the Altoona Tribune, are graphic illustrations of America's marked progress in the field of science and invention.

For example, there are reproduced early pictures of the American "Iron Horse" while another page carries an advertisement by the Pioneer Fast Line organized in 1837 to provide transportation facilities.

The advertisement promised fast service of 3½ days between Philadelphia and Pittsburgh, adding that the journey was made possible "by railroad cars, canal pockets, and steamboats carrying the United States mail."

Depicting the American scene at the national level, the Altoona Tribune reported the war clouds gathering over the Nation as the threat of a civil war became imminent.

When Fort Sumter was fired upon, war became a stark reality and there followed the sequence of events of that fratricidal blood bath that divided a nation.

Among these events was the famous conference of the Civil War Governors held in the swanky Logan House, Altoona, Pa., which at that time was one of the Nation's finest hotels. This conference is regarded by many historians as the turning point in the Civil War.

The famous Gettysburg Address was printed in the Altoona Tribune in regular fashion and with no idea that it was destined to become an historic and immortal masterpiece of thought and diction.

In addition to the surrender of General Lee, there was recorded the horrifying account of the assassination of the beloved Abraham Lincoln.

The chronology of historic events at home and abroad proceed with the Altoona Tribune's reporting of President McKinley's proclamation and the entrance of the United States into the War With Spain.

The 20th century approached and brought with it the continued growth and expansion of the United States and also depressing events such as World War I and World War II, the Korean conflict, and the global struggle to control the minds of men made necessary by the ruthless tactics of Soviet Russia in seeking dominance over all mankind.

The panoramic view by picture and the printed word encompasses the horse and buggy area to the present atomic age, thus revealing the important role played by the Altoona Tribune, as a disseminator of news in the 100 years of its existence.

In addition, the nostalgic review in the centennial edition of events of the last 100 years is a lesson in capsule form of America's joys and tribulations experienced by the young republic on the road to maturity and to the exalted position of the greatest nation on the face of the earth.

Mr. Speaker, to trace the history of Altoona's popular morning newspaper, I should like, at this point, to include in my remarks the following article that appeared in the centennial edition of the Altoona Tribune on January 12, 1956, and an accompanying editorial entitled "The Tribune Looks Forward" from the pen of its erudite and versatile editor, Mr. Robert W. Boyer, whose timely editorials have won wide acclaim for clarity and cogency in appealing for a dynamic brand of Americanism:

FIRST TRIBUNE PUBLISHED ON JANUARY 3, 1856—ALTOONA HAS BEEN BIG NEWS TO THE TRIBUNE FOR 100 YEARS

The Altoona Tribune has been a familiar name in Altoona and Blair County for 100 years, this month.

Journalism still was in its infancy when the Tribune first began operations January 3, 1856. The date of formal incorporation is listed as January 1, 1856.

Thus, the Altoona Tribune has seen, and reported, some of the most eventful times of world history, and, certainly, it has reported all of the story of the growth of our own community.

But, in looking back through our files, only a few of which remain from this early period, we found that many of the great events of our Nation had not yet found a dramatic spot in history, and were treated as very prosaic news.

The report of President Lincoln's Emancipation Proclamation was published on an inside page, and for example, nowhere does that familiar title appear in the wording.

The meeting of the loyal war governors here at the Logan House is regarded as a turning point in the Civil War. Imagine how we should treat such an event in our news columns today.

But, this simple item appears in the columns of the Tribune, Thursday, September 25, 1862:

"Meeting of Governors."

"On Wednesday, last, the Governors of all the loyal States with the exception of the Governor of Minnesota, who was detained by Indian difficulties, and Governor Morgan, of New York, were present either in person or by proxy. Their sessions were secret and although a number of reporters have given sketches of their proceedings, we are inclined to the thought that there was considerable guesswork about the reports. The convention adjourned to meet again in Washington City, and the Governors have gone thither."

NO BIG HEADLINES

The day of headlines had not yet been ushered in by William Randolph Hearst, and the story of the Civil War appears in The Tribune in a series of brief, sketchy dispatches, seldom with anything more than a small, one-line heading.

This, of course, was in the day of slow communications. The telegraph had come into general use only shortly before the Tribune saw the light of day, and its service was limited, and often interrupted by broken lines.

There were no telephones, and even the mails were slow and irregular.

Through all this, the Tribune carried on, endeavoring by such means as were available to keep the people of the community informed.

The development of the Pennsylvania Railroad Co. here was reported steadily through the years; the industrial expansion of the city, the annexations, the social and cultural growth, and, among the most vital news to our people, the reporting of their own doings, their meetings, their accidents and tragedies, their marriages, births, and deaths.

The first newspaper in Blair County was The Altoona Register published for a short time by William H. and J. A. Snyder in the spring of 1855. After its suspension it was succeeded by the Tribune, January 1, 1856, McCrum & Allison, proprietors.

On May 1, 1858, William M. Allison of the Altoona Tribune disposed of his interest to H. C. Dern. On July 19, 1875, the interest of Ephriam B. McCrum passed into the hands of Hugh Pitcairn who for many years conducted the paper with Mr. Dern.

On April 14, 1873, McCrum and Dern began the Daily Tribune. The firm of Dern-Pitcairn took over January 28, 1878, continuing until Mr. Dern's death in 1905. At that time the company was reorganized as the "Altoona Tribune" with Dr. Pitcairn as president, Henry C. Dern as treasurer, and Alonzo D. Houck as general manager.

Col. Henry Shoemaker purchased the Tribune and became president and publisher November 12, 1912. Mr. Houck retired as general manager and became first vice president upon the retirement of Enos M. Jones in 1916.

MERGER

In January of 1920 the Altoona Times merged with the Tribune. Colonel Shoemaker continued as president with Bert Leopold as vice president. A. D. Houck became vice president and general manager of the job printing plant with A. M. Whitaker general manager of the newspaper. Charles K. Kelley who had been editor of the Times retired. W. H. Schwartz, editor of the Tribune, continued in that post.

Colonel Shoemaker purchased the Times interest in January of 1921.

Adam J. Greer was editor of the Tribune for a number of years in the early days of publication. He was succeeded February 1, 1881, by Wesley H. Schwartz, native of Williamsburg, who resigned as editor in 1922 to be succeeded by A. O. Vorse, J. V. Taylor, J. Herbert Walker, Henry T. Baldwin, Thomas C. Langdon, Robert O. Price, and James F. Brantinger who preceded Robert W. Boyer, present managing editor.

OTHER OFFICIALS

Other Tribune officials since 1923 have included Parson H. Crawford, advertising manager; Herbert D. Brauff, business manager; B. I. Levine, advertising manager; and Robert Keys, advertising manager. First directors of the organization headed by Colonel Shoemaker were Enos H. Jones, John D. Meyer, J. C. Quiggle, J. H. Chatham, Joseph Arbuckle, and William F. Gable. Prior to the purchase of the Tribune by Shoemaker, E. Warren Everhart was city editor for many years and William W. Witherow was circulation manager a long time. John Kelly was city editor before being called into the service several years ago, and is now stationed in Germany. Joseph Berger served as city editor several years before accepting a position with the State Department at Washington, D. C.

Several years ago Colonel Shoemaker sold his interest in the Altoona Tribune. Col. Theodore Carter is now owner. A. B. Crane is now vice president and publisher; and Joseph A. Faul is general manager; John P. Nardella, business manager. Leo P. Carroll is advertising manager; Bernard Krauth, head of circulation; Robert W. Boyer, managing editor; and Donald N. D'Elia, city editor.

Close to the time of the Spanish-American War the Tribune proprietors erected a neat and substantial three-story brick building especially designed as a printing house between 11th and 12th Avenues, fronting 32 feet on 12th Street, with a depth of 60 feet. This edifice is still in use.

THE TRIBUNE LOOKS FORWARD

(By Robert W. Boyer)

As we look backward across the years during which the Altoona Tribune has served Altoona, and all of Blair County, we become conscious, humbly so, of a oneness, a perfect unity, which exists, and has existed for all the long years of its life, between the Tribune and the community of which it is so vital a daily part.

For a full century, this month, the Tribune has served as a voice of the city. Sometimes it has been raised in exhortation, sometimes in denunciation, but, by the records, always on behalf of the city, always defending, advising, suggesting, striving always for a better city, a more informed people.

A century is a long time to serve a community. The very thought of the past, dwindling faintly into the depths of the distant years, and of the men and women, the brilliant and the able, and the mediocre who have worked here, who have kept finger to pulse while the community lived its daily life, leaves us humbly casting about for a way to express our own feelings as we mark this 100th anniversary.

There is so much to say to sum up a hundred years. What can we say? Shall we become dull and dreary with figures? Shall we belabor the columns, and the reader, with pile upon pile of statistics?

No. A century of recording the life of a community is more than a stack of statistics, more than dusty columns recounting the chronological events, people and dates, in every local organization and group through the years.

We were astounded to read an editorial in a paper of 1866 advising the people of Altoona that someday they would need more different types of industries.

The Tribune urged diversification of industry at the very beginning of the industrial age.

And so, we are not looking forward with the vain regrets of old men who lament the passing years, and to whom only the old days were good.

We do not delve into the ancient records to bewail the past, nor to shed tears for a day that is no more. But, to pull aside the curtain of time and glance backward momentarily can serve to give us a deeper appreciation of today, and of the life's struggle of the many who have gone faithfully through their daily tasks, and, step by step and year by year, built a better world, a better Nation, and a better city.

There are many things to be learned in a hundred years, whether it is a man or a newspaper which has lived them.

And only a very amateur philosopher is required to see that the wisdom of the years point toward a better tomorrow.

That is the thought and the urge which drive men and communities forward.

It is the future that counts. For the future is the very stuff of life itself.

One can go adventuring through the files of the Tribune, and through its pages of history, and one can look with interest backward through the years, and see the tiny village of Altoona, and its mud streets, and hear the lonely wail of a locomotive's whistle coming up the valley, heading bravely toward the ramparts of the mountains, and the newly opened West beyond, but, at the threshold of another century of service, the Tribune and all who now comprise its personnel, look forward to the future with zest, proud of an ancient masthead, but interested only in tomorrow, for, our past is now history.

Mr. Speaker, the worth of any institution to the community, State, and Nation is measured by its record of service in the common good. In this respect the Altoona Tribune has earned its laurels in the field of journalism as evidenced by the warm messages of congratulations that flooded its editorial offices the week of January 3, 1956.

These expressions of widespread commendation came from President Dwight D. Eisenhower, United States Senator Edward Martin, United States Senator James H. Duff, Gov. George Leader, State Senator Charles R. Mallery, State Assemblymen Charles A. Auker, Daniel H. Erb, Harold G. Miller, and Mayor Robert W. Anthony, of Altoona, along with scores of congratulatory messages from other business, industrial, church, and civic leaders throughout Pennsylvania and the Nation.

It was highly pleasing to me to be able to join in extending centenary congratulations in my capacity as Representative in Congress of the 20th Congressional District of Pennsylvania, which is comprised of Blair, Centre, and Clearfield Counties, because I belong to the Tribune alumni, having been employed in the

folding room and also as a newsboy delivering Altoona's popular morning newspaper while a grade student in the Altoona schools.

I have many pleasant memories of my boyhood employment with the Altoona Tribune and feel that the training I received there in my early youth proved helpful to me in developing into manhood.

It has been my good fortune to have known personally many of the officials and employees of the Altoona Tribune over the past 50 years.

On the occasion of this centennial observance of one of Pennsylvania's leading daily newspapers I extend best wishes to the present publishers and staff for continued success in their efforts to meet the challenging future as ably as their predecessors met the test since 1856.

Mr. Speaker, it has been said often that if you wish to probe the sincerity, honesty, and ability of a man, ask his neighbor.

This admonition of an age-old adage aptly applies to the newspaper field because in the not too distant past members of the fourth estate in their publishing activities were not reluctant to repeatedly attack policies and personalities of a rival newspaper. This practice of verbally lambasting another newspaper is happily on the wane but it has always proved foreign to the precepts of journalism as practiced in the Altoona area with the result that all newspaper editors respect each other and as a result dwell in amity and contentment as they cooperate in promoting the best interests of the community.

There is no stronger evidence of the cordial relations that prevail among the newspaper fraternity in Altoona than the glowing editorial of cordiality and goodwill that appeared in the Altoona (Pa.) Mirror on January 12, 1956, warmly congratulating the Altoona Tribune on its 100th birthday.

Mr. Speaker, as a fitting conclusion to this tribute to the publishers and the staff of the Altoona Tribune, I wish to include at this point in my remarks the Altoona Mirror editorial and to add the two fine articles by Mrs. Grace K. Ebright, staff writer of the Altoona Mirror, in saluting the Altoona Tribune for its contribution through able and learned journalists in promoting the best interest of the newspaper profession in my home city of Altoona:

[From the Altoona (Pa.) Mirror of January 12, 1956]

TRIBUNE ANNIVERSARY

For 100 years residents of Altoona have welcomed the daily arrival of one of the city's first newspapers, the Altoona Tribune, and this anniversary year of that newspaper finds the officers of the company, the newspaper staff and its readers all celebrating the birthday event.

Birth date of the Altoona Tribune is January 3, for the first issue appeared back in 1856, and the newspaper has continued as a morning paper ever since.

The Altoona Mirror heartily congratulates the Tribune and its newspaper family on its centenary year. An existence of 100 years is an achievement most outstanding in any business, and the Tribune, ancient in its years, but up to date in its operation, starts a second century with the finest of greetings and the heartiest of congratulations.

For 82 years of the 100 years of existence of the Altoona Tribune, this newspaper, the Altoona Mirror, has traveled side by side in the production of a newspaper and the promotion of a progressive Altoona, and the association has been most friendly.

The 100-year-old Altoona Tribune has had a most interesting history, dating as it does back to a period 10 years after the formation of Blair County. The Tribune was antedated only by the Altoona Register, which appeared in 1855 and this paper was purchased to launch the Altoona Tribune. For a brief span it was known as the Daily Tribune, the title Altoona Tribune being first applied in 1905.

In 1914 the Tribune acquired the Altoona Gazette, an afternoon paper, which early began as the Altoona Sun. In 1920 the Altoona Times, a morning paper, was procured and the paper was issued as the Times-Tribune, the present title continuing however since 1923.

The Altoona Tribune is rich in newspaper tradition and in personnel, newspapermen of outstanding ability being associated with the business. On this anniversary date are recalled the names of E. B. McCrum and William H. Allison, first owners; Henry C. Dern, Dr. Hugh Pitcairn, Alonzo D. Houck, Enos M. Jones, Col. Henry W. Shoemaker, as owners.

The dean of Altoona newspapermen, the late Wesley Howe Schwartz, served the paper from 1881 up until a few years prior to his death in 1937. Miss Lizzie Akers is remembered as the faithful editorial room employee. Long in the service were J. Virgil Taylor, Parse H. Crawford, Karl Isenberg, Matthew Smith (now the Monsignor Smith of Denver) and a host of others, all who achieved fine newspaper reputations. Many continued to other positions distinguishing themselves.

To the present officers and staff, President Theodore Arter, Jr., Publisher A. B. Crane, Editor Robert W. Boyer, General Manager Joseph A. Faul and Advertising Director Leo Carroll, the very best of anniversary wishes and hearty congratulations on the historic edition. May the future add to the bright pages of the Altoona Tribune.

[From the Altoona (Pa.) Mirror of January 16, 1956]

MEMORIES

(By Grace K. Ebright)

This is being written before seeing the 100th anniversary issue of the Altoona Tribune, but the very fact that the morning paper is celebrating its 100th anniversary brings a flood of memories that goes back to more than half that period of time, when I deliberately left high school to fill a vacancy in the editorial office of the city's morning paper, as assistant to Wesley Howe Schwartz, a self-educated man of towering literary ability who was then the Tribune's editor.

Educators today would certainly frown on my temerity. I had little "book larnin" as such. My earlier school years were spent in a 1-room country school. Before I could enter high school I was obliged to take a year and a half in grade school—the Adams School—where, under the most efficient training of Della K. Yingling, I had many of the rough edges polished off.

In high school my Latin teacher was John S. Fair—a most ambitious young man with a leaning toward Army life, but filling in the interim with a heavy double schedule of teaching Greek and Latin by day, working on the morning newspaper by night.

Colonel Fair—as he later became—took an interest in my longing to write, and it was he who first introduced me to the inside of a newspaper office when he took my sister and me on a tour of the Tribune office.

Later he encouraged my early attempts at column writing. Because I was shy and retiring, I did not sign my name. Instead, I used the Greek initials for my name—Gamma Kappa—I learned the Greek alphabet through listening in to class recitations during what was supposed to be study periods. I can still hear the clear, ringing voice of the teacher reading passages from the textbook in a way to make them sound like sublime music—even though I did not understand the words.

Sue Schwartz, a daughter of the Tribune's editor, was at that time editorial assistant, and when she began planning her marriage to Prof. Joseph Barker—everyone called him Professor Barker—I set my sights as next in line for the job.

I was a real greenhorn. Today I would not have the courage to ask for a job in a newspaper office, but I did make good. Like Barkis, I was "willin'" to learn, and under the kind and patient tutelage of Mr. Schwartz I soon became familiar with editorial duties, reading proof, writing heads for inside copy, editing the country correspondence and, a little later, being sent out to cover educational or religious meetings of importance in the city.

I never learned shorthand, I never learned typing. Like my teacher, Mr. Schwartz, I began with a hunt-and-peck system on an old typewriter at home, though in the office it was all pencil work.

Sometimes I held copy while the editor did the proofreading on the ads, or statistics of various sorts.

And every now and then Oliver Danley, foreman in the composing room, would shout down the little well for more copy to be put in the tiny box and pulled upstairs by a rope.

I have never regretted leaving high school, for the experience I had under the tutelage of Wesley Howe Schwartz was to me priceless. Like the noted Msgr. Matthew Smith, now dean of Catholic publications, and famous editor of the Catholic Register, in Denver, Colo., who also served as proofreader and reporter on the Altoona Tribune, I feel that my association with Mr. Schwartz was in itself a liberal education. Just as Monsignor Smith gives credit to the wise and capable teaching—more by example than precept—of Wesley H. Schwartz, so do I feel that those 4 years of working side by side with this great man was far, far more valuable to me than any college degree I might have won, had I been able to go to college.

[From the Altoona (Pa.) Mirror of January 18, 1956]

A GREAT MAN

(By Grace K. Ebright)

Addressing Williams College alumni almost a hundred years ago, President James A. Garfield made the immortal statement concerning Mark Hopkins, the president of the college, 1836 to 1872: "Give me a log hut with only a simple bench, Mark Hopkins on one end and I on the other, and you may have all the buildings, apparatus, and libraries without him."

The famous quotation has been often used as "Mark Hopkins on one end of a log and I on the other," to express the powerful influence of a great man's mind.

And it is with a feeling of a reverence somewhat like that of Garfield when I pause to pay tribute to the helpful influence on my mind that was given in the few years I was privileged to be an assistant to Wesley Howe Schwartz, editor of the Altoona Tribune for 40 years where, through his scholarly editorials and wise presentation of facts, he became a great influence for good and was considered one of the brainiest men of his day and time.

He was self taught. All his life books wielded a powerful influence over him and he told me that the first dollar he ever made went for a book.

How his reading was guided and directed I do not know, unless by Providence, but he soon cultivated a taste for the best in books and periodicals and once a week he would go down to Joe Bridenstein's newsstand on 12th Street and come back with an armload of the best in magazines—Harper's Bazaar, Atlantic Monthly, Review of Reviews, to mention just a few.

His family had to live in a big house, in his later years, to make room for his big library—one of the finest in the city. As I visited often in the home, I remember how crowded bookcases were to be found in every room, the halls, all the bedrooms and even the kitchen.

In later years the family moved to a big brick house in Fairview and there was a spacious sunporch where Mr. Schwartz did his writing and most every time I visited there, 1 or 2 of the huge Maltese cats would be found fast asleep on the desk top, amid the pages he was writing, or on the books he kept ready to browse in.

Unobtrusively, Mr. Schwartz was a good influence on my reading habits, lending me good books to read. And a good book was always my pay for carrying on, as best I could, in the office in his absence.

He was frequently called on to speak before religious or educational groups and he was absent on lodge nights and if he went out of town he was sure to bring me back a good book on his return.

He gave me the golden key to the treasure house of the printed page and through him I learned that with a mind fortified with good reading, or with good books at hand, one need never be idle or lonely and never beset by the present-day plague, even in young children, that constantly demands entertainment.

For many years he wrote a popular column which he signed "The Saunterer" and which, though often of a personal nature, carried a fund of worthwhile information.

In his later years he wrote often and much of his experiences as a youth when he worked on the Juniata Canal, long since passed into oblivion; but hearing him tell of those long-ago days it seemed to me I could recapture the magic of the slow-moving barges on the still waters—barges drawn by mules on the well-worn towpath alongside the canal.

Passengers and freight were hauled and nobody then complained about lack of speed. Travelers or shippers were too glad of any means of transportation in the fairly new country.

THE ESTATE OF JOHN A. SUTTER

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a committee report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, I have today introduced a bill authorizing an appropriation of $50,000 to the estate of John A. Sutter. This claim has a rather unique history.

The original petition of John A. Sutter, praying for compensation for land owned by him in California, and held under Mexican grants, which was settled upon and occupied by settlers from the United States, under the plea that it was public land, after the conquest of California, and indemnity for the seizure and destruction of large quantities of his livestock by parties of emigrants from the United States, was submitted to the Congress on January 15, 1866. The petition was referred to the Committee on Claims and printed as Senate Miscellaneous Document No. 38, 39th Congress, 1st session.

On June 30, 1876, 41st Congress, 1st session, the Committee on Private Land-Claims submitted the following report to accompany H. R. 3818:

The Committee on Private Land-Claims, to whom were referred the memorial and attendant papers of John A. Sutter, have had the same under consideration, and now ask leave to report the accompanying bill (H. R. 3818), and to recommend the passage of the same (H. Rept. 718, 44th Cong., 1st sess.).

During the 46th Congress an appropriation bill was again introduced for the relief of John A. Sutter, known as H. R. 5678.

This was considered by the Committee on Claims, which recommended its passage in a report—No. 867—of the 2d session of the 46th Congress, dated April 8, 1880, which read as follows:

JOHN A. SUTTER

Mr. Dickey, from the Committee on Claims, submitted the following report:

The Committee on Claims, to whom were referred the memorial and papers of John A. Sutter, asking relief, respectfully report that they have had the same under consideration, and find:

That it appears from the memorial signed by Gen. W. T. Sherman and other prominent and distinguished Army as well as Navy officers, who were operating as such in California and on that coast during the Mexican War, and a large number of prominent and well-known citizens, early residents of that State, "that they were and are familiar with the history and career of Gen. John A. Sutter during many of the years of his residence in that country, and conversant with his deeds of public philanthropy and private generosity in the early days of the settlement of California."

These memorialists, who are personally cognizant of the willing sacrifices made and the important part taken by General Sutter in the development of the great empire of human prosperity, bear strong testimony to his merits, and the duty of the United States to provide for his support, during the few remaining years left him, in a manner becoming his former position in life and among men.

In this connection your committee deem it not improper to state that it appears from the reports of the exploring expeditions of Wilkes and Frémont that before the acquisition of California by the United States, General Sutter, then a resident of that country, was a man of great influence as Mexican military governor of upper California; that he was possessed of great wealth, consisting of large grants of lands from the Mexican authorities, and immense herds of horses, cattle, sheep, etc.; that as a colonial head, through his energy and bravery, he had succeeded in subduing and partially civilizing the wild tribes then inhabiting the country which is now the great State of California.

For the purpose of establishing and maintaining his colony, and subduing and controlling the Indians he found there, he constructed what has since been known as Fort Sutter, and mounted it with artillery. By this means and by the use of the Indians in his employ and under his control he protected his immense herds of stock and cultivated his large fields of grain.

His known devotion to the principles of American institutions drew to his fort and to his support many American settlers.

We find the following account of General Sutter and his operations in California contained in the Report of the Exploring Expedition of Admiral Wilkes (vol. 5, pp. 178, 179), in which Lieutenant Commandant Ringgold states that—

"When Captain Sutter first settled here in 1839 he was surrounded by some of the most hostile tribes of Indians on the river, but by his energy and management, with the aid of a small party of trappers, he has thus far prevented opposition to his plans. He has even succeeded in winning the good will of the Indians, who are now laboring for him in building houses and a line of wall to protect him against the inroads or attacks that he apprehends more from the present authorities than from the tribes about him, who are now working in his employ. The extent of his stock amounts to 1,000 horses, 2,500 cattle, and about 1,000 sheep, many of which are now to be seen around his premises, giving them an appearance of civilization. The duties I have already named might be thought enough for the supervision of one person, but to these must be added the direction of a large party of trappers and hunters, mostly Americans, who enter into competition with those of the Hudson Bay Company, and attention to the property of the Russian establishment at Ross and Bodega, which has just been transferred to him for the consideration of $30,000.

"During our stay, there was much apprehension on the part of some that the present governor of the district next west of New Helvetia—the name of Sutter's possessions—felt jealous of the power and influence that Captain Sutter was obtaining in the country, and it was thought that had it not been for the force which the latter could bring to oppose any attempt to dislodge him it would have been tried. In the meantime Captain Sutter is using all his energies to render himself impregnable."

This is the official account of the operations of General Sutter by one of our most distinguished naval officers in 1841. Afterwards, General Sutter was visited by Col. John C. Frémont, in charge of an overland exploring expedition sent out under the direction of the United States, who reached Fort Sutter with his surveying party in an almost starving condition; and, as shown by the official report of Colonel Frémont, General Sutter showed himself a generous friend to the Americans, and immediately supplied Colonel Frémont and his party with fresh horses, mules, and other necessary supplies. It appears from all the official reports that General Sutter made no secret of his American sympathies.

In the fall of 1845, the war between the United States and Mexico being in contemplation, the Mexican authorities, distrusting General Sutter, and being desirous of dislodging him, sent a commission composed of Senator Castillero and General Castro, governor of California, authorized to purchase the New Helvetia possessions from him. This commission offered Sutter $100,000 in money and the mission lands of San José and the cattle belonging to the same, where he would be less dangerous than in the interior, for his fort and possessions. This offer, as shown by the secretary of the commission, was declined by General Sutter on the ground that he did not desire to leave his American settlers to the mercy of the Mexicans.

Soon after this the war between the United States and Mexico was declared, during which the War Department, being informed of the sympathy of General Sutter with the United States, gave confidential instructions to Gen.

S. W. Kearny, who was ordered to California, as follows:

"It is understood that a considerable number of American citizens are now settled on the Sacramento River near Sutter's establishment, called New Helvetia, who are well disposed toward the United States. Should you, on your arrival in the country, find this to be the true state of things there, you are authorized to organize and receive into the service of the United States such portions of these citizens as you may think useful to aid you to hold possession of the country." (See S. Doc. No. 5, p. 29, 30th Cong.)

It seems that Colonel Frémont, who was at that time engaged in another surveying expedition, reached Fort Sutter before General Kearny, and being well acquainted with General Sutter and knowing his sympathies for the United States, proceeded, with the sanction of Sutter, to form a battalion from among General Sutter's men, with which the United States held that part of the country and protect the Americans there. Sutter's fort was the base of the operations of the Americans. The history of the war shows that on the 7th of July 1846, the American Commodore Sloat took possession of Monterey and hoisted the American flag, and on the next day an English fleet under command of Admiral Seymour appeared at that port for the purpose of possessing the same in the name of Great Britain, pursuant to negotiations between that power and Mexico for the cession of California to England. There is no doubt but the authoritative and formal possession of California by the United States was greatly hastened by the friendship and timely assistance of General Sutter. His invaluable service in that regard is shown by the statement of General Sherman in a letter to a personal friend, recently published, in which he says, that "to him [Sutter], more than any single person, are we indebted for the conquest of California, with all its treasures."

Public history shows that General Sutter seemed to have had a prophetic appreciation of the growing power and ultimate success of the United States in the Mexican War. The triumphant advance of our armies to the Pacific coast and the change of jurisdiction were hailed with joy, and our forces were cordially welcomed by this eminent pioneer, whose large possessions were thus brought under the power and protection of our Government.

But the political change with thus brought the petitioner and his flourishing colony into the embrace of this Republic, and which seemed to promise so much for the increase and security of the wealth accumulated by his long and laborious exertions, was not destined to confer any benefit whatever upon him. That which enriched the whole country and gave sudden fortunes to numerous adventurers brought nothing but disaster to General Sutter. The discovery of gold in 1848, which was first made in digging a millrace by him, caused a great rush of settlers from the States, many of whom forcibly occupied his lands.

The rejection of his Sobrante grant of 22 leagues of land by the Supreme Court of the United States, after it had been pronounced valid by the board of commissioners and by the United States District Court of California, completed the record of his ruin. This grant contained about 97,000 acres of land, for which, at the minimum price, the Government received about the sum of $122,000.

It appears that on December 22, 1844, Manuel Micheltorena, governor and commandant of the Californias, conferred upon General Sutter the power and authority of granting lands within that governmental department to citizens; which grants made by General Sutter, under that authority, have been confirmed by the courts, and the lands patented to the grantees by the United States.

At the time that Governor Micheltorena conferred this power on General Sutter he promised Sutter, in consideration of military services rendered by him to the Mexican Government, to grant him the Sobrante lands belonging to the New Helvetia grant, and but a few weeks thereafter, and on the 5th day of February 1845, actually made the grant promised. So it seems the grant made directly by Micheltorena to General Sutter was rejected by the court on the sole ground of the want of authority in Governor Micheltorena to make such a grant; while the grants made by Sutter, under authority delegated to him by Micheltorena, were approved by the board of commissioners and the district court of California as valid, and titles thereto passed from the United States to such grantees.

It is scarcely to be doubted, however, that under the Mexican Government, Sutter's Sobrante grant would have been confirmed, while under ours the spirit of the preemption and homestead laws produced such a popular feeling against large grants of land, that even the administration of justice by the courts seems to have been brought insensibly, and perhaps naturally and correctly, under its control.

The decision of our highest tribunal against the validity of this grant must be accepted as an authoritative adjudication of that question, which leaves no other authority for Sutter to appeal to but Congress.

In a number of similar cases Congress has not hesitated to give relief in some form or other; usually by authorizing the parties whose grants had been rejected to enter the lands embraced in the rejected grants at the minimum price, and thus save themselves from the consequences of the failure of titles they had warranted; notable among these is that of the Vallejo grant, rejected by the Supreme Court. In that case Congress passed a special act for the benefit of the grantee and his assigns.

It is very certain that no other case could appeal more strongly to the cause of justice or the sympathy of Congress than that of General Sutter. The actual losses he has sustained, as shown by his memorial, and which is corroborated by the statements of others, summarized, are as follows: Expenses in money and services, which formed the original consideration of the grant, $50,000; surveys and taxes paid on the same, $50,000; cost of litigation, extending through years, including fees to eminent counsel, witness fees, and traveling expenses, etc., $125,000; amount paid out to make good the covenants of deeds upon the grant over and above what was received from sales, $100,000; making a total loss to him of $325,000, as a result of the decision of the Supreme Court.

Aside from this actual loss, it must be borne in mind that the value of the grant of which he was thus dispossessed, had it been confirmed to him, would, upon a moderate estimate, have reached the sum of $1 million.

The petitioner is not asking the Government to make compensation in reference to the land, inasmuch as it cannot be appropriated in the manner adopted in other cases. However, the precedents would seem to justify an act for the relief of the petitioner. The other losses sustained, and services rendered by him, may well be considered as persuasive to a fair and liberal provision being made by Congress for him.

The committee finds that the Committee on Private Land Claims, of the House of Representatives of the 44th Congress, to whom the memorial of the petitioner was then referred, made a report to the House on June 30, 1876, recommending the passage of a bill appropriating $50,000, to be paid Gen. John A. Sutter, in full satisfaction for his services and losses, and whatever equities he may have had under the said Sobrante grant. Inasmuch as the same relief cannot now be afforded him that has heretofore been extended to others in similar cases, because the lands embraced in the said Sobrante grant have long since passed from the possession of the United States to individuals, and cannot be appropriated to him upon his paying to the Government the minimum price of public lands, therefore your committee would recommend the payment to the petitioner in full of his claim a sum in gross, and for that purpose report the accompanying bill, and recommend its passage.

Unfortunately, the 2d session of the 46th Congress adjourned very abruptly on June 16, 1880, without taking final action on this claim. On June 18, 1880, Gen. John A. Sutter passed away while here in Washington fighting for his rights. Gen. Hugh Gibson made the following statement about General Sutter's death:

He died under the shadow of the Capitol of the people whom he had served so well, and should not have met such cruel neglect and such harsh injustice.

A granddaughter of General Sutter is a constituent in the Ninth District of California.

According to the records of this House, this claim of John A. Sutter is a just and proper one and had been recommended for passage both in the 41st and 46th Congresses.

Even at this late date, I think the Congress should approve this claim, which our own committees at the time the claim was filed declared just and proper.

UPPER COLORADO PROJECT IN SERIOUS GEOLOGICAL DIFFICULTY

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, it was impossible during the hearings on the proposed upper Colorado River storage project to get any satisfactory geological testimony from Bureau of Reclamation officials and geologists as to the conditions in the vast reservoir area behind the proposed Glen Canyon Dam. For this reason I made a personal trip into the area and have discovered some startling geological facts. They indicate that before proceeding further with any legislative phase of the proposal, a complete and thorough geological study of the entire area must be made.

The cost of this project is too great to proceed further on anything less than full and complete information of the kind I am calling for.

Fifty miles of the immense walls of the long, narrow reservoir site are comprised of rock so soft that it swells to nearly twice its size and disintegrates when touched by water. The reservoir would extend 186 miles along the Colorado River and 70 miles along the San Juan River.

The soft rock—known as Chinle shale—forms immense cliffs in numerous areas that would be covered by water impounded by the proposed 700-foot high Glen Canyon Dam. The dam, known as the cash register of the upper

Colorado project now before Congress, was designed to produce power revenues to pay off some 30 other units of the project that cannot pay for themselves.

I have been advised by independent geologists that the reservoir's water would swiftly disintegrate the Chinle shale, and it would flow downslope into the reservoir. More importantly, it would undermine and cause collapse of all overlying cliff-forming rocks. All of the broken debris, including blocks of standstone as big as houses, could move downslope and partially or completely fill the proposed reservoir in the extensive areas of Chinle shale.

If this is permitted to happen, the finances of the entire upper Colorado River project would collapse with it.

The Nation's taxpayers would be left with a billion dollar mud puddle.

Congress should withhold any consideration of the legislation pending a full and complete geological survey and report of the site.

What I have said is based on a personal investigation I made of the reservoir area last December in the company of two independent consulting geologists. The expedition was made by helicopter to remote sections of the reservoir site in northern Arizona and southern Utah. Several hundred pounds of the Chinle shale were gathered and flown out for laboratory tests.

Reports of the distinguished geologists who accompanied me to Glen Canyon show that if this Chinle shale is brought in continuous contact with water from the proposed reservoir it would immediately disintegrate and flow down slope into the reservoir.

Obviously, with evidence such as this, obtained from unimpeachable sources, the least that can be said is that there are sound reasons why Congress should not approve this immense investment of public money.

The geological investigation and the collection of rock samples was done by Harold W. Hoots, Ph. D., and Peter H. Gardett, consulting geologists.

The landslides which could occur would be of unbelievable size to anyone except a geologist. Much of the Chinle shale, now dry, supports several hundred feet of overlying Wingate and Navaho sandstone which could collapse into the reservoir when the Chinle disintegrated in water.

The size of the landslides which could occur may be pictured by considering the fact that the Chinle itself has a thickness of 800 to 1,000 feet in the drainage area of the San Juan River, for instance. On top of the Chinle are the great cliff-forming sandstones.

The whole upper Colorado River project woud cost the taxpayers more than $4 billion, and it would be entirely unworkable without Glen Canyon to produce power revenues. I have advised the White House, the Secretary of the Interior, and the chairman of the House Interior and Insular Affairs Committee of this condition and requested that any further consideration of the upper Colorado River storage project be delayed until geologists can make a full and complete investigation of the reservoir site. We must know for sure before proceeding further whether the taxpayers would be buying a good project or a billion-dollar mud puddle. The dangerous qualities of Chinle shale are evidenced by the following extracts from geological survey studies:

THE KAIPAROWITS REGION

(U. S. Department of the Interior Geological Survey, professional paper 164 (1931), by Herbert E. Gregory and Raymond C. Moore)

Page 53: "The Chinle formation includes the group of shales, 'marls,' thin soft sandstones, and limestone conglomerates lying between the Shinarump conglomerate and the Wingate sandstone. * * *

"Records show that the Chinle is thickest in northeastern Arizona and southwestern Utah—320 to 393 feet in Upper Glen Canyon, and 830 feet in the San Juan Canyon."

Page 57: "A fragment of fresh rock immersed in water swells to nearly twice its bulk, and after drying is nothing more than a pile of disconnected, irregular grains; alternate drying and wetting produces a substance part of which passes through filter paper. Under the microscope most of the material appears to be colloidal."

Page 145: "When the Chinle 'marlys' and shales on steep slopes are saturated they seem to move by their own weight, carrying their broken strata and talus blocks to lower levels. At the south base of the Paria Plateau slides in the Chinle have spilled over the Shinaraump conglomerate and down the Moenkopi cliffs to the Kaibab below, and at a place about 14 miles south of the Burr trail the Chinle beds have lost their hold and have slid, accompanied by huge fragments, over the upturned beds of Navaho standstone, down the west side of the Halls Creek Valley in a jumbled mass that is roughly three-fourths of a mile wide, 1½ miles long, and 80 feet deep."

Page 146: "As viewed from the rim of the Kaiparowits Plateau at Fiftymile Point the landslides are impressive. The slopes below the capping Cretaceous sandstone constitute a field about 2 miles wide and 10 miles long, everywhere strewn with boulders, the largest of which are square blocks of sandstone 40 feet thick. Successive slides have banked the materials in huge ridges like a series of terminal and lateral moraines.

"Except in areas of Chinle and tropic shales landslides were not observed. The steep slopes of other formations are bare or coated with only ribbons and scattered patches of debris."

THE SAN JUAN REGION

(U. S. Department of the Interior Geological Survey, professional paper 188 (1938), by Herbert E. Gregory)

Page 49: "The position of the relatively soft Chinle between two cliff makers accounts for its preservation in a region where erosion is vigorous."

Page 102: "In the Chinle formation the conditions for producing slides are exceptionally favorable. The thin sandstone beds readily break into talus fragments, and the 'marl' beds when saturated seem to move by their own weight. * * * Instability is further shown by mud flows that after heavy rainfall issue from the base of slides. In places recurrent movement is indicated by the arrangement of material in parallel ridges on Chinle slopes and by unconformities in the piles of debris successively pushed over cliffs."

NEW YORK BANKERS' GRAB FOR POWER OVER CONSUMER CREDIT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I do not believe that Congress will turn over to the New York bankers authority to regiment the American consumer, as proposed by the president of the New York Federal Reserve Bank, Mr. Allan Sproul. Mr. Sproul is also vice chairman and operations control officer of the Open Market Committee of the Federal Reserve System, which is the most powerful group of 12 men ever in existence under our form of government in the United States of America.

The New York bankers, who elected him to his job, have seen their general tight-credit, high-interest-rate policies put into practice to the detriment of the farmer, the small businessman, the home buyer, and the taxpayer. Not content with their power to manipulate general monetary policies, they now want to bring under selective control the regulation of consumer credit. The Federal Reserve's, and particularly Mr. Sproul's, open-mouth policies in the last 6 months have led to a substantial tightening up and higher interest rates to consumers. Restrictive credit policies already have had severe repercussions on the home-builder and now automobile layoffs are becoming widespread.

We know that consumer credit today has become just as essential to mass consumption as commercial bank credit became to mass production back in the 1920's. About 60 cents out of every dollar of retail sales depends on consumer credit. Its importance to production and employment is seen from the fact that 65 percent of all automobiles and 50 persent of all major appliances are now sold on credit; durable goods purchases on installment credit amount to some $20 billion a year. This installment credit is the average man's credit, for unlike our wealthy citizens, he cannot accumulate large savings. It is the only means he has of saving. Many of our families can acquire today's necessities and improve their standard of living only through its use; 3 out of every 5 American families buy goods in this way.

It is interesting to note that at the end of 1953, the same people who now want to regiment the consumer viewed with alarm the runaway expansion of consumer credit as reported each month by the Federal Reserve. If regulation W had been revived then or some other restrictive action taken, there would have been an artificially forced contraction in the amount of consumer credit outstanding, and we might have had a depression on our hands instead of just a recession.

The experience over the years, and particularly in 1954, shows that both borrowers and lenders are sufficiently alert and responsible not to carry the credit expansion process to excess. I prefer to let free American citizens—the lender and the borrower—make their own decisions about the amount of credit to be extended and used.

I also challenge those who contend that consumer credit is too high. By what standard does Mr. Sproul measure

outstanding consumer credit, which he has judged as too high? By the standard of the 1930's or by the requirements of a full employment economy?

It has been estimated that in the next decade, we must add over $100 billion to our present standard of living to reach the levels of personal consumption needed to support President Eisenhower's goal of a $500 billion gross national product. In my judgment, the slowdown in business credit sales to consumers, as a consequence of Mr. Sproul's alarmist propaganda about the excessive level of consumer credit, has created a serious obstacle to reaching that goal. If anything, use of consumer credit needs to be expanded—not contracted—if we are to increase purchasing power sufficiently to support the needed rise in retail sales.

I have just received a very interesting letter from Mr. George M. Clark, president of the Pioneer Bank of Chattanooga, Tenn. Mr. Clark has provided me copies of a letter he wrote to Mr. Sproul on January 14, 1956, Mr. Sproul's January 16 reply, and also Mr. Clark's later letter of January 20 to Mr. Sproul. These letters are self-explanatory.

PIONEER BANK.,
Chattanooga, Tenn., January 26, 1956.

The Honorable WRIGHT PATMAN,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN PATMAN: Your recently reported opposition to selective credit controls on consumer credit, which I heartily approve, leads me to believe that you may be interested in the enclosed correspondence between me and Mr. Sproul in which I express my support of the position that you have well taken.

With best wishes,
Sincerely,

GEO. M. CLARK,
President.

PIONEER BANK,
Chattanooga, Tenn., January 14, 1956.

Mr. ALLEN SPROUL,
President, Federal Reserve Bank,
New York, N. Y.

DEAR MR. SPROUL: It has concerned me greatly to note that you have recently recommended that the Federal Reserve banks be granted permanent authority for selective credit controls.

I should tell you that I very highly approve efforts that are being made to tighten credit in the current Federal Reserve program. The current program calls for quantitative controls. These quantitative controls operate with the same effectiveness in restricting credit for consumer credit as they do in restricting credit of the commercial type.

My objection to qualitative or selective credit controls is that they invade the field of individual freedom and place individual borrowers and lenders in a straitjacket of arbitrary rules having no relations to the man's needs, salary, the credit, and the necessity nature of the credit.

I hope this discontent will be as apparent to you as it is slowly becoming apparent to others who have little practical experience in the field of consumer banking.

Sincerely yours,

GEO. M. CLARK, *President.*

FEDERAL RESERVE BANK OF NEW YORK,
New York, N. Y., January 16, 1956.

Mr. GEORGE M. CLARK,
President, Pioneer Bank,
Chattanooga, Tenn.

DEAR MR. CLARK: Thank you for your letter of January 14. It is good to have one's ideas challenged, and if you base your challenge, to some extent, on the charge that I have had little practical experience in the field of consumer banking, I must plead guilty.

I have had considerable experience, however, in the field of general credit policy, and I cannot agree with you that quantitative credit controls operate with equal effectiveness, and timeliness, in restricting consumer installment credit and commercial credit. This opinion, and the collateral opinion that abuse of consumer installment credit can be a serious unstabilizing factor in our economy, lead me to subordinate my own preference for pervasive general credit controls, and to advocate certain supplementary selective controls. It is a case, as I see it, of the general national interest taking precedence over what are claimed to be the interest of some individuals. Even on that score, however, I question whether consumer installment lending under selective credit controls would have to be conducted under arbitrary rules having no relation to a man's needs, salary, credit standing and the nature of the credit.

Maybe you only read news comments on my recent talk. Enclosed is a copy of the complete text of my talk so that you can read exactly what I said.

Yours sincerely,

ALLAN SPROUL,
President.

PIONEER BANK,
Chattanooga, Tenn., January 20, 1956.

Mr. ALLAN SPROUL,
President, Federal Reserve Bank of
New York, New York, N. Y.

DEAR MR. SPROUL: Thank you for forwarding to me a copy of your speech with most of which I am in accord. I have been quoted in our local newspapers as approving the Federal Reserve's tightening of credit.

In looking back through an old file, I find a letter addressed to Senator MCKELLAR in which I describe in detail a situation in which regulation W interferred with a man's freedom to the jeopardy of his job. This man's credit, with a short downpayment or extended maturities and maturities extended beyond the 15-month limit, was perfectly sound. Certain language in that letter indicates my indignation about a set of arbitrary and inflexible rules which prevented us from extending a sound credit to a man whose need was definite and commendable. On the other hand, the regulations authorized us to finance an automobile for a person who was merely buying a second and little-needed automobile or who could easily defer his purchase and this would have contributed equally as much to total outstanding consumer credit as would have the financing of Mr. Bell's automobile.

The record of repayment on consumer credit during the 1933 period and subsequently, as compared to the loss on commercial loans, Government bonds and triple A bonds has led me to comment, "the finest financiers and money managers are not found on Wall Street or in Washington, but instead are found among those millions of honest Americans who use installment credit in financing the running of a home and in realizing their hopes, aims and ambitions by means of installments paid out of incomes."

Statistics show that 2 percent of the people are so lacking in moral fiber that neither loans nor credit can be extended to them safely. There is another 5 percent whose minds are so childish and whose self-restraint is so lacking and their planning so poor as to be dangerous as credit risks without a previous intention to default. Thirteen percent of the people by chance, good fortune, fine minds, good planning, thrifty natures, abundant self denial and sufficient strength of character, accumulate resources and capital in advance of their expenditures.

The upper 13 percent screen themselves out of the consumer credit picture. Intelligent lenders can be trusted, for their own selfish interest, to screen out the bottom 7 percent. It is the remaining 80 percent that are perfectly honest, either because of family obligations or being without a sufficient amount of self-denial to embark on a program of voluntary planning of capital accumulation, have used consumer credit to a varying degree and at varying degrees during a lifetime. In the aggregate, this group possesses a substantial amount of wealth, but it is largely accumulated in forms where salesmanship was used in committing them to a program of accumulating or paying for things of a tangible nature and utility value. Such things as insurance, a home, automobile and the necessary machinery of a modern home.

After committing themselves to such accumulations out of income and after considering their ability to make their payments and convincing intelligent merchants and lenders that they can do so, this group performs with uncanny certainty.

This may surprise you. In getting up some figures for inclusion in my report to the stockholders meeting to be held next Wednesday, I found that our bank during the past 5 years, had extended loans totaling $122,173,130.97. This sum is about 60 percent commercial loans and 40 percent installment credit. Net noncollected charge-offs were only $22,046.75 or eighteen one-thousandths of 1 percent. Now an interesting comparison to this amazing record: At the beginning of 1955, our bank held $5,935,898.15 in Government bonds and at the year end, December 31, we held $5,173,238.60 The net loss on these bonds during that 1 year amounted to $117,666.96 or 1.98 percent or exactly 11 times the percent of loss on the loans. Actually our loss in market value in the bonds last year is greater than all of our losses for more than 8 years with an average loan outstanding for that period slightly in excess of $9¼ million.

I really don't know how much interest you will have in these figures which I am sure are borne out generally at other banks that are experienced in consumer banking. I would like to assure you that I am not engaging in this correspondence for the selfish reason that I want to extend more loans at far more extended terms or that I am opposed to regulation W for any selfish reasons other than the cost and expense of multitudinous reports and for its restrictive effect on services to our customers. If I should think selfishly, I would actually prefer that competitors less conservative than we should be made arbitrarily to conform to terms that we regard as sound. Their competition has been embarrassing in quite a number of cases and we have lost volume to other organizations more venturesome. With $13,447,914.13 in net outstanding loans out of total resources of $25,598,570.91, we do not care for more loans.

I can assure you that the decline in market value of Government bonds, our own climbing loan totals have caused this bank, and I am sure all others, to screen loan applications in total with greater care and discrimination. This applies in our case and I am sure in others with at least equal volume in consumer loans as in commercial loans. To be factual about it, there is a tendency, when lendable funds are limited, to reduce the purchase of installment paper or avoid loans on automobiles and the like where purchasers or borrowers are not customers of our savings or checking department in order to retain lending capacity for extension of commercial loans to the larger checking account customers.

In our bank, with an ability to make loans ourselves, our lines to loan companies and finance companies have been avoided. The one line of credit of around $75,000 we had extended one small loan company has been liquidated at our request. It was taken in the first place only because we were favored with their checking account.

I am certain, from my contacts with friends in the finance business, that other local banks are dragging their feet in extending further lines and are cautioning their borrowers against extended terms. Some of these friends and friendly competitors have contacted us to see if we wanted to take over part of their lines, so I am certain of these facts. Some of these finance companies are becoming more discriminating about their dealers and most of them are actually opposed to the terms that a minority of finance companies are offering. Associates Discount is probably the worst offender with no down payments and extended terms.

I can positively assure you without any doubt in my mind, that the current restrictive credit policies of the Federal Reserve, which I applaud and support, are bearing downward with equal if not greater pressure on consumer credit extensions here in Chattanooga. My knowledge of consumer credit throughout the country, gained during three years as president of the Consumer Bankers Association, leads me to believe that the same conditions prevail throughout the Nation.

Unfortunately it has been only relatively recently that bankers in general would have cared to have anything to do with consumer credit and it is only since the advent of what was to be an emergency measure, FHA Title I, that the banks began to have confidence in the soundness of this type of loan and began to dabble with it. It is not surprising, therefore, that bankers in general are without information and a complete understanding of the subject and that a great deal of misinformation exists.

Like you, I make no pretense of being an economist. Nevertheless, I have done a great deal of reading and a great deal of research in an attempt to discover the underlying reasons for our great production, our higher standard of living resulting from the great burst of human energy peculiar to this Nation.

I have spent 3 months in England and in Europe on 2 different trips in an attempt to discover the reasons why they have not gone forward as has this country.

I am convinced that the basic underlying reason for this great burst of energy was the concept of individual freedom and individual responsibility that was formerly embodied in our Constitution and in our concept of government and put into practice for the first time in history. With this conviction, I naturally regard any arbitrary interference with individual freedom as being a step backward and retarding to as rapid a further increase in the level of living as we might have. Indeed, too much of these interferences and loss of incentives could result in a lowering of our present standard of living.

The child who is prevented from burning his finger on a match may confidently walk into a furnace. A person shielded from small financial experiences of an unhappy nature may later make a large and fatal mistake.

In my opinion, there is no theoretical good that can come of dictating the terms under which each individual can and cannot borrow that would justify such an invasion of his freedom.

It would please me greatly if you should be impressed by my reasoning and my opinion.

With best wishes,

Sincerely,

GEORGE M. CLARK,
President.

CACHE FOREST WATERSHED

Mr. DIXON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DIXON. Mr. Speaker, I call your attention and the attention of the Members of the House to a bill which I am introducing today to provide additional authorization of appropriation for the purchase by the Secretary of Agriculture under the Act of May 11, 1938, of lands within the boundaries of the Cache National Forest in the State of Utah. The authorization is $200,000, or so much thereof as may be necessary to match funds raised by counties, municipalities, and civic organizations and individuals of Weber, Cache, and Davis Counties.

The purpose of the land purchase is to continue to buy sections of land on the high passes above Ogden, Brigham City, and Logan City, where the passes are unraveling and thereby threatening the culinary water supplies of these thickly populated areas, causing damaging floods, filling the Pine View Reservoir with silt, and washing off the valuable top soil of the watershed. The threat to the civilization below is so grave that individuals, public officials, and civic groups spontaneously organized themselves into two watershed protective associations. These associations have collected on their own initiative $92,485 with which they have purchased 31,960 acres, with the help of some Federal aid, which constitutes a considerable portion of the watersheds above the 20 municipalities most seriously threatened.

After their acquiring these impaired watershed lands and deeding them to the Federal Government, the Government has placed the lands under the supervision of the Forest Service. The Forest Service, as a result of its splendid research, has already proved that through terracing, reseeding, and scientific range improvement, it can and has transformed these danger spots into a condition where there is no erosion, no danger of floods, and a marked increase in the quality and quantity of the stream flow and especially that water which comes out as springs and stream flow in the late summer when it is needed most, rather than rushing down the steep mountain slopes as floods immediately upon the melting of the snows.

About 10 years ago, a representative of the regional forest office in Ogden, Utah, took me to Snow Basin, which is located 14 miles from Ogden City. This basin constitutes one of the principal sources of water supply for Ogden City and Weber County. It is also the site of the Snow Basin ski lift and recreation area. He showed me, first pictures of acres in the basin before the land was taken from private ownership and then showed me the exact spots as they look now. He also showed me a bottle of water taken April 16, 1936, from Wheeler Creek. The water was taken immediately below Snow Basin at the point where Wheeler Creek flows into the Ogden City water main. The pictures taken in 1936 showed the basin to be practically a dust bowl with hundreds of cattle fighting flies and a number of dead critters decaying on the banks of the stream. The pictures showed the unraveling of the watersheds on the divides and huge deep gulches cut by the floodwaters as they rushed from the divides down into Wheeler Creek and Wheeler Canyon. What were formerly raw chasms are now healed over with a healthy growth of grass and underbrush and there have been no more floods.

I am delighted to testify to you today that the transformation made in Snow Basin since 1936 has been phenomenal. Instead of a dust bowl we have grass above the knee, made possible through the reseeding done by the Forest Service. Instead of almost all of the water running off in floods with the spring thaw, the water sinks into the sod and comes out in springs in July and August when it is needed.

The bottles of water taken at the intake of the city main in April showed very little sediment, while the sample of water taken April 6, 1936, showed sediment one-fifth of the way up the glass. The reseeding and reforestation has increased the water flows in the city main almost one-third. The results have been nothing short of astonishing.

I refer to this transformation, which I have witnessed with my own eyes over a period of 17 years, as being typical of the transformation that is taking place on the watersheds which we are purchasing from private ownership and typical of the transformation that will take place on the lands which we are asking your assistance to purchase.

As much as I admire the voluntary work of the Weber Watershed Protection Association and the Wellsville Mountain Area Protective Association, and as much as I appreciate the $10,000 which the Federal Government has given us the last few years out of the proceeds of funds collected on the Cache Forest, I am here to testify today that the rate at which lands on this impaired watershed have been acquired is far too slow and that we must step up our efforts immediately to purchase all of the dangerous sections located on the high divides. It is not only the imperative thing to do but it is also the economic thing to pass this authorization bill immediately.

The first reason why the Government should help now is that huge Federal investments are endangered. The one-hundred-twenty-odd-thousand people living below the watershed were shocked to discover when the Pine View Dam went dry this fall that Ogden City's artesian wells, which provide the major portion of the culinary water for Ogden City, Hill Air Force Base, Clearfield Naval Base, and the great Army Supply Depot, were covered with 6 feet of mud, whereas the last time the reservoir was drained, these artesian wells which have been covered by the water of the lake projected 4 feet above the reservoir floor. Our people were also shocked, upon investigation, to find huge banks of silt and mud all along the river bottom,

which will be washed into the reservoir with next spring's floods.

Another thing that gives us all greater concern than we had hertofore is the fact that the Reclamation Service has now commenced work on raising the Pine View Dam at a cost of $10 million. This additional cost, together will the original cost, makes an investment of $12½ million in the reservoir. The entire project will be threatened if the watershed is permitted to be further neglected. The project and the watershed will be protected and insured if action is taken now by Congress to match the funds raised by our voluntary watershed protection organizations.

A second and less important reason why we should go the whole way in the purchase of these lands as soon as possible is the fact that when the communities commenced to buy these lands 20 years ago they paid only $2.50 an acre, while now some of their options on the lands run as high as $9 per acre.

The third reason for immediate action lies in the favorable options which the communities through their conservancy districts have obtained from owners of private cattle and sheep range. These options will expire soon. If we permit them to expire, we shall have to pay a much higher price for the lands than is stipulated in the old option agreements. A case in point is illustrated by a letter from Stanley Brewer, president of the Weber Watershed Protective Association, who writes under date of January 25, 1956:

> This morning we saw the culmination of many years' efforts. Mr. Ralph Davis met with our board and the county commissioners and the purchase agreement for approximately 4,800 acres of his property was consumated. This purchase includes the vital Cutler basin area which caused the floods that destroyed some of the summer homes in the North Fork, the area which has been under discussion so much the past few years.
>
> The county purchased about 2,200 acres of the lower portion for recreational purposes and our watershed corporation bound itself for the remainder. Our purchase, totaling approximately $17,000. is payable in its entirety within the next 3 years; so you see, we really need help.

Mr. Brewer's association has already paid $20,000 on another option, and also $36,800 on an escrow agreement for the purchase of 5,400 acres. They have been fearless in taking all manner of risks in order to save the communities and projects below these steep watersheds. They have taken the initiative in raising $165,000, part of it through the Federal Government, to buy private lands and deed these lands to the United States. There is no project that gives the people of Weber and Box Elder Counties greater concern than this project, and furthermore, there is no project that has the undivided support of the entire population as does this project.

Mr. Speaker, the Forestry Subcommittee of the great House Agriculture Committee visited part of this area last summer and are aware of the situation. We appreciate the fact that members of this committee, Representative GRANT, Representative HAGEN, Representative MATTHEWS, Representative WATTS, Representative McINTIRE, favored us with this visit at a great sacrifice of their time and energy.

As it now stands, the local people can match Federal funds raised through the bill which I have just introduced, if it passes, in the amount of $92,100. The Kiwanis Clubs and other organizations are now in the act of raising more money. This $92,000 is the amount which the Federal Government should make available this year under my authorization bill.

"A stitch in time saves nine."

ADMINISTRATION MAKES ABOUT-FACE ON ISSUE OF TAX REDUCTION BEFORE DEBT PAYMENT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, President Eisenhower's budget message which was submitted to the Congress last week stirred up a great deal of interest and even more comment among the many observers in the Nation's Capital.

It has been said of this budget that it promises something for everybody. It is not unnatural, this being a presidential election year, the budget should reflect not only the needs of the Nation and the national economy, but national politics as well.

Speaking of the political aspects of the President's budget message I was impressed, as I am sure the overwhelming majority of my colleagues were, with the President's sympathetic appreciation of the problems of politics. This being an election year, he noted, it is not surprising to find the feeling in both parties that cutting taxes would be a wonderful idea. But the President said the objective of balancing the budget plus providing for a modest reduction in the national debt should come first.

Let me quote what the New York Times had to say about this part of the message:

> Many observers regarded this as a sleeper play by the administration. They noted that Secretary of the Treasury George Humphrey's forecast of the level of the economy next year—and therefore of revenues—seems conservative. They predict that before Congress adjourns the Treasury will come up with revised estimates that show a sizable surplus and will then propose tax cuts. (The New York Times, Sunday, January 22, 1956.)

I would not want to engage in a game of wits with the Treasury, or try to outguess their experts about the expected level of revenue. That is their job not mine. However, I do know what the Secretary of the Treasury has said in the past 6 months about tax cuts and debt reduction. The record will show that until this budget message appeared the Secretary placed tax cuts before debt reduction.

Back last August at the time of the midyear budget review, this is what the Secretary said when asked about tax cuts or reducing the debt—direct quotation of Secretary of Treasury Humphrey at midyear budget review, August 25, 1955, New York Times, August 26:

> Will you be able to tell the country in January whether or not to expect a cut in taxes?
>
> There again it will depend upon the prospects for increased revenue. If things look promising at that time I will not hesitate to urge reductions.
>
> I don't think any substantial reduction can be made in the Government debt until there's a different situation in the world.

At the time, this statement was such a disappointment to me, considering the huge size of our public debt and the growing annual interest burden, that I issued a statement deploring the lack of fiscal responsibility on the part of the administration for planning tax cuts before debt reduction. The statement was as follows:

STATEMENT BY WRIGHT PATMAN, MEMBER OF CONGRESS, OF TEXAS

> Statements of the Secretary of the Treasury, Mr. Humphrey, to the effect that he is planning for tax reductions without even mentioning our high national debt and the importance of reducing it, are shocking.
>
> Our huge national debt is in serious competition with the progress of our country.
>
> The people are being called upon to go without needed conveniences, including automobiles and homes, because their purchase on the installment plan will be inflationary caused by our failure to properly reduce the national debt.
>
> All citizens, regardless of party affiliations, have a right to expect fiscal responsibility from the party in power.

During the fall of the year activity spurted up and a series of industrial price rises occurred. To meet and reverse this price rise the Federal Reserve tightened credit and raised interest rates. Government policy was geared to fighting inflation, although farmers and small-business men were not exactly sharing in the big boom. In the light of the Federal Reserve's actions however, I was startled, even shocked, to read that the Secretary of the Treasury upon returning from his visit to the hospital to confer with President Eisenhower stated in answer to a direct question whether tax cuts should not be put off and any surplus applied to the national debt, that "we ought not to at a time when our taxes are as high as they are now, have to pay down on our debt."

This direct quote appeared in the Wall Street Journal, October 17, 1955. I am inserting the article in its entirety at this point in my remarks:

[From the Wall Street Journal of October 17, 1955]

HUMPHREY STILL HOPES FOR BALANCED BUDGET BY END OF FISCAL 1956—HE SAYS HE TOLD PRESIDENT FEDERAL SAVINGS, PROSPERITY ARE BASIS FOR THIS VIEW

> WASHINGTON.—Treasury Secretary Humphrey flew back to Washington last night after giving President Eisenhower a rosy report on the economic situation, present and future.
>
> In his conferences with the convalescing President, Mr. Humphrey said he told Mr. Eisenhower he is still hopeful the budget will be balanced by the end of this fiscal year, next June 30, because of the rise in revenues brought about by the general prosperity and the savings which the Government is "working honestly and religiously" to make.

The economic momentum which may make the balanced budget possible also would make tax cuts possible in the next fiscal year if it continues, he said. He didn't discuss tax cuts with the President, he told reporters, because they depend "entirely on how successful we are in balancing the budget."

Asked whether tax cuts should not be put off and any surplus instead applied to the national debt, he replied, "I am a great believer in paying your debts, but I think you also have to take into account a good many other conditions as to when and how you do it. And I personally think that our taxes are so high, and there is such a burden on our economic well-being, that we ought not to at a time when our taxes are as high as they are now, have to pay down our debt when our Nation's necessity for military security is as great as it is today."

Payment on the debt can be made, he said, when the expenses for security will not be as heavy as they are today. "There will come a time," he forecast, "when there is going to be a much more solid peace in the world" and military spending can be cut.

In fact, Mr. Humphrey still held out hope the Defense Department can cut its spending from the $34.5 billion estimated for this fiscal year. He declared there was no controversy between him and Defense Secretary Wilson over the military budget and he still has "a lot of confidence" that Mr. Wilson can cut defense spending enough to help balance the budget.

Mr. Wilson's announcement last month that his Department probably couldn't reduce its spending this fiscal year below the $34.5 billion figure had put a damper on Mr. Humphrey's earlier predictions that the budget might be balanced. The midyear budget review had slashed the deficit forecast this fiscal year to $1.7 billion from the $2.4 billion predicted in January. Mr. Humphrey noted at the time of the midyear review that if all Federal Departments could cut their spending by 3 percent, the deficit would be wiped out. That, however, would have meant a reduction in defense spending from the projected $34 billion to about $33 billion, and Mr. Wilson's forecast that it would instead amount to $34.5 billion dealt a hard blow at those hopes.

Mr. Humphrey's new optimism apparently is based on even higher revenues than expected at midyear plus bigger savings in Departments other than the Pentagon.

You will note the Secretary also took the position that debt reduction would have to wait until military spending could be cut.

Now I have always voted for whatever defense we needed and I propose to do so until there is a much more solid basis for peace than there is today. At the same time however I had heard how the administration through its policy of stabilizing prices had saved the Government enormous sums in the defense budget. Needless to say I was shocked to read on the day following Secretary Humphrey's pronouncement that debt reduction would have to wait upon defense cuts, that defense spending in fiscal 1957 would go up from $500 million to $1 billion, partly because of higher industrial prices.

Since I had been led to believe that we had a sound dollar and prices had been stabilized, albeit at considerable cost to the farmer and the borrower, this new information distressed me. I therefore asked the Secretary of Defense if he could tell me how much price increases had raised the budget for fiscal 1957. I include a copy of my letter to the Secretary and the reply which I received, at this point in my remarks:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., October 19, 1955.

Hon. CHARLES E. WILSON,
Secretary of Defense,
Washington, D. C.

MY DEAR MR. SECRETARY: I have read with some disappointment that our taxpayers must forego the prospect of a reduction of the national debt and a lightening of the burden of servicing that debt, which, as you know, is more than one-tenth of the total tax burden today. According to Secretary of Treasury Humphrey, payment on our huge national debt of $277 billion cannot be made, despite the emerging budget surplus, because of the fact that our military spending cannot be cut.

I have wholeheartedly supported defense appropriations, and I think that we must have adequate preparedness until such times as a solid peace is established. Nevertheless, I am disturbed about the fact that our defense expenditures are rising, not because we are getting more or better hard goods but because we are having to pay higher prices for basic materials and the other industrial products that go into defense hardware. You are quoted in the Journal of Commerce, October 18, 1955, as saying that the fiscal 1957 military expenditures could go up as much as $500 million to $1 billion above the 1956 level, due to higher industrial costs and the increased military payrolls.

I am greatly disturbed about the increases in prices of industrial goods that have taken place during the period from 1953 to date—a period when the Secretary of the Treasury has repeatedly stated the value of the dollar has been stabilized. During this period, as you know, many groups among our population, such as farmers, small-business men, and others, have been subjected to intermittent anti-inflationary credit squeezes in the interests of achieving a stable value for the dollar. But it appears now that their sacrifices have been made in vain, for the cost of defense items, as you have said, has risen, due to steel and other industrial price increases, and now our taxpayers are being denied relief from the heavy burden of interest costs on the national debt because of these price increases.

In order that I may have this information in the consideration of these and related matters coming before the congressional committees I am a member of—Joint Committee on the Economic Report, Select Committee on Small Business of the House, Banking and Currency of the House, and Joint Committee on Defense Production—and be better able to inform my constituents why Secretary Humphrey finds it inadvisable to reduce some part of our huge debt now, could you submit a list of the price increases for items going into our defense budget that have taken place in the last 3 years? I should like to have these on a fiscal-year basis through fiscal 1956. Could you also estimate what the cost of our defense budget would have been for fiscal 1957 if the price increases put into effect since the spring of 1953 had not taken place?

I shall look forward with interest to your reply.

Sincerely yours,

WRIGHT PATMAN.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., November 22, 1955.

Hon. WRIGHT PATMAN,
House of Representatives.

DEAR MR. PATMAN: Your letter of October 16 to Secretary Wilson concerning the effects of recent price increases on Department of Defense expenditures has been forwarded to me for reply.

While it is true that recent price increases in industrial materials have tended to increase the cost of the defense program, it is impossible to relate these increases directly to the prices paid for specific goods and services purchased by the Defense Department, since such prices reflect the impact of many other factors besides the cost of industrial materials. Some of these factors tend to reduce prices and others tend to increase them.

For example, the cost of most major items of military equipment is greatly influenced by the rate of production and the duration of production. The unit cost of the initial order is almost always much higher than the unit cost of succeeding orders. This is the result of the so-called learning curve with which you are probably familiar. Partially offsetting this factor are the numerous engineering changes made in the equipment while still in production which improve their performance but also tend to increase their cost. The following are a few typical examples which illustrate this point:

1. The B–52 long-range jet bombers bought in 1953 had a fly-away cost of about $10 million per airplane. The next order of B–52's is expected to cost about $6 million per airplane, notwithstanding the fact that they will be substantially heavier airplanes with greatly improved combat radius and other performance characteristics.

2. The first *Forrestal*-class carrier built by Newport News is estimated to cost $201 million. The third carrier of this class, the second to be built by Newport News, is estimated to cost $181 million, $20 million less than the first.

3. The M–48 tank in the early orders cost $152,000 apiece. The same tank now being delivered to the Army costs $103,000, even though production rates are substantially lower.

4. The 2½ ton truck which in 1953 cost $7,100 now costs $6,700, notwithstanding substantially lower production rates.

The major weapons we are now buying are quite different from those we bought in 1953. They are much more effective weapons but, unfortunately, they are also much more complex and costly. The F–100 fighter, for example, which is now being procured to replace the F–86F—our mainstay during the Korean war—is greatly superior in performance, buts costs almost three times as much and is more expensive to operate. This concomitant increase in performance and cost is typical not only of aircraft procurement but applies to virtually all new weapons and equipment we are now buying.

However, there are factors which tend to increase the cost of material that the Defense Department has to buy, such as the upward trend of wage rates. Average hourly earnings in the durable goods manufacturing industries, the segment most closely associated with the defense program, rose 10.3 percent since January 1953. Since there was a general increase in productivity during this period, it is not feasible to isolate the impact of wage increases on prices.

It is even more difficult to determine, even on a theoretical basis, what our defense budget would have been for fiscal year 1957 if the price increases put into effect since the spring of 1953 had not taken place.

The recent increases in military and civilian pay will also serve to increase the cost of national defense in fiscal year 1957. So will the new program for the expansion and improvement of our Reserve Forces. The Air Force and Navy air base programs have yet to be completed and a large part of the facilities required for continental defense has still to be constructed. We must continue to maintain a high level of research and development. All of these factors will affect our fiscal year 1957 defense expenditures.

We are keenly aware of the burden the defense program imposes on our taxpayers, but we share your thought "that we must

have adequate preparedness until such times as a solid peace is established." We are making every possible effort to eliminate waste and inefficiency in the Defense Department and to eliminate marginal programs and functions. I am enclosing a copy of a recent directive issued by Secretary of Defense Wilson, spelling out the principles to be applied and the actions to be taken in achieving this objective in fiscal years 1956 and 1957.

It should not be overlooked that the Department of Defense has already made very substantial progress in reducing expenditures. Since fiscal year 1953, Defense Department annual expenditures on military functions have been reduced by more than $9 billion. A number of factors have contributed to this reduction. With the reorientation of the defense program to the long pull, all defense activities and programs were reexamined. The end of combat consumption in Korea was taken into account. Consideration was given to the fact that much of the capital investment in new equipment for the increased forces had been made or had been financed. Many imbalances in earlier programs were eliminated. Requirements for mobilization reserves and the rate of their accumulation were reevaluated and adjusted. Action was taken to reduce excess stocks and avoid overbuying, and a concerted drive for greater efficiency and economy in the operations of the Department was instituted.

Although defense expenditures are the largest single item in the Federal budget, they are not the only factor affecting the size of the budget or the possibility of reducing the national debt. Certain other Federal expenditures have been going up as the defense expenditures have been reduced. Furthermore, the congressional decisions on taxes will have a very important bearing on the ability of the Government to reduce the national debt in the coming years.

Sincerely yours,

W. J. McNEIL.

As can be seen from the reply I was not too successful in getting this information.

On October 20, I released a statement to the press containing facts which I thought the people should know. I concluded this statement by calling upon the Secretary of Treasury to "reconsider his decision to abandon debt reduction as an objective for next year."

A copy of that statement is offered for the RECORD at this point in my remarks:

STATEMENT BY WRIGHT PATMAN, MEMBER OF CONGRESS

Secretary of Treasury Humphrey, after returning from his conference with President Eisenhower, at Denver, was asked whether tax cuts should not be put off and any surplus instead applied to the national debt. His reply was a restatement of his position last August when he placed tax reduction ahead of reducing the national debt. Secretary Humphrey has made debt reduction contingent upon the "time when there is going to be a much more solid peace in the world and military spending can be cut." (Wall Street Journal, October 17, 1955.)

Secretary of Defense Wilson has just announced that defense spending for fiscal 1957 will be even higher than it is this year.

These two disclosures make it plain that during the remaining tenure of this administration's term in office, they do not contemplate reducing the huge $277 billion national debt, despite signs of an emerging surplus in the Federal budget.

The American people will, I am sure, be shocked and dismayed when they learn about this latest repudiation of Republican campaign promises. They were given a firm assurance that this administration would do everything in its power to achieve a balanced budget and to reduce some part of our huge national debt. Now with the prospect of an emerging budget surplus, the American people have been told that there will be no debt reduction.

Failure to reduce the public debt should completely expose the political opportunism of this administration's fiscal and monetary policies. Failure to apply a surplus to debt reduction will mean that this administration is not interested in reducing the cost of interest on the public debt. This is consistent with the high-interest-rate policy that this administration has pursued since it took office.

Interest on our national debt amounts to more than $6 billion a year. One-tenth of the high and burdensome taxes that our citizens are now called upon to pay goes to cover interest payments on our national debt. Moreover, under Secretary Humphrey's policy of debt-management whereby he has lengthened the maturity of the debt and continually borrowed in excess of the Treasury's immediate cash requirements, interest rates on Treasury securities are now at a level higher than in any year between 1932 and 1952.

Secretary Humphrey's abandonment of the objective of debt retirement is in marked contrast to the efforts of this administration to restrict the availability of credit for private home purchasers and consumer users of installment credit. The maintenance of a huge $277 billion public debt without prospect of debt retirement will act as a bar to the expansion of private credit, which is needed to sustain a high level of home and durable goods production and sales.

Secretary Humphrey's refusal to plan for some debt reduction in the near future runs the grave risk of kicking off a dangerous inflationary spiral. It is also an open invitation to bankers and lenders generally to accelerate the present spiral in interest rates. In fact, immediately after Secretary Humphrey's statement, the rate on commercial paper was raised to 3 percent, which, according to the New York Journal of Commerce (September 18, 1955) "is the highest rate for any recent year and well above the 1953 peak."

The average rate on newly issued Treasury bills has risen to 2.333 percent, the highest level since the hard money peak of mid-1953.

Only last week, leading New York banks raised the short-term interest rate to business borrowers with the highest credit rating to 3½ percent, which is the highest level in 25 years.

It is not unreasonable to expect that Secretary Humphrey's repudiation of debt retirement will have an adverse effect on the prices of long-term Government bonds; for if no attempt is made to apply any part of an emerging budget surplus to our huge $277-billion national debt and taxes are to be cut instead, then it is obvious that even more restrictive monetary and debt-management policies will be needed to achieve effective price stabilization.

Secretary Humphrey's policy decision also has disquieting implications for the small farmer and the small-business man. It guarantees continuance and even threatens intensification of the tight-money and higher-interest-rate policies, which have contributed to the squeeze already imposed on these groups in our economy.

Secretary Humphrey made it more costly for veterans to purchase homes by ordering an increase in the interest rate on Government underwritten home mortgages by one-half percent in the spring of 1953. He has now made it more difficult for the veteran to obtain any financing for the purchase of a home.

Secretary Humphrey's policies have made it more costly to obtain consumer installment credit, the poor man's credit, without which millions of American families would be denied many necessaries of modern day living.

Secretary Humphrey's debt policies have resulted in an increased flow of interest income from our poorer citizens to those more fortunately situated.

Finally, Secretary Humphrey's decision to abandon for the foreseeable future the goal of reducing our national debt threatens our national economy by placing too heavy a responsibility for economic stabilization upon monetary policies alone.

I earnestly hope that Secretary Humphrey will reconsider his decision to abandon debt reduction as an objective for next year.

I think it is clear from this brief review that the Secretary of Treasury is a rather late and reluctant convert to the ranks of those who urged a beginning be made toward reducing our huge national debt.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HOFFMAN of Michigan, today, for 20 minutes and to include newspaper articles.

Mr. METCALF, on Wednesday, February 1, for 30 minutes.

Mr. POWELL (at the request of Mr. THOMPSON of New Jersey), for 10 minutes on tomorrow, January 31.

Mr. MASON, for 30 minutes on Monday next to speak on the subject Needed Federal Tax Reforms.

Mr. KEAN, for 15 minutes on Wednesday next.

Mr. WHITTEN, for 30 minutes on Thursday next on the farm problem.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD or to revise and extend remarks, was granted to:

Mr. DAVIDSON (at the request of Mr. MULTER) and to include extraneous matter.

Mr. JOHNSON of Wisconsin and include extraneous matter.

Mr. THOMPSON of New Jersey (at the request of Mr. RHODES of Pennsylvania) in two instances.

Mr. ASHLEY (at the request of Mr. RHODES of Pennsylvania).

Mr. VURSELL (at the request of Mr. SIMPSON of Illinois).

Mr. HOSMER and to include extraneous matter.

Mr. BURDICK on the subject The Worries of the President.

Mr. HIESTAND in three instances and to include extraneous matter.

Mr. VAN ZANDT.

Mr. KEAN on the subject The New Jersey Cancer Society and to include two editorials.

Mr. PELLY and to include extraneous matter.

Mr. DIXON in two instances and to include extraneous matter.

Mrs. GREEN of Oregon and to include extraneous matter.

Mr. MORANO and to include extraneous matter.

Mr. CELLER.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. RICHARDS, on account of official business—attendance as representative of United States at inauguration of President of Brazil.

Mr. VORYS, on account of official business—attendance as representative of United States at inauguration of President of Brazil.

Mr. O'BRIEN of New York (at the request of Mr. MULTER), for 2 weeks, beginning January 30, 1956, on account of illness.

Mrs. PROST (at the request of Mr. METCALF), for the week beginning January 30, 1956, on account of illness in the family.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5844. An act to increase the fee for executing an application for a passport.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 47 minutes p. m.) the House adjourned until tomorrow, Tuesday, January 31, 1956, at 12 o'clock noon.

COMMITTEE EMPLOYEES

COMMITTEE ON AGRICULTURE

JANUARY 13, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 30, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period [1]
John J. Heimburger	Counsel	$7,592.61
Francis M. LeMay	Staff consultant	7,100.01
Mabel C. Downey	Clerk	7,592.61
George L. Reid, Jr.	Assistant clerk	7,592.61
Lydia Vacin	Staff assistant	4,022.31
Pauline E. Graves	do	3,645.94
Betty M. Prezioso	do	3,240.36
Gladys Ondarcho	do	2,895.63

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures $50,000.00

Amount of expenditures previously reported ..... None

Amount expended from June 30 to Dec. 31, 1955 ..... 15,870.30

Total amount expended from Jan. 1 to Dec. 31, 1955 ..... 15,870.30

Balance unexpended as of Dec. 31, 1955 ..... 34,129.70

HAROLD D. COOLEY,
Chairman.

COMMITTEE ON APPROPRIATIONS

JANUARY 15, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period
George Y. Harvey	Clerk and staff director.	$7,301.46
Kenneth Sprankle	do	7,239.53
Corhal D. Orescan	Assistant clerk and staff director.	7,214.76
Paul M. Wilson	do	7,214.76
Harris H. Huston	Staff assistant	6,746.93
Jay B. Howe	do	6,722.16
Ross P. Pope	do	6,722.16
Samuel W. Crosby	do	6,685.01
Carson W. Culp	do	6,623.08
Robert M. Moyer	do	6,623.08
Frank Sanders	do	6,102.88
Eugene B. Wilhelm	do	1,607.10
George S. Green	Clerk to the minority.	6,065.76
Robert P. Williams	Editor	5,904.75
E. L. Eckloff	Clerk to the majority.	5,322.60
Robert L. Michaels	Staff assistant	5,141.75
G. Homer Skarin	do	4,646.20
Earl C. Silsby	do	4,424.31
Lawrence C. Miller	Assistant editor	3,709.39
Francis G. Merrill	Staff assistant	3,438.24
Samuel R. Preston	Junior staff assistant.	3,081.44
Donald R. Bridges	Clerical assistant	2,296.41
Wilburn L. McClure	do	613.24
John C. Pugh	Consultant	1,461.00
Randolph Thomas	Janitor-messenger	1,594.69
Delores Cropper	Clerk-stenographer to the chairman.	2,564.75
Mary H. Smallwood	Clerk-stenographer	2,567.60
Agnes L. Norton	do	2,132.53
Glenna L. Taylor	do	2,554.52
Mary A. Vaughan	do	2,567.60
Phyllis N. Troy	do	2,567.60
William J. Neary	do	2,567.60
Ann R. Davis	do	2,567.60
Shirley Rae Colley	do	2,567.60
Catherine D. Norrell	do	2,567.60
Mildred Burnham	do	2,567.60
Barbara Grey	do	1,961.25
Molly O'Day Saguto	do	1,961.25
Donald L. Bernard	do	2,132.53
Margie H. Trew	do	2,567.60
James W. Dudley	do	2,567.60
John G. Clevenger	do	2,567.60
Charles C. Andersen	do	2,567.60
Gladys Kofmehl	do	2,567.60
Frank B. Melchoir	do	1,671.76
Monica Smith	Clerk-stenographer to the ranking minority member.	2,353.50
Frank Mentillo	Clerk-stenographer	2,353.50
Helen B. Rogers	do	2,353.50
Barbara J. Groves	do	2,296.42
Baert De Vos Brand	do	1,766.69
Roma E. Jaques	do	1,163.90
David F. Doyle	do	435.07
William P. Lally	Clerical assistant	815.55
Barbara Koons	Clerk-stenographer	392.25
Keith H. Jaques	do	392.25
Eve Melchoir	do	810.19

Funds authorized or appropriated for committee expenditures $375,000.00

Amount of expenditures previously reported .....

Amount expended from July 1 to Dec. 31, 1955 ..... 187,992.90

Total amount expended from July 1 to Dec. 31, 1955 ..... 187,992.90

Balance unexpended as of Dec. 31, 1955 ..... 187,007.10

CLARENCE CANNON,
Chairman.

JANUARY 15, 1956.

COMMITTEE ON APPROPRIATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period
Charles G. Haynes	Director of surveys and investigations.	$5,762.49
Richard F. McIlwain	Assistant director of surveys and investigations.	5,746.19
Ralph W. Horton	Investigator	5,805.66
Rose Marie Borda	Stenographer	2,567.64
Ethel P. Powers	do	2,216.52
William F. Druckenbrod.	Consultant	175.00
John B. Ficklin	do	6,308.00
Robert A. Herbruck	do	6,576.00
Herman P. Hevenor	do	2,720.00
W. W. Hill, Jr.	do	2,392.50
Frank R. Joslyn	do	2,800.00
Alvin C. Loewer, Jr.	do	5,700.00
Victor J. Miller	do	2,160.00
Joseph M. O'Connor	do	2,680.00
Blutcher E. Prescott	do	4,427.50
James H. Rees	do	3,225.00

REIMBURSEMENTS TO GOVERNMENT AGENCIES

Department of Agriculture: John B. Holden.	Investigator	$4,548.18
Department of the Army: James C. Jenkins.	do	2,232.70
Atomic Energy Commission: George C. Taylor.	do	3,603.12
Federal Bureau of Investigation:		
Carl L. Bennett	do	5,157.35
Howard A. Carlson	do	4,663.57
William W. Colby	do	4,803.03
Grant C. Earl	do	4,963.79
Arthur W. Engstrom.	do	4,309.97
Harold H. Hair	do	5,456.71
Albert G. MacDonald.	do	4,763.66
Hugh B. McGahey	do	2,913.31
Richard A. Miller	do	5,157.35
Robert M. Murphy	do	5,148.25
James E. Nugent	do	6,260.74
Robert E. Reiser	do	5,048.99
John A. Ruhl	do	4,921.14
Andrew John Shannon.	do	2,890.64
Glenn Arthur Trofast.	do	2,890.64
Samuel E. Virden	do	4,606.18
Export-Import Bank of Washington: Lambert E. Jones.	do	1,569.77
Central Intelligence Agency: Edward C. Gauvreau.	do	2,283.68
Chicago Quartermaster Market Center: Charles W. Hart.	do	4,848.40
General Services Administration:		
George E. Desjardine.	do	1,795.50
J. W. Flatley	do	1,178.17
John H. Holmend, Jr.	do	3,826.38
Mary Winifred Poynton.	do	923.3
International Cooperation Administration: Michael J. LoPadula.	do	2,663.59
Interstate Commerce Commission: Alexis P. Bukovsky.	do	1,741.05
Library of Congress: Walter W. Wilcox.	do	1,412.68
Travel and miscellaneous expenses.		37,824.66

EXPENDITURES IN PREVIOUS PERIOD NOT REPORTED, AGAINST 1955 APPROPRIATION

Name of employee	Profession	Total gross salary during 6-month period
Reimbursements to Government agencies:		
Department of Agriculture: John B. Holden.	Investigator	$496.19
Federal Communications Commission: Alexis P. Bukovsky.	do	240.85
International Cooperation Administration: Michael J. LaPadula.	do	186.88
General Services Administration:		
J. W. Flatley	do	429.23
John H. Holmead, Jr.	do	317.08
Travel and miscellaneous expenses.		762.52
Total		2,432.75

Funds authorized or appropriated for committee expenditures	$500,000.00
Amount of expenditures previously reported	
Amount expended from July 1 to Dec. 31, 1955	209,825.06
Total amount expended from July 1 to Dec. 31, 1955	209,825.06
Balance unexpended as of Dec. 31, 1955	290,174.94

CLARENCE CANNON,
Chairman.

COMMITTEE ON ARMED SERVICES

JANUARY 3, 1955.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
Robert W. Smart	Chief counsel	$7,592.61
John R. Blandford	Counsel	7,564.46
Charles F. Ducander	do	7,518.01
Philip W. Kelleher	do	7,518.01
Janice G. Angell	Clerical staff	3,352.25
Berniece Kalinowski	do	3,352.25
Mary Ellen Williams	do	2,690.50
Patricia Burtner	do	2,924.31
Oneta Stockstill	do	2,924.31
L. Louise Ellis	do	234.30
James A. Deakins	do	2,534.67
John J. Courtney	Special counsel	7,592.61
Edward T. Fogo	Investigator	5,025.83
Lloyd R. Kuhn	do	4,201.58
Dorothy Britton	Secretary	2,911.10
Dorothea Clore	do	2,911.10
Adeline Tolerton	Clerk	2,731.84
Ethel L. Mott	do	2,731.84

[1] This statement includes retroactive pay.

(Office of the Special Counsel operating under H. Res. 112 and H. Res. 113, 84th Cong.)

Funds authorized or appropriated for committee expenditures	$150,000.00
Amount of expenditures previously reported	25,657.87
Amount expended from Jan. 3 to June 30, 1955	$25,657.87
Total amount expended from July 1 to Dec. 31, 1955	33,550.78
Balance unexpended as of Dec. 31, 1955	90,791.35

CARL VINSON,
Chairman.

COMMITTEE ON BANKING AND CURRENCY

JANUARY 2, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
Robert L. Cardon	Clerk and counsel (Aug. 10, 1955).	$5,796.65
William J. Hallahan	Clerk (July 1 to Aug. 9, 1955).	1,795.96
Orman S. Fink	Staff director	7,592.61
John E. Barriere	Technical staff	7,592.61
Elsie G. Whitney	Deputy clerk	5,116.37
Helen E. Long	Assistant clerk	3,766.74
Mary W. Layton	Secretary	3,766.74
EMPLOYEES PURSUANT TO H. RES. 203—SUBCOMMITTEE ON HOUSING		
Eleanor Hamilton	Research assistant (July 1, 1955).	3,616.62
John J. McEwan, Jr.	Housing economist (Aug. 1, 1955).	4,621.30
Robert R. Poston	Chief counsel (July 16, 1955).	5,553.46
Betty B. Ridgell	Secretary (July 1, 1955).	3,021.48

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount of expenditures previously reported	None
Amount expended from July 1 to Dec. 31, 1955	24,316.42
Total amount expended from July 1 to Dec. 31, 1955	24,316.42
Balance unexpended as of Dec. 31, 1955	50,683.58

BRENT SPENCE,
Chairman.

COMMITTEE ON THE DISTRICT OF COLUMBIA

JANUARY 4, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
W. N. McLeod, Jr.	Clerk	$7,600.57
Wendell E. Cable	Minority clerk	6,550.07

[1] Includes retroactive pay increase.

Name of employee	Profession	Total gross salary during 6-month period
George R. Stewart	Attorney	$7,088.63
Ruth Butterworth	Assistant clerk	4,219.47
Dixon D. Davis	do	1,593.12
Margaret S. Rogers	do	2,588.48

Funds authorized or appropriated for committee expenditures	$2,000.00
Amount of expenditures previously reported	11.60
Amount expended from July 1, 1955, to Dec. 31, 1955	3.45
Total amount expended from ... to ...	
Balance unexpended as of Dec. 31, 1955	1,971.45

JOHN L. MCMILLAN,
Chairman.

COMMITTEE ON EDUCATION AND LABOR

JANUARY 13, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period
Edward A. McCabe	General counsel	$6,808.86
Russell C. Derrickson	Chief investigator	6,808.86
John O. Graham	Minority clerk	6,808.86
Fred G. Hussey	Chief clerk	6,808.86
Kathryn Kivett	Assistant clerk	3,226.98
Jeanne Thomson	Assistant to minority clerk.	3,226.98
Gloria Ann Baysden	Assistant clerk	3,226.98
Marion O. Riddiford	do	3,226.98
Mary Lynn Smith	do	3,226.98

NOTE.—The above figures do not include retroactive pay of Mar. 1 through June 30, 1955. Total retroactive pay to staff of Committee on Education and Labor, $1,802.48.

Funds authorized or appropriated for committee expenditures	$125,000.00
Amount of expenditures previously reported	1,536.52
Amount expended from July 1, 1955 to Dec. 31, 1955	9,360.71
Total amount expended from Jan. 1, 1955 to Dec. 31, 1955	10,897.23
Balance unexpended as of Dec. 31, 1955	114,102.77

GRAHAM A. BARDEN,
Chairman.

COMMITTEE ON FOREIGN AFFAIRS

JANUARY 6, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period [1]
Boyd Crawford	Staff administrator and committee clerk.	$7,592.61
Sheldon Z. Kaplan	Staff consultant	7,248.63
Roy J. Bullock	do	7,248.63
Albert C. F. Westphal	do	7,248.63
June Nigh	Staff assistant	3,709.65
Winifred G. Osborne	do	3,870.25
Helen C. Mattas	do	3,666.84
Myrtie M. Melvin	do	3,666.84
Helen L. Hashagen	do	3,666.84
Roosevelt Taylor	Messenger	917.06

[1] Includes retroactive salary increase for the period Mar. 1 to June 30, 1955; paid in July 1955.

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount of expenditures previously reported	1,024.56
Amount expended from July 1, 1955 to Dec. 31, 1955	3,549.20
Total amount expended from Jan. 1, 1955 to Dec. 31, 1955	4,573.76
Balance unexpended as of Dec. 31, 1955	70,426.24

JAMES P. RICHARDS,
Chairman.

COMMITTEE ON GOVERNMENT OPERATIONS

JANUARY 15, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period [1]
Christine Ray Davis	Staff director	$7,520.82
Orville S. Poland	General counsel	7,007.25
William Pincus	Associate general counsel.	7,028.17
Martha C. Roland	Staff member	5,959.03
J. Robert Brown	do	5,570.16
Dolores Fel'Dotto	do	4,111.00
Catherine Hartke	do	3,099.29
Earle Wade	do	3,628.31
Helen M. Boyer	Minority staff member.	6,339.25
Annabell Zue	Minority staff member (July–October 1955).	3,388.00
Esther Breeze	Minority staff member (November–December 1955).	1,207.00
Cecil Norton Bray	Minority staff member (October–November 1955).	1,182.80

[1] Includes retroactive pay.

WILLIAM L. DAWSON,
Chairman.

COMMITTEE ON GOVERNMENT OPERATIONS

JANUARY 15, 1955.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

	Total gross salary during 6-month period
Full Committee	$7,932.16
Executive and Legislative Reorganization Subcommittee, Congressman WILLIAM L. DAWSON, chairman	14,721.67
Military Operations Subcommittee, Congressman CHET HOLIFIELD, chairman	37,783.62
Intergovernmental Relations Subcommittee, Congressman L. H. FOUNTAIN, chairman	10,580.70
Public Works and Resources Subcommittee, Congressman EARL CHUDOFF, chairman	52,784.20
International Operations Subcommittee, Congressman PORTER HARDY, Jr., chairman	18,121.11
Legal and Monetary Affairs Subcommittee, Congressman ROBERT H. MOLLOHAN, chairman	32,753.40
Special Government Activities Subcommittee, Congressman JACK BROOKS, chairman	24,860.69
Special Subcommittee on Donable Property, Congressman JOHN W. MCCORMACK, chairman	8,189.44
Special Subcommittee on Government Information, Congressman JOHN E. MOSS, chairman	25,106.43
Special Subcommittee on Water Resources and Power, Congressman ROBERT E. JONES, chairman	32,901.35
Expenditures from July 1, to Dec. 31, 1955	265,734.77

Expenses of full committee:

Air transportation	1,452.67
Taxi fares, postage	87.98
Stationery supplies	2,500.93
Telephone	115.40
Travel, mileage, per diem	2,948.61
Government insurance deductions for subcommittee staff members	826.57
Total	7,932.16

Executive and Legislative R organization Subcommittee, Congressman WILLIAM L. DAWSON, chairman:

Elmer W. Henderson, associate general counsel (July 1 to Dec. 31, 1955)	5,148.83
Ann E. McLachlan, clerical staff member (July 1 to Dec. 31, 1955)	3,373.53
William A. Young, professional staff member (July 1 to Dec. 31, 1955)	5,892.81
Katherine B. Kenny, clerical staff member (Oct. 1–15, 1955)	208.61

Expenses:

Taxi	8.00
Telephone	1.10
Travel expenses	88.79
Total	14,721.67

Military Operations Subcommittee, Congressman CHET HOLIFIELD, chairman:

Michael P. Balwan, staff director	7,029.84
James F. Eckhart, assistant counsel	4,109.75
Robert J. McElroy, investigator	3,599.36
Earl J. Morgan, investigator	4,109.75
Sylvia L. Swartzel, clerk-stenographer	3,381.53
Mollie J. Hughes, clerk-stenographer	3,231.24
Herbert Roback, director of investigations	6,739.50

Expenses:

Taxi	66.90
Travel	1,553.21
Telegrams	54.38
Telephone	302.35
Transportation	3,497.21
Stationery	18.60
Total	37,783.62

Intergovernmental Relations Subcommittee, Congressman L. H. FOUNTAIN, chairman:

James R. Naughton, professional staff member	4,205.38
Francis X. McLaughlin, investigator (August to December 1955)	2,746.25
Eileen M. Anderson, clerk-stenographer	3,000.71

Expenses:

Travel	334.86
Transportation	148.16
Telephone	116.55
Western Union	28.79
Total	10,580.70

Legal and Monetary Affairs Subcommittee, Congressman ROBERT H. MOLLOHAN, chairman:

Curtis E. Johnson, staff director	7,028.17
Jerome S. Plapinger, counsel	6,936.92
Stanley T. Fisher, accountant-investigator	4,785.34
John L. Anderson, investigator	4,062.68
Hal M. Christensen, associate counsel	3,972.40
Elizabeth D. Heater, clerk-stenographer	2,821.44
Barbara L. Tork, stenographer	2,127.52

Expenses:	*Total gross salary during 6-month period*
Travel	$343.40
Transportation	326.48
Telephone	205.45
Witness expense	75.71
Taxi	67.89
Total	32,753.40

Public Works and Resources Subcommittee, Congressman EARL CHUDOFF, chairman:

Arthur Perlman, staff director (July 1 to Dec. 31, 1955)	6,998.82
James A. Lanigan, counsel (July 1 to Dec. 31, 1955)	6,538.22
John B. O'Brien, Jr., investigator (July 1 to Dec. 31, 1955)	5,181.36
H. Vance Austin, associate counsel (July 1 to Sept. 30, 1955)	4,504.79
Inze Kaiser, consultant (July 1 to Dec. 31, 1955)	3,827.84
R. F. Crossgrove, investigator (July 1 to Sept. 30, 1955)	2,209.83
Irene D. Manning, clerk-stenographer (July 1 to Dec. 31, 1955)	2,821.44
Joan D. Heinly, clerk-stenographer (July 1 to Dec. 31, 1955)	2,160.84
Lucille Orr Kenny, clerk-typist (Aug. 23 to 25, 1955)	44.93

Expenses:

Travel expense, June 30, 1955, not reported	148.83
Travel expense, July 1 to Dec. 31, 1955	6,825.55
Taxi fares	81.05
Transportation	7,413.20
Witness expenses	784.24
Reporting	2,781.61
Telephone	230.45
Western Union	52.40
Consultant expense	178.80
Total	52,784.20

International Operations Subcommittee, Congressman PORTER HARDY, Jr., chairman: Maurice J. Mountain, professional staff member

	6,201.43
Phyllis Seymour, clerk-stenographer	3,000.71
Walton Woods, investigator	5,103.57

Expenses:

Taxi fares	79.60
Telephone	29.70
Stamps	8.10
Witness	75.24
Travel	2,587.61
Stationery	22.35
Reporting (November)	923.40
Total	18,121.11

Special Government Activities Subcommittee, Congressman JACK BROOKS, chairman:

Vernon McDaniel, staff director	7,028.17
William D. Huskey, investigator	4,389.76
William E. Townsley, counsel (September to December 1955)	3,370.08
Thomas Q. Beasley, professional staff member (July to Sept. 15, 1955)	1,145.19
Chesley Prioleau, clerk-stenographer	2,818.45
Irma Reel, clerk	2,534.67

Expenses:

Travel	2,566.67
Transportation	475.32
Telephone	137.90
Western Union	277.14
Taxi	117.34
Total	24,860.69

Special Subcommittee on Donable Property, Congressman JOHN W. MCCORMACK, chairman:

Ray Ward, staff director	6,668.97
Asselia Poore, clerk-stenographer	706.83
Pauline Harris, typist	9.00

Expenses:

Travel	269.00
Transportation	503.81
Telephone	27.25
Supplies	3.00
Western Union	1.55
Total	8,189.44

Special Subcommittee on Government Information, Congressman JOHN E. MOSS, Jr., chairman:

Wallace Parks, chie. counsel	5,522.45
Samuel J. Archibald, staff director	5,228.05
Jacob Scher, special counsel (Nov. 1 to Dec. 31, 1955)	1,255.50
Helen K. Beasley, stenographer (July 20 to Dec. 31, 1955)	2,382.27
J. Lacey Reynolds, senior consultant (July 7 to Dec. 31, 1955)	5,217.04
Alette Summerfield, stenographer (July 1 to Oct. 31, 1955)	1,718.82
Virginia Hudgins, stenographer (July 1–7, 1955)	104.84
Thomas Quinn Beesley, investigator (Oct. 1–31, 1955)	627.75

Expenses:	Total gross salary during 6-month period
Taxi fares	$349.61
Transportation	982.45
Telephone	265.16
Travel	1,427.00
Western Union	25.49
Total	25,106.43
Special Subcommittee on Water Resources and Power, Congressman ROBERT E. JONES, chairman:	
William C. Wise, staff director (August to December 1955)	5,209.60
Ann A. Dominek, clerk-stenographer (August to December 1955)	2,089.70
William L. Sturdevant, Jr., professional staff member (August to December 1955)	4,341.79
Pearle L. Gay, clerk-stenographer (August 1955)	208.97
Margaret L. McFerren, clerk-stenographer (August to December 1955)	1,880.73
Roy F. Bessey, consultant (October, November, December 1955)	2,000.00
Expenses:	
Travel	3,561.16
Transportation	9,141.32
Taxi	67.04
Meeting room	203.80
Telephone	697.66
Reporting	3,262.89
Western Union	236.69
Total	32,901.35
Funds authorized or appropriated for committee expenditures	495,000.00
Amount of expenditures previously reported	107,909.17
Amount expended from July 1, to Dec. 31, 1955	265,734.77
Total amount expended from Jan. 4, to Dec. 31, 1955	373,643.94
Balance unexpended as of Jan. 1, 1956	121,356.06

WILLIAM L. DAWSON,
Chairman.

COMMITTEE ON HOUSE ADMINISTRATION

JANUARY 3, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
Marjorie Savage	Clerk	$6,728.43
Jack Watson	Assistant clerk	5,570.16
Julian Langston	....do	5,527.40
Lura Cannon	....do	4,776.74
EMPLOYEES APPOINTED PURSUANT TO H. RES. 302 AND H. RES. 306, 84TH CONG.		
John F. Haley	Staff director, Subcommittee To Investigate Government Printing.	$5,054.80
Assella S. Poore	Research analyst, Subcommittee To Investigate Government Printing.	2,413.98
Erica Steinleitner	Research assistant, Subcommittee To Investigate Government Printing.	636.90

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures (H. Res. 306)	$65,000.00
Amount of expenditures previously reported	None
Amount expended from July 21 to Dec. 31, 1955	$8,525.35
Total amount expended from July 21 to Dec. 31, 1955	8,525.35
Balance unexpended as of Dec. 31, 1955	56,474.65

OMAR BURLESON, *Chairman.*

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

JANUARY 6, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
Professional staff:		
Sidney L. McFarland.	Engineering consultant.	$6,480.30
George W. Abbott	Counsel	6,480.30
John L. Taylor	Territories consultant.	6,480.30
George H. Soule, Jr.	Minerals and lands consultant.	6,273.89
Clerical staff:		
Nancy J. Arnold	Chief clerk	5,676.76
Nelda Boding	Clerk	3,717.65
Gertrude S. Harris	....do	3,717.65
Laura Ann Moran	....do	3,359.18
Eve Fatziniek	....do	3,359.18
Linda Glavey	....do	3,000.71

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	5,859.23
Amounts expended from July 1 to Dec. 31, 1955	25,437.11
Total amount expended from Feb. 24 to Dec. 31, 1955	31,296.34
Balance unexpended as of Dec. 31, 1955	18,703.66

CLAIR ENGLE, *Chairman.*

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

JANUARY 3, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
Clerical staff:		
Elton J. Layton	Clerk	$7,592.61
Kenneth J. Painter	First assistant clerk	5,364.28
Herman C. Beasley	Assistant clerk	4,697.78
Georgia G. Glasmann.	Assistant clerk-stenographer.	3,394.01
Helen A. Grickis	....do	3,394.01
Roy P. Wilkinson	Assistant clerk	2,874.59
Margaret J. Beach	Clerk-typist (H. Res. 105, H. Res. 117).	2,694.33
Professional staff:		
Andrew Stevenson	Expert	7,592.61
Kurt Borchardt	Legal counsel	7,592.61
Sam G. Spal	Research specialist	7,592.61
Martin W. Cunningham.	Aviation consultant	7,100.01

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures	$60,000.00
Amount of expenditures previously reported	852.85
Amount expended from July 1 to Dec. 31, 1955	10,000.00
Total amount expended from Jan. 5, to Dec. 31, 1955	10,852.85
Balance (approximate) unexpended as of Dec. 31, 1955	49,147.15

J. PERCY PRIEST,
Chairman.

COMMITTEE ON THE JUDICIARY

JANUARY 15, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period
Bess E. Dick	Staff director	$7,301.46
Bessie M. Orcutt	Administrative assistant.	6,746.93
William R. Foley	General counsel	7,301.46
Walter M. Besterman	Legislative assistant	7,301.46
Thomas F. Broden	Counsel	5,879.98
Walter R. Lee	Legislative assistant	7,301.46
Velma Smedley	Clerical staff	4,564.44
Violet Benn	....do	4,151.88
Anne J. Berger	....do	4,237.50
Lola Bikul	....do	3,723.66
Frances Christy	....do	3,980.58
Helen Goldsmith	....do	3,980.58
Mary D. Weil	....do	3,295.50
Total gross increase, retroactive to Mar. 1, 1955, paid in July to the above named employees.		2,967.38

SALARIES PAID FROM JULY 1, 1955, TO DECEMBER 31, 1955, PURSUANT TO H. RES. 98

Herbert N. Maletz	Counsel, Antitrust Subcommittee.	$6,437.28
Kenneth R. Harkins	Cocounsel, Antitrust Subcommittee.	6,065.76
William M. Milligan	Assistant counsel, Antitrust Subcommittee.	4,564.44
Thomas H. McGrail	....do	4,564.44
Jerrold Walden	Associate counsel, Antitrust Subcommittee.	2,324.57
Lucille Brooks	Clerical staff	3,980.58
Gertrude C. Burak	....do	3,332.60
Elizabeth Meekins	....do	2,867.34
Roberta Eisenberg	....do	2,389.45
Mike Kelemonick	....do	2,439.18
Eileen Browne	....do	649.16
Joyce Martinson	....do	666.99
Bart D. Wigby	Messenger	266.92
William Luces	....do	1,601.52
Theodore Krepe	Economist, Antitrust Subcommittee.	1,144.40
Total gross increase, retroactive to Mar. 1, 1955, paid in July 1955, pursuant to H. Res. 98.		1,355.55

Funds for preparation of United States Code, District of Columbia Code, and revision of the laws:	
A. Preparation of new edition of United States Code (no year):	
Unexpended balance June 30, 1955	$25,352.00
Appropriated by Legislative Branch Appropriation Act, 1956	100,000.00
Total	125,352.00
Expended, July 1-Dec. 31, 1955	18,119.50
Balance, Dec. 31, 1955	107,232.50

Funds for preparation of United States Code, District of Columbia Code, and revision of the laws—Continued	
B. Revision of the laws:	
Appropriated by Legislative Branch Appropriation Act, 1956	$13,700.00
Expended July 1-Dec. 31, 1955	7,301.46
Balance, Dec. 31, 1955	6,398.54
C. Preparation of new edition of District of Columbia Code (no year):	
Unexpended balance, June 30, 1955	9,159.71
Expended July 1-Dec. 31, 1955	6,395.70
Balance, Dec. 31, 1955	2,764.01

EMANUEL CELLER,
Chairman.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

JANUARY 9, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to January 1, 1956, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period [1]
Ralph E. Casey	Chief counsel	$6,084.43
Bernard J. Zincke	Counsel	7,100.01
John M. Drewry	do	7,100.01
Frances Still	Clerk	5,725.70
Charles F. Warren	Assistant counsel	4,610.51
William B. Winfield	Assistant clerk	3,936.55
Ruth Brookshire	do	3,377.07
Vera Barker	Secretary	3,000.71
Shirley Schwartz	Minority clerk	4,255.33
		45,190.32

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	12,143.84
Amount expended from July 1, 1955 to Jan. 1, 1956	18,869.21
Total amount expended from Feb. 2, 1955, to Jan. 1, 1956	31,013.05
Balance unexpended as of Jan. 1, 1956	18,986.95

HERBERT C. BONNER,
Chairman.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

JANUARY 9, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period
Frederick C. Belen	Chief counsel	$7,301.46
Charles E. Johnson	Counsel	6,938.89
Henry C. Cassell	Clerk	5,607.48
John B. Price	Assistant clerk	3,723.66
Lillian Hopkins	do	3,609.50
Lucy K. Daley	do	3,466.80
Elsa Thornton	Stenographer	$2,696.06
Blanche Simons	do	2,696.06
Retroactive pay received by the committee staff, July 1955.		1,533.59

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount of expenditures previously reported	
Amount expended from August 1 to December 31, 1955	7,604.35
Balance unexpended as of December 31, 1955	67,395.65

TOM MURRAY,
Chairman.

COMMITTEE ON PUBLIC WORKS

JANUARY 10, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period [1]
Charles G. Tierney	Chief clerk and counsel.	$7,301.46
Robert F. McConnell	Counsel	7,301.46
Joseph F. McGann, Sr.	Staff consultant	6,808.86
Margaret R. Beiter	Assistant chief clerk	5,322.60
Helen Dooley	Staff assistant	4,564.44
Helen A. Thompson	do	3,766.50
Louise B. Cullen	do	3,676.58
S. Philip Cohen	Staff member	3,809.34
Herman J. Slowes	do	3,103.05
Ester Saunders	Clerk-messenger	1,839.72

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	None
Amount expended from July 1 to Dec. 31, 1955	7,865.73
Balance unexpended as of Dec. 31, 1955	42,134.27

CHARLES A. BUCKLEY,
Chairman.

COMMITTEE ON RULES

JANUARY 9, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period [1]
Thomas M. Carruthers.	Clerk	$4,757.55
Jane W. Snader	Minority clerk	3,896.86
Agnes R. Hanford	Assistant clerk	3,412.93
Total		12,067.34

[1] Includes retroactive pay.

HOWARD W. SMITH,
Chairman.

COMMITTEE ON UN-AMERICAN ACTIVITIES

JANUARY 13, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period [1]
Standing committee:		
Donald T. Appell	Investigator	$6,402.64
Thomas W. Beale, Sr.	Chief clerk	7,494.09
Juliette P. Joray	Secretary to chief clerk.	4,862.32
Courtney E. Owens	Investigator	5,934.83
Rosella Purdy	Secretary to counsel	4,147.83
Carolyn Roberts	Assistant chief of reference section.	3,896.86
Thelma I. Scearce	Secretary to investigators.	4,147.83
Frank S. Tavenner, Jr.	Counsel	7,494.09
Anne D. Turner	Chief of reference section.	4,947.84
William A. Wheeler	Investigator	6,245.90
Investigating committee:		
Alice W. Anderson	Information analyst	2,971.22
Margaret Bentz	Information specialist.	2,552.63
Elizabeth Bentley	Consultant (Aug. 1-15).	268.57
Frank Bonora	Investigator	4,076.12
John W. Carrington	Assistant to the clerk.	4,076.12
Raymond T. Collins	Investigator	3,896.86
Anniel Cunningham.	Information analyst	3,179.91
Barbara H. Edelschein.	Editor	2,814.14
Elizabeth L. Edinger.	Clerk-stenographer	3,260.61
Earl L. Fuoss	Investigator (retroactive pay).	32.91
Kathleen Hagenbuch.	Clerk-typist	2,269.82
Lillian Howard	Research analyst	3,717.65
W. Jackson Jones	Investigator	5,174.45
Olive M. King	Editor	3,322.31
Stephen V. Kopunek.	Clerk-typist	2,182.21
Kathleen M. Lucious.	do	1,717.20
Helen I. Mattson	Research analyst	3,896.86
Isabel B. Nagel	Clerk-stenographer	3,436.83
Robert Newsom	Investigator (Aug. 1-15).	310.30
Katharine Phillips	Switchboard operator.	2,114.30
Maureen P. Roselle	Clerk-stenographer	2,544.66
Delores F. Scotti	Investigator	3,853.56
Josephine E. Sheetz	Clerk-typist	2,552.63
Lela Mae Stiles	Clerk-stenographer	2,544.66
Cele F. Sweeney	Clerk-typist	2,355.44
Ruth K. Tansill	Information analyst	3,269.57
Lorraine N. Veley	Clerk-stenographer	3,269.57
Richard S. Weil	Research analyst	3,766.96
George C. Williams	Investigator	5,156.92
Billie Wheeler	Clerk-stenographer (resigned Sept. 30, 1955).	1,554.62

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures	$225,000.00
Amount of expenditures previously reported	102,702.95
Amount expended from July 1 to Dec. 31, 1955	120,167.18
Total amount expended from Jan. 4 to Dec. 31, 1955	222,870.13
Balance unexpended as of Dec. 31, 1955	2,129.87

FRANCIS E. WALTER,
Chairman.

COMMITTEE ON VETERANS' AFFAIRS

JANUARY 6, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of

the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from June 30, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
Oliver E. Meadows	Staff director	$7,100.01
Edwin B. Patterson	Counsel	7,100.01
Casey M. Jones	Professional aide	7,100.01
George Fisher	Clerk	7,100.01
Harold A. L. Lawrence.	Professional aide, minority.	7,100.01
Ida Rowan	Clerk, minority	7,100.01
Paul K. Jones	Assistant clerk	5,570.16
J. Buford Jenkins	Staff consultant (select).	6,537.63
Helen Wright Biondi	Assistant clerk	4,344.99
George Turner	do	3,672.82
Alice V. Matthews	Clerk-stenographer	3,527.26
Joanne Doyle	Clerk-stenographer (select).	1,987.67
Charles S. Allen	Investigator (select).	117.38

[1] Includes retroactive pay.

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	6,493.31
Amount expended from July 1 to Dec. 31	21,401.57
Total amount expended from Jan. 1 to Dec. 31	27,894.88
Balance unexpended as of Dec. 31, 1955	22,105.12

OLIN TEAGUE,
Chairman.

COMMITTEE ON WAYS AND MEANS

JANUARY 12, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
Leo H. Irwin	Clerk (C)	$7,592.61
Russell E. Train	Minority adviser (P).	7,592.61
Thomas A. Martin	Professional assistant (P).	7,230.68
James W. Riddell	do	5,505.71
Frances C. Russell	Staff assistant	4,629.68
Susan Alice Taylor	do	4,255.33
June A. Kendall	do	3,861.36
Anne Gorden	do	3,493.61
Virginia M. Butler	do	3,493.61
Grace Kagan	do	3,493.61
Irene Wade	do	3,126.16
Hughlon Greene	Messenger	2,247.91
Walter B. Little	do	2,247.91

[1] Includes retroactive pay.

JERE COOPER,
Chairman.

SELECT COMMITTEE ON SMALL BUSINESS

JANUARY 12, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period[1]
Everette MacIntyre	Staff director and general counsel.	$7,494.09
William Summers Johnson.	Chief economist and assistant staff director.	6,905.21
Marie M. Stewart	Clerk	3,717.65
Jane M. Deem	Administrative assistant-clerk.	3,717.65
George L. Arnold	Assistant counsel and investigator.	5,538.48
Irving Maness	do	5,414.63
Justinus Gould	do	4,311.65
Eunice V. Hutton	Research analyst-secretary.	3,717.65
Katherine C. Blackburn.	Research analyst	3,583.22
Clarence D. Everett	Investigator	3,717.65
Ila D. Coe	Stenographer	2,731.84
Clara G. Romero	do	2,389.97
Milton S. Fairfax	do	2,753.51
Alice Fay Ebert	do	2,032.85
Margaret Fallon Palmer.	Research analyst	3,448.78
Pauline Chaternuck	Stenographer	281.95
Samuel Moment	Consulting economist.	3,588.37
Victor P. Dalmas	Assistant to minority.	4,777.59
Rosalie Dawes Appleton.	Clerk-typist	371.81
Marita K. Fanning	Secretary (May 10, 1955 left committee).	97.04

[1] Includes retroactive pay due to Federal pay increase.

Funds authorized or appropriated for committee expenditures	$170,000.00
Amount of expenditures previously reported	47,185.73
Amount expended from July 1 to Dec. 31, 1955	82,071.00
Total amount expended from Jan. 4 to Dec. 31, 1955	129,256.73
Balance unexpended as of Dec. 31, 1955	40,743.27

WRIGHT PATMAN,
Chairman.

SELECT COMMITTEE TO CONDUCT AN INVESTIGATION AND STUDY OF THE FINANCIAL POSITION OF THE WHITE COUNTY BRIDGE COMMISSION

JANUARY 4, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

NOTE.—Personal services were furnished to the select committee by the United States General Accounting Office without charge for salaries.

Funds authorized or appropriated for committee expenditures	$10,000.00
Amount of expenditures previously reported	None
Amount expended from July 21 to Dec. 31, 1955	$2,106.85
Balance unexpended as of Dec. 41, 1955	7,893.15

WINFIELD K. DENTON,
Chairman.

SELECT COMMITTEE ON SURVIVOR BENEFITS

JANUARY 10, 1956.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1955, to December 31, 1955, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period
Carnes & Co	Consultants	$8,800.00
Audrey A. Lockett	Stenographer (including retroactive pay increase).	1,494.26

NOTE.—The firm of Carnes & Co. is retained by the committee under contract to provide all staff personnel required for the committee's study. Those serving with the committee are on the payroll of Carnes & Co.

Funds authorized or appropriated for committee expenditures	$35,000.00
Amount of expenditures previously reported	22,350.00
Amount expended from July 1 to Dec. 31, 1955	10,486.42
Total amount expended from Jan. 1 to Dec. 31, 1955	32,836.50
Balance unexpended as of Dec. 31, 1955	2,163.50

PORTER HARDY, JR.,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1434. A letter from the Acting Director, Office of Defense Mobilization, Executive Office of the President, transmitting a report entitled "Report on Borrowing Authority" for the quarter ending September 30, 1955, pursuant to section 304 b of the Defense Production Act as amended; to the Committee on Banking and Currency.

1435. A letter from the Manager, District of Columbia Armory Board, relative to asking for a 30-day extension of time in which to submit the Eighth Annual Report and Financial Statement of the District of Columbia Armory Board which, pursuant to section 10, Public Law 605 (act of June 4, 1948), is to be presented to Congress on or before January 31, 1956; to the Committee on the District of Columbia.

1436. A letter from the vice president, the Chesapeake & Potomac Telephone Co., transmitting a statement of receipts and expenditures of the Chesapeake & Potomac Telephone Co. for the year 1955, pursuant to chapter 1628, Acts of Congress, 1904; to the Committee on the District of Columbia.

1437. A letter from the vice president, the Chesapeake & Potomac Telephone Co., transmitting a comparative general balance sheet of the Chesapeake & Potomac Telephone Co. for the year 1955, pursuant to paragraph 14 of the act of March 4, 1913; to the Committee on the District of Columbia.

1438. A letter from the Comptroller General of the United States, transmitting a report on audit findings relating to civil service retirement and disability fund, United States Civil Service Commission, for fiscal years 1954 and 1955; to the Committee on Government Operations.

1439. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "a bill to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

1440. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "a bill to extend for 2 years the duration of the hospital and medical facilities survey and construction provisions (title VI) of the Public Health Service Act"; to the Committee on Interstate and Foreign Commerce.

1441. A letter from the Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract with Degnan, Donohoe, Inc., which, when executed by the Director of the National Park Service, will authorize the concessioner to conduct a restaurant, delicatessen, fountain, and bakery business in Yosemite National Park, Calif., in the New Village area of the park, for the term of 20 years from January 1, 1955, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1442. A letter from the Chairman, United States Atomic Energy Commission, transmitting the 19th Semiannual Report of the United States Atomic Energy Commission, pursuant to the Atomic Energy Act of 1954; to the Joint Committee on Atomic Energy.

1443. A letter from the executive officer, National Advisory Committee for Aeronautics, transmitting a report on all tort claims paid by the National Advisory Committee for Aeronautics for the period January 1 to December 31, 1955, pursuant to Public Law 773, 80th Congress; to the Committee on the Judiciary.

1444. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 12, 1955, submitting an interim report, together with accompanying papers and an illustration, on Mississippi River at Winona, Minn. This report is submitted in response to resolutions of the Committee on Flood Control, House of Representatives, adopted on September 18, 1944, requesting a review of report on the Mississippi River between Coon Rapids Dam and the mouth of the Ohio River, with a view to determining the advisability of providing flood protection along the Mississippi River above the mouth of the Missouri River (H. Doc. No. 324); to the Committee on Public Works and ordered to be printed, with one illustration.

1445. A letter from the Secretary of the Army, transmitting a letter from the Chief of Enginers, Department of the Army, dated July 22, 1954, submitting a report, together with accompanying papers and an illustration, on a review of report on Purgatoire (Picket Wire) River, Colo., requested by a resolution of the Committee on Flood Control, House of Representatives, adopted on March 20, 1945 (H. Doc. No. 325); to the Committee on Public Works and ordered to be printed, with one illustration.

1446. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1957 in the amount of $994,285 for the Department of State, in the form of an amendment to the budget for said fiscal year (H. Doc. No. 322); to the Committee on Appropriations and ordered to be printed.

1447. A communication from the President of the United States, transmitting proposed amendments to the budget for the fiscal year 1957 for the Department of Labor, involving decreases in the amount of $30,500,000 (H. Doc. No. 323); to the Committee on Appropriations and ordered to be printed.

1448. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to provide domestic and community sanitation facilities and services for Indians, and for other purposes"; to the Committee on Interior and Insular Affairs.

1449. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend the public assistance and related provisions of the Social Security Act to provide separate matching of assistance expenditures for medical care, to provide gradually for equal matching of old-age assistance expenditures supplementing old-age and survivors insurance benefits, to make clear the purpose of encouraging States to provide assistance and services to help strengthen family life and to help needy families and individuals attain self-support or self-care, to assist in improving administration of public assistance programs through research and training, to improve aid to dependent children, and for other purposes"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2286. An act to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense; with amendment (Rept. No. 1686). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 8100. A bill to authorize the loan of two submarines to the Government of Brazil; with amendment (Rept. No. 1687). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. H. R. 8710. A bill to amend the Armed Services Procurement Act of 1947; with amendment (Rept. No. 1688). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURLESON: Committee on Un-American Activities. House Resolution 352. Resolution to authorize the expenditure of certain funds for the expenses of the Committee on Un-American Activities; without amendment (Rept. No. 1691). Referred to the House Calendar.

Mr. BURLESON: Committee on House Administration. House Resolution 355. Resolution to provide funds for the Committee on the Judiciary with amendment (Rept. No. 1692). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 359. Resolution to provide funds for necessary expenses of the Committee on House Administration, without amendment (Rept. No. 1693). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. H. R. 8787. A bill to provide for a prorated stationery allowance in the case of a Member of the House of Representatives elected for a portion of a term; without amendment (Rept. No. 1694). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 4781. A bill to authorize the Territory of Alaska to incur indebtedness, and for other purposes; without amendment (Rept. No. 1695). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 8320. A bill to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis eradication program for the fiscal year ending June 30, 1956; with amendment (Rept. No. 1696). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 8704. A bill to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955; without amendment (rept. No. 1697). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6703. A bill to authorize the sale of certain land in Alaska to Victor Power, of Juneau, Alaska; with amendment (Rept. No. 1689). Referred to the Committee of the Whole House.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7513. A bill to authorize the conveyance of certain lands in Alaska to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard; with amendment (Rept. No. 1690). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 8874. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. BUCKLEY:

H. R. 8875. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 8876. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. DAVIDSON:

H. R. 8877. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. DOLLINGER:

H. R. 8878. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. KEOGH:

H. R. 8879. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. KLEIN:

H. R. 8880. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 8881. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. ROONEY:

H. R. 8882. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. ZELENKO:

H. R. 8883. A bill to establish an effective program to alleviate conditions of excessive

unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. ANFUSO:

H. R. 8884. A bill to correct an inequity resulting from the setting of the effective date of Public Law 68 of the 84th Congress; to the Committee on Post Office and Civil Service.

By Mr. BAILEY:

H. R. 8885. A bill to extend the duration of the Water Pollution Control Act, to authorize additional amounts for construction loans thereunder, and for other purposes; to the Committee on Public Works.

By Mr. BAUMHART:

H. R. 8886. A bill to encourage construction and maintenance of modern Great Lakes bulk cargo vessels in the interest of peacetime commerce and the national defense; to the Committee on Merchant Marine and Fisheries.

By Mr. BECKER:

H. R. 8887. A bill to authorize certain beach erosion control of the shore of the State of New York from Fire Island Inlet to Jones Inlet; to the Committee on Public Works.

By Mr. BERRY:

H. R. 8888. A bill to amend the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. BOSCH:

H. R. 8889. A bill to amend section 601 (a) of the Civil Aeronautics Act of 1938 to require the Civil Aeronautics Board to issue certain regulations concerning air traffic at La Guardia and New York-International (Idlewild) Airports in the State of New York, and Newark Airport in the State of New Jersey; to the Committee on Interstate and Foreign Commerce.

H. R. 8890. A bill to amend section 902 (a) of the Civil Aeronautics Act of 1938, so that the penalties provided therein will apply to violations of civil aeronautics safety regulations; to the Committee on Interstate and Foreign Commerce.

H. R. 8891. A bill to amend the Civil Aeronautics Act of 1938 to prohibit jet-propelled aircraft from using airports located in densely populated areas; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS of Texas:

H. R. 8892. A bill to provide for research and technical assistance relating to the control of salt-marsh and other pest mosquitoes of public health importance and mosquito vectors of human disease; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL:

H. R. 8893. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide that annuities shall be adjusted simultaneously with general adjustments in Federal employees' salaries; to the Committee on Post Office and Civil Service.

By Mr. CEDERBERG:

H. R. 8894. A bill to encourage construction and maintenance of Great Lakes cargo vessels for peacetime and national defense use; to the Committee on Merchant Marine and Fisheries.

By Mr. CHIPERFIELD:

H. R. 8895. A bill authorizing the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill.; to the Committee on Public Works.

H. R. 8896. A bill to provide for effecting the disposition of the Illinois and Mississippi Canal, and for other purposes; to the Committee on Public Works.

By Mr. DINGELL:

H. R. 8897. A bill to repeal provisions of the Internal Revenue Code of 1954 granting special income-tax treatment for dividends received by individuals, and to increase the amount of each personal exemption allowed by such code as a deduction for income-tax purposes; to the Committee on Ways and Means.

By Mr. DIXON:

H. R. 8898. A bill to provide an additional authorization of appropriations for the purchase by the Secretary of Agriculture under the act of May 11, 1938, of lands within the boundaries of the Cache National Forest in the State of Utah; to the Committee on Agriculture.

By Mr. FORD:

H. R. 8899. A bill to direct the Interstate Commerce Commission to make regulations that certain railroad vehicles be equipped with reflectors or luminous material so that they can be readily seen at night; to the Committee on Interstate and Foreign Commerce.

By Mr. GUBSER:

H. R. 8900. A bill to authorize the construction of flood protection measures, with particular reference to areas where severe damages have recently occurred as the result of extraordinary floods; to provide for the construction or alteration of dams under certain conditions, and for other purposes; to the Committee on Public Works.

By Mr. HARRIS:

H. R. 8901. A bill to provide for an adequate and economically sound transportation system or systems to serve the District of Columbia and its environs; to create and establish a public body corporate with powers to carry out the provisions of this act; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 8902. A bill to amend subsection 406 (b) of the Civil Aeronautics Act of 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HINSHAW:

H. R. 8903. A bill to amend subsection 406 (b) of the Civil Aeronautics Act of 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. KILDAY:

H. R. 8904. A bill to amend certain laws relating to the grade of certain personnel of the Army, Navy, Air Force, and Marine Corps upon retirement; to the Committee on Armed Services.

By Mr. McCARTHY:

H. R. 8905. A bill to amend section 4141 of the Internal Revenue Code of 1954, for the purpose of repealing the manufacturers excise tax on children's phonograph records retailing for 25 cents or less; to the Committee on Ways and Means.

By Mr. MATTHEWS:

H. R. 8906. A bill to prohibit the courts of the United States and all other Federal agencies from deciding or considering any matter drawing in question the administration by the several States of their respective educational systems; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 8907. A bill to correct an inequity resulting from the setting of the effective date of Public Law 68 of the 84th Congress; to the Committee on Post Office and Civil Service.

By Mr. NORRELL:

H. R. 8908. A bill to amend the Career Compensation Act of 1949 to provide that certain enlisted men retired with credit for service counted as double time shall receive retired pay computed on the basis of the highest federally recognized officer rank or grade held by them during World War I; to the Committee on Armed Services.

By Mr. PELLY:

H. R. 8909. A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees; to the Committee on Post Office and Civil Service.

H. R. 8910. A bill to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature; to the Committee on Ways and Means.

By Mr. PERKINS:

H. R. 8911. A bill to revise the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. PRIEST:

H. R. 8912. A bill to extend for 2 years the duration of the hospital and medical facilities survey and construction provisions (title VI) of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

H. R. 8913. A bill to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H. R. 8914. A bill to establish a conservation-civil defense acreage; to promote conservation of soil, water, vegetation, and fish and wildlife; to aid civil defense; to help farmers to achieve a more adequate income; to adjust total agricultural production to consumer and export needs; to maintain an abundant and even flow of farm commodities in interstate commerce, and for other purposes; to the Committee on Agriculture.

By Mr. ROBERTS:

H. R. 8915. A bill to amend the Agricultural Adjustment Act of 1938 so as to increase acreage allotments for the 1956 crop of cotton; to the Committee on Agriculture.

By Mr. RODINO:

H. R. 8916. A bill to provide for loans to enable needy and scholastically qualified students to continue post-high-school education; to the Committee on Education and Labor.

By Mr. ROGERS of Colorado:

H. R. 8917. A bill authorizing condemnation under certain conditions; to the Committee on Appropriations.

By Mr. SMITH of Mississippi:

H. R. 8918. A bill to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing Fort Pemberton, Leflore County, Miss., as a national monument; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of Texas:

H. R. 8919. A bill authorizing improvement of a deep draft navigation channel from the Gulf of Mexico through Pass Cavallo to Point Comfort, Tex., designated as the Matagorda Ship Channel; to the Committee on Public Works.

By Mr. THOMPSON of New Jersey:

H. R. 8920. A bill to provide for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals; to the Commitee on Foreign Affairs.

By Mr. THOMPSON of Louisiana:

H. R. 8921. A bill to provide for research and technical assistance relating to the control of salt-marsh and other pest mosquitoes of public health importance and mosquito vectors of human disease; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON:

H. R. 8922. A bill to provide for the relief of certain members of the uniformed services; to the Committee on Armed Services.

By Mr. WILLIS:

H. R. 8923. A bill to provide for research and technical assistance relating to the control of salt-marsh and other pest mosquitoes of public health importance and mosquito vectors of human disease; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Florida:

H. Con. Res. 207. Concurrent resolution to create a joint congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President; to the Committee on Rules.

By Mr. ABBITT:

H. J. Res. 496. Joint resolution to avoid false representations to the consuming public as to the true weight of prepared meat and meat food products subject to shrinkage and to avoid the economic waste and duplication of effort in the weighing of such products; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL:

H. J. Res. 497. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the official founding and launching of the conservation movement for the protection, in the public interest, of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. FERNANDEZ:

H. J. Res. 498. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the official founding and launching of the conservation movement for the protection, in the public interest, of the natural resources of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Georgia, memorializing the President and the Congress of the United States relative to congratulating the Commonwealth of Virginia for its leadership in the struggle to preserve the time-honored American concept of State and local control over education, etc.; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to provide Federal funds for education; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States relative to requesting immediate action on legislation designed to establish for America a modern highway system; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H. R. 8924. A bill for the relief of Katherine S. Collins; to the Committee on the Judiciary.

By Mr. BAKER:

H. R. 8925. A bill for the relief of James Kanji Hoskins; to the Committee on the Judiciary.

By Mr. CRAMER:

H. R. 8926. A bill to authorize the sale and conveyance of certain of the publicly owned lands of the United States to the American Federation of the Physically Handicapped Institute for Human Engineering; to the Committee on Agriculture.

By Mr. GUBSER:

H. R. 8927. A bill for the relief of Carlos Manuel DaSilva; to the Committee on the Judiciary.

H. R. 8928. A bill for the relief of Miho Sinko; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H. R. 8929. A bill for the relief of Bernard T. Frydrysiak; to the Committee on the Judiciary.

By Mr. NORRELL:

H. R. 8930. A bill for the relief of Mrs. Micheline Marie Ponder; to the Committee on the Judiciary.

By Mr. OSTERTAG:

H. R. 8931. A bill for the relief of Hubert Wellington James; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 8932. A bill for the relief of certain Polish sailors; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 8933. A bill to provide for the conveyance of certain real property of the United States to the former owners thereof; to the Committee on Government Operations.

By Mr. YOUNG:

H. R. 8934. A bill for the relief of Curtis W. Strong; to the Committee on the Judiciary.

By Mr. YOUNGER:

H. R. 8935. A bill for the relief of the estate of John A. Sutter; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

462. By Mr. BEAMER: Petition of the Indiana Council of Churches setting forth resolutions adopted unanimously by the Assembly of the Indiana Council of Churches on Friday, January 20, 1956, at Indianapolis; to the Committee on Interstate and Foreign Commerce.

463. By Mr. NORBLAD: Petition of G. B. Harbison and 20 other citizens of Newberg, Oreg., urging enactment of legislation to prohibit the transportation of alcoholic beverage advertising in intertsate commerce; to the Committee on Interstate and Foreign Commerce.

464. Also, petition of Mrs. R. W. McCormick and 20 other citizens of Dallas, Oreg., urging enactment of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

465. By the SPEAKER: Petition of the executive director, League of California Cities, Berkeley, Calif., petitioning consideration of their resolution with reference to requesting the appropriation of funds necessary to permit the United States Army Corps of Engineers to construct adequate flood control works on authorized projects in California which have been approved by the State of California; to the Committee on Appropriations.

466. Also, petition of Frank A. Hourihan, Chicago, Ill., relative to case No. 388 Misc., Frank A. Hourihan of Chicago, Ill., petitioner, v. National Labor Relations Board, Paul M. Herzog, Chairman and/or the General Counsel of the Board, and case No. 11346, Frank A. Hourihan of Chicago, Ill., appellant v. National Labor Relations Board, Paul M. Herzog, Chairman of the Board and/or the General Counsel of the Board, appellees; to the Committee on the Judiciary.

467. Also, petition of the city clerk, Rahway, N. J., requesting enactment of the bill H. R. 8190, for the relief of Christa E. Holder; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Senator Potter at Salute to Eisenhower Dinner

EXTENSION OF REMARKS
OF
HON. CHARLES E. POTTER
OF MICHIGAN
IN THE SENATE OF THE UNITED STATES

Monday, January 30, 1956

Mr. POTTER. Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD an address I delivered at the Salute to Eisenhower Dinner in Chattanooga, Tenn., on January 20, 1956.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The first thing I want to say to you folks tonight is "thank you." It is a real pleasure and a great honor to be here with you tonight.

Right at this moment in more than 50 cities across the country over 70,000 persons have gathered with one purpose in mind and that is to render a well-deserved salute to a truly great man, our President, Dwight D. Eisenhower.

I have always been a hearty supporter of President Eisenhower and extremely fond of him as a man and an individual and I hold the greatest respect and reverence for him as the most inspired leader of our day. The record of Tennessee's support of Mr. Eisenhower proves that you feel as I do about him. And so I say "thank you" for the signal honor you have conferred upon me in inviting me to be here with you tonight.

The historic significance of this area forms a great chapter in the history of our country. Your land is beautiful, your recreation facilities are unlimited, the enthusiasm and progressiveness of your industrial and civic development is outstanding.

So my visit here is not only an honor but a real personal pleasure. Again I thank you for the warm and genuine welcome you have given me.

I'm willing to stand up here or anywhere and tell anyone that I think we've got the best political system in the world. Right away I'll agree with you that it's not perfect and it may never be perfect, but in this day and age it's far better than any other system anywhere in the world. It's a system that will involve everyone in the country if they're willing to be involved. It welcomes the participation of any and all.

Our political system is responsive to the participation of its citizens. It is flexible and it is sensitive to changing times and, as we all know, it's even good for a few laughs once in a while. One of the chuckles that I get out of our present political system is the fact that we can always seem to find members of our particular party not only at any place in the country but at any time in history. All we have to do is read a history book, pick out someone we like in times past and say, "Well, now, he is a good Republican." Funny thing about it is, a Democrat can pick up the same book and say, "Why, he's a good Democrat."

It is a natural desire to want to associate ourselves with the men who have been great leaders. It is history itself which outlines to us the great men of past ages but it is not always easy to see the great men of our own times. It is only occasionally that a man of our own times stands out so distinctly by his own character and his own accomplishments that he is known and acknowledged as a great man during his own lifetime.

It is a happy thing that our President today is such a man. It is a happy thing that our President is such an outstanding Republican. It is a happy thing that we can point today to his own outstanding personal achievement and to the outstanding achievements of the Republican Party under his leadership. Fortunately it is not necessary for us to wait for history to outline these achievements for us.

President Eisenhower in his own day has brought to this Nation the accomplishment of the Republican standard of "progress, peace and prosperity."

And so our purpose here tonight is not the erection of a great stone monument to a great leader of past history—ours is the much more pleasant task of merely throwing the spotlight of attention on the great monument of achievement which has risen before our very eyes under President Eisenhower's inspired leadership.

I can think of no better way to direct our attention to these achievements than through the President's own words in defining the Republican Party as the party of progress, peace and prosperity.

Said the President last September in Denver, "We want to be known for what we are—the party of progress. And if we are the party of progress, we must be the party of peace and prosperity because this is implicit in the term progress." Now progress is a relative thing. We have to know which direction we are heading, where we came from, where we were yesterday, where we are today and where we hope to be tomorrow.

One of the most discouraging things to a man cast adrift on the ocean in a lifeboat is the fact that the ocean looks all the same and as his boat drifts helplessly along he does not know whether he has progressed in any particular direction—he does not know how far he might have gone and he certainly does not know where he is going.

So to clarify our position, we need landmarks or stars upon which we can sight to determine our progress. There's no simpler way of doing that than to turn to the pages of our recent history and compare where we were 3 or 4 years ago with where we are today.

First of all, when the Eisenhower administration took office, we were at war. The Korean war which some chose to characterize as a police action was daily claiming the lives of American servicemen and claiming untold dollars that should have been devoted to constructive purposes rather than destructive purposes. Yes; we were involved in a Korean war which we dared not lose but which through a weird shackling of our own hands by the administration in office then we were forbidden to win.

When the Eisenhower administration took office, we were suffering from a certain kind of bigness. Now from time to time we've heard comments criticizing big business or big labor or something else that's grown so big as to endanger our public and national welfare. The bigness we suffered from then was big government. The Government was the biggest thing in the country and proud of it. It was a government whose instinct was to solve every problem through Federal interference, through Federal control or policing. Taxes and Government spending were the biggest they had ever been in the history of our country. And at that time government was trying to get even bigger.

Plans were being promoted which would have injected government into areas of private lives and private enterprise. Yes; big government was growing even bigger and crowding itself more and more into the lives and interests of the individual citizens of our country. And those were the landmarks just about 3 years ago.

Today we are at peace. The Korean war was concluded and we can thank God that an enlightened foreign policy under President Eisenhower's able guidance has prevented us from being swept over the brink into any more disastrous wars or police actions.

Today no lives of American servicemen are being sacrificed in futile combats anywhere in the world. Today no American dollars are being thrown into the bottomless well of destructive warfare. And today, although the cost of national defense has been cut, we have developed the most powerful United States Armed Forces the Nation has ever maintained when not in a shooting war. This administration has discarded a crisis policy and adopted a policy of continuous combat steadiness for any contingency and in the President's own words, "Our security posture commands respect."

And as peace was secured, peacetime prosperity replaced wartime inflation in our national economy. We have experienced the highest employment in history. Our economy is approaching the $400 billion mark. It is at an all-time high. Inflation has been halted. Today people have more dollars to spend and each dollar buys more.

The decline in the buying power of the dollar has been stopped under President Eisenhower's Republican administration and it has not required big government to accomplish this. As a matter of fact, the Government has been removed from many activities competing with private business. For instance, the Government has sold synthetic rubber plants, sold the Inland Waterways Corporation (which incidentally had been operated for years at a loss). The Government no longer is competing with coffee roasting plants, has gotten out of the bakery business and the laundry business.

This Republican administration has stopped numerous Government commercial activities such as clothing repair shops, furniture repair shops. It is closing numerous activities of the same nature. And what's more, all Federal agencies continue to survey their commercial-type operations to recommend those that can be terminated.

The nature of the Government of the United States is important not only to the citizens of this country but to all peoples all over the world. As President Eisenhower has said, "Our world policy and our actions are dedicated to the achievement of peace with justice for all nations."

He has suggested positive moves to prevent further inroads of communism. His realistic program contains such points as continuing to maintain an effective system of collective security—use of the awesome power of the atom as a guardian of the free world and of peace—keeping in the forefront of human consciousness grave injustices which are still uncorrected, such as the bondage of millions of persons.

To sum it up, the President has said, "We must act in the firm assurance that the fruits of freedom are more attractive and desirable to mankind in the pursuit of happiness than the record of communism."

Now in order to maintain the peace and the prosperity which we enjoy, the President has set forward very realistic ideas. He says, "Over the long term a balanced budget is a sure index to thrifty management in a home, in a business or in the Federal Government."

"I earnestly believe that a tax cut can be deemed justifiable only when it will not unbalance the budget."

To anyone who has ever been responsible for keeping the books of the company or corporation or even for the housewife who keeps count of her own expenses in the home, that is clear thinking.

These things that I relate are only a few of the many major points on which our peace and prosperity rest today. Now you know that you can't enjoy such things as peace and prosperity by pure chance. The United States did not stumble into these conditions that we enjoy today. Peace and prosperity are the result of progress. And progress has to be based on philosophy.

In President Eisenhower's own words, "I don't believe that you can sloganize the kind of honest philosophy that the Republican Party is trying to promote in the United States. If we can live by that philosophy, however, then I think we have proved our worthiness to be the instrument through which the people of the United States carry on the job of government of the people, by the people,and for the people."

And he also referred to another quotation of Lincoln's to this effect, "The function of government is to do for the people what the individual cannot do at all or so well for himself and in all those things which the individual can do for himself the government ought not to interfere."

Experience in our own country has proved that when we free ourselves of unnatural governmental restrictions, then the intelligence and the initiative of individual people, and individual companies, and individual organizations will make us prosper.

And the Eisenhower Republican administration has redirected focus of authority so that it bears on the welfare of the individual. It has sought to lift up the American farmer, the American businessman (both large and small) and the American workingman, to change them from being just a unit in a big impersonal plan. Instead—to make each individual secure with his own human personality and dignity has been its goal.

That's a mighty good philsophy to have and there could be no greater man to carry it out than President Eisenhower.

The Presidency of the United States is today the most important and most exacting job in the world. By the grace of God we have a man who more than meets that task.

After a long and distinguished military career and after distinguishing himself in the field of education, now in three short years Dwight D. Eisenhower has proved that he is the world's greatest leader.

In the face of complex problems, highly divergent opinions, and controversial issues, he has built a teamwork in Government unlike anything ever before achieved.

If we will think back just a few years, we can easily remember that it was his great capacity for creating teamwork that so vitally influenced the outcome of World War II—welding together the often divergent policies of the many countries who were allied in their efforts to defeat nazism. He led the team onward until victory was achieved.

Now his Republican administration has established policies that have set this Nation on an unprecedented upward course. He has solidified our Nation's position as the indisputable leader of the free world.

In Dwight D. Eisenhower there is that combination of qualities which this troubled world of ours needs so often and finds so seldom. A man among men—a leader among leaders.

The President is indeed a remarkable man.

He has great reverence, great wisdom, and enormous patience for important things. He commands the respect of millions and the devoted loyalty of his close associates.

He dreams great dreams for the advancement of the people of his country and for all mankind, but is practical in their application.

His eyes are on the far horizons but his feet are firmly on the ground. He has a friendly and disarming smile and a delightful and contagious sense of humor which draws people to him.

In short, he has all the stature and yet all the humbleness of a truly great man.

Our progress under his administration has been great and we can expect that progress to continue to be great as we follow the enduring objectives of the Republican ad-

ministration as outlined by Mr. Eisenhower in his recent state of the Union message. Here they are:

1. The discharge of all world responsibility.
2. Constant improvement of our national security.
3. Fiscal integrity.
4. Fostering of a strong economy and
5. Response to human concerns.

"Progress," Mr. Eisenhower said, "will be realized only as it is more than matched by a continuing growth in the spiritual strength of the Nation. Our dedication to moral values must be complete in our dealings abroad and in our relationships among ourselves.

"We have single-minded devotion to the common good of America.

"Never must we forget that this means the well-being, the prosperity, the security of all Americans in every walk of life."

He continued, "The vista before us is bright—the march of science—the expanding economy—the advance in collective security toward a just peace. In this threefold movement our people are creating new standards by which the future of the Republic may be judged."

Mr. President, there is real happiness in our hearts today because of your remarkable recovery since you were taken ill last fall. There is real happiness in our hearts for your great and undimished leadership of the Republican administration and of the United States.

Mr. President, there is great happiness in our hearts that we are able to recognize your greatness now, and that we may express this happiness that we have—and our thanks to you today.

Mr. President, we salute you for the unparalleled contribution which you have made to your country and to the world.

Humid Land Reclamation Will Be Greatly More Expensive Than Upper Colorado Reclamation Costs

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. DIXON. Mr. Speaker, it has been said that lands in the South, East, and Midwest may be reclaimed for a fraction of the cost of those in the West. The estimated total potential acreage of these lands is 21 million acres.

These lands would be cleared and leveled at costs up to $150 per acre. Most of the areas would have to be drained after major flood-control works had been built. On many of these areas the soils are shallow and infertile from centuries of leaching by heavy rains. To secure and maintain production from these lands heavy applications of fertilizer must be applied annually. These costs may be from $40 to $60 per acre.

Assuming a $200 per acre cost for reclaiming and a $50 per year cost of fertilizer, the equivalent cost per acre obtained by capitalizing the cost of fertilizer at 4 percent would be $1,250 plus $200 equals $1,450 per acre. In other words $700 per acre to reclaim Western lands with an annual water charge of $5 per acre would equal an equivalent cost of $825 as compared to $1,450 per acre that would have to be invested to secure production from the timber and wet lands of the East, South, and Midwest.

Furthermore, except for special areas the cropping pattern would be limited to a few crops which are now in surplus, while an acreage under the Colorado project would not be devoted to basic crops under surpluses.

If the reclamation of these unused and humid lands is profitable, one wonders why they have not been brought under cultivation long before this time.

American Prestige Here and Abroad Demands a Home for the National Collection of Fine Arts—I

EXTENSION OF REMARKS
OF
HON. FRANK THOMPSON, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. THOMPSON of New Jersey. Mr. Speaker, on the opening day of the present session I introduced a bill, H. R. 7974, to amend the joint resolution of May 17, 1938, to provide for the construction and maintenance of a National Collection of Fine Arts Museum on the site set aside for an art gallery thereunder, and for other purposes.

My reasons for introducing this measure and some facts regarding the National Collection of Fine Arts are developed in the following statement:

AMERICAN PRESTIGE HERE AND ABROAD DEMANDS A HOME FOR THE NATIONAL COLLECTION OF FINE ARTS

(By Representative FRANK THOMPSON, JR., Democrat, of New Jersey)

It is because I believe that the few thoughts and hopes I am going to address to you today are deep in the heart and the conscience of every American that I shall speak with candor and, I trust, with conviction the feelings I have long nourished for the creation of a national collection of fine arts museum.

It is because this is an audience sympathetic to American art and its flowering tradition that I am convinced I can embark on my adventure of this afternoon and know that I shall have henceforth cooperative allies in you—men and women of the arts.

For this is a scheme to establish here in the Capital of the United States the world's greatest reservoir and monument to the artistic values of civilization.

We propose—while including all great art—to emphasize in the national collection of fine arts museum the genius of America.

We are emerging—I said I would be candid—from a dismal, long-held national inferiority complex.

Against this setting on the cultural side we have seen radiating to mankind everywhere from this sacred soil in the Capital of the United States, a vast consciousness of the grave and profound responsibility for leadership that rests on our people and on their elected leaders, in the limitless struggle we are now in between the slave and the free world. The immediate weight of this leadership and this responsibility is expressing itself in a congeries of programs that serve to protect the free world globally.

It is expressing itself in diplomatic arrangements of the most vital consequence. Upon these factors the survival of our kind of world depends. We see its focus in the United Nations. And again we are making our passion for peace and freedom manifest by a system of giving and helping which, for our purposes this afternoon, we may simply call: Foreign aid.

All of these extraordinary acts of American leadership since World War II, history, I believe, will applaud down through the ages and as long as the chronicles of our time are written and read.

But at the base—as of now—we have one major, one shameful, one incredibly witless blank, one zero, in our national life. I prefer to believe that we lack on the art front of American life the business aggressiveness and the habit of attack and success we have so brilliantly cultivated in our commercial, our industrial, our financial levels of action. As an American I rather regret than John Singer Sargent and James A. McNeill Whistler found life abroad so much more hospitable to them than life in America. I rather regret that American genius had first to be recognized in London and Paris before it won appreciation in the United States.

How many generations is it now that we in the United States have been harboring a depression of the arts, and a rude and unjustified self-abasement toward American culture?

It is this we now propose to remedy.

For it is my conviction that the United States—and particularly the Capital of the United States—stand at this moment on the threshold of a great American renaissance. These beginnings of a golden cultural dawn are manifest in our national concern for architecture related to our own environment. They are manifest in our genius for the creation of new materials, art serving as the handmaiden to utility. We manifest it in our concern for art collections as national treasures in contradistinction to individual holdings. The renaissance is dynamically manifest in the sweeping proposals for bold architectural changes in the Capital, in the rehabilitation of whole areas, in proposed changes to the Capitol Building itself, and in plans for expansion and improvement on all sides with an eye both to the artistic and to the utilitarian.

For wherever it is fitting we propose to join beauty with usefulness in a single mold.

This manifestation of the American renaissance is not lacking certainly in science, which is a corollary of art in the advance of civilization. And it is brilliantly apparent in American literature where we have always been strong and where today we have an increasing number of Nobel prize winners. Will it be denied that we stand now perhaps in the forefront in the art of the theater and its related fields, and foremost in the field of communication media?

For the fine arts in their many fields we have an ambitious project afoot. It forms part of the over-all plan for the Capital. It comes under the aegis of the recently established District of Columbia Auditorium Commission, to plan a national civic and cultural center in Washington. The project I am discussing today, however, is limited to a National Collection of Fine Arts Museum. Those of you who attended the hearings held by the District of Columbia Committee on my bill and others to create the new Commission may recall that I said it was my hope, as the original sponsor of the legislation, that the Commission when established would assist in the early building of the National Collection of Fine Arts Museum. I said at that time that it was this great museum, authorized by the Congress in 1938, that I had in mind for the fine arts part of my proposal which called for a national "civic auditorium, including an Inaugural Hall of Presidents and a music, fine arts, and

mass communications center." These projects, and others, such as the Zeckendorf Southwest Redevelopment Plan, for beautifying our Capital City form part of the superb sweep of ideas that accentuate what I have been perhaps extravagantly calling the American renaissance.

All I ask as an elected Representative of the people, and all that is asked by the dedicated Americans in Congress, in the arts, in the civic, the industrial, the financial life of this Nation, who are joined with me in this great endeavor—all that all of us ask—is that this dynamic upsurge of valid American pride in America, be given its logical focus here in the Capital of the United States of America. Here all the 48 States, here all levels of American life, can be united and joined in a common endeavor for the prestige our people have earned by their own striving and achievements. It is this prestige in the arts, mostly the American arts, that we hope to use as a counterbalance to the enormous progress we have made as a Nation of wealth and production. Thus we can display what we have known all along, but what the rest of the world has been induced to ignore: That this is a Nation devoted as much to greatness in the arts—its own and the arts of other peoples—as it is devoted to democratic government, to creature comforts, to the internal combustion engine, and to unprecedented progress in invention, in industry and in finance.

There are two points I must clarify at once lest we fall into the great error of undignified self-adulation and act as if this proposal for a National Collection of Fine Arts Museum is some happy, bright idea we have suddenly and accidentally stumbled upon.

The emphasis to be sure will be on American art.

But the distinguished people already active in this project and who, of course, understand its magnitude, do not propose that we shall in our museums and galleries here in the Capital, juxtapose a collection of American art, in any spirit of competition or rivalry with European and world art. For of course European art goes back into antiquity; ours is only 150 years old. We aim rather to show each to its best advantage, permitting the whole to reveal the universality of art. We propose giving American genius its due as we have so lavishly given European and other genius their due. In giving the fullest regard for the high points in all civilization we shall at the same time give some courteous recognition to our own, providing it with a niche for itself commensurate with its distinction, and with our means. We want a magnet here in our Capital, a magnet of cultural eminence which mankind everywhere will appreciate and honor.

We have already done all this for European art through the Mellon Gallery and other galleries. What—if we succeed—we are doing now, is giving at long last to our own, our American art, a uniquely national home, on a uniquely national plane of dignity and grandeur, compatible with our position as the Nation which Winston Churchill has described as the greatest since the Roman Empire.

There you have broadly the essence of the idea.

Far from being a bright idea that just happened along it has, in principle, a long history:

The Congress directed more than a century ago that the Smithsonian Institution, then being established, form a gallery of art for the Nation. The Congress had even before that granted an act of incorporation to the National Institute, a private society, whose collections were later to be given to the United States. In 1840 this chartered association begnn its assembling of art objects. In 1849 the Smithsonian Institution began the collection of painting and sculpture.

These were united in 1862 in the Smithsonian.

Now it happens that the Smithsonian, because of its congressional sponsorship in 1846 under the terms of the will of James Smithson, of London, England, and because of the high caliber of its administration down through the years and at present, has always been the organizational center and keystone of the Federal outlook on American art. It is built into the American tradition and it has built into it the executive, the legislative and the judicial authority. Its head is the President of the United States. Its membership includes the President's cabinet, the Vice President, and the Chief Justice of the United States. It is governed by a board of regents which includes representatives of the three branches of Government and six private citizens. Policy is carried out by an executive officer who is the Secretary of the Institution. The present incumbent is Leonard Carmichael, a former college president.

Thus the seed for a National Collection of Fine Arts Museum took root a full century and more before our day. In time the Institution's art collections—as they grew—began to earn recognition. Names like Mrs. Harriet Lane Johnston, niece of President Buchanan; Charles L. Freer, William T. Evans, Henry Ward Ranger, Alfred Duane Pell, Ralph Cross Johnson, and others, are identified with bequests that won the Smithsonian national and international fame. In fact, by 1920 Congress decided to provide the Smithsonian collection with a director and staff.

Here, even before the beginning of the Mellon Gallery, was one of the signs that Federal guardianship of American art and other art had come of age. I cannot find in the history of the relationship of Congress to American art, that Congress has been penurious, or limited, or narrow in its horizons. On the whole I incline to the feeling that in this area at least Congress has even been ahead of the public consciousness. I find that in 1924 Senator Henry Cabot Lodge, a forbear of the present Representative to the United Nations, tried to author a project approximating what I am recommending today and might have succeeded but for his untimely death. In 1930—which was not a good year—the Smithsonian struggled and failed to get funds to house its collections, greatly increased by the $5 million Gellatly bequest of the year before. This failure had the effect of turning the only space the Smithsonian had into a monumentally cluttered attic and an overcrowded curiosity shop.

America's relationship—governmentally—to American art had now come to an impasse.

We had the artists.

We had the art.

We lacked the space.

American Prestige Here and Abroad Demands a Home for the National Collection of Fine Arts—II

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1956

Mr. THOMPSON of New Jersey. Mr. Speaker, the Congress directed, more than a century ago, that the Smithsonian Institution, then being established, form a gallery of art for the Nation. The Congress had even before that granted an act of incorporation to the National Institute, a private society, whose collections were later to be given to the United States. In 1840 this chartered association began its assembling of art objects. In 1849 the Smithsonian Institution began the collection of painting and sculpture.

These were united in 1862 in the Smithsonian.

The text of my bill, H. R. 7974, "to amend the joint resolution of May 17, 1938, to provide for the construction and maintenance of a National Collection of Fine Arts Museum on the site set aside for an art gallery thereunder" appears at the end of my statement.

The concluding portion of my statement regarding the need for a gallery to house the $10 million worth of art represented now in the National Collection of Fine Arts follows:

That was the situation until 1937. Then the Andrew W. Mellon collection and a magnificent $15 million building—modeled after and much bigger than the Emperor Hadrian's Pantheon in Rome—broke like a new dawn on the melancholy status of art in the United States. That, and the impetus of the world situation since then, projecting the United States into a position where the leadership of mankind was thrust upon her, compelled a mantle of dignity which clothes us today. It is to this new height that we are now raising the stature of our pride. The dual Mellon gift—the collection and the building—is what we know officially today as the National Gallery of Art, on the north side of the Mall between Fourth and Seventh Streets, in Washington, D. C.

It is an incomparable palace of mostly European art.

It too is an integral part of the Smithsonian Institution of which it is one of the Bureaus.

Thus the Mellon gift is now the National Galley of Art. The Smithsonian's collections come under a separate and independet heading as the National Collection of Fine Arts. For this we now propose to establish a museum. That explains the name: National Collection of Fine Arts Museum.

Neither the National Gallery of Art nor the proposed National Collection of Fine Arts Museum impinges on the other. Each has its special emphasis which marks a place for it in what you have noticed I delight, it seems, to call the American renaissance.

The two galleries joined together would be incongruous, culturally, and artistically undesirable, even if it were feasible.

Separately they make sense within the complex of bureaus constituting the Smithsonian Institution.

But my idea for a National Collection of Fine Arts Museum has even firmer and more positive roots in recent legislative history. The 75th Congress on May 17, 1938, authorized an appropriation of $40,000 to secure, preferably by competition, designs for a Smithsonian Gallery building on public ground on the Mall (S. J. Res. 599). Congress wisely authorized—and I hold this one of the most important features of this legislation—that private funds be accepted for its construction. Private funds were also authorized for the purchase of works by living artists. The legislation made possible the right to acquire private funds for the financing of exhibitions everywhere in the country both of current and of past works of art.

Consequently the Alice Pike Barney Memorial Fund—now $34,000—poured into the Smithsonian to encourage American painting, sculpture and design through ex-

hibition and purchase. In 1951 a traveling exhibition service was established. This is today cooperating with the Department of State and the United States Information Agency to present American art, historical and contemporary, abroad.

Here is one phase of the free world's struggle for the minds of men.

But this congressional authorization which goes back 18 years has lain fallow. It is my aim to spearhead in this Congress measures which shall breathe the breath of life into it anew. It is one of the abiding satisfactions of my career in Congress that I introduced House Resolution 21, calling for a music, fine arts and mass communication center and that this legislation, signed by the President, is now Public Law 128. This measure established the D. C. Auditorium Commission.

The posture of this whole Capital picture is therefore this:

We have, as a matter of tradition, the Smithsonian Institution, created precisely for—I quote—"the increase and diffusion of knowledge among men." We have the National Gallery of Art, the Mellon Gallery. We have in prospect, under remarkably competent and public spirited leadership, the civic center and auditorium for the Capital, another $15 million enterprise, for the support of which I am proud and eager to give—as I already have—all my heart and all my effort. We have in the Smithsonian collections some $10 million worth of art looking desperately for a decent home, a collection to which we propose to give as much as possible a definitively American emphasis. It is for this that we are recommending the proposed Capital domicile for these neglected art treasures to be called the National Collection of Fine Arts Museum.

It is with this project that we shall be bringing to realization the legislation of authorization of 1938. As it stands now this legislation is a dead letter and a reproach. It stands as a document proclaiming that the will of the Congress was never implemented. What we have is a form of words that turned its back on the deed and made the Congress say what never bore fruit.

To rejuvenate this 1938 legislation, to give it body, strength and action, I have myself as recently as January 3, this year, introduced into the Congress H. R. 7974. My resolution asks that the Board of Regents of the Smithsonian Institution shall utilize the assistance and advice of the Commission of Fine Arts, the District of Columbia Auditorium Commission, the National Capital Planning Commission, the Board of Commissioners of the District of Columbia, the District of Columbia Recreation Board, and the District of Columbia Redevelopment Land Agency. The task is to be borne of mutual understanding and the settlement made upon expert and pertinent advice. There are 21 members of an advisory board to be appointed by the President from among our private citizens. The resolution authorizes the appropriation of such sums as may be necessary, in addition to the funds otherwise received, to carry out the purposes of this joint resolution.

That's the story as of now on the action front.

What my plan strives for is the elimination quickly of all ground for dispute and differences of view by common consultation on plans for geography, for financing, for organization. It is to be integrated with kindred projects on a grand scale. We seek to keep this sweeping design for the expanded grandeur of our Capital above the clash of politics and aloof from battle. This proposal bears the imprimatur of the Congress of the United States expressing what we all feel is the will of the people. It will be welcomed by the owners of the great private art collections all over the world, many of whom may become its benefactors. The President, himself an amateur artist, is not without consciousness of this project, and, on the basis of his past actions, is certainly sympathetic. Former President Truman has always had a warm spot for planning of this sort.

It has, of course, the support of such men as Chairman David E. Finley, of the Commission of Fine Arts; of Secretary Leonard Carmichael, of the Smithsonian Institution; of Lloyd Goodrich, chairman, Committee on Government and Art; of Harold Weston, vice chairman, Committee on the Arts and Government; and of many other cultural leaders. Many of its stanchest devotees are among my colleagues in the House and the Senate.

But, unless I guess the American people wrong, it is they who have the awareness that will seize upon this American renaissance and make it work for the good of America and the world and for the prestige and dignity of the Capital of the United States.

When it is all said, what are we asking for?

We are asking that America, in the arts as in other fields of human endeavor, live up to the great destiny that is now hers. No American city as of this hour can lay claim to being the art center of the United States. But the Capital of this country should be. New York City has wealth and diversity. Its art collections are enormous and highly worthy. But they are lost in the vast and overwhelming traffic of commerce and business, banking and industry, shipping and municipal affairs, and the hurried and harassed problems of New York's own enormous population. We know that we cannot by legislation setting up a museum of art collections turn on a faucet that will yield us a generation of artistic genius. But we can provide what genius we have with a hospitable environment and thus nurture a climate in which greatness may develop. The project is in keeping with our greatness. The time for lifting ourself as a nation out of the doldrums of artistic depression is now.

Here the Capital of the United States presents a plateau which has architectural majesty. It is nationally representative. It signifies prestige. It cannot be blurred by the rivalry of great trade and the concentration of industry, finance, and enormous populations in congested zones.

Here it is elevated into an atmosphere of national dignity.

It is this dignity that overwhelms the visitor to the Capitol.

What in the end we shall have is an art center both national and international, just as our influence as a Nation has become global. We shall have a national collection of fine arts museum that will be expressively American. It will supplement and complement the National Gallery of Art which is essentially European in its content.

Both will grace our Capital as our Capital will grace the art center.

Dare we in this age of conflict for men's minds—dare we neglect the opportunity for education and persuasion offered us by the 10,000 people who daily come to see the Capital of the United States—2 million every year—18½ million of them having visited the National Gallery of Art alone in the last 10 years? Visitors—our own and from abroad—should always be persuaded to think of us as a people devoted to their political self-respect, to a high standard of living, and—eminently—to an enthusiasm for the best of western civilization.

There is the core of the argument that will earn us the respect we must have to fulfill the requirements of our leadership.

This art center, this National Collection of Fine Arts Museum would therefore not be just a cultural ship that, so to speak, merely passes in the night and is faintly remembered. It would not be a library hopefully shipped abroad on a sea of controversy. It would not be an exhibit even that goes on for a week and disappears. All of these strivings I am sure have their worth and are not to be disparaged. But this National Collection of Fine Arts Museum would be an enduring monument. It would serve as a sublime gravitational force made up of man's noblest achievements attracting here, on a note of respect and esteem, artists, scholars, art lovers, admiring peoples from everywhere, the world's youth and its students.

It would say its say in the language universal, the language of art against the background of the Capital of the United States and in rhythm with the very heartbeat of its Government. This city would then carry the message of America—that has been so sadly neglected—showing all peoples that ours is a Nation indeed of progress and of power, of respect for the individual, and of political justice, and it would—with great impact—show them that this progress is interwoven with our reverence for the greatness of the past, and our devotion to the art and the culture that testifies to the freedom of the spirit of man.

H. R. 7974

To amend the joint resolution of May 17, 1938, to provide for the construction and maintenance of a National Collection of Fine Arts Museum on the site set aside for an art gallery thereunder, and for other purposes

Be it enacted, etc., That section 2 of the joint resolution entitled "Joint resolution to set apart public ground for the Smithsonian Gallery of Art, and for other purposes," approved May 17, 1938, is amended to read as follows:

"SEC. 2. (a) The Regents of the Smithsonian Institution (hereinafter referred to as the 'Regents'), in consultation with the Administrator of General Services, are hereby authorized to appoint an architect or architects and other necessary experts and consultants, and to secure appropriate designs for a building to be constructed on the site above described. Such building shall be designed so as to permit its future expansion, with adequate parking arrangements and provision for landscaping its surroundings.

"(b) In carrying out subsection (a), the Regents shall utilize the assistance and advice of the Commission of Fine Arts, the District of Columbia Auditorium Commission, the National Capital Planning Commission, the Board of Commissioners of the District of Columbia, the District of Columbia Recreation Board, and the District of Columbia Redevelopment Land Agency, which shall upon request render such assistance and advice.

"(c) There is hereby established an advisory board (hereinafter in this joint resolution referred to as the board), which shall advise and consult with the Regents in carrying out their functions under this joint resolution. The board shall consist of 21 members appointed by the President from among private citizens of the United States who are widely recognized for their knowledge of or experience in, or for their profound interest in, one or more of the arts. In making such appointments the President shall give due consideration to the recommendations for nomination submitted by the leading national organizations in the fields of the fine arts represented in the National Collection of Fine Arts Museum. The term of office of each member of the board shall be 6 years; except that, of the members first appointed, 7 shall be appointed for terms of 2 years, 7 for terms of 4 years, and 7 for terms of 6 years. No member of the board shall be eligible for reappointment during the 2-year period following the expiration of his term. The board shall meet at the call of the Regents, but not less often than twice each year. The President shall from time to time, on the basis of the recommendations of the board, designate a member of the board to be its chairman."

SEC. 2. (a) Section 3 (c) of such joint resolution is amended to read as follows:

"(c) The name of the building shall be the National Collection of Fine Arts Museum (hereinafter referred to as the 'Museum'), and it shall be under the supervision and control of the Regents and the secretary of the Smithsonian Institution."

(b) Section 3 of such joint resolution is further amended by adding at the end thereof the following new subsection:

"(d) There are hereby authorized to be appropriated such sums as may be necessary, in addition to the funds received under subsection (a) of this section, to carry out the purposes of this joint resolution."

SEC. 3. Sections 4 (a), 5, 6, 7, and 8 of such joint resolution are amended by striking out "Gallery" wherever it appears and inserting in lieu thereof "Museum."

Address by Senator Lehman Before the Nationalities Division of the Democratic National Committee

EXTENSION OF REMARKS
OF
HON. HERBERT H. LEHMAN
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Monday, January 30, 1956

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of an address I delivered at the congressional dinner of the nationalities division of the Democratic National Committee, held at the Mayflower Hotel, in Washington, D. C., on January 28, 1956.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR HERBERT H. LEHMAN AT THE CONGRESSIONAL DINNER OF THE NATIONALITIES DIVISION OF THE DEMOCRATIC NATIONAL COMMITTEE, MAYFLOWER HOTEL, WASHINGTON, D. C., JANUARY 28, 1956

Tonight the nationalities division of the Democratic National Committee has come of age.

This notable gathering is an assembly not only of the nationalities division, but of the Democratic Party itself. It is an eloquent reflection of America, proud of its varied heritage, rich in its far-flung roots and traditions.

I am personally much moved and deeply gratified. Throughout my political and public life, which spans almost half a century, I have tried to represent in the councils of the Democratic Party the common interests of those many national strains which have poured into America across the years, and which made America. Tonight I see in this assemblage as impressive a cross-section of the Democratic Party, and of the Nation, as I have ever seen gathered in one group.

In this room I feel one of the strongest pulses of the Democratic Party. In this room I sense the heartbeat of America.

The nationalities division, and its leadership, are to be congratulated for a fine job of mobilization, and of inspiration too.

I congratulate that young and still rising star of the Democratic Party the four-times chosen governor of his State, who, in the brief period of his leadership of the nationalities division, has shown not only a deep understanding of its potentialities, but has given it a truly dynamic leadership—Gov. G. Mennen Williams.

My congratulations, too, to that patient, persistent, and pioneer worker in this field—an old, tried and true friend of mine, the mainspring of the nationalities division, Mish Cieplinski, our executive director.

And, of course, all praise to the chairman of this dinner, the first chairman of the nationalities division and now its honorary chairman, my beloved colleague and the dean of us all, Senator THEODORE FRANCIS GREEN.

And finally, but perhaps preeminently, congratulations are due to those devoted and dedicated men who make possible the achievements of the nationalities division, the day-in and day-out captains of the troops, the section chairmen, representing the individual nationalities.

But we are not gathered here tonight to exchange congratulations. This dinner, after all, is not the summit of achievement, but only the beginning of it. This gathering is but a mobilization for action in the field. The real work of the nationalities division is carried on, and must be carried on, at the State, district, and precinct level. The people who need to be informed, to be aroused, and to be politically activated, are there.

And so we come to the fundamental question: What is the appeal of the Democratic Party to those who can be reached through the nationalities division? What are the issues which will bring the American citizens represented here tonight to rally to our cause?

What do we stand for?

First of all, we of the Democratic Party accept, with our whole hearts, the premise that all who are American citizens, regardless of race, creed, color, or national origin—regardless of how recent or distant their roots in America—are equal before the law, and are equally good Americans.

We, of the Democratic Party, reject absolutely the concept of second-class citizenship, whether by law or by administrative practice.

I am not so sure that the Republican Party rejects this concept, too. For instance, it is alleged that there exists a pattern of discrimination, in Government employment, against naturalized citizens, and second generation citizens. And nothing very effective is being done about it.

And still today, after 3 years of Republican rule, the discriminatory citizenship provisions of the misbegotten McCarran-Walter Act stand unamended on our statute books. Nor has a single proposal been made by this administration to amend or modify those provisions.

Those proposals for amendment of the McCarran-Walter Act belatedly proposed by President Eisenhower, in this election year, make no mention whatever of the degrading status of second-class citizenship impressed on our naturalized citizens by that shameful law.

I shall not rest, you will not rest, and the leading spirits of the Democratic Party will not rest until the discriminatory citizenship provisions of the McCarran-Walter Act are amended. We are going to wipe out the insidious distinctions between naturalized and native-born American citizens now established in our law.

We are going to restore the status of American citizenship to what the Founding Fathers originally conceived it to be—a charter of equal membership in a great society of equals. Today, under the McCarran-Walter Act, citizenship is a kind of temporary license held at the pleasure of the Immigration and Naturalization Service of the Justice Department and the Passport Division of the State Department.

Let me tell you—you who do not know all the evils in the McCarran-Walter Act—that even native-born citizenship is not left undisturbed in this law.

If a native-born citizen goes abroad and gets a job with a foreign government, or with a company owned by a foreign government, he may be stripped, without even knowing about it, of his American citizenship.

I know of the case of a man born in Texas by the name of O'Brien who went to Mexico for a year and took a job with the Mexican National Railway as an engineer. Our Government ruled that under the McCarran-Walter Act, because the Mexican National Railway is owned by the Mexican Government, Mr. O'Brien, of Texas, has forfeited his American citizenship.

A native-born citizen can lose his citizenship by voting in an election abroad. Some of you may recall how the State Department urged Americans of Italian extraction to return to Italy to vote in the Italian elections a few years ago and then took away the American citizenship of those who had voted.

Yes, my friend, these provisions of the law have got to be amended. And if they are going to be amended, it will take, I believe, a Democratic administration to do it.

I have referred only to the citizenship provisions of the McCarran-Walter Act, and to only a few of those.

There are also, of course, the immigration provisions. At long last, in this year of 1956, President Eisenhower has made some recommendations for the amendment of our basic immigration law. Some of these proposals are good. Most are inadequate. But I want to see the specific legislative amendments which the administration will advocate and support. So far we have heard only the President's general words on this subject.

Is this administration move to amend the McCarran-Walter Act going to be just a political show? Or is the President going to make a real effort to see that the act is amended? Is he going to use what the newspapers call his tremendous personal prestige to fight for these amendments? Or will he, having said some of the right words in his state of the Union message, sit back and let nature take its course? Which means, let the matter die—until campaign time? Will we have just some more pledges, and more hedges?

I hope, with all my heart, that President Eisenhower will, in this case, take a fighting stance and battle a bill of substantial amendments to the McCarran-Walter Act through the Congress. I will support him, insofar as the amendments are substantial. This is not a partisan matter. This is a matter transcending all considerations of politics and partisanship.

I want to say, however, in regard to one of the President's recommendations for amendment of the McCarran-Walter Act—the so-called pooling of unused quota numbers—that I regret very much the President's failure to recommend the total elimination of the discriminatory and bigoted national origins quota system. What a shame that we should have on our statute books a proclamation that we consider a Greek only one-two-hundredths as good American citizenship material as an Anglo-Saxon, and an Italian only one-twelfth as good. Yet the administration is not even willing to recommend that these disgraceful provisions be expunged completely from the law of the land.

If we are going to wipe out the national origins quota system and eliminate it completely in favor of a system of selection based on individual worth and merit, and not on the discriminatory ground of national origin, we shall need to arouse the American people. And then we shall need to elect a Democratic President to lead the fight that must and will be fought to achieve success and victory.

This entire benighted law, with all its discriminatory and unjust features, must go. It must be replaced by a fair and humane law which bars the undesirables and subversives yet opens the gate wide to the worthy and desirable. We must pledge ourselves, and the Democratic Party must pledge itself, to this task.

I said a few moments ago that the question of amending the McCarran-Walter Act is not a partisan question. I would be less than fair if I did not point out that there are, unfortunately, some Democrats who strongly favor this discriminatory law in its present form. There are Democrats who are just as blind and as xenophobic as many Republicans. But the spirit of our party strongly denies this narrow attitude and affirms a high faith in America, the melting pot; in America, the refuge of the oppressed and the downtrodden; in America the home of equality and opportunity.

There is another issue—which is also nonpartisan in theory—but where the hope of the future, in my judgment, also lies in the Democratic Party. I refer to foreign policy.

I judge that there are none in America who feel the importance of our foreign policy more keenly than Americans of foreign birth and recent foreign descent. There are none more vitally interested in our relations with the rest of the world, and in the victory of the cause of freedom over the cause of totalitarianism.

All of us, I know, wish only for that which is good for America. The goal of America in foreign affairs is peace, justice, and security for all nations—strength, unity, and understanding for the nations of the free world—and freedom, fulfillment, and well-being for all men and women everywhere.

All of us, or at least most of us, subscribe to these goals, regardless of party.

But these are ultimate and general objectives. Concerning them there is no real controversy. The real questions at issue involve specific policies toward specific areas of the world and toward specific countries: specific policies in terms of military and political strategy, trade policy, and foreign aid.

These will be the foreign policy issues of 1956. These will constitute the heart of this year's great debate.

President Eisenhower has urged that foreign policy should be excluded from the arena of political debate. And only this week Secretary Dulles came forth with a proposal that specific aspects of foreign policy, such as our policy in the Middle East, should be so exempt.

As to the first proposal, it is most unwise and, I may say, somewhat presumptuous. First, the administration takes us three times to the brink of war, or so Mr. Dulles—or his ghost writer, Henry Luce—says. At the same time, the same administration proclaims that it stands for peace, peace above everything.

Indeed, the Soviet leaders have, in recent days, declared their confidence in President Eisenhower's sincere desire for peace. I am willing to agree that President Eisenhower wants peace, although I would rather not base my conclusions—and I hope the American people do not—on words emanating from the Kremlin. I do not think they know or understand the meaning of either truth or sincerity.

But still I want to know: Is the policy of our Government the one expressed by President Eisenhower at Geneva, or the one expressed by Secretary Dulles in Life magazine? Who is the architect and who is the conductor of American foreign policy? It would seem from Life magazine that it is Secretary Dulles.

The administration wants to be all things to all men, especially to all the voters in the United States. The Republican Party wants to be the party of peace, and, at the same time, the party of massive atomic retaliation.

Having merchandised these slogans throughout the Nation, the administration now wants to call a halt to political debate, and to maintain the status quo. Of course they do. That would be a good bargain, if ever there was one—good for them but not good for the country.

This transparent proposal has been, of course, forthrightly rejected by most of the leaders of the Democratic Party.

As for Mr. Dulles' latest stratagem, the proposal to exempt the Middle East situation and the administration's policy in the Middle East from public debate and criticism, I hope that we Democrats are not going to accept that either.

I, for one, will not be a party to it.

In the Middle East, the administration has permitted us to be projected into a most dangerous situation—dangerous to our most vital interests, dangerous to the cause of peace, dangerous to the security of the free world, and dangerous to the very existence of our sister Republic of Israel.

Communist influence is suddenly running rampant in the Middle East. The Arab nations throb with riot and unrest. Anti-Americanism has been given a new impetus throughout the area. And in the face of all this the administration can manage only to wring its hands and appeal for bipartisan silence and immunity from criticism.

It seems to me that the administration is pleading the fifth amendment on its past mistakes in this area.

Speaking for myself, I am willing, not to shut off debate nor to exonerate past errors, but sincerely to support the administration, if it is ready to steer a new course and follow a new and positive policy.

I am ready to praise and advocate an administration policy that promises peace in the Middle East—peace, well-being, and security for all nations, without sacrifice of any, without appeasement of any, but with aid and assistance to all.

I will support such a policy. The American people will support such a policy. But I am not willing to seal my lips and leave it trustfully to this administration to get us out of the mess they have gotten us into.

For me, this is not a partisan nor a political matter. In this situation the lives of millions of people, the fate of democracy in the Middle East, and the peace of the world are at stake. I will not seek political advantage, and hope no Democrat seeks political advantage, from this common peril which confronts us all.

But we cannot speak of bipartisanship in a situation in which the administration has deliberately altered the course followed by previous administrations in the Middle East, has excluded Democrats from participation in the formulation of this fallacious policy, and now asks for a Democratic moratorium on criticism.

I could say almost the same thing about other vital aspects of our foreign policy.

Many of you here tonight are especially concerned about the problem of our relations with the Soviet Union, first as it affects peace, and, second, as it affects the enslaved peoples of Europe—the subjugated peoples behind the Iron Curtain.

All of us are becoming aware that all-out war is an impossible solution for any of our internationnal problems. There is simply no practical alternative to peace. The thought of war, using hydrogen bombs, is too shocking today to entertain, unless we have reconciled ourselves to the suicide of civilization as we know it.

In our continuing conflict with the Soviet Union and the forces of communism we have no alternative but to engage in vigorous but peaceful competition—the competitive use of nonviolent means—to achieve our objectives.

Our objectives must include bringing to an end, as soon as possible, the enslavement of the satellite peoples. We must actively and persistently support their desire for freedom.

Our efforts must be directed to loosening their chains, so far as is possible, to giving them hope for the future, comfort in the present, and the assurance that we will never abandon their cause for any reason whatever.

We must avoid raising and dashing their hopes in alternate strokes, as this administration has so consistently done. We must not promise to do that which these peoples know cannot be done. We must not speak brash and meaningless words about liberation in a context which implies all-out war, and means total destruction.

And certainly we must not make any agreements with the Soviet Government which would lessen the enslaved peoples' prospects for freedom, or impair their confidence in our true concern for their condition.

What has been the administration's record on this front? It has not been a bright one. It has been a shadowy one, made up again of brash words and weak actions, a policy of inconsistency and of weakness.

Even our policy toward the free nations of Europe has deteriorated from what it was. A strong and united free Europe, with complete confidence in our motives and in our leadership, is the strongest deterrent to the spread of communism. But we have fumbled, and blustered, and have illustrated in general the maxim of too little and too late.

This administration has not departed entirely from the Truman-Acheson policy in Western Europe, but has weakened it. That policy must be renewed and strengthened. A Democratic administration can and will do it.

In Asia and Africa, we have again fallen between the stools of indecision. We have failed to make clear our strong hatred for colonialism—we who once knew what it was to be a colony—180 years ago. We have failed to give comfort to the reasonable forces of nationalism, and the legitimate aspirations of colonial peoples for independence. We have failed to identify ourselves with the traditions of independence and anticolonialism, in which our own Nation was conceived and born.

We could do this and win the hearts and minds of these newly awakening peoples, while yet defending the basic interests of our western allies. But we have done neither.

A Democratic administration will, I am sure, do differently and do better.

Take Cyprus, for example. Our great and good ally, Britain, holds Cyprus and wants to keep it. And, indeed, the free world needs Cyprus for security purposes.

But the will of the people of Cyprus must surely be taken into account—or doesn't this administration believe in the principle of self-determination?

Of course the security interests of the free world must be considered. Of course the rights of the Turkish minority in Cyprus must be safeguarded. But within the framework of these considerations, we should and must stand staunchly with the people of Cyprus for their right to have a voice in their own future status.

Atrocities against minorities must be forthrightly condemned and denounced, wherever they occur, whether in Asia or Africa, or behind the Iron Curtain against the Czechs, the Poles, or the Ukrainians.

But our Government is as silent about some of these specific acts as it is about the Genocide Pact still gathering dust in a pigeonhole of the Senate Foreign Relations Committee.

A Democratic administration will, I believe, do differently.

There is much more to be said about foreign policy. Much more must and will be said in the months ahead.

If the Republican administration really wants to isolate certain subjects and place them beyond the pale of debate, there are, indeed, certain things on which both parties can agree.

We can agree that neither party is soft on communism, and that both parties are opposed to communism, both domestic and international.

We can agree that neither party is opposed to free world unity, and that both desire to achieve it.

We can agree that both parties support the United Nations, and neither seeks to destroy or undermine that organization.

We can agree that both parties desire peace, and not war.

These can and should be above debate. On these four points, at least, and perhaps more, there could be a perfect bipartisanship.

But as for the means of opposing Communism, the means of unifying the free world, the means of supporting the United Nations, and the means of achieving peace—these can and should be subject to full public debate and review.

And in the months ahead, these means are going to be discussed. These issues are going to be aired. As far as I am concerned, the public is going to be consulted and taken into our confidence.

Of course we must avoid extreme, or irresponsible, criticism. We must avoid narrow partisanship. We must avoid criticism for the sake of criticism, and attack for sheer political advantage.

Our criticism must be restrained, factual and constructive.

Our Party must continue to show that it is a responsible Party, careful in its judgments, worthy of leadership, and more concerned about policy than power.

If we follow such a discipline, and keep faith with our traditions—if we reflect the humanitarianism which is our Party's heritage, and our faith in the people's wisdom, which is our pride—then we will deserve to win, and we will win.

Land Exchange Bill

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. HIESTAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to insert the following article entitled "Land Exchange Bill," which appeared in the Washington Post on February 1, 1956:

LAND EXCHANGE BILL

In a letter which was printed in your paper of January 30, Mr. Fred M. Packard referred to a bill of mine which had to do with the exchange of lands. This bill, H. R. 4646 of the 83d Congress, has also been mentioned in your news columns and in an editorial. In every instance, including Mr. Packard's letter, the bill is grossly misrepresented.

The legislation simply sought a solution of the problems faced by wage earners and small property owners located around a forest-products plant which was about to have its life ended or curtailed as the result of having its forest acreage acquired by the Government.

In such situations the principals in the transaction are satisfied. The Government gets the land. The private owner of the industry gets paid for it and can invest his money elsewhere. The innocent victims in such a situation are those who work and have their homes there and the other elements of the little community which depend upon the industry.

My bill proposed simply that the Government, if it had other equivalent forest lands in the area which the industry could take in replacement for the lands needed by the Government, a simple exchange of lands should be made. Thus several worthwhile things could be accomplished: the Government would not need to pay cash out of the Treasury for the lands needed.

Local government would not lose tax revenue since the exhanged lands would go on the property-tax rolls. The life of a going industry would be preserved, jobs would be saved, and local property values maintained. The privately owned wood-processing business would not benefit to the extent of a single penny.

What about "cutting into the national parks"? My bill carried the following language: "Provided, that such exchange shall not include lands within the boundaries of national parks, national monuments, wilderness areas, or wildlife refuges."

HARRIS ELLSWORTH,
Member of Congress from Oregon.

School Construction Assistance Act of 1955

EXTENSION OF REMARKS
OF
HON. JAMES O. EASTLAND
OF MISSISSIPPI
IN THE SENATE OF THE UNITED STATES
Monday, January 30, 1956

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very outstanding address made before the Georgia General Assembly by Representative JOHN J. FLYNT, JR., a Member of the House of Representatives from the Fourth District of Georgia, before a joint session of the Georgia General Assembly on January 24, 1956.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY JOHN J. FLYNT, JR., MEMBER OF CONGRESS FROM THE FOURTH DISTRICT OF GEORGIA, BEFORE A JOINT SESSION OF THE GEORGIA GENERAL ASSEMBLY, JANUARY 24, 1956

Lieutenant Governor Vandiver, Mr. Speaker Moate, members of the senate and house of representatives of the general assembly, my fellow Georgians, I bring you greetings from the Georgia delegation in the House of Representatives of the United States Congress—the distinguished and charming lady from the Eighth District and the nine men, including myself. I shall not attempt to speak for any of them in my remarks which follow—but I know at least some of them concur in the thoughts I shall bring to you.

As for myself, I stand here in complete humility, fully cognizant of my many shortcomings, my faults, and my failures. At the same time, a feeling of pride pulsates through my body. This feeling of pride is motivated by the fact that I once served as a member of this general assembly and that my colleague, Judge DAVIS, and I now have been invited to address you in joint session—an honor and an invitation which, so far as I know, has never before been extended to a Member of Congress from Georgia. I am truly honored, and I am deeply and sincerely grateful. I hope that I deserve it—I pray that I always shall.

A moment ago I reminded you that I once served in this general assembly. I would be derelict in my duty to you if I did not tell you that I considered it then as I consider it now—one of the greatest privileges and honors which can be conferred on a Georgia citizen. I have been a member of many groups and I bear witness to the fact that I have never served with nor known a finer or more dedicated group of men and women than the 258 other members of the general assembly with whom I served in 1947–48. I know you of this present general assembly measure up to or surpass the general assembly in which I served.

You are the equal in ability, in intelligence, in appearance, and in courage to any house and senate in the Nation, including the Senate and House of Representatives of the Congress of the United States—and I believe you are superior to most.

But, my fellow Georgians, you did not invite me down here to conduct a lodge meeting of a mutual admiration society. You invited me to come back home, among my home people, and to discuss with you, and I emphasize to discuss with you, the bill now pending in Congress known as H. R. 7535, called the Kelley bill, sometimes called the Federal aid to education bill, sometimes called the School Construction Assistance Act of 1955.

Let's briefly discuss this legislation.

Very seriously, if I could be shown one good reason why I should support this legislation, I might do it. However, I've studied this bill backward and forward, up and down, front to back, back to front, from cover to cover, left to right, right to left, from Rabun Gap to Tybee Light; from Vogel Park to Attapulgus, from the Okefenokee Swamp to Lookout Mountain; and I cannot find one thing in it that looks like good legislation to me.

On the contrary, it has the earmarks of the most insidious, treacherous and vicious group of words ever assembled as one document since Karl Marx wrote Das Kapital and Earl Warren wrote the Supreme Court opinion which he delivered on that black Monday, the 17th of May 1954. In my opinion, these two documents can be very closely compared upon careful analysis, and the philosophy of the one is just as communistic as the philosophy of the other.

This bill, which in a sense is an effort to bolster the weak position of the Supreme Court decision, is a hydra-headed, five-fanged, cloven-hoofed and forked-tailed combination of polecat, mad dog, and rattlesnake. It strikes not only at the vitals of our way of life in Georgia, but stabs cold steel into the heart of the United States Constitution. It tolls the death knell of State sovereignty; all the while shedding alligator tears, and at the same time laughing the hyenalike laugh of a madman who has just destroyed his dearest possession and now envisions its total and permanent destruction.

A reckless charge? Listen to this language—and I quote from the bill itself:

"SEC. 103 (a). Any State which desires to accept the benefits of this title shall submit to the Commissioner, through its State educational agency, a State plan which shall * * *" and then proceeds to specifically list seven subparagraphs including "a provision for fiscal control and establishment of certain standards."

My fellow Georgians, need I tell you and need I define their definition of "fiscal control" and the "establishment of standards"?

Under this same provision, section 103 of the bill as drawn, the Commissioner of Education is empowered and authorized to write any regulations he desires and to require any such reports from State education departments notwithstanding the language of the statute and notwithstanding any other provision of law.

Why, this places more power in one man, the Commissioner of Education, than a Caesar, a Hitler, and a Mongolian potentate ever had all put together. Its advocates say there is a right of appeal from any unjust decision. What kind of an appeal? One that would wind up in the Supreme Court of the

United States, and you know what that Court would do, since they have shattered the Constitution of the United States, destroyed the Bill of Rights, overturned every known legal precedent, and have adopted in their stead the crazy, pseudo-sociological reasoning of a Swedish Communist named Gunnar Myrdal, who by his own admission hates America and everything which forms a part of the American way of life.

That unlimited and unrestricted power it gives the Commissioner of Education is bad enough, but that is the least of the three principal objections to it.

Number two of the principal objections is that it would confirm by an act of Congress the line of the Supreme Court decision which says each State must integrate its public schools, and destroy every element of local self-government and local self-determination—including the greatest of all freedoms—the freedom of choice. It would destroy the right of a sovereign State and its people to be let alone by outside meddlers and interlopers who are interfering with a matter of which they have nothing but a smattering of ignorance.

To force Georgia and 11 other sovereign States to comply with that decision and with the philosophy embraced in this Federal Aid to Education bill would destroy the progress we have made in both education and solution of race problems and shatter beyond repair the educational, social, religious and economic life of every State where integration and desegregation is forced on a people against their will, and I believe I speak accurately and correctly when I say against the will of the overwhelming majority of both the white and Negro people in every State in the South.

And before I go any further, I want to state without any reservation, or evasion, that I am here and now willing to take a solemn oath that I hold no malice, hatred or prejudice whatsoever in my heart or mind or soul against any man or group of men, living or dead, because of his race or the color of his skin. I think I have demonstrated and proved that by nearly 20 years as a lawyer, an assistant United States attorney, as a soldier in the United States Army, Solicitor General, member of the General Assembly, and Member of Congress. In each instance over these 20 years—indeed over the 41 years of my life—I have sought to give to every man and woman every dignity to which he is entitled as a human being and every right to which he is entitled as an American citizen.

And yet, I just as firmly and sincerely believe that to completely integrate in communities and States where each race constitutes a large proportion of the population would unquestionably weaken both races and even destroy one or both.

No nation in the history of mankind has ever mixed and amalgamated two races without destroying itself, all of its people, and both races in the process. Carthage, Egypt, and Rome are examples. People now inhabit each of the areas once populated by the Cathagenians, the Egyptians, and the Romans, but they are no more like their ancient counterparts than day is like night, and their national strength and power are long since gone and forgotten.

Yes, I'm willing to take such an oath that I have no prejudice, malice, or hatred against any person or race; and I'm willing to take yet another solemn oath—that I will expend every ounce of my strength, every drop of my blood, even my life itself to resist the efforts of the United States Supreme Court to force complete integration on the people of Georgia against our will; and I'll not knowingly vote for a bill in Congress which I believe is designed to do just that.

Those are two reasons why I oppose the Federal aid to education bill, but they both fade into insignificance compared with reason No. 3, which I'll come to in just a minute.

But before I go to reason No. 3, I want to say this to the thousands of school teachers and school administrators:

If and when the Federal Government and the United States Commissioner of Education take over control of our schools that this same United States Commissioner of Education in his little white tower will take charge of the hiring and firing, standards of teaching, prescribed courses of study, salary scales, and every phase of our educational systems; and in my considered opinion and in my best judgment, we shall be not nearly so well off in Georgia as we are now.

There is not a State in the United States which has made the progress in education that has been made in Georgia in the past 10 years. We can only judge the future by the past. I am confident that the progress in education in Georgia will continue and that in Georgia our educational system will be equal to any and superior to most.

Georgia is a desirable place in which to belong to the teaching profession. I'll make this statement and let the statisticians tear it apart—there are more alumni of schools located outside of Georgia teaching in and seeking employment in Georgia schools than there are Georgia college graduates teaching in at least 20 other States. They come into Georgia from all over the United States, because (1) Georgia is a good place in which to live; (2) it is a good place in which to teach; (3) they like it better here than anywhere else; and (4) they are here by their own choice and of their own free will and accord. This applies to white and Negro teachers alike.

Now about the Negro members of the teaching profession in Georgia. There are more Negro school teachers in Georgia and South Carolina together than there are in New York, Pennsylvania, Indiana, Ohio, Illinois, Minnesota, Wisconsin, California and Michigan combined; and the combined population of that latter group of States has over ten times the total population in Georgia and South Carolina.

I once asked a Negro school teacher friend of mine why he came to teach in Georgia instead of going to some other State. He was a good teacher and a highly intelligent person, and his honest reply was this: "I couldn't get a job up there teaching. Up there they love me as a race and hate me as a person; down here you segregate my race, but you respect me as a person and as a human being." He might have added, but he didn't, that he and his wife and children are not a race—they are people and human beings.

If Georgia should be suddenly forced to desegregate, the group which would suffer most would be the thousands of Negro teachers in Georgia and the many more thousands of Negro school children who are today getting a better education than they would anywhere else in the world. My fellow Georgians, the results would be utter chaos and you know it.

Now comes reason No. 3 why I expect to vigorously oppose H. R. 7535 and any companion bill, substitute, or counterpart:

There is absolutely no constitutional authority for it, either expressed or implied. Nowhere in the Constitution of the United States of America is there any delegation of power to Congress or to any branch of the Federal Government to operate or support a public school system. That is a right and also a power absolutely reserved and guaranteed to the several States to operate, support and maintain as each of the several States shall determine and decide.

Congress has absolutely no constitutional authority, power, or right to appropriate money to operate schools within the States or to support them and exactly no constitutional authority, power, or right to use tax money to pay such an appropriation.

The skeptics and the wide-eyed dreamers will immediately shout—"What difference does it make whether it's constitutional or no?"

And I'll just as quickly reply, "It makes all the difference in the world. If the Federal Government, by act of Congress, can support, operate, maintain, or construct schools in the school systems of the several States and have that declared to be constitutional and a part of either the expressed or implied powers of Congress—then grab your hats, and let's go; it's all over. The lid has blown sky high and there is no limit or restriction on the power of the Federal Government."

If that happens, the last stanchion, the last bulwark, the last symbol of the sovereign rights of a sovereign State, like Georgia, is gone and gone forever. There'll be no calling it back.

If that happens, they might as well abolish all 48 State constitutions, all 48 State general assemblies, the courts of law and order of the 48 States, and the rights and privileges of every individual citizen. If that happens they might as well close up all 48 governors' offices and tell all 48 State governors, it's all over boys—you are out of a job.

If that happens, the American Bill of Rights is shattered and gone too—because if they can effectually abolish State control of schools, they can just as easily abolish habeas corpus, trial by jury, freedom of speech and press, freedom of religion, and every other personal right and emblem of liberty which no human being ever had guaranteed before the American Bill of Rights was added to the United States Constitution.

And when that time comes, we'll be a totalitarian government like Germany under Hitler and Russia under the Communists.

The thing that has made and preserved us a great Nation is the fundamental premise that the United States is an indissoluble Union of indestructible States. Our Federal Government is based upon the inviolate concept of separation of powers so that neither the executive, the legislature, nor the judicial branch can go completely wild and destroy the sovereign rights of the sovereign States.

And there'll be no one left to stop it. The supposed defenders of the Constitution—the black-robed justices of the United States Supreme Court will be leading the carnival parade riding the chargers of dictatorship and tyranny like the four horsemen of the Apocalypse. I hope that time never comes—I humbly pray that it won't. I believe our United States Constitution is a sacred thing—the most sacred and devinely inspired instrument produced by the brain and purpose of man since God gave the Ten Tables of the Laws to Moses on Mount Sinai and since the Man of Galilee delivered His sermon on another mountain nearly 2,000 years ago.

Yes, the United States Constitution is a sacred thing. It protects and defends the weak and the oppressed against tyrants and would be tyrants of strength and power; it protects the minorities from the vastly greater majorities; it protects the humblest cottage and the most stately mansion with equal sanctity; it protects the least of us from the powers of tyranny and despotism.

It has caused us to have the greatest way of life ever experienced, ever known or ever dreamed of by the mind of man.

It has been defended by many thousands of Americans who have died to save it, and yet who died with smiles in their souls because they had helped save it; and it has been defended by countless millions more who have lived and so lived that our Nation, a Nation under God and under a divinely inspired Constitution, might be strengthened, and might never perish from this earth.

Let me urge you to give serious consideration to two propositions.

Firstly, whether you wish to go on record urging all of your Members of Congress to unanimously oppose Federal aid to education and thereby do all you can to urge the citizens of other States to so urge their representatives to do likewise.

Secondly, let us join hands with our nearby States of Virginia, Alabama, Mississippi and others and consider the adoption of a resolution of interposition.

Since May 17, 1954, Georgia has led the way under the courageous leadership of our Governors and State leaders, including an overwhelming majority of the members of the general assembly of this State. We took a courageous stand when we ratified amendment No. 4 in the general election in 1954.

I believe that if Georgia had failed to take a firm position and courageous stand on this subject that the rest of the Southern States would have lost heart and abandoned the fight. Some of my friends from Virginia, who believe in constitutional government and who believe in the rights of sovereign States, have very recently told me that their fight in Virginia was made much easier and was crowned with success because of the example which had been previously set by Georgia.

Two weeks ago, yesterday, the Commonwealth of Virginia voted by more than a 2-to-1 majority to call a constitutional convention to write into the Constitution of the State of Virginia what we in Georgia did with amendment No. 4 in the general election in 1954.

Let the General Assembly of Georgia express its firm resolution to maintain and to defend the Constitution of the United States, and the constitution of this State, against every attempt, either foreign or domestic, to undermine the dual structure of dual government, and to destroy those fundamental principles embodied in our basic law, by which the delegated powers of the Federal Government and the reserved powers of the respective States have long been protected and assured.

Let this general assembly explicitly declare that the powers of the Federal Government result solely from the compact to which the States are parties, and that the powers of the Federal Government, in all of its branches and agencies, are limited by the terms of the instrument creating the compact, and by the plain sense and intention of its provisions.

Let the terms of this United States Constitution, and its plain sense and intention, apparent from the face of the instrument, be that the ratifying States, parties thereto, have agreed voluntarily to delegate certain of their sovereign powers, but only those sovereign powers specifically enumerated, to a Federal Government thus constituted; and let all powers not delegated to the United States by the Constitution, nor prohibited by it to the States be reserved to the States respectively, or to the people.

Let the State of Georgia declare in positive language that the Supreme Court of the United States has no authority to amend the United States Constitution by judicial order or judicial decree.

By its decision of May 17, 1954, in the school cases, the Supreme Court of the United States placed upon the Constitution an interpretation, having the effect of an amendment thereto. Georgia emphatically disapproves this interpretation.

The State of Georgia did not agree, in ratifying the 14th amendment, nor did other States ratifying the 14th amendment agree, that the power to operate racially separate schools was to be prohibited to them thereby; and as evidence of such understanding of the terms of the amendment, and its plain sense and intention, the people of Georgia know that the very Congress which proposed the 14th amendment for ratification established separate schools in the District of Columbia; further we know that in many instances, the same State legislatures that ratified the 14th amendment also provided for systems of separate public schools; and still further, we know that both State and Federal courts, without any exception, recognized and approved this clear understanding over a long period of years and held repeatedly that the power to operate such schools was, indeed, a power reserved to the States to exercise "without intervention of the Federal courts under the Federal Constitution."

With the Supreme Court's decision aforesaid and recently approved acts of the General Assembly of Georgia, a question of contested powers has arisen: The Court asserts, for its part, that the States did, in fact, in 1868, prohibit unto themselves, by means of the 14th amendment, the power to maintain racially separate public schools, which power certain of the States have exercised daily for more than 80 years; the State of Georgia, for its part, asserts that it has never surrendered such power.

This declaration upon the part of the Supreme Court of the United States constitutes a deliberate, palpable, and dangerous attempt by the Court itself to usurp the amendatory power that lies solely with not fewer than three-fourths of the States.

We in Georgia, mindful of the resolution by which we ratified the 11th amendment to the United States Constitution, and cognizant of similar resolutions adopted by other States, both North and South, again assert this fundamental principle: That whenever the Federal Government attempts the deliberate, palpable, and dangerous exercise of powers not granted to it, the States who are parties to the compact have the right, and are in duty bound, to interpose for arresting the progress of the evil, and for preserving the authorities, rights, and liberties appertaining to them.

Failure on the part of this State thus to assert its clearly reserved powers would be construed as tacit consent to the surrender thereof; and such submissive acquiescence to palpable, deliberate, and dangerous encroachment upon one power would in the end lead to the surrender of all powers, and inevitably to the obliteration of the sovereignty of the States, contrary to the sacred compact by which this Union of States was created.

In times past Georgia has remained silent—we have remained silent too long—against interpretations and constructions placed upon the Constitution which seemed to many citizens of Georgia palpable encroachments upon the reserved powers of the States and willful usurpation of powers never delegated to our Federal Government; we have watched with growing concern as the power delegated to the Congress to regulate commerce among the several States has been stretched into a power to control local enterprises remote from interstate commerce; we have witnessed with disquietude the advancing tendency to read into a power to lay taxes for the general welfare a power to confiscate the earnings of our people for purposes unrelated to the general welfare as we conceive it; we have been dismayed at judicial decrees permitting private property to be taken for uses that plainly are not public uses; we are disturbed at the effort now afoot to distort the power to provide for the common defense, by some Fabian alchemy, into a power to build local schoolhouses.

We in Georgia, as American citizens, anxiously concerned at this massive expansion of central authority, nevertheless, have reserved our right to interpose against the progress of these evils in the hope that time would ameliorate the transgressions; now, however, in a matter so gravely affecting this State's most vital public institutions, we can remain silent no longer. Recognizing, as the people of Georgia do, the prospect of incalculable harm to the public schools of this State and the disruption of the education of her children, we are in duty bound to interpose against these most serious consequences, and earnestly to challenge the usurped authority that would inflict them upon our citizens.

Therefore, we must invoke that Divine guidance impleaded by our people on July 4, 1776, when first they declared themselves a free and independent State, and appeal now to our sister States for that decision which only they are qualified under our mutual compact to make; and we respectfully request them to join us in making proper application for interposition.

We pledge our firm intention to take all appropriate measures honorably, legally, and constitutionally available to us to resist this illegal encroachment upon our sovereign powers, and to urge upon our sister States, whose authority over their own most cherished powers may next be imperiled, their prompt and deliberate efforts to check this and further encroachment by the Supreme Court, through judicial legislation, upon the reserved powers of the States, and that all laws and the Constitution of the State of Georgia shall and do remain in full force and effect within the confines of this State.

Let us state in no uncertain terms that we shall not be bound by an unconstitutional act, decision, or decree of the Supreme Court.

Let us say in language that cannot be misunderstood that we swear allegiance to the Constitution of the United States of America, reaffirm our faith in it as the guardian and defender of our most sacred rights, and that we shall scrupulously obey its provisions, its orders, and its mandates.

Let us also clearly state that we respect and will obey all lawfully constituted decrees of all courts and that we reaffirm our obedience and allegiance to the principle that the Government of the United States of America is a government under law and not a government of men alone.

Let us clearly state that we in Georgia respect and will obey the Constitution and laws of the United States, but that we also expect to respect and obey the constitution and laws of the State of Georgia and demand for every other State the right to have its constitution and laws respected, as the constitution and laws of a sovereign and indestructable State as part of an indissoluble union under the Constitution of the United States.

And, finally, let us unmistakably state in language that cannot be misunderstood that we have always, do now and shall ever obey laws; but that we as part of a sovereign people in a sovereign State will never subject ourselves to nor will we obey men—even nine in number—however white the marble of the building which houses that once hallowed courtroom or however black their judicial robes or their pseudo-sociological hearts—so long as they disregard the Constitution, overthrow judicial precedents and admittedly base their decisions on the insane rantings of that Swedish Communist named Gunnar Myrdal.

Let us take renewed courage in our fight; let us be of even stouter hearts than before; let us move onward and forward to and for a greater Georgia, a stronger America, and a future even brighter than our glorious past.

Let us convince the people of all other States of the rightness of our position. Let us exhort them to put aside prejudices they may hold against us because of geography, latitude, or ignorance.

Let us urge them all to join us in our desire and our efforts to preserve a constitutional government.

We know we are right. Your recent unanimous votes on bills designed to reaffirm our position is ample proof of that.

The people of the State of Georgia have placed confidence in you, their chosen representatives in this general assembly, as they have placed confidence in those of us who serve as Georgia Representatives in the Congress of the United States. The fu-

ture of our State and the future of our Nation depend on the positive action which we must take in fulfilling our responsibilities, our duties, and the oath which each of us takes when we assume the elective office to which we have been chosen.

We shall not falter, and we shall not fail.

Cargo Preference for the American Merchant Marine

EXTENSION OF REMARKS
OF

HON. JOHN MARSHALL BUTLER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, January 30, 1956

Mr. BUTLER. Mr. President, frequently in recent months it has been alleged that the cargo preference law, Public Law 664, has retarded the disposal of surplus agricultural commodities. It will be recalled that the cargo preference or 50–50 law requires that at least 50 percent of Government financed or Government owned cargoes be transported by the American merchant marine.

Since, in my humble opinion, these suppositions are based on misinformation, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled "Facts for Farmers and Other Americans," which I prepared for the November 1955 issue of the Forwarder magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FACTS FOR FARMERS AND OTHER AMERICANS

(By Senator JOHN MARSHALL BUTLER, Republican, of Maryland)

In many respects the last 2 years have brought encouragement to those of us who believe in an adequate American merchant marine. On the legislative side, we have seen the enactment of new laws to encourage shipbuilding and ship operation; on the administrative, the development of new designs and formulas to facilitate ship replacement. Within the industry, decisions have been made to replace many aging passenger vessels, and long-range building programs are being formulated. New operating techniques involving roll-on, roll-off vessels may revive the coastwise and intercoastal trades.

While all these signs of maritime progress quite properly gratify us, we would be imprudent to assume that our merchant marine has now been, or is about to be, extricated from its perennial problems and difficulties, and that we now have in prospect only clear sailing and prosperous trading. Several sobering facts must be kept in mind, as warnings and incentives to further effort. One is that, in spite of everything, these favorable developments have not arrested the shrinkage of the privately owned fleet, which now numbers 1,101 ships as against 1,255 just 24 months ago. A second, even more disturbing, is that the percentage of our foreign trade which moves in American-flag ships has also continued to decline. For March 1955, the latest month on which figures are available, it is 24.5 percent as against 29.3 percent for March 1953.

More serious than either of these is the very real threat of a major legislative attack on American shipping within the next few months; a blow which might well have disastrous consequences not only for the maritime industry but for the country as a whole. This is the danger that the continuous sniping at our 50–50 law by both native and foreign opposition may create misunderstandings of sufficient magnitude as to suggest crippling legislative revisions in the next session of Congress. This is an immediate threat. It demands immediate action.

To be effective, this action cannot be that of the few. It must be a united effort of every friend of American shipping, whether he draws his livelihood directly from the industry or not. It should, in fact, be the effort of every politically informed citizen, for on the outcome of this controversy depends a part of the security, and a part of the well-being, of each individual American.

Our efforts should, I believe, have three objectives: (1) To explain to American and foreign critics why this country needs a merchant marine and why the 50–50 law is essential to the fulfillment of that need; (2) to explain, especially to foreign maritime nations, why the law does not deserve the condemnation and denunciation which their shipping interests have so piously bestowed on it; (3) to explain to American agricultural interests exactly how the law works, and the manner in which they are being misled by this propaganda.

Under the first heading, it should scarcely be necessary, in the light of contemporary history, to assert the positive necessity of an American merchant marine. From the defense aspect, our failure to recognize that necessity in advance cost us approximately $20 billion in two world wars to provide makeshift tonnage at breakneck speed. It cost our allies (and present critics) countless lives and agonizing delays, because we lacked the ships to throw into the battle when they were needed.

From the commercial aspect, we need American ships on the sea routes, and American lines in the shipping conferences, in order among other things, to protect American importers and exporters (including farmers) against a deadly variety of economic missile. Commercial export markets are highly competitive, and the control of such markets can be manipulated by foreign dominance of the ocean freight structure in a manner which will automatically operate against any trading country which loses a voice in the forum where rates are set.

Fully as evident as the need for American-flag shipping is the fact that it cannot prosper unassisted in a world where shipping under every other flag operates at much less than half the cost which our wage and living standards entail. The Merchant Marine Act recognizes this disadvantage and the 50–50 law represents the indispensable minimum of Government assistance. A merchant marine cannot survive without cargo, and if our Government desires to have one, the least it can do is to assure that a reasonable proportion of its Government-generated business goes to support American vessels. In my opinion, cargo preference is the most practical method of extending such assistance.

Under my second heading, the primary tactic of the act's foreign opponents has been to condemn 50–50 as flag discrimination. When it is emphasized in reply that a careful line has been drawn between governmental and commercial cargoes and that the 50–50 rule applies only to the first class, the critics shift their ground and concede the general principle. However, they assert that the application of the rule to agricultural surplus disposal transactions, involving payments in foreign currency, infringes on the principle and invades the realm of bona fide commercial sales.

So weak is this argument that it must be taken as only a subterfuge for detaching what is at present a most substantial and lucrative segment of public cargo from the coverage of the 50–50 rule—after which the complete repeal of the law will be much easier to attain. Actually, the agricultural disposal transactions (under title I of Public Law 480) have almost none of the features of commercial sales. There is no prospect of profit involved, the object being to dispose of something which we ourselves cannot use but which can be of great benefit to other countries. The agreements of sale are between governments, not commercial traders. The surpluses sold were originally paid for by all American taxpayers, and are now disposed of for much less than cost. Finally, well over half of the foreign currency accepted in payment is loaned or given back to the purchasing country to be applied in economic improvement programs either for its own benefit or for that of a designated third nation. In other words, these sales are just as much a form of "foreign aid" as those involved in the original Marshall plan, except that a somewhat smaller percentage of the payment is returned to the purchasing nation forthwith.

However, this contention, transparent as it is, has been strenuously pressed in this country, and has been echoed by several agricultural organizations, along with other objections to the 50–50 law as applied to agricultural surpluses, all of them equally ill-grounded. Unfortunately, such arguments are just plausible enough to be convincing to people who have little direct contact with shipping and no knowledge of the actual administration of the 50–50 law to date. The following are some of the most serious of these charges, on which we must get the true facts to the American people, and particularly to American farmers:

(1) That application of the law is delaying the agricultural surplus disposal program. Available data indicate that, so far, the program is ahead of schedule. Two-thirds of the original 3-year authorization was committed under agreements signed during the first year. In fact, sales are going so well that the Congress, at its last session, was asked to increase the ceiling from $700 million to $1.5 billion. This was done.

(2) That the program will be obstructed by unavailability of American ships. This is impossible under the terms of the act itself, which makes the 50–50 rule applicable only to the extent that American-flag tonnage is available. So far, there is no shortage.

(3) That application of the law will increase the cost to the purchaser and thereby restrict the sale of agricultural surplus. This charge, also, is contradicted on the face of the act. Purchasing nations buy at world market prices. Our Government makes up any difference.

(4) That the financing of ocean freight which stems from the 50–50 rule will so increase the cost of the disposal programs as to reduce seriously the quantity of surplus which can be disposed of under the authorization. This contention rests initially on the false assumption that all ocean freight costs which are dollar financed stem from the 50–50 act. This is untrue. Actually, one-half of all of the ocean-freight costs incurred to date are the result of dollar financing undertaken as a condition of sale completely independent of the 50–50 rule. Furthermore, on berth liners, which are expected to carry a substantial portion of the cargo, rates established by conference agreements are identical with those of foreign vessels plying the same routes. Hence, the only real difference in shipping costs arises from the differential between American tramp rates and the rates which would have been charged by their foreign competitors. The added cost resulting from this differential has amounted to about $2.15 million to date. This item of expense is

therefore running at about 12 cents per dollar of ocean freight financed by the United States, and somewhat less than 1.5 cents per dollar of total program costs.

(5) That the 50–50 law forces farmers to subsidize the United States shipping industry. This is related to the foregoing costs which, it is claimed, are a subsidy of shipping by the farmer. How can this be true when the commodities involved in the disposal program are owned by the Government, not the farmers? Any cost involved is paid by the Government—i. e., all the taxpayers—not the farmers. Moreover, the legislation from which the surplus disposal sales originate is in a large measure foreign policy legislation. For example, the major portion of the local currency proceeds are disposed of in the mutual security program in furtherance of our foreign policy. It has always been the policy of our Government to have various segments of our economy, including ocean shipping, benefit where possible in the carrying out of such programs. To the extent a subsidy of American shipping is involved its costs are met by the public from Government funds.

Furthermore, any reduction in the total of sales which might be attributed to expenditures incurred by the 50–50 act could not take effect until the cost ceiling ($1.5 billion) established by Congress is about to be reached. Actually, because of certain revolving fund characteristics the ceiling of total sales may well exceed this amount by as much as 20 to 25 percent—the added financing coming from funds appropriated to other Government agencies. Thus, it is not only difficult to establish any point at which it might be claimed the total of sales would be affected by the cost of cargo preference but, even if established, the sales affected would be those stemming from other than agricultural appropriations.

As one of the principal users of ocean shipping—even though he is often not aware of his reliance upon it—the American farmer stands to lose as much as any other citizen by the loss or breakdown of our merchant marine. The foregoing facts must be made available to him, and soon, before he is led by skillfully disseminated misinformation into supporting legislation which could cause such loss or breakdown.

New Jersey Fights Cancer—The George E. Stringfellow Awards Are Part of the Ammunition

---

EXTENSION OF REMARKS
OF

HON. ROBERT W. KEAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1956

Mr. KEAN. Mr. Speaker, 10 years have passed since a statewide organized effort to fight cancer in New Jersey was started. The crusade, begun when the New Jersey division of the American Cancer Society was chartered on December 26, 1945, has made great progress toward the day when cancer will be conquered.

One means of alerting New Jersey's more than 5 million residents to the dangers of cancer and educating them on steps they can take to lessen its threat in the future is the annual cancer editorial contest for the State's daily and weekly newspapers.

Winners of these contests are presented with the George E. Stringfellow Award. George E. Stringfellow, a longtime friend of mine, is senior vice president of Thomas A. Edison, Inc. A man who never hesitates to give his time to efforts that will help his community, his State, and his Nation, George E. Stringfellow was the first president and a founder of the New Jersey division of the American Cancer Society.

I think we Members of Congress will gain an impression of the effective work he is doing in the fight against cancer by taking time to read the George E. Stringfellow award-winning weekly and daily newspaper editorials for 1955.

The Blairstown Press won the 1955 award in the weekly competition. The editorial was written by Rita Fuller, wife of the paper's publisher, C. Raymond Fuller. Mrs. Fuller won the award for her husband's paper in 1954, too.

This is Mrs. Fuller's editorial:

ST. GEORGE AND YOU

Once upon a time, long, long ago and far, far away lived a monstrous dragon which terrified the countryside. Armies were sent forth to slay it, but still it menaced the city, belching fire and smoke. To save themselves, the townspeople daily tossed it a couple of sheep and, when the supply ran out, varied the beast's diet by sending one of their hapless fellows to keep him pacified. "Their lot spared no one," says the grim tale, "rich or poor, high or low, someone must each day be sacrificed."

Finally, the princess herself was drawn by lot and despite the king's offer of half his realm if she might be spared, the frightened people insisted that if they must die so must his daughter. As she stood weeping bitterly by the pond where the dragon lived, along came a Christian young man of noble bearing whose name was George and who had been told in a vision to go to the city to rescue the maiden in distress. Despite her pleading that he fly while still he could, George went boldly forward to meet the beast when it rose with a great bellowing from the waves. Raising his spear, he pierced its scaly neck and pinned it to the ground. Then, while the grateful people hailed him as their deliverer, he smote off the dragon's head with his sword.

Well, this is 1955 in America, the land not only of the free and the home of the brave, but also of the healthiest, wealthiest and happiest of people. Yet we, too, have our dragon. We, too, each day sacrifice to it some of our own whether they be rich or poor, child or oldster, high or low. No one is safe from this frightful beast who lives in our midst—his name is Cancer.

We suppose that every family calendar has its share of red letter days—birthdays, anniversaries, family reunions. Next Friday should be such a day for us, but it won't because the one whose birthday we would celebrate was senselessly, brutally murdered by the dragon, Cancer. She was a gentle person, this baker of cakes, drier of tears, grower of incredibly huge gladioli and sweetpeas—she was my mother. A great believer in birthdays, she would certainly have enjoyed her own, especially the grandchildren she never saw with their beribboned gifts and many candled birthday cake. It is a double tragedy, for those same grandchildren have been robbed of one of childhood's greatest blessings—a doting grandmother to love, spoil, and baby them.

Surely we do have a monster loose in our midst—but equally certain, we have a St. George in our scientists, day by day patiently trying, discarding, trying again the experiments that will some time lead to the total rout of the terrible disease that attacks impartially the mother or the child, the breadwinner or the town drunk.

But just as St. George needed his spear to capture the beast and his sword to slay it, so the scientist must have the tools to free us of our scourge. And that is where you come in, for the experiments cost money and even scientists must eat. Give as much as you possibly can during this month's cancer drive. And don't consider it charity. It may be your own life you are ransoming from the dragon.

ANOTHER WINNING EDITORIAL

The Paterson Evening News, published by Harry B. Haines and edited by Abe Greene won the 1955 George E. Stringfellow award for the best cancer editorial of the year in the New Jersey daily newspapers. The winning editorial, Cancer Workers Calling Tonight—Be Generous, was written by Editor Abe J. Greene, who has been intensely interested and active in the fight against cancer for many years. He has won similar awards for the Paterson News in the past. Here is his editorial:

CANCER WORKERS CALLING TONIGHT—BE GENEROUS

Tonight is cancer night—in Paterson, Hawthorne, Little Falls, and West Paterson.

Between the hours of 7 and 9, workers will call at your home with proper credentials. They will be members of a vast army of volunteers, working in the cause of humanity.

Be good to these visitors, neighbors. Treat them as your very own. They are working for you, and you, and you.

This is one case where money may soon be buying your health, your very life. If not your own, at least of someone you love. The $24 million being raised in the country in 1955 to fight cancer is to provide for the vital research which soon may turn up the heaven-blessed cure to end this terrible scourge.

Do you realize that:

It is estimated 1 of 4 people in America will be visited by cancer in the future. That means 40 million people threatened by the shadow. Narrowed down to Paterson, it means 35,000 in a city of 140,000. Last year 20,000 men died of lung cancer in the Nation.

Polio has finally been cured, thanks to the valiant research of men like Dr. Jonas Salk. Thousands of equally dedicated and competent scientists are working around the clock to cure cancer.

This could be the year.

Your contributions helped to cure polio—your dollars can do the same for cancer.

It may be true, but it is true nonetheless—that the life you save may be your own.

Light up your porch tonight, between 7 and 9, and when the workers call at your home for contributions—be good to them in spirit and in generosity.

This could be the year.

It could also mean the life of someone you love.

Give generously to help attain the county goal of $70,000 and Paterson's goal of $30,000.

And if, perchance, the volunteers fail to call at your home, mail your contribution to Cancer, 625 Broadway, Paterson.

MOVED TO HELP

One can easily imagine how many New Jersey residents are moved to help in the fight againts cancer, by these editorials. It is not only the Paterson Evening News and the Blairstown Press that write these editorials; it is newspapers across the State. In other words, the

award offered by George E. Stringfellow is acting like a catalyst and enlisting more and more people in our State in the fight against cancer. I am pleased with the opportunity to commend his effort here.

The New Jersey division of the American Cancer Society has a chapter in each of the State's 21 counties. Previous to its organization, the cancer crusade was carried on by a group of enthusiastic women known as the Field Army. From a membership of 4,000 volunteers, the volunteer service program of the division has grown until there are 19,075 volunteers in 1199 different units.

Keeping stride with the ever increasing number of cancer cases, the New Jersey division has set up a six-point medical program that has won a citation from the American Cancer Society. Ten years ago the medical committee of the division approved 52 projects for the various county chapters. Last year 131 projects were approved. These projects include the purchase of deep X-ray therapy units and other equipment; the support of 46 clinics now being operated by hospitals with American Cancer Society help through grants-in-aid; medications, nursing service and home care for the State's cancer patients.

Assistance for the cancer patient has kept pace with the ever increasing number of cancer cases. Ten years ago, when the activities were started under State auspices, the establishment of clinics was a main object. Later many chapters organized motor corps and started loan closets. Nursing service was provided for patients on their return from hospitals, and about two years ago, home care was added. This has proven to be a boon especially in the cases of ill mothers and children.

An idea of the extent to which this program has grown is evidenced from the fact that during the last 12 month fiscal period, 3956 patients received dressings; 1819, articles from loan closets; 1383, home care, and 578 transportation. The approximate money spent in the service program during this time was $43,080.

In fund-raising the New Jersey division has been one of the top leaders in the country. In 1946 the residents of the State contributed $716,904. In 1955 they gave $1,050,202, the first time the State reached the million dollar mark.

Alerting the public to the dangers of cancer is carried on through the cooperation of newspapers, as was shown above, through radio, television and other like media. It is carried on by means of exhibits at conventions and county and State fairs, and through films, both for lay and professional groups. Chapters in 15 counties maintain information centers and a mobile cancer information unit is taken to communities throughout the State. Millions of pieces of literature are distributed and hundreds of meetings are held yearly for many industrial, civic and other groups. I feel that everyone in New Jersey can be thankful for the fine work its citizens are doing to help them in this crusade.

Social Security Amendments of 1955

EXTENSION OF REMARKS
OF
HON. EDITH GREEN
OF OREGON
IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1956

Mrs. GREEN of Oregon. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of Representative JAMES ROOSEVELT before the Senate Finance Committee on January 26, 1956, in support of H. R. 7225:

STATEMENT OF REPRESENTATIVE JAMES ROOSEVELT BEFORE SENATE FINANCE COMMITTEE, JANUARY 26, 1956

Mr. Chairman and members of the committee, may I express my deep appreciation to you for the privilege of being here and the opportunity of joining my remarks with those other Members of Congress in support of H. R. 7225. It is my firm conviction that this bill contains most needed amendments to the Federal Social Security Act.

The strong public opinion behind H. R. 7225 was evident when on July 18, 1955, the House gave the bill its approval by 372 votes for and only 31 votes against it.

The proposed legislation corrects many inequities and brings many of the benefits to a more nearly up-to-date status. Amongst these are:

1. Disability insurance benefits to be provided at age 50 and over for workers who can meet certain coverage requirements. It is estimated that this will affect about 250,000 persons in the first year.

2. The age of eligibility for all women beneficiaries—widows, wives, and women workers—will be lowered from 65 to 62. It is estimated that in the first year these benefits would be paid to almost 800,000 additional women. If I have any regret on this provision it is that the age could not be lowered to 60 and also be applied equally to men. Reluctantly, it is seemingly necessary to accept the fact that these additional and worthy changes are not financially feasible at this time.

3. Disabled children who are disabled before they are age 18 would continue to receive benefits after age 18. It is estimated that eventually 5,000 children and their mothers will receive benefits.

4. Coverage would be extended to lawyers, dentists, osteopaths, veterinarians, chiropractors, naturopaths, optometrists, Tennessee Valley Authority, Federal Home Loan Bank employees, and gun naval store employees. It also clarifies present law dealing with self-employed sharecroppers.

5. Provides that at least 2 years before social-security taxes are scheduled to increase, an Advisory Council would be appointed by the Secretary of the Health, Education, and Welfare Department to take a look at the system, the benefits and income, and make recommendations on these items.

6. These new benefits and coverage provisions are not made irresponsibly from a fiscal point of view, for the bill makes provision that they be paid for by a tax increase of one-half percent on both the employer and employee—a total of 1 percent, plus a three-fourths percent tax on self-employed persons.

Considering the times, the economy and the needs of the people of this country, the amendments as contained in H. R. 7225 are long overdue. I have read some criticism that these changes were rushed through without due consideration. You gentlemen know much better than I do that most of these amendments have been reviewed and deeply considered at least over the last 10 years.

As long ago as the Eightieth Congress the Advisory Council appointed by the Senate recommended disability insurance payments by a vote of 15 to 2 and unanimously recommended that the eligibility age for women be lowered not to 62 but to 60 years.

What right thinking person can argue against extending coverage to disabled children over 18 whose deceased parents helped to pay for such coverage or that benefits continue to be withheld from workers disabled at age 50?

Understanding the problem that women over 35 years of age have today, in seeking employment, how can anyone deny them old-age and survivors benefits at age 62?

H. R. 7225 seeks to embrace under social-security coverage certain professional people not now covered, thereby assuring them of a small measure of security in their old age. The vast majority of the professional people affected have indicated their earnest desire that they be included in this coverage.

But, gentlemen, much as I am in favor of the provisions of H. R. 7225, I earnestly and deeply hope that the Members of the Senate and that this committee will realize that it only does half the job, that it leaves undone much which not only needs to be done but should have been done many years ago. I have brought most of these features which pertain to title 1 of the Social Security Act, in contrast to the fact that H. R. 7225 is wholly devoted to title 2, into the bill which I introduced late in the last session. It is numbered H. R. 7848. I, therefore, respectfully urge that the members of this committee turn an eye toward amending the provisions contained in H. R. 7225 but add these suggested amendments to title 1 of the Social Security Act. In general, my suggestions would amend the public assistance provisions to provide increased income, eliminate certain inequities and restrictions, and permit a more effective distribution of Federal funds.

It would appear fair and just that the Congress establish a single standard of qualification for the applicants and recipients—thereby creating a more uniform administration of the Public Assistance Act throughout the Nation.

In the event that old-age and survivors insurance benefits are lowered to age 62 for women, it follows that the public assistance section of the act should likewise be lowered to age 62 for women applicants and recipients. My bill provides for that.

It is generally found that the survivors and old-age benefits payments are so low—especially among women—that to exist they must apply for public assistance to augment their income. Surveys made of those on public assistance in the various States all reveal a far greater percentage of women recipients than men.

While director of the Department of Social Welfare of the State of California, Charles D. Schottland, now Federal Social Security Administrator, made a study on the social and economic characteristics of old-age assistance recipients and issued a report in March 1954. His report showed that almost two-thirds of the case load consisted of women, and that the dependency rate for women is 1½ times greater than that of men.

It was found that three-fifths of the women on aid were widows, whereas one-fourth of the men were widowers.

The substantially higher dependency rates for women derive from many factors. Among the most important are the following: (1) Women have traditionally assumed a more dependent economic role in our society, concentrating on home management rather than outside employments. (2) Because of limited employability, they require public assistance

at an earlier age. This is confirmed by the fact that there is a larger concentration of women at the younger age levels of 65 years.

We are all aware, I am sure, of the great increase in the cost of living and this applies not only to the well-to-do but perhaps in even greater degree to those who are forced to seek public assistance. I would, therefore, suggest that the ceiling on the matching of Federal funds to the States, which is now restricted to $55 a month, offering the States little incentive to provide properly for their needy, be raised. That Congress must encourage the States to grant the needy enough to meet the increased cost of living and to bring about a more realistic and uniform standard of payment is made obvious when we look at the December 1955 Social Security Bulletin, issued by the United States Department of Health, Education, and Welfare, and study the amounts paid during the month of September to those on public assistance.

Two million five hundred fifty-two thousand five hundred ninety-six recipients of old-age assistance received a nationwide average of only $52.50. The average payments per month in the individual States ranged from $86.57 a month paid by Connecticut down to $27.70 paid in West Virginia.

One hundred and four thousand two hundred and fifty-six recipients of aid to the blind received a nationwide average of only $57.03 per month. The average payments in the individual States ranged from $93.26 a month paid by Connecticut down to $31.94 paid in West Virginia.

Two hundred and forty thousand eight hundred and seventy-seven recipients of aid to the permanently and totally disabled received a nationwide average of only $55.23 per month. Connecticut paid $114.07, and the States ranged down to a payment of $24.59 in Mississippi.

Two million one hundred and ninety-one thousand three hundred recipients of aid to dependent children, including 1 adult relative, received a nationwide average of only $24.12 per month. The average payments in the individual States ranged from $43.13 a month paid by Connecticut to $7.44 paid in Mississippi.

Public demand has compelled many States to pay their aged, blind, and physically handicapped more than the $55 a month. The Federal Government will not pay more than a total of $35 toward a recipient to whom the State is paying $55 a month or more.

This same unrealistic approach is practiced in the aid to dependent children where the Federal Government will not pay more than a total of $19.50 to 1 needy child and adult where the State is paying the maximum monthly allowance.

In order that it may be clear what the formula which I have included in H. R. 7848 would mean to the Federal Government in its contribution to the individual States, I include the following examples of Federal contributions on the varying State payments to the aged, blind, physically handicapped, and in aid to dependent children:

State	Per capita income, 1954, percent of United States	Present law, October 1955		State's share under H. R. 7848 if benefit not changed	Average benefit under H. R. 7848 if State continues present benefit pay	State percent of contribution benefits above $25 but below $100 (H. R. 7848)
		Average aged aid	State's share			
Louisiana	74	$51.15	$18.07	$14.68	$60.32	37
Colorado	95	92.73	57.73	37.17	96.28	47.5
Delaware	134	42.88	13.94	13.94	42.88	50
Georgia	70	37.97	11.48	9.54	43.51	35
Oklahoma	83	61.87	26.87	20.30	60.41	41.5
Utah	84	59.83	24.83	19.63	66.45	42
Virginia	84	30.37	7.68	7.26	31.38	42
California	122	70.20	35.20	27.60	85.40	50

May I now point out a few of the greatest injustices that now exist in title 1 of the Social Security Act.

An aged or handicapped recipient, under present laws imposed by Congress, is sentenced to idleness and prohibited from earning even the smallest amount under the threat of having such earnings deducted from their aid payment.

Under H. R. 7848, the aged and handicapped would be allowed to earn up to $50 per month. This privilege already is granted by Congress to the blind.

Children, especially of school age, should be encouraged to better their lot, instead of being forced into idleness because of the Federal provision that all "outside income and earnings" be deducted from the amount of aid granted them.

My bill would permit needy children to earn up to $30 per month to supplement their assistance and encourage self-reliance.

A floor under the ownership of real and personal property would be established and a provision that there be no imposition of a lien on such a home as a condition to receiving aid.

Some years ago, the Federal Social Security Agency adopted the following policy: "Compulsory transfer of control of property in order to qualify for assistance violates cardinal principle on which the Social Security Act is based—that needy persons should not be differentiated by reason of their need and that recipients of assistance have the same right of self-determination by reason of their need in the use of their resources as others in the community."

H. R. 7848 eliminates practices whereby the public assistance laws of certain States are used to enforce collections from recipients' relatives.

Again, some years ago, the Social Security Agency recommended the elimination of these clauses from State welfare codes in a statement, which read in part as follows:

"We recommend that provisions conditioning eligibility for assistance on the ability of relatives to support the applicant be eliminated from public assistance laws.

"The assistance laws in many States provide not only that assistance received from relatives shall be taken into account in determining an applicant's need, but also that the existence of relatives considered able to support shall make an applicant ineligible for aid.

"In some instances it may be known that the relative is actually not contributing to the support of the applicant and yet, because of the State law, assistance must be denied. * * *

"The income and resources of an applicant that are considered in determining need should be actual and not merely potential.

"The general support laws of the States provide the means of enforcing support from relatives if the individual or State wishes to take such action. The public assistance laws should not be used as a means of enforcing the support laws of the States."

Lastly, I would add a few features which may seem minor but which are of the greatest importance to those involved: That the needy need not be penalized because of marriage; persons receiving aid shall not be deemed paupers or their names published for the purpose of shaming them off the rolls; that the program be administered in each State to insure uniform treatment in all of its political subdivisions.

Now the inevitable question arises: "How do we pay for these improvements?"

It is, I hope, well known and recognized that payments under title 2 are secured by the levying of taxes paid directly into the social-security fund. Benefits under title 1 have always been paid from general revenues and appropriations. I do not propose that further taxes be levied or that any different system be adopted. It would seem more equitable to continue paying such additional costs as will be necessitated from general revenue. Concretely, it would seem to me that, if we are going to be successful in defeating communism and in making democracy an example of the best system of government to provide for the just and proper needs of people, we first need to pay attention to our problems here at home. I am a strong supporter of economic aid to our allies and potential friends but I also firmly believe that we can cut down in the waste of our military expenditures and that, if necessary, we should curtail the amount of our billions that we are planning to spend abroad to the extent that it is necessary to do so in order to pay for these improvements here at home. At worst, it will be a small percentage of the money we are willing to spend for economic aid abroad. Certainly, our own most needy citizens have a prior claim.

In my opinion and that of many others, improvements in the Public Assistance Section of the Federal Social Security Act have been shamefully neglected. The laws of no two States are alike. Congress has the responsibility to correct this and to make our public assistance laws uniform throughout the Nation.

I respectfully urge that the members of the committee not only adopt H. R. 7225, but also amend into it the features of H. R. 7848, and give our needy aged, blind, physically handicapped, and dependent children their right to human dignity.

Thank you.

Gas Tax on Gasoline Used in Farming Activities

EXTENSION OF REMARKS
OF
HON. CHARLES W. VURSELL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. VURSELL. Mr. Speaker, with leave to extend my remarks in the RECORD, may I say that I regret, exceedingly, that I will have to be absent on Monday, January 30, when the bill comes up to exempt farmers from Federal taxation on gasoline and fuels used in farming activities.

I have favored such legislation for quite some time, and if it were possible for me to be here when it comes to the floor of the House, I would vote for it.

I make this explanation because I must be absent Monday, Tuesday, and possibly longer, due to being called to my home in Salem, Ill., on Sunday just passed, because of serious illness in my family.

I have asked my colleague, the Honorable SID SIMPSON, to insert in the RECORD the reason for my absence today.

Boys' Clubs of America

EXTENSION OF REMARKS
OF
HON. THOMAS L. ASHLEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. ASHLEY. Mr. Speaker, the year 1956 marks the golden anniversary of Boys' Clubs of America and it is my wish, today, to pay tribute to that organization.

Even if juvenile delinquency were not one of our foremost problems, the contribution of Boys' Clubs of America would be of incalculable value. But the problem is undeniably there, and we must all be deeply grateful for the firm line of defense against youthful frustration, disillusionment, despair, and crime which the boys' clubs across the country have erected.

In my district, the city of Toledo has a thriving boys' club of which we are all proud. The boys tell me that they plan their program under the slogan, "Building Boys Is Better Than Mending Men." Here, I think, we have the essence of the Boys' Clubs program.

Anyone of us can harken back to his own boyhood and remember the driving energy, the spirit of competition and combat, the yearning for adventure, the urge to explore and the need to be a member of the gang, which motivated many youthful ventures, many boyhood escapades.

These are important drives in youth, drives we do not want to destroy, but guide, instead, into constructive channels. This is the job Boys' Clubs of America has tackled, and the record of that organization over the past 50 years has been most heartening.

Since 1906 more than 400 boys' clubs have been established throughout the country, with a membership of some 400,000 boys—boys who are finding outlets for their energies and interests in sports, arts, crafts, and wholesome social activities. The boys' clubs have made available to them facilities valued at some $120 million and ranging from clubhouses to sports equipment, games and books.

The boys' clubs answer the basic need of boys to belong—to a club, a group, a team. Their programs place special emphasis on the needs of underprivileged boys. In congested cities the membership is drawn from the crowded areas, and in towns where other similar opportunities are not available, club members represent all economic levels. The clubs are nonsectarian. Membership fees are low enough to permit the poorest boy in the community to belong, and programs are varied enough to appeal to boys of every interest and capability.

The contribution of Boys' Clubs of America in building for good citizenship, preventing delinquency and developing latent talents in our boys cannot be overrated. The place which this organization has earned in our society is unique; its work is vital.

It is my purpose, today, Mr. Speaker, to call attention to the great work being done by Boys' Club of America and to urge that, in this anniversary year, Americans everywhere commend and support this program which must, of necessity, be close to the hearts of all who wish for American youth a bright and happy future.

Worries of the President

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. BURDICK. Mr. Speaker, through sickness and otherwise—mostly otherwise—the President has had a hard time of it for the past few months. He will completely recover from his sickness, but I doubt that his worries will end.

Many members of his Cabinet seem to be suffering from the hoof-and-mouth disease, and it is apparently spreading. Defense Secretary Wilson led off in his speech in Chicago—spoke entirely out of turn and expressed his own views and not those of the President. That simmered down, but not until the damage removed some Republican Members of Congress.

Along comes Dulles and authors an article he never saw or read which appeared in Life magazine, telling how we had been on the brink of war many times, but that through dextrous handling and political jiu-jitsu he had avoided war as often as it was threatened, and a general "hoo rah" for Dulles. Another storm broke, and through the heroism of the editor of Life, Mr. Luce, who assumed all the blame, the administration ship righted itself and started to sail again. This course was short-lived, however, because another administration officer who had neither written nor read an article appearing in Harper's, stating that support prices were the bunk, sent in a letter stating that the article was excellent.

Benson had trouble before sporting around with sliding scales and Senator AIKEN, but this last blast shook the Federal buildings in Washington. The President, speaking in the last campaign, said that the farmers were entitled to 90 percent of parity, and that they could count on him to maintain support prices, and now his Secretary of Agriculture settles the whole farm question in a hurry, and the article says the support program is out.

There is one redeeming feature about Benson's blunder. He admitted it and took full responsibility. That only confirms what I think of him. He is a very nice, honest man, much better than the usual run of Secretaries, but his knowledge of what to do to straighten out agriculture is on a par with what I know about the hereafter.

These Secretaries seem to have contracted the dread foot-and-mouth disease, because every time they open their mouth they get their foot in it. In this political flytime the President should insist that the Secretaries wear muzzles, and I doubt that muzzles would stop the appearance of letters in the magazines under the name of a Secretary who never saw or read or signed the publication. That presents a mysterious situation. In my small way I have been correctly quoted, misquoted, and had my statements rewritten until I could not recognize them, but I never have yet seen an article in any magazine attributed to me which I did not write, did not read, and did not sign. Gosh. This Secretary business is dangerous, when a Secretary cannot tell from one minute to the next what he will say when he has not said anything. The magazines should be fair enough to permit any Secretary to read what he is about to say. I just would not have anything to do with a magazine which would not let me see what it had concocted. If he cannot read, let someone read it to him. This promiscuous appearance of articles and letters emanating from the administration headquarters ought to be approved by somebody before the publication comes out.

I think the President will survive his heart trouble if the situation is not aggravated, but the action of these promiscuous statements appearing in magazines, which the President knows nothing about, will give a well man thrombosis of the heart, liver, or any other vital organ.

Flynt Speaks for the South

EXTENSION OF REMARKS
OF
HON. E. L. FORRESTER
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. FORRESTER. Mr. Speaker, a few days ago the gentleman from Georgia, Mr. J. J. FLYNT, JR., made an address to a joint session of the General Assembly of Georgia, wherein he opposed the Federal aid-to-education bill.

That speech met with approval in the general assembly, and the Griffin Daily News wrote the following editorial which should be of interest to this body, to wit:

FLYNT SPEAKS FOR THE SOUTH
(By Quimby Melton, Jr.)

Congressman JACK FLYNT, of Griffin, made a fighting address to a joint session of the General Assembly of Georgia yesterday. In it he said clearly that he opposes the Federal aid-to-education bill in Congress because it would remove local control of schools and transfer it to Washington.

Discussing the issue of segregation, he had some reasonable arguments to offer. As one of the leaders in Congress for continued segregation of the races, he made a statement which should be published through the Nation. It is:

"I want to state without any reservation or evasion that I am here and now willing to take a solemn oath that I hold no malice, hatred, or prejudice whatsoever in my heart or mind or soul against any man or group of men, living or dead, because of his race or the color of his skin. * * * I have sought to give every man and woman every dignity to

which he is entitled as a human being and every right to which he is entitled as an American citizen.

"And, yet, I just as firmly and sincerely believe that to completely integrate in communities and States where each race constitutes a large proportion of the population would unquestionably weaken both races and even destroy one or both."

That statement, in a nutshell, explains the South's opposition to segregation. It tells the Nation clearly that the white southerner does not hate Negroes as so many people out of our section believe we do. It explains that the fight for segregation is not a fight for bigotry or prejudice.

To the contrary, the white southerner is the best friend the Negro race ever had.

And like Congressman FLYNT, we have neither malice nor hatred toward the Negro race. We admire and respect the race's achievements and accomplishments in a relatively few number of years. We believe that Negroes are entitled to fair treatment, a proper standard of living, good education, and the right to the pursuit of happiness.

But, again, like Congressman FLYNT, we believe that integrating the races in the South might well lead to the destruction of either or both races.

And though we bear no ill will whatever toward Negroes, we do loathe, abhor, and despise the political and sociological meddlings of troublemakers from outside our State who seek to overthrow the Constitution, wreck the good will between the races, and cram an illegal and unconstitutional decision down our throats.

Congressman FLYNT has spoken out in terms even the Supreme Court and even the rabble rousers of the leftwing elements can understand. Let his words be heard throughout the Nation.

Partnership or Giveaway?

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. HIESTAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I am inserting the following article, by the Honorable SAM COON, of Oregon, entitled "Partnership or Giveaway?" which appeared in the Washington Post and Times-Herald on January 28, 1956:

PARTNERSHIP OR GIVEAWAY?

I feel compelled to make some comments regarding a section of an article which appeared in your issue of January 15, under the heading, "A Partnership or a Giveaway."

The section to which I refer concerns legislation which would permit non-Federal financing of a major portion of the John Day Dam on the Columbia River.

I am the author of that legislation. The person who is credited with writing the article did not call on me nor did he call on any member of my staff. The reference to the John Day legislation is so grossly inaccurate and misleading, it would appear that your reporter concerned himself only with the viewpoint of Senator MORSE and others in the Pacific Northwest who for selfish political reasons are attempting to choke off the development of that region.

The John Day bill, H. R. 5789, authorizes Federal development of the John Day project on the Columbia River with participation in financing by non-Federal public and private electric utilities.

The single purpose of the John Day bill is to expedite construction of this critically needed navigation, flood control and power project. It was authorized by Congress in 1950. To this date, not 1 cent has been appropriated for its construction.

In order to get the money required to build this project, my bill provides that the power from John Day can be sold in advance to any qualified utility.

Your story says that participation in this project is limited to three private utilities in the Pacific Northwest. This is a completely false statement. The bill very clearly states that participation is open to any organization, public or private, engaged in or authorized to engage in the production, transmission, or distribution of electric power. To this date, the city of Seattle, the power commission of the State of Washington, several Oregon municipal utilities, and three private companies have indicated an interest or a desire to participate in the project.

Your allegation that the participants will receive tax free revenue and low cost Government loans is ridiculous.

Equally incorrect is your statement that the participants will be under no obligation to advance any funds. The advancement of funds is the entire purpose of the bill.

Briefly, the bill provides that the local participants will pay to the Government, in advance, the entire cost of the project allocated to power. Further, the local agencies will pay all maintenance and operation costs allocated to power, transmission costs, replacement costs, and any charges for upstream or downstream benefits. In return for these payments, the participants will receive 50-year contracts for power in proportion to the amount of money advanced. The project is at all times owned and operated by the United States.

In other Federal projects, the United States Treasury advances the funds needed to build and operate the dam. The portion of this amount allocated to power is returned to the Treasury over a 50-year period—through sales of power to utilities and industries in the region.

My bill simply provides that these sales be made in advance. Thus the Federal appropriation required to construct this project is reduced from $310 million to less than $40 million.

The basic purpose of the John Day bill is to implement the program of hydroelectric development in the Pacific Northwest. All responsible power agencies in the region, including the Federal agencies, agree that 600,000 kilowatts of new capacity must be built each year for the next 10 years if the area is to avert a crippling power shortage. This will require $3 billion.

Congress has appropriated less than half that amount for Pacific Northwest power projects during the past 10 years. It is apparent to all who give our problems honest consideration that additional sources of funds must be used if the power program is to proceed. The people of the region are anxious to do their share.

SAM COON,
Member of Congress From Oregon.

Fast Depreciation in the Jet Age

EXTENSION OF REMARKS
OF
HON. ALBERT P. MORANO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. MORANO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a news story which I released today concerning the plight of homeowners victimized by vibrations caused by jet airplanes.

According to the Armed Services Committee, this problem is becoming a national headache, with no suitable solution in sight.

As a matter of fact, I have noticed many mysterious cracks appearing in the walls and ceilings of our own house in Greenwich, Conn., situated in the vicinity of the Westchester Airport, White Plains, N. Y. The only trouble is that, try as I may, I cannot identify the make and branch of service of the planes, nor am I certain they are the culprits. Up to now my hobby has been bird-watching, a most relaxing and rewarding pastime in the quiet country. Perhaps now the Nation will be swept by a new pastime, jet-watching, although eyes much sharper and reflexes much quicker than mine are required.

I commend this article to the attention of my colleagues in hopes that perhaps someone might arrive at a solution to this growing problem:

Air Force and Navy jets are not only breaking the sound barrier, but are breaking up a lot of houses throughout the country, Representative ALBERT P. MORANO, Republican of Connecticut, learned this week.

MORANO stumbled upon this nationwide problem when he took a constituent's complaint to the House Committee on Armed Services.

One of Morano's Fairfield County constituents, Joseph Friedman, of 64 Rippowam Road, Stamford, Conn., wrote the Congressman early this week stating that his house had just been redecorated, but that jet planes flying overhead were causing shocks below that cracked his ceilings and walls. Since his insurance company had no sound barrier policy, Friedman took his case to his Federal representative.

Robert W. Smart, chief counsel for the Armed Services Committee informed MORANO that the situation confronting Mr. Friedman was rapidly becoming a nationwide problem with similar type complaints arising at many places throughout the country.

Procedure for victims of the sound-barrier house-breaking phenomenons are instructed to make sure of the identity of the planes, establish the amount of damage, and be able to establish that the damage was caused by excessive vibrations of jet aircraft, according to Smart. They are then advised to contact their staff Judge Advocate at the Air Force installation nearest them, where they will receive blanks for filing claims.

If the claimant is denied compensation for damages, his next recourse is to proceed with a suit in the court of claims.

Morano said that the chief counsel told of at least one claimant, living in a Southern State, who was successful in action before the Court of Claims.

Because of this the committee has had to authorize the purchase of additional land in the approach and takeoff zone of bases where jet aircraft are operated. The committee has also authorized the acquisition of navigation easements covering areas adjacent to jet fields, in an attempt to minimize the liability of the Government, while at the same time giving adequate compensation to adjacent landowners for the unrestricted use of the air above their land.

"Even these actions present no final solution to the problem," Smart told Morano, "because, with the increasing speed of jet aircraft, it is now commonplace for such aircraft to pierce the sound barrier in normal training operations. This, in turn, results in the so-called sonic boom the violent vibra-

tions of which often result in damage to homes and other property on the ground."

Smart said all Government agencies having any connection with the problem are making every effort to find a solution. He said it was a problem of great magnitude to which there was no answer at this time.

A Significant Victory for Public Power

EXTENSION OF REMARKS
OF

HON. IRWIN D. DAVIDSON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1956

Mr. DAVIDSON. Mr. Speaker, I should like to report to the House what I consider a significant victory for public power. I wish to direct your attention specifically to the circumstances surrounding the sale to the Niagara Mohawk Power Co. of electricity generated by the atomic reactor located at West Milton, N. Y. My concern in this matter was aroused by information, which first came to my attention shortly before Congress adjourned last August, that the preference clause Congress had so carefully written into the Atomic Energy Act had not been complied with in any sense. As early as August 8, 1955, I called on the Atomic Energy Commission to "make a full public statement of the facts concerning the distribution of this—West Milton—power at once."

As more facts came to light, the state of affairs involving the disposition of the West Milton power grew progressively worse. On October 7, 1955, I made public the fact that a letter I had received from the Atomic Energy Commission on September 23, 1955, showed beyond peradventure of doubt that "construction of generating equipment and the disposal of the power to Niagara Mohawk was entirely arranged by General Electric in August and September of 1954 while availability of the power was effectively concealed from the public bodies entitled to a preference under the Atomic Energy Act until January 1955."

In an effort to give the facts in this situation the benefit of unmistakable clarity, Mr. Speaker, I should like to insert at this point in my remarks a chronological fact sheet on disposal of West Milton Atomic Electrical Power by the Atomic Energy Commission:

CHRONOLOGICAL FACT SHEET ON DISPOSAL OF WEST MILTON ATOMIC ELECTRIC POWER BY THE ATOMIC ENERGY COMMISSION

1. The West Milton facility: The West Milton facility is an experimental Submarine Intermediate Reactor (SIR) Mark A. It was initiated by the AEC in 1950 and is the prototype for the SIR Mark B to be used in the submarine *Seawolf*.

2. The preference clause: Atomic Energy Act of 1954, section 44 (42 U. S. C. 2064) provides that "if energy is produced * * * in experimental utilization facilities of the Commisson, such energy may be used by the Commission or transferred to other Government agencies, or sold to publicly, cooperatively, or privately owned utilities or users at reasonable and nondiscriminatory prices. If the energy produced is electric energy, the price shall be subject to regulation by the appropriate agency having jurisdiction. In contracting for the disposal of such energy, the Commission shall give preference and priority to public bodies and cooperatives or to privately owned utilites providing electric utility services to high-cost areas not being served by public bodies or cooperatives."

3. Negotiations with private corporations:

A. On August 18, 1954, General Electric Co. proposed to the AEC that excess steam being generated at West Milton could be utilized to generate electricity and made a specific propostiion to the AEC that included the following (1) Title to the facilities would remain in GE; (2) facilities would be available for 3 years and would cost GE a million dollars and the Government nothing; (3) about 10,000 kilowatts of electric power would be available by the summer of 1955; (4) Niagara Mohawk Power Corp. would take the power on an "if, as, and when" basis at a price of 8 mills per kilowatt-hour. (This is the same price as that to be paid by Duquesne Light Co. for power from the civilian nuclear plant at Shippingport, Pa.)

B. On September 3, 1954, representatives of GE and the AEC met in Washington to discuss GE's proposal. The preference clause in section 44 of the Atomic Energy Act was discussed.

C. On September 24, 1954, Niagara Mohawk Power Corp. proposed to AEC that it would purchase the power generated by GE on an "if, as, and when" basis for 8 mills per kilowatt-hour.

D. On October 7, 1954, GE sent a report to AEC concerning the possible sale of West Milton power to preference utilities. In this report GE indicated its opinion that it was completely impractical for even the nearest public power body to use the West Milton power.

E. On October 18, 1954, General Electric again wrote to the AEC declaring that it was impracticable for anyone other than GE to operate the generating facilities at West Milton. (The Westinghouse Electric Corp. operated and constructed the experimental submarine thermal reactor (STR) Mark I at the National Reactor Testing Station in Idaho previously.)

F. Finally, on November 3, 1945, the Commission approved the GE proposal to generate power from the excess steam at West Milton.

G. On January 4, 1955, the AEC discussed with General Electric the sale of the West Milton power.

4. Negotiations with public utilities:

A. As the initial step prior to contacting the preference utilities the General Electric Co. wrote to the AEC and provided the Commission with a list suggested by Niagara Mohawk as contacts in the 26 public and cooperative power organizations located within 100 miles of West Milton.

B. Following receipt of this information the Commission on January 13 and 14 communicated by telephone with only these 26 utilities and also contacted 3 other private utilities.

C. The following obstacles to use of the power by the public bodies were set up by the Commission: (1) All power available would have to be taken by the prospective purchaser; (2) no amount of power, however, could be guaranteed; (3) what power would be produced would first be available by July 30, 1955, and all transmission arrangements would have to be made by the purchaser; (4) an initial 2-week time limit was set by the Commission.

D. Of the notified utilities three, Holyoke, Mass., Gas and Electric Department, Ilion, N. Y., Board of Light Commissioners, and the New York State Rural Electric Cooperatives Association, were interested in obtaining the power from the outset. All three remain interested in obtaining the power being produced at West Milton (February, March, and April).

E. For the next 3 months, the Atomic Energy Commission consistently refused to put a price on the power to be available at West Milton and persisted in trying to obtain an offer from the preference customers.

1. On March 9, 1955, the Acting Chairman of AEC wrote to the general manager of the National Rural Electric Cooperative Association refusing to set a price and soliciting an offer.

2. On March 24, 1955, the manager of the AEC Schenectady office wrote to the Delaware County Electric Cooperative (a member of the New York State Rural Electric Cooperative Association), reasserting the obstacles in the path of the public utilities.

F. Extensions of time were granted to the public utilities in making their proposals and on April 13, 1955 the AEC contacted the General Electric Co. to ascertain whether such extensions were all right with GE. On April 19, 1955 representatives of the AEC restated the unfirm nature of the prospective power and its indefinite timing and quality.

G. On May 11, 1955, the public utilities were for the first time informed that Niagara Mohawk had offered 8 mills for the West Milton power.

H. On May 17, June 4, June 6, June 8, June 21 and June 22, 1955, General Electric Co. contacted the AEC informing it of the imminent completion and then of the completion of the installation of the generating facilities and GE's desire to expedite the sale of the power.

I. On June 8, 1955, the Commission set a deadline of 2 weeks for the submission of proposals by the preference utilities.

J. On June 15 and June 17, 1955, the Municipal Electric Association of Massachusetts and New York State Rural Electric Association and the Ilion Board of Light Commissioners proposed purchasing of the power at a price of 3 mills per kilowatt hour. The Ilion Board proposed that the power be delivered to Niagara Mohawk and in exchange for Niagara Mohawk transmitting it, Ilion would take 1 kilowatt hour for every 2 Niagara Mohawk received at West Milton. Ilion would pay for all the power received by Niagara Mohawk.

K. On June 22, 1955, General Electric, AEC and Niagara Mohawk reportedly discussed contract terms.

L. On June 29, 1955, the Commission established a price of 3 mills per kilowatt hour for the West Milton power. It also approved sale of the power to Niagara Mohawk since it knew that the preference utilities had been unable to make transmission arrangements.

M. On July 13, 1955, a 3-month contract with Niagara Mohawk was signed by the AEC.

N. On July 18, 1955, in well-publicized public ceremonies General Electric produced electricity from atomic energy which was delivered to Niagara Mohawk at West Milton.

O. On July 19, 1955, the President of Niagara Mohawk formally rejected the preference utilities 2 for 1 offer.

P. On October 11, 1955, the contract between AEC and Niagara Mohawk expired.

Mr. Speaker, this chronology indicates clearly, as you will note—point 3, section G—that Niagara Mohawk offered the AEC a price of 8 mills per kilowatt-hour on September 24, 1954 and that the preference groups were not notified of the Niagara bid until May 11, 1955, 9 months later—point 4, section G.

Furthermore, the chronology shows—point 3, section G—that on September 24, 1954, Niagara Mohawk proposed to the Atomic Energy Commission that it would purchase the power generated by

the reactor on an if, as, and when basis and that it was not until January of 1955, 4 months later, that the Commission for the first time notified the preference groups of the fact that there would be an available source of electricity at West Milton—point 4, section B.

In point 4, section C of the chronology, the various obstacles to utilization of the electrical power by the public bodies which were thrown up by the Atomic Energy Commission are set forth. It seems to me that they indicate the somewhat less than subtle technique employed by the Commission to debar the preference groups from any opportunity to contract successfully for this power.

As these facts and the others in the chronology were brought to light, Mr. Speaker, I felt they clearly showed an attempt by the AEC to prevent and subvert the congressional intent in enacting the preference clause. The conduct of the AEC I consider to be a scandalous example of the giveaway philosophy of the present Republican-led administration. As a result, a considerable amount of correspondence ensued between my office and the Atomic Energy Commission. I should like to report on the most recent of these letters, because they most clearly reflect the victory that is here claimed.

On October 6, 1955, in a letter to Chairman Strauss, I indicated among other things that since the agreement entered into with Niagara Mohawk would expire on October 11, the Commission was presented with "an ideal opportunity to review this situation and enter into an agreement with the interested preference utilities under section 44 of the Atomic Energy Act of 1954." Receipt of my letter was acknowledged on October 11 and on November 4, 1955, I was advised in the reply from the Commission that the preference groups had been granted an extension of time for the submission of bids, in order to give them additional time to arrange for transmission of the power to their systems and that in an effort to afford every opportunity to municipal and cooperative bodies to obtain the advantage of the preference provision of section 44 of the Atomic Energy Act of 1954, the Commission is giving such groups a further extension of time to January 1, 1956, within which to submit firm proposals for the purchase of West Milton power at the bus bar at the established price of 3 mills per kilowatt-hour.

Then, Mr. Speaker, on December 29, 1955, the Atomic Energy Commission sent me the latest letter in our exchange of correspondence. In that letter, Mr. K. E. Fields, General Manager of the Commission, informed me that the Commission had been told "by one of the preference groups that negotiations are under way with Niagara Mohawk Power Corp. on arrangements for transmitting the power, but that additional time beyond the January 1, 1956, deadline for the submission of firm proposals to purchase the power would be required. In response to this request, the time is being extended to February 1, 1956. All interested preference groups are being notified of this extension."

In view of the fact that the deadline for these negotiations is but a few days away, I believe it appropriate at this time to place this matter in its entirety before the House. I am sure that each of my colleagues will watch, with an interest equal to my own, for developments leading to a successful conclusion of these negotiations between one of the preference groups and Niagara Mohawk. There can be no doubt that the public interest will be best served by the consummation of such an agreement.

I hope that you, Mr. Speaker, and that my colleagues in the House will forgive my feelings of hopefulness. The consideration that preference utilities are now being afforded is heartening indeed, for it was the intention of Congress in enacting the preference clause that they should be given the first opportunity to purchase this atomic electric power if they desired it. That the congressional intent is now, finally, being complied with and followed is a significant victory for small rural communities, the farmer and modest municipal utilities who for so long have been deprived of cheap, firm electric power by the utility monopoly.

Dilemmas of a Congressman

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. CELLER. Mr. Speaker, under leave to extend my remarks, I insert herewith a speech I made before the Command Management School, at Fort Belvoir, on January 19, 1956:

DILEMMAS OF THE CONGRESSMAN

No one group of people has been on the receiving end of jokes than have the Members of Congress—or, for that matter, the members of any legislative body, either in these times or in history, ancient and modern. I know a hundred such cracks, some of the most caustic of which were made by Mark Twain:

"Reader, suppose you were an idiot. And suppose you were a Member of Congress. But I repeat myself."

And:

"Fleas can be taught nearly anything that a Congressman can."

The British Parliament took its share of ribbing at the hands of such critics as Walter Bagehot, who defined Parliament as "nothing less than a big meeting of more or less idle people," and Gilbert and Sullivan, who recorded thus the success story of a Member of Parliament:

"I always voted at my party's call
And I never thought of thinking for myself at all.
I thought so little, they rewarded me
By making me the ruler of the Queen's Navee."

—*H. M. S. Pinafore.*

Will Rogers had his fun at the expense of Congress, but innocently denied it: "I don't make jokes," he said, "I just watch the Government and report the facts." And Eugene Field remarked:

"Some statesmen go to Congress and some go to jail. It is the same thing, after all."

But, as the comedians say, don't get me wrong. I love it. And so say we, all of us. And to prove it, I have run for, and won, this office 16 times, and I am looking forward with the keenest of pleasure to running again. I have 33 years of battle and retreat, of small triumphs and bigger defeats.

I have chosen for my topic today Dilemmas of the Congressman, not because, believe me, the sensitive soul is hurt by the judgment of our humorists, but to get down to the serious business of the day, I am convinced that the structure of the democratic process cannot be wholly understood unless the people who live under a representative government know the dilemmas that are faced time and time again by the men and women they have selected to represent them.

I want to discuss first the apparent dilemma faced by every Congressman, and I think it can best be billed as "National Interest versus Regional Sentiment."

We see this at play in practically every major bit of legislation before us. A member of Congress, for example, is convinced that the national interest demands a low tariff. He recognizes that trade is a two-way street; that if we wish to export, we must also import; that if others are to buy our products, they can only earn the dollars with which to buy these very products by selling to us.

But let us suppose you represented a district whose present economic strength lies largely in, shall we say, the manufacture of blouses, which is meeting heavy competition from Japan. It is most difficult for people who must eat here and now to be persuaded that in the long run they and the country will fare better if the tariff on Japanese imports is reduced.

It has been proposed in many quarters that this conflict be resolved by re-training of workers for other industries and payments sustaining the workers during such period of re-training. The adoption of such a concept, however, is a long way off. Ways of compensation should be found for those who have invested in business and have been forced out by foreign competition. How does the Congressman vote—in what he believes to be the national interest, or in view of his district's present needs?

If he votes for the national interest as he sees it, does he face defeat?

Perhaps he can persuade the major part of his constituency of the soundness of his views, but I doubt if he can do so with those of his constituents who work in and with the manufacture of blouses.

Another such example is in the area of immigration legislation. Let us assume that the Congressman is convinced that a liberal immigration policy serves the best interests of his country; that such liberal policy will play an important part in cementing foreign friendships; that a liberal immigration policy means the bringing of new skills into the country, leading to new industries, greater purchasing power, and the enrichment of our culture.

But suppose his district, fearful of the foreigner, rejects this ideology. In what direction does he, representing his district, move: toward the national interest or toward the appeasement of regional sentiment?

We have seen this dilemma again in the matter of compulsory military training. A Member of Congress is convinced that the national interest demands the institution of a system of compulsory military training in these hazardous times. The constituents in his district who think—and must necessarily do so—in terms of the future of their children, their husbands, their fiances—are thinking in terms of single family units and hence urge against compulsory military training.

Shall the Member risk defeat and vote in the national interest, or does he, knowing the hearts of mothers and wives, take it upon himself to express the sentiment of the people who sent him to Congress? Which shall prevail, according to the Congressman's convictions—the national interest or the regional sentiment?

We see this dilemma at work among certain Congressmen who are face to face with the desegregation decision of the Supreme Court. Here emotion has risen high. Let us assume that the Congressman is elected by a district where the prevailing feeling against desegregation is intense. He personally believes in the principle of the equality of opportunity for all peoples. He feels that segregation is a mockery of democratic principle, that the color of skin has nothing to do with merit or potential, that it is wrong to put a fence around a people because of color, or to keep them on the lowest economic footing and to deny them entry into schools supported by public funds. And he believes that all children are God's children.

But his constituents will not have it so. They feel the lowering of educational and physical standards in the schools. They believe that this break with tradition is too painful for their children to face.

In which direction does the Congressman face? Does he represent the national interest or the regional sentiment?

For those who have been in Congress for many years and whose constituents are thoroughly familiar with the quality of their work, it is easier to say that the national interest shall prevail. But for those who are serving only their first, second, or third terms, it is a dilemma of large proportions.

There is another dilemma which rears its Janus heads in instances too numerous to be comfortable. This I have called the all or nothing or little bit of something dilemma. As a Congressman seeking election, you have stumped through the district and taken your firmest stand on the question of public housing, the urgent need for increased numbers, etc.

On the floor of the House you are confronted with a measure which cuts public housing to a minimum and ties it to a slum-clearance project. You have, then, the choice of voting your protest against the minimum program, thus helping to defeat the bill, with the end result of no public housing at all. Or you can vote for the bill and face accusation throughout your district that you have sold out to special interests.

There are times when you are accused of the kind of flexibility that ends up with your having no backbone at all, and there are other times when you are accused of being so rigid that you could not bend without cracking.

Does a Congressman trade? Does a Congressman compromise? If so, how much? Does he vote with the public-opinion polls? Or does he endeavor to persuade his constituents to join with him in his viewpoint?

It is safe to say that majority wins. But is it always the truth to say that the majority is always right?

I have found myself in the position of being the only Member on the floor to cast a dissenting vote. It is a lonely position, carrying with it the penalty of being conspicuous and inviting abusive letters from people all over the country. I knew when I voted that, at best, I could expect two people to vote with me. This was a dilemma which had to be resolved in the fraction of a minute.

I have to point again to a curious position in which a Congressman finds himself when, upon examination of the facts, he changes his point of view. I recall at the time of the vote on the aid to Greece and Turkey bill—which, as you know, was a forerunner to the Marshall plan—I had conducted my own poll in the district and the replies from my constituents numbered 2 to 1 against such aid. I followed the mandate of my constituents.

Following the vote, I probed more deeply into the subject and I became firmly convinced that I had been wrong. I have been a supporter of foreign aid programs since that time, and I have had to face the charges of inconsistency in each election campaign. I can only answer the charge when it is placed before me. But the process of growth and maturing leads to fuller understanding and different insights which require the freedom of mind to change your position if you so wish.

No one can solve these dilemmas for the individual, nor can there be any single solution to fit all cases. Each dilemma carries with it factors which are peculiar to the situation and a conclusion to one is not necessarily transferred to a conclusion to another. It is a part of the trust of government, and it is well for you that you understand it, for it is all part of living, and, I suppose, fundamentally no different from the experiences of all men and women in the paths they have chosen to travel.

Annual Observance of the Birth of President William McKinley Sponsored by the Mahoning Valley McKinley Club, Niles, Ohio, January 23, 1956

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1956

Mr. VAN ZANDT. Mr. Speaker, it was my privilege to deliver the principal address on the occasion of the annual observance of the birth of President William McKinley sponsored by the Mahoning Valley McKinley Club at Niles, Ohio, January 28, 1956.

The address follows:

ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, ON THE OCCASION OF THE ANNUAL OBSERVANCE OF THE BIRTH OF PRESIDENT WILLIAM MCKINLEY, SPONSORED BY THE MAHONING VALLEY MCKINLEY CLUB, NILES, OHIO, JANUARY 28, 1956

It is an honor to have been selected to participate in this annual program sponsored by the Mahoning Valley McKinley Club in observance of the birth of the 25th President of the United States—William McKinley.

As a student in the public schools of Altoona, Pa., I recall with much pleasure our observance of McKinley Day and more recently as a Member of Congress of the recognition given to this great American by the annual custom of wearing a red carnation in honor of his memory.

Then, too, I am reminded that annually on the birthday of William McKinley, Congress pauses in its deliberations to permit Members of the Ohio delegation to honor a man who by his service to his community, State, and Nation won the love, admiration, and respect of all Americans.

William McKinley brought honor to his home State of Ohio by his outstanding public career.

For seven terms he ably represented the 16th District of Ohio in the Congress of the United States.

The affection and esteem in which he was held by the people of Ohio is evident by the fact that he was elected twice as Governor of the great Buckeye State.

William McKinley by devotion to duty and an outstanding record of service to the people of Ohio found a wider sphere of activity and a fitting climax to his public career when he was elected as the 25th President of the United States.

He was a great President because he had executive ability and administrative experience coupled with a thorough understanding of domestic affairs and international problems.

His successful handling of the war with Spain endeared him to the people of the Nation.

President McKinley was a man of unusual talents.

He was kindly yet firm in his insistence on justice and fair play, which with his honesty and sincerity of purpose, earned him nationwide affection and acclaim.

Furthermore, he had a fine military record, having served his country with honor and distinction in the Civil War.

His participation in the Battle of Antietam revealed his courage to such a degree that it is recorded as one of the heroic instances of the Civil War.

When death by assassination in 1901 summoned William McKinley to join Abraham Lincoln and James A. Garfield in the role of a martyred President, Americans became fully conscious of the loss of an able leader and a great President.

Since his assassination, volumes have been written in praise of this great American, who as an outstanding soldier and able statesman, revealed such a depth of love of country that his memory is forever enshrined in the hearts of the American people.

Ladies and gentlemen, it is a coincidence that at this hour we have as President of the United States, Dwight D. Eisenhower, a great American general with a brilliant military record, and who, like William McKinley, finds himself at the helm of Government during a great crisis with the monumental task of leading the free nations of the world in achieving a just and lasting peace.

It is reassuring to realize that unlike William McKinley, our present Commander in Chief has at his command a fully modernized and highly developed Military Establishment.

When President McKinley issued the call for volunteers for the Spanish-American War, the United States had an Army and Navy of 2,143 officers and 26,040 enlisted men; while Spain had one of the largest navies in the world, and an army of 500,000 with over 192,000 in Cuba alone.

In addition, with the exception of Great Britain, all of Europe was solidly behind Spain which enjoyed the prestige of being regarded as one of the world powers.

When the Spanish crisis developed, as a Nation we were recovering from a civil war that sought to divide us and destroy our unity.

The challenge hurled by Spain, however, found us a united Nation as some 483,000 American youths served in the Spanish-American War, 20,000 of them losing their lives in battle or as victims of yellow fever contracted in the disease-infested jungles.

Under William McKinley as President of the United States, victory over Spain was achieved.

That victory resulting from the courageous decision of the United States to face the issue, made certain that Cuba, Puerto Rico, and other islands of the West Indies were not conquered by hostile European nations.

What is more important is the likelihood that our defeat in the war with Spain would have placed Haiti, Guam, and the Philippines under Russian rule.

The result of our victory against Spain made possible the security and solidarity in the Western Hemisphere that we prize today as we watch with eternal vigilance Russia's avowed determination for world domination.

It is significant that a soldier President was Commander in Chief of our Armed Forces in

the war with Spain for it was this Nation's initial battle on foreign soil in defense of liberty and freedom.

Since the days of William McKinley, the United States has fought two World Wars on far-flung battlefronts and in addition, the so-called police action in Korea with its heavy toll of death and injuries to American youths.

All of these global conflicts were costly in the loss of human life; in providing proper medical and hospital care for the maimed and wounded, and in the heavy drain on our natural resources in maintaining and supporting the war effort.

The prosecution of these world conflicts has had a devastating effect on our national economy forcing us to realize that the cost of modern warfare can bankrupt even the most powerful nation in the world.

This fact should prove a sobering influence to all Americans because it is commonly known that the prime objective of the Soviet Union according to the Russian timetable is to bleed America white by a series of so-called police actions and phony crusades for peace and then when our economy collapses to move in for the kill and take over this great Republic without firing a shot.

This formula for conquering the United States was first proclaimed by Marx and Lenin and subscribed to by Stalin and his successors.

For example, Dimitry Z. Manuilsky, of Russia, Presiding Officer of the U. N. Security Council in 1949 in defining Russia's policy of crushing capitalism summed it up several years ago as follows:

"War to the hilt between communism and capitalism is inevitable.

"Today, of course, we are not strong enough to attack.

"Our time will come in 20 or 30 years.

"To win we shall need the element of surprise.

"The bourgeoisie will have to be put to sleep.

"So we shall begin by launching the most spectacular peace movement on record.

"There will be electrifying overtures and unheard-of concessions.

"The capitalist countries, stupid and decadent, will rejoice to ccoperate in their own destruction.

"They will leap at another chance to be friends.

"As soon as their guard is down, we shall smash them with our clenched fist."

However, this lone approach in conquering the United States is threatened by present-day developments in modern warfare.

The march of progress in the field of science has revealed the possibility of eventual war between the United States and Russia because of the development by both nations of modern weapons so death-dealing in their effectiveness that they stagger the imagination.

For example, after witnessing the destructive effects of the A-bomb we were further amazed to learn of the H-bomb and of its potential use in exterminating the human race.

Along with the development of these weapons of massive destruction has been the announcement that guided missiles have advanced to the stage of where it will be possible within a year or so to test a long-range missile able to carry the H-bomb to a target 5,000 miles distant.

It is no secret that tests will be made soon of a missile carrying an H-bomb with a 1,500-mile range while the immediate objective is to extend mileage to 5,000 miles at a speed 3 times that of a rifle bullet.

Thus we have on one hand the continuing threat of the cold war with Russia and her hope that we can be drawn into fringe warfare all over the globe while she sits on the sidelines.

The only other alternative since Russia is not interested in a just and lasting peace is the threat of direct war when she feels able and has had time to perfect an intercontinental missile and to build up a sufficient stock of A-bombs and H-bombs to warrant an all-out atomic attack.

In view of these breath-taking developments in the field of modern warfare, it is well for us on the anniversary of the birth of President McKinley to review the history of the United States since 1901 when he met death from an assassin's bullet.

William McKinley, as President, rallied this Nation in time of peril—and America responded—by meeting successfully the challenge to our liberty and freedom.

Since his time and after three successive world conflicts, we find that world peace is not within the grasp of the family of nations as long as the scourge of communism holds sway.

Ladies and gentlemen, the average American citizen has a fairly well defined knowledge of the evils of communism, but unfortunately, even with the utmost vigilance, Moscow dupes by escaping detection have infiltrated many segments of American life.

It has been proved possible that once the Communist-inspired individual is discovered he can be shadowed and finally exposed.

However, to our sorrow we know that these cunning stooges of Moscow operating in groups or alone have invaded our Government and succeeded in obtaining highly classified documents for Soviet Russia that revealed secrets concerning the development of the atomic bomb.

There is no doubt in anyone's mind that these traitors have made it possible for the Russians to make marked progress in developing the A- and the H-bomb.

In addition, they stole secret papers from the Department of State and the Department of Defense concerning our defense plans and sold them to Soviet agents thus becoming traitors to the flag they lived under while masquerading as loyal American citizens.

The irony of the situation is that these Moscow-puppets when apprehended and questioned about their Communist affiliations in a defiant manner invoke the fifth amendment to the Constitution of the United States—the very same Constitution they have sworn in Moscow fashion to nullify and destroy.

Unfortunately we have among us groups of American citizens who knowingly or unknowingly protect and aid these traitors by demanding in petitions or by newspaper advertisements that their civil rights be respected.

These so-called "liberals" have been found among newspapermen, radio commentators, educators, college professors, school teachers and lawyers, with a sprinkling in many other walks of life.

When taken to task for their interest in the pinkster element they cry that like the Commies their profession is being persecuted and their livelihood threatened, yet they have no apology for aiding those who would overthrow our form of government and with it destroy our cherished American principles of liberty and freedom.

It is revolting to realize that many so-called Americans are willing tools of Moscow and that despite their academic degrees and other claims of knowledge and intelligence, they refuse by their sinister actions to voice appreciation for the priceless heritage that they enjoy as citizens of this great Republic.

These self-styled Americans know in their hearts that a citizen of Russia is regarded as having no human dignity and that he is regarded as merely a creature of the state.

They know that under the Russian emblem—the hammer and the sickle—a Russian cannot own a foot of land, a shoeshine stand, a grocery store, or employ anyone.

There is but one employer—the state.

You work or you starve in Russia.

There is one political party, one ticket, one choice.

You hear, see, and read what the state permits—and no more.

You cannot remain away from work; labor cannot strike; nor can one travel without a permit or be friendly with a foreigner.

There is no freedom of assembly; no freedom of speech; or religion; or of the press.

In short, there is no freedom behind the Iron Curtain.

There is no such thing in Russia as a trial of justice and equity as we know it in America.

There is no jury trial.

You may not be charged with a serious crime if you steal something in Russia—but let you utter one word against the government and before sunset you are on your way to a slave labor camp.

It is reported that about 1 Russian in every 13 is in a slave labor camp.

The total population of these camps is over 15 million.

No one seized by the secret police, whether innocent or guilty, has any right to protest; and only 5 percent are ever released.

The rest die a slow death.

By contrast here in America, we enjoy the blessing of living in the greatest country on the face of the earth.

We inherit at birth the God-given heritage of liberty and freedom.

Since the birth of this Nation, American youth have fought to preserve these cherished principles.

Therefore, it is an insult to those who fought our Nation's battles, many of whom died, to tolerate in our midst any individual who directly or indirectly engages in or aids subversive activities.

Despite three world conflicts since 1917, the American people spent billions of dollars in trying to aid foreign nations to recover from the effects of war.

We have extended a helping hand to all nations, even to those hostile to our concept of government.

In return, we have received an empty hand and an almost threatening demand to continue the role of Santa Claus or the begging nation will embrace communism.

How long can the United States continue to carry the world on its shoulders and at the same time support a national defense policy at home that requires 65 cents out of every tax dollar, and which for the next fiscal year will cost American taxpayers over $35 billion.

In this connection, our guided missile research-development program alone is costing us at the present time over $1 billion a year.

Meanwhile, it is reliably reported that Russia has secretly overhauled the Red war machine, almost completely modernizing its Army of 2½ million men with emphasis on mobility and armor for the quick grouping and scattering required in atomic warfare.

Informants disclose that the Kremlin has put emphasis on bombers, jet fighters, and atomic weapons, but, in addition, has spent billions of dollars in remodeling the Russian Army into a first-rate ground-fighting force.

The modernization discloses that since Russia has mostly dirt roads, the remodeling plans contemplate atomic-type warfare in areas with hard-surfaced highways.

Comparison with the horse-drawn Red army of World War II discloses the tremendous gain that is being made in mobility through the reported acquisition by Russia of advanced types of trucks and helicopters.

The battle order of the Red army is said to continue to provide a total of 175 divisions, 30 of them assigned to East Germany and satellite countries in Western Europe, with 60 more divisions available on short notice to move in and support those on the Western front.

Special emphasis is also being placed by Moscow on radar-controlled aiming devices

for accuracy to replace Russia's former dependence on massed artillery fire.

While the Soviet Union continues its huge military-modernization program, it has announced a 5-year plan for bolstering its economy.

Thus, the mad race for superiority in armaments proceeds as the United States and the free world struggle for peace among all nations.

To meet the cost of an adequate national defense, it is fortunate for us that, due to the American principle of free enterprise, we experienced a prosperous year during 1955, with more people employed than ever before in the peacetime history of this country.

Unemployment is low, although in some areas there is suffering because of a labor surplus.

The plight of these areas has been mentioned by President Eisenhower in his state of the Union message, and undoubtedly his program for relief will be sanctioned by Congress.

Prosperity is reflected in the average weekly pay envelope which shows an increase in wages while at the same time the cost of living has not been permitted to skyrocket, but in fact has been stabilized the past 3 years.

The net result is that the value of the dollar shows improvement the past 3 years—but what is more important—we are at peace and the Nation as a whole is in a prosperous condition.

It is gratifying to realize that we are enjoying this prosperity despite the fact that 3 years ago the prophets of gloom and doom were predicting a terrible depression if the Korean war ever ended.

Thanks to the ability, sincerity, honesty, and wisdom of President Eisenhower, hostilities have been ended in Korea and the ghastly casualty lists are no longer occupying their grim position on the front pages of our daily newspapers.

Ladies and gentlemen, with another McKinley-type President in the White House, we have made the transition from a wartime economy, based on the blood and sufferings of American youth, to a peacetime economy with over 64 million Americans gainfully employed and unemployment reduced to an all-time low in peacetime.

Tonight, through the grace of God and the wisdom and courage He has given our beloved President, everything is booming but the guns.

We Americans who pride ourselves on being citizens of this great Republic, founded under God, recognize the frenzied desire of the heartless and atheistic Russian leaders to banish all belief in a supreme being.

The godless Russian regime has virtually exterminated religion not only in the Soviet Union but has cruelly persecuted every form of Christian worship in the hapless countries that now find themselves behind the Iron Curtain.

We cannot review the life of the martyred McKinley without being reminded of his religious fervor and his complete dependence upon the love and mercy of Almight God.

It is recorded that one of his favorite hymns was the beautiful and inspiring "Nearer My God to Thee."

In this supersonic and ultrasonic age when death-dealing weapons of war are hurled through space at a speed greater than sound, we should be grateful that God in times of crises has given us such Presidents as William McKinley and Dwight D. Eisenhower, both of them unashamed like the martyred Lincoln to publicly admit their complete dependence on divine providence.

President Eisenhower in his inaugural speech confounded the Communists by his sincere, yet simple, appeal for God's continued blessings on this Nation.

At the same time he rekindled America's faith in the eternal truth that God is the fountain from whom all blessings flow.

The President's emphasis of the need for a deep spirituality in our daily lives has been acclaimed by persons of all religious faiths who realize that without recourse to prayer and worship of our Creator, we do not deserve to be protected from the atheistic horde of Communists who are plotting the destruction of this Nation.

It is by dedication to lofty moral principles that we as a nation can hope to wage a successful battle against the godless philosophy of the Communists who have characterized religion as the "opiate of the people."

Ladies and gentlemen, in these perilous days, we need a revival of the Spirit of 1776 that inspired the spirit of 1898 and which under President McKinley's guidance brought us victory.

Later that same spirit was reflected in the indomitable courage displayed by American youth in three successive world wars.

God grant that we may avoid atomic warfare and that Russia may someday soon depart from its evil program of worldwide domination and ruthless persecutions, and instead, make an honest effort to dwell in peace with all nations.

But until that happy day is realized, as a nation of free people respecting the human dignity of mankind, we have no choice but to guard and protect this country against the wiles of the cunning and crafty Communists.

We owe it to generations yet unborn, to make certain they will find that we have preserved for them the precious legacy of liberty and freedom which we inherited when we were born as citizens of the greatest Republic on the face of the earth.

With God's help and a sincere desire to protect and defend America, we cannot fail in this important mission, because America, "the land of the free and the home of the brave," is the free world's last best hope for survival.

Federal Aid to Education

EXTENSION OF REMARKS
OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1956

Mr. PELLY. Mr. Speaker, knowing that in the State of Washington we have been short some 2,725 school classrooms, I followed the White House Conference on Education with great interest. It was obvious the problem of the shortage of education facilities was nationwide—due to a lag of construction during World War II, plus a soaring birth rate. Like others who feared Federal dictation in the field of education, I had to admit that although I felt the providing of proper schooling for our children is not a Federal responsibility, nevertheless, many localities presently are either unable or unwilling to meet this responsibility. It has become a Federal problem.

Under the State of Washington constitution, every child is assured an education by the State—so if the local community falls short, the State, as I see it, must fill the need. The frills of education—and I do not use this term in a derogatory sense—can be voted up or down on a grassroots basis, but in my State a child's basic education is a State responsibility. By and large, I gather the same is true in most other States.

The difference between States seems to be that some States have made more effort than others to fill their responsibilities. Comparisons are not fair, but I have heard that California under the impact of population growth, due to the trend of westward migration, has issued $300 million of bonds to meet their needs. In our State of Washington, we have gone in debt to try and meet the shortage—unsuccessfully. It appears that certain other States have not needed to go into debt or are not of a mind to do as much.

The Eisenhower program to alleviate the shortage of public-school classrooms was unprecedented. Critics say it was too little and too late, but a Democratic-controlled Congress which failed a year earlier to act would have to share any such criticism with a Republican administration.

However, Mr. Speaker, sound programs require study and I, myself, question if anyone has the right answer yet. Certainly I am disillusioned by H. R. 7535.

Need, under the Eisenhower recommendation, was to be the basis for grants to States. This penalizes those communities which have acted on their own to build the needed schools. But this much should be said for the administration plan: It would cut off States and communities from getting aid if they had their own resources to build schools, yet failed to use them.

If the Federal Government gets into the solution of school maintenance problems—costs of and raising the standard of salary levels—I see a danger of Federal dictation but, in aiding a program to meet the classroom backlog, we assume the Government in time will step out of the picture. The requirement for matching contributions by the States is one provision to insure local payments, and local participation means local control under the Hospital Construction Act so it can be retained under a Federal grant program.

Anyway, I am favorable to giving apathetic or hard-pressed communities a Federal lift in catching up. I hope it will have the effect of encouraging local efforts to raise the standards of teachers' pay. If the States have reason to feel the Federal Government is going to enter the teacher-salary field, I fear for the effort. It will be a case of let Uncle Sam do it.

Now I want to say I am very unhappy about the proposed formulas for allotments to the States. I have looked over the tables issued by the Department of Health, Education, and Welfare in connection with S. 2905 which, as I understand it, is the administration's recommendation. Then I have before me figures developed by the Tax Foundation of New York City showing how the various States would fare under H. R. 7539, the so-called Kelley bill. Both formulas leave me very cold. It is not necessarily that my State of Washington will pay more into the Federal Government in taxes for the program than it gets back. I am used to that. The sore point with me is that the tables show that we States, who in relation to our total State-tax revenue have bonded ourselves highly or gone into debt, fare worse than many

States who have not incurred debts. Mind you, I am not criticizing those States who do not have big bonded indebtedness. I envy them.

Another point I raise is that the State of Washington is exceeded by only one State, New York, in expenditures for school purposes from State and local sources from current revenue receipts on a basis of per pupil in daily average attendance. It appears to me under H. R. 7535 our State does not get enough credit for what we are doing, and I come from a heavily taxed industrial area, Seattle and Kitsap County, that has been trying to meet its school needs in a local way as well as through the State level. Meanwhile, certain rural areas of our State who will not raise their assessed valuations for tax purposes to a fair figure are not paying a proportionate and fair amount of the effort the State is making.

However, that is a local problem. What I wish to emphasize as far as the Federal school construction program is concerned is that States like mine should be studying the basis of State allotments.

Frankly, our State Educational Association has wired me it favors H. R. 7535, the Kelley bill. But later when I have to explain to the taxpayers of my district my support of a bill which is not equitable, that wire from the Washington Education Association will not help much.

For example, Arizona's tax collections in 1954 were 26 times her outstanding debt. Yet Arizona under H. R. 7535 will get more aid than the cost of the Federal school construction program to her based on her share of Federal tax payments. She gets back more than her cost.

Wisconsin's taxes collected in 1954 were 52 times the outstanding State debt, yet she benefits in a greater degree than she would pay. In other words, the formula is wrong. A great many States benefit unduly in the same way. Notwithstanding, I am committed in my conscience to support a Federal education-aid measure which I hope will encourage people in every State as well as my own to meet the emergency. To vote down this bill, bad as it is, means no legislation this year.

There are only two provisions I insist on. I will compromise on the basis of allocating the funds to States. I am willing to see my constituents pay more than their just share provided, first, that the fair labor standard of the Davis-Bacon type is included, and second, that assurance is given one way or another that no funds under this program go to any school district in defiance of the United States Supreme Court as to segregation of races. If assurance is given that legally funds can be withheld by administrative action of the Department of Health, Education, and Welfare, I will waive the requirement of an amendment as to this latter point. But otherwise I personally will stand firm on both points.

Meanwhile, I urge a corrected formula for State distribution. A State with a heavy debt like my State of Washington is entitled to get back at least as much as the program costs her taxpayers.

Construction of Colorado River Project Will Not Affect Current Agricultural Surplus Problems

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. DIXON. Mr. Speaker, the upper Colorado project will not add to the agricultural surpluses for the following reasons:

(a) The construction schedule will prevent any material farm production within 10 years of the date of authorization. The surplus may be resolved by that time.

(b) During the second 10 years of construction not more than one-half the 132,020 acres can possibly be brought into production.

(c) The principal crops to be grown on this acreage will be specialty crops, fruits and vegetables, alfalfa and forage for cattle and sheep which feed on the ranges during the summer. The upper basin States are even now in a deficit feed area—and Federal aid has had to be extended to them.

(d) Most of the wheat grown in the upper basin States is on dry land. As water is put on these areas the land goes out of wheat and into other crops.

(e) The population of the United States is growing at a very rapid rate and it is estimated that by 1975 every acre of tillable land will be required to provide the food and fiber needs of the United States. By the time this project comes into full production the crops grown will be urgently needed.

(f) The principal of the soil bank will not be violated. In the case of this project it is the water bank that is needed. This project must be started now so that the water now wasting into the sea may be put in the "water bank"—storage reservoirs—and made available to be drawn upon when the facilities are ready to put the water to beneficial consumptive uses. It will take at least 7 years to build the dams and 10 to 15 years to fill them. The water bank must be filled as soon as possible while water which is wasting into the sea is available for the filling.

IMMEDIATE PLANNING VITAL TO MEET FUTURE NEEDS

If construction were begun tomorrow on the proposed upper Colorado River storage project, that project would not add to our surpluses of agricultural commodities.

First, the estimated schedule of construction shows that there will be little acreage put into production during the first 10 years after authorization:

(a) It will take 10 years to develop and let contracts for construction of the storage reservoirs to provide regulation of the river and to put water in the bank, so to speak, for use downstream during dry years and to produce power—a by-product, revenue from the sale of which will help pay for the project.

(b) The first lands brought into production are scheduled for the Le Barge participating project in Wyoming, which will in 1962—some 6 years from now—amount to 797 acres. In 1963 the Le Barge project will irrigate another 797 acres and the Smith Fork project will bring in 757 new acres. By 1966, 10 years from now, only 35,007 new acres will have been brought into production.

Second, during the next 10 years of development, the average new acreage to be brought into production will be less than 3,000 new acres per State per year.

(a) By 1975 every participating project will have completed its development except the central Utah project, which will bring into production 1,586 acres annually until 1980.

(b) Land taken out of production in these four States annually for urban development, highway construction, and defense installations greatly exceeds the additions which the upper Colorado River storage project will make to cropland acreage.

Third, by the end of the second 10-year period—1975—assuming the project were authorized today, it is estimated that our food requirements will be 41 percent greater than in 1950. The greatest increased needs will be for those foods, the production of which comprises the major agricultural activity of the four upper basin States—fruits, vegetables, alfalfa, forage, and seed grains.

(a) A 41.6-percent increase in beef production; a 51.8-percent increase in lamb production; and a 66.3-percent increase in chickens and turkeys will be required to meet consumptive demands.

(b) A 43.8-percent increase in fluid milk production will be required to meet consumptive needs.

(c) A 37.2 percent in fruit production, excluding citrus fruits; and a 62.6-percent increase in processed vegetables will be needed for consumption.

(d) A 43-percent increase in livestock including feed and forage will be needed by 1975.

UPPER BASIN CROPS WILL BE URGENTLY NEEDED AND ECONOMICALLY PROVIDED

In 1952 the President's Materials Policy Commission, based upon a now-antiquated population estimate of 193 million in 1975, concluded that by 1975 we would need a 41-percent increase in our total consumptive food requirements over those of 1950.

The Commission estimated that by 1975 a 49.4-percent increase in meat would be required. On a per capita basis this represents an increase in consumption of 17.2 percent. In other words, whereas we were consuming individually 146.1 pounds in 1950, each of us would consume in 1975, 171.1 pounds.

This is in keeping with the trend in the consumption pattern of the American people toward livestock products, and away from cereal crops. But in the light of more recent population studies by the Census Bureau, it is very likely that we shall need instead of a 49-percent increase anywhere from a 55- to a 65-percent increase in meat production. The Census Bureau now estimates that by 1975, we probably shall have a population of 228 million—35 million more than the President's Materials Policy Commission forecast about 4 years ago. This may even be for short of an

accurate forecast since as Dr. Ray E. Hoffman pointed out in his study, "The Reclamation of Land for Agricultural Purposes," contained in volume 3 of the Hoover Commission Task Force's Report on Water Resources and Power:

> The United States is now experiencing a substantial increase in population * * * population growth provides the most obvious indication of future food and fiber requirements. The rapid increase in population numbers in the United States was almost completely unexpected by experts in the field. National thinking and policy have been slow to adjust from the forecasts made by population experts during the 1930's to the effect that static population was in store for the United States at an early date. In 1947, for example, Whelpton prepared a forecast for the Bureau of the Census in which he forecast a projection of a population of 156,775,000 in 1960, and 169,801,000 in 1975. The 1960 forecast was exceeded in 1952 and the 1975 forecast will certainly be exceeded by 1960 (pp. 1161–1162).

In any event, if we judge the future by the past, we are going to have an expanding population which will require a large increase in livestock production. Livestock production is the principal agricultural commodity produced in the intermountain States of Utah, Colorado, New Mexico, and Wyoming. To the livestock producers in these areas, increased livestock production requires more water for without water the necessary feed and forage crops cannot be produced to sustain larger cattle numbers some 20 to 30 years from now.

This is the purpose of the agricultural features of the upper Colorado River Storage project, and it especially explains why the Le Barge, Seedskadee, Lyman and Florida irrigation, or participating projects, as they are called, are scheduled for early construction. These projects will provide water for high valley irrigated farming areas devoted primarily to the growing of forage crops and hay meadows.

The valleys of moderate to high elevation in the four States of Colorado, New Mexico, Utah, and Wyoming are from 4,400 to 6,000 feet in elevation. They have a variable growing season of from 100 to 185 days and variable precipitation from less than 10 to 16 inches. In these areas, forage crops for livestock use as a supplement to range grazing in the mountains predominate.

The relatively narrow valleys in high mountains are above 6,000 feet in elevation. Here the growing season is less than 100 days, and the precipitation more than 15 inches. Here the main production of forage is limited to hay meadows.

Mr. Speaker, some critics of the upper Colorado River storage project, especially the southern California critics, have made fun of irrigation projects whose principal purpose is to irrigate forage and pasture crops. First, may I point out that alfalfa, meadow hay, and other forage crops for livestock are in short supply in the intermountain States. Utah, Colorado, New Mexico, and Wyoming are deficit feed-producing States. Second, the alfalfa and meadow hay produced in these valleys of moderate to high and high elevations are not under price support. Third, although we may have surplus beef cattle numbers now, such will not be the case 20 to 30 years from now when the Colorado River storage project is completed.

Research results recently published by the Department of Agriculture make it very clear that hay can be produced on high mountain valley meadows with startling results. For example, on July 25, 1955, the Department announced that:

> High-protein superhay grown on mountain meadows in Colorado, proved as efficient in producing gains in beef cattle as commercial protein supplements in tests conducted cooperatively by the United States Department of Agriculture and the Colorado Agricultural Experiment Station.
>
> Although superhay is too high in protein to be used as the basic ration for beef cattle, western ranchers are interested in it because it can be produced economically on small plots and fed as a supplement to average quality hay.
>
> At Park County, Colo., 2-year-old bred heifers fed crude protein in the form of 2.6 pounds per day of superhay containing 15.6 percent crude protein gained 0.88 pound per day. However, heifers fed the same amount of crude protein as cottonseed cake gained only 0.74 pound daily. Both rations included 12.5 pounds per day of average quality hay.
>
> The high-protein hay used in the tests was produced by the application of 400 pounds per acre of nitrogen fertilizer to an intermittently irrigated soil. When two harvestings were made, hay yields of 5½ tons per acre containing 22 percent crude protein were found to be possible. Winter feeding often lasts 180 days in these regions and commercial protein supplements are added to low-quality hay ration to maintain a good breeding herd and to insure a satisfactory calf crop.

Through recently conducted research, grass-legume forage production on irrigated land can be remarkably increased by better management practices. On August 24, 1955, the Department of Agriculture announced that:

> 1. Frequent irrigation—7 to 11 days intervals—produced almost a fourth more forage when the surface soil layers contained 60 percent to 65 percent of the available soil moisture.
>
> 2. Cutting the plants when 12 inches high rather than more frequent clipping at 6-inch height, produced about 2,800 pounds more forage per acre.
>
> 3. Application of nitrogen in three 100-pound applications produced a total yield of 10,300 pounds of forage per acre, if they were staggered to help production during late summer when it normally falls off.

Yes, Mr. Speaker, the growing of grass-legume forage on irrigated lands is an efficient use of water in an area specializing in livestock production.

Southern California critics of the upper Colorado River storage project have been critical of producing alfalfa on, as they put it, the marginal lands which the participating or irrigation projects would bring into production.

Rather an odd charge, is it not, when one stops to think that over 20 percent of the total irrigated land in the 17 Western States, including California, is devoted to its production. Odder still, Mr. Speaker, is the fact that the results of experiments at the Department of Agriculture's Salinity Laboratory at Riverside, Calif., reported August 10, 1955, show that "an unusually high salt tolerance was found to be characteristic of alfalfa."

Much of the soil in the West is high in salt content, which makes the growing of many crops difficult. But alfalfa's outstanding ability to grow on salty land is highly important to the livestock economy of the West in general and that of the intermountain States of Utah, Colorado, and New Mexico in particular.

Specifically these experiments revealed that:

First. Alfalfa can withstand appreciable salt concentrates without showing any symptoms of leaf burning—a common result when other crops are grown on lands having a high salt content.

Second. Alfalfa grown on salty soil was just as rich in provitamin A as that grown on salt-free control plots; in fact, in many cases the salty soil increased the amount of provitamin A present.

Third. Most varieties of alfalfa produced one cutting per year more on the salt plots than on the control plot.

Fourth. All varieties showed greater salt tolerance in cool weather than in hot weather. This is an important and desirable characteristic in mountain valleys having 100-day growing seasons or less.

In a few words, Mr. Speaker, land not generally suitable to the economic production of high value cash crops are quite capable of yielding quality alfalfa, meadow hay, and grass-legume forage crops where adequate water is available. There production is high, as these research results indicate is and can be the case, they provide a source of relatively cheap, nutritious, and succulent feed of high animal canning capacity.

In the light of our anticipated needs for a 55- to 65-percent increase in meat production by 1975, when the Census Bureau estimates we will have a population of 228 million, it is important that we not permit our concern with temporary and short-run low prices for livestock to obscure our vision with respect to the need for planning and devising means of assuring an adequate supply of meat products 25 to 30 years from now.

As Dr. Hoffman phrased it in his study for the Hoover Commission Task Force on Water Resources and Power:

> It is ironic that one of this Nation's most pressing domestic problems, agricultural surpluses, is an outgrowth of something so necessary to the general welfare as a highly productive agriculture. It is important that long-run questions of food and fiber requirements are not obscured and sidetracked by periodic problems of surpluses.

The agricultural features of the upper Colorado River storage project represent a step in the direction of planning for the production of our long-range food and fiber requirements.

UTAH'S RECLAMATION PROJECTS DO NOT ADD TO SURPLUS CROPS IN GOVERNMENT STORAGE

Mr. Speaker, the Bureau of Reclamation, published in October 1955, the reclamation achievements of the Strawberry Valley project located near Provo, Utah.

In the light of the propaganda campaign the southern California water-users, interests have urged against the upper Colorado River project. I believe

a résumé of the agricultural aspects of the Strawberry project will serve to further reveal the erroneous nature of their criticism. Especially this is in light of their statement that construction of that project would add to our agricultural surpluses.

In Utah, the agricultural areas are in typical valleys wherever a stream emerges from the mountains or where water supplies can be made available. Here at the mouths of those canyons and in those mountain valleys are located the cities and towns and the agricultural and industrial developments. The elevation of these valleys varies from 4,500 to 5,000 feet. The growing season varies from 110 to 185 days. The annual precipitation varies from 12 to 18 inches in the irrigated area most of which comes during the nongrowing season. Soils are generally highly productive.

It is for just such a valley that the Strawberry reclamation project provides water in Utah County, Utah. The project, for which construction was authorized in 1905, furnishes approximately 60,000 acre-feet of water to irrigate about 42,000 acres of new lands and lands which need supplemental water. The crops produced on these project lands are feed grains and forage crops for livestock, fruits, and vegetables, as the United States Bureau of Reclamation reports point out:

The principal crops produced from an acreage standpoint are alfalfa hay and small grains. Three cuttings of alfalfa are obtained, with the project average per acre yield running between 3 and 4 tons; however, 7 tons are not uncommon. In 1954 the acreage of irrigated barley comprised over 60 percent of the small grains which was used almost entirely in local feed lots for the fattening of beef cattle and sheep. The new strains of barley are yielding over 100 bushels per acre on the better farms. Virtually all the wheat grown is fed to poultry and used in the fattening ration for beef cattle along with barley.

Most of the vegetable and truck crops such as sweet corn, canning peas, lima beans, and tomatoes are processed by the two large canneries located on the project. These canned goods are shipped both to eastern and western markets. Quality fruit, apples, peaches, cherries, apricots, and berries are grown on the project and shipped by rail and truck principally to the East and Midwest (p. 10).

Yes, Mr. Speaker, contrary to what the southern California opponents of the upper Colorado River project have said, the agriculture of the four upper basin States of Colorado, New Mexico, Utah, and Wyoming is predominantly a livestock enterprise. The feed grains—oats, barley, corn, wheat, and rye—produced in these States does not go under price support and into Government warehouses, but primarily is fed to livestock.

For example, on reclamation projects in Utah, including the Strawberry project:

First, 1,647,155 bushels of barley were produced in 1954, but only 36,402 bushels or 2.2 percent was placed under price support.

Second, 15,751 bushels of corn were produced in 1954, but only 8 bushels or .05 percent was placed under price support.

Third, 360 bushels of rye were produced and none was placed under price support.

Fourth, 475,046 bushels of oats were produced in 1954, but only 1,663 bushels or 3.5 percent were placed under price support.

Fifth, 921,029 bushels of wheat were produced in 1954, but only 71,748 or 7.7 percent was placed under price support.

The rangelands of the surrounding mountains and plateaus can be used for grazing only during the summer months, and as a result only about 54 percent of the annual forage requirements for beef cattle and sheep in Utah can be obtained from rangelands. The other 46 percent of the forage requirements for sheep and cattle must be produced in the irrigated valleys. This is why such a small amount of the feed grains, although eligible for price support, ever ends up in Commodity Credit Corporation warehouses. There grains are not produced for commercial sale, but rather for livestock feed. Without adequate water to irrigate these valley croplands, it would not be possible for Utah and the other intermountain States to produce feeder cattle, one of its principal agricultural products.

The importance of irrigated cropland to the livestock industry of the intermountain West is well exemplified by the Strawberry project as the Bureau of Reclamation publication points out.

When the project was authorized by Congress 56,000 acres of watershed lands surrounding the reservoir and suitable for controlled grazing were withdrawn from the public domain in order that this area might be properly protected against erosion. The grazing lands are administered by the association, and the grazing permits which are issued only to members of the association, are based upon the water rights held in the association. This source of summer grazing together with the Forest Service land and public domain desert lands to the West, administered by the Bureau of Land Management, has encouraged the raising of cattle and sheep. Complete use of the surrounding mountain and desert-grazing lands, much of which is seasonal in nature and usable only where there is a stable feed base, is dependent on the Strawberry Valley project. The livestock which use the surrounding grazing lands in the summer are fattened for market during the winter months or held over for breeding stock, using the hay and grain grown on the project lands (p. 12).

In Utah, as well as the States of Colorado, New Mexico, and Wyoming, the acreage and yield of irrigated lands fluctuates each year with the available water supply. Nearly every year there is a considerable amount of land which does not have a full year's supply of water.

Mr. Speaker, this is one reason why the construction of the upper Colorado River storage project means so much to the farmers and livestock producers of the four States concerned. Water will stabilize crop production, it will make possible a greater production of feed and forage crops and permit a full utilization of the range resources of the area.

BUREAU OF RECLAMATION SAYS: "IRRIGATED LANDS IN FEDERAL RECLAMATION PROJECTS DO NOT SIGNIFICANTLY AFFECT NATIONAL CROP SURPLUSES"

Opponents of the Colorado River project have reproduced in the RECORD a table prepared by the Bureau of Reclamation showing by participating irrigation project the crops to be grown which are also eligible for price support. The supplication and impression they wanted to create by this action was that the 132,360 new acres to be supplied water, and the 233,930 acres to be supplied supplemental water by this project, will create huge surpluses of agricultural commodities.

At the same time, they also should have placed in the RECORD, so that you could have all the facts, the Bureau of Reclamation's recent publication, Federal Reclamation and the Crop Surplus Problem. This study makes the following points with respect to the impact of reclamation farm production upon national production and the agricultural surplus problem:

1. Irrigated land in Federal reclamation projects does not significantly affect national crop surpluses. Traditionally about half of the cropped acreage on reclamation projects is planted to crops used exclusively for feed and forage essential to proper utilization of the 7-million acre western range. Much of the remaining acreage is planted to fruits, nuts, seed, vegetable and related crops, many of which are still in short supply, and all of which are needed to supply the Nation's protective foods.

2. Reclamation project harvests have a negligible effect on the price-support program of the United States Department of Agriculture. On September 30, 1955, approximately 86 percent of the investment of the Commodity Credit Corporation in price-supported commodities was in wheat, upland cotton, corn, tobacco, and rice.

(a) Wheat production on Federal reclamation projects constitutes less than 2 percent of United States production. It is planted primarily for local feed purposes and to balance crop rotations. For these reasons, wheat production is reduced more than 50 percent when western dry farmland is converted to irrigation.

It is general information that the upper basin States will produce no cotton, tobacco, or rice, and very little corn under the Colorado project.

Secretary McKay Misinformed by Subordinates on Chinle Shale Facts

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1956

Mr. HOSMER. Mr. Speaker, inasmuch as a copy of a letter to me, dated February 2, from the Secretary of the Interior will be found in the proceedings of the other body, I am availing myself of this extension granted on an earlier date to set forth some facts that should prove rather embarrassing to the Secretary. Had he not placed a copy of his letter to me in the hands of a Member of the other body before the letter itself was actually delivered to me, I would have taken a less peremptory and public means of remarking on this discourtesy.

The plain fact appears to be that the Secretary of the Interior is not getting

facts from his subordinates, and, as a consequence, he is persisting with a recommendation that may force the American taxpayers to pay for a billion dollar mud puddle out in the wilds of southern Utah.

The following letter, together with its enclosures, which I have today directed to the Secretary, explains it all. I am only sorry that the picture mentioned in the letter cannot be reproduced here in the RECORD. It shows that in 5 short minutes the Chinle shale which his Bureau of Reclamation geologist told Congress was impermeable soaks up so much water it falls to pieces and becomes nothing but mud:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 2, 1956.

Re: The upper Colorado River storage project.

Hon. DOUGLAS MCKAY,
Secretary of the Interior,
Department of the Interior,
Washington, D. C.

DEAR SECRETARY MCKAY: Under date of January 27, 1956, I furnished you information that Glen Canyon Dam reservoir contained about 50 miles of exposed Chinle shale, which when touched by the reservoir's water could disintegrate and cause landslides of tremendous proportions. As you know Glen Canyon Dam is the key "cash register" unit of the upper Colorado River storage project, and if it is found to be unworkable because of geological difficulties the entire financial structure of the upper Colorado River proposal collapses and the taxpayers would in effect be buying a billion-dollar mud puddle instead of a good project.

I made public release of this information on January 30. On the evening of January 30 the Bureau of Reclamation phoned a press release to numerous papers and followed it up with a release in writing dated January 31. The release stated that the "Chinle shale would be touched by the reservoir waters in three separate stretches * * * aggregating about 15 miles of the reservoir's length."

In truth and in fact, the Chinle shale is exposed for approximately 47 miles. This figure is taken directly from a special topographic-geologic map prepared for me by the United States Geological Survey within the past few weeks. It is the only such map in existence. It reveals that the Chinle shale is exposed between miles 96 and 101 and miles 141 and 164 on the Colorado River where the reservoir would be located. On the San Juan River it is exposed between miles 8 and 14, miles 20 and 28, miles 36 and 38, and miles 47 and 40, this is the total of 47 miles.

This erroneous statement by the Bureau of Reclamation indicates that they do not know geologically of the area, and that any advice received by you from them should be checked by an independent source, possibly the United States Army engineers.

The above-mentioned press release further states that the Bureau's geologists have been completely aware of the existence in the nature of Chinle shale formation for decades. I am attaching certain extracts from the hearings before the House irrigation and reclamation subcommittee during 1955, in which Commissioner of Reclamation Dexheimer, told the committee that it was impossible for him to say what the geology in the Glen Canyon Dam site is. Further, J. Neil Murdock, the Bureau's regional geologist in the Denver office, when asked by me if he had any figure for the Triassic formations in the area which includes the Chinle, said he had no laboratory figures but volunteered that the shale formations are recognized as impermeable. I am attaching a photograph disclosing that rather than being impermeable the Chinle formation of the Triassic group is exceptionally absorbtive and disintegrates when touched by water.

I point this out again, in order to emphasize the fact that the Bureau appears not actually to know the nature of the Chinle shale formation, and to again point out that any statements to you with regard to it should be reviewed with caution and checked by an independent source.

To further reinforce this view, I am enclosing extra extracts from two Geological Survey professional papers describing the Chinle formation and the tremendous landslides which can occur when other formations overlying it are undermined by disintegration of the Chinle. Although this information was prepared by an agency of the Department of the Interior, it apparently was not studied by the Bureau of Reclamation.

It is further respectfully requested that a press release be issued by the Bureau of Reclamation forthwith correcting the factual errors in the Januuary 31 release.

In closing let me reinforce my request that nothing be done by way of further legislative proceeding with the proposed upper Colorado River storage project until a complete geologic survey and investigation can be completed in the Glen Canyon Dam site.

Since dictating the foregoing, your wholly unsatisfactory reply under date of February 2 to my January 27 letter has reached my office.

If, as you say, the Bureau of Reclamation has been cognizant of the shale since 1922, why was any mention of them not made during the committee's hearings?

What are these studies that you claim to have conducted via public and private agencies with respect to the site and the implication of Chinle shale? In the face of the information I have attached hereto, how can you say that your conclusion with respect to the reservoir's site was carefully considered? I am certain as you must be that the Bureau of Reclamation completely fell on its face with respect to this one and that the press release it put out was either deliberately misleading or misleading because of ignorance. It seems to me that it is time that some of these people in your Public Relations Department and the Bureau of Reclamation be fired and replaced by people who know their jobs.

Very truly yours,
CRAIG HOSMER,
Member of Congress, 18th District, California.

EXTRACTS FROM HEARINGS BEFORE IRRIGATION AND RECLAMATION SUBCOMMITTEE, HOUSE INTERIOR COMMITTEE, 1955

PART I—COLORADO RIVER STORAGE PROJECT

Page 246:

Mr. HOSMER. Have you done any work upstream from this site? (Glen Canyon dam site.)

Mr. DEXHEIMER (Commissioner of Reclamation). Nothing but geological exploration, of course, sir.

Mr. HOSMER. What is that—surface exploration?

Mr. DEXHEIMER. Largely.

Mr. HOSMER. And how far back up the stream from the proposed dam site would the reservoir extend?

Mr. LARSON. 186 miles up the Colorado and 71 miles up the San Juan. I mentioned it in my statement.

Mr. HOSMER. Then you have taken visual surface geology in those extensive areas only?

Mr. DEXHEIMER. Yes. I am sure that our geologists have covered that reservoir area.

Mr. HOSMER. Well, surface geology?

Mr. DEXHEIMER. Yes.

Mr. HOSMER. You were in the office 6 years. Do you know of any of the results of that work?

Mr. DEXHEIMER. It has been some time since I went over the geologist's reports, and I am not familiar enough now to say that I remember just what they were. But those reports, of course, were fundamental to the selection of this site and the reservoir area.

Mr. HOSMER. You cannot tell us what is in them at the present time?

Mr. DEXHEIMER. No, I cannot.

Page 362:

Mr. HOSMER. Now, I believe the proposed lake would extend about 190 miles up the Colorado River?

Mr. MURDOCK (J. Neil Murdock, regional geologist, Bureau of Reclamation). Approximately that. River miles.

Mr. HOSMER. And how far is the other river?

Mr. MURDOCK. 61 miles, approximately.

Mr. HOSMER. Is that the San Juan River?

Mr. MURDOCK. The San Juan River.

Mr. HOSMER. During all this time, are you in the Navaho sandstone formation?

Mr. MURDOCK. No, sir.

Mr. HOSMER. What else do you get into?

Mr. MURDOCK. Well, you go up the Colorado River and you get into the older shales, Triassic shales, and into the limestones.

Mr. HOSMER. Is that the Kayenta formation?

Mr. MURDOCK. Yes; you get into the Kayenta formation and the Triassic formations, too.

Mr. HOSMER. What is the Kayenta formation?

Mr. MURDOCK. It is a shale and sandstone.

Mr. HOSMER. It is more permeable than the Navaho sandstone; is it?

Mr. MURDOCK. No. All the formations are more permeable in that area than the Navaho.

Mr. HOSMER. It is a less homogeneous formation than the Navaho; is it not?

Mr. MURDOCK. That is right.

Mr. HOSMER. It contains some sand and some gravel?

Mr. MURDOCK. Well, shale and standstone.

Mr. HOSMER. What is the permeability of this formation?

Mr. MURDOCK. Very low. We did not make any tests on it. But it is very tight.

Mr. HOSMER. Do you have any figures whatsoever?

Mr. MURDOCK. No.

Mr. HOSMER. Do you have any figures for the Triassic, which includes Chinle?

Mr. MURDOCK. No laboratory figures, but shale formations are recognized as impermeable.

Mr. HOSMER. That is not altogether true, is it, Mr. Murdock?

Mr. MURDOCK. Well, you might find exceptions, but in the oil business they utilize this, because the shales are impermeable and they trap the oil in the sands.

Mr. HOSMER. That is true with a subsurface formation, but I am talking about a formation that is fairly close to the surface.

Mr. MURDOCK. Surface formation has nothing to do with the permeability of the shale. It breaks down into a clay, which again is impermeable.

Mr. HOSMER. Depending upon its extent of saturation at the time you measured it; is that correct?

Mr. MURDOCK. No; I don't think saturation has anything to do with permeability.

[Extracts from U. S. Geological Survey publication Describing Chinle]

THE KAIPAROWITS REGION

(U. S. Department of the Interior Geological Survey Professional Paper 164 (1931) by Herbert E. Gregory and Raymond C. Moore)

The Chinle formation includes the group of shales, "marls," thin soft sandstones, and limestone conglomerates lying between the Shinarump conglomerate and the Wingate sandstone.

Records show that the Chinle is thickest in northeastern Arizona and southwestern

Utah—320 to 393 feet in upper Glen Canyon, and 830 feet in the San Juan Canyon (p. 53).

A fragment of fresh rock immersed in water swells to nearly twice its bulk, and after drying is nothing more than a pile of disconnected, irregular grains; alternate drying and wetting produces a substance part of which passes through filter paper. Under the microscope most of the material appears to be colloidal (p. 57).

When the Chinle "marls" and shales on steep slopes are saturated they seem to move by their own weight, carrying their broken strata and talus blocks to lower levels. At the south base of the Paria Plateau slides in the Chinle have spilled over the Shinarump conglomerate and down the Moenkopi cliffs to the Kaibab below, and at a place about 14 miles south of the Burr trail the Chinle beds have lost their hold and have slid, accompanied by huge fragments, over the upturned beds of Navaho sandstone, down the west side of the Halls Creek Valley in a jumbled mass that is roughly three-fourths of a mile wide, 1½ miles long, and 80 feet deep (p. 145).

As viewed from the rim of the Kaiparowits Plateau at Fiftymile Point the landslides are impressive. The slopes below the capping Cretaceous sandstone constitute a field about 2 miles wide and 10 miles long, everywhere strewn with boulders, the largest of which are square blocks of sandstone 40 feet thick. Successive slides have banked the materials in huge ridges like a series of terminal and lateral moraines.

Except in areas of Chinle and Tropic shales, landslides were not observed. The steep slopes of other formations are bare or coated with only ribbons and scattered patches of debris (p. 146).

THE SAN JUAN REGION

(U. S. Department of the Interior Geological Survey, professional paper 188 (1938) by Herbert E. Gregory)

The position of the relatively soft Chinle between two cliff makers accounts for its preservation in a region where erosion is vigorous (p. 49).

In the Chinle formation the conditions for producing slides are exceptionally favorable. The thin sandstone beds readily break into talus fragments and the "marl" beds when saturated seem to move by their own weight. Instability is further shown by mud flows that after heavy rainfall issue from the base of slides. In places recurrent movement is indicated by the arrangement of material in parallel ridges on Chinle slopes and by unconformities in the piles of debris successively pushed over cliffs (p. 102).

SENATE

TUESDAY, JANUARY 31, 1956

(Legislative day of Monday, January 16, 1596)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, we turn to Thee, driven by our drained lives, with tension for the present, anxiety about the future, deep concern about ourselves, our Nation, and our world. As we play our part in days of destiny, with all mankind standing in the valley of decision, we seek the sanctuary of prayer.

Entering its gates of peace, we bow for this dedicated moment at this shrine of the spirit, apart from the clamor of the world, from the pull of conflicting opinion, and from the rivalry of personal loyalty. Beneath all diversities of gifts and of thought, we seek the common unity which binds us together with the cords of Thy brooding love.

Help us to lay aside every weight of prejudice or pride or covetousness, and with glad and eager feet march with the armies that go to free, not to bind, to develop and not to rule, to cooperate and not to dominate, until the knowledge of the Lord, who is no respecter of persons, shall cover the earth as the waters now cover the sea. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, January 30, 1956, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Tribbe, one of his secretaries.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, following a brief executive session, there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and that any statement made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business for action on the nomination under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Interstate and Foreign Commerce.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nomination on the Executive Calendar, under New Reports, will be stated.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Frank M. Johnson, Jr., of Alabama, to be United States district judge for the middle district of Alabama.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified forthwith of the nomination today confirmed.

The PRESIDENT pro tempore. Without objection, the President will be immediately notified.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, yesterday I made an announcement that certain bills about which I desired the Senate to be on notice might be taken up either at the conclusion of consideration of the pending business, or at any time during this week when there might not be speakers who desired to discuss the bill.

I should like to have Senators know that there is also the possibility that there may be a call of the calendar on Friday, or perhaps next Tuesday, after action on the pending bill. I shall confer with the Calendar Committees of both sides of the aisle, and, of course, with the minority leader, before any such action is finally agreed on, but I should like to have the Senate know of that possibility.

Yesterday I was informed that the distinguished Senator from Michigan [Mr. MCNAMARA] had a statement on the pending business which he desired to make, as well as the distinguished Senator from West Virginia [Mr. KILGORE], the distinguished Senator from Missouri [Mr. HENNINGS], and perhaps other Senators. For that reason, in order to accommodate as many Senators as possible, and permit all Senators opportunity to express their views on the pending measure, I asked that the Senate begin its session today earlier than usual.

It will be the desire and the policy of the leadership to have the Senate meet as early and continue in session as late as the Senate may wish. If speakers are available and care to speak until 6, 6:30, or 7 o'clock in the evening this week, we shall be glad to have the Senate remain in session for that purpose.

It is not anticipated that there will be a Saturday session, because it is not usual to have one at this time of the year; but, if necessary, and if there are Senators who desire to speak on that day, the leadership will be glad to give consideration to that possibility.

The PRESIDENT pro tempore. Morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

EXTENSION OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT OF 1936

A letter from the Secretary of Agriculture, recommending the enactment of legislation to extend the authority of the Secretary to administer sections 7 through 17 of the Soil Conservation and Domestic Allotment Act of 1936 for 2 years after the expiration of such authority on December 31, 1956; to the Committee on Agriculture and Forestry.

REPORT OF REVOLVING CREDIT FUND TRANSACTIONS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, the annual credit report, Bureau of Indian Affairs, for the fiscal year ended June 30, 1955 (with an accompanying report); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of West Virginia; to the Committee on Banking and Currency:

"Senate Concurrent Resolution 6

"Whereas there is now pending before the Banking and Currency Committee of the Senate of the United States a resolution to disapprove the negotiated contract for the sale to private ownership of the Federal Government's synthetic rubber facility at Institute, W. Va.; and

"Whereas the report to Congress of the Synthetic Rubber Facilities Disposal Commission shows the pending sale to return to the Government by far its most favorable recovery, on the basis of net book value, of all the copolymer plant sales; and

"Whereas the Disposal Commission's report further shows clearly and conclusively that the pending sale contract fully meets the requirements of the disposal act with respect to—

"1. Procurement of fair value price.

"2. Market protection for small business.

"3. Protection of competitive health of rubber industry.

"4. Protection of public against any monopolistic trend; and

"Whereas acceptance by Congress of this sale will provide immediate activation of this large facility which has been idle all but 2½ years since 1947, thus giving lucrative employment to hundreds of persons with prospect of steady work at substantial wages by private employers; and

"Whereas the entire State of West Virginia, by the United States Department of Labor classification, has been for the past 2 years a class IV–B labor area (meaning highest level of unemployment) and the pending sale would alleviate this condition; and

"Whereas the terms of the pending Institute sale contract are equal or superior to those upon which each of the other 12 copolymer plants have been sold to private ownership during the past year, and there appears to be no just reason why the pending Institute sale as the last one should be measured by any other standards than those which have governed the preceding copolymer plant sales; and

"Whereas the rejection of the Institute sale contract apparently could have no other result than to deprive West Virginia of a great industrial operation in a facility ready for use, since the willing purchaser could provide himself with the same facilities elsewhere, without limitation as to size other than the limitation he places on his own investment risk: Now, therefore, be it

"*Resolved by the senate (the house of delegates concurring therein)*—

"That the Legislature of West Virginia, in regular session assembled, does hereby respectfully and earnestly memorialize and petition the Banking and Currency Committee of the Senate of the United States to reject the disapproval resolution on the sale of the Institute plant, now pending before it; and further

"That, should such a resolution be reported to the Congress, that the Members of Congress be hereby respectfully and earnestly memorialized and petitioned to reject the same; and further

"That copies of this resolution be forwarded to the Vice President of the United States and the Speaker of the House, to all members of the Senate Banking and Currency Committee, to all West Virginia Members of the Congress and, should any disapproval resolution reach the floor of Congress, to all Members of the House and Senate thereof."

A resolution adopted by the board of directors of the League of California Cities, Berkeley, Calif., favoring the enactment of legislation to provide appropriations for the construction of certain flood-control projects; to the Committee on Appropriations.

A resolution adopted by the Republican Western States Conference, Wabuska, Nev., favoring the enactment of legislation providing statehood for Hawaii; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Altadena Young Republican Club, Altadena, Calif., protesting against the enactment of legislation to provide Federal aid for education; to the Committee on Labor and Public Welfare.

A resolution adopted by the Nutrition Service Club of Oklahoma, Oklahoma City, relating to an investigation into the structure, powers, and policies of the American Medical Association; to the Committee on Labor and Public Welfare.

FLOOD-CONTROL DAM AND RESERVOIR, LITTLEVILLE, MASS.—RESOLUTION

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution which was adopted at a regular meeting of the City Council of the City of Westfield, Mass., on January 19, 1956, relative to bills now pending concerning the construction of a flood-control dam and reservoir in Littleville, Mass.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CITY OF WESTFIELD, MASS.,
January 26, 1956.

The Honorable JOHN J. KENNEDY,
The United States Senate,
Washington, D. C.

DEAR SIR: This is to officially inform you that at a regular meeting of the City Council of the City of Westfield, Mass., held January 19, 1956, it was voted "In order to protect the citizens of Westfield from any further loss of life and property, the Westfield City Council wishes to go on record in enthusiastically endorsing and supporting the bills now in Congress for the immediate authorization of a project for the construction of a flood-control dam and reservoir in Littleville, Mass."

This vote was approved by the mayor January 20, 1956.

Very truly yours,
HAROLD WHITTEMORE,
City Clerk.

MERCHANT MARINE TRAINING AND EDUCATION—REPORT OF A COMMITTEE (S. REPT NO. 1465)

Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, pursuant to Senate Resolution 35, 84th Congress, 1st session, submitted a report entitled "Merchant Marine Training and Education," which was ordered to be printed.

TELEVISION AND JUVENILE DELINQUENCY—REPORT OF A COMMITTEE (S. REPT NO. 1466)

Mr. KEFAUVER. Mr. President, pursuant to Senate Resolution 62, 84th Congress, 1st session, as extended, from the Committee on the Judiciary, I submit a report, made by the Subcommittee To Investigate Juvenile Delinquency, on Television and Juvenile Delinquency. I ask that the report be printed, with illustrations.

The PRESIDENT pro tempore. Without objection, the report will be received and printed, as requested by the Senator from Tennessee.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 3090. A bill to authorize the burial in national cemeteries of the remains of certain commissioned officers of the Public Health Service; to the Committee on Interior and Insular Affairs.

By Mr. CLEMENTS (for himself and Mr. BARKLEY):

S. 3091. A bill to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 1207 at Louisville, Ky.; to the Committee on Banking and Currency.

(See the remarks of Mr. CLEMENTS when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 3092. A bill to provide for the distribution of certain surplus food commodities to persons in the United States who are eligible therefor, by use of a food stamp plan; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. DWORSHAK:

S. 3093. A bill to amend the Agricultural Adjustment Act of 1938 with respect to the national acreage allotment for wheat; to the Committee on Agriculture and Forestry.

By Mr. LEHMAN:

S. 3094. A bill to extend the time during which the Ogdensburg Bridge Authority is authorized to construct and maintain a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.; to the Committee on Foreign Relations.

By Mr. WATKINS:

S. 3095. A bill to provide for the establishment of a national seed storage facility; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WATKINS when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 3096. A bill to amend chapters 4, 5, 6, and 8 of the Immigration and Nationality Act; to the Committee on the Judiciary.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER (for himself, Mr. KEFAUVER, Mr. MORSE, Mr. MCNAMARA, Mr. HUMPHREY, Mr. NEELY, and Mr. MANSFIELD):

S. 3097. A bill relating to certain inspections and investigations in metallic and nonmetallic mines and quarries (excluding coal and lignite mines) for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. LANGER when he introduced the above bill, which appear under a separate heading.)

By Mr. JACKSON:

S. 3098. A bill for the relief of Nelson Rupert Holland; to the Committee on the Judiciary.

By Mr. O'MAHONEY:

S. 3099. A bill to permit the transfer of wheat acreage allotments of lands taken by the United States Government for Federal dam construction purposes; to the Committee on Agriculture and Forestry.

By Mr. MCNAMARA:

S. 3100. A bill for the relief of Marianne Eder Dunbar; to the Committee on the Judiciary.

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 3101. A bill to authorize construction by the Secretary of the Interior of the Crooked River Federal reclamation project, Oregon; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a saparate heading.)

By Mr. LEHMAN (for himself, Mr. IVES, Mr. SMITH of New Jersey, and Mr. CASE of New Jersey):

S. J. Res. 130. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to authorize the Interstate Sanitation Commission to make certain studies of smoke and air pollution; to the Committee on Public Works.

(See the remarks of Mr. LEHMAN when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. CARLSON:

S. J. Res. 131. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

SALE OF GOVERNMENT-OWNED RUBBER-PRODUCING PLANT, LOUISVILLE, KY.

Mr. CLEMENTS. Mr. President, on behalf of myself, and my colleague, the junior Senator from Kentucky [Mr. BARKLEY], I introduce, for appropriate reference, a bill to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor Numbered 1207 at Louisville, Ky., I ask unanimous consent that a statement, prepared by me, relating to the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3091) to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor Numbered 1207 at Louisville, Ky., introduced by Mr. CLEMENTS (for himself and Mr. BARKLEY), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement, presented by Mr. CLEMENTS, is as follows:

This proposed legislation would authorize the Rubber Disposal Commission to entertain bids for the purchase of the last of the Government-owned rubber producing plants, Plancor No. 1207, at Louisville, Ky. The bill is patterned after legislation disposing of the Government-owned Baytown, Tex., and Institute, W. Va., copolymer plants last year and conforms to the principles in the original Rubber Producing Facilities Disposal Act.

Presently the Louisville plant is leased, under a 3-year lease which has 2 years to run, to the Publicker Chemical Corp., which since October 1955 has been producing butadiene at about one-third of its total capacity. From June 1943 to June 1945, and from January 1951 to June 1952, and from February 1953 until July 1953, the plant was under Government operation in producing butadiene, which is an essential product in the production of synthetic rubber. In the periods not covered by the above, this plant was idle.

At its present rate of production, the plant is providing employment for about 251 persons in the Louisville area. According to the operators, at full production 406 employees would be engaged.

In addition to the extension of authority to the Rubber Disposal Commission to receive bids for the purchase of the plant, the legislation, in the event that no sale was made of the facilities, would authorize the Rubber Disposal Commission to lease the Louisville plant for a period of not less than 5 years nor more than 15 years.

A longer term lease or a sale of the facilities would permit the operating company to enter into longer term sales contracts, thus giving stability to employment not possible under the present 3-year lease limitation.

The continued operation of the plant would not only result in a savings to the Federal Government in eliminating the high cost of maintaining the plant in standby condition but also would add to the country's active domestic rubber-producing capacity so essential to national defense.

FOOD STAMP PLAN FOR DISTRIBUTION OF CERTAIN SURPLUS FOOD COMMODITIES

Mr. KEFAUVER. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Tennessee may proceed.

Mr. KEFAUVER. Mr. President, the tragic plight of the American farmer—and especially the small farmer working a few acres—is the most pressing domestic problem facing this Nation today.

Any attempt to find one magic cure-all for the farm problem can be written off as a fruitless waste of time. The problem is so deep-seated and so complex that it does not lend itself to any single solution.

Despite its complexity, however, I am convinced that it can be solved through a combination of approaches which are logical in conception and simple of operation.

I am about to introduce legislation proposing one such approach.

It possesses the double virtue of providing assistance for more than 10 million of our less fortunately situated citizens at the same time that it offers a sensible way of disposing of the surplus of agricultural products which are the key to the present farm crisis.

Before I present my proposal, I should like to review certain of the factors affecting our agricultural economy:

Although I admire Secretary Benson's honesty and integrity, by now it should be apparent to all that his program has not been what one would term a complete success in solving the farm problem.

His whole program was based on the assumption that lower prices for farm products would mean lower retail prices for food, and that at these lower prices, housewives would increase their purchases. We would, it was said, "eat our way out of the surplus."

There has, of course, been some decrease in retail food prices, but the decline in farm prices has been much greater. As a result, the farmer's share of the consumer's dollar has been steadily declining while the proportion going to the middleman has been correspondingly increasing. As contrasted to 1952, by the middle of this year the share of the consumer's food dollar going to the farmer had fallen from 47 to 41 percent, while the proportion going to the middleman had increased from 53 to 59 percent.

We have not been able to "eat our way out of the surpluses" because the event which was supposed to trigger off the increase in consumption has not taken place—at least to the extent required. With retail food prices remaining high, the only result of Secretary Benson's policies has been what should have been anticipated—lower prices and distress at the farm and increased margins and profits for the middlemen.

There is still another important consideration: We may have surpluses today, but will we have them tomorrow?

The latest forecasts of the Census Bureau indicates that between 1955 and 1975, the population of the United States will have risen from 165 million to around 215 million persons. This is an increase of 50 million persons, or 33 percent, in only 20 years.

That is something to think about: 50 million more Americans to feed and clothe in only 20 years.

Some experts believe that by continuing to mechanize and introduce improved methods of farming, American agriculture will be able to meet the challenge. Certainly, if low farm prices now prevent farmers from maintaining their rate of mechanization, progress on the farm may lag behind what is needed to meet the needs of the vast increase in population. And the consequences of failure are not pleasant to contemplate. Perhaps more than any of us realize, survival in the future may depend on what we do, here and now, to keep the American farmer sufficiently solvent so that he can continue to mechanize his operation and introduce new and better methods of farming.

Unless the law of supply and demand has been repealed, the level of farm prices can be raised in only two ways—

decreasing the supply or increasing the demand. For many years now the farm programs of the United States have been based primarily upon the former method. We have tried to tailor our output to probable consumption. This is the whole purpose of our price-support programs. Farmers reduce their acreage. In return they receive price supports. The Government puts into storage that portion of the crop which it purchases in order to support the price. By and large these programs have had a good measure of success. They should be continued and improved.

Theoretically, farm prices can be raised to any desired level, if production is restricted far enough. But here as elsewhere, there is a difference between theory and practice. We all know that much of the desired result of these programs has been lost, since farmers, as their acreage allotments have been cut back, have simply produced more per acre. This they have been able to do by using new and better types of machinery, fertilizer and, more recently, irrigation equipment.

To bring about any real improvement in prices, therefore, it might be necessary to make such a drastic cut in acreage allotments that the average family-size farm simply could not make a go of it.

Another problem is what to do with the acreage released from production by a cutback in allotments. It does little good to curtail the acreage allotted to one crop, if on the released acreage the farmer raises another crop which itself is in surplus supply or is a substitute for a surplus crop.

A further shortcoming of this approach is that it has not been applied to livestock. There is not now, and never has been, any price-support program for cattle or hogs. Yet it is the price decline of these products which has probably been the major factor behind the recent decrease in farm incomes. Although I am not prepared to go all the way with the American Farm Bureau Federation in opposition to a price-support program for hogs, we must recognize that any attempt to restrict the production of livestock would pose a host of difficult administrative problems. Not the least of these would be the problem of how to store an essentially perishable product.

Before any support program for livestock is adopted, I suggest that not only for livestock, but for other farm products as well, we give a little more consideration of the other basic method of raising farm prices, namely, increasing demand.

Over the years, numerous attempts have been made to increase the demand for farm products. Research programs have been carried on designed to find new uses. We have sold our surpluses at prices below the market level to the needy, to industrial users, and to foreign countries. We have even tried to give the surpluses away, sometimes without success.

But there has been nothing systematic or organized about these efforts. They have received far less emphasis than the other approach of restricting production. With one conspicuous exception, they have not been integrated into our present methods of distribution.

It is that one exception which may hold some hope for the future. It was tried with conspicuous success just before World War II. During the war it was abandoned and it has never been revived. I am speaking of what was known as the food-stamp plan.

The food-stamp plan operated by supplying to low-income consumers additional purchasing power which they could use in any retail food store to choose from a list of surplus foods. Its aims were to reduce farm surpluses and to improve dietary standards of those whose need was the greatest.

Operations under the plan were the essence of simplicity. Local welfare agencies certified families as eligible to purchase food stamps. Such families were permitted to purchase regular stamps, which were orange in color, up to the value of their customary food purchases. At that time, this averaged about $1 per week for each member of the family. These orange stamps could be used to purchase any food product.

With each dollar of orange stamps that he purchased, the consumer received in addition 50 cents' worth of free stamps which were blue in color. These blue stamps could be used to purchase only those foods which had been declared to be in surplus supply by the Secretary of Agriculture. The purpose of making the receipt of the free stamps contingent upon the purchase of the regular stamps was to be sure that the free stamps represented a net addition to the total demand for surplus food.

The stamps were treated as cash and could be spent in any retail store. The retailers pasted the stamps on $10 cards and redeemed them through their wholesalers, banks, or local offices of the Department of Agriculture. The plan functioned through the normal channels of trade. Retailers bought from wholesalers and other suppliers in the regular way. No price fixing was involved and any retail store could participate.

Now what did the plan accomplish?

World War II brought about its termination before it could be put into operation on a nationwide scale. However, by August 1940, the program was bringing the benefits of increased purchasing power to nearly 2 million people in 124 areas. In turn, they were enabled to improve their dietary standards, with obvious beneficial results.

At the same time surplus food products were being moved and the farmer benefited from increased income.

The Department of Agriculture stated in a report analyzing its operations:

> If there are no changes in unit marketing charges and no changes in the total marketing bill resulting from changes in the total supply marketed, then all of their increase in consumer food expenditure will be reflected in growers' incomes.

The results of the plan varied, of course, from product to product, depending on how many free stamps were spent on a given product and how well the regular consumer maintained his consumption.

The increases in the consumption of grapefruit and fresh peaches were spectacular. Consumption also increased very substantially in the case of lard, fresh pears, oranges, fresh apples, tomatoes, raisins, and dried beans.

Other products having lesser, though still significant, increases were butter, prunes, rice, and onions.

While pork was added to the surplus too late to be included in the Department's study, its consumption was very definitely increased under the plan. In the brief time that it was included pork accounted for more than a quarter of all the free stamps spent for all products. The sharp stimulus given to the demand for pork and lard is a particularly important factor when viewed against today's problem of distress in the livestock industry.

Not only did the plan increase the demands for farm products, it also resulted in an improvement in dietary standards.

The public response to the food stamp plan was, in the words of the Department, "astonishing." Basing its judgment on several public opinion polls, the Department went on to say:

> The weight of opinion, where the plan is understood, appears to be extremely favorable. This attitude does not seem to be confined to any particular group. The program is apparently one phase of direct action that has substantial support from every large group in the community.

The poll showed, for example, that 70 percent of all persons asked were in favor of the food stamp plan and 57 percent said they approved extending its benefits to persons earning less than $20 a week, as well as those on relief.

Most interesting fact of all, I believe, is that of all farmers polled, 56 percent expressed their hearty approval of the plan—and we should remember that they gave this opinion in 1939, when the surplus problem was far less acute than it is today.

The next question we must ask ourselves is whether, under conditions of today, there are any groups of citizens who really need a food stamp plan? Under the plan as it was operated 15 years ago, there were two groups of participants—those on relief, including WPA, and those receiving social-security benefits. While WPA is, of course, a thing of the past, we do have a hard core of unemployment running around 3 million persons, many of whom are on some sort of relief. With any downswing in business activity this number could, of course, grow very quickly.

As to the second group, the number of persons receiving social-security benefits has greatly increased. In 1939, there were 2,230,000 receiving benefits under the old-age assistance and old-age survivor insurance programs. By the middle of the year the figure had risen to 10,270,000. During this same period the number of persons receiving aid to dependent children increased from 760,000 to 2,210,000, while the number receiving aid to the blind rose from 73,000 to 105,000. In addition, in 1955 there were 240,000 persons receiving benefits under a new program-aid to the permanently and totally disabled. The increase in the total number of persons receiving

social-security benefits is more than 5 times the total number of persons on WPA projects in 1940.

Older persons receiving social-security benefits represents a class of citizens for whom the food stamp plan would be particularly well suited. Under the benefits they now receive, it is hard for our older persons just to exist, to say nothing of having a decent and adequate diet. Moreover, if they find jobs which bring their incomes above a minimum level, they lose their social-security benefits. What could be more desirable than a program which would enable our older citizens to eat more and better food and which at the same time would raise the incomes of the American farmer?

One of the most desirable attributes of the food stamp plan is its flexibility—a feature not possessed by many other farm programs.

As supply and demand conditions change, new products could be put on the surplus list and others taken off. The amount of free stamps given with each purchase of regular stamps could be varied with changing conditions. The general classes of recipients could be altered from time to time. The plan would also lend itself to emergency conditions. For example, it could have been put into operation rather quickly in those communities on the Atlantic coast hard hit by recent floods. Finally, its overall scope, which is determined by the number of free stamps issued, could be increased or decreased at will. We could always know its cost because it would be determined in advance.

In closing, I again emphasize that the food stamp plan is by no means the complete answer to the farm problem. It is merely one step, but, I believe, a step in the right direction.

It has these merits:

It will increase farm incomes.

It will enlarge and improve food consumption of those whose need is the greatest.

It will fit perfectly into our present method of food processing and distribution.

It can be quickly expanded if unemployment becomes a serious problem.

It is well suited to the needs of all persons receiving social-security benefits, particularly our older citizens.

It is flexible and adaptable to changing conditions.

Its cost would be set and known in advance.

Finally, it has been tried in the past and it works.

A great philosopher once said that the only thing men learn from history is that men learn nothing from history. This observation is usually recalled when we repeat a mistake of the past. It is equally appropriate when we fail to repeat a success of the past.

I introduce the bill, and ask that it be appropriately referred.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3092) to provide for the distribution of certain surplus food commodities to persons in the United States who are eligible therefor, by use of a food-stamp plan, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

PROPOSED NATIONAL SEED STORAGE FACILITY

Mr. WATKINS. Mr. President, the constant improving of plants is essential to modern agriculture.

Scientific research—

As President Eisenhower stated in his agricultural message of last Monday—

has been the means of fundamentally important developments both in agriculture and industry. * * * Not only can research provide for the material needs of future generations but it also can contribute in many ways to the fuller utilization of our present abundance.

In this latter respect, he indicated that "we must find new crops offering such new opportunities and benefits as are exemplified by soybeans and sorghums." Specifically, new crops mean new markets, increased gainful employment of capital and labor in agriculture. Research is so basic to agricultural progress that the President will request an increase of 25 percent in research funds for the Department of Agriculture.

Much of the development of new and improved crop plants depends upon plant breeders having at their disposal adequate stocks of many different kinds of plants, both foreign and native, both wild and cultivated. Although these plants in themselves may not have much agricultural value, they often contain valuable genetic characteristics that plant scientists can use in developing commercial varieties.

Such improvements require the blending into new plants of superior genes from many sources. New genes or germplasm cannot be created—the breeder must work with those that occur in the varieties he has on hand.

The increased and expanded search for new crops will require a vastly expanded bank of germplasm. To have such parent plants when they are needed, they must be preserved in quality and substantial quantity.

Because individual farmers cannot to any large extent carry on scientific research, "Government," as the President noted in his Monday message, "has special responsibility in this area—and particularly is this the case since the benefits of research related to agriculture are widely shared by all the people." The need for a national storehouse for the preservation of seed stocks is urgently needed. During the past half century, we have lost large numbers of introductions and discontinued commercial varieties through lack of a systematic preservation plan.

Since most of our crop plants and breeding materials are of national importance, it is only logical that seed storage be a national responsibility. Present Federal and State experiment stations are doing the best they can to preserve plants and seeds that can be used in the foreseeable future, but they have neither the space nor facilities for holding seeds over a long period.

Therefore, I introduce, for appropriate reference, a bill to authorize and direct the Secretary of Agriculture to establish and maintain a national seed storage facility.

In this connection also, Mr. President, I ask unanimous consent that a statement by Dr. Byron T. Shaw, Administrator, Agriculture Research Service, entitled "New Crops Research," given last March before the National Farm Chemurgic Council at Columbus, Ohio, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3095) to provide for the establishment of a national seed storage facility, introduced by Mr. WATKINS, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement, presented by Mr. WATKINS, is as follows:

Americans have been on the lookout for new crops since the beginning of our history.

President John Quincy Adams made it official in 1827 when he asked all American consuls to send rare plants and seed to Washington for distribution to interested growers.

Funds for collecting and distributing seed were included in the first money appropriated by Congress for agricultural purposes. That was in 1839. The money went to the Patent Office. The appropriation marked the beginning of a series of acts that led eventually to the organization of the United States Department of Agriculture.

And through the years, the introduction of plants and seed has been a continuing activity.

In 1898 the work was set up as a separate unit. The Department began a systematic program to introduce new plant materials from all parts of the world. Along with this, preliminary tests of the material were made to study its potential use on American farms.

Plant hunters began extensive explorations. The primary purpose, in the beginning, was to search for new crops that could be grown in the United States. But from the first, plant explorers also collected material that could give new characters to crops established here by early settlers.

For instance, one of the early explorers—Mark Carleton—combed Russia and southwestern Asia for all types of hard red winter wheat. His collection made it possible to breed new wheats and increase plantings in America by millions of acres.

Similar advances in every one of our major crops have come as a result of this continuous search for plants of the same or related species for use in improving varieties.

And before I give you a brief review of the work in plant introduction and a roundup of new crops now under study, here's a point I'd like to underscore. Some of our greatest opportunities, both for stabilizing farm production and opening up new markets in industry, will be found through research on crops we're now growing.

The crop that did most to stimulate interest in industrial uses for farm products was the soybean. It is interesting to note that the soybean is one of the 12 major food crops of the world. Its versatility has been demonstrated through centuries of production in the Orient. And it had been known and grown to some extent in this country for about a hundred years. But we did not realize the soybean's potentialities here until scientists in many disciplines began to study it intensively.

And this may be the case with other crops such as alfalfas and grasses. But first we must focus attention on the needs of the day. One of the best opportunities to stabilize farm production may be in drought resistant alfalfas and grasses that will provide highly efficient feeds for our livestock and at the same time conserve and enrich our soil.

WHAT HAS BEEN DONE IN NEW CROPS RESEARCH

A quarter of a million plant introductions have been made since 1898 when the Department started its inventory. Some of these, like soybean and crested wheatgrass, have helped to revolutionize farming. Others, like a little wild tomato from Peru with resistance to wilt, have played less well-known but highly important roles in giving us vastly improved varieties.

Still other introductions have helped to establish specialty crops such as dates, tung nuts, and avocadoes.

Over the past 50 years we have developed a vigorous organization for collecting plants in all parts of the world and maintaining germ plasm in forms it can be used by crop breeders.

Many valuable plants and seed have been collected by explorers on general assignment to pick up a wide range of material. Other valuable acquisitions have come through exchange with plant scientists in other countries. Today, most plants and seed are obtained through correspondence, by exchange, purchase, or gift.

The Department makes plant explorations when there is a pressing need for the material and it cannot be obtained by other means. A threatening situation may develop very quickly.

A case in point occurred recently in the wheat crop when a new strain of rust, 15B, built up dangerously and threatened all commercial varieties in the Western Hemisphere. Breeders began an intensive search for sources of resistance. The first step was to begin screening the Department's collection of world wheats. It contained some 10,000 varieties in 1949. But more material was needed. Some of it could be obtained by correspondence. To supplement this we sent a plant explorer to Ethiopia, a known geographic center of rust resistance, for still more germ plasm. The wheats he brought back and others that were assembled have provided new sources of resistance to race 15B. And this intensive search has helped to increase the world wheat collection to 15,000 varieties.

For many of our crops the best sources of germ plasm are found in the regions where these plants originated as crops. For example, the Middle East and Southwest Asia are ancient reservoirs of germ plasm for cereals and forage crops and many of our vegetables. The mountains of Central and South America provide a wealth of good genetic material for the improvement of corn, tomatoes, and potatoes—crops originated there.

The decisions on what plant explorers are to look for, where they are to look, and in what order the explorations are to be set up are made on the advice of State, Federal, and private crop breeders. The grower's views are taken into account.

The breeders need a continuous flow of new material to develop varieties with resistance to new races of insects and disease that are continually arising. They may need new germ plasm to tailor crop plants to fit machines, to create varieties that make more efficient use of moisture and fertilizer, to improve the composition of presently grown varieties, such as new corn hybrids with higher protein content or strawberries with more vitamin C.

All plant material is channeled into the country through the inspection house in Washington, D. C. Much of it must be grown under quarantine before it can be released for further study.

Germ plasm of established crops is sent to 1 of the 5 primary introduction stations in the Federal-State cooperative program. These were established following passage of the Agricultural Research and Marketing Act of 1946. At that time Congress recognized the importance of plant introduction work and the need to expand it. The legislation made it possible to set up regional organizations in which the agricultural experiment stations in every State and in Puerto Rico, Hawaii, and Alaska could take part.

Regional plant introduction stations were established in Geneva, N. Y.; Experiment, Ga.; Ames, Iowa; and Pullman, Wash. These serve as a kind of a bank for holding germ plasm where it can be checked out to crop breeders as needed.

NEW CROPS NOW UNDER STUDY

All germ plasm of potential new crops is maintained in Federal Plant Introduction Gardens. These are located at Glenn Dale, Md.; Savannah, Ga.; Cocoanut Grove, Fla.; and Chico, Calif. The gardens also get all introductions of certain ornamentals and of woody species that cannot be handled as annual crops. Most of the initial studies on little known plants are made by scientists on the staffs of the Plant Introduction Gardens or under contract to the plant introduction section. But the material is available to all interested breeders.

For example, attention at Savannah has been focused on a crop that holds considerable promise for future development—the timber bamboo. Like the soybean, timber bamboo has proved its worth in the Orient. It has been used in China for many purposes through the centuries. The applications most likely to attract interest here are as paper pulp and for structural purposes.

Our work up to now has been concerned with getting a wealth of breeding material and learning where timber bamboo can be grown. We've demonstrated that it will flourish over much of the Southeast.

A study—recently completed under contract—shows bamboo pulp is eminently suited for a variety of papers. These range from thin papers used in printing Bibles to toweling and heavy wrapping papers. In these tests the pulp was especially good for papers where high absorption properties are desirable. Other studies are in progress—under contract—to learn more about bamboo's structural strength and how to cure it for structural purposes.

Still another plant that may hold potentialities as a new crop is a tropical yam—dioscorea. It's the best plant source we have found for cortisone-like drugs.

We began to search for plant sources of these drugs in 1949. At that time the drug was extracted from ox bile by a costly, time consuming process. Later a fermentation method was developed that was less expensive. Interest in plant sources for the drug has continued. And we have continued to search for them in exploration in various parts of the world.

In evaluations, dioscorea proved to be excellent for this purpose. The question now is, can it be made into a profitable crop? Present research is concerned with areas of adaptation. Although it grows wild in tropical areas, it may prove to be suited to our gulf coast as well as Puerto Rico. It will take time to assemble the material and get the information needed on cultural practices and adaptability.

Many of the new crops under study today have been selected because they produce critical and strategic materials. They are the sources of oils, fibers, drugs or other components essential to our economy.

Normally we can import these materials cheaper than we can grow and process them in this country. But we need varieties adapted to our climate and techniques fitted to our farming systems so these crops can be grown here in times of emergency.

Among crops in this category are castor beans as a source of oil—ramie, sanseveria, kenaf, and phormium as sources of fiber—and canaigre as a source of vegetable tannin.

We have made the greatest progress both in research on production and in farmer acceptance on the castor bean crop.

Castor beans have been grown commercially in this country in a very limited way since 1870. The crop had Government backing during both World Wars. It did not have much appeal either to farmers or industry until science took a hand.

But in the past 15 years the castor bean has taken on a new look.

Chemists have developed many important applications for castor oil. It now goes into jet engine lubricants, hydraulic fluids, paints, plastics, and textiles.

During World War II plant breeders began their efforts to alter the castor bean for machine production. This meant the development of dwarf varieties that bear spikes at uniform distance from the ground and with beans that do not shatter easily in harvest.

At the same time the breeders were redesigning the castor bean plant, they were also trying to improve the yields. They have now succeeded along both lines. Today private breeders have developed a number of commercial strains that can be harvested by machine. And we have a technique for making hybrids that yield 15 to 20 percent more beans per acre than present commercial inbreds.

The engineers have worked right along with the plant breeders to design efficient machines for harvesting and hulling the crop. These are also available commercially.

And farmers have demonstrated they can grow castor beans when the price is competitive with other crops in the area.

This has been shown over the past 4 years in the stockpiling program of the Munitions Board. On a guarantee of 9 cents a pound, farmers—mostly in Oklahoma, Arkansas, Texas, and California—planted 149,000 acres to castor beans in 1953. Plantings dropped to 36,000 acres last year when the guarantee was reduced to 6 cents a pound.

Although research on castor beans has helped growers in this country produce the crop much more efficiently than before, they cannot as yet compete with growers in Brazil. South American beans are being delivered in New York for 5 cents a pound.

In this research we have gone far enough to see that one of the main barriers to greater efficiency in castor bean production is disease. If the farmers of this country are to grow castor beans as a major crop in the future, they will need varieties with greater disease resistance than the present ones.

Disease resistance is one of the important goals in our research on safflower, another promising oil crop. Root rot completely destroyed several hundred acres of this new crop in southern California a few years ago. Leaf and stem diseases have made production of safflower unprofitable in the Great Plains.

We believe the production of this crop will gradually increase as varieties are improved, the seed supply increase, and more processing facilities are built. This year's plantings, 50,000 acres in California and 10,000 acres in Oregon and Washington, are a record high.

The third oil crop on our list of possible new ones is sesame. The oil, used chiefly for edible purposes, has unusually good keeping qualities. Sesame oil is also used by insecticide manufacturers to enhance the effectiveness of pyrethrins against insects.

But sesame is grown to only a limited extent in this country. From five to ten thousand acres a year in the Southwest. One of the chief obstacles in growing this crop is

the tendency of sesame seed to shatter during harvest.

This problem may soon be alleviated. Plant breeders in Texas and South Carolina have some highly promising shatterless types under test. The germ plasm comes from a single plant discovered in Venezuela 10 to 12 years ago. It is now being incorporated into commercial varieties. These should be available in the next few years.

Of the 4 fiber crops we are studying for emergency production in this country, only 1 of them—ramie—is now grown here commercially.

The first plantings were made in Florida in 1944 after we developed techniques for mechanizing production.

Last year ramie was planted on some 2,600 acres in the Gulf States. Most of the output of nearly 4 million pounds of raw fiber went to a single company.

The strong, fine, silky fiber is used to make upholstery material for furniture and automobiles. It also goes into the manufacture of industrial packing, fire hose, fish nets, and other specialized articles.

There appears to be a growing demand for ramie fiber of fine denier for other industrial uses. But it takes a large capital investment to produce the crop in this country. And demands for the fiber are not yet heavy enough to interest growers in making that investment.

Kenaf, a second fiber in our research, is of interest as a substitute for jute. Normally our supply, 75,000 tons of raw jute and 250,000 tons of jute products annually, comes from India and Pakistan. The search for a domestic source was initiated when this supply was cut off during World War II.

Our studies show kenaf could be grown in southern Florida. From 1950 to 1952 it was produced commercially there. The plantings on 2,500 acres yielded around a hundred tons of fiber and some 60,000 pounds of seed.

But there are still a lot of bugs in kenaf production in this country. One of the most troublesome in the commercial plantings was a tip blight disease. The breeders now have varieties that are resistant to this hazard. The agricultural engineers have developed improved harvesting and processing methods. But under present production methods, kenaf growers in this country could not compete with jute growers in the Far East on the domestic market.

The same situation holds for two other fiber crops, sanseveria and phormium. The first may be used as a substitute for manila hemp. Phormium appears to offer a satisfactory substitute for several cordage fibers.

We have done enough research on these fibers in the past few years to establish their areas of adaptation and to select breeding material. Sanseveria can be grown in southern Florida. Phormium is adapted in the Pacific coast area north from San Francisco to Coos Bay, Oreg.

The work on sanseveria has reached a stage where we can begin pilot studies on processing the material. Most of the research on phormium has been concerned with areas of adaptation. If it is ever grown here it will probably be limited to land that is not well suited to cropping. No harvesting or processing methods have been developed.

Still another strategic crop that has claimed research attention over the past few years is canaigre. This is the most promising of all plants studied for use as a farm crop to produce vegetable tannins.

Canaigre is a wild root crop indigenous to the Southwest and Mexico. Research efforts have been devoted to selecting types with high tannin content and of a shape that lends itself to mechanical harvest. The plant breeders have been quite successful along both these lines. They have developed improved strains that have roots of uniform size and shaped like a potato. These give high yields and have a tannin content of 35 percent. We have also done research on the extraction of tannin. And some work has been done to see if the petroleum industry can use the powdered root in drilling muds.

Canaigre holds possibilities as a farm crop in the irrigated valleys of southern Arizona if processing facilities can be established at the same time.

That is the picture of our research on new crops for strategic materials.

Whether these crops become established in this country will depend on our ability to make further improvements through research to develop efficient varieties that can be fitted into American patterns of farming.

THE CHALLENGE FOR THE FUTURE

Future uses of these and other potential new crops is tied in with other research developments, particularly work leading to new uses and opening up expanding markets.

This is the field of agricultural research your organization has given vigorous support over the past 20 years. And, as you know, a good start has been made. But we must admit, we still know very little about the chemical constituents of our crop plants. To be sure we have a fair understanding of some of the major constituents. We have analyzed our plants for carbohydrates, proteins, and fats. But the question is what carbohydrates, what proteins, what fats? And what about other compounds that may be present?

Over the past 10 years, new techniques and equipment have begun to help us in answering these questions. They have made it practical for scientists to separate chemical entities that formerly could be separated only with great difficulty.

We have done more work on the chemical composition of citrus fruit than any other crop. This has been in connection with our studies to determine the best way to stabilize the flavor, color, and other qualities of the fruit so they do not deteriorate either in processing or storage.

As a result of these studies we now know some 150 different chemical constituents in the orange. This includes several amino acids not previously reported. There are probably another 100 constituents present, but these have not been separated and identified. This indicates the complexity of the problem.

We have made a small beginning in similar research on other crops. For example, we know 100 constituents in alfalfa. And a finding of great interest to the livestock industry has recently come out of these studies. This is the discovery that saponins, which occur in minute amounts in alfalfas, clovers, and other legumes, appear to be one of the causes of bloat in cattle. Fortunately alfalfas differ in their content of saponins. This information suggests breeding varieties with low saponin content. And if this can be done we should be able to reduce this costly hazard in livestock production.

Agricultural chemists are making other important contributions. They have joined with the engineers to design labor-saving equipment that is reducing the costs of processing farm products and placing them in a better competitive position.

Just as the plant breeders are introducing new characters into crop plants, the chemists are finding ways to give new and different properties to the finished products. As a result we now have cottons that do not soil or wrinkle easily and do not burn. And we have fruit and vegetable powders that retain vitamins and flavor through longer periods of storage, than can be shipped at far less cost than juices, and that can be reconstituted as a juice simply by adding water.

Much of the research in agricultural chemistry is with farm products that have lost traditional markets. The object is to alter their composition so they can be sold on new ones. A timely example is the work on animal fats, no longer in heavy demand either for cooking or for soap. Research has provided a new outlet. Today, modified animal fats are going into the manufacture of plastics.

One of our big opportunities in the future is through research that combines the efforts of the agricultural chemists and the plant breeders more closely than before. The objective: To tailor industrial models of economic plants, both new crops and old.

Over the past 20 years the plant breeders have demonstrated their ability to develop varieties to fit specific situations. The blueprints for these new varieties have been drawn up in cooperation with plant disease specialists, soil scientists, agricultural engineers, the farmers, and the processors. The breeders have incorporated germ plasm to make a variety a good shipper, to give it good storage qualities, and above all to enhance its appearance and appeal on the market.

Crop breeders have also made notable advances in the creation of improved varieties for industrial markets. The chief gains have been in soybeans for oils, corn and sorghums for starches, cotton with qualities for special uses.

We have done a good job in showing how tung can be produced in this country and in developing varieties that produce good quality oil for special purposes. In other words, we have made considerable progress in developing varieties for efficient production and in enhancing the qualities of various crops for which there is a known industrial market.

But we have not gone very far in a direction that offers bright opportunities for expansion. And this is to explore, through detailed chemical analysis of the plant and its products, new industrial uses for crop plants.

We are just beginning to study the chemical composition of crops in the way industry in the past several years has studied petroleum. It is this approach that has enabled the petroleum industry to make not only gasoline and lubricants but medicines, detergents, cosmetics, and hundreds of other useful products from a barrel of oil.

The speed with which we move ahead in this work will depend on the help we get from industry. You tell us your needs for the future. If you will give us specifications for materials that are not satisfactory or likely to be in short supply possibly we can develop new ones, either from new crops or from a better understanding of the chemical composition of crops now grown here.

If we know what is needed and know the materials we are working with we can do something about meeting your needs. With that approach there is no question that crops can be used more effectively for industrial purpose.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT

Mr. BUTLER. Mr. President, I introduce, for appropriate reference, a bill to amend chapters 4, 5, 6, and 8 of the Immigration and Nationality Act. This bill is a substitute for Senate bill 2076, with the same title, which I introduced on May 25, 1955. I want to take this opportunity to explain the reason for introducing the new bill. Senate bill 2076 was the same as Senate bill 2347, introduced by me on July 10, 1953, in the 83d Congress. Since then almost 3 years' experience under the Immigration and Nationality Act of 1952 has revealed difficulties that require amendments which, to some extent, are different from and additional to those in the original bill.

The new bill does three things. First, it makes technical changes to remove from the immigration law provisions which are at cross purposes with other laws enacted to promote the development of the United States merchant marine and United States air carriers. The Merchant Marine Act of 1936 declares it "to be the policy of the United States to foster the development and encourage the maintenance" of our merchant marine. Similarly, the Civil Aeronautics Act of 1938 declares it the policy of our Government to encourage and develop "an air transportation system adapted to the present and future needs of the foreign and domestic commerce of the United States, of the postal service, and of the national defense."

As a member of the Interstate and Foreign Commerce Committee I have become familiar with the importance of those policies and the serious problems faced by our carriers in their effort to fulfill those policies in international transport competition. We should not add to those problems by unfair provisions in any of our laws. The Immigration and Nationality Act, however, contains provisions which burden the development of our international transportation companies. That law, although enacted primarily to protect the United States from the entry of dangerous aliens, imposes many fines, penalties and expenses on our steamship lines and airlines. Thus, if an alien misleads or deceives our Government officials and our carriers as to his eligibility to enter the United States, the Immigration Act fines the carriers, makes them responsibile for many expenses and the return trip fare of the alien. Even if an alien has been given permission to come to the United States by our State Department, in the form of a visa and has been approved by our Immigration Service by being admitted to the United States, nevertheless the carrier which brought him may be fined $1,000 for doing so. Furthermore, the Immigration and Nationality Act requires carriers' employees to decide whether aliens are admissible to the United States even though those employees have no governmental power to investigate the alien and must accept the alien's statements as to his eligibility. In addition, the carriers are required to provide office space and facilities for the Immigration Service even though the latter are performing public functions. Some of these requirements are unfair impositions which retard the development of our international carriers.

On the other hand, as a member of the Judiciary Committee, I am concerned with the proper enforcement of our immigration policies. I do not favor legislation which would impair the ability of the Department of State and the Immigration Service to enforce those policies so none of the provisions in any bill change the law as to kinds of aliens who may be admitted. Nor do these amendments change the quota of aliens who may be admitted. To maintain our immigration policies, however, I do not think it is necessary to punish our airlines and steamship lines unfairly. My amendments, therefore, seek to remove the unfair impositions on our carriers without changing the substantive immigration law.

Second, the bill makes some technical changes in the law which will ease the burden on the enforcement agencies in issuing various travel and identity documents. The current Immigration Act, in several of its provisions, specifies in almost minute detail the contents of some applications for documents and of some documents themselves in such a way as to make it difficult to adjust the paperwork of the enforcement agencies to changing conditions. These amendments will not change the requirement for thorough investigation of aliens but relate to the forms and documents used by the agencies or by the aliens.

Third, the amendments deal with the visa procedures applicable to foreigners who come to the United States for temporary visits. Under the present law these visitors must meet the same tests and requirements as foreigners coming to this country for permanent immigration. It is generally recognized that the two groups should receive different treatment. Thus, the President, in his state of the Union message, recommended that different requirements be imposed on temporary visitors, with respect to fingerprinting. My amendments would permit that and go farther to allow also the relaxation of other formalities for temporary visitors from friendly countries after reciprocal agreements have been entered with such friendly countries.

I ask unanimous consent that the bill, together with a section-by-section analysis of the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section analysis will be printed in the RECORD.

The bill (S. 3096) to amend chapters 4, 5, 6, and 8 of the Immigation and Nationality Act, introduced by Mr. Butler, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 101 (a) (6) of the Immigration and Nationality Act (66 Stat. 163; U. S. C., title 8, sec. 1101) is amended by striking out the words "a resident" and the words "for permanent residence" and inserting after the word "territory" in the two places it appears, the words "or adjacent islands".

SEC. 2. Section 101 (a) (30) of such act is amended to read as follows: "The term 'passport' means any travel document issued by a competent authority which is valid for entry of the bearer into a foreign country."

SEC. 3. Section 212 (d) (4) of such act is amended by adding in subdivision (B) after the words "adjacent islands" the words "or of countries in the Western Hemisphere", and at the end of said paragraph changing the period to a comma and adding the following "or (D) on the basis of reciprocity with respect to nonimmigrant aliens under paragraphs 15 (B) and 15 (D) of section 101 (a)."

SEC. 4. Section 213 of such act is amended by adding at the end thereof, the following sentence, "The bond and cash deposit may be waived by the Attorney General under such conditions as he shall by regulation prescribe."

SEC. 5. Section 221 (a) of such act is amended by deleting "the quota, if any, to which the immigrant is charged, the immigrant's particular status under such quota, the particular nonquota category in which the immigrant is classified, if a nonquota immigrant, the date on which the validity of the visa shall expire and such additional" and "classification under section 101 (a) (15) of the nonimmigrant, the period during which the nonimmigrant visa shall be valid, and such additional".

SEC. 6. Section 221 (c) of such act is amended by deleting "the date and port of arrival, the identity of the vessel or other means of transportation by which the immigrant arrived, and such other endorsements".

SEC. 7. Section 221 (h) of such act is amended by deleting the last sentence.

SEC. 8. Sections 222 (a), (b), and (c) of such act is amended by deleting all of the words in each paragraph after the first sentence.

SEC. 9. Section 231 (d) of such act is amended by striking the words "shall pay to the collector of customs" and insert in lieu thereof, "may be required, in aggravated cases, to pay to the collector of customs".

SEC. 10. Section 231 (c) of such act is amended to read as follows: "(c) The Attorney General is authorized to waive the list and manifest requirements of subsections (a) and (b)."

SEC. 11. Section 232 of such act is amended by inserting the words "bringing them, or on another vessel of the same company at the same port" immediately after the word "vessel" where it first appears in such section.

SEC. 12. Section 233 (c) of such act is amended to read as follows:

"Any detention expenses, exepenses of removal and expenses incident to detention incurred pursuant to sections 232 and 233 shall not be assessed under this act against the vessel or aircraft or transportation line, or the master, commanding officer, owner, agent, or consignee of the vessel, aircraft, or transportation line in the case of, (1) any alien, other than an alien crewman, who arrived in possession of a valid unexpired visa, or reentry permit, or (2) any person who was admitted to the United States pursuant to this act after such detention, or (3) any person claiming United States nationality or citizenship and in possession of an unexpired United States passport, or (4) any person claiming United States nationality or citizenship and in possession of a certificate of identity issued pursuant to section 360 (b) of this act, or any other document of identity issued or verified by a consular officer which shows on its face that it is currently valid for travel to the United States, or (5) any alien who at the time of arrival in the United States furnishes reasonable evidence in support of a claim for exemption under the law or regulations from passport, visa, or border-crossing identification-card requirements, and who is not admitted to the United States."

SEC. 13. Section 237 (a) of such act it amended to read as follows:

"Any alien, other than an alien crewman, arriving in the United States who is excluded under this act, shall be immediately deported to the country whence he came, in accommodations of the same class in which he arrived, on the vessel or aircraft bringing him, unless the Attorney General, in an individual case, in his discretion, concludes that immediate deportation is not practicable or proper. The cost of the maintenance, including detention expenses and expenses incident to detention of any such alien while he is being detained, as well as the transportation expenses of his deportation from the United States, shall be borne by the owner

or owners of the vessel or aircraft on which he arrived, except that the cost of maintenance (including detention expenses and expenses incident to detention while the alien is being detained prior to the time he is offered for deportation to the transportation line which brought him to the United States) and cost of deportation shall not be assessed against the owner or owners of such vessel or aircraft if, (1) any alien, other than an alien crewman, was in possession of a visa, irrespective of whether or not the alien was eligible to receive such visa under this act, or a reentry permit or other document or any extension thereof authorizing such alien to apply for admission to the United States, or (2) the person claimed United States nationality or citizenship and was in possession of unexpired United States passport. The cost of maintenance, including detention expenses and expenses incident to detention, of aliens with respect to which the owner or owners of vessels or aircraft are not liable under the provisions of subdivisions (1), (2), and (3) of this subsection prior to the time the alien is offered for deportation to the transportation line, which brought him to the United States, shall not be assessed against such transportation line until the next scheduled voyage or flight of such line to the area of deportation, or until 14 days have elapsed, from the time the alien is offered for deportation to such transportation line, whichever shall first occur."

SEC. 14. Section 237 (b) of such act is amended by adding at the end of subparagraph (3) the following proviso: *"Provided, however,* That no transportation line shall be required to remove any alien from the United States or be fined for failure to so remove any alien unless such alien is in possession of a valid unexpired document authorizing his entry into the country to which he is to be deported."

SEC. 15. Section 237 of such act is amended by adding a new subsection (f) to read:

"(f) Nothing in this section shall be interpreted to prohibit any transportation line from recovering from any alien or other person brought to the United States any expenses or deportation costs incurred by the transportation line because such alien or other person was refused admission to the United States or deported in any case in which (1) the alien or other person arrived in possession of a valid unexpired visa, reentry permit, or other document authorizing such alien, or other person, to apply for admission to the United States, or (2) the alien or other person furnished at the time of arrival in the United States reasonable evidence in support of a claim for exemption under the law or regulations from passport, visa, or border-crossing identification card requirements."

SEC. 16. Section 238 of such act is amended by deleting subsection (c) and redesignating subsections (d) and (e) to (c) and (d), respectively.

SEC. 17. Section 243 (c) of such act is amended by amending the proviso in the first sentence to read as follows: *"Provided,* That the costs of the deportation of any such alien from such port shall not be assessed against the owner or owners of the vessels, aircraft, or other transportation lines in the case of any alien who arrived in possession of a valid, unexpired visa of any description and who was inspected and admitted to the United States for permanent or temporary residence or for intransit purposes."

SEC. 18. Section 243 (e) of such act is amended by changing the period at the end of the subsection to a semicolon and adding: *"Provided, however,* That no transportation line shall be required to remove any alien from the United States or be fined for failure to so remove any alien unless such alien is in possession of a valid unexpired document authorizing entry into the country to which he is to be deported; *And provided further,* That nothing in this section shall be interpreted to prohibit any transportation line from recovering from any alien or other person brought to the United States, any expenses or deportation costs incurred by the transportation line if (1) such alien or other person was in possession of a valid unexpired visa, reentry permit, or other document authorizing such alien or other person to apply for admission to the United States, or (2) such alien or other person furnished, at the time of arrival in the United States, reasonable evidence in support of a claim for exemption under the law or regulations from passport, visa, or border-crossing identification card requirements."

SEC. 19. Section 251 (c) of such act is amended by changing the period at the end of the first sentence to a comma, and adding the following: "except that in the case of vessels or aircraft which the Attorney General determines are making regular trips to ports of the United States, the Attorney General may, when expedient, arrange for the delivery of the foregoing lists of outgoing alien crewmen at a later date."

SEC. 20. Section 251 (d) of such act is amended by inserting after "Attorney General" the words "in aggravated cases".

SEC. 21. Section 251 of such act is amended by adding a new subsection (f) to read as follows:

"(f) The Attorney General is authorized to waive the list and manifest requirements of subsections (a) and (c)."

SEC. 22. Section 252 (a) of such act is amended by changing the period at the end of subparagraph (2) to a colon, and adding the following: *"Provided, however,* That in his discretion an immigration officer may extend the period of time during which such alien crewman shall be permitted to land temporarily within the United States."

SEC. 23. Section 252 (b) of such act is amended by—

(1) inserting the words "or another vessel of the same company at the same port," immediately after the word "vessel" where it appears finally in the first sentence of such section; and

(2) amending the second sentence to read as follows: "Until such alien is so deported, any expense of his detention, other than those that may be incurred on board a vessel of such transportation line, shall be payable from the appropriation for enforcement of this act."

SEC. 24. Section 254 of such act is amended by—

(1) inserting the words "or another vessel of the same company at the same port, or at a place specified by the immigration officer, at the expense of the steamship company" immediately after the word "vessel" where it appears in the first sentence of subsection (a) for the third time; and

(2) adding a new subsection entitled "(d)" reading as follows:

"(d) In the case of an alien crewman who is signed on a vessel by a representative of the United States Government, such as a United States shipping commissioner or an American consul, and where such crewman at the time of signing on was in possession of a valid passport or other travel document in lieu thereof, and also a certificate of service or identification issued to him by the United States Coast Guard, and when upon arrival in the United States from any place outside thereof such alien crewman is ordered detained by an immigration officer for any reason other than a medical reason, the detention and deportation expenses with respect to such crewman, and expenses incidental thereto, whether arising before or after he is permitted to land temporarily under section 212 (d) (5), 252, or 253, shall be payable from the appropriation for the enforcement of the act. Neither the owner, agent, consignee, charterer, master, nor commanding officer of the vessel which brought such alien crewman to the United States shall be held responsible for the detention or deportation of such crewman, either before or after he is permitted to land temporarily in the United States under section 212 (d) (5), 252, or 253 of this act."

SEC. 25. Section 256 of such act is repealed.

SEC. 26. Section 271 (b) of such act is amended by adding at the end thereof, the following sentence:

"Nothing in this section shall subject the transportation line to a penalty for the conduct of the alien or for the refusal of the alien to submit to immigration examination and inspection after the transportation line has presented the alien or other person to the Immigration and Naturalization Service in quarters subject to the control of such service."

SEC. 27. Section 272 (a) of such act is amended by striking everything after the word "unless" and inserting in lieu thereof:

"(1) The alien was in possession of a visa or other document authorizing him to apply for admission to the United States, or (2) the alien was allowed admission into the United States."

SEC. 28. Section 272 (b) of such act is amended by striking everything after the word "unless" and inserting in lieu thereof, the following:

"(1) the alien was in possession of a visa or other document authorizing him to apply for admission to the United States, or (2) the alien was allowed to land in the United States."

SEC. 29. Section 273 (a) of such act is amended by inserting after the word "territory" in the parenthetical phrase, the words "or adjacent islands."

SEC. 30. Section 273 (b) of such act is amended to read as follows:

"(b) If it appears to the satisfaction of the Attorney General that any alien has been so brought, and has immediately been excluded and deported such person, or transportation company, or the master, commanding officer, agent, owner, charterer, or consignee of any such vessel or aircraft, shall pay to the collector of customs of the customs district in which the port of arrival is located, except in the case of any such alien who is admitted, or permitted to land temporarily, in the United States, the sum of $1,000 for each alien so brought, and except in the case of any such alien who is admitted or permitted to land temporarily, a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival, such latter sum to be delivered by the collector of customs to the alien on whose account the assessment is made."

SEC. 31. Section 273 (d) of such act is amended by inserting the words, "the vessel bringing him or on board another vessel of the same company at the same port," immediately after the word "board" where it appears in the sentence for the second time.

SEC. 32. Section 282 (a) of such act is amended by deleting the words "shall be printed on distinctive safety paper and".

SEC. 33. Section 316 of such act is amended by adding a new subsection (g) as follows:

"(g) The benefits of subsection (b) of this section shall apply equally to the spouse and children of the person if living in his household."

The section-by-section analysis, presented by Mr. BUTLER, is as follows:

SECTION-BY-SECTION ANALYSIS OF THE AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT PROPOSED IN S. 3096

Section 1 amends the definition of the term "border-crossing identification card" to permit it to be issued to persons living on adjacent islands and aliens visiting neighboring territory.

Reason for the change: The border-crossing card is a useful identification card now issued at our land borders by a consular officer or an immigration officer to expedite the identification of aliens who repeatedly cross the border. Under the present laws its use is limited because it is issued only to aliens who live on or near our land borders. The amendment would permit it to be issued also to persons who live on adjacent islands and who can, because of the availability of the airplane, get into and out of the United States as quickly, if not more quickly, than persons who live long distances from our land borders. Since these are issued by our own Government officials there is no question that adequate protection against the admissibility of undesirables will be maintained.

Sections 2, 5, 6, 7, and 8 amend several sections of the statute to remove detailed requirements on visas and applications for visas, permits, and other documents and leaving such details to be specified by administrative regulation.

Reason for the change: The detailed specifications in the statute prevent the Secretary of State and Attorney General to make changes in these documents to meet changing conditions and circumstances. It is the practice in most other statutes to give the administration more discretion and more flexibility to adjust the detailed requirements to the changing needs. These amendments would accomplish that in the current statute. The exact details to be shown on the documents could be specified by administrative regulations. These amendments do not change the policy requirements under the immigration laws.

Section 3: Section 3 amends section 212 (d) (4) to authorize the Secretary of State and the Attorney General to waive visas for bona fide visitors from friendly countries on a reciprocal basis.

Reason for the change: The present law requires that a bona fide friendly visitor to the United States must meet all the formalities and the requirements imposed on a person immigrating to the United States for permanent residence. This has the effect of making our country seem unfriendly to bona fide visitors. However, this amendment will permit the Secretary of State and the Attorney General to enter agreements with friendly countries to reduce the requirements applied to bona fide visitors.

Section 9 would amend section 231 (b) to eliminate a mandatory fine for errors in passenger lists, however small, and substitute therefor a fine which would be imposed if the carrier consistently refused to submit accurate passenger lists.

Reason for the change: The present statute imposes a $10 fine for any error in passenger lists and manifests regardless of whether it was material and regardless of whether it interfered with the effective enforcement of the Immigration Act. In fact, on some occasions employees of the Immigration Service have been assigned the job of reviewing passenger lists submitted months before for the sole purpose of finding minute errors for which fines of $10 could be levied. We believe that the purpose of the list is to aid in the examination of passengers when they arrive. When the list has served that purpose there is no reason to fine the carriers.

A second objection to the $10 fine is that it can be arbitrary and there is no effective relief. To appeal from such a fine involves legal and other costs which exceed the amount of the fine itself. The result is that there is no effective way to avoid incurring the costs once the fine has been imposed. On the Government's side too, the enforcement of $10 fines involves more expense than the revenues produced.

Section 10 amends section 231 (c) to clarify the Attorney General's power to waive passenger lists where they are unnecessary.

Reason for the change: Passenger lists are not required of buslines or railroad trains crossing the border under the present statute, and this amendment grants the authority to the Attorney General to waive the requirement of such lists for other carriers where they are unnecessary or where they duplicate other information available to the Immigration and Naturalization Service.

Section 11 amends section 232 to permit the steamship companies to detain an alien not only on the vessel which brought him but also on another vessel owned by the same steamship line.

If the alien can be detained only on the vessel which brought him, it impedes the turn around of the vessel for its return voyage, the necessary fumigation, the performance of repairs on the vessel, the transfer of the vessel from one trade to another or from the foreign trade to the coastwise trade. Permission to transfer the alien to another vessel will not hinder the enforcement of the act.

Section 12 amends section 233 (c) to relieve the transportation companies of detention expenses in those circumstances where the alien is in possession of documents issued by the United States Government authorizing him to apply for admission or has evidence that he is exempt from those requirements.

The present law imposes expenses for detention on transportation companies for bringing aliens even though such aliens are in possession of documents issued by the United States Government authorizing them to come and the carriers to bring them. Transportation companies would be entitled to reply on documents issued by our Government, such as visas or other authorizations to apply for admission, without suffering penalties because of such reliance.

Section 13 amends section 237 (a) to relieve the transportation companies from the expenses of deporting an alien when such alien had been given a United States visa or reentry permit by the United States Government authorizing such alien to apply for admission to the United States.

This amendment would permit a transportation company to rely on a document issued by the United States Government without subjecting that transportation company to the penalty of deportation expenses when the alien is rejected and refused admission after his arrival at a port in the United States.

Section 14 amends section 237 (b) of the act to prevent a transportation company from being required to deport an alien from the United States or be fined for failure to deport an alien unless he is in possession of a document authorizing him to enter the country to which he is deported.

Under the present law the Immigration Service can order an alien deported without giving any assurance to the transportation company that the alien will be accepted by the country to which he is being deported. This may subject the transportation company to expenses and inconvenience at the foreign port because the transportation company has no effective method for obtaining entry documents from the foreign government. The United States Government should not impose deportation responsibilities or deportation expenses on carriers until it has obtained the documents necessary for the entry of the alien in the foreign country.

Section 15 amends section 237 of the act by adding a new subsection (f) to make clear that the carrier can protect itself from unscrupulous travelers by charging such travelers the transportation and other expenses incurred by the carrier because the alien was not eligible to enter the United States.

The Senate committee report on the McCarran-Walter bill (Rept. No. 1137, Calendar No. 1072, Jan. 29, 1952) indicates that the intention of the present law was to authorize the carrier to charge the alien for expenses incurred because the alien was not admissible. That report says at page 34:

"In this connection, the provisions in existing law which prohibit a carrier from charging an excluded alien for his return transportation have been removed to make it clear that the carriers may enter into an arrangement with the alien for the payment of his return transportation. The provision in section 237 (b) (5) which makes it unlawful for a transportation line to take any fee, deposit, or consideration on a contingent basis to be kept or returned in case the alien is landed or excluded is not intended to preclude the taking of advance security from the alien for the payment of detention expenses in case he is detained; nor does the consideration referred to in that provision include a refund of money for the unused portion of a round-trip ticket. As revised, there is nothing in the bill which would preclude the carried from selling a round-trip fare to an alien or making such other arrangement with the alien for the purpose of protecting itself from liability for costs incurred in connection with the bringing of the alien to this country."

To remove any doubt arising from the wording of the original section this subsection is added to give effect to the original intent.

Section 16 amends section 238 to remove the requirement that public carriers provide landing stations. The inspection of aliens coming to the United States is performed for the benefit of all American citizens and the expense of performing that work should not be borne by a limited number of citizens because they operate vessels or airlines.

Section 17 amends section 243 (c) of the act to relieve transportation companies from the expenses of deportation when the alien brought to the United States was admitted or allowed to land by the Immigration Service.

Aliens are in some cases examined and approved by two United States agencies. First, by the United States consul abroad who issued the visa, and second, by the Immigration Service which admitted the alien to the United States. These aliens are, nevertheless, sometimes deported after a stay in the United States. At the present time the law imposes the costs of the deportation of these carefully screened and admitted aliens on the transportation companies. This is corrected by this amendment. Once the United States Government approves the alien for admission to the United States, there is nothing the carrier can do to avoid this penalty and it should not be imposed.

Section 18 amends section 243 (e) to include in this section the amendments made by this bill to sections 237 (b) and 237 (f), namely, (1) that the carrier should not be required to remove or deport an alien until he is in possession of papers authorizing his admission to the country to which he is deported, and (2) authorizing the carrier to charge the alien the expenses involved in his deportation when the alien came to the United States in possession of the documents or qualifications required by the State Department and the Immigration Service.

Section 19 amends section 251 (c) to enable the Attorney General to extend the time in which vessels or aircraft must file lists of crewmen. A similar power is already given to the Attorney General by the present law in connection wtih passenger lists, and the proposed amendment would extend this power to apply in the case of crew lists.

Section 20 amends section 251 (d) in the same manner as section 9 above amends section 231 (d), namely, to impose fines for errors in crew lists only when the errors are repeated and are continued so as to interfere with the proper enforcement of the immigration laws.

Section 21 amends section 251 of the act by adding a new subsection (f) which authorizes the Attorney General to waive the crew lists requirements. There are circumstances when lists of crewmen are not necessary or there is duplicate information in the hands of the Immigration and Naturalization Service. This amendment authorizes the Attorney General to waive the requirement in such cases as he deems appropriate. The Attorney General has this power with respect to passenger lists and this amendment gives him similar power with respect to crew lists.

Section 22 amends section 252 (a) to grant authority to the immigration officer to extend the period during which an alien crewman may be allowed to land temporarily in the United States. In some cases the length of time granted an alien crewman when he first lands is inadequate for the requirements of his work and an extension is necessary. This amendment grants the authority to make the extension to the immigration officer who is familiar with the alien and the circumstances surrounding his stay in the United States.

Section 23 amends section 252 (b) to authorize a steamship company to detain crewmen on other vessels owned by that company, similar to the amendment proposed above in section 11 with respect to the detention of passengers. This amendment also relieves the operators of vessels from detention expenses while a crewman is held for deportation until he is delivered to the vessel.

Section 24 amends section 254 of the act to authorize the operator of vessels to detain alien crewmen in other vessels of the same company. This section also amends section 254 to provide that when a crewman is signed on a vessel by an official of the United States Government, the vessel's owner may rely on the act of that Government official with respect to the eligibility of such crewman to serve on the vessel and will not be penalized later in the form of detention or deportation expenses. The Government official who signed on the alien is far better able to check his eligibility than can the operator of the vessel and the operator should be entitled to rely on the official's act.

Section 25 amends the act by deleting section 256. This section prohibits a vessel or aircraft operator from discharging an alien crewman arriving in the United States without the consent of the Attorney General. These crewmen have documents issued by or recognized by the United States Government before they are employed. The operators should be entitled to rely on those documents and the United States enforcement agencies have other means available to exclude or admit such crewmen.

Section 26 amends section 271 (b) to relieve transportation companies of police responsibilities after they have presented an alien to the Immigration Service in an area subject to the control of that Service. There is no change in the penalty imposed on a transportation line if it lands an alien at an unauthorized place. However, after the carriers presents the alien to the Immigration Service the carrier lacks the police power to make arrests and to physically control him. This amendment provides that once the alien has been delivered to the custody of the Immigration Service that Service and not the carrier has the police responsibility of restraining him.

Sections 27 and 28 amend sections 272 (a) and (b) of the act to exempt the transportation company from a fine for bringing an alien who (1) is in possession of a visa or other document issued by this Government authorizing the alien to apply for admission to the United States, or (2) is allowed to land in the United States.

In the present section 272 the carrier is subject to a penalty for bringing aliens even though such aliens have been examined by the United States consul abroad and have been authorized by our Government to come to the United States. The carrier in such cases must rely on the document issued by our Government and will, under the amendment, not be fined for bringing the alien to the United States under such circumstances. This amendment also provides that if any alien is accepted by the Immigration Service and admitted to the United States, the carrier will not be penalized for bringing him.

Section 29 amends section 273 to eliminate the fine with respect to persons coming from adjacent islands to the same extent as they are eliminated with respect to persons coming from contiguous territories.

The present law does not impose fines on the carriers bringing aliens from foreign contiguous territories because the enormous flow of that traffic makes it impractical for railroads, bus lines, and other carriers to examine each alien and determine whether he is admissible. These same considerations apply to the heavy flow of traffic from such places as Bermuda and Nassau, and this amendment eliminates the fine for passengers from such areas.

Section 30 amends section 273 (b) to eliminate a fine on a carrier for bringing an alien who is admitted to the United States. The law presently fines a transportation company for bringing an alien who does not have a visa or other United States document authorizing him to apply to the United States; but if that alien arrives, is examined, and found to be admissible to the United States none of the immigration policies have been violated and there is no sound reason for penalizing the carrier. In many of these cases the alien deceives or misleads the carrier by asserting that he is either a citizen of the United States or such a person as does not require a visa. The carrier cannot disprove the person's claims and brings the alien. If the alien is ineligible and is refused admission, then the carrier is subject to penalty, but when the alien is admitted no policy of the United States immigration law has been violated and the carrier will not be penalized.

Section 31 amends section 273 (d) to authorize the steamship company to use a different vessel to detain a stowaway from the one on which he was brought. This is similar to the amendment proposed in sections 11 and 24, above.

Section 32 amends section 282 (a) to remove the detailed specifications from the statute which should more effectively be prescribed by administrative regulation. This is similar to the amendments in sections 2, 4, 5, 6, 7, and 8.

Section 33 amends section 316 of the act to apply to additional persons. Normally, an alien must live in this country 5 years in order to qualify for citizenship. If, however, he is sent abroad by the United States Government or employed abroad to further desirable national policy, he may credit his residence abroad toward the naturalization requirements. The alien's wife or children do not receive credit for such residence under the present act, however, and this amendment will give the benefits of section 316 to the relatives who live in the household of the person who lives abroad.

INSPECTIONS AND INVESTIGATIONS IN METALLIC AND NONMETALLIC MINES AND QUARRIES, RELATING TO HEALTH AND SAFETY CONDITIONS

Mr. LANGER. Mr. President, on behalf of myself, the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. NEELY], and the Senator from Montana [Mr. MANSFIELD] I introduce, for appropriate reference, a bill relating to certain inspections and investigations in metallic and nonmetallic mines and quarries (excluding coal and lignite mines) for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein, and for other purposes.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3097) relating to certain inspections and investigations in metallic and nonmetallic mines and quarries (excluding coal and lignite mines) for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein, and for other purposes, introduced by Mr. LANGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CROOKED RIVER FEDERAL RECLAMATION PROJECT, OREGON

Mr. NEUBERGER. Mr. President, the central region of the State of Oregon, an area of potentially fertile but arid land, needs the Crooked River project. By irrigating 20,000 acres—acres which will grow crops not presently in surplus—we can materially add to Oregon's wealth and opportunities.

The power revenues from The Dalles Dam, provided for in the bill, have an ample precedent in the situation at Chief Joseph Dam, where power revenues will be used to help make feasible the Foster Creek reclamation project. Chief Joseph Dam is also on the Columbia River.

I have discussed the Crooked River project at length with Mr. La Selle Coles, manager of the Ochoco irrigation district, which will be allied with the Crooked River project. I also toured the site of the Crooked River project, both in 1954 and in 1955, so I am familiar with the possibilities and resources involved.

Mr. President, I herewith introduce, for myself and my senior colleague, the distinguished senior Senator from Oregon [Mr. MORSE], a bill to provide for authorization of the Crooked River project and ask for its appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3101) to authorize construction by the Secretary of the Interior of the Crooked River Federal reclamation project, Oregon, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AUTHORIZATION FOR CERTAIN STUDIES OF SMOKE AND AIR POLLUTION

Mr. LEHMAN. Mr. President, on behalf of myself, my colleague, the senior Senator from New York [Mr. IVES], the senior Senator from New Jersey [Mr.

SMITH], and the junior Senator from New Jersey [Mr. CASE], I introduce for appropriate reference a joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to authorize the Interstate Sanitation Commission to make certain studies of smoke and air pollution in the New York City area.

I ask that a memorandum explaining the purpose of the joint resolution be printed at this point in my remarks.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The joint resolution (S. J. Res. 130) granting the consent of Congress to the States of New York, New Jersey, and Connecticut to authorize the Interstate Sanitation Commission to make certain studies of smoke and air pollution, introduced by Mr. LEHMAN, was received, read twice by its title, and referred to the Committee on Public Works.

The memorandum presented by Mr. LEHMAN is as follows:

MEMORANDUM EXPLAINING PURPOSE OF JOINT RESOLUTION

The New York metropolitan area has long been struggling with a serious air pollution problem. In accordance with a resolution passed by the Council of the City of New York on December 11, 1951, the mayor of that city was called upon to seek interstate cooperation in the control of air pollution. He made such request to the Governors of New York, New Jersey, and Connecticut. Subsequently legislation was passed in New York authorizing the Interstate Sanitation Commission to make a study for the two States of New York and New Jersey, and appropriating money for this purpose. Finally, the two States agreed on action when an act known as chapter 422 of the laws of New York, 1955, became law in that State on April 18, 1955, and a similar act known as chapter 46 became law in the State of New Jersey on June 6, 1955.

Obviously the Interstate Sanitation Commission established by compact to deal with water pollution in New York Harbor and adjacent areas is the only interstate agency in the metropolitan area which can handle such a study with facility because of its regular duties in a related field. However, the problem was complicated by the fact that Connecticut was a party to the Interstate Sanitation Commission and at the present stage was not interested in such a study since there was no pressing air pollution problem along the New York-Connecticut boundary of the metropolitan area. Finally it was agreed that Connecticut would pass legislation consenting to the Interstate Sanitation Commission making the study for New York and New Jersey. However, the act passed by Connecticut in its recent special session specified that the consent of Congress shall be obtained. It was felt by the Connecticut authorities that in order to avoid any possible legal difficulty congressional consent should be obtained for this amendment to the sanitation compact. The three States are all in agreement on this matter. There is no Federal question involved. All the consent legislation will do would be to consent to the Interstate Sanitation Commission studying the interstate air pollution between New York and New Jersey. It is vitally important that this study be made. The Interstate Sanitation Commission is clearly the best agency for this purpose. It would be unfortunate if there were any further unnecessary delay. Accordingly speedy action by Congress in consenting to this compact amendment should be taken immediately.

EXTENSION OF SUGAR ACT OF 1948, AS AMENDED—AMENDMENTS

Mr. LEHMAN. Mr. President, I submit, for appropriate reference, two amendments, intended to be proposed by me, to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, as reported by the Committee on Finance to the Senate.

The effect of these two amendments is to grant some measure of justice to the people of Puerto Rico and the Virgin Islands and especially the people of Puerto Rico. The first of the two amendments would permit Puerto Rico and the Virgin Islands to be treated as any other domestic areas in sharing any increase in contributions to the total domestic sugar production—an increase made possible by the increase in domestic consumption.

The second amendment I am submitting would permit Puerto Rico to refine any increase in its quota as a result of an increase in consumption.

Mr. President, Puerto Rico and the Virgin Islands are domestic areas. The residents of these islands are citizens of the United States. These areas should be treated with scrupulous fairness on an absolutely equitable basis—certainly in regard to sharing in sugar production, which is the lifeblood of the economy of Puerto Rico and the Virgin Islands, too.

This is not a favor I ask be done for these fellow citizens of ours. It is an obligation which devolves upon us.

Finally, Mr. President, I ask that there be inserted in the RECORD at this point an exchange of correspondence between myself and the Senator from Virginia [Mr. BYRD], chairman of the Finance Committee, in regard to these proposals I am submitting.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the correspondence will be printed in the RECORD.

The correspondence, presented by Mr. LEHMAN, is as follows:

JANUARY 23, 1956.

Hon. HARRY FLOOD BYRD, *Chairman,*
Senate Finance Committee,
Washington, D. C.

DEAR SENATOR BYRD: I have followed with great interest the progress of your committee's consideration of H. R. 7030, committee print of January 13, 1956, containing certain amendments to the Sugar Act of 1948 and providing for its extension through 1962. My concern with this legislation goes to many facets of the problem, including its implications for our foreign relations, its effect on labor standards, the necessity of providing safeguards for the sugar producers and refining industries of the United States, and the interests of our consumers. I must say that the proposed Senate amendments, like the provisions of H. R. 7030, as passed by the House, show a marked improvement, as I see it, over the original bills introduced in both Houses last year, in several important respects.

I am informed that the spokesmen for the various sectors of our domestic sugar producing industry continue to support the quota provisions despite the difficulties associated with crop restrictions. Their attitude, in this regard, recognizes the difficulties inherent in any other kind of solution to the problem. I am in accord with this position.

I regret, however, that in at least some other important aspect of this legislation, insufficient attention seems to have been given to the equities involved.

I refer to our treatment of Puerto Rico. Puerto Rico is a domestic area. I see no reason nor justification for making a categorical distinction between Puerto Rico and other domestic producing areas. Yet in this legislation Puerto Rico is discriminated against in two respects: (a) in respect to the production quota and (b) in respect to refined sugar.

Surely with regard to an area over which the Congress has such supreme authority, we should feel a special responsibility to treat this area and its people with the most scrupulous fairness. Since Puerto Rico has no voting representation in the Congress, each of us must consider himself a representative of the interests of that commonwealth. Our policy toward Puerto Rico is carefully watched throughout Latin America. Each manifestation of alleged injustice toward Puerto Rico is noted. I consider the treatment accorded to Puerto Rico in this legislation to be a real injustice.

I refer first of all to the allocation to Puerto Rico of a share in the domestic quota increases resulting from an increased consumption of sugar. The language of H. R. 7030, as it passed the House, gives Puerto Rico a percentage share of the amount to be allocated to the domestic areas as a result of any overall increase in the United States consumption. The Senate committee amendments place Puerto Rico in a separate and second category which is to share in increased consumption only if and after increased consumption is in excess of 165,000 tons.

I hope this discrimination will be eliminated in the bill reported out. I believe it to be quite unjustifiable both in principle and in actual operation. I would urge the committee to return to the language of the House-approved version of this section.

In regard to refined sugar, let me recall that when the first sugar program was enacted in 1934, in light of the fact that the refined sugar industry was in a depressed condition, Puerto Rico was limited, in the total amount of refined sugar it could ship to the mainland, to 15.5 percent of its total production quota. In the years following, this percentage has been gradually reduced until today Puerto Rico is limited in its refined shipments to 11.7 percent of its quota. This has been a result of congressional failure to increase the Puerto Rican refined quota along with the total quota. Under the pending measure it is proposed to make this small percentage permanent. There can be no justification, in my opinion, for this persistent discrimination.

A small increase in both the basic quota and the refined quota for Puerto Rico would have far-reaching benefits for its economy. Puerto Rico needs such an economic stimulus.

I do not undertake to urge that all the past injustices in this regard be righted, as desirable as that might be in a moral sense. I know how much opposition there would be to any proposal to increase Puerto Rico's refined quota at the expense of the amount of sugar now being milled by our mainland refineries. I therefore urge only that Puerto Rico be permitted to ship as refined sugar any increases in her basic production as might be allowed under the terms of the bill now under consideration.

I am attaching to this letter suggested amendments to translate into legislative language the proposals I have made in this letter. I hope the committee will give them careful consideration and will see fit to adopt them.

If this is done, it will go far toward rectifying an historical pattern of discriminatory

treatment meted out to Puerto Rico in this and other respects.

With kinds personal regard, I am,

Very sincerely yours,

HERBERT H. LEHMAN,
United States Senator.

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
January 24, 1956.

The Honorable HERBERT H. LEHMAN,
United States Senate, Washington, D. C.

DEAR SENATOR: I have today received your letter of January 23, expressing your views on the Sugar Act extension bill, H. R. 7030, and suggesting the adoption of two amendments in behalf of the Puerto Rico sugar producers.

I regret that your letter and suggestions were received too late for consideration by the Committee on Finance. We completed the committee action on the bill yesterday.

With kindest regards, I am,

Faithfully yours,

HARRY F. BYRD,
Chairman.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENTS

Mr. BRICKER submitted amendments, intended to be proposed by him, to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address delivered by him before Neenah, Wis., Junior Chamber of Commerce, on January 30, 1956.

Address delivered by him at testimonial dinner for Miss Isabelle Drumb, at Wisconsin Dells, Wis., on January 28, 1956.

By Mr. HUMPHREY:

Article entitled "Liberalism," written by him, and published in the autumn 1955 issue of the American Scholar.

RESIGNATION OF WILLIAM H. TIMBERS, GENERAL COUNSEL, SECURITIES AND EXCHANGE COMMISSION

Mr. BUSH. Mr. President, I have in my hand a copy of a letter of resignation submitted by Mr. William H. Timbers, general counsel of the Securities and Exchange Commission, to J. Sinclair Armstrong, the Chairman of the Commission.

Mr. Timbers has terminated 2 years of service to the United States as general counsel for the Commission. He is a resident of Darien, Conn. I have known him for a number of years, and have watched his record in Washington with considerable interest, admiration, and pride, because he is a resident of my State, and a rather close neighbor of mine.

As a member of the Committee on Banking and Currency, I have had the opportunity of watching Mr. Timbers' activities perhaps rather more closely than have other Senators, and I have taken occasion to do so because of my personal interest in him.

I have observed that he has had an excellent record in representing the Commission before the courts, and has in every way served with distinction and with great credit to himself and to the State of Connecticut.

Accordingly I ask unanimous consent that two letters which I hold in my hand be printed at this point in my remarks in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SECURITIES AND EXCHANGE COMMISSION,
Washington, D. C., January 19, 1956.

Hon. J. SINCLAIR ARMSTRONG,
Chairman, Securities and Exchange Commission,
Washington, D. C.

DEAR SIR: Prompted only by the pressure of personal affairs, I submit herewith my resignation as General Counsel of the Securities and Exchange Commission, effective January 30, 1956.

I should like to take this opportunity to express my deep appreciation for the privilege of having served as General Counsel of the Commission under both you and Ralph Demmler as chairman, as well as under each of the Commissioners who have held office while I have been General Counsel, and with the extraordinarily competent staff of the Commission. The experience has afforded me the most solid professional satisfaction I have ever known.

Special commendation is due you and Ralph Demmler for the effective manner in which, under your leadership, this Commission has performed its vital role in the program of the Eisenhower administration—a program which has brought unprecedented prosperity and has welled up in the hearts of people all over the world the age-old yearning for peace, this time based upon a realistic appreciation of the necessity of strength as a prime condition of enduring peace. The impact of the work of this Commission, under your administration, in maintaining conditions encouraging to the capital formation process and yet not relaxing the maximum investor protection contemplated by the statutes, has contributed enormously to the success of the program of the Eisenhower administration which in turn has had its impact upon every home in the country and upon every man, woman, and child the world over.

Included among the notable achievements of this Commission under your leadership has been the clarification of its role as one of the great independent agencies (having executive, legislative, and judicial functions) but particularly in its relationship to each of the three branches of the Federal Government: the executive, the Congress, and the judiciary. The process of delineation between the appropriate spheres of these three branches of government has been under way since the earliest days of the Nation and necessarily will occupy the attention of thoughtful men for years to come. And yet more has been accomplished, in my opinion, during your administration as chairman of this Commission than during any other comparable period of time to revitalize the historic constitutional doctrine of separation of powers, particularly in its application to the relationship of this Commission to each of the branches of the Federal Government. The vigor with which the problem has been approached and the constructive results obtained give adequate assurance that the Securities and Exchange Commission has no intention of permitting itself to fall victim to what one of the great American judges of all time recently characterized (in referring to a disease known to afflict administrative agencies) as "the sclerosis * * * that in the end, if unchecked, will destroy the value of such organs of our Government."

To have been privileged to participate in a modest way in such a vital and constructive program of the Commission, has been a source of great pride and deep satisfaction to me. In turning over the reins of office at this time, I am pleased to report that the work of our office is up to date. All pending major appeals have been briefed and argued. Our staff is manned with skilled, professional craftsmen of a caliber rarely found, in my observation, in or out of the Government. I am confident that there will be not even a ripple of disturbance in the smooth operation of the office of General Counsel as a result of my resignation.

In leaving the Commission which I have so thoroughly enjoyed serving, I cannot refrain from expressing to you personally and to each member of the Commission and staff my heartfelt appreciation for one of the most delightful personal associations I have ever had the privilege of enjoying—an association I shall treasure as long as I live. In bowing out and with the utmost humility and respect, I salute you, each member of the Commission and the staff as great public servants, dedicated to the service of a great Commission, a great Government, and a great country.

Very sincerely yours,

WILLIAM H. TIMBERS,
General Counsel.

SECURITIES AND EXCHANGE COMMISSION,
WASHINGTON, *January 27, 1956.*

Mr. WILLIAM H. TIMBERS,
General Counsel, Securities and Exchange Commission,
Washington, D. C.

DEAR BILL: The Commission has today accepted with regret your resignation as our General Counsel, effective January 30, which you tendered in your very kind letter to me of January 19. All of us, and I particularly, deeply appreciate the observations you make in that letter. We are sorry to lose you.

Since you became the Commission's General Counsel in October 1953, you have directed the legal representation of the Commission during a very active period. You have appeared on our behalf in more than 30 cases on appeal before either the Supreme Court or the courts of appeals of the United States, and you have appeared in and argued a number of cases before the district courts. You have shown, in our opinion, professional ability and legal skill of the highest order. The Commission's legal position in difficult and complicated appellate litigation has been sustained by the courts in almost every case in which you have represented us. This record of successful legal representation is of particular importance to our agency, performing as it does important statutory functions under laws intended by the Congress for the protection of investors and the public interest.

We particularly commend you for your professional skill and competence in all of the circumstances, some of which were extremely trying and difficult, in connection with the *Kinsey* v. *Knapp* litigation. It was particularly gratifying to the Commission, as I am sure it was to you, to note the observation of Presiding Judge Martin of the Court of Appeals for the Sixth Circuit, at the oral argument of that case on appeal, that the entire panel had read the almost

800-page appellate record, and that the court could find nothing in that extensive record which reflected anything but credit upon your conduct as the Commission's counsel in the district court below. The decision of that case is of continuing importance to the Commission as one of the independent agencies of the Government in its relationships with the executive, legislative, and judicial branches of the Government. You have also contributed to the development of the law in this field in your appearances as General Counsel of the Commission before committees of the Congress.

In addition to your appearances on behalf of the Commission before the courts and the committees of Congress, you have participated in the drafting of many briefs and memoranda of law for the courts and the Commission, and many conferences with representatives of other Government agencies, of persons subject to our regulatory jurisdiction and of the public. In all of this you have brought to bear qualities of skill and integrity which are a credit to you and are in the finest traditions of the American bar. Particularly, the Commission has been aided by the fine liaison you have established and maintained with the Department of Justice, upon which our Commission is dependent for the successful completion through indictment and prosecution of criminal cases developed by us involving violations of the Federal securities laws.

As I said, we are sorry to lose you and we accept your resignation with regret. We wish you every success as you return to the private practice of law, and commend you for your distinguished record in the service of our Government as General Counsel of this Commission.

Sincerely yours,

J. SINCLAIR ARMSTRONG,
Chairman.

TO THE PRESIDENT—EDITORIAL

Mr. PAYNE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial which appeared on the front page of the New York Herald Tribune of January 30, 1956, under the heading "To the President."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TO THE PRESIDENT

President Eisenhower has announced that he is "marshalling all the factors" which bear upon the imminent and fatefully historic decision he must soon make.

We know it will be a decision free from personal ambition. We know it will be a decision free from personal reluctance to continue the burdens of the Presidency if he feels he can discharge the responsibilities of the Presidency. We know his continued leadership during another 4 years can well make a decisive contribution to the unity, strength and peace of America and the free world.

No one should presume to substitute his judgment for Mr. Eisenhower's as to whether he can run for a second term.

We believe, however, that it will be helpful to the President and welcome to the President for him to measure how others "marshal" the factors which are pertinent to his decision.

ON THE PRESIDENT'S HEALTH

We are glad that Mr. Eisenhower is not allowing any of his more political-minded associates to persuade him to dismiss lightly the factor of his health, his physical ability to do justice to his awesome job if he is elected again. We are glad that he is weighing this factor frankly, realistically, and openly.

We would not want the President to run, we would candidly counsel against his running if he felt he could not discharge the indispensable and pressing functions of the office. We know that the Presidency cannot be cut down to half-size to fit half a man and we know that Mr. Eisenhower would never be party to such a delusion. The President knows that however much may be done to conserve the energies of the President by reducing the lesser administrative duties of the Presidency, you only free the President to devote more of his time to the largest responsibilities of his office.

No President, no private individual, can know for a certainty that he will survive the rigors of his labors for any given period. We are convinced that Mr. Eisenhower will and should accept renomination only if he is satisfied within his own good conscience, that he is equal to the task after measuring his recovery at full pace.

ON THE INDISPENSABLE MAN

Mr. Eisenhower has frequently remarked that he does not look upon himself as an indispensable man—or an indispensable President: He is right. He isn't. We wish that others in the past had been as clear and as humble. But we hope that Mr. Eisenhower will not become entangled by a false concept of the dispensable man. The traditions of our democratic system have not developed out of dogma and theory. They have developed out of the tests of experience and practice and wisdom. It is one of the best of our traditions that the two parties want their elected President to give the Nation the continuity of 8 consecutive years of service if he can possibly do so. To give the American people the opportunity to have a two-term Chief Executive is normal and desirable and constitutional. It is no expression of the "indispensable man" theory to make it possible.

ON THE ISSUE OF PEACE OR WAR

Every loyal American wants to do his part to serve the cause of peace without appeasement. Today no one is doing so much to serve the cause of peace without appeasement as President Eisenhower. By his transcendent good faith and integrity he has become the embodiment for the whole free world of America's peaceful, world-minded leadership. There is no position anywhere from which so much can be done for peace as the Presidency of the United States. Mr. Eisenhower's voice is raised tenfold when it speaks from under the Presidential seal of the White House. It would inevitably be muted should he step from the White House and close the door.

Mr. Eisenhower has the capacity and the talent and the trust to make a unique contribution to the cause of peace which America needs and which the world needs at this crisis period of the hydrogen age. He is the right man in the right place at the right time to deal with the one issue which towers above all others—the cause of peace or war.

ON THE ISSUE OF NATIONAL UNITY

By his moderate, forward, unpartisan leadership, President Eisenhower has done much to dissolve the bitterness, erase the harsh, divisive controversies which tended to stalemate Government for so long. He is the symbol and chosen instrument of national unity. His election, we believe, sprang from the determination of the American people to break through the divisions of the past and rally the good will and energies of the whole Nation behind whatever needs to be done to meet the present.

Moderateness is the mood and necessity of these times. It is a constructive, accomplishing mood. We believe that the need to implement this mood has not changed and we believe that it can best be implemented by the man who proved he could best evoke it and bring it to fruition.

ON THE EISENHOWER PROGRAM

It is our conviction that President Eisenhower has enunciated a philosophy and a program of action designed to buttress the best of a free society, to maintain fiscal integrity and to preserve an economic strength essential to safeguard the free world. It creates the climate and the conditions which permit our private-enterprise economy to produce the most for labor and ownership and it fortifies this society with humanitarian measures to help meet the human needs of the people. It puts a floor under security and lifts the ceiling on initiative.

It is a philosophy of the middle road wherein the Government can effectively act. It seeks to strengthen the Federal system where local and State action is insufficient and to return to local and State government functions which they can better perform. It does not seek power for the sake of power, nor to maintain big government when it is not necessary.

We believe that in 1952 this was the fundamental change in Government for which the American people voted after 20 years of one-party rule and of war and of regulation. Another 4 years of President Eisenhower's leadership is essential to deepen, widen, and secure the great liberal measures on which he is working.

The President's task is well begun but it is far from completed, far from securely moored.

The President's galvanizing, unifying leadership is needed to carry it forward, for if it is not decisively carried forward in the next 4 years, there is the gravest risk that it will be decisively carried backward.

ON THE TWO-PARTY SYSTEM

Dwight D. Eisenhower has no overriding obligation to the Republican Party but the Republican Party has a great obligation to Mr. Eisenhower. It would be a derogation of his sense of duty to suggest that he run primarily to save the Republican Party. It would not, we believe, be a derogation of his sense of duty to suggest that one of the compelling reasons why he should accept renomination is to secure the two-party system—by making sure that the Nation has a party which is liberal and effective because it is freed from the extremes of either the right or the left.

In a remark free of any comforting vagueness Vice President NIXON has stated the Republican problem in these words: "The Republican Party is not strong enough to elect a President. We have to have a presidential candidate strong enough to get the Republican Party elected."

The blunt and objective truth is that the Republican Party faces the very real danger of defeat this fall unless President Eisenhower remains at its head, its prestige-laden leader, its two-term presidential nominee.

IN CONCLUSION

Mr. Eisenhower has said that he wished the American people who voted so decisively to make him President, could decide for him whether he should offer himself as President for another 4 years.

That decision, Mr. President, is already in.

If it is the wish of the President to be guided where the American people as a whole hope his course lies, then Mr. Eisenhower's decision is marked out. Every test of public opinion shows that the Nation, with both eyes open to the problem of his health, wants Mr. Eisenhower to continue in the White House.

The Gallup poll of December 18, before the President was as well as he is today, showed the country voting 3 to 2—higher than in 1952—in favor of the President. The Gallup poll of December 25 found 3 out of 4 Americans giving Mr. Eisenhower a decisive vote of confidence, 75 percent approving his handling of the Presidency—a higher percentage than before his illness.

The United States and the free world today stand poised between an era of unprecedented freedom and the dark portent of an age of slavery.

Because the hour is grave and the promise of a peaceful atomic era is so nearly within our grasp—we, Mr. President, feel it our solemn responsibility to avow our hope and prayer that nothing short of the most commanding reasons will keep you from accepting the call of this Nation and freemen everywhere.

OUR NATIONAL SECURITY—ADDRESS BY GEN. DAVID SARNOFF

Mr. LEHMAN. Mr. President, last week, on January 26, a dinner was held in Washington sponsored by the National Security Industrial Association. At this dinner an outstanding citizen of my State, Gen. David Sarnoff, received the James Forrestal Memorial Award for "outstanding leadership in encouraging vital understanding between industry and Government in the interest of national security."

In accepting the award, General Sarnoff delivered a very thought-provoking address, which included a proposal for action which should be given careful consideration by the leaders of our Government and by the Congress. This proposal is for the establishment of a national educational reserve to stimulate the training of technologists in the United States. The organization which sponsored the meeting is a nonprofit, nonpolitical association of 600 American manufacturing and service companies interested in defense and security matters. It was before this audience that General Sarnoff made his presentation.

I am informed that the address by General Sarnoff was printed in the Appendix of the daily RECORD. I commend it to Senators and all others who read the RECORD as an excellent presentation of what steps should be taken to insure the security of our country.

ECONOMIC FORECASTING

Mr. WATKINS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "What's Wrong With the Top United States Economists Is Trying To Make an Exact Science of Guessing," published in Newsweek magazine of January 30, 1956, together with a statement I have prepared in connection therewith.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

Several days ago I placed in the body of the RECORD my comments on the 1956 Economic Report of the President.

In this statement, I called attention to the fact that the professional staff of the Joint Committee on the Economic Report had estimated that a gross national product of $375 billion would be needed in 1955 if the goals of maximum employment, production, and purchasing power envisaged by the Employment Act of 1946 were to be achieved.

I also indicated that neither the staff nor the Democrat members of the joint committee believed that this $375 billion goal could be achieved. Actually, the value of all goods and services produced in 1955 was $387.4—some $12.4 billion in excess of the $375 billion these economists told us was needed to achieve maximum employment.

The statement then called attention to the fact that the science of forecasting is so unreliable that the calculated or predicted goals cannot have great value for policy decisions and, therefore, that inclusion of so-called needed goals in the President's Economic Report really served no useful purposes.

An article in Newsweek magazine for January 30, 1956, discusses the inability of several top-level economists who appeared before the Joint Committee on the Economic Report last year to forecast successfully the probable levels of production, employment, and purchasing power. All of them erred on the conservative side.

WHAT'S WRONG WITH THE TOP UNITED STATES ECONOMISTS IS TRYING TO MAKE AN EXACT SCIENCE OF GUESSING

Exactly a year ago this week, eight of the Nation's leading economic seers solemnly trooped into the Senate Office Building caucus room, dusted off their crystal balls, and let the world know just what was in store—or so they thought—for business in the year ahead. One by one, they proceeded to throw cold water on the bright business outlook President Eisenhower had just painted in his Economic Report to Congress. One expert thought unemployment might average as high as 4.7 million for 1955; actually, the out-of-work total decreased. The top estimate of the gross national product—a fourth-quarter rate of $380 billion—didn't come anywhere near the mark (an estimated $397 billion).

This week again, as Mr. Eisenhower submits a new economic report to Congress, it's open season for forecasting. Armed with their sharpest pencils, their longest slide rules, their most involved charts and theories, the economists are out in force to second guess the President and his own economic advisers (who came closer to the mark last year than their colleagues in private practice). Past performance gives reason to suspect their vision may be blurred. Examples:

Right after the war, many economists glumly predicted 8 million unemployed. The jobless ranks never rose to anywhere near that amount

When the country entered the 1949 recession, many analysts again warned business to batten down the hatches and prepare for the widely expected postwar depression. As it turned out, 1949 proved only a short breather in the country's economic climb.

Last year, 53 top economists polled by The Philadelphia Bulletin financial editor and columnist J. A. Livingston guessed (on the average) that the gross national product would rise 3 percent. It went up 7½ percent on average, and 9 percent by the year end.

Many businessmen find fault with economists not only for their predictions but for their method of predicting. Often they flatly refuse to predict more than 6 months ahead—unless it is a long-term forecast for 5 or 10 years. And when the economists do speak out, many hedge so completely, or use so much gobbledygook that their pronouncements are worthless. (Example, from a discussion on where to get data on capital investment: "We must have recourse to crude estimates based on commodity flows, which require interpolation for intercensal years and adjustment from an output basis at producers' prices to an installed basis at cost to ultimate users.")

On the record, it is no surprise that growing numbers of people are asking: What's wrong with the economists?

The answer is as complicated as alphabet soup at a Chinese dinner.

One major shortcoming lies not in the men but in the inadequate "tools" (i. e., statistics) they work with. While the Government now spends about $40 million a year gathering business information, it often gets too few facts too late. Figures on inventories and unemployment, for example, are at best sketchy. Construction statistics are poor. Much of the "latest" business information is actually 6 weeks old, and is often changed when the final results are in. Not only do experts disagree on where they're going; they often do not know where they are—and only vaguely where they've been.

TOOLS OF THE TRADE

Economists add to the confusion, since they cannot agree themselves on how to use the tools they already have. At one time or another, the experts have given great weight to steel production, freight-car loadings, business failures, the stock market. Today, many analysts are guided by eight "leading series" (e. g., construction contracts, durable goods orders, wholesale commodity prices) pin-pointed by the National Bureau of Economic Research. Others pay closer attention to broader "sector analysis"—breaking down the gross national product into components such as consumer income and spending and estimating how each will behave.

The disagreement is basic; it comes down to an argument over just what makes the economic wheels go around. There are classical economists and Keynesian economists. There are monetary economists who believe that jiggling the interest rate and money supply makes business rise and fall. There are those who feel that the basis of any boom or bust is unquestionably psychological.

The fact is, economics is part science, part politics, part art. There is still no set formula that can be fed into an electronic brain for the answers. The reason is that economics deals with people, a notably unpredictable lot.

Recognizing all these pitfalls, many authorities—including Presidential Adviser Arthur Burns—insist economists should never make precise predictions. But the fact is that they do. And they make mistakes. Why do they usually underestimate rather than overestimate the business potential?

Grover W. Ensley, staff director of the Joint Committee on the Economic Report, has this explanation: "They've been too cautious because, first of all, they underestimated population growth and advances in technology. Secondly, economists, like doctors, look for trouble spots, and when they find them, tend to overemphasize them.

Prof. Milton Friedman of the University of Chicago offers this reason: "If a man makes predictions that err on the conservative side, relatively few persons depending on these predictions are hurt. If he's too bold, many will be hurt."

Economist Martin R. Gainsbrugh of the National Industrial Conference Board adds another thought: The very act of predicting may change the results. If a housing slump is predicted, for instance, the Government may act to prevent it. If the action succeeds, was the economist right or wrong?

Knowing that economists make mistakes, how is a businessman to treat their advice? Here are a few recommendations from the experts themselves:

"I believe businessmen may properly turn to an economist for a specific analysis of the probable future of a single company or industry," says University of Chicago's Milton Friedman. "General forecasts are a dime a dozen—and they aren't worth the dime."

"Know the man who's advising you," says Chase Manhattan's economist, William F. Butler. "The ranks are filled with nonprofessionals. I wouldn't give a nickel for forecasts based on a consensus of economists," he says.

"If you want your expert to predict, make him do it often, revising his estimates in the light of new developments," says NICB's Gainsbrugh.

Don't expect the impossible. "The economist will never relieve management of the

responsibility of making decisions," says Dr. Heinz Luedicke, editor of the New York Journal of Commerce.

Use other sources of information and advice—sales managers, dealers, trade organizations, your own business savvy. "Anyone who slavishly follows an economist's advice," says McGraw-Hill Publishing Co. Economist Dexter Keezer, "is, bluntly, a sucker."

The time will probably come when economists can hit the mark more consistently. "To find a cure for polio or cancer, we study the problem," Friedman observes. "I think we can solve the problem of short-term forecasts, but we haven't done it yet." Meanwhile, businessmen will keep on demanding predictions, and they will continue to flow in—some accurate, some far off base. "It's probably a social law," says Dexter Keezer, "that people would rather be poorly informed about where they're going than well informed about where they are."

THESE EXPERTS MISSED THE MARK, AND THEY EXPLAIN WHY THEY DID

All eight economists who discussed the 1955 Economic Report before a congressional committee last year underestimated business potential. Here are some of the predictions, the actual results, and the retrospective comments:

Stanley Ruttenberg, director of research, AFL-CIO:

Prediction: "I think unemployment in 1955 will average 1 million to 1.5 million higher [than the 1954 average]."

Result: Unemployment declined.

Explanation: "The major factor [I] omitted was the increase in consumer debt. * * * This increased total consumer expenditures resulted in business inventory buildups and plant and equipment expenditures of a magnitude that otherwise would not have taken place."

William F. Butler, economist, Chase Manhattan Bank:

Prediction: "I believe 1955 will be a year of high-level activity. The gross national product will rise about 4 percent."

Result: Butler's crystal ball was the least cloudy of this group, but even he fell short of the mark.

Explanation: "No one expected the auto industry to do as well as it did. That's the biggest reason I underestimated 1955. The extension of automobile credit terms was important. I might have made a different forecast had I know this would happen."

Martin S. Gainsbrugh, chief economist, National Industrial Conference Board:

Prediction: "The policy pursued in 1954 gives promise of further recovery in 1955. I may quarrel with [the] expectations for boom dimensions in the economy. * * * Our economic forum believes the GNP in the fourth quarter of 1955 will be about $370 billion."

Result: While Gainsbrugh foresaw continued recovery in 1955, his most optimistic projection fell short of the $397 billion fourth-quarter rate. His fears that auto output and home construction would taper off didn't materialize.

Explanation: "Our forum had no idea of the full dimensions of the postwar auto market. The auto industry itself found a new tool—longer extension of credit. Easier credit also stimulated housing demand."

Gerhard Colm, economist, National Planning Association:

Prediction: "Even a quite optimistic evaluation of expansionary factors * * * now foreseeable does not make such a rise [$20 billion increase in consumer spending to maintain full employment] appear likely unless * * * further policies * * * to promote expansion are adopted."

Result: The bulge in spending which Colm thought impossible without more stimulation actually took place.

Explanation: "Consumer and business psychology plays an increasing role and is difficult to predict except for relatively short periods of time."

Heinz Luedicke, editor, New York Journal of Commerce:

Prediction: "The key question for 1955 is whether or not the current upturn in industrial production will carry through. This appears rather dubious. * * * It seems likely that [auto] production will level off. * * * Industrial production is likely to level off and probably sag moderately by mid-1955. * * * Average level of unemployment for the year [will be] slightly higher than in 1954. * * * Business spending will be lower."

Result: Luedicke was too bearish.

Explanation: "The auto boys underestimated demand by as much as 2 million cars, and autos are a really important basic industry. Credit policy also tricked me up. I underestimated the force of the measures taken to get us out of the 1954 slump [tax cut, easier credit, Housing Act]."

THE FEDERAL HIGHWAY PROGRAM—RESOLUTIONS FROM MINNESOTA

Mr. HUMPHREY. Mr. President, during recent weeks I have received a good many resolutions from county officials in all parts of Minnesota regarding the urgent need for a comprehensive, large-scale, and long-term highway program. I wish to bring to the attention of the Senate and to the appropriate committees, as well as to the attention of the other House, the nature of the resolutions and also the areas covered and the local officials or local bodies which have submitted them to me.

I have received resolutions from officials of the following Minnesota counties specifically supporting S. 1048, the Gore bill, passed last year by the Senate: Mahnomen, Big Stone, Pennington, Dodge, Carlton, Hubbard, Blue Earth, Pope, St. Louis, Rice, Benton, Polk, Isanti, Le Sueur, Itasca, Clearwater, Traverse, Clay, Becker, and Carver.

I have also received resolutions from other Minnesota counties similarly stressing the importance of a Federal-aid highway program. While these resolutions do not specifically support a particular piece of legislation, they do stress the importance of an expanded highway construction program on the National, State, and local levels. These resolutions have come from the following Minnesota counties: Kanabec, Todd, Cass, Pipestone, Wright, Lake, Chisago, Swift, Otter Tail, Wilkin, Winona, Anoka, Lyon, Goodhue, and Faribault.

I am making this notation of the counties at the specific request of the county officials. It was the feeling of the county boards in adopting the resolutions that the resolutions should be brought to the attention not only of the appropriate committee, but also of the Senate itself.

In addition, I have just received a resolution from the city council of Fergus Falls, supporting Federal legislation for a highway program. This is in addition to others which I have submitted in the past, all of them indicating great support by the State of Minnesota for immediate action in Congress on a Federal highway program. I note that most of the support is along the lines of the Gore bill.

Considerable new support is growing in the larger cities for what is called the interurban or access road program, the program for the urban and metropolitan areas.

SNAKE RIVER—PRINTING OF ADDITIONAL COPIES OF SENATE DOCUMENT NO. 51

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 187, to print additional copies of Senate Document No. 51, 84th Congress, 1st session, which resolution was placed on the table on January 18, 1956. At that time the distinguished minority leader had raised some question about the authority to print additional copies. I am informed by my staff that the minority leader has advised that he has no objection to the resolution, and the chairman of the Committee on Public Works tells me distinguished Senators of both parties desire copies of the document.

If it is agreeable to the acting minority leader, the Senator from Maine [Mr. PAYNE], I should like to have the Senate proceed to its consideration. I so move.

The PRESIDING OFFICER (Mr. NEELY in the chair). The question is on agreeing to the motion of the Senator from Texas that the Senate proceed to the consideration of Senate Resolution 187.

The motion was agreed to, and the resolution (S. Res. 187) was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Public Works 800 additional copies of Senate Document No. 51, 84th Congress, 1st session, entitled "Middle Snake River, Snake River and Tributaries, Wyoming, Idaho, Oregon, and Washington."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed a bill (H. R. 8787) to provide for a prorated stationery allowance in the case of a Member of the House of Representatives elected for a portion of a term, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 7871) to amend the Small Business Act of 1953, and it was signed by the President pro tempore.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The PRESIDING OFFICER (Mr. MURRAY in the chair). The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. McNAMARA obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will my distinguished friend yield to me?

Mr. McNAMARA. Certainly.

Mr. JOHNSON of Texas. Let me say that if the distinguished Senator from Michigan desires me to do so, I shall be glad to suggest the absence of a quorum.

Mr. McNAMARA. I thank the Senator very much, but I have no desire to have that done.

Mr. JOHNSON of Texas. Very well. I know the Senator from Michigan is about to make a very fine statement, and I hope there will be a considerable attendance of Senators to hear him.

Mr. McNAMARA. I thank the Senator from Texas.

Mr. President, during the remarks I am about to make on the Fulbright bill, I prefer to speak without interruption, rather than to yield during the presentation of my remarks—except in the case of Senators who wish to submit matters for printing in the RECORD; and in such case, I ask unanimous consent that I may yield to them without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McNAMARA. When I have finished, I shall, of course, do my best to answer any questions that my colleagues then may ask me.

Mr. President, I am opposing the bill for six principal reasons. Let me outline them briefly:

First, the Fulbright bill is a complete contradiction of the basic principles of the Democratic Party, of which I am a lifelong member.

Second, the Fulbright bill is a barefaced attempt to put a pistol to the heads of more than 300,000 captive customers of the five natural-gas distributing companies in Michigan. These 300,000 families have made an investment of perhaps $150 million in natural gas house-heating facilities. They cannot change to oil or coal use, except at unbearable cost.

Third, the purpose of the bill is, basically, to place millions of dollars—no, not millions, but billions of dollars—in unearned future profits and immediate capital gains in the mink-lined pockets of a comparative handful of Wall Street and southwestern United States oil and gas companies.

Fourth, the efforts of the proponents of the bill to call it a regulatory device for the benefit of the gas consumer are patently deceptive. The real purpose of the bill is to give the owners of gas reserves the right to raise the price of natural gas entering interstate commerce to the highest level possible in the face of such competition as there may be by oil and coal. Because natural gas for the householder has very great advantages in cleanliness, ease of control, and so forth, the highest competitive level is very high indeed, perhaps as much as three times the present price of gas in many markets.

Fifth, the Fulbright bill is intended to take away from the Federal Power Commission the right of price regulation which it has had continuously since the passage of the Natural Gas Act in 1938, and which has been reaffirmed by the United States Supreme Court in its decision of April 1954, in the Phillips case—which, incidentally, I believe was begun from Detroit.

Sixth, the Fulbright bill is expressly designed for the profit of the great oil and gas companies, to convert into cash the windfall profits that have become possible through the development of natural gas from a nuisance byproduct that used to be flared up into the air, into one of the Nation's greatest and most valuable natural resources. All of this change has taken place since the passage of the Natural Gas Act in 1938. What was then a nuisance has become a great national asset. What was then a buyers' market for gas has become a sellers' market. It will continue to be a sellers' market, if this bill passes, until the last penny can be extracted from the pockets of the householder in the North, and in the South, too.

Mr. President, many things had been said about the case before us, and many things had been said about its history, about the development that led to the Phillips decision by the Supreme Court in 1954, and to the pending bill, which, in the guise of protecting the interests of millions of American consumers, is really trying to subvert the decision of the highest court of our land. There would be no use in going over this past history, had there not been made on this very floor assertions which seem to give a somewhat false impression of what had really transpired in the years past. So before I go into a discussion of the arguments used—and used, frankly, with more personal conviction than commonsense, everyday logic—it will perhaps be worth our while to cite briefly some of the milestones in the history of our natural-gas legislation.

It is common knowledge that natural gas is a byproduct of oil production. That has repeatedly been stated by the very representatives of the gas industry. There is nothing wrong with that. But it is worth emphasizing it because it is important to an understanding of the whole issue before us.

Thus, natural gas was, and still is, a byproduct of oil production. As such, years ago, before modern technology had developed the efficient methods of transporting it from the fields of production, natural gas was not only a byproduct but was also a wasted byproduct. It was burnt, vented on the fields. But with the passage of time our engineers and technologists developed techniques whereby gas could be transported away from the fields and to the homes and shops where it could profitably be used. This was the beginning of the natural gas industry; and if it was a humble beginning, it certainly was not indicative of what was to come. At first gas was sold only in the producing States, but already in the 1920's pipelines were laid across State boundaries and natural gas began to enter interstate commerce. It is only natural that in our democratic society pretty soon the question arose, Who is to supervise this interstate commerce in natural gas? The question came before our courts and it was adjudicated in due course. The Supreme Court of the United States held, in two landmark decisions—Public Utilities Commission against Attleboro Steam & Electric Co., and Missouri against Kansas Natural Gas Co.—that under our Constitution neither the State of origin nor the State of destination could control the rates charged by these sellers of gas in interstate commerce.

For a while the question remained undecided as to what to do about this interstate sale of natural gas. But an investigation of the Federal Trade Commission showed that there was price gouging and exploitation of consumers by sellers of natural gas in interstate commerce. Out of this investigation grew the movement to subject these interstate sales of natural gas to Federal control—the only proper and effective control under our Constitution.

Mr. President, there can be no question about the purpose of the Natural Gas Act of 1938. My distinguished colleague, the Senator from Illinois [Mr. DOUGLAS] and other Senators have clearly shown that the whole idea behind the passage of this act was to protect the consumer from exploitation. But this is not all. Our courts repeatedly had occasion to pass upon cases where the original intent behind the Natural Gas Act of 1938 was scrutinized with minute detail by the most learned minds on these courts. The courts without exception have found that the purpose of the act was just what my distinguished friend said it was: to fill the gap in the control over natural gas sales in interstate commerce; to protect the captive consumer who otherwise would be at the mercy of forces beyond his control. That this is the case, it cannot be doubted. Any unbiased observer, checking upon the source material cited by the courts as well as by the Senator from Illinois and other Senators is bound to reach the same conclusion.

My distinguished friends on the wrong side of this issue claim that although this might have been the purpose of the act, the act did not contemplate to impose control over the sale of natural gas in interstate commerce by the producers of such gas. Mr. President, this is a hollow argument. It is quite obvious—and I think, my distinguished friends on the wrong side of this issue would not deny it—that most of the gas sold in interstate commerce is sold by the very producers—independent producers, to be exact—who, they claim, were not put under the jurisdiction of the act. This is the curious thing; if the act was passed—as it was—to fill the gap in the control over interstate sales of natural gas, and if the so-called independent producers were responsible for most of these interstate sales, would it not be nonsensical to pass a law to fill this gap and at the same time exempt from the operations of the law the very same group that caused that gap?

Mr. President, it is unbelievable that the Congress of the United States would have done such a thing. The Congress did not do it. The Congress passed the act of 1938 and gave jurisdiction over interstate sales of natural gas to the Federal Power Commission, regardless of where that gas came from.

Since most of the gas that entered interstate commerce came from the inde-

pendent producers, the act could not fail to give jurisdiction to the Federal Power Commission over independent producers selling gas in interstate commerce. This fact cannot be denied by any one, and cannot be contradicted by any spurious arguments in whatever good faith they may be put forth. It is true that the Federal Power Commission was rather hesitant to exercise this jurisdiction. As my distinguished friend, the Senator from Illinois, has so ably demonstrated, the Commission was under extreme pressure; now it took jurisdiction, now it did not. But this is not the point in question. The courts of this land have passed on this question several times. They always found, as I have had occasion to point out, that the act of 1938 applied to the independent producers. The Supreme Court of the United States has so found on two occasions. Let my good friends on the wrong side of this issue understand this. If they want to change the act of 1938, if they want to create a perfectly new situation in which there will be no control over independent producers of natural gas, I am willing to fight on that score, too. But what I resent most in this issue is that my distinguished friends do not come out in the open and say to the people of these United States, "We think the act of 1938 is a bad law. We think it should be changed. We do not want the independent producers to be controlled by the Federal Government as this act of 1938 requires. We want a completely new law."

No; my distinguished friends do not say that. Why? Simply because they are afraid that they would not get anywhere with it. So what do they do? They set themselves up like some sort of super-Supreme Court, subverting our constitutional principles, and try to interpret a law which has already been interpreted by the highest tribunal of the land. Mr. President, I resent that. Let us fight with clear consciences—and I say that without the slightest intention of trying to impugn the good will and honesty of any one of my distinguished colleagues. Let us come out and say what the real issue is. The issue is whether we want to retain the Natural Gas Act of 1938 with all its safeguards for the millions of consumers, or whether we want a completely new law without any safeguards whatsoever.

That is the issue, Mr. President, and that is the issue on which my distinguished friends must take a stand. I know there is a great pressure put on all my friends by the million-dollar lobby of the oil industry. They use money—of which they have plenty—and they use techniques fair and foul in their attempt to get the bill they want. They go so far as to besmirch individuals who have the courage to oppose this bill. They did so with a distinguished citizen of my State of Michigan, Mr. James H. Lee, assistant corporation counsel of the city of Detroit. Mr. Lee came to Washington to testify against this bill. While he was testifying before a subcommittee of the Senate, an employee of what is known as the Mid-Continent Oil and Gas Association, a thinly disguised lobbying group of the big oil companies, circulated a slanderous mimeographed sheet in the committee room trying to degrade and besmirch Mr. Lee. I have previously called this incident to the attention of the Senate; and I am doing so again because it is indicative of the rotten tactics of the oil people.

The issue before the Senate, Mr. President, is whether we want to repeal the Natural Gas Act of 1938, or replace it by a bill dictated by the very interests that are to be controlled by the Natural Gas Act of 1938. I have listened to the debate on the floor of the Senate and I have done my homework on the pending bill. I have drawn my conclusions from what I have read and heard. I reject the spurious arguments in favor of the bill, and I realize what it would do to the consumer. This is not a bill for the protection of the consumer. It is a bill for the benefit of the big oil companies which are making untold millions and millions of dollars. Let us not kid ourselves with illusions. The issue is: Are we for the consumer or are we for the big oil and gas concerns? For myself, I know where I stand.

Mr. President, as I mentioned in an earlier part of my remarks, I intend to take up some of the most common arguments my distinguished colleagues have used in support of the bill. Without malice or acrimony, I will take those arguments apart and examine them to see whether they really hold water or not.

I have been giving the arguments much thought, and can assure my distinguished friends and colleagues that I did not find them a bit convincing.

Let us take, for instance, the arguments which proponents of the bill were using for the purpose of undermining the propriety of the decision of the United States Supreme Court in the now famous Phillips case.

Mr. President, I am not 18 years old any more. A good part of my life is behind me, but I have to admit that never before did I hear the novel doctrine my distinguished friends on the wrong side of this matter were advancing on this floor. I understood, ever since I was old enough to understand such things, that we have a constitutional system, the most distinguished mark of which is the separation of powers. I further understood that this separation of powers was written into our Constitution by the greatest of American statesmen, our Founding Fathers, in order to protect the liberty of our people.

It was always my understanding that we had a Congress which was called upon to make our laws, and a judiciary which was called upon to pass upon the laws thus enacted. If a citizen felt aggrieved by a law passed by Congress, he could go to the courts and ask them to decide the validity of the law. He could ask the courts to determine whether under our Constitution the Congress was empowered to pass a law such as the one he was criticizing.

I am sure all my distinguished colleagues will agree with me on that. But do my friends on the wrong side on the pending question also agree with me that when the courts had passed on the complaint of citizen John Q. Public, the case was definitely settled? I dare say, Mr. President, that my friends would agree with me all the way if and that is the point the case which the courts—and ultimately the Supreme Court of the United States—had decided involved an ordinary citizen of, let us say, Michigan or, for that matter, an ordinary citizen of Arkansas, Oklahoma, or even Texas.

Where could an ordinary citizen—one of the millions of good people who elected us to this august body—go after the Supreme Court had decided against him and upheld the law as written by Congress? Let me go even further. Would John Q. Public, a citizen of, let us say, Louisiana, ever think of going further and of trying to subvert the decision of the Supreme Court of the United States? I am convinced that he would not. Ours is a democratic country. Our citizens have been born and reared in an atmosphere that causes them to respect our institutions, our way of life, and our Constitution. And, Mr. President, according to our Constitution, the Congress makes the laws and the courts interpret them. So far as I know, and as far as I have been taught thus far, when the Supreme Court speaks, the issue is settled.

I have the highest respect for my distinguished friends and colleagues who are supporting the bill. I am not accusing them of trying to subvert the Constitution. I am not accusing them of trying to pervert the authority of the Supreme Court. But I respectfully ask them to stop and think—think just a moment and realize what they are doing to our American tradition of law and order.

Supporters of this bill, Mr. President, said loud and wide that the Phillips decision came to them as a complete surprise; that it was an utter reversal of the until then accepted opinion as to the applicability of the Natural Gas Act of 1938; they decried the uncertainty the Supreme Court's ruling has allegedly created in the land, and they appointed themselves as warriors of an unheard-of constitutional doctrine—the subversion of the Supreme Court's authority by subsequent legislative action.

It is ridiculous for them to claim that the Supreme Court's decision in the Phillips case came to them as a complete surprise. The fact is that ever since the enactment of the Natural Gas Act of 1938, judicial decisions have clearly indicated a uniform interpretation of that act. There was, in 1942—only 4 years after the passage of the act—a circuit court of appeals decision which held that the act gave the Federal Power Commission the power to regulate the price of gas sold to interstate pipelines by independent producers.

There was the Interstate case, decided by the Supreme Court itself, in 1947. This decision, too, clearly and unmistakably states that sale of natural gas by producers in interstate commerce for resale is well within the regulatory power of the Federal Power Commission. And let me make it clear, Mr. President, that this decision of the Supreme Court in 1947 was rendered by a unanimous Court.

My distinguished friends on the wrong side of this question try to ridicule the Phillips case by saying that it was decided by a divided Court. Well, if they want a unanimous Court, here they have it in the Interstate case. But let me add something more. I am not a constitutional lawyer—for that matter, not even a lawyer—but it is my understanding that the great majority of cases decided by all kinds of courts, including the Supreme Court of the United States, are decided by divided courts. And I think this is just as well. I would become somewhat uneasy if in all important cases coming before our courts, decisions were rendered regularly by unanimous vote. To me, that would smell suspiciously; it would smell of Fascist dictatorship. So let us not further make the argument that the Court was divided when it decided the Phillips case. I am not unhappy that it was divided.

As I said a moment ago, there were at least two court decisions by 1947 which held that the Federal Power Commission had regulatory power over producers selling natural gas in interstate commerce for resale. But if this was not enough—and apparently it was not enough—when the Phillips case came up, in 1953, before a circuit court of appeals, that court again decided that the Federal Power Commission had jurisdiction.

I should like to ask my distinguished colleagues who were so industrious in decrying the Supreme Court decision in the Phillips case as something novel, shocking, and unheard of, whether they have ever heard of these earlier decisions. Frankly, I think they did. Without wishing to impute any mischievous thoughts to them, I must point out that they could not have failed to hear about the circuit court of appeals decision in the Phillips case. And if they did—as they must have—I should like to ask my colleagues not to rely too much on the technique of undermining the Supreme Court's decision in the Phillips case by deriding it as something new, something unexpected, something never heard of. That is, frankly, a very weak argument.

But there is yet another aspect of this same argument. As I have heretofore stated, proponents of the bill repeat day in and day out—and, I am sure, with sincerity and in good conscience—that the decision of the Supreme Court created uncertainty in the land, and since uncertainty of what is the law is the greates possible evil that can befall society, they were duty bound to endeavor to "clarify"—and I say clarify with quotation marks around it—the legal situation by introducing the pending bill.

I refer my good friends to what I have previously said. It has always been my understanding thus far that if there was any uncertainty as to what a specific law meant, it was up to our courts to decide the issue, and that when the courts had spoken, the uncertainty had been removed. It is now my understanding that the act of 1938 regarding natural gas contained clauses which might have been subject to various interpretations. But it is also my understanding that, as I have already indicated, the courts have decided the issue not once, not twice, not 3 times, but at least 4 or 5 times, and on all occasions their decision was the same—namely, that the Federal Power Commission had jurisdiction over producers' sales of natural gas in interstate commerce for resale.

Mr. President, I am simply unable to understand how my distinguished friends can talk about the Phillips case creating uncertainty. I say it frankly, and I say it loudly that all the Phillips case did was to create certainty, and I say that without qualification. In my mind, I am sure that in 1947 the Interstate case created the certainty that is necessary with regard to the Natural Gas Act of 1938. The Supreme Court has examined the act in the Interstate case and has given its decision as to its meaning. As I said before, if an ordinary mortal, a citizen of any one of our great States, had been involved in that case—if the interest of only the common, good people had been adversely affected by that decision—we would never have heard of the issue any more. But the point is, as we all know, Mr. President, that the decision affected the interests of a powerful economic block in our Nation, that of the oil and gas industry, and it affected it adversely. There is no reason to wonder, therefore, that these interests were not content to let the issue die. It was their money which was at stake, and although God knows they have plenty of it, they went forth and tried to subvert the clear meaning of the law and even clearer interpretation of the law.

I think our courts comprise judges much better qualified than I am to argue the point—as they did most ably and with remarkable uniformity—why the Natural Gas Act of 1938 does apply to producers selling gas in interstate commerce for resale. Therefore, I shall not try to improve their arguments on the floor of the Senate. But I should like to say a few words about the arguments advanced so profusely, but frankly, with not too much logic, by the distinguished proponents of the pending bill. They argued—and while sitting here in my place, or sitting in the Presiding Officer's chair, now so ably occupied—I have heard them argue it again and again that the Federal Power Commission itself, the body, as they said, which should have above all taken care that the law of 1938 was faithfully carried out, had refused to take jurisdiction over producers selling gas in interstate commerce. My distinguished opponents advanced that argument as one of the most convincing reasons why they believe the act does not apply and was never meant to apply to producers.

My friend and colleague, the Senator from Illinois [Mr. DOUGLAS] has clearly and convincingly shown in his admirable presentation that little if any conclusion can be drawn as to the meaning of the act from the behavior of the Federal Power Commission. He has shown that the Commission has vacillated in its attitude to an extent perhaps unknown in any other case. It took the position that it had jurisdiction, again it said it had not. I really do not blame the Commission for this show of indetermination. The Commission is a highly respected arm of our governmental organization, but unlike our courts, it is open to political pressures. My distinguished colleague from Illinois has demonstrated that the powerful interests representing the oil and gas industry have always been able to put enough pressure on the Commission to diminish its courage and weaken its voice. I am a realist, Mr. President, and although I wish the Commissioners could operate beyond the power of pressure groups to reach them, I am not accusing any one or any group of present or past Commissioners of bad faith. All I say is that the vacillation of the Federal Power Commission in taking jurisdiction of producers' sales of natural gas in interstate commerce cannot be used as an argument by the proponents of the bill. All this vacillation proves is that the oil interests had more than a healthy influence upon a regulatory body that is supposed to regulate this very industry.

If my distinguished friends on the wrong side of this issue want further corroboration of my stand, let me proceed a little further.

If, as they say, the Natural Gas Act of 1938 was emphatically clear in its meaning and in its exclusion of producers from the control of the Federal Power Commission, and further, if the vacillating behavior of the Federal Power Commission in taking jurisdiction of the producers under the terms of this act is as clear a proof of the meaning of the act as they say it is, why was it necessary to introduce the Moore-Rizley bill, the Kerr bill, and now the Harris-Fulbright bill? How does it happen that an act which is supposedly so clear that our opponents argue that it gives no jurisdiction to the Federal Power Commission over the gas producers—and that in spite of the fact that learned judges whose job it is to decide such matters have repeatedly found otherwise—how does it happen, I repeat, that such a wonderfully clear act now needs clarification?

Without wishing to be facetious, I am willing to come to the rescue of those who are proponents of the bill—at least so far as to give an explanation of why they found it necessary to introduce these bills.

We all know that for a long, long time, natural gas was a waste product, mostly .because there was no way of bringing it to the market. Even when transportation methods had developed to such extent that gas came to be transported in interstate commerce, the interests of gas producers—who always were and still are essentially the big oil companies—were not radically affected by the possibility of regulation such as the passage of the Natural Gas Act of 1938 entailed. At that time the gas industry was still in its infancy, particularly as regards interstate sales, and the industry really grew up only after the close of the Second World War.

It is true that the essential characteristics of the industry, a quasimonopoly market, concentration of producing areas in a few sections of the country, and so on—were fully developed at that

time. But for a long time even after the passage of the act of 1938 effective consumer demand was limited. Only after the big pipelines were laid and consumers all over the country were lured into converting their household equipment to the use of gas rather than other fuel, then, and only then, was there a chance—I hope my distinguished colleagues will excuse me for using this vulgar term—only then was there a chance to make a killing. There would have been no sense on the part of the producers to try to raise the price of gas during a period when their new market was expanding nationally. They could easily have scared off most if not all their prospective consumers if they had given away their future intention by raising prices before the consumers were safely hooked up to the pipelines.

Mr. President, in spite of all the eulogy we have heard on the floor about the purity of gas as fuel, its cleanliness, its convenient form and so on, I am of the opinion that most of our constituents who converted to the use of gas did so not on account of its purity and cleanness. True, the convenience gained by the use of gas was a factor. But I still say that most of our constituents turned to gas because it was cheaper than other fuels. If the oil industry had given away its hand and tried to raise prices while this great wave of conversion to gas was rising, they would have scared off their customers.

But if the gas producers could not, with good common sense, raise the price of gas very much during this expansion period, then there was really no need to try to get out from under the Federal control imposed upon them by the Natural Gas Act. But when in the post-World War II era the main gas lines were laid, when great armies of consumers were safely and inseparably hooked onto their gas system, then, and only then, the time came to change the act of 1938.

This is the true reason why, in spite of the clarity of the Natural Gas Act, producers have found it necessary to push for a repeal of that act. That is why the Republican 80th Congress was put under pressure to pass the Moore-Rizley bill. I say with all respect to that Republican Congress that it did not dare present the American people with a monstrosity like the Moore-Rizley bill. And I have to say with sorrow that the bill we are discussing at present is an identical twin of the Moore-Rizley bill. I hope—I sincerely hope—that the 84th Congress will not fall behind the 80th Congress, and that this Congress, too, will refuse to saddle the people of the United States with an unjust, inequitable, obviously unnecessary and harmful act.

Having observed at close quarters the operation of the oil and gas lobby during the 84th Congress, it does not surprise me that the producers kept at it and managed to get through Congress, in 1950, the bill sponsored by my distinguished colleague, the Senator from Oklahoma [Mr. KERR]. But for a courageous President, a Democratic President, in the White House at that time, the bill, God help us, would now be law. But President Truman was in the White House, and in unforgetable language he refused to sign a bill which was clearly and undeniably against the public interest.

I should like to say, without wishing to bring extraneous matters into the debate, that if Mr. Truman were still in the White House, I would not worry so much about this debate or about all that has been said on the floor, or about the bill. But since President Truman is now enjoying his well-deserved retirement, the situation is different.

Mr. President, free enterprise is one of the proudest traditions of the American people. Although I am not quite willing to go so far as some of my distinguished colleagues have gone and say that we should guide our economic destiny strictly according to the teachings of Adam Smith, still I am more than happy to fight for the legitimate interests of free enterprise whenever and wherever such interests may be endangered. Our distinguished friends on the wrong side of this question claim, with what I take to be sincere belief, that the passage of the bill is necessary to safeguard our system of free enterprise from encroachment by governmental controls. My distinguished friends were, I think, never more mistaken than in this instance. I want to say to them that if there ever was or ever will be a mortal enemy of free enterprise, it was and it will be giant free enterprise itself—an undisciplined, uninhibited, billion-dollar, hog-wild free enterprise. It is my sincere conviction—and I know, millions upon millions of people agree with me—that the passage of the bill would legitimize just such hog-wild free enterprise for the billionaires. So I advise my friends that if they are for the protection of our free-enterprise system, they should at once renounce the bill, come over to our side, and support and help free enterprise maintain its legitimate place in our economic system.

I am realistic enough, Mr. President, to know that, convincing as my argument may be, the self-styled supporters of free enterprise who are on the wrong side of this issue will not come dashing over to our side. So, I feel constrained to go on and point out that the manner in which my distinguished colleagues raised the free-enterprise issue was altogether wrong. They have implied that if the bill should not be passed free enterprise would be restrained by the unwarranted control over producers of gas by the Federal Government. But let us look straight into the face of this issue. There is no Member of the Senate who wants the Federal Government to control the gas industry. We who are in opposition to the bill simply want to maintain the existing legal situation. According to the existing law, as represented by the Phillips decision of the Supreme Court of the United States, no Federal agency can tell the producers of natural gas what investments they should make; no one is trying to prescribe how much producers shall produce, and no one is so bold as to claim the right to tell producers what to do with their gas. Only the producers can decide on their own account and in the absolutely unhindered exercise of their free will to sell their gas in interstate commerce, when they decide to do so, then, but only then, will the Federal Government step in and exercise as much control as is necessary to safeguard the national interest.

As I shall have occasion to point out later, the intervention in domestic commerce between States, the regulation of interstate commerce in the interest of the Nation as a whole, is based on a clear-cut mandate of the Constitution, and it is one of the most beneficial of all the great clauses of that proud document.

I do not think any one doubts the necessity of Federal control of interstate commerce. But even if there were among my distinguished colleagues doubting Thomases in this respect, I feel that I could quite properly say to my friends that, regardless of how they may feel about this issue, they should keep in mind that the regulation necessary for the proper exercise of Federal control over interstate commerce is by no means inconsistent with the concept of free enterprise.

Let us look at the electric-utility business, at the gas-utility business, or even at the American Telephone & Telegraph Co. They are all regulated in their activities to the extent which is necessary in the public interest. I may add, for the further enlightenment of my good friends, that these businesses do not seem to have fared too badly. I have never sought great riches, but I could appreciate owning a poor little regulated business like A. T. & T. The only trouble I might have would be that I would not know what to do with my money.

The American Telephone & Telegraph Co., as well as all other enterprises doing business in interstate commerce, is regulated, because without some regulation the public would suffer. It is the public interest which requires regulation of enterprises doing business in interstate commerce, and in this respect it makes no difference in what kind of business the enterprises are engaged.

(At this point Mr. MCNAMARA yielded to Mr. AIKEN, who spoke on the pending bill. On request of Mr. MCNAMARA, and by unanimous consent, Mr. AIKEN's remarks were ordered to be printed in the RECORD at the conclusion of Mr. MCNAMARA's speech.)

Mr. LEHMAN. Mr. President, will the Senator from Michigan yield to me?

Mr. MCNAMARA. Mr. President, at the beginning of my remarks, I stated that I would prefer to make my presentation without interruption, and to yield for questions at the conclusion. However, I shall be glad to yield at this time.

Mr. LEHMAN. I merely wish to make an observation in support of the position of the Senator from Michigan.

Mr. MCNAMARA. I am glad to yield.

Mr. LEHMAN. Mr. President, let me say that I have been very much interested in the illuminating remarks of the Senator from Michigan. I wish to compliment him on the fine contribution he is making to this debate.

He pointed out that one of the principal arguments made in support of the

bill is that if it were defeated, free enterprise would receive a serious blow. I am sure the Senator from Michigan knows, as I do, that the price of natural gas in interstate commerce has been under regulation for a long time. The Senator from Michigan also knows, of course, that during that time the principal natural gas companies—of which 35 control approximately 70 percent of all natural-gas production—have handled both gas and oil. I believe the Senator from Michigan will agree with me that those companies have not suffered in any way from lack of earnings, in no way have they been handicapped, and in no way do they need further relief from the Government since they already enjoy tax privileges given to no other industry and are making huge profits.

Mr. McNAMARA. I certainly agree with the Senator from New York.

Mr. LEHMAN. I hold in my hand a copy of the New York Times which appeared only a few hours ago on the streets of New York and on the streets of our other large cities. I now read the headline of the first article in the business and financial section:

> Jersey Standard earns $717 million—Record profit equals $10.96 a share, against $9.56 last year.

Then I read from the first paragraph of the article:

> About 225 chilled, rain-soaked stockholders of the Standard Oil Company of New Jersey braved an icy downpour here today to hear some warming news. At a special stockholders' meeting they were told that the company's 1955 earnings had soared to a record $717 million, equal to $10.96 a share. The consolidated net income in 1954 was $585 million, or $9.56 a share.

Mr. President, that showed an increase in profits of $132 million for 1954 to 1955 or more than 20 percent and, Mr. President, 1955 was during the period of regulation of gas and interstate commerce.

Let me say that I have no objection whatever to any company because of its size, and I am always glad to see American companies prosper. However, it has been claimed by some proponents of the bill that its enactment is necessary for the development and, in some cases, even for the survival of gas-producing companies. I feel that that is a fallacious and unfair argument which does not deserve to receive any weight whatsoever in connection with the consideration of this subject.

As a matter of fact, the records of almost all the large oil companies—almost all of which handle both gas and oil—which usually come from the same wells show that during the past several years their operations have been increasing in volume, and their earnings have constantly been growing greater.

So I consider the argument made by the distinguished Senator from Michigan—namely, that defeat of the bill would in no way hurt or impair free enterprise—to be absolutely sound; and I am in full agreement with him regarding it.

Mr. McNAMARA. I thank the distinguished Senator from New York. I certainly am glad he agrees, and I think the point he stresses is very important.

I remind him that never once have the proponents of the bill claimed there was any economic necessity for an upward movement of natural-gas prices. They simply want such a movement to occur, if they can have it occur, because it will add to the already swollen profits of the natural gas companies.

Again I desire to thank the Senator from New York for his fine support of the opposition to the bill.

Mr. President, the distinguished proponents of the bill made, in this connection, two assertions that, I think, just would not hold water. One of these two is that regulation by governmental authority, be it State or Federal, is warranted only in case of monopolies or in the presence of a threat of monopolistic developments. But this assertion is altogether wrong. We all know, and I have already dwelt upon this, the regulations of business is warranted solely on the basis of the public interest. Few would deny that whenever monopolistic situations develop, regulation is warranted. But it is not because of monopolistic situations as such, but because such situations are generally held to be against the public interest. Just to name one good example, I am sure none of my distinguished friends would insist that there is monopoly in interstate trucking, or, for that matter, in intrastate trucking in any of the 48 States. Still, as we know, interstate trucking is regulated by the Interstate Commerce Commission under authority of the Motor Carriers Act, and I am sure that most of our States regulate their intrastate trucking, too.

The other assertion in connection with this problem, which the distinguished Senators supporting the bill have put forth with an even greater emphasis, is that natural gas commodities are just like coal, sugar, or, for that matter, carrots.

Mr. President, I am not going into a detailed analysis of why the marketing of natural gas cannot be compared with the marketing of carrots, because this aspect of the problem has already been very ably expounded on this floor; and further, it would bring us into matters which I intend to discuss a bit later. But I want to point out that the position of the distinguished Senators who say, "Who ever has heard of regulating the sale of commodities?" must be based on a pious oversight. What my distinguished friends are trying to put across is that governmental regulation is proper only with regard to the so-called service industries, but is not proper with regard to producers of commodities.

I remind my distinguished friends that their ideas are completely alien to our American tradition. Congress has long held the view, a view repeatedly upheld by our courts, that whenever an economic activity is affected with the public interest, such activity should, and must, be regulated by the proper authorities. Let me refer to the Bituminous Coal Act of 1937, and to the Agricultural Marketing Agreement Act of 1937 as two primary examples of situations where Federal regulatory authority over sales of commodities was established by law and where this authority was unequivocally upheld by our highest courts.

If any further proof is desired that regulation of commodity sales is permissible under our system of law, let us listen to what the Supreme Court said in the case of *Nebbia* v. *New York* (291 U. S. 502 (1934)):

> The Constitution does not secure to anyone liberty to conduct his business in such fashion as to inflict injury upon the public at large or upon any substantial group of the people.

Thus, there is nothing un-American about regulation of business activity; nothing un-American about the regulation of marketing of commodities; there is nothing un-American about these as long as the public interest so requires.

My distinguished colleagues on the wrong side of this issue would perhaps say that they agree with me completely in this respect, but, they would say, public interest does not require regulation of producers' sales of natural gas. In fact, they insist, Mr. President, that the public interest requires just the opposite, that regulation of producers' sales be clearly forbidden. That is why they introduced the bill now pending.

I perhaps need not remind the Senate, after all that I have said thus far, that I completely disagree with my distinguished friends. They say that regulation of producers' sales of natural gas is not necessary because there is competition among gas producers, and that this competition will keep gas prices on reasonable levels.

Much has been said about competition among producers and, frankly, a great deal has been said that does not stand up under close scrutiny. Both here on the floor, and in speeches and articles outside, the magic number of 8,000 producers was gleefully thrown around. The implication was, of course, that whenever a market has 8,000 producers, there is bound to be competition. Well, let us start from the beginning.

It was pointed out repeatedly, but it certainly bears repeating, that, even if there be 8,000 producers, 2,443 apparently do not produce enough to make a showing in the statistics compiled by the Federal Power Commission. Consequently, however convenient it may be to use the nice round number of 8,000, the fact is that for all practical purposes there are in all only 5,557 producers. What is more, 4,625 of these 5,557 producers sell less than 100,000 cubic feet of gas a year. Now, if we realize that total utility sales of gas in 1955 were over 6 billion thousand cubic feet—6 trillion—it will at once become obvious that these small producers cannot be relied on to offer any kind of competition to the bigger producers. Thus, what we have is really 932 producers who could compete with each other if—there is a huge and insurmountable "if." Figures introduced into the RECORD by several of my distinguished colleagues who are fighting the bill with all their strength have shown that even a number like 932 is altogether misleading as far as the real composition of the natural-gas market is concerned. Those figures show that 20 of the biggest companies produce 49 percent of all gas; 50 of the biggest companies produce 69 percent of all gas; 100

of them produce 80 percent; and 197 produce 90 percent of all gas.

My distinguished friends from the wrong side of this issue were kind enough to remind the Senate that there are only five automobile manufacturing corporations, and that if we complain about the small number of gas producers, how much more right they could have to complain against the evidently much smaller number of automobile concerns.

Mr. President, I am in part representing the State of Michigan in the Senate, and I am always glad and proud to talk about the automobile industry, which grew up in Michigan, and which still claims Michigan as its home. But I have to remind my colleagues that we just cannot compare the automobile industry with the natural gas industry. There is competition in the automobile industry—and if there were none, I would be the first to say that there should be—and there is no competition in the natural gas industry. I do not have to remind my colleagues why that is so. A person can sit at home in his easy chair, open the telephone book, select an automobile dealer, call the automobile dealer and tell him he wants to buy a car. I am sure the automobile dealer will be glad to accommodate him. If the prospective buyer believes that a particular car is not the one he would like to have, or if he wants a better deal, he can call up another dealer and ask for another car, made by one of the other automobile concerns. There is no reason, Mr. President, why anyone in these United States cannot buy any one of the fine automobiles our great automobile industry is so abundantly producing, sitting, as he may be, in his easy chair in Oshkosh, Mich., in Key West, Fla., in Sacramento, Calif., or in New Haven, Conn. But when it comes to natural gas I challenge any one of my distinguished friends on this floor to try to do the same thing. With regard to the natural gas we are using in our homes for heating, cooking, or for whatever other purpose, we are sitting ducks, Mr. President. We get the gas that comes through the only main available or else we do not get any.

My distinguished friends on the wrong side of the issue are ready to point out that when they talk about competition, they mean competition among producers selling their gas to pipelines. It has been many times pointed out on the floor in the course of this debate that there is one very peculiar characteristic of the natural-gas market, namely, it is a seller's market.

This came about because of the rapidly expanding demand and the relative stability of the supply. Pipeline companies facing a demand for gas all over the Nation, are actively seeking gas. But since supplies do not develop so quickly as the demand, producers have the very pleasant condition of commanding the market. Thus, even if there were no other exceptional characteristics of the natural-gas market, the fact alone that the market is completely in the hands of the sellers—that it is a seller's market—would warrant Federal regulation of prices, in order to safeguard the interests of the consumers.

But, Mr. President, we all know that even this seller's market is not organized in such a way that 197 producing companies are facing the buyers represented by the pipelines. It is a well-known fact—and it has been brought out abundantly on this floor—that pipeline companies cannot go to all the producers individually and bargain with each one of them, thus trying to keep down the prices. Pipelines are extremely expensive. Once laid, they cannot be moved around like a garden hose, as has been said. Pipeline companies do not face 197, or 2,000 or 5,000 producers. They face only 1 or 2 gatherers of gas in each field they are physically able to enter. There is no question of competition among producers. Pipelines are required by the Federal Power Commission to have under contract natural-gas reserves sufficient to supply their prospective market for 20 years, before they are granted certificates of convenience and necessity. Therefore, pipelines must go into fields dominated by big producers, make their bargains with these producers as well as they can and bear it. These producers are usually the gatherers for their respective field, and it has been shown on this floor that in most gas fields there are only 1 or 2 gatherers. These are the boys the pipelines have to deal with in a market almost completely devoid of producer competition.

I have wondered, Mr. President, where is the competition in such a situation? Who is competing with whom? Once the pipeline is laid, it is stuck there. The company cannot move it, or tear up its investment. It must deal with a quasi-monopolistic situation which under any interpretation could not possibly be called a competitive market.

I frankly think that the distinguished supporters of the bill do not really rely on the argument that there is effective competition among producers. They themselves must see the impossibility of such an assertion. But, of course, they are never the ones who give up a good fight, however bad may be the cause they are fighting for, and as soon as they are cornered with their arguments on competition, they are ready to throw up another smokescreen. I must admit, Mr. President, that the estimated $1.5 million oil lobby which is said to be supporting this bill, was skillful in utilizing these half-truths—half-truths, if we want to be generous about them. They started a big scare campaign across the land, spreading the unfounded rumor that if Federal control were retained over producers, there would be a great shortage of gas, and that all the people who are so eagerly waiting to convert to the use of gas, would be forever deprived of that convenience. For myself, I think this scare argument is even more fallacious than the other arguments I have been discussing thus far.

First of all, it cannot be denied that the use of natural gas for heating, cooking, and other household purposes represents a convenience which any American family might well enjoy in the future. But it also must be pointed out that when we discuss the pending bill our primary concern is the present generation, the millions of Americans who are already committed to the use of gas. It might or might not be true—and I think it is not true, and I will endeavor to show that it is not—that the continuing retention of Federal control over producers' sales of natural gas in interstate commerce will tend to diminish future supplies. But whatever may be the case, the mere threat that future generations will not be able to obtain gas and enjoy its conveniences, cannot keep us from protecting the interests of those Americans who are directly and personally affected by rising gas prices because they are already "married" to the use of this fuel. As my distinguished colleague the Senator from Illinois [Mr. DOUGLAS], has so graphically pointed out, this marriage of present consumers to natural gas is practically indissoluble.

I am aware of the advice of the distinguished Senator from Arkansas—for whom otherwise I have the greatest personal respect—that if gas users do not like the prices they have to pay, they can always turn to other fuels. I wish only to remind him that the 26 million families who were lured into converting to natural gas under the impression that gas prices would stay low, cannot now be left to their fate. I, for one, will not be party to any scheme which would force these 26 million American families to reconvert to coal or oil and thereby make them lose their hard-earned money invested in their gas equipment under the false promises put forth by the gas industry.

I have dwelt upon this matter long, Mr. President, because I feel very strongly about it. We were sent here by the people of the United States to represent them all—to represent the common interest, the public interest. I am sorry to see the Senate converted into a battleground where watery arguments are used on behalf of unworthy sectional and financial interests. Let us take only a look at this argument of the distinguished supporters of the bill that there will be a great shortage of gas unless the Congress passes this bill. They openly threaten that producers will refuse to sell in interstate commerce unless the Congress of the United States will meet their terms. But I think, Mr. President, we see through the emptiness of these threats, just as the representatives of the great State of Wisconsin saw through the futility of the threat posed by agents of the Phillips Petroleum Co. when the Phillips case was still before the Federal Power Commission. It is common knowledge, Mr. President, that at the beginning of those prolonged hearings before the Commission, an official of the Phillips Co. bluntly warned representatives of the State of Wisconsin that: "if they persisted in trying the case, the people of Wisconsin could freeze; they would never get another cubic foot of gas." I have not been in Wisconsin lately, but I think the people of Wisconsin did not freeze, and they are getting gas, too.

If the threat of the Phillips official to the State of Wisconsin was an empty one, so is the ultimatum of the gas industry to the American people. I think we have the facts to prove beyond doubt that, even if they wanted to, the gas companies could not carry out their

threat. But the companies do not really think seriously of withholding gas from the rest of the Nation. The Supreme Court decision confirming the Federal Power Commission's authority over producers' sales of natural gas in interstate commerce was handed down in 1954. But as it was conclusively shown on the floor by my distinguished friend, the Senator from Illinois, there is no evidence that interstate sales of natural gas would have declined under the impact of the Phillips decision.

Without wishing to go into details, I wish to call the attention of my distinguished colleagues to the fact that gas sold by utilities throughout the Nation rose from 5.1 billion thousand cubic feet in 1954 to 6.1 billion thousand cubic feet in 1955. No one of my distinguished friends on the wrong side of this issue would claim that this increase in gas consumption was due to an increase in the production of manufactured gas. But since there are only two kinds of gas—manufactured and natural—if the production of manufactured gas did not increase, the shipment of natural gas must have increased. And increase it did, by one-fifth in a single year.

Mr. President, one could ask, Why were the producers threatening the Nation with an immediate shortage of natural gas if their wishes were not met; and then, when their wishes were not met, they did not do anything? I think the answer is very simple. Producers of natural gas are good businessmen. As the distinguished Senator from Arkansas was on the brink of admitting when lately he appeared on a television program, the producers have a product to sell. Gas, as is well known, is found in the Southwestern States. One can do only two things about it: either sell it or not. And, like all good businessmen, the gas producers will sell. It would, indeed, be asinine for them to refuse to sell their gas in interstate commerce merely because they cannot get all they want for their product. They know very well that no Federal regulatory agency would ever require them to sell their gas at unreasonable prices. So what is their choice? To sell at reasonable prices and make a nice profit on a product they already have, or else be spiteful, like children as has been said, and waste their gas and renounce their profit.

I am sure that, good businessmen as the producers are, they would rather sell. This is true, particularly, since they know all too well that the arguments used by my distinguished colleagues in support of the reality of the threat of producers to withhold their gas from interstate commerce is only a bit short of being ridiculous. They said, first of all, that half of all gas produced in the southwestern States is being sold within those States themselves. There is not much wrong with this statement, but let us have the truth, the whole truth, and nothing but the truth. So, if we look into this matter, we find that my distinguished colleagues who put forth that 50–50 claim—and I am sure they put it forth in perfect good faith—forgot to mention that they are not talking about sales but about consumption. And I must point out that, odd as it may sound, there is a world of difference between the two concepts, at least in this respect.

According to the figures which have been repeatedly introduced into the RECORD in the course of this debate, of the 10.6 billion thousand cubic feet produced in the year 1953—the latest year for which complete figures are available—4.2 billion thousand cubic feet were sold in interstate commerce, and only 2.1 billion thousand cubic feet were sold intrastate. It is true that the rest of the gas produced was, to a great extent, retained and used within the producing States, but this was not sale. The use—if we may employ the term in a loose sense—included waste and losses, losses in transportation, use for repressuring, use by the producing companies themselves in the field, and so forth. But we are not concerned with these intrastate uses because they cannot be augmented very much by producers unless the producers wish to increase their wastage.

The essence of the producers' threat is that if controls are not removed from their sales of gas in interstate commerce, they will sell their gas within their own States. They forgot to mention, Mr. President, to whom they would sell their gas. Apparently, they are selling all they can within their own States because, I am sure, they are just as eager as anyone else to make available to their local industry the cheap fuel which gas represents. But the fact is that, even so, they are able to sell for local consumption only one-fifth of their total production, and only half as much as they sell in interstate commerce. No ire of producers, however outraged they may be, will suddenly create a huge market for gas in the producing States; and in the absence of such market I am as sure as I stand here that producers will think twice before they will refuse to accept good money for gas which they could not possibly sell in their own States.

(At this point Mr. MCNAMARA yielded to Mr. HUMPHREY for a statement on the pending bill. On request of Mr. MCNAMARA, and by unanimous consent, Mr. HUMPHREY's remarks were ordered to be printed at the conclusion of Mr. MCNAMARA's speech.)

Mr. MCNAMARA. In view of all this, Mr. President, I must say I think very little of all that has been said and written about the threatened shortage of natural gas if we do not pass the bill. Producers will sell as long as they have a product to sell, and the sentimental orations that we have had occasion to hear concerning the producers' spitefulness are but exercises in imagination.

I have dwelt upon this subject long enough; but before I go on to the next argument used by proponents of this bill, I should like to say a few words about a peculiar claim advanced by my distinguished colleagues on the wrong side of this issue. It was pointed out by my friends that although it is economically desirable that pipeline companies own some gas reserves, these companies were, as of late, liquidating their reserves and apparently getting out of outright ownership of gas reserves. This is one of the rare instances where the statistics put forth by my distinguished friends do not require further elucidation. I am willing to admit that pipelines were liquidating their reserves, although I want to point out that this liquidation was on a rather small scale. According to figures in the RECORD, in 1953 21½ percent of all gas sold by pipelines still came from their own reserves. Thus, the decline of the extent of gas reserves owned outright by pipelines was nothing spectacular. But as I said, this is not the issue here. The issue is the interpretation of the reasons that might have induced the pipelines to liquidate their reserves. Proponents of the bill say that this liquidation of reserves by the pipelines is yet another proof that gas cannot be sold profitably by producers if such sales are—as they are in case of gas reserves owned by pipelines—under the control of the Federal Power Commission. I am inclined to advance another explanation.

The first bill introduced in Congress for the removal of Federal control from producers' sales of natural gas in interstate commerce was, I believe, the Moore-Rizley bill, that died a quiet death during the 80th Congress. The Moore-Rizley bill was an identical twin, for all practical purposes, of the present Harris-Fulbright bill which we have before us. Just like this Harris-Fulbright bill, the Moore-Rizley bill, too, intended to remove Federal control, not only from interstate sales of gas by independent producers, but also from interstate sales of gas from gas reserves owned by pipelines. When the bill was ignominiously defeated—through nonaction—in a Republican-controlled Congress, apparently the pipelines became convinced that one of the reasons for the defeat was that the bill would have removed control from sales of gas from their reserves, too. Thus, it seems, the pipelines felt that since they cannot share the bonanza planned for independent producers because the public would not stand for having the pipelines charge themselves for their own gas as much as they pleased, the idea was to get out of outright ownership of gas fields, set up independent or affiliated corporations to run their gas reserves, and thus be free from controls necessarily attached to pipeline companies.

The contents of the Kerr bill, which ultimately was killed only through the courageous veto of President Truman, must have only confirmed this conviction of the pipelines. The Kerr bill would not have removed control of natural-gas sales by pipeline companies from their own reserves. Thus, the idea was still to get out of ownership, and into independent corporations, where success was guaranteed whenever another bill of the Kerr type could again be rammed through Congress. Apparently, as was very ably pointed out on the floor of the Senate, Representative HARRIS and the Senator from Arkansas [Mr. FULBRIGHT] crossed up the pipelines. Their bill again attempts to remove controls, not only from independent producers, but also from pipelines which own and sell their own gas. It is only a conjecture, but it would have been interesting to know what the pipelines would have done if they had known the

scope of the present bill. I, for one, think they would have stopped liquidating their reserves right then and there.

This brings us, Mr. President, to yet another smokescreen put up by proponents of this bill. Much has been said about the alleged inequity in the ultimate distribution of the consumers' gas dollar. Proponents of the bill maintain that the producers of natural gas get only about one-tenth of the price that the average American family is paying for its gas. In this context they were using figures that gave the impression that the consumer price of natural gas per 1,000 cubic feet was anywhere between $1 and $3. I think my good friend and colleague, the senior Senator from Illinois [Mr. DOUGLAS], who now occupies the chair, has amply shown, in his admirable presentation, how false this claim is. Actually, from the average utility price of 44 cents per 1,000 cubic feet, the producers, by their own admission, are getting almost 11 cents. Thus, instead of receiving one-tenth, the producer gets almost one-fourth of the consumers' gas dollar.

I would not have dwelt so long upon this much-discussed subject, were it not the best way to lead me to my next point. Some of my distinguished colleagues repeatedly referred to the fact that the 10 or 11 cents that producers get for 1,000 cubic feet of gas is less than the tip that anyone of us gives to the waiter in the Senate restaurant. Mr. President, I think this is one of the most unusual comparisons I have ever heard in my life. What does the tip given to a waiter have to do with the price of gas? The implication, of course, that my distinguished colleagues were trying to imprint in the public mind, was that the producer gets almost nothing for his gas.

I am indeed sorry that my distinguished friends, in their perfectly proper eagerness to have their bill passed, found it necessary to resort to arguments so naive as that. But, Mr. President, that is not the end. It was suggested by my distinguished colleagues who are working for the passage of this bill that the bill should be passed so that the farmers upon whose fields the gas wells are located may receive a bigger share of the consumers' gas dollar. Behind this subtle-sounding argument there is an admission by the proponents of the bill that I do not mind, but there is an attitude that I certainly do mind. I have no objection, Mr. President, to the admission implicit in this argument that if the bill passes, the gas price charged by the producers will rise. We who have the honor of fighting for the defeat of this bill have insisted on this point all along. But I do object, and object vehemently, to the attempts of my distinguished friends to use the farmers' current plight as a real argument for the passage of the bill.

I deeply sympathize with the farmers of America who, because of the careless, even outrageous attitude of this businessmen's administration, are fighting for their very survival. Remember the latest correspondence with Secretary Benson on the subject. It was assumed by many, but apparently mistakenly, that he was supposed to be the Secretary of Agriculture in order to take care of our farmers, and not in order to join their enemies.

The farmers of America would not benefit from the passage of this bill. True, the couple of thousand farmers upon whose fields the gas wells are located might get a few pennies more for their gas—a few pennies that will trickle down from the money-laden counting tables of the big oil concerns. Heaven knows, I am not decrying the little that the plutocrats of oil would be willing to give to the farmers who own the gas fields. The royalties paid to these farmers, I understand, are one-eighth of the well value of the gas. That is not much, but it helps. But the point is, Mr. President, that even if a few thousand fortunate farmers would be helped by the passage of this bill, the great mass of hard working, honest, upright American farmers who helped, by the sweat of their brows, to make this land of ours the great country that it is, would not be helped at all. Rather, to the extent that they are users of gas, they would suffer, along with the city consumer. So I say to my distinguished friends and colleagues who brought this argument into the debate that I protest. I protest against using the plight of our farmers for such an insidious, malodorous purpose.

A further point which my distinguished colleagues on the wrong side of this issue were attempting to make was that the retention of Federal controls over producers' sales of gas in interstate commerce represents an unwarranted interference with States' rights, and particularly with State conservation laws dealing with minimum gas prices. I am certain that my distinguished friends brought up this argument in perfectly good faith, because it seemed to them that it was a valid argument and that it would help their cause. But I am sorry to say that I must disagree with them on both scores. Mr. President, I shall not use my own arguments, because I come from a great State of the Central North, and my good friends from the South might think that I had not the proper understanding of the States' rights issue. I assure my good friends that although I might often disagree with them on that score, I understand their feelings. Nevertheless, I prefer to use the arguments of a very noble gentleman, Judge H. Lester Hooker, Chairman of the State Corporation Commission of the great State of Virginia. Judge Hooker testified as follows:

> When the Federal Government fixes that price—

And he was referring to the price of gas sold by producers in interstate commerce—

> it does not deprive the State of origin of any right, because that State has no right to fix that price. The sale is a transaction in interstate commerce.

He went on to say that the absolute minimum of power that can be delegated to the Federal Government is the power to settle controversies between the States. Even the Articles of Confederation did this. The consumer States are not claiming the right to fix the prices which producers may obtain. What they claim is that "there is an obvious conflict of interest among States and that it is the duty of the Federal Government to provide an impartial tribunal in which that conflict of interest can be peaceably adjudicated." Thus, the whole issue is, Mr. President, whether the price should be fixed by an interested party or by a disinterested umpire.

I submit that I have nothing against State conservation laws fixing minimum gas prices within the boundaries of the respective States. But I wholeheartedly agree with Judge Hooker that when the gas enters interstate commerce, the proper price for the gas must be determined not by an interested party, but by an impartial umpire. Under the Natural Gas Act of 1938 we have such an impartial umpire, the Federal Power Commission. This bill attempts to remove this umpire and subject the whole consuming public to a naturally rather biased judgment under the producing States' minimum-price laws. I submit, Mr. President, that this is not fair.

Thinking of these things, I necessarily recall a statement made some time ago by my distinguished friend from Arkansas [Mr. FULBRIGHT] whose name this bill bears. It was made in an article, which my good friend was kind enough to have inserted in the RECORD. In this article the Senator from Arkansas made the statement that Federal control of the price of gas sold in interstate commerce by producers means nothing but an exploitation of a region for the benefit of other regions. I understand how my distinguished friend feels in this respect, but I remind him that it is not only the Southwestern States that could raise the cry of exploitation—if we should ever get that far. I remind him that the great States of the Southwest are consuming a large number of articles, commodities, and goods produced in other States. How would my distinguished friend feel if these other States should fix minimum prices for goods produced by their citizens for shipment into the Southwestern States, and such minimum prices should raise the consumer price of these goods 100 or 150 percent. I am sure, my good friend would irately protest. But that is where we get if we follow his argument to the bitter end.

I am confident, Mr. President, that none of us wants to go back to such a state of economic anarchy. The Founding Fathers created this Republic, among other reasons, for the very purpose of safeguarding the people from such chaotic economic competition among the States. Let us not, at this point, raise the fallacious cry of exploitation.

This whole argument of exploitation, fallacious as it may be, is based on an assumption which, I must say, is equally fallacious. Proponents of the bill have eulogized far and wide the great product that gas is. They have talked as if the gas consumers of the Nation would be expected to kneel down in front of the generous gas industry and thank the industry with all their hearts for the opportunity of sharing that most clean, most wonderful fuel. I am not saying that gas is not a clean fuel. I am not saying that people are not happy to use

it if they can get it at a decent price. What I am saying is that the whole business of national gratitude to the gas producers is somewhat malodorous. It is true that consumers have gained by the possibility of using gas in their homes. But so did the producers. Mr. President, the producers did not go broke by sharing their gas with the consumers. They developed, out of the gas dollar of millions of consumers, a huge industry. Where would they be if the consumer had not paid his dollar for that gas of theirs? Nowhere. They would still burn their gas on their own field, wasting it just as they did before they built up their industry through the hard-earned money of their now-despised consumers.

I say to the oil and gas industry that this is bad public relations. The consumer should not and ought not to be grateful for the gas for which he paid an honest price. If there is gratitude at all in this business, it can be and it should be, only the gratitude of the gas industry to the consumers who in spite of the steadily rising prices have not as yet deserted them. But I can foresee the day, if this bill is passed—and God forbid that it shall—when the consumers will be fed up with the insolence of the producers and will throw out their gas equipment and will turn to other fuel just out of spite. Where will the producers be then? They will have their prices high as the sky but if the consumers are sufficiently aroused, the producers will not sell their gas. I believe it would be a good idea for the industry to think, just once, of the consumers, and not only their own immediate profits.

But, Mr. President, the gas producers will not wake up. They will not because they have it all figured out just what they are after. It was well brought out during the hearings and also during the debate on this floor that the producers—and my distinguished friends who are supporting this bill—think that natural gas at today's prices is a bargain. They do not see any reason why the price of gas should not be much higher and sell for a price that would express its relative worth as a fuel. No one denies that the heat content of a dollar's worth of gas today is more than the heat content of a dollar's worth of coal or fuel oil. But this does not mean that we should wholeheartedly agree with the industry's open contention that the gas price should be raised to correspond to the relative value of the gas as fuel.

On the contrary, everyone must wholeheartedly oppose such a move. Gas is a natural resource given to us by providence so that all people of this great Nation may enjoy it. It is relatively easy to extract, it is easy to transport, and consequently it is cheaper than other fuels. But this is not due to the generosity or ingenuity of the producers. It is due solely to the generosity of nature. It is our national heritage. If we permit—and Heaven knows, we do not want to permit—producers of this natural resource to charge as much as they want to for it, we are accomplices in a great robbery of the American people and accomplices in an attempt to injure our dynamic economy.

Mr. President, this Nation grew great under a system of free competition. We are rightly proud of that. We are rightly proud of free competition wherever it truly exists. But free competition means competition between the economic factors, using our natural and human resources to reduce cost, to produce more, and produce cheaper. Newly discovered natural resources, new inventions, new methods of production are the handmaidens of free competition because they permit a dynamic advance, a dynamic growth of our economy, more goods for everyone, and a steadily rising living standard. If we permit gas producers to raise their prices to the level of oil and coal, we deal a mortal blow to our competitive enterprise system. There will be no competition between oil and gas—and I submit, Mr. President, that this is the primary purpose of the gas industry behind this bill—for the price of both can be raised, since both are controlled by the same powerful economic groups, to any level which might seem necessary for the purpose of enriching the billionaire oil tycoons. What this will mean will be that instead of going ahead in our traditional dynamic way, our economy, which relies so much on the fuels which fire our boilers, our stoves, and our heaters, will be stifled. It will be tied to the most inefficient, most expensive form of fuel, and instead of forging ahead on free competition and cheap natural fuel, it will become stagnant in the service of a powerful economic group, which will rob us of our dynamic future in order to extract more riches from the people.

We cannot be parties to such a scheme. We cannot permit the oil companies to raise the price of gas to the level of fuel oil, then raise both to a level—heaven knows where. We cannot sacrifice our economic advance on the altar of the oil industry.

This brings me, Mr. President, to the last part of my presentation. I am going to say a few words about the bill itself, over which so many words have already been spoken on the floor of the Senate.

Proponents of the bill seem mortally hurt if people describe their brain child as a decontrol bill. They point out, with what appears to be injured pride, that although paragraphs 10 and 11 of the bill effectively remove Federal control over the wellhead sales of natural gas—that is, sales by producers—there are plenty of clauses in the bill which retain control over the ultimate price of gas, and that consequently no one should talk about the bill as a decontrol bill.

I discover a very curious contradiction in this self-righteous argument of the proponents of the bill. They say—and they have said it often—that the sole purpose of their attempt to remove Federal control over producers' sales of natural gas in interstate commerce is to enable the producers to carry on, for they will find it impossible to conduct business if they are subjected to constant bureaucratic interference by the Federal Power Commission which, by authority of the law, is required to control their prices. They insist, Mr. President, that the insidious bureaucrats of the Federal Power Commission are trying to make a utility out of gas production, that they are trying to apply the term "just and reasonable" in fixing the rates, and that they are ruining the industry. They urge that it is impossible to fix a just and reasonable rate in a bureaucratic manner because no one really knows what the costs of gas production are.

To illustrate this point, one of my distinguished colleagues mentioned on the floor a case which, I assume, was purely hypothetical but still highly curious, although perhaps not in the manner my distinguished friend thought it was. Reference was made to a not-so-rich investor who decides to enter the gas-exploration field and start drilling wells. Since all he has is about one hundred thousand, or at most two hundred and fifty thousand dollars, he must hurry and find gas or else he goes broke before he is well started. The question was posed, what happens if the investor finds a gas well at his first drilling. Obviously, the answer is that he is lucky, and the bureaucrats of the Federal Power Commission will have an easy time figuring out his price and fair rate of return. But what if the investor gets duster after duster and his money runs out before he ever gets a producing well? The implication was, of course, that it is impossible to figure out the costs of gas production, and that it is impossible to figure out a rate base on the basis of the just-and-reasonable formula—in a word, that it is impossible to leave the gas producer under Federal regulation because it might happen, as was implied, that the producer will not even produce, but will simply go broke before he gets a well.

I think, Mr. President, this is one of the bogeymen with which the proponents of this bill try to frighten the public every once in a while. Of the small investor who goes broke under the eyes of the cruel Federal Power Commission, all I want to say is that I hardly can be sorry for him. It has always been my understanding that in a free-enterprise system investors are responsible to themselves for their decision to enter one or the other of the investment fields. It is further my understanding—and I think no one will contradict me in this—that different businesses require different amounts of initial capital in order to have any chance for success at all. It is my further understanding that the oil and gas business requires a fairly large volume of initial capital to insure success and permit the investor to survive initial bad luck as described by my colleague. So, if an investor decides, of his own free will, to enter the gas exploring business with insufficient initial capital, that is his business. If he is lucky, he will survive; if not, he might well go broke. But I see no reason why the public should pay higher prices for their gas merely because some unwise investments were made in the business, as they will always be made. Where is the connection, Mr. President? I do not see it.

But the point I want to bring out here goes deeper than this little smokescreen sent up by the proponents of the bill. My distinguished colleagues on the wrong

side of this issue insist that the Federal Power Commission—that group of bureaucrats—cannot possibly be trusted to establish a fair base of return to gas producers; they insist that the FPC will stick closely to the "just and reasonable" idea and will stifle the industry. My good friends arguing the case on my side have repeatedly offered amendments to the effect that the term "just and reasonable" could be broadened sufficiently—without abandoning it—so that the fears of the producers that they will not get the 6-percent return customary under utility rate fixing will be alleviated. But my good friends supporting this bill stoutly refused any such idea. They want no part of Federal control, regardless of how much guaranty might be written into the law to insure that the gas producers will get their proper rate of return. They do not want this, because, they insist, the Federal Power Commission will not be able to apply it correctly.

And here is the catch. In their next breath my distinguished friends say that their own term, the so-called reasonable market price formula, can be applied by the Commission without stifling the industry. I am sorry, but I do not get that. How is it that the same bureaucrats who cannot apply the just and reasonable formula satisfactorily, still can fairly apply the reasonable market price formula.

I think, Mr. President, this is another of those frequent inconsistencies in the arguments of my distinguished friends. For myself, I would not object too much to such inconsistencies in the arguments of my distinguished friends, so long as these inconsistencies remain in the arguments and do not get into the bill itself.

As has been brought out in the debate, there is vast inconsistency in several places in the bill. One of the "nicest" ones—if I may say that with quotation marks around the word "nicest"—is to be found in section 3 of the bill. In this section, specifically in subsections (d) and (e), a neat distinction is made between existing contracts and new or renegotiated contracts between producers and pipeline companies. The bill states that whenever, in the case of an existing contract, there is an escalation clause, and the operation of such escalation clause would bring up the price of gas beyond the reasonable market price, pipeline companies are not obliged to pay for gas received from producers more than the reasonable market price. This clause of the bill is being touted by the proponents of the bill as the great safeguard of the consumers' interest. They say this will prevent pipeline companies from paying exorbitant prices to producers, and consequently, will prevent them from passing along exorbitant prices to the consumers.

I fail to see, Mr. President, how this would come about, particularly because of the very curious character of the term "reasonable market price," of which I will shortly speak. But I wish to ask my distinguished friends one question. If they think this particular clause is of such great importance for the protection of the public, why did they omit it from the subsection which refers to new or renegotiated contracts? That is where it belongs. As is crystal-clear from the bill, in case of new and renegotiated contracts, pipeline companies are not forbidden to pay prices above the reasonable market price. All they are forbidden to do is to charge off as expenses that part of their purchase price which is above the reasonable market price. Why this inconsistency? I think I know the answer, and I am sure the consumers also know the answer. The answer is that this tenuous and apparently meaningless distinction is the built-in gadget for the purpose of raising gas prices to whatever level the traffic will bear. Or, better to say, it is one of the gimmicks in the bill. The behind-the-scenes assumption here is the expectation of producers that after years and years of litigation the term "reasonable market price" will finally get a somewhat clarified meaning. Then they will not be able to use the vagueness of that term any more for the purpose of raising gas prices to any desired level. Producers apparently foresaw that under such conditions it might be hard to induce pipelines to pay prices for the already contracted gas in excess of the already exorbitant level of the reasonable market price. Thus they decided to allow a guaranty to be written into the law reassuring the pipelines that they would not have to pay more than the reasonable market price due to escalation clauses in their existing contracts.

Why were the producers so generous? Because, by denying the same guaranty to pipelines with reference to new or renegotiated contracts, they took back what they gave in the first instance.

New or renegotiated contracts are usually written when pipeline companies seek more gas than they have been obtaining, because of the expanding demand on the other end of their lines. In order to capture this expanding market, pipelines would be willing—so the producers figure—to pay almost any price to get the necessary gas, even in excess of the then established reasonable market price. True, they would have to absorb the excess price because they would not be allowed to charge it off. But pipelines know that as soon as they paid more than the existing reasonable market price, the reasonable market price would start to rise to what they actually paid or very near to it because, obviously, the new price would be one of the prices paid on the free market, and the free market price would be the reasonable market price. So pipelines have nothing to fear. Very soon, at the next occasion, when the Federal Power Commission takes a look at the prices, it will take notice of this new higher price, and of other prices agreed to under similar conditions. The Commission will find that this is the new market price, so it will, from then on, permit pipelines to charge off the whole purchase price as the new reasonable market price.

Where does all this lead to? There is no reason to expect that pipelines would face any conceivable loss under this clause forbidding them to charge off more than the reasonable market price in case of new or renegotiated contracts. The whole inconsistency between existing and new contracts can serve only as still another smokescreen thrown in front of the public so as to confuse the issue and hide the true purpose of the bill. But this is not all, Mr. President. There are many other gimmicks in the bill. I am going to talk only of a few, but I am sure that any one of them would warrant a smashing defeat of this bill.

One of the further gimmicks is contained in subsection (f) of section 3 of the bill. This subsection removes Federal control over the prices pipeline companies can pay to themselves—and I emphasize "themselves"—for gas from their own reserves. Thus far no one has had the temerity to claim that such sales—if "sales" is the right word—are not subject to FPC control. But my good friend, the Senator from Arkansas [Mr. FULBRIGHT] in a spirit of great generosity, decided that he would like to give a piece of the bonanza to these long-suffering souls, the pipelines. Frankly, Mr. President, the way I look at it, if this bill passes, there is not much difference whether the pipelines are sharing the spoils or not. The only reason why I object to this particular generosity of my friend from Arkansas is because it not only permits pipelines to share the bonanza served up on a silver platter to gas producers by this bill, but the inclusion of the pipelines among the beneficiaries of this bill will automatically help the planned milking of the consumer in a very particular way. Since pipelines still own about 21 percent of all gas sold in interstate commerce, obviously their interest as owners of gas coincides neatly with the interest of the so-called independent producers. The higher the reasonable market price is, the more the pipelines will receive for their own gas. Do you think, Mr. President, that the pipelines will put up a real fight to keep the reasonable market price down? Frankly, I do not think so. They would not be human if they did.

Anyway, what is this reasonable market price? I am sure, Mr. President, that every unbiased man must agree with me and with my distinguished colleagues who are fighting this bill, that it is the big gimmick in the bill. It is the big sleeper which can bring about extremely high prices without a glimmer of hope that any one of us can do a thing about it.

"Reasonable market price" was first used by the President's Advisory Committee on Energy Supplies and Resources Policy in its report dealing, among other things, with the natural gas situation. The gas industry as well as my distinguished colleagues on the wrong side of this issue jumped on this new idea as their unexpected but highly welcomed savior.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to the distinguished Senator from Tennessee.

Mr. GORE. If a man is hungry, and there is but one source from which he can get food, how would he determine the reasonable market price therefor?

Mr. McNAMARA. I think we have a fine example in this instance. There are certain areas which are hungry to be served by gas. What is a reasonable market price under those circumstances? It is anything the freight will bear.

Mr. GORE. If an industry is located in the State of the distinguished junior Senator from Michigan and is geared to the use of natural gas, what would be the reasonable market value of the gas to that industry if it had to buy gas which was not available from a pipeline located close by?

Mr. McNAMARA. The answer is certainly the same as in the example the Senator first cited.

Mr. President, there is a very subtle idea in the reasonable market price formula. It appeals to Americans who believe in free enterprise and in establishing prices on a free market. What my distinguished friends forgot to tell the public was that there is no free market in the natural-gas industry. I have already dwelt upon the very limited freedom—I think I should not even use the term "freedom" in this context—that buyers enjoy in this so-called market. If we add to that the fact that the buyers—the pipelines—have no real incentive to bargain for low prices, but, on the contrary, benefit from high prices, the picture is really bleak.

But there is one more thing. Prices are really not established in the so-called natural-gas market between buyers and producers, but between buyers and gatherers. And this is a great difference. It has been brought out in this debate that in each big field there is usually one gatherer, or at most two, who collects the gas and sells it to the pipelines. According to the terms of this bill, the reasonable market price is to be established not at the producing field but at the point where the gas is being transferred to the transportation facilities of the interstate pipelines. But, Mr. President, at that particular point there is but one or at most two sellers—the gatherers. Thus in this famous free market we have one or two sellers facing a group of more than eager buyers. What, under such circumstances, is the reasonable market price? The answer is easy: Whatever the gatherers—the big companies—decide to charge. The pipelines—even if they wanted to bargain—cannot. They face a situation where they are told: Take it or leave it. Since they cannot simply turn around and go somewhere else—they have their pipelines all in the ground, representing million of dollars of investments—they take it. As soon as they pay the higher price demanded by the gatherer companies, the higher price will become the reasonable market price.

This is not all, Mr. President. My distinguished colleagues on the wrong side of this issue tell us with great fervor that the hated escalation clauses are forbidden by the bill, save the two most innocent types. But is it worth their arguing this point? I think not. It is clearer than the sun that escalation clauses, even in their most vicious third-party-favored-nation form, are not outlawed by the bill. All the bill provides is that if the price figured on the basis of these escalation clauses is above the reasonable market price, then this excess price cannot be charged off as expense by the pipelines. But the bill takes good care that the contracts will not be invalidated by such unfortunate occurrence. Of course, the authors of the bill do not have much to fear in this respect. It is hard to imagine, under the conditions in which the reasonable market price is to be determined, that any price ever could be beyond the reasonable market price, since the only definition of the term reasonable market price we have so far gained in this debate is that reasonable market price is reasonable market price. That is the best answer we can get. If this sounds like an odd way of defining something, let us blame the authors of the bill.

Frankly, I never heard of a vaguer and more outrageously indeterminate term than "reasonable market price." Coupled with the peculiar conditions of the so-called natural gas market—where I repeat, there is usually one seller and a bunch of eager buyers—this vague term opens the floodgates. So far as the gas price is concerned, the sky is the limit.

Whom would the bill benefit, Mr. President? The big oil companies which are the most prosperous, most generously treated business in the whole United States. They have 27½-percent depletion allowance. They have the market all to themselves. They make more per dollar invested, and on sales volume, than almost any other industry in the United States. I refer my distinguished colleagues to the factual data introduced by my distinguished friend, the Senator from Illinois [Mr. DOUGLAS]. Those figures show that the oil companies controlling 90 percent of our natural-gas reserves are consistently among the big moneymakers. They have profit margins envied by the rest of our business world. They have all the money they need. None of them ever came to Congress complaining that they were not making enough money. In fact, my distinguished friends on the wrong side of this issue have implied repeatedly that this is not the issue. They do not deny and they cannot deny that these companies are making more than enough money both on oil and on gas. They cannot deny that the companies are rich beyond imagination. I ask my good friends who are so sincerely fighting for the interests of these poor billionaires, What do they want? My distinguished colleague, the Senator from Illinois, said: "We gave them our jackets, we gave them our shirts, do they want our trousers, too?" I go one step further and ask them, What do they want? Our bodies and our souls? Simply to enrich themselves beyond any limits?

No, Mr. President, I cannot be a party to such a robbing of the American public by a few big companies. I am thinking of the consumers, of the 26 million American families who have invested more than $14 billion in gas heaters, gas stoves, gas furnaces, and so forth. I am thinking of these persons and of the disillusionment they will face when they see that their elected representatives in the Congress of the United States have turned their backs on them. They may then recite with sullen bitterness the immortal English verse which decried the cruelty of the law that protects the rich and soaks the poor. I shall read this rhyme to my distinguished friends so that they may understand how the people back home will feel when they see that their elected representatives have again turned their backs on the people's interest. It goes:

> The law is hard on men and women
> Who steal a goose from off the common;
> But lets the larger rascal loose
> Who steals the common from the goose.

I observe that the Senator from Illinois [Mr. DOUGLAS] recognizes the rhyme.

For myself, Mr. President, I am not going to be a party to such a betrayal of the people's interest. I am not going to let the people think the Senate is protecting the rascals who are running away with the people's common. I am not going to stand for a bill that does nothing but guarantee perfect freedom to the oil tycoons to milk the consumers to their heart's content. I am not going to do that. I am going to vote against the bill, and I call upon this august body to do likewise. Let us defeat the bill and save our honor in the eyes of the great American public, of whom we are but humble and undeserving servants.

Finally, Mr. President, I should like to praise the floor leadership of the distinguished Senator from Rhode Island [Mr. PASTORE]; our party whip, my distinguished friend, the Senator from Kentucky [Mr. CLEMENTS], the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from New York [Mr. LEHMAN], and other Senators, on both sides of the aisle, who have so ably presented the case for the opposition to the bill. I can appreciate the vast amount of work they and their staffs have put into this job. They have no well-heeled, highly skilled, and specially selected crews, working out of plush suites in downtown hotels, to do the work for them. But it has been ever thus when the interests of the people clash with those of giant corporations and giant financial institutions.

Mr. President, I am very deeply and strongly opposed to this bill. The Governor of the State of Michigan, the Honorable G. Mennen Williams, is opposed to it. I am sure the majority of the people of Michigan, and consumers everywhere, are against the bill. I strongly urge its defeat.

Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, the following material relating to the issue: A letter from Mr. James H. Lee, special assistant corporation counsel, public utilities, Detroit, Mich., which was recently sent to 1,000 city attorneys throughout the United States, Hawaii, and Puerto Rico who are members of the National Institute of Municipal Law Officers; editorials from the Detroit News and the Detroit Free Press, a column written by Martin S. Hayden, Washington correspondent for the Detroit News; a letter written to me by the Honorable G. Mennen Williams, Governor of Michigan; and a letter which appeared in the January 30, 1956,

issue of the New York Times, the first letter appearing under the column Letters to the Times.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DETROIT, MICH., *January 4, 1956.*

DEAR CITY ATTORNEY: As you are aware, the Harris bill, H. R. 6645, was passed by the House of Representatives. Its companion, the Fulbright bill, S. 1853, will come up for consideration by the Senate in the early part of this session of Congress. Hearings on S. 1853 have been held and the bill reported out of committee. These bills cut the heart out of the Natural Gas Act by repealing the provisions requiring gas producers to charge a just and reasonable price. It lets them charge anything they want to.

Throughout the entire proceedings on this bill I have sent you a great deal of material which adequately points out the reasons why we in NIMLO opposed it. Should it be passed by the Senate, then our consumers will be forced to pay increases of up to at least $800 million or more a year, or approximately $50 per year per consumer. This increase is a carefully calculated figure based upon the increase reasonably expected to flow from the Harris-Fulbright proposals of 15 cents per thousand cubic feet.

It is incumbent upon us to point out to our Senators just what they are voting for—this staggering annual increase to their constituents.

Actually, the proponents are seeking free, unregulated sales for their captive customers. These consumers have become absolutely dependent upon the gas producers who now seek to take advantage of this situation. Under our deeply ingrained principles of free enterprise this type of business is and should be regulated.

Since cities are by law and tradition the legal representatives of consumers, your city's views should be transmitted to the Senators of your respective States.

We have a long way to go to defeat this bill and will need all the support that can be mustered. It is up to each one of us to point out the dangers in this bill and the fact that it is definitely against the public interest.

This bill squeezed by the House committee by one vote—after an initial tie—and was only passed by 6 votes by the House. Our opponents are spending millions to get it adopted. Your city's consumers have only you to rely upon to represent them, as they have no money to spend.

Contact your Senators, explain to your city's consumers what you are doing, and help stop this $800 million yearly increase to the consumers.

Sincerely,

JAMES H. LEE,
Special Assistant Corporation Counsel, Public Utilities.

[From the Detroit News of January 23, 1956]

LAST CALL TO BEAT GAS GIVEAWAY

What President Eisenhower said at last week's press conference about the bill to free natural-gas producers from regulation has been construed as favorable to it.

If this is the correct interpretation, those opposing the House passed bill in the Senate are on notice that it must be beaten there or not at all. The question then would be, how much of the opposition from Senate Democrats is real, how much mere lip service of the millions of gas consumers threatened by this bill with higher gas rates?

If the President will not veto the bill, Democratic strategy evidently will redouble efforts to make sure of its passage. To date the bill has been acutely embarrassing to that party. Sponsored by Texans in positions of Democratic leadership, it has split the party by exposing the essential fraudulence of its claim to unique regard for the common man. The bill is a giveaway to the major oil companies at the common man's direct expense. If the President will not veto it, relief for the Democratic embarrassment lies in hustling the bill to the White House for his blessing and approval.

We are still hopeful that this may not be the outcome. At the press conference the President referred questioners to his remarks on the subject last June. At that time he confessed he was given to understand that it includes protection for the gas consumer against gouging by producers.

We trust that when he comes to examine the matter more closely he will find that this impression, so carefully nurtured by the bill's backers, lacks substance. The provision forbidding pipeline companies to pay more than a reasonable market price for gas has not been phrased as a usable instrument of price regulation. Indeed, if effective regulation were intended or possible under the bill, it would hardly have had the backing so expensively given it by oil and gas interests.

We are no more favorable than the President to needless extensions of the Federal power. But this is an industry whose whole nature from the wellhead onward is such as to deny to consumers the protection of price competition. If the price is to be reasonable and fair, it must be made so by regulation.

[From the Detroit Free Press of January 27, 1956]

GAS CONTROL'S FOES: THE WEAK SPOTS IN THEIR PLEAS

The biggest issue currently being debated by the United States Senate is that revolving around the Harris-Fulbright bill to relieve producers of natural gas from Federal Power Commission control.

The House has adopted the bill, but by a narrow margin. The question has split the Senate along nonpartisan lines, its advocates being those Members generally from gas-producing States. Arrayed against them are Senators from areas which are the heaviest consumers.

Thus, the fight is narrowed down to one of the interests of producers of natural gas versus the 25 million or more families that use natural gas—most of them in the industrial centers of the Northeast and Middle West United States.

The arguments on both sides have been thoroughly aired, but not always, we fear, with complete candor and accuracy.

The consumer group—and Detroit has a strong interest on this side of the question—fears that decontrol will result in an increase in consumer rates.

It appears probable to this newspaper that would be the ultimate result of decontrol.

The producer group pooh-poohs this. It argues that decontrol is necessary if the producers are to continue exploration for new sources which will assure a continuing adequate supply of natural gas.

But therein lies the weakness of the producers' argument. Obviously, they want more money to spend on exploration and development, both of which are undoubtedly necessary. But where is that money coming from?

Decontrol will not provide it except from one source—the consumer.

We can interpret, then, the producers' demands to mean more money from the only source from which it is available—the pocketbook of the consumer. And that would mean higher rates.

The producers complain that their fuel is the only one which is regulated at the source. The coal and electricity with which natural gas has to compete is not controlled until it is sold, as in the case of electricity only, in the intrastate market.

But this argument does not stand up too well.

In most cities that we know of—certainly in Detroit—the distribution of natural gas is a local monopoly. The user of gas has no competitive alternative as the user of coal has. That is particularly true if he has equipment designed for the consumption of gas exclusively. His investment in his furnace, often substantial, gives him no choice of fuels.

Hence, if the local consumer buys his fuel from a distributor who enjoys a monopoly, and if that distributor has to pay higher wholesale rates to a producer, it stands to reason that the increase will have to be passed along to the consumer.

The latter cannot throw away his gas stove or his gas furnace and install coal-burning equipment.

Thus, increased cost of exploration, added to an open-end monopoly, is a combination which makes higher consumer costs appear almost inevitable.

Frankly, we believe that is the real purpose behind the Harris-Fulbright bill.

For the benefit of the thousands of users of natural gas in the Detroit area, we hope Michigan's Senators, as well as all those from other consumer States, will steadfastly oppose this measure.

[From the Detroit News]

(By Martin S. Hayden)

WASHINGTON, January 17.—Three little words that could put a billion dollars in the cash registers of the Nation's gas pipeline companies will be heard a lot of when Senate opponents open their fight against amendment of the Natural Gas Act.

The words, "reasonable market value," seem mild to everyone except folk like Senators DOUGLAS, of Illinois, HUMPHREY, of Minnesota, and MCNAMARA, of Michigan, who have alined themselves as "consumer State Democrats" to fight the oil State leadership of their party.

To them "reasonable market value" signals a new utility regulation theory that would raise every gas bill in the Nation and, by precedent, could serve as a jumping-off point for other utility cost boosts. They note that, as used in one controversial and buried section of the pending gas bill, the phrase affects not at all the independent gas producers cited by Senate Leader LYNDON JOHNSON, his fellow Texan, House Speaker SAM RAYBURN, and others, as beneficiaries of the new law they support.

HUGE BONANZA

Specifically, the section says that the Federal Power Commission, in fixing the rate for pipeline company sales to local gas distributing companies, "shall allow" a pipeline "the reasonable market value" of gas it pipes from its own wholly owned reserves.

Opponents of the Harris-Fulbright bill say the section would kill the whole theory of guaranteed but limited public utility profits and upset a court decision that now blocks one pipeline's admitted dream of a $452 million financial bonanza.

Chronologically, this is the story of the three words:

Approximately 2 years ago Panhandle Eastern Pipeline, principal supplier to the midwestern industrial area, challenged before the FPC the traditional rule by which a fair return was all the pipelines could make on cheap gas supplies they bought years ago when nobody wanted natural gas. Instead of the normal 6 percent return on this fortuitous investment of the past, Panhandle lawyers argued, the company should be allowed to sell the gas at a fair field price, that is, one equal to the average price charged by independent producers in today's high-value gas market.

STAFFMEN'S THEORY

Opposing the petition, staff members of the FPC told their bosses that "a reversal by this

Commission of its heretofore expressed policy would mean literally billions of additional profits to such (pipeline) stockholders over the life of the gas reserves."

The FPC experts pointed to Panhandle's own February 1954 report to stockholders. It showed that Panhandle owned 3.5 trillion cubic feet of gas outright and had under contract another 7.1 trillion. The report showed that the $3 million value allowed on the Panhandle-owned reserves amounted to less than 1 mill per 1,000 cubic feet. Actually, Panhandle officers told the stockholders, 13 cents per thousand cubic feet better represented today's market value of the holdings and they held out the hope that the FPC might switch policy and up the $3 million reserve valuation to $455 million.

OVERRULED BY FPC

To the chagrin of the staff, FPC Commissioners voted 4 to 1 to buy Panhandle's argument. While limiting the immediate allowable price boost on all Panhandle gas (both company-owned and contract gas) to an average 1.3 cents per 1,000 thousand cubic feet, it approved the fair field price yardstick and, as the opposition sees it, cleared the way for profits far exceeding the $3,751,448 a year by which Panhandle's net income was immediately jumped.

The city of Detroit promptly challenged the FPC action and last December 15 the United States Circuit Court of Appeals of the District of Columbia killed it in a decision calling the FPS ruling "not properly related to the public interest."

Now the Harris-Fulbright act would nullify the court decision and establish reasonable market value as a valuation gage which the opposition calls even more liberal than the FPC's fair field price.

SKY'S THE LIMIT

If it is valid, the Harris-Fulbright opposition will argue, to take from the gas user the accrued gain in the value of gas reserves he paid years ago to develop, then why limit it to that? Why not also take into consideration the fact that Panhandle trunklines built years ago at low cost today have a higher reproduction worth and recharge the consumer for their reasonable market value?

Finally, it will be argued, if the new theory is valid as to gas reserves owned, why not similarly boost telephone and electric utility bills on the ground that their installations have a new value in the high cost 1956 market?

LANSING, MICH., *January 23, 1956.*

The Honorable PATRICK V. MCNAMARA,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MCNAMARA: There is pending before the United States Senate legislation which would mean millions of dollars added utility costs to more than 1,250,000 Michigan householders. I speak of the so-called Harris-Fulbright bill, S. 1853, which is intended to exempt independent producers of natural gas who sell their product to interstate pipelines from regulation by the Federal Power Commission. This legislation would also produce a windfall in large profits to interstate pipeline companies owning natural-gas reserves.

After many years of litigation, in which representatives of the consuming public fought against the natural-gas pipeline companies and producers, the United States Supreme Court decided that the Federal Power Commission did have jurisdiction to regulate and control the price of natural gas being sold by the producers. Such control and regulation reasonably assures that a monopolistic industry will not enjoy exorbitant profits at the expense of the consuming public. Michigan residents have invested many millions of dollars in gas appliances as well as gas furnaces for house-heating purposes. To a large extent they were induced to make these investments on the representations of the gas industry that this kind of fuel was economical. With the investment now made, the Michigan householder is a captive customer of the gas industry. He should not be exploited because of his dependency upon this source for heat and power.

The Harris-Fulbright bill would definitely open the path for such exploitation, and I vehemently oppose its enactment.

During the last session of Congress a similar measure failed to pass both Houses of Congress. At that time I indicated my opposition to such a law. Many of our Michigan Congressmen voted in the public interest and against the exemption bill. When a like bill passed the 81st Congress, the courageous veto of President Truman prevented its enactment into law.

It is my hope that the Michigan delegation in Congress will oppose the Harris-Fulbright bill. Such opposition will insure that our Michigan gas consumers will be given the same kind of regulatory protection as are all others who depend on monopoly services.

Sincerely,

G. MENNEN WILLIAMS,
Governor.

[From the New York Times of January 30, 1956]

NATURAL GAS CONTROL URGED—NO PROTECTION FOR CONSUMER SEEN UNDER PENDING BILL

To the EDITOR OF THE NEW YORK TIMES:

M. J. Rathbone, president of the Standard Oil Company of New Jersey, in a letter to your paper in defense of the natural gas (Harris-Fulbright) bill, published January 25, seems to see utility-type price control of the production of natural gas as a threat to free enterprise and the present economic pattern of the United States.

I will not go into the detail of this bill, which the Public Service Commission of New York State has been opposing since its introduction. The oral testimony of Commissioner Francis T. Mylott before the congressional committees and the various memorandums which have been submitted by Chairman Feinberg stated the case very clearly, as did your excellent editorial of January 19.

I cannot see how a man who is as familiar with our economic system as Mr. Rathbone must be can feel that utility-type price control is a threat to our economy.

TOPIC FOR DEBATE

A generation ago, before many of the State and Federal regulatory commissions were established, one of the favorite subjects for debate in high schools and colleges all over the United States was the Government ownership and operation of all public utilities.

There was a tremendous sentiment in favor of public ownership among all segments of our population. After the experience of a generation of careful and systematic regulation of the prices which consumers must pay for the services that public utilities render them, there is today very little sentiment for Government ownership of utilities and the subject is rarely debated in our high schools and colleges.

Under regulation the consumers have been fairly treated and the companies who perform these services by and large are in excellent financial shape and their securities sell in the stock exchanges of the country on a very modest yield basis, on the average, considerably lower than those of unregulated companies.

Mr. Rathbone seems to be disturbed about the difficulty of a regulatory commission establishing a fair price for a producer of natural gas. There is no question but what there will be serious difficulties. However, they will be no more serious than dozens of other problems that come up daily in the business of regulatory bodies. I am sure that any regulatory commission would be as fully aware of the risks involved in seeking and finding natural gas as the producers themselves and would allow them fair compensation.

I have only been a member of the New York State Public Service Commission since last July, but I have been tremendously impressed with the ability of our staff and their familiarity wtih the problems of the utilities which we regulate.

CONTROL OF PRODUCERS

Mr. Rathbone seems to agree that it is fair to regulate the prices of natural gas for the distributing companies and for the transmission lines and would seem to have no objection to utility-type price control in these fields. The price advances of the producers must be passed on to the consumers. In fact, the regulatory laws of most States provide for a fair return on their investment. If there is not some utility-type price control of the producers themselves, the prices of natural gas will continue to rise and the consumers will pay more and more.

In the interests of the 26 million families who use natural gas the Harris-Fulbright bill should be defeated. Its passage would have a far more deleterious effect on our national economy than its defeat.

RICHARD H. BALCH,
Public Service Commissioner of New York.

ALBANY, *January 26, 1956.*

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to the distinguished floor leader in this matter.

Mr. PASTORE. I should like to compliment and congratulate the distinguished Senator from Michigan for a very splendid and illuminating presentation of the subject matter. I know he is possessed of a fine understanding—an understanding of the plight of the average people of the United States, the consumers—and I know that the presentation he has made in the Senate this afternoon is motivated by a sincere feeling for such people, because I know he is interested in the consumers.

Mr. McNAMARA. I thank the Senator very much.

Mr. DOUGLAS. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I shall be glad to yield, or I shall yield the floor, if the Senator desires it.

Mr. DOUGLAS. I merely wish to congratulate the Senator from Michigan on the very able and sincere argument which he has made. I think he has shown the fallacies contained in the Fulbright bill. He has shown that the alleged consumer protections are not real, and that, in effect, the bill would free the big producers and gatherers from all Federal regulation, and enable them to increase the price at which gas will enter the interstate pipelines, and hence be passed on, through the pipelines and distributors, to the consumers.

The Senator from Michigan comes from a great gas-consuming State. He comes from a city and a State which, with the State of Wisconsin and the city of Milwaukee, have taken the lead in attempting to control the prices which consumers ultimately will have to pay for natural gas. He and his distinguished colleague, who represent different political parties, have nevertheless cooperated in this matter perfectly, in

the interests of the people of Michigan, and, in a broader sense, of the people of the United States.

I believe the speech of the Senator from Michigan represents really his maiden speech, and I wish to congratulate him. I am sure that the people of the United States are grateful to him for the magnificent efforts which he is making in their behalf.

Mr. McNAMARA. I wish to thank my distinguished friend, the Senator from Illinois, for his very kind reaction to the small contribution which I have made to his great presentation. Actually, the Senator from Illinois developed the charges and supplied the statistics. The rest of us are merely trying to support his position. So the major share of any credit which might be due to those who are protecting the interests of the people in this fight certainly should go to the Senator from Illinois.

Mr. DOUGLAS. I wish to thank the Senator from Michigan, but he is unduly complimentary. We are all soldiers in the common army, and there is fellowship in our efforts.

Mr. McNAMARA. I thank the Senator from Illinois.

Mr. President, I yield the floor.

During the delivery of Mr. McNAMARA'S speech,

Mr. AIKEN. Mr. President, will the Senator yield to me for about 7 minutes, with the understanding that he will not lose the floor? I would not ask him to yield except for the fact that I have a committee appointment which I must keep.

Mr. McNAMARA. Mr. President, I yield to the Senator from Vermont, with the understanding that his remarks will come at the end of mine, and that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. I certainly appreciate the courtesy of the Senator from Michigan, and also the courtesy of the Senate.

Mr. President, some weeks ago, when representatives of the natural gas and petroleum interests began to lobby me on the pending bill, I advised them that I was completely uncommitted on the bill; that I would wait until debate on it neared its conclusion; that I would then make up my own mind and vote as I believed best for my State and the country.

I have now reached such conclusions. They are:

First. That such legislation is not necessary to enable the gas and oil corporations to make comfortable earnings on their investments.

Second. That failure to pass S. 1853 will not imperil the Constitution or the democratic processes of our Government.

Third. That enactment of S. 1853 would enable a few States producing natural gas in quantity to levy an indirect tax on all the other gas-consuming States.

Fourth. That enactment of the bill will not only raise the already exorbitant price of natural gas to the consumer, but will also drastically raise the price of competing fuels, particularly gasoline and fuel oil, not less than 2 cents, and possibly as much as 4 or 5 cents per gallon.

Fifth. That the increased benefits received by most stockholders in gas and petroleum corporations will be far outweighed by increased costs of fuel, lighting, and transportation to those same stockholders.

Sixth. That enactment of the proposed legislation, unamended, will go far toward justifying the charge that our Government is becoming a Government by corporation.

In arriving at the conclusions I have reached, I confess that I have been confronted with the situation so ably set forth by the Senator from Massachusetts in his book Profiles of Courage. Whether to decide as the majority of my constituents, as indicated by their communications, have decided, or whether to do what, according to my own convictions, I should do.

The letters and telegrams from my State are up to now one-sidedly in favor of the passage of the pending bill. They have come mainly from oil corporation stockholders and gasoline dealers. Only within the last few days have communications been received from Vermonters opposing the bill; and I may say, Mr. President, that they are rapidly increasing in number.

Taking up briefly the reasons which prompted me to reach my conclusions, they are:

First. The legislation is not necessary in order to enable oil and gas companies to make a reasonable profit. An examination of the reports of the corporations backing the bill will show that they are among the most powerful companies in the world, that their earnings are high, and that their stock is in demand.

Secondly. I cannot see how failure to remove controls which have been in effect for some time can be harmful to the democratic processes of government. A commodity like gas, which is sold largely in interstate commerce, must be regulated somewhere. If the regulation of natural gas prices does violence to the Constitution, then other regulations of interstate commerce do so, also.

The third conclusion I have reached is that the gas producing States could levy an indirect tax on the consuming States if S. 1853 should become law.

As I understand, if the Federal regulations are relinquished, then State regulations may be effected. If I were an official of a gas producing State, I would certainly put the minimum price of gas high enough so that a very substantial State tax could be imposed, this tax to be paid by the ultimate consumer in other States. Mind you, Mr. President, I am not criticizing the proponents of the bill. If I lived in Oklahoma or Kansas, I would probably support it. It all depends on one's point of view.

Another most compelling reason for objecting to the pending bill is the fact that it would result in an increased price, not only for natural gas, but for competing fuels as well. Vermont is not permitted to buy any natural gas. We in Vermont do depend heavily upon gasoline and fuel oil to support our economy. We are privileged to pay a considerably higher price for petroleum products than are most other States.

If the pending bill were not intended to raise prices, it would not be here. It is as simple as that.

If the price of natural gas were raised, the price of gasoline and oil would surely follow upward. If it would not, there would be no concerted drive by the big petroleum corporations to put the legislation across.

If this proposed legislation is enacted, I predict that the price of gasoline and fuel oil will rise not less than 2 cents a gallon in Maine, New Hampshire, and Vermont, and in other States as well. If the oil companies are successful in this endeavor, they will renew their effort to restrict the importation of offshore oil to the Northeast. Success here could mean an overall increase of 5 cents or more a gallon.

Not only would the cost of heating our homes and running our trucks and cars increase, but the cost of rail transportation and the generation of electric energy would increase also. I fear that some of the small stockholders in petroleum corporations have not figured this out carefully.

Certainly it would be poor business for them to pay out $50 in increased costs to get an increase of $10 in dividend checks.

Congress is planning to exempt the farmer from the Federal 2-cent tax on gasoline used on the farm, and at the same time is discussing proposed legislation which would increase the farmer's costs at least 2 to 4 cents a gallon.

The final and deciding conclusion I have reached is that if we take the line of least resistance and yield now to the pressure exerted upon us, we will in truth have lent color to the charge that the special interests are running the country.

Never, since I have been in Washington, have I seen such intensive, varied, and ingenious types of lobbying used to promote legislation.

If the pending bill were good for the whole country, its promoters would not have to resort to such vigorous, intensive, and ingenious methods to secure its enactment.

Mr. PASTORE. Mr. President, will the Senator from Vermont yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Vermont yield to the Senator from Rhode Island?

Mr. AIKEN. I yield.

Mr. PASTORE. First of all, I wish to compliment the Senator from Vermont for his outstanding exposition of the issue.

Mr. AIKEN. I might inform the Senator from Rhode Island that I have been badly overlobbied.

Mr. PASTORE. Let me ask the distinguished Senator from Vermont if he has been approached at all by any consumers' lobby?

Mr. AIKEN. No.

Mr. PASTORE. As a matter of fact, in this whole business the only person who has not been heard from has been the consumer. Is that correct?

Mr. AIKEN. The consumer seems to be unaware of the import of this legislation.

Mr. PASTORE. Is the Senator from Vermont of the same opinion as is the Senator from Rhode Island, that the only ones the consumer has on his side are the few opponents of the measure?

Mr. AIKEN. The consumer does not know what is happening to her. I repeat, if the bill were good for the whole country, its promoters would not have to resort to such vigorous, intensive, and ingenious methods to secure its enactment, and I might say that some of the methods have been very ingenious.

Mr. President, I thank the Senator from Michigan for yielding to me.

GRANTING OF PATENTS ON LANDS ON THE ROGUE RIVER, IN OREGON

Mr. GOLDWATER. Mr. President, for nearly 5 months an investigation has been taking place, under a subcommittee of the Interior and Insular Affairs Committee of the Senate, into the reasons why the patents were granted on lands on the Rogue River, in Oregon. Witness after witness has been called in an effort on the subcommittee's part to show that something unusual happened in the granting of these patents.

Mr. President, under the old mining law which was changed by the first session of this Congress, there was nothing the Bureau of Land Management could do but issue the patents. The unusual in this case has been the disclosure that under the former Secretary of Interior not only was the law ignored, but no decision, either pro or con, was reached on patent applications. The hearing has, to my mind, developed further one of the basic differences between the ideology of the New Deal and the ideology of this administration, namely, that the advocates of the New Deal-Fair Deal believe in government by men, whereas this administration believes in government by law.

This being a matter of extreme importance, not only to the West, but to the entire country, I believe that in fairness to all parties concerned, the statement of Under Secretary Davis, made when he was finally called as a witness, months after the Department of the Interior was publicly and falsely charged with misconduct, be made available to our citizenry. Accordingly, Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the statement made by Under Secretary of the Interior Clarence Davis, together with several documents pertaining thereto.

There being no objection, the statement and supporting documents were ordered to be printed in the RECORD, as follows:

STATEMENT OF UNDER SECRETARY OF THE INTERIOR CLARENCE A. DAVIS BEFORE THE SUBCOMMITTEE ON LEGISLATIVE OVERSIGHT OF THE SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE, AND THE SUBCOMMITTEE ON POWER AND NATURAL RESOURCES OF THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS, JANUARY 26, 1956

Mr. Chairman and gentlemen of the subcommittees, I am glad to at last have the privilege of appearing before you to testify to the facts with relation to these claims of Al Sarena Mines, Inc.

These claims and the problems they presented were left pending by the preceding administration. They constituted a matter which had been going through the various levels of bureaucracy of the Department of the Interior for more than 5 years, before I ever heard of them.

I should next point out to you that the matters here involved are not matters of discretion or of political action, but are matters of law and evidence. For that reason, for a very great many years the authority to decide appeals with relation to public lands has been vested in the Solicitor of the Department. His opinions on these matters are final. They are not reviewed by the Secretary unless the Secretary specifically requests it, and they are not in ordinary course ever presented to the Secretary at all. I should like to make clear, therefore, that Secretary McKay has had no part in this sequence of events, and aside from 1 or 2 mentions of it in staff conference, he was totally uninformed of any of these events until after the opinion in the case was rendered.

I came into this Department on February 17, 1953, after having been engaged in the practice of law in Nebraska for 37 years, during which time I had been attorney general of the State, counsel to my State in many interstate matters, and counsel to all of the judges of the supreme court of my State, and many other legal connections with which I shall not tire you.

Immediately after taking over the office, I asked the staff for a general briefing of the matters which were pending in the office and of its general duties. At that time I discovered that there were 278 land-appeals cases pending in the Solicitor's Office, of which the Al Sarena Mines was just another case so far as I knew.

I was informed by the staff that there were several of these backlog cases which had not been handled which were considered "troublesome" and some of which were characterized as "headaches" and been left for my handling. I was advised that the Al Sarena case was in that category.

On April 8, 1953, our records indicate that Mr. Garber, administrative assistant to Congressman ELLSWORTH, called me. I did not talk on the call and have no idea what it was about. On March 20, 1953, during my absence from the city, Mr. Garber called and talked to my secretary, requesting an appointment for some of Congressman ELLSWORTH's constituents. Pursuant to that call, I first met the two McDonald brothers March 30, 1953, when they came into the Solicitor's Office. I then learned for the first time that Al Sarena mines were located in southern Oregon; that one of these men lived in Oregon and the other in Alabama; and that they had been having trouble with reference to some mining claims.

The McDonalds asked the privilege of telling me all about their pending case, and since I had never heard of it before, I told them to go ahead.

They probably talked for an hour and recited a very long list of things which they claimed as grievances against the Interior Department and its long delay in the granting of their patents.

As well as I can remember, in substance they told me:

That they had a group of 23 mining claims, 10 of which had been filed on as early as 1897, and all of them prior to 1939; that for a long period of years they had been hoping to develop these claims into a profitable mine; that their father was a physician in Mobile, Ala.; that one of the brothers lived in Mobile, but that the other brother had lived for years on this mining property.

They told me there was invested, they estimated, nearly $200,000 in the development of this mining property; that they had well over a mile of tunnels in the mountain; that they had constructed a 100-ton-per-day mill; that they had bunk houses, an assay lab, a mess hall, tool sheds, had built access roads, and so forth; that they had had dozens of assays made on the claims, some of which showed a high mineral content.

They then recited a long history of their treatment by the Bureau of Land Management; that they had applied for a patent to the claims in 1948, and despite the lapse of 5 years, still had not received a final decision. They outlined as best a layman could a very long administrative process through which the appeal had gone in the Bureau of Land Management and the Department.

They told of filing their applications for patent and of paying the $5 an acre standard fee, which is historic in connection with the patenting of such lands. They had with them, I believe, a copy of the final receipt of the land office issued in 1949, showing that all payments had been made. They complained that the land had been transferred by the Federal Government to the tax rolls of the State of Oregon, listed in their name, and that taxes were accumulating on it and they were threatened with foreclosure under the Oregon tax laws.

They attacked most bitterly the procedures of the Bureau of Land Management. They described in great detail the hearing on their patent application which had been held in Oregon. They insisted that they had not been given a fair hearing. They insisted that the Department was prejudiced against the granting of mining claims. They insisted that the Bureau of Land Management had put the Forest Service up to objecting to their claims; that the mineral examiner of the Bureau of Land Management was in collaboration with the Forest Service to help defeat their claims.

They told me the hearing in the Bureau had broken up in dispute and they had walked out; that the hearing examiner had taken the testimony of the Forest Service in their absence without their cross-examination; and they complained that the record before me as Solicitor was incomplete, did not contain much of the evidence which they had filed in the Bureau in Portland; contained only one side of the evidence; and that many of the assays which they had tendered were not in the record.

They told me that they had received the advice of a half-dozen mining engineers, State geologists and other persons familiar with mining, at the time they acquired the claims and from time to time thereafter. They named several persons in that connection who were unknown to me but some of whose opinions now constitute a part of the file, and that all of these mining engineers had indicated they had a mineral deposit which could be developed into a valuable mining property.

They told me that Congressman FRANK BOYKIN of their home city of Mobile, Ala., had interceded in their behalf, and that because of the delay which they felt they were getting, they had started a suit in Alabama to compel the Secretary to deliver to them the patents for which they had applied. That suit had been pending for a year and a half undisposed of. They told me that until some disposition of their appeal to the Department was made, their hands were tied; that if they were granted patents, they hoped to develop a sizable mining operation on the property, but that they could not finance any such operation while their patents were under contest.

They claimed they had tendered several assay reports to the Bureau in Portland which showed paying minerals on the claims, and that many of these assays were not included in the files on which I, as Solicitor, was supposed to pass judgment.

If true, these were serious accusations which I think would cause anyone to examine the records to see if they were true.

At that stage I did make enough of an examination of the file to discover that the assays which they claimed they had filed were not present in the Solicitor's office; that the evidence in the Solicitor's file consisted largely of testimony by the Bureau of Land Management and the Forest Service; and that all of the evidence which claimants said they had produced was not in the file.

I discovered that the claims had been registered, 10 of them in 1897; that there seemed to be little question there were minerals in more than paying quantities on at least some of their claims, and I discovered that the report in the files made reference repeatedly to the widely diffused mass of mineral-bearing material which constituted the area on which the claims were located.

It was perfectly obvious to any lawyer that the evidence of the claimants was not in the file, and that on the state of the record as it then existed, judgment on the claimants' evidence could not be made.

I think it is fundamental to both the judicial and administrative process that both sides are entitled to be heard, and that the evidence of both sides is entitled to be considered before final judgment is rendered.

The McDonalds had with them carbons and photostatic copies of numerous assays which they insisted I should take and consider as evidence in connection with their appeal. I told them that I was in the position comparable to a supreme court, and that I could not accept evidence at that stage of the proceedings, although they were welcome to leave their assays if they wished.

They had also prepared a long document of some 28 pages, listing the chronology of events and many of their complaints. It was a document, of course, prepared entirely from their viewpoint, but it contained many points which, if true, I regarded as serious. It is exhibit No. 63, as the files of the Department have been indexed, and it has been available to the staff of your subcommittees.

At the conclusion of that interview, I told these people that I would try to expedite a determination of their case; that I knew nothing about it except what they had told me; but that I did feel somebody ought to decide and settle any matter which had been pending for 5 years.

As soon as I could find time, I undertook to make an investigation of the files of the case to ascertain the accuracy of the representations which had been made to me. About that time, Mr. J. Reuel Armstrong, a lawyer from Rawlins, Wyo., joined the Department, and I referred the files to him for further examination.

Thereafter, from time to time, the matter of the Al Sarena case and what we might do to disperse of it was discussed between us.

THE MINING LAWS

I think it should be made clear at this point what the mining laws provide. Under the mining laws, which had not been changed since 1872 until last year, a miner who stakes out his claim on public lands and files on it, spends $500 in the development of it, and proves that he has a valid discovery of minerals, is entitled to a patent. It is just that clear. There is no reference to timber in the mining laws; whether there is much, little, or no timber makes no difference whatever as a matter of law.

All of the mining business of the West has been established under that law. Throughout the years there have been literally thousands of mining claims gone to patent without the slightest regard to the timber on the land. As a matter of fact, it is not until very recent years that the timber attained sufficient value to be very material. In 1897, at the time the earlier of these claims were filed on, I am told they were cutting down timber in Oregon to get rid of it so the land could be used as farms; that in the 1930's there were hundreds of tax foreclosures on timber in Oregon; and the timber was sold for $2 to $5 an acre.

Whatever may be said of the situation in 1956, it would seem clear that at the time these mining claims were filed on, the timber was of little value, but the impression that has been conveyed to the public is that these people filed on these claims merely to get the timber.

I should point out to you that there was a substantial period of years prior to 1953 in which the timber values were continually rising but there was no amendment of the mining laws.

THE AREA

The area in which these claims are located is what the miners call a widely diffused mineralized mass. There are no special rich veins which can be located with certainty. There is gold, some silver, some lead, some zinc, and other minerals widely diffused on the claims. To work such a mine requires the handling of large amounts of material, but in the opinion of the many mining engineers consulted the claims were well worth developing.

The files will verify the fact that there are over a mile of tunnels on this property; that there is a 100-ton-per-day mill; that there are bunkhouses, an assay lab, a messhall, tool sheds, access roads, etc. The mine has produced throughout its history some thirty to forty thousand dollars of gold. As a pilot operation sometime in the early 1940's, some lead and zinc was produced in minor quantities. In 1943 the mine was closed, allegedly because of the shortage of labor and materials.

In this period of 50 years before 1948 we are told there were literally hundreds of assays made on various parts of these claims. They must have been reasonably hopeful or no one would have been foolish enough to continue to put money in the mine.

In this connection your attention should be called to a report of the Geological Survey entitled "Geological Survey Bulletin 893," published in the year 1930. On page 131, and following, of that report is a description of this mine, then known as the Buzzard area, giving the history of various mining operation in connection with which it was pointed out that at that time: "The mine workings consist of 3,334 feet of drifts and crosscuts, 1,000 feet of raises and winzes, and 75 feet of open cuts and trenches."

The minerals on the land are described generally, and I shall not take your time to read into the record the description given by the Geological Survey. I should also point out that immediately preceding the description to which I have referred, is plate No. 22, which is a sketch of levels of the Buzzard Mine, Jackson County, Oreg., to show to someone more familiar with mining than I am the approximate layout in 1930.

I have, personally, no idea of the cost or the value of these improvements. I am dependent entirely upon the estimates of mining engineers and others, but it seems to be generally considered that there is somewhere from one hundred and fifty to two hundred and fifty thousand dollars of improvements on these various McDonald claims.

The files indicate the following sequence of events:

THE PATENT APPLICATIONS

On October 1, 1948, the McDonalds filed applications for patents on all of their 23 claims.

Eight of these claims were not contested by the administration at that time. These claims have on them the same general type of timber that is on the others. They admittedly have a mineralized gold value that would justify their development, and they have been commonly accepted as valid claims by all parties to this controversy from the very beginning.

I think this is somewhat important, for it demonstrates that there are minerals on this mountain and in the immediate vicinity of these 15 claims which are under dispute, since all of the 23 claims are adjacent to each other.

It is also interesting to note that among the claims not contested by the preceding administration were the last two claims which which were not even filed upon until 1939, and yet admittedly have an adequate mineralization.

It has seemed to me that this substantiates the reports of all the mining engineers that the minerals on these claims are widely diffused throughout the whole area, and it is probably impossible for anyone to draw a distinct line around the mineralized area until actual development takes place.

October 1, 1948, the Regional Forester's office was officially notified by the mining company of the filing of patent application.

October 4, 1948, an affidavit of possessory right was filed by the claimants with the Bureau of Land Management.

October 25, 1948, the land office issued an official receipt for the filing fee of the patent application.

December 7, 1948, the Forest Service was officially notified by the Bureau of Land Management of the pending patent applications.

January 13, 1949, final proofs were filed by the claimants with the land office.

On February 8, 1949 (exhibit 71) the claimants were advised by the Bureau of Land Management that the purchase money due was $2,375, at the rate of $5 per acre or fraction thereof, and they were advised that upon the receipt of a properly executed application to purchase, and the required amount of money, the papers would be examined with the idea of issuing final certificates.

February 10, 1949 (exhibit 75), the company filed an application to purchase all of the claims.

February 17, 1949 (exhibit 74), the Bureau of Land Management issued its official receipt for the entire price of the property in the amount of $2,375.

I have read much about the $5-per-acre price at which this land was sold. Please let me emphasize that this price is fixed by law, that the Interior Department has nothing to do with fixing it, and in any event was the amount billed and the sum paid in 1949 and receipted for under the previous administration.

March 17, 1949 (exhibit 51), the regional forester advised the Bureau of Land Management as follows:

"Thanks to Mr. Hattan, my attention has been called to the fact that I neglected to ask you to withhold action on this application until the Forest Service had had an opportunity to have these mining claims examined. Mr. Hattan is planning to examine these claims for us as soon as weather conditions will permit. Until his report is received, we will appreciate it if action can be withheld in accordance with the provisions of Regulation 44LD360."

This is directed to your attention for the reason that Mr. Hattan was an employee of the Bureau of Land Management and not of the Forest Service; that the Forest Service had been notified 3 months before the filing of these claims and apparently had done nothing about it.

Your attention is directed to the fact that one of the complaints of the McDonalds at all times has been that the Bureau of Land Management asked the Forest Service to intervene in this proceeding; that the proceeding was before the Bureau of Land Management; that the Forest Service used a Bureau of Land Management employee to make an examination for the Forest Service, while at the same time the Bureau of Land Management was undertaking to judge the validity of the claims.

In this connection your attention is directed to a photostatic copy attached to this statement of a letter from Mr. F. W. Libbey, director of the Oregon State Department of Geology and Mineral Industries, dated June 9, 1953, and addressed to the Honorable HARRIS ELLSWORTH, the last two paragraphs of which are as follows:

"Although I hold no brief for people who locate mining claims for the purpose of obtaining timber, I believe that Bureau of Land Management people have set up roadblocks in the way of legitimate mining-claim applications for patent whenever there is timber on the claims, and have been making their own rules concerning the legal definitions under the mining laws.

"It seems to be fairly well established that both the Bureau of Land Management and the Forest Service will battle to the last ditch the patenting of mining claims which contain merchantable timber irrespective of the mineral values on the claims."

April 6, 1949, the Bureau of Land Management issued its Register's Final Clearance of Mineral Entry, stating, however, on the certificate, "Patent will be withheld by the Bureau of Land Management pending a report by the regional administrator, region 10, upon the bona fides of the claim."

April 14, 1949 (exhibit 75), claimants were advised by Mr. Leonard B. Netzorg of the Bureau of Land Management that "the Forest Service requested this office on December 15, 1948, to make a field examination and report on the mineral application because it does not have employed a qualified mineral examiner."

It will be noted that the date stated in this letter (December 15, 1943) does not conform to the date of the letter of the Forest Service just quoted (March 17, 1949, exhibit 51).

About this same date the Bureau of Land Management caused all 23 of the claims to be transferred to the tax rolls of Jackson County, Oreg., and listed on the county tax rolls for taxation in the name of Al Sarena Mines, Inc. Subject thereto, there is a tax receipt in the file showing that the mining company paid 1950–51 taxes in the amount of $413.29 (exhibit 80).

February 10, 1950 (exhibit 50), the Bureau of Land Management, Washington, ordered adverse proceedings against allowing the claim on the ground that there was no adequate proof of mineralization or of necessary improvements. The Bureau of Land Management knew at the time that the claims were in a national forest.

March 14, 1950 (exhibit 49), the Bureau of Land Management reversed its position and ordered the adverse proceedings vacated on the ground that such proceedings, if any, should be brought by the Forest Service.

April 13, 1950, the United States Forest Service filed notice of protest against 15 of the 23 claims, based on charges that the lands were not mineral and that proper amounts had not been spent for their development and asking the claims be declared null and void.

April 25, 1950, notice of this contest was sent to Al Sarena by registered mail.

May 22, 1950, Al Sarena filed an answer denying the Forest Service's charges, demanding a patent.

June 6, 1950, Congressman FRANK W. BOYKIN, of Alabama, wrote to the Secretary (exhibit 47), urging prompt investigation on behalf of Mr. McDonald who "is a close friend of mine and my constituent."

August 9, 1950 (exhibit 46), memorandum to files by Mastin G. White, then solicitor, Department of the Interior, stating that McDonald had asked for a speedy hearing; that he had promised a speedy hearing, and a teletype would be sent to the manager of the land office in Portland fixing an early date for the hearing in this proceeding.

August 9, 1950, Director Clawson, of the Bureau of Land Management, ordered the land office manager in Portland to hold an early hearing in the Al Sarena case.

August 15, 1950, this was answered by a telegram objecting to an early hearing.

August 17, 1950, Director Clawson sent a telegram to the regional administrator of the Bureau in Portland, stating:

"Upon request of Congressman BOYKIN, Solicitor White assured him that a hearing on this case would be held prior to September 23 in order to spare the company serious financial loss. Under the circumstances a hearing prior to this date is essential. Please arrange for it."

On the following day the land office manager sent to Washington for the file.

September 13, 1950 a hearing was held on the claims before the Bureau of Land Management, Portland. A transcript of the hearing is in the files. At the hearing the attorney for Al Sarena filed demurrers and insisted they be ruled on before proceeding with the hearing. He contended he had an agreement with Mastin White, Solicitor, that the matter would be heard according to the rules of the Federal courts rather than the rules of the Department, and when the examiner refused to proceed in that manner, a scene ensued in which the Al Sarena attorney and prospective witnesses quit the hearing and refused to attend. Any such agreement is explicitly denied by Solicitor White (exhibit 77) but was still insisted upon by Al Sarena, counsel.

October 2, 1950, Pierce M. Rice, manager of the Portland office, who had heard the case, sent his views to the Director of the Bureau of Land Management, Washington, with only a recommendation instead of a decision, stating that because of demeanor of counsel for the mining company, an orderly hearing had not been held, but he was submitting the case with only a recommendation that the claims be denied. In his findings, however, he states a summary of the evidence of the Forest Service by Mr. Robert G. Leavengood, timber management assistant, "He estimated that the present merchantable timber to have a value of approximately $77,000, and if cut there would remain a 25-percent stand of 8- to 14-inch growing stock."

November 2, 1950 (exhibit 84), Associate Director Zimmerman, Bureau of Land Management, sent a letter to Congressman BOYKIN advising him that "Solicitor White had requested that the decision in the case be expedited. The matter is under immediate consideration and it is hoped that the decision will be out in a very short time."

November 24, 1950 (exhibit 52), the Washington office sent the case back to the Portland office with directions to make a decision.

December 14, 1950 (exhibit 34), the Portland office rendered a decision sustaining the Forest Service.

April 27, 1951 (exhibit 51), the Assistant Director, William Zimmerman, of the Bureau of Land Management, sustained the decision of the Portland office.

The matter was appealed to the Solicitor on June 1, 1951 (exhibit 27), and so far as the record discloses, no action was taken from that date for the following 20 months prior to the time I assumed office in February 1953.

THE ALABAMA SUIT

July 31, 1951, the company started suit in the Federal district court in Alabama against Oscar Chapman, Secretary of the Interior, to compel delivery of the patents (exhibit 70). Since neither the claims nor the land nor the Secretary were in Alabama, it would be clearly apparent that there was no jurisdiction in the court. Interior referred the matter to the Justice Department to defend on August 24, 1951. Justice filed a motion for summary judgment (exhibit 68).

September 12, 1951 (exhibit 67), Justice filed a motion to quash the proceeding. It would seem that if these motions had been called up in court at any time, the Alabama suit would have been dismissed and the way cleared for departmental action, but, in fact, this suit was used as an excuse by the Department to keep from passing on these claims.

An example is an undated memo in the files which you may identify as exhibit 65, photostat attached, which says:

"We will keep this 'on ice' until after the final disposition of the Alabama case.

"M. G. W."

THE MISSING RECORDS

After the violent protests from the McDonalds that they had been shabbily treated, that much of their own evidence was not of record, and that a lot of evidence which had been filed had not been sent to Washington, I caused inquiry to be made of the Portland office as to whether there were additional papers and documents in that office which had not been sent forward, and some documents were forwarded.

These may have well been omitted from the record because of the confusion that arose at the hearing and because they had been tendered at other times, or because of the admitted confusion or reluctance of the Manager of the Portland office to pass upon the question.

The fact that the record was not complete is, I believe, substantiated by exhibit No. 90, a letter from Solicitor Mastin G. White, dated August 3, 1951, addressed to Al Sarena Mines, which says:

"It appears upon the basis of your letter dated June 23, 1951, as supplemented by information received from the manager of the land office to the effect that the reporter failed to obtain a complete transcript of the earlier portion of the proceedings at the hearing on September 13, 1950, that if you desire a further opportunity to submit evidence bearing on the question whether valuable mineral deposits have been discovered on the claims involved in your appeal (A26248), it would be appropriate to remand the case for a supplemental hearing with respect to that issue."

THE CLAIM THAT THE PREVIOUS ADMINISTRATION HAD DENIED THESE CLAIMS

The statement so frequently made in the press and perhaps in your record to the effect that these claims had been denied by the previous Secretary of the Interior is not supported in any manner by any document of any kind in the record. On the contrary, there is a letter dated September 27, 1952, purported to be from Mr. George F. Rock, attorney in Denver, which says:

"DEAR OSCAR: You will recall that I mentioned a matter pending in your office when you were in Denver. The case is that of the Al Sarena Mines, Inc., of Trail, Oreg., and is pending in the Solicitor's office.

"I will appreciate it very much if you will make inquiry into this matter at your first opportunity and let me know if anything can be done toward arriving at an amicable settlement.

"With very best personal wishes, I am

"Sincerely yours,

"GEORGE."

In reply to that letter, there is a carbon copy of a letter Secretary Chapman wrote as follows, on October 9, 1952:

"DEAR GEORGE: In compliance with the request contained in your letter of September 27 to me, I have inquired regarding the status of the appeal of Al Sarena Mines, Inc., which is pending in the Office of the Solicitor.

"The appeal (A26248) is from a decision of the Assistant Director of the Bureau of Land Management, who held for cancellation mineral entry Oregon 0665 insofar as that entry embraces 15 lode mining claims situated within the Rogue River National Forest in Oregon.

"After the receipt of the appeal by the Solicitor, and while it was under considera-

tion, the corporation instituted in the United States District Court for the Southern District of Alabama a suit against the United States and the Secretary of the Interior. As the suit involves the same subject matter as the appeal in the administrative proceeding, further consideration of the appeal has been postponed until after the final disposition of the litigation. The suit is still pending.

"Sincerely yours,

"OSCAR,
"Secretary of the Interior."

From other letters it is apparent that at least as late as November 22, 1952, Secretary Chapman had not passed on the case and had not even considered it, and there are no records to the contrary, so far as the files disclosed.

THE PROCEDURE ADOPTED

In view of the substantial delays and the muddled state of the record in this case, I was frankly puzzled to know what to do with it.

It seemed to me that there were three possible alternatives.

The first and most obvious alternative was to send the matter back to the Bureau of Land Management in Portland to start all over with another hearing.

At first that seemed to me to be the thing to do. I seriously considered it, but in view of the fact that 5 years had then elapsed during which this matter had been dragging along; in view of the accusations of collusion that the McDonalds were making against the Bureau of Land Management and the Forest Service; in view of the fact that the first hearing had broken up in confusion; in view of the fact that much of the evidence of the claimants either intentionally or unintentionally did not appear in the record which was sent to Washington; and in view of the fact that the hearing officer had been reluctant to render a decision; the record of the entire affair was not such as to inspire complete confidence in me of any speedy determination of the matter, and it seemed to me a certainty that to remand the claims to the same field office which made the original record would be a vain act. The same suspicions and hostile attitudes would be present and this course would simply defer any final disposition of the case another period of years. If there was merit in the claims, the claimants were entitled to a determination of the controversy so that they could finance operations if they wished and pay the taxes which were accumulating. If there was no merit, they should be told.

For these reasons it seemed to me that the alternative of sending the case back to Land Management was not a desirable alternative.

The second alternative was to somehow get the matter into court and let the court decide it. This was discussed in detail but proved to be legally impractical. If the claims were sustained, of course nobody would appeal. If the claims were denied, then it seemed clear that the Solicitor's finding of lack of minerals would be conclusive on the court; and since that was the sole point involved, the company could get no complete review in the courts, even though an adverse ruling were given.

The third alternative seemed to be to get some independent assay of the minerals, if any, on these claims from some disinterested agency that was not a party to any of the previous controversy. I felt that I was in a situation quite comparable to that of a court in a case where 4 doctors say the defendant is sane and should be executed and 4 other equally distinguished doctors say that he is insane and ought to go free.

Under those circumstances the procedure is quite common that the court may call in disinterested experts of its own choosing, hear their testimony and rely on it if it is believed reliable.

The question was who could be chosen as an impartial medium to secure new assays and get the facts straight. Under those circumstances and after staff discussion in Interior, as well as discussion with other lawyers on the solicitor's staff, I made up my mind that the thing to do was to submit the problem to the Bureau of Mines to secure new assays which would be dependable and beyond dispute.

On June 4, 1953, I discussed the matter with Assistant Secretary Felix Wormser, in charge of the Bureau of Mines, and received some recommendations from him as to 1 or 2 prominent mining engineers whose advice might be dependable.

Meantime, I had discussed the matter with Congressman ELLSWORTH on June 1, 1953. I told the Congressman that I was much disturbed as to who was believable in connection with the mineral content of these claims. As I recall, I told him that it would be very helpful to me and I would have much more confidence in the situation if he would get for me the opinion of 3 or 4 mining engineers who knew something about the property and who would give their opinion as to whether it was a sincere mining effort.

Pursuant to that suggestion and apparently on June 4, 1953, Congressman ELLSWORTH wrote to four mining engineers who had previously examined the property. A copy of his letter to them, as he forwarded it to me, is shown as exhibit 12a in a photostat attached to this statement.

On June 24, 1953, Mr. ELLSWORTH submitted to me the originals of the responses to his letters of inquiry. His transmittal letter is shown as exhibit 12, a photostat attached to this statement. The first response is by Alan Kissock & Co., 70 Pine Street, New York, exhibit 13, photostat attached, in which Mr. Kissock stated that—

"There is, however, absolutely no question but that there is on the Al Sarena claims a tremendous mineralized area and in my opinion it is definitely a valid mineral discovery under the mining laws. * * *

"I therefore suggested to the owners that they should patent their ground and I understand they have sincerely complied with all the necessary requirements to do so. In my opinion this application for patent very definitely merits favorable consideration.

"Very truly yours,

"ALAN KISSOCK."

The second letter is from G. Cleveland Taylor, a mining engineer of long experience, then living in Sacramento, and a registered professional engineer of that State, shown as exhibit 14, photostat attached. Mr. Taylor had been quite familiar with the mine as the registered mineral surveyor who had examined the claims. He stated:

"I surveyed the claims for patent spending some 2 to 3 months on the ground, covering the area quite thoroughly, both on the surface and underground.

"My conclusion was that a patent should be granted to the applicants. This has been for many years what might well be termed a legitimate mining operation. * * *

"The present owners who acquired the rights of the original locators, have always regarded the mine as a broad zone and have predicated their activities on that theory.

"Of course a great deal of systematic drilling or other additional development work is necessary to actually prove a large low-grade ore deposit, but there appears to be sufficient widespread mineralization to prompt a prudent man to carry out such development."

The third letter is from Mr. D. Ford McCormick, who, I believe, has already appeared before your subcommittee and whose credentials, I understand, are as high as any mining engineer in that region, shown as exhibit 15, photostat attached.

Mr. McCormick was, of course, employed as a consultant by the McDonalds, which quite naturally subjects him to the allegation of prejudice. Among other things, Mr. McCormick says:

"Yes; I would say that the Al Sarena, Inc., group of claims has an excellent chance of developing into a large low-grade operation if a well-planned development and exploration program is carried out at the time when circumstances are right for a profitable operation if the property proves out."

The next opinion is from Col. J. E. Morrison, a registered mining engineer of the State of Oregon, then in the United States Army, as I understand it. His letter is attached as photostat exhibit 16a. Among other things, he said:

"There is a fairly large area of porphyry on Elk Creek which has been subjected to one or more periods of mineralization. Gold, silver, and other metals have been deposited along the cracks, crevices, faults, and where the formation was porous enough for the mineralizing solutions to penetrate. I have sampled and seen the assays of over a thousand samples from this mineralized area. Like all mineralized areas, the values do not run uniform throughout. Samples from the more mineralized areas will run as high as ten or more dollars per ton. The low assays are obtained from the hard porphyry, which the mineralizing solutions had not penetrated. The Al Sarena people have studied this area and consolidated it into a group of claims. All 23 claims, as I remember them, show evidence of this mineralization and do carry gold and silver values.

"This property has been examined by a number of reputable mining engineers. Based upon the findings and recommendations of these engineers, the owners have spent thousands of dollars and also their time in developing the property into its present state. There are a number of large, low-grade properties in North America that have made a success of the operation on lower values than those indicated at the Al Sarena. The 90-day test run proved to me it could be made a successful operation. To declare a portion of this group of claims to be nonmineral, in my mind, would be a gross injustice to the owners who have spent so much time and money in developing the property.

"Again apologizing for the delay in answering your letter.

"Sincerely yours,

"J. E. MORRISON,
"Mining Engineer,
"Oregon Registry, No. 1901."

I have quoted these opinions of mining men in order that you might know that before taking any action on this matter I had secured what I felt was at least enough evidence to justify my regarding the patent application as having been made in good faith.

These 4 engineers, 1 from New York, 1 from Eagle Point, Oreg., from Sacramento, Calif., and from the Army, wrote these letters, apparently with no consultation among themselves, and while they had all from time to time taken a look at this property, there is no evidence that they were receiving any compensation at the time, with the possible exception of Mr. McCormick, or had any interest in the matter beyond that which any professional engineer might have.

Therefore, on September 3, 1953, I sent a memorandum to the Bureau of Mines and letters to the Al Sarena Mines, Inc., and Mr. McCormick, as their engineer, assigning the task and, as I believed, fixing responsibility.

The letter to the Al Sarena Mines (exhibit 33–2) is as follows:

"AL SARENA MINES, INC.,
"Trail, Oreg.

"GENTLEMEN: Pursuant to my conversation with Mr. Garber, the following modus operandi is acceptable to me in acquiring

further evidence of a valid discovery on your contested claims:

"1. I should like N. E. Volin, a mineral expert from the Bureau of Mines in Spokane, to accompany Mr. D. Ford McCormick when samples are obtained for assaying purposes. In the event Mr. Volin is unable to make the assignment, he will designate one or more substitutes from the Bureau of Mines who will be available.

"2. The two men may arrange the time and place of meeting to suit their convenience. They should meet as promptly as possible, however.

"3. Accurate record should be kept of the location from whence each sample is taken.

"4. Samples should be taken from each of the following claims: Henry Applegate, J. W. Merritt, Rainboe, Sulphide, Delia McKinnon, Cougar, Oro Escondido, W. C. Leever, J. L. Grubb, J. D. McKinnon, Manganese Claim, Staples, Arroyo Verde, Alabama & LaJolla.

"You may take as many samples of whatever weight from each claim as you desire.

"5. The samples should be retained in the possession of Mr. McCormick and the Government representative until shipped or delivered to a qualified assayer who is acceptable to both men.

"6. The assay report should be labeled so that they are easily identified to the claims from which they are procured and the reports sent to me promptly.

"7. Mr. McCormick's salary and expense and the assaying costs will have to be borne by you. The Government will bear only the expense of its representative.

"Very truly yours,

"CLARENCE A. DAVIS,
"*Solicitor.*

"(Copy to: Director, Bureau of Mines; Congressman ELLSWORTH; Mr. D. Ford McCormick, route 1, box 125, Eagle Point, Oreg.)"

(A copy of this letter was sent to the Bureau of Mines along with a memorandum (exhibit 33–3) which is as follows:

"MEMORANDUM

"To: Director, Bureau of Mines.

"From: The Solicitor.

"Subject: Al Sarena Mines, Inc.

"Enclosed please find a copy of a memorandum which I have sent to the above subject, and a copy of my letter to Mr. McCormick. They are self-explanatory.

"In view of the fact that the company did not introduce evidence of discovery at the hearing for patent, it is my desire to give them this opportunity to make their showing. I am aware of the peculiar nature of the area that they say is mineralized and want to approve patent for them if the assays afford us the well-established legal basis therefor. All people concerned should, therefore, cooperate in obtaining samples and assays upon which no doubts will be harbored by anybody. The decision on the application for patent should be considerably easier after we have the new assays.

"Mr. Armstrong of my office has talked to you and Mr. Miller concerning this matter and has been told that Mr. Volin at Spokane should be available to represent the Government when the assay samples are taken. I would appreciate your cooperation in sending him the suggested procedure and instruction to contact Mr. McCormick at Eagle Point, Oreg. My principal concern is to have a qualified Government representative present to see that the assay samples are fairly taken from each claim and then delivered to a competent assayer.

"CLARENCE A. DAVIS,
"*Solicitor.*"

The letter to Mr. D. Ford McCormick on the same date (exhibit 33–1) is as follows:

"Mr. D. FORD MCCORMICK,
Eagle Point, Oreg.

"DEAR MR. MCCORMICK: As you know, the Al Sarena patent application has been appealed to the Secretary of the Interior. The application, to this point, has been rejected on the ground that the company has not produced satisfactory evidence of a valid discovery on certain of the claims.

"In an effort to determine the matter fairly, I have agreed with Congressman ELLSWORTH, who has interceded on behalf of the company, to ask you and Mr. Volin of the Bureau of Mines, or his substitute, to procure personally, sufficient samples of the deposits on each claim to afford adequate assays on which the Secretary can base his decision on the validity of the discoveries.

"I am enclosing herewith a copy of the procedure which I have suggested for you and Mr. Volin to follow. I have also asked Mr. Volin to contact you promptly so that you can arrange the time and place of meeting, convenient to both of you.

"Sincerely yours,

"CLARENCE A. DAVIS,
"*Solicitor.*

"(Copy to: Director, Bureau of Mines.)"

This procedure of referring matters from one bureau of the Interior Department to another is actually very common. The Interior Department has several highly specialized bureaus of a technical and scientific nature which rank alongside any similar organizations in the country. The Geological Survey, the Bureau of Mines, the Bureau of Land Management, the Bureau of Reclamation, the Fish and Wildlife Service, all have the benefit of years of accumulated experience in certain technical fields.

It has been a common practice for many years when matters arise within the field of one of these agencies regarding which another agency has expert knowledge to refer it to the second agency. This has been done whenever the Secretary feels uncertain of the position of a particular bureau.

Proposed projects of the Bureau of Reclamation, for instance, have been submitted to the Geological Survey or the Fish and Wildlife Service for their appraisal of the situation. Projects of the Bureau of Indian Affairs are frequently submitted to these other bureaus for their advice and guidance. From time to time various Secretaries of the Interior have even set up special groups to advise in the solution of difficult problems.

I am informed of one instance in which this very question of the amount of mineralization on mining claims was referred to the Geological Survey, in the leading case of *United States* v. *Cameron*, involving mining claims on the Bright Angel Trail in the Grand Canyon. In that case the Secretary referred the matter to the Geological Survey, and, I am informed, determined to follow the report of that agency, and was affirmed by the Supreme Court of the United States.

This practice is common wherever the Secretary has felt that a bureau was overoptimistic in its plans, overzealous in its conduct, or where he felt the need of independent advice from one of the other agencies.

As a matter of fact, in the last 2 years the Department has set up an entirely new organization in the office of the Secretary, called the Technical Review Staff, for the specific purpose of reviewing proposed bureau actions and decisions and advising the Secretary regarding them.

This case was not only a difficult one, but was one in which, in my opinion, the record was not dependable.

The problem involved was to take new mineral samples, dependable samples, on these claims and to have them accurately and honestly assayed. I think it will be conceded that, if assays showed adequate mineralization, these people were entitled to their patent under the mining law.

The United States Bureau of Mines is a great technical organization. Out of it for many years have come the finest developments in the field of mineralogy that this country, and the world, have seen. I had then and I have now complete confidence in the integrity of the Bureau of Mines, and, if I may say so frankly, I regret the numerous aspersions that have been cast upon what I consider to be loyal and faithful career employees of that Bureau.

If the Bureau of Mines cannot be trusted to take mineral samples and have them properly assayed and report on them, then I wonder what agency can be trusted with an assignment of this character.

It is, incidentally, a little unfair to attempt to attribute to Secretary McKay in the first year he was in office all of the claimed errors of a bureau which was completely built and staffed by the preceding administration.

I should also like to point out to you that the personnel of this Bureau had not been in any manner changed by the present administration; that all of these people, so far as I know, had been employed for many years as career people in the Bureau.

Having submitted the matter in the manner that I have outlined, there is nothing that I can add of my own knowledge with reference to what was said or done until after the assays were completed. I should point out to you, however, that the taking of these assays, their preparation and their shipment, as I understand from your record, was all done directly by the Bureau of Mines and the mining engineer consultant of the applicants.

I shall have to leave to the mining people the explanations of how this was done and what they did. I can only point out to you that from the time that I issued the instructions September 3, 1953, until after the assays had been completed and the reports returned, neither I nor any other official of the Department of the Interior outside of the Bureau of Mines, so far as I know, had anything whatever to do with the taking, shipment or assaying of these samples. I relied upon the procedure adopted by the mining engineers.

THE REPORTS OF THE ASSAYS

When the assays were completed, as your records already show, duplicate originals were sent to the Bureau of Mines and to the claimants.

The claimants, upon receipt of their copies of the assays, either brought or mailed, and I would have no way of knowing which, a set of the assays to Washington. On December 22, 1953, Mr. Garber, Congressman ELLSWORTH'S assistant, telephoned to make an appointment for me to see the McDonalds, which according to our records I did on the morning of December 24, 1953. The assays do not bear a filing stamp of the Interior Department, because they had been hand carried and were delivered in person to me, and only matters received through the Solicitor's Docket Room bear the incoming stamp. I, in turn handed them over to Mr. J. Reuel Armstrong, the attorney working on the case.

They appeared to be duplicate originals of the assays. They were on the stationery of the assay company, and the transmittal letter was attached.

Mr. Armstrong worked over them at some length. His notations are on the duplicate originals on which the work was done. Each assay number was checked against the corresponding claim from which it had been taken. Photostats of them, bearing his notations, are attached.

On December 29, 1953, Mr. Armstrong came to my office, advised me that a check of the assays had verified what I had been told

was the result, and we discussed what should be done about the claims. We were both in my office discussing the matter. We had not received the other set of assays which had gone to the Bureau of Mines, and I suggested to Mr. Armstrong that we call Mr. Appling, of the Bureau of Mines, in Oregon, to find out whether he had one of the sets of the assays and how the situation looked to him.

The call was placed in my name. I am happy that your committee asked for confirmation of that call and that we produced not only the telephone slip showing the call but the operator who placed the call and made the slip originally, the clerk who has had the slip in custody since that time, and further verification by the Department's telephone bill. We showed to you the originals, and we supplied photostatic copies for your record.

Both Mr. Armstrong and I talked at some length (the telephone slip shows 18 minutes) to Mr. Appling. You have heard Mr. Appling's testimony. He went over the substance of his report with us on the telephone and verified the authenticity of the duplicate assays in our possession.

I especially questioned him about the whole matter, the methods of taking the samples, about how carefully they had been guarded against any possible tampering, about how they had been shipped, where to, and asked him why the assayhouse had been chosen in Mobile. Finally, I asked him as a mining engineer who had been all over the property for several days whether, in his opinion, a man would be justified in developing the property. He stated that in his opinion the property was good enough to well warrant further development.

Mr. Appling has already explained to you why these samples which he took had been sent to Mobile. My instructions to the Bureau of Mines were to select an assayhouse that was mutually acceptable to the Bureau and to the mining engineer of the claimants. A choice of that nature, by the agreement of parties, is a very common practice, and in this particular case seemed particularly appropriate, in view of the friction and disagreement that there had been between the Bureau of Land Management, the Forest Service, and the claimants.

Mr. Appling advised me that before sending the samples to the Williams Co., in Mobile, the Bureau of Mines had wished to verify the standing of the Williams Co.; that they had called the Buerau of Mines office in Nashville, Tenn., regarding the integrity of the Williams Co.; that the Bureau of Mines office in Tennessee had called the State geologist's office of Alabama which had informed them that the Williams Co. was well known and a reputable assayhouse. They had also checked the fact that the Williams Co. was on the list of the Department of Commerce as a recognized assayhouse. These facts, of course, are in Mr. Appling's report. They were also given to me on the telephone and seemed to me at that time adequate evidence of the integrity of the Williams Co., even though it was the home city of the claimants.

I felt justified in relying upon the same evidence of reliability on which the Bureau of Mines felt justified in relying.

In this conversation Mr. Appling had gone over his entire report in connection with this matter. I asked him to send a copy promptly to me. As I recall, he told me that the copy which he had finished was not very well typewritten and he wished to have it retyped before mailing it in. At any rate, I was given to understand that it would arrive through Bureau channels in due course.

I wish at this point to make very clear that I had before me all of the information and all of the evidence in this case, the assays and the information in the report, verified by Mr. Appling of the Bureau of Mines.

THE OPINION

Having this information, the only thing remaining to be done was the preparation of an opinion on the evidence before me.

Before I came into the Department, a draft of opinion had been prepared, I am told, by staff members of the Solicitor's Office, based on the record as it then existed, in which, as I have pointed out, some evidence of the claimants was missing.

There is no record, however, that that preliminary draft opinion was ever considered by the previous Solicitor or signed by him. It did, however, contain a statement of the facts and a discussion of all of the procedural points and irregularities of procedure which appear in the record. These were appropriate to any opinion and comprise the first 12 pages of the opinion in the case.

The only point left to be determined was the question of whether there were adequate minerals on the claims. That, of course, from a legal standpoint was the only question seriously involved. Whether the timber was valuable or not valuable; whether the McDonalds were wise people or foolish people, are points that are not material. If there was a discovery of minerals on these claims, the McDonalds were entitled to patents under the mining law. That was the only point left to cover in the opinion. It depended upon the acceptance of the validity of the assays and the report from the Bureau of Mines which appeared to show adequate mineralization.

In acceptance of that fact, Mr. Armstrong prepared the last 2½ pages of the opinion. The language was modified somewhat by me and the opinion released on January 6, 1954.

At the time it did not occur to me to have been in any manner more expeditious than the occasion warranted. If the assays were accepted as authentic, that terminated the controversy.

I might also add, although perhaps it is petty detail, that these voluminous files do not make a record which is easy to work on intermittently. I can well understand why Mr. Armstrong, after examining these assays and having gone back over this complicated record, felt that he knew as much about it as he would ever know and wished to complete the opinion and put the matter behind him instead of holding it for another period of time and going through it all over again. I think perhaps I shared that feeling.

You must not forget that there had been a constant complaint about delay and a constant pressure for action on this matter through the whole 5-year period that it had been pending. I have intentionally quoted repeatedly from the files to show that under both the preceding administration and my own there had been pleas to expedite action on the matter, and numerous directives to hasten action had been issued.

The record in the files shows a line of correspondence from Congressman BOYKIN of Alabama, highly endorsing the McDonald family and repeatedly asserting that they were being abused and were being damaged by delay and urging that prompt action was necessary. These letters of the Congressman are all photostated and attached to this statement.

In addition to these letters there are numerous other departmental orders and communications, all urging expeditious handling of this matter. There are also several other letters from Congressman ELLSWORTH, which also are photostated and attached to this statement, directed toward urging some kind of a termination of this controversy and avoiding further continued delays.

In order that the record in that connection may be complete and convenient to you, I should tell you that our records indicate that during the time from February 17, 1953, when I came into office, until this decision was rendered, there were four telephone calls from Mr. ELLSWORTH's office to me on which I talked to either Mr. ELLSWORTH or to Mr. Garber, the general substance of which was a plea to expedite this decision. These telephone conversations occurred on April 22, May 4, May 5, and June 25, 1953, and in addition to that I talked to Mr. ELLSWORTH on June 1 and August 4 in my office.

These calls and telephone conversations were similar to the dozens of other calls which the Solicitor's Office received from numerous members of the Senate and the House when they have matters pending for constituents before the Department.

Mr. Chairman, the language has been used that there was some kind of "high level interference" in this case. I am a little puzzled as to what is meant by that term. I have placed before you very completely the evidence with relation to the various Members of Congress. If you mean by that term interference by Members of Congress, you may judge of it by the record before you.

If you mean by "interference" that the Secretary has overruled the decisions of one of the numerous bureaus, then I must protest the use of the language.

The Secretary of the Interior, and by delegation in this case, the Solicitor, is the final judge of the decisions of the Department. All of the actions of this vast army of 50,000 people employed by the Interior Department can be appealed ultimately to the Secretary for decision.

The system is quite comparable in structure to our judicial system. In both there are numerous decisions made in the field or in the trial court. They may be appealed to bureau chiefs or to circuit courts, and may be appealed to the Secretary or the Supreme Court. If the Supreme Court reverses one of the trial courts, is that high level interference? Let me point out to you that when one criticizes a decision of the Secretary merely because it does not follow the decisions of the lower bureaus, one is really criticizing the American system of appeals.

To say that the Secretary should not reverse field decisions or decisions of the bureaus is simply to argue that the decisions of field offices or bureaus should be final, and that we should have a government by bureaucracy without interference from the elected executive branch. I hope it was not meant to imply that I am in error merely because I reverse the decision of some bureau. If so, then there is no need for a solicitor, there is no need for assistant secretaries, and there is little need for a secretary himself.

And let me, as a relative newcomer to the Federal Government, point out to you some startling things that occur by reason of the type of thinking which says that no one should interfere with bureau decisions.

Not long after I came into the Interior Department, I had occasion to review a decision of the field officer of one of our bureaus. I was discussing it with the bureau chief, and it seemed to me the decision was wrong. He was inclined to agree with me, and I asked him what he would do. He said in substance, "I will have to sustain the boys in the field because if I don't sustain them, they will not sustain me." Such a statement, of course, amounts to saying that an appeal is useless and, that the decisions of bureaucracy should be final. It amounts to a complete abdication of the right of appeal and of the right of elected officials to interfere with the decisions of permanent employees who comprise the bureaus.

I regret the necessity of pointing these things out in this statement, but the implication has been made in the press extensively that merely because a decision was

rendered which did not agree with the decision in the field, the top decision was necessarily in error.

There is also running through this case, and certainly through the newspaper comments upon it, a broad conflict of economic ideology.

The wise use of our great national forests is a program supported by all of us. However meritorious that objective, I trust you will agree that we should never distort the law in order to attain it. I have already set forth in this statement a letter from the director of the Department of Geology and Mineral Industries of the State of Oregon, in which the Bureau of Land Management and the Forest Service are believed to be unsympathetic to the allowance of mining claims. The Department of the Interior, for several years, I would suspect, has been equally unsympathetic.

I have already stated the law governing the approval of mining claims, as enunciated by the Supreme Court. It is to the effect that if the miner has filed on these claims, made improvements and discovered minerals in such quantities to justify him in further exploration and development, the claims should be patented.

It is not required that the mine should be fully developed or should have established a history of profitable operation. Neither is the timber of mining claims material to the allowance of the claim.

That is the way the mining industry was built, and the maintenance of a healthy mining industry is just as essential to the economic well-being of the United States as is the maintenance of other basic industries. For several years the Government has actually been engaged in a program of encouraging mineral prospecting and development.

Much of the economy of the Western States has been based upon mining. The results of mining operations are always speculative, since it is never possible to state with certainty the value of the minerals under the ground.

The patenting of mining claims over the years, therefore, has gone forward by the thousands, based only upon a discovery and the hope that a profitable venture can be developed. This must be remembered in any consideration of mining problems.

Nevertheless, a few years ago, the Department of the Interior attempted to inject into the mining laws a standard of discovery which required profitable operation and a showing that the mineral deposits had the greater comparative value than other uses. This is not the standard set up by law.

The Department has the authority to open and close areas to mining locations. When lands are opened, they are subject to the mining law as it exists. When they are closed no one can even stake a claim on them.

To allow mining claims to be located and then to judge them on standards other than those set up by the Congress and the Supreme Court is administrative legislation.

If we are to adopt the philosophy that any department of Government is to be vested with such vast powers, then it should be done by an act of the Congress and not by administrative decision.

THE TIMBER VALUES

I am reluctant to discuss the timber values, because I must reemphasize at all times that the value of timber on mining claims is not material; that the Congress has never passed legislation which denies mining claims merely because there is timber on them; but there has been comment in the press and I believe from some of the members of your subcommittees to the effect that these claims constitute a timber grab. Let me point out:

1. At the time these claims were filed on as mining claims, there can be no dispute that similar timber could have been purchased in Oregon for as low as $2 and $3 an acre. The fact that all the claims were staked between 1897 and 1939 would demonstrate conclusively that at least in the beginning there could have been no thought of any profits out of the timber.

2. The only testimony in the record at the time I passed on the case was the testimony of Mr. G. Robert Leavengood, of the United States Forest Service, who has been employed by that agency as a timber management assistant, and whose duties were the preparation of timber sales in that district. His testimony is:

"We have the two values, the overstory and the merchantable timber which could be harvested; incidentally, * * * the appraisal on that, using the roads and cutting the timber which the Forest Service would normally cut, leaving perhaps 25 percent standing as growing stock, the value of the timber which we would cut now runs about $77,000 on the contested claims."

Admittedly, timber has increased in value since this record was made up in 1950, but I have difficulty in believing that it has increased as fantastically as some of the figures which have been so freely used.

3. If the mine had been developed, even without the issuance of any patent, the timber would have been available for the purpose of timbering the mine, if underground workings were pursued, and would have been largely lost to the Government. Even Mr. Hatton, who examined this property for both the Bureau of Land Management and the Forest Service, in his report, said that large amounts of timber would necessarily be used in any underground mining operation; and he further said:

"Of the mining methods mentioned above, the central mass, being a low-grade proposition, with suitable topography, could probably best be mined by the block-caving method. In any event, this method is the cheapest yet devised for large-scale mining of low-grade deposits."

Such methods, it seems to me, would be destructive of any sustained timber yield. I cite these merely as things to be considered in connection with the charge so freely made that this is only a timber-mining proposition.

IN CONCLUSION

I am a lawyer. This whole controversy is not now and never has been anything more to me than another lawsuit between contending parties.

The problems involved are legal and are not political.

I heard the case in the same mental attitude as any appellate court would hear a case on appeal, trying, from a confused record, to ascertain the truth.

I regret that others have chosen to try this case in the newspapers and to try it on issues which, in large part, are quite immaterial to the actual problems involved. The Department has been subjected to long weeks of criticism, and I am very grateful for the opportunity, at last, of laying before you all of the facts and circumstances.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 1, 1953.

Hon. CLARENCE DAVIS,
Solicitor, Department of Interior,
Washington, D. C.

DEAR MR. DAVIS: This letter is in further reference to the Al Sarena Mines, Inc. case, Oregon No. 0665, now pending in your office on appeal, and concerning which I have sent previous communications.

The issue at this point, and actually the basic issue from the beginning in this case, is the question of a valid mineral discovery such as would warrant a reasonably prudent man in developing and extracting the minerals from the deposit. The act of making application, under oath, for patent creates the presumption that the applicant has made such discovery and stands ready to support such presumption. The Government, with its obligation to protect the public domain, has the privilege of investigating and determining the validity of the application, the supporting evidence of mineralization, and compliance with the mineral laws of the United States. Obviously a file for a patent application which is deemed to lack the usual legally sufficient evidence of mineralization creates a duty upon the officials of the Federal Government to take such steps as are necessary to verify the sworn documents of the applicant.

It is pertinent in the instant case, in connection with the proceedings heretofore had, that the application involved is not the usual common application for patent covering an area within which is located only a vein or pocket of enriched mineral. In contrast, this application covers what is legally recognized in the courts and by the Mineral Division of the Bureau of Land Management as a broad-zone claim.

At the request of the regional cadastral engineer, the applicant made an extended survey showing the interior lines of claims which would fall within the exterior boundaries of the broad-zone claims. This involved expense beyond that required for survey of a broad zone of contiguous locations and beyond the cost of the lands involved and necessitated nearly a year's delay in time. The record shows that the examiner then used these additional lines, obtained at additional expense to the applicant, to treat the application not as a broad-zone claim application as filed, but as an application for 23 separate claims.

In a broad-zone claim the mineralization is widely dispersed rather than concentrated within a pocket or vein. The limited mass of mineralized rock has the required essentially genetic oneness, and has well defined boundaries closely separating it from the surrounding rock. Some areas within these well defined boundaries will be substantially richer in mineralization than others, but the general mineral characteristics will persist throughout the broad-zone mineralized area. Such a deposit is generally practical of development only as a large volume, low-grade-mining operation.

This concept becomes important in this case in understanding the nature of the decisions and contest action, bringing it on to its present status.

Turning to the specific issue of proof of mineralization in this case, the applicants, looking toward the development of the deposit for a mass production low-grade-mining operation and toward patenting on the basis of a broad-zone claim, prepared their initial papers toward this end.

Despite the fact that more than 2,000 assays were of record and pulps available to the Department for verification and comparison with the assay records, the examiner in the regional office requested that the applicant perform additional sampling and submit assay reports for his report and record, made by impartial laboratories, and in his own specified form.

The file in this case is now devoid of this data showing the precise location of each sample taken and the assay reports showing mineralization, and which evidence is essential to any bona fide adjudication of the application on its merits. These reports are entirely missing.

A search of the file by Bureau of Land Management personnel and a further search by a representative from my office failed to reveal any of the correspondence between the regional office and the applicant concerning the receipt of such assay reports or the assay reports themselves which were submitted in further proof of mineralization.

To illustrate, I quote from a letter dated January 4, 1950, addressed to Mr. H. P. McDonald, Jr., secretary-treasurer, Al Sarena Mines, Inc., 406 First National Bank Building, Mobile, Ala., and signed by Mr. Elton M. Hat-

tan, Mineral Examiner for the Bureau of Land Management, Region 1, Swan Island Station, Portland 18, Oreg. In the second paragraph of the letter, Mr. Hattan states: "My report was completed and submitted last month. The December 27 letter did not reach here in time to include any of the information which was enclosed with it. The assay results submitted by you in August and September were incorporated in the report."

The file does not disclose a single one of the assay reports, receipt of which is acknowledged by Mr. Hattan, and which he stated were incorporated in the report.

In the third paragraph of the same letter, Mr. Hattan states: "The information supplied as to the exact place of taking the samples last reported by you is not clear. If you will supply more definite information, I shall be glad to incorporate such information in a supplementary report." This is followed by requests for very precise survey descriptive data which would enable a person to locate the precise point from which an assay sample had been cut. The information which was transmitted pursuant to this request is not in the file and contrary to Mr. Hattan's statement, there is no supplementary report in the file carrying such data.

None of the assay reports transmitted on 20 samples, receipt of such reports being acknowledged by Mr. Hattan under date of January 4, 1950, are in the file.

Under date of December 19, 1949, Mr. Hattan transmitted his report to the regional forester, Mr. H. J. Andrews, and to the Interior Department in which he denied mineral discovery on 15 claims. This is apparently the report referred to in his letter mentioned above, and accompanying which none of the evidence furnished by the applicant as to mineralization was transmitted with the record; nor is there present any supplemental report referred to in Mr. Hattan's letter.

Following this report, the docket sheet shows an entry "adverse proceedings vacated." Thereafter the lands were placed upon the tax rolls of Jackson County, Oreg., by the Bureau of Land Management regional office. Notice of Forest Service contest was thereafter received by the applicant and such action was protested by the applicant who gave notice that all evidence of bona fides, samples and assays were again refiled and resubmitted under oath for the record. The case went on to hearing on the basis of the incomplete file, lacking the applicant's evidence of mineralization. Counsel for the applicant demurred and when the demurrers were overruled, made formal appeal to the Secretary of Interior, which appeal was granted. Within the time limits prescribed by regulation, counsel for the applicant gave notice of refiling all evidence of mineralization for the record for a third time. The record came on to the central office still devoid of this evidence and the decision of Regional Manager Rice, dated December 14, 1950, was transmitted to the Bureau of Land Management denying the validity of 15 claims within the broad-zone claim, essentially repeating the substance of the previous decision by Mineral Examiner Hattan.

From this history it is abundantly clear that the applicant was willing and cooperative, and at very substantial cost to himself endeavored to place in the record evidence of mineralization in support of his application. Although this evidence was acknowledged and received and the applicant was led to rely upon the statements of the agency that such evidence had been or would be placed in the file, these papers either were never placed in the file or were removed thereafter. In consequence, this case went to adjudication and went to hearing without the supporting data as to mineralization submitted by the applicant.

It is a matter of conjecture whether the decision at any point, regardless of collateral testimony of witnesses and experts, would have been accepted as sufficient in the absence of the applicant's evidence of mineralization as against the Government's assay reports, all of which are in the file. If not in substance, at least in effect, the result accomplished was essentially in the nature of accepting the evidence of the contestant and suppressing the evidence of the contestee.

Such action, willfully done, would constitute fraud and vitiate every action and decision predicated upon the incomplete file. At the very least, however, the lack of this evidence of mineralization in the file deprived the applicant of a substantial legal right to have his evidence considered; and any action taken in the absence of such data cannot result in any semblance of justice. The action taken in denying patent on the 15 claims is claimed to be justified on the record as it stands; but the record as it stands is a sham and a deceit to those who were called upon to pass judgment, and is prejudicial to any fair decision as to the rights of the applicant.

A basic function and obligation of government is to administer justice. Wherein the Government or one of its agencies, in the course of such action, finds itself in the combined capacity of a party at interest, prosecutor, judge, and jury, the sovereign is called upon to exercise the highest degree of impartiality and for this reason the burden of proof is placed on the Government to assure fairness and equity to its citizens.

The Government should as quickly assert its powers to remedy any defect prejudicing its citizens as it would insist on such remedying of any defect prejudicing the Government. Accordingly, it would appear to be only fair and reasonable in the instant case that this record at this time be made whole by the uncovering of the missing mineralization reports in particular, and other correspondence and papers pertinent to the action in this case which are likewise not present in the file, securing the originals if possible or certified copies where originals are not available, and the record reviewed and considered as it should have been at the time the mineralization showing of the applicant was complete. Had all proofs of mineralization been in the record, it is reasonable to assume the case would never have gone to contest.

It is pertinent to note that the report of the mineral examiner who transmitted the Government assay reports, but did not transmit those of the applicant, was of such a nature that no other individual studying the report could reasonably reach any other conclusion than that expressed by him. It is little wonder that the decision of the regional director of almost a year later, in December of 1950, essentially reiterates the statements of the examining engineer in his earlier report.

It is in point, I believe, to refer to the United States Geological Survey Bulletin No. 893, entitled "Metalliferous Mineral Deposits of the Cascade Range in Oregon." This report carries information on an examination made in the early 1930's and published in 1938, carrying exhibits (pls. 3, 6, and 22) and reporting on part of the instant property then known as Buzzard's Mine, on pages 131 and 132. Since that date, the development work on the broad-zone claims involved in the application and including the Buzzard's Mine operation has been more than doubled.

There are more than a mile of tunnel workings, numerous surface pits, shafts, cuts, and winzes. Roads have been built involving substantial expenditures; geophysical examination has been made as further proof of the existence of the broad-zone mineralization and which information the mineral examiner refused to permit in the record. At this time there is in place at this mine a 125-ton capacity mill and machinery for flotation, jigging, tabling, and cyanidation. The expenditure in development of this property aggregates more than a quarter of a million dollars.

The foregoing facts are easily discernible. Certification of the United States Mineral Surveyor certifying as to the nature, extent, and value of the work performed on and character of the property, and the further certification by the United States Cadastral Engineer are present. The applicants' full proof of mineralization is absent. In view of this, it is my desire that this record be made complete. Accordingly, it is my request that the Department defer further action and decision on this case until the applicant's evidence of mineralization—whether it be the originals of reports filed or whether it be certified copies or next best evidence—is secured.

As to the procedure for carrying out this recommendation, I have no specific proposal, but trust that some plan may be developed which will not compound the injustice and the cost to the applicant in again producing for the record what he has already produced, and at the same time will enable the Government to fulfill its duty under the mineral law of the United States.

Sincerely yours,

HARRIS ELLSWORTH.

DEPARTMENT OF GEOLOGY AND
MINERAL INDUSTRIES,
Portland, Oreg., June 9, 1953.

Hon. HARRIS ELLSWORTH,
House Office Building,
Washington, D. C.

DEAR MR. ELLSWORTH: This is in reply to your letter dated June 4 concerned with the patent application of the Al Sarena Mines, Inc., in Jackson County.

I am sorry that I cannot give you an opinion and answers to your questions based on a personal examination of the property. However some members of our staff visited the property in the early 1940's and I also have had some up-to-date information from Mr. D. Ford McCormick, consulting engineer at Eagle Point. I have confidence in Mr. McCormick's opinion and judgment, even though he has, I understand, done consulting work for the owner of the Al Sarena mine.

Based on information given me by Mr. McCormick, I would feel that there is a possibility of a large low-grade disseminated ore body containing probably gold, silver, lead, and zinc. It appears that the rocks of the area, consisting of volcanic breccias, rhyolite, and andesite, are altered and bleached, and Mr. McCormick states that he sampled over a considerable area on the surface by digging surface pits and found mineralization disseminated in sufficient amounts to warrant the opinion that a large low-grade deposit might be developed. You will, of course, understand that proving the occurrence of a large deposit is a very expensive proceeding since everything about the ore body should be known, including size and quality, before plans may be made safely for the design of the proper kind of treatment plant. That is the reason why only large experienced and well financed companies are able to develop the large low-grade mineral deposits.

Going back to your question regarding valid mineral discovery under the mining laws, I feel that because of the underground evidence of economic mineralization as described in our reports and the report in United States Geological Survey Bulletin 893, "Metalliferous Mineral Deposits of the Cascade Range, Oregon," as well as the record of production, there could be no valid question raised against the legality of mineral discovery of the claims upon which the minerals have been developed. I assume from your question regarding a large disseminated deposit that the Bureau of Land Management has questioned the sufficiency of mineral discovery on claims included in the patent application which do not have

economic minerals exposed in the underground workings. It seems to me in this case, also assuming that Mr. McCormick's statement is accurate, the claims on which pits were dug, and gold, silver, lead and zinc values found, would certainly qualify as legal locations under the mining laws.

Although I hold no brief for people who locate mining claims for the purpose of obtaining timber, I believe that Bureau of Land Management people have set up road blocks in the way of legitimate mining claim applications for patent whenever there is timber on the claims, and have been making their own rules concerning the legal definitions under the mining laws.

It seems to be fairly well established that both the Bureau of Land Management and the Forest Service will battle to the last ditch the patenting of mining claims which contain merchantable timber irrespective of the mineral values on the claims.

Sincerely yours,

F. W. LIBBEY,
Director.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 24, 1953.

Hon. CLARENCE DAVIS,
Solicitor, Department of the Interior,
Washington, D. C.

DEAR MR. DAVIS: As agreed upon at the time of our last discussions in reference to the Al Serena Mines, Inc., case, Oregon 0665, I have made inquiry of sources as nearly unbiased in their judgment as I could find and at the same time having some substantial mining and engineering knowledge on which some objective opinion might be based.

I am transmitting herewith originals of four responses to my letters of inquiry. Also a copy of the text of the letters directed to each of these parties. An inquiry was directed to a former director of the State Department of Geology, who is now a colonel in the Air Forces. I discover that he is on leave and my letter apparently had not caught up with him.

Three of the parties are professional engineers of high standing in their profession and whose integrity I do not believe can be questioned. Mr. McCormick is a registered professional engineer and is on the Oregon State Board of Engineer Examiners. Mr. Kissock, in particular, is one of the country's outstanding experts in the mining field, listed in Who's Who, with more than 30 years' experience in responsible capacities as engineer and metallurgist and for 10 years engaged in mining consultant work.

This inquiry on my part satisfies me that there is no reasonable question as to the bona fide nature of the mineral discovery and compliance with the mining laws by the applicant for patent. I thought you would like to have these statements for consideration and comparison with any reports received as a result of the check which you expressed the desire to have made through reliable sources.

With cordial regards.

Sincerely yours,

HARRIS ELLSWORTH.

JUNE 4, 1953.

It is my understanding that you have some familiarity with the Al Serena Mines, Inc., development in Jackson County, Oreg. It would be helpful to me if you would give me your objective estimate of the merit of this operation.

The history of this property since the initial claims were staked in 1897 or 1898, is rather familiar to me, as well as the developments in the last few years following the application for patent on the 23 claims in the broad-zone boundaries.

I am particularly interested in any observations you may care to make as to valid mineral discovery under the mining law, and any opinions or observations you might have as to the potential development of a large-scale low-grade mining operation.

Also, I shall welcome any other comments which might be helpful to me in appraising the merit of the application for patent. Such information and comment as you may be able to give me at your early convenience will be greatly appreciated.

Sincerely yours,

HARRIS ELLSWORTH.

ALAN KISSOCK & CO.,
New York, N. Y., June 15, 1953.

Hon. HARRIS ELLSWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. ELLSWORTH: I am pleased to acknowledge your letter of June 4 relative to the Al Sarena Mines, Inc., development in Jackson County, Oreg., and, as requested, I am glad to tell you what I can regarding this project.

The Al Sarena was brought to the attention of Alan Kissock & Co. by Mr. H. P. McDonald and his two sons, H. P. McDonald, Jr. and Charles McDonald. I visited and made a preliminary examination of the property in October, 1945, to determine if it might be of interest to us. Briefly the results of my investigation were as follows:

Mineralization occurs in what appears to be a roughly circular "chimney" of rhyolite which is more or less surrounded by andesite. The mineralization is unusually widespread and assuming it to be actually circular it is safe to say that the diameter of the "chimney" is fully 3,600 feet. Within this area it is difficult to find a single piece of rhyolite which not at least show some pyrite or oxidation products thereof.

I do not have my notes before me, nor do I recall the amount of exploratory surface and underground work that has been done. I do know, however, that this is quite extensive and since all the claims are contiguous the cost of this alone is ample to cover the work performance requirement of the whole group. There are, in addition, a number of camp buildings and a rather complete mill for concentration and cyanidation of the ore.

A mineralized area of this extent would require a thorough investigation to properly evaluate its possibilities. It was obviously too big an undertaking for us to consider so that I limited my examination to more or less general observations. I did, however, take a number of samples to determine what might be expected of some of the then available rhyolite exposures.

Tunnel No. 1, and laterals therefrom, cross cuts and exposes at some depth a considerable area of the rhyolite and confirms the extensive mineralization evident at the surface. This tunnel level had been carefully channel sampled (cuts were 4 inches wide by 2 inches deep and from 4 to 6 feet in length from faces, floor, backs and walls) by a Mr. George Sopp. My underground sampling was confined to "spot" samples, taken at 3 foot intervals along the walls, over several hundred feet of tunnel No. 1 and its laterals. In all, I took some 30 tunnel samples and a number of surface samples, which were assayed by Abbot A. Hanks, Inc., of San Francisco, Calif. Although definitely low grade, these samples all showed pyrite and, with few exceptions, at least some value in gold, silver, lead and zinc. Many of my "spot" samples were taken at the same points as those channelled by Mr. Sopp. Fortunately his sample pulps had been saved and my assays of these pulps checked quite closely with my "spot" sampling of comparable areas.

As stated, our company was not in position to undertake anything of this grade and magnitude. There is, however, absolutely no question but that there is on the Al Sarena claims a tremendous mineralized area and in my opinion it is definitely a valid mineral discovery under the mining laws. My recommendation to the owners was that from their own standpoint, or any interested and capable party, the property warranted a careful geological and probably geophysical study which, if favorable, should be followed by an exploratory drilling program. There could well be localized concentrations within that mineralized area, and although the whole, from what is now evident, may not be considered of immediate economic value nevertheless it is to just such large low-grade occurrences that we must look for our future supplies of minerals.

I therefore suggested to the owners that they should patent their ground and I understand they have sincerely complied with all the necessary requirements to do so. In my opinion this application for patent very definitely merits favorable consideration.

Very truly yours,

ALAN KISSOCK.

SACRAMENTO, CALIF., *June 10, 1953.*

The Honorable HARRIS ELLSWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. ELLSWORTH: Your letter of June 4 regarding the Al Serena Mines in Jackson County, Oreg., has been duly received and I shall be glad to comply with your request.

I surveyed the claims for patent spending some 2 to 3 months on the ground, covering the area quite thoroughly, both on the surface and underground.

My conclusion was that a patent should be granted to the applicants. This has been for many years what might well be termed a legitimate mining operation. The owners have apparently carried out a policy, over the years, which was believed to be in accord with the existing laws for acquiring mineral land. Much surface and underground work has been done in good faith; many times that required for patent.

The present owners, who acquired the rights of the original locators, have always regarded the mine as a broad-zone and have predicated their activities on that theory. A pilot mill was built and mill tests are reported to have been made on material broken in numerous crosscuts driven back into the shear-zone and away from the fissure which had been mined in the early work.

I observed the large shear-zone, or broad-zone, in many places, but my work did not call for any sampling. Little of the sulphide minerals appear in the shear-zone at the surface as it has been oxidized. In some of the shallow surface tunnels, however, galena and other economic base minerals are plainly visible.

Of course a great deal of systematic drilling or other additional development work is necessary to actually prove a large low-grade ore deposit, but there appears to be sufficient widespread mineralization to prompt a prudent man to carry out such development.

Large low-grade mines are made by development and as the exact location of the ore is not known until drilling or other development work has been done the operator would not now be prudent unless he had title to an area sufficient to protect the ore bodies expected.

If additional information is desired I shall gladly cooperate.

Yours faithfully,

G. CLEVELAND TAYLOR,
Mining Engineer.

EAGLE POINT, OREG., *June 15, 1953.*

Mr. HARRIS ELLSWORTH,
Representative, Fourth District of Oregon, Washington, D. C.

DEAR SIR: Your letter of June 4 was received upon my return from a trip south. It pleases me to note your interest in our mining industry in Oregon, as well as in

our U. S. A. If incentive is not entirely snuffed out, we may see some important developments in several areas when the time is ripe.

I did some work at Al Sarena Mines, Inc., when the pilot plant was in operation. Gold, silver, lead, and zinc concentrates were made from the more concentrated mineralizations in the Buzzard Mine to demonstrate the grade of marketable minerals and the feasibility of such an operation. Samples were taken at that time over a wide area on a number of claims and these showed that values seemed to be dissiminated over a considerable area in the district, indicating the potential of a large low-grade deposit. Many assays were made of samples taken from pits, across exposed faces in open cuts, and in creek bottom, as well as cliff-wall exposures of the country rock. Since that time, I understand that considerable more work has been done by the Al Sarena Mines, Inc., on their claims in this area. It was, and is, my opinion that further exploration work be done, possibly by drilling followed by tunneling, shaft sinking and open cuts made where the most and best information can be secured at the least cost to further prove the indicated values already exposed. This is an expensive and a time-consuming operation. It often requires years of exploration and development work to reach an operating stage for volume production. I need not cite the many such instances that have occurred in our neighboring States of Arizona, California, Nevada, Idaho, and right recently in our own Oregon where we now have, at long last, the development of the nickel deposit at Riddle (which was known about for so many years but just now coming into production), or Yerrington in Nevada, or the laterite and Kaolin sand deposits in the Ione, Calif., district where the groups of claims or ownership of mineralized areas has been kept more or less intact for many years so that the large low-grade deposits can be handled as a unit rather than going through the tedious and often impracticable process of trying to organize many claim owners (some of whom become greedy or impossible to deal with and spoil the whole scheme of develoment) so that a working plan can be carried out and a property developed and put into production. Yes; I would say that the Al Sarena, Inc., group of claims has an excellent chance of developing into a large low-grade operation if a well-planned development and exploration program is carried out at the time when circumstances are right for a profitable operation if the property proves out.

While writing you, I wish to state that I agree with you regarding the regrettable procedure stooped to by some unscrupulous individuals in denouncing claims under false pretenses to try and obtain timberlands or recreation locations, as commented on by you in the article published in the Medford Mail Tribune of June 11, 1953, under the heading "Bill Would Require Mine Stakers To Develop a Mine," copy of which is attached. There should be some way to prevent this fraud, but to pass a law placing a time limit or even fixed additional amounts of exploration or development of mineralized areas seems to me to be unfair to the prospector and discoverer of minerals on Federal lands. The prospector is not usually a rich man, he often risks his whole life in the search of minerals and spends his lifetime under rugged conditions, not always rewarded by riches, then if he does make a discovery, to pass a law depriving him of the fruits of a lifetime because he cannot spend a fortune on developing a mine, as suggested by the heading, seems rather nearsighted legislation to me, and certainly will discourage, rather than encourage, the already fast-disappearing prospector to spend his days searching the far away and often more or less inaccessible places. In our part of the country, just now, the rancher, the sheepherder, the lumber interests, fishermen, etc., seem to be agitating the passing of laws for their special benefits that would hurt the mining industry in the long run. Still the fact remains, as is stated in your article, and I quote, "The problem is to take away the nuisance but leave the incentive." So it is with our patent benefits. Worthy projects should be encouraged wherever valid mineral discovery such as would warrant a reasonably prudent man in developing and extracting the minerals from the deposit, as might well be the case at Al Serena.

Yours very truly,

D. FORD MCCORMICK.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 16, 1953.

Hon. CLARENCE DAVIS,
Solicitor, Department of Interior,
Washington, D. C.

DEAR MR. DAVIS: In further reference to the Al Sarena Mines, Inc., case, Oregon 0665, I am attaching herewith the original of the letter received from Col. J. E. Morrison in response to my letter of some weeks ago, the text of which has been transmitted to you with other responses from mining experts.

Colonel Morrison was formerly with the Oregon State Department of Geology and Mineral Industries and is a registered mining engineer in the State of Oregon. For some years he has been serving with the United States Air Force. Colonel Morrison was on leave at the time I wrote him and did not have the opportunity to reply to my letter until his return to his base, thus accounting for the delay in his reply.

Colonel Morrison's comments concur with those of the other individuals previously submitted, indicating valid mineral discovery on the claims covered by the patent application.

Sincerely yours,

HARRIS ELLSWORTH.

ST. LOUIS, MO., *July 10, 1953.*

Hon. HARRIS ELLSWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. ELLSWORTH: Your letter regarding the Al Sarena Mines, Inc., was waiting for me when I returned from leave. Since then I have been trying to locate what information I have on this mine but without avail. Therefore, I am going to have to depend strictly upon my memory.

I first became acquainted with the property in the summer of 1937 as the mining engineer in charge of the Grants Pass Office for the Department of Geology and Mineral Industries, State of Oregon. During 1938 and up to November 1939, I visited the property at least a dozen times, looking over the geologic formations, sampling and sizing the property up as to a possible large, low-grade operation. In November 1940, I was placed in charge of a 90-day test run to determine if a 125-ton plant could "pay its way" on the more mineralized portion of the area.

There is a fairly large area of porphyry on Elk Creek which has been subjected to one or more periods of mineralization. Gold, silver, and other metals have been deposited along the cracks, crevices, faults, and where the formation was porous enough for the mineralizing solutions to penetrate. I have sampled and seen the assays of over a thousand samples from this mineralized area. Like all mineralized areas, the values do not run uniform throughout. Samples from the more mineralized areas will run as high as 10 or more dollars per ton. The low assays are obtained from the hard porphyry, which the mineralizing solutions had not penetrated. The Al Sarena people have studied this area and consolidated it into a group of claims. All 23 claims, as I remember them, show evidence of this mineralization and do carry gold and silver values.

This property has been examined by a number of reputable mining engineers. Based upon the findings and recommendations of these engineers, the owners have spent thousands of dollars and also their time in developing the property into its present state. There are a number of large, low grade properties in North America that have made a success of the operation on lower values than those indicated at the Al Sarena. The 90-day test run proved to me it could be made a successful operation. To declare a portion of this group of claims to be non-mineral, in my mind, would be a gross injustice to the owners who have spent so much time and money in developing the property.

Again apologizing for the delay in answering your letter.

Sincerely yours,

J. E. MORRISON,
Mining Engineer,
Oregon Registry, No. 1901.

Public lands: We will keep this "on ice" until after the final disposition of the Alabama case.

M. G. W.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 21, 1951.

Hon. MASTIN G. WHITE,
Solicitor, United States Department of the Interior, Washington, D. C.

MY DEAR MASTIN: Thanks for your letter of June 19, 1951, acknowledging receipt of my letter of June 13, to the appeal (A26248) of Al Serena Mines, Inc.

First, I wanted to tell you how much I appreciate the time and all of the information that you gave to my dear friends and constituents, Messrs. Herbert and Charles McDonald, who were in to see you on June 15, and presented oral argument in support of the appeal. I note you will give careful consideration to it, and when a decision is reached, you will send me a copy.

Now, Mastin, I think I have thought of this more than anybody—maybe, with the exception of the stockholders that have spent so much money out there. I just don't believe that all of you who have so terribly much to do, really and truly understand this proposition. There are stockholders in many States, the finest men in this country, that believe in this proposition. They have been spending money out there for many, many long years. They have built roads, not only through the property that they own, but through the Interior Department's property.

Herbert McDonald, one of the men that held the good conference with you, has been out there for 16 long years. His father has, along with his friends, over a quarter of a million cash dollars in this proposition. They already have 160 acres of land there. They only want the adjoining 300 acres of land there. I know that there are a lot of people trying to get 36,000 square miles. They don't want that. I went down to see Mr. Wyatt and spent an hour with him and told him that they did not want the timber—I am talking about the Al Sarena Mines, Inc. They only wanted enough of the timber to develop the mines, and they would be glad to sign a letter or a contract to this effect, but it seems to me that they have bought and paid for their patent, and it also seems to me, regardless of what the Interior Department thinks about this, that they would be mighty glad to see this great company, and these fine, good Americans, try and develop this. Sometime, one group of us know something that the others don't. Anyhow, I think they have a right to spend their money if they want to. We have hundreds and hundreds of thousands of acres out there, and it certainly won't hurt to give these people a chance to see if they can't develop it. Please read my letter close.

Now, these fine young men, Herbert and Charles McDonald, helped me write that letter to you, of course. Read it carefully. Why not give them a chance? Let them have this, say for 10 years, and then if they don't develop it by that time, then turn it back. You have everything to gain and nothing to lose. Look at the valuable materials that they would develop that we need just at this time, and that country needs developing so terribly bad. These are honest people.

I wish you could have seen some of the letters that were sent to Senator KEFAUVER—some of the letters that were sent to Senator O'MAHONEY—some of the letters that were sent to about 21 other Senators, and over a hundred of the Congressman. I asked them not to present these letters yet, but just wait, because I know we can work it out, regardless if it hasn't been handled just according to Hoyle, and if they did make some mistakes out at the hearing, all we want is commonsense. They have bought and paid for a patent and they have their receipt. They only want a chance to develop this mine. They don't want the timber—only what they will need in the development of the mine, which of course, they would have to have, and they will deed the timber back. Now, why not try and let's give them this. It is costing them a lot of money to make trips here. One of these young men came all the way from Chicago, and the other from Mobile, over 1,100 miles away from here. They are spending their time and their money, 16 long years. They have gotten nothing out of it, but they believe, and they have the finances to go ahead and try and start one of the finest developments out there, that they think will do everything that I told you in that letter, that they would do.

So, why not let's let this go on. It is such a small matter. With the hundreds on hundreds of thousands of acres of land out there, and they are only asking for a small amount of 300 acres—out there, wild undeveloped land, and I understand that many people say it is no good. Well, they do. Herbert McDonald has just returned from taking a special course, and he and Charles McDonald are two of the finest young men I know. Charles has the finest record in the Navy that I have ever read. They are all just fine, good, true, great Americans, that have lived within just a few blocks of me all of their lives, right in Mobile, Ala.

As above stated, they have good stockholders that have their hard-earned money in this proposition, and let's give them a chance to get it out. There is no telling what they will do out there. We have everything to gain and nothing to lose. It certainly can't hurt the Interior Department—it certainly can't hurt the Government—it certainly can't hurt the State, and it will only hurt the men that own this property and the stockholders that are willing to put up their money and see if they can't develop what they think is a great proposition. I think we should encourage them and get behind them and help them in every way we can. They are not getting a Government loan to do this—they are using their own money.

I shall deeply appreciate your looking at this, just in a good old Texas or Alabama practical way, and if there are any little technicalities let's knock them out of the way, and go on and try and start something.

I wish we could get some of the products that they say they can manufacture out there, in Mobile, Ala., now. They need them there very, very bad and all over this country.

I do appreciate all of the time that you have given me, and we have talked so many times about it, and I do appreciate the long conference you gave my friends, Messrs. Herbert and Charles McDonald. I hope that we can do something on this, and please, on receipt of this letter, just give me a ring, and I will run over there and talk to you, or we will talk on the phone, and let's try and finish it up and get it started.

Thanks a million and let me know when and where I can help, and with every good wish to you and yours, now and always, I am

Sincerely your friend,

FRANK W. BOYKIN,
Member of Congress.

P. S.: If you want me to, I can bring a dozen of the finest Senators in this world, all westerners and southerners and northerners too, and about a hundred Congressmen over there, who believe in this, just as I do. Please try and help us. I will consider it a personal favor.

Since dictating this letter to you, and I did it before daylight, on the old dictaphone, down here, I have just received a letter from Dr. McDonald, the father of the two young men that you know, telling me that the buildings there have burned down. That makes no difference, they are willing to have some more put up and get new machinery. I am asking the FBI to look into it, as it looks like their buildings were set on fire. I don't know anything about that, but I do hope we can get this other matter straight.

Thanks again.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 13, 1951.

Mr. MASTIN WHITE,
Acting Assistant Secretary of the Interior, Department of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: When we talked on the phone the other day you told me my people from Mobile did not put their evidence on. I believe, after talking to my people, who are here now, that you overlooked the following facts:

1. The patent application itself, based upon the results of 4 months' work by your own Interior Department appointed expert, Mr. Taylor, and upon the findings of about a half a dozen outstanding experts, filed under oath, perfected by final proofs accepted by the Portland office is legal evidence which was refiled and resubmitted in evidence for the record in the original answer, complete with assays of ore from the claims.

2. Further and additional evidence was submitted to you for your consideration in your office last year in the form of additional assays, etc., which had been taken at the direction of the Bureau of Land Management for the record. This was filed for the official report, and consequently for the record, and should be in your hands.

3. There was an agreement between counsel authorizing the substitution of standard court civil rules of procedure. These people relied completely on that agreement and took an appeal from the rulings on the demurrers and motions only, in open hearing. This legally closed the hearing and made anything introduced after that time by either side completely inadmissible.

4. Since anything in the way of opposing evidence in the hearing is inadmissible, under the agreement, the only evidence in the record which is legal is the evidence refiled and resubmitted in the original answer—all in favor of the company—and unrefuted. The Forestry Service has therefore failed to prove any charges.

5. You will recall that the Department accepted an appeal based upon the rules of evidence and the rules of practice as obtained in Federal and State courts and sent the matter up on appeal without a decision. You will also recall that the written notice of appeal recited clearly that the appeal on demurrers and motions only was taken under such rules.

6. Your department accepted their final proofs, kept them an ample time, demanded the money, accepted the money, gave them a final purchase receipt reciting that the money was in payment for specific lands, reciting them, and issued a final certificate, but did not issue the patent.

7. The only way the so-called field examination was made was by the use of false and misleading statements over the signature of the Acting Regional Administrator of the Bureau of Land Management, falsely alleging that the Forestry Service had complied with its regulations for making such request during the publication period, December 15, 1948. This is the manner in which the Bureal of Land Management obtained its original jurisdiction, as the regulations prohibit ordinarily, the Bureau of Land Management from making field examinations on its own motion in the national forest. Therefore, the only question before you is the question of demurrers and motions as appealed.

After studying all of the above facts, I wish you would give me a ring and I would like to bring my friends and constituents, Messrs. Herbert and Charles McDonald, over there and talk this over with you. For your information, we have heard a lot about people locating some 3,600 square miles of alleged placer ground within about 20 miles of the property of Al Sarena Mines, Inc. It is the feeling of some of the western delegations that a precedent is being sought by the Forestry Service in the denial of patent to a legitimate mining company on its property so that such precedent may be cited to illegitimate claimants to discourage such applications on the part of such illegitimate claimants.

My friends and constituents have been operating 16 long years and the property, itself, is of record in the production and development for 54 years.

I called the attention of the McDonald brothers to what the Forestry people had to say, and they say they are not interested in timber and that they will be glad for the Interior Department or the Forestry Department to have the timber on the disputed land, with the exception of the timber needed for mining operations. This certainly shows that my folks are not trying to get timber, but that they are ready, able, and willing to go on and develop a real mining proposition that we need so badly. In addition, the defense picture has taken on an entirely new aspect in regard to this property. The matter of iron pyrite, which the property contains in large quantities, has previously been considered commercial only for the gold and silver chemically combined with the pyrite. However, the pyrite in the new scheme of critical materials has become a very valuable byproduct. In the plans relating to the production and development of this property, there is also a potential production of pyrite sufficient to yield 4,912,128 pounds of sulfuric acid in the leanest areas, and 49,121,280 pounds of sulfuric acid a month in the richer areas. This being the basic defense chemical and in view of the shortage impending in raw materials for its production, it is most worthy of consideration, both for the benefit of right and justice and for the benefit of the United States. The private capital necessary for the significant defense production already planned is available contingent upon actual ownership of the property, which, of course, means a patent.

With this time and the fact that they have paid for their patent and having a receipt, it does seem, regardless of how you think it has been handled, to be to the Interior Department's interest to get this great piece of property developed. The Al Sarena Mines have built roads and spent hundreds of thousands of dollars on the development of their property. So, I do hope that you will take a close look at this again and see if we cannot issue this permanent patent and go on to work.

With kind personal regard and thanking you for anything you can do to help us out on this matter, I am

Sincerely your friend,

FRANK W. BOYKIN,
Member of Congress.

MARCH 19, 1951.

Mr. W. O. MACMAHON,
First National Bank Building,
Mobile, Ala.:

Talked at length to our friend Mastin White after my talk with you this morning. He had already asked Mr. Clawson to rush his decision all he could. He does not know how soon this will be, but will keep us fully posted. Warm regards.

FRANK W. BOYKIN,
Member of Congress.

UNITED STATES DEPARTMENT
OF THE INTERIOR,
Washington, D. C.,
September 29, 1950.

Hon. FRANK W. BOYKIN,
House of Representatives.

MY DEAR MR. BOYKIN: This is in response to your telephone request to me for the status of a mineral contest involving Al Sarena Mines, Inc. (Oregon 0665).

The Bureau of Land Management advises me that the manager of the district land office at Portland has not completed his action in the matter.

Sincerely yours,

HARRY M. EDELSTEIN,
Assistant Solicitor.

(Copy to: Bureau of Land Management.)

DEPARTMENT OF THE INTERIOR,
Washington, D. C., October 25, 1950.

Note to DIRECTOR CLAWSON,
Bureau of Land Management:

On October 24 I received a long-distance telephone call from Representative BOYKIN at Mobile, Ala. The purpose of his call was to request that the decision on the appeal of Al Sarena Mines, Inc., be expedited. I explained that the appeal is presently pending before you for a determination. Mr. BOYKIN thereupon asked that I pass his request on to you.

MASTIN G. WHITE,
Solicitor.

MOBILE, ALA., *December 17, 1953.*

AL SARENA MINES, INC.,
First National Bank Building,
Mobile, Ala.

GENTLEMEN: Forwarded herewith are four reports covering the assay of samples Al Sarena 1 through 28 submitted by Mr. D. Ford McCormick.

We regret that it has been impossible to complete and report upon this work sooner. We have been seriously hampered here by the absence of key personnel from the office and by the pressure of unexpected emergency assignments.

We sincerely hope that the delay has not operated to inconvenience you.

Yours very truly,

A. W. WILLIAMS INSPECTION CO.,
By MORRIS MILLER.

REPORT OF ASSAYS OF GOLD ORES

A. W. WILLIAMS INSPECTION CO.,
Mobile, Ala.

For: Al Sarena Mines, Inc., 408 First National Bank Building, Mobile, Ala.
Sample identification: Al Sarena, 1-28, inclusive.
Sample submitted by Mr. D. Ford McCormick.
Lab. No. 53-912.
Report No. 431869.
Date: December 17, 1953.
Our order No. 38001, November 25, 1953.

We find the samples submitted by Mr. D. Ford McCormick to contain the following:

Sample	Au Oz/ton	Ag. Oz/ton	Au $/ton	Ag $/ton	Total value $/ton
1	0.05	0.15	$1.75	$0.14	$1.89
2	.04	.60	1.40	.54	1.94
3	.05	.20	1.75	.18	2.03
4	.05	.10	1.75	.09	1.84
5	.08	.05	2.80	.05	2.85
6	.06	.05	2.10	.05	2.15
7	.05	.07	1.75	.06	1.81
8	.05	.06	1.75	.05	1.80
9	.06	.04	2.10	.04	2.14
10	.04	.08	1.40	.07	1.47
11	.03	.06	1.05	.05	1.10
12	.04	.40	1.40	.36	1.76
13	.02	.10	.70	.09	.79
14	.03	.11	1.05	.10	1.15
15	.04	.07	1.40	.06	1.46
16	.05	.10	1.75	.09	1.84
17	.07	.05	2.45	.05	2.50
18	.03	.03	1.05	.03	1.08
19	.05	.02	1.75	.02	1.77
20	.03	.06	1.05	.05	1.10
21	.05	.10	1.75	.09	1.84
22	.06	.04	2.10	.04	2.14
23	.05	.07	1.75	.06	1.81
24	.06	.04	2.10	.04	2.14
25	.04	.64	1.40	.58	1.98
26	.06	.60	2.10	.54	2.64
27	.12	.72	4.20	.65	4.85
28	.10	.50	3.50	.45	3.95

This report is submitted for the exclusive use of the client or his representatives and may not be used in any connection with advertising or sale of any product or process without our written authorization.

Assays by J. A. McDaniel.

Reports to Al Sarena Mines, Inc., 408 First National Bank Building, Mobile, Ala.

A. W. WILLIAMS INSPECTION CO.,
By MORRIS MILLER.

PORTLAND, OREG., *September 28, 1950.*

JAMES A. LANIGAN,
Assistant chief counsel:

Re tel 28 *Mineral Contest Forest Service v. Al Sarena Mines, Inc.*, (Oregon 0665). Claimants tracked Goldy to his California vacation. He referred them here. At conference here afternoon September 8, with me they said they had employed no counsel and volunteered assertion of willingness surrender all timber on claims to Forest Service. Located proper Forest Service personnel for them but they made no effort at contact.

Hearing commenced morning September 13. Clear indication MacMahon en route here at same time claimants were asserting they had no counsel. On opening hearing MacMahon and claimants appeared with boxes of exhibits and own wire recorder. MacMahon launched general attack on proceedings and orally advanced formalistic motions respecting propriety of proceedings and apparently questioning jurisdiction. These motions set forth in written answer filed by company responding to notice of contest. Manager overruled motions and MacMahon refused to proceed stating that he had personal agreement with solicitor that (1) departmental rules of practice and procedure would not be applicable to this case, (2) that rules of civil procedure for district courts would apply and, (3) that if preliminary motions were overruled appeal would immediately be in order and further proceedings on merits would be postponed until final determination such appeal. He added that any testimony produced by other parties at proceedings on 13th would be violation such agreement and he would attack as such.

MacMahon thereupon gathered exhibits, wire recorder and departed with company representatives.

Forest Service proceeded to introduce testimony.

MacMahon returned following day. Filed formal appeal from rulings on motions. Appeal states Al Sarena introduced no evidence because manager's obvious bias indicated results would be adverse regardless of testimony.

For lack of money proceedings transcribed by land office stenographer. MacMahon's rapid speech, shouting and boisterous conduct precluded accurate transcript while he was present. When appeal filed Rice requested copy MacMahon's wire transcription. MacMahon refused.

Rice expects transcript to be completed, Forest Service brief to be filed and recommended decision to be forwarded with record to director in about 10 days.

In view of claimants' conduct suggest utter caution talking with them or relying on any representations they make. MacMahon's personal conduct in hearing may raise question propriety his continued admission to practice before Department.

See director's teletype August 9/AD-FF/ my teletype August 15 and director's response.

LEONARD B. NETZORG.

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
October 21, 1950.

Dr. MARION CLAWSON,
Director, Bureau of Land Management,
Department of the Interior,
Washington, D. C.

DEAR DR. CLAWSON: Senator MILLIKIN has had correspondence with Mr. Pierce M. Rice, manager of the land office at Portland, Oreg., regarding mineral entry Oregon 0665, contest No. 38. In a letter just received from Mr. Rice he states that a hearing on the contest was held September 13, 1950, and on October 2, 1950, the record and recommendations were forwarded to your office for consideration.

The applicant is anxious to get final clearance of this patent. It will be appreciated if you will advise Senator MILLIKIN whether it may be possible to expedite action by your office.

Very truly yours,

RHODA M. ARNOLD,
Secretary.

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
November 8, 1950.

Mr. H. P. MCDONALD,
President, Al Sarena Mines, Inc.,
First National Bank Building,
Mobile, Ala.

DEAR MR. MCDONALD: With reference to your letter to Senator MILLIKIN of November 4, 1950, regarding Mineral Entry Oregon 0665, on which the Senator has had correspondence with Mr. H. P. McDonald, of Empire, Colo.

I have talked again with officials at the Bureau of Land Management, who stated that they had completed their review of the Portland manager's decision and had sent their recommendations to the Legal Division for further review before the case goes to the Secretary of the Interior.

The only information I could get from the Bureau was the statement that the regional manager had denied the mineral entry as to those claims which the Forest Service protested, but had recommended patenting the other claims. They said that under an order of the Secretary they were not at liberty to report what the Bureau has recommended prior to clearance through the Secretary's office, because of the chance that any recommendation of the Bureau might be reversed by the Department's lawyers or by the Secretary.

The Bureau officials mentioned that this case has some difficult aspects and that the

questions involved are covered by a 7-page proposed decision which they have drawn up and turned over to the Department's lawyers. They have promised to follow it through these final steps and do what they can to expedite the decision, but I was unable to get any commitment as to when it may be released. We will continue our followup on this and let you know when we get a further report.

I note from your letter you had the impression that a copy of the recommendations of Regional Manager Pierce M. Rice was furnished to this office. However, the copy of which Mr. Rice referred was a carbon copy of his letter of October 17, 1950, to Senator MILLIKIN, the original of which I forwarded to you. The Departments follow this practice of enclosing an extra copy of letters to Members of Congress so that one may be sent on to the constituent concerned.

Sincerely yours,

RHODA M. ARNOLD,
Secretary.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 15, 1953.

Mr. CLARENCE DAVIS,
Solicitor, Department of Interior,
Washington, D. C.

DEAR MR. DAVIS: This letter is being written pursuant to the agreement reached with you following the conference with Mr. Charles R. McDonald, Mr. Herbert McDonald, and Mr. Garber of my office relating to the patent application of the Al Sarena Mines, Inc., pending on appeal before the Department. The case is identified as Oregon Mineral Entry 0665.

As you suggested, the Messrs. McDonald on return to Mobile, Ala., made request to the United States District Court for an extension of 60 days from the date of April 6 on which the case had been set down for action. The court saw fit to grant only 30 days, which materially shortens the time during which a possible review on the merits might be made by you or some person of your selection. It is not impossible that the court might grant additional time on proper request by either the Government or the plaintiffs, and if such additional time is desired I am sure the plaintiffs in the case will be glad to cooperate in any way they possibly can.

Enclosed you will find papers which digest the substance of the rather extended file which the Department holds on this case. The following are enclosed:

1. A digest record of proceedings on the patent application.

2. The substance of testimony which would have been given by expert witnesses concerning the Al Sarena Mines, Inc. claims, plus an indication of the grounds for impeaching the testimony of the Forest Service.

3. Data on samples from the claims filed for record.

4. A record of proceedings in contest in Portland, Oreg.

5. A photostate copy with comments on the protest of the Forest Service, showing pages 1 and 4 of the protest.

The record in this case seems to indicate that the file might properly be reviewed in either of two manners: First, on the basis of the record as shown from the time of the filing of the patent application October 1, 1948, until April 6, 1949, when the final certificate of mineral entry was granted. The Forest Service was notified of the filing for patent at the time application was made and was officially notified later by the Department of Interior but took none of the actions required under regulation within the time specified in such regulations. Second, on the basis of the entire record including that mentioned previously; and beginning with the untimely protest filed by the Forest Service, the subsequent vacation of protest, and the events resulting from the further protest by the Forest Service including the hearing at Portland, Oreg. It would appear proper that the pending appeal might be granted for the patent issuance wherein the record indicates at any point the full compliance with the requirements of law on the part of the applicants.

The record will show that part of these claims dated from 1898 and that the last claims located were taken up in the year 1935. A gross expenditure of more than $200,000 has been put into the development and the immediate family of the principal owners of the corporation personally put approximately 100-man-years into the developments of the claims. The mines were given a quota for the production of materials during World War II and met this obligation. The deposit is a low-grade deposit with a massive ore body which will require very substantial expenditure for equipment to make it a successful large-scale producer. The delays which have occurred have meant severe losses to the claim owners who have been ready, willing, and able to go ahead with a large-scale commercial operation.

If there are questions which arise in the course of the consideration of the appeal in this case, Mr. Charles McDonald is available on very short notice to come to Washington, D. C. to assist in any way possible to supplement the record if that will aid in reaching an early decision. From material already in my files, I may be able to give information on some questions and will be glad to cooperate otherwise in any way I can to facilitate early administrative action on the appeal.

Your attention is appreciated and I shall be grateful to be kept informed of any developments.

Sincerely yours,

HARRIS ELLSWORTH.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 27, 1953.

Mr. CLARENCE DAVIS,
Solicitor, Department of Interior,
Washington, D. C.

DEAR MR. DAVIS: As you undoubtedly are informed by this time, the applicant in the *Al Serena Mines, Inc.*, case (Oregon 0665) is proceeding in accordance with arrangements discussed with Congressman ELLSWORTH on August 4, as a basis for possible settlement of the question at issue, namely, mineralization on the contested claims.

Inasmuch as this arrangement will require possibly a month of actual examining time, this will run beyond the period covered by the present continuance in connection with the pending case before the United States district court at Mobile, Ala.

Since the last continuance was granted on request of the applicant, it is suggested that the Government request the continuance necessary to cover the required period to complete the present steps being taken at the suggestion of the Government and which can form the basis of a final settlement of the issues involved.

Your attention and cooperation in this matter are appreciated.

Sincerely yours,

H. S. GARBER, *Secretary.*

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., January 14, 1954.

Hon. HARRIS ELLSWORTH,
House of Representatives.
(Attention: Mr. H. S. Garber.)

MY DEAR MR. ELLSWORTH: In view of the interest which you have shown in this case, I enclose two copies of the decision of this Department in the case of *United States* v. *Al Serena Mines, Inc., A26248.*

Sincerely yours,

CLARENCE A. DAVIS,
Solicitor.

THE NATURAL GAS BILL

During the delivery of Mr. MCNAMARA'S speech,

Mr. McNAMARA. Mr. President, the junior Senator from Minnesota has asked me to yield to him. I am happy to yield, with the understanding that his remarks will appear at the end of my presentation, and that I shall in no way lose my right to the floor.

Mr. HUMPHREY. I thank the Senator from Michigan for his courtesy and thoughtfulness.

Mr. President, the Senator from Michigan is addressing himself to the subject of the gas bill and is doing a very commendable job. I have a message which I think may be of some help to him, and I wish to bring it to the attention of the Senate.

I hold in my hand the body of a personal letter which I have just received from a supervisory official of an important oil company, whose name I shall not disclose, for the protection of the sender of the letter. However, I shall be more than happy to show the letter itself to the Senator from Michigan, as I shall also be glad to show it to Senators who are supporting the Harris-Fulbright bill. The body of the letter reads as follows:

DEAR SENATOR HUMPHREY: A deluge of telegrams will soon be hitting Washington, D. C. They will be from people all over the country, and all in support of the Harris-Fulbright bill. It will appear to show an amazing interest on the part of the American people, because the telegrams will come from every corner of the United States.

Yesterday I was instructed to contact all the agents in my territory. They were told by me to have 3 or 4 people in their community who were sympathetic to the petroleum industry's position on the Harris-Fulbright bill agree to have their names used on telegrams to Senators. The company is paying for the expense of these telegrams. The agents are to report to me the names, businesses, and towns of the people whose signatures appear on the night letters.

From this division alone there should be at least 1,000 telegrams, and this is only 1 division of 1 company. I'm sure my company is not alone in this campaign. That is why I believe telegrams will pour in from all over the United States. To me, it is a fraud. I have thought long and hard before sending this letter. Please use it wisely. My job is in your hands.

Yours truly.

Mr. President, I know that when one receives a letter such as this, he ought to be able to produce it. I want the RECORD to show that if any Senator has a doubt as to the veracity of the letter, I shall reveal it in the strictest confidence to either the proponents of the Harris-Fulbright bill or to those of us who oppose it. I have retained the letter in my office, because the gentleman who wrote it represents one of the largest oil companies in the world. He has had a struggle with his own conscience because of the nature of the work he is doing. The man says very frankly that he has been instructed to get the names and to have the telegrams sent. He says that his company is paying the bill for the telegrams. He says, further that Senators will be deluged with the telegrams.

I think we can realize his personal concern when he says in the last sentence of his letter:

I have thought long and hard before sending this letter. Please use it wisely. My job is in your hands.

Together with this letter, I also ask unanimous consent to have printed at this point in the RECORD a New York Times editorial entitled "Last Chance on Natural Gas," which was published a day or so ago, and also the text of a letter which I sent to the editor of the New York Times under date of January 28, 1956, commenting on the editorial.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the New York Times of January 27, 1956]

LAST CHANCE ON NATURAL GAS

The Fulbright-Harris bill to exempt independent producers of natural gas from Federal price control is in our opinion socially, economically and politically wrong. As the measure has passed the House by a six-vote margin, the impending vote in the Senate is crucial. It offers the last chance to preserve effective Federal restraints on the price of gas at the wellhead, which directly affects the price of gas to the pipeline transporter, thus to the local distributor, and in turn to the household and industrial consumer.

The Fulbright-Harris bill is socially wrong because it would relieve a vital segment of the gas industry from a form of Federal regulation essential under the actual circumstances of production and marketing of natural gas. Looking at the industry as a whole, we see that urban distribution is regulated and the pipeline transportation that brings the gas across country is regulated; yet under the Fulbright-Harris bill an important part of production would be relieved of regulation except through a cumbersome device that would have little if any practical effect. In a way that does not apply to other extractive fuel industries such as oil or coal, the consumer is a captive, is tied through the pipelines to the producer, and can be protected adequately from undue price increases only by utility-type regulation. Normally we disfavor governmental control of prices; but this is a situation where it is necessary, despite the claim of the industry that competition in purchase and sale of gas in the field already provides adequate consumer protection.

We do not think it does, and that is why we say that the Fulbright-Harris bill is economically wrong. The industry talks of "only a few pennies a day"; but these "few pennies" will mean millions of dollars a year in additional costs. Senator DOUGLAS, of Illinois, who is leading the fight against this bill and has made the kind of detailed analysis of it that one has come to expect from him, points out that the field price of gas has already risen about 120 percent in the past 6 years, with indicated additional increases—in the absence of controls—of from 50 to over 100 percent. Since large-scale industrial users in many cases can easily shift from gas to other fuels if the price of the former goes too high, the burden of the increase will undoubtedly fall on the small captive household consumer.

The Fulbright-Harris bill is politically wrong in the sense that its passage—if it passes—will surely backfire on many of the Senators who endorse it, on the Texas Democratic party leadership that is fighting for it, and on the administration that—to put it mildly—is not opposing it. The favorite Democratic charge of "giveaway" will sound odd to voters when they think of the Democratic sponsorship of the natural gas bill. The administration claim that it wishes to protect the consumer will sound equally odd when, as we venture to predict, such regulation as is provided in this bill proves totally inadequate to regulate.

JANUARY 28, 1956.

To the EDITOR, THE NEW YORK TIMES,
New York, N. Y.

DEAR MR. EDITOR: Your editorial of January 27 stated most forcefully why the Fulbright-Harris bill to end Federal regulation over the producers' sales price of natural gas is "socially, economically, and politically wrong." It explained quite clearly—as did your editorial on January 19—the unique character of the natural-gas distribution system which makes it a utility situation requiring Federal regulation. If regulation is removed, we may expect natural-gas prices to go up even higher than they have in recent years.

Over one point in your January 27 editorial I would differ, however. You said: "As the measure has passed the House by a six-vote margin, the impending vote in the Senate is crucial. It offers the last chance to preserve effective Federal restraints on the price of gas at the wellhead, which directly affects the price of gas to the pipeline transporter, thus to the local distributor, and in turn to the household and industrial consumer." You are quite right in saying that the Senate vote is crucial. Those of us in the Senate who oppose this bill need all of the support we can get from consumers who will be gouged if this measure is enacted.

However, the Senate vote does not offer the last chance to keep the bill from becoming law. Under our legislative process, the last chance rests with the President. In 1950, the Kerr bill—similar to the present legislation but not even so injurious to the consumer as the present legislation—was courageously vetoed by President Truman.

As your editorial stated about the Fulbright-Harris bill: "The administration—to put it mildly—is not opposing it." If those of us in the Senate who are seeking to defeat the bill are unsuccessful, the last chance to keep the bill from becoming law will rest with President Eisenhower.

Sincerely,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, the general theme of the editorial is that the last chance to defeat the natural-gas bill is in the Senate. In my letter to the editor of the New York Times, I said:

Over one point in your January 27 editorial I would differ, however. You said: "As the measure has passed the House by a six-vote margin, the impending vote in the Senate is crucial. It offers the last chance to preserve effective Federal restraints on the price of gas at the wellhead, which directly affects the price of gas to the pipeline transporter, thus to the local distributor, and in turn to the household and industrial consumer." You are quite right in saying that the Senate vote is crucial. Those of us in the Senate who oppose this bill need all of the support we can get from consumers who will be gouged if this measure is enacted.

However, the Senate vote does not offer the last chance to keep the bill from becoming law. Under our legislative process, the last chance rests with the President. In 1950 the Kerr bill—similar to the present legislation, but not even so injurious to the consumer as the present legislation—was courageously vetoed by President Truman.

As your editorial stated about the Fulbright-Harris bill: "The administration—to put it mildly—is not opposing it."

If those of us in the Senate who are seeking to defeat the bill are unsuccessful, the last chance to keep the bill from becoming law will rest with President Eisenhower.

Mr. McNAMARA. With respect to the very interesting article which the Senator from Minnesota has received from one of his constituents, pointing out that Senators are to be flooded with last-minute telegrams in support of the Harris-Fulbright bill, I should like to tell of another technique which I learned about this morning.

A member of my staff, who comes from Detroit, tells me that as one drives up to certain gasoline stations to buy gas for his automobile—he specifically mentioned Standard Oil stations—the customer is handed a form which he is asked to fill out and send to his Senator, requesting the Senator's support of the Harris-Fulbright bill.

So there are all kinds of techniques being used. I think it is an indication that the proponents of the bill are becoming a little bit afraid. I think it should be encouraging to us.

Mr. HUMPHREY. I think it is. It should be encouraging to the people.

Mr. McNAMARA. That is what I meant. When I said "us," I was referring to the people.

I shall be glad to yield further to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I wish to say to the Senator from Michigan that I hope this afternoon to be able to participate in a discussion on the subject of the Senator's speech, but I have several items which, while they may seem to be somewhat irrelvant or nongermane to the topic under discussion, should be brought to the attention of our colleagues, and, I would hope, to the country.

Mr. McNAMARA. I am glad to yield to the Senator from Minnesota.

VIEWS ON SECRETARY OF THE INTERIOR McKAY

Mr. HUMPHREY. Mr. President, many times on this floor I have fought vigorously to preserve our great natural resources, our parks, our forests, and our wildlife refuges. And many times I have felt compelled to call to the attention of my colleagues the grave concern felt by all conservationists of our country over the adverse policies of the present administration.

Somehow, protests on their merit have not had much impression on this administration. Perhaps, however, approach of the election season will give them more incentive to stop, look, and listen. Election year resulted in quite an about-face attitude toward the farmer, really an amazing change. Perhaps it can also have a like effect in the Department of the Interior toward our natural resources.

I make these remarks as an advance warning to my colleagues on the other side of the aisle, that loyal Republicans around the country are mighty upset about some of Secretary McKay's policies—upset enough to make a switch in

the next election. I just do not think my GOP friends should underestimate the power of organized sportsmen and conservationists, when it comes to the ballot box.

As an example of what I mean, I should like to call attention to a telegram recently sent to the White House by four distinguished conservation leaders from New York—all self-avowed Republicans.

They have just won a great conservation victory at the polls up in New York, and they are ready to take on a new fight.

They warn that retaining Secretary McKay in office will bring about defeat of the Republican Party in November, and threaten to organize 40 million holders of hunting and fishing licenses in the United States to do it.

A copy of this interesting message has been provided to me, and I should like to share it with my colleagues.

Mr. President, I ask unanimous consent to have the wire referred to printed at this point in the body of the RECORD.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SYRACUSE, N. Y., *January 9, 1956.*

President DWIGHT D. EISENHOWER,
The White House, Washington, D. C.:

Although we are confident that this message will never reach you (others have been diverted), we are addressing it to you because of the importance which we attach to the subject; and because you are undoubtedly the only person who can possibly curb the efforts of the Republican Party as represented by Secretary McKay in his persistent efforts to foster the exploitation and destruction of our national parks, forests, and wildlife refuges by commercial interests and by the Armed Forces of the United States.

Moreover, the latest of these acts by the custodian of our public lands, whom you appointed, namely, the leasing of the wildlife refuges to oil and gas interests, specifically violates Mineral Leasing Act, Public Law 585, section 10, of the United States Congress, which states clearly that these lands can be leased for other purposes only in time of national emergency and then only by Presidential order.

Such an emergency does not exist (oil- and gas-reserve ratios to us have never been greater) and, therefore, the Secretary has disregarded and usurped both Presidential and congressional authority and the demonstrated wishes of the public. During his 3 years in tenure, Secretary McKay has abundantly demonstrated his unfitness for administering the great public trust which you have placed upon him.

We request his immediate removal from office for the good of the Nation and to make it unnecessary for us to apprise the public of the facts and to bring about the defeat of the Republican Party, regardless of candidate, at the forthcoming national election.

If you question our ability to muster votes for conservation, witness the defeat of amendment 7 in New York State last November by a majority of over 2 to 1, despite the efforts of politicians and selfish interests over a period of 30 years. It took us only 6 weeks to do that—we have 36 weeks to organize the 40 million purchasers of hunting and fishing licenses in the United States.

It is with regret that we as Republicans find it necessary to make such a request.

RICHARD CASE,
Director, New York Conservation Council, and Chairman, State Waterfowl Committee, Kirkville, N. Y.

ROBERT BAGBY,
Chairman, Sportsmen's Round Table Association, Cazenovia, N. Y.

A. B. HATCH,
Chairman, Game Committee, Twin Falls, Fayetteville, N. Y.

HARRY WHITFORD,
Retiring Director, New York State Conservation Council, Syracuse, N. Y.

Mr. HUMPHREY. Mr. President, the telegram is dated January 9, 1956, from Syracuse, N. Y., and, as I indicated, was addressed to the President of the United States. I am not going to read all the telegram, but will select a paragraph or two for the purpose of discussion.

The telegram starts out by saying:

Although we are confident that this message will never reach you (others have been diverted) we are addressing it to you because of the importance which we attach to the subject; and because you are undoubtedly the only person who can possibly curb the efforts of the Republican Party as represented by Secretary McKay in his persistent efforts to foster the exploitation and destruction of our national parks, forests, and wildlife refuges by commercial interests and by the Armed Forces of the United States.

I want the RECORD clear that in my discussion of the matters relating to conservation, and particularly as relating to our national parks, I have been more temperate in my language than is this particular paragraph. But apparently these conservationists have had their patience tested to the breaking point.

Mr. President, I think the very first sentence of the telegram is somewhat indicative, when it states letters have been written to the Secretary or to the President, to no avail, because the telegram states that others have been diverted; and the telegram further says, "Although we are confident that this message will never reach you."

What a sad situation it is when noted conservationists and strong partisans in behalf of the administration must bitterly say in a telegram that they are afraid that the message will never get to the person to whom it is sent.

Mr. President, although I have previously asked that the entire message be printed in the RECORD, I should like to emphasize one of the reasons given for the request for action by the President, which is very persuasive. That part of the telegram reads as follows:

During his 3 years' tenure, Secretary McKay has abundantly demonstrated his unfitness for administering the great public trust which you have placed upon him.

I repeat, Mr. President, that is what the telegram says. There is growing concern among conservationists as to what is happening and what is developing in the Department of the Interior.

The telegram goes on:

We request his immediate removal from office for the good of the Nation and to make it unnecessary for us to apprise the public of the facts and to bring about the defeat of the Republican Party, regardless of candidate, at the forthcoming national election.

I repeat, this telegram comes from four leading Republicans, which will be perfectly clear when I read the names.

The telegram further states:

If you question our ability to muster votes for conservation, witness the defeat of amendment 7 in New York State last November by a majority of over 2 to 1, despite the efforts of politicians and selfish interests over a period of 30 years. It took us only 6 weeks to do that—we have 36 weeks to organize the 40 million purchasers of hunting and fishing licenses in the United States.

It is with regret that we as Republicans find it necessary to make such a request.

That telegram is signed by Ricard Case, director of the New York Conservation Council, and chairman of the State Waterfowl Committee, Kirkville, N. Y.; Robert Bagby, chairman of the Sportsmen's Round Table Association, Cazenovia, N. Y.; A. B. Hatch, chairman of the Game Committee, Twin Falls, 510 Warren Street, Fayetteville, N. Y.; and Harry Whitford, retiring director of the New York State Conservation Council, 706 Turtle Street, Syracuse, N. Y.

Mr. President, I cannot help but feel that if the telegram did not get to the President—which I hope it did—if someone on his staff should have intercepted it and not relayed its contents to the President, possibly by bringing it to the attention of the Senate and having it printed in the body of the RECORD, the President may see the message. That is my hope. I think that is the reason why a copy of the telegram was sent to me. It may have gone to other Members of the Senate.

I hope the President will look at the telegram, will get in touch with the persons who signed the telegram, hear their case, look into their grievance, and make a careful examination of the Department of the Interior.

There have been many charges or statements made on the floor of the Senate criticizing the policies of the Department of the Interior. I myself have made some of those statements. I have primarily concerned myself with the conservation angle, and primarily with our forests, wildlife refuges, and national parks.

I wish to serve warning that when appropriation bills and other proposed legislation relating to conservation, national parks, and national forests, come before the Senate, I shall be watching them carefully. I do not intend, as a Member of the Senate, to stand by idly while our public domain, national forests, wildlife refuges, and national parks are restricted, cut down, exploited, and not properly developed, when we have a growing country and a growing population. I and my family take considerable pride in the fact that every year we try to visit at least one of the national parks. I can say to the Members of the Senate that the members of the Park Service with whom we visit are very happy to have a Member of Congress visit with them—as I am sure other Members of Congress do. I hope Members of Congress will do so more often.

During the past year, I and my family had the privilege of making a short visit to Grand Canyon National Park. Two years before then, we visited Yellowstone National Park; and we have also visited other of the national parks. I shudder to think what will happen to the national parks unless we take care of these great public playgrounds which belong to a country that is growing at the rate of 4 million or 4½ million persons a year. America's recreation is not all on Miami beach or at Hialeah racetrack or in the plush salons. The main recreation of America should be in the great out-of-doors and in the great public parks of our country.

Mr. President, I suggest that our Government should be most considerate of the national parks and should be very, very watchful over the long-term policies relating to conservation of our timber, our land, our mineral resources, and our wildlife refuges. I like to think that my sons' sons will be able to go hunting, too. I like to believe that they will be able to enjoy the great out-of-doors of the United States. However, Mr. President, if we continue to let oil-well diggers and mining explorers operate in our national parks, there will be no national parks; all that will remain of them will be wealth, privilege, and exploitation which will make it possible for a few of the wealthy to have yachts, but for very few of those who are not wealthy to have rowboats. If such a development occurs, a few of the wealthy may be able to attend the very expensive commercial recreational facilities, but not many of the people of America will be able to enjoy the great public playgrounds that are so much a part of our country.

Mr. President, I desire to thank the Senator from Michigan for yielding to me.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CASE OF "TOKYO ROSE"

Mr. KILGORE. Mr. President, as chairman of the Senate Committee on the Judiciary and of its Subcommittee on Immigration and Naturalization, I have received a number of inquiries about the case of Iva D'Aquino, known as Tokyo Rose, who was released from the Federal prison in Alderson, W. Va., on Saturday, January 28, 1956, after serving part of a 10-year sentence, following conviction for treason.

To answer some of the questions being asked, I ask unanimous consent to have printed in the RECORD a summary of information furnished me by the Immigration and Naturalization Service, and notes on the applicable law, as well as a transcript of a broadcast of January 26, 1956, by the well-known CBS news commentator, Eric Sevareid.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

INFORMATION REGARDING "TOKYO ROSE" OBTAINED FROM THE IMMIGRATION AND NATURALIZATION SERVICE

1. Iva Ikuko Toguri D'Aquino (alias "Tokyo Rose" and "Orphan Ann") was released from the Federal women's prison in Alderson, W. Va., about 6 a. m., Saturday, January 28, 1956, after serving a portion of her 10-year sentence upon conviction for treason after trial before a jury in the Federal District Court for the Northern District of California in 1949.

2. Shortly prior to her release from the prison, she was served with a warrant for arrest for deportation by immigration officers, but was not taken into custody. It is understood that she was paroled to go with members of her family to her home in Chicago, for a subsequent deportation hearing there. The Immigration Service official in charge in Chicago is District Director R. H. Robinson.

3. It is understood from the Immigration Service that deportation proceedings will be predicated upon allegations that Iva D'Aquino is not a national nor citizen of the United States and that she is deportable from the United States under the Immigration and Nationality Act of 1952. Although she was a native-born citizen of the United States, it may be alleged that she is now an undesirable resident of the United States by reason of her conviction for treason and possibly also for her conduct prior to return to this country from Japan.

4. There are no precedents on all fours with this case. The other World War II treason conviction defendants have not been released from prison; one died, and the others are still serving their sentences.

5. No Immigration Service personnel could be readily located who had worked on pertinent provisions of the Nationality Act of 1940 (sec. 401 (h)), providing for the loss of nationality by a native-born or naturalized national of the United States; therefore, it is not known how the Service may have intended to handle such cases.

6. The Immigration Service did not wish to indicate at this time whether Iva D'Aquino is, in its opinion, a stateless alien, a stateless person, a dual national, a Japanese national, or a Portuguese national (since she was married to a man possessing a Portuguese passport); these terms have been employed in various news items.

Citations for the case are: *Iva Ikuko Toguri D'Aquino* v. *United States* (343 U. S. 935, 72 S. Ct. 772; rehearing denied, 343 U. S. 958, 72 S. Ct. 1053; facts and opinion in 180 F. 2d 271, and 192 F. 2d 338).

There was no law of the United States, in effect prior to January 13, 1941, that deprived a United States citizen of his citizenship status solely by reason of the commission of treason, whether or not he was convicted thereof by any duly constituted tribunal of competent jurisdiction.

The law in effect since January 13, 1941, provides that a person who is a national of the United States, whether by birth or naturalization, shall lose his nationality by committing any act of treason against the United States, or by attempting by force to overthrow the Government, or bearing arms against it, provided he is convicted thereof by a court martial or by a court of competent jurisdiction.

1. Above is section 401 (h) of the Nationality Act of 1940; act of October 14, 1940; 54 Stat. 1137, at 1169; 76th Congress, 3d session, on H. R. 9980.

2. This provision is carried forward into the Immigration and Nationality Act of 1952 as section 349 (a) (9).

Treason against the United States is defined in the Federal Constitution only as levying war against them, or in adhering to their enemies, giving them aid and comfort. Conviction requires testimony of two witnesses to the same overt act or confession in open court. (Art. III, sec. 3, cl. 1, Const.)

The Federal criminal statute on treason is:

"Whoever, owing allegiance to the United States, levies war against them or adheres to their enemies, giving them aid and comfort within the United States or elsewhere, is guilty of treason and shall suffer death, or shall be imprisoned not less than 5 years and fined not less than $10,000; and shall be incapable of holding any office under the United States." (Title 18, USCA, ch. 115; sec. 2381; act of June 25, 1948; 62 Stat. 807; based on title 18, USCA (1940 ed.) secs. 1 and 2.)

Quick research has not produced any documented legislative history for the mandatory loss of citizenship—not merely the civil rights associated with citizenship, i. e., voting rights, right to hold public office, etc.—to be found for the first time in our history in section 401 (h) of the Nationality Act of 1940 (above) and carried forward into the Immigration and Nationality Act of 1952 (sec. 349 (a) (9)).

More detailed research is indicated to be certain about the amount of attention actually given by the Congress to this matter.

Quick research did not produce any documented legislative consideration of the possibility of deporting a native-born United States citizen who lost his citizenship by committing treason, as provided in the Nationality Act of 1940 and carried forward into the Immigration and Nationality Act of 1952.

But the Senate Judiciary Subcommittee on Immigration and Naturalization files for 1954, on S. 2757, committee document 1963, 83d Congress—one of several bills to amend the act of 1952 to provide further for the loss of nationality of persons convicted of certain crimes—contain a letter dated April 30, 1954, to the chairman of the Senate Judiciary Committee, giving the views of the Department of Justice on S. 2757; the letter is signed by William P. Rogers, Deputy Attorney General. It includes the following paragraph:

"The committee may also wish to consider the desirability of deleting section 3 of the bill which, as indicated above, would provide for the deportation of persons who became aliens by reason of the loss of their United States nationality under proposed section 349 (a) (9) and who are found by the Attorney General to be undesirable residents of the United States. Naturalized citizens who are expatriated under section 349 (a) (9) may be deported under other provisions of the Immigration and Nationality Act. As for native-born citizens, it is questionable whether deportation could, as a practical matter, be effected."

The same files, above, contain a letter dated March 10, 1954, signed by Thruston B. Morton, Assistant Secretary of State, giving views of the Department of State on the bill, S. 2757; its pertinent paragraph to this matter follows:

"Section 3 of the bill would place persons who lost citizenship because of treason or any of the acts designated by the bill in a deportable status, subject to a finding by the Attorney General that such a person would be an undesirable resident of the United States. While this Department would not be charged with the administration of this provision, no objection can be seen to placing such persons in a deportable status, and it is difficult to envisage how any such person could be found to be a desirable resident of the United States."

S. 2757 was only one of several bills in Congress at the time to carry out certain suggestions aimed at Communists by President Eisenhower. This bill was not acted upon by the Congress and therefore the above letters from State and Justice do not appear in the committee reports on H. R. 7130, which was passed and became the Expatriation Act of 1954 (Public Law 772, 83d Cong.) and which did not contain the questionable section 3, supra.

TRANSCRIPT OF RADIO BROADCAST, JANUARY 26, 1956, ON STATION WTOP, BY CBS NEWS COMMENTATOR ERIC SEVAREID

Good evening, on Saturday a 28-year-old woman with Japanese features and a pure American accent will emerge from the Federal Women's Prison in West Virginia; she will be free, yet not free; for she is American, yet not American. It is a legalistic, yet deeply human story that may one day bear the title, "Woman Without a Country."

Iva Toguri D'Aquino was born in San Francisco, a natural-born American citizen. She had never been to Japan until she went there on a visit to relatives and was caught there when war broke out in December of 1941. Japanese authorities took charge of her and she spent part of the war broadcasting in English over the Tokyo radio. She became known to American GI's in the Pacific as Tokyo Rose—rather, she was 1 of 6 Tokyo Roses on the Japanese radio.

After the war she was arrested and tried in San Francisco for treason, intentionally giving aid and comfort to the enemy. It was a very tough case for the prosecution. She was charged with eight specific acts of treason. The jury was torn with doubt as shown by the fact that it stayed out 3 full days. The jurymen found her guilty, but only of one act, a broadcast at the time of the Battle of Leyte Gulf when the Tokyo voice said to the American GI listeners, "Orphans of the Pacific, you really are orphans now." No recording of this was ever found. Listeners testified to their belief the voice was her voice. She was sentenced to 10 years and has now served her time, minus about 4 years for good behavior. She was regarded as a model prisoner, reported to have the highest IQ in the prison. She is also reported as deeply bitter about her conviction.

On Saturday she goes back into society. But what happens to her? For what is she? At the moment, Federal officials with whom I have discussed this are baffled. For any natural-born American, conviction of a felony brings loss of the rights of citizenship, such as the right to vote, but not loss of citizenship itself. Conviction of treason, however, the biggest felony of all, does bring loss of citizenship itself under section 349 of the Immigration and Naturalization Act. So, under the law, Iva D'Aquino is no longer an American. Under the law, also, she cannot stay in America; can she be deported, and if so, where? The Immigration and Naturalization Service, suddenly aware of their problem, now have to find out; when she comes out on Saturday, they will serve a warrant upon her, though she will not be taken into custody. This will be done as the first step toward a deportation hearing to try to settle the thorny question.

For, to the best of my information, this is something totally new in our history. American citizens have been convicted of treason before, but none of them has ever gone back into society; Mildred Gillars, the so-called Axis Sally, is still in prison; Robert Best, who also broadcast for the Nazis, died in jail; Douglas Chandler, who did the same, is still in prison; so is Tonoya Kawakita, the American convicted of treason and of brutalizing GI prisoners working in a Japanese mine; he was sentenced to death, but President Eisenhower commuted his sentence to life imprisonment. No American has ever been executed for treason under Federal law, with the debatable exception of John Brown of Civil War fame. But neither has a convicted traitor ever lived to return to freedom—until Iva D'Aquino this week. She will seek a job in Chicago; Immigration authorities will seek to deport her, arguing that she held dual citizenship when convicted; but they are not at all sure they can win that argument; they are sure of nothing, save a historic precedent may very well be established in this strange case.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. KILGORE. Mr. President, the long addresses, the short ones, and the debate that have taken place on this bill in the past week or so will be of immeasurable benefit in bringing about a firm determination of what should be the authority of the Federal Power Commission in respect to natural gas. The facts brought to our attention during these many days of discussion have been given sufficient notice throughout the country to provide an education on the natural-gas industry for everyone who has followed the news reports. Certainly every phase of the operations within the industry—from investment to exploration to discovery and production, and to transportation, distribution, and consumption—has been given thorough publicity.

Today, I shall avoid any repetition or reiteration of what has already been said on the bill at issue. My objective is—or at least I am convinced that it should be—noncontroversial and, for that reason, deserving of bipartisan support. I am going to discuss conservation, and I shall ask for unanimous support on the conservation amendment which I have submitted.

Mr. President, the subject of conservation was inadvertently omitted from consideration in connection with the congressional handling of the original natural gas bill. Therefore, the Supreme Court held, in its ruling, that questions relating to conservation could not be brought up with reference to the transportation, utilization, and sales price of natural gas. As my colleagues know, my amendment would authorize the Federal Power Commission to "give effect to sound principles of conservation in the administration of the Natural Gas Act." The words I have just quoted, Mr. President, are to be found in the amendment itself.

Mr. President, the Members of the Senate and also the Members of the House of Representatives must be interested in the welfare of the entire country, not only today, but in the future. That is why I am submitting the amendment, because no matter what may happen to the pending bill, this amendment at any rate should be added to the present Natural Gas Act.

The Commission does not now have sufficient legislative direction from Congress to establish necessary conservation measures. As a consequence, failure of this Congress to provide the Federal Power Commission with such direction could in actuality bring about a condition of gas poverty in areas dependent upon this fuel. The deficiency in the Natural Gas Act responsible for the development of this dangerous situation is illustrated by the language of an examiner of the Federal Power Commission, when, as recently as last October 17, he stated that—

> Neither the Natural Gas Act nor any other statute that has ever been cited by any counsel or discovered after search sets forth a congressional conservation policy. (Transcontinental Gas Pipeline Corp., FPC Docket No. G–1783.)

The failure to include provision for the conservation principle at the time when the Natural Gas Act became law in 1938 was an understandable omission. There was comparatively little debate on the bill creating the act. Mr. President, I believe that if you went through all the CONGRESSIONAL RECORDS containing the debate on the bill, you would find that the total words do not equal those recorded in a single day on the measure which we have under consideration at the present time.

In 1938, the volume of natural gas production and consumption was not so high as to cause any concern about exhausting reserves. In retrospect, however, our experience has demonstrated the folly of having overlooked conservation when the Natural Gas Act was formulated. Our energy-resources picture would be much brighter now, had there been no such oversight 18 years ago. The population of the United States has in that period increased from 130 million to more than 160 million, and there has been a 660 percent increase in the volume of natural-gas sales. By 1975, our Nation is expected to have a population of at least 200 million. How we are to assure fuel supplies for the interim period, as well as for the years beyond the three-quarter century mark, is the problem that confronts us today.

I have said there should be no controversy about including the conservation amendment in the proposed legislation. History teaches us the necessity for eliminating waste in the use of all of our natural resources. These heritages should not be subjected to unwise dissipation. A fair share should be available for succeeding generations, for the convenience and perhaps for the very survival of those who are to follow us. The principle cannot be callenged. Even the most profligate would not attempt to deny it.

If we go to any of our large libraries, we find volumes devoted to the teachings and study of conservation. The First Book of Conservation is used in the education of the young boys and girls in the earliest grades. It tells them of the necessity for practicing conservation in the handling of our trees and soils, birds, fish, and other animal life, our waters, our minerals, and our other natural inheritances. On through the upper grades and into our higher institutions of learning, more and more textbooks include evidence of the need for exercising care in the use of these natural resources. In recent years the Federal and State Governments have devoted an increasing number of publications to this topic. Through congressional appropri-

ations, the various departments of our Government spend millions of dollars annually to prevent unnecessary dissipation of our natural resources.

The necessity for enacting laws to protect certain of our resources was recognized long ago. American pioneers found extensive areas of fertile soil, with large segments of the land garbed with magnificent forests. At the start, in clearing away the trees to provide farm lands, valuable birch, oak, maple, hictory, hemlock, and other trees were cleared away and burned. Soils were overcropped; pasture lands were overgrazed; and fish and game sometimes were needlessly destroyed. When a scarcity in firewood developed, the need for more scrupulous disposition of our forests became evident. Finally, in 1681, William Penn signed an ordnance which required that 1 acre in every 5 should be left in trees. In 1828, President John Quincy Adams, realizing the importance of oak timbers in the construction of warships, provided for the planting and cultivation of live oaks on 30,000 acres of land. The American Forests Association was established in 1875, and in 1891 Congress passed an act giving the President authority to withdraw areas of the public domain as forest reserves.

In the succeeding years, considerable progress has been made toward preserving these resources. These is still needless loss, of course; but there is no denying that the Federal and State governments have come a long way toward eliminating waste in this particular area of our national wealth.

We have likewise made conspicuous progress in the conservation of fish and wildlife. In some cases international relationships have been involved, as exemplified in treaties that have been negotiated for the protection of fish, fur seals, ducks, and other migratory birds. We also make it our business to clean up pollution in waters detrimental to the growth of fish and wildlife.

The soil and water conservation programs provide an excellent example of what America has done to prevent unnecessary wastes of natural resources. Over the years as America expanded, there were increasing losses, partially through waste and extravagance, but largely because of a lack of scientific knowledge. The greatest progress in soil and water conservation has taken place within the last 20 years. Since the first soil conservation district was organized in 1937, farmers and ranchers of the United States have organized more than 2,300 districts which cover more than a billion and a quarter acres and include at least three-fourths of all the farms and ranches in the country.

I notice that on January 17 the Department of Interior issued a so-called blueprint which supposedly will ease the country's existing water shortage and provide for the rising needs of the future. The report was based on a proposal by a Cabinet committee whose recommendations include an expenditure of from 40 to 80 million a year merely for the collection of basic data on measurement of rainfall, streamflows, geology, and hydrology. This proposal gives us an idea of the importance attached to one natural resource by a committee which includes the Secretary of the Interior, the Secretary of Defense, and the Secretary of Agriculture.

What about our mineral resources? Has proper attention been given to their disposition and their place in America's energy supply pattern of the future? First, we all recognize that when a ton of coal is mined and burned, it is gone forever. The same conclusion applies to oil and natural gas. Replenishment is possible in the cases of birds and trees and fish and soil. Not so with respect to these fuels.

In the past, principles of conservation have not always been applied in the mining of coal. Sometimes only a fraction of the most salable of that resource was taken from the ground, leaving great columns of fuel to be flooded or otherwise to disintegrate. In recent years, there has been greater realization of the fact that all natural resources, including coal, should be conserved within practical limits.

Most of us who have traveled through western Pennsylvania, through the Panhandle of West Virginia, and into eastern Ohio are familiar with the mine fire which has persisted near New Straitsville, Ohio, for many years. The fire started some time in the 1880's with comparatively little effort to check it until 20 years ago, when $1 million of WPA funds were allotted for this purpose. By this time approximately 24 square miles were involved, and it was necessary to drive through two mile-long tunnels and fill them to keep the fire from spreading. The fires have still not been extinguished, but at least the limit of their destructive force has been established.

It took some time to realize the necessity of protecting coal lands from the threat of fires, most of which have in recent years originated at outcrops. The Bureau of Mines has made excellent progress since it has been given authority and funds to deal with this menace, I am happy to report. Since 1945 the Bureau estimates that it has saved 240 million tons of good coal at a cost of less than 1 cent a ton simply because the Nation finally became aware of what had to be done toward conserving our coal properties.

The extravagant use of our petroleum resources is another problem with which we have had to deal from the time the first oil well was drilled in western Pennsylvania in 1859. Some of the losses of this irreplaceable resource must be attributed to carelessness, but for the most part an absence of geologic understanding was responsible. Eventually it was discovered that a sound conservation policy requires scientific development of any field as a common pool, in order to avoid drainage which would deprive a property owner of his oil or gas. Wells must be spaced in accordance with structural conditions and operated so as to utilize to the fullest extent the gas or water pressure available, thus insuring maximum ultimate recovery. Such a policy proves economically sound in the long run, although sometimes it lessens immediate returns. Improvement in drilling techniques has also made possible the recovery of vast pools which otherwise would have been lost. Control of the flow of wells is another significant development which makes for conservation in the production of oil; and, of course, immense savings have resulted from improvement of refining techniques over the years.

Keen competition in the oil business once accounted for immense waste of petroleum, but establishment of the Interstate Oil Compact Commission more than a decade ago has enabled producing States to remedy conditions of this nature.

The Interstate Oil Compact Commission is also intended as a conservation safeguard in the production of natural gas, and unquestionably has made great strides in this regard over the past several years. Unfortunately, its authority stops at the borders of the respective States. The States therefore have absolutely nothing more to say about conservation of natural gas after it crosses the boundaries and enters the stream of interstate commerce. That is where the Federal Power Commission takes over.

Natural gas is said to be the most perfect form of fuel which nature has furnished us. Unfortunately, its value is still not fully understood or appreciated. In days gone by it was not unusual to bore into a gas reservoir in exploration for oil and, if oil was not found, the wells might be lighted and flared in the open air. Sometimes the wells were permitted to run wild in the hope that they would later blow in as oil producers. Perhaps the first official step toward conserving this precious fuel was taken in 1890 when the State of Indiana enacted a broad law providing for a gas inspector to plug wells when not in use, to plug abandoned wells, to prevent waste of gas while extracting other products, and otherwise to prevent waste in gas distribution within the State.

West Virginia had an expensive lesson in the need for a conservation law. Back around the turn of the century a State geologist, who for 10 years had appealed in vain for a law to check the exorbitant waste of natural gas, warned that at least one-quarter of a billion cubic feet of gas were being wasted every 24 hours in the State—80 percent of which waste could have been easily prevented. West Virginia is still an important producer, but, oh, how we would like to have the supply which was heedlessly thrown away in those early years of our industry.

At this time I might interject an historical item for the information of the Johnnies-come-lately who do not realize the extent to which natural gas is traditionally linked with my home State. In 1775 George Washington dedicated as a national park in what is now West Virginia a tract of land containing a burning spring issuing from a crevice in the earth. When the utility value of natural gas was finally realized, important quantities of this fuel came from our State. Later I shall present some production figures for West Virginia. The fact is that we who reside in West Virginia have always had, and will continue to have, a very active interest in natural gas and any legislation that affects it. We were producing gas long

before many of today's leading producers had been admitted to the Union.

The report of the President's Material Policy Commission in 1952 offers an interesting explanation, in five short paragraphs, of the unusual position of the natural-gas industry. It gives a better understanding of what has taken place in years past, and it also gives testimony of the need for establishing conservation standards for natural gas. Let me quote these paragraphs:

> The natural gas industry never has been normal. From the start it has been in continual transition. It began life as the more or less unwanted child of petroleum; one-third the 1950 supply of natural gas came from oil wells, the balance from gas wells, many of which were found in the search for oil.
>
> In earlier years the main economic function of natural gas was to raise petroleum to the surface after which it was jetted into the air and burned. For years there existed simultaneously a heavy surplus of natural gas in source areas, particularly the Southwest, and a large unsatisfied demand in potential market areas—a paradox that reflected the difficulty of transporting gas. Vast quantities were physically wasted.
>
> Gradually, substantial local use began to be made of surplus gas from oil fields. Industries that needed large quantities of cheap fuel, such as those manufacturing carbon black, began to gravitate toward the gas fields. Great technical progress was made in returning gas to the ground to repressure oil pools and thereby both increased the low-cost recovery of oil and conserved gas for later consumption. Finally, and of greatest importance since the 1930's the gas industry rapidly increased gathering lines in the fields and long distance pipelines—a combination that has opened up tremendous markets over a large portion of the United States.
>
> Private companies responding to profit opportunities did most of this but governments also contributed. Producing States limited the amount of casinghead gas that could be dispersed in the production of oil and discouraged through regulation the inefficient use of gas for manufacturing carbon black. Federal and State regulation held down transmission and distribution margins and consumer prices thereby encouraging wider use, and required that new pipelines be backed up by sufficient dedicated reserves to protect investors and to assure years of gas service to consumers (usually 20 years at capacity).
>
> These developments have increased the economic utility of natural gas in recovering oil, reduced sharply the percentage of gas physically wasted, increased tremendously the useful consumption of gas, and increased substantially the field price of gas. In 1950 new contracts were being made in the Southwest at prices about double those at which most gas was being delivered under old contracts.

I well remember the production of carbon black in certain areas of my State. Lighted jets at the end of gas pipes were turned against slabs of slate. The smog in Los Angeles is nothing compared to the smoke around a carbon black plant. At the end of every 24 hours the carbon black was scraped off and sold. There was complete inefficiency in the use of the gas, and the process was primative and ruinous. Carbon black is highly essential in the production of automobile tires. It goes into every pound of rubber which is used in the production of automobile tires. It is an absolutely essential ingredient.

The greater part of the debate which has been taking place on the floor of the Senate purports to determine the logical legislative procedure for protecting the interests of the producer and the consumer. I contend that neither of these groups can be served properly without my conservation amendment. Any revisions of the Natural Gas Act must include the conservation provisions to safeguard the rights and investments of producers, property owners, transporters, and distributors, as well as consumers and the public in general. I base my position both on testimony of the Federal Power Commission, in which Congress has entrusted the job of carrying out stipulations of the Natural Gas Act, and on statistics covering the Nation's gas reserves and energy requirements. Certainly the declining life index of natural gas reserves stands as mute but incontrovertible testimony on this point.

I found in the Washington Post and Times Herald an extremely interesting remark by the floor manager of the bill now under consideration. In discussing a recent statement by the senior Senator from Wisconsin, the junior Senator from Oklahoma [Mr. MONRONEY] said:

> Had Senator WILEY read the bill, he would have found that the type of regulation provided for in the bill has been supported by every Federal Power Commission through three presidential administrations.

Since proponents of this legislation are willing to concede that the Commission itself is a keen judge of the type of legislation needed to strengthen effectively the Natural Gas Act, I call attention to the fact that the Federal Power Commission has, through three presidential administrations, supported the need for including the conservation principle in the Natural Gas Act.

In 1940 the Commission reported to Congress that the Natural Gas Act and the work that the Commission was doing under it should be considered as "a first step in dealing with the conservation of one of the country's exhaustible resources." The report explained that the act as now written "prevents any serious effort to control the unplanned construction of natural-gas pipelines with a view to conserving one of the country's valuable but exhaustible energy resources." The report then followed with the specific recommendation:

> The Commission is convinced that these conservation problems are of such preeminent importance * * * that the Natural Gas Act should be immediately broadened to give the Commission adequate power to resolve them in the public interest.

In 1944, in the First Five Years Report to Congress, and in the annual reports of the Federal Power Commission of 1951, 1953, and 1954, the Commission itself asked Congress for broadening of its power to safeguard the available supply of natural gas. Thus it can be seen that the need for a conservation provision in the Natural Gas Act is accepted from a bipartisan point of view, inasmuch as the Federal Power Commission's legislative recommendations have been made during the course of the Roosevelt, Truman, and Eisenhower administrations.

Mr. President, there are countless other statements by the Commission itself explaining the need for a conservation standard in the Natural Gas Act. In support of this opinion of the Commission and in support of the conservation amendment, let us look briefly at the reserve picture.

In 1946, the reserve life index of natural gas was estimated at 32½ years according to figures of the American Gas Association. A tabulation made 8 years later showed the reserve life index at 22½ years. In other words, demand for this fuel rose so rapidly in those 8 years as to reduce the life expectancy of natural gas reserves by 10 years. I contend that this factor alone is sufficient to put us on notice that the conservation principle is mandatory.

When the President's Materials Policy Commission issued its report in 1952, it presented a table of gas discoveries, production, and the ratio of new discoveries and development to production. The President's Commission stated:

> New reserves proved from 1945 to 1951 have been more than twice as large as net production over the same period * * * when new discoveries and developments run closer to annual production, it may be taken as a warning of an imminent slow-down of production.

The table disclosed that during the period 1935 to 1944, the ratio of new discoveries and developments to production was 3.1. From 1945 to 1951, the ratio was 2.3.

Now let us bring those Materials Policy Commission figures up to date. In 1952, the ratio of new discoveries and developments to production dropped to 1.7, then rose to 2.2 the following year. In 1954, however, the last year for which figures are available, the ratio of new discoveries and developments to production was down to 1.0. And now let me repeat what this Commission stated at the time when it appeared there would be no cause for alarm as far as our natural gas reserves are concerned:

> When new discoveries and developments run closer to annual production, it may be taken as a warning of an imminent slowdown of production.

The real danger of the condition that has developed in the past several years was pointed out in 1948 in this paragraph from the Smith-Wimberly report, when the Federal Power Commission made its natural gas investigation:

> The true significance of such an index lies not merely in the number of years expressing the ratio of reserves to production but more particularly in the direction of the indicated trend. So long as the trend is either upward or stable, the reserve situation is in a healthy condition. Should there be a sustained decline in this index, however, it would signify that additions to reserves were not keeping pace with withdrawals. A leveling off of this index, or its downward trend, would suggest the need for reappraisal of this natural resource in relation to the consumer requirements to be

met, and a closer surveillance of proposed extensions of pipeline facilities. In the face of such an adverse trend, the possible needs for national defense would also become a more vital consideration.

Natural gas, oil, and coal do not stay in the ground as natural resources. A gas well which comes in with 2 million cubic feet will dwindle off to 1 million cubic feet within 12 months, and it will continue to dwindle off.

Strange to say, the larger the initial production, the sooner the production is wiped out. Therefore, a gas company serving the city of Washington, for example, must constantly drill for gas to bring in new wells at regular intervals, not to meet increased demand, but merely to meet the normal demand; in other words, to keep up the supply, based upon diminishing returns per well as against consumer needs.

Since a good deal of the support for the bill under discussion at this time comes from Texas and Louisiana, I should like to take this opportunity to point out some significant facts regarding reserves in those States.

In 1946 the reserve life index of natural gas in Texas, as based on tabulations of the American Gas Association, was set at 41.18. In 1954, the figure was 22.07. For Louisiana the reserve life index was estimated at 36.87 in 1946. Last year it was 24.42.

Another equally striking showing to be found in the American Gas Association reports for the Nation as a whole is that additions to reserves during the 8-year period ending in 1954 came principally from extensions and revisions of reserve estimates in the old fields. These amounted to 74,225,687 million cubic feet, whereas discovery of new fields and new pools in the old fields accounted for 35,528,463 million cubic feet. In the same period the net production for the country was 60,046,786 million cubic feet. Thus the amount of gas we used during that period exceeded the amount of new gas discovered by 60 percent. Perhaps this decline accounts for the following statement made by Ralph E. Davis, probably the best known natural-gas geologist in the United States:

> The time has come to take stock—to see where we stand. We are using up our natural-gas resources at increasing rates. Oil and gas men are drilling more and more wells in search of new gas. Oil and gas men are drilling in relatively inaccessible and costly areas like the Gulf of Mexico, the Rocky Mountain region, and western Canada, nevertheless, we are finding less new gas each year than we use.

Which means that we have to draw more strenuously on our reserves each year.

If further testimony in support of the conservation amendment is required, let me repeat that the 22½-year life index for reserves in the United States is based on estimates of the American Gas Association. Let me also remind you that 22½ years is a comparatively short time. Looking back, 22½ years would bring us to the middle of 1933. Why, 2 Members of this Senate body came to Congress 19 years prior to 1933. I am sure that every one of us remembers very vividly the year 1933, although it is possible that some of my friends on the other side of the aisle would prefer to forget what transpired in March of that year.

So we must resign ourselves to the fact that 22½ years from now is just around the corner. We must do everything possible to preserve our natural-gas resources. I realize, of course, that a lot of natural gas is going to be discovered in the ensuing years, but the fact remains that we have now come to a point where we are using natural gas faster than we are discovering it, so let us not avoid the issue any longer.

According to the latest report issued by the committee on natural gas reserves of the American Gas Association, at the end of the year 1954 the ratio of natural-gas reserves to production in the State of West Virginia was 9.5. In other words, the life index of the West Virginia natural-gas reserves was 9.5 years. This does not mean that the West Virginia consumers of natural gas will be without that fuel in 9½ years, because more discoveries will undoubtedly be made in the State; such discoveries, however, in the light of historical information, will not very likely be sufficient to keep pace with requirements.

More than 10 years ago it became evident that the natural-gas requirements of the States in the Appalachian region, including West Virginia, could not be met from the reserves then estimated to exist in that area. To overcome this deficiency in gas supplies, a pipeline was built from Texas to West Virginia, and our State and others in the area commenced to import natural gas from the gulf coast region in substantial and ever-increasing volumes.

In the year 1944, 243 billion cubic feet of natural gas were produced in West Virginia. By 1954 production had declined to 193 billion cubic feet of gas. Prior to the time that the pipeline was built from Texas, West Virginia relied to a considerable extent upon natural gas imported from adjoining States. In 1944, the amount imported from these States aggregated 27,375 million cubic feet. In the year 1954, this figure had dwindled to 8,403 million cubic feet. In 1944, when the first trickle of gas commenced to come into West Virginia from the gulf coast area, the imports were 31,560 million cubic feet. By the year 1954, these imports aggregated 105,787 million cubic feet, 97,384 million cubic feet of which came from the gulf coast area.

The people of West Virginia, consuming natural gas in their homes, and the industries which rely on it, are greatly concerned about the continuity of natural-gas service. It appears to be clear that West Virginia can no longer rely upon its own reserves to maintain its gaseous fuel supply, but must of necessity look with greater expectation to the southern gas fields for larger and larger amounts. For that reason we are very much concerned about the availability of natural gas, the life of which is extremely short and declining from year to year. The continued unbridled waste of natural gas would serve only to hasten the time when it will no longer be available to the citizens of West Virginia.

At this time I want to make it clear that it is through no fault of the oil or gas industries that these conditions have come about. There has been no diminution of activity on the part of the oil and gas producers in their desire to find more gas and thus to meet ever-increasing demands. Here are excerpted paragraphs from the 1954 analysis of the Oil and Gas Journal as reported in an editorial last March 28:

> The 1954 reserves report of the API–AGA (American Petroleum Institute and American Gas Association) committee is a matter of surprise to the entire industry.
>
> The committee assigned 1954 the lowest net increase in reserves of crude oil and natural gas of any year since the war, and a net decrease in natural-gas liquids.
>
> Yet 1954 was a banner year for drilling. It set a new record in total wells completed, and wildcats were virtually equal to the 1953 figure. The success ratio was about the same as in the past several years.

The same magazine made this comment in its "A Glance Ahead" column on December 12, 1955:

> Lack of large new reserves coupled with a smaller number of undrilled development areas will force the industry to drill more wildcats in 1956 and 1957, in order to open new prospects for development to meet the country's petroleum needs. The 1955 program has proved disappointing from the new reserve standpoint, and prospects uncovered in the past 36 months are rapidly being saturated with development wells.

That means that when a new area is proven by the bringing in of an exploratory well, commonly known as a wildcat well, it is not allowed to stand for reserve development, but machinery is applied to drill it to its capacity as rapidly as may be possible.

The following table I disclose year by year the number of oil and gas wells completed in each of the years noted:

TABLE I.—*Total well completions in United States*

Year:	*Number of wells*
1946	29,229
1947	33,122
1948	39,778
1949	39,038
1950	43,279
1951	44,516
1952	45,821
1953	49,279
1954	53,930
1955	56,694

Increase in number of wells completed in 1955 as compared to 1946: 94 percent.

Source: Oil and Gas Journal.

It will be seen that since 1946 the total number of wells drilled has increased by 94 percent. Total wells completed include not only wells drilled for the extension of known and developed oil and gas fields but also includes exploratory or "wildcat" wells which are drilled solely with the hope and expectation of finding oil and/or gas in areas not theretofore tested or proven to be productive.

Of more significance, perhaps, is the fact that the number of wildcat wells drilled in the search for new oil and gas supplies in 1955 reflects an increase of

172 percent over those drilled in 1946, as shown by table II:

TABLE II.—*Total wildcat well completions in United States*

Year:	Number of wells
1946	4,518
1947	5,461
1948	6,877
1949	7,294
1950	8,554
1951	10,302
1952	10,552
1953	11,062
1954	11,280
1955	12,302

Increase in number of wildcat wells completed in 1955 as compared to 1946: 172 percent.

Source: Oil and Gas Journal.

Notwithstanding this vigorous and highly commendable effort of the industry in achieving this result, it has not been sufficient to keep up with the demands of the country for natural gas.

I insist that it is the responsibility of Congress to set up conservation standards for natural gas so that our children will not be deprived of this valuable fuel. It has been said that, because of the almost unlimited supply of manufactured gas which would come from coal, there need be no concern about what happens to natural gas. I am sure that none of my colleagues shares this opinion. While it is true that manufactured gas can be made available when necessary, let us not forget that there is a sharp disparity in prices between the two. If this were not so, manufactured gas would be in direct competition with natural gas at the present time.

Mr. President, since I came to Washington 15 years ago, natural gas has supplanted artificial gas, as has been demonstrated along Virginia Avenue, where the plants formerly used for the manufacturing of artificial gas have been dismantled and removed.

No, Mr. President; it is not fair to ask householders to take their chances on how long natural gas will last and how much they are going to pay for its substitute. It is the definite responsibility of Congress to provide the Federal Power Commission with a means of taking conservation into consideration in all of its decisions. The gas industry and its consumers need this protection, just as we have gradually recognized and enacted conservation measures for our soils and wildlife and water and forests. When our valuable trees were being laid waste unnecessarily, America was given laws as a safeguard against further devastation. And then we got a Smoky the Bear to remind us to respect these laws.

I do not think that it should be necessary to create a Smoky the Bear to emphasize how vital conservation is to our Nation's energy supplies. The symbol of justice should be all that is required to remind us that to neglect this principle would be to disavow our obligations to our people and to the generations that will follow. The conservation amendment is stated in simple language in a single sentence. It reads:

The Federal Power Commission shall give effect to the sound principles of conservation in the administration of this (natural gas) act.

I ask that the amendment be incorporated into the bill now before the Senate, and strongly urge its adoption for the benefit not only of ourselves but of our posterity. We must preserve this tremendous, valuable, convenient source of fuel in order to provide for the needs of the future.

Let me give one illustration. The largest steel forging plant in the world is located in West Virginia. It is owned by the United States Government. This plant has the longest line of heat treatment ovens in the world. The line is more than a mile long. Had it not been for the production of that plant, the United States Navy could not have been kept alive during World War II. The production of that one plant, the like of which is to be seen nowhere else, kept the armor plate, guns, and tools flowing to the armed services. Thus, for the first time in the history of wars a nation emerged from a conflict with a far greater battle fleet than it had when it entered the war, despite the fact that a major portion of its battle fleet had been sunk in the first attack.

What does that have to do with the natural-gas bill and conservation? Those ovens are heated by natural gas. It would be a tremendous job to heat the steel and then to heat-treat it in any other way, because it would be ruinous to allow any other chemicals to get into the steel than the chemicals already contained therein before the heat treatment starts. If that happened, the steel could not be tempered and forged properly. The same situation exists in similar plants elsewhere throughout the Nation.

So it is from the national defense viewpoint that we should give the Federal Power Commission the right and also the mandate to follow sound conservation policies in the administration of any Natural Gas Act which Congress legislates.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KILGORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HENNINGS obtained the floor.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HENNINGS. I yield, with the understanding that I do not lose my right to the floor.

Mr. MORSE. Mr. President, I shall take only a minute or two to make the observation that a great deal has been heard in the past few years about the evil of conflict of interest in the Government of the United States. I do not know of anyone who has put up a harder fight against officials of the Government having a conflict of interest than has the senior Senator from Oregon.

I started, on inauguration day, raising my voice against the evil of conflict of interest, when I blocked the automatic confirmation of nominations in the Cabinet, because I was satisfied then that men had been nominated to the Cabinet who should not hold the posts because of the conflict of interest which would be involved in performing the administrative duties of their Cabinet positions.

As one who has been completely opposed to those having conflicting interests occupying administrative positions in the Government because the practice breeds corruption, I shall await with great interest the vote in the Senate of the United States on the gas bill. I should like to call attention to rule XII of the Senate rules, which does not require any Member of the Senate to vote unless his colleagues order him to vote. If he finds he has a conflict of interest in the issue before the Senate, I shall await with interest to see to what extent the Senate shall protect its own house in regard to this matter of conflict of interest, because, in my book of political ethics, I serve notice that, in my judgment, no Member of the Senate has the ethical right to vote for the gas bill if he has any conflict of interest, from his own economic standpoint, involving gas and oil production.

I hope that when the roll is called any Senator who has a conflict of interest will rise and say to the Senate he prefers not to vote, and will refrain from voting because of his conflict of interest. Each Member of the Senate knows very well whether or not he has a conflict of interest involved in the pending bill.

Mr. HENNINGS. Mr. President, in view of the monumental study of the bill to amend the Natural Gas Act of 1938 presented in the Senate by the very able Senator from Illinois [Mr. DOUGLAS] and similar persuasive arguments for the defeat of the measure offered by the distinguished Senators from Michigan [Mr. MCNAMARA] and Rhode Island [Mr. PASTORE], and other Senators, it might seem that further remarks aimed at the same result are unnecessary. Our country has many urgent and pressing needs awaiting our consideration besides the defeat of a proposed amendment to a law which was designed to protect consumers against the evils of monopoly in the sale of natural gas. But this renewed attempt by a few giant oil companies, already enjoying enormous profits, to siphon off hundreds of millions of dollars from the natural gas consumers, is in my judgment, an attack on our free capitalistic enterprise system that must be met and defeated here in the Senate.

Mr. President, at this time I wish to express my unalterable opposition to the pending bill, as it is now before the Senate. At the same time, I assure my respected colleagues who are so ably exposing the evils inherent in the measure, of my intention to join them in support of such amendments to the Natural Gas Act as will strengthen, rather than weaken, its power to regulate the interstate sale of natural gas in the public interest. The amendment in the form of H. R. 6645, now offered, in effect will not strengthen the Natural Gas Act, but will nullify it; indeed, will strip it of meaning and force, and render it incapable of ac-

complishing the useful purpose for which it was so wisely enacted.

In my judgment, the measure before the Senate is not in the public interest. It is a bill to give increasing special privilege, completely without warrant, to an industry which already has been granted extraordinary special exemptions from taxation. Take the 27½ percent depletion allowance, for example. Farmers are much more in need of assistance, but no one has suggested that they should have a 27½ percent depletion allowance; and I am not at all sure that a better case can be made for their having it than for the oil industry to have it. The new piece of attempted legislation, now before the Senate, is a bill to give still further special privilege to the oil and gas industry, as compared to other commercial and manufacturing enterprises involved in the provision of necessary public services to all the people of our country.

Stripped of all legal verbiage or legislative language, the bill is a proposal to transfer an estimated amount of from $600 million to $800 million a year from the pockets of twenty-odd million captive consumers, tied down and helpless to resist except through this Congress, to the coffers principally of 35 gigantic oil companies, and incidentally to perhaps 150 more oil and gas companies, with a few pennies left over, of course, for the small-time producers in whose behalf there has been so much pleading, and who would be exempted under the amendment proposed by the Senator from Illinois [Mr. DOUGLAS]. It is a bill to increase the value of the holdings of the few big oil companies by at least five and a quarter billion dollars, and probably more. It is a bill to give this vast sum of money, year after year, to an industry which already is able to pay large dividends, and certainly stands in no need of public relief or public aid or legislative assistance of any kind or character whatsoever.

It is a bill to give all these extra billions of dollars, at the direct and indirect expense of every living American man, woman, and child—as I shall show later on—to an industry that has attempted monopolistic practices ever since its inception. It is an industry under the domination of a worldwide international cartel which is far stronger than many national governments. This global monopoly, Mr. President, by means of its financial manipulations, has cost the American taxpayers far larger sums, through exorbitant charges—in Europe and Asia—than the amounts which have gone to some of the nations we have tried to help by outright grants or loans in the struggle we are now conducting against the forces of communism.

Many attempts have been made in the public interest to control the oil trust, since its earliest years of monopolistic conspiracy. Since the old days, the oil trust has changed only in its increasing finesse. Its basic monopolistic practices today are not greatly different from what they were at the turn of this century when a few men, some of them renowned as financial pirates, first built the colossal person fortunes which modern society has now made obsolete.

The oil and gas industry today, as much as at any time in our history, needs the most rigorous and searching investigation the Congress can possibly conduct. It has been investigated many times, and the evidence obtained at the public hearings has shown a consistent pattern of monopoly control. But the investigations have not been as thorough as has been needed for a long time. If there is one thing the industry does not need, it is an extra $800 million a year, principally at the expense of millions of American families of modest income.

Mr. President, first, I wish to discuss the strictly legal aspects of the particular measure which now is before the Senate. I should like to point out that the measure has been so loosely drawn and is so vague in some of its provisions that it would entail long-drawn-out litigation before its necessary interpretation could be provided by the courts. Moreover, by presuming to establish regulation over one bargainer—the pipeline company—in a contract, and not of the other—the producer or gatherer, as the case may be—it is doubtful constitutionally. Beyond that, while the bill purports to establish regulation—ineffective, to be sure—over two segments in the continuous, monopolistic sale of natural gas in interstate commerce, it leaves out completely another segment, beyond the wells themselves, which must take its toll in the price which the consumers pay for the ultimate product, delivered to the kitchens and the furnaces of their homes. I refer to the pipelines of some 500 so-called gatherers which take the gas from the wells, process it, and deliver it to the interstate transmission lines.

The law as it stands at the present time is, it seems to me, quite clear: The prices at which producers sell natural gas in the interstate market are subject to control by the Federal Power Commission under the standard of "just and reasonable rates," except that the Commission has no jurisdiction with respect to gas sold directly by the pipelines for industrial purposes. In other words, the act is carefully drawn to protect the consumers of gas for residential purposes.

The only other material respect in which the business of gas production is regulated under the Natural Gas Act of 1938 is in relation to abandonment of service. Section 7 of the Natural Gas Act provides that a natural gas company—which is defined in section 2 so as to include producers—may not abandon service without first obtaining the approval of the Federal Power Commission. The standard to be used by the Federal Power Commission in determining whether to approve a particular abandonment of facilities is in two parts: First, the Commission must ascertain whether the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted; and second, the Commission must ascertain whether the present or future convenience and necessity permit such abandonment.

The bill under consideration would change the regulatory provisions of the Natural Gas Act as those provisions apply to both producers and to the interstate pipeline companies.

Let me comment first, if I may, on the proposed changes in the law with respect to producers. At the present time the regulatory provisions of the act to which I have referred apply to natural gas companies. Natural gas companies, in turn, are defined as persons engaged in the transportation of natural gas in interstate commerce or engaged in the sale in interstate commerce of natural gas for resale. The pending bill would add two new subsections to section 2 of the Natural Gas Act, so as to restrict the ordinary meaning of the terms "transportation of natural gas in interstate commerce" and "sale in interstate commerce of natural gas for resale." Both that transportation and that sale would be defined so as to exclude transportation occurring prior to the delivery of the gas to the interstate pipeline beyond the producing field; and, similarly, sales of natural gas for resale occurring prior to the commencement of the interstate journey of the gas beyond the producing field would not be regarded as sales in interstate commerce.

The effect of these provisions is that the business of producing gas would no longer be within the definition of "natural gas company," and consequently gas producers would be almost entirely free from the impact of the Natural Gas Act. The one exception I shall refer to in a few moments.

But, first let me make a further observation as to the proposed new subsection 10 and subsection 11 of section 2 of the Natural Gas Act. Those new subsections would not only free the gas producers from price regulation and would abandon regulation under the act, but would also free gatherers from such regulation. The gatherer is really a small pipeline constructed within a field, gathering the gas from many different wells, subsequently processing the gas, and then transporting and selling the gas to the interstate pipeline.

Mr. President, I have listened to some of the arguments and have read others advanced by the advocates of the bill as reasons why the producers of natural gas should be free from such regulation as the public interest requires; I have heard seemingly endless talk about the need for higher prices in order to encourage exploration; we have all heard about the substantial risks which the gas producer runs; and we have heard arguments based upon the proposition that natural gas is a commodity rather than a service, and consequently its production should not be regulated. There are, of course, answers to all these points on the merits, but for present purposes I want just to make the observation that not a single one of these arguments has the slightest validity when applied to the gatherer. The gatherer does not run the serious risk which the producer does when he drills a well; the gatherer does not have to be encouraged any more than is necessary in the case of the ordinary utility; there is absolutely no showing that the gatherers should receive higher prices. In fact, there has been a somewhat significant silence about the position of the

gatherers. I am not aware of a single point made in the entire hearings before the similar House committee, dealing with the position of the gatherers or advancing any reason for exempting gatherers from the operation of the Natural Gas Act. And yet, this bill has been drawn, apparently with deliberate intent, so as to exempt gatherers from regulation under the Natural Gas Act.

I believe that the gatherer is in exactly the same position as the pipeline, as he in fact owns and operates a small pipeline.

I mentioned before that in one respect producers would remain subject to regulation under the Natural Gas Act. Before analyzing that point, I must explain for a moment the term "escalation clause" which appears on page 7 of this bill. An escalation clause is a one-way shaft for the raising of gas prices. In its typical form the contract price which the producer is to receive from the pipeline is automatically increased if that pipeline buys from another producer at a higher price, or if a different pipeline buys from the same or other producer at a higher price. This is a shocking kind of clause, as it means that the price which I pay may be increased simply because somebody else is willing to pay a higher price. When we deal with prices which the consuming public must bear, a consuming public which has a substantial investment in gas appliances and is not free to convert to another fuel without substantial loss and without being put to considerable expense, clauses of this type are obviously contrary to the public interest and are perhaps the biggest single reason why I believe gas producers must be regulated in respect of the prices which the consuming public pays to them through the rates charged by the interstate pipeline.

The pending bill purports to deal with this situation by providing that where an interstate pipeline seeks a rate increase based in whole or in part on an increase in price which it must pay because of an escalation clause in a presently existing contract, the Federal Power Commission shall determine whether the price as so increased is the reasonable market price of the natural gas. Later I shall discuss the strange application of the phrase, "reasonable market price." At this point, however, I mention the proposed section 5 (e) of the act, page 8, which provides that if the Commission has made a determination as to the reasonable market price of that gas, and the reasonable market price is found to be lower than the escalated price, the natural gas company is obligated to pay to the producer only such part of the increase in price as results in a price which does not exceed such reasonable market price. It is further provided in subsection (e) that no provision of any such contract shall be construed to authorize its cancellation because of the provisions of the proposed new subsections (d) and (e) of section 5.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HENNINGS. I am glad to yield, although I should like to complete my statement, if I may.

Mr. GORE. I find the Senator's discourse extremely interesting and very able. It raises questions in my mind, but I am confident the Senator will be able to answer such questions in due time.

Mr. HENNINGS. I thank my distinguished friend, the junior Senator from Tennessee. I hope I may be able, in some measure, at least, to answer some of the questions which the Senator may have in mind.

What does this all mean? It means that producers of gas would be held by Congress not to be natural gas companies; all semblance of control of them would be abandoned; and yet they would not be able, under the law, to receive for the gas they sell the price at which they had contracted to sell it. Furthermore, they would not be in a position to cancel the contract, even though they were not getting the price the contract called for.

In the case of a natural gas company, or any other company which the Congress finds must be regulated in the public interest, there is no question that the Congress has the power to reform contracts, and even to disregard contracts when in doing so proper compensation is given for the taking of private property; but in my opinion there is a most serious constitutional problem presented by an attempt by the Congress to reform a contract at the same time that the Congress is saying that the public interest does not require regulation of the contracting parties or of their contractual relationship. I doubt that we can both have our cake and eat it too; both declare that gas production is not within the ambit of Federal concern, and also forbid a gas producer from receiving the contract price for his gas.

As I mentioned earlier, this is the sole instance in the entire gas bill in which the gas producers could still be affected by a decision of the Federal Power Commission.

I now desire to discuss the effect of the bill on the interstate pipelines. The first respect in which the pipeline companies would be affected deals with the effect of new gas purchase contracts. If a pipeline company signs a new contract for the purchase of gas, or renegotiates an existing contract for the purchase of gas, under the new subsection (b) of section 5 of the bill, on pages 6 and 7 of the bill, it is allowed to pass along to its customers only so much of the price as does not exceed the "reasonable market price." This provision presents some serious constitutional problems which should be mentioned.

Let us take a case where the provision operates; in other words, a case where the price which the pipeline pays to the producer is higher than the amount which it is permitted to pass along to its customers. What happens to the difference between these two amounts? Under the bill, the pipeline would have to pay it, and would not be able to use the price as a part of its cost of rendering service. This means that the pipeline would have to absorb the excess. I believe this presents a serious constitutional problem.

We must assume that the pipeline has agreed to pay the price to the producer as a result of a good-faith transaction, and that it is therefore a perfectly legitimate cost incurred by the pipeline in performing its responsibilities. Nevertheless, a part of this cost must be borne by the stockholders of the pipeline company, and may not be passed along to its customers. In my opinion, this is clearly a confiscation by Congress. It is a taking of property from the pipeline for the public benefit without compensation, and thus is illegal and unconstitutional.

The bill contains a further provision which may limit the number of situations where such an illegal result would occur, although it would not entirely eliminate them.

The proposed new subsection (c) of section 5—page 7 of the bill—provides that the Federal Power Commission may make an advance determination as to whether the price at which a pipeline proposes to purchase gas from a producer exceeds the "reasonable market price." It is not always possible for a pipeline to purchase gas sufficiently in advance of its requirements to allow time for the filing of an application to the Federal Power Commission for such an advance ruling. Consequently, there will be many situations where the pipeline company will have to run the risk that it is paying too much, and, consequently, that its stockholders will have to bear a part of the legitimate cost of the gas.

It should also be mentioned that proceedings before the Federal Power Commission are already long, tedious, and expensive. It is not at all uncommon for pipeline-rate cases to last 6 or 9 months, and the injection into the pipelines-rate case of the necessity for making separate determinations as to reasonable market price of the gas purchased under hundreds of gas-purchase contracts will prolong such proceedings beyond the reasonable endurance even of lawyers—to say nothing of the parties in interest.

The new section 5 (b) deals not only with new contracts for the purchase of gas, but also with renegotiated contracts for the purchase of gas. Let me explain what this refers to. In the common situation, the pipeline has a long-term contract to buy gas from a producer at a certain price. However, the pipeline wishes to purchase more gas from that producer, and finds that in order to purchase the additional gas it is forced to agree to pay a substantially higher price for the gas purchased under the first contract.

Time and again this is happening, and the renegotiated prices are sometimes 2 or 3 times as high as the original price. Obviously, the situation of the renegotiated contract is similar to that of the escalation clause; and it is bad draftsmanship to treat the renegotiated contract the same as new contracts, rather than the same as escalation situations.

Now I come to a consideration of the strange standard of "reasonable market price," which the bill would set up in place of the well understood standard of "just and reasonable rate." The bill itself is barren of any definition of reasonable market price, although it does mention three things which the Com-

mission must consider in determining a reasonable market price. I refer to page 6, line 22, and to the first three lines on page 7.

The first of these three things is whether the price has been competitively arrived at. The competition today in the natural-gas fields is competition between the pipelines, not competition between the producers. In part, of course, this is due to the fact that the bulk of the gas reserves are owned by a relatively small number of very large companies. When the Commission seeks to ascertain whether a particular price has been competitively arrived at, about the only thing the Commission can do today, under present conditions, is to find out whether other pipelines have bid for this gas; and this is scarcely an inquiry looking toward the placing of a ceiling on gas prices.

The second criterion in the act which the Commission must examine is "the effect of the contract upon the assurance of supply." This would seem to have nothing to do with price.

The third criterion is "the reasonableness of the provisions of the contract as they relate to existing or future prices."

I have thought about these words, and I am frank to confess that I cannot decipher their meaning. They make use of no traditional concepts in the law, and provide no guidepost for the guidance of the Commission. I strongly suspect that this combination of words was developed to supply a sonorous phrase conveying an appearance of substance, but in fact sterile of meaning.

The Commission will therefore be forced back to a simple interpretation for the meaning of the words "reasonable market price." There is all too much likelihood that the words will simply mean "the prices currently being paid under new contracts for the purchase of gas."

Let us take the case under the proposed new section 5 (b). This is a case of a new or renegotiated contract for the purchase of gas, and the Commissions job is to ascertain whether the contract price exceeds the reasonable market price. This is somewhat like asking the Commission to ascertain solemnly whether 4 is the sum of 2 and 2.

Presumably the best evidence of the prices currently being paid under new contracts, is the price negotiated in the very new contract under the Commission's scrutiny. It is an insult to the intelligence of the consumer to ask him to believe that this standard furnishes the slightest degree of protection against the increasing demands of the gas producers.

Let us next consider the application of this "reasonable market price" standard in connection with escalation clauses under the proposed new section 5 (d). In such cases, the Commission's inquiry is whether the escalated price is the reasonable market price.

What is it that determines the escalated price? It is the price which is currently being paid for new gas. In other words, the very event which touches off the escalation clause and causes the price increase, is the proof that the new escalated price is the reasonable market price. Again the Commission is being asked to go through a valuation ritual with the acknowledgment of a foregone conclusion—2 plus 2 will always equal 4—and if higher market prices cause an escalation clause to operate, the escalated prices are bound to equal those high market prices.

I am astonished that the proponents of the bill would seriously contend that it gives the slightest modicum of protection to the consumers.

Another provision of this bill affecting pipelines is that the pipeline companies shall be allowed the reasonable market price of the gas which they produce with their own faciilties. It is well understood in the gas industry, and the Federal Power Commission in a number of decisions has stated that it is desirable to encourage pipelines to own their own gas-production facilities and thus avoid the frightening rate raises which the maze of escalation clauses brings about. It would therefore seem entirely appropriate to provide that the prices which the pipelines should receive on new production facilities which they acquire should be subject to the same standards of regulation as are the prices which so-called independent producers receive. However, this provision goes still further: It provides that even on existing production facilities, the pipelines shall receive the reasonable market price. No recognition is given to the fact that in many cases the consumers have already paid for these production facilities through the depreciation and depletion charges which the pipelines have treated as a part of the cost of rendering service in pipeline rates. This provision, therefore, would make a present to the pipelines, and would require the consumers to pay twice for the facilities which they have already paid for in past rates.

Undesirable as this situation is, there is an even more serious objection to the provision. It will be recalled that under this bill the pipeline company is expected to sit down with the producer and negotiate a reasonable market price for the gas. Great reliance is placed on the pipeline, even though the pipeline is simply a middleman who will pass along to the marketing companies the costs which it incurs as a result of the contract so negotiated. But now a new note is injected into this negotiation between the pipeline and the producer. If the pipeline will pay the producer only a little bit more for the gas, a new and higher reasonable market price will be established and, therefore, the pipeline will receive for the gas which it produces with its own facilities this higher price. In short, the pipeline would receive an incentive to permit the producer to receive higher prices, so that the value of their own gas would be written up. I say this situation is, indeed, intolerable.

A final comment about this bill may be some measure of the cynicism with which it was drafted. I have explained the hollowness of the proposed new sections 5 (b) and 5 (d), dealing with the determination of reasonable market price with respect to new and renegotiated contracts, and with respect to price increases caused by escalation clauses. In both of those situations an exception is made in the case of contracts between pipeline companies and their affiliates. Affiliate is defined in this bill—subsection (g) of section 5, at page 9—to include a situation where the pipeline controls the producer, or the producer controls the pipeline, or both are under a common control. What does the act then provide with respect to contracts made between the pipeline and an affiliate? It is provided that when gas is purchased the pipeline is not allowed to pass along to its customers any more than the reasonable market price of the gas. In other words, where the contracts are not made between affiliates, the standard of reasonable market price is to be used, and yet even when the contract is made between affiliates the very same standard of reasonable market price is to be used. I then ask, Why does this bill purport to distinguish between contracts between affiliates on the one hand and contracts betwen unaffiliated companies on the other hand? I believe the answer to this question lies in the simple fact that this bill is no more than window dressing, carefully designed to give an appearance of consumer protection, but actually giving no such protection whatever.

So much for some of the strictly legal aspects of the pending bill, as they bear on its vague and deceptive phraseology. These sentences within the amendments now offered must certainly be rewritten, so that they will have a clear and definite meaning before the Senate takes final action on the measure. They must be rewritten, too, I believe, in such a way as to make the intended regulation of natural gas prices to householders really effective instead of illusory.

The need to rewrite this bill to overcome its vagueness, and to make it truly a protection to consumers, becomes clear when we study closely the language of the bill and keep in mind the objective for which the original bill was written. A great deal has been said here about the thousands of small independent producers whose rights are being invaded by unwarranted regulation.

In the propaganda for this measure distributed by the oil companies at great expense on a nationwide scale, many tears have been shed for the small independents. There has been a great deal of viewing with alarm, too, concerning the magnitude of the job which has been handed over to the Federal Power Commission, by the Supreme Court decision which upheld the Government's power to regulate the producers. There is one very simple way to deal with whatever problem may actually have been raised, for those thousands of small independent producers by the Supreme Court decision, and for the Federal Power Commission, which is the regulatory body.

That simple way to deal with the problem has been offered to the Senate by the Senator from Illinois [Mr. DOUGLAS] in the shape of an amendment to the act which automatically would exempt from regulation, all but 197 large-scale producers, and would still bring under the control of the Government the price to

be charged for 90 percent of the gas involved. I propose to vote for that amendment.

According to the Federal Power Commission study, 5,557 so-called independent producers reported to the Commission in 1954 their sales of gas to pipelines in interstate commerce. Some of the propaganda of the oil companies, printed on a national scale, has indicated that there are more than 8,000 such producers. But whether the figure is 5,000 or 8,000, the fact is that regulation of only a few of the producers—the really big ones—is needed to protect the public interest. The Supreme Court has on more than one occasion upheld the right of the Government in regulating corporations to classify them in relation to their size. The amendment offered by the Senator from Illinois will be adequate to assure that the big companies, that really control the supply of natural gas, to all intents and purposes, are regulated and controlled, while exempting all others from needless regulation. This also will simplify the work of the Federal Power Commission and strengthen the act.

I have great sympathy with the thousands of small producers, whom my esteemed colleagues from the oil-producing States are trying to protect. I also wish to protect them. They need not be involved in the regulation of the large corporations. I believe it is to the interest of the small independent producers, as well as to the interest of the consuming public, that the monopolistic practices of the giant oil companies be investigated, and that Federal regulation of the prices the enormous companies charge at the wells should be continued, as was intended by the framers of the Natural Gas Act in 1938. Many of these small producers have themselves been the victims of the larger companies, just as many small independent gasoline jobbers and filling-station operators have felt the squeeze of the big monopolists. I urge my colleagues from the oil-producing States to join me in support of the Douglas amendment, to serve the best interests of their constituents. It is the big companies who are not resident in the oil States, but who merely operate there, who are the principal beneficiaries and backers of the bill.

Much has been said in the debate of the 21 million householders who have invested their $14 billion in appliances to use natural gas, and must use it because they have no real choice of any other fuel. Very little has been said of the effect of this projected increase in the price of natural gas on all the people of the country who use electricity. They, too, as well as the householders who have invested in gas stoves, and in many cases in gas-fueled refrigerators and other appliances, such as their home furnaces, for instance, will be affected if the bill is permitted to become law.

I remember that in a study which Mr. Leland Olds, former Chairman of the Federal Power Commission, made last year, when the bill was before the House of Representatives, he showed that the increased cost of natural gas, if left to the process of free competition against other more expensive fuels, in the open market, would be a factor tending to increase prices for electricity in almost every section of the country.

At that time Mr. Olds warned Congress and the public that the increased cost of natural gas, which will follow if field prices are not regulated, will mean a possible increase of more than $170 million annually in the cost of electricity to consumers in those areas where gas is used as a fuel for the generation of electricity. This estimate by Mr. Olds was based on the consumption of gas for the production of electric energy in 1954.

The annual statistical number of the Electrical World for January 24, 1955, showed that 92.1 billion kilowatt-hours, or 19.5 percent of the country's total supply of electricity in 1954, were generated with gas as a fuel. Production of this energy required the burning of 1.151 trillion cubic feet of gas, or just over a billion of the units of 1,000 cubic feet in which gas was sold.

In recent years the importance of natural gas as a source of low-cost electricity has been increasing, with the percentage of total generation for which it is used rising from 8.8 percent in 1945 to 13.6 percent in 1950 and to 19.5 percent in 1954. To a greater or less degree, it was used for the generation of electricity in 1954 in all of the States of the Union except Maine, New Hampshire, Vermont, Connecticut, Maryland, North Carolina, Idaho, Oregon, and Washington.

It happens that in my own State, Missouri, this particular increase in costs of electricity would at the present time be relatively negligible, amounting probably to no more than $3¾ million. The weight of this increase in costs of household electricity, if the bill becomes law, would be felt principally by the people of the natural-gas producing States, whose representatives are so active in promotion of this measure. It would add $38 million to the cost of producing electricity in Texas, for example; $10,474,000 in Louisiana; $26,796,000 in California; and so on.

In fact, the consumers of natural gas within the producing States would be harder hit, in general, by the passage of this measure than would the housewives in distant States who receive the gas through interstate pipelines. The history of the past few years has shown the price of natural gas to be rising steadily in the States which produce it, as it has risen in the nonproducing States which consume it. I am well aware of the presssures upon Representatives of the oil-producing States who have so many of their constituents engaged in its production. I am convinced that they represent the real desires of their constituents, sincerely as well as ably, in the advocacy of this measure. But I can only point out to them that the primary beneficiaries of the bill are not their constituents, many of whom would be very definitely harmed by its passage. The primary beneficiaries are some great corporations resident far outside the boundaries of Texas and Oklahoma—chiefly in New York and California, for instance—who merely operate in Texas, Oklahoma, and other States.

Mr. President, more than 21 million households are going to be affected by what the Senate does with the measure. These households, by the way, number some 90 million men, women, and children. One and a half million small businessmen, in forty-odd States, who use natural gas as a cheap fuel in their arduous efforts to earn a profit under our free enterprise system in the conduct of their hotels, motels, cafes, cafeterias, restaurants, and dinettes, are watching the course of this debate. The volume of natural gas which these millions of small free enterprisers have been using has risen very sharply in the last 10 years.

In order to have the advantage of this fuel, which the salesmen of the big oil companies have persuaded them to use, they have invested their 14 billion-odd dollars in equipment. Why have they made this big investment? It is a big investment, indeed, to the average small free enterprise—$500, or more, in countless homes and households. These are big investments for average people. Why have they made them? Because the persuasive and persevering salesmen of the great oil companies which control the bulk of the country's natural gas have represented their byproduct, natural gas, to be primarily a cheap fuel, far less expensive than oil, and therefore worth the householder's purchase.

How marvellously the salesmen of the big oil companies, working with all the skills of applied psychology, developed in upper Manhattan, New York, for commercial purposes, have succeeded in their selling effort. There are 90 million captive customers today. The salesmen have them hooked. They have them tied. They have them completely at the mercy of the one monopolistic supplier who serves the communities in which they live—the one interstate pipeline which comes into their community.

What, then, is the next step for the oil company giants—now that they have their 90 million captives, tied down by their investments and tied down by a single pipeline between the gas wells and their distant homes? The next step, of course, according to these suave and ambitious gentlemen, is to raise the price of natural gas until it no longer is competitive with the price of oil. They plan to raise the price of that which they have sold to the people of the United States on the sole ground that it was cheaper than oil, which is equally under their tight control.

We hear these days very unctuous eulogies of the virtues of free enterprise from those who would destroy it completely by monopoly.

The greatest enemy within this country of a truly competitive free enterprise is the creeping, and hidden, and camouflaged monopolist who, year in and year out, has sought to fix prices, in one way or another, according to one principle, and one alone—all that the traffic will bear under the seller's control.

That is what the real originators within the big oil companies, of the pending measure, aim to do, under the vague, fine-spun and legalistic phrase "reasonable market price."

We have seen how, within the past 10 years, their relentless efforts have been defeated once by the Congress, once by the Executive, and once by the United States Supreme Court. We have seen today how they have returned to the attack. I cannot believe that the people of the United States will be fooled for long, even though the exact nature of the monopoly has been cloaked by its appeals to the spirit of free enterprise in which all our people, in their hearts believe, and in which they wish to participate on fair and reasonable terms, under effective regulatory laws, framed in the interests of the people as a whole.

The voters of the United States know there is 1 freedom for the wolf and 1 for the lamb; 1 freedom for monopolists and 1 for competitive merchants; and that free, competitive, capitalistic enterprise cannot flourish unless monopolies are controlled by Government regulation.

What is being tested here today on the floor of the Senate is the power of the Federal Government to regulate monopoly; and the test is severe. The monopoly exerted in many places, all over the world, as well as in the United States, by 5 great oil companies of this country, in concert with 2 big European companies, is so powerful as to defy regulation by any power on earth less strong than the United States Government. Indeed, as we stand here today, I am told by some of the most astute and knowledgeable observers of the American political scene that the power of the oil companies is so great that even the United States Government will have great difficulty in controlling, in the public interest, their rapacity. It is difficult, I am told, because the oil industry is truly bipartisan in politics, and works through both the great major parties. It has friends everywhere, and particularly among those in office. It is being noted, all over the country, by readers of the free press of this country, that this particular bill is being pushed through the Congress under Democratic Party auspices, and by some of my closest political associates, by Senators whom I greatly admire and revere, and for whom I have affection. To me, and to countless Democrats in the rank and file of the Democratic Party, this is a matter of profound regret. I have read, of course, that the bill has the support of the closest advisers of the President of the United States. We all know it has been supported by the President's Committee on Economic Resources, and the President's advisers within his Cabinet. That is not at all surprising. We may read the roster of these gentlemen carefully, and find within its rolls the names of men who have served their country very well in other fields than in the protection of consumer interests. It is impossible to discern, however, among all the President's advisers, a single person who ever has attained any local or national renown by efforts on behalf of small homeowners and householders against the big business interests which so frequently exploit them. So support of this measure within the higher echelon of the Republican Party is not at all surprising.

The bill, of course, will have support and opposition on both sides of this House of Congress. Its consideration will cut across party lines. Certainly, the representatives of the great majority of Democrats throughout the Nation will be alined against it. I notice that in the vote on this measure in the House of Representatives, seven Democrats from Missouri voted against the measure. Two Republicans and two Democrats from Missouri favored it. I bring up the nature of its bipartisan support for a single purpose. It is to show that, quite apart from the need to defeat the bill, there is need to investigate the political practices of these giant oil companies, as they may have direct bearing upon the effectiveness of the Nation's Corrupt Practices Act and antitrust laws, and this without impugning—I want to make that very clear—in any way the motives of anyone who has cast a vote in the House, or will cast a vote in the Senate for a proposal which I oppose.

Despite its many imperfections and limitations, the free daily press of the United States performs services of inestimable value to the people of this country, year in and year out. It is performing such services in these very hours by its able reporting of this debate, and by the commentaries of many editors aroused within their local communities by threats to the welfare of worried citizens—small businessmen in the local utilities field, small merchants, housewives, and others affected by this attempted legislation. There was one commentary the other day by Mr. Thomas L. Stokes, the widely syndicated columnist, which I found very valuable reading, while I was preparing remarks on the bill. It bears directly upon our need to investigate the oil companies, and for that reason I should like to quote a few lines of it.

Mr. Stokes said:

> Big oil companies which own the lion's share of natural-gas reserves, long have been frustrated in their attempt to get exemption from FPC regulation * * * now are optimistic of success.

Mr. Stokes went on to point out that the big oil companies are most hopeful of successful results in this legislative fight because they have fighting for them some of the most able and distinguished members of the Democratic Party in Congress.

The peculiar and important fact of this debate is that a minority of the Democratic Party, acting on behalf of a giant industry whose physical holdings are in one corner of the Nation, is trying to enact a bill which is opposed by the overwhelming majority of the party's members.

Mr. Stokes has made a sweeping allegation concerning the present state of political life in this country. In quoting it—as I have done deliberately, after due consideration—I wish to say that I share completely Mr. Stokes' basic opinion that the concentrated money power of the great oil companies, wielded today to influence the decisions of National Government, by contributions to both parties in many parts of the United States, is a menace to the proper functioning of free government itself within this country. I think it is getting late—but not too late—to deal with this menace.

Mr. President, I wish to be thoroughly understood on this point. I do not impugn in any way the sincerity, the integrity, or the honor of the very able Democratic Senators and Representatives from the oil-producing States whose views on the desirability of this natural gas bill differ so profoundly from my own. I wish merely to reinforce and reiterate my conviction that the power of the Federal Government to regulate a few big oil companies, which over many years have rolled up long records of monopolistic conspiracies against the public welfare, is now being tested here in the Senate of the United States. Have we the power and the will to uphold the regulatory power in Government which is necessary to the free enterprise of the many, in this particular instance? I devoutly hope we have.

For make no mistake about it, Mr. President, the sale of natural gas, which passes through interstate commerce, into the kitchens of the Nation's housewives, by means of a pipeline that links their homes to the gas wells of some distant oilfield, is by its very nature a monopoly operation. The monopoly operation has a single beginning and a single ending. Its beginning is at the well from which the gas is flowing, and its ending is at the kitchen range of countless women, all over this country, who are trying to rear and educate their children on limited budgets, and to live lives of decency and modest well-being within our free-enterprise system, under the protection of Congress whenever their welfare is threatened by interstate price-gouging.

It is a monopoly operation from the group of big company oil wells, which are essential to the guaranteed flow of the gas over any span of many years, through the pipelines of the gatherers, through the pipelines that run over mountains and valleys, and across State lines or natural barriers of whatsoever kind, and finally through the conduits of the local utility companies, into the homes of the captive consumers. It is a single operation, arranged through exclusive and comonopolistic business deals by the companies concerned in that total operation, and not by a part of them. It is such a monopolistic operation that once the pipelines have been laid, and once the gas flows from well to kitchen, the millions of consumers who are hooked to the system have no recourse whatever to any other competitive system. They cannot depend on their State and local agencies to protect them against gouging prices. Their only recourse is to look to their National Government.

The National Government cannot protect these millions of housewives by regulating 1 part or 2 parts of the monopolistic system, and leaving the other parts unregulated. You know it, and I know it, Mr. President. The bill is, in essence, an enabling act to give the big oil companies the power to charge prices beyond those which a governmental agency might find just and reasonable. It is a bill to guarantee the big oil companies an indefinite price, which they

know will be far higher than the prices they now charge, which are very profitable indeed to them. It is a bill to enable the big oil companies to collect these prices from millions of people who can ill afford to pay them, despite our vaunted prosperity, and who have been sold this byproduct of the oil wells for many years on the ground that it was cheaper than oil. Now it is proposed to increase the price to such a degree that oil will become a competitive fuel; and that is the very heart of this proposal.

The bill has two basic purposes:

First, it is a measure not only to raise gas prices, but also to protect high oil prices, set by monopolistic practices in many areas.

Second, it is a bill to block Federal investigation of the oil-company practices in price matters through the normal operations of the Federal Power Commission, even though the costs of oil production and the price of oil are essential elements in any process of fixing just and reasonable rates for all local utilities selling either gas or electricity, and for regulating pipeline prices.

Mr. President, this country should be greatly indebted to the present occupant of the chair, the distinguished senior Senator from Illinois [Mr. DOUGLAS], for his magnificently documented analysis of the pending bill. I should like to see the gist of his analysis on the desk of every newspaper editor in the United States who is interested in protecting his community against higher utility rates; and I should like to see it on the desk of every secretary of every local League of Women Voters, throughout these United States; and I should like to see it in the files of all the women's clubs in our small towns and big cities.

I place great trust in the political competence of the women of this country, once they are informed on an issue such as this one; and I can promise both the men and the women of Missouri, whom I represent in part, and directly, that I will do my best to see to it that information about this measure obtains the widest possible circulation within my own State, regardless of the fate of this particular bill.

If by any sad mischance this measure shall pass the Senate, I hope and pray it will never be forgotten by the householders of this country, until some remedial action is taken to cut short the damage which will have been done to their welfare—yes, Mr. President, until such action is taken, as a result of a real inquiry into the political practices of the monopolists behind the measure, as will prevent, for once and all, any further such raids on the slender purses of the average housewife in our country, as the one here contemplated.

It is for that reason that I now ask unanimous consent to have printed at this point in the RECORD, certain quotations from Mr. Olds' admirable report.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Monopoly of both oil and gas is the real issue.

The drive to amend the Natural Gas Act so as to remove from Federal regulation the prices charged by producers for interstate sales of natural gas is really directed at preserving monopoly pricing of both oil and natural gas. The oil industry, through the governments of the oil States, has by limiting production established the monopoly control of the prices of petroleum products which the Antitrust Act was designed to prevent. Now they would abolish gas price regulation to remove the competition of natural gas with oil.

Higher prices for both natural gas and fuel oil for house heating and industry will be the result if they succeed. That is their objective.

It should be clearly understood that the big oil companies control the big blocks of natural gas reserves. The list of big producers includes Standard Oil, Phillips Petroleum, Gulf Oil, Continental Oil, Sinclair Oil, Texas Co., etc., Phillips Petroleum, largest independent, holds the largest single aggregation of gas reserves, estimated at 18 trillion cubic feet. Humble Oil (75 percent owned Standard Oil Company of New Jersey producing subsidiary) holds the next largest block, reported at 16 trillion cubic feet.

Phillips and Humble, between them, hold about one-sixth of the country's total reserves. The value of their combined reserves increases at the rate of $1,700,000,000 with each 5 cents added to field prices. And there is no way of estimating what additional unearned wealth will flow to these oil titans if, by abolishing Federal regulation of producer sales of gas to interstate pipelines, they eliminate the sharpest competition with their oil prices.

Mr. HENNINGS. Senators will also be interested in what Barron's Weekly, most respected voice of Wall Street, said in its November 15, 1954 issue:

Most of the country's major gas producers are also big oil companies, and natural gas income is only a secondary revenue source, so they aren't in any hurry to sign new gas contracts under the present FPC frozen prices. Actually, they're more worried about the possibility of Federal regulation spreading to oil than they are about temporary loss of new gas revenues.

There is one important thing we should all recognize. The oil companies are asserting their prerogative to withhold natural gas supply from consumers in great utility markets, required to meet both their present and future requirements, unless the Federal Government meets their demand for freedom from price regulation.

On September 17, 1954, Magnolia Petroleum Co. asked the United States district court in Houston to issue a declaratory judgment to determine the right to cancel a contract for selling gas to Texas-Illinois Gas Pipe Line Co. Five days later Texas-Illinois asked the Federal Power Commission to stop Magnolia and more than 20 other producers in the La-Gloria Field from cutting off sales under the escape clauses in their contracts. Magnolia went back to court early in October with a request for a temporary injunction from prosecuting its complaint before the FPC, but the court held it was without jurisdiction pending the Commission's action. The effect of this suit is to test the validity of the so-called escape clauses in a great many gas supply contracts.

This makes it perfectly clear that Congress is dealing with a monopoly situation of the most serious kind, and that the cartel's arguments that competition among producers will protect consumers are designed to mislead the public. For, if they can refuse to sell gas for interstate markets unless the Federal Government meets their terms, they can even more readily refuse to sell gas until a great interstate pipeline, serving an expanding utility market, meets their price terms.

Chairman James R. Durfee, of the Wisconsin Public Service Commission, writing for the January 20, 1955 issue of Public Utilities Fortnightly on Wisconsin and the Phillips case, indicated the extent to which that company was willing to go in this matter of coercion. He wrote that, at the outset of a case before the Federal Power Commission, a Phillips Petroleum official warned Wisconsin representatives that if they persisted in trying the case, the people of Wisconsin would freeze, that they would never get another cubic foot of natural gas.

Mr. Durfee continued:

This ultimatum to the officials of a great sovereign State was voiced by an official of a company which obviously felt that Wisconsin was at its mercy so far as natural gas was concerned because the company then held almost a complete monopoly of supply to the State.

The country faces a concert of oil companies, capable of monopoly control of the large blocks of reserves which are necessary to supply interstate utility markets. This means that either regulation in the public interest or monopoly domination will fix the ultimate cost of this utility service to consumers. If the proposal to amend the Natural Gas Act is carried out, it will be a victory for monopoly. The very fact that the big oil companies feel they can deny to utility markets the use of the country's natural-gas reserves unless their terms are met is sufficient evidence for me, at least, of the need for regulation in the public interest.

In brief, amendment of the Natural Gas Act to bar Federal Power Commission regulation of interstate sales by producers to pipelines would serve two purposes of the giant oil monopolies: First, protect the prices of fuel oil against competition; and, second, prevent any interruption of the recent rapid rise in natural-gas prices to levels from 5 to 6 times cost, including all exploration expenses, all taxes, depletion, and a 6-percent return on investment.

I have here a table which affords some idea of the tremendous profits now gathered annually by this industry. It is based on the Chase National Bank's continuous statistical studies of 30 companies representing more than 60 percent of the assets of the American oil industry and producing about 55 percent of the crude oil taken out of the ground in this country. The table shows for the period 1946 to 1953 the average daily production of all oil companies and the corresponding net income of the 30 companies included in the Chase National Bank survey.

I read only the summations. The net income of these companies in 1946 was $800 million; in 1948, it was $1,900,000,000 in 1950, $1,700,000,000; in 1951, $2,100,000,000; in 1952, $2,020,000,000; and in 1953, $2,155,000,000.

I ask unanimous consent that the entire table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Oil production and profits

Year	Daily production all companies (barrels)	Net income 30 companies
1946	5,300,000	$800,000,000
1948	6,100,000	1,900,000,000
1950	6,800,000	1,700,000,000
1951	7,500,000	2,100,000,000
1952	7,700,000	2,020,000,000
1953	8,000,000	2,155,000,000

Source: Wall Street Journal, issue of Jan. 2, 1954.

Mr. HENNINGS. The huge profit figures suggest that one of the main objections of the big oil company producers of natural gas to Federal regulation of producer prices rests on the fear that it would lead to exposure of their carefully covered up books and records. They want no public scrutiny of the extent to which they are exploiting the country's tremendous demand for petroleum products. That this is no mere suspicion shows up in an expert analysis of the impact of Federal Power Commission rules on gas producers.

In Public Utility Fortnightly's October 14, 1954, issue, Jerome H. Alper, utility law specialist and former member of the Securities and Exchange Commission legal staff, analyzes the regulatory obligations of gas producers under the rules adopted by the Federal Power Commission after the Supreme Court's decision in the Phillips Petroleum Co. case.

Alper, noting that the rules effectively bring the affected procedures and gatherers of natural gas under rate and certificate regulation, adds that they "have exempted such producers and gatherers, at least for the time being, from accounting regulations."

Subsequently, he refers to the Commission's authority to inspect and examine all accounts, records, and memorandums, and says:

> Undoubtedly, independent producers will be required to conform to some of these requirements, particularly with respect to ascertainment of costs and reporting.

He adds:

> Since the oil and gas industry historically has followed a very conservative policy of making known to the public at large, or other members of the industry, facts on operations and activities, it is apparent that a generous application by the Commission of its reporting and disclosure powers would work something of a revolution.

Such disclosure might prove the most effective way of dealing with the monopoly practices which characterize the operations of the big oil companies which produce the bulk of the country's oil and natural gas. It might even lead to uncovering the large amounts of money which the industry might be spending for political objectives, such as amendment of the Natural Gas Act.

Of course, it is to be hoped that the Federal Power Commission, in its proper inquiries into oil company pricing policies and expenditures under a Natural Gas Act with regulatory teeth in it may obtain a great deal more information about these companies for the Federal Government than has yet been obtainable. But in a larger sense, no single commission, and no part of the Federal Government less powerful than the Congress can conduct an investigation adequate to protect the people of this country against the arbitrary, monopolistic price fixing policies of the oil industry, which have been revealed to some degree by its part in the worldwide international oil cartel, and in part by domestic activities of record.

Some Senators will remember that in 1952, after having studied at some length the great burden placed on the American people by excessive oil prices, charged overseas by the cartel of British and American oil companies controlling the bulk of this world's supply, I urged a thorough-going investigation of the American oil industry by the Congress, and that after much prodding of the Federal Trade Commission, the State Department, and the White House, I finally was successful in forcing the publication of the Federal Power Commission "secret" report on the oil cartel. We all are familiar with the great cost of foreign aid to the people of the United States. We all know how necessary that aid has been in this Nation's efforts to ward off the capture of underdeveloped countries by the Communist tyrants in Moscow. Everyone in the United States is familiar with this, in general. But I do not believe that people are as familiar as they might be with the fact that monopolistic pricing of fuel oil by five big American oil companies, in concert with two British concerns, has aggravated the burdens placed upon the American taxpayers.

What is patent to everyone who has studied this subject is that the larger American oil companies act in concert in so large a part of their operations that they have escaped thus far any real control by our antitrust laws. Here we see them again, backing monopoly pricing of natural gas to protect their oil prices throughout the United States. Defeated again and again in their efforts to frustrate Federal regulation of natural gas prices to consumers, insofar as it may concern their own operation, these enormous companies act in the field of American politics with the hidden power of their vast wealth through both the Democratic and Republican parties. Defeated once, they return to the attack. Defeated twice, they return again. Sometimes I wonder how long they expect to abuse the patience of the millions of American citizens who are the victims of their monopoly. Only so long, I know, as they can fool their countrymen by the carefully calculated and disingenuous devices of their institutional advertising, and stave off any real investigation of their stranglehold on the American free-enterprise system.

As Senators know, I am the sponsor of a bill to revise the Corrupt Practices Act, to make a real accounting of political expenditures feasible, and establish a realistic Federal policy in limiting and supervising campaign funds. So that the American people may have real reason to believe their corrupt practices act will protect them, I believe an investigation of these giant oil companies is long overdue.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HENNINGS. I would prefer not to yield at this time. I shall be glad to yield in a few minutes. If my colleague will bear with me, I wish to complete my prepared statement. I hope to press such an investigation before the Committee on the Judiciary, of which the present occupant of the chair, the Senator from Maryland [Mr. BUTLER], and I are members.

In the meantime, I propose to vote for the defeat of the pending measure unless it is amended in such a way as to strengthen the regulatory power of the Natural Gas Act of 1938 instead of destroying it.

In concluding my remarks this afternoon, I wish to make it very clear that I have not been expressing merely my own personal views in opposition to the pending bill. A vast number of the 4 million people of my State, individually or through their duly chosen representatives, have spoken their mind to me in the form of letters, telegrams, memorials, petitions, resolutions, and in editorials, and private conversations. I am convinced that on this issue some of us speak for the people of my State, and that my remarks this afternoon accurately reflect their deep concern about the serious consequences the bill would have on their businesses, their families, and their homes.

From the thousands of communications which have come to me, I have selected what I believe to be a fair cross-section of public opinion expressed on the pending bill. I have also selected a number of editorials from leading newspapers in my State, which express their well-reasoned opposition to the measure. I am glad at this time to associate myself with the comment of the distinguished journalists who are responsible for some of the editorials.

At this time, Mr. President, I ask unanimous consent to insert the following editorials and articles on the gas bill in the RECORD as a part of my remarks:

An editorial and a news article published in the St. Louis Globe-Democrat of January 19, 1956; an editorial published in the Pleasant Hill Times of January 26, 1956; editorials published in the Kansas City Star of January 7, 1956, January 17, 1956, and January 27, 1956; editorials published in the St. Louis Post-Dispatch of January 17, 1956, January 21, 1956, and January 23, 1956; a news article published in the Kansas City Times of January 19, 1956, reciting the resolution adopted by the City Council of Kansas City.

I also ask unanimous consent to have printed in the RECORD at this point expressions on the gas bill of certain city officials of Missouri, and an address delivered by Paul E. Hadlick, general counsel, National Oil Marketers' Association, before the Northwest Petroleum Association at Minneapolis, Minn., on January 25, 1956.

There being no objection, the editorials, articles, resolutions, letters, and

address were ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat of January 19, 1956]

NATURAL GAS BILL DEBATE WILL BE OF INTEREST TO ST. LOUIS

(By John R. Hahn)

The first big angry debate in the United State Senate this week is of considerable interest to St. Louis and Missouri. And this State's interest in the matter is by now even historic.

St. Louis city officials are opposed to the Harris-Fulbright natural gas bill. So are most Missouri municipalities, for the simple reason that Missourians are buyers of natural gas—not sellers.

The bill sounds innocuous enough. It amends the 1938 natural gas act with an exemption of producers from Federal regulation. At the same time, the amendment would prohibit unreasonable price changes from being passed on to consumers.

But opponents of the bill contend that since it would decontrol the price of gas at the wellhead, where the gas enters the pipelines, it will mean an increase in gas bills all over the country. Those in favor of the bill deny this.

It will also be the second big split in the Democratic Party since President Eisenhower was elected in 1952, the first being over tidelands oil.

The first Missourian to take his cut at killing such a bill was Harry S. Truman, who, as President, on April 15, 1950, vetoed a similar measure sponsored by United States Senator ROBERT S. KERR, of Oklahoma. Mr. Truman took the wrath of many Democratic Party stalwarts, vetoed it in a strong message in which he said it would not be in the national interest.

Opponents of federal control argue that natural gas producers are in direct competition with oil and coal producers, who aren't subject to Federal regulation as to prices. They say the industry can't survive in a public utility environment.

They say it is not a monopolistic industry, that gas producing is risky business and that control at the wellhead will in the long run increase prices.

Mr. Truman answered the same arguments in 1950 this way:

"Unlike purchasers of coal and oil, purchasers of natural gas cannot easily move from one producer to another in search of lower prices. Natural gas is transported to consumers by pipelines and is distributed in a given consuming market by a single company."

Both Missouri's United States Senators may be expected to vote against the natural gas bill, according to information given the writer last week. They may not participate greatly in the debates, but they are sure to be on hand for rollcall votes.

If they had no other consideration, they would likely be well aware that an ever increasing number of their constituents buy natural gas, and very few of them sell it. The facts of political life being what they are, Missouri's two Senators, who have not yet been accused of being unwise in the ways of politics, would be expected to break with their Democratic friends in Texas, Arkansas, and Oklahoma, among others, and oppose the bill.

The current history of the measure briefly is that the Natural Gas Act of 1938 placed interstate pipelines under control of the Federal Power Commission. The act was upheld by the Supreme Court last spring in that it extended FPC's jurisdiction to producers who process the gas for interstate pipelines and other buyers.

Last February, the President's advisory committee on energy supplies and resources declared that Federal price control should start only at the point where natural gas enters interstate pipelines. FPC then asked that Congress take away its power to set the price on gas sold by producers to interstate pipelines.

The Democrats doubtless would have preferred that the natural gas debate not even arise in the first place.

While the farm issue will become a big issue, they can be united on that. Even on foreign policy, which has lately become more and more the subject of partisan debate, the Democrats will find no dangerous disunity on that.

They may sweep themselves into extreme bitterness over the natural gas issue which could be a singular threat to their chances of victory in 1956. As former Gov. Adlai E. Stevenson well knows, there were some States he might have carried, which he did not, had he supported the States on the tidelands oil issue.

Should the bill pass in the Senate and be approved by President Eisenhower, the liberal Democrats will doubtless demand a repeal of the amendment in their party platform. The southern Democrats who favor decontrol will demand that it be left out.

It could become as big a stumbling block for the Democrats as segregation has been in the past.

Whatever the outcome, St. Louisans will be watching the news from Washington a little more closely than usual, particularly the ones who use natural gas.

[From the St. Louis Globe-Democrat of January 19, 1956]

GAS BILL PASSAGE WOULD HIKE PRICE, MAYOR BELIEVES

Mayor Raymond R. Tucker said yesterday that he believes passage of the Harris-Fulbright natural gas bill, now being debated in the United States Senate, would lead to an increase in the price of natural gas to the consumer.

At the same time, Robert W. Otto, president of Laclede Gas Co., said:

"The bill is objectionable to me as written. The long-range effect could only be to raise the price of gas."

In a statement to the Globe-Democrat, Mayor Tucker said:

"It is our belief that regulation of the price of natural gas at its source is essential in order to prevent any unreasonable and arbitrary increases in the price of that gas to the pipeline which transports it or to the gas company which distributes it. Such an increase to the transporter and distributor would inevitably result in an increase in cost to the consumer.

"We realize there are difficult and complicated problems that will necessarily arise in connection with the regulation of the producers of natural gas. However, we feel that these problems can be met without imposing any undue restrictions upon the producers and that, in the course of such regulation, due recognition will be given by the Federal Power Commission to the speculative nature of the enterprise in which the producers are engaged."

Supporters of the bill, which would decontrol the price of gas at the wellhead, contend that it would make more gas available and that the industry should not be controlled as a public utility. They contend that Federal controls will increase the consumer's bill in the long run.

[From the St. Louis Post-Dispatch of January 17, 1956]

BIPARTISAN AND BAD

The remarkable thing about the perennial attempt at a natural gas grab in Congress is its bipartisan support. Democrats and Republicans are likely to join hands if there are powerful oil and gas interests in their State. That situation holds true as the Senate debates the latest bill to exempt most gas producers from Federal rate regulation.

A Supreme Court decision says the Federal Power Commission should regulate prices of independent gas producers, including big oil companies. Republican Senator POTTER, of Michigan, says millions have been spent on the bill to get around this decision. Critics charge the bill could cost consumers millions of dollars through unregulated price increases.

Democratic Leader JOHNSON of Texas is for it. So is Republican Leader KNOWLAND, of California. When the bill passed the House last year by 209 to 203 votes, Democrats voted against it by 136 to 86, and Republicans voted for it by 123 to 67. Five years ago Senate Democrats carried a similar measure and former President Truman vetoed it. If party lines do not hold on the gas issue, what lines are there? This is not so much an issue between parties as between producers and consumers. The Senate vote promises to be close, and when it comes the public will know which Senators stand for protection of the consumers' interest.

[From the St. Louis Post-Dispatch of January 22, 1956]

POOR LITTLE FELLOWS

During the Senate debate on the natural gas exemption bill, a great deal has been heard about the poor little independent gas producer. Senator DOUGLAS, of Illinois, now proposes a substitute bill in behalf of the little producer. The Senator says his measure would exempt 96 percent of the gas producers from Federal rate regulation.

We are not certain that it would be sound legal principle to exempt some producers and not others, and we suspect that Senator DOUGLAS' bill is a diversionary tactic against the gas grab. But one thing is certain, and that is that the Douglas bill will not satisfy the oil and gas lobby which wants 100-percent exemption from Federal control, and not 96 percent or anything less.

The reason for this is that most natural gas sold to pipelines for eventual consumer use does not come from little independent producers, but from big independent producers, chiefly oil companies. Senator DOUGLAS estimates that 4 percent of the producers turn out 90 percent of the gas. His bill challenges the lobby to prove it is interested in the little gas producers and not the big ones. The answer is obvious.

[From the St. Louis Post-Dispatch of January 23, 1956]

THE NEW GAS GOUGE

Almost every St. Louis householder uses gas in some form—in stoves or furnaces or water heaters. Industries here are heavy gas customers. To each of these consumers, and to millions more across the country, the present Senate debate on the Fulbright bill should be a matter of personal concern. For the bill would cost gas consumers money.

The oil and gas lobby, which the Wall Street Journal reported was spending $1,500,000 to promote the bill, naturally denies this. Gas producers argue that their prices will not rise rapidly if Federal controls are prohibited by the Fulbright bill. Suspicious consumers might then ask why the lobby is putting so much money and effort into its campaign if it expects no return.

This has been a most persistent campaign. Repeatedly the gas industry has tried to prevent or escape from field regulation by the Federal Power Commisssion. The Moore-Rizley bill of 1947, the first attempt, did not pass. The Kerr bill of 1949 was vetoed by former President Truman.

In 1954 the Supreme Court held that producers were subject to FPC regulation, and the new legislation is an attempt to escape from the High Court's ruling. The House passed the bill by 209 votes to 203. If the Senate passes it, President Eisenhower is expected to sign it. Then what?

In 10 years the field price of gas sold to pipelines has increased more than 100 percent. Testimony on the present bill referred to further increases up to 15 cents per thousand cubic feet, which would make the price about 25 cents. Consumers would have to pay this added expense of unregulated gas prices, but that is not all they would have to pay.

Much of the gas consumed locally goes to industries at a low rate because they agree to burn other fuels when a utility needs their gas for residential heating. This gas already is sold at less than 25 cents. If the price rises to that figure, many industries will convert to other fuels. The residential consumer will have to pay for this loss of revenue to utilities and pipelines.

Senator DOUGLAS of Illinois, who has fought the gas-oil lobby constantly, estimates that the full effect of a 15-cent gas field price rise would be to add 27 cents to the residential consumer's bill. That would be a 35-percent increase.

There are more than 18 million residential gas customers in the Nation. Their average annual gas bill would be increased $23.45, Senator DOUGLAS believes. In Chicago's colder latitude (and this would be true of St. Louis, too), the average gas heating bill would go up by $41.25.

Senate opponents of the Fulbright bill think it would gouge consumers out of some $600 million to a billion dollars a year in behalf of gas producers. Of course the lobby denies this too, and the answer all depends on just what price increases the producers intend if they are free from Federal regulation.

If the lobby does not really intend to increase prices much, then why all the long fuss and bother about escaping from price regulation? That is the unanswered question which should make millions of gas customers and their elected representatives suspicious of the Fulbright bill.

Led by big oil companies, the lobby is making one more desperate effort to avoid utility regulation. Let the customers beware. Let the Senators who represent the consumers stand up and be counted for them when the vote comes.

[From the Kansas City Star of January 7, 1956]

GAS FIGHT IN THE SENATE

LYNDON JOHNSON, the Senate Democratic majority leader, expects the natural gas bill to reach the Senate floor in a couple of weeks. Then the chips will be down on the measure that would exempt independent producers of natural gas from Federal price regulation.

The bill passed the House by a narrow margin last summer. The present strategy of the oil and gas Senators apparently is to push the identical measure through in a hurry. That would avoid compromises and conference committees that would send it back to the House where the margin of victory was only six votes.

Generally, the gas producing States and the consumer States are the opponents with both political parties sharply divided. Recently, however, there have been indications that consumers in the Southwest aren't so sure that their interests lie with a free market for natural gas. Naturally that area has produced the most vociferous antiregulation legislators.

Kansas City's direct interests lie with reasonable controls to bolster the rather ineffective Federal jurisdiction over the ultimate cost of gas. The producers may argue that no great increases would come without regulation. But the current Cities Service rate request—which we are now paying—is based to a large extent on the fair field formula. That method, which allows the pipeline to figure rates on the basis of market price instead of costs, recently was overturned by the courts. The natural gas bill would write the fair field formula into the law and it would cost the consumers a great deal of money.

[From the Kansas City Star of January 17, 1956]

THE GAS BILL IN THE SENATE

Whether the price of natural gas sold interstate should be controlled at the source by the Federal Government is the question now before the United States Senate. There is no easy answer and in principle the issue can be argued both ways.

The Government already has jurisdiction over the price that may be charged by the pipeline companies. But this control is weakened and often made ineffective by a maze of overlapping authorities. The Supreme Court has ruled that, under the present law, the Federal Power Commission has the authority to regulate the price of gas sold by the producers to the pipelines. The Fulbright bill, now before the Senate, would nullify the Court ruling. The similar Harris bill narrowly passed the House last summer.

Against a natural distaste for Federal regulation the interests of millions of consumers must be considered. The family which pipes gas into the house for heating and cooking pays what the meter ticks off. Reasonable control is the only real protection. In the Kansas City area, the spiraling cost of gas for industrial use is of equal importance. Relatively cheap gas has helped establish many industries here. But recent rate hikes have narrowed the margin of advantage.

If gas is to be controlled at all, reason would indicate that it be subject to fair regulation all along the line. The Harris-Fulbright measures would preclude such regulation. And they would provide a multimillion-dollar bonanza for many of the largest producers (generally oil companies) in the form of a "reasonable market value" yardstick for rates. The market price instead of actual costs would figure in ratemaking—and gas often is a byproduct of normal oil operations.

In the past, Kansas City has stood on the side of the consumer in the natural-gas debate. This city opposed the Rizley bill several years ago and the Kerr bill in 1949. A considerable part of the current rate increase which the city is fighting is based on argument that would become law if the Fulbright bill is passed. Kansas City can oppose it in the same spirit it opposes the current Cities Service rate increases and allocations.

[From the Kansas City Star of January 27, 1956]

THE GAS STATES CONSUME, TOO

If the price of natural gas is controlled at the source, say proponents of the Fulbright bill, the producing States will keep their product at home, refusing to sell outside the State where gas would be subject to Federal regulation. New industry, the argument goes, would spring up to consume the local gas. The have-not States now demanding controls simply would be out of luck.

To keep the gas at home, the producers would have to be offered a higher price than they could get on the outside. A higher price would mean higher costs to the ultimate consumer. At that point, the local customers undoubtedly would take a long, hard look at the State regulatory bodies. In Kansas and Oklahoma the price of gas at the wellhead already is controlled by these groups. Hitherto, the price has been controlled upward through minimum-price orders. Anyway, we can't see industry flocking to some area merely for the privilege of paying more for gas.

If defeat of the Fulbright bill would mean vast industrial booms for the gas States, wouldn't their representatives be working day and night against it? Obviously they are not and obviously this suggestion of cutting off the pipelines at the State boundaries is ridiculous.

In a speech this week Senator CARLSON, of Kansas, said he supports the bill because decontrol would mean more gas. It might. Yet Kansas produced 406 billion cubic feet of gas in 1954, used about 269 billion within the State, and imported more than 65 billion feet. The 400,000 Kansans who are natural-gas consumers can see uncontrolled, higher-priced gas as a two-edged blade. To the extent that the producers got more, hundreds of thousands of consumers would foot the bill.

[From the Kansas City Times of January 19, 1956]

STILL OPPOSE GAS BILL—THE HARRIS-FULBRIGHT MEASURE DRAWS FIRE OF COUNCILMEN—PUBLIC UTILITIES COMMITTEE WILL NOTIFY SENATORS SYMINGTON AND HENNINGS THAT CITY'S STAND IS UNCHANGED

The city council public utilities committee yesterday instructed Frank O. Knight, an assistant city counselor, to notify Senators STUART SYMINGTON and THOMAS C. HENNINGS, JR., that the city administration still is opposed to the Harris-Fulbright natural gas bill.

The committee members, Thomas J. Gavin, Walter R. Scott, Charles C. Shafer, Jr., and Robert J. Benson, were unanimous in the decision at a meeting at the Hotel Muehlebach.

DISSENT BY THE MAYOR

The council previously had adopted a resolution opposing the bill, which was known then as the Harris bill. Mayor H. Roe Bartle cast the only vote against the resolution.

The bill would deprive the Federal Power Commission of jurisdiction to regulate the price at which gas in the field is sold to pipeline companies in interstate commerce. The April resolution of the council stated:

"The council believes that the effect of such proposed legislation would seriously cripple the Federal Power Commission in its regulation of rates to be charged by interstate pipeline companies and would leave the gas-consuming public without adequate protection against the imposition of excessive and exorbitant prices for natural gas.

"In Kansas City there are some 120,000 users of natural gas who have purchased and installed the necessary equipment for the use of natural gas for commercial, industrial, and residential uses, including the heating of a very high percentage of the residences, and our citizens are now greatly dependent upon gas transported in interstate commerce and must look to the provisions of the Natural Gas Act and to the Federal Power Commission, in the exercise of its authority under the act, for protection against the exaction of unreasonable prices."

Copies were sent the two Missouri Senators and the Representatives in the House from the Fourth, Fifth, and Sixth Districts.

The bill passed the House and now is pending in the Senate.

OPPOSED TO THE BILL

SYMINGTON and HENNINGS already have made known their oppositon to the bill.

Last Friday L. P. Cookingham, city manager, pointed out to the council in a report that the city law department desired to know whether it should oppose the bill in the Senate. Mayor Bartle referred the report to the utilities committee.

At the council committee meeting yesterday Knight was instructed to tell SYMINGTON and HENNINGS the position of the city had not changed and to commend them for their opposition to the bill.

Mayor Bartle said Tuesday he was personally supporting the bill. He said he had made a study of the question and that he believed consumers were paying more for higher distribution of gas rather than higher costs at the wellhead.

"I realize I am not on the popular side of the controversy," the mayor said.

[From the Pleasant Hill (Mo.) Times of January 26, 1956]

RELIEF FOR THE FLOURISHING

As Senator POTTER, Michigan, Republican, said, its ironic that the first bill brought to the Senate floor this session is the Harris-Fulbright measure to remove all restraints on the field price of natural gas, when there is a crying need for farm, school, and highway legislation. The Senator noted that not one single producer had offered any evidence that he was suffering from present legislation.

Happily, both Missouri Senators are, as usual, on the right side, and opposing this measure. Unhappily, it has support from both sides of the aisle, with Democrats from gas-producing States leading the way on what can only be a raid on consumers' pocketbooks. Unhappiest of all, President Eisenhower stands ready to sign the bill (Truman vetoed a similar one) if the Senate passes it.

If this bill is enacted into law it will not mean a thing to you until some time after the November election, of course. But some time after that magic hour it will hit your pocketbook hard, to the benefit and relief of a wad of poor oil companies.

SPRINGFIELD, MO., *January 23, 1956.*

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

DEAR SIR: On January 16, 1956, the City Council of Springfield, Mo., adopted the enclosed resolution.

The city is very much concerned and opposes the so-called Fulbright bill and Harris bill with all its vigor.

Yours very truly,

DONALD H. KELLEY,
City Clerk.

Resolution to protest the passage of legislation now pending in the United States Congress to exempt from regulation gas producers and gatherers selling natural gas in interstate commerce for resale, and to direct the city clerk to forward a copy of this resolution to the United States Senators and Representatives now serving the State of Missouri

Whereas there is now pending before the Congress of the United States legislation which proposes to amend the Natural Gas Act and to thereby exempt from regulation gas producers and gatherers selling natural gas in interstate commerce for resale; and

Whereas it is the unanimous opinion of the council, speaking as the duly elected representatives of the citizens of Springfield, as well as on behalf of more than 24,000 natural-gas consumers of this area, that the passage of the proposed legislation will in effect emasculate the Natural Gas Act, will render totally impossible any reasonable and fair regulation of wholesale gas rates by the Federal Power Commission, will invite and encourage continued unnecessary and arbitrary increase in the cost of natural gas at the wellhead, and can result only in overall increase in the cost of gas to the ultimate consumer—all for the sole benefit of a few parties who, under the provisions of the Natural Gas Act as interpreted by our United States Supreme Court, can be assured a reasonable and fair return for their product without passage of the proposed legislation: Now, therefore, be it

Resolved by the Council of the City of Springfield, Mo., as follows:

SECTION 1. That the City Council of the City of Springfield, Mo., duly convened in regular session, does hereby go on record as vigorously opposing the passage of any such proposed legislation seeking to amend the Natural Gas Act, and particularly the passage by the Congress of the United States of legislation embodied in the so-called Fulbright bill, now pending before the United States Senate, and the Harris bill, pending before the United States House of Representatives, and urgently recommends that its duly elected representatives in Congress, both in the Senate and in the House of Representatives, oppose the passage of such legislation and exert every influence at their command to the end that such legislation be defeated.

SEC. 2. That a copy of this resolution be sent by the city clerk to both United States Senators and to each Member of the United States House of Representatives now serving the State of Missouri and representing the interests of our citizens.

Passed at meeting January 16, 1956.

WARREN M. TURNER,
Mayor.

Attest:

DONALD H. KELLEY,
City Clerk.

Approved as to form:

GEMLELEE GLEASON,
City Attorney.

Approved for council action:

IRVING SHUCHAYS,
City Manager.

CITY UTILITIES OF SPRINGFIELD,
Springfield, Mo., January 21, 1956.

Senator THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The Board of Public Utilities of Springfield have been seriously disturbed by the possibility that the Fulbright bill and its counterpart, the Harris bill, might be approved, thus relieving the production and gathering of natural gas from Federal Power Commission regulation. They are sincerely convinced that this will result in extreme detriment to our gas customers, and feel that it would be to the interest of the citizens of Springfield that this legislation be defeated.

I am enclosing a copy of a resolution adopted by our board at its official meeting yesterday.

We urge that you do everything within your power to defeat this proposed legislative giveaway.

Yours sincerely,

H. D. MILLER.
General Manager.

Whereas this board, all of whose members serve without compensation, is, by law, charged with a responsibility of supervising the operation of the city utilities of Springfield, Mo., including its natural-gas distribution system serving more than 24,000 homes and small-business establishments; and

Whereas this board is fully aware of its obligation and duty to protect such consumers of natural gas from exploitation and the fixing of exorbitant prices for such product and service; and

Whereas there is now pending before the Congress of the United States legislation which proposes to amend the Natural Gas Act and to thereby exempt from regulation gas producers and gatherers selling natural gas in interstate commerce for resale, which legislation is particularly embodied in the Harris bill (H. R. 6645) and in its counterpart, the Fulbright bill (S. 1853), which latter bill is presently being debated upon the floor of the Senate; and

Whereas after study of the proposed legislation and consideration of its effect, if passed, upon the price of natural gas to be paid by the ultimate consumer, this board is firmly and sincerely of the opinion that the passage of such proposed legislation will, in effect, render wholly impossible the control, by the Federal Power Commission, of just and reasonable rates to be charged for natural gas; will not only permit, but will invite and encourage uncontrolled exploitation of the ultimate consumer by those engaged in the production and gathering of natural gas for sale in interstate commerce; will place such ultimate consumer at the mercy of the few who now control such production and gathering; and will rob the Federal Power Commission of its power presently possessed (as recently interpreted by the United States Supreme Court in the Phillips decision) to regulate and assure a reasonable and fair return to such producers and gatherers under the Natural Gas Act: Now therefore, be it

Resolved, That the Board of Public Utilities of the City of Springfield, Mo., speaking in behalf of the citizens and consumers served by the natural-gas distribution system supervised by it, unanimously declares itself to be adamantly and vigorously opposed to any amendment of the Natural Gas Act such as is proposed in the presently pending legislation popularly known as the Harris and the Fulbright bills, and further earnestly and sincerely solicits each of its duly elected representatives in Congress to use all powers vested in him to defeat the passage of such legislation, and to thereby serve the best interests of the ordinary citizen and the consumer.

LIBERTY, MO., *January 11, 1956.*

The Honorable THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washintgon, D. C.

DEAR SENATOR HENNINGS: The mayor and City Council of the City of Liberty have asked me to write to you to record opposition to the passage of Senate bill 1853.

It is their feeling that if this bill were passed, the gas consumers of this city would be exposed to higher gas rates. This would only work a hardship on the many consumers in this city who are already paying substantial gas bills.

Very truly yours,

WILLIAM E. TURNAGE.

ST. LOUIS, MO., *January 11, 1956.*

Hon. THOMAS C. HENNINGS, Jr.,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR: I am writing you in behalf of my client, the city of Overland, to convey to you the fact that the board of aldermen by resolution directed me to set out the opposition of the city of Overland to the Fulbright bill, which will result in a substantial increase in the cost of natural gas to the consumers in our city.

With kindest personal regards, I am,

Sincerely,

FRANK P. MOTHERWAY,

NEOSHO, MO., *January 18, 1956.*

Hon. THOMAS HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

The Neosho City Council commends your opposition to the Fulbright bill.

JAMES LANDIS,
City Attorney.

ADDRESS OF PAUL E. HADLICK, GENERAL COUNSEL, NATIONAL OIL MARKETERS ASSOCIATION, BEFORE THE NORTHWEST PETROLEUM ASSOCIATION, NICOLLET HOTEL, MINNEAPOLIS, MINN., JANUARY 25, 1956

"This is a highly competitive business. If you are in it at the selling level."

So spoke your able secretary, Hiff Horning, in one of his comments last November 15. That is so true today that further elaboration on it is unnecessary. I know there are some here in this audience that can remember the time when competition existed in the market from which you purchased your supplies.

I am not a prophet of doom for the oil jobber. I am too much of an optimist to do

that. The presence here of some of you old-timers can testify to the fact that the oil jobber is a pretty rugged individual even when the cards are stacked against him.

CONTROL OF CRUDE OIL PRODUCTION

As you may or may not know, the production of crude oil is strictly limited to market demand (or below) so as thus to enhance and hold up the price and regulate its flow to market. It is this operation in the petroleum industry that has closed the normal supply channels from which independents formerly chose to make their purchases. Likewise it has resulted in all, or most all, of the increase in the price of refined petroleum products in the past 10 years going to the producers and refiners and none, or only a pittance, of the increase to the jobber.

Whatever conservation has resulted from the efforts to limit production of crude oil to market demand has been incidental or accidental. True conservation means the use of engineering principles and not arbitrary market demand estimates such as are used today.

Thirty years ago, as today, the thinking of Federal agencies relative to oil production, followed the line which the integrated oil companies wanted laid down. In the midst of overproduction of oil in the late twenties the Federal Oil Conservation Board estimated our petroleum reserves at about 6 years' supply. And in its report of 1930 you get the genesis of the present system of proration of oil to market demand. The report praised "the genuine efforts to maintain a balance between crude production and demand through proration and curtailment agreements under the auspices of State authority." In doing so the Federal Oil Conservation Board piously cloaked its mission as being "to delay the coming of the day when an impending shortage of crude oil will cause a radical advance in the prices of the refinery products the public buys."

No greater hoax was ever perpetrated upon the American people since as you know there never has been a shortage and the only contribution the efforts to curtail production have made to the public is to award them with higher prices.

The program thus fostered, nurtured and put into practical effect by the Federal Oil Conservation Board has been implemented by State and Federal legislation and administrative regulations and activities. In 1949 the Senate Small Business Committee reported to the Senate that—

"There is a mechanism controlling the production of crude oil to market demand (or below) that operates as smoothly and effectively as the finest watch."

THE MECHANISM

Briefly the legislation and regulations carrying out this gigantic and fantastic scheme to fleece the public and make agents out of you who would be independent—this scheme to limit the production of crude oil to market demand (or below)—are as follows:

1. Proration laws of the various oil producing States enacted under the guise of conservation of a natural resource but giving authority to a State body to limit production to market demand.

2. The Connally Act, a Federal statute whereby crude oil produced in excess of State production quotas is prohibited entrance into interstate commerce.

3. The Interstate Oil Compact whereby the oil producing States with the assistance of the large integrated oil companies endeavor to limit the total production of oil to or below market demand.

4. The monthly forecasts of market demand issued by the Bureau of Mines of the Department of the Interior.

ADDITIONAL IMPLEMENTATION

These are further implemented by the nominations filed by refiners with the State regulatory bodies indicating how much crude oil they will purchase in the coming month, and if all else fails, by pipeline proration—since all of the major pipelines are controlled by the integrated oil companies this is a simple expedient as a stopgap.

Yet there are many people who say that the oil industry is a competitive industry. Of course it is competitive where you operate in marketing and distribution. But, production, interstate transportation and refining are controlled and controlled just the way the major oil companies want it.

The State of Texas allows its wells to operate less than half the days in the month and then howls about the damaging effect of imported oil. The same State permits the flaring of gas or its exportation through commercial channels to compete with your fuel oil business—gas that might better be recycled into the ground to bring up more oil.

Oil producing States follow the recommendations of the Bureau of Mines in its monthly forecasts of demand fairly closely. In 1949, following the phony shortage of oil the Senate Small Business Committee reported that in 10 out of 12 years the estimates were below demand.

So, don't let anyone tell you the oil industry is not regulated. It is—much to the disadvantage of you as jobbers and distributors and the public as purchasers.

AN ECONOMIC CANCER

I have noted that the Natural Gas and Oil Resources Committee sponsored by the large oil and gas producers have stated that "the right to compete is the right to exist" and they also rave at the "economic cancer of regulation of commodity production." I can only wish that these same sponsors would take the same position with respect to the controls over production of crude oil. The difference seems to be that present oil controls benefits them, though it be an "economic cancer of regulation of commodity production" whereas proposed Federal control of field prices of natural gas is not to their liking. It seems to me that the "economic cancer of regulation of commodity production" is as bad whether by State or Federal Government, and it is as bad whether it be for crude oil or natural gas.

INTERNATIONAL OIL CARTEL

Superimposed on this domestic proration scheme is the international petroleum cartel, which is now before the courts charged with violation of the Federal antitrust laws. This cartel could not operate efficiently unless it was able to hold back domestic production of crude oil.

Our crude oil producers are clamoring for a tariff on oil or a limitation on imports, whereas they should be producing what they can and fighting for their domestic and worldwide markets. But the "economic cancer of regulation of commodity production" has taken hold. Today the United States has over 2 million barrels a day shut-in production. The more you shut in the higher your cost of production of what you take out. If we could limit production only by strict engineering principles and throw out the market demand feature the United States oil producers could compete in the domestic and world markets without any tariff production.

BYPASSING THE ANTITRUST LAWS

The more one studies this set of statutes, regulations, and activities, the more one becomes convinced that the independent oil jobber has been placed in the "squeeze" and the public is being fleeced. Were the oil companies themselves to agree to limit the production of oil, they would quickly be found guilty of violating the antitrust laws. But by going through the process of nominating what they would purchase in Texas, and Texas then using these nominations and the Bureau of Mines forecasts of demand, and fixing the production of crude oil at or below such nominations or estimated demand, they have accomplished a control unsurpassed in any industry. Suppose a group of manufacturers agreed to restrict their production; you know what would happen to them. It is high time the independent oil jobbers—yes; even the oil consumers—rose up and demanded that this entire pattern of Government control and regulation of the oil industry be eliminated. Just because it benefits a few large oil companies and the oil producers is no excuse for its continuance. The fact that it has so disastrously affected independent oil jobbers in their operations and foisted upon the consumer high and monopolistic prices for petroleum should be reason enough for the oil-consuming States to demand a change.

OTHER CONTROLS

I have thus far given you a glimpse at the benefits which the major oil companies enjoy from a sort of legalized monopolistic control over the production of oil. With such control over production they have been able to practically eliminate the independent refiner or make such independent refiner so dependent upon the majors for crude supply or pipeline transportation that the independent refiner is no longer the factor in the competitive supplier market from which you must purchase your products.

Much time could be spent elaborating on the subjects of control over pipelines and tankers, but I can only briefly mention them. These links in the transportation of crude and product to market are controlled by the major oil companies not only providing control over what supply shall enter a market but enhancing their coffers with transportation profits that should not be permitted. Pipelines and tankers as transportation agencies should be divorced and operated as common carriers like the railroads. As you know, the railroads cannot mine, ship over their lines, and sell coal in the market. Pipelines and tankers should be placed under the same "commodities clause" of the Interstate Commerce Act.

DEPLETION SUBSIDY

To this array of guaranteed profits enjoyed by the major oil companies we must add their special benefits under the income tax laws of the United States. I refer to the Depletion Subsidy—the 27½-percent depletion allowance in the production of oil and its twin, the privilege of writing off completely all drilling and development costs. It amounts to a double deduction with respect to the same capital investment plus the fact that the depletion allowance goes on indefinitely and does not end when 100 percent is reached as in the case of depreciation.

Permit me to quote a short statement from the testimony of Clint Elliott, an oil jobber from Pine Bluff, Ark., who told the House Ways and Means Committee 3 years ago as follows:

"I seriously doubt that there has ever been a purely patriotic oil well drilled in the history of the world. They are in business to make money just like I am, and if having a good supply of oil is to the benefit of the United States as a whole, it is a by-product of their real objective. I don't object to their making money but I do get sick and tired of seeing people cover up their greedy desires with the American flag. I have to work hard to sell petroleum products. The independent producer is guaranteed a fair share of the crude oil market by proration laws. On top of this proration protection, they get what is known as a depletion allowance which, in my opinion, is about equivalent to a license to steal. As a matter of fact, I believe I would rather have the depletion allowance." The word "depletion" is used in place of "depreciation" when applied to oil and mining properties. There is nothing wrong with permitting a proper "depletion" allowance just

as you allow depreciation on trucks, buildings, etc. But the depletion allowance should be as logical as the depreciation allowance; that is, when the capital invested has been recovered it should end there.

Since only income is taxable under the Federal income-tax laws you can see that there can be no objection to a proper depletion allowance to oil and gas producers—a method of allowing a credit for that portion of the capital assets removed and sold. The point to remember is that the percentage depletion method in the oil industry returns to the producer his capital over and over again and thus provides a hidden subsidy from the Federal Treasury.

It is quite difficult to get figures from the major oil companies which show the extent of the subsidy given them in this 27½-percent depletion allowance. This because they keep two sets of books. Legally, of course. One set is for income-tax purposes and the other for the stockholders. For the stockholders and in the published statements of the major oil companies the depletion reflected is based upon the cost of the oil in the ground as found in the accounts of the company and bears no relationship whatever to the depletion deductions provided for in the income-tax laws.

I can illustrate this to you. Before the House Committee on Interstate and Foreign Commerce in 1953 Mr. W. W. Keeler of Phillips Petroleum Co., was asked this question:

"Does the depletion reflected in the published statements of your company represent the 27½-percent depletion allowance?" To which Mr. Keeler replied:

"No, the depletion reflected in the published statements is based upon the cost of the oil in the ground as reflected by the accounts of the company and bears no relationship whatever to the depletion deductions provided for in the income-tax laws."

Just to show you what this meant for Phillips Petroleum Co., it made net after taxes in the year 1952 the sum of $75,284,261 and paid $16,500,00 in Federal income taxes. That same years the 27½-percent-depletion allowance was $33,033,000.

But the subsidy involved in this 27½-percent-depletion allowance can better be visualized if we look at several companies that only produce crude oil and gas so that other operations such as refining and marketing are not involved—particularly the losses incurred in marketing by the majors.

Argo Oil Corp., listed on the New York Stock Exchange, a strictly oil and gas producer made net profits after taxes in the year 1952 of $3,496,477 and paid Federal income taxes of $91,600.

Kerr-McGee Oil Industries, Inc., for the year ended June 30, 1952, had net income after taxes of $2,234,688 and paid Federal income taxes of $78,082.

The Superior Oil Co. (California) for the year ended August 31, 1952, had net income of $11,900,165 and paid Federal income taxes of $200,000. The following year, 1953 this company made over $12 million and instead of income taxes paid, the reports show a tax credit. And, it charged off $19,302,581 for drilling and development investments.

But one of the biggest and best companies enjoying this depletion subsidy is Amerada Petroleum Corp. I tried to secure from the reports the amount of Federal income tax paid by Amerada but find this item is buried in a classification reading: "Operational, general expenses, taxes, etc." It is quite obvious that Amerada pays little, if any Federal income taxes, though in the year 1952 this company made net profit of $15,896,000.

A BUSINESSMAN'S DREAM

In the January 1946 issue of Fortune magazine there appeared a long article on Amerada Petroleum Corp. which summed up this depletion racket and its twin, the writing off of drilling and development investments as an expense, very well. It said:

"Amerada's tax situation is a businessman's dream. The corporation quite literally does not have to pay any Federal income tax if it does not want to. This is due to the highly reasonable provisions of the internal-revenue law designed for producers of crude oil. Amerada pays so little in Federal income taxes that it does not even segregate the tax item in its annual reports. In wartime, though Amerada's profits soared, it made no provision for excess-profits taxes, and from 1943 to 1944 its normal Federal income tax actually declined. In 1944, on a gross of $26 million, a gross profit of $17 million, and a net after all charges of $5 million, Amerada's allowance for its Federal income tax was only $200,000."

THE INTEGRATED COMPANY BENEFITS

It is among the strictly producing companies that we can get an idea of the magnitude of the twin subsidy of depletion allowance and the writing off of drilling and development costs. However, the major integrated oil companies benefit to the degree that they produce oil and gas. Sometimes, because of many other operations, such as refining, transporting, and marketing, where normal income-tax rules of depreciation apply, the depletion subsidy doesn't look so large.

But remember, on the present day price of crude oil the oil produced, whether major or independent, has about 80 cents per barrel absolutely tax free. And, against the other income he can write off his investments in drilling and developemnt.

Though I will touch upon the subject in more detail later, one must actually consider both the 27½-percent depletion allowance and the writing off of drilling and development investments together to get a true picture of the company figures. For example: Socony-Vacuum Oil Co., in 1952, reported net income after taxes and expenses of $171,091,587 and paid Federal income taxes of $51 million. In that same year of 1952 Socony-Vacuum took a total of $45,184,000 as the 27½-percent depletion allowance and wrote off another $52,076,000 invested in drilling and development.

Permit me to refer you to two pages of statistics for the 3-year period of 1952, 1953, and 1954.

In addition to referring you to the two pages of statistics let me call your attention to those of Humble Oil & Refining Co., one of Standard of New Jersey's 80-percent-owned companies. On balance this Humble Co. is a big producer of crude oil. In 1952 Humble Oil & Refining Co. made net income after taxes and expenses of $145,292,144 and paid Federal income taxes of $30,500,000. In that year it took a depletion allowance of $88,480,000. For tax purposes it wrote off another $63,044,110 for intangible drilling costs, although on its books the amount thus written off was only $28,458,000.

When the Revenue Code of 1954 was before the Senate, Senator WILLIAMS, of Delaware, endeavored unsuccessfully to reduce the 27½-percent depletion allowance to 15 percent. He submitted some astounding figures for the CONGRESSIONAL RECORD of June 30, 1954. They were figures from the Treasury Department but identified the companies only by symbol. Company A, for example, took a statutory 27½-percent depletion allowance on its tax return of $17,505,000, while on its own books on a cost basis the depletion amounted to but $518,000. The net taxable income before excess depletion was $19,447,000. Yet its actual taxable income was $2,460,000.

THE DRY-HOLE MYTH

You are constantly being told, through major oil company propaganda that 8 out 9 holes drilled for oil are dry holes. That may be true among wildcatters, but it is certainly not true of the integrated oil companies. From the 1954 annual report of the Standard Oil Co. (New Jersey), I quote:

"In 1953 Jersey affiliates drilled 1,478 wells to production from proven fields. They also drilled 382 wildcat wells. Of the total of 1,860 wells, 1,178 produced oil, 146 produced only gas, and the rest were dry holes."

For this giant in the oil industry it was better than 2 producers of oil or gas for each dry hole; quite a different ratio than the 1 producer out of 9.

And the 1953 annual report of Phillips Petroleum Co. states:

"The company held a full or part interest in 676 wells completed in 1953. This program resulted in 432 oil wells, 23 gas-distillate wells, 135 gas wells, and 86 dry holes."

Rather than the 1 out of 9 producers, Phillips' record is almost the reverse, 1 out of 8 turned out to be a dry hole.

It may be that because of such instances, Senator DOUGLAS, of Illinois, has been demanding a tax-refund program that would preserve the present oil and gas depletion allowance for small operators who are not able to distribute drilling risks within their own enterprises, contending that:

"An equal allowance is not needed in the case of large operators who can distribute risks through numerous drillings."

TAX AVOIDANCE

It is my opinion that, despite the fact that we had an excess-profits tax during World War II and again during the recent Korean War, the major oil companies and the oil producers paid little if any such excess profits taxes—yet they were among the greatest to benefit from war.

And, does the Federal Treasury benefit from the operations of the major oil companies in international trade—trade which is protected by a military service supported by you and me in taxes, and by our sons and kin in uniform. The answer is little if anything. In a Senate report of 1948 on "Navy Purchases of Middle East Oil" it states:

"The oil companies have shown a singular lack of good faith, an avaricious desire for enormous profits, while at the same time they constantly sought the cloak of United States protection and financial assistance to preserve their vast concessions.

"The representatives of the oil companies made a special effort to impress the committee with the allegation that the parent companies, Standard Oil of California and the Texas Co. paid large amounts in United States taxes.

"During the course of the hearings, however, it developed that their subsidiary, Bahrein (Canadian Corp.) had accumulated profits and surplus of over $91 million in the course of 15 years on a capital stock of only $100,000. This company, according to the record had paid no taxes to the United States or even to Canada."

DRILLING AND DEVELOPMENT COSTS

The twin subjects of percentage depletion and the write-off of drilling and development investments are so interrelated in the oil industry that they must be considered together to get a fair understanding of the tax subsidy thus given to oil producers.

Under Treasury Department regulations, of doubtful legality in their origin, but later approved by the Congress, drillers of oil and gas wells have the option to deduct, as an expense, intangible drilling and development costs. The Secretary of the Treasury in 1951 described it to the House Ways and Means Committee as follows:

"In addition to the highly favorable depletion allowances, oil producers can immediately deduct for tax purposes a substantial part of their outlays for drilling and development. The amounts of capital investment thus written off at the outset

have no effect on the future percentage depletion deductions. This results in a double deduction with respect to the same capital investment. The combined impact of percentage depletion and the privilege of deducting drilling and development costs as a current expense is to wipe out the tax liability on income running into millions of dollars."

So far as I am aware the oil industry is the only industry that enjoys this particular type of tax avoidance or tax subsidy. It would be equivalent to you as a jobber writing off as expense any buildings or tanks you erect, or trucks you purchase. And, combined with the depletion subsidy, the right to continue to write them off your books year after year.

RISK ASSUMED BY GOVERNMENT

Proration of oil to market demand (or below), transportation profits from operation of pipelines and tankers, fast writeoffs for so-called emergency facilities, the 27½-percent depletion allowance and the privilege of writing off drilling and development costs have removed the financial risk of integrated oil companies so that they can be said to operate in a preferred class. If there is any risk left in the operation of the integrated oil producers such risk has been assumed or underwritten by the Federal and State Governments.

DIRECT SUPPLIER COMPETITION

Men with money invested in marketing facilities alone must compete with the direct distribution facilities of those so heavily fortified with Federal subsidies. I do know that the oil jobber has been fairly well squeezed out of the retail gasoline business in the big cities and that while there are many hardy men left, and perhaps newcomers entering, the trend is to smaller operations in the areas unprofitable to the integrated companies. Acquisition of desirable locations and properties by the majors goes on as I need not tell you men in the business. In some figures from the Senate Small Business Committee I found that in a 6½-year period Socony-Vacuum over the United States acquired 600 independent filling stations from their former independent owners and over 200 wholesale bulk plants from independent jobbers.

WHAT IS THE ANSWER?

What is the answer? How can jobbers be protected in their American right to be free to buy on an open market as they are required to sell on an open market? In my opinion the answer lies in either of two directions:

1. End the phoney proration of oil production to market demand (or below) or at least the Federal aids thereof; and remove the depletion subsidy or reduce it to the point that it only returns the operator's capital; or

2. Oil marketers must fight to have oil marketing divorced from the other branches of the oil industry.

MARKETING DIVORCEMENT

Oil marketing divorcement can be accomplished in two different ways. First, it could be accomplished by legislation, State or Federal. With the elaborate major oil lobby that exists in legislative centers at this time the legislative approach is very doubtful.

The most efficient way to accomplish oil marketing divorcement would be for the Department of Justice to bring suits as it has in the matter of the meat packers, the moving-picture producers, the Pullman Co., and others, to divorce the marketing facilities.

One such suit is now pending on the west coast against the seven major oil companies operating in that area. The case has long been coming to trial—far too long—but it will present the issue, we hope, and be favorable to divorcement. When this case was filed the then Attorney General promised that additional segment suits would soon be filed. The filing of such a suit here in the Middle West right now would perhaps be the first step in bringing about marketing divorcement in your area.

CONCLUSION

I assure you that I wish I could have covered the above subjects in shorter time. Yet I have only given you the highlights. To paint the full picture of the monopolistic practices existing in the oil industry would take many days.

What can you do about it? Left to run its course without opposition I think you know the answer—the gradual diminishing of the jobber operation if not his elimination. You know old man Rockefeller had a slogan "pay no man a profit" so if the oil monopoly can get you to work for meager wages that is exactly where you are headed.

IT'S LATER THAN YOU THINK

Perhaps it is later than we think. I know many a free heart in oil marketing has had to let the economics of his business overrule his heart's desires. Many of you are almost as subject to the will and whims of your suppliers as if you were a chattel.

ETERNAL VIGILANCE

Americans before us have broken the chains that bound. And that is exactly what oil jobbers must do. The facts I have given you and the additional facts must be taught to all jobbers and they in turn must tell their friends, neighbors, and customers. Eternal vigilance was once said to be the price of liberty. We in oil marketing haven't been quite as vigilant as we should have been. For today the integrated oil industry is more powerful than the United States Government and all the people in it. And, when the integrated oil companies speak in the political arena they leave the impression they are also speaking for you.

STAND UP AND FIGHT

If you like this oil business; if you like to run your own business; if you like to call yourself a free American; then I say to you, stand up and fight for your rights.

[1st figure opposite the corporate name represents the net income for the year indicated; the figure immediately below (where available) represents the Federal income taxes paid]

	1954	1953	1952
Amerada Petroleum Corp	$19,777,648	$18,445,590	$15,896,000
	(1)	(1)	(1)
Anderson-Prichard Oil Corp	3,253,561	4,441,574	3,766,530
	38,112	1,552,500	669,500
Argo Oil Corp	4,288,870	4,212,289	3,496,477
	336,889	179,114	91,659
Atlantic Refining Co	41,383,698	49,808,850	40,476,092
	3,988,859	7,565,651	12,708,292
Continental Oil Co	41,683,189	40,874,666	38,087,890
	8,700,000	14,900,000	14,400,000
Gulf Oil Corp	182,813,045	175,036,136	140,070,932
	[2] 105,917,340	[2] 103,790,561	[2] 103,598,058
Honolulu Oil Corp	10,236,319	10,172,439	7,343,224
	1,278,154	1,590,080	1,900,081
Houston Oil Co	6,487,785	6,709,844	6,344,657
	1,275,000	1,785,000	1,500,000
Humble Oil & Refining Co	146,302,708	164,257,854	145,292,114
	28,500,000	38,456,777	30,500,000
Lion Oil Co	11,071,426	10,688,260	10,211,425
	5,454,000	6,237,000	6,331,000
Middle States Petroleum Corp	2,163,707	2,550,271	2,162,835
	42,130	50,000	40,000
Midwest Oil Corp	5,512,883	5,476,611	5,241,557
	1,101,014	1,852,614	1,775,650
Ohio Oil Co	38,223,725	43,539,172	39,354,021
	8,700,000	16,300,000	14,900,000
Pacific Western Oil Corp	12,217,813	11,672,586	8,968,934
	1,967,000	1,143,000	602,000
Phillips Petroleum Co	76,234,679	76,760,231	75,284,261
	18,000,000	22,190,000	16,500,000
Plymouth Oil Co	6,759,060	8,059,078	10,295,792
	1,636,500	3,477,350	3,884,000
Pure Oil Co	31,163,000	27,104,763	27,304,373
	3,889,000	11,028,000	11,042,000
Seaboard Oil Co	$7,470,307	$6,540,132	$6,715,591
	335,000	600,000	800,000
Shell Oil Co	121,127,000	115,407,000	90,872,834
	60,000,000	64,000,000	52,700,000
Sinclair Oil Corp	74,623,256	68,061,005	86,475,303
	28,750,000	22,000,000	17,000,000
Skelly Oil Co	29,455,250	31,276,785	28,039,692
	6,651,000	10,574,200	10,211,600
Socony-Vacuum Oil Co.[3]	183,806,000	187,000,000	171,691,587
	52,800,000	57,800,000	51,000,000
Standard Oil (California)	211,872,447	189,453,450	174,030,499
	50,800,000	64,600,000	40,700,000
Standard Oil (Indiana)	117,156,768	124,826,397	119,981,438
	30,277,000	53,709,000	53,240,000
Standard Oil (Kentucky)	12,385,412	10,441,246	10,271,684
	12,700,000	12,500,000	12,850,000
Standard Oil (New Jersey)	584,793,158	881,007,661	519,981,109
	311,000,000	369,000,000	293,000,000
Standard Oil (Ohio)	18,527,085	21,217,675	17,697,033
	11,000,000	11,800,000	
Sun Oil Co	40,343,791	45,153,602	43,013,063
	9,700,000	16,500,000	13,700,000
Superior Oil (California)	10,360,388	12,000,382	11,900,165
	(4)	(4)	200,000
Texas Co	226,140,761	192,600,078	181,242,172
	40,100,000	52,400,000	47,200,000
Texas Pacific Coal & Oil Co	7,856,034	7,599,068	6,846,335
	400,000	1,275,000	1,255,000
Tide Water Associated Oil Co	34,547,000	36,952,000	31,116,521
	3,500,000	6,500,000	8,219,000
Union Oil Co. (California)	35,887,920	38,099,602	27,579,759
	6,600,000	8,750,000	4,800,000

[1] Income tax figures not available.
[2] Gulf Oil—Includes United States and foreign income taxes.
[3] Now known as Socony Mobiloil Co.
[4] Tax credit.

Mr. HENNINGS. Mr. President, I yield the floor.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HENNINGS. I have yielded the floor.

Mr. DOUGLAS. I congratulate the Senator from Missouri on his very able address. The Senator from Missouri is known among us as one of the ablest constitutional lawyers in the Senate. Certainly he is one of the ablest constitutional lawyers who has served in the Senate in many years. His analysis of the legal features of the bill and of the weaknesses of the amendments in the bill which allegedly protect the consumers is the best analysis produced during the entire debate.

I do not wish to single out any particular portion of the address of the Senator from Missouri as being better than any other portion, because it was all on an extremely high level; but he made one point which I think has not been hitherto sufficiently emphasized and which, I think, needs to be constantly borne in mind; namely, the interrelationship of gas and oil prices. If the price of gas at the wellhead is increased, which will ultimately result in an increase in the price of gas to the consumer, we can be quite certain that the same companies which control gas and which also control oil will, in all probability, step up the price of oil. So that there is involved not merely the price of gas, but also the price of oil. This should make the bill of double significance to all the States, and of especial significance to some six States of the Union which now do not use natural gas but which do use large quantities of oil. The representatives from these States should not regard themselves as neutral in this matter, for the price of the oil which they use is intimately bound up with the price of gas which producers in the Southwest will receive.

I again congratulate the Senator from Missouri for his very able address and for the courageous attitude he has taken in this matter.

Mr. HENNINGS. Mr. President, I should like to express to my learned, respected, and dear friend, the distinguished senior Senator from Illinois, my deep appreciation. He has been the leader in this battle, and I am sure he has been an inspiration to all of us who have taken what we deem to be a conscientious and righteous position. Commendation from the Senator from Illinois is commendation indeed.

Mr. SALTONSTALL. Mr. President, I should like to take this opportunity to offer very briefly, but as clearly as I can, my reasons for voting in support of the pending bill.

The bill seeks to amend the Natural Gas Act of 1938 because of the greatly increased production and use of natural gas and its transportation through pipelines to sections of the country far from the places of production. It is brought about by a decision of the Supreme Court which interprets the 1938 act to include regulation by the Federal Power Commission at the wellhead of gas that is sold into interstate commerce for transmission through pipelines to distributing companies, which, in turn, sell it to the ultimate consumer.

Massachusetts is, of course, essentially a consumer State. What our people want and need is the largest possible amount of gas made available for home and industrial use at the lowest possible price that is fair to the producer, the distributor and the transporter of that gas. The issue, as I see it, therefore, for us in Massachusetts, is whether this bill, S. 1853, is so drawn as to make such low cost consumption possible from maximum available sources at a rate fair and just to all concerned.

First, let me say as basic to my thinking in this regard that, if the consumer is properly protected against unfair and unjust price increases, whether the commodity be natural gas or any other, I believe it fundamental to our American economic and social system that private enterprise should be encouraged just as far as this can practically be done. I believe that regulation and control, unless absolutely necessary in the public interest, have tended historically to lead to strangulation of effort and of productive result wherever such regulation has been imposed. I think it very important to note that since the Phillips case decision by the Supreme Court the number of new wells that have been sunk in search of natural gas has declined seriously. Although this decline in the ratio of new supplies to current production was clearly evident in 1954 and 1955 and while it may have been merest chance that new discoveries of gas were as low as they proved to be, it is equally possible that the Phillips decision establishing Federal regulation at the wellhead was the primary reason.

Second, as regards the interest of the consumer—which in every instance is my primary consideration—let me emphasize my conviction that free and unregulated competition in the production of natural gas would inevitably redound to the consumer's benefit through the very nature of the competition which would result and the related interaction of the law of supply and demand.

Several times in recent years we of New England have resisted efforts to regulate the importation of crude oil through the establishment of quotas. We took this position because oil is an essential fuel in New England, and we did not want the supply limited so that the price might be increased. If we attempt now to regulate natural gas at the wellhead, it seems to me we are taking the directly opposite position, possibly to our own disadvantage.

Furthermore, it should be remembered that not only will the Federal Power Commission have regulatory authority once the gas moves from the wellhead into interstate commerce, but at the State line the regulatory authority of State public utilities commissions will certainly be applied.

Third, if we want to assume that regulation by the Federal Government at the wellhead will achieve the consumer protection desired, are we not justified in inquiring in some detail into whether or not such regulation is actually possible, as a practical matter, by the Federal Power Commission? How, conceivably, can a reliable and standard formula be arrived at for determination of the cost of gas at the wellhead? By what means is it to be decided what allowances could and would be made in the case of dry wells? By what measurement could allowances be made for wells of a different character? Through what comparisons would rental or purchase costs of acreage to be prospected be established? How, in short, are all these and related costs to be determined in the process of fair and equitable regulation?

We should always remember that there are from 4,500 to 8,000 different wells now producing gas. In greater or lesser degree each well must have its own price pattern. But there are only 31 pipeline companies. It certainly seems more practical to me to determine a reasonable market price for gas passing through the 31 pipelines than to try to determine a reasonable market price at the head of 8,000 wells.

As regards future costs and price increases, this bill, if it becomes law, will permit only two forms of escalation in the price of gas at the wellhead—first, when it is in the contract with the distributing company, and second, when taxes are increased. Other forms of escalation now in practice will be eliminated.

Fourth, on the assumption that regulation would be practical from the standpoint of ultimate consumer benefit, would we not simultaneously be running the very grave risk of setting a precedent for the regulation of production which would open the floodgate for Federal control of both production and price of all other resources or natural commodities? Would it not be equally just, for example, to regulate the price of the bunker oil which plays so important a part in the production of steam for generation of electricity? To deliberately set such precedents, to invite ultimate nationalization of our resources by such a precedent, is, to me, to court disadvantages, dangers, and even possible disaster for the consumer.

Fifth, it should be clearly noted that in Massachusetts—and my study has led me to believe it is as true in other States—the smallest part, less than 10 percent, of the ultimate cost of gas for our people is represented by the price at the wellhead. More than 90 percent of that cost to the consumer is added in the process of transmission and distribution, the very channels and areas over which both the Federal Power Commission and the regulating bodies of the individual States are in a position to exert complete control for the protection of the consumer whenever necessary or desirable.

In short, Mr. President, with fair and just regulation a practical impossibility, with drastically reduced gas supply a possibility in the event of wellhead regulation, with the clear prospect of more and cheaper gas available to the consumer through the force of free competition, and with the grave threat of regulation setting a dangerous precedent of control, I believe, in fairness to the producer and in the interest of the consumer, that this bill should pass. It is for these reasons, briefly stated, that I give the bill my support.

ORDER FOR RECESS UNTIL 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the unanimous-consent agreement provides that at the conclusion of the morning business on Monday, the Senate shall proceed, under a limitation of debate, to the final consideration of the bill to amend the Natural Gas Act, including all motions, amendments, substitutes, and so forth.

It is the plan of the leadership to have the Senate meet at 10 o'clock on Monday morning and then, as soon as the morning hour has been concluded, to proceed to the consideration of amendments, motions, substitutes, and so forth, and to continue in session throughout the day on Monday.

I am not completely informed about the number of amendments which will be offered but the distinguished junior Senator from Rhode Island [Mr. PASTORE] indicated yesterday that, in his opinion, there would be perhaps 3 or 4 amendments. Under the limitation of 1 hour to an amendment if all the time were to be used—and possibly there may be a vote on a proposed substitute amendment—that would consume 3 hours. However, I have no reason to believe, if all the remainder of this week is devoted to debate on the bill, that all of that time will be used, although at least a portion of it will be.

In view of the plans which have been made to accommodate our colleagues of the minority, who have scheduled Lincoln Day speeches for later next week, I hope it will be agreeable to have the Senate continue as late into the evening on Monday as may be necessary in order to conclude the consideration and final action on the bill or whatever substitute may be adopted.

I should like the Senate to be on notice that this is the hope and plan of the leadership. If we are unable to achieve it or accomplish it on Monday, we shall come back at 10 o'clock on Tuesday morning and remain in session until late on Tuesday night. If action on the measure has not been concluded by Tuesday night, we shall come back on Wednesday in order to do so.

Mr. SALTONSTALL. Mr. President, will the distinguished majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. SALTONSTALL. For the purpose of enlightenment, will the majority leader inform the Senate whether, if the discussion on the bill runs out on Wednesday, Thursday, or Friday of this week, it is his plan to have the Senate consider some of the other bills concerning which he has given notice, such as the sugar bill?

Mr. JOHNSON of Texas. Yes. I have announced previously certain bills which may be taken up in case no other Senators desire to discuss the natural gas bill.

Mr. SALTONSTALL. Would the sugar bill be included among them?

Mr. JOHNSON of Texas. It would include the sugar bill. That was one of the bills which I enumerated.

Of course, the minority leader will be notified in ample time, so that Senators of the minority may be prepared.

It might possibly be that we shall have a call of the calendar later this week.

But what I wished to emphasize was that the Senate will convene at 10 o'clock next Monday morning. I desired to give this notice to all Senators, especially Senators who plan to be away later next week, so that they might make their arrangements, and might be prepared to cooperate with the Senate in concluding the consideration of the bill by Monday evening, even if the Senate were required to sit until a late hour; and if not on Monday, then on Tuesday; and if not on Tuesday, then on Wednesday, or until such time as action on the bill has been concluded.

Mr. GOLDWATER. Mr. President, Arizona is interested in the outcome of the pending natural gas legislation for two different and yet associated reasons.

First, Arizona is a great consumer of natural gas, and like any consumer, my State is interested in assured and continuing supplies of natural gas for the future.

Second, Arizona is a great mining State. As such, we see a problem in this natural gas controversy that will directly affect our established industries, our State's economic welfare and, of course, our Nation's way of life.

That problem is the dangerous precedent which will be established if we allow the price of natural gas to be controlled at the wellhead by the Federal Power Commission.

If the Federal Government can fix the price of natural gas at the wellhead on a utility basis—as the opponents of the Fulbright bill would have us do—then it can with equal facility reach out and fix the price of copper produced in Arizona, the price of coal mined in Pennsylvania and Colorado, or the prices of oil, butter, or automobiles, as the distinguished majority leader, the Senator from Texas [Mr. JOHNSON] so capably pointed out recently.

If that comes to pass, we shall soon see the end of our system of free competitive enterprise.

Let us make no mistake about it. We are dealing here with a most fundamental problem. That problem is whether businessmen—and that means all businessmen, not merely natural gas producers—are to be free to compete in finding, producing, or manufacturing the things that make for our high standard of living, or whether their every action, in effect, is to be dictated by Government decree.

Why is this so? Because when we attempt to regulate the price of a commodity at its point of origin, we are tinkering with the very heart of our American economic system. Mr. Justice Douglas recognized that when he said in his dissenting opinion in the Phillips case:

> Regulating the price at which the independent producer can sell his gas regulates his business in the most vital way any business can be regulated.

It is perhaps pertinent to note at this point also the views of the American Continental Congress with respect to price fixing. In a formal resolution in 1778, the Congress said:

> It hath been found by experience that limitations upon the prices of commodities are not only ineffectual for the purposes proposed, but likewise productive of very evil consequences to the great detriment of the public service and grievous oppression of individuals.

How wise indeed they were.

It is my fervent hope that we may be equally wise in arriving at our decision on this question. The prosecution of economic progress is best left in the hands of private citizens. History is replete with the evidences of attempts—and failures—of planned economies. I say categorically that failure to pass the bill will mean another step toward a completely planned economy in this Nation. The encircling arms of grasping government will move in.

The mining industries and the natural gas and oil producing industry have many things in common. In both cases, men try to locate hidden resources which lie beneath the surface of the earth. In both cases, they face extensive costs in exploration and development, and in both cases they achieve varying degrees of success. In both cases, they are dealing with a product which, once consumed, is irreplaceable. Under these circumstances, they need every incentive to continue exploring for and developing the natural resources upon which our future depends.

The United States of America was not overly endowed with more than its share of the world's natural resources. We have in this Nation less than one-sixth of the world's land area, and the resources to be found within our boundaries are roughly comparable with those found in other areas—in some cases greater and in some cases less.

Other nations have greater deposits of many resources than we, yet no one can assert that other nations have done as much with their resources as we have with ours. Indeed, in many areas of the world, it has remained for American skill and ingenuity to bring about the very development of foreign resources that many of our sister nations of the world are now beginning to enjoy.

What is it that gives us this great advantage over other countries? What distinguishes us?

To me, the answer is obvious: It is that our people have been free to compete, and to enjoy the fruits of their competition.

Our American heritage is made up of many things, but among these are the basic principles of free enterprise: the freedom to pursue the trade of one's choosing; the freedom to own property; the freedom to risk one's savings in the hope of making a profit; the freedom to invent and develop; the freedom to keep the rewards of one's initiative, ingenuity, and effort. All these factors and many more make up what we have come to know as our private enterprise system.

These liberties are among those that inspired the founders of this Nation to leave their homelands and to establish a new country on distant shores. It was their intent that freedom and liberty should be every man's right, and that

that right should be preserved for future generations. Individual liberty and dignity became the bulwark of the great documents in which our forefathers set forth the precepts under which this Nation should be governed.

Now, however, those freedoms are threatened. I do not say that facetiously or in the tone of one crying "wolf." I say it because, by judicial interpretation of one of the laws enacted by the Congress, the Federal Government has been thrust into an area of regulation where it never had the right to be. But if by our inaction on this measure, or by our defeat of this measure, we should by implication endorse this action, then we would, indeed, be opening the door for Government control of all our great natural resources.

We have reached a crossroads.

We must now decide which way our American economy goes from here—whether we shall continue to have a free, privately operated economy, with all its attendant benefits to the consuming public, or whether in 1956 we shall turn from the traditional principles which have built our great Nation and head down the path toward a nationalized economy.

We must recognize that, if we permit Federal control of this basic commodity, this valuable natural resource, natural gas, to stand unchallenged, then we shall surely have nibbled away another piece of mortar which cements in place the cornerstone of free enterprise.

We will in essence have placed ourselves on record as having lost faith in the competitive economy which has been a part of our Nation's structure since its inception.

We will have established a precedent to which the advocates of Government control will ever be able to point to, and we will have given them the means by which they can accomplish their objective of total Government control of everything.

I, for one, do not wish to see these things happen.

I am convinced that all of us would be breaking faith with our constituencies if we do not endorse this measure. I know that there have been cries raised about the so-called tremendous increases in the price of natural gas. But I am aware, too, that prices of other goods and services have also risen during the past 10 years. Yet there has been no clamor to have the other prices fixed by Federal bureaucratic action. It is evident to me that there is a deeper, hidden objective behind this drive for regimentation of the natural gas producing industry. I suspect it is an objective for which some groups have been working for years, the nationalization of the natural gas and oil industry, the first step toward Government domination of all natural resource industries.

I do not wish to be a party to accomplishing that objective. I have every faith and confidence in the competitive system. I know, without qualification, that it provides the best in goods and services at the most reasonable prices for the American consuming public.

I fully support this measure in the interests of the entire American public, and I urge with all sincerity that my colleagues do likewise. To do otherwise would be to betray the trust and confidence which our constituencies have placed in all of us.

CARGO PREFERENCE, THE SALVATION OF THE AMERICAN MERCHANT MARINE

Mr. BUTLER. Mr. President, for some time now I have noted with interest, and recently with alarm, the efforts of a certain fight promoter to stage a bloody battle between, of all things, two brothers. To make matters worse, I know from experience with this promoter that he will not be satisfied with the usual matchmaker's percentage. In bringing about this battle of the century I am afraid he will walk off with the entire proceeds, leaving the fighters nothing but their wounds to nurse.

That being the case, and even though the United States Senate does not usually interest itself in such schemes, I felt I should speak out today so that we could at least see to it that the fight is a fair one and that this promoter is not the only winner.

Of course, in this cartoon which I have just verbally drawn, which incidentally I find more tragic than humorous, the crafty promoter is none other than a powerful group of foreign ship owners, and the brother pugilists are the American farmer and the American seaman.

For those of my colleagues who have been so overcome of late by natural gas matters, and the like, I should explain more clearly this allegorical picture.

It will be recalled that in the 83d Congress we passed the cargo preference or 50–50 bill in order to require as part of our permanent merchant marine legislation provision that at least 50 percent of all United States Government-generated cargoes, moving in ocean transportation, be carried aboard privately owned American-flag vessels, provided—and this is a most important proviso—such vessels are available at fair and reasonable rates. That bill wrote into permanent legislation a principle which for years we have been taking the trouble to write separately into practically all our foreign-aid bills. Although I sponsored the bill, it was truly a bipartisan effort, and Senators from the other side of the aisle, like the Senator from Washington [Mr. MAGNUSON], played a leading part in its enactment.

Of course, from the beginning the 50–50 principle, and ultimately the cargo preference bill itself, were opposed by various foreign-ship owners. During the 83d Congress, before the bill was enacted, they made no bones about the fact that their countries were not satisfied that privately owned American vessels were then transporting only about 25 percent of our imports and exports. To their credit, they were frank enough to come up here to Congress and say, in effect, that they wanted to carry all our foreign trade. And, incidentally, that is just what they still want.

As I see the situation, the only change that seems to have taken place is that now these foreign-ship owners no longer are frank, direct, and aboveboard in their opposition to the cargo preference law. Instead of coming here themselves to plead for its repeal they apparently have convinced certain good and true friends of American farmers that the bill is bad for the American farmer, and therefore he should have it repealed, or sterilized by amendment.

I use the words "certain good and true friends" advisedly because these foreign-ship owners have failed to sell their bill of goods to many of our farmers' friends. For example, on November 2, 1955, the National Grange published the following resolution:

> The National Grange considers the American merchant marine an indispensable line to foreign markets as well as an important auxiliary to our national defense. Agriculture and our maritime industry have a mutual interest in building and developing expanded foreign export markets for United States farm products. We therefore support the policies previously adopted by our Government to place American ships serving essential trade routes on a basis of competitive equality with foreign merchant fleets and assure United States merchant ships a fair and equitable share, which the law now establishes as at least one-half, of United States financed cargoes.

Somewhat similar resolutions have also recently been passed by the American Legion, the Veterans of Foreign Wars, and the National Foreign Trade Council.

Therefore, I think it is safe to assume that many farmers and many friends of farmers favor the cargo preference law.

Let anyone think that I am opposed to a careful and objective study of the effects of that law upon the disposal of surplus agricultural commodities, let me say here and now that I not only am not opposed to such an inquiry, but indeed I welcome it.

Just such a study is getting under way on the House side. It will be conducted by the House Merchant Marine and Fisheries Committee. Congressman HERBERT BONNER, chairman of that committee, in a recent announcement stated that his committee was about to start hearings on that subject. As I understand, the first hearing is scheduled to start today, January 31.

Incidentally, in announcing these hearings, Mr. BONNER took pains, though it was not necessary, to guarantee the strict objectivity with which his committee intended to inquire into whether the cargo preference bill was impeding the disposal of surplus agricultural commodities. In doing so he reminded all that in his district of North Carolina farmers were much more important, politically speaking, than merchant mariners.

In order that all relevant information can be given to the House committee, I suggest that we let all our constituents who might wish to testify or submit statements to the House committee know of these hearings. Thus informed, the interested parties can decide what action they should take to make their views known to that committee. Properly publicized and properly conducted, I have high hopes that this study will develop

all of the arguments on all of the sides, find the relevant facts, and settle this dispute between the American farmer and the American seaman once and for all.

It is my intention to follow carefully the House committee hearings, and I am sure that many of my colleagues will do the same.

Now, by way of preface to the House committee's hearings, and so that we may all have a better understanding of the cargo preference law and the charges that have been leveled against it, I would like to review first the background of the law, and then the charges as I understand them.

There is a provision in the Merchant Marine Act of 1936 to the effect that it is necessary for the national defense and development of this country's foreign and domestic commerce that it have a merchant marine sufficient to carry "a substantial portion of the waterborne export and import foreign commerce of the United States." The most direct roots for the cargo preference law are found in Public Resolution 17, enacted in 1934. That resolution expressed the policy that where loans are made by the United States to foster the export of agricultural or other products, provision shall be made that such products—

Shall be carried exclusively in vessels of the United States, unless, as to any or all of such products, the United States Maritime Commission, after investigation, shall certify * * * that vessels of the United States are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

Please note that under Public Resolution 17, and in the depths of the depression, we thought enough of the importance of our merchant marine to require that agricultural exports moving because of United States loans be carried exclusively, not 50–50, but exclusively by our ships, provided they were available at reasonable rates. So cargo preference in connection with our Government-generated agricultural exports is no "Johnny come lately."

In the postwar period, when America's foreign aid programs dwarfed all other international trade movements, we required in 9 of our foreign-aid statutes that at least 50 percent of the goods procured in the United States out of the aid funds be carried on American-flag ships. The supporting principle for this 50–50 policy was obvious and persuasive. Since these were not commercial transactions but rather in the nature of gifts, or other forms of aid, Congress asserted this Nation's right to direct the means by which its largess would be transported abroad.

The main trouble with this bill-by-bill legislative technique was that it was piecemeal in nature, requiring the cargo-preference principle to be written into each foreign-aid program—always with the risk that in the mass of legislation considered some such bill might slip through to enactment without the requirement attaching.

So, in the 2d session of the 83d Congress, I sponsored S. 3233, the so-called cargo-preference bill, which eventually became Public Law 664 when signed by President Eisenhower on August 26, 1954. By its provisions, that statute amends section 901 of the Merchant Marine Act of 1936. It codifies and extends into permanent legislation various preferences for United States-flag commercial vessels in the transportation of Government-generated ocean cargoes. These preferences apply in the following four situations:

First. Government-purchase cargoes.

Second. Government-gift cargoes.

Third. Cargoes created by Government loans.

Fourth. Cargoes created by Government guaranties.

I wish to emphasize that the statute does not extend the 50–50 cargo-preference principle to commercial transactions. For example, it does not extend the principle to the situation where a broker or exporter sells to a firm abroad without participation of the United States Government.

Furthermore, like Public Resolution 17, it expressly limits the 50–50 or cargo-preference principle to situations where American ships "are available at fair and reasonable rates for United States-flag commercial vessels."

In reflecting upon why we overwhelmingly passed the cargo-preference bill, the following merits mention. After the costly experience of being caught up in two World Wars without an adequate merchant marine, this country has, I hope and believe, irrevocably decided that it must maintain a nucleus of merchant vessels capable of expansion in times of national emergency. To do so within the framework of private property, we know that we must give the owners and operators of American-flag vessels certain aid, in order to put them on a par with their low-cost foreign competitors. This aid is necessary not because our shipping companies are inefficient, but rather because we require the owners and operators of American-flag vessels to meet more rigid and costly safety standards; to employ better but more expensive American labor; and to take a host of other costly steps not required of the foreign competition. By allocating to American merchant ships 50 percent of all Government-generated cargoes, this country's maritime assistance payments are of course reduced, without restraining normal commercial foreign trade transactions.

Then, too, I think we should consider seriously just how dependent our merchant marine is upon the cargo preference law. In a recent speech, the Under Secretary of Commerce for Transportation, Mr. Louis S. Rothschild, at the transportation outlook conference sponsored by the chamber of commerce, said:

About the only source of operating assistance for our unsubsidized vessels in foreign trade is the 50–50 cargo preference law. Without this, many of them, particularly the tramp operator, would be eliminated entirely.

Finally, before reviewing the charges being made against the cargo preference law, I submit one further bit of important background information. Today we have six to seven hundred less ships in our active fleet than our military authorities estimate to be necessary for national defense purposes. For those who think the American merchant marine is no longer sick, they should bear in mind that the United States, in spite of all our efforts, has plummeted among the nations of the world in the number of ships being built in home yards. Certainly the large number of American seamen presently "on the beach" leaves no cause for complacency.

Now I turn to the charges which have been leveled against the principle of cargo preference. First, and foremost, it has been charged that the law has impeded the disposal of farm surpluses under title I of Public Law 480. Well, who would know better about this than the Department of Agriculture? I do not say that either side to the dispute should be bound by the views of the Department of Agriculture; but I would certainly think all would agree that the Department's statistics, supported by competent evidence, were entitled to considerable weight.

Therefore, I was pleased to learn that by letter dated January 10, 1956, Mr. BONNER requested the Secretary of Agriculture to give him a full report of the extent to which the cargo preference law had impeded the surplus commodity disposal program. Mr. BONNER said:

As you are aware, however, there have been charges that the 50–50 shipping law is impeding our programs for the export of surplus agricultural products. One of the principal allegations is that foreign nations have refused to negotiate or have withdrawn negotiations for the purchase of such products by reason of Public Law 664. Another is that the law requires additional shipping cost to be incurred and that these additional costs are fast dissipating the funds available for the purchase of surplus commodities.

Frankly, Mr. Secretary, I am anxious to know the true facts in connection with these allegations. Accordingly, it is my intention to call hearings again within the next few weeks so that we may thoroughly explore the entire subject. To this end we expect to call witnesses from your Department and other Departments concerned with the marketing and transportation of commodities in Government programs. Therefore, I would appreciate it if the appropriate representatives of the Department of Agriculture will be prepared to testify on all phases of the subject when the hearings are called.

In the meantime, I should like to have from you at the earliest possible date (a) a statement, with pertinent data such as country, commodity, dollar value, etc., of all Public Law 480 programs and transactions which have been completed to date, and (b) a statement listing all cases wherein foreign nations have refused to negotiate or have withdrawn negotiations for the purchase of our agricultural products alleging our 50/50 law as the reason. In this connection, I would like to have the details of these transactions, including instances in which negotiations were later reopened and carried to consummation, the present status of negotiations which have not been concluded, and any other reasons, other than the 50/50 law which may have influenced the action of the countries involved.

I commend Mr. BONNER for his requests of the Secretary of Agriculture as contained in the letter from whom I have just quoted. Indeed, I have only one thing to add concerning the first charge, namely, that when considering whether

the cargo preference law has impeded the disposal of farm surpluses, I hope Mr. BONNER will not overlook the fact that two-thirds of the $700 million authorized for surplus disposal, over a 3-year program, was exhausted in the first year. In fact, we got rid of so much, so quickly, that a joint effort by farmers and merchant mariners has now boosted the authorization to $1.5 billion.

The next charge is that the cargo preference law should not apply to such commodity disposal program because transactions under these programs are of a normal commercial type. Well, that charge, too, will, I predict, be taken up objectively, considered and reported on by the House committee. In doing so, I hope the following factors will receive committee consideration:

Since under Public Law 480 a surplus commodity is one "in excess of anticipated exports for dollars," is it not true that transactions under the program must be beyond those that would normally take place in a free economy?

Furthermore, when the seller, in this case the United States, is not trying to make a profit, but indeed is willingly losing money on almost all sales, does that not distinguish these transactions from those we think of as "normal, commercial" ones?

Then, too, while commercial channels might be used, are not governments rather than individuals the real parties in interest to these purchase-and-sale transactions?

Is it not true that the prices set are not fixed by commercial standards, but at levels that will not disturb prevailing world market prices?

Finally, is not it true that under this disposal program the United States not only accepts payment in nonconvertible currencies, but either has given back or loaned back 60 to 70 percent of the foreign currencies involved?

A third charge against the cargo preference bill which the House committee will undoubtedly take up is that it increases the cost of farm surpluses to purchasing countries. I should not think the committee would have much difficulty with that one, because when the commodity is carried on United States-flag ships, the dollar cost of ocean transportation is financed by the Commodity Credit Corporation. The importing country pays in local currency, the world market freight rate. Its cost for ocean transportation, therefore, is the same regardless of whose ships are used.

A fourth charge is that the requirements of the cargo preference law will reduce the amount of total surplus sales that can be made under appropriated funds. If my information is correct, I understand that the freight rate differential attributable to the cargo preference law is just over $2 million, out of a total disposal authorization to date of more than $468 million; or less than one-half of 1 percent. I assume the House committee will place in clear perspective how that cost stacks up with the losses we are taking by selling these commodities below cost.

There might be other charges, too, against the cargo preference law, but I am not aware of them. However, if I have overlooked any of which other Members of the Senate are aware, I cannot urge strongly enough that they see to it that those charges are brought to the attention of the House committee. Only in that way can this problem be disposed of intelligently, fairly, and once and for all. Only in that way can we do justice to our farmers, our merchant seamen, and our taxpayers.

It will be noted that I am not too much concerned about the foreign shipowners who started this scrap. History has proven that they can and do take care of themselves pretty well.

Mr. President, I yield the floor.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded. The distinguished senior Senator from Tennessee is now present, and I assume he is ready to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I rise in opposition to the natural gas bill which is now under consideration by the Senate.

During the past few days Senators have heard this measure discussed, pro and con. Perhaps there is not a great deal of light that I can add to what has already been furnished. I should like to review, however, the reasons which impel me to take a position in opposition to the pending bill.

I do not think, in my 17 years' experience in the House and the Senate, there have been any issues on which the people of Tennessee have been so united in their opinion. Both houses of the Tennessee Legislature have passed a resolution opposing the bill. Many city councils within my State have taken the same action. We have had more telephone calls, letters, and petitions from persons in Tennessee protesting the bill than any other subject which I can remember. The reason for this united opposition by the people of Tennessee is that they realize that if the pending bill shall be enacted, their rates will increase. I know that in adopting the decision I have reached, I am doing what the people of Tennessee and consumers everywhere want me to do.

If the Senate should pass the bill, it is my considered opinion that we would have abandoned an extremely important principle of government, to which I subscribe and which I personally cannot abandon.

This principle is that there should be regulation, for the benefit of the ultimate consumer—for the benefit of all the people, if you will, Mr. President—of natural resources in which the ordinary forms of competition cannot possibly operate, as is true in the case of gas. Gas is such a resource, and one which has increased tremendously in importance. Furthermore, this principle is buttressed in the present issue by the fact that the ordinary competitive forces, which might otherwise protect the interests of the consumer, do not and cannot have free play in connection with the gathering and distributing of natural gas.

I believe this statement becomes clear when we examine the actual physical facts of the business of producing and distributing gas.

The country's natural gas reserves are concentrated largely in seven Southwestern States. Together, these States contain about 90 percent of the total reserves. One State, Texas, accounts for slightly more than one-half of the countrywide supply of gas. Texas and Louisiana combined account for two-thirds or more of the total gas supply.

I do not mention this in order to indicate that we in Tennessee are envious of the abundance with which nature has blessed these States. I think that from Davy Crockett on we have proven our friendship for Texas. Even in this case, we are showing our friendship for Texas consumers. I mention it only to emphasize the peculiar nature of the commodity with which we are dealing. Gas is not something like shoes, which can be manufactured everywhere. Instead, gas must be taken where it can be found—and nature, not man, controls that.

Taking a close look within the States, we find that the sources of gas are even more restricted. Proponents of the proposal to end Federal regulation of the wholesale sales of natural gas frequently contend that such regulation is unnecessary because there are from 2,300 to 4,000 independent producers engaged in active competition to supply the pipeline market. This, they say, will in itself assure reasonable prices.

The fact is, however, that actually a small number of large oil and gas producers, essentially the hierarchy of the industry, dominate the sources of supply. The Wall Street Journal of November 2, 1954, carried an article in connection with the move of Standard Oil Company of New Jersey to raise its ownership of the stock of Humber Oil Co. from 72 to 80 percent. In reporting this move, the Journal reported that Humble has 16 trillion cubic feet of net reserves of natural gas. The Journal said that this places Humble's reserves as probably the second largest in the country. Phillips Petroleum, the largest, has reserves believed to exceed 18 trillion cubic feet, the Journal reported. Between them, these two companies—Humble and Phillips—own one-sixth of the total natural gas reserves in the entire country.

Thus, in dealing with gas, we can quickly recognize that its sources have been limited by Nature to a few areas of the country; but that within those areas the sources have, in turn, been acquired by a very few major producers. We are

therefore actually faced with a monopoly problem in the case of a basic commodity which is essential to all the people.

Mr. President, when the so-called Kerr bill was before the Senate, some 6 years ago—and at that time I opposed the bill, and I spoke and voted against it—we found at that time that there was some concentration in a number of large companies. However, if we compare the situation at that time with the concentration existing today, we find that today the concentration is greater. It has been increasing more rapidly in the case of the gas industry than perhaps in the case of any other industry in the entire economy.

The natural gas business is further complicated by the very nature of its distribution problems. Unlike coal, one cannot obtain a wheelbarrowload or a truckload or a trainload of natural gas. Instead the only way gas can be transported to the rest of the country is through pipelines.

The pipeline companies, in turn, cannot bargain with a number of producers. Once their pipeline is built, they are irrevocably tied to the fields to which it is built. They cannot move it around, like a garden hose, from one producer to another, and thus bring in the play of competition for business.

Furthermore, in order to justify the investment in a pipeline stretching across the country, the pipeline company must get relatively large commitments for delivery over a long period of time, and must be able to show that reserves are committed to back up the deliveries.

Therefore in the first instance there is not much shopping around that a pipeline can do; and once the line has been built, it can do practically none.

With that physical situation in mind—first, the limited sources of supply of gas, and, second, the fact that it is impossible for the transporting companies to deal with more than a very few producers within those limited sources—I cannot see how we could possibly justify the proposed removal of regulation.

My complaint with the Federal Power Commission has been, not that it regulated gas prices too much, but that it did not regulate them enough. I should like to read, for the benefit of the Senate, some correspondence on this very point that I had about 6 months ago with Chairman Kuykendall:

FEBRUARY 11, 1955.

The Honorable JEROME KUYKENDALL,
Federal Power Commission,
Washington 25, D. C.

DEAR MR. KUYKENDALL: Consumers of natural gas in my State, as they are in other places, are becoming increasingly concerned about the rising cost of gas and the fact that producers' prices have been increased from time to time.

I would appreciate it if you would send me information showing the amount of increase over the past 5 years, what applications have been filed for increases by producers, and the disposition made of them, and any other information that will be useful in this very important problem.

With kind regards,

Sincerely,

ESTES KEFAUVER,
United States Senator.

I received the following reply:

FEDERAL POWER COMMISSION,
Washington, February 25, 1955.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: Reference is made to your letter of February 11, 1955, wherein you requested information showing the amount of increase in rates of natural gas pipelines over the last 5 years, the applications which have been filed by independent producers for increases, and the disposition made of them.

Since January 31, 1949, 164 applications for annual rate increases in the amount of $505,117,400 have been filed by natural gas pipe line companies. Of this total, 130 applications have been disposed of with $198,681,100 either allowed without suspension or allowed following investigation and hearing, and $157,171,800 has either been withdrawn by the companies or disallowed by Commission order. There are pending at the present time 34 applications, all of which are under suspension, amounting to $149,264,500. The filings for rate increases by independent producers started June 7, 1954, and from that time through January 1955, there have been 1,905 applications for increases involving $26,642,000. Of this amount the Commission has accepted without suspension 1,832 increases involving $17,046,000 and has under suspension 59 applications for increases amounting to $9,596,000.

If we can furnish you any further information concerning these matters, please do not hesitate to call on us.

Sincerely yours,

JEROME K. KUYDENDALL,
Chairman.

Mr. President, thereafter I addressed a number of letters to Mr. Kuykendall, and received his replies to my letters. I ask unanimous consent that the correspondence may be printed at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MARCH 17, 1955.

Hon. JEROME K. KUYKENDALL,
Chairman, Federal Power Commission,
Washington, D. C.

DEAR MR. KUYKENDALL: Reference is made to your letter to me of February 25, in which you state that since the decision of the Supreme Court in the Phillips Petroleum Co. case there have been 1,905 filings by individual producers for increases in their rates involving a total sum of $26,642,000. Out of this number, your letter states that the Commission has allowed 1,832 increases involving more than $17,046,000, to become effective without hearings.

This would seem to be a rather large number of cases involving a considerable sum of money on which no hearings were held. I would appreciate knowing the reason for this.

If the Commission has any tests that it applies, I would appreciate knowing the nature of those.

Sincerely,

ESTES KEFAUVER.

FEDERAL POWER COMMISSION,
Washington, March 24, 1955.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: Reference is made to your letter of March 17, 1955, inquiring as to the reason for the Commission's allowing some 1,800 rate increases filed by independent producers, involving about $17 million annually, to become effective without hearings being held. These figures cover the period through January 1955.

In about 80 percent or 1,400 of the cases mentioned, the Commission allowed the increases to become effective without suspension and hearing because they were based upon and directly related to changes in natural gas gathering and production taxes in the States of Louisiana and Texas, which became effective since June 7, 1954. The total dollar amount of the tax increases is approximately $5 million.

The remaining 400 increases, totaling some $12 million per annum, represent, for the most part, favored-nation and periodic types of increases which were provided for in contracts entered into prior to the time that this Commission exercised its jurisdiction over independent producers after the Supreme Court's decision in the Phillips case on June 7, 1954. Some of the companies requesting the larger increases included in this group filed voluminous data in support of such increases. The Commission gave careful consideration to all data available to it before the increases were permitted to become effective without suspension and hearing. The decision not to hold a hearing in each of these cases was by the Commission acting as a body. I cannot speak for the individual Commissioners with respect to their reasons for their votes in each case; however, I should like to state that Commissioner Draper and I thought that most of the larger increases in this group should have been suspended.

If I can be of any further assistance to you in this matter, please do not hesitate to call upon me.

Sincerely yours,

JEROME K. KUYKENDALL,
Chairman.

APRIL 27, 1955.

Hon. JEROME K. KUYKENDALL,
Chairman, Federal Power Commission,
Washington, D. C.

DEAR MR. KUYKENDALL: With further reference to your letter of March 24, there are several questions that are not quite clear in my mind. I would like to inquire as to the theory on which the Commission majority approved, almost en masse, rate increases based on "favored nation" and "periodic types" of contracts entered into prior to the time the Commission exercised its jurisdiction.

The purpose of regulation is to establish fair prices. If interparty contracts are sacrosanct, how can regulation be effective? Are the propriety of the contracts and their rate-boosting clauses investigated, or was the mere existence of the contracts the basis for allowances of increases?

Were the petitions acted upon individually by the Federal Power Commission or were numbers of them disposed of in a single broad motion? If the latter, what was the broad, basic position taken by the majority?

Sincerely,

ESTES KEFAUVER.

FEDERAL POWER COMMISSION,
Washington, May 31, 1955.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: This is in response to your letter of April 27, 1955, referring to the Commission's letter of March 24, 1955, which replied to your earlier inquiry relative to the Commission's action in accepting for filing rate increases filed by independent producers.

Your instant letter inquires, among other things, as to the theory on which the Commission majority approved certain of these rate increases. The Commission did not approve the increases in question, but simply allowed them to become effective upon expiration of the statutory 30-day notice. You are, of course, aware that the Natural Gas Act does not contain a mandate that each proposed increase should be suspended, but

leaves it to the Commission's discretion whether an increase is to be suspended or permitted to become effective.

Acceptance of an increase does not constitute approval, but merely indicates that the facts submitted by the filing company and other interested parties did not warrant the exercise of the discretionary authority of suspension, which denies the right to collect higher charges. Rates thus made effective remain subject to investigation and modification by the Commission at any time, upon its own motion or complaint, under the provisions of section 5 of the Natural Gas Act. On the other hand, the fact that a rate increase is suspended does not mean that it is disapproved; all or some part of it may subsequently be allowed if, upon further investigation, the Commission is convinced that the facts so warrant.

In connection with its actions on these rate increases, the Commission is fully aware of the long-standing precedents and court decisions to the effect that private contracts must yield to the proper exercise of authority by regulatory agencies. The Commission in its regulation of independent producers has suspended, in accordance with such general principles, about 90 independent producer rate increases totaling approximately $10,600,000 per year. These suspensions, just like the actions which resulted in nonsuspension of rate filings, were based on the Commission's analysis of the facts presented by the filing companies and other interested parties.

With respect to the last paragraph of your letter, these matters were all taken up by the Commission as the filings were reported to it by its staff. Such reports often deal with a number of filings, but each is described and considered by the Commission individually. In deciding what action should be taken the members of the Commission give attention to various factors relating to the particular filing, including such matters as: The amount of the increase in question and whether it may be considered de minimis; whether or not there is involved a periodic fixed-price increase of which interested parties may be deemed to have had effective notice; whether the increase in question is within the range of existing prices within the particular producing area or would establish a new price level therein; whether or not the increase would trigger off additional favored-nations clauses or cause pipelines to file rate increases where such pipelines have not already made such filings which are pending before the Commission; and whether or not, under the particular filing in question, additional volumes of gas are to be made available, new dedications of acreage are to be made, additional drilling and development are to be undertaken, etc.

I trust this will give you the information that you desire.

Sincerely yours,

JEROME K. KUYKENDALL,
Chairman.

Mr. KEFAUVER. Furthermore, Mr. President, I am impressed by the fact that the producers of natural gas certainly have not suffered from this benevolent regulation. I have before me the study entitled "Petroleum," dated January 1956, by Merrill Lynch, Pierce, Fenner & Beane, brokers in securities and commodities. I note that every company listed paid excellent dividends during 1955. Furthermore, this investment house advises investors that—

Most oilmen agree the industry can look ahead to steadily increasing demand over the next two decades. The increased population and the higher per capita-energy requirements point to a bigger demand for petroleum products * * *. Thus, while at times there may be some lag in demand due to temporary setbacks in the growth of the national economy or unpredictable setbacks, the industry foresees a bright future.

Mr. President, I should think that at the very least, the Senate would insist that those who seek to change the law should bear the burden of proof that the proposed change is necessary. All of this proof shows that it is not necessary.

The producers should be required to show us why they should not be regulated. What proof of this do they offer to us? We hear many general charges; but is there in the entire record a single piece of evidence that shows that the producers are not making enough money?

As a matter of fact, there is some difficulty in ascertaining just how much money the producers are making. They seem very shy and retiring when it comes to giving out actual financial figures. Perhaps the producers are shy because they do not want us to know how much they are getting from their 27½ percent depletion allowance. That allowance permits them to receive absolutely tax free 27½ cents out of every dollar of revenue. The theory is that they need that allowance because they are making their money out of a wasting asset. But even after the amount of money they collect from the depletion allowance has repaid them for the entire cost of their investment, they can keep on getting tax free 27½ cents out of every dollar of their revenue.

Perhaps the producers of oil and gas do not want too much public attention focused on that fact. Perhaps they do not want the public or the Congress to see what a bonanza they are enjoying.

Mr. President, the fact is that the pending measure is a bad bill. On first glance, it would seem to favor all of the great States of the Southwest which produce natural gas. But, actually, the bill, if enacted, would not do any good even to anyone in the Southwestern States. The natural-gas producers have flourished, and will continue to flourish, under regulation under the Natural Gas Act of 1938, but I think they would be in for grief themselves after a few years of this bill.

Senators may recall the extensive proceedings before the Federal Power Commission known as docket No. R–142. The proceeding was started by the Commission to get advice as to how producer prices should be regulated. At that time, it was forcefully stated by all parties concerned that the prices to be paid to the natural gas producers should be high enough to encourage those companies to continue to explore for new gas fields. This is a very important point to remember. The natural gas utility companies who purchase the natural gas have gone on record that exploration must continue—and that the producers should be allowed fair enough rates to guarantee that it will continue. This can be done under the law as it stands today. It is not necessary to change the law in order to make sure that producer prices are high enough to encourage exploration.

During the past 15 years or so, as was well shown by my distinguished colleague, the Senator from Illinois [Mr. DOUGLAS], who has done an admirable service to the Nation in pointing out in detail the facts with regard to this bill, there has been a tremendous growth of the natural-gas industry, and its financial status has seen vast improvement. It is significant that this growth has been achieved since the passage of the Natural Gas Act and the subsequent administration of that act under the FPC.

Two things were required to start the boom which brought about the growth of the natural-gas industry. The Natural Gas Act supplied these two things:

First. The assurance of just and reasonable interstate prices to the utility companies who distribute the natural gas to their customers.

Second. The assurance of a continuing adequate supply of natural gas for specific projects.

With these two assurances were the answer to the start of the boom in the natural-gas business.

Without the slightest doubt, the Natural Gas Act provided the climate whereby all elements of the industry—producers, pipelines, and distributors alike—could go forward with the tremendous construction program which brought this gas, formerly a drug on the market, to the millions of customers who use this fuel in their homes.

It has been contended by some supporters of the bill that regulation would discourage the producers from further exploration. Of course, it would not. I think the Senator from Illinois and other Senators have fully answered that argument. The major gas producers—those who produce 80 percent of the country's natural gas—are in the oil business. They do not explore for natural gas—they explore for oil. Gas is discovered while they are drilling for oil.

Senators remember the days before the pipelines were built, when the oil producers did not know what to do with the natural gas they struck in a well. They burned it in the field.

No, Mr. President; we do not have to worry about lack of exploration. The oil producers will continue looking for oil, and they will keep right on discovering natural gas in the process.

The positive harm in this bill is what it will do to consumers. I should like to cite what results would take place in my own home State of Tennessee.

We know what the gas producers are after. They have stated that they believe "the reasonable market price" for their product is 25 cents per thousand cubic feet. If they are exempt from Federal control over their rates we can expect that they will seek these new higher prices, despite the fact that we already know there is nothing in their economic picture which would justify this.

Price then would go from the present national average of 10 cents to the new level of 25 cents, an increase of 15 cents per thousand cubic feet.

What would this do to my fellow Tennesseans?

Based on the amount of natural gas used in Tennessee in 1954 by nearly a quarter of a million gas customers, natural gas would cost them $17,169,220 more

annually. Think of it. More than $17 million annually.

In addition to the great increase in cost which consumers everywhere will suffer in their gas rates, we must not forget, Mr. President, that the rates for electricity will increase also. When natural gas was considered an economic fuel, many generating plants were equipped with gas-fired burners.

I should like to give the Members of the Senate the benefit of another study by Energy Research Associates, Inc., which shows just how this increase in gas prices will affect electric utility bills.

The increased cost of natural gas, which will follow if field prices are not regulated, will mean a possible increase of more than $170 million annually in the cost of electricity to consumers in those areas where gas is used as a fuel for the generation of electricity. This estimate is based on the consumption of gas for the production of electric energy in 1954.

The annual statistical number of the Electrical World, January 24, 1955, shows that 92.1 billion kilowatt-hours, or 19.5 percent of the country's total supply of electricity in 1954, were generated with gas as a fuel. Production of this energy required the burning of 1.151 trillion cubic feet of gas, or just over a billion of the units of 1,000 cubic feet in which gas is sold.

In recent years the importance of natural gas as a source of low-cost electricity has been increasing, with the percentage of total generation for which it is used rising from 8.8 percent in 1945 to 13.6 percent in 1950 and to 19.5 percent in 1954. To a greater or less degree, it was used for the generation of electricity in 1954 in all of the States of the Union except Maine, New Hampshire, Vermont, Connecticut, Maryland, North Carolina, Idaho, Oregon, and Washington.

The American Gas Association's annual statistical publication, Gas Facts, shows for the years 1950 to 1953, inclusive, the gas sales for the generation of electricity by the companies reporting to the association and the revenues obtained from such sales. The charge per thousand cubic feet of gas sold for this purpose is also shown in the table before me. The increases are from 12.6 cents to 16.4 cents. I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Sales of gas for power production

Year	M c. f.	Revenue	Cents per M c. f.
1950	488, 270, 000	$61, 316, 000	12.6
1951	539, 700, 000	72, 488, 000	13.4
1952	727, 120, 000	100, 983, 000	15.2
1953	860, 010, 000	141, 344, 000	16.4

Mr. KEFAUVER. For this group of companies selling natural gas for the generation of electricity, the 3.8 cents increase in rates between 1950 and 1953 meant an increase of about $32,600,000 in the cost of generating electricity in the later year. This involved only about 83 percent of the total gas used for the generation of electricity in that year.

The cost of gas purchased by interstate pipelines in 1953 was approximately 10 cents per thousand cubic feet. There is also technical evidence showing that the ceiling established by competing fuel prices, if natural gas field prices charged for sales to interstate pipelines are left unregulated, would be about 25 cents. Without regulation, therefore, field prices may rise as much as 15 cents per thousand cubic feet, with such increases passed on to the ultimate consumer, including the steam-electric stations fired with gas.

For each 5-cent increase, the cost of the natural gas used to generate electric power in 1954 would increase by about $57,573,000. The full 15 cents possible increase would raise the total cost of the 92.1 billion kilowatt-hours of electricity generated with gas in 1954 by about $172,720,000 annually, nearly 2 mills per kilowatt-hour.

Mr. President, I ask permission to place in the RECORD a table using Federal Power Commission figures for the consumption of natural gas for the production of electricity, showing for the several States what the increased cost of gas-produced electric power would be if field prices increase 5 cents, 10 cents, and 15 cents per thousand cubic feet.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Effect on increased field prices of natural gas on the cost of electricity based on 1954 consumption of natural gas for the production of electric energy, by States [1]

	Consumption (M c. f.)	Annual cost of field price increases per M c. f.		
		5 cents	10 cents	15 cents
Massachusetts	5, 914, 473	$296, 724	$591, 448	$887, 172
Rhode Island	5, 183	259	518	777
New York	29, 748, 325	1, 487, 416	2, 974, 832	4, 462, 248
New Jersey	15, 292, 632	764, 632	1, 529, 263	2, 293, 895
Pennsylvania	15, 465, 485	773, 274	1, 546, 449	2, 319, 723
Ohio	2, 114, 832	105, 742	211, 483	317, 225
Indiana	4, 342, 618	217, 131	434, 262	651, 393
Illinois	72, 086, 947	3, 604, 397	7, 208, 695	10, 813, 092
Michigan	424, 855	21, 243	42, 486	63, 729
Wisconsin	204, 262	10, 213	20, 426	30, 639
Minnesota	30, 418, 258	1, 020, 913	3, 041, 826	4, 062, 739
Iowa	39, 159, 290	1, 957, 915	3, 915, 929	5, 873, 844
Missouri	24, 904, 687	1, 245, 234	2, 490, 469	3, 753, 703
North Dakota	207, 873	10, 393	20, 787	31, 180
South Dakota	4, 310, 585	215, 519	431, 586	647, 105
Nebraska	22, 343, 655	1, 112, 183	2, 234, 366	3, 346, 549
Kansas	59, 055, 278	2, 904, 764	5, 905, 528	8, 810, 392
Delaware	1, 050, 714	52, 836	105, 671	158, 406
Virginia	675, 999	33, 800	67, 600	101, 400
West Virginia	645, 237	32, 262	64, 524	96, 785
South Carolina	10, 876, 952	543, 848	1, 087, 695	1, 631, 543
Georgia	43, 221, 798	2, 161, 090	4, 322, 180	6, 483, 270
Florida	8, 378, 305	418, 915	837, 831	1, 256, 746
Kentucky	9, 203, 568	460, 178	920, 357	1, 380, 535
Tennessee	8, 159, 419	407, 971	815, 942	1, 223, 913
Alabama	21, 846, 867	1, 092, 343	2, 184, 687	3, 278, 030
Mississippi	37, 170, 105	1, 858, 506	3, 717, 011	5, 575, 516
Arkansas	47, 139, 910	2, 356, 995	4, 713, 991	7, 070, 986
Louisiana	69, 827, 304	3, 491, 365	6, 982, 730	10, 474, 095
Oklahoma	62, 344, 028	3, 112, 201	6, 234, 403	9, 346, 604
Texas	257, 601, 012	12, 850, 051	25, 700, 101	38, 550, 152
Montana	603, 631	30, 181	60, 363	90, 544
Wyoming	699, 703	34, 985	69, 970	104, 955
Colorado	33, 866, 818	1, 693, 341	3, 386, 682	5, 080, 023
New Mexico	20, 566, 771	1, 028, 339	2, 056, 677	3, 085, 016
Arizona	19, 322, 570	966, 129	1, 932, 257	2, 898, 386
Utah	6, 278, 923	313, 946	627, 892	941, 838
Nevada	111	6	11	17
California	178, 644, 168	8, 932, 058	17, 864, 117	26, 796, 175
United States	1, 163, 526, 151	58, 176, 307	116, 352, 615	174, 528, 923

[1] The States of Maine, New Hampshire, Vermont, Connecticut, Maryland, North Carolina, Idaho, Oregon, and Washington had no consumption of gas for production of electricity in 1954.

Mr. KEFAUVER. Let us look at this a little closer.

I am basing my calculations on the figures for natural-gas consumption as reported by States in Mineral Industry Surveys, November 23, 1955; Mineral Market Report No. MMS 2446; and Gas Facts, 1955.

I have already observed that the increase in natural gas costs at the wellhead, before long, would cost the citizens of Tennessee more than $17 million.

In the city of Memphis alone the increased rates would hike the cost to gas users $9,268,340 oyer last year.

The gas customers of Tennessee would have an average of $75.97 added to their average gas bills annually.

But, Mr. President, the citizens of Tennessee will not be alone when they dig down into their pockets to pay higher gas bills. They will be joined by consumers in all the States, including the producing States.

I have a table prepared by Energy Research Associates, Inc., which I would like to place in the RECORD, showing what an increase of 5 cents, of 10 cents, and of 15 cents in the cost of field prices would amount to in all the States that now use natural gas. This table is based on 1953 sales, which would indicate that in most instances it is probably a conservative estimate. It would be conservative, for instance, in my own State of Tennessee.

Mr. President, consumers of the producing States, as well as those of the consuming States, will suffer from this increase. We can be sure that if the gas producers are able to increase their prices to the pipelines for delivery to other States the prices at home will follow the

upward spiral also. It will be noted that this table estimates the total increase of amount involved in a 15-cent increase will be more than $806.5 million.

It is my sincere hope that the Senate will not pass the pending bill. It is not needed by the producers. They are making plenty of money. It will greatly affect the consumers who are already being subjected to serious cost price squeeze.

Mr. President, I have a letter, dated January 28, 1956, from the Speaker of the House of Representatives of the State of Tennessee, Mr. James L. Bomar, in which he sets forth action by towns and cities and communities of the State of Tennessee in opposition to the pending bill. Attached to the letter is the Federal Power Commission's report which I have already asked unanimous consent to have printed in the RECORD. I therefore ask unanimous consent that the letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
STATE OF TENNESSEE,
Shelbyville, Tenn., January 28, 1956.

Hon. ESTES KEFAUVER,
Senator from Tennessee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: I did not get to see you while I was in Washington this last week, but I understood from your office you were in Wisconsin and later you were going to North Carolina but that you would probably return to the office on Monday.

I want to take this opportunity to thank you for the courtesy you extended to me while in your office a week to 10 days ago and to express my interest and the interest of all those persons who desire to keep consumer rates at a reasonable level for your continued opposition to the Fulbright bill.

Yesterday, January 27, the FPC instituted an investigation of the rates charged by the 16 independent gas producers. I am attaching herewith a news release for your information. This investigation was brought about because of complaints filed by the Tennessee Public Service Commission, Tennessee Gas Co. (distributing company serving Morristown, Maryville, Alcoa, Union City, Lynchburg, Shelbyville, Columbia, and Murfreesboro), Gallatin Natural Gas Co. serving Gallatin, Tenn., Tullahoma Natural Gas Co., Inc., serving Tullahoma, Tenn., Chattanooga Gas Co., serving Chattanooga, Tenn., the cities of Knoxville, Springfield, Clarksville, Fayettesville, and Athens, Tenn.

However, the investigations will be moot if the Fulbright bill is passed. In other words, because of these complaints being filed by our people in Tennessee the FPC has been convinced that investigations should be made because of the rates charged by these producers which are probably unlawful, unjust, unreasonable, discriminatory, and preferential. Once they have made this finding it would be a travesty for Congress to pass a bill exempting the producers and relieving them of the investigation which the FPC has now said they were entitled to.

I sincerely hope that you will keep the good fight going in opposition to this bill and that you will find occasion to speak against the bill on the floor of the Senate.

Thanking you for the many courtesies which you have extended me and wishing you every success, I remain,

Very truly yours,

JAMES L. BOMAR,
Speaker.

Mr. KEFAUVER. Mr. President, I have been impressed with the fact that all over the United States in many thoughtful newspapers, the editors have been thinking about the welfare of all the people of the country. The newspapers have published many editorials analyzing the proposed legislation. They object to it and urge that the United States Senate not take this last step which would hurt the consumers of the Nation.

I have before me some recent editorials published in the Charlotte Observer, the Spartanburg Journal, and the Salisbury (N. C.) Post, and I ask unanimous consent that the editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Charlotte (N. C.) Observer of January 15, 1956]

THE BULK OF THE EVIDENCE CALLS FOR PRICING OF GAS

The United States Senate must soon make the final decision on the issue of price regulation in the natural gas fields.

It will not be an easy decision. The facts of this matter do not point to conclusions all white or all black.

On reappraisal, however—and with some afterthought—we believe the sum of the evidence weighs against the Harris-Fulbright bill now before the Senate. That bill would, in effect, override the United States Supreme Court and exempt natural gas producers from Federal price regulation.

The price of gas is regulated now as it passes through the pipeline and as it is sold to the ultimate consumer. It is hard to see how such regulation of two segments of the industry can be meaningful if the third segment—the originating segment—is to be left without effective regulation.

In the second place, the present situation in the natural gas industry suggests the need for controls. There are 8,000 gas producers, but it hardly can be said that free and unrestrained competition rules in the gas fields. Four percent of these producers account for 96 percent of the gas. By the nature of the "escalator" clauses in the gas contracts, price increases by one can mean price increases by all.

Price regulations on gas at the wellhead are not comparable to regulations on coal at the mine and fish at the wharfs. There is no guarantee that a virtually inexhaustible supply of natural gas lies below the surface of this country. The public interest in the supply and how it is handled consequently becomes greater.

The central question of this conflict is unanswerable: Will exemption of the producers mean substantially higher prices for the consumer?

However, prices in the gas fields have climbed 120 percent since 1945. And lack of effective regulation would open the door to arbitrary price increases that would have to be passed on to the 26 million families using natural gas.

Reasonable regulation of the price of natural gas as it leaves the well offers the best promise of protection for American consumers.

[From the Spartanburg (S. C.) Journal of December 20, 1955]

IT'S A LOCAL PROBLEM, TOO

Spartans up to this point have taken a detached position with regard to the battle which has been waged in Congress for a number of years to free natural-gas producers from control by the Federal Power Commission.

A weekend statement of the Piedmont Natural Gas Co., Inc., which serves Spartanburg and the Piedmont section of the Carolinas put gas users of this area right in the middle of the fight.

Natural-gas producers have for a number of years worked for passage of a bill by Congress to free their operations from FPC regulations, particularly as to pricing. Such a bill was passed during the last administration and was vetoed by former President Harry Truman. The House passed the natural-gas bill by a narrow margin last year but it is still pending in the Senate. Nothing is known of the position President Eisenhower will take, but there are indications that if the bill passes Congress he will sign it.

Buell G. Duncan, president of the Piedmont Natural Gas Co., the past weekend said that his company had joined with other gas-distribution companies in opposing passage of the bill. He said that the measure could cost natural-gas consumers $800 million a year in increased consumer prices.

The journal has repeatedly urged that natural gas be kept under control of the FPC the same as transportation and local distribution companies are kept under Government regulations. If the producer is freed as to pricing, effective controls over the transporter and distributor will be lost.

All three divisions of the natural-gas field have remedies if they are suffering in that they can apply for and receive rate increases where the same can be justified by their operating records. If producers are freed from this procedure and left to price their product as they please, the other controls will be useless.

Natural-gas producers have sought to explain their desire to be free of power commission supervision by virtually every means except prices. Yet they have never effectively answered the charge of opponents that if they are freed of FPC control one of the first results will be higher natural-gas prices to consumers.

The Harris bill to free gas producers should be defeated in the Senate.

[From the Salisbury (N. C.) Post of December 20, 1955]

GAS RULES ESSENTIAL

Without pretending to be an expert on gas, natural or otherwise, either in the fuel or political categories, we admit to a quick and positive approval of news that our local supplier of the natural, fuel kind has joined in battle against proposals for elimination of Federal price supervision over the production end of the fuel line.

Closest scrutiny of the price-rating structure of all public utilities has become recognized as a government obligation at Federal, State, and local levels, and any legislative withdrawal of that recognition may be taken, per se, as a threat of raids on John Doe's pocketbook.

In the case of proposed abandonment of Government price checks over natural-gas production, the spokesman for the opposition has declared that such action might cost the American consumers of natural-gas more than $800 million a year.

We'll go along with the thought that even such a figure is a bargain price for free enterprise which the proponents of the abolition plan hail as their goal.

But we doubt sincerely that free enterprise as such is their goal, or that free enterprise would be served by allowing production prices to run uniquely aloose in the oil fields of a nation where the total economy is tied very closely to fair and far-reaching supervision of utilities and basic energy, fuel, and power supply of all kinds. Unregulated gas is explosive stuff wherever you find it.

Mr. KEFAUVER. Mr. President, in conclusion, let me remind the Senate

that this is a fight which has been going on for a number of years. The record shows clearly that Congress was thinking about the interests of all the people of the Nation when it included gas at the wellhead in the act of 1938.

The record certainly shows conclusively that the gas industry has had a rate increase, and a profitable one, since that time. Many millions of people all over the country have geared their living to the use of gas on the basis of standards and prices which they are able to pay and which produce a fair and reasonable and ample compensation for the producing companies.

In view of all the circumstances and conditions, and of the fact that in order to get gas rates at a reasonable level regulation is required, it seems to me to be essential that there be a continuation of the thoughtful judgment which Congress exercised back in 1938. Everything that has happened since that time proves the wisdom of such a course. Every segment, including the customers, have been well served by the Federal Power Commission. The Federal Power Commission, in fact, as is shown by the charts, has leaned over backward to be generous to the various companies who are now asking for more. Therefore I hope, and I know, that Members of the Senate will very seriously think about the issues before they take a final step which would alter the situation and change a regulation which has worked so well in the public interest.

Mr. NEUBERGER. Mr. President, the Senator from Tennessee has made an outstanding address on the natural gas bill, and I should like to commend him for the enlightened position he has taken.

In following the current debate of the natural-gas bill in the CONGRESSIONAL RECORD, I have noticed that the question of newspaper editorial support for the two opposing viewpoints has become an element in the discussion. I rise at this point Mr. President, only to ask unanimous consent to place in the CONGRESSIONAL RECORD a representative sample of the many excellent editorials which have been written in opposition to the bill and in defense of the interests of the great consuming majority of our citizens.

I do not always find myself in a position, Mr. President, to praise the editorial position of our newspapers on a great economic issue and to cite their editorials in support of what I believe to be the public interest. This is particularly rarely the case when the issue is one affecting the power of great utility companies and companies using our natural resources to enrich themselves from those resources at the expense of the consumer.

Consequently, Mr. President, I do not want to miss this rare opportunity to bring to the attention of the Senate and of the public the large number of very cogent and public-minded editorials which have appeared in the press in widely separated communities on the subject presently under debate. The editorials which I ask to have printed in the CONGRESSIONAL RECORD are from the Denver Post, January 12 and January 19, 1956, published by my friend E. P. Hoyt, who used to be publisher of the Portland Oregonian; from the St. Louis Post-Dispatch, December 27, 1955; the Washington Post and Times Herald, January 13, 1956; the Washington Star, January 26, 1956; the Portland Oregonian, January 5, 1956; the Courier-Journal, January 17, 1956; Madison Capital-Times, January 5, 1956; the Kansas City Star, January 17, 1956, and January 19, 1956; Greensboro Daily News, January 18, 1956; the Milwaukee Journal, January 16, 1956; Council Bluffs Nonpareil, December 28, 1955; the Cleveland Press, December 9, 1955; Detroit Free Press, January 26, 1956; St. Paul Dispatch, January 20, 1956; Spartanburg Journal, January 12, 1956; the Hartford Courant, December 24, 1955.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Is there objection?

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Denver Post of January 12, 1956]

BESIDE THE ISSUE

Producers of natural gas (and their friends in Congress) have suddenly begun to shed crocodile tears over the plight of gas consumers.

Many consumers have to pay high gas prices, according to the producers, because city gas distributing companies take such a wide margin of profit and because many city officials fail in their duty to see that distributors are properly regulated.

This sudden attack has been inspired, of course, by the fact that distributing companies and city officials have become increasingly hostile to the producers' pet proposal in Congress—the Harris-Fulbright bill.

This bill would remove gas producers from effective Federal regulation and allow them to make charges not based on fair return but on whatever producers could get for gas on a rapidly rising sellers' market.

If producers got more for gas under the proposed legislation, interstate pipeline companies would pay more for it. So would the city distributing companies who would then pass the increase on to the householders.

But, says, Senator MONRONEY of Oklahoma and other advocates of the bill, producers are getting only 10 percent of what the consumer pays for gas. The big spread occurs between the time the gas is produced and its arrival in the kitchen stove.

Thus, they argue, the real culprits are the distributing companies and city officials who make and condone unconscionable middlemen profits and are using their opposition to the Harris-Fulbright bill as a coverup for their own activities.

It seems more likely, however, that the producers are using their attack on distributors and city officials to cover up their own intentions and to distract attention from what the Harris-Fulbright bill would do to retail gas prices, if it should pass.

It may be that some distributing companies are making excessive profits. If so, there is ample regulatory authority in all States to correct that situation, which is extraneous to the issue of whether producers too should be regulated.

In many parts of the country, including Denver, the producer's share of the consumer's dollar is not 10 cents, as Senator MONRONEY says, but 20 cents or more and the producers' take has been advancing rapidly.

Producers who were happy to get 3 cents per thousand cubic feet for gas only a few years ago are now getting 10, 12, 15, and even 18 cents and many producers are hopeful of running the price up to the point where gas will be just as expensive as coal.

Senator DOUGLAS, Democrat, of Illinois, and some of the others who have carefully studied the gas-price situation say passage of the Harris-Fulbright bill will add $600 million to $800 million a year to the total bill of American consumers.

If they are even close to being right, the public cannot afford to let themselves be distracted by claims that they don't need protection against producers but only against such villains as the distributing companies and unfaithful city officials.

[From the Denver Post of January 19, 1956]

CONSUMER IN THE BIND

The fight over Federal regulation of natural gas at the wellhead is raging in the Senate. It has brought about some wonderfully strange alliances, bending party lines, joining liberal with conservative, and squaring off Senators from gas-producing States against Senators from States which consume it massively.

The question is simply whether natural-gas prices should be regulated at the origin of the gas, as well as in interstate transmission by pipelines, and in intrastate distribution by utilities. Opponents of wellhead price controls insist they are impractical (too many wells, too many companies); they will discourage exploration for more gas (thus inflating prices on the limited gas supplies left for covetous competing would-be consumers); they contradict principles of free, economic enterprise.

Those who are for regulation at the source believe other regulation will be nullified if the price of the raw product can run wild. Too many wells, too many companies? Nuts, say friends of regulation. More than 90 percent of all gas sold for interstate transmission rises from the wells of only 174 producers who sell more than 2 billion cubic feet of gas a year. One answer: Exempt the thousands of little guys, but control the mainsprings of the monopoly.

As for discouraging exploration, that ignores the relationship already existing between oil and gas discovery and the effect of the 27.5-percent depletion allowance on both. It assumes the allowed sales price would be unrealistic and unfair.

The bill before the Senate shows the scars of its narrow passage in the House. It purports to give the Federal Power Commission authority to set a reasonable market price for gas sold to pipeline companies. But men who know something about the language and practical techniques of regulation dismiss that as a phony, no less.

If the natural-gas bill passes the Senate, its effects will not appear at once. But consumers will eventually pay more for gas—and more than they should.

[From the St. Louis Post-Dispatch of December 27, 1955]

ALLIES FOR CONSUMERS

Not very often do the American people have an opportunity to see segments of a big utility industry warring among themselves over a public issue. Yet that is the case with natural gas.

There is nothing very new about the gas argument itself. Nearly every recent Congress has had bills before it to exempt "independent" natural-gas producers from price regulation by the Federal Power Commission. The latest such effort is the Harris-Fulbright bill, which was passed by the House by only six votes in the last session and will come to early Senate attention next year.

The new element in this dispute is that gas distributing companies—the local utilities—are now active in opposing this legislation to benefit producers.

The Council of Local Gas Companies, anticipating the legislative issue, is distributing

literature against the "gas grab." A recent issue of Public Utilities Forthnightly contains a considered statement by Senator DOUGLAS of Illinois that the proposed bill would cost millions of consumers millions of dollars a year. And so on.

Why are the gas producers and distributors divided? The local gas companies, and the pipelines which carry gas to them, face State and Federal regulation. The independent gas producers—mostly big oil companies—until recently were not regulated. Then the Supreme Court held that they were subject to regulation by the FPC. The Harris-Fulbright bill is an attempt to escape.

If the price of gas sold for interstate consumption is not reasonably controlled, the local utilities and the pipelines which are controlled will first have to pay the higher bill, and then under regulation attempt to pass it on to their customers.

That is hardly fair to the distributors. But more important, as long as the natural gas industry—so increasingly important to industrial progress and home heating—is left half "free" and half regulated, the public will have no real protection against price gouges.

As the opposing strategists plan their legislative battle for the umpteenth time, it is easy to see that the oil companies once more will appeal to the public in terms of "free enterprise." Frank M. Porter, head of the American Petroleum Institute, already has direly pictured "absolute federalization of this segment of our industry."

The inevitable answer to that, as stated by the local gas companies, is simply that the distributors are regulated and still represent free enterprise. They run their own business, subject to the traditional system of utility regulation, and are proud of it.

In addition, the oil companies will contend both that gas development deserves better income, and that gas prices will not rise very rapidly. Aside from the contradiction in these arguments, the answer is that if the gas producers do not hope for large price increases, they have no reason to fear public regulation.

These arguments have been heard before and often, and soon will be heard again. It is fortunate for 26 million American families who depend on natural gas that important utilities in that industry are on their side.

[From the Washington Post and Times Herald of January 13, 1956]

THE PRICE OF GAS

The attempt by Senators MONRONEY and FULBRIGHT to penalize the Washington Gas Light Co. for its opposition to the Harris-Fulbright natural-gas bill is wholly unwarranted and assumes the nature of a punitive act. The gas company has every right to oppose the Harris-Fulbright bill without being subjected to special harassment by Congress. To single it out, as Senators MONRONEY and FULBRIGHT would do, and to require it to publish on its bills a breakdown of gas costs, would be to punish the company for acting in what it regards as the public interest.

The truth is that the company seems to be speaking more in the public interest than Messrs. MONRONEY and FULBRIGHT, who are asking Congress to exempt gas producers from utility-type regulation. Everett J. Boothby, president of the Washington Gas Light Co., said he opposed the exempting legislation because it would make it possible "for the few thousand gas producers to get substantial windfall profits from millions of gas users." He is supported in that contention by a good deal of evidence and by what appears to be nearly half the Senate.

When the Harris bill passed the House last year, it seemed to this newspaper that there were sufficient safeguards in it to protect the consumer from spiraling gas prices. At least it seemed worth taking a chance on the bill in the interest of limiting the domain of Federal power and permitting free competition to have its play. But because of certain technical amendments which permit escalator clauses in contracts and because of other features that insulate the producers from price regulation, the opponents of the measure now seem to have the stronger argument. In a matter so complicated we recognize that there is room for honest difference of opinion and that it is almost impossible to arrive at a completely clear picture of what would happen under the proposed legislation.

However, the argument that the bill does not adequately protect the consumer and ought to be strengthened is backed by impressive testimony. Senator DUFF, of Pennsylvania, who has had great experience in the oil business, is persuaded, for example, that "excessive increases in the price of gas * * * might occur as the result" of this legislation.

He adds that "while it is true that the nature of the natural gas business makes it exceedingly difficult of equitable regulation by yardsticks normally used in utility regulation, it is also true that serious abuses have arisen as the result of favored-nation, escalation, and spiral escalation clauses that have resulted in millions of dollars of increased prices to the consumers by private negotiations and renegotiations in which the ultimate consuming public has had no representation and no voice whatever."

The proposed bill would not exempt the gas producers from all regulation but would strictly limit the FPC in its regulatory function. For example, it would authorize the Power Commission to establish "reasonable market price" in future contracts without defining the term or setting any standards for the guidance of the Commission. In a field in which real competition is limited by the physical difficulties of moving pipelines, "reasonable market price" might reflect more what the producers thought they should have than any relation to cost of production.

The language of the bill also is obscure with respect to the escalation clauses, which say, in effect, that if a pipeline has a contract with producer A and then offers to pay producer B a higher rate he must also pay the higher rate to producer A. The Senate, at least, should satisfy itself that FPC has full power to prohibit unjustified increases as a result of the escalation clauses. Senator DUFF and other opponents of the measure—including the Washington Gas Light Co.—do not believe that the bill as written provides sufficient safeguards.

If there should be excessive price increases for natural gas, industrial users might turn to other fuels. But residential consumers who had invested in equipment to heat their homes and cook their food with gas could not easily switch. The pipeline operators and local gas distributors are carefully regulated by public utility commissions. Can this regulation be effective—in view of the talk among producers of prices double those of today and 10 times those of 1946—unless the consumer interest is protected in the bargain made at the wellhead?

[From the Washington Star of January 26, 1956]

THREAT TO GAS USERS

The Senators who favor and those who oppose the Fulbright-Harris gas bill are as far apart as the poles. It is simply impossible for a nonexpert in this field to reconcile their arguments, pro and con. And we doubt very much that the Senators can reconcile their own arguments.

So perhaps it may be useful to examine the views of a group which is not directly involved in the debate, but which probably will be affected by its outcome. In this group are the local gas companies which sell directly to the consumer.

The Fulbright-Harris bill would free independent natural gas producers from regulation by the Federal Power Commission. This regulation, which followed a 1954 Supreme Court decision, takes the form of a utility-type, cost-plus formula for controlling prices of gas delivered to interstate transmission lines. The producers say the formula is no good. They prefer the "reasonable market price" regulatory formula set forth in the pending bill. The opponents of the bill say this formula is no good.

The local gas companies, that have organized the Council of Local Gas Companies in opposition to the bill, endorse the position of the opponents. They do this, in the words of Everett J. Boothby, president of the Washington Gas Light Co., because they feel "strongly that the passage of the Fulbright bill exempting producers from regulation would undoubtedly result in unnecessarily higher costs of natural gas which would have to be paid by their customers."

The local gas companies are in a tough competitive struggle with other fuel and energy suppliers. They have every reason to be concerned with the probable effect of this legislation on their customers—the consumers of gas. We see no reason why those Senators who are also concerned with the consumer should not share the view of the local companies. If they do, they ought to vote against the bill.

[From the Portland Oregonian of January 5, 1956]

NATURAL GAS REGULATION

Pacific Northwest interest in the long-standing dispute between consumers and producers of natural gas over Federal price regulation at the wellhead has been largely academic in the past, since this area was not served with this fuel. But with pipelines fast approaching this market, the battle due to reopen soon in the Senate over a bill which would exempt independent producers from Federal price regulation might be expected to embroil this area along with other consuming regions.

Actually, however, any action taken by the Senate on the bill which the House passed last session will not affect the rate structure here. This is because the natural gas which will serve Oregon, Washington, and part of Idaho, in the pipelines tying in Canadian and Southwest gas fields, will come from Canada. And Canadian gas will be purchased at a flat price at the border of 22 cents per 1,000 cubic feet for 20 years. Natural gas consumers here are assured of stable rates over a long period.

Other consumers are not so well fixed, however, and for years officials of cities and States in the North and East, where natural gas is consumed in large quantities by industries as well as residential users, have been seeking Federal regulation of gas prices at the producer level.

Distributors' rates are regulated by local public utility boards and the pipeline companies are under regulation of the Federal Power Commission under the Natural Gas Act of 1938. But until 1954, when the Supreme Court ruled in the Phillips Petroleum case, the act had been interpreted by the FPC and others as exempting independent producers and gatherers of natural gas from Federal control.

The Court held that the Power Commission does have the right to fix the prices producers charge interstate pipeline companies, and since then the FPC has moved to do so.

The Court decision sparked the legislation which is now in Congress. Senators and Congressmen from the natural gas producing States in the South and Southwest mean to push the ban on Federal regulation of producers early in the session to permit Democratic interparty wounds, which are sure to result, to heal before November's elections. There are divisions in both parties over the

bill which puts consumers and producers in opposite camps.

An attempt was made in 1950 to clarify the law, as consumer groups continued to assail the interpretation then followed by the FPC. A bill sponsored by Senator ROBERT S. KERR, Democrat, of Oklahoma, was passed by Congress but was vetoed by President Truman, who said it did not seem wise public policy to remove the authority to regulate.

Since President Eisenhower took office the Federal Power Commission has expressed the view that independent producers and gatherers of natural gas should be exempted, and the President's advisory committee on energy supplies and resources policy made a similar declaration. But President Eisenhower has made it clear that he will not necessarily accept the committee's recommendations.

The arguments of the Natural Gas and Oil Resources Committee are, briefly, that incentive of producers to seek new supplies of natural gas is destroyed under Federal price fixing; that costs to consumers will increase rather than decrease under regulation that diminishes the supply; that the producers when free to compete have done a good job for the consumers; that Federal control of one fuel could lead to controlled production and price-fixing for all fuels, perhaps for other commodities.

C. H. Gueffroy, president of the Portland Gas & Coke Co., which will distribute natural gas in this area, opposed the bill before the chamber of commerce last year. His interest is in the stability of the price of the product he will sell. Unregulated prices at the other end of the long pipeline could raise hob with his regulated rate structure and might result in too little gas coming out at this end of the line, should the producer price rise too high.

But the tie-in with the Canadian fields eliminates these dangers. The Northwest interest in the natural gas bill is still pretty much academic.

[From the Courier-Journal of January 17, 1956]

GENERAL VERSUS SPECIAL INTEREST IN THE GAS REGULATION FIGHT

Few issues before Congress have ever been so completely muddled up as the question of Federal regulation of natural gas. One reason for this is that the industry itself has three parts whose essential interests run in conflict.

Another reason is that regions are set against regions, the producing South and Southwest against the consuming East and mid-United States. Neither the Federal Power Commission nor even the Supreme Court is unanimous in point of view on the subject. Party lines are blurred, Democrats disputing Democrats and Republicans posed likewise in intramural differences.

All these facts have built up the prospects of as bitter a fight as the session will hold. The beginnings of it were to be seen yesterday as the Senate began consideration of the Harris bill to amend the Natural Gas Act. This bill, which would prevent Federal regulation of prices charged by independent producers at the wellhead, passed the House last year by the typically close vote of 209 to 203.

This newspaper is impressed by what looks like the prime argument. This is to say that without regulation of the gas industry's original process of extraction of supply, the end price to the consumer cannot help but go up. In fact the Louisville community's most recent experience with retail gas prices was a general raise forced by higher costs to the Louisville Gas & Electric Co. for the natural gas it bought for resale.

This fact shows the cleavage of interests within the three-headed industry. One head is the producer of natural gas. He explores and develops the wells, when he can find them. His argument is that it takes 8 costly diggings to bring in 1 well. It is he who, before the Supreme Court decision of June 7, 1954, was generally free of regulation by the Federal Power Commission.

Another head is the pipeline operator. He buys gas at the well and transports it to the distributor (for example, the L. G. & E. Co.) for the latter's sale to the ultimate consumer, domestic or industrial. The FPC regulates pipeline prices under the Natural Gas Act of 1938.

Until the Supreme Court by a 5-to-3 split decision brought the producer within the scope of regulation, most FPC members preferred to begin control with the pipeliners and let the independent producers be. Their theory, which had a ring practically identical with that of the independent producers themselves, was echoed in turn last year by President Eisenhower's Advisory Committee on Energy Supplies and Resources Policy. The report of this group, which was composed of Mobilization Director Flemming as Chairman, the Attorney General, and Secretaries of State, Defense, Interior, Commerce, and Labor, concluded:

In the interests of a sound fuels policy and the protection of the national defense and consumer interests by assuring such a continued exploration for and development of adequate reserves as to provide an adequate supply of natural gas, we believe the Federal Government should not control the production, gathering, processing, or sale of natural gas prior to its entry into an interstate transmission line.

The third element of the gas industry is the distributor. He supplies gas for consumption within his franchise area. He is regulated as to rates by State or local agency like any other public utility. In a sense, he is a consumer himself, and his direct interest is not that of the producer. His idea generally is that if one branch of the industry (himself or the pipeliner) is regulated, all should be regulated. This point of view sets the distributor against the producer.

In the House fight last year, local companies that buy natural gas and many a State public service commission were found arguing against the Harris bill. Typical of the opposition of interests was the solid vote for producer exemption by the delegations from Texas, Arkansas, Louisiana, and Oklahoma, the main producing States. Kentucky's delegation, on the other hand, voted solidly against exempting producers, just as the New York delegation did, and all but one of the Tennessee and Virginia representatives.

In the Senate today, as in the House last year, the issue boils down to one between spokesmen of the more or less adventurous explorer for gas, who thinks he should have a virtual subsidy for his venturings, and those of the consumer, who wonders if there will ever be an end to rising costs of everything he must have to live.

[From the Madison Capital-Times of January 5, 1956]

CONGRESS READY TO SOAK NATURAL GAS CONSUMER BUT WILL IGNORE TAX RELIEF FOR THE LITTLE FELLOW

Reports from Washington about the opening of the second half of the 84th Congress strongly suggest that the Members are aware that this is an election year.

The clerks are despairing at the mass of bills introduced. They were unable to process them on opening day and had to put many of them over for the next day. Most of these are bills the Members know will get nowhere but to a box in some committee where they will languish until adjournment. But they will serve to get some publicity in the papers back home.

The signs are unmistakable that this is going to be an undistinguished session. There is little prospect that the long promised tax relief for low income citizens will pass. Democratic and Republican leaders in both houses, who handed out tax relief for the big boys in the 83d Congress, are now convinced that the Government can't afford to help the little fellow out.

No one knows what is going to happen to foreign aid. The administration is so confused that it doesn't know what to ask of Congress. Senator GEORGE, the Democratic chairman of the Senate Foreign Relations Committee, is so panic-striken by his opposition in the Georgia primary that little in the way of leadership can be expected of him.

There is one bill before the Senate, however, which will be pushed with exceptional determination. It is another giveaway to the oil interests. It provides that natural gas producers will be exempt from effective rate regulation by the Federal Power Commission. If it becomes law it is expected to add millions to the gas bills of northern consumers.

The bill has already passed the House of Representatives. It has powerful support from both parties. Senator LYNDON JOHNSON, Democratic majority leader who represents the oil kingdom of Texas, has made it a "must" bill and will try to ram it through early in the session. He is supported by Democrats from the southern oil producing States and some Republicans, who, though they represent consumer States, are going along with the powerful oil lobby. Northern Democrats are leading the opposition to the bill.

A measure that will further enrich the oil interests by adding millions to the gas bill of the consumers can pick up enormous momentum in Congress. But a suggestion that the low income groups be given some tax relief evokes a unanimity of indifference.

[From the Kansas City Star of January 17, 1956]

THE GAS BILL IN THE SENATE

Whether the price of natural gas sold interstate should be controlled at the source by the Federal Government is the question now before the United States Senate. There is no easy answer and in principle the issue can be argued both ways.

The Government already has jurisdiction over the price that may be charged by the pipeline companies. But this control is weakened and often made ineffective by a maze of overlapping authorities. The Supreme Court has ruled that, under the present law, the Federal Power Commission has the authority to regulate the price of gas sold by the producers to the pipelines. The Fulbright bill, now before the Senate, would nullify the Court ruling. The similar Harris bill narrowly passed the House last summer.

Against a natural distaste for Federal regulation the interests of millions of consumers must be considered. The family which pipes gas into the house for heating and cooking pays what the meter ticks off. Reasonable control is the only real protection. In the Kansas City area, the spiraling cost of gas for industrial use is of equal importance. Relatively cheap gas has helped establish many industries here. But recent rate hikes have narrowed the margin of advantage.

If gas is to be controlled at all, reason would indicate that it be subject to fair regulation all along the line. The Harris-Fulbright measures would preclude such regulation. And they would provide a multimillion-dollar bonanza for many of the largest producers (generally oil companies) in the form of a "reasonable market value" yardstick for rates. The market price instead of actual costs would figure in ratemaking—and gas often is a byproduct of normal oil operations.

In the past, Kansas City has stood on the side of the consumer in the natural-gas debate. This city opposed the Rizley bill several years ago and the Kerr bill in 1949. A considerable part of the current rate increase which the city is fighting is based on argument that would become law if the Fulbright bill is passed. Kansas City can oppose it in the same spirit it opposes the current Cities Service rate increases and allocations.

[From the Kansas City Star of January 19, 1956]

BARTLE VERSUS CITY ON GAS ISSUE

Certainly Mayor H. Roe Bartle has the right to a personal opinion on any issue. And the mayor says that his support of the Fulbright bill now before the United States Senate is "personal support."

But it is Mayor Bartle, of Kansas City, not Private Citizen Bartle, whose name heads a list of Fulbright partisans that was released by a committee in Washington. And this action comes after the city council voted April 22 to oppose the House version of the Fulbright measure or any other proposal that would remove Federal price controls of gas production. Yesterday the council utilities committee met to reaffirm that resolution and to remind Missouri's two Senators of its existence. Officially the city is opposing the bill.

The people of Kansas City, of course, have a direct stake in the matter. A big portion of the current Cities Service rate case now before the Federal Power Commission rests on the outcome of the Senate fight. Part of the $12½ million increase (which we now are paying) is based on higher minimum prices at the wellhead that were granted months ago by the Kansas Corporation Commission. Since then, the Supreme Court has ruled that minimum price orders by State commissions are invalid. The Fulbright bill would nullify that ruling.

About $3 million of the Cities Service rate claim is accounted for by the "fair field" interpretation of the FPC in 1954 which allowed a utility to base its rates, in part, on the market value of gas produced at low cost during oil operations. That interpretation was set aside last month by the United States court of appeals. But the Fulbright bill would make "fair field" a compulsory formula.

Cities Service contends also that profits derived from extraction operations should not be figured in ratemaking. The Fulbright bill agrees.

If this measure supported by Mayor Bartle becomes law, an argument on rate of return would be about all Kansas City would have left in the current case. It seems a long time since Kansas City was a national leader in utility-rate issues.

Only 2 months ago the mayor said, "It's beginning to appear like Cities Service is trying to wear down the opposition of the cities." The Fulbright bill would annihilate the opposition.

[From the Greensboro (N. C.) Daily News of January 18, 1956]

OIL-GAS CHAIN REACTION

Chairman Stanley Winborne, of the State utilities commission, has come out with a condemning statement against the pending bill in Congress which would free natural gas producers from regulation by the Federal Power Commission and permit them to charge whatever the traffic will bear.

As might be expected, the bill is backed most vigorously from the oil and natural gas producing States.

But somewhere due consideration should be given the consumer. All available evidence indicates that producers are doing quite well financially under FPC supervision, and that they can count upon rates which will enable them to earn the reasonable return to which they are entitled. Obviously they are not content with that.

Chairman Winborne, speaking in his official capacity as head of the State regulatory body, makes a telling point indeed in tying in fuel oil prices and production along with natural gas. But let the utilities commission chairman take the floor to voice his own indictment as contained in a letter to members of the Tar Heel congressional delegation:

"There is a concentrated effort being made by the producers of natural gas, many of which are controlled by fuel-oil companies, to take from the jurisdiction of the Federal Power Commission the authority to regulate the price of natural gas at its source.

"The purpose seems to be to keep the price of natural gas inflated so that its competitor, fuel oil, may be maintained at a higher price. This is a very important matter to the users of both natural gas and fuel oil in this State.

"Surely Congress has a responsibility to look into the alleged interlocking ownership of gas and fuel oil production and see that competition is stimulated rather than stifled. It furthermore should make sure that the public interest transcends that of the forces which are lobbying so intensively for lifting of FPC controls."

It requires no rate expert to know that if gas producers hike their prices, these hikes will be passed along to natural gas distributors, such as those merely getting started in North Carolina, and that the latter will be forced, in turn, to go to the State utilities commission for rate increases which will ease their heavier costs burden. Chairman Winborne realistically concedes, in stressing effects of the pending legislation, that if the producers "can make the price whatever they want at the fields, we'll be powerless to prevent the increases from being passed down through the local companies to the public."

If that isn't the tipoff as to why Tar Heel gas consumers and fuel oil users should let their Congressmen and Senators hear from them, we don't know what would be.

[From the Milwaukee Journal of January 16, 1956]

IT'S YOUR NATURAL GAS FIGHT

The pocketbook—and monthly budget—of thousands of Wisconsin residents are directly involved in the natural gas fight shaping up in the Senate this week.

Natural-gas producers are making an all-out fight to escape from control of the Federal Power Commission—an escape to which the House of Representatives has already agreed.

The issue is simple. Natural gas, treated as a public utility, is controlled as it reaches the consumer by State regulation. The pipelines through which it reaches local distributors are controlled by the FPC. The producers selling to pipelines in interstate commerce are similarly under FPC control.

To remove FPC control from producers would be the same as cutting a leg from a three-legged stool. It would make a shambles of regulation all along the line.

The bill before the Senate pretends to give the FPC some control over producers, but any analysis of the controls proposed shows them to be meaningless. One example: The bill gives the FPC power to set a reasonable market price for gas sold to pipeline companies—but then describes sales by producers to pipelines as being intrastate commerce, which is not subject to Federal control. Proffered controls are a sop that can't work.

Opponents of regulation claim that the FPC would have an impossible job regulating thousands of producers. Those favoring regulation have an easy answer for that. Just 174 producers, who sell more than 2 billion cubic feet of gas a year, provide more than 90 percent of all gas sold pipelines in interstate commerce. It would be simple to regulate them and exempt the thousands of others, who are so small that their prices would automatically be controlled by competition.

Wisconsin has carried the burden of the gas fight from the start. Milwaukee has stood shoulder to shoulder in that fight with State officials and Senator WILEY. State mayors, by and large, are adding their strength to the battle for consumers. This time many other consumer areas and gas-distribution companies have joined in the effort to keep regulation and make it effective.

This is an old-fashioned fight between consumers and monopoly—however much gas producers deny they are a monopoly—and, if the fight is lost, the defeat will be paid for out of your pocketbook.

[From the Council Bluffs (Iowa) Nonpareil of December 28, 1955]

HARRIS-FULBRIGHT BILL WILL RAISE YOUR GAS BILL

On July 28, 1955, the United States House of Representatives passed by the narrow margin of six votes, the Harris bill, dealing with the Federal regulation of natural gas produced for transmission throughout the country in pipelines for use by consumers.

Its Senate counterpart, the Fulbright bill, has been reported out of committee and will be considered by the Senate early in 1956.

The purpose of these bills is to reverse the decision of the United States Supreme Court in the Phillips Petroleum case on June 7, 1954. The Court held that producers who sell natural gas to interstate pipelines for resale in interstate commerce are subject to regulation by the Federal Power Commission under the Natural Gas Act.

If Congress finally passes the Harris-Fulbright bill, more than 26 million families who use gas to heat their homes, cook their food, and to perform other useful household services will have to pay higher rates.

It is also important to many industries which use gas to develop power in communities throughout the land.

The Harris-Fulbright bill does not protect the interests of consumers. If it passes Congress in its present form, it will result in increasing the gas bills of 26 million families and thousands of industries by many millions of dollars.

Gas producers have laid great stress on the possibility of a shortage of natural gas if the Harris-Fulbright bill is not enacted into law. The real threat to gas producers is not from a shortage of gas. It is from the field price increases which have averaged 120 pecent in the last 10 years.

The nationwide selling price of gas distributing utilities has gone up only 51 percent in this period because of the increased volume and the more efficient distribution methods.

The Council of Local Gas Companies is fighting the Harris-Fulbright bill so they can continue to sell gas at a price competitive with other fuels.

Local distributing utilities recognize that the production of natural gas involves risks greater than those of many other industries.

But they do not believe natural-gas producers should be completely exempt from price regulation as provided in the Harris-Fulbright bill.

Complete exemption, the local distributors maintain, will make certain a continuation of price increases, many of which are unjustified.

The Council Bluffs Gas Co. has been a leader in the fight against enactment of Harris-Fulbright bill, because it wants to avoid further increases in the cost of gas to consumers.

From all the information we have been able to obtain, we believe Iowa's Senators, BOURKE HICKENLOOPER and TOM MARTIN, ought to vote against the Harris-Fulbright bill.

[From the Cleveland (Ohio) Press of December 9, 1955]

NATURAL GAS FIGHT IS AT WASHINGTON

Natural gas is cheaper than coal, fuel oil or other competing fuels. So the East Ohio Gas Co.'s request for higher rates, while not welcomed by users, is not unexpected.

The company's notice to the city to end its present contractural arrangements 6 months from now is a first step. The action also draws attention to how little can be done at the local level to head off any hike in rates.

In fact, William G. Rogers, East Ohio Gas Co. president, cites two actions pending in Washington, together with other increased costs, as justification for a rate increase.

One was the action of a gas transportation company in asking for more money. This would cost the local distributing company an estimated $1,250,000 a year.

The other is the controversial measure which would take away from the Federal Power Commission the right to regulate the price of gas at the far-off Texas wells producing it.

There has been a lot of talk about how this measure would not hit the consumer in the pocketbook. It has been argued that it might even stimulate the drilling of new wells so that lower prices would result.

It is pretty clear that the East Ohio does not think so. It did get itself exempted from regulation by the Commission on business within the State. The measure patterned after the Kerr bill vetoed by President Truman has passed the House and is pending in the Senate.

Republican Congressmen from this area voted for the bill. Democrats opposed it. Senator PAUL DOUGLAS, of Illinois, argues that it will cost every gas user $20 a year more.

It is good to have the East Ohio's position in gas rates out in the open now. It is hard to see, though, how negotiations can get very far until there is further action at Washington.

The 700,000 gas consumers in northern Ohio can let Senators JOHN W. BRICKER and GEORGE A. BENDER know where they stand on Federal control at wells many hundreds of miles from Cleveland.

Right now, BRICKER and BENDER will have more to say about prices Clevelanders will pay to heat their homes next winter than Mayor Celebrezze or city council.

The East Ohio's action wasn't intended as such, but it is clear warning of what loss of Federal control will mean to the gas users of Cleveland and the country.

Washington is now the battleground. That's where Mayor Celebrezze and Law Director Locher should direct their efforts. Negotiations at home can come later.

[From the Detroit Free Press of January 26, 1956]

SENATOR MONRONEY'S ABANDONMENT OF FACT

In his role as a champion of the Fulbright bill to take natural gas producers from under Federal controls, Oklahoma's Senator MONRONEY said newspapers have not bothered to get both sides of the story. Also, that they are stone blind to the cost of city (gas) delivery.

Twice, at their request, gas producer spokesmen have given us an extensive fill-in on the issue as they see it—and they're always welcome to come back again. So far, nobody from the other side has asked to talk with us.

It's conceivable that some papers have refused to listen to the gas men, but we are sure it wouldn't be typical. In any event, editors have been swamped with printed arguments from both sides.

As to the subject of local gas distribution, that seems a whopping irrelevancy and one into which we read an implication that newspapers have generally sold out to gas companies. As a former newspaper man, Senator MONRONEY knows as well as anyone that isn't so and he doesn't look very well when he hints at evil which we're confident he knows does not really exist.

What we'd do if we were natural gas producers is put a muzzle on Senator MONRONEY. When a man has to resort to untruth and innuendo in pleading a cause, the idea quickly gets around that there isn't anything plausible to be said for it.

[From the St. Paul Dispatch of January 20, 1956]

REVERSE GIVEAWAY

Practically all the political spokesmen for the northern natural gas using States are agreed that effective regulation of this new major utility must include Federal regulation at the wellhead.

And even more unanimously the political spokesmen for the natural-gas producing States are in favor of free, unfettered enterprise in this industry and are, therefore, supporting the natural-gas bill to exempt it from regulation.

These are Southern States from which hail most of the leaders of the Democratic majority in Congress. They say that this is a competitive industry which, if thus shackled, will be unable to continue its dynamic growth, so that in the long run the consumers will suffer because demand will outrun supply; and moreover that the costs of the natural gas are a small part of what the consumer finally pays, and also that it is unjust to regulate gas at the well while not regulating coal at the mine.

The bill exempting natural gas narrowly passed the House and is coming up in the Senate. The combination of Republicans and most northern Democrats would ordinarily be enough to assure defeat of the exemption. But in this case the potent Democratic leadership is carrying the ball for exemption. Thus it happens that the cry of giveaway, which Democratic campaigners use in other realms of the natural resources, is now turned against them by Republicans.

The principle of regulation of utilities is certainly well established and no one can seriously believe that the natural-gas industry under Federal regulation will wither away and die, unless it is assumed that the regulators will be a gang of wild wreckers, in which case this, like all utilities since the start of regulation, can always resort to the courts.

But it is an interesting proof again that the two major parties are both broad cross sections of American opinion, and the Democrats no more have a monopoly on consumer interests any more than Republicans have on the rights of private enterprise.

[From the Spartanburg, (S. C.) Journal of January 12, 1956]

NATURAL GAS CONTROL ISSUE IS OVER PRICES

There is now before the United States Senate a bill to exempt producers of natural gas from controls of the Federal Power Commission. The bill squeaked by the House on a close vote last summer.

And now that the showdown is coming in the Senate there is a great deal of propaganda about "helping the little man." This so-called little man is the owner of only a few gas wells.

This "little man" talk should not fool anyone. The industry claims the gas comes from 8,000 producers, which may be true. But Senator DOUGLAS pointed out that 90 percent of the gas is sold by only 175 companies. The gas production goes into an even smaller number of gas pipelines and most cities are served by only one of these lines. The oil companies are the big producers of natural gas and they, not the little man, would be the chief beneficiaries of control exemption.

Under present law the Federal Power Commission regulates prices because the gas producers are in virtually the same category as public utilities; that means there is not enough competition to control prices. The gas producers want to get out from under Federal regulation so they can charge more for their gas. What other reason would there be?

Consumers can be thankful that another part of the natural gas industry is on their side. The local gas companies and the pipelines which carry gas to them are under State and Federal regulation. So if the Senate bill is passed part of the industry—the producers—will not be regulated while the other part is controlled.

If the gas sold for interstate consumption is not reasonably controlled, the local utilities and pipelines will have to pay a higher bill and then attempt to pass it on to their customers. This puts the local companies and pipelines in the middle, with the public also getting the short end.

Part of the oil companies' appeal for passage of the bill is that regulation cripples free enterprise. To which the local gas companies answer, logically, that they are regulated and still represent free enterprise.

The issue is now a national one because natural gas is sold in 46 States and 26 million American families depend on it.

[From the Hartford Courant of December 24, 1955]

GUARDING THE INTERESTS OF GAS CONSUMERS

One of the bigger and more explosive issues coming before Congress in the next session will be that of natural gas. Ever since the Supreme Court ruled that producers are subject to regulation, producers have been pushing hard to get Congress to rule otherwise. The issue divides itself into two parts: the interest of the producers in risking their time and money seeking new sources, and the interest of the consumers—be they in Connecticut or Wisconsin—in being protected against unreasonable pricing of a product developed from natural resources.

The delivery of natural gas is actually a matter of interlocking agencies. First there is the producer, who extracts this by-product of oil from the ground. Then there is the pipeline operator, who transports it to market, and whose interstate transmission has been regulated by the FPC. Then there is the distributor, who is controlled by the public utilities commissions of the States. The effect of the Supreme Court decision was to extend regulation all the way back to the producer who takes the gas from the ground. This, the latter argues at length, is the surest way to discourage production, search and exploitation, make supplies short, and thus, through the law of supply and demand, make natural gas more costly.

This argument is hurt by the price rises that natural gas has already undergone in a period of expanding exploration. In 10 years, the field price in the 4 producing States—Kansas, Oklahoma, Louisiana, and Texas—has more than doubled. Through the use of escalator clauses in long-term contracts between producers and pipeline operators, increases anywhere are reflected generally in the industry. Distributors, fighting to keep their gas competitive with other fuels, have worked to absorb some of these higher prices. But they argue that they can't absorb any more. And they fear that the Harris-Fulbright bills coming up for congressional action will inevitably bring new price rises. Rate increases could price natural gas out of the Northeast.

Federal regulation, of course, doesn't dig for oil or natural gas. And producers argue that they deserve price regulation no more than producers of coal or oil. The question comes down to whether the Harris-Fulbright bills, around which the legislative fight will center, would operate in the interests of all the people. They would ban regulation of prices at the wellhead. They contain few

safeguards against unreasonable price increases being passed along to the consumer. There are constitutional objections to some sections of the bills, but the major objection is that they would exempt one segment of a regulated industry, and thus make foolish and unworkable the other elements of the regulatory system.

CONSERVATION OF NATURAL RESOURCES

Mr. NEUBERGER. Mr. President, one of the outstanding groups working in the field of resource conservation is the General Federation of Women's Clubs. This organization has drafted a most excellent and enlightened program for all the people and not merely a privileged and exploiting few.

I am particularly proud of the forward-looking stand taken by the women's clubs in this field because the conservation chairman of this notable group is Mrs. Marion T. Weatherford, of Arlington, Oreg., wife of one of our leading wheat ranchers and agricultural leaders.

Mrs. Weatherford, who is chairman of the Conservation of Natural Resources Department of the General Federation of Women's Clubs, has called to my attention the fact that her organization seeks a program which will combine prudent use of resources development with wise and vigilant protection for future generations. This goal can be attained with the watchful citizenship of such organizations as the General Federation of Women's Clubs.

I ask unanimous consent that the resolutions adopted by the General Federation of Women's Clubs appear in the body of the RECORD—and I commend to my fellow Senators the content of the resolutions, particularly those dealing with such vital resources as grazing lands, water, soil, and forests.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS OF THE GENERAL FEDERATION OF WOMEN'S CLUBS, CONSERVATION OF NATURAL RESOURCES DEPARTMENT

CONSERVATION EDUCATION

Whereas the prosperity and welfare of this Nation depend upon an abundant and continuing supply of natural resources; and

Whereas wise use of natural resources, necessary for abundance, can best be achieved in a democracy through a program of education at all age levels; and

Whereas such a program in our educational system can be successful only with adequate leadership: Therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1952, urges the establishment in teacher training institutions of programs designed to promote conservation education.

MINING LAWS RELATING TO PUBLIC DOMAIN

Whereas the mining laws relating to public domain and national forests permit nonmining patenting by private interests of land, water, and timber resources of great public value that should remain in public ownership and control: Therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1952, advocates that claims and patents under the mining laws, when located on public domain or in national forests be limited to those mineral rights now permitted by law and to such surface resources and use actually needed in the development of the claim or in the extraction or removal of the mineral deposits; and further

Resolved, That the use and disposition of the surface resources not in conflict with the mineral development be reserved to the United States.

COMMENDING AND SUPPORTING NATIONAL PARK SERVICE POLICY

Whereas our national parks and monuments are administered by the National Park Service under policies which ensure permanent preservation of scenic, scientific and historical natural features which they contain, and under policies which prohibit grazing, logging, mining and engineering projects which will destroy their natural character; and

Whereas many local and commercial interests seek to despoil these national parks and monuments for their personal profit by introducing legislation in Congress that would open them to exploitation: Therefore

Resolved, That the General Federation of Women's Clubs, in convention assembled, May 1951, commends the National Park Service for its adherence to official policies and asserts its strong opposition to any efforts, except such developments as may clearly be demonstrated to be in the interest of the national defense, that may be made to commercialize any national park or monument, whether by direct invasion, by altering boundaries or by any other means.

FOREST SERVICE

Whereas timber and grass are crops, and their production and management are functions of agriculture; and

Whereas 30 percent of the commercial forest land and 27 percent of the privately owned sawtimber in the United States is in farm woods; and

Whereas crop production and management and land use policies are traditional and logical responsibilities of the Department of Agriculture and that Department through its Forest Service, has established a record of excellent administration of the national forests and the grazing lands within them in the public interest, a record commended independently by the task forces of the Hoover Commission on (1) agricultural activities, (2) natural resources, and (3) public works: Therefore

Resolved, That the General Federation of Women's Clubs, in convention assembled, May 1951, urges the adoption of the recommendation of the Hoover Commission that the Forest Service be retained in the Department of Agriculture.

PERMANENT TIMBER SUPPLY

Whereas it has been demonstrated in many areas that selective cutting and sustained yield forestry programs build better communities by assuring permanent jobs and industries; and

Whereas examples of sound sustained yield management may be observed in many sections of the country, yet the bulk of woodlands is not in full production, nor are such lands on a sustained yield basis: Therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1950, urges the Government to evolve and present to the woodland owners, adequate programs designed to maintain a permanent timber supply in all sections of the country.

FOREST RESOURCES

Whereas the forest resources of the United States are indispensable to our individual and collective welfare; and

Whereas official reports show that relatively little of our forest land is being managed for sustained timber yield, and the trend of the Nation's timber resources is downward, making immediate and positive action necessary to reverse this trend and build up timber growth: Therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1948, reaffirms its previous stand in support of immediate nationwide action to safeguard the forest resources of both public and private lands of the United States, and calls for:

1. Greater assistance through local, State, and Federal governments to forest landowners in management and in protection of forests against fire, insects, and disease;

2. Sufficient remedial action by the public to keep all forest lands, in whatever ownership, producing raw materials, giving watershed protection and other services, to protect the public interest;

3. Adding to community, State and national forests those tax delinquent cutover and other forest lands whose public values cannot otherwise be adequately protected and developed; and further

Resolved, That a program of research by public and private agencies in forest, watershed and range management, forest product utilization, and related fields be encouraged.

NATIONAL FORESTS

Whereas the national forests, under jurisdiction of the United States Forest Service are an important national asset, therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1948, urges full support of the efforts of the Forest Service in the development and administration of the timber, range water, wildlife, recreation, and other resources of the national forests.

SOIL CONSERVATION

Whereas great progress has been made in the 48 States in promoting and developing of a sound soil conservation practice in recent years, and

Whereas much remains to be done before all the States' vital agricultural resources are safeguarded from waste and destruction, and

Whereas there have been tangible results from the operations of active and vigorous soil-conservation districts in the United States; therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1950, recognizes the importance of complete factual information about the physical properties of our land as a basis for the conservation farm planning done in soil-conservation districts and as an aid to industry, utilities, wildlife organizations, leading agencies and all groups which are interested in or make any use of the land; endorses the rapid completion of a national land capability inventory to provide this essential information; and further endorses the effective work of the Soil Conservation Service, United States Department of Agriculture, which gives technical help in developing and applying farm conservation plans to the locally organized and administered soil-conservation districts, and urges the continuance and expansion of the complete, practical, on-the-farm help given to farmers and landowners by the Soil Conservation Service through districts, and further

Resolved, That copies of this resolution be sent to the President of the United States, the Secretary of the Department of Agriculture, the Chief of the Soil Conservation Service, and to all Members of the Congress.

COMMUNITY-SCHOOL FORESTS

Whereas many Community-School Forests have been established in the past, and

Whereas there have been tangible beneficial results from these Community-School Forests, and

Whereas there remains much land which should be secured and planted to forests; therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1950, reaffirms its previous stand in sponsoring Community-School Forests; urges all clubs who are sponsoring these forests to make contact with their local, State, or Federal Forest Service for assistance in correct conservation practices and in the management and protection of forests against fires, insects, and disease; and urges that these forests be used as conservation laboratories where pupils may not only learn conservation principles, but also be imbued with attitudes of civic service and good citizenship in order to become individual conservationists.

WATER SUPPLY

Whereas a dependable water supply is the lifeblood of our Nation's health and economy, controls food production and the development of industries, and

Whereas each year the efficiency of costly storage reservoirs throughout the United States is reduced through sedimentation from over-used and burned-over watershed lands, and

Whereas many flood-control structures have been powerless to hold back the flood waters rushing from such denuded watershed lands; therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1949, urges Congress to put into operation immediately an overall program designed to: (1) Rehabilitate these valuable watershed lands which have been denuded and are endangering life and property; (2) make certain that proper and adequate management is given all of our public watershed lands so that no additional acreage will be ruined and contribute to reservoir sedimentation and disastrous floods.

PUBLIC GRAZING LANDS

Whereas the grazing lands in the national forests and other public lands of the Western States include watersheds of vital importance to the whole economy of the West; and they include scenic, recreational, wildlife, timber, mineral, and other resources of national importance which should properly be administered in the broadest public interest, and

Whereas certain groups have sought by various means to obtain exclusive control over these lands which belong to all the people, or to hamper the application of conservation measures on them; therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1948, urges the Congress to safeguard these public lands for the benefit of all, and to encourage and support the proper protection, development, and administration of their resources.

WATER POLLUTION CONTROL

Whereas our country's waters are vital to its very existence, to its economic and social progress, to its national safety, and to the public health and welfare of its people; and

Whereas the domestic, agricultural, fishing, wildlife, recreational uses, and industrial productive capacity are seriously threatened because of pollution of our streams, rivers, and lakes; and

Whereas the responsibility for water pollution control is primarily State and local, a majority of the Nation's rivers are interstate streams or tributaries thereof: Therefore

Resolved, That the General Federation of Women's Clubs, in convention assembled, May 1955, urges that local, State, and Federal agencies cooperate to accomplish adequate pollution abatement; that pollution control be developed as an integral part of comprehensive river-basin programs; that the Pollution Control Act of Congress, June 30, 1948, as amended, be extended and implemented; and that stronger regulatory laws be enacted to improve water pollution control with the broadest possible benefits to the public; and further

Resolved, That copies of this resolution be sent to the President of the United States; the Secretaries of the Departments of Agriculture, the Army, the Interior, Health, Education, and Welfare; and the governors of the States.

AIR POLLUTION CONTROL

Whereas air pollution is becoming an increasing concern in many communities, and

Whereas knowledge of the causes and results of air pollution is limited, therefore

Resolved, That the General Federation of Women's Clubs, in convention assembled, May 1955, urges:

1. That programs of research be furthered in governmental agencies and nongovernmental institutions to ascertain what the air pollutants are and what is their effect on the health and economic welfare of the people in the area affected;

2. That, as soon as possible, Government, industries, communities, and individuals take action based on the research findings in order to bring about solutions of the problems arising from air pollution.

CONSERVATION OF WILDLIFE

Whereas land and water that can be devoted to the conservation of wildlife in forest, field, or stream is becoming increasingly important and increasingly limited; and

Whereas the proper methods of land and water management must be practiced to create a favorable environment and habitat for wildlife, which is consistent with other purposes to which the land and water must be devoted; therefore.

Resolved, That the General Federation of Women's Clubs, in convention assembled, May 1955, urges the consideration of and provision for adequate wildlife habitat in any program of development of our natural resources, consistent with all purposes to which land and water must be devoted, to the end that wildlife and wildlife habitat shall not needlessly suffer from resource management in our expanding Nation.

ROADS AND ROADSIDE DEVELOPMENT

Whereas the demands of rapidly growing traffic necessitate vast roadbuilding programs; and

Whereas the problem of highway safety and conservation in roadside development are a constant concern to motorists and to communities bordering the highways; therefore

Resolved, That the General Federation of Women's Clubs and its member clubs continue in the effort to preserve the natural beauties of the landscape and to keep the roadsides free of litter and disfiguring structures; and further

Resolved, That the General Federation of Women's Clubs, in convention assembled, May 1955, records its support of strict control of roadside development through zoning regulations, and well designed planting for both safety and beauty; and further

Resolved, That the General Federation of Women's Clubs urges its member clubs to support legislation providing proper development of highway programs using the scientific skills of highway engineers, landscape architects, and planning boards.

RECESS TO 11 A. M. TOMORROW

Mr. NEUBERGER. Mr. President, pursuant to the order previously adopted, I move that the Senate now stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Wednesday, February 1, 1956, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate January 31 (legislative day of January 16), 1956:

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be commissioned captain

John H. Brittain, effective February 1, 1956.
Emil H. Kirsch.
George R. Shelton.
George A. Nelson.
Wilbur R. Porter.
Percy L. Bernstein.
Charles A. Schanck.

CONFIRMATION

Executive nomination confirmed by the Senate January 31 (legislative day of January 16), 1956:

UNITED STATES DISTRICT JUDGE

Frank M. Johnson, Jr., of Alabama, to be United States district judge for the middle district of Alabama.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 31, 1956

The House met at 12 o'clock noon.

The Reverend Hugh K. Wolf, St. Agnes Church, Vermillion, S. Dak., offered the following prayer:

O God, divine protector of all who put their trust in Thee, accept the humble homage of our faith and love in Thee; enlighten the Members of this great lawmaking body, enabling them to acknowledge in all their undertakings that all power comes from You and that under You the people rule.

May the outpourings of Thy holy spirit cleanse the hearts and minds of these lawmakers so that, guided and strengthened by the same Holy Spirit, these chosen men and women, knowing Thy wishes and their duties, may always have the moral strength to relish what is right and ever rejoice in His consolation, through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

TAXES ON GASOLINE AND SPECIAL FUELS USED ON FARMS

The SPEAKER. The unfinished business is the question on suspending the rules and passing the bill (H. R. 8780) to amend the Internal Revenue Code of 1954 to relieve farmers from excise taxes in the case of gasoline and special fuels used on the farm for farming purposes.

The Clerk read the title of the bill.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill?

Mr. COOPER. Mr. Speaker, I renew my request for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 387, nays 0, not voting 45, as follows:

[Roll No. 3]

YEAS—387

Abbitt	Dawson, Utah	Johnson, Calif.
Abernethy	Deane	Johnson, Wis.
Adair	Delaney	Jonas
Addonizio	Dempsey	Jones, Mo.
Albert	Denton	Jones, N. C.
Alexander	Derounian	Judd
Alger	Devereux	Karsten
Allen, Calif.	Dies	Kean
Allen, Ill.	Dingell	Kearney
Andersen, H. Carl	Dixon	Kearns
	Dodd	Keating
Andresen, August H.	Dollinger	Kee
	Dolliver	Kelly, N. Y.
Andrews	Dondero	Keogh
Anfuso	Donohue	Kilburn
Arends	Donovan	Kilday
Ashley	Dorn, N. Y.	Kilgore
Ashmore	Dorn, S. C.	King, Calif.
Aspinall	Dowdy	Kirwan
Auchincloss	Doyle	Klein
Ayres	Edmondson	Kluczynski
Bailey	Elliott	Knox
Baker	Ellsworth	Knutson
Baldwin	Engle	Krueger
Barden	Evins	Laird
Bass, N. H.	Fallon	Landrum
Bass, Tenn.	Fascell	Lane
Bates	Feighan	Lanham
Baumhart	Fenton	Lankford
Beamer	Fernandez	Latham
Becker	Fino	LeCompte
Belcher	Fisher	Lesinski
Bell	Fjare	Lipscomb
Bennett, Fla.	Flood	Long
Bennett, Mich.	Flynt	Lovre
Bentley	Fogarty	McCarthy
Berry	Forand	McCormack
Betts	Ford	McCulloch
Blatnik	Forrester	McDonough
Blitch	Fountain	McDowell
Boggs	Frazier	McGregor
Boland	Frelinghuysen	McIntire
Bolling	Friedel	McMillan
Bonner	Fulton	McVey
Bosch	Garmatz	Macdonald
Bow	Gary	Machrowicz
Bowler	Gathings	Madden
Boykin	Gavin	Magnuson
Bo:le	Gentry	Mahon
Bray	George	Mailliard
Brooks, La.	Grant	Marshall
Brooks, Tex.	Gray	Martin
Brown, Ga.	Green, Oreg.	Mason
Brown, Ohio	Green, Pa.	Matthews
Brownson	Gregory	Merrow
Broyhill	Griffiths	Metcalf
Budge	Gross	Miller, Calif.
Burdick	Gubser	Miller, Md.
Burleson	Gwinn	Miller, Nebr.
Burnside	Hagen	Miller, N. Y.
Bush	Hale	Mills
Byrd	Haley	Minshall
Byrne, Pa.	Halleck	Morano
Byrnes, Wis.	Hand	Morgan
Canfield	Harden	Morrison
Cannon	Hardy	Moss
Carlyle	Harris	Moulder
Carnahan	Harrison, Nebr.	Multer
Carrigg	Harrison, Va.	Murray, Ill.
Cederberg	Harvey	Murray, Tenn.
Celler	Hays, Ark.	Natcher
Chase	Hays, Ohio	Nelson
Chelf	Hayworth	Nicholson
Chenoweth	Hébert	Norblad
Chiperfield	Henderson	Norrell
Christopher	Heselton	O'Brien, Ill.
Chudoff	Hess	O'Hara, Ill.
Church	Hiestand	O'Hara, Minn.
Clark	Hill	O'Konski
Clevenger	Hillings	Ostertag
Cole	Hoeven	Passman
Colmer	Hoffman, Ill.	Patman
Cooley	Hoffman, Mich.	Pelly
Coon	Holifield	Perkins
Cooper	Holmes	Philbin
Corbett	Holt	Pilcher
Coudert	Holtzman	Pillion
Cramer	Horan	Poage
Cretella	Hosmer	Poff
Crumpacker	Huddleston	Polk
Cunningham	Hull	Powell
Curtis, Mass.	Hyde	Preston
Curtis, Mo.	Ikard	Priest
Dague	Jackson	Prouty
Davidson	James	Quigley
Davis, Ga.	Jarman	Rabaut
Davis, Tenn.	Jenkins	Radwan
Davis, Wis.	Jennings	Rains
Dawson, Ill.	Johansen	Ray
Reed, N. Y.	Short	Trimble
Rees, Kans.	Shuford	Tuck
Reuss	Sieminski	Tumulty
Rhodes, Ariz.	Sikes	Udall
Rhodes, Pa.	Siler	Utt
Riehlman	Simpson, Ill.	Vanik
Riley	Simpson, Pa.	Van Pelt
Rivers	Sisk	Van Zandt
Roberts	Smith, Kans.	Vinson
Robeson, Va.	Smith, Miss.	Wainwright
Robsion, Ky.	Smith, Va.	Watts
Rodino	Smith, Wis.	Weaver
Rogers, Colo.	Spence	Westland
Rogers, Fla.	Springer	Wharton
Rogers, Mass.	Staggers	Whitten
Rogers, Tex.	Steed	Wickersham
Rooney	Sullivan	Widnall
Roosevelt	Taber	Wier
Rutherford	Talle	Wigglesworth
Sadlak	Taylor	Williams, Miss.
St. George	Teague, Calif.	Williams, N. J.
Saylor	Teague, Tex.	Williams, N. Y.
Schenck	Thomas	Willis
Scherer	Thompson, La.	Wilson, Ind.
Scott	Thompson, Mich.	Winstead
Scrivner		Withrow
Scudder	Thompson, N. J.	Wolcott
Seely-Brown	Thompson, Tex.	Wright
Selden	Thomson, Wyo.	Yates
Sheehan	Thornberry	Young
Sheppard	Tollefson	Younger

NOT VOTING—45

Avery	Hope	Phillips
Barrett	Jensen	Price
Bolton, Frances P.	Jones, Ala.	Reece, Tenn.
	Kelley, Pa.	Reed, Ill.
Bolton, Oliver P.	King, Pa.	Richards
	McConnell	Schwengel
Buckley	Mack, Ill.	Shelley
Chatham	Mack, Wash.	Velde
Diggs	Meader	Vorys
Durham	Mollohan	Vursell
Eberharter	Mumma	Walter
Gamble	O'Brien, N. Y.	Wilson, Calif.
Gordon	O'Neill	Wolverton
Granahan	Osmers	Zablocki
Herlong	Patterson	Zelenko
Hinshaw	Pfost	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mrs. Frances P. Bolton.
Mr. Diggs with Mr. Jensen.
Mr. Durham with Mr. Hope.
Mr. Chatham with Mr. Velde.
Mr. Gordon with Mr. Reece of Tennessee.
Mr. Barrett with Mr. Wilson of California.
Mr. Mack of Illinois with Mr. Patterson.
Mrs. Pfost with Mr. Meader.
Mr. Mollohan with Mr. Mack of Washington.
Mr. Walter with Mr. Gamble.
Mr. Zablocki with Mr. Oliver P. Bolton.
Mr. Jones of Alabama, with Mr. Avery.
Mr. Shelley with Mr. King of Pennsylvania.
Mr. Buckley with Mr. Hinshaw.
Mr. Eberharter with Mr. McConnell.
Mr. Granahan with Mr. Mumma.
Mr. Kelley of Pennsylvania with Mr. Osmers.
Mr. Zelenko with Mr. Phillips.
Mr. O'Brien of New York with Mr. Vorys.
Mr. Price with Mr. Vursell.
Mr. Richards with Mr. Schwengel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, because of my strong feelings in favor of H. R. 8780 which exempts farm machinery fuels from Federal excise tax, and because I was detained at Bethesda Medical Center until noon Tuesday and could not get back in time to register my vote, I wish to take this means of going on record in favor of the bill. Had I been here, I would have voted "yea." In a nonrecord voice vote the previous day, I voted "yea." I have long been a proponent of this type of legislation, having championed similar measures in the State Legislature of Iowa. I am confident that it will soon become law and the farm people can start enjoying this saving.

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, the purpose of the bill now under consideration—H. R. 8780—is to relieve farmers of the burden of the excise taxes on gasoline and special fuels used on their farms for farming purposes.

This relief will become available to farmers in the form of refunds payable by the Federal Government directly to the farmers. It is estimated that this will provide farmers with approximately $60 million of tax relief each year.

The depressed condition that presently exists in certain portions of the agricultural industry creates a real problem. It is one that calls for relief. The decline in farm income not only adversely affects our farmers to such an extent that it constitutes a menace to their welfare but also to the generally prosperous conditions that exist in industrial activities.

The bill recognizes that there is an adverse differential between what the farmer receives for his product and the cost of operation of his farm. Consequently, this bill makes some contribution toward a remedy by removing the Federal tax on the gasoline or fuel that the farmer uses in the operation of his farm. Of course, this is only one way to attack the problem of declining farm prices and the rising cost of the articles the farmer must buy. The farm problem as it presently exists must be attacked on several fronts if we are to give adequate relief. It is to be hoped that the intense study that is being given to the subject will bring forth a remedy that will prove effectual.

In dealing with the separate problems that effect the different segments of our economy, it is well to remember that we all go up or we all go down together. Therefore, we should work in a spirit of cooperation wherein we adopt a policy of "one for all and all for one." In thus recognizing our interdependence one upon another we advance the prosperity of all.

The present bill although it only affects a small portion of our farm problem, yet it has my full support as an evidence of a desire to be helpful in whatever way is possible.

COMMITTEE ON UN-AMERICAN ACTIVITIES

The SPEAKER. The unfinished business is the question on agreeing to the resolution (H. Res. 352) to authorize the expenditure of certain funds for the ex-

penses of the Committee on Un-American Activities.

Mr. JACKSON. Mr. Speaker, I renew my request of yesterday that this vote be taken by the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 385, nays 1, not voting 46, as follows:

[Roll No. 4]

YEAS—385

Abbitt	Cunningham	Hoeven
Abernethy	Curtis, Mass.	Hoffman, Ill.
Adair	Curtis, Mo.	Hoffman, Mich.
Addonizio	Dague	Holifield
Albert	Davidson	Holmes
Alexander	Davis, Ga.	Holt
Alger	Davis, Tenn.	Holtzman
Allen, Calif.	Davis, Wis.	Horan
Allen, Ill.	Dawson, Ill.	Hosmer
Andersen, H. Carl	Dawson, Utah	Huddleston
	Deane	Hyde
Andresen, August H.	Delaney	Ikard
	Dempsey	Jackson
Andrews	Denton	James
Anfuso	Derounian	Jarman
Arends	Devereux	Jenkins
Ashley	Dies	Jennings
Ashmore	Diggs	Johansen
Aspinall	Dingell	Johnson, Calif.
Auchincloss	Dixon	Johnson, Wis.
Ayres	Dodd	Jonas
Bailey	Dollinger	Jones, Ala.
Baker	Dolliver	Jones, Mo.
Baldwin	Dondero	Jones, N. C.
Barden	Donohue	Judd
Bass, N. H.	Donovan	Karsten
Bass, Tenn.	Dorn, N. Y.	Kean
Bates	Dorn, S. C.	Kearney
Baumhart	Dowdy	Kearns
Beamer	Doyle	Keating
Becker	Edmondson	Kee
Belcher	Elliott	Kelly, N. Y.
Bell	Ellsworth	Keogh
Bennett, Fla.	Engle	Kilburn
Bennett, Mich.	Evins	Kilday
Bentley	Fallon	Kilgore
Berry	Fascell	King, Calif.
Betts	Feighan	Kirwan
Blatnik	Fenton	Klein
Blitch	Fernandez	Kluczynski
Boggs	Fino	Knox
Boland	Fisher	Knutson
Bolling	Fjare	Krueger
Bonner	Flood	Laird
Bosch	Flynt	Landrum
Bow	Fogarty	Lane
Bowler	Forand	Lanham
Boykin	Ford	Lankford
Boyle	Forrester	Latham
Bray	Fountain	LeCompte
Brooks, La.	Frazier	Lesinski
Brooks, Tex.	Frelinghuysen	Lipscomb
Brown, Ga.	Friedel	Long
Brown, Ohio	Fulton	Lovre
Brownson	Garmatz	McCarthy
Broyhill	Gary	McCormack
Budge	Gathings	McCulloch
Burdick	Gavin	McDonough
Burleson	Gentry	McGregor
Burnside	George	McIntire
Bush	Grant	McMillan
Byrd	Gray	McVey
Byrne, Pa.	Green, Oreg.	Macdonald
Byrnes, Wis.	Green, Pa.	Machrowicz
Canfield	Gregory	Madden
Cannon	Griffiths	Magnuson
Carlyle	Gross	Mahon
Carnahan	Gubser	Mailliard
Carrigg	Gwinn	Marshall
Cederberg	Hagen	Martin
Celler	Hale	Mason
Chase	Haley	Matthews
Chelf	Halleck	Merrow
Chenoweth	Hand	Metcalf
Chiperfield	Harden	Miller, Calif.
Christopher	Hardy	Miller, Md.
Chudoff	Harris	Miller, Nebr.
Church	Harrison, Nebr.	Miller, N. Y.
Clark	Harrison, Va.	Mills
Clevenger	Harvey	Minshall
Cole	Hays, Ark.	Morano
Colmer	Hays, Ohio	Morgan
Cooley	Hayworth	Morrison
Coon	Hébert	Moss
Cooper	Henderson	Moulder
Corbett	Heselton	Multer
Coudert	Hess	Murray, Ill.
Cramer	Hiestand	Murray, Tenn.
Cretella	Hill	Natcher
Crumpacker	Hillings	Nelson
Nicholson	Rogers, Mass.	Thomas
Norblad	Rogers, Tex.	Thompson, La.
Norrell	Rooney	Thompson, Mich.
O'Brien, Ill.	Roosevelt	Thompson, N. J.
O'Hara, Ill.	Rutherford	Thompson, Tex.
O'Hara, Minn.	Sadlak	Thomson, Wyo.
O'Konski	St. George	Thornberry
Ostertag	Saylor	Tollefson
Passman	Schenck	Trimble
Pelly	Scherer	Tuck
Perkins	Schwengel	Tumulty
Philbin	Scott	Vanik
Pilcher	Scrivner	Van Pelt
Pillion	Scudder	Van Zandt
Poage	Seely-Brown	Vinson
Poff	Selden	Wainwright
Polk	Sheehan	Watts
Powell	Sheppard	Weaver
Preston	Short	Westland
Priest	Shuford	Wharton
Prouty	Sieminski	Whitten
Quigley	Sikes	Wickersham
Rabaut	Siler	Widnall
Radwan	Simpson, Ill.	Wigglesworth
Rains	Simpson, Pa.	Williams, Miss.
Ray	Sisk	Williams, N. J.
Reed, N. Y.	Smith, Kans.	Williams, N. Y.
Rees, Kans.	Smith, Miss.	Willis
Reuss	Smith, Va.	Wilson, Ind.
Rhodes, Ariz.	Smith, Wis.	Winstead
Rhodes, Pa.	Spence	Withrow
Riehlman	Springer	Wolcott
Riley	Staggers	Wolverton
Rivers	Steed	Wright
Roberts	Sullivan	Yates
Robeson, Va.	Taber	Young
Robsion, Ky.	Talle	Younger
Rodino	Taylor	
Rogers, Colo.	Teague, Calif.	
Rogers, Fla.	Teague, Tex.	

NAYS—1

Wier

NOT VOTING—46

Avery	Hull	Pfost
Barrett	Jensen	Phillips
Bolton, Frances P.	Kelley, Pa.	Price
	King, Pa.	Reece, Tenn.
Bolton, Oliver P.	McConnell	Reed, Ill.
	McDowell	Richards
Buckley	Mack, Ill.	Shelley
Chatham	Mack, Wash.	Udall
Durham	Meader	Utt
Eberharter	Mollohan	Velde
Gamble	Mumma	Vorys
Gordon	O'Brien, N. Y.	Vursell
Granahan	O'Neill	Walter
Herlong	Osmers	Wilson, Calif.
Hinshaw	Patman	Zablocki
Hope	Patterson	Zelenko

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Barrett with Mr. Avery.

Mr. Mack of Illinois with Mr. King of Pennsylvania.

Mr. Gordon with Mr. Jensen.

Mr. Granahan with Mr. Vursell.

Mr. Kelley of Pennsylvania with Mr. Phillips.

Mr. Hull with Mr. McConnell.

Mr. Shelley with Mrs. Frances P. Bolton.

Mr. Herlong with Mr. Gamble.

Mr. Chatham with Mr. Wilson of California.

Mr. Buckley with Mr. Reece of Tennessee.

Mr. Eberharter with Mr. Osmers.

Mrs. Pfost with Mr. Mack of Washington.

Mr. O'Neill with Mr. Hope.

Mr. O'Brien of New York with Mr. Reed of Illinois.

Mr. Price with Mr. Meader.

Mr. Zablocki with Mr. Mumma.

Mr. Walter with Mr. Patterson.

Mr. Mollohan with Mr. Utt.

Mr. Zelenko with Mr. Velde.

Mr. Durham with Mr. Hinshaw.

Mr. Udall with Mr. Oliver P. Bolton.

Mr. McDowell with Mr. Vorys.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE LATE FRED HERMAN HILDEBRANDT

The SPEAKER. The Chair recognizes the gentleman from South Dakota [Mr. LOVRE].

Mr. LOVRE. Mr. Speaker, I regret to inform you of the passing of a former Member of this House, the Honorable Fred Herman Hildebrandt, a former colleague of many of our present Members. Mr. Hildebrandt represented the First Congressional District of South Dakota for three terms, the 73d, 74th, and 75th.

Mr. Hildebrandt was born in West Bend, Wis., on August 2, 1882. In 1888 he moved with his parents to Waupun, Wis., where he attended the public schools. Later he moved to Watertown, S. Dak., where he made his home the rest of his life. At Watertown he attended the Watertown Business College and in 1903 joined the employ of the Minneapolis & St. Louis Railway. For 3 years he was a railroad freight brakeman, then served as freight conductor from 1906 until 1911 when he became passenger conductor on the railroad, a position he held until 1932.

In the 1922–23 sessions of the South Dakota Legislature Mr. Hildebrandt served as a member of the house of representatives. He later served as chairman of the South Dakota Game and Fish Commission for 4 years—1927–31—and was president of the North Central States Game and Fish Department from 1928 to 1930.

He was first elected to Congress on the Democratic ticket in 1932, and served three successive terms as a Member of this House, completing his three terms in 1939 after announcing he would not be a candidate for reelection to the House. He was Democratic candidate for the United States Senate in 1938, and also a candidate for election in 1942 to the 78th Congress.

Mr. Hildebrandt was selected as a delegate to the Democratic National Convention in Chicago in 1944. Following his terms in Congress he retired from active business life and maintained his home in Watertown, S. Dak. Last November he left Watertown to spend the winter in Palmetto, Fla., where he had been living with his wife when he passed away last Friday morning, January 27.

I was privileged to have known Fred Hildebrandt for many years, and can truly say that I considered him an outstanding citizen, a man of unimpeachable honor, who always devoted his every effort to the best interests of this Nation.

Although Fred Hildebrandt's service in this House was but three terms, those who knew him and served with him gained much from his wise counsel and thoughtful judgment. South Dakota, as well as this Nation, can be proud that a man such as Fred Hildebrandt served in the House of Representatives. For within Fred Hildebrandt was that quality of unselfishness, devotion to service, and highest integrity, a quality that is endowed on very few men, but which blessed Fred Hildebrandt and reflected on those that knew him. His life of devoted service stands as a beacon light of

endeavor, guiding us all to further accomplishments for the welfare of mankind.

I wish to take this opportunity, and I know my colleagues join me, in extending to his widow, his sister, and to his many, many friends, sincerest sympathy. Congressman Fred Hildebrandt served honorably in all capacities which he undertook, and his record of achievements will always remain as a distinct credit to his family, community, State, and Nation.

Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. REED of New York. Mr. Speaker, it is with deep regret that I have learned of the death of our former colleague, Hon. Fred Herman Hildebrandt, who served in the House of Representatives from March 4, 1933, until January 3, 1939, from South Dakota. He passed away last Friday while in Florida.

As many of you know, Fred Hildebrandt, as he was affectionately known, was once a railroad freight brakeman, and then a freight conductor, and after that a passenger conductor. Before coming to the House of Representatives he was a member of the South Dakota State House of Representatives.

I join with his many friends in expressing at this time my deep sympathy which I extend to his family.

INTERNATIONAL PHOTOGRAPHIC EXPOSITION

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, in March 1957, Washington will be the scene of the first international photographic exposition or trade fair ever held in the United States. Furthermore, I have been given to understand that this is one of the very few really comprehensive international expositions, and by far the largest, ever to be held in Washington. It is to be hoped that it is the forerunner of similar international events for which Washington is certainly a most appropriate location.

In the United States we are very fortunate in having the most outstanding and competent photographic manufacturing industry in the world. This is especially significant when we stop to consider the great contributions of this relatively small industry to our national economy in general and our national defense in particular.

In recent years our American industry has become the world leader in photographic research and development and thus in the excellence of its products. In fact, many of the developments which have made new and improved photographic products available to industry, science, education, entertainment, government, and for personal use as well, are the result of the inventiveness, ingenuity, and persistence of our American industry. These include new and improved color processes, better cameras and lenses, and finer and more diversified equipment, both still and motion picture, for a wide variety of uses and applications.

The American industry in many of its important product areas faces severe foreign competition. By continued research and development and aggressive salesmanship, it has been seeking to meet this competition both in its home markets and throughout the world. In this connection, it sees in international expositions an opportunity to make everyone aware of American photographic products, to create an even greater acceptance for them throughout the world, and to further mutual international respect and confidence.

Heretofore, international photographic expositions or trade fairs have been held only abroad, principally in Germany. However, strong opinion developed that to move the international photographic exposition around among a few carefully chosen world centers would be mutually advantageous.

Accordingly, last year American manufacturers as well as those of Germany and other producing nations cooperated in holding an international photographic exposition in Paris under the sponsorship of the French industry.

In 1957 this exposition is to be held in the United States under the sponsorship of the American industry. The active support of most of the major American photographic organizations is assured, the following having already pledged full cooperation:

American Society of Magazine Photographers, a national professional association.

Master Photo Dealers & Finishers Association, the national organization of photographic dealers and photo finishers.

National Association of Photographic Manufacturers, Inc., the national association of American manufacturers of all kinds and types of photographic equipment and supplies.

National Press Photographers Association, a national professional organization of press photographers.

Photographers Association of America, a national professional society of studio, commercial, and industrial photographers.

Photographic Society of America, a national organization of individuals seriously interested in photography, either personally or technically.

Several other American organizations related to the field of photography have under consideration the matter of adding their support to this undertaking. These organizations will in general be holding their national conventions in Washington during the period of the exposition, and those customarily having their own separate trade shows in conjunction therewith are foregoing them.

A very large attendance is expected at the forthcoming exposition, including many foreign visitors, such as dealers, importers, users, and manufacturers. In furtherance of the exposition, the American industry desires to have the same courtesy extended foreign exhibitors as they themselves were accorded in France and expect to receive at other future locations of this international event. In particular, this means permitting the duty-free importation of exhibit properties and products for the purposes of the exposition on the same basis as the Congress has seen fit to approve in various other similar cases.

Accordingly, Mr. Speaker, I am today introducing a bill, at the request of the American industry, to extend this courtesy to exhibitors from foreign countries.

CONVERSION OF CERTAIN NAVAL VESSELS

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 392, Rept. No. 1698), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 7993) to authorize the construction and conversion of certain naval vessels, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ARMED SERVICES PROCUREMENT ACT

Mr. DELANEY (at the request of Mr. COLMER), from the Committee on Rules, reported the following privileged resolution (H. Res. 393, Rept. No. 1699), which was referred to the House calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 8710) to amend the Armed Services Procurement Act of 1947. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INCREASING AMOUNT OF TELEPHONE AND TELEGRAPH SERVICE TO MEMBERS OF THE HOUSE

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent for the immediate

consideration of the bill (H. R. 8796) increasing the amount of telephone and telegraph service furnished to Members of the House of Representatives, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That clause (2) of the first section of the act entitled "An act relating to telephone and telegraph service and clerk hire for the House of Representatives," approved June 23, 1949, as amended (2 U. S. C., sec. 46f), is amended to read as follows:

"(2) charges on strictly official telegrams, cablegrams, and radiograms sent by or on behalf of the Member."

SEC. 2. (a) Clause (1) of section 2 of such act of June 23, 1949, as amended (2 U. S. C., sec. 46g), is amended by striking out "1,800" both times it appears therein and inserting in lieu thereof "3,000."

(b) The eighth paragraph under the subheading "Contingent Expenses of the House" under the heading "House of Representatives" in the Legislative Appropriation Act, 1955, is amended by striking out ": *Provided*, That effective July 1, 1954, the number of minutes of official long-distance telephone calls allowed each Member shall not exceed 2,700 per annum."

(c) Clause (2) of section 2 of such act is amended to read as follows:

"(2) charges on strictly official telegrams, cablegrams, and radiograms sent by or on behalf of the Member aggregating during the year not more than 20,000 words of which not more than 2,000 may be in telegrams, cablegrams, and radiograms sent to or from a point outside the United States, or its Territories or possessions except that if a Member is elected for a portion of a term the aggregate number of words with respect to which charges may be paid under the first section shall be reduced, with respect to the year in which he commences his service, to a number which is the same percentage of 20,000 as the number of days of his service in such year is of the total number of days in such year."

SEC. 3. The amendments made by this act shall take effect as of noon on January 3, 1956.

With the following committee amendment:

After "act," insert "of June 23, 1949."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FINANCIAL RECORDS OF COMMITTEE ON APPROPRIATIONS OPEN TO INSPECTION AT ANY TIME

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, the financial records of the Committee on Appropriations are open at any time to any committee or Member of the House. We welcome inspection of our books involving any transaction or any expenditure of funds by the committee for any purpose.

And I so informed the House Committee on Administration in response to a recent letter inquiring if the records of expenditure by the Committee on Appropriation was available.

But I did not say, as was erroneously reported in a Washington newspaper, that I would "ask for an accounting" on matters referred to by the House Administration Committee letter relating to the expenses of members of the Appropriations Committees in the House administration's compilation of costs of Members of Congress traveling overseas during 1955. All such expenditures have already been accounted for in full.

The Congress has expended overseas in the last calendar year billions of dollars in international relations and it is imperative and essential that the character of such expenditures and the methods of disbursement of these vast sums be studied at first hand and in the field of their expenditure. With this in view, members of the Committee on Appropriations from both sides of the aisle were sent abroad during the recent recess to make these studies and investigations. Unquestionably their surveys have resulted in economies and in the better administration of the funds appropriated.

In response to the inquiry by the Committee on House Administration as to expenditure of counterpart funds, I have also advised that no counterpart funds were expended by the committee or its members in 1955.

May I also say, Mr. Speaker, that so far as I am aware no member of the committee or its staff has at any time discussed or taken part in such inquiry or compilation.

And may I again say that the records of the Committee on Appropriations are open to inspection in this or any other inquiry of this character by any committee or Member of the House.

REREFERRAL OF BILL

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the bill, H. R. 8861, heretofore referred to the Committee on Public Works, be rereferred to the Committee on Interior and Insular Affairs, this request being made on assurance from the author that appropriate clearance has been had with the Committee on Public Works and the leadership on both sides.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HENRY L. MENCKEN

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include certain articles.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, I believe it is only fitting and proper that tribute be paid to a man who died calmly in his sleep this past Sunday morning—he was an institution in Maryland, a great American, and even a citizen of the world. I refer to the late H. L. Mencken.

Mr. Mencken, one of the leading satirists, essayists, and journalists, of any day, exerted a tremendous influence on American letters between about 1910 and the the middle 1930's. Mr. Mencken blew a blast of fresh air onto the American scene.

His death has been noted by the mayor of Baltimore, the Governor of Maryland, and the editorial pages of leading journals, not only in this country but abroad. His contribution to the American scene—not only in the field of letters, but in the matter of improving political morality—ought be appropriately noted in the proceedings of this House. For that reason, I am filing with my remarks editorials which appeared in the Sun and the Evening Sun of Baltimore, Md., under date of Monday, January 30, 1956, the New York Times and the Washington (D. C.) Evening Star of the same date.

It has been said that the pen is mightier than the sword. In America, during the past half century there has been no mightier pen than the pen of H. L. Mencken. At times, it would appear that his pen had been dipped in acid and it is beyond doubt that his pen has etched words and sentiments which will endure forever on the minds and memories of Americans. His influence was not only felt by his contemporaries and his own generation but as the New York Times, in its editorial, so aptly states:

He will live, also, in turns of phrase and turns of idea in the minds of thousands who may never even suspect their source.

(The editorials referred to follow:)

[From the Baltimore (Md.) Sun of January 30, 1956]

HENRY LOUIS MENCKEN

Such was the stature of H. L. Mencken that he became a national figure in literary criticism—and social criticism too—while he was still a young man. By the time he was 50, he was more than a recognized authority in many fields; he was by way of becoming a legend.

His eminence thus tended to obscure the real man as he was known in this office, where he spent so many years and where his special gifts as adviser were almost daily in demand. Those Sunpaper workers whose years overlapped his came first to admire him as a superb technician in the field of journalism. Everything he wrote, whether it was a brief note of criticism or commendation or one of those famous Monday articles for the Evening Sun (or the later series in the Sunday Sun), bore the mark not of his skill alone but of his individuality. Small wonder he became the model for a whole generation of aspiring young writers.

Longer acquaintance revealed the deeper qualities out of which his professional excellence developed. The man was basically honest. For himself he upheld the strictest standards of probity and he used his influence to the utmost to hold his co-workers to the same standards. The smug, the superficial, the trite, the slovenly and especially the lazy, felt the sting of his criticism.

But to those who exerted the effort, even when their product fell short of the ideal, he was sympathetic, helpful and encouraging. To many outsiders who had been scourged by his pen, he was the embodiment of evil, as their anguished efforts at reprisal showed, but to those of his colleagues who knew that his battle was waged against sham and hypocrisy and not against individuals

as such, he was simple, compassionate and even humble. In short; a warm, loyal and understanding friend. We shall not soon see his like again.

[From the Baltimore (Md.) Evening Sun of January 30, 1956]

H. L. MENCKEN

We need not remind our readers of H. L. Mencken's long and productive connection with the Sunpapers. His free lance column and, later, his essays on current affairs, which appeared every Monday on this page for so many years, his exuberant reports of political conventions and other gatherings are as well remembered by our readers as in this office. His long service as an adviser and a member of the board of the A. S. Abell Co., publishers of the Sunpapers, are not so well known, perhaps, but they are held in equal value by the staffs of the two papers.

Mr. Mencken's career is summarized in our news columns. No printed word, however, can quite render the full flavor of the man as he was known to those who worked with him or who came in contact with him. Mencken the critic, Mencken the editor, Mencken the idol of the generation that reached maturity after the First World War are fit subjects for written description, as is Mencken the erudite student of the American language. But Mencken the man of warm friendships and of stimulating, imaginative talk had to be known to be appreciated.

To the scores of those who worked with him in the offices of the Sunpapers and to his friends in other walks of life, this Mencken, this man pulsating with vitality, will always remain a sharper, better defined figure than the Mencken known to the world. His colleagues will not be unmindful of his literary achievement, his contribution to thought and scholarship. But most of all they will cherish recollections of electric contact with a highly charged personality.

[From the New York Times of January 30, 1956]

H. L. MENCKEN

The death of H. L. Mencken takes from the American scene one of its most powerful critics and vivid interpreters. We are impoverished by his death, just as we were enriched by his life.

Mencken had a host of admirers and some detractors. Some persons were completely devoted to him. Some disliked him heartily. No one, however, seems ever to have been indifferent to him. No one, certainly, was ever bored by him.

His aim in life was well expressed by another great social critic, George Bernard Shaw, who wrote of himself that what he wished to be was a healthy poker to the intellectual fire of his generation. Mencken was exactly that. But in addition to poking he lit some fires that still blaze.

If a new sincerity and forthright honesty has come into American letters—and perhaps into American life—some of the credit must go to the man who was an arch foe of every sort of sham and hypocrisy. Mencken was always tolerant toward those who might be mistaken. He was acid to all those who pretended to knowledge or authority that was not rightfully theirs.

It is a grave injustice, however, to regard him as having been a cynic. Far from it. He was a destroyer of humbug, but he was a lusty lover of life and the good things in it.

That he had an impact on the American language and those who use it goes without saying, although it is too soon precisely to assess its full importance. Some of his coinages have already gone out of use. Some will remain. His delightful mixture of occasional German words or phrases with a colloquial English will always be a joy to those who love to see a thing well said.

Behind the barbs of his wit, moreover, there was a gigantic, almost Olympian, humor. Mencken never giggled, seldom even chuckled; he roared with laughter. That quality, we may be sure, will keep his writing long alive. And he will live, also, in turns of phrase and turns of idea in the minds of thousands who may never even suspect their source.

[From the Washington (D. C.) Evening Star of January 30, 1956]

SAGE OF BALTIMORE

H. L. Mencken, dead at 75 in his native Baltimore, is said to have requested in his will that no obituary tributes be paid to him. It may have been a final flourish in a legend of perversity, or it may have been a serious desire to save fellow newspapermen the chore of recapitulating the events of a half century lived largely in the public eye. But whatever the reason, those who honor Mencken can hardly honor this last charge of the most idolized idol-smasher of his day.

As he grew older and less noisy in the pursuit of more serious things, it had become somewhat the fashion to dismiss the sage of Baltimore as a Don Quixote whose windmills had long since crumbled, a noisy relic of the Jazz Age. What is too often forgotten is that Mencken was not just a destructive influence, a puckish flouter of convention, a baiter of Prohibition and Puritanism. He was a positive and pioneer force in American letters, a benevolent and liberating influence who, in the words of one critic, "blasted clear the ground on which the present generation stands."

Mencken's own most enduring monument is "The American Language"—proof enough, if any were needed, that he did not waste his enormous gifts in a lifetime of rubbing the cat of complacency the wrong way. Whether or not he might have left more in the way of a personal literary heritage had he not spent so much time alternately harpooning sacred cows and encouraging other writers has been a subject of much critical speculation. But the fact remains that no man of his talent has been more generous with time or praise in fostering young authors.

When Mencken was an upcoming newspaperman on the Baltimore Sun, which he joined after an aprenticeship on the old Baltimore Morning Herald, America was still swathed in the folds of Victorian-Edwardian gentility. He assisted at the unwrapping with a boisterous enthusiasm that left his countrymen shocked and breathless. He became a kind of headmaster for a whole new school of writers. He discovered Joseph Hergesheimer, James Branch Cabell, Sinclair Lewis. He was a champion of F. Scott Fitzgerald. And he forced recognition of that apostle of realism, Theodore Dreiser, down the throats of the American public.

He did more. The most pungent and powerful critic of his day, willing and able to take on anyone from G. B. Shaw on down, Mencken was also the kindliest of editors. One of his truest memorials lies in the letters cherished by writers all over the country who, when they were starting out, were helped along by the editor of the Smart Set and, later on, the editor of the American Mercury, those two periodicals that lit up the sky of the late teens, the 20's and early 30's.

Mencken was a punctilious correspondent, replying often by return mail in letters that were full of constructive suggestions. Many creeds found hospitality in his magazines; so did obscure names.

After he had left active magazine writing and editing, retiring to a sort of self-sought obscurity, he made a delightful comeback with three volumes of reminiscences—Happy Days, Newspaper Days, and Heathen Days. He was about to publish another book, aptly titled "Minority Report." His later writings are as mellow and gusty as any memoirs in our literature. They serve as a perfect memorial for a rebel who loved gemutlichkeit and beer and his friends, who laughingly fought the good fight against sham and hypocrisy and pretense.

BRITISH FOREIGN POLICY GOT US INTO WORLD WAR II—DON'T LET IT GET US INTO WORLD WAR III

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, several Members have asked me the significance of the dates which I mentioned yesterday when I cautioned that our President and our Secretary of State must scan very carefully any suggestions coming from Sir Anthony Eden, the Prime Minister of Great Britain. I take this time to make answer.

Sir Anthony Eden became a member of the British Parliament in 1923. From 1926 to 1929 he served as Parliamentary Private Secretary to the Secretary of State for Foreign Affairs. From 1931 to 1933 he served as Parliamentary Under-Secretary of the Foreign Office. From 1934 to 1935 he was Lord Privy Seal, a member of the Cabinet. In 1935 he became Minister without Portfolio for League of Nations Affairs, and from 1935 to 1938 he was Secretary of State for Foreign Affairs. Obviously, he was one of Britain's principal architects of its foreign policy.

Now let us look at what that foreign policy was during those years.

In 1932 British statesmen, including Mr. Eden, prevailed against such Americans as Henry L. Stimson.

In 1932 the General Disarmament Conference produced Mr. Eden's definition of disarmament, which allowed Germany to re-arm.

In 1934 it was Mr. Eden who prevented consideration by the League of Nations of Ethiopia's appeal, thereby facilitating its conquest.

In 1936 it was Mr. Eden who successfully urged that no action be taken against Hitler's reoccupation of the Rhineland, thus effectually rendering France helpless when Hitler decided to move in that direction.

In 1936 it was again Mr. Eden who excused the sale of British arms to Germany, Iraq, and Egypt, urging that those arms would be used only to maintain peace. I have never seen any excuse from him for the fact that those very arms were used in World War II against the British, as well as against us.

This same Mr. Eden, who approved the Japanese aggression in 1932 against Manchuria, and in every important instance in pre-World War II history gave encouragement to the aggressors, is now making history repeat itself as he causes the British Government to vie with the Russian Communists in sending into the Middle East weapons of aggression which will find no use except against the democracies of the world.

BIRTHDAY TRIBUTE TO DANIEL K. HOCH

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include an article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, today marks the 90th anniversary of the birth of Daniel Knabb Hoch, a former Member of the House from the Berks County, Pa., district which I now have the honor of representing.

He served in the 78th and 79th Congresses with honor and distinction. At 90 years of age, he enjoys good health and is still a very active man.

I know that those of you who remember him as a colleague will all join with me in expressing the hope that he enjoys many more years of good health and happiness.

Daniel K. Hoch was born on a farm in Oley township, near Reading, Pa., on January 31, 1866. After attending public school, he became a printing apprentice and worked as a pressman, compositor, reporter, circulation manager, advertising manager, and as an editor.

I got to know Danny when I left school to work as apprentice printer for the Reading Eagle Co. where Mr. Hoch was the circulation manager.

Mr. Hoch was elected to the Pennsylvania General Assembly, serving in the house of representatives from 1899 to 1901. He was chosen as a delegate to the 1908 Democratic National Convention in Denver and served as controller of Berks County from 1912 to 1916.

Hoch was one of the pioneers in the promotion and development of the famous Appalachian Trail, a footpath now extending from Maine through Georgia. He has also been regarded for many years as an outstanding historian on Berks County.

Daniel Hoch was elected to the 78th Congress and was reelected to the 79th Congress, serving from January 3, 1943 to January 3, 1947. He was a member of the House Banking and Currency Committee. His record here was one of outstanding service to the people of Berks County and the Nation. His courageous devotion to liberal legislation and to democratic principles was in the best traditions of service in this distinguished body.

Mr. Speaker, honors are still being conferred on this beloved citizen of Reading and Berks County. Only a few weeks ago he was awarded a citation by the historical society of Berks County for his 20 years of service to the organization.

At this point in the RECORD, I would like to include an article from the Reading Times of January 11, 1956, describing the awarding of this honor to Mr. Hoch:

HOCH'S 20-YEAR SERVICE HONORED BY SOCIETY—EX-CONGRESSMAN CITED FOR INTEREST IN BERKS HISTORY

(By Richard K. Brunner)

A venerable Reading gentleman widely known as a newspaperman and historian, was honored last night by the Historical Society of Berks County for 20 years of service to the organization.

Daniel K. Hoch, who will celebrate his 90th birthday January 31, was the recipient of the award.

Members of the society presented it as a tribute to Mr. Hoch, an honorary member of this council, newspaperman, statesman, historian, and admirer of the beauty that nature has bestowed upon Berks County, who, in his life and by his deeds, has shown a true appreciation of Berks County and its history.

A diminutive gentleman with sparkling eyes. Hoch expressed his pleasure with the award in a sharp voice which drew laughter and applause from the 75 persons assembled in the society's headquarters.

Hoch, who said he has been put on the shelf (as an honorary council member he is no longer active), indicated with pride that he will hang the new citation on the walls of his den beside a scroll he received 4 years ago from the Pennsylvania German Folklore Society.

GRAEFF MAKES AWARD

The framed certificate was presented to Hoch by Dr. Arthur D. Graeff, newly elected council member and a columnist for the Reading Times.

CAPITAL TRANSIT CO.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Speaker, since we all realize that it will necesarily take weeks and months of study before Congress can render a definite decision on the Commissioners' transit authority bill, I am introducing a bill which has for its purpose to assure the people of the District of Columbia mass transportation after August 14 if Capital Transit Co. officials and the District Commissioners approve same.

The Congress of the United States was advised last year from several different sources that private purchasers were available for the Capital Transit Co. immediately upon the cancellation of the present company's franchise. This act was passed last August and up to the present date, the Commissioners and the Public Utilities Commission have failed to find a purchaser to provide mass transportation here in the District of Columbia.

The Congress of the United States and not the Commissioners are being criticized by the majority of the newspapers in the United States for canceling the franchise here in the city of Washington and we will continue to be blamed if the people of Washington find themselves without any mass transportation after midnight, August 14, even though the franchise was canceled on the advice and request of the Public Utilities Commission and the District Commissioners.

I am firmly of the belief that there would never have been a transit strike here in the District of Columbia if the Public Utilities Commission had done, before the strike, what they have done since the strike in adjusting the transit rates here in the city of Washington so that the Capital Transit Co. could meet the terms of the labor unions.

CHILDREN'S EDUCATIONAL PHONOGRAPH RECORDS

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, I have introduced a bill (H. R. 8905), which was referred to the Committee on Ways and Means, to repeal the manufacturers' excise tax on children's educational phonograph records which retail at 25 cents or less.

Unless the excise tax on these records is repealed, it is only a matter of time until their manufacture and sale will be terminated. The major record companies have already discontinued the production of these records, and there is danger that the remaining companies in the field will also go out of business.

The companies engaged in the business cannot continue to produce and sell these records if they are subject to the tax. Although the amount of the tax is small, it reduces profits to the vanishing point.

During the 10 years in which records of this type have been produced, manufacturers have tried to cut costs of production and sale. They have also experimented with the sale of these records at higher prices to cover the tax and incidental costs and to yield a reasonable profit, but they have found that the average family will not buy them at more than 25 cents.

If the tax is repealed, the revenue loss to the Treasury will be insignificant. About 25 million of these records were sold last year. The tax yielded about $300,000. The net return to the Treasury was considerably less because of the cost of collecting the tax.

These inexpensive records are designed for children between the ages of 2 and 10. They are used to teach children to read; to teach them religious and patriotic songs and stories; to give them the experience of good music; and to bring to them at an early age the rich folklore of our country.

The records are played in millions of American homes as part of family instruction and entertainment for the children. They are used in nurseries, schools, and Sunday schools throughout the country. Because of their low price—25 cents—they are available to everybody. They are sold in about 100,000 retail outlets—principally in drug stores, groceries, 5 and 10 cent stores, and on newsstands.

Educators and religious and patriotic leaders throughout the country have voluntarily attested to the great value of these records in the education and training of children.

I do not believe that the Congress deliberately subjected these records to the manufacturers' excise tax of 10 percent. The 25-cent record business did not exist in 1941 when the tax was imposed. These records are taxed merely because of the general tax levied in 1941 on all phonograph records, regardless of price or purpose. We have exempted low-priced movie tickets from the admissions tax. We do not tax books. I am confident that it is not our policy to tax these records.

LEAVE OF ABSENCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may be granted leave of absence from tomorrow until Saturday of this week, in order to attend a funeral.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

THE LATE THOMAS F. COSTELLO

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, with deep appreciation I am very grateful for recognition at this time and having this opportunity to address the House for a few moments. It is with a stunned and saddened heart that I rise to report the death of a very great and loyal friend and a distinguished citizen of Massachusetts. Not only has he been a very great friend to me but he has been a friend to other Members of this House over the years and is well known by many of my colleagues here in the Congress.

As many of you here know, I have the honor to represent here in Congress a very historic district. It is the district in which American freedom was wrested from the British. It is the district of Lexington and Concord, of Bedford, Woburn, Billerica, and other historic cities and towns. In this district is the great city of Lowell, where the textile industry of America was born and prospered. One of the great institutions down through the years of this historic Middlesex area of hallowed renown is the Lowell Sun, an excellent daily newspaper.

The Lowell Sun is one of America's outstanding daily newspapers, with its origin and roots planted in this area of Middlesex village and farm, where Paul Revere first sounded the clarion call to arms for the battle of freedom. The Lowell Sun has brilliantly carried the torch that this hard-won freedom might constantly continue to flourish. Its brilliant reporting, its excellent composition, its outstanding and distinguished editing, and its great American policy has won for it a place in the top echelon of newspapers throughout this land.

Like any other greatly successful American institution, however, a newspaper can only be as great as the quality of its leadership, the accuracy of its reporting, and the soundness of the thinking behind its writing. These qualities must come from individuals, and during these late years these qualities were abundantly in evidence in the leadership of the publisher of the Lowell Sun, the late Thomas F. Costello.

Thomas F. Costello, the editor and publisher of the Lowell Sun, unexpectedly crossed the threshold of death yesterday morning. His passing shocked and stunned his family and his countless friends. Although it is often said no person is indispensable, it can be said the genius and leadership of Thomas F. Costello is irreplaceable.

Called to the Lowell Sun from Holy Cross College at the young age of 20 years to assume command of its leadership, Thomas Costello, with genius and brilliance, directed the continued growth, prosperity and eminence of this great newspaper for the next 23 years until his untimely death yesterday morning. At the time of his death, he was the president and publisher of the Lowell Sun Publishing Co., which published the Lowell Sun and Lowell Sunday Sun. He was president of the Lowell Sun Realty Co. and the Lowell Sun Charities, a registered charitable organization, which has greatly assisted hardship cases all over the greater Lowell area.

Mr. Costello was born in the city of Lowell of distinguished parents. His father, Thomas F. Costello, was well known in the city for his work and generous contributions in the constant development of Lowell as a city. His late mother, Mrs. Mary Harrington Costello, whose death occurred only 10 months ago, was a lifelong friend of mine. Her generous, charitable spirit and her brilliant leadership have left their mark on the prosperous development of the city of Lowell and its historic surroundings. His late grandfather, John H. Harrington, whom he succeeded as publisher of the Lowell Sun, was one of Lowell's most distinguished and brilliant citizens.

Mr. Costello attended the public schools of Lowell and was graduated from the Lowell High School, where he was well known and distinguished himself as a student. He attended Holy Cross College, which he was forced to leave due to the death of his distinguished grandfather, to take over the leadership of the Lowell Sun.

A member of many journalistic societies and newspaper associations, Mr. Thomas Costello held the distinguished degree of doctor of journalism. He was a member of the American Newspaper Publishers Association, the American Society of Newspaper Editors, the Associated Press, the United Press, and other press associations. He was recognized by newspaper editors throughout America as a man of genius, a brilliant writer, a sound thinker, and a powerful American.

Loyal in the cause of freedom, early in World War II he passed over his great newspaper and press responsibilities to others and joined the United States Navy. As a commissioned officer, he served the Navy and his country with brilliance and honor. He was returned to inactive duty as a lieutenant of the United States Navy in 1945, when he again took over his many publishing responsibilities and activities. As a veteran of World War II, he was a member of the American Legion Lowell Post 87.

Leaving this life at the peak of his genius, Mr. Costello is responsible for many accomplishments in the progress of the city of Lowell and the area known as historic Middlesex County, as well as the entire Commonwealth of Massachusetts. Always possessing confidence in Lowell and its people, he has greatly assisted in bringing many new industries and business enterprises into the Lowell area. He has brought brilliant leadership to the difficult task of the gradual but constant change of the industrial character of Lowell as a textile city to a city of many types of manufacturing enterprises and activities. He has greatly helped to build Lowell into a great city and into a finer place in which to live.

A brilliant writer, Mr. Costello is known for his fearless handling of any problem in accord with his high principles and beliefs in the right. Always he was fair. His integrity and intellectual honesty was known throughout Massachusetts and the national press. He believed that no man and no nation could compromise principles and survive. He believed that a prime duty of life is to make one's community and one's world a better place for the life of the future. He believed in frankness, sincerity, and accuracy. He believed in his community and considered it the finest place in the world in which to live. He was loyal to its people and to his countless friends.

Like his fine mother and father and distinguished grandfather, Mr. Costello was a loyal friend of mine. I have known him all his life, from the day of his birth down through these eventful years until his death. Always helpful, always loyal, his timely and wise counsel cannot be replaced. I shall greatly miss his intensity of purpose, his honesty of thought, and the genius of his leadership. To his countless friends and to me, he was a Gibraltar of strength.

Possessing a powerful character, Mr. Costello was a God-fearing man. Guided by his faith in God, the strength of his religious principles, his devotion to his church, and his confidence in the right, Mr. Costello used all of his God-given strength to do good in every way the vision of good came. A deeply religious man, Mr. Costello possessed a lion's courage to fight for all that he knew and believed of God's enlightenment and visions for mankind on earth.

Bringing this courage to the battle, Mr. Costello used the brilliance of his mind, the genius of his writing, and the prestige of his great newspaper in the fight against communism, not only in the United States, but throughout the world. He rightly believed that no mortal man nor no manmade state could stand at the pinnacle above the God of man and

life and this universe. He fought against communism not only as a scourge and a threat to man's freedom but against it as a shackle and destroyer of man's spirit.

Mr. Costello was a devoted husband and father. Regardless of his responsibilities and the demands upon his time, always he found time to enjoy the pleasure of his home and his family.

Mr. Costello is survived by his lovely and charming wife, the former Marguerite M. Sullivan, and his daughter, lovely Mary Costello. Also surviving him are his two eminently fine brothers, Mr. John H. Costello and Mr. Clement C. Costello, both associated with the Lowell Sun Publishing Co. In a larger sense, he is survived by his associates in the Lowell Sun and other business enterprises as well as by his countless friends, all of whom deeply mourn his passing.

In closing, there comes to my mind a few lines from a poem I knew many years ago. It seems to be most fitting at this time. It is as follows:

We live in deeds, not years; in thoughts, not breaths;
In feelings, not in figures on a dial.
We should count time by heart throbs. He most lives
Who thinks most—feels the noblest—acts the best.
Life's but a means unto an end; that end
Beginning, mean, and end to all things—God.

Mr. MARTIN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. MARTIN. I join the gentlewoman from Massachusetts in expressing my deepest regret at the loss of her constituent, the brilliant editor, Mr. Costello. He was a friend whom I valued through the years. I know he was a fine citizen, a stalwart American, and one willing to fight for the better causes of life. To his family goes my deepest sympathy in this hour of their bereavement.

Mr. LANE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. LANE. Mr. Speaker, I also join the gentlewoman from Massachusetts, my colleague [Mrs. ROGERS] in expressing my regret on the passing of Mr. Costello. I, too, had a great admiration for him. I know of his interest over the years in matters referring to the Merrimac River Valley, and in all public and community affairs in our section of Massachusetts. May I respectfully extend to his good family my sincere and deepest sympathy knowing that he will be blessed with eternal happiness for his charitable and benevolent service in behalf of the people of the great Commonwealth of Massachusetts.

Mrs. ROGERS of Massachusetts. He was tremendously interested in national defense matters and in the development of the Navy.

EXTENSION OF REMARKS

Mr. CURTIS of Missouri. Mr. Speaker, through inadvertence, there was not included in the RECORD, my request to extend my remarks and include extraneous matter in the RECORD. I ask that permission be granted for today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CIVIL AERONAUTICS ACT OF 1938

Mr. BOSCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOSCH. Mr. Speaker, I have introduced three bills providing for amendments to the Civil Aeronautics Act of 1938. Briefly, these bills are intended to accomplish changes which first, will by amendment of section 601 (a) of the Civil Aeronautics Act of 1938 (49 U. S. C., sec. 551 (a)) raise the visibility minimums now in effect for aircraft having more than two engines from 200 feet to 600 feet and for aircraft having 1 or 2 engines from 400 feet to 1,200 feet; and second, will by amendment of the first section of the Civil Aeronautics Act of 1938 (49 U. S. C., sec. 401) prohibit jet-propelled aircraft from using airports located in densely populated areas and located wholly or partially within the boundaries of any city having a population of 1 million individuals or more; and, third, will by amendment of subsection (a) of section 902 of the Civil Aeronautics Act of 1938 (49 U. S. C., sec. 622 (a)) provide that criminal penalties of the Civil Aeronautics Act now specifically excluded shall be applicable to violations of Civil Aeronautics safety regulations. The civil penalties applicable to such violations are retained.

Mr. Speaker, there are several motives which prompted the introduction of this legislation and my colleagues should know of them.

First. In my congressional district is located the largest international airport in the country, to wit, Idlewild Airport. This airport is used almost exclusively for international transportation of both freight and passengers.

Second. There have been many tragic accidents all over the country which have to a great extent been caused by flying in bad weather when visibility was almost nil, but I will confine myself to those in the vicinity of the airports, to wit, LaGuardia and Idlewild, in the city of New York which bear mute evidence of the devastation and tragedy which I know these bills I have introduced will go far in correcting.

Let us remember, Mr. Speaker, that in April 1952, 5 persons were killed and 4 houses were destroyed when a plane crashed in Jamaica, Queen County, N. Y., after it missed its landing at Idlewild Airport. Again in October 1953 two persons were killed and another injured when a plane crashed while taking off in fog at LaGuardia Airport. Then the most tragic of all, on December 18, 1954, when an Italian DC-6-B airliner roared low over homes and densely populated areas in the vicinity of Idlewild Airport not once but three times and finally on a fourth approach ripped into a Jamaica Bay pier, burst into flame and sank in the water—the toll, 26 persons killed. It is not hard to imagine that this plane, lost in the fog, could just as easily have fallen and crashed into homes with all of the devastation and destruction of both people and property.

It is our duty to adopt legislation, and I believe these bills will do much to aid in the greatest of all stakes—the safety of air travelers and the safety of men, women, and children who make their homes near airports.

EXPLANATION OF ABSENCE

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I rise to explain the absence of my colleague from Illinois [Mr. MACK]. Mr. MACK was away on official business. He intended to return in order that he might participate in the rollcall votes today, and then, not of his own making but the making of nature, a snowstorm came and the plane was grounded. My colleague from Illinois wishes his colleagues to know why he is not here.

NO FEE TO BE CHARGED A VETERAN FOR FURNISHING A COPY OF CERTIFICATE SHOWING HIS SERVICE

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 389 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6274) to provide that no fee shall be charged a veteran for furnishing him a copy of his discharge or a copy of his certificate of service. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Indiana [Mr. MADDEN] is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

At this time I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the consideration of the bill H. R. 6274, unanimously reported by the Committee on Armed Services.

This bill merely eliminates the small fee or charge that has heretofore been levied against veterans to secure copies of their discharge certificates when they

are lost or mislaid. In substance that is the essence of the bill.

H. R. 6274 was reported by the Armed Services Committee with amendments. The title of the bill is amended to provide that certificates and statements of service be furnished to veterans discharged under honorable conditions, and their next of kin or legal representatives. As originally introduced, the bill would have required the military departments to furnish a copy of the actual discharge certificate. It was felt that the traditional policy of the Departments of not furnishing copies of actual discharge certificates should remain unchanged and the language of the proposed legislation was amended accordingly by the committee.

The bill was also amended by the committee to provide that certificates and statements of service be issued only to veterans discharged or released under honorable conditions and their next of kin or legal representatives.

It was estimated that about 60,000 requests for certificates in lieu of lost or destroyed discharge certificates or certificates of service would be received in the calendar year 1955. On this basis, approximately $90,000 in receipts would be lost annually. However, this amount would be offset by at least 40 percent in view of the increased administrative costs that are required to receive, account for and dispose of the fees collected.

The Department of Defense recommends the enactment of the bill. Veterans' organizations in all parts of the United States support this legislation.

I urge the adoption of the resolution so the House may proceed to the consideration of H. R. 6274.

Mr. ALLEN of Illinois. Mr. Speaker, I see no objection to this bill or the rule itself.

I yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, I have been somewhat familiar with this problem because certain aspects of it came before the Army Subcommittee on Appropriations 2 years ago. The matter was again looked into in the hearings on budget for the fiscal year 1956.

The 82d Congress decided that where various services were being rendered by a Government agency, a fee should be charged. The committee did not pinpoint this particular problem, but this was one of the areas where the Bureau of the Budget, following that action, decided a fee should be charged. In many respects I think the Bureau of the Budget perhaps went beyond the intent of Congress. In this particular case they may have, but I feel that there were certain administrative remedies which could have been corrected in the Department of Defense that would have obviated the necessity for this particular legislation.

When a person was discharged following World War II he or she received an adequate copy of the discharge.

During the Korean war an opposite policy was followed. When a man was discharged there were as many as 12 copies made and usually the veteran got the last copy. It was on flimsy paper and almost illegible. The net result was that it was practically nonusable for any subsequent purpose. As a result the Department of Defense had many, many requests for duplicate copies of discharges, far more than they ever had following World War II, when an adequate copy was given to the veteran.

I am told that within the last several days the Department of Defense has finally taken some affirmative action to correct the situation where they were at fault. New forms on better paper stock for a certificate of separation have been ordered and should be used by the various branches of the services within 30 days or 6 weeks. The original which the veteran will get will be on paper of 25 percent rag content and 26-pound substance. This technical description does not mean much to me except for comparative purposes.

Up until the present time since and during the Korean war the veteran has been getting a certificate on paper with no rag content and 18-pound substance. You will see in comparing what they are getting now and what they will be getting the veteran will get a much better copy for his own personal use.

I am further informed that the new paper for the certificates is the best the Department of Defense can do in view of the need for six copies of the statement. A committee in the Pentagon has reduced the number of copies to six from the greater number which I mentioned earlier.

I think administratively they have taken a long needed and constructive step.

This legislation probably should be approved although I would personally prefer that it be amended so that a single duplicate be given to the veteran free of charge. This legislation will impose no restriction. The veteran could get over a period of years as many copies as he wanted regardless of whether or not he was at fault. One duplicate free of charge would seem to me to be adequate. The only people who will benefit by this legislation are those who are careless or negligent. In effect we are penalizing the veterans who have been careful in preserving the record of their military service. As I say, I would prefer that this legislation would limit the duplicates to one. I do not, however, think that is of great significance, but I do want to point out that by making it wide open it is helping the careless and the negligent and penalizing those who have been careful enough to look after their record of military service.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I am glad to see before us today H. R. 6274, which provides that no fee shall be charged a veteran, his survivor, or legal representative for furnishing a copy of his discharge or a copy of his certificate of service. It seems to me that a veteran or his survivor should be entitled to a copy of his discharge without having to pay $1.50.

I have been in touch with the Department of Defense on this particular phase of the directive in a case where a widow wrote to the Department of the Army requesting a certificate in lieu of a lost or destroyed discharge so that she could apply for benefits due her under the law. Frankly, I think the Federal Government should provide this service without a charge, if for no other reason, as a courtesy to the men who have served us in time of war.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I ask unanimous consent to speak out of order, also to revise and extend my remarks and to include a statement by Federal Judge John F. X. McGohey.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ATTORNEY GENERAL BROWNELL'S FALSE CHARGE

Mr. MULTER. Mr. Speaker, I take this time to direct the attention of our colleagues to an unwarranted attack made by the Attorney General of the United States upon the United States district courts in New York. The attack was part of a speech Mr. Brownell made in New York on Friday last, in which he referred to the United States district courts and the condition prevailing in those courts in connection with the disposition of its business as "disgraceful."

United States District Judge John F. X. McGohey, on his own behalf and on behalf of the other 16 judges sitting there, Democrats and Republicans alike, at the opening of court yesterday answered the charge. None of these judges need any defense from me. All of them are honorable and distinguished gentlemen with fine records of public service. They are all doing an excellent job under most trying circumstances. They pursue the tasks of their office diligently, intelligently, and with dignity. They act expeditiously, but not hastily.

Judge McGohey, speaking for himself and his colleagues labeled Attorney General Brownell's charge as "unqualifiedly and inexcusably false."

So strong a statement from so mild mannered a gentleman as Judge McGohey could come only because the Attorney General had flown in face of the facts that were at his disposal right here in Washington—facts which should have been known to him.

His own Deputy Attorney General, Mr. Rogers, says:

> Both the Attorney General and I have been warm in our praise of the great stride made in that district (the southern) since the time of the last report issued by the Administrative Office of the Courts. The judges of the southern district of New York are to be commended for the excellent progress they have made and are making.

In addition to that, the Administrative Office of the United States Courts strongly commended the judges and the courts in New York for the fine job they were doing.

On December 16, 1955, Deputy Attorney General Rogers wrote a letter saying, in part:

> You have certainly made an outstanding record in these last few months and I extend to you and the other judges the con-

gratulations of the Attorney General and all of us in the Department.

That letter was addressed to the committee of judges who had set up a new system which might well be copied by all courts. The committee consisted of Judges Irving R. Kaufman, Sylvester J. Ryan, Archie O. Dawson, Edward Weinfeld, and John F. X. McGohey.

An Attorney General should do his utmost to instill, not destroy, confidence in our courts. The Attorney General, as the highest law officer of our country, should be more careful in what he says and how he says it, particularly when he levels charges which are now properly labeled as unqualifiedly and inexcusably false. A complete apology and retraction is due from him.

The text of Judge McGohey's statement follows:

Attorney General Brownell delivered a speech last Friday at a session of the annual winter meeting of the New York State Bar Association which was held in this city. After delivering the speech he conferred with the press. All this was duly reported in Saturday morning's newspapers. The New York Times carried on the front page an account by Mr. Murray Illson of the speech and press conference. According to that account Mr. Brownell made the following points, among others:

1. He said crowded Federal court calendars that obstruct the prompt disposal of cases threaten to become a national disgrace.

2. He said, and this language is quoted in the account, "Confidence of the people in their courts is a prime requisite for free representative government. It would be tragic indeed if this confidence should waiver or diminish because bench or bar obstructed progress."

3. He quoted with apparent approval a statement alleged to have been made at some unspecified time by an unnamed visiting English jurist, "that it takes an average of 4 years to try a civil case in the southern and eastern districts of New York."

4. In his press conference he again said the situation "was disgraceful" and also that the congestion in the Federal courts of the southern and eastern districts of New York way "as bad as any in the United States."

All citizens will agree with Mr. Brownell's estimate of the importance of popular confidence in courts under our representative government. And so, it will be agreed, I'm sure, by most judges at least, that it is the right and indeed the duty of those qualified by knowledge and experience to voice criticism, however severe, and to propose reforms whenever that is thought necessary in order to keep courts worthy of the people's confidence. But this imposes on the critics the serious obligation to be at least accurate. It is neither the right nor the privilege of anyone, least of all a member of the Cabinet and the national administration's chief legal officer, to distort truth.

SPEAKS FOR COLLEAGUES

I do not presume to speak for other courts. I speak only for myself and my 16 colleagues on the United States District Court for the Southern District of New York. Respect for ourselves, and for the court in which we have the honor to serve, impels me, as a matter of duty, to enter this protest on the records of the court.

Insofar as Mr. Brownell's statements and their necessary implications were directed at this court, its judges or its bar in general, they are unqualifiedly and inexcusably false, because the truth has been, for many weeks, available to Mr. Brownell from two sources in Washington. The first is his own Chief Deputy, who, after personally observing our calendar procedures in actual practice last fall, repudiated an earlier criticism attributed to him, and complimented the judges of this court on the practice inaugurated last October. The second source is a report dated December 15, 1955, compiled by the Office of the Administrator of the United States Courts located in the Supreme Court Building in Washington. That report shows that as of December 15, 1955, every 1 of the 5 calendars provided for in our rules was current—that is, up to date—with 1 exception.

The exception is the calendar made up of cases arising from personal injuries in which a trial to a jury is demanded by one or both parties. Cases of this type make up the bulk of all cases in all trial courts, and present the most serious problem. The report states that the "most startling development" of our system is "the remarkable reduction that has been made in the period of time when the case is calendared after the note of issue is filed and the time when the case is placed on the Reserve Calendar." On November 17, 1955, that period was 18 months. By December 15, 1955, the period was reduced to 8 months. By the end of tomorrow's court day, every single case in this court in which a note of issue has been filed will not only have reached the Reserve Calendar, but will have been called in the Calendar Part for pretrial conference.

CASES ARE REVIEWED

At these conferences the cases are reviewed by counsel and the judge. Arrangements are made for whatever pretrial discovery is needed to procure all available evidence. Necessary orders are signed, usually on stipulation, and the case set for further conferences if necessary. The judge also discusses continuance of the action; or dismissal of the complaint if the plaintiff has failed to prosecute it diligently. Where conferences fail to result in final disposition, the case is placed on the Ready Calendar for trial. By concentrating assignments of judges to trial parts, the rate of disposition by trial is kept constant or speeded up.

The result of all this is that between October 1, 1955, and January 20, 1956, 3,000 cases have been disposed of either by trial, settlement, voluntary discontinuance, or dismissal.

What is most important, however, is the fact that the plaintiff in every personal injury case in which a note of issue is filed has had his case called for review by a judge and been afforded the opportunity to have it placed on the Ready Trial Calendar, from which it will be sent out for actual trial in from 6 to 8 weeks thereafter.

Neither this bench nor the bar of this court has obstructed progress. On the contrary, by cooperation both have produced this fine result.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6274) to provide that no fee shall be charged a veteran for furnishing him a copy of his discharge or a copy of his certificate of service.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6247, with Mr. JONES of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KILDAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the purpose of H. R. 6274 is to furnish an honorably discharged veteran a copy of his discharge certificate free of charge.

Since February 1, 1955, the Department of Defense has been charging veterans $1.50 for each issue of a certificate in lieu of a lost discharge. Under the proposed legislation, as amended, the veteran, or his next of kin, will be able to get such a certificate free of charge. Traditionally, copies of actual discharges have not been provided in order to preserve the dignity of the original discharge. We retained this tradition. But anyone who knows how the Government operates will agree that it would be almost as cheap to furnish the certificate without cost rather than pay the administrative costs of keeping track of the fee. As a matter of fact, the Army witness who testified before the Committee on this proposed legislation stated that 40 percent of the total amount of money collected since February 1, 1955, for providing such certificates has been offset by the increased administrative expenses of keeping track of the fees and of making determinations as to the amount the veteran should be charged.

The proposed legislation will also permit veterans to receive, free of charge, a copy of a report of their separation which now costs $1, as well as a statement or verification of their service, which now costs $2.

The Department witness indicated that approximately $90,000 in receipts will be lost annually on the basis of estimated revenue that would otherwise be collected but this would be offset by at least 40 percent in view of the increased administrative cost.

Therefore, this bill involves a cost of the Government of about $54,000 annually.

Of course, $1.50 is a small amount, but it is rather large if you do not have it. Where this does become a burden is in connection with the veterans organizations which handle such a great number of these cases and are required to pay the fee because the veteran does not have it, so that in handling thousands of cases a year the amount that accumulates against the organizations gets quite burdensome. As to whether we should limit this to one copy, I think we would face the same situation that experience has shown to exist in charging in the first instance. You would have to keep books on every man who had received one copy free and was therefore not entitled to any more. I believe that we will be able to administer it more cheaply if, as in the past, prior to February 1955, the veteran who requests a copy of his discharge or a certificate of service or of separation is given that copy without making a charge for it and without the attendant bookkeeping.

Mr. Chairman, I believe this covers all that is involved in the bill.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Am I correct when I say that a Member of Congress requesting a copy of a lost discharge on behalf of a constituent receives without cost a statement of service in-lieu-of-lost discharge?

Mr. KILDAY. I will say to the gentleman from Pennsylvania I have never paid for one, and I do not recall ever having been billed for one, and I do not recall ever having failed to get a certificate.

Mr. VAN ZANDT. Therefore, if this bill is enacted, it will restore the traditional policy of our Government of issuing such statements free of charge.

Mr. KILDAY. That is correct. And, it involves very little money. It is mostly an irritant. But as to the veterans organizations' cost, the gentleman from Pennsylvania I am sure will certify it becomes quite a considerable amount of money, and in the majority of cases the veterans organizations will have to finance the activity for the veteran who does not have the money.

Mr. VAN ZANDT. The gentleman mentioned that the various veterans groups, were in favor of this bill, and he mentioned briefly that they need this statement in-lieu-of-lost discharge to assist the veteran in taking advantage of benefits that he is entitled to under Federal and State laws; is that correct?

Mr. KILDAY. Oh, yes. He must have it in order to submit his claim.

Mr. VAN ZANDT. Is it not a fact that in some instances when the veteran applies for benefits, he is required to send in his original discharge certificate and in some instances that certificate is lost or retained by the agency of the Government thus leaving the veteran with no evidence in his possession of his discharge from military service.

Mr. KILDAY. I would defer to the gentleman's knowledge on that. At the moment my mind is not clear.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Chairman, I heartily endorse the position the gentleman from Texas [Mr. KILDAY] has taken on this bill. Following up what the gentleman from Pennsylvania [Mr. VAN ZANDT] has said, the increased uses which Congress itself has required in the matter of the veteran presenting his discharge papers or his separation papers have made the need greater than ever before; is that not correct?

Mr. KILDAY. I think that is true.

Mr. SAYLOR. If this will help the veterans and the veterans' organizations to render a better service, to enable the veterans to take advantage of the laws which Congress has passed, it is a small thing which Congress will be giving to the veterans in return for services rendered.

Mr. KILDAY. That is true. Under existing law, the veteran is in a situation, both as to the Federal Government and the State governments, where he has to prove his status as an honorably discharged veteran. The only way he can do it is through a certificate from the Department, and he has to pay in order to get it.

Mr. SAYLOR. Mr. Chairman, I heartily approve the gentleman's statement that the veteran should not be limited to one copy, because in the matter of keeping the books, with the great number of veterans that we have, the bookkeeping cost would far exceed the cost to which the Government would be put in furnishing this extra copy.

Mr. GAVIN. Mr. Chairman, I yield myself such time as I may require. Mr. Chairman, I want to compliment my very good and able friend and colleague, the chairman of the subcommittee handling this proposed legislation. His very thorough explanation of this proposed legislation has been most convincing.

I want to say to my distinguished friend that we on this side heartily concur in what he has had to say. H. R. 6274 is a good bill and should be passed unanimously.

Mr. Chairman, I have no requests for time on this side.

Mr. KILDAY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, of course this is a good bill and it has been ably handled by my colleague the gentleman from Texas [Mr. KILDAY]. There is merit in it. I see no reason for any opposition to it.

There is a group in the country, however, who sometimes seem to wish to saddle upon the veteran, those who have served the country in time of emergency, burdens which they should not have to bear. This is one instance. The bill is meritorius and I hope it will be passed quickly and unanimously.

Mr. Chairman, I do not wish to detain you very long, but I do rise to mention a very interesting report that I have just received from the Department of Defense on the reenlistment rate for the Army Reserve and the Army National Guard. There has been so much criticism in the press, over the radio and throughout the country of the Reserve program that it is heartening to get an encouraging report. This report covers the period of September through November 1954 and another period September through November 1955.

The important feature of the report is this: That in the 1954 period—September through November—the rate of reenlistments for the United States Army Reserve was 15.70 percent. In the same period in 1955 the rate of reenlistments for the Army Reserve had increased to 38.21 percent. That represents more than a doubling of the reenlistments, on a percentage basis, in the Army Reserve.

On the other hand, the Army National Guard, for the period September through November 1954, shows a rate of reenlistment of 17.33 percent. During the 1955 period, covering the same months, the reenlistment rate for the guard rose to 30.4 percent, almost double what it had previously been. I think this report shows definitely a trend upward in the reenlistment rate in the Army Reserve and the Army Guard. This has been the critical portion of the Reserve program. Such a report in itself I think is very encouraging to those of us that want to see our Reserve program work.

Mr. Chairman, the report I have just referred to in full is as follows:

United States Army Reserve

United States Army Reserve	Losses	Reenlistments	Rate of reenlistments	New enlistments
			Percent	
September through November 1954	4,463	701	15.70	36,867
September through November 1955	8,064	3,082	38.21	35,060

National Guard

National Guard	Losses	Reenlistments	Rate of reenlistments	New enlistments
			Percent	
September through November 1954	32,516	5,636	17.33	4,253
September through November 1955	35,422	10,839	30.60	6,173

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield.

Mr. O'HARA of Illinois. It is my understanding that by far the best record in getting enlistments in the Reserves was made by the Fifth Army. Is that the fact?

Mr. BROOKS of Louisiana. I assume it is if the gentleman says so. I do not have those figures. My figures cover the country as a whole.

Mr. O'HARA of Illinois. I understand the Fifth Army made an outstanding record, and, of course, from the Fifth Army came that great administrator and soldier, General Ginder, who is now at the head of the program.

Mr. BROOKS of Louisiana. The gentleman speaks well and correctly. General Ginder is a very able administrator. I think he is going to be a credit to the Reserve program. Those of us who want to see the program work and work efficiently are very much heartened by the fact that he is now in charge of it. I congratulate the gentleman on sending him from his section of the country to this responsible position.

Mr. O'HARA of Illinois. In Chicago we are very, very fond of General Ginder, who for a time was the commanding general at the 5th Army headquarters, which is in the district I represent and where the congressional office of the Second District of Illinois is located.

In Chicago we know General Ginder as a great American, an administrator with a human touch that creates perfect and enthusiastic teamwork, and we are confident he will do a great job in the new program assigned him.

Mr. BROOKS of Louisiana. He is a very able American. I thank the gentleman.

Mr. TEAGUE of Texas. Mr. Chairman, this bill has for its purpose the repeal, in effect, of title V, Public Law 137, 82d Congress, which authorized the issuance of agency regulations prescribing fees to be charged to veterans by the Department of Defense for issuing duplicate discharges and other records covering service of the individual veteran in our Armed Forces.

House Report No. 680, 83d Congress, June 27, 1953, dealing with fees, reads as follows:

The committee directs that the Army take immediate steps to establish a policy to implement the terms of title V, Public Law 137, 82d Congress, which provides that a "fee charge, or price may be prescribed for any work, service, publication, report, document, benefit, etc." This is particularly desirable in connection with the issuance of duplicates of discharge certificates. Testimony indicated that approximately 200,000 such duplicates were issued in the course of a year, and that a fairly substantial number of employees were engaged in providing the service.

Subsequent to issuance of this committee report, on January 23, 1954, the Bureau of the Budget issued circular No. A-28 authorizing the collection of such fees.

After this system of charging fees was put into operation, I received numerous complaints from individual veterans and service organizations concerning these charges and the manner in which the matter has been handled by the Department of Defense. I took this matter up with the Honorable ALBERT THOMAS, chairman, Subcommittee on Independent Offices, House Committee on Appropriations, and I would like to call your attention to his reply of March 18, 1955, to my letter, which reads as follows:

In re title V of the Independent Offices Appropriation Act, 1952. Thanks for your letter in re above subject.

The language of title V is fairly broad and general.

It starts off "It is the sense of the Congress." Therefore, we can hardly say that action under it is mandatory.

I further quote from the act "* * * subject to such policies as the President may prescribe * * * as he shall determine * * * to be fair and equitable taking into consideration * * * value to the recipient, public policy * * *."

In other words, the President could direct the Department of Defense not to make such charge to the veterans. And no doubt he should do that. The committee did not have in mind any such charge being made when this section was enacted into law. It is certainly stretching the language to say the least. What the committee had in mind was something far bigger than this. For instance, direct services to firms, individuals, corporations for services rendered, such as licensing operations, and so forth.

I think a letter from your committee to the Secretary of Defense, in which the Independent Offices Subcommittee will certainly be glad to join, calling the matter to the Secretary's attention will get the job done.

Under date of March 22, 1953, I took this matter up with the Department of Defense and received a letter from W. J. McNeil, Assistant Secretary of Defense, under date of April 30, 1955, which stated in part as follows:

Inasmuch as your comments are related to the provisions of circular A-28, your letter is being referred to the Director of the Bureau of the Budget for his consideration.

This is the last official information I have had on this subject from the executive branch of the Government. The record will show that I endeavored to correct this situation without resort to legislation.

From the reports I have received concerning the operation of this system of charging fees, I am fully convinced that the additional amount of paperwork necessary, that is, the exchange of letters and the collection of fees, far exceeds the fees collected. It would be cheaper, therefore, to furnish duplicates of these discharges and other documents without charging fees.

The procedure also results in delays in furnishing information to veterans when it is vital for them to receive it without delay.

It seems that the usual administrative problems attendant to a charge such as this are being further complicated by the fact that a credit business is being conducted. I have a form letter, dated February 17, 1955, which a veteran has received from the Bureau of Naval Personnel, advising him that records are being furnished and that he is expected to remit $2 when he can.

Members will be interested to know also that the problem is further clouded by the fact that men who served in the Coast Guard are exempt from this charge for a discharge, inasmuch as they served under the Treasury Department rather than in the Department of Defense.

I regret to say that information reaching me from Wisconsin indicates that something of a racket has developed on this subject. My information received only this month indicates that at some discharge centers a regular photostat service was set up, manned by a civilian, who made a business of selling photostats to men who had just been released from the service. Men were advised to order 4 regular size copies and 1 pocket size.

The problems relating to replacement of discharges do not come about altogether from the fact that some veterans lose their discharges through negligence on their own part or through acts of God, such as fire, flood, and so forth. It is partially caused by the policy of the Defense Department in issuing a very poor type of discharge. A number of manifold copies are made on this paper. The veteran is supposed to get the first copy. In many cases apparently the clerk pulls off one of the back copies for the veteran. Apparently this paper is not suitable for framing or particularly strong; therefore, the veteran folds it and puts it in an envelope or folds it and puts it in his billfold and very soon it is creased and has become discolored and cannot be reproduced. In this case it is necessary for the veteran to secure a legible copy.

I am sure Members will agree with me that the above background and experience on this subject fully supports the need for the enactment of this legislation. I hope that is may have speedy approval.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That no person who has been discharged or released from the Army, Navy, Air Force, Marine Corps, or Coast Guard shall be charged a fee for a copy of his discharge certificate or for a copy of a certificate showing his service in the Armed Forces.

With the following committee amendment:

On page 1, strike out lines 5, 6, and 7, and substitute in lieu thereof "under honorable conditions, or his next of kin or legal representative, shall be charged a fee for a copy of a certificate showing his service in the Armed Forces."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and Mr. MILLS having assumed the chair, Mr. JONES of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6274) to provide that no fee shall be charged a veteran for furnishing him a copy of a certificate showing his service, pursuant to House Resolution 389, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "A bill to provide that no fee shall be charged a veteran discharged under honorable conditions for furnishing him or his next of kin or legal representative a copy of a certificate showing his service in the Armed Forces."

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A GREAT SKIPPER RETIRES: VICE ADM. MURREY L. ROYAR, AFTER 39 YEARS IN THE NAVY

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, tonight he lays aside his uniform. Tomorrow, Vice Adm. Murrey L. Royar greets the dawn in retirement. After nearly 39

year of brilliant, distinguished, and outstanding service Admiral Royar retires from active duty in the Navy.

How does one feel at such moments?

On the floor of this House we have seen men, brave men, whisk away a tear here and a tear there as they bid us adieu.

On parade grounds at home and abroad, in peace and in war, on land, at sea, and in the air, men, brave men, officers, brave officers, on and off battle stations, have bid their troops, their men, their comrades, and their commands, adieu. With many, their most sacred tears never reached their eyes.

I know Murrey L. Royar, Mr. Speaker, know him as a man and as an admiral. The Navy's loss is America's gain. For Admiral Royar, like so many of his distinguished comrades in arms, by his retirement, now adds to the civilian status of the United States. It is a status studded with great leaders, great doers, and great scholars. Admiral Royar is all three.

Ours is a fortunate citizenry, Mr. Speaker. Over the past 20 years many of its distinguished members have from time to time attended great schools, heard brilliant lecturers, seen the world and its people, confronted their problems and helped solve them in and out of combat under conditions that called for ice in our veins and blood in our hearts, a cool head, and a warm heart.

Is there any wonder why, Mr. Speaker, so many of our distinguished sons of valor now appear in the front ranks of civilian service? Serving Uncle Sam in today's time, in or out of uniform, serving him successfully calls for leadership; and that calls for three qualities; Freeman, author of Lee's Lieutenants, once described them in a lecture at the Armed Forces Staff College in Norfolk, Va. Admiral Royar has those three qualities of leadership. They are:

First, know your stuff. You cannot for long fool those who know you closest, be it your wife or your troops. Admiral Royar knew his stuff. He rose to the top in his field, the Navy Supply Corps.

Second, be a man. Take the long risk, especially if its success helps others, though you stand in the shadows. Admiral Royar's Legion of Merit, his Military Division of the Order of the British Empire — commander — his Legion of Honor—officer—of the French Republic and his Haakon VII Liberation Medal of Norway prove that, if you serve others, take the long risk with glory in it for them if you succeed and curtains for you if they fail, you will be found out. Admiral Royar was found.

Third, look after your men; day and night, in fair weather and foul, the real leader is on the alert for the morale of his men. Royar was. It made him a leader.

Freeman was right. With a good measure of each of three qualities a man is that much of a leader: know your stuff, be a man, look after your people. Royar does, he is, he did, he shall.

Now follow some thumbnail views of this gallant gentleman, Mr. Speaker, this family man and friend of all who know him.

FRIEND OF BAYONNE BASE

As an example of Vice Admiral Royar's interest in the Bayonne Base in connection with the International Aid Division and lend-lease program, the Bayonne Naval Supply Depot became the centralized transhipment port for all the naval materials, including ships and planes, furnished to Europe and South American countries. The Bayonne Base continues as a supporting activity for spare parts maintenance for ships guarding North Atlantic and Mediterranean countries. Admiral Royar was the logistics planner when the mutual defense-assistance program was founded. Through his efforts, the Bayonne organizations became a unified and coordinated command. During his time as Chief of the Bureau of Supplies and Accounts, naval supply activities was established with varied activities such as clothing, research and supply depots, and freight-control centers under a supply commanding officer.

Vice Adm. M. L. Royar, Supply Corps, United States Navy Chief of Naval Material, holds that conservation is a defense against aggression:

When aggression strikes, the ships and planes of the Navy are among the first in the defense of our Nation, fighting side by side with the other members of our defense team. As in war against aggression, the Navy must be on the front line of defense against waste.

All members of the defense team are aware of the importance of the never-ceasing war on waste. The Navy and Marine Corps have been among the most active to impress upon their members that as users of the equipment and material that forms the bulwark of our military might, we must all do our share in employing it to the best economical advantage.

In every phase of the lifespan of military material, this has been our aim and to a degree our accomplishment. We realize the advantages of new materials to replace strategic and critical ones whenever operational requirements permit. More simplified, compact and streamlined models are replacing older outdated ones, but with an eye to decreased cost as well as increased efficiency. Equipment is being cataloged for service-wide use. Numerous models of various type equipments are being standardized into a smaller number to effect savings in maintenance and replacement inventories. Navy inspection teams insure that equipment meets the high standards required at the lowest production cost.

In commenting upon Admiral's Royar's service, National Vice President Floyd P. Swiggett, who is an employee of the Bureau of Supplies and Accounts, praised the excellent employee relations under his command:

As an employee of the Bureau of Supplies and Accounts and as a national vice president of the AFGE, I have been able to see Admiral Royar from two distinct viewpoints, and from both he has always been among the best. He has shown a warm human concern in all employees and their interests. In meeting on numerous problems with officers and representatives of the AFGE from many parts of the country, he has invariably been courteous, cooperative, and helpful, not alone from a sense of duty but because of a sincere desire to do his best for people of the Navy family who have always meant more to him than merely an official responsibility.

BIOGRAPHICAL RECORD OF VICE ADM. MURREY L. ROYAR

Born: November 22, 1894.

Place: Los Angeles, Calif.

Married: Mabel L. McVey, of Winchester, Ontario.

Children: Mary Ann, wife of Comdr. R. A. Schelling, United States Navy; Mabel, wife of Lt. Paul H. Loflin, United States Naval Reserve.

Four grandchildren: Patricia Anne, Pamela Schelling, Jo Anne Loflin, and Murrey Emmett Loflin.

Decorations: Legion of Merit; Military Division of the Order of the British Empire, commander; Legion of Honor, officer of the French Republic; Haakon VII Liberation Medal of Norway.

Naval record: Almost 39 years in service.

Commanding officer: Naval Supply Center, Norfolk, Va.

Commanding officer: Naval Supply Center, Oakland, Calif.

Chief and paymaster general: Bureau of Supplies and Accounts, Washington, D. C.

Chief of Naval Material, Vice Admiral, Supply Corps, United States Navy: Washington, D. C.

He holds today the highest position and rank attainable for an officer in the Supply Corps.

During the past 15 years when the Navy supply organization recovered from the initial Japanese attack and met the World War II and Korean emergency logistic demands. Admiral Royar has held key management positions both in Washington and in the field. In addition to expanding the organization to meet the needs of a global fleet, the Navy has led in the development of techniques for the improvement of management.

The Bureau lend-lease program was under his direction, and he established the International Aid Division, responsible for the transfer and receipt of Bureau controlled material, and for the accounting and transportation arrangements for all material and services exchanged between the Navy and foreign governments. It was a post requiring great tact and diplomacy. Recognition of the outstanding manner in which he carried out his duties is shown by the decorations he received from Great Britain, France, and Norway.

In February 1944 Admiral Royar was advanced to officer-in-charge of seven divisions of the Bureau's accounting group. In this post he was responsible for keeping and auditing the money and property accounts of the Naval Establishment, including manufacturing and operating expenses at yards and stations, lend-lease, and inventory records relating to plant property.

With the Korean event, the center went to around-the-clock activity to get supplies, equipment, and provisions to the forward areas. In one week, the Cold Storage Division shipped better than 7½ million pounds of meats and perishables. Despite the workload, each vessel was loaded on time and many, well in advance of the scheduled sailing date.

Physical custody of the $13 billion Navy inventory, procurement of $1,800

million of goods and services, and the payment of all Navy bills were the direct responsibility of Admiral Royar. Admiral Royar was responsible for feeding, clothing, and paying the 800,000 officers and men on active duty.

His management responsibilities involved the direct supervision of 166 offices and depots.

Admiral Royar instituted policies to reduce inventory and to improve the quality of management through training programs and the application of advanced techniques.

His was the policy of keeping the public informed of its investments, and the maximum support being given to national security by the Navy.

DECEMBER 24, 1955, FOURTH ANNIVERSARY OF LIBYA'S INDEPENDENCE

The SPEAKER pro tempore (Mr. MILLS). Under previous order of the House, the gentleman from New York is recognized for 10 minutes.

Mr. POWELL. Mr. Speaker, I rise to pay my respects today to the country of Libya, another one of the 29 powers which attended the Asian-African Conference at Bandung. Although the independence day of Libya is December 24, they are not celebrating this occasion until tonight. The legation felt that due to the nearness of Christmas and the fact that they had just moved to new quarters, the occasion could not be celebrated on last December 24.

I was in Libya this summer inspecting our excellent Air Force base there at Wheelus Field, just outside of Tripoli.

We enjoy excellent relations on the GI level up to the commanding officer between our airmen and the Libyan Government and people.

I congratulate the people of Libya, His Excellency King Idris I, His Excellency Mustafa ben Halim, the Prime Minister, and His Excellency Saddigh Muntasser, Ambassador of Libya to the United States, on the occasion of their fourth anniversary of independence.

The young nation of Libya has been free and independent since 1951. Since the year 1911 when the Italians occupied Libya, the Libyan people waged a valiant struggle against the Italian colonization. The ruler of Libya, King Idris I, who spent most of his life in exile, was one of the outstanding leaders in the fight for independence.

Under the courageous leadership of King Idris I—then Prince Idris Senussi—during the Second World War a Senussi army was raised which fought side by side with the Allied troops, thus contributing to the ultimate defeat of the Axis powers. Defeat of Germany and Italy subsequently led to the termination of Fascist rule over Libya.

During the Second World War and as a direct result of Libya having entered the conflict on the side of the Allies and their fight against Italian occupation, together with the demands of Libyan people for independence, the Allies then promised that Libya would never again return to imperialists. However, Libya remained for about 10 years after the Second World War under British and French administrations until on the 24th of December 1951, when Libya became a completely independent country upon a resolution made by the United Nations General Assembly.

On December 24, 1951, Emir Idris el Senussi became King Idris I and proclaimed the United Kingdom of Libya a free and independent sovereign state. King Idris, a ceaseless champion of Libyan independence and a well-informed judge of current affairs, humbly requested shortly after his coronation that he not be addressed as Majesty, "That title," he said, "should be reserved for God." The people of Libya are thankful and devoted to their humble leader who has fought and struggled all through his life to achieve freedom and independence for his country.

THE ST. LOUIS TAX CASE

The SPEAKER pro tempore (Mr. MILLS). Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 15 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I have taken this occasion to take the floor to call attention to certain matters which appeared in the CONGRESSIONAL RECORD on January 25, 1956, at page 1311, entitled "St. Louis Federal Jury Turns Against Injustice." These remarks were by my colleague from Kentucky, Hon. FRANK CHELF, and they included an editorial from a Florence, S. C., newspaper with some remarks of his, and then a telegram which he sent to the Messenger and Intelligencer at Wadesboro, N. C., December 2, 1955. The gist of these remarks are that there has been a political move in the indictments of Matt Connelly and Lamar Caudle. Mr. CHELF's remarks as a former member of the subcommittee of the House Judiciary Committee that conducted the investigations of the Justice Department in 1952, were as follows: "I agree with this editorial," referring to the one of Florence, S. C. "In my opinion, the indictment of Caudle will boomerang on the Republican Party because it is strictly political." In view of these remarks the details of which any Member can read, and the fact that they were given wide publicity, it behooves me to challenge those conclusions. Accordingly, I wrote to my colleague [Mr. CHELF] as follows:

JANUARY 30, 1956.

Hon. FRANK CHELF,
House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: My attention has been directed to certain remarks of yours contained in the CONGRESSIONAL RECORD of January 25, 1956, page 1311, entitled "St. Louis Federal Jury Turns Against Injustice."

I am in considerable disagreement with the remarks and charges you have made against the integrity of our Federal judiciary. After all, the Federal district judge in charge of the St. Louis Federal grand jury is a Democrat. He is a man of such integrity that I am certain that he could not justifiably be charged with playing politics in his position, certainly not Republican politics.

I am quite surprised to find a member of the Judiciary Committee failing to distinguish between the actions of the Department of Justice, an arm of the executive branch of the Government, and the grand jury, an arm of the judicial branch of Government. I am further surprised to find you as a lawyer and an officer of the court commenting upon matters and questions of evidence which are pending before the judicial branch of Government. Surely you distinguish between matters developed in legislative fact-finding committees and matters presented to grand juries for possible trial before petit juries.

Because these are serious charges and involve the integrity of the Federal courts in my district, I am planning to take the floor of the House this coming Tuesday to make public my criticism of your remarks. I shall be happy to have your comments or rebuttal on the remarks in this letter and the further remarks I shall make.

Sincerely,

THOMAS B. CURTIS.

I had occasion to see my colleague on the floor today and talk to him personally and tell him that in accordance with my letter, I intended to present my views on this matter. I expressed my regret to him that I felt it necessary to take the floor, because I hold my colleague in high regard. I think he made a serious error in his remarks. Certainly to comment upon evidence that was presented before a Federal grand jury in St. Louis, and the manner in which it was done, to the effect that there was insufficient evidence, I presume, upon which to return an indictment against Mr. Connelly and Mr. Caudle is in error.

There has been a great deal in the press, I might say, setting forth the individual statements of Mr. Connelly. Of course I think as a citizen he had a right to make these charges himself, but I do not believe it is proper for members of the legislative branch of the Government to comment on matters that are presented to grand juries. The proceedings before a grand jury are secret. Whether or not an indictment actually will stand up before a jury, and a person convicted on the basis of the indictment, is a different question. No man in this country is guilty until he is so proven. He is presumed to be innocent until he is proven guilty. That is certainly true in regard to Messrs. Connelly and Caudle. At the present time they are innocent. There are charges pending against them. Whether or not those charges will be substantiated before a jury and whether they will be convicted is entirely beyond the realm of our speculation.

The main point I am driving at, however, is that it is highly improper for members of the legislative branch of the Government to presume that the judicial branch of the Government is motivated by political motives. Certainly the situation in St. Louis, Mo., where the grand jury is in charge of a Democratic judge, a man of outstanding integrity, and the members of the grand jury, as is true of most grand juries, are outstanding citizens in the community—to imply that they have been motivated in the slightest by political considerations is beyond comprehension. I am sure it is untrue. I feel that my colleague from Kentucky [Mr. CHELF] had he thought a little more carefully about the matter, would himself have made that point clear. In discussing the matter with him he did

say that he had no idea of criticizing the judicial branch of the Government.

In closing I wish to say with reference to the gentleman from Kentucky [Mr. CHELF] that though I have been critical of certain remarks he made, my opinion is that he is a man of considerable ability, high integrity, and a personal friend.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. Yes; I shall be glad to yield to the gentleman.

Mr. KEATING. I join in all the complimentary things the gentleman has said about our colleague from Kentucky, but I do want to add a word with reference to Judge Moore. I believe Judge Moore was the judge presiding in this case.

Mr. CURTIS of Missouri. Yes; that is correct.

Mr. KEATING. In our work in connection with the committee to investigate the Department of Justice in the 82d and 83d Congresses we found Judge Moore a man of outstanding integrity, great ability, and dedicated completely to purity in the administration of justice. He rendered great service to us, filed with us important evidence in our proceedings; many of the matters which I understand are included in this indictment were the subject of some investigation in our committee. I would not presume to express any views with reference to the outcome, but I share the gentleman's confidence that in the court of Judge Moore and with the fine citizens of the gentleman's State any defendant charged with a criminal offense will receive a fair trial and will be given the benefit of all the presumptions of innocence to which we all subscribe and which are so fundamentally a part of the law of our land.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

EXPLANATION OF THE REVISED GENERAL IMPORT QUOTA BILL

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, I have introduced a new general import quota bill in the form of a clean bill replacing H. R. 7925. The new bill retains the principles of the original bills introduced by myself and other Members, but makes some changes that alter the bases of quota imposition.

First. The bill still measures the magnitude or importance of imports by the share of the domestic market supplied by imports and by the upward trend of that share.

However, the new bill makes more definite than did the original the difference in treatment provided if imports have already captured a very considerable share of the market as distinguished from the situation where imports supply only a small share of the market.

For example, once imports of a particular item have taken 20 percent of the market but less than 30 percent, the increase in imports in the most recent year over any previous 3-year period since 1948 need have increased by only 15 percent, instead of the 25 percent where the share of the market is less than 20 percent in order to justify a quota—for example, from 1,000,000 to 1,150,000 units instead of having to go up by 250,000 units—or the share of the market represented by the imports need have increased by only 2½ percentage points instead of 5 percent—for example, they need rise only from 22½ to 25 percent rather than from 22½ to 27½ percent.

If the imports have taken 30 percent or more of the market, no increase in the most recent year over any 3-year period since 1934 is necessary in order to justify a quota.

In other words, the new bill eases the requirements necessary to qualify for a quota as the attained level of imports bulks larger in the share of the total domestic market supplied by them.

This easing of requirements is paralleled by a tightening of the quota itself as the share of the market already supplied by imports bulks larger. Above 20 percent a moderate cutback below the attained level of imports is provided for. This cutback widens as the share of the market is found to be 30 percent, 40 percent and on up.

A new principle is introduced by providing for a sharper cutback if imports came up rapidly. In this instance it makes no difference how great or small a share of the market had been supplied by imports. The important consideration is how far and how fast they have gained a larger share of the market. If the step-up in the most recent year was greater than 5 percentage points over the average during any 3-year period since 1948 and had carried the share above the 10-percent level—for example, if the share had gone from 9 percent to 16 percent of domestic consumption—the quota would be fixed at approximately the midway mark between these two levels—for example, at 12½ percent in the example; or if imports had jumped from 10 percent to 30 percent the new bill would call for a cutback from 30 percent to 20 percent.

These provisions have been made as a matter of equity and fairness to the domestic producers. If imports have captured a large share of the market it is not unreasonable to halt the share somewhat below that level and then let imports go up in proportion as the market expands.

Also, if imports have risen rapidly there was probably some special competitive advantage working in favor of imports, such as exchange devaluation, a rise in prices where the duty is specific rather than ad valorem—that is, so many cents a pound, dollars per ton, or other specific rate that loses its protective effect if prices go up. Therefore, a sharper cutback is justified; and this is provided for in the bill.

Second. The bill also retains the classification of foreign wage levels in terms of the corresponding American wages. It provides that if after the initial quota is set the wages in any given country should increase sufficiently in the industry exporting the product concerned to raise it to the next higher percentage bracket—that is, by as much as 5 percentage points; for example, from 15 percent of our wage level to 20 percent—in terms of United States wages, that particular quota would be increased by 10 percent. This could be repeated if the foreign wages continued to rise, for example, from 20 percent to 25 percent of our level.

However, in setting the initial quota the amount assigned to each country would be the share of the total imports that it had supplied during a representative previous period. The bonus quota mentioned in the previous paragraph could be earned only in future years after establishment of the quota.

If the American market is as important to the foreign countries exporting to us as is ordinarily represented the incentive to improve wage standards would carry considerable weight. Such countries would not be paying us to gain a larger share of our market. They would be improving the lot of their workers.

Third. The revised bill, like its predecessor, first lays down the conditions of import competition that must be present before a quota can be authorized under it.

This is followed by specifications by which to determine the actual point at which an authorized quota is to be set within the various ranges or categories provided in the bill; that is, at 7½ percent or 20 percent or 60 percent of domestic consumption, and so forth.

Fourth. The original bill made no reference to injury from imports as a condition of establishing import quotas. The revised bill does lay down the condition of serious injury or threat thereof before a quota may be imposed but provides that a presumption of such injury will be created when imports of any particular product answer to the share of the market and upward trend specified in the bill.

This presumption can then only be rebutted by preponderance of evidence that convinces a majority of the Tariff Commission that no serious injury has been done or threatened.

If the Tariff Commission does not by majority vote of those participating in the case reject the quota, the Commission is required to set the quota and the President is directed to promulgate it. This is the mandatory feature of the bill.

Fifth. Beside the regular cutbacks provided in the new bill when imports have taken a large part of the market, as explained under heading 2, above, the new bill has a further provision that if imports already had captured over 30 percent of the market and the applicant industry should convince the Tariff Commission that such industry had been injured and continued to be injured because of imports the Commission in its discretion could cut back the imports sufficiently to remedy the injury. The

Commission's discretion would be wider than if it worked on the basis of a presumption of injury. The discretionary range would widen, again, as the share of the market already held by imports was 30, 40, 55, 75 percent, and so forth. These permissible—not mandatory—cutbacks would range from 25 to 50 percent of the attained share of the market; that is, the 30 percent share already attained could be cut as far back as 22½ percent, the 40 to 30 percent, the 55 to 38½ percent, and the 80 to 40 percent. However, the full cut need not be utilized. That would be left to the discretion of the Tariff Commission. The objective would be to eliminate the actual injury.

Sixth. To strengthen the national-security feature of the bill a provision has been added that calls for a quota designed to accomplish any objective defined by the National Defense Establishment or other duly authorized body or person as necessary to guard the national security. This might be a minimum volume of production by the domestic industry or a maximum volume of imports during a stated time period, consistent with the national defense.

In other words, if 10 million units of a product were found to be the minimum that should be produced in this country and actual production were only 7 million units, the Tariff Commission would set the import quota so that in due time the 10-million-unit level of production could be reached. If the national security finding were, on the other hand, that imports should not exceed a certain level on the grounds that if they rose above that level the national security would be impaired, the quota established by the Tariff Commission must conform to that finding on national security.

Eighth. The revised bill retains the breakdown of imported products for quota purposes as provided in the original bill but adds value range as a further possible classification. It states that the quota may be confined to a class, grade, species, measurement, value range, component material or other well-defined variation that differentiates the product in question from related ones.

It also provides that a quota may be subdivided on the same basis of class, grade, and so forth.

In short, a quota may be imposed on a particular grade or class of a wider product group without imposing one on the whole group, for example, limiting the imports of cucumbers but not of all vegetables. On the other hand, if a quota is imposed on a wide category, the quantity that may be imported may be, but not necessarily, subdivided among classes, grades, value brackets or the like; that is, a quota on vegetables might be subdivided into a specified volume of cucumbers, a different volume of tomatoes, another volume of green peppers, and so forth.

The possibility added in the new bill is that of setting up value brackets and limiting imports of all imports falling into a value range between, say $5 and $10 per dozen, or some similar breakdown appropriate to the product.

Ninth. The revised bill also retains the flexibility provided in the original bill.

This flexibility is of two kinds: Short-range and long-range. Short-range flexibility would permit reopening of a quota to adjust it to an foreseen shortage in the domestic supply by allowing additional imports during the particular quota year. In the same manner it would permit curtailment of the quota if a surplus should develop. The bill provides guidelines in both instances.

Imports, in other words, would be called upon to participate in a market decline no less than permitted to take part in a general market expansion or in making up a market deficiency.

Long-range flexibility would be achieved by adjusting to technological changes, shifts in consumer preferences, depletion of domestic resources or failure of foreign sources of supply. Such adjustment could be made once in 3 years.

Tenth. The burden of proof in preventing a quota is placed on the opposition. The Tariff Commission need not support a quota by majority vote in order to establish it. The opposition must have a majority in order to stop it.

Eleventh. The new bill improves the original in making it more responsive to particular situations of import competition as they have arisen in the past and also to deal intelligently with the conditions of such competition that reflect an unfair advantage over domestic producers.

In other words, the meaningful factors of dangerous competition can be dealt with under the bill, and the dangers contained. But the bill does not provide a straitjacket. It is adjustable to growth and development. While it sets up definite guidelines it provides for reasonable deviations if justification exists.

Implicit in the bill is recognition of the fact that imports may not injure domestic producers. In the case of coffee, for example, imports supply 100 percent of domestic consumption. Under the bill, almost certainly, no one would arise to call for a quota. Should, nevertheless, an applicant arise, any presumption of injury would be readily rebutted.

Again, in some cases imports supplement domestic production. Coexistence has been established over a long period of time. In such cases no difficulty need be expected unless imports should begin to encroach more and more on the share of the market supplied by domestic producers. The bill would make it possible to halt such encroachment, depending upon the justification for it.

In yet other cases imports may have gained much ground on the domestic producers because of special circumstances. These might be war conditions, currency devaluation, patent rights, or the like. Yet, imports having gained a strong position in the market because of such circumstances, the domestic producers may be unable to regain their previous position. The present bill would make it possible to inquire into the merits of such cases and within limits to make adjustment according to the equities involved.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. AUCHINCLOSS (at the request of Mr. WIDNALL), for February 1, 1956, on account of official business.

Mr. BARRETT (at the request of Mr. CLARK), for 2 weeks, on account of illness.

Mr. HINSHAW (at the request of Mr. ARENDS), for January 31 and February 1, 1956, on account of urgent personal business.

Mr. MACK of Illinois (at the request of Mr. O'HARA of Illinois), for January 31, 1956, on account of snowstorm grounding plane on his return from official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. KELLY of New York, for 2 hours, on February 8.

Mr. ROOSEVELT, for 15 minutes, on Tuesday next.

Mr. BYRD, for 5 minutes, on Wednesday.

Mr. FEIGHAN, for 30 minutes, on tomorrow.

Mr. PERKINS, for 15 minutes, on tomorrow.

Mr. CURTIS of Missouri, for 15 minutes today.

Mr. O'HARA of Illinois on February 15, the anniversary of the sinking of the *Maine*, for 1 hour.

Mr. SIKES, on Thursday of next week, for 20 minutes.

Mr. TUMULTY, on tomorrow, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CELLER in two instances.

Mr. LANE and to include extraneous matter.

Mr. PHILBIN in four instances and to include extraneous matter.

Mr. CURTIS of Missouri and to include extraneous matter.

Mr. WOLVERTON and to include extraneous matter.

Mr. WEAVER and to include an address by Hon. JOSEPH C. O'MAHONEY, of Wyoming.

Mr. NORBLAD and to include an address.

Mr. RHODES of Arizona and include an address by Senator GOLDWATER.

Mr. EBERHARTER (at the request of Mr. MADDEN) in two instances.

Mr. KLEIN and to include extraneous matter.

Mr. DOLLINGER (at the request of Mr. KLEIN) and to include extraneous matter.

Mr. KEOGH (at the request of Mr. KLEIN) and to include extraneous matter.

Mr. GARMATZ (at the request of Mr. KLEIN) and to include extraneous matter.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7871. An act to amend the Small Business Act of 1953.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5844. An act to increase the fee for executing an application for a passport.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 53 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 1, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1450. A letter from the Secretary of Agriculture, relative to recommending enactment of legislation to extend the authority of the Secretary to administer sections 7 through 17 of the Soil Conservation and Domestic Allotment Act of 1936 for 2 years after the expiration of such authority on December 31, 1956; to the Committee on Agriculture.

1451. A letter from the president, Capital Transit Co., transmitting a report covering the operations of Capital Transit Co. for the calendar year 1955, with balance sheet as of December 31, 1955, pursuant to section 10 of an act of Congress approved June 10, 1896, and paragraph 14 of section 8 of an act of Congress approved March 4, 1913 (Public Law 435); to the Committee on the District of Columbia.

1452. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to provide a 5-year program of Federal construction grants for the purpose of assisting medical and dental schools to expand and improve their research and teaching facilities, and of assisting other public and nonprofit institutions engaged in medical or dental research to expand and improve their research facilities, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

1453. A letter from the Assistant Secretary of the Interior, transmitting a report of revolving credit fund transactions for the fiscal year ended June 30, 1955, pursuant to section 10 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984, 986; 25 U. S. C. 470); to the Committee on Interior and Insular Affairs.

1454. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, relative to a letter dated January 10, 1956, enclosing copies of orders entered in cases where the authority contained in section 212 (d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, and now in addition transmitting the case of Alexander McAuslane, case No. A-6159664; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLMER: Committee on Rules. House Resolution 392. Resolution for consideration of H. R. 7993, a bill to authorize the construction and conversion of certain naval vessels, and for other purposes; without amendment (Rept. No. 1698). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 393. Resolution for consideration of H. R. 8710, a bill to amend the Armed Services Procurement Act of 1947; without amendment (Rept. No. 1699). Referred to the House Calendar.

Mr. FRIEDEL: Committee on House Administration. H. R. 8796. A bill to increase the amount of telephone and telegraph service furnished to Members of the House of Representatives, and for other purposes; with amendment (Rept. No. 1700). Ordered to be printed.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 2106. A bill to provide that the enlistment contracts or periods of obligated service of members of the Armed Forces shall not terminate by reason of appointment as cadets or midshipmen at the Military, Naval, Air Force, or Coast Guard Academies, or as midshipmen in the Naval Reserve, and for other purposes; without amendment (Rept. No. 1701). Referred to the Committee of the Whole House on the State of the Union.

Mr. WINSTEAD: Committee on Armed Services. H. R. 4704. A bill to provide for the examination preliminary to promotion of officers of the naval service; without amendment (Rept. No. 1702). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6022. A bill to provide for the relocation of the Trenton Massacre Canyon Monument presently located near Trenton, Nebr.; without amendment (Rept. No. 1703). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6162. A bill to provide for longer terms of office for the justices of the Supreme Court of Hawaii and the circuit courts of Hawaii; with amendment (Rept. No. 1704). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6112. A bill to authorize the construction of a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes; with amendment (Rept. No. 1705). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7058. A bill to amend the Hawaiian Organic Act in respect of the compensation of supreme court justices and circuit court judges; with amendment (Rept. No. 1706). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 1352. An act for the relief of A. J. Crozat, Jr.; without amendment (Rept. No. 1707). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner; without amendment (Rept. No. 1708). Referred to the Committee of the Whole House.

Mr. MILLER of New York: Committee on the Judiciary. H. R. 1471. A bill for the relief of William J. Robertson; with amendment (Rept. No. 1709). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1876. A bill for the relief of Martin M. Sorensen; with amendment (Rept. No. 1710). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3343. A bill for the relief of Mrs. Blanche Houser; without amendment (Rept. No. 1711). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3725. A bill for the relief of Herman F. Gierke, Jr.; with amendment (Rept. No. 1712). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3733. A bill for the relief of Charles A. Barron; without amendment (Rept. No. 1713). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 3980. A bill for the relief of Harry V. Shoop, Frederick J. Richardson, and Junior K. Schoolcraft; with amendment (Rept. No. 1714). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4633. A bill for the relief of Crosse & Blackwell Co.; with amendment (Rept. No. 1715). Referred to the Committee of the Whole House.

Mr. MILLER of New York: Committee on the Judiciary. H. R. 4759. A bill for the relief of Clarence Maxwell; without amendment (Rept. No. 1716). Referred to the Committee of the Whole House.

Mr. MILLER of New York: Committee on the Judiciary. H. R. 5237. A bill for the relief of Mrs. Ella Madden; with amendment (Rept. No. 1717). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5284. A bill for the relief of Keith A. Botterud; without amendment (Rept. No. 1718). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 5495. A bill for the relief of Arthur H. Homeyer; without amendment (Rept. No. 1719). Referred to the Committee of the Whole House.

Mr. LANE: Commitee on the Judiciary. H. R. 5526. A bill for the relief of Mrs. Kathryn M. Baker; with amendment (Rept. No. 1720). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 5778. A bill for the relief of June Smith; with amendment (Rept. No. 1721). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 6137. A bill for the relief of Herman Floyd Williams, Bettie J. Williams, Alma G. Segars, and W. C. Segars; with amendment (Rept. No. 1722). Referred to the Committee of the Whole House.

Mr. MILLER of New York: Committee on the Judiciary. H. R. 6673. A bill for the relief of Manuel Mello; with amendment (Rept. No. 1723). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7373. A bill for the relief of Eugene

G. Aretz; without amendment (Rept. No. 1724). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 7583. A bill for the relief of Mary Viola Jones; without amendment (Rept. No. 1725). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8187. A bill for the relief of Wright H. Huntley; without amendment (Rept. No. 1726). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8298. A bill for the relief of Westfeldt Bros.; without amendment (Rept. No. 1727). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8306. A bill for the relief of Eugene Gardner, Byron M. Barbeau, John R. Reaves, and Jackson L. Hardy; without amendment (Rept. No. 1728). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary, H. R. 8307. A bill for the relief of Nathan A. Kahn; without amendment (Rept. No. 1729). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8308. A bill for the relief of Arthur E. Weeden, Jr.; without amendment (Rept. No. 1730). Referred to the Committee of the Whole House

Mr. LANE: Committee on the Judiciary. H. R. 8309. A bill for the relief of Col. Henry M. Zeller; without amendment (Rept. No. 1731). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8310. A bill for the relief of C. W. O. George C. Carter; without amendment (Rept. No. 1732). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8311. A bill for the relief of Daniel O. Hulse, Jr.; without amendment (Rept. No. 1733). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 8936. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. BARTLETT:

H. R. 8937. A bill to amend the law so as to provide that the term of office of district judges in Alaska shall be 8 years; to the Committee on the Judiciary.

By Mr. BROOKS of Louisiana:

H. R. 8938. A bill to amend an act entitled "An act to provide benefits for members of the Reserve components of the Armed Forces who suffer disability or death from injuries incurred while engaged in active-duty training for periods of less than 30 days or while engaged in inactive-duty training"; to the Committee on Armed Services.

By Mr. ENGLE:

H. R. 8939. A bill to provide a 10-year program for the construction and improvement of roads, trails, buildings, and utilities in national park and monument areas and other areas administered by the National Park Service and for the construction and improvement of parkways authorized by acts of Congress; to the Committee on Interior and Insular Affairs.

By Mr. EDMONDSON:

H. R. 8940. A bill relating to the sale of water from the Hulah Reservoir to the city of Bartlesville, Okla.; to the Committee on Public Works.

By Mrs. GREEN of Oregon:

H. R. 8941. A bill to provide for the establishment of the Bureau of Older Persons within the Department of Health, Education, and Welfare; to authorize Federal grants to assist in the development and operation of studies and projects to help older persons; and for other purposes; to the Committee on Education and Labor.

By Mr. GWINN:

H. R. 8942. A bill to permit articles imported from foreign countries for the purpose of exhibition at the International Theater Equipment Trade Show, New York, N. Y., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

H. R. 8943. A bill to permit volunteer rescue squads to receive property surplus to the needs of the Federal Government for use in preserving life and property; to the Committee on Government Operations.

By Mr. HARVEY:

H. R. 8944. A bill to help ease the now depressed agricultural market by prohibiting the granting of certain agricultural and grazing leases except after certain facts have been proclaimed by the Secretary of Agriculture, and for other purposes; to the Committee on Armed Services.

By Mr. HOLMES:

H. R. 8945. A bill to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLTZMAN:

H. R. 8946. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. HYDE:

H. R. 8947. A bill to provide for an adequate and economically sound transportation system or systems to serve the District of Columbia and its environs; to create and establish a public body corporate with powers to carry out the provisions of this act; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Wisconsin:

H. R. 8948. A bill to extend the period during which surplus dairy products may be made available to the Veterans' Administration and the armed services; to the Committee on Agriculture.

By Mr. KARSTEN:

H. R. 8949. A bill to appropriate funds for construction of the Jefferson National Expansion Memorial at the site of Old Saint Louis, Mo., as authorized by the act of May 17, 1954 (68 Stat. 98); to the Committee on Appropriations.

My Mr. KEARNS:

H. R. 8950. A bill making an appropriation to enable the District of Columbia Auditorium Commission to formulate plans for the construction of a civic auditorium in the District of Columbia; to the Committee on Appropriations.

By Mr. KRUEGER:

H. R. 8951. A bill authorizing the Secretary of the Interior to convey certain land to the State of North Dakota for the use and benefit of the North Dakota State School of Science; to the Committee on Interior and Insular Affairs.

By Mrs. KELLY of New York:

H. R. 8952. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. LANKFORD:

H. R. 8953. A bill to provide price support for the 1955 crop of Maryland tobacco; to the Committee on Agriculture.

By Mr. LANHAM:

H. R. 8954. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. McMILLAN:

H. R. 8955. A bill to provide that under certain circumstances the charter and rights of franchise of the Capital Transit Co. shall not terminate on August 14, 1956; to the Committee on the District of Columbia.

By Mr. METCALF:

H. R. 8956. A bill to reimburse the Flathead Indian irrigation project, Montana for expenses incurred in furnishing electric power for Hungry Horse project; to the Committee on Interior and Insular Affairs.

By Mr. MORRISON:

H. R. 8957. A bill to extend the time within which the District of Columbia Auditorium Commission may submit its report and recommendations with respect to the civic auditorium to be constructed in the District of Columbia, and to provide that such Commission shall continue in existence until the construction of such auditorium has been completed; to the Committee on the District of Columbia.

By Mr. O'BRIEN of New York:

H. R. 8958. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. REED of New York:

H. R. 8959. A bill to permit articles imported from foreign countries for the purpose of exhibition at the International Photographic Exposition, to be held at Washington, D. C., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. ROBSION of Kentucky:

H. R. 8960. A bill to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 1207 at Louisville, Ky.; to the Committee on Armed Services.

By Mr. SIMPSON of Pennsylvania:

H. R. 8961. A bill to extend for 1 month the time within which employers must furnish statements to employees of amounts of wages paid and of amounts deducted and withheld from wages as tax; to the Committee on Ways and Means.

My Mr. SISK:

H. R. 8962. A bill to amend the Japanese-American Evacuation Claims Act of 1948, as amended, to expedite the final determination of the claims, and for other purposes; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H. R. 8963. A bill to repeal the provisions of law which require that payments be made to Philippine pensioners on the basis of one Philippine peso for each American dollar; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas (by request):

H. R. 8964. A bill to increase the rate of pension of certain widows of World War I veterans and the annual income limitations governing the payment of pension to widows and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of New Jersey:

H. R. 8965. A bill making an appropriation to enable the District of Columbia Auditorium Commission to formulate plans for the construction of a civic auditorium in the District of Columbia; to the Committee on Appropriations.

By Mr. BASS of Tennessee:

H. J. Res. 499. Joint resolution relating to 1956 burley tobacco marketing quotas and acreage allotments; to the Committee on Agriculture.

By Mr. FINO:

H. J. Res. 500. Joint resolution designating July 1, 1956, as Civil Air Patrol Day; to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H. J. Res. 501. Joint resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. RHODES of Pennsylvania:

H. J. Res. 502. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the official founding and launching of the conservation movement for the protection, in the public interest, of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. WAINWRIGHT:

H. J. Res. 503. Joint resolution requesting the President to proclaim the week March 16 to March 22, inclusive, as National Youth Partnership Week; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. Con. Res. 208. Concurrent resolution to express the sense of the Congress with respect to the loss of the famous Wayside Inn; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H. R. 8966. A bill for the relief of Mrs. Traversa G. Uselilni; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H. R. 8967. A bill for the relief of Paul Levitt; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 8968. A bill for the relief of the Qashqai (Ghashghai) family; to the Committee on the Judiciary.

By Mr. KING of California:

H. R. 8969. A bill for the relief of Gottfried Walter Stingl; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 8970. A bill for the relief of Lydia Stack (Stachulski); to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 8971. A bill for the relief of Hamazasp Psakian, Mrs. Varsenick Psakian, and Nune Nona Psakian; to the Committee on the Judiciary.

By Mr. MILLS:

H. R. 8972. A bill for the relief of Gerda Martha Negrazus; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 8973. A bill for the relief of Anthony Bauer; to the Committee on the Judiciary.

By Mr. QUIGLEY:

H. R. 8974. A bill for the relief of Joh Pyung Nam; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H. R. 8975. A bill for the relief of Harry B. Landers; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 8976. A bill for the relief of Sho Ging Wong; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 8977. A bill for the relief of Ada Kabilka; to the Committee on the Judiciary.

By Mr. WRIGHT:

H. R. 8978. A bill for the relief of Mrs. Marie B. (Winkler) McClendon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of XXII,

468. Mr. DODD presented a petition of Mrs. Norma Burgess Moore, president of the Woman's Christian Temperance Union of Connecticut, Inc., and 504 others, of the State of Connecticut, urging Congress to pass legislation to prohibit alcoholic beverage advertising over the radio, television, and in the magazines and newspapers, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Peace Needs Good Faith

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1956

Mr. PHILBIN. Mr. Speaker, for the past several years I have been honored by the Marlboro, Mass., Chapter, Disabled American Veterans by being designated as guest speaker at the annual banquet of this fine group. On October 29, 1955, I addressed the organization and ask unanimous consent that part of my remarks before the Marlboro DAV be printed in the RECORD.

The material follows:

"Veterans are the most important single force defending the Nation against subversion," said Congressman PHILIP J. PHILBIN, of Clinton, addressing the DAV banquet at Marlboro last night.

"You who know the real meaning of patriotism are best fitted to guard our institutions," said the Clinton Congressman, "and your spiritual strength, unity and loyalty furnish an inspiring example to all our citizens."

Outlining current world conditions at some length, PHILBIN declared that the Soviet Government is now playing its old, dual role in international diplomacy—"playing a waiting game until she can catch up to the free world in terms of hydrogen bombs and other scientific weapons, and at the same time brazenly continuing the internal penetration of weaker nations.

"Smiles have replaced scowls on the faces of her diplomats, but her world objectives remain the same and she is pressing them with unabated vigor, skill and persistency.

"There can be no permanent peace in the world until the Soviet negotiates pending questions in sincerity and good faith, and in a willingness to do justice to the oppressed and the tyrannized," he said.

The American Government must continue its own zealous efforts to secure enduring peace, but we cannot permit our armed strength and potential to diminish, in fact, "implemented with fantastic new weapons growing more amazing every day, we must continue to build even more powerful military strength because that is our best safeguard against possible aggression in a world filled with conspiracy and intrigue."

PHILBIN gave the veterans an assuring report on the current status of national veterans programs. "Congress will always safeguard and seek to strengthen basic laws in behalf of veterans and their dependents because that is what the American people want for those who have done so much for the country."

The Congressman congratulated the local post for conspicuous interest and invaluable work for the cause of the veteran. "You can be proud that you have cooperated so loyally and effectively with the other great veterans organizations in carrying out this work," he said.

Ambassador John E. Peurifoy

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1956

Mr. KEOGH. Mr. Speaker, in these days of international crises the sudden, tragic death of Ambassador John E. Peurifoy was a great loss not only to our Nation but to all of the free world. Jack Peurifoy was a brilliant diplomat and a fine example of the career public servant. He devoted his life to his country and to the cause of world peace. Assigned to the trouble spots of the world he served with great distinction as Ambassador to Greece, Guatemala, and Thailand.

Ambassador Peurifoy was born on August 9, 1907, in Walterboro, S. C., and came from a family of lawyers and jurists. He resigned from West Point in 1928 and completed his education by attending night school at American University and George Washington University. Entering the Department of State on October 1, 1938, as an economic analyst he rose rapidly and on January 23, 1947, at the age of 38, he was appointed Deputy Assistant Secretary of State for Administration, then the third ranking position in the Department.

Ambassador Peurifoy was in charge of the United Nations Conference in San Francisco in 1945 and served as Deputy Secretary General of the American Delegation at the first meeting of the General Assembly of the United Nations in London in January 1946.

Joining the career Foreign Service in 1950 at the top, he was appointed ambassador to Athens. It was my good fortune to visit with him in Athens during the period he served as ambassador to Greece and to observe first hand the skill with which he handled his difficult task.

Perhaps Jack Peurifoy will be best remembered as the man most responsible for uprooting the first Communist-infiltrated government established in the Western Hemisphere. The overthrow of the Communists in Guatemala was a major victory for the United States and the credit belonged to Ambassador Peurifoy.

It was my privilege to know Jack Peurifoy as a friend for many years and I shall miss him greatly. My deep sympathy goes to his lovely and devoted widow Betty Jane, and to his young son, Clinton, to whom he left a rich heritage.

What a Difference Between Now and Then in the Adoption of the Appropriation for Un-American Activities

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1956

Mr. WOLVERTON. Mr. Speaker, today we have under consideration a subject that through the years has proved to be of inestimable importance to the welfare of our Nation and its people.

I refer to the continuing activity of the Committee on Un-American Activities of the House. This committee has had probably more bitter criticism expressed against it than any other Committee of Congress. There is an old saying that under certain circumstances a knock is a boost. Certainly this had been true in its application to the unjust criticism that has been directed against this committee by Communists and other subversive factors in our midst. I can well remember the caustic, untrue, and deceptive charges made against Hon. MARTIN DIES, of Texas, in the early days when fighting communism and subversive activities in our Nation was no easy task. In those days it was a constant encounter between the patriotic forces under the leadership of Congressman DIES and those who sought to break down our American way. Congressman DIES did not receive all the help he was entitled to have in those days. Our people were not as fully aware of the dangers involved as they are today. It can be said to the everlasting credit of MARTIN DIES that he never faltered nor did he deviate in the slightest degree from the patriotic course he had set for himself to pursue. In that day of trial that tested the courage of many in the Congress there was always sufficient to gain the victory when the issue was whether funds sufficient in amount would be granted by the Congress to carry on this great work of ferreting out those who did not believe in our form of Government and would destroy it if they could.

Today, we have before us a resolution—House Resolution 352—from the committee which now has jurisdiction of the same subject, appropriating $275,000 to carry on the work of the committee. Under the leadership of the present chairman of the committee, Hon. FRANCIS WALTER, of Pennsylvania, we have confidence that he and his distinguished committee will continue to carry on effectively and forcibly the work of the committee in the future as in the past. But, as we adopt this resolution, I cannot help notice the ease with which it passes as compared to that day long ago when MARTIN DIES fought almost singlehanded. His accomplishments in this respect will ever be a monument to his patriotism and courage.

Speech by Hon. Alexander Wiley, of Wisconsin, Before Neenah (Wis.) Junior Chamber of Commerce

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Tuesday, January 31, 1956

Mr. WILEY. Mr. President, it was my privilege last night to speak before the junior chamber of commerce at Neenah, Wis. I ask unanimous consent that the address which I made be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY SAYS RESPONSIBLE CITIZENS SHOULD URGE INTENSIFIED UNITED STATES EFFORT IN COMPETITIVE COEXISTENCE RACE—ANNOUNCES COSPONSORSHIP OF BILL TO MAKE PERMANENT PRESIDENT'S TRADE FAIR PROGRAM ABROAD, PLUS CULTURAL, ATHLETIC EXCHANGES

I am happy to attend your distinguished service award banquet, to pay tribute to your Jaycee program, and to this outstanding young man of your community.

If I may, I'd like to use your criteria for your distinguished award selection—achievement, leadership, service to the community, and personal ability and character—as a foundation upon which to build my talk with you tonight.

EVERY CITIZEN PLAYS A DUAL ROLE

In our great country, each citizen plays a dual role.

First, each of us leads a private, personal life. We work at our vocations; we build our homes and care for our families; we pursue our personal careers and goals in life.

Second, each of us is a member of a community, with a civic responsibility. Our country is not kept free and dynamic by a "Let George do it" attitude on the part of our people. The successful working of a representative democracy requires selfless service and dedication by all of us—at the local, State, and National, and now, international level.

Tonight, we are honoring a young man for achievement both in his personal life and in service to the community—a fine example of the dual role we all must assume.

ROLE OF ALL JAYCEES

As members of a great nationwide organization of 160,000 Jaycees, you are all projected into the forefront of activity and progress on the American scene.

You have put yourselves in the category of people who are big enough to live beyond themselves, to become responsible members of community life.

You have concerned yourselves with the problem of education, finance, taxes, sanitation, and general progress of your community.

As dual role citizens, you have concerned yourselves with the problems at the State and National level. You are attempting likewise to achieve a constructive knowledge of international problems, and of how these reflect upon yourselves and our country.

As members of the Jaycees you are molding, not only the future of Neenah, Menasha, and Winnebago County, but of the State and Nation, and yes, the world, as well. Of this, I shall have more to say a bit later on.

AMERICA'S BEST FRUITS ARE ITS PEOPLE

There are different ways by which to measure our progress and success.

For myself, I believe that the most important achievement of our great country of 165 million people is not necessarily a political system, although ours is the best in the world; not our economic progress, although we have attained the highest standards of living in the history of mankind; and not our scientific and technological developments, although these are unsurpassed.

Instead, I hold the firm, unshakable belief that the best fruits of our years of work and progress are our people—free, humble, creative, independent people, dedicated, under God, to the preservation of human dignity; devoted to high ideals and progress; believing strongly in the principles of representative democracy, aware of the opportunities and responsibilities in our atomic-nuclear age; and, all of us, strong in our conviction that freedom is a must for all peoples, yes, including the enslaved peoples behind the Iron Curtain.

ERA OF PERIL; ERA OF PROMISE

The cycle of history has indicated two kinds of future prospects: an era of peril, and an era of promise.

ERA OF NUCLEAR PERIL

The era of peril, of course, has been created for us by the existence of a fanatic political and economic theory—communism—whose ultimate goal is still the conquering of the world.

In recent times, the dictators of the Kremlin have been traveling about the world under the disguise of "social reformists," attempting to deceive new peoples and nations on the real nature of totalitarian rule.

Meanwhile, the long tentacles of communism, above ground and underground, reach into all countries on earth.

COMPETITIVE COEXISTENCE

As you well know, the relatively new Communist line of "competitive coexistence" is being intensified.

The "line" definitely does not rule out the possibility of war.

It does, however, indicate that the Communists have entered a new phase of operation—trying by so-called soft means to alienate our friends, undermine our prestige, and subvert new peoples to communism.

Basically, the aim of the Kremlin is to discredit, weaken, and ultimately destroy our own political system, our Republic, our way of life.

ACCEPT "COMPETITIVE COEXISTENCE" OPTIMISTICALLY

I think, however, that we ought to accept the challenge of "competitive coexistence" optimistically. For this is the thing we are best at—providing good things for a better life.

We have achieved the best kind of life for our people at home.

And we have helped its progress in many countries around the world by sound economic aid and technical assistance.

IMPROVE SALESMANSHIP OF UNITED STATES ABROAD

However, we must improve our salesmanship of the United States abroad.

The United States Information Agency has been doing, generally speaking, a great job abroad. However, because of many obstacles it faces and because of the massive Soviet propaganda effort (which expends many times what we do), this fact emerges:

The true story of the free way of life unfortunately, isn't getting to the people of the world, as well or as fully as it should be.

Particularly in the so-called neutralist countries our capitalist system is frequently misrepresented. Our national character is often smeared. We are called "imperialist" and "colonialists" even though:

(a) Our entire history, from the days of our Thirteen Colonies' revolution, onward, refutes that charge:

(b) Not in man's history has there been a more savage, heartless, or widespread imperialism and colonialism than that of the Soviet Union (and it, of course, is the source responsible for most of the false charges against us).

And, so we must strengthen our salesmanship. We have the best product in the world to sell—freedom. And we must back up our salesmen—our United States Foreign Service, our United States Information officers, and others abroad, who are ably displaying our products.

COSPONSORSHIP OF BILL TO MAKE TRADE AND CULTURAL PROGRAMS PERMANENT

One of the ways by which we can do so is by making permanent what has thus far been merely temporary and on an emergency basis the authorization for the United States to participate in international trade fairs and to help defray expenses in sending our artistic troupes throughout the world.

Our participation in trade fairs and particularly, our sending of dance, theater, orchestral, athletic and other groups and individuals abroad—have met with spectacular success.

On this cultural point, I emphasize that man lives "by more than bread alone." He lives for and reveres the things of beauty in this world: great music, great art, great poetry, great drama, great literature, great ballet.

We want to share the fruits of American culture with other peoples, and I say, incidentally, we are willing and eager to enjoy more of the fruits of their cultures as well.

We Americans, we Wisconsinites are not "crass materialists" as the Reds like to picture us. We are vitally interested in the things of the spirit.

TRIBUTE TO AMERICAN NATIONAL THEATER AND ACADEMY

Fortunately, we have a grand instrumentality which has been helping to perform our overseas cultural presentation for us. It is the splendid American National Theater and Academy, chartered by the Congress, functioning through its International Exchange Program. This is a program in which Wisconsin performers, among others, I am glad to say, have contributed in full measure, and in which all the other rich artistic resources of America are fully represented.

United States ambassador after ambassador, now representing our country abroad, has written to me, praising our theater and other groups overseas. They have told me that the visit of a single artistic group, like the famed "Symphony of the Air" in music-minded Japan, has done more to get across the truth regarding America's cultural interests, its devotion to the good life, to the ways of peace, than would mountains of speeches or press release "handouts."

I shall, therefore, in the next few days be cosponsoring legislation to make authorization for this type of activity permanent, precisely as President Eisenhower has wisely recommended. I point out to you that up until recent times the Soviet Union and its satellites had tended to be ahead of us in the trade fair and cultural troupe program. The Reds, with vast expense budgets committed to the task, had already achieved considerable success.

Fortunately, we are now catching up. Fortunately, too, the business world of America and the artistic world have so fine a product, so to speak, to display before the world, that we know we can surpass the Soviets in any fair competition.

But we must not allow this program to lag.

I want all the world to see what the free American enterprise system has produced. Let trade fairs in Indonesia or India or Pakistan display the skills of Green Bay industry, for example. And let audiences, especially, in the neutralist world, see what the great artistic talent of America has achieved.

WHY EACH ADDITIONAL COUNTRY IS SIGNIFICANT

We want no free nation—large or small—to drift into the Communist orbit, or to be softened up by the Reds for new aggression or internal revolution.

Each country that is kidnaped from the free world behind the bamboo or Iron Curtain is a potential military base for further subversion and aggression elsewhere.

Each country that falls or is pushed behind these curtains provides a reserve of natural and economic resources that will be raped and pillaged to support the Communist war machines.

Each captured country provides a reservoir of manpower that the Communists will not hesitate to use as cannon fodder in acts of aggression, now or in the future.

We must face these facts realistically, and strengthen our program to deter communism at every possible point.

Aggressive communism is a universal menace, even across the once wide Atlantic and Pacific Oceans. There are no longer any real natural barriers. There are no shelters anymore. All places are vulnerable. On the military front, a Communist-launched guided missile could hit Neenah and Menasha in less than 30 minutes from takeoff from a Soviet base. We are no more than 6 hours away from jet-bomber bases in Siberia.

INTERNATIONAL SCENE

As you know, on the international diplomatic scene, we are faced with a multitude of new and old problems. Most of these are serious, for a spark anywhere might emblazon the whole world in atomic fire. We must, therefore, keep constantly informed of the actions and events around the globe that may determine our own future. For example:

1. The recent announcement of a new 5-year plan by Russia warrants that we review our own programs and progress as regards strategic economic goods.

2. In Asia the stepped-up air and artillery action around Quemoy and Matsu Islands—off Formosa—requires us to take a new look at that hot spot.

3. In Latin America the bait that is being dangled to the 20 Republics merits our and our friends' careful scrutiny, for we Americans must above all safeguard our Western Hemisphere.

4. The fighting in and around the Holy Land and unrest throughout the Middle East and Africa require our alert and skilled efforts to avoid more explosions.

5. We must strengthen our allies in NATO, SEATO, the Middle East pacts and other agreements and mutual-support treaties.

There is no area in the world in which we can relax and say "this is safe." For the Communists are working, propagandizing, and subverting on a succession of insidious 5-year plans.

ERA OF PROMISE

We must, however, remember also that we live in an era of promise.

We have attained great and unprecedented heights of prosperity and standards of living.

We have more jobs, automobiles, TV sets, and stations, radios, and household appliances than ever before. We have better homes and more comforts of living than anywhere else in the world.

We live in an air-jet age and travel at supersonic speed.

We produce goods in automatic factories.

Our scientists have equipped us with electronic eyes and ears.

Yes; as we approach November 1956 we can even hazard election predictions with such complicated devices as Univacs.

ST. LAWRENCE SEAWAY

Domestically, one of the great landmarks of our times of course, is the St. Lawrence Seaway. At completion, this great seaway will mean to the trade of Wisconsin and the United States what the Panama and Suez Canals have meant to the trade of the world.

It will open new markets, both foreign and domestic, for the products of our farms, dairy plants, paper mills, machine shops, and other industries. It will transform many of our Wisconsin cities into true, deep-water world ports.

Every one of you can help create the most effective seaway by giving your personal and organizational support to legislation now before the Senate Public Works Committee. This legislation, for which I testified only last Thursday, would authorize the deepening of the connecting channels, west of Lake Erie to 27 feet.

ECONOMIC OUTLOOK BRIGHT

Economically, if we are alert and act on opportunities, the outlook for Wisconsin and the country is of course excellent.

That fact is confirmed by the President's latest economic report. We are at the highest level of prosperity in our history. Our national income is at the $327-billion level. The total national product is almost to the $400-billion mark. Over 65 million people are employed—the most in our history. And the best is still to come.

FARMERS NOT SHARING IN NATIONAL PROSPERITY

Yet, as we review our problems, there is one segment of our economy that is not sharing proportionately in our national prosperity: farming.

A price "squeeze" has caught the farmer between rising costs of production and falling prices for his milk, pork, beef, and other products.

As you know, the Senate concluded hearings on farm parity proposals last week. The drafting of the final bill is expected to take about a week.

We must come up with some good, nonpartisan constructive legislation to relieve the distress in price-depressed farm areas—and we must do so now.

For myself, I believe that the price-support program needs a real overhauling. As for example, milk—which we produce, in amounts of 16½ billion pounds a year in Wisconsin—certainly should receive equal treatment under the law with the so-called 6 basic commodities.

OTHER LEGISLATION

To cope with other problems—foreign and domestic—which we face today, there is additional legislation pending before the Congress.

These concern such important matters as defense, tax reforms, social-security liberalization, aid to education, modern road construction, mutual security, yes, too, the dangerous natural-gas bill, and many others. They are of vital interest to all of us.

The best judgment of Congress and the Nation must be applied to these issues so as to result in a sound, comprehensive program.

MINIMIZE PARTISAN POLITICS

This is an election year, and, of course, it will be difficult to keep politics out of the legislative work.

But I, for one, have made this fact very plain: I consider the times too critical, and the consequences of failure, or even delay, on top international issues too great to allow ourselves to become overly involved in petty partisan politics.

NEW FRONTIERS

In our complicated, complex world, we face new frontiers of outer space with a so-

called space satellite, new frontiers of atomic-nuclear development, and of improved human relations.

We need dedicated people—willing to work, study, think, and act—to resolve those many problems.

WE NEED YOU

We need you—every last one of you—to assume the dual role of citizenship, to take up the challenge of our times, to guide our Nation through the uncharted future, at home and abroad.

Man does not live by bread alone.

Man does not live for himself alone. So let us rally to our Republic, beacon of the world.

Constitutional Liberties

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS

Tuesday, January 31, 1956

IN THE HOUSE OF REPRESENTATIVES

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to include a news story about my speech before the Serra Club at Gardner, Mass., on November 2, 1955.

The material follows:

"The enemies of religion, democracy, and patriotism constitute a powerful active force attacking our way of life," said Congressman PHILIP J. PHILBIN before the Serra Club at Gardner, November 2, 1955, "and it will require not only continuous vigilance, but united, responsible leadership to mobilize American public opinion against them.

" 'Divide and conquer' is their slogan as they drive the abrasive wedges of racial hatred, religious intolerance, and class animosity into the very foundation stones of our great free system," PHILBIN said.

"The un-American zealots who spread hate between various groups of our people are the very ones who also discredit our most precious spiritual principles, make a mockery of the Bill of Rights and foster the absolutism and economic determinism of the police state.

"They cast aspersion and doubt on the sanctity of the human family. They mock and deride our parliamentary institutions. They denounce patriotism as an obsolete tomfoolery. They pillory and misrepresent the servants of the people. They scorn and insult the Constitution and hurl epithets and invectives at our great free enterprise economic system that has served to give us the highest standards ever enjoyed by man.

"These people are not alone the radical doctrinaires of Union Square. Many of them hold influential positions in American life. There is hardly a place in American life where they have not set up their cells of subversion, of conspiracy, against this representative Government and this economic system.

"America will either soon find the way to cope with this grave problem, or American freedom, as we have known it, will face greatest peril. No nation can live half slave and half free, and this Nation cannot preserve its vigor and strength, its Bill of Rights and its Constitution, its liberties for the individual and its basic freedom unless our citizens unite to combat the poisonous anti-religious, antidemocratic, antipatriotic propaganda and conspiracy that is brazenly operating in the Nation.

"This task challenges every one of us, because the poison of subversion and anti-Americanism reaches every part of the land and every part of the land must move to fight and counteract it."

Calling for renewed respect for constitutional principles and safeguards, PHILBIN declared that "in this task let us not fall prey to the folly and the fallacy of violating, in letter or in spirit, our great Constitution, in order to check the malefactors who would destroy it.

"Let us remember that in this Nation above all nations, every man is entitled to a fair hearing and a fair trial and we must never let star chamber proceedings and hysteria be substituted for the processes of equal justice under the law for everyone regardless of race, class, creed, or persuasion.

"And remember this," said the Congressman, "the man who hates or discriminates against another because of his religion or his race is not a good American.

"From Nero to Hitler, men and women have been beaten and slaughtered for their faith and for their political ideals, but love of God, like liberty, is immortal, and it can no more be killed than the human soul."

Albert Gallatin

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1956

Mr. EBERHARTER. Mr. Speaker, under leave to extend my remarks, I am today inserting in the CONGRESSIONAL RECORD my remarks at ceremonies on January commemorating the 195th birthday of Albert Gallatin:

ALBERT GALLATIN

(Remarks of Congressman HERMAN P. EBERHARTER, Democrat, of Pennsylvania, at ceremonies on January 29 commemorating the 195th birthday of Albert Gallatin)

It is a privilege for me to participate in this ceremony honoring the 195th birthday of that great Swiss-American patriot and statesman, Albert Gallatin. I feel it a personal privilege, for two reasons in particular. First, Albert Gallatin served in the Congress as a Representative from western Pennsylvania and it has been my good fortune to serve as Representative in Congress from the same area. Secondly, Albert Gallatin's most important contribution as a Member of Congress was to conceive and establish the Committee on Ways and Means of which he became the first chairman. It has been my honor to be a member of that committee.

Of all the tributes that one can rightfully shower on his name, it seems to me that it is most fitting today to mention Albert Gallatin's abiding concern for fostering commerce between nations as the keystone of international amity. Gallatin believed and worked for the principle that lower tariffs, not higher tariffs, were the way to expanding international trade to the mutual benefit of the trading partners. Such mutuality of interest, he felt, was the essential mortar that bound nations together in an amicable partnership. The wisdom and virtue of this philosophy are of compelling importance today.

I am drawn to speculate about what Albert Gallatin would think, were he alive today, of the actions that have been taken to limit the mutually beneficial trade between the United States and his native land, Switzerland. The imposition of higher tariffs on Swiss watch imports by the administration violates the high principles laid down by this famous Founding Father and would cause the Swiss-American statesman great dismay and anguish.

Thus, in honoring the memory of Albert Gallatin, we honor the principles and ideals that were the guideposts of his life. The greatest honor we can accord him today is to reaffirm our own deep commitment to one of his major guiding principles that world peace will be fostered if trade among nations is encouraged to grow and expand.

The Harris-Fulbright Bill

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1956

Mr. CURTIS of Missouri. Mr. Speaker, under unanimous consent, I insert into the RECORD a letter which I have just written to the editors of the St. Louis Post-Dispatch along with the editorial appearing in the St. Louis Post-Dispatch to which I refer.

I am very disturbed about the smear attack which seems to be gaining momentum which has been embarked upon by certain groups who disagree with the philosophy of the Harris-Fulbright bill. There is plenty of honest argument on both sides of this issue and there should be no occasion whatsoever to resort to this kind of procedure. Incidentally, if what has been referred to as the gas and oil lobby has been using improper or possibly illegal tactics in promoting this legislation, these matters should be investigated and brought to light. However, there seems to be no specific charges made against the gas and oil lobby of improper or illegal conduct. Unless a bill of particulars is forthcoming I think, in fairness, the attacks should cease inasmuch as they would then properly be dubbed smear attacks.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 26, 1956.

EDITORS,
St. Louis Post-Dispatch,
St. Louis, Mo.

GENTLEMEN: I read with interest your editorial appearing in the Monday, January 23, 1956, Post-Dispatch, entitled "The New Gas Gouge," in which you discuss the proposed Fulbright-Harris bill to exempt natural-gas producers from Federal regulation.

I am enclosing for your consideration an editorial appearing in the Chicago Daily Sun-Times of January 23, 1956, a newspaper which has the reputation of being independent and liberal in its thinking. I think this would be excellent material for your Mirror of Public Opinion so that your readers will realize that there is more to this issue than the activities of what your editorial refers to as the oil and gas lobby.

Tragically, your editorial is geared to impugning the motives of those with whom your editors disagree instead of presenting the facts and logic of your own position. Can't we keep public discussion on a higher plane? It appears to me that the smear approach is resorted to when facts and logic are absent. If this is so we, all being interested basically in the consumer, are hurting the consumers' interest when we avoid honest debate.

Yours very truly,

THOMAS B. CURTIS.

P. S.—I am also enclosing some comments made on the floor of the House and the additional prepared remarks appearing in the January 25, 1956, CONGRESSIONAL RECORD in which I call attention to what on the surface appears to be a serious smear attack by the Columnist Drew Pearson on the integrity of the majority of the House Members who supported the Harris bill. Knowing that your newspaper carries Drew Pearson's syndicated column and being a newspaper which has the reputation of being a responsible journal, my remarks are quite pertinent to your policy of publicizing Mr. Pearson's statements.

[From the St. Louis Post-Dispatch]

THE NEW GAS GOUGE

Almost every St. Louis householder uses gas in some form—in stoves or furnaces or water heaters. Industries here are heavy gas customers. To each of these consumers, and to millions more across the country, the present Senate debate on the Fulbright bill should be a matter of personal concern. For the bill would cost gas consumers money.

The oil and gas lobby, which the Wall Street Journal reported was spending $1.5 million to promote the bill, naturally denies this. Gas producers argue that their prices will not rise rapidly if Federal controls are prohibited by the Fulbright bill. Suspicious consumers might then ask why the lobby is putting so much money and effort into its campaign if it expects no return.

This has been a most persistent campaign. Repeatedly the gas industry has tried to prevent or escape from field regulation by the Federal Power Commission. The Moore-Rizley bill of 1947, the first attempt, did not pass. The Kerr bill of 1949 was vetoed by former President Truman.

In 1954 the Supreme Court held that producers were subject to FPC regulation, and the new legislation is an attempt to escape from the High Court's ruling. The House passed the bill by 209 votes to 203. If the Senate passes it, President Eisenhower is expected to sign it. Then what?

In 10 years the field price of gas sold to pipelines has increased more than 100 percent. Testimony on the present bill referred to further increases up to 15 cents per thousand cubic feet, which would make the price about 25 cents. Consumers would have to pay this added expense of unregulated gas prices, but that is not all they would have to pay.

Much of the gas consumed locally goes to industries at a low rate because they agree to burn other fuels when a utility needs their gas for residential heating. This gas already is sold at less than 25 cents. If the price rises to that figure, many industries will convert to other fuels. The residential consumer will have to pay for this loss of revenue to utilities and pipelines.

Senator DOUGLAS, of Illinois, who has fought the gas-oil lobby constantly, estimates that the full effect of a 15-cent gas field-price rise would be to add 27 cents to the residential consumer's bill. That would be a 35-percent increase.

There are more than 18 million residential gas customers in the Nation. Their average annual gas bill would be increased $23.45, Senator DOUGLAS believes. In Chicago's colder latitude (and this would be true of St. Louis, too), the average gas-heating bill would go up by $41.25.

Senate opponents of the Fulbright bill think it would gouge consumers out of some $600 million to a billion dollars a year in behalf of gas producers. Of course the lobby denies this, too, and the answer all depends on just what price increases the producers intend if they are free from Federal regulation.

If the lobby does not really intend to increase prices much, then why all the long fuss and bother about escaping from price regulation? That is the unanswered question which should make millions of gas customers and their elected representatives suspicious of the Fulbright bill.

Led by big oil companies, the lobby is making one more desperate effort to avoid utility regulation. Let the customers beware. Let the Senators who represent the consumers stand up and be counted for them when the vote comes.

The West Is the Future

EXTENSION OF REMARKS

OF

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1956

Mr. RHODES of Arizona. Mr. Speaker, under leave previously granted, I would like to include in the RECORD an address of Senator BARRY GOLDWATER before the Advertising Association of the West, Paradise Inn, Phoenix, Ariz., January 21, 1956:

THE WEST IS THE FUTURE

(Address of Senator BARRY GOLDWATER before the Advertising Association of the West, Paradise Inn, Phoenix, Ariz, January 21, 1956)

When you honored me by asking me to speak with you this afternoon, I accepted readily, because it not only gave me a chance to visit my native Arizona again, but it also provided me with an opportunity to fly once more across this great land of America. It always rekindles my pride in being an American to travel over the vastness of this country—to see the greenness of its farms, the sprawling bigness of its cities, and the compact tidiness of its small towns; to go through State after State, and to realize as I go that the people I see are Americans like I am, and that, in their hearts, beats the same intense pride of that possession.

Yes, America is God's land, with its mountains and its canyons and its lakes. It is God's land for these things, and His, too, because our concept of freedom, as coming from Him, has given us the spiritual will to create the material might that is also ours. Our material accomplishments of the past can be nothing as compared with the almost unimaginable potential that we face today as a Nation.

Part of this great future stems from the tremendous expansion of our population which is taking place at the present time, and which will continue. Another part of our future rests with what man does with his new knowledge of the atom. Its promises of peacetime developments almost stagger the imagination of men. Another part of our future comes from the over-expanding and dynamic free enterprise system, which is our system of economy. This is a material expression of our spiritual might—the expression of a people constantly seeking higher standards of living, constantly seeking and achieving greater opportunities, and constantly endeavoring to build a better America.

Included in this future will be the ever-increasing demands for goods, services, and jobs from this new population; the constant demands for a higher standard of living from the current population; and the overall increased needs for schools, hospitals, churches, highways, power, and water and sewage facilities. All these, and more, are the needs of a dynamic society.

Naturally, in this future is included the future of business, and business is potential. But business, as potential, means not only opportunity, but also problems and responsibilities. Business must provide the jobs and job opportunities for the expanding labor force. It will take money to provide these jobs. That means new capital for investment, expansion, production, distribution, research, and product development.

You, as citizens of this great community of America, face a great potential, likewise, and, in this potential you, too, have responsibilities and problems. Your particular responsibility is better advertising, more vigorous promotion, and better dissemination of knowledge, so that business can more readily sell its new goods to the new population. As advertising people, your responsibilities also embrace the selling of our free-enterprise system and our constitutional form of Government.

America faces a future that challenges the imagination; and, in that future, the West looms dominantly. Here, in the western part of these United States, we will see the real great growth of this country in the coming years. Here, in the West that is still new and, in many respects, undeveloped, we will see the marvels of tomorrow unfold. Here is our challenge. Here in the West are the opportunities for tomorrow.

I hesitate to bore you with figures on this happy day, but, nevertheless, figures are necessary to prove my point that America's future lies in the West. Nowhere in the Nation has the growth been more rapid, or, likewise, the potentials or the problems greater than here in the West. For the 11 Western States, the 10-year period from 1950 to 1960 is certainly a decade of opportunity. During the previous 10-year period, from 1940 to 1950, the center of the population of the United States took its greatest strides toward the open spaces of the West. In fact, that movement westward is the greatest since the period between 1880 and 1890. Between 1940 and 1950, the West had a 40.9 percent increase in population, while, during that time, no other region increased by more than 13.3 percent. Of the 11 States comprising what we call the West, 7 increased their population by percentages ranging from 25 to 53 percent, and in only 1 of the Western States was the increase less than 10 percent.

During the decade between 1940 and 1950, more than 3 out of every 5 counties of the West increased in population. At the same time, in the United States as a whole, nearly one-half of the counties lost population, and nearly one-fourth lost 10 percent or more—this, despite the record gain of 19 million in population. This extreme rate of growth is further evidenced in the cities of the West, and, to mention but a few, Denver, Colo., increased 38 percent in that period; Los Angeles, 49.8 percent; and this great, thriving city of Phoenix had an increase in population in that 10-year period of over 78 percent. These figures compare with a 22 percent overall average increase for the standard metropolitan areas in the Nation.

All of that took place between 1940 and 1950, but, the latest figures available show that the West continues to be ahead of the Nation in the rate of population growth since the last census. These figures show that, since the census was taken, the population of the West has increased by 11.6 percent, or twice the national average of 5.1 percent. The Pacific Division alone shows a 12.1 percent growth, and the Mountain Division 10.3 percent. Of the 28 States in the Nation that increased by 5 percent or more, 9 were located in the West. Of the 9 States which increased by 10 percent or more, half were Western States.

Looking into the future at our population estimates, the Bureau of the Census predicts a 35 percent increase for the Western States,

against 17 percent for the United States as a whole for the current decade. Prof. Morris E. Garnsey, who wrote the interesting book, America's New Frontier, has said that it is not inconceivable that the population for the Western States should provide residence for as much as 33 percent of the Nation's population by 1975. This same economist predicts a 1975 population for the United States of 200 million, which would mean, if his predictions are true, that between 60 and 65 million people would reside in the West by 1975.

Yet, I said earlier that this growth brings problems, and these problems are reflected in the West by an increasing need for labor and capital investment funds. This rapidly growing population has had to find jobs, and jobs have been created for them, jobs in industry that have moved from the East, or industries which have been born and grown in the West.

Arizona is a typical example of industrial progress in the West. In the middle 1930's, manufacturing was practically nonexistent in this State, and yet, today, manufacturing contributes the largest share to our total State economy. Arizona's remarkable rise in the manufacturing fields can be matched by other States of the Far West, but I use this State because it is my home State, and I have a natural and deep regard for it. You will pardon, then, these exclusive references to Arizona statistics.

The Bureau of the Census estimated that our population would be 1,036,000 in 1960. It has already exceeded that figure, and is approaching 1,200,000. The labor force in 1950 was 265,000, but the estimate for 1960 is 362,600. This means an estimated investment in Arizona of slightly over $1 billion.

To bring this down to more reasonable and more understandable figures, I might remind you that this population increase in Arizona is running along at the rate of slightly over 1,400 persons per week. A new population means new jobs. New jobs mean new capital to provide money for jobs, job opportunities, and for goods and services. We can expect to see growth in a number of business firms maintain the same ratio as it has always had, and we find, in studying this, that, as human population grows, so does business population. The ratio of growth between the two has been fairly constant in the past. Now, to give you some idea of what we here in Arizona can look forward to in the way of new business firms, let us recall that, in 1950, Arizona had 18,900 business firms. By 1960, using the ratio of the number of firms to nonfarm population, we can expect to see something in the neighborhood of 32,000 businesses in operation in Arizona by 1960. In fact, if we use this same ratio figure and apply it to the projected population of the West, we westerners can expect to be doing business in 1960 with an excess of 750,000 new businesses.

You ladies figure prominently, too, in this new picture we are viewing, for, in 1950, in the State of Arizona, there were 68,000 of you employed, and, by 1960, we can expect that figure to be approximately 100,000.

To provide power for this expanding population and economy of the West will require capital expenditures in excess of $5 billion in the 1950–60 period. I mention this figure only to show you the tremendous amount of capital that is going to be needed in our West as we grow.

One might sit here and listen to these astounding figures and think that this migration to the West has just started. In truth, it has been going on ever since the early days of our history, but it has only reached these gigantic proportions in the last 10 or 15 years. What is the reason for this continuing trek toward the West?

The West is new, and the West will be new tomorrow and for many tomorrows to come. We are not bound by tradition. Our legislatures have kept up with the modern needs, and we find new laws, instead of antiquated ones, existing in most of the Western States. Young men and young women have come to the West from the East with new ideas, and they have developed these ideas unhampered by existing local traditions or laws, both of which, in many cases, are obsolete for the times.

To these young people who have come to the West, we who were born in the West owe our undying thanks. The pioneer of yesterday was important in laying out the land and describing its boundaries and in settling this great country, but the pioneers of today have provided the youth and the vision and the capital and the know-how to build this West into the thing that it is, and to keep it growing in the future. As the population swings to the West, more of the need for factories and distributing points in the West grows with that population, so that we can see more and more of this migration from the East and central portions of the United States.

The challenge which exists in this growth is not only to fields of capital, but also, to you, as I mentioned earlier. Upon your shoulders rests the job of selling these products, and upon your shoulders rests the job of selling that which has made this country and this West the thing that it is, both in the field of economy and in the field of government. Yours must be a constant vigil to see that the freedom of our enterprise is maintained: to see that our young people understand this great system of economy, and realize that no other system in the world has produced so much for so many people—and no other system in the world can do it, because all have been tried in the thousands of years of recorded history. None has produced like the free enterprise system, and the only obstacle which I can see on the horizon is that which rests in the apathy of our people toward our freedom, whether that freedom be the personal freedom of man or the freedom of our enterprise.

There are far too many in this country who, whether knowingly or unknowingly, advocate a little bit of socialism. There are too many people who feel that the Federal Government should have a greater and greater hand in guiding our local destinies. I like to be charitable to these people, and think that they know not what they do, and I like to devote my time to attempting to change their views.

Ours is a freedom that comes from God, and by our adherence to that concept, we have become a strong, spiritual people; and because of this spiritual strength, we have, likewise, become strong materially. Freedom, not the Government, has created this material wealth. Nothing comes from Government that is not first put into Government; and if we ever forget that to the point that we fail to live by our spiritual standards, if we ever forget that to the point that we fail vociferously to proclaim our allegiance and belief in that concept, then this great constitutional government of ours will go, and with it will go the economy that has produced more for more people than any in the history of the world.

Yes, you have a grave and abiding responsibility in this future of the West; just as I and all the people of the West have. Under our guidance and work, the West can grow to unbounded proportions, but its growth can be directed, and we can profit by the mistakes of the past that have been made in other sections of the country. Out of this, someday, our children can gather and thank us for our firm belief in the things that have made America good, just as we, today, thank our fathers and our mothers and those who came before us to settle this land and to give it to us in the form that we received it.

The Goal of Peace

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1956

Mr. PHILBIN. Mr. Speaker, on November 5, 1955, it was my privilege to address the Southbridge, Mass., Veterans' Council at its annual Veterans' Day banquet. I ask unanimous consent to have printed in the RECORD part of my remarks to this outstanding patriotic organization.

The material follows:

Speaking November 5, 1955, at the Armistice Day celebration of the Veterans Council at Southbridge, Congressman PHILIP J. PHILBIN declared that "the best way to honor those who fought and died for the Nation is to intensify our efforts for peace."

"The veterans of every war who paid the supreme sacrifice, or who offered their lives to preserve our freedom, are enshrined in the hearts of the American people in grateful remembrance," said PHILBIN, "but their unselfish work will not be complete until peace and security shall come to this troubled world."

Stressing the dilemma of our present international position, he said: "The fact that another world war would bring untold death and desolation must prompt world leadership to speed its work for peace, regardless of obstacles and disappointments."

The Congressman touched on the power of modern weapons.

"No nation can afford to remain unmoved by the dreadful power of modern weapons," he said. "If there are those in the world who insist upon putting idealogical penetration and plans for conquest before peace, this Nation and the free world have no choice than to build effective strength to protect their liberties.

"It is most discouraging that our many repeated proposals for worldwide disarmament and control of nuclear energy have been rejected up to this time, but we must vigorously press these questions with the Soviets and before the bar of world opinion, and we must never lose an opportunity to employ every means of argument and persuasion, and every resource we have, to drive home to the Communist world the paramount urgency of peace."

Hailing historic American foreign policy, PHILBIN said: "Our Government has already proclaimed and emphasized on numerous occasions the traditional American policy against aggressive war and designs on other nations. It remains for the Soviet to give similar assurances, not by words alone, but by deeds, that it will keep the peace, and that it will desist from further conspiracy against the territorial integrity and political independence of other nations.

"As a nation we have no right to barter away the freedom of oppressed peoples and any agreement looking toward lasting peace must be predicated on complete justice and liberation for enslaved nations and all others.

"Since there can never be any compromise of our basic liberties, or of the principles of our Constitution, failure to attain the goal of peace will require us, for our own protection, to maintain armed forces of great power and magnitude, lamentable though that be in this age of advanced civilization when real international amity and coperation could bring such great blessings."

PHILBIN hailed the leadership of veterans as "a most potent force in keeping the Nation

militarily, economically, and spiritually strong. Let us all emulate their great faith and courage, and the good Lord will continue to strengthen our cause."

Problem of the Small-Business Man

EXTENSION OF REMARKS
OF
HON. ARTHUR G. KLEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1956

Mr. KLEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement which I made for publication in the newspaper printed by the East Side Chamber of Commerce of the City of New York. This problem of small-business men has long been a source of concern to me; and it is my hope that this Congress will take appropriate action to assist the small-business man, who is, in my opinion, the backbone of American business and industry.

STATEMENT FOR EAST SIDE CHAMBER OF COMMERCE BY CONGRESSMAN ARTHUR G. KLEIN

I hope that Congress, during its second session will give full consideration to the problems and to the needs of the small-business man. I, for one, mean to do everything I can to have this consideration given because I believe it to be basic to the well-being of millions of people and to our general economic welfare.

I expect that Congress will have to make many exertions in this respect. The administration's warmth for big business has been manifest, and has taken many forms. For instance, in the past year, corporation profits have gone up 26 percent; corporation take-home pay has had an equal rise, and big-business failures have gone down 15 percent. As against that, we have the sad fact that small-business failures have gone up by 21 percent.

It seems to me that it is possible to embody in our legislation further help to small business and for the prevention of monopoly. I have nothing against big business as such. But monopoly is another matter and the squeeze on the small-business man must be lifted.

I believe, too, that the small-business man will be helped by economic programs such as increased housing. We learned from the President's state of the Union message that the administration proposes authority to contract for 35,000 additional public housing units. This is utterly inadequate; 135,000 units were provided for in the bill passed by the Democratically controlled Senate in 1955. This should be a minimum figure. For such public housing is indispensable to the broad housing needs of our growing population and constitutes an important spur to small business. Every young married couple that is able to set itself up in a home of its own means a customer for the small-business man who has commodities to provide and services to render. Housing equipment, furniture—all that goes into the maintenance of a home and the growth of a family, are important to the small-business man. They are also a key to the continued high standard of the American people which became a goal of government during the F. D. R. New Deal and the Truman Fair Deal administrations.

I have also felt it a matter of some concern that provisions should be made for aged widows and widowers, and single people generally, to have access to public-housing projects. They, too, are an integral part of our population; and with the rise in the general age level of the American people, ordinary decency requires that we give some thought to and make adequate provisions for aged, single people to be able to live in the public housing that takes the place of the slum buildings from which they have been evacuated. Theirs, too, is a case of important, economic value to the small-business man. The elderly man or woman who has to move out of his district because of a public-housing project, or that has to move in with a child of the family, has far fewer economic needs than one who maintains a home of his own or her own. Small business, it seems to me, has a vital stake in this, and should give support to the legislation on this score that I have introduced into Congress.

A school-building program of suitable dimensions and adequate to meet the needs of our largely increased school population is still another project that should appeal to the community at large and to the small-business man in particular. They are all interlocked. Adequate school facilities and ample teacher forces mean that much more for the neighborhood store and businessman.

Another concern of the small-business man is the administration's proposal to increase the first-class postage rates. I am strongly opposed to this as unjustified in and of itself, and as imposing a particularly heavy burden on the average family, the average laboring man, the average storekeeper, and the average businessman. As a matter of fact, the Post Office losses are not due to the first-class mail. They are due, largely, to the second-class mailings. In any event, the Post Office is not and should not be regarded in the same way as we regard a private business venture any more than a municipal fire department or police department can be so regarded. A fair and moderate postage rate is absolutely essential to the normal conduct of our business life. It is a stimulant to exchange. It would be an unjustified saddling of still another burden on every individual small-business man, and every individual family to increase the postage rate. I am against it.

Above all, I am concerned with the fact that since the last half of 1952, and under the policies of the present administration, small-business profits are down 66 percent, small-business investors' returns are down 57 percent, and small-business failures are up 36 percent. I am concerned because in 1954 alone there were three times as many business mergers as occurred in 1949. This is a trend toward monopoly that is most disturbing. I am concerned that the small-business man's share in the defense procurement dollar shrank in the years 1954 and 1955. This is a trend that must be resisted. Ours should not be a government of big business any more than that of any other segment of the population. Ours should be a government of all the people. That definitely includes the small-business man.

Command Management School

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1956

Mr. CELLER. Mr. Speaker, it was recently my pleasure to appear as a guest lecturer at one of the newest additions to the Army school system, the Command Management School at Fort Belvoir. The importance of the Army's schools in the success of our Armed Forces has been universally recognized. I am confident that this new activity will prove its great value in terms of increased efficiency in the Army.

As the appropriating agency of the Government, the Congress has a special responsibility for the effective utilization of the national resources. Our defense program must be so administered that the American people receive the maximum value for every dollar spent and the maximum effectiveness from every man. It is most gratifying to realize that the Department of the Army, which of course shares this desire, has taken such worthy action to provide its senior commanders with a development program commensurate with their managerial responsibilities.

The school was established in November of 1954 to provide commanders and key staff personnel in the ranks of colonel, brigadier and major general and civilians of comparable grades with an intensive 3-week course in the most advanced concepts and practices of modern management. Although fully alined with the Army's tradition of excellence in its school system, under the direction of Col. Frank Kowalski, Jr., commandant, the Command Management School is unique in its methodology and atmosphere. It employs the case method and offers no fixed or formal solutions. Free discussion and creative thinking are the standard operational procedures here and the results in improved understanding and technology are very encouraging. Programs and policies are being examined on their merits and in the light of present and past experiences.

The Department of the Army is to be congratulated for its vision in making the program available to its commanders. The motto of the Command Management School is a fitting one for those entrusted with the great responsibility of our military leaders, "From knowledge the power of decision."

Anniversary of Ukraine Independence

EXTENSION OF REMARKS
OF
HON. EDWARD A. GARMATZ
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1956

Mr. GARMATZ. Mr. Speaker, on January 22 the observance of the 38th anniversary of the independence of the Ukraine was celebrated all over the world, that is, all over the free world, where people could give expression to their thoughts and feelings, without fear of reprisal.

This observance should cause us all to pause and think again of the wonderful blessings of liberty and the terrible price which has been and still is being paid to regain and preseve freedom.

As far back as the ninth century, the Ukrainian Kievan State has been struggling to maintain its independence.

Ukraine was one of the first victims of the Communist conspiracy, but despite the destruction of its national churches, the horrible famines, the mass murders, purges, and deportations, the fires of patriotism have not been extinguished. On the contrary, these scourges have but served to strengthen their national pride and loyalty and their determination to continue their fight for freedom and independence.

What does all this mean to the citizens of our country? It means that we must use every resource at our disposal to make known to those nations which are still free, the real meaning of communism, with its policy of enslavement, domination, and destruction of all personal liberties. We must encourage them, and our own people also, to be constantly vigilant and alert to the spread of communism, so we may all be enabled to fight it at every turn, to retain our freedoms.

It means also that we must, by whatever means it can be done, let the people of the Ukraine know that we are in sympathy and full accord with their efforts to regain their freedom and stand ready to do everything in our power, as a nation, and through the United Nations, to help them, so they may again be restored to the community of free and independent nations of the world.

Thomas G. Masaryk, Great Leader

EXTENSION OF REMARKS
OF
HON. ISIDORE DOLLINGER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1956

Mr. DOLLINGER. Mr. Speaker, I join with the many thousands of Americans of Czech and Slovak ancestry who are honoring the memory of Thomas G. Masaryk, who has taken his place in history as one of the great champions of the cause for freedom.

He is hailed as the founder and liberator of the Czechoslovak Republic; under his inspired leadership the people of Czechoslovakia achieved freedom, democracy, and independence. He was a great patriot who, by his high ideals, faith, and courage, led the people of Czechoslovakia so nobly that between the years of 1918 and 1937, when he died, they had built their country into a strong and flourishing nation.

The freedom of his country was short-lived, for shortly after his passing, Czechoslovakia lost its independence first to the Nazis and later to the Communists. However, the people of Czechoslovakia are ever mindful of the example set by Thomas Masaryk, his sacrifices in their behalf, his unwavering belief in the principles of freedom, democracy, justice, and honor; his prayers that his people should remain free from tyranny. Although the people of Czechoslovakia suffer under tyranny today, they have not forgotten their past freedom or the principles of the man who helped them achieve it. They will not miss any opportunity to grasp that freedom again for the spirit of Thomas Masaryk lives on in their hearts as it does all over the world where men adhere to the principles of liberty and abhor totalitarianism and dictatorship.

It is fitting that on the anniversary of the birth of the great Thomas Masaryk, we who are free of the shackles of bondage and tyranny, should rededicate ourselves to the principles for which he stood and to the tasks which lay before us. We must work unfailingly to preserve our own freedom and to do all we can to help others, less fortunate than we, to regain and to maintain theirs.

Does Greater Boston Suffer From Hardening of the Arteries?

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1956

Mr. LANE. Mr. Speaker, under leave to extend my remarks, I wish to include the following radio address I delivered over station WMEX, Boston, Mass., on Saturday, January 21, 1956:

DOES GREATER BOSTON SUFFER FROM HARDENING OF THE ARTERIES?

Ladies and gentlemen of the radio audience, greetings. What happens to Boston, the nerve center of New England, is not only of importance to people living in the city and in the metropolitan area, but has an effect on everyone who visits Boston to shop or to transact business.

Boston is an old city, that must adjust itself to many new and compelling circumstances.

Realizing this need, and in an effort to focus attention on the most urgent problems so that solutions may be forthcoming, Boston College has sponsored a series of seminars to explore the economic, fiscal, and political problems of this key city.

Public officials, leading merchants, professional men, and citizens contributed their valuable comments on all aspects of the situation.

I cannot possibly cover or do justice to all factors in this brief broadcast. So, I am taking the liberty of selecting some of the highlights that will be of interest to the average citizen.

Any diagnosis of Boston would have to include a recognition of the need for regional planning and the seriousness of Boston's financial problem.

Because I do not have the time to report what the conference of last year had to say on these vital issues I have decided to bypass them in my remarks and dwell instead on some aspects of the transportation problem. For the motor age is exerting the greatest impact on our cities.

Mr. P. A. O'Connell, general chairman of the second annual conference, presented some revealing facts on the parking problem.

He stated that "parking is absolutely necessary if we are to attract people to trade and do business in Boston."

He stressed the fact that suburban cities and towns are taking a substantial amount of business away, because people cannot find a place to park in the traffic jungle of Boston.

Christmas retail trade, nationwide, was the largest in history. Yet a recent report tells us that trade in Boston, during December of 1955, was less than the corresponding period in 1954. The colder-than-average weather of last December, plus the press of all-day parkers in the center of Boston, were given as reasons for the failure of trade to keep up with the national average.

It was almost 10 years ago that the State legislature gave Boston permission to arrange with private parties for the construction and operation of a garage under Boston Common, in an effort to meet parking demands. At long last the project appears to be shifting into first gear, but in the meantime, the congestion has become much worse.

In the center of Boston, there are 50 million square feet of general business accommodations. Office space accounts for 48 percent of this total; retail facilities 29 percent; manufacturing space 18 percent. Three hundred and fifty thousand people a day use these accommodations. One hundred and fifty thousand come by passenger cars. As of last May there were about 21,500 parking spaces in the downtown business district, of which 15,700 were off-street, and 5,800 on-street. Unless a tremendous effort is made, thousands of cars carrying potential customers will never find room to stop in the business district. Their only alternative is to stay out of Boston.

By contrast, the city of Washington, D. C., with a population about the same as Boston, has parking facilities for 27,000 cars in an area much smaller than Boston's. The Washington Board of Trade cooperates by printing and distributing maps showing where the parking spaces are located for the convenience of shoppers. In the midtown area alone there are 170 off-street parking places.

Failure to provide accommodations for the automobile is costing downtown merchants in Boston, not only a lot of customers, but also a considerable real estate investment.

Other cities, as Mr. O'Connell pointed out, are desperately trying to catch up with the automobile age as they finally realize that major adjustments are necessary. One of them is the sprawling community of Los Angeles. In 1919, the downtown area did 74 percent of the business of Los Angeles County. By 1950, it had dropped to 35 percent, and in 1954, to 29 percent. Dallas, Tex., has had the same experience. Retail sales in downtown Dallas, through 1947 to 1953, stayed at $170 million, while total retail sales for the metropolitan area rose from $226 million to $837 million, or a gain of $611 million. Downtown marked time while the outskirts picked up all the new business.

In 1929, Harvard College paid $510,000 for the property located at 161 Tremont St., in Boston. In 1954, it was sold for $80,000, or less than one-sixth of its original cost. In 1924, Harvard paid $612,000 for the property at 165–6 Tremont Street. In 1954, it was sold for $100,000. These deteriorating values are tied up with the fact that, when business leaves downtown in order to reach the customers who cannot, or will not, brave the battle for parking space, it seldom if ever returns.

Municipal off-street parking is good business. It helps the city government, the taxpayers, industrialists, merchants, customers, and citizens.

The United States Chamber of Commerce figures that each new off-street parking space generates about $20,000 in retail sales and creates new jobs.

With each passing day, there are more cars on the streets.

It is imperative that we provide more space for them, both at rest, and in motion, if downtown business is to survive.

The Commonwealth of Massachusetts with great courage and realism, is building great arteries to free the circulation of motorcars upon which the economic life of Boston depends.

The modernization of highways, which is the largest program of the State government, bears witness to the need of providing room for the vast number of people who are transported by automobiles.

In this connection, I want to speak of a new public instrumentality that has been developed to meet the situation.

It is the toll-financing method.

By it, the legislature authorizes the creation of a revenue authority, that is able to build certain facilities with greater speed, and at less cost, than they can be built as a purely public undertaking.

The first one, and it is highly successful, is the Mystic River Bridge Authority.

It built—and it operates—the great double-deck bridge that links Boston with Chelsea and the north shore.

Ephraim A. Brest, chairman of the authority, testified concerning the problem, and how it was conquered.

For nearly half a century there had been proposals to replace the old drawbridge, but they were chilled by estimates of cost, and by lack of funds.

Finally, when draw openings had mounted to more than 7,000 a year, creating a bottleneck of not only vehicular traffic, but waterborne traffic as well, the long-deferred job had to be done.

The Mystic River Bridge Authority was organized, and it went to work. The bridge was completed in less than 23 months.

It was a model of eficiency during construction.

And it is operating in the black.

At no stage was it hampered by the bureaucratic redtape which hampers even the best of State officials. For example, the authority had to relocate 700 families to make way for the structure. There were many understandable protests that might have delayed and even defeated the project if it were beholden to political pressures. In the public interest, the families had to be relocated, but the authority was sympathetic and cooperative. Arrangements were made for the moving of 54 two-decker and three-decker houses in Chelsea, to a new location 2 miles away. In the movement, the tenants were not forced to leave their homes for even one night, because temporary utilities were provided for them.

Boston could well use similar authorities.

The consolidation of several vehicular facilities with the airport, and the port of Boston under one revenue bond authority, the combined responsibility to be self-sustaining, would help to solve another Boston problem.

The mystic River high-level bridge was built, and is operated, without cost to the Commonwealth or the cities that are joined by it. Not one penny of Federal funds is involved.

Another element of transportation that is directly tied in with the automobile, is Logan International Airport in East Boston. Potentially, because it is nearest to Europe, and because of its size, it could be the finest in the world.

It has the longest commercial runway in the United States. In 1954, it handled more than 5 million pounds of mail; more than 7 million pounds of express, and 25 million pounds of freight. It was an air terminal for one and one-half million passengers.

Arthur D. Cronin, former member of the State Airport Management Board, reiterated the fact that commercial airports have just scratched the surface of their revenue potential. This does not refer to the revenue that comes directly to an airport from rentals, leases, and fees from the airlines themselves. He emphasized the much greater revenue that could be built up from nonaviation revenue * * * from restaurants, parking concessions, sightseeing facilities, observation decks, etc.

In 1954, the observation roof at the Newark Airport took in paid admissions of more than $350,000, while the airport restaurant grossed more than a million dollars.

In the same year, and although it was handling more passengers, Logan produced less than one-half in one category, and less than 10 percent in the other category.

The reason?

According to Mr. Cronin, this was due to the lack of an adequate terminal building at Logan despite repeated requests to the legislature for appropriations for such a building, and even though the need was recognized and plans were drawn and accepted for such a building as far back as 1945.

Again, we come up against the problem of parking.

There is plenty of land available for parking on the 2,200 acres, but there were facilities a year ago for only 530 cars. Both travelers and visitors complain about the congestion.

The management must go hat in hand to the legislature for funds, instead of being able to act efficiently under a self-sustaining independent authority with the right to raise and spend its own money.

Transportation is but one of the many problems affecting the economy of Boston.

The College of Business Administration of Boston College is to be commended for promoting the series of conferences that will lead to a better future for the city that is the very heart of New England.

Thank you for listening.

Contributions of Ahepa

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1956

Mr. PHILBIN. Mr. Speaker, on November 13, 1955, I spoke at the anniversary banquet of the Ahepa in my hometown of Clinton, Mass. I ask unanimous consent to have printed in the RECORD a news account of my remarks at this affair.

The material follows:

Before the Ahepa anniversary banquet at Clinton November 13, 1955, Congressman PHILIP J. PHILBIN hailed the local chapter as an inspiring example of Americanism—a fine group devoted to blending the highest values of Greek civilization with the best traditions of America.

Lauding Dr. Nicholas Despotopolus, Ahepa district governor, for his vigorous leadership in promptly seeking aid for Greek coreligionists recently persecuted and outraged in Turkey, PHILBIN declared that in response to his own strong protests, the State Department had advised him that it had taken urgent action and had been assured that there would be no repetition of these outrages and that damages would be indemnified.

Denouncing the outrages as diabolical and to a degree Communist inspired, the local Congressman asserted that free religious worship was not only a most precious American possession, but should be safeguarded zealously by all nations in and out of the United Nations. We must pledge our efforts to that end, he said.

Commenting on the Cyprus question, PHILBIN said that the real issue is whether the right of self-determination, for which this and other nations fought, would be respected. This is a basic right of free men and women and it must be protected and observed at all times and all nations save the Soviet police, slave state recognized that fact.

PHILBIN paid tribute to the contributions of Ahepa and stated that the town of Clinton is famous for many things, but for none more than its strong, loyal attachment to constitutional principles and ideals, particularly its devotion to toleration and respect for the right of every creed and race to enjoy and be protected in their faiths and beliefs.

"I am proud of your friendship, your contributions and your patriotism," he said, "and I wish for you the successful continuance of your great work."

Middle East Crisis

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1956

Mr. CELLER. Mr. Speaker, under leave to extend my remarks, I insert herewith a speech I made before the Farband Labor Zionist Order on January 21, 1956:

Eight hundred Israeli lives have been lost by the daily incursions of Arab infiltrators into the territory of Israel. Thousands of dollars' worth of property have been destroyed or stolen by the infiltrators. The Arab economic boycott of Israel has resulted in the impeding of economic growth to a scandalous extent.

We do not hear any anguished cries against the Arab nations by any power individually or collectively in the United Nations. The headlines do not scream with motions for censure, strong censure, motions for compensation, motions for dismissal, against the Arab tactics. When Israel hits back, the air immediately becomes thick with condemnation, postures of horror are struck, from the United Nations comes motion after motion of censure against Israel.

I think it is pertinent to ask, "Where is the United Nations in all these acts of vandalism and murder perpetrated by the Arabs?" and again, "Where was the United Nations when seven Arab countries attacked Israel in 1948 in an unprovoked aggressive war?" Are we to conclude from this that the drip, drip, drip method of torture indulged in by Arab countries, that the rabid hate propaganda of the Arab nations against Israel, that the economic boycott, are to be dismissed by the United Nations, that in weighing the evidence, Arab provocations are to be thrust aside and ignored by the United Nations. Whether Israel's retaliatory acts are right or wrong is not at issue. What is at issue is that the world understand, and understand rightly, what is happening in the Middle East, what really are its tensions, and unless the world understands and sees the full picture, not only in part, not only the slice United Nations so far presents, but all of it, totally, will peace be served. I was in Israel in 1948 during the siege of Jerusalem. I was in Jerusalem when the Arab bullets whistled through the air and the whir of Arab planes beat upon our ears throughout the night, and the rest of the world was silent. The defense of Jerusalem, the Holy City devoted to three great religions, was left completely to the Israelis to defend. Is it that the world,

thrusting justice and balance aside, is permitting itself to be blackmailed?

First the Western World seemed to be paralized by the fear that if Arab sensibilities were wounded, the Arabs would turn to the Soviet world to give it comfort. Now that the Arab world is playing games with the Soviets and the satellite nations, the free world stands trembling with fear before it, and the game goes on to wrest them away from complicity with communism. What the Arabs are saying actually is "Heads I win, tails you lose." In the cold war Arabs have placed themselves in the enviable position of playing one faction off against the other, and at this time it seems as if they are succeeding.

The United States has announced its policy that the United States would help that side in the Middle East dispute which acts for peace. To me that is a very odd statement, not because on the face of it it is not a sensible and just attitude, but because the United Sates officialdom knows, and knows it well, that since 1948 the Arabs have refused to make peace, have talked about a second war, have excited their people to live in constant hatred, have refused to acknowledge and accept the existence of the State of Israel, have perpetrated act upon act of murder and destruction. Officialdom knows that tiny Israel has been forced to place frontier guardsmen around the edges of the small country, guardsmen who work all day and watch all night. Officialdom knows that the Arab nations have kept alive the problem of displaced Arabs, have refused to cooperate in any matter of resettlement, have refused even to discuss any regional water plan, and have been successful to a large degree in their economic boycott. All this officialdom knows. But this, officially, we do not say.

There are 40 million Arabs and only a million and a half Israelis. There are seven Arab nations and one little democracy. Shall history say of the Western World that so great was its desperation that one little nation, which it itself brought into being, had to be sacrificed in the name of expediency? That in its struggle to preserve the conscience of mankind, dedicated to democratic principles, the Western World concluded that one little nation itself a democracy could be deemed expendable, while the Arab nations sat back righteously and smiled inwardly at the success of its maneuvers? That a little democracy, the only democracy in one region of the world, could be left alone to be pushed into the sea? Surely, we cannot believe that.

In the meantime, the United States does not act upon Israeli's request for defensive arms. And while the United States waits, Soviet penetration of the Middle East grows deeper and deeper.

Israel must have arms. Let us remember this: Wherever you stand in Israel, you can see a border line with scarcely the twist of a neck. Thus, if there is an attack upon Israel and Israel is unprepared to meet it, Israel will be forced into the sea before any aid whatsoever can be rushed to her.

The only defense Israel can have against an attack is to be able to meet it head on. A Pearl Harbor would mean the end of Israel. There is no space for retreat.

Israel asks for arms for another reason which, above all else, most certainly should be understood by the United States. The United States has consistently pursued the policy that the most effective deterrent against war is to maintain adequate arms for herself and her allies. To that end, we have devoted the major portion of our budget, keeping strong our Armed Forces and trying to keep ahead in military developments and supplying our allies with military aid.

Is it, therefore, unreasonable—can we possibly view it as unreasonable—that Israel, small and friendless, should likewise view an adequate defense as the best deterrent against war, and as the best assurance for peace? We in the United States have sought, through a system of defense pacts—NATO, SEATO, and the encouragement of pacts like the Baghdad Pact and the Northern Tier arrangements—to promote the cause of peace in the world. Is it, therefore, unreasonable that Israel, in her isolation—the only democratic country in the world so isolated—should seek a pact with the United States, the country which once befriended her, the country which once, through legislative action and through Presidential proclamation, gave so much sympathy and understanding to the ideals of the Jewish homeland?

The situation in the Middle East has deteriorated where it now constitutes one of our weakest points, securitywise. Through our lack of firmness, our obvious indecisiveness—so open to the Arab States that they played the East against the West—we now face Soviet penetration of the Middle East. Right now we seem to be running around in circles, crying loudly at the Communist apparition in the area, obviously distraught, now patting the Arab nations on the head, now murmuring sympathetically to Israel, promising and withdrawing, promising and withdrawing again.

Let us make no mistake about it. We have been less than forthright. The Western World has reason for its alarm.

To me it is amazing that the Western World, dedicated to the preservation and even to the expansion of democracy, should have turned its back on the one practicing democratic nation in that area of the world. The British Government is openly pro-Arab, so openly pro-Arab, so vigorously pro-Arab, that the voices of protest are heard around the land.

Great Britain has been feeding the Egyptian maw great supplies of arms, including 64 Centurion tanks, scores of jets, and some 180 to 190 reconditional British Valentine tanks.

A shipment of these arms is part and parcel of Eden's policy of Arab appeasement. Eden is like a man who keeps feeding steaks to a tiger in the hope of making him a vegetarian.

Is it that the Government of Great Britain considers Israel a small price to pay for Arab favor? Even if we accept this shabby thought, is Arab favor dependable? Can Eden on one hand deprecate an arms race in the Middle East and on the other condone the supply of arms (all out of proportion to that of Israel) to the country of declared and open hostility?

Eden will soon be in the United States conferring with our officials on tensions in the Middle East. We have reason to believe that Eden will press for a Caesarian operation upon the body of Israel, to truncate the Negev, or ask that Israel cede a portion of her territory so that a corridor can be formed across the Negev, connecting Egypt and Jordan. Aside from the fact that historically such a corridor had not previously existed, under the Ottoman rule or the mandatory rule; aside from the fact that again it is Israel which is again and the only one asked to cede territory; aside from the fact that such concession could not relieve the tensions of the Middle East nor compel the Arab nations to sue for peace; aside from the fact that it can only further whet the appetite of the Arab nations, leaving them with the knowledge that the louder you cry the more you get, aside from all this, the fact remains that such a corridor would mean that the Soviet personnel now operating in Egypt would have another road opened to them, enabling them to proceed ever further. For make no mistake about it, the presence of Soviet arms and the personnel to train Egyptians is a most acute danger signal for the Western World. Even now there are submarines in Mediterranean waters flying the Egyptian flag, manned by Soviet personnel.

In all this, where is United States policy? Will our leadership go by default?

We cannot, of course, conclude—since we do not know—that our Government will steer the wrong course. We do know that there has been too much reliance on wishful thinking. We do know that there has been—and still exists—a split among the State Department advisers. We do know that our diplomacy has failed in Egypt. But the course must be set and set soon—with realism, with staring of the facts straight in the face. We cannot afford any conflagration in that area in the name of our own security.

As Prime Minister David Ben-Gurion said, eloquently and with wisdom, in a recent address to the Knesset, the Israeli Parliament: "We know that any war—one even in which we gain the upper hand—involves ruin and destruction for both parties and intensifies hatred between nations. We know that, after our victory in one war, a second round is possible, and after our victory in a second war, a third round may come, and there is no end to this business."

Address by Hon. Alexander Wiley, of Wisconsin, at Wisconsin Dells, Wis.

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Tuesday, January 31, 1956

Mr. WILEY. Mr. President, during the past weekend I was pleased to deliver an address in Wisconsin Dells in my State, in the course of which I referred to one of the most significant problems affecting the fourth estate in our country and, indeed, affecting every American citizen. I refer to the shortage of newsprint.

I send to the desk the text of my address, and ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY SAYS THAT CONTINUED UNITED STATES PROSPERITY CALLS FOR BOLD PROGRAM OF ECONOMIC INSURANCE—SUGGESTS THAT EXPANSION OF NEWSPRINT PRODUCTION IS A KEYNOTE TO OUR FUTURE ECONOMY—URGES ACCELERATED AND EXPANDED PROGRAM OF RESEARCH AND DEVELOPMENT ON NEWSPRINT

It is a real privilege to be present at this testimonial dinner for Miss Isabelle Drumb.

For 20 years Miss Drumb has been with you in Wisconsin Dells.

She came to this community one day to help her esteemed father in his time of need and stayed to help all of you. Wisconsin Dells is a finer, better and more prosperous place to live, because she did her job well as publisher of your paper.

Isabelle, your many friends and neighbors here tonight know and respect you as an effective crusader for community betterment.

Your many colleagues from Wisconsin's newspaper fraternity, who are here tonight, know you and respect you as a most ardent champion of the constructive role that the press plays in America.

The fact that we are tonight paying tribute to the tremendous contribution that Miss Drumb has made to this community and to

the newspaper profession, suggests the main themes for my comments tonight.

I wish that we had time tonight to review the past—to examine these last 20 years. They hold many important lessons for the future.

But I am certain tonight that Miss Drumb would like to have me look to the future and share a few facts and thoughts on a subject we are all interested in—America's present and future prosperity.

FACTS ON UNITED STATES BRIGHT ACHIEVEMENTS

What are a few of the facts of our economic prosperity?

1. We have all heard a lot recently about reaching the threshold of a $400 billion economy.

Consider that fact in this perspective:

When you sent me to Washington as your Senator 17 years ago, I recall that the gross national product—that is, the dollar value of our total output of commodities and services—was only $70 billion.

Last year it was $388 billion, and now we are well on the way to the $400 billion mark.

2. The number of persons employed is another index of our prosperity.

In July 1953, when we reached another peak in our economic growth, nearly 62½ million were employed. Our employment reached nearly 65 million this December.

3. This record prosperity has brought income disbursements to an annual rate of $318 billion.

Because our average consumer prices have stayed the same, while taxes have been somewhat lower, this increase has given our country nearly $2 billion of increased buying power.

4. This expanding income has shown up in an increased weekly wage to more segments of our population.

For example, the average weekly wage of manufacturing workers was at a new high—nearly $80 a week at the end of last year.

5. We are able then to spend more. Our spending has increased from $248 billion in early 1954 to $275 billion in the last months of 1955.

In nearly every area of economic activity there is evidence of progress and prosperity.

These multi-billion-dollar figures may not be too easy to comprehend, but they do translate into more dollars and cents right here in Wisconsin Dells and elsewhere throughout Wisconsin and all America, in United States savings banks' deposits, savings and loan associations' accounts, defense bonds, equities in homes and farms, home appliances, shares in United States corporations, life insurance, and other readily tangible yardsticks of our well-being.

INCOME PRODUCING SOLUTIONS FOR FARMERS OUR MOST URGENT PROBLEM

Now, unfortunately, there are important exceptions in our booming economy.

We are quite aware of the widespread condition of depressed farm income.

This, of course, is the sobering fact which casts the darkest shadow on our economic prosperity.

Farm income has definitely not kept pace with the soaring income of our general economy.

This is not the occasion for a speech on the farm problem. So, let me simply say that there are few more urgent problems before Congress and the American people than to provide sound and realistic income-producing solutions for our farmers.

The cornerstone of a bold new program of economic insurance for future United States prosperity must be an adequate farm program.

EXPANSION OF NEWSPRINT PRODUCTION A KEYSTONE TO FUTURE ECONOMIC HEALTH

Tonight, I should like to devote the bulk of my comments to another phase of insurance.

I want to refer to your own profession, and one of its most significant problems—the shortage of newsprint and the related problem of the price of newsprint.

Ninety-four percent of all the newsprint consumed in our country is for the printing of newspapers. And the plain fact of the matter is that our papers simply aren't getting enough newsprint.

NEWSPRINT ONLY A PART OF THE PAPER PICTURE

Let me set forth a few facts on the newsprint situation. I don't presume to be an expert on it, but I have studied it, to a fair extent, as opportunity permitted.

We are all, of course, aware that the tremendous complexity of American industry, our terrific output of goods and services has skyrocketed the uses of paper and paper products in our country.

For example, paper containers are being used in virtually every single step of American production, distribution, and consumption today.

Newsprint production and consumption, although a considerable part of the paper picture, nevertheless represents only one phase of the huge expansion in paper needs. Thirty-four and one-half million tons of paper were used last year—417 pounds per person.

It is estimated that a baby born today in America creates a lifetime demand for no less than 15 tons of paper—for all types of needs.

WISCONSIN'S AND AMERICA'S GREAT PAPER INDUSTRY

The flourishing paper industry of America is one of the great miracles of America.

The paper industry of Wisconsin is one of the great pillars of Wisconsin's economy. From the paper industry have come not only the sinews of economic health for our State, but great contributions in terms of leadership in every community throughout our State.

Meanwhile, newsprint demand is also soaring.

It is estimated that the demand for newsprint in our country in 1956 will be 6.7 million tons. This will represent an increase of 125,000 tons over 1955.

By 1965, newsprint requirements will have further increased, and to such a point as to involve a potential deficit of 1.3 million tons of newsprint per year. That represents an exceedingly serious situation facing the newspapers of the United States.

Few developments could strike harder at the heart of future American prosperity than to be faced with stringent restrictions on the capacity of American newspapers to reach the American consumer. The recent experiences during the press stoppage in Detroit showed that the lack of this vital advertising medium, for example, was directly responsible for a drop of 25 percent in the sales of used cars.

SMALL PAPERS PARTICULARLY AFFECTED

The newsprint shortage is a source of particular concern to the small weekly newspapers of America. A weekly paper with a circulation of, say around 3,000, and with a varying number of pages from 8 to 16, uses around 1,000 and 2,000 pounds of newsprint per week.

This newspaper cost for newsprint would be anywhere from $65 to $130 per week. It is estimated that the cost of newsprint represents around 15 percent of the total cost of the average small weekly, and up to as much as 55 percent of the total cost of large metropolitan dailies.

NEWSPRINT EXPANSION COSTLY, DIFFICULT

The big problem, obviously, is to assure an adequate and continuing supply of newsprint and at a fair price. But the expansion of newsprint production is not an easy or quick matter.

The capital investment required for a new newsprint mill is enormous, around $100,000 to $120,000 per daily ton. Thus, the total capital outlay for 1 new mill could run from $30 million to $48 million, and that wouldn't include the cost of the purchase of any forest lands.

It is estimated that a mill of minimum economic size requires, on a sustained yield basis, nearly 500,000 forest acres. And they must be located near enough to the mill site to permit economic transportation of pulpwood.

These, then, are but a few of the aspects of this situation. I could refer at length to the situation up north with our good neighbor. I note, for example, that the president of the Canadian Pulp and Paper Association estimates that demands for Canadian newsprint will rise from 6.2 million tons last year to 12½ million tons by 1980.

But time does not permit too detailed a presentation on my part.

MANY FACTUAL STUDIES

Now, there have been study after study made of the newsprint shortage.

Congressional committee after committee has surveyed the subject, and they have made a considerable number of important recommendations and findings.

What we need, however, basically, is more newsprint, and not simply more volumes of studies.

Of course, the studies can contribute to getting more newsprint, and I am in favor of them.

Thus, the Department of Commerce believes that it would be desirable to expand the collection of statistical information on the United States paper and publishing industry, and on world consumption and production of newsprint. These surveys would be carried on in cooperation with the newsprint manufacturing and newspaper publishing industries.

As the long-term trend in production and consumption becomes more clearly understood, all sections of the industry would be in a better position to cope with the problem.

But studies must provide a basis for action, and it is definitive action that is required.

EXPAND PAPER RESEARCH

One type of action which is required is to speed and expand our research and development programs into new methods of obtaining inexpensive and large supplies of newsprint.

Already there have been considerable experiments with bagasse. There has been research and expanded use of hardwoods, research and experimentation on expanding the production of newsprint from waste paper.

In my judgment, every encouragement should be given to the private sources working on all phases of such experimentation and research. And the fullest possible use of our own governmental facilities, particularly our great Forest Products Laboratory at Madison, should be directed to this task.

Research and development on newsprint will pay impressive dividends, tangible and intangible.

The time to start is now. The quicker we get underway on expanding the program, the better off we will be. Each passing day of action in low gear will cost us something in the days and years to come. Pennypinching in Federal research is not only shortsighted; it is self-defeating.

We can ill afford to have weekly or daily newspapers go out of business because of shortage of modest-priced newsprint, or because of any other solvable problem.

A healthy American newspaper industry is a sure standard for a healthy economy as a whole.

An informed America will be a safe and secure America. An America denied adequate

newsprint can hardly be sufficiently informed of all the tremendous problems at home and abroad requiring our attention.

CONCLUSION

In conclusion, may I say that I am sure none of us are interested only in setting new records of material prosperity. The life work and philosophy of the person we are honoring tonight suggest the real and abiding goals of our Nation. We want to see an America healthy in mind and body. We want to see more useful work for everybody. We want greater opportunities for education and greater protection against the problems of complex, modern life.

We must constantly seek out solutions that will protect and strengthen our Nation from foreign peril and help keep the world at peace. We, in Wisconsin, can take pride in the fact that we have pioneered in finding constructive solutions to our problems.

We can take pride in the example set for us by Isabelle Drumb.

Liberalism

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 31, 1956

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled "Liberalism," which I wrote some months ago, and which was published in the American Scholar, in its issue for the autumn of 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIBERALISM

(By HUBERT H. HUMPHREY)

Liberalism, as a political philosophy, is based on the assumption that freedom is essential for the full development of the human personality and that, therefore, men should be free. The ancestry of liberalism may be traced back to the beginnings of literate man, but its name and formal identity did not become current until early in the 19th century, when it was adopted as a party label in Spain and by a British reformist bloc of radicals and Whigs.

The roots of liberalism are religious, philosophical and scientific. The doctrine represents the culmination of a development which goes back at least to the words of the Hebrew prophets, the teachings of the Greek philosophers, and the ethics of the Sermon on the Mount.

The fusion of these influences—some of them largely incompatible with the secular humanism of the Renaissance and the enlightenment of the 18th century—combined with the political and economic environment of the 19th century to create the philosophy and form the movement of liberalism. In its essence, liberalism was antiauthoritarian; its one distinctive aim was the liberation of man from traditional restraints.

Equating liberalism with freedom, as we have, and taking note of liberalism's ancestry help us to understand the confusion which today is frequently associated with the term. Although the emancipation of man has been the enduring hallmark of liberalism, the variable ingredient, which has differed with men and with the passing of years, is emancipation from what? The practical application and, in fact, the relevant definition of liberalism thus vary with the forces, institutions and traditions which restrain men. The problems of freedom are quite different in a feudal age from what they are in a technological age.

The authors of the liberal creed are heterogeneous. There is a broad gulf between the Whig aristocrats, content with the revolutionary settlement of 1689, and the Benthamite radicals of the 19th century. There are profound differences among the Physiocrats, preoccupied with the problems of French agriculture, the Manchester economists of England's industrialized Midlands, the Founding Fathers and the Jacksonian "Democrats." It is argued—and with good reason—that their agreements far exceed their differences and that they all partake of the same tradition; but the fact that vital differences do exist makes the use of the term "liberalism" quite difficult in political communication. Difficult as an understanding of the term may be today, however, the growth of liberalism is indeed the story of man's striving for civilization and dignity.

The evolution of the liberal creed paralleled the progress of Western society from a status-based church-dominated culture to an ever more democratically oriented civilization. The striving for freedom in every age helped change the structure of society. This in turn meant that the locus of power criticized by liberals shifted from church to state and from state to private concentrations of economic power.

In the late Middle Ages and during the Renaissance, the prevailing society was organized on the basis of status: the rights and responsibilities of the individual were determined by his place in the stratified and hierarchic system. The social stress was upon acquiescence and conformity.

Tendencies toward liberalism are early discernible in generations of protest against this authority. The protest was twofold: the religious revolt was closely associated with a desire for economic freedom.

The medieval system was bound to be challenged successfully as both theological and economic forces strove for freedom from the existing order. The bearers of the challenge were aided by the development of new needs and interests, generated by the slow commercialization and urbanization of Europe, which in turn fostered the emergence of a new middle class.

The new commercial class was the most active force throughout Europe in the struggle for freedom from the restraints of the medieval order. It was the natural enemy of the medieval political organization, primarily because the divisions and disorder of the feudal "state" constituted a serious barrier to trade and commerce. In the late medieval period, therefore, the new middle classes alined themselves with the monarchs against the nobility and, through the success of this alliance, gained freedom from the complicated and conflicting economic regulation of the feudal aristocracy.

Once the claim of the monarchy was successfully established and a unified system of law imposed within the new nation-states, the middle classes turned their attention to means of controlling the "divine right" of the kings they had brought to power. Freedom was now conceived as a problem of the ruler and the ruled. The ruled, in this case the commercial classes, now demanded a rule of law binding upon king as well as subject. The work of Hobbes and Locke focused on the problem of liberty as it related to ruler and ruled, and while their specific conclusions differed, they agreed with each other and with later liberal thinkers that governments were instituted to serve men.

This individualism was a basic characteristic of 18th-century thought. Since liberalism as a coherent and defined philosophy was a product of a series of great economic, social, and intellectual changes which culminated in the 18th century, it even today bears the stamp of the Enlightenment. The period of the Enlightenment was characterized throughout Europe and America by a more or less unified set of principles, attitudes and beliefs. It was a period of optimism and revolution, of naive faith and debunking. It was, above all, a period of emancipation in religion, politics, economics, and art. The unifying concept of the Enlightenment was the belief in natural law. The discoveries of Newton had been interpreted as proof that there was a natural order of things in the universe, that the laws of this order might be discovered by human reason, and that these laws furnished absolute and immutable standards for the conduct of governments and men. The implications of this doctrine were many.

First, it suggested that the potentialities of human reason were limitless. If reason could discover the laws of God and nature, there was nothing it might not do. Man could reform himself, his society, and his government. And if he could accomplish all this, was he not good and, even more important, was he not perfectible? The optimism of the century was based on this view of man's relationship to society and the universe. Problems were to be solved by an application of reason, and defects of character were to be removed by education. Men of the Enlightenment could, to a certain extent, agree with Condorcet that at last reason had burst into history and progress was inevitable. The Enlightenment's linear concept of progress saw all history as a process of progressive emancipation from superstition and restraints. Not only the mind of man, but history as well, was a blank tablet on which each generation could write its own record.

Second, the concept of natural law as applied to the political scene became the doctrine of innate natural rights inherent in each individual. This concept of natural rights has been persistent in the history of Western civilization. It was expounded by both the Cynics and Stoics in the ancient world, systematized and expanded by St. Thomas Aquinas for the medieval church, and formed the basis of the 18th-century struggle for political freedom. In this latter period the doctrines of natural rights and individualism were joined to produce the belief that all men had the right to possess that which they acquired by their own labor, to speak and write as they chose, to petition and to form combinations, and to worship according to their consciences. There is no clearer embodiment of these principles than the Declaration of Independence and the American Bill of Rights; and there was no clearer exponent of these principles than Thomas Jefferson.

Third, in economics the doctrine of natural law again combined with individualism to become the basis of 18th-century laissez faire. The economists, beginning with Adam Smith, maintained that there were certain simple, universal laws governing the economic realm, which if left to function undisturbed would bring order out of chaos and general welfare out of private interests. The content of these laws was not only known by their exponents, but was pressed upon the populace with a rare, religious vigor. These simple, immutable laws were as follows: (a) All men were born with the natural propensity to trade and barter; (b) human actions were dominated by the profit motive; (c) the profit motive stimulated maximum productivity; and (d) maximum productivity was the greatest social good. Therefore, the pursuit by each individual of his own self-interest, or profit, resulted inevitably in the greatest degree of social welfare.

The liberalism of the late 18th and early 19th centuries had much in common with the attitudes described above, as well as with the earlier concepts of Hobbes and Locke. Although Bentham discarded the doctrine

of natural law as "nonsense upon stilts" and substituted the principle of utility, the economists associated with utilitarianism retained its content in developing the principle of the natural harmony of interests. Ricardo, Malthus, and later, Herbert Spencer described the preestablished harmony of the economic realm in much the same terms as Adam Smith.

Liberalism indeed showed itself to be a product of the Enlightenment. Individualism, unrestrained independence, the individual as a law unto himself, and pseudo-anarchism characterized the spirit of liberalism for that day. Liberalism was thus a reflection of the political, social, religious, and economic aspirations of a rising middle commercial class, influenced by scientific naturalism and the spread of rationalism and secularism. The influence of the Christian faith of human brotherhood under a common Father likewise remained strong, even though the Reformation had destroyed the concept of an intervening priesthood. In fact, the elimination of the priestly hierarchy caused individual personality and conscience to acquire even greater significance. Each individual had the responsibility even for salvation.

Individual initiative was also of paramount importance economically. The introduction of private enterprise replaced the rigid system of status by a more flexible system of contracts. Privilege based on birth was being destroyed by enterprising individuals. Francis Bacon's lesson that knowledge is power fitted well with the growth of science, and man saw new knowledge challenging old authority.

Liberalism had barely begun to express itself as a formal political philosophy when it ran into the impact of industrialism. It grew out of an essentially preindustrial, commercial environment and yet almost immediately had to cope with the economic, social, and intellectual consequences of the industrial revolution. The rise of huge concentrations of wealth which dwarfed the individual rendered obsolete the society of small enterprisers which Adam Smith and Jefferson had in mind. The human values of liberalism were threatened by industrialism; and the political and economic nonintervention-ist doctrines of liberalism made it difficult for liberals to act to protect those values.

The economic manifestation of 18th century liberalism, already referred to above, based itself on a "natural harmony of interests." If individuals were left free to pursue their self-interest in an exchange economy, based upon a division of labor, the welfare of the group as a whole would automatically result. The classical liberals described a self-equilibrating economic mechanism free from all teleological influences. Moral goals and ethical criteria were to be available for passing ultimate judgment on the system but did not play a part in determining the sequence of events. The one propelling force was the self-interest of the individual which was harnessed to the public good because, in an exchange economy, man must serve others in order to serve himself. The free market operated in accordance with the free choices of individual buyers and sellers, which determined the allocation of resources in the society. The assumption was that in a freely competitive economy, in which no one would be prevented by status from engaging in economic activity, the income received from such activity would be a fair measure of its value to society.

The logic of such an economic creed implicitly supported the institution of private property. Private property, however, accompanied by the onward rush of industrialism, led to the development and triumph of free capitalism and the institution of the factory and its accompanying evils. The development of absentee ownership, which stemmed from private property, further accelerated the difficulties faced by a liberalism geared to a commercial small-entrepreneur economy. With the state abdicating many important areas of activity, private interests readily stepped in to fill the vacuum. To meet these new problems, liberalism in the 19th century split in a number of directions.

The Manchester laissez-faire school, represented by Cobden, Bright, and Herbert Spencer, tended to remain orthodox and insisted on restricting the role of the state. Cobden opposed factory legislation, and Spencer, in the name of liberalism, opposed almost every state activity. Spencer, idol of two generations of American businessmen, would even forbid government, either local or national, to assume responsibility for the paving, lighting and sanitation of cities.

The radicalism of Bentham and Francis Place represented a school which was prepared to make some adjustment in the anti-statist philosophy in order to preserve the human values of liberalism, although Bentham's chief advice to the state was "Be quiet."

The political thinking of John Quincy Adams, as a part of American federalism, represented another approach to the problem. His ideal of abolishing poverty was to come into being by exploiting and distributing the technological fruits of science through state industries, and he thus strikingly anticipated some American liberal departures of a century later. However, the defeat of Adams by Jackson in 1828 put an end to this brief era, and presaged the beginning of a new concept of government serving as a balancing and regulatory force in the political economy.

The career of John Stuart Mill, the most articulate of the 19th century liberals, summed up the transformation of liberalism under the impact of industrialism, from laissez faire to radicalism to a near-socialism. Caught between theory and fact, die-hard utilitarians at first opposed measures such as child labor regulations as unwarranted interference with economic laws and individual liberties. The moral and economic dilemmas of this position, however, were soon felt, and a new collectivist approach developed. Living conditions of the poor, as Marx and others pointed out, belied the assumptions of classical economists. This new thinking embraced such odd allies as Owenite Socialists, old-line Tory paternalists, trade unionists, Church of England moralists, and romantic-humanitarian followers of Southey and Coleridge. Soon John Stuart Mill's concessions to collectivism signalized British liberalism's withdrawal from doctrinaire individualism toward compromise with the necessity of state controls. The contributions of T. H. Green played an important part. In a series of such compromises, British liberalism broadened its ideological base to include progressivism of all stripes, from individualism to Fabian socialism. America alone remained a stronghold of classical laissez faire. In America, the enlightened conservatism, which in England as early as the 1820's, exerted a decisive restraint upon economic individualism, did not play the same role. Here enlightened conservatism was diverted by the slavery issue.

In historical perspective, we can see that the complex forces which comprised liberalism yielded emancipating principles. The feudal system was destroyed. Capitalism replaced the static society of the Middle Ages. A functionless aristocracy was removed from control. Tyrants were challenged and curbed. The middle class was left free to employ its creative energies in expanding the means of production and vastly increasing the wealth of society. In setting about to limit the sovereign power, liberals helped make constitutional government, with its accompanying civil liberties, a reality. Liberalism, as formulated in the 18th and 19th centuries, indeed seemed relevant to its time.

One other major byproduct of this liberalism was the impetus given to political democracy. Most of the early liberals were not democrats and feared popular government, but democracy, as expressed by representative government, was the logical outcome of their position. The names of liberals like Jefferson, Bentham, Mills, and de Tocqueville became inseparably linked with the struggle for universal suffrage.

The identity of democracy and liberalism, however, was by no means universally granted and still is a subject of serious discussion. Guido de Ruggerio wrote in his History of European Liberalism:

"From a formal point of view, democracy does not deny the right of private associations and local bodies; but, in substance, it corrupts them by its failure to understand the constructive value of the liberty which should govern their creation and operation. * * * Thus, the democratic state is the result of depriving the citizens of their rights and conferring them upon a general will, a single and indivisible sovereign people. * * * The general will, as democracy demonstrates in practice, is only the will of the numerical majority. The omnipotence of the majority is the practical corollary of democracy; and the formal respect for the rights of minorities loses all effectual sanction just because the individuals have forfeited all power to insist upon their rights, by conferring them bodily upon the state.

"The concentration of an immense power in the hands of an often fictitious majority is genuinely tyrannical; and it is therefore no error to place democracy and despotism on the same plane. * * *"

Efforts were made to harmonize the objectives of liberalism with the processes of democracy. The term liberal democracy was used by some to breach the gap in an attempt to modify majoritarianism and relate it to the concept of individualism. Many liberals, of course, denied that a gap existed and used the terms liberalism and democracy interchangeably. In fact, however, a clash was inevitable between democracy and liberalism as it developed and reached fruition in the 19th century.

The new industrial society which came into being in the late 19th century brought with it problems not contemplated by the philosophers of the 18th and early 19th centuries. A new power came into being. It was represented by concentrations of vast wealth in relatively few hands and was used to influence and control government, destroy competition, and increase the maldistribution of wealth. Here, then, was a new menace to freedom, as threatening to the individual as the power of a 17th-century despot, which required new strategy and new attitudes from those desiring to protect individual liberty.

Anatole France incisively expressed the dilemma of the liberal whose "law, in its majestic equality forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread." It became clear to many that more than political liberty was needed to achieve freedom for man.

It was in such circumstances that a new generation of liberals, hostile to concentrations of power which threaten the individual and keep him from realizing his potentialities, began to call upon government to intervene in behalf of preserving freedom and restoring balance in the society. This new liberalism came to see that the same forces which had once released the productive energies of Western society now restrained them; and that the very forces which had demolished the power of despots now nourished a new despotism.

Twentieth-century liberalism thus tried to adjust itself to the realities of an industrial civilization. It met with both partial success and tragic failure. The failure was in Europe. Only in England under a brilliant Lloyd George government before

World War I was a belated effort made to catch up with industrial realities. In France, the Radical Socialist Party (Liberal) participated in the Popular Front of the 1930's, but even here the efforts were too late and the forces of economic power too great. Instead of liberalism, socialism, communism, and fascism seemed to represent a more specific response to the industrial challenge and therefore swept the working populations and the middle classes.

In the United States, liberalism did seem to make the turn and remains today a dominant political force. An expanding frontier and the blessings of natural resources were partly responsible. They provided greater freedom for action, delayed the rise of the trade union movement, and, in turn, severely handicapped efforts of Marxism to gain a foothold here. Partly responsible too were a series of brilliant political leaders who helped reshape liberalism into an instrument for dealing with industrial society. They included Theodore Roosevelt, who first saw the democratic possibilities in big government and the need for big government to meet big business; Woodrow Wilson; and Franklin D. Roosevelt, who completed the transformation of American liberalism from an antistatist creed to a philosophy willing to use the State to achieve freedom—an end shared with traditional liberalism.

It would be well here to refer to Franklin Delano Roosevelt's observation with regard to liberalism in America. In 1938 he wrote:

"Generally speaking, in a representative form of government there are usually two general schools of political belief—liberal and conservative. The system of party responsibility in America requires that one of its parties be the liberal party and the other be the conservative party. This has been the division by which the major parties in American history have identified themselves whenever crises have developed which required definite choice of direction. In Jefferson's day, in Jackson's day, and in Lincoln's and Theodore Roosevelt's and Wilson's day, one group emerged clearly as liberals opposed to the other—the conservatives.

"One great difference which has characterized this division has been that the liberal party—no matter what its particular name was at the time—believed in the wisdom and efficacy of the will of the great majority of the people, as distinguished from the judgment of a small minority of either education or wealth. The liberal group has always believed that control by a few—political control or economic control—if exercised for a long period of time, would be destructive of a sound representative democracy. For this reason, for example, it has always advocated the extension of the right of suffrage to as many people as possible, trusting the combined judgment of all the people in political matters rather than the judgment of a small minority.

"The other great difference between the two parties has been this: The liberal party is a party which believes that, as new conditions and problems arise beyond the power of men and women to meet as individuals, it becomes the duty of the Government itself to find new remedies with which to meet them. The liberal party insists that the Government has the definite duty to use all its power and resources to meet new social problems with new social controls—to insure to the average person the right to his own economic and political life, liberty, and the pursuit of happiness. That theory of the role of government was expressed by Abraham Lincoln when he said, 'the legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well, for themselves, in their separate and individual capacities.' "

Liberalism today stands generally committed to the qualified use of state power to achieve the values of freedom and human dignity. Like their ancestors, modern liberals recognize that concentration of power, whether in private or public hands, is the enemy of freedom.

In the economic realm this has led the mainstream of American liberalism in the direction of a form of mixed economy which would include within it a diversification of ownership. Government power would be exercised through the indirect controls of fiscal and budgetary policy, rather than through direct physical control and central committee planning. This has been accompanied politically by an emphasis on the preservation of rights, particularly as they relate to the need for dissent and opposition within a democratic society. The guideposts of Justice Holmes have thus been an essential element of modern American liberalism.

In Europe this new resurgent liberalism is attempting to find a home within the social democratic movement. An increasing number of liberal socialists have come to see that total concentration of economic power in the state apparatus is a threat to political freedom, and that economic planning through the price mechanism and a relatively free market is, in many respects, more efficient than planning by state direction.

The liberalism of today does not seek the abolition of the price system, but it does seek the regulation and control of the profit system so as to bring about modifications to suit the requirements of a changing world. In thus invoking the agency of government to protect and assist the individual, liberals call attention to two profoundly important changes which government itself has undergone since the day when Gournay, the 18th-century Physiocrat, proclaimed the ideal of laissez faire.

First, despite the notorious shortcomings of bureaucracy, the techniques of public administration are incomparably superior to the prescientific methods of the 18th and 19th centuries.

Second, and foremost, the Government agency invoked by liberals is one democratically controlled and subject to the will of people who speak, write, and assemble freely and who are effectively organized into political parties, trade unions, business and professional groups, fraternities, religious, and other independent associations.

Accordingly, liberals have evolved a program of government action which, by a striking consensus of both critics and adherents, has come to be known as the welfare state.

The welfare state is based, in the first place, upon acceptance of collective responsibility for providing all individuals with equality of opportunity. This implies, as a minimum, the elimination of disparities brought about through racial and religious discrimination, and the universal availability of adequate educational facilities.

Second, in a society as richly endowed as our own, the welfare state assumes responsibility for the basic economic security of those who are unable, through no fault of their own, to provide such security for themselves. This implies aid to those who are disabled by reason of accident, illness, youth, or old age; minimum wage legislation and unemployment insurance for all workers; and aid to economically disadvantaged groups through support of labor unions, consumer organizations, small farmers, and independent business.

Third, the welfare state assumes the responsibility for reducing great disparities in the distribution of wealth and bringing about a closer coincidence between the income of the individual and his contribution to society. This implies an appropriate tax policy and a forthright attack upon monopoly and other business arrangements which exaggerate differences in income.

Finally, the welfare state assumes the responsibility for promoting the full employment of our manpower and the full utilization of our resources. These, in turn, spell the objective of full production within the limits of an intelligent human and natural resources conservation and utilization program. Thus, contrary to the contention of its critics, the welfare state is concerned with the production of wealth as well as with the spending and distribution of wealth.

One other modern challenge to traditional liberalism is represented by Sigmund Freud and the development of psychoanalysis. As man began to learn more about himself, some of the earlier conceptions of liberalism came into sharp question. The liberal faith had been based on the judgment of man as a reasonable and good being. By acquiring knowledge and applying the scientific method, man could discover the laws of the universe as they related to his problems and solve them. The end result would be good, since man was good.

Man's study of his own psyche, however, raised disturbing doubts about these presuppositions of liberalism. Even with education, men were not necessarily guided by reason; and psychoanalysis discovered that evil was perhaps as essential an ingredient of man as good. In the latter sense, the psychoanalytic challenge to liberalism came close to the Christian theological notion of original sin, which has had its modern political expression in the works of Reinhold Niebuhr. Since men could be children of light and children of darkness and since man's subconscious was a cauldron of complexes and neuroses which interfered with the supremacy of reason over emotion, the liberal's faith in man's reason, man's goodness, and the scientific method was severely undermined. The Nazi eruption was the cold historical symbol of man's capacity for evil.

How liberalism responds to this challenge will in large measure determine its propensities for survival. The new discoveries need not in any way lead us to doubt that the goals of liberalism are as valid today as they always have been. The new insights into man which we have achieved now make our earlier faith appear naive, but this new understanding can give us strength and direction as it places the problems faced by liberalism into clearer focus. One essential adjustment which we must make is the need to embrace morality as an active, aggressive force in modern life. We can no longer take morality for granted and assume its superiority in man or its eventual victory over the forces of evil.

The liberalism of today, therefore, must strive to achieve freedom for man within the context of the problems which now face him. It should have no set of fixed dogmas concerning the kind of society in which individuals most fully realize themselves. Beyond a basic commitment to the dignity and worth of the individual, the content of liberalism from age to age and from nation to nation will vary with varying conditions. Liberalism may one day challenge and another day cherish the church; in one age it may seek less government intervention in economic affairs, and in another age, more; it may at one time be hospitable to the specific interests of the business community and at another time it may be hostile. The liberal approach must be experimental, the solution tentative, the test pragmatic. Believing that no particular manifestation of our basic social institutions is sacrosanct or immutable, there should be a willingness to reexamine and reconstruct institutions in the light of new needs.

Liberalism, therefore, lacks the finality of a creed, and thus it is without the allure of those dogmas which attract the minds of men by purporting to embody final truth. Whether liberalism can survive in a world

seeking security and finality cannot now be predicted. If it does not, our civilization perishes with it. Our task, therefore, is to strengthen and support it with all of our energies and intelligence. We must release ourselves from the shackles of yesterday's traditions and let our minds be bold. Our striving for liberty, must relate itself to and come to terms with the historic demands of equality—which, likewise, has a noble tradition tracing back to the Stoics and the Christian Fathers. With Hobhouse, we must remember that "liberty without equality is a name of noble sound and squalid results."

Finally, liberalism must cement its destiny with that of democratic self-government and the need to protect democracy against its totalitarian enemies from within and without. In the struggle for survival between democracy and totalitarianism, liberalism finds its own struggle for life intimately interwoven. Liberalism, therefore, even as it recognizes the necessity to preserve the spirit and fact of dissent in the political community, must recognize its ultimate loyalty to a majority-rule society and to the protection of all the factors which make such a society possible.

Our faith is that liberalism will survive and prevail. Our faith is bolstered by awareness of man's disquieting sense that no individual and no generation can discern the content of freedom for all time. We state for all to hear that liberalism possesses a durability as strong as man's eternal quest for freedom.

The Dairy Industry

EXTENSION OF REMARKS

OF

HON. WALTER NORBLAD

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1956

Mr. NORBLAD. Mr. Speaker, under leave extended to me today, I include herewith the address by the Honorable JOHN BYRNES of Wisconsin before the Wisconsin Farm Bureau Federation:

TEXT OF REMARKS OF REPRESENTATIVE JOHN W. BYRNES, OF WISCONSIN, BEFORE THE WISCONSIN FARM BUREAU FEDERATION, GREEN BAY, WIS., NOVEMBER 15, 1955

I face you with mixed emotions. I am, of course, honored that you include me on your program. I've greatly admired your organization and its splendid and constructive work at National, State, and local levels. On the other hand, I recognize that I am a novice speaking to experts. That puts me on a bad spot.

You are farmers. You have spent your lives building the dairy industry into the principle economic force in Wisconsin. You have intimately experienced the problems of that industry. As Representative in Congress from this area and this State, I have been only a student of your problems. My endeavor has been to learn about them as best I can in order to judge what Government can and cannot do to assist in solving them—not only for your best interest but for the best interest of all of our people.

I hope you will excuse my presumption, therefore, in speaking to you about the dairy industry. I promise to confine myself to those aspects with which I am most familiar—the economics and politics of the dairy problem.

We're hearing a lot from the politicians these days about the role of the Federal Government in solving the dairy problem.

In the western part of the State, Congressman JOHNSON calls for the maintenance by the Government of a fixed, high price for milk—with the details worked out pretty much by the Farmers Union.

Congressman REUSS, who represents the lush green pastures of Milwaukee, calls for Federal payments to farmers to make up any deficit in their income—with the details to be worked out by the Department of Agriculture.

Mr. Adlai Stevenson opposed high rigid Government price supports from this same platform last month. Within a few weeks, however, he changed his mind and supported them.

Our junior Senator from Wisconsin wants the Government to provide 100 percent support for milk. And our senior Senator wants the Government to guarantee a minimum return for milk with direct subsidy payments to make up any difference.

These are all political solutions for the dairy problem. They are political because they rely entirely upon massive action by the Government for success.

We will never solve the dairy problem, or the farm problem, as long as politicians feel they must compete with one another in offering bigger and better pie-in-the-sky in the hope of getting the farm vote. A basic responsibility of the politician, it seems to me, is being honest and practical in dealing with public questions.

These political solutions fail on both counts.

The vote-catching gimmicks each one offers are of dubious practicality. The dairy problem will not be solved with gimmicks.

On the score of honesty, each plan suffers from a lack of candor. They stress what they hope you will get, not what you have to give.

Each one of these political solutions would necessarily put the Federal Government smack in the middle of your milk house, watching you like a hawk every time you patted the rump of your best producer.

Make no mistake about it. Every plan that makes it mandatory for the Government either to maintain high prices through loans or purchases, or provide producer subsidies in the form of deficit or production payments, must inevitably provide for Government control of the volume or amount to be produced. To work at all, such plans must include effective controls because, without controls, they are doomed to failure before they even start.

Their purpose is to provide a Government-guaranteed high return for milk. Unless curbed in some way, the natural result of such guaranteed high return is greater production and no program can long be continued which produces milk for which there is no market.

We can't forget that the overall 7 percent increase in milk production in 1953 and 1954 under 90 percent supports, piled up over a half-billion dollars worth of dairy products in Government warehouses, resulting in storage charges alone of $1¾ million a month. And, costly as a high support purchase program is, the cost of direct producer payments is even more. A direct payment program, at 90 percent of parity, based on present levels of production, would result in a charge of $1¼ billion a year upon the Federal Treasury. What it would be under the vastly increased production which would result from such a program without production controls is impossible to estimate.

Let us also face the political realities.

Such programs will never be authorized by Congress without production controls—no matter what the politician promises in his speeches.

The House of Representatives had an opportunity to vote for higher milk supports last May. The House turned the amendment down overwhelmingly, much to the chagrin of those who had so glibly promised the adoption of a higher milk support program during the congressional election just 7 months earlier.

It was made clear during that debate that, if you want higher milk supports from Congress, you have got to take production controls to get them.

The chairman of the House Dairy Subcommittee put it squarely on the line. He said, "when dairy farmers ask for a control program and are willing to accept marketing quotas in consideration of 90 percent supports * * * I will be on their side." His position was confirmed by the chairman of the full Committee on Agriculture and other committee members.

Let me repeat.

Adoption of any of the political dairy plans we have heard throughout Wisconsin this fall means imposition of production controls upon the Wisconsin dairy farmer. Without controls, they will not work. Without controls, they have no chance of being enacted.

It seems to me, therefore, that it is high time we took a close look at milk production controls. With high-ranking politicians criss-crossing the State all proposing programs which lead to such controls, we have a heavy obligation to ourselves and to this great dairy industry in Wisconsin to find out exactly what they would mean. Already, some farmers in Wisconsin, attracted by the wraping on the package have indicated they are ready to buy. The time has come to take a closer look at the price tag, and when I say "price tag," I mean more than just dollars and cents.

What are the problems involved in Government control of milk production? How will it work, and how will it effect the Wisconsin dairy farmer?

Fortunately our experience with Government controls a few years back is still fresh in our minds. Price controls, rent controls, wage controls, indirect production controls by means of allocation, we had them all. Our memories certainly are not so short that we have forgotten the redtape, the inequities, the individual hardships resulting from these programs. Let me say this. Those inequities, redtape, and hardships will be like child's play compared to those which will raise from any program to control milk production.

Leaving aside the problems of determining overall production levels, enforcement, and the administrative complications, let's take a brief look at the problem of distributing any sales quota among over 3½ million farmers producing milk.

Keep in mind that the object of these controls will be to reduce the amount of milk being produced. That means that some dairy farmers are going to be forced to cut back their present volume. Will the cutback be applied to all areas proportionately? Of course not. It will be necessary to define certain areas—such as those serving fluid-milk markets—as nonsurplus areas. Because of the problems growing out of the distribution of milk, the tendency will be to select certain areas for exemption and to define other areas as surplus producing areas. The cutbacks will be applied, of course, to the farmers in so-called surplus producing areas.

In addition to the area distribution problem, there is the problem of determining individual quotas within an area. For the same reason that areas with a high volume of manufacturing, or surplus, milk will bear the brunt of control, so the individual farmer within an area who is shipping to processing plants will bear the chief burden of the cutbacks.

It must be expected that individual quotas will be allocated on the basis of actual production during some arbitrary period which may or may not represent normal production.

If a farmer was just starting operations during that period, or if he had met with some unfavorable production conditions, his quota will be lower than it should be. His entire operations will be frozen by what is bound to be an arbitrary and discriminatory formula. He will be at the mercy of some Government bureau.

Now, let's turn from generalities to the specific. Let's examine a production control for milk which has seriously been proposed by a national organization which purports to speak in the interest of the farmer—the Farmers Union.

The president of the Wisconsin Farmers Union, as a matter of fact, presented this program to Congress last June.

Under the plan, a national quota would be set and then distributed to the States, by the States to the counties and by the counties to the individual farmers. Compliance would be obtained by depriving noncooperators of support payments as well as fining them for every pound of milk sold above the quota. Farmers with less than 5 cows, or less than 30,000 pounds in sales, or farmers selling class I milk under a Federal order, would be exempt from quotas.

The Farmers Union plan sounds simple. Combined with high support prices, it may even sound attractive. It is neither. It is a snare and a fraud upon the Wisconsin dairy farmer.

Note the exemptions. Note those who will not be controlled, who will not have to cut back their production but who, if they desire, can even increase their production.

First, it removes the 5-cow or less than 30,000 pound producer. That doesn't cut out many Wisconsin farmers, but it does exempt a lot of other farmers in the country. It exempts, in fact, over 2 million of the 3½ million farms with milk cows.

More important, it exempts all farmers "producing solely for class I sales under a Federal or State milk order."

In Wisconsin, about 22 percent of our milk falls in this exempt category. That means that 78 percent of our production would be subject to control. Take a look at some of the other big dairy-producing States. In New York, 80 percent of the milk is sold under Federal or State milk order. In Pennsylvania, 100 percent of the milk is sold under such orders. Mr. Hones has concocted a device which puts a lovely squeeze on Wisconsin farmers, exempting every pound produced in Pennsylvania, 8 out of every 10 produced in New York, and controlling 80 percent of Wisconsin's production. Keep in mind that these fluid milk areas would be free of controls even though a good share of their milk goes into manufactured products.

When I say the burden would fall upon Wisconsin farmers under the Farmer Union plan, let me get specific. That plan would have resulted in 9-percent reduction on the 107 million pounds produced in 1954. But this 9 percent would have to come from the 60 billion pounds produced in nonexempt areas outside of the marketing-order areas. Instead of a 9-percent reduction, it would have amounted to a 15-percent cut in production for nonexempt farmers—8 out of 10 Wisconsin farmers. If the quotas furthermore, as Mr. Hones implies, apply to milk sales only and do not include sale of farm-separated cream, the reduction required would have been 20 percent.

Let me make it clear that the disastrous results of the Farmer Union plan upon Wisconsin dairy farmers apply equally to almost any production-control plan devised. Wisconsin is a surplus-milk-producing State. We produce 13½ percent of the Nation's milk with only 2 percent of the population. We are the No. 1 State in the production of manufacturing milk. With 10 percent of the milk cows, we produce over 20 percent of the milk used in manufacturing in this country. In any production-control plan, as I mentioned earlier, Wisconsin will be considered the No. 1 State as far as surplus production is concerned. Wisconsin will be the No. 1 State so far as cutback in production is concerned. The Wisconsin farmer will bear the brunt of any control program which can be devised.

The exemption of marketing order producers will put the Wisconsin farmer at a further disadvantage. The exempt farmer, already overproducing beyond the needs of the fluid-milk area, under the impetus of high prices would do everything he could to further increase his production—and profits. The Wisconsin farmer would be a controlled farmer forced to reduce his herd and his milk volume. The New York or Pennsylvania farmer would be a free farmer, taking advantage of Government-guaranteed prices with unlimited opportunity to increase his production and sales.

I am amazed that such a plan could be authored and fostered by an organization representing Wisconsin farmers. Mr. Hones and the Farmers Union would serve the Wisconsin farmer better by fighting such a plan every step of the way.

Yes, the price tag of milk-production controls comes high.

In my opinion, to shackle the Wisconsin dairy farmer with such controls would be a disaster not only for him but for his industry and the general economy of our State. Nationwide, it would be a long, possibly fatal step along the path toward Government regimentation of the farmer.

Yet, that is the price that must be paid for the pie-in-the-sky schemes offered by those who have become panic stricken as the result of the unfavorable price developments in the milk industry during the past 2 years.

They seize upon such calamitous solutions because they ignore the causes of this decline and are seemingly unaware of what has happened since.

We have had falling milk prices because of two great economic forces at work at the same time. In 1953, urged on by high milk prices in 1952, we had a gigantic increase in milk production. In the same year, we had the lowest per capita rate of milk consumption in our history. The result was inevitable—drastically lower milk prices. Such prices, combined with high production costs, have produced a tragic decline in net income to the dairy farmer.

Certainly, we must all be concerned with this development. We cannot turn our backs on it. We'd better make up our minds, however, that there is no simple and easy panacea for our troubles.

Fortunately we have had a Government which unlike some politicians, has refused to panic. It has taken the hard, unpopular, undramatic steps necessary to correct these two great maladjustments. Those steps are aimed at leveling off production and increasing consumption. In taking them, the Government, and particularly the Secretary of Agriculture charged with executing its policies, has incurred the wrath and resentment of many dairy farmers.

This search for a handy whipping boy is understandable in view of the hardships which falling milk prices have brought about.

It's time, now, however, to be honest with ourselves and ask whether it is realistic to blame our troubles on those taking the painful measures needed to correct a critical condition, or if it is not more in accord with the economic facts to place the blame where it belongs—on the war and rigid supports which largely caused the disastrous overproduction and the lowest per capita consumption in our history.

The time has come, too, to decide whether we wish to accept political solutions which would go far toward destroying our industry, or whether we wish to give wholehearted support to a program, however painful at the start, which has taken us through a critical period and is putting us on the road to recovery.

The panic-stricken have failed to consider what is happening in the dairy industry today. They have failed to read the signs pointing toward a solution to the dairy problem in the market place—where the only sound solution to our problems is possible.

Under the policies pursued by your Government, there has been a dramatic change in the outlook for the dairy industry.

Whereas, 2 years ago, milk prices were headed down, today they are headed up.

Whereas, consumption then was hitting all-time lows, today it is steadily growing.

Whereas, then, production was increasing way out of proportion to demand, today it is leveling off to manageable proportions.

Government stocks of cheese have been cut from 120 days supply to 80, butter stocks from 120 days supply to 28, and powdered milk stocks from 300 days supply to 18. We are disposing of dairy products in Government hands faster than we are purchasing them.

Of particular note are the dramatic increases in dairy products shipped abroad which your Government has been able to achieve. In the last fiscal year, we sent overseas 25 percent more powdered milk, 4 times as much cheese, 10 times as much butter oil, and 15 times as much butter as in the year before.

Barring a large increase in production next year, we can look forward to a comparative balance between production and consumption which will have a beneficial effect upon milk prices everywhere.

This is no time, I respectfully submit, to trade a working program for a gimmick and a noose.

I do not contend that the present program is perfect or complete. No program ever is. One of the particularly urgent problems which must be solved is the problem of keeping acres diverted from basic crops out of milk production. Such diversion is a major factor in bringing about large, sudden increases in milk production with their disastrous effect upon prices. The soil-bank program, on which the administration is working, and on which it is receiving such valuable advice from your federation, holds great promise. And, it goes without saying, there is much more that can be done, through cooperation between producer and government, to bring about increased efficiency in production and distribution and increased consumption.

Combined with realistic price supports, these steps will give us a dairy program which looks to the market place, instead of a Government bureau, for the farmer's income.

That market place in 1960, I am advised by the Census Bureau, will comprise 179 million people. This means that, in 5 years, there will be 14 million more people to feed with a potential consumption of 10 billion more pounds of milk each year.

To capture and hold that market we must cultivate it. We will not cultivate it by pricing ourselves out of it, by accepting Government-imposed cuts in production, or by making ourselves unprepared to serve it. It will be captured like any other market in America—by furnishing the best possible product in the quantities needed at the lowest profitable price.

It is this choice we must make.

I urge your rejection of any solution which places your economic freedom in the hands of a few men in Washington and your income in the lap of a fickle Congress. If you choose wisely, I for one have no doubt concerning the future of dairying in Wisconsin. It will continue, as it has in the past, to form the solid economic base upon which we can build, in this great State, the good life for us and our children.

Economic Freedom and the Automobile Industry

EXTENSION OF REMARKS
OF
HON. PHIL WEAVER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1956

Mr. WEAVER. Mr. Speaker, as a Member of the Congress and as an automobile dealer, it affords me a great deal of pleasure to commend to the Members of this body for reading, an address by Hon. JOSEPH C. O'MAHONEY, Senator from Wyoming. It was delivered yesterday to the annual convention of the National Automobile Dealers Association assembled here in Washington.

This is typically an American statement in that it offers encouragement to small-business men throughout America who are in the automobile business. Senator O'MAHONEY recognizes the right of an individual under our free enterprise system to choose his destiny without fear of reprisal or undue pressure from the giants of the automobile industry. It calls for a spirit of fairness and equality for these dealers in their contractual relationship with the automobile manufacturers.

The remarks of the Senator are fair and, I feel, indicative of the viewpoints of every franchised new car dealer in this country.

ECONOMIC FREEDOM AND THE AUTOMOBILE INDUSTRY

(Address of Senator JOSEPH C. O'MAHONEY, Wyoming, before the 39th annual National Automobile Dealers Association convention, Sheraton Hall, Sheraton-Park Hotel, Washington, D. C.)

Two congressional investigations of 1955 have, without a single line of legislation having been written, already produced some beneficial results in the automobile industry. I know that Senator A. S. MIKE MONRONEY, of Oklahoma, who headed the subcommittee of the Senate Committee on Interstate and Foreign Commerce, and I, who had the honor to be in charge of the work of the Judiciary Subcommittee on Antitrust and Monopoly, agree that without the cooperation and assistance of NADA and of the automobile dealers of America little could have been done, so I begin by expressing my deep appreciation to this organization and to the thousands of automobile dealers all over this country who wrote me and who responded to the questionnaire sent out under Senator MONRONEY.

The staffs of both of these committees worked diligently and effectively to assemble the information which you presented us, and by the public hearings we were able to place the facts in a written record for all to see. For the first time, in our hearing dealers and manufacturers were enabled to sit around a congressional table in an open hearing and state their views, face to face. Open discussion is good for the soul. It can now be said that signs are already appearing to indicate a better relationship between the factory and the dealer. The pressures which the dealers felt were used by the factories to compel them to distribute at their own loss more cars than the market could soundly absorb are apparently disappearing and there come to the Senate Office Building expressions from men who ought to know that 1956 may see a new spirit of good will.

FACTORY PRESSURES CAUSE BOOTLEGGING

We shall make a mistake, however, if we believe that the problem of factory-dealer relationship can be solved, or that a rule can be developed which without the sanction of law will preserve the economic freedom of local dealers from the power of central management. It is true that bootlegging in the automobile business was generated because the factories were manufacturing more automobiles than the market would absorb, and that the manufacturer, while insisting upon full payment at the factory gate, pushed more cars upon the individual dealer than he could profitably handle. Indeed, the manufacturer could not have been oblivious to the evils that resulted including the operations of the vacant-lot dealer who, without salesroom or repair shop, entered into competition with the distributor holding a formal franchise from the factory.

The inventory of unsold automobiles at the beginning of 1956 is actually greater than it was at the beginning of either 1955 or 1954 and, if the fears of financial failure which so many dealers entertained before the problem was brought to Congress are to be allayed, the relationship between the manufacturer and the dealer must be placed upon a more equitable, sound and bilateral basis than it has heretofore been. The factory in its own interest must work through contented distributors, whose charters of operation cannot be modified by telephone orders, or private tips from factory representatives who, with or without the knowledge of central management, have presumed to tell the dealer what he must do or else.

No one will deny that automobile manufacturers, the six of them that are left, are managed by able, efficient gentlemen who, in man-to-man dealings, follow a high standard. No one can doubt, however, that a system which places all the risk on the distributor while the manufacturer receives cash on the barrelhead is obviously one which in the end would be as bad for the manufacturing corporation as it has proved to be during 1954 and 1955 for the dealer. A system which allows the manufacturer to convey his orders orally and without record establishes an atmosphere of arbitrary power which inevitably breeds not only discontent, but fear, and finally resentment that is bound eventually to explode to the detriment of all concerned.

THE FRANCHISE SHOULD PROTECT DEALERS' INDEPENDENCE

In my opinion there can be no sound and stable relationship established between automobile manufacturers and automobile dealers unless there is an agreement binding upon the manufacturer that whatever suggestions or orders management desires to convey to the dealer shall be in written form.

The dealer by his reports to the manufacturer lays bare his whole financial status. He has no secrets from the central offices of management and he has no security from the desires and plans of central management or its spokesmen so long as they can be transmitted to him without a record upon which the dealer may make his appeal.

In this position, he stands helpless before an appeal to a board made up by management.

The American system of settling disputes among citizens is through an impartial court sworn to do justly by all parties to the dispute. That is why in almost every community throughout the land we see above the courthouse as the symbol of justice, the goddess with the scales in her hand and the blindfold on her eyes to shut out all impressions that might tempt her to allow the scales to be tipped by anything but the truth.

The lawbooks are full of cases which dealers have lost in their suits against central management because the nature of the sales agreement under which they operated was such that they had signed away their basic rights and had in fact voluntarily made themselves little more than vassals of the manufacturer. Baseball players and even football players, who are bought and sold by their managers like chattels, have nevertheless contracts which are enforceable in the courts, contracts under which both parties have rights and responsibilities. The defect of the automobile franchise is that the manufacturer's right of termination is an instrument by which the car dealers are reduced to a defenseless position. Despite all the protestations of manufacturers that they wish to be fair and just to the dealer, they have contrived by the common form of franchise to put themselves in an impregnable position, while the dealer is at their mercy. When the holder of a 1-year franchise finds himself approaching the renewal date he is in no position to bargain. Even though he may be a dealer who has made large profits during the post war years when the public was ready to buy anything that ran on four wheels, he is nevertheless just as powerless as the poorest dealer in the land when he sits across the renewal table with the spokesmen for the manufacturer.

DEALERS HELPLESS AGAINST GIANT INDUSTRY

This is not the American pattern under which business is carried on at arm's length by equals whose obligations are assumed by mutual consent. It is a new pattern which has been developing in the fields of industry in which individuals find themselves dealing with large corporations by which they are as clearly outclassed as a featherweight would be in the same ring with Marciano.

Sometimes the man on main street engaged in business with his friends and neighbors imagines that he belongs in the same class as the mighty corporations which deal in interstate and foreign commerce. Let us see how completely dissimilar are the individuals who are the local distributors of motorcars and the manufacturers who make them. The local distributor, even when it is a local corporation, is still primarily an organization that is owned and managed by the same persons. That is not the case with automobile makers like General Motors, Ford, and Chrysler. These corporations are owned by thousands or hundreds of thousands of stockholders whose only participation in the handling of the money they paid for their stock is to sign a proxy for the managers. In the case of the General Motors Corp., the owners or stockholders number over half a million and, as shown in the General Motors Handbook of Information, although more than 90 percent of the stockholders are individual persons, no one individual owns as much as 1½ percent of the common shares. These shareholders live in every State and in many foreign countries, and more than 60 percent own 50 shares or less. In the economic state, which General Motors can properly be called, the individual owner sinks to insignificance. But at least he has a vote, while in the new plan just announced by the Ford manufacturing company little people with small sums of money to invest have been invited to buy voteless stock of the Ford corporation so that they do not have the right even to sign a proxy as in the case of General Motors.

GM A PRIVATE ECONOMIC STATE

In General Motors the 50 largest stockholders own 38.9 percent of all the outstanding stock. The 15 largest own 32 percent. Every lawyer and every business expert who is at all familiar with the control of large-scale corporations knows that the group which can control 30 percent of the outstanding stock in any corporation, in which the great majority of the individual stockholders are the owners of only a few shares, are in fact in control of the corporation.

These few stockholders are the rulers of an economic state, the geographical extent of which exceeds local, State, and even international boundaries.

General Motors, for example, has plants in 64 American cities and in 18 foreign countries through subsidiaries created under the laws of those countries. It does business in every State of the Union. The raw materials it buys from steel to plastics, wood, glass, fabrics, copper, chrome, and countless other commodities constitute the economic life of many communities in which they are produced and fabricated. General Motors boasts in its Information Handbook that it has 21,166 suppliers, located in every State and ranging in size from small shops with a dozen or so employees to large mass-production companies in the steel, rubber, and chemical industries.

The dictionary of complimentary adjectives does not contain words enough to praise the engineering skill, the manufacturing efficiency, the managerial genius of the men who have built this organization. Its products include the tools of other industries, the household appliances that make housework so easy and comfortable for the modern housewife, tanks and guns, rockets, guided missiles, and ammunition with which to make war, and its financial strength is so great that imagination can scarcely place a boundary on the activities in which it may engage.

Add to its 500,000-plus stockholders, its 600,000-plus employees, the employees of its 21,000 suppliers, and of its 18,000 dealers, you find that the population of this economic state is greater than the population of some of the States and of most of the cities in the United States. Its gross revenues, which in 1955 were approximately $12 billion, are more than one-third of the total gross income of all the farms and ranches of America in the same year. I make this comparison because the farm industry is carried on by individuals for the most part, while the manufacture of automobiles is carried on by huge corporations. In the instance of General Motors, the world's largest manufacturing corporation, its gross revenue amounting to more than one-third of the gross revenue of the entire agriculture industry, illustrates the nature of the problem that this generation must solve if it is to preserve political and economic liberty for the people of the United States, to say nothing of the people of the world.

While the economic status of the farmer is deteriorating that of the great corporations is improving and by means of steadily increasing mergers and combinations they are exercising such control over the whole national economy that the States have lost the power to protect the public interest while the pressure for the expansion of Federal power continues apace. Federal boards and commissions multiply in number and assume more authority over the lives of the people.

Regulation of private activities by Government was never popular and is not popular now. During both World Wars in which this Nation was engaged, when Congress found it necessary to mobilize all our industrial resources to win, it passed laws giving Government the power to regulate prices, to allocate materials, to place restrictions upon many peacetime businesses in order that the terrible business of war could be carried on to a successful conclusion. In every such act Congress provided that the power should end as of a certain date. When victory did not come as speedily as had been hoped, these grants of emergency power were extended, and even now, in the name of defense and in international relations, the Federal Executive asks authority greater than Congress likes to give—witness the request for power during the next 10 years to make commitments for foreign aid.

Only a few days ago the President, in submitting his annual economic report, advocated a study of the problem of restoring the Government's power to regulate the terms of consumer installment credit, saying that "installment credit has repeatedly been tested and found excellent." He went on to say that, "nevertheless, installment credit sometimes accentuates swings in the buying of automobiles, furniture, television sets, and other consumer durables, thereby exposing the rest of the economy to the hazard of widened fluctuations."

CONCENTRATION OF ECONOMIC POWER CHANGING OUR SYSTEM

What I am pointing out is that concentrated economic power has grown so great that it is changing our entire economic system. It is changing the relationship of citizens to one another, the relationship of citizens to corporations, the relationship of corporations to Government, and, above all, the relationship of Federal Government to the States and to the people. Our system is changing before our eyes, but we don't see it.

Government has the responsibility imposed upon it by the Constitution to regulate commerce in time of peace and in time of war, but Congress has always been slow to regulate and rigidly reluctant to impose Government controls over the activities of its citizens. It yields to such grants only in times of emergency when the life of the Nation itself is at stake. In normal times of peace it desires only to exercise its constitutional power of regulation. By regulation we mean only the establishment of those rules under which the citizen may pursue his private life without the intervention of the Government to say what he may or may not do. The American people are instinctively loyal to the Jeffersonian principle "that government is best which governs least."

The members of this organization, however, have learned from their experience in the last few years that government is not the only institution which assumes the power of control. I dare say it was one of the most important events of the 20th century when the automobile dealers of America in 1954 and 1955 became aware of the fact that they as individuals had to submit to the controls of the manufacturers whose products they thought they were selling as free and independent enterprisers. Now they know that though they themselves were the owners of the properties they operated, they were frequently compelled to surrender their own judgment as to what they thought was best for their business affairs by the pressure of factory representatives who bore no responsibility for the orders they gave or for the results that followed.

Lest it be thought that I am overemphasizing the General Motors Corp. in this discussion of the concentration of economic power, I want to point out that it has been known to economists and others for almost 50 years that in modern organized business the giant units which have appeared have separated ownership and management and have stepped with controls into the vacuum Congress left by failing to regulate. The stockholders don't manage. They merely furnish the capital. Management is concentrated in a few hands, and a comparatively few such organizations are greater in economic power than many of our States and cities.

Statistics available in the Library of Congress show that there are 25 corporations in the United States whose revenues are larger than those of any State or municipality, except the 5 largest, namely, the city of New York, and the States of Pennsylvania, California, New York, and Ohio. New York City ranks second to the Federal Government among all the public bodies of this Nation in the amount of revenue it collects. In 1954 our largest city received total revenues amounting to $2,866,000,000. Six corporations, national and in some cases international in scope, collected more money from the people that year than did New York City. They are, in the order of their magnitude, (1) General Motors, (2) Standard Oil Co. (N. J.), (3) American Telephone & Telegraph Co., (4) United States Steel Corp., (5) Sears, Roebuck & Co., and (6) General Electric Co.

The Metropolitan Life Insurance Co. collected $2,176,000,000, which is more than the State of Pennsylvania, the largest revenue gatherer of all of the States. Chrysler Corp. collected $2,072,000,000, or more than the State of California, the State of New York, or the State of Ohio, the revenues of which were respectively $2,003,000,000 for California, $1,924,000,000 for New York State, and $1,090,000,000 for Ohio.

"SO WHAT?" TOTALITARIANISM

This is a situation which cannot be waved off with a toss of the head or with the derisive jibe "So what?" We know now that the economic decisions which are reached behind closed doors in the offices of these great economic states reverberate throughout the land and affect business not only in every State, city, and county, but affect likewise whole segments of the population. Our very way of life is being altered and methods of totalitarianism are succeeding the methods of democracy.

National business of the size above indicated cannot be conducted without affecting all interstate and foreign commerce. The Constitution gave to Congress the power and the duty to regulate such commerce in the public interest. If that constitutional authority is not exercised so as to preserve our economic freedom, political freedom itself will be in danger. We cannot afford to close our eyes to the cold war which envelops the world for it is an economic war. There are two contrary principles involved in this conflict. One is the principle of Soviet Russia that the dictators of the proletariat shall tell all the people of the world what they can or cannot do, both economically and politically. The other principle is the one which we have inherited from the framers of the American Constitution, namely, that no individual, no dictator, no group, no class can govern this land, either politically or economically, according to its own will. To the latter principle all Americans still adhere.

If we wish this principle to prevail, then we must quickly get about the task of providing through the Federal Government the rules—not the controls—under which our economic system shall work, the laws to guide business, not the discretionary boards to control it.

THE AUTOMOBILE INDUSTRY HAS LEARNED THE FACTS OF LIFE

The automobile dealer has learned the economic facts of life the hard way. Management in the automobile industry has likewise seen the writing on the wall and seems ready to make adjustments. To be just, however, these adjustments must have the force and effect of law. They should be adjustments of freedom, not mere adjustments of control. They must be adjustments that will clearly define powers, duties, and responsibilities. If that be done, we in America can show all the peoples of the world that dictatorship of any kind need not be tolerated because social justice can be achieved by the people themselves.

There are certain steps which it seems to me should be taken immediately. I shall not here discuss proposals which the Committee on Antitrust and Monopoly have before it covering the larger field, but I do not hesitate to express the first step which I feel should be taken by which the automobile industry can lead the way on the road back to economic liberty.

LET'S WRITE A CONTRACT ENFORCEABLE IN THE COURTS

The first step would be the negotiation of a sales contract between automobile manufacturers and dealers carrying provisions of mutual responsibility and enforceable in the courts.

Such a contract should eliminate completely all oral orders or suggestions to the dealers by factory spokesmen with the threat of force.

Such a contract might well be flexible enough to protect the dealer and the factory in years of high or low public demand, of high or low production. It might be feasible, for example, that the allotment of cars to distributors for sale could be made annually by mutual consent upon the historic basis of public demand with a provision for a bonus of extra cars for the distributor with a good record in an area of high demand, and a provision to the effect that in times of high inventory and difficult sales the factory bear a part of the loss resulting from over production.

If dealer councils are necessary to maintain a sound basis of mutuality between the factory and the dealer, then both the manufacturer and the dealer should have an equal hand in selecting the persons to sit upon the councils. The dealers should have the right to organize in their respective regional areas and elect the members who are to represent them on such industry councils.

The pattern of procedure should be established by Federal law so that it would have a permanent status, and not be subject to fluctuation with the changes of managers.

This should be a rule of order ratified by the national Congress, and it would point out to every other industry how a self-governing economic system could be established, abolishing arbitrary powers for either management or Government, but establishing under written contracts mutual rights to which all parties concerned could appeal in case of disputes to the judicial system established by the Federal Constitution.

SENATE

WEDNESDAY, FEBRUARY 1, 1956

(Legislative day of Monday, January 16, 1956)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of grace and God of glory, trusting only in Thy mercy would we seek Thy face. We are but frail children of dust. As for every one of us swift to its close ebbs out life's little day, so teach us to number our days that we may apply our hearts unto wisdom.

In a confused day, keep our minds clear and clean and uncluttered by prejudice. In a darkened day, when so many lights have gone out, give us the sight and the insight of the pure in heart that we may see God and the godlike everywhere. In a clamorous day, filled with angry accents of hatred and suspicion, give us ears to hear the voices that speak of justice and freedom and world understanding. In a mad day, grant us sanity of mind in our outlook and a glad and buoyant hope that sends a shining ray far down the future's broadening way. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, January 31, 1956, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations be authorized to meet this afternoon while the Senate is in session.

Mr. JOHNSON of Texas. Has the Senator from Arkansas cleared the matter with the minority leader?

Mr. McCLELLAN. No, I have not.

Mr. JOHNSON of Texas. Will the Senator from Arkansas withhold his request until I can consult with the minority leader?

Mr. McCLELLAN. Yes.

Mr. McCLELLAN subsequently said: Mr. President, I now renew my request for unanimous consent that the Senate Permanent Subcommittee on Investigations be allowed to hold hearings this afternoon while the Senate is in session.

Mr. KNOWLAND. I have no objection.

Mr. McCLELLAN. I thank the Senator from California.

The PRESIDENT pro tempore. Without objection, consent of the Senate is granted.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

ORDER FOR HOUR OF MEETING ON MONDAY, FEBRUARY 6, 1956

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate meets on Monday next, it convene at 10 o'clock in the morning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and that any statement made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF BUREAU OF THE BUDGET

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a report of that Bureau on its Circular No. A-45 upon departments, agencies, and corporations of the Government (with accompanying papers); to the Committee on Appropriations.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the administrative expense authorization of the Commodity Credit Corporation for the fiscal year 1956 had been reapportioned on a basis which indicates a necessity for a supplemental estimate of administrative expense authorization (with an accompanying paper); to the Committee on Appropriations.

REPORT OF CAPITAL TRANSIT CO.

A letter from the President, Capital Transit Co., Washington, D. C., transmitting, pursuant to law, a report of the operations of that company, for the calendar year 1955 (with accompanying papers); to the Committee on the District of Columbia.

REPORT OF GENERAL SERVICES ADMINISTRATION

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting, pursuant to law, his report for the year ended June 30, 1955 (with an accompanying report); to the Committee on Government Operations.

PAYMENT OF OPERATION AND MAINTENANCE CHARGES ON CERTAIN PUEBLO INDIAN LANDS

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AUTHORIZATION FOR COUNTY OF CUSTER, MONT., TO CONVEY CERTAIN LANDS TO THE UNITED STATES

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the County of Custer, State of Montana, to convey certain lands to the United States (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT OF INTERSTATE COMMERCE COMMISSION

A letter from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, the 69th annual report of that Commission, dated November 1, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON FINAL VALUATIONS OF PROPERTIES OF CERTAIN CARRIERS

A letter from the Chairman, Interstate Commerce Commission, Washington, D. C., transmitting, pursuant to law, copies of final valuations of properties of certain carriers (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

TEMPORARY ADMISSION INTO THE UNITED STATES OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, Washington, D. C., transmitting, pursuant to law, a copy of a confidential order granting temporary admission into the United States of Alexander McAuslane (with an accompanying paper); to the Committee on the Judiciary.

FIVE-YEAR PROGRAM FOR CERTAIN FEDERAL CONSTRUCTION GRANTS

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to provide a 5-year program of Federal construction grants for the purpose of assistaing medical and dental schools to expand and improve their research and teaching facilities, and of assisting other public and nonprofit institutions engaged in medical or dental research to expand and improve their research facilities, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Resolutions adopted by the City Council of the City of Woodlake, the Woodlake Valley Chamber of Commerce, the Woodlake Lions Club, the board of directors of the Woodlake Rotary Club, and the Camellia Circle Garden Club, all of the city of Woodlake, Calif., favoring the enactment of legislation to provide funds for the construction of the Terminus and Success Dams in California; to the Committee on Appropriations.

The petition of Mr. and Mrs. A. Szablewski, of Brooklyn, N. Y., praying for the enactment of the so-called Bricker amendment, relating to the treatymaking power; to the Committee on the Judiciary.

The petition of Wayne S. Werkheiser, and Donald W. Werkheiser, praying for the enactment of an amendment to the Constitution of the United States to fully guarantee free public education for everyone; to the Committee on the Judiciary.

A resolution adopted by the Council of the Village of North St. Paul, Minn., protesting against the enactment of the bill (H. R. 4560) to amend the Natural Gas Act, as amended; ordered to lie on the table.

SOIL AND WATER CONSERVATION—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the North Dakota Association of Soil Conservation Districts, at Fargo, N. Dak., relating to research on problems pertaining to soil and water conservation.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas the soil conservation research program being conducted cooperatively by the Agricultural Research Service and the land-grant colleges is of vital importance in developing best possible soil-conservation measures and sound land-use practices; and

Whereas funds are inadequate to carry out the research program urgently needed to answer current soil- and water-conservation problems; and

Whereas new investigations are needed to study means of draining, reclaiming, and improving saline and alkali soils in North Dakota where it is estimated that salinity is inhibiting crop production on 200,000 acres in the Red River Valley alone; and

Whereas new investigations are needed to study means of increasing the efficiency of moisture use and reducing erosion in dryland and range farming areas and to solve drainage, irrigation, and soil-management problems in new irrigation areas so as to improve agricultural production and preserve our soil resources: Now, therefore, be it

Resolved, That the North Dakota Association of Soil Conservation Districts, assembled in Fargo this 18th day of November 1955, go on record in requesting that Congress support research on problems pertaining to soil and water conservation. These problems are being worked on cooperatively by the Agricultural Research Service of the United States Department of Agriculture and the North Dakota Agricultural Experiment Station. To meet the need in North Dakota alone $60,000 more annually could be used effectively; be it further

Resolved, That copies of this resolution be sent to each member of our North Dakota delegation in Congress; the Secretary of Agriculture; the president of the National Association of Soil Conservation Districts; the Administrator of the Agricultural Research Service, United States Department of Agriculture, Washington, D. C.; the Chief of the Soil and Water Conservation Research Branch, Agricultural Research Service, United States Department of Agriculture, Beltsville, Md.; the director of the North Dakota Agricultural Experiment Station, Fargo, N. Dak.; and appropriate committees in the State legislative bodies.

ONE HUNDRED PERCENT OF PARITY—RESOLUTION OF DICKEY COUNTY (N. DAK.) FARMERS UNION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Dickey County Farmers Union, at Forbes, N. Dak., relating to 100-percent parity for farm prices.

There being no objection, the resolution was received, referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Whereas the cost-price situation for agriculture is getting so severe that more and more farmers are finding it difficult to finance their production operations for the year of 1956; and

Whereas the sliding scale and the Department of Agricultural Economics is promising still further decline in agricultural prices and still higher operating costs in 1956, which will drive hundreds of thousands of farmers to the brink of bankruptcy; and

Whereas all of society and the President of the United States have repeatedly acknowledged that farmers are entitled to, and for the good of all economic segments of society, and with no ifs, ands or buts, must have, their full 100-percent parity income; and

Whereas the present situation and outlook for agriculture in the coming years is getting desperate for the Nation's farmers: Now, therefore, be it

Resolved, That we, the members of the Dickey County Farmers Union, in convention assembled in Forbes this 21st day of January 1956, do petition and demand that Congress immediately enact emergency legislation and make available appropriation of funds to pay farmers subsidy checks representing the difference between the prices received in the market place and 100 percent of parity, such emergency payments to be made retroactive for all farm commodities sold since May 1, 1955, and to be effective until such time as Congress can enact permanent legislation that will provide security for farmers at 100 percent of parity for all farm commodities; be it further

Resolved, That we will welcome marketing quotas, and production and marketing controls if and when it becomes necessary to keep production in line with consumption but not to a point of scarcity; be it further

Resolved, That a copy of this resolution be sent to the congressional Committees on Agriculture, the Secretary of Agriculture and the President of the United States.

DICKEY COUNTY FARMERS UNION,
GOTTLIEB HARTMAN, *President*.

PRESERVATION OF AMERICAN FORM OF GOVERNMENT—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the League of Republican Women of Jackson County, Jackson, Mich., relating to the treatymaking power.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

RESOLUTION TO PRESERVE AMERICAN FORM OF GOVERNMENT FROM CHANGE BY TREATY LAW

The League of Republican Women of Jackson County, Jackson, Mich., believing that America will perform its role in world affairs better if it first protects the rights and liberties of its own citizens and preserves the American form of government from change by treaty law hereby resolves to continue its fight for an adequate amendment to the Constitution of the United States of America to provide:

1. That a provision of a treaty or other international agreement to be valid must not conflict with any provision of the Constitution; and

2. That treaties and other international agreements shall not become internal law in the United States except through appropriate legislation otherwise constitutional.

Unanimously adopted January 20, 1956.

Mrs. F. A. DEES,
Corresponding Secretary.

ADOPTION OF THE HOOVER COMMISSION REPORT—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the League of Republican Women of Jackson County, Jackson, Mich., relating to recommending the adoption of the recommendations of the Hoover Commission report.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

RESOLUTION FOR THE HOOVER REPORT

Whereas the Founding Fathers of the Constitution of the United States of America did create a Government to be the servant of the people; and

Whereas it was the founders' avowed purpose to prevent government from enslaving its people; and

Whereas today ever increasing and ever self-propagating bureaus are endangering this constitutional Government, so ordained and so dedicated by our forefathers; and

Whereas this bureaucratic trend could be halted by the immediate adoption of the Hoover report, which recommendations would save approximately seven and one-half billions of tax dollars at the same time resulting in increased efficiency and service to the people; and

Whereas this saving would be an equivalent of 25 percent reduction in Federal income tax yearly, payment of every taxpayer: Be it

Resolved, That the Jackson County League of Republican Women of Jackson, Mich., do hereby petition the President of the United States and the Congress of the United States to adopt and put into effect the recommendations of the Hoover report at the earliest possible date.

Unanimously adopted January 20, 1956.

RESOLUTIONS OF THE ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a series of resolutions adopted by the Association of State and Territorial Health Officers, at Cheyenne, Wyo., relating to water pollution control, and so forth.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Public Works:

"RESOLUTION 2

"SUPPORT OF WATER POLLUTION CONTROL PROGRAM

"Whereas Public Law 845 (80th Cong.) provided for a Federal water pollution program which, during its operation, has contributed to the support of State water pollution control programs through technical assistance, research, and for 3 of its 8 years of existence, grants-in-aid; and

"Whereas the fiscal provisions of this law expire on June 30, 1956, and the Congress is now considering legislation on this important subject; and

"Whereas there is a great need for continued and expanded support of State water pollution control programs; and

"Whereas experience has shown that control of this highly complex environmental problem is best secured through a State-Federal cooperative approach: Therefore be it

"*Resolved*, That the Association of State and Terriorial Health Officers in annual session assembled, November 6–11, 1955, reaffirm its position favoring Federal water pollution control legislation, the provisions of which would continue recognition of the primary responsibility of States in controlling pollution and would extend and improve existing law by broadening research authorization, and providing for program grants-in-aid to States; and be it further

"*Resolved*, That each State be urged to enlist the support of its congressional delegation for enactment of such legislation during the second session of the 84th Congress; and be it further

"*Resolved*, That a representative be authorized to appear at any congressional hearing that may be called to express the views of this association; and be it further

"*Resolved*, That the association transmit a copy of this resolution to each Member of Congress."

To the Committee on Labor and Public Welfare:

"RESOLUTION 4

"SUPPORT OF HILL-BURTON PROGRAM EXTENSION

"Whereas the Hill-Burton program has been a highly satisfactory joint State and Federal endeavor but its original goals have not been achieved because of the increased construction costs since 1946, rapid population increases, and rapid obsolescence of existing hospital facilities; and

"Whereas there thus continues to exist a serious bed shortage in the United States, particularly the facilities for the care of mental and long-term patients; and

"Whereas this association in 1952 recommended that the hospital survey and construction program be extended 5 years beyond its termination date of June 30, 1955; and

"Whereas the action by the 83d Congress extended the duration of the program to June 30, 1957: Be it therefore

"*Resolved*, That the hospital and medical facilities survey and construction program be extended for an additional 5 years to provide authorizations for appropriations through June 30, 1962, and that necessary legislation be supported in the 84th Congress in 1956."

"RESOLUTION 5

"REQUEST FOR CONTINUANCE OF POLIOMYELITIS VACCINE PROGRAM

"Whereas the intent of Congress as expressed in the poliomyelitis assistance legislation providing funds to State to make possible broad application of polio vaccine could not be carried out within the limitations of time provided in these laws; and

"Whereas the difficulties in implementing the mass application of vaccine as provided in said legislation were beyond the control of public health agencies relating primarily to inadequate quantities of vaccine becoming available for purchase by State health departments; and

"Whereas by February 15, 1956, public vaccination programs stimulated by congressional action will probably have reached only a small portion of the child and pregnant women population; and

"Whereas it is the sense of the Association of State and Territorial Health Officers that a high percentage of the population 19 years of age and under must be given 2 or 3 injections of polio vaccine in order to materially reduce this disease; and

"Whereas most States and communities need continued assistance in getting the large reservoir of population protected initially: Be it therefore

"*Resolved*, That Congress be urged to facilitate continuation of a poliomyelitis vaccination program by enacting legislation that will provide funds enabling States to purchase poliomyelitis vaccine after February 15, 1956, on the same basis as has existed prior to February 15 under the provisions of Public Law 377, 84th Congress, chapter 863, 1st session."

"RECOMMENDATIONS OF THE ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS

"FEDERAL RELATIONS COMMITTEE

"The association recommends:

"1. Opposition to earmarking of extension and improvement funds: That recognizing the importance of the provision by the Congress of funds for the extension and improvement of public health services, funds for such service be sought; however, the Association of State and Territorial Health Officers opposes the principle of earmarking such funds.

* * * * *

"4. Request for dollar-to-dollar matching of grants-in-aid to States with less than 400,000 population: That the Department of Health, Education, and Welfare, the Bureau of the Budget, and the Congress be requested to maintain a standard maximum matching requirement of $1 of State and local funds for each dollar of Federal grant expended to the States with a population of less than 400,000.

"SPECIAL COMMITTEE ON CIVIL DEFENSE

"The association recommends:

* * * * *

"6. Requesting grant-in-aid to States for Civil Defense Administration: That the Federal Civil Defense Administration Act of 1950 (Public Law 920, 81st Cong.) be amended to permit grants-in-aid to the States for civil defense administration."

FEES FOR GOVERNMENT SERVICES—REPORT OF A COMMITTEE (S. REPT. NO. 1467)

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, under the provisions of Senate Resolution 140, I submit a report entitled "Fees for Government Services," and ask that it be printed. I ask unanimous consent that a statement, prepared by me, in reference to the report, be printed in the RECORD.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Arkansas; and, without objection, the statement will be printed in the RECORD.

The statement, presented by Mr. McCLELLAN, is as follows:

This report reviews action taken by the various committees of Congress in regard to the feasibility and practicability of establishing appropriate fees and charges for special services rendered by the Government for the benefit of persons or agencies other than for the public benefit. The report reiterates the position taken by this committee in a similar report to the Senate in the 81st Congress (S. Rep. No. 2120). The report expresses the view that the assessment of fees generally, is far too broad to be covered by general legislation, and that if practical results are to be obtained, remedial action should be taken by individual acts of Congress drafted by specialists in special fields.

This report is submitted to accord with the provisions of Senate Resolution 140, submitted on July 27, 1955, by members of the Senate Committee on Interstate and Foreign Commerce, which directed the Committee on Government Operations to make a full and complete study and investigation into the status of the fees program. In addition to outlining the various legislative actions taken since the program was originally initiated in 1950 by the Committee on Government Operations, the report contains a compilation from the various Federal departments and agencies of present fees and service charges assessed under authority of Public Law 137 of the 82d Congress, which authorized agencies to assess appropriate fees for the purpose of reimbursing the United States for services rendered to special interests or groups?

Many of the Federal agencies, in responding to the committee's request, have submitted complete schedules of fees now being charged for specified services. This is particularly true in connection with the reports from the Departments of Commerce, Agriculture, and Interior, where all fees and charges for services rendered by those Departments are tabulated. Certain other agencies, such as the Federal Communications Commission, the Interstate Commerce Commission, and the Civil Aeronautics Board have listed their present schedules of fees, and programs initiated to adjust such fees, which have been held in abeyance to accord with a resolution of the Senate Committee on Interstate and Foreign Commerce requesting that no adjustments be made until the Congress could give adequate consideration to the proposed increases and provide appropriate legislative authority.

EXTENSION OF TIME FOR COMMITTEE ON GOVERNMENT OPERATIONS TO FILE REPORT—REPORT OF A COMMITTEE

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, I report an original resolution, and move its immediate consideration.

The PRESIDENT pro tempore. The clerk will read the resolution, for the information of the Senate.

The legislative clerk read the resolution (S. Res. 202), as follows:

Resolved, That the first section of Senate Resolution 41, 84th Congress, 1st session, agreed to February 21, 1955, is hereby amended by striking out "January 31, 1956" and inserting in lieu thereof "February 15, 1956."

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. McCLELLAN. Mr. President, Senate Resolution 41, to which the resolution under consideration refers, and which was adopted at the last session of Congress, granted authority to the Senate Committee on Government Operations to employ a staff and proceed with its duties up until and including January 31, 1956.

Since Senate Resolution 41, which would extend the time for a year, is pending on the calendar and has not been acted upon, the committee finds it necessary and advisable to present the pending resolution to extend the time for 15 days, because the committee has witnesses from out of town subpenaed.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. KNOWLAND. I wish to say the distinguished chairman of the committee has discussed this matter with both the majority leader and the minority leader. So far as I am concerned, I find the request to be a reasonable one. I shall be glad to cooperate by agreeing to an extension of 15 days, pending action on the resolution which is on the calendar.

Mr. JOHNSON of Texas. Mr. President, I may say for the RECORD that the distinguished chairman of the committee discussed the resolution with the majority leader. What he proposes is the appropriate procedure, and the only one to be followed under the circumstances. A similar situation is facing the Committee on Armed Services, and the committee will be asking for similar authority. As I understand, the resolution does not ask for an additional appropriation, and comes from the committee without disagreement. Is that correct?

Mr. McCLELLAN. There is no disagreement so far as I know. I had anticipated that the regular resolution would be acted on prior to this time. I found it had not been acted on, although hearings were scheduled, and I felt that it was necessary to present such a resolution as that now pending. The resolution does not increase the authority of the committee. It merely extends until the 15th of February, authority which was given at the last session.

Mr. JOHNSON of Texas. Mr. President, I hope the resolution will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 202) was agreed to.

EXTENSION OF TIME FOR EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

Mr. JOHNSON of Texas. Mr. President, the distinguished chairman of the Committee on Government Operations has reported and had adopted a resolution extending the time for the Permanent Subcommittee on Investigations to act. A similar situation faces the Preparedness Investigating Subcommittee of the Committee on Armed Services. I have talked to the distinguished ranking minority member of the committee and the acting minority leader, the Senator from Massachusetts [Mr. SALTONSTALL], I submit a resolution, and ask unanimous consent that it be immediately considered.

The PRESIDENT pro tempore. The clerk will read the resolution, for the information of the Senate.

The legislative clerk read the resolution (S. Res. 203), as follows:

Resolved, That Senate Resolution 72, 84th Congress, agreed to March 28, 1955, is amended by striking out "January 31, 1956," wherever it appears therein, and inserting in lieu thereof "February 29, 1956."

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JOHNSON of Texas. Mr. President, I desire the RECORD to show that the resolution would merely extend the authority of the committee for 30 days, would give it an opportunity to meet and report whatever resolutions are deemed to be necessary, and would also give the Committee on Rules and Administration an opportunity to act.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 203) was agreed to.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BIBLE (for himself and Mr. MALONE):

S. 3102. A bill authorizing a monetary contribution for the flood-control accomplishments of the multiple-purpose Hoye Canyon Dam proposed to be constructed on the Walker River by the Walker River Irrigation District, a quasi-municipal corporation of the State of Nevada; to the Committee on Public Works.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 3103. A bill for the relief of Eldur Eha; to the Committee on the Judiciary.

By Mr. KERR:

S. 3104. A bill to authorize the Chief of Engineers of the Department of the Army to contract with the city of Bartlesville, Okla., for water storage in Lake Hulah; to the Committee on Public Works.

By Mr. HICKENLOOPER:

S. 3105. A bill for the relief of Miss Betti O. Bollmann; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 3106. A bill to include the present area of Zion National Monument within Zion National Park, in the State of Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

S. 3107. A bill for freedom of choice in trade; to the Committee on the Judiciary.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. POTTER (for himself, Mr. THYE, Mr. HUMPHREY, Mr. WILEY, Mr. DIRKSEN, and Mr. BENDER):

S. 3108. A bill to encourage the construction of modern Great Lakes bulk cargo vessels; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. POTTER when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 3109. A bill to provide for voluntary coverage under the Federal old-age and survivors insurance system for self-employed dentists; to the Committee on Finance.

By Mr. BUTLER (for himself and Mr. COTTON):

S. 3110. A bill to prevent automobile manufacturers from coercing automobile dealers to purchase unwanted merchandise; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. WATKINS:

S. 3111. A bill to amend section 144 of title 28, United States Code; to the Committee on the Judiciary.

By Mr. WATKINS (for himself and Mr. O'MAHONEY):

S. 3112. A bill to provide domestic and community sanitation facilities and services for Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (by request):

S. 3113. A bill to amend section 9 (c) (2) of the Merchant Ship Sales Act of 1946, as amended; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 3114. A bill to transfer the Office of Alien Property Custodian from the Department of Justice to the Department of State, and for other purposes; and

S. 3115. A bill to transfer the Office of Alien Property Custodian from the Department of Justice to the Department of State, and for other purposes; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. J. Res. 132. Joint resolution to authorize the Secretary of Commerce to sell certain war-built cargo vessels and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CURTIS:

S. J. Res. 133. Joint resolution to limit the spending powers of the Congress and to provide for reduction of the national debts; to the Committee on the Judiciary.

(See the remarks of Mr. CURTIS when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

The following resolutions were reported or submitted, and agreed to:

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 202) continuing the time for a report by the Committee on Government Operations under S. Res. 41, providing additional funds for said committee; considered and agreed to.

(See resolution printed in full, when reported by Mr. McCLELLAN, which appears under a separate heading.)

Mr. JOHNSON of Texas submitted a resolution (S. Res. 203) extending the time for Committee on Armed Services to make certain expenditures; considered and agreed to.

(See resolution printed in full, when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

HOYE CANYON DAM, WALKER RIVER, NEV.

Mr. BIBLE. Mr. President, on behalf of myself, and my colleague, the senior Senator from Nevada [Mr. MALONE], I introduce, for appropriate reference, a bill authorizing a monetary contribution for the flood-control accomplishments of the multiple purpose Hoye Canyon Dam proposed to be constructed on the Walker River by the Walker River Irrigation District, a quasi-municipal corporation of the State of Nevada.

This bill points up the disastrous floods which have plagued the State of Nevada and other States in the West in recent years. Specifically, it would require that the Federal Government, through the flood control duties of the Corps of Engineers, assist a local irrigation district in constructing a dual purpose dam and reservoir.

Last April the Walker River Irrigation District of Nevada, at a special election, approved the issuance of securities to finance construction of a $1,300,000 dam and reservoir at Hoye Canyon on the West Walker River. This approval was given with the hope that the Federal Government, through a loan, might assist the local district, and might provide funds for the flood control benefits which would be an integral part of the proposed construction.

A recent reconnaissance report by the Bureau of Reclamation shows that the benefit ratio of the Hoye Canyon project is 2.4 to 1, meaning the return on such an investment by the Federal Government in this instance would be much higher than normal in dual-purpose reclamation projects. The Reclamation Bureau's report further indicated the flood control nonreimbursable costs are approximatey the same as the $690,000 set forth in this bill.

This bill would require an agreement between the Army Corps of Engineers and the irrigation district for operation and construction of the dam and appurtenances to provide flood control benefits. Federal funds made available would be administered by the Secretary of the Army.

Certainly, the full money burden of construction, designed for both irrigation and flood control, should not fall entirely on the ranchers who make up the membership of an irrigation district. Instead, when benefits from a dam, such as in the present instance, would aid the area generally in controlling floods, thereby protecting human life and property generally, then the proper percentage of cost should be borne by the Federal Government.

The Hoye Canyon dam as proposed here would include a 75,000 acre-foot capacity reservoir, with a 75-foot high earth dam, equipped with concrete spillways and a controlled tube outlet and gates. Likewise, the irrigation district hopes to carry out other canal work and increase the capacity of its Bridgeport dam in California.

Ranchers and residents living along the Walker River in western Nevada this winter, for the second time in 5 years, have seen their property damaged in the amount of $100,000 by storm-induced floods. Such damage over the last 50 years in this area is estimated at three-quarters of a million dollars, with the flood history showing more recurrent disasters in recent years.

In effect, this bill, if enacted, would assure a cooperative effort between the Federal Government, on the one hand in providing flood control measures, and by ranchers, who would gain directly from irrigation benefits and pay their proportionate construction costs at the same time.

Flood control is a growing problem, not only in the West, but in many parts of our country, as we know by disasters of the last year. This bill would reduce that menace in an important section of western Nevada.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3102) authorizing a monetary contribution for the flood-control accomplishments of the multiple purpose Hoye Canyon Dam proposed to be constructed on the Walker River by the Walker River Irrigation District, a quasi-municipal corporation of the State of Nevada, introduced by Mr. BIBLE (for himself and Mr. MALONE), was received, read twice by its title, and referred to the Committee on Public Works.

CONSTRUCTION OF MODERN GREAT LAKES BULK CARGO VESSELS

Mr. POTTER. Mr. President, on behalf of myself, the Senators from Minnesota [Mr. THYE and Mr. HUMPHREY], the Senator from Wisconsin [Mr. WILEY], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Ohio [Mr. BENDER], I introduce, for appropriate reference, a bill to encourage the construction of modern Great Lakes bulk cargo vessels.

The existence of a strong and efficient Great Lakes bulk fleet under United States flag capable of competing with foreign vessels is essential to our domestic trades.

And unless Great Lakes bulk vessels under United States flag are able to compete with foreign vessels in international trade, the trend toward greater and greater use of the latter vessels will continue until finally United States fleet will decrease to a capacity sufficient only to transport the Nation's peacetime domestic commerce in these bulk commodities. In time of war such a fleet would not be adequate to handle the increased foreign and domestic commerce which would inevitably result at a time when this Nation would be compelled to rely more fully on its own resources.

At the present time there are 343 Great Lakes bulk cargo vessels under United States flag, representing a total trip capacity of 3,380,000 tons. Of these vessels, 103 are now 50 or more years old. By 1960, however, 201 vessels, or approximately 60 percent of the entire United States flag Great Lakes bulk cargo fleet, will be 50 or more years old. These vessels represent a total trip capacity of 1,900,000 tons.

In order to maintain an equivalent American flag carrying capacity, at least 20 new and more efficient vessels would have to be built now.

The question is, Will they be built in the face of high American building costs when it is possible that the services on which they operate can be replaced by international trade utilizing foreign flag vessels built at considerably less cost?

The Government, recognizing the importance of the shipbuilding industry and the need of maintaining a mobilization base in that industry in the past few years, has taken measures to assist that industry. A program of modernization of reserve fleet vessels is underway, a tanker trade-in-and-build program has been established, and a replacement program for the subsidized lines has been encouraged.

None of these programs have been of benefit to Great Lakes owners or shipbuilders, nor does existing law offer inducements that are sufficient to encourage the undertaking by Great Lakes operators of a program to build the vessels necessary to modernize the American flag fleet on those waters and enable them to effectively meet the indirect competition that will follow the opening of the seaway and the future development of foreign sources of raw materials.

This proposed legislation would offer great encouragement to domestic operators to replace their fleet and by establishing a reserve fleet of "Lakers," provide a safeguard in any national emergency that would be of comparable utility to the reserve fleet of tankers which is being built up under present law. It would also stimulate and maintain shipbuilding so essential to the Nation's mobilization base.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3108) to encourage the construction of modern Great Lakes bulk cargo vessels, introduced by Mr. POTTER (for himself, Mr. THYE, Mr. HUMPHREY, Mr. WILEY, Mr. DIRKSEN, and Mr. BENDER), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

PREVENTION OF MANUFACTURERS FROM COERCING AUTOMOBILE DEALERS TO PURCHASE UNWANTED MERCHANDISE

Mr. BUTLER. Mr. President, on behalf of myself, and the Senator from New Hampshire [Mr. COTTON], I am

about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Maryland may proceed.

Mr. BUTLER. Mr. President, this bill may prove to be the Magna carta of the franchised automobile dealers of this country.

As all Members of Congress know, automobile dealers are presently before committees of both Houses, seeking various legislative solutions to problems which arise out of their relations with the automobile manufacturers.

The National Automobile Dealers' Association, now holding its annual convention here in Washington, under the able leadership of Adm. Frederick J. Bell, has brought most of these problems to our attention. To the NADA's credit, it did not resort to asking Congress for help until it had exhausted every effort to get the automobile manufacturers to sit down at the conference table and work out equitable and binding, businesslike solutions to these problems.

The NADA and other automotive authorities have contended for years that the root of almost all troubles between automobile manufacturers and their franchised new-car dealers is to be found in the alleged onesidedness of the manufacturer-drawn, easily terminated franchise agreements. The manufacturers, on the other hand, in denying that their agreements are onesided or unfair, have apparently done little to accord the dealers any additional, enforcible contract rights.

Now the problem is in our laps. Indeed, it has been right there ever since the last days of the 83d Congress. Members will recall that the Senator from Ohio [Mr. BRICKER], then chairman of the Interstate and Foreign Commerce Committee, recognizing the seriousness of the problem, appointed a special subcommittee chairmaned by the Senator from Connecticut [Mr. PURTELL]. Its mandate was to study all phases of manufacturer-dealer relations in the automobile field.

With splendid bipartisan spirit, when the Senator from Washington [Mr. MAGNUSON] became chairman of the full committee, he continued this work; and he appointed the Senator from Oklahoma [Mr. MONRONEY], the present distinguished occupant of the chair, chairman of the automobile-marketing subcommittee.

The Senator from Oklahoma promptly drafted a comprehensive questionnaire, which he sent to 40,000 franchised automobile dealers all over the country. Almost 20,000 replied, in detail, the largest response ever had, I am told, to such a questionnaire. The results of this study have been objectively and intelligently recorded by the subcommittee headed by the Senator from Oklahoma, and have recently been published as an interim report.

One thing which stands out in my mind from the report is that the great majority of franchised automobile dealers blame most of their troubles on manufacturer pressure to buy unwanted merchandise.

I understand that the same dealer contention was prominent throughout the recent General Motors hearings conducted by the Antimonopoly Subcommittee headed by the Senator from Wyoming [Mr. O'MAHONEY]. However, I understand that there, too, the manufacturers steadfastly denied that they forced their franchised dealers to purchase unwanted merchandise. Nonetheless, during those hearings it was made clear—and this I consider to be very important—that if an automobile manufacturer cancels or refuses to renew an automobile dealer's franchise, due to the dealers refusal to buy unwanted merchandise, the dealer, because of the terms of the manufacturer-drawn franchise agreement, cannot bring a suit for breach of contract which will be heard on its merits in the courts of the country. Such a dealer has to leave the decision on his plea for a continuation of his franchise up to the sole discretion of the manufacturer.

It is undisputed that approximately 12 States already have enacted legislation making it unlawful for automobile manufacturers to terminate, or threaten to terminate, the franchises of new-car dealers if the reason for such threat or termination is that the dealers are unwilling to purchase, or refuse to purchase, the wares of the manufacturer.

Therefore, we come face to face with a simple, but basic, question: Should the Federal Government make it unlawful for automobile manufacturers to terminate, or threaten to terminate, the franchises of new-car dealers who are unwilling, or who refuse, to purchase unwanted merchandise? Stated in another way, the question is this: Should we give automobile dealers who contend that the principal reason or basic cause for the termination of their franchises was that they were unwilling, or refused, to purchase unwanted merchandise, a right to have such a dispute determined by a Federal court?

I have concluded that we should give this vital segment of the American small-business community at least that much protection. I am sure that others, including perhaps the NADA, will recommend that such dealers be given much more legislative assistance than my bill accords them. In addition to the legislation now pending, I understand that the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Wyoming [Mr. O'MAHONEY] intend to introduce certain other bills designed to protect the dealers and the public.

In view of the leading part which they and other Senators have played in this matter, I want it clearly understood that I ask no special credit for the bill I am introducing today. Indeed, I would welcome bipartisan cosponsorship of this carefully drafted measure.

While I prefer to discuss at a later date the merits of this bill in detail, I call attention to three of its chief features:

First, although the bill in no way amends or impairs our antitrust laws, it is carefully patterned after pertinent provisions of those statutes. This was done because the Sherman and Clayton Acts have stood the test of time. Furthermore, those statutes and this bill have the same ultimate purpose; namely, to protect the general public and the parties directly injured by conduct hereby declared to be unlawful.

Second, the bill accords to any automobile dealer whose franchise is terminated in violation of this proposed statute, the right to sue in the Federal district courts for injunctive relief and damages.

Third, the bill in no way restricts the right of a manufacturer to terminate the franchise of a dealer, if the true cause of termination is that the dealer is conducting his business in such a manner as to injure the goodwill of the manufacturer.

In conclusion, let me state that my proposal does not fuss with details as to how automobile manufacturers shall conduct their daily business with franchised dealers. The bill merely makes unlawful a practice which 12 States already have outlawed, and which the manufacturers claim they do not engage in, anyway.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3110) to prevent automobile manufacturers from coercing automobile dealers to purchase unwanted merchandise, introduced by Mr. BUTLER (for himself and Mr. COTTON), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF MERCHANT SHIP SALES ACT OF 1946, AS AMENDED

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 9 (c) (2) of the Merchant Ship Sales Act of 1946, as amended. I ask unanimous consent that a statement, prepared by me, explaining the purpose of the bill, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3113) to amend section 9 (c) (2) of the Merchant Ship Sales Act of 1946, as amended, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement, presented by Mr. MAGNUSON, is as follows:

The purpose of this bill is to correct what is considered an unintended discrimination against purchasers of war-built vessels prior to March 8, 1946, in that it would eliminate from that date forward the requirement that these purchasers agree that the use factor in charter hire payable by the Government shall not exceed 15 percent per annum of the statutory sales price.

Furthermore, the proposed enactment would eliminate the present limitation upon the liability of the Government, in the event of loss under such a charter, to the statutory sales price depreciated to the date of loss.

Section 9 (c) (2) places an arbitrary ceiling on the charter hire or indemnity required to be paid by the United States for

the future use or taking of a vessel which was the subject of an adjustment under section 9. Congress struck from the ship sales bill a provision which would have placed the same limitation on those purchasers—including foreigners—who acquired similar vessels subsequently to the date of enactment. It is contended that this was a denial of equal treatment to those persons who, by taking the adjustment, were supposed to have been placed in the same position as subsequent purchasers.

It is the belief of the proponents of this measure that American companies did not, by accepting an adjustment, voluntarily waive any of the rights. An apparent misunderstanding exists as to the equitable position of those companies which seek relief through enactment of this bill.

A study of various transactions and correspondence reveals that the companies involved endeavored from the day the ships were purchased to protect their rights. Also, in actual cases they did not proceed until they had received written assurance from the Maritime Administration that their rights would not be impaired or waived thereby. Most important is it to be noted that the acceptance of the adjustment was based upon the compulsive factor that they either had to accept it upon the proffered terms or lose it entirely.

The proposed amending legislation, which was passed in a similar bill by the Senate in the last Congress, is designed to be effective as of a future date and has as its purpose only the future right of the companies to just compensation.

LIMITATION OF SPENDING POWERS OF CONGRESS AND REDUCTION OF NATIONAL DEBT

Mr. CURTIS. Mr. President, I introduce, for appropriate reference, a joint resolution to limit the spending powers of the Congress and to provide for reduction of the national debt. I ask unanimous consent to have printed in the RECORD a statement, prepared by me, with reference to the joint resolution.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The joint resolution (S. J. Res. 133) to limit the spending powers of the Congress and to provide for reduction of the national debt, introduced by Mr. CURTIS, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement, presented by Mr. CURTIS, is as follows:

I offer a proposal for a constitutional amendment to end deficit financing, compel a balanced budget, and provide for the gradual payment of the national debt. This proposal is a revision of similar constitutional amendments that I have introduced in previous Congresses.

This resolution, if passed by the Congress and ratified by the legislatures of three-fourths of the States, would become a part of the Federal Constitution. It would take away from the Congress the right to spend more money than is taken in. It would require the President in his budget message to keep his recommendations for expenditures within the estimate of the receipts of the Government.

While this proposal has some similarity to the constitutional amendment offered by Senators BYRD and BRIDGES, it varies in several particulars. It would grant authority to Congress to levy a special tax which could not be intermingled with money to be expended, but would be used solely for the purpose of retiring the national debt. As an enforcing measure this constitutional amendment would prohibit the adjournment of Congress until provision was made for balancing the budget, just as the Byrd-Bridges amendment would do.

The operation of the amendment could be suspended in time of war or during a grave national emergency upon a vote of three-fourths of all the Members of each House of Congress, and such suspension could only be for a year at a time.

It is my belief that the vast majority of the American people want an end to deficit financing. They want to have the Government on a pay-as-you-go basis and they want to see the bonds owing by the United States Government paid. I think it is sound and right that the people write this principle into their fundamental law of the land. Federal officeholders should be stripped of their power to increase the national debt and vote more and more bonds.

During the last 20 years we have been in the red most of the time with the exception of about 2 years. Conservative and economical Congresses will be elected from time to time who will put the budget in balance, but unless the people write a pay-as-you-go principle into their Constitution, extravagant and wasteful Congresses elected now and then can upset the whole fiscal program and throw us further into debt.

There must be some restraint on spending. The proposed spending for the next fiscal year, which begins on July 1, calls for greater spending than this year. The interest on the national debt will cost us over $7 billion next year. This item of $7 billion for interest is more money than was spent for all purposes of Government in any one year, except during World War I, prior to 1933.

The United States cannot remain a first-class nation and maintain her prestige in the world unless she sets her own financial house in order. We have had unprecedented prosperity in the country for the last 7 or 8 years, yet we have not paid the cost of our own Government each year, but have charged it to our children and our grandchildren and to oncoming generations.

Someday our children will rise and look us straight in the eye and ask, Does Uncle Sam really pay his debts? Will the bonds that the people hold really be paid off or merely refinanced by issuing new bonds?

When the people, speaking through the legislatures of their States, take away from the officeholders in Washington the power to spend money that they do not have, in the absence of a war or grave national emergency, they will find the value of their money increased, the burdens of their Government lessened, and less interference from Washington in their individual lives and in the conduct of the affairs of the local and State governments.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, AS AMENDED—AMENDMENT

Mr. MAGNUSON submitted an amendment, intended to be proposed by him, to the bill (S. 1119) to amend the Civil Aeronautics Act of 1938, as amended, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

AMENDMENT OF NATURAL GAS ACT, AS AMENDED—AMENDMENTS

Mr. PASTORE. Mr. President, I submit amendments, intended to be proposed by me, to the bill (S. 1853) to amend the Natural Gas Act, as amended. I ask unanimous consent that the amendments, together with a statement prepared by me, as to the purpose of the amendments, be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the amendments and statement will be printed in the RECORD.

The amendments are as follows:

On page 6, line 25, after "at", insert the following: "the protection of the interest of the consumer."

On page 10, line 11, after "at", insert the following: "the protection of the interest of the consumer."

The statement, presented by Mr. PASTORE, is as follows:

PROTECTION OF THE INTEREST OF THE CONSUMER

This amendment adds one additional factor to be considered by the Federal Power Commission when it makes its determination as to the reasonable market price under this bill. Sections 3 (b) and 4 of the bill, as now before the Senate, provide that, in determining the reasonable market price, the Commission shall consider, among other things, the following three factors: Whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices.

My amendment will add to these three factors the following additional consideration: The protection of the interest of the consumer.

The proponents of this bill, both in their majority report and in their statements here on the floor of the Senate, have repeated many times that the bill does protect the interest of the consumer, but there is, however, no language to this effect in the bill.

My amendment inserts the protection of the consumer interest in the bill in clear and concise language. My amendment incorporates in the bill the very language of the proponents and gives assurance to all of us that the interest of the consumer will not be ignored. If the proponents are sincere in their statements that they wish to protect the interest of the consumer, then I can see no harm in inserting these few additional words in the bill. My amendment clearly does what all of us here on the floor of the Senate have been saying we hope to do.

I sincerely and honestly hope that the proponents of this bill will accept this amendment.

Mr. PASTORE. I submit additional amendments, intended to be proposed by me to the bill (S. 1853) to amend the Natural Gas Act, as amended. I ask unanimous consent that the amendments, together with a statement prepared by me, as to the purpose of the amendments, be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the amendments and statement will be printed in the RECORD.

The amendments are as follows:

On page 6, line 20, after "contract", insert a comma and the following: "and shall be obligated to pay".

On page 7, line 17, after "act", insert the following: "and shall be obligated to pay."

The statement, presented by Mr. PASTORE, is as follows:

OBLIGATION TO PAY IN SECTIONS 3 (B) AND (C)

This amendment applies the formula used in section 3 (e) of the bill to its companion sections, sections 3 (b) and (c). Under the bill as now before the Senate, the formula

used in applying the "reasonable market price" standard to future contracts is different from the formula used in applying the same standard to existing contracts. The proponents of the bill have failed to show any good reason for having two different formulas in section 3 of the bill.

Under sections 3 (d) and (e) which pertain to escalation clauses under existing contracts, the bill provides that after the Commission has determined the "reasonable market price," a pipeline shall charge as an operating expense and shall be obligated to pay only the reasonable market price. Under sections 3 (b) and (c), which pertain to future contracts, the bill provides that after the Commission has determined "the reasonable market price", the pipeline shall charge as an operating expense only "the reasonable market price", but these two sections relative to future contracts, as the bill now stands, contain no provision relating to the pipeline's "obligation to pay"—such as is contained in section 3 (e) for existing contracts.

Thus, under the bill as it now stands, a pipeline may in the future be compelled to pay a price higher than "the reasonable market price" in order to keep its pipelines filled and yet it may only be allowed to charge as an operating expense the lesser amount, that is, "the reasonable market price". This would compel the pipeline to absorb the difference which would be grossly inequitable to the pipelines and might also be interpreted to be confiscatory of their property. Moreover, to the extent that the pipeline company, acting as a regulated public utility, is unable to recoup its necessary operating expenses, such a result may well be deemed by the courts to be unconstitutional.

The proponents of this bill, both in their majority report and in their statements here on the floor of the Senate, have said that their bill does not allow the pipelines to pay more than the reasonable market price to the producer. But there is, however, no language to this effect for future contracts in the bill.

My amendment inserts in sections 3 (b) and (c), relating to future contracts the very same language which the proponents have included in section 3 (e) relating to existing contracts.

This amendment repeats at two additional places in the bill the very language used by the proponents in section 3 (e) of their bill and gives assurance to all of us that a pipeline will not be obligated to pay any more than "the reasonable market price".

I sincerely and honestly hope that the proponents of this bill will accept this amendment.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MARTIN of Pennsylvania:
Study of TVA financing.

DEATH OF GOV. PAUL L. PATTERSON, OF OREGON

Mr. NEUBERGER. Mr. President, it becomes my sad duty to inform the Senate of the death of Gov. Paul L. Patterson in Portland, Oreg., on the night of January 31, 1956.

Governor Patterson, who was 55, died suddenly of a heart attack. His passing deprives our State and Nation—and of course his devoted family—of an outstanding citizen.

Both Mrs. Neuberger and I had had the privilege of serving with Paul Patterson in the Oregon State Legislature, where he and I were fellow State Senators. Although we did not always agree with him politically, he was the kind of man one inevitably respected and liked personally. He had warm human qualities of friendliness and personal affection. One morning he and I debated strenuously over the question of State milk control. Yet he suggested that we lunch together in the Oregon Senate lounge, where he told me of his experiences as a student on the University of Oregon campus. Paul Patterson was that sort of person. Nobody could dislike him on a personal basis. He disarmed you. He had a love of his fellow man. He was never mean or ugly or personal in political campaigns. He always stood on a high plane. His Democratic opponent in 1954, State Senator Joseph K. Carson, Jr., of Portland, told me that it was a pleasure to campaign against Governor Patterson because one knew that unfair charges and low blows never would be forthcoming from Governor Patterson.

When our telephone rang at 3:10 a. m. this morning, Washington time, to tell us of Governor Patterson's death, Mrs. Neuberger was in tears. She could not believe he was gone. After I came to Washington, she continued to serve in the legislature under Governor Patterson's tenure as chief executive of Oregon; and she told me many times how he often called her to his office for friendly and informative discussions of State matters. She particularly considers our State bereaved and unfortunate to have lost so illustrious a son.

Had Governor Patterson survived, he would have been a candidate for this body, against my senior colleague [Mr. MORSE]. Indeed, the Governor had so announced himself on January 29, only 2 days before his untimely death. No one can ever know whether the tensions and anxieties of that decision hastened the tragedy which occurred, nor will anyone ever know how would have resulted the political contest between two such titans as Paul L. Patterson and WAYNE L. MORSE. But I do know that, so far as both principals were concerned, it would have been a clean and fair contest, with the highest ideals of American Government and political campaigning invariably observed.

Mr. President, this is all I have to say at this time about the death of a fine citizen and a very splendid gentleman. To Governor Patterson's gracious wife, Georgia, who is a notable individual in her own right, as a member of Oregon's Board of Education, both Mrs. Neuberger and I extend our heartfelt sympathy in this moment of grief and sorrow. We pray for Mrs. Patterson and the others of the Patterson family, so that they may have the strength and courage to endure this ordeal which has struck them so swiftly, terribly, and inexorably.

Thank you, Mr. President, for the privilege of taking the time of the Senate, briefly, to inform the Members of the loss which our State and the Patterson family have suffered.

Mr. MORSE. Mr. President, the entire State of Oregon is in deep mourning. Last night the Governor of the State died of a sudden heart attack. He was one of the finest men in our State, a man of high ideals, a man with a notable record of public service.

Although Governor Patterson and I were of different political alinements, I have always held a very high respect for his idealism and for his devotion to the public service as he saw the issues which came before him.

He was a graduate of the University of Oregon School of Law, at which school I was professor and dean for 15 years. He graduated 3 years before I became a teacher at that institution.

He received his bachelor of arts degree from the University of Oregon in 1923; his doctor of laws degree in 1926. He was a member of Phi Delta Phi legal fraternity.

For a period of time he served as deputy district attorney of Washington County, Oreg., ending that service in 1932.

He was city attorney for the Oregon communities of Hillsboro, Beaverton, Sherwood, and Tualatin.

Paul Patterson was State senator for a period of years, from Washington County in our State. He was elected for the terms 1945, 1947, 1949, 1951, 1953, and 1955.

He was elected president of the State Senate of Oregon in 1951, serving in that capacity from 1951 to 1952.

He was a Rotarian, and a past State commander of the American Legion. Governor Patterson was a member of the Congregational Church.

He became Governor by succession, on the appointment of Governor McKay as Secretary of the Interior.

He was elected to the position of Governor in the election of 1954.

His death comes as a great shock to the people of Oregon. We have lost a leader. Mrs. Morse and I extend to Mrs. Patterson and the other members of the Governor's family our deepest sympathy and our prayers that in this time of great sorrow they may receive strength from divine guidance.

Mr. MARTIN of Pennsylvania. Mr. President, we all join the two distinguished Senators from Oregon in their great regret at the passing of a distinguished American.

COMMITTEE REPORT ON THE MERCHANT MARINE ACADEMIES

Mr. LEHMAN. Mr. President, I have noted with gratification the report issued by the Magnuson-Payne subcommittee on the Merchant Marine Academies. The report reflects the point of view I have always urged and advocated, namely, that there is need for both the State schools and the Federal Academy at Kings Point, and that all must be supported to the full extent of their need. To this end, I shall be glad to work with the Senator from Washington [Mr. MAGNUSON] and the Senator from Maine [Mr. PAYNE].

I am pleased, indeed, to learn that the Senator from Maine will support the Kings Point Academy permanency bill,

along with appropriate legislation for the State academies, and that there will not be a move to delay passage of the former bill in order to secure support for passage of the latter.

In the early part of the 1st session of the 84th Congress, I introduced a bill making permanent the Merchant Marine Academy. A similar bill, H. R. 6043, was introduced in the House of Representatives, and was passed by the House. I am very glad, indeed, that the bill passed by the House is substantially identical to the bill I introduced; and I am very happy to have an opportunity to support the House bill.

Mr. President, the provisions of the report appear to represent a happy ending to a fight we have been waging for many years. The Senator from Washington and the Senator from Maine are to be congratulated. The Kings Point Academy is to be congratulated. The four State schools, including, of course, the fine State school at Fort Schuyler—in the expansion of which I had a leading part during the years when I was Governor of New York, also deserve to be congratulated. All of them now can work together for the promotion of a training program for more and better merchant-marine officers for the American merchant marine.

Mr. President, the Merchant Marine Academy, which I hope will now obtain permanent status, and the State schools are fine institutions. They turn out a splendid set of men who are greatly needed for the maintenance and expansion of our merchant marine.

I am very happy, indeed, to learn of the favorable report which has been submitted by the Senator from Maine, and I congratulate him again.

Mr. PAYNE. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I am very glad to yield.

Mr. PAYNE. First, Mr. President, I wish to express my thanks and also the thanks of the chairman of the Committee on Interstate and Foreign Commerce, the distinguished Senator from Washington [Mr. MAGNUSON], for the kind remarks which have been made on the floor of the Senate by the Senator from New York.

Let me merely say that at no time was it even my intention or my desire in any way to block or try to prevent having Kings Point Academy made a permanent institution, as such.

But, very frankly, it was my feeling, and I know it was shared somewhat by the distinguished Senator from New York, that there was not on the record a complete history and background relating to maritime training programs, as constituted under our Government, which would stand the test, and that a tremendous amount of confusion had been existing. One year, the academy at Kings Point would be closed; another year, the four State academies would be put out of business—in so far as the Federal Government was concerned.

It was only because of that feeling—and it was shared by all members of the Committee on Interstate and Foreign Commerce, and likewise unanimously by this body—that, we believed that, once and for all, a clear and comprehensive study should be undertaken, so as finally to determine, in the interests of our maritime training efforts, whether there was need to have all the present facilities operated so as to provide the needed education and training to meet the great requirements the maritime industry has for trained personnel. It was only because of that fact that the study was made.

As the Senator from New York has so ably stated, the study has pointed up definitely, once and for all, the complete concurrence of all concerned in the view that there is adequate need for all these facilities; and I have given such notice today, in the hope that the measure, now on the calendar, regarding the permanency of the Kings Point Academy, may be considered and acted upon without further delay. It is my sincere hope that the bill will be passed without any objection at all on the part of any Member of the Senate.

Mr. LEHMAN. Mr. President, I believe that the study which has been made has been most useful to the Members of Congress, in connection with the consideration of legislative measures and appropriations for these several academies.

I had the pleasure of attending and testifying at the hearings which were presided over by the distinguished Senator from Maine [Mr. PAYNE], both in regard to the New York State school at Fort Schuyler, N. Y., and in regard to the Merchant Marine Academy at Kings Point, N. Y. I take great pleasure in testifying here to the fact that the hearings were conducted with fine courtesy and complete fairness by my distinguished colleague, the Senator from Maine.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded, and the Chair lays before the Senate the unfinished business.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. MARTIN of Pennsylvania. Mr. President, I wish to make a brief statement in support of S. 1853, the so-called Harris-Fulbright bill.

I come from the great industrial and heavily populated area which includes southwestern Pennsylvania, eastern Ohio, northern West Virginia, and the city of Pittsburgh. This area consumes more natural gas than any other area in the United States.

I oppose Federal regulation of the production of natural gas for two principal reasons.

First, I am interested in maintaining an adequate supply of gas at the lowest possible cost to the consumer.

Second, I want to retain unhampered the free, competitive, enterprise system which has made the United States the greatest Nation of the world, with the highest living standards in all history.

If this bill is defeated and if the sale of natural gas by the producers is continued under Federal regulation, I feel that the price to the consumer will be greatly increased, and what is worse, we may not have an adequate supply.

In my own lifetime I have gone through many periods when our gas supply was inadequate to meet industrial and domestic needs. It may be that we have expanded the use of natural gas too rapidly. We know that the demand is increasing faster than the pipeline capacity. In the past 10 years the consumption of gas has doubled, while the increase in available gas reserves has been only one-third.

Mr. President, it is well known that the search for oil and gas is the world's outstanding example of individual initiative and free enterprise. It is a highly competitive business. It is a field in which there is no opportunity for monopoly. It is wide open for anyone who has the courage to take the great risks involved in this extremely hazardous type of undertaking. Statistics show us that on the average it is necessary to drill 9 wells in order to get 1 profitable producer.

Rugged American individualism is unquestionably the first requisite of those who would go forth in search of natural resources which are hidden below the surface of the earth.

The rewards that come with success in this hazardous enterprise are governed by active competition, in which 8,000 producers participate. This competition at the producing level makes the gas available. It is the strongest safeguard for the protection of the consumer.

The opponents of the Harris-Fulbright bill seem to fear that the producers will increase the price of gas if their business is exempted from Federal regulation.

But the record reveals that from 1928 to 1954, before controls were imposed, the cost of natural gas to the homeowner rose only 7 percent. In the same 16-year period the general cost of living rose 90 percent.

The record also discloses that after the 1954 decision of the Supreme Court the number of gas-well completions declined nearly 16 percent, although those drilled for oil increased 9 percent in the same year.

It seems to me that these facts and figures show conclusively that Federal regulation will result in decreased exploration activities, which will mean an eventual shortage of gas and higher prices to the consumer.

Another important part of the record reveals that the producer's average share is only 10 percent of the consumer's bill. The other 90 percent lies in the cost of transmission and distribution.

Federal regulation at the wellhead would, to all intents and purposes, mean Federal control over exploration and discovery. I do not subscribe to the philosophy that the Federal Government can do a better job of regulating local producing activities than can our long-established system of competitive enterprise.

This bill encourages the search for gas and, at the same time, assures the consumer of a reasonable price, so far as it is affected by the return to the producer.

Where monopoly exists or where there is danger of monopoly, I would favor

regulation for the protection of the public. But, Mr. President, I contend that the justifications usually and properly advanced for the public-utility type of regulation are not present in this instance.

If this bill is defeated, it will be the first time in the history of the United States that the Congress has approved price regulation of a natural commodity at the producer level.

If the Senate rejects this bill, it can be argued that we should next regulate the price of oil at the well, the price of coal at the mine, the price of cement at the quarry, and every other basic commodity upon which our Nation depends. If these commodities should be brought under control, would it not be logical to extend Federal controls over other segments of our national economy? Would we not then be inevitably headed for a planned and controlled economy to replace the American system of competitive enterprise?

Let us stop and do some thinking before we adopt such a drastic plan in the United States. Let us stop and consider the disastrous and tragic conditions which have resulted in every country of the world where free competitive enterprise has been destroyed by restrictive governmental control and regimentation.

The concept of American free enterprise includes the basic principle of supply and demand. It is supported by freedom of the individual to take risks and to profit by his ingenuity and resourcefulness. To hamper such freedom of movement in the development of natural resources is to place a restraining hand upon future productivity and future prosperity.

In our complex economy we are naturally concerned that all levels, producing, processing, and distribution, are given a fair opportunity to profit and to benefit.

In reading the majority report on S. 1853 and the minority and individual views, I am impressed that the principle concern on both sides is that the consumer be protected.

Senate bill 1853 has been amended to provide checks and limitations, almost to the extend, it seems to me, of counteracting the original intent of the bill. I believe the committee has leaned over backward to include and define provisions to prevent manipulation of prices, and to subject both existing and future contracts between producer and distributor to Federal Power Commission scrutiny.

Mr. President, I do not believe that the passage of S. 1853, with the protective provisions it contains, will result in any damage to the consumer.

I do believe that S. 1853 clarifies the basic principle upon which our national development depends, that Federal control of the production of natural resources is undesirable and the less we have of it, the stronger and more productive our economy will be.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ACTIVITIES OF THE KREMLIN—THE INCREASING THREAT OF BALLISTIC MISSILES

Mr. JACKSON. Mr. President, 6 months have passed since Britain, France, the Soviet Union, and our own Nation came together in the summit Conference at Geneva.

It is now clear that the Geneva spirit was never taken seriously by the Soviet rulers.

Khrushchev himself publicly ridiculed those who thought the summit Conference meant the end of the cold war. Khrushchev said last September:

> If anyone believes that our smiles involve abandonment of the teachings of Marx, Engels, and Lenin, he deceives himself poorly. Those who wait for that must wait until a shrimp learns to whistle.

It is now apparent that the honeyed words spoken at Geneva by Khrushchev and Bulganin were merely tactical maneuvers, designed to lull the free world into complacency while the Kremlin continued its military buildup and developed a wideswinging political and economic offensive.

Only this week, in Bulganin's offer of a bilateral friendship treaty, we have seen a classic example of the Soviet technique. Obviously this offer was designed to drive a wedge into the Western Alliance on the eve of the Anglo-American conversations. We properly turned the offer down; and now the Kremlin exploits the episode for all its propaganda worth.

On several occasions last summer, I questioned whether the optimism which surrounded the summit Conference was justified. The optimism was natural enough and I was not happy about issuing statements of caution. I hoped I was wrong.

I take it, however, that we will agree on where America now stands. The flame of the Geneva spirit, which seemingly burned so brightly last August, has dwindled, flickered, and sputtered. Now the flame is out. Soviet Deputy Premier Kaganovich openly boasted in November:

> If the 19th century was a century of capitalism, the 20th century is a century of the triumph of socialism and communism.

Far from relaxing its armaments buildup since last summer, Moscow has been intensifying its military preparations. While Khrushchev and Bulganin talked of the peaceful atom, Soviet scientists and engineers worked around the clock to achieve the Russian H-bomb explosion of last November. While Khrushchev and Bulganin spoke soothing words in India, other Kremlin agents roamed the Middle East, offering lures, kindling strife, and stirring hostility against the West.

The basic aim of the Kremlin remains unchanged—a Moscow-dominated world. The Soviet rulers stand ready and able to employ every last weapon in the Communist arsenal of conquest. These weapons are well known to you, Mr. President—diplomatic initiative, the smile, psychological pressure, economic warfare, political infiltration, subversion, and military conquest on the installment plan through satellite forces. Beyond this, if the gains appear worth the costs, the Soviets would not even shrink from an all-out nuclear attack against our American homeland.

Let us pay the devil his due: The overlords of the Communist world are not stupid men; they are skillful practitioners of the art of conquest. They have read their Machiavelli and their Clausewitz, just as they have read Mein Kampf. Moreover, the Soviets have profited from the mistakes of aggressors in ages past. Unlike Hitler, they might wait for years, or even decades, to achieve their ends. Unlike the rulers of Japan in 1941, they may refrain from acting rashly.

The Kremlin knows that if the opponent can be relaxed, while the Communists are hard at work, time will run in their favor. As Khrushchev said in India last November:

> We can wait. The wind is now blowing in our faces. We can wait for better weather.

The ingredients of military power are well known to Moscow. The Kremlin knows that the bases of military power of nations and alliance systems are four in number—land, people, natural resources, and industrial capacity. It knows that the Communist world now surpasses our own Nation in at least 2 of these 4 factors, and maybe in 3.

Land: The Communist land mass is six times as large as the United States.

People: There are 800 million people in the Red empire, and there are only 170 million Americans. The Soviet Union has the largest land army in the world. Red China has the second largest army. The American Army is third.

Natural resources: The mineral wealth of the Communist world is vast and largely unexploited. The raw materials within the Communist empire are probably more diversified and more abundant than are our own.

Industrial capacity: America now outstrips the Communist world in one ingredient of military power—and one ingredient only—namely, our superior industrial might. This has been our trump card in the struggle with the Soviets. Up to now, at least, our industrial lead has canceled out the Communist advantage in land and people. The symbol of this lead has been our stockpile of nuclear weapons and our long-range Strategic Air Force.

Up until now, the Soviets have been on notice that all-out Red aggression would be answered by our superior air-atomic strength.

Furthermore, the free world-alliance system has combined with American industrial supremacy to help offset Communist preponderance in land and people. The assets of the free world, when thus pooled, have been superior to those of the Communist empire.

In addition, our network of advanced overseas bases on allied territory has

multiplied the effectiveness of our air-atomic power. Our nuclear strength cannot be measured merely by the number of bombs in our atomic stockpile. It is the product of the quantity of bombs times the destructive force of each bomb times our ability to deliver them against enemy targets. Without our overseas bases, American atomic might would be reduced to a fraction of its present strength.

None of this comes as news to the Soviets. The Kremlin knows, as well as we know, what Moscow must do to achieve preponderance in national military power. The Kremlin knows, as well as we know, how the balance of world power could be tipped decisively against the United States. The Kremlin knows that our present advantage lies in our industrial supremacy and in the free-world-alliance system. The Kremlin knows that if the Soviets can overtake our industrial lead and at the same time neutralize our allies, the Communist world will thereby achieve superiority in all four bases of military strength—land, people, raw materials, and industry.

Americans know we have the most productive economy of all history. Many of us think it inconceivable that the Soviets can ever overtake, let alone surpass us, in industry and technology. But before we become complacent, let us examine the record.

Year after year, the Soviets have narrowed the technological gap between the Russian economy and our own. Year after year, they have challenged us more formidably in our one area of superior strength—our ability to design advanced weapon-systems sooner, and to put them into production more quickly than any other nation in the world.

Go back with me, Mr. President, to early 1949—a short 7 years ago. Then, as now, our conventional Armed Forces were vastly outnumbered by the Communist legions. But, in contrast, our air-atomic power then stood unchallenged. We alone possessed the only true long-range bomber then existing—the B–36. We alone had flight-tested the world's first jet strategic bomber—the B–47. And above all, we alone possessed atomic weapons. Responsible officials said that it would take 10 or 20 years for the Soviets to manufacture an atomic bomb. They informed us also that Moscow would not possess jet bombers for many years to come.

But what happened in fact? The Soviets achieved their first atomic bomb in the summer of 1949—years before the expected date. They tested their first hydrogen bomb in the summer of 1953—less than 9 months after the first of our full-scale hydrogen tests.

The development of Soviet aircraft saw the same story repeated. Our experts said the Soviets could not produce jet bombers until 1956 or 1958. In fact, the Soviets flew jet planes comparable to our B–47, and our B–52, not in 1956 or 1958, but in 1954. Moreover, these Russian planes had jet engines more advanced than our own. Some prominent officials argued that these Russian planes were only hand-tooled prototypes, useless for combat and years away from mass production.

Again, what in fact happened? Last spring, the Soviets flew both medium and long-range jet bombers in operational numbers. These were no laboratory models, these were production-line planes ready for combat units. Furthermore, they flew large numbers of a new fighter plane better than any we had in operational use.

Even more ominous, the Soviets have mass-produced new aircraft faster than we have. Our work on the B–52 bomber began in 1948. It was flight-tested in 1952, and actual production was started in the spring of 1954. The comparable Soviet plane, the Bison, was apparently designed in 1950, flight-tested 3 years later, and produced in quantity in 1954. In short, the Soviets moved 2 years faster than we did in mass-producing long-range jet bombers.

Seven years ago, we had a monopoly of both atomic bombs and planes for delivering them against distant targets. Today, both monopolies are gone. Furthermore, today we cannot even be confident that we are ahead of Moscow in long-range air power.

Up to now we have had one reassurance. So far we have managed to win every race of discovery for crucial new weapons systems. To be sure, we have won these races by smaller and smaller margins, but we have won them.

However, Mr. President, I believe that the Soviet Union may win the next critical race for discovery.

I believe that the Soviets may win the race for the intermediate-range 1,500 mile ballistic missile.

As you know, Mr. President, the intercontinental ballistic missile is the closest thing to an "ultimate weapon" that has ever been projected. Conventional guided missiles, such as our own Regulus or Matador, are merely unmanned versions of jet aircraft. They travel at relatively low attitudes and relatively slow speeds. Defense against such vehicles is relatively easy. But ballistic missiles are ominously different. They travel high in the ionosphere at 10 or 20 times the speed of sound. An intercontinental ballistic missile launched from Russian bases against the cities and military installations of our American heartland would arrive in 20 or 30 minutes. An intermediate range ballistic missile could reach the capitals of our European allies in 10 or 15 minutes. Moreover, an effective defense against ballistic missiles is nowhere in sight.

The ballistic missile is the H-bomb of delivery vehicles.

In my judgment there is the danger that the Soviets may fire a 1,500-mile ballistic missile before the end of this year—1956.

Some people may minimize the importance of such an achievement. They may say that the Soviets, operating from their present bases, could not reach the American heartland with a 1,500-mile missile. They may contend that ballistic missiles will endanger this country only when the Kremlin achieves a weapon of true intercontinental range.

This is not the case. The existence of a 1,500-mile Soviet ballistic missile would cancel out our one vital advantage over Russian air-atomic power—our system of advanced overseas airbases. Virtually all of our overseas SAC bases are within easy striking distance of a 1,500-mile missile. Such a missile could level these bases in a matter of minutes.

Without these bases, our Strategic Air Force would be a shadow of its former self. Without these bases, the effectiveness of the B–47 bomber—the present backbone of our striking force—would be drastically reduced. We would be forced into primary reliance upon the now obsolete B–36, and the long-range jet B–52, which only now are beginning to trickle off our production lines.

A Soviet 1,500-mile missile could turn our strategic thinking upside down. It might well compel us to write off our overseas bases as virtually useless. A Russian 1,500-mile ballistic missile could force American airpower to retreat 5,000 miles from the Soviet Union.

We need not assume that Moscow would actually use a 1,500-mile missile to start an atomic war. The mere existence of such a weapon in the hands of the Kremlin, at a time when we did not have it ourselves, could radically upset the world balance of power.

Mr. President, we and our free world partners may soon face the threat of ballistic blackmail.

I invite you to put yourself in the place of a governmental leader of France or West Germany or England or Pakistan or Japan. Any of these nations could be devastated by a 1,500-mile missile launched from Communist-controlled bases. Imagine that Soviet Defense Minister Zhukov has just invited the military attachés of the free world to meet at a missile site near Moscow. Imagine Marshall Zhukov then explaining that he is about to press a button which will fire the world's first 1,500-mile ballistic missile. Marshall Zhukov might say that this demonstration missile carried only a TNT warhead. But he would undoubtedly add that a hydrogen warhead could be substituted. Standing in a concrete blockhouse for protection, the military attachés would see the missile launched. Some 1,500 miles away—perhaps in the wastes of Soviet Central Asia—another group of free world observers would be assembled. Mere minutes later they would witness the crashing explosion of the missile at the end of its journey.

Picture what might happen next. On the wall of the concrete blockhouse would be a huge map, outlining in vivid red the range of the Soviet missile. This range would embrace all of western Europe, all of north Africa, and the Middle East, most of South and Southeast Asia, the Philippines, Formosa, Okinawa, Korea, and Japan.

The demonstration might end amidst assurances of Moscow's peaceful intentions and many Soviet smiles. A few days later, Premier Bulganin might invite the foreign ministers of the NATO powers to a conference in Moscow. While proposing no formal agenda, Bulganin might indicate that the Soviets would advocate dissolving NATO and establishing a new type of defense com-

munity. Bulganin would be thinking of a defense arrangement which would not interfere with the Soviet objective—world domination.

Caught in this bind, our most redoubtable supporters might falter. It is wellnigh certain that crucial allies would be forced into neutralism, or even into tacit cooperation with Moscow.

We do not know exactly when the Russians will get the ballistic missile, but there is grave danger that they will get it before we do. We have consistently underestimated the Soviets. We underestimated them on the A-bomb; we underestimated them on the H-bomb; we underestimated them on fighter aircraft; we underestimated them on jet bombers.

I believe we are now underestimating the Kremlin on ballistic missiles.

Soviet victory in this race for discovery would be shattering to the morale of our allies, and to our own selfconfidence. For the first time, Moscow would have beaten us in a crucial scientific-industrial race. No longer would America be acknowledged as the unquestioned industrial and technical colossus of the world. Our trump card would have passed to the Kremlin, and the reverberating effects on our relationships abroad would be incalculable.

Mr. President, you will not mistake the meaning of my remarks. I do not maintain for an instant that our own intermediate range ballistic missile program should take priority over our effort to achieve a true intercontinental missile. In fact, I maintain that while the subject of the intermediate range ballistic missile should be earnestly pursued, this effort must not proceed at the cost of jeopardizing progress toward the intercontinental weapon.

Neither do I maintain that superiority in the ballistic missile field will assure our national survival. In fact, I believe the very opposite. Moscow's economic and political warfare also can be deadly. Over the long run, Communist nibbling tactics and conquest on the installment plan could be as effective as a surprise nuclear assault. During the coming weeks I hope to take the floor and discuss certain aspects of these concurrent forms of Soviet aggression.

Yet American superiority in advanced weapon systems is the minimum prerequisite of peace. Without such superiority, all our other programs for staying Soviet power will prove in vain.

In recent months our own ballistic-missile program has been accelerated. When the history of our program is some day publicly revealed, the American people will learn that the Joint Committee on Atomic Energy played a major role in accelerating it—in the form of urgent representations and recommendations to the executive branch of the Government.

The history of the race for the ballistic missile dramatizes the need for a basic change in our defense philosophy. Like so many other aspects of our defense program, the ballistic-missile program has been plagued in the past by the complacent idea that we can always increase our efforts if war comes. This archaic idea should be buried once and for all. In an all-out atomic-hydrogen war the sense of urgency certainly would be with us, but the time and the production facilities would not. In that sort of war, our industrial might would be consigned to a nuclear graveyard.

In the event an all-out nuclear war were forced upon us, we would need to have in being, at the start, the weapons and delivery systems essential to ultimate survival.

I am not suggesting that all our weapons programs be placed on a wartime footing. Our defense philosophy must be changed with respect to those projects so crucial in themselves that failure to be first in their completion would cause a tragic shift in the military balance of the free and Communist worlds.

Such an overturn will surely follow a Soviet victory in the current race for the intercontinental ballistic missile. The military balance is not likely to change overnight if the free world has a few less jet aircraft than the Kremlin. Nor will that balance shift abruptly if Moscow has a few more fighter aircraft than we do. But the balance will shift if Moscow triumphs in the race for the ballistic missile.

The intercontinental ballistic missile is a clear example of the type of program which demands the new defense philosophy.

That philosophy is simply this: all-out work on critical projects today to avoid all-out war tomorrow.

Mr. President, the crucial race for ballistic missiles deserves as vigorous an effort as that which we put into our wartime atomic-energy program. This means a 3-shift operation, 7 days a week. Despite recent progress, we have yet to achieve this momentum.

Today our missile program does not have a single, overall, full-time civilian administrator—and it needs one badly. Today there are distracting interservice rivalries. We do not have an overall, full-time, high-level administrator, even though we know that the success of our wartime-atomic program was due largely to the fact that one man, Gen. Leslie Groves, was given full and complete authority.

Likewise, we know that the success of our naval atomic propulsion program has been due to the fact that one man, Adm. George Rickover, has been given singular authority.

Mr. President, I most earnestly propose:

First. The ballistic-missile project should now proceed with the maximum effort of which this Nation is capable, supported by the kind of urgency that heretofore Americans have reserved for wartime conditions.

Second. To implement this objective the ballistic-missile program should be placed under a full-time civilian administrator, reporting directly to the Secretary of Defense and to the President.

Obviously, I have been painting a dark picture of our current standing in ballistic-missile race. In my judgment, this is an accurate picture. I have presented what I believe to be the factual balance sheet.

But because the outlook is ominous, it does not follow that there is nothing we can do about it. I am confident that if the American people had the necessary facts—if the true peril of our position could be brought home to them—they would support the full marshaling of our resources behind the ballistic missile project.

All the resources of the Soviet Union and its satellites are now directed toward the objective of seizing our trump card of scientific and industrial supremacy, as symbolized in the race for the ballistic missile.

Mr. President, we need not give a halfway answer to this all-out Soviet challenge. We need not give a partisan answer to a threat which imperils us all. We face a nationwide peril, which must must be met by a concentrated nationwide effort, rooted in our determination that America and its free institutions shall survive.

Mr. MANSFIELD and Mr. SALTONSTALL addressed the Chair.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Washington yield, and if so, to whom?

Mr. JACKSON. I yield first to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, the Senator from Washington has made a thoughtful and constructive statement on a most important subject. As he will agree, we cannot discuss in detail our progress in developing intercontinental missiles, as that is a security matter.

I am hopeful, from testimony I have heard, that we are making progress. All agree that we must progress as fast as we practically can. Whether that will better be done—as the Senator from Washington has suggested—under one administrator whose duty would be confined to this one purpose, is a question which must be carefully considered. Whether this research is now being duplicated by the various services, I most respectfully doubt.

But I agree that we must do all we can to stimulate this research and to bring it to the point where such weapons can be successfully produced.

I am glad the Senator from Washington has discussed this question so moderately and thoughtfully.

Mr. JACKSON. Mr. President, I appreciate the comments of the Senator from Massachusetts.

I have mentioned the need for a full-time administrator. I think the important thing is to have one individual who will dedicate all his time, all his energy, and all his effort to this task.

I wish to say that the Air Force now has such an individual in the military end of the work, namely, General Schriever. He is a wonderful man, and is doing an excellent job.

The Air Force has a very capable Assistant Secretary, Mr. Gardner, who is spending a considerable amount of time on this work. He has already made an outstanding contribution to the missile effort. Unfortunately, he cannot spend all of his time on it.

I merely suggest that in the civilian branch there be designated someone who can devote all his time to this assignment.

Let me say that I have made my comments only in a desire to be constructive.

Mr. SALTONSTALL. I think the Senator's comments and remarks have been very constructive.

Mr. JACKSON. I thank the Senator from Massachusetts.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield to me?

Mr. JACKSON. I yield.

Mr. MANSFIELD. I wish to commend the distinguished Senator from Washington for making a very, very constructive speech and for bringing home to the American people the danger confronting all of us at the present time. I think the Senator from Washington is also to be commended for speaking out, as he has in this instance, and as he has done in the past. I believe that his recommendations should be given very serious consideration.

If I may, I should like to ask several questions of the Senator from Washington. In the course of his speech, he brought up the subject of resources. Is it not true that at this time the United States is a "have not" nation, insofar as strategic mineral reserves are concerned?

Mr. JACKSON. That is correct. It is my understanding that the United States is in short supply in the case of approximately 31 or perhaps 33 critical items. It is necessary for us to stockpile these items, for we obtain them from other countries.

Mr. MANSFIELD. I wonder whether we are really stockpiling these items, which are in a critically short supply, insofar as we are concerned. We have had on the statute books for a number of years a National Stockpile Act; it has been on the statute books for almost a decade, as I recall; but I am quite sure in my own mind that there are many strategic minerals which we should have in a stockpile, but which will not be found there.

If I may ask the Senator from Washington another question, it is this: What value is there in piling up increasingly larger and larger stockpiles of atomic and hydrogen bombs?

Mr. JACKSON. I believe that to do so is very misleading. In other words, as I indicated in my opening remarks, the atomic strength of a country is not measured in terms of the number of bombs alone. Instead, it is measured in the number of bombs, times the strength or explosive force of each bomb, times deliverability. All three factors must exist. There must be a preponderance over the enemy in all three factors, which cannot be segregated or separated.

As I see it, the terrible race that now is going on with the Soviet Union no longer relates to atomic and hydrogen weapons, as such. The area of decision is now centered on the delivery systems. Unless we have a lead over the Soviets in our ability to deliver atomic-hydrogen weapons, we cannot maintain an effective retaliatory force which we can hope will act as a deterrent to an all-out atomic-hydrogen war.

Mr. MANSFIELD. In other words, there is a limit to the effectiveness of atomic and hydrogen bombs in a strategic stockpile.

Mr. JACKSON. Exactly.

Let us suppose—and this is purely hypothetical, and will not disclose any classified information—that the Soviets have only 10 atomic bombs, and that we have 100 atomic bombs. However, let us suppose that the Soviets have a delivery system which will make it possible for them to deliver all 10 of their bombs, whereas our delivery system is such that we can deliver only 5 of the 100 bombs we have. Obviously, the Soviets would have air atomic superiority, in that hypothetical situation.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for two more questions?

Mr. JACKSON. I am very happy to yield.

Mr. MANSFIELD. It is my understanding that the Soviet Union has developed an 800-mile rocket. I obtained my information from the public press, which indicates that the Soviet Union is making great progress, not only in that particular intermediate type of rocket, but, evidently, also as well in the 1,500-mile type. Therefore, I believe it is all the more significant that the Senator from Washington has made the speech he has made today, and that this question be brought home to the American people.

It would appear to me that one of the reasons why the Soviet Union is ahead of the United States is the fact that the Soviets are educating and training more and more scientists and engineers each year, whereas in the United States the curve shows a decline or downward trend.

In the United States, what are we trying to do to rectify that inequality between the two countries, insofar as the training and education of scientists and engineers are concerned?

Mr. JACKSON. It is my understanding that we offer various inducements in the form of scholarships. The National Science Foundation makes funds available for scholarship purposes. I believe it would be helpful, indeed, if the Congress, through an appropriate committee would call together the best minds in this field, in order to try to work out a solution.

Mr. Allen Dulles, the very capable head of the Central Intelligence Agency, in one of his rare public speeches, last summer stated that in the decade from 1950 to 1960, the Soviet Union will educate and train approximately—as I recall the figures—1,200,000 scientists in various categories, whereas in the same period from 1950 to 1960 the United States will educate and train only 900,000 scientists and engineers. I think those figures place in critical perspective the threat facing the free world.

Mr. STENNIS. Mr. President, will the Senator from Washington yield to me for a question?

Mr. JACKSON. I am happy to yield to my distinguished friend from Mississippi.

Mr. STENNIS. Mr. President, I wish to say to the Senator from Washington that the speech he has made this morning shows a very thorough knowledge of the subject matter. I know he has acquired a very fine and a very valuable knowledge of missiles and related matters and problems, and of the resources necessary for the carrying on of an effective program. That knowledge on his part already has proved of inestimable value to the members of the Armed Services Committee; and I am sure that is also true in the case of the Joint Committee on Atomic Energy, of which the Senator from Washington is a member.

I desire to congratulate him, first, on his very fine contribution by means of the very statesmanlike presentation he is making this morning. I also desire to congratulate him for the same statesmanlike qualities he has displayed in the discussions behind closed doors, where he has shown the same attitude that he demonstrates in the Chamber today. I pay a great deal of attention to what he says, both on this subject and on others.

I can join him, at least in part, in his recommendation for an overall head or administrator of this program. We receive a great many requests for the appropriation of large sums of money. We are not sufficiently informed as to whether or not there is duplication among the services. We are not sufficiently informed as to the duplication of money and the duplication of effort, or the use of scientific facilities. Those things have not been made clear to the committee as yet. For that reason I think it is very timely that the Senator has brought these matters out, and has emphasized the urgent need for rushing the program, as an overwhelming consideration.

I believe this subject will attract the attention of other Members of Congress, and of the people of the United States. I wish to encourage the Senator to proceed with his efforts. I believe he will gain support as he goes along. I think too, much time has already been lost on the general program. I commend the Senator, and I wish to help him in every way I can.

Mr. JACKSON. I appreciate my friend's very kind comments. It is a real privilege to serve with him on the Subcommittee on Military Construction of the Committee on Armed Services of which he is chairman. I am proud to serve under such a fine chairman.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to my distinguished friend from Missouri, who knows more about airpower than any other Member of Congress. I feel a little humble in approaching this subject when we have in the Senate a distinguished former Secretary of the Air Force. If I am not mistaken, he was the first Secretary of the Air Force.

Mr. SYMINGTON. I thank my distinguished colleague for those kind but undeserved remarks. Let me add my congratulations for his magnificent speech. I am impressed by the care he has devoted to the subject. As chairman of the Military Application Subcommittee of the Joint Committee on Atomic Energy, he knows what he is talking about.

Does the Senator believe the development of an atomic-powered airplane is important?

Mr. JACKSON. It is very important, indeed.

Mr. SYMINGTON. Is it one of the most vital developments now challenging us?

Mr. JACKSON. There can be no question about that.

Mr. SYMINGTON. I read into the RECORD at this point testimony given by the Secretary of Defense before a subcommittee of the Senate Committee on Appropriations, in hearings which lasted from May 19 to June 18, 1953.

Secretary Wilson gave a definition of "pure research" as:

An area where, if it was successful, it could never possibly be of any use to the people that put up the money for it. That makes it pure. What we are trying to do is to spend our money where it really will help the Air Force, and so we will have new, better planes as the years go by.

Later Secretary Wilson said:

If we want to go ahead and have pure research, let us let somebody subsidize it. Let us not put the burden of it on the Defense Department. I am not much interested, as a military project, in why potatoes turn brown when they are fried.

Our late beloved colleague, Senator Maybank, then asked:

Did they have such a project as that?

Secretary WILSON. That is an apt way to describe it.

Senator MAYBANK. I have to differ with you.

Then one of the authorities on military matters in the Senate, who is on the floor today, the great senior Senator from Alabama [Mr. HILL], one as much responsible for the growth of the Air Force as any other Member of the Senate, questioned the Secretary of Defense:

Mr. Wilson, why not give us a real or true illustration, not about potatoes, but something you did not approve of.

Secretary WILSON. We were pushing the atomic airplane. You could consider that was in the area of pure research.

This testimony shows that the present Secretary of Defense felt in 1953 that pushing the development of the atomic airplane was comparable in importance to pursuing research on why potatoes turn brown when they are fried.

Many people have wondered why we have lagged in the research and development race, especially the reason for the lag in the development of an atomic plane. As the distinguished Senator from Washington knows, for a long time the question of whether we should or should not have an atomic airplane was considered of minor importance.

Based upon the Senator's vast experience on the Joint Committee on Atomic Energy, does he not believe that today the atomic airplane is one of the most important developments we can pursue in the interest of our security?

Mr. JACKSON. The Senator is absolutely correct. As a matter of fact, the Joint Committee on Atomic Energy has pushed this program from the very beginning. We have always considered it a highly urgent project. Its obvious importance, I think, is well known to lay people as well as military authorities. It will make possible a means of support for our long-range Air Force. Atomic aircraft will be able to remain in the air indefinitely. I think the military application of such a vehicle under those circumstances should be clear to every thoughtful or reflective person.

Mr. SYMINGTON. I should like to ask the distinguished Senator from Washington another question.

In the past few weeks a great many articles have been published in prominent national periodicals, relating to the missile picture. In them there has been an accentuation of the missile programs, especially concerning the intercontinental ballistic missile and the medium-range ballistic missile. A great deal of criticism has been leveled by the Defense Department against the release of much information to the American people. However, as the distinguished Senator knows, some of the articles in question have been correct, and some have contained inaccuracies. But these purported facts were originated by, or at least cleared by, the Defense Department. Does not the distinguished Senator agree with me it is wrong for the Department of Defense to approve for publication articles which give to the American people an inaccurate picture of our true position relative to the Communists with respect to missiles?

Mr. JACKSON. I must say to my able and distinguished colleague that I was surprised indeed to read some of the material which appeared in the various publications.

Mr. SYMINGTON. I thank the distinguished Senator.

Mr. JACKSON. Obviously, we should be most careful about divulging any information relating to security or intelligence.

Mr. SYMINGTON. In other words, it may be bad, in a democratic form of government, not to give information to the people; but to give out misinformation is certainly worse, is it not?

Mr. JACKSON. The Senator is correct. I think there are definitely situations in which we must decide whether giving information to the public is more important than withholding it. There comes a time when we must tell the American people the serious nature of the threat. Under those circumstances, in order to mobilize all the proper support of our people behind these undertakings, I think it is better to give such information to the American people, so that they can more strongly support such programs.

Mr. SYMINGTON. If we give them any information at all we should give them the truth, should we not?

Mr. JACKSON. Always.

Mr. SYMINGTON. In order to implement the ballistic missile project the Senator's second recommendation in his speech is as follows:

2. To implement this objective the ballistic missile program should be placed under a full-time civilian administrator, reporting directly to the Secretary of Defense and to the President.

As I understand, it is not the purpose of the Senator's recommendation to relieve the Army, the Navy, and the Air Force of their responsibility in this field.

Mr. JACKSON. Absolutely not. The purpose of point 2 in my recommendations was to assign someone on a full-time basis and to make it possible for him to give all his time and energy to this undertaking, so that he could better lead the very able, dedicated members of the Air Force who are doing such an outstanding job. The civilian administrator could help at the civilian end. It is my purpose, in suggesting point No. 2, to further the work already being done by members of the Air Force, so that they will not be caught in a heavy network of Assistant Secretaries of Defense, and to make it possible for them to gain the objective which they must achieve if we are to win this race.

Mr. SYMINGTON. During the war we had what was called the Manhattan Project in order to handle a new weapon in war. To that end, in effect, we created a fourth service, taking it out of the hands of the Navy and War Departments. As I understand, what the distinguished Senator desires is more unification in the whole missile picture at the Pentagon, not the creation of a fourth service.

Mr. JACKSON. That is correct. I wish to marshal all the efforts and energies behind one individual, and to make it possible for that individual to do the job without being tripped up by a group of committees and assistant secretaries. If that sort of situation continues, we will not be able to cut through the bureaucratic redtape, such as we find now in the Department of Defense.

Mr. SYMINGTON. The Senator sits in a position where he has learned much about the missile picture, as much as any Member of the Congress. As I understand, he has made his recommendation because he knows that today in the missile picture there is a lack of unification, and a waste of the taxpayers' money; and therefore there is also a retarding in our effort to obtain the missiles at an early date. He believes that if this program could be changed, corrected, there would be more unification, better concentration of effort. Is that correct?

Mr. JACKSON. Yes; I believe that to be correct. I make my suggestion solely for the purpose of trying to be constructive, so that the dedicated persons who are doing such an able job now will have an opportunity to better utilize and cash in, so to speak, on the energy and time they are giving in their effort to win this race.

Mr. SYMINGTON. I again thank the distinguished junior Senator from Washington for one of the finest addresses on defense I have heard since becoming a Member of the Senate.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. KENNEDY. The Senator, I know, together with the late Senator McMahon, was extremely active in stimulating the development of the hydrogen bomb. I assume that the experience he had in that regard would indicate the necessity for congressional action in such a highly classified field, and would also indicate that it is not desirable to

leave the development of these important matters completely in the hands of the military or in the hands of the Executive. Is that correct?

Mr. JACKSON. The Senator is completely correct. In the case of the hydrogen bomb, we know, after a revelation of the facts that gave impetus to the hydrogen bomb, that it was the Joint Committee on Atomic Energy which initiated the program. The American people will always owe a great debt to the late Senator Brien McMahon, who was the main force behind our effort to achieve and win the race for the hydrogen bomb. It was only won by a few months so far as the Soviets were concerned.

Mr. KENNEDY. I know the Senator was also associated with Senator McMahon in the drive by Dr. Teller which resulted in the development of the hydrogen bomb. If there had not been action by Congress, the United States probably would have been behind the Soviet Union in the development of that bomb. Is that correct?

Mr. JACKSON. The Senator from Massachusetts is correct. The Joint Committee on Atomic Energy made the recommendation to the President that we proceed at once on a so-called crash basis to develop the hydrogen bomb. The Joint Committee on Atomic Energy took the initiative. In my opinion, if it had not been for the fact that the committee took the initiative, we might have lost that race. Certainly much time would have been lost.

Mr. KENNEDY. There is no doubt that the Joint Committee on Atomic Energy has been extremely active in attempting to stimulate action in this field. As the junior Senator from Missouri [Mr. SYMINGTON] has said, the Senator from Washington sits as chairman of the Military Applications Subcommittee. In that capacity, does not the Senator feel that he has been given full information about the American program in this field, and it is from that full information that he has made the very serious statement he has made in his speech, namely, that the Soviet Union may fire a 1,500-mile ballistic missile before the end of the year, and that the United States might well be behind the Soviet Union in this field?

Mr. JACKSON. I wish to say to my distinguished colleague that in my remarks I have not divulged any information of a classified nature.

I may say that my statement that the Soviets might achieve a 1,500-mile ballistic missile this year is based on the record of the Soviet leaders in making predictions in the past.

The Senate will recall that Mr. Molotov announced about a year before they had achieved the A-bomb that they had the secret of the A-bomb. The Senate will also recall that Mr. Malenkov, who then headed the Soviet Government, in addressing the Supreme Soviet in July of 1953, I believe, announced that the Soviets had the hydrogen bomb. About 3 or 4 weeks later they exploded a hydrogen bomb.

Immediately after Christmas in 1955 Premier Bulganin, in addressing the Supreme Soviet, indicated very clearly that the Soviets had a ballistic missile of some range.

This makes it abundantly clear to me that without doubt the Soviets have achieved, or will achieve this year, a ballistic missile with possibly a 1,500-mile range. I say a 1,500-mile range because for Soviet objectives a 1,500-mile ballistic missile will accomplish the purpose so far as they are concerned.

As I indicated in my remarks, it would neutralize our allies, and it would make it possible for the Soviets to blackmail our allies to such a point that we might have to withdraw from our overseas Strategic Air Command bases, practically all of which are within 1,500 miles of the Soviet Union or of Soviet-dominated territory.

Mr. KENNEDY. Is it the Senator's point that enough money has been expended on the program, but that the organization and direction of the program have not been satisfactory? Is that correct?

Mr. JACKSON. That is correct. Money itself will not do the job alone.

Mr. KENNEDY. Has the administration asked for sufficient funds, in the Senator's opinion?

Mr. JACKSON. There is ample money available for the specific program I am discussing. Undoubtedly funds will skyrocket if the administration proceeds with the program on an all-out basis.

Mr. KENNEDY. That is what the Senator recommends, is it not?

Mr. JACKSON. Absolutely.

Mr. KENNEDY. I thank the Senator, and I congratulate him on his speech.

Mr. JACKSON. I thank the Senator from Massachusetts.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield.

Mr. SYMINGTON. The Senator said that if the Soviets had a 1,500-mile missile, they could accomplish what they desire. He does not mean, does he, that it is not important also to us whether the Soviets get the intercontinental ballistic missile of 5,000-mile range, the ICBM?

Mr. JACKSON. Certainly I did not intend to say that the ICBM is not important to the Soviets. However, the logical thing for them to do is to achieve an intermediate missile first, because an intermediate missile would undermine our NATO allies, and would have a devastating effect on our overseas SAC bases.

Mr. SYMINGTON. I ask one further question of the Senator, based on the colloquy between him and the distinguished Senator from Massachusetts. If the Soviets have a 1,500-mile IRBM, inasmuch as the vast majority of our strategic striking force in the Air Force is tied up with a medium-range bomber, the B–47, and with the premise that nearly all our overseas bases are within 1,500 miles of Communist territory, is it not true that, once the Soviets have that missile, and we do not, they can tremendously reduce our offensive deterrent power in sharply reducing the capacity of our B–47's by requiring those B–47's to be refueled before they can complete their missions, even forcing them to make two refuelings?

Mr. JACKSON. First, I am not saying that the Soviets have a 1,500-mile ballistic missile. I do not know. I am saying that I feel quite strongly that, in light of Mr. Bulganin's speech of December, if they do not have it now, they will probably get it in 1956.

Mr. SYMINGTON. I understand that.

Mr. JACKSON. The distinguished junior Senator from Missouri has made a very important point. The B–47 is today the foundation of our atomic retaliatory striking power. It relies for its effectiveness, as I understand—and the distinguished junior Senator from Missouri was Secretary of the Air Force and pushed this program with great effort—for its ability to achieve its mission on overseas bases. Without those bases, which are made possible by our allies, it is my understanding that they cannot operate without very expensive and very difficult fueling operations.

Mr. SYMINGTON. That being true, and inasmuch as the B–36 is now rapidly becoming obsolescent, if not actually obsolete, is it not incredible that we still maintain policies which result in the production of only a trickle of the modern intercontinental jet bombers, the B–52's, being produced each month?

Mr. JACKSON. I simply do not understand the philosophy involved. The Soviets were flying more of the so-called Bison type, which is comparable to our B–52 intercontinental jet bomber, than we had produced, according to their last May Day exhibition. Even after the announced stepup we shall still be behind the Soviets in the production of long-range intercontinental jet bombers. I do not for the life of me understand our failure to meet the kind of direct challenge which the Soviets are now offering to us.

Mr. GORE. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I am happy to yield to the Senator from Tennessee.

Mr. GORE. The distinguished junior Senator from Washington has made a very interesting speech, one which is a challenge to the Congress and the executive branch of the Government in the consideration of the essential facts which he has related to the Senate, and one which should be provocative of action both by the executive and legislative branches of Government.

The Senator has emphasized the success with which this country's efforts were met in the instance of the development of the atomic weapon and the submarine *Nautilus*, as being due, in part, to the almost peremptory authority given in the case of General Groves and Admiral Rickover. Does not the Senator recognize, also, that the singleness of responsibility vested in those two distinguished officers had a part as vital as the exercise of authority?

Mr. JACKSON. I quite agree with my distinguished friend. The two considerations are absolutely inseparable if we are to achieve our objective.

Mr. GORE. In the case of Admiral Rickover, not only did he report directly to the Atomic Energy Commission and to the Secretary of Defense, but he also reported and responded to the Joint Com-

mittee on Atomic Energy. Would not the Senator think that in the implementation of his suggestion of a civilian administrator with authority and responsibility in this particular field, the prodding, the driving, the interest, the knowledge, and the authority of the Joint Committee on Atomic Energy would play a part, as well as the line of authority which was established?

Mr. JACKSON. I think it would be very helpful. Certainly, a civilian administrator is needed to clear the road to make it possible for the very fine men in the Air Force, the officers, civilians, and so on down the line, to accomplish the desired objective. But in order to reach their objective, it seems to me they must have someone at the top who can clear away the bureaucratic red tape in a manner and fashion which will make it possible for them to proceed full speed ahead.

Mr. GORE. Mr. President, I wish to congratulate the Senator from Washington upon a very fine and constructive address. I know of the long hours he has spent in hearings, in studying and poring over reports and data. I think he has rendered a very fine service.

Mr. JACKSON. I thank my friend very much.

Mr. MONRONEY. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. MONRONEY. I should like to join my colleagues in thanking the distinguished Senator from Washington for his very fine statement. I had the privilege of reading it, and I have been glad to get the amplification of it. I think he has performed a very great service to the country in helping to arouse, by this fine speech, an interest in the need for coordination and speed in developing to the ultimate range the missiles to which he has referred. We would indeed be taking grave chances if we should allow ourselves to be second in the race to produce the ultimate weapon of this age, which may be the case if the fine advice given by the Senator from Washington is not heeded by those in authority in the Pentagon. No other man in the Congress has the intimate knowledge of and close association with the atomic energy program and with weapons of an atomic nature.

Certainly, we cannot put a balanced budget ahead of a balanced defense. If more funds are needed, the Congress, knowing the facts which the Senator has in his possession, will be glad to provide such funds. The Senator has called attention to the looseness of the operation, and to the need for greater coordination in the production of the necessary weapons. I think the country is clearly indebted to the distinguished Senator from Washington for his splendid address.

Mr. JACKSON. I thank my distinguished friend very much.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I am happy to yield to my distinguished chairman.

Mr. ANDERSON. I tried to reach the floor of the Senate in order that I might hear the Senator's able address, but I found myself in the midst of committee work of the Joint Committee on Atomic Energy from which I have just been freed. I apologize to the Senator. I wished to be present to hear his splendid address, although I have read it.

I may say to the Senator that only a person who knew the amount of time he devoted to the hearings conducted before his subcommittee can appreciate the background of the statements we have heard today.

Does the Senator not agree with me that in the hearings we had an opportunity to examine every principal officer who might be touching our Defense Establishment at the highest possible level?

Mr. JACKSON. The distinguished Senator is absolutely correct. We examined everyone from the Secretary of Defense including Secretaries of the Army, Navy, and Air Force. We had before our committee the Joint Chiefs of Staff, as well as top scientists, persons in every walk of scientific pursuit from whom we could obtain helpful guidance and information.

Mr. ANDERSON. So the Senator will agree with me, I hope, that truly the background on which this type of address could be based has been supplied by them.

Mr. JACKSON. I hope I have in a small way, as have other Members of the Senate, presented facts which would make it possible for us to make sensible suggestions. It is a very complex subject, but the threat which we face is not complex. It is simple and direct.

Mr. ANDERSON. Did the testimony not reveal that we have perhaps always underestimated the Russian capabilities?

Mr. JACKSON. It has become a dangerous American habit to underestimate the Soviet Union. I think we have formed the idea over the years that only Americans can achieve these great scientific break-throughs.

We know, as Mr. Allen Dulles said, in essence, in one of his speeches, that we must now assume that the Soviets are capable of doing anything we can do in this industrial and technical field. I think that is a wise admonition for all Americans to follow if we are going to remain on top. It is the safe course and the safe policy to pursue.

Mr. ANDERSON. I think the Senator from Washington is right. He is to be commended for having called attention to these things. Particularly, I think it was wise that he said the United States might be behind in its ballistic missiles program. I think he and I probably are well acquainted with the fact that this Nation probably is behind.

Mr. JACKSON. I hope we are all utterly wrong on that point; but because I thought we might be right, I felt it necessary to take the matter to the floor of the Senate.

Mr. ANDERSON. I think we are making some headway, and it is good that we are. But the dangers confronting us are very great, and I am glad the Senator from Washington has summed them up—the observations he has made as a result of a long period of study, which I think is most useful and worthwhile. I thank him for his work.

Mr. JACKSON. I thank my distinguished colleague.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6274. An act to provide that no fee shall be charged a veteran discharged under honorable conditions for furnishing him or his next of kin or legal representative a copy of a certificate showing his service in the Armed Forces;

H. R. 8780. An act to amend the Internal Revenue Code of 1954 to relieve farmers from excise taxes in the case of gasoline and special fuels used on the farm for farming purposes; and

H. R. 8796. An act to increase the amount of telephone and telegraph service furnished to Members of the House of Representatives and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 6274. An act to provide that no fee shall be charged a veteran discharged under honorable conditions for furnishing him or his next of kin or legal representative a copy of a certificate showing his service in the Armed Forces; to the Committee on Armed Services.

H. R. 8780. An act to amend the Internal Revenue Code of 1954, to relieve farmers from excise taxes in the case of gasoline and special fuels used on the farm for farming purposes; and to the Committee on Finance.

THE NEED FOR ACCELERATED PURCHASE OF FRESH, CHOICE GRADES OF BEEF

Mr. ALLOTT. Mr. President, I call to the attention of Members of Congress the fact that the Department of Agriculture has today received assurances from the Defense Department that the military will continue, for 60 days, its present program of accelerated purchases of boneless beef from heavy cattle now going to market.

This is an outgrowth of a request made by the National Cattle Feeders Committee in Denver on January 26, 1956. This week, representatives of the National Cattle Feeders have presented their program to Secretary Benson and to members of the House Agriculture Committee, as well as to many Western Senators and Representatives.

It is heartening to see this cooperation between the Department of Defense and the Department of Agriculture in response to an acute situation in the cattle industry. The continuation of this program for accelerated purchase of beef will be beneficial to the cattle market during this current period of relatively heavy marketing of better grades of cattle. These marketings have resulted from the large number of cattle that have been on feed. The Department of Agriculture assures me that they are

giving every consideration to the recommendations set out by the cattle feeders on January 26.

Accordingly, Mr. President, I ask unanimous consent that the statement expressing the views of the Cattle Feeders Committee be printed in the RECORD immediately following my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At a meeting held by the National Cattle Feeders Committee, at the Brown Palace Hotel, in Denver, Colo., on January 26, 1956, it was unanimously approved that the following resolutions be presented to Secretary Benson, and the Agricultural Committee of the United States Senate and/or House of Representatives. Deeming the surplus an emergency, we ask that the following resolutions and recommendations receive your prompt attention.

1. That the United States Department of Agriculture purchase weekly 10 percent or more of Choice or better grades of dressed beef, at the average market price for that week for a period of 12 weeks or until the Chicago dressed meat market reaches the break-even point.

2. Step up military purchases of meat for our Armed Forces, to 180 days, as long as prices are below the price which will be constituted as the break-even point for the feeder and producer. That the quality of meats purchased by the military service be USDA graded Choice or better. It is further recommended that restrictions be lifted on military purchases which would allow them to purchase carcasses of beef weighing in excess of 900 pounds. Said purchases could be stored with the Navy Department since they do have extensive cooler-storage space available.

The break-even point referred to, came from a study of production costs of Choice beef, and was established at an overall average of $23.56 per hundredweight, or, in our opinion, should be based on Chicago's dressed beef market at 38 cents per pound.

3. Encourage development of the school-lunch program, using fresh Choice graded beef carcasses to be handled through local channels. Request the United States Extension Service to hold extensive educational programs on the use of carcass beef in these school programs.

4. Expansion of livestock products should definitely be used in foreign-aid programs, either on exchange basis, or by gift purposes, if necessary.

5. This program is economically sound and should bare excellent public opinion since we are advocating purchases for the military services, school lunches, and for foreign-aid programs, when prices are at a low level, and as prices increase above the break-even point, then, these Government purchases could be restricted or withheld.

6. Time is of the essence, and this program should start immediately. The sooner it is started, the sooner national economy will be brought into balance.

Mr. PAYNE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELEASE OF REPORT BY PANEL OF JOINT COMMITTEE ON ATOMIC ENERGY

Mr. ANDERSON. Mr. President, the Joint Committee on Atomic Energy yesterday released a report of its panel. The committee had a good many copies of the report printed, but it appears that the supply of copies will be exhausted almost immediately.

Many Members of the Senate, and I assume many Members of the House, also, have expressed an interest in obtaining additional copies of the report. One Senator called my office this morning and said he would like to have 15 copies to send to educational institutions in his State. We should like, so far as possible, to accommodate the Members of the Senate and House who desire additional copies.

I make this statement merely to announce that if Senators who desire additional copies will send a note to the joint committee or will call the office of the joint committee and give an indication of approximately the number of extra copies which may be required, the joint committee will seek authority to have an additional supply printed.

The cost of the first volume, if bought from the Government Printing Office, will be about 50 cents. But the cost of the second volume will be $2 or $2.50. It might be a burden on Members of the Senate to have to supply the educational institutions of their States with copies of the report at $3 for the two volumes. Therefore, if Members of the Senate will indicate to the joint committee the number of copies they will need—and I assume the Members of the House will be notified to do likewise—the joint committee will estimate the number of additional copies to be procured and will then seek approval to have an additional number of copies printed to take care of the demand.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the Fulbright-Harris bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. PURTELL. Mr. President, the pending business before the Senate is a matter of grave importance to all of the people of the United States. It is a matter that should be resolved not on a basis of histrionic ability, oratorical power, sectional interest, or political impact. It should be resolved on the basis of reason and with the public interest in mind. In matters of this nature, it is best to strip away the verbiage, the gingerbread, the window trimming, and examine the proposed legislation in the light of what has been done, what is right and just and fair to all, and what is truly in the public interest. The issue is relatively simple—whether or not, in the public interest, the sale of natural gas in interstate commerce shall continue to be subject to direct regulatory authority by the Federal Government.

Never once, in the weeks of debate or the weeks of hearing, has there been one word of testimony that the interstate transportation of natural gas should not be—as it properly is—regulated by a Federal agency. Never once, in all these days, have I heard testimony by anyone that the States or subdivisions thereof ought not to have, as they properly do, the right to exercise regulation of natural gas in its distribution intrastate. Nobody has questioned that the public interest is best served by Federal regulation of the transmission lines in interstate commerce, or that public interest at the local level can best be served by intrastate regulation through public utility or like commissions.

As a matter of fact, the proponents of this proposed legislation, and the bill itself, recognize the need for regulation of prices of gas flowing for interstate commerce into these transmission lines. The fact is that everyone recognizes that the public interest requires Federal authority to regulate the sale of natural gas interstate.

The decision of the Supreme Court in the Phillips case has been mentioned frequently in the debate. The Court's decision in the Phillips case is clear. After reviewing the committee reports and the congressional debate, the Supreme Court determined that the legislative intent at the time of the Natural Gas Act's passage was that producer sales for resale in interstate commerce should be subject to the regulation by the Federal Power Commission. This is the record, which cannot be disputed.

But let us for a moment view this matter from another perspective. As far back as 1938, the Congress of the United States recognized that public interest requires that Federal authority should exercise regulatory power in the sale of natural gas interstate. The result was the enactment of the Natural Gas Act. This recognition of a public interest was at a time when the sale of natural gas interstate occupied a relatively unimportant place in the economy of our country, and when its public impact was substantially less than it is today.

That was in 1938. This is 1956, and we have 18 years of experience behind us. If it were necessary to protect the public interest in 1938—and it was—how much more necessary is it to protect the public interest in 1956 in the sale and the use of gas, when the sale interstate and the use of gas has multiplied many times, and 26 million consumers are partly or wholly dependent upon natural gas as a fuel.

If there had been no like legislation in 1938, if there had been no Supreme Court decision in a Phillips case, would one hold that there was no need now, in the light of what we know, for Federal regulation of the price of natural gas to the consumer in the public interest? With the extension in use of natural gas, with its impact upon our economy, with the public's dependency upon it as a fuel, is there one who would hold that no need now exists for taking proper legislative steps to see that the public interest in the sale of natural gas is properly protected?

The fact is that in 1956 natural gas has become a chief source of fuel for many in all but a few States of this Union.

Natural gas is piped to these areas by federally regulated pipelines into the distributing lines which are for the most part also regulated intrastate by local public utility or like commissions. Twenty-six million consumers today are partly or wholly dependent upon natural gas, and the number of users has been increasing steadily, and will continue to increase unless we, as legislators, shortsightedly restrict its expansion by adopting such legislation as is proposed in the Fulbright bill. The production, distribution, and sale of natural gas is today the sixth largest industry in this great Nation of ours. Yet, but a few short years ago natural gas was a nonsalable product; in many instances it was burned off or flared off.

The record is already replete with statistics, and statistics can—and, in fact, do at times—become will-o'-the-wisps. It is not my intention, therefore, to indulge in further statistics, but there are some basic principles involved which can be established without the need of confusing tables and charts. I shall now present these facts as I see them. The fact is that there are 26 million consumers dependent upon natural gas as a fuel. These users have invested approximately $14 billion in facilities for the use of this fuel, and these 26 million customers, in truth, under this proposed legislation, will be captive consumers at the end of a pipeline, helpless to help themselves, and denied the protection of adequate regulations, with no freedom of choice and no freedom of decision as to source, and will be denied one of the basic elements of our system of competitive capitalism, by which we have become so great and so powerful and have made such a great contribution to man's material welfare.

Yes, the pending bill would not deny the consumer the continuing right of the protection of regulatory power in the transmission of gas; it would not deny him the regulatory protection in the distribution of gas; but it would, I maintain, deny him the right of adequate regulatory protection in the price of gas.

It would afford the consumer far from adequate protection to have two segments of a three-segmented industry directly regulated, and the third, without regulation in fact. Oh, let me make it plain, the proponents of the proposed legislation recognize the need for some control in the purchase of the gas for interstate transmission. They do not deny that the public interest requires Federal regulation—the bill does not say there shall be no Federal regulation—but the bill does in fact propose to remove protective regulation now in force. It in effect says, "We can't meet this argument that there shouldn't be any regulation. There is too much weight to that. We can't sell that to the people—people won't buy that." But what the bill does in fact propose to do is tell the Federal Power Commission that what it must put the stamp of approval upon will be what the producers of gas have already determined shall be the price.

Is this protection? Is this in the public interest? Far better would it be to say that there should be no regulation. Why not strip the bill of its sugar coating and expose the fact that it is a pretty "bitter pill" for the public to swallow? I deny to no man the right to think or say that there should be no regulation. A man has a right, if he so wishes, to maintain "Let the public pay what the traffic will bear." But I do not think that it is in the public interest to make it appear that regulatory protection is afforded the public when, in fact, little protection exists in the proposed legislation.

Proponents of this measure refer to the protection afforded the public as indirect controls. They hold the Congress impotent—I suppose they do, anyway—and unable to spell out what "just and reasonable" is, but maintain that they have been able to define clearly what is meant by "reasonable market price," to which is attached the phrase "among other things." We have been told that the Federal Power Commission would be unable to arrive at a determination as to what is just and reasonable, but would have no difficulty determining what was fair market price. This is a little bit hard to swallow, Mr. President. What reason have we to believe that the Federal Power Commission would find it wholly unworkable to arrive at what is just and reasonable, as we define it in legislation, but would find it a simple matter to determine what was "reasonable market price, among other things"?

I do not disagree with the conclusions of the proponents of the bill that the national policy on natural gas should be set by Congress, and should not be set by the Federal Power Commission. The ultimate responsibility rests with us. But much has been made of the expressed attitude of the Federal Power Commission toward this bill. One might be led to believe that the Federal Power Commission favors this bill in toto. So, Mr. President, I wish to set the record straight.

The nub of this matter, the meat of this discussion, the major point of controversy, is centered around the words in the bill "reasonable market price." Let us see what the Federal Power Commission did say on the subject of reasonable market price. Chairman Kuykendall, in a letter to the committee under date of May 6, 1955—to be found on page 1174 of the hearings—said:

> The phrase used in the bill for the Commission to consider in fixing the allowance of payments by interstate pipeline companies to producers is that the payments to producers shall not be in excess of the "market price," or the "reasonable market price."

Then the Commissioner—speaking for the Commission, let me say—said further:

> This seems to be less definite than the phrase "just and reasonable price," and the latter appears to be proper.

In that respect I agree with the Chairman of the Commission.

In the same letter he said further:

> The principles outlined above seem to be embodied in this bill, although some amendments may be necessary for clarification.

Mr. President, let me point out that that is entirely different from expressed approval in toto of this bill. The very point the Chairman of the Federal Power Commission makes is the point that I have been making and that my colleagues have been making, namely, that the phrase "reasonable market price" is, in fact, ambiguous; that it is less definite than the phrase "just and reasonable." Mr. President, I know you have heard the bugaboo that just and reasonable has only one interpretation—and that is a return of 6 or 6½ percent on invested capital, plus cost of service. Nothing could be further from the facts, and the Federal Power Commission's report previously referred to so proves. The Commission never has said that regulation of producers necessarily means a utility-type formula of regulation. To the contrary, its statements, its actions, and its decisions, all belie such a conclusion.

In a rate case—that of the Union Oil Company of California, and others—which came before the Commission in the latter part of 1955, counsel for the Public Service Commission for the State of New York made a motion, which is on the record in those proceedings, to dismiss the application for proposed increases in rates, solely on the ground that no evidence of cost had been submitted. The Federal Power Commission, in its proceeding, refused to dismiss the proceedings on this ground. I think this shows that the Federal Power Commission has not committed itself to the so-called utility-type regulation, but uses other standards, as well, in independent producer cases.

Mr. President, we are writing legislation here. Are we so devoid of the ability to express our wishes, if we are so inclined, as not to be able to spell out what we mean by just and reasonable? I am led to believe that the phrase "just and reasonable" is rejected because it can be defined. The Commission says that reasonable market price is not definite; and to make it still more indefinite, the bill carries with it the wording "that among other things"—whatever they are—shall be considered in the determination. There is nothing in this world to prevent this body from setting up standards for just and reasonable, except the will of this body to do so.

There is no reason for assuming that the Federal Power Commission would limit the price of gas to the rigid public-utility formula, which provides factors only on return on investment at 6 or 6½ percent, or any other percentage. In fact, to the contrary, there is every reason to believe that the Commission would not subject the price of natural gas to this formula, alone. Is it not paradoxical that the proponents of the bill lack confidence in the ability of the five members of the Federal Power Commission to set equitable standards for "just and reasonable," and appear to repose complete confidence and limitless faith in the same five gentlemen of the Commission when they are to determine "reasonable market price," and then, Mr. President, the proponents of the bill bind it all up with the beautiful red ribbon of "among other things."

The various escalator clauses, which might well turn out to be Santa Clauses, are not truly affected by this proposed

legislation. They would still operate under this bill, and they might well result in endless litigation if this measure becomes law.

There is no guaranty at all that the price set by a contract at the beginning of operations under that contract will bear any relation to the initial price after the contract has been in force for several years. The natural-gas business is an expanding one. A pipeline seeking sources of gas supply is not, and perhaps could not be, adamant as regards receiving the lowest price available in the field, since the price paid to the producer by the pipeline will be passed on to the distributing company, and ultimately to the consumer. The very nature of the overall operation precludes the buyer—and now I refer to the ultimate buyer, that is, the consumer—from meeting the seller at the bargaining table and at arm's length arriving at a suitable contract. He is not a party to the contract, nor could he be. But he cannot escape being the victim of a contract if the contract be not just and reasonable.

Mr. President, this proposed legislation does not deal effectively with the so-called escalator clauses, which could lead to abuses, and at best can only lead to extended litigation, due to the confusion in trying to fit "fair market price" into a bona fide existing contract.

The bill embodies no regulation on the producer. Its indirect impact is limited to saying to the pipeline, in effect, "If you pay on existing contracts—not new or renegotiated contracts—more than what we may determine is a 'reasonable market price,' you cannot hand it on to the consumer."

Oh, yes, the bill does provide that in the case cited, the pipeline shall be obligated to pay only such part as the Commission has found to be a reasonable market price. I leave it to the legal minds in this body to determine the amount of litigation that might ensue in a case in which a bona fide contract between buyer and seller extended back over the years and still had several years to run.

The question before us is not whether the public is gouged $10 billion, $1 billion, or $1. The question is whether they will, in fact, be defenseless against gouging; whether they will remain, in truth, unprotected, defenseless, helpless, captives at the end of a pipeline—the innocent victims, as it were, of a contract, or contracts, to which they were not a party and from which they have no escape unless they wish to abandon $14 billion worth of investments, which would have no resale value. In the purchase of natural gas a consumer is truly captive, and is not in a position to barter among several suppliers for his fuel. He either takes the service and gas offered to him by the distributing company or he does without. If he has coal-burner or oil-burner equipment he is protected by the competitive nature of both businesses.

One has only to look in the yellow pages of the telephone book to see the point I make vividly staring him in the face. I checked in the yellow book of the Washington telephone directory only the other day and found that there are approximately 100 retail coal dealers in the Washington area, and about 90 retailers of fuel oil. Contrast these figures with one natural gas distributing company and the point, I believe, becomes manifestly clear.

I should like to address myself, now, to the unwarranted and unreasonable claim that in passing the Fulbright bill we shall be defending and protecting free enterprise. I want to be fair, and I want to be temperate, but in truth, I cannot understand how the meaning of "free enterprise" can be so distorted as to justify the claim that this bill would operate under it or protect it. I defer to no man in faith, in trust, and in belief in free enterprise. I have stated before, and I shall state again, that for more than a quarter of a century I have operated under it; I have preached its virtues; and I may add, I have attempted to correct some of the abuses practiced in its name.

But what we are dealing with here is not free enterprise as we Americans know it. By no stretch of the imagination can it be called free enterprise. Let us strip off the cloak with which this measure has been clothed and expose it for what it is—anything but free enterprise.

What is free enterprise? American free enterprise must be free and it must be competitive, not only on the part of the seller, but also on the part of the buyer. The cornerstone of competitive capitalism is the freedom of choice to sell or to buy where one wishes, and to buy or sell at the most favorable prices in a competitive market. Free enterprise gives no guaranty to anyone of a profit. It provides the opportunity for profit, and that is all anyone has a right to expect in competition with others, either in buying or in selling. We associate the words "risk capital" with competitive capitalism, or free enterprise. Let us examine this question as it applies to the sale of natural gas.

In the contracts in this field, insofar as I have been able to learn, provision is made for no decrease in price—only an increase in price. The price will never be lowered; all the protection is on the side of the seller. Look at the escalator clauses in the contracts. Why talk of competition and free enterprise, and the free play of the forces of supply and demand in the market place, when, as a matter of fact, now in some gas-producing States the owner of gas reserves has no freedom of choice as to the price at which the gas will be sold. He is not permitted to sell it at a price lower than the price established by a State authority. Is this competition? Is this free enterprise? If it is, then it is a new concept and one which I believe the American people will refuse to accept.

Oh, I know that I shall be told that a State minimum price order was held by the Supreme Court of the United States to be invalid for interstate sales. But I call attention to the fact that these minimum prices, or floors, in intrastate sales are valid and will go far in determining the reasonable market price for interstate sales. Real competitive capitalism puts a floor under nobody. In free enterprise there must be present the right to exercise freedom of choice, freedom of selection, on the part of both the buyer and the seller. How can we call it free enterprise when 26 million consumers have no freedom of choice in the determination of where they will buy their gas and at what price, because no freedom of competition exists for that choice at the consumer level? I know of no way in which we can more quickly stifle free enterprise, restrict our system of competitive capitalism, and kill the goose that laid the golden egg, than by clothing an important segment of this industry with all the rights and privileges that are an inherent part of competitive capitalism, while freeing it from the balancing forces of true competition, which is likewise inherent in free enterprise.

I have been told by men whose length of service in this body exceeds mine by many years that never have they witnessed so much lobbying—and, I might add, not all one-sided. But the forgotten man for whom there has been no lobby is the little fellow in this picture—the household consumer. He does not own stock in the oil companies or in the utilities. There is no pressure group working for the family which has an investment in gas equipment that it cannot afford to lose. Its only lobby is the one guaranteed it by the Constitution, namely, the Congress of the United States. The consumers do not own stock in either oil or utility companies which can advise them to write to us here in Washington. Many of them are paying for their gas equipment on time. They, and their gas for cooking, heating, and household needs, will be at the mercy of the producers and gatherers of natural gas. The proposed legislation has not mounted party lines. This is a battle of uninformed inertia, in most cases, opposed to well organized, well-heeled organizations. The only factor that can tip the scales in the balance for the little fellow, who incidentally sent all of us down here to protect his interest, is our calm deliberation and, I trust, our defeat of this bill as it is presently written.

Mr. SCHOEPPEL. Mr. President, Mark Twain once said, "Tell the truth. It will surprise all and please some." What I am saying will not please every one here. But it is the truth; it is a fact.

In this nationwide war of words, the main point has been almost universally overlooked. That point is this—what does the average household consumer pay for his gas? And is he being robbed?

The fight against the pending bill, so far as the actual producer of natural gas is concerned, is a 2-cent tempest. I reiterate, I am talking about the price that the producer of natural gas gets from the average household consumer of natural gas in this country.

In 1954 the average household consumer of natural gas throughout the United States paid 2 cents a day for the gas he used in his home. I am not quibbling. This is no play on words. It is the literal and exact truth. But because it is not undersood, this tempest in a teapot has become almost a political hurricane.

I am speaking of gas, the commodity, the article in interstate commerce. I am

not talking about the expense of delivering this commodity. I am not talking about the profits which are added to the actual cost of the product by the pipeline, or by local distributing units. I am talking about the commodity itself. It costs the average household consumer in the United States the enormous sum of 2 cents a day. The natural gas that reaches the burner tip itself in the kitchen stove is exactly the same gas the producer delivers to the interstate pipeline company. It is the identical article, nothing has been changed. No value has been added to it by manufacture or processing since it left the producer's hands.

It makes no difference whether the kitchen stove is hooked up to the gas well itself, right on the premises, or to a distributing line in the streets of Washington, New York, Boston, Detroit, or Madison, Wis., a thousand miles away. It is the same gas that entered the far end of the pipeline.

It is this commodity the consumer buys. It is this commodity he pays for, and it costs him the staggering sum of 2 cents a day. Everything else the consumer pays for is the cost of moving this commodity from the point of production to the point of consumption. And these costs are regulated as fair and reasonable by either the Federal Power Commission or by a local or State utility commission.

It is only the commodity itself that concerns us here, and to that I am directing my remarks.

The commodity is gas, the price of which, until five judges of the Supreme Court spoke on June 7, 1954, had always been left to the free market forces of supply and demand at the point where it was produced and delivered to the pipeline for movement to the ultimate consumer.

Since natural gas was first used to light homes, in Fredonia, N. Y., in 1821, 134 years ago, the price of gas has always been determined by the operations of a free-market economy, subject only, in recent years, to State, not Federal, laws designed to prevent waste and conserve this great natural resource that is now supplying one-fourth of the total energy used in this country.

It is simply not correct to say that the consumer in Philadelphia, Chicago, or San Francisco pays so much per therm, or thousand cubic feet, or so many dollars a month for his gas. He does not pay these amounts for his gas. This common way of describing the transaction is simply a shorthand method of totaling three different items: First, the cost of gas; second, the cost of transportation; and, third, the cost of local delivery. Let us not lose sight of that fact.

The crux of the question before the Senate is this: How much does the consumer pay for his gas? And is he being robbed?

No one can understand this problem until he sees these three separate items with crystal clarity—the cost of gas, the expense of transportation, and the expense of local delivery. It is only the cost of the gas that concerns us, and in saying that I am speaking for the producers.

In this respect, the gas is no different from any other commodity that is paid for, at the point of delivery, with freight, or express, or c. o. d., or other charges added.

The price of steel at Pittsburgh is so much a ton. The price paid by a buyer in Portland, Maine, is a different amount, but it is the same steel that was loaded on cars at Pittsburgh. The difference represents the expense of transportation. If this were not so, railroads, trucks, ships, pipelines, and airplanes would operate without charging for their services. The buyer in Portland pays for the steel, and he also pays the freight. But steel and freight are two different things, furnished by different people. One is a commodity; the other is a service.

As a matter of convenience, the buyer in Portland may pay for these items added together in one bill and does so by writing one check. But this does not change the essential fact. The essential fact is that he pays for the steel, a commodity, and for the freight, a service.

So it is with natural gas. On the average, wherever it enters the home of an American citizen it costs the tremendous sum of 2 cents a day. And that, or, rather, a fraction of 2 cents, is all this hullaballoo is about. It is a 2-cent tempest.

I say fraction of 2 cents, because I do not suppose the most rabid opponents of the bill demand that the producer work for nothing, find the gas, drill for it with all the heavy risks this entails, process it for delivery to a pipeline, and receive nothing for his pains.

Remember, the 2 cents per day received by the producer for his gas is his gross receipts; his profit, if any, must be found only after all costs of drilling and exploration, including dry holes, and operating costs, which has been mounting, have been paid.

When the American people understand that this hassle that has divided the Nation is about nothing more than 2 cents a day, they are going to look with considerable disdain upon the self-appointed champions who have rushed into the political arena to scare them to death and save them from some fearful dragon.

The people are interested, and vitally so, in a certain, ample and continuing supply of gas, and not, in my opinion, in 2 cents a day, which the producer gets for the gas the consumers use. The consumers do not regard 2 cents a day as highway robbery. Hundreds of thousands of householders are now standing in line asking for gas at 2 cents a day. The synthetic dragons and political scarecrows that have been conjured up do not frighten them. They want gas. I am speaking for them.

The thing for Senators to be scared of is what these users and prospective users of gas will do to them if they do anything here that may diminish, or make less certain, an ample supply of natural gas to them. If Senators do that, they will need a political gas mask when they face their voters again. The people do not like to have any one play on their ignorance—treat them as though they cannot think this matter through.

They have had experience with OPA. They know that quantity or quality goes down where OPA goes up.

But we cannot blame some of the people who have been disturbed and confused by all this hue and cry. No one has explained the matter to them in words they can understand. The only important point at issue has been lost in an angry tempest of words—a 2 cent tempest—about technical points and legal language far from the kitchen stove.

I doubt if I have ever seen in Congress a bill which has been enveloped in so much exaggeration, misrepresentation, denunciation, political bias, and class feeling, as this. It is time to penetrate the fog and see what we are really talking about. It is 2 cents a day.

As an example of the demagoguery that has surrounded this question, I read this headline from the paper of one of our big labor organizations: "Childs Estimates Natural Gas Steal Would Cost $800 Million." I would urge the writer of that headline and the article which follows it to calm down long enough to get one fact straight, namely, that the total bill paid by residential consumers last year for their gas, and the cost of bringing it to their homes, was $1,420 million. Of this, 10 percent, or only $142 million, went to the producers of gas. Let that fact be realized.

The total gross income of the producers is just 18 percent of the 800,000,000 additional dollars by which the consumers are to be "gouged" according to this self-appointed champion. When we look at this political hambone, it is all bone and no ham.

The great statesman of the old South, John C. Calhoun, has gone down in history as an intellectual giant, a reputation well earned and justly deserved. But as we all know, he was, in physical stature, a small man, one might say a very small man. The exaggeration that has gotten into this natural gas matter reminds me of a story told of Mr. Calhoun.

He came to the Senate one bitter cold day, clad in a huge greatcoat, shawl, fur cap, scarf, mittens, wristlets, boots, and was covered with snow and sleet.

He gradually disentangled himself from all this gear, and when he emerged from it, one of his colleagues said, "Did you ever see so many shucks around such a small nubbin?"

Nothing is so deadly to a dogma as a fact. I knew a man once who always blustered forth with dogma until he came in contact with a fact. A friend said of him, "He comes in like a bass drum and goes out like a piccolo."

Mr. President, the essential facts in this bill have been lost in a corn field of shucks. As Richard Sheridan said of an opponent in the British House of Commons:

> The right honorable gentleman is indebted to his memory for his jests, and to his imagination for his facts.

This nationwide hassle, in which so many throats have grown hoarse, and so many tons of ink have been spilled, is

a 2-cent tempest even so far as the Supreme Court is concerned. When it decided the Phillips case a year and a half ago, natural gas had been engaged in its quiet job of bringing cheap, clean fuel into millions of homes. From these homes I have received few complaints, and they have been mostly on the inquiry side. The complaints have all come from those who are interested in votes, rather than in the price of gas.

As one man said to another at the funeral of a third, "What complaint did he die of?" The reply was, "There warn't no complaint. Everybody was satisfied." That is like some of the things which have been said about this bill.

While natural gas during the past year has kept itself confined in its pipelines, the political gas has leaked all over the country.

Before taking up other features of the bill, the Senate should get its feet on solid ground.

Therms and thousand cubic feet are Greek and Sanskrit to the average consumer of gas. They could not tell a therm from a whiffletree. I dare to venture the assertion, Mr. President, that few of us would risk our bank balance—small though it may be—on a correct definition of a therm. And who ever saw a thousand cubic feet of gas? Who ever held it in his hand, or cuddled it to his bosom? Where did it come from? How did it get here? What are the mighty problems of those who produce it and transport it to the burner tips beneath the pancakes? Who knows? And who cares? Very few.

So long as the gas keeps coming, so long as it is available every minute of every day, when the baby cries for his warm bottle at midnight, or a hot-water bottle is needed to ease the pain of someone who is sick, or when mouths water for pancakes on a frosty morning, or for southern fried chicken, may I say to the distinguished occupant of the Chair, when the chores are done and the shades of evening fall, who cares about therms? They are used in this argument as a sort of smoke screen.

What the good people want to know about their faithful friend, gas, is whether they are going to have an unfailing and instant supply at a cost reasonable both to them and to those who find the gas and bring it to their homes. Consumers are not at all interested in no gas at an OPA price. On that I would gamble my reputation.

The people, however, understand dollars and cents. So let us talk about this molehill in terms the folks back home can understand.

A 2-cent tempest or a molehill mountain. I offer our adversaries the choice of either weapon.

A few figures will bring the mountain down to molehill size and calm the 2-cent tempest. They call for no harsh intellectual labor beyond simple arithmetic which any high school student can put on the blackboard.

What does the average household consumer pay the producer for the gas he or she uses in a year, month, or day? That is the nubbin, and it is easily separated from the shucks.

The price the consumer pays his local utility company, as I have said, is the total of three items. One is the service rendered by the local distributing company, which is a legalized monopoly regulated by State or city utility commissions. The second is the service rendered by the long-distance pipelines, which are also legalized monopolies, regulated by the Federal Power Commission. The third is the gas itself.

As the first and second of these items are already regulated, by public authorities, only the price received by the producer is involved in this debate. Nothing else. Nothing at all. Nationwide, the producer gets almost exactly 10 percent of the total paid by the consumer. That is generally conceded by all writers who know anything about what the producer receives. The other 90 percent of the so-called gas bill represents the cost of transportation and local distribution.

In other words, 90 percent of the consumer's bill is freight and only 10 percent is for the commodity itself. These fractions will vary a little, up or down, in different states, due to distance from the gas fields, load factors, and other economic forces. But for the moment, I am giving nationwide averages.

The total amount paid by the household consumer varies also, of course, from house to house, city to city, and State to State, depending on the amount of gas the consumer uses and for what purposes; second, on the total volume handled by the local utility and the pipeline company and other operating costs, such as taxes, wages, machinery, supplies, and so forth.

Here, again, I am giving the nationwide average cost per year to all household consumers, based on the average amount of gas used, and the price per cubic foot.

The average household consumer in the year 1954 paid almost exactly $72 for his year's supply of gas and the cost of delivering it to his home. As this "average consumer" includes all those who heat their homes with gas and thus use a large quantity, the yearly cost to the millions of consumers who use gas only for cooking or water heating is very much less than $72. In fact, millions of people pay no more than $2, $3, or $4 a month, or $24, $36, or $48 a year for the gas and the transportation and delivery service.

But I rest my case on the nationwide total cost of $72 a year and the nationwide average of 10 percent of that sum which the producer receives.

Of this $72 total annual cost to the household consumer, approximately 10 percent goes to the producer, which is $7.20 a year or 60 cents a month or 2 cents a day.

That is the nationwide average figure. Anyone who is interested in State-by-State figures will find the data in the Federal Power Commission.

I will take time to name a few cities, as I know Senators will be very much interested in them. The cost of the gas—the commodity—to the average household consumer in Baltimore, Md., is $5.45 a year, or 1.5 cents a day.

Chicago, Ill., $5.63 a year, or about 1.6 cents a day.

Cleveland, Ohio, where the average amount consumed in a year per customer is unusually high, $20 a year, or 5.5 cents a day.

Detroit, Mich., $8.30 a year, or 2.3 cents a day.

Milwaukee, Wis., $5.17 a year, or 1.4 cents a day.

Minneapolis, Minn., $14.65 a year, or 4.1 cents a day.

New York, where the average yearly annual amount consumed per customer is unusually low, $1.20 a year, or three-tenths of a cent a day.

St. Louis, Mo., $7.08 a year, or 1.9 cents a day.

Washington, D. C., $9.43 a year, or 2.6 cents a day. This is in the Capital of the Nation.

These yearly and daily costs for these nine cities are computed from published data. They are obtained by multiplying the average consumption per year per household customer in thousands of cubic feet, by the price received per thousand cubic feet by the producers who supplied the interstate pipeline that serviced each particular city.

In 5 of the 9 cities the price is less than 2 cents a day. The high price was 5.5 cents a day; the low price was three-tenths of a cent a day.

The nationwide cost of gas, as I have said, is about $7.20 a year, 60 cents a month, 2 cents a day. The rest of the amount the consumer pays is represented by transportation and local delivery costs, which cannot be charged to the producers. The individual in the field, the one who produces the gas, gets, generally speaking, on the average of 10 percent. Senators who are interested in pointing their fingers at the producers should consider the distribution and transportation costs. Then they could call out and name the villain.

These figures show why this is a 2-cent tempest, or molehill mountain.

That is what it is. Nothing else can be made out of it.

If the Federal Power Commission were to force a reduction of 10 percent of the price of the gas that goes into household consumption, it could possibly, for a short time, save the average consumer 72 cents a year, or 6 cents a month.

I am talking about the so-called villain who is producing the gas, but who gets only, as a basic average, 2 cents a day from the consumer's dollar.

If the price were forced down by 20 percent, it could save the average consumer, for a short time possibly $1.40 a year, or about a dime a month.

But suppose the Federal Power Commission did this, with your votes, what then? A reduction to some fraction of 2 cents a day is an insignificant item to the consumer, but it is a big item to the producer, because that is all he gets. That is his entire gross income. That is his living.

Force him to accept something less than a free market price for his gas, and will he be as willing to gamble his grub stake on the next dry hole? Would his banker? Would you, Mr. President? And then what happens to supply?

I submit that the household consumer is more interested in an unfailing supply of natural gas than he is in some fraction of 2 cents a day. And what about the homes not now supplied with gas, but which are clamoring for it? What

about the tens of thousands—yes, as some Senators have indicated, the hundreds of thousands—who are seeking to have some kind of gas service connection, who are clamoring to receive natural gas?

Are we going to erect some OPA barrier to their getting it?

I am confident that if we would tell the consumers and voters of our States that this hue and cry is about 2 cents a day, the voters would tell us to vote to continue free market prices for gas in the producing fields so that they would be assured of an ample and continuing supply.

I recognize that there are basic differences in the concepts of the purchasing of gas. But it will be the continuing supply which will be the reassuring factor to many of the hundreds of thousands of potential users of natural gas.

Their memories are not short. They know how goods disappeared off the shelves, or the quality went sour, when OPA was in force, however justified OPA may have been when the Nation was at war.

What is 2 cents a day? It is the price of 2 cigarettes. It is one-third the tax on a pack of cigarettes. Gas consumers smoke cigarettes. Will Senators who are opposed to the bill vote to reduce the price or tax on cigarettes to ease the burden of gas consumers who smoke?

Gas consumers buy daily newspapers for 5 cents each. The sum paid for one newspaper pays for gas for two and a half days. Will my learned friends on the other side of the question now campaign to reduce the price of the daily newspaper?

Who is next on the list of reproach and attack?

The gas producer receives from the average consumer for the gas used to cook three meals a day for a whole family and to heat their water, less than the cost of one egg, soft boiled or hard. What would Senators go without? One egg, or nothing to cook anything with?

One quart of milk in many cities costs as much as the gas used in the average home for from 10 to 12 days. Gas consumers use both eggs and milk. Will my opposing friends who are so anxious to protect the gas consumers' pocketbooks now do battle to cut down the price of milk and eggs?

What about the price of haircuts, hairdo's, and, in the summertime, a bleacher seat at the ball park?

Will my friends on the other side have done their full duty to the people if they disregard these items?

Wages are a big item in the cost of utility service which are incorporated in the bill sent to the consumer each month. I recall that during the hearings, representatives who appeared in the interest of the gas-distributing companies would say, time after time, that their labor and material costs had gone up.

Will the city hall champions of the gas consumer campaign to reduce the wages paid by utilities so that the gas consumers' bill may be reduced? Oh, no, they will not touch wages; I guarantee that. But why, then, are they so hot and bothered about 2 cents a day?

The utilities buy many things beside gas which go into their rate base upon which the price of their service is fixed by legal authority. They buy pipe, pumps, heavy machinery, typewriters, billing machines, motorcars, and a thousand other items.

Do we hear of any proposed crusade to regulate the prices the utility companies pay for all the other things they buy and use besides gas? If not, why not? What is there about 2 cents a day that especially excites their zeal against the producers?

I say to the manufacturers of all these commodities, which are produced, like gas, in a free market, that my zealous friends on the other side of this question may have them next on their prescribed list.

I say the same to those who mine coal, iron, copper, lead, zinc, and the lumbermen in the forests—all of whom produce commodities which utility companies buy and charge to the consumer, just as they do gas.

I also call the attention of the manufacturers of household appliances that use gas—the kitchen stove, water heaters, home incinerators, fireplace gas logs, and gas furnaces for home heating—to what is going on here in the Senate today.

Tell me, Mr. Manufacturer and Mr. Merchant, and the men who work for you, why the Federal Government should fix the 2 cents price of gas as it comes from the well, and not fix the greater price of the appliance in which the gas is burned? What is the cost of a gas range in the average kitchen? I know I am speaking in the presence of persons who use gas. Shall I say the cost is $180? That would pay for the gas used in the range for 9,000 days or more, or 20 years. Do you think, Mr. President, these city hall enthusiasts will call it a day when they regulate downward the 2 cents price of the gas which the consumer gets, and leave the $180 investment in the range alone?

Is natural gas to be the only commodity, competitively produced, that is to be subject to Federal price controls in time of peace? Is anyone so naive as to think the holy zeal that warms the gallant bosoms of some of the opponents of the pending bill will cease to burn when they fasten a public-utility status, or a Federal OPA price ceiling, on gas and on the gas producer?

Who is next on their list? Businessmen and every American who believes in a free-market economy should pay heed to the debate on the bill. Who will be the next victim of those who think 2 cents a day is highway robbery?

Mr. President, there is only one question for us to decide. All other questions are collateral to it. That question is: Are the users of gas being robbed? Are they the victims of extortion, duress, or overreaching on the part of the producers of the commodity called gas? Tell them their gas costs 2 cents a day, and ask them to answer.

Have the operations of a free-competitive market in the gas fields of America served them well or ill? Consider these facts: When the Natural Gas Act of 1938 was passed there were 6,700,000 home users of gas, consuming a total of 1,242 million cubic feet of gas a year. In 1954—the last full year for which we have the total figures—there were 25,327,000 home users, consuming a total of 1.9 trillion cubic feet a year.

Meantime, during these 16 years, the average field price rose far less than did wages, or food, or the cost of living made up of scores or hundreds of items which people buy and use. The field price of gas during these 16 years actually rose a little less than the dollar decreased in value, due to inflation.

If household consumers today bought their gas with 1938 dollars, it would cost them less than it did then, despite all the increase in wages, taxes, and the cost of materials since then.

How did this all come about? Mr. President, it is my considered judgment that it came about only by the free choice of millions of consumers. How else does one determine whether an exchange of money for a commodity is robbery, or a free exchange?

Generally, when the price of anything gets too high, in the judgment of the buyer, demand falls off. But in the case of gas, demand is rising constantly, not only with the increase of population, but consumption per capita is increasing, and it is going to take much development and a great deal of production to meet the demand.

Are there any better judges of whether the price of gas is reasonable than the people who use it? Or are we to accept the views of those who see and envision all-out control of natural resources, and all the rest who hate our free competitive enterprise system? I do not want to give them a driving wedge.

Why has natural gas taken the place of manufactured gas, except for the reason that it is a better bargain? And yet, natural gas for kitchen or household heating always faces the present or potential competition of manufactured gas, of electricity—count the number of kitchens that have electric ranges—of bottled gas, fuel oil, kerosene, and coal.

Are not the people themselves reliable judges of comparative values? Compare the cost of a cigarette, an egg, a newspaper, a quart of milk, the wages paid a plumber, or any other article or service, with a day's consumption of gas at 2 cents a day, and ask yourselves who, if any one, is being robbed.

We have heard much of escalation clauses, favored nation clauses, and other details in contracts with pipeline companies. Many of these are being corrected or modified in the pending bill. I know there are some honest differences of opinion on that question. I do not share in this regard the ill-founded views of some of my friends who are opposing the bill, for I think the bill, with the amendments will go a long way to justify completely the statement that there is contained in the bill an element of indirect control—and, yes, direct control—which will protect the consumers of the country. If the consumer needs protection by legislative action, he would be better protected if the pending bill should pass than he would be otherwise. But I emphasize that with all these clauses in full operation, the question

still boils down to 2 cents a day to the producer of gas, and that is all it will cost the consumer, so far as the producer is concerned.

Mr. President, I submit from the record that a free market in the gas fields, which we have had for 100 years, has served the people well. I submit that there is no evidence that the homeowners of America have been robbed by the producers or will be robbed.

I join with the most experienced and authoritative legal agency we have to judge the merits of this problem, the Federal Power Commission when it says that the passage of this bill "will in the long run result in the greatest good to the largest number of people in this country."

Mr. President, because of the element of time, rather than go into a further discussion of four phases of the pending bill which have been under discussion, I ask unanimous consent that my statement with reference to "just and reasonable price" versus "reasonable market price," and justification for the use of the term, "reasonable market price," and the meaning of "reasonable market price," escalation and the extent of Federal Power Commission regulations, and the reasons for distinguishing between old and new contracts in regulatory provisions of the Harris-Fulbright bill, be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCHOEPPEL

Now let me turn to four phases of this present bill that has been under discussion:

1. Let me refer to "just and reasonable price" versus "reasonable market price."

The proposal to amend the Harris-Fulbright bills to specify "just and reasonable" instead of "reasonable market" price is a trap for the unwary. Some of its advocates are innocent victims of the design of the opponents of this legislation to wreck it.

To the uninitiated, it may seem incredible that any one could object to prices that are "just and reasonable"—any more than one could fail to be against sin. But the fact is that these words have historically been used to prescribe rates for public utilities and they have an accepted meaning of cost plus a reasonable return on investment, usually 6 percent per annum.

Although at the time of the hearings, the Federal Power Commission had construed the term "just and reasonable rate" to authorize a wide latitude in fixing the rates of gas produced by a pipeline company, and had allowed Panhandle Eastern the weighted average price which it paid independent producers for gas in the field, that decision was reversed by the Court of Appeals on December 15, 1955.[1]

The court held that the term "just and reasonable rate" required the Commission to fix rates on the basis of cost: That possibly the Commission might allow such an additional amount as was needed "and is no more than is needed" to encourage exploration and development, but that such additional amount must be supported by evidence and findings of the Commission. Even then, the court made clear that it might decide, when presented with such evidence and findings, that the additional sum could not be allowed under the "just and reasonable" standard.[2]

This means, then, that if the term "just and reasonable" is substituted for "reasonable market" price, the Commission will be dutybound to fix the prices of pipeline companies and independent producers upon a cost basis. The thought expressed by the Chairman of the Federal Power Commission[3] that the use of the word "price" instead of "rate," as presently specified in the act, might permit a broader range of factors to be considered in fixing prices is untenable.

The words "price" and "rate" are synonymous terms.[4]

Whatever sum the Commission might allow independent producers in addition to the cost rate, it is clear that the Commission must first find upon evidence what each producer's cost is. The cost rate is at least "a point of departure."[5]

The Commission reported to the Senate committee that independent producers should not be regulated on a cost basis and that it is impractical to regulate them on that basis.[6] It has also said that the cost method of fixing prices of gas produced by pipeline companies is not in the public interest.[7]

It will be an administrative impossibility to ascertain the costs of eight thousand-odd gas producers within the next decade, and cost can never be determined except upon arbitrary allocations between gas, oil, distillate, and gas liquids. The cost of administration will far exceed any possible benefits—to say nothing of the additional millions of dollars that producers will have to pay to attorneys, accountants, and others to comply with the statute.

The suggestion that the term "just and reasonable" be defined to include a number of factors to consider in addition to cost does not help.[8]

As long as cost is one of those factors, cost will have to be ascertained for each producer. The administrative burdens would not be lessened. And there is no use to consider cost unless it is to have some effect.

To give it effect means that producer A will be allowed a different price than his neighbor or even a joint owner of the same well, because their costs differ. This would be one of the delirious results of price fixing on a cost basis which Justice Jackson discussed at length in his dissenting opinion in *Federal Power Commission* v. *Hope Natural Gas Co.* (320 U. S. at 628), and in his concurring opinion in *Colorado Interstate Gas Co.* v. *Federal Power Commission* (324 U. S. 581, 608).

The administrative process is certain to bog down and inevitably gas production will bog down too. The redtape, the great delays in the decisions of the Commission, the huge cost of complying with the regulations will cause many producers to throw in the towel and direct their efforts to less confused and less restrained businesses.

Not only so, but such gas as is hereafter committed to interstate markets will be the highest cost gas of each producer. Intrastate markets already consume 53 percent of the marketed production and doubtless additional markets will be developed in the producing States in view of the heavy penalty placed upon interstate sales.

So it cannot be doubted that producers will have a choice between interstate and intrastate markets for at least half of their production.

Can it be doubted that in selecting the gas to go interstate producers will select their highest cost gas and sell their low-cost gas for consumption within the State? Can it be doubted that this will result in higher prices for interstate consumers instead of lower prices?

2. Reasonable market price and justification for the use of the term, and the meaning of "reasonable market price."

EFFECT OF NO DEFINITION IN THE HARRIS-FULBRIGHT BILLS

In the absence of a definition, words in a statute will be given the meaning ordinarily attributed to them.[9]

The word "reasonable" and the words "market price" have established meanings. Since it is intended that these words have their usual and ordinary meaning there is no need to define them.

It is significant that the words "just and reasonable rate" are not defined in the Natural Gas Act.

JUSTIFICATION FOR USE OF TERM

There are only two accepted standards for determining prices: (1) The utility standard of cost plus a reasonable return on investment, and (2) value.

We have already seen that the cost method is not suitable for regulating independent producers.

There is a rather full discussion of the matter by Mr. Justice Jackson in his dissenting opinion in *Federal Power Commission* v. *Hope Natural Gas Co.* (320 U. S. at p. 628), and in his concurring opinion in *Colorado Interstate Gas Co.* v. *Federal Power Commission* (324 U. S. 581, 603).

Since we are dealing with a commodity and not a service, and since the commodity is produced and sold competitively, value seems to be the only acceptable criteria. But why reasonable market price?

Because market price or market value (synonymous terms) are the universally applied standards for determining value of

---

[1] *City of Detroit* v. *Federal Power Commission* (No. 12351) United States Court of Appeals for the District of Columbia Circuit.

[2] In speaking of the increase above the rate arrived at on the basis of cost plus a reasonable rate of return in order to encourage exploration and development, the court said: "Furthermore, it is seen that when we refer to an 'increase' we mean an increase in the rates above those which would result from use of the conventional rate-base method. For, though we hold that method not to be the only one available under the statute, it is essential in such a case as this that it be used as a basis of comparison. It has been repeatedly used by the Commission, and repeatedly approved by the courts as a means of arriving at lawful—'just and reasonable'—rates under the act. Unless it is continued to be used at least as a point of departure, the whole experience under the act is discarded and no anchor, as it were, is available by which to hold the terms 'just and reasonable' to some recognizable meaning."

[3] Hearings on H. R. 4560, before the House Interstate and Foreign Commerce Committee, 84th Cong.

[4] Webster's New International Dictionary. *Raun* v. *Reynolds* (11 Cal. 14, 19), stating: "'Rate' is defined by Webster to be the price or amount stated or fixed for another." *Gould* v. *City of Lawrence* (*Mass.*) (35 N. E. 462). *Lenawee County Gas & Electric Co.* v. *City of Adrian* (*Mich.*) (176 N. W. 590, 592); *City of Detroit* v. *Public Utilities Commission* (*Mich.*) (286 N. W. 368). Moreover, the Chairman was speaking in the light of his understanding that the Commission already had wide latitude under "just and reasonable rate," which turned out to be an erroneous idea with the reversal by the court of appeals of the Commission's decision in the Panhandle Eastern case.

[5] See footnote 2.

[6] Senate hearings, pp. 1206, 1207.

[7] Id., pp. 1171, 1184.

[8] CONGRESSIONAL RECORD, 84th Cong., 2d sess., January 18, 1956.

[9] *DeGanay* v. *Lederer* (250 U. S. 376); *Potson* v. *City of Chicago* (304 Ill. 222, 136 N. E. 594).

commodities or articles of commerce. As was said by the Supreme Court in *Standard Oil Co. of N. J. v. S. Pac. Co.* (268 U. S. 146), "It is the market price which the Court looks to and nothing else, as the value of property. It is an old saying, 'The worth of a thing is the price it will bring'."

But why the word "reasonable"? This is the result of complaints against rising gas prices, seller's market, etc. It is an effort to give assurance that prices will not get out of line.

However, the purpose of the bills in prescribing reasonable market price as the standard for regulation transcends any lack of precedent for contrary treatment. It is in line with one of the main purposes behind the proposal to exempt independent producers and gatherers from utility regulation, namely, to encourage additional discoveries and interstate sales of natural gas.

These bills would exempt the independents from regulation as natural gas companies but they retain Federal Power Commission control over prices resulting from most escalation clauses in existing contracts and they retain control over prices paid by the pipelines under new and renegotiated contracts.

These controls, to a limited extent, tend to discourage the production and sale of gas in interstate commerce. But it is thought that as long as the standard is reasonable market price these controls can be justified as being in the public interest.

If, however, the standard should be the rate base method it is believed the controls would be contrary to the public interest because they would tend substantially to reduce the supply of gas moving in interstate commerce and would result in only the highest cost gas being committed to interstate markets.

The same thought is behind the provision for allowing the pipeline companies the reasonable market price of gas produced by them or purchased from an affiliate, that is, to encourage additional production, transportation and sale of natural gas in interstate commerce.

Until the Federal Power Commission decided the Panhandle Eastern case in 1954 (3 P. U. R. 3d 396), it had applied the conventional rate base method of fixing the price of gas produced by the pipelines or purchased from affiliates. In that case, however, the Commission concluded that the rate base method as historically applied to gas production was contrary to the public interest and should be abandoned.

The Commission pointed out that the rate-base method of regulation had resulted in discouraging and retarding the production of natural gas by the pipeline companies. The Commission therefore fixed Panhandle Eastern's rates upon a weighted average price formula.

The court of appeals recently held that the Commission exceeded its authority in departing from the rate-base method. These bills will authorize the Commission to fix pipeline companies' rates for gas produced by them on a basis which will encourage them to expand their gas-producing operations.

Since there is a demand for more and more gas it seems advisable to encourage discovery and development by everybody—by pipelines—as well as by independent producers.

It has already been shown in the Senate debates that in the Renegotiation Act of 1943 Congress provided that the market price rather than cost should be allowed integrated companies in extractive industries for raw materials used in the manufacture of the finished product.[10]

For example, a manufacturer of steel products must be allowed the market price of pig iron which the manufacturer produces and includes in the finished product.

3. Escalation: Extent of FPC regulations.

IN NEW OR RENEGOTIATED CONTRACTS

The control of the Federal Power Commission over prices in new or renegotiated contracts is upon the purchaser—the pipeline company. The control goes farther than escalation. It covers the original price as well. The control is exerted indirectly by providing that the prices paid under such contracts shall not be allowed to be the basis for increased rates by the pipeline company to the extent that they exceed the reasonable market price (sec. 2 (b)).

Provision is made for the Commission to determine in advance whether the price to be paid under any new or renegotiated contract is the reasonable market price of the gas (sec. 2 (c)).

As a practical matter, pipeline companies will not enter into binding contracts to purchase significant quantities of gas or renegotiate existing contracts covering significant quantities without obtaining the Commission's approval of the prices to be paid.

If they proceed without FPC approval, only the stockholders of the pipeline company can get hurt—certainly not the consumers.

The power of the Commission to determine the reasonableness of prices includes the power to reject any price provisions which are deemed contrary to the public interest. The Commission could reject any contract containing "favored nations," "commodity index," "spiral," or other types of escalation provisions and refuse to approve the proposed prices as long as such provisions remain in the contract. In fact, the Commission will have a wide latitude in respect to any contractual provision having a bearing upon prices to be paid.

By leaving the pipeline companies free to make binding contracts for the purchase of new supplies of gas and placing brakes upon the amount they can pass on to their customers, the bills provide the necessary flexibility for proper operations of the pipelines without affecting the consumers.

In many instances, the pipelines may be able to make or save money by paying prices above the reasonable market price in order to obtain additional supplies. Bear in mind that it costs little or no more to operate pipelines at capacity than at half capacity or less.

Conceivably a pipeline could double its producer price and, at the same time, reduce its unit costs substantially if by so doing it could double the volume handled through the same facilities.

There may be emergencies wherein a pipeline would be doing a humanitarian act to buy small quantities of gas in order to provide heat during extreme cold weather. And it might be willing to absorb any loss in so doing. It would be a queer provision in a statute that would make such an act a crime or even illegal.

IN EXISTING CONTRACTS

The control of the Federal Power Commission over producer prices in existing contracts is limited to escalation clauses, but the control extends to the producers as well as to the pipelines. The producers are prohibited from receiving and the pipelines are prohibited from paying more than the reasonable market price of gas under all provisions for indefinite increases, except one.

The exception is in respect to increases to reimburse the seller in whole or in part for increased taxes on the production or sale of the gas. These restrictions apply only when they are made the basis for increased pipeline rates—section 2 (d), (e). There is also excepted from FPC control increases under provisions for specific amounts at definite dates in the future—section 2 (d).

Under these provisions, when an application for rate increase filed by a pipeline company is based in whole or in part upon an increase under any escalation clause in an existing contract, except the two exempted, the Commission must determine whether the increased prices are within the reasonable market price.

If it decides that the whole or any part of the increase takes the price above the reasonable market price, the pipeline company is prohibited from paying and the producer is prohibited from receiving the sum in excess of the reasonable market price and the producer is prohibited from terminating his contract because of the enactment of these control provisions over his prices (sec. 2 (d), (e)).

There is no merit to the contention that reasonable market price is no regulation at all because reasonable market price is whatever the gas sells for.

For example: Pipeline A contracts with producer B to buy his gas at 10 cents per thousand cubic feet and to increase B's price whenever and to the extent that any other pipeline company pays a higher price in the same field.

Pipeline C buys a small quantity of gas at 25 cents per thousand cubic feet. However, neither C nor any other person will buy any more gas at that price. Lots of gas is offered but none is taken at that price. That means that 25 cents is not the market price, either reasonable or unreasonable, because supply and demand are not in balance at that price, and under this legislation B's price would not increase to 25 cents despite the plain terms of the contract.

4. Reasons for distinguishing between old and new contracts in regulatory provisions of Harris-Fulbright bills.

In the course of the debate on the Harris-Fulbright bills, it was stated by Senator PASTORE (CONGRESSIONAL RECORD, Jan. 17, 1956, pp. 675–676), that the bills provide that as to future contracts the pipeline companies can pay more than the reasonable market price, yet charge it off on a rate base up to the reasonable market price, and that in existing contracts it is provided that pipelines shall not be obligated to pay more than the reasonable market price. The Senator suggests that is a gimmick designed "to activate a market which is already artificial," and inquires if this is not so, "why not make it obligatory in existing (sic) contracts?"

The Senator goes on to suggest that under this bill the pipelines will create an artificially high market for gas and thus enhance the revenues to be obtained for their own production.

Far from these differences between old and new contracts being a gimmick there are sound reasons for them.

Under existing contracts, the pipeline companies do not have to bargain with the producers. Congress is in position to say that the pipelines shall not pay and the producers shall not receive what the contracts call for. At the same time, Congress is in position to assure against the loss of the gas committed by the contracts to interstate commerce.

In respect to new contracts, however, the producers have something to say about the terms upon which they will deliver gas to a pipeline company. The committees recognized the necessity for giving the pipelines a free hand in contracting for additional supplies of gas. Still, it was desired to protect consumers against increased gas rates due to excessive prices paid by pipelines for new gas supplies.

By making it clear that producers will get what their contracts call for, producers will readily enter into new contracts for the sale of gas. If the same rule were provided that is provided in respect to certain escalation clauses in existing contracts, producers would not know whether they would get the contract price, and therefore would be almost

[10] CONGRESSIONAL RECORD, January, 1956.

as reluctant to make such contracts as they are under present regulations.

Moreover, the public is just as well protected pricewise under the bills as written. Whatever a pipeline chooses to pay to get the gas, not more than the reasonable market price can be passed on to consumers.

Opponents of this legislation are unduly solicitous for the welfare of the pipelines under this provision of the bill. Section 2 (c) sets up a procedure for determining in advance whether the price proposed to be paid is within the reasonable market price.

If it be assumed that pipelines are run by men so incompetent as not to take advantage of the protection provided by the bills, then perhaps the pipeline should suffer the consequences. The consumer will not be hurt. The pipeline will continue to operate, if not by present management or owners, then by succeeding managements or owners, or even by a receiver if necessary to keep it operating.

But such speculation is sheer nonsense. Pipelines' managements are not stupid. They are highly capable businessmen. They will not risk their financial integrity when the means of protecting themselves are so plainly provided and are so easy to comply with.

They are not complaining. Why should others?

The suggestion that pipelines would pay high prices to producers in order to bolster the "reasonable market price" of the gas which they produce is also without basis.

The gas which the pipeline companies produce is such a small proportion of the gas which they transport and sell that the effect of paying prices which are later determined by the Federal Power Commission to be above the reasonable market price would be to sustain substantial losses. Could pipelines be expected to pay 1 cent in excess of what they need to pay on 90 percent of their volume (or 9 cents) for the possibility of being able to get 1 cent more for the other 10 percent of their volume? The odds would be 9 to 1 against them.

Mr. SCHOEPPEL. Mr. President, I now yield the floor.

The PRESIDING OFFICER. Does the Senator from Kansas yield the floor?

Mr. SCHOEPPEL. Yes.

CAMPAIGN TO PROMOTE POPULARITY OF SECRETARY BENSON AMONG FARMERS

Mr. KEFAUVER. Mr. President, yesterday the Chicago Stockyards was the scene of a childish, shameful political huckstering episode that must leave earnest, sincere members of the Republican Party—and there are many of them—red faced and angry.

Ezra Taft Benson, flew out to Chicago and visited the yards. By coincidence, there happened to be 25 or 30 newsreel and TV cameramen there, probably out strolling through the hog pens to get a breath of fresh, pure air.

Also by apparent coincidence—we are asked to believe—a buyer chanced along and Ezra sold him 1 pen of hogs for $15 per 100 pounds and a truckload, minus 1 small pig, for $15.25.

Mr. Benson then spoke into a small forest of microphones for the newsreel cameramen and, as the Associated Press reported, "Mr. Benson left, a happy man."

He had just straightened out the hog situation.

I offer the Associated Press story on the event for the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of January 31, 1956]

BENSON IS SMILING AGAIN—HE GETS TOP PRICE FOR HOGS

CHICAGO.—Hogs brought a top price of $15.25 a hundred pounds at the stockyards today—thanks largely to the persuasive powers of Secretary of Agriculture Benson.

Mr. Benson, during an inspection trip, chatted with farmers and buyers. He learned yesterday's top price paid for hogs was $15.25.

Learning that today's top so far was only $15, he said he didn't want to leave before yesterday's top was reached.

Charles Tormoehlen, a buyer, chanced along, and Mr. Benson pointed to a pen of hogs and opined they were worth $15.25 a hundredweight.

Mr. Tormoehlen said $15 was about right.

A truckload of hogs came by. Mr. Tormoehlen said he liked that load.

Finally a small hog was removed from the load on the truck, and Mr. Tormoehlen bought the remaining 15 for $15.25 a hundred pounds.

Mr. Benson left, a happy man.

Mr. KEFAUVER. Last night on television a breathless world watched the great Secretary of Agriculture's performance and was duly impressed, but, I dare say, not all listeners were as impressed as Leonard Hall's hired hucksters had hoped they would be impressed.

It is still fresh in the minds of hundreds of thousands of our citizens that Mr. Benson's performances are under the direction of Braun & Co., the Safeway stores publicity house. Their employment by the Republican national chairman was first revealed by the Wall Street Journal of December 15, 1955, in an article headed "Benson Build-up: Administration Readies a Campaign To 'Sell' the Farm Secretary."

I offer the Wall Street Journal article for the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENSON BUILDUP: ADMINISTRATION READIES A CAMPAIGN TO "SELL" THE FARM SECRETARY—MERCHANDISING PLANS: CHATS WITH CONGRESSMEN, SOME COMPROMISES ON ISSUES—A STRONG PARTISAN EMERGING?

(By Lester Tanzer)

WASHINGTON.—The Eisenhower administration has decided to praise Agriculture Secretary Benson, not to bury him.

That's the key to the latest GOP strategy on the sizzling farm issue. Top administration officials believe Mr. Benson's unpopularity with many farmers results largely from strained relations with GOP legislators who won't speak out on his behalf. So a concerted effort, launched with White House blessing, will be made to "sell" the controversial farm boss to Republican lawmakers and party workers across the country.

The sales campaign has broad significance. It indicates that besides President Eisenhower, top GOP politicians such as National Chairman Leonard Hall are sticking by Mr. Benson and the spirit of his program. If the drive reduces personal opposition to the farm chief within his party, officials argue, support for his policies may grow accordingly. And the effort suggests the administration may show more willingness to compromise at least on lesser farm issues, than in the past.

PRIVATE GET-TOGETHERS

Right now, plans are quietly being laid for private, informal, get-togethers between the farm chief and GOP Congressmen next month. Mr. Benson will meet with small groups—perhaps 20 or so—roughly every third day over breakfast or lunch until he's spoken face to face with all the Republicans on Capitol Hill, according to present plans.

At these sessions, Mr. Benson will talk about his farm program, answer questions and entertain suggestions for improvements. "But mostly," says one administration political expert, "he'll get to know the boys better, and vice versa." The farm secretary may afterwards meet many Democratic lawmakers under similar conditions.

Moreover, the farm chief will also be far more accessible than in the past to legislators who want a private chat in his office. His door will be kept open to lawmakers who want to air their gripes or other views. "Congressmen may not always get what they want from him," one Benson aide puts it, "but at least they'll go away mollified."

"CANNED" INTERVIEWS, "CLIP SHEETS"

Hand in hand with the get-acquainted sessions will go a stepped-up barrage of political propaganda designed to convince the folks back home Benson's farm programs have widespread party support. Example: "Canned" interviews for local radio and television stations showing Mr. Benson answering questions put him by individual lawmakers are now under consideration by the Republican National Committee. The committee will also make wider use of farm "clip sheets," single-page compilations of articles and editorials sent out mostly to weekly newspapers in rural regions.

Rollis S. Nelson, who recently moved from the Agricuture Department to head the Republican committee's farm division, is trouble shooting in rural areas where discontent is reported high. He's just returned from a trip to Minnesota where he helped set up farm groups to counter anti-GOP feeling. The committee recently hired Braun & Co., Los Angeles public relations firm, to advise it on farm matters. Jennings Phillips, former Salt Lake City newspaperman, heads Braun's Washington setup.

Mr. Benson, some administration officials arranging the drive argue, just hasn't mended his political fences up till now. "Most Republicans, and lots of Democrats, too," claims one of these officials, "think Benson is sincerely working hard in the interests of the farmer. But they also think he's aloof and doesn't care much about their opinions."

This sentiment is echoed by a disgruntled GOP lawmaker: "Benson doesn't appreciate how the mind of an elected official works, how he's got responsibilities to his constituents back home. He's got to be more partisan, convince farmers he's working for them night and day."

BEHIND THE CAMPAIGN

The "sell Benson" drive stems, of course, from the politically explosive plight of farmers. In recent months Democrats have jumped on falling farm prices as their number one issue for the forthcoming presidential campaign, focusing their attack on Mr. Benson and avoiding direct charges against President Eisenhower.

Many Republican lawmakers, egged on by findings of this fall's Senate grassroots hearings that unearthed widespread rural disapproval of the farm chief, have gone after Mr. Benson's scalp, too. But President Eisenhower has stood firmly behind his farm secretary.

A private poll conducted by the National Committee in the Farm Belt after the President's heart attack, however, convinced party leaders something drastic had to be done. The poll showed most farmers still liked Ike,

but threatened to vote Democratic in congressional elections. So, instead of burying Mr. Benson, administration political chieftains—including the White House, the Republican National Committee, campaign committees in both Houses of Congress, and even Mr. Benson himself—set out to "sell" the farm chief to the party.

A HIT WITH POLITICOS

Although next month's private meetings with legislators are the heaviest weapons to be trundled out for the campaign, Mr. Benson has already begun to maneuver for more popularity with his GOP brethren. His recent speech before the National Committee in Chicago, in which he lashed out at the Democrats more bitterly than he's ever done before, made a big hit with the politicians. "Lots of people who thought he was an idealist came away convinced he was a strong partisan," says one GOP official.

More recently Mr. Benson hired the politically astute Jack Anderson, former Congressman from California, as his chief liaison man with Capitol Hill. Anderson, who retired from the House in 1952, is still on close terms with many legislators. He turned down top jobs in the State and Defense Departments before succumbing to Mr. Benson's employment offer.

But most important, Mr. Benson has shown more willingness to go along, at least partway, with schemes pushed by GOP politicos for putting more money in farmers' pocketbooks. He's launched an $85 million program to buy surplus pork products to help steady hog prices and is working up a "soil bank" scheme to pay farmers for shifting surplus cropland into soil-conserving grasses. Neither plan is as generous as many Republicans would like, but in the view of farm lawmakers, the programs represent a more tractable attitude on the part of Mr. Benson.

"He won't compromise on the flexible price support principle," declares a Benson aide. "But he's got an open mind on other plans for dealing with farm problems."

A BIG ASSET

With the President determined to keep Mr. Benson on his job, GOP political leaders, of course, have little choice but to do their best with him. But many Republican officials agree, as one of them puts it, "Benson is his own best salesman. His Chicago speech proved that. If he'd get around more among party members, he might wind up a big asset."

January's informal conferences with the lawmakers are designed to put him on just such display. At these meetings, a Benson adviser says, there'll likely be some "give and take" as the conferees exchange ideas on how to cope with the farm problem. This, it's expected, will draw Mr. Benson and the legislators even closer together.

"In the past," according to one top political adviser, "our men in Congress have felt since they weren't in on the conception of the administration's farm program, they shouldn't assume the responsibilities of fatherhood. But let them feel they had a share in making policy and they'll be eager to defend it next year when the Democrats start the attack."

GIVE AND TAKE

The prospect of give and take at Mr. Benson's meetings with his GOP colleagues after the President sends his farm recommendations to Congress in the state of the Union message strongly implies that Mr. Eisenhower's program won't be the last Republican word on the farm situation. The farm chief admitted as much last week after a Cabinet meeting when he expressed hope the administration's farm program would be "broadened" after it gets to Congress.

Compromise talk, of course, won't start filling the air until after initial skirmishes on Capitol Hill early next year. The Democrats, for example, are committed to an initial pitch to restore 90 percent of parity price supports on major crops instead of the flexible 75 to 90 percent range now on the books. This House-approved move isn't regarded as likely to pass the Senate and even if it does, Mr. Eisenhower will almost certainly veto it.

Once the early battles are out of the way, however, efforts will likely be made to pass some sort of compromise farm legislation. And leading GOP politicians say the Benson they're determined to sell to the party and the public will be more inclined to go along with compromises than he's ever been.

SOIL BANK SCHEME

For example, they say, Mr. Benson may agree to more generous payments to farmers under a soil bank scheme than those he's preparing to recommend to Congress. And he might go along with specific dollar limits on the amount of price support aid Uncle Sam will extend to any one farmer, or he might agree to 90 percent price props just for top-quality commodities—assuming such items aren't already included in the administration's farm program.

Another dividend Benson's political advisers hope will come out of the informal meeting with lawmakers next month: "Teams" of Republicans to defend the embattled farm boss on the floor of Congress against Democratic blasts. In the past, GOP legislators have been notably remiss in answering charges against Mr. Benson, his aids contend.

Mr. KEFAUVER. In addition to their knowledge of how the Benson shows are staged, every viewer who knows anything about farming knew that Ezra had stayed out of the stockyards—both literally and figuratively—all through September, all through October, all through November, all through December and through most of January while the hogs of hundreds of thousands of farmers were sold at $14, $13, $12, $11 and even $10 per hundred and lower.

Only after tens of thousands of farmers had been "sold down the river" and prices had begun to recover did Braun & Co. permit their hero to stride on the scene and sell 1 pen and 1 truckload of hogs to one of his packer friends for $15 and $15.25 per hundredweight. It is significant that Ezra did not go close to the cattlepens. Apparently he is not yet ready to perform a miracle on cattle prices.

I hope none of my Republican friends feel forced to take the floor and contend that the forest of microphones we saw on the TV last night just happened to be in a corner of the stockyards when Benson came by—that this was all sheer coincidence.

I hope that none will feel called upon to contend that Braun & Co., Ezra's packer friends, the newshawks, and the newsreel boys were not all tipped in advance; that this was not a staged production; an example of the Braun & Co. huckstering that farmers are to be given instead of real price support.

I call attention to this only because I think the men around President Eisenhower ought to be made conscious that this repulsive huckstering is embarrassing and not assisting the members of their party who have a bona fide concern for the farmers.

Mr. DIRKSEN. Mr. President, I do not believe the Secretary of Agriculture needs any defense from me. He has been engaged in some form of agriculture for a lifetime. The innate character of the man, and his devotion to public service and public duty, would, in my judgment, rebut every implication of the statement just made by my distinguished friend from Tennessee.

I think Ezra Benson's whole life and being, his conduct in public service, his great moral stamina, his devotion to the interest of the farmers, and his indefatigable efforts in traveling all over the country to learn at firsthand what the farmers' problems are, stamp him as a great character who needs no defense from me.

Mr. CASE of South Dakota. Mr. President, as the entire story unfolds and this inconceivable tragedy of errors is related, I think it will become evident that Mr. Benson has been more sinned against than sinning.

FREEDOM OF SMALL-BUSINESS OPERATORS

Mr. MORSE. Mr. President, today I am introducing, for appropriate reference, a bill to protect and promote the independence of small-business enterprises operating under franchises, dealerships, and lease agreements.

Our free-enterprise system requires that retailers, storekeepers, and dealers along the main streets of America be preserved as independent businessmen. The bill I am introducing today, which is a companion bill to H. R. 8395, sponsored by Representative JAMES ROOSEVELT, is designed to strengthen the antimonopoly provisions of the Clayton Act and give new and specific protections to small enterprises operating under lease agreements and franchises from large corporations.

Our Nation is dedicated to the free-enterprise system. We believe that this system can bring more goods and services to more people at cheaper prices than a regulated or monopolistic economy. We believe that the greater the individual's freedom the greater is his enterprise. This bill is designed to strengthen the freedom of the independent businessmen so as to give him and the public the full benefits of competitive capitalism.

There has been an unfortunate trend toward bigness in business and farming. Small-business men and small farmers are constantly being squeezed out in the process of constantly greater economic concentration of power. This is unhealthy for our economy and our free institutions.

Thousands of businessmen throughout the country do not possess the economic freedom of action they should have. They are held in check by fear of reprisal from the large companies whose products they sell under lease and franchise agreements. Testimony before the Senate Antimonopoly Subcommittee and the House Small Business Committee has brought to public attention the captive status of many automobile dealers and gas-station operators.

We have only to follow the proceedings of the convention now being held

in Washington by the automobile dealers of the country to learn of the great concern they feel in regard to the subject of franchise agreements.

One of my reasons for introducing the bill is that gas-station operators and car dealers in my State have presented to me, as chairman of the Subcommittee on Small Business of the Committee on Banking and Currency and as a member of the Select Committee on Small Business of the Senate, a great deal of information concerning their problems and the fears from which they suffer these days as a result of the squeeze applied by big corporations in connection with leases and franchises.

These business people operate under short-term franchise and lease agreements which make them prey to restrictive practices imposed by suppliers. Testimony already gathered by congressional committees shows that these restrictions are not normally included in franchise and dealership agreements. Instead by oral instructions or implication dealers are required to deal exclusively in certain lines of goods, take excessive quotas of goods, and other restrictive trade practices. Failure to comply with such instructions leads to nonrenewal of the short-term contracts leaving the retailer without the business he helped build and often saddling him with expensive unusable inventories.

These practices are prevalent in the gas station business. Many operators have told me this personally at stations throughout Oregon. The independents in Portland have been subjected to this kind of subtle discipline.

A related problem is the price wars which keep independent gas-station operators on the brink of going out of business. They are relatively helpless to protect themselves against bogus price cutting and a complicated system of subsidies which are not a part of their lease agreements. The public obtains illusory and temporary savings from these price wars because they eliminate competition and competition among stable businesses is the best insurance of service and fair prices. What appears to be a price advantage to the public for a temporary period usually turns into a very serious cost to the public, because customers find that eventually they must pay through the nose that much more than would have been the case if the price war had not started.

WHAT THE BILL PROVIDES

The principal provisions of the bill would protect independent dealers and lease operators from the arbitrary control which so many are subjected to today.

The bill would give greater meaning to the franchise and dealership contracts. This is done by providing that cancellation, termination, or nonrenewal, if alleged to be for a reason other than nonobservance of contract terms, would require the supplier to state the reason and prove it. What this would do is give greater standing and protections to the contracts between suppliers and dealers and encourage the making of contracts which spell out with greater precision what is required of each party.

This provision for a prima facie case is not new to the Clayton Act but follows a similar provision in section 2 where the burden is upon the seller to rebut the prima facie established where he has granted price discriminations between customers. It was felt that this prima facie provision was necessary because of the almost insurmountable burden of proof upon a dealer when the supplier may cancel or refuse to renew on arbitrary grounds.

For example, the supplier may say to a gas-station operator, "We are not renewing your lease, not because of any violation of the contract, but because we feel that you are not polite to women customers."

It is very difficult for the gas-station lessee to assume the burden of proof in a case like that. Under the bill, if the oil company contends that he has ground for canceling the lease because of a violation beyond the terms of the contract, he must assume the burden of proof.

The burden therefore is, in effect, shifted to the supplier to justify a cancellation or a refusal to renew. But the amendment specifically provides that the prima facie case does not arise where the threat or act of cancellation or refusal to renew is for reasons expressly provided for in the contract, and that even though a prima facie case is established it may be rebutted by a showing of justification or good cause. The qualification that the supplier must be engaged in a substantial amount of the trade involved is for the purpose of limiting the use of the prima facie provision to those cases where a significant amount of competition is at stake.

Section 2 of the bill amends section 4 of the Clayton Act in two respects. First, it provides that a private litigant, when he is successful in obtaining equitable relief, shall recover from the defendant his cost of suit and a reasonable attorney's fee. The present law, both to encourage private antitrust enforcement and to impose a penalty for antitrust violations, allows the successful plaintiff in an action at law to recover treble his actual damages. There is, however, no such similar encouragement to the plaintiff or penalty upon the defendant when equitable relief is granted pursuant to section 16 of the Clayton Act. While in an action at law, the plaintiff may recover threefold damages and costs of suit and a reasonable attorney's fee, in an action in equity, the plaintiff not only does not recover damages but is also forced to bear his costs of suit and attorney's fee. Under the present law, therefore, there is a great incentive to the plaintiff to ignore requests for equitable relief and to concentrate upon the recovery of damages. Thus, the unfair competition is not stopped but often continues, while in an equity action the fair competition is automatically restored.

However, both the public interest and the plaintiff's interest is often better served by injunctive relief instead of compensatory damages. If, for instance, there has been a suppression of competition, the public benefits more by a restoration of that competition than by pecuniary compensation to an individual for its suppression. Accordingly, I believe that the amendment allowing the plaintiff his costs of suit and a reasonable attorney's fee in equitable actions is consistent with and strengthens the public policy behind private antitrust enforcement as it is presently expressed in section 4 of the Clayton Act.

The second amendment in my bill to section 4 of the Clayton Act is undoubtedly more controversial. It is, however, based upon the sound principle that one of our best and most efficient means of antitrust enforcement is private antitrust enforcement. At present, however, the cost to the plaintiff of such private antitrust enforcement is so great that it has become out of the reach of the ordinary citizens harmed by antitrust violations and can only be undertaken by the wealthy and affluent plaintiff. The plaintiff's cost of suit and attorneys' fees in an antitrust action may, and often does run as high as $500,000. It takes, therefore, not only a courageous but a rich man to embark upon an antitrust case. The ordinary plaintiff, however, whether courageous or not, has no real choice whatsoever. He does not have the financial resources to bring his case to court.

To bring, therefore, private antitrust enforcement within the reach and means of all, my proposed bill amends section 4 of the Clayton Act by providing that the plaintiff may at any time ask the court to determine and certify whether his cause of action is or is not based upon probable cause. If the court does make a finding and certifies that the action is so based on probable cause, then the plaintiff, even if he should not win the final judgment, is entitled to recover from the United States his cost of suit and reasonable attorneys' fees in the event that such costs would impose undue hardship upon the plaintiff if borne by himself.

These provisions would make antitrust policing more effective by enabling private parties to institute court proceedings if they have a good case. They are not assured of financial help unless they do have a prima facie case and the Attorney General can object to the payment of costs and attorneys' fees.

Furthermore, even then it rests on the wise discretion of the judge. The judge does not have to grant the plaintiff costs, but if there is a prima facie case, and the plaintiff was justified in bringing the cause of action in the first instance, the judge may allow costs and attorneys' fees.

One of the principal present difficulties in enforcing the antitrust laws is the slowness with which the Department of Justice processes cases. In part this is due to insufficient personnel. In part it is due to the inherent slowness of individual case handling where thousands of cases must be investigated and considered. This new procedure would put suppliers on notice that private suits are more feasible, thereby making observance of the law more probable.

As Congressman ROOSEVELT pointed out when introducing this bill, it is improbable that these provisions will cost the taxpayers a great deal and they will probably cost less than if the Depart-

ment of Justice carried the full burden. The antitrust laws presently provide for private suits; this bill would bring within the reach of small-business men without sufficient funds the relief of the law.

The bill also strengthens the present law by making quite clear that the section 3 of the Clayton Act also applies to services and facilities. Attempts to monopolize and practices which restrict competition in services and facilities are just as detrimental to the public and to private initiative as the same practices in relations to products.

This bill would strengthen small business.

It would strengthen the status of contracts in franchise, dealership, and lease arrangements.

It would stabilize business relationships to prevent sharp practices that eliminate competition.

It would not subject big business to strict regulation, but only requires greater precision in reducing to express terms what suppliers require of their dealers.

This bill would provide new strength and independence to small-business operators. They need it—and so does our private enterprise system.

Mr. President, I send the bill to the desk and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3107) for freedom of choice in trade, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on the Judiciary.

HON. FRED HILDEBRANDT

Mr. CASE of South Dakota. Mr. President, the reports from my State within the past week have carried the news of the death of the Hon. Fred Hildebrandt, a former Representative from the State of South Dakota, who died in Florida within the past week.

When I first came to the House of Representatives, in January of 1937, Fred Hildebrandt was my senior colleague in the House. He represented the First Congressional District of South Dakota, and I the Second Congressional District of that State.

It is a fact which many people find to their surprise to be a fact that at that particular time I was the only Republican member of the entire South Dakota delegation. Mr. Hildebrandt was a member of the Democratic Party, as were both Senators from South Dakota. Consequently, when I first came to the House of Representatives as the lone Republican in the South Dakota delegation and as a freshman Representative, it was a matter of great satisfaction to me that Fred Hildebrandt came to my office and to my desk and welcomed me as a member of the South Dakota delegation.

During the 2 years I served with him our relationships were of the best. He served in the House of Representatives for 6 years and performed his duties for the State of South Dakota loyally, efficiently, and considerately, and with credit to himself and to the State of South Dakota.

Professionally, before he became a Member of the House of Representatives, he was a conductor, employed by one of the major railroads in the State of South Dakota. He was proud of the fact that he was a champion of the working people of South Dakota, both on the farms and in industry. His career was marked by integrity and honor. Therefore, Mr. President, I wished to pay this very much deserved tribute to his memory on this occasion.

Mrs. Case joins with me in extending consolation to his immediate relatives and friends.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. DIRKSEN. Mr. President, I am delighted that a very distinguished lawyer occupies the chair at this time, because one observation I wish to make as one lawyer to another is that I never cease to marvel at the interpretative capacity and power of the men who occupy the benches of the country, that is, those who serve as judges.

I was in the House of Representatives when the Natural Gas Act was passed in 1938. I made inquiry of the distinguished Senator from Oklahoma [Mr. MONRONEY] because I thought he was a Member at that time. I believe I was serving my third or fourth term in the House, and, if memory serves me correctly, the Natural Gas Act was managed by a very distinguished and able Representative from California by the name of Clarence Lea, as I recall. He subsequently graced the Federal bench in California. But I have a rather vivid recollection of the deliberations on the Natural Gas Act. There was no record vote on it in the summer of 1938. I tried very hard to understand it. I have only a feeble knowledge of the English language, but I recall, and I have refreshed my memory on what is contained in the act, that section 1, subsection (b), contains this kind of language:

> The provisions of this act shall apply to transportation of natural gas—

And so forth. Then, in the latter part of the same section there is this language—

> but shall not apply to the production or gathering of natural gas.

That is what Congress wrote into the act in 1938. That was 18 years ago. It took 15 years before the highest tribunal interpreted that act and read into it an intention which I am confident no Member of the House ever read into it at the time the act was originally passed.

Of course, Mr. President, I am not insensible of the fact that in many court decisions we often find it said that congressional intent is only a fiction. I recall examining one opinion by the circuit court of appeals in which the court said that the intent of Congress is what the courts say it is. That kind of legal fiction, has been indulged, but as a former Member of the House and as a present Member of the Senate, Mr. President, I cannot subscribe to that kind of dicta. When the language was so crystal clear as it was in the Natural Gas Act I could not see how there could be a misinterpretation even on the part of the learned justices who grace our courts. As I went back and refreshed my memory of the language of the original act which became law in June of 1938, I never quite ceased to wonder how, after the lapse of years, the courts found themselves confronted with the responsibility of clarifying language which already seemed so crystal clear.

So, Mr. President, I shall simply affirm what I did in June of 1938 as a Member of the House of Representatives. I shall vote for the pending bill because I believe it to be sound and to be in the interests of the whole country.

Far be it from me to labor this issue. I think it is already threadbare in the sense that every facet of the matter has been diligently pursued. Perhaps the only useful function I can perform in indicating why I am in favor of the pending bill is to summarize the reasons which have appealed to me.

The first reason, Mr. President, why I am opposed to what looks like control in the guise of regulation is that it was never intended, in the first place, in my judgment, that the natural-gas producers and gatherers should be regulated. We can call it regulation. Sometimes we call it control. As bearing on that matter, I noticed the language in the staff report of the Federal Power Commission in the natural-gas investigation. It is referred to as docket No. G–580. The report was written by the staff of an independent regulatory agency. I believe it is fair to assume that staff members have some competence in their field. Here is what the staff report says:

> It is appropriate to point out, however, that if the Federal Power Commission or any other Federal agency were to be authorized to control arm's lengths sales by producers and gatherers, the result would be to establish Federal authority over all field and well prices for natural gas.

It is very difficult to determine where the fine distinction between regulation and control by the Federal Government begins and ends.

The staff memorandum goes on as follows:

> Control of oil as well as gas would necessarily become involved, since the production of these two resources is to a large extent inseparable. With particular reference to the present problem, it would not be practicable for the Federal Government to attempt to regulate sales of natural gas by the producers and gatherers thereof, unless it also took over from the States essential functions now performed by them relative to oil and gas conservation and the protection of correlative property rights in these resources.

That sounds pretty clear to me, Mr. President. Here is an agency of Government created by the Congress and charged with the regulatory function which indicates pretty well that the Federal authority must extend further and further if we are going to control the sale and gathering of natural gas.

I believe it is a fair assumption that the end is not yet, unless Congress rather

vigorously deals with the basic issue which is before us today. I envision—and I think it is a basically fair and reasonable assumption—that we may go farther and farther down the road of regulation and control. In my considered opinion, that would be violative of every concept I have ever had of our free system and of our free institutions.

The second reason I would assign in support of the bill is that growth in this country is inevitable. There will be a need for more and more gas. One of the problems which confronts Congress is how to preserve those intangible forces which make men risk their money, time, and effort to explore the earth in the hope that additional supplies of gas can be developed for the well-being and comfort of the people.

I recall when I changed from soft coal to gas as an instrumentality of heating in a humble home where I live in Illinois. I have some recollection of those days when we shook down the furnace, hauled out the clinkers and ashes, and dumped them in the pit. I have thought, oh, what a blessed day when all those chores went by the by, because natural gas came to my town. It is a wonderful thing.

It is not strange that in the State of Illinois today more than 300,000 families are waiting for a gas supply. Most of them have new homes which are equipped with gas furnaces, but receive no gas. I suppose the thing to do would be to get a can of red paint, paint the furnace red, and use one's imagination, if there was no gas, unless some other kind of fuel could be used. But those people are waiting for gas.

It was my privilege to present to the committee a statement by the Governor of Illinois, Hon. William G. Stratton. He obtained figures from the Illinois Commerce Commission, which are set forth on page 476 of the printed hearings. This is what the Governor of Illinois said in his statement:

> Our Illinois Commerce Commission, the regulatory body charged with overseeing utility rates, estimates that in our State at least 300,000 families, or at our family quotient of 3.7, a number of people in excess of 1 million—more than the total population of several States—are awaiting gas heat.

Whether we will it or not, people are going to heat with gas. The issue is, Where are we to get this fuel? Obviously, it comes out of the earth. Obviously, people of an exploratory bent must go forth and venture their money and spend their time in order to find new pockets, new reserves, new supplies, new wells of natural gas. It takes money. I understand the ratio of dry holes to producing wells in the oil fields in Illinois is roughly about 6 to 1. I presume that in the gas fields the producers strike 1 producing well out of 8 tries. This means they must go through the frustrating experience of spending their money and getting nothing for it. If it were not for the fact that there is a depletion allowance written into the law, plus a chance to recoup what is invested, there would be a damper upon the exploratory incentives of those commonly referred to as wildcatters, who are trying to find additional gas supplies.

But the people who have no gas today, not only in my State, but also in other States, are bound and determined to have it, if they can. Frankly the Lord having stored such an almost inexhaustible supply of fuel in the earth, a fuel which is so naturally designed for this purpose, I think in the interest of the country it ought to be made useful.

We come back, then, to the incentive of risk and adventure, which make people go forth to find the gas. If we put the heavy hand of Government on them, I wonder how long they will continue in a frame of mind to seek the storehouses of gas which nature has placed so deep in the earth, so that it can be brought forth to warm the hands, the homes, and firesides, and also to drive the wheels and spindles of industry.

I can think of nothing else except to preserve that essential incentive, I can think of nothing else except constantly to energize the instinct that is in people, and not to let the hand of control, particularly the long hand of Washington, move too deeply into the productive field.

I rather fancy that if the Court decision in the Phillips case stands unrebutted, many persons who are normally engaged in the gas-producing business will look at their bank accounts for a long time and will simply say, "It is not worth it." Then and there we shall begin to impair that vital incentive which is one of the driving, energizing forces of the whole system of free enterprise in this country.

I have said that people will continue to use natural gas. Recently I saw a figure published by the Bureau of the Census. It was estimated that in 20 years the United States will have a population, roughly, of 207 million. That would be an increase of 44 million. It is not difficult to interpret that figure in terms of families and households. Forty-four million is a great many people. It seems like one of those amorphous figures which is difficult to understand. But 44 million, if my arithmetic is correct, is equal to the population of the States of Maine, Vermont, and New Hampshire, plus the population of Rhode Island and New York, with the addition of the population of Pennsylvania and New Jersey, and then adding Maryland, and then the District of Columbia for good measure.

In that area is a population of 44 million. Provision must be made for the additional millions and for the homes and households they will establish. In that provision, of course, there must be included fuel, and gas is a fuel. So probably the best assurance those who are now without gas heat and those who will establish households in the future can have is to make certain that this vital, human, driving force of risk and adventure is not impaired by Federal control.

The next reason I would assign is that I think the natural gas industry has had a creditable record. The number of gas consumers has jumped to 21 million. That is almost a fantastic figure. Yet in all these years, if my estimate is correct, the price of natural gas has gone down instead of up. When we compare that situation with the appreciation in price of most of the other things which people buy, the record of gas prices speaks for itself. I see no evidence of gouging. I see no evidence that the gas industry has been remiss in its duty. I see no evidence that it has been trying to withhold supplies of gas in order to get a better price. I think the whole industry has been thoroughly mindful of its responsibility to the people. In my opinion, when all things are put together, the gas industry can, with great pride, say, "We have served the Nation well."

Unless, then, some impelling affirmative reason has arisen, after all the years since the Natural Gas Act was placed on the books in 1938, for putting the hand of control upon the natural gas industry, I see no reason why Congress should do so now. No such reason has been advanced.

I am a little entranced by the proposals which have been made to exempt one segment of the industry and to catch a larger segment, where it is thought there is a concentration of power. I would infer from the general history of the industry in this country that perhaps the greatest efficiency that will be found is among those who are the largest in the field.

How strange it would be for Congress to pursue so sumptuary and capricious a course. But the industry has had a splendid record, and on that basis I do not believe the contention can be sustained that the industry ought to be placed in the straitjacket of control.

The next reason I would assign in support of the bill—and I do so as a member of a political institution; I do so as a Republican—is that my party in 1952 went to the people and asked for their suffrage, asked them to vote, in support of a great candidate who serves with distinction as the President of the United States.

But we did more. Mr. President, it is often forgotten that in a national convention the platform comes first. The first thing we did in Chicago in 1952 was adopt a party agreement which is called a platform. I am still naive enough and old-fashioned enough to believe that a platform is something of a covenant with the people. If it is not, it becomes merely so much political oratory. But I shall never subscribe to that kind of premise.

We said in our platform of 1952:

> Year by year it (the Government) has sought to curb, regulate, harass, restrain, and punish. There is scarcely a phase of our economic and social life today in which Government does not attempt to interfere.
>
> Such hostility deadens initiative, discourages invention and experiment, and weakens the self-reliance indispensable to the Nation's vitality. * * *
>
> Neither small nor large business can flourish in such an atmosphere.

Mr. President, that is what my party said to the people in 1952. That was a part of the covenant we made. We said to people, "Entrust us with authority and these are the pledges we will endeavor to perform."

Here is a chance to perform that pledge, because, in my considered judgment, if we continue on the basis of the court decision, the Federal Power Com-

mission will have no choice except to follow what seems like an implied mandate of the court to move in on this facet of industry; and it will be a species of harassment and interference, and certainly it will deaden the initiative of the people who are engaged in the gas industry today.

I, for one, will not forfeit that pledge which we made in 1952. I believe in it, and I believe in keeping the heavy hand of Government off industry, unless it is indispensable to the welfare of our people. That fact has not been demonstrated.

I have heard some of the debate on the floor. I have spent a great deal of time reading the CONGRESSIONAL RECORD. It becomes a pretty laborious proceeding to go through so much that seems irrelevant to the issue before the Senate. But when all is said and done, one seeks to summarize the issue and come up against the hard core of the issue.

I say, particularly to those Members of the Senate who have the same identity as I do with the Republican Party, that we ought to be pretty mindful of our pledge, when we come to vote on the bill, and we ought to interpret it in the light of the covenant we made with the people, and be pretty sure that we are not departing from the pledge we made. So far as I am concerned I think it is essential that I carry out that pledge as best I can, and with as reasonable dispatch as I can.

Mr. President, perhaps one thing has not been mentioned in this discussion, and I supply it as an additional reason for passage of the bill. It applies to farmers. I know not what the situation is in other States, but I know what it is in the State of Illinois. The letter which was addressed to Representative PRIEST, of Tennessee, on the 8th of April 1955 is a rather illuminating letter. It appears on pages 484 and 485 of the printed hearings of the Senate Committee on Interstate and Foreign Commerce.

Mr. President, I ask unanimous consent at this time to have the letter to which I have referred printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 8, 1955.

Hon. J. PERCY PRIEST,
Chairman, Committee on Interstate and Foreign Commerce, House Office Building, Washington, D. C.

DEAR CONGRESSMAN PRIEST: The Illinois Rural Electric Co., with headquarters at Winchester, Ill., is a rural-electrification cooperative serving the rural areas in all of Pike, Greene, Scott, and Calhoun Counties and in parts of Adams, Cass, Morgan, and Jersey Counties, Ill. The cooperative serves about 8,000 connected consumers and has about 3,000 miles of distribution and transmission lines. It is the only rural-electrification cooperative in the State of Illinois which generates all of its own electricity. It has a generating plant located at Winchester, Ill., and another at Pittsfield, Ill. All of the generating units in these 2 plants, except 2 small engines installed back in 1936, are equipped to operate on either diesel fuel or natural gas.

The cooperative has in force with Panhandle Eastern Pipe Line Co., contracts for the purchase of natural gas on a "dump load" basis at prices which are contributing substantially to low-cost power to the member-consumers of the cooperative. Since we buy "dump load" gas from Panhandle at rates that we consider fair and reasonable, we feel that we are contributing to the efficiency of the trunkline distribution of gas by making it possible for Panhandle Eastern to improve its load factor in the transportation of its gas and at the same time make it possible for Panhandle to make use of its transportation facilities at times when it has a reduced demand for gas for domestic use or other priority customers.

This cooperative has invested about $200,000 in the installation of facilities to make it possible to use natural gas in the production of electricity. Very careful engineering and cost studies were made by this cooperative before it took the step of making these investments and, furthermore, consideration was given to the provisions of the Natural Gas Act and past decisions of the Federal Power Commission to the effect that the act and the regulatory powers of the Commission should and did "not apply * * * to the production and gathering of gas." We feel that the only hope we have for the continuation of adequate supplies of natural gas at fair and reasonable prices is to have the decision of the Supreme Court in the Phillips case reversed through enactment of the Harris bill by the Commission.

We buy natural gas because of the resulting economy that helps us generate and transmit power to the rural areas at rates that the farmer can afford to pay. If supplies of natural gas are curtailed, either directly or indirectly, as a result of the court's decision in the Phillips case, this cooperative will suffer irreparable injury. The members of the board of directors of this cooperative, who come from rural areas throughout western central Illinois, have considered this whole question very carefully and very seriously and they have instructed me, as manager of the cooperative, to write to you in this matter. They have directed that I urge you and the members of your committee to give favorable consideration to the Harris bill and to press for its enactment by the 84th Congress. We request that this letter be made a part of the record of the hearing before your committee.

Very truly yours,

ILLINOIS RURAL ELECTRIC CO.,
S. R. FARIS, *Manager*.

Mr. DIRKSEN. Mr. President, the letter came from the Illinois Rural Electric Co., and is signed by Mr. S. R. Faris, the manager. Mr. Faris manages a rural electric co-op at Winchester, in Scott County, Ill., and, so far as I know, it is the only co-op which presently generates its own electric energy. To do that, the co-op buys natural gas from Panhandle Eastern Pipeline. In the letter the co-op urges support for the bill on the ground that it will contribute to the well-being of the farmers served by the co-op, because electric energy can be produced more cheaply by using gas which the co-op buys from a pipeline. The letter states, among other things, and it is worthy of repetition:

This cooperative has invested about $200,000 in the installation of facilities to make it possible to use natural gas in the production of electricity. Very careful engineering and cost studies were made by this cooperative before it took the step of making these investments and, furthermore, consideration was given to the provisions of the Natural Gas Act and past decisions of the Federal Power Commission to the effect that the act and the regulatory powers of the Commission should and did not apply * * * to the production and gathering of gas.

Mr. President, it was on the basis of what we wrote in the law that the co-op undertook the investment of the money of farmers, and probably procured a loan from the Rural Electrification Administration, an agency of the Government of the United States. The letter states that was one of the considerations which led the co-op to make that investment.

Mr. President, I know why that was a consideration. The co-op is located on the Illinois River, in the southwest central section of the State, where very fine apples are produced. It is not a coal area. I rather fancy that fuel rates there are pretty high, but the co-op is conveying electric energy to the farmers and is generating electric energy by using natural gas, so that the electricity can be used to operate cream separators, milking machines, and other instrumentalities used on the farm.

Mr. President, there probably will be other co-ops that will use gas. That probably will be true in other States of the country, and in other counties. Consequently, the farmers have an interest in the bill, and I intend to give some attention to their interest, as it has been shown so eloquently in the record before us.

Mr. President, another reason I assign for my interest and support of the pending measure is the fact that I believe it is important, at least in my State, to new industries which may want to locate there, particularly in that section of the State sometimes styled the distressed area. In perhaps 18 counties in the southern end of the State coal mines have been abandoned, jobs have been stranded, and there is perhaps a hard core of 20,000 or more persons who find it very difficult indeed to obtain employment.

There is a bill pending before the Committee on Labor and Public Welfare and another bill before the Banking and Currency Committee to deal with that very problem. The bills propose to make loans and some grants, among other provisions, in the hope that jobs can be provided.

When there is talk about attracting industry to an area of that kind, certain considerations must constantly be kept in mind. No. 1, an industry will be interested in a water supply. Is there water available? It will be interested in fuel. Is there coal available? Is there gas available? Is there fuel oil or some other fuel available? Is electric power available?

I had an experience along that line recently. One of the largest corporations in the country had been looking around for a long time, in order that it might construct a large plant in a desirable area. The company had three sites under consideration. One was in the State of my friend, the distinguished Senator from Ohio [Mr. BRICKER], one was in the great sovereign State of West Virginia, and one was in the lower end of Illinois.

I talked a good many times to the vice president of the company. I pleaded with him as best I could to build that plant in the lower end of my State. I tried to persuade him that it would do a great good for people who are in need

of jobs. But the answer finally was that there was no adequate, constant supply of power; and the plant was of the type that needed power.

Mr. President, what we can say about power, we can say about gas, because there are many plants which might locate in a given area if they thought the necessary gas was available there. But that means that there must be a supply of gas, and it means that more and more supplies must be found and must be conveyed to the areas where the industries locate.

To be perfectly fair, Mr. President, that consideration may result in that area in Illinois being deprived of having any plants located there. I can give no assurance on that point. But I do say that if there is a supply of gas and if the existence of the supply becomes an important component in the decision of the industry as to whether it will locate in that area, then I wish to be sure that every entreaty we make will not fail because such a natural resource is not available when it is wanted.

Mr. President, there is still another reason. It is an intangible; but in reading the debate which has occurred in this Chamber from time to time, it seems to me that in the public service of the country there are persons—and believe me, Mr. President, I do not demean them; I do not reflect upon their motives—who, somehow, have gotten a fixation to the effect that business is not to be trusted, that men who give direction and guidance to business are not to be trusted.

Mr. President, it is not because such suspicions were entertained that this country grew. If we study the earlier periods in the history of our country and the time when great windrows of people moved from the eastern seaboard to the West, across Ohio, across the flat lands of Illinois, across the Mississippi River, and closed the frontier on the Pacific, we find that they were men of zeal and competence who simply tried to make 2 blades of grass grow where only 1 grew before, men who tried to use their ingenuity and skill in order to design something which might make life easier or sweeter and, in thus aiding in the doing of things by their fellow men, might cause a little enrichment to accrue to themselves.

But it is most unfortunate, Mr. President, that we find constant reflections made upon the integrity of the business fraternity of the country. One cannot hear these debates or read the CONGRESSIONAL RECORD without coming to the conclusion that again and again, either expressly or by innuendo, there is a reflection upon that great fraternity of persons who have done so much to enrich and to build this Republic to its present state of well-being.

Let me say parenthetically, Mr. President, that this is a good place to inject this thought: I have said to my people at home that one of the great things about President Dwight Eisenhower is that there never has fallen from his lips, insofar as I know, an expression or a sentiment in derogation of any group or section of this country. If anyone can find any statement of his to the contrary, certainly I have never known of one. I have had many visits with President Eisenhower—at breakfast and at lunch, and I have also had business visits with him in the middle of the day. I have never heard him demean any section of the country. I have never heard him demean any group of our people, whether it be business, or labor, or agriculture.

As to whether such things have been said in other years, the record speaks so much more eloquently than I could, Mr. President, that there is no point in my even alluding to the predecessors of President Eisenhower. But it must be said, to the everlasting credit of our present President, that he always has sought to develop a whole country and one people, and never to drive the shafts of cleavage or the arrows of division among our people, in an hour when there is so much fever and hostility in the world. It must be said, to the everlasting glory of President Eisenhower, that he has constantly maintained the large perspective, and has thought of all the people.

Mr. President, are there other Senators who wish to speak at this time? I do not know how long my remarks may continue. If there are other Senators who desire to speak at this time, I shall cut short my remarks. If there are no other Senators who wish to speak, I shall visit a little while with the Senate.

Mr. LANGER. Mr. President, I expect to speak, following the remarks of the Senator from Illinois.

Mr. DIRKSEN. Then I shall be very mindful of that fact.

Mr. WILEY. Mr. President, will the Senator from Illinois yield to me, to permit me to make a brief statement?

Mr. DIRKSEN. Yes; if I may do so without losing my right to the floor.

Mr. WILEY. I ask unanimous consent to that end, Mr. President.

The PRESIDING OFFICER (Mr. THURMOND in the chair). Is there objection? Without objection, it is so ordered.

Mr. WILEY. Mr. President, both sides in the pending controversy have quoted from the Nation's newspapers in support of their respective positions. It is a fact that both sides could draw upon still more examples of conflicting opinion represented in the Nation's press.

I have in my hand several of the many newspaper editorials strongly opposing the Harris-Fulbright bill. The interesting thing about many of these editorials, and others which I have seen opposing the bill, is that they come from conservative newspapers whose devotion to the free-enterprise system is absolutely unquestioned. They come from newspapers whose opposition to socialism is absolutely unquestioned.

I have in my hand, for example, an editorial from the New York Daily News of January 23. I do not think that anyone in the United States would call the Daily News a pro-Socialist paper. But the Daily News opposes the Harris-Fulbright bill. It says:

> It seems to us that the Fulbright measure would weaken the Federal power to prevent gas monopolies.

I have also in my hand an editorial from the Glenwood (Iowa) Opinion-Tribune which begins with this lead sentence:

> One of the greatest threats to free enterprise in our United States is contained in the provisions of the so-called Fulbright bill.

I also have the text of an editorial from the Clarksburg (W. Va.) Exponent-Telegram stating:

> Those supporting the Harris-Fulbright bill have circulated much false propaganda concerning it. The fact remains, however, that it will hurt the gas business in West Virginia, and it will hurt the pocketbooks of thousands of West Virginia consumers.

Mr. President, it seems to me that these editorials should be weighed most heavily as representing the thinking judgment of clearsighted representatives of the fourth estate.

It is not merely the number of these editorials, but the quality of their thinking, which counts.

I hope, therefore, that when, on next Monday, the Senate begins to vote on this issue, it will adopt sound amendments to the Harris-Fulbright bill.

Included among such amendments should be one to scrap the absurd "reasonable market price" formula presently in the bill, and to substitute for it a utility term, a utility concept of just and reasonable price, so as to make absolutely sure that the public will not be taken for a ride, and that the producers will not get a blank check.

I ask unanimous consent that the texts of the newspaper editorials which I have assembled be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Daily News of January 23, 1956]

THE NATURAL GAS BATTLE

Roars about natural gas have been going up from the Senate for some days. Since the debate thus far has produced a good deal more heat than light, we thought the readers might like to have a fill-in on what the shouting is about.

The picture printed herewith traces the journey taken by natural gas from source to consumer. It comes out of the ground at the producer's well in Texas, Louisiana, New Mexico, Kansas, Oklahoma or California. From there it goes through a pipeline to some distant city—say New York. It is bought at the city end by a local gas company or companies, and resold to the consumer.

These three parties handling the gas—producer, pipeline owner, local company—are usually independent of one another. Each has to make money out of the gas, or pretty soon the consumer will be strictly out of luck.

OVERRULE THE SUPREME COURT?

The Natural Gas Act of 1938 made interstate pipeline owners subject to regulation by the Federal Power Commission. Independent gas producers were exempted from such regulation until 1954, when the United States Supreme Court ruled that they had to come in under the FPC. That meant chiefly that their prices for gas became subject to FPC control.

This current fight is over a bill which would pretty largely knock out the Supreme Court decision as regards independent producers.

The FPC would keep only the power to decide what was a "reasonable market price" for gas at the point where the pipeline takes over from the well. The pipelines would go

on being supervised by the FPC, and the various State public service or power commissions would continue to ride herd on prices charged by the local gas companies.

Senator J. WILLIAM FULBRIGHT, Democrat, Arkansas, is the principal backer of the bill. In his corner are most if not all of the lawmakers from the natural-gas States above listed.

Opposed are most lawmakers from States where a lot of natural gas is consumed. Among these opponents are our own two Senators, IVES and LEHMAN.

ARGUMENTS PRO AND CON

The main argument for the bill is that, if producers are hampered by Federal regulation, fewer and fewer people will go into the chancy and sometimes bankrupting game of prospecting for new gas deposits. It is asserted (truly, so far as we can make out) that natural gas well drilling sagged 11 percent in 1955 under 1954, the last year of the independent producers' freedom from FPC supervision.

Members of Congress opposing the Fulbright bill argue that its enactment would give the producers practically a blank check in regard to the prices they could charge the pipeline owners. These, it is said, would then have to hike their prices to the local companies, which in turn would be forced to soak the consumer.

Opponents of the bill toss around such figures as $60 million or $600 million, as the increase per year that they claim the Fulbright bill would slap onto the consumer. They call the bill a proposal to hand a monopoly to gas producers in six States, with gas consumers in the other States footing the cost.

Our own feeling about the fight is that both sides probably are exaggerating, but that the enemies of the Fulbright bill have the better case.

We don't care, as a rule, for Federal Government interference with private business, and think the less of it the better. But neither do we care to see the Federal Government kept from preventing formation of a monopoly in some field which the States can't oversee. It seems to us that the Fulbright measure would weaken the Federal power to prevent gas monopolies, though the bill's backers fiercely assert that it wouldn't because the FPC would still regulate prices to the pipelines.

We'd like to see this bill defeated.

(Aside to local gas distributors: Can't service be improved a bit, please, especially in the matter of pressure that rises and falls instead of remaining reasonably steady, as it should?)

[From the Glenwood (Iowa) Opinion-Tribune of December 22, 1955]

WILL YOUR GAS RATES BE HIGHER?

One of the greatest threats to free enterprise in our United States is contained in the provisions of the so-called Fulbright bill, which proposes to amend the Natural Gas Act to exempt producers of natural gas from controls designed to protect the public, and which will come before the 84th Congress of the United States when it convenes in January 1956.

Oddly enough the proponents of the bill, the Natural Gas and Oil Resources Committee and the General Gas Committee, are usually among those who most ardently support the preservation of free enterprise. But in this case, it appears that their greed for monetary gain has supplanted their commonsense in realizing what the far-reaching implications of the Fulbright bill could bring about in the future.

This newspaper believes most sincerely in free enterprise to the extent that the best government is the one who governs the least. But at the same time we are unalterably opposed to uncontrollable monopolies using their power to demand unwarranted prices from the public they serve. If public utilities were allowed to set their own rates for water, gas, and electricity without regulation by either State or Federal Governments we are afraid that rates on those products in many cases would soon rise to prohibitive heights. These excessive prices would be ample reason for those with socialistic beliefs to intensify their demands for public ownership of utilities, and soon, without stretching the imagination to any great degree, this could result in complete nationalization (Government ownership) of public utilities, railroads, petroleum industries, coal mines, etc. Communism could be at our very doorstep.

Among those apprehensive of the Fulbright bill are the distributing gas companies themselves. This distinction arises in that the Fulbright bill concerns the individuals and corporations who own the gas wells and leases in the areas where natural gas is taken from the ground. They, in turn, sell their gas to the interstate pipeline companies which transport the gas to the market areas where it is resold to distribution companies and municipalities for distribution to the ultimate consumer.

The Fulbright bill would remove all regulation of natural-gas prices from natural gas at its source wells, and the only price control would be on the gas after it had been delivered into the transportation facilities of the interstate pipelines beyond the field or fields where produced. Sales would be considered to be in interstate commerce only after transportation had commenced.

The supporters of the bill have the effrontery to claim, "If the Fulbright bill does not pass, the producers of gas will be under Federal regulation. This is a step toward socialism."

This theme has a natural appeal. What the public does not know is that if the Fulbright bill does pass, and the President permits it to become law, gas prices in the field are sure to go up—all at the expense of the consumer.

The Natural Gas Act of 1938 was designed to protect the consumer. However, the producers have always claimed they were not under the act, although the pipeline companies were. The distributing companies were, of course, under State and local regulation.

The United States Supreme Court—in the Phillips decision—has said the producers are subject to the Natural Gas Act, and are, today, under Federal regulation.

The Fulbright bill is designed to change the law and exempt the producers from Federal regulation.

All consumers of natural gas should concern themselves with this matter and write their United States Senators and their Representatives and urge them to vote against the Fulbright bill.

[From the Clarksburg (W. Va.) Exponent-Telegram of January 15, 1956]

ESCALATION CLAUSES ARE CONSIDERED AS POSSIBLE CAUSE OF PRICE HIKES—HARRIS-FULBRIGHT BILL IS OPPOSED

Hundreds of West Virginia workmen, thousands of West Virginia gas consumers, and several gas-distribution firms in the State have a great deal at stake in working for the defeat of the Harris-Fulbright bill, now pending in Congress.

In West Virginia the Hope Natural Gas Co., of Clarksburg, and various other firms have a tremendous interest in defeating the bill, which has already passed the House of Representatives, and on which action is expected soon in the United States Senate.

Principally because of escalator clauses in gas contracts, the gas producers in Texas, Oklahoma, and other States would reap the principal benefits from the proposed law. Meanwhile, the Hope Natural Gas Co. and other West Virginia firms would be forced to pay higher prices for the western gas.

Hearings on the Harris bill to amend the Natural Gas Act were held in April 1955 by the House Committee on Interstate and Foreign Commerce. The bill was passed in committee by a vote of 16 to 15, with 12 of the committee signing 4 minority reports. The bill was passed in the Senate Committee by a vote of 11 to 4, with 2 of those Senators who voted to report out the bill giving separate statements in opposition to its passage by the Senate. The Senate did not vote on the bill in 1955 and will take it up for debate and a vote during the 1956 session.

The Hope Natural Gas Co., of Clarksburg, and its thousands of consumers would be among those who would suffer soon after such a bill finally became law.

The Council of Local Gas Companies points out that during the past 10 years the field price of natural gas has skyrocketed—far faster and far higher than the Nation's cost of living. During this time the price of gas in the four main producing States of Kansas, Oklahoma, Louisiana, and Texas has more than doubled. Because of the peculiar nature of escalation clauses, these increases dislocate and raise lower pre-existing contract prices.

The average field price of gas in the United States jumped from a base of 100 percent in the 1947–49 period to 220 percent in 1955. The average field price for Kansas, Oklahoma, Louisiana, and Texas gas jumped from the 100 percent base for 1947–49 to 233 percent in 1955. On the other hand, the average selling price of gas by all distributors jumped from the 100 percent base for 1947–49 to only 151 percent in 1955. Thus, it may be seen that through careful management distributors such as the Hope Natural Gas Co. have been able to absorb much of the price increase. Any future increase, however, is expected to be added on to consumer gas bills.

The Hope Natural Gas Co. and various other gas companies in West Virginia depend to a considerable degree upon the gas piped from the Western States to supply their customers. Thus, if the Harris-Fulbright measure becomes law the Hope will pay a much higher price for gas in the field and sell it at proportionately higher prices to its consumers in West Virginia and other States. The local companies can no longer absorb the midwestern price increases, and there may be many of them if Federal controls are lifted as proposed under the Harris-Fulbright bill.

The threat to the consumer is especially great, for the prices may skyrocket at unprecedented levels in the years ahead.

Contracts between producers and pipelines are for long terms, generally 15 to 20 years. Primarily to take advantage of later higher prices, producers have initiated the widespread use of escalation clauses in the contracts for sale of gas to the pipeline companies. These clauses are designed to produce automatic price increases, some of them 3 or 4 times their original starting rate.

If the Harris-Fulbright bill becomes law, gas consumers in central West Virginia undoubtedly will pay larger and larger gas bills.

By writing to their Congressmen, residents of central West Virginia may help to defeat the Harris-Fulbright bill. It is wanted by big producers in the West but it would be harmful for West Virginia gas consumers.

If the price of natural gas is increased, sales to industrial consumers probably will decrease and consequently the price paid by domestic consumers will increase. Industries may resort to using other types of fuel.

Those supporting the Harris-Fulbright bill have circulated much false propaganda concerning it. The fact remains, however, that it will hurt the gas business in West Virginia and it will hurt the pocketbooks

of thousands of West Virginia consumers. The majority of homes in central West Virginia are equipped for burning of natural gas and home-owners have many gas appliances. If natural gas prices were increased they would be forced to pay them, for they wouldn't be equipped to burn other fuels.

The Hope Natural Gas Co. is against the lifting of Federal controls, a move that would permit gas producers to increase their prices at will.

Because they would suffer financially, voters in central West Virginia should notify their United States Senators and Congressmen they are against the Harris-Fulbright bill. Act now before it is too late!

[From the Danville (Va.) Bee of January 11, 1956]

THE MENACE TO GAS USERS

The City Council has, with commendable promptitude, authorized the city gas department to join the 40 or more gas distributors in fighting the so-called Fulbright Bill now pending in Congress, which would abandon price checks on the gas production industry.

This is the people's fight against anticipated gas price increases which are sure to come if Uncle Sam takes his restraining hand off the gas producing business. At present, that hand is, so to speak, on the throttle of prices and it has been a firm but fair hand allowing the producing companies a reasonable return on their investment, and at the same time preventing the mulcting of the public under the old "the public be damned" theory.

Hundreds of people in this city have turned to gas for the heating of their homes. Many of them claim it is more satisfactory than any other form of heat, and cleaner also. But the people who went to gas did so feeling secure that the Government would continue its control of the price factor and that it would effectually checkmate profiteering.

If the Fulbright bill goes through the public will be at the mercy of the gas producers, the people who take the gas out of nature's subterranean reservoirs, and after filtering it, pump it through vast pipelines all over the country. Here, in Danville, we take the Transcontinental Pipeline-gas supply as it comes into Danville through a meter. The city buys from that company and distributes it just as it used to when Danville had its own coke gas plant, and its water, gas system.

We trust the 40 or more distributors who have banded together to fight this Federal relinquishing of price controls will succeed in defeating the Fulbright bill which is cast in the mold of special privileges to big business and the noncommitant evil of "soaking the public."

[From the Chattanooga Times of January 21, 1956]

AGAINST PUBLIC INTEREST

The Democrats in the Senate will undergo a test when the vote comes on the natural gas bill.

The Fulbright bill, a companion measure to the Harris bill which passed the House last year by a 6-vote margin (209 to 203), would end Federal regulation of prices of natural gas as supplied by producers to distributors for resale in interstate commerce. House Democrats were 136 to 86 against it. The House Republicans were 123 to 67 in favor of the measure.

Proponents of the bill in the Senate claim to have enough votes to pass it. If they do and if the House concurs in any changes made by the Senate, it is believed that President Eisenhower would sign the measure.

The Democrats, who expect to make much of the charge that the Eisenhower administration has followed a "give-away" course, will blunt that issue if they permit the passage of the natural gas bill.

Senator DOUGLAS (Democrat, of Illinois) began a speech yesterday against the measure, which he says will last 3 or 4 days. He says it is not a filibuster. Apparently he has made a thorough study of the bill. He claims that it would cost consumers of gas between $600 and $900 million.

Democrats from the States which produce natural gas, principally Texas, Arkansas, Louisiana, and Oklahoma, are sponsoring the measure in the Senate.

Senator DOUGLAS pointed out yesterday that when a consumer is hooked up to a pipeline he must keep on with it. When the rates go up he must pay them. If the producers raise their prices to the pipelines the consumers must stand the raise. Senator DOUGLAS said that 21 million families have $11 billion invested in appliances that burn natural gas. Naturally they do not want to lose that investment.

Tennessee uses natural gas but does not produce any. The defeat of the Fulbright bill would certainly be to the interest of Tennessee consumers. In the vote in the House last year, only one Tennessee Congressman, PERCY PRIEST, surprisingly enough, voted in favor of the bill. The Kentucky delegation voted solidly against it and only one member of the Virginia delegation supported it. Every Representative from New York City voted against it.

It seems to us that Senator DOUGLAS is on sound ground when he says that because the gas industry is noncompetitive, regulation is necessary to protect the public interest.

The Fulbright-Harris bill does not entirely abolish Federal supervision but says something about a "reasonable market price," and this standard was described in a minority House report as "a disguised backdoor surrender of regulatory control to the producers themselves."

Senator DOUGLAS has done a monumental job, we understand, in gathering the facts for the public. This able Senator may succeed in turning the tide against a measure which ought not to be enacted.

The bill may at least be amended in the Senate, in which case it would have to go before the House again. We feel certain that the House, which in spite of pressure by Speaker SAM RAYBURN only passed the bill by a narrow margin last year, would this time reject it.

Mr. MONRONEY. Mr. President, will the Senator from Illinois yield briefly to me?

Mr. DIRKSEN. Yes; provided I may do so without losing my right to the floor.

Mr. MONRONEY. Mr. President, I ask unanimous consent that that may be the case.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I wish to state that on the other side of the Capitol, the mayor of Philadelphia and the mayor of New York City, both distinguished gentlemen, are holding press conferences regarding the natural gas bill, which now is before the Senate.

I believe that it might be significant—since it relates to the basis of their opposition to the bill—for me to call attention to our little "do-it-yourself" kit, in the form of the charts which are on display in the rear of the Chamber. They enable anyone to ascertain the breakdown of the amount which consumers pay for the natural gas used in their homes.

For instance, the chart to which I now point shows very graphically the breakdown of the total amount of $1.36 per thousand cubic feet which consumers in Philadelphia pay for the gas they use. From the chart, we find that the cost of the gas at the well is 10 cents a thousand cubic feet. That is the amount that is covered by the regulatory provisions of the bill. Including the 10 cents a thousand cubic feet cost of gas at the well, we find that the cost of the gas, when delivered at the city gate of Philadelphia, is 38 cents per thousand cubic feet. After the gas leaves the city gate of Philadelphia, the "spread" or cost of city delivery is approximately $1, which is about 3 times the cost of delivering gas in Kansas City, Cincinnati, or other cities of somewhat comparable size. So the producer receives 10 cents, while the $1 goes for the city delivery.

Mr. President, when opponents of the natural-gas bill pay to have published in various newspapers pictures of a holdup which they allege will occur in connection with this bill, if enacted, it seems a little strange to observe in the pictures that the masked holdup man is holding the $1 bills, whereas the producer receives only 10 cents—1 dime—for each 1,000 cubic feet produced. I am inclined to believe that if the holdup man were unmasked, it would be found that the dollar bills shown in the large advertisements paid for by the CIO and the Automobile Workers of America, were collected for the city delivery of natural gas in the very sections of the country for which those groups are complaining when they protest about the size of the consumer's gas bill.

Mr. President, the weapon with which to combat such high prices is in their hands; it is in the hands of their local public-utility commissions. However, if the local public utility commissions are sound asleep, and if the people of the communities do not demand proper action on the part of their local utility bodies, then I think they have a very poor case to put before the Congress.

The mayor of New York has been addressing the committee about the cost of natural gas to consumers in New York; and I expect that the floor is wet with the big crocodile tears the witnesses before the committee have shed because of their concern for the consumer. Yet, Mr. President, the cost of natural gas consumed in New York City is only 10.8 cents per thousand cubic feet at the well, and the cost of the gas when delivered at the city gate of New York is only 35.3 cents per thousand cubic feet. However, after the gas goes through the mighty canyons of Manhattan, we find that it has cost $2.07 to deliver the gas from the city gate to the burner tip.

It seems to me that it would be cheaper to deliver the gas directly to these great centers of population, where a single lateral from a street line will serve 500 or 1,000 families in apartment houses, because most of the piping must be furnished by the owners of the apartments. In the Middle West—for example, in Kansas City—where the cost is not $2.07 for city delivery, but only 30 cents, there

are miles of lines, and 500 laterals off each city main to serve 500 families.

So we have this ridiculous performance at the other end of the Capitol. They are talking about 10 cents for the raw material and a dollar for the city-delivery charge, in the case of Philadelphia, and $2.07 for the city-delivery charge for the city of New York. It seems to me that someone had better do a little homework. If there is a desire to save the consumers some real money, those interested in effecting the saving had better start working on the big red strip on the chart. We could give the gas to the pipelines, and there would be no significant reduction in the rates now being charged by the distributing utilities, which have put up so much money, and have organized so carefully to try to convince the consumer that their rate of $1.36 in Philadelphia and $2.43 in New York is caused by the producer, who gets a dime out of that rate.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. DANIEL. I ask the Senator from Oklahoma if it is not true that in our committee it was shown that the city of New York itself is deriving taxes from the gas far in excess of what the producers receive for the same gas.

Mr. MONRONEY. The Senator from Texas has hit upon a very strong point. The city consumers pay a tax of 12.8 cents on gas for which the producer receives only 10.8 cents.

Mr. DANIEL. Am I correct in my statement that the mayor of the city of New York, who is protesting about gas prices, is representing a city which itself collects more money in consumer taxes each month than the producer gets for the gas in the first instance?

Mr. MONRONEY. The distinguished Senator is eminently correct. Furthermore, when New York City converted from artificial gas to natural gas, the saving to the Commonwealth Edison Co. was one-half the cost of the gas. The cost of manufactured gas was twice the cost of natural gas. So the cost has been reduced by one-half.

Do Senators know how much benefit the consumers have obtained? The same people in New York City whom the mayor says he is representing, consumers who use gas for heating, have received a benefit of 3 cents. Those who use gas for cooking have received a benefit of 4 cents.

So if we reduce the cost of the gas by one-half when the change is made from artificial to natural gas, and the consumers receive no significant benefit from it, certainly the distinguished mayor had better look into the economics and the profit of the distributors in his own city.

Furthermore, the profits of the Consolidated Edison Co. in New York City have been greater than the combined profits from natural gas of all the 35 largest oil companies mentioned by the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished Senator from Minnesota [Mr. HUMPHREY] when they were discussing the profits of the 35 giant companies which were supposed to dominate natural gas production.

Furthermore, the assertion that an increase of from $600 million to $800 million in cost to the household consumer would take place if this bill is passed is ridiculous. That figure exceeds the entire cost of all the natural gas sold to residential users, both interstate and intrastate, which represented a total revenue to producers of $191 million for 1954. I fail to understand why an industry which, while unregulated, has charged a price only half a cent per thousand cubic feet more than it received in 1926, will suddenly add between $600 million and $800 million to the $191 million it received in 1954. I think that is completely unreasonable.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. DANIEL. Will the Senator repeat the total price paid to the producers for all the gas sold in the United States?

Mr. MONRONEY. For all the gas delivered to all residential householder consumers in 1954, the producer received $191 million. Yet we are told that if the price of gas at the wellhead, which has been unregulated since the beginning of the business in 1825, is now regulated on the basis of reasonable market price, the result will be an increase of $600 million to $800 million to the consumer. There is only half a cent difference between the price in 1926 and the price today. The price in 1926 was 9.5 cents a thousand. Today the average national price is 10 cents a thousand.

It is perfectly ridiculous by running advertisements in the newspapers showing the "hold-up" man to try to scare the American people, to mislead them, and to try to convince consumers that there will be an increase in household rates of between $600 million and $800 million. That is completely ridiculous, misleading, and intentionally inspired by one of the most powerful lobbies of one of the wealthiest groups of utilities in the United States. Their profits have increased materially in the years since they acquired natural gas. Very few pennies have gone to the benefit of the consumer since the utilities have had the advantage of natural gas and its superior heating performance.

Mr. DANIEL. It seems to me that the mayors who join in the attempt to identify the proponents of the bill as robbers would do better if they went back home and looked into their own tax structure, and the charges of their own big distributing utilities. If there is any robbery of the consumers, it is being perpetrated by the distributors under city regulation. Is not that correct?

Mr. MONRONEY. The Senator is correct. If the mayors want to save the consumers some money, they should reduce the red strip shown on the chart before the Senate. That is the only way to save them any significant amount. Let them look at the city delivery charge of $1 per thousand cubic feet in Philadelphia, and $2.07 in New York City.

One would have to be blind to the facts of life regarding consumers' gas prices to miss that point, or to be misled by the well propagandized idea that the high price paid for natural gas goes to the producer. Look at the profits of the giant utility companies, which today are sending out with the consumer's gas bill—and he is indeed their captive customer—leaflets urging the defeat of the pending bill. The utilities are saying to the consumer, "Keep your gas rate low." At the same time the consumer in Philadelphia is beng charged $1.00 a thousand cubic feet for city delivery, and for the same service the consumer in New York City is being charged $2.07.

No wonder the distributing companies have a captive audience. Their rates are so high that they have a ready-made audience for any kind of propaganda.

But we are finding a different set of fingerprints on the gun—if it is a hold-up gun—from those of the producer. The distributors are now reaping windfall profits by the millions, and are giving the consumer a 2-cent tip.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. JOHNSON of Texas. My friend from Oklahoma may remember that during the period of the 1930's it was popular to attack the utilities. They were served up almost every morning for breakfast. But it seems to me that now, in the year 1956, some of the same folks can act in cahoots with the same utility distributing systems, and feel that they are on the side of the angels, and that every one who disagrees with them is a robber. Does not the Senator believe that the branch which needs the greatest scrutiny, so far as the gas consumer is concerned, is the distributing utility?

Mr. MONRONEY. The statistics prove it. The facts show it. It seems to me that some of the liberals who lead the fight against the utility combines are today worshipping at the shrine of the utilities, unknowingly. They are being duped into thinking that St. Insull should be the patron saint of all the liberals because nothing happened under Insull that approaches the enormous profits and exorbitant spreads now being charged by utilities, who had hopelessly obsolete, near-bankrupt artificial gas systems before they got into the big money when they converted to natural gas and were able to double their output.

Mr. LANGER. Mr. President, I ask for the regular order.

Mr. JOHNSON of Texas. To say the least, it is extremely interesting to observe the new-found friends of the heirs of Sam Insull.

Mr. MONRONEY. I thank my distinguished majority leader.

Mr. LANGER. Mr. President, I ask for the regular order.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The Senator from Illinois has the floor.

Mr. DIRKSEN. Mr. President, quite some time ago, when I was using some of my own time, I believe I was discussing the gas bill.

At this point I wish to interject the suggestion that I feel a sense of deep distress that the Democrat mayor of a great metropolitan center like Philadelphia, or the Democrat mayor of a great metropolitan center in the Empire State like New York City, should come here, in the

form of a writing in a newspaper, and refer to his Democrat colleagues in the Senate as robbers. There is something thoroughly ungracious about it. I am doubly distressed by these divisive forces that are creeping in.

Mr. President, if I can return to where I left off to yield some time ago, I said something about the efforts of the President of the United States constantly to bring about a fellowship and a harmony and an atmosphere in the country which would indicate to all the world that we were not a divided people.

That sentiment would not be complete if I did not add to it by saying that in a sense that brings to mind the experience of Ezekiel, one of the minor prophets of the Old Testament. The Lord told Ezekiel to go out to the valley of bones and there address himself to the bones. As the Book relates, there was a great clatter as the bones came together. After awhile the bones became full-fashioned and clothed with flesh, but they did not live.

Then the Lord told Ezekiel to speak to the wind. Ezekiel did. In that way life was breathed into those great hosts.

As I recall, the Book relates that the Lord said he would make them a people once more. The Lord did not say two people, but a people.

I am delighted that the Chief Executive of our country has never departed from that concept, and is forever devoting himself to the business of spiritually and in every other way unifying the United States of America as a people.

Mr. President, there is not much more that I need offer in support of the position I take on the pending bill. I should like to insert as a part of my remarks a letter written by the Illinois Chamber of Commerce under the signature of Mr. Louis Ratzesberger, Jr., president. It is dated January 23, 1956.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ILLINOIS STATE CHAMBER
OF COMMERCE,
Chicago, January 23, 1956.

DEAR MEMBER: As this is written, the United States Senate is debating a bill that will vitally affect the principle of competition in our American economy. The measure is the Fulbright bill (S. 1853) on natural-gas production, one of the most important issues confronting Congress. The Fulbright bill is a companion measure to the Harris bill (H. R. 6645) which passed the House last year.

At the time the Harris bill was under House consideration the Illinois State chamber sent its members a booklet, End Federal Control of Natural Gas Production, briefly analyzing the basic issues involved in this important question. The chamber supports the remedial legislation provided for in the Harris-Fulbright bills because it feels they would restore competitive enterprise in natural-gas production, assure continuation of adequate reserves, and prevent extension of Federal regulations over natural resources and commodities.

The Fulbright bill, like the Harris bill, would remove independent producers of natural gas from the burden of utility controls imposed by a Supreme Court decision. But both measures also provide protection for the consumers of natural gas against an unreasonable market price.

Whether remedial legislation is or is not passed, the producer's prices for gas sold in interstate commerce will be under control. The difference is this, and it is an important one: If this legislation is not passed, the present direct controls will continue to stifle enterprise. This already has been demonstrated in the reduction in gas well drilling and the cancellation of pipeline projects in the first year under present Federal control. On the other hand, corrective legislation will restore producers to freedom in all essential operations. However, their prices will be under Federal review and kept to the level of a reasonable market price. The real question is: "Should producers of natural gas be under the maximum possible control short of outright Government ownership, or should they be under the minimum controls needed to protect consumers against unreasonable rates?"

If you agree with the State chamber's position that the present Federal control of natural-gas production is a threat to our competitive system, please immediately wire or write to our Illinois Senators, EVERETT MCKINLEY DIRKSEN and PAUL H. DOUGLAS, Senate Office Building, Washington, D. C., urging their support of the Fulbright bill.

Sincerely yours,
LOUIS RATZESBERGER, Jr.,
President.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Illinois Petroleum Marketers' Association, on the 9th of March 1955, when they met in convention.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Supreme Court of the United States has ruled that, under present law, the Federal Power Commission has authority to regulate prices in the production and gathering of natural gas; and

Whereas the fact that natural gas is often produced in conjunction with crude oil means that the disruption of the natural gas industry through Federal regimentation is bound to affect the marketing of other petroleum products, including gasoline and heating oil; and

Whereas such Federal regulation of natural gas represents a backward step toward Government control of private industry, with the clear danger that the principle involved here could spread to every industry and business including all branches of the oil business, leading the country down the road to nationalization of all forms of productive enterprise: Now, therefore, be it

Resolved, That the Illinois Petroleum Marketers Association in convention assembled at Peoria, Ill., this 9th day of March 1955, go on record as calling upon their State's Representatives in both Houses of the United States Congress to support corrective legislation which will relieve field prices of natural gas of unnecessary and dangerous Federal regulation; and be it further

Resolved, That the secretary of the association be instructed to forward copies of this resolution to each Senator and to each Congressman from the State of Illinois with the respectful request that they take a forthright stand in defense of American private enterprise by pledging their support to such corrective legislation.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a resolution adopted by the Illinois Oil & Gas Association on December 9, 1954.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Supreme Court of the United States, in a recent decision, held that sales of natural gas by producers and gatherers to purchasers who transport the gas in interstate commerce for resale are subject to regulation by the Federal Power Commission under the terms of the Natural Gas Act.

The Federal Power Commission, as a result of such decision, has asserted control over the price at which natural gas subject to its jurisdiction may be sold by producers and gatherers, and over the production and gathering of natural gas in the field.

While there is little gas produced in the State of Illinois, there is considerable oil production and if Federal regulation of the gas industry is permitted to continue, we feel this is the final step before nationalization of the oil industry.

Our forefathers and we, ourselves, have fought to preserve the rights of the individual, and it is certainly in the interest of the entire Nation that the production and gathering of natural gas should not lie under Federal control: Now, therefore, be it

Resolved by the Illinois Oil & Gas Association in membership meeting duly assembled on December 9, 1954, That this association does hereby recommend and urge that the Congress of the United States enact at its next session, legislation that shall clearly exempt production and gathering of natural gas and the sale thereof by producers and gatherers from the jurisdiction of the Federal Power Commission; be it further

Resolved, That a copy of this resolution be sent to each Senator and Representative of the 84th Congress of the United States.

Mr. DIRKSEN. Mr. President, there is only one more word I need to say in support of the bill.

I have heard about the lobbying which has been carried on. I have heard about the lobbyists who come here to wrestle with the Members of the Senate and seek to persuade Senators to one course of action or another.

Insofar as I can recall, I have been lobbied twice on the bill. I was lobbied this afternoon at 1:30 in the Senate reception room by two very fine young men from Chicago. They belong to an organization which I do not believe I need name. They came here to urge me to vote against the bill. Senators can use their own judgment as to their institutional identity, or what group they belong to. Some time ago I was lobbied to vote against the bill by a former Member of the United States Senate. I shall not mention his name. It would not be proper to do so. He is a friend of mine. I recall he came and told me that he had a very substantial retainer from a gas company which is engaged in purveying gas at the retail level. He said that I ought to be against the bill. I said, "I am sorry. Every conviction in me dictates I ought to support the bill."

We discussed the matter at some length. That was about the end of it.

With respect to lobbies, I merely wish to say that I have been actively lobbied twice, each time to vote against the bill, not for the bill.

The Governor of the State of Illinois has stated the case pretty well. His statement will be found in the record of the hearings. I have also referred to resolutions of a great many municipalities and chambers of commerce and city councils, and others. Representing a consuming State, not a producing State, I feel that the best interests of the coun-

try and the best interests of the sovereign State of Illinois will be served if I support the bill. With that very simple statement, Mr. President, I yield the floor.

ORDER FOR RECESS UNTIL 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

TACTICS OF COMMUNIST RUSSIA—PROGRAM OF CONFISCATING PRIVATE PROPERTY

Mr. LANGER. Mr. President, I ask that my speech may be read by the clerk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chief Clerk read Mr. LANGER's speech, as follows:

Mr. LANGER. Mr. President, on January 29, 1951, just 5 years ago, in speaking before this body of distinguished Senators, I pointed out that the program of confiscating private enemy property during World War II was a most definite part of the Communist program for world domination. It was a long speech and therefore had to be given in two different parts. Both appeared in the CONGRESSIONAL RECORD on January 29 and February 5, 1951.

At that time, I pointed out that the Kremlin's master plan of aggression requires in all instances carefully prepared campaigns, often subtle and often indirect, many times using causes which in themselves are good for evil ends, carried out over a long period of time; plans which have as their sole purpose the weakening of the will of the free people to resist Communist aggression when the time is ripe. I pointed out that the confiscation of private property of former enemies was part of the Moscow plan and I was the first man to name Harry Dexter White, former Assistant Secretary of the Treasury, as a spy and the key figure in the Communist conspiracy. I named Harry Dexter White as a spy almost 3 years before the Attorney General, the Honorable Herbert Brownell, repeated what I said. I suggest that everyone read my charges that appeared in the CONGRESSIONAL RECORD on January 29 and February 5, 1951.

For some reason or other, the disclosures which I made in those speeches never received the publicity given to practically the same situation when the Attorney General of the United States mentioned the Harry Dexter White case on November 6, 1953, almost 3 years after my disclosures, in a speech which he made before the executive club in Chicago. I assume that the reason my disclosures made in 1951 were never properly brought to the attention of the American people is explained in the one-hundred-page handbook on The Communist Party in the United States—What It Is, How It Works. This handbook was compiled by the Internal Security Subcommittee of the Senate Committee of the Judiciary and only 4 weeks ago was released to the public. The foreword of the handbook states:

> The average American is unaware of the amount of misinformation about the Communist Party, United States of America, which appears in the public press, in books and in the utterances of public speakers.

The public press was simply silent when I made my first disclosures in 1951, when I first accused Harry Dexter White of being a Communist agent, carrying out Stalin's plans. At no time prior to that date had Harry Dexter White been publicly called a top Communist agent. At that time, it was hinted by some newspapermen that my charges were so fantastic that they were not worthy of being printed.

Louis F. Budenz, former Communist and former editor of the Daily Worker, in an article entitled "The Conspiracy of Silence" said:

> Too many American newspapers are strangely silent concerning the facts that would help us most to resist the Communist advance.

Mr. Budenz continues:

> Much of this illiteracy would have been removed long ago if the secular publications and particularly the daily press had done their duty by America and told frankly and continuously the truths about communism. The average American citizen can contribute a great deal by jogging his local newspaper, urging that it inform its readers of what is the current Communist line. There is something worse than absurd in the condition whereby our own American press in general helps in the miseducation of our citizens on the most important topic that is before us.

This is the statement of the former Communist editor of the Daily Worker. I wonder how the daily press will receive the remarks I intend to make now?

The basic difference between governments of the free world and Communist-controlled governments lies principally in one thing. In the free world the governments are dedicated to the principle of the inviolability of private property rights as the foundation stone of personal freedom and their governments are designed to create and protect equality of opportunity and a better life for all under the free-enterprise system. Communist governments are dedicated to the destruction of all private property rights and consequently all freedom, for Karl Marx, Engels, Lenin, and Stalin all taught that communism cannot succeed, nor could the Communist Party dictatorship continue to hold power, as long as the means of production are owned by individuals, and now Khrushchev preaches the same doctrine.

What did Karl Marx say in the Communist manifesto expounded in 1848? I am going to read it to you.

> Seizure or power and retention of power throughout the world by the proletariat is only a matter of time. The establishment of the dictatorship of the proletariat is inevitable. And the abolition of this state of things is called by the bourgeois, abolition of individuality and freedom, and rightly so. The abolition of bourgeois individuality, bourgeois independence and bourgeois freedom is undoubtedly aimed at. In a word, you reproach us with intending to do away with your property. Precisely so: That is just what we intend.

That is what Karl Marx wrote as being the basic philosophy, if I may use that word, of communism, and to make certain that he meant just what he said, Marx continued and I quote: "The charges against communism made from a religious, a philosophical, and generally from an ideological standpoint are not deserving of serious examination. The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeois, to centralize all instruments of production in the hands of the state."

That is the doctrine of Marx which has been followed by the Communists all over the world, right up to the present time. I say, could there be anything clearer than that? But all during World War II and long thereafter, the Communists were pictured as nice fellows, just social reformers and, in some instances, as crackpots. Is it any wonder then that the American people were fooled?

What does Stalin say in his work entitled "A Year of Great Change—1929" on the problem of Leninism, published by the Foreign Language Publishing House in 1940, in Moscow, on page 304? Stalin says:

> The last hope of the capitalists of all countries who are dreaming of restoring capitalism in the U. S. S. R.—the sacred principle of private property—is collapsing and vanishing.

Note well that Stalin says "the sacred principle of private property is collapsing and vanishing."

Other Soviet leaders preached the same doctrine. Manuilsky in a speech before the seventh congress of the Comintern entitled "Results of Socialist's Construction in the U. S. S. R.," published in pamphlet form by the Coperative Publishing Society of Foreign Workers in Moscow in 1935, page 35, reiterates the theoretical stand of the Communist Party and says as follows:

> Building classless society means overcoming the survivals of capitalism in economics and in the minds of men.

Now, lest there be those who think the policy has changed, may I quote from the publication Krasniy Flot, which means Red Fleet, published in Moscow on October 24, 1946, after the war had ended. The article is entitled "Origin and Character of the Second World War." This article was written by Stepanyan and sets out this policy even more definitely:

> War finds its origin in class society founded on private ownership by means of production. War between people will disappear only when this private ownership and the antagonistic classes are destroyed forever. So long as capitalism exists, the danger of new imperialist aggression and world wars remains.

Note the words repeated again and again. What are they? Capitalism, the "private ownership of property."

If this is not enough to convince any American that the basic conflict between communism and the nations of the free

world is the right to own private property, may I quote from Nikita Khrushchev's statement made in Burma to an enthusiastic ensemblage of Rangoon University students in which he propogated the Communist faith as published in Time magazine on December 19, 1955, when Khrushchev said as follows:

The days of capitalism in the world are approaching their end. Our system will win.

When will those guardians of American freedom, those men who operate the free press in America, begin to tell the whole story of the Communist conspiracy to destroy private property rights during World War II and after World War II? For the most part, they have been silent. These editors and publishers of the free press in America who continue to publish those attacks, mostly by syndicate writers, on Members of Congress, both Republicans and Democrats alike, who fearlessly defend American ideals and American principles against Communist ideologies and Communist doctrine, ought to begin to realize that the first thing a Communist dictatorship does when it takes over a country is to liquidate the editors and publishers of the free press and then to make the press an instrument of the Communist Party under the guise of nationalization. Too many American newspaper editors have been silent on this subject. There are some exceptions, and at this time I should like to read as part of my address an editorial which appeared in the Chicago Daily News under date of February 9, 1954, entitled "German Property," as follows:

There is evidence that American policy of confiscating the property of German nationals was written by the late Harry Dexter White, the alleged Soviet agent, while he was adviser to Treasury Secretary Morgenthau. Whether it was or not, it followed the Communist moral code and it furthered the Russian aim of weakening Germany. Some half billion dollars of enemy property was seized during and before the war. There was full justification for this, of course. It would have been unthinkable to permit these assets to further German war effort. But when the misguided policy of dismantling German industry was abandoned, in furtherance of joint defense and when we began to siphon millions into Germany to rebuild its economy, it made no sense at all to deny them the benefit of their property in this country. That practical aspect is over and above the moral consideration that never before had a government refused to return private property to individuals in an enemy state. In 1948 Congress passed the War Claims Act, providing that claims of Americans for illegal acts committed by our enemies during the war should be paid from these seized German assets. Of these claims, some 75 percent were against the Japanese. Seized Japanese assets, it should be noted, have been released to their citizen owners. In a recent speech in the Bundestag, Dr. Karl Georg Pfliederer of the Free Democratic Party, cited some of the effects of the United States policy. He noted that even the pensions of scores of Germans who fought on the United States side in the Spanish-American War have been held up. The German Embassy was sold in 1951, the proceeds going into the United States Treasury but the Governments of Brazil, Chile and even Peron's Argentina, have returned German diplomatic buildings as international custom required. The German parents of an American soldier killed in action cannot claim his $12,000 estate. The sole justification for the official United States attitude is that a peace treaty has not been signed. But in the present state of German-United States relations, it is absurd to pretend that a state of war continues. Of all the nations in the world the United States has the most reason to try to establish the principle that private property owned abroad will be treated with scrupulous honesty. We should promote that cause by dealing justly with the German claims.

Thus this editorial again points out that our policy of confiscating private property of enemy aliens follows the Communist code and also points out the necessity for reestablishing the principles of the sanctity of private property by dealing justly with the German claims.

The only thing wrong with this editorial in the Chicago Daily News is that it states:

There is evidence that American policy of confiscating the property of German nationals was written by the late Harry Dexter White, the alleged Soviet agent while he was adviser to Secretary of the Treasury Morgenthau.

I said back in 1951 that the evidence that Harry Dexter White was a top Communist conspirator for Stalin was simply overwhelming, and I did not have access to the FBI files either, as did the Attorney General.

It seems to me that our midwestern newspapers are more alert in recognizing Communist doctrine than some of the other newspapers throughout our great country. I should now like to read an editorial which appeared in the Chicago Daily Tribune on August 12, 1954, a few months before the last congressional election, entitled "Restoration of Seized German Assets":

Mr. Eisenhower has informed the West German Government that no pending legislation to return German private assets of $500 million seized in this country during and after the war has the approval of his administration. The President's position apparently insures the defeat of legislation introduced by Senator DIRKSEN for restoration of the German property. The measure has been favorably reported by the Senate Judiciary Committee. Mr. Eisenhower sent his letter to Chancellor Adenauer after the Dutch Government had strenuously protested the Dirksen bill. Its argument appears to be that if the United States were to act honorably in this matter, 18 other nations which were alined with it in an agreement on reparations reached at Paris in 1946, will be under pressure to follow our lead in disgorging. Although the State Department supports restoration, the Justice Department opposes it, contending that to give back the seized property would take millions of dollars out of the pockets of Americans and give a windfall of similar proportions to Germans. How the millions got into American pockets does not bother the Justice Department nor is it explained why it is a windfall for the victim of a robbery to get back what was taken from him. It seems to us that simple justice and morality should govern in this matter, even if there were not ample international law and treaty commitments to make it clear that restoration is the legal obligation of the United States Government. When a similar situation arose after the First World War, the late John Bassett Moore, an authority on international law, commented sarcastically, "in the original statute the function of the Alien Property Custodian was defined as that of a trustee. Subsequently, however, there came a special revelation, marvelously brilliant but perhaps not divinely inspired, of the staggering discovery that the foreign traders and manufacturers whose property had been taken over had made their investments in the United States not from ordinary motives of profit but in pursuance of a hostile design so stealthily pursued that it had never before been suspected but so deadly in its effect that the American traders and manufacturers were eventually to be engulfed in their own homes and the alien plotters left in grinning possession of the ground. Under the spell engendered by this agitating apparition, and its patriotic call to a retributive but profitable war on the manufacturers property, substantial departures were made from the principle of trusteeship." If we are bent on stealing something that belongs to others, the least we can do is not to pretend that there is virtue in the act.

I believe that most Americans will agree with the conclusions of the Chicago Tribune's editorial and with the statement put so succinctly:

How the millions got into American pockets does not bother the Justice Department nor is it explained why it is a windfall for the victim of a robbery to get back what was taken from him.

In the speech I made before the Senate in 1951, I pointed out that no man, whether he be a Christian or Jew, could ever become a hard-core Communist unless he first gave up his religion. Why? Because in the Ten Commandments given to Moses on Mount Sinai, God laid down the rules for man's conduct in relation to God, and man's relation to man. He gave men the rule regarding private property when He said, "Thou shalt not steal," and again when He said, "Thou shalt not covet thy neighbor's goods." Consequently, no man could be an adherent to the Christian or Jewish faith and be a hard-core Communist.

John Adams, that great statesman, summed up the question of the inviolability of private property rights in the following words:

The moment the idea is admitted in the society that property is not as sacred as the laws of God, and that there is not a force of law and public justice to protect it, anarchy and tyranny commence. If "Thou shalt not covet" and "Thou shalt not steal" were not Commandments of Heaven, they must be made inviolable precepts in every society before it can be civilized or made free.

I have taken this quotation from the Works of John Adams by Charles Francis Adams, volume 6, page 9.

I say it is principally because under a Communist system, where private property is not held sacred, that men are slaves and personal liberty cannot exist.

Contrast this statement of John Adams and similar statements of great American citizens, made from the days of the founding of our Republic up to the present time, with those of Stalin:

The sacred principle of private property is collapsing and vanishing.

Contrast John Adams' statement with that of Kovalov appearing in the Bolshevik, issue No. 5, 1947; on page 9, in his essay Communist Education of Workers To Overcome Survivals of Capitalism, in which he said:

Marxism and Leninism teaches that the transition from capitalism (the right to own private property) to communism may be effected only through a revolution in the political, economic, cultural, and ideoligical fields.

Now let us document the steps in the Communist conspiracy to drive from the minds of men the last vestiges of the survival of capitalism in economics, the survival of that basic principle of the inviolability of private property, the foundation stone of all freedom. Let us document these steps, going back to Moscow. It has never been done before. I intend to do just that. Let us set out the part played in this conspiracy by American traitors. Let us be honest and dispassionate in our analysis of the factors that led Congress to pass confiscatory legislation in 1948, more than 3 years after the war was over. Let us trace the program from the point of its birth right up to the present day.

During the early days of World War II, President Franklin D. Roosevelt, when he established the independent agency of the Office of Alien Property, under the Trading With the Enemy Act, acted in accordance with the best American principles and traditions, solely for the purpose of preventing the enemy from making use of the private property owned by its citizens in this country while the war was in progress. The record shows that from almost the first day of the appointment of Leo Crowley as Alien Property Custodian, the Treasury Department did everything in its power to induce President Roosevelt to place the Office of Alien Property under the direction of the Secretary of the Treasury, or, to be more specific, under the control of Harry Dexter White. President Roosevelt wanted the Office of Alien Property to remain an independent agency of government. He wanted that office to be operated in a manner consistent with the American principle of inviolability of enemy private property even during time of war.

As early as in 1951, I charged that Harry Dexter White, Assistant Secretary of the Treasury, was a Communist agent. I charged that he was the guiding spirit for the Communist conspiracy to destroy private property rights throughout the world. I pointed out that although the Morgenthau plan calling for harsh treatment of the entire German civilian population was made to look like an American plan, actually it was a plan made in Moscow, and its execution was directed by Harry Dexter White, who was intimately associated with the convicted Alger Hiss.

It is impossible for us to understand the situation we are in today without having a realization of the events which took place during the war years and immediately thereafter.

None of us knew during World War II that actually on December 15, 1941, 8 days after Pearl Harbor, the Secretary of the Treasury, Henry Morgenthau, Jr., signed the following order:

> On and after this date, Mr. Harry Dexter White, Assistant to the Secretary, will assume full responsibility for all matters with which the Treasury Department has to deal having a bearing on foreign relations. Mr. White will act as liaison between the Treasury Department and the State Department, will serve in the capacity of adviser to the Secretary on all Treasury foreign matters, and will assume responsibility for the management and operation of the stabilization fund without change in existing procedures. Mr. White will report directly to the Secretary.

This order was secret, and for years neither the Congress nor the American people knew of it. Imagine what that order did. It put Harry Dexter White above the Secretary of State, and above every American Minister and Ambassador throughout the world, because they could not conduct foreign relations without money. Every foreign country that wanted any aid had to clear through Harry Dexter White and get his approval, because every program took money, money to the extent of billions of dollars. Here was the beginning of the control of the State Department being taken over by Harry Dexter White.

Now let us see how he took over the Army and the Navy. I would now like to read from another order that was kept secret which was signed by Morgenthau on the 25th of February, 1943. None of us knew about this order until many years later. It is addressed to Harry Dexter White and reads as follows:

> I would like you to take supervision over and assume full responsibility for Treasury's participation in all economic and financial matters * * * in connection with the operations of the Army and Navy and civilian affairs in the foreign areas in which all of our Armed Forces are operating or are likely to operate.

Mr. President, I might add that, in my opinion, that the paper giving authority to Harry Dexter White on that occasion was the most important document signed during all of World War II.

This order put the entire military finances and economic policies for liberated areas throughout the world in the hands of Harry Dexter White. The first order dated December 14, 1941, took over economic matters theretofore always in the hands of our Ministers and Ambassadors, and as soon as it was signed, Harry Dexter White sent his own men, handpicked, into each American Ministry and Embassy throughout the world. The second order, dated February 25, 1943, placed all military economics under the Treasury Department under Harry Dexter White "in the foreign areas in which all of our Armed Forces are operating or are likely to operate."

I am now going to prove that these two orders were absolutely necessary if Stalin was to carry out his plan.

The record is clear that at no time did President Franklin D. Roosevelt ever have in mind the permanent confiscation of private German or Japanese assets in this country.

The first article that ever appeared, to my knowledge, relating to the confiscation of private property under the guise of reparations, was published in Moscow in October of 1943 in the magazine "War and the Working Class," but it got no publicity in the American press. Can there be any doubt that American Communists and collaborators knew all about this plan as soon as it got into print in Russia? This article was written by Eugene Varga, Soviet economist.

Now, who is Eugene Varga? For many years he had been a significant figure in Soviet affairs. In 1915 he was a resident of Hungary, where he was a university lecturer. He next appeared as a revolutionist colleague of Lenin. When Germany decided to intervene in the Russian Revolution in 1917, Varga joined Zinovieff, Radek, Lenin, Lunachrsky, and others who made that historic journey from Germany into Russia in what was a so-called sealed railroad carriage. In the February 26, 1945, issue of Newsweek magazine, under the title "What Capitalism Learned at Yalta," by Robert Moley, the author points out that "Varga's survival over all these years during which so many of the original Bolsheviks have been liquidated is evidence not only of his loyalty to the fortunes of Stalin but of his usefulness to the government."

Now, what was the publication "War and the Working Class"? It was a magazine published by Trud Publishing House. Trud and Izvestia are two of the top Communist Party newspapers in Russia, and every Communist newspaper in Russia follows their line. There is no deviation in any of them. Both are Communist Party organs, and, of course, all of the newspapers are owned by the state and controlled by the Communist Party. What is the magazine "War and the Working Class?" It was the one publication which first published top Communist policy. What did Eugene Varga say in that article appearing in the War and the Working Class, issue of October 1943? The article was on the subject of reparations, and Varga stated, first, that German slave labor would be used in Russia to reestablish railroad bridges, cities, and industrial plants; second, that when the German armies capitulate they should be sent into the Union of Soviet Socialist Republics as slave laborers; third, that they would take industrial plants and equipment out of Germany, that is reparations in kind, machine tools, factories, and, fourth, they would confiscate German private assets abroad.

Here we have the Communist plan to take from every German civilian every piece of property of every type and description that those civilians may have owned any place in the world. The real estate, businesses, stocks, bonds, savings accounts, proceeds from annuities, proceeds from life insurance policies, even the proceeds from G. I. insurance policies, proceeds from inheritances, estates, trusts, patents, copyrights, everything of value, every type of property. Varga further wrote:

> That the reparation claims of the Allies against Germany and her satellites reach approximately 800 to 1,000 billion gold rubles (100 to 500 billion gold dollars): The lion's share has to fall to the Soviet Union.

Cleverly hidden in Varga's ideas of reparation payments was the Communist basic principle, namely, to confiscate all private property of German civilians. It should be obvious to all of us after Russia's plan for Germany was published in War and the Working Class that German civilians had no private property or investments in Russia. These simply could not exist under the Soviet system. They could only exist in the free world, and Stalin wanted these confiscated to drive from the minds of men, during a time when hatred was rampant, the idea

that there was anything sacred about private property.

Part of Varga's article was first reproduced in the October 1944 issue of the American Mercury, entitled "Russia's Plan for Germany." Strangely enough, however, in the Moscow conference which was held 1 month after the appearance of this article, where our great statesman Cordell Hull was the United States delegate, not one word of the confiscation of private property was discussed or even mentioned. On November 19, 1943, Secretary of State Cordell Hull spoke before a joint session of Congress after returning from Moscow. He was the first Cabinet member ever to address the combined legislature, and he gave a report to Congress on the Moscow conference. Not once did he say that there were any discussions at the conference with reference to reparations, or that it was planned that private property of German and Japanese citizens would be permanently confiscated throughout the world, even that located in neutral countries. Of course, Secretary of State Cordell Hull's position with reference to confiscation of private property was well known in Moscow as far back as 1935, for in the American Journal of International Law, volume XXXVII, page 94, in 1943, before he went to the Moscow conference, he was quoted as follows:

> It is important from my point of view, therefore, that the United States should not depart in any degree from its traditional attitude with respect to the sanity of private property within our territory whether such property belongs to nationals of former enemy owners or to those of friendly powers. A departure from that policy and the taking over of such property except for a public purpose and coupled with the assumption of liability to make just compensation, would be fraught with disastrous results.

We now have the conflict between the Moscow policies, as set out by Varga in War and the Working Class in 1943, and the American policy as set out in the same year by Secretary of State Cordell Hull in the American Journal of International Law. Where was the American press when this story broke in Moscow in 1943? Varga's story should have been on every front page of every newspaper in the United States, but it was not. American traitors and fellow travelers immediately took up Varga's line, although the American public and the Congress of the United States were kept in ignorance; and I might add that many outstanding American citizens in the executive branch of the Government were also kept in the dark.

In Secretary Hull's report to Congress he also stated as follows:

> I went to Moscow by direction of President Roosevelt to discuss with the representatives of Great Britain and the Soviet Union some basic problems of international relations in the light of principles to which our country, under the President's leadership, has come to give widespread adherence.

Does this throw new light on why certain segments of our press and certain radio commentators set out on a deliberate plan to scuttle Cordell Hull from his position of high moral leadership in the critical point of our history?

Attacks on Cordell Hull and his policies grew in tremendous proportions during the months in 1944. In fact, on March 11, 1944, Collier's magazine published an article, written by George Crell, entitled "The War on Cordell Hull." The article begins as follows:

> Cordell Hull's popularity is now at the peak, but the drive against him is only suspended. After a cautious wait, attacks will start again, for there is no chance of a truce between the Secretary of State and the ideologists, emotionalists and fellow travelers who make up the self-styled liberal front. They want him to import his policies from abroad, putting the interests of other countries above America's, while he insists on home products, holding to the oldfashioned theory that the welfare of the United States comes first.

The article closes with these prophetic words:

> There is a war to win, with the fate of our free institutions in the balance, and yet at every step, Cordell Hull's idealism has kept pace with his realism, and compromises dictated by bitter necessities, have not entailed the surrender of any fundamental principle. Not that it matters to the muddled emotionalists, parlor pinks, fellow travelers and avowed Communists who form the self-styled liberal front. Silent today, when the Secretary of State is universally acclaimed, they will attack again when his stout affirmation of American ideals and interests conflicts with their ideologies.

So closes the article War on Cordell Hull.

Mr. President, attacks on Cordell Hull were soon to start anew, based on the false statements that Cordell Hull had no postwar policy for Germany. The truth is that as early as 1942, Secretary of State Cordell Hull set out, at the President's order, to blueprint a truly American postwar policy for Germany. He organized two groups in the State Department—a committee on political planning, and another on security—to carry out these objectives. But as it turned out, the political committee in the State Department had as one of its members Laurence Duggan, friend and confidant of Harry Dexter White and Alger Hiss, who later on were exposed as having been Communist agents. This is the same Laurence Duggan who, after being interrogated by the FBI, after he was brought into the Hiss case, died in a plunge from the window of his 16th-floor New York office just a few days after the FBI called on him. His body landed so far from the building wall that police investigators concluded that suicide or murder, and not an accident, caused his death. At the trial resulting in Hiss' conviction, Harry Dexter White is named in testimony as having been a secret member of the Communist Party, and Laurence Duggan as "in a special category of the party apparatus" maintaining a special liaison with the underground through the divorced first wife of Gerhard Eisler, former No. 1 Communist in the United States.

Can anyone doubt that Cordell Hull's plans for a truly American postwar policy for Germany were known in Moscow already in 1942 and surely in 1943, or that Moscow believed that, through pressure, Cordell Hull could be brought to accept Communist plans for Germany at the end of the Second World War?

Can there be any doubt that there was great opposition in the State Department to Cordell Hull's plans for a truly American postwar policy for Germany, and that this opposition came from the Hiss crowd, under the direction of Harry Dexter White, who, because of Morgenthau's directive of December 15, 1941, held the purse strings of the State Department?

Under Secretary of State Sumner Welles—whose proposals for the coming peace disagreed with Hull's postwar policies—was finally fired by Secretary Hull in September 1943, 1 month before Moscow's plan for postwar Germany first appeared in War and the Working Class. Sumner Welles then wrote a book entitled "Time for Decision." What did the newspapers have to say about Welles' resignation? One newspaper, the Philadelphia Inquirer stated:

> A disquieting indication of weakness on this country's diplomatic front. * * * His departure from the State Department conceivably will be received with misgivings in the Latin American countries and Moscow.

The Washington Post stated:

> To be sure, Mr. Welles was one of the hosanna boys or star gazers, as Mr. Hull stigmatizes the expositors of the four freedoms * * * but in terms of ultimate loyalties, surely no sin of disloyalty could be chalked up against Mr. Welles on that account. With much more justice Mr. Welles could return such a charge to his State Department Chief.

Columnist Drew Pearson stated that Hull and other Department of State officials were "blindly hostile to Russia."

Mr. President, if you are interested in the source of these quotations, refer to Time magazine for September 6, 1943. This was before the Moscow Conference of November 1943, after which Cordell Hull made his famous speech before a joint session of Congress. For a few weeks thereafter, Hull was acclaimed by the press as a great American; but soon the attacks had to begin again if Stalin's plans for Germany were to win out.

There had to be a laying of the groundwork, a conditioning of the people for the placing in operation of the Moscow plan for postwar Germany under the guise of being American; namely, the Morgenthau plan.

Cordell Hull had to go, but they did not succeed in getting him out in time for the second Quebec Conference held on September 11 and 12, 1944.

The conference was held during the period when the Polish patriots were fighting the German armies in Warsaw. That was at a time when the Russian offensive had already reached the Vistula. The Germans withdrew west of the Vistula on July 22 and the Russians crossed the river on the same day and the Polish patriots put forward in the direction of Warsaw. The Polish patriots decided to stage a major uprising and liberate the city. There were about 40,000 men, with reserves of food and ammunition, enough for about 10 days fighting, ready to rise. For 6 weeks the Polish liberation army fought alone. Stalin did not permit his Russian armies, which stood at the very gates of Warsaw

to fire 1 gun in her defense, but on September 10, 1944, 1 day before the beginning of the second Quebec Conference, he permitted Soviet artillery to shell the eastern outskirts of Warsaw. Stalin's timing for his Morgenthau plan, executed by traitor Harry Dexter White, was perfect, and his timing for the liquidation, under the guise of liberation, of all Polish patriots who were fighting for freedom in Warsaw was also perfect.

During this period the press carried numerous articles that the United States had no plan for postwar Germany. Cordell Hull had an American plan for postwar Germany, but it did not suit Stalin nor his agents and dupes in the United States. The Communists and fellow travelers knew that Moscow had a plan and that Moscow plan was taken to the second Quebec Conference. Now what happened in the Cabinet meeting immediately prior to the second Quebec Conference? I wish to read into the RECORD, as a part of my remarks, an article which appeared in Time magazine on October 2, 1944, about 2 weeks after the second Quebec Conference:

After a couple of days of cloudy rumors, the news broke over the weekend. The Roosevelt Cabinet was violently split, over the gravest problem now before our allied government: What to do with postwar Germany? Again there had been no real advance planning on a huge problem that had been visibly approaching for a long time. Again there had been some hasty last-minute improvisation, and the plan that was handiest and most attractive at the moment had been seized on.

The plan that had been put forward by Treasury Secretary Henry Morgenthau had roused the violent objections of Secretaries Cordell Hull and Henry Stimson. The President was said to be leaning toward the Morgenthau side. The Morgenthau plan was the first reported by the Wall Street Journal's Alfred Mike Flynn and expanded by Associated Pressman John M. Hightower. Far and away the most drastic yet proposed for the future of Germany, it was just barely above the level of "sterilize all Germans." It would reduce Germany from a prewar industrial giant to a fourth-rate nation of small farms. Its points called for (1) removal from Germany of all industrial machinery which any liberated country wants; obliteration of the rest of German industry; (2) permanent closing of all German mines if any are left after territorial changes; (3) cession of the Saar and other Rhineland industrial areas to France; cession of East Prussia to Poland; (4) breakup of all large land holdings into small farms; (5) withholding of any economic aid whatsoever to Germany; no food, clothing, or other relief supplies to be furnished to the German people; no reconstruction of railroads or factories within Germany to be permitted; (6) prolonged occupation by Russian, British, and American troops, perhaps for a generation; (7) no reparation since Germany would have nothing to pay them with and would be allowed no way to earn payments in the future.

This was indeed a Carthagian peace. But Henry Morgenthau believes that Germany must be destroyed as Carthage was. When he visited the battlefields last October, General Eisenhower showed him a booklet outlining allied military government directives to soldiers for the occupation of Germany. This was strictly a military document drafted by the War Department. Henry Morgenthau, fanatical naziphobe, was much exercised over several passages which to his mind were indications of a too lenient attitude. He lifted these passages and put them in a memorandum to the President. All sources in Washington agreed that the President was equally exercised. The meeting with Prime Minister Churchill in Quebec was imminent and he had no real plan for the management of occupied Germany. The Allies have mainly agreed only on which zones of Germany each will occupy. Hastily the President appointed a Cabinet committee to consider the problem. The committee members: Secretaries Stimson, Hull, and Morgenthau. The committee met 3 times in 3 days just before the President was forced to leave for Quebec. Messrs. Hull and Stimson strongly opposed the Morgenthau program to strip Germany. Both agreed that such a super-Versailles would only justify a future German generation in once more uniting to plan revenge. They wanted rigid controls for many years, but they wanted Germany, for centuries the economic center of middle Europe, put back on its economic feet. They only wanted to make sure that German development is not along military lines. Both emphatically agreed that they did not want to maintain a nation of haters.

Henry Morgenthau talked down in this session went ahead on his own. Suddenly Messrs. Hull and Stimson learned that Morgenthau was in Quebec. Neither Mr. Hull nor Mr. Stimson enjoy a basic Morgenthau advantage (for years Henry Morgenthau has always had Eleanor Roosevelt's ear). How the Morgenthau plan was received by the British has not been reported early this week. But London dispatches said that Foreign Secretary Anthony Eden or even Prime Minister Winston Churchill may speak soon upon the controversial subject in Parliament. Some Washington sources insisted that Foreign Secretary Eden received the Morgenthau plan with warm aproval. Others insisted that this was mere British politeness. These took the view that Mr. Eden was privately horrified at the Morgenthau plan.

There was some reason to believe that the President's personal preference for the Morgenthau plan would fade under the steady pressure of the two Cabinet officers who will actually have the most responsibility in the occupation of Germany. Furthermore, it might cost votes from those citizens who would prefer a more careful and less vindictive program for the reeducation of Germany. And finally, it was of the highest political urgency that the latest Cabinet split be mended before Candidate Dewey hammered again at the old, tired, quarrelsome men of Washington. But, said one New Deal chieftain, a White House intimate, even the airing of this plan is going to cost a lot of American lives. It is going to stiffen resistance inside Germany. We have placed a powerful weapon in the hands of Goebbels. A few hours later the Goebbels propaganda machine began grinding, shouted the German radio: "The occupation of the Reich by Americans and British would be as horrible as by the Bolsheviks; Morgenthau is outdoing Clemenceau. Clemenceau said there were 23 million Germans too many—Morgenthau wants to see 43 million Germans exterminated."

So ends the Time article.

Mr. President, it is clear that the Harry Dexter White crew and the Alger Hiss crew and the fellow conspirators had succeeded in not only scuttling the Secretary of State, Mr. Hull, but putting into effect the Moscow program as set out by Varga in "War and the Working Class" in its issue of October 1943. Let us compare the so-called Morgenthau plan now with Varga's plan.

Varga insisted on reparations in kind—Morgenthau called for removal of all industrial machinery from Germany which any liberated country wants, and obliteration of her industry. Varga wanted to break up all large land holdings in Germany into small farms. Morgenthau wanted to reduce Germany from a prewar giant to a fourth-rate nation of small farms. Varga called for the withholding of any economic aid to the civilian population in Germany after the war—Morgenthau's plan was based on withholding any economic aid whatsoever. No food, clothing or other relief was to be furnished the German people. No reconstruction of railroads or of factories in Germany was to be permitted. Varga's plan published in War and the Working Class set out a detailed plan for the occupation of Germany by the Allies and called for a 10-year period of occupation—Morgenthau's plan called for the same thing but prolonged the occupation by Russian, British, French, and American troops for perhaps as long as a generation. Varga's plan, following true Communist ideology, set forth a program under which the capitalistic nations of the world, that is, the free nations who believe in the right of private property, would confiscate all German private external assets for reparations. Of course, there were no German external assets in Communist Russia. It was known full well that it was repugnant to the American people and the American Congress to ever confiscate private property of enemy civilians. The Morgenthau plan when first publicly announced was careful not to include Varga's program for confiscation of private property of enemy civilians by the nations of the free world and, as far as reparations were concerned, the plan followed the ideas of the President of the United States who had many times stated that we could not collect reparations and would not collect reparations, so the published Morgenthau plan said "no reparations, since Germany would have nothing to pay them with and would be allowed no way to earn payments in the future."

But let us not make any mistakes about it, the White-Morgenthau plan did include confiscation of all German assets of any character whatsoever outside of Germany, but this was not made public at the time. This plan for confiscation of private properties was marked "top secret." Morgenthau himself admits in his book, Germany is our problem, that the Congress of the United States was to be tricked and the President of the United States was to be also. Only a few weeks after the second Quebec conference, Varga's plan was already outlined in War and the Working Class issue of October 1943. As detailed in an article in the American Mercury entitled "Russians Plan for Germany," just 1 year after Varga wrote it. How many people saw that article? Too few and those who did see it did not believe it; and the great American press was silent.

Let us not believe that there was no plan for confiscation of private property behind the announced Morgenthau plan. It was part and parcel of the plan, and so far as the Communist program for eventual world domination was concerned, was a most important part. As it turned

out, it actually was a part of the Morgenthau plan, although its announcement was delayed and covered up. Senate document No. 123 of the 81st Congress entitled "A Decade of American Foreign Policy" from 1941 to 1949 reports on page 502 thereof the Morgenthau plan, 1943.

The plan, under the caption "Restitution and Reparation," provided: "reparations in the form of future payments and deliveries should not be demanded. Restitution and reparation shall be effected by the transfer of existing German resources and territories, e. g.,(a) by restitution of property looted by the Germans in territories occupied by them; (b) by transfer of German territory and German private rights in industrial property situated in such territory to invaded countries and the international organization under the program of partition; (c) by the removal and distribution among devastated countries of industrial plants and equipment situated within the international zone and the North and South German States delimited in the second partition; (d) by forced German labor outside Germany; and (e) by confiscation of all German assets of any character whatsoever outside of Germany."

The publication states that the Morgenthau plan was taken to Quebec by President Roosevelt and Mr. Morgenthau in August of 1943 and there provisionally approved by President Roosevelt and Prime Minister Churchill, but Secretary Morgenthau at Harry Dexter White's advice, marked the unannounced part of the plan, namely to confiscate all German assets of any character whatsoever outside of Germany, as top secret. I charge that President Roosevelt and Cordell Hull knew nothing of it.

The Morgenthau plan was never adopted as the policy of the United States, nor issued as an official document of the United States, but can there be any doubt that it was put into effect? I intend to show hereinafter that Harry Dexter White, Frank Coe, Harold Glasser, Alger Hiss, and the Communist Party and fellow travelers in the United States worked to make that part of Stalin's plan concerning confiscation of German external assets a reality and succeed through deceit and trickery in 1948.

What a great triumph the second Quebec Conference was for Stalin. Not a single Russian official was at the conference. Stalin did not need any official representation from Russia. His stooges did his work well. He made it look as if the decisions at Quebec were those of the United States.

Our sick and ailing President, who within a few short months would be dead, was caught between the maelstrom of two conflicting forces: and the Morgenthau group, including the Communists and fellow travelers in the Treasury Department, and the Hiss followers in the State Department, who had carefully prepared the American people through the propaganda put out by the Office of War Information for a peace based on hate and revenge, to be inflicted upon the entire civilian population of a nation, won out over forces led by those great statesmen, Cordell Hull and Henry Stimson, who both insisted on a just, humane, and lasting peace.

Here we saw for the first time in the history of our country the Secretary of War being stripped of any authority with reference to post war policies, where the army which would occupy Germany would be no longer under his control, but controlled by the Treasury Department, controlled by Communist agent Harry Dexter White, and, above all, the Secretary of State being stripped of any authority, and we see substituted for them, Harry Dexter White.

Mr. President, I reiterate that during that war the entire jurisdiction was taken away from the Secretary of War and by written document, which I have quoted, was turned over to the Communist Harry Dexter White.

Of course, Stalin's victory could not be complete until Cordell Hull would be forced out of his position as Secretary of State: for the fulfillment of Stalin's plans for Germany could not take place, as Stalin well knew, if Cordell Hull were to remain as Secretary of State. Thus both the pinks and the liberals in the press, magazines and the radio again began their attacks on Cordell Hull.

This could never have happened if Franklin D. Roosevelt had been a well man, nor could it have happened except that there were very many Communist sympathizers, if not actually Communist members and agents, in high places of our Government and that there were others who in their hate unknowingly and unwittingly became tools of this conspiracy.

Was it any wonder then, that Cordell Hull, less than 3 weeks after the Second Quebec Conference on his 73d birthday on October 2, 1944, showed up at his office as usual and complained "I'm sick and I know it." Four weeks later, good, gray Cordell Hull entered the Naval Hospital at Bethesda, Md., under observation and treatment for exhaustion, and then in his letter of resignation told of his great distress as follows: "It is a tragedy to me personally." The man who had directed United States foreign affairs for 12 years, longer by 4 years than any other man in American history, was scuttled.

Who were the top men at the Second Quebec Conference? Not Mr. Hull nor Mr. Stimson, who violently protested against the Morgenthau plan, but Secretary Morgenthau, and, of course, Harry Dexter White and Alger Hiss. How did Harry Dexter White force Churchill's acceptance of the plan? Time magazine in its issue of November 23, 1953, on "The strange case of Harry Dexter White" says:

> There Morgenthau and White pushed through approval of the plan by Roosevelt and Churchill. White had taken the pains to inform Lord Cherwell, Churchill's personal assistant, that British requests for United States funds would be greeted with much greater favor if Britain approved the White-Morgenthau plan.

Here was international blackmail of the worst type. Contrast this with Harry Dexter White's action when Stalin later on wanted a $6 billion loan. White said, "We'll make it $10 billion." Thank God, Stalin did not get it.

I want to go back now to the Time magazine quote of what happened at Quebec. Time said: "when the agreements were initialed, Franklin D. Roosevelt suggested that Churchill initial the German one first and then our economic agreement that would lead to an additional loan to Great Britain, and Churchill asked 'What do you want me to do? Get on my hind legs and beg like Fala?'" Churchill signed—he had to. Otherwise he might not have gotten the six billions he needed. Churchill, who had believed that the White-Morgenthau-Moscow plan would never become a reality, reported in the latest volume of his memoirs as follows:

> With my full accord the idea of pastoralizing Germany did not survive.

But I say, it did survive, in many respects, because after Quebec came Yalta.

On December 30, 1955, just a month ago, we got another release on what happened at Yalta. Among the second batch of Yalta papers we find a memorandum written by Harry Dexter White to his chief, Henry Morgenthau. It is a memo for Secretary Morgenthau's files relating to a meeting had on September 20, 1944, 8 days after the second Quebec Conference. What does this memo written by Harry Dexter White say? It states that Secretary Morgenthau requested a meeting. For what purpose? To report to Secretaries Hull and Stimson of Secretary Morgenthau's participation at the second Quebec Conference. Where was this meeting held? The meeting was held in Secretary Hull's office. Who was with Secretary Morgenthau? Senators have guessed it. Harry Dexter White. Who else was at that meeting? Secretary Hull, Mr. Mathews, of the State Department; Secretary Stimson, and Mr. McCloy, of the War Department. White's memo reads as follows:

> Secretary Morgenthau described in some detail the sequence of developments and the highlights of the discussions that took place in Quebec in which he participated. He (Secretary Morgenthau) gave to Secretaries Hull and Stimson a copy of the memo on Germany (supposedly) initialed by Churchill and Roosevelt and described how the memo had been drafted.

Now we see for the first time that Secretaries Hull and Stimson did not even know before that time what was in the memo, although they had a pretty good idea. I suggest that the memo, initialed by the President and Mr. Churchill, contained not one word regarding the secret part of the plan to confiscate all private property of all German civilians throughout the world.

White's memo continues:

> Secretary Hull wanted to know how important decisions on Germany could be reached without participation of the Russians.

I say that the question is really a tragic joke in view of later disclosures that Harry Dexter White was a spy. Harry Dexter White must have chuckled as he put that sentence in this memo.

The Harry Dexter White memo made public on December 30, 1955, brings Mr.

John J. McCloy into the picture for the first time. The Harry Dexter White memo of the meeting with Mr. Hull and Mr. Stimson held on September 20, 1944, 8 days after the second Quebec Conference, said that Mr. McCloy was also present. This is the same Mr. John J. McCloy who later became United States High Commissioner for Germany.

I say, that it is time for Mr. John J. McCloy to come forward and tell the American people the facts—they either vindicate the good name of Cordell Hull, Secretary of State, and his chief, Henry Stimson, Secretary of War, and his own good name by saying that the copy of the memo White and Morgenthau said was initialed by Roosevelt and Churchill which they handed to him and Secretary Hull and Secretary Stimson, contained the top secret clause to confiscate all German private assets throughout the world, or not.

Mr. McCloy is now chairman of the board of the Chase-Manhattan Bank, a privately operated banking institution, owned by many thousands of Americans who are stockholders, many of them being people of limited means. Mr. McCloy knows that in Russia and in every country taken over by the Communists that the banks are what the Communists call nationalized, that is the owners, the stockholder, have their stock in the banks confiscated by the state which means the Communist Party.

Mr. McCloy has also been a director of Westinghouse Corp., Union Pacific Railroad, International Telephone & Telegraph Co. and the American Telephone & Telegraph Co., the latter having more widows as stockholders who believe in our free enterprise system in the sanctity of private property rather than a system of state ownership, than any other private enterprise in the world. He is also on the board of directors of other large private enterprises.

Mr. McCloy owes it to his stockholders to say now whether he too was fooled by Harry Dexter White in that meeting of September 20, 1944. He owes it to the American people, and I say he owes it to the people of West Germany, over whom he, as United States High Commissioner for Germany from 1949 to 1953 held such great power for such a long time those west German people who are now our partners and the partners of all the nations of the free world in our common effort to stop further Communist aggression.

After he has cleared the good names of Secretary Hull and Secretary Stimson and his own good name as well, he ought to tell the American people and this Congress, and also let the west German people know who are our partners, whether he wants these private German properties that were confiscated under Stalin's plan returned in full or not.

I am writing Mr. McCloy on this matter and at a later date hope to put his reply into the RECORD.

I think also that the Senate Judiciary Committee, investigating the operations of the Trading With the Enemy Act, might well look into the matter of what was behind Harry Dexter White's plan to indict the Chase National Bank, now the Chase-Manhattan Bank, in the early forties, and many of its officers, including Mr. Winthrop Aldrich, who was Mr. McCloy's predecessor in the bank, for alleged violations of the Trading With the Enemy Act, foreign funds control under Harry Dexter White's jurisdiction.

Harry Dexter White brought about this indictment of that bank even though Mr. Aldrich was knighted by the King of England for extraordinary services to England—I said England, not the Russian Communists—during the war.

Mr. McCloy was Assistant Secretary of War during the time of the second Quebec conference. He left the Government in November of 1945. In February of 1947 he became president of the World Bank and from 1949 to 1953 served as United States High Commissioner for Germany.

I think the Senate Judiciary Committee ought also to call Mr. Hap Flanagan, president of the Manufacturers Trust Co. of New York, and ask him whether basic American principles of the inviolability of private property from confiscation is a principle he agrees with. He is the banker for some of those Republican politicians, and I use the word "Republican" with the greatest reservation, who want to hold on to these stolen business plums, regardless of what this means in our international relations with West Germany and regardless of the fact that it is now proven beyond a shadow of a doubt that the entire confiscation policy was made by Stalin and carried out by his traitors and spies in our Government. He and his associates connected with some of these confiscated businesses want to water down those basic American principles without which personal freedom is impossible, and trade with other free nations is impossible. That leads only to further confiscation of American investments throughout the world under the guise of nationalization. Mr. Flanagan's associates do not want to return stocks and bonds and other securities owned by private German citizens which were confiscated.

Obviously if these were returned, they would lose their plums, but they will fight to hold onto these plums even though they thereby drive more nails into the coffin of our free enterprise system, the system of private capital.

Stalin said:

> The sacred principle of private property is collapsing and vanishing.

Khruschev said just last month:

> The days of capitalism in the world are aproaching their end * * * our system will win.

Now let us get back to Yalta. What did Harry Dexter White and his crowd of traitors and fellow travelers do to set the stage for worldwide confiscation of private property? The matters I am going to disclose now were kept secret for 8 years and perhaps would never have been brought to light except for the insistence of Senators and Congressmen, Republicans and Democrats alike, including myself, who, after they began investigating the record of Harry Dexter White in 1951, after I had called him a top spy, finally forced additional disclosures of Harry Dexter White's operations. But I am getting ahead of my story.

Can there be any doubt that the complete White-Morgenthau plan to confiscate private property of German citizens without compensation throughout the world, even in neutral countries, was Stalin's plan? The whole answer lies in what happened at the Yalta Conference held less than 5 months after the second Quebec Conference. The Yalta Conference was held on February 4, 1945, to the 11th of February 1945. The pressure by the Harry Dexter White crew on the State Department and the Office of Alien Property was going on during that time. At the close of the Yalta Conference a joint communique was issued. Paragraph 3 reads as follows:

> Reparation by Germany. We have considered the question of the damage caused by Germany to the Allied Nations in this war and recognized it as just that Germany be obliged to make compensation for this damage in kind to the greatest extent possible. A Commission for the Compensation of Damage will be established. The Commission will be instructed to consider the question to the extent and methods for compensating damage caused by Germany to the Allied countries. The Commission will work in Moscow.

That is the official text of the communique. There is not one word in this official text signed by the President, Churchill, and Stalin, of Stalin's plan to have the free world permanently confiscate all private property of German citizens found in the free world.

It was not until 2 years later on March 24, 1947, that the protocol of the Yalta proceedings was released under the heading "Reparations" which set out as follows:

> The following protocol has been approved:
> 1. Germany must pay in kind for the losses caused by her to the Allied Nations in the course of the war. Reparations are to be received in the first instance by those countries which have borne the main burden of the war, have suffered the heaviest losses and have organized victory over the enemy.
> 2. Reparation in kind is to be exacted from Germany in three following forms:
> (a) Removals within 2 years from the surrender of Germany or the cessation of organized resistance from the national wealth of Germany located in the territory of Germany herself as well as outside her territory.

Here we again have confiscation of private property. The protocol continues:

> Equipment, machine tools, ships, rolling stock, German investments abroad, shares of industrial, transport, and other enterprises in Germany, etc. These removals to be carried out chiefly for the purpose of destroying the war potential of Germany.
> (b) Annual deliveries of goods from current production for a period to be fixed.
> (c) Use of German labor.
> 3. For the working out on the above principles of a detailed plan for exaction of reparation from Germany, an Allied Reparations Commission will be set up in Moscow. It will consist of 3 representatives—1 from the Union of Soviet Socialist Republics, 1 from the United Kingdom, and 1 from the United States of America.

Now compare the communique above issued 2 years after Yalta with Varga's announced postwar plans for Germany appearing in the magazine War and the Working Class, in October of 1943, and

the Morgenthau plan. You will note that they are identical throughout with the exception that the first publicly announced Morgenthau plan did not include confiscation of private property, although later on it was discovered that, although unannounced at the time, it was part of the plan marked "top secret."

Whom do we see at Yalta advising the new Secretary of State, advising the President? None other than Alger Hiss as one of his personal advisers, and others of his type. The President's telephone number at the conference was No. 1. The Hiss telephone number was four. Hiss had a room adjoining the President's. Reading from the official text of the Yalta deals in 1945, although I still say they are yet incomplete and that we have not gotten the full story, we find the personal notes of Alger Hiss of all the proceedings, and in these and other notes we find even more startling references to Stalin's plan for world communism. I should not say "startling," because we should have known his plans. We find that the White-Morgenthau program was the program already set out by Varga in 1943 in War and the Working Class, and also that Stalin was principally interested in reparations for the non-Communist allies only from the standpoint that they would confiscate all private enemy property everywhere.

Here is part of the official text as released in 1955 of the second meeting on February 4, 1945, in the Lavidia Palace:

Stalin said when discussing the creation of a reparations commission that the committee could accomplish nothing unless it was given general directives from this conference.

He said he felt that the Commission composed of the representatives of the three principal allies must work on the basis that these powers which had contributed most to the common victory should be given priority in the matter of reparations." He said that "although the United States did not need machine tools she might well need raw materials which she could receive from Germany." Stalin added that "the United States would take over German property in the United States as a part of her share."

Yes, sir; Stalin wanted us to lead the way in destroying private property rights throughout the world. He needed this to drive from the minds of men, as he said, the idea that there is nothing sacred about private property. Stalin then said his man Maisky would outline Russia's plan for reparations, not for the other allies but for Russia, and here is Mr. Maisky's plan, taken from the Yalta papers published in March of 1955:

Mr. Maisky then outlined the Soviet plan for reparations for Germany. He said that the Soviet plan for reparations in kind envisaged two categories:

1. The removal from the national wealth of Germany of plants, machine tools, rolling stock, etc., to be completed within a period of 2 years after the end of hostilities.

2. Yearly payments in kind to last for 10 years. He said that in order to restore Soviet economy which had suffered so much from German aggression and to safeguard the future security of Europe, it would be necessary to reduce German heavy industry by 80 percent. (By heavy industry he meant iron and steel, electrical power and chemical industries.) Specialized industry useful only for military purposes should be 100 percent removed. In this category would fall all aviation factories, synthetic oil refineries, etc. The Soviet Government felt that with 20 percent of her heavy industry Germany would be in a position to cover the economic needs of the country. He said the list of goods to be delivered during the 10-year period could be definitely fixed later on. He further proposed that in the interests of the orderly execution of the reparations plan and for the security of Europe there should be an Anglo-Soviet-American control over German economy which would last beyond the period of the reparations payment. All German enterprises which could be utilized for war purposes should be placed under international control with representatives of the three powers sitting on the boards of such enterprises.

Note that Mr. Maisky did not say one word about Russia confiscating German private property in Russia, since none could ever have existed there. Mr. Maisky continued:

For this reason, priorities had been established according to indices: (1) The proportional contribution of any one nation to the winning of the war; (2) the material losses suffered by each nation. He said that those countries which had made the highest contribution to the war and had suffered the highest material losses would come into the first category and all others would fall into the second.

Mr. Maisky proposed that there should be set up a special reparations committee of the three governments to sit in Moscow. He concluded that the total reparations shown in withdrawals and yearly payments in kind which the Soviets required would reach a total of $10 billion. What were the Allies to get? They were to confiscate all private property of German citizens throughout the nations of the free world.

It should be obvious to any man that Stalin's plan for the free nations of the world was to confiscate private assets of German citizens throughout the world, and that he wanted this done to further drive from the minds of men the idea of the sanctity of private property, which Stalin, Lenin, Engels, and Marx said is a prerequisite to eventual state ownership of all means of production in order to establish world Communist dictatorship and, what is more important, to maintain one.

At this point, Churchill, according to the official Yalta records, showed most definitely that he was not in favor of the Moscow plan or of the misnamed Morgenthau plan, that exact blueprint of the original Moscow plan. He said:

There should be no victorious country so burdened in an economic sense as Great Britain, and that, therefore, if he could see any benefit to Great Britain in large reparations from Germany, he would favor such a course, but he very much doubted whether this was feasible.

He said that "he was haunted by the specter of a starving Germany which would present a serious problem for the Allies, since we could either say 'It serves them right' or endeavor to help them."

In the latter case, Churchill said:

Who would pay for the help?

The Prime Minister answered his own question by saying:

If you wished a horse to pull a wagon, you would at least have to give it fodder.

Marshal Stalin answered this way:

That is right, but care should be taken to see that the horse did not turn around and kick you.

That the Harry Dexter White and Alger Hiss crowd and fellow travelers had sold our sick and ailing President Roosevelt, temporarily in a moment of weakness, on a policy of confiscating private property under the guise of reparations seems clear when in reply to this last remark by Stalin, the President stated:

In the United States after the last war, the German property had been sequestered during the war and had been turned back to the German owners, but this time I will seek the necessary legislation to retain for the United States all German property in America.

Before the day was over, however, Churchill had apparently changed the President's mind, because when the subject of reparations was again discussed, the President put the question of United States reparations as follows:

We lent Germany far more than we got after the last war. That cannot happen again. We want no manpower. We do not want their machine tools or their factories. Therefore, what can we get? German stock and property in the United States? This has at present been taken over by the Alien Property Custodian. After the last war it was used as an offset against our claims in Germany. I hope to get legislation this time to take it over as a trust fund.

Note how the President was pulling away from Stalin's plan for confiscation. He said he would take over the private property as what? As a "trust fund." There is a great difference between confiscating private property and holding it in trust. President Roosevelt continued:

We must think of the future of Germany. We have always been generous through our Red Cross, but we can't guarantee the future of Germany. We don't want to kill the people.

He continued:

I envision a Germany that is self-sustaining but not starving. There will be no lending of money. Our objective is seeing that Germany will not starve in helping the Soviet get all they can in exports to former German markets.

That is what President Roosevelt said.

Here we see very definitely that the President had returned to the basic American policy of holding private property of enemy citizens inviolate against permanent confiscation.

Let us go on. Let us see what Stalin said to all of this. He said:

We must make here common decisions as the guiding lines for the Commission. The work must be done by the three parties of the Commission. We three should have first place on reparation claims as we bear the burden of the war. The United States should get German property in America. She doesn't want machine tools.

Notice how Stalin sticks to the one thing, that the United States and the rest of the nations of the free world

should confiscate all German private property.

That Churchill and Eden fought against the Stalin plan for reparations is well brought out in the official text of the Yalta deals, which shows that Churchill and Eden well knew that what was called the Morgenthau plan was actually the Moscow plan. Stalin also knew that Churchill was wise to this fact, and the following appears in the Bohlen minutes of the Seventh Plenary Meeting on February 10, 1945:

> Marshal Stalin said if the British felt that the Russians should receive no reparations at all, it would be better to say so frankly.

Stalin said that "he had heard a great deal of talk at the conference that the Russians would receive reparations in kind in the form of factories and plants but that no decision had been reached." He said "that he thought that two decisions might be taken by the conference: First, that it was agreed in principle that Germany should pay reparations; and, second, that the reparations committee to sit in Moscow should fix the amount and should take into consideration the American-Soviet proposal that there should be $20 billion of reparations, with 50 percent to the Soviet Union." Mathews minutes set forth the following:

> There followed a lengthy and at times somewhat heated discussion between Stalin and Churchill on the question of reparations. This was the only time during the conference that Stalin showed annoyance.

From Alger Hiss' notes comes the following statement by Mr. Churchill regarding Stalin's reparations demand of $20 billion:

> We were instructed by our Government not to mention figures.

It is interesting to note that the President's special assistant, Harry Hopkins, on February 10, 1945, handed the President a note which read:

> The Russians have given in so much at this conference that I don't think we should let them down. Let the British disagree if they want to and continue their disagreement at Moscow. Simply say it is all referred to the Reparations Commission with the minutes to show the British disagree about any mention of the 10 billion.

Let us see what else happened. In the Bohlen minutes of the tripartite dinner meeting on February 10, 1945, in his notes of the conversation between Stalin and Churchill at the dinner table, the following appears:

> Marshal Stalin in his conversation with Prime Minister Churchill emphasized the unsatisfactory nature of the reparations question at the conference. He said he feared to have to go back to the Soviet Union and tell the Soviet people they were not going to get any reparations because the British were opposed to it.

Stalin knew full well, as did Churchill, that the primary thing in Stalin's mind, after getting everything he wanted for Russia, was to get the United States and the other nations of the free world to endorse a policy for the destruction of private property rights throughout the world. Stalin knew that in Churchill's mind it was important that these private property rights be held inviolate, for Churchill knew that the policies of the Labor Party of England were to even confiscate English industries owned by Englishmen under the guise of "nationalization of industry," the elimination of private ownership, which is always the first step to communism, and Churchill was facing an election. The Bohlen minutes show that Churchill brought up the subject of the election in England and that Churchill said that "he didn't know whether the left or right would win, and then Churchill very cleverly stated "that he felt that Britain's opposition to communism was not based on any attachment to private property but to the old question of the individual versus the state." Of course, Churchill knew that the basic principle of communism was the destruction of private property rights, but he had to placate Stalin in some way, for he knew Stalin had read his mind. So now we have the end of the Yalta meeting, but what happened that the American people did not know about it until 8 years later, and as yet we still do not know everything that happened at Yalta?

The Yalta Conference ended on February 12, 1945. When the President returned home to the United States, it was obvious to everyone who saw him that he was a dying man. The few photographs taken of him at that time and thereafter were shocking, compared to those taken only 6 months earlier, before the second Quebec Conference. Soon we heard the news that the President was going to Warm Springs, Ga., for a rest. The surrender of the Nazis was imminent. In fact, surrender negotiations were going on in Switzerland at the time. Japan, too, had made surrender overtures.

Suddenly, on Thursday, April 12, 1945, the President died at Warm Springs, Ga., apparently alone. I ask now, Did he die from the shock of learning at Yalta, first hand, Stalin's plan for not only the control of Europe, but control of Asia, and the eventual attempt of the Communists to control the world? Did he realize we had won the war, but were losing the peace? Did he, after the Yalta Conference, perhaps for the first time, realize that many of the policies that were being followed by our Government were actually Communist policies, and that men in high places of our Government, who had the confidence of the President and who had the confidence of other Cabinet officers and the confidence of Members of Congress, Senators and Representatives, alike, were actually traitors?

President Truman took the oath of office immediately after the President's death. Before President Truman even had an opportunity to become acquainted with what actually happened at Yalta, let me show how the Harry Dexter White crowd, the Alger Hiss crowd, and the rest of the Communists and their fellow travelers, in and out of Government, worked to carry out Stalin's confiscation policy even before Stalin brought the matter up at Yalta, as pinpointed by Varga back in 1943.

What were Harry Dexter White and his boys, V. Frank Coe, and Harold Glasser, White's assistant, doing in Washington while the Yalta Conference was going on, while Hiss was advising the President? What were they doing while President Roosevelt was dying? What were they doing when President Roosevelt died and President Truman took over the leadership of our Government? We did not find out what they were doing until 8 years later, in November of 1953, when we were investigating Harry Dexter White's connection with the Office of Alien Property and his connection with the confiscation policy.

The Senate Judiciary Committee had begun work on the Harry Dexter White case after my first disclosures in 1951, but it was not until the summer and fall of 1953 that the committee started to get results. What did we find out when the committee started getting results in its investigation of Harry Dexter White's connection with the Office of Alien Property, Foreign Funds Control, and the State Department? We found letters and memoranda as follows:

The record discloses that almost 5 months before the Attorney General confirmed from FBI reports that Harry Dexter White was a spy, the chief counsel for the Senate Judiciary Committee, at my suggestion, requested the Director of the Office of Alien Property to make available all files relating to the issuance of the joint recommendation of May 30, 1945, to the President that German and Japanese interests in property be confiscated. It was only a short while thereafter that we got a reply, and what did that reply say? It is a letter from the Director of the Office of Alien Property to the committee, and reads as follows:

> We have not been able to find in the files of this office any recorded memoranda leading up to the memorandum of May 30, 1945, to which you refer, or any recorded memoranda following and relating to it.

Who was responsible for that reply? The Director of the Office of Alien Property, Mr. Dallas Townsend. Either he was covering up or others in his Department were covering up. Which was it, Mr. Townsend? Not until the Harry Dexter White case broke did the Office of Alien Property come forward with any information, and that office was under the direction of a Republican Attorney General. Were they afraid, if they came out with the truth, that maybe some Republican politicians might then lose some of these stolen business plums?

The committee sent a similar request to produce letters and memoranda to the Treasury Department, but the letters and memoranda in the Treasury Department on the subject were not made available to the Senate Judiciary Committee until November 6, 1953, 8 days after the Attorney General exposed Harry Dexter White.

A similar letter was sent to the Department of State, and officials searched their files and found only one related letter that they had received from the Treasury Department. I shall talk about that letter later on. The Treasury Department produced a series of letters and memoranda reflecting Harry Dexter White's negotiations with the Office of Alien Property and the Department of State from January 10, 1945 to

May 30, 1945. Let us remember that the Yalta Conference ended on February 12, 1945, so for weeks before the Yalta Conference, where Stalin so cleverly set out his policy that the free nations of the world should confiscate all German and Japanese private assets in the world, Harry Dexter White, Frank Coe, and Harold Glasser were urging a policy upon the State Department and the Office of Alien Property to join with them to recommend to the President that he confiscate all private property owned by enemy nationals situated in the United States. Why would they have to make such a recommendation if President Roosevelt favored confiscation? What does the final report of the subcommittee, to examine and review the Trading With the Enemy Act, say on this matter? I read from page 13 of that report:

These letters establish that Harry Dexter White, Frank Coe and Harold Glasser were the motivating forces in causing the adoption of a policy of confiscation even though contrary to the historic policy of the United States.

The record shows that on January 10, 1945, the Treasury Department began its negotiations with the Office of Alien Property and the Department of State to carry out the Harry Dexter White-Stalin policy of full confiscation, and let us remember this was a good 3½ weeks before the Yalta Conference on February 4 to 11, 1945. So here we have Harry Dexter White, Frank Coe, and Harold Glasser knowing in advance exactly what Stalin is going to say at the conference about confiscating the private properties of German civilians throughout the world.

The record shows that on January 26, 1945, the Treasury Department began its negotiations to force the Office of Alien Property to join with them in recommending irrevocable confiscation of German and Japanese private property in the United States, and what do we find further in the record which was not brought out until November 16, 1953? It is that Harry Dexter White's authority over all these special matters was confirmed by means of Treasury Order No. 50. Now let us look at the first letter the Treasury Department wrote to the Alien Property custodian on January 16, 1945, a good 3 weeks before Yalta. That letter is signed by Henry Morgenthau, but can there be any doubt that it was Harry Dexter White's letter? Now let us see exactly what it says:

It is my firm conviction that control by this Government of German and Japanese assets should be only the first step in a program for the complete and irrevocable elimination of all German and Japanese interest in such assets.

There we see the plan to destroy private property rights throughout the world. The letter continues:

Although the freezing controls administered by the Treasury Department are serving effectively to deprive many nationals of control over such assets (here comes the punchline now) I would favor immediate vesting if it were an integral part of a complete program for the final disposition of such assets in accordance with the foregoing objective.

Morgenthau continues:

However, I see little to be gained by vesting at this time if it amounts merely to a change in the type of control exercised by this Government.

What did the Harry Dexter White, Henry Morgenthau, Frank Coe, and Harold Glasser group want? As I said in 1951, Morgenthau was merely used as a stooge by these conspirators. They wanted the United States to take the lead in establishing a worldwide policy of confiscating private property. How did the Office of Alien Property reply to that letter from the Treasury Department? The Office of Alien Property still only wanted to vest, and did not want to have any permanent confiscation, at least that is what they say now, but its officials still come before Congress at this late date and still object to legislation that would return all of the private property of German citizens.

Here is the letter, dated January 31, 1945, written by Mr. Markham to the Treasury Department:

The policy of Congress as reflected in the Trading With the Enemy Act, as amended, seems to indicate that the ultimate disposition of enemy money or other property received or held by the Alien Property Custodian is a matter for Congress to determine after the end of the war. Congress expressly reserved such disposition by section 12 of the act and the history of returns after the last war illustrates congressional insistence on exclusive exercise of this prerogative.

Mr. Markham took the correct position that Congress had the sole right to determine the disposition of private enemy property, and his letter states further:

In order to enable Congress to act in a concerted fashion with respect to all enemy property, in whatever direction and by whatever means it may ultimately decide to act, I believe it is of the utmost importance that all such property be under a single jurisdiction and in a single legal status with title thereto lodged in the United States.

On February 19, 1945, the Treasury Department replied to this letter as follows:

I have your letter of January 31, 1945, with further reference to the vesting of all German and Japanese assets in the United States. I am happy to note that you share my conviction that German and Japanese property interests in this country should be completely and irrevocably eliminated and that you view the proposed vesting of the pertinent assets under Treasury control as only the first phase of an overall governmental program to accomplish this objective. Accordingly, I have asked Mr. Frank Coe to arrange a meeting with you to explore this matter further.

What does the Senate committee report say with reference to this Morgenthau-White letter on page 16? It says:

Obviously, Markham referred to elimination of enemy control over properties while Morgenthau was referring to confiscation of assets.

Why did the Office of Alien Property, under the direct control of Attorney General Herbert Brownell, fail to produce these letters, which must have been in the files, and the memorandum relating to the matters with the Treasury Department, when they were requested to do so by the Senate committee? The copy of Markham's letter to the Treasury Department must have been in the file together with other memoranda. Yet nothing was produced by the Office of Alien Property, and all that the Senate committee got came out of the Treasury Department, with the exception of one memo that came from the State Department.

The period of late 1944 and early 1945 is most important from another standpoint. That is what the Treasury Department, under direction of Harry Dexter White, did to American citizens who owned stock in American companies during that period when they were trying to get the Office of Alien Property to join with them in recommendations to the President for permanent and total confiscation of private properties of German civilians. They made it look like the Office of Alien Property actually controlled the businesses and shares of stock that had been vested by the Office of Alien Property. There are many typical cases, but the one of General Dye Works and most of its American stockholders is typical. After the stock owned by these American citizens had been taken by the Office of Alien Property, under urging by the Office of the Treasury, under the Treasury Department theory that these Americans were cloaks for German interest, these American citizens filed suit to get back their stock. What did the Harry Dexter White crowd do? They did not want the case tried, and neither did the Office of Alien Property. Why? If it were true that these American citizens were cloaks for enemy owners, why would the Government—and I use that word advisedly and with reluctance in this case—hesitate in trying the suit in the courts? Only because they could not prove their case.

Then they worked out a scheme to force these American citizens to settle the suit. How was this done? The Treasury Department, the Harry Dexter White, Frank Coe, and Harold Glasser crowd, sent 2 Treasury agents—note this, 2 Treasury men, not men from the Office of Alien Property—into the home of Mr. Ernest Halbach, who had been president of General Dye Works, where they intimidated Mrs. Halbach, who was also an American citizen, and who at that time was dying of cancer.

Mr. Halbach testified as follows before our committee which was investigating Harry Dexter White's part in the worldwide Communist conspiracy to confiscate private property and the Trading With the Enemy Act:

Mr. HALBACH. My wife, as you all know, was desperately ill, and the newspaper notoriety and the beating that she got and she knew that I was getting, weighed terribly heavy on her; and my daughter, and myself, and her brother, who is one of the trustees, were very anxious to relieve her of that stigma and the effect of that on her, because she was an intensely and rabidly loyal American.

The testimony continues:

The CHAIRMAN. As a matter of fact, your wife had cancer, and these Federal men kept bothering her?

Mr. HALBACH. Federal agents came out. I came home one night, and I could hardly believe it. I saw her face was scarlet, and I said "what on earth is the matter with you?" She told me that these two agents from the Treasury had been there and questioned her about me and my connection, and trying to intimate that I was German, or something to that effect. I never could get it out of her. She was so upset and so bewildered by it all that I never could find out, except I knew these two men had been there.

So what did Mr. Halbach do? He settled for $118 per share. Others got up to $365 per share, and he was paid out of the money in the till of General Dye Works—in other words, his own money. That settlement was made in January of 1945, with the Office of Alien Property, during the period when the White crowd wanted to get the Office of Alien Property to agree to permanent confiscation.

I say the Office of Alien Property may have been against confiscation, or at least I say so now; but look at the record made in this case involving American citizens and look at the record in other cases.

It is a fact that the Harry Dexter White, Harold Glasser crowd took over control and management of many corporations, including General Aniline and Film, which the Swiss insist, and have insisted from the day the Treasury Department seized it, right to the present moment, was owned by Swiss citizens. They took over the control before the Alien Property Custodian was even appointed; and once the searchlight of a public investigation is turned on, it will all come out that Harry Dexter White and his crowd made the policy for the Office of Alien Property regarding the stock in those companies.

I said that the Harry Dexter White crowd took over control and management of General Aniline & Film, and controlled it even after its stock was vested by the Office of Alien Property. Let me quote from Time, April 20, 1942, under the heading "Alien Property." It reads as follows:

With a new crowd in full control, the bitter purge of General Aniline and Film Corp. appears to be almost complete. Months ago, just before Leo Crowley became Alien Property Custodian, Analine lost what was left of its old directorate, got a new Treasury-picked, four-man board.

What will the Swiss say to all of this, and of the proof that these properties were taken as part of Stalins' plan? I also ask why the Attorney General did not tell us the things Harry Dexter White actually did as a spy and agent for the Communists, instead of just saying he was a spy?

The New York Times on August 10, 1953, in a story entitled "Swiss Study Bill on War Seizures," says:

ZURICH, August 9, 1953.—By submitting to Congress a bill proposing complete return of all West German private property vested in the United States during World War II, Senator DENNIS CHAVEZ, Democrat, of New Mexico, whose initiative was endorsed by Senator Pat McCarran, Democrat, of Nevada, changed the outlook for Europe so profoundly at one stroke that Swiss authorities hastened to examine the changes that would be wrought on European economy as a whole.

The story continues:

Switzerland is directly concerned in the outcome of this campaign, not only because of its effect on the sequester conflict, for example, in the Interhandel case, but also because of vindication of the principle of inviolability, even in wartime, of the rights of private property on which the capitalist system rests. Suspension of those rights during the war by several European countries, including even neutral Sweden, only serve to strengthen the Communist principles.

That is the quotation from the New York Times and the Neue Zuericher Zeitung.

The Department of Justice and the Office of Alien Property are still covering up their part in confiscating American properties, owned by American citizens and citizens in neutral countries; but it will all come out unless they change their continued opposition to doing justice in amendments to the Trading With the Enemy Act now before Congress.

Let me return to the negotiations between the Treasury Department and the Office of Alien Property to get permanent confiscation adopted as a matter of national policy.

What else was found in the Treasury Department files? A memorandum dated February 21, 1945, which stated in part:

Recommendation to Congress against return of vested property to former German and Japanese owners. We believe that the Treasury should insist that the custodian commit himself definitely to join in an ultimate recommendation to Congress that no plan for the final settlement of claims to the proceeds of vested property should make provision for any return or payment, direct or indirect, by the United States to former German and Japanese owners. The complete and irrevocable elimination of German and Japanese interests stressed by the Treasury's letter of January 16 to the custodian, can be achieved with certainty only through the adoption of a policy by Congress, as the history of enemy property in the last war shows beyond doubt. The great emphasis which the custodian's reply places on the role of Congress further increases the difficulty of maintaining that executive action in itself has much significance in relation to the objective the Treasury has announced.

Let me repeat that one phrase: "The objective the Treasury has announced." If the Treasury had the support of President Roosevelt in this policy, here was the place to say so. But they didn't say it because they didn't have his support.

Note that Frank Coe was the man named to meet with the Office of Alien Property to carry out the program of total confiscation. He is the same Frank Coe who was called before the Senate Internal Security Subcommittee even before the Attorney General, in November of 1953, confirmed what I had said in 1951 about the Harry Dexter White crowd, including Frank Coe. What did Frank Coe do and how did he testify as to his connections with the Communist apparatus? Here is what is taken from the Senate Internal Security Subcommittee report dated July 30, 1953:

Coe refused to answer on the grounds that the answer might incriminate him. He refused to answer all questions as to whether he was a Communist, whether he had engaged in subversive activities or whether he was presently a member of a Soviet espionage ring. He refused for the same reason to say whether he was a member of an espionage ring while technical secretary of the Bretton Woods Conference, whether he ever had access to confidential Government information or security information, whether he had been associated with the Institute of Pacific Relations, or with individuals named on a long list of people associated with the organization.

I continue reading from the Senate Internal Security Subcommittee report:

He took the fifth amendment with respect to questions of his relationship with Harry Dexter White, Alger Hiss, Philip C. Jessup, Solomon Adler, Lauchlin Currie, Michael Greenberg, Constantine Oumansky, and a long list of others.

That is what the Senate subcommittee report says. Now let us see what Frank Coe was to accomplish in his meetings with the director of the Office of Alien Property.

Here, once more, is the Treasury Department's memorandum of February 21, 1954:

Later we propose that the Treasury and the custodian join in a memorandum to the President explaining their program. Such a document would offer an excellent medium for recording the commitments which are wanted from the custodian. If the latter insists that any legislative action is required under other parts of Treasury's program, a joint letter of explanation to Congress would afford a further and more direct method of expressing the desired recommendation.

Let me repeat the first paragraph of the above memorandum of February 21, 1945:

The objective the Treasury has announced—

And what was that? It was—

complete and irrevocable confiscation of all German and Japanese private property located in the United States with legislation for no return and no compensation.

Here is Stalin's plan, word for word, as already set out by Varga in the October 1943 issue of War and the Working Class.

On March 9, 1945, there was a meeting between representatives of the Treasury Department, the Office of Alien Property, and the Department of Justice, in which Frank Coe stated in general terms the program of complete and irrevocable vesting of German and Japanese interests. Who represented the Treasury Department in that conference? None other than Harold Glasser and Frank Coe. The record shows that the Office of Alien Property did not want permanent confiscation; and in one memorandum, dated March 20, 1945, the record shows that in a meeting between representatives of the Treasury Department and representatives of the Office of Alien Property, the following occurred: Mr. Cutler who represented the Office of Alien Property, inquired "whether the Treasury is really serious about its program." He wondered why "merely vesting the enemy assets would not suffice at present." Mr. Aik, representing the Treasury Department, replied emphatically—and I quote from the record—"that the Treasury insists on a program clearly designed to eliminate German and Japanese property interests." Mr.

Alk further said—and I quote from the memorandum—that "Alk pointed out that the basic points had been thoroughly discussed in the Treasury and had been cleared with the Secretary." He also said that "if the custodian could not join in such a plan, the Treasury would be obliged to consider vesting action of its own." Here we have the complete picture. The Office of Alien Property was forced to follow the Treasury line.

The memorandum further states that during a discussion Mr. Cutler asked "if the Treasury had consulted the State Department about its program." On receiving a negative reply, he said that "the custodian was not inclined to proceed without getting the State Department's views." Here we have once again positive proof that the whole confiscation policy was that of the Communists and fellow travelers in the Treasury Department carrying out Moscow's decisions.

It will be noted that these letters finally turned over to the Senate committee in November of 1953 showed that the Treasury Department started its efforts to carry out its policies in January of 1945. At any time, the White crowd could have told the Office of Alien Property that President Roosevelt had agreed at the Quebec Conference to confiscate private property, and that they were following the President's directions; but not once did they say this, because they could not. It simply was not true. Had they been able to say that the President was in agreement that all private property of German and Japanese citizens should be permanently confiscated, the Office of Alien Property would have had to follow the request of the Treasury Department. In fact, the Treasury Department's request would never have been necessary to carry out Stalin's program if President Rosevelt had approved it.

But I am getting ahead of my story. Let us see what the Treasury Department, Foreign Funds Control, under the direction of Harry Dexter White, did in neutral countries. Take Switzerland as an example. Let us see how Harry Dexter White's agents blackjacked Switzerland to go along with Stalin's plan, Varga's plan as previously set out in October of 1943 in "War and the Working Class" to bring about worldwide confiscation of private property owned by German and Japanese civilians. How did they do it? Who did they send into Switzerland? None other than Lauchlin Currie, who was named in the White spy case as the one man who was able to shift around Communist agents into key places of our Government when the Communists wanted them shifted.

Who was Lauchlin Currie? An alien. A New Zealander who got into a high place in the White House and who was a pal of Owen Lattimore. I need not explain who Owen Lattimore is. Both of them were close friends of John Carter Vincent. As the late Senator Pat McCarran said on the Senate floor on July 2, 1952, Currie was "the Soviet spy ring's White House informant." Some Senators will remember that I protested Lauchlin Currie's presence in the White House long before he was exposed as a part of the Communist spy apparatus, and this was also long before the Attorney General denounced him. To refresh the memory of Senators, let me go back to the article in the Saturday Evening Post entitled "Our Battle With the Swiss," dated September 14, 1946. It was well worth reading in the light of developments since that date. When did Lauchlin Currie go to Switzerland? At the end of the war? No, he went there early in 1945. In fact, he was there at the time of the Yalta Conference and he headed an American delegation to blackjack little neutral Switzerland into turning over all private properties of German citizens to them, which they in turn wanted to turn over to an inter-allied commission, as Stalin later proposed at Yalta. This was during the same period that the Harry Dexter White crowd in the Treasury Department were trying to get the Office of Alien Property and the State Department to join with them in a message to the President recommending confiscation of German and Japanese private assets in the United States and asking the President's authority to submit a program to Congress that would carry out that objective.

Think of it, Mr. President. The Swiss anticipated what was coming. Does this throw new light on why the Department of Justice intends to this date to refuse even to negotiate with the Swiss Government for the return of these Swiss private properties, which they claim the Swiss were cloaking for German citizens, which the Swiss deny?

What does the Saturday Evening Post article entitled Our Battle with the Swiss, dated September 14, 1946, say? I quote:

> It is rather startling to discover that Uncle Sam has gotten the reputation here in Switzerland of being the worst bully since Adolf Hitler. Many Swiss people today are saying that they have had to fight the United States in order to preserve their very independence and there is no doubt that the postwar disputes with us left a very unpleasant taste in Swiss mouths.

Think of it, Mr. President. It says that "the Swiss feel that the United States is the worst bully since Adolf Hitler." I say that it was not the United States, but Communist spies and agents in our Government, who gave us that sordid reputation with a nation whose honor and integrity we have always admired. I say that it is time to reverse these policies by returning all confiscated private property. Only in that way can we purge ourselves of the terrible implications.

What else does that article say?

> The conflict arose when a small group of officials in the United States Treasury Department made plans for grabbing all German assets wherever they happened to be located.
>
> Finally, in February 1945, as the European war was entering its final phase, Lauchlin Currie went to Bern as head of the American delegation to resume negotiations with the Swiss.

That is what the Saturday Evening Post article said in 1953.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DANIEL in the chair). Does the Senator from North Dakota yield to the Senator from Tennessee?

Mr. LANGER. I yield to the Senator from Tennessee on condition that his remarks appear at the conclusion of my speech. I understand that he wishes to speak for only a few minutes.

The PRESIDING OFFICER. Let the Chair explain the parliamentary situation. The clerk was reading the speech of the Senator from North Dakota, under a unanimous-consent agreement. Unanimous consent would be required to suspend that procedure.

Is there objection to the request of the Senator from Tennessee?

Mr. KNOWLAND. Mr. President, reserving the right to object, the Senate has granted permission for the clerk to read a speech of the Senator from North Dakota, which I think is entirely proper. The distinguished Senator from North Dakota has explained to me that because of some eye trouble it is not possible for him to read the speech. While what is being done is not an unprecedented situation in the Senate, it is unusual; but I think the procedure is justified under the circumstances indicated by the Senator from North Dakota.

I certainly shall not object if, as a courtesy to the Senator from Tennessee, the Senator from North Dakota wishes to yield for an insertion in the RECORD. However, I would have to object if it were for a speech, because I think we should proceed in order. The clerks have been engaged for a considerable period of time in reading the speech. It is a difficult operation for the various reading clerks. I believe that we ought to conclude with this speech without having other speeches sandwiched in.

If the Senator from North Dakota wishes to yield merely for an insertion in the RECORD, I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Tennessee?

Mr. KEFAUVER. Mr. President, I made the unanimous-consent request that my remarks follow the reading of the speech of the Senator from North Dakota.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, if it is proposed that the Senator from North Dakota yield for another speech, I must object. If it is for an insertion in the RECORD, I shall not object.

The PRESIDING OFFICER. Will the Senator from Tennessee restate his unanimous-consent request, including a statement of the purpose for which he wishes to have the Senator from North Dakota yield to him?

Mr. KEFAUVER. Mr. President, I had intended to make a brief speech. I did not ask the Senator from North Dakota to yield for the purpose of making an insertion in the RECORD.

I withdraw the request at this time.

The PRESIDING OFFICER. The clerk will proceed.

(The legislative clerk resumed the reading of Mr. LANGER's speech, as follows:)

Mr. LANGER. Mr. President, who was Lauchlin Currie? I exposed him in 1951. The Attorney General confirmed what I

said, namely, that the FBI reports established that he was a very important part of the spy apparatus.

All of these things were being done even before Yalta. The Treasury Department got the greatest publicity in the press of the United States. They draped themselves with the American flag; and we read one article after another to the effect that the Treasury Department was catching spies and traitors. We read article after article to the effect that the Treasury Department was not going to permit Hitler and his war criminals to use the loot the Treasury Department said they had hidden in foreign countries. The American people were led to believe that only the Treasury Department, not the FBI or the military intelligence, was protecting the American people.

Let us remember the things the Treasury Department was doing in Switzerland during the same time they were trying to get the Office of Alien Property and the State Department to join with them in the recommendation to President Truman.

Let me go back to the records finally brought out in November of 1953, in our Senate hearings on Harry Dexter White's operations and the Trading With the Enemy Act. One of the letters produced showed that on March 28, 1945, Francis J. McNamara, Deputy Alien Property Custodian was summoned for a meeting at the Treasury Department. For a meeting with whom? Frank Coe. Now let us take the memo that Coe made on what happened at that meeting. What does it say? It says: "That the State Department was not in favor of confiscation but it was in favor of reparations and restitution." But I say somehow or other they did get the State Department to go along with their program. The pressure of the Treasury Department ended in the Treasury Department getting its way in this matter and on May 30, 1945, a memorandum was sent to President Truman. Who was it signed by? Mr. Joseph C. Grews, Acting Secretary of State; Henry Morgenthau, Jr., Secretary of the Treasury; and James E. Markham, Alien Property Custodian. The memorandum reads as follows:

Under Executive Order No. 9193 of July 6, 1942, control of dollar balances, securities, and other liquid assets of the enemy countries and their nationals was conferred upon the Treasury while the Office of Alien Property Custodian was directed to deal with enemy-owned property requiring active management. The order provides, however, that if the Treasury should decide to vest any property it shall be vested in, and dealt with by the Custodian upon the terms directed by the Treasury. Since the allocation of functions between the two agencies, the Treasury has not vested any property but has relied on its blocking controls, while the Custodian has followed a program of vesting.

We are agreed that the national interest requires the complete elimination of existing German and Japanese interests in property in the United States. If you agree, we are ready to join in a coordinated program under which all German and Japanese property will be vested and will be converted into cash as soon as practicable. It is proposed that exclusive authority to vest such property and to direct the terms under which it thereafter should be dealt with be conferred upon the Custodian by an amendment of Executive Order No. 9193. The Treasury will continue to be responsible for developing overall procedures to insure that enemy assets held in the names of nationals of liberated or neutral countries will not be released under unfreezing programs.

All proceeds of vested property will for the present continue to be held in special accounts in the Treasury of the United States. Although we believe that a governmental decision with respect to the final disposition of the funds should be deferred we feel that American creditors who have claims against any person whose property in this country has been vested should be paid on an equitable basis to the extent the vested assets of the debtor permits. The expenses of the Alien Property Custodian's Office will continue to be paid out of vested property and its proceeds. We are fully agreed that plans for ultimate disposition of the funds realized from vested German and Japanese property should make no provision for any return or compensation, direct or indirect, by the United States to the former owners. Subject to your concurrence, it is our intention to present these views to Congress in conjunction with legislation which will aid in effectuating the program. If you agree with the program, it is requested that you sign the attached amendment to Executive Order No. 9193.

I say, what are the pertinent parts of that memo? I repeat them:

We are agreed that the national interest requires the complete elimination of existing German and Japanese interests in property in the United States.

If you approve, we are ready to join in a coordinated program under which all German and Japanese property will be vested and will be converted into cash as soon as practicable.

We are fully agreed that plans for ultimate disposition of the funds realized from vested German and Japanese property should make no provision for any return or compensation, direct or indirect, by the United States to the former owners. Subject to your concurrence, it is our intention to present these views to Congress in conjunction with legislation which will aid in effectuating the program.

The White crowd, from April 12 to May 30, 1945, had ample time to get President Truman's approval of their plan but it is obvious he did not approve. Otherwise they would not have had to send him a memorandum requesting authority to present their views to Congress. What pressure was brought on President Truman during that period? There must have been plenty. On June 8, 1945, President Truman signed an executive order which authorized the Alien Property Custodian to vest all German and Japanese assets. This included those assets controlled by the Treasury Department, bank accounts, securities, and so forth. But now we come to an important point. President Truman did not give his authority to present their views to Congress in conjunction with legislation which would aid in effectuating their program which the Treasury Department said in its memo was their intention, namely that there should be no provision for any return or compensation direct or indirect, by the United States to former owners. The Executive order signed by President Truman on June 8, 1945 was No. 9567. Can there be any doubt that had President Truman but concurred in their plan they would not have immediately presented to Congress a bill to permanently confiscate these private properties under the recommendation of the Secretary of the Treasury, the Office of Alien Property, and the Secretary of State? Of course they would have presented such a program had the President approved, but he did not approve. Less than 1 month later on July 6, 1945, Morgenthau resigned. This was just shortly before the Potsdam Conference.

We now know from President Truman's Memoirs that he says the following about Morgenthau's resignation:

Morgenthau insisted that he would have to go to the Potsdam Conference. I told him he should stay here. Morgenthau still insisted and threatened to resign, so I accepted his resignation, and that was the end of the Morgenthau plan.

Note how clever they were in the memo to President Truman. They did not say they would recommend legislation to confiscate German and Japanese private properties as reparations. That had been turned down by President Roosevelt at Yalta. They also knew President Truman's stand on this point, so what reason do they give for wanting to confiscate all this private property? They state in their memo: "That the national interest requires the complete elimination of existing German and Japanese interests in property in the United States." Harry Dexter White could not get Stalin's plan through under the guise of reparation, so now they came up with a new reason contrary to every basic American principle, of holding private property inviolate from confiscation.

Now, what did Khrushchev say on this subject of private property in his most recent statement reprinted in the December 1955 issue of Reader's Digest? I quote as follows:

They say in the West that something has changed since the Geneva Conference. They say that the Soviet leaders smile, but that their actions do not match their smiles. The smiles are sincere: We wish to leave in peace. But if anyone thinks that our smiles mean we abandon the teachings of Marx and Lenin or abandon our Communist road, they are fooling themselves.

I ask how long will it take us to learn? He continues, as follows:

We are for coexistence. But we are also for the growth of communism. We are confronted with the reality of two different systems. You capitalists go your way so long as you do not see that it is the way of the blind. If you really think that your system is not too old and rotten, if you believe that it is really possible to keep up in the race, go ahead and try and compete. We will find out who is right.

This is what Khrushchev said. Nothing can be clearer than that.

Let it be said to the credit of President Truman that at no time during his administration did he ever send a message to Congress requesting that the Trading With the Enemy Act be amended to permanently confiscate German and Japanese private property situated in this country.

Now, I do not want to give the impression that the then Acting Secretary of State, Joseph C. Grew, was ever in favor of this Communist plan, and I believe the best proof of this is to check into the

files of the Daily Worker on October 4, 1942, where we find that the Grew-Berle group are called Fascists and champions of Munich. Berle testified on August 30, 1948, before the House Un-American Activities, and I want to quote from his testimony as follows:

As I think many people know, in the fall of 1944 there was a difference of opinion in the State Department. I felt that the Russians were not going to be sympathetic and cooperative. Victory was then assured though not complete, and the intelligence reports which were in my charge indicated a very aggressive Russian policy, not at all in line with the kind of cooperation everyone was hoping for, and I was pressing for a pretty clean-cut showdown then, when our position was strongest. The opposite group in the State Department was largely these men—Mr. Acheson's group, of course, with Mr. Hiss as his principal assistant in the matter. I got trimmed in that fight and, as a result, went to Brazil and that ended my diplomatic career.

Now, let us see what happened to Under Secretary of State Grew who signed the memo to President Truman on May 30, 1945. Six days after the memo was sent to the President by Grew, the FBI arrested John Stewart Service, a member of the Hiss crowd in the State Department and at the same time the FBI raided and seized the New York office of the pro-Communist magazine Amerasia, where the FBI found 540 Government documents classified as follows: Restricted, 119; confidential, 208; strictly confidential, 59; secret, 153; and very secret, 1. As soon as he heard of the disclosures, Under Secretary of State Grew insisted on vigorous prosecution of everyone connected with the Amerasia case. Secretary Grew had to disappear from the scene, which he did on August 19, 1945. Dean Acheson succeeded Grew as Under Secretary in August of 1945 and 2 days later reinstated Service to the State Department and promoted him. So I say, let us draw no false inferences about the memo signed by Grew on May 30, 1945.

Now, let us see how Harry Dexter White further blackjacked the neutral nations even before Potsdam. He already had Treasury agents in every American Embassy and Ministry throughout the world. I showed where on May 30, 1945, Harry Dexter White succeeded in getting the memo addressed to President Truman signed asking for confiscation legislation, which request the President did not approve. He only approved a further vesting and liquidation program. The matter of not returning these private properties or the proceeds, without compensation, was never approved by the President, nor was their request for authority to present to Congress legislation that would permanently eliminate German private interests in property as a matter of national policy ever approved by the President; but notwithstanding, what did Harry Dexter White's assistant, Harold Glasser, who was also named by the Attorney General as a part of the Communist apparatus, do immediately thereafter? I will now tell what he did.

On November 16, 1953, there was produced at the Senate Judiciary Subcommittee hearing the following memorandum which was in response to the committee's request made for letters and memorandums relating to the joint confiscation message of May 30, 1945, sent to President Truman. What did the State Department produce? They produced a memorandum dated June 13, 1945, from Harold Glasser to the Treasury Department—that means to his boss, Harry Dexter White—requesting use of State Department cable facilities to inform Treasury representatives in important Embassy posts of the objectives of the program. Harry Dexter White then sent cables to every Treasury representative in every American Embassy and Ministry in every country of the world, even though the President refused to adopt their program, insisting that our Ambassadors and Ministers dedicate themselves to a program of getting the countries to which they were appointed to institute legislation to permanently confiscate all German private assets with no provision for compensation of any kind. This was before Potsdam, and 6 months before the Paris Conference. What could our American Ambassadors and Ministers do after this order had been sent by Harry Dexter White? They had to fall into line.

Remember Morgenthau's order dated December 15, 1941, which applied to the State Department and every American Ambassador and Minister throughout the world. The order read as follows:

On and after this date, Mr. Harry D. White, Assistant to the Secretary, will assume full responsibility for all matters with which the Treasury Department has to deal having a bearing on foreign relations. Mr. White will act as liaison between the Treasury Department and the State Department, will serve in the capacity of advisor to the Secretary on all Treasury foreign matters and will assume responsibility for the management and operation of the stabilization fund without change in existing procedures. Mr. White will report directly to the Secretary.

What could these countries do except to follow the directions of Harry Dexter White as transmitted to them by Treasury's representatives in our ministries and embassies? Once again I say read the article that appeared in the September 14, 1946, issue of the Saturday Evening Post entitled "Our Battle With the Swiss." All these countries needed economic aid from the United States or trade with the United States, so they simply had to go along with the program, for Harry Dexter White and his fellow conspirators would see to it that they would not get either credit or trade unless they submitted, just as he had handled Churchill at Quebec when Churchill was first given a part of the Morgenthau-White plan to initial before he could be sure he would get the multibillion-dollar loan.

Now let us see what these countries did when the pressure was put on.

Within a few weeks after these telegrams were sent out, most of the smaller allied nations took steps to confiscate German private property in their countries by issuing decrees. They are all in the record. They either had to or they would be penalized by the big United States. They all collapsed even before the Potsdam Conference. Stalin won out. The sacred principle of private property was collapsing and vanishing, this time in all parts of the world. Karl Marx had written in his manifesto:

You reproach us with intending to do away with your property. Precisely so, that is just what we intend.

Well might Khrushchev say in 1955, "the days of capitalism in the world are approaching their end. Our system will win."

President Truman probably knew that Morgenthau would send him a memo to confiscate private property, for in a surprise move he took the matter of reparations out of the hands of the Treasury Department, or at least believed he had accomplished that, when on April 28, 1945, he appointed Edwin T. Pauley to go to Moscow. The New York Times issue of April 28, 1945, says as follows:

President Truman in a surprise move appointed Edwin T. Pauley to serve as American member of the Allied Reparations Commission which will meet in Moscow next month.

I want to quote from the letter President Truman sent to Mr. Edwin T. Pauley and gave out at the press conference called specifically for that purpose on April 28, 1945:

I hereby designate you to act as my personal representative with rank of Ambassador to represent and assist me in exploring, developing, and negotiating the formulas, and methods of exacting reparations from the aggressive nations in the current war.

Note what Truman says, "to represent and assist me" in doing what? "Exploring, developing, and negotiating the formulas and methods of exacting reparations." Not one word is said that there should be confiscation of private property of German nationals. Let me go on. The letter states further:

In this matter, you will represent me in dealing with the other interested nations. At the Crimea Conference it was agreed that Germany would be obligated to the greatest extent possible to make reparations in kind for the damages caused by her to the Allied countries.

Let me repeat what the letter says: "To make reparations in kind." There is nothing in this sentence about confiscation of private property of German civilians throughout the world under guise of reparations. The letter further states:

It is further agreed that a commission should be established to consider the question of the extent and method of collecting such reparations.

The letter continues:

I wish you also to represent the United States and me personally as a member of the commission.

What does President Truman say in his final paragraph of this letter in which he cuts the ground out from under the Harry Dexter White crowd, Alger Hiss crowd, and Morgenthau crowd? He says:

In all matters within your jurisdiction you will report to me personally and directly.

Note he indirectly says not to Mr. Morgenthau, not to Harry Dexter White, not to Alger Hiss but to the President directly, and he was to discuss reparations in kind and not confiscation of private

property of German citizens throughout the world. The President closes his letter with this paragraph:

> May I express my gratification at your willingness to assume this important but arduous mission.

The President well knew it was an arduous mission, for the Communists were not to be denied their demands as set out as far back as 1943 by Varga in War and the Working Class.

Here, for the first time, Harry Dexter White was apparently stripped of his authority over monetary matters throughout the world, not only over our State Department but in all matters regarding reparations, which were certainly monetary, which he dominated from the date of the Morgenthau order of December 15, 1941. But Harry Dexter White just would not be stripped of his authority.

Here was notice to Stalin in unmistakable language, and it explains why President Truman went to such unusual lengths to give a copy of his letter addressed to Mr. Pauley to the press. Mr. Pauley had his instructions, and Moscow knew those instructions were not in accordance with the Moscow plan. What happened then? Mr. Pauley began his trip to Moscow with the rank of Ambassador, personally representing the President and the United States. When Mr. Pauley arrived at Paris the Communist press in France greeted his arrival by saying that he was a reactionary, a tool of Wall Street, a Fascist.

Pauley continued on to Moscow with the American delegation with direct instructions from President Truman. The Reparations Commission was still meeting when Germany collapsed and the unconditional surrender was signed on May 7, 1945. The American people were jubilant. What thought did they or any of us give to reparations? Victory was in the air. Peace was coming.

The word was then being prepared for the Potsdam Conference where the victorious powers were to meet to determine the fate of Western Europe and perhaps the fate of the world. Now then, I do not want to get away from my main topic. There are many things about the Potsdam agreement that we could talk about, but I want to stay with my principal subject of confiscation of private property, which was the only thing Communist Russia wanted the Allies to do for themselves and that was to be accomplished under the guise of reparations.

Now I am going to quote from Churchill's memoirs of the potsdam Conference:

> We ought to keep the zones agreed at Yalta—
>
> Said the President.
>
> If we don't, reparations and all sorts of other matters will be difficult to settle.

"We are not worried about reparations," said Stalin, according to Churchill's memoirs. Of course Stalin was not worried about reparations. He was going to take everything he wanted anyway and when he got through there would be nothing else left for the free world to do but to confiscate private property. This is just what Stalin wanted. President Truman replied to Stalin according to Churchill's memoirs as follows:

> The United States will get none anyhow, but they will also try to avoid paying anything.

This again establishes that President Truman had no intention of confiscating private property of German and Japanese citizens under guise of reparations or as a new national policy. Here once again President Truman shows the time-honored American policy of holding private property of enemies inviolate from confiscation even in time of war will not be changed, thus taking the same stand he took when he was handed the memo of May 30, 1945, prepared by Harry Dexter White and signed by the Secretary of the Treasury, the Alien Property Custodian, and the Assistant Secretary of State.

I do not want to give the impression that only the Communists and their sympathizers were urging confiscation legislation. I regret to say that we had some politicians, Democrats during that period, who work for confiscation of private enemy property for purely selfish reasons in that they wanted to hang on to the business plums taken over by the Office of Alien Property. Ideals or principles meant nothing to them and so that my Democratic colleagues may take no offense, I must now regretfully state that in 1953 when the Republicans took over the administration, Republican politicians interested in taking over these business plums and who did take them over began also to object to returning these confiscated properties to their rightful owners. By 1955 most of these Republican politicians knew that these confiscation policies were made in Moscow but they still object to legislation providing for full return. Some of these men today want to hang onto these private properties for their own gain even if the Nation loses, even if it means a further weakening of the free world in its fight against the Communist program of the destruction of private property rights throughout the world, but they will scream their heads off if their properties in some foreign countries are nationalized or, to use a better word, confiscated.

This now brings us to the end of the war in Europe in June 1945. The American people are jubilant as they well might be. Hitler is dead. The myth of Soviet friendship with the people of the free world is at its high point, but what do we see happening in Europe? An Iron Curtain is pulled down over news coverage. Elmer Davis, head of the Office of War Information, informs the world that 1,000 of his handpicked men will control news that comes out of Germany. What news do we get out of Germany? Mostly that which the Communists want us to hear. The newspapers are filled and rightly so with the horror stories of Nazi brutality and of the coming trials of Nazi war criminals. Japan surrenders on September 2, 1945, and the American people are happy and thankful that at last the war is over. And so the stage was set for what was to come.

In October of 1945, two things happened almost at the same time. The first is that Henry Morgenthau's book Germany Is Our Problem, is published. The second is that on October 30, 1945, the Allied Control Council for Germany promulgated law No. 5. I want to take these two matters up in sequence.

Remember that Morgenthau had been fired 3 months before. This book, although bearing Morgenthau's name as the author, was admitted even at that time to have been the product of Harry Dexter White and his cohorts.

Remember that President Roosevelt could no longer defend himself. He was dead when the book was published.

Now in these most recent disclosures of Yalta made public on December 30, 1955, significantly enough we find included therein a memo made by Harry Dexter White for his chief, Henry Morgenthau, telling of their meeting with Messrs. Hull, Mathews, Stimson, and McCloy on September 20, 1944, referring, not to Yalta, but to the second Quebec Conference where part of the Morgenthau plan was put into operation. The Harry Dexter White memo shows that they went to see Messrs. Hull, Mathews, Stimson, and McCloy to "wise them up" as to what they did at Quebec.

White's memo proves that Messrs. Hull, Mathews, Stimson, and McCloy did not know what the President had signed at Quebec. Only Harry Dexter White and Secretary Morgenthau knew that, and there is no evidence that these other men ever saw any document that had actually been initialed by President Roosevelt and Churchill at Quebec.

Now with these facts in mind and in the light of these most recent disclosures among the Yalta papers, let us take a good look at the front pages of the Morgenthau book Germany Is Our Problem. What do we find? We find that the front page contains a statement of American principles made by President Roosevelt regarding the future of the German people, but not one word about confiscating their private property although it does state that we will make rearming impossible. Then appears the following:

> On the following pages is reproduced a photographic copy of the memorandum summarizing "the Morgenthau plan" which President Roosevelt took with him to the historic Conference at Quebec in September of 1944.

Note what this statement fails to say. It does not say that this is a photographic copy of the memorandum summarizing the Morgenthau plan, initialed by President Roosevelt and Churchill at Quebec, but it cleverly implies it. It only says that it is a photographic copy of what President Rooseevlt took with him to Quebec. I say I believe that statement is false. I do not believe that President Roosevelt took that particular memo to Quebec.

I hold in my hand a copy of the book, and I shall be glad to show it to any Member of the Senate. I find no initials of either President Roosevelt or of Winston Churchill.

The photographic copy of the memo reproduced contains the provision for confiscation of German private assets throughout the world, making the American people and the world believe that

this was a reproduction of what President Roosevelt and Churchill initialed at Quebec. The photographic copy does not contain the initials of President Roosevelt or Churchill. Why did they not produce a copy showing the initials of "F. D. R." and "W. C." on it? Certainly Harry Dexter White had a signed copy and that would have been the best evidence of what Roosevelt and Churchill actually had signed.

I do not believe that the original signed by President Roosevelt and Churchill contained a single provision to permanently confiscate all German private property in the United States under the heading of reparations. In view of this most recent Harry Dexter White memo, I say this raises some very grave questions to which the American people are entitled to an answer, and I demand that the original document containing the initials of the President and Mr. Churchill be now produced.

Now let us return to what I said about the second important thing that happened in 1945. In October of 1945, the same month the Morgenthau book Germany Is Our Problem came out, announcement was made of a new world-wide allied control council law for Germany. What was that law? It is called law No. 5 of October 30, 1945, issued by the Allied Control Council for Germany, and I am now going to quote that law; but before I quote this law, I want to make it clear that not until long after the war was over did the American people discover, nor did Congress discover, that in all financial matters relating to the occupation of Germany, the military, although they had to sign the orders, had nothing to say. In all financial matters, the military took orders from the Treasury Department, Harry Dexter White, based on the authority of the Morgenthau letter of February 25, 1943, addressed to Harry Dexter White, and I should like to quote from that letter once again as follows:

> I would like you to take supervision over and assume full responsibility for Treasury's participation in all economic and financial matters * * * in connection with the operations of the Army and Navy and civilian affairs in the foreign areas in which our Armed Forces are operating or are likely to operate.

This was what President Dwight D. Eisenhower, then Gen. Dwight D. Eisenhower, had to work under. What did this mean? This meant that the entire economic policy of occupied Germany was made by Harry Dexter White, and only long after do we find out that Harry Dexter White actually gave the plates, from which the occupation currency was printed, to Russia. To this date we do not know how many millions of occupation bills were printed from those plates, but we do know that it led to a situation in Western Germany where there had to be a complete devaluation of the mark with all the terrible consequences that brought with it.

Now let me return to that law No. 5 of October 30, 1945, by the Allied Control Council:

> Whereas the control council is determined to assume control of all German assets abroad and to divest the said assets of their German ownership with the intention thereby of promoting international peace and collective security by the elimination of German war potentials.

Note what it says. It says "assume control of German assets abroad and to divest the said assets of their German ownership with the intention thereby of promoting international peace and collective security by the elimination of German war potentials." Noble purposes indeed, but can anyone doubt that the main reason for that preamble to this law was basic Communist policy for the destruction of private property rights?

Stalin had now gotten what he wanted, as Varga set out as Communist policy in War and the Working Class in October of 1943. Stalin was no longer interested in what would be done at the Paris Reparations Conference, or was he? He was only interested from the standpoint of what Russia could take physically; but make no mistake about it, he was vitally interested that the nations of the free world at the Paris Reparations Conference would confiscate all private property throughout the entire world of German and Japanese citizens, not only those found in the allied countries but those found in neutral countries.

At the Paris Reparation Conference of December 21, 1945, the Allied Governments agreed as follows:

> (a) Each signatory government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control and shall charge against its reparation share such assets (net of accrued taxes, liens, expenses of administration, other in rem charges against specific items and legitimate contract claims against the German former owners of such assets).

Legislation was introduced relating to confiscation of German and Japanese private properties in the United States as early as 1943. We had a Democratic administration in 1943. In 1944 the same legislation was introduced and was pending during and after the Quebec Conference but not once did President Roosevelt make one move to show his approval of such legislation. In 1945 when Truman was President, we see still these same bills being introduced. In 1946 the same bills were again introduced. This was after the Paris Reparation Agreement and yet not once did President Truman show any indication that he supported such legislation.

In 1947 the same bills were again introduced, and remember, during those years we had a Democratic administration and a Democratic Congress but at no time, as I said before, did President Franklin D. Roosevelt or President Truman indicate to Members of Congress that they favored legislation that would permanently confiscate private properties of German and Japanese citizens. When confiscation legislation was passed it was done by the 80th Republican Congress when the Democrats were in control of the executive branch of the Government, and I am going to show how the White, Glasser, Coe and Hiss group with the help of the Office of Alien Property got that done by trickery and deceit and how they fooled the veterans.

In my first exposé of these Communist plans on January 29, 1951, before the Yalta conference disclosures came out and before the White case was exposed, I said:

> Where, oh, where in heaven's name was the Foreign Relations Committee of the United States Senate? What was that Committee doing? The answer is "Nothing."

Mr. President, I say to the citizens of America that want to blame the President or Republicans or Democrats that the Republicans are just as guilty as are the Democrats, those who were members of the Foreign Relations Committee, because all through the 80th Congress, the votes were 13 to nothing. I said further that some of the Republicans will, when the damage is done, try to blame the Democrats but I say, look at the record of the 80th Congress and let us not forget that it was the 80th Republican Congress under the Democratic executive administration which passed legislation permanently confiscating German and Japanese private properties of civilians, but I say that we were tricked into doing it and I am going to prove it.

Shortly after September 1954 immediately after the official surrender of Japan, the Members of Congress began to get letters from their constituents protesting that with the defeat of Nazi Germany some 5 months before that time, there came the clamping down of the Iron Curtain and it had reached such an extent that even the Red Cross refused to deliver any messages from people in Germany to people in the United States or from people in the United States, to people in Germany, and yet the Red Cross in the United States right up until the unconditional surrender of the Hitler regime had accepted those messages and they were handled through the German and Swiss Red Cross. The reason given was that communications had broken down but this was only true in part because the Salvation Army who handled similar messages during the war through the Swiss and German Salvation Army continued to deliver such messages regardless of the Iron Curtain, and so did church groups through the Vatican for both Protestant and Catholic people. Why did they want this blackout? Simply to cover up the terrible things that were happening in Germany.

By December of 1945 Congress was being deluged with letters from hundreds of thousands of people asking that they be permitted to send food and clothing to their relatives. Many hundreds of Members of Congress, Senators and Congressmen alike, asked the Treasury Department why a general license could not be issued. Our letters and the letters from people asking to send food and clothing to their relatives in Germany all landed in the hands of Harry Dexter White and his coconspirators who had control of the Trading With the Enemy Act.

It was during this particular period, when Harry Dexter White refused to issue a general license, that I and other Members of Congress first began to become suspicious of him. All that the American people wanted, in the winter of 1945, was to be able to send food and clothing to their friends and relatives in Germany. All they wanted to be able to do was to write letters to their relatives and friends in Germany to see whether they were alive or dead and they were not allowed to do it. If they tried to send a message through a neutral country and were caught, they were subject to a $10,000 fine and 10 years in the penitentiary for trading with the enemy, even though the war was over.

Harry Dexter White had issued hundreds of orders during the war granting permission to deal with the enemy, which was in some cases necessary, through neutral countries; but when the war was over, he refused to issue a general license to the American people to send food, clothing, and medical supplies to the civilian population in Germany.

Every letter that went to the Treasury Department for a license permitting American citizens, charitable institutions, and religious groups to send food and clothing to starving people in Germany brought replies which evaded the issue and put it all on a matter of sending money into Germany which the Treasury Department said was impossible because it would be some time before they could establish an official rate of exchange.

There were two things these American citizens wanted. One was to be able to write to their relatives to find out if they were alive or dead, and the second was to permit to send food and clothing to their friends and relatives in Germany. It is silly to think they wanted to send money, as there was nothing in Germany anyone could buy with money.

American church groups of all denominations requested a license from the Treasury Department so that they, as church groups, could undertake this relief work, but no license was issued. They told us that the transportation system had broken down in Germany and it probably had, but we had many ships available that could have been used to transport food and clothing which these church groups wanted to collect and send to Germany. The church groups would have used their own people, their own transportation, and their own trucks and worked with the related church groups in Germany in distributing the food and clothing, but the Treasury Department refused to issue a general license. The Iron Curtain had been rung down.

I ask Senators to look through the CONGRESSIONAL RECORD from September 2, 1945, the date of the official surrender of Japan, all through the year 1945 and the beginning of 1946, and what will they find? One letter after the other put in the RECORD by Senators and Congressmen requesting a general license to send food and clothing to the civilian population in Germany, but yet no general license was issued.

Churchill had been defeated. At that time the Labor Party had taken over in England and the situation got so bad that on August 16, 1945, Churchill said in the House of Commons as follows:

> I must put on record my own opinion that the provisional western frontier agreed upon for Poland, comprising as it does one-quarter of the arable land of Germany, is not a good augury for the future of Europe. I am particularly concerned at this moment with reports reaching us of conditions under which the expulsion and exodus of Germans from new Poland have been carried out. Between 8 million and 9 million persons dwelt in these regions before the war. Enormous numbers are unaccounted for. Where have they gone and what is their fate? Guarded accounts of what is happening had filtered through but it is not impossible that tragedy on a prodigious scale is imposing itself behind the Iron Curtain which at present divides Europe in twain. I should welcome any statement which the Prime Minister can make which will relieve us or inform us on this very anxious and grievous matter.

Two weeks before Churchill's message in the House of Commons, a deputation of British churchmen headed by the Anglican Archbishop of York representing the Anglican Archbishop of Canterbury and the entire Anglican church, together with the Archbishop of Westminster and other Catholic bishops, appealed in person to the British Prime Minister in this matter. The churchmen pointed out the hardships of the millions of Germans who have been forcibly expelled from Poland and the German territories handed over to Poland and from the Czech Sudetenland. The British Prime Minister replied that "The problem was already engaging the anxious attention of the British Government which was doing its utmost to overcome the difficulties facing Europe in the coming winter, particularly as regards coal, food, and transport." He pointed out that "The particular problem of German refugees from Eastern Europe was not one for which the British Government was in any way responsible, and that steps had now been taken to suspend further expulsions pending further consideration of the matter of the Allied Government."

In the August 13, 1945, issue of Time magazine, this mass expulsion is described as follows:

> In what was once Eastern Germany an anguished tide of humanity, one of the greatest mass movements of Germans in history, flowed toward the borders of the shrunken German Reich. At least 10 million hungry Germans were being uprooted from their homes in East Prussia, Pomerania, Silesia, and Sudetenland by the new Polish, Czech, and Russian owners. The wanderers choked the roads in Russian occupied Germany, ragged, barefooted, with children in their arms and the shabby remains of their homes stacked on perambulators, carts, and wheelbarrows, as they trudged westward. But they were barred from the British and United States zones, no UNRRA was on hand to help, though their problem immensely outscaled that of displaced persons elsewhere in Europe.

That is what Time magazine said. Who wrote the constitution of UNRRA—Alger Hiss, the convicted conspirator. And so we come to November of 1945 and 8 years later in November of 1953 we find out that Harry Dexter White, in November 1945, was already being investigated by the FBI.

What did Gen. Dwight D. Eisenhower say to all these things that were happening in Germany in 1945? It is all in the RECORD. When Senators and Congressmen appealed to him in this situation, his reply read as follows:

> My biggest job in Germany this winter is to keep the German population from starving.

Less than 9 months before, during Christmas of 1944, just a few months before he died, President Roosevelt stated that "This country has no desire to crush and exterminate the German people." That is what President Roosevelt said. I said there were no UNRRA benefits for these starving German people. Why? Because under the Communist plan put through by Alger Hiss and Harry Dexter White, not one crust of bread could be given by UNRRA to any person of German ethnic origin. The American people were trying to do everything possible to change this situation but the godless, atheistic Communists in our Government did not let them.

So that we may recall to mind just how bad that situation was, I want to read the article appearing in the November 28, 1945, issue of the Christian Century and it is entitled "Shall the Church Become an Accessory to Murder?" It reads as follows:

> Silent concurrence by the churches in murder by starvation makes the church an accessory to the crime. As a result of the Potsdam decisions, millions of Germans are starving now. Before the winter is over, five times as many Germans will die as died in the recent war, according to Bishop Dibelius of Berlin. By no stretch of the imagination can these doomed babies, their mothers and the aged be called war criminals. They have had no trial. What is happening to them is therefore not retributive justice but murder. Is the church to remain silent while wholesale murder by starvation is committed? An individual who knows that a crime is being committed and who does not communicate that knowledge or go to the aid of the person in peril is held legally responsible for his silence. He is held to be an accessory to the crime. Will history try and condemn the Christian church as an accessory to the infamy of Potsdam? It will and should do so unless the churches cry out in the name of the compassionate Christ against this high crime against humanity. It will and should do so unless the churches immediately mobilize all their resources to aid this part of the world Christian community. This aid can be given. It can be given by telling as much of the truth as the churches have been permitted to learn. It can be given by immediate, concerted and large scale efforts to breach the wall of silence which is raised by Potsdam around the millions of dead and dying in central Europe.
>
> Public opinion in Great Britain has swung in the last 3 weeks against the Potsdam policy of mass starvation. The Bishops of the Roman Catholic Church, meeting in Washington in their annual conference, have just denounced our treatment of the people of Germany, Austria, and Hungary in a spirit of vengeance. They declare that every report indicates that unless heoric measures are taken at once, millions will die from starvation and exposure during the coming winter. The feeding and clothing and sheltering of these suffering people is not a work which can be left to some future convenient date. They hold that Congress must promptly appropriate funds for this purpose

and that private relief agencies must be freed to do their part. In this category they, of course, include church relief agencies. We rejoice to hear Catholic leadership in America speaking to the Government in this unequivocal tone. How long will it be before protestant leadership summons equal courage? Opinion will change here if the people are given the truth. The church dare not withhold what it already knows. Its mission is to speak for humanity. It is commanded to work for forgiveness and reconciliation. If it fails in this crisis, it has not only missed an opportunity to set its record straight before history, it has also betrayed its mandate from Christ who is its head. If every person in America should immediately start doing everything in his power to save the helpless victims of Potsdam, great numbers would die in spite of all that could be done. But the fate of even greater numbers depends upon the American people and particularly upon the American churches. The churches are the conscience of the Nation. That conscience must now speak to President Truman. It must thunder through the quiet corridors of the Department of State. It must demand that the United States Government order the release of the 200,000 tons of Army rations which were sent to Europe for the use of soldiers who have now returned. It must demand that the ban which prevents all private agencies, including the churches, from sending food or other material relief into Germany, be immediately lifted.

That article appeared on November 28, 1945, and 8 years later to the month we have confirmation of my charges made in 1951 that Harry Dexter White was a spy.

It is obvious that this was all part of Stalin's plan to so weaken what was left of Germany, that it would be a pushover when the Communists would reach the point when their timetable said they would be ready to dominate the world.

Contrast this situation in the winter of 1945–46 with the pledge President Roosevelt made in 1943. That pledge was as follows:

Except for the responsible Fascist leaders, the people of the axis need not fear unconditional surrender to the United Nations. I have said that we shall bring food for the starving and medicine for the sick in the areas liberated by the United Nations. We have done so under lend-lease in North Africa. We are doing so in Sicily. We shall continue to do so in other areas as they are liberated to prevent economic breakdown and to aid the liberated peoples to produce and to help themselves. We shall provide these necessary operations and as a matter of simple humanity. The people of axis-controlled areas may be assured that when they agree to unconditional surrender they will not be trading axis despotism for ruin under the United Nations.

The record shows that General Eisenhower requested 300,000 tons of foodstuff for the German population and General Eisenhower warned:

The diet available now is less than half of what is regarded as sufficient and may lead to widespread malnutrition and disease inciting to the disorder of desperation during the coming winter.

The record also shows that when General Eisenhower appealed to the Treasury Department to raise its restrictions to permit Americans to send food and clothing to the starving people in Germany, the answer was always that matters of occupation were for the four powers to decide and, of course, we know that it had been agreed that nothing would be done by the four powers unless the decision was unanimous and we know now, as far as the Allied Control Council was concerned in matters of economy, it was purely in the hands of the Harry Dexter White crowd and not in the hands of the military.

And so we go through the winter of 1945–46. Thousands of German women and children are dying from starvation. We finally read that the German people cut down the trees and anything that will burn to keep themselves from freezing to death.

Harry Dexter White left the Treasury Department toward the end of 1945 when the FBI started investigating him but his cohorts were still in control of the Treasury Department and the Congress finally had to amend the Trading With the Enemy Act 6 months later to permit American citizens to send food and clothing and medical supplies to their starving relatives in Germany because Harry Dexter White's cohorts in the Treasury Department still refused to issue a general license.

President Truman was tricked, through lies and deceit, into making statements that there was no starvation in Germany. In January of 1946, some 9 months after the close of the war, when the German people were going through the throes of one of their worst winters without food, clothing, or shelter, our Treasury Department, the Harry Dexter White crowd still there, the Alger Hiss crowd and their fellow travelers, and those who followed their line in the press and radio were still insisting that there was no starvation in Germany. Let the record show, and it is time that it is brought out, that at that time President Truman was misled to such an extent that when a bipartisan committee consisting of the late Senator Kenneth Wherry, Republican, Senator James Eastland, Democrat, and the late Senator Robert La Follette, Independent, went to the White House for a conference with President Truman and told him of the serious conditions they had definite proof existed in Germany. The President told them that the Treasury Department had told him the truth and he did not believe the German people were starving. It was then that more than 30 Senators, Republicans and Democrats alike, agreed that every day as long as it would take for each Senator to speak, the Senate would be concerned with only the problem of starvation in Germany.

When word got to the White House that the first speaker on this gruesome subject was to be Senator CAPEHART from Indiana and that Senator CAPEHART had actually started his first speech, President Truman called in the press and cut the ground out from under the Treasury crowd by stating that there was starvation in Germany and that the American military government would aid the civilian population. But yet even then the Treasury Department refused to issue a general license to American churches and individuals and philanthropic organizations which would permit them to keep the civilian population of Germany from starving, and it was finally necessary for this Congress to amend the Trading With the Enemy Act to make that possible, but that was not accomplished until a year and a half after the close of the war.

I believe that it has never been told on the Senate floor that this distinguished group of Senators called on President Truman in that regard.

We now find that during the same month, January of 1946, when these distinguished Senators called on President Truman, he had on his desk the FBI report that Harry Dexter White was a spy, but I believe that the Presidents' action the next day in putting the lie on the statements by the Treasury Department, that there was no starvation in Germany proves to me that he believed those FBI reports and was going to do everything possible to counteract the damage done by this spy and others associated with him.

At this point I want to say that there is not a single country in the free world that has not been infiltrated by Communist spies and traitors. That is the way the Communists work. They will be found in a Republican administration as they will be found in a Democratic administration, but we must be everlastingly on our guard and must understand the nature of communism and its basic principles. Knowledge of the basic principles of communism is our best defense against internal subversive activities, and every attack on the sanctity of private property must be recognized for what it is.

And so we come to 1947 and 1948. Harry Dexter White was out of the Treasury Department but his associates were still riding high and Alger Hiss and his cohorts were still great men.

I showed how Harry Dexter White sent his Treasury men into every neutral country and forced those in charge of the Germans there to violate their own laws and gave them lists of every German property owner. Little Switzerland was forced by foreign funds control to violate its own banking law, and did so after threats of trade restrictions, after having protested without success for many months to the Hiss crowd in the State Department, and finally gave them the lists of every piece of property and every bank account of every German civilian.

Whom did they send into Switzerland after they had sent Lauchlin Currie? None other than John Carter Vincent, who was one of the most vocal exponents of the line that the Chinese Reds were merely agrarian reformers. He was one of the State Department men who publicly praised the division of Korea after World War II as "an auspicious test of Soviet-American cooperation in the Far East." Everyone knows what happened to us in Korea just a few years after he made that statement. That is the type of men we sent into neutral countries, and remember they did this even before the second Quebec Conference while the Yalta Conference was going on and while the Potsdam Conference was in session. They made it appear that the United States was taking the lead in confiscation throughout the

world and that other countries followed, when in truth and in fact they did not come before this Congress to get confiscation legislation passed until they had acomplished it in the other countries in the world.

This confiscation of properties even in neutral countries was done on the theory that "We do not want the Nazi war criminals to gain from the loot they might have placed in neutral countries." In truth and in fact, it worked out just the other way, and they knew it would work that way. The German civilian who opposed Hitler and who did not want Hitler to use his savings in a war, and who violated Hitler's foreign-exchange laws at the risk of being placed in a concentration camp, to get his few savings out of Germany into a neutral country, was stripped of those possessions—and there were vast numbers of such German civilians. Did Harry Dexter White and others plan to drive them from their friendship to the United States into the Communist camp? Did the Hiss crowd in the State Department, working hand in glove with White, and who turned down every protest of every neutral country against such blackmailing, also plan to drive the German civilian population into the Communist fold?

Was it not Stalin's plan to drive from the minds of men all thoughts of the sanctity of private property, also being worried by these traitors throughout the world at the same time? There simply cannot be any question about it. So the stage was set for such confiscation in the United States. But even this pretense of justice and legality was not enough. They knew that they could not bring about confiscation of such property here unless they tied in a good use of the funds to be confiscated, so they came up with the idea to confiscate all German and Japanese private property in the United States to compensate Americans who were injured by violations of the rules of war. That meant that all such property had to be confiscated first before the compensation could be made. They knew that anyone would be branded a Nazi or a Fascist, the scum of the earth, if he objected to confiscation and to the use of those funds for that purpose.

There is no doubt that every American, no matter how much he may be against confiscation, would want to see his American neighbors who were thus injured fully compensated, or as much as it was humanly possible to do. But the Hiss-White crew knew all along that the German people and the Japanese people abhorred the crimes for which compensation was planned for the American victims, and if given a chance, they would have compensated for them themselves. Let us not forget that immediately after the close of hostilities in Europe the first thing the German civilian population did was to take steps to make restitution as much as possible to all victims of Hitler persecution, Jews and Christians alike. They did make restitution for they abhorred the crimes for which they took the blame. The West German Government has done a remarkable job in making restitution to the victims of Hitler's atrocities and today they are paying $60 million a year to the State of Israel, and as Chancellor Adenauer has said, "As soon as Germany is unified they intend to pay even more."

Yes, Mr. President, the White-Hiss crew and their followers knew full well that no one could object to such confiscatory legislation since the moneys would be used for the veterans. So once again those who ordinarily would have come forward to tell the Congress that the plan was wrong were effectively silenced for fear of being smeared in public press and over the radio. As a consequence, the American Chamber of Commerce kept silent: Leaders of the American Bar Association kept silent: Americans of German and Japanese birth, who tried to provide for their relatives in enemy countries after the war was over, by gifts, legacies, annuities, trusts, insurance policies, et cetera, kept silent and saw their properties confiscated, for they knew that they would be smeared in the public eye even if they only came forward to ask that a distinction be made between property basically and intrinsically American property and that which is basically and intrinsically enemy property.

Whom did the White-Hiss crowd unknowingly and unwittingly use, Mr. President, to carry out their purposes? Certainly there can be no further doubt as to what effect these policies would have and have had on the civilian population of Germany and Japan. They used the American Legion, the Veterans of Foreign Wars, and other veteran organizations; they fooled them, just as they fooled the Congress of the United States, and used the Congress as a cat's paw to further the master plan of the Kremlin—to drive from the minds of men that there is anything sacred about private property. Yes; the White-Hiss crowd achieved their purposes to strip every German civilian, every widow and orphan, of everything, even taking the property of American citizens of German birth who had tried to provide for their mothers, fathers, sisters, brothers, and other kin in Germany by gifts, bequests, trusts, some of them created long before the war. The very men and women in the German civilian population most closely affiliated with ideas and ideals of American democracy, which they learned from their American relatives, the very ones who were the greatest thorn in Hitler's skin during the war—the ones who were subject to discrimination and repressions of all sorts, and who at best were listed by the Gestapo as politically unreliable—the very ones whom we now hope will help us in the defense of the free world. They had their properties confiscated. All those things were done before most people knew or suspected any disloyalty on the part of Alger Hiss, Harry Dexter White, Laurence Duggan, and the rest; and it all happened while Gerhard Eisler, Kremlin Communist agent No. 1, was operating in the United States, pulling all the strings and watching the puppets jump.

When did we Republicans who controlled the 80th Congress pass this confiscation legislation? It happened in 1948 about the same time that the House Un-American Activities Committee first began to investigate Harry Dexter White.

On February 13, 1948, Harry Dexter White appeared before the committee after he had been accused by former Communist agents of belonging to the Communist spy apparatus. In true Communist fashion here is his statement that he made before the committee as taken from the record:

> I should like to state at the start that I am not now and never have been a Communist nor even close to becoming one. I believe in freedom of religion, freedom of speech, freedom of thought. I believe in the goal of equality of opportunity, and the right of each individual to follow the calling of his or her own choice. I believe in the freedom of choice of one's representatives in government, untrammeled by machineguns, secret police or a police state. I am opposed to arbitrary and unwarranted use of power or authority from whatever source or against any individual or group. I believe in a government of law, not of men, where law is above any man, and not any man above the law. I consider these principles sacred, I regard them as the basic fabric of our American way of life.

When the committee members questioned him further about the 8 men and women who were named as Communist spies and had worked for him at the Treasury and 2 others who were his closest friends, White, in true Communist style, admitted that he knew these people but that they were individually, "a very charming fellow," "a very fine chap." "Yes," said the committee, "but some of these people had lost their charm on the witness stand while taking refuge behind the fifth amendment." "Would that influence White's judgment of them?" Well, he didn't know; it was hard to figure what they might have been thinking. "Would he change his mind if he saw a Communist card held by one of them?" Well, again he didn't know. Couldn't a witness perhaps be framed with a forged card?

Three days later he died of a heart attack. In the eyes of a great segment of the press he was a hero. Only a few printed that he died from an overdose of digitalis and very few indicated that it might have been suicide. He was a hero to a large portion of our great American free press and so was Alger Hiss, and so our Republican 80th Congress passed this confiscation legislation.

I say it is time for the Republican Party to purge itself and return to basic American principles in this matter, and I say that it cannot be done unless we return every piece of private property that was confiscated. Of course we are going to have to make provisions for those veterans who were injured by violations of the rules of war, but if we have to take it out of the public Treasury, we Republicans had better do it. I am sure that many Democratic Senators who regret as deeply as do I, that we had traitors in our Government, are fully in agreement on this fundamental point, so vital to the free world. But I also say that we are going to have to have some leadership from the executive branch of the Government, and I am going to get to that point in just a few minutes.

I do not believe that President Eisenhower knows that during that same

period in 1951, at the exact time he was in Germany at the request of President Truman to try to get the West German Government to join the free nations of the world in a mutual defense against communism, there were still men in the Department of Justice, Office of Alien Property, who were playing the Kremlin game and were trying to sabotage what General Eisenhower was trying to do in Germany. Right at the time he was in Frankfurt on January 20, 1951, when he gave an interview to the New York Times, the Department of Justice advertised that they were going to sell the German Embassy located in Washington, D. C. That meant that when a new German Ambassador would come here he would not even have a place to hang his hat. What did the New York Times interview with General Eisenhower state in its issue of January 20, 1951? I would now like to quote what General Eisenhower said:

> I would like to see the German people lined up with others in the defense of the Western type of civilization.

When asked by the press whether he believed the Germans should be mobilized to assist in the western defense, he said, "There is no place for neutrality when civilizations are in conflict." General Eisenhower emphasized, however, that the Germans should be allowed to come into the defense alliance of their own free will. He further said:

> It is silly to think of trying to put them in against their wishes. No soldier loves the front lines. He likes to feel he is fighting for a cause, and no man in the front lines ought to feel he is lacking in that conviction.

While President Eisenhower was in Germany trying to line up Western Germany, that is what the Department of Justice was doing to help him.

The Department of Justice, Office of Alien Property, did sell the German Embassy notwithstanding all protests from many Democratic and Republican Senators alike, and so then it was necessary for us to introduce legislation appropriating $300,000 of the taxpayers' money to give to the Federal Republic of Germany to build a new Embassy so that the Ambassador when he came here would have some place to hang his hat. I introduced that legislation and it became law.

The relentless work of the House Un-American Activities Committee in ferreting out the subversives in our Government finally gave courage to those who knew these policies were wrong to come forward and bring the facts to the Congress of the United States. During the session of the 82d Congress, Senator Herbert O'Conor, of Maryland; Kenneth Wherry and Hugh Butler, of Nebraska, and myself, recognizing the injustices and wrongs that had been done in confiscatory legislation, introduced a bill in the United States Senate, known as S. 2929, providing for the return of seized properties to German civilians, where such property arose by gift, devise, bequest or inheritance from an American citizen, and where such persons proved they were not members of the Nazi party. The bill was sent to the Senate Judiciary Committee under the chairmanship of the late great American Senator, Pat McCarran. The committee held extensive hearings, and, of course, the principal objectors were—you know who, Mr. President—the Office of Alien Property, and they used the patriotic members of the War Claims Commission as their stooges.

The Senate Judiciary Committee, consisting of the honorable Senators Pat McCarran of Nevada, chairman, Harley W. Kilgore of West Virginia, James O. Eastland of Mississippi, Warren G. Magnuson of Washington, Herbert O'Conor of Maryland, Frank P. Graham of North Carolina, Estes Kefauver of Tennessee, Alexander Wiley of Wisconsin, Homer Ferguson of Michigan, Forrest C. Donnell of Missouri, William E. Jenner of Indiana and myself, carefully considered all the objections of the Office of Alien Property Custodian and of the War Claims Commission; and that committee, in its report to the Senate, unanimously waved aside these objections as meritless. The committee had voted unanimously for this amendment to the Trading With the Enemy Act.

When the bill came before the Senate, this body discussed it, adopted the committee report. Although Senator DENNIS CHAVEZ blocked a vote on the bill three times, it finally passed by unanimous vote. The Senate said to the Department of Justice, Office of Alien Property, "You never should have confiscated these properties." The committee report said:

> Such property is not enemy property within the strict sense of the word, nor is it enemy property within the spirit of the Trading With the Enemy Act. It is intrinsically and inherently American property. Said property was amassed and earned in America by American citizens. It remained in this country to aid and abet the Government in the way all property does, to a successful fruition of the war. Certainly, and no one would contend otherwise, it was not the desire of Congress or the people of this country to seize such property.

Now if it is true, and it is true, that it was not the policy of the Congress of the United States nor of the people of the United States to confiscate such property, then whose policy was it? Of course it was Stalin's policy, still carried out in the Department of Justice, Office of Alien Property.

But after this above legislation was passed unanimously in the Senate, the Department of Justice, Office of Alien Property, got it pigeonholed in the House Interstate and Foreign Commerce Committee, which committee was first used as their tool, and the tool of Harry Dexter White, in sponsoring confiscation legislation, and there it died.

In 1953 the identical legislation to return these estates and trusts and proceeds from insurance policies taken from American citizens was being considered once more by the Senate Judiciary Committee, so we requested the advice of the Department of Justice, Office of Alien Property, as to their feeling about this legislation, and to our amazement, we get a reply from the now Republican Department of Justice containing practically the same objections that were made by their Democratic predecessors in that office, notwithstanding the fact that the United States Senate had unanimously passed similar legislation. This was done at the same time the President and Secretary of State were doing everything possible to bring the West German Government into the defense alliance set up by the nations of the free world.

Early in 1953 Chancellor Konrad Adenauer, that stalwart defender of the principles we of the free world hold so dear, paid a visit to President Eisenhower at the White House. There they discussed various problems and Chancellor Adenauer called the attention of the President to the very serious situation his Government was confronted with resulting from the confiscation of all German private assets in the United States and then told President Eisenhower that even up to the time of his visit, the Department of Justice was still vesting German properties. The President could hardly believe this but when he made inquiry, he found out that it was true and he immediately ordered them to stop. When this happened, a number of Senators made inquiry of the White House to get a copy of the President's order and were advised that the President didn't issue a written order. It was simply a verbal order. Why didn't the Department of Justice tell President Eisenhower they were still vesting German properties in 1953? Even the Secretary of State didn't know it. Why didn't they tell the Secretary of State? It shows very plainly here that there has been no teamwork between the Department of Justice and its Office of Alien Property and the Secretary of State's office, and I am afraid this situation is not going to change until we get the operations of the Office of Alien Property in line with our national policy.

During Chancellor Adenauer's visit to President Eisenhower, an announcement was made that the President had ordered the return of 50 boats to West Germany, and I for one am positive that, if the President could have done so, he would have immediately ordered the return of all vested private properties, but he could not do it because we Republicans in the 80th Congress had added section No. 39 to the Trading With the Enemy Act permanently confiscating all German and Japanese property in this country. Sure, we were tricked into doing it, but we did it.

At this point I want to pay particular credit to my distinguished Democratic colleague from New Mexico [Mr. CHAVEZ]. The Senator from New Mexico represents in part a State which had probably more veterans who were cruelly tortured in Japanese prison camps than any other State in the Union. Obviously he was anxious to see that those veterans were compensated for violations of the rules of war and he was for the confiscation legislation tying up the confiscation of German and Japanese private property with the War Claims Act.

On June 27, 1953, Senator CHAVEZ introduced a Senate resolution, I believe it was No. 92, that would return all confiscated private property of German and Japanese citizens, with the exception, of course, of any return to those behind the Iron Curtain. Their properties would be held in trust, and it, of course, prohibited

return to war criminals, which has always been a part of all legislation introduced to return these properties.

The record of the Senate Judiciary Committee will show that at no time prior to the Attorney General's confirmation that Harry Dexter White was a spy, made in November of 1953, did the Department of Justice, under the direction of a Republican Attorney General, ever indicate that it approved any bill under consideration by the committee which would even return part of these confiscated properties.

That is the record, and I am going to tell why.

Because there are men in the Department of Justice and in the Office of Alien Property who have friends in these companies taken over by the Department of Justice who want to hold on to these business plums, and I want to tell you now that even after the Senate Judiciary Subcommittee in its hearings, on November 16, 1953, brought out that the whole confiscation plan was Moscow's plan carried out by Harry Dexter White, as I have detailed in this speech, the Department of Justice, under this Republican administration, still came forward with the old story whe have heard so often before, which is absolutely contrary to the position taken by our Secretary of State, the honorable John Foster Dulles.

The subcommittee was considering the Dirksen bill, Senate bill 3424, now known as the Kilgore-Dirksen bill, Senate bill 995. This original Dirksen bill was carefully drafted by both Republicans and Democrats to amend the Trading With the Enemy Act in such a way to make it conform to those basic American principles of the inviolability of private property. That bill provided that all properties be returned except to war criminals and to Nazis. It also provided that the property of German citizens who are behind the Iron Curtain would be returned some time when they are free, the thought being to give these East Germans, now in slavery, hope and to strengthen their will to resist continued Communist pressure. None of us, of course, want the Communists to get the benefit of any legislation returning private property.

There were some objections to the effect that this Senate bill would return businesses to their private German owners which businesses, it was claimed, were closely connected with our national defense, and that if we did return them, the secrets might get in the hands of the Communists; so the bill carefully provided that, whenever the President of the United States deemed it was in the national interest, a business should not be returned, that German private owners to whom it would be returned would have to dispose of it to Americans. Every safeguard to our national defense was in that bill.

Then I addressed a letter to the Department of Justice concerning this bill, S. 3423, and to my amazement, on June 30, 1954, I received a reply from Mr. William P. Rogers, Deputy Attorney General, and this is what he said:

> This bill raises the following serious questions of policy. (1) The enactment of this bill would reverse United States policy in regard to German and Japanese property vested under the Trading With the Enemy Act during World War II. That policy, as agreed to in the Paris Reparations Agreement with our Western allies and in the Japanese Peace Treaty, contemplates that the United States retain this property as reparations against Germany and Japan.

Let me repeat:

> The Paris Reparations Agreement with our Western allies and in the Japanese Peace Treaty, contemplates that the United States retain this property as reparations against Germany and Japan.

When I read this, I almost fell over. Apparently they still did not know in the Department of Justice, or did not want to admit, that the 80th Republican Congress never confiscated these properties on the basis of reparations.

There were, of course, a few other objections to the bill which in the opinion of most of us was window dressing, and Mr. Rogers closed his letter with this statement:

> In view of the foregoing considerations, the Department of Justice is opposed to enactment of S. 3423.

I made Mr. Rogers' letter a part of the record of the hearings of July 1 and 2, 1954.

Let us see how out-of-step the Department of Justice is with our foreign policy, with the policies of the President, and the policies of our State Department with reference to Western Germany. Remember, I said that letter from Mr. Rogers was dated June 30, 1954. Two days later on July 2, 1954, the Subcommittee of the Judiciary Committee held hearings on S. 3423 and had the great privilege of having the Secretary of State, the Honorable John Foster Dulles, personally appear before the committee, and this is what he told us, I quote from page 159 of the printed report covering the hearings of July 1 and 2, 1954. He begins his statement as follows:

> I would say, first of all, that I consider that it is highly appropriate that the Congress should review our legislative policy in this field. The seizure and disposition of enemy property was made during and immediately after the active war when feelings were influenced by the events of that period. I think it is useful to have a fresh look at what is being done in the light of changing world circumstances and experience in administering the legislation. The Department has submitted a letter to the committee commenting on questions of general principle raised by the bill. I do not want in this preliminary statement to go into the matter in detail, but I would like to comment on a few general aspects of the problem. The policy adopted after World War II of completely eliminating ownership of enemy private property was a departure from historic American policy after other wars.

Let me repeat what Secretary Dulles said:

> The policy adopted after World War II of completely eliminating ownership of enemy private property was a departure from historic American policy after other wars.

What else did Secretary Dulles say? I quote:

> I can say frankly that I would like to see a return to our historic position, the position of the sanctity of private property in time of war, to return to that historic position to the extent that may be practical, although I recognize that there are considerable difficulties in dealing with the matter on that basis after so long a period of time. As I stated in the Department's letter to the committee, to which I referred, there is no objection from any foreign policy viewpoint to the return, as a matter of grace, of vested German property, and of Japanese property. In point of fact, any action of this character would be welcomed by the governments of both the Federal Republic of Germany and Japan as an indication of return to more normal relations, and would, of course, be welcomed by the many owners of the property.

There is the statement of the administration policy in our relation with West Germany. Contrast that statement with the letter from Mr. Rogers, Deputy Attorney General, dated 2 days before.

Now what does Secretary Dulles say about the Paris reparations agreement with reference to S. 3423, which, the Department of Justice said, "Contemplates that the United States retain this property as reparations against Germany and Japan?" I quote Mr. Dulles:

> Yes; I am familiar with that agreement. In my opinion the agreement, whatever its intent may have been as an executive agreement, was without authority whatever to bind the Congress of the United States in this matter. The property had been vested by action of Congress. I believe Congress has the right to decide what to do about the matter.

In a letter which Secretary of State Dulles sent to the committee regarding S. 3423, Secretary Dulles stated as follows:

> Any return which the Congress may see fit to make of assets vested from private individuals and corporations would be consistent with the respect which the United States has traditionally accorded to private property as a general policy and with the practice which has been followed after other wars.

Let me repeat that. Secretary Dulles said:

> Any return of these confiscated private properties would be consistent with the respect which the United States has traditionally accorded to private property as a general policy.

Secretary Dulles continued:

> The return of such assets would of course be welcomed by the countries concerned. However, it appears from the terms of S. 3423 and from the fact that a significant amount of assets have already been liquidated and disposed of that appropriations would be required to implement the policy proposed in the bill.

Secretary Dulles concludes that "in the circumstances, the Department does not feel that it is in a position to endorse any specific proposal for return at this time," but he made it clear that he left this up to Congress and that he wanted to see the Trading With the Enemy Act brought back to basic American principles.

What else does Secretary Dulles say? I quote:

> In the event that the Congress should see fit to provide for return of German and Japanese assets, it may be appropriate to work out some of the terms and conditions with the Governments of the Federal Republic

and of Japan. Negotiations would also probably be required with other governments with which the United States has concluded agreements for their solution of intercustodial conflicts.

I believe from all of this it might be very proper to conclude that the time has come that the Office of Alien Property be removed from the jurisdiction of the Department of Justice and put it in the hands of the Office of the Secretary of State, specifically under Herbert Hoover, Jr., who has had to fight similar confiscation of American private property under the guise of nationalization throughout the world.

It was a great privilege to have our Secretary of State, the Honorable John Foster Dulles, come before the members of the subcommittee of the Judiciary Committee studying the problems of the return of confiscated property and give us his views. It was refreshing to note that he wanted to get back to basic American principles; but there was one thing that was most disconcerting about his appearance, and that was the following statement, which was later corrected. I say disconcerting because it established beyond a doubt that the Department of Justice, Office of Alien Property, and some people in the State Department, are not giving the Secretary of State the facts as to what is happening in our foreign relations with even neutral countries, because we still continue to hold on to these confiscated properties.

I want to quote from the record now. At the conclusion of Mr. Dulles' appearance, he was asked the following question:

> One further thing, Mr. Secretary, on a different line of questioning. Some of this property which is now vested by the Office of Alien Property was held as record owners by certain Swiss people. Has it caused this Nation any difficulties in its relations with Switzerland that these properties were being retained?

Secretary Dulles replied:

> It has not been a difficulty which has reached my personal attention.

This question must have disturbed Mr. Dulles, and his answer must have disturbed him, for subsequently the committee received the following statement from the Department of State:

> This problem has raised difficulties in our relations with Switzerland. In view of the great demand on the Secretary's time, however, they were not brought to his personal attention, and he was, consequently, unaware of them. The Swiss Minister in Washington and members of the Swiss Legation staff have made numerous representations on this problem over a number of years, particularly in respect to the General Aniline & Film Corp. case, which still remains in litigation. The Swiss view this case as being most serious. Efforts to find a solution have not been successful, and the problem continues to disturb our relations with Switzerland.

And yet when Secretary Dulles appeared before the committee he said that—

> It has not been a difficulty which has reached my personal attention.

I am sure that our Secretary of State, or the Under Secretary, would dispose of all our problems with the Swiss if the entire Office of Alien Property were under their jurisdiction.

Here is the second time the Secretary of State has been kept in the dark as to what our continued withholding of these properties is doing to our foreign relations, just like the President and the Secretary of State did not know until Chancellor Adenauer was here that the Office of Alien Property was still confiscating German private properties. Someone is deliberately keeping all these facts from the Secretary of State and from the President.

It is high time to integrate the operations of the Department of Justice's Office of Alien Property with the operations of the Department of State so that matters may be handled through diplomatic channels and the problem of paying American war veterans for violations of the rules of war may be handled through diplomatic channels. I am convinced that the Adenauer government would welcome an opportunity to enter into an agreement with the Secretary of State to pay the claims of Americans who were injured by the violations of the rules of war by the Nazis if, at the same time, the Secretary of State would enter into an agreement to recommend to Congress the full return of all these confiscated private properties instead of what we finally got as a recommendation from the Secretary of State and the President to water down our principles and merely return up to $10,000 and that only to individuals with no return of stock, businesses, patents, copyrights, corporations or anything else, which is a far cry from what Secretary Dulles said before our committee.

It is said that we were presented with such a watered-down program because some of our allies objected to full return. It is claimed that the Dutch were against full return at the time. I cannot imagine the grand and marvelous nation of the Netherlands whose reputation and wealth have been based on the industry and integrity of her people, repudiating the principle of honorable conduct under which she has achieved economic greatness. The solid Dutchman, of all people, beyond any question will say that principles are principles and that they must be observed. If there are any Dutchmen who succumbed to the argument of expediency, and I do not believe that they ever existed in significant numbers, I am sure they are silent today. In the delicate and difficult negotiations with the Indonesians now going on, where will these thrifty investors of Holland be with respect to their investments in Indonesia, if, the Dutch themselves provide precedents for the disregard of the principle of the sanctity of private property and want us to follow such a policy which we must reject in full?

In the light of these developments, I am sure the Dutch will not again object to the United States returning to basic principles of morality.

Let us not forget that it was the Republican 80th Congress which passed that confiscation legislation, and every Republican now in the Senate and in the House has a right to ask the Republicans in the executive branch of the Government to help us solve this problem and solve it in the American way, and not make a partial return on a basis of hardship but return all confiscated private property, thus reestablishing American principles. I say that cannot be accomplished unless the matter is taken out of the hands of the Department of Justice and placed in the hands of the Department of State. Obstructionism on the part of the Department of Justice will then be ended.

I for one, thought when Mr. Dallas Townsend was recommended for the high office of the Director of the Office of Alien Property and Assistant Attorney General, that here we were going to get a man who understood communism and how it works. My reason for believing this was that I knew he had been on the Allied Control Commission for Hungary which was taken over by the Communists, lock, stock and barrel, so when he testified before our subcommittee under date of May 19, 1953, that "he was appointed with the United States representation on the Allied Control Commission for Hungary, and that he was the second ranking officer on it out of the four representatives," I thought surely now we had a man who would give proper direction in that office. Let me make this clear. Mr. Townsend is a close, personal friend of mine. He and I were classmates at Columbia University. His wife and mine were classmates at the same college. He is an excellent lawyer with a fine reputation, and I would not want to do anything to cast reflections on him. It should be remembered that Mr. Townsend's appearance before the subcommittee was his initial experience of that kind. Undoubtedly, he was nervous and inexpert in expressing himself to such an unfamiliar group. My guess is that in his nervousness he overlooked his responsibility to notify us of the events in Hungary while he was there; but he should have so notified us, if not then, at least at a later date. Let me explain.

Remember, that was May 19, 1953. Our subcommittee already had much of the proof that the confiscation policy was made by Harry Dexter White and of course knew that Harry Dexter White was a spy. The Attorney General, on November 8, 1953, brought out that Harry Dexter White was a spy, and on the 16th of November 1953, we in the subcommittee produced conclusive proof that the entire confiscation policy was made in the Treasury Department by Harry Dexter White, following the doctrine of Stalin; so, many of us felt that Mr. Dallas Townsend was an ideal man to head the Office of Alien Property and that he would give that Office proper direction; that he would come before the committee and tell us that confiscation was basic Communist policy and that he would tell us while he was a member of the Allied Control Commission for Hungary he saw how the Communist operated there. Hungary was occupied solely by the Russians. He should have told us some of the things that another man, who was on that same Allied committee, told the Select Committee on Communist Aggression when they were investigating the Communist takeover and occupation of Hungary. Mr. Town-

send's associate in Hungary was General Stokes. Mr. Townsend should have appeared before that committee. He did not, but General Stokes did, and here is what General Stokes said. I quote from Senate Report No. 10 of the Communist takeover and occupation of Hungary:

The Chairman of the Allied Control Commission was the Russian, Marshal Voroshilov, and later his deputy, General Svirodov. If the Hungarian Government desired anything put on the agenda, of course they submitted that item to the Chairman. In Hungary it was a permanent chairmanship by the Soviet representative.

Let us see what else that report of the Communist takeover and occupation of Hungary had to say; but, before we do, let us see what all the American representatives on that Allied Control Commission for Hungary had to do. They dealt with principally two subjects: Restitution and reparations. Restitution to whom? Restitution to all people who had had their property confiscated by the Nazis, and these were principally Jews. Remember, we provided in the Hungarian armistice agreement, as we have provided in all other agreements, that restitution would be made to the Jewish people all over who had had their properties confiscated by the Nazis. Now, let us read page 15 of the report of the Communist takeover and occupation of Hungary. I quote:

The Allied Central Commission had American and British sections but for all practical purposes it was run exclusively by the Russians, yet in the name of the three major allies. In the entire armistice period, part of the Soviet technique in Hungary was to act in the name of the three major allies while keeping Britain and the United States from effective action. The Russians always barred joint action, invoking either the exclusive rights of an occupying power or the independence of the Hungarian state. Voroshilov was at the same time commander in chief of the Soviet military forces in Hungary. To evade all Western intervention, he or his deputy usually omitted to explain whether he addressed his demands to the Hungarian Government in the name of the ACC or as the commander in chief of the occupying forces.

So they were sovietizing Hungary, and how did they make restitution to the Jews whose property had been confiscated by the Nazis in Hungary? I read from special report No. 2 of the Select Committee on Communist Aggression entitled "Treatment of the Jews Under Communism." Remember this happened in Hungary when Mr. Dallas Townsend was on the Allied Control Commission in Hungary, but he never told us anything about the Communists in Hungary and how communism was based on the destruction of all private property rights throughout the world.

Now let us see how Stalin made restitution of the private property of Jews that had been confiscated by the Nazis when they returned to Hungary.

On page 20 of the above report referred to, we have the testimony of Dr. Zoltan Klair, a former leader of Hungarian Jews. Here is his testimony:

We learned that those Jews who were returning from German concentration camps were held up at the frontier of Hungary and sent directly to Siberia, even the women. Later we had 14,000 names with all the data. In sum total, however, many more were deported to Russia, at least 40,000 Jewish men and women suffered in Hitler's concentration camps and finally survived with terrible difficulty and by exceptional and special grace of God.

Now, what else does that report say? I quote:

In the meantime, those Jewish survivors who were able to reach their homes found their property confiscated, their houses expropriated, their apartments occupied by strangers, their furniture and household goods scattered, their jobs taken by other persons. Living in starvation and misery, most of them were able to keep body and soul together only thanks to the help organized by American Jewish relief organizations.

The Russians agreed that restitution of all this confiscated private property would be made. We should have known they would never do it. We should have known it was contrary to basic Communist doctrine.

And yet it is whispered about that some Jewish people are against returning the private properties from the German people. Anyone who makes this charge impugns both the principles and the tradition of that great people.

John Adams said a century ago:

The moment the idea is admitted into society, that property is not as sacred as the laws of God, that there is not a force of law and public justice to protect it, anarchy and tyranny commence. If "thou shalt not covet" and "thou shalt not steal" were not commandments of Heaven, they must be made inviolable precepts in every society, before it can be civilized or made free.

He was speaking of the moral law of the Jewish people. To charge a believer of the Jewish faith with favoring confiscation, is to charge him with being false to his beliefs.

No people more than the Jews have suffered from failure of others to observe these principles. No people is more qualified by experience to know the tragic consequences of the disregard of such principles. No people has a higher proportion engaged in trade and commerce, and therefore, no people has more to lose from the impairment of the moral principle that private property must be held inviolate not only from the acts of men but also from the acts of government.

To accuse the Jewish people of being advocates of confiscation is to charge them with disregard of their religious principles, with ignoring lessons of recent and tragic history, in which they, in so many instances, were themselves the victims, and with being blind to the future dangers which similar disregard of fundamental principles may bring. Such charges are unfounded, nonsense, and a baseless attack on the integrity, wisdom, and commonsense of a great people.

Mr. Dallas Townsend was in Hungary when the newspapers were so-called nationalized, the banks robbed and nationalized, the safety deposit boxes of Hungarian people broken into, and the personal property of Hungarian people taken away, and the Jews who returned to Hungary, to claim what was theirs, were being sent to Siberia.

Now, I wish to go back once more to the special report No. 10 of the Select Committee on Communist Aggression entitled "Communist Takeover and Occupation of Hungary," and I quote as follows:

Thus after Potsdam, Soviet Russia claimed to be the owner of a considerable part of the Hungarian economy. Unfortunately, the agreement didn't specify what should be regarded as German assets. So that, for instance, assets which had been forcibly confiscated by the Nazis and which had belonged to French, Americans, Jewish people, and so on, the Russians termed German assets.

What does this report state further? I quote:

Thus, during the armistice period, the Hungarian economy was well prepared for further Sovietization and integration with the U. S. S. R.

I said that when Mr. Dallas Townsend was appointed to the Office of Alien Property I was of the opinion that with his background and with his information on communism in Hungary he would come forward and tell us that surely he knew, at least after November of 1953 when the Senate committee exposed Harry Dexter White and established that the confiscation policy was Moscow policy carried out by Harry Dexter White, and that he actually saw the Communist plan operated in Hungary. I regret to say he did not, and when he did come before the committee, what did he talk about? Mostly about how well the companies owned by German civilians which the Department of Justice was operating were doing, and that it would be a windfall to return those properties to their rightful owners.

What does the Chicago Tribune say about the Department of Justice's position in that regard? I quote:

How the millions got into American pockets does not bother the Justice Department, nor is it explained why it is a windfall for the victim of a robbery to get back what was taken from him.

We cannot overstress that the first offense of the doctrine of confiscation is that it is immoral—that it is wrong. Only after that should we take up its errors on the ground that it leads to chaos and confusion and strikes at the basis of our economic system.

The consequences of this vicious doctrine were pointed out many years ago by Pope Leo XIII, the famous pontiff of the workers in his great encyclical on labor.

Thus it is clear—

Pope Leo said—

that the main tenet of socialism, the community of goods, must be utterly rejected; for it would injure those whom it is intended to benefit, it would be contrary to the natural rights of mankind, and it would introduce confusion and disorder into the commonwealth. Our first and most fundamental principle, therefore, when we undertake to alleviate the conditions of the masses, must be the inviolability of private property.

I say that Pope Leo's statement of the consequences of confiscation, over 60 years ago, is a letter-perfect description of the mess we find in the Department of Justice, Office of Alien Property, today. The rights of the individual are violated and chaos and confusion reign.

We have listened, in the Judiciary Committee, to the testimony of many officials of the Department of Justice, Office of Alien Property, in the past few years. Uniformly they have testified to the enormity and complexity of the problem and how much bigger a force it would take to solve it. Not one that I have heard has challenged the principle of the inviolability of private property. None has dared to do that. But no sane man can escape the conclusion that what they proposed to do rides roughshod over that principle. And there lies the heart of the alien-property mess. They propose that we give lip service to the inviolability of private property while our actions ignore it altogether. This situation has led to chaos and confusion. Seeming compliance with just principles followed by complete disregard of them is always a complex undertaking.

The alien-property problem is simple enough if we live up to the just principles of morality. If we do that, then this never-ending mess will be over.

I am amazed at the silence of American big businesses in this matter. I have often been accused that I am against big businesses but my record will show I am only against big businesses when they do not do what is right, when they enter into monopolistic practices and compromise basic principles and thus bring about in the end their own downfall and the downfall of personal freedom by destruction of equality of opportunity under the free-enterprise system which is the basis of our liberty.

I am now going to talk to big business, which, after all, is nothing more than millions of Americans who have placed their savings into shares of stock in these companies. Within the last few months you have read in the Wall Street Journal about methods of taxation in Japan on American capital investments in that country, and another article that appeared in the New York Times issue of June 5, 1955. As I read these articles, I asked myself "Why is it happening?" The articles imply that tax methods are being used in Japan which seem to have as their ultimate purpose the driving of American business out of Japan. I ask, Are not all of us being just a little bit naive in that conclusion? We cannot expect to confiscate private property and not get some form of retaliation when we only speak of high moral principles but do not practice them.

Since the end of World War II, practically every company whose stock is listed on the New York Stock Exchange and many thousands of small corporations have made investments in West Germany in plant and equipment. I say that practically every company listed on the New York Stock Exchange, the oils, the chemicals, the industrials, and practically all the rest with the exception of the rails, and perhaps utilities, have huge investments in Western Germany. Many millions of American citizens have a stake in those investments. Even if an American does not own a share of stock in these companies, if he owns a life-insurance policy he has an interest in those businesses in West Germany because the life-insurance companies have made huge loans to these American business corporations, which in turn invested these funds in Western Germany, in plant and equipment. Private American capital in the Federal Republic of Germany is valued at between $300 million and $400 million, but the present worth might well be double those figures.

American capital in West Germany received preferential treatment, taxwise, after World War II. Conditions in West Germany were so bad at the end of the war, with about one-third of the people actually being "have-nots" who had lost everything and were practically ready for communism, that the other two-thirds had to pay; and so they passed the "lastungausgleichs" tax. That means an "equalization of burdens tax" so that men who lost their houses or their plants could get new houses and plants out of the tax paid by his neighbor whose house or plant was not destroyed. American business enterprises in Germany were exempt from this tax for 6 years, but on May 31, this year, they will have to pay as do all other German property owners. This tax exemption for 6 years made it possible for American companies to expand tremendously in West Germany and it also made it more difficult for purely German companies to compete.

Now, let me tell you, Mr. Big Business Man, all of you who have done so little to help your German partner, the West German Government, in its effort to solve this problem, to get back to basic principles; the American people ought to know, and I am going to tell them now, that when Harry Dexter White gave his Communist bosses the plates from which to print millions and millions of occupation currency which resulted first in inflation and then in devaluation, you American businessmen once more got preferential treatment. With the devaluation the German citizen got 1 mark for each 10 he had—but American investors got special treatment, with only devaluation in part.

Now I want to quote from the New York Times article of March 8, 1954, a statement by Chancellor Konrad Adenauer:

> The destruction of the principles of private property has increased the dangers of communism in Germany and has shaken the confidence in the principles of the Western World.

What do you big American business people who have put the money of your American stockholders into investments in West Germany have to say about this? Are you still merely going to pay lipservice to the policies of holding private property inviolate? Do you not think you ought to take this up with the Secretary of Commerce and get him interested in this problem, and do you not think this matter ought to be taken out of the hands of the Justice Department and put in the hands of the Office of the Secretary of State?

I want to continue with the quotation from Chancellor Adenauer which appeared in the New York Times of March 8, 1954:

> Any just solution of this question will strengthen the confidence of the German people in the principles of the free world, will make fast the friendship between the American and German peoples and will relieve the German Government of a great worry.

Let me repeat the last part, "and will relieve the German Government of a great worry."

What is that worry that Mr. Adenauer talks about? Could it be that he was referring to some talk in Germany to the effect that "We have waited long enough to get back our private properties"? Talk to the effect that "The Americans tell us that under the Bonn agreement which we signed the German Government has to make good on the properties the Americans confiscated"? Talk to the effect that "They tell us we are partners in the defense of the free world, a part of NATO, and that our boys will have to carry the first brunt of a Communist attack if it comes"?

Can you not hear them say, "We have given Chancellor Adenauer, the grand old man, plenty of time to work this out with the United States and he has not been able to do it because of the continued obstruction tactics of the Department of Justice, so maybe we should put a capital tax payable each year on all foreign investments in Germany to create a fund from which to make restitution?"

The Bonn agreements of 1952, as amended by the Paris protocol of 1954, Senate Document No. 11, 84th Congress, 1st session, provides in article 5 that the West German Republic "shall insure that the former owners of property seized be compensated for the loss of their properties."

Having, in effect, imposed a 100-percent capital tax on German investors in the United States, this country can hardly object to some form of capital tax on American investments in Germany. Could there be any legal objection if such a tax were confined to nationals of those nations which themselves employ confiscation?

Can we expect to avoid the inevitable burden and expenses of exhaustive reports, of bureaucratic investigations, and redtape, and of ex-parte proceedings, inasmuch as we ourselves provide precedents for them?

Thus it may well be that unless these problems are solved, General Motors, International Business Machines, General Electric, Ford, International Harvester, Standard Oil, and the other American oil companies in Germany, tire companies, Woolworth, and even such companies as Coca-Cola, to name only a few of the great American businesses which have extensive interests in Germany, and countless small American investors and propertyholders in Germany, may some day bear the costs of our policy of confiscation. This consequence is a foreseeable one. It is the consequence to be expected when we open Pandora's box by ignoring first principles. First principles are either observed in full or they are violated. Partial performance of them is simply not enough.

I am sure that the Adenauer government would never tolerate such legislation for one moment, but let us remember, there are opposition parties in West Germany and Chancellor Adenauer, 80 years of age, can't live forever. Let us

hope and pray he will live a good many more years and that when he is called to his great reward he will be succeeded by men of the same high moral fiber. Read the article on American business in Germany published in the Wall Street Journal of September 8, 1955. I request that this article be made a part of this record at this point. It tells about some of our investments in Germany.

I want to quote further from the New York Times of March 8, 1954, when Chancellor Adenauer said:

The return of the confiscated property to its former owners would prove to all Germans and particularly the tens of thousands of victims of confiscation, that the governments of the Western World, even after a war, observe the principles on which international law and democracy are based.

So that you American businessmen who are guardians of the American citizens' investments in West Germany may know how other countries have approached this problem, let me give you the following facts we could not get out of the Department of Justice. They did not what countries returned private properties of German citizens which they had confiscated. All they knew was that we still had a so-called agreement on reparations. So, Mr. American businessman, let me list them for you. They have returned to the basic principle of holding private property inviolate. Some had passed confiscation legislation under the direction of Harry Dexter White and his coworkers and some had to repeal that legislation by passing restitution laws. Others returned it by administrative measures. Now here is the list of nations that have made restitution in whole or in part to this date: Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Greece, Haiti, Mexico, Nicaragua, Paraguay, Peru, Switzerland, Uruguay, Luxembourg, Norway, and the Union of South Africa.

I am determined that this whole matter shall be brought to the attention of the directors and officers of every big American company which has an interest in business enterprises in Germany. That is a huge undertaking but I ask my colleagues in view of the fact that it will be entirely too much work for my staff alone, if they will be kind enough to offer the help of their staffs to bring this important matter to the attention of these businessmen. Any help my colleagues will give me in this important work will be deeply appreciated. I am sure I will receive the support of many Senators to aid me in carrying out this educational program.

Mr. Big Businessman, you ought to wise up. You are partners in the free enterprise system. The labor unions know what this is all about. The workingman knows what it is all about. Now, why do you not wake up and get busy and get to work on the Secretary of Commerce, on the Secretary of State, and on the President of the United States to straighten out this mess? We ought to remove the office of the Alien Property Custodian from the Department of Justice and put it in the hands of the Secretary of State and under the expert guidance of Herbert Hoover, Jr., who I am sure can work out these problems. I said that the American workingman knows what is going on, and they fearlessly take a stand because they know under communism labor as well as capital is in slavery.

Here is what Mr. George Meany, president of the AFL-CIO said before the National Religion and Labor Foundation only a little over a month ago, December 13, 1955; and I quote from his speech:

Human rights are the first bridge and binding force between the free labor movement and religion. We, of free labor, reject and abhor Lenin's doctrine that "religion is the opium of the people." We also brand as sheer idiocy Lenin's dogma that "religion is a kind of spiritual vodka in which the slaves of capital drown their human shape and their claims to any decent life."

What else did Mr. Meany say? He said:

Without human rights, there can be no elevation but only the degradation and oppression of the individual human being.

Referring to the Communist conspiracy, Mr. Meany says:

This worldwide conspiracy is a vast antimoral movement. Its philosophy is antimoral, for with it—the end justifies any and all means. It sneers at our most cherished moral values as decadence and weakness. Its source of inspiration and ultimate goal is crude force, the power of violence, unlimited totalitarian terror over the individual who is denied all protection of law, religion and free labor organization.

The present crisis is not only political. It is above all a moral crisis. No one can separate these features of the crisis of our times. If a democratic Russia had played as important a role in defeating Hitler, the post-victory claims and counterclaims could have been settled through the normal channels of statesmanship and diplomatic negotiations. If Russia were not a totalitarian dictatorship, a huge imperialist power with a world ambition and mission, we would not be facing today a worldwide fifth column, the international Communist conspiracy.

I say, Mr. Meany is right. And the basic aim of that conspiracy is to destroy private property rights throughout the world—a complete rejection of moral principles. This is what Mr. Meany says about the weaknesses in our moral and intellectual armor:

It would be wrong to think that the weakness of the free world in the face of the Communist onslaught has been only military. If it were that simple, there would be nothing to worry about. We have grave weaknesses in our social and economic armor. We have especially serious weaknesses in our moral and intellectual armor.

Too many in the free world fail to see the real nature of communism as the mortal foe of everything that we hold dear, of every moral and spiritual value. Too many in the free world are still prisoners of the illusion that communism is, historically speaking, a progressive system—extreme liberalism temporarily making bad mistakes. Actually, communism represents darkest reaction. It is an antisocial system in which there are imbedded some of the worst features of savagery, slavery, feudalism, and life-sapping exploitation manifested in the industrial revolution of early day capitalism.

And what did Mr. Meany say about our loss of moral indignation?

Too many in the free world seem to have lost their capacity for moral indignation against the most brutal inhumanities when they are perpetrated by Communists. It is painful, but we must face the cruel facts of life. We of the democratic camp must develop a far more vigorous moral attitude. We must rekindle our capacity to cry out against, to protest against, the godless dogmas and savage crimes being perpetrated by Moscow. Such struggles and such protests are not negative actions. They are more positive and constructive than a total struggle against the totalitarian cancer in the body-politic of modern society.

And then how does he protest against Stalin's plan for slave labor put into effect by Harry Dexter White and the other traitors we had in our Government—and remember that Harry Dexter White was responsible for the loss of many many thousands of lives of American soldiers, because when that so-called Morgenthau plan was announced, the Germans fought on and felt they could not surrender because American despotism would have been no different from Communist despotism. This is what Mr. Meany said:

And the Communist imprisonment of hundreds of thousands of hostages—so-called war prisoners—10 years after the close of the war, in violation of every human right and international agreement—is morally reprehensible. One would expect the true liberal to cry out in protest against human beings being carted, tagged, and shuttled about for weeks in railyards of Russia, as if they were carloads of coal or bags of potatoes. Not until we of the free world can give rebirth to a vibrant moral attitude, to a burning indignation against such frightful bestialities, can the freedom-loving people be sufficiently stirred to gather the moral strength for resisting and defeating the totally antimoral dogmas and deeds of communism at home and abroad. Yes, this means above all a moral struggle against communism.

And what does Mr. Meany say about getting back to basic principles? This is what he said:

Much more regard must be shown by the democracies for principles—for the principles of human rights and human freedom. We must never sacrifice principles to expediency. This means being rigid in support of our principles.

What else does he say that these big businessmen who are the guardians of the investments of the American people in Western Germany ought to take to heart? He concluded his speech with the following:

In conclusion, I cannot emphasize too strongly to you: the conflict between communism and freedom is the problem of our time. It overshadows all other problems. This conflict mirrors our age, its toils, its tensions, its troubles and its tasks. On the outcome of this conflict, depends the future of all mankind. I pray that, on the threshold of the atomic age, we of the free world can muster the moral courage and total strength to preserve the peace and promote the freedom of the men and women of every continent, color and creed.

The Secretary of State wants to return to basic American principles. The Department of Justice does not. And so what agenda do we get from the Secretary of State and from the President?

A watered-down program of our principles under which legislation is recommended to Congress to return a maximum $10,000 of their confiscated properties to any one individual. No return of stocks or bonds, because the Department of Justice still wants to hold onto these business plums. No return of patents, copyrights and a continuance of the sale of German property—liquidation of German private properties. And now the Department of Justice wants to make it look as if the West German Government accepted that kind of program.

To clarify that point, the Senator from South Carolina [Mr. JOHNSTON], wrote a letter to Mr. Hermann J. Abs, who was on the German delegation sent over here by Chancellor Adenauer to work out all these problems. The Senator's letter of December 9, 1955, asked whether the West German Government had agreed that this matter would be finally settled through the acceptance of the $10,000 plan, and I ask unanimous consent that his letter to Mr. Abs be made a part of the RECORD at this point. Mr. Abs replied on December 28, 1955, and I will quote parts of it and ask that the remainder of it be made a part of the RECORD at this point.

The PRESIDING OFFICER (Mr. DANIEL in the chair). Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FRANKFURT, *December 28, 1955.*

Senator OLIN D. JOHNSTON,
Chairman, Subcommittee on Trading With the Enemy Act of the Committee on the Judiciary, United States Senate, Washington, D. C.

DEAR SENATOR JOHNSTON: I received with thanks your letter of December 9, 1955, and I am very happy to be able to answer the questions you put forward concerning the problem of German private property vested in your country during the Second World War. From the hearings of November 29 and 30 I learned that the Subcommittee on Trading with the Enemy Act under your excellent guidance has done admirable work in thoroughly investigating some of the most important aspects of the problem, so as to build up an objective judgment of the case. That is why I am so pleased to give you and your Committee all the answers which you may find necessary, even beyond the matters you referred to in your letter.

1. The answer to your first question, whether the contemplated return of $10,000 maximum to individuals was, in the German view, merely the first step in the return of such properties and not the final and only return to be made and that full return was a question left entirely open, is definitely yes.

You may have heard that after the termination of the Washington discussions in February and March 1955, some American circles, especially within the Departments concerned, expressed the view that the German delegation and the German Government were satisfied fully with the above-mentioned $10,000 plan as a final solution of the property problem. As soon as I heard about it I felt obliged to deny this opinion most emphatically. First of all I did so in a letter addressed to Mr. Walworth Barbour who was the leader of the American delegation during our talks in Washington. Secondly, I informed the press accordingly, and finally I referred to the matter in a number of lectures and articles.

It is true that the $10,000 plan was welcomed by the German delegation and also by the German Government and the Chancellor since by proposing this plan the United States Government undertook a preliminary step in reversing their confiscation policies as to former enemy property. On the other hand, it is clearly to be seen from the records of the Washington talks that the German delegation and myself as special representative of Chancellor Adenauer have repeatedly expressed the opinion, not only in the opening statement but also in the final statement, that only a full return would satisfy the German wishes. In the joint press communique which was published at the end of the Washington talks, too, it was also clearly referred to the fact that the German delegation had "expressed the desire for a broader solution of the property problem," and that they considered the United States plan, in the light of prevailing circumstances, to be a constructive step in the solution of the problem.

I do not think, if one reads the documents of the Washington talks carefully, that anybody could find anything in them to prove that the German delegation accepted the $10,000 plan as a definite settlement. On the contrary.

There is a further proof: The Washington talks had not the character of true negotiations. The plan was put forward to the German delegation as a result of a prior decision taken by the American Cabinet and never was altered. The object of the talks was merely to discuss with the representatives of the United States Government the views of each side on the solution of the problem. This has been explicitly confirmed by Mr. Barbour. For this reason there was no substance at all in accepting the United States plan, quite apart from the fact that the German delegation had not the right to do so because the settlement of American war-damage claims was a substantial part of the plan, and any consideration or settlement of such claims, as you know, is forbidden by article 5 of the London Debt Agreement.

In these circumstances only two ways were left open to the German delegation to react to the United States plan put before them: Either to reject it definitely or to welcome it as a first step, trying to leave the door open for later discussion of a broader return program. To reject the plan altogether would have been unwise and would have been detrimental to the friendly relations between your country and mine, all the more so as we had and still have the distinct impression that with the $10,000 plan the United States Government wished to underline their desire to strengthen the friendly ties betwen the two countries. On my return from Washington I was asked by quite a number of journalists, businessmen, and politicians why I had not rejected the small solution, which proves that there was no satisfaction with it whatsoever in the German public. In my answer I referred to the above-mentioned reasoning and added that, to my mind, welcoming the plan as a positive step toward the solution of the property problem was a far better kind of reaction than a flat refusal. In fact, not only the German delegation (viz, Joint Press Communique of March 4, 1955) but also Chancellor Adenauer (in his letter to Mr. John Foster Dulles of March 30, 1955) expressed the opinion that they considered the plan a constructive step in the solution of the property issue. What a step means I think should be clear to everyone, and I wonder for what reasons Mr. Murphy in his statement before the hearings of November 29 created the impression that there was complete satisfaction on the German side with the $10,000 plan.

In this connection I may remind you of the American-Chinese negotiations on the release of a number of American airmen captured by Red China. When Red China formally offered the release of some of these airmen the United States Government welcomed this offer as a first step. Nobody in the United States would have understood the Government if they had rejected the partial release for the reason that Red China had not offered to release all of the prisoners, and, secondly, nobody in the United States or elsewhere interpreted the phrase "first step" as the expression of the United States Government's view that they waived their claims as to the release of the remaining soldiers.

In both cases there was the desire on the German respectively on the American side to keep the problem alive and to aim at a full settlement of the case.

In our case, the door to further discussions definitely was left open:

(a) In his final statement of March 3, 1955, Mr. Barbour said: "With regard to your remarks on the possibility of a further return program being adopted in the future I would like to point out that our proposal is as far as we feel we can go in making recommendations to Congress in the light of the considerations I have mentioned. You appreciate, however, that the proposal was made on a unilateral basis as a matter of grace and therefore should not be considered a firm commitment by this Government. I recognize, on the other hand, that the program, if adopted by Congress and carried out, in no way commits the Federal Government to adopt it as a final settlement of the problem. Whether a new factual situation will develop which will render further action possible is a matter for the future to determine."

(b) In several private talks with Mr. Barbour during the Washington discussions he declared that the American Government did not expect the German Government to accept the $10,000 plan as a final solution. He fully complied with my earnest desire to have the door left open for further discussions while, for the time being, the administration could not envisage a broader plan.

(c) The same meaning is expressed in the joint-press communique of March 4, 1955, which you will find in the records of our Washington discussions. In this communique there is no wording which might imply that the door had been closed for future discussion of a broader return program. On the contrary. The phrase "while the future cannot be predicted" was nothing else but the reflection of the prior discussions and my private talks with Mr. Barbour.

My report to Chancellor Adenauer on my return from Washington was on the same lines as expressed above. Therefore, the Chancellor, too, adopted the position taken in Washington and, consequently, in his letter to Mr. John Foster Dulles of March 30, 1955, said: "The Federal Government believes that the result of the talks is a constructive step on the way to the solution of a problem which for years has been a matter of concern to the Federal Government and the general public." Later on in a talk last summer with Congressman HAYS, Donovan and Seldon, Chancellor Adenauer said that he and the German public, while welcoming warmly the $10,000 proposal, were not satisfied with it as a final solution of the problem. Furthermore you will remember that Chancellor Adenauer in his letter of July 17, 1954, to President Eisenhower not only referred to the hardships which had been suffered by owners of small properties, but also to the property of those German individuals and corporations who by investing their capital in the United States in prewar times had contributed and wished to contribute towards friendly relations between the two countries and their peoples. Now, since the $10,000 plan only envisages returns to individuals and not to corporations, there is no wonder that Chancellor

Adenauer was not satisfied and that he hoped for an eventual outcome of a broader solution. But again, from the records of the last hearings and also from the covering letter of Mr. John Foster Dulles with which he introduced the bill No. 2227 into Congress, I take that the State Department only mentioned that part of the letter of Chancellor Adenauer which deals with the hardship cases.

2. It is the decided position of the German Government that the principle of the inviolability of private property calls for a full return of vested German assets. This, naturally, refers only to assets acquired rightfully. I stressed this point of principle not only in my statements during the Washington talks but also in several lectures and press conferences I held after my return from the States. In particular, in a speech I made at Bad Homburg on June 4, 1955, I said:

"The German position was and is that the seized property should be returned to its private owners because the principle of the sanctity of private property requires such return. This position was taken because it is required as a matter of sound morality, of international law, and of German domestic law. It, moreover, is consistent with the position of the United States from the time that country became a nation until World War II, a position which the great authorities of that country took also because moral principles and international law required that it be taken."

In my opening statement made in Washington I referred to the traditional American philosophy of respect for the human being and its private rights, quoting a number of great Americans like Alexander Hamilton, Cordell Hull, Bernard Baruch, and John Foster Dulles, Acting Secretary of State of the United States.

When the United States Department of State sought relief for the property of the United Fruit Corp. which had been seized by the Government of Guatemala, it took the same position. I may refer in this respect to an aide memoire of the Department of State of August 28, 1953, which I mentioned also in the Bad Homburg speech.

During the Washington talks I declared repeatedly that not only the principle of the sanctity of private property called for return, a principle which distinguishes our western philosophy from that of the eastern block, but also the self-interest of those nations and in particular of the United States who have made and are maintaining large investments in foreign countries. These investments are endangered if the respect for human rights and private property is not fully adhered to by those countries who, in the minds of the world, are predominant politically and economically. The foreign investments of private United States capital amount to about $26 billion. Foreign investments of other countries amount to similar values if one compares them with the gross national income of these countries. How can these investments be better protected than by full compliance with the principle of the sanctity of private property on the part of the investing countries themselves?

A few weeks ago the Argentine Government suddenly blocked the property of more than 200 individuals and of more than 70 domestic and foreign-owned firms. This is another example of how dangerous it is when the above-mentioned principle is not observed by the leading nations, and you will remember what Mr. John Foster Dulles said during the hearings on the Dirksen bill in 1954:

"I recognize that there is force in what you say, to the effect that our own position to protect American interests abroad is strengthened if we protect foreign interests that are here.

"I would think that in an era when we expect the American interests abroad, American capital investments abroad, that it is wise for us to adhere ourselves strenuously to the highest standards of conduct in relation to those matters. That puts us in a better position to call upon others to apply the same standards."

The firms who suffered from the Argentine measures are, amongst others, German- and American-owned (Capehart, Kaiser). The German Government, in the meantime has taken official steps through their embassy with the Argentine Government, and I understand that other countries are taking the same position.

We in the western part of Germany are much more aware of the importance of observing individual rights and individual freedom because we can see from firsthand what is going on in the Eastern Zone of our country, and how our relations and friends in these areas are being treated. Western Germany would not be such a moral stronghold against communism and against infiltration of Communist ideas if it did not have this intimate knowledge and if not millions and millions of those now living in Western Germany had suffered under Eastern confiscatory measures. So, when Chancellor Adenauer, the Bundestag, the German Government, and the German public urged the return of vested property, pointing to the principle of the sanctity of private property and to the decisive difference between the eastern and western philosophies, this was not merely a slogan but the expression of a deep conviction born out of their own experiences.

3. The question whether the German Government has accepted and in fact ratified the permanent retentions of vested private property by virtue of its adoption of the Bonn conventions (ch. VI, art. 3) can best be answered from the discussions the German delegation had in Washington. At that time Mr. Barbour said: "The reparation policies adopted after the war have been incorporated in a series of intergovernmental agreements culmination in the Bonn conventions and the London Debt Settlement which have confirmed the actions taken and established legal barriers against the assertion of additional war claims against Germany at this time." I answered with the following: "In the German opinion the wording of article 3 in chapter VI of the Paris conventions puts it clear that the Federal Republic neither expressly waived any rights to the German external assets nor acknowledged or confirmed the actions which had been taken with respect to the German property. The Federal Republic, however, did declare its willingness to raise before the three powers no objections in the future against the measures taken." Mr. Barbour in his reply admitted: "* * * that the term confirmed had been badly selected. It were to be said that the wording of article 3 in chapter VI of the Paris conventions were quite clear and had been correctly interpreted by Mr. Abs. The American Government had not in mind to impute a different meaning to the wording of the article."

Furthermore, I may refer to article 4 of chapter VI of the conventions which says that in line with the provisions contained therein the Federal Republic may negotiate agreements regarding the confiscated property. This provision, to my mind, puts it very clear that the German assets are not expected to be definitely lost. After the Paris conventions had been signed, the Deutsche Bundestag, on February 26, 1955 unanimously made the following statement:

"With deep disappointment the Deutsche Bundestag learned of the three western powers having insisted on the insertion in the Paris conventions dated October 23, 1954, of the provisions of chapter VI of the Ueberleitungs-vertrag of May 26, 1952 in their unmodified wording. The maintenance of these provisions does not only confirm the actions taken hitherto with respect to private property abroad, but even lays the foundation for extensive new encroachments on private rights. Under these aspects the distressing and discriminatory restrictions resulting from the years of occupation are obviously remaining in force; in the opinion of the Deutsche Bundestag these restrictions are incompatible with the transfer of political and military obligations and responsibilities to the Federal Republic as a partner of the countries of the free world.

"The Deutsche Bundestag therefore expect—

"1. That as a result of the discussions suggested by the three powers on the application of the provisions of article 4 in chapter VI of the said conventions the Federal Republic will be authorized to enter into bilateral negotiations with those countries which are willing to negotiate, and that without any restrictions and in accordance with the contents of article 4 (4).

"2. That the platform of such negotiations will not be withdrawn by the foreign countries concerned by way of continuing to liquidate and to dispose of the German external property still existing.

"3. That the signatory powers of the Paris Reparations Agreements will discontinue to assert claims on the still existing German external property, and will abstain from making further use of the provisions of these agreements. In consequence thereof the provisions forbidding any reacquisition of former German external assets by German nationals—quite an obsolete provision long since—should be canceled.

"4. That the trademarks and copyrights, originating in the prewar period, will be restored insofar as this has not already been done. As a result thereof, the way will be open for a return of international legal safety in this sphere of life."

Finally I may cite the following from the above-mentioned speech I made at Bad Homburg which clearly gives the position which is being taken in Germany:

"With respect to nonreturned property of German claimants, consent of the German Government to such nonreturn, besides being contrary to moral principles and to international law, would contravene article 14 of the Bonn basic law (constitution). Such a consent by the German Government thus would be prohibited to it.

"With respect to nonreturned property of non-German claimants, even if the requirements of international morality and law are disregarded, jurisdictional questions make the consent of the German Government a matter of no consequence.

"With respect to all nonreturned property, the German Government has never asserted the authority, and concedes that it lacks the authority, to destroy or restrict the rights to the seized property of any private claimant whatever his nationality."

4. Referring to question 4 of your letter I may inform you that I had the privilege, since the conclusion of the Washington discussions, to have had an exchange of correspondence with Mr. Walworth Barbour, then Deputy Assistant Secretary of State and leader of the United States delegation, and with Mr. Robert D. Murphy, Deputy Under Secretary of State. In this correspondence I referred to some of the principal points mentioned above, and I endeavored to correct the misapprehensions which had arisen with respect to the German views on the $10,000 plan. I refer to the letters of June 24, September 19, and December 23 in particular. I am sure that you will have access to this correspondence.

5. When Mr. Murphy on June 25, 1955 made a speech at Indiana University in which he said "Now Germany is our partner" (see Department of State Bulletin, vol. 33, p. 43), all Germans who are dedicated to the development of friendly relations with

your country were very much delighted. We believe that German-American friendship is not only a matter of common destiny but also a matter of inclination. But if it is true that Germany is the partner of the United States, we cannot quite understand why the property of private citizens of one of the partners still suffers from confiscation. In this respect many people in Germany do not see the difference between the Eastern methods and the measures taken by countries which, in fact, are our partners.

Another matter of importance which I do not wish to omit is the fact that some people in your country and also in other countries feel that property returns by the United States would be prejudicial to the position of other countries who still possess German property which they have vested in consequence of the last war. I may repeat once more what I have stated earlier on various occasions, that this is not considered to be the case because the situation with respect to each country is entirely different, particularly to those who suffered directly from German wartime occupation. I may add that this is also the position taken by the German Foreign Office.

I regret very much that this letter is a bit extensive and lengthy, but as matters have developed so many misunderstandings crept up that it was indispensable to put the position clear as we see it from our side and as it is also laid down in the Washington records. Should you have any more questions dear Senator, I would be delighted to answer them immediately.

Sincerely yours,

HERMANN J. ABS.

DECEMBER 9, 1955.

Mr. HERMANN J. ABS,
Vorstandsmitglied der Suddeutsche Bank AG, Frankfurt/Main, Germany.

DEAR MR. ABS: During the course of the hearings held on November 29 and 30 by this subcommittee on the question of return of vested German and Japanese assets, some divergent views were expressed as to the position of Germany toward the limited return proposed by the spokesman for our State Department.

In view of your intimate knowledge of this entire matter, the committee would appreciate it if we could have your views on certain phases of the problem that concern us. They are as follows:

1. During your work as representative for Chancellor Adenauer with the German delegation conferring with representatives of our State Department in February-March of this year, was it the German view that the contemplated return of $10,000 maximum to individuals only was merely the first step in the return of such properties and not the final and only return to be made and that full return was a question left entirely open?

2. Is it the position of the German Government that the vested German properties should be returned as a matter of principle and, if so, what specific steps has your Government taken in that direction and how important is the question from the point of view of both the Government and Chancellor Adenauer himself?

3. Has the German Government accepted and in effect ratified the permanent retention of such properties by virtue of its adoption of the so-called Bonn conventions? What action has the German Bundestag taken with respect to the same?

4. If you have had any correspondence with the United States Department of State or its officers subsequent to your personal discussions in reference to the alien property, will you please furnish the committee with copies of same?

5. If you have any further comments you wish to make including collateral correspondence, please feel free to include same.

I am sure that your elaboration on these important questions will be of considerable interest to the committee in its deliberations and assistance to us in arriving at just conclusions. I would appreciate hearing from you at your early convenience.

Sincerely yours,

OLIN D. JOHNSTON,
Chairman.

Mr. LANGER. I read:

I do not think, if one reads the documents of the Washington talks carefully, that anybody could find anything in them to prove that the German delegation accepted the $10,000 plan as a definite settlement. On the contrary.

There is a further proof: The Washington talks had not the character of true negotiations. The plan was put forward to the German delegation as a result of a prior decision taken by the American Cabinet and never was altered. The object of the talks was merely to discuss with the representatives of the United States Government the views of each side on the solution of the problem. This has been explicitly confirmed by Mr. Barbour. For this reason there was no substance at all in accepting the United States plan, quite apart from the fact that the German delegation had not the right to do so because the settlement of American war damage claims was a substantial part of the plan, and any consideration or settlement of such claims, as you know, is forbidden by article 5 of the London Debt Agreement.

What else does Mr. Aps say, speaking for the West German Government in this letter?

In these circumstances only two ways were left open to the German delegation to react to the United States plan put before them: Either to reject it definitely or to welcome it as a first step, trying to leave the door open for later discussion of a broader return program. To reject the plan altogether would have been unwise and would have been detrimental to the friendly relations between your country and mine, all the more so as we had and still have the distinct impression that with the $10,000 plan the United States Government wished to underline their desire to strengthen the friendly ties between the two countries. On my return from Washington I was asked by quite a number of journalists, businessmen, and politicians why I had not rejected the small solution, which proves that there was no satisfaction with it whatsoever in the German public. In my answer I referred to the above-mentioned reasoning and added that, to my mind, welcoming the plan as a positive step toward the solution of the property problem was a far better kind of reaction than a flat refusal. In fact, not only the German delegation (viz, joint press communique of March 4, 1955) but also Chancellor Adenauer (in his letter to Mr. John Foster Dulles of March 30, 1955) expressed the opinion that they considered the plan a constructive step in the solution of the property issue. What a step means I think should be clear to everyone, and I wonder for what reasons Mr. Murphy in his statement before the hearings of November 29 created the impression that there was complete satisfaction on the German side with the $10,000 plan.

In this connection I may remind you of the American-Chinese negotiations on the release of a number of American airmen captured by Red China. When Red China formally offered the release of some of these airmen the United States Government welcomed this offer as a first step. Nobody in the United States would have understood the Government if they had rejected the partial release for the reason that Red China had not offered to release all of the prisoners, and, secondly, nobody in the United States or elsewhere interpreted the phrase "first step" as the expression of the United States Government's view that they waived their claims as to the release of the remaining soldiers.

In both cases there was the desire on the German respectively on the American side to keep the problem alive and to aim at a full settlement of the case.

What else does Mr. Abs say of his report to Chancellor Adenauer on this matter? I quote:

My report to Chancellor Adenauer on my return from Washington was on the same lines as expressed above. Therefore the Chancellor, too, adopted the position taken in Washington and, consequently, in his letter to Mr. John Foster Dulles of March 30, 1955, said: "The Federal Government believes that the result of the talks is a constructive step on the way to the solution of a problem which for years has been a matter of concern to the Federal Government and the general public." Later on in a talk last summer with Congressmen HAYS, DONOVAN, and SELDEN, Chancellor Adenauer said that he and the German public, while welcoming warmly the $10,000 proposal, were not satisfied with it as a final solution of the problem. Furthermore, you will remember that Chancellor Adenauer in his letter of July 17, 1954, to President Eisenhower not only referred to the hardships which had been suffered by owners of small properties, but also to the property of those German individuals and corporations who by investing their capital in the United States in prewar times had contributed and wished to contribute toward friendly relations between the two countries and their peoples. Now, since the $10,000 plan only envisages returns to individuals and not to corporations, there is no wonder that Chancellor Adenauer was not satisfied and that he hoped for an eventual outcome of a broader solution. But again, from the records of the last hearings and also from the covering letter of Mr. John Foster Dulles with which he introduced the bill No. 2227 into Congress, I take that the State Department only mentioned that part of the letter of Chancellor Adenauer which deals with the hardship cases.

Now, let us see how the Adenauer Government wants to maintain basic principles of justice in relation to private property:

During the Washington talks I declared repeatedly that not only the principle of the sanctity of private property called for return, a principle which distinguishes our western philosophy from that of the eastern block, but also the self-interest of those nations and in particular of the United States who have made and are maintaining large investments in foreign countries. These investments are endangered if the respect for human rights and private property is not fully adhered to by those countries who, in the minds of the world, are predominant politically and economically. The foreign investments of private United States capital amount to about $26 billion. Foreign investments of other countries amount to similar values if one compares them with the gross national income of these countries. How can these investments be better protected than by full compliance with the principle of the sanctity of private property on the part of the investing countries themselves?

Mr. Big Businessman, it is time to wake up.

At another point in Mr. Abs' letter, he refers to a speech entitled "Now Germany Is Our Partner" made by Mr. Robert Murphy, Deputy Undersecretary of State, on June 25, 1955, at Indiana

University. I quote from Mr. Abs' letter with reference to Mr. Murphy's speech:

When Mr. Murphy on June 25, 1955, made a speech at Indiana University in which he said, "Now Germany is our partner" (see Department of State Bulletin, vol. 33, p. 43), all Germans who are dedicated to the development of friendly relations with your country were very much delighted. We believe that German-American friendship is not only a matter of common destiny but also a matter of inclination. But if it is true that Germany is the partner of the United States, we cannot quite understand why the property of private citizens of one of the partners still suffers from confiscation. In this respect many people in Germany do not see the difference between the Eastern methods and the measures taken by countries which, in fact, are our partners.

Does not this now establish beyond a question of a doubt that we are only going to get back to basic principles if we take the Office of the Alien Property out of the hands of the Department of Justice and put it in the hands of the Secretary of State where it belongs? I believe you will all agree with me that that must be done. So I am now introducing a bill to transfer the entire operations of the Office of the Alien Property from the Department of Justice to the Department of State. In the meantime, I think we owe it to our West German partners to tell them that this Senate will forthwith bring onto the Senate floor the Kilgore-Dirksen bill, S. 995, which provides for full return of all these properties and does equity to our American citizens who were virtually blackjacked by the Harry Dexter White, Treasury crowd to dispose of their interests and that we will pass it, and that all the rest of the problems will be worked out in negotiations and, if necessary, through an executive agreement which the Secretary of State can present before Congress for approval. I respectfully request the distinguished and able chairman of the subcommittee on the Trading With the Enemy Act, Senator JOHNSTON of South Carolina, to see that this bill is reported by the subcommittee without further delay.

Also in the meantime, I urgently request the Republican Policy Committee to personally call on the President to present to him firsthand the seriousness of these problems and to explain to him how necessary it is to remove the Office of the Alien Property Custodian from the Department of Justice and get it under the Department of State.

In closing, let me state once more that the basic difference between governments of the free world and Communist controlled governments lies principally in one thing. In the free world the governments are dedicated to the principle of the inviolability of private property rights as the foundation stone of personal freedom, and their governments are designed to create and protect equality of opportunity and a better life for all under the free-enterprise system. Communist governments are dedicated to the destruction of all private property rights and consequently all freedom.

Let us show Khrushchev he is wrong when he recently said:

The days of capitalism in the world are approaching their end—our system will win.

I appeal to the President and to the Secretary of State to take this matter into their hands and give it their serious consideration. And while they are doing that, I ask them to please tell the American people, those who have relatives behind the Iron Curtain, those who have relatives in Latvia, Estonia, Lithuania, Czechoslovakia, Poland, Hungary, Rumania, and Russia and East Germany, that if Khrushchev does start a war with the free world we will not confiscate the property of American citizens which they might want to have their relatives behind the Iron Curtain have when they are free, as we did with the Germans.

Again, I ask the Republican Policy Committee immediately to take up this matter with the President and the Secretary of State.

THE COMMUNIST ADVANCE IN THE NEAR EAST

Mr. KEFAUVER. Mr. President, I am taking the floor today because I am gravely concerned about conditions in the Near East which may be bringing democracy and the free world close to disaster.

The Communists are advancing in the Near East, the peace is endangered, a democratic country is pleading for help, and her pleas remain unanswered.

It is now more than 4 months since the Government of Egypt entered into an agreement with Communist Czechoslovakia to exchange its cotton for guns, but it is my understanding that the Department of State has not yet approved the Government of Israel's application to acquire defensive arms so that she may be in a position to defend herself from the threat of aggression.

The Czech-Egyptian arms deal was a turning point in the Near East because it brought the cold war into this critical region. Egypt's import of both Communist weapons and Communist technicians is a threat to the West. It is quite clear that Egypt is not getting arms from the Communist bloc to resist communism or to defend the Free World. The chief target of the new Communist-equipped Egyptian military machine is the democratic state of Israel. For it is a regrettable fact that the Egyptian Government has never made peace with Israel and publicly and officially proclaims herself to be in a state of war with that country.

I regard myself as a friend of the peoples of both Israel and Egypt. I have visited both countries. I have met with both Prime Minister David Ben-Gurion of Israel and with Premier Gamal Abdel Nasser of Egypt. I know something of the challenge which confronts both peoples. The American people want to be friends of both Israelis and Arabs and our policy must try to bring both peoples together in cooperation and peace. Our Government has helped the peoples and governments of both Israel and Egypt. I hope that we will continue to do so. Our great country can and must help raise the living standards of men, women, and children in the Near East. We have much to give Israel and Egypt, and some day the anti-American propaganda that now poisons Arab public opinion will be dispersed by the salient and irrefutable facts of American friendship. That day, I trust, will come soon.

Mr. President, shortly after the government of Egypt acquired arms from Czechoslovakia, the Foreign Minister of Israel went to Geneva to plead with the Great Powers. He asked for defensive arms so that his country would not be at the mercy of a sudden and devastating onslaught. He asked for security guarantees.

That was almost 4 months ago. We assumed that these requests would be speedily granted as a matter of international decency and as a matter of plain good sense. When a democratic land is surrounded by enemies and beseiged and blocked, and when that land is suddenly exposed to new and terrible peril because the Communist machine—airplanes, tanks, and technicians—has come to the very edge of its borders, there is no doubt of the moral obligations of the Great Powers.

A month ago, I was asked for my views on the subject at a press conference here in Washington. I said:

In the Middle East, in my opinion, we have long since needed a clear, unequivocal statement of our national interest. We want to be fair to both sides. I think it is in our national interest that we let all the nations of the Middle East know, and the world know, that we are not going to sit idly by and see a brave little democratic nation suffer aggression and be pushed into the sea. I think we ought to stand by our agreement, in the tripartite agreement with Britain and France, of 1950, and let everybody know that we expect to do so. If there is going to be an unbalance of arms by virtue of the sale of arms to Egypt, I think this Nation, and other Western nations should make it possible for Israel to secure arms to defend herself.

This is not a partisan or political statement. I made it not because I am a Democrat. I made it as an American, concerned for the best interest of my country. I am happy to point out that many Republicans agree on this issue. On January 18, at a conference at the Shoreham Hotel, the distinguished junior Senator from Pennsylvania [Mr. DUFF], a Republican and one of the early supporters of President Eisenhower, delivered this impressive statement:

Only today a dispatch out of London indicates that Czechoslovakia has offered cheap Communist arms to Afghanistan, an immensely important spot on the flank of the Bagdad Pact Defense Alliance. Other moves of the same character can with assurance be expected. All of which indicates that this vitally critical area to the free world has been selected by the Communists for the embarrassment of the West and the continuous further march of the Communist infiltration and expansion.

This complicated and aggravated situation in the Near East, especially between Israel and Egypt, poses the greatest possible threat to world peace. Too little and too late is a sure invitation to Communist aggression as was proven both in Korea and Indochina.

Formosa is not the only place where it was necessary for the free world to draw a line and say: "No further."

The policy of the United States is to wage peace, not war. The policy of the Communists is to wage war, and not peace. The sure way to play into their hands, to make it easier for them to gain their ends, is to

vacillate at a time for decisive action in the Near East. Certainly that problem will not to be settled in the United Nations. It will not be settled at all except by the definite and united action of the United States, Great Britain, and France.

Speaking as an individual, the only practical solution for this problem is for the free world to guarantee the existing borders between the disputants, to offset arms to Egypt by arms to Israel—not to encourage an arms race but to maintain a proper balance between them.

Vacillation can only result in ultimate disaster. Decisive action now is the answer.

To the answer that this is dangerous, the reply is: Of course, it is dangerous. Everything is dangerous unless the Communists are permitted to have their own free way. To guarantee these boundaries at this time instead of allowing the Communist infiltration and expansion might very well be the means of preventing another local war of enormous strategic importance where ultimately we would be compelled to interfere. Therefore, the risk would be no greater now than later and it very reasonably might be expected to stabilize a situation that would otherwise be completely out of hand.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to my distinguished and highly esteemed colleague from Illinois.

Mr. DOUGLAS. I should like to ask the Senator from Tennessee if it is not true that in addition to the Communist arms which have been going to Egypt, Great Britain has, at least, permitted the surreptitious shipment of tanks to Egypt.

Mr. KEFAUVER. Yes; I have read in the press that the British Government has admitted that a certain number of British tanks have, through one means or another, reached Egypt.

Mr. DOUGLAS. Is it not true that while the British Government claims that some tanks have been sold to Israel, nevertheless, the number and firepower of the tanks which have been sent to Egypt, are greater than the number and firepower which were allowed to go to Israel?

Mr. KEFAUVER. Yes; it is very much correct, although I do not have the exact figures. It is also true that in taking over the control of the Suez Canal, the military power of Egypt has been greatly enhanced.

Mr. DOUGLAS. Is it not true also that the Army of Jordan, to the east of the State of Israel, is equipped with British arms and is directed by British officers, notably Colonel Glubb?

Mr. KEFAUVER. That is the report I have had, although I do not know the details of the exact number of British officers who are there.

Mr. DOUGLAS. Is it not true that the commander of the Jordan Army is the British Colonel Glubb?

Mr. KEFAUVER. I think that is true.

Mr. DOUGLAS. So the present British Government has unfortunately involved herself in the Middle East on the side of the Arab States.

Mr. KEFAUVER. The record certainly shows that she has allowed Egypt and the Arab States to have many, many times over the amount of armament which has reached Israel.

Of course, the situation is that before the British arms reached the Arab States, or even before the Czechoslovakian arms reached Egypt, the Arab States, according to the figures I have received, had considerably more firepower and more military armament than did the State of Israel.

I thank the Senator from Illinois for his contribution to the discussion.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I very happily yield to my distinguished colleague, the Senator from New York.

Mr. LEHMAN. Is it not a fact that the tripartite declaration entered into by the United States, France, and Great Britain in 1950 or 1951 recognized, among other things, the existing territorial status of the Middle Eastern States, and, in the second place, recognized the necessity of maintaining among the nations of the area the then-existing balance of forces, and of insuring against an arms race in the Middle East?

Mr. KEFAUVER. The Senator from New York is exactly correct. The tripartite declaration of 1950 guaranteed the territorial integrity of both Israel and the Arab States. That is a commitment in which this Nation joined with Great Britain and France.

As to the second part of the Senator's question, they at least wanted to keep a balance so as not to permit one country to have more armament than the other. That also was a part of the declaration.

I thank the Senator from New York for his contribution. I shall have something to say about the tripartite declaration in just a short time.

Mr. President, I also desire to put into the RECORD the recommendations of a subcommittee of the House Committee on Foreign Affairs, contained in the January 19, 1956, Report of the Study Mission to Europe. Noting the situation arising out of the Egypt-Czechoslovakia arms deal, the report states:

> This study mission is convinced that the United States should and will continue to give full support of Israel. Under present conditions the United States must also feel the gravest concern over Communist infiltration of Arab States. We, of the study mission, believe that the United States should make it possible for Israel to obtain the defensive weapons which Israel has requested. These she must have to protect herself against the offensive weapons being sold at ridiculously low prices to Egypt and offered to other Arab States by the U. S. S. R. We object to an arms race in this area. Our objective is a peaceful solution to the problems of all nations in the area. This must be accomplished by diplomatic negotiations at a peace conference where all the issues of the Middle East can and must be solved. The Tripartite Pact of 1950 should be reaffirmed with emphasis on the security for this area.
>
> The policy of the United States in the Middle East must be reviewed to effect a settlement of problems existing there. Continued unrest and hostility among these nations and the recent campaign of the U. S. S. R. to penetrate economically and diplomatically into the affairs of the Middle East could spark a worldwide conflict. It is no secret to observers that the U. S. S. R. will use any nation as a pawn to suit its purpose of world domination.

I will say to the Senator from New York the House committee thought that, for the sake of peace in the Middle East, the tripartite pact of 1950 should be reaffirmed by it as a bipartisan committee. It is my understanding that was the committee's unanimous recommendation, after having examined matters on the scene.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. KEFAUVER. Yes; I yield.

Mr. LEHMAN. Have any of the signatory powers to the tripartite declaration ever officially repudiated that declaration?

Mr. KEFAUVER. I know of no official repudiation, but certainly it has been suggested by Mr. Eden, although issue is being taken with that suggestion by the other side of the Government in Britain, that there should be more than an adjustment of the borders; that perhaps there should be a bargaining away of the territory of the little State of Israel. However, there has been no repudiation of the agreement.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. LEHMAN. Is it not a fact that, so far as the borders of Israel are concerned—and I emphasize this because there is so much misapprehension regarding it—these borders were established and recognized by the armistice agreement entered into in 1948?

Mr. KEFAUVER. That is correct; and it is that border agreement to which the tripartite declaration has reference.

Mr. LEHMAN. Will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. LEHMAN. So is it not a fact that Israel is not trying to retain more territory than that which she received as a result of the armistice agreement, and which was later recognized in 1950 by the tripartite declaration?

Mr. KEFAUVER. That is true. I have seen statements by Mr. Sharett, the Foreign Minister of Israel, and the Prime Minister of Israel, David Ben-Gurion, that they would also be quite willing to make adjustments in the borders for geographical purposes. But they are not seeking any additional territory; they are seeking only to hold that territory which was given to them by the armistice agreement, and which was guaranteed to be protected by the tripartite declaration of 1950.

Mr. LEHMAN. I thank the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I regret to say that there has been no action on the request for arms. All kinds of explanations and excuses are being circulated, but there is no question in my mind that this administration once again has demonstrated its ineptitude.

We who assume to offer world leadership should not permit our answer to Israel's request to be written by Colonel Nasser, by Mr. Eden, or by any other head of state. Israel has appealed for help because she believes she will be attacked by Egypt. Since this is the reason for her appeal, we have no right, in the name of international morality, to let Egypt dictate our answer to Israel's plea. Does Israel merely imagine that she will be attacked? Is this some kind

of mirage? Perhaps the Israelis are more realistic than our own State Department in their assessment of the danger. It is they who face the danger, and it will not disappear merely because our State Department would like to wish it away.

On January 17, Premier Nasser read a new constitution to the people of Egypt. I am not going to comment on that constitution, by the terms of which Egypt is to remain a one-party state, with a continuation of the existing dictatorship. What I do want to quote are these words. The press reports that Colonel Nasser said:

> From the Atlantic to the Persian Gulf there is but one Arab Nation which no one will succeed in dividing again. After World War II part of the Arab heart was snatched from the Arab body. Today all Arabs from the Atlantic to the Persian Gulf will cooperate in restoring that part.

The Detroit News of January 19, reads that statement as the Israelis probably read it. The Detroit News says:

> There is no doubt about his (Nasser's) target; in the hour when the new infant, Egyptian freedom, was lifted from the bullrushes, its leader was sounding a call to empire, based on a united Arab aggression against Israel. It seems not to have occurred to Nasser that these two ideas are as antagonistic as light and dark.

Our Department of State fails to meet its responsibilities because it does not want to face unpleasant facts. It does not give Colonel Nasser the benefit of believing what he himself has said. This incapacity to see the facts as they really are causes our officials to vacillate and equivocate in the face of danger.

Does anyone who reads this statement by Colonel Nasser doubt that the Israelis have reason to fear, and that they are fully justified in their appeal to the democratic world for assistance?

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the distinguished Senator from New York.

Mr. LEHMAN. If Egypt, Saudi Arabia, Jordan, and some of the other Arab countries carried out their oft-repeated threats to wipe the Republic of Israel from the face of the earth—and those threats have been made frequently over a considerable period of time—does the distinguished Senator from Tennessee not agree with me that it would be a tragic thing for the United States to see annihilated a democratic nation which has always been a close friend and ally of this country? Would it, however, not also mean, not only the repudiation of the tripartite declaration of 1950, but also the involvement of this country and of the other Western Powers in perilous hostilities in the Middle East?

I emphasize that point because certainly the signatories to the tripartite agreement—the United States, the United Kingdom, and France—cannot possibly, either from the viewpoint of morals or self-interest, allow a situation to develop which could set fire to the world, without taking steps to carry out their solemn pledges made in the tripartite agreement. It seems inevitable that a conflagration in the Middle East would spread far beyond the confines of Egypt, Jordan, and Israel, and would involve many of the other countries of the world, and possibly lead to a world war.

I think that is a possibility which the people of this country, Great Britain, and the other Western Powers should fully realize and consider. There is involved not only the matter of saving a fine, little democratic country, but a matter of preserving the peace and the security of the world. I think it is something that should be of deepest concern to the Senate of the United States and to every citizen of the United States.

Mr. KEFAUVER. I agree with the distinguished Senator from New York that it would be very difficult to confine a conflagration or war in that part of the world to just that part; it would be very difficult for other nations, perhaps including our own Nation, to keep from being involved. That is why I believe it is necessary that we make clear our position, and do everything possible within our power to use the prestige of the United States in an effort to see to it that war does not occur there, but that a peace settlement and agreement are reached. Certainly what that part of the world needs less than anything else is to have a war. What both sides to the dispute need is to build up the economy of their countries and the economy of their people. A war would have a most devastating effect there, and it would be very difficult to keep the war from spreading.

As the Senator from New York has said, we have already taken a position in connection with this situation, and it is time for us to use our prestige in attempting to have an agreement and settlement reached.

We have been told by some State Department officials that Colonel Nasser is really a man of peace, that he is ready to accept Israel as a fact; and that, accordingly, we must not give arms to Israel, since that will provoke Nasser and would make him less likely to reach terms with Israel. These reports from Cairo and London sound like an Arab version of the Kremlin's spurious peace offensive of the summer of 1955. They are calculated to throw us off our guard while the Communist conspiracy carries on its intrigue in the Near East, the Far East, and North Africa.

All of us who want to strengthen democracy and to preserve the peace devoutly pray that Israel and the Arab States will soon reach a settlement of their differences, and our country should do everything to bring this about. But I have very grave doubts about the legitimacy and the sincerity of these so-called peace overtures, for we are told that Egypt would be willing to make peace with Israel if only Israel would agree, in advance of any discussions, to make certain territorial concessions which would cut a corridor across Israel, ostensibly for the purpose of linking Jordan and Egypt. This proposal, we are told, has the support of the British Foreign Office and some of the experts in our own Department of State; and one is led to infer that peace could be attained if only Israel would be ready to slash herself in 2 or perhaps 4 directions, in some kind of territorial hara-kiri. This would be the "give away" philosophy of the Eisenhower regime, carried into the international scene.

Many of us remember how the great powers, frightened by the bluster and blackmail of Hitler, forced democratic Czechoslovakia to feed the appetite of aggression in 1938. We find it very hard to believe that anyone would be ready to tell tiny Israel that she must give up precious territory and make other suicidal concessions to another country because that country had been equipped with weapons by the Kremlin. Such a policy would disregard every moral consideration. Moreover, it would be an indication to every neutralist country in the world to join the Soviet bloc as the certain and most effective way to blackmail the West into making concessions.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. DANIEL in the chair). Does the Senator from Tennessee yield to the Senator from Illinois?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Is it not true—from the statements made, I believe, last November by British Prime Minister Eden—that the British policy is to have Israel cede to the Arab countries a portion of the Negev, which runs down to the Red Sea, at Eilat?

Mr. KEFAUVER. That has been stated, and it is his policy to ask for very substantial concessions. However, as I have said, such concessions, even if made, might lead only to demands for further concessions; and that is not the way to solve the problem between those countries.

Mr. DOUGLAS. The Senator from Tennessee has very properly reminded us of the experience of Czechoslovakia in 1938 and 1939. Is it not true that in September 1938, Hitler, with the assistance of Great Britain and France, forced Czechoslovakia to cede a portion of her territory? At that time it was said that this would be all that Hitler wanted; but the following March, Hitler took all of Czechoslovakia.

Is there any real prospect that the Arabs would be content with this piece of land in the Negev? Would not it simply encourage them and cause them to take all of Israel or greater amounts of Israel with the next bite, so to speak?

Mr. KEFAUVER. Yes, that is the history of such developments, and I think it would also be true in this case—namely, to give up some territory now would only encourage the making of other demands. Certainly I hope our Government will not buy that bill of goods.

Mr. LEHMAN. Mr. President, will the Senator from Tennessee yield further to me?

Mr. KEFAUVER. I am glad to yield to my distinguished colleague, the Senator from New York.

Mr. LEHMAN. I wish to ask the Senator from Tennessee a question, so as to clear up a very common misapprehension regarding this entire matter. It has been made to appear in some quarters that Israel was an interloper, and even an aggressor and took land and territory which had belonged to Egypt or Jordan or Syria. Will the Senator

from Tennessee agree with me that such a claim is completely false, and that it is an incontrovertible fact that no part of what is now Israel ever belonged to either Egypt, Jordan, or Syria?

Mr. KEFAUVER. Yes; it is my understanding that that is a well-established fact.

Mr. LEHMAN. Is it not also a fact that the territory which now comprises Israel was given up by the Turks—in 1918 or 1919, I believe—and became a League of Nations mandate as part of the peace treaty entered into following the First World War?

Mr. KEFAUVER. That is true.

Mr. LEHMAN. Later on, the area which included what is now the Republic of Israel was mandated by the League of Nations to Great Britain, as a mandate power. No part of that area ever belonged to Egypt or Syria or Jordan. I think there is nothing more important than to have that fact known. However, it is not well known. Instead, the actual situation is widely misunderstood. Many persons have said to me, "Egypt or Syria is merely trying to take back what belongs to her." However, that is not correct, because no part of this area ever belonged either to Egypt or Syria or Jordan.

Mr. KEFAUVER. I am glad the Senator from New York has made that point amply clear. What he has said is correct; the territory was formerly Turkish territory, and after the First World War it was ceded and placed under mandate to the British. Thereafter the British voluntarily terminated their mandate, upon the formation of the Republic of Israel.

It should also be pointed out that the people of Israel and the people of Turkey have no conflict or controversy; they seem to be getting along very well. The area was Turkish territory, to begin with.

I believe that is another answer to the argument that to cede some territory to the Arab States would terminate the claims of Egypt and other countries in that part of the world. This area was not their territory to begin with, as the Senator from New York has pointed out; and to cede a part of it to them would not settle anything, but, instead, probably would only lead to further demands.

I have heard it said by persons who should know better that it would be dangerous to help Israel at this critical moment because to do so might drive the entire Arab world into the Soviet orbit. I refuse to accept this "either or" ultimatum. It flies in the face of facts and fair play. Those who spread this kind of dire threat are the ones who uncritically and inaccurately echo the propaganda line that we have favored Israel and have done nothing for the Arab States. That frequent refrain is a libel on the record of American fairness and generosity. The truth is that we helped the Arab States to independence, even as we helped Israel to independence. The truth is that we have given the Arab States economic aid and opportunity, even as we have given such aid and opportunity to Israel.

I quote from the remarks of a distinguished colleague, the Senator from Alabama [Mr. SPARKMAN], who said in Washington on January 18:

> The United States has shown its friendship to both Israel and to each of the Arab States. We had a big part in bringing Israel into statehood. We spent millions of dollars in aiding Jews to get back to the homeland of their fathers. We helped her quickly to become accepted by the family of nations—the United Nations. We have made available technical assistance and have gone further with special economic assistance. We have helped Israel to grow strong so that she might be able to build a strong economy and to defend her borders, her home and her people. These same things can be said almost word for word as to the several Arab States and for other countries in that general area.
>
> Furthermore, we have contributed large sums through the UN for the Arab refugees. Unfortunately, none of the refugees have been resettled, but we continue to live in hope.
>
> Perhaps the most conspicuous example of our Arab orientation within the last 2 years was the assistance we gave to Egypt in its negotiations with the United Kingdom. We helped Egypt to gain control over the Suez Canal; but unfortunately, we asked nothing in exchange as we had every right to do. We did more than any other power to assist Egypt to realize a major objective of policy in its struggle against foreign domination.

From Cairo, William Longwood, Scripps-Howard special correspondent, reported on December 1 in the New York World-Telegram:

> The United States today is Egypt's official whipping boy. Every day the state-controlled press and radio are lashing out at Uncle Sam. Americans in Cairo are aware of the increasing hostility being dispensed from on top and not a few are worried that it soon will filter down among the people and express itself in violence. The principal reason Egypt hasn't gone all out in beating us over the head is because she still hopes to get more American financial and arms help. She bares her editorial fangs almost daily to show what could happen if we don't play ball with her. But from what I have seen here, it isn't going to make much difference whether we give financial help or not; we will be hated if we do and despised if we don't.

It seems quite evident that Egypt's readiness to deal with the Soviet bloc has little to do with the Arab-Israel conflict. It is misleading and dangerous oversimplification to suggest that Israel or our attitude toward Israel has turned Nasser's head to the Kremlin. We will not counter Soviet economic penetration of the Near East and other underdeveloped areas by pandering to regional hostilities. We will overcome and meet the Soviet economic threat only if we can demonstrate to the peoples of these countries that democratic institutions and a democratic society offer far greater opportunities for raising living standards and giving all men, women, and children a greater stake in society. We will meet that Soviet threat if we can prove to the peoples of the Near East that we have more to offer than communism and that democracy can help them to a better and healthier life. We will meet the Soviet threat if we make it clear that we are faithful friends and that we are inflexible in honoring our commitments. We shall make a deeper impression on the Arab world if we stand in defense of those who share our commitment and devotion to freedom. We shall make no impression on the Near East if we are now buffaloed into letting Israel down.

Israel has demonstrated to the world what can be done by a young people to raise living standards, to wrest a living from barren land, and to build a civilization on an arid and desolate landscape. Israel has proved to be a demonstration plant of the greatest significance to the Near East, it is a vital and vibrant proving ground of the capacity, the vigor, and the success of a free society.

Mr. President, our Secretary of State is now taking his third look at the Near East. It is the third appraisal of our Near East policy since he took office. The need for so many appraisals suggests that Mr. Dulles admits that he can and does make mistakes. Even the warmest partisan would agree that Mr. Dulles must have been wrong one-third of the time, if not two-thirds. Mr. Dulles, who pleads so strenuously for a bipartisan approach perhaps might have served the Near East and our country better if he had himself accepted the fact that the 1948–52 policy was in fact a fair and objective policy. We would not be today so close to war in the Near East. Perhaps we might be much nearer to peace if the Department of State in 1953 had taken up where the Department of State left off in 1952. A comprehensive survey of the last quarter of a century in the Near East would show that America has dealt fairly and impartially and objectively with all the peoples of the area. I regret to say that the policy of friendly impartiality came to an end in 1952. Although our Secretary of State professes to be the impartial friend of all the peoples of the Near East, our policy has been distorted and twisted into an open pursuit of the Arab world at Israel's expense. Mr. Dulles made this very clear on June 1, 1953, when upon his return from his survey in the Near East countries, he declared: "The United States should seek to allay the deep resentment against it that has resulted from the creation of Israel."

This was a most unfortunate statement.

That policy of allaying Arab resentment was an open invitation to the Arab States to carry on and perpetuate their anti-Israel and anti-United States resentment, for they have besieged us with resentment ever since. Mr. Dulles indicated that the more they would resent, the more we would do to please them. And now that they have been schooled in this technique by our career men in the Department of State, they are aided in its execution by the Soviet Union.

Mr. President, four steps must be taken urgently in the Near East. They must be taken without delay if we are to avoid war, tranquillize the area, and become a partner in its growth and development.

We must allow Israel to buy arms at once, so that Israel will be able to defend itself. If we fail, we expose Israel to a sudden and devastating attack.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. I noticed that the Senator from Tennessee used the expression "We must allow Israel to buy arms." I think that is a very important clarification. The Senator from Tennessee is not proposing that we give arms to Israel, but that we merely permit Israel to arm itself by purchase. Is that true?

Mr. KEFAUVER. That is true. I do not know of any requests which have been made to give arms to Israel. I have not heard that expressly suggested. I think we should allow Israel to buy arms, because if the Communist mechanism is going to sell arms to one side, it seems to me that the best chance of preventing war is to try at least to make it possible to bring about some balance. But that is not the final answer.

Mr. DOUGLAS. Can there be neutrality in the world if one side is to be permitted to obtain arms and the other side it not permitted to obtain arms? Do we then have neutrality?

Mr. KEFAUVER. No. I am sure it would inevitably lead to a clash, if one side were greatly overarmed, and there was an unbalance of arms, particularly in their present frame of mind.

Mr. DOUGLAS. After our experiences in the 1930's, when similar methods were used by the European powers and by ourselves, should we not have learned our lesson, and realize that it is not real neutrality to permit the aggressor to have and to be furnished with arms and yet to deny arms to the party which is either likely to be attacked, or is being attacked?

Mr. KEFAUVER. I think the Senator is absolutely correct. I regret that it is necessary anywhere in the world to think in terms of maintaining a balance of arms, but I am certain that in this case there is a great unbalance, which brings about a great deal more likelihood of war.

Mr. DOUGLAS. After all, it is not the sheep, but the wolves who should be enjoined to keep the peace. Is not that true?

Mr. KEFAUVER. The Senator is entirely correct. I think that through the United Nations, if possible, we must live up to our security guaranties, as set forth in the tripartite declaration of 1950.

We must be ready to offer large-scale economic aid to all countries in the region which are ready to join with us in raising living standards for their people and who will undertake to break down blockades and boycotts and to join with their neighbors in the practice and pursuit of economic cooperation.

We must offer our leadership to bring Israel and the Arab States to a peaceful settlement. But it must be a settlement based on mutual recognition by the parties of their sovereignty and their right to exist as free and independent states. The negotiations must be conducted honorably and directly between them. But we must not permit either party to adopt the Soviet technique of insisting on prior conditions before a conference is held. What the Soviet Union seeks to do in their talks with us should not become an example for the West. We should not emulate the Kremlin by asking Israel to agree in advance to yield precious rights to the Arabs as a price for their recognition. That course will not lead to peace. It is an overture to war.

Mr. President, these four steps constitute the program which we must carry forward if we are to avert war in the Near East and defend that critical region from aggressive communism.

Mr. President, in conclusion, I should like to direct three questions to our Secretary of State:

Why does our Department of State refuse to grant Israel's request for arms?

Is it true, Mr. Secretary, that the United States and the United Kingdom are preparing to bring pressure on Israel to give up territory to her Arab neighbors?

How does our Government propose to meet the threat of aggression in the Near East?

Mr. President, we await the answers to these questions because, for the peoples of the Near East, Mr. Dulles' answers may spell peace or war. For the free world, his answers may spell victory or defeat in the titanic struggle against aggressive communism.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. LEHMAN. I wish to compliment the Senator from Tennessee. I think he has made a very valuable contribution. The four steps which he proposes are very similar to those which I and others have urged and advocated over the past months. I think these steps are not exclusively in the interest of Israel, but in the interest of the peace and security of the world.

I think it is particularly important to point out, as the Senator has pointed out, that the arms which are requested to be provided, or which it is hoped will be provided to Israel, are not gifts, but sales, and that they are not in any way intended to be implements of aggression or conquest, but entirely for defense purposes, to counterbalance the Communist arms received by Egypt.

They are, as I view them—and I think this is important—merely to prevent an overwhelming imbalance in the armed strength between Israel and her neighbors. That is entirely consistent with the tripartite declaration of 1950. I believe we must emphasize that point.

Mr. KEFAUVER. I believe that is correct. I know that the general intention of this democratic state, as is the case of all countries which enjoy liberty and real democracy, is to have peace and to resist aggression, and not to conduct aggression. Although there was some provocation and some unfortunate incidents on both sides, for some of which Israel must share the blame, the people of that country have been under great strain and provocation. Certainly, anyone who has visited the State of Israel knows that the purpose and the whole philosophy of the people is to try to bring about peace and to defend their own land, not to commit aggression upon their neighbors. There cannot be any real friendship or real peace in that part of the world until there is commerce between those nations, and until the standard of living of the people generally in the Middle East is substantially raised.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Prefatory to my question, I should like to say that I, too, wish to congratulate the Senator from Tennessee for a very able statement, which I believe to be very timely. At this very moment our Government is negotiating with the British Government on matters concerned with the Middle East.

We are very glad indeed to welcome Prime Minister Eden to this country. We want friendship and cooperation to exist between the United States and Great Britain. But, of course, also we do not want a dictated agreement.

I should like to ask my good friend from Tennessee if he does not believe it to be unfortunate that the Secretary of State has called back, as one of his advisers on Middle East questions, Mr. Byroade, our Ambassador to Egypt. While Mr. Byroade is undoubtedly a very estimable gentleman—and I make no complaint about his skill or fundamental loyalty—nevertheless it is commonly believed that his sympathies lie almost exclusively with the Arabs and do not extend to any appreciable degree to Israel.

If it was desirable to bring Mr. Byroade back as an adviser to the Secretary of State, would it not also have been desirable to flank the Secretary with such men as Mr. Lawson, who is our very capable Ambassador to Israel, or such men as James G. McDonald, who was our former Ambassador to Israel, and who has demonstrated his knowledge of and friendship for Israel?

In other words, would it not be desirable, in these critical hours, that the American Secretary of State should be getting information and advice from those who are friendly to Israel, not merely from those who may be somewhat antipathetic to Israel?

Mr. KEFAUVER. I believe the Senator's question answers itself. It seems to me that if the situation in the Middle East is to be discussed, both sides ought to be represented, and that people from both countries, Egypt and Israel, should be present to advise the Secretary of State. Both sides should present their points of view so that our Government could get a clear-cut picture upon which to act. It is unfortunate that Mr. Lawson and the other gentlemen who know so much about Israel, are not brought back for this conference. Of course that is a matter for the Secretary of State to determine.

Mr. DOUGLAS. Mr. President, will the Senator yield for one further question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Does the Senator from Tennessee believe that it may be desirable for the United Nations to develop a police force which could be used in such a circumstance as this, so that an act of aggression could be repulsed by the armed forces of the U. N., rather

than by contingents of any particular nation?

Mr. KEFAUVER. I have always felt, and I am sure the Senator has also, that one of the weaknesses of the old League of Nations was that it had no police force to enforce its decrees and decisions. That is certainly one of the shortcomings of the United Nations. I hope the time may come when the United Nations will have a force to help protect the peace of the world in situations of this sort. Unfortunately, that is not a reality at the present time. There seems to be little possibility that it will become a reality to be a help in this situation.

Mr. DOUGLAS. If we had moved in a determined and forthright fashion in this matter, is it not quite possible that we could have had the United Nations build up a force which, while it would not be strong enough to threaten any major state, would be adequate to protect small countries from brushfires, so to speak, which might touch off a world conflagration unless they were checked?

Mr. KEFAUVER. It is unfortunate that the constituent members of the United Nations did not have that vision. I hope still that that might be the case. The United Nations at the present time is doing a commendable job with the limited facilities it has and in spite of its lack of a police force. It is still an organization through which more effective efforts of helping to bring about world stability can be fruitful. That is something I hope we will continue to work for.

However, here we have a present and immediate situation which bears heavily upon the moral and legal responsibility of the United States and Great Britain and France. It is one which cannot be helped with any police force from the United Nations, but it is one which demonstrates the type of situation in which a police force from the United Nations would be helpful, and in which it could be used in order to bring about stability in the Middle East.

Mr. DOUGLAS. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. While it is true that a United Nations police force could not be organized within the next month or perhaps in the next few months, is it not true that over the course of a year such a force could be organized, if there were a will to do so?

Mr. KEFAUVER. It certainly could be organized. I hope there will be a will insofar as this country is concerned.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. I am much impressed with the Senator's statement that we want peace and abundance for all the people in the Middle East. Is it not correct to say that with the oil resources of the so-called Arabian Peninsula, there is enough wealth there to greatly raise the standard of living of the Arabian people, if that wealth were properly used?

Mr. KEFAUVER. There is no question about it. There is no question that if the wealth were properly used there could come about a great increase in the standard of living of the Arabian people. That is one of the great essentials, I believe, of a long and lasting peace in the Middle East. The Middle East is a section of the world where our point 4 program can be of tremendous help to those people as they try to help themselves. As a result, of course, there would certainly be better relationships between the people of Israel and the people of the Arab nations.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Is it not true that some countries, like Iraq, have on the whole been putting the oil royalties which they receive to comparatively good internal use in improving the standards of living of their people, and in developing irrigation systems, which will still further expand their prosperity?

Mr. KEFAUVER. It is my understanding that they have done that very well in developing their agricultural resources. Other nations have not done so well.

Mr. DOUGLAS. Possibly, such as Saudi Arabia?

Mr. KEFAUVER. They have apparently done very little.

Mr. DOUGLAS. The Senator from Tennessee touched, I think, upon the development of the Jordan Valley about which plans were begun under President Truman. The present administration has sent Eric Johnston to the Near East. If that valley could be developed and the waters divided between Israel and the State of Jordan, would it not permit from one-fourth to one-third of the Arab refugees to settle on the land, and would not that greatly reduce the tension in the empire area?

Mr. KEFAUVER. I am glad the Senator from Illinois has said something about the Jordan Valley development. I have talked with Gordon Clapp, who, at the time he was Chairman of the Tennessee Valley Authority, conducted a survey and made one of the early studies of the possibilities in that region, and later I talked with Eric Johnston. With the Sea of Galilee as the principal lake, a great deal of electricity could be generated and a substantial number of acres of land could be put under cultivation. The benefits would be tremendous both to Jordan and to Israel, and, generally, to that part of the world. I have been advised that between 30 and 35 percent of the unfortunate refugees could be placed so that they could make a living as a result of this project.

Mr. DOUGLAS. So with wise leadership, could not a positive program be advanced which would be a very large contribution to peace and which would insure an increasingly higher standard of living both to the people of the Arab nations and to Israel?

Mr. KEFAUVER. Yes. It is imaginative projects like that which our Government has done a substantial amount of work to push which are the kind of projects we ought to try to bring about in the Middle East and in other parts of the world. It would greatly build up the standard of living. I think the Jordan Valley project has tremendous possibilities for good. If the peoples there could ever have peace, it would be not only a possibility, but, I think, it would be probable that financial arrangements could be worked out which would be supported by this Government for the operation of the Jordan project.

Mr. DOUGLAS. I wish to congratulate the Senator from Tennessee for his very statesmanlike speech. I hope his recommendations and criticisms may be taken to heart by the members of the State Department and of the Government who at this fateful hour are meeting with representatives of Great Britain to decide upon a policy dealing with Israel, the Arab States, and the Middle East.

Mr. KEFAUVER. I thank the Senator from Illinois for his contributions and for the observations he has made.

THE JOINT DECLARATION OF THE PRESIDENT OF THE UNITED STATES AND THE PRIME MINISTER OF THE UNITED KINGDOM

Mr. KNOWLAND. Mr. President, I have here the joint declaration of the President of the United States and Prime Minister Eden, which reads as follows:

JOINT DECLARATION OF THE PRESIDENT OF THE UNITED STATES AND THE PRIME MINISTER OF THE UNITED KINGDOM

We are conscious that in this year of 1956, there still rages the age-old struggle between those who believe that man has his origin and his destiny in God and those who treat man as if he were designed merely to serve a state machine.

Hence, we deem it useful to declare again certain truths and aims upon which we are united and which we are persuaded are supported by all free nations.

1. Because of our belief that the state should exist for the benefit of the individual and not the individual for the benefit of the state, we uphold the basic right of peoples to governments of their own choice.

2. These beliefs of ours are far more than theory or doctrine. They have been translated into the actual conduct of our policy both domestic and foreign. We are parties to the Atlantic Charter, the United Nations Charter, the Potomac Charter and the Pacific Charter. In them we have, with other friends, dedicated ourselves to the goal of self-government and independence of all countries whose people desire and are capable of sustaining an independent existence. During the past 10 and more years 600 million men and women in nearly a score of lands have, with our support and assistance, attained nationhood. Many millions more are being helped surely and steadily toward self-government. Thus, the reality and effectiveness of what we have done is a proof of our sincerity.

3. Further, we know that political independence cannot alone assure men and nations full opportunity to pursue happiness and to fulfill their highest destiny. There is likewise need for economic sustenance and growth. This, too, we have helped to provide. We seek to develop with others a large volume of mutually beneficial trade. Likewise we seek, through technical assistance, the Colombo plan, and other programs we support, to help economic progress in the less-developed countries and to raise the living standards of their peoples. In these programs we have not sought nor desired extension of either economic or political power. The purpose is not to dilute, but to enrich and secure their freedom.

4. During this period of notable cooperative progress in the free world, those who assert the supremacy of the state and deny the inherent rights of man have also been active. Millions of people of different blood, religions, and traditions have been forcibly incorporated within the Soviet Union, and many millions more have in fact, although not always in form, been absorbed into the Soviet Communistic bloc. In Europe alone, some 100 million people, in what were once 10 independent nations, are compelled, against their will, to work for the glorification and aggrandizement of the Soviet Communist state.

The Communist rulers have expressed, in numerous documents and manifestos, their purpose to extend the practice of communism, by every possible means, until it encompasses the world. To this end they have used military and political force in the past. They continue to seek the same goals, and they have now added economic inducements to their other methods of penetration.

It would be illusory to hope that in their foreign policies, political and economic, the Soviet rulers would reflect a concern for the rights of other peoples which they do not show toward the men and women they already rule. Any free nation that may be persuaded by whatever threat, promise, or enticement to embrace communism will lose its independence and its people will forfeit their rights and liberties. These contrasting records of recent years reflect the essence of the struggle between free countries and the Communist rulers.

5. In the face of the Communist challenge, almost 50 nations which cherish freedom have drawn together in voluntary associations for their collective security. These associations uphold for all their members the right to independent existence, the right to free expression and the right to differ. The purpose of their union is to preserve those national rights, just as within a state people join together to preserve their individual rights.

6. We reject any thought that the cleavage we have described should be resolved by force. We shall never initiate violence. Moreover, we shall use our full influence to assure that Soviet efforts to inflame old antagonisms will not succeed in breaking the peace. The United Nations provides appropriate machinery to assist countries desiring peacefully to bridge their differences and to settle disputes.

Many nations of the free world are ever anxious to proffer their good offices to promote the same end. Our two countries stand constantly ready to aid in negotiation and conciliation with others directly concerned, so as to achieve just settlements of the concrete issues that now trouble the world.

7. We shall persevere in seeking a just and lasting peace and a universal and effectively controlled disarmament which will relieve mankind of the burden and the terror of modern weapons. Meanwhile, the society of free nations must retain the power needed to deter aggression. We recognize that such power should never serve as a means of national aggrandizement but only as an essential shield for every member of the community of nations.

We are determined to make the conquest of the atom a pathway to peaceful progress, not a road to doom.

8. We will not be deflected from the policies and purposes we have herein stated. On the contrary, we will maintain and, where necessary, strengthen and extend them. Thus, we shall help ourselves and others to peace, freedom, and social progress, maintaining human rights where they are already secure, defending them when they are in peril and peacefully restoring them where they have temporarily been lost.

While resolutely pursuing these aims, which are the products of our faith in God and in the peoples of the earth, we shall eagerly grasp any genuine opportunity to free mankind of the pall of fear and insecurity which now obscures what can and should be a glorious future.

DWIGHT D. EISENHOWER.
ANTHONY EDEN.

Mr. President, in my judgment, the joint declaration by the President and the Prime Minister ably states the case of the free world in seeking peace with honor.

But it makes clear that the free world will not be paralyzed in the event of Communist aggression. Rather than to submit new propaganda proposals, the Soviet Union is in effect reminded that a compliance with the Atlantic Charter, the United Nations Charter, and other treaties, which they have signed and violated, would be a more effective demonstration of good faith and peaceful intent.

In any event, we are not going to yield to Communist threats or consent to the destruction of our friends and allies by any international outlaws.

RECESS TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 51 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Thursday, February 2, 1956, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 1, 1956

The House met at 12 o'clock noon.

Rev. Dwight L. Baker, missionary to Nazareth, Israel, Blawenburg, N. J., offered the following prayer:

Our Father, we humbly beseech Thy blessings upon this land of ours, and upon our President and his Cabinet, and upon those who shoulder the great responsibility of formulating, interpreting, and executing the laws by which we live.

Bless those who represent our Nation in world capitals and those who watch in vigilance over our shores to keep them safe.

We pray Thee to give divine wisdom and guidance to President Eisenhower and Prime Minister Eden as they confront themselves with the urgent problems of the Middle East and other areas strained by tension.

We would ask of Thee to let flow through the channels of all our hearts the interests of the whole world as well as our own interests as we dedicate ourselves to the cause of world peace and justice.

May we at all times maintain our souls open to the fact of God's creative purposes which alone can make ours a better world.

In Jesus' name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

PROVIDING FOR THE SALE OF A GOVERNMENT-OWNED HOUSING PROJECT TO THE CITY OF HOOKS, TEX.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7540) to provide for the sale of a Government-owned housing project to the city of Hooks, Tex.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN. Mr. Speaker, reserving the right to object, this bill was on the Consent Calendar and when called an objection was made, but as I understand the situation now, the objections that were advanced at that time have been withdrawn; is that so?

Mr. PATMAN. Mr. Speaker, the gentleman from Iowa [Mr. CUNNINGHAM] has authorized me to say that although he objected to the bill at that time, since we have a report from the Budget recommending the bill with an amendment which I shall offer, he will have no further objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, the Housing and Home Finance Administrator (or the head of any department of the United States Government to whom said Administrator may have transferred title to North Village project, Texas 41142) on behalf of the United States is authorized and directed to sell and convey, whenever said project is declared surplus to the needs of the Government, to the city of Hooks, Tex., at fair market value as determined by him on the basis of an appraisal made by an independent real-estate expert, all right, title, and interest of the United States in and to said North Village project, Hooks, Tex., consisting of 248 dwelling units.

Mr. PATMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 1, strike out lines 4 through 9, inclusive, and insert in lieu thereof the following: "Administrator of General Services on behalf of the United States is authorized and directed to sell and convey the North Village project, Texas 41142, whenever said project is determined by him to be surplus to the needs of Government."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

House Resolution 390 was laid on the table.

A motion to reconsider was laid on the table.

THE LATE JOE JONATHAN MANLOVE

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, I regret to inform the House at this time of the death of a former distinguished Member of this body. Yesterday I received a telegram advising me that my old

friend and colleague in the House, the Honorable Joe Jonathan Manlove, who served for 10 years as a Member of this body, passed away after a rather prolonged and serious illness.

Older Members of the House, of course, will remember and anyone who ever met him will never forget Joe Manlove. He was born on a farm near Carthage, Mo., October 1, 1876, educated in the public schools down in the Ozarks, and after graduating from Presbyterian Academy at Mount Vernon, Mo., he studied law and was admitted to the bar. Most of his time and effort, however, were devoted to agriculture, livestock, real estate, and the development of southwest Missouri. As secretary of the Ozark Playground Association from 1920 to 1922, he coined the phrase that "The Ozarks is a land of a million smiles." He loved sports and outdoor life.

He served in this body from 1923 to 1933 after making two unsuccessful attempts to come to Congress. I am sure that the older Members here will remember him because of his affability and amiability, his friendliness, his kindness. It was his warm human qualities which made him personable and likable.

In the quarter of a century that I have been around here I have never served with any Member of the Congress more accommodating or who would go further out of his way to do a favor for not only any constituent but any friend than would Joe Manlove. He was also a clever, astute, and resourceful politician; not quite as good as his dear and devoted wife, Alma. I can assure you he was a most formidable opponent. I learned that when I defeated him in 1934 for the Republican nomination for Congress by a mere margin of 2,100 votes, as I recall, the closest race and the hardest that I ever had. It not only nearly killed Joe, but it nearly killed me. Notwithstanding that contest of ours, my sister did most of his abstract work, because he was a large landholder in southwest Missouri. Our families remained good friends. Joe and I forgot our political battle much more quickly than did many of our friends.

In 1943 Mr. Manlove was elected as one of the delegates to write a new constitution for the State of Missouri. He served his State and country well not only in Congress, but out of Congress, and will be remembered as the founder of the Missouri State Society in Washington, D. C. In his death our beloved Ozark country has lost a real booster and genuine friend, the Republican Party a strong champion, and our State and Nation a true patriot and loyal citizen.

Today my sympathy goes out to a fine son, Col. A. W. Manlove, and his splendid family—a young man who made a wonderful record in World War II and is now serving his country in Alaska. Joe will be missed by his many friends left here but I know he is very happy again to be with Alma.

Mr. Speaker, I now yield to the former distinguished Speaker, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, I join with my good friend the gentleman from Missouri [Mr. SHORT] in expressing my deep regret at the passing of Joe Manlove. It was my privilege to enjoy his friendship for a good many years. He was a friendly man and loved by all who knew him. He was a conscientious legislator, one of lofty ideals and in his death Missouri has lost one of its great men.

Mr. SHORT. Mr. Speaker, I yield to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I wish to pay tribute to Joe Manlove. He was a great friend of mine, and we kept up a correspondence over the years until recently. He was a very genial, fine man, and a great patriot, and I regret exceedingly his passing.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and I also ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDING AGRICULTURAL ACTS OF 1949 AND 1954

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8320) to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis-eradication program for the fiscal year ending June 30, 1956.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, reserving the right to object, and I do not intend to object, I would like to ask the gentleman from Mississippi to give me a brief explanation of the bill.

Mr. ABERNETHY. Mr. Speaker, H. R. 8320 is in two sections and is designed to accomplish two distinct purposes.

First, the bill increases the authorized use of Commodity Credit Corporation funds for the special school milk program from $50 million to $60 million for the current school year.

Second, the bill provides for a further acceleration of the brucellosis-eradication program among cattle by authorizing an increase from $15 million to $17 million in the Federal funds available in this joint Federal-State activity for the fiscal year ending this June 30.

These increases in funds follow Department of Agriculture recommendation as to the amount that can be expended advantageously in these programs.

This bill insures that the special school milk program will continue uninterrupted during the remainder of the present school term. This program, which Congress authorized in 1954, has been very successful in disposing of surplus milk and improving the health of our children. There is no way of measuring its value in terms of the health of our schoolchildren. More than 62,000 schools already are participating in this program, which represents about a 50-percent increase within a year.

It is estimated that this school milk already reaches approximately one-half the Nation's children up through the high-school grades, and the distribution in the current school year will amount to almost 1 billion half pints. More schools are joining the program constantly, as they complete arrangements for distribution of milk.

The Federal Government pays up to 4 cents a half pint on the cost of this milk.

I want to emphasize that this is one of the most important programs ever operated by our Government in the interest of the health of our children. I am sure that everyone here wants to see the program continued throughout this fiscal year. Failure to pass this bill will result in the program being completely halted in most sections of the country.

I should point out that H. R. 12, already approved by the House and now pending before the Senate Committee on Agriculture and Forestry, would provide $75 million for the school milk program for the fiscal year beginning July 1, 1956.

Mr. Speaker, the second section of this legislation also is of utmost importance. It expands our program to eradicate brucellosis among cattle.

Considerable progress has been made since the accelerated program was authorized by Congress in 1954. This is a cooperative program with the Federal Government and the States sharing the cost. The purpose of this program is to eliminate both the disease and the infected cattle as rapidly as possible.

Such elimination has been speeded up by increased Federal and State indemnity payments for animals slaughtered because of brucellosis.

The Department of Agriculture, in supporting the increased authorization said that even though State funds for carrying out the cooperative eradication project have been increased from $11,233,731 in fiscal 1955 to $15,775,099 for 1956, they, with the Federal support available, have not been adequate to meet program demands in the current fiscal year.

Federal funds are being used to carry out the cooperative program with the States and have not supplanted State funds.

The interruption or disruption of any disease control program through a lack of funds has a very serious effect because the disease is allowed to spread and gain in areas that have been cleaned up. Both the State and Federal Governments have invested heavily in programs in certain States where the program is making such substantial progress that it seems possible to certify the States as brucellosis-free during this fiscal year.

Large investments of State and Federal funds have been made in programs in many other States that have now reached the point where any interruption of the program would result in costly delays which would necessitate additional expenditures in the future to regain lost ground.

H. R. 8320 is intended to prevent loss of ground in this important program, and to keep this program at its full effectiveness. I am sure the Congress wants to participate fully with the States in the eradication of brucellosis until the job is done.

Mr. Speaker, this bill is in the interest of all our people and it deserves the unanimous support of the Congress.

Mr. Speaker, I might say that there is a unanimity of opinion on the bill. It was reported unanimously from the Committee on Agriculture. It had a favorable report from the Department of Agriculture and has been cleared by the leadership on both sides of the aisle.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I do not intend to object to the consideration of this measure. This is emergency legislation. It should be passed now in order to carry on two very important programs dealing with the health and welfare of the American people.

I withdraw my reservation of objection.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, as the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] said, this is emergency legislation.

Mr. ABERNETHY. That is correct.

Mr. LAIRD. Mr. Speaker, reserving the right to object—and I shall not object—I wish to commend the committee for the action they have taken. I introduced this legislation, along with the gentleman from Mississippi [Mr. ABERNETHY]. There are 22 States in need of funds under the brucellosis eradication program in this fiscal year. There are 19 States in which the School Milk Program funds are running out at the present time and they will need funds at the close of this quarter. For that reason, this bill is of an emergency nature and should be passed as soon as possible by the Congress.

Outstanding increases in milk consumption are being obtained this year under the special milk program. In fact, the program is expanding so rapidly that additional legislation is required in order to keep the program running without disruption until the end of the current school term.

This action today is an immediate need and is separate from legislation that I have introduced in the House which calls for the extension of the program beyond this school year at a minimum level of $75 million each school year.

The school milk program was developed by our committee as an additional and beneficial means of providing price supports for dairy products. I felt that no finer use could be made of our abundant milk supply than its increased consumption, as fluid milk, by our school children. I also felt that rather than depend solely upon the purchase and storage approach, increased efforts should be made to move more milk directly into consumption.

The actual results under the program are more than living up to our expectations. By mid-December of 1955, more than 62,000 schools throughout the country were in the program. This was more schools than are now in the school lunch program, which has been operating since 1946. Total fluid milk useage under the program this year is expected to be about 800 million pounds.

The Department of Agriculture has reported that, in a study covering more than 1,400 individual schools in 15 States, sales of milk under the program in October 1955 were 80 percent above sales in October 1953. This increase was over and above any increase in milk sold as part of a complete lunch in these schools.

I feel certain that every member of the House wants this program to continue its fine contribution—both to the expansion of dairy markets and to the health of children. The bill being discussed here today was introduced by Congressman ABERNETHY and myself and would increase the amount of Commodity Credit Corporation funds that may be used for the program this year from $50 million to $60 million, or by $10 million.

I understand that the Department does not expect that the full $60 million will be needed this year. However, in 19 States the program has already expanded to a point where they will exhaust their share of the $50 million in the near future. Some of the additional funds needed by these States are now being met out of funds that are excess to the needs of other States.

However, the whole situation has tended to create uncertainties in the minds of both school and dairy people in some States. They are wondering if they should cut back their efforts to promote the program. They do not want to do this. Neither do they want to place schools in the position of risking any financial losses.

Action by the Congress to increase the authorization to $60 million will eliminate these uncertainties on the part of people in the States and will insure the full continuance of the program this year.

I feel that this bill deserves the full support of the Congress.

Mr. Speaker, I would like to include here the testimony of Roy Lennartson, Deputy Administrator, Agricultural Marketing Service, before the Dairy Subcommittee of the House Committee on Agriculture relating to the 1955–56 special school milk program, January 24, 1956, at 10 a. m.:

We in the Department of Agriculture very much appreciate this opportunity to discuss legislation designed to insure that the special school milk program will continue intact during the remainder of the present school year.

The legislation with which this hearing is concerned would amend section 201 (c) of the Agricultural Act of 1949, as amended, to increase the maximum authorized use of Commodity Credit Corporation funds for the special school milk program from $50 million to $60 million for the fiscal year ending June 30, 1956. The Department of Agriculture favors the enactment of this amendment as promptly as possible.

In his farm message to the Congress, the President reported that this program to increase fluid milk consumption by schoolchildren had met with gratifying success—both as a means of contributing to better health habits and to expanding present and future farm markets. He recommended that the program be extended and enlarged and also reported:

"I have been advised that, in some States, milk program funds are nearing depletion. We must see to it that the program is carried forward intact through this fiscal year."

It is this immediate problem that the legislation now under discussion is designed to meet.

As you know, the special school milk program was authorized by the Agricultural Act of 1954, which became law just as most schools were opening for the fall term in 1954. Despite this necessarily late start—with the excellent work of State educational agencies and the dairy industry—the program was rapidly put into operation. Almost 42,000 schools entered the program last year and substantial consumption increases were obtained in a large proportion of the schools.

However, as operating experience was gained last year, it became evident that some revisions were required to obtain the program's full potential. Last spring the Department took the leadership in working with school and dairy people to institute needed improvements in the program for this year. These improvements were primarily directed toward making it possible for more schools to institute price reductions as a starting point in a many-sided effort to make milk more available to children.

The revised program has met with wide approval. By early December this year, 62,00 schools were in the program, an increase of more than 48 percent over last year's excellent record. A special study conducted by the Department in over 1,000 individual schools in 13 States showed that in October there was an 81-percent increase in extra milk servings over 1953. This is in addition to the additional milk served as part of complete lunches under the national school-lunch program.

In fact, the immediate problem in at least a dozen States is not expansion of the milk program. Right now they are concerned that action may soon be necessary to discontinue or dilute the program because of the uncertainties in the fund situation.

This is the situation that would be forestalled by the early enactment of the proposed legislation.

In the absence of any reliable basis for forecasting the probable performance under the revised program, it was agreed that funds should be temporarily divided among the States on the basis of the National School Lunch Act formula and that funds would be advanced to States on a quarterly basis. In addition, the Department withheld, in reserve, 25 percent of the $50 million, as a means of meeting the needs of those States where the program might expand most rapidly. In spite of these precautions, the sharp expansion this year is placing a serious strain on the maximum authorization for the program.

In summary, this is the current situation, based upon the best estimates States have been able to make:

There are 12 States that will have spent their entire allotment of funds by March 1. These States are already asking the Department if schools should be put on notice that funds to finance price reductions may be exhausted prior to the end of the school term.

An additional seven States are likely to exhaust their allotment prior to the end of the school year.

The fund situation in five States appears to be in balance.

The remaining 25 States do not appear to need their full allotment and the unneeded funds can be shifted to meet the needs of the 19 States in a deficit position as the year progresses.

We have already moved rapidly to effect these transfers and have already obtained releases on $3.7 million of the remaining funds scheduled for advance to the surplus States. Additional releases are expected when States have had an opportunity to make an accounting of their funds through December.

In our judgment, however, maximum possible steps in this respect are not sufficient to meet the immediate situation in the 12 most critical States.

In view of the uncertainties, these States are not attempting to expand the program to additional schools.

The best estimates that States have been able to make indicate that total program expenditures this year, assuming no limitation on available funds, may not be much in excess of $50 million. However, to insure that adequate funds can be made available at the right times and in the right places, we believe it essential that the authorization for this year's program be increased to $60 million. This increase will not mean an increase in the current estimate of expenditure. Rather, it is designed to provide needed flexibility to shift funds among States in accordance with program needs and, thus, assure full development of the program in all States.

Early action to increase the maximum authorization would provide assurances to all States that they would not be asking schools to underwrite price reductions to children for which reimbursement would not be forthcoming. The increase in the maximum authorization by the proposed $10 million is needed primarily to provide sufficient flexibility in the management of program funds to prevent the discontinuance of the program in any State before the end of the school year.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I wish to commend the chairman of the Dairy Subcommittee, Hon. TOM ABERNETHY, of Mississippi, and the chairman of the House Committee on Agriculture, Hon. HAROLD COOLEY, of North Carolina, on the prompt action that has been taken on H. R. 8320. They considered it must legislation.

This bill increases by $10 million the Federal funds available for the school-milk program and by $2 million the funds for the brucellosis program, both for the current fiscal year. I am very much interested in the passage of this legislation, since my State, Wisconsin, is in need of funds to finish the current year, as are 11 other States. It is my understanding that if this money is not appropriated the State of Wisconsin will be out of funds by April 1.

The school-milk program has met with great success. In December 62,000 schools were in the program, representing an increase of more than 48 percent within a year. The increase in the authorization for this program is now needed primarily to provide sufficient flexibility in the management of the program funds to prevent the discontinuance of the program in any State before the end of the school year. I hope that the House will unanimously approve this bill today.

I have introduced bills in this session and in the last session to increase the funds available for the school-milk program. In the last session I supported H. R. 12, which would have provided $75 million for the school-milk program for the current fiscal year if it had passed the Senate.

Mr. WHITTEN. Mr. Speaker, further reserving the right to object, I, too, commend the gentleman and his committee for the action they have taken. I should like to point out that the present Secretary of Agriculture and the present administration attempted to eliminate the brucellosis eradication program the first year in office. It was through the action of the chairman of the Agriculture Subcommittee on Appropriations, Mr. H. CARL ANDERSEN, that this program was kept alive. I think now the administration seems to be proud of it, but these are the circumstances under which it has been retained.

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I wonder if the gentleman could give us a further explanation of the progress made in the brucellosis eradication program; how far they have gone, what progress they are making and whether they are getting the disease under control.

Mr. ABERNETHY. Yes, I should be glad to give the gentleman some information on that. But, in order to save just a little time, I will say that the report fully covers the matter, particularly on page 3 where the gentleman will find a table setting forth the number of reactors found during the years 1954, 1955, and 1956, and the progress made during those particular years. Incidentally, there has been excellent progress made in the brucellosis eradication program. It is a very popular program throughout the country. The States have responded to it remarkably well. They have made very substantial monetary contributions to the program.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 201 (c) of the Agricultural Act of 1949, as amended, is amended to read as follows: "For the period beginning September 1, 1954, and ending June 30, 1955, not to exceed $50 million, and for the fiscal year ending June 30, 1956, not to exceed $60 million, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under."

SEC. 2. Section 204 (e) of the Agricultural Act of 1954 is amended to read as follows: "As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle, the Secretary of Agriculture is authorized to transfer not to exceed $20 million for the fiscal year ending June 30, 1956, from funds available to the Commodity Credit Corporation to the funds appropriated to the Department of Agriculture for such fiscal year for the purpose of accelerating the brucellosis eradication program, for the purpose of increasing to not to exceed $50 per head of cattle the amount of the idemnities paid by the Federal Government for cattle destroyed because of brucellosis in connection with cooperative control and eradication programs for such disease in cattle entered into by the Secretary under the authority of the act of May 29, 1884, as amended, for the purpose of increasing the number of such indemnities, and for the purpose of defraying any additional administrative expenses in connection therewith. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for expenditures pursuant to this section."

With the following committee amendments.

On page 2, line 6, strike out "of Agriculture."

On page 2, line 7, strike out "$20,000,000" and insert "$17,000,000."

Page 2, lines 9 and 10, strike out "funds appropriated to the Department of Agriculture", and insert "appropriation item 'Plant and Animal Disease and Pest Control' in the Department of Agriculture Appropriation Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks on the bill just passed at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FISCAL YEAR 1957 NAVY SHIPBUILDING AND CONVERSION PROGRAM

Mr. COLMER. Mr. Speaker, I call up House Resolution 392 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 7993) to authorize the construction and conversion of certain naval vessels, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 392 which will make in order the consideration of H. R. 7993, to authorize the construction and conversion of certain naval vessels and for other purposes.

House Resolution 392 provides for an open rule and 3 hours of debate on the bill.

The purpose of H. R. 7993 is to authorize the construction of 23 new ships, of which 22 are combatant types, 5,000 tons of landing craft, and for the conversion and modernization of 23 vessels.

Except for 2,800 tons of escort vessels this is not a naval tonnage authorization bill. There is available sufficient

unobligated tonnage from shipbuilding authorization acts. However, the Armed Services Committee feels that the shipbuilding and conversion programs of the Navy should be reviewed by them so that they, and the Congress, will be aware of what ships are proposed for construction and conversion.

The Department of Defense has requested, and there is included in the 1957 budget $1,429,000,000 for the program. Included in this program is authorization to commence design and advance procurement of a nuclear-powered aircraft carrier in order that such a carrier may join the fleet at an earlier date than would otherwise be possible.

Officials of the Department of the Navy have assured the Armed Services Committee that there will be an appropriate distribution of the construction program between private and Government shipyards throughout the United States.

I urge the adoption of House Resolution 392 to prompt consideration may be given H. R. 7993.

I know of no objection to the rule nor have I heard of any objection to the bill itself.

Mr. ALLEN of Illinois. Mr. Speaker, I have no objection to the rule, and I do not know of any objection to it. I have no requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SUBCOMMITTEE ON HEALTH AND SCIENCE

Mr. HAYWORTH. Mr. Speaker, at the request of the gentleman from Tennessee [Mr. PRIEST], chairman of the Committee on Interstate and Foreign Commerce, I ask unanimous consent that the Subcommittee on Health and Science be permitted to sit this afternoon at 2 o'clock during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL RIDGWAY

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the reqeust of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, as can be expected, there are now certain desk jockeys and lick-spittle swivel-chair cocktail commandos who are attacking the integrity of the great General Ridgway because of certain charges he has made against the Department of Defense and certain personalities.

I would like to remind you, Mr. Speaker, that General Ridgway commanded the United Nations forces in the Far East. General Ridgway commanded the NATO forces in Europe. General Ridgway is a soldier's soldier. And General Ridgway was Chief of Staff of the United States Army.

Mr. Speaker, the great General MacArthur commanded in the Far East, but not in Europe. The great General Eisenhower commanded in Europe, but not in the Far East. These men were also Chiefs of Staff. But the only great general to command troops in the field in the Far East and in Europe and to be Chief of Staff is the distinguished soldier General Ridgway.

THE STATUS OF FORCES TREATY

Mr. UDALL. Mr. Speaker, I ask unanimouse consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, during recent months the case against the Status of Forces Treaty has been fully outlined in the record of our proceedings by the proponents of House Joint Resolution 309. This morning I presented a statement to the House Committee on Foreign Affairs which sets forth some of the facts and arguments on the other side of this question. The text of my statement is set forth below for the benefit of our colleagues who are interested in studying the many aspects of this problem.

STATEMENT OF REPRESENTATIVE STEWART L. UDALL TO HOUSE COMMITTEE ON FOREIGN AFFAIRS, FEBRUARY 1, 1956

Mr. Chairman, I wish to present a statement this morning in opposition to House Joint Resolution 309. I have made a careful study of the issues framed by this resolution, and I am convinced that it is against the national interest. If enacted it would imperil the North Atlantic Treaty Organization, and disturb the spirit of cooperation which exists between the nations allied with us as partners in programs of common defense.

One of the reasons which impels me to appear before your committee is that the transcript of the July hearings disclosed that not a single Member of the House—of either political party—appeared in person to present the negative side and say the hard things which must be said against this resolution. I am confident, however, that there is a substantial segment of responsible opinion in the House (and in this committee) which supports the forthright position taken by the President and his administrators. Therefore, I think it is important that someone attempt to summarize, for the record, the arguments which make mandatory the defeat of this resolution.

Let me add one other comment before discussing the merits of this controversy. Although the proponents have been at pains to phrase their charges in vague terms (some unidentified "they," we are told, have been parties to a "sellout of American rights") this resolution is an attempt to bully President Eisenhower, and represents a frontal attack on his administration.

Why, you ask, should a member of the Democratic Party take the part of the administration in this quarrel? The answer is quite simple. The Status of Forces Treaty is a prime example of the bipartisan approach in foreign affairs. The NATO council formulated this treaty during one administration, and it was sanctioned and ratified by a successor government. The essence of the nonpolitical approach is that it places the national welfare above party advantage, and it is not difficult for me, in that spirit, to rally behind the President on this unpopular issue.

It seems to me that this resolution poses several questions. The first of these is: Did our Government, as charged, abandon established principles of international law in acceding to this treaty?

WAS INTERNATIONAL LAW ABANDONED?

As usual, international law disputes spawn two schools of thought. As a lawyer I am unable to agree with the interpretation placed on the United States Supreme Court cases by the advocates of this resolution. However, this lawyers dispute is irrelevant and takes place in a vacuum for the plain reason that theories of international law have no practical worth unless they are cognizable in foreign courts. The facts adduced before this committee indicate indisputably that the courts of all 15 NATO countries uniformly have never taken cognizance of such legal theories, and retain full sovereign powers in dealing with military forces of other nations.

Clearly then, the contention that local law-enforcement agencies, without the Status of Forces Treaty, would not have jurisdiction of our troops in NATO countries is thoroughly untenable. This is the central argument of the proponents, and once it has been exploded the second logical inquiry should be:

DID THE TREATY ENLARGE OR RESTRICT RIGHTS?

If, indeed, this treaty confers on our citizens the maximum rights obtainable under the circumstances, we should commend the President and his Secretary of State and their critics should be put to silence.

The evidence now before your committee on this point is uncontradicted and of one tenor:

President Eisenhower: "The NATO status of forces agreements represent the maximum concessions obtainable from the foreign governments concerned, and the agreements are working well in practice." (Transcript, p. 38.)

Gen. Walter Bedell Smith: "* * * It would most certainly follow * * * if the multilateral treaties should not become effective, that less favorable terms than those of these treaties would result from separate negotiations with the respective countries." (Transcript, p. 64.)

Deputy Under Secretary Robert Murphy: "We believe that the arrangements we do have are, in general, the best that we can obtain today. We believe that these arrangements are reasonable and practicable and represent considerable concessions to the viewpoint of the United States by our allies." (Transcript, p. 160.)

CONSTITUTIONAL CONSIDERATIONS

One other, more basic, question should command the attention of this committee. I note, Mr. Chairman, that you and other members have directed questions which exhibit a deep concern, constitutionwise, over the wisdom of enacting this resolution.

I refer, of course, to the propriety of a resolution directing the President to act when the constitutional treatymaking power is lodged in the President himself.

At first blush it would appear that the passage of House Joint Resolution 309 would, in effect, censure the Senate for having been foolish enough to ratify the Status of Forces Treaty in the first place. In any event, there is a grave doubt that the Senate could unratify a treaty once approved. Consequently, would not the House, by passing this resolution, be guilty of arrogating to itself a right to give the Executive advice and consent on treaty matters, a prerogative solely vested in the Senate by the Founding Fathers. One wonders, knowing the propensities of our brethren, if the Senate would not look with seemly scorn on such action?

As for the President's powers, the enactment of this resolution would be nothing

less than a crude legislative encroachment wholly unwarranted by the Constitution. In the present state of the world, with our enormous responsibilities in foreign affairs, this is no time for Congress to weaken the Executive by attempting to usurp Presidential powers. Under our system, the President carries the seals of the office of foreign relations; congressional intrusion in this field can only hinder and harass the Executive in the performance of his constitutional functions.

NATO: A NEW CONCEPT

It would be carrying coals to Newcastle for me to make to this committee more than a few passing remarks concerning our NATO enterprise.

I am fearful that many of the arguments which have been presented here in support of House Joint Resolution 309 show an utter disregard of the basic concepts which make up the NATO idea.

As a peacetime military economic alliance, NATO is without precedent in history. Its member nations stand on equal ground as partners. Its council operates, not by majority vote, but by unanimous agreement. As the founding partner in this free world alliance, it is only fitting that our representatives foster that spirit of mutual regard which in the long run will alone ensure NATO's survival and success. Of necessity, they must deport themselves with wholesome restraint and instill cooperation by respecting the sovereignty and rights of our allies.

Much is said about the fact that our country contributes a lion's share of the men and materiel which form the backbone of NATO. Some do not fully realize, however, that the military bases contributed by many of the member countries, in addition to their other commitments, have an incalculable value—and entail an awesome risk in the bargain. (Experts have estimated that the striking power of our Strategic Air Command would be cut as much as 80 percent if we were denied access to our foreign bases.)

The first objective of Soviet foreign policy since 1950 has been the disbanding of the NATO alliance. Our country should take great care to avoid unwitting actions which might lead to the dissolution or enfeeblement of NATO. Such a misstep could hand the Communists a bloodless victory which might tip the scales against us in the cold war.

CONCLUSION

I would like to conclude my statement with a few general comments on these hearings.

First, I feel that the sincere people who have proposed these resolutions have already accomplished a useful purpose. I have no doubt, Mr. Chairman, that by conducting this inquiry your committee has served notice on our coworkers in the Defense and State Departments that we expect them to exercise the utmost vigilance within the framework of these treaties in protecting the rights of our young soldiers.

It is apparent, too, that there is considerable room for improvement in the protection and assistance accorded our soldiers, and I hope legislation will be enacted, (along the lines suggested by Secretary Brucker), to provide free local counsel for our servicemen who stand accused before foreign courts. We can do this and more to preserve the freedom of our men; and simultaneously we can and must wisely preserve our system of alliances which has done so much to keep the peace of the world.

RELIEF FOR FARMERS

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Speaker, yesterday I introduced a bill which I believe will have the desirable effect of easing the burden the American farmer is presently forced to bear. This legislation will require the Department of Defense to refrain from leasing for agricultural purposes approximately a million acres of land that is temporarily excess to the needs of the Army and Air Force. By taking this public land out of competition with the farmer for the duration of the present agricultural crisis, I am confident that we will be doing substantial service to the farmer and consequently to the American people.

PRICE OF NATURAL GAS

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, we hear much these days about special interests and little people, particularly in reference to the Harris-Fulbright bill to decontrol the price of natural gas at the wellhead.

Unfortunately those who raise the loudest cries against special interests have not bothered to define what a special interest is. Either they do not know, or they are deliberately hiding the facts for their own political purposes in order to make unjust accusations against the administration.

The Council of Local Gas Companies, which is fighting against the Harris-Fulbright bill, claims to represent more than 60 local gas distribution companies.

But who are these companies? Are they little utility companies serving the so-called little people?

Absolutely not. On the other hand they are composed of great holding companies, namely:

The United Cities Utility Company of Chicago, which controls many companies in North Carolina, Wisconsin, Georgia, South Carolina, southeastern Illinois, and Tennessee—none of which is locally owned.

The Consolidated Natural Gas Company of New York, which controls companies in New York, Ohio, and the Middle Atlantic States—none of which is locally owned.

The New England Gas & Electric Co., which owns a number of New England companies.

The Algonquin Gas Transmission Co., which is a major shareholder of pipelines in New England.

The United Gas Improvement Company of Philadelphia, which controls four other associated companies in New Jersey and Connecticut.

These big holding companies—all in the $100-million class—are fighting against the Harris-Fulbright bill. Do they sound like little people?

In contrast, the 8,000 little independent gas producers all favor the bill.

Another point:

The opponents of the bill claim that the housewives' gas bills will go up $800 million a year if the bill passes.

Actually the total gross return to these 8,000 little producers is far less than one-third that figure. The only way that consumers' bills could go up $800 million would be for the producers to receive nearly three times the total present price they are getting for selling gas to the transmission lines, which in turn wholesale natural gas to the utility companies.

Also, how can the release of control at the wellhead possibly result in an increase to the consumer? The contract price to the pipelines have been fixed for the next quarter century or so.

Four contracts with the Transcontinental Gas Pipeline Corp. provide for more than four times the daily requirement of gas users of the East. There is no chance for gas coming out of the pipeline to cost more than 1 cent per 1,000 cubic feet of gas—unless these big special-interest gas companies who take nine-tenths of the housewives' gas dollar decide they are going to take some profit, and use this bill as an excuse.

Could it be that the big special-interest gas holding companies are simply tricked into fronting for the Socialists who sponsor controls of all sorts?

How can we refrain from controls at the mine for coal, on the farm for poultry, in the forest for timber, if we justify controlling the price of gas at the wellhead?

Could the opposition to this bill be simply another Socialist plot to undermine our free enterprise system?

USE OF EXCESS WHEAT FOR CHICKEN FEED

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the other day I called attention to the fact that in Michigan, farmers who planted and harvested too much wheat and fed it to their chickens and poultry, are being prosecuted and some of them threatened with jail sentences. Then I suggested that the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, was sitting on that bill. Now I find I must apologize to him, because coming from the other body yesterday I met him in the corridor, together with the gentleman from Texas [Mr. POAGE] and they both advised me that Mr. COOLEY had not been sitting on that bill as chairman of the committee. I cannot but accept his statement until I learn otherwise. So, I apologize. He said it was a Republican, the gentleman from Kansas [Mr. HOPE] who was holding up the bill to amend the act. It may be that tomorrow I will have to apologize to the gentleman from Kansas [Mr. HOPE]. I am relying on the information I received.

Mr. REED of New York. Will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. REED of New York. They are not sitting on it. The trouble is coming from our side of the House.

Mr. HOFFMAN of Michigan. When will we get the bill?

Mr. REED of New York. My small farmers up home have to pay a fine if they do not store this wheat.

Mr. HOFFMAN of Michigan. I know all about that, but that bill has not been reported out.

Mr. REED of New York. It is the most un-American bill that I know of.

Mr. HOFFMAN of Michigan. I agree with that.

PLAY BALL—THE BROOKLYN DODGERS WILL DO JUST THAT IN JERSEY CITY THIS YEAR

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, this evening in Jersey City, the world famous champions, the Brooklyn Dodgers baseball team is to be welcomed at the Jersey City Armory by the people of Jersey City and Hudson County. This season, as you have probably read in the papers, the Dodgers will play eight games at Jersey City's Roosevelt Stadium.

It was early in 1955 that the Brooklyn Dodgers Baseball Club showed an interest in locating some of its National League games at our Roosevelt stadium.

In the beginning, Walter O'Malley, president of the Dodgers; Mayor Bernard Berry, Commissioners Lawrence Whipple, Joseph Soriero, Donald Spence, and John Ringle sat down to discuss this possibility. At the time, the metropolitan press and people in the area scoffed at the possibility that the world championship Dodger baseball team would come to Jersey City. There was a protracted period of negotiations between the two parties. Mr. O'Malley, Mayor Berry and the commissioners steadfastly held to their respective views. Finally, after a long series of conferences, the negotiations bore fruit. On January 24, 1956, a 3-year contract was signed between the Brooklyn baseball organization and the city of Jersey City, whereby for the next 3 years, the Dodgers would play 8 games at the Roosevelt Stadium in Jersey City. The contract contains a 3-year option, the yearly rental will be $10,000. The Dodgers organization also under the contract are permitted to promote other sports events at the stadium and the city of Jersey City will share in 60 percent of the net receipts of such engagements.

This decision of the Dodger association to come into Jersey City represents a milestone in the advancement of sports in the metropolitan area. Jersey City will become the mecca of sports activity in the years ahead.

The Roosevelt Stadium is second to none in architectural design and modern facilities for athletic games. The people of Jersey City and Hudson County have always been sports-minded. They will support the Dodgers wholeheartedly and they will welcome their entry into Jersey City with outstretched arms. The Dodgers are now part of our Jersey City and greater Hudson County family. We are proud to have them, and we will show them by our attendance at their sports games that we are for them 100 percent.

On Wednesday night, February 1, at the Jersey City Armory, thousands from Jersey City and Hudson County will welcome the Dodger baseball organization. The Governor of the State of New Jersey will be there with Mayor Berry, Commissioners Whipple, Soriero, Spence, and Ringle, and all of the officials of the 11 municipalities throughout Hudson County, in addition to municipal officials from the metropolitan area. The Dodgers organization will be represented by its president, Walter O'Malley, its Vice President Bavasi, and a host of the team, including Walter Alston, the world champion manager; Jackie Robinson, Junior Gilliam, Don Newcombe, Sandy Kovacks, Roy Campanella, Carl Furillo, Gil Hodges, and so forth. This will be our official welcome by the city of Jersey City to this world championship Dodger team. It is going to be a gala affair. We are proud to have them. We are going to do our part in giving the team that moral and enthusiastic support which we hope will carry them to another world championship. Play ball, Dodgers, play ball.

PROPOSED SALE OF SYNTHETIC RUBBER PLANT AT INSTITUTE, W. VA.

Mr. YATES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, in submitting my resolution disapproving the proposed sale of the synthetic rubber plant at Institute, W. Va., to Goodrich-Gulf Chemicals, Inc., I am mindful of the interest and desire of the State of West Virginia and its congressional delegation to see that this plant is put into production as rapidly as possible. I, too, join with my colleagues from West Virginia in hoping that the Institute plant will soon be opened, bringing employment and other benefits to the people of West Virginia. My resolution for disapproval at this time of the sale of the Institute plant is not based upon any desire to block such a sale. Instead it is based upon my desire, and I believe the necessity, of getting on the record before Congress all of the facts behind the sale so that all of us can feel that it is truly in the best interest of the public and the State of West Virginia.

For instance, the Attorney General in his statements approving the report of the Disposal Commission says that during the course of negotiation he wrote the Disposal Commission that the sale of the facilities to Goodrich-Gulf did not best foster the development of a free competitive industry, since such disposal would add significantly to the substantial position held by Goodrich-Gulf in the field of synthetic rubber. The Attorney General further stated that were this a private transaction rather than a sale by the Government subject to review of the Congress, I would probably request a Federal court to enjoin consummation pending a determination of legality by the court under section 7 of the Clayton Act. In other words, the effect of the sale by the Government to Goodrich-Gulf, as opposed to a sale to one of the other bidders, in the opinion of the Attorney General, may be substantially to lessen competition, or to tend to create a monopoly.

Finally, the Attorney General says that the sale and the contract for sale to Goodrich-Gulf does not adequately protect the right of the small-business man to acquire a fair share of the end product of that facility at a fair price.

Certainly these statements by the Attorney General raise the most serious questions as to why the Attorney General and the Disposal Commission approved the sale as one best designed to foster free competitive industry and to afford small business enterprises the opportunity to obtain a fair share of the end product at fair prices.

These questions are so serious that I believe they must be the subject of congressional inquiry and discussion. My resolution will give to Congress this opportunity.

ATTORNEY GENERAL BROWNELL MISSES AGAIN

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the Small Business Act of 1953, as amended last year, requires the Attorney General or, if requested by him, the Federal Trade Commission to make surveys for the purposes of determining any factors which may tend to eliminate competition, create or strengthen monopolies, or injure small business. The same act also requires the Attorney General to report to the Congress the result of such surveys, together with his recommendations concerning them. Under date of November 9, 1955, Attorney General Brownell sent to the Congress a report pursuant to that law. I have read the report very carefully, as have many other Members.

Obviously, the Attorney General has surveyed nothing. He has reviewed the law we wrote and made some incorrect statements about its application. He has not touched upon a single matter dealing with the elimination of competition, creation or strengthening of monopolies, injuries to small business, or undue concentration of economic power. He has not mentioned either the words or the subject matter.

THE LATE HONORABLE FREDERICK WILLIAM DALLINGER

Mr. MACDONALD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MACDONALD. Mr. Speaker, it is with regret that I announce to the House the death of a former Member who represented the Eighth Congressional District of Massachusetts from March 4, 1915, to March 3, 1925, and again from November 2, 1926, to October 1, 1932, Frederick William Dallinger.

Judge Dallinger passed away on September 5, 1955, at a North Conway, N. H., hospital at the age of 83 years. For several years prior to his death he had lived in retirement at Center Lovell, Maine.

Judge Dallinger led a full and useful life, serving his community and State in many public offices. He was born in Cambridge, Middlesex County, Mass., October 2, 1871. He attended the public schools of that city, was graduated from Cambridge Latin School in 1889, from Harvard University in 1893, and from the Harvard Law School in 1897. He was admitted to the bar the same year and commenced private practice in Boston, Mass. He was a member of the American, Massachusetts, and Boston bar associations.

Judge Dallinger was a good Republican and was elected to the State legislature, as a member of that party, serving as a member of the State house of representatives in 1894 and 1895 and served in the State senate, 1896 to 1899. He was public administrator of Middlesex County, 1897 to 1932, and served 3 years as president of the Cambridge Board of Trade. In 1912 and 1913 he was a lecturer on government at Harvard University. He was the author of Nominations for Elective Office in the United States.

Judge Dallinger was elected to the 64th and to the 4 succeeding Congresses—March 4, 1915, to March 3, 1925. He was an unsuccessful candidate for the Republican nomination for the United States Senate. Subsequently he was elected to the 69th Congress to fill the vacancy caused by the death of Harry I. Thayer. He was then reelected to the 70th, 71st, and 72d Congresses and served from November 2, 1926, until his resignation, effective October 1, 1932, having been appointed to the bench. He then served as judge of the United States Customs Court from October 2, 1932, until his resignation, on October 2, 1942.

While it was not my good fortune to be intimately acquainted with Judge Dallinger, I want to pay tribute to his highly distinguished record of service to the Nation and to his native State of Massachusetts. He was known for his devotion to the highest standards of legislative service, first in the State Legislature of Massachusetts and later in the Congress of the United States. Everyone who knew him appreciated his fine character, his generosity and fairness and loved him for those qualities. He was indeed a real American and a true Christian gentleman. Our State and Nation have profited by his life and by his service and will be poorer because of his loss. To all of his loved ones I extend my deepest sympathy. I know that Frederick William Dallinger's memory will live on in the hearts of all the citizens of the Eighth Congressional District of Massachusetts which I have the honor of representing.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, as this 84th Congress convenes for its 2d session I take a reverent and respectful moment to note the passing of a former Member of this House from the Commonwealth of Massachusetts. He is Judge Frederick William Dallinger who died in his 84th year on Labor Day, last September 5. Judge Dallinger, who presided over the United States Customs Court for 10 years up to his retirement in 1942, was a man of learning and background. He was a public servant in the best sense of the term, and the kind of scholar whose public life became a part of his material in the teaching of political science. For he lectured on the subject at Harvard and wrote about his public life and the great men of his time with good taste and largely from personal knowledge and contact.

Judge Dallinger served in the House of Representatives from 1915 to 1933 so that he was a Member here from the 64th to the 72d Congress. He was a Republican and liked to refer to himself as an "old-fashioned New Englander." Judge Dallinger and I were participants in the affairs of Government during the latter days of his service in this House and the early days of my career here. He was of one political persuasion and I of another, and I may not have found it possible in my frame of political thinking to go along with Congressman Dallinger on all his views. But I would never hesitate to testify to his integrity, to the honesty of his political convictions, and to his stature as a patriot and a gentleman. Judge Dallinger belonged to the era and was of the genre of such distinguished Americans as Theodore Roosevelt and Charles Evans Hughes. He wrote about his times knowingly and with the validity of the educated man whose approach is factual and well grounded. It may be that his passing will again attract attention to the summary of his views found in his book Recollections of an Old Fashioned New Englander. I commend to your reading also—if alone for its nostalgic interest—his brief work, Some Personalities I Have Known. These personalities include William E. Russell, the late Democratic Governor of Massachusetts; Frederick T. Greenhalge; Roger Walcott; Curtis Guild; Father Thomas Scully, a Catholic Army chaplain; Benjamin Harrison; William McKinley; William Howard Taft; Woodrow Wilson; Warren G. Harding; Calvin Coolidge; and Herbert Hoover. Another of his books worthy of our interest in the political field is Nominations for Elective Office in the United States.

But Judge Dallinger was not only a student and an observer, a public official, a lawyer, and a writer. His influence extended to business and business organization. Born in Cambridge, he was a member of the Massachusetts House and the Massachusetts Senate before the turn of the century and became president of the Cambridge Board of Trade and president of the Cambridge Chamber of Commerce. After his retirement from the bench he engaged in agricultural pursuits, living for years at Center Lovell in Maine. Judge Dallinger was a graduate of Harvard and of the Harvard Law School and will be identified in history as a typical American gentleman ideally prepared for a life of leadership in his time and justifying by his performance the superior advantages which life had given him. He was a Congressman whose ideals of service may well be emulated in our time.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AUTHORIZING CONSTRUCTION AND CONVERSION OF CERTAIN NAVAL VESSELS

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7993) to authorize the construction and conversion of certain naval vessels, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7993, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Georgia [Mr. VINSON] is entitled to 1 hour and 30 minutes and the gentleman from Missouri [Mr. SHORT] to 1 hour and 30 minutes.

Mr. VINSON. Mr. Chairman, I yield myself 30 minutes.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. VINSON. Mr. Chairman, the bill we have before us today, H. R. 7993, represents the shipbuilding program for fiscal year 1957 which the President has submitted to the Congress as a part of the budget for this year.

This portion of the budget will be studied by the Appropriations Committee in the near future.

I want to point out at the outset that this bill is not necessary to make it in order for the Appropriations Committee

to make funds available for the ships proposed for construction and conversion in this bill. As the report on the bill indicates, there is available about 1⅓ million tons of ship authorizations from laws which have passed the Congress over the past 20 years.

It is clearly, then, within the province of the Appropriations Committee to provide the Navy with the funds for the 1957 program without the Congress passing this bill.

There is one exception to this and that is the escort vessels totaling 2,800 tons which you will see referred to on page 2 of the bill. The Navy does not have any tonnage in this particular category.

Let me quote from that portion of the President's budget message which deals with this year's shipbuilding program:

> This budget provides for continuation of the Navy shipbuilding program at a slightly higher level than in the fiscal year 1956 in order to carry forward the modernization of the fleet, most of which was built during World War II. In addition to those already authorized by the Congress, there is included in the proposed shipbuilding program for 1957 the construction of a sixth carrier of the *Forrestal* class, additional nuclear-powered submarines, guided-missile destroyers and frigates, and an experimental nuclear-powered cruiser. Provision is also made for developing a practical nuclear powerplant for future installation in ships of the large carrier class. Conversion of ships now in the fleet will be undertaken to provide them with additional nuclear weapons and with guided missile capabilities, and to permit them to operate modern high-speed aircraft.

That is what the President had to say in his budget message concerning shipbuilding for this year.

Now, it is the view of the House Armed Services Committee, and one which I think every Member will agree, that the Congress and the public should know—and know in considerable detail—exactly what ships our Navy proposes to build.

I do not mean by this that they would not know as a result of the study of this portion of the budget by the Appropriations Committee, because that committee would bring out all of the pertinent facts during its hearings.

Also, there would appear in the appropriations bill an item for shipbuilding which would spell out in dollars and cents the amount of money which would be used for shipbuilding during the coming fiscal year. However, in order to obtain the details with respect to the individual ships in the program, it would be necessary to examine the somewhat voluminous hearings of the Appropriations Committee.

Now, the Armed Services Committee is of the view that this is such an important part of our defense program that there should be provided easy opportunity to examine the individual ships to be built and the individual conversions to be made so that the matter can be the subject of full and free discussion and debate. And, that is the real and fundamental purpose of presenting this bill to the House.

I think this is a wholesome way to approach our Navy shipbuilding program not only because of our very natural interest in the progress and development of our naval forces but also because a billion four hundred and fourteen million dollars, the cost of this year's program, is a great deal of money.

With these thoughts in mind, the Armed Services Committee held a hearing and took testimony from the Secretary of the Navy; our new Chief of Naval Operations, Admiral Burke; and the constructor of the ships, Admiral Mumma, the Chief of the Bureau of Ships.

The remarks I am going to make will brief the testimony which we received from these officials and let you and the public know the condition of our Navy today and what it will be in the near future.

I want it clearly understood that the hearings held by the Armed Services Committee and the presentation of this bill to the House in no way should be construed as an attempt to put pressure on the Appropriations Committee. Nothing is further from our minds.

As a matter of fact, during the debate on the appropriations bill any member could offer an amendment to add more money to the bill for particular ships which he might believe we need. Or, he might move to strike some of the funds because of his belief that the Navy was not going in the right direction.

I cannot emphasize too much the importance of this bill because it represents the transition of our Navy from conventional power to nuclear power. It also represents the transition from conventional weapons to guided missiles. All of this I will go into in more detail a little later on.

Although the ships in the program will take various lengths of time to complete, the entire program will be completed four years from now.

I think it will have much more meaning for you if I describe briefly the status and condition of our Navy as it exists today and in the shipbuilding program that is now going on. First, our Navy today. We have 985 ships of all kinds in commission today and we have almost 1,800 ships in mothballs. The personnel strength of the Navy today is 662,000 men. We have over 16,000 airplanes in the Navy.

Of the 985 ships in commission, 404 are combatant ships which includes battleships, aircraft carriers, cruisers, destroyers, and submarines. The aircraft carriers in this number are 26.

That is the picture of the existing Navy.

There are being built today in the United States at some 58 private and naval shipyards throughout the United States 73 fleet vessels. There are 15 more which are authorized but not yet awarded or assigned, making a total of 88 naval vessels in the current building program. In addition, there are being constructed some 1,069 service and landing crafts. There are 1,235 more service and landing craft authorized but not yet awarded or assigned, making a total of 2,304 such craft in the current program.

Of the 88 vessels either under construction or to be placed under construction in the near future, 42 are classed as major combatant ships. Four of them are *Forrestal*-class aircraft carriers, 10 are destroyers, and 1 is a frigate. In addition there are 10 escort vessels and 3 guided missile frigates in the program. Fourteen submarines are being built, or will be very shortly, including 6 with nuclear power.

As I said, these ships are being built in 58 private and naval shipyards throughout the United States. Some of them in Maine, some in New York, some in Massachusetts, some in Washington, California, Connecticut, and Virginia.

All of these ships will cost about $2,785,000,000. Appropriations to cover all of this construction have already been made and the funds are available.

Now that is the Navy as it is and as it will be when these ships are constructed, not counting, of course, the ships in this bill.

The budget which the President recently submitted to the Congress contains an item of $1,429,000,000 for shipbuilding by the Navy. That is the shipbuilding authorized by this bill. This budget requests money for 23 new ships, 5,000 tons of landing and service craft, and for the conversion and modernization of 23 vessels.

The cost of the 23 new ships and the 5,000 tons of landing craft is $1,086,269,000. The cost of modernizing the 23 vessels is $306,393,000. In addition, there is included authorization to commence design and advance procurement for the reactor for a nuclear-powered aircraft carrier. This will cost $22 million.

The total cost of this program, taking into account adjustments from previous programs, is $1,429,000,000. As I have previously stated, this is contained in the President's budget and will soon be considered by the Appropriations Committee.

It is my sincere hope that the Appropriations Committee will see fit to recommend enactment of the shipbuilding funds necessary for the building of the ships contained in this bill and requested by the Navy.

In the case of combatant ships there are over 1,300,000 tons authorized and as yet unobligated and unfunded. In the case of ships other than those of the combatant categories there is less surplus tonnage in the books, but enough to cover everything requested in the current budget except the 2 escort vessels.

It is the province, the duty, and the responsibility of the Congress to choose the ships which shall be provided for our armed services and not to leave the choice of such ships entirely in the hands of the Department of Defense.

It is appropriate that the Congress express its desires in this matter and that the executive branch of the Government take the money appropriated by Congress and provide with it the precise ships specified by the Congress.

H. R. 7993 provides that the tonnage for the ships specified in the bill shall be charged against tonnage already existing and authorized by law. Thus the bill gives the Department of Defense a mandate from the Congress that certain specific vessels shall be built within the broad framework of the general tonnage authorizations already on the books.

At this point I would like to describe some of the more important vessels in

the Navy's building and conversion program. The emphasis is on three things: First, high-performance jet aircraft and, specifically, aircraft carriers designed to carry them; second, guided missiles; and, third, nuclear propulsion.

The major vessel in the shipbuilding program is the sixth aircraft carrier of the *Forrestal* class. We must continue to build these carriers to avoid mass obsolescence in existing carriers in the early 1960's. The bill also authorizes the Navy to commence design and procurement for a nuclear powerplant suitable for installation in a carrier of this class. The Navy hopes to install this nuclear powerplant in an attack aircraft carrier scheduled for next year's shipbuilding program.

I want to draw the attention of the Members of this House to the fact that this bill contains the first nuclear-powered surface ship. It will be a guided missile cruiser of about 11,000 tons. Through the building and operation of this ship the Navy will gain information which will be extremely helpful in developing the nuclear plant which the bill authorizes for an aircraft carrier.

Also, this ship will be the first one designed from the keel up to handle guided missiles and it will add greatly to the offensive and defensive abilities of the carrier task force which is, of course, the main striking arm of the Navy.

Additional guided missile abilities will be supplied to the fleet by the 4 guided-missile frigates and the 8 guided-missile destroyers in the building program.

Now, those are the new ships.

The conversions in the bill involve five existing light cruisers which will be converted to carry guided missiles. These, in addition to those currently underway and recently completed, will provide substantial guided missile capabilities for the fleet, quickly, at relatively low cost, and without greatly detracting from the other weapons potentials of these vessels.

The shipbuilding program for submarines marks the first building program since the war which does not contain any conventionally-powered submarines. All six of the submarines in this program will be nuclear powered. This makes a total of 14 nuclear submarines planned, building, or completed. The day is not far distant which the bulk of our active submarines will be atom powered. The Navy has made tremendous strides in the development of this potent new weapon and this year's program will make substantial contribution to its ability to retain control of the sea.

Other vessels in the bill represent continuation of long-range building programs of the Navy aimed at avoiding the prospect of mass obsolescence of vessels built in World War II. For example, eight destroyers previously mentioned in connection with their guided-missile capabilities, the escort vessels, and an ammunition ship.

In order to extend the useful life of existing carriers, the Navy is also converting four aircraft carriers to take the angled deck and other features necessary for handling the high-performance aircraft coming into operational use. This includes the conversion of the remaining unconverted carrier of the 45,000-ton *Midway* class.

The Navy is also going ahead with the development of amphibious warfare techniques. The conversion of a second escort carrier to an amphibious assault ship will permit the transportation, equipping, and landing of a considerable number of troops by helicopter. Also, the conversion of a modern high-speed vessel of the *Mariner* class to an attack transport will add to our amphibious capabilities.

The Navy is also planning to build hydrofoil landing craft—a small craft which will ride on skis at speeds of up to 30 knots to enable rapid loading of troops and equipment.

Now, I have described both the shipbuilding program that is now underway for which authorizations and appropriations have been made in previous years and I have also described the program for the coming year.

I hope I have been able to get all of these facts clearly in the mind of each Member; but, in any event, I would like to draw the attention of everyone to the report on this bill.

I have had the report prepared this year so as to give a good bit of the historical background of our naval authorizations, a brief summary of the costs of the various parts of the program, the basic considerations on which the program is based, and a fairly detailed description of each of the ships in the new program.

In addition, I have set out in the report not only how many ships are being constructed under the current program, but also the names of the shipyards where the work is going on.

I would like to direct the attention of each Member to this report because it is very detailed, and I think it will answer the great majority of questions which he may have in his mind.

All in all, I believe this to be a well-rounded program, one which merits the support of every Member of the Congress—a program which will make it clear to everyone that our Navy intends to continue to control the seas and back up our foreign policy with invincible strength; that we will always have effective force available on short notice off any shore where it is needed; and that those who engage in aggresison against any part of the free world do so at their peril. In summary, then, we have 985 ships in commission, 1,800 ships in mothballs.

The strength of the Navy is 662,000 men, 16,000 airplanes.

Of the 985 ships in commission, 404 are combat ships, 26 aircraft carriers in commission.

The above is a picture of the existing Navy today.

In the United States, private and Navy shipyards throughout the country are building 73 fleet vessels; 15 more are authorized but not yet awarded or assigned, making the present shipbuilding program a total of 88 vessels.

In addition, we are constructing 1,069 landing craft; 1,235 more service and landing craft authorized but not yet assigned, making a total of 2,304.

In the present shipbuilding program of 88 vessels, 42 are classified as major combatant ships; 4 of them are *Forrestal*-class aircraft carriers, 10 are destroyers, and 1 is a frigate.

In addition, there are 10 escort vessels and 3 guided-missile frigates in the program.

Fourteen submarines are being built, including 7 with nuclear power.

These ships are being built, some in Maine, New York, Massachusetts, Washington, some in California, Connecticut, and Virginia.

The cost of this program is $2,785,000,000.

Appropriations to cover all of this construction has already been made and funds are available.

The cost of these ships is $1,429,000,000.

The budget requested money for 23 new ships, 5,000 tons of landing and service craft, and for the conversion and modernization of 23 vessels.

Now, that is the program referred to in this bill.

Now, let us break it down:

The cost of the 23 new ships and the 5,000 tons of landing craft is $1,086,269,000. The cost of modernizing 23 vessels is $306,393,000.

In addition, there is included authorization to commence design and advance procurement for nuclear reactor for aircraft carrier. This will cost $22 million.

The conversion program of the 23 vessels involve converting 5 existing light cruisers to carry guided missiles.

The conversion of the *Coral Sea*, the last of the 3 large *Midway* class, will provide for modernization of that vessel. The other three aircraft carriers, the *Intrepid*, the *Oriskany*, and the *Lake Champlain* will be converted by modifying them to an angled deck and receiving other alterations which will enable them to handle advanced types of naval aircraft for a period of several years.

The conversion of the submarine will launch guided missiles.

The Navy contemplates the conversion of a second escort carrier capable of landing large numbers of troops by helicopter.

These conversions, as I have previously stated, are referred to in greater detail in the report. They will cost $306,393,000.

There are 23 new ships, 5,000 tons of landing craft, and 23 vessels to be converted in this manner.

Now, that is the program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand the gentleman to assure us that none of the conversion program or the construction program will be done in foreign shipyards?

Mr. VINSON. Every ship in this program will be built in a United States shipyard.

Mr. GROSS. That is good.

Mr. COLMER. Mr. Chairman, will the gentlemen yield briefly?

Mr. VINSON. With pleasure.

Mr. COLMER. I noticed in the report on page 9 that the committee has received assurance of officials in the Department of the Navy that there will be appropriate distribution of the construction program in accordance with the foregoing and also between private and Government shipyards.

I recognize the difficulty the committee would have in trying to spell out just where these ships will be constructed. But am I justified in assuming from that language that the committee did go into that matter and that there will be substantial distribution so that the yards in all sections of the country will be used?

Mr. VINSON. Mr. Chairman, I am glad the distinguished gentleman from Mississippi [Mr. COLMER] has brought that up. A moment ago I stated that under the present shipbuilding program, and even under the law, construction must be divided 50–50 between industrial yards and Navy yards. During the hearing, I particularly asked the Secretary about that and the Ship Constructor, the head of the Bureau of Ships. I told them that it was the opinion of the committee that we should endeavor to distribute this shipbuilding program throughout the length and breadth of the United States, that we should give it to yards all over the country. It is a large, healthy program and it is to be hoped that all yards will have an equal opportunity to build these ships, if they meet competitive prices when bids are asked for.

Mr. COLMER. And competitive prices will be an important factor in this consideration?

Mr. VINSON. Of course, they will.

Mr. COLMER. I thank the distinguished chairman.

Mr. VINSON. I say that in this bill we are right at the borderline of the transition from conventional steam propulsion to the use of nuclear power in operating our ships. This measure is an important and historic one because, as I say, it marks this transition. You will find that in this bill, for the first time in the history of this Government, we are laying down, from the keel up, the construction of the ship designed, in the first place, for guided missiles and in the second place, the first surface ship with nuclear propulsion.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I congratulate the gentleman on the statement he is making. Certainly he realizes that as I have the honor to represent the New London-Groton area, I am very much interested in his statement. I wonder if the gentleman could elaborate in more detail than is in the bill and in the printed report on submarine development, particularly in connection with the development of nuclear power.

Mr. VINSON. I do not believe I should go into detail for various reasons which include very technical matters which I am not qualified to talk about. We are merely providing that there will be 6 more nuclear-powered submarines. The *Nautilus* is already in existence, the *Seawolf* not far behind. The information we have obtained in regard to the operation of the *Nautilus* will be of great benefit in all the work in connection with nuclear propulsion.

Mr. SEELY-BROWN. I thank the gentleman.

If I may ask one further question, Is it the gentleman's personal conviction and belief that the development of nuclear-powered submarines is going to be an expanding operation in the future?

Mr. VINSON. The bill right now provides for several more of these nuclear submarines. Of course, it is going to be expanding. The day is not far distant when every ship in the American Navy will be operated under nuclear power.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from North Carolina.

Mr. BONNER. The gentleman is talking about something in which I am very much interested from the experience we had here in the House. We passed in the House an authorization for the construction of a practical combination of cargo-passenger vessel powered by nuclear energy. That bill went to the other body and was transferred around winding up not to the committee that handles legislation parallel to that handled by our Committee on Merchant Marine and Fisheries here in the House, but to the Joint Committee on Atomic Energy.

The question I want to ask is this: You are dealing here with nuclear energy for the propulsion of aircraft carriers, submarines, destroyers, and so forth. When this bill goes to the other body, will it be handled by the Joint Committee on Atomic Energy, or what will be the policy in the future with respect to such matters?

Mr. VINSON. This bill will go to the Armed Services Committee of the Senate.

Mr. BONNER. This bill will go that way but other legislation has not. Can the gentleman explain that?

Mr. VINSON. The only explanation I can give, and the gentleman will pardon me for the explanation, is that I am going to try to channel mine to where it should go.

Mr. BONNER. I want to get some of the gentleman's wise counsel.

Mr. VINSON. I will take that up with the gentleman at any time.

Mr. BONNER. I appreciate it, but I want to go further with this. Does the gentleman understand in his committee that in dealing now with atomic energy for vessels you have to confer with the Joint Committee on Atomic Energy before you can do anything with that subject?

Mr. VINSON. In reply to that statement, may I say that there are 37 men on the committee that I have the honor to serve as chairman, and when we make up our minds about something we do not consult anybody. We come on the floor of the House with the matter.

Mr. BONNER. The House sustained the Committee on Merchant Marine and Fisheries in this same proposal. I want to know if in the future these bills will go to the Joint Committee on Atomic Energy from the standing committees of the House such as the gentleman's committee?

Mr. VINSON. I would say with all deference to the gentleman, and in all seriousness, and I have great respect for the Joint Committee on Atomic Energy, that this bill will not go there. We have no requirements to consult them, because we think the facts the Navy faces today warrant it in going ahead and building nuclear power into the ships that are called for in this bill. Each of the committees has its own proper sphere.

Mr. BONNER. I agree with the gentleman and I should like to state at this time that if there is referred to this body, either from the Senate or from any other source, a legislative proposal contemplating the construction of a nuclear-powered merchant ship or for that matter any other kind of merchant ship, I shall expect that the proposal will be referred to the Committee on Merchant Marine and Fisheries. There can be no question but that the Merchant Marine Committee has jurisdiction under the Legislative Reorganization Act of 1946 to consider proposals of this nature.

Did your committee authorize the construction of the *Nautilus*?

Mr. VINSON. Yes.

Mr. BONNER. And not the Atomic Energy Commission?

Mr. VINSON. Of course not, we authorized it ourselves just as we are authorizing this. If there is one thing that these 37 men on our committee are very jealous of, it is our prerogatives. We do not want to trespass on anybody else's prerogatives and we certainly are not going to let anybody trespass upon us.

Mr. BONNER. I want the House to know I am very jealous of the authority vested in the Committee on Merchant Marine and Fisheries. I have no ill feeling toward the Joint Committee on Atomic Energy.

Mr. VINSON. I thank the gentleman.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HALE. I am surprised to note on page 2 of the report under the paragraph captioned "Legislative Background" references to statutory limitations of Navy ship tonnage contained in the Washington and London Naval Treaty of 1922 and 1930. What I would like to know is whether there is any treaty inhibition applicable at the present time to the size of our fleet?

Mr. VINSON. The gentleman means whether there is any inhibition on the size of our fleet without authorization?

Mr. HALE. That is right.

Mr. VINSON. The answer is "No." But let me also point out that there were 1,300,000 tons previously authorized, starting on March 7, 1934, down to date. That is the tonnage which remains on the statute books which would permit the Committee on Appropriations to make appropriations for the construction of ships. As I have said at the outset, it is not necessary to have this bill here today to make it in order for the

Committee on Appropriations to grant the necessary funds when it brings in a line item and a money figure for so many ships.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SHORT. I merely want to point out to the gentleman from Maine that there is no limitation by any kind of treaty at all. It is entirely up to the will of the Congress.

Mr. VINSON. That is correct.

Mr. HALE. That is exactly what I wanted to know and it troubled me.

Mr. VINSON. It was merely referred to because the buildup of the Navy started after the Washington-London Treaty.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the record of carrier task force operations in World II, the Korean war, and recently in operations in the Formosa area, attests to their indispensability in the discharge of basic naval missions. Never in the history of warfare has naval power attained such undisputed offensive capabilities as by the current exploitation of naval airpower. This has been achieved by an aggressive, orderly development of the best possible ships, weapons, and aircraft. Modernization of ships has long been a Navy policy. Since 1946 the Navy has kept pace with the advancement of aircraft of higher speeds, greater weights, and longer ranges by means of converting existing aircraft carriers. There is a limit, however, to the improvements which can be achieved by modernization. Today the Navy is faced with a situation where it can no longer improve its World War II aircraft carriers to the extent necessary for them to fully meet the needs of future operations. The Navy realized at the end of World War II that such a situation would exist in the foreseeable future. Therefore, it began early to press for new and larger carriers. In 1949 the first of this class of carriers was authorized. This was the *United States*, but shortly after the keel of the *United States* was laid, it was ordered canceled by the Secretary of Defense for economy reasons. However, in 1951 it became apparent that it was a grave mistake to deny new, modern carriers to the Navy and the U. S. S. *Forrestal* was authorized to be built. Succeeding Congresses have authorized and appropriated for a total of four *Forrestal* class carriers. Many experts on naval warfare have stated that it is necessary for the Navy to build up to a strength of at least 10 to 12 *Forrestal* class carriers if it is to retain its offensive combat capabilities. The aircraft carrier who construction is authorized by this bill, will be the sixth of the *Forrestal* class carriers.

There are many important reasons why the Navy needs carriers of the *Forrestal* class to accomplish its mission. The weight of aircraft has been steadily progressing in an upward direction since the *Essex* carriers were laid down. The upward trend became even sharper with the introduction of jet aircraft burning aviation fuel at a rate over three times the normal reciprocating engine rate per sortie. In order to get any range at all, it has been necessary to put more gasoline in each airplane. In order to carry this additional gasoline the plane has become larger, thus increasing in weight. A look at the airplane weights will show that if the Navy is to continue the development of aircraft of higher performance at longer range the carriers must have stronger decks. This can be done in the *Forrestal* class, but otherwise the Navy will be forced to use inferior aircraft because the decks of existing carriers can no longer be improved, particularly the flight decks of the relatively numerous *Essex* type.

The matter of aviation fuel is important since the introduction of jets has caused fuel requirements to more than triple. This problem has been partially solved in conversion by fuel blending. The process of fuel blending involves mixing high-octane gasoline with a low flash-point type of kerosene which can be carried outside protected stowage. The resulting mixture of aviation fuel can be burned in jet engines. Except for this solution of the problem, it is necessary to utilize the ships' fuel oil stowage which reduces the cruising radius of the ship. The point has been reached where fuel blending is no longer sufficient to provide the needed fuel capacity. Therefore the cruising radius of carriers has been reduced as low as possible, but by so doing only sufficient aviation fuel capacity has been provided to account for expected aviation development during the next few years. After this, as jet fuel consumption further increases, there will be nowhere further to go. The limit with the old ships will have been reached. The only way of getting sufficient fuel will be through the use of a new type of ship.

All of the Navy's present carriers were designed during an era in which most planes were deck-launched. This permitted short intervals between aircraft launchings; much shorter than for catapult launchings. In addition until very recently, air defense has been provided primarily by fighters remaining aloft on 3-hour combat air patrols. In other words, there was a constant covey of defensive fighters in the air. These fighters were supplemented by launching a smaller number of fighters with equal endurance as enemy raids approached. At present, however, because of the switch to jet fighter planes which require longer and longer decks for conventional takeoffs, all fighter-type aircraft are launched from aircraft carriers by the use of catapults. Due to the limited endurance of a jet fighter, more reliance is placed on rapid launching of fighters to meet raids. A *Forrestal*-type carrier will excel for operations of this type because of its four catapults. These 4 catapults would permit the launching of 32 interceptors in as little as 4 minutes.

Those of us who have visited the *Forrestal* are utterly amazed—and I might say that the Secretary of the Navy in the near future is going to extend an invitation not only to the members of the Committee on the Armed Services, but also to all Members of the House, and I suppose to Members of the other body also, to take a little trip on the U. S. S. *Forrestal* as well as the *Nautilus*, the atomic-powered submarine that has far surpassed the expectations of the most optimistic, and also one of our guided missile launching ships. I hope all of the Members when they receive that invitation will find it possible to accept.

If one of the *Forrestal*'s catapults is out of order the reduction is only 25 percent; there are still three left. On the other hand, existing carriers, which have only 2 catapults, could approach only half of this rate, and if 1 of these 2 catapults were out of commission the rate would be reduced by 50 percent. It is important to realize the impossibility of installing additional catapults on a ship designed for only two. There is not enough moment or weight compensation available and far too little deck area in present carriers for the installation of additional catapults.

The requirement for aviation ordnance stowage space constitutes another factor requiring a completely new carrier design. Existing carriers were designed for planes which would carry not over a ton of bombs or rockets. The present single-engine attack type alone can carry 4½ tons and regularly carried 3 tons in Korea. Present carriers, even when converted, have barely enough stowage space for present demands for aircraft ordnance. While no further increase in tonnage per plane is to be anticipated, new weapons are being developed which will require more stowage space per ton. These weapons include atomic bombs, guided missiles and a new series of conventional bombs with long, streamlined shapes which do not stow as efficiently as the blunt end cylindrical types. All ordnance and all fuel compete for space inside the armored box of the modern carrier; in existing carriers this box is only so big. It cannot be increased. Consequently, space is the controlling factor. A larger carrier is necessary if the situation is to be improved. While the fully converted carriers now at sea have barely enough room for a minimum stock of air-to-air missiles, the new large carrier will have ample room for at least three times this quantity. Also, the Navy's converted carriers have only a minimum amount of 20-millimeter ammunition and rocket capacity over present needs. It is to be expected that the consumption of these items will grow; the large new carriers will provide for about one-third additional growth for 20-millimeter ammunition and rockets. Also, in using the converted carriers for mine warfare it is necessary to displace bombs with aerial mines. In the new carrier it will be possible, because of additional stowage space, to carry significant stocks of mines without displacing bombs.

It is important to note that the largest tonnage requirements for ordnance do not arise incident to the operation of long-range aircraft from carriers. The maximum demands for ordnance come into existence when many planes of the smaller type are operated at short ranges, such as in Korea. Therefore,

the expanded ordnance space on large carriers is primarily the result of needs for short-range tactical operations.

Each class of Navy carrier was initially designed to acommodate approximately 100 aircraft, depending, of course, on types and sizes. Approximately one-half of these aircraft are stowed in the hangar deck. If the hangar deck is not of sufficient size or the elevators which carry the planes from the flight deck to the hangar deck are not of sufficient capacity and size to accommodate aircraft, approximately 50 percent of aircraft capacity will be lost. In other words, the hangar deck space can be utilized only if it is high enough to accommodate existing aircraft or if the elevators have sufficient capacity to take the airplanes below. In order to utilize the existing carriers, it has been necessary to adapt such expedients as folding tails, folding wings, kneeling airplanes, and so forth. All of these methods of making sure that the airplane will fit in the hangar deck have an effect upon the design of the aircraft. The major deficiency in existing carriers is hangar height. Since the *Essex* class, all Navy carriers have been built around a 17-foot-6-inch hangar deck. Aircraft designed for higher speeds, approaching the supersonic, requires higher and higher tail fins. In the latest classes of aircraft it has been necessary to incorporate a folding tail fin in order to stow them in the existing carriers. This adds weight to the aircraft and adversely affects its design. In the *Forrestal*-class carrier the hangar deck height has been increased to 25 feet which should permit avoiding most of the expedients which have limited advancements in design.

It seems certain that if fighter performance is to increase, landing speeds must also increase. In the case of land based aircraft, airports are becoming longer and longer to accommodate the newer types. While in carriers arresting gear is used, the space which the aircraft must utilize to land will of necessity increase due to higher landing speeds. The new carrier provides for this growth through increased length and width of the landing area.

Finally, there is a need for better protection against torpedoes, bombs and other weapons. In the Navy's existing carriers of the *Essex* class, there is a wooden flight deck which is most susceptible to top-side damage. On the other hand, the *Midway* class of carriers has a steel flight deck which is considered by the Navy to provide ample protection from top-side damage.

This type of flight deck will be installed on the new carriers of the *Forrestal* class. Installation of a steel flight deck on conversions of the *Essex* type carriers would be prohibitive both as to weight and as to cost. In the *Forrestal* class carriers there will be installed an additional holding bulkhead which will enhance protection against underwater damage and, which, the Navy is very sure can repel any known torpedo. More and more weight has been added to the hull of the *Essex* carriers so that these carriers now displace in the neighborhood of 36,000 tons in comparison with their original displacement of 27,000 tons. Naturally it has been necessary to sacrifice some underwater damage control features in order to accomplish this increase in displacement. The design is still within a safe range but to exceed the current displacement would amount to too great a risk, particularly if a ship were damaged in its full-load condition.

To sum up, the requirement for the large carriers is completely analogous to the problem of airfields—civilian and military. Modern aviation can no longer operate satisfactorily and safely from airfields which were constructed a few years ago and which were then entirely adequate. In the same way that older airfields have been stretched and improved, so have our present carriers been modernized through conversion. But as airfields reach a limit of elasticity, so there is a limit to the possibilities of carrier conversion. If naval aviation is to make full use of the weapons and aircraft coming into being in the near future larger carriers are an imperative necessity. I strongly urge that the Congress support a program of adding one aircraft carrier of the *Forrestal* class or better to the fleet each year as long as it continues to be apparent that the aircraft carrier will play a vital part in the defense needs of the Nation. By continuing the orderly replacement of older carriers with one *Forrestal*-class carrier each year, the Navy will be able to keep pace with the new types of aircraft as they develop and will retain the great combat potential which it now possesses. This does not mean that the older aircraft carriers of the *Essex* class will be discarded. They will remain valuable for the accomplishment of many missions which are now relegated to the smaller CVL and CVE classes of aircraft carriers. Support operations just like combat operations are developing newer, larger, and faster aircraft, and requiring larger aircraft carriers for their operation. The orderly development of the aircraft carrier building program will insure that the Navy's emergent requirements are met in the most expeditious and economical manner possible.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Illinois.

Mr. SPRINGER. In this new construction of aircraft carriers and in the conversion of others, will this make possible a wider range of coverage by airplanes from those carriers?

Mr. SHORT. It will. I am confident that it will.

Mr. SPRINGER. Now, will it be substantial?

Mr. SHORT. I think it will be substantial, because they are larger planes with longer range.

Let me take time right at this point to say this: I think the distinguished chairman brought it out in his statement, but we cannot overemphasize that we are at the dawn or the beginning of an era of transition from the conventional method of propulsion to that of nuclear power.

There is provision in the bill for an atomic-powered cruiser, whose sole mission is to carry guided missiles. Its range will be limited only by the endurance of the crew, just as we hope that in future years a B–52, or a comparable aircraft, will be able to fly indefinitely around the world, 2 or 3 or a half dozen times, perhaps, without refueling, whose range and length of operation will be limited more by the endurance of the crew than the machine itself. I think I can make that rather startling statement, although I am no scientist or the son of a scientist. I think even in my advanced years, I am going to live long enough to see that accomplished, because of the tremendous strides in science we have made since the close of World War II.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield for one more question?

Mr. SHORT. I yield to the gentleman.

Mr. SPRINGER. I read from the report that was submitted; and this refers to the U. S. S. R.:

> Her submarine fleet now numbers over 400, of which a large percentage are new construction, long-range boats. In each of calendar years 1956 and 1957, she will commission about 75 to 85 new modern submarines. Besides this huge underseas fleet, the U. S. S. R. has built more destroyers and cruisers since World War II than all of the nations of the rest of the world combined. These surface ships are modern and incorporate the latest technological equipments.

Is there any intelligence or evidence before the committee that these will carry guided nuclear-powered missiles?

Mr. SHORT. Our intelligence is only fair, and of course it is impossible for us to know all of the details of the various weapons that the Soviets are now manufacturing. But that statement, that was given to us by no less a witness and authority than the Chief of Naval Operations, was quite shocking and startling, at least to me. But, from the best intelligence it would seem the Russians now have more than 400 snorkle submarines. We have no evidence that they have any driven by atomic energy or nuclear power.

Mr. SPRINGER. Does the gentleman's committee have any intelligence or any credible evidence that these vessels are using or contemplate using guided missiles?

Mr. SHORT. If we can achieve that, it is only reasonable to suppose that the Soviets, who have the advantage of the services of many German scientists whom they took at the close of World War II can achieve it, just as they are catching up with us in the development of the atomic and the hydrogen bombs. Of course they will develop guided missiles, and they are not making them to sit on. We are not so different from other people. We have no monopoly on the brains and genius of the world. I think that at the present time we are superior to the Soviets not only in our naval strength but also in our scientific research and technological development. We must maintain this superiority. But we should not be so foolish as to bury our head in the sand and feel safe, because certainly we have enough intelligence to know that the Communists have

made such tremendous strides in building up all branches of their armed services, such as the new fast type interceptor and long-range bomber, that it is frightening.

The most disconcerting thing in connection with these 400 large, fast submarines of the snorkel type is that the Nazis had only 150 in World War II, but they sank 54 of our 59 tankers off the eastern coast, carrying oil from Aruba and Curacao to our eastern seaports, and came dangerously near winning the war. If the Nazis could do that with 150 submarines, imagine what the Russians could do with over 400 submarines. Despite the fact she has been traditionally a great land power depending on her army, she has made more progress in building up her navy since the close of World War II than any other country in the world. She is the second maritime power now, far ahead of Britain and next to the United States.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I compliment the gentleman on his good, intelligent statement, and the excellence of his technical approach. I served on a carrier in World War II. When we hear that a carrier can now launch in 4 minutes 32 planes, it almost makes us feel we were in a different kind of war in the South Pacific. We do need this additional striking power, as the gentleman pointed out, because it makes us able to hit a possible enemy in half the time and at half the distance at which they can hit bases in the United States.

I thank the gentleman again. I think he has made a fine satement.

Mr. SHORT. I thank the gentleman from Pennsylvania, who has had firsthand experience and usually knows what he is talking about.

Mr. McVEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Illinois.

Mr. McVEY. I want to compliment the gentleman from Missouri on his very excellent presentation of certain phases of this subject.

There is one question of interest to me. If this bill passes and carries an authorization for a fairly large appropriation of money, I am wondering, if such appropriation is recommended by the Committee on Appropriations, if such action will be in keeping with our efforts to balance the budget.

Mr. VINSON. This is in the President's Budget. The President's Budget makes this money available.

Mr. SHORT. But there is no increase over the recommendations of the President?

Mr. VINSON. That is right.

Mr. SHORT. The money will have to be appropriated, of course, to carry out the authorization.

Mr. McVEY. The amount is an accordance with the President's recommendation?

Mr. SHORT. It is not in excess of what the President has recommended; in fact, it carriers out his recommendation.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. In addition to the program being in accordance with the President's Budget, is it not true that it has the approval of the Joint Chiefs of Staff?

Mr. SHORT. It does have such approval, not only of members of the Joint Chiefs of Staff but the Chairman of the Joint Chiefs and the Secretary of Defense. I think it has cleared all agencies in the Department of Defense.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to thank the gentleman and also the committee for the very fine report which has been made available to the House in support of this bill.

Mr. SHORT. That is because we have a marvelous professional staff on our Armed Services Committee.

Mr. EDMONDSON. I am particularly impressed by the emphasis which is placed in this report on the advantages of carrier-type preparation for nuclear war. I refer particularly to the paragraph on page 6 dealing with vulnerability, pointing out that a modern carrier task force can spread out over an area of 31,000 square miles. Obviously, a force spread over an area this size does not present a profitable target to an enemy regardless of the type of bomb he may use.

I think this emphasis on the possibility of maximum dispersal in connection with carrier operations is very well placed. Certainly, we are seeing in our other branches of the Armed Forces an increasing emphasis upon this dispersal and its importance in a nuclear-type war. Certainly the committee has pointed out very well the importance of this dispersal in connection with carrier-type operations. I think anyone who questions the desirability of aircraft carriers and their continued construction and use will have to recognize that here we have a maximum degree of dispersal for a nuclear-type war and a defense against a strike by the enemy. I think the gentleman has made a real contribution to our understanding of the need for these aircraft carriers and their continued modernization. I thank the gentleman.

Mr. SHORT. We appreciate very much the kind words of the gentleman from Oklahoma. He can speak from some personal experiences of his own.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. VAN ZANDT. I am sorry I missed the statement of the gentleman from Missouri, but a constituent called me off the floor. In addition to the fact that this program represents, we will say, an initial effort of the Navy to move into the atomic and hydrogen age, is it not true the Navy is expanding its atomic shipbuilding capabilities on both coasts to the point where they will soon be in a position to start work on various types of ships necessary for nuclear power task forces.

Mr. SHORT. That is my understanding but the gentleman from Pennsylvania knows more about that than I do.

The CHAIRMAN. The gentleman from Missouri has consumed 26 minutes.

Mr. JOHNSON of California. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Chairman, I am heartily in favor of the bill before us and intend to vote for it in the event of a rollcall.

When I first became a Member of Congress I had the Mare Island Navy Yard within my district. In that way I frequently called on Frank Knox, Secretary of the Navy, and discussed Navy problems. It is interesting to remember that at that time his executive assistant was one Adlai Stevenson, who has been a candidate for President, and may become a candidate for President again. He treated me very courteously and I have always remembered the help that he and Secretary Knox gave us.

One matter that he kept drilling into my mind was that the Navy must let contracts out for the construction of ships to private-enterprise yards. The idea was that the skill of building ships must in that way be kept alive, and also abreast of the new ship designs and other things which had the effect of changing shipbuilding skills. The purpose that was continually emphasized was that these skills should be kept alive so that the navy yards operated by the Navy Department would, in the event of an emergency, have a pool of skilled manpower that could be brought into the yards in order to maintain the proper strength.

I note with much pleasure the statement on page 9 of the report. I am using this statement at this point as part of my remarks:

CONSTRUCTION THROUGHOUT THE UNITED STATES

Although the bill does not so provide, it is obviously in the interest of the country that shipyards, Government and private, throughout the United States be afforded opportunity to construct and convert the vessels in this program. A healthy, vigorous, and easily mobilized shipbuilding industry is an essential element of our national defense. The rapid expansion which would be necessary in the event of war or an emergency would heavily tax all of the shipyards in the United States. Clearly, then, the lack of readily expandible shipyard facilities throughout the country would constitute a serious impediment to our defense effort. This is a mere reiteration, of course, of what has been in the past our national policy in this respect. Existing law—act of May 17, 1938 (34 U. S. C. 498j)—makes provision for the construction of ships on the west coast where the President deems such to be necessary in order to maintain facilities needed in our national defense. The committee has received the assurance of the officials in the Department of the Navy that there will be appropriate distribution of this construction program in accordance with the foregoing and also between private and Government shipyards.

I am particularly pleased that there is a reference to the maintenance of construction in west coast yards.

It happens that in my little city of Stockton, we have a very excellent inland port, 80 miles from the Golden Gate in which practically every type of merchant ship may dock. Our depth of water is 30 feet, and millions of tons of shipping were carried out from this port to the Pacific areas during World War II. We have two excellent shipyards in Stockton. One is owned by the company Guntert and Zimmerman, and the other is known as the Colberg Boat Works. Each of these plants did a remarkable job during the war. They built vessels by the score and I believe that they are more than capable of building some of the small craft described in this bill. I sincerely hope that the Navy will take a look at these yards and find some way to grant them the opportunity to display their shipbuilding skills. Their past record is what they are willing to stand on. That is the one item in which I believe the Navy would be interested. I am confident that after their record has been examined and if the Navy can find an opportunity for construction of some of this tonnage in either or both of these yards, they would make a success of the job. Furthermore, these plants are now idle and I think that the Navy should consider using them for some type of work, especially since the report indicates that the west coast yards should be utilized so the civilian shipbuilding skills may be preserved.

Mr. SHORT. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. WOLVERTON] such time as he may desire.

Mr. WOLVERTON. Mr. Chairman, I am in full accord with the Navy shipbuilding and conversion program for 1957 as outlined in the legislation —H. R. 7993—now under consideration.

The Committee on Armed Services has made clear in its report, and, supplemented by the remarks of Chairman VINSON and the ranking Republican member of the committee, DEWEY SHORT, that it is the intention, by fulfilling this program, to keep our Navy not only equal to but better than the Navy of the Soviets.

It is indeed encouraging to realize that our Defense Department is keeping aware of the extent of the shipbuilding program of the Soviets and alert to the importance of our keeping ahead of them. Otherwise, we could be caught napping and be weak when we should be strong. Our security should not depend upon our being only equal to our enemy in a time of war, whomever it might be, but should be strong enough to give us precedence over any nation who might challenge our peaceful existence. And, this is what this bill seeks to accomplish by making the authorizations previously adopted to be effective during the fiscal year 1957.

The program as set forth in this bill provides for the construction of 23 new ships, of which 22 are combatant types, 5,000 tons of landing craft, and for the conversion and modernization of 23 vessels. The estimated total cost for new construction and conversion amounts to $1,414,662,000. The new ships total 144,800 tons. The ships involved in the conversion portion of the program total 282,700 tons.

The basic purpose of this shipbuilding program at this time is to make certain that our Nation is well prepared to meet the progress being made by the U. S. S. R. as it seeks to bring its naval strength up to a position of major naval importance. It is considered on good authority that it now ranks second only to the United States. During the years succeeding World War II the U. S. S. R. has made tremendous advancement in its military strength. This has been particularly noticeable in its increased naval strength. It now has a submarine force numbering over 400. A large percentage of this is new construction, long-range boats. In 1956 and 1957 it is expected the Soviets will commission about 75 to 85 new modern submarines. Furthermore, we are told that the U. S. S. R. has built more destroyers and cruisers since World War II than all the nations of the rest of the world combined. These are startling facts. It behooves us to take notice and not let our Navy drop behind.

Never has it been more essential to keep our Navy strong. The stronger its striking power the more effective it will be as a deterrent to other less peacefully inclined nations. The Soviets respect power more than anything else. Therefore, to keep our Navy strong is to promote peace and prevent war. As has been well said, "Our Navy is essential in the cold war, vital in limited war, and indispensable in general war." Therefore, let us as a nation have a Navy that can do its full part in maintaining national peace and world peace.

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. I am glad the gentleman from Oklahoma brought up the subject of dispersal of aircraft carriers. In December, I was startled to receive from a constituent Mr. Verle Allbee, of Waterloo, Iowa, a clipping from the picture page of the Chicago Tribune under date of December 21, 1955, showing the carriers *Hornet, Princeton, Shangri-La, Lexington, Philippine Sea,* and the *Wasp*—all berthed within an area of about 2 miles in the harbor of San Diego, Calif., and the Naval Air Station. I wrote to the Secretary of Defense, Mr. Wilson, on January 3, the following letter:

JANUARY 3, 1956.

Hon. CHARLES E. WILSON,
Secretary of Defense,
Washington, D. C.

DEAR MR. WILSON: A constituent has called my attention to the December 21, 1955, issue of the Chicago Tribune wherein is reproduced an Associated Press aerial photo showing six of our finest aircraft carriers berthed in one small area near San Diego, Calif.

The descriptive material accompanying the picture says this:

"Six carriers of the Pacific fleet tied up at the naval air station at San Diego so that as many as possible of their 15,000 crewmen may have holiday leave in United States."

I am sure the citizens of this country completely approve the policy of giving the greatest possible number of military personnel holiday leave, but it is astounding to the point of unbelief that the bulk of the carrier fleet in the Pacific together with its planes, should be concentrated in one nest and subject to destruction by a single atomic weapon in the hands of the enemy.

Has the Defense Department forgotten the tragic lesson of Pearl Harbor?

With hundreds of miles of Pacific coast line, and a number of excellent port cities, why were these carriers and their planes not dispersed?

I await your explanation.

Sincerely yours,

H. R. GROSS.

I did not have a reply from the Secretary of Defense—unlike the Secretary of Agriculture, he apparently does not answer too much of his own mail—but I did have the courtesy of a reply from a colonel in the Air Force. How he got into the picture, I do not know. But he said he was referring my letter to the Navy Department. Eventually, on January 23, I had an answer from Rear Adm. E. B. Taylor, chief of information for the Department of the Navy.

I will not read the entire letter; simply a few quotations from it. He says:

The presence of six carriers in San Diego Harbor, while not an everyday occurrence, is not considered unusual.

Further he says:

Please be assured that these deployments received most careful study and review prior to being implemented.

I should like to say to the chairman of the Armed Services Committee that his committee ought to ask the Navy Department why we must have six carriers, representing the backbone of the Pacific Carrier Fleet, the backbone of the Pacific Fleet I might say, if the air arm of the fleet means what you say it does, why were they all put in one nest in close proximity to a Soviet airbase, during the last holiday season. Surely we all want to see navy personnel given all possible holiday leave, but there are plenty of ports up and down the Pacific coast where those carriers could have been dispersed. This was not a "calculated risk." It was an open invitation to an enemy to destroy the backbone of our entire Pacific Fleet.

Mr. VINSON. Will the gentleman yield?

Mr. GROSS. I gladly yield to the chairman of the Armed Services Committee.

Mr. VINSON. I congratulate the gentleman in calling this to the attention of the committee and I heartily agree with every word he said. I can see no reason why airplane carriers could not have been berthed at Bremerton or Hunters Point or San Pedro, rather than concentrating all at the port of San Diego. I think your point is well taken and the Department should not, under any circumstances, berth these big ships, particularly these aircraft carriers, all in one port at any one time.

Mr. GROSS. I want to support the chairman and his committee in giving the Navy all the warships that are necessary to have the finest and most efficient fighting force, but I do not want to see these warships destroyed as they were at Pearl Harbor under a single and tragic bombing attack.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SHORT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PELLY. I, too, want to commend the gentleman for raising this point. During the last session of this Congress I wrote the Secretary, urging that the Navy base some of their combat ships up on Puget Sound. I received an answer that during this particular period so many of our ships are in the Far East that it was not practicable, but I think the gentleman has pointed out a very important and dangerous situation, and I certainly agree with him that we should disperse our vessels.

Mr. GROSS. I thank the gentleman.

Mr. SHORT. Mr. Chairman, I have no further requests for time.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, the construction program planned by the Navy for fiscal year 1957 includes six nuclear-powered submarines. The Navy has reached the stage in its development of nuclear power for submarines, that it has, for the first time since the end of the last war, not asked for conventionally powered submarines, as replacements for existing craft which are rapidly becoming obsolescent.

The Navy now has under construction or complete, eight other submarines including the *Nautilus* which continues its highly successful career. Soon to join the operating forces is the United States ship *Sealion*, designed around an advanced type of reactor. Most of the later nuclear-powered submarines being built will incorporate the hull-design features recently tested and proven in the United States ship *Albacore*, which is reputedly the fastest submarine in the world.

The development of the nuclear-powered submarine, along with advances in hull design and experimental use of submarines for the launching of guided missiles, has served as a veritable rebirth of the submarine. In essence it is a new weapon of far-reaching potentialities, one which may well decide the outcome of any future war.

Let us consider some of the potentialities of the atomic-powered submarines.

DEFENSIVE POTENTIALITIES

The two fundamental problems in combating the submarine are detection and destruction.

First, let us consider detection. A nuclear-powered submarine can maintain speeds in excess of 20 knots for weeks at a time—long enough to cruise around the world, if necessary. The dampened whine of steam turbines is the only sound emanating from her hull.

There is no need to raise anything above the surface which might give away her position by alerting radar-equipped surface ships or aircraft.

Destruction, the other fundamental problem, is equally frustrating. Contact with a completely submerged submarine cannot be maintained by radar. To destroy a submerged submarine surface ships must maintain contact with their sonar gear. The sustained speed of the atomic submarine is above that at which surface ships can maneuver and effectively retain sonar contact.

OFFENSIVE POTENTIALITIES

Modern underwater sonar gear and advanced weapons permit a submarine to attack a surface ship successfully without ever seeing it through the periscope. With the speed advantage provided by nuclear power, the submarine need no longer sit and wait for targets to come by. Active scouting is now possible. Coverage of large areas with improved detection devices and the high sustained speeds available, will make it extremely difficult, if not impossible for any surface vessel to escape destruction.

The submarine possesses many inherent advantages as an antisubmarine craft. Addition of nuclear power and other modern innovations serves to greatly enhance this ability. Of course, many of these advantages disappear when opposing submarines which are also nuclear powered. However, our continued advances in this field should serve to retain our superiority in this regard for years to come.

The advent of nuclear power and guided missiles opens wide the door for many other missions to be performed by submarines (in this regard it should be pointed out that a single submarine will be able to perform many of these missions, some specialization of types will be necessary, however). These missions include: Launching of guided missiles, control and direction of guided missiles, minelaying, cargo carrying, serving as a tanker, tending aircraft, even possibly serving as an aircraft carrier. The future appears unlimited.

We must continue to see that the Navy receives the encouragement and the money necessary to develop the nuclear submarine as rapidly as possible.

Mr. SHORT. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, I rise in support of this legislation.

I feel that the Navy has a very reasonable approach to the new construction and conversion program that has been set before us and I want to take this opportunity to congratulate the Navy on a new approach toward amphibious shipping. This is the first time in recent years that any serious consideration has been given to this very important branch of naval warfare.

I would like to say a few words about the conversion program set forth in H. R. 7993. As you all know most of the vessels which the Navy now has were built during World War II. This means that each class of vessel built during this period would ordinarily tend to become obsolete at about the same time. Of course, many of the ships built in World War II are now in the mothball fleets. The hulls and machinery of these vessels, in general, are in good state of preservation as a result of the Navy's farsighted mothball techniques. We can keep hulls and machinery from deteriorating to a great extent, but the ships continue to grow less useful because weapons and equipment, as well as the basic design features become outdated. The ships cannot economically or militarily compete with more modern designs.

To avoid having all of these ships become obsolescent at the same time, the Navy has converted, on a selective basis, many of the ships capable of economical modernization. For example, a certain number of submarines have been converted to the guppy type. These ships are not in every respect as modern, comfortable, or combat worthy as the new fleet types built from the keel up in recent years, and certainly they would be unable to compete with any nuclear submarine; but they can continue to serve economically and perform functions similar to the conventionally powered submarines recently or currently being completed. The other unconverted submarines left over from World War II can still be utilized for limited purposes, but in most respects are now obsolete. Development of nuclear power for submarines has made it infeasible, from the point of military value to convert any additional World War II hulls for use as attack submarines.

To a large degree our many mothballed destroyers and other small types are becoming obsolete. We have about reached the point where the extent of conversion necessary, new equipment to be procured, and prospective additional life, makes it economically unjustifiable to convert them, as compared to building new ones.

However, the Navy is continuing its program of conversion for certain other valuable ships. The remaining unconverted large aircraft carrier of the three *Midway* class, carriers, the *Coral Sea*, will be converted under the 1957 program to receive the angled deck and other improvements. Three *Essex* class carriers will receive what is regarded as the ultimate conversion for that class. The remaining unconverted *Essex* class carriers will be reclassified for support missions, since they are no longer capable of operating the advanced aircraft coming into service.

Five light cruisers are being converted to receive guided-missile installations. This improvement will add, substantial antiaircraft defense capabilities to the fleet, quickly and at relatively low cost.

A submarine will be converted under the program for use in the submarine guided-missile program. This addition will be needed to handle improved missiles being developed for submarine use.

The amphibious warfare capabilities of the Navy and Marine Corps will be enhanced by the conversion of an escort carrier of World War II vintage for service as an amphibious assault ship. This vessel will provide complete facilities for the loading of a large number of marines by helicopter.

In addition, a large vessel of the *Mariner* class is being converted to an attack transport. This will improve our amphibious warfare capabilities by providing a fast transport with large cargo and troop-carrying capacity.

Our early warning radar network will be enhanced by the conversion of 4 Liberty ships to ocean radar station ships and by the conversion of 6 escort vessels

to equip them to perform radar picket duties.

And finally, the Navy is converting a seaplane tender to permit its use for tending the modern jet seaplanes, such as the *Sea Master*, which are coming into service.

Keeping the fleet modern, will continue to require conversion and modernization of some of our large inventory of World War II ships. The Navy is striking a proper balance between new construction and construction and conversion. It is a balance which will give us the greatest naval power in the long run with the least expenditure of funds. Furthermore through the widespread distribution of shipbuilding work between private and Government yards, it permits us to preserve the large mobilization base of facilities and skills which we will need in case of war.

Mr. SHORT. Mr. Chairman, I have no further requests for time.

Mr. VINSON. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized to undertake the construction of, or to acquire and convert, the following modern naval vessels:

One aircraft carrier of about 60,000 tons.

One nuclear-powered guided missile light cruiser of about 9,000 tons.

Four guided missile frigates, each of about 4,000 tons.

Eight guided missile destroyers, each of about 3,000 tons.

Six nuclear-powered submarines, each of about 3,000 tons.

Two escort vessels, each of about 1,400 tons.

One ammunition ship of about 8,000 tons.

Landing and service craft not to exceed 5,000 tons.

With the following committee amendment:

Page 1, line 8, strike out "nine" and insert "eleven."

The committee amendment was agreed to.

Mr. CRUMPACKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRUMPACKER: On page 1, line 6, strike out all of line 6.

Mr. CRUMPACKER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. The gentleman from Indiana is recognized for 10 minutes.

Mr. CRUMPACKER. Mr. Chairman, when I was in college I had a professor who used to delight in sitting back impressively at his desk and announcing in stentorian tones: "America, steadfastly gazing into the past, is backing into the future."

It seems to me that the leadership of the Navy has demonstrated a capacity and a talent for this type of viewpoint in many many instances. At the present time they are suffering very much from a mental block that compels them to look at future wars only in terms of past wars, and specifically in terms of World War II. Just as prior to World War II and in the early phases of that war they were devoted wholeheartedly to the battleship as the ultimate weapon in sea warfare today they can think only of the aircraft carrier. The aircraft carrier was the primary naval weapon of World War II, but since that time it has been suffering continually from a technological lag, a technological obsolescence which is not being reduced by the construction of supercarriers but instead is continually growing more pronounced.

During World War II when planes were all propeller-driven, piston-engined craft, it was possible to launch planes from a carrier deck at several times the rate now possible when jet craft must all be launched by catapults. It is true that the *Forrestal* class carriers have four catapults which would perhaps double the rate at which planes could be launched, or possibly even more than double it; but even after that has taken place the rate of launching is infinitely slower than it was in World War II. The planes themselves which are operating from aircraft carrier decks are not of the latest, fastest, most effective combat types but lag considerably behind the performance and efficiency of the latest land-based aircraft.

During the Korean war the most effective fighter that the Navy had in operational use on aircraft carriers was the straight-wing F–9–F jet. These planes were in no sense comparable to the jets with which the air war over Korea was fought, the MIG–15 of the Russians and the F–86 Saberjet on the American side.

Today, almost 5 years after the start of the Korean war and almost 3 years after the end of it, the very best and latest type of operational carrier-based fighter is a warmed-over version of the old F–86 Saberjet, the North American FJ–3 Fury. Today the Air Force and the Russians have moved beyond the subsonic into the transsonic and the supersonic fighters, the latter of which will soon be in operational use. The Navy has some more modern prototypes. They always have some prototypes. But they have had a gerat deal of difficulty getting production planes which could operate from carriers that were anywhere comparable to the current land-based types. This is not a situation that is on its way to be remedied, and it is growing worse.

Mention has been made of the difficulties of carrying jet fuel on board these carriers. It is true that the jet planes use a great deal more fuel than the older types do. In fact, the land-based aircraft have used such great quantities that in most instances we have had to go to the use of pipelines to transport sufficient quantities of fuels to the airfields to supply the needs because the old types of surface transport were not able to keep up with it. While the increase of 10,000 tons in the size of a carrier undoubtedly makes more fuel capacity available, the increase is nowhere near on the order of the increase in fuel that is consumed by these jet craft.

If this proposition was for a nuclear-powered carrier, it might have some merit to it, because if it were that would make available for jet fuel storage the space and capacity on the ships now occupied by the fuel used for propulsion purposes. But it is not. It is 1 more conventional powered carrier to add to the 5 that have already been authorized.

Mr. Chairman, I commend the committee for certain language which it used in its report and I wish it had paid more attention to its own words. I should like to quote from page 3 of the report where we find the following language:

The rapid ascendancy of the U. S. S. R. has brought it to the position of a major naval power second now only to the United States. It is the most significant development in Soviet grand strategy since World War II. It is obvious that the U. S. S. R. has one purpose in mind and that is to prevent United States naval forces and shipping from entering the waters surrounding Europe and Asia. Her submarine fleet now numbers over 400, of which a large percentage are new construction, long-range boats. In each of calendar years 1956 and 1957, she will commission about 75 to 85 new modern submarines. Besides this huge underseas fleet, the U. S. S. R. has built more destroyers and cruisers since World War II than all the nations of the rest of the world combined. These surface ships are modern and incorporate the latest technological equipments. They are fully manned in active commission and are continuously undergoing rigorous training operations. These startling facts demonstrate the important position the control of the seas holds in Soviet grand strategy.

If the Navy were seeking solely to meet this threat, which they themselves admit is the most significant development in Soviet military power, I would support them all the way. If they would take the money that they propose to spend for this carrier and put it into additional guided missile ships, additional submarines, and additional antisubmarine devices, I would go with them all the way. But these super aircraft carriers are not designed for defense against submarine fleets. The type of planes now in use whose primary mission it is to seek out and kill submarines are piston engine types that can take off from the decks of any of our carriers even the "jeep" carriers from World War II. These supercarriers are designed not to meet the threat of the Soviet undersea might and the threat of their surface vessels. The threat of attack by missiles launched either from their submarines or from their surface vessels is very serious, but it is largely being ignored in the rush to build more carriers. That is the greatest threat to our naval supremacy. That is the greatest threat to the coastal areas of the continental United States. But the Navy cannot see this danger for their concentration and preoccupation with the super aircraft carriers. They have to have a great big ship, a large capital ship that takes a big crew, rather than to concentrate on the smaller vessels, the more modern weapons, the missiles, and other new developments that are the coming weapons of war.

I cannot see how they can continue to ignore technological developments which obviously point to big changes in warfare of the future and continue to concentrate on the past and the experience of

the past to the degree they are in continuing to push this program. They cannot, as they always assume in every argument they make in favor of the aircraft carrier, operate equivalent airplanes off of carrier decks. If they could, the value of the ship would be a great deal more than it is. But, instead of operating equivalent aircraft, they are continually lagging in their technological development so that the planes they launch from carriers are always several years behind land-based craft in their performance and development and, by the same token, they are equally far behind the planes that they would have to meet operating from Communist land bases. I cannot see any justification for authorizing another carrier of this type at this time. Let us wait a while until we have had some experience with those already authorized; wait a while until the possibility of nuclear propulsion has been further explored; wait a while until the development of guided missiles has reached the point where we know more what their capabilities will be and what defenses, if any, can be developed against them. I do not think an additional carrier of this type is justified at this time.

Mr. Chairman, I ask for a vote on my amendment.

Mr. VINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not trespass on the committee's time but very briefly. At the outset I regret that the distinguished gentleman from Indiana finds himself out of step not only with the President of the United States, who in his budget message made this specific recommendation: That there be included in the proposed shipbuilding program for 1957 the construction of six carriers of the *Forrestal* class. The gentleman from Indiana now proposes to strike that from the bill. He points out that probably other types of ships should take the place of the carrier, perhaps destroyers and other smaller ships. All the experts in the Navy Department find themselves in complete accord with the continuation of a program to build this type of carrier at this time. The gentleman from Indiana feels that some of his objections would be met by the use of nuclear power as the propulsion for our large carriers. I am in full agreement that that is what we should aim toward; and, indeed, this very bill contains an item for a nuclear reactor for the next *Forrestal*-type carrier. It is my sincere hope that the Appropriations Committee when it brings in its bill will permit the construction of this nuclear propulsion element in order that our next *Forrestal*-type carrier will be of the type which will meet the objections of the gentleman and, indeed, conform to the desires of all of us. This, then, we hope will be the last carrier with conventional propulsion.

Mr. Chairman, I certainly hope that the views of the Navy Department, the recommendation of the Chief of Naval Operations, and the other naval experts will prevail so that this program of constructing the *Forrestal*-type carrier will not be cut off until the nuclear type has been fully developed.

Mr. VAN ZANDT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on five different occasions Congress has approved the construction of a carrier; in other words, on each occasion we defeated an amendment similar to the Crumpacker amendment, thus placing our stamp of approval on the Navy's construction program of new and modern aircraft carriers.

To begin with, it might be well to point out that the Joint Chiefs of Staff speak for the armed services of this country, and on their shoulders rests the responsibility of giving to the American people an adequate national defense. The Joint Chiefs of Staff have given to each branch of the service a mission to perform, and Congress has never hesitated to provide each branch of our Armed Forces the necessary tools to carry out its mission. When the Army said they wanted a special kind of tank we gave it to them. We did the same with helicopters for the marines, and planes for the Air Force.

The carrier involved in this bill is a tool needed by the Navy in carrying out the mission assigned to it by the Joint Chiefs of Staff.

Today's and tomorrow's carriers must be completely adequate to handle the best planes America can produce, and we must have them in sufficient numbers to provide the Navy with the airpower it must have to successfully carry out its mission as the naval arm of our national defense.

The type of carrier we are authorizing in this bill is nothing more than a portable airfield that can sail the seas of the world at a speed of nearly 35 miles an hour.

Today it can be at the mouth of the Mississippi River and tomorrow afternoon at this time 500 miles away. This modern aircraft carrier functioning as a portable airfield with supporting facilities for itself as well as all of its aircraft is an indispensable tool in the defense of this Nation.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from California.

Mr. JOHNSON of California. I think I understood the gentleman correctly to say that the vote by the Joint Chiefs of Staff was a unanimous approval; is that correct?

Mr. VAN ZANDT. Exactly.

Mr. JOHNSON of California. And that included a member who represented the Air Force, probably the most experienced airman in the whole United States.

Mr. VAN ZANDT. Exactly.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman.

Mr. DEVEREUX. I am sure from the gentleman's experience that he will agree that the philosophy that is being presented by the gentleman from Indiana [Mr. CRUMPACKER] represents simply a defensive posture, whereas with such aircraft carriers as we have included in our bill which will give us the capability of carrying the war into enemy territory, we are taking an offensive position which in everybody's concept is the proper way to wage a successful war.

Mr. VAN ZANDT. That is correct. The carrier is part of the global strategy that has been laid down by the Joint Chiefs of Staff.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from New York.

Mr. OSTERTAG. Is it not true that the budget that is now before the Congress provides for a stepup of the antisubmarine forces of the Navy?

Mr. VAN ZANDT. That is true. Let me add that our present antisubmarine equipment is obsolete because of the increased speed of submarines. If we are going to develop a new defense against submarine attack we must have faster ships. These new carriers are faster ships and will have capabilities of playing a very important part in antisubmarine warfare.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Mr. Chairman, I want to compliment the gentleman on making a very fine statement. I listened with a great deal of interest to the remarks of our very able friend from Indiana [Mr. CRUMPACKER] who constantly reiterated "Wait a while, wait a while, wait a while." I just want to point out to the gentleman that we are living in a very critical and chaotic world where we might be catapulted suddenly into an emergency and we will then wish that we had this carrier and many more of them. So I feel that the carrier should be built and built as soon as we can build it.

Mr. VAN ZANDT. Mr. Chairman, the gentleman from Pennsylvania is exactly right. You cannot build these carriers overnight. It takes years to construct them. It is for that reason that Congress annually for the past 5 years has placed its stamp of approval on the carrier program. As the gentleman from Pennsylvania pointed out the day could come when we wished we had these carriers. Mr. Chairman, I hope this amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. CRUMPACKER].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. Tonnage required for the construction of 2 escort vessels, a total of 2,800 tons, is hereby authorized. Tonnage adequate to construct the other vessels listed in the first section of this act has been previously authorized by law and these vessels shall be charged against previously authorized and unobligated tonnage.

SEC. 3. The President is further authorized to convert, from existing vessels of the United States, the following naval vessels:

One aircraft carrier of about 54,000 tons.

Two aircraft carriers, each of about 36,000 tons.

One aircraft carrier of about 37,000 tons.

Five guided missile light cruisers, each of about 12,000 tons.

One guided missile submarine of about 1,700 tons.

One amphibious assault ship of about 13,000 tons.

One attack transport of about 10,000 tons.

One seaplane tender of about 10,000 tons.

Six radar picket escort vessels, each of about 1,500 tons.

Four ocean radar station ships, each of about 4,000 tons.

SEC. 4. The President is further authorized to commence design and advance procurement for a nuclear-powered aircraft carrier.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the construction, acquisition, or conversion of the foregoing vessels.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that further reading of the bill may be dispensed with, that it be printed in the RECORD in its entirety, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There is no objection.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7993) to authorize the construction and conversion of certain naval vessels, and for other purposes, pursuant to House Resolution 392, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, on that I ask for a division.

The question was taken; and there were—ayes 57, noes 1.

Mr. VINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 360, nays 3, answered "present" 1, not voting 68, as follows:

[Roll No. 5]

YEAS—360

Abbitt	Ashmore	Bentley
Abernethy	Aspinall	Berry
Adair	Ayres	Betts
Addonizio	Bailey	Blatnik
Albert	Baker	Blitch
Alexander	Baldwin	Boggs
Alger	Barden	Boland
Allen, Calif.	Bass, N. H.	Bolling
Allen, Ill.	Bass, Tenn.	Bolton, Frances P.
Andersen, H. Carl	Bates	Bolton, Oliver P.
Andresen, August H.	Baumhart	Bonner
Andrews	Beamer	Bosch
Anfuso	Becker	Bow
Arends	Belcher	Bowler
Ashley	Bell	Boykin
Boyle	Bennett, Fla.	Bray
Brooks, Tex.	Bennett, Mich.	Brown, Ga.
Brown, Ohio	Berry	Brownson
Broyhill	Betts	Budge
Burdick	Blatnik	Burnside
Byrd	Blitch	Byrnes, Wis.
Canfield	Boggs	Cannon
Carlyle	Boland	Carnahan
Carrigg	Bolling	Cederberg
Celler	Bolton, Frances P.	Chase
Chelf	Bolton, Oliver P.	Chenoweth
Chiperfield	Bonner	Christopher
Church	Bosch	Clark
Clevenger	Bow	Colmer
Coon	Bowler	Cooper
Corbett	Boykin	Coudert
Cramer	Boyle	Cretella
Cunningham	Bray	Curtis, Mass.
Curtis, Mo.	Brooks, Tex.	Dague
Davidson	Brown, Ga.	Davis, Ga.
Davis, Tenn.	Brown, Ohio	Davis, Wis.
Dawson, Ill.	Brownson	Dawson, Utah
Deane	Broyhill	Delaney
Dempsey	Budge	Denton
Derounian	Burdick	Devereux
Dies	Burnside	Diggs
Dingell	Byrd	Dixon
Dodd	Byrnes, Wis.	Dolliver
Dondero	Canfield	Donohue
Donovan	Cannon	Dorn, N. Y.
Dowdy	Carlyle	Edmondson
Elliott	Carnahan	Ellsworth
Engle	Carrigg	Evins
Fascell	Cederberg	Feighan
Fernandez	Celler	Fino
Fisher	Chase	Fjare
Flynt	Chelf	Fogarty
Forand	Chenoweth	Ford
Forrester	Chiperfield	Frazier
Frelinghuysen	Christopher	Fulton
Garmatz	Church	Gary
Gathings	Clark	Gavin
Gentry	Clevenger	George
Gordon	Colmer	Grant
Gray	Coon	Green, Oreg.
Gregory	Cooper	Griffiths
Gross	Corbett	Gubser
Gwinn	Coudert	Hagen
Hale	Cramer	Haley
Hand	Cretella	Harden
Hardy	Cunningham	Harris
Harrison, Nebr.	Curtis, Mass.	Harrison, Va.
Harvey	Curtis, Mo.	Hays, Ark.
Hayworth	Dague	Hébert
Henderson	Davidson	Herlong
Heselton	Davis, Ga.	Hess
Hiestand	Davis, Tenn.	Hill
Hillings	Davis, Wis.	Hoeven
Hoffman, Mich.	Dawson, Ill.	Holmes
Holt	Dawson, Utah	Holtzman
Horan	Deane	Hosmer
Huddleston	Delaney	Hull
Hyde	Dempsey	Ikard
Jackson	Denton	James
Jarman	Derounian	Jenkins
Jennings	Devereux	Johansen
Johnson, Calif.	Dies	Johnson, Wis.
Jonas	Diggs	Jones, Ala.
Jones, Mo.	Dingell	Jones, N. C.
Karsten	Dixon	Kean
Kearney	Dodd	Kearns
Keating	Dolliver	Kee
Kelly, N. Y.	Dondero	Keogh
Kilday	Donohue	Kilgore
King, Calif.	Donovan	Kirwan
Klein	Dorn, N. Y.	Kluczynski
Knox	Dowdy	Laird
Landrum	Edmondson	Lane
Latham	Elliott	LeCompte
Lesinski	Ellsworth	Lipscomb
Long	Engle	Lovre
McCarthy	Evins	McConnell
McCormack	Fascell	McCulloch
McDonough	Feighan	McDowell
McGregor	Fernandez	McIntire
McVey	Fino	Macdonald
Madden	Fisher	Magnuson
Mahon	Fjare	Mailliard
Martin	Flynt	Mason
Matthews	Fogarty	Meader
Merrow	Forand	Metcalf
Miller, Calif.	Ford	Miller, Md.
Miller, Nebr.	Forrester	Miller, N. Y.
Mills	Frazier	Minshall
Mollohan	Frelinghuysen	Morano
Morgan	Fulton	Morrison
Moss	Garmatz	Moulder
Multer	Gary	Murray, Ill.
Murray, Tenn.	Gathings	Natcher
Nelson	Gavin	Nicholson
Norblad	Gentry	Norrell
O'Brien, Ill.	George	O'Hara, Ill.
O'Hara, Minn.	Gordon	O'Konski
O'Neill	Grant	Ostertag
Passman	Gray	Patman
Patten	Green, Oreg.	Pelly
Perkins	Gregory	Philbin
Pilcher	Griffiths	Pillion
Poage	Gross	Poff
Polk	Gubser	Powell
Preston	Hagen	Priest
Prouty	Hale	Rabaut
Radwan	Haley	Rains
Ray	Hand	Rees, Kans.
Reuss	Harden	Rhodes, Ariz.
Rhodes, Pa.	Hardy	Riehlman
Riley	Harris	Rivers
Roberts	Harrison, Nebr.	Robeson, Va.
Robsion, Ky.	Harrison, Va.	Rodino
Rogers, Colo.	Harvey	Rogers, Fla.
Rogers, Tex.	Hayworth	Rooney
Roosevelt	Hébert	Rutherford
Sadlak	Henderson	St. George
Saylor	Herlong	Schenck
Scherer	Heselton	Schwengel
Scott	Hess	Scudder
Seely-Brown	Hiestand	Selden
Sheehan	Hill	Sheppard
Short	Hillings	Shuford
Sieminski	Hoeven	Sikes
Siler	Hoffman, Mich.	Simpson, Ill.
Sisk	Holmes	Smith, Kans.
Smith, Miss.	Holt	Smith, Va.
Smith, Wis.	Holtzman	Springer
Staggers	Horan	Steed
Sullivan	Hosmer	Taber
Talle	Huddleston	Taylor
Teague, Calif.	Hull	Teague, Tex.
Thomas	Hyde	Thompson, La.
Thompson, N. J.	Ikard	Thompson, Tex.
Thomson, Wyo.	Jackson	Thornberry
Tollefson	James	Trimble
Tuck	Jarman	Tumulty
Udall	Jenkins	Utt
Vanik	Jennings	Van Pelt
Van Zandt	Johansen	Vinson
Wainwright	Johnson, Calif.	Westland
Wharton	Johnson, Wis.	Whitten
Wickersham	Jonas	Widnall
Wier	Jones, Ala.	Wigglesworth
Williams, N. J.	Jones, Mo.	Williams, N. Y.
Willis	Jones, N. C.	Wilson, Ind.
Winstead	Karsten	Withrow
Wolcott	Kean	Wolverton
Wright	Kearney	Yates
Young	Kearns	Younger
Zelenko	Keating	

NAYS—3

Crumpacker	Dorn, S. C.	Marshall

ANSWERED "PRESENT"—1

Scrivner

NOT VOTING—68

Auchincloss	Green, Pa.	Pfost
Avery	Halleck	Phillips
Barrett	Hays, Ohio	Price
Brooks, La.	Hinshaw	Quigley
Buckley	Hoffman, Ill.	Reece, Tenn.
Burleson	Holifield	Reed, Ill.
Bush	Hope	Reed, N. Y.
Byrne, Pa.	Jensen	Richards
Chatham	Judd	Rogers, Mass.
Chudoff	Kelley, Pa.	Shelley
Cole	Kilburn	Simpson, Pa.
Cooley	King, Pa.	Spence
Dollinger	Knutson	Thompson, Mich.
Doyle	Krueger	Velde
Durham	Lankford	Vorys
Eberharter	McMillan	Vursell
Fallon	Machrowicz	Walter
Fenton	Mack, Ill.	Watts
Flood	Mack, Wash.	Weaver
Fountain	Mumma	Williams, Miss.
Friedel	O'Brien, N. Y.	Wilson, Calif.
Gamble	Osmers	Zablocki
Granahan	Patterson	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Fountain with Mr. Halleck.

Mr. Chatham with Mr. Simpson of Pennsylvania.

Mr. Durham with Mr. Auchincloss.

Mr. Shelley with Mrs. Rogers of Massachusetts.

Mrs. Pfost with Mr. Fenton.

Mr. Lankford with Mr. Osmers.

Mr. Barrett with Mr. Reece of Tennessee.

Mr. Walter with Mr. Hinshaw.

Mr. Eberharter with Mr. Hoffman of Illinois.

Mr. Price with Mr. Kilburn.

Mr. Granahan with Mr. Weaver.

Mr. Mack of Illinois with Mr. Vursell.

Mr. Buckley with Mr. Cole.

Mr. Friedel with Mr. Bush.

Mr. Burleson with Mr. Avery.

Mr. Hays of Ohio with Mr. Hope.

Mr. Fallon with Mr. Judd.

Mr. Dollinger with Mr. Wilson of California.

Mr. Chudoff with Miss Thompson of Michigan.

Mr. Byrne of Pennsylvania with Mr. Reed of New York.

Mr. Green of Pennsylvania with Mr. Mumma.

Mr. Machrowicz with Mr. Gamble.

Mr. Kelley of Pennsylvania with Mr. Jensen.

Mr. Holifield with Mr. Velde.

Mr. Doyle with Mr. Krueger.

Mr. O'Brien of New York with Mr. King of Pennsylvania.

Mr. Watts with Mr. Vorys.

Mr. Williams of Mississippi with Mr. Mack of Washington.

Mr. Quigley with Mr. Patterson.

Mr. Flood with Mr. Phillips.

Mrs. Knutson with Mr. Reed of Illinois.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

UNITED STATES MERCHANT MARINE ACADEMY

The SPEAKER laid before the House the following communication, which was read:

JANUARY 31, 1956.

The SPEAKER,

The House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Pursuant to Public Law 301 of the 78th Congress, I have appointed the following members of the Committee on Merchant Marine and Fisheries

to serve as members of the Board of Visitors to the United States Merchant Marine Academy for the year 1956: Hon. JOHN C. KLUCZYNSKI, Hon. JOHN D. DINGELL, Hon. JOHN J. ALLEN, JR.

As chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

HERBERT C. BONNER,
Chairman.

UNITED STATES COAST GUARD ACADEMY

The SPEAKER laid before the House the following communication, which was read:

JANUARY 31, 1956.

The SPEAKER,
The House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Pursuant to section 194 of title 14 of the United States Code, I have appointed the following members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the year 1956: Hon. EDWARD J. ROBESON, JR.; Hon. FRANK M. CLARK; Hon. HORACE SEELY-BROWN, JR.

As chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

HERBERT C. BONNER,
Chairman.

THE LATE GOV. PAUL A. PATTERSON

The SPEAKER. The Chair recognizes the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, at 3 o'clock this morning I was awakened by my telephone and received the tragic news that Gov. Paul A. Patterson, of Oregon, died suddenly last evening in the city of Portland. Mr. Speaker, the passing of our governor is not only a tragedy for the State of Oregon but for our country as well. Governor Patterson was well known nationally through his work in the governors conference since he has been governor. He was highly respected by all who knew him. For myself, the passing of Paul Patterson leaves an especially deep void. I have known Paul all of my adult life. We were college classmates at the University of Oregon. His widow, Georgia Benson Patterson, also attended the University of Oregon at that time. They have been our friends through the years.

Mr. Speaker, Paul Patterson was a splendid, distinguished lawyer in the city of Hillsboro, Oreg. He was a member of the State legislature for several years. Prior to becoming governor, he was a member of the Oregon State Senate where he ascended to the position of president of the Senate. In line of succession, when the governor's chair was vacated by the appointment of the then Governor, Douglas McKay, as Secretary of the Interior, Paul Patterson, as president of the Senate, became governor. Subsequently he was elected by the people of Oregon for the regular 4-year term. Paul Patterson served the State as a wonderful governor. He was respected and revered by all who knew him. Mrs. Ellsworth and I have expressed our deepest sympathy to Mrs. Patterson and the family. We deeply mourn their great loss as do all of the people of Oregon.

Mr. Speaker, I yield to the gentleman from Oregon [Mr. COON].

Mr. COON. Mr. Speaker, I wish to join my colleague from Oregon in expressing sympathy to Mrs. Patterson and the rest of the family on the untimely passing of our Governor, Paul Patterson. I was deeply shocked to receive that news at 3 o'clock this morning.

Oregon has lost a great governor. The Patterson family have lost a dearly beloved member of their family. I have lost a real friend.

I served in the Oregon Senate with Paul Patterson when he was president of the senate. I know he was a very capable legislator. He was most honest and sincere in all of his activities and gave untiringly of his efforts for the best interests of Oregon. It is a great shock to our State to see the life of such a well loved man ended so suddenly at the height of his brilliant career.

Mr. ELLSWORTH. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, "Paul Patterson, Governor of the State of Oregon is dead." One sentence, 10 words, but what a tremendous effect they have had on the people of my State and on people everywhere who knew and admired him.

Paul Patterson was one of God's kindly men. His life was dedicated to the principles of decency and humanity. It can truly be said of him that he looked upon public office as an obligation to serve his fellow man. He thought of government in the terms of people and how it would affect their daily lives, and from the depths of his generous soul, he strove mightily to make this world a better place in which to live. Somehow Paul Patterson the man was synonymous with the Far West and the State of Oregon for which he had a deep abiding love. He brought to the problems of that vast stretch of our Nation, leadership and ability that won for him an enduring place among his people. We will long remember this man of great intellectual stature who strode among us with his shock of unruly hair, his friendly smile, his sincere manner and a calm demeanor which inspired great confidence and loyal devotion.

During my many years in Oregon I had many opportunities to observe and to admire his splendid qualities and outstanding ability. The untimely death of Paul Patterson leaves a void in public life that will be difficult to fill. At this time of great sadness my heartfelt sympathies go out to his beloved wife, and my personal friend, Georgia Patterson.

Mr. NORBLAD. Mr. Speaker, I want to join in paying my tribute to Paul Patterson.

It had been my privilege to know Governor Patterson for many years both as a fellow attorney, as a State legislator and later as our chief executive.

He was an outstanding American and the highest type of citizen.

In his home town of Hillsboro he was held in high esteem by his fellow townsmen who had known him so many years.

I have never heard an ill word spoken against him nor any one doubt his complete sincerity, honesty, and decency.

The State of Oregon suffered a great loss when he passed away last night.

ESTABLISHMENT OF IMPORT QUOTAS BY THE UNITED STATES TARIFF COMMISSION

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I have today joined a number of my colleagues on both sides of the aisle and introduced a bill authorizing the establishment of import quotas by the United States Tariff Commission under conditions set forth in the bill.

This import quota bill, previously introduced by the gentleman from Georgia [Mr. LANHAM], appeals to me for several reasons and I am therefore ready and happy to cosponsor it.

Mr. Speaker, American industry and those working in the manufacturing establishments, on the farms, in the fisheries and mines of this country do need protection against products imported from abroad for one very simple and obvious reason. That is the lower wages paid in other countries. There may be other reasons but it must be clear to anyone that with modern machinery operating in other countries, our industries can no longer outproduce their foreign competitors sufficiently to offset the wide wage differential.

This being the case many Members of Congress have sought the necessary protection in recent years by strengthening the escape clause of the Trade Agreements Act, hoping to make of it a proper remedy against injury from imports.

Unfortunately these hopes have been doomed to failure. The fault has not been with the Congress. The congressional intent was spelled out clearly enough. The failure of the escape clause to provide a practical remedy to date may fairly be laid at the doors of the State Department.

The time has now come for Congress to legislate in such a manner that its intent cannot be nullified by an executive department. The present bill would represent just such legislation.

However, the authorization of import quotas by legislation is fully justified on its own merits. All who are familiar with import competition have become aware of certain weaknesses of the tariff in providing protection under individual circumstances. This is particularly true when tariff rates have been bound

against any increase in an international agreement, as many rates have been bound under the General Agreement on Tariffs and Trade, better known as GATT.

Import quotas have three outstanding merits, if the conditions of their use are properly drawn.

One is that, by setting aside a given share of the market to be supplied by imports, the uncertainty and fear that grip domestic producers faced with an unlimited flow of imports, are eliminated. The disruption and depression of the market attributable to the fear of imports can be prevented. The planning of production and expansion of plants or renewal of machinery can be carried out with greater confidence and with full assurance that imports will not skim the cream of the market or push the domestic product to the side. We have seen such things happen in New England as elsewhere.

In New England we have but to take a look at the watch industry, the bicycle industry and the fisheries to be aware of what unimpeded import competition can do. Now the textile industry is similarly exposed.

The second point of superiority lies in the greater flexibility of import quotas compared to the tariff, provided that the conditions controlling the modification and adjustment of quotas are made clear in the legislation covering the subject. The present bill does just that. It would not require an act of Congress to adjust a quota because the law would furnish the guidelines for action by the Tariff Commission. If a surplus should develop in any product protected by a quota the Tariff Commission could cut back imports temporarily to help the domestic industry work off the surplus. This flexibility would be extremely helpful in preventing a recession from backing into a depression.

Third, the import quota can be used to carry out a liberal trade plan. A reasonable share of the market could be left to imports. Expansion of the market would open the way for a larger volume of imports without raising their share of the market. Even the latter, that is, increasing the share of imports in supplying the market, is provided for in the bill where the need can be established and where additional imports would not seriously injure domestic producers.

The quota system, however, would not replace the tariff but would supplement it. Instances could no doubt be found where the tariff could be removed entirely and replaced by a quota but the bill does not now provide such a system of substitution.

An impressive feature of the bill is the incentive it gives to other countries to raise their wage standards if they want to increase their exports to the United States. This is something new and meets the objection to high tariffs. The bill provides that the quota on any product shipped to us from any country will be increased by 10 percent if the wages in the industry shipping the goods to us increase by as much as 5 percent in their relation to our own wages. Such an increase could be repeated as the wage-gap was narrowed. The door is therefore opened to the improvement of wage standards in other countries. This is an important feature of the bill.

There are other features of the bill that recommend it to me, but one of the most cogent is the final power bestowed on the Tariff Commission. The delegated power is carefully confined by the bill, as all delegated power should be, and it would recapture for Congress its constitutional authority to legislate toward the regulation of foreign commerce and to lay and collect duties. This power has so far passed out of the hands of this body that unless Congress reasserts its legislative power in this field it will progressively underwrite its own abdication.

This is a most serious matter. I urge early hearings on the bill so that the legislation may be considered in this session.

PLANTING OF TREES ON SURPLUS CROPLANDS

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, I am today introducing a bill designed to make a virtue of necessity and convert a liability into an asset. It is a bill to encourage and stimulate the planting of trees on surplus croplands. The bill is geared to complement the administration's soil-bank proposals, by providing incentives in the form of Federal aid and technical assistance to farmers who convert their surplus croplands to woodlots.

Under the terms of this measure, tree seedlings would be made available, free of charge, for planting on farmlands earmarked for the so-called conservation-reserve program, and a strengthened and expanded Federal-State program of guidance and assistance in forest management would be provided to cooperating farmers.

Mr. Speaker, this is no pie-in-the-sky proposal, and it is not submitted as such. It is a program that will get land into the production of a crop which is in short supply today, and which will be in shorter supply in the future, unless we plan and plant now to take care of tomorrow's needs. It is a sound, workable program, based on solid experience rather than wishful thinking, and if it is approved, it can add as many as 5 billion trees to our productive timberlands in the next 5 years.

This program has numerous things to commend it. It will take land out of production on a long-range basis, thus providing a real breathing spell in which to whittle down our price-depressing surpluses.

It will put the land into a soil-building, rather than soil-depleting crop, thus providing a double harvest for future generations. At the same time, if there is a real emergency, land planted to trees can be quickly cleared with today's bulldozers, so that it is not permanently locked up against other uses, if it is really needed.

Such a program as is contemplated in this bill, Mr. Speaker, has been successfully operated in the State of New York for the past 10 years. As one who had a part in launching that program in my home State, during the period when I served as a State legislator, I can say that what is here proposed has been tried, and it works. More than 1.3 million acres of private land are now planted to trees, in New York State, under the so-called Forest Management program, and many a farmer in my State for the first time has a realizable resource in his woodlot.

I therefore trust that this measure will get careful consideration and win the approval of this Congress.

PERSONAL STATEMENT

Mr. DOLLINGER. Mr. Speaker, I was unavoidably detained on official business and away from the Chamber at the time the vote was taken on the naval construction bill. Had I been present, I would have voted in the affirmative.

PRINCIPAL PRODUCERS OF NATURAL GAS

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include certain tables and other statistical information.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, it seems more than probable that this House will have another opportunity to exercise its judgment on the proposal to exempt producers of natural gas from Federal regulation. In fact, it seems quite unlikely that the proposal can become law unless this House acts again.

Therefore, I believe it will be material to any such further consideration of the proposal for us to have readily accessible and before us certain information bearing upon the major issue of exemption.

Before presenting that information, I want to summarize briefly the most significant votes in committees and on this floor as to this proposal.

On June 7, 1955, a tie vote in the House Committee on Interstate and Foreign Commerce killed the bill temporarily.

On June 8, 1955, this vote was reconsidered and the bill was approved by a vote of 16 to 15.

The bill was reported on June 28.

It was not until July 26 that the Rules Committee granted a rule for the consideration of the bill. The vote was 6 to 5. One member of that committee did not vote.

The bill was debated and passed on July 28. A motion to recommit the bill lost by a vote of 203 to 210.

The vote on final passage was 209 to 203. This vote was on July 28. Congress adjourned the following Tuesday, August 2.

During the debate here references were made to the producers who would be benefited by the exemption proposal. It was stated that it had been estimated that 5,000 to 6,000 independent natural gas producers were involved.

I believe that in considering this proposal it is most important that we should have as a basis as firm knowledge as is available as to the size and scope of the operations of those who seek such an exemption by congressional action.

Therefore, I requested the Legislative Reference Service to compile some of the data available to the public as to several points in such sources as Moody's and Standard and Poor's. Unfortunately, it is not complete. I know of no sources through which it could be completed except from the companies involved. I hope that they will provide the full information, as well as any corrections they believe should be made, before this proposal comes before us again.

In any event, I submit the tables as they have been prepared by a competent, impartial and objective source. I believe they will be of assistance to us.

Table I is the list of companies which the following tables will treat in detail. That table is based upon certain data I inserted in the CONGRESSIONAL RECORD, volume 101, part 8, page 10869 as the most accurate I could obtain at that time. The first figure represents that data. The second figure is the latest data available to me.

It will be noted that the total estimated gas reserves in column 1 is 134,300,000,000,000 cubic feet; while the total in column 2 is 149,100,000,000,000 cubic feet.

According to the 1555 issue of Gas Facts, a statistical publication of the American Gas Association, the total proven recoverable reserves of natural gas in this country at the end of 1954 was 211,710,732,000 cubic feet—table 5, page 13.

TABLE I.—*Estimated gas reserves of principal producers*

[Trillions of cubic feet]

	Former	Latest
1. Humble Oil & Refining	18.0	16.0
2. Phillips Petroleum	17.9	17.9
3. The Texas Co	10.5	11.1
4. Standard Oil of Indiana	9.9	11.4
5. Socony Mobil Oil	7.5	7.8
6. Shell Oil	7.0	7.0
7. Cities Service	6.3	6.3
8. El Paso Natural Gas	4.5	4.5
9. Standard Oil of California	4.0	4.5
10. Gulf Oil	4.0	4.0
11. Continental Oil	3.8	2.2
12. Sun Oil	3.8	3.9
13. Pure Oil	3.7	3.7
14. Panhandle Eastern Pipe Line	3.5	11.5
15. Colorado Interstate Gas	3.3	5.0
16. Chicago Corp	2.5	1.5
17. Skelly Oil	2.4	2.3
18. Atlantic Refining	2.2	2.2
19. Ohio Oil	2.1	2.0
20. Republic Natural Gas	2.1	2.1
21. Cities Service Gas	2.0	2.0
22. Tidewater Associated Oil	1.8	2.2
23. Sinclair Oil	1.7	1.7
24. Union Oil of California	1.6	2.4
25. Superior Oil	1.5	1.5
26. Sunray Midcontinent Oil	1.5	1.9
27. Natural Gas Pipeline	1.5	4.2
28. Southern Production	1.3	1.2
29. Pan American Petroleum	1.3	1.3
30. Arkansas-Louisiana Gas	1.1	3.2

Table II contains brief notes about each of these companies to identify their legal status, including nature of incorporation:

TABLE II

NOTES ON MAJOR HOLDERS OF NATURAL GAS RESERVES

1. Humble Oil & Refining Co.: The majority of stock is owned by the Standard Oil Co. (New Jersey), amounting on December 31, 1954 to 87 percent of the voting stock. This is a Texas corporation.

2. Phillips Petroleum Co.: This is both a holding and an operating company, incorporated in Delaware on June 13, 1917.

3. The Texas Co.: This is both a holding and an operating company, incorporated in Delaware on August 26, 1926.

4. Standard Oil Company of Indiana: This is both a holding and an operating company, incorporated in Indiana on June 16, 1889.

5. Socony Mobil Oil Co.: This is both a holding and an operating company. It was incorporated in New York on August 10, 1882 as the Standard Oil Company of New York. In 1931, it changed its name to Socony-Vacuum Corp., and in May 1955, it became the Socony Mobil Oil Co., Inc.

6. The Shell Oil Co.: This is both a holding and an operating company. Some 65.44 percent of its stock is owned by the Shell Caribbean Petroleum Co. which in turn is a subsidiary of the Royal Dutch Petroleum Co. The American company was incorporated in Delaware on February 8, 1922.

7. Cities Service Co.: This is a holding company incorporated in Delaware. Because of the requirements of the Public Utility Holding Company Act of 1935, all its public utility subsidiaries have been disposed of except the Dominion Natural Gas Co., Ltd., of Canada, and there is pending an application for exemption of this subsidiary from the provisions of the 1935 act. In 1954, Cities Service sold 40 percent of its output to transportation companies at field delivery points, 34 percent to distribution companies at town border delivery points, 21 percent direct to industrial companies, and the remainder to other customers.

8. El Paso Natural Gas Co.: This is both a holding and an operating company. It was incorporated in Delaware on November 28, 1928. It owns and operates a pipeline system for the transportation and sale at wholesale of natural gas supplying customers in Texas, New Mexico, and Arizona, with further delivery to companies distributing in California and Nevada.

9. Standard Oil Company of California: This is primarily an operating company although it is also a holding company. It was incorporated in Delaware on January 27, 1926.

10. Gulf Oil Co.: This is both a holding and an operating company. It was incorporated in Pennsylvania on August 9, 1922. Its supplies of natural gas are used or processed for the extraction of natural gasoline or other such products, and gas is sold to other companies for the production of lampblack. Other sales are made in the area of production. The rest is used to repressure oilfields.

11. Continental Oil Co.: This is both a holding and an operating company. It was incorporated in Delaware on October 8, 1920. It does not present operating statistics in the standard reference books.

12. Sun Oil Co.: This is both a holding and an operating company. It was incorporated in New Jersey on May 2, 1901.

13. Pure Oil Co.: This is primarily an operating company but is also a holding company. It was incorporated in Ohio on April 9, 1914.

14. Panhandle Eastern Pipe Line Co.: This is both a holding company and an operating company. It was incorporated in Delaware on December 23, 1929. It is affiliated with the Missouri-Kansas Pipe Line Co., which owned on December 31, 1954 some 447,943 shares of the 4 million total.

This company is engaged in the production, purchase, transmission, and sale of natural gas. Most of the sales are to gas distributing companies for resale. It produces about 23 percent of its requirements, and has to purchase the rest.

15. Colorado Interstate Gas Co.: This is both a holding and an operating company. It was incorporated in Delaware on June 8, 1927.

16. Chicago Corp.: This is both a holding and an operating company. It was incorporated in Delaware on September 11, 1929.

17. Skelly Oil Co.: This is an operating company. It was incorporated in Delaware on August 20, 1919. On December 31, 1954, 59.38 percent of the company's common stock was owned by the Mission Corp., which in turn is a subsidiary of the Pacific Western Oil Corp. Pacific Western owned 46.98 percent of the voting stock of Mission. Mr. J. Paul Getty individually and as trustee owned 81.94 percent of the voting control of Pacific Western.

18. Atlantic Refining Co.: This is both a holding and an operating company. It was incorporated in Pennsylvania on April 29, 1870.

19. The Ohio Oil Co.: This is primarily an operating company, but is also a holding company. It was incorporated in Ohio on July 30, 1887. This company owns 8.9 percent of the capital stock of the Mountain Fuel Supply Co. which owns and controls large gas reserves in Colorado and Wyoming, and complete transportation and distribution systems to market gas in Salt Lake City, Provo, and other towns of that area.

20. Republic Natural Gas Co.: This is an operating company. It was incorporated in Delaware in November 1934. It sells its natural gas principally to the Cities Service Gas Co. and the Northern Natural Gas Co. Minimum gas prices fixed by regulations in Oklahoma and in Kansas in turn affect the prices charged the two customer companies named above.

21. Cities Service Gas Co.: This is an operating company which is owned 100 percent by the Cities Service Co. It is incorporated in Delaware. Producing in Texas, Oklahoma, and Kansas, it transmits and sells to gas distribution companies and industrial customers in Texas, Missouri, Oklahoma, and Kansas. Statistics of its operations are covered in this report on Cities Service Co. (No. 7).

22. Tidewater Associated Oil Co.: This is primarily an operating company although it is also a holding company. It was incorporated in Delaware on March 5, 1926. On December 31, 1954, 47.37 percent of the voting control was owned by the Mission Development Co., and 14.27 percent of voting control by the Pacific Western Oil Corp. Mr. J. Paul Getty, as owner and trustee, controlled the Pacific Western Oil Corp.

23. Sinclair Oil Corp.: This is exclusively a holding company. It was incorporated in New York on September 23, 1919. Its subsidiary is the Sinclair Oil & Gas Co., which is incorporated in Maine.

24. Union Oil Company of California: This is primarily an operating company, but is also a holding company. It was incorporated in California on October 17, 1890. It has gas reserves of 2.4 trillion cubic feet.

24. (Alternate) Union Oil & Gas Corporation of Louisiana: This is a company incorporated in Delaware. It has gas reserves of 1.5 trillion cubic feet.

25. The Superior Oil Co.: This is primarily an operating company, but is also a holding company. It was incorporated in California on October 31, 1936. It has a wholly owned subsidiary engaged in exploratory work in

Venezuela and a 51.7-percent interest in Canadian Superior Oil of California, Ltd.

26. Sunray Midcontinent Oil Co.: This is both a holding company and an operating company. It was incorporated in Delaware on February 15, 1929. The Sunray Oil Corp. merged on May 16, 1955, with the Mid Continent Petroleum Corp.

27. Natural Gas Pipeline Company of America: This is both a holding and an operating company. It was incorporated in Delaware on April 25, 1930. All of its stock is owned by the Peoples Gas Light & Coke Co. It is associated with the Texas Illinois Natural Gas Pipeline Co. It produces 30 percent of its gas supply, purchasing the rest of its supply from other gas producers in the Panhandle area. The gas it purchases or produces is processed, transported, and sold at wholesale to the Peoples Gas Light & Coke Co., the Northern Illinois Gas Co., and the Northern Indiana Public Service Co. for distribution in the Chicago metropolitan area, and to about 14 other utilities for resale in 110 communities in Kansas, Nebraska, Illinois, and Wisconsin.

28. Southern Production Co., Inc.: This is primarily a production company. It was incorporated in Delaware on August 8, 1942. This company produces oil, natural gas, and gas distillates. In 1954 gas sales produced 24 percent of gross revenues.

29. Pan American Petroleum & Transport Co.: This company was formerly a Delaware corporation, a subsidiary of the Standard Oil of Indiana, which held a 78.7-percent interest. However, on August 17, 1954, it was merged with Standard Oil of Indiana, so no separate statistics are available now.

30. Arkansas-Louisiana Gas Co.: This is an operating company. It was incorporated in Delaware on March 9, 1928. As of December 31, 1954, 52.7 percent of the common stock was owned by the W. R. Stephens Investment Co.

Table III presents summary information on the acreage of oil and gas lands owned as of December 31, 1954, by these same companies, insofar as information is available. The figures refer to domestic holdings only, unless noted otherwise. Where possible, there is division of information between developed and undeveloped reserves, and the States in which these reserves are located also are shown.

TABLE III

ACREAGE OF GAS AND OIL LANDS HELD BY CERTAIN MAJOR PRODUCERS (AS OF DECEMBER 31, 1954)

Humble Oil and Refining:

Developed: 2,647,827—Texas, Louisiana, New Mexico, Mississippi, Florida, Alabama, California.

Undeveloped: 13,555,000—Same plus Georgia, Arizona, Arkansas, Oregon.

Phillips Petroleum:

Developed (gross): 1,206,745—Arkansas, Colorado, Illinois, Kansas, Kentucky, Louisiana, Mississippi, Montana, Nebraska, New Mexico, Oklahoma, Texas, Utah, Wyoming.

Undeveloped (gross): 8,929,868. Same plus Alabama, Arizona, Idaho, Indiana, Oregon, South Dakota, Alaska.

Also has 755,464 gross acres in Venezuela, and Canada, and exploratory rights in Canada on 1,876,817 gross acres, and leases and operating rights on 1,065,894 gross acres in Canada.

Texas Co.:

Total domestic: 10,969,571.

Total foreign: 7,892,933.

Standard Oil of Indiana:

Producing (net): 1,361,000. Principal: Kansas, Oklahoma, Texas, New Mexico, Wyoming, Louisiana, Colorado.

Undeveloped: 13,820,000. other: Montana, Arkansas, Nebraska, Utah, Mississippi, Georgia, Alabama, Florida, Kentucky, Illinois, Idaho, North Dakota, and Alberta.

Socony Mobil Oil Co.:

Proven: 307,652—Texas, California, Oklahoma, Louisiana, New Mexico, Kansas, Wyoming, Illinois, Mississippi, Nebraska, Arkansas, Kentucky, Michigan, Indiana, Alabama, Montana.

Undeveloped: 13,190,576. Above States plus West Virginia, Florida, Tennessee, Colorado, Utah, Missouri, Ohio, Arizona, Nevada, North Dakota, South Dakota.

Other holdings: A subsidiary has 22.66 percent interest in a nonprofit corporation which takes over certain producing properties. Royalty interests in 8,000 producing acres and in 46,766 nonproducing acres. Foreign interests located in: India, Pakistan, British Somaliland, Sumatra, New Guinea, Australia, Saskatchewan, Venezuela, Columbia, Egypt, Alberta, Germany, Austria, Iraq.

Cities Service Co.:

Developed and prospective: 7,585,000. Principal: Texas, Kansas, Oklahoma, Louisiana, New Mexico; other: Arkansas, Illinois, Michigan, Mississippi, Pennsylvania, Ohio, Kentucky.

One million one hundred and sixty-three thousand acres of leaseholds and reservations in Canada.

Two hundred and thirty thousand acres of royalties and mineral rights in fee in United States.

Foreign activities located in Saudi Arabia, Egypt, Canada, and Peru.

Shell Oil Co.:

Producing: 388,461—Texas, Louisiana, Oklahoma, California, Kansas, Colorado, New Mexico, Illinois, Montana, Canada, South Dakota, Wyoming, Nebraska, and others.

Nonproducing: 21,712,990. Above States, plus North Dakota and Alaska.

El Paso Natural Gas Co.:

Held gas rights (gross): 1,931,852.

Held gas rights (net): 1,500,742—New Mexico, Texas, Colorado, Utah, Arizona, Louisiana, Nevada, Wyoming, and Oregon.

Standard Oil of California:

Total United States (net): 7,034,076. Principal: Louisiana, Mississippi, Colorado, Wyoming.

Total Canada (net): 10,187,256.

Total (gross): 34,295,435.

Gulf Oil Co.:

Producing (net): 945,192—Texas, Louisiana, Mississippi, New Mexico, Oklahoma, Kansas, Illinois, Wyoming, California, Michigan, Kentucky, Arkansas and others.

Nonproducing: 13,976,314. Above plus offshore Texas and Louisiana.

Continental Oil Co.:

Producing (net): 348,128. Principal: Texas, Louisiana (offshore), Wyoming, Kansas, New Mexico, Oklahoma. Other: Colorado, Indiana, Montana, California, Illinois, Utah, Mississippi, Washington, Nebraska, Arkansas.

Nonproducing (net): 8,655,311. Above States, plus Florida, Nevada, North Dakota.

Sun Oil Co.: Producing and nonproducing: 12,100,000—Oklahoma, Kansas, Texas, Louisiana, New Mexico, Michigan, Illinois, Mississippi, Indiana, Kentucky, Alabama, Montana, Utah, Wyoming, Colorado.

Pure Oil Co.:

Developed (net): 259,000. Principal: West Virginia, Texas, Louisiana, Oklahoma, Wyoming, Mississippi, Colorado, Illinois, Michigan, and offshore Louisiana. Other: also, Indiana, Kentucky, Kansas, New Mexico.

Undeveloped (net): 3,349,000.

Panhandle Eastern:

Proven: 880,747. Principal: Texas, Kansas, Oklahoma.

Total: 1,522,179.

Colorado Interstate:

Proven: 244,046—Texas, Oklahoma.

Total: 306,219.

Chicago Corp.:

Producing (net): 167,660—Arkansas, Colorado, Kansas Louisiana, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas.

Nonproducing (net): 1,340,000.

Skelly Oil Co.:

Producing (net): 424,408—Arkansas, Colorado, Illinois, Kansas, Louisiana, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, Texas, Utah, Wyoming.

Undeveloped (net): 3,560,842. Above States, plus others.

Atlantic Refining Co.:

Total domestic: 3,851,000—Alabama, Arkansas, Colorado, Kansas, Louisiana, New Mexico, Mississippi, Montana, North Dakota, South Dakota, Oklahoma, Texas, Wyoming, Canada.

Total foreign: 1,017,000.

The Ohio Oil Co.:

Total: 3,358,517—Ohio, Indiana, Illinois, Kentucky, New Mexico, Arkansas, Louisiana, Kansas, Oklahoma, California, Texas, Montana, Wyoming, Colorado, Michigan, West Virginia, Nebraska, Mississippi.

Republic Natural Gas Co.:

Total: 900,000—Texas, Oklahoma, Kansas, Colorado, Nebraska.

Canada: 300,000—Saskatchewan.

Tide Water Associated Oil Co.:

Producing: 200,368—Pennsylvania, Illinois, Indiana, Kansas, Arkansas, Oklahoma, Texas, Louisiana, Mississippi, New Mexico, Colorado, California, Wyoming, West Virginia, and Canada.

Undeveloped: 2,115,895—California, New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Kansas, Illinois, Indiana, Mississippi, North Dakota, South Dakota, Alabama, Florida, Montana, Utah, Colorado, New York, Pennsylvania, West Virginia, Wyoming, Ohio, Nevada, and Canada.

Sinclair Oil Corp.:

Producing (net): 373,630—Texas, Louisiana, Oklahoma, Kansas, New Mexico, Wyoming, Mississippi, Kentucky, Montana, Indiana, Colorado, and Illinois.

Undeveloped: 10,113,354. Forty-four percent in Texas, 9 percent in Oklahoma, remainder in other States.

Union Oil of California:

Proved (net): 59,000. Principal: California, Louisiana, Texas, Montana, Wyoming, New Mexico, Oklahoma.

Unproved (net): 2,980,000.

Superior Oil Co.: Not stated. Principal: California, Texas, Louisiana, Oklahoma, Illinois. Other: Indiana, Arkansas, New Mexico, Colorado, Kansas, Kentucky, Michigan, Mississippi, Nebraska, Wyoming.

Sunray Mid-Continent:

Sunray properties producing (net): 206,844—Arkansas, California, Colorado, Illinois, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, Pennsylvania, Texas.

Sunray properties nonproducing (net): 2,885,064.

Mid-Continent properties producing (net): 82,319—Arkansas, Kansas, Louisiana, Nebraska, New Mexico, Oklahoma, Texas, Utah.

Mid-Continent properties nonproducing (net): 1,522,583.

Natural Gas Pipeline: Total: 130,000—Texas.

Southern Production Co.:

Producing (net): 69,189. Principal: Texas, Louisiana.

Nonproducing (net): 634,927. Other: Colorado, Louisiana, Mississippi, Oklahoma.

Arkansas Louisiana Gas:

Producing: 42,035. Principal: Arkansas, Texas, Louisiana.

Unproven: 127,821.

Table IV presents summary operating data on as many of these same companies as is available. Not all data are strictly comparable, but at least an idea of relative size of operations may be obtained, and the trends within particular companies measured in most cases.

TABLE IV.—*Operating statistics of certain major producers of natural gas*

[All gas volume data in millions of cubic feet unless marked otherwise]

	1955	1954	1953	1952	1951	1950	1949	1948
Humble Oil & Refining: Gas sales		335, 100	316, 653	241, 877	214, 766	169, 441	136, 559	126, 947
Phillips Petroleum Co.:								
Gas sales per day		1, 710	1, 554	1, 551	1, 587	1, 382	1, 146	1, 069
Average price per thousand cubic feet (cents)		8. 29	8. 09	6. 56	5. 86	5. 15	4. 87	4. 43
Net gas produced		(1)	(1)	375, 000	365, 000	362, 000	282, 000	276, 000
Gas purchased		(1)	(1)	384, 000	392, 000	280, 000	276, 000	268, 000
The Texas Co.: Gas sales		244, 020	209, 028	181, 405	162, 943	138, 620	140, 055	118, 256
Standard Oil of Indiana:								
Net gas daily production		990	919	774	669	528	446	380
Gas sales per day		1, 078	1, 007	863	725	570	445	339
Gas sales		393, 400	367, 500	315, 800	264, 700	208, 092	162, 561	123, 750
Consolidated sales and operating revenue (dollars per thousand)		36, 668	29, 182	21, 798	17, 261	12, 468	8, 978	5, 862
Socony Mobile Oil Co.: Gas production		290, 188	289, 582	263, 657	253, 000	209, 000	157, 539	113, 165
Shell Oil Co.:								
Gas production		340, 040	316, 362	266, 515	229, 391	186, 116	142, 981	128, 119
Gas sales		285, 928	222, 822	176, 613	146, 100	121, 678	90, 431	73, 693
Cities Service Co.:								
Gas production		[2] 236, 597	262, 086	252, 135	242, 110	210, 826	189, 227	171, 368
Gas sales		[2] 456, 149	619, 417	591, 111	559, 132	501, 041	429, 480	371, 835
Number of customers		(1)	750, 155	745, 158	705, 543	668, 879	633, 088	599, 097
Miles of pipelines and mains		[3] 7, 783	18, 893	19, 076	18, 353	17, 716	16, 818	16, 360
El Paso Natural Gas:								
Gas production and from storage		[3] 75, 965	58, 112	57, 404	17, 009	580	446	2, 628
Gas received in exchange		49, 966	435					
Gas purchased		[4] 731, 114	589, 442	487, 460	412, 834	295, 586	208, 490	141, 556
Gas sales and delivery		645, 356	515, 909	437, 512	379, 416	264, 219	185, 117	130, 014
Gas used in system		53, 760	50, 419	40, 450	30, 455	21, 103	16, 508	12, 321
Gas stored		55, 957	8, 909	5, 570	1, 115	8, 066	6, 021	998
Gas unaccounted		8, 286	7, 606	3, 927	1, 848	2, 197	853	1, 776
Gas delivered in exchange		(5)	6, 599					
Total gas utilization		[4] 731, 114	589, 442	487, 460	412, 834	295, 586	208, 490	141, 556
Total gas sales (dollars per thousand)		132, 895	105, 639	74, 682	61, 135	39, 674	28, 708	21, 529
Standard Oil of California:								
Gas production		147, 917	143, 188	141, 711	148, 482	162, 221	159, 655	168, 649
Gas sales		98, 858	83, 859	81, 491	87, 403	113, 834	117, 119	113, 138
Gulf Oil Co.:								
Net gas production		236, 656	245, 979	234, 152	215, 148	167, 217	143, 342	145, 523
Net gas sales		195, 998	201, 595	182, 815	163, 341	124, 284	110, 564	117, 411
Continental Oil Co. (No data available.)								
Sun Oil Co.: Gas sales		159, 000	149, 000	136, 000	110, 000			
Pure Oil Co.: Gas production		80, 595	64, 174	62, 904	42, 231	26, 291	21, 998	25, 702
Panhandle Eastern Pipe Line Co.: [6]								
Gas production		79, 335	72, 400	74, 660	75, 406	65, 428	60, 163	51, 591
Gas purchases		263, 877	267, 100	228, 681	170, 821	138, 186	125, 565	120, 022
Gas sales [7]		318, 737	315, 008	320, 773	{ 251, 272 [8] 219, 008	204, 711 [8] 195, 828	186, 104 [9] 177, 564	170, 132
Gross gas sales (dollars per thousand)		85, 301	92, 993	89, 499	[8] 42, 207	[8] 36, 936	[9] 32, 954	
Population served (thousands):								
Directly		4. 5	4. 1	3. 8	3. 4	3. 0	2. 5	2. 0
Indirectly		12, 300	11, 850	9, 700	8, 700	6, 980	6, 440	6, 380
Colorado Interstate:								
Gas production		127, 933	141, 584	143, 464				
Gas purchased and exchanged		76, 299	42, 343	25, 052				
Gas total supply		204, 232	183, 927	168, 516				
Gas total sales		191, 245	174, 656	163, 634	159, 476	136, 281	104, 124	108, 686
Chicago Corp.:								
Gas production		Not stated	209, 360	211, 098	201, 299	185, 992		
Gas sales		116, 460	113, 055	118, 743	107, 001	74, 050	65, 252	55, 114
Skelly Oil Co.:								
Gas production		116, 786	113, 433	106, 204	103, 313	88, 919		
Gas processed		95, 697	105, 912	98, 953	87, 872	81, 061	73, 842	65, 716
Atlantic Refining Co. (No data available)								
The Ohio Oil Co. (No data available)								
Republic Natural Gas: [10]								
Gas sales	64, 946	64, 586	71, 418	70, 721	63, 555	65, 661	70, 426	[11] 58, 862
Gas sales (dollars per thousand)	6, 630	6, 253	6, 317	5, 984	4, 947	3, 111	3, 269	3, 094
Cities Service Gas. (See No. 7 above.)								
Tide Water Associated Oil Co.: Gas production		85, 863	74, 385	68, 651	58, 003	46, 277	40, 963	40, 736
Sinclair Oil Corp. (No data available.)								
Union Oil of California: Net gas production		60, 701	64, 308	52, 597	45, 208	25, 649	25, 259	22, 951
Superior Oil Co.: Gas production [12]		65, 000	70, 300	[13] 189	44, 000	41, 000	33, 000	34, 000
Sunray Mid-Continent:								
Gas production		80, 557	80, 663	66, 601	57, 501	44, 740	39, 994	
Do		21, 920	19, 141	18, 350	17, 736	17, 025		
Natural Gas Pipeline Co.:								
Gas production		76, 317	90, 582	95, 235	109, 323			
Gas purchases		162, 310	142, 835	130, 482	104, 340			
Gas sales		218, 298	211, 664	204, 558	191, 432			
Gas sales (dollars per thousand)		39, 752						
Average price per thousand cubic feet (cents)		10. 07	7. 49	6. 38	5. 55	5. 23		
Southern Production: Net gas sales		57, 082	49, 864	45, 294	33, 469	30, 683	27, 974	22, 989
Pan-American Petroleum. (Merged with Standard Oil of Indiana; no separate data available.)								
Arkansas Louisiana:								
Gas production		37, 361	35, 470	35, 875	38, 670	34, 464	25, 805	30, 605
Gas purchases		164, 313	144, 684	142, 116	142, 625	115, 954	98, 787	88, 014
Gas sales		181, 115	165, 344	158, 498	158, 670	138, 346	114, 070	108, 136
Gas sales (dollars per thousand)		32, 567						

[1] Not stated.
[2] Reflects reductions resulting from sale of 2 natural-gas utilities in 1954.
[3] Only produced: withdrawn from storage included in received in exchange.
[4] As of Sept. 30, 1954.
[5] Included in storage for future use.
[6] Moody's and Standard & Poor's disagree on figures for 1952–54. These figures are from Standard and Poor's, p. 7285.
[7] Total volume produced and purchased differs from volume of sales, due to use of different measurement basis.
[8] 12 months ended as of June 30.
[9] 12 months ended as of July 31.
[10] Fiscal years ending June 30, 1955, and corresponding dates.
[11] Pressure base 16.4 pounds. Subsequent years 14.65 pounds.
[12] Fiscal years ending Aug. 31.
[13] Average daily.

Table V presents data on the consolidated earnings of these same selected companies. They are reflections of gross operating income and net income for comparable parts of 1955 and 1954, plus totals for the years 1954 and 1953. In a few cases, other qualifying footnotes have been added. It is most important to note that these data represent combined figures covering all operations which in some cases may only incidentally include natural-gas income. Only in one case has it been possible to quote separate data on income from gas operations.

TABLE V.—*Consolidated earnings of selected major producers of natural gas*

[Data in thousands of dollars]

Company	January-June		January-September		January-December	
	1955	1954	1955	1954	1954	1953
Humble Oil & Refining:						
Gross operating income	532,426	497,924			984,577	1,026,491
Net income	88,284	74,743			146,303	164,258
Phillips Petroleum Co.:						
Gross operating income	430,016	392,007	660,405	586,779	794,859	762,307
Net income	42,576	37,919	65,189	55,615	76,235	76,760
The Texas Co.:						
Gross operating income [1]	830,212	753,380	1,280,620	1,155,634	1,574,370	1,558,814
Net income [1]	[2] 124,834	97,481	[2] 189,767	151,880	226,141	192,600
Standard Oil of Indiana:						
Gross operating income	857,551	821,211			1,660,343	1,709,511
Net income	64,965	53,043			117,157	124,826
Socony Mobil Oil Co.:						
Gross operating income	832,560	803,890			1,608,708	1,606,572
Net income	97,056	87,808	145,000	128,000	183,806	187,250
Shell Oil Co.:						
Gross operating income	713,466	655,610			1,312,060	1,269,551
Net income	54,497	63,436			121,127	115,407
Cities Service Co.:						
Gross operating income	453,701	405,634	666,410	589,353	[3] 813,174	892,198
Gross operating income, natural gas					[3] 68,171	117,744
Net income	23,541	19,456	32,518	[3] 25,646	43,724	50,721
El Paso Natural Gas:						
Gross operating income	84,847	68,873			143,842	111,144
Net income	9,126	6,512			12,317	18,369
Standard Oil of California:						
Gross operating income [4]	603,468	549,567	939,098	[4] 825,490	1,113,343	1,080,425
Net income	109,343	104,044	166,272	154,921	211,872	180,453
Gulf Oil Co.:						
Gross operating income	917,196	836,327			[5] 1,705,329	1,640,872
Net income	91,871	80,797	145,287	121,867	182,813	175,036
Continental Oil Co.:						
Gross operating income	256,566	249,144			500,125	476,842
Net income	22,172	21,859			41,683	40,875
Sun Oil Co.:						
Gross operating income	321,573	328,343			659,532	670,787
Net income	24,407	20,407			40,344	45,154
Pure Oil Co.:						
Gross operating income	238,053	184,639	356,329	279,674	388,278	368,027
Net income	16,081	14,016	24,650	20,829	31,163	27,105
Panhandle Eastern Pipe Line Co.:						
Gross operating income	50,266				87,161	95,138
Net income	9,259				14,892	17,170
Colorado Interstate:						
Gross operating income	21,700	14,513			29,940	17,948
Net income	4,844	2,458			4,102	2,480
Chicago Corp.:						
Gross operating income (net sales)	31,289					
Net income	3,603	[6] 3,397				
Skelly Oil Co.:						
Gross operating income	110,266	104,634	167,353	156,312	211,081	215,317
Net income	14,823	14,184	22,815	20,993	29,455	31,277
Atlantic Refining Co.:						
Gross operating income	259,605	242,390	372,937	351,370	596,168	606,977
Net income	[7] 18,883	[7] 19,851	24,407	26,372	41,384	49,809
The Ohio Oil Co.:						
Gross operating income	126,684	127,355	190,975	187,219	248,484	241,705
Net income	19,551	19,493	29,193	28,281	38,224	43,539
Republic Natural Gas:						
Gross operating income [8]				[9] 16,240	15,962	15,238
Net income (includes net gain on sale of perperty: 1953, $557; 1954, $146) [8]				4,065	5,198	4,943
Cities Service Gas. (See No. 7 above.)						
Tide Water Associated Oil Co.:						
Gross operating income	239,284	229,297	354,292	338,289	459,030	473,437
Net income	18,022	18,167	27,256	26,967	34,547	36,952
Sinclair Oil Corp.:						
Gross operating income	535,591	499,072	799,720	741,530	1,021,461	935,465
Net income	37,801	36,515	56,138	[10] 52,806	[11] 91,580	68,061
Union Oil of California:						
Gross operating income	175,863	178,296	272,915	265,149	349,667	324,487
Net income	16,309	17,688	25,094	27,151	35,888	38,100
Superior Oil Co.:						
Gross operating income [12]	[13] 58,859	[13] 57,464			[14] 76,137	[14] 72,307
Net income [12]	[13] 4,063	[13] 8,343			[14] 10,360	[14] 12,000
Sunray Mid-Continent:						
Sunray Oil Corp. prior to merger:						
Gross operating income					125,239	133,169
Net income					23,200	27,573
Mid-Continent prior to merger:						
Gross operating income					164,250	174,455
Net income					13,468	14,394
Combined earnings:						
Gross operating income	147,510		221,000		294,838	313,232
Net income	17,629		27,535		36,660	41,967
Natural Gas Pipeline Co.:						
Gross operating income					41,994	32,316
Net income					2,753	2,225
Southern Production Co.:						
Gross operating income	8,580	8,717	12,835	12,880	22,947	19,961
Net income	2,399	2,536	3,275	3,247	4,174	3,601
Pan-American Petroleum. (Merged with Standard Oil of Indiana; no separate data available)						
Arkansas-Louisiana Gas:						
Gross operating income	25,573	21,917	35,571	30,805	42,421	[15] 37,096
Net income	1,992	[16] 1,606	2,316	[15] 1,397	[15] 1,950	[15] 2,194

[1] Brazilian subsidiaries excluded.
[2] Including $8,185 profit on sale of capital assets.
[3] Reflects reductions resulting from sale of 2 natural-gas utilities in 1954.
[4] After deducting State sales and gasoline taxes and Federal gasoline and lubricating-oil taxes.
[5] After deducting State sales and gasoline taxes and Federal gasoline and lubricating oil taxes.
[6] Includes $812 profit from sale of securities.
[7] Reflects special changes in organization.
[8] Fiscal years.
[9] 1955.
[10] Does not include profit figure.
[11] Includes $16,957 profit on sale of Pioneer Natural Gas Co. stock.
[12] After deducting royalties, other purchases, etc.
[13] 9 months ending May 31.
[14] Year ending August 31.
[15] After providing for losses of subsidiaries.
[16] Adjusted.
[17] Including special credits of $193.
[18] See Standard & Poor's, p. 2804.

Table VI, the final one of this series, reports both the current assets and the total assets of the same group of selected companies. The reminder is repeated that although all of these companies have extensive interests in natural gas, these figures represent their combined operations in all fields, not just in gas. Data for each year are given as of December 31, unless marked otherwise.

TABLE VI.—*Asset position of selected major firms engaged in the production of natural gas*

[In thousands of dollars]

[Data are as of Dec. 31, except when marked otherwise, and cover total operations, not gas alone]

Company	1954	1953	1950	1948
Humble Oil & Refining:				
Current assets	215,869	259,940	251,096	297,315
Total assets	1,245,054	1,186,306	935,527	861,268
Phillips Petroleum Co.:				
Current assets	261,635	257,290	176,879	151,349
Total assets	1,092,745	1,039,226	667,232	579,274
The Texas Co.: [1]				
Current assets	642,110	631,749	466,429	481,203
Total assets	1,945,509	1,805,481	1,448,712	1,277,094
Standard Oil of Indiana:				
Current assets	611,648	604,524	478,616	395,836
Total assets	2,187,358	2,036,101	1,640,075	1,500,049
Socony Mobil Oil Co.:				
Current assets	709,577	763,649	513,808	454,814
Total assets	2,256,691	2,154,456	1,609,872	1,443,034
Shell Oil Co.:				
Current assets	342,492	361,825	330,381	269,504
Total assets	1,041,886	984,589	723,102	640,569
Cities Service Co.:				
Current assets	411,682	367,332	314,316	286,116
Total assets	1,053,527	1,102,786	935,697	991,851
El Paso Natural Gas:				
Current assets	40,545	31,835	13,252	7,526
Total assets	675,439	612,958	274,847	170,013
Standard Oil of California:				
Current assets	474,131	448,551	334,429	285,642
Total assets	1,677,849	1,535,185	1,232,953	1,074,526
Gulf Oil Co.:				
Current assets	744,054	734,646	461,287	393,348
Total assets	1,969,052	1,765,748	1,344,358	1,191,004
Continental Oil Co.:				
Current assets	173,851	129,933	112,958	108,025
Total assets	480,199	409,423	291,585	261,950
Sun Oil Co.:				
Current assets	144,518	140,317	124,999	110,573
Total assets	494,870	468,817	329,174	278,583
Pure Oil Co.:				
Current assets	132,031	121,720	93,227	81,625
Total assets	410,764	383,103	308,725	270,968
Panhandle Eastern:				
Current assets	24,456	34,144	26,300	30,101
Total assets	328,709	294,445	227,250	178,219
Colorado Interstate: [2]				
Current assets	14,973	6,042	----------	----------
Total assets	124,985	104,858	----------	----------
Chicago Corp.:				
Current assets	31,734	13,095	----------	----------
Total assets	100,689	46,920	----------	----------
Skelly Oil Co.:				
Current assets	72,481	71,143	53,197	57,784
Total assets	291,843	274,528	210,916	169,015
Atlantic Refining Co.:				
Current assets	146,202	155,482	138,459	119,830
Total assets	611,682	570,839	432,545	382,558
The Ohio Oil Co.:				
Current assets	99,138	101,546	86,478	73,433
Total assets	324,949	313,298	241,191	203,389
Republic Natural Gas Co.: [3]				
Current assets	7,869	4,606	----------	----------
Total assets	42,844	37,370	----------	----------
Tide Water Associated Oil Co.:				
Current assets	146,401	137,550	106,328	101,903
Total assets	395,869	362,424	296,583	287,730
Sinclair Oil Corp.:				
Current assets	382,965	385,148	302,335	296,157
Total assets	1,186,771	1,140,665	799,051	710,125
Union Oil of California:				
Current assets	128,912	132,355	90,867	86,743
Total assets	511,238	476,047	358,292	298,416
Superior Oil Co.: [4]				
Current assets	34,156	34,315	----------	----------
Total assets	142,435	135,804	----------	----------
Sunray Mid-Continent:				
Sunray Oil Corp.:				
Current assets	65,494	57,637	----------	----------
Total assets	300,040	292,339	----------	----------
Mid-Continent:				
Current assets	88,373	88,032	----------	----------
Total assets	186,332	181,776	----------	----------
Consolidated balance sheet reflecting merger:				
Current assets	129,315	----------	----------	----------
Total assets	461,805	----------	----------	----------
Natural Gas Pipeline:				
Current assets	11,364	7,284	----------	----------
Total assets	150,305	142,636	----------	----------
Southern Production:				
Current assets	14,142	13,563	----------	----------
Total assets	79,230	71,573	----------	----------
Arkansas-Louisiana:				
Current assets	16,435	12,153	10,154	9,125
Total assets	93,062	82,636	61,695	51,851

[1] Excludes Brazilian subsidiaries, 1953 and thereafter.
[2] Prior to 1951, was merged with Canadian River Gas Co. No separate data.
[3] Fiscal years.
[4] Year ending Aug. 31.

VISIT OF THE PRIME MINISTER OF GREAT BRITAIN

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I merely desire to refresh the memory of the Members to the fact that tomorrow, the Prime Minister of Great Britain, Hon. Sir Anthony Eden, will be the guest of the House. It is expected that he will arrive here about 1 o'clock. I make this statement so that Members may anticipate the visit and, if possible, be present.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I understand there are no tickets for tomorrow, is that correct?

Mr. McCORMACK. That is correct. I desire also to say that there will be a quorum call before Mr. Eden's visit.

POLITICAL EXPEDIENCY MAY CHANGE, BUT PRINCIPLES NEVER DO

The SPEAKER. Under previous orders of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 5 minutes.

Mr. BYRD. Mr. Speaker, talks are under way between Prime Minister Anthony Eden and President Eisenhower here in Washington. Mr. Eden will probably press the President and the State Department to give Communist China the offshore islands of Matsu and Quemoy and to be ready to advance United Nations membership for Red China as soon as American public opinion permits. He is probably hopeful, too, that the administration will be willing to launch a massive propaganda drive to shape American public opinion to the desired mold.

When Mr. Eden comes to us pleading the cause of Red China, he upholds the bloody hands which tortured and killed thousands of our American boys in Korea. He fronts for the men who wantonly have broken their armistice agreement with us and who are holding our people as captives, and he asks us to be guilty of dishonorable desertion of our loyal ally, the Nationalist Chinese Government, a step which would ultimately force them to give up Formosa. This would be an ideal time for the President and the State Department to tell Mr. Eden that, if the Chinese Nationalists are ever forced to yield the offshore islands to Red China, it would merely whet the appetite of the Reds to press the claim they now make to Formosa. Moreover, it would further encourage them to take the British Crown Colony of Hong Kong, which the English acquired from the Chinese in 1842, under the Treaty of Nanking. Russia would, of course, support Red China in this just as she now supports Chou En-lai's blatant and brazen claim to Formosa. If for 1 minute Mr. Eden thinks that the taking of Hong Kong is not on the timetable of Red China, or that it can be avoided by appeasement, he is completely blind to the Communist technique.

The American people are a religious people who believe in moral laws and who believe in a Creator who governs the destinies of men and nations. The people of America will never stoop to

low as to yield on basic principles of righteousness and justice, nor will they succumb to either the blandishments or the threats of the atheistic cutthroats and murderers who constitute the communistic government of Red China, and who openly and defiantly deny the existence of God and of any moral law.

American public opinion will never approve Mr. Eden's policy. If it should ever do so, that very day would mark the beginning of the decline of the American Republic, a decline which would be as precipitous as its cause was shameful.

THE DEATH OF A PATRIOT

The SPEAKER pro tempore (Mr. CARNAHAN). Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 30 minutes.

Mr. FEIGHAN. Mr. Speaker, our daily press of yesterday carried the story of the tragic death of Maj. Gen. Kim Chang Young, who was struck down by the bullets of assassins on the very streets of Seoul, Korea. General Kim was the Commanding General of the Counter Intelligence Corps of the Republic of Korea Army. To all who knew him, he was a dedicated patriot. He was possessed of a fierce determination to keep his country free and independent. General Kim was equally dedicated to the hope that all Korea would soon be united under a government clearly representative of the will of the people. He was loved by all who stood for human freedom, individual liberty, and equal justice. He was feared equally by all who engage in the conspiratorial advancement of communism in Korea.

General Kim was no theorist, though he was one who fought for the highest ideals and noblest aims of free men and free nations. He could never be a theorist on the subject of communism because he knew the evils of that tyranny from first-hand experience. General Kim suffered at the hands of the Communists. During the war of Communist aggression in Korea, General Kim was a field commander. In the course of battle, he was taken prisoner by the Communist legions of China, operating out of North Korea. As a prisoner of war, he was subjected to the worst kind of torture and carried with him to his death the scars of brutality on his face. That is one of the reasons why General Kim was so determined that the inhumanities and cruelties which go hand in hand with Communist occupation of all non-Russian nations should not befall his fellow countrymen in the Republic of Korea. These facts also explain, in large degree, why General Kim was so dedicated to uniting Korea under a free and democratic government—thus ending the cruel Communist division of his homeland.

It has been my honor and privilege to know personally the late General Kim. Only last November, I had several important and most useful meetings with him while I was in Korea on an official mission for the Committee on the Judiciary. I recall that on Armistice Day which was properly celebrated as a holiday by all United States missions in Korea, I spent 6 hours with General Kim and members of his staff in the headquarters office of Counter Intelligence Corps which he commanded. Those were six unforgettable hours in which I had presented to me almost unbelievable evidence that General Kim and his staff had collected on the operation of the Communist conspiracy in the Republic of Korea.

I believe that the greatest tribute I could pay to General Kim would be to tell you, my colleagues, about some of the evidence of the Communist conspiracy which General Kim uncovered which has a special bearing on the future security and well-being of the United States and all free countries.

It is obvious that the Communist forces which now occupy the northern area of Korea have made a determined effort to infiltrate free Korea and to cause confusion among the Allied Powers and disruption of the democratic Government of the Republic of Korea. General Kim uncovered and exposed the entire plan of the Communists to infiltrate and subvert free Korea. He showed me a map which pinpointed literally hundreds of training centers maintained by the Communists in the occupied part of Korea from which thousands of agents have been sent into South Korea. These agents were prepared to infiltrate, infect, disrupt, and disorganize every element and phase of civilized life in free Korea. General Kim's staff was most effective in apprehending these agents and in breaking up their underground network. So effective were his operations that the original system of enemy-agent infiltration was completely destroyed. That system was based upon a cell comprised of six agents who operated as a unit. As a consequence of General Kim's actions, the Communists now train only one agent at a time for a given task, and that agent is not aware of the identity of any other agents who might be assigned to a similar task. In addition, these agents attempt to slip into the Republic of Korea as individuals rather than as operating units. I personally saw positive evidence of the effectiveness of General Kim and his staff in breaking up these latest efforts of the Communists to infiltrate and subvert free Korea. In fact, during my stay in Korea this past November, General Kim permitted me to interrogate two Communist agents who had been apprehended only a matter of hours before I saw them. During the course of my interrogation these two people voluntarily admitted that they were Communist agents, that they had been specially trained in North Korea, and that they had been indoctrinated with the Communist big lie about the United States and its intentions toward all the people of the world. These two agents unwittingly paid tribute to the effectiveness of General Kim and his corps by relating how difficult it was for a Communist agent to enter free Korea, or to carry out the mission assigned to them by the conspirators who now occupy North Korea. I well recall General Kim's statement to the effect that the price of internal security for free Korea depended upon eternal vigilance against infiltration of Communist agents.

Another part of the Communist conspiracy uncovered by General Kim was the manner in which commercial trade is used by them to carry out their espionage missions. General Kim uncovered an abundance of documentary evidence to clearly demonstrate that Red China is using trade with the free world as a means to infiltrate its agents into key spots in the free world as well as to secure currencies of the victim countries to pay for Communist activities which these same countries are trying to stamp out. For example, he uncovered evidence to show that commercial trading ventures in the Far East manipulated out of Red China, comprised the main lines to facilitate agent infiltration, information transmission, and the supply of operational funds for agents of all types. He expressed amazement that any intelligent person would suggest that it was possible to trade with Red China without accepting the consequences of agent infiltration, granting the enemy communication facilities, and other destroying effects that come from such activities. This was no idle theory propounded by General Kim, but rather a hard cold fact of life which he was able to support with volumes of documentary evidence and sworn statements. Those who today are so naive as to urge any trade with Red China, even in what they erroneously call nonstrategic materials, could well learn the lesson set forth by the late General Kim that you cannot do business of any kind with the Communists without accepting the concomitant of agent infiltration and all the other subversive activities that eventually do destroy the independence and dignity of a people.

Anyone who harbors even the slightest hope that recognition by the United States of Red China could lessen world tensions, would do well to reflect upon the warnings of General Kim with respect to trade with Red China, which is now being used as a prelude to softening our resistance to any form of recognition of the Communist regime which occupies the Chinese mainland.

General Kim was also an expert on the manner in which the Chinese Communists and their bosses, the Russian Communists, have taken over North Korea and the ruthless manner by which they maintain their control over the people in that area. He opened up his files and records to me to point out that there were still over 60,000 battle ready Chinese Communist soldiers stationed in North Korea, that over 100 air strips had been built in North Korea since the so-called armistice, which as you and I know, is in cold and clear violation of the basic terms of that armistice. He also revealed to me the amount of Russian-made equipment that is now available in North Korea in addition to the Russian MIG jet fighter which is known to everyone who reads the newspaper. General Kim had uncovered evidence to prove beyond any doubt, that those behind aggression and war in Korea were the Russian Communists who, in fact, control every

affair of importance done in Communist occupied Korea or directed at the free world from that area.

Members of the Korean Counter Intelligence Corps Staff put before me actual weapons then being issued to the Communist troops in North Korea which were stamped "Made in the U. S. S. R." In this connection, I was also shown Russian-made radios and Russian-made sabotage equipment which had been confiscated from Communist agents attempting to operate in South Korea. General Kim hesitated to give me an exact figure of the number of Russian Communists stationed in North Korea, but he assured me that the number was considerable and that there was no doubt but that they were the ones who masterminded everything that was done in the name of the North Korean Communists. It is to the everlasting credit of General Kim that he understood the Russian question and that he did not under estimate the superior role played by the Russians in the international Communist conspiracy.

While in Korea, I heard a great deal of talk about the neutral nations supervisory commission which was provided for in the so-called armistice arranged during the Communist war of aggression in Korea. As you know, that neutral nations supervisory commission is supposed to inspect and report on the armed truce which now hangs so heavily over the people of Korea. This commission is in no sense, a neutral nations commission because it includes in its membership representation of Communist occupied Poland and Communist occupied Czechoslovakia. It will be recalled that India agreed to accept the chair of this commission when it was set up. But soon after when the deal proved to be phony, the Indian general acting as chairman could no longer stomach the tragic farce which involved his nation and he accordingly resigned the chairmanship and took the Indian troops back to India. Consequently, there remain four member nations on this so-called supervisory commission in addition to the Communist Czechs and Poles, there are the Swedes and the Swiss. Because of all the talk I heard about this so-called neutral nations supervisory commission, I asked General Kim for his opinion on the matter. He hesitated to answer me, and he told me that he did not want to embarrass any of the governments of the free world by expressing his opinion on this matter. I assured him that truth could never be a matter of embarrassment to the American people.

It was at this point that General Kim took me to a set of files and exhibits relating to the activities of the so-called Neutral Nations Supervisory Commission. In those files was an abundance of evidence of a documentary character together with pictures showing that the Communist Poles and Communist Czechs serving as members of this mission engaged in both espionage and propaganda activities. From the evidence collected by General Kim and his staff, I have no doubt whatever but that the Communist world conspiracy regards the so-called Neutral Nations Supervisory Commission in Korea as nothing more than an instrument through which they can carry out espionage and propaganda. I need not add that our own military security officers were not in disagreement with the evaluation given to me by General Kim on this all-important question. It is to be regretted that the representatives of Switzerland and Sweden have continued to lend themselves to this tragic farce which only makes more difficult the task of enforcing the peace and bringing about eventual unity of Korea under one government, representative of the will of the people.

General Kim came to see me as I departed Korea. He then presented me with this documentary album having to do with the Communist efforts to infiltrate, subvert, and destroy the Republic of Korea. This album depicts by pictures and narrative the destroying processes carried on by the Communists in Korea and in some measure throughout all of the Far East. I invite you, my colleagues, and all Members of Congress, to examine this documentary album because I am sure you will be greatly impressed by the information it contains. I regard it as a demonstration of the role that the late General Kim played in defending the freedom and independence of Free Korea.

As of this moment, to the best of my knowledge, the assassins of General Kim have been neither apprehended nor identified. General Kim was a great friend of the United States because he knew about us from firsthand experience. Only last December General Kim was here in the United States for a short visit. I know that all those who met him while he was here, were impressed with his vigor and his determination in the cause of human freedom and that they too will mourn his untimely passing.

It is not my purpose to pass judgment or to speculate on who could be responsible for such a terrible crime as this, but I will say that after all the dust has been cleared away, there shall be no doubt but that General Kim was the victim of those who feared the patriot and those who carried out the orders of the alien tyranny of Russian communism. All lovers of freedom will mourn the passing of General Kim. The people of Free Korea who today live under the shadow of an armed truce with the alien Communists, will miss the dedicated and determined efforts of General Kim to maintain their freedom and independence. I, like all those who came to know him, will cherish his memory as one who loved his homeland and who was prepared to give his life in the cause of human freedom.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I am very happy to yield to the gentleman.

Mr. BENTLEY. I commend the gentleman from Ohio for his interesting and informative statement regarding the late General Kim, another martyr in the fight against communism. I was particularly impressed with what the gentleman from Ohio had to say regarding the fallacy of trade with Communist China, especially in view of the fact that the Members of the House are going to be privileged to listen tomorrow afternoon to the Prime Minister of the United Kingdom who is apparently one of the outstanding advocates of increased trade with China in addition to recognition of Communist China itself. Would the gentleman care to comment on Mr. Eden's views in that respect?

Mr. FEIGHAN. I am diametrically opposed to Mr. Eden's views on the subject of trade with the Communists because it is known that he is even now advocating expanding trade with Red China. I am against trading with the U. S. S. R. or with any Communist-dominated country, and I mean trade in any form whatsoever. I do not recognize any difference between so-called strategic and nonstrategic materials because, in my opinion, there is no difference. As an example, food itself may be considered by some to be a nonstrategic material; however, food is used as a weapon of war by the Russian Communists. I certainly hope we will sever our trade relations with the presently Russian occupied countries. As far as having any trade with Red China is concerned, I am unalterably opposed to that. As General Kim explained and as this album depicts, the Chinese Communists and the Russian Communists have set up trade establishments in Shingisu in North Korea and they also have other commercial offices in Hong Kong, Osaka, and Tokyo, Japan, using those offices to infiltrate and to subvert and as a means of communication for their espionage activities, also to obtain operating funds for Communist activities in South Korea. That same thing would apply in any nation of the world where there is trade with Red China or any Communist-occupied country, including U. S. S. R.

Mr. BENTLEY. If the gentleman will yield further, I wonder if the gentleman could tell the House if either the diplomatic recognition of Red China or the amount of trade that has been carried on between Red China and Great Britain have been of any benefit as far as the British people or the British economy is concerned.

Mr. FEIGHAN. I do not feel adequately prepared at this time to express an opinion as to how the British fared economically with trade in Red China.

Mr. BENTLEY. I can tell the gentleman that as far as I know neither the recognition nor the little trade that has been carried on has been of any assistance to the United Kingdom. I certainly commend the gentleman for his statement and I hope the House will remember his remarks when we listen to Her Majesty's Prime Minister tomorrow.

Mr. FEIGHAN. I am sure the gentleman is correct in his estimate that the people of Great Britain have not benefited in any way by trade with Red China. I am equally certain that the prestige of Great Britain in the arena of world affairs suffered a crippling blow by its diplomatic recognition of Red China. As an example of my point, that once great nation, Great Britain, sent its Ambassador to Peking as the first step in establishing diplomatic relations with the Red commissars of China. That Ambassador was required to lay around in Peking for

almost 2 years before the Red commissars even took note of the fact of his presence. During this period when the British Ambassador was given the silent treatment, the Chinese Reds continued to abuse Great Britain for everything it did to support the cause of human dignity and freedom. In my considered judgment, the British Ambassador was made victim of the ancient practice of kow-tow made famous by the court of the Manchus, who used these methods against the Russians centuries before. I say it is quite unfortunate that the fine people of a once proud nation, Great Britain, would be subjected to such degradation and abuse of their national honor.

Mr. BENTLEY. Is the gentleman familiar with the fact that the Red Chinese have been prepared to and are using narcotics in this economic warfare?

Mr. FEIGHAN. Indeed I am. In this album which I hold here in my hand, are pictures showing contraband narcotics which were taken off the person of North Korean Communist agents who had infiltrated into free Korea. These agents were, of course, dispatched by the Chinese Communists in North Korea and their Russian Communist masters who instigate and supervise all such nefarious practices. One of these pictures shows a series of bottles containing 955 grams of morphine taken from a commercial firm operating in South Korea which was later disclosed to be a covert subsidiary of the Communist intelligence network. Another picture shows a captured agent and a large quantity of narcotics which were taken from his person when he was apprehended. The mission of this particular agent was to bring about the narcotic addiction of our own GI's fighting in Korea and thus to cause the demoralization of our fighting force. Still another picture shows a series of boxes containing morphine injections confiscated from the quarters of a Communist agent who had been sent into free Korea to raise funds to cover the operational costs of other Communist agents operating in free Korea. Here again the sly and cunning Communists seek to accomplish a dual objective—that of securing funds for their conspiratorial works, and at the same time demoralizing the victim state by bringing about the narcotic addiction of large numbers of its citizens. Still another picture shows a huge quantity of raw opium, well over 10 pounds, which was confiscated from still another Communist agent who was apprehended in the process of cutting and selling this raw opium in South Korea in order to secure operational funds for the Communist conspiracy in South Korea. I was assured by General Kim that every single bit of these narcotics which I have described were supplied by the Chinese Communists who have made a major industry out of narcotic production. I say to the distinguished gentleman from Michigan that based on the evidence which I have here in my possession, I am convinced that anyone who commits the foolish error of attempting to carry on trade with Red China will lay themselves open to the diabolical plan used by the Red Chinese to bring about the narcotic addiction of vast numbers of the people of a victim state, a process which will certainly break down the moral fibre and integrity of any nation and in the end will make such nations easy prey to the coup d'etat which the Russian Communists are always ready to administer.

Mr. BENTLEY. Would not the gentleman from Ohio think it extremely likely that if we did have any amount of commercial relations with Red China we might find various narcotics flooding this country?

Mr. FEIGHAN. I do not hesitate to say that if the United States should ever be led into the fatal error of trade with Red China we will lay our loved ones, our children, and the flower of our youth open to this diabolical menace.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Mr. Speaker, I want highly to compliment the able, distinguished gentleman from Ohio for his splendid, eloquent tribute to General Kim, and for his most penetrating comments on these great international issues which are of such great concern to all of us at this time. I think the gentleman's penetrating speech has thrown a great deal of light upon many facets of these problems that will likely increasingly attract the attention of the Congress. I want to commend the gentleman for his excellent address.

Mr. FEIGHAN. I thank the gentleman.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, I rise to join my colleague from Massachusetts to compliment the distinguished gentleman from Ohio for his very able statement. I know him as one of the active and energetic members of the Committee on the Judiciary and one who in our recesses in the Congress here has taken advantage of the time to go abroad to study and to further educate himself on international programs and especially the functioning of our immigration system. I feel that he, as one of my colleagues on the committee, is to be complimented for the amount of time and work and effort that he has put in especially on all of those matters pertaining to the Committee on Immigration. Although he has traveled extensively, he has found the time to give us the benefit and value of his study and his thought and his recommendations and his suggestions, and he is to be congratulated for bringing back to us all of this valuable information as the result of his travels to these many countries that he has visited for the Congress of the United States.

Mr. FEIGHAN. I thank the gentleman.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, I, too, wish to join with my colleagues in commending the distinguished gentleman from Ohio for his tribute to the martyred General Kim and for his report to us here in the Congress of his conversations with General Kim visited only a few months ago by the gentleman from Ohio who is now bringing to us here in the Congress a report of those conversations. I feel the gentleman from Ohio has made a great contribution to this subject and to the matters that we will be considering within the next days and the next weeks. I thank the gentleman from Ohio for his contribution to my own understanding and knowledge of the subject.

Mr. FEIGHAN. I thank the gentleman.

DISASTER INSURANCE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, today I appeared before the House Committee on Banking and Currency in behalf of the principles of my bill, H. R. 7944, and other similar bills to provide a national system of disaster insurance. My own bill which is based on the principles of the War Damage Corporation which functioned so successfully during the war, recognizes our free enterprise and in general designates the insurance companies to place and service all the policies and establishes a revolving fund out of which losses can be paid upon a given contingency.

I appreciate the fact that there are far more sweeping proposals presented by Senator Lehman and others which cover manmade, as well as natural, disasters, and, frankly, I have no objections to them, because I think they all move in the right direction, namely, of providing for our fellow citizens, individuals, bodies corporate and public, appropriate insurance against disaster of whatever kind wherever it may strike.

Admittedly, this is a very broad question and I think that Congress in providing this type of insurance, as now appears inevitable and imperative, will have to establish appropriate limitations to make such a program actuarily and fiscally sound and confine any inflationary effects that might otherwise appear. Members of Congress can all take judicial notice, I think, of the tremendous, horrible potentialities of nuclear and thermo-nuclear damage to the Nation in case of war or attack. And it can be demonstrated beyond question, based on our experiences over a long period of time and particularly of recent date, that natural disasters can inflict tremendous damage which should be recognized and anticipated by enacting indemnity legislation embracing the principles of insurance.

I first introduced my bill on this subject following the Worcester, Mass., tornado of 1953 which created such great havoc and dreadful loss of life in one of our great American cities represented in the Congress by our able and distinguished friend the gentleman from Massachusetts, Congressman DONOHUE, and

when the ravaging floods of August 1955, and since that time, struck my district, State, and the Northeast and, later the great State of California with such terrific impact and huge damage, my interest has naturally become all the more intensified. There can be no doubt, I think, that the time has come for action in this field, if we are to be prepared to cope with future disasters whether they emanate from war or nature.

There are many kinds of natural disasters which would and should be covered by this legislation—floods, tornadoes, earthquakes, forest fires, hurricanes, droughts, and other similar visitations of nature. It is estimated by a very eminent economist, Prof. Seymour E. Harris, head of the economic department at Harvard College and prominent public figure, that over 25 years the average cost of floods has been about $160 million per year and other qualified economists have estimated that these costs might be as high as $300 million per year or more. Actually, the latest available figures of the Army engineers appraise the damage done in New England prior to August 26, 1955, was $1.7 billion, or about 10 percent of the region's income for the year. And that does not include, of course, the severe damage of later floods which ravaged our area and caused untold damage.

Clearly, action by Congress is imperative and it must be on a broad front, it must embrace adequate relief, rehabilitation measures, effective protection, and insurance. While to some extent these remedies are mutually inclusive, and again they may not be, for example, if a widespread, efficient system of flood control is speedily inaugurated and completed that would, in the opinion of engineering experts, insure against the repetition and reoccurrence of periodic floods in given areas. However, nature's caprice is unpredictable and future floods could conceivably overcome or bypass technical protective projects and strike even at areas that have not been heretofore hit. This is one strong and sound reason for insurance against floods and other disasters because not even the wisest and most accomplished scientist can forecast with certainty when one or the other of these terrible natural disasters which visit us from time to time, will descend.

Most of us will agree, I think, that disaster-insurance coverage or even flood coverage cannot be provided by the private insurance companies. Admittedly, the rates would be prohibitive without Government support. This principle was recognized in the war-damage-insurance legislation and by President Truman in 1951 after the Missouri River floods when he proposed a Federal underwriting program of disaster policies up to a billion and a half dollars. This measure was not adopted at the time and, as an alternative, the Bureau of the Budget suggested that Congress enact a measure authorizing the Government to pay out $22 billion for disaster insurance, an amount that would involve about 2 percent of the current wealth of the Nation.

There are many broad pending proposals relating to risks and the apportionment of rates, incentive plans, rate differentials between and within States, and the like.

Of all these proposals it seems to me that in principle at least the one I have suggested affords a ready answer to the problem, namely, a Federal reinsurance program with Government backing, limiting the total coverage to perhaps twenty or twenty-five billion dollars, entailing about an average rate of $1 per $10,000 value. This insurance would be cheap and attractive and would, most experts agree, result in wide coverage. If the States were permitted to participate as suggested by Professor Harris, by committing the property tax to a certain limited amount of the rate, it is believed that each homeowner would be charged something like 50 cents to $1.50 per year. Personally, I am of the opinion that the Federal Government should underwrite and support this program by itself, because I think the general property tax is already very heavily burdened in most States and communities. These damages are national in character and effect even though they strike at localities and areas and they greatly affect the national economy and I, therefore, believe the solution lies in the national field by enactments of this Congress.

It is undeniable that once the costs of disasters could be distributed over broad enough an area it would not only be general participation because of low rates and the need for coverage but also a more realistic contribution by the Federal Government from tax revenues collected from the States.

Of course, it does not seem to me that it should make any difference whether we call this protective legislation indemnity or insurance. It also seems to me that it wil be desirable for us in the first instance to experiment with this new type of program in order to acquire sufficient experience to enable us in the long run to provide a mechanism that will be actuarily and financially sound. I do not believe that this program should entail matching contributions from the States at this time.

There will also be a problem of reconciling the new program with other types of personal-property insurance and the crop insurance. It will be more beneficial in the long run, I think, to start with a broad support program excluding Government competition with private companies and preserving the principle of our free-enterprise system.

I also agree that whatever form this legislation takes it should provide, insofar as it is practicable, for the ultimate elimination of subsidies and for a self-sustaining program, although we can all envision situations involving manmade disasters when no program of this character which the Congress might adopt, could possibly carry itself and stupendous Federal payments would be necessary. In fact, in that event, doubtless the entire taxing power of the Federal Government would have to be thrown into the breach. I agree with Professor Harris that the fund should be limited to about twenty billion dollars or so, in order to cope with possible inflation.

I would suggest that the maximum coverage under any bill for any one corporation, individual, State or municipality should not be limited to $250,000, as proposed by the administration bill, but extended to cover every possible loss. To illustrate the need for this provision, I may say that in my own district in the recent floods, one company sustained an actual loss of well over a million dollars and several companies sustained losses well over $250,000.

The principle of re-insurance of private companies underwriting disaster risks is a sound one, and I think it should be incorporated into any legislation, but here again I feel that the matter of limiting the amount of authorized reinsurance ought to be carefully studied so as to provide adequate funds to cover all contingencies.

Under the situation now confronting us, I believe that the Government and the Government only, can feasibly inaugurate disaster insurance. I hope that in considering this legislation that the Congress will consider the principles of my bill, H. R. 7944.

I may add that under my bill payments for damages incurred would be made only upon a declaration by the President of a disaster area.

In my judgment the idea of disaster insurance is not only sound but economically feasible and imperatively demanded by existing conditions in order to safeguard our economy and spare many of our fellow citizens from ruin or great economic loss.

There are elements in the problem that are extremely challenging, I know, there are great complexities to be sure, but I have confidence the Congress will not only give the matter painstaking and thorough attention, but also be able to come up with effective solutions that will square with our free-enterprise system, protect the public interest and save large numbers of our fellow citizens from virtually irreparable economic loss.

As chairman of the Massachusetts Congressional Delegation Committee on Flood Prevention and Relief, a body composed of several very able Members of the House, in behalf of my own constituents, our State and area which suffered so greatly from past and recent floods and in the name of the very many people and communities throughout the Nation which have been and will be in the future confronted with the horrible conditions that arise from natural disasters I respectfully urge the Congress to continue careful, and expeditious study and prompt action upon disaster-insurance legislation.

The foregoing is the substance of my remarks today before the Committee on Banking and Currency of the House, which is holding hearings on disaster-insurance legislation.

ARMY RESERVE TRAINING CENTER, MONTCLAIR, N. J.

Mr. KEAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KEAN. Mr. Speaker, I wonder how many times a week each Member of the House of Representatives uses the word of an officer of the United States Army as the sole basis of a commitment to a constituent.

If the volume of mail in the offices of other Representatives dealing with soldiers' problems, construction of Army installations, Army spending and so forth, is as great as it is in mine, the average Member of this body makes promises daily to constituents based on the word of Army officers.

It is because of this part of our everyday life that I wish to relate to the membership of this body an experience I am now having with the Department of the Army. But before doing so, I wish to emphasize that I strongly favor the Army Reserve program. I believe that it was the Reserves who won both World War I and World War II, and made it possible for us to do as well as we did in Korea. The Reserve program is all-important to insure our strength for any possible future war. I favor location of a Reserve armory somewhere in the vicinity. However, in my opinion, the location chosen by the Army was an unfortunate one.

Here is the story:

On October 5, 1955, I received eight telegrams from residents of Montclair protesting the erection of an Army Reserve training center on Orange Road, Montclair, N. J., "because of its detrimental effect upon our neighborhood."

This was the first that I had ever heard of the project.

I immediately asked my administrative assistant in Washington, as Congress was in recess and I was in New Jersey at the time, to find out what it all was about. He discussed the matter with the Army and sent me a memorandum which I received on October 7.

I looked into the situation and found that the area suggested was one which was building up into a very respectable single-family dwelling neighborhood for colored homeowners.

A meeting was arranged with the Army to discuss the matter which was held in Montclair on October 24. Present besides myself were: Mayor Dill, of Montclair, 2 of the Montclair town commissioners, and a committee of 3 representing the local citizens group, and representatives of the Army.

The meeting was a friendly one. All present realized the need for a Reserve armory somewhere in the vicinity, but representatives of Montclair emphasized that the choice of location was unfortunate.

Mayor Dill, who, by the way, is a Democrat, stated that he would try to suggest some alternate sites in Montclair.

At the close of the meeting Col. Lowell S. Love, representing the chief of the Army Reserves, turned to me and stated that he was authorized by his superiors to say that as long as the Congressman and the citizens living in that area did not wish the armory there, they would not press the proposal.

He had stated earlier in the meeting that the Army had moved pretty far toward acquiring the property and that they would now have to take steps to get out of the contract.

The matter seemed to be settled satisfactorily and the next move the Army was to make was to consider the suitability of the sites suggested by Mayor Dill.

There were, of course, newspaper items published stating that the Army officials had promised to relocate the project, and a short time later I sent out letters to several hundred of those living in the neighborhood telling them of the Army's decision.

On November 30 I received a letter from Dr. W. Lincoln Hawkins, one of the local committee, enclosing copy of a letter he received from Col. John S. Roosma, Headquarters, First Army, Governors Island, N. Y., dated November 25, in which he stated:

> There is a difference of opinion on the agreement reached at the meeting held in Montclair.

He further stated:

> We cannot abandon the Orange Road project until such time as a suitable alternate location is offered us and the Army had not heard from Mayor Dill.

This was true. Mayor Dill's mother had died shortly after the meeting and it was not until November 25 that the mayor wrote to the Army suggesting the three alternate sites in Montclair.

I wrote to the colonel on November 30, in part, as follows:

> I must, however, call your attention to the fact that the statement made by you with reference to our understanding as to the meeting was incorrect. Colonel Love stated categorically that if I felt that the site proposed was not a suitable one, the Army would not place the armory there. I naturally rely on his word as an officer and a gentleman. This fact was in no way modified by any statement that the alternate sites which the Montclair authorities volunteered they would suggest to you must be suitable.

A few days later, Mayor Dill wrote to Brig. Gen. Philip F. Lindeman, Chief of Army Reserve and ROTC Affairs, as follows:

> I have your letter of December 5, which is both disappointing and surprising. At the meeting on October 24, Colonel Love stated to me, to two of my fellow commissioners, to Congressman KEAN, and to a committee representing the residents of the neighborhood of the proposed center, that he had been authorized by you to state that in view of the expression of disapproval of the location of the Army Reserve Training Center on the Kramer property that the Army would not locate the center in Montclair. That was a categorical, unequivocal, and unconditional assurance.

I talked to Colonel Love on the telephone and he suggested that it might be a good idea to have the mayor and representatives of the town meet with the Assistant Secretary of the Army, Chester Davis, as the matter was now at the Secretarial level.

I arranged the meeting for the afternoon of December 22. Mayor Dill, a committee of three from Montclair, A. B. Hermann representing Senator H. ALEXANDER SMITH, of New Jersey, and I were present.

The meeting was not satisfactory. Secretary Davis gave no indication that he would even consider relocating the proposed armory. The statement was made that Mr. Kramer, the owner of the property, had refused to cancel the proposed condemnation and that the Army was thus stuck with the property, and I gather this was the reason why they seemed adamant.

Now although I can sympathize with the Army's feelings, they made two very serious mistakes in their handling of the matter.

In the first place, they never notified me, the Representative of the District, that the armory was contemplated and they took their first steps with reference to condemnation without ever notifying me.

In the second place, the Army made a definite promise at the meeting in Montclair that the installation would not be placed there as is attested by myself, Mayor Dill, and the three representatives of the community who were present.

Colonel Love agrees that he made the statement but said it was modified by his discussion before, that the Army had to be able to get out of the contract.

However, neither I, nor anyone else present, will agree that there was such a modification.

I read from a letter written to the Honorable Chester R. Davis, Assistant Secretary of the Army, on January 18, 1956, by Mayor Dill, of Montclair:

> DEAR MR. DAVIS: At at meeting of all the members of the town commission last evening I was directed to write you that the Montclair town government has neither changed nor modified the views which have been heretofore expressed to you in opposition to the location of the proposed training center on Orange Road in Montclair. We again wish to direct your attention to the numerous other locations available in this general area, and if Montclair is believed to be especially desirable, to the other sites in town suggested for consideration.
>
> We are aware of the necessity for the center in the advancement of the Army's expanded reserve program. We do hope, however, that in selecting sites you will not be unmindful of the feelings of the community and particularly of the reasonable and understandable views of the residents in the area of the proposed location.
>
> Sincerely yours,
>
> WILLIAM L. DILL, Jr.

These, gentlemen, are the facts.

I think the implication of what it can mean to each and every one of us if the Army is allowed to break its word to a Member of Congress is clear.

A COMBINED FARM CONSERVATION-CIVIL DEFENSE PROGRAM

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have this week introduced H. R. 8914, entitled the "Farm Conservation Civil Defense Act of

1956." The bill seeks to join together what are too often considered as compartmentalized and isolated goals—maintaining the income of the family-sized farmer, revitalizing the conservation program, and a foresighted civil defense program. The bill would enlist the farmers' efforts in support of these goals.

Plainly, our farm program, our conservation program, and our civil defense program are in trouble.

THREE PROGRAMS IN TROUBLE

The American family farmer is faced with a lowering of his income which threatens his very survival. The farmers' net income is now running at the rate of $10.5 billion a year, as compared to $16.7 billion in 1948. Surpluses in storage are at an all-time high.

Second, our natural resources of soil, water, vegetation, and wildlife are being depleted at an alarming rate. The depletion is being accelerated by the farm crisis, which is forcing farmers to mine their resources to expand production in order to maintain their income. The process of draining wetlands, cultivating up to the fence line to the destruction of wildlife, allowing cattle to graze in the woodlot, and slighting soil-building practices goes on and on. And as our resources diminish, the demand for them grows. The number of city dwellers who yearn for outdoor recreation increases, and so does the leisure time available to them. Urbanization and automation mean that the demand for woods and streams and wildlife endlessly expands.

Third, an essential element in any civil defense plan—the evacuation of city people to the countryside—is being very largely ignored. If there is an operational plan in existence in the hinterland of any American city whereby specific farm families have agreed to house specific numbers of city evacuees, I am unaware of it. The plain fact is that, if a civil defense emergency comes, we are unprepared for it.

Under H. R. 8914, the Secretary of Agriculture would determine annually how many acres, on a National, State, county, and individual farm basis, should be retired from current production in order to bring production into line with the current needs of domestic and foreign consumers and of a reasonable food and fiber reserve. A farmer who voluntarily participates in the conservation-civil defense acreage program would be paid the parity price for the commodities that would otherwise be produced on these nonproducing acres, in return for his dedicating this acreage, to the extent applicable to his farm, to the following conservation-civil defense precepts:

TEN CONSERVATION-CIVIL DEFENSE PRECEPTS

First. Grassland: Establishing or maintaining grass or legume-grass cover for soil or watershed protection.

Second. Flood and erosion-control structures: Establishing or maintaining sod waterways, diversion ditches, or farm ponds to dispose of excess surface water without causing erosion and so as to reduce flood hazards.

Third. Terracing: Establishing or maintaining terraces to slow the flow of water on sloping land.

Fourth. Contour stripcropping: Establishing or maintaining contour stripcropping to prevent water erosion.

Fifth. Wind stripcropping: Establishing or maintaining wind stripcropping to prevent wind erosion.

Sixth. Vegetation: Establishing or maintaining tree or shrub plantations for windbreaks, shelter belts, fence rows, streambanks, wildlife cover and feed, or farm woodlots—for such purposes as erosion control, watershed and water-table protection, production of timber and pulpwood on a sustained yield basis, and fish and wildlife improvement.

Seventh. Fencing livestock: Establishing and maintaining fences to prevent livestock from trampling down streambanks, from damaging natural springs and from grazing in woodlots.

Eighth. Wetlands: Flooding, reflooding, or refraining from draining low areas which are suitable for nesting and resting for waterfowl and for supporting fur-bearing animals.

Ninth. Public access: Giving limited access to the public, under reasonable regulations, for hunting, fishing, bird-watching, camping, and picnicking.

Tenth. Civil defense: Providing civil defense standby facilities for housing and feeding evacuees from the cities.

THE FAMILY-SIZED FARMER

The Secretary of Agriculture may specify additional conservation and civil defense practices to be incorporated in the annual agreement. The Secretary is responsible for insuring that the operator refrain from using the diverted acreage for grazing or for the production of any agricultural commodity. There is a provision for cost-sharing of the materials and labor required to establish approved conservation or civil defense practices. In order to restrict benefits of the program to the family-sized farmer, the maximum amount payable in any 1 year to any 1 farmer, as compensation for dedicating his land to a conservation-civil defense purpose, is $2,000. In addition, the Government may share in the cost of establishing specific practices, such as fences and tree-planting, up to a maximum of $1,000.

In practice, administration of H. R. 8914 would be in the hands of local committees, like the existing soil-conservation committees, familiar with local farming and with local conservation and civil-defense needs.

The proposed farm-conservation-civil defense program is not, of course, a substitute for other farm legislation. It is designed to supplement farm legislation aimed at supporting farmers' income—whether by price supports or production payments—and at expanding markets by some type of food-stamp plan and by a vigorous export drive.

"THE HIGHEST USE"

H. R. 8914 is intended not as a package solution to the farm problem but as an effort to recognize that the farm problem, the conservation problem, and the civil-defense problem, are at heart the problem of finding the highest use of our natural resources. H. R. 8914 recognizes that the highest land use is not the continued overproduction of unneeded farm commodities, but the provision of values needed by all Americans. Conservation, recreation, and civil defense are important to the sound multiple use of our countryside. Providing them is a national responsibility that should not be charged solely to the farmer.

Unlike the present agricultural conservation program, and various soil-bank proposals, H. R. 8914 starts with a concept of conservation that includes all our resources—soil, water, woods, and wildlife—as of interest to all Americans, rather than as something having to do principally with just soil and affecting mainly farmers.

The operation of the farm-conservation-civil-defense program can best be envisaged by applying it to a specific farmer. Specifics, of course, will vary with the region. What will be applicable to the plains of the West will not suit the hills of New England. But let me take, just as an example, what might be a farm in my own State of Wisconsin.

A TYPICAL EXAMPLE

Farmer Brown has a 160-acre family dairy farm, of which 90 acres are in corn and small grains, 40 in pasture, 10 in woodlot, and 20 in marsh. Farmer Brown's attempt to maintain his income in the face of falling milk prices has caused him to plow steep-sloping land across the contour, to let his cows trample down the bank of the trout stream that runs through the south forty and graze in his woodlot, and to cultivate right up to his fence line. He is planning to drain the marsh for additional pastureland. Having heard the Secretary of Agriculture make speeches recently blaming the farm problem on city workingmen, Farmer Brown has lately taken to shooing off hunters and picnickers from the city, whom he used to welcome as long as they respected his property. Although he realizes that the countryside is the only place to which city people could be evacuated in case of a national emergency, he feels out of touch with the civil-defense program.

If Farmer Brown decides to participate in the farm conservation-civil defense program, he will be eligible for payments based on the number of acres he devotes to the program. Let us suppose his maximum allotment is 35 acres, and that he takes that maximum—15 in marshland (that portion which might profitably have been drained), 10 in woodlot, 9 in land diverted from corn production to grasslands, stripcropping, wildlife cover and feed, and one-half acre each devoted to civil-defense housing facilities, and to a picnic and camping place. For this diversion, Farmer Brown will be paid a sum computed by taking the parity price, less adjustments, for the milk or livestock or corn or whatever that could have been produced on that acreage, with a maximum in any case of $2,000, plus cost-sharing on any specific conservation practices that are established, such as building a fence around the woodlot and the stream, planting trees and game food, and stockpiling food for evacuees.

The acres diverted from grain into grass can furnish nesting sites for prairie chicken. Tree planting will encourage deer by giving cover. Ducks can nest in the marsh. Rabbits can find cover in

the brush along the fence line. Fencing the stream banks will prevent their being trampled down.

I have discussed the kind of program envisaged by the farm conservation-civil defense bill with a number of conservation, civil defense, and farm leaders.

COMMENTS FROM CONSERVATIONISTS

Among comments received from leading conservationists are the following:

Lou Klewer, Toledo, Ohio, president of the Outdoor Writers Association of America, writes on November 2, 1955:

The conservation practices you outline in your program can only meet with the heartfelt approval of outdoor writers throughout the Nation, all of whom are vitally interested in seeing that we have a better out-of-doors, less soil erosion, restoration of more of our wetlands, more planting of game cover and feed, and more accessibility to the nonfarm dwellers for hunting, fishing, bird watching, nature hikes, and general outdoors recreation.

Urging the farmer to help restore soil, water, forests, and vegetation and wildlife, along with a civil-defense program as well as an aid in solving the farm problem, should get your program a lot of support. I feel sure that all members of this organization will support intensely the conservation features of your program.

C. R. Gutermuth, Washington, D. C., secretary of the North American Wildlife Foundation, writes on October 25, 1955:

We have been delighted to observe that you have taken a keen interest in conservation, and it is hoped that you will call upon us whenever we can be of assistance.

While we do not feel competent to judge the farm and civil defense phases of your combined program, we wish to commend the conservation aspects of the proposal. The members of the foundation wish to compliment you on the four segments of your conservation program and can assure you that those measures would have widespread public support.

Les Woerpel, Stevens Point, executive secretary of the Wisconsin Federation of Conservation Clubs, writes, on October 31, 1955:

Personally, I think you are on the right track. The subsidy-payment program is actually the biggest steal from both the farmer and the public that could be devised. It takes the farmer's farm away from him by encouraging mining the soil, and it not only charges the public twice for farm commodities, but deprives it of the benefits of recreation in the out of doors by destruction of such areas as might be suitable to carry wildlife and be available for other recreational purposes.

If such a program could be worked out we would back it a hundred percent. It is a bold step at a time when many farmers are crying for more rigid supports and more help. Unless the problem is solved we stand the chance of not only bankrupting our lands, but possibly bankrupting our farmers as well as our middle-class workingman.

Ralph H. Musser, Washington, D. C., Southeast field representative for the United States Department of Agriculture Soil Conservation Service, writes, on November 10, 1955:

Personally, I am pleased to see the stress placed on the conservation of our natural resources, particularly soil, water, forestry, and wildlife.

H. Wayne Pritchard, Des Moines, Iowa, executive secretary of the Soil Conservation Society of America, writes, on November 23, 1955:

Your proposal to combine conservation and a farm program with a civil defense program is a new approach to the total problem that needs to be accomplished. I was very much interested in reviewing it and will follow with interest the reception it receives in the Department of Agriculture, the Department of the Interior, and from the Administrator of Civil Defense.

As you know, the problem of conservation is a complicated one, and one in which we need to use many incentives because the urban citizen is dependent upon those who manage the agricultural land. This dependency will increase as our population grows.

Ira N. Gabrielson, Washington, D. C., president of Wildlife Institute, writes on November 23, 1955:

Being a conservationist, rather than an agriculturalist, I approve most heartily of your idea of utilizing land that is taken out of agricultural production for conservation purposes, either to protect soil and water resources or to provide forestry or wildlife restoration programs, or a combination of all three.

Many years ago, when the old Agricultural Adjustment Administration was first established, provision was made for paying farmers for planting and maintaining woodlots, including keeping cattle out of the enclosures, and for planting certain wildlife food plants in areas that needed to be put in permanent vegetation. Unfortunately, too few farmers took advantage of this, and the plan had one defect in that a farmer could get the subsidy payments for planting such material and then plow them up the next year, since the payments for maintaining the plantings were entirely too low.

If we must subsidize farmers, I certainly would favor subsidizing them in some way that would improve the building of the soils and the conserving of the resources of soil and water and their products, rather than paying them, as we are now doing, to deplete the soils by overproducing crops for which there are no markets. I certainly hope the Congress in considering any bill for changing the agricultural program will come up with something along the line of your suggestions.

John M. Olin, East Alton, Ill., chairman of the board of Olin Mathieson Chemical Co., writes on November 18, 1955:

I certainly agree with you that any program to conserve the soil, water, forestry and vegetation, and wildlife of this country is essential to the future welfare of our Nation.

With this part of your proposal, with which I am personally familiar, I most certainly agree in principle. When all farmers become conservation conscious, we will have accomplished an important step in preserving the birthright of future generations of Americans.

Charles H. Stoddard, Minneapolis, Minn., executive director of Independent Timber Farmers of America, writes on November 17, 1955:

I have read over your farm-conservation plan and impressed by the breadth and practical soundness which it seems to have. As in all ideas the filling in of the painful details becomes quite a task. Nevertheless it seems to have a definite practicability at this time now that the administration is giving consideration to the soil-rent proposal. The danger in this plan is that it will simply take acres out of cash crop production but will fail to provide for conservation practices other than those now under the agricultural conservation program.

It would seem to me that the real opportunity for your program would be to urge an amendment to whatever basic new legislation develops to provide for specific payments for specific practices such as you outline giving extra credits over and above the straight soil-rent program for such practices.

CIVIL DEFENSE COMMENTS

Among comments received from civil defense authorities, George W. Carnachan, Milwaukee County civil defense coordinator, writes on October 24, 1955:

I believe that your program has many interesting possibilities. In working with the counties which are substantially rural outside of the County of Milwaukee, I find that there is considerable apathy on the part of the rural population, chiefly because of the fact that they do not realize that their economy, their social life, and their very existence is so solidly tied in with that of the cities, that they are inclined to look on the necessity for a civil defense organization as a rather abstract and remote thing. What they do not realize is that if the cities were bombed their markets would immediately be gone, their power would probably be shut off, their sources of supply, which are chiefly located within the cities, would be completely negated, and that they would, after their present stock of supplies and equipment was exhausted, be back on a stone-age economy. It has been well put "that if the cities were bombed and would die as a result of such bombing, the rural districts would die also—they would just die slower."

I would like, at this time, to suggest that you could perform a genuine service to the country as a whole if you could find some practical means of bringing the farm program into the civil defense program. After studying your program I would like to suggest that each farmer could execute a commitment to the effect that he would participate in a civil-defense organization on an active basis; that he would engage to shelter a certain number of persons up to his optimum capacity, and further that he would agree to increase his reserve of supplies, food, and equipment to the point necessary to support these people on a subsistence basis for an intermediate period of time. In return for this, he could be brought under a subsidy basis on a parity agreement for whatever his farm produced. This would, in effect, operate to create a multitude of small reserve stocks of food, supplies and equipment and might be termed a decentralized stockpiling program. I think this would be a practical thing, very much in line with your program and would have the happy effect of bringing the farm economy in line with that of industry, and at the same time creating a necessary backlog of food and shelter. While there are undoubtedly many differences which would arise in the development of such a program, I think that your basic idea is sound, practicable, and workable.

Brig. Gen. Don E. Carleton, director of Milwaukee Civil Defense Administration, writes on December 13, 1955:

I have long been at a loss to understand why some such plan as the one you propose has not been worked out as an answer to the very difficult farm support problem. It has been so obvious for these many years that our price-support program has failed to accomplish its mission and has cost the taxpayer double in money and the Government in grief to what out-and-out conservation programs would have cost.

Obviously it has never been understood by our people that the ownership of real estate is a privilege and not a right and that man has an obligation to posterity to pass along the good earth in the same or better condition than that in which he found it. We

seemed to have reached a glimmer of understanding of this in our reforestation projects but as far as land in general is concerned, the theory of the maximum exploitation for the greatest benefit now, with no responsibility for the future, still persists. It is certainly true that had the billions of dollars spent in price supports, been paid as outright grants for conservation practices, a very noticeable and delightful change in our entire countryside would have resulted by this time. I am thinking of the countryside in Bavaria where I spent some time following the war. Here they have carefully tended forests and streams, and the banks of every little brook and stream are revetted with rock to prevent erosion. Now every stream abounds with fish of carefully selected varieties and the forests with game. We certainly have a lot to learn about the care and development of God's good earth which has been given into our charge for such a short time.

Of course, man has a right to make a living and there is no question but that the living he makes should be kept in some sort of economic balance in relation to his production efficiency. However, there is an element that has never been considered as far as our farmers are concerned, which is, how much does he contribute to the lasting good of the area. This is an element in the success of an individual in urban areas, industry, politics, or professions but it does not seem to have affected the farmer. Civil defensewise the farmer of the future will have to shoulder a tremendous responsibility and one that will perhaps be very distasteful to him. However, if he is willing to accept this and willing to carry out civil defense work that needs to be done, there is no reason why he should not receive compensation for his efforts. Certainly it is preferable to pay him for doing these things, than to pay him for raising food and other commodities that are not needed and then to pay again for the storage of these commodities.

We are starting a survey here in a very short time under the auspices of the Federal Civil Defense Administration which will include at least 11 countries and probably more surrounding Milwaukee. This survey will include such subjects as the capabilities of the area to provide for the reception and care of evacuees from the metropolitan area, the resources now existent, possibility of shelter, and the education and training necessary to make such a program possible. I sincerely believe that there is a definite tie-in of all this with the suggestions you have made in your proposal. In the field of public relations alone the situation has been allowed to drift to the point where at present the attitude of the farm population in Wisconsin borders on hostility toward the city dweller. This is most noticeable in articles written in their local papers, as well as in the general attitude of the State legislature which is predominantly rural. I have worried about this for some time and hoped that some means could be found to solve the problem. Certainly the urban population is dependent on the farm and the farm areas are also dependent on the city, in more ways than either of them have ever realized.

Be assured that I agree with your idea 100 percent and I sincerely hope and pray that we will be able to find some means of implementing it.

On the other hand, Federal Civil Defense Administrator Val Peterson writes on January 13, 1956:

May I say at once that I agree on the necessity for a sound, long-term solution to the farm problem. However, I am reluctantly brought to the conclusion that it is not to be found in the device of making incentive payments for participation in civil defense. The reasons leading to this conclusion are:

A long-range solution to the problem of farm income maintenance must necessarily depend upon an economic base. The necessity for civil defense depends on a base of the possibility and likelihood of military attack. That is to say, the needs for farm income maintenance, on the one hand, and for civil defense on the other, do not have a common base. Consequently, it is possible that these needs may vary independently of each other—leaving the Government the dilemma, at a future time, of choosing whether to continue payments no longer needed for the economic situation, but needed for civil defense—or the opposite.

In a broader frame, the sense of the Federal Civil Defense Act of 1950 (Public Law 920, 81st Cong.) is that service is primarily on a volunteer basis. We would have no basis to resist demands from other sections or elements of the community, such as organized labor, professional people such as doctors, or the teachers in our schools, for similar payment for essentially identical service, were we to start making incentive payments to farmers for participation in civil defense. I hope that you will agree with this thinking.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FOUNTAIN (at the request of Mr. ALEXANDER), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SHEEHAN, for 15 minutes on Monday next.

Mr. HESELTON, for 30 minutes today.

Mr. MULTER, for 1 hour on Wednesday next.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to vacate the special order granted me for today and that on Monday next I may address the House for 60 minutes.

The SPEAKER. Is there objection?

There was no objection.

SPECIAL ORDER VACATED

Mr. PERKINS asked and was given permission to vacate the special order granted him for today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FRIEDEL.

Mr. GORDON and to include articles.

Mr. BYRD.

Mr. BEAMER in two instances and to include extraneous matter.

Mr. PELLY in six instances and in two to include extraneous matter.

Mr. CANFIELD (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. WILLIS and to include extraneous matter.

Mr. ASHLEY.

Mr. DAVIS of Georgia and to include extraneous matter.

Mr. DONOHUE and to include extraneous matter.

Mr. GWINN and to include extraneous matter.

Mr. PHILBIN in three instances and to include extraneous matter.

Mr. BOLAND in two instances and to include extraneous matter.

Mr. WOLVERTON.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 7871. An act to amend the Small Business Act of 1953.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Thursday, February 2, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1455. A letter from the Administrator, General Services Administration, transmitting the annual report on administration of functions for the fiscal year ending June 30, 1955, pursuant to the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

1456. A letter from the Chairman, Interstate Commerce Commission, transmitting copies of final valuations of properties of certain carriers, pursuant to section 19a of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1457. A letter from the Chairman, Interstate Commerce Commission, transmitting the 69th Annual Report of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

1458. A communication from the President of the United States, transmitting a report submitted by the Postmaster General, reviewing major activities of the Post Office Department and offering proposals for modernization and improvement of operations and the postal rate structure; to the Committee on Post Office and Civil Service.

1459. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the administrative expense authorization of the Commodity Credit Corporation for the fiscal year 1956 has been reapportioned on a basis which indicates a necessity for a supplemental estimate of administrative expense authorization, pursuant to paragraph 2 of subsection (c) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

1460. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report on the operations of Bureau of the Budget Circular No. A–45 upon departments, agencies, and corporations of the Government, pursuant to section 208 of the General Government Matters Appropriation Act, 1956; to the Committee on Appropriations.

1461. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize the Secretary of the Interior to con-

tract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands"; to the Committee on Interior and Insular Affairs.

1462. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize the County of Custer, State of Montana, to convey certain lands to the United States"; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TRIMBLE: Committee on Rules. House Resolution 394. Resolution for consideration of S. 926, an act to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California; without amendment (Rept. No. 1737). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 395. Resolution for consideration of H. R. 8704, a bill to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955; without amendment (Rept. No. 1738). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. S. 97. An act for the relief of Barbara D. Colthurst; with amendment (Rept. No. 1734). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 213. An act for the relief of Mrs. Ingeborg C. Karde; with amendment (Rept. No. 1735). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 315. An act for the relief of Asher Ezrachi; with amendment (Rept. No. 1736). Referred to the Committee of the Whole House.

Mr. WILLIS: Committee on the Judiciary. H. R. 6421. A bill for the relief of certain individuals whose land was flooded by action of the Federal Government; with amendment (Rept. No. 1739). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H. R. 8979. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 8980. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. DOLLINGER:

H. R. 8981. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. KEOGH:

H. R. 8982. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. KLEIN:

H. R. 8983. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. POWELL:

H. R. 8984. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. ZELENKO:

H. R. 8985. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. BAILEY:

H. R. 8986. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. DAVIS of Tennessee:

H. R. 8987. A bill declaring September 17 a legal public holiday to be known as Constitution Day; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 8988. A bill to clarify the authority of the Commissioners of the District of Columbia with respect to the discipline of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. DINGELL:

H. R. 8989. A bill to protect the right of individuals to be free from discrimination or segregation by reason of race, color, religion, or national origin; to the Committee on the Judiciary.

H. R. 8990. A bill to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes; to the Committee on the Judiciary.

H. R. 8991. A bill making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on House Administration.

H. R. 8992. A bill to prohibit discrimination in employment because of race, color, religion, national origin, or ancestry; to the Committee on Education and Labor.

By Mr. HIESTAND:

H. R. 8993. A bill to establish an immediate program to aid in reducing the public debt by providing that certain receipts from the sale of capital assets of the Government shall be used for such purposes; to the Committee on Ways and Means.

By Mr. KEARNEY:

H. R. 8994. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. McDONOUGH:

H. R. 8995. A bill to amend the act of September 1, 1954, to correct certain inequities with respect to the compensation of prevailing wage-rate employees, to provide longevity compensation for such employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MINSHALL:

H. R. 8996. A bill to encourage construction and maintenance of modern Great Lakes bulk cargo vessels in the interest of peacetime commerce and the national defense; to the Committee on Merchant Marine and Fisheries.

By Mr. PELLY:

H. R. 8997. A bill to amend the Merchant Marine Act, 1936, to provide for the transportation of all waterborne cargoes in United States-flag vessels in connection with foreign assistance programs; to the Committee on Merchant Marine and Fisheries.

By Mr. ROOSEVELT:

H. R. 8998. A bill to provide for loans to enable needy and scholastically qualified students to continue posthigh school education; to the Committee on Education and Labor.

By Mr. THOMPSON of Louisiana:

H. R. 8999. A bill authorizing a comprehensive project for control and progressive eradication of obnoxious acquatic plant growths from navigable waters; to the Committee on Public Works.

By Mr. WEAVER:

H. R. 9000. A bill to partially recompense farmers for the harm they sustain by reason of increases in the cost of supplies, services, and equipment they must buy which have not been accompanied by corresponding increases in the prices of the agricultural commodities they sell; to the Committee on Ways and Means.

By Mr. WILLIS:

H. R. 9001. A bill authorizing a comprehensive project for control and progressive eradication of obnoxious aquatic plant growths from navigable waters; to the Committee on Public Works.

By Mr. BARTLETT:

H. R. 9002. A bill to amend section 1 of the act of March 12, 1914, as amended; to the Committee on Interior and Insular Affairs.

By Mr. BOLAND:

H. R. 9003. A bill to provide for national disaster insurance; to the Committee on Banking and Currency.

By Mr. ELLIOTT:

H. R. 9004. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRIFFITHS:

H. R. 9005. A bill to authorize the Public Housing Commissioner to enter into agreements with local public housing authorities for the admission of elderly persons to federally assisted low-rent housing projects; to the Committee on Banking and Currency.

By Mr. HAYWORTH:

H. R. 9006. A bill to amend the Federal Food, Drug, and Cosmetic Act, so as to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome or adulterated poultry or poultry products; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H. R. 9007. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. KEARNS:

H. R. 9008. A bill to encourage construction and maintenance of modern Great Lakes bulk cargo vessels in the interest of peacetime commerce and the national defense; to the Committee on Merchant Marine and Fisheries.

By Mr. LANE:

H. R. 9009. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. LANHAM:

H. R. 9010. A bill to amend the Agricultural Act of 1949, as amended, and the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. OSTERTAG:

H. R. 9011. A bill to amend the Agricultural Adjustment Act of 1938 to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; to the Committee on Agriculture.

H. R. 9012. A bill to amend the Cooperative Forest Management Act; to the Committee on Agriculture.

By Mr. PRIEST (by request):

H. R. 9013. A bill to provide a 5-year program of Federal construction grants for the purpose of assisting medical and dental schools to expand and improve their research and teaching facilities, and of assisting other public and nonprofit institutions engaged in medical or dental research to expand and improve their research facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON:

H. R. 9014. A bill to provide a 5-year program of Federal construction grants for the purpose of assisting medical and dental schools to expand and improve their research and teaching facilities, and of assisting other public and nonprofit institutions engaged in medical or dental research to expand and improve their research facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RABAUT:

H. R. 9015. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. WOLVERTON:

H. R. 9016. A bill to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 9017. A bill to extend for 2 years the duration of the hospital and medical facilities survey and construction provisions (title VI) of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BAILEY:

H. J. Res. 504. Joint Resolution to provide for the observance and commemoration of the 50th anniversary of the official founding and launching of the conservation movement for the protection, in the public interest, of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. J. Res. 505. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, August 27, 1935; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. J. Res. 506. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. J. Res. 507. Joint resolution relating to burley tobacco acreage allotments and marketing quotas; to the Committee on Agriculture.

By Mr. YATES:

H. Res. 396. Resolution disapproving the sale of the Institute, W. Va., Copolymer Plant, Plancor 980; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States to reject the disapproval resolution on the sale of the Institute plant, now pending before it, etc.; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 9018. A bill for the relief of Charles Biasi; to the Committee on the Judiciary.

By Mr. BALDWIN:

H. R. 9019. A bill for the relief of Andoquio B. Bunayog; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. R. 9020. A bill for the relief of Toini Margareta Heino; to the Committee on the Judiciary.

By Mr. DAVIDSON:

H. R. 9021. A bill for the relief of Mrs. Feiga Altmann Rock; to the Committee on the Judiciary.

H. R. 9022. A bill for the relief of Mrs. Pierrette Marie-Rose Valery Chiarelli; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H. R. 9023. A bill for the relief of Aleksander Dabrowski; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H. R. 9024. A bill for the relief of Panayota Persantzis; to the Committee on the Judiciary.

H. R. 9025. A bill for the relief of Giuseppa Zinna; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 9026. A bill for the relief of Nora Lyons; to the Committee on the Judiciary.

By Mr. PROUTY:

H. R. 9027. A bill for the relief of Sok Nam Ko; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 9028. A bill for the relief of Fred G. Nagle Co.; to the Committee on the Judiciary.

By Mr. SMITH of Kansas:

H. R. 9029. A bill for the relief of John L. Hughes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

469. By Mr. BRAY: Petition of 23 persons of Greene County, Ind., in support of H. R. 4627, a bill to prohibit the transportation in interstate commerce of alcoholic beverage advertising; to the Committee on Interstate and Foreign Commerce.

470. Also, petition of 123 persons of Greene County, Ind., in support of H. R. 4627, a bill to prohibit the transportation in interstate commerce of alcoholic beverage advertising; to the Committee on Interstate and Foreign Commerce.

471. Also, petition of 197 persons of Daviess County, Ind., in support of H. R. 4627, a bill to prohibit the transportation in interstate commerce of alcoholic beverage advertising; to the Committee on Interstate and Foreign Commerce.

472. By Mr. NORBLAD: Petition of Ada E. Cummings, and 13 other citizens, of Corvallis, Oreg., urging enactment of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

473. By Mr. SHORT: Petition of Fred King, and other citizens, from Barry County, Mo., urging the adoption of H. R. 4471 as an amendment to the Social Security Act in place of the present program of old-age and survivors insurance and old-age assistance; to the Committee on Ways and Means.

474. By the SPEAKER: Petition of the deputy clerk of the Board of Supervisors of Erie County, Buffalo, N. Y., requesting that the Congress oppose the Harris-Fulbright natural-gas bill, which would ultimately cause an undue burden upon the taxpayer; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Ukrainian Independence

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PHILBIN. Mr. Speaker, this year marks the 38th anniversary of the declaration of the independence of the Ukraine and I wish to join my distinguished colleagues in the House in their recent salutation to the gallant people of the Ukraine.

The Iron Curtain is drawn across the afflicted Ukrainian nation. Its people are shut off from the rest of the free world, but let us work and pray for the day when tyranny, oppression and persecution will be banished from the Ukraine and the other enslaved nations still in Red bondage.

The glorious history of the Ukraine is one of struggle and sacrifice to maintain its precious freedom from the old Ukrainian Kievan state of the ninth century to the Ukrainian National republic of 1917. It was in 1920 that the Ukraine became one of the first victims of Soviet imperialism, but despite the destruction of its national church, famine, mass murder, purges and banishment of its citizens, the ruthless extermination of its natural resources, the Ukraine has remained a symbol of the hope and burning fervor of a people destined to be free and independent.

The Ukrainian people have fought and died to preserve their freedom. The fight goes on today to regain their independence and free way of life. While oppression again stalks this nation of more than 40 million people, the largest non-Russian nation behind the Iron Curtain, the lamp of freedom still burns in the hearts of its people. It will not be extinguished and will blaze again, proudly and fiercely, when the great goal of liberation has been won.

In this great struggle of the Ukrainian people, our own Nation must continue to encourage and assist the gallant and brave Ukraine to regain its independence. Let us help to speed the day when the Ukraine will again enjoy the fruits and blessings of freedom.

Address by Hon. Joseph W. Martin, Jr., of Massachusetts, Before the Young Republican Leadership School

EXTENSION OF REMARKS

OF

HON. JOHN V. BEAMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. BEAMER. Mr. Speaker, under unanimous consent, I wish to insert in the CONGRESSIONAL RECORD the speech by the Honorable JOSEPH W. MARTIN, JR., of Massachusetts, before the Young Republican Leadership Training School which was held here in Washington during the week of January 23 through January 27:

The Republican Party was born midway in the 19th century out of the great need in our young Nation for a national party dedicated to the protection of basic human rights and the American way of free Government and free enterprise.

Over 100 years ago on February 28, 1854, a group of Whigs, Free-Soilers and Democrats met in the Congregational Church in Ripon, Wis. This group agreed that individually each would sever his present party affiliations if Congress violated the principles of basic human rights by approving the Kansas-Nebraska bill. This measure would have permitted the extension of slavery into new territories.

After the Kansas-Nebraska bill received Senate approval on March 3, 1854, a second meeting was called for March 20, 1854. This time 53 of the town's 100 eligible voters met in the Ripon schoolhouse and a committee was appointed to start the new Republican Party.

In the words of Maj. Alvan E. Bovay, a prominent Whig who called the meeting: "We went into the little meeting held in a schoolhouse, Whigs, Free-Soilers, and Democrats; we came out of it Republicans and we were the first Republicans in the Union."

On May 9, 1854, a meeting was called in Washington by Representative Israel Washburn, Jr., of Maine, and the 30 Members of Congress who attended this meeting decided that there was a need for such a new political party and that the name Republican would be highly appropriate.

The principles of the new Republican Party won immediate support throughout the country and on July 6, 1854, only 4 months after the first meeting in Ripon, Wis., the first Republican convention was held under the oaks at Jackson, Mich., to formalize the party organization. This meeting attracted several hundred persons including a large number from other cities.

This first convention outlined the basic philosophy of the new Republican Party and adopted a resolution which read:

"*Resolved*, That * * * in view of the necessity of battling for the first principles of Republican government and against the schemes of an artistocracy, the most revolting and oppressive with which the earth was ever cursed or man debased, we will cooperate and be known as Republicans until the contest be terminated."

Since that time the Republican Party has continued its fight to protect the basic human rights and the principles of free enterprise and the essential dignity of man.

During the late winter and summer of 1854 Whigs, northern Democrats, and most of the supporters of the Free-Soil Party endorsed the principles of the Republican Party and Republican State tickets were elected in Michigan and Wisconsin in that year.

In 1855 the Nation's first Republican governor was elected in Ohio and 11 Republican Senators were sent to Washington.

The first formal national convention of the Republican Party was held at Philadelphia in 1856 and Gen. John C. Frémont was nominated for the Presidency on a platform opposing the extension of slavery, advocating improvement of rivers, harbors, and the building with Federal aid of a transcontinental railroad. The new party did not believe that the Federal Government should interfere with the peculiar institution of slavery already established in the South but felt that its spread to any additional territories should be prevented.

In spite of the newness of the Republican Party and its ineffective organization in many eastern States, Presidential Candidate Frémont received 114 electoral votes against 174 for James Buchanan, Democrat.

The new Republican Party had gained sufficient strength by 1858 to elect a plurality in the House of Representatives and to carry several State governments.

In 1860, only 6 short years after the birth of the Republican Party, it elected to the Presidency of the first Republican President, and one of the greatest men in history, Abraham Lincoln, of Illinois.

Lincoln ran on a platform similar to that of 1856, advocating also a homestead law and a protective tariff. In this election Lincoln polled 180 electoral votes.

Lincoln's great faith in the individual and in the American way of free government and free enterprise laid the foundation for the Republican Party's constant devotion to those principles. Lincoln's deep concern for the humble individual is legendary and the Republican Party has ever since held this as a basic philosophy.

From Lincoln, the party also learned the importance of free enterprise, to protect the fruits of labor and to combat a fixed-class system. Every citizen, however lowly his start in life, should be guaranteed the right of a proper reward for his efforts, his thrift, and his ingenuity.

These were the philosophies on which the Republican Party gained its sound beginning during a great trial in the Nation's history. These are the same basic philosophies of the Republican Party today.

Although the Lincoln administration was overshadowed by the Civil War, which had broken out before Lincoln took the oath of office, there were other accomplishments important to the individual man brought about during the administration of this first Republican President.

In 1862, on Lincoln's suggestion, Congress established the Department of Agriculture, passed the first Homestead Act, established the national banking system and passed the first Morrill Act, donating land for agricultural and mechanical arts colleges.

In 1864 Lincoln was renominated by the Republicans in convention in Baltimore. At that time, however, there were other political factions who wished also to share the Republican Party principles and a Union ticket was formed with a Union Democrat from Tennessee, Andrew Johnson, named as Lincoln's runningmate. The Lincoln-Johnson ticket easily defeated the Democrats in this election. Winning by 212 to 21 electoral votes.

On April 14, 1865, Abraham Lincoln was assassinated and new burdens fell on the shoulders of Andrew Johnson, whose former status as a Democrat proved a severe handicap in his sincere efforts to carry out the Lincoln program. Attempting to follow Lincoln's proposals in the reconstruction of the South, Johnson ran into a bitter feud with Congress who wanted to use harsh methods of punishment contrary to the Republican principles Lincoln had laid down. The feud grew so bitter that President Johnson in February of 1868 was impeached and almost removed from office.

In 1868 Gen. Ulysses S. Grant, of Illinois, was the Republican nominee and was elected by an electoral vote of 214 to 80. During Grant's first administration a number of constructive moves were taken to guarantee the basic human rights of all Americans as the founders of the Republican Party had envisioned them.

Against the opposition of the Democrats, laws were passed for the enforcement of the rights guaranteed to Negroes in the 14th and 15th amendments. In 1871 the first civil-service law was passed.

In the election of 1872 Grant was enthusiastically endorsed by the public and returned to office with a popular majority three times as great as in 1868. He received 272 to 63 for the opposition.

In reviewing the Republican Party's record during its first 14 years in office, Senator George F. Hoar, of Massachusetts, in 1874 called attention to the following accomplishments:

"In 14 years it enacted a protective tariff which made the United States the greatest manufacturing Nation on earth; it enlisted, organized and sent back to civil life a vast army; it created a great navy, constructed on principles not invented when it came into power; it put down a gigantic rebellion; it made freemen and citizens of 4 million slaves; it contrived the national banking system; it created a currency which circulates throughout the world on an equality with gold; it made the credit of the country the best in the world; it restored specie payment; it devised and inaugurated the beneficent homestead system; it built the Pacific railroads; it compelled France to depart from Mexico; it exacted apology and reparation from Great Britain; it overthrew the doctrine of perpetual allegiance and required the great powers of Europe hereafter to let our adopted citizens alone; it made honorable provisions for invalid soldiers and sailors. * * *"

In 1876 Grant was still enormously popular but the Republican Party refused to break with their long-standing tradition against perpetuation in office. When a Democrat Representative, William Springer, of Illinois, introduced in the House of Representatives his historical resolution condemning a third term for any President, 80 percent of the Republicans cast their votes for the resolution. Although the Democrat Party later reversed its stand on the principle in endorsing Franklin Roosevelt for a third term, the descendents of Representative Springer apparently found it easier to change party than to change principle for the present Representative WILLIAM SPRINGER, of Illinois, serves in the 84th Congress as a Republican.

Thus from humble beginnings the Republican Party grew and enjoyed a long and memorable history and a popular majority during the most expansive period of its development from 1861 to 1933.

For three-fourths of that period Republicans occupied the White House. They shaped governmental policy, encouraging development of the country's vast natural resources. They built up its defense; they created its national banking system; they established the world's soundest currency; they stabilized the Nation's credit and they formulated an economic policy which has

made the United States the first among the nations.

From its minority position in the Federal Government after 1933 the Republican Party remained true to its basic principles, cooperating in the development of constructive legislation and opposing the trend toward a regimented economy and a collectivist state.

In fact, in spite of their minority position Republicans made many outstanding contributions to national policy during these years. Included among these are:

The Federal Deposit Insurance Corporation.

Defeat of the attempt to pack the Supreme Court.

Exposing political corruption and racketeering and passage of the Hatch Act.

Sponsorship of a pay-as-you-go tax plan.

Leadership in the movement for United States participation in United Nations.

Protection of States rights.

Exposing inefficiency and waste in Government.

Fighting radical elements and trends in Federal Government.

Elimination of wartime controls in the postwar economy.

In 1946 the Nation elected the Republican 80th Congress, faced with the difficult task of reversing the New Deal trends of Government controls and regimentation and wasteful and unwise spending. These trends were undermining the American system of free government and burdening the American people with unprecedented tax loads.

In spite of the stubborn and deliberate opposition of a Democrat President the Republican 80th Congress fulfilled its pledges and made a record of solid legislative achievement including:

Reduction of Government expenditures.

Reduction of taxes.

A revision of the National Labor Relations Act to protect the individual workingman.

Curtailment of Government controls.

Exposure of subversive elements.

Strengthening of national defense.

Expansion of veterans' benefits.

Easing of Government housing controls.

Stopped inflationary deficit spending.

Adopted a long-range agriculture program.

Expanded social security.

Established the Hoover Commission to bring about efficiency and savings in Government.

As a minority group in the 81st Congress the Republican Party fought hard to preserve the constructive program it had initiated in the Republican 80th Congress.

Republicans in the 81st Congress concentrated their efforts on continuing the economy trend introduced in the 80th Congress and on defeating on every occasion the efforts of the Truman administration to foist socialism on this country.

In 1950 a statement of Republican principles and objectives was adopted supplementing the 1948 platform. This statement stressed the importance of Republican liberty as opposed to Democrat socialism. The return of the people to the principles of the Republican Party was displayed dramatically in the congressional elections that year and Republicans made gains of 5 Senators, 6 governors and 27 Members of the House.

The Democrat-controlled 82d Congress was noteworthy for its legislative inactivity. It was during that time, however, that President Truman fired General MacArthur; that RFC investigations disclosed influence peddling by persons close to the White House; and that Republicans continued their battle against nondefense spending.

In 1952 President Eisenhower and the Republican Party were swept into office by a landslide vote of 442 electoral votes.

Taking over the responsibilities of his administration on January 20, 1953, President Eisenhower spelled out Republican objectives in his state of the Union message on February 2. He said:

"The grand labor of this leadership will involve—application of America's influence in world affairs with such fortitude and such foresight that it will deter aggression and eventually secure peace;

"Establishment of a national administration of such integrity and such efficiency that its honor at home will insure respect abroad;

"Encouragement of those incentives that inspire creative initiative in our economy, so that its productivity may fortify freedom everywhere; and

"Dedication to the well-being of all our citizens and to the attainment of equality of opportunity for all, so that our Nation will ever act with the strength of unity in every task to which it is called."

To you who are leaders in the Young Republican organization I need not recount the great strides President Eisenhower and the Republican Party have made in the past 3 years in fulfilling these objectives. We have brought to the Nation peace; nowhere in the world are American soldiers dying in war. We have brought to the Nation prosperity; never have so many people been employed; never have their wages been so high. We have stopped wasteful Government spending; we have stopped inflation; we have stopped the infiltration of subversives in our high Government offices.

Today Americans are free, prosperous and at peace and they look toward the future with a new confidence because the principles of the Republican Party have been followed in our Federal Government.

In closing, let me say that to many Americans throughout the Nation, the initials GOP, symbol of the Republican Party, have come to mean also guardians of peace, guardians of prosperity and guardians of progress. With the help of such Republican leadership as I see in this room today we can continue these fine traditions of the Republican Party.

Financing of TVA

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1956

Mr. MARTIN of Pennsylvania. Mr. President, since becoming a member of the Senate I have been very much interested in public works as they relate to the various parts of our Nation. Recently there has come before the Public Works Committee a plan to issue bonds for the financing of TVA and its proposed expansion. I have had made a study and analysis of the various bills and proposals to finance the future expansion of TVA. I have also had prepared a statement showing the approximate amount paid toward the cost of TVA by the various States of the Union.

This study does not necessarily voice my own views.

The study so impressed me that I sent a copy to each member of the committee. Since that time I have had many requests for a copy of this study.

I have had an estimate made by the Government Printing Office, and I find that it will make 5¾ pages of the RECORD, at a cost of $460.

In view of the importance of this study, Mr. President, I ask unanimous consent that it may be printed in the CONGRESSIONAL RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

Proportionate share of States in TVA appropriations of $1,950,000,000 (includes $45,000,000 of transfers of property from beginning) in fiscal year 1934 through fiscal year 1955

[Millions of dollars]

Alabama	$20.1
Arizona	7.6
Arkansas	11.1
California	170.5
Colorado	18.3
Connecticut	34.5
Delaware	9.0
Florida	27.5
Georgia	26.5
Idaho	5.6
Illinois	148.8
Indiana	45.8
Iowa	27.1
Kansas	20.9
Kentucky	21.2
Louisiana	22.0
Maine	8.0
Maryland	36.3
Massachusetts	65.3
Michigan	100.6
Minnesota	34.3
Mississippi	10.9
Missouri	51.3
Montana	6.4
Nebraska	15.8
Nevada	2.7
New Hampshire	5.5
New Jersey	66.9
New Mexico	5.9
New York	290.0
North Carolina	29.2
North Dakota	5.3
Ohio	118.4
Oklahoma	20.7
Oregon	19.3
Pennsylvania	145.3
Rhode Island	10.5
South Carolina	13.5
South Dakota	5.7
Tennessee	24.4
Texas	82.9
Utah	6.6
Vermont	3.3
Virginia	28.8
Washington	31.4
West Virginia	15.4
Wisconsin	40.2
Wyoming	3.3
District of Columbia and possessions	29.4
Total TVA appropriations, including transfers of property, fiscal year 1934 through fiscal year 1955	1,950.0

NOTE.—Proportionate shares borne by each State based on allocation of the Federal tax burden among the States and possessions as calculated by the Council of the State Chambers of Commerce and averaged for the fiscal years 1949 through 1956.

REVENUE BONDS FOR TVA

Proposals to finance the future expansion of TVA by means of revenue bonds are again before the Congress. The idea has considerable appeal to the public. It sounds good to the average citizen. It sounds like it will aid the taxpayer. It might remove the TVA from the political scene, and avoid the annual debate over appropriations for its expansion. It appears to be a self-liquidating step. These are advantages of considerable value to the public, and the idea might prevail because of them.

This memorandum is a factual analysis of the proposed legislation and its probable end results, with particular reference to its impact on the taxpayers, and is designed to promote further study of this important matter.

LEGISLATION BEFORE THE CONGRESS

Four bills have been introduced in the Congress providing, among other things, for the future financing of additions to TVA power facilities by the sale of revenue bonds. These bills are: S. 2373, June 29, 1955, Mr. KERR; H. R. 6575, May 31, 1955, Mr. DAVIS of Tennessee; H. R. 6576, May 31, 1955, Mr. JONES of Alabama; H. R. 6770, June 13, 1955, Mr. BUCKLEY (by request).

Hearings were held on the Kerr bill last summer by the Senate Subcommittee on Public Works, and it seems probable that it may receive prior consideration by the Congress. Therefore, these comments are primarily directed to the Kerr bill, but notes are appended explaining the differences between it and the other three bills.

The Senate bill introduced by Mr. KERR would repeal the last three paragraphs under the subtitle "Independent Agencies and Corporations" in title II of the Government Corporations Appropriations Act, 1948 (61 Stat. 576–577), and amend the present Tennessee Valley Authority Act by inserting a new section immediately after section 15c thereof (16 U. S. C., sec. 831n–3). In addition, the Kerr bill adds some language to paragraph 7 to section 5136 of the revised Statutes (12 U. S. C., sec. 24) which would make the proposed revenue bonds legal for investment purposes by national banks.

REPEAL PROVISIONS

The clauses of the Government Corporations Act, 1948, which the Kerr bill would repeal require TVA to repay to the United States Treasury a total of $348,239,240 over a term of years and in a specified manner.[1]

The $348,239,240 specifically stated in the Government Corporations Act was computed at the time the act was passed in the following manner:

Appropriations for power property through June 30, 1946	$287,771,841
Transfers of property from War Department	19,026,418
Bonds sold to Treasury and RFC	65,072,500
Total	371,870,759
Deduct repayments already made, including bond retirements	23,631,519
Remainder to be returned	348,239,240

[1] "Not later than June 30, 1948 and not later than June 30 of each calendar year thereafter, until a total of $348,239,240 has been paid as herein provided, the board of directors of the Tennessee Valley Authority shall pay from net income derived the immediately preceding fiscal year from power operations, not less than $2,500,000 of its outstanding bonded indebtedness to the Treasury of the United States exclusive of interest, and such a portion of the remainder of such net income into the Treasury of the United States as miscellaneous receipts as will, in the 10-year period ending June 30, 1958, and in each succeeding 10-year period until the aforesaid total of $348,239,240 shall have been paid, equal not less than a total of $87,059,810, including payment of bonded indebtedness exclusive of interest on such bonded indebtedness. Total payments of not less than $10,500,000 shall be made not later than June 30, 1948. Amounts equal to the total of all appropriations herein and hereafter made to the Tennessee Valley Authority for power facilities shall be paid by the board of directors thereof, in addition to the total of $348,239,240 specified in the foregoing paragraph, to the Treasury of the United States as miscellaneous receipts, such payments to be amortized over a period not to exceed 40 years after the year in which such facilities go into operation." [Government Corporations Appropriations Act of 1948, pp. 3 and 4.]

The Government Corporations Act of 1948 further required that in addition to the above amount the total of all appropriations for power made after June 30, 1946, should be returned to the Treasury over a period of 40 years after the facilities go into operation. Thus, the repayment requirement as of June 30, 1955, was:

Appropriations for power property plus transfers as of June 30, 1955	$1,317,446,058
Remaining bonds	14,000,000
Total	1,331,446,058
Deduct repayments into general fund exclusive of bond retirements	100,059,019
Present repayment obligation	1,231,387,039

A further provision of the Government Corporations Act of 1948 required an act of Congress for TVA to use any of its power revenues for construction of new power-producing projects.

The Kerr bill would repeal all these safeguards. The TVA would be under no specific requirement to repay the $1,231,387,039 obligation. Furthermore, it would be free to use its power revenues for any purpose it desired without the consent of the Congress.

Further repayments of appropriation investment would be made only "as the Board may consider desirable * * * having due regard for * * * the objective that power shall be sold at rates as low as are feasible."

Under such an option, the way would be opened immediately upon the Kerr bill becoming law, for repayments of appropriation investment to stop, and for the money to be diverted to building new facilities.

The total repayments made in fiscal year 1955 were over $55 million.[2] While payments in subsequent years probably would not be as large, nevertheless they constitute an important factor in the situation.

REVENUE BONDS

The new section to be added to the TVA Act would permit the Authority to issue revenue bonds at the sole discretion of its Board. The features of this permission would be—

The bonds would be confined to new money for construction, acquisition, and replacements of property in connection with facilities for the production and transmission of power or in conection with lease-purchase or any contract for such facilities.

This provision is so broad that TVA could carry on almost any operation or build any property it desired. The inclusion of replacements as one of the purposes for which revenue bonds can be issued will be commented on in a subsequent paragraph.

2. The term of the revenue bonds would not exceed 50 years. The Government Corporations Act of 1948 specifies 40 years as the repayment term.

3. No regulatory commission or board would have to pass on the bonds. They could be issued at will by the vote of two men constituting a majority of the TVA board.

Nor is there any provision for congressional or budgetary control. Under the bill the proceeds realized from issuance of such bonds are not included in the computation of receipts, expenditures, surpluses, or deficits in the budget of the United States. Certainly as long as the taxpayers have an investment in TVA Congress should and must retain and exercise control. The bill follows the principle of the dual budget theory, making possible the hiding of huge annual expenditures in a debt budget and thereby eliminating any effective control over the national debt. Also, TVA (and ultimately other Federal agencies as well) would be able to accomplish indirectly what Congress might be reluctant to do directly. Thus, in the final analysis, the bill would preempt congressional control over Federal spending and place it in the hands of Federal agencies.

4. The interest and amortization on such bonds would be a first lien on the net revenues ahead of depreciation and everything else.

Principal of and interest on the proposed revenue bonds would be payable solely from TVA's net power proceeds. The Kerr bill then goes on to define net power proceeds as what is left of revenues after operation and maintenance, including payments in lieu of State taxes but before depreciation and amortization of capital expenditures. It also includes in the amounts which can be used to pay interest and amortization on the revenue bonds, the net proceeds of the sale or other disposition of any power facility or interest therein, including reserves created from such sources.

Thus TVA could use depreciation accruals to service the revenue bonds, and, to the extent required, could issue revenue bonds to make replacements. The REA cooperatives are following this practice. The only difference is that arey are borrowing the needed money from the REA instead of issuing revenue bonds.

The depreciation assigned to power for fiscal year 1955 was as follows:

Total depreciation for year	$30,092,618
Retirements	2,736,907
Balance to reserve	[3] 27,355,711

To give an idea of the importance of this provision of the Kerr bill, the $27,355,711 balance to the reserve would pay interest and amortization on more than $700 million of 50-year 3-percent interest revenue bonds.

5. The bonds and interest on them would not be guaranteed by the United States. This has little meaning, as the Federal Government would be pressured into making good on any default.

In the hearings last summer Senator KERR, author of the bill, had this to say:

"I want to say, as far as I am concerned, I regard any bond issued by this Authority (TVA) of the same dignity and obligation as that of a Government bond. * * * My position would be at any time these bonds get into default, that I would sponsor legislation to hold the holders of these bonds secure."

6. The bonds would be exempt both as to principal and interest from all taxation by any State or local taxing authority except estate, inheritance, and gift taxes. For example, the bonds would be tax-free in respect to State income taxes.

7. TVA operations would not be included in the budget, except in respect to such repayments of the appropriation investment as may be made from time to time.

The net effect of the revenue bond proposals would be to free TVA from the control

[2] Repayment made in 1955.

Payments into the general fund of the U. S. Treasury:	
On power investment	$35,000,000
Of nonpower proceeds	5,465,224
Retirement of bonds held by Treasury	15,000,000
	55,465,224

From U. S. 1956 Budget, p. 229.

[3] Depreciation: $30,092,618 from TVA annual report for fiscal 1955, p. A–12.

Balance to reserve for power properties:

Total at June 30, 1955: $168,211,522 from TVA annual report for fiscal 1955, p. A–32.

Total at June 30, 1954: $140,855,811 from TVA annual report for fiscal 1954, p. A–3.

Total for fiscal 1955: $27,355,711.

Difference: $30,092,618–$27,355,711. $2,736,907 represents retirements.

of the Congress and enable it to expand in any direction and to any extent it desired, on an extremely favorable financial basis.

DISPOSITION OF GROSS REVENUES FROM THE SALE OF POWER

The Kerr bill directs TVA to charge rates for power high enough to meet:

1. Operation, maintenance, and administration of the power system (exclusive of depreciation—see preceding section).

2. Payments to States and counties in lieu of taxes.

3. Debt service on outstanding bonds.

4. A return to the Treasury on the appropriation investment in the Corporation's power facilities. This return would be at the average interest rate payable by the Treasury upon its total marketable public obligations.

As of June 30, 1955, the appropriation investment was $1,217,387,039.[4] The average interest rate on marketable public obligations of the Treasury (which includes Treasury bills) was 2.043 percent as of June 30, 1954, the latest date available. On this basis, the annual return in fiscal year 1955 would have been $24,871,216.

During fiscal year 1955, TVA had the following resources to meet the above return.

Net revenues from power operations	$47,900,665
Depreciation accruals	30,092,618
Total available	77,993,283

These figures emphasize the importance to TVA of being able to make depreciation accruals available for paying returns as outlined in the Kerr bill.

5. In addition to the above firm obligations, the Board as it may deem desirable, can charge enough to cover the following:

(a) Investment in power system assets.

(b) Retirement of outstanding bonds in advance of maturity.

(c) Reduction of appropriation investment.

(d) Other purposes connected with the corporation's power business.

Under such optional treatment the reduction of appropriation investment, now a prime obligation of TVA, would be the last on the list under the Kerr bill, as a reduction would be made only if the Board found it desirable so to do.

NET EFFECTS OF THE OTHER PROVISIONS OF THE KERR BILL

It is obvious that the provisions of the Kerr bill relating to the disposition of its gross revenues would greatly change the TVA situation. For example:

1. The taxpayers' money (retained earnings) that the TVA has reinvested would never be recovered nor would any return be paid on it.

2. Appropriations by the Congress would still be needed to meet the costs of the nonpower features of TVA. The bill does not prohibit further appropriations by the Congress to the power operations of TVA but would allow TVA to go ahead on its own if Congress did not desire to let TVA have the money. As no firm requirement would exist to pay back the appropriation so made TVA would be in the position of being able to get all the money it could from the Congress and issue revenue bonds when the Congress turned down the request.

3. The question would be raised as to the extent of further repayment of appropriations to the United States Treasury. Making repayments of this nature would be entirely permissive on the part of TVA.

4. The Federal Government would continue in the power business in the TVA area.

5. TVA would not stand on its own feet and pay its own way in full. On the contrary, it would become less of a self-liquidating undertaking than it is now.

GENERAL OBJECTIONS TO THE KERR BILL

The Kerr bill, with its modification of the Government Corporations Appropriations Act of 1948, the proposed sale of revenue bonds, and the other changes in the TVA situation, would adversely affect the public interest because:

1. Socialistic programs involving proprietary businesses are bad for the people of the United States. The proposed legislation would perpetuate, enlarge and strengthen such a program and remove the present controls which the Congress has over it.

The United States would still own the undertaking, and the taxpayers' money would still be invested in it. Congressional control should be strengthened rather than removed, to protect the national interest and the Federal taxpayers.

2. Government, at both the Federal and State levels very properly and wisely, regulates the electric utility companies in the public interest and as protection to investors sets up rules for financial structures which, among other things, require a reasonable proportion of equity money in the capital structure as a cushion for debt.

TVA asserts, of course, that the appropriations represent equity in the property, which is absurd, as the taxpayers' contributions to the enterprise were forced from them and the individual taxpayer cannot sell, pawn or control his so-called share in the undertaking.

Obviously the revenue bonds to be sold at TVA option, could and might be made large enough to cover all the cost of the facilities to be built.

A departure by the Federal Government in its own proprietary operations from the financial principles that it prescribes for its citizens, appears to be unjust and unwise.

3. The proposed legislation would remove whatever restrictions presently exist on the expansion of TVA's service area. TVA is an unregulated Government monopoly enjoying a long list of valuable special privileges that makes it an invincible competitor of the utilities.

As TVA could issue revenue bonds at will to pay for acquisitions and would not have to get the consent of the Congress, it would be free to move in on its utility neighbors anywhere it wished and destroy them, as it has done in the past in the area it now serves. The resulting loss of tax revenues would be serious to the Federal Government. Even more serious would be the further transfer of industries using large amounts of power from non-TVA areas to locations where they could obtain subsidized TVA power.

4. The legislation would not clean up the TVA mess. The authority would not stand on its own feet and pay its own way in full. None of the inequities which exist in the TVA situation would be removed or alleviated. TVA would continue to pay no Federal taxes and an insufficient amount of State and local taxes, and would remain a political and social issue.

5. If TVA would obey its own act, it would be unnecessary to supply additional facilities at this time.

The effect of the revenue bond financing approach to the TVA's problem is to imply that TVA (or the Federal Government) has a public utility responsibility to perform which of course it has not.

As to the future power supply in the TVA area are the following facts.

TVA has a preference clause, which reads as follows:

"In the sale of such current by the board it shall give preference to States, counties, municipalities and cooperative organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members."

In fiscal year 1955 the sales of energy by TVA were as follows:[5]

Class of customers	Proportion		Revenue mills per kilowatt-hour
	Kilowatt-hours	Revenue	
	Percent	*Percent*	
Preference customers:			
4 large cities	15.03	13.40	3.97
Smaller towns and cooperatives	17.21	17.67	4.65
Total preference customers	32.24	31.07	
Nonpreference customers:			
Industrials and others	15.98	13.98	4.09
Federal agencies and TVA itself	51.78	54.95	4.73
Total nonpreference customers	67.76	68.93	
Grand total	100.00	100.00	4.46

If the nonpreference users were to furnish their own needs, TVA's present power supply plus the capacity under construction would be sufficient to take care of the preference customers' needs for many years in the future.

[4] Power investment at June 30, 1955:

Appropriations (U. S. budget, fiscal 1957, p. 227)	$1,298,081,000
Transfers of property (U. S. budget, fiscal 1957, p. 227)	19,365,000
Total (TVA annual report, June 30, 1955, p. A–4)	1,317,446,058
Payments into the general fund of the Treasury	100,059,019
Balance	1,217,387,039

Average interest rate on marketable public obligations from annual report of Secretary of the Treasury, June 30, 1954, p. 471.

[5] Sales by TVA in 1955, TVA annual report, June 30, 1955, pp. A–39 to A–41:

		Percent	Amount	Percent	Rev/kilowatt hour
4 large cities	6,320,502,090	15.03	$25,104,664	13.40	3.97
Towns and cooperatives	7,236,120,329	17.21	33,099,494	17.67	4.65
Total	13,556,622,419	32.24	58,204,158	31.07	
Industrial and other:					
Industrials	6,030,518,975		23,555,417		3.91
Private utilities	31,289,648		145,070		4.64
Interdivisional	656,072,300		2,493,851		3.80
Total	6,717,880,923	15.98	26,194,338	13.98	4.09
Federal agencies	21,770,450,713	51.78	102,962,859	54.95	4.73
Total	28,488,331,636	67.76	129,157,197	68.93	
Grand total	42,044,954,055	100.00	187,361,355	100.00	

There is no sound reason why this could not be done in respect to the industries served directly by TVA. They are all nonpreference customers. They have been the main beneficiaries of TVA subsidized power. All of them could construct their own powerplants and serve themselves.

The largest group of nonpreference customers consists of the Federal agencies, accounting for over one-half of TVA's energy sales. There is no reason why they could not construct their own facilities. It is not commonly realized that over one-half of TVA's revenue from the sale of power comes from the Federal Government itself—in other words, from the taxpayers. Obviously the service to the Federal Government is responsible for a substantial portion of the net power income, which is used in part to build new facilities, and from which repayments to the Treasury are made from time to time.

Inspection of TVA data discloses that, as a group, the Government agencies are paying the highest average rate for energy of any of the other groups served by TVA. As the Government service is mainly at high load factor and includes a large amount of nonfirm service, it should be at a very low average rate.

It seems probable that TVA is making a greater margin over bare-bones cost out of serving the Federal agencies, than it is out of its other groups of customers. In this way it is getting a large amount of taxpayers' money and using it to further subsidize service to other customers. A mill a kilowatt hour of undue margin on the service to Federal agencies in fiscal year 1955 would total $21,770,451.

If the Government agencies would undertake to build their own facilities as the TVA area needs additional power, they would release the required capacity for preference customer use, and at the same time clear up any discrimination against the taxpayers that may exist by reason of the rates charged the Federal agencies by TVA.

The end result would be to save money for the taxpayers.

6. These are other methods whereby the future power needs of the area could be met without further major expenditures by the Federal Government. One of these is the construction of steam-electric stations by the large municipalities now served exclusively by TVA.

This could be easily accomplished by requiring TVA to free the local municipalities from the stringent provisions of its "sole supplier" clause and relax its restrictive control of municipal resources derived from the resale of its power. This would enable the municipalities to use these financial resources to meet their future needs for power by providing their own facilities or purchasing supplemental power from outside sources. Once freed of TVA domination these municipalities would be free to choose public power by providing their own generating plants or, if they prefer, by purchasing what they want from neighboring electric companies.

The four largest cities in the TVA service area use an amount of energy equal to about 87½ percent of the remainder of the preference customers. Obviously if the four largest cities would supply their own power needs, which they could do just as cheaply as TVA, an abundant supply would be available for the smaller cities and the rural cooperatives.

The latest available information indicates peak demands of the four cities to be:

Twelve months ending October 31, 1955:

	Peak demand kilowatts
Nashville	428,765
Chattanooga	406,086
Memphis	392,532
Knoxville	262,032
Total	1,489,415

The city of Memphis is now undertaking to supply its own needs. The other three cities could do likewise.

It also is possible to get a substantial amount of additional power from outside the TVA area.

7. A rash of similar bills would certainly result if the Kerr bill becomes law. An REA bill (H. R. 8243) has already appeared. Every other Federal proprietary undertaking could be expected to follow.

For the reasons set forth in this section, it seems reasonable to conclude that the Kerr bill is not in the public interest.

SPECIFIC OBJECTIONS TO THE KERR BILL

If the Kerr bill is to be amended to meet the major objections to its end results, the following steps would be required:

1. The Congress should strengthen its control over TVA, and its approval should be required of every step taken by the Authority, especially in respect to the amount, terms and guaranties of the revenue bonds to be issued.

2. An effective and specific territorial limit should be set to keep TVA within reasonable limits.

3. In order to protect the taxpayers, amortization and interest on present investment should have first priority on the net income, and the interest and amortization on the revenue bonds should be subordinated to it.

4. Interest rates should be at least equal to the highest interest rate being paid by the Federal Government plus enough to cover overheads. The "average" rate proposed by the Kerr bill includes Treasury notes and other low-interest items that have no relation to long-term obligations.

5. All TVA costs should be included.

6. The taxpayers should come out "whole" at the end of the repayment period, making the project truly self-liquidating.

FACTS AND FIGURES

The amount of money that has passed through the hands of TVA since its beginning totals more than $3,131 million.[a] About $519 million of this went for operating its power facilities. Other large sums were spent for operating the other purposes of TVA, in retiring property and in writeoffs.

As of June 30, 1955, the general funds of TVA, exclusive of operating expenses, and net after various prior transactions totaled $2,488,420,626. (See tabulation marked "Exhibit A.") Not all of this total would be subject to repayment and interest (return).

The TVA has prepared figures on the present investment (June 30, 1955) in the power business which total $1,533,838,694. From the data given in the annual report of TVA for 1955 the appended tabulation (exhibit B) has been prepared which shows the total investment of TVA, divided between power and other. This appears to be a correct statement if the TVA allocations and other accounting practices are accepted.

Some question could be raised to treating repayments taken from net power revenues as a return of capital. Nevertheless the end result on the total investment is the same as it would be if they had been considered as a payment of "return," and it does not seem necessary to explore the question further.

The taxpayers have furnished additional large sums of money which do not appear on TVA's books, and which have been overlooked in the proposed legislation.

The first of these is taxes. The task force of the Hoover Commission computed the total taxes that TVA should have paid to June 30, 1953, to be $199,501,868. Projecting this ahead to June 30, 1955, gives a grand total of $285,666,588. This probably would divide about as follows:

Federal	$171,889,669
State and local	[7] 113,776,919
Total	[8] 285,666,588

[a] Money that has passed through hands of TVA:

Total power operating revenue	$896,194,921
Other gross revenues, disposition of fertilizer and munitions	219,651,948
Bonds issued	65,072,500
Appropriations and net transfers of property	1,950,418,029
Contributions in aid of construction	$303,417
Total	3,131,640,815

Revenues were compiled from income statements in TVA annual reports. Remainder of figures from TVA annual report, June 30, 1955, pp. A–4 and A–7.

[7] The table is as follows:

Year	Total taxes	State and local taxes	Proportion	TVA State and local taxes
1955			[c] 39.18	$18,798,270
1954	1,437	563	39.18	14,961,106
1953	1,330	515	38.46	12,088,831
1952	1,224	471	38.48	9,561,578
1951	1,150	431	37.48	7,584,363
1950	948	387	40.82	7,465,416
1949	794	352	44.33	7,057,098
1948	712	321	45.08	6,276,497
1947	664	299	43.67	5,720,490
1946	644	266	41.30	5,625,689
1945	652	241	36.96	4,849,437
1944	677	235	34.71	3,774,942
1943	680	232	34.12	3,128,670
1942	628	231	36.78	2,355,075
1941	520	226	43.46	1,718,948
1940	404	214	52.97	839,377
1939	352	212	60.23	532,838
1938	323	212	65.63	
1937	308	207	67.21	
1933–38			[b] 67.21	1,438,294
Total				113,776,919

[c] Estimated.
[b] Used.

[8] Hoover Commission Task Force report, vol. 2, p. 441.

NOTES ON PROJECTIVE OF TVA TAXES

Page 441 Hoover Task Force Report on Water Resources and Power gives the total tax obligation to June 30, 1953, as $199,501,868.

Method of projecting taxes—TVA only

Fiscal year	Kilowatts installed including Army engineers plants	Average	Taxes	Per kilowatt	Fiscal year
1950	2,648,050	2,741,800	$20,235,761	7.38	1951
1951	2,835,550	3,347,230	24,848,176	7.42	1952
1952	3,859,910	4,305,480	31,432,219	7.30	1953
1953	4,751,050	5,230,900	38,185,570	7.30	1954
1954	5,710,750	6,572,500	47,979,250	7.30	1955
1955	7,434,250				
Subtotal			86,164,820		
			199,501,868		
Total			285,666,688		

TVA pays no Federal taxes of any kind. Therefore, the $171,889,669 represents Federal taxes which TVA avoided and which the other taxpayers had to contribute to the support of the Federal Government in addition to their proper share.

TVA has made token payments in lieu of State taxes which have totaled $37,208,229 to June 30, 1955. Deducting these from the total State and local taxes leaves $76,568,690 as the contribution of the people of the TVA service area to the project.

The second is interest. The taxpayers continue to pay interest on Government bonds that otherwise would not exist if the appropriations to TVA had not been made. A conservative estimate of the amount of this interest at 3 percent per year from the start of the project to June 30, 1955, is $279,733,275,[9] exclusive of interest on interest, and exclusive of the interest actually paid on the few TVA bonds that have been held by the Federal Government.

The third group of items are the miscellaneous operating items which other business pays, but which TVA escapes. For example, the social-security tax on its civil service employees is paid by the Federal Government, and does not appear on the books of TVA.

TVA gets freight rate rebates and is free of a number of excise taxes that other people pay. It franks some or all of its mail.

With the limited information available for this study, an estimate of the amount of money involved in this third group is not possible.

A fourth group concerns $95,781,420 of cash items (see exhibit B) that in the tabulation is included in "other." This money will no doubt be used for power operations, and if a break is to be considered as made as of June 30, 1955, it must be included in the total if it is to be ultimately recovered.

The fifth group includes writeoffs, allocations, and other items, such as:

1. The writeoff of over $92,500,000 [10] which took place at the start of TVA operations. This was a direct loss to the Federal taxpayers. One of the results of the writeoff was that the 64,000 kilowatt Wilson steam-electric station was taken on the books at zero dollars. It has been in operation ever since.

While a portion of the writeoff may have been justified, it seems evident that a substantial part, especially that applying to Wilson Dam and Wilson steam-electric station, were greater than the facts justified.

2. Past expenditures made by cooperating governmental agencies and not reimbursed by the Authority are not included in the amounts to be recovered under the proposed legislation. For example, the CCC furnished labor on the reservoirs, rights-of-way, and pole setting for transmission lines, office buildings, and on the streets and sewer system at Norris Town. The WPA also did work on the project, and so did the Army engineers.

3. Questionable allocations of property to navigation and flood control which have unduly favored the power end of the business. For example, a total of $158,142,107 [11] has been allocated to navigation. This is over double the $67 million cost of an equivalent low dam navigation channel.

The $183,995,636 [12] allocated to flood control is less easy of anlysis. A greater amount of land has been permanently flooded in the Tennessee Valley by the TVA works than was ever flooded under natural conditions. The total benefit in the valley probably is confined to the city of Chattanooga. Some benefits may be realized in the Ohio Valley but they are problematical.

None of the general property has been allocated to power, although a large part of it is used in the power operations.

A reasonable estimate of the amount including interest on the items in this fifth group that should have been charged to power required to make the taxpayers whole in respect to the items of this group would be $118,756,942.

The total required to make the taxpayers whole is summarized by the following tabulation:

Investment in power as of June 30, 1955, per TVA books	$1,533,838,694
Additional items necessary to make taxpayers "whole":	
Additional cash items	95,781,420
Back interest	279,733,275
Back Federal taxes	171,889,669
Needed to clear up allocations and miscellaneous items	118,756,942
Total to make taxpayers whole	2,200,000,000

CONCLUSIONS

As a guiding and fundamental principle and to the extent that TVA is engaged in the public utility business, TVA should be subjected to regulation like private enterprise. It should pay its full share of Federal taxes like private enterprise and its full share of local taxes like private enterprise. Further, it should pay the same rates of interest as those paid by private enterprise and it should show its true costs of doing buisness by the same accounting methods and legal principles that private enterprise, under the law, is required to do. Yet at this moment, and under the several TVA revenue bond proposals under consideration, TVA has accepted only the privileges of private enterprise and few, if any, of its limitations.

The Kerr bill has as a base for interest ("return"), an investment of only $1,217,387,039. It does not include outstanding bonds. It proposes to charge only 2.043 percent interest on this, which would be $24,871,216 per year. A major omission is that no specific repayment program is set up for adequate interest payment or amortization.

If the Congress wishes to waive or make no attempt to clear up back matters, then the least amount to be considered as a base should be the investment admitted by TVA of $1,533,838,694.

Under existing law the investment in power must be repaid over not more than a 40-year period. In respect to the average investment remaining in the property 5 of the years have passed, leaving 35 years yet to go. The following table shows what the interest and amortization would be at 3 percent interest rate on several setups:

	Amount	Annual amount as of June 30, 1955	
		35-year amortization	40-year amortization
	Dollars	*Dollars*	*Dollars*
TVA's admitted investment in power	1,533,838,694	71,383,747	66,357,513
Plus cash on hand and back interest	1,909,353,389	88,859,952	82,603,193
Total to make taxpayers "whole"	2,200,000,000	102,386,400	95,177,280

Cashwise, TVA would have available to pay the above—

Depreciation accrual	$30,092,618
Net income	47,513,278
Total	77,605,896

The Kerr bill certainly contemplates the use of these items for interest and amortization purposes. Any change in TVA procedure should include payment in lieu of Federal taxes in future years.

These figures emphasize the importance of TVA paying the equivalent of Federal taxes imposed upon electric companies in the general area.

There is precedent in other countries for the payment of Federal taxes or their equivalent by Government-owned power projects (see Hoover Commission Task Force Report on Water Resources and Power, vol. 1, p. 204).

The British Electric Authority is liable for and pays both local and national taxes in the form of income, profits, and excess profits levies.

The State Power Board of Sweden pays local taxes the same as any private undertaking. Enough is allowed in the rates to cover national taxes on the same basis as if the power were supplied by a private undertaking subject to income tax.

Electric utilities owned by the State in Norway pay local taxes and the income and fortune tax imposed by the State. The rate of taxation is about the same for the State-owned and the private companies.

Electricite de France, a Government body, pays taxes equal to about 10 percent of income.

There is, in fact, precedent in the TVA itself for inclusion of taxes, and the other factors not covered by its present books, in the cost of the project.

Mr. Lilienthal, then a member of the TVA board, said in July 1938, during his testimony before the Joint Committee on the Investigation of the Tennessee Valley Authority, 75th Congress, 3d session:

"In fixing TVA wholesale rates, the liquidation of the actual total investment devoted to power purposes, fixed charges on that investment, including taxes, depreciation, interest, and all other appropriate items, and all operating expenses be accepted as a minimum below which those rates should not be permitted to go."

Payments in lieu of State and local taxes:

1933–1953	$29,751,095
1954	3,578,668
1955	3,878,466
Total	37,208,229

Hoover Task Force Report, p. 242.

[9] Interest was figured by multiplying the average funds employed in the power program by 3 percent which gave a total of $290,370,791. From this was deducted the interest paid on bonds of $10,637,516, leaving $279,733,275.

[10] Page 52 of the 1940 TVA Annual Report.

	Original cost	
Wilson Dam	$46,950,748	
Steam plant	12,326,392	
Nitrate plants, etc	65,073,387	
Total	124,350,527	
Taken on books, see p. 55:		
Wilson Dam	$31,300,000	
Equipment, etc	485,787	
		31,785,787
		92,564,740

[11] Allocation to navigation:

Navigation facilities, including locks, channel improvements, etc	$46,142,069
Allocation of multiple facilities	112,000,038
Total	158,142,107

(TVA annual report June 30, 1955, p. A–17.)

Cost of equivalent low dam navigation channel $67 million. From H. Doc. 328, 71st Cong., pt. I, p. 99. TVA did not build the large locks at all dams.

[12] Allocations to flood control:

Direct flood-control investment	$55,403,000
Allocation of multiple facilities	128,592,636
Total	183,995,636

(TVA annual report, June 30, 1955, p. A–17.)

It seems reasonable to conclude that if any legislation is passed, it should be comprehensive, and settle, once for all, the past and future situation of TVA. The settlement should be based on the representations made to the public by the TVA at the time it was being "sold" to the American people.

EFFECTIVE DATE

It is, of course, impossible to estimate when the effective date might be. Obviously it will not be June 30, 1955. Any subsequent date will change the figures of this memorandum somewhat but not the principle.

OTHER BILLS

Three other bills having as their foundation the future financing of TVA by revenue bonds are: H. R. 6575, May 31, 1955, Mr. DAVIS; H. R. 6576, May 31, 1955, Mr. JONES; H. R. 6770, June 13, 1955, Mr. BUCKLEY.

H. R. 6575 and H. R. 6576

These are duplicate bills, and are almost the same as the Kerr bill, with one exception, which is the provision that the United States Treasury can buy the revenue bonds, either directly or in the market. This puts a ceiling on the interest rate, as the Treasury would buy the bonds if the rate were too low for them to sell on the open market. This provision for all practical purposes makes the bonds a Government obligation.

If the Treasury sells bonds to buy the TVA bonds, then these Treasury bonds are exempt from the debt limitation.

H. R. 6770

This is the Buckley bill, and is different in some particulars from the Kerr bill, as follows:

1. It does not cancel the last paragraph under the subtitle "Independent Agencies and Corporations" in title II of the Government Corporations Appropriations Act of 1948.

By leaving this paragraph in effect, the Buckley bill would require an act of Congress before power revenues of TVA could be used for the construction of new power-producing projects.

2. Revenue bonds would be limited to $750 million outstanding.

3. Revenue bonds could only be sold to the extent necessary to meet TVA's budget program as approved by the Congress.

4. No provision is made for the purchase of revenue bonds by the United States Treasury.

5. Interest on appropriation investment would be based on interest of Treasury marketable public obligations neither due nor callable in less than 15 years from date of issue. Just what this interest rate might be is not presently available, but inspection of the latest report of the Secretary of the Treasury indicates that it would be around 35 percent higher than the rate called for by the Kerr bill.

6. TVA would be retained under the Government Corporations Control Act.

7. TVA would be required to contribute to Government civil-service costs including administration.

8. The TVA would be required to pay into the Treasury each year from net power proceeds, an amount equal to the estimated annual depreciation on the appropriation investment until the appropriation investment shall be reduced to $250 million. Data are lacking to calculate what this might mean dollarwise but on a proration basis it would be about $24 milion a year under present conditions.

9. TVA would be required to charge rates sufficient to accomplish the above.

Obviously the Buckley bill is much more favorable to the taxpayers than either of the other three bills. But, except for a somewhat better financial setup and the retention by the Congress of some measure of control over the authority, the Buckley bill has all of the other infirmities of the Kerr bill.

COMPTROLLER GENERAL'S OPINION

On June 30, 1955, Senator CHAVEZ, chairman of the Senate Committee on Public Works, requested the views of the Comptroller General of the United States, Mr. Joseph Campbell, on this proposed TVA legislation. Mr. Campbell's letter in response appears in exhibit C and, in brief, points out—that if TVA is allowed to obtain funds through issuance of revenue bonds, provision should be made as follows:

1. TVA should be required to get congressional approval of each new power-producing project.

2. A ceiling should be placed on the total amount of bonds which can be outstanding at any time.

3. TVA should be subjected to geographical limitations.

4. The Secretary of the Treasury should have authority to approve in advance all terms and conditions under which such bonds were to be issued.

5. All provisions of the Government Corporation Control Act relating to deposit and investment of TVA power funds should be retained.

6. Provision should be made for a definite plan for repayment of the investment made in TVA.

7. Appropriate restrictions should be placed on TVA's authority to convey property.

8. Provision should be made for TVA to be paid for any engineering or other services furnished others by it.

EXHIBIT A.—*General Funds of TVA as of June 30, 1955*

Item	Amount	Reference to page in TVA annual report for fiscal year 1955
Appropriations and transfers of property net.	$1,950,418,029	A 7.
Net income from power operations.	301,427,523	A 7.
Depreciation reserve	222,271,657	A 6.
Debt	14,000,000	A 7.
Contributions in aid of construction.	303,417	A 7.
Total	2,488,420,626	
Used for—		
Fixed assets	2,034,418,811	A 6.
Net expense of non-income-producing programs.	159,290,652	A 7.
Payments into general fund U. S. Treasury.	$127,563,390	A 7.
Cash	159,716,263	A 6.
Net current assets	7,431,510	Current receivables plus inventories minus current liabilities and deferred credit —see pages A 6 and A 7.
Total	2,488,420,626	

EXHIBIT B.—*Investment in TVA program, June 30, 1955*

Derivation	Total	Power	Other
Appropriations of Congress and transfers of property—net	$1,950,418,029	$1,317,446,058	$632,971,971
Less:			
Payments into general fund of U. S. Treasury	127,563,390	100,059,019	27,504,371
Net expense of non-income-producing property	159,290,652		159,290,652
Total	286,854,042	100,059,019	186,795,023
Balance	1,663,563,987	1,217,387,039	446,176,948
Long-term debt:			
Total bonds issued	65,072,500	65,072,500	
Less bonds redeemed	51,072,500	51,072,500	
Bonds outstanding	14,000,000	14,000,000	
Total investment of U. S. Treasury funds	1,677,563,987	1,231,387,039	446,176,948
Accumulated net power income	301,427,523	301,427,523	
Total investment of U. S. Government	1,978,991,510	1,532,814,562	446,176,948
Rents and other collections in advance	720,715	720,715	
Contributions in aid of construction	303,417	303,417	
Total	1,980,015,642	1,533,838,694	446,176,948
Investment:			
Completed plant	1,774,570,981	1,378,830,927	395,740,054
Construction work in progress	258,531,063	256,533,673	1,997,390
Investigations in progress	1,316,767	447,015	869,752
Total	2,034,418,811	1,635,811,615	398,607,196
Less reserve for depreciation	222,271,657	168,211,522	54,060,135
Net plant	1,812,147,154	1,467,600,093	344,547,061
Inventories	29,168,097	23,319,630	5,848,467
Funds held for future use	[1] 138,700,391	42,918,971	95,781,420
Total	1,980,015,642	1,533,838,694	446,176,948

[1] Breakdown is as follows:

Cash	$159,716,263
Accounts receivable	34,363,847
Total	194,080,110
Less accounts payable	55,379,719
Balance	138,700,391

EXHIBIT C

JULY 26, 1955.

Hon. DENNIS CHAVEZ,
Chairman, Committee on Public Works,
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your letter of June 30, 1955, acknowledged by telephone July 1, enclosing a copy of S. 2373, 84th Congress, and requesting our views and recommendations thereon.

Since the purpose of the proposed bill is to provide for an expansion of the TVA system, we suggest the importance of obtaining a careful analysis of the power requirements of the several Government agencies presently dependent upon the system. Your attention is invited to various published statements to the effect that national-defense agencies of the Government will absorb half the total output of the system by 1957.

Should these demands sharply decrease, the effect on the TVA power operation could be most serious, if not disastrous, to the power-rate structure as well as to the general economy of the area. We have particularly in mind the operations of the Atomic Energy Commission.

This great dependence of the system on a continued enormous Government-power demand leads to the suggestion that, in any expansion program, the affairs of the TVA should require unusually close control by the Congress and the executive branch of the Government. Therefore, the proposed bill, which, in essence, would grant unlimited authority to the TVA, seems highly inappropriate.

It is, in our view, basically undesirable to amend the TVA Act of 1933 in order to authorize the TVA to issue its own obligations to the public for the purpose of obtaining funds to finance the construction or acquisition of facilities for the generation or transmission of electric power.

In a press release dated April 5, 1955, the TVA suggests that the particular method of financing is proposed for the reason that in periods of national deficit financing there is a reluctance on the part of the executive branch and the Congress to increase budget deficits by using appropriations to finance new powerplant construction. To our mind this reasoning alone does not justify the financing of a Government activity by the sale of bonds to the public. In effect, such action would accomplish indirectly what Congress and the executive branch might be reluctant to do directly.

In our opinion, the financing of Government activities of this character should be by appropriations. If, to obtain needed funds, borrowing from the public is necessary, the Secretary of the Treasury should perform this function under the authority of the Second Liberty Loan Act, as amended. This act provides, among other things, a limitation on the total amount of direct and guaranteed obligations which may be outstanding at any one time. Under the proposed legislation, the borrowing authority of TVA would be outside of the public debt ceiling and, as a result, the true financial facts of the Government's debt position would be obscured.

We do not think that agencies of the Government, other than the Treasury Department, should be authorized to borrow from the public for purposes of the character involved in this legislation, nor do we believe that the fiscal and debt management responsibilities of the Department should be weakened by authorizing other Government agencies to enter a field which is a normal function of the Treasury Department.

The proposal provides that the obligations issued by the TVA would not be obligations of, or guaranteed by, the United States. However, despite such a declaration, we think that, so far as the investing public is concerned, they would be regarded as obligations of the United States Government and, as a practical matter, they would be moral and equitable obligations of the United States since they would be issued by a wholly owned and controlled corporate instrumentality of the United States Government.

By using the appropriation method of financing, two important results are achieved. First, the Congress is placed in a position to review, annually, TVA needs which can be weighed against the overall picture of revenue and expenditures of the Government. Second, any borrowings necessary to fund the appropriations granted by the Congress will be handled by the Treasury Department and automatically treated and disclosed as a part of the public debt of the Federal Government.

The proposed legislation would remove any effective control by the Congress over the TVA power operations. The provision of title II of the Government Corporations Appropriation Act, 1948, requiring approval by the Congress for the construction of new power producing projects would be repealed. The TVA would be authorized to borrow from the public unlimited amounts to finance the construction, acquisition, enlargement, improvement, or replacement of electric power generation or transmission facilities. The only limit on expansion would be its ability to borrow. We do not believe that any agency of the Government should be granted such freedom from the normal controls exercised over Government activities.

The Government Corporation Control Act, 1945, was enacted by the Congress in order to exercise better controls over the corporations of the Government. The proposed legislation would exempt TVA from the provisions of section 302 of that act relating to the deposit of funds. We think the Secretary of the Treasury should continue to have control over the deposit of funds of the TVA, and we believe section 302 as now written is broad enough to take care of the conditions TVA seeks to meet. It should be noted that the Secretary of the Treasury is by law given authority to waive the requirements of section 302 under such conditions as he may determine.

Further, we see no reason to exempt TVA from the control of the Secretary of the Treasury with respect to the issuance of obligations. Section 302 (a) of the Government Corporation Control Act requires the Secretary of the Treasury to approve the form, denomination, maturity, interest rate, terms and conditions, manner of issuance, and price of all obligations issued by Government corporations. The purpose of this provision was to formalize existing arrangements for cooperation between Government corporations and the Treasury in the issuance of corporate obligations and to assure unification of the financial policy of the Government. See House Report No. 856, 79th Congress, page 10.

In addition, we do not believe that TVA should be exempt from the provisions of section 303 (b) of the Government Corporation Control Act relating to the sale and purchase of obligations of the Government. We think it necessary for the Secretary of the Treasury to maintain control over such purchases and sales when the amount involved is in excess of $100,000 at any one time.

In summary, it is our opinion that the proposed legislation is basically objectionable because of the extent to which it removes TVA from the controls now exercised over its activities by the Congress and the executive branch. If, notwithstanding the above considerations, it should be decided to authorize TVA to obtain funds through the issuance of its own bonds, we feel that the authority should be limited as follows:

1. Require congressional approval of each new power-producing project before the issuance of bonds to obtain the funds needed to build, lease, lease-purchase, or otherwise acquire power facilities, or, as a minimum alternative, place a ceiling on the total amount of bonds which can be outstanding at any one time and prescribe a definite geographical area in which TVA can construct or otherwise acquire power-producing facilities.

2. Leave with the Secretary of the Treasury the authority to approve, in advance, all terms and conditions of bonds to be issued and the time and manner in which they are to be issued, as now required by section 303 (a) of the Government Corporation Control Act.

3. Retain the applicability of sections 302 and 303 (b) of the Government Corporation Control Act relating to the deposit and the investment of TVA power funds.

In addition, there are other provisions of the proposed legislation which we think are undesirable or should be clarified.

Section 15d (a) provides that the corporation is authorized to enter into binding covenants with the holders of bonds, and with the trustees, if any, with respect to the establishment of reserve funds and other funds, provisions for insurance, charges for supply of power, application of net power proceeds, restrictions upon the subsequent issuance of bonds, or the execution of leases or lease-purchase agreements relating to power properties, and such other matters not inconsistent with the act as the TVA may deem necessary or desirable to enhance the marketability of the bonds. We have considerable concern over the possible effect of this provision for the reason that it could result in the bondholders having a strong control over the power operations of the TVA, notwithstanding TVA would be a wholly owned Federal agency.

Section 15d (c) would authorize TVA to arrange for audits of its accounts and for reports concerning its financial condition and operations by commercial accounting firms, in addition to the audits and reports required by sections 105 and 106 of the Government Corporation Control Act, 1945. Insofar as the granting of authority to engage commercial accounting firms is concerned, we doubt such authority is necessary and have no reason to believe that the audit performed by the General Accounting Office will not serve the purposes of the TVA and the investors. However, should such authority be deemed advisable, we believe that the law should provide that it be exercised subject to the specific concurrence of the Comptroller General in order to assure avoidance of duplication and consistent classifications of revenues and expenditures in the determination of net power proceeds for all purposes.

Under the provisions of the Government Corporation Appropriations Act, 1948, TVA is required to repay the Federal appropriation investment over a definite period of years. Under the proposed legislation, the first section of this requirement would be repealed and, while, under section 15d (c), TVA would be directed to pay interest on the Government's investment, no definite plan for repayment of principal is substituted. We believe that a definite repayment plan should be established.

Section 15d (g) provides, among other things, that the TVA, in connection with the construction of a generating plant or other facilities under an agreement providing for lease or purchase of said facilities, or any interest therein by or on behalf of the corporation, or for the purchase of the output thereof, may convey in the name of United States by deed, lease, or otherwise, any real property in its possession or control, may perform engineering and construction work and other services, and may enter into any necessary contractual arrangements. We believe this authority is entirely too broad, particularly with reference to the granting of authority to convey real property. The term "real property" includes both improved and unimproved property, and consequently the language proposed would authorize TVA to convey an entire plant or other facility with the only criteria being that the TVA enter into a lease or lease-purchase agreement, or an agreement for the purchase of power output. We believe that, as a minimum, the authority to convey real property should be limited to unimproved real property. Also, the section should be clarified as to whether conveyances of real property, as well as the performance of engineering and construction work and other services by TVA may be without charge, or whether and when it is intended that TVA be paid for real property at the fair market value, and be paid for engineering and construction work and other services.

Accordingly, for the reasons indicated, we do not recommend favorable consideration of S. 2373, in its present form.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Federal Aid to and Control of Education

EXTENSION OF REMARKS
OF
HON. RALPH W. GWINN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. GWINN. Mr. Speaker, this Congress is being opportuned to take one more step along the road to socialism by enacting a bill which will place the Federal Government as the overall controlling hand in the direction of the public schools of the United States.

There is presently pending before the powerful Rules Committee of the House of Representatives a motion for a rule to bring to the floor of the House of Representatives for debate the bill, H. R. 7535, introduced in Congress by Representative AUGUSTINE B. KELLEY, Democrat of Pennsylvania's 21st District. Among other features the Kelley bill would provide annual grants for the building of schoolhouses in the States in the total amount of $1,600,000,000 spread over a 4-year period. Thus the amount for fiscal 1957 would be $400 million.

On the basis of the amount in revenues contributed by the several States in fiscal 1954, and on the basis of the number of children in each State of school age, that is, from 5 to 17 years of age, every State would contribute to the program, but the returns would vary greatly.

For example, six industrial States in the North would contribute 57.654 percent of the Federal funds which would be distributed and would get back only 35.747 percent. Graphically, what each State would contribute to the program and get back is shown by the table following:

Contributions to and returns from the $400,000,000

State	Puts in percent	Puts in dollars	Takes out dollars
California	7.620	$30,480,000	$27,545,819
Illinois	8.228	32,912,000	20,247,262
Michigan	8.711	34,844,000	17,058,887
New York	18.749	74,996,000	32,794,708
Ohio	6.734	26,936,000	20,236,416
Pennsylvania	7.612	30,448,000	25,105,737
Total	57.654	230,616,000	142,988,829

By subtracting the take from the put, the 6 States shown above will contribute $87,627,171 each year for 4 years or a total of $350,508,684 to help other States build classrooms for the children attending the public elementary and secondary schools.

By contrast to the contributions of the 6 northern industrial States the State of Mississippi with a per capita personal income of but $873 in 1954 would contribute $800,000 toward the program and get back $6,506,886 which is better than an 8 to 1 return. Notwithstanding this favorable return the people of Mississippi generally reject the idea of Federal aid and Federal control over their public schools.

Indeed, in recent years a committee of the Mississippi Legislature investigated and rejected the whole idea of Federal aid to education. Yet this proposed bill literally forces the States to take it whether they want it or not.

To show the utter ridiculousness of this scheme to distribute Federal tax money all over the 48 States and our outlying possessions I am appending hereto 2 tables.

Table I shows the percent of individual income, by States, spent in the school year 1953–54:

For current educational expenses

State	Percent of income spent on current expenses	Rank
Alabama	2.92	18
Arizona	3.14	13
Arkansas	2.49	29–30
California	2.87	19
Colorado	2.76	21
Connecticut	1.90	47
Delaware	1.96	45–46
Florida	2.57	26
Georgia	2.61	25
Idaho	3.18	12
Illinois	2.04	43
Indiana	2.26	33
Iowa	3.34	7
Kansas	2.77	20
Kentucky	2.14	40
Louisiana	3.12	14
Maine	2.25	34
Maryland	2.24	35–36
Massachusetts	1.88	48
Michigan	2.19	37–38
Minnesota	3.24	10–11
Mississippi	3.00	16
Missouri	2.07	42
Montana	3.45	6
Nebraska	2.66	24
Nevada	2.16	39
New Hampshire	2.41	31
New Jersey	2.30	32
New Mexico	3.90	2
New York	2.12	41
North Carolina	3.08	15
North Dakota	3.61	4
Ohio	1.98	44
Oklahoma	3.24	10–11
Oregon	3.25	9
Pennsylvania	2.19	37–38
Rhode Island	1.96	45–46
South Carolina	3.32	8
South Dakota	3.49	5
Tennessee	2.49	29–30
Texas	2.56	27
Utah	3.75	3
Vermont	2.75	22
Virginia	2.51	28
Washington	2.74	23
West Virginia	2.97	17
Wisconsin	2.24	35–36
Wyoming	3.99	1
United States	2.43	

Table 2 shows the relative amount each State must put into the $400 million annual fund and the amounts each State would get back if the bill is enacted into law.

This compilation refers specifically to H. R. 7535, the Kelley bill, which provides grants up to $400 million for each of the next 4 fiscal years for schoolhouse construction in the States, making a total possible expenditure of $1,600,000,000 in the 4-year period under title I of the Kelley bill. The table following has been compiled from the official Bureau of Internal Revenue report on collections from the States for the fiscal year 1954. This compilation shows the percent of revenue collected in each State in fiscal 1954, the relative amount of dollars each State will have to contribute to a $400 million fund in fiscal 1956 for grants to the States, and the amount which will be returned to each State as grants-in-aid for schoolhouse construction. This compilation is accurate within one-half of 1 percent.

State	Percent contributed	Dollars they will put in	Dollars they will take out
Alabama	0.542	$2,172,000	$8,968,658
Arizona	.232	928,000	2,537,686
Arkansas	.226	904,000	5,313,957
California	7.620	30,480,000	27,545,819
Colorado	.897	3,588,000	3,611,322
Connecticut	1.841	7,364,000	4,782,562
Delaware	1.288	5,152,000	835,050
Florida	.967	3,868,000	7,623,902
Georgia	1.002	4,008,000	10,237,501
Idaho	.153	612,000	1,691,790
Illinois	8.228	32,912,000	20,247,262
Indiana	2.287	9,148,000	10,226,657
Iowa	.755	3,020,000	6,420,128
Kansas	.719	2,876,000	4,750,027
Kentucky	1.900	7,600,000	8,317,970
Louisiana	.774	3,096,000	8,090,229
Maine	.244	976,000	2,244,876
Maryland [1]	2.726	10,904,000	16,202,148
Massachusetts	2.719	10,876,000	10,573,691
Michigan	8.711	34,844,000	17,058,887
Minnesota	1.516	6,064,000	7,699,816
Mississippi	.200	800,000	6,506,886
Missouri	2.532	10,128,000	9,174,710
Montana	.167	668,000	1,594,187
Nebraska	.585	2,340,000	3,220,909
Nevada	.121	484,000	466,327
New Hampshire	.178	712,000	1,279,688
New Jersey	2.944	11,776,000	11,343,672
New Mexico	.152	608,000	2,320,790
New York	18.794	74,996,000	32,794,708
North Carolina	2.206	8,824,000	12,178,549
North Dakota	.091	364,000	1,724,325
Ohio	6.734	26,936,000	20,236,416
Oklahoma	.894	3,576,000	5,715,215
Oregon	.611	2,444,000	3,893,287
Pennsylvania	7.612	30,448,000	25,105,737
Rhode Island	.424	1,696,000	1,778,549
South Carolina	.361	1,444,000	7,005,748
South Dakota	.102	408,000	1,724,325
Tennessee	.729	2,916,000	9,174,710
Texas	3.120	12,480,000	21,982,431
Utah	.424	1,696,000	2,168,962
Vermont	.108	432,000	965,188
Virginia	1.539	6,156,000	9,207,244
Washington [1]	1.184	4,736,000	6,355,059
West Virginia	.419	1,676,000	5,747,750
Wisconsin	1.857	7,428,000	8,740,918
Wyoming	.081	324,000	780,826
Hawaii	.194	776,000	1,409,825
Possessions			422,000
Total	99.656	398,664,000	400,000,000

[1] Compilation for Maryland includes District of Columbia and Puerto Rico, while that for Washington State includes Alaska. The possessions are American Samoa, Canal Zone, Guam, and Virgin Islands.

Government Should Provide Disaster and Flood Insurance

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. BOLAND. Mr. Speaker, the House Banking and Currency Committee is now conducting hearings on several disaster and flood insurance bills that have been introduced in this session.

The terrible destruction caused by the 1955 floods in the Northeastern States and in California has resulted in an open market for such insurance, but private companies are unable to offer the necessary protection due to the enormous risk factor.

It is apparent that private citizens and private enterprise cannot for long sustain such great economic losses without it having an extremely detrimental effect on the overall economic condition of some of the Nation's most productive areas.

I am sure that private insurance companies are sympathetic to the need for such insurance, but cannot accept risks that might bring about bankruptcy and destroy the protection against other losses presently being given existing policyholders.

Therefore, I think it is clearly the responsibility of the Federal Government to meet this need by providing disaster insurance. With this view in mind, I have filed a bill that will provide for an insurance and reinsurance program for citizens and business.

Use of United States Ships in Disposal of Surplus Agricultural Products

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, the Merchant Marine and Fisheries Committee has been holding open hearings on the administration and operation under Public Law 664, 83d Congress, the so-called preference law. The committee has been particularly interested to ascertain the effect on disposal of surplus agricultural products of the 50–50 law which requires that at least 50 percent of the gross tonnage of Government-financed or owned cargoes be transported on private or United States flag commercial vessels, to the extent such vessels are available at fair and reasonable rates.

It was gratifying to me as a member of the committee to have Mr. Gwynn Garnett, Administrator of the Foreign Agricultural Service, in direct answer to my question, say that the disposal program has been successful. This morning a representative of the State Department agreed that the program has been successful also. It should be emphasized that this program has not cost the farmers of this country one cent. The cost to the Government has been very modest in relation to the benefits. Since there are certain foreign governments with merchant marines of their own which have been pressing for the elimination of the cargo-preference clause, and the matter may come up for consideration, I have introduced H. R. 8997, a bill providing that 100 percent of these cargoes be transported in American vessels. In all fairness, I have thought that if consideration is going to be given to a change that it might well include a change that would help our national interest rather than one which would hurt it. I have advised the Merchant Marine and Fisheries Committee that I shall not ask for a hearing on this measure, unless the interests opposing the preference cargo become active.

Meanwhile, I do hope the Members of Congress who represent agricultural districts will recognize the advantage to agriculture of maintaining a merchant marine. Particularly, the interest to exporters should be stressed in having American ships on the sea routes and in shipping conferences in order to protect them against manipulation by foreign dominance of ocean freight structures. We are helpless in competing in world markets without the American merchant marine.

Secondly, it should be recognized that the entire program of disposing of surplus agricultural products may well be jeopardized if shortsighted efforts are made to eliminate the 50–50 preference cargoes.

Protect Our Armed Services Abroad

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PHILBIN. Mr. Speaker, a wave of protest is spreading over the country against the status-of-forces treaty. The enormity of the deprivation of the rights of American servicemen and women permitted under this treaty is speedily coming to light.

The Bow amendment which was passed by the House by a substantial margin evidenced the real opinion of the country. It provided that hereafter no American military serviceman could be stationed in any foreign country to which the United States has surrendered criminal jurisdiction of the American military personnel. Unfortunately, it was not accepted by the other body.

I am unable to discern any single, real, substantial justification for the present status of forces treaty arrangement. It is said by the proponents that the treaty provides reciprocal rights, that we are able to try foreign military personnel in American courts just as we confer the right on foreign courts to try American boys. However, it is not pointed out that foreign personnel are tried under American law which guarantees complete due process to the accused—a full statement of the specifications of the crime alleged, right to bail, presentation to the grand jury in all serious cases, fair trial by an unbiased judge and jury, confrontation of witnesses, presumption of innocence, entitlement to counsel, and all other constitutional safeguards to which any accused is entitled in our courts under the Constitution and the law.

It must be recognized that in many countries where our boys are stationed the law does not provide these safeguards, indeed some of them do not comply with the fundamental requirements of due process as known to our constitutional law. There is no justification whatever for this country continuing such an arrangement that is so unfair and unjust to those who are making greatest sacrifices to serve the Nation and who are entitled to the full protection of our Government.

This arrangement has been defended on the grounds that our friends abroad will continue to cooperate as they have in the past in turning over those charged with offenses against their laws to our own military courts for trial. However, the arrangement has not worked out that way. Foreign nations are not surrendering any of our accused troops for trial by our military and they are not meeting the expectation held in high quarters that they would act in this manner.

It strikes me that this is another instance of ill-advised appeasement of foreign nations and so-called reciprocity in which our Nation, as usual, does most of the reciprocating.

If State Department employees are immune from this treaty, there is all the more reason that members of the Armed Forces should also be immune, and I hope that the administration and the Congress will soon act to correct what is becoming truly a scandalous infringement of the basic rights of our beloved servicemen and women serving in foreign countries.

Dedication of Stoddard Reserve Center Memorial

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. DONOHUE. Mr. Speaker, I should like to include the brief address I made on the occasion of the dedication, last October 23, 1955, of the United States Army Reserve Training Center in Worcester, Mass., as a memorial to the late Lt. Col. Lincoln W. Stoddard, a World War II combat veteran with 44 months' service in the Pacific theater of operations.

Colonel Stoddard, who relinquished a commission to enlist as a private in the 180th Field Artillery Battalion of the Massachusetts National Guard's famous 26th—Yankee—Division, received five decorations and numerous citations for "performance beyond the ordinary call of duty."

Colonel Stoddard, son of Mr. and Mrs. Harry G. Stoddard, of 7 Massachusetts Avenue, was associate editor of the Worcester Telegram and the Evening Gazette when he died suddenly while on Golden Rule campaign work.

The address follows:

SPEECH AT THE DEDICATION OF LINCOLN W. STODDARD ARMORY, WORCESTER, MASS, OCTOBER 26, 1955

It is a privilege to take part in these armory dedication exercises in tribute to and in memory of our late heroic friend and neighbor, Lt. Col. Lincoln W. Stoddard.

In the definition of the dictionary, an armory is a large building in which to store war instruments, containing a drill hall and related military facilities.

In a deeper Christian sense an armory is an arsenal of discipline. The discipline of

mind and will that is here developed by military practices is founded upon the religious belief that man is a spiritual being created by the Almighty. Such a discipline achieved is the highest ingredient of a truly civilized society.

The unhappy necessity for this armory is our practical recognition that there are similar institutions in another land where the training discipline is based upon the atheistic principle that man is merely a material thing existing only for the service of the state, which is almighty. It is vital, therefore, that we remain constantly prepared to meet not only any sudden forceful acts, but even more, perhaps, the insidious pagan influence of the opposing atheistic power.

In this armory American youth is disciplined in military proficiency to fight, and die if necessary, in defense of the God-given blessings of life. In the atmosphere of the Christian discipline here, our American youth understand that the ultimate objective of their military skill is peace; a civilized peace, in which the Creator's gifts to mankind of individual liberty, justice, and freedom can be humanly enjoyed. So long as we commonly understand and are dedicated to military discipline for that purpose, America will prevail against any totalitarian state.

Lincoln W. Stoddard was a man of superior mind and will and talents. He loved his family, his fellow men, his country, and its freedoms with religious convictions. He thoroughly understood the discipline of man under God. In the spirit of that discipline, he was willing to give up his life for his country and his own principles. It is, then, supremely appropriate that we dedicate this armory in his memory. To all who enter and leave here, the name of Lincoln W. Stoddard will be an inspiration of reminder that the discipline they receive is to be consecrated only to the Christian objective of promoting peace on earth and good will among men. That is the inspiration which he has left to all of us.

Statement on Israel and the Middle East

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, under permission to extend my remarks, I include the statement which I endorsed on the Middle East situation on October 10, 1955. Today, with the situation more tense, I stand on this statement even more strongly than I did previously.

STATEMENT ON ISRAEL AND THE MIDDLE EAST

Recent developments in the Middle East have reemphasized the necessity of establishing peace in that troubled area. Widespread sale of arms to Egypt and other Arab powers by the Communist countries is an ominous indication of the unwillingness of these States to maintain peace and is further proof of the instability of the Arab countries. Under these conditions, the United States should reassert its willingness to guarantee Arab-Israel borders through formal treaty obligations.

The declaration of such a plan by Secretary of State John Foster Dulles on August 26, 1955, encouraged those of us who believe that our own security and the prevention of Communist expansion is dependent upon a peaceful solution of Middle Eastern tension. Unless this Government takes such a strong position, border clashes and a tragic arms race will ensue. A conflict could only result in an increment to Communist strength and unnecessary harm to the democratic State of Israel, whose very existence under United Nations sponsorship is a responsibility shared by our Government.

Therefore, I urge that an additional assurance be given to Israel that it will be protected and that warnings be made to Egypt that aggression with Communist-supplied arms will be regarded by the United States in a most serious light.

Shipments of Arms to Egypt

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. CANFIELD. Mr. Speaker, concerned about the shipments of arms to Egypt by Czechoslovakia with the blessings of the Soviets and believing we cannot delay action on Israel's request for defensive arms, I present copies of letters I have directed to Secretary of State John Foster Dulles; also, a copy of a resolution adopted last Monday night by the American Zionist Council of Paterson, N. J.

The letters and resolution follow:

NOVEMBER 9, 1955.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: I am deeply concerned that Czechoslovakia, with the approval of the Soviet Union, is furnishing arms to Egypt, obviously to be used against Israel.

Here is a definite threat to the peace of the Middle East and the whole free world.

While I do not advocate a competitive arms race, I am ever mindful of the oft-repeated aims of world conquest expressed by the Communist leaders of the Kremlin. The time to take strong preventative action against serious trouble is now, and in the event this fails we simply cannot permit the people of Israel to become defenseless.

I cannot help but feel that our Government, through your good offices, is properly appraising this dangerous situation and preparing to take swift action if such is warranted.

With assurances of my high esteem, believe me,

Very sincerely,

GORDON CANFIELD,
Member of Congress.

JANUARY 28, 1956.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: You will recall I addressed you almost 3 months ago expressing my concern over the reported sale and shipment of arms to Egypt by Czechoslovakia with the apparent approval of the Soviet Government.

The little Republic of Israel, providing a long-sought homeland for so many of the persecuted and wandering Jews of Europe, was brought about in no little measure as a result of the interest and support of the American people and their Government. We have called it "a bastion of democracy in the Middle East," and we have helped nurture its rapid progress.

As one who has supported the movement for the homeland years before its consummation and all of our Government's programs extending needed aid in recent years, I hold we cannot delay action on Israel's request for defensive arms. According to reports, tension mounts daily, and it is unthinkable we would permit this small and friendly nation to be placed in a position it could not adequately protect its people because of any equivocal or unrealistic position on our part.

I am mindful of your own strong dedication to the maintenance of world peace, and I feel certain that you are aware of the threat in this Middle East area and will act accordingly.

With assurances of my high esteem, believe me,

Very sincerely,

GORDON CANFIELD,
Member of Congress.

RESOLUTION OF AMERICAN ZIONIST COUNCIL OF PATERSON, N. J.

We, the assembled members and friends of the American Zionist Council of Paterson, representing 20,000 citizens, are viewing with alarm the Communist arming of Egypt and other Arab states, the mounting Arab threats to the security of Israel, the attacks upon American institutions, and the insults to the American flag in Arab countries, and call upon the Government of the United States to strengthen the American position in the Middle East by supplying arms for defense to Israel, a stanch friend and reliable ally of the United States.

We welcome the effort of Secretary of State John Foster Dulles to establish peace between Israel and her neighbors, but we call upon our Government to reject the proposal of the Prime Minister of Great Britain to appease the Arab dictators and to force the surrender to them of parts of Israel's territory. We trust that the United States will not swerve from the path of justice and will continue determinedly to uphold Israel's independence and the integrity of her borders.

How Mr. Summerfield Shortchanged Our Postal Employees

EXTENSION OF REMARKS
OF
HON. THOMAS L. ASHLEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. ASHLEY. Mr. Speaker, a number of our conscientious postal workers have come to me with a complaint against the Post Office Department which I believe to be soundly justified. In all fairness to our postal workers corrective action should be taken.

I would like to take a few minutes of the House's time to describe the circumstances under which employees of our Post Office Department were given reduced pay for December 1 and 2 of last year.

Under Public Law 68, the new postal pay bill which Congress passed last session, the Postmaster General was given discretionary authority to put the act into effect at any time within 180 days after the date of enactment. Postmaster General Summerfield chose December 3, a Saturday, as the date to convert to the higher wage scales. This date, the Department explained, was chosen

primarily for administrative considerations in order to simplify their bookkeeping for compensatory time in the future and to allow for a pay lag of 7 days.

But what did the selection of this particular date do to the postal employees? They received their regular salaries through Wednesday, November 30, and the new law did not go into effect until Saturday, December 3. So what happened to December 1 and 2? Employees were paid for these 2 days on a daily basis set under the old law which specified, in section 7, that a 360-day base should be used in figuring daily rates. Annual salaries were therefore divided by 360. An employee earning $3,600, for example, got $10 for each day. This assumed that Saturdays and Sundays not worked were also figured at this $10 rate to arrive at an annual total wage of $3,600. But what of the new law? Under Public Law 68, Saturdays and Sundays not worked are not counted because a new biweekly pay method of computing on the basis of a 5-day workweek was instituted. Therefore, when the Postmaster General chose Saturday for the conversion date, he deprived the postal workers of getting the pay they would have earned under the old law for these 2 days, Saturday, December 3, and Sunday, December 4. Nevertheless, he went on to figure the pay for December 1 and 2, Thursday and Friday, on the basis of a 360-day year which assumes Saturdays and Sundays are included.

This is commonly known as dirty pool where I come from. By all fair standards, if they used the 360-day pay basis as set forth in the old law, they should have counted the days worked as defined under the same law. In other words, through what appears to be a deliberate attempt to shortchange the employees, our postal workers received reduced pay for these 2 days.

How could this injustice have been avoided? Very simply. The most obvious solution would have been to put the new schedule into effect at the end of the old pay period on December 1 with no lapse of time. Another alternative would have been to convert to the new schedules on Monday, December 5. Under this plan, Saturday and Sunday would have been figured under the old law. Or any number of other days, I am advised by experts on the House Post Office Committee, would have allowed the Department to get its bookkeeping in proper order, and at the same time would have given the postal employees the pay they earned and deserved.

Of course, we may say that this is all academic. The yearly pay of our postal employees is the same regardless, and by next December 3 they will have received the same amount as they would have 1 year after a December 1 or December 5 conversion. This is true. But the fact still remains that their take-home pay for December 1 and 2—those abandoned days between statutes—in effect, was less. And I feel that some action should now be taken to rectify this.

Complaints were made to the Department last December questioning the legality of the Postmaster General's choice of dates. The Comptroller General has ruled that the selection of Saturday, December 3, was legal. But, as has been pointed out by postal regulation experts, the selection of any number of other days more advantageous to the postal employees would also have been legal. Unfortunately, once such a decision is made and declared legal, it cannot be changed administratively if it will cost the Government more.

Complaints are still coming into my office from postal workers—and I have taken them up with the Post Office and Civil Service Committee. I am advised that nothing short of legislative action can correct this situation, which is legal by the letter of the law, but which subverts its spirit, and places a burden on the individual postal employee. I can understand the Department's interest in arrving at reduced costs to the taxpayer through future savings which they say will result from the streamlined bookkeeping methods instituted under the new law. This I heartily endorse. But it should not be done at the expense of our loyal postal employees. If morale is injured by callous administration of a law intended to help our hardworking postal people, no amount of administrative shortcuts will give us the efficient postal service we want and must have. I am hopeful that, with the proper concern registered by the Congress, some action can be taken to pay our loyal postal employees their just due.

Readjust Postal Classification of Educational and Cultural Materials

EXTENSION OF REMARKS

OF

HON. JAMES C. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. DAVIS of Georgia. Mr. Speaker, today I have introduced legislation to aid churches, libraries, and religious and educational organizations in the dissemination of educational and cultural materials by removing from the law an undue restriction on the mailing of these materials under the special rates provided for them by Congress for some time past. My bill also will correct inconsistencies in the postal classification of these materials and clarify its application.

The dissemination of educational and cultural materials through the postal system is a well-established national policy. Provision for nationwide mailing at equal rates is essential if all areas of the country are to have access to these materials. Nationwide mailing rates for reading matter in newspapers and magazines dates from 1879 and for books from 1938. Special rates on library books exchanged between libraries and between libraries and readers were established in 1928 and repeated in the Postal Rate Revision and Federal Employees Salary Act of 1948.

Under present law the special rates for books and similar educational and cultural materials, mailed to or from libraries, religious, and other nonprofit organizations, apply only to mailings addressed for local delivery or for delivery in the first, second, or third zones that apply to fourth-class mail matter. These materials, therefore, generally must be mailed at higher fourth-class rates when they go beyond these limits, which prevents equal access to educational and cultural materials in all parts of the country. The increased cost for mailings beyond the third zone is an unwarranted burden on the dissemination of these materials which will be removed by my bill.

This legislation also spells out in detail the types of materials that may be mailed under these special rates, such as books, music, academic thesis, other library materials, film, filmstrips, projected transparencies and slides, microfilms, sound recordings—on magnetic tapes, wire, or other mediums—and similar forms of educational, instructional, research, and cultural material. The rates will apply to mailings of such matter to or from schools, colleges, universities, public libraries, and religious and other eleemosynary and nonprofit organizations.

This readjustment of the postal-rate structure for educational and cultural materials is necessary in the public interest, and I intend to request that it be scheduled for early action in this session.

The Honorable Albert Gallatin

EXTENSION OF REMARKS

OF

HON. THOMAS S. GORDON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. GORDON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement that concerns an eminent American gentleman of Swiss descent, the Honorable Albert Gallatin:

The celebration on January 29 of America's second Secretary of the Treasury, Albert Gallatin, provides an occasion for remembering this great Swiss-American who was born in Geneva in 1761 and came to this country 19 years later.

Like so many other foreign-born Americans, Gallatin contributed greatly to the development of his adopted land. As the founder of the House Ways and Means Committee, he proved himself one of the ablest Congressmen of his time.

Remembering him gives rise to the thought of the splendid relations that have prevailed between the land of his birth and his adopted country for almost 200 years.

This cordial relationship has proved beneficial in many ways but it is of special interest to note, here, that my State of Illinois profited in 1954 to the extent of nearly $10 million in sales to Switzerland, to rank as one of the leaders among the 48 States.

Trade Versus Freedom

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. PHILBIN. Mr. Speaker, a great many people believe that the so-called truce in Indochina and Korea evidences a further deterioration of free world unity and emphasizes the alarming growing strength of world communism. To be sure the truce was short lived. Recent events in the Far East abundantly illustrate the continuing aggressive spirit and designs of Red China.

Candor compels me to suggest that it should now be manifest to every thinking observer that communism is continuing to make great headway in Asia just as it has done in certain parts of Europe. In fact, there is no nation in the world today fortunate enough to be free from the ravages of the evil conspiracy which seeks the destruction of human liberty.

The Marxist timetable established long ago is unfolding with almost unbelievable rapidity in the Asian theater. The Reds have capitalized upon the tremendous resentment and rebellious spirit aroused by the evils of European colonialism and imperialism in the East. The conquest of China and Korea and the Indochina truce have tended to diminish American prestige in Asian countries. Communist infiltration, strong pro-Communist sentiment among the leadership of certain of these countries are other factors extremely favorable to the spread and growth of sovietism in the Far East.

The attitude of some of our allies who insist upon carrying on extensive trade and commercial intercourse which strengthens the war potential of the Communist world is making it increasingly difficult for our own Nation to secure real cooperation in effecting measures to check further Red aggression and expansion. It must be clear to us now that so long as some nations sharing our attachment to free institutions think more of securing temporary economic benefits flowing from Soviet trade than they think of strongly sustaining the cause of the free world and joining in efforts to liberate unfortunate smaller subject nations from tyranny and slavery, conditions will be favorable for additional Soviet aggression and expansion.

Many Americans are disturbed by the ironic paradox of some of our allied nations who are apparently willing to resign themselves to a precarious and dangerous status in this atomic age with those who are militantly striving for complete world conquest. Practically everyone is interested in peace and there is no question whatever that the American people to a man and to a woman, are eager to cooperate with all nations which sincerely seek peace through collective security measures.

As a Nation we undoubtedly squarely stand for genuine wholehearted international cooperation to achieve lasting peace and to check those dangerous movements which threaten to disturb world peace.

Actually at the present time there is only one challenging movement and that is organized world communism and because of its nature, its aims, its secretive methods, its deceitful practices, its willingness to resort to trickery, deception and aggression, it is impossible for free nations to conduct sincere or satisfactory peace negotiations.

Another extremely discouraging development is the apparent apathetic attitude of other free nations which seem to be indifferent to the great perils of the world Communist conspiracy, or who are willing to foster cordial, economic relationships with Communist enemies even while they openly engage in aggression and subversion. All these things are extremely distressing to the American people and tend to diminish their confidence in the effectiveness of collective security measures.

Notwithstanding the obstacles and disappointments, let us take a strong, firm stand against the Communist peril and let us work unceasingly for the peace.

Construction of Government Buildings in Large Metropolitan Areas

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, complexities of modern living and transportation have given rise to many new problems with respect to the construction of Government buildings in large metropolitan areas. One of the major problems is that of adequate parking. Some of our large cities have already incorporated parking provisions into their building codes. Unfortunately, however, in the majority of cases no such provision exists. Consequently, except in instances where it is required by ordinance, no parking facilities are required in construction of Federal plants.

The postal department is presently engaged in a large scale new construction program with proper parking furnishing one of the major headaches. Recognizing the seriousness of this problem, I have introduced H. R. 9135, to provide adequate parking facilities for employees and patrons where needed in all recent, present, and proposed construction of postal installations. I hope the distinguished Members of this House will give this legislation serious consideration. Traffic conditions in any of our larger cities are a major factor in any new construction.

A case in point is my own city of Seattle, where the Postal Department has just completed construction of a vast new postal annex to serve this ever-expanding community. This beautiful new facility, a source of pride to employees and patrons alike, has no parking facilities of any kind save the surrounding busy streets and avenues. This creates an almost impossible situation for literally scores of postal employees who for one reason or another are compelled to use private cars in going to and from their jobs. An equally bad situation is imposed on the patrons whom this station was designed primarily to serve. Every attempt made thus far to solve this problem administratively has failed; hence the recourse to legislative action. If this legislation receives the approval of Congress, which I believe it richly deserves, an important step forward will have been taken toward solving a portion of the complex traffic problems besetting our modern cities of today.

Libya: Official Washington Notes Its Independence Day

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. BOLAND. Mr. Speaker, the independence of Libya was marked yesterday by the Libyan Embassy. The United Kingdom of Libya was proclaimed a free and independent state on December 24, 1951. It was officially celebrated yesterday with the opening of the new Libyan Embassy quarters. The independence of Libya stemmed from a United Nations resolution of November 21, 1949.

Mr. Speaker, it was my privilege and pleasure to have visited Libya last December. I was deeply impressed by the spirit of its people, the dedicated character of its leaders, and the progress toward a better life for its people which it is making under very difficult circumstances. The United Kingdom of Libya lies along the Mediterranean Sea and is bounded on the east by Egypt and the Sudan; on the south by French, West, and Equatorial Africa; and on the west by Tunisia and south Algeria. The country covers an area of 680,000 square miles—about one-fourth the size of the United States. It is divided into three provinces: Tripolitania, Cyrenaica, and the Fezzan. The total population is about 1,500,000, with 75 percent engaged in farming. Farming is difficult because the land is scarce and the methods are not modern. The agricultural land represents 5 percent of the area of Libya, with 1 percent being arable and 4 percent grazing land. However, the Libyan Government, with the assistance of the United States, is making great strides in teaching new farming methods and attempting to get more land under cultivation. I am pleased to inform the House that the United States officials are doing a magnificent job. Ambassador John L. Tappin, the Deputy Chief of Missions David G. Nes, the Director of the ICA Mission Mr. Marcus Gordon are men of whom the State Department can be proud. Their tremendous interest in

Libya and their personality, together with that of their assistants, is bringing about a basic friendship with the Libyan Government and its people that augurs well for our future. Wheelus Air Force Base in Tripoli is one of the finest air bases in that part of the world. Its essentiality to the United States cannot be argued. The commanding officer of the field, Col. William Kane, is to be congratulated on the excellent manner in which he exercises his command.

Mr. Speaker, I take this occasion to congratulate and felicitate King Idris I, Mustafa ben Halin, Prime Minister and Minister of Foreign Affairs, and his Cabinet, and the Ambassador to the United States, Saddigh Muntasser, on the celebration of Libyan Independence Day.

The Importance of Belonging to a Political Party

EXTENSION OF REMARKS
OF
HON. JOHN V. BEAMER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. BEAMER. Mr. Speaker, under unanimous consent, I wish to insert in the CONGRESSIONAL RECORD the speech by the Senator from Ohio, the Honorable GEORGE H. BENDER, which he gave before the Young Republican Leadership Training School held in Washington during the week of January 23, through January 27.

The speech follows:

THE IMPORTANCE OF BELONGING TO A POLITICAL PARTY

(By Senator GEORGE H. BENDER)

The history of America is the history of our political parties. You cannot think of our country's development in any other terms. From the days of the American Revolution right down to the present time, our country has believed in the power of political action. Politics has been our lifeblood from the 1760's right on down.

Colonial legislatures were the fountainhead of every major program in our fight for independence. In 1768, Samuel Adams drew up the famous Massachusetts circular letter. It denounced the decrees of the British Government, and it was approved by the courageous House of Representatives of Massachusetts. The Revolutionary Party was the first political party in our country's history, even though it was illegal. The Sons of Liberty had no opportunity to grow into a political party, but they had all the makings.

By the time of our first President, two strong and opposing political elements were on the scene. The Federalists under Hamilton and their opponents, the strangely named Democratic-Republicans under Jefferson represented basic and conflicting viewpoints. This difference of opinion on important issues has been the trademark of political developments ever since.

Unlike the experience of many European countries, ours has been an emphasis upon broad agreements. In France and in Italy, relatively obscure intellectual differences express themselves through rigid, inflexible contending political parties. As a result, party lines harden and voters find it necessary to shift from one party to another, from one election to the next.

The parties themselves are so dogmatic in their views that they cannot accommodate people who differ only slightly among themselves.

In our country, the political parties are, basically, coalitions. We have room within the Republican Party for people of diverse specific beliefs as long as they share our fundamental point of view. The Democratic Party finds itself in much greater difficulties on this score. To have the same political party speaking for desegregation in the North and segregation in the South is a gymnastic feat which even Messrs. Stevenson and SPARKMAN found impossible 4 years ago. But they are still in there trying to do it.

Our own party occasionally finds it impossible to absorb all the people who are originally attracted to it. In one notable case, we found that a political marriage "for better or MORSE" was not made in Heaven, but we don't contract too many of these. By and large, our Republican Party succeeds by assimilation, not elimination. We are broad enough in our outlook to welcome people of every background, as long as they believe in our system of free enterprise and individual initiative.

This is all obvious and true, but it leads me to the $100,000 questions. Why should anyone join a political party? Why should anyone commit himself to the support of one party? I think the answer is self-evident.

The late Peter Marshall gave it to us in his own clear, simple language. He prayed, "Oh, God—let us stand for something, lest we fall for anything."

All of us can join in this prayer. Anyone looking at the world scene today must realize that the major problems which beset us are due directly to the failure of good men everywhere to stand together for something. Political organizations are, in the last analysis, groups of men and women who stand for something.

Let me give you a few propositions. Most young people still remember their geometry, and so I shall put these propositions to you as modern-day Euclid.

My fundamental axioms are these: If any emergency arises to threaten our Western citization, it must be met by the united action of free nations. Our free nations must act effectively and promptly. This action requires political decisions. Decisions cannot be rendered by indecisive people who do not know where they stand, where they are going, or where they have been.

Let me emphasize this last idea because it represents one of the peculiar misconceptions of our time—the trend toward political independence.

Frankly, I believe that political independence means nothing but political indecision. The so-called "independents" like to think of themselves as voting for the man and not for the party. But the man and his party are inseparable in our country's political machinery. No one in the Congress of the United States votes as an "independent" upon public issues. No one in the Senate votes independently upon the organization of the Senate—or upon the confirmation of appointees nominated by the President. A man may vote with his party or against his party on particular issues, but he never votes independently of his party, even if he thinks he is voting that way. If he finds himself voting in opposition to the majority of his party most of the time, he ought to get out and join the other party.

Why should young people join the Republican Party? The Democrats claim to be "liberals" in quotation marks. "Liberal" is a fine, high-sounding word. But when we stop to think a moment, we remember that every radical, every demagog, every Communist in history has stolen the word "liberal," to pervert it to his own use.

The Republican Party for 100 years has represented the idea of constitutional government. We stand for the principle enunciated eloquently by the great Senator from Ohio, whom it was my privilege to call friend, the late Robert A. Taft. Bob Taft said that "liberty under law" was the watchword of the Republican Party. He believed in progress under the Constitution; in the protection of human rights—and property rights which are fundamental elements of human rights.

As Republicans, we believe in the distinction between ourselves and the Democratic Party. There are some areas in which both parties are in agreement, but there are larger issues upon which we differ fundamentally. We differ in our approach to world peace. The Democrats think in terms of personal conferences behind closed doors, where Yaltas and Potsdams and Teherans can blossom in secrecy. We believe in world diplomacy, in publicly declared, publicly subscribed agreements among the nations of the earth. In our approach to the spending of Federal funds, the importance of a balanced budget, we are in sharp disagreement with our opponents. They do not consider the reduction of taxes as anything larger than a popular campaign issue. They regard the Federal payroll as a jet-driven flying carpet, designed to soar upward into the stratosphere. We have never accepted these attitudes toward government, even when we were compelled by temporary need to increase payrolls and spend large sums.

There are some people who pretend that they can pick and choose the principles of both parties at their convenience. Some candidates for office have adopted this pretense. I am happy to say that these folks are not found often in the Republican camp. They are usually confused Democrats who would like to be Republicans but lack the courage to make the leap of faith. Our voters seldom share this confusion. They have an uncanny knack for discovering political hypocrisy wherever it arises.

Americans like their politics straight. That is why we have political platforms. The first party platforms ever adopted in our country were written out exactly 125 years ago by a young national Republican convention here in Washington. Some folks say that party platforms are meaningless. This is not true. They are important and significant.

In the State which I represent in the Senate, our law requires each candidate to sign a declaration under oath pledging his support to the national and State platform of his party. Anyone who signs that declaration not intending to carry it out should be disqualified to speak for his party. Anyone who does sign it must work to carry out the platform.

I am convinced that the future of our country is tied up with the continuing growth of stronger political organizations. For many years, there has been a current of discontent with politics and politicians. This current is showing signs of ebbing. More and more, young people are interesting themselves in politics and in the prospects of political careers. They are discovering that the great game of politics is more than a pastime. It is an absorbing and vitally important life interest.

Today, we must recognize realistically that the political decisions being made by our country will determine our future. We have resisted the Communist effort to drag the world over the "brink of war." I am sure that America approves our resistance. I am equally sure that America did not approve the Democratic Party in its sad record of rushing over the brink into three wars within a single lifetime.

These are the issues which make political parties. You young Republicans have chosen to cast your lot with the party which

emphasizes individual freedom, personal initiative, and the dynamic expansion of America. I hope that you will persuade your friends to join you in belonging to a political party—and make that party our party.

Sale of Government-Owned Synthetic Rubber Producing Facility at Institute, W. Va.

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. BYRD. Mr. Speaker, under previous leave to extend my remarks, I am including in the RECORD a statement which I made earlier today during hearings conducted by the Senate Committee on Banking and Currency on Senate Resolution 197 which would disapprove the sale of the Institute, W. Va., synthetic rubber-producing facility to Goodrich-Gulf Chemicals, Inc.:

STATEMENT BY ROBERT C. BYRD, M. C., SIXTH DISTRICT OF WEST VIRGINIA, BEFORE THE SENATE COMMITTEE ON BANKING AND CURRENCY, FEBRUARY 1, 1956

Mr. Chairman, I am ROBERT C. BYRD, Representative of the Sixth Congressional District of West Virginia. I appear before your distinguished committee today for the purpose of opposing Senate Resolution 197, which would disapprove the sale of the Government-owned synthetic rubber plant at Institute, W. Va. The Institute facility is located in my district, and I am the author of H. R. 7301 which became Public Law 336, 1st session, 84th Congress, and which amended the Disposal Act to direct the Rubber Producing Facilities Disposal Commission to invite proposals and open negotiations for sale of the Institute plant. Pursuant to the enactment of Public Law 336, and in accordance with its terms, the Commission proceeded to invite bids on the Institute plant, entered into negotiation for a contract of sale with Goodrich-Gulf Chemicals, Inc., and submitted its report to the Attorney General. The Commission also submitted a report to the Congress on January 12. According to the law, unless the contract is disapproved by either House of the Congress prior to the expiration of 30 days continuous session following the day the report was submitted, the contract shall become fully effective, and transfer of possession of the facility shall be made. We are presently in that 30-day period, and the resolution before us resolves that the Senate does not favor sale.

Mr. Chairman, I submit for the consideration of your distinguished committee the following reasons why Senate Resolution 197 should not be passed:

1. The Government will receive a full fair value for a facility which has not operated since September 1953 and which annually costs the Government approximately $240,000 to keep in standby. Out of 6 proposals for purchase of the Institute plant, the $11 million offered by Goodrich-Gulf was the only bid which represented full fair value. The next highest proposal was $5.8 million and, although the Commission was indued with discretion to contract for sale of the facility at a price below the highest amount offered, the second highest price does not represent full fair value nor would sale at this price provide for the development of a competitive synthetic rubber industry. Sale of the plant at the $5.8 million figure would actually have constituted a Government subsidy to a private producer and would have given the purchaser an unwarranted competitive advantage over other producers.

2. It is important that, from the standpoint of national security and from the standpoint of healthy competition in the synthetic rubber industry, this facility, with its annual capacity of 122,000 long tons, be sold to private industry and reactivated. Burgeoning demand for synthetic rubber has been taxing the capacity of all other GR–S plants sold, and in order to meet the increased demand, publicly announced plans for expansion have been made by purchasers of the other plants. With the increasing needs for synthetic rubber, it is reasonable to anticipate increasing expansion to meet the needs. New plants will be built in the future, there will be sharp competition among present producers and new producers will undoubtedly enter the field.

3. The development of a free competitive synthetic rubber industry would be better fostered by permitting this facility to begin producing than to allow it to lie idle. Increased production of synthetic rubber would naturally strengthen rather than stifle competition. This fact is recognized by the Attorney General who, in his opinion, stated that the proposed sale would not lessen competition on the production level, because it would create additional production and it would eliminate no competitior. He further emphasized that it would increase competition on the fabricating level.

4. The position of Goodrich-Gulf, should it acquire Institute, will not be one of control. Actually, if Goodrich-Gulf is to maintain its competitive position, it must either acquire Institute or expand at Port Neches. The Attorney General, in his statement of findings, said that the sale of the Institute plant to Goodrich-Gulf will result in its having 25.2 percent of the total GR–S capacity. He proceeded to add, however, that this percentage figure does not take into account any proposed expansion of existing capacities by other competitors. The 25.2-percent figure is based upon the total capacities of GR–S Government-owned plants at the time of the original sale in April 1955, and includes in the total the capacity of the three production lines at Institute. Since that time, the capacities of a number of the plants have been increased, and further increases in the capacities of these plants have been announced. Moreover, only one of the production lines at the Institute plant can be operated during the next 18 months because butadiene is unavailable for the operation of the other two lines. Following is a statistical table which appeared in the Disposal Commission's report, and which mirrors the production of the GR–S industry at various stages of disposal.

Plant	Original plant capacity (long tons)	Percent of 1st disposal (total capacity, 689,600)	Percent with Baytown (total capacity, 733,600)	Including Institute and current announced expansion to 1,091.9 thousand long tons	
				Thousands of long tons	Percent
Institute	122,000	----------	----------	122	[1] 11.2
Goodrich-Gulf	90,000	13.1	12.3	95	[1] 8.7
American Synthetic	44,000	6.4	6.0	44	4.0
Copolymer	49,000	7.1	6.7	61.3	5.6
Firestone-Akron	30,000	18.8	17.7	189.9	17.4
Firestone-L. C	99,600				
General Tire (new plant)	40,000	----------	----------	40	3.7
Goodyear-Akron	15,200	16.6	15.6	149.4	13.7
Goodyear-Houston	99,600				
Phillips	63,000	9.1	8.6	116.3	10.7
Shell	89,000	12.9	12.1	[2] 89	[2] 8.2
Texas-United States	88,000	12.8	12.0	118.8	10.9
United States Rubber	22,200	3.2	3.0	22.2	2.0
United Rubber & Chemical	44,000	----------	6.0	44	4.0
Total	895,000	----------	----------	1,091.9	----------

[1] Goodrich-Gulf plus Institute equals 217,000 long tons or 19.9 percent.
[2] Shell has announced that capacity will be "materially increased" but assigned no figures to the expansion. In the absence of a specific figure, no expansion could be reflected in the table. The effect of this expansion will be to reduce all other percentages.

5. Goodrich-Gulf has agreed to make available to small-business firms at fair-market prices 50 percent of the production of the first line at Institute, and 73 percent of the production of the next 2 lines. According to the Commission, this commitment in favor of small business is by far the largest firm commitment offered by any of the bidders for this plant.

6. The $11 million bid might well prove to be considerably higher than any which can be obtained at a future time under changed conditions in the rubber industry. Now is the time to sell, while conditions are most conducive. If Congress disapproves this proposed contract, the opportunity for sale of the plant doubtlessly will not return.

Mr. Chairman, in conclusion, an idle plant means unemployment and economic distress. Reactivation of the Institute plant would provide jobs for more than 700 men and women in an area which has been hard hit by mine closures and the economy of which has been severely affected by the loss of coal markets. Thousands of applications for work are on file at the plant now.

Thus, on every count, congressional approval of the sale of the Institute plant seems advantageous to the Government, to the West Virginia economy, and to the consumers of rubber products.

Regardless of the convictions of any Member of Congress at the time the original disposal legislation was passed in the 83d Congress, the facts are that 25 plants have been sold with the approval of an overwhelming majority of both Houses of Congress. One plant has been leased. The 27th plant, Institute, is now up for congressional review. To keep it idle and out of competition with the other 26 plants at this time would seem to be an empty gesture which contributes nothing to the present situation.

The die is cast. The Congress of the United States nearly a year ago decided that the synthetic-rubber industry, born a Government monopoly in World War II, should be denationalized and should revert to private enterprise. Even if the Institute sale is disapproved, it could not possibly change the concept or pattern of synthetic-rubber manufacture today.

Mr. Chairman, I am grateful for this opportunity to express my views before your great committee, and I urge that Senate Resolution 197 not be favorably considered. The way would then be open for final approval and consummation of the sale of the Institute facility.

Middle East Situation

EXTENSION OF REMARKS
OF
HON. SAMUEL N. FRIEDEL
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. FRIEDEL. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I am inserting the most recent of the many letters I have written to the Secretary of State, expressing my concern over the Middle East situation. This letter, dated January 23, speaks for itself; however, I would like to make clear that the alarm I feel for the future of the State of Israel is not prompted because I am a Jew. I would feel the same concern for any country whose territorial integrity and security were threatened. It behooves every American to go to the defense of democracy and freedom whenever that democracy or freedom is threatened by annihilation.

Israel demonstrated her loyalty to democracy and proved herself an ally of the United States by refusing every Communist gesture of friendship and assistance, even at the danger of its very existence. Egypt has accepted Communist arms and all the implications that go with them.

The small State of Israel came into existence at the will of the United Nations. It stands to reason she should be given every opportunity to survive and develop in a normal way. Our country, being the first to recognize Israel as an independent country, must consistently feel the responsibility to help protect its existence, as well as its borders. We cannot sit idly by and watch this young country be wiped off the face of the map. As the leading democratic nation in the world today, it is our duty to aid and assist her in this struggle for life.

One of the basic factors which keeps the Middle East in a state of crisis is the absolute refusal of the Arab States to reconcile themselves to the existence of Israel as a State. During the adjournment of Congress, I had the good fortune to visit Israel and learn and see firsthand, the amazing progress she has made during the scant 8 years of her existence. If the Arab people could only be made to realize the economic and social benefits available to them through mutual trade with Israel, I am sure there would be little hesitancy in accepting the United Nations decree that Israel is here to stay.

However, since the Arab States are adamant in their refusal to recognize Israel as an independent country, our Government must act swiftly, justly, and effectively to prevent further aggression and another local war which could well develop into a third world war. The prevention of a third world war is vital to our own national security in this atomic age.

Therefore, we must, No. 1—without delay—make a clear-cut demonstration, through a security guaranty, that our Government will not tolerate Israel's destruction, and, No. 2, we must take measures which will correct the imbalance of power created by the Communist shipments of arms to Israel's neighbors, namely, by promptly supplying Israel arms to be used for the defense of her homeland.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 23, 1956.

The SECRETARY OF STATE,
Washington, D. C.

MY DEAR MR. SECRETARY: May I again stress that I believe it is imperative that our Government grant Israel's request for arms to enable her to defend herself against the threat of Arab aggression. I am convinced that any delay increases gravely the danger to Israel and to democracy. I hope, in addition, that our administration will negotiate a security pact with Israel to guarantee the existing frontiers and that the administration will abandon the idea that any such pact should be postponed until after an agreement is reached with the Arab countries. I see no prospects of such an agreement and I am afraid that the peace propaganda that is now being circulated in Washington is intended primarily for the purpose of deceiving the administration and thus delaying vital action for Israel's defense in the form of military equipment and a security guaranty.

I hope that our Government will reject any proposals that Sir Anthony Eden may have to offer which are aimed at Israel's territorial integrity and security. I am afraid that the British Foreign Office is now trying to bring the United States into line for a pro-Arab and anti-Israel policy.

Sincerely,

SAMUEL N. FRIEDEL.

Hearings on the Administration and Effects of the 50–50 Cargo Preference Act

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, the House Merchant Marine and Fisheries Committee, of which I am a member, has been holding hearings on the administration and effect of the so-called 50–50 cargo preference act. Certain foreign governments have objected to this legislation and our State and Agriculture Departments seem to support their position. On the other hand, the Commerce Department and the Maritime Administrator state that the very existence of our merchant marine depends on this law.

Since our defense is dependent on the maintenance of an adequate active merchant marine and since the objection to the cargo preference act is ideological, I have suggested a substitute. I am having legislation drawn which would substitute a fair labor standard provision for the preference. This would provide that all Government-financed cargoes would have to be transported in vessels regardless of nationality which are manned by crews whose rates of pay and working conditions conform to approved American standards. Thus, my legislation would apply the Davis-Bacon theory to Government-financed cargoes as it does to federally financed construction.

Historical Summary of Committee on Interstate and Foreign Commerce of the House of Representatives

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1956

Mr. WOLVERTON. Mr. Speaker, the Committee on Interstate and Foreign Commerce of the House of Representatives has had a long and outstanding service in the legislative work of the House since its creation as will be readily seen from the following summary of its activities:

ITS CREATION

Chronologically it was third in the order of creation of committees. It was created December 1, 1795, at the Committee on Commerce and Manufactures. In point of time only two committees, Elections—April 13, 1789—and Claims—November 13, 1794—preceded it.

JURISDICTION

In 1819—Annals, pages 708 and 709—the subjects of commerce and manufactures were separated. In early times the Committee on Commerce was sometimes in conflict with Ways and Means over the jurisdiction of subjects relating to duties—volumes 1 to 17, Annals, page 530. In the revision of the rules of 1880 the Committee on Rules reported in favor of restoring to the Appropriations Committee the river and harbor bill, which had more recently been reported from the Committee on Commerce, allowing the Committee on Commerce to frame the bill, but requiring it to be reported to the Committee on Appropriations—volumes 2–46, RECORD, page 200.

The House dissented from this plan, and after long debate agreed to a rule in this form:

> To commence, life saving service, and lighthouses, other than appropriations for life-saving service and lighthouses; to the Committee on Commerce. And the Committee on Commerce shall have the same privileges in reporting bills making appropriations for the improvement of rivers and harbors as is accorded to the Committee on Appropriations in reporting general appropriation bills. (Vols. 2–46, RECORD, pp. 663, 1261).

On December 19, 1883, the Committee on Rivers and Harbors was established, and took the jurisdiction of the river and harbor bill, with its privileges—volumes 1–48, RECORD, pages 196, 214.

CHANGE OF TITLE TO INTERSTATE AND FOREIGN COMMERCE COMMITTEE

In 1892 the present name of Interstate and Foreign Commerce was adopted—volumes 1–52, RECORD, page 653.

This change of title was brought about as the result of a triangular contest for

speakership of the 52d Congress. The candidates before the Democratic caucus were Charles F. Crisp, of Georgia; Roger Q. Mills, of Texas; and William M. Springer, of Illinois.

After 30 ballots were cast a majority was finally secured for Crisp. This was effected by the Springer following going over to Crisp, and in return Springer was rewarded by appointment by Crisp as chairman of the important Committee on Ways and Means. Those who supported Mills were highly indignant because they regarded Mills as the natural man to be appointed as chairman of Ways and Means, he having held that post when the Democrats controlled the previous Democratic House in the 50th Congress. He was author of the famous Mills tariff bill. In order, as it was supposed, to appease Mills and his following, Speaker Crisp appointed Mills as chairman of the Committee on Commerce, but instead of mollifying the angry Millsites they regarded this appointment as sop and a demotion of Mills.

Then, in order to further pacify them the Committee on Commerce was given the more high sounding title of "Interstate and Foreign Commerce." It was freely rumored that Mills would not accept nor serve as its chairman. Be that as it may, the matter was removed from further controversy by the election of Mills to the United States Senate resulting in George D. Wise, of Virginia, the ranking Democrat on the committee becoming its chairman.

JURISDICTION UNDER NEW TITLE

The jurisdiction of the Committee on Interstate and Foreign Commerce remained as formerly until 1935, when the committee was deprived of its jurisdiction over bills dealing with water transportation, Coast Guard, life saving service, lighthouses, lightships, ocean derelicts, Coast and Geodetic Survey, and the Panama Canal, and jurisdiction over those subjects was vested in the Committee on the Merchant Marine and Fisheries—volumes 1-74, RECORD, page 2627.

JURISDICTION UNDER THE LEGISLATIVE REORGANIZATION ACT OF 1946

Pursuant to amendments of rule XI of the House of Representatives as covered by title I, part 2, section 121 (b) of the Legislative Reorganization Act of 1946—Public Law No. 601, 79th Congress—approved August 2, 1946, the jurisdiction of the committee was not changed from above except as follows:

Title V of the Legislative Reorganization Act—the General Bridge Act—was a general consent of Congress relating to construction, maintenance and operation of bridges over navigable waters, other than international bridges, thereby removing the necessity for individual bridge bills being considered by Congress. Under this act these requests go direct to the War Department.

The transfer to the Committee on Agriculture of legislation relating to the Rural Electrification Act.

The addition of legislation relating to the Bureau of Standards, standardization of weights and measures, and the metric system.

Clarifying committee jurisdiction to cover interstate and foreign transportation by water, except that not subject to the jurisdiction of the Interstate Commerce Commission.

Generally speaking, the present jurisdiction of the committee includes the following:

First. Interstate and foreign commerce in general;

Second. Interstate Commerce Commission, having jurisdiction over all forms of interstate transportation, such as railroads, motor vehicles and trucks, and inland waterways, and so forth;

Third. Civil Aeronautics Board and Civil Aeronautics Commission, including all forms of civil aviation, domestic and foreign;

Fourth. Federal Communications Commission, having jurisdiction over radio, television, telephones, telegraphs, and cables;

Fifth. Federal Power Commission, regulating interstate transmission of power;

Sixth. Securities and Exchange Commission, regulating stock exchanges and investment securities;

Seventh. Petroleum, natural gas pipelines, and interstate oil compacts;

Eighth. Public health, in all its phases;

Ninth. Food and drugs, to insure quality and safety;

Tenth. Alien property and claims;

Eleventh. Railroad Retirement, Unemployment and Mediation Service; and

Twelfth. Bureau of Standards, standardization of weights and measures, and Weather Bureau, Fair Trade Commission, investigation of newsprint shortage, and a few other incidentals.

Chairmen of Committee on Commerce

Congress	Year	
4	1795	Benjamin Goodhue, Massachusetts.
5	1797	John Swanwick, Pennsylvania.
6	1799	Samuel Smith, Maryland.
7	1801	Do.
8	1803	Samuel L. Mitchell, New York.
9	1805	Jacob Crowninshield, Massachusetts.
10	1807	Thomas Newton, Virginia.
11	1809	Do.
12	1811	Do.
13	1813	Do.
14	1815	Do.
15	1817	Do.
16	1819	Do.
17	1821	Do.
18	1823	Do.
19	1825	Do.
20	1827	Churchill C. Cambreleng, New York.
21	1829	Do.
22	1831	Do.
23	1833	John B. Sutherland, Pennsylvania.
24	1835	Do.
25	1837	Francis O. J. Smith, Maine.
26	1839	Edward Cwetis, New York.
27	1841	John P. Kennedy, Maryland.
28	1843	Isaac C. Holmes, North Carolina.
29	1845	Robert McClelland, Michigan.
30	1847	Washington Hunt, New York.
31	1849	Robert H. McLane, Maryland.
32	1851	David L. Seymour, New York.
33	1853	Thomas J. B. Fuller, Maine.
34	1855	Elihu B. Washburn, Illinois.
35	1857	John Cochrane, New York.
36	1859	Elihu B. Washburn, Illinois.
37	1861	Do.
38	1863	Do.
39	1865	Do.
40	1867	Do.
41	1869	Nathan T. Dixon, Rhode Island.
42	1871	Samuel Shallabarger, Ohio.
43	1873	William A. Wheeler, New York.
44	1875	Frank Hereford, West Virginia.
45	1877	John H. Reagan, Texas.
46	1879	Do.
47	1881	Horace F. Page, California.
48	1883	John H. Reagan, Texas.
49	1885	Do.
50	1887	Martin L. Clardy, Missouri.
51	1889	Charles S. Baker, New York.

Chairmen of Committee on Interstate and Foreign Commerce

Congress	Year	
52	1891	{Roger Q. Mills, Texas. {George D. Wise, Virginia.
53	1893	Do.
54	1895	William P. Hepburn, Iowa.
55	1897	Do.
56	1899	Do.
57	1901	Do.
58	1903	Do.
59	1905	Do.
60	1907	Do.
61	1909	James R. Mann, Illinois.
62	1911	William C. Adamson, Georgia.
63	1913	Do.
64	1915	Do.
65	1917	Thetus W. Sims, Tennessee.
66	1919	John J. Esch, Wisconsin.
67	1921	Samuel E. Winslow, Massachusetts.
68	1923	Do.
69	1925	James S. Parker, New York.
70	1927	Do.
71	1929	Do.
72	1931	Sam Rayburn, Texas.
73	1933	Do.
74	1935	Do.
75	1937	Clarence F. Lea, California.
76	1939	Do.
77	1941	Do.
78	1943	Do.
79	1945	Do.
80	1947	Charles A. Wolverton, New Jersey.
81	1949	Robert Crosser, Ohio.
82	1951	Do.
83	1953	Charles A. Wolverton, New Jersey.
84	1955	J. Percy Priest, Tennessee.

Committee on Interstate and Foreign Commerce, 84th Congress: J. Percy Priest, Tennessee, chairman; Oren Harris, Arkansas; Arthur G. Klein, New York; William T. Granahan, Pennsylvania; F. Ertel Carlyle, North Carolina; John Bell Williams, Mississippi; Peter F. Mack, Jr., Illinois; Kenneth A. Roberts, Alabama; Morgan M. Moulder, Missouri; Harley O. Staggers, West Virginia; Isidore Dollinger, New York; Walter Rogers, Texas; Martin Dies, Texas; Samuel N. Friedel, Maryland; John J. Flynt, Jr., Georgia; Torbert MacDonald, Massachusetts; Don Hayworth, Michigan; Charles A. Wolverton, New Jersey; Carl Hinshaw, California; Joseph P. O'Hara, Minnesota; Robert Hale, Maine; James I. Dolliver, Iowa; John W. Heselton, Massachusetts; John B. Bennett, Michigan; Richard W. Hoffman, Illinois; John V. Beamer, Indiana; William L. Springer, Illinois; Alvin R. Bush, Pennsylvania; Paul F. Schenck, Ohio; Joseph L. Carrigg, Pennsylvania; Steven B. Derounian, New York; Elton J. Layton, clerk.

Common Termination Date of Shoreside Labor-Management Agreements

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, the announcement of the distinguished chairman of the House Merchant Marine and Fisheries Committee regarding a possible agreement on a common termination date of shoreside labor-management agreements of the east and west coasts is of great significance. It has been established that lack of such a common

expiration date has been detrimental to the maritime industry. I understand all parties, except the New York ship operators, have assured Chairman BONNER that August 1 is a satisfactory date. It would be tragic if the latter do not approve.

In my district in the Pacific Northwest, intercoastal service has diminished until this important segment of transportation is almost a thing of the past. I have felt a common anniversary date of labor agreements is a necessary step toward restoration of such shipping service.

I commend the gentleman from North Carolina [Mr. BONNER] for his action and express the hope a final understanding will soon be consummated. It is unthinkable that the New York operators would fail to approve this agreement.

Water Hyacinth Obstructions

EXTENSION OF REMARKS
OF

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. WILLIS. Mr. Speaker, I have just introduced a bill to authorize a comprehensive project for control and progressive eradication of obnoxious aquatic plant growth from navigable waters, particularly in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas. My colleague from Louisiana, the Honorable T. A. THOMPSON, a member of the House Committee on Public Works, has introduced a similar measure.

This bill is a culmination of efforts extending over a long period of time to come to grips with this important problem.

On August 4, 1954, I inserted in the CONGRESSIONAL RECORD an article appearing in Collier's magazine and an exchange of correspondence with the Corps of Engineers concerning the deadly menace of the water hyacinth to the Gulf States from Texas to Florida, as well as other areas. I urged upon this body the imperative necessity to take immediate steps to eradicate and remove the source of infestation of this menace once and for all and pointed out the steps that had been taken in that direction up to that time.

In the Collier's magazine article the following stark facts are brought out:

The water hyacinth has caused heavy losses to commercial fishermen, put trappers out of business, greatly handicapped the oil and logging industries, suffocated game fish beyond estimate, and driven wildfowl from their winter nesting grounds. * * *

Moving with the wind and the current like floral juggernauts, the mats have spread through all the Gulf States from Texas to Florida and have reached as far north as Virginia and as far west as California. They cover hundreds of thousands of acres of lakes, ponds, streams, ditches, bayous, canals, marshes, and swamps. * * *

In Louisiana alone, the depredations of the water hyacinth have been estimated by the State Department of Wildlife and Fisheries at $55 million to $65 million per year. This is a high price even for a lavender symphony. In terms of human misery, moreover, the price has been ever higher.

A resolution was adopted by the Congress directing the Board of Engineers for Rivers and Harbors to review the reports on water hyacinth obstruction submitted in House Document No. 91, 55th Congress, 3d session. The resolution provided as follows:

Be it further resolved, That this action be taken with the view to determining the estimated cost of permanently eliminating the hyacinth plants and other marine vegetable growths from these streams, and that the cooperation of the Fish and Wildlife Service of the Department of the Interior, and the Department of Agriculture and the United States Public Health Service be solicited, since the aforementioned obstruction of such streams affects the fishing industry, agriculture, and health conditions.

I am very pleased to report, Mr. Speaker, that Maj. Gen. S. D. Sturgis, Jr., Chief of Engineers, in cooperation with the agencies referred to in the resolution, has submitted to the Secretary of the Army for transmission to Congress the report referred to in the resolution. After reviewing the problem thoroughly, the report of the Chief of Engineers, concurred in by the other related agencies, recommends a separate and comprehensive project to provide for control and eradication of the water hyacinth, alligator weed, and other obnoxious aquatic growth from the navigable waters and tributaries in the States above mentioned.

Mr. Speaker, I wish to pay tribute to F. W. zur Burg, of Southwestern Louisiana Institute and to Tulane University, New Orleans, for their work in preliminary research on the subject in cooperation with Government engineers and scientists.

Following my remarks on the floor on August 4, 1954, I received very encouraging expressions of support of the movement from Representatives and Senators from all the States involved, and I hope that by united effort we can have successful hearings and approval of the measure I have introduced during this session of Congress.

The report of the Chief of Engineers follows:

DEPARTMENT OF THE ARMY,
Washington, D. C.

Subject: Water hyacinth obstructions.
To: The Secretary of the Army.

1. I submit herewith for transmission to Congress the interim report of the Board of Engineers for Rivers and Harbors in response to resolution of the Committee on Rivers and Harbors of the House of Representatives, adopted February 6, 1945, requesting the Board to review the reports on water hyacinth obstructions submited in House Document No. 91, 55th Congress, 3d session, with a view to determining (a) whether any expansion of the scope of operations, or any change in the method now employed, for exterminating and removing the hyacinth plants and other marine vegetable growths from the waters of Louisiana, and such other States as are affected, is advisable at this time; (b) the nature and extent of the various public benefits that would accrue from such extermination and removal; and (c) the amount of local cooperation that may be warranted by reason of the local benefits; and further, that this action be taken with the view of determining the estimated cost of permanently eliminating the hyacinth plants and other marine vegetable growths from these streams, and that the cooperation of the Fish and Wildlife Service of the Department of the Interior, and the Department of Agriculture and United States Public Health Service be solicited, since the aforementioned obstruction of such streams affects the fishing indusry, agriculture, and health conditions. In is also in review of the interim reports on Lake Okeechobee and its tributary streams, Florida, with a view to removing the water hyacinth, authorized by the River and Harbor Act approved March 2, 1945. The nature of the problems involved does not permit presentation of a final solution for successful eradication of marine plant growths without further extensive research and field operations. For this reason, an interim report is submitted to present a recommended 5-year program of increased scope of operations in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas. Based on experience gained through this program a final report under the authorization will be submitted at a later date.

2. The existing Federal project authorized by the River and Harbor Act of 1899, as amended, provides for distruction or removal by the Corps of Engineers of the water hyacinth in the navigable waters of Florida, Alabama, Mississippi, Louisiana, and Texas, so far as they constitute an obstruction to commerce, using any mechanical, chemical, or other means whatsoever (except that in Florida the use of chemicals injurious to cattle is prohibited). Annual operations thereunder are carried out to the extent required to meet the essential needs of commercial navigation. Generally those operations have been limited to hyacinth control in the main navigable waterways. While no local cooperation is required under the existing project, local interests in the aggregate carry out considerable removal operations of local benefit independently of the Federal work for navigation. No authority now exists for Federal eradication measures in the interest of flood control, drainage, agriculture, fish and wildlife conservation, and public health.

3. The water hyacinth infestation has spread markedly in recent years into tributary waters and headwater areas, and the alligator weed is now prevalent in a number of localities. The belt of damaging infestation extends across the Southern States from North Carolina to Texas, and from the salt water line on the south to the area of intense winter freezing to the north. Generally after rains and floods large masses of hyacinth plants are carried downstream into the principal waterways. Along the Atlantic coast the infestation is spreading northward from Florida. Clogging of waterways has become so extensive, oftentimes blanketing a long stretch of a watercourse from bank to bank, that, in addition to obstructing commerce and navigation, the problem has assumed a greater scope. Among the additional adverse effects are those to agriculture by blocked drainage and increased flooding of low cultivated lands; to fish and wildlife by destruction of their food supply and depletion of the dissolved oxygen in the water; and to public health by increased malaria hazard and pollution from plant decomposition affecting public water supplies.

4. A comprehensive field survey, including extended research and experimentation, has been accomplished by the Corps of Engineers in full cooperation with the Depart-

ment of Agriculture, the Fish and Wildlife Service of the Department of the Interior, and the Public Health Service of the Federal Security Agency. The three interagency field committees organized to make the basic study of the coastal region extending from North Carolina to Texas, and the Board of Engineers for Rivers and Harbors, have recommended an expanded Federal program for control and eradication of aquatic plant growths from the waters of those States, in the interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related public purposes, with the provision that the Chief of Engineers may require such local cooperation as he may deem appropriate. Annual cost for a 5-year all-purpose program, including continued research for development of most effective and economical control measures, was estimated at $1,520,000 in 1949. That sum included the annual allowance which was estimated as being required under the existing Federal project for reasonably adequate control measures on navigable waters in the interest of commerce and navigation only.

5. After due consideration of this report, I concur generally in the views and recommendations of the Board. It is obvious that the local benefits to accrue from such an expanded program would be substantial, and in my opinion these local benefits warrant participation by local interests either by cash contribution or services in kind. Although I recognize the difficulties involved in prescribing a blanket degree of local cooperation for all areas in which the proposed expanded program is to be prosecuted, I also recognize the need of the Congress for a basis on which it can consider and determine an equitable allocation of costs. Present policies provide for Federal participation ranging from 100 percent for certain flood control and navigation improvements to essentially 0 percent for certain fish and wildlife and public health improvements. A weighted average of local contributions toward the various purposes involved in this program approximates 25 percent. I believe that local responsibility for 25 percent of the program would not be an unreasonable requirement, and that it would not place an undue burden upon local interests.

6. With respect to the use of chemical herbicides, the application of spray solutions including 2,4–D from boats or aircraft is indicated to be effective in attacking infestations in lakes and other large water areas, without harmful effect to fish and wildlife, other animals, or human beings. Such applications must be carefully controlled in order to prevent damage to certain crops on adjacent lowlands. Even when due care is exercised in applying the spray solutions, however, there is a possibility that crops may be damaged. In my judgment, local interests should hold the United States free from claims for any damage that may occur, if any should arise from such operations, and I consider it advisable to secure appropriate assurances as a condition precedent to Federal operations in any expanded Federal program.

7. Subsequent to preparation of the report of the Board of Engineers for Rivers and Harbors, the expanded program set forth therein has been reexamined in the light of existing conditions. It has been found that the scope of the measures proposed is adequate, but the total annual cost of the existing and expanded programs on a 5-year basis is presently estimated at $1,655,000.

8. Current expenditures for removal of the water hyacinth from navigable waters under authority of the River and Harbor Act of 1899, as amended, have averaged about $305,000 during the past 5 years. In view of long-standing Federal responsibility for maintenance of channels for commercial navigation, I am of the opinion that such maintenance work should be continued without contribution of local funds. A substantially lesser amount should suffice for this purpose after the 5-year program is completed.

9. Accordingly, I recommend that in addition to the existing Federal project for Water Hyacinth Control for Navigation, a separate comprehensive project be authorized to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growths from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish, and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated total cost of $1,350,000 annually for 5 years, to be administered by the Chief of Engineers, under the direction of the Secretary of the Army, in cooperation with other Federal and State agencies, all generally in accordance with the methods set forth in the report of the Board and with such modifications as in the discretion of the Chief of Engineers may be advisable, subject to the conditions that the States hold and save the United States free from claims for any damages that may occur from such operations and participate to the extent of 25 percent of the cost of the additional program. This project will be designated as the expanded project for aqutic plant control.

10. In order to facilitate administration of the proposed program, close coordination between State and Federal agencies will be required. It is contemplated that the portion of the program to be accomplished each year will be determined by agreement between the State and Federal agenices concerned in the light of the availability of local funds which, in turn, will govern the amount of Federal funds appropriated each year for expenditure by the Corps of Engineers on behalf of the Federal agencies.

S. D. STURGIS, Jr.
Major General, USA,
Chief of Engineers.

Our Inadequate Highway System

EXTENSION OF REMARKS
OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, a single disaster if it took the lives of 105 people today would be reported by radio and television and would appear on the front page of every newspaper in the Nation. Yet about 100 separate tragedies which occurred every single day of last year and which resulted in an average of 105 people killed daily in the United States by automobiles have failed to shock legislators sufficiently to remedy this situation in the past. A highway system to take care of the 3 million additional automobiles being added each year is the remedy I have in mind to adequately handle our traffic problem. The death toll rose 8 percent in 1955 and yet Congress last year failed to act on President Eisenhower's highway construction program.

It is encouraging that Congress may soon consider a measure which provides for the Federal Government to assume a major role in accelerating highway construction, because I doubt if our constituents next fall will register much sympathy if Members of Congress, as they did in the first session of the 84th Congress, set up partisan roadblocks—a rather appropriate expression—for authorizing such a program.

Last session, I could not support the committee bill that was reported out of committee—not, I assure you, on account of the measure's failure to conform to the administration's ideas; but rather because this Democratic bill taxed nonusers of interstate highways unfairly. Certainly, I have no objections to a pay-as-you-go program and I understand President Eisenhower has no objection to it as against his former suggestion of financing this highway program by issuing bonds.

There are details about this highway construction bill that are important. In my opinion, a provision such as the Davis-Bacon type of protection for local area wages and standards is fair and should be supported. I expect to have more to say on that score later. There will be difference of opinion, also, as to the apportioning formula as between States, and reimbursement factors to utilities.

Right now, I desire to address myself to the general need that exists as far as my own State of Washington is concerned. It happens that Washington State's needs recently have been carefully analyzed. Citing the highway study of this one State would indicate, I am sure, a good example of what exists in the other 47 States.

Our Washington State Highway Commission presented a long-range report at the 1955 session of our State legislature outlining the needs of the highway system over a 10-year period with anticipated State revenues. This comprehensive report was based on a 2-year study by our department of highways in evaluating every mile of the State highway system to determine needs of each section in respect to anticipated traffic growth.

The conclusion was that for a 10-year period $675 million should be spent while using the present tax base projected over the same period, allowing for expected revenue increases, only $331 million would be available to do the work.

These total needs, I am told by Washington State's Director of Highways, W. A. Bugge, are somewhat below the figures set forth in the section 13 study of the 1954 Federal Aid Act, this for the reason that in our State study, need was held to the bare essentials and it excluded improvements on 1,700 miles of State highways which while inadequate, yet could be tolerated. Also excluded was reconstruction of highway from Tacoma through Seattle to Everett which is proposed as a toll road to cost an estimated $194 million. Two other

sections that cross the Cascade Mountains were omitted, part of the so-called Cascade Wagon Road from Marblemount to Twisp, and also part of the Naches Pass highway. These projects would cost $50 million additional.

In other words, without a revision of the tax base or additional assistance on the Federal level, the State of Washington will be faced with a very serious problem as it affects the improvement of the highway system. There is no doubt that if the highway transportation system of my State or the other 47 States, is not improved, consistent with the traffic demands, the effect will be of serious nature upon the economic and industrial growth of the State and likewise of the Nation, as well as upon the accident and mortality rate.

I agree with the conclusions reached by the Public Works Committee of the House of Representatives that the Federal Government should assume the major responsibility of reconstructing the interstate system, and if legislation is enacted to that effect, it would then make it possible for the State of Washington to reevaluate its basic highway planning in such a manner as to more realistically meet the 10-year needs requirements with the funds that would be available. Other States, I am sure, will be in the same situation.

A Washington State factor of major importance is the relationship of the proposed Federal highway legislation to the Tacoma-Seattle-Everett toll road. It was the thinking of the 1955 Washington State Legislature that it was necessary to initiate such action so as to assure the early completion of this much needed highway section. The congestion that is developing in the metropolitan areas of Tacoma and Seattle make it imperative that highway improvements of freeway design be considered in the very near future. For that reason the 1955 State legislature directed the Washington Toll Bridge Authority to proceed with the construction of this highway as a toll road. This particular section of highway is part of the interstate system and if major Federal participation in the interstate system was effected by congressional action, it would then make it possible to reevaluate this particular project with respect to the possibility of building all or parts as a free road, which, of course, would represent a saving of millions of dollars to the highway users of the State, as would be reflected in interest charges on bonds issued and other costs incidental to toll projects.

I believe a thorough investigation of the Federal program will resolve itself into a situation wherein the Federal Government would assume the major cost of the reconstruction of the interstate system and if such legislation became a reality, the highway problems that are affecting the States not only today but in the future could be resolved consistent with the evident traffic demands and likewise the future growth of the State. I think other States would be affected in a similar way to Washington State.

And finally, Mr. Speaker, let me conclude by emphasizing that it takes years to construct highways. It will take years to carry out a Federal accelerated highway program. I strongly support action now to build a highway system adequate for present and future traffic requirements.

SENATE

THURSDAY, FEBRUARY 2, 1956

(Legislative day of Monday, January 16, 1956)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, who desirest candor and truth in the inward parts, we would come to Thee this morning hour in that fear of the Lord which is the beginning of wisdom. Keep us, we beseech Thee, from the folly of attempting to deceive Thee, unto whom all hearts are open, all desires known. As those whose powers are dedicated to the Nation's weal, make Thy servants here in the ministry of public affairs faithful to each challenging duty, loyal to every high claim, responsive to the human needs of this suffering earth.

We rejoice that this day in the Capital of the Nation founded on reverence and obedience to Thy holy will the representatives of the executive, judicial, and legislative divisions of our Republic have joined their hearts and voices in praise and prayer, asking for Thy guidance, for the cleansing of their own hearts and the undergirding of their own lives for the facing of these days. We pray that by the fellowship and counseling together of the leaders of Great Britain and America there may be maintained the spiritual and moral traditions of our inheritance, and that the forces which fight for righteousness may be forged into a closer unity against the principalities of slavish darkness in this divided world. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., February 2, 1956.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. FREDERICK G. PAYNE, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. PAYNE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 1, 1956, was dispensed with.

LEAVE OF ABSENCE

Mr. MORSE. Mr. President, I ask unanimous consent to absent myself from sessions of the Senate tomorrow and Saturday, in order that I may attend the funeral of the Governor of my State.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Permanent Investigations Subcommittee of the Government Operations Committee was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Judiciary Committee was authorized to sit during the session of the Senate on Monday next.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Banking and Currency Committee was authorized to sit during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions, the introduction of bills, and the transaction of other routine business, subject to the usual 2-minute limitation on statements.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the majority whip, the Senator from Kentucky [Mr. CLEMENTS], and the minority leader, the Senator from California [Mr. KNOWLAND], I have an announcement I should like to make for the information of the Senate.

In the event no Senators desire to speak on the pending business today or tomorrow, it will be the purpose of the leadership to have the Senate proceed to the consideration of measures which it was previously announced could be considered during that period.

It is my understanding that it is the hope of the Senators opposed to the bill and the Senators who favor the bill that a vote can be obtained on Monday, under the unanimous-consent agreement which will go into effect on that day. The Senate agreed to the unanimous-consent request, which provides

for an hour on any kind of motion, appeal, substitute or amendment that is germane.

Does my statement accord with the understanding of the Senator from Kentucky?

Mr. CLEMENTS. It is the understanding of the Senator from Kentucky that an hour is provided for debate on each of the items mentioned by the Senator from Texas, and 3 hours on the bill itself.

Mr. JOHNSON of Texas. Is that the understanding of the distinguished minority leader?

Mr. KNOWLAND. That is the understanding of the minority leader, and I believe of all Senators on this side of the aisle.

Mr. JOHNSON of Texas. Mr. President, I was not present when the preliminary discussion was had on the unanimous-consent agreement which is to take effect Monday, but I was informed by representatives from each group that all Senators desired to conclude the debate in 1 day.

Mr. President, yesterday I asked unanimous consent that when the Senate convened on Monday, it convene at 10 o'clock in the morning. I should like to have all Senators on notice that that will be the time at which the Senate will convene. There will be the usual morning hour, which may take 5, 10, 20, or 30 minutes. Then there will be another hour, if each side uses its time on any amendment, motion, appeal, or substitute. So very likely no vote will occur until after 11 o'clock in the morning. I shall try to have that happen by seeing that both sides use the time allotted to them.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLEMENTS. As the Senator who carried on the original negotiations for the unanimous-consent agreement, I should like to make it very clear that the statements the Senator from Texas has made are absolutely correct. There can be no question about the limitation of 1 hour covering all the items mentioned, including amendments, motions, appeals, and any other item in connection therewith, except a motion to lay on the table.

Mr. JOHNSON of Texas. Mr. President, if our plans work out as we hope they will, as the Senate will convene at 10 o'clock on Monday, it is my expectation—and I so announce—that there will be a yea-and-nay vote by 11 o'clock. In that event, there will be a quorum call beforehand so every Senator will be on notice.

When the Senate concludes consideration of the pending business, it is the plan of the leadership then to proceed to the consideration of bills previously announced—perhaps taking up the sugar bill—on Tuesday and Wednesday.

I may say it is our hope that there will be no yea-and-nay votes after next Wednesday for the remainder of the week and through Wednesday of the following week. That is the hope of the majority and minority leaderships, and is in accordance with the customary practice of the Senate during the period of the anniversary of Lincoln's birth. Senators have made engagements with our assurance that we would try to work out that kind of schedule. However, I do not want any Senator to feel that he is not fully informed of our plans. Let the RECORD show that the Senate will convene on Monday at 10 o'clock in the morning, by order of the Senate, and at the conclusion of the morning hour, will immediately proceed to consider any amendments, motions, appeals, or substitutes which are germane to the pending business.

Mr. President, if there are any Senators present who desire to make insertions in the RECORD at this time, I am prepared to yield to them for that purpose.

The ACTING PRESIDENT pro tempore. An order has been entered for the transaction of morning business.

MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following letter from the President of the United States, which was referred to the Committee on Post Office and Civil Service:

THE WHITE HOUSE,
Washington, February 1, 1956.

The PRESIDENT OF THE SENATE.

DEAR MR. PRESIDENT: I transmit herewith for the consideration of the Congress a report submitted to me by the Postmaster General reviewing major activities of the Post Office Department and offering proposals for modernization and improvement of operations and the postal rate structure.

I urge the Congress to give earnest attention to the proposals in the report.

Sincerely,

DWIGHT D. EISENHOWER.

ANNOUNCEMENT OF VISIT TO THE SENATE BY SIR ANTHONY EDEN, PRIME MINISTER OF GREAT BRITAIN

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that at 12:15 o'clock p. m. today the Senate will be honored by a visit from the Prime Minister of Great Britain, Sir Anthony Eden.

I ask unanimous consent that the Chair be authorized to appoint a committee to escort the distinguished Prime Minister into the Chamber, and to declare a recess at 12:15 p. m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Chair appoints the majority leader, the Senator from Texas [Mr. JOHNSON], and the minority leader, the Senator from California [Mr. KNOWLAND], as a committee to escort the Prime Minister of Great Britain into the Chamber.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

INFORMAL REPORT AND RECOMMENDATION OF THE DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

A letter from the Chairman, District of Columbia Auditorium Commission, Washington, D. C., transmitting an informal report and recommendations of that Commission (with accompanying papers); to the Committee on the District of Columbia.

PUBLICATION OF NOTICE OF PROPOSED DISPOSITION OF CERTAIN PALM OIL

A letter from the Acting Commissioner, General Services Administration, Washington, D. C., transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 20 million pounds of palm oil now held in the national stockpile (with an accompanying paper); to the Committee on Government Operations.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting pursuant to law, a report on tort claims paid by that Department, during the period January 1 to December 31, 1955 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Foreign Relations:

"Resolution memorializing Congress in connection with proposed legislation to amend existing treaty law relating to the trial of American servicemen by foreign courts

"Whereas it has already been brought to the attention of the Members of Congress by virtue of legislative introduction that there should be revision of the status of future agreements and certain other treaties and international agreements, or the withdrawal of the United States from such treaties and agreements, so that foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries; and

"Whereas hearings upon such proposed legislation have brought forth the facts that the concepts of freedom and liberty for the individual human being in some of the foreign countries differ basically with our American ideas in that here in the United States a person is considered innocent until proven guilty; and

"Whereas the prisons in many of these foreign countries are nothing more than dungeons and prisoners are subject to neglectful if not outright cruel and inhuman treatment; and

"Whereas according to authoritative study, it is known that it is evident that many nationals of some of these foreign countries are apparently prejudiced against Americans generally and specifically against those who are serving as members of the Armed Forces

of the United States and stationed in those countries; and

"Whereas in 1953 more than four hundred American boys were sentenced by foreign courts and in the last 11 months of 1954, 3,450 offenses were charged against American servicemen abroad. The countries involved waived jurisdiction in 2,335. Foreign courts tried 815 cases of which 72 were acquitted, 635 were fined or reprimanded, 90 were sentenced to prison and all but 44 of these received suspended sentences: Now, therefore, be it

"*Resolved*, That the General Assembly of the State of Rhode Island and Providence Plantations respectfully requests the Congress of the United States of America, solemnly and energetically, to work immediately for the modification of the treaties concerned with the trial of American servicemen and all similar treaties to the extent that any and all members of the Armed Forces of the United States, stationed in foreign countries and charged with crimes of whatever nature, committed in said countries, may be subjected to trial only by the military tribunal of the Armed Forces in the United States and, upon conviction, be meted out punishment by such military tribunal in accordance with the principles and procedures guaranteed by the Constitution of the United States; and be it further

"*Resolved*, That the secretary of state be and he is hereby authorized to transmit duly certified copies of this resolution to the President of the United States, the Presiding Officer of each branch of the Congress of the United States and to the Members from Rhode Island in said Congress."

DEEPENING OF GREAT LAKES CONNECTING CHANNELS—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the Two Harbors City Council urging favorable action be taken during this session of Congress on the legislation now pending to authorize the deepening of the Great Lakes connecting channels.

I have received a similar resolution from the Great Lakes Harbors Association, as well as resolutions from this organization urging Congress to review its policy toward small noncommercial harbors; urging greater appropriations for maintenance of ports and waterways; and expressing unalterable opposition to the imposition of tolls on American inland waters.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Public Works:

"Whereas the city council and the mayor of the city of Two Harbors, Minn., feel that improvements should be made to the connecting channels of the Great Lakes: Be it

"*Resolved*, That the city council and the mayor of the city of Two Harbors, Lake County, Minn., go on record favoring endorsing the connecting channels legislation; further

"*Resolved*, That a copy of this resolution be sent to Congressman JOHN BLATNIK and Senators HUBERT HUMPHREY and EDWARD THYE.

"Adopted this 16th day of January 1956.

"ARVID J. ENGSTROM,
"*President, City Council.*

"Attest:

"RAYMOND W. GUSTAFSON,
"*City Clerk.*

"Approved by the mayor of the city of Two Harbors this 17th day of January 1956.

"GUST KRAGSETH,
"*Mayor.*"

"Resolution urging Congress to review its policy toward small noncommercial harbors

"Whereas many harbors on the Great Lakes have little or no commercial tonnage but such harbors are useful for small craft; and

"Whereas the use of small boats contributes to the economic welfare of the Great Lakes area by reason of the increase in the manufacture and sale of boats, motors and other maritime equipment and appliances; and

"Whereas the safety of navigators and sailors is more adequately protected by well operated and maintained small harbors; and

"Whereas the development and maintenance of such harbors are essential to the national defense by reason of the skill and training acquired in the operation and handling of small craft: No, therefore, be it

"*Resolved*, That the Congress review its policy regarding appropriations for such harbors to the end that sums of money may be appropriated to construct, improve and maintain the channels, breakwaters, jetties and other protective structures in such harbors.

"Adopted, 1955 annual convention, Milwaukee, Wis., November 15, 1955."

"Resolution expressing unalterable opposition to the imposition of tolls on American inland waters

"Whereas the Northwest Territory Ordinance of July 13, 1787, provides, in part, that the navigable waters leading into the Mississippi and the St. Lawrence Rivers and the carrying places between the same shall be common highways and forever free; and

"Whereas the said Northwest Territory Ordinance not only specified that meaning of free but also said that those waters should be kept free without any tax imposed or duty therefore; and

"Whereas the imposition of tolls on American inland waters would be a reversal of our national policy and be contrary to all precedents; and

"Whereas such tolls on the Great Lakes would endanger our relations with Canada; and

"Whereas such tolls would be unconstitutional and void because such user tolls would amount to an excise tax on only a part of the population whereas such a tax must be uniform to be valid; and

"Whereas such tolls would interfere with the full economic utilization of the Great Lakes: Now, therefore, be it

"*Resolved*, That the Great Lakes Harbors Association is unalterably opposed to the imposition of tolls on American inland waters.

"Adopted, 1955 annual convention, Milwaukee, Wis., November 15, 1955."

"Resolution approving legislation authorizing deepening of Great Lakes connecting channels to 27 feet

"Whereas the United States House of Representatives has approved legislation, without a dissenting vote, to authorize improvements to the Great Lakes connecting channels so as to provide a depth of 27 feet above low water datum; and

"Whereas an increase in depth to 27 feet in the connecting channels is essential to service domestic commerce; and

"Whereas such increase in depth to 27 feet in said connecting channels is likewise necessary and essential to provide the full benefit of the Great Lakes-St. Lawrence Seaway to the Great Lakes ports and harbors located west of Lake Erie; Now, therefore, be it

"*Resolved*, That the Great Lakes Harbors Association urges the United States Senate to give speedy approval to the legislation which authorizes the necessary improvements to the channels in the St. Mary's River, the Straits of Mackinac, the St. Clair River, Lake St. Clair and in the Detroit River so as to provide navigable channels of 27 feet in depth.

"Adopted, 1955 annual convention, Milwaukee, Wis., November 15, 1955."

To the Committee on Appropriations:

"Resolution urging greater appropriations for maintenance of ports and waterways

"Whereas adequate port and waterway facilities are indispensable to the economic welfare of the Nation and the national defense; and

"Whereas commercial shipping and the use being made of the country's ports and waterways has greatly increased during the past decade; and

"Whereas the size of vessels being placed in service is increasing, requiring deeper and wider channels for efficient and safe navigation; and

"Whereas additional and more frequent dredging is necessary to maintain the ports and waterways adequately; and

"Whereas many of the breakwaters, jetties, and other harbor protective structures are in immediate need of repair and restoration; and

"Whereas the federally improved harbors and waterways are not being maintained to the authorized depths and widths; and

"Whereas the maintenance of shallow-draft harbors has generally been neglected due to insufficient appropriations for maintenance; and

"Whereas the Congress in authorizing and appropriating funds for the improvement of the Nation's ports and waterways has also accepted the responsibility for their maintenance to accommodate properly existing shipping: Now, therefore, be it

"*Resolved*, That the Great Lakes Harbors Association urges that the responsible Federal agencies request and that the Congress of the United States appropriate adequate sums of money necessary to restore and fully maintain our ports and waterways in order that the increased needs of commerce and vessel traffic may be adequately served.

"Adopted, 1955 annual convention, Milwaukee, Wis., November 15, 1955."

AMENDMENT OF NATURAL GAS ACT, AS AMENDED—RESOLUTIONS AND TELEGRAM

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a number of resolutions I have received from the following village and city councils and from labor unions in Minnesota opposing the passage of the Harris-Fulbright amendment to the Natural Gas Act:

Councils of Farmington, Hopkins, White Bear Lake, Jordan, West St. Paul, and North St. Paul; Local 1117, IUE, AFL-CIO, St. Paul; Federated Trades and Labor Assembly, Duluth; Upholsterers, Frame, and Bedding Workers, Local 61, Minneapolis; Capitol City Machinists, Lodge No. 459, St. Paul; Federation of Public Service Employees No. 8, St. Paul; United Brotherhood of Carpenters and Joiners, Local 87, St. Paul, together with a telegram from the Faribault Chamber of Commerce.

There being no objection, the resolutions and telegram were ordered to be printed in the RECORD, as follows:

Resolution 2-56

Resolution opposing passage of Fulbright and Harris bills

Whereas the village of Farmington and the occupants thereof are users of natural gas and have been for many years; and

Whereas the village of Farmington and the occupants thereof are desirous that the rate charged for such natural gas be at all times fair and reasonable; and

Whereas the Congress of the United States of America is considering legislation known as the Fulbright bill (S. 1853) and the Harris bill (H. R. 4560) which are intended to reduce or eliminate Federal regulations of the sale of gas for transmission by pipeline: Now, therefore, be it

Resolved, That the Village Council of the village of Farmington acting for said village and the citizens and occupants thereof express its opposition to said Fulbright and Harris bills; be it further

Resolved, That all Congressmen from the State of Minnesota be urged to oppose said legislation; be it further

Resolved, That copies of this resolution be forthwith transmitted to the Honorable EDWARD J. THYE, United States Senator from Minnesota; the Honorable HUBERT H. HUMPHREY, United States Senator from Minnesota; the Honorable JOSEPH P. O'HARA, United States Congressman from the Second District of Minnesota.

HARLOW M. JOHNSON, *Clerk.*

Resolution 644

Resolution opposing passage by the Senate of the United States of the Fulbright bill

Whereas there is now pending in the Senate of the United States the Fulbright bill (S. 1853); and

Whereas it is the opinion of the council of the city of Hopkins, Hennepin County, Minn., that said bill would not be in the best interest of the consumers of natural gas in the city of Hopkins: Now, therefore, be it

Resolved by the council of the city of Hopkins, Minn., That the council go on record as opposing the passage of said bill by the Senate of the United States, and that a copy of this resolution be forthwith transmitted to the United States Senators from the State of Minnesota.

Adopted by the council of the city of Hopkins at a regular meeting thereof held this 17th day of January 1956.

F. M. MADDEN, *Mayor.*
A. W. ELMQUIST,
Secretary of the Council.
FRANK N. WHITNEY,
City Attorney.

WHITE BEAR LAKE, MINN.,
January 19, 1956.

Hon. HUBERT HUMPHREY,
United States Senator,
Washington, D. C.

DEAR SENATOR HUMPHREY: I am writing this letter in behalf of the City Council of the city of White Bear Lake opposing the Harris bill (H. R. 4560), as amended, and also the Fulbright bill (S. 1853), as amended, as being contrary to the best interests of the whole natural-gas-consuming public, and urge that you exercise your utmost efforts to defeat this legislation which is not in the interests of the public.

Yours truly,

EDWARD G. BAYUK,
City Manager.

RESOLUTION OF THE CITY OF JORDAN, MINN.

Whereas the city of Jordan through the City Council has at all times heretofore expressed its opposition to the passage of the so-called Harris bill (H. R. 4560) by the House of Representatives of the United States of America, said opposition as expressed by the City Council having been based upon conclusions that said legislation would be inimical to the economic welfare and well-being of all of the citizens of the city of Jordan who are users of natural gas, in that passage of such legislation could lead to only one result and that would be higher rates for the ultimate consumers of this natural resource; and

Whereas the council of the city of Jordan further expresses the conclusion that producers of natural gas are entitled to a fair and reasonable rate of return and can secure such return under the proper Federal regulatory authority; and

Whereas, further, the council of the city of Jordan is firmly of the mind that the proper regulation of natural-gas producers would in no manner defeat any economic or financial incentive which it is asserted is necessary to attract investors and to stimulate discovery and recovery of natural gas; and

Whereas, further, the Fulbright bill (S. 1853) is now on the calendar of the Senate, having been reported out by the Senate Interstate and Foreign Commerce Committee; and

Whereas, the said Fulbright bill, while differing in some extent from the provisions of the Harris bill, is similar in import and effect and could lead to only one end result in the consumer market, and that would be an increased rate to be paid by the ultimate consumer of natural gas: Now, therefore, be it

Resolved by the City Council of the city of Jordan, That it reiterates its conclusions, heretofore arrived at, that the Harris and the Fulbright bills, as amended, are contrary to the best interests of the whole gas-consuming public in this city and be it further

Resolved, That the council of the city of Jordan herein again records its full and complete opposition to the Harris bill, as amended, and also to the Fulbright bill, and respectfully requests that the Senate of the United States return said Fulbright bill, as amended, to the Senate Committee on Interstate and Foreign Commerce for further hearings on said bill and the amendments which have been added to it since the last public hearing thereon. Said referral of the bill back to the Senate Committee on Interstate and Foreign Commerce will, at least, give the public of the United States an opportunity to present its side of the case before the honorable Senate committee; and be it further

Resolved, That the City Council of the city of Jordan hereby again urgently requests the Senators and Congressmen from the State of Minnesota to exercise their utmost efforts to defeat this legislation which is not in the public interest; and be it further

Resolved, That a copy of this resolution be forthwith transmitted to the Honorable Senators and Congressmen from the State of Minnesota.

Passed this 23d day of January 1956.

ELWOOD L. GREENE,
President of the City Council.

Attest:

JOHANNA DEUSTERMAN,
City Clerk.

Approved this 23d day of January 1956.

LOUIS HOLZER,
Mayor of the City of Jordan.

RESOLUTION OF THE CITY OF WEST ST. PAUL, MINN.

Whereas the city of West St. Paul through the City Council has at all times heretofore expressed its opposition to the passage of the so-called Harris bill (H. R. 4560) by the House of Representatives of the United States of America, said opposition as expressed by the City Council having been based upon conclusions that said legislation would be inimical to the economic welfare and well-being of all of the citizens of the city of West St. Paul who are users of natural gas, in that passage of such legislation could lead to only one result and that would be higher rates for the ultimate consumers of this natural resource; and

Whereas the council of the city of West St. Paul further expresses the conclusion that producers of natural gas are entitled to a fair and reasonable rate of return and can secure such return under the proper Federal regulatory authority; and

Whereas further, the council of the city of West St. Paul is firmly of the mind that the proper regulation of natural gas producers would in no manner defeat any economic or financial incentive which it is asserted is necessary to attract investors and to stimulate discovery and recovery of natural gas; and

Whereas further, the Fulbright bill (S. 1853) is now on the calendar of the Senate, having been reported out by the Senate Interstate and Foreign Commerce Committee; and

Whereas the said Fulbright bill, while differing in some extent from the provisions of the Harris bill, is similar in import and effect and could lead to only one end result in the consumer market, and that would be an increased rate to be paid by the ultimate consumer of natural gas: Now, therefore, be it

Resolved by the City Council of the city of West St. Paul, That it reiterates its conclusions, heretofore arrived at, that the Harris and the Fulbright bills, as amended, are contrary to the best interests of the whole gas-consuming public in this city; and be it further

Resolved, That the council of the city of West St. Paul herein again records its full and complete opposition to the Harris bill, as amended, and also to the Fulbright bill, and respectfully requests that the Senate of the United States return said Fulbright bill, as amended, to the Senate Committee on Interstate and Foreign Commerce for further hearings on said bill and the amendments which have been added to it since the last public hearing thereon. Said referral of the bill back to the Senate Committee on Interstate and Foreign Commerce will, at least, give the public of the United States an opportunity to present its side of the case before the honorable Senate committee; and be it further

Resolved, That the City Council of the city of St. Paul hereby again urgently requests the Senators and Congressmen from the State of Minnesota to exercise their utmost efforts to defeat this legislation which is not in the public interest; and be it further

Resolved, That a copy of this resolution be forthwith transmitted to the Honorable Senators and Congressmen from the State of Minnesota, to each member of the United States Senate Committee on Interstate and Foreign Commerce, and to the clerk of said committee and the clerk of the Senate of the United States.

Approved January 10, 1956.

JOHN V. SPERL,
Mayor.

Attest:

E. ZEHNDER,
City Clerk.

RESOLUTION OF THE VILLAGE OF NORTH ST. PAUL, MINN.

Whereas the village of North St. Paul through the village council, has at all times heretofore expressed its opposition to the passage of the so-called Harris bill (H. R. 4560) by the House of Representatives of the United States of America, said opposition as expressed by the council having been based upon conclusions that said legislation would be inimical to the economic welfare and well-being of all of the citizens of the village of

North St. Paul who are users of natural gas, in that passage of such legislation could lead to only one result and that would be higher rates for the ultimate consumers of this natural resource; and

Whereas the council of the village of North St. Paul further expresses the conclusion that producers of natural gas are entitled to a fair and reasonable rate of return and can secure such return under the proper Federal regulatory authority; and

Whereas further, the council of the village of North St. Paul is firmly of the mind that the proper regulation of natural-gas producers would in no manner defeat any economic or financial incentive which it is asserted is necessary to attract investors and to stimulate discovery and recovery of natural gas; and

Whereas further, the Fulbright bill (S. 1853), is now on the calendar of the Senate, having been reported out by the Senate Interstate and Foreign Commerce Committee; and

Whereas the said Fulbright bill, while differing in some extent from the provisions of the Harris bill, is similar in import and effect and could lead to only one end result in the consumer market, and that would be an increased rate to be paid by the ultimate consumer of natural gas: Now, therefore, be it

Resolved by the Village Council of the Village of North St. Paul, That it reiterates its conclusions, heretofore arrived at, that the Harris and the Fulbright bills, as amended, are contrary to the best interests of the whole gas-consuming public in this village; and be it further

Resolved, That the council of the village of North St. Paul herein again records its full and complete opposition to the Harris bill, as amended, and also to the Fulbright bill, and respectfully requests that the Senate of the United States return said Fulbright bill, as amended, to the Senate Committee on Interstate and Foreign Commerce for further hearings on said bill and the amendments which have been added to it since the last public hearing thereon. Said referral of the bill back to the Senate Committee on Interstate and Foreign Commerce will, at least, give the public of the United States an opportunity to present its side of the case before the honorable Senate committee; and be it further

Resolved, That the Village Council of the village of North St. Paul hereby again urgently requests the Senators and Congressmen from the State of Minnesota, to exercise their utmost efforts to defeat this legislation which is not in the public interest; and be it further

Resolved, That a copy of this resolution be forthwith transmitted to the honorable Senators and Congressmen from the State of Minnesota, to each member of the United States Senate Committee on Interstate and Foreign Commerce, and to the clerk of said committee, and the Clerk of the Senate of the United States.

Adopted by the council of the village of North St. Paul, Minn., this 16th day of January 1956.

EDWIN S. DYER, Mayor.

Attest:

HERMAN A. ZEMKE,
Village Clerk.

LOCAL 1117, INTERNATIONAL UNION OF ELECTRICAL, RADIO, AND MACHINE WORKERS,
St. Paul, Minn., January 16, 1956.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Local 1117, IUE, AFL–CIO, who was opposed to the Harris bill, is recording its full and complete opposition to the Fulbright bill.

We are urgently requesting that you exercise your utmost efforts to defeat this legislation, which is not in the public interest.

The officers, executive board, and members of this local stand ready in any possibility to aid you in this fight to prevent the passage of any bill designed to exempt the primary production of gas from regulation by the Federal Power Commission.

Sincerely yours,

DAGMAR BARTON,
Recording Secretary.

FEDERATED TRADES AND LABOR ASSEMBLY,
Duluth, Minn., January 16, 1956.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: Our body is opposed to the Fulbright bill, which is now coming up in the Senate, and urge that you do everything in your power to stop this raid on the American public's pocketbook.

Natural-gas suppliers are a public utility in the same way as are railroads, electric utilities, and other public-service corporations who came under Federal regulations as to prices charged.

I have the financial statement of Northern Gas Co., which proposes to serve our Duluth area.

In 1954 they paid out $1.95 per $10 share of common stock, but earned $2.76, according to their report. We believe these figures show clearly the need for Federal regulation.

We urge an allout battle against this bill in order to protect Minnesota consumers.

Respectfully yours,

FRANK T. MCCAULEY,
Recording Secretary.

TWIN CITY UPHOLSTERERS, FRAME, AND BEDDING WORKERS' UNION, LOCAL 61,
Minneapolis, Minn., January 19, 1956.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Our organization has studied the Fulbright bill, and we strongly feel that its passage would be detrimental to our well-being in the community.

We urge you to use your influence to defeat the pending Fulbright bill.

Respectfully yours,

JAMES M. BISHOP,
Financial Secretary-Treasurer.

CAPITOL CITY MACHINISTS LODGE, No. 459,
INTERNATIONAL ASSOCIATION OF MACHINISTS,
St. Paul, Minn., January 18, 1956.

Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUBERT H. HUMPHREY: Machinists Lodge 459, IAM, at a well attended meeting January 16, 1956, agreed unanimously to vigorously oppose the passing of the Fulbright bill, said companion to the Harris bill, in that the consumer will be caused to pay a higher rate for natural gas and went on record to inform our Senators of our position.

Machinists Lodge 459, IAM, has a membership of 2,940 active members and 90 percent of said membership will be directly affected by the passing of this legislation.

It was stated that you as one of the few liberal Senators directly opposed these bills on the Senate floor and by formal action Lodge 459, IAM, expresses its sincere gratitude for your commendable position.

Thanking you for noting the above action and with best wishes, I am,

Yours truly,

FRANK VENTO,
Recording Secretary.

THE FEDERATION OF PUBLIC SERVICE EMPLOYEES, No. 8,
St. Paul, Minn., January 20, 1956.

Senator HUBERT HUMPHREY,
Washington, D. C.

HONORABLE SENATOR: The members of the Federation of Public Service Employees, Local No. 8, urge that you do all within your power to prevent the passage of the Fulbright natural gas bill and the Harris companion bill.

Very truly yours,

RALPH A. MORRISON,
Secretary.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA, LOCAL UNION No. 87,
St. Paul, Minn., January 23, 1956.

Senator HUBERT H. HUMPHREY,
Washington, D. C.

MY DEAR SENATOR: Carpenters Local 87 at their last meeting went on record as being in opposition to the passage of the Harris bill (H. R. 4560), as well as the Fulbright bill (S. 1853).

We ask that you do everything in your power to prevent the passage of these two bills.

Very truly yours,

PAUL PATET,
Recording Secretary.

FARIBAULT, MINN., *January 31, 1956.*

HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

Recent vote shows chamber here opposed to natural gas bill. We normally favor less Government control but in this case we feel it would be against best interest of Minnesota.

LEW MALCOLM,
Chamber of Commerce.

ONE HUNDRED PERCENT OF PARITY FOR FARM COMMODITIES—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions which I have received, endorsing 100 percent of parity for farm commodities, and urging favorable action on other items of legislation important to our family-type farmers.

These resolutions are from the Farmers' Cooperative Creamery, Inc., Milaca, Minn.; Hubbard County Farmers Union, Park Rapids, Minn.; and Miner Farmers Union Local No. 1127, of Morristown, S. Dak.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

FARMERS' COOPERATIVE CREAMERY, INC.,
Milaca, Minn., January 20, 1956.

Hon. HUBERT H. HUMPHREY,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR HUMPHREY: We are forwarding a resolution passed unanimously by the stockholders of the Farmers' Cooperative Creamery, of Milaca, Minn., at their annual meeting held on December 6, 1955, as follows:

"At this annual meeting of the Farmers' Cooperative Creamery, Inc., of Milaca, Minn., held on December 6, 1955, we, the members, declare ourselves in favor of 100 percent of parity for dairy products."

Yours very truly,

ERIC WILLIAMS,
Secretary-Treasurer.

RESOLUTION OF HUBBARD COUNTY FARMERS UNION, PARK RAPIDS, MINN.

1. Whereas due to lower farm prices, farm income has been steadily going down to where it is now approximately 4 percent of the national income, we recommend that Congress enact new legislation for agriculture which will offer protection at 100 percent of parity for all farm commodities.

2. We believe that the family-farm system is the backbone of our democracy, and are alarmed at the present trend away from the family type farms in American agriculture, and toward the corporation type of farming, and believe that one way to make it possible for the family-farm pattern to stay in existence would be to write the provision in any farm program that would limit any supports, or subsidies, to the first $25,000 gross sales, based on 100 percent of parity; and that no one farmer could receive more than $2,500 in actual support moneys in any 1 year.

3. We also urge Congress in the writing of a new farm program to include the provision that restrictions on production of farm products be on a graduated scale, that is, the larger the operations, the larger, percentagewise, the restrictions.

4. We believe that our American farms and farm families have a more important place in our society than to have our economics used every 2 years as a political football, and demand that Congress write and enact something more permanent.

5. One of the problems in the present farm situation is effective foreign markets, and the lack of cooperation by the State Department in taking advantage of the foreign markets that are available; and we recommend to the President of the United States that he issue directives that will give the Department of Agriculture a freer use of the authorities given it by the Congress in the selling of farm commodities abroad; and that there be the widest development possible of foreign markets wherever such markets can be found.

6. We are opposed to a general sales tax in Minnesota.

7. We are opposed to any change in the tax status of our farm cooperatives that would tax the earnings before they are prorated back to the member patrons.

These resolutions were adopted by the Hubbard County Farmers Union in session at their annual meeting at Park Rapids, Friday, October 21, 1955.

DEWEY SANFORD,
Secretary.

RESOLUTION OF THE MINER FARMERS UNION

1. Whereas the quality wheat program is unworkable and appears to be intended to create confusion in the minds of consumers and producers alike.

Therefore we vigorously condemn any discriminatory "quality" wheat or other commodity programs designed to aid speculators and discredit rigid parity supports or direct production programs.

Quality Wheat Program is the new sliding scale program in disguise.

2. Whereas the present sliding scale program is not reducing surplus farm production but is eliminating family farmers and small-business men by the thousands.

Therefore be it resolved that we, the members of the Miner Farmers Union Local No. 1127, propose that productions payments at full parity direct to the farmer, based on a unit per farm system be substituted; in the case of wheat we recommend a limit of 8,000 bushels.

3. Whereas industry has been reimbursed for converting from wartime to peacetime production and was permitted buying surplus war production plants at or below 20 percent of cost.

Therefore we propose that farmers be permitted to buy his surplus crops at or below 20 percent of Government cost provided he plants no crops that are in surplus that crop year.

Passed unanimously the 29th day of December 1955 by the Miner Farmers Union Local No. 1127.

HENRY HILLIUS,
President.
WESLEY NIEDERMAN,
Secretary.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 3116. A bill to provide for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals; to the Committee on Foreign Relations.

S. 3117. A bill to provide for the issuance of a special series of postage stamps commemorating the 100th anniversary of the founding of the city of Duluth, Minn.; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. HUMPHREY when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 3118. A bill to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam; to the Committee on Interior and Insular Affairs.

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 3119. A bill to provide that certain survivor benefits received by a child under public retirement systems shall not be taken into account in determining whether the child is a dependent for income tax purposes; to the Committee on Finance.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. COTTON:

S. J. Res. 134. Joint resolution designating the fourth Sunday of September as Senior Citizens Day; to the Committee on the Judiciary.

(See the remarks of Mr. COTTON when he introduced the above joint resolution, which appear under a separate heading.)

INVESTIGATION OF ACTIVITIES OF INTERSTATE COMMERCE COMMISSION IN ADMINISTERING THE INTERSTATE COMMERCE ACT—RESOLUTION

Mr. WELKER submitted the following resolution (S. Res. 204), which was referred to the Committee on Interstate and Foreign Commerce:

Resolved, That the Senate Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation and study of the activities of the Interstate Commerce Commission in administering the provisions of the Interstate Commerce Act, with particular regard to—

(1) whether or not the Commission has violated its duty under such act, to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices, by allowing discrimination between localities, geographical areas, or individual shippers, or by any other actions;

(2) whether or not rate increases granted to railroads and other types of transportation have been in accordance with law;

(3) what effect such increases have had on the price of agricultural products including livestock; and

(4) whether or not the Commission's policies and actions in allowing recovery of overcharges made by railroads and other types of transportation have been discriminatory in any way. Such investigation and study shall be made for the purpose of determining what changes, if any, should be made in the Interstate Commerce Act and the organization of the Interstate Commerce Commission in order to more effectively carry out the national transportation policy as stated in such act. The committee shall report its findings, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date.

ISSUANCE OF SPECIAL SERIES OF STAMPS COMMEMORATING THE 100TH ANNIVERSARY OF FOUNDING OF CITY OF DULUTH

Mr. HUMPHREY. Mr. President, in 1956 the city of Duluth, the third largest city in the great State of Minnesota, celebrates the 100th year since its founding.

A hundred years ago, the Duluth area was the home of the fur trader and the wild Chippewa Tribes. The "shining deep-sea water" of Longfellow's epic poem, Hiawatha, stretched eastward from the shore of Minnesota Territory for hundreds of miles—the great Lake Superior—empty of ships, empty of commerce. Only the canoes of the voyagers disturbed the "gitchi gumi" of the Chippewa.

In 1856 the first Duluth Post Office was established at the Oneaota settlement which is now part of modern Duluth. Early settlement had commenced in the vast Arrowhead country of northeastern Minnesota—rich in timber and furs, fish, and wild game. Today the canoes of the 20th century camper in the wilderness area north of Duluth have replaced the canoes of the fur trader and the Chippewa. The Arrowhead country remains an area with exceptional recreational resources—clear lakes and swift trout streams, where deer and bear and beaver are thick, and where fishermen seek out the rockbottom lakes teeming with walleyes and lake trout.

But, though there is wild country enough for the sportsman and canoeist, the area for which Duluth is the gateway has undergone vast changes in the past 100 years. For back of Duluth also lie the tremendous iron-ore deposits of Minnesota—the raw material of the American steel industry—in the Vermilion, the Cuyuna, and the Mesabi Ranges. Duluth, with its neighboring port of Superior, has become far and away the leading port of the entire Great Lakes system in terms of total tonnage shipped.

Standing today at the head of the lakes above Duluth, one looks down on a scene of intense activity, on a city of more than 100,000 people, on a stream of long ships of the lakes fleet, loading with their thousands of tons of iron ore

and grain and steaming eastward over the horizon of Lake Superior.

To the landsman, more than 1,000 miles in any direction from salt water, Duluth Harbor is a fascinating sight. But to the seaman, looking beyond the harbor eastward toward the Atlantic 2,400 miles beyond the horizon, Duluth is far more than a Great Lakes harbor. Duluth means the future seaport of Duluth, the eastern terminus of the new northern seaboard of the United States—just as soon as the St. Lawrence Seaway and the deepened Great Lakes connecting channels are completed.

The centennial of historic Duluth—grown in 100 years from pioneer settlement to the very threshold of a new era in which seagoing vessels from the oceans of the world will drop anchor in its anchor—deserves the attention and recognition of the Congress.

I, therefore, introduce for appropriate reference a bill to provide for the issuance of a special series of postage stamps commemorating the 100th anniversary of the founding of the city of Duluth, Minn.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3117) to provide for the issuance of a special series of postage stamps commemorating the 100th anniversary of the founding of the city of Duluth, Minn., introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

PROTECTION OF WIDOWS WHO RECEIVE SOCIAL-SECURITY PAYMENTS FOR CHILDREN

Mr. MORSE. Mr. President, on behalf of my colleague, the junior Senator from Oregon [Mr. NEUBERGER] and myself, I am introducing a bill to correct a shortcoming in existing law under which thousands of widows with children lose the full benefit of social-security payments.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3119) to provide that certain survivor benefits received by a child under public retirement systems shall not be taken into account in determining whether the child is a dependent for income-tax purposes, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, and referred to the Committee on Finance.

Mr. MORSE. Mr. President, under present law a parent must show that he or she provides at least half the support of a child in order to receive the $600 tax exemption for a dependent. Ironically, thousands of low-income widows with growing children cannot do this because of social-security benefits. This almost completely nullifies the benefit and purpose of the social-security system so far as these hard-pressed mothers are concerned.

This is a serious problem of possibly greater dimensions than are realized. If a widow with children is unable to take any child as a deduction for tax purposes she must pay Federal income tax on all of her income over $660. However small that amount of tax may be it is a terrible burden to both her and the children.

It is a shocking fact that there are 2 million children in the United States today whose fathers are dead. More than half of them receive social-security benefits of between $24 and $52 a month. For each the mother must show that she contributes more than half of the child's support—or more than $288 to $624 a year.

The average income of families headed by women is $2,293. Clearly the many widowed mothers earning this average and less would find it practically impossible to show that they contribute more than half of a child's support if the child is receiving between $288 and $624 in social-security benefits. Indeed, mothers with incomes above the average of $2,293 would be hard put to do so.

The present law makes social-security benefits tax exempt, and rightfully so. The bill which I am introducing for myself and the junior Senator from Oregon [Mr. NEUBERGER] would make sure that social-security income of children does not inflict an additional tax burden on mothers because of loss of exemption.

Our bill, which is a companion to one already introduced in the House by Representative GREEN of Oregon, provides that for the purpose of determination of dependency for tax purposes social-security benefits, up to a maximum of $600, are not taken into account.

This bill would rectify an error in the tax and social security laws that is minor so far as Government revenue is concerned; but the error or lapse is not a small one for the widowed mothers who bear the extra, unnecessary burden imposed. I shall work hard to see that the bill is enacted or included in any tax bill that comes before the Senate.

Mr. President, I ask that the bill be printed in the RECORD at this point as a part of my remarks.

There being no objection, the bill (S. 3119) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 152 of the Internal Revenue Code of 1954 (relating to definition of the term "dependent") is amended by adding at the end thereof the following new subsection:

"(e) Special support test in case of children receiving survivor benefits under public retirement systems: For purposes of subsection (a), in the case of any individual who is—

"(1) a son, stepson, daughter, or stepdaughter of the taxpayer (within the meaning of this section); and

"(2) a surviving dependent child under a public retirement system,

amounts received by such individual, or by any person in respect of such individual, under one or more such public retirement systems shall be taken into account in determining whether such individual received more than half of his support from the taxpayer only to the extent that the total of such amounts received during the calendar year exceeds $600. For purposes of this subsection, the term 'public retirement system' has the meaning given to such term in section 37 (f)."

SEC. 2. The amendment made by the first section of this act shall apply in respect of amounts received after December 31, 1955.

DESIGNATION OF FOURTH SUNDAY OF SEPTEMBER AS SENIOR CITIZENS DAY

Mr. COTTON. Mr. President, I introduce, for appropriate reference, a joint resolution to designate the fourth Sunday of September as Senior Citizens Day.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 134), designating the fourth Sunday of September as Senior Citizens Day, introduced by Mr. COTTON, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. COTTON. Mr. President, I ask unanimous consent that I may speak on the joint resolution in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from New Hampshire may proceed.

Mr. COTTON. Mr. President, more than 14 million Americans today are 65 years old or older. They have lived, earned, and worked, through the years, for the building of our great Nation. They merit recognition as senior citizens. Their contributions to the country should be noted, appreciated, and acclaimed.

Therefore, I am introducing a joint resolution to designate the fourth Sunday of September as Senior Citizens Day—"in honor of the millions of senior citizens who have contributed so much through the years to the growth and development of our Nation and in recognition of the sacrifices they have made and the suffering they have undergone in presenting us with our great heritage as Americans." The joint resolution would authorize and request the President to annually proclaim this day, call upon officials of the Government to display the flag, and invite all the people of the United States to observe the day with appropriate ceremonies.

I believe such recognition of our senior citizens is long overdue and well earned. I also have in mind another, and perhaps larger, purpose which this joint resolution would serve. The older people of our Nation are increasingly faced with greater and more serious problems, through no fault of their own. These problems arise from the nature and the tremendous growth of our economy and our way of life. It is my hope that this joint resolution and the national observance of Senior Citizens Day will focus even greater attention on these problems and lead to a solution of many of them.

PROBLEMS OF OLDER CITIZENS

Let me point out a few of the conditions which, unfortunately face a great many of our older citizens today:

First. Job opportunities for older workers are scarce. This serious problem starts to make itself felt around the age of 45 and becomes really acute for persons of 60 or more. In my State of New Hampshire, for instance, a recent survey by the Department of Labor indicated that only 5.6 percent of the job applicants over 45 were successfully placed in employment. This rate, I re-

gret to say, is lower than that of any other New England State except Maine.

Some strides are being taken to improve this situation. Last year Congress removed the age limitations on employment in the Federal Government. But, by and large, employment opportunities grow scarcer for the older person, in spite of clear and decisive indications that they make better, more dependable employees.

Second. Incomes for a great many people over 65 are well below the level needed for a reasonable standard of living. More than 5½ million families in the country are headed by persons over 65, and 22 percent of them had annual incomes of less than $1,000 in 1954. Forty-five percent of these families had incomes of less than $2,000. Despite the fact that inflation has been halted, and despite the 1954 improvements in the Social Security Act, many of our older people still suffer from wholly inadequate incomes.

Third. Housing for our senior citizens, both in homes and in institutions, is a difficult problem, and is generally less adequate than for younger persons. One-third of the families headed by persons over 65 live in dilapidated houses, in many instances without adequate plumbing or running water.

Fourth. Vocational and recreational opportunities for older people are limited. The traditional concept of retirement and advancing age may be the idea of a rocking chair on the front porch, but experience has shown that it is simply not realistic to expect an active, vigorous person to be content to sit and rust. Fortunately clubs and recreation activities are being developed in many areas. In New Hampshire there has been an active development of Senior Citizens Clubs, with some 10 organized in the State, and a New Hampshire-wide Federation of Senior Citizens Clubs has been formed.

Fifth. Most programs for research and adult education give only limited, if any, attention to the problems and needs of older people. Adult education programs are concerned generally with the young and middle-aged. Schools of medicine, nursing, and social work give little training for the special needs of older people.

A GROWING PROBLEM

The problems of our senior citizens are not only numerous and complex but growing, because the number of older people increases each day and each year.

Since the turn of the century the average life expectancy in the United States has increased 21 years, and the number of people in our population aged 65 and over increased correspondingly.

From 1940 to 1950 the number of people over 65 increased 37 percent, and now amounts to 8 percent of the total population. More than 14 million people are in this age group. By 1970 this figure will have increased to 21 million, and will include more than 12 percent of the population.

NEW HAMPSHIRE FIGURES

It is already an important problem to me, as a Senator from New Hampshire, because more than 11 percent of the population of my State consists of persons aged 65 and over. New Hampshire has a higher percentage of people over 65 than any other State in the Union.

The growth of the proportion of older people in the general population is also well illustrated by my State. From 1920 to 1950 the population of New Hampshire increased 20.3 percent, but the population 65 and over increased 64.1 percent, almost three times as much.

Efforts to solve these critical problems must take a wide variety of forms, and cannot be confined to the Federal Government. The problem affects the individuals, the communities, the towns, the States, and the Nation. No one act can solve these problems. No one law can completely ease the burdens which older people now must carry. That is why I believe a senior citizens day, designed to focus the attention of all people in towns, cities, counties, and States, as well as in the Nation, upon this problem would be helpful.

I believe there is general agreement on the objectives we must seek for our senior citizens; and a good start has been made in defining these objectives in the report of the Council of State Governments entitled "The States and Their Older Citizens."

It is significant that equal opportunity to work heads the lists of objectives, because, in my opinion, lack of a chance for a job is the greatest single obstacle now standing in the way of a better, happier life for our older citizens. I contend, and have constantly insisted, that the restrictions on the annual income of an older person who is receiving social security should be removed. He should have full opportunity to earn whatever he is capable of earning, if he desires to do so. It has been of little avail for medical science to prolong the life and vigor of the citizen, if we are to be deprived of his skills and experience and he is compelled to face frustration and bitterness during those golden years that have been given to him.

Other recommended objectives include: Assurance of an adequate income, homelife, or homelike institutional care, physical and mental health and rehabilitation, opportunity for older people to participate in recreational, civic, and community activities, provision of adequate social services, including vocational retraining and research. All these objectives must be sought within a framework that will preserve the freedom, independence, and initiative of our older citizens.

PROGRESS IS BEING MADE

Many individuals, cities, and even States have taken a number of steps toward achieving these objectives.

Let me cite one example of what can be done. I like to refer to it because it involves activities in New Hampshire, and illustrates the potential market for the talents of our older citizens in the arts and crafts. Sandwich is a small town in the lakes region of New Hampshire. Many years ago the handicraft industry of colonial times was revived there and it has now developed into a thriving business. Basketry, weaving, silversmithing, spinning, and dyeing, cabinetmaking, candlemaking, needlework, and many other crafts were encouraged from the start. As of today, the group has some 3,800 members of whom about 90 percent are in the older age brackets and about 85 percent learned their skills after their 50th birthday.

These are some of the problems, goals, and achievements which I hope will be highlighted and illuminated by my resolution designating the fourth Sunday of September as Senior Citizens' Day.

This is only one of a number of bills which I have introduced, or sponsored, dealing with the problems of our older citizens.

Included in the proposed legislation of particular interest to older people which I have introduced, and am striving to have passed, are bills which would lower the age for social-security benefits to 60, establish a commission on the aged, provide increased medical-care benefits to old-age assistance recipients, and reduce the income tax for persons over 65 who must sell their homes to secure money for subsistence.

I am also keenly interested in providing adequate benefits and support for the aging veteran, recognizing that World War I veterans are now reaching the age at which the problems outlined here become crucial.

During my 10 years in the Congress, particularly during my service on the Appropriations Committee of the House of Representatives, I have voted many times for economy, but I have never voted against the reasonable enlargement of benefits and opportunities for our older people. The burdens of taxation and inflation bear most heavily upon those elderly people who are retired and forced to live upon a fixed income which they planned years ago when the purchase power of the dollar was much greater. A great tragedy of the growth of the Federal Government and its activities during recent years is that it has reduced the buying power of the savings and the life insurance of our older people. Their problems are our problems—for the youth of today are the senior citizens of tomorrow.

We should be considering them at all times, but I want 1 day set aside when we must consider them. The time for talking about these problems has run out and the time for action is at hand.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JOHNSON of Texas:

Statement prepared by him in connection with American Bar Membership Week, February 10–17, 1956.

By Mr. WILEY:

Interview with him over Mutual Broadcasting System.

STATEMENT ISSUED BY THE PRESIDENT OF THE UNITED STATES AND THE PRIME MINISTER OF THE UNITED KINGDOM

Mr. KNOWLAND. Mr. President, last evening just before the taking of the recess, I placed in the CONGRESSIONAL RECORD the joint declaration of the President of the United States and the Prime Minister of the United Kingdom.

I now ask unanimous consent that there be printed at this point in the RECORD the statement issued yesterday by the President and the Prime Minister.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Conscious of the unity of purpose of our two countries, we have restated in a separate joint declaration our view of the challenge which confronts the free world and the principles which it seems to us are required to meet it. In our conversations, we have also reviewed other matters of mutual concern to the two governments in various areas of the world.

I. EUROPE

We reaffirm that the North Atlantic Treaty is essential to our common security. We regard this association as far more than a military alliance. We welcome the increasing range of consultation in the council on political and other problems.

In the economic field we recognize the contribution which the OEEC makes to the stability of Europe. Within the framework of the Atlantic Community, and with regard for its broader interests, we support further progress on the continent toward unity, both political and economic.

With respect to Germany, we agree that so long as it remains divided, there can be no genuine and stable peace. We shall continue our efforts to bring about the reunification of Germany in freedom. We regard the Government of the Federal Republic of Germany as the only German Government freely and legitimately constituted, and therefore alone entitled to speak as the representative of the German people in international affairs.

We reaffirm our abiding interest in the security and welfare of Berlin. We shall continue, as we have stated in the past, to regard any attack against Berlin from any quarter as an attack upon our forces and ourselves.

II. MIDDLE EAST

We discussed the tensions which prejudice the stability of the area and carry a potential threat to world peace. It was agreed that every effort should be made to decrease sources of misunderstanding between this area and the Western World. We are eager to contribute wherever possible to the settlement of difficulties between states in the region. We wish to help peoples of this part of the world achieve their legitimate aspirations.

A settlement between Israel and her Arab neighbors is the most urgent need. This will be possible only if both sides are willing to reconcile the positions which they have hitherto taken. Our two Governments have declared their readiness to contribute to such a settlement by assisting financially in regard to the refugee problem and by guaranteeing agreed frontiers.

In the meantime we are concerned at the state of tension in the area and have considered what steps can be taken to reduce it. The Tripartite Declaration of May 25, 1950, provides for action both inside and outside the United Nations in the event of the use of force or threat of force or of preparations to violate the frontier or armistice lines. We are bound to recognize that there is now increased danger of these contingencies arising. Accordingly, we have made arrangements for joint discussions as to the nature of the action which we should take in such an event. The French Government is being invited to participate in these discussions.

We believe that the security of states in this area cannot rest upon arms alone but rather upon the international rule of law and upon the establishment of friendly relations among neighbors. The action of the Soviet bloc in regard to arms supplies to Middle East countries has added to the tensions in the area and increased the risk of war. Our purpose is to mitigate that risk.

We express our full support for the efforts of General Burns, head of the United Nations Truce Supervisory Organization, to maintain peace on the borders. We would favorably consider recommendations for any necessary enlargement of his organization and improvement of its capabilities.

We discussed the work of the Baghdad Pact and agreed upon its importance for the security of the Middle East. We noted that this association, in addition to its defense aspects, has an important part to play in the economic and political development of member countries. We believe that it serves the interests of the area as a whole and provides no reason for impairing the good relations we wish to maintain with nonmember countries.

The United States Government will continue to give solid support to the purposes and aims of the pact and its observers will play a constructive part in the work of its committees.

We reviewed the situation in Arabia and the Persian Gulf, with particular reference to current disputes and differences in that area. We believe that these differences can be resolved through friendly discussions.

III. SOUTH AND SOUTHEAST ASIA

We reaffirm our view that the Southeast Asia Treaty Organization is a stabilizing influence. We will continue to give it our full support and to work with those countries who are associated with us as our allies in this organization. We welcome the cooperation of our allies and ourselves with other free nations in this important area, through such organizations as the Colombo plan, in developing the resources and well-being of all participating countries.

IV. FAR EAST

We discussed the situation in the Far East. We are firmly united in our purpose: to deter and prevent aggressive expansion by force or subversion, and to assist the free nations of the area in their self-defense and in maintaining domestic stability and welfare. We are agreed that our policies must be directed to achieve these ends. After frank discussion, some differences remain in our judgments as to the most effective means to achieve these purposes.

We are agreed that trade controls should continue and should be reviewed now and periodically as to their scope, in the light of changing conditions, so that they may best serve the interests of the free world.

V. ATOMIC ENERGY MATTERS

We noted with great satisfaction that atomic energy information now being exchanged as a result of the agreements concluded between our Governments last June represents a gain to the common security. We discussed the development of our close cooperation in this field. We confirmed our resolve to push forward with the setting up, with suitable safeguards, of the International agency for the promotion of peaceful uses of atomic energy.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7540. An act to provide for the sale of a Government-owned housing project to the city of Hooks, Tex.;

H. R. 7993. An act to authorize the construction and conversion of certain naval vessels, and for other purposes; and

H. R. 8320. An act to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis eradication program for the fiscal year ending June 30, 1956.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 7540. An act to provide for the sale of a Government-owned housing project to the city of Hooks, Tex.; to the Committee on Banking and Currency.

H. R. 7993. An act to authorize the construction and conversion of certain naval vessels, and for other purposes; to the Committee on Armed Services.

H. R. 8320. An act to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis eradication program for the fiscal year ending June 30, 1956; to the Committee on Agriculture and Forestry.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

DEVELOPMENT FOR FLOOD CONTROL IN THE RUSSIAN RIVER BASIN, CALIF.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business, S. 1853, to amend the Natural Gas Act, as amended, be temporarily laid aside, and that the Senate proceed to the consideration of Order No. 1414, H. R. 7930.

The PRESIDENT pro tempore. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7930) authorizing the completion of the initial stage of development for flood control and other purposes in the Russian River Basin, Calif.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. I understand that the distinguished minority leader will make a brief statement explaining the bill.

Mr. KNOWLAND. Mr. President, the bill was unanimously reported from the Committee on Public Works.

The purpose of the bill is to authorize completion of the initial stage of the de-

velopment of the Russian River Basin, Calif., for flood control and other purposes. It authorizes appropriation of adequate funds for completion of accomplishment of the initial stage as authorized by the Flood Control Act approved May 17, 1950, in accordance with the recommendations of the Chief of Engineers in House Document 585, 81st Congress, 2d session.

I ask unanimous consent that the report of the Committee on Public Works be printed in the RECORD at this point in my remarks.

There being no objection, the report (No. 1394) was ordered to be printed in the RECORD, as follows:

The Committee on Public Works, to whom was referred the bill (H. R. 7930) authorizing the completion of the initial stage of development for flood control and other purposes in the Russian River Basin, Calif., having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this bill is to authorize completion of the initial stage of the development of the Russian River Basin, Calif., for flood control and other purposes. It authorizes appropriation of adequate funds for completion of accomplishment of the initial stage as authorized by the Flood Control Act approved May 17, 1950, in accordance with the recommendations of the Chief of Engineers in House Document 585, 81st Congress, 2d session.

GENERAL STATEMENT

Pertinent data on the authorized project are as follows:

Location and description: Russian River rises in the Coast Range in northwestern California, flows southerly between mountain ridges for a distance of 87 miles, and then turns westerly to flow for 23 miles in a canyon through the mountains to its mouth at the Pacific Ocean near Jenner, 60 miles northwest of San Francisco. The valley areas along the main stream and certain of the tributaries comprise about 15 percent of the basin area of 1,486 square miles. The remainder of the drainage basin is mountainous and covered with brush and timber. The population of the basin was estimated at 75,000 in 1950. Santa Rosa, in the lower part of the basin, with a population of about 15,000, is the largest city. Farming, livestock raising, processing of agricultural and animal products, and accommodating tourists are the principal industries. Nonirrigated farmlands are used principally for pasture, small grains, hay, and some fruits. In 1944 about 16,900 acres of land were under irrigation, the principal crops being prunes, miscellaneous fruits, hops, hay crops, and garden truck. Resorts and recreational areas along scenic reaches of the lower Russian River have been developed to attract many vacationists from the nearby metropolitan areas of San Francisco and Oakland.

The most serious floods of recent record occurred in February 1940, which caused damages aggregating about $3 million, and in December 1955, when damages exceeded $4 million. Other notable floods occurred in March 1935, February 1937, December 1937, and December 1945, causing damages totaling $3,100,000. The average annual damages from floods in the basin are estimated at about $900,000.

Existing project: Improvements on the Russian River included (1) 5.4 miles of channel clearing near Ukiah, river mile 90, which was accomplished by Corps of Engineers in 1947 under the provisions of the Flood Control Act of August 18, 1937, as amended; and (2) improvements performed by local interests, consisting of levees, dikes, jetties, and training walls.

Authorized improvement: The plan for ultimate improvement provides for construction of Coyote Valley Reservoir on East Fork of Russian River, Dry Creek Reservoir on Dry Creek, and channel stabilization works on the Russian River extending from its mouth to mile 97 and on the lower reaches of certain tributaries. The ultimate plan is susceptible to stage construction, of which the initial stage would consist of the channel stabilization works and Coyote Valley Reservoir constructed to a gross capacity of 122,000 acre-feet with provisions for subsequent enlargement to the ultimate capacity of 199,000 acre-feet.

Estimated cost: The estimated cost of construction of the initial stage when the project was authorized was $17,120,000, of which $11,522,000 was Federal cost and $5,598,000 local. Due to price increases since authorization of the project, the total construction cost has risen to $18,285,000, of which $12,687,000 is Federal cost and $5,598,000 the local contribution in accordance with the terms of the authorization. Planning funds in an amount of $546,000 have been appropriated for the project, and preliminary planning and design have been completed by the Corps of Engineers, and $500,000 has been appropriated for construction. The remaining improvements to be constructed to complete the ultimate plan would involve to a large extent, reimbursable funds. Cost of the ultimate plan is estimated at $43,625,000.

Local cooperation: Local interests are required to give the customary assurances in connection with flood-control projects covering lands, damages, and highways and highway-bridge alterations for channel improvements in addition to the maintaining of and prevention of encroachment on the stabilized channel. They must also enter into an agreement among themselves as to the method of operation of the Coyote Valley Reservoir for conservation, subject to flood-control priority, and contribute $5,598,000 in cash for the reservoir construction cost.

Benefits: The ultimate plan of improvement proposed would provide a substantial amount of flood protection in addition to providing storage for water conservation, which would make it possible to maintain satisfactory summer streamflow in the river in its course through the recreational areas by releasing stored floodwaters for that purpose, and to supply existing and potential demands for water for domestic, industrial, and agricultural uses within the basin and in nearby areas. Flood control and provision of a supplementary water supply for conservation purposes are urgently needed in the Russian River Basin. The recent disastrous floods in California have accentuated the urgent need for action on this project. The committee has been informed that had the Coyote Valley Reservoir been in operation during the recent floods, more than $2 million in flood damages would have been prevented. The ratio of estimated benefits to the annual carrying charges are in excess of 2 to 1.

COMMITTEE RECOMMENDATIONS

The committee notes that the initial stage of the project will provide water-conservation storage for low-flow regulation and for domestic and municipal supply. The use of this storage will result in incidental irrigation benefits, the realization of which will not, in the initial stage, require the construction of headworks, canals, or other structures primarily for irrigation. The recommended improvements have an unusually high economic ratio, and complete authorization of the initial stage at this time is believed desirable. The uses of the storage for conservation purposes are varied, with the major portion applicable to domestic and industrial water supply.

The language in the Flood Control Act of 1950 which authorized the project reads as follows:

"RUSSIAN RIVER BASIN

"The plan for flood control, water conservation, and related purposes, in the Russian River, Basin, Calif., is hereby approved substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors dated April 22, 1949, and as recommended by the Chief of Engineers in his report dated November 15, 1949, and there is authorized to be appropriated the sum of $11,522,000 for accomplishment of the initial stage of the plan: *Provided*, That section 8 of the Flood Control Act of 1944 shall apply to this project: *Provided further*, That prior to starting construction, local interests shall contribute the sum of $5,598,000 in cash in full repayment of the conservation benefits: *And provided further*, That such contribution of $5,598,000 shall be transferred to the Secretary of the Army for application to the cost of construction of the project."

Since this language might be interpreted to limit the Federal appropriation, the committee believes it desirable to increase this authorization to meet present conditions. H. R. 7930 will authorize completion of the initial stage as described herein at an estimated additional cost of $1,165,000, which will meet the increase in the Federal construction cost.

The committee has been informed that the full amount of the cash contribution required by the authorizing act has been raised by a local bond issue and is available for payment under the terms of the project. It is further understood that certain technical obstacles have arisen locally because of the reputed lack of complete authorization for construction of the project, and that these difficulties could be overcome by resolving this matter, but that if action is not taken by January 16, 1956, considerable additional delay will be occasioned. Under the terms of the authorization the complete amount of the local cash contribution must be paid prior to initiation of construction which is otherwise ready to begin.

The committee therefore recommends expeditious action on this bill in order that the technical limitation with respect to authorization not be permitted to impede the early prosecution of this urgently needed improvement.

The PRESIDENT pro tempore. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LAND IN MADISON COUNTY, KY.

Mr. JOHNSON of Texas. Mr. President, if there are no Senators who desire to speak on it at this time, and I assume there are none, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Order No. 1464, S. 1992. I invite the attention of the Senator from Kentucky [Mr. CLEMENTS] to my request.

The PRESIDENT pro tempore. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1992) to provide for the conveyance of a certain tract of land in Madison County, Ky., to the Pioneer National Monument Association.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with amendments, on page 1, line 5, after the word "Association", to strike out "as part of the area proposed for the site of a National Pioneer Monument" and insert "for designation and use, including disposition to a public agency if deemed appropriate, as a part of an historic site or monument", and on page 3, line 4, after the word "that", where it appears the first time, to strike out the comma and "in the event that such tract of land ceases to be used as a historic site, all right, title, and interest therein shall immediately revert to and revest in the United States; and" and insert "such tract of land shall be reserved or used for the purpose for which it is conveyed for a period of not less than 25 years, and that in the event said property ceases to remain available or be utilized for such purposes during such period, as may be determined by the Secretary of the Interior, all or any portion thereof, in its then existing condition, shall revert to the United States; and", so as to make the bill read:

Be it enacted, etc., That the Administrator of General Services is authorized and directed to convey, without consideration, the Pioneer National Monument Association, for designation and use, including disposition to a public agency if deemed appropriate, as a part of an historic site or monument, all right, title, and interest of the United States, except as retained in this act, in and to the following described tract of land consisting of seven and six-tenths acres, more or less, situated in Madison County, Ky., on the left bank of the Kentucky River and being a part of United States Lock and Dam No. 10 Reservation:

Beginning at the end of a stone wall, said end of stone wall being south 20 degrees 19 minutes east 360 feet from the most westerly corner of Lock and Dam No. 10 Reservation and east of the Old County Road; thence severing said reservation and parallel to the north boundary north 85 degrees 00 minutes east 800 feet, more or less, to a point, said point being on the west boundary line of a 10.53 acre tract formerly owned by Thomas H. Stevens; thence with the old boundary line south 14 degrees 25 minutes east 562 feet, more or less to a stone; thence south 82 degrees 09 minutes west 144 feet to a point; thence north 78 degrees 57 minutes west 104.42 feet to a point; thence with an old stone wall north 69 degrees 45 minutes west 610 feet, more or less, to an angle in the stone wall; thence along said stone wall northwesterly 300 feet, more or less, to the point of beginning.

SEC. 2. The deed effecting the conveyance authorized by the first section of this act shall—

(a) reserve to the United States rights of ingress and egress over the road presently existing on the southern boundary of the above described tract of land;

(b) reserve to the United States a perpetual easement for maintenance of a water pipeline on such tract of land;

(c) provide that such tract of land shall be reserved or used for the purpose for which it is conveyed for a period of not less than 25 years, and that in the event said property ceases to remain available or be utilized for such purposes during such period, as may be determined by the Secretary of the Interior, all or any portion thereof, in its then existing condition, shall revert to the United States; and

(d) provide that during any state of war or national emergency and for 6 months thereafter, if the Secretary of Defense determines that such tract of land is useful or necessary for national defense purposes, the United States may, without payment therefore, reenter such tract of land and use all or part of it (including improvements thereon), but upon the termination of such use such tract of land shall revert to the Pioneer National Monument Association or its successor in title, as the case may be.

SEC. 3. In addition to the exceptions, conditions, and reservations provided for in section 2 of this act, the Administrator of General Services shall impose such other exemptions, conditions, and reservations as he determines to be necessary or desirable to safeguard the interests of the United States and to insure that such tract of land will be used for the purpose for which it is conveyed.

The amendments were agreed to.

Mr. CLEMENTS. Mr. President, the bill would authorize and direct the Administrator of General Services to convey 7.6 acres of surplus land to the Pioneer National Monument Association, without consideration, for use as a site for a national pioneer monument.

The bill reserves to the United States certain rights of ingress and egress over a road crossing the property, a perpetual easement for maintaining a water pipeline, reversion of title should the land cease to be used as an historic site, free use of the land during a national emergency. The bill also provides for such additional conditions, exemptions, and reservations as the Administrator may determine to be necessary and desirable to safeguard the interests of the United States. Perfecting amendments have been proposed by the Department of the Interior to permit retransfer to another public agency, if deemed appropriate, as a part of an historic site or monument, and to clarify the reversionary clause if the property ceases to be used for such purposes.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF TECHNICAL CHANGES ACT OF 1953

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Order No. 1420, H. R. 2667.

The PRESIDENT pro tempore. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 2667) to amend section 208 (b) of the Technical Changes Act of 1953 (Public Law 287, 83d Cong.).

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment, on page 1, after line 8, to insert:

SEC. 2. Section 2053 of the Internal Revenue Code of 1954 (relating to deductions from the gross estate for expenses, indebtedness, and taxes) is hereby amended by redesignating subsection (d) to be subsection (e) and by adding after subsection (c) a new subsection as follows:

"(d) Certain State death taxes.—

"(1) General rule: Notwithstanding the provisions of subsection (c) (1) (B) of this section, for purposes of the tax imposed by section 2001 the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary or his delegate) of any estate, succession, legacy or inheritance tax imposed by a State or Territory or the District of Columbia, or any possession of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055 or 2106 (a) (2). The election shall be exercised in accordance with regulations prescribed by the Secretary or his delegate.

"(2) Condition for allowance of deduction: No deduction shall be allowed under paragraph (1) for a State death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided for in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106 (a) (2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in sections 2055 and 2106 (a) (2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106 (a) (2) are required to pay.

"(3) Effect of deduction on credit for State death taxes: See section 2011 (e) for the effect of a deduction taken under this subsection on the credit for State death taxes."

SEC. 3. Section 2011 of the Internal Revenue Code of 1954 is amended by adding after subsection (d) a new subsection as follows:

"(e) Limitation in cases involving deduction under section 2053 (d): In any case where a deduction is allowed under section 2053 (d) for an estate, succession, legacy, or inheritance tax imposed upon a transfer for public, charitable, or religious uses described in section 2055 or 2106 (a) (2), the allowance of the credit under this section shall be subject to the following conditions and limitations:

"(1) The taxes described in subsection (a) shall not include any estate, succession, legacy, or inheritance tax for which a deduction is allowed under section 2053 (d).

"(2) The credit shall not exceed the lesser of—

"(A) the amount stated in subsection (b) on a taxable estate determined by allowing the deduction authorized by section 2053 (d), or

"(B) that proportion of the amount stated in subsection (b) on a taxable estate determined without regard to the deduction authorized by section 2053 (d) as (i) the amount of the taxes described in subsection (a), as limited by the provisions of paragraph (1) of this subsection, bears to (ii) the amount of the taxes described in subsection (a) before applying the limitation contained in paragraph (1) of this subsection.

"(3) If the amount determined under subparagraph (B) of paragraph (2) is less than the amount determined under subparagraph

(A) of that paragraph, then for purposes of subsection (d) such lesser amount shall be the maximum credit provided by subsection (b)."

SEC. 4. The amendments to the Internal Revenue Code of 1954 made by sections 2 and 3 of this act, and provisions having the same effect as this amendment, which shall be considered to be included in chapter 3 of the Internal Revenue Code of 1939, shall apply to the estates of all decedents dying after December 31, 1953.

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I invite the attention of the distinguished senior Senator from Virginia [Mr. BYRD] to the bill, and I ask that he make a brief explanation of it.

Mr. BYRD. Mr. President, this bill, which was passed by the House, has been unanimously approved by the Senate Committee on Finance.

Section 1 amends section 208 (b) of the Technical Changes Act of 1953 by making that provision applicable to estates of decedents dying after December 31, 1947, instead of to estates of decedents dying after December 31, 1950, as provided in the Technical Changes Act.

Section 208 of the Technical Changes Act of 1953 permitted for estate-tax purposes the tax-free release of certain powers over a discretionary trust described in section 1000 (e) of the Internal Revenue Code of 1939, if the grantor was under a mental disability for a continuous period of not less than 3 months beginning before December 31, 1947, and ending with his death. The Technical Changes Act did not extend relief to a grantor under such a disability who died after December 31, 1947, and before January 1, 1951. This amendment would grant relief in such cases. The amendment is effective as if enacted as a part of section 208 (b) of the Technical Changes Act of 1953.

It is estimated that the revenue effect of this provision is negligible.

PURPOSE OF SECTIONS 2, 3, AND 4

The committee has added another provision to this bill. Under present law, a deduction from the Federal estate tax is granted for bequests to charity. Under the provision added by your committee, a deduction would also be granted, subject to certain conditions and limitations, for the amount of any estate, succession, legacy, or inheritance tax imposed by a State upon the transfer by the decedent for public, charitable, or religious uses as described in section 2055 or, in the case of nonresident aliens, section 2106 (a) (2).

Last year a similar provision was reported by your committee as an amendment to H. R. 6887. That bill, as amended, was passed but was not approved by the President. In the statement announcing that he had withheld his approval, the President stated that he was sympathetic with the objectives of the bill but that there were defects in the legislation that caused him to reluctantly withhold his approval from the bill. The provisions of sections 2, 3, and 4 are designed to accomplish the same purpose as the amendment added to H. R. 6887, and your committee has been advised by the Treasury Department that the provisions of this bill meet the objections raised in the President's statement.

The PRESIDENT pro tempore. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend section 208 (b) of the Technical Changes Act of 1953, and for other purposes."

CREDIT AGAINST ESTATE TAX FOR TAX ON CERTAIN PRIOR TRANSFERS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1421, H. R. 7054.

The PRESIDENT pro tempore. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7054) to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments on page 2, line 8, after the word "transferor", to insert "who was the spouse of the decedent at the time of such person's death and"; in line 9, after the word "within", to strike out "six months" and insert "two years"; and on page 3, line 5, after the word "within", to strike out "six months" and insert "two years."

Mr. JOHNSON of Texas. Mr. President, I invite the attention of the senior Senator from Virginia [Mr. BYRD] to this bill, and ask that he made a brief explanation of it.

Mr. BYRD. Mr. President, this bill adds a new section 814 to the Internal Revenue Code of 1939 providing that an executor of an estate may elect to take a credit against the estate tax for the amount of tax paid on property passing to the decedent from a person who was the spouse of the decedent at the time of such person's death and who died within 2 years prior to decedent's death. Those who claim such a credit must forego any deduction for previously taxed property allowed by section 812 (c) of the 1939 code. This new election is to be available with respect to estates of decedents dying after December 31, 1951, and before August 16, 1954.

The PRESIDENT pro tempore. The question is on agreeing to the amendments reported by the Committee on Finance.

The amendments were agreed to.

The PRESIDENT pro tempore. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

UNLIMITED DEDUCTIONS FOR CHARITABLE CONTRIBUTIONS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 1422, House bill 7094.

The PRESIDENT pro tempore. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 7094) to amend section 120 of the Internal Revenue Code of 1939, relating to unlimited deductions for charitable contributions.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDENT pro tempore. Does the Senator from Virginia desire to be heard on this bill?

Mr. BYRD. Yes, Mr. President. The bill provides that an unlimited charitable deduction is to be available for charitable and other contributions under the 1939 Code where in the current year and in 8 out of 10 of the immediately preceding years the individual's contributions to charity, plus his income-tax payments, accounted for 90 percent or more of his taxable income, but only if an amount equal to any refund under this provision is paid to, or set aside for, charity. The bill entitles a taxpayer who qualifies under its provisions to secure a refund whether his claim is filed before, on, or after the date of enactment of this bill. No interest is allowed on any refund paid under the bill.

The PRESIDENT pro tempore. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 7094) was ordered to a third reading, read the third time, and passed.

TREATMENT OF GAIN IN CERTAIN RAILROAD REORGANIZATIONS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 1423, H. R. 7247.

The PRESIDENT pro tempore. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 7247) to amend the Internal Revenue Code of 1954 with respect to the treatment of gain in certain railroad reorganizations.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments, on page 4, after line 19, to insert:

SEC. 4. Section 108 (b) of the Internal Revenue Code of 1954 (relating to income

of a railroad corporation from discharge of indebtedness) is hereby amended by striking out "December 31, 1955" and inserting in lieu thereof "December 31, 1957."

And on page 4, after the preceding amendment to insert:

SEC. 5. Section 723 of the Internal Revenue Code of 1939 (relating to equity invested capital in special cases) is hereby amended by adding at the end thereof the following new subsection:

"(c) If a recapitalization of a railroad corporation, as defined in section 77m of the National Bankruptcy Act, as amended, was effected after December 31, 1938, in pursuance of an order of the court having jurisdiction of such corporation—

"(1) in a receivership proceeding; or

"(2) in a proceeding under section 77 of the National Bankruptcy Act, as amended,

the equity invested capital of such corporation shall (at the election of the taxpayer) be the same as if the assets had been acquired in a transaction to which section 760 is applicable."

SEC. 6. The amendment made by section 5 of this act shall be effective for taxable years beginning after December 31, 1941.

Mr. BYRD. Mr. President, this is a House bill unanimously approved by the Senate Finance Committee.

The purpose of sections 1, 2, and 3 is to add a new section 374 to the 1954 code to provide that no gain wil be recognized to a railroad corporation where its properties are transferred, pursuant to a court order in a receivership proceeding or in a proceeding under the Bankruptcy Act, in a reorganization approved by the court in exchange solely for stock or securities in another railroad corporation. This establishes for railroad corporations substantially the same rule that now exists for other corporations.

Section 4, which was added by the committee, extends for 2 years the expiration date contained in section 108 (b) of the Internal Revenue Code of 1954. Under existing law, the provisions of section 108 (b) do not apply to any discharge of indebtedness occurring in a taxable year beginning after December 31, 1955. This latter date is extended to December 31, 1957, under this provision.

PURPOSE OF SECTION 5

Section 5, which was added by the committee, amends section 723 of the Internal Revenue Code of 1939—relating to the computation of equity invested capital in special cases under the World War II excess-profits tax—to provide at the election of the taxpayer that, in the case of a recapitalization of a railroad corporation pursuant to receivership or bankruptcy proceedings, the equity invested capital is to be the same as if the corporate assets were transferred to a new corporation. Where the properties of a railroad corporation are transferred to a new corporate entity in receivership or bankruptcy proceedings, the equity invested capital is determined under section 760 of the World War II excess-profits tax and reflects the basis of the transferred assets. The treatment thus provided in the case of a new corporation results from the addition of sections 112 (b) (2) and 113 (a) (20) to the 1939 code by section 142 of the Revenue Act of 1942.

The PRESIDENT pro tempore. The question is on agreeing to the amendments reported by the Committee on Finance.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act relating to recognition of gain or less in certain railroad reorganizations and to amend section 108 (b) of the Internal Revenue Code of 1954 and section 723 of the Internal Revenue Code of 1939."

WHEAT MARKETING QUOTA PROVISIONS

Mr. JOHNSON of Texas. Mr. President, if no Senators desire to address the Senate on the unfinished business, I suggest the absence of a quorum, because the Senator from North Dakota [Mr. YOUNG] has a bill on which I hope we can act before the recess which is to be taken.

The PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of order No. 1429, Senate bill 2884.

The PRESIDENT pro tempore. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2884) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill (S. 2884) which had been reported from the Committee on Agriculture and Forestry with amendments on page 1, at the beginning of line 6, to strike out "(g)" and insert "(e)"; on page 2, line 20, after the word "other", to strike out "wheat" and insert "wheat'. Notwithstanding any other provision of this subsection, no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso)."

On page 3, at the beginning of line 3, to strike out "The" and insert " "The"; at the beginning of line 9, to strike out "The" and insert " "The"; and in line 11, after the word "of" where it appears the first time, to strike out "the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1326 (b))" and insert "this act", so as to make the bill read:

Be it enacted, etc., That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1956 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the 5 years 1951 through 1955. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to two times the acreage by which the original allotment exceeds the 1956 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than 15 acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat.' Notwithstanding any other provision of this subsection, no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future, State, county, and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, 77th Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection."

The amendments were agreed to.

Mr. JOHNSON of Texas. Mr. President, I should like to ask the distinguished Senator from North Dakota [Mr. YOUNG] to make a brief explanation of the bill.

Mr. YOUNG. Mr. President, this bill affects only durum wheat, which is used in the making of macaroni and spaghetti.

The average annual production of durum wheat over the past 20 years is only about 35 million bushels. The necessity for this bill was brought about by a severe rust infestation known as 15–B rust in durum wheat which brought the production down from an average of from 35 million to 40 million bushels a year to a low of 5 million bushels in 1954.

Legislation was enacted last year designed to encourage an increased production of durum wheat. That helped considerably. Last year the production was 20 million bushels.

This bill differs from the one enacted last year in this respect: Under the legislation of last year a farmer in North

Dakota, or South Dakota, or Montana, or Minnesota could seed all the durum wheat he desired, whereas under this proposed legislation, which has been approved by the Department of Agriculture and unanimously recommended by the Committee on Agriculture and Forestry, a farmer, in order to earn any additional durum wheat allotment, must plant a part of his regular allotment to durum wheat.

Under this bill if a farmer has a wheat allotment of 100 acres and he plants 50 acres of his allotment to durum wheat, he will be entitled to plant an additional 100 acres of durum. This 100 acres of durum is over and above any allotment he may have. The State of California is also included in this year's bill because certain counties in that State have now established a history of durum wheat production.

As I have said this bill is approved unanimously by the Committee on Agriculture and Forestry and by the Department of Agriculture. The amendments are only of a technical nature and proposed by the Department of Agriculture.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REPAIR ASSISTANCE TO NEW HOMES DAMAGED BY MAJOR DISASTERS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 1484, House Joint Resolution 471.

The PRESIDENT pro tempore. The Secretary will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 471) to permit FHA title I repair assistance to new homes damaged by major disasters.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. JOHNSON of Texas. Mr. President, this resolution would authorize the Federal Housing Administration to insure, under the title I program of the Housing Act of 1954, loans made for home improvements on new residential structures without regard to the statutory requirement as to completion and period of occupancy where such structures suffered disaster-connected damage.

There is a similar Senate bill. If the Senate passes the House joint resolution, I shall ask that the Senate joint resolution be indefinitely postponed.

The PRESIDENT pro tempore. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution (H. J. Res. 471) was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate Joint Resolution 113 is indefinitely postponed.

TRANSFER OF WAR HOUSING PROJECTS TO THE CITY OF MOSES LAKE, WASH.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of order No. 1427, House bill 6298.

The PRESIDENT pro tempore. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6298) to amend section 601 (g) of the act entitled "An act to expedite the provision of housing in connection with national defense to permit transfer of war housing projects to the city of Moses Lake, Wash., and to other communities similarly situated."

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I should like to make a brief statement prior to action on this bill.

This bill will permit the transfer of war housing projects to the city of Moses Lake, Wash., and to other communities similarly situated. The property involved at Moses Lake consists of 172 temporary family dwelling units constructed under the Lanham Act and identified as WASH-45206 and WASH-V 45402. These housing units are under the jurisdiction of the Housing and Home Finance Agency and are managed by the Housing Authority of Grant County, Wash.

The Housing Act of 1950 added a new title VI to the Lanham Act and provided for the disposition of war housing units owned by the Government. Section 601 (b) authorized the Housing Agency to transfer without charge temporary war housing units to the city or town in which the units are located.

The Congress decided that certain temporary housing in the city of Richmond, Calif., should be transferred to the local public agency organized for slum clearance and community redevelopment rather than to any other agency of the city.

Section 601 (g) of the Lanham Act was written to accomplish this purpose. However, instead of naming the city of Richmond, Calif., as the sole locality to which this specific restriction should apply, section 601 (g) states that the restriction shall apply in the case of any city where the total population by the 1940 census is less than the number of persons living in temporary housing on December 31, 1948.

Whereas the restriction in section 601 (g) was intended to apply only to Richmond, Calif., it is now discovered that it also applies to the city of Moses Lake, Wash. Under the law, therefore, the temporary units in the city of Moses Lake cannot be transferred to the city but must be transferred to a local slum clearance authority—and the city of Moses Lake does not have such a local public body.

Under the provisions of H. R. 6298, it is proposed to remove this restriction, not only as to Moses Lake, Wash., which does not have a qualified local public agency to accept transfer of this property, but to other communities similarly situated.

The PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXTENSION OF DURATION OF THE POLIOMYELITIS VACCINATION ASSISTANCE ACT OF 1955

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1459, Senate bill 2990.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2990) to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, when the Congress passed the Poliomyelitis Vaccination Assistance Act of 1955, it accepted the recommendation of House and Senate conferees and provided that the funds authorized to be appropriated thereunder should remain available only until February 15, 1956. That recommendation was made with the full understanding of the conferees that the program then authorized and initiated by the Congress could not be completed by that date. It was agreed on solely to provide an opportunity for reviewing developments under the program early in the second session of the Congress before completely implementing the Federal grant provisions of the act.

The committee has now reviewed those developments and has concluded that the program has worked so well that no changes need be made in the act other than to set the date for its expiration at June 30, 1957. That is all S. 2990 would do.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2, and subsections (a) and (b) of section 6, of the Poliomyelitis Vaccination Assistance Act of 1955 (Public Law 377, 84th Cong.) are each amended by striking out "February 15, 1956" and inserting in lieu thereof "the close of June 30, 1957."

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

Mr. JOHNSON of Texas. Mr. President, I ask that the Senate resume the consideration of the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

ORDER FOR CALL OF THE CALENDAR ON FRIDAY

Mr. JOHNSON of Texas. Mr. President, if there are no Senators who desire to speak later in the afternoon on the unfinished business, the leadership will again suggest that the Senate consider certain bills previously announced as having been cleared by both the majority and the minority leaders, and the policy committees.

In the event that there are no speakers tomorrow on the unfinished business, it may be that we shall have a call of the calendar. Therefore, I again wish to call the attention of the calendar committees and of any other Senators who may be interested to that fact.

Mr. KNOWLAND. Mr. President, will the distinguished majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. Is it intended that the call of the calendar be from the point where we left off on the last call, or is it to be from the beginning?

Mr. JOHNSON of Texas. No; the call of the calendar would be of bills to which there is no objection, from the point where we left off on the last call.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Would it be in order for me to make a unanimous-consent request at this time to have a call of the calendar tomorrow?

The PRESIDING OFFICER. It would be in order.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on tomorrow, Friday, there may be a call of the calendar for the consideration of unobjected-to bills beginning from where we concluded on the last call.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas that tomorrow there be a call of the calendar of bills to which there is no objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS

The hour of 12:15 p. m. having arrived, under the previous order the Senate will stand in recess, subject to the call of the Chair, for the purpose of receiving the Prime Minister of the United Kingdom, the Right Honorable Sir Anthony Eden.

Thereupon (at 12 o'clock and 15 minutes p. m.) the Senate took a recess, subject to the call of the Chair.

VISIT TO THE SENATE OF THE RIGHT HONORABLE SIR ANTHONY EDEN, PRIME MINISTER OF THE UNITED KINGDOM

During the recess,

The Right Honorable Sir Anthony Eden, Prime Minister of the United Kingdom, escorted by the committee appointed by the Acting President pro tempore, consisting of Mr. JOHNSON of Texas and Mr. KNOWLAND, entered the Senate Chamber, accompanied by the Right Honorable Selwyn Lloyd, Secretary of State for Foreign Affairs of the United Kingdom; the Right Honorable Sir Roger Makins, Ambassador to the United States from the United Kingdom; and the Honorable Winthrop Aldrich, the United States Ambassador to the United Kingdom.

Also escorted into the Chamber and seated on the Senate floor were the Ambassadors of Canada, Australia, Burma, Pakistan, Thailand, and the charge d'affaires ad interim of Belgium.

The Ambassador of Greece was present in the diplomatic gallery.

[Applause, Senators and occupants of the galleries rising.]

The Prime Minister of the United Kingdom took the place on the rostrum assigned him in front of the Vice President's desk, and the distinguished visitors accompanying him were escorted to places assigned to them on the floor of the Senate.

The PRESIDENT pro tempore. The Chair has the high honor of presenting to the Senate of the United States the Right Honorable Sir Anthony Eden, Prime Minister of the United Kingdom.

[Applause, Senators and occupants of the galleries rising.]

ADDRESS BY THE RIGHT HONORABLE SIR ANTHONY EDEN, PRIME MINISTER OF THE UNITED KINGDOM

Thereupon, from his place on the rostrum, the Prime Minister of the United Kingdom delivered the following address:

Mr. President and Members of the Senate of the United States, I am deeply sensible of the compliment which you have paid me in inviting me to address you today. It is a compliment which, sir, as you know, could not be paid to me in my own country. [Laughter.] If I were to stray into what we call "another place," I am afraid nobody would suggest that I should say a single word [laughter] which shows, if I may say so, that your congressional procedures are very adaptable. I think perhaps it would be dangerous, sir, to make any further comment upon them. [Laughter.]

We have just brought to a conclusion a memorable Conference in the service of peace.

I must first express my sincere gratitude to the President of the United States for the patience, initiative, and understanding which alone made our results possible. [Applause.] It was a privilege to work with him, and an added pleasure to find him in such good health. [Applause.]

The Foreign Secretary and I were also very glad of the opportunity to renew our friendship with your Secretary of State, Mr. Foster Dulles. [Applause.]

Mr. President, you will expect me, as a result of our discussions, and in this distinguished company, to speak of world affairs.

It is a somber prospect which we confront together. Uncertainty and fear stalk the world 10 years after the victory was won. The scene shifts: Our problems take on different forms, but we have still to recognize them for what they are.

The most powerful nations on earth today possess the most destructive weapons man has ever had at his command. This has created a mutual deterrent. You and we and the Russians each command or will soon command the means to annihilate each other. But the warning does not end there. New weapons, guided missiles, rockets, and the like bring new powers of destruction to mankind. Is the world, then, in a few years to shoot itself to destruction at long range? You and we alone cannot give the answers to these questions. But we can face and examine them together and determine what conclusions we should draw.

Wars in the past—in the old continent of Europe and elsewhere—have often begun because one power or combination of powers has believed its forces sufficient to win and hold some overwhelming advantage. This has dazzled the eyes and enticed the minds of conquerors down the ages. Sometimes their ambition has brought them victory. It can never do so in this nuclear age, when oblivion confronts aggressor and victim alike.

I wish I could go on to say that on this account all possibility of world conflict is excluded. I cannot. The direct danger is reduced. The indirect threat remains and its consequences can equally be mortal.

Brought to a halt in Europe, Soviet expansion now feels its way south and probes in other lands. There is nothing particularly new in this. You can read it all in Russian imperialist history. But the emphasis has changed, and the symbol and methods, too. This is a struggle for men's minds, once expressed in these regions in conflicting faiths, but now in rival ideologies. From the Kremlin streams forth into the lands of what we call the Middle East, and into all Asia, a mixture of blandishment and threat, offers of arms and menaces to individuals, all couched in terms of fierce hostility for Western ideals.

In the face of this, what answer should the West give? We do not intend to base our policies on the revival of old hatreds or the creation of new ones. We know that we can neither hold communism

nor beat it back by force of arms alone. Friendship and freedom, and help of all kinds on which to base a rising standard of life—these are what we offer. It is not so much military containment as political enlightenment which is the need of the day. Let us therefore be quite clear about our philosophy in the appeal we make to other lands. We invite nations to share our free way of life. We neither compel them to join our company, nor hold them by force once they have done so. That is the difference between our approach to the rights of nations and the Communist denial of them. No one supposes that the countries under Soviet dominion today, from Prague to Stettin, from Sofia to Warsaw, are under Communist command because they like it. If they did, why do you think that over a quarter of a million refugees have escaped across from East Germany to the West in this last year? How many more would follow them from other lands if they could? But of course these considerations do not influence Communist thought. Soviet rule is absolute: what the people want is immaterial. For them, man exists for the state, not the state for man. The one-party system is, after all, so much simpler to handle, where the people do not have the chance to vex themselves with a political choice. That is why Communists are sincerely convinced that free elections are a great mistake.

The contrast cannot we think be more sharply shown than in our Commonwealth community. Its older members whom you well know—Canada, Australia, New Zealand, and South Africa—have for generations played their free and individual parts in world affairs and made their distinctive contributions. More lately they have been joined by the new partners in Asia—India, Pakistan, and Ceylon. But I would not like you to think that the process has stopped there, or can do so. It is a continuing development. Everywhere through the Commonwealth and Empire nations are growing up. This places a heavy responsibility upon the parent. He has to be sure that patience is shown, that guidance is given, that experience is passed on—as a warning but not as a command. The process is continuing and its consequences will be far reaching.

In many territories of the Commonwealth constitutional progress has reached, or is approaching, the last stage before their peoples assume full responsibility for their own affairs. I could give you examples of this in Africa, in Southeast Asia and in the Caribbean. But I will only mention that, at this very moment, Her Majesty the Queen is in Nigeria, where dwell more than 30 million of her people, with elected legislatures and African Ministers, and the spontaneous enthusiam of her welcome will have shown how the people really feel. No one can tell you yet to what these great adventures in self-government will lead. There has been nothing like it in the world before. There are risks in it, grave risks, as there are in everything worthwhile. But there are also great rewards.

I have painted you this scene because you will see how different it is from the view of a Soviet leader who recently told us that he could not understand why people should go into other countries except to pump out their wealth and resources. That is just the difference between us, and I am glad of it. The Washington declaration which the President and I signed yesterday sets out the principles of the faith we share.

I suggest to you that we should follow the courses I shall now describe to give it effect.

First, we should maintain our alliances and friendships firmly, loyally, and without apology. [Applause.]

This does not exclude a willingness to meet and talk with Communist powers. We cannot expect all the world to love each other, but we can try to allay hatreds. All such efforts should, however, be attended by an awareness of the methods which will be used against us.

Secondly, in the areas where the danger of conflict is most acute, we should, whenever we can, declare our unity of purpose. For instance, between the Arab States and Israel, where the danger has increased, we have done well—I hope you will think—in our communique to make clear that we are to discuss together—we and you—what action we should take. The more prepared we are, the less likely is an emergency to arise.

Thirdly, it would be a useless exercise to chase Soviet activity all around the world in the sense of trying to cap every offer they profess to make by a better on our own account. I doubt whether even the resources of your great country could stand that strain, and it would be a foolish effort anyway. I am convinced that our method should be different, that we should continue to give economic help in those areas where it is most needed, putting first the reasonable requirements of our own friends, but not forgetting others.

I have spoken of the principles set out in this declaration of Washington, and I have indicated the courses which we, for our part, are determined to follow in order to give effect to these principles.

But this is not the only outcome of the conference. We have done more. We have shown once again that we can work together and do that work in the closest comradeship. Of course we do not always agree at every point. Freemen never do; nor, I think, free women either. [Laughter.] But it is the strength of our unity that we have no need to conceal this. Never, I am sure, has the measure of agreement been so wide and true as it is today. [Applause.] Never has the identity of our common purpose been so plain. This is the keynote of our work together in these days.

Above all, this meeting has refreshed our friendship and reaffirmed our alliance. On their strength the future of the free world rests secure. [Applause, Senators rising.]

Mr. President, I have given you an account of this conference and what has passed, and where we are now together. But, you know, there is something in our relationship which cannot be put into documents, which cannot be rehearsed in speeches, but which is infinitely more important than the written word. It is the spirit that animates our friendship that you and we can sit down in the way the President and I have done in these 3 days, not always agreeing, but knowing that at the end the greater issue will always exclude the lesser. That is what counts. You cannot analyze what it is due to, but it is something that only the free world enjoys. So long as we treasure and hold it, our nation and yours together, there will be peace in this world.

[Applause, Senators rising.]

The PRESIDENT pro tempore. Mr. Prime Minister of Great Britain, the Senate of the United States welcomes you here. We are in thorough accord with the central theme of your statement that the great objectives that hold together, dominate, and inspire the free world are shared by your country and by our country. [Applause.]

We are happy to have you here. We are happy to welcome you here. We are happy also to have here the Right Honorable Selwyn Lloyd, the British Secretary of State for Foreign Affairs. [Applause.]

We are also happy to have with us His Excellency Sir Roger Makins, the British Ambassador, already known to us. [Applause.]

We are also happy to have in this distinguished company the Honorable Winthrop Aldrich, the United States Ambassador at London. [Applause.]

The Members of the Senate who have not had the distinct pleasure of meeting personally Sir Anthony Eden will be introduced by the majority leader and by the minority leader, after which the committee will escort our distinguished guests from the Chamber. [Applause, Senators rising.]

The Prime Minister was escorted to a position on the floor of the Senate in front of the Vice President's desk, and was there greeted by Members of the Senate, who were introduced to him by Mr. JOHNSON of Texas and Mr. KNOWLAND.

Following the informal reception, the Prime Minister and the distinguished visitors accompanying him were escorted from the Chamber.

LEGISLATIVE SESSION

At 12 o'clock and 50 minutes p. m., the Senate reassembled, when called to order by the President pro tempore.

ADDRESS BY NATIONAL COMMANDER, AMERICAN LEGION

Mr. CAPEHART. Mr. President, I had the honor last night, together with the acting majority leader, the able Senator from Kentucky [Mr. CLEMENTS], to sit at the Speaker's table during the annual dinner given by the American Legion in honor of Members of Congress. I was so much impressed by the speech made on that occasion by the national commander of the American Legion, J. Addington Wagner, that I ask unanimous consent that it may be printed in the body of the RECORD as a part of my remarks. I recommend it to each and every Member of the Senate, as well as

of the House, because it is very impressive and well worth reading.

I wish to congratulate the national commander of the American Legion, Mr. Wagner, and the Legion upon its many activities, and upon the spirit in which they are entering into them today under his leadership.

Mr. CLEMENTS. Mr. President, I concur in every statement which has been made by the distinguished Senator from Indiana with reference to the meeting last night and the impressive presentation which was made by the commander of the American Legion. He did not indulge in platitudes; he did not endeavor to give advice to Congress. He discussed problems as other patriotic Americans who are interested in the cause of peace and the preservation of our country would discuss them, and as the American Legion itself has done in its efforts throughout the years.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY J. ADDINGTON WAGNER, NATIONAL COMMANDER, AMERICAN LEGION

May I extend to each of you on behalf of the American Legion our sincere gratitude for your presence here tonight.

Our purpose in asking you to be with us is simple indeed. We hope we have expressed in this way our appreciation and admiration for the invaluable service you perform, and we hope we have provided the opportunity for a brief and relaxing respite from the burden your work places upon you.

We are also happy to welcome this evening a considerable number of representatives of the press who cover the activities of the Congress. We welcome them, of course, because of their interest in us, but most of all we welcome them as friends, with whom we have a pleasant working relationship and whom we are always glad to see.

I cannot refrain from noting that we have among us this evening some 24 or 25 State commanders of the American Legion who have come here, some of them from a goodly distance, to avail themselves of the opportunity to visit with the congressional delegations from their States. Most of these State commanders are veterans of the Second World War and their presence emphasizes the increasing interest of all Legionnaires in the legislative program of our organization.

An examination of the legislative activities of the American Legion shows that we have always put first things first. We have endeavored at all times to attend to the most immediate need of the veterans we represent. For example, the first legislative effort of the new American Legion, after the close of World War I, was directed toward the establishment of adequate medical facilities for those men who returned from France, sick or wounded in body or mind, and found that there were practically no provisions made for their care and treatment after discharge.

Next we concentrated on the creation of needed compensation levels for those men who were disabled in service, and we asked for pension benefits for those who suffered loss of earning power through illness or injury after service. When World War II came, the American Legion turned its interest and energy toward provisions for the rehabilitation of the millions of young men and women who gave the best years of their lives in the service of their country in that long and costly conflict. The Congress responded magnificently by enacting the GI bill of rights.

We have now come again to legislation aimed principally at providing for those veterans who have passed over the brow of the hill, and are approaching the time of life when they will no longer be able to provide for themselves.

It is evident now that World War I marked the end of a traditional public attitude which associated war with adventure and courtly combat. The romanticism of war died forever in the trenches of northern France. The men who saw it die are the men in whose welfare we are so keenly interested now; and we know that you, the representatives of all the people, share that interest with us.

Yours is a tremendous responsibility. You and your colleagues are the living embodiment of all that we mean when we speak of government by the people. Many years ago Americans fought and died to establish that form of government. We, in our turn, have fought to keep it strong and secure. Now, in a time of great hope and great danger, it is your task given you by the people to express in all that you do, day after day, the vision and judgment and courage that will keep us free.

We earnestly pray that Almighty God will continue to bless and sustain your endeavors. We pray also that He will inspire us to help you in every constructive way.

NOMINATION OF WESLEY A. D'EWART TO BE ASSISTANT SECRETARY OF THE INTERIOR

Mr. SCOTT. Mr. President, recently a letter from the chairman of an Indian tribal council who supports the interim appointment of Wesley D'Ewart as Assistant Secretary of the Interior was inserted in the CONGRESSIONAL RECORD. In the belief that the Senate will be interested in the views of other Indian groups and friends of the Indians regarding the nomination, I asked the chairman of the Committee on Interior and Insular Affairs to which this nomination was referred, to furnish me copies of communications he received concerning the position of Indian organizations. I am advised by the chairman that he has received hundreds of letters from Indians and persons who closely follow Indian affairs, and that they unanimously oppose the appointment.

I ask unanimous consent to have printed at this point in the body of the RECORD resolutions and letters which the chairman of the Interior Committee has received from Indian tribal councils and church groups, all of whom oppose the appointment because of the nominee's record regarding Indian affairs. I trust that this information will clarify the opposition of Indian organizations regarding this appointment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BILLINGS, MONT., *October 13, 1955.*

Senator JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:

Requesting you to obtain legal measure for a formal Senate vote against confirmation of appointment Wesley D'Ewart, recently sworn in as Assistant Secretary of Interior. His record in Congress specifically proven he was unsympathetic toward Indian people in their effort to maintain their diminishing land base.

WILLIAM A. WALL,
Chairman, Crow Tribal Council.

NATIONAL CONGRESS OF AMERICAN INDIANS,
Nespelem, Wash., January 27, 1956.

Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:

In their meeting January 16, Colville Business Council, governing body of the Colville Confederated Tribe, State of Washington, went on record to oppose appointment of Wesley D'Ewart as Assistant Secretary of the Interior. Opposition based on Mr. D'Ewart's record as Member of Congress and House Committee on Interior and Insular Affairs, which showed him to be unsympathetic toward Indian people in their efforts to maintain their diminishing land base and other Indian problems. The Colville Confederated Tribe earnestly solicit your support to oppose and desist Senate confirmation of Wesley D'Ewart as Assistant Secretary of the Interior.

CHARLES DE POE,
Executive Secretary,
Colville Business Council.

LAGUNA, N. MEX., *January 9, 1956.*

Hon. JAMES E. MURRAY,
Chairman, Senate Committee
on Interior and Insular Affairs,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MURRAY: This is an urgent call from the Laguna Pueblo Indians of New Mexico to you for help. We are aware of the interim appointment of Hon. Wesley D'Ewart as Assistant Secretary of the Interior.

With recent record in Congress of Mr. D'Ewart as wholly anti-Indian and was the promoter of the so-called competency bill, H. R. 4985, and the termination legislation, we regret that we find no other course but to oppose the confirmation of his appointment.

Therefore, the Leguna Pueblo Council urgently request that you, as chairman of the Committee on Interior and Insular Affairs, to oppose the Senate confirmation of this appointment.

Sincerely yours,

JUAN PASIANO,
Governor, Pueblo of Laguna.

FAIRLESS HILLS, PA., *January 14, 1956.*

Hon. United States Senator JAMES DUFF,
United States Senate,
Washington, D. C.

DEAR SIR: As representative of the executive committee of the Woman's Society of Christian Service of the Fairless Hills Methodist Church, I wish to express to you the Committee's unanimous opposition to the appointment of Wesley A. D'Ewart as Assistant Secretary of the Interior in Charge of Indian Affairs, or to any position in the Federal Government involving the administration of Indian Affairs.

Mr. D'Ewart's record in Congress was thoroughly anti-Indian, and for this reason our group, which has been studying Indian Affairs for several months and has a feeling of deep responsibility for these people, feels that this man does not have the qualifications necessary to properly administrate the business involving these American Indians.

You will find that the Woman's Society of Christian Service has been studying this problem nationwide, and that the American people feel a sense of duty to the Indians, which is becoming more pronounced as we become better acquainted with the facts.

We, therefore, ask that you oppose confirmation of this appointment.

Very truly yours,

WOMAN'S SOCIETY OF CHRISTIAN SERVICE
EXECUTIVE COMMITTEE,
OLIVE S. KATIEA, *Secretary.*

WASHINGTON, D. C.

All Members of Senate Interior and Insular Affairs Committee

(Attention the Honorable JAMES A. MURRAY, United States Senate, Washington, D. C.)

The Affiliated Tribes of the Northwest and the National Congress of American Indians, the two largest all-Indian organizations in the United States, both of whom I am privileged to serve as president, in their respective conventions assembled last August passed resolutions opposing Wesley D'Ewart's appointment as Assistant Secretary of the Interior in Charge of Indian Affairs. D'Ewart has since received interim appointment to this position pending Senate confirmation. Because his record as Congressman from Montana reveals him sponsoring as well as supporting anti-Indian legislation, I sincerely urge you vote against Mr. D'Ewart's confirmation for the good of the American Indian.

JOSEPH R. GARRY,
President, National Congress of American Indians and Affiliated Tribes of Northwest.

POPLAR, MONT., *September 13, 1955.*

Senator JAMES E. MURRAY,
Senate Office Building:

Understand ex-Congressman D'Ewart is being considered for Assistant Secretary of the Interior. Please be advised that the Tribal Executive Board of the Fort Peck Tribes opposes this appointment.

AUSTIN BUCKLES,
Chairman.

ARLINGTON, CALIF., *January 4, 1956.*

Hon. JAMES E. MURRAY,
Chairman, Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D. C.

DEAR SENATOR MURRAY: It has been the consensus of opinion among Indians and non-Indians who are familiar with the activities of former Congressman Wesley D'Ewart that he is not the person qualified to hold the position of Under Secretary of the Interior, embodying supervision of American Indian affairs.

Inasmuch that Mr. D'Ewart in past years introduced bills into Congress which were detrimental and harmful to American Indian welfare, i. e., the competency bill, H. R. 4985, introduced into the 83d Congress, when Indians were ignored and not given opportunity to express themselves during the hearings on this bill; that such actions may be repeated by him if he is ever confirmed by the Senate to the Office of Under Secretary of the Interior.

It would be greatly appreciated if you would consider the objections to Mr. D'Ewart's appointment as Under Secretary of the Interior on the grounds of his several legislative acts which have brought harm and disaster to many American Indians.

Sincerely,

RAMONA K. BRADLEY
Mrs. J. M. Bradley,
Past State Chairman and Past National Vice Chairman, American Indians, Daughters of the American Revolution.

FAYETTEVILLE, ARK., *January 14, 1956.*

Hon. JAMES E. MURRAY,
Senate Office Building, Washington, D. C.:

The members of United Church Women of Arkansas in annual meeting in Little Rock have gone on record as opposing the confirmation of the appointment of Wesley A. D'Ewart as Assistant Secretary of the Interior because of his record regarding American Indian affairs.

Mrs. KYLE ENGLER,
President, United Church Women of Arkansas.

RESOLUTION 49–55

Whereas it has been announced that former Congressman Wesley A. D'Ewart, of Montana, has been appointed Assistant Secretary of the Interior for Public Land Management; and

Whereas Mr. D'Ewart was defeated in an election for United States Senator from the State of Montana which was sufficient proof that the majority of the people of Montana had no confidence in him to represent their State in the Senate of the United States; and

Whereas Mr. D'Ewart's appointment while Congress is in recess has all the earmarks of the administration paying off a political indebtedness; and no political indebtedness should be paid off to a defeated politician at the expense of the interests and the welfare of the American people as administered by the Interior Department; and

Whereas Assistant Secretary for Public Land Management is a key position in the Interior Department exercising, as it does, secretarial direction and supervision over the Bureau of Indian Affairs, the Bureau of Land Management, the National Park Service, the Fish and Wildlife Service, and the Office of Territories; and no person should be appointed to such a position unless, among other qualifications, he has a sympathetic understanding and the appreciation of the affairs and problems of the bureaus and services over which he is to exercise certain duties and responsibilities for the Secretary of the Interior; and

Whereas, Mr. D'Ewart's record and experience, when he was a Member of the House of Representatives, show that he lacks sympathetic understanding and appreciation of the Indian people and their problems; and for this reason alone he should not have been appointed to the office of the Assistant Secretary of the Interior: Therefore be it

Resolved by the San Carlos Council as the governing body of the San Carlos Apache Tribe of Arizona, That the Senate Committee on Interior and Insular Affairs is respectfully urged to recommend against the confirmation of Mr. D'Ewart's appointment as Assistant Secretary of the Interior for Public Land Management.

LOUISE KINNEY,
Acting Secretary, San Carlos Tribal Council.

JANUARY 9, 1956.

Senator CARL HAYDEN,
Senate Office Building, Washington, D. C.

DEAR SENATOR: The interim appointment of Wesley D'Ewart as Assistant Secretary of Interior is not in accord with the wishes of the Colorado River Tribes. Legislative record in Congress, especially on legislation concerning Indians, was unsatisfactory. The office to which Mr. D'Ewart has been appointed should be a person who is sympathetic to Indian problems and who can act for the best interest and welfare of the Indians.

The Colorado River Tribal Council, through a resolution passed at its regular meeting January 7, 1956, voiced its opposition to the confirmation of the appointment of Wesley D'Ewart as Assistant Secretary of the Interior.

Since we are also working with Senator GOLDWATER on matters affecting the tribe, we would appreciate it if you would hold this letter in your file. Thank you.

COLORADO RIVER TRIBES,
PETE HOMER, *Chairman.*

WEST END, N. C., *January 10, 1956.*

The Honorable JAMES E. MURRAY,
Chairman, Senate Committee on Interior and Insular Affairs, Washington, D. C.

DEAR MR. MURRAY: The Woman's Society for Christian Service of the West End Methodist Church (40 women), in regular session last night unanimously passed a resolution supporting the Indian people's opposition to the confirmation of the appointment of Wesley D'Ewart to any position in the Federal Government having to do with Indian affairs.

We will be most grateful to you for your support in this matter.

Cordially yours,

(Miss) ALBERTA MONROE,
Secretary.

PLUMMER JUNCTION, IDAHO,
January 9, 1956.

Hon. JAMES E. MURRAY,
United States Senate, Washington, D. C.:

Coeur Dalene Tribe is supporting you 100 percent in opposing Wesley D'Ewart's confirmation as Assistant Secretary of the Interior.

LAWRENCE NICODEMUS,
Chairman, Coeur Dalene Tribal Council.

CEDAR RAPIDS, IOWA, *January 6, 1956.*

The Honorable JAMES E. MURRAY,
Chairman, Senate Committee on Interior and Insular Affairs, Washington, D. C.

DEAR SIR: In behalf of the Indians of our country, I beg of you not to allow the appointment of Mr. Wesley A. D'Ewart, as Assistant Secretary of the Interior in charge of Indian Affairs.

His record in the past, has proven his dislike for the Indian people, whom he is supposed to represent.

His efforts in the past have shown his unsympathetic attitude toward the Indian people, and their efforts to maintain their diminishing lands.

Please do all in your power to see that this appointment is not passed. It will mean so much to those concerned.

Yours truly,

H. O. WALTERMYER,
Great Chief of Iowa, Continental Confederation of Adopted Indians.

THE UNITED CHRISTIAN MISSIONARY SOCIETY,
Indianapolis, Ind., January 5, 1956.

The Honorable WILLIAM E. JENNER,
Senate Office Building, Washington, D. C.

DEAR SENATOR JENNER: I am writing to protest the appointment of Wesley A. D'Ewart as interim Assistant Secretary of the Interior in Charge of Indian Affairs and to express my opposition to his confirmation by the Senate of his permanent appointment to this position.

Mr. D'Ewart is disqualified for any position in the Department of the Interior on the basis of his record while a Congressman from Montana. He is particularly disqualified in my judgment for any position that has to do with Indian affairs. The annual convention of the National Congress of American Indians, at its meeting in Spokane in September 1955, passed a resolution opposing this appointment. Any man who has so aroused the hostility and antagonism of the official representatives of the Indian tribes would seem to me to be disqualified for serving in a position where he had charge of Indian affairs.

I am writing to let you know my opposition to Mr. D'Ewart's appointment, and I would be interested in having your views and your position in regard to the possibility of his confirmation by the Senate.

Sincerely,

LEWIS H. DEER,
National Director, Social Education and Intercultural Relations, United Christian Missionary Society.

SUN PRAIRIE, WIS., *January 11, 1956.*

Hon. JAMES E. MURRAY,
Chairman of Interior and Insular Affairs, Senate Building, Washington, D. C.:

We vigorously oppose nomination of Wesley D'Ewart for interim appointment in

charge of Indian affairs. His previous record has been anti-Indian, unsympathetic, un-Christian. Please work against confirmation.

Mrs. THEODORE W. TUSCHEN,
Watertown District, Secretary of Christian Social Relations.

GALLUP, N. MEX., *January 6, 1956.*
JOSEPH R. GARRY,
National Congress of American Indians, Washington, D. C.:

We, the governing body of Zuni Tribe, respectfully and urgently ask you do all possible to oppose Senate confirmation of Hon. Wesley D'Ewart as Assistant Secretary of the Interior. Only such men who are well acquainted with Indian matters and who will render justice to Indian tribes according to the terms of all treaties made between the Government and these Indian tribes should be appointed to that position. We have contacted Senator CHAVEZ.

KASSA APPA,
Governor of Zuni.
NICHOLAS YUSELU,
Lieutenant Governor.
LANKESEION,
Second Teniente.
BOB WALELO,
Third Teniente.
SIDNEY QUAM,
Fourth Teniente.

POULSBO, WASH., *January 8, 1956.*
National Congress of American Indians, Washington, D. C.:

Suquamish Tribe of Indians respectfully and urgently ask you do all possible to oppose Senate confirmation of Hon. Wesley D'Ewart as Assistant Secretary of the Interior.

MARY C. HOWARD,
Chairman, Suquamish Indians.

WALTHILL, NEBR., *January 7, 1956.*
National Council of American Indians, Washington, D. C.:

The following telegram sent to our Senators and Representatives: "The Omaha Tribal Council went on record in opposing Senate confirmation of Hon. Wesley D'Ewart as Assistant Secretary of the Interior. We kindly ask you for your support in this matter."

Yours truly,
GUSTAVOS WHITE,
Chairman, Omaha Tribal Council.

PROSPECT PARK, PA., *January 9, 1956.*
Hon. JAMES E. MURRAY,
Senate Office Building, Washington, D. C.

DEAR SIR: This year we are studying about the Indians, we regretted what has been done to these our brothers in the past.

Now we have heard of the appointment of Mr. D'Ewart, anti-Indian, as Assistant Secretary of Interior in charge of Indian Affairs.

We ask you to do your part in voting down his confirmation in the Senate.

Sincerely yours,
Mrs. LAWRENCE F. MARYLU SMITH,
Philadelphia Conference Secretary of Christian Social Relations.

PALM SPRINGS, CALIF., *January 3, 1956.*
Senator JAMES E. MURRAY,
Senate Office Building, Washington, D. C.:

Respectfully and urgently ask you do all possible to oppose Senate confirmation of Wesley D'Ewart, Assistant Secretary of Interior, Mr. D'Ewart's past record strongly indicates he would neither act in sympathy nor in justice for our best interests. Please advise your intentions in this matter.

EILEEN MIGUEL,
Secretary, Tribal Council, Aqua Caliente Band Middion Indians.

RESOLUTION No. 289

AGUA CALIENTE BAND OF MISSION INDIANS,
Palm Springs, Calif.

"Whereas Wesley A. D'Ewart, former Congressman from Montana, is acting as Assistant Secretary of the Interior, subject to Senate confirmation; and

"Whereas the tribal council of the Agua Caliente Band of Mission Indians is of the opinion that the record of Mr. D'Ewart as a member of the House Committee on Interior and Insular Affairs was one which showed him to be unsympathetic toward the Indian people in their efforts to maintain their diminishing land base: Now, therefore, be it

"*Resolved*, That the United States Senate, the Republican National Committee, and other prominent political figures be advised of such facts, and that they be urged to oppose the confirmation of Mr. D'Ewart as Assistant Secretary of the Interior or any other position involving administration of Indian affairs."

VYOLA OLINGER,
Chairman.

I, the undersigned, the Secretary of the Agua Caliente Band of Mission Indians hereby certify that the tribal committee is composed of 5 members, of whom 4, constituting a quorum, were present at a meeting thereof duly and regularly called, noticed, convened, and held this third day of January 1956; that the foregoing resolution was duly adopted at such meeting by the affirmative vote of 4 members; and that said resolution has not been rescinded or amended in any way.

EILEEN MIGUEL,
Secretary.

CYNTHIANA, KY., *January 3, 1956.*
Hon. EARLE CLEMENTS,
New Senate Office Building, Washington, D. C.

DEAR SIR: The Christian Women's Fellowship of the Cynthiana Christian Church has been studying the Indian Americans and Indian Affairs and have become acquainted with many of their problems. This has been done by the use of films and lectures.

We would like to go on record that we oppose the confirmation, and urge you to so do, of the appointment of Wesley A. D'Ewart as Assistant to the Secretary of the Interior in charge of Indian Affairs or serving in any capacity involving Indians because of his unsympathetic attitude toward Indian affairs.

Very truly yours,
Mrs. CLARENCE P. LAIR,
Circle No. 8, S. Church Street, Cynthiana, Ky.

"Whereas Mr. Wesley A. D'Ewart has been appointed to the important position of Assistant Secretary of the Interior in Charge of Indian Affairs; and

"Whereas the Indian people, and particularly the Pueblo of Santo Domingo, are strongly opposed to the said appointment, because of the appointee's record of anti-Indian legislation while in the House of Representatives of the United States and because of his anti-Indian attitude on measures of vital importance to the Indian people; and

"Whereas the Santo Domingo Pueblo Council, at considerable expense sent a delegation to Washington in February of 1954 to make known their protests at the legislation Mr. D'Ewart was attempting to have enacted by the Congress, said legislation being against the interests of the Indian people; and

"Whereas by his actions Mr. D'Ewart has forfeited the trust and confidence of the Indian people who consider him unfit to hold the office to which he has been appointed or any office in which he would have responsibility for the administration of Indian affairs; and

"Whereas the said appointment is subject to confirmation by the United States Senate: Now, therefore, be it

"*Resolved*, That the Pueblo Council of Santo Domingo hereby expresses its opposition to the appointment in strongest terms and urges the Senate of the United States not to confirm the appointment, but to speedily reject it and refuse to confirm it; and be it further

"*Resolved*, That copies of this resolution be sent to the Chairman of the Committee on Interior and Insular Affairs of the United States Senate and to Senators CLINTON P. ANDERSON and DENNIS CHAVEZ, with the request that they make known to members of the Committee on Interior and Insular Affairs and to Members of the United States Senate the sentiment of the Indian people regarding the appointment of Mr. D'Ewart."

The above resolution was adopted by the Council of Santo Domingo Pueblo on the 6th day of January 1956.

SANTIAGO PENA, *Governor.*
Lt. Gov. MATEO ARAGON.

HAVERTOWN, PA., *January 18, 1956.*
Senator EDWARD MARTIN,
Senate Office Building, Washington, D. C.

DEAR SIR: After studying the record of Wesley D'Ewart in material from the National Congress of American Indians, the Womens Society of Christian Service of Union Methodist Church, Brookline, Havertown, Pa., wishes to go on record as objecting to his appointment to the office of Assistant Secretary of Interior.

Cordially yours,
ALICE G. KISNER,
Secretary of Missionary Education.

Senator MURRAY: Enclosed find a copy of night letter sent to Washington concerning confirmation of D'Ewart's appointment.

Mrs. CHARLES RITTER,
Chairman, Indian Study Class.

SAC CITY, IOWA, *January 6, 1956.*
Senator TOM MARTIN,
Senate Office Building, Washington, D. C.:

Having studied the American Indian, his problems, we unanimously support the NCAI's opposition to appointment of Wesley D'Ewart as Assistant Secretary of Interior in charge of Indian Affairs. We understand his congressional record proves him anti-Indian. Such a person would be unfair to Indians and their problems.

IDA WILSON,
President, W. S. C. S. Executive Board, First Methodist Church, Sac City, Iowa.

MELVA KITTER,
Chairman, Indian Study Class.

BROOKLINE, MASS., *January 3, 1956.*
Hon. JAMES E. MURRAY,
Chairman of Senate Committee on Interior and Insular Affairs.

DEAR SENATOR MURRAY: The following message has been sent to our Senators SALTONSTALL and KENNEDY, by telegram:

"The Massachusetts Indian Association protests the confirmation of the appointment of Wesley D'Ewart as Assistant Secretary of the Interior in Charge of Indian Affairs, supporting the Indian people's opposition, because of Mr. D'Ewart's congressional record."

Very sincerely,
KATHERINE H. NEWELL,
President of the Massachusetts Indian Association.

WAXAHACHIE, TEX., *January 5, 1956.*

Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:

Our society, in business session, voted unanimously to support the Indian people's opposition to the confirmation of the appointment of Wesley A. D'Ewart as Assistant Secretary of the Interior in Charge of Indian Affairs. Letter follows.

THE WOMAN'S SOCIETY OF CHRISTIAN SERVICE, FIRST METHODIST CHURCH,
WAXAHACHIE, TEX.

TRENTON, N. J., *January 5, 1956.*

Hon. JAMES E. MURRAY,
Chairman of Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D. C.:

We wish to make known our opposition to the appointment of Wesley D'Ewart as Assistant Secretary of the Interior in Charge of Indian Affairs.

WILLARD MCCUNE.

(Fifty-five members of Women's Auxiliary, St. Paul's Episcopal Church, Levittown, Pa.)

TESUQUE PUEBLO, *Santa Fe, N. Mex.*

The Honorable JAMES E. MURRAY,
Chairman, Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D. C.

DEAR SENATOR MURRAY: The Indian people of New Mexico are strongly opposed to confirmation of the appointment of Wesley A. D'Ewart as Assistant Secretary of the Interior in charge of Indian Affairs. We do not know anyone whose record in Congress has shown him to be more anti-Indian, and to place him in such a position, where he would work actively against the best interests of the Indian people, would be a shocking disregard of their welfare.

During the 83d Congress, as a result of D'Ewart's legislative activity, we sent delegates to Washington to appear before the subcommittees of the Senate and the House in an effort to show the opposition of the Indian people to the legislation he was pushing.

We cannot urge you too strongly to turn to naught the administration's efforts to place in this important position a man whom the Indians believe to be actively opposed to them, and we would oppose just as strongly his appointment to any position in the Federal Government where he would have a part in the administration of Indian affairs.

We hope very much that the Committee on Interior and Insular Affairs will act promptly and unanimously in rejecting D'Ewart and preventing his serving as Assistant Secretary of the Interior in charge of Indian Affairs.

Respectfully,

MARTIN VIGIL,
All Pueblo Council.

CLAYMONT, DEL., *January 4, 1956.*

The Honorable JAMES E. MURRAY,
Chairman, Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D. C.

HONORABLE SIR: In support of the National Congress of the American Indians, we want to register our objection to the appointment of Wesley A. D'Ewart as Assistant Secretary of the Interior in charge of Indian Affairs.

We believe that the Federal Government has a responsibility to the Indian Americans, in assuring them that the customary governmental services will be fully available to them without segregation or discrimination.

That the Indian Service has a large quota of intelligent, dedicated personnel, we have no doubt. But we are convinced that Mr. D'Ewart, with his record showing him to be unsympathetic toward the Indian people and their problems, is not qualified to fill this post.

Respectfully,

Mrs. A. M. POTTS,
Secretary, Woman's Society of Christian Service, Atonement Methodist Church.

SIOUX CITY, IOWA, *January 11, 1956.*

Senator JAMES E. MURRAY,
Chairman, Senate Insular and Indian Affairs Committee, Senate Office Building, Washington, D. C.

We oppose the appointment of Wesley D'Ewart as Assistant Secretary of the Interior because of his past record opposing Indian views. We approve S. 51 amendment to Public Law 280.

WINNEBAGO TRIBAL COUNCIL,
FRANK BEAVER, *Chairman.*

NATIONAL CONGRESS OF AMERICAN INDIANS,
Plummer, Idaho, January 12, 1956.

Hon. HENRY DWORSHAK,
United States Senate,
Washington, D. C.

DEAR SENATOR DWORSHAK: Thank you for your letter of January 6, acknowledging my telegram of the same date and requesting further information on specific instances for which I charge Mr. D'Ewart with sponsoring and supporting anti-Indian legislation. The following are evidences of his sponsoring anti-Indian legislation:

Mr. Wesley D'Ewart, then Congresman from Montana, was the author of bill H. R. 4985, "To provide a decree of competency for United States Indians in certain cases," copy of which is enclosed. This bill is recognized by Indian leaders as one of the most vicious and destroying in the history of Indian legislation, the bad features of which are clearly indicated in the enclosed correspondence of some of such Indian leaders.

In the first place, this bill was drafted and introduced without even consulting with the Indian tribes, let alone getting their consent.

While not one provision of this bill would be of any benefit to the Indian, the most treacherous section is on page 12, line 1 through 7. If this bill had became law with this provision, in less than 5 years the Secretary of the Interior would have sold our reservation lands right out from under us through the forced-sale language of this section of the bill.

The records of our various conventions, including the emergency conference, held February 25 to 28, 1954, reveals vigorous opposition to the "competency bill," as proven by the resolutions from which emerged my own personal statement against this legislation, a copy of which is also enclosed. Despite the all out Indian protest and the fact that this bill already had been turned back twice, Mr. D'Ewart with stubborn determination goes right ahead with it and on June 2, 1954, the bill was reported favorably by the subcommittee of the full House Committee on Interior and Insular Affairs with the amendment to exclude from this bill the States of Oklahoma, New Mexico, and Arizona. This amendment was in itself a trick to silence what had been the strongest opposition and thus get only a partial opposition from tribes of the remaining States. This bill, however, was turned back on June 15, 1954, and never heard of since.

As for Mr. D'Ewart supporting anti-Indian legislation, the following is submitted: There is enclosed with these exhibits excerpt from Union Calendar No. 925, 83d Congress, 2d session, Report No. 2680. On page 12, second paragraph to the end of the page of this excerpt individuals and organizations are accused of doing disservice to the Indians by disseminating untruth and misinformation to the people whose interests they claim to represent in opposing termination program under House Concurrent Resolution 108. While no specific individuals or organizations are mentioned, any individual or organization that has gone on record to support or otherwise help Indian tribes against termination legislation such as House Concurrent Resolution 108 certainly are representing the true wishes of the majority of the Indian people in my estimation.

Take the example from the National Congress of American Indians, no official action is taken on any legislation unless such action is authorized by a resolution in a convention. Likewise the organization takes no stand on any issue concerning any one tribe unless that tribe officially delegates the NCAI to do so.

To explain the membership and conventions of the National Congress of American Indians, no tribe is a recognized member of the National Congress of American Indians unless it has first the official action of approval by its governing body (tribal council) through a formal resolution, which is kept on file in the NCAI office, and the amount of its required dues paid to date to the organization. In turn, all delegates from Indian tribes in attendance at conventions are likewise selected and authorized by their respective governing bodies to officially represent that tribe. So that any time there is a resolution passed at a National Congress of American Indians convention, opposing or endorsing legislation, such action represents the true opinion of the majority of the members of the tribe the NCAI represents.

The truth is now that since the Affiliated Tribes of the Northwest and the National Congress of American Indians both passed resolutions at their respective conventions to repeal House Concurrent Resolution 108 because of its anti-Indian features, anyone testifying against the program under House Concurrent Resolution 108 would be helping the Indian people rather than doing them disservice.

Since 1949, at any official gathering I have ever attended, whether it be local, regional, or national, the majority of the Indian people have always expressed determined opposition to any program of the Government which attempts to liquidate tribal assets and repudiate terms of treaties and agreements such as those emanating from House Concurrent Resolution 108, and that contained in Mr. D'Ewart's bill H. R. 4985. Even at those meetings that are sponsored by the Government where Indian leaders were put under pressure, not only by the Government officials but by county and State as well, the Indians still gave the same answer.

The common objection against the program of House Concurrent Resolution 108, which Mr. D'Ewart with other members of the committee was promoting, is that it is destructive rather than constructive. The main objective in its provisions is to tear the American Indian away from his last remaining land and to push him into the slum areas of the cities to become victim of disease, poverty, and contempt. It is said that in 30 years the population in our country west of the Mississippi River will have increased 30 times and that we will all be crowded for living space, and if there is anyone entitled to a living space on this continent it is the American Indian. So then, until the Secretary of the Interior's office stops sponsoring legislation that would separate the Indian from his land and the Government goes back to the reservations and resumes its constructive program of resource development, like the point 4 program afforded foreign countries, and give more deliberate attention to the health and educational needs of its Indian people, the Secretary of the Interior need not look for any cooperation from the Indians through any of its leaders or organizations.

All this evidence would reveal that the committee's report as undersigned by Wesley D'Ewart in Union Calendar 925, 83d Congress, 2d session, Report No. 2680, was not only false, but injurious to the general welfare of the American Indian in that such report publicly condemns the activities of individual Indian leaders and Indian organizations as well as non-Indian groups who have won the confidence of the Indian people through years of constant study and honest effort to protect the property and the rights of the American Indian.

From his record in the subcommittee just revealed, one could see how Mr. Wesley D'Ewart is going to deal with the affairs of the American Indian if his appointment is confirmed. Tribal leaders and Indian organizations take no pride in taking opposite views with any members of our Government's personnel and would much prefer to work in constant harmony with them, but if such policy in Indian affairs as were employed by Mr. D'Ewart during his term in the Subcommittee on Interior and Insular Affairs were to continue, the battle between tribes and the Department would go on at the cost of much time and money not only to our Government but to the Indian people as well.

As you can now see that our charges are not arbitrary and that you have repeatedly stated in the past—including the one in your talk to the Indian conference in Boise, Idaho, last October 6—that you always stand ready to do right by the American Indian—that you not only vote against the confirmation of Wesley D'Ewart but that you also appeal to your colleagues in the committee to likewise vote against this confirmation.

After you have had the use of the material enclosed, kindly return them to me at the above address.

Thanking you for anything that you may be able to do for the American Indian in this case, I remain

Sincerely yours,

JOSEPH R. GARRY,
President, National Congress of American Indians.

LITTLE ROCK, ARK., *January 15, 1956.*

Mr. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
Senate Office Building,
Washington, D. C.

MY DEAR MR. MURRAY: At a meeting of Little Rock Chapter, D. A. R., on Saturday, January 14, 1956, the following resolution was passed unanimously:

Be it resolved, That the Little Rock Chapter, D. A. R., petition that the appointment of Mr. D'Ewart (Wesley A.) to the position of Assistant Secretary of the Interior in charge of Indian Affairs, be disapproved by the United States Congress.

Very respectfully yours,

VIRGINIA BETCHER BROCK,
(Mrs. Ed. C. Brock),
Chapter Regent.

By F. A. COX, *Secretary.*

MARSHALL, OKLA., *January 18, 1956.*

Hon. JAMES E. MURRAY,
Senator from Montana,
Washington, D. C.

DEAR SIR: As you probably know, the churches belonging to the national council, which includes most of the major Protestant denominations in the United States, have a study this year on the American Indian. Through this study and through the active interest in Indians affairs which exists in Oklahoma, our local society, like countless other local church groups throughout the country, has become deeply concerned over the present termination policy of the Government.

We believe a conspicuously bad choice was made last fall when Wesley D'Ewart was appointed as Assistant Secretary of the Interior in charge of Indian Affairs. His record has been uniformly and consistently anti-Indian, and we know that the National Congress of American Indians is up in arms about it. Surely the Indians are entitled to an official they trust. Because we know that you are the chairman of the Senate Committee on Interior and Insular Affairs, we voted unanimously in our meeting today to write and request your help in defeating the confirmation of his appointment.

Perhaps we are too late. The appointment may have already been confirmed. It did not occur to us until we were talking it over today that it might be defeated or we would have written sooner. It seems to us that if this appointment could be blocked it would not only protect the Indians from an official hostile to their interests, but it might cause the administration to review its whole Indian policy in the light of an aroused public opinion.

Thanking you for your consideration, we are

Respectfully yours,

RUTH CROMER,
(Mrs. Louis Cromer),
Corresponding Secretary, The Woman's Society of Christian Service, First Methodist Church, Marshall, Okla.

FRANKFORT, KY., *January 11, 1956.*

Hon. JAMES E. MURRAY,
Chairman, Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D. C.

DEAR SENATOR MURRAY: It is our understanding that former Congressman Wesley A. D'Ewart has been given an interim appointment as Assistant Secretary of the Interior in charge of Indian Affairs.

It is our understanding also that Mr. D'Ewart's record in Congress was thoroughly anti-Indian.

If you find the statements as given above to be true, we would like to register our opposition to the confirmation of Mr. D'Ewart's appointment. We feel that this position should be filled by someone who understands and is sympathetic to the problems of the American Indians in our changing world.

Respectfully yours,

Mrs. Roy Rice, President, the Women's Fellowship, Bridgeport Christian Church; Alice Shain, Mrs. L. L. Layman, Roy L. Rice, Mrs. Sam Rice, Mrs. Pauline Rice, Stanley Rice, Henry V. Lewis, K. E. Carter, Mrs. Jesse Slucher, Jesse Slucher, Mrs. Georgia W. Riner, Mrs. Kathryn Devore, Mrs. Dorothy Carter, Mrs. Darrel Norwood, D. J. Norwood, Edith Pulliam, Mary Jo Thacker, Eleanor S. Lafferty, Mrs. Roscoe Harrod, Marjorie Shryock, Nell Moore, R. C. Harrod, Mrs. Rachel Lewis, Robt. A. Lewis, Mrs. E. H. Watts, Mrs. William A. Hayden, Members.

ASSISTANCE BY ARMY ENGINEERS TO FLOOD-PARALYZED NORTHEAST

Mr. BUSH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated January 27, 1956, from the board of selectmen of the town of Winchester and city of Winsted, Conn. As many Senators will remember, Winsted was one of the worst-ravaged towns in the floods of August 1955. The letter is addressed to Lt. Gen. Samuel Sturgis, Chief of the Corps of Army Engineers, and is in commendation of a member of the corps, Col. Anthony Fleming, who spent a great deal of time in Winsted.

I ask unanimous consent that following that insertion a newspaper article entitled "Army Engineers Pump New Life Into Flood-Paralyzed Northeast," be printed in the RECORD.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

WINSTED, CONN., *January 27, 1956.*

Lt. Gen. SAMUEL STURGIS,
Chief, Corps of Army Engineers,
Washington, D. C.

DEAR SIR: The tragedy which befell the town of Winchester on August 19, 1955, will be remembered for many years by the people of Winsted.

A limited number of people will remember those sent here to aid in our recovery, namely the Corps of Engineers, United States Army. One officer in particular made a tremendous impression upon the town officials. His spirit and optimistic outlook rubbed off on many of us, and it can be said that this may very well have been the turning point from utter hopelessness to a fight to rebuild and rehabilitate. The officer we are referring to is Col. Anthony Fleming from the Omaha District of the Corps of Engineers. Colonel Fleming arrived in Winsted some few days after the great flood and immediately took charge of the situation.

His ability to cope with the many problems facing him and the town officials was outstanding. To better illustrate what we mean by this statement, we will cite one instance. The tremendous pressure placed on the shoulders of the town fathers in the first few weeks of reconstruction tended to rub nerves and shorten tempers. Colonel Fleming was very much aware of this condition and with his cheerful outlook and approach to the many problems, he brought the people responsible for the town's future to a position of mutual understanding of the needs of the community and a better understanding of their own duties to the town.

We in Winsted will never forget Colonel Fleming.

Under no circumstances should this letter be misconstrued as critical reference to the other representatives of the corps who succeeded Colonel Fleming. It is true there are great men, and there are lesser men. To quote from English literature, the White Cliffs of Dover: "The first is always called Percy." The first man we saw was Colonel Fleming, so the first man will be Colonel Fleming in the reconstruction history of this community. The Corps of Engineers should be proud of this ambassador.

Very sincerely yours,

G. FRANCIS HICKS,
ARTHUR W. HAYES,
EMILE H. RYAN,
JOSEPH W. ROSGEN,
Board of Selectmen.

ARMY ENGINEERS PUMP NEW LIFE INTO FLOOD-PARALYZED NORTHEAST

(By Allan Keller)

WATERBURY, CONN., August 30.—Americans can be proud of the Army's Corps of Engineers. They've given the flood-ravaged Northeast new heart and new courage.

In this industrial city, where the Naugatuck River tore out the entrails of Connecticut's 5th largest community, you can see what it means to have the men with the golden castle on their collars on the job.

The swinging booms of giant cranes, the blasting sound of dynamite and the hissing of acetylene torches is a symphony that makes sweet music because the conductor knows what each instrument must do.

BEGINS IN OMAHA

But the story doesn't begin here in the steep pitched valleys of the East. It begins in Omaha where late last Tuesday night, Col. Thomas Hayes, district engineer in

Omaha, heard the telephone jangle. The voice on the other end told the story of death and destruction in the hills of western Connecticut. Col. Anthony Fleming, assistant district engineer, was told to start moving.

"We got an inkling of how bad the damage was," said Col. Fleming. "I alerted my crew, got money from the paymaster, and called home to tell my wife, 'It looks as if the show is on.'"

Two hours later, 40 Army and civilian engineers were in a plane streaking toward Boston.

"One of our men still had his shirttail sticking out," said the colonel, "but we were on the way."

POLICE ESCORT

Out of Boston they sped in a motorcade with police sirens breaking a way for them. At midnight the colonel was closeted with the mayor of Winsted. At 2 he conferred with the mayor of Torrington and at dawn he was here in Waterbury, calling private contractors in for a huddle.

By nightfall he had let a half million dollars worth of contracts. Bulldozers, brought overland on lowboy trailers that had rocketed through the night from New York City, New Haven, and Bridgeport, plunged into the channel of the Naugatuck, and the battle was on.

Today the river bed is still a nightmare. It is cluttered with the debris of a 10th of Connecticut's lowlands. But everyone knows what to do, thanks to the Corps of Engineers.

BRIDGES INTACT

Three bridges remain intact. They cross the river at Main Street, Freight Street and Bank Street. Four others have disappeared. The huge iron trestle that carried the New Haven Railroad tracks is smashed against the Bank Street span. Its sixteen 70-ton spans look like an erector set kicked into a corner by an angry child.

By Thursday noon the engineers want those huge unwieldly trusses out of the river. Another heavy runoff would pile debris against the spans and form a dam that would cause tenfold more damage than Diane's floodwaters.

The railroad is sending a crane in from the South to lift the bridge sections out of the river bed.

THURSDAY DEADLINE

Before the giant hook can go to work, however, track must be laid on new fill right to the edge of the river. Today is Tuesday. The job must be done by Thursday.

Men work 10-hour shifts, go home for a little shuteye and come back for overtime. Bulldozers roar and grind. Clamshell buckets on huge cranes dig and spew 1-ton mouthfuls.

It would be easier if the bridge could be cut to shreds with torches but the New Haven was warned by the steel mills that it would take a year to fabricate steel for a replacement. And New England can't wait a year to get its industrial heart to pumping full tilt again.

Downriver the Eagle Street bridge, swept 300 feet from its abutments, is being cut into scrap. Upriver the Main Street bridge is being cleared of debris. It sounds easy. But it isn't. This is debris from Torrington and from Thomaston. It is lumber by the thousands of board feet, gas tanks by the score, battered cars, roofs and siding and porches of houses that jammed against the concrete arches of the bridge until the floodwaters found it easier to hurdle the mass and sweep across the bridge.

Colonel Fleming estimates the debris at this one log jam may weigh 2,000 tons. You can't pick it up with a dustpan and broom.

From the center of the bridge a crane with a clamshell bucket has been gnawing away at the pile since Saturday afternoon. Operators tire and go home but others take their place and the bucket goes on reaching and digging and disgorging into trucks. Across the river is a huge crane with a dragline bucket. Its operator handles the half-ton scoop as an angler would a light trout rod. He pulls the bucket in with a backhand swing of the 100-foot boom. Then he casts it half across the still swollen stream where it falls into the tangled mass of debris. On the retrieve it pulls the rubbish close enough for the clamshell bucket to get at it.

All of the work is being done by private contractors. The men on the great earth-moving machines are men who live in Connecticut or New York or Massachusetts. But here and there, where the dust is rising most thickly, or the sound of hardened steel blades rasping against rock and steel is noisiest, you can see a man in an Army uniform, a golden castle at his collar.

They've fought the Missouri and the Mississippi, these engineers. They've cleaned up the harbors of Cherbourg and Le Havre after the Normandy invasion and they've bridged the Rhine where Hitler's demolition experts said it couldn't be bridged in months.

Today their task is peaceful. They're putting the Naugatuck back into its own channel. They're constructing emergency sewers and water plants. They're shoring up schools so kids can go back to their classrooms the day after Labor Day.

Here, where people know what terror can be and what damage can mean with ruined businesses and empty pay envelopes, they look at the engineers and feel proud—proud that America has men trained like these men with the golden castles on their collars.

PROPAGANDA BY SOUTHERN CALIFORNIA WATER LOBBY ON COLORADO RIVER STORAGE PROJECT

Mr. WATKINS. Mr. President, it pleases me to report that the latest effort of the southern California water lobby to mislead and confuse the public on the engineering aspects of the Colorado River storage project has been rebuffed by the critical analysis given to this propaganda effort by at least some segments of the American press.

At the beginning of this week, the well-heeled Los Angeles lobby mailed out to newspapers all over the country boxes containing soft rock fragments, ostensibly taken from the Colorado River gorge in the vicinity of the proposed Glen Canyon Dam. In fact, I am willing to concede that the materials probably were collected from some place on the proposed reservoir area, because it extends for roughly 200 miles up the river and contains a great variety of rock, minerals, and just plain mud.

I also am willing to concede that this propaganda effort must have cost the Los Angeles lobby thousands of dollars for the collection of samples by helicopter, preparation of boxes and printed propaganda, mailing to the Nation's press, and preparation of motion pictures, photos, and news releases to build up this last-gasp assault on an engineering study made over the past quarter century by the world's foremost reclamation engineers.

The lobbyists, busily engaged in Los Angeles and Washington offices, must have figured that this impressive buildup would be swallowed whole by the newspapers of the country. Otherwise, they would not have invested so much time and effort in a single propaganda scheme.

Howbeit, the news item I have in my hand indicates the reception the Los Angeles mud samples received in one of the newspaper offices of the country. I ask unanimous consent to have printed at this point in my remarks an article from the Providence (R. I.) Evening Bulletin of January 31.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUD IN THE PUBLIC EYE—SOLUBLE ROCK OOZES INTO ANTI-DAM DRIVE

(By Ben H. Bagdikian)

Mud slinging from Congress is nothing new but yesterday was probably the first time a Congressman asked editors to mix their own mud.

Into the offices of American managing editors yesterday came white boxes (postage paid, 9 cents), bearing small fragments of rock.

The boxes came from Representative HOSMER, Republican, from California, who is fighting a multimillion dollar public power project on the upper Colorado River.

The rock was wrapped in a sheet of instructions stating:

"Memo to managing editors: Put this Chinle rock in a clean ash tray and pour water on it. This rock came from the walls of Glen Canyon, where the Bureau of Reclamation wants to build Glen Canyon Dam and reservoir, the key unit of the proposed gigantic upper Colorado River project. You can see what happens. It disintegrates."

All over the country, daring scientific managing editors rushed out of their offices and ordered reporters to place the rock in clean ash trays and pour water.

In the offices of the Journal-Bulletin the rock was placed in a water glass and fluid added. The rock did disintegrate, beginning within 5 seconds of immersion. It was completely granulated in less than 5 minutes.

"This," said Representative HOSMER, "would cause disaster to the Government project. The soft rock, known as Chinle shale, forms immense cliffs in numerous areas that would be covered by water impounded by the proposed 700-foot high Glen Canyon Dam * * * it would undermine and cause collapse of all overlying cliff-forming rocks * * * and partially or completely fill the proposed reservoir."

At the same time that Mr. HOSMER was demonstrating the experiment to a press conference in Washington, opponents of public power announced that it would probably end the project.

However, in Washington a pro-public power Congresman, Representative DAWSON, Republican, of Utah, said the rock-gathering, by helicopter, and rock mailing was financed by opponents of public power. He said that 10 years of planning had gone into the project and the rock formations had been considered and passed on.

Representative HOSMER said part of his trip was paid for by the opponents of the dam and he said it is true that the soluble rock is some 75 miles upstream from the dam but that this could still loosen rocks above that would fall into the reservoir.

A local experiment was carried out with the rock, showing quick reduction to mud.

A local geologist, Dr. Alonzo Quinn, of Brown University, said it is impossible to come to any conclusion on the basis of rocks mailed out even by a Congressman. He said it would be necessary to know if the rocks mailed to managing editors actually came from cliffs that would be under the reservoir. A gentle slope would make no trouble, he said.

Chinle shale, he said, occurs in the upper Colorado region in several forms, some as sandstone and some as limestone conglomerates. It is about 200 million years old.

"One question that comes to mind," Professor Quinn said, "is that if the rocks disintegrate completely in water in a couple of minutes, how is it that these big cliffs stand up under rain and other conditions?"

But HOSMER's cocktail (water on the rocks) had started a fight and the rock slinging and mud slinging is on, depending on which side of the dam you're on.

Mr. WATKINS. Mr. President, I commend the editors of the Evening Bulletin for taking the time required to consult a local geologist on this southern California effort to plant propaganda in the Nation's press, and for their refusal to be taken in by adroit propaganda.

I also wish to point out that their reporter, Mr. Bagdikian, was wrong in one of his assumptions. The Colorado River storage project is not a public power project. It is a water development project for a semidesert area larger than New England, which has no other major source of water accessible to it.

Power will be produced as a byproduct of the dams required to store the springtime floods of a highly fluctuating river. This power will be sold to both private utilities and to municipal power companies and REA's in the upper basin area who will also use water from the project. There is no public versus private power controversy in this project, because all electrical distributors in the area recognize the overwhelming need for water, much of which receives only one-fourth the annual moisture that falls in the humid East, 10 inches or less of rainfall per year.

Relative to the engineering criticism distributed, at great expense, by our neighbors in southern California, I request unanimous consent to have printed in the RECORD at this point in my remarks the news release on Glen Canyon engineering issued by the Bureau of Reclamation in answer to the criticism heaped upon Bureau engineers by Los Angeles opponents to non-California use of the Colorado River—a stream, incidentally, to which California watersheds contribute not a drop of water.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

RECLAMATION GEOLOGISTS SEE NO DANGER TO GLEN CANYON RESERVOIR FROM SHALE

No danger to the potential Glen Canyon Dam and Reservoir from possible mud slides is foreseen by Bureau of Reclamation geologists, Acting Commissioner of Reclamation E. G. Nielsen said today in response to critics who claim "catastrophic" slides of rock and mud would destroy this key feature of the Colorado River storage project.

If authorized by the Congress, Glen Canyon Dam would be built in Arizona, 15 miles upstream from Lee Ferry on the Colorado River. The 700-foot-high dam would back up water 186 miles on the Colorado in Utah and about 25 miles on the San Juan tributary. The Chinle shale would be touched by the reservoir waters in three separate stretches. All three stretches are 40 miles or more above the dam, and aggregating about 15 miles of the reservoir's length.

"The Bureau's geologists have been completely aware of the existence and nature of the Chinle shale formation for decades, and find no cause for concern over its presence in the reservoir area," Acting Commissioner Nielsen said.

The dam itself is not affected by the shale, which is covered by 700 feet of sandstone at the dam site. In this area, the Chinle shale supports vertical sandstone cliffs towering 2,000 feet. The foundation rocks are more than adequate to support the weight of the dam.

In the reservoir area, the points of contact between the proposed reservoir and the Chinle formation are where the slopes are predominantly flat, Mr. Nielsen said. Even though this formation does develop land slides under certain conditions, the possibility of a slide large enough to block the channel or have appreciable effect on the reservoir's utility is practically nil.

"The river has eroded the canyon from these formations and while so doing was in contact with the Chinle shales for thousands of years," he said. "If large-scale sliding were likely, it would have occurred during that time but there is no evidence it did."

For the most part, Bureau geologists say, the shales supporting overburden have been saturated with ground water for centuries and the reservoir is not expected to change these conditions.

"There is now at least one dam and reservoir built entirely in the Chinle formation similar to that along the San Juan and Colorado Rivers," explained the Acting Commissioner. "This one, the Many Farms Dam and Reservoir on the Chinle Wash, a tributary of the San Juan in northeastern Arizona, was built by the Bureau of Indian Affairs and has functioned successfully 10 or 15 years with no sliding or disintegration of the Chinle shales."

The Colorado River has through the ages cut the sandstones and shales of the area. It is presently flowing over the Chinle shales and keeping them saturated at Lee Ferry. The feared instability of the shale and its overburden is not evident here, just 15 miles below the dam site.

Mr. WATKINS. Mr. President, this statement adequately answers the vaporous claims of the Los Angeles opponents to upstream development on the Colorado River. It deserves serious attention, because it represents the thinking of our very competent Government engineers, who were honored recently by selection of 2 Bureau of Reclamation projects—Hoover and Grand Coulee Dams—for the list of 7 modern civil engineering wonders of the United States, compiled by a special committee of the American Society of Civil Engineers.

Mr. President, I anticipated that the opponents of the Colorado River project would communicate with the Secretary of the Interior and urge him to withdraw his support of the project for the present, so I requested the Secretary's office to furnish me with copies of any response made to such communications.

Today I received a copy of a letter delivered to Hon. CRAIG HOSMER, a Member of the House of Representatives from southern California. In that reply to a letter written to the Secretary by Mr. HOSMER, the Secretary pointed out that the implications of the Chinle shales in the reservoir site have been studied subsequently as public and private agencies have considered the site. Most recently, the proposals to develop the Glen Canyon site, based upon reports of the Bureau of Reclamation, and related hearings before congressional committees, have sharpened the inquiry into the adequacy of the dam and reservoir sites.

Then the Secretary made this significant statement:

Our carefully considered conclusion is that dam site is entirely adequate for the dam now proposed, and that the presence of the Chinle shales in the reservoir basin implies no material impairment of the usefulness of the Glen Canyon reservoir basin.

Mr. President, I ask unanimous consent that the letter from the Secretary of the Interior, from which I have just quoted, be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT
OF THE INTERIOR,
Washington, D. C.

HON. CRAIG HOSMER,
House of Representatives,
Washington, D. C.

MY DEAR MR. HOSMER: Thank you for your letter of January 27, 1956, in which you comment upon the presence of the Chinle shales in the reservoir basin which would be commanded by Glen Canyon Dam.

The Bureau of Reclamation has been cognizant of these shales since 1922, when a board of engineers employed by it reported on the site. LaRue reproduces a part of that report in United States Geological Survey Water Supply Paper 556.

The implications of the Chinle shale have been studied subsequently as public and private agencies have considered the site. Most recently, the proposals to develop the Glen Canyon site, based upon reports of the Bureau of Reclamation, and related hearings before congressional committees, have sharpened the inquiry into the adequacy of the dam and reservoir sites.

Our carefully considered conclusion is that the dam site is entirely adequate for the dam now proposed, and that the presence of the Chinle shales in the reservoir basin implies no material impairment of the usefulness of the Glen Canyon reservoir basin.

Sincerely yours,

DOUGLAS MCKAY,
Secretary of the Interior.

Mr. WATKINS. Mr. President, with the copy of the letter to Mr. HOSMER sent from the Secretary's office to me there was also sent a copy of a letter from Mr. HOSMER to the Secretary, and I ask unanimous consent that that letter also be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 27, 1956.

The Honorable DOUGLAS MCKAY,
Secretary of the Interior,
Department of the Interior,
Washington, D. C.

DEAR MR. MCKAY: As you know, the proposed Glen Canyon unit of the upper Colorado River storage project is its financial keystone, particularly since the administration has concurred in proposals by the upper basin to remove the Echo Park power facilities from the plan.

During last December I had occasion to visit the Glen Canyon Dam reservoir area in company with Harold W. Hoots, Ph. D., and Peter H. Gardett, both consulting geologists of Los Angeles, Calif. I am convinced that there exist such serious questions as to the suitability of the Glen Canyon area for the proposed purpose, that all further consideration of the upper Colorado storage

project should be held up until thoroughgoing geological surveys and investigations can determine whether or not, in this instance, the Nation's taxpayers would be buying a good unit in a good overall project, or a billion-dollar mud puddle.

I enclose certain extracts from United States Geological Survey publications describing Chinle chale. With respect to that shale, Dr. Hoots has written me a memorandum containing the following statements:

"The Chinle shale is exposed along the canyon walls of the Colorado and San Juan River for an aggregate distance of about 50 river miles within the proposed reservoir area. Its importance to the proposed reservoir area lies in the fact that it immediately underlies the canyon-forming Wingate and Navaho sandstones and, in areas of exposure of this shale, provides the only foundation support for these overlying cliff-forming rocks.

"The Chinle shale is a fine textured bentonitic type rocks that varies in color from gray to blue, red, and purple. When exposed to the elements it has little resistance to erosion, and when brought in contact with water it expands and rapidly disintegrates to a shapeless mass of mud.

"If brought in continuous contact with water from the proposed reservoir this Chinle shale, which now is partially protected in canyon walls above the river level, would immediately disintegrate and flow down slope into the reservoir. More importantly, it would undermine and cause collapse of all overlying cliff-forming rocks in extensive areas bordering the proposed reservoir. All of the broken debris resulting from this collapse would move down slope and would partially or completely fill the proposed reservoir in these extensive areas of Chinle outcrop."

Your special attention is directed to page 178 and the following pages of House Document 364 of the 83d Congress, 2d session, entitled "Colorado River Storage Project," in which it is admitted that there are serious geological information deficiencies in connection with this project. Underlining this deficiency is Dr. Hoots' statement to me in his memorandum:

"It is essential that the expenditure of money required for the proposed Glen Canyon Dam project be supported and justified by adequate data and expert appraisal and interpretation of these data."

Inasmuch as it would seem to be a serious folly to proceed to authorize the proposed upper Colorado River storage project in the face of such serious geological questions as yet unresolved, it is respectfully suggested and requested that in your official capacity you delay any effort to obtain consideration by Congress of the proposal until such time as adequate information is available as to its engineering and geological feasibility, and thus its financial feasibility.

Very truly yours,

CRAIG HOSMER,
Member of Congress,
18th District, California.

[Extracts from United States Survey Publications Describing Chinle]

THE KAIPAROWITS REGION

(U. S. Department of the Interior Geological Survey, professional paper 164 (1931), by Herbert E. Gregory and Raymond C. Moore)

The Chinle formation includes the group of shales, "marls," thin, soft sandstones, and limestone conglomerates lying between the Shinarump conglomerate and the Wingate sandstone. * * *

Records show that the Chinle is thickest in northeastern Arizona and southwestern Utah * * * 320 to 393 feet in upper Glen Canyon, and 630 feet in the San Juan Canyon (p. 53).

A fragment of fresh rock immersed in water swells to nearly twice its bulk, and after drying is nothing more than a pile of disconnected, irregular grains; alternate drying and wetting produces a substance part of which passes through filter paper. Under the microscope most of the material appears to be colloidal (p. 57).

When the Chinle "marls" and shales on steep slopes are saturated they seem to move by their own weight, carrying their broken strata and talus blocks to lower levels. At the south base of the Paria Plateau slides in the Chinle have spilled over the Shinarump conglomerate and down the Moenkopi cliffs to the Kaibab below, and at a place about 14 miles south of the Burr trail the Chinle beds have lost their hold and have slid, accompanied by huge fragments, over the upturned beds of Navaho sandstone, down the west side of the Halls Creek Valley in a jumbled mass that is roughly three-fourths of a mile wide, 1½ miles long, and 80 feet deep (p. 145).

As viewed from the rim of the Kaiparowits Plateau at Fiftymile Point the landslides are impressive. The slopes below the capping Cretaceous sandstone constitute a field about 2 miles wide and 10 miles long, everywhere strewn with boulders, the largest of which are square blocks of sandstone 40 feet thick. Successive slides have banked the materials in huge ridges like a series of terminal and lateral moraines.

Except in areas of Chinle and Tropic shales landslides were not observed. The steep slopes of other formations are bare or coated with only ribbons and scattered patches of debris (p. 146).

THE SAN JUAN REGION

(U. S. Department of the Interior Geological Survey, professional paper 188 (1938), by Herbert E. Gregory)

The position of the relatively soft Chinle between two cliff makers accounts for its preservation in a region where erosion is vigorous (p. 49).

In the Chinle formation the conditions for producing slides are exceptionally favorable. The thin sandstone beds readily break into talus fragments, and the "marl" beds when saturated seem to move by their own weight. * * * Instability is further shown by mud flows that after heavy rainfall issue from the base of slides. In places recurrent movement is indicated by the arrangement of material in parallel ridges on Chinle slopes and by unconformities in the piles of debris successively pushed over cliffs (p. 102).

AMENDMENT OF THE NATURAL GAS ACT OF 1938, AS AMENDED—LETTER TO THE EDITOR OF THE NEW YORK TIMES

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter about regulating the natural-gas industry, which appeared in the New York Times of Saturday, January 21, 1956.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

REGULATING NATURAL GAS—EXEMPTION AS COMPETITIVE INDUSTRY FROM FEDERAL RATE FIXING ASKED

To the EDITOR OF THE NEW YORK TIMES:

Your objection in your editorial of January 19 to the Fulbright-Harris bill seems to be based on the prevalent misconception that, because natural gas proceeds in a more or less uninterrupted flow from wellhead to burner tip, the operation of the entire industry is likewise interconnected and can be regulated by a single cost-rate base formula.

Such a premise is not realistic. Natural gas is a commodity. It is no more a public utility than the coal which generates electricity, the oil which drives a locomotive, or any other source of energy which is used or delivered by performers of regulated services.

The reasons for regulating the rates of return of public utilities and common carriers are, of course, obvious. They are legal monopolies which are granted exclusive territories or markets. Regulation gives the public the price protection which is usually provided by competition. And this regulation is not too difficult to administer, since the costs of service-company operations are generally uniform and predictable.

FACTORS IN DISCOVERY

But there is nothing uniform or predictable about the search for oil and gas. There is uncertainty of how many dry holes a producer must drill before he makes a discovery, the nature, volume, and pressure of discoveries, drilling conditions and depths, the varying costs of leases and many other factors.

So when you wrote that "producers emphatically reject the contention that utility-type regulation is necessary at their end," you might have added that they reject with equal emphasis the contention that such regulation can be applied justly and efficiently to their operations.

Chairman Kuykendall, of the Federal Power Commission, recently told of an attempt by the FPC to price some pipeline-produced gas by the utility formula. When all considerations had been taken into account, it developed that the producer was entitled to a price of minus 1.24 cents per thousand cubic feet. On the other hand, the preliminary costs of another well could be so high that the producer, under utility-type regulation, would have to be allowed $1 or more per thousand cubic feet.

CONTROL OVER INCREASES

So, if there must be regulation, then the formula contained in the Fulbright-Harris bill provides the only solution that is fair to all concerned. Even the escalator clauses over which you express concern are subject to FPC control.

The bill provides that pipeline companies which buy gas from the producers for interstate transmission may not pass on to the consumer more than the reasonable market price of gas it buys under contracts made or renegotiated after the bill is enacted into law.

It also states that escalator clauses in existing contracts shall not increase above the reasonable market price the price to be paid for gas under the contracts.

There is nothing wrong with the reasonable market price standard. It is sound and workable. When you and others object to it you are saying, in effect, that you do not trust the judgment, discretion, and integrity of the Federal Power Commissioners who would apply that standard.

Regarding your contention that a handful of major oil companies are the dominant figures in the production of gas, the Bureau of Mines' latest compilation on gas production (bull. 556) states: "The Bureau of Mines estimates that 743 natural-gas producers supply approximately 80 percent of the natural gas produced in the United States." And 743 producers are not a handful in any industry.

COST TO CONSUMERS

Your editorial contended that a possible few cents a day increase in the price of gas could mean increased costs of hundreds of millions of dollars to consumers in the aggregate, and a corresponding profit of hundreds of millions to the producers.

Within recent years the price of newspapers has risen generally from 3 cents to 5 cents on the newsstand—and advertising rates have also gone up substantially. This has meant only a few cents a day to the reader and the advertiser. But it has also meant increased costs of hundreds of millions of

dollars to readers and advertisers in the aggregate.

I would not, however, translate this into corresponding profits of hundreds of millions to the newspapers' proprietors and stockholders. I realize that the costs of publishing have increased. But you and other responsible thinkers seem to believe that producers live in some golden utopia where costs scarcely exist and never vary. This, alas, is not the case. They live in the same world as the rest of us.

Whether they should live as a competitive industry or a Government-created monopoly is the issue before the Senate. Some Members have all but obscured this issue by playing politics with it. But the question remains. And it was summed up aptly the other day by Adlai Stevenson when he said: "It will do us no good to have cheap gas and have no gas. * * * Means must be found not to discourage the exploration for new sources of gas."

Obviously the effect of utility-type regulation would be to stifle the required exploratory drilling.

FRANK M. PORTER,
President, American Petroleum Institute.
NEW YORK, *January 20, 1956.*

PHANTOM FREIGHT CHARGES TO AUTOMOBILE PURCHASERS

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent editorial entitled "Phantom Freight and You," which was printed in the Tulsa Tribune of January 25, 1956. It is a very cogent editorial, and discusses an overcharge of some $280 million in phantom freight now being paid by automobile purchasers throughout the country by means of the phantom freight device.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PHANTOM FREIGHT AND YOU

Of the many irons United States Senator MIKE MONRONEY has in the fire, none is viewed as it heats up with more interest and cheer than the one with which he hopes to burn out the practice of levying "phantom freight" charges on buyers of new automobiles. He is chairman of the Senate subcommittee hearing the protests of automobile dealers and individual purchasers.

"Phantom" is the word for the practice that has grown up with the automobile industry or charging the car buyer the railroad freight rate on the delivery of his car from the factory. The car 99 times out of a 100 doesn't travel by railroad freight car. It comes on a big truck that hauls several cars, is towed behind another new car or loaded on a barge and floated down a river. It is delivered for about $40 less than is packed into the sales price, according to Paul E. Herzog, research manager of the National Automobile Dealers Association.

Senator MONRONEY calls this "socking" the auto buyer, and it is. It is a quarter of a billion dollar sock a year to the family pocketbook.

The Federal Reserve Board is paying a lot of attention these days to mounting consumer credit. Installment debt now totals $27.3 billion. Short term consumer debt is $7.7 billion more. The automobile debt stands at $15 billion of this, a rise of about $5 billion in the last year.

The average family owes about $1,330 on installment purchase, of which $542 is owed on an automobile, $288 on furniture or household appliances, $62 on repair or modernization loans and $204 on personal advances. (On noninstallment debt, the average breakdown is $103 on single payment loans due, $123 owed on charge accounts and $68 on service credit for doctor and dentist bills and the like. On home purchases the average is $5,700 still due.)

We pause here to suggest readers may be interested in comparing their debt status with the average head of a household, and then go on to point out that yesterday President Eisenhower asked Congress for a standby law that would permit him to clamp controls on credit when they go wild.

While such a law would undoubtedly be useful in a clutch, and might turn a debacle into a gentle slide, it is aimed at just one segment of the population, the buyer. We hope Senator MONRONEY'S committee will pursue its investigation of "phantom freight" charges on automobiles to the end that they will be abolished, too. That will put every new auto buyer about a month closer to sole ownership of the car than he would otherwise be, and might be the straw taken off Joe Spelvin's back that will let him carry the load without stumbling.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. CLEMENTS. Mr. President, as acting majority leader I should like to inquire if there are any requests at the desk for time to be used by speakers this afternoon.

The PRESIDING OFFICER. There are no requests.

Mr. WILEY. Mr. President, I am expecting material from my office, and I request a little time.

Mr. CLEMENTS. Does the acting majority leader understand correctly that the Senator from Wisconsin intends to speak this afternoon?

Mr. WILEY. Yes.

Mr. CLEMENTS. Mr. President, I am delighted to hear that, because it was my understanding that no Members of the Senate had left their names at the desk as indicating their desire to speak this afternoon. It is good to know that the Senator from Wisconsin will use a part of the time available this afternoon.

I should like to call to the attention of other Members of the Senate, particularly those who wanted to place the date for voting on the pending bill over until next Monday, that there is time available for speaking this afternoon, and I take it the same situation will be true on tomorrow. I encourage all Senators who wish to speak on the bill to be ready to speak after the morning hour on tomorrow if they are not prepared to speak today.

The PRESIDING OFFICER. What is the pleasure of the Senate?

AMENDMENT OF COMMUNICATIONS ACT OF 1934

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1463, S. 1456.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1456) to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended, with an amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the bill (S. 1456) to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, on page 4, line 21, after the word "cases", to strike out "unless the Commission determines that a hearing is not necessary in the public interest" and insert "where a request therefor is made by a telephone company, an association of telephone companies, a State commission, or local governmental authority", so as to make the bill read:

Be it enacted, etc., That section 212 of the Communications Act of 1934, as amended, is amended to read as follows:

"SEC. 212. After 60 days from the enactment of this act it shall be unlawful for any person to hold the position of officer or director of more than one carrier subject to this act, unless such holding shall have been authorized by order of the Commission, upon due showing in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby: *Provided*, That the Commission may authorize persons to hold the position of officer or director in more than one such carrier, without regard to the requirements of this section, where it has found that one of the two or more carriers directly or indirectly owns more than 50 percent of the stock of the other or others, or that 50 percent or more of the stock of all such carriers is directly or indirectly owned by the same person. After this section takes effect it shall be unlawful for any officer or director of any carrier subject to this act to receive for his own benefit directly or indirectly, any money or thing of value in respect of negotiation, hypothecation, or sale of any securities issued or to be issued by such carrier, or to share in any of the proceeds thereof, or to participate in the making or paying of any dividends of such carriers from any funds properly included in capital account."

SEC. 2. Section 219 of the Communications Act of 1934, as amended, is amended by inserting at the beginning of the second sentence of subsection (a) the words "Except as otherwise required by the Commission," so that the section will read:

"SEC. 219. (a) The Commission is authorized to require annual reports under oath from all carriers subject to this act, and from persons directly or indirectly controlling or controlled by, or under direct or indirect common control with, any such carrier, to prescribe the manner in which such reports shall be made, and to require from such persons specific answers to all questions upon which the Commission may need information. Except as otherwise required by the Commission, such annual reports shall show in detail the amount of capital stock issued, the amount and privileges of each class of stock, the amounts paid therefor, and the manner of payment for the same; the dividends paid and the surplus fund, if any; the number of stockholders (and the names of the thirty largest holders of each class of stock and the amount held by each); the funded and floating debts and the interest paid thereon; the cost and value of the carrier's property, franchises, and equipment; the number of employees and the salaries paid each class; the names of all officers and directors, and the amount of salary, bonus, and all other compensation paid to each; the amounts expended for improvements each

year, how expended, and the character of such improvements; the earnings and receipts from each branch of business and from all sources; the operating and other expenses; the balances of profit and loss; and a complete exhibit of the financial operations of the carrier each year, including an annual balance sheet. Such reports shall also contain such information in relation to charges or regulations concerning charges, or agreements."

SEC. 3. Section 221 (a) of the Communications Act of 1934, as amended, is amended to read as follows:

"SEC. 221. (a) Upon application of one or more telephone companies for authority to consolidate their properties or a part thereof into a single company, or for authority for one or more such companies to acquire the whole or any part of the property of another telephone company or other telephone companies or the control thereof by the purchase of securities or by lease or in any other like manner, when such consolidated company would be subject to this act, the Commission shall give reasonable notice in writing to the governor of each of the States in which the physical property affected, or any part thereof, is situated, and to the State commission having jurisdiction over telephone companies, and to such other persons as it may deem advisable, and shall afford such parties a reasonable opportunity to submit comments on the proposal. A public hearing shall be held in all cases where a request therefor is made by a telephone company, an association of telephone companies, a State commission, or local governmental authority. If the Commission finds that the proposed consolidation, acquisition, or control will be of advantage to the persons to whom service is to be rendered and in the public interest, it shall certify to that effect; and thereupon any act or acts of Congress making the proposed transaction unlawful shall not apply. Nothing in this subsection shall be construed as in anywise limiting or restricting the powers of the several States to control and regulate telephone companies."

SEC. 4. Section 410 (a) of the Communications Act of 1934, as amended, is amended by inserting before the words "the Commission" in the second sentence of the section the words "an examiner provided for in section 11 of the Administrative Procedure Act, designated by" so that the section will read as follows:

"SEC. 410. (a) Except as provided in section 409, the Commission may refer any matter arising in the administration of this act to a joint board to be composed of a member, or of an equal number of members, as determined by the Commission, from each of the States in which the wire or radio communication affected by or involved in the proceeding takes place or is proposed. For purposes of acting upon such matter any such board shall have all the jurisdiction and powers conferred by law upon an examiner provided for in section 11 of the Administrative Procedure Act, designated by the Commission, and shall be subject to the same duties and obligations. The action of a joint board shall have such force and effect and its proceedings shall be conducted in such manner as the Commission shall by regulations prescribe. The joint board member or members for each State shall be nominated by the State commission of the State or by the governor if there is no State commission, and appointed by the Federal Communications Commission. The Commission shall have discretion to reject any nominee. Joint board members shall receive such allowances for expenses as the Commission shall provide."

Mr. CLEMENTS. Mr. President, I understand the distinguished Senator from Rhode Island [Mr. PASTORE] is present and will explain the bill.

Mr. PASTORE. Mr. President, the bill was introduced at the request of the Federal Communications Commission. It proposes four amendments to the Communications Act of 1934. The bill was unanimously approved by the subcommittee and by the full committee.

The proposed legislation is designed to eliminate certain procedural burdens involving the regulation of communication common carriers which the experience of the Federal Communications Commission has shown to be unnecessary and unduly restrictive.

Section 212 of the Communications Act at present requires that authority must be obtained from the Commission before any person may hold the position of officer or director of more than one common carrier subject to the act. Such person must show that neither public nor private interests will be adversely affected by his holding such positions. The section was designed to prevent the abuses which might be expected to flow from so-called interlocking directorates. However, nearly all the applications for authority to hold dual positions received by the Commission involve companies under common ownership. In recent years the FCC has been called upon to consider many requests by officers or directors of one company of a commonly owned or controlled system such as the Bell System of the American Telephone & Telegraph Co. to serve as well in a similar capacity with respect to another company within the system.

The need of an amendment to section 219 (a) arises primarily out of the development and growth of certain new types of limited or specialized common carriers in the communications field, particularly in the mobile and maritime fields. Section 219 (a) of the act authorizes the Commission to require annual reports of common carriers. The first sentence of section 219 (a) gives the Commission discretionary authority to require common carriers to submit annual reports of financial, statistical, and other information. Once the Commission requires the report to be submitted, the second sentence of section 219 (a) which is couched in mandatory terms prescribes a long list of data which shall be included in such annual reports.

Section 221 (a) of the act requires the Commission to hold public hearings upon all applications requesting authority to consolidate telephone properties or authority of one telephone company to acquire the property or control of another.

In this connection, the committee thought that, as a further safeguard, we should amend the bill, which we did, to allow the interested parties to intervene if they so desired.

I repeat that to a large extent it is a procedural bill. By that, I mean that it relieves the Commission of certain burdens incident to procedure. The bill was suggested by them, and is looked upon favorably by every member of the Committee on Interstate and Foreign Commerce.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1456) was ordered to be engrossed for a third reading, read the third time, and passed.

VISIT TO THE SENATE BY MEMBERS OF THE KABUKI DANCE TROUPE

Mr. CLEMENTS. Mr. President, I yield to my distinguished friend, the Senator from Wisconsin, for an assignment he has taken unto himself, and a very pleasant one, indeed.

Mr. WILEY. I thank the Senator from Kentucky.

Mr. President, today we have been delighted to welcome our distinguished visitor, Prime Minister Eden, spokesman for that great nation, the United Kingdom, and the British Commonwealth of Nations. He is a fine gentleman, and a good friend of America. I am sure that the address he made will appeal to all Americans.

I have risen now to invite attention to the fact that we are welcoming, too, another type of visitor—whom we are also proud to have on our shores. I refer to the Azuma Kabuki dancers and musicians, the distinguished symbol of the rich, historic art and culture of our sister nation of Japan.

The Prime Minister of the United Kingdom said, in speaking to the Senate, that we are engaged in a war of ideology. Reduced to simple terms, that means that where we of the West can be friends and can understand each other, we strengthen the ties against communism. So I am very happy today to welcome this fine group.

This, their second triumphal tour of North America, has been arranged directly from Tokyo by the great impresario, S. Hurok. It has been effected with the cooperation of His Imperial Highness, Prince Takamatsu, and the Japanese Ministry of Foreign Affairs.

Everyone even slightly familiar with Japanese culture and society realizes how deep are the roots of Kabuki dance, song, and drama in Japan. The roots are deep; they are old; they are honored; and they are universal in that great land.

The members of the troupe are present in the Senate gallery this afternoon. I should like, at the present time, to ask unanimous consent of the Senate, so that the members of the troupe may arise, and so that we may convey, by our applause, our warmest greetings to them.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Chair is sure there is no objection; and it is so ordered.

[Applause, Senators rising.]

Mr. WILEY. Mr. President, I have sought to focus attention on this troupe, because they are not just another dance group. They are the dance group of a great country, Japan.

They symbolize ancient Japan, with all its proud traditions. They hold a warm spot in the hearts of the Japanese people, which equals or surpasses the affection of almost any country for its great artists and for their artistic forms.

We want the Japanese people to know that we are truly delighted that the Kabuki troupe has been visiting our

country, and that it will visit Europe, as well.

We gladly recall that when our own noted Symphony of the Air journeyed from our shores to Japan, it met with a magnificent reaction.

Today I should like the people of Japan to know that we have not forgotten the warm welcome which they so graciously gave to our performers; and it is our pleasure to reciprocate their courtesy.

I ask unanimous consent that the text of further remarks which I have prepared and compiled on this subject be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Very soon, it will be my pleasure to cosponsor legislation which will make permanent what is now merely authorized on an emergency basis—Presidential disposition of funds, for helping to defray the expenses of American artistic groups traveling abroad.

We have learned that this program and the related program of United States participation in trade fairs abroad represent invaluable elements in helping further to unite the peoples of the world, with bonds of common understanding and respect.

Culture is, of course, a universal interest of man. Man lives by more than bread alone. He lives by things of the spirit. He reveres beauty, symmetry, harmony, and grace in great music, great art, great dance, great literature.

And so, we hope and believe that, in the months and years to come, the flow of artistic talent to our land will increase still further. We of America realize how old and rich are the cultures of Europe and Asia. We want to become still better acquainted with them.

In turn, we shall be proud and happy to submit the finest in American culture that we can convey to foreign peoples.

Part of the reason for our great interest in the Kabuki Troupe is that it is so unusual, so relatively unique, by many of our Western standards.

As Mr. Tom Donnelly wrote in yesterday's Daily News, "The Kabuki artists come out of a tradition which is totally dissimilar to any of those we are really familiar with."

To set the Kabukis in proper historical perspective, I cite this fact, as an illustration: That in the foreword to the Kabuki program booklet, His Excellency Mamoru Shigemitsu, Minister of Foreign Affairs of Japan, points out, "the first of its perfections was attained in the Muromachi period (14th–16th centuries), sometimes known as the Japanese renaissance, with the symbolic dance—Theatre of the Noh. Like ancient Greek tragedy, the Noh went beyond the limits of time and space to lay bare the human soul and sing its longings."

Thus, out of so old a tradition has been fashioned this art form.

Today, Madame Tokuho Azuma, head of the troupe, carries on the outstanding traditions of a family long revered in Japanese artistic circles, and is one of Japan's foremost contemporary artists.

The world tour of the troupe has the support of the highest individuals and sources in the life of Japan—His Imperial Highness, Prince Takamatsu—brother of the Emperor, the Japanese Ministers of Foreign Affairs and Education, as well as others.

The visit of the troupe to Washington is of course one of the highlights of our entire artistic year.

WASHINGTON AS AN ART CENTER

Throughout the year, in our Nation's Capital, Mr. Patrick Hayes, chairman of the Washington Board of Trade's cultural development committee, has been particularly active—through the medium of the Hayes Concert Bureau—in bringing the best talent from abroad, as well as from at home. He and his board of trade associates are to be congratulated for their splendid efforts in keeping Washington to the fore as a leader in artistic expression. The forthcoming National Civic Auditorium and Center, spearheaded by an outstanding Commission, appointed for this purpose, will of course offer a great addition to National Capital life and culture.

"S. HUROK PRESENTS"

In this Kabuki instance, as in many others, the Nation proudly notes the marquee inscription, "S. Hurok presents."

This famed impresario has brought to our land the finest performers from the four corners of the world—the Comedie Francaise of France, the Scots' Guard of Scotland, the Ballet de l'Opera of France, Antonio, of Spain, Uday Shankhar of India, and many others, not to mention the greatest of American artists, performing under his leadership.

Monday's televised NBC Festival of Music—representing a precedent-breaking new high in cultural expression, demonstrated a further new outlet of Mr. Hurok's impressive achievements.

So, I conclude with this sincere welcome to the Kabukis. May they enjoy the fullest further success which they so earnestly deserve. And may their success symbolize a still brighter new era for the people of Japan, and for Japanese-American friendship.

Mr. WILEY. Mr. President, in the statement I say that it will be my pleasure to cosponsor proposed legislation which will make permanent what is now merely on an emergency basis—namely, Presidential disposition of funds, for helping to defray the expenses of American artistic groups traveling abroad.

The statement sets forth in quite extended form the significance of our artists as they go abroad—in fact, the significance of every group of Americans who travel abroad. As a matter of fact, every American who visits a foreign land is an ambassador for our great country. But especially those who go abroad to reflect the art, the music, and the great philosophy—yes, and the great faiths of this country, are our special ambassadors.

So today we welcome the distinguished visitors who now are in the Senate gallery. [Applause.]

The PRESIDING OFFICER. The Chair desires to thank the Senator from Wisconsin, and to assure him that he speaks for the entire Senate in welcoming these visitors. The Chair and all other Members of the Senate hope they enjoy their stay in the United States.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILEY. Mr. President, I wish to speak at this time on the pending bill.

It should be borne in mind that the Phillips case, which probably is basic in its interpretation of the statute now sought to be amended, arose in Wisconsin. It was decided on June 7, 1954. In that case the Court said:

The protection of consumers against exploitation at the hands of natural-gas companies was the primary aim of the Natural Gas Act.

In order to keep things in sequence, let us remember that Congress passed the Natural Gas Act in 1938. Under this act the Federal Power Commission was granted jurisdiction to determine whether the rates charged on all sales of natural gas in interstate commerce for resale, by producers, gatherers, pipelines, or any other persons or agencies, were just and reasonable.

The act requires that the Federal Power Commission allow natural-gas companies a just and reasonable return; and such companies may compel the granting of such a return by appeal to the courts.

Let us ask ourselves why Congress enacted the Natural Gas Act in 1938. The Natural Gas Act grew out of an investigation by the Federal Trade Commission which revealed price gouging and exploitation of consumers by sellers of natural gas in interstate commerce.

The Supreme Court had previously held that neither the State of origin nor the State of destination could stop this gouging and exploitation by controlling the rates and charges of the sellers in interstate commerce. The court held that under the Constitution the Federal Government had exclusive jurisdiction in this field, and Congress took jurisdiction. It enacted a law to bridge the gap or hiatus in Federal-State jurisdiction, by providing Federal protection for consumers which the States may not constitutionally provide. I believe the Harris-Fulbright bill removes that jurisdiction of the Federal Power Commission over the sales for resale by independent producers, effectively scuttles the Natural Gas Act, and subjects the consumers to uncontrolled price gouging and exploitation, which the Natural Gas Act was adopted to end.

As has been said, ever since the passage of the Natural Gas Act, the independent producers have been attempting to squirm out of the jurisdiction of the FPC, and many bills, including the Moore-Rizley bill, the Kerr bill, and other bills were introduced in Congress to scuttle FPC jurisdiction over the independent producers. That is the preface to my remarks.

As I have said, if there is a desire to scuttle the previous act of the Congress in 1938, and to scuttle the Supreme Court decision in the Phillips case, we should pass the pending bill.

Mr. President, I have previously offerred for the CONGRESSIONAL RECORD a variety of grassroots messages from my State indicating how strong was the opposition of the people of Wisconsin to gas rate exemption legislation.

I have not, of course, presented this material in order "to build the record." Obviously, I could have multiplied these evidences manyfold by drawing upon the tremendous volume of material which has been submitted to me.

I have, however, at each stage of this battle culled out representative comments from the grassroots, and I am pleased to do so now.

I do so by way of refutation of those who have attempted to misinterpret the sentiment of the people of my State and of the people of our country—to misinterpret it, assume that it was not vigorously against the Harris-Fulbright bill.

I honestly believe that the best thing that could happen to the gas producers would be the defeat of the bill, because if the bill is passed we will see happen what has been prophesied will arise, namely, a great demand for increased rates.

I shall not engage in an extended talk today, but I have heard a great deal of discussion about what it would cost the consuming public. I know from everything that has been said that through the years the gas business has increased in volume many times, and I know that it is rendering and fulfilling a service. However, I also know that Mother Nature brews the gas, and I know that the producers are favored, as has been said so well by Senators, with respect to the tax deductions they can take. Of course they are in wonderful financial shape, as has been indicated by records already placed in the RECORD.

I ask unanimous consent now that the text of the material to which I have referred be printed at this point in the body of the RECORD. The initial material consists of further comments from public officials in my State.

It is followed by expressions from some of the many labor organizations in Wisconsin which have been in contact with me.

The PRESIDING OFFICER (Mr. BEALL in the chair). Is there objection?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WAUSAU, WIS., *January 24, 1956.*

HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: We want you to know that the city of Wausau, and I, as mayor of the city of Wausau, vigorously oppose Senate bill 1853, known as the Fulbright bill, and bill H. R. 6645, known as the Harris bill, both of which seek to exempt producers of natural gas, chiefly in Texas, Oklahoma, and Louisiana, from regulation of prices they charge for gas at the wellhead.

While the city of Wausau does not now have natural gas supplied to it, it is our understanding that plans have been afoot for some time to construct a pipeline which would serve the city of Wausau and other central Wisconsin communities.

We do not want any such plans forestalled, nor do we want gas supplied to our community at unreasonable and unattainable prices, when it does come. It seems to us that it makes it particularly easy for the suppliers to combine to keep up the price to where it is "all the traffic will bear."

Producers of natural gas from the wells must be comparatively few, and there probably is not now and never will be any widespread competition in the activity. Hence, combinations to hold prices up could be entered into with comparative ease, without fear of competition from any significant independents.

While, as a general proposition, we favor free enterprise and freedom to compete, the very physical facts of the natural gas industry make it a virtual monopoly, and we feel that there must be control in order to prevent unreasonable practices in the industry.

We trust that you will vote in opposition to the Harris-Fulbright bills.

Very truly yours,

ARTHUR M. SMITH,
Mayor.

RESOLUTION OF CITY OF SOUTH MILWAUKEE DECLARING OPPOSITION TO HARRIS-FULBRIGHT BILLS

Whereas United States Senate bill S. 1853, known as the Fulbright bill, is on the present United States Senate Calendar and a companion bill, known as the Harris bill, H. R. 6645, was adopted by the House of Representatives; and

Whereas the effect of these bills would be to exempt producers of natural gas from regulation of the prices they charge in contracts for the sale of gas to pipeline companies for transmission and resale in Wisconsin and other consumer States; and

Whereas the Natural Gas Act presently in effect subjects such producers of natural gas to regulation of their prices by the Federal Power Commission; and

Whereas passage of the Harris-Fulbright bills would place many consumers at the complete mercy of natural-gas producers who presently enjoy a regulated monopoly of basic supply and price of gas; and

Whereas the National Institute of Municipal Law Officers, the League of Wisconsin Municipalities, the Wisconsin Public Service Commission, and officials of the State of Wisconsin, including the Honorable Governor, Walter J. Kohler, have declared their opposition to the Fulbright and Harris bills: Therefore be it

Resolved by the Common Council of the City of South Milwaukee, That it does hereby declare its opposition to the aforesaid Harris-Fulbright bills and urges the Senators from Wisconsin to likewise oppose their passage; be it further

Resolved, That copies of this resolution go forth to the Honorable ALEXANDER WILEY and the Honorable JOSEPH MCCARTHY, Senators from the State of Wisconsin.

Adopted January 17, 1956.

LOUIS J. MOSAKOWSKI,
City Clerk.

Approved January 18, 1956.

DEAN L. POTTER, *Mayor.*

RESOLUTION OF CITY OF GLENDALE, WIS.

Whereas an adequate supply of natural gas reasonably priced to the consumer is essential to the economic stability of the city of Glendale and other cities and their citizens and industries in Wisconsin; and

Whereas natural-gas consumers would be without adequate protection against excessive prices of natural gas if there were no Federal control over the prices of natural gas as sold at the wellhead: Therefore be it

Resolved by the Common Council of the City of Glendale, That the Congress of the United States be, and it herewith by these presents is, urged and requested to reject any legislative proposals which would leave the price of natural gas unregulated by Federal authority; be it further

Resolved, That a copy of this resolution be forwarded to Senator JOSEPH R. MCCARTHY and Senator ALEXANDER WILEY at the Senate Office Building, Washington, D. C.

Passed and adopted by the Common Council of the City of Glendale this 17th day of January 1956.

G. J. KENEHAN,
Mayor.

EDWARD A. PRAHLOW,
City Clerk.

RESOLUTION 3410

Whereas United States Senate bill S. 1853, known as the Fulbright bill, is at present being considered by the United States Senate; and

Whereas the effect of this bill would be to exempt producers of natural gas from regulation of prices they charge in contracts for the sale of gas to pipeline companies for transmission and resale in Wisconsin and other consumer States; and

Whereas we feel that to exempt producers of natural gas from Federal regulation would be inimical to the citizens of Neenah because such action would create a gap in effective natural-gas regulation at its very source; and

Whereas we feel that Federal regulation of the producers of natural gas is essential because of the monopolistic nature of the industry: Therefore be it

Resolved by the Mayor and Common Council of the City of Neenah, That our United States Senators, to wit: Senators WILEY and MCCARTHY, be urged to support and vote for the defeat of the aforementioned Fulbright bill; and be it further

Resolved, That a certified copy of this resolution be mailed to both of the aforenamed Senators.

Dated this 18th day of January 1956.

CARL E. LOEHNING,
Mayor.

Attest:

R. V. HAUSER,
City Clerk

BELOIT, WIS., *January 21, 1956.*

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: You no doubt are aware of Wisconsin Cities' attitude in connection with the natural-gas bill S. 1853 pending before the Senate.

I wish to express our opposition to this bill as we feel that the natural-gas industry should be regulated by the Federal Government in order to protect the interest of the people.

We will greatly appreciate if you will use your influence in seeing that this bill is defeated.

Yours truly,

A. D. TELFER,
City Manager.

LOCAL UNION, NO. 14,
UNITED RUBBER, CORK, LINOLEUM,
AND PLASTIC WORKERS OF AMERICA,
La Crosse, Wis., January 28, 1956.

Senator ALEXANDER WILEY.

DEAR SENATOR: Our local is pleased with the stand that you are taking on the natural-gas bill.

We also wish to commend you for the splendid fight that you are putting up to help defeat this bill which we feel is against the wishes of the people of Wisconsin.

With best wishes, I am,

Your very truly,

ARCHIE KOHN,
Secretary.

RACINE, WIS., *January 25, 1956.*

Senator ALEXANDER WILEY,
Senate Building, Washington, D. C.:

The Racine Trades and Labor Council is on record as opposing the Harris-Fulbright bill, S. 1853. Respectfully urge you to vote in opposition to protect the interest of the people of Wisconsin.

R. S. MARHEFKE,
Secretary, Racine Trades and Labor Council.

KENOSHA, WIS., *January 25, 1956.*

Hon. ALEXANDER WILEY,
United States Senate, Washington, D. C.:

The membership of our local union has gone on record as vigorously opposing the

Harris-Fulbright bill and sincerely request your support in defeating it.

HOWARD COLBY,
President, Federal Labor Union, No. 18456.

KENOSHA LODGE, No. 34,
INTERNATIONAL ASSOCIATION OF MACHINISTS,
Kenosha, Wis., January 20, 1956.

Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: At the meeting of the International Association of Machinists, Lodge, No. 34, Kenosha, Wis., on January 19, 1956, we went on record as opposing the Fulbright gas bill.

We know of your stand on this bill, and we urge you to continue in your fight to defeat this bill and to vote against it when it comes up for the Senate vote.

We feel that this bill is very detrimental to the welfare of the people of Wisconsin and the surrounding States, and also to the majority of the citizens of the United States; therefore, we regard it as an unfair, unjust piece of legislation.

Your stand on this bill has been made known to our people, and we wish you good luck in defeating the Fulbright bill.

Very truly yours,
WILBERT MAKOUSKE,
Recording Secretary, Local Lodge No. 34, IAM.

AMVETS,
SECOND DISTRICT COUNCIL,
Milwaukee, Wis., January 27, 1956.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SIR: We, of the second district council, AMVETS, in assembly on January 25, 1956, oppose legislation that will permit any oil companies or oil producers of natural gas to be free to charge any price that the tariff will bear on the gas they sell.

It is our opinion that natural gas is a utility and should be controlled by the Government as such.

Very truly yours,
EDWARD F. MILLANE,
Commander.

Mr. WILEY. Mr. President, I should now like to continue my remarks on the pending bill. As my colleagues well know, I oppose the Harris-Fulbright bill.

I would prefer that the Senate not pass any bill whatsoever on this subject at the present time.

If, however, the Senate proves determined to pass some version of this legislation, then I feel very strongly that it should incorporate in its version genuinely effective safeguards for the Nation's consumers.

The version now pending before the Senate is totally inadequate to fulfill the needs of the American people.

I again quote from what the Court said:

> We believe the legislative history indicates a congressional intent to give the Commission jurisdiction over the rates of all wholesales of natural gas in interstate commerce, whether by a pipeline company or not, and whether occurring before, during, or after transmission by an interstate pipeline company.

The Court said further, and I adopt the language as a part of my argument:

> There can be no dispute that the overriding congressional purpose was to plug the gap in regulation of natural-gas companies resulting from judicial decisions, prohibiting on Federal constitutional ground State regulation of many of the interstate commerce aspects of the natural-gas business.

TWO ESSENTIAL AMENDMENTS

I shall now proceed to discuss what I believe are two essential amendments which should be adopted.

I urge at the very minimum:

(a) An essential amendment to scrap and replace the absurd formula which gives the producers a "blank check" to increase rates.

I refer, of course, to the "reasonable market price" standard. Actually it is no standard at all. It is so ambiguous, so meaningless, that it constitutes complete authority to charge "all that the traffic will bear."

For it, there should be substituted a genuine public utility standard of just and reasonable price.

(b) Secondly, I favor Senator DOUGLAS' proposed amendment to exempt the small producers from Federal rate regulation. It is not essential to control the numerous producers who individually produce for transmission less than 2 billion cubic feet per year.

This latter amendment—with its limited exemption—proves that we who oppose the Harris-Fulbright bill do not desire any more controls than actually prove genuinely necessary for protection of the American people.

The hour is, of course, late in the Senate's debate on this issue. The arguments on the bill have been hashed and rehashed. Everyone is aware that it is the aim of those of us who want to protect the Nation's consumers to write in essential protective amendments.

MONOPOLY FORCES FEAR ANOTHER HOUSE VOTE

Everyone is aware that the powerful oil and gas forces in our Nation are determined to prevent the Senate from enacting any amendments to the bill.

The reason is simple: The oil and gas forces, operating through their powerful multi-million-dollar lobbies, are afraid that if this bill is forced back to the House of Representatives, they will not be able to pass it a second time. They recognize that the 209 to 203 vote in the House in the last session represented the peak of their strength, and that they have long since declined in strength in the House. So they desperately fear another vote on this issue in the House.

They fear that the new evidence which has come forth during the last few months concerning the enormous number of applications for rate increases will doom this bill. They fear this new evidence being weighed by the House, and prefer that the evidence be ignored.

So I present the question to my colleagues, not to the oil and gas forces.

DO BILL'S SUPPORTERS HAVE OPEN MIND ON AMENDMENT?

I ask my colleagues who are on the opposite side of this issue "Have you, my friends, closed your mind to all amendments?

"Do you actually believe that you can justify the concept, that this present bill is so 'good,' so 'infallible,' so 'absolutely sound,' down to the last clause, phrase, and word, that no amendment can possibly improve it?

"Or do you not agree that you should keep an open mind on possible amendments?

"Do you not agree that those of us who oppose this bill may be able to come up with some amendment which an open-minded person might support, even though he has committed himself—as is his right, if he is so inclined—to the general principle of this bill?"

In my judgment, if my brother Senators of the opposition keep an open mind, if they are willing to concede that the bill is obviously not perfect, then they will be willing to accept some amendment to the bill.

I realize full well that in so doing, they would be acting contrary to the strategy of the oil and gas forces. But I still regard the Senate as the greatest deliberative body in the world. I have a high regard for my colleagues of the opposition. I would hope that they would reaffirm the independence of their position by showing their willingness to accept a sound amendment. I would hope that they would prove that they personally are not afraid of another vote in the House of Representatives, and that they are willing to let this issue stand on its merits in the House another time, with the new evidence being considered.

TRIBUTE TO SENATORS WHO OPPOSE BILL

Mr. President, as the debate approaches a close, it is not my intention to repeat the many arguments which have been used by my colleagues who oppose the bill. I believe that the case for the opposition has been masterfully presented.

I pay tribute to those of my colleagues who have truly fought what I feel to be the good fight for the protection of the Nation's consumers. They may not receive the fullest credit from the Nation which they genuinely deserve. But I feel that I would be remiss in my personal obligations to them if I did not at the present time say at least a brief personal word of tribute.

I extend my sincerest congratulations for the great job performed by that battling marine, the senior Senator from Illinois [Mr. DOUGLAS]. Even his principal opponent, the distinguished Senator from Oklahoma [Mr. MONRONEY], congratulated our Illinois friend on the high plane of his arguments and for the comprehensive, painstaking maneuver in which he had presented them.

I wish to pay tribute to my colleagues from Minnesota and from Oregon [Mr. HUMPHREY and Mr. MORSE]. Both contributed not only powerful presentations, but spoke, I know, from the depth of their longtime convictions.

I say this as well of the Senators from New York [Mr. LEHMAN], from Massachusetts [Mr. KENNEDY], from Kentucky [Mr. CLEMENTS], from Missouri [Mr. HENNINGS], from Tennessee [Mr. KEFAUVER], from Connecticut [Mr. PURTELL], and of the other like-minded Members of this great body. They have, I know, inspired uncounted numbers of Americans throughout the land by the fine work which they have performed on this issue.

I pay sincere tribute, too, to my good friend from Rhode Island [Mr. PASTORE].

"Little Rhodie"—Rhode Island—can be proud of the very, very big job which has been performed by its junior Senator. His work on this issue, both in committee and on the floor of the Senate, will long stand as an eloquent commentary to his devotion to the public interest.

Regardless of the outcome, the Nation is indebted to these men.

I am, of course, delighted that throughout the debate the arguments on both sides have been held to a relatively high plane.

We who oppose the bill knew, from the outset, the great abilities and talents represented in the forces of the opposition.

We have had a distinguished group of opponents, men whom we are proud to count as personal friends, men of stature and conviction. Our only regret is that we have had to cross swords, so to speak, on the present issue.

THE KEY ISSUE BEFORE THE SENATE

I repeat what I stated at the outset: "Have our friends of the opposition completely closed their minds to all possible amendments?" Are they so determined on the strategy of killing all amendments that they are absolutely unwilling to give genuine consideration to what can truly be perfecting amendments?

I, for one, feel that even a Senator who believes completely in the Harris-Fulbright bill, a Senator who believes that the producers should be exempted from Federal control, can still, with consistency, support perfecting amendments. Such amendments will be offered in the course of the final debate, beginning on Monday. I hope that my colleagues will not close the door to them.

I hope that in their zeal for this bill they will recognize that the Nation will respect them the more if they prove their willingness to weigh the facts on each amendment anew and not slam the door to all possible improvements to the bill.

I repeat what I stated at the outset, that I would prefer that no bill at all be enacted, but if one has to be enacted let us at least write in essential safeguards to protect the American people.

FACTS IN THE PUBLIC INTEREST

Let me now briefly set forth in summary fashion a few of what seem to me to be the determinative facts of the public interest:

First. It is contrary to the public interest to vitiate the original intent of the Congress in enacting the Natural Gas Act of 1938.

Second. It is contrary to the public interest to vitiate and nullify the decision of the United States Supreme Court in its historic decision in the Phillips case.

CONTROL AT SOURCE OR NOT AT ALL

Third. Unless the Federal Power Commission continues to have the right of control over natural gas, at the source—at the wellhead, then there will be no effective control.

Under State and local laws, the rates of public utilities are controlled, that is, the local gas distributors' rates are fixed. Under Federal law, the pipeline companies' rates are controlled. But, by contrast, if the Harris-Fulbright bill passes intact, then, unlike the local gas distributors, unlike the interstate pipelines, the producers will emerge scot-free from controls.

What will be the result? The obvious result will be that they will continue to jack up charges—no doubt to the dismal tune of $750 million a year or more in increases.

Inevitably, as producers' prices go up, the pipelines will have to apply for rate increases, and inevitably, the local gas distributors will have to apply to utility commissions for rate increases.

Thus, either the rates are controlled at the source, or, for all intents and purposes, they will not be controlled at all. We cannot control a rate in midstream.

THE SO-CALLED PRICE-SPREAD ARGUMENT

A fourth basic point concerns the rate of return on investment.

The proponents of the bill have made a great to-do about the price spread between what the producer gets for the gas and what the consumer pays for the gas.

Every time we of the opposition raise the point of the producers' skyrocketing rates, the proponents try to divert attention by coming back with the alleged argument—"Yes, but see how much the distributor is charging in relation to the original price."

Mr. President, the proponents' diversionary argument is no argument at all. I practiced law for 30 years, and I have seen the application of diversionary arguments. Because one person is wrong is no justification for arguing that another person is wrong. Yet, Mr. President, there are those who fall for that line of sophistry.

Everyone knows that the local distributors have their rate of return fixed under rigorous regulation. But who, if anybody, is to regulate the producers if this bill is enacted? Obviously, no one.

Everybody knows that the local gas distributors have literally billions of dollars of investment tied up in an immense amount of plants, machinery, technical skill, accounting, and so forth, involved in local gas servicing.

If any gas distributor is charging too much, then there is not a city of the United States which cannot remedy that. But if this bill should pass, there will be no remedy against gouging on the part of the producers.

FPC WILL HARDLY OVERREGULATE THE INDUSTRY

A fifth indisputable fact is that if we amend the bill, it will not in the slightest impair the natural gas industry.

I am certainly no enemy of that industry, nor are my colleagues from Illinois, or Rhode Island, or my able friend from Michigan [Mr. POTTER], who made a very able speech. We all want the gas industry to thrive.

I, for one, have been delighted to call attention to the miracles which have been performed by this industry. It transformed what was previously a waste product into a tremendous national resource.

I do not believe this industry will suffer in the slightest from reasonable Federal regulation.

All of us want to see the gas industry thrive. We want all business—big, small, and inbetween—to thrive. But we do not want to see any business get the consuming public by the throat and gouge it, as the Supreme Court said was the purpose of the bill. We want to stop gouging.

The Federal Power Commission is hardly going to confiscate profits under its legal controls. I repeat: I do not believe the gas industry will suffer in the slightest degree from reasonable Federal regulation. The Federal Power Commission obviously is not run by Socialists.

If any criticism is to be made of the Federal Power Commission, it is not that it has been too rigorous in its controls, but that it has tended to be too timid in its efforts to try to protect the consumer.

The history of the gas industry, from the time the Natural Gas Act was passed until the present time, has been one of constant expansion and increased earnings.

I do not see how the majority of the Commission can even ask for the proposed legislation. The fact that it has done so is hardly an indication that if the bill shall be amended, the Federal Power Commission will overregulate the industry.

ENACT A UTILITY—RATE STANDARD

A sixth basic point which should be noted is, as I have pointed out earlier, that the so-called reasonable market price standard of protection is no standard at all. If ever there was a bit of vague, confused, and confusing language, it is that so-called formula.

Expert after expert has stated that if this is the only actual basis on which the consumer is to be protected, then he can expect no real protection whatsoever. Surely, we can write into the bill a more exact basis, such as we have in our Wisconsin statutes, and such as other States have, for the Federal Power Commission to exercise its controls.

Mr. President, I have not attempted to make a comprehensive evaluation of the bill. I was not a member of the committee which heard the testimony or engaged in the hearings, and I feel that such an evaluation on my part is not at all necessary in view of the exceedingly detailed and skilled analysis which has been made by my colleagues, notably by my associate, the distinguished Senator from Illinois [Mr. DOUGLAS].

It has been a source of regret to me that unfortunately, because of previous speaking engagements, it has not been possible for me to be present at all times on the Senate floor during the debate. It has not been feasible or desirable at this stage to offer the type of phrase-by phrase, clause-by-clause, paragraph-by-paragraph analysis of the bill which I might otherwise have presented. I believe, however, that the remarks made by my scholarly friend, the senior Senator from Illinois [Mr. DOUGLAS], stand for all who want light on this subject to see.

For those individuals who desire still further light on this subject, I commend to them the excellent briefs filed by officials representing the State of Wisconsin

during the long battle over the Phillips case, as well as the material so ably presented by the House and Senate Committees on Interstate and Foreign Commerce by our Wisconsin officials, headed by Mr. James R. Durfee, Chairman of the Public Service Commission.

CONCLUSION

The issue, thus, is drawn:

Will we or will we not protect the public interest?

I hope that we shall not disappoint the Nation and fail in our obligations to it.

Mr. President, since I began my speech, additional expressions of views in opposition to the natural gas bill have been forwarded to me.

One is a resolution from the city of Glendale, Wis., opposing the bill. I have also received a letter from the city clerk from the city of South Milwaukee, and also a letter from the city clerk of the city of Sheboygan, in my State.

THE DOCTRINE OF INTERPOSITION

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very able address delivered by the Honorable Ross R. Barnett, an attorney of Jackson, Miss., on the doctrine of interposition. Mr. Barnett is one of the leading constitutional lawyers of this country, and he made a very, very able presentation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE ROSS R. BARNETT, AN ATTORNEY OF JACKSON, MISS., PAST PRESIDENT OF THE MISSISSIPPI STATE BAR ASSOCIATION, ON THE DOCTRINE OF INTERPOSITION

Prior to the establishment of the Federal Government, the powers of governing the internal affairs were vested in the loose unity created by the Articles of Confederation. It was of great importance for the common good that the States unite for protection from foreign interference and to promote the general welfare. The Federal Government was thus established. The States delegated to the central government those powers considered necessary for the common good and for the promotion of the general welfare of the entire Nation. Our Federal Constitution was adopted and the powers granted to the Federal Government are contained only in the Constitution, and it has been consistently held by the United States Supreme Court that the Federal Government has no powers other than those contained in the express language of the Constitution or necessarily implied therefrom. The Constitution was in the nature of a contract between the States, each State being a party thereto, but each State also reserving unto itself all power not granted to the Federal Government. Any increase or diminution of that power would have to be by amendment to the Constitution, just as any other contract would have to be altered by agreement between the parties bound.

Article V provides the method of amending the Constitution by Congress proposing amendments thereto or the legislatures of two-thirds of the States making application therefor. When the Supreme Court grants powers to the Federal Government that do not exist in the Constitution, it is equivalent to an unlawful amendment or alteration of the Constitution in a method not provided for by article V.

The States are the reservoirs of the powers of our form of government of this democracy, and from this reservoir or reservoirs pass such powers to the Federal Government as the States gave, and those which did not pass are reserved to the States, by express provision of article X, being the 10th amendment of the Constitution, which reads:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people."

A party whose contract is wrongfully modified or changed has the inherent right to object and to refuse to be bound by any unauthorized or illegal amendment or change of that contract, and in the interest of the common good is under the duty to register a solemn protest to such change.

An amendment of the Constitution is a legislative act, and is not a judicial act, for courts construe legislation and do not make legislation.

But that is what the Supreme Court has done in its decision attempting to abolish segregation in the public schools, which decision is unlawful and illegal.

The Mississippi constitution was adopted in 1890, and section 270 thereof expressly provides "separate schools shall be maintained for children of the white and colored race."

This constitutional provision has stood assaults upon it from 1890 until the decision of the Supreme Court of the United States in 1954—a period of more than 64 years. In that time, the Supreme Court of the United States several times passed upon the constitutionality of that section of the Mississippi constitution and declared it was not in violation of the 14th amendment to the Federal Constitution and that the power of a State in regulating its public schools does not conflict with the 14th amendment. The opinion in *Gong Lum* v. *Rice, et al.*, decided by the Supreme Court of the United States in 1927, reported in 48 S. C. 91, 275 U. S. 78, and 72 L. Ed. 172, will be of interest to the people of Mississippi. The Court which rendered that opinion was composed of some of the ablest Justices who have sat upon the Supreme Court of the United States, the members then being William Howard Taft, Oliver Wendell Holmes, Willis Van Devanter, James C. McReynolds, Louis D. Brandeis, George Sutherland, Pierce Butler, Edward R. Sanford, and Harlan Fiske Stone.

Chief Justice Taft wrote the opinion and, in part, said this:

"The question here is whether a Chinese citizen of the United States is denied equal protection of the laws when he is classed among the colored races and furnished facilities for education equal to that offered to all, whether white, brown, yellow, or black. Were this a new question, it would call for very full argument and consideration; but we think that it is the same question which has been many times decided to be within the constitutional power of the State legislature to settle, without intervention of the Federal courts under the Federal Constitution.

"The decision is within the discretion of the State in regulating its public schools, and does not conflict with the 14th amendment."

Chief Justice Taft in writing the opinion for the Court was amply supported in his conclusion that the States had not surrendered to the Federal Government their right to regulate their schools, by opinions of predecessors in office who in construing the Constitution found that the power to regulate had been reserved to the States.

Of course the States should not deny to the central government the powers they granted to it, and on the other hand, the central government should not take unto itself powers that were not expressly granted.

The thing to do, as I see it, is for the State of Mississippi to invoke its inherent right to object through its legislature to an invasion by the Supreme Court of the rights reserved to it in the Constitution. The right to exercise its power in internal affairs is just as much a constitutional right under its agreement with all the other 47 States as it is for the Federal Government to exercise its right to regulate commerce between the States, a right expressly granted by the 48 States to the central government.

The law teaches that for every wrong there is a remedy, and the only remedy here in my opinion is the remedy of interposition and nullification, whereby a State interposes itself between the Federal Government and the citizens of the State, for a nullification of a wrongful act.

The people of Mississippi act through its legislature, and it is for the legislature to act in this instance.

This brings us down to how the legislature should act.

The right of interposition and nullification was advocated by Thomas Jefferson, the author of our Declaration of Independence, who, along with James Madison, the father of our Federal Constitution, first advanced this reserved rights of the States when they authored resolutions for the Kentucky and Virginia Legislature bodies invoking the right of interposition and nullification. They have been exercised by the State of Georgia in 1792, by Kentucky and Virginia in 1798, by Pennsylvania in 1809, by the Hartford Convention, composed of delegates from Connecticut, Massachusetts, Rhode Island, New Hampshire, and Vermont, in 1814, by the State of Georgia in 1825 to 1829, by North Carolina in 1832, by Wisconsin in 1859, and by Iowa in 1880. There is nothing new about nullification or interposition. There has been no recent use of it, but it is a valid method by which a legislative opinion of the Supreme Court of the United States may be nullified.

The State of Georgia alone by nullification in 1792 procured the 11th amendment to be added to the Constitution, whereby the judicial power of the United States Courts was denied to the Federal Government in suits against a State by a citizen of another State, or by citizens or subjects of any foreign States. This occurred 5 years after the adoption of the Federal Constitution.

Following the decision in the Dred Scott case in 1857, upholding slavery as a practice reserved to the States to regulate, a United States marshal in Wisconsin attempted to arrest and return a slave by the name of Joshua Glover. A mob led by Sherman Booth broke into the jail, rescued Joshua Glover, and prevented his return. Booth was arrested for violation of the Federal law, but the Wisconsin State Supreme Court intervened with a writ of habeas corpus. For a period of several years, the Wisconsin court waged a battle with the Supreme Court of the United States, but the Wisconsin court had the support of the Wisconsin general assembly (or legislature), and that assembly (or legislature) on March 18, 1859, passed a resolution declaring the decision of the Supreme Court of the United States void and of no effect in the assumption of powers in violation of the Constitution. Wisconsin kept up its fight. Just as Georgia had compelled the adoption of the 11th amendment, so the action of Wisconsin was a strong contributing factor to the adoption of the 13th amendment to the Federal Constitution, prohibiting slavery in the States.

Immediately after the Civil War, an Iowa legislature undertook to give large grants to its expanding railroads. The Iowa Supreme Court held these grants lawful, but at a subsequent term the Iowa Supreme Court held the grants unlawful. The United States Supreme Court attempted to reverse the second decision of the supreme court in Iowa, but the supreme court in Iowa took a firm stand and disregarded the orders of the United States Supreme Court in three consecutive cases until it forced the Su-

preme Court of the United States, devoid at that time of the prestige that underlies its powers, to back down.

Interposition and nullification are the constitutional remedies for procuring a constitutional amendment. The Legislature of Mississippi should seriously consider this question and, in my judgment, should use this constitutional method of interposition and nullification as a means for establishing in the Constitution an amendment declaring that the respective States, and they alone, have the right under the Constitution to regulate their internal affairs, and particularly their systems of education and public schools.

There are several methods by which interposition and nullification can operate. One takes the form of a direct appeal to Congress for the repeal of a law; another takes the form of a memorial to Congress calling for a constitutional amendment, as provided for by article V of the Constitution; and then again, it might be in the form of a resolution that until the States have ratified the action of the Supreme Court in drafting the power to regulate schools as being a power of the Federal Government, such law on the part of the Federal Government in regulating the public schools should not be effected in the State of Mississippi.

RECESS TO 11 A. M. TOMORROW

Mr. CLEMENTS. Mr. President, I call the attention of the Senate to the fact that it is now 1:55 o'clock p. m. I should like to have the Presiding Officer verify my understanding that there are at the desk no names of Senators who have announced a desire to speak on the bill.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The Senator is correct.

Mr. CLEMENTS. There has been much talk in the Chamber during the last several weeks about the time which would be needed to discuss the unfinished business. But if no other Senator desires to speak this afternoon—and apparently no Senator has made such an announcement to the Presiding Officer—I move that the Senate now stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 1 o'clock and 56 minutes p. m.) the Senate took a recess until tomorrow, Friday, February 3, 1956, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 2, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Let us pray.

Almighty God, together we confess our sins, together we seek Thy mercy, and together we beseech Thee to give us Thy pardoning and sustaining grace.

Grant that in these strange and troubled days we may hear and heed Thy voice, calling us to be courageous and of good cheer.

We pray that our English-speaking nations, drawn together by a common peril and a common ideal, may have leaders, statesmen, and diplomats who know how to bring peace and security to freedom-loving people everywhere.

May our President, our Speaker, and all our chosen Representatives have a clear vision of Thy divine will and be inspired with wisdom and understanding as they strive for the blessedness of all mankind.

Hear us in the name and spirit of the Christ whom we acclaim as the King of Kings and the Lord of Lords. Amen.

The Journal of the proceedings of yesterday was read and approved.

URGENT DEFICIENCY APPROPRIATION BILL, 1956 TREASURY-POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1957

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have leave to file two reports, one on the urgent deficiency appropriation bill for 1956 and one on the Treasury-Post Office Departments appropriation bill for 1957, before midnight tonight.

Mr. TABER. Reserving the right to object, Mr. Speaker, I thought the gentleman was going to ask for permission to file those reports until midnight tomorrow night.

Mr. CANNON. That would be better. I will make it, then, February 3, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TABER. Mr. Speaker, I reserve all points of order on both bills.

PROGRAM FOR NEXT WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I take this time for the purpose of inquiring of the acting majority leader as to the program for next week.

Mr. ALBERT. I thank the distinguished minority leader for calling this matter to our attention.

On Monday the Consent Calendar will be called, and there will be one suspension, H. R. 5948, to prevent certain bank mergers.

There will also be considered on Monday the bill H. R. 8704, to extend the Poliomyelitis Vaccination Assistance Act.

On Tuesday the Private Calendar will be called.

On Tuesday, Wednesday, and Thursday the following bills will be called up:

The urgent deficiency appropriation bill for 1956.

The Treasury, Post Office appropriation bill for 1957.

S. 180, to authorize the Washita River Basin reclamation project, Oklahoma.

H. R. 8710, to amend the Armed Services Procurement Act of 1947.

Of course, there is the usual reservation that conference reports may be brought up at any time, and also any further program will be announced later.

Mr. MARTIN. Is the gentleman at this time prepared to make an announcement as to any agreement that may have been reached between the majority and the minority leadership relative to that period of time when a great many Republicans make Lincoln Day speeches?

Mr. ALBERT. The customary agreement has been reached. After the close of business on February 8 through February 15, no controversial legislation will be programed; and it will be the purpose of the majority leader to ask that any rollcall votes on legislation which may be considered during that time be postponed.

Mr. MARTIN. In other words, we will consider legislation, but any rollcall votes would be deferred.

Mr. ALBERT. The gentleman is correct.

Mr. Speaker, I would like to announce further that the Easter recess will begin at the close of business on Thursday, March 29, and will continue through Sunday, April 8; and the House will meet on Monday, April 9.

Mr. MARTIN. We appreciate the information and thank the gentleman very much.

PAY PREVAILING WAGE ON ALL UNITED STATES AIDED CONSTRUCTION

Mr. LANE. Mr. SPEAKER. I ask unanimous consent to addres the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the idea that the lowest bid is always the best bargain for the Government is a fallacy.

More often than not, it is an excuse used by contractors to cut corners on the job, by using poor material, unskilled workers, and by paying substandard wages that sometimes include kickbacks.

Due to a lack of covering legislation, the Federal Government becomes an innocent accessory to antilabor practices.

The original Davis-Bacon Act reinforced the basic principle that the prevailing wage being paid to construction laborers and mechanics in a given locality should be the standard for wages paid on direct Federal construction projects in that same locality.

The picture has changed considerably since the 1930's, but Federal legislation has failed to keep up with those changes.

The Federal Government is now engaged in construction projects financed in whole or in part from Federal funds, or as a result of Federal insurance or guaranties.

As a result, we now have multibillion FHA, VA, rural electrification, and other programs presently beyond the reach of the Davis-Bacon Act.

With emphasis in the present Congress on the need for extensive highway

and school-construction projects, we must have legislation to plug up loopholes in the Davis-Bacon Act so that the Secretary of Labor will have the power to predetermine wage rates on construction involving the Federal Government, coupled with sufficient enforcement authority, otherwise the improvement in wage rates and in working conditions which have been privately negotiated between contractors and construction craft unions will be sabotaged.

If the high standard of construction work done by reputable contractors and subcontractors is not to be placed at a competitive disadvantage by roving contractors who are able to bid low by evading the prevailing wage principle, we must tighten up the laws governing all construction work to which the Federal Government is a party.

Have you ever wondered why the low bidder's estimate is so many thousands of dollars below that of all other bidders, even on a relatively small project? Or have you ever observed, while traveling through one populous State, that the highway construction equipment bears the name of a contractor from a different State, who may have had to move his roadbuilding equipment hundreds of miles before he started the job?

Especially when there are able contractors in the State where the work is being done?

A search would reveal many sharp practices that violate the well-established principle that prevailing wages must be paid on all construction in which the National Government has a participating interest.

Federal contracting agencies are often helpless to insist upon compliance.

The pattern of the 1920's is at work again.

Gypsy contractors base their labor costs on the area from which they originated. Local contractors, abiding by local wage rates prevailing on private construction, have been shut out.

In labor-surplus areas, these wandering, low-wage contractors have added to our distress. Simply because we have a large number of people out of work, is no reason why we should be forced to cut our labor standards below the minimum, in order to compete with construction workers imported from low-wage areas. This would be exploitation of the old days, when every effort was made to trade off worker against worker, beating down wages in a vicious cycle.

Public moneys must never be spent to depress the wages prevailing in any locality where Federal construction is planned, or is in process of construction.

Furthermore, the Federal Government, to be consistent in its proposed area assistance program, cannot contradict itself by permitting low-wage, migratory contractors to move in and undercut wages on construction programs in which the United States Government has an indirect or grant-in-aid responsibility.

Legislation to extend and strengthen the original intent of the Davis-Bacon Act is long overdue.

It is a condition prerequisite to the enactment of any school or highway construction programs by this session of Congress.

The bill introduced by the gentleman from Rhode Island, Congressman FOGARTY, will eliminate abuses and evasions that are current and widespread.

And it will protect the good name of the United States Government in arrangements involving the employment of human labor. It will do this by making certain that no contractor or subcontractor shall be able, under any pretext, to avoid paying the prevailing wage in the locality where such federally assisted construction is planned, or in progress.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALENDAR WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

FEDERAL DISASTER INSURANCE, H. R. 8161

Mr. RODINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, even with all of our modern technology we have been able to do very little about eliminating natural disaster. Hurricanes still blow with terrific force, nor are they adequately predictable even as to direction and rate of movement. The pocket-size edition, the tornado, can be even more horribly destructive in a densely populated area, though on a smaller scale.

If water is in excessive abundance, gravity still pulls it madly toward the sea—more or less contemptuous of the works of man which may partially block the valley path. The earth shakes, and the best-laid works of our fellow humans may be contorted almost beyond recognition and tumbled to earth. We have learned a little about prediction. But even in those cases in which we know the probable odds, on some scientific basis, too often there is not much in the way of helpful adjustment which can be made quickly by anything so complex as our modern society.

Time was when man had no choice but to face such destructive forces alone, as individuals or families. It was just bad luck or the gods were angry. It was nature in the raw. Whether or not he survived depended on fate and fortune, perhaps in some slight degree on his own frenzied efforts, puny though they were in comparison with the overwhelming forces with which he was confronted and contending.

Nature took her toll, regardless of race or color, religion, abundance or lack of wordly goods, political affiliation, and over a period of time, seemingly almost regardless of where one might live.

As we have become more civilized, as our society has developed, and become more complex, we have discovered that mutual aid is not only a factor in evolution but also a factor in survival. We, in one form or another, as church groups, as the Red Cross, or otherwise jointly under the label "government," have rushed aid to the survivors of disaster, whoever they might be, if they could be reached. Such mutual aid, such disaster relief, has become a part of our Christian civilization.

We hold that unfortunate persons in peacetime shall not suffer if aid can possibly be provided. Aid in disaster has also become an acceptable part of the philosophy of most governments, to be acted on under special circumstances as the occasion arises. This is not only action on a humanitarian basis but recognition of a factual situation. That is, damage and destruction leaves the people and the area in a problem status—unless there can be restoration, unless there can be rather prompt relief and reconstruction, unless the health, employment and production aspects can be taken care of promptly, other areas also are seriously affected. So it becomes not only the benevolence of government but the self-interest of government, of society at large, to patch up the local destruction promptly and effectively.

Too often it is a very modest patching up rather than full rehabilitation. Such aid, though freely given, is often far short of restoring, or nearly restoring the persons and families, businesses and communities, to anything like their former status. The efforts, admittedly well-intentioned, are likely to be slow, meager, and the procedures cumbersome. Sometimes it has been necessary, as in 1955, to consider whether or not it was necessary to call a special session of Congress. Prima-facie inadequacy is indicated by the gap between total public expenditures of somewhat over $400 million against total disaster losses of about $4 billion in the last 5 years. Nor have we any reason to think that the gap is presently filled by private insurance. Hearings on disaster insurance by the Banking and Currency Committee of the Senate and a staff study for the same committee both indicate that insurance is either not available at all for some types of disaster, or the rates and specifications are such as to greatly reduce desired coverage. I do not intend here to go into the history of what insurance may sometime have been offered privately or by the Government, covering one or another of the several types of disaster and somewhat related incidents, such as war. Clearly, coverage has been very spotty and slight. For example, of the 1951 Kansas-Missouri flood loss of about $1 billion, only 5 per-

cent was covered at all by insurance—United States Congress, Senate Committee on Banking and Currency, Federal disaster insurance, staff study, 84th Congress, 1st session, committee print, November 30, 1955, Washington, GPO, 1955, page 14. Even so, the insurance companies sometimes find themselves facing very sizable obligations, as in 1954 when hurricane losses, according to the National Board of Underwriters, resulted in the Nation's insurance companies paying out $225 million.

Clearly then, there is need for greatly expanded coverage on disaster insurance. It would appear to be time for society, acting through our broadest representation, the Federal Government, acting under the general-welfare clause, to establish a broad program of direct insurance of property against risks and hazards incident to natural disasters. That is the purpose of H. R. 8161 which I introduced on January 5, 1956.

My bill provides for the Small Business Administration to serve as the administering agency of the proposed Federal disaster-insurance program. Knowing something of the experience and personnel of that agency, as well as its objectives, it appears to me that this agency, of all existing agencies, is the most logical one to be obligated with this major new responsibility.

RISKS COVERED

H. R. 8161 specifically provides—section 4 (b) (2)—that direct insurance shall be made available under this program only to the extent that such direct insurance is not obtainable from private enterprise upon substantially the same terms and conditions, at substantially the same cost, and covering the same risks and hazards. You may be sure that I have nothing against private business—I am for it—but I want it to perform. Incidentally, I have made provision—section 11 (a)—for the Administrator, at his discretion, to utilize approved private insurers as agents for the Government's direct insurance program. That will give them a chance, if they want a chance.

It seemed best to provide broad scope with respect to type of risk to be covered; yes, floods certainly, plus earthquakes, earth tremor, tidal waves, wind, storm, cyclone, hurricane and blizzard. Then I went a bit further and provided that the Administrator might designate any type of unusual meteorological change or disturbance or unusual variation of weather resulting from natural causes as insurable natural disaster. Such broad coverage and wide administrative discretion seems to me desirable and perhaps necessary in this comparatively new and largely uncharted field. It does not include, as do some other bills that have been introduced, war damage risks.

TYPE OF PROTECTION

With respect to type of protection, H. R. 8161 provides only for a program of direct insurance. Direct insurance is defined as "insurance provided by the Administrator, on behalf of the Federal Government, directly to a person or persons under and by means of one or more direct insurance contracts in conformity with this act." To me this direct approach appears to have notable advantages, undiluted and uncomplicated by indemnities, reinsurance, direct and/or guaranteed Government loans, and so forth.

COVERAGE

As to inclusiveness of coverage, H. R. 8161 would cover all private individuals, groups, and organizations other than private insurers, who are specifically excluded—section 3 (3). Reasonably, an insurable interest is required for coverage, such interest being defined as "any right, title, or interest in and to property which the Administrator determines to be an insurable interest for the purposes of this act"—section 3 (5).

The kinds of property for which broad coverage would be available under this direct insurance program are real, personal, and mixed property in which one or more persons have an insurable interest—section 3 (4). Such property located in the continental United States and its Territories and possessions, including Puerto Rico and Guam—section 3 (8)—would be eligible.

H. R. 8161 would authorize the Administrator, at his discretion to include in each direct insurance contract provision for limitation per claim up to and including $50,000, plus 80 percent of the excess loss with a $50 deductible provision—section 7. This approach appears to me to be more equitable than arbitrary limitation per person or per property. Under the provisions of my bill there would be no fixed amount limit on the aggregate claims but limit on access to public funds would be provided by the financing provisions, under which "the Administrator is authorized to issue, from time to time, to the Secretary of the Treasury and to have outstanding at any one time, in aggregate amount not exceeding $1 billion"—section 14.

Wide discretion is provided the administering agency in prescribing limitations on and exclusions from coverage. It seems very doubtful to me whether we here can do or ought to do more than provide the authority necessary to the performance of the duties involved in a new program. There must be discretion.

RATES, ETC.

The Administrator is given some guide lines but H. R. 8161 provides general broad discretion as to premium rates on direct insurance contracts—section 6 (a). Insofar as practicable adequate insurance protection shall be provided at the lowest possible reasonable cost, but sufficient to provide reasonably adequate reserves in the Federal Disaster Insurance Fund. So far as practicable uniform rates shall be prescribed for each type of contract—section 6 (b).

FEDERAL FINANCIAL SUPPORT

This is a Federal program but inasmuch as provision is made for rates presumed to be adequate to the functioning of the program and the administering organization, appropriations by Congress to the fund are authorized but not specified or limited—section 12 (5). Borrowing power, as authorized, is limited to $1 billion.

If and when we have such a program underway it seems to me desirable that Government agencies which make direct loans on property eligible for insurance under this program, or which participate in or insure loans on such property should require such insurance as a condition for such financial assistance. H. R. 8161 so provides.

Provision is made for review and study of the effectiveness of the program and for the use of experts and consultants as well as the more usual staff. Provision is made for coordination with pertinent existing programs, with the stipulation—section 15 (d)—that such insurance shall not be available to property which is used in violation of flood zoning ordinances, and so forth. Provision is made for settlement of claims, both by administrative procedure and final judicial review, if necessary. My considered opinion is that H. R. 8161 should become the law of the land.

JURY SYSTEM ABSOLVED IN COBB COUNTY, GA.

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANDRUM. Mr. Speaker, in the Washington Post and Times Herald of February 2, 1956, there is an Associated Press story headlined "Jury System Absolved in Cobb County."

Now, first, of course, we Georgians are pleased that the country has been told a truth known from time immemorial—that is, that our superior court officials in Cobb County, Ga., in the district so ably represented by Hon. HENDERSON LANHAM, who has so vigorously protested the recent investigation into that superior court system by the Department of Justice, and as well too, the superior court officials from all of Georgia are outstanding, honest Americans dedicated to fair and just administration of State law and who diligently seek to have justice done under that law to all who come before our courts charged with crime.

Pleased as we are with this announcement of a fact already well known, we are, nevertheless, still angered—plainly mad as the devil—that certain officials in the Department of Justice would attack the integrity of our State courts. Such action is cheap politics of the most rotten sort and can serve only to weaken ties that in these critical times need to be strengthened.

Let this, we pray, be a lesson to those responsible for this gross abuse of authority and for this unwarranted invasion of a State and its institutions.

USE OF EXCESS WHEAT FOR CHICKEN FEED

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I am forced to take this time in order to apologize to some more Members of the House.

A few days ago, because the farmers in Michigan were being arrested, indicted, and prosecuted for violating some provision of the Department of Agriculture regulations and feeding some of the wheat which they grew on their own land to their cattle and chickens, I referred to a bill that is pending before the Committee on Agriculture to amend it to take care of that situation.

I was advised that the gentleman from North Carolina [Mr. COOLEY] was sitting on that bill and would not let it come out. So I said something about that. Then I learned from the gentleman from North Carolina and from the gentleman from Texas [Mr. POAGE] that they were not to blame; that it was the gentleman from Kansas [Mr. HOPE].

Yesterday, after I got through with that, I met a Republican member on the Committee on Agriculture and he told me that I was off my base; that it was a couple of Republicans from the corn States who were blocking it. If I am wrong in talking about those 2 gentlemen, 1 from the West and 1 from Indiana, who have corn farms, who are blocking this wheat business and getting my farmers in jail, if they will just tell me who is to blame, perhaps we can run it down and finally get that bill out. I hope so.

THE COMMONWEALTH CLUB OF CALIFORNIA

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, the Commonwealth Club of California is perhaps the oldest and best known forum in the United States. Its members can be said to be a fair cross-section of our population.

Recently the club's section on Government finance submitted a questionnaire to its membership on the indirect factors in Government cost, resulting in a voting record which I am sure will be of interest to the Members of this House.

There were four questions which especially reflect a certain public opinion on our actions:

1. Do you believe that State subventions and Federal grants-in-aid should be curtailed as a means of reducing the cost of Government? Yes, 1,000; no, 343.

2. As a means of reducing the cost of Government, should functions which are clearly proprietary [1] be ordinarily supported by (vote for one only) (a) taxes? 83, or (b) charges levied on the users? 1,274.

3. Should special functions of Government, such as the construction and maintenance of roads, be ordinarily supported primarily by a tax on users? Yes, 1,141; no 216.

4. Do you regard the shift of taxes to a higher level of Government as a contributing factor to higher cost of Government? Yes, 1,070; no, 249.

[1] That is, customarily provided by private enterprise, such as power distribution, mass transportation, or off-street parking for pay.

SHORTAGE OF HOME MORTGAGE MONEY

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I have today introduced a bill designed to ease the chronic shortage of home mortgage money in many of the rapidly growing sections of the Nation, particularly the West.

The bill will amend the Federal National Mortgage Association Charter Act to remove, under certain specific conditions, the present requirement that mortgage sellers make certain capital contributions to FNMA in the form of purchases of common stock.

Passage of this bill would, I believe, make FNMA provide a needed stimulant to the home construction industry in the capital-short areas instead of depressing it by aggravating the shortage.

FNMA, known in the mortgage and home building trade parlance as Fannie May, was created to assist the secondary market for home mortgages. By purchasing mortgages from primary lenders in areas where the market is slow, Fannie May makes it possible for lenders to obtain quick funds for new housing development.

Two things have kept this agency from providing the help needed in the capital-short areas. First, the administration policy of the past year or so has limited the use of FNMA. Second, the stock purchase requirement I have mentioned above.

Primary lenders must subscribe to FNMA common stock in an amount equal to 3 percent of the unpaid balance of the mortgages they sell to the association.

This stock can be sold immediately at 50 cents on the dollar, or it can be held for an indefinite period in the hope of regaining the full amount invested. FNMA also requires a one-half of 1 percent commitment fee. The net effect is that, as the primary lender must anticipate getting less than 100 percent cash immediately on the mortgage it has to sell to FNMA, he gives the home builder less than 100 percent. The builder, in order to stay in business, is forced to give the home buyer less house for his money.

This situation is more serious in capital short areas where mortgages already are being bought at a discount or not at all.

A builder in my hometown, Tucson, Ariz., tells me has been getting only 92 percent. In Phoenix, FNMA has been offering to buy mortgages at 96 percent. But after the 3½ percent for stock purchases and commitment fee is deducted, the total the initial lender gets is 92½ percent. If he chooses to sell his stock immediately, he gets 1½ percent more, or a total of 94.

When private mortgage money is available, a higher fee than this is offered, but most of the time capital is in short supply.

Fannie May, a national authority on housing conditions has observed, tends to become the base of all mortgage lending. He thinks the administration has set FNMA prices at a level which actually is depressing the market.

My bill is designed to correct this situation. It proivdes:

First. The President is authorized to proclaim capital shortage areas after a determination that adequate investment capital is not availble for home mortgage financing in a particular State, county, or city.

Second. In such areas, FNMA would be required to waive the stock purchase requirement, thus serving to discourage the practice of discounting home loans and to enlarge the role of FNMA in these distress areas.

Third. FNMA would be strengthened and its intended role in assisting the home construction industry in growing areas would be enlarged and reaffirmed.

With the Association's secondary market function thus stimulated to increased activity, the dangers of a decline in new home construction starts in the fast-growing areas of our country would be avoided.

This would particularly aid the small independent builders who, I am convinced, are doing the best home construction work in my State—and possibly in the Nation—on the basis of what the home buyer gets for his money.

There may be some who will minimize the problem I have presented here, insisting that the phenomenal growth of the very areas I am using for illustration has been made possible through private financing. This is certainly true. But most of that capital has come from the large insurance companies.

I am informed that in a move to diversify the base of their investments, insurance companies have poured a large amount of money into real estate in recent years—possibly up to 80 to 90 percent of their current new money each year. With mortgage portfolios built up to the desired level of 35 percent of their total investments, they will be reducing new investments now to about 35 percent of the new money available.

And for those who doubt the adverse effect of recent FNMA policies on the building industry, I would like to quote from Mortgage Market Memo, a newsletter issued by Housing Securities, Inc., of New York City, dated December 5, 1955:

Price pattern remains low, with FNMA prices as a base. * * * Tight money in prospect for some time with possibly temporary slight easings to prevent serious situations. * * * FNMA profiting at expense of housing industry—forcing builders to pay 5 to 7 points in addition to normal 2½ for use of facility. Opportunity for administration to use FNMA as corrective influence in present situation. * * * While seriously handicapped by congressional limitations, it must justify its existence by forceful action.

The administration's recent step of restoring 30-year mortgages after the Veterans' Administration and the Federal Housing Administration reduced the maximum loan period to 25 years only last summer, was well taken. But it will not serve to ease the short-money situation in the capital-short regions of our country.

I believe the Congress should take action to let FNMA provide the additional badly needed help. For home construction is virtually a basic industry. The economic health of thousands of communities will be adversely affected if we allow a shortage of mortgage money to stifle the home construction industry.

I hope this proposal will receive prompt and sympathetic consideration by both the Banking and Currency committees of the House and the leaders of the mortgage-finance industry.

CALL OF THE HOUSE

Mr. COOPER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 6]

Anfuso	Evins	Pfost
Barden	Fountain	Powell
Barrett	Granahan	Price
Belcher, Okla.	Green, Pa.	Prouty
Bolton, Frances P.	Harrison, Nebr.	Reece, Tenn.
Brownson	Hays, Ohio	Reed, Ill.
Broyhill	Hoeven	Richards
Buckley	Hope	Rogers, Mass.
Byrnes, Wis.	Jensen	Saylor
Celler	Kelley, Pa.	Shelley
Chatham	Kelly, N. Y.	Staggers
Christopher	Keogh	Steed
Chudoff	King, Pa.	Taylor
Cole	Klein	Velde
Cooley	McCormack	Vorys
Coudert	McMillan	Vursell
Davidson	Machrowicz	Walter
Dawson, Ill.	Mack, Wash.	Watts
Dollinger	Morrison	Wilson, Ind.
Donohue	Norblad	Wolcott
Durham	O'Brien, N. Y.	Yates
Eberharter	Osmers	Zablocki
Engle	Patterson	

By unanimous consent, further proceedings under the call were dispensed with.

DESIGNATION OF ESCORT COMMITTEE

The SPEAKER. The Chair appoints as members of the committee to escort the Prime Minister of Great Britain into the Chamber the gentleman from Oklahoma, Mr. ALBERT, the gentleman from Massachusetts, Mr. MARTIN, the gentleman from Illinois, Mr. GORDON, and the gentleman from Illinois, Mr. CHIPERFIELD.

The House will stand in recess subject to the call of the Chair.

RECESS

Accordingly (at 12 o'clock and 50 minutes p. m.) the House stood in recess subject to the call of the Chair.

VISIT TO THE HOUSE OF REPRESENTATIVES OF THE RIGHT HONORABLE SIR ANTHONY EDEN, K. G., M. C., M. P., BRITISH PRIME MINISTER

During the recess the following occurred:

The Doorkeeper announced the Honorable Sir Anthony Eden, K. G., M. C., M. P., British Prime Minister.

The British Prime Minister, escorted by the committee of Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk.

The SPEAKER. Members of the House of Representatives, it gives me pleasure, as I am sure it does you, to welcome into our midst the distinguished leader of a great, a proud, and a friendly people, the Prime Minister of Great Britain. [Applause, the Members rising.]

The PRIME MINISTER. Mr. Speaker, and Members of the House of Representatives of the United States:

Mr. Speaker, I am deeply conscious of the honor you have done me in asking me to speak to you. In inviting me to address both Houses of Congress I have today been invested with a dual personality which I fear that the British Parliament at home would never allow. There, you know, they think it is quite bad enough to have me in one House. [Laughter.] But, nonetheless, I thank you very much.

Sir, in speaking to the Senate I have shown that the declaration which the President and I issued yesterday reaffirmed to both our countries our determination to promote peace and to defend the free world. It also recognized this, that we cannot contain the enemies of freedom by military action alone. Simply to deter the aggressor is not enough. It is of the constructive part of our work that I would now like to speak to you.

The principles which have guided us, and which I can fairly say influence our two countries, we offer to other lands, you and we: Political understanding, material help with no strings attached. We offer free and friendly association to all peace-loving nations.

It is fair to say that these are generous offers, but having made them we must fulfill them and show ourselves worthy of the trust that the free peoples place in us.

So, Mr. Speaker, I would like, therefore, to speak to you of how we in the United Kingdom believe that we should take our share of this duty.

First, we have to continue vigilance of our own strength; for, if we are weak ourselves we cannot help others either with political guidance or with material assistance; nor can we protect them with military power. To do all these things, of course, places a heavy load upon British resources.

If we are to maintain the mobility of our forces and the means to deal with any emergencies that may arise in these many and distant lands, then bases, garrisons, harbors, and airdromes and all their attendant paraphernalia must be paid for. That is why the expense of our overseas defense looms so large in our annual budget and places a continuing strain on our balance of payments. These costs are in fact infinitely larger than those of any other country except yours.

Add to this, Mr. Speaker, the direct charges for defense, the medium bomber force which we alone in Europe are today building as part of the deterrent; the cost of the hydrogen bomb which we are engaged in making, and you understand, I hope, that we are not an unworthy partner. Of course, our contribution is small in amount by comparison with yours, but in proportion to our size our effort is comparable to yours.

Mr. Speaker, I know it is sometimes said in this country that the Prime Minister of the United Kingdom only comes to the United States in order to get dollars. [Laughter.] Now, with your help, sir, I should like to lay this ghost once and for all. [Applause.]

We are sincerely grateful for the economic aid we have had in the past. It has helped us to repair the consequences of 6 years of bombardment and war, because that is how long it lasted in Britain, nearly 6 years; but apart from a measure of defense aid, which we value, we now stand on our own feet, and we intend to continue to do so. [Applause.]

The scale of the United States assistance to the free world in these past years, has been an act of generosity unmatched in history. I know it is difficult for you to applaud them [laughter], but I can assure you any British audience would do so, and any I hope in the free world.

Marshall aid, linked in fame with the name of a courageous and imaginative soldier [applause], brought salvation to Europe at a critical hour. The world should not forget that you offered that help to all on either side of the Iron Curtain.

These policies you have upheld manfully and at heavy cost to yourselves. Never has a nation in years of peace so heavily taxed itself for others.

As I have said, we at home have to continue to build our economic strength, and it is with this in mind that we have never spared our effort, nor shall we, to develop nuclear power. These efforts are taking many forms. As perhaps you know, our first atomic power station will be working this year—perhaps even a little ahead of yours—I hope so. [Laughter.] A number of others are under construction and will come into operation in due course.

But machinery and power alone are not enough. To keep pace with these and other scientific needs we are now undertaking an extensive program of technological education. This will be spread over the next 5 years and will bring new opportunity to our young people so that in quality we may hold our own in all these new fields.

Mr. Speaker, I ask you to believe that though Britain is an old country, she is still young in heart, ready to compete even with you in the expansion of this new industry which may well create a new industrial age for us all.

So much for the economic aspects. The free world has also to display a

political stability. I think you will agree that the British people have not failed you in this. We have even given the world an example in this respect for a long time past, but, sir, we intend to continue to do so for a long time to come.

With strength at home must be linked imaginative and progressive policies abroad, and here we have special responsibilities of which you know. I have read some of your resolutions about them. We shall discharge those responsibilities.

We are convinced that it is our duty to encourage the steady progress of nations toward self-government. We have applied this principle many, many times. The examples are familiar to you. I will only mention that at this very moment while you and I are grouped here in this great hall, Her Majesty the Queen is in Nigeria where dwell more than 30 millions of her people with elected legislatures and African ministers.

In recent years many territories of the Commonwealth have attained nationhood; others are advancing by stages on the same path.

It is our faith that the confidence which self-government breeds is the best antidote to communism. But we are also aware that a danger of our time is that freedom can be lost by subversion. You will have noticed how these peoples who are just reaching nationhood are the special object of Communist ambitions which seek to take advantage of any inexperience or weakness they may show. Of course we know that these are the attendant hazards, yet we are convinced that the encouragement of these many peoples toward self-government will prove itself as wise statesmanship. Indeed, the recent experience of the Commonwealth shows that this is true.

Finally, Mr. Speaker, the free world has need that its foreign policies should fairly measure up to the realities of the world in which we live. There are certain principles to which we hold and which we will not give up:

The sanctity of treaties.

Good faith between nations.

The interdependence of peoples from which no country, however powerful, can altogether escape.

We can join in building a free world.

What of those who lie beyond it? I do not think we should ever fear contact with those with whom we do not agree. [Applause.] I think if we have faith in ourselves and in our convictions we should, therefore, be ready to meet with others of contrasting ideologies.

And so, Mr. Speaker, I sum up my message to you:

Last night the President and I signed the Declaration of Washington together. It embodies our faith; it expresses our principles and shows our confidence in our destiny. If we have the tenacity to maintain these before the world, and the courage to defend them in conference or in conflicts we can together face the future unafraid.

Mr. Speaker, in all conferences there are the written words of the parliamentary documents, there are the discussions, there are the communiques—call them what you will—but it is not enough, you know, sir, to talk of this conference merely in that fashion, because there was much more to these 3 days in value to our countries than that. What was much more valuable was this: The spirit which animates our two countries. [Applause.] It is that that counts above all.

These have been the most encouraging 3 days I have ever spent among you here in Washington, and I have been on many of these journeys. They were encouraging not only because it was heartening to find your President in such wonderful health [applause]; but they were also encouraging because I thought at all times how close we were in mind and thought, and I come away convinced that if we can remember that spirit which unites us much closer than any written document whatever you put in it, then together we can really render service to this troubled universe and maybe bring peace to the world forever. [Applause, the Members rising.]

The SPEAKER. The Chair thinks it would be well at this moment before the retirement of our distinguished first visitor to say there is present and to introduce to the Members the Right Honorable Selwyn Lloyd, British Secretary of State for Foreign Affairs.

The Chair wishes also to present to the Members His Excellency Sir Roger Makins, British Ambassador. [Applause.]

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 30 minutes p. m.

AUTHORIZING PROCEEDINGS HAD DURING RECESS TO BE PRINTED IN THE RECORD

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the proceedings which occurred during the recess of the House be printed in the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ANNOUNCEMENT

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, may I state that yesterday when rollcall No. 5 was called, on which I am recorded as not voting, I was, as a matter of fact, in attendance at a conference with the Administrator of Veterans' Affairs with my colleagues from Pennsylvania in connection with protesting the removal of the veterans hospital regional office at Wilkes-Barre, Pa.

COBB COUNTY, GA.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, I appreciate very much the announcement made today on the floor of the House by my colleague from Georgia [Mr. LANDRUM] in which he stated that the Department of Justice had absolved the county of Cobb in my district of excluding Negroes from the jury. They attempt to justify their interference in the administration of the criminal laws of my State, but fail to say anything about the method in which the investigation was made and the insidious effort to suggest to the solicitor general of the court that the man who had been convicted—this man Reece who had been twice convicted of rape—should not be tried again.

I emphasized that unwarranted precedure when I spoke previously on the floor of the House about this wholly political investigation. I want to express again my resentment at the veiled effort to suppress prosecution of a twice convicted rapist, and to hamper the administration of justice in Georgia.

I appreciate very much the remarks made by my colleague and this opportunity of telling you what has occurred.

To find out the facts about the method of selecting jurors in Cobb County, Ga., did not require the sending of snoopers to investigate. A letter to the clerk or the distinguished judge of the court would have brought the information desired. The real purpose of sending the snoopers to Georgia was to try to intimidate the court and its officials and prevent another trial of the confessed criminal.

THE FARM PROBLEM AND THE PRESIDENT'S RECOMMENDATIONS

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. WHITTEN] is recognized for 30 minutes.

MR. WHITTEN. Mr. Speaker, the general prosperity is dependent on the prosperity of each major segment of our population. This fact makes the drop in farm income of 25 percent in the last three years most disturbing. During this period profits of business and income of others were increasing to an all-time high. Since each depression has been led off by a break in farm income, it is time the causes of the present farm situation be searched out and corrected. The present administration now seems to see the problem, but would do little to correct the causes. I serve as chairman of the Agricultural Appropriations Subcommittee, a position I have held for a number of years. From my experience there it is my opinion that the President's farm plan, when considered in connection with what we are doing to destroy our farmers by foreign aid and other governmental policies, could well do more harm than good.

The President's recommendation to meet the farm problem by giving the farmer a part of his old crop back so he can sell it to the Government all over again, and by making payments to United States farmers for taking their

land out of production and putting it into soil conservation, in my opinion, will have very limited benefit. It is a case of giving the average farmer aspirin while he has his production dried up to producing for domestic consumption only. Of course, the big landowner would get several aspirin.

If implemented by cash it will provide a few dollars to each farmer. However, unless great care is taken to see that it is not all distributed to big landowners, it is to be doubted that such payments to the average small farmer will equal what he has lost this year on one hog. After all, what the President asks for is for his Secretary of Agriculture to take action under the law enacted years ago by the Democrats, as you can readily see if you will read sections 7A and 8 of the Agricultural Adjustment Act or the earlier statute, sections 601–608, title 7, United States Code of 1946. However, under the farm program of the Democratic administration it was only a minor part, and actually the soil phases of the recommended program could best be done by expanding existing programs which this administration has repeatedly tried to reduce. Having brought about reduced farm income by lowering prices, increasing costs, and cutting acreage, truly, this administration—to cure the problem—has labored and brought forth a mouse.

The point I wish to make, however, is not along the line of how little it amounts to, but actually in view of present policies of our Government I believe for the farmers to rely on such program is dangerous in that it will lull the American farmer into going along with present policies which are destroying American agriculture and the farmer.

Secretary Benson has had and now has unlimited authority to sell our commodities in world trade through normal channels. Until recent months he would not use it. While he has held United States commodities off world markets, our Government is furnishing 738 agricutural experts, at United States expense, to help promote increased foreign agricultural production.

Through various foreign aid programs the United States is supplying fine seed, tractors and combines, and other farm machinery to nearly every country outside the Soviet bloc. The United States is helping provide irrigation, flood control, highways, and cotton gins to increase foreign production to the point of meeting all world needs in the years ahead.

Our Government was and is granting tax concessions to American financial interests to advance increases in foreign production. United States promoted foreign production has increased as fast as Secretary Benson cut acreage in the United States. All this is shown in the report of the Committee on Agricultural Appropriations, which was released Thursday of last week.

Pending the day when the United States Government has increased foreign production to the point of there being no need for United States agricultural production, except for our domestic consumption, the Government—through Public Law 480—has been virtually giving away United States commodities to take up slack in world needs, though our Government refused to sell such commodities in world markets.

Many people have supported Public Law 480 and foreign aid without realizing that through the faulty policy of using Public Law 480 in substitution for sales through normal channels, such programs were being used to put American farmers out of business.

I might add, Mr. Speaker, that the administration has added hundreds of millions of dollars of costs to the farm program to the financial benefit of others by refusing to sell, by exchanges of commodities, by raising storage rates, by high-rate borrowings, by needless shipping, and by leaving United States storage vacant while moving United States commodities out to favored warehousemen halfway across the country. I shall present the details of these matters to the Members later. I believe with these facts known we can bring about corrections.

Now, Mr. Speaker, because the farmer's income is down and his plight serious, lots of fine people are mistakenly accepting the President's recommendation to pay a few dollars to the average American farmer to take his land out of production, while the same Government increases foreign production to take up all future markets as a cure for the farmer's problems. This 1-year palliative is another step toward production for domestic consumption only. Since the President's proposals are supported by the same farm leaders who helped get the farmers into the present predicament, it is time to stop, look, and take corrective action.

I would like to discuss in detail the various major causes of the present situation and then I shall present actions which I believe we should take.

THE REAL CAUSES OF PRICE-COST SQUEEZE

There have been 13 freight-rate increases in the United States since World War II. Minimum wages have been increased by law. Other increases in costs have come from the bargaining power of labor unions. Prices charged by manufacturers, wholesalers, and retailers have given them the highest profits ever received. Whatever the merits of such increases and the benefits to these groups, the result has been to increase the costs of what the farmer must buy.

At the same time, the farmer's parity formula has been changed on the recommendation of the Secretary so that these increased costs are no longer fully reflected in his price supports. His supports are now largely based on the average price he has received for the preceding 10 years.

Since farm income is the sum of volume times price less cost, is it any wonder, in view of reduced acreage and volume, lower prices, and increasing costs, that farm income is dropping rapidly to depression-day levels?

The present huge Commodity Credit Corporation investment of almost $9 billion comes not from the price-support system so much as from using American dollars to put foreign lands into production for export, from making loans and grants to provide them with agricultural machinery, and other actions which I enumerate. The United States has provided technicians to teach foreign countries how to increase their production. Tax concessions have been granted to United States firms to get them to expand in foreign lands. Then, to further bring about the ruin of many American farmers, the United States Department of Agriculture has held United States commodities off world markets so as to give markets to foreign countries far beyond their prewar share.

UNITED STATES AID TO INCREASE FOREIGN PRODUCTION

Such course adds to total world supplies. While the United States held its cotton off the world market and cut the United States farmers' acreage, it invited and largely financed an increase of 5 million acres to be put into production in foreign countries. As a result, 55,000 farm families in the United States, according to Secretary Benson's own report, were left without homes by the reduction in United States cotton acreage last year alone.

Largely financed by the United States, 1 million new acres of fine farmland have been added in Mexico through irrigation. Production of cotton in that country has doubled since 1950–51—from 1,151,000 to 2.2 million bales. This year Mexico's exports have increased from 742,000 bales to 1.8 million bales, which is as much as the United States will export for dollars at its high offering price this year. Much of the Mexican production is financed by American financial interests.

The same situation exists with regard to many other countries in South and Central America. And in recent weeks, through the Aswan Dam proposal, the United States has taken the first step to help finance the development of 2 million new acres in Egypt.

India, where the United States financed 2,600 deep irrigation wells, has increased cotton production 50 percent since 1950–51 and will have a 4-million bale crop in 1955–56.

Foreign dairy production has been increased by 740 million pounds of cheese and 66 million pounds of dried milk in the years 1950–54. During that period, while the United States would not sell competitively, exports of cheese from the United States dropped from 47.5 million pounds in 1950 to 5.4 million pounds in 1954.

During the period July 1, 1947, to August 1, 1955, the United States Export-Import Bank of Washington made loans of $260 million to foreign countries for farm machinery and equipment. The International Bank of Reconstruction extended $500 million in loans for the same general purposes.

From April 3, 1948, to March 31, 1955, the United States foreign aid program provided $984,159,436 in United States dollars to promote agriculture in foreign countries and created $710 million of counterpart funds for furtherance of agriculture in those countries. During this period the International Cooperation Administration granted a total of $476,819,000 for agricultural machinery, tractors, and equipment for foreign countries.

On June 1 of last year, there were 738 United States agricultural technicians—paid by our Government—on duty in foreign countries, helping to increase agricultural production. Two hundred and forty of such agricultural technicians are located in Latin America.

THE PRESIDENT'S RECOMMENDATIONS

While the Mississippi Farm Bureau and other southern farm bureau organizations differed with them generally, Secretary Benson, leaders of the American Farm Bureau, and the President tried for the first 2 years of this administration to virtually eliminate the present soil conservation program—in which the Federal Government pays for only about one-third of the soil conservation work on land.

Making payments for the soil bank acreage reserve, as recommended by the President, will put a little money into the hands of the farmer, but will cure none of the basic ills. How can these people who now espouse this solution believe in a soil bank idea, where the Government pays substantially all costs and the farmer would take little affirmative action other than not to farm? May I say it is my belief that the suggested payment for conservation reserve could be much better used if added to funds available for present soil conservation programs. However, even to receive the recommendation of his soil bank program, is a belated recognition of the soundness of the action of my committee and the Congress in retaining the soil conservation program in the face of administration and American Farm Bureau attacks back through the years.

Secretary Benson, leaders of the American Farm Bureau, and the President led the fight for modern parity, which reduced parity itself. They led the fight for flexible supports which reduced the percentage of parity, all because they said high level supports led to farmers producing for sale to the Government.

Now, this election year, after they have reduced price, increased costs, and reduced acreage by holding United States commodities off world markets through refusing to sell for dollars at competitive prices, this group claims to be surprised to learn that farm income is down. They now recommend that the farmer who agrees to hold up production this year under the President's recommendations would, in effect, be permitted to sell the same crop to the Government twice. And while the United States farmer does not produce this year, but sells last year's crop to the Government all over again, the United States Government goes merrily on, supplying dollars to foreign countries for building dams, furnishing seeds, providing tractors and combines and other equipment and machinery, and—to cap it all—at United States taxpayers' expense it furnishes 738 American agricultural specialists to teach people in foreign lands how to increase their production of wheat, cotton, corn, rice, tobacco, dairy products, and all the rest—much of it for export—all to add to world supplies.

With this state of affairs the situation of American farmers is bound to get worse before it gets better. Such a course leads to reducing the American farmer to producing for the domestic market only; and to remain solvent he must look to the Government for an annual dole, or Government handout, dependent on the whims of succeeding Congresses, and knowing full well only every fourth year is election year.

FOREIGN COUNTRIES OFFER AT COMPETITIVE PRICES

All foreign countries take what action they deem necessary to help move their agricultural commodities. I cite the following examples of subsidies provided by other countries. France pays $1.40 subsidy per bushel to export wheat; Uruguay pays a subsidy of 47 percent on beef exports; Australia pays an export subsidy on butter and cheese of 11 cents and 7 cents respectively; and Colombia pays a 40 percent subsidy on tobacco exports. Brazil has met the export problem by juggling its rates of exchange. All these foreign countries move their commodities by one means or another. The United States seems to be one of the few countries which fails to take whatever steps may be necessary to keep its commodities moving into world markets.

If this country wishes its farmers to have any foreign market, it is basic and fundamental that it must offer what the farmers produce for sale through normal channels in world trade at competitive prices. Such action is not only authorized but is contemplated by the law and is essential to protect the American taxpayer as well as the farmer.

UNITED STATES POLICY ADDS TO WORLD SUPPLY

By refusing to sell, the United States has and is cutting its own farmers' production down and is putting many of them out of production entirely. Such United States Government policies constantly add to total world supplies and United States surpluses. Even more dangerous, perhaps, is the fact that the United States is deliberately promoting increased world production in foreign countries for export. In addition to creating competition for United States farm products, such a policy will eventually enable Russia to meet her agricultural needs from these other countries, despite anything the United States may do to prevent it.

ORIGINAL FARM PROGRAM

The farm program was originally written in the midst of the last depression, at a time when the farmers' purchasing power had fallen to an all-time low, leading to the break in prices which resulted in the depression. It was realized that if we were to restore a fair share of the purchasing power to farmers, in relation to other segments of our economy which are protected by various laws, agriculture would have to have protections written into the law.

From my study of the various laws which were passed it appears that the Congress set out to determine a period in our national history when farm prices were somewhat in line with the cost of what the farmer purchased—a period in which the cost of what the farmer bought as compared to the prices he received remained rather constant. The period decided upon was 1909–14, a period when agricultural income went up and down at approximately the same rate as that of other segments of the population.

It was then provided and has since remained, until changed on the recommendation of the present Secretary of Agriculture, that price supports should be a percentage of the comparative purchasing power which the farmer had in 1909–14 which was determined by the Congress to be a fair base. Under that formula, the price the farmer was guaranteed—which was less than 100 percent of parity—was based on a parity formula which rose with increasing costs the farmer paid and fell with decreasing costs.

The whole approach was to assure the farmer a fair share of the Nation's purchasing power. Thus the parity formula was tied to the cost of what the farmer bought. While the percentage remained largely constant, parity rose and fell with the cost of what the farmer had to buy.

SECRETARY BENSON'S FARM PROGRAM

Secretary Benson, who has been before my Committee on Agricultural Appropriations many times, apparently has differed with that concept. It seems to be his view that price supports should be limited as he would describe it to preventing the bottom from falling out of prices; and he considers price-support levels as a means of regulating production.

First he recommended, and has gotten through the Congress, a change in parity. The old formula was repealed, leaving a so-called modern parity wherein price supports are based, not on maintaining the average purchasing power of the farmer, but largely on the average price the farmer has received for the past 10 years.

Thus, increasing costs because of such factors as wage contracts, minimum wage increases, and the 13 freight rate increases mentioned above are not fully reflected under the new formula in the price the farmer receives from price supports. Actually, should the farmer have to continue to sell at the price-support level under modern parity, the price he receives will gradually go down, though his cost of production will probably continue to rise.

Further evidence that the Secretary has a different concept of price supports is that he would assure the farmer a larger percentage of parity under his flexible support formula—the average price the farmer has been receiving for the past 10 years—if supplies are short. Of course, if supplies are short enough, there will be a demand and a market and less farmer need for supports. On the other hand, if supplies are large so that there is virtually no market, which means that the farmer is in more serious straits, the Secretary would give a smaller percentage of his modern parity. Thus the Secretary's law helps the farmer more when he needs less help and provides less help when he needs more. That is the principle of the law which the Secretary requested and got through the Congress.

Experience has shown, and I hope the Department is finally aware, that a lower

price does not necessarily reduce production; for the farmer, in the absence of other controls, will increase production in an effort to retain his income, declining in the face of reduced prices.

NONBASIC COMMODITIES

With regard to the nonbasic commodities, the Secretary has given clear evidence that he either does not understand the approach contemplated under the law or is opposed to it. To support prices for nonbasics, section 32 funds are made available to him automatically each year. A courageous Secretary of Agriculture should move in promptly, having the money at his disposal, and announce a purchase program before a break in the price of nonbasic commodities occurs.

In the 10 years I have been on the committee, where we review the actual operations of the various farm programs each year, there have been numerous instances where a prompt announcement that the Government would purchase a commodity in distress has resulted in sustaining the market. Usually it has had to buy very little of the commodity.

As evidence that the Secretary has misunderstood or has not believed in such an approach, there have been numerous times when my committee and the Congress have urged the Secretary to use funds at his disposal to support dairy products, eggs, poultry, pork, and other commodities, only to have the Department wait until the bottom fell out of the market before it finally moved in; and when it did move in it was after the crop had left the farmers' hands, with much profit to the trade but with little benefit to the farmer.

PORK PURCHASE

The prime example of the Secretary's lack of understanding is the break in hog prices last fall. This break could easily be foreseen. However, instead of moving in promptly, the Department of Agriculture waited until prices broke, as I recall, from some 20 cents a pound to around 15 cents a pound. Even at that time, instead of moving it to support prices, the Secretary announced in the press that the prices had not yet broken sufficiently for the Department to justify moving in. He stated that if prices broke still further apparently meaning to around 13 cents the Department would buy millions of dollars worth of pork.

While I grant that it was probably not so intended, if you analyze this announcement, it was obviously an open invitation to the meat packers to further reduce prices to the farmers, in which event they would have a ready sale to Mr. Benson's Department of Agriculture for $85 million worth of pork. Quite naturally, within a short time the meat packers met his requirement, reduced the price as he indicated, and are now selling pork to Mr. Benson. The Secretary forgot to require that any benefits be passed on to the farmer, and one large packer is declaring dividends for the first time in years.

UNITED STATES COMMODITIES MUST CONTINUE FOR SALE IN WORLD MARKETS

Whether you believe in the approach of Secretary Benson, which is that price supports should be a means of regulating production, or whether you agree with me and others that price support should be used to maintain the purchasing power of the farmer, one thing is essential to either approach: That is, the production of American farmers, which is surplus to American needs, must be kept on world markets for sale for dollars.

To finance these support programs, the Commodity Credit Corporation was created and has continued as a corporation. This Corporation has been granted authority to provide price supports through loans, purchases, and sales. It can and is directed to support prices within the limits of its borrowing authority, now $12 billion. In addition, funds it may receive from sales are available for further loans or purchases.

The Congress, in order to protect the domestic price, provided that the CCC could sell on the domestic market at its investment price, plus reasonable carrying charges, normally set at 105 percent of parity. However, when the Congress limited the price at which the commodities could be sold domestically, it also realized that in order to retain any of our share of world markets we must make our offering prices competitive with those of the same commodities produced in other parts of the world. Thus the charter of the Commodity Credit Corporation also provided for sales in world markets on a truly competitive basis, or at any price necessary to move them.

Most of our present difficulties have resulted from the fact that the Secretary of Agriculture has been buying commodities as provided by the law, but has refused to sell them in world markets as contemplated by that same law.

SALES POLICY, OR RATHER, LACK OF

For the past several years and until recent months our Government has made the support price its offering price in world trade. In the words of Secretary Benson, this country became the residual supplier. By sticking to a position of offering our production in world trade either at the domestic sale price or at a fixed price close to that level, we have held an umbrella over expansion in world production. Foreign buyers have bought elsewhere until the world supply was exhausted, and then the United States has taken up the slack. These are the words of the Department of Agriculture, and yet that Department has at all times had authority to sell in world trade at truly competitive prices. Until recent months it has not exercised that authority, and is now doing so only on a very limited basis.

With regard to basic commodities, our agricultural laws provide that when as our supplies exceed those needed for estimated domestic consumption and estimated exports, plus approximately 30 percent for normal carryover, the acreage of our producers shall be reduced. Any study of the problem will clearly show that it was not contemplated that United States acreage would be reduced to allow increased production abroad. Yet that is what our Government has brought about. To prevent increases in foreign production which would offset curtailment of United States acreage, we must at all times keep our commodities on the markets of the world at competitive prices as authorized by existing laws. This the Department has consistently refused to do until the last few months. To cut our acreage and then hold our supplies off world markets at competitive prices, as our Government has been doing, has actually added to world supplies.

The course followed is an open invitation for foreign expansion in the very commodities in trouble in the United States. The records show such invitation has been accepted. As we have reduced acreage in the United States, under Mr. Benson's convenient umbrella over world prices, foreign production has increased, at approximately the same rate that we have cut our farmers. This was not because of the high level of supports in the United States, but because of faulty governmental policy. I would point out, again that whatever the level of supports, Mr. Benson and the Department of Agriculture have had and now have authority to sell in world trade at whatever price it takes to move the commodities.

I am glad to say that after we pressed the Department three years to offer cotton for sale competitively, finally beginning January 1, 1956, the Secretary started offering the shortest staples, ⅞ inch, for sale in world trade on a competitive basis. During the month of January he sold 600,000 bales of the 1,000,00 he said he would offer over a six-months period. Clearly we must make him offer other staples and other commodities for sale.

At the present moment, after 3 years of urging by the committee, at last some United States commodities are being offered in world trade on a competitive basis; and they are moving. But here again Secretary Benson is 3 years late. The stable door was left open and the Anderson-Clayton Co. and other United States financial interests now have most of our horses in Mexico, South America, and Central America.

PUBLIC LAW 480

During this period, when United States commodities were not offered for sale for dollars through normal channels, Congress passed Public Law 480, providing for the sale of such products for foreign currencies. This law, intended as an additional means of disposal, has been used as a substitute for sales for dollars through normal channels. By reason of being used as a substitute it has virtually put this country out of foreign business through normal channels. This is not because of the intent of the act but because of the way it has been used.

By selling for foreign currencies under Public Law 480 and through other grants of United States commodities, we are actually supplying such deficiencies as may now exist in world supply, pending the day when, through our foreign-aid programs, foreign production will have been increased to the point that the world will never again need any part of the United States production. These facts are verified by investigations by our subcommittee, the details of which

my committee released on January 26, this year.

Granted, we are living in a revolutionary period. What we have learned in the way of increasing production by the use of high concentrate fertilizers, hybrid seeds, and improvements in breeding and handling of dairy animals, poultry, hogs, and beef cattle, contribute to our problems. This probably makes it essential that we give attention to some changes in the law. For instance, experience has shown that controlling acreage does not necessarily control production, and Secretary Benson should have learned what many of us already knew, that reducing price does not of itself reduce production.

WHAT WE MUST DO

It is my opinion that there are several things which must be done.

First. We must stop all foreign aid which increases production of agricultural commodities for export.

The present program whereby the United States is furnishing capital, machinery, improved seed, and technical assistance is doing United States agriculture great harm. And when this is coupled with tax concessions for United States investors abroad and a Government policy of holding United States commodities off world markets at competitive prices, despite authority to sell—thereby holding an umbrella over world prices—it can only have the effect of wrecking the present farm program or any which might be adopted.

Second. Whatever the percentage of purchasing power the farmer should have in the opinion of the Congress, and I personally believe 90 percent is low enough, we should immediately restore the original parity formula so that parity will be tied tightly to the cost of what the farmer has to buy and provide that whichever formula—modern or old—provides the highest support level should apply.

Third. Since reduction in acreage will not necessarily reduce production of the basic commodities, price supports should be placed on a given number of pounds, bushels, or bales with some attention to farmers instead of being tied to land entirely. It is bad enough for small farmers to be squeezed because of economics; certainly we must see they are not squeezed out of business by Federal law.

I know many farmers differ with this approach. They believe that under acreage controls, by the use of fertilizer and other chemicals, they can produce just as much on reduced acreage. In fact, they usually have; but what most farmers overlook is that each time they do this, under present law they get further reductions in acreage the next year—with more fertilizer and other overhead costs. Thus each year the situation becomes worse; and, in my section, under the present program of attempted controls by acreage, each year the hill sections of my State lose a little more acreage to the Delta; and the Delta loses still more acreage to other States.

Fourth. In order that curtailment in United States production will have the effect of reducing world production, which is essential to any effective farm program in the United States, I believe the Congress should require the Secretary of Agriculture to use his authority under the CCC charter to offer our commodities in the markets of the world for sale for dollars through normal channels on a competitive basis. This should be done at least to the extent of recapturing our normal share of world markets.

The price-support program caused the Department of Agriculture to obtain these commodities now in CCC hands. We still have them, however, because for years we have refused to sell them for what they would bring in the market places of the world.

Fifth. Since most of the CCC losses come from inferior quality commodities, we should greatly increase the spread of support levels for good and poor qualities. This should be done by increasing supports on the good grades to the extent supports are lowered on inferior qualities. Changing the base of supports on cotton, as recommended by the President, does not increase the spread between good cotton and bad but merely reduces the support level on both, thereby substantially reducing farm income.

Sixth. We should see that United States farm production is allowed to move into every section of the United States free of local boycotts or other restrictions.

Seventh. We must insist that the Secretary move promptly in the purchase of perishables, diverting purchases to the school lunch or similar good uses; and we must require that the benefits be passed on to the producer.

The suggestions I make are "musts." If we act on them, doubtless experience will show other changes which may be needed later.

THE PRESIDENT'S MESSAGE MISSES THESE POINTS

The President's message to the Congress, in my judgment, misses these points. He would pay rentals to the American farmer for taking land out of production, when we have learned that removing acres alone will not reduce production. He could change Public Law 480, under which we virtually give away our production for foreign currencies, so that we can give away commodities to unfriendly countries. Since the beginning of the program the administration has had authority to sell to unfriendly countries, but would not use such authority. In fact, as I have pointed out, until recent months our Government would not use that authority to sell competitively to friendly countries; and even now such offers are on a very limited scale.

ACTION OF MY SUBCOMMITTEE

I do hope that in the last 3 years the Secretary of Agriculture has at least, or at last, begun to understand what is involved in this issue. My committee has repeatedly pointed out these facts, which I have presented to you.

In the last appropriation bill which we placed before the Congress we made separate provision for a sales organization, for which there was already authority and funds but no organized sales force. Over the opposition of the Secretary, we earmarked money in the bill for that purpose only. This organization has now been set up.

The committee also provided separate funds to find out what foreign countries are doing to export their commodities, though here, too, authority and funds were already available.

We provided for a study by the Department as to the price spread between the farmer and consumer, because the Department was urging reduced farm price supports. This information is now being assimilated.

We demanded that United States commodities be sold in world trade on a competitive basis; and in recent months limited amounts of several commodities have been offered on a competitive bid basis. But even here the announcement of the Department of Agriculture gives no assurance that our Government will issue an export permit to whomever buys commodities on a competitive bid basis from the CCC for export.

CONCLUSION

We may argue as to the proper parity percentage; we may argue as to the mechanics of the program; but in order to be of lasting value to the farmer, the support price must be tied to the cost of what the farmer has to buy. That we did have. That has been taken away from us.

Any farm program, to be workable, must provide for the sale of what we produce over and above our needs in world trade for what it will bring; that is authorized by existing law, but has not been done.

Any farm program, if it is to work, requires an absolute cessation of the use of United States taxpayers' money to put us out of business by providing everything for foreign expansion, including an umbrella over the sale of their increased production. If this foreign aid, which increases foreign production for export, is not stopped soon there will be no foreign markets to reach; and the United States farmer will be cut back to producing for the domestic market only. Under existing policies such a situation is drawing near.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FLOOD (at the request of Mr. KELLEY of Pennsylvania), for today, on account of official business.

Mr. FOUNTAIN (at the request of Mr. ALEXANDER), for today, on account of official business.

Mr. CRAMER, for 3 days, namely, Monday, Tuesday, and Wednesday, February 6, 7, and 8, on account of official business in his district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. HORAN, for 1 hour, on Tuesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. BYRD and to include extraneous matter.

Mr. BENTLEY.

Mr. RADWAN.

Mr. WILLIAMS of New Jersey and to include a statement.

Mr. POWELL (at the request of Mr. WILLIAMS of New Jersey).

Mr. METCALF and to include extraneous matter.

Mr. HOEVEN (at the request of Mr. DOLLIVER).

Mr. ASHLEY (at the request of Mr. ALBERT) and to include extraneous matter.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 42 minutes p. m.), under its previous order, the House adjourned until Monday, February 6, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1463. A letter from the Acting Commissioner, General Services Administration, relative to a proposed disposition of approximately 20 million pounds of palm oil now held in the national stockpile, pursuant to section 3 (e) of the Strategic and Critical Materials Stock Piling Act (60 Stat. 597, 50 U. S. C. 98b (e)); to the Committee on Armed Services.

1464. A letter from the Administrator, Small Business Administration, transmitting a report reflecting estimated obligations by principal activities of the Small Business Administration for the period July 1 to December 31, 1955, pursuant to section 215 of the Small Business Act of 1955; to the Committee on Banking and Currency.

1465. A letter from the Secretary of Health, Education, and Welfare, transmitting a report of all tort claims paid by this Department for the period January 1 to December 31, 1955, pursuant to section 2673 of title 28, United States Code; to the Committee on the Judiciary.

1466. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1957 involving a net increase in the amount of $12,150,000 for various agencies, in the form of amendments to the budget for said fiscal year (H. Doc. No. 326); to the Committee on Appropriations and ordered to be printed.

1467. A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of $4,109,201, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (H. Doc. No. 327); to the Committee on Appropriations and ordered to be printed.

1468. A communication from the President of the United States, relative to our national parks, monuments and historic sites, and other areas comprising the national park system; to the Committee on Interior and Insular Affairs.

1469. A letter from the Chairman, District of Columbia Auditorium Commission, relative to making a report on the work of the Commission and presenting its recommendations, pursuant to Public Law 128, 84th Congress; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. Preliminary report on study of manpower management in the Federal Government (Rept. No. 1740). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. Report on general and financial management, decentralization and reorganization of the Post Office Department (Rept. No. 1741). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H. R. 9030. A bill to encourage construction and maintenance of modern Great Lakes bulk cargo vessels in the interest of peacetime commerce and the national defense; to the Committee on Merchant Marine and Fisheries.

H. R. 9031. A bill to establish a national policy with respect to commercial fisheries; to establish the office of Assistant Secretary of Commerce for Commercial Fisheries, and define his functions, powers, and responsibilities; to strengthen the commercial fisheries segment of the national economy; and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 9032. A bill to correct an inequity resulting from the setting of the effective date of Public Law 68 of the 84th Congress; the Committee on Post Office and Civil Service.

By Mr. CLARK:

H. R. 9033. A bill to correct an inequity resulting from the setting of the effective date of Public Law 68 of the 84th Congress; to the Committee on Post Office and Civil Service.

By Mr. DAVIS of Wisconsin:

H. R. 9034. A bill to authorize necessary appropriations for the further acceleration of the brucellosis eradication program; to the Committee on Agriculture.

By Mr. DELANEY:

H. R. 9035. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. DORN of New York:

H. R. 9036. A bill to extend pension benefits to certain persons who served in the Armed Forces of the United States in Nicaragua during the period August 27, 1926, to January 2, 1933, and to their widows and children; to the Committee on Veterans' Affairs.

H. R. 9037. A bill to extend pension benefits to certain persons who served in the Armed Forces of the United States in Honduras during the period January 1, 1908, to December 31, 1911, and to their widows and children; to the Committee on Veterans' Affairs.

By Mr. FERNÓS-ISERN:

H. R. 9038. A bill to amend title 28 of the United States Code to provide that the Commonwealth of Puerto Rico shall be treated as a State for purposes of district court jurisdiction based on diversity of citizenship; to the Committee on the Judiciary.

H. R. 9039. A bill to establish a money credit for certain property of the Commonwealth of Puerto Rico brought into the Federal service in 1940; to the Committee on the Judiciary.

By Mr. FJARE:

H. R. 9040. A bill authorizing the Secretary of the Interior to construct, equip, maintain, and operate a new fish hatchery in the vicinity of Miles City, Mont.; to the Committee on Merchant Marine and Fisheries.

By Mrs. KELLY of New York:

H. R. 9041. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

H. R. 9042. A bill making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on House Administration.

H. R. 9043. A bill providing relief against certain forms of discrimination in interstate transportation; to the Committee on Interstate and Foreign Commerce.

H. R. 9044. A bill to prohibit discrimination in employment because of race, color, religion, national origin, or ancestry; to the Committee on Education and Labor.

By Mr. KING of California:

H. R. 9045. A bill to extend for 1 month the time within which employers must furnish statements to employees of amounts of wages paid and of amounts deducted and withheld from wages as tax; to the Committee on Ways and Means.

By Mr. O'NEILL:

H. R. 9046. A bill to amend the act of September 1, 1954, to correct certain inequities with respect to the compensation of prevailing wage-rate employees, to provide longevity compensation for such employees, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 9047. A bill for the safety of life and property by making all commercial fishing vessels subject to the rules and regulations of the United States Coast Guard marine inspection; to the Committee on Merchant Marine and Fisheries.

By Mr. PRIEST:

H. R. 9048. A bill to amend the Public Health Service Act so as to improve the mental health of the Nation through grants for special projects to develop improved methods of care, treatment, and rehabilitation of the mentally ill; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H. R. 9049. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the transfer of certain surplus property of the United States in the St. Joseph's Bay Military Reservation, Gulf County, Fla., to the former owners thereof; to the Committee on Government Operations.

By Mr. SIMPSON of Illinois:

H. R. 9050. A bill to require that money appropriated by the Federal Government for highway construction and maintenance shall be withheld from any State having speed limits for motor vehicles in excess of 60 miles per hour; to the Committee on Public Works.

By Mr. SISK:

H. R. 9051. A bill to name the Veterans' Administration hospital at 2615 Clinton Avenue, Fresno, Calif., the B. W. Gearhart Veterans' Hospital; to the Committee on Veterans' Affairs.

By Mr. SPENCE:

H. R. 9052. A bill to amend the Export Control Act of 1949 to continue for an additional period of 3 years the authority provided thereunder for the regulation of exports; to the Committee on Banking and Currency.

By Mr. UDALL:

H. R. 9053. A bill to amend the Federal National Mortgage Association Charter Act to encourage home mortgage financing in areas of investment capital shortage by providing that mortgage sellers in such areas shall not be required to make certain capital contributions in connection with the purchase of mortgages by the association; to the Committee on Banking and Currency.

By Mr. WILSON of California:

H. R. 9054. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions and for other purposes; to the Committee on Ways and Means.

By Mr. BASS of Tennessee:

H. J. Res. 508. Joint resolution relating to fire-cured tobacco acreage allotments and marketing quotas; to the Committee on Agriculture.

By Mr. WILLIAMS of New Jersey:

H. J. Res. 509. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, August 27, 1935; to the Committee on the Judiciary.

By Mr. HYDE (by request):

H. J. Res. 510. Joint resolution to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

By Mr. RODINO:

H. J. Res. 511. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, August 27, 1935; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. J. Res. 512. Joint resolution to establish the Multiple Uses of Public Lands Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

H. J. Res. 513. Joint resolution to authorize the Secretary of Commerce to sell certain war-built cargo vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ANFUSO:

H. Con. Res. 209. Concurrent resolution reaffirming the United States policy of opposition to colonialism, restating the United States policy of expanding freedom throughout the world, and sending greetings to those suffering under the colonialism of the Communists; to the Committee on Foreign Affairs.

By Mr. DOLLIVER:

H. Res. 397. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study relating to the share of moneys paid by consumers for food products that is absorbed by carriers, and by processors and wholesalers; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing Congress in connection with proposed legislation to amend existing treaty law relating to the trial of American servicemen by foreign courts; to the Committee on Foreign Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States in connection with proposed legislation to amend existing treaty law relating to the trial of American servicemen by foreign courts; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAUMHART:

H. R. 9055. A bill for the relief of Carmela Lanza; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 9056. A bill for the relief of Marcello Prusich; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 9057. A bill for the relief of Fred Haider; to the Committee on the Judiciary.

By Mr. KING of California:

H. R. 9058. A bill for the relief of Chih Ree Sun; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 9059. A bill for the relief of Girolamo Badalamente; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 9060. A bill for the relief of Doring Hampac Mendoza; to the Committee on the Judiciary.

By Mr. NICHOLSON:

H. R. 9061. A bill for the relief of Kiyoshi Kinoshita; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 9062. A bill for the relief of Kim Yung Kul and Kim Dogaya Kul; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

475. By Mr. BUSH: Petition of residents of Sayre, Pa., urging the enactment of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

476. Also, petition of members of the congregation of Baptist Church of Sayre, Pa., favoring the passage of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

477. By Mr. HAYS of Arkansas: Petition of Mr. and Mrs. J. R. Edwards, Conway, Ark., and others, urging approval of H. R. 4627 which would prohibit advertisements of alcoholic beverages in interstate commerce; to the Committee on Interstate and Foreign Commerce.

478. By Mr. SADLAK: Petition of Connecticut Region of Hadassah, the Women's Zionist Organization of America, with reference to military balance in the Near East and appealing to our Government to accede to Israel's request for armaments; to the Committee on Foreign Affairs.

479. By the SPEAKER: Petition of the president, Kaweah Delta Water Conservation District, Visalia, Calif. Petitioning consideration of their resolution with reference to requesting the appropriation of necessary funds to permit the United States Army Corps of Engineers to construct adequate flood-control works on the Kaweah River; to the Committee on Appropriations.

EXTENSIONS OF REMARKS

American Bar Membership Week, February 10–17

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, February 2, 1956

Mr. JOHNSON of Texas. Mr. President, the week of February 10 to 17 will be observed by the legal profession nationally as American Bar Membership Week, in which an organized effort will be made by lawyers all over the Nation to increase the membership list of the American Bar Association.

I ask unanimous consent that a statement I have prepared in connection with this effort be inserted in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Formed in 1878 by a small group of lawyers in Saratoga Springs, N. Y., the American Bar Association has evolved from semisocial beginnings into the largest legal organization in the world. While it has grown steadily although not spectacularly, in size, it has wielded great influence for the benefit not only of its members but of the general public as well.

This month, during the week of February 10 to 17, 10,000 lawyers, volunteering their time and effort, will go out in every city and town in the United States in a synchronized, mass personal interview campaign to double the size of the national association of the legal profession.

The lawyers joining in this unusual campaign are themselves members of the American Bar Association. Their immediate goal is to enroll, in that single week, 50,000 new members of the association. The present membership of the ABA is about 60,000.

Its membership doubled in the 20 years between 1916 and 1936, and redoubled in the last 20 years, but the American Bar Association has never before undertaken a membership development campaign such as that to be carried out this month.

E. Smythe Gambrell, of Atlanta, Ga., president of the American Bar Association, and Cecil E. Burney, of Corpus Christi, Tex., former president of the State bar of Texas and present national chairman of the Conference of Bar Presidents, have provided national leadership for this great organizing effort. Mr. Burney, as chairman of the campaign, heads a national executive committee made up of distinguished leaders of the bar from every section of the country.

The public, as well as the legal profession itself, has a direct interest in this project. The bar associations—National, State, and local—traditionally devote a large proportion of their time and energies to activities

and services that are in the public interest and for the protection of the public. The maintenance of high standards of legal education; enforcement of discipline in the profession; improvements in the administration of justice; citizenship training programs, and civic activities of all kinds—all these and many other subjects are constantly the concerns of the organized bar.

The legal profession includes some 241,000 judges, lawyers and law teachers. They are organized into more than 1,400 bar associations, which together constitute the "organized bar." While the State and local bar associations are organically independent, they work in close cooperation with the American Bar Association in many professional and public enterprises.

All of the State associations and many of the local bar associations are represented in the house of delegates, which is the policy-making body of the association. Members of the house of delegates directly represent more than 200,000 lawyers.

The American Bar Association is a voluntary organization. Its members are under no compulsion to join. The lawyers, judges and law teachers who serve on its 64 committees and in its 17 sections do so out of a sense of professional duty and dedication. Some outstanding figures of the law—men like Elihu Root, Simeon E. Baldwin, Charles Evans Hughes, and John W. Davis—have been among its presidents.

The association is entirely nonpartisan, and its recommendations as to legislation have frequently been invited by the Congress. It has performed many valuable services through the years in providing congressional committees with information and expert guidance in the drafting of legislation in many fields.

Some of the American Bar Association's accomplishments have been truly notable. For example, the ABA was responsible for the promulgation of the canons of professional and judicial ethics. The ABA has worked and is working for uniform State laws. The ABA has consistently opposed efforts to impair an independent judiciary. The ABA has exerted strong influence in the promotion of responsible American citizenship.

Efforts of the ABA helped lead to the enactment by the Congress of the law establishing the Federal codes of civil and criminal procedure.

The association has furnished the leadership through which the organized bar has made legal services available, by means of the legal aid and lawyer referral programs, to many thousands of persons with no resources or limited resources for employing counsel.

In recent years the American Bar Association was active in helping to achieve the enactment by Congress of the Administrative Procedure Act and the 1955 bill adjusting upward the compensation of Federal judges and Members of Congress.

The association advises the Justice Department as to qualifications of nominees for the Federal bench.

Among other functions, the ABA has the responsibility of approving, or not approving, law schools after examination of their curricula and facilities.

In short, the American Bar Association has been the focal point through which the legal profession has discharged its professional responsibilities through the years. It seeks, through the present membership effort, to enlarge its resources to perform all the tasks to which it has committed itself.

In discussing the membership-development program, ABA President Cambrell recently stated:

"The American Bar Association is embarking on a long-overdue campaign to double its membership and its personal and financial resources—to bring the rank and file of the country's lawyers into its fellowship and its civic and educational enterprises.

"The association seeks to guide the profession into a future of broader and richer service and usefulness. To do this we need the personal participation of a substantial majority of the legal profession, to claim public respect, to have influence and to finance the institutes, studies, surveys, research, and publications which are so vital to our great objectives. Nothing short of a mass revival can marshal our forces and keep us spiritually, culturally, and technically fit and in step with the amazing developments of this era."

Mr. President, success of this membership campaign will result in future benefits both to the legal profession and to the American people.

Interview of Hon. Alexander Wiley, of Wisconsin, Over Mutual Broadcasting System

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Thursday, February 2, 1956

Mr. WILEY. Mr. President, recently I was intereviewed over the Mutual Broadcasting System. The interview concerned the importance and significance of Africa in the world today. I have the text of the questions and answers of that interview, and I ask unanimous consent that they be printed in the CONGRESSIONAL RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Question. Senator WILEY, what is your feeling concerning the importance of Africa in the world today?

Answer. I believe Africa—with its 200 million people—is one of the most strategic areas in the world of 1956, and for many years to come.

There is a tremendous ferment all over what was formerly known as the Dark Continent—the unknown continent.

World communism is shifting more and more of its focus to Africa. It is trying to exploit issues in every land which would help increase tensions, issues like the racial issue, fanning hatred by the colored peoples against the white race.

Question. What other issues is communism trying to exploit?

Answer. Obviously, the issue of colonialism.

Ever since World War II, there has been a tremendous stirring among the underdeveloped countries which had been held as colonies, protectorates, and dependencies of the various European powers.

The Bandung Conference last year in Indonesia—attended by 29 Asian-African nations—showed that the colonial and ex-colonial areas regard freedom from colonialism as the No. 1 issue today in the world.

Unfortunately, many of these peoples do not seem to want to recognize that the Western Powers have obviously largely been giving up their colonial controls. Since the end of World War II, more than 600 million peoples have gained their independence from western rule. Great countries like India, Pakistan, and Burma, for example, have emerged free and independent.

On the other hand, during that same period, more than 700 million people have been enslaved under the new Red colonial rule—the bloody imperialism of the Kremlin. This is the most savage imperialism in the history of the world.

But regrettably, many Africans, like many south Asians, don't seem to be concerned about Soviet colonialism, only about western colonialism.

Question. What is America's position?

Answer. We have no time for colonialism. We are ex-colonies ourselves. Where we controlled nations, like Cuba and the Philippines, we gladly and promptly freed them.

But we don't want communism to move into Africa or anywhere else. We don't want peoples to be unprepared for their own self-government.

Question. What action have you personally taken with regard to Africa's self-government?

Answer. I have been glad to take several steps.

For example, I have been glad to join as a cosponsor of a resolution offered by Senator H. ALEXANDER SMITH, of New Jersey, to convey the greetings of the people and the Government of the United States to the new sovereign nation of the Sudan.

We are hoping the Sudan will join with the western lands in striving for freedom prosperity and peace. Already, however, we note that the Soviet Union is making overtures to the Sudan.

Question. What else has been done, Senator, by yourself and others with regard to African nations' sovereignty?

Answer. Well, it was at my suggestion that the Senate adopted a resolution last year to convey our greetings to the Gold Coast and to Nigeria.

These countries are two of the best demonstrations in Africa, of orderly progress toward self-government.

The Gold Coast has been moving ahead in a commendable way toward control of its own affairs. It is the first colony in Africa to have an all-African legislature and an all-African cabinet.

Nigeria, with a population of 13½ million, has also made a good deal of progress toward freedom.

Question. Why do you feel the Gold Coast and Nigeria are so important?

Answer. Well, you see, the important question today is whether the African countries are going to be ready for freedom when it is granted to them. Fortunately, the Gold Coast and Nigeria are making splendid progress, as I have indicated. I point out however that if Western powers grant freedom prematurely, they might only be playing into the Communists' hands unwittingly, because freedom without the real ability to govern oneself, can lead to chaos. And communism thrives on chaos.

Question. Would you have any other reactions to the African situation as a whole?

Answer. Well, it should be pointed out that there are really many Africas, and many African problems.

By that, I mean that each of the areas trends to have its own special needs, although there are a good many common needs.

For example, North Africa, with its 23 million Arab—Berbar people, and its 2½ million Frenchmen, has its own special problems. The recent riots and disturbances in Morocco and Algeria involve special legal, military, economic, political, and social problems in relation to France.

On the other hand, it is obvious that far to the south, the Union of South Africa, with its concept of apartheid involves special problems.

Then, there are the separate problems of the free nations of Africa—countries like Liberia, Egypt, the Sudan, Ethiopia. Their problems today obviously are not a matter of gaining freedom, because they already have it. Rather it is to raise depressed standards of living.

Question. What would you say would be some of the common factors throughout the whole continent?

Answer. Well, of course, the most common factor is the terribly low economic condition of most of the natives of Africa. I refer, too, to depressed education and health standards—vast illiteracy and disease.

Another common factor is, of course, the most of Africa lives within communal organization, in family, village, or primitive tribal units with all sorts of ancient superstitions and ideologies.

Question. Any other common problem?

Answer. Yes; a problem of most of Africa south of the Sahara is that it is not the land which is poor, but the people who are poor.

In other words, the land is rich. It is rich with agricultural possibilities. It is rich with minerals. More than 90 percent of the world's known deposits of uranium, for example, are in the interior of Africa. The continent holds most of the world's reserves of industrial diamonds, cobalt, columbium, and chromite. It has copper, manganese, tin, iron ore, and other strategic materials.

So the real problem is how to translate these riches into a higher standard of living for the Africans themselves.

Question. Turning back to your own work, what else have you done, Senator WILEY, affecting Africa?

Answer. Well, I have been glad to do my part to help strengthen the various U. N. specialized agencies which have performed so excellently in the African area.

I am thinking, for example, of the World Health Organization, which has sent in wonderful medical teams to combat all sorts of disease in Africa—whether it be malaria, trachoma, yaws, sleeping sickness, or other dread scourges.

I am thinking, too, of the U. N. International Children's Emergency Fund, which has done such a great job for the children of Africa, as it has done for the children of Asia and of South America.

Question. Are there any other fronts in which you have been active?

Answer. Yes, I have been glad to do my part to strengthen the International Exchange Program.

I want more African youngsters to visit America to get to know us better, to study in American colleges and universities.

Of course, it is a fact that some of them may encounter a racial problem here. But we should ask ourselves: Would we prefer that these youngsters study in universities in Moscow—to be trained in revolution, in sabotage, in espionage—or would we prefer them to become more familiar with America—with our free-enterprise system, with our anticolonial history, with our progressive and welcome rise in the standards of our own Negro citizens.

Question. What is your feeling about the point 4 program?

Answer. I believe that it offers one the best opportunities for constructive American work in Africa.

I mean point 4 help in sanitation, in farming, in education, in handicrafts, in housing.

Of course, we want to make sure that the assistance is genuinely tailored to meet the individual needs of each country and people or tribe. In some instances, throughout the world, we have sent in supermodern, expensive equipment which simply could not be used.

What Africa needs is simple know-how, whether it is in the use of farm implements, or insecticides, or seeds.

Question. Do you have any further suggestions for our future program toward Africa?

Answer. Yes. One of my suggestions is that we use more of our own skilled American Negro manpower in our diplomatic, economic, and information contacts with the African peoples.

Report after report has stated how able American Negroes, serving as visiting point 4 aids, or lecturers, teachers, missionaries, can do a wonderful job as they travel around African areas.

They, themselves, can best answer Soviet lies concerning our treatment of our Americans of Negro ancestry.

Question. Just how serious is the Soviet threat in Africa?

Answer. It is growing more serious with each passing day.

The Soviets are obviously committing themselves to spending a great deal of time, money, and manpower to win over African leadership and to stir up African tensions.

You can see increasing Soviet activity in Africa, in everything from more Red trade delegations, expansion of Soviet embassies, additional Soviet propaganda broadcasts in native languages, Soviet shipments of literature, Soviet and satellite conclusion of new trade agreements.

And what you don't see beneath the surface is even more important than what you do see openly.

Question. How do you feel about the overall prospects for the future?

Answer. I am certainly not a pessimist as regards Africa, or any other area of the world.

I believe that if we take sound, intelligent, well-planned action there is no reason why the free world should lose Africa or, for that matter, any additional area or country of the world.

We have learned lessons from our difficulties in the past. We and our friends don't intend to see the Communist pattern of mainland China or the pattern of communism in Indochina or communism in Malaya repeated in Africa.

We hope for example that the dreaded Mau Mau movement in Kenya, instead of being duplicated in other African countries, will be eliminated for the good of the African peoples themselves.

There is a limit, of course, to what we ourselves can do as regards Africa. But we can render reasonable, sympathetic assistance.

And we can urge our Western European friends to continue to help the African peoples to move, as they are ready, toward more and more self-government in an orderly, democratic fashion.

Ground Hog Day Every Day

EXTENSION OF REMARKS

OF

HON. CHARLES B. HOEVEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1956

Mr. HOEVEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following:

We have listened to an account of the origin and meaning of Groundhog Day. It is my earnest wish that the health-giving food staple—ground hog—be on the American dining table. I wish it were there, not for just 1 day out of the year, but rather, for every day in the year.

Ground Iowa hog is an all-American dish.

The farmers who raise these hogs should get—and by right, ought to receive—a fair price for the product which has given, is giving, and will give such vast inner satisfaction to their fellow countrymen.

Construction of an Adequate Great Lakes Merchant Marine

EXTENSION OF REMARKS

OF

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1956

Mr. ASHLEY. Mr. Speaker, today, after considerable study and deliberation, I have introduced a resolution designed to encourage the construction and maintenance of a fleet of privately owned United States-flag Great Lakes vessels adequate to supply the demands of essential industries with the basic bulk commodities in time of peace and in time of national emergency. This resolution proposes that American shipowners be permitted to transfer existing Great Lakes vessels to the United States Government as they become obsolete in exchange for an allowance of credit to be applied upon the cost of new vessels constructed in the United States. This credit allowance would be based, at least in part, upon the inherent cost advantage which foreign-flag operators enjoy in constructing similar vessels abroad. Vessels turned over to the Government would be placed in the reserve fleet for use during periods of emergency.

The legislation I have introduced today is the result of lengthy discussions I have had with representatives of the Lake Carriers Association, with individual operators and with maritime labor officials. I have also discussed the matter in detail with my learned colleague, the Honorable A. D. BAUMHART, JR., of the 13th Ohio District, whose judgment we all respect. We are all in substantial agreement that foreign shipping competition is a matter of real concern to shipping interests on the Great Lakes—to American lake carriers, the inland shipbuilding industry, to labor, and to the vast and various industries which depend upon reliable water transportation facilities.

We cannot allow our national defense to be threatened, nor an important part of our national economy to be jeopardized. We all know that our American merchant marine is the fourth arm of our national defense, and this applies to our maritime activity on the Great Lakes as well as on the high seas.

In recent years, Mr. Speaker, two distinct trends have developed in Great Lakes commerce: First, international trade between the United States and Canada has increased; and second, the portion of such trade transported in United States-flag vessels has become less and less—from 76 percent in 1925 to 29 percent in 1955. The reason for this, Mr. Speaker, becomes clear when we consider that the ship construction costs abroad average only about 40 percent of present United States costs.

Even our close neighbor, Canada, has construction costs approximately two-thirds of our own. Since United States-Canadian commerce is open to vessels of all countries, completion of the St. Lawrence Seaway will expose United States-flag vessels to even stronger competition from large, modern low-cost vessels of other countries.

Mr. Speaker, our American-flag fleet is growing old and obsolete while our foreign competitors are building modern bulk-cargo vessels which will soon be able to operate on the Great Lakes. Today, 343 United States-flag vessels operate on the Great Lakes, representing a total trip capacity of 3.38 million tons. But 103 of these, one-third of our United States Great Lakes vessels, Mr. Speaker, are 50 or more years old. By 1960, 201—about 60 percent—will be 50 or more years old, representing a total trip capacity of 1.9 million tons, or only enough to handle peacetime domestic commerce.

It is obvious to all, I believe, that in time of war, overseas sources of iron ore for our Nation's steel industry will be cut off, at least in part. It is equally apparent from the above figures that our aging Great Lakes fleet would be wholly inadequate to handle the accelerated demands of a war economy if such an economy were forced upon us.

It is for these reasons, Mr. Speaker, that I have introduced my resolution today.

I feel constrained to say, however, that there is another aspect to this general problem which continues to cause me considerable concern and certain misgivings. As a member of the House Committee on Merchant Marine and Fisheries, and as a member of the subcommittee appointed to hold hearings on labor-management problems in the maritime industry, I have come to the reluctant, but inescapable conclusion that the American merchant marine today does not meet the standards or possess the characteristics set forth in the Merchant Marine Act of 1936. In the last 10 years, American taxpayers have subsidized this industry to the extent of $625 million.

Last year alone, total subsidies amounted to over $100 million. Yet, the fact remains that today we have 600 or 700 fewer vessels in our active fleet than military authorities estimate are necessary for national defense purposes; the domestic and intercoastal trades have all but vanished from the seas; the tramp fleet, which is being subsidized almost entirely by the 50–50 law, and Government-aid cargoes, is doomed to obsolescence and eventual liquidation; the United States has dropped far down among the nations of the world in the number of ships being built; and the maritime unions have thousands of men on the beach. These are hardly the characteristics of a strong merchant marine. Speaking only as an individual member of the House Committee on Merchant Marine, I must say that I feel the responsibility for this deplorable situation to rest upon our Federal Government as well as upon management and labor. There simply is no other conclusion but that there has been an almost complete failure among those directly concerned to accept the increased responsibility which Federal subsidy to this industry should entail.

It is not my intention, Mr. Speaker, to introduce legislation which, if passed, would add to the deplorable record which has now become so clearly apparent to all.

On the contrary, it will be my intention to make certain, in every way I can, that real substance and meaning are given to the full title of the Merhant Marine Act of 1936, to insure that we are passing legislation "to further the development and maintenance of an adequate and well-balanced merchant marine, to promote the commerce of the United States, and to aid in the national defense."

Anniversary of Independence of Ceylon

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1956

Mr. POWELL. Mr. Speaker, when I came back from the Asian-African Conference at Bandung, I said I would address from the floor of Congress each one of the participating countries, except the two Communist ones, Red China and North Vietnam, on the occasions of their independence celebrations.

I wish to extend to the people of Ceylon: His Excellency the Governor General of Ceylon, Sir Oliver Ernest Goonetilleke, G. C. M. G., K. C. V. O., K. B. E.; the Right Honorable Sir John Lionel Kotelawala, P. C., K. B. E., Prime Minister of Ceylon; and His Excellency Sir Senerap R. S. S. Gunewardene, K. P., Ambassador of Ceylon in the United States, sincere felicitations and best wishes on the occasion on their 8th anniversary of Independence Day, February 4, 1956.

Ceylon achieved nationhood in the postwar era. Although a small country, Ceylon is one of the important new states of Asia. Having broken the stranglehold of colonialism, the lifeline of imperialism, Ceylon has in her a young democracy of great strength which can be turned to the lasting good of the entire nation. They have a treasure house of love and affection from people around them, which is a great asset to a young nation.

Colonialism left Ceylon with many problems which war-scarred Europe never had—the problem of underdevelopment, overpopulation, poverty, and a low standard of living. Such conditions contrive to force men to be driven by their stomachs rather than their heads.

For Ceylon, as other new states of south and southeast Asia, political independence did not bring with it economic emancipation. Development in this respect has been slow due to the lack of technical knowhow and the shortage of capital. The Prime Minister of Ceylon, the Right Honorable Sir John Kotelawala, in an address to the Ceylon Association in London on November 22, 1954, stated:

> Political freedom means nothing unless it brings its people a general improvement in the standard of living and the benefits of economic freedom. * * * We have many problems confronting us. Some of them are most urgent and vital from the people's point of view, but yet remain to be tackled for the sole reason that we had necessarily to take first things first. We have yet a great deal of poverty in our land, besides landlessness, unemployment, an acute housing shortage, a very unsatisfactory dependence on other countries for our basic requirements of food, and an inability to develop our natural resources to the optimum extent for lack of capital.

Ceylon has forthrightly attacked these numerous challenging problems in many ways. Her capital was the scene of the signing of the Colombo plan for south and southeast Asia. Sixteen nations are members of the Colombo undertaking to improve the economies of the non-Communist lands of Asia. The Government of Ceylon reports that:

> The Colombo plan is working smoothly and effectively today. It is a form of international cooperation not based on rules and procedure. It is as imprecisely defined as the institution of the commonwealth itself, which created it. It is a cooperation of peoples of different races, different religions, and different ways of life. The aid given by one country to another is not given in a spirit of charity or of patronage. There is no quid pro quo. The aid is given without any strings and does not imply the creation of any obligation. It simply implies the recognition of the fact that poverty anywhere is a danger to prosperity everywhere.

Resurgent Asia needs peace if she is to play her part in the affairs of the world. Peace is a religion. Either we believe in it, set our minds on it, work for it, or we do not. There is no halfway house in the matter. "If we are to end war we must forget war," opines the venerable Prime Minister of Ceylon, who is himself an ardent champion of peace. Speaking before the 10th session of the Economic Commission for Asia and the Far East, the Right Honorable Sir John Kotelawala averred:

> I am a great believer in international cooperation, based on good will and understanding, as the surest means of achieving our individual aspirations. Ceylon has accordingly participated, readily and wholeheartedly, in the work that has been undertaken by the specialized agencies of the United Nations and the various other international bodies in bringing about a better world understanding and improving the lot of its peoples. I do not for a moment concede that only because we are a small nation we have no significant part to play in the solution of world problems. * * * I think the time has come when all nations must realize that, if the world is to be saved from a third catastrophe, the law of the jungle can have no place in international relations, that might is not necessarily right, and that every country, big or small, must regulate its conduct by moral principles and the rule of law.

Ceylon is an independent country which makes its own foreign policy and has earned its right to control its own affairs. The Right Honorable Sir John Kotelawala has distinguished himself by the independent stand he has taken in his relations with the big powers and

with other Asian countries. He has refused to recognize any Communist nation. At the same time, he has declined to be the pawn or satellite of any other country.

Ceylon has attained her freedom; she has again the priceless possession, which, for several centuries had been taken away from her. The nation has emerged into a very complex world, where simple things are made intricate and the things that matter least seem to matter the most.

In wishing Ceylon life's choicest blessings as she embarks upon a new year of independence, let me implore her to continue her resolve of friendship, good will, and understanding in the truest sense of that often misunderstood word.

Air Pollution

EXTENSION OF REMARKS
OF
HON. HARRISON A. WILLIAMS, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1956

Mr. WILLIAMS of New Jersey. Mr. Speaker, I am introducing today a joint resolution to authorize the Interstate Sanitation Commission of New York, New Jersey, and Connecticut to proceed with much-needed research on air pollution which has already been authorized by the States. New Jersey Congressman HUGH J. ADDONIZIO; PETER FRELINGHUYSEN, JR.; PETER W. RODINO, JR.; FRANK THOMPSON, JR.; T. JAMES TUMULTY, and I are joining with Congressman JOHN RAY, of New York, in sponsoring this resolution.

Congressional action is needed for the reasons outlined in the following statement, which was prepared for submission to the Committee on the Judiciary.

JOINT STATEMENT OF SIX NEW JERSEY CONGRESSMEN URGING THE CONGRESS TO ADOPT A RESOLUTION TO GRANT THE INTERSTATE SANITATION COMMISSION OF NEW YORK, NEW JERSEY, AND CONNECTICUT TO CONDUCT RESEARCH INTO AIR POLLUTION FOR SUBMISSION TO THE JUDICIARY COMMITTEE IN SUPPORT OF THEIR JOINTLY SPONSORED RESOLUTION

The New York metropolitan area, including large sections of northern New Jersey, has long been struggling with a serious air-pollution problem. This problem adversely affects the health of the people of the area, as well as possibilities for its economic growth and development. New York and New Jersey have enacted legislation which would permit the Interstate Sanitation Commission to make a study and in addition have appropriated money for this purpose. An act known as chapter 422 of the Laws of New York, 1955, became law in that State on April 18, 1955, and a similar act known as chapter 46 became law in New Jersey on June 6, 1955.

Obviously the Interstate Sanitation Commission, established by compact to deal with water pollution in New York Harbor and adjacent areas, is the only interstate agency in the metropolitan area which can handle such a study with facility because of its regular duties in a related field. However, the problem has become complicated by the fact Connecticut, a party to the Interstate Sanitation Commission, is not interested in such a study at this time since there is no pressing air-pollution problem along the New York-Connecticut boundary. It was agreed that Connecticut would pass legislation consenting to the Interstate Sanitation Commission making the study for New York and New Jersey. However, the act passed by Connecticut specified that the consent of Congress had to be obtained, while New York and New Jersey did not take this view.

Regardless of the merits of the legal argument, the fact is that the much-needed air pollution research has been blocked. In an effort to untangle this situation, we have joined with Congressman RAY, of New York, and others from the area in sponsoring this joint resolution which would extend necessary congressional authority for the study to proceed. We are happy to inform you that Gov. Robert B. Meyner has just written that in his view the legislation we propose would, if it prevails, permit the study to move ahead.

Clearly this need is most urgent. We hope the resolution will obtain congressional approval in the very near future.

HUGH J. ADDONIZIO.
PETER FRELINGHUYSEN, Jr.
PETER W. RODINO, Jr.
FRANK THOMPSON, Jr.
T. JAMES TUMULTY.
HARRISON A. WILLIAMS, Jr.

Why Free Enterprise Works Best

EXTENSION OF REMARKS
OF
HON. EDMUND P. RADWAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1956

Mr. RADWAN. Mr. Speaker, recently, the Ford Foundation, an organization financed by gifts from the Ford family and pledged to a variety of good works, made a gift of $550 million to the Nation's private hospitals, colleges, and medical schools. It was the largest single charitable act in world history. Heartwarming as it was as a pure act of kindness, its real significance, in my opinion, is that it could not have been possible anywhere else in the world. Only our free democratic form of government and our system of free enterprise applied to our wealth of natural resources, could form the background for this amazing act of philanthropy.

Because of our climate of free enterprise, Henry Ford, who had a new idea and a good one, could pioneer it. He promoted the idea of mass-producing motorcars at a low unit cost, so that they were brought within the financial means of the average family. While he was helping the average family solve its transportation problem as it has been solved no place else in the world, he was furnishing more and more jobs to Americans, and here again he pioneered. He paid better than prevailing wage rates. In fact, wages which were unheard of at that time. He exploited no one. He benefited the public, and labor, and even his own competitors, by creating a vast market for cars. By earning a small profit on each of the millions of cars that he sold, he grew immensely wealthy in the process.

Because of his genius, the Ford family was able to produce far more wealth than it could personally consume. A great deal of this wealth was plowed back into research and design, modernization, and expansion to further benefit the consuming public and to create many more jobs, and it created even more wealth. But the consumption of wealth is very limited. A person can only wear one outfit of clothing at a time, and the body can consume but a limited amount of food each day. Beyond these basic needs, and even allowing for many luxuries, the wealth produced by private enterprise inevitably sifts its way back to the general welfare through taxation, through reinvestment in industry, new jobs, higher standards of living, and finally through gifts and legacies. No one can spend money without helping someone else. And while the system of free enterprise encourages better than all others the development of individual achievement and the production of wealth, ceiling unlimited, it also allows for the dissemination of that created wealth for the public good.

The above story is typical of many American success stories, and it proves once again why our system is far and away the best for individual man and for mankind as a whole. But the thing that started me off on this subject is that we all just received an extra dividend, the icing on the cake as it were, in the form of that amazing $550 million private gift. Just think what it means just right here in Buffalo. Our outstanding western New York colleges, which have had to scrounge around for funds to pay decent salaries to their staffs, get a cool $2,444,000. Think what that means to our community. And our hospitals, who have long struggled with their own charitable load in providing better service despite rising costs—they will receive right here in western New York $2,623,200.

Does it not make you proud to live in the good old U. S. A.?

The Need for Rural Public Library Services

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1956

Mr. BYRD. Mr. Speaker, public libraries are so much a part of this Nation and its growth we frequently take them for granted. Public libraries are as American as apple pie. They were created out of democracy by freedom-loving people. They can function only in a completely democratic atmosphere. Public libraries are one of the most important agencies in keeping the spirit of democracy alive.

For this reason I am concerned to find out that nearly a fifth of the population of the United States has no library service available to it. Just what does a "fifth of the population" mean? I think the editor of the American Library As-

sociation's Bulletin gave us a dramatic illustration of this fact when he pointed out some time ago:

Those 30 million people, for example, would more than populate the country of Spain, they would fill 15 States as populous as Connecticut or 15 cities as big as Los Angeles. If these people without library service were evenly distributed over the continental United States, you would find five of them every square mile. Thirty million people could easily elect a President of the United States—Republican, Democrat, or Communist. They could preserve or destroy the freedom to read.

In the interest of this Nation's future development we are obligated to strengthen every source of knowledge and every means of communicating the truth. For this reason I believe that the library services bill should be passed. The public library is maintained by our democratic society in order that every man, woman, and child may have the means of self-education and recreational reading. The library provides materials for education and advice in their use. It diffuses information and ideas necessary to the welfare and future advancement of a community. It strengthens and extends appreciation of the cultural and spiritual values of life. It offers opportunity for constructive use of leisure time. In a 20th century democracy the importance of placing books where they can be used constructively requires no discussion or argument.

The library services bill provides for a constructive, sensible method to strengthen this democratic bulwark of education that will not strain the purse. It will benefit the rural areas of this country and its citizens. It would make available rural library services to many farm families who need books to supplement their information and knowledge. In areas where these services are provided experience has proven their value. One State librarian reports that in farm areas:

Adults choose not only reading for entertainment, including best sellers, but also books that answer their interests in avocations or hobbies or questions about their daily work. Books covering farming methods—concerning contour plowing and soil conservation and stock-dam building promoted by the county farm agent—are sought and provided.

Thrcugh the library services bill, State library agencies will be able to demonstrate library services to rural areas so that these people will have a chance to find out how useful libraries are to communities. Many counties cannot afford to set up rural libraries on their small tax base, but this measure, while proving the value of library services, might also inspire broader horizons and help county officials plan for the support of regional library services, for example.

We are in danger in this country, through disinterest in rural areas, of developing second- and third-rate citizens. I maintain that the enactment of the library services bill will help avoid this danger. As one local agricultural authority emphasized:

There is the responsibility to society as a whole for the kind of citizens farm people export. For over half of our boys and girls leave the farm—mostly to urban life. Education and knowing how to acquire knowledge is an invaluable asset in the competition of the urban economy. Early access to library service can well be a future lifetime stabilizer.

Rural library service needs to be extended in order that millions of our adult citizens can have access to materials essential to self-improvement; the reading our children do in the classroom can be supplemented. Public libraries broaden the outlook of our citizens and 30 million more need to have this opportunity.

The library services bill is a measure designed to stimulate State and local interest in improving library service. It will aid in the more rapid development of library facilities and services for rural people in all the States. This will be accomplished at slight cost to the Federal Government, but will return large dividends in the extension of a basic educational service which needs to be strengthened throughout the country. We cannot afford to have this Nation weakened because in rural areas both school and public library resources are allowed to be inferior and seriously inadequate to meet the demands of our 20th century democracy. The quality of education and library services should not be dependent upon the chance distribution of wealth and taxable resources.

Federal aid to develop public library services in rural communities is a powerful and inexpensive way to strengthen democracy at home. The value of public libraries to a democracy demands more than lipservice and praise. The passage of the library services bill will do a great deal toward raising the educational level of the American people.

Let us not be the Nation that can build taller buildings, better airplanes, and bigger bombs, but not be able to help our citizens know the meaning of equal opportunity and the value of the ballot.

Which reminds me of a story about the late Will Rogers who said, when dedicating a brandnew stadium at one of our State universities, "They tell me this seats 80,000 people. I would like to remark that they have only 37,000 books in their university library."

This Nation can continue to lead the free world if the people of this country have the means of keeping informed, of finding out the facts for themselves and making up their own minds. The library services bill is a means of attaining this. I urge that it be enacted.

What Our President Has Done To Bring Freedom to the Peoples of the World

EXTENSION OF REMARKS

OF

HON. ALVIN M. BENTLEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1956

Mr. BENTLEY. Mr. Speaker, under leave to extend and revise my remarks, I wish to include the text of a speech which I delivered last evening entitled "What Our President Has Done To Bring Freedom to the Peoples of the World." The occasion for my remarks was the celebration of National Freedom Day at the Department of Labor, and the National Freedom Day Association presented President Eisenhower with a citation for his contribution toward abolishing second-class citizenship in this country as well as his contribution toward the freeing of the peoples of the world:

REMARKS OF HON. ALVIN M. BENTLEY, OF MICHIGAN, IN CONNECTION WITH FREEDOM DAY CELEBRATION, WASHINGTON, D. C., FEBRUARY 1, 1956

I am honored and delighted to meet with you this evening in connection with the celebration of National Freedom Day, the anniversary of the signing of the 13th amendment by Abraham Lincoln. I understand that this particular anniversary is also for the purpose of honoring President Eisenhower for his contribution toward freeing the nations of the world from fear and tyranny as well as his abolishing second-class citizenship in this country. It is for his work in the international sphere, both as a soldier and as President of this country, that I wish to speak for a few moments this evening.

One of Abraham Lincoln's greatest remarks was the famous quotation to the effect that this country could not endure, half slave and half free. The truth of this statement is likewise applicable to the world in which we live, that it too cannot endure, half slave and half free. No one has recognized this better and with more perception than has our great President.

His accomplishments as a soldier in the freeing of millions of people from Nazi and Fascist tyranny during World War II are so well known that I shall touch on them only briefly. But it must be emphasized that Dwight Eisenhower, more than any other one man, was responsible for the final triumph of the forces of democracy that culminated in 1945. No matter how hard the Soviet Communists try to rewrite the history of that great struggle, it was due chiefly to the military genius and leadership of our commander in chief that victory in the European theater was eventually ours.

Take the action which was perhaps the turning point of the entire war—the landing in Normandy. This opening of a second front on the European Continent—an event unparalleled in military history—decisively broke the back of Nazi Germany. While Hitler was able to concentrate his forces in Russia and in Italy, victory, or, at least, a stalemate, was yet within his grasp. But the establishment and the expansion of the beachhead in France marked a decisive reversal of the Axis fortunes of war. From that day onward theirs was a losing cause, and the end was inevitable.

The decision, the timing of this landing—that belonged to Eisenhower. In the face of adverse weather warnings, he gave the order to proceed according to the planned schedule. If the landing had been delayed, if the enemy had been given more time to prepare his defense, to concentrate his forces, who knows what the result might have been? This one decision alone would be enough to mark Dwight Eisenhower as a champion of freedom, even if his other contributions as a general and a statesman were forgotten. The millions of people who were freed from totalitarian rule as a result—the French, Dutch, Belgians, Italians, Poles, Czechs, Russians, the German people themselves—all have full and sufficient reason to honor our great President as their true liberator in 1945. As a soldier and a leader of our great Allied armies, his service to the cause of freedom will go down in history.

But the Allied victory in World War II did not, unfortunately, mean the end of

tyranny and oppression in the world. Instead, it replaced one ruthless form of totalitarianism with another that is even more brutal and terrible. Communist slavery replaced the Nazi and Fascist version and extended itself, in Europe and elsewhere, until today more than 800 million souls lie behind the Iron and Bamboo Curtains in bondage.

It is perhaps appropriate that I should be speaking of such things on this anniversary due to my own experiences which are unique for a Member of Congress. Before entering the political field, I served our State Department abroad for 9 years, two of which were spent behind the Iron Curtain in Eastern Europe. I had the opportunity to witness in two countries, Hungary and Czechoslovakia, the Communist take-over and the complete loss of all freedom which ensued. Ever since that time, I have attempted to be in the front rank of those who wish to see liberty restored in that part of the world.

My own experiences behind the Iron Curtain led me to realize how ardently and passionately the people living under Communist tyranny desire once again to be free. There is, frankly, little that we can do for them in the way of material, concrete assistance but there is one thing which can and must be done and that is to let them know that we have not forgotten them in their plight and that we will never agree to the domination and the tyranny under which they live today.

President Eisenhower recognized this from the very beginning. Listen to this part of his inaugural address delivered at the Capitol here in Washington on January 20, 1953:

"Realizing that common sense and common decency alike dictate the futility of appeasement, we shall never try to placate an aggressor by the false and wicked bargain of trading honor for security. Americans, indeed all free men, remember that in the final choice a soldier's pack is not so heavy a burden as a prisoner's chains."

You can well imagine what hope those brave words stirred in the minds of the enslaved peoples whose only previous experience with the foreign policy of this Government had been thorough the shameful betrayals at Teheran, Yalta and Potsdam. This hope and the faith in President Eisenhower's promises was renewed a month later when the President asked the Congress to go on record as rejecting any interpretations or applications of any wartime agreements or understandings which had been perverted to bring about the subjugation of free peoples. The request was also made to the Congress to join in proclaiming the hope that the peoples who had been subjected to the captivity of Soviet depotism would again enjoy the right of self-determination within a framework which would sustain the peace; that they would again have the right to choose the form of government under which they would live; and that sovereign rights of self-government would be restored to them all in accordance with the pledge of the Atlantic Charter.

The President also recognized from the start that this country could not continue to act as the champion of freemen everywhere unless it acquired and maintained that position of strength which would give weight and meaning to its words. With the incomparable background of his own military experience, he personally saw to it that the defensive posture of this country was kept at a peak which would permit assurances of the defense of our own freedom and also allow us to move in the field of international relations with the respect that comes from such strength.

One of the great reasons that the American people accept so willingly the leadership of freemen in a free world is because the history of our own country is closely interwoven with the cause of freedom from its earliest days. As the President said in his Christmas message in 1953:

"More precisely than in any other way, prayer places freedom and communism in opposition, one to another. The Communist can find no reserve of strength in prayer because his doctrine of materialism and statism denies the dignity of man and consequently the existence of God. But in America, George Washington long ago rejected exclusive dependence upon mere materialistic values. In the bitter and critical winter at Valley Forge, when the cause of liberty was so near defeat, his recourse was sincere and earnest prayer. From it he received new hope and new strength of purpose, out of which grew the freedom in which we celebrate this Christmas season.

"As religious faith is the foundation of free government, so is prayer an indispensable part of that faith.

"Tonight, richly endowed in the good things of the earth, in the fellowship of our neighbors and the love of our families, would it not be fitting for each of us to speak in prayer to the Father of all men and women on this earth, of whatever nation, and of every race and creed, to ask that he help us and teach us and strengthen us and receive our thanks.

"Should we not pray that he help us? Help us to remember that the founders of this, our country, came first to these shores in search of freedom, freedom of man to walk in dignity; to live without fear; beyond the yoke of tyranny; ever to progress. Help us to cherish freedom, for each of us and for all nations."

This is a powerful and a moving message, uttered by a man who is passionately and sincerely devoted to the cause of freedom, for this great country and for the entire world. His prayer to the Almighty to help us recall this precious heritage, his devotion and belief in the power of prayer itself is of particular appeal to me who had occasion only 2 short years ago, here in Washington, to be a living example of the power of prayer itself.

The fact that among all the blessings which this country of ours enjoys today the greatest one is that of freedom and liberty for our people, the most divine blessing of all, is a fact that we have long accepted. And if we accept that this is the most precious blessing that the good Lord could bestow upon us, have we not a sacred obligation, by our conduct at home and abroad, to see that the same blessing reaches as many of our fellowmen throughout the world as possible. If we regard freedom as something peculiarly American, as a commodity not for export, are we not in effect saying that we achieved it by our own efforts and not through the Almighty? But if, on the other hand, we do admit that this blessing is Heaven-sent, have we a right to try and restrict it to our own shores? No, freedom is an international, not a national, word and our most sacred traditions demand that we, who have received this blessing from above, do all in our power to see that its effects are felt throughout the four corners of the earth. As the President said in April of 1954: "The flame of liberty symbolizes the determination of America always to remain free to remain a haven of the oppressed and a ready acknowledgment that all men in the attainment of human aspirations and worthy aspirations are dependent upon an Almighty." And listen to his remarks a few months later before the American Legion Convention here in Washington: "* * * We must preach, demonstrate, and tirelessly sell the vitality and value of freedom in the world. Nothing is more dangerous to our cause than to expect America's message to be heard if we don't bother to tell it.

"We must reaffirm to the oppressed masses of the earth the great truth that the God who gave life to humanity, at the same time gave the right of liberty to man. And in our own interest we must apply both our own intelligence and the necessary material means to assist other peoples to realize for themselves the blessings of freedom and of self-government."

It is just about impossible to speak words that come from the heart with more dignity than those.

There are many, of course, who say that mere expressions are not enough, that deeds are required as well as words. Very well, let us look at the world and see how the cause of freedom has progressed during the Eisenhower administration.

While Korea remains a divided country, a peace treaty was concluded which maintained freedom for the people of South Korea. We did not agree to the partition of Vietnam but we are helping the people of South Vietnam, the free part, to maintain their independence. We have promised our protection to Formosa against those who would annex that island to Communist slavery. We are helping the people of Iran to maintain their independence after nearly losing it. We have urged that self-determination, at least in a limited sense, be granted the people of Cyprus. We signed a peace treaty which gave freedom to the Austrian people for the first time in 18 years. In our own hemisphere, we rejoiced that the people of Guatemala and Argentina, by their own efforts, regained their freedom from totalitarian rule and we are likewise assisting them. Wherever free peoples stand up for the cause of independence throughout the world, we encourage them in that fight and help them to preserve their liberty insofar as it lies within our power.

I want to say a word or two here about the Geneva Conference of last summer when the President went to Switzerland to meet with the heads of government from Great Britain, France, and the Soviet Union. There were persons, who, playing on the memories of the agreements at Yalta and Potsdam, alleged or hinted that the President planned to conclude another such agreement that would confirm the status of the captive peoples living today under Soviet tyranny. Let me set the record straight on that issue.

When the President broadcast from the White House on July 15 last, just before leaving for Geneva, he mentioned some of the problems which did then and which still do plague the world today. Among those he mentioned: "The problem of the captive states, once proud people that are not allowed their own form of government, freely chosen by themselves and under individuals freely elected by themselves." Does this sound like the words of a man who was planning to sell the captive peoples "down the river"?

On July 18, the President issued a statement from his offices at Geneva. It included this paragraph: "On a broader plane, this is the problem of respecting the right of peoples to choose the form of government under which they will live; and of restoring sovereign rights and self-government to those who have been deprived of them. The American people feel strongly that certain peoples of Eastern Europe, many with a long and proud record of national existence, have not yet been given the benefit of this pledge of our United Nations wartime declaration, reinforced by other wartime agreements."

And, finally, when the President returned from Geneva, he stated on July 25 that the pursuit of peace, the reason why he went to Geneva in the first instance, involved, among other questions, freedom and security for all nations, great and small. He added that, in conversations which he and Secretary Dulles had held with other delegations and specifically the Soviet delegation, the

matter of the satellites of Eastern Europe had been brought up more than once and that it had been made crystal clear what American beliefs about this matter were.

As convincing proof that, no matter how great his desire for peace, the President would never attempt to trade peace for our people in exchange for slavery for others, listen to this paragraph from his speech to the American Bar Association last August:

"Eagerness to avoid war—if we think no deeper than this single desire—can produce outright or implicit agreement that injustices and wrongs of the present shall be perpetuated in the future. We must not participate in any such false agreement. Thereby, we would outrage our own conscience. In the eyes of those who suffer injustice, we would become partners with their oppressors. In the judgment of history, we would have sold out the freedom of man for the pottage of a false peace. Moreover, we would assure future conflict."

This determination of President Eisenhower not to purchase peace at the risk of honor and not to traffic with the freedom of other peoples is as strong with him today as it has always been. When he broadcast over Radio Free Europe to the captive peoples at Christmastime a message of hope and encouragement from the American people, the Soviet leaders protested that "this is not in accord with the spirit of Geneva." On behalf of the President, Mr. Hagerty replied that it had been made abundantly clear at Geneva to the Soviet rulers that the spirit of Geneva could not and did not involve any relaxing of the peaceful purpose of the United States to achieve liberty and justice for the oppressed peoples of the world. He added, "The peaceful liberation of the captive peoples has been, and is, and until success is achieved, will continue to be a major goal of United States foreign policy." Even in the most recent example, the exchange of correspondence which took place between the President and Soviet Premier Bulganin only a few days ago, Mr. Eisenhower referred to "our wartime pledge to respect the right of peoples to choose the form of government under which they will live."

And, finally, in his state of the Union message to Congress on January 5, the President referred to grave injustices throughout the world including the oppressive division of the German people and the bondage of millions elsewhere. I might say, at this point, that I have introduced a resolution which would put the House of Representatives on record as supporting the President in his efforts to right these wrongs.

I have quoted at considerable length this evening from the President's public statements over the last 3 years. I have done so because it is in such messages of hope and encouragement to the enslaved peoples that I feel President Eisenhower has made his greatest contribution toward freeing the world from tyranny. His sincere and earnest desire for peace, repeated on so many occasions, has done a great deal toward relieving international dread of an atomic war. But peace must yield to freedom if the two conflict and the inspiration that the words of the President have given to free men everywhere is, to me, one of his greatest accomplishments during the last 3 years of his administration.

We do not know how long the Kremlin will continue to exercise its domination over millions of once-free people. But we do know that, as long as this unhappy situation continues, the American people will continue to express their dissatisfaction and their hope that freedom will one day reign over the entire earth. In speaking as he has done for his fellow countrymen, the President has at least equaled, if not surpassed, the military contribution he made during World War II which was also in behalf of liberty and independence for oppressed peoples. That is why it is such a great pleasure to join you here tonight on this memorable anniversary to pay tribute to that great champion of freedom, Dwight D. Eisenhower.

Thank you.

New England Wants Insurance Against Flood Losses

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1956

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

NEW ENGLAND WANTS INSURANCE AGAINST FLOOD LOSSES

(Statement of Hon. THOMAS J. LANE, of Massachusetts, before the House Committee on Banking and Currency on Disaster Insurance Legislation, February 2, 1956)

Mr. Chairman, the best way to insure against flood losses is to prevent them, by flood-control projects that work. Paper plans, without construction, protect no one.

Of course, New England needs flood insurance, because we have suffered loss of lives and devastating damage on several occasions during this generation due to the failure of the Federal Government to provide dams, reservoirs, and insurance.

As your committee, through these hearings, is helped in its responsibility of developing a practical plan of disaster insurance, I am sure it will also recognize the need for flood-control works to minimize the effects of future floods.

The element of risk must be reduced to keep any insurance plan solvent.

Therefore, the proposed legislation should include emphasis on the need of more flood-control projects in the areas where such disasters have caused the heaviest losses, in order to provide the greatest measure of real protection, which will in turn, reduce the carrying charges of the insurance.

New England is noted for its independence, but sometimes its waterways carry this to excess, with an anarchy that is fearful to behold.

Last year alone, as a result of two disastrous floods, hundreds of millions of dollars worth of homes, industries, and public facilities were damaged or destroyed. This was not a partial loss, retrieved or compensated for, by insurance. The washout was complete. The discouraged victims had to rebuild all over again from zero.

Since 1927, Congress has spent $4.5 billion on flood control for the whole country. Only $53 million of that total was appropriated to protect the 6 New England States.

In the face of inadequate defenses against rampaging waters, and the lack of indemnities that would enable us to recoup our losses, we have suffered severely.

The realization that we must be covered by some form of disaster insurance, has widespread support. For who knows, in view of our mercurial weather, where the next deluge will send swollen waters over their banks?

On January 3, 1956, I introduced a bill, H. R. 7923, to be known as the National Flood Insurance Act of 1956.

Similar bills have been introduced by other Members.

The President has recommended that we initiate such legislation on an experimental basis with a reasonable limit on the amount of insurance for any individual or firm, and on the basis of coinsurance, under which individuals would assume part of the loss, in order to hold down premium rates.

In his budget message for the fiscal year 1957, the President proposed $100 million of new authority for an indemnity and reinsurance program under which costs of flood damage would be carried by the individuals protected, the States, and the Federal Government.

Private insurance companies would participate to the fullest extent possible.

Among the various proposals suggested, I am sure that there will be a meeting of the minds on the common denominators necessary to make such legislation practical and effective.

There is no argument as to why we must have flood insurance. The only questions concern "how?" and "when?"

Oil and Wildlife Don't Mix

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1956

Mr. METCALF. Mr. Speaker, on December 28, 1955, the New York Times carried the following editorial:

OIL AND WILDLIFE DON'T MIX

The Department of the Interior, which in addition to its other duties is supposed to protect the natural resources of the United States, is in hot water with conservationists once again. Obviously stung by the repeated charge of giveaway, Secretary McKay has in recent months been busily defending his record in this regard and citing an impressive array of statistics to prove his Department's interest in conservation.

It will, however, take conservationists a long time to forget the Interior Department's backing of the proposal to erect the giant Echo Park power dam in the middle of Dinosaur National Monument, a proposal now happily defeated. It may take even longer to quiet the fears now arising from the Interior Department's new regulations governing issuance of oil and gas leases in Federal wildlife refuges. The Department and some private experts in the field of conservation take diametrically opposite views as to the meaning of the new rules. But on one point there can be little argument: After a period of 2 years during which no such leases were issued the way is now opened for private exploration and exploitation in the refuges.

One such lease has already been granted on terms that the Wildlife Management Institute of Washington has described as ridiculously low in respect to royalty rates, and on a noncompetitive basis at that. Without going into the merits of this particular lease, it is up to the Department to reconcile the decision to issue new leases with its statement early this month that the regulations are designed to strengthen protection of wildlife refuges for wildlife purposes. The men and machinery involved in exploration for oil and gas normally constitute a disturbing factor in any wild area.

What is particularly puzzling is the Interior Department's decision to open the refuges to such operations, perhaps more widely than in many years, in the absence of any shortage or national-defense consideration. Why should the Federal refuges as

a whole be made available to oil and gas companies now? Why should the 2-year-old stop order, commendably issued by Secretary McKay himself, be torn up and the process of invasion of national wildlife refuges be begun with vigor once more?

It is true that the new orders give permanent protection to certain of the refuges; but the bulk of the acreage under Federal control now seems to be laid wide open for extraneous purposes, even though the regulations are rigidly enforced. The Fish and Wildlife Service, which under the new rules is in charge of the leases, will be under constant pressure to open up its refuges, with possibly disastrous results for wildlife conservation and with little if any visible compensating advantage from the standpoint of the national interest.

In the "Letters to the Times" section of the January 29, 1956, issue, Mr. Wesley A. D'Ewart, former Representative from Montana's Second District and now Assistant Secretary of the Interior for Public Land Management, replied as follows:

REGULATING WILDLIFE LAND—BENEFITS TO FEDERAL REFUGES UNDER REVISED ORDERS EXPLAINED

(EDITOR'S NOTE.—The writer of the following letter is Assistant Secretary for Public Land Management in the United States Department of the Interior.)

To the EDITOR OF THE NEW YORK TIMES:

Your editorial of December 28, "Oil and Wildlife Don't Mix," pertained to the Department of Interior's recently revised regulations governing oil and gas leases on the national wildlife refuges. I do not believe the editorial reflects the true meaning of the new regulations promulgated by Secretary of the Interior Douglas McKay.

The new regulations have been widely misinterpreted. The most serious of these misinterpretations have been: that the new regulations permit oil and gas leasing on national wildlife refuges for the first time; that the regulations are without legal authority except in event of a national emergency; that the regulations do not provide adequate safeguards for the wildlife values of the refuges; that the regulations are against the intent of Congress; and that the leases issued under the new regulations do not return to the Federal Government the full amount due in the way of royalties and rental fees.

Allow me to clarify this misunderstanding point by point.

AUTHORITY FOR LEASING

Lands within national wildlife refuges have been subject to oil and gas leasing since the passage of the original Mineral Leasing Act of February 25, 1920. The authority for such leasing was reaffirmed by the act of August 8, 1946, which amended the Mineral Leasing Act of 1920. In 1947 Department of Interior regulations were issued which defined conditions under which the leasing would be permitted. A number of oil and gas leases were issued under the authority of these clearly defined laws and regulations.

However a few months after Douglas McKay became Secretary of the Interior he decided that existing regulations did not provide adequate safeguards for the refuges. On August 31, 1953, he issued a stop order suspending oil and gas leasing on the national wildlife refuges until such time as his Department could formulate new regulations.

During the more than 2 years between August 31, 1953, and December 2, 1955, the old regulations were given a thorough review by the Department of the Interior, specialists from its Fish and Wildlife Service and Bureau of Land Management, its solicitor and the Secretary's Advisory Committee on Conservation.

SUPERVISION OF DRILLING

The new regulations embody the corrective measures that were recommended and agreed upon as a result of this study. Important among changes that plugged loopholes in the old regulations is one which gives the Fish and Wildlife Service and its career technicians absolute authority over where, when, how, and by whom drilling will be permitted on the refuges. Another significant revision makes refuges which provide habitat for rare and endangered species absolutely inviolate for the first time in history.

It is obvious, therefore, that contrary to permitting unprecedented oil and gas leasing on the refuges, the new regulations provide much more stringent limitations than the regulation in existence when this administration took office.

The legal authority for the issuance of oil and gas leases on national wildlife refuges is set forth in detail in the laws. The confusion surrounding this aspect of the new regulations has been generated by those persons who have mistakenly contended that the same laws which apply to prospecting permits for fissionable materials also apply to oil and gas.

As stated above, the purpose of Secretary McKay's 1953 stop order was to arrest a situation that obviously was inimical to the primary purpose of refuges—the protection and propagation of wildlife. The new regulations correct these deficiencies inherent in the old regulation by carefully spelling out the conditions and on what refuges oil and gas leasing is permitted.

INSURING PROTECTION

Though space does not permit me to enumerate all of the many safeguards included in the new regulations, I think it is significant that they have the whole-hearted endorsement of career specialists in the Fish and Wildlife Service and the approval of the Secretary's Advisory Committee on Conservation. Those who are dedicated to the protection of our wildlife feel that the new regulations are the means by which that protection can be insured.

The assertion that oil and gas leasing on the national wildlife refuges is a violation of the intent of Congress is an error in fact. The laws mentioned above, which were enacted by Congress, are irrefutable proof that it has been the sense of Congress that these refuge lands should be subject to multiple use, including oil and gas leasing.

The Department of the Interior is bound by the law. Any argument about the philosophy of permitting oil and gas drilling on the refuges is irrelevant. The Secretary of the Interior has no alternative but to abide by the stipulations of the laws that apply to the functions of Government under his jurisdiction. The most that can be done is to make the regulations implementing these laws as stringent as possible. This has been done by Secretary McKay.

Only those persons who are totally unfamiliar with the law will argue that the Government is not getting its just rental and royalty fees from the leases issued under the revised code. Because these leases were issued on lands defined by the Geological Survey as not being on a known structure of a gas and oil field, they had to be granted on a noncompetitive basis.

The act of August 7, 1947, is explicit on this matter. That act also prescribes the royalty to be charged in noncompetitive leases; to wit, 12½ percent, the amount stipulated in the so-called Frankfort leases. The rental fees of 50 cents per acre are a further provision of the law.

WESLEY A. D'EWART.

Mr. C. R. Gutermuth, vice president of the Wildlife Management Institute, had this to say of Mr. D'Ewart's letter in the "Letters to the Times" of February 14, 1956:

INVADING WILDLIFE REFUGES—OIL AND GAS LEASING CHARGED WITH CONTRAVENING WILL OF CONGRESS

To the EDITOR OF THE NEW YORK TIMES:

The letter from Assistant Secretary of Interior Wesley A. D'Ewart that appeared in the January 29 issue of the Times stated that your editorial of December 28 "Oil and Wildlife Don't Mix" does not reflect the true meaning of the Interior Department's new oil and gas leasing order, and that "the new regulations have been widely misinterpreted."

It is easy to understand why the millions of sportsmen and conservationists across the country did not realize that the national wildlife refuges have been subject to oil leasing since 1920. They were not aware of the fact because only 25 leases had been issued on 4 refuges during the 33 years from 1920 to 1953.

Whether Interior has a stronger set of regulations now, as compared to the old order, is beside the point. The fact is Secretary McKay has invited oil leasing, and leases are being issued. There are nearly 300 applications on file, and still other leases undoubtedly would have been issued during the past 6 weeks except for the public uproar that was caused by the new order.

RESTRICTIONS ON USE

The Congress, in 1954, in both the Atomic Energy and Mineral Leasing Acts, made it clear that the national parks and monuments and wildlife refuges should not be invaded even for exploration for fissionable materials. Fissionable materials are in short supply. Even so, Congress said that the refuges should not be invaded except for national defense and only by Presidential order. In view of the expressed will of Congress it would seem that there is little excuse for encouraging oil and gas leasing on the meager refuge lands. The Interior Department's own Office of Oil and Gas Production says that the oil industry is not pumping 1½ million barrels a day from producing wells due to economic reasons.

There are less than 10 million acres of Federal refuge lands in the United States—only about one-half of 1 percent of the total land area—and the conservationists contend that there is no justification for any such leasing. Naturally, the service cannot prevent oil and gas operations on refuge lands where former owners retained the mineral rights, but Interior, even with that so-called weaker order, had been able to block practically all leasing. A total of 89 leases have been issued since 1920, 64 of which were granted since December 1952. The earlier ones were issued to protect the Government's interest under the unit plan.

REFUGES RECLASSIFIED

Mr. D'Ewart stated that the Department is bound by law, and that the most that can be done is to make the regulations as stringent as possible. Well, the Secretary, in exercising his discretion, put less than a dozen of the 264 refuges in the no-leasing classification that he established. The remaining refuges are open to invitation in classes B and C.

If he has that authority under the basic law, which has not been changed, then it is self-evident that he could have exercised the same rigid control that was maintained heretofore. The trouble is, the present policy-making officials see no harm in having prospecting and drilling operations on wildlife refuges.

C. R. GUTERMUTH,
Vice President, Wildlife Management Institute.

Mr. Speaker, I feel that a number of other points should be made at this time.

I recall that when the Mineral Leasing and Atomic Energy Acts were being amended in 1954, it was then Congressman D'Ewart who put in the almost identical protective clauses in each.

In the case of the Mineral Leasing Act, the clause reads:

Provided, That notwithstanding any other provisions of law, such leases or permits may be issued for lands administered for national park, monument, and wildlife purposes only when the President, by Executive order, finds and declares that such action is necessary in the interests of national defense.

As the sponsor of that amendment, Mr. D'Ewart knew full well the intent of his colleagues in Congress. Congress said it did not want the Federal refuges exploited.

Now Mr. D'Ewart stated that the new regulations give the United States Fish and Wildlife Service and its career technicians absolute authority over leasing and drilling. I agree that the new order could be regarded as a slightly better set of regulations—if it were not for the fact that all the heads of the Service have been put into schedule C.

The new order does place more responsibility on the Service, but the incumbent political appointees now are subject to all of the pressure, and, of course, must yield to the will of the Secretariat. A telephone call from higher up can force them to issue a lease—the blame would be on the Fish and Wildlife Service, and it would appear that the Secretary had avoided the responsibility which is his under the law.

Mr. D'Ewart says the purpose of the Secretary's 1953 stop order was to arrest a situation that obviously was inimical to the primary purposes of the refuges—the protection and propagation of wildlife. The Secretary's stop order was put into effect on August 31, 1953, but witnesses told the House Merchant Marine and Fisheries Committee last month that more than 50 leases were issued between that date and December 2, 1955, when the new opening order was executed. One cannot help but wonder why the stop order was ignored. The Times editorial was in error on this point.

Mr. D'Ewart wrote that the new regulations had the approval of the Secretary's Advisory Committee on Conservation, but the record shows that in its meeting on January 27 and 28, 1955, and again on December 1 and 2, 1955, the committee recommended against any oil and gas leasing on refuge lands except to prevent loss to the Federal Government by drainage of oil by peripheral wells or in case of national emergency.

Mr. D'Ewart says the new regulations have been widely misinterpreted. Regardless of any misunderstanding that may exist, conservationists are sure of two things:

First, the Secretary's new order takes its authority from the basic law that has not been amended since 1947; and

Second, leases are being invited now on about 250 of the Federal refuges that have not been exploited heretofore.

Mr. D'Ewart is right when he says the basic law has not been changed. The change is in the discretion that is being exercised and in the current thinking in the Department that there is nothing wrong in opening up the wildlife refuges to leasing.

The Committee on Merchant Marine and Fisheries is to resume its hearing February 20 on my refuge-protection bill, H. R. 5306, which follows:

Be it enacted, etc., That, for the purpose of wildlife conservation, it is the policy of the Congress to maintain and preserve the areas of the national wildlife refuges; and the Secretary of the Interior shall not dispose of or relinquish any of the national wildlife refuges, or parts thereof, without the prior approval of the Congress.

Chairman BONNER, of that committee, has offered the following amendment to this bill:

SEC. 2. That section 1 of the act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 181 and following), be amended to read as follows:

"That deposits of coal, phosphate, sodium, potassium, oil, oil shale or gas, and lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the act known as the Appalachian Forest Act, approved March 1, 1911 (36 Stat. 961), those in incorporated cities, towns and villages, in national parks and monuments, those in wildlife refuges operated or under the jurisdiction of the Fish and Wildlife Service of the Department of the Interior, those in national parks and monuments, those acquired under other acts subsequent to February 25, 1920, and lands within the naval petroleum and oil shale reserves except as hereinafter provided shall be subject to disposition in the form and manner provided by this act to citizens of the United States, or to associations of such citizens, or to any corporation organized under the laws of the United States, or of any State or Territory thereof, or in the case of coal, oil, oil shale, or gas, to municipalities. Citizens of another country, the laws, customs, or regulations of which deny similar or like privileges to citizens or corporations of this country, shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this act.

"The United States reserves the ownership of and the right to extract helium from all gas produced from lands leased or otherwise granted under the provisions of this act, under such rules and regulations as shall be prescribed by the Secretary of the Interior: *Provided further*, That in the extraction of helium from gas produced from such lands it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof.

"The Secretary of the Interior is authorized to lease lands under the provisions of this act located in wildlife refuges operated or under the jurisdiction of the Fish and Wildlife Service only when the President by Executive order declares that the requirements of the common defense and security make such action necessary."

The senior Senator from Montana, Senator MURRAY, the junior Senator from Montana, Senator MANSFIELD, and I have offered concurrent resolutions requesting the Secretary of the Interior to refrain from granting further geological and geophysical prospecting permits, and oil and gas leases on refuge lands administered by the Fish and Wildlife Service until the appropriate committees in both bodies have determined whether the issuance of such permits is in the public interest.

We believe that one of the best places to have the Nation's oil reserve is in the national parks, monuments, and wildlife refuges. We may need these resources badly some day—but there is no oil shortage now.

SENATE

FRIDAY, FEBRUARY 3, 1956

(Legislative day of Monday, January 16, 1956)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou who dost lure our hearts to visions of a larger good, we would lift our lives with all their loves and labors into the white light of Thy presence. In the hush of this hallowed moment may all voices be stilled that Thine may be heard. Come to us now through the silence and ere duty lead us back to a noisy, crowded way speak to our waiting hearts words of forgiveness, of empowering, and of cleansing, that as servants of Thine and of the people we may more worthily serve this needy day, when the hearts of men are stirred with the throb of deep desire and the haunting dream of a better world. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On the request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 2, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on January 31, 1956, the President had approved and signed the joint resolution (S. J. Res. 12) to request the Secretary of State to arrange for the International Joint Commission, United States and Canada, to conduct a survey of the proposed Passamaquoddy tidal power project, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

PRESERVATION AND MAINTENANCE OF NATIONAL PARKS, MONUMENTS, AND HISTORIC SITES—LETTER FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following letter from the President of the United States, which was referred to the Committee on Interior and Insular Affairs:

THE WHITE HOUSE,
Washington, February 2, 1956.

DEAR MR. VICE PRESIDENT: Our national parks, monuments, and historic sites, and other areas comprising the national park system, are valued and irreplaceable national treasures. It is the responsibility of the Federal Government to preserve them and manage them perpetually for the enjoyment of all Americans.

With an increasing appreciation of the inspiration and recreation which these areas offer, more and more of our people are visiting them every year. The Secretary of the Interior has recently informed me that visitor attendance is growing so rapidly that the parks are being damaged and all services and facilities are seriously overtaxed. Unless vigorous action is taken, many Americans visiting the parks will be frustrated in gaining the scenic and educational benefits they seek and deserve.

The Secretary of the Interior and the Director of the National Park Service have been deeply concerned, as have I, about these inadequacies. They have just completed a thorough study of the present and future needs of the national park system and have prepared a comprehensive, 10-year plan, known as Mission 66, to meet these anticipated needs. The plan provides for a well-balanced schedule for protection, development, and staffing which can begin immediately.

I have requested the Secretary of the Interior to submit this plan to the Congress and, to the extent that funds are available therefor in the current fiscal year, to make an immediate beginning. There will shortly be transmitted to the Congress an amendment of the 1957 budget so that adequate provision may be made for carrying the program forward without delay in the new fiscal year.

Sincerely,

DWIGHT D. EISENHOWER.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, subject to the usual 2-minute limitation on statements.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE NATURAL GAS ISSUE—SUMMATION

Mr. JOHNSON of Texas. Mr. President, the volume of the debate on S. 1853 has grown large through the weeks of the Senate's consideration of the question involved. I recognize that with the Senate scheduled to begin voting Monday, under the agreement reached this week, most Senators will be earnestly reviewing the record to guide them in their individual decisions.

I believe now—as I have so expressed myself previously—that the basic issues involved are simple and that simplicity is easily obscured under the weight of lengthy discussions. I have, accordingly, had prepared a thorough memorandum setting forth as concisely and simply as possible a summation of the important factors involved in this issue.

All Senators, whatever their respective inclinations may have been, should find this material worthy of attention and consideration at this time.

I ask unanimous consent that this memorandum be incorporated in the body of the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM RE THE NATURAL GAS ISSUE

THE ISSUE

What does Congress intend for Federal policy to be toward regulation of the production segment of the interstate natural gas marketing system?

Section 1 (a): "It is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest."

TABLE I.—*The public interest in natural gas*

Has Congress ever declared the commodity of natural gas to be affected with a public interest? No.

Has Congress ever declared the production of the commodity of natural gas to be affected with a public interest? No.

Section 1 (b): "The provisions of this act * * * shall not apply * * * to production and gathering."

THE PROBLEM

The intent of Congress in establishing the jurisdictional policies of the Natural Gas Act has been subject to varying and conflicting interpretations so that there is not now a clearly defined Federal policy toward the production segment.

TABLE II.—*Confusion over congressional intent in jurisdictional section of the Natural Gas Act of 1938*

Language of sec. 1 (b)	History of interpretation
"The provisions of this act shall apply to—	
"Transportation of natural gas in interstate commerce.	No confusion, 1938–56.
"The sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use.	2 meanings, 1938–54, 1954–56.
"To natural gas companies engaged in such transportation or sale.	Do.
"But shall not apply to—	
"Any other transportation or sale of natural gas.	No confusion, 1938–56.
"The local distribution of natural gas or to the facilities used for such distribution.	2 meanings, 1938–50, 1950–54.
"The production or gathering of natural gas."	2 meanings, 1938–54, 1954–56.

NOTE.—In 1954 Congress enacted legislation to restore the original meaning to the language affecting local distribution and it now has the same force as it had from 1938 to 1950.

THE EFFECT OF CONFUSION

The effect of the confusion arising from the different interpretations of congressional intent in regard to the jurisdiction of the Federal Power Commission has been to create a situation of regulatory chaos at the producing level of the interstate natural gas marketing system.

TABLE III.—*How Federal regulatory jurisdiction has varied under the Natural Gas Act from 1938 to 1956*

Period	State of Federal policy	Responsibility for regulation		
		Production	Transportation	Distribution
Prior to 1938	No statutes	States	None	States and cities.
1938	Natural Gas Act passed; FPC given jurisdiction over pipelines.	do	FPC	Do.
1938–50	Natural Gas Act	do	FPC	Do.
1950	Supreme Court holds distribution not fully exempt; East Ohio case.	do	FPC	FPC, States, and cities.
1950–54	Natural Gas Act, as amended by Supreme Court in East Ohio decision.	do	FPC	Do.
1954	Congress restores original exemption of distribution.	do	FPC	States and cities.
1954	Supreme Court holds production not exempt; Phillips case.	FPC and States	FPC	Do.
1954–56	Natural Gas Act, as amended by Supreme Court in Phillips decision.	do	FPC	Do.

THE PRESENT STATE OF THE LAW

There is now a clearly defined Federal policy toward distribution and toward transportation. There is not a clearly-defined Federal policy toward production:

(a) Where Federal jurisdiction begins and ends, in an area previously occupied solely by the States, is not defined by any existing statute; and

(b) Existing statutes do not provide an applicable method for successful regulation of whatever elements of production the Supreme Court may have made subject to the Natural Gas Act by the Phillips decision in 1954.

Thus, if the law as interpreted by the Supreme Court is left unchanged, the questions of where Federal jurisdiction attaches to the production segment and how such jurisdiction is to be exercised and administered will be unanswered and unanswerable, except by trial and error decisions by the Federal Power Commission.

TABLE IV.—*"Unknowns" resulting if Congress does not clarify confusion regarding the jurisdictional intent of the Natural Gas Act of 1938*

Question	Answer
What would be the "price" of natural gas entering interstate commerce?	Unknown.
Would the "price" be higher or lower than rates prevailing before the Phillips decision?	Unknown.
What would be the effect upon the search for additional supplies of natural gas to meet consumer needs?	Unknown.
What would be the effect upon the commitment of new or additional supplies to the interstate market?	Unknown.
What would be the effect upon the exercise of conservation powers by the oil and gas producing States?	Unknown.
What would be the effect upon the taxing powers of the oil and gas producing States?	Unknown.
What would be the effect upon the status of land and royalty owners?	Unknown.
What would be the effect upon the competitive fuels of a Federally controlled "price" for natural gas?	Unknown.
What would be the effect upon the oil industry when production of oil and gas is a joint and simultaneous operation?	Unknown.
What would be the benefits to the ultimate consumers of natural gas?	Unknown.

THE CHOICE BEFORE THE SENATE

The Senate is presently faced with two choices:

1. Passage of S. 1853: This will resolve the jurisdictional confusion by reestablishing the Federal policy with regard to production that existed from 1938 to 1954; it will, in addition, confer upon the Federal Power Commission authority which the FPC has not previously had to control the charges carried into interstate commerce by pipelines for the natural gas they bring into their lines. The FPC would have more power, but not more jurisdiction.

2. Defeat of S. 1853: This will leave the jurisdictional confusion to be dealt with by litigation; it will require the Federal Power Commission to regulate production on the same basis as transportation and under the same law, treating producers as "non-transporting transporters," and fixing for each producer a rate of return—rather than a commodity price—based on his investment and expenses. The FPC would have more jurisdiction, but no more net power over the ultimate consumer's gas bill than under S. 1853.

TABLE V.—*Comparison of regulation with S. 1853 and without S. 1853*

	With S. 1853	Without S. 1853
Would the charge for natural gas entering interstate commerce be regulated?	Yes	Yes.
Who would determine the amount of such charges?	FPC	FPC.
Who would pay such charges?	Pipelines	Pipelines.
Where would FPC jurisdiction begin?	At the mouth of the pipelines.	At the mouth of the wells.
Where would FPC jurisdiction end?	At the city gate.	At the city gate.
Would there be any Federal control over consumer rates?	No	No.
Would any existing control over consumer rates be changed?	No	No.
Would there be FPC control over price increases resulting from existing contracts?	Yes	Yes.
Would there be FPC control over increases resulting from favored nation, spiral, or other such contract clauses?	Yes	Yes.
Would there be FPC control over future contracts?	Yes	Yes.
Would there be FPC control over charges for natural gas produced by the pipelines?	Yes	Yes.

THE ESSENTIAL DIFFERENCE

In the choice facing the Senate—i. e., between passage or defeat of S. 1853—the essential difference is where Federal Power Commission jurisdiction should begin.

THE IDENTICAL GOAL

From the standpoint of what regulation would accomplish, both of the choices have the same goal, the same maximum result:

To control the amount that interstate pipelines subject to FPC regulation carry in their rate bases as their expenses for the natural gas they contract to buy to fulfill their commitments to distributing utilities.

TABLE VI.—*The conflicting approaches to the identical goal*

VIEWS OF PROPONENTS AND OPPONENTS TO S. 1853

Proponents of S. 1853 say: "The problem is how much the interstate pipelines pay for natural gas."

Opponents of S. 1853 say: "The problem is how much the independent producer receives for natural gas."

Proponents of S. 1853 say: "The consumer's interest is protected by regulating the contract practices of the piplines."

Opponents of S. 1853 say: "The consumer's interest is protected by regulating the rate of return, i. e., the profit, of the producer."

Proponents of S. 1853 say: "The producer has no reason to subject himself to utility regulation by selling his commodity into interstate commerce."

Opponents of S. 1853 say: "The producer has no real choice but to sell his commodity into interstate commerce and will do so regardless of any regulatory consequence."

Proponents of S. 1853 say: "The producer has no incentive to develop additional supplies of natural gas for the interstate market if punitive restrictions are imposed upon sales to that market."

Opponents to S. 1853 say: "The producer will continue to find natural gas anyway, in conjunction with the search for oil, and he will be forced by economic considerations to sell such gas to the interstate market."

THE CONSUMER'S FIRST INTEREST

The first interest of the consumer—together with the local distributor, the interstate pipeline, and the producer—lies in the assurance of an adequate supply of natural gas. Without supply, regulation of price becomes meaningless.

REGULATION: IMPORTANT OR IRRELEVANT?

The assurance of supply is the first responsibility of the production segment of the natural gas marketing system—and it is the responsibility of this segment alone. Therefore, the making of regulatory policy toward the production segment must take this into account.

Proponents of S. 1853 say that the type of regulation imposed on production is important, that it must be of such character as to encourage—rather than stifle—development of additional supplies and encourage, also, the dedication of such supplies to interstate commerce.

Opponents of S. 1853 say that the type of regulation imposed on production is irrelevant, that the producers have adequate incentives to continue development of additional supplies without a price incentive, and that the intrastate market is presently inadequate to attract much gas so that the bulk will have to be sold to the interstate market.

Both of these arguments represent attempts to forsee and forecast the future.

The Senate must decide between the two views, decide on which argument to place reliance.

WHAT KIND OF REGULATION?

The choices

The Senate must decide whether natural gas is a commodity and its producers are commodity producers engaged in risk-taking private enterprise, or the Senate must decide that natural gas is a utility service—like a kilowatt-hour of electricity, a telephone call, or a train ride—and that its producers are rendering a public service in searching for it, finding it, developing it, and lifting it to the surface of the earth.

Value or no value

If natural gas is a commodity, then it has a value which its producer is entitled to receive through competitive bargaining with purchasers.

If natural gas is in the same classification as a telephone call, then it has no value in itself and its producer is entitled to be compensated only for his investment—plus a fixed profit—in what it costs to produce that natural gas.

The precedent

In the United States, minerals have always been regarded legally as commodities with commodity value. If natural gas is removed from this status and regarded as a utility service, then the precedent is established for classifying all mineral production as a public service—i. e., a utility function—with producers compensated on a cost-plus basis. The establishment of such a precedent is of consequence to all States.

TABLE VII.—*Value of United States mineral production, 1953*

State	Value	Principal minerals in order of value
	thousands	
Alabama	$187,900	Coal, iron ore, cement, stone.
Arizona	256,616	Copper, zinc, cement, gold.
Arkansas	125,885	Petroleum, bauxite, natural-gas liquids, coal.
California	1,392,883	Petroleum, natural-gas liquids, natural gas, cement.
Colorado	211,586	Petroleum, molybdenum, coal, cement.
Connecticut	7,017	Stone, sand and gravel, lime, clays.
Delaware	659	Sand and gravel, stone, clays.
District of Columbia.	15	Clays.
Florida	92,336	Phosphate rock, cement, stone, sand and gravel.
Georgia	52,397	Clays, stone, cement, sand and gravel.
Idaho	60,987	Lead, zinc, silver, phosphate rock.
Illinois	461,795	Coal, petroleum, stone, cement.
Indiana	109,179	Coal, petroleum, cement, stone.
Iowa	52,001	Cement, stone, sand and gravel, coal.
Kansas	413,243	Petroleum, natural gas, cement, stone.
Kentucky	381,742	Coal, petroleum, natural gas, stone.
Louisiana	965,237	Petroleum, natural gas, natural-gas liquids, sulfur.
Maine	10,503	Cement, sand and gravel, stone, slate.
Maryland	27,085	Sand and gravel, cement, stone, coal.
Massachusetts	17,891	Stone, sand and gravel, lime, clays.
Michigan	286,487	Iron ore, cement, petroleum, sand and gravel.
Minnesota	542,547	Iron ore, sand and gravel, stone, manganiferous ore.
Mississippi	107,868	Petroleum, natural gas, cement, clays.
Missouri	128,297	Lead, cement, stone, lime.
Montana	132,185	Copper, petroleum, zinc, manganese.
Nebraska	33,281	Petroleum, cement, sand and gravel, stone.
Nevada	73,665	Copper, tungsten, gold, iron ore.

TABLE VII.—*Value of United States mineral production, 1953*—Continued

State	Value	Principal minerals in order of value
	thousands	
New Hampshire	$1,805	Stone, sand and gravel, mica, feldspar.
New Jersey	51,948	Stone, sand and gravel, iron ore, zinc.
New Mexico	330,829	Petroleum, potassium salts, copper, natural gas.
New York	186,868	Cement, iron ore, stone, sand and gravel.
North Carolina	38,446	Stone, tungsten, sand and gravel, feldspar.
North Dakota	19,237	Petroleum, coal, sand and gravel, clays.
Ohio	302,843	Coal, stone, lime, cement.
Oklahoma	678,160	Petroleum, natural-gas liquids, natural gas, coal.
Oregon	24,449	Sand and gravel, cement, stone, diatomite.
Pennsylvania	1,121,579	Coal, cement, stone, petroleum.
Rhode Island	1,462	Sand and gravel, stone graphite.
South Carolina	17,771	Cement, clays, stone, sand and gravel.
South Dakota	33,896	Gold, stone, cement, sand and gravel.
Tennessee	98,050	Coal, cement, stone, phosphate rock.
Texas	3,647,806	Petroleum, natural gas, natural-gas liquids, sulfur.
Utah	208,629	Copper, coal, iron ore, gold.
Vermont	20,302	Stone, asbestos, slate, copper.
Virginia	182,777	Coal, stone, cement, sand and gravel.
Washington	54,577	Cement, sand and gravel, zinc, stone.
West Virginia	790,110	Coal, natural gas, petroleum, natural-gas liquids.
Wisconsin	55,271	Sand and gravel, stone, iron ore, cement.
Wyoming	255,906	Petroleum, coal, clays, natural gas.
Total	14,381,000	

Source: Bureau of Mines.

THE TAXING POWER OF THE STATES

Taxes levied against mineral production represent an important segment of State finances, especially in the principal natural gas producing States. Most such taxes are assessed on a percentage of the commodity value at the point of production. If the sale is made within the area of Federal jurisdiction many State officials question whether a State has power to occupy that same area for the purpose of levying and collecting taxes. Likewise, the same question is raised as to what a State tax would be levied against if a producer is being compensated for his investment—rather than for the value of the commodity produced.

LAND AND ROYALTY OWNERS

Important to any consideration of changes affecting property rights is the question of land and royalty owners' status, for again the compensation received by a producer—under utility regulation—is a rate of return on his costs, not compensation for the value of the mineral produced. How, then, would a royalty owner's compensation be determined? A typical one-eighth royalty would be one-eighth of what?

TAX LAW CONFLICT

Opponents of S. 1853 have emphasized that the depletion allowance provided under Federal revenue laws for coal, petroleum, and other minerals would be sufficient incentive to cause the search for and production of natural gas to continue, regardless of the type of regulation imposed. The depletion provision is based on the premise that minerals have commodity value and the depletion rate is a percentage of that value. Under utility regulation, to what would the depletion percentage attach? Would there be a depletion incentive remaining?

TABLE VIII—*The position of S. 1853*

That consumer interest is in the charges carried in the rate base of interstate pipelines for natural gas which such lines bring into interstate commerce.

That such charges can be regulated on a commodity basis.

That the Natural Gas Act does not provide for such regulation and was not intended to apply to commodity producers.

That any attempt to regulate commodity producers under the Natural Gas Act will prove unworkable and contrary to the consumer's interest in adequate supply.

That the entire production segment of the natural gas industry has been built on the foundation of a competitively determined commodity price.

That such price has been—and is now—a minor component of the ultimate consumer's price, and that control of this one component does not control the ultimate rate received by the pipeline or the ultimate rate received by the distributor.

That to eliminate competitively determined commodity prices is to eliminate the foundation of the production segment and, thus, to gamble with the continued orderly functioning of the production structure.

That such a gamble is unjustifiable and unnecessary.

That whatever controls Congress may decide are required it is necessary to amend the Natural Gas Act to provide an applicable method of regulation which the act does not now include.

THE REASON FOR UTILITY REGULATION

The opposition to S. 1853 reflects the view that utility regulation is, per se, a desirable form of price control. This is contrary to fact. Utility regulation is not price regulation. The purpose of utility regulation is to give governmental bodies authority to regulate the performance of a service affecting the public health and welfare, i. e., to require private corporations to maintain certain standards, to supply certain services, etc., as if they were an arm of the Government.

THE ABSENCE OF PRICE CONTRACTS

In utility regulation, it is recognized that the corporation does not determine for itself the conduct of its own business; therefore, the corporation is given a franchise by which it is substantially relieved of competition. Also, the corporation is not required to offer customers contracts committing it to render a service for a specified price; on the contrary, the corporation with public-utility status is provided with assurance that it will be allowed a rate of income sufficient to allow it to recover the costs of operation plus a margin of profit. If costs increase, the utility rates—i. e., what the customer pays—must be allowed to increase to maintain the fixed margin of profit.

TABLE IX.—*Conditions prerequisite to utility formation*

Condition	Does this condition exist in regard to natural gas producers?
That competition is improbable	No.
That competition is undesirable	No.
That a service is to be rendered	No.
That such service can be rendered on a compulsory basis.	No.
That in the event of inability or unwillingness to perform, the public body granting the franchise can satisfactorily perform the corporation's service.	No.

UTILITY RATES VERSUS COMPETITIVE RATES

Utility rates to customers have never—prior to the debate on S.1853—been held out as more desirable, economically, than competitive rates. Utilities are the "gilt-edged" investments of American enterprise, because they are the only private businesses insulated by law against the economic forces which normally depress profit margins and produce consumer bargains.

THE RESULT IS NOT A PRICE

The suggestion that utility regulation of natural-gas producers would produce a price for standard units of gas measurement is erroneous and unfounded. Utility regulation does not set a price, as that term is used in commodity fields. Utility regulation sets the rate of return, i. e., the profit margin. Rate schedules, tariffs, etc., are designed to produce a total income sufficient to amortize fixed investments, current operating costs and expenses, plus the allowable margin of profit.

TABLE XI.—*How historical field practices would be changed if natural gas producers are classified as utilities under Natural Gas Act*

Practice prior to Phillips decision	Change if utility status is maintained	Practice prior to Phillips decision	Change if utility status is maintained
Charge for natural gas entering interstate commerce controlled by competitive conditions in field, i. e., producer with high-cost gas forced to sell at price level of producer with low-cost gas, irrespective of costs.	All costs of each producer go into rate base with each producer assured equitable rate of return; no competitive influence to affect field prices.	Producer entered 20-year contracts at stated prices. Future operations had no influence on price.	No 20-year, firm-price contract would be possible if FPC was setting rate of return on current expense and income.
Field prices tend to hold to general regional or field level, i. e., in Southwest where greatest competition exists average price substantially lower than in Illinois, Pennsylvania, etc.	Utility formula would yield 8,000 different prices, i. e., a different total for each producer; efficiency or inefficiency of each producer greatest influence on charge for gas entering interstate commerce.	Exploration for new supplies of natural gas carried on at producer's own initiative.	Natural Gas Act requires that companies subject to it file for certificate of convenience and necessity before constructing facilities—producer has no facilities but pipe, etc., in well.
Interstate pipelines had final power to decide how much they would pay for natural gas purchased.	Interstate pipelines would have no voice in determining what producer was to be paid; producer rate would be set by FPC alone.	All production activity—including financing—predicated on general prudent assumptions about price, or approximate price, to be received for gas if marketed to interstate pipelines.	There could be no such assumptions about what revenue gas would bring. There would be no commodity price if gas dedicated to interstate market, although there would be such a price in intrastate market. Producer would not have his rate determined until he committed gas to interstate pipelines and became subject to FPC jurisdiction; once this commitment was made, however, act would prevent withdrawal of commitment if producer were dissatisfied with established rate. Producer would enter interstate market at own peril.
Interstate pipelines able to compete against each other to secure blocks of gas with which to support applications for certificates to serve new markets or increase service to existing markets.	Interstate pipelines would have no ability to compete in tying up new supplies; new lines to serve new markets would have no basis to attract commitments of gas—producer's return would be identical, regardless of which line he delivered gas to.		

NO SUCH THING AS FIXED PRICE

Again contrary to some suggestions, utility regulation does not assure the customer of a fixed, i. e., stable price, as a contract does. With any rise in costs, or decline in income, a utility may file for an increased rate, which, if supported, must be granted.

EFFECT OF CHANGE IN PRODUCER STATUS

If natural-gas producers are made into utilities, they will not be able, as in the past, to sell their gas under 20-year contracts, for a stated price arrived at through bargaining. Thus, the rate the producer receives will be perpetually open to change, e. g., if he encounters rising costs of any kind—e. g., unsuccessful exploration, dry holes, costlier producing wells, etc.—after his original rate is established, then the producer may file with the FPC for a higher rate to reimburse him for these costs and maintain the promised rate of return. The Natural Gas Act established this characteristic utility rate-setting mechanism for interstate pipelines, and if producers are subject to the act they must be accorded the same treatment.

A rate of return for a utility company cannot be set on a well-by-well basis, but must be based on the total operation. Prior to the Phillips decision, of course, producers contracted for sale of their gas on individual well basis. Future operations and future business conditions had no impact on the price of gas already dedicated. This change removes, rather than increases, consumer protection and field-price stability.

ATTEMPTS TO CIRCUMVENT ACT

Illustrations cited emphasize that Natural Gas Act is largely inapplicable to producer's operation and unworkable. Opposition to S. 1853 repeatedly insists that absence of regulation from 1938 to 1954 was result of failure to enforce letter of the act, and insist that act be strictly followed—by their interpretation—with regard to jurisdiction. At same time, however, local distributing utilities opposed to S. 1853 have testified to FPC that in order to make act workable some basis other than strict utility regulation should be found for regulation of producers.

For example, FPC since Phillips decision has regulated producers by freezing wellhead prices at rate effective June 7, 1954, date of the decision. This is not provided for by law. Utilities have recommended establishing average regional price as the standard of regulation or average price in each field. Again, this is not provided by law. Geographic or calendar date freezes applied to distributing utilities or to pipelines would bring immediate and successful court challenge.

JUST AND REASONABLE—NOT A PERMISSIVE TERM

There is apparent some misconception that "just and reasonable" are permissive terms, i. e., matters of opinion. This is not true. The terms have strict legal meanings through long use in utility regulation; they relate not to the consumer's opinion of the rate he pays but to the cost of the utility's performance of service and the reasonableness of the profit allowed. Even if the resulting rate displeases consumers, a regulatory commission has no option to readjust rates substantially if the regulated utility can properly support its costs included in the rate base.

THE PRODUCER'S OBJECTION

The producer's objections to regulation as a utility is not, as so commonly represented, any objection to the resulting rate alone; producers insist that by the nature of their enterprise they cannot perform mandatory services as required in any proper utility regulation. The Natural Gas Act, for example, requires companies subject to it to comply with FPC orders to extend their transportation facilities—producers have none; requires companies to deliver gas to companies engaged in local distribution on FPC order—producers do not sell to local distributors and have no facilities for doing so; forbids companies from discontinuing service—producers would be required to continue deliveries of their gas even after expiration of their contracts, etc.

NATURAL GAS ACT IS A TRANSPORTATION ACT

Irrespective of language found in the legislative history, the Natural Gas Act is clearly an act to regulate transportation. Only a company engaged in transportation can comply with it. Only to such a company is the entire act applicable. No section or sentence of the Natural Gas Act deals specifically with independent producers or differentiates between two dissimilar segments: transportation and production.

WHAT PURPOSE FOR REGULATION?—PURPOSE OF REGULATION IS PRICE CONTROL

No manner or mode of regulation can compel natural gas to be found or produced, which sets it apart from such utility services as electricity, telephones, etc. Therefore, the purpose of regulation applied toward the production segment or any segment is to control the price, in relation to the service performed.

WHOSE PRICE IS CONTROLLED?

The ultimate reach of Federal regulation, whether S. 1853 passes or not, is the city gate, the point at which natural gas is sold to the local distribution utility. Whatever Federal regulation accomplishes pricewise, the one direct beneficiary is the distributing utility. Federal power cannot pass on to the ultimate consumer any of the benefits it may produce and perpetuate from the mouth of the pipeline to the city gate.

SITTING SENATORS EXEMPTED CONSUMER RATES

Within the past 2 years, Congress took specific action to exempt what the consumer pays for natural gas from any vestige of Federal control. In 1954, Congress passed the Hinshaw bill restoring the original Natural Gas Act exemption over local distribution rates, the rates which ultimate consumers pay. A majority of the present Senators were in the Senate at the time this exemption was reinstated. The Hinshaw bill passed without a rollcall.

WHAT WOULD EXTENDED JURISDICTION ACCOMPLISH?

If S. 1853 is not passed, the area of Federal jurisdiction will be substantially expanded to include, for the first time, the production of a raw commodity. This vast expansion of Federal power will not bring Federal regulation any nearer to the consumer than it is now. It will not, in any way, result in any greater Federal control over what the consumer pays.

TABLE XII.—*Net result of utility regulation*

There would be no assurance of a firm or stabilized field price.

There would be no assurance of lower charges—to the pipeline, the distributor, or to the consumer.

There would be no assurance of continued adequate supply.

There would be no assurance of orderly, workable regulation.

LOCAL UTILITIES VERSUS INDEPENDENT PRODUCERS

The principal opposition to S. 1853 is supplied by the Council of Local Gas Companies, representing approximately 60 distributing utilities. These 60 distributing utilities, along with others, favored congressional action in 1954 exempting them from the Natural Gas Act, when the status of distribution was clouded by a Supreme Court decision. These 60 utilities now exempt from Federal regulation are asking that Congress affirm Federal controls over 8,000 independent gas producers, controls which have resulted also from a Supreme Court decision.

THE INTEREST OF UTILITIES

The utilities propose that Federal utility controls over producers are necessary to keep natural gas from being priced out of the market. By their own statistical material, they indicated that the residential consumer, with substantial investment in gas appliances, is a captive consumer, unable to leave the gas market and use some other fuel.

Therefore, the question: Natural gas is being priced out of what market?

COMPETING IN THE FUEL MARKET

Natural gas distributing utilities, like all true utilities, are protected by their franchise from competition in service to the public. No gas utility, for example, has house-to-house competition from another utility. But behind this shield of protected monopoly, the distributing utilities have entered the competitive fuel market to undersell other fuels in serving the large-volume industrial consumers. This, as shown in Senate testimony, is the market which distributing utilities are asking to have protected.

TABLE XIII.—*Typical example of distributing utility pricing practices in competitive fuel market*

(Based on 1954 annual report, Brooklyn Union Gas Co.)

The Brooklyn Union Gas Co., Brooklyn, N. Y., converted to distribution of natural gas—instead of manufactured gas—in 1952.

The 1954 annual report says:

"Since 1952, net income has increased by $1,497,600, an improvement of 47 percent. Substantial sales growth and lowered unit cost were made possible largely by this change-over from a manufactured gas operation. They are responsible for the improvement in net income of $911,400 in 1954 over the preceding year."

In 1954, Brooklyn Union sold 30,382,447 thousand cubic feet of natural gas for which it paid $10,073,795.

Add to this cost the costs shown in the annual report, i. e., other costs, maintenance, depreciation, amortization of the change-over to natural gas, etc. (Excluding taxes and finance charges), natural gas in the lines cost $35,582,845.

On this basis, natural gas cost Brooklyn Union in 1954 $1.17 per thousand cubic feet.

Brooklyn Union sold 16,532,824 thousand cubic feet to residential consumers for $36,728,453.

The average price realized from residential sales was $2.22 per thousand cubic feet, or a profit per thousand cubic feet of 100 percent (approximately).

In the same year, Brooklyn Union sold 6,890,762 thousand cubic feet to interruptible consumers, i. e., big industry alternating between gas when available and other fuels for a total price of $2,007,616.

The average price realized from interruptible industrial sales was $0.29 per thousand cubic feet, or a loss per thousand cubic feet of 75 percent.

Thus, the residential consumer of Brooklyn Union paid for natural gas approximately 1,000 percent more than did big industry.

PROTECTING THE LOW RATES

Pertinent to the illustration above, Brooklyn Union's operating costs in 1954 increased $4,500,000, of which half was for a greater volume of gas. Many items in the company's operation became more costly. To protect the lowest rate—the 75-percent loss rate—the Brooklyn Union Gas Co. is insistent upon Federal authority freezing the field price of natural gas so that the low rate which is the rate in the most competitive market, can be maintained as other costs continue to increase.

SUBSIDIZING COMPETITION

The utilities protecting themselves from competition in serving the residential market, have become competitors against other fuels in the industrial market. Nearly 65 percent, average, of natural gas sold by utilities is sold into the industrial or commercial market. A federally depressed price thus become a subsidy, enabling legal monopolies to undersell nonutility cometitors in the fuel market.

WHO CAPTURES WHOM

The distributing utilities base their appeal that production is a "natural utility" because the ultimate consumer—through appliance investment, etc.—is a "captive consumer." It is fair to ask, who captures whom? The consumer is tied, not to the producer, but, to the distributing utility. The gas the utility distributes may come from several pipelines, the gas the utility pipeline transports may come from hundreds of producers—and if the supply furnished by those producers is exhausted, other producers may make it available. Whatever the source of gas, however, the consumer remains exclusively the "captive" of the distributing utility.

If the supply of natural gas is wholly exhausted, as it someday will be, the consumer is still "captive"—still tied to the same utility. The utility, unlike the natural gas producer, can then revert to manufacturing gas and the consumer continues unable to "escape." The vast expansion of customer markets undertaken by utilities on the competitive advantage of natural gas' low price is their "captive" market. When natural gas is no longer available, customers won by low-cost natural gas will still face the same economic inhibitions against converting away from the utility to some other fuel source. The consumer is the utility's captive, not the producer's.

SUMMARY

The use of Federal power to control field prices would produce no direct benefits to consumers. Whatever benefits such power produced could be passed on to local utilities and no further. Such benefits could be used by the utilties to subsidize their competition with other fuels, rather than to reduce residential prices.

To attach Federal regulation to the producer—rather than to the pipeline—is punitive. The producer would be, in effect, punished for accepting what is offered to him by his purchaser. Federal regulation limiting what pipelines can offer will be effective. Opponents to S. 1853, objecting to the "reasonable market price" standard, insist that pipelines will be "held up" by producers, be forced to pay what the producer demands. On the other hand, they insist that if utility regulation is imposed producers will sell to interstate commerce regardless of the rate received because there is, they say, no other market. These two views—i. e., that producers will force pipelines to pay what producers ask, and that producers will be forced to accept whatever the FPC permits—are in direct and irreconcilable conflict.

Both arguments cannot be accepted, yet the case against S. 1853 stands on both arguments.

The case for S. 1853 rests on the record that under actual experience, producers—left free of utility controls—made available the natural gas to serve 25 million residential consumers, enabled the natural gas market to expand three-fold since World War II, helped keep the cost of natural gas low, helped keep the cost of natural gas from following the upward trend of the cost-of-living index. S. 1853 provides for continuation of the same areas of Federal jurisdiction which worked successfully from 1938 to 1954. It provides added strength to the FPC to stabilize the charges for natural gas purchased by pipeline to transport to interstate commerce.

TABLE XIV.—*Recommendations of official agencies on natural-gas policies*

Recommending policy presented in S. 1853	Recommending policy which would be in effect if S. 1853 fails
Every House committee which has studied the subject and made a recommendation in this or previous Congresses.	None.
Every Senate committee which has studied the subject and made a recommendation in this or previous Congresses.	Do.
The Federal Power Commission, the agency charged with enforcement of the Natural Gas Act.	Do.
The White House Committee on Energy Fuels and Resources Policy made up of members of the present Cabinet.	Do.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate that if again today there are no Senators who desire to speak on the unfinished business, it is the plan of the leadership to have a calendar call. At the conclusion of the morning hour I shall suggest the absence of a quorum, and if there are no Senators at that time who are ready to speak on the unfinished business, then we shall have a call of the calendar.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON DISTRIBUTION OF CERTAIN PROPERTY TO EDUCATIONAL AND PUBLIC HEALTH INSTITUTIONS

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal property made available for distribution to and real property disposed of to education and public health institutions, for the period October 1 through December 31, 1955 (with an accompanying report); to the Committee on Government Operations.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF APPLICATIONS FOR PERMANENT RESIDENCE FILED BY CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

REPORT ENTITLED "MISSION 66," RELATING TO NATIONAL PARK SYSTEM

A letter from the Secretary of the Interior, transmitting, at the direction of the President of the United States, a report entitled "Mission 66," outlining recommendations for a comprehensive 10-year program for the protection, improvement, and development of the National Park System (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF CIVIL AERONAUTICS BOARD

A letter from the Chairman, Civil Aeronautics Board, Washington, D. C., transmitting, pursuant to law, a report of that Board, for the fiscal year 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF SMALL BUSINESS ADMINISTRATION

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting, pursuant to law, a report reflecting estimated obligations by principal activities of that Administration, for the period July 1-December 31, 1955 (with an accompanying report); to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter, in the nature of a petition, from John H. Robson, Glendale, Ariz., relating to the solution of the farm problem (with an accompanying paper); to the Committee on Agriculture and Forestry.

The petition of John D. Wysong, president, and C. F. Davis, chairman of petition committee, Fourth Congressional District Townsend Council, Miami Spring, Fla., praying for the enactment of legislation to provide for old-age assistance, and so forth; to the Committee on Finance.

A resolution adopted by the junior chamber of commerce, Juneau, Alaska, favoring the enactment of the bill (H. R. 6276) to provide for the hospitalization and care of the mentally ill of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Anderson County (S. C.) Committee on Christian Action, favoring the enactment of the bill (H. R. 4627) to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

PENDING FARM LEGISLATION—RESOLUTION

Mr. CARLSON. Mr. President, I present, and ask unanimous consent to have printed in the RECORD, a resolution adopted by members of the Thomas County Farm Bureau, Farmers Union and Wheat Growers Association, regarding pending farm legislation.

The resolution while approving the soil-bank plan, calls attention to the fact that out in the wheat sections where summer fallowing is practiced, it could work some real hardships, and I would urge that this resolution be referred to the Committee on Agriculture and Forestry for its consideration.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

At a meeting in Colby, Kans., Saturday, January 28, with members of the Farm Bureau, Farmers Union and Wheat Growers Association present, Senate bill 2949 was studied and discussed.

The general conception of those present was that any soil-bank plan was a long-range

program and would give very little immediate financial aid only if payment for diverting acreage was considerably higher than what would normally be received from growing wheat or in case of a below normal crop or a complete failure; that any form of the soil bank was for farmers in a more diversified area than the high plains or for large farmers who have land that could be diverted without disrupting their farming operations; and we here in the summer fallow area have been following an acreage reserve plan for years and have been penalized whenever wheat allotments are put in force. We cut our acreage away below our normal acreage, in many cases 50 percent, but still our wheat base is figured from our summer fallow acreage; here in Thomas County, our wheat base is 35 percent of our cropland. And finally, if we are going to have a soil bank we would want the following resolutions as passed:

Resolved:

1. Soil bank be on a voluntary basis, and not to exceed 30 percent of alloted acres.

2. That these soil reserve and conservation reserve programs be carried out as much as possible through the facilities and at the direction of the local soil conservation, ASC boards and other existing Government agencies as to factors affecting various local conditions.

3. That we heartily endorse section 4084 of bill, S. 2949.

BERNARD LEAK,
Chairman, Thomas Wheat Growers Association.
R. H. HARPER,
Vice President, Thomas County Farm Bureau.
HAROLD PALMGREN,
President, Thomas County Farmer's Union.

RESOLUTION OF POTTAWATOMIE COUNTY FARMERS UNION, EMMETT, KANS.

Mr. CARLSON. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by members of the Pottawatomie County Farmers Union which was transmitted to me by Mrs. Charles De Vader, secretary-treasurer, at Emmett, Kans.

This resolution urges early action in regard to the present farm situation and I commend it to the Senate for consideration.

It is my firm opinion that we must enact legislation at this session of Congress which will assure the farmer of his fair share of the national income.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas farm prices are down to the point where severe hardship is being felt by farmers; and

Whereas low farm prices and the flexible price supports coupled with severe acreage allotments are forcing family-type farmers off the farm; and

Whereas there is immediate need for emergency credit for many farmers; and

Whereas there are people in our country who do not have an adequate diet; and

Whereas the towns in the farm areas are being hurt financially by low prices of farm products; and

Whereas Federal Government has helped and does help directly or indirectly other groups: Therefore be it

Resolved, That we, the Pottawatomie Farmers Union in session this 19th day of January 1956 at St. Clere, Kans., go on record for price supports at 100 percent parity, that controls be placed on bushels, pounds, and units instead of acres; be it further

Resolved, That all Government supports stop at $25,000 gross income per farm and that allotments be made to protect the family-type farm; be it further

Resolved, That emergency credit programs be established at once to meet the needs of distressed farmers; be it further

Resolved, That consumer programs be put into full operation at once by the Government to get food into the homes of low-income people to lower the so-called surplus and create bigger market for agricultural products; be it further

Resolved, That as rapidly as possible that a farm program be enacted which will bring agriculture in parity with other groups who are in good position today as the direct or indirect result of help by the Federal Government; be it further

Resolved, That we believe the small town businessman and the economy in general will suffer unless agriculture is protected; be it further

Resolved, That copies of this resolution be sent to Senators CARLSON and SCHOEPPEL and to the press.

POTTAWATOMIE COUNTY FARMERS UNION,
Mrs. CHARLES A. DE VADER,
Mrs. Charles De Vader,
Secretary-Treasurer.
EMMETT, KANS.

NINETY PERCENT OF PARITY FOR FARM COMMODITIES—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the Hector Farmers Union Local, endorsing 90 percent of parity for farm commodities, and legislation to relieve our farm product surplus.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

HECTOR, MINN., *January 28, 1956.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The Hector Farmers Union Local, meeting in its regular monthly meeting, passed the following resolution:

"Resolved:

"1. That payments made as an incentive to keep land out of production should be equal to the normal net income of such land.

"2. That imports of commodities in surplus be restricted or held to a minimum."

It was felt that this would help to control the size of the surplus, however we feel that price supports of 90 percent or more are the only way to restore our income sufficiently and still have an abundant food supply.

Sincerely yours,
ORRIN KLENZMAN,
Secretary, Hector Farmers Union Local.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NEELY, from the Committee on the District of Columbia:

S. 3053. A bill to extend the time within which the District of Columbia Auditorium Commission may submit its report and recommendations with respect to the civic auditorium to be constructed in the District of Columbia, and to provide that such Commission shall continue in existence until the construction of such auditorium has been completed; with an amendment (Rept. No. 1468).

By Mr. FULBRIGHT, from the Committee on Banking and Currency:

S. Res. 197. Resolution to oppose sale of Government-owned synthetic rubber plant at Institute, W. Va.; reported adversely, with minority views (Rept. No. 1469).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER (by request):

S. 3120. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture and Forestry.

By Mr. RUSSELL:

S. 3121. A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to establish a two-price system for cotton; to the Committee on Agriculture and Forestry.

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 3122. A bill to authorize certain construction at military installations, and for other purposes;

S. 3123. A bill to provide for the procurement of medical and dental officers of the Army, Navy, and Air Force;

S. 3124. A bill to authorize permanent appointments in the Armed Forces of the United States, and for other purposes; and

S. 3125. A bill to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177), as amended, providing authority for the military departments to expand and maintain military production capacities; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bills, which appear under a separate heading.)

By Mr. WATKINS (for himself and Mr. BENNETT):

S. 3126. A bill to limit the total amount of price support which may be made available with respect to the products of any farm; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WATKINS when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of New Jersey:

S. 3127. A bill for the relief of Karl Eigil Engedal Hansen and his wife, Else Viola Agnethe Hansen, and their minor child, Jessie Engedal Hansen; to the Committee on the Judiciary.

By Mr. FULBRIGHT (for himself, Mr. SPARKMAN, Mr. CAPEHART, Mr. KENNEDY, Mr. FREAR, Mr. BEALL, Mr. DUFF, Mr. MORSE, Mr. SMATHERS, Mr. LEHMAN, Mr. DOUGLAS, and Mr. HUMPHREY):

S. 3128. A bill to establish corporate income tax rates of 22 percent normal tax and 30 percent surtax; to the Committee on Finance.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (for himself, Mr. SPARKMAN, Mr. CAPEHART, Mr. HUMPHREY, Mr. KENNEDY, Mr. BEALL, Mr. DUFF, Mr. MORSE, Mr. SMATHERS, Mr. LEHMAN, and Mr. DOUGLAS):

S. 3129. A bill to establish corporate income tax rates of 22 percent normal tax and 31 percent surtax; to the Committee on Finance.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. MALONE (for himself and Mr. BIBLE):

S. 3130. A bill to amend the hospital survey and construction provisions of the Public Health Service Act with respect to transfer of unused allotments; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MALONE when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 3131. A bill to provide for the establishment of a conservation acreage program, to promote conservation and improvement of agricultural soil and water resources, to adjust agricultural production to consumer and export needs so as to maintain an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. BENNETT (for himself and Mr. WATKINS):

S. 3132. A bill to provide for purchase of lands within the Cache National Forest, Utah, to promote prevention of floods and minimization of soil erosion, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. WELKER:

S. 3133. A bill to provide for the conveyance of certain real property of the United States to the city of Boise, Idaho; to the Committee on Agriculture and Forestry.

By Mr. BRIDGES (by request):

S. 3134. A bill to permit employees of the Canal Zone Government and the Panama Canal Company to appeal decisions under the Federal Employees' Compensation Act to the Employees' Compensation Appeals Board; to the Committee on Labor and Public Welfare.

By Mr. BRIDGES (for himself and Mr. COTTON):

S. 3135. A bill for the relief of Chuen-Fa Hung, Rai-Hwa Chang Hung, and Chiao-Wei Hung; to the Committee on the Judiciary.

By Mr. BRICKER:

S. 3136. A bill to provide relief for Clopay Corp.; to the Committee on the Judiciary.

By Mr. MANSFIELD (for Mr. MURRAY and himself):

S. J. Res. 135. Joint resolution for payment to Crow Indian Tribe for consent to transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, Montana-Wyoming; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MANSFIELD when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. CLEMENTS (for himself and Mr. BARKLEY):

S. J. Res. 136. Joint resolution relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas; to the Committee on Agriculture and Forestry.

PROPOSED LEGISLATION RELATING TO THE ARMED SERVICES

Mr. RUSSELL. Mr. President, on behalf of myself, and the Senator from Massachusetts [Mr. SALTONSTALL], by request, I introduce, for appropriate reference, four bills relating to the Armed Services. Each of these bills is requested by the Department of Defense and is accompanied by a letter of transmittal explaining the purpose of the bill.

I ask unanimous consent that the letters of transmittal be printed in the RECORD immediately following the listing of the bills.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bills, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request), were received, read twice by their titles, and referred to the Committee on Armed Services, as follows:

S. 3122. A bill to authorize certain construction at military installations, and for other purposes.

The letter accompanying Senate bill 3122 is as follows:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., January 19, 1956.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "to authorize certain construction at military installations, and for other purposes."

This proposed legislation is a part of the Department of Defense Legislative Program for 1956, and the Bureau of the Budget advises that there is no objection to its presentation to the Congress and that its enactment would be in accord with the program of the President. The Department of Defense recommends that it be enacted.

This proposed legislation would authorize the construction of additional military public works that are urgently needed by the Department of Defense at this time, and would provide additional authority to cover deficiencies in prior construction authorizations. The appropriation of money required for construction is provided for in the Budget of the United States Government for the fiscal year 1957.

This proposal would authorize new construction totaling $2,012,283,000 of which $305,670,000 is for the Department of the Army, $418,728,000 is for the Department of the Navy, $1,137,585,000 is for the Department of the Air Force, $150 million is for additional family housing in foreign countries to be financed through the sale of agricultural commodities, and $300,000 is for housing for the Chairman of the Joint Chiefs of Staff and personnel attached to his staff. This proposal would also provide additional monetary authority in title I of $350,000, title II of $1,050,000, and in title III of $131,759,000, for projects previously authorized. The total in this proposed legislation of the new authorization and the correction of deficiencies in prior authorizations is $2,145,442,000.

This proposal would also repeal all authorizations, with certain exceptions, for military public works that are contained in laws enacted after September 30, 1951, but prior to July 15, 1952. This repeal will continue in effect the policy established in connection with the last military Public Works Authorization Act (Public Law 161, 84th Cong.) of repealing long-standing authority for military public works items that has not been exercised by the military departments. It is believed that the continuation of this policy will result in a construction program which will reflect the current needs of the Department of Defense more accurately than it has in prior years.

Sincerely,

RICHARD A. BUDDEKE,
Director, Legislative Programs.

S. 3123. A bill to provide for the procurement of medical and dental officers of the Army, Navy, and Air Force.

The letter accompanying Senate bill S. 3123 is as follows:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., January 6, 1956.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To provide for the procurement of medical and dental officers of the Army, Navy and Air Force."

This proposal is a part of the Department of Defense legislative program for 1956 and the Bureau of the Budget has advised that it has no objection to the submission of this proposal for the consideration of the Congress. The Office of the Secretary of Defense has assumed action responsibility for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to increase the attractiveness of a military career for medical and dental officers to the end that the Medical and Dental Corps of the three military departments will be comprised primarily of career officers. At the present time regular medical officers on duty with the three military departments constitute less than one-third of the total number of physicians required. Regular dental officers constitute less than one-fourth of the total dentists required. Except for a small number of so-called career reservists the remainder of the Armed Forces' requirement for medical and dental officers is now being filled through the operation of the Doctor Draft Act.

During the last 3 fiscal years 19,985 medical and dental officers entered the military services under the impetus of the Doctor Draft Act. During the same period 22,340 medical and dental officers left the military services and returned to civil life. Moreover, during this same period 1,419 regular medical and dental officers resigned or otherwise left the services, while only 732 joined the regular service. This inordinately high rate of turnover is extremely expensive in terms of travel costs, uniform allowances and wasted manhours. Of even greater importance is the fact that it creates such demoralizing and unsatisfactory conditions of service for the remaining career medical and dental officers that the overall resignation rate for these officers is almost double the procurement rate.

The Doctor Draft Act was modified and extended for an additional 2 years by the 84th Congress. Unless further extended, however, this act will expire on July 1, 1957. It is estimated that by the time this act expires no physicians will remain in the manpower pool it has provided except veterans, recent medical graduates and those who are not acceptable or available for military service. Postive steps must be taken immediately to build peacetime military medical services which are not dependent upon this expensive and admittedly discriminatory type of legislation.

The military mission in time of peace is to prepare for the time when mobilization may be necessary. The responsibility of the Armed Forces to be ready when this time comes is unequivocal. To be ready, each of the services must be suitably maintained. In the maintenance of the Armed Forces, whether in peace or in war, there is no more important resource than the men and women who constitute its personnel. It is self-evident that the health of these men and women must be preserved, and when impaired in the service, restored. That the Congress has already recognized this fact is clear from the provisions of subsection 4 (a) of the Universal Military Training and Service Act, as amended, which provides, in effect, that no persons shall be inducted into the Armed Forces until adequate arrange-

ments have been made for their medical care.

The Department of Defense has made an exhaustive study of the related problems of procuring and retaining career medical and dental personnel. This study has revealed that although there are many factors involved in these problems the major cause of our present situation is the disparity between the incomes of military doctors and civilian doctors. Since 1943 the average annual net income (after office expenses) of civilian physicians has steadily increased until it now far exceeds the income offered by the military services. Based on Department of Commerce and Medical Economics income statistics, it is estimated that in 1955 the average net income (after office expenses) of a civilian physician is approximately $16,500, compared, for example, to the major or lieutenant commander's total income of $9,200. In this connection, Civil Service pay scales were recently revised and now provide starting incomes for physicians which are $1,400 to $2,600 higher than the total annual pay the same physicians would receive in uniform upon entry in the Armed Forces. Furthermore, at the present time, the average pay of board certified physicians in the Veterans' Administration is $12,300. The military services are, therefore, in a poor competitive position for physicians both within and without the Government.

As a result of the study referred to above, every possible action is being taken within the Department of Defense to improve the attractiveness of a military career for medical and dental officers. Promotion and assignment policies are constantly studied and have recently been improved to the maximum extent possible under present circumstances. Actions are in progress to establish improved educational programs. The Department of Defense is striving to enhance the prestige of a military career for physicians and to promote inspired professional leadership.

Although the actions referred to above will partially alleviate the critical situation now existing within the military services, the Department of Defense is of the view that the proposed special legislation transmitted herewith is necessary to the overall solution of the problem. This proposal would, (1) authorize longevity pay credit for the 4 postgraduate years spent in medical and dental schools and for the 1 year spent in medical internship, and (2) authorize the upgrading of officers now on the active list to reflect the 1-year increase of constructive service credit. Enactment of this proposed legislation would provide an immediate pay increase to medical and dental officers of up to $76 per month, depending upon grade and amount of service for pay purposes. It would also equalize the status of the medical and dental officer with his counterpart of similar age in the line.

It is urgently recommended that this proposed legislation be enacted at an early date in view of the critical situation existing within the three military departments.

COST AND BUDGET DATA

In the event that this proposed legislation is enacted, it is estimated that an increased cost of $8,400,000 will result for the Department of Defense for the first year after enactment.

Sincerely yours,

RICHARD A. BUDDEKE,
Director, Legislative Programs.

SECTIONAL ANALYSIS

TO PROVIDE FOR THE PROCUREMENT OF MEDICAL AND DENTAL OFFICERS OF THE ARMY, NAVY, AND AIR FORCE

Section 1 of the bill would amend section 201 of the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947 to provide:

1. Section 201 (a) provides that subject to any limitation on the commissioned strength of the Army, Navy, and Air Force prescribed by law, the President, with the advice and consent of the Senate, may make original appointments in permanent grades of first lieutenant through colonel in the Medical and Dental Corps of the Regular Army, lieutenant (junior grade) through captain in the Medical and Dental Corps of the Regular Navy, and first lieutenant through colonel for officers appointed with a view to a designation as medical officers or dental officers in the Regular Air Force, in such numbers as the needs of the services may require.

Appointments shall be made only from qualified physicians and dentists who are citizens of the United States and who meet other qualifications as the appropriate service Secretary may prescribe.

2. Section 201 (b) provides that physicians and dentists appointed under this act shall be credited for purposes of determining lineal position, permanent grade, position on a promotion list, seniority in permanent grade, and eligibility for promotion, with the amount of service prescribed by the Secretary concerned. However, physicians and dentists appointed upon graduation from medical or dental school may not be credited with less than 4 years service. Physicians appointed who have completed 1-year internship, or the equivalent thereof, may not be credited with less than 5 years' service.

3. Section 201 (c) provides machinery for the convening of boards of officers to review the records and compute the service of physicians and dentists in the Armed Forces appointed under any other provisions of law before the enactment of this amendatory act, including those Reserve or temporary officers who are on active duty on the date of enactment of this amendatory act or who enter on active duty after that date, in order to adjust the service credited to each such officer to reflect the service authorized to be credited to officers appointed under this act. When the adjustment is made, such officers shall be given precedence for promotion purposes or advanced to a lineal position in accordance with their adjusted dates of rank. If, as a result of the readjustment of service under this section—

(a) an officer of the Army or Air Force is made eligible for promotion, he shall be considered for promotion by the next selection board considering officers of his grade and category;

(b) an officer of the Navy attains lineal position equivalent to an officer who is serving in the next higher grade or who is on a promotion list to that grade may be promoted thereto on the recommendation of a board of officers and assigned a lineal position in the higher grade appropriate to his adjusted-service credit.

4. Section 201 (d) provides that each officer of the Medical Corps or the Dental Corps of the Army, or who is appointed in the Air Force with a view to designation as a medical or dental officer, under that part of section 515 (e) of the Officer Personnel Act of 1947 which relates to the appointment of temporary officers, shall be credited with the amount of service authorized for regular officers appointed under section 201 (b) of the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947, as amended.

5. Section 201 (e) provides that, notwithstanding any other provision of law, temporary promotions may be made of physicians and dentists to captain in the Army or Air Force or lieutenant in the Navy at any time after 1 year after completion of medical or dental school.

6. Section 201 (f) provides that physicians and dentists appointed in the Navy in the grade of lieutenant (junior grade) shall be assigned running mates from among junior line officers of the same grade and date of rank. In the event there is no junior line officer of the same grade and date of rank, a junior line officer of the same grade with the next earlier date of rank shall be assigned as running mate.

7. Section 202 provides that the Secretaries of the military departments may prescribe regulations for the administration of this title for their respective departments.

Section 2 of the bill would amend section 202 (a) of the Career Compensation Act of 1949 to provide that in determining the amount of basic pay of officers of the Medical Corps or the Dental Corps of the Army or the Navy, and officers of the Air Force appointed with a view to designation as a medical or dental officer, that part of the service credited to them for their professional education and internship training under subsections 201 (b), (c), or (d) of the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947, or section 201 of the Reserve Officer Personnel Act of 1954, will be computed as follows:

1. Those who are physicians in the Armed Forces will be credited with no more than 5 years' service; and

2. Those who are dentists in the Armed Forces will be credited with 4 years' service.

Section 3 amends the Officer Personnel Act of 1947 as follows:

1. This subsection repeals those parts of section 211 (e) (1) and 311 (d) (3) of the Officer Personnel Act of 1947 as relates to physicians and dentists in the Navy in order to make the Officer Personnel Act of 1947 consistent with other sections of this bill.

2. This subsection repeals those parts of section 506 (c) of the Officer Personnel Act of 1947 as relates to physicians and dentists in the Army and Air Force in order to make the Officer Personnel Act of 1947 consistent with other sections of this bill.

3. This subsection repeals those parts of section 506 (e) of the Officer Personnel Act of 1947 as relates to physicians and dentists in the Army and Air Force in order to make the Officer Personnel Act of 1947 consistent with other sections of this bill.

S. 3124. A bill to authorize permanent appointments in the Armed Forces of the United States, and for other purposes.

The letter accompanying Senate bill S. 3124 is as follows:

OFFICE OF THE ASSISTANT
SECRETARY OF DEFENSE,
Washington, D. C., January 17, 1956.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, "To authorize permanent appointments in the Armed Forces of the United States, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1956, and the Bureau of the Budget has advised that it is in accord with the program of the President. The Office of the Secretary of Defense is the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The proposed legislation has the primary purpose of providing increased stability within the officer corps of each service. In order to achieve this objective, the bill would raise the statutory ceilings for Regular officers in the Army and the Air Force and authorize the appointment of additional officers into the permanent establishment of each service.

The total active-duty strength of the Armed Forces is expected to remain firm at the approximate level of 2,850,000 for the foreseeable future. Under existing statutory ceilings, Regular officers comprise only about one-fourth of the total officer requirements. The remaining three-fourths are reservists serving on a year-to-year basis without the security and recognition of Regular officer

status. Faced with such uncertain prospects, entirely too many of them are leaving military service at the first opportunity, thus creating marked instability within the active duty officer structure.

This situation is particularly evident in the Army and Air Force, where the proportion of Regular officers is 26 percent and 17 percent, respectively. The corresponding ratio in the Navy is 43 percent and in the Marine Corps 50 percent.

The proposed bill would raise the statutory ceilings for Regular officers in the Army from 30,600 to 49,500 and in the Air Force from 27,500 to 69,425. These new ceilings would be the equivalent of about one-half of the presently planned active officer requirements of those services. Existing statutory ceilings for the Navy and Marine Corps are adequate, and it is proposed that they be left unchanged.

Subject to the enactment of this legislation, interim objectives for each service have been established by the Secretary of Defense and approved by the President, providing for a phased buildup of Regular officer strengths as indicated in the following table:

Summary table—Regular officer augmentation

	End of fiscal year—			Total authorization
	1955	1958	1963	
Army	26,280	35,640	39,600	49,500
Percent	25.6	36	40	50
Navy	28,900	32,280	33,625	33,625
Percent	43	48	50	50
Marine Corps	8,474	8,550	8,550	8,550
Percent	49.5	50	50	50
Air Force	23,810	49,986	55,540	69,425
Percent	17	36	40	50

It will be noted that the immediate augmentation objective, to be attained within 2 years following enactment of this proposal, is to increase the Regular officer ratios in the Army and the Air Force to 36 percent, and in the Navy to 48 percent. The Marine Corps would remain essentially at its present ratio of 50 percent. Thereafter the Army and the Air Force would continue to procure Regular officers at annual rates that will enable them to reach and maintain a 40-percent Regular officer ratio. It is expected that this latter objective can be obtained within 7 years following the enactment of this proposal. During the same period of time the Navy would reach and maintain approximately a 50-percent ratio. The decision as to whether or not to increase Regular officer strengths in the Army and Air Force beyond a 40-percent ratio would be deferred until such time as those services are approaching a 40-percent manning level.

Attention is particularly invited to the fact that the strength ratios and their equivalent finite numbers are procurement goals rather than rigid ceilings or limitations. A reasonable amount of flexibility, which will result in some annual variation in end strengths, will be needed through the years to maintain annual input rates in the various grades on a continuing stable basis. It should also be noted that the foregoing ratios of Regular officer strength to total officer strength relate only to a total military force of the planned level of approximately 2,850,000.

To insure an orderly progression toward these strength objectives consistent with existing and foreseeable requirements on the one hand and future uncertainties on the other, this proposal provides for the Secretary of Defense, with the approval of the President, to project annually for the ensuing 5 years the active duty Regular commissioned list strength in each of the armed services.

Under existing appointment authority it is not possible to increase the number of Regular officers except through the lower commissioned grades. While such authority is being utilized by all of the services to meet requirements for younger officers, additional appointment authority is needed by the Army and Air Force to fill requirements in the higher grades and to maintain a properly balanced Regular officer structure in all of the services. The importance of maintaining a properly balanced officer structure lies principally in the fact that it permits orderly procurement, advancement, and retirement.

There is presently available to the Armed Forces a sizable resource of experienced and well-qualified Reserve officers on active duty or serving in Reserve units. Indications are that many of these aspire to Regular officer status. Enactment of this legislation would provide the necessary authority to obtain the additional numbers of Regular officers needed for a properly balanced officer structure, and one that would enhance career attractiveness, personnel stability, and combat effectiveness.

In addition to increasing the statutory Regular officer ceilings for the Army and Air Force, this proposal would authorize the President, by and with the advice and consent of the Senate, to appoint qualified persons to permanent commissioned grades in the Regular Army, Regular Navy, Regular Air Force, and Regular Marine Corps. Reserve officers of all grades, and selected qualified civilians would be eligible for appointment in appropriate permanent grades.

Appointments authorized under this legislation would be made pursuant to regulations established by the respective departmental Secretaries and approved by the Secretary of Defense and the President. These regulations will prescribe the physical, mental, and moral standards for appointment; the qualifications for the grade in which individuals will be appointed, and provisions for the determination of the lineal position and precedence of appointees.

The Department of Defense is prepared to present to the appropriate congressional committee departmental plans which will show in detail how the proposed legislation will be administered if enacted.

The cost of implementing this bill upon enactment will be absorbed in the budgets of the respective military departments.

Sincerely yours,

RICHARD A. BUDDEKE,
Director, Legislative Programs.

SECTIONAL ANALYSIS

TO AUTHORIZE PERMANENT APPOINTMENTS IN THE ARMED FORCES OF THE UNITED STATES, AND FOR OTHER PURPOSES

Section 1 would provide that the proposal may be cited as the "Armed Forces Regular Officer Augmentation Act of 1956."

Section 2 (a) would provide for the appointment of qualified persons to permanent commissioned grades in the Regular Army, Regular Navy, Regular Air Force, and Regular Marine Corps subject to the conditions hereinafter stated.

Section 2 (b) would provide that appointments made under this section shall be made pursuant to regulations prescribed by the military Secretaries and approved by the Secretary of Defense and the President.

Subsection 2 (b) (1) would provide that regulations will be promulgated to require that all persons appointed officers under the terms of this act must be citizens of the United States and at least 21 years of age, of good moral character, and physically qualified for active military service.

Subsection 2 (b) (2) would provide that regulations will be promulgated establishing standards and qualifications for appointment to the grades into which the individuals will be appointed.

Subsection 2 (b) (3) would provide that regulations will be promulgated covering the determination of the lineal position and precedence of appointees.

Subsection 2 (b) (4) would provide that regulations will be prescribed by the Army and the Air Force for the manner of determining grade, position on the promotion list, seniority in regular grade, and eligibility for promotion. In addition this subsection would authorize the Secretaries of the Army and Air Force to adjust the service creditable for promotion and mandatory elimination purposes of officers in a Regular component on the effective date of this act. The Navy and Marine Corps have no need for the authority granted in this subsection since existing statutes provide similar authority.

Section 2 (c) would provide that service credited for promotion list proposes, under regulations prescribed by the military Secretaries, would be credited as years' service under the provisions of section 514 of the Officer Personnel Act of 1947, relating to mandatory retirement or elimination from the active list. However, service which was credited to certain individuals such as doctors, dentists, veterinarians, chaplains, and lawyers, to reflect promotion list service credited for their professional education would not be so credited for mandatory retirement.

Section 3 would provide that persons appointed as regular officers under this legislation shall not exceed the age which would permit them to complete 20 years of active Federal commisisoned service before reaching the age 55.

Section 4 would amend sections 102 (b) and 202 (b) of the Army and Air Force Authorization Act of 1949 to provide that the authorized Regular officer strengths of the Army and the Air Force be increased from 30,600 and 27,500 to 49,500 and 69,425, respectively.

Section 5 would require the Secretary of Defense, with the approval of the President, to project each year for the following 5 years, the planned active duty Regular commissioned list strength in each of the armed services.

Section 6 would provide that persons appointed under the provisions of this act may have their appointments revoked at any time prior to the third anniversary of the acceptance of such appointment.

Section 7 would provide authority for the appointment to a higher temporary grade of any officer permanently appointed in the Regular Navy or Regular Marine Corps under the act, whose assigned lineal position in grade is contemporary with other officers in the same Regular component holding such higher temporary grade. For the purposes of promotion laws such appointments will be deemed to have been made under the law applicable to the temporary appointments held by contemporary officers of the same Regular component.

Section 8 would provide for such temporary increase as may be necessary in the grade authorizations contained in the Officer Grade Limitation Act of 1954 to provide for mandatory promotion prescribed by the Officer Personnel Act of 1947.

Section 9 would provide for the removal of finite limitations on the number of generals on the active list of the Regular Army and Air Force as contained in section 503 (a) of the Officer Personnel Act of 1947 (10 U. S. C. 506a).

Section 10 would repeal the Navy and Marine Corps Officer Augmentation Act of 1955 (Public Law 306, 84th Cong.), a temporary law, which is unnecessary upon enactment of this legislation.

S. 3125. A bill to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177), as amended, providing authority for the military departments to expand and maintain military production capacities.

The letter accompanying Senate bill 3125 is as follows:

DEPARTMENT OF THE ARMY,
Washington, D. C., January 16, 1956.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is enclosed herewith a draft of proposed legislation "To continue the effectiveness of the act of July 17, 1953 (67 Stat. 177), as amended, providing authority for the military departments to expand and maintain military production capacities."

This proposal is part of the Department of Defense legislative program for 1956, and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Army has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The proposed legislation would provide continuing statutory authority for the Secretaries of the Army, Navy, and the Air Force to expand and maintain productive capacity in Government-owned and privately owned plants in order to meet concurrent or mobilization military production requirements, with ownership remaining in the Government for those facilities placed in privately owned plants. The present authority for these purposes is contained in the act of July 17, 1953 (Public Law 130, 83d Cong.; 67 Stat. 177), as amended and extended (Public Law 528, 83d Cong.; 68 Stat. 531), and by the act of August 9, 1955 (Public Law 262, 84th Cong.), which authority would expire not later than July 1, 1956. This proposal would extend the duration of the effectiveness of its provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950, or until such time as may be specified by concurrent resolution of the Congress, or until July 1, 1957, whichever is the earliest.

The present world situation is similar in many respects to that which led to the request of this Department for and the enactment of the act of July 17, 1953, in that it is still considered necessary that there be authority to meet requirements for rapid construction or expansion of production facilities needed to alleviate emergency production shortages which arise under conditions of urgent requirements for end items necessary for defense purposes. The act of July 17, 1953, itself was, to a large extent, a continuation of authority to expedite military production granted by statutes enacted shortly before and during World War II.

As was stated in connection with the request for enactment of the act of July 17, 1953, under normal peacetime conditions, the construction, conversion, or expansion of facilities for the procurement of military items is reduced to a minimum and limited to specific items which may be required during such peacetime periods. Peacetime authority of the military departments is not sufficiently broad to provide facilities that will be needed when an emergency occurs, nor is there any peacetime authority available to the departments for assisting the expansion of privately owned productive capacity for an emergency. Expansion of both Government-owned and privately owned plants became immediately necessary in the emergencies that occurred prior to World War II and with the advent of the Korean conflict.

In the case of construction at military installations, it has been the practice periodically to obtain specific authorizing legislation for known needs. This procedure is clearly not feasible in the case of construction or expansion of plants needed to alleviate unforeseen shortages in defense production. It is not possible to foresee and predict accurately the need for specific authorizing legislation. During World War II and the Korean conflict, authority similar to that contained in the act of July 17, 1953, proved to be of inestimable value for the rapid expansion of productive capacity by the construction of Government-owned and expansion of privately owned plants.

Under the existing international situation, the present emergency may become acute at any time without warning. In such an eventuality, time would be a large and very significant factor in the expansion of urgently needed productive capacity. It is believed that continued statutory authority for a rapid expansion of productive capacity is important to the timely satisfaction of the needs of the military departments for vital supplies. This proposal would continue not only the authority with respect to facilities required for current defense production but also to facilities intended for mobilization reserve purposes. The reserve capacity to be provided will be for essential military items requiring a long-lead production time. In the event of full mobilization, a lack of adequate productive capacity for such items would create a serious bottleneck.

Authority to maintain production facilities on a stand-by basis at or near the location planned to be used for production purposes in the event of further emergency continues to be increasingly important as the immediate need for current production decreases. By arranging with contractors for storage and/or maintenance of production facilities at or near the plant site, and by leasing facilities in place to contractors in return for their undertakings to maintain and preserve the leased property or other production facilities as part or all of the consideration of the lease, the services can assure that such facilities will be available as quickly as possible for actual production in the event of a future emergency.

Continuation of the act of July 17, 1953, is considered to be extremely important to the Department of Defense in carrying out its responsibilities.

COST AND BUDGET DATA

This proposal would cause no apparent increase in budgetary requirements insofar as the Department of Defense is concerned.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

PRICE-SUPPORT LIMITATION

Mr. WATKINS. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Utah may proceed.

Mr. WATKINS. Mr. President, the most up-to-date census figures published last April indicate that we have a farm population of some 22.8 million persons—about 13.5 percent of the then total population of 164.5 million—living on approximately 4.7 million farms, of which 24.4 percent are tenant operated. In 1940 over half of all farmers—more than 3 million—produced crops the average value of which was only $700. Five years later one-third of our farms were producing only 4 percent of the crop value; another one-third produced an additional 16 percent. Think of it. In one of the most prosperous years ever enjoyed by farmers two-thirds of our farms produced only 20 percent of the marketable crop value. In 1948, 43 percent of our farms—over 2½ million—produced only 6 percent of the gross farm income. This was in the year, Mr. President, which saw the total farm net income aggregate at the postwar peak of $17.6 million. If adjustments are made for price-level fluctuations, the contribution of these farms has not altered much for the better over the past 7 years.

What significant conclusion can be drawn from this data? What implications, Mr. President, do they have for price-support policy? Namely, these:

First. Two-thirds of our so-called farms produce very little for sale, and in many cases cannot even produce the food required to meet the needs of their operators and their families.

Second. Two-thirds of our farms produce so very little that they cannot take advantage of or benefit from the price-support programs carried out by the Commodity Credit Corporation.

Third. No wonder average per capita farm income is but one-half of the average per capita nonfarm income. Two-thirds of our farmers contribute very little to total farm income. Their inclusion by definition as farmers only serves to make average per capita farm income compare unfavorably with per capita nonfarm income.

It is obvious, then, Mr. President, that the chief beneficiaries of our price-support programs have been and are the upper one-third of our farmers who produce 80 percent of the annual marketable crop value in this country and who receive 80 percent of farm income. These farmers, financially speaking, are the best off of our farm population; but, without doubt, even most of these farmers, due to the nature of price competition they operate in, need price-support assistance during certain periods. It is among this top one-third of our farmers that we find most of the family farms which, as President Eisenhower noted in his special agricultural message, "are the bulwark of our agriculture."

How does the average per capita income of these farmers compare with that of the nonfarm workers? Very favorably, indeed, Mr. President, and, remember, these are the farmers who produce the bulk of our food, and these are the farmers who are the chief beneficiaries of our price-support programs. The 1950 Census of Agriculture published for the first time complete information on farm income by economic class of farm. Analysis of this data reveals that—

First. One million two hundred thousand of the then existing 5.3 million farms, containing 209.1 million acres of harvested cropland, produced crops or livestock for sale of or in excess of $5,000. Expressed another way, 22 percent of the farms existing in 1949 produced 74 percent of the total value of farm products sold, utilizing some 60 percent of the total harvested cropland.

Second. The average family income, including both money and nonmoney, of the 5 million persons living on these 1.2 million farms was $5,143. By comparison, in 1949, the average family income of all families on farms was $2,650, and the average family income of urban and

rural nonfarm families was only $3,650, some $1,493 less.

Third. The average per capita income, including both money and nonmoney, of these farms was $1,229, twice the average per capita farm income of all people on farms, which was only $651.

It is evident, Mr. President, that the income situation of some one-third of our farmers, who produce 85 percent of our annual marketable crop value, is actually superior to that of the average nonfarm family. Our producing farmers are sharing in the great economic prosperity which the people of this country have enjoyed during the Eisenhower administration. Let no one make a mistake about that.

Our real income problem in agriculture is the welfare of the two-thirds who produce very little, and a great majority of whom are actually part-time farmers. The inclusion of these income figures in agricultural income statistics not only has led to a distorted and unfavorable comparison of farm with nonfarm income but also to the assumption that price support can help this large group of small and part-time farmers. Actually, the concealed need of this group, as President Eisenhower's special report on low income farmers told us, is for public programs largely nonagricultural in nature.

But the most startling fact of all, Mr. President, is that only 9 percent or 484,000, of the farms in 1949 produced 51 percent of the total value of all farm products sold, utilizing only 34 percent of the harvested cropland. These are the largest and most efficient with the highest incomes.

First. Their average family income, including both money and nonmoney, was $6,585, nearly 2.5 times that of all farm families.

Second. Their average per capita income, including both money and nonmoney, was $1,594, about 2.5 times that of all farm people.

These also are the farms whose operators are, and have been, receiving the largest subsidies under the price-support programs. One private research organization recently reported that 1.9 percent of our farmers received 25 percent of the price support subsidy in 1953.

As I pointed out in my supplemental view contained in the 1955 report of the Joint Committee on the Economic Report:

> For every dollar that the small farmer received through price support, many more dollars go to the big operator, and the competitive advantage of the big operator is thereby increased.
>
> For example, in Kansas for the 1953 crop, the average wheat loan was $1,525 and the average of the 5 largest loans was $106,963.
>
> In Mississippi the average cotton loan was $372 and the average of the 5 largest loans was $479,535. In Iowa, the average corn loan was $2,154, while the average of the 5 largest loans was $98,535.
>
> For wheat, corn, and cotton in the above States the 5 largest loans averaged 25, 46, and 1,290 times as great as the State average (pp. 64–65).

Mr. President, the largest loans under the price-support program are those received by "corporation farms"—not family farms. With respect to cotton, the largest loans were made by:

First. The Delta & Pine Land Co., of Scott, Miss., which placed 7,220 bales under loan in the amount of $1,269,492.66.

Second. Giffen, Inc., of Huron, Calif., which placed 7,314 bales under loan in the amount of $1,246,516.46.

With respect to wheat:

First. Harrigan Farms, of Prosser, Wash., which placed 152,840 bushels under loan in the amount of $354,339.

Second. U. S. Wheat Corp., of Hardin, Mont., which placed 184,516 bushels under loan with a loan value of $348,646.20.

With respect to corn:

First. Adams Bros. & Co., of Odebolt, Iowa, which placed 124,800 bushels under loan at a face value of $190,944.

Second. Emil Savich, of Rensselaer, Ind., who placed 102,648 bushels under loan in the amount of $166,289.76.

These farms are among the 484,000, or 9 percent, which, as I have noted, produced 51 percent of the total value of all products in 1949.

Mr. President, the lack of a limit upon the amount of subsidy farmers can receive gives unnecessary financial assistance to most of the 484,000 farms in the first two economic classes of farms which, as defined by the Census Bureau, produce products valued at $10,000 or more. It is clear that many of these farms simply do not need unlimited price-support assistance. Many of these farms, year in and year out, will return to their operators net incomes much higher—even if they did not receive a dollar of Government subsidy—than the ones that 90 percent of our people ever hope to receive. This can be done by those who operate the more profitable farms by applying to their land just the right amounts of labor and capital equipment to produce the large possible volume at the lowest possible per unit cost, resulting in the highest gross income possible of achievement with their particular size of farm.

These are the farms which, encouraged by a rigid 90-percent price-support program, have been producing the bulk of the basic commodities now in surplus. The produce, not for consumption, not the commodities in greatest need, but for Government storage warehouses. How well they have succeeded is evidenced by the record high inventories of these commodities which as of December 5, 1955, the Commodity Credit Corporation had in inventory:

Wheat (bushels)	919,436,423
Corn (bushels)	696,538,203
Cotton (bales)	6,336,412

I should also like to point out, Mr. President, that ample precedent exists for limiting the amount of financial assistance which farmers may receive from the Federal Government. The Sugar Act of 1948 provides for a reduction in the rate of payment of from 5 to 50 cents per hundredweight, depending upon the quantity of sugar produced off the farms "proportionate share" or acreage allotment, when that quantity is in excess of 350 pounds, ranging up to more than 30,000 pounds. Also, Mr. President, the assistance a farmer can get under the agricultural conservation programs was by law limited to $10,000. By a provision in the Department of Agriculture's Appropriation Act, that amount has been further reduced to $1,500.

Therefore, Mr. President, on behalf of myself, and my colleague, the junior Senator from Utah [Mr. BENNETT], I introduce, for appropriate reference, a bill which will limit to $50,000 the amount of price-support subsidy a farmer can receive on the products grown on his farm during any year. The amount is sufficiently high to give "full protection to efficiently operated family farms," as the President recommended in his special agricultural message.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3126) to limit the total amount of price support which may be made available with respect to the products of any farm, introduced by Mr. WATKINS (for himself and Mr. BENNETT), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

REDUCTION OF FEDERAL INCOME TAXES ON LOW INCOME CORPORATIONS

Mr. FULBRIGHT. Mr. President, on behalf of myself, and Senators SPARKMAN, CAPEHART, KENNEDY, FREAR, BEALL, DUFF, MORSE, SMATHERS, LEHMAN, DOUGLAS, and HUMPHREY, I introduce, for appropriate reference, a bill to establish corporate income-tax rates of 22 percent normal tax and 30 percent surtax, which I shall hereafter refer to as the first bill.

On behalf of myself, and Senators SPARKMAN, CAPEHART, HUMPHREY, KENNEDY, BEALL, DUFF, MORSE, SMATHERS, LEHMAN, and DOUGLAS, I introduce, for appropriate reference, a second bill, to establish corporate income-tax rates of 22 percent normal tax and 31 percent surtax.

I ask unanimous consent that I may speak on the bills in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. The bills will be received and appropriately referred, and, without objection, the Senator from Arkansas may proceed.

The bills introduced by Mr. FULBRIGHT (for himself and other Senators) were received, read twice by their titles, and referred to the Committee on Finance, as follows:

S. 3128. A bill to establish corporate income-tax rates of 22 percent normal tax and 30 percent surtax; and

S. 3129. A bill to establish corporate income-tax rates of 22 percent normal tax and 31 percent surtax.

Mr. FULBRIGHT. Mr. President, these cosponsors are all members of the Committee on Banking and Currency or the Select Committee on Small Business, both of which have special responsibilities to small business, and both of which are on record as favoring tax relief for small business.

Mr. President, I am again calling the Senate's attention to the necessity for relieving the Federal income-tax burden on small businesses. For many years I have been convinced that the most practical step the Congress can take to help small businesses is to modify the stifling burden of the present corporate tax structure. I believe that the tax structure as it now exists promotes mergers and fosters the growth of our corporate giants.

As far back as March of 1948 I introduced an amendment which would have provided special tax benefits for small businesses. Last session I introduced a bill—S. 2673—which would provide for an exemption from taxation of the first $15,000 of corporate income. However, I am advised by experts in revenue problems that that bill would be too costly in terms of revenue loss. Therefore, I am today offering new amendments for the same general purpose.

Mr. President, under present law corporations generally are subject to a "normal" tax rate on net earnings of 30 percent, plus a surtax rate of 22 percent on net earnings in excess of $25,000. In other words, the first $25,000 of corporate income is exempt from the surtax.

The first bill I am introducing would reverse the present tax rates by providing for a 22-percent normal tax upon net earnings and a 30-percent surtax on all earnings in excess of $25,000. In other words, the present normal tax rates and surtax rates would be reversed. The effect of this revision of the tax structure upon the various income levels is shown by the table which appears in exhibit 1 to this statement.

Mr. President, I ask unanimous consent that the table may be printed at the end of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FULBRIGHT. Mr. President, as this table shows, corporations earning up to $25,000 per year will receive a tax bill 26.7 percent smaller than they pay now. Corporations earning $50,000 per year will pay approximately 10 percent less. Corporations earning $100,000 per year will pay 4.3 percent less, corporations earning $1 million per year will pay four-tenths of 1 percent less, and corporations earning $10 million per year will pay four one-hundredths of 1 percent less. Companies like General Motors, with earnings of $1 billion or more would save four ten-thousandths of 1 percent of their tax.

Obviously this redistribution of the impact of corporate taxes would be of primary benefit to the small income corporations. While the tax relief afforded would be modest, I believe it would be of material benefit to the smaller businesses of the Nation.

Of course, I am aware of the fact that revenue proposals must originate in the House of Representatives and that the Senate will not take action on my bill as such. However, the present "normal" tax rate is scheduled to decrease 5 percentage points, from 30 percent to 25 percent, on April 1, 1956. It is expected that prior to that date there will be a bill to extend this 30-percent rate for an additional period of time. It is my intention to offer my bill as an amendment to the bill extending the present corporate rate.

The staff of the Joint Committee on Internal Revenue Taxation advises me that the revenue loss from this proposal would be somewhere between $300 million and $400 million. At the time that I offer this amendment the Senate may consider whether it wishes to make up the loss of revenue which would be caused by this bill, or whether the budget outlook at that time is such that the revenue loss can be afforded.

If it is necessary to make up the loss of revenue, this can be done by the second bill which I am now introducing. This second proposal provides for a normal tax rate of 22 percent and a surtax rate of 31 percent. According to the staff of the Joint Committee on Internal Revenue Taxation, this would result in an estimated increase in revenue of approximately $20 million.

The distribution of the benefits, or increased liabilities, under this latter proposal are shown in exhibit 2, which I ask unanimous consent to have printed in the RECORD following my remarks.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

(See exhibit 2.)

Mr. FULBRIGHT. The effects can be illustrated by these examples taken from the table. Corporations with incomes of $25,000 and less would have their tax burden reduced by 26.7 percent. A corporation with income of $100,000 would be given tax relief of 2.7 percent. Corporations with incomes of $500,000 and over would have increased tax liabilities of from 1.1 percent, in the case of a corporation with that income, to 1.9 percent for a corporation with income of $100 million a year.

Mr. President, a healthy community of small businesses is essential to national growth, national prosperity, and political health. We must prevent the development of an economic no man's land for small business. That means some form of encouragement must be devised for the modest-sized enterprise to enable it to compete successfully with the giants and supergiants in the same industry.

As I see it, the chief competitive handicaps of the small business are: First, great difficulty and expense in obtaining equity capital; second, high interest rates upon borrowed money; and, third, insufficient funds for management personnel. Our tax structure emphasizes and compounds these discriminations against small business.

The small businesses have three principal sources for funds with which to maintain and expand production: First, new capital investment; second, borrowing; and third, business earnings.

Small business has difficulty in obtaining equity capital, because it does not have the large financial resources which will guarantee stockholders against severe loss on their investment. A small-business man who needs equity capital usually is told that the expense of raising up to $300,000 in the securities market averages almost 20 percent, and may reach 25 percent or 30 percent. He may ask why, and point to the recent Ford or General Motors issues, where the expense was a small fraction of 1 percent. But he must face the uncomfortable fact that it will cost him 40 or 50 times as much to tap the capital markets as it costs the larger corporations.

Because of the difficulty in obtaining equity financing, the small-business man usually must borrow money for a short term from a bank or other lender to realize his capital needs. Long-term borrowings in the securities markets would be subject to the same difficulties as equity financing. Interest rates are commonly established at 6 percent, or even higher, for the small-business man. The large corporations may either float a debt issue of securities or borrow money at interest rates of 3½ percent or 4 percent for long terms. This gives larger corporations a competitive advantage, which they can reflect in lower costs, and, therefore, lower prices to customers or higher returns on their stockholders' investments. In this connection, however, it is interesting to note that the lower costs made possible by these competitive advantages are not necessarily passed on to consumers. The FTC-SEC Quarterly Financial Report for the second quarter of 1955 shows that corporate profits, as a percentage of sales, rise in proportion to the asset size of the corporation. For example, in the second quarter of 1955, the smallest corporations — assets under $250,000—earned only 1.1 cents for each dollar of sales, while the largest corporations—$100 million and over—were earning 7.4 cents for each dollar of sales.

These difficulties which the smaller corporation has in obtaining equity capital from stock issues or borrowings lead him to rely much more heavily on retained earnings than do larger companies. Hence, unless his profits are greater or his tax burden less, he finds himself in a position of relative weakness compared to larger companies with whom he must often compete.

In terms of profits upon investment, we find that corporations in the smallest category, as reported by the Federal Trade Commission and the Securities and Exchange Commission—those with under $250,000 in assets—sustained a net loss in the 4th quarter of 1954, returned 3.6 percent upon their equity in the first quarter of 1955, returned 5.3 percent upon their equity in the second quarter of 1955, and returned 10.4 percent upon their equity in the fourth quarter of 1955. Contrast this record with that of corporations with $100 million or over. During every quarter of the last year, they returned more than 13.5 percent upon the equity investment of their stockholders. During the second quarter of 1955 the return reached 15.0 percent.

By nature, the small business corporation involves more risk, less diversification of product, and a smaller financial cushion against initial reverses. This is illustrated most dramatically by the

business failure statistics. Very few, if any, failures are recorded for large corporations; but the rise in these dismal statistics for small businesses has been alarming in recent years.

In 1945 there were only 809 failures. In 1953 there were approximately 8,862. In 1954 there were 11,086. The latest reports for 1955 indicate that there were almost as many in that boom year—10,969—as there were in 1954.

These statistics are cold, and it is hard to breathe into them the life they deserve. To me they merely demonstrate mathematically what we may all plainly observe.

The bills I am introducing will not only permit the retention of more capital in the small business, so that less high-cost financing is necessary, but will serve as a countervailing pressure against mergers and consolidations. The more favorable tax treatment for small corporations will serve to deter the increasing tendency toward larger and larger corporate giants.

Statistics of the Federal Trade Commission show the following trend in the number of manufacturing and mining concerns acquired or merged during the last 30 years. Beginning in 1922, the number of mergers rose steadily from 297 to a peak of 1,216 in 1929. Thereafter the number of mergers leveled off at less than 200 in 1932, and varied within a range from 87 to 419 throughout the forties. However, mergers rose rapidly in 1951, reached 822 in 1952, and stayed at a high level in 1953 and 1954.

Also, Mr. President, I believe these bills will serve to relieve, to some extent, the constant drain of management personnel from small business. A growing, expanding enterprise presents a challenge to management, and good management will stay with the business so long as it can participate in its growth. If our tax policies militate against growth, there is little incentive to the personnel.

In addition, higher retained earnings would enable the business to pay higher salaries, and this, too, would serve to keep good management from accepting positions with larger companies. In many instances, under the present tax structures, the small-business man finds it more profitable to sell his business and go to work for one of the large corporations. Additional tax incentives should cause a reversal of this trend.

Mr. President, the bills I am introducing would redistribute the tax burden more equitably and make a positive contribution toward the encouragement of vigorous small-business enterprises. The present rate structure seems to have contributed to the decline in the relative importance of small business in recent years. These bills will help stem that decline, will assist those companies in the formative or development stage to overcome initial capital difficulties, and will assure a continuing supply of capital when it is needed to maintain the competitive position of the small-business enterprise. I can think of no action more vital to the maintenance of our system of free enterprise than the encouragement and development of small businesses. It is the very foundation of our national economy. Either of these bills will aid in that development.

EXHIBIT 1

Effect of a normal tax rate of 22 percent and a surtax rate of 30 percent

Income subject to normal tax and surtax	Present tax liability (normal rate 30 percent, surtax rate 22 percent)	Proposed tax liability (normal rate 22 percent, surtax rate 30 percent)	Change	
			Amount	Percent
$5,000	$1,500	$1,100	−$400	−26.7
$10,000	3,000	2,200	−800	−26.7
$15,000	4,500	3,300	−1,200	−26.7
$20,000	6,000	4,400	−1,600	−26.7
$25,000	7,500	5,500	−2,000	−26.7
$50,000	20,500	18,500	−2,000	−9.8
$100,000	46,500	44,500	−2,000	−4.3
$225,000	111,500	109,500	−2,000	−1.8
$500,000	254,500	252,500	−2,000	−.8
$1,000,000	514,500	512,500	−2,000	−.4
$10,000,000	5,194,500	5,192,500	−2,000	−.04
$100,000,000	51,994,500	51,992,500	−2,000	−.004

EXHIBIT 2

Effect of a normal tax rate of 22 percent and a surtax rate of 31 percent

Income subject to normal tax and surtax	Present tax liability (normal rate 30 percent, surtax rate 22 percent)	Proposed tax liability (normal rate 22 percent, surtax rate 31 percent)	Change	
			Amount	Percent
$5,000	$1,500	$1,100	−$400	−26.7
$10,000	3,000	2,200	−800	−26.7
$15,000	4,500	3,300	−1,200	−26.7
$20,000	6,000	4,400	−1,600	−26.7
$25,000	7,500	5,500	−2,000	−26.7
$50,000	20,500	18,750	−1,750	−8.5
$100,000	46,500	45,250	−1,250	−2.7
$225,000	111,500	111,500	(1)	(1)
$500,000	254,500	257,250	+2,750	+1.1
$1,000,000	514,500	522,250	+7,750	+1.5
$10,000,000	5,194,500	5,292,250	+97,750	+1.9
$100,000,000	51,994,500	52,992,250	+997,750	+1.9

[1] No change.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. I first wish to thank the Senator from Arkansas for being so considerate as to permit me to join with him as a cosponsor of one of these very important bills. I should like to ask the Senator from Arkansas if he would permit me also to associate myself as a cosponsor of the first bill. I have had an opportunity to study it more carefully, after the Senator sent the advance information to my office about the purpose of the bill and the table of estimates on tax relief and tax assessment. I should like to associate myself with both bills, and at the same time commend the Senator from Arkansas for his proposals. They are much needed. As the Senator from Arkansas knows, in the country there has been growing concern over the inequity of the tax structure, insofar as it pertains to independent businesses of moderate and small size and their inability to obtain reserve capital and capital for expansion.

So I greatly appreciate the remarks the Senator from Arkansas has made.

Mr. FULBRIGHT. I thank the Senator from Minnesota; and, Mr. President, I ask unanimous consent that the name of the Senator from Minnesota [Mr. HUMPHREY] may be included as a cosponsor of the first bill in the list I read.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a letter which appeared a few days ago in the Washington Post, in the column entitled "Letters to the Editor." The letter is signed by Dewey Anderson, executive director of the Public Affairs Institute of Washington. His letter pertains to the plight of small business.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF SMALL BUSINESS

In the President's state of the Union message reference is made to the fact that only farmers as a group have failed to share in the general prosperity. In discussing small business the message unequivocally asserts that small-business men are prospering greatly.

I have before me figures just released by the credit clearinghouse of Dun & Bradstreet, Inc. They show that in 1955, 7 percent more apparel and accessory retailers failed than the year before, with a rise in total liabilities of 17 percent.

Apparel wholesalers failures in 1955 rose 35 percent and liabilities involved increased 36 percent over 1954.

It is difficult for me to understand on what the state of the union message's conclusions regarding the state of small business are based. For example, the opportunities for entry of new firms has probably never been so difficult as in the past 3 years. In fact, since the end of 1952 the number of business firms has remained stable at 4.2 million. Growth was comparatively steady during the years 1949 to 1952 when we had a net gain of about 50,000 firms annually or 200,000 during the 4-year period.

Examination of the data on manufacturing corporations earnings compiled by the FTC and SEC also yields results for small companies which contradict the conclusions of the state of the Union message. For example, firms with less than $250,000 in assets had net profits after taxes of $175 million during the first 6 months of 1952.

In the first half of 1955 the same asset size class had net profits after taxes of only $60 million. The smallest size class of manufacturing corporations earned 66 percent less net profits after taxes than a similar group of small manufacturers did 3 years earlier.

Internal funds available for reinvestment and expansion tell a similar story. For manufacturing firms in the under $250,000 asset class such funds totaled $267 million in the first half of 1952 and only $162 million in the first half of 1955, a drop of 40 percent.

In 1953 and again in 1955 many a small-business man has gone to the financing well and found it dry. For most of the past 3 years the small-business man has found credit extremely costly or else unavailable at any price. He has been led to believe that if he is turned away by his local bank he stands a better chance of getting a loan from the Small Business Administration. As against an average of 11,000 inquiries received per month from small-business men concerning credit assistance the SBA approved 395 direct loans to small business after 2 years of operations.

The unhappy fact is that contrary to the rosy picture portrayed in the state of the Union message, the growth of small business has been retarded by a combination of heavy taxation and a scarcity of credit. This has happened during a period of widespread economic expansion in which small business has not shared.

DEWEY ANDERSON,
Executive Director, Public Affairs Institute.
WASHINGTON.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by the Senator from Oregon [Mr. MORSE], who cannot be present today because of his attendance at the funeral of the late Governor of his State. His statement relates to these bills.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MORSE ON COSPONSORSHIP OF THE FULBRIGHT CORPORATION TAX BILL

It is my deep belief that the preservation and the strengthening of small-business enterprises are essential to a healthy free-enterprise economy.

The small corporations that would benefit from the proposed corporate-tax reduction need encouragement. I recognize that most closely held and small corporations usually do not accrue profits for dividend purposes. However, they should be encouraged by enactment of our tax proposal to accumulate capital they need for investment and expansion. To my mind this is the principal benefit to be derived from the corporate-tax bill being introduced today.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an excerpt consisting of pages 80 through 84, from the publication entitled "The Federal Revenue System: Facts and Problems, Materials Assembled for the Subcommittee on Tax Policy by the Subcommittee Staff," of the Joint Committee on the Economic Report.

This material was prepared under the direction of the Honorable WILBUR D. MILLS, chairman of the Subcommittee on Tax Policy, and the excerpt which I am asking to have inserted in the RECORD presents an excellent discussion of alternative methods of tax relief for small-income corporations.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

2. TAXATION OF SMALL AND NEW BUSINESS

A continuing issue in corporate income taxation concerns the relative impact of the tax on small and new businesses as compared with large and established firms. It is generally conceded that vigorous, small business enterprises are vitally important to a healthy, competitive structure in our economy. Of particular importance is the rate at which new businesses are formed and their ability to survive and to become established as successful business units.

The Federal tax structure has been criticized as failing to make a positive contribution to the promotion of new and small business and even as contributing to a decline in the relative importance of small business in recent years. These criticisms have embraced virtually the entire Federal revenue system but with particular emphasis on the tax treatment of capital gains and losses, estate and gift taxes, and the corporation income tax. Particularly with respect to the latter, numerous proposals have been made either to provide deliberate tax advantages to small and new business as an offset to some of their nontax disadvantages or to remove what are regarded as inherent discriminations in the law.

In general, the basic problems associated with small and new businesses are thought to stem from their difficulty in securing the financial resources required for growth and development. In the case of the new business, the principal difficulty, it is alleged, lies in securing the capital needed to tide the company over the formative and development stages to the point at which profitable operations begin. In the case of the established small business, the major problem, it is contended, is to assure continuation of a supply of capital adequate at least to maintain the company's position in its industry and to permit it profitably to resist the inducements offered for absorption in larger business units. The sources of these difficulties are generally identified as the inaccessibility of the market for equity funds, the differentially burdensome terms upon which credit (particularly long term) may be obtained, and the inadequacy of retained earnings and capital recovery allowances.

The two major features of corporate income taxation which are most significant in this connection are the rate structure and the treatment of retained earnings.

(a) Rate structure: The present corporation income-tax rate structure is frequently characterized as disproportionately burdensome on new and small corporations. It is alleged that the present 30-percent normal tax, applied to the full amount of net earnings, and the 22-percent surtax on net earnings in excess of $25,000 does not adequately differentiate the taxpaying ability of small companies from their larger competitors.

Specifically, it is maintained that where net earnings are under $25,000, a 30-percent levy leaves a small company with retentions far too meager to generate an adequate increase in the flow of earnings. Moreover, it is claimed that imposition of the additional 22-percent surtax on earnings between $25,000 and $50,000 or $100,000 involves a combined rate so high as to limit very severely the growth potential of a small company in this income range.

The principal alternative proposals which have been offered to provide relief to small and new companies are (1) complete exemption of the first, say, $25,000 of net earnings of new companies for a limited period of time, e. g., 3 years, (2) restoration of the type of limited rate graduation in effect prior to 1950, (3) introduction of full-rate graduation for all corporations regardless of the amount of their taxable income, (4) increase in the surtax exemption, and (5) decrease in the normal tax rate and increase in the surtax rate.

(1) FULL EXEMPTION OF A LIMITED AMOUNT OF EARNINGS OF NEW COMPANIES

This proposal would seek to offer positive encouragement for the formation of new businesses. It recognizes that a relatively rapid rate of capital accumulation frequently is essential during the early years of the life of an enterprise and that this process requires a relatively heavy net inflow of funds both from outside and internal sources. In addition to permitting a greater rate of retention of net earnings, the proposal would also facilitate external financing since the Government would, in effect, underwrite the new company's equity or debt issues, at least for the first few years.

Several objections may be raised to this proposal. In the first place it would significantly discriminate against unincorporated new business unless similar treatment were provided in the individual income tax where very troublesome equity and enforcement problems would have to be surmounted.

Secondly, providing special tax treatment of this character for a limited group of taxpayers would tend to set up pressures for extension of the preferential treatment to other taxpayers with perhaps equally pressing, though dissimilar, financial problems. The inducements to tax avoidance that this proposal would afford would also be difficult to control. For example, it would be extremely difficult to define a new corporation. Would a new corporation resulting from a reorganization be eligible for this special exemption? Would the special exemption be available to closely held family corporations which may be readily proliferated?

(2) RESTORATION OF LIMITED RATE GRADUATION

Under the system of limited graduation in effect prior to 1950, graduated rates were applied only in the case of a corporation whose income did not exceed some designated amount. In the case of corporations with incomes in excess of this amount, a single tax rate was applied to the full amount of taxable income. For example, for the income years 1946 through 1949, the following normal and surtax rate schedules were applicable:

[Percent]

Taxable income	Normal tax rate	Surtax rate	Combined marginal rate
Incomes in total amount—			
Not over $50,000:			
1st $5,000	15	6	21
Next $15,000	17		23
Next $5,000	19		25
Next $25,000	31	22	53
Over $50,000	[1] 24	[1] 14	[1] 38

[1] Of entire income.

Combined rates ranged from 21 percent on $5,000 or less of taxable income to 38 percent on incomes over $50,000. In the range between $25,000 and $50,000 of taxable income, a marginal or "notch" rate of 53 percent was imposed.

This high "notch" rate was required in order to provide a relatively smooth progression of effective rates on incomes up to $50,000 in view of the fact that both the marginal and effective rate on the full amount of taxable income was 38 percent where taxable incomes exceeded $50,000. Effective rates under this graduated rate schedule were as follows:

Taxable income	Amount of tax	Effective rate (percent)
$5,000	$1,050	21.00
$20,000	4,500	22.50
$25,000	5,750	23.00
$30,000	8,400	28.00
$40,000	13,700	34.25
$50,000	19,000	38.00
Over $50,000		38.00

Proponents of this type of rate structure contend that it best meets the objective of differential taxation of small and large companies since the benefits of the lower graduated rates are confined to companies with relatively low incomes.

On the other hand, because of its dependence on a high "notch" rate, this system of graduation was severely criticized when it was in effect. Thus the 53 percent "notch" rate was regarded as imposing a heavy penalty on corporations with incomes between $25,000 and $50,000 since it served to take a larger share of additional earnings in this range than was taken by the 38-percent rate on additional earnings in excess of $50,000.

Moreover, this method of graduation made it extremely difficult to change the alinement of rates in order to increase the spread between the preferential rate on small companies and the standard rate. In order to do so, it was necessary either to increase the "notch" rate, further aggravating the problem described above, or to provide a disproportionately large increase in the effective rate on income under $25,000.

For example, in order to increase the combined rate on incomes over $50,000 by 4 percentage points to 42 percent, a "notch" rate of 61 percent would have been required if the rates on income under $25,000 were to be unchanged. Alternatively, to avoid any increase in the 53-percent "notch" rate, the

tax on an income of $25,000 would have had to have been increased by $2,000, or about 35 percent, to $7,750.

(3) FULL RATE GRADUATION

Under this method a graduated rate structure similar to that in the individual income tax would be provided for all corporations regardless of the amount of their total income. Proponents of this system point out that it would provide increasing tax liabilities to reflect progressively increasing Government benefits as corporate income increases. Tax benefits, moreover, would tend to vary directly with the need for internal financing of growth, which is most pronounced in the case of small companies.

Critics of this proposal point out that full graduation would extend the benefits of preferentially lower rates of tax on specified amounts of income to all corporations and would, therefore, tend to be inconsistent with the purpose of graduation. Morever, full graduation would impose a relatively heavy penalty on small, risky businesses with fluctuating incomes as compared with less venturesome enterprises with the same total income over a period of years. In addition, full graduation would provide greater inducements for corporate splitups than prevail under the present law. Whatever the arguments for or against such reorganizations on the basis of nontax considerations, it is maintained that they should not result in preferential tax treatment so long as a community of ownership and managerial control persists. Finally, it is contended that it would be virtually impossible to determine appropriate brackets and degree of graduation, since the generally accepted notions of intertaxpayer relationships, which may be used in determining rate graduation in the individual income tax are not applicable in the case of corporations.

(4) INCREASE IN THE SURTAX EXEMPTION

Proponents of an increase in the surtax exemption contend that it would serve the objective of providing differential relief for small firms without the major conceptual and practical difficulties involved in proposals for rate graduation. Thus, it is argued that increasing the surtax exemption would effectively decrease the amount of income of small companies subject to the full corporate tax rate without unduly aggravating the penalty on risky business and without too greatly enhancing inducements for corporate splitups afforded by rate progression.

On the other hand, those opposed to an increase in the surtax exemption point out that in addition to the very sizable revenue loss involved, the benefits of the increased surtax exemption could not be confined to the small companies for which it was intended. While the effective rate reductions for large companies would be small, these companies would, nevertheless, obtain a disproportionately large share of the total reduction in tax liabilities. It is estimated, for example, that a $100,000 surtax exemption would result in tax reductions aggregating close to $1 billion, of which corporations with incomes over $100,000 would obtain about 65 percent.

(5) DECREASE IN THE NORMAL TAX RATE, INCREASE IN THE SURTAX RATE

Under present law, the normal tax rate is scheduled to decrease 5 percentage points, from 30 percent to 25 percent, on April 1, 1956. The present surtax of 22 percent would be continued, resulting in a combined marginal rate of 47 percent on income in excess of $25,000. The scheduled rate decrease would result in a revenue loss estimated at close to $2 billion on a full-year basis.

In view of the substantial revenue loss involved in the pending rate reduction and the disputed priority of general corporate tax reduction, it has been proposed that the scheduled decrease in the normal tax rate be compensated for by a corresponding increase in the surtax rate. Thus a 25 percent normal tax would be combined with a 27 percent surtax on incomes in excess of $25,000. The revenue loss from this proposal is estimated at about $225 million on a full-year basis at current levels of corporate income. Almost 50 percent of this tax reduction would be on account of corporations with incomes under $25,000 and about 80 percent would be accounted for by companies with incomes under $100,000. If a larger revenue loss were permissible, a more substantial reduction in the normal tax, say to 22 percent with an equivalent increase in the surtax rate to, say, 30 percent would further increase the share of the total tax reduction accruing to the benefit of small companies. This rate structure, it is estimated, would cost between 350 to 400 million dollars in Government revenues.

Proponents of this revision in the corporate tax rate structure point out that it would serve to spread the differential in effective rates of tax between large and small corporations. At the same time, they maintain, it would avoid the notch difficulties inherent in a limited graduation system and would avoid or minimize the objections raised against full graduation of marginal rates.

On the other hand, critics of this approach point out that so long as the surtax exemption remains at $25,000, compensating adjustments in the normal and surtax rates would not significantly reduce the adverse impact of the high combined rate on quite modest amounts of income. They point out that even though the total amount of tax savings under the proposal which would go to small companies is large relative to the tax savings of large companies, the savings for many small companies would be quite limited.

The following table compares the tax savings which would be obtained at various levels of taxable income under a $100,000 surtax exemption and under a 22 percent normal tax rate with a 30 percent surtax rate.

Taxable income	Present law tax	$100,000 surtax exemption		22 percent normal tax, 30 percent surtax	
		Amount of tax	Reduction from present law	Amount of tax	Reduction from present law
$5,000	$1,500	$1,500	----------	$1,100	$400
$10,000	3,000	3,000	----------	2,200	800
$25,000	7,500	7,500	----------	5,500	2,000
$50,000	20,500	15,000	$5,500	18,500	2,000
$100,000	46,500	30,000	16,500	44,500	2,000
$1,000,000	514,500	498,000	16,500	512,500	2,000
$10,000,000	5,194,500	5,178,000	16,500	5,192,500	2,000

UTILIZATION BY SMALLER POPULATED STATES OF UP TO 50 PERCENT OF UNSPENT HEALTH FUNDS

Mr. MALONE. Mr. President, on behalf of myself and the junior Senator from Nevada [Mr. BIBLE], I introduce, for appropriate reference, a bill which would allow smaller populated States to utilize up to 50 percent of unspent health funds.

The proposed legislation would directly benefit such needed projects and programs as general hospital construction which these States and their local agencies are both eager and financially able to support.

Under present law Federal funds for matching purposes are earmarked for specific categories. This law was designed to aid additional construction of rehabilitation centers, nursing homes, and so forth, because of the growing nationwide deficiency in this type of facility.

Our Intermountain States, because of small populations, tight budgets, and general economic inpracticabilities, have not been able to utilize a major share of this Federal financing.

They simply cannot isolate the health needs into separate categories and provide financial support as such. This result is a loss by default of offered Government assistance.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks, the bill as introduced.

There being no objection, the bill was ordered printed in the RECORD, as follows:

Be it enacted, etc., That title VI of the Public Health Service Act is amended by adding after part G thereof the following new part:

"PART H—TRANSFER OF UNUSED ALLOTMENTS

"Authorization to transfer

"SEC. 661. Upon the request of any State having a population of less than 700,000, according to the last decennial census, that not to exceed 50 percent of a specified portion of any allotment to such State for any purpose specified in section 621 or 651 be used for any other purpose under such sections, and upon the simultaneous certification to the Surgeon General by the State agency in such State to the effect that it has afforded a reasonable opportunity to make applications for the portion so specified and there have been no approvable applications for such portion, the Surgeon General shall, upon satisfaction that the aforementioned provisions are met, promptly adjust the allotments in accordance with such request and shall notify the State agency, and thereafter not to exceed 50 percent of the unused portion of the allotment shall be available for the purpose specified in the State's request."

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a description of the law as it now stands.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

Public Law 482, 83d Congress, 2d session, authorized $60 million annually for construction of public diagnostic or treatment centers, hospitals, rehabilitation facilities, and nursing homes; sets the minimum construction allotment for each State for diagnostic or treatment centers and chronic-disease hospitals at $100,000 and in the case of rehabilitation facilities and nursing at $50,000; requires all construction projects approved to be matched by public or nonprofit agencies sponsoring the project. Any funds paid to a State and not expended for the purposes for which paid shall be repaid to the Treasurer of the United States.)

There are definite earmarked funds for each of the above-mentioned facilities and if this is done the Department of Public Health is precluded by law from mixing these funds together. Nevada's share under these various programs could presently be authorized up to the amount of $500,000 but because of the practicalities involved in our sparsely populated State and the no doubt lack of matching funds, this money cannot be authorized.

The Washoe Medical Center is in dire need of a new surgical wing and under bond issue has raised $300,000. This amount they would like to have matched by the Government on a 50–50 basis, getting this money from the above-mentioned $500,000 which the State is authorized to use as mentioned on diagnostic or treatment centers, hospitals for the chronically ill and impaired, rehabilitation facilities, and nursing homes. As mentioned before, these funds are earmarked by law and cannot be taken from funds authorized for one purpose for use in another purpose—this being precluded by the authorization in the law itself. From the information I have gathered, the Department of Public Health has certain discretion in setting up varying amounts within the various programs, but does not have the discretion to move the funds out of one program to another (in this case for construction of surgical wing.) This, as mentioned, would no doubt have to be set up as an amendment to the law on the basis of the peculiarities of the States with small populations.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated January 11, 1956, addressed to me by Clyde W. Fox, administrator, Washoe Medical Center, Reno, Nev.; a letter dated January 13, 1956, addressed to me by the Nevada State Department of Health, Carson City, Nev.; and my letter of January 18, 1956, in reply thereto; and also a telegram to me dated January 17, 1956, from Dr. Fred Anderson, president, Nevada State Medical Society, and my reply to him dated January 18, 1956.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

WASHOE MEDICAL CENTER,
Reno, Nev., January 11, 1956.

Hon. GEORGE MALONE,
Senator of Nevada,
Washington, D. C.

DEAR SENATOR MALONE: The Washoe Medical Center needs your help on a very crucial problem.

The Hill-Burton funds for the construction of hospitals are obligated through the year 1957 for construction of hospitals in Las Vegas, Elko, and the State Hospital in Sparks. There is however, a fund of $500,000 set aside in a special category for nursing homes and outpatient treatment facilities. It appears that none of this money can be utilized by the State because there are no matching funds from any hospital available, for the type of facilities required by these funds. Already $50,000 of this amount has been transferred to California.

While it may be logical in larger States to have these funds restricted by such qualifications, it is ridiculous in a State the size of Nevada, particularly, when funds are so very much needed for the general construction of hospitals.

At the Washoe Medical Center, we have at present, available a $300,000 bond issue which was authorized in the 1954 election. It was our intent to build a new surgical wing with this money. The bids received, were $150,000 over the amount of the money available.

The Washoe Medical Center is the only emergency hospital within a large area and because of the medical talent in Reno, emergencies are sent to us from practically the whole State and eastern California. At this present writing, we have a capacity of 260 beds and have 262 patients in the hospital. This condition has prevailed for over a year. Due to this large load of patients, our other facilities are suffering from inadequacies. Our X-ray department needs to be doubled in size, as does also our laboratory. Our kitchen facilities are utterly inadequate to feed 262 patients plus 342 employees. We need an addition of 50 more beds but these could not possibly be added without correcting the above facilities.

If with our available $300,000, we could get matching funds of $300,000, we could then not only build our surgical wing but correct our outpatient and diagnostic floor, providing the necessary space and equipment for an adequate X-ray department, laboratory, and emergency room facilities. Our emergency room, 3 years ago, averaged 500 emergencies per month, and now we have close to 1,500 emergencies per month.

The population of Reno continues to grow and the hospital has to meet the needs of the community. I have talked the whole problem over with Mr. Don Baker, hospital consultant for the Nevada State Department of Health, and both he and Dr. Hurley are reluctant to see this $500,000 lost to State when it is so badly needed.

Is there any possibility of persuading the United States Department of Public Health to free these funds for use generally, rather than as they are now restricted? Or if this department is bound by the way the law is written, is there any way to get it liberalized by Congress?

This problem is crucial and urgent and any help you can give in getting it rectified will be greatly appreciated by all concerned.

Very truly yours,

CLYDE W. FOX,
Administrator, Washoe Medical Center.

NEVADA STATE DEPARTMENT OF HEALTH,
Carson City, Nev., January 13, 1956.

Hon. GEORGE W. MALONE,
Senator from Nevada, Senate Office Building, Washington, D. C.

DEAR SENATOR MALONE: This is written to request that you again plead Nevada's cause with regard to fund allocations made under Public Law 725 of the 79th Congress, and Public Law 482 of the 83d Congress.

Public Law 725, known as the Hill-Burton Act, provides Nevada with $200,000 per year to assist with the cost of hospital construction. Nevada has accomplished a great deal with this comparatively small allotment and could have accomplished more had additional funds been available.

Public Law 482, which is an amendment to Public Law 725, provides Nevada with an additional $300,000 per year, that is specifically earmarked for chronic disease hospital, diagnostic and treatment center, nursing home, and rehabilitation facility construction.

To summarize Nevada's problem, it appears that we will be unable to fully utilize these funds and are faced with the possibility of having to transfer them to a neighboring State. This will result in Nevada transferring hundreds of thousands of dollars, under an amendment to the Hospital Construction Act, to a neighboring State in spite of the fact that several of our hospitals are desperately in need of assistance to improve inadequate physical plants.

From the Nevada point of view, a more workable arrangement would be to expand the original Hill-Burton Act to include these special categories and provide an adequate appropriation with which to carry on the expanded program. Or amend Public Law 482 so that the smaller States could lump all Federal funds allocated under all provisions of the Hill-Burton Act into one sum to be allocated by the State agency where the need exists, and where sponsor funds are available.

I appreciate your efforts following my January 31, 1955 letter, and hope you will see fit to again call this to the attention of those directly concerned.

Respectfully,

DANIEL J. HURLEY, M. D.,
Acting State Health Officer.
DONALD A. BAKER,
Hospital Services Consultant.

JANUARY 18, 1956.

Mr. DONALD A. BAKER,
Hospital Services Consultant,
Nevada State Department of Health,
Carson City, Nev.

DEAR MR. BAKER: Upon receipt of your recent letter I thoroughly checked into the feasibility of using Federal funds available to the State under various individual programs for funds to match with the $300,000 raised by bond issue for the Washoe Medical Center for construction of a new surgical wing.

I have been informed that these funds are specifically earmarked by program, i. e., rehabilitation facilities, chronic disease and treatment centers, nursing homes, etc., and cannot, by law, be transferred for general hospital construction.

Under existing law, the Surgeon General has discretion only in transferring funds intra programs but cannot transfer funds between actual programs themselves.

I am keenly aware of the need for your facilities at the Washoe Medical Center as it serves not only a wide portion of the State but also eastern California counties. I recognize also the strategic importance from a civil and military defense standpoint in the event of a west coast disaster.

Because of the fact that funds are not now existing by law for the desired use and the glaring need for additional facilities for this area, I have started the wheels moving to introduce an amendment to the existing legislation to rectify the situation.

Sincerely,

GEORGE W. MALONE,
United States Senator.

RENO, NEV., *January 17, 1956.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

Have reviewed certain Hill-Burton fund limitations for hospital construction in Nevada as contained in letter January 11 from administrator at Washoe Medical Center. These special limitations hamper utilization of funds in Nevada. Congressional intent understood by doctors to be provision of facilities for better medical care in rural or sparsely populated areas. Washoe Medical Center unique in this capacity, serving most of Nevada and large rural area of California. Any action or change to make more funds available for Washoe Medical Center or other general hospitals in Nevada would greatly benefit for rural areas. Nevada hospitals also strategically important from civil defense standpoint if any west-coast disaster occurs. Nevada doctors would appreciate your consideration on this.

DR. FRED ANDERSON,
President, State Medical Society.

JANUARY 18, 1956.

FRED ANDERSON, M. D.,
President, State Medical
Society, Reno, Nev.

DEAR FRED: Upon receipt of your recent wire I thoroughly checked into the feasibility of using Federal funds available to the State under the various individual programs for funds to match with the $300,000 raised by bond issue for the Washoe Medical Center for construction of a new surgical wing.

I have been informed that these funds are specifically earmarked by program, i. e., rehabilitation facilities, chronic disease and treatment centers, nursing homes, etc., and cannot, by law, be transferred for general hospital construction.

Under existing law, the Surgeon General has discretion only in transferring funds intraprograms, but cannot transfer funds between actual programs themselves.

I am keenly aware of the need for your facilities at the Washoe Medical Center as it serves not only a wide portion of the State but also eastern California counties. I recognize also the strategic importance from a civil and military defense standpoint in the event of a west-coast disaster.

Because of the fact that funds are not now existing by law for the desired use and the glaring need for additional facilities for this area, I have started the wheels moving to introduce an amendment to the existing legislation to rectify the situation (a copy of which will be sent out for approval).

Sincerely,

GEORGE W. MALONE,
United States Senator.

JANUARY 18, 1956.

Mrs. PEARL O. BOYLE,
Personnel Director,
Washoe Medical Center,
Reno, Nev.

DEAR MRS. BOYLE: Upon receipt of your recent wire I thoroughly checked into the feasibility of using Federal funds available to the State under various individual programs for funds to match with the $300,000 raised by bond issue for the Washoe Medical Center for construction of a new surgical wing.

I have been informed that these funds are specifically earmarked by program, i. e., rehabilitation facilities, chronic disease and treatment centers, nursing homes, etc., and cannot by law, be transferred for general hospital construction.

Under existing law, the Surgeon General has discretion only in transferring funds intraprograms but cannot transfer funds between actual programs themselves.

I am keenly aware of the need for your facilities at the Washoe Medical Center as it serves not only a wide portion of the State but also eastern California counties. I recognize also the strategic importance from a civil and military defense standpoint in the event of a west coast disaster.

Because of the fact that funds are not now existing by law for the desired use and the glaring need for additional facilities for this area, I have started the wheels moving to introduce an amendment to the existing legislation to rectify the situation.

Sincerely,

GEORGE W. MALONE,
United States Senator.

RENO, NEV., *January 16, 1956.*

Senator GEORGE MALONE,
Washington, D. C.:

Three-hundred-thousand-dollar bond issue funds WMC may be used for Federal matching hospital construction. Do your best.

PEARL O. BOYLE,
Personnel Director, Washoe Medical Center.

Mr. MALONE. Mr. President, to qualify under the bill, which would release one-half of the program-earmarked moneys for other programs, the States need only to certify to the Surgeon General of the United States that the funds would otherwise be lost to them.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3130) to amend the hospital survey and construction provisions of the Public Health Service Act with respect to transfer of unused allotments, introduced by Mr. MALONE (for himself and Mr. BIBLE), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

EMERGENCY WATERSHED AND FLOOD DANGER IN CACHE NATIONAL FOREST

Mr. BENNETT. Mr. President, I am preparing a bill designed to meet an emergency watershed and flood danger in the Cache National Forest east of the city of Ogden and north into Box Elder County in Utah. I am having some difficulty in preparing the technical language, and I ask unanimous consent that the bill may be filed with the Parliamentarian in his office before the close of business today.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the bill, when filed, will be received and appropriately referred.

Mr. BENNETT. I should like to make a brief statement, then, with respect to the bill.

The PRESIDENT pro tempore. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, the city of Ogden and north into Box Elder County in Utah.

The Federal Government has a $10 million investment in the Pine View Dam serving the Ogden area. During the past year the reservoir back of the dam was drained and pipes which stood 4 feet above the reservoir bottom only 14 years ago are now buried under 6 feet of silt, a staggerng total of 10 feet in 14 years. This is largely the result of poor conservation practices in the watersheds feeding into the dam.

The bill authorizes the expenditure of $200,000 which will enable the Forest Service to cooperate with local groups in purchasing key land to meet this critical threat. Local groups have collected more than $100,000 during past years to buy the land and turn it over to the Forest Service. The Federal Government has provided $74,800 from Cache National Forest receipts, all of which would have otherwise gone to the counties involved.

The Cache purchase unit represents a model program of local and Federal cooperation on a partnership basis to prevent the despoiling of valuable watersheds. However, much of the critically needed land is now being offered for sale and the local people lack the resources to make the purchase. The people of the area are bending every effort to do their share and more. Weber County has made a recent option to purchase lands in the project area for $45,000 and the North Ogden Kiwanis Club is starting a drive for another $5,000. Other smaller contributions have been made by the local citizenry. It is a holy cause with them, and justifiably so. The Weber County Watershed Protective Corporation is paying $5,000 down on a $17,000 contract for 2,500 acres of critical lands adjoining the Weber County Option. They are now, however, at the end of their resources, and need the emergency assistance of the Federal Government to aid them in purchasing the lands which have hitherto not been available, and may not be at a later time unless the purchase is made now.

In addition to the $10 million investment which the Federal Government has in the Pine View Dam, there is a flood threat to the Hill Air Force Base and other Federal installations. For example, in 1952 floods coursed out of the mountains east of Ogden, wreaking havoc, severing transcontinental arterial highways, and threatening the railroads.

There is an immediate need for $65,000 to purchase strategically located tracts in fiscal year 1957, over and above the local efforts already underway which I have described. I therefore hope that the Agricultural Committee will take early action so that there might be an appropriation this year.

Mr. President, I have requested the Appropriations Committee to make an annual appropriation of $10,000 for 10 years, but the amount of money I have mentioned is what will be needed to complete the whole project.

My colleague, the senior Senator from Utah [Mr. WATKINS] joins with me in the bill which I am introducing.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. WATKINS. Is it not true that the local groups the Senator has mentioned have been collecting money for many years to aid in the purchase of lands which are forest lands in character and really ought to be a part of the national forests? They have been doing that in order to have better conservation practices on that land than those which existed in the past, when the land was privately owned. Is that not correct?

Mr. BENNETT. That is true, and the lands have been taken over without cost to the Forest Service, in order to bring the whole watershed under a single management.

Mr. WATKINS. Does not the Senator believe that in this case there actually ought to be an exception to any general policy of no further increase in Federal holdings of land, which policy has been more or less in effect now for several years? In other words, during the war years there was a policy in effect to purchase lands for Federal purposes. Since the war the Government has been trying gradually to divest itself of those lands. An entirely different situation is embraced in the land under discussion, is it not?

Mr. BENNETT. There are involved small tracts of land located within the forest boundaries or adjacent to them, which should be included in the forest area, in order that there might be comprehensive and unified operation of the watershed, which is so vital to this metropolitan area and to Federal installations in the area.

Mr. WATKINS. I know the Senator has been very much interested in the matter ever since he came to the Senate, and I commend him for introducing the bill. I am glad to join with him in the bill. In a case where there are local

organizations and local people in a community who are willing to furnish money for the purchase of lands, so that they may be made part of the forest, I think that policy ought to be encouraged. I think it would be of benefit to the people in that area.

Mr. BENNETT. I thank my colleague for his participation in the discussion.

Subsequently, Mr. BENNETT (for himself and Mr. WATKINS) filed the following bill, which was read twice by its title and referred to the Committee on Agriculture and Forestry:

S. 3132. A bill to provide for purchase of lands within the Cache National Forest, Utah, to promote prevention of floods and minimization of soil erosion, and for other purposes.

Mr. WATKINS subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with the colloquy I had earlier in the day with my colleague, the junior Senator from Utah [Mr. BENNETT] on the bill to authorize an appropriation to complete acquisition by the Forest Service of private lands within the exterior boundaries of the Cache National Forest, in Utah, a statement which I send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

APPROPRIATION FOR CACHE NATIONAL FOREST

(Statement by Senator WATKINS)

I rise in explanation of the bill Senator BENNETT and I have authored to authorize the appropriation of $200,000 to complete acquisition by the Forest Service of private lands within the exterior boundaries of the Cache National Forest in Utah.

By an act approved May 11, 1938, and amended in May 1944, Congress authorized the purchase of these lands to assure that they would be managed with adjoining national forest land, so as to minimize soil erosion and prevent flood damage in the valleys below. This act also authorized appropriation by the Congress of $10,000 annually from receipts from timber sold off the Cache National Forest in Utah to pay for the lands acquired under the act.

The need for action to avoid repetition of floods which had plagued the area led to the formation of local nonprofit organizations to aid in the rehabilitation and protection of these Cache National Forest lands which comprise a large part of local municipal watershed areas. They together with local governmental units have purchased over 20,000 acres of land at a cost of over $96,000, and have donated these lands to the United States.

Since 1941, the Forest Service out of appropriations authorized by this law have acquired some 19,500 acres at a cost of $74,000. There remains as much or more privately owned land within these watersheds which have been, and can again be, the cause of destructive floods and a continuing increase of sedimentation damage to irrigation lands, canals, and reservoirs. These lands should be purchased.

It requires considerable time and effort to secure options to some of these lands, after the funds to purchase have been assured. Many of the options to purchase these lands will expire long before funds are available under the present law, which limits the annual appropriation to $10,000 of the receipts from the Cache National Forest in Utah.

The Weber County Watershed Protective Corp., one of the groups which has played a major role in acquiring and donating these private lands to the Federal Government, informs me that $65,000 could be used during the next fiscal year if Federal funds in that amount were made available. Specifically, the lands to be purchased include:

1. Five hundred acres in the Brigham City watershed area which the Wellsville Mountain Area Project Corp. in Box Elder County, Utah, can secure.

2. Balance of private lands in the north Ogden range watershed in Weber County, upon which the Weber County Watershed Protective Corp. have options.

3. Two thousand five hundred acres in the Weber County North Fork watershed area.

A total of 20,000 acres, including those mentioned, remain to be purchased on the Wasatch Mountain range from Weber Canyon on the south, through Weber, Box Elder, and Cache Counties to Collinston, Utah, on the north.

This project, in the best interest of all parties—the local people, the Forest Service, the owner of these private lands—ought to be concluded as rapidly as possible. Another 15 to 20 years is too long to wait for proper soil-erosion control and water conservation on these valuable watershed lands. Floods in that area are not respecters of persons or property.

PAYMENT TO CROW INDIAN TRIBE FOR CONSENT TO TRANSFER RIGHT-OF-WAY FOR YELLOWTAIL DAM AND RESERVOIR

Mr. MANSFIELD. Mr. President, I am about to introduce a joint resolution, and I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Montana may proceed.

Mr. MANSFIELD. Mr. President, on behalf of my colleague the senior Senator from Montana [Mr. MURRAY], chairman of the Committee on Interior and Insular Affairs, and myself, as the junior Senator from Montana, I introduce a joint resolution which would authorize payment of $5 million to the Crow Indian Tribe in Montana in consideration of its consent to the conveyance to the United States of all rights, title, and interest in the approximately 7,000 acres of land under the Crow Indian Reservation required for right-of-way for Yellowtail Dam and Reservoir on the Big Horn River in Montana and Wyoming. Both of these States are interested acutely in Yellowtail Dam and power to be produced there, as well as water conservation.

I ask unanimous consent that the joint resolution be printed in full at the conclusion of my brief statement. We request that the resolution be referred to the appropriate committee for immediate consideration because of the urgency of getting a settlement of the right-of-way problem so that construction of Yellowtail Dam as a unit of the Missouri River Basin project may be gotten under construction promptly.

The Congress authorized Yellowtail Dam in the Flood Control Act of 1944. Under the leadership of the Senator from Wyoming [Mr. O'MAHONEY] since then it has appropriated, and the Bureau of Reclamation has expended, more than $2½ million on investigations and preliminary plans for Yellowtail Dam and powerplant. In the public works appropriation bill for fiscal year 1956, the Congress wrote in on its own motion an initial appropriation of $4 million to begin actual construction of Yellowtail Dam. Three Secretaries of the Interior, including the incumbent, have found the project feasible from an economic, financial, and engineering standpoint, and recommended its construction to the Bureau of the Budget. For some unexplained reason, previous to January 1956, neither the President nor the Budget Bureau had recommended an appropriation. However, the Congress, after exhaustive hearings before the House and Senate Interior and Insular Affairs Committees and the Appropriations Committees, included an initial appropriation of $4 million, as I have stated, in the 1956 public works appropriation bill.

The President, on July 15, signed the Public Works appropriation bill into law including the Yellowtail Dam appropriation. Immediate thereafter the Bureau of Reclamation, acting for the Secretary of the Interior, began discussions with the Crow Indian Tribe, looking to an agreement on a figure for the right-of-way involving approximately 7,000 acres of Crow Indian land which I have mentioned. The various offers and counteroffers in connection with these discussions are set forth under each of several whereases in the joint resolution.

President Eisenhower, in sending his budget message for fiscal year 1957 to the Congress, included an additional $10,850,000 to carry on the construction of Yellowtail Dam. This action by the President brings for the first time the President, executive department, the Congress, and the Crow Indian Tribe, through a resolution adopted on January 11, 1956, into a unified effort to start construction of the dam.

By reason of the fact that the Congress initiated the appropriation to start construction of Yellowtail Dam in the 1956 Public Work appropriation bill, it seems logical that it should share the responsibility for expediting a settlement with the Crow Indians under which the tribe in Montana would consent to the conveyance of the necessary land in its reservation to the United States.

The senior Senator from Montana [Mr. MURRAY], and I, after an exhaustive review of the matter, have come to the conclusion that $5 million is a fair price for the Crow Indian lands necessary for the construction of Yellowtail Dam.

It is our feeling that the United States, through the Federal Power Commission and the Department of the Interior, has set a precedent in a similar situation on the Flathead Indian Reservation in Montana. In the Flathead case, the two agencies seem to us to have recognized power-site values in connection with Indian lands and required the Montana Power Co. to agree, in a Federal Power Commission license, to pay the Flathead Indians substantial sums for the use of Indian lands in the construction and operation of Kerr Dam.

It should be pointed out that whatever the cost of the land, either in the Yellowtail Dam case for the Crow Indians or in the Kerr Dam case for the Flathead Indians, will be passed on to the power consumers and any payments

made either by the Government or the Montana Power Co. come out of power revenues resulting from the operation of the respective power facilities. We understand that our colleague in the House of Representatives, Hon. LEE METCALF, of the First District of Montana, will, at the first opportunity, introduce a companion joint resolution for consideration of the House of Representatives.

I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter on this subject dated February 2, to the Secretary of the Interior, signed by the senior Senator from Montana [Mr. MURRAY], Representative METCALF, and myself.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution and letter will be printed in the RECORD.

The joint resolution (S. J. Res. 135) for payment to Crow Indian Tribe for consent to transfer of right of way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, Montana-Wyoming, introduced by Mr. MANSFIELD (for Mr. MURRAY and himself), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Resolved, etc.—

Whereas Yellowtail Dam and Reservoir were authorized for construction by the Secretary of the Interior under the provisions of section 9 (a) of the Flood Control Act of 1944 (58 Stat. 887), for power production, irrigation, flood control, and other conservation purposes; and

Whereas under appropriations by the Congress, the Secretary of the Interior, through the Bureau of Reclamation, has expended more than $2.5 million for investigations and preparation of preliminary plans and designs for Yellowtail Dam as a part of the Hardin Unit, Missouri River Basin project; and

Whereas three Secretaries of the Interior have found Yellowtail Dam feasible from an economic, financial, and engineering standpoint, and recommended the appropriation of funds to initiate its construction; and

Whereas the Congress, on the recommendation of its Appropriations Committees, in the Public Works Appropriation Act for fiscal year 1956, included an allocation of $4 million to initiate construction of Yellowtail Dam in the construction and rehabilitation funds for the Bureau of Reclamation, Department of the Interior; and

Whereas the President of the United States on July 15, 1955 signed into law the "Public Works Appropriation Act, 1956" including funds for initiation of Yellowtail Dam construction and the Bureau of the Budget subsequently approved recommendations of the Department of the Interior for the apportionment of funds under the reclamation program for fiscal year 1956 to initiate said construction; and

Whereas the President has recommended in the fiscal year 1957 budget an additional $10,850,000 to continue construction of Yellowtail Dam, thus giving additional sanction to the previous action of the Congress in this respect; and

Whereas the Bureau of Reclamation and the Bureau of Indian Affairs had recommended, and the Department of the Interior had approved, an appraisal of $1,500,000 as the fair value of approximately 7,000 acres of land under the Crow Indian Reservation required for right-of-way for Yellowtail Dam and Reservoir; and

Whereas the Crow Indian Tribal Council on September 16, 1955 adopted a resolution proposing that the Crow Tribe be paid an annual rental of $1 million for a period of 50 years for the Yellowtail Dam right-of-way, after which ownership of the dam and powerplant would revert to tribal ownership, which resolution was subsequently rescinded; and

Whereas the Crow Tribal Council, by resolution No. 63 adopted on January 12, 1956, on the basis of a recommendation of its consulting engineer, set the value of Crow Indian land for Yellowtail Dam and Reservoir right-of-way and offered to consent to the transfer of same to the United States for $5 million, stipulating that the Crow Tribal Council should retain mineral and recreation facility rights in the area; and

Whereas the Supreme Court in an opinion handed down January 23, 1956, held in the case of *United States* v. *Twin City Power Company* that the Government was not required to pay for undeveloped power site values in acquiring land for hydroelectric developments; and

Whereas lands in Indian tribal ownership have heretofore been recognized as in category different from that of privately owned lands, as illustrated by the approval by the Federal Power Commission and the Secretary of the Interior of substantial compensation to the Flathead Indian Tribe for the use of lands in Montana required in construction and operation of Kerr project on the Flathead River. (In this instance by a license granted the Montana Power Co., the Federal Power Commission fixed the amount to be paid as compensation for the use of Flathead Indian tribal lands over a period of 20 years at $2,929,000); and

Whereas these as well as all other construction costs of power facilities, whether Federal or private, are passed on to the consumers through rates fixed under Federal or State laws; and

Whereas the economic and financial feasibility of the Yellowtail Dam development will be maintained primarily from power revenues notwithstanding the estimated increased costs due to higher valuation of the rights-of-way asked by the Crow Indians; and

Whereas there are urgent requirements for additional hydroelectric power to meet the expanding demands in eastern Montana, Wyoming, North Dakota, and elsewhere, served by the Missouri River Basin Public Power System of the Bureau of Reclamation as well as for irrigation pumping: Now, therefore, be it

Resolved, etc., That the Secretary of the Interior be authorized and directed to accept the offer of the Crow Tribal Council in its Resolution No. 63, of January 11, 1956, and pay to the Crow Tribal Council, for distribution to the individual members of the Crow Tribe as they may elect, not to exceed in the aggregate the sum of $5 million, provided that approximately 30 percent of the qualified members of the Crow Tribe shall, within 30 days after the passage of this resolution, agree in writing by such means as the Secretary shall prescribe to grant the United States, on behalf of the Secretary of the Interior, right of entry to the Yellowtail Dam site and permit the Secretary of the Interior, through the Bureau of Reclamation, to carry on such activities as are necessary to initiate construction of the dam.

SEC. 2. The Crow Tribal Council, or the qualified individual members of the Crow Tribe, shall join in consenting to the conveyance to the United States of all rights (excepting minerals), title, and interest in said lands required for the Yellowtail Dam right of way which are in Indian ownership.

SEC. 3. Payment in cash or in such form as the Tribal Council may elect to carry out the direction set forth in this resolution shall be made by the Secretary of the Interior with the least possible delay.

SEC. 4. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this act: *Provided*, That for the protection of the Crow Indians, fees and expenses of counsel for the Crow Indian Tribe in connection with the settlement of claims related to Yellowtail Dam right of way shall be fixed by the Secretary of the Interior and in no event shall exceed 1 percent of the net amount paid under authority of this resolution.

The letter presented by Mr. MANSFIELD is as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
February 2, 1956.

Hon. DOUGLAS MCKAY,
Secretary of the Interior,
Department of the Interior,
Washington, D. C.

DEAR MR. SECRETARY: Please refer to previous correspondence, Committee Prints, hearings, and other material concerning a settlement with the Crow Indian Tribe in Montana for necessary rights of way so as to expedite construction of Yellowtail Dam, Hardin unit, Missouri River Basin project.

After full consideration of all factors, including precedents, we propose that the Crow Tribal Council's offer of $5 million in connection with the right-of-way be accepted. This course will be implemented promptly by the introduction of appropriate legislation authorizing appropriation of that amount in accordance with a Tribal Council's Resolution 63 (pt. I) adopted January 11, 1956. The Council has agreed to consent to the transfer of the necessary land to the United States for use in connection with the construction and operation of Yellowtail Dam and reservoir.

Our contacts by correspondence and at conferences have been with Under Secretary Davis, Commissioner Dexheimer, and other members of your staff who have been most cooperative. Presumably they have kept you advised. You, as Secretary of the Interior, have telegraphed and written to the Crow Indian Tribal Council, setting forth certain views of the Department of the Interior with respect to this matter.

Since the decision of the Supreme Court on January 23, 1956 in the case of the *United States* v. *Twin City Power Company*, with respect to the power-site values in connection with condemnation proceedings and recent action of the Crow Tribal Council in Montana, we have re-examined the situation that has been discussed here, as well as by the Crow Indian Council in Montana. In this connection, our attention has been called to the precedent established in the 1930's, with relation to the license by the Federal Power Commission to the Montana Power Co., authorizing the construction of Kerr Dam on the Flathead River in Montana. The circumstances leading up to the requirement of adequate compensation to the Flathead Indian Tribe for rights-of-way in connection with Kerr Dam have been brought to our attention.

The records, we believe you will find, show that the Secretary of the Interior required and the Federal Power Commission approved a provision in the license to the Montana Power Co. under which the licensee agreed to compensate the Flathead Indian Tribe for power-site values in connection with the right-of-way required for Kerr dam and reservoir. The Montana Power Co. accepted this condition and agreed that, over a period of approximately 20 years, payments in the amount of $2,929,000 would be made to the Flathead Indian Tribe as compensation for the use of the land for that power development. It is our understanding that at the end of the 20 years the Montana Power Co. is required to renew the agreement for compensation to the Flathead Indians at a rate

of payment to be approved by the Secretary of the Interior and the Federal Power Commission.

In the light of this precedent, together with the action of the President on January 16, 1956, in recommending $10,850,000 in additional construction funds for Yellowtail Dam, a prompt settlement with the Crow Indians is imperative. The approved reclamation program recognizes that urgently needed additional power in the Missouri River Basin power system area can most economically be provided only through Yellowtail Dam.

You are aware, of course, that the Crow Tribal Council has receded from an earlier demand for a rental of the Yellowtail Dam right-of-way of $1 million annually for 50 years, with other stringent financial requirements, such as reversion of the dam and powerplant to the tribe at the conclusion of that period.

On January 11, the Crow Tribal Council adopted resolution No. 63, plan No. 1. This plan provided for a cash consideration of $5 million to be paid on or before December 1, 1956. In consideration of this payment, the Crow Tribe agreed to consent to the conveyance to the United States of approximately 6,997 acres of land for the purpose of location and use in construction of Yellowtail Dam and Reservoir. Included in plan No. 1 were certain reservations with respect to minerals and recreation phases.

There is now unanimity on the part of the President, your Department, the Congress, and the Crow Indian Tribe that construction of Yellowtail Dam should go forward promptly. In the light of the precedent of the Kerr Dam-Flathead Indian compensation agreement approved by responsible Government agencies and all of the other factors, it is our considered judgment that the $5 million offer of the Crow Indian Tribal Council should be accepted without delay.

To that end we are preparing for introduction in the Senate and House of Representatives a joint resolution which would authorize and direct the Secretary of the Interior to make an immediate settlement with the Crow Indians for the Yellowtail Dam right-of-way. As I have indicated, the basis for the settlement would be plan No. 1 of Resolution No. 63, adopted by the Crow Tribal Council, of which you no doubt have a copy.

Sincerely,

JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs.
MIKE MANSFIELD,
United States Senator from Montana.
LEE METCALF,
Member of Congress, First District, Montana.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. O'MAHONEY. I have listened with interest to the remarks of the Senator from Montana with respect to the attempt now to expedite the construction of this dam. I am impressed with the feeling that the people of the United States, who year after year in the newspapers, on the radio, and in recent years on the television screen have been shown the disastrous results which follow the failure of Congress to control flooding waters, will eventually decide that no selfish interest of any kind will be allowed by continued opposition to prevent or delay the construction of the necessary works to control floods.

The rivers upon which the works are built are found in all sections of the country. Year by year they bring disaster to millions of families, and sometimes wipe out entire communities. The Red Cross is summoned to aid the people who suffer, and still objection is raised by all manner of diversionary arguments on the part of those who would prefer to make a few dollars out of inadequate power developments, rather than to see the flooding waters of our rivers brought under control, so that everybody would benefit.

As the Senator from Montana knows, during the past years I have been a member of the Committee on Interior and Insular Affairs and also of the Committee on Appropriations. I have welcomed every opportunity which has come to me to do justice to the Indians. Reimbursement was provided for the Indians when the Army engineers were authorized to build Garrison Dam. Other efforts also have been made to help the Indians.

The construction of the Yellowtail Dam is of great interest, not only to Montana, but also to northern Wyoming. I supported the initial moves which were made in the Committee on Appropriations last year to authorize the construction of the Yellowtail Dam. There seems to be no doubt now that the Department of the Interior is in agreement with those who have been urging the Yellowtail project.

I want the Senator from Montana to know that as a member of the Committee on Interior and Insular Affairs, and as chairman of the Subcommittee on Indian Affairs, I shall make every effort I can to bring about a just settlement between the Indians and the Government in connection with this project, which ought to be beneficial to the Indians and to all others concerned. I congratulate the junior Senator from Montana and his colleague, the senior Senator from Montana [Mr. MURRAY] and Representative METCALF, as well, upon the steps they are taking to authorize this settlement.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Wyoming has been a tried and true friend of developments in Montana. Most especially has he been a friend in trying to bring about some adjudication of the difficulties concerning the construction of the Yellow Tail Dam on the Crow Indian Reservation.

Mr. O'MAHONEY. Mr. President, I should like to have the Senator from Montana amend his remarks so as to include Wyoming.

Mr. MANSFIELD. I was about to do that. I know that the Senator's first interest always is Wyoming. That is well known not only in the Senate and in the State of Wyoming itself, but also throughout the Nation as a whole. Nevertheless, I wished to point out that the distinguished Senator from Wyoming, as chairman of the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs, has done outstanding work in recognizing our need in southeastern Montana which, by the same token, also is tied with the needs of his State, especially the northern part of Wyoming.

It is the hope of the senior Senator from Montana [Mr. MURRAY], and my hope, as well, that the joint resolution we have introduced will receive speedy and favorable consideration, because we feel that the offer made by the Crow Indian Tribe to sell right-of-way and dam site for approximately $5 million is a worthy one and should be agreed to. The reason for the introduction of the resolution is that within the past week or so Secretary of the Interior Douglas McKay rejected the offer.

We feel that the Crow Tribal Council is on the right track, and we intend to show in this way that we are fully in support of their claim for a $5 million settlement.

Again, I wish to thank the distinguished Senator from Wyoming for his continued assistance in the matter, and to assure him that we shall take him up on his offer and shall look forward to further assistance from him in connection with this particular project.

Mr. O'MAHONEY. I thank the Senator from Montana.

AMENDMENT OF NATURAL GAS ACT, AS AMENDED—AMENDMENTS

Mr. DOUGLAS. Mr. President, I submit an amendment, intended to be proposed by me, to the bill (S. 1853) to amend the Natural Gas Act, as amended, which would exempt from the Natural Gas Act those producers of natural gas who sell less than 2 billion cubic feet a year.

Although I have submitted this amendment previously as an amendment in the nature of a substitute, I believe it well to anticipate possible parliamentary changes which make it desirable to have this amendment before the Senate in the present form.

I ask that the amendment be printed and lie on the table. I ask unanimous consent that the text of the amendment be printed in the RECORD, together with a brief outline of the reasons for the adoption of this amendment.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table; and, without objection, the amendment and outline will be printed in the RECORD.

The amendment submitted by Mr. DOUGLAS is as follows:

Beginning with line 4 on page 5, strike out over through line 14 on page 10, and insert in lieu thereof the following:

SEC. 2. Subsection (b) of section 1 of the Natural Gas Act, as amended, is hereby amended by striking out the period at the end thereof and adding the following: "or to any transportation or sale of natural gas for resale in interstate commerce which occurs at or prior to the completion of production or gathering during any calendar year by any person if (1) during the preceding calendar year the total sales of natural gas for resale in interstate commerce by such person, alone or in the aggregate with affiliated producers and gatherers, did not exceed 2 billion cubic feet computed at fourteen and sixty-five hundredths pounds per square inch absolute at 60° Fahrenheit, and (2) such persion is not a natural-gas company by reason of other transportation or sale of natural gas for resale in interstate commerce and is not affiliated with a natural-gas company."

SEC. 3. Section 2 of such act is amended by inserting "(a)" after the section number

and by adding at the end thereof the following new subsection:

"(b) For the purposes of this act, a person shall be deemed to be affiliated with a producer or gatherer if such person directly or indirectly controls, is controlled by or is under common control with such producer or gatherer by reason of voting stock interest, common officers, directors, or stockholders, voting trusts, or by any other direct or indirect means."

The outline presented by Mr. DOUGLAS is as follows:

THE CASE FOR THE DOUGLAS AMENDMENT TO THE NATURAL GAS BILL

(Summary by Senator PAUL H. DOUGLAS, of Illinois)

I. It would free the really small producers from all regulation.

A. Only producers selling more than 2 billion cubic feet of natural gas in interstate commerce annually would have their sales regulated.

1. All others would be freed from any burden of regulation.

B. More than 96 percent of all producers selling gas to interstate pipelines would be exempt.

1. In 1954, 5,557 gas producers sold gas in interstate commerce. Of these, 5,360 sold less than 2 billion cubic feet and would, on this basis, be exempt.

II. Regulation would be workable and simplified.

A. The sales of only 197 (based on 1954 sales) producers would be regulated.

1. These were less than 4 percent of the total.

B. The burden on the FPC would be much lighter.

1. Even though the Fulbright bill provides no effective regulation, it requires the Commission on application by pipelines to examine and approve all contracts for sales of gas to interstate pipelines. The small producers' contracts are thus subject to whatever review the Commission is ordered to make.

III. The consumer would still be protected.

A. Sales of 90 percent of the gas would still be regulated.

1. The 197 producers sold, in 1954, 90 percent of the gas sold to interstate pipelines.

2. The sales of producers selling less than 2 billion cubic feet per year are too small to influence the price of gas substantially for the consumer.

Mr. DOUGLAS also submitted amendments, intended to be proposed by him, to the bill (S. 1853) to amend the Natural Gas Act, as amended, which were ordered to lie on the table and to be printed.

Mr. DOUGLAS also submitted amendments, intended to be proposed by him, to the bill (H. R. 6645) to amend the Natural Gas Act, as amended, which were ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 1853) to amend the Natural Gas Act, as amended, which were ordered to lie on the table and to be printed.

Mr. POTTER submitted amendments, intended to be proposed by him, to Senate bill 1853, supra, which were ordered to lie on the table and to be printed.

AMENDMENT OF TITLE II OF SOCIAL SECURITY ACT—AMENDMENT

The PRESIDENT pro tempore, as a Senator from Georgia, submitted an amendment, intended to be proposed by him, to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability-insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

The PRESIDENT pro tempore. As a Senator, and as chairman of the Committee on Foreign Relations, the Chair desires to announce that the Senate received today the following nominations:

Raymond T. Bowman, of Pennsylvania, to be the representative of the United States of America on the Statistical Commission of the Economic and Social Council of the United Nations;

Mrs. Lorena B. Hahn, of Nebraska, to be the Representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations.

Notice is given that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CARLSON:

Program and transcript of proceedings of Presidential prayer breakfast held in Washington, D. C., on February 2, 1956.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I have a brief announcement which I should like to make. I request the attention of the distinguished minority leader.

In accordance with the plans made by the leadership in cooperation with the opponents of the unfinished business, it is our plan, and the Senate has already given consent, to have the Senate meet at 10 o'clock on Monday, next. At the conclusion of the morning hour on Monday, we shall proceed to the consideration of any amendments, motions, substitutes, or appeals the Senate may desire to consider in connection with the unfinished business. There will be 1 hour on each of those, except in the case of a motion to lay on the table; and there will be 3 hours on the bill, as amended.

Mr. President, it has been rather generally agreed among the leaders that, by reaching this agreement, we could dispose of the unfinished business on Monday.

There is considerable demand among Senators to have the Senate proceed to consideration of the sugar bill. So I wish every Senator to be on notice and to have ample notice—and I announced this on yesterday and on the day before, and I shall announce it again, when the Senate meets Monday—that it is the plan of the majority leader, who hopes the minority leader will support him, to have the Senate complete action on the unfinished business on Monday, and to remain in session late into the evening, if necessary, in order to do so.

Mr. President, there are some of us who thought the bill could be finished on Wednesday, or certainly on Thursday. On yesterday, there was no debate of any length. Apparently there is to be no discussion of the unfinished business today. We do not plan to have a Saturday session, unless some Senators request one.

But in order to attempt to accommodate all Senators, and in the belief that we can complete action on the natural gas bill on Monday, the Senate will convene early on Monday; and therefore I wish to give notice to all Senators who may have engagements that they should arrange their schedules accordingly.

It is contemplated that after disposing of the natural-gas bill, the Senate will take up the sugar bill, on Tuesday, and will consider it on Tuesday and, if necessary, on Wednesday.

I now repeat what I already have said several times, namely, that at the conclusion of the business of the Senate on Wednesday, it is not contemplated that there will be any yea-and-nay votes or the consideration of any major business, so far as the majority leader can arrange, until the following Wednesday. Let me inquire whether the minority leader is in agreement as to that.

Mr. KNOWLAND. Yes; the majority leader has not only expressed his views, but also those of the minority leader. Certainly there has been ample time for the consideration of the natural-gas bill. We have expressed the hope of Senators who favor the bill and also Senators who oppose the bill, as well as Senators on both sides of the aisle, that the Senate may complete action on the bill on Monday, and then may take up the sugar bill on Tuesday, and consider it on Tuesday and, if necessary, on Wednesday of next week.

Mr. KILGORE. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. KILGORE. In connection with the majority leader's plan regarding taking up the sugar bill, let me point out that action needs to be taken on a group of resolutions which relate to funds for various committees. I understand that

action on the resolutions will be deferred, because of the absence of the Senator from Louisiana [Mr. ELLENDER].

I wonder whether it will be possible for the Senate to act on the resolutions before action is taken on the sugar bill. I make the suggestion that the Senate do so, because it is necessary that the resolutions be acted on rather quickly, one way or the other.

Mr. JOHNSON of Texas. Mr. President, the request the Senator from West Virginia has just made is the first one which has been made to me in that connection. I may say, first, that it will depend on when the Senate concludes its action on the natural-gas bill. If that happens early Monday afternoon—as may be possible—then the Senate might proceed to consider at least the noncontroversial resolutions later on Monday. If the Senate completes action on the sugar bill on Tuesday, probably the resolutions could be taken up on Wednesday.

I think I should say that I have agreed with the minority leader that we would attempt to work out the schedule in such a manner that it would be possible to follow the custom of allowing our beloved colleagues on the other side of the aisle to leave town, for the purpose of making Lincoln Day speeches. So we hope there will be no business on Thursday, Friday, and Saturday of next week or on Monday, Tuesday, and Wednesday of the following week.

I wish to try to work out that arrangement, if the Senator from West Virginia will permit me to do so. I shall explore his suggestion, and later in the day I shall confer with him.

Mr. KILGORE. Let me say that the reason for my suggestion is that I do not think the resolutions will involve too much debate. The Committee on Rules and Administration would like to have action taken one way or the other on the resolutions before February 15; and the Lincoln's Birthday vacation would very seriously interfere with that.

Mr. JOHNSON of Texas. I can understand the Senator's desire in the matter, and I appreciate it.

As a matter of fact, my own committee is confronted with a situation similar to that which confronts his—although, in view of the time limit, our committee simply requested an extension of a few days, until the end of the holiday, rather than to go through the lengthy consideration which might have been entailed otherwise.

Later in the day I shall talk to the Senator from West Virginia, after I am able to talk to the Senator from Louisiana [Mr. ELLENDER] and other Senators. If there is no controversy regarding some of the resolutions, I hope that those which are noncontroversial may be taken up following final action on the natural-gas bill, if the Senate concludes its action on that bill on Monday, and if we are able to dispose of the sugar bill before the end of Wednesday's session.

Mr. SPARKMAN. Mr. President——

Mr. JOHNSON of Texas. I yield to my friend, the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I do not know how we can determine which of the resolutions are controversial and which are noncontroversial, except by means of the debate on the floor.

I wish to say that I am concerned with several of the resolutions because—and I assume the same situation prevails in the case of others of the resolutions—the committee employees scarcely know what to count on or what to do. The funds ran out last week or the first of this week, and now these committees are running on borrowed time.

It seems to me that if action on the resolutions is to be deferred any length of time, the Senate should make some arrangement whereby a temporary continuance, such as that to which the majority leader has referred, could be applied to each of the committees concerned, because all of them are in the same situation.

Mr. JOHNSON of Texas. Let me say that the distinguished Senator from Arkansas requested an extension to the 15th, in connection with the resolution applying to his committee; and in the case of the Armed Services Committee, we extended the time to the 29th.

Mr. SPARKMAN. Is it the thought of the majority leader that a similar arrangement may be made in connection with the resolutions for each one of the committees? I ask that question because in the case of the Select Committee on Small Business and in the case of the Housing Subcommittee, funds are left over from the previous appropriations, and those funds could be used temporarily, if the Senate would consent to having that done.

Mr. JOHNSON of Texas. Let me say to the Senator from Alabama that I should like to talk to the Senator from Louisiana [Mr. ELLENDER] about this matter. The first notice I had about the resolutions was received only a few minutes ago.

I suggest to the Senator from Alabama that he confer with the Senator from West Virginia [Mr. KILGORE]. At the moment the senior Senator from Louisiana [Mr. ELLENDER] is conducting a hearing in the Committee on Agriculture and Forestry. As the Senator from Alabama knows, he is vitally interested in all these investigation resolutions. With respect to some of them he expects to ask for amendments. Some of them, depending upon the amounts requested, he will not oppose. Others he will oppose, undoubtedly with considerable debate. Last year three-fourths of them were approved, and some time was spent on the others. I shall endeavor to ascertain the wishes of the senior Senator from Louisiana. I shall be glad to confer with the distinguished Senator from West Virginia [Mr. KILGORE], the Senator from Alabama [Mr. SPARKMAN], the Senator from Arkansas [Mr. MCCLELLAN], and any other Senators who may be interested.

It is difficult for me to predict how long the Senate will be in session on Monday. I am told that there will probably be 3 or 4 or 5 amendments offered. If 5 amendments are offered, and the full time is taken on each one, that will be 5 hours, plus 3 hours on the bill as amended, making a total of 8 hours. In that event it would seem unlikely that these resolutions would be reached on Monday. Tuesday the sugar bill is scheduled for consideration. Many Senators wished to take it up this week. However, we shall try to arrive at some plan.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SPARKMAN. I should like to make a suggestion to the majority leader. As I understand, the calendar is to be called today.

Mr. JOHNSON of Texas. The Senator is correct.

Mr. SPARKMAN. When these resolutions are reached on the calendar, instead of being passed over because of objection, they might be temporarily placed at the foot of the calendar. It is entirely possible that the senior Senator from Louisiana will be present in the Chamber before the call of the calendar is concluded. If certain of the resolutions are noncontroversial, they can be called up and disposed of.

Mr. JOHNSON of Texas. That is not in accordance with the Senator's request. However, I do not see why there could not be another call of the calendar.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. If I correctly understood the Senator from Texas, it is his purpose that all these committee resolutions be brought up at approximately the same time.

Mr. JOHNSON of Texas. They are all on the calendar, and they will be reached today on the call of the calendar. The calendar committees have been notified of the wishes of the senior Senator from Louisiana. Also, I have asked the calendar committees to confer with the Senator from West Virginia [Mr. KILGORE]. I shall confer with the Senator from Louisiana as soon as he is available and see what his pleasure is.

Mr. CHAVEZ. Calendar No. 1387, Senate Resolution 159, carries funds for the Public Works Committee. That subject has been discussed to a certain extent with the senior Senator from Louisiana, because a part of the money will be used in his home State in connection with the Mississippi River project, the channeling of the river from New Orleans down to the gulf. I merely wished to ascertain, if possible, the time when the Senator thinks the resolutions might be considered. I understood the Senator to say that perhaps they would be reached this afternoon.

Mr. JOHNSON of Texas. I shall make an announcement to the Senate at the earliest possible moment.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. McCLELLAN. I understood that the resolutions were to be taken up today on the call of the calendar. It now develops that objection is to be made on behalf of the Senator from Louisiana [Mr. ELLENDER], who is engaged in committee work, and cannot be present in the Chamber at this moment. That leaves us with no assurance at the moment as to when they will come up.

Mr. JOHNSON of Texas. As of the moment. That is true.

Mr. McCLELLAN. We cannot make any plans for the remainder of the day.

Mr. JOHNSON of Texas. Any plans involving the time between now and 12:30 will be held in abeyance. As soon as the senior Senator from Louisiana is free from his committee work, the majority leader will confer with him and try to reach an agreement.

Mr. McCLELLAN. I do not think these resolutions should be unduly delayed. If there is opposition to them, we should take them up and dispose of them one way or the other. If there is undue delay, the staffs of the various committees are left in a state of uncertainty. My committee staff is taken care of until the 15th of February; but we cannot make any plans for the future until this question is settled.

Mr. JOHNSON of Texas. I suggest that it might be helpful if each of the committee chairmen concerned, all of whom are aware of the deep interest of the Senator from Louisiana in the general subject of investigating committees, were to confer with the Senator from Louisiana with respect to their individual committees and determine what questions he has to raise. The committee chairmen can then determine for themselves about how much time will be required. In the meantime I shall confer with the minority leader, as well as with the senior Senator from Louisiana, and attempt to reach an agreement which will permit expeditious consideration of the resolutions.

THE TRAFFIC ACCIDENT TOLL

Mr. BENNETT. Mr. President, the National Safety Council issued a report yesterday morning on the dreadful toll exacted by traffic accidents on America's highways in 1955. There were 38,300 Americans killed in traffic accidents during the year, the third highest death toll on record. Moreover, 1,350,000 others were injured nonfatally.

It is impossible to estimate the terrible human costs in suffering and grief caused by this carnage, but the National Safety Council estimates that the total cost of the 1955 traffic accidents amounted to a staggering $4,700,000,000.

There are important lessons to be learned from this sobering account. Foremost is the need for careful driving and a concerted community and national effort to promote safety. Moreover, it points up once again the need for President Eisenhower's broad and comprehensive highway program and highlights the vision of the administration in seeking a network of modern interstate highways which must be built within the immediate future.

The Safety Council estimates that the President's highway program coupled with other safety efforts can save each year 18,000 lives, over half a million injuries, and $2 billion in hard cash.

The President's highway program is not limited to a 10-year development of interstate highways alone, but also proposes to expand the other highway systems, including, of course, those that service our rural areas. This expansion began with the 1954 Highway Act which was uniformly recognized as the greatest stride taken toward more adequate and safe highways for decades. It is doubly important for these roads to be modernized since the rural death rate is more than twice the urban.

In my own State of Utah during the greater part of January, deaths from traffic accidents averaged 1 a day which is overwhelmingly tragic in a State of 750,000 population. I therefore urgently hope that Congress will speedily proceed to authorize the President's highway program to halt, in part, this carnage on wheels.

MISREPRESENTATIONS BY DREW PEARSON REGARDING AL SARENA MINING CASE

Mr. GOLDWATER. Mr. President, on January 27 I called to the attention of the Senate for the second time, the way in which Drew Pearson has misrepresented the facts of the Al Sarena mining case, which is now being heard before a subcommittee of the Senate Interior Committee. I pointed out at that time that Pearson had irresponsibly written in his column of January 26 that President Eisenhower had intervened in the Al Sarena case. I should like to now show the Senate that Pearson's statements were not the result of misinformation but were—not mere lies, but deliberate lies.

Pearson, in his television program of Sunday, January 22, stated:

> Capitol Hill, exclusive: The Senate Interior Committee has been nursing one of the hottest letters in Washington. They're trying to figure out what to do with it. It pertains to the famous sale of part of the Rogue River National Forest to the McDonald family of Mobile, Ala., and why Secretary McKay went out of his way to make this amazing sale when other Secretaries of the Interior had consistently refused. The letter is from an Oregon insurance man to Eisenhower, asking that the Rogue River National Forest be sold to the McDonalds.
>
> Across the top of the letter, Eisenhower wrote in his own handwriting: "Dear Doug, please see what you can do about this."
>
> Dear Doug, of course, referred to his Secretary of Interior, Douglas McKay. The Senators now figure they have the answer as to why McKay acted. The amazing thing is that this letter was written by an Oregon Democrat, Lew Wallace.

Further, in his column of January 26, as I have previously informed the Senate, Mr. Pearson wrote, in part:

> Across the letter in his own handwriting, President Eisenhower had scribbled "Dear Doug." Then followed a personal request from Ike to Doug to see what he could do about granting the Rogue River request.

I hold in my hand an interesting article from the Oregonian of Tuesday, January 31, 1956. The article is a newspaper account of a call which Mr. Pearson made on Mr. Wallace on the 19th. Pearson asked Mr. Wallace if he had written such a letter. Wallace said he had no recollection of having written it, but that he would check.

He checked that day and called Mr. Pearson at a later hour. He told Mr. Pearson he had never written such a letter. In spite of that complete denial, Mr. Pearson used this story on his television show on the 22d and issued it again on the 26th in his article, which appeared in a local newspaper.

Mr. Lew Wallace rightfully has asked that the article be retracted and an apology made for it by Mr. Pearson. In order that the record of continuing lies may be kept up to date, I ask unanimous consent that the articles published in the Oregon Journal and in the Oregonian be printed in the RECORD at this point as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Oregon Journal of January 27, 1956]

AL SARENA LETTER NEWS TO WALLACE

Lew Wallace, Portland insurance man, Thursday said he had "no recollection" of writing a letter to President Eisenhower asking consideration of the Al Sarena mine patent case.

Wallace's name came into the hearing in Washington, D. C. on the basis of a report of Drew Pearson that such a letter was in the files of the staff of the congressional committee investigating the case.

"I do not recall ever writing such a letter, and I have no record of it in my files," said Wallace. "Drew Pearson called me last week and asked if I wrote such a letter, and I told him I could not remember doing it.

"Then I checked my files and called him back to say I could find no copy. The only thing I can think of that I might have done is to write a letter for a friend—I have many among lumbermen—and sending the copy to the friend to let him know I wrote it.

"But I doubt that I even did that, I have letters from Truman, Roosevelt, and Eisenhower and I keep them in a special file. The Eisenhower letter is one thanking me for a cigarette lighter I gave to him through Secretary McKay. I was a stockholder in the company which made it.

"But I don't know any of the people in the Al Sarena mine, and I have no knowledge—or at least I cannot remember it—of ever writing a letter such as Pearson says is in the files."

Wallace is a former State Representative, Senator, and Democratic national committeeman.

[From the Oregonian of January 31, 1956]

WALLACE ASKS PEARSON FOR STORY CORRECTION

Lew Wallace, Portland, Democrat, Monday demanded of Drew Pearson that he correct radio and press column statements that Wallace wrote a letter to President Eisenhower urging him to exert pressure on Interior Secretary Douglas McKay in behalf of the controversial Al Sarena mining patent grants.

Pearson's statements were the subject of spirited debate last Thursday at a hearing into the Al Sarena grants by a congressional subcommittee whose counsel disclaimed any knowledge of the letter attributed to Wallace.

Senator BARRY GOLDWATER, Republican, Arizona, accused Pearson of tactics destroying the freedom of the press, and Friday James C. Hagerty, Presidential news secretary, said the letter does not exist and labeled Pearson's story a complete falsehood and a scurrilous lie.

Pearson called Wallace by long-distance telephone on or about January 19 and asked him if he had written such a letter. Wallace, in a letter to Pearson Monday, reminded the columnist of the call and said he was led to understand Pearson thought Wallace

had requested the President to have Secretary McKay kill the Al Sarena mining claim applications.

The remainder of the Wallace letter to Pearson follows:

"I told you I did not think I had ever written the President a letter. You held the phone until I hastily checked my files and I again told you I had no copy of such a letter. After the call I thoroughly checked my files and was sure I had never written the President on any matter whatsoever and immediately called you back and so advised you. Despite this information, on Sunday, January 22, you stated over radio and TV that 'Lew Wallace, an Oregon Democrat and insurance man, wrote President Eisenhower.' This came as a complete surprise to me and was a total untruth from beginning to end. Again on January 26 in your column in the Oregon Journal you refer to this same letter without using my name. These untrue and unjustified acts on your part have been embarrassing and have done great harm to me.

"You well know that I have been a longtime leader of the Democratic Party in Oregon. Many times elected State senator; Democratic national committeeman. Twice my party has nominated me for Governor. No one is more opposed than I to giving away our timber under any circumstance, but especially under the cloak of a mining patent.

"You have misrepresented me to the public, placing me in exactly the opposite position to which I hold in the Al Sarena deal. Such misrepresentation is damaging to my reputation and contemplated action. It is important to point out to you that I am at the present time considering seriously filing for party office in the Democratic primary in Oregon.

"I direct that you forthwith correct your statement both on the radio and TV and in the Oregon Journal column. This must be done fully and appropriately with dispatch, so that the people in your audiences will know that the former statements on your part as they referred to me were totally wrong in every respect, otherwise I shall seek other means to correct those false statements."

FLOOD INSURANCE

Mr. BUTLER. Mr. President, as one of the cosponsors of Senate bill 2768, to provide for national flood insurance and reinsurance, and for other purposes, I ask unanimous consent to have printed in the body of the RECORD a memorandum which has been prepared at my request by the Legislative Reference Service of the Library of Congress.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

FLOOD INSURANCE

Following the widespread Mississippi River floods of 1895 and 1896 a company was organized to sell flood insurance in St. Louis, New Orleans, and Cairo, Ill. A considerable amount was sold throughout the areas which had suffered damages in these years. However, with the coming of another major flood in 1899, the company was bankrupted.

Other companies have attempted to sell flood insurance on a small scale, but their experience has been that after a few years of freedom from flooding most policyholders have allowed their insurance to lapse.

A study[1] of the problem made for the Insurance Executives Association in 1952 made the following findings:

The conclusion of this report was that "the fundamental requirements of insurance cannot be met in a specific flood insurance undertaking." Among the considerations contributing to this were:

1. A flood cannot be defined for insurance purposes.

2. Selection is quite adverse.

3. Flood insurance would be extremely costly to rate and difficult to rate without discrimination.

4. The range of cost on individual property would be so wide that the premium would be prohibitive in most cases.

5. The base is too narrow for the distribution of flood-insurance costs.

6. The character of floods is such as to make private insurance of them a danger to the solvency of the insurers.

The industry thus concluded that any specific promise of indemnity from loss by floods must be regarded as a subsidy or relief payment and thus outside the scope of private business and insurance.

There is little flood insurance available to the public. Such as there is calls for almost prohibitive premium rates. The exact amount in force is not known.

Hurricane damage insurance is generally included in the windstorm clause of standard extended coverage fire insurance policies. There are no statistics available as to the amount of such insurance in force because damage from wind is lumped in with so many other risks in extended coverage.

The fact that there is little flood insurance available or in force does not, however, prevent many of those suffering flood damages from collecting for some or all of their losses.

Overall insurance on bridges, tunnels, and other public property include damage from water. Insurance on movable personal belongings such as furs, jewels, and many other items would cover damage or loss by flood waters. So also would that on property or goods in transit. Under the extended coverage clause which includes windstorm damages, damages from floods may be compensated for should it be possible to prove that the initial entry of water was made possible by damage done by windstorm. The largest single category for which payments are made for loss because of flood damages is that of automobiles.

As a result of the hurricane losses in 1954 the National Board of Underwriters states that the Nation's insurance companies paid out $225 million.

Inland marine insurance covers merchandise in transit or on consignment, while all-risk policies insure bridges, tunnels, dredges, contractors' equipment, jewelry, furs, objects of art and certain personal property.

Marine insurance in some instances may cover yachts, tugs, and equipment, cargo, and merchandise on piers and in warehouses.

The coverage that is available generally pertains to property which is mobile in character, that is, which can possibly be moved out of danger when floods threaten.

Fire insurance also may cover damage which resulted directly or indirectly from flooding. For instance, such cases as the magnesium factory in New England where the metal exploded and the resulting fire completely gutted the building.

In most cases, however, damage from floods will not be recoverable from insurance. The principal resort by most sufferers from flood damages will be to deductions from income taxes, both State and Federal, of the amount of damage.

Lloyd's of London is reported to be the only insurance company which actually writes flood insurance per se. As late as August 26, 1955, it reported that no property covered by that company for flood damages had been reported as damaged.

[1] Insurance Executives Association. Report on Floods and Flood Damages. April 1952. Parsons, Brickerhoff, Hall, and Macdonald, engineers, New York, N. Y.

AWARD PRESENTED TO THE AMERICAN EXPORT LINES

Mr. BUTLER. Mr. President, it is gratifying to announce to the Senate that on Tuesday, January 31, a significant award was made by the United States Government to the American Export Lines, one of our country's outstanding companies engaged in transoceanic maritime service. The citation represents the Government's highest award for ship sanitation, and was presented in New York by the Surgeon General of the United States.

The American Export Lines, of which Mr. John E. Slater is president, and Mr. John F. Gehan executive vice president, achieved the highest standing by bringing its 30 ships up to the standards of the United States Public Health Service. It can be understood how important is this achievement when it is realized that each vessel must attain a rating of 95 percent after an inspection involving 166 items of sanitation, construction, and maintenance.

Our congratulations are due the American Export Lines because only three other companies had earned this citation previously. It is distinctly to the credit of the entire American merchant marine that such a degree of proficiency exists, which again demonstrates that the United States has progressed to the position where it is acknowledged to possess a merchant marine comparing favorably with those of the world's leading maritime nations.

HIGH HELLS CANYON DAM PROPOSED AS EIGHTH WONDER OF THE MODERN WORLD

Mr. NEUBERGER. Mr. President, the American Society of Civil Engineers recently selected the 7 wonders of the modern world, to match the 7 wonders of the ancient world, such as the Great Pyramid of Egypt and the Colossus of Rhodes.

These are the seven wonders of the modern world, as chosen: First, Hoover Dam; second, Grand Coulee Dam; third, the Chicago city sewerage system; fourth, the Colorado River aqueduct; fifth, the San Francisco Bay Bridge; sixth, the Panama Canal; and, seventh, the Empire State Building.

Mr. President, I think the list is most interesting. At a time when Secretary McKay and this administration are telling us that great public projects like Hells Canyon High Dam are creeping socialism, the American Society of Civil Engineers selects seven wonders of the modern world.

Mr. President, I urge the Senate to note that 6 out of these 7 wonders were built with public funds and under public sponsorship. Yet we hear that such public projects are creeping socialism. Also, Mr. President, note that three of these wonders—Hoover Dam, Grand Coulee Dam, and the Panama Canal—were erected and undertaken by the Federal Government, and yet Secretary McKay and this administration adjure us to shun Federal undertakings, lest we lose our liberties to some nameless federalism.

Mr. President, the American Society of Civil Engineers is a respected organization, populated by men and women devoted to free enterprise. Yet, when they selected seven wonders of the modern world, they selected 6 out of 7 such wonders as projects built with public funds and under public auspices and sponsorship. Furthermore, the most spectacular of these projects—or wonders, as they now are called—were at the urging, origin, instigation, and prompting of the Federal Government.

High Hells Canyon Dam, on the Snake River, would be an eighth wonder of the modern world. But we are not to get it, evidently, because the administration advises us that such a public project would be creeping socialism and against the public interest.

Is the administration opposed to the seven wonders of the modern world? Would these wonders ever have come into existence if the philosophy of Secretary McKay and this national administration had prevailed when such undertakings as Grand Coulee Dam and the Panama Canal originally were proposed?

I ask unanimous consent to have printed in the RECORD a most interesting editorial published in the Pendleton (Oreg.) East Oregonian of January 25, 1956.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SAM IS HAPPY, ARE YOU?

According to statements he made in an interview with the East Oregonian's Washington correspondent, A. Robert Smith, Representative SAM COON is certain most of the citizens in his congressional district are happy that Idaho Power Co., and not the Federal Government will produce kilowatts in the Hells Canyon stretch of the Snake River.

Sam is happy about it. He used to tell us that he wanted the Hells Canyon decision to be made on the basis of engineering. But when it became clear it was a political decision Sam revealed he had hoped all along that it would go that way.

We suspect Sam has been talking to the wrong people. After his debates of last year with Senator NEUBERGER on the Hells Canyon issue Mr. COON announced that he had won a clear decision. It was evident he had gained that impression from the private power people in his entourage. He couldn't have come to that conclusion after talking to newspapermen who reported the debates.

When he hits the campaign trail this year Sam will find it difficult, we believe, to convince the voters that it was right to sacrifice the great benefits in Hells Canyon Dam and that they should be happy about it. He hasn't as yet, and no amount of power company help is going to make Sam's story more convincing.

If, from the beginning he had taken the honest approach—had said to the people in this congressional district that he opposed Hells Canyon Dam because he wanted the private power companies to have the bonanza his case would have been more substantial. To tell the people that this Idaho Power Co. deal is better for them is, of course, absurd.

Accordingly, Mr. COON, prosperity has arrived in Baker with the movement of Idaho Power Co. equipment to the dam sites. The Baker chamber of commerce has not affirmed that observation.

We assume Sam would agree that if the Federal Government were building Hells Canyon Dam materials and men also would be used, and that Baker also would derive some benefits.

He would not admit, of course, that the benefits to Baker and the rest of this region would be far greater over many years if Hells Canyon Dam were built. He couldn't very well admit that. But we feel sure history will prove it long after SAM COON and the Idaho Power Co. have gone their separate ways.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, which is S. 1853.

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSON of Texas. It is now in order to call the calendar, under the order adopted by the Senate yesterday?

The PRESIDENT pro tempore. It is in order to do so at any time.

Mr. JOHNSON of Texas. I ask that the calendar of bills to which there is no objection be now called, beginning with Calendar No. 1400.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection? The Chair hears none, and the Secretary will proceed with the call of the calendar under the unanimous consent order.

RESOLUTIONS AND BILL PASSED OVER

Mr. BIBLE. Mr. President, in conformity with the colloquy which occurred a few moments ago, and in accordance with the statement of the majority leader, I ask unanimous consent that Calendar Nos. 1400 through 1412 and Calendar Nos. 1472 through 1483 go over.

The PRESIDING OFFICER. As the Chair understands, the unanimous consent request of the Senator from Nevada is that Calendar Nos. 1400 through 1412 and Calendar Nos. 1472 through 1483 go to the foot of the calendar.

Mr. PURTELL. Mr. President, may I inquire whether that was the suggestion of the Senator from Nevada?

Mr. BIBLE. I asked that those measures go over, not to the foot of the calendar. That is in conformity with the suggestion made by the majority leader.

The PRESIDING OFFICER. May the Chair inquire whether the Senator includes Calendar No. 1483 in his request?

Mr. BIBLE. Including 1483. Calendar No. 1482, H. R. 7030, is the sugar bill. It was announced earlier that the sugar bill would be considered after the pending bill, the natural gas bill, is disposed of.

The PRESIDING OFFICER. Without objection, the measures enumerated will go over.

The Secretary will proceed with the call of the calendar, excluding the resolutions and bill which have been passed over.

The bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes was announced as next in order.

Mr. BIBLE. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 66) favoring the suspension of deportation in cases of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

T-647943, Aguiar, Atanasio Roldan or Atanasio Roldan.
A-1402427, Ali, Hassan.
A-3597006, Almanza, Avelina (nee Valdivia).
A-9610412, Alonzo, Michael.
A-3481902, Ambrosino, Michael or Michele Ambrosino.
A-9537473, Andersen, Ingvald Andrew.
A-6093625, Arellano-Moreno, Sabino.
A-6323176, Arellano, Carmen Torres De.
A-2930860, Aronis, George Bernard.
E-085904, Asensio-Torrado, Jose or Jose Asensio.
T-303938, Najara-Ochoa, Pedro.
A-2552572, Barajas, Maximiliano.
E-41852, Benavides-Torres, Samuel.
E-086225, Bertuzzi, Galliano Fortunato or Galliano Bertuzzi.
1610-8546, Bilbao, Adolfo or Adolph B. Bow.
A-9625368, Boussoulas, Demetrios Aroyriou.
A-4178923, Burcea, Ioan.
A-4115087, Burgos, Santo Enrique.
A-7983091, Cairo, Olga Ann.
A-6859579, Castillo, Gonzalo Mena y.
A-4596763, Chavarria-Reyes, Epimenio.
A-6026500, Chen, Ho Mei.
A-7539202, Chen, Phoebe Shu Heng.
A-6779241, Christmas, Blossom Lucille Cann.
0900-37577, Chung, Louis Wei Shan.
0900-38790, Chung, Marie Catherine Lu.
0900-64703, Correa, Adan Martinez.
A-9831140, Cristo, Giordano.
A-7241577, Csiszar, Michael.
A-1822412, Daniels, Edmund Siegfried Douglass.
A-1845873, Davis, Helen George.
A-9764736, Dean, Benedetto.
A-3320341, Espiritu, Teofilo Primero.
A-5374217, Fiss, Walter Willy.
T-1143538, Flores, Virginia Acosta Matamobos De.
T-1892843, Foo, Ling King.
A-4946176, Foster, William Herbert.
A-7999529, Fried, Lee Mow.
0900/54609, Galvan-Lopez, Felix.
A-6472266, Gamponia, Maria Aquilizan.
T-2760978, Gandara, Joaquin.
A-6986666, Garcia-Pulido, Benito.
E-40664, Garcia-Rojas, Enrique.
E-40665, Garcia, Evangelina Gonzalez De.
A-5657167, Goni, Mario Vincente.
A-5961424, Grafi, Karl Charles.
A-5978398, Green-Ruiz, Alejandro.
A-6078157, Griffith, Eustace.
0900/65211, Guerrero, Maria del Refugio Solorio de.
0900/65195, Guerrero-Rios, Juan.
A-6523158, Gusman, Guadalupe Alatorre De.
0900-47522, Gutierrez, Oscar Roberto Argumosa.
A-7351304, Gutierrez-Padilla, Enrique.

T-2782084, Guzman, Candelario.
A-3344028, Hardalau, Petru.
E-093674, Henriksen, Niels Peter.
A-2264112, Hess, Walter Conrad Raimond.
A-5981990 Higashide, Seiichi.
A-6143940, Higashide, Angelica Yoshinaga.
A-6143935, Higashide, Eisa Yukiko.
A-6143936, Higashide, Carlos Shuichi.
A-6143937, Higashide, Irma Setsuko.
A-6143938, Higashide, Arturo Hideki.
A-6143939, Higashide, Marta Yoko.
A-9559825, Ho, Chiu, or Chin Ho.
A-5945075, Jennings, Honora.
A-5780243, Ito, Kesemi.
A-2581013, Kaltnisch, Raphael.
A-6857817, King, Philip.
A-3556556, Kocipak, Andrew.
0300-71008, Kow, How.
A-9510993, Kwan, Tong Bun.
A-9649805, Lee, Ah Moe.
0900-65341, Ledesma, Maria Lopez de.
E-25266, Lehmann, Arno Alfred.
A-5719563, Lehmann, Emil.
A-6067650, Levkovich, Ramona.
0900-51281, Ling, Mary.
A-5122500, Litiner, Jacobo.
A-7082575, Louie, Shea Wing.
0900-61320, Luna, Jose Francisco Gonzales.
E-4859, Magr, Frank.
0900-62107, Mariscal-Guillen, Selina.
A-6748458, Mathur, Prem Narain.
A-4914354, McLaughlin, Peter.
A-4914352, McLaughlin, Evelyn Holmes.
0900/58304, Medina, Israel Miguel Cervantes.
A-6886827, Meisels, Brandel.
0300-400058, Messina, Michele.
0900-64069, Miranda, Maria Pineda Garcia de.
0900-64155, Miranda-Acosta, Jose Luis.
A-4260072, Molvar, Alfred.
A-9831027, Moro, Cosimo.
A-5977619, Noda, Yasuki.
A-6214509, O'Neill, Amy Frances nee Rumsey.
0900-64982, Pallares-Sanchez, Jesus.
T-1495420, Park Gee Tung.
T-1495421, Pung, Li Shau.
0300-89977, Pegoraro, Stefano.
A-3469402, Ramirez-Banderas, Jose.
1409-14325, Rangel-Soto, Tomas.
E-061673, Reyes-Magana, Mauricio.
0900-59670, Rodriguez, Juan Garza.
0900/63968, Rodriguez-Rangel, Jose.
T-2760400, Rodriguez-Razo, Aurelio.
A-7457191, Santillan-Cedeno, Leopoldo.
A-5046381, Savitzky, George.
0300-398756, Sheck, Yuen.
A-7809014, Siao, George John.
A-5924765, Silva-Rodriguez, Felix.
0900/64920, Sobrevilla, Manuel Rodriguez.
0900-64921, Rodriguez, Maria Reynalda Vera de.
A-7544370, Soong, Eugene You-Chi.
A-6370045, Soong, Nancy.
A-3585245, Suey, Marh.
A-6446669, Szewczyk, Stefania.
0901-18372, Tejeda, Jose Narcisco.
0901-17201, Tejeda-Vallalpando, Leonor.
0901-17203, Tejeda-Vallalpando, Ruben.
0901-17202, Tejeda-Vallalpando, Jose Roberto.
0901-17205, Tejeda-Vallalpando, Manuel.
A-6953070, Tsien, Siu Hwa.
0901-17204, Vasquez, Francisca.
A-5030257, Venezia, Giovanni.
0935/10084, Villa-Ramirez, Jose.
E-39942, Villarreal, Celia San Martin.
0900/47468, Watanabe, Kenzo.
E-096771, Williams, Leslie C.
0900/58576, Wing, Chin.
0300-292427, Won, Leung Cheung.
A-9507805, Wong, Hung.
A-5624176, Wong, King Sun.
0900-61245, Zamora, Felipe Acosta.
A-5359958, Zermo, Christiano.
A-6739608, Zivolich, Marina.
A-5977417, Arashiro, Seisun.
E-050460, Bolivar, Reynaldo Manalili.
A-4726934, Buyund, Dolla Bin.
0900/58315, Cervantes-Ortega, Candido.
A-7890082, Chen, Lincoln Chih-Ho.
A-7890083, Chen, Victor Chih-Chia.
A-4037840, Cohen, Louis.
0300-258672, Cohn, Frida.
A-9748470, Cuder-Blanco, Rafael.
A-5659527, Den, Chin.
0803-7557, Esquibel-Caberra, Guadalupe.
V-850206, Ferguson, Alfred George.
0300-26803, Fernandez, Dorothea.
0900-27719, Figueroa, Conrado.
0900/64599, Flores-Robles, Alejandro.
A-5367611, Frankelis, Dorothy.
A-9684338, Fung, Fat.
0900-64859, Gallegos-Gallegos, Cruz.
A-2856825, Garcia-Garcia Severo.
E-094509, Hamoy, Elena Saile.
A-6955158, Herrera-Comde, Matias.
A-7137125, Jimenez, Santos.
A-9510248T, Kai, Leo Chin.
A-6203207, Klare, Morris.
A-7898192, Kortus, Titiana Louisa.
V-1445496, Ledezma-Baiza, Gloria Manuela.
0300-286525, Lee, Kum Pui.
0300-286526, Lee, Lydialoo.
T-303877, Lira, Enriqueta, Herrera de.
A-6748499, Liu, David Tun Yuan.
A-6848622, Liu, Nai-Wen Chou.
A-4172684, Lohser, Erich Paul.
A-6342294, Mennis, Robert Gordon.
A-6528033, Montes, Cirilo Reverianc Salgado.
1600-94086, Negreta-Irigoyen, Laureano Lopez.
E-082824, Nepomuceno, Clara Anta Alvares de.
A-3421695, O'Brien, Emily Elizabeth.
A-4792740, Oomen, Anthony Ferdinand.
E-42699, Orozco-Medina, Virginia.
E-42700, Orozco-Medina, Jose Louis.
A-6638788, Pardo-Nigueruelo, Manuel.
A-7450424, Pardo, Petronila.
A-5088326, Pateh, Ahmat Ben.
A-5263554, Patti, Carmella Rizzo.
A-4322699, Petruch, Methodius Cirylius.
A-1435925, Polidoro, Agostino.
0900/59065, Reyna-Zamora, Juanita.
A-7849297T, Robertson, Aubrey.
A-6745338, Saavedra, Jose.
A-4829244, Schmidt, Arthur Friedrich.
A-7809034, Schwarzenberg, Isabella Eleonora.
0300-397874, Shel, Wong.
0900-58157, Silva, Jose Merced.
A-7196522, Sison, Juana Opana.
A-3062660, Soares, Obed Minto.
A-6634629, Soulas, Eleni.
T-1496810, Suzuki, Matsuzo.
A-5015106, Sviridoff, Anatole Karloff.
A-5884953, Tobolsky, Rose.
A-6703117, Tsikinias, Ifigenia.
A-1345676, Ulyshen, Anna.
0900-64967, Valle-Cerda, Concepcion.
A-2979044, Veloudos, Anthony.
A-2783888, Vinchesi, Joseph.
A-5588203, Wong, Kie.
0300-422302, Wong, Yen.
T-1892407, Wong, York.
E-079820, Wu, Ling Sen.
A-3406051, Yankovic, John Michael.
A-4468852, Banks, Max.
A-6444637, Chang, Albert Chiang.
A-6703483, Chang, Lita Wou.
0900-63964, Hess, Cleopatra, Prokos.
A-1649371, Kulikowski, Tadeusz.
A-2365630, Sakamaki, Sueharu Francis.
A-2727597, Sakamaki, Rosa Teru.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 67) favoring the suspension of deportation in the cases of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

E-066633, Armijo, Margarita Avalos De.
A-3125109, Avalos-Rodriguez, Eugenio.
0900/36012, Barbose, Maria De Los Angeles Gomez de.
0900/45063, Barbose-Herrera, Salvador.
A-5013464, Chin, Sam.
A-7298517, Choy, Jim.
A-2610295, Coelho, Antonio Rodrigues.
E-074295, Corona, Fernando Villanueva.
E-057216, Drinkwaard, Marinus.
A-5070792, Frassetto, John.
T-2760454, Garcia-Guerrero, Prudencio.
A-4638865, Hannemann, Kurt Emil Walter.
0900/06230, Hernandez-Cuellar, Augustin.
A-8078870, Johnson, Therese Yvonne Myers.
0800-65443, Jow, Yee.
A-2416308, Kurosaka, Sato.
A-3568273, Lauman, Selma.
A-3070354, Leibovitz, Hyman.
A-1442074, Loboff, Peter Andrevitch.
A-7186334, Lo Piccolo, Giuseppe.
0300-354972, Notaro, Vincent.
A-6096828, Ohashi, Yasuriko.
A-6153228, Ohashi, Asa.
A-6153228, Ohashi, Ayano.
A-2760828, Ordaz, Sophie (nee Lopez).
A-1624208, Prigodina, Julia Lvovna.
A-9512765, Robstad, Trygve.
A-3542341, Elias, Josef.
0900-55600, Escobarete, Guadalupe Sanchez de.
A2734878, Kennedy, William Thomas.
A-6428095, Wang, Dee Kwok.
A-6428094, Wang, Derek H. T.
A-6340941, Calban, Maria Calban.
A-5231878, Chin, Ching.
A-3325280, Flores-Aguilar, Luis.
0900-65065, De Gutierrez, Maria Alverado.
1607-18271, Gutierrez-Garcia, Ruben.
0900-59772, Limon-Guzman, Santos.
0900-59944, De Limon, Socorro Rivera.
0900-59945, Limon-Rivera, Cristina.
0300-430883, De Marco, Elsie Maria.
0300-123659, Muscat, Giuseppe.
T-2760154, Roca, Silveria.
T-1497427, Roman, Josefina Roca.
E-094532, Rozenberg, Abraham.
A-7140456, Ruiz-Carmona, Jesus.
A-7145523, De Ruiz, Maria Guadalupe Guerrero.
A-7083042, Wilson, Matilda Emily.
A-5928409, Yung, Woo Yu.
A-6741749, Brown, Naomi Ruth Rahim-Lewis.
A-2113785, De Cantu, Marcelina Riojas.
0900-58064, De Dias, Maria Louisa Anzaldua.
A-6526070, Garcia-Alvarez, Alfonso.
A-5097415, Julio, Antonio Fernandez.
0300-406032, King, Chin.
A-9519622, Lun, Jet.
1612-2059, Palacios-Guillen, Narcisco.
A-1515457, Szabados, Benedek.
T-2671953, Villanueva-Esparza, Rosa.
A-7995747, Villanueva-Esparza, Daniel.
A-7388735, Silva-Guerrero, Cruz.
A-7388837, De Silva, Rafela Morales.
0300-182833, Giancontieri, Melchiore.
A-7115268, Kiang, Nan.
A-5930175, Lam, Kwai.
0900-65622, Moreno-Hernandez, Arnulfo.
A-5657580, Reyes, Nicolas.
A-7057909, Sanchez, Carmen Rodriguez Hierra y.
0300-310218, Scott, Clinton Joslyn Howard.
A-1270077, Smith, Joseph Nathaniel.
A-6161491, Suzuki, Kin.
A-6185239, Suzuki, Kane.
A-6161487, Hamahashi, Masumi Felicia (nee Suzuki).
A-6161488, Suzuki, Chieko Rosalie.
E-084333, Syrak, Charles.
A-7366045, Yioras, Eleftherios.
E-086060, Alexis, Joseph Nathaniel.
A-5016627, Barca, Amilcare.
E-119230, Ching, Ho Bo.

T-1143308, Estrada-Cardona, Jose Luz.
A-7463023, Guerrero-Lopez, Alfonso.
A-7469426, Guerrero, Maria de Jesus Gonzalez de.
0900-61528, Marquez-Gracia, Jose Tiburcio.
A-7450925, Montelongo-Jaramillo, Remigio.
A-4800019, Top, Todor.
A-9652030, Wah, Chan Chin.
A-4171996, Wong, Wing Hem.
A-7476835, Aldana-Garcia, Carlos.
A-5388868, Amato, Antonio.
A-5769833, Balogh, Geza Stefan.
A-6087502, Erebia-De Garza, Maria.
A-6465708, Cagnazzi, Giuseppe.
A-6354161, Cajudoy, Teodora Gampong.
A-3174507, De Solis, Elvira Moncada.
T-2760153, Diaz-Garcia, Elena.
A-6165371, Flores, Domingo.
0900-65627, Gonzalez-Vargas, Rafael.
A-7955360, Lukac, Suzanne Anna Marie.
A-6957100, Joannides, Johnny.
A-6957101, Joannides, Vanda Chiesa.
A-6373370, Panoussis, Dimitrios Ioannis.
A-6373369, Panoussis, Maria Spanou.
A-3418700, Rakulich, Ante Jure.
A-6492285, Salbosa, Conrado.
A-6492286, Salbosa, Antonia.
A-3423289, Schrage, Ben.
A-5619669, Suykerbuyck, James Pol.
A-6687259, Vandable, Regina.
T-1496196, Vargas-Rosas, Remegio.
A-2127885, Vojas, Vladimir.
A-6585976, Archundia-Garduno, Luis.
A-6732157, Andal, Manuel Catapang.
A-4664251, Gulston, Frederick Thomas.
T-2672151, Lunkeit, Henry Johannes.
A-5453516, Stahl, Ernst Heinrich.
A-7181915, Butte, Nelly Tong.
T-1496797, Caspilio, Victoriano.
A-6403025, Furlong, Louise Kathleen.
A-3150948, Gasparovich, Stepan.
A-5978834, Greenberg, Benjamin Maurice.
A-2787968, Leong, Wing Jip.
A-7841862, Ling, Chuey.
A-8282823, Man, Ching.
0300-248739, Pappas, Stavroula Antoine.
A-7266318, Quong, Lee Chuen.
A-6954778, Richardson, Iris May.
A-7351172, Rogacki, Witold.
A-5407827, Wispiaar, Tobios.
A-6095314, Zacharatos, Efrosine.
E-050427, Galano, Margarita Acierto.
E-119210, Yong, Chung Ti.
A-3676218, Bramer, Theodore.
A-5977838, Esquibias, Petra Sanchez.
A-6836324, Gottlieb, Istvan.
A-6836339, Gottlieb, Leonie Marie.
A-6828858, Gottlieb, Istvan.
A-6171044, Hermosillo-Davalos, Jose.
A-7491666, Manon, Luis.
A-9765151, Pao, Sun Ah.
A-2353968, Piedra, Joaquin.
E-075916, Brewer, Maria Paula.
A-7459742, Brewer, Susanna.
A-2659069, Dot, Wong.
A-2893527, Kulisich, Vincent Jerry.
0300-409149, Lee, Fay Fay.
A-6145874, Mashal, Menashi Moshi.
A-3518687, Nava, Pasquale Giovanni Nava.
A-6432316, Pittillo, Richard.
A-6340936, Ramos, Luisa Ordonez.
A-6340928, Montero, Charita.
A-6340926, Montero, Marcelino.
A-6340927, Montero, Leonar.
A-5210884, Reiss, Magdalena.
0300-380913, Schenone, Gio-Batta.
A-7874982, Schenone, Rose Ferrera.
A-7284772, Sulliban, Leoncia Claridad.
A-5479090, Healey, William Farquhar.
A-4222108, Sancho-Portoles, Miguel.
A-6458971, Torres-Alvarado, Jose Carmen.
A-7250943, Tsou, Tang.
A-6161466, Yamashiro, Alberto Isamu.
A-6303559, Zaniewski, Maximilian.
A-4108465, Salazar, Simon.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 68) favoring the suspension of deportation in the cases of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244 (a) (5) of the Immigration and Nationality Act (66 Stat. 214; 8 U. S. C. 1254 (c)):

A-1518753, Alexsandrovsky, Haeme.
A-2521036, Babiasz, Ludwik.
A-3152204, Bassiuk, Berl.
A-3151508, Block, Meyer.
A-1935641, Boguszewski, Stanislaw.
A-1570711, Caiffe, Michael.
A-6432266, Coons, Florence Elizabeth.
A-2299257, Dusseczyk, John.
A-1504456, Garcia-Garcia, Emeterio.
A-3112331, Grubstein, Joseph.
A-5520577, Macavel, Theodore.
A-5877015, Otterpohl, Johannes.
A-4424294, Said, Hasan.
A-5950523, Vecchio, Frederick.
A-4543147, Weker, August Franz.
A-5401183, Nadler, Benjamin.
A-6268870, Paket, Frank.
A-5012003, De Rocco, Guadalupe Garcia.
A-5953621, Graztis, Charles Kazimes.
A-3363786, Hanacki, Alexi.
A-1972550, Keri, Imre.
A-3758152, Kubo, Ryukichi.
2530-P-111999, Romond, Victor.
A-2192737, Saleba, Harry K.
A-5050186, Schlam, Max.
A-5722106, Steinberg, Morris.
A-5481658, Vence, Julia Ghislaine Victoria.
A-3748814, Bizub, Jan.
E-096633, Karpany, Michael.
A-1029615, Manuela, Vincenzo.
A-4472520, Marino, Phillip John.
A-2432814, Pessin, Joseph.
2774-P-150818, Dadasovich, Trivan.
A-5481160, Maniscalco, Bernardo.
A-2996201, Memcevic, Mato.
A-4897523, Chmiel, Mary Georjk.
A-2499495, Karlsson, Per August Elis.
A-3223867, Lasczsesten, Andras.
A-5283964, Muszinski, Stephen Joseph.
A-2413009, Mykkanen, Waino John.
A-2664328, Ozdoba, Sylvester.
A-1290504, Pitkowski, John.
A-1292775, Reiss, Jack.
A-3080509, Sherman, Abraham.
A-1517262, Silverman, Rebecca.
A-4529980, Veccirkas, Antanas.
A-5413225, Wisniewski, Paul.
A-5940963, Armedio, Carmine.
A-1913728, Boolen, Leona Margaret (nee Toews).
A-5094529, Greenberg, Leon Levine.
A-4165058, Kozinski, Peter.
A-1970246, Lefcovitz, Leopold.
A-1049318, Milligan, Clarence Reynolds.
A-5334014, Ragni, Louis.
A-4911237, Urasik, George.
A-5773002, Valey, Stephen Francis.
A-3468884, Castillo, Armando.
A-5208250, Fagan, Nathan.
A-5486663, Navarro-Hernandez, Pedro.
A-2173393, Rogalski, Stanislaw.
A-5976758, Stoka, Dominick.
A-3561023, Tomkowsky, Edward Joseph.
A-4158186, Volpi, Umberto.
A-1288760, Erblick, Max.
A-2214247, Mauch, Erhard.
A-1679210, Podkoscielny, Thomas.
E-093853, Prestia, Giuseppe.
A-4963684, Rodriguez, Jose.
A-4374868, Spinack, Charles.
A-1755527, Zawadski, Eliasz.
A-1526573, Carlo, John.
A-1859088, Cekovich, John.
A-4073697, Crnogarac, Paul.
A-8847111, Herman, Andrew.
A-4506868, Kleinberg, Harry.
A-4387639, Nemo, Al.
A-5017732, Szabelski, Frank.
A-4843933, Vilim, Josephine (nee Hubek).
A-3997690, Eisenstein, Sam.
0300-428551, Galvano, Alberto.
A-1071707, Isakowitsch, Alfred.
A-1309588, Kidder, Kako.
A-4567843, Nemirowsky, Jacob Charles.
A-2750348, Szalay, Joseph.
E-79714, Hong, Yen.
A-5809281, Aszoni, Istvan.
A-1009222, Fewskes, Oscar Charles.
A-4364776, Albano, Lawrence.
0300-422308, Becker, Hyman.
A-5208729, Bombas, Joseph John.
A-3450971, Glasgow, Joseph.
A-3430836, Koll, Cornelius.
A-2608347, Marchuk, Peter.
A-1590661, Schwartz, Alexander.
A-5643340, Shiojuk, Michael.
A-5093622, Fischer, Arnold Paul.
A-5920401, Hanson, Melvin Frank.
A-3623036, Kalousek, Mathilda.
A-4924351, Miller, Frank Louis.
A-6441524, Perez-Negrete, Concepcion.
A-5648276, Raczynski, Alexander.

DR. ROBERT C. JALBUENA

The bill (H. R. 1078) for the relief of Dr. Robert C. Jalbuena was considered, ordered to a third reading, read the third time, and passed.

DOROTHY ANTONIA (SUK FONG) LEONG

The bill (H. R. 1084) for the relief of Dorothy Antonia (Suk Fong) Leong was considered, ordered to a third reading, read the third time, and passed.

GEORGE HENRY MAHONEY

The bill (H. R. 1092) for the relief of George Henry Mahoney was considered, ordered to a third reading, read the third time, and passed.

DR. AND MRS. IVAN PERNAR

The bill (H. R. 1193) for the relief of Dr. and Mrs. Ivan Pernar was considered, ordered to a third reading, read the third time, and passed.

KENNETH K. W. LAU AND ROMANA SAY SOAT KHENG

The bill (H. R. 1198) for the relief of Kenneth K. W. Lau and Romana Say Soat Kheng (also known as Mrs. Anne Say Lau) was considered, ordered to a third reading, read the third time, and passed.

MRS. ESTHER MORENO

The bill (H. R. 1208) for the relief of Mrs. Esther Moreno was considered, ordered to a third reading, read the third time, and passed.

SALVADOR, MERCEDES, AND MIGUEL CHOFRE

The bill (H. R. 1232) for the relief of Salvador, Mercedes, and Miguel Chofre was considered, ordered to a third reading, read the third time, and passed.

LOUIS B. PRUS-LATKIEWICZ

The bill (H. R. 1657) for the relief of Louis B. Prus-Latkiewicz was considered, ordered to a third reading, read the third time, and passed.

JAMES WILSON

The bill (H. R. 1907) for the relief of James Wilson was considered, ordered to a third reading, read the third time, and passed.

ANASTASIOS SELEMETZIDIS

The bill (H. R. 2049) for the relief of Anastasios Selelmetzidis was considered, ordered to a third reading, read the third time, and passed.

MADIROS KEBABJIAN

The bill (H. R. 2525) for the relief of Madiros Kebabjian was considered, ordered to a third reading, read the third time, and passed.

JOSEFA MARTINEZ INFANTE

The bill (H. R. 2782) for the relief of Josefa Martinez Infante was considered, ordered to a third reading, read the third time, and passed.

JOAN FRANCES FEELEY

The bill (H. R. 2945) for the relief of Joan Frances Feeley was considered, ordered to a third reading, read the third time, and passed.

WILLIAM LAWLER

The bill (H. R. 3188) for the relief of William Lawler was considered, ordered to a third reading, read the third time, and passed.

MRS. DONALD A. HOWARD

The bill (H. R. 4025) for the relief of Mrs. Donald A. Howard (nee Miss Elsa Ursula Kuchinke) was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4326) for the relief of Regina Dippold was announced as next in order.

Mr. KILGORE. Mr. President, I ask that Calendar No. 1448, House bill 4326, for the relief of Regina Dippold, be indefinitely postponed, inasmuch as the bill is no longer necessary. I have been advised by the author that the beneficiary has already entered the United States as an adopted child under the Refugee Relief Act.

The PRESIDING OFFICER. Without objection, the bill is indefinitely postponed.

MICHELE PICA

The bill (H. R. 4548) for the relief of Michele Pica was considered, ordered to a third reading, read the third time, and passed.

VLADIMIR AND SVATAVA HOSCHL

The bill (H. R. 4612) for the relief of Vladimir and Svatava Hoschl was considered, ordered to a third reading, read the third time, and passed.

MRS. BARBARA (PEARSON) BOYCOTT

The bill (H. R. 4769) for the relief of Mrs. Barbara (Pearson) Boycott was considered, ordered to a third reading, read the third time, and passed.

ANDREAS (OR ANDREW) VOUTSINAS

The bill (H. R. 5869) for the relief of Andreas (or Andrew) Voutsinas was considered, ordered to a third reading, read the third time, and passed.

JESAJAHU BRAUN

The bill (H. R. 5870) for the relief of Jesajahu Braun was considered, ordered to a third reading, read the third time, and passed.

MRS. MARY CHRISTINE DOWDY

The bill (H. R. 7197) for the relief of Mrs. Mary Christine Dowdy was considered, ordered to a third reading, read the third time, and passed.

NIHAT CENGIZ

The Senate proceeded to consider the bill (S. 1026) for the relief of Nihat Cengiz, which had been reported from the Committee on the Judiciary, with an amendment in line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available," so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Nihat Cengiz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GOSTA HARRY RONER

The Senate proceeded to consider the bill (S. 1897) for the relief of Gosta Harry Roner, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and *"Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act,", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Gosta Harry Roner may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. TSI AU LI AND OTHERS

The Senate proceeded to consider the bill (H. R. 1887) for the relief of Dr. Tsi Au Li (Tsi Gziou Li), Ru Ping Li, Teh Yu Li (a minor), and Teh Chu Li (a minor), which had been reported from the Committee on the Judiciary with amendments, on page 1, line 4, after the name "(Tsi Gziou Li)", to strike out ", Ru Ping Li, Teh Yu Li (a minor), and Teh Chu Li (a minor)"; in line 8, after the word "visa", to strike out "fees" and insert "fee"; at the beginning of line 10, to strike out "aliens" and insert "alien"; and in line 11, after the word "deduct", to strike out "four numbers" and insert "one."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of Dr. Tsi Au Li (Tsi Gziou Li)."

BILL PASSED OVER

The bill (H. R. 7156) to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Fla., was announced as next in order.

Mr. BIBLE. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MASSACHUSETTS COLLEGE OF PHARMACY—REFERENCE OF SENATE BILL 104 TO THE COURT OF CLAIMS

The resolution (S. Res. 196) referring S. 104 to the Court of Claims was considered and agreed to, as follows:

Resolved, That the bill (S. 104), entitled "A bill for the relief of the Massachusetts College of Pharmacy" now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

ESTATE OF JOSEPH KELSCH

The Senate proceeded to consider the bill (S. 1221) for the relief of the estate of Joseph Kelsch which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 10, after the word "as", to strike out "added" and insert "amended", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury, upon receipt and redemption

of United States Savings Bonds of series E in the amount of $4,300 (maturity value), registered in the name of Joseph Kelsch, of Coalinga, Calif., now deceased, payable on death to the Treasurer of the United States, and after the payment of any gift or inheritance taxes in accordance with the provisions of section 24 of the Second Liberty Bond Act, as amended by the act of April 3, 1945 (59 Stat. 48; 31 U. S. C. 757e), is authorized and directed, notwithstanding any other provisions of that section, to apply the remaining proceeds or so much thereof as may be necessary, in payment of all just claims of the creditors of the estate of Joseph Kelsch (including persons who may have paid such claims out of their own funds) which may be judicially determined or otherwise established to the satisfaction of the Secretary and for the payment of which there are no available assets in the estate.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANNA K. McQUILKIN

The Senate proceeded to consider the bill (H. R. 6790) for the relief of Anna K. McQuilkin, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 6, after the name "McQuilkin", to insert "of Chicago, Ill."; in line 10, after the numeral "1", to insert "In the event judgment is entered for Anna McQuilkin any award payable thereunder shall be reduced by the amount received by the father of Elmer K. Kersey, under the provisions of section 401 of the act of October 6, 1917 (40 Stat. 409), as amended."; and on page 2, after line 12, to insert:

SEC. 3. Nothing contained in this act shall be construed as an inference of liability on the part of the United States.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PAYMENT OF GRATUITY TO INEZ RILEY

The resolution (S. Res. 198) to pay a gratuity to Inez Riley was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Inez Riley, widow of Haywood Riley, an employee of the Office of the Architect of the Capitol at the time of his death, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PAYMENT OF GRATUITY TO DORETHA JOHNSON

The resolution (S. Res. 199) to pay a gratuity to Doretha Johnson was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Doretha Johnson, widow of Raymond J. Johnson, an employee of the Office of the Architect of the Capitol at the time of his death, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

RESOLUTION PASSED OVER

The resolution (S. Res. 200) extending the time for investigation of welfare and pension plans, was announced as next in order.

Mr. BIBLE. I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

JOINT COMMITTEE TO ARRANGE FOR INAUGURATION OF THE PRESIDENT-ELECT

The concurrent resolution (S. Con. Res. 64) providing for a joint committee to arrange for the inauguration of the President-elect of the United States, January 20, 1957, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. PURTELL. If the answer to my question is what I expect it will be, I shall not object. Does the concurrent resolution provide for an appropriation of funds in any way?

Mr. BIBLE. We are informed that the concurrent resolution does not so provide.

Mr. PURTELL. I thank the Senator.

Mr. JOHNSON of Texas. I understand the distinguished minority leader contemplates offering an amendment to the concurrent resolution. Therefore, I ask unanimous consent that the concurrent resolution be placed at the foot of the calendar.

The PRESIDING OFFICER. The Chair will advise the Senator from Texas that we are now at the foot of the calendar. The concurrent resolution is the last measure to be considered on the calendar today.

Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. KNOWLAND. Mr. President, I should like to offer an amendment on line 6, after the word "President-elect", to add the words "and Vice President-elect."

Originally, the Vice President of the United States was inaugurated in the Senate Chamber, but in recent years the inaugural ceremonies for both the President-elect and the Vice President-elect have been held on the steps of the Capitol Building.

Mr. JOHNSON of Texas. Mr. President, this matter was called to the attention of the majority leader, and I also conferred with the ranking member of the Committee on Rules and Administration, the distinguished Senator from Arizona [Mr. HAYDEN]. After discussing the matter with the Senator from Arizona and with the minority leaders, we concluded that the amendment should be made. I hope it will be adopted.

Mr. KNOWLAND. Mr. President, I conferred with the ranking Republican member of the Committee on Rules and Administration.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from California.

The LEGISLATIVE CLERK. It is proposed to insert in line 6, after the word "President-elect", the words "and Vice-President-elect."

The amendment was agreed to.

The concurrent resolution (S. Con. Res. 64), as amended, was agreed to, as follows:

Resolved, etc., That a joint committee consisting of 3 Senators and 3 Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect and the Vice President-elect of the United States on the 20th day of January 1957.

The PRESIDING OFFICER. That completes the call of the calendar.

The Chair lays before the Senate the unfinished business, which is Senate bill 1853.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

COMPLAINTS OF OVERINSURANCE OF VETERANS' HOMES

Mr. WILLIAMS. Mr. President, I have received complaints that veterans have been and are being forced to overinsure their homes in order to obtain a Veterans' Administration guaranty on their loans. In this connection, I have prepared a statement which I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAMS

The report is that in certain cases some lending agencies were insisting upon fire insurance to the extent of 100 percent of the total value of the property, including not only the dwelling but also the lot, sidewalks, driveways, foundation, and sewerage improvements.

Other complaints, while not quite as serious, did indicate that veterans were being forced to insure their property by about 110 percent of the appraised valuation of the dwelling alone, or, in other words, the equivalent of the valuation of the home plus approximately one-half the valuation of the lot, etc.

Obviously the lot, driveway, sidewalk, and sewerage improvemetns could not burn, and certainly to have forced the veteran to include as a part of his fire-insurance requirements the cost of such was a complete waste of money.

I submitted this allegation to the Vetans' Administration for comment and explanation, and they have confirmed that during the period around 1950, at the time of the peak activity in home building, some lending agencies were insisting upon fire insurance to the extent of 100 percent of the value of the property, including the lot, sidewalks, driveways, foundation, etc.

Apparently complaints were filed at that time with the Veterans' Administration in Washington, and as a result, on May 15, 1950, a modified regulation was issued and transmitted to all regional offices suggesting that the loan-guaranty officers should examine more closely the insurance requirements being demanded.

I quote from this regulation of May 15, 1950:

"• • • Where it comes to your attention that any lender, as a habitual practice, is overinsuring, you should demand that proper reductions be made and should support such demand with regulation section 36:4331, which gives you the right to suspend the lender for indulging in practices detrimental to the interests of the veteran or of the Government."

Prior to this date I find no record where the Veterans' Administration objected to this practice.

Complaints still kept coming in that the veterans were being required to overinsure their property in order to obtain loans, and again on September 13, 1951, the Washington office sent to all regional offices an "all-station letter," at which time their position was reiterated that the insurable value was to be the estimated replacement cost minus physical depreciation.

Notwithstanding these regulations, this practice has not stopped, and in some areas veterans today are still being required to overinsure their homes in order to obtain guaranties of their loans through the Veterans' Administration regional offices; and all of that responsibility does not rest with regional loan-guaranty officers, but a part of it is the result of instructions from Washington.

I have checked several specific cases, and while I did not find any upon which present requirements equaled 100 percent of the combined cost of the home, building lot, driveway, sidewalks, and sewerage improvement, nevertheless I did find that in practically every instance in the area checked, requirements are being made for approximately 110 to 115 percent insurance of the appraised cost of the home.

There is not a single court in any State of the Union under which an individual can collect fire insurance in exces of the replacement cost.

This practice of forcing these veterans to overinsure their homes by approximately 10 percent represents a total loss from their standpoint and a direct windfall to the insurance companies so insuring.

When we consider that this practice, unnecessarily boosting the costs for the veteran buying the home has been perpetrated by an agency of the Government which supposedly was created by Congress to protect the veteran, this situation is even more reprehensible.

As evidence that the responsibility for this overinsurance practice rests partly with Washington I cite the case wherein the loan-guaranty officer in the State of Delaware first refused to approve loans in a development in that State on the basis that the lenders were requiring or forcing the veterans to overinsure their properties. This was in 1954.

The decision of the Wilmington loan-guaranty officer, who was insisting at that time that the veterans be required to obtain fire insurance not to exceed 100 percent of the appraised valuation of the home which he was purchasing, was appealed to Washington, and the Washington bureau overrode his decision in a memorandum dated August 20, 1954, signed by Mr. T. B. King, Assistant Deputy Administrator.

This decision was made notwithstanding the fact that at that time it was clearly explained to the Washington office that the veterans in that area were being forced to insure their homes at approximately 110 percent of the purchase price.

One explanation advanced by the Veterans' Administration for having permitted this overinsurance requirement is that the amount involved is negligible amounting to only 1 or 2 thousand dollars extra fire insurance, and the unnecessary cost to the veteran would only be about a couple of dollars per year.

Through November 1955 the Veterans' Administration insured or guaranteed a total of 3,783,000 primary mortgage home loans, and even if this overinsurance requirement only represented an unnecessary loss of $1 per year for each veteran that would be $3¾ million per year.

When you consider that these mortgages will run from 20 to 30 years, the excessive payments by the veterans or the windfall to the insurance companies involved would be tremendous.

The 3,783,000 veteran home mortgage loans run into the billions, and a 10 percent overinsurance requirement could mean that the veterans would be paying fire insurance upon hundreds of millions which under the laws in no State in the Union could be collected.

Perhaps all of these homes have not been overinsured, in which event the prospective loss would be proportionately different; however, the point which I emphasize is that the overinsurance requirement should not have been condoned in any instance.

There is no possible justification for this policy's having been condoned by the Veterans' Administration, and while I am glad to note that they did begin to take steps back in 1950 to modify the practice, they should have gone further and stopped it entirely.

Another excuse in defense of this overinsurance requirement was that with a trend toward inflation the replacement cost of the homes in the years ahead would be higher, and anticipating this inflation the overinsurance requirement was to the veterans' long range interest.

Are we to assume that this agency knows something that they have not told the Treasury Department; namely, that the stability of the United States Government and the American dollar is in jeopardy and that uncontrolled inflation is inevitable? Besides, who ever heard of buying fire insurance against future inflation?

The Veterans' Administration has promised that they will once again issue a regulation pointing out the necessity for more closely scrutinizing the insurance requirements in an effort to prevent future overinsurance.

Let us hope that this time the results will be more effective and an immediate stop is made to forcing this unnecessary charge on the veterans.

As an ofttimes critic of the policies and practices of the Wilmington (Del.) Veterans' Administration officials I commend them in this instance for having resisted, even though unsuccessfully, this requirement of forcing the veterans to overinsure the homes in that area.

ADDITIONAL CLERICAL ASSISTANTS FOR THE COMMITTEE ON FOREIGN RELATIONS

Mr. GEORGE. Mr. President, I wish to call up Calendar No. 1472, Senate Resolution 161, authorizing the Committee on Foreign Relations to employ two temporary additional clerical assistants. I am sure the Senator from Louisiana [Mr. ELLENDER] does not have any objection. The resolution provides for two temporary additional clerical assistants for the Committee on Foreign Relations. The resolution has been reported unanimously by the Committee on Foreign Relations, and it has been twice considered and agreed to by the Committee on Rules and Administration. I do not think the Senator from Louisiana has the slightest objection to this resolution.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. JOHNSON of Texas. Mr. President, I should be glad to have the resolution come up later in the day, but I am not quite clear what the objections of the Senator from Louisiana cover. I agreed to give him complete protection. I shall telephone the Senator from Louisiana, and, if he has no objection, I shall immediately ask unanimous consent to have the resolution considered.

Mr. GEORGE. Mr. President, I should also like to have included Calendar No. 1475, Senate Resolution 185, extending the time for filing a report by the Subcommittee on Disarmament.

Mr. JOHNSON of Texas. I shall be glad to discuss that with the Senator from Louisiana, also.

Mr. GEORGE. Mr. President, I should like to have included in the same request Calendar No. 1480, Senate Resolution 162, to investigate matters pertaining to technical assistance and related programs. All three of the resolutions came from the Foreign Relations Committee without objection; they were unanimously reported; and all three of them have been reported by the Committee on Rules and Administration.

Mr. JOHNSON of Texas subsequently said: Mr. President, the distinguished chairman of the Committee on Foreign Relations [Mr. GEORGE] requested consideration of Senate Resolution 161, Calendar No. 1472. Action on that request was deferred until I could confer with the minority leader [Mr. KNOWLAND]. He has now cleared the request. Therefore, on behalf of the distinguished chairman of the committee, I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 161) authorizing the Committee on Foreign Relations to employ two temporary additional clerical assistants.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Committee on Foreign Relations is authorized to employ two additional clerical assistants from February 1, 1956, through January 31, 1957.

CONSIDERATION OF INVESTIGATION RESOLUTIONS

Mr. JOHNSON of Texas. Mr. President, I announce for the information of Senators that I have conferred with the distinguished senior Senator from Louisiana [Mr. ELLENDER] and the distinguished minority leader [Mr. KNOWLAND]. We plan to meet again within the next day or two and try to agree upon a time for consideration of all the various investigation resolutions. Perhaps at that meeting we shall agree to

extend the funds for the various committees until March 1. It is very likely that we shall move for consideration of the resolutions as soon as the Senate returns, a week from next Wednesday.

BRIEF ANALYSIS OF THE PAST, PRESENT, AND FUTURE POLITICAL SITUATIONS

Mr. WILLIAMS. Mr. President, for 20 years, first under the New Deal, then under the Fair Deal, the American people were fed a continuous diet of alphabet soup. The letters of the alphabet were juggled around and used in every conceivable manner to help distinguish the numerous agencies, bureaus, and departments which were being piled, one upon another, as they created their ever-expanding bureaucracy.

This alphabet soup diet became so repulsive that in November of 1952, the American people revolted and overthrew the "chef."

This revolt developed, not only as a result of the American people's becoming nauseated with this continuous diet, but also because the New Dealers in charge of the brewing of this alphabet soup became allergic to certain letters used as ingredients. For instance, in 1952 they were especially allergic to the letter "C"—particularly as the letter "C" stood for confusion, corruption, communism, and cronyism.

Well, Mr. President, the Eisenhower administration has been in power for 3 years, and our opponents' allergy to the letter "C" has been cured by the simple process of making it symbolic for confidence.

But now as we approach the 1956 election, we find that our opponents again are trying to sell the American people on going back to the old alphabet-soup diet.

Fortunately, just as they were handicapped by an allergy in 1952, so too are they again showing strong symptoms of becoming allergic to another letter in the alphabet—the letter "P."

Not only are they developing an allergy to this letter because it stands for the personal popularity of the President, but what is even more disturbing to them is the manner in which this letter symbolizes the great popularity of President Eisenhower's program of peace and prosperity for all the people of both political parties.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. MANSFIELD. Mr. President, I should like to ask a question of the majority leader, if I may do so.

If it would be possible, I should like to be recognized as soon after the conclusion of the morning hour on next Monday as possible, in order to make a speech on the bill to amend the Natural Gas Act, as amended. Can the majority leader, who I understand will control some of the time, give me any assurance that at that time I will be given recognition?

Mr. JOHNSON of Texas. I assume the Senator realizes that under the unanimous-consent agreement the time in favor of the bill is controlled by the majority leader, and the time in opposition to the bill is controlled by the minority leader. Is my understanding correct that the junior Senator from Montana desires time in which to speak in support of the bill?

Mr. MANSFIELD. The Senator's is correct.

Mr. JOHNSON of Texas. The Senator from Texas will be here Monday, and as soon as the morning business is concluded, and as soon as the Senator from Texas can gain recognition, he will allot to the junior Senator from Montana 15 minutes, perhaps more if that be necessary.

Mr. MANSFIELD. I thank the Senator from Texas.

Mr. GOLDWATER. Mr. President, the exhaustive and thoroughly enlightening debate on the natural gas bill has already mercilessly taxed the time and talents of our distinguished colleagues on both sides of the aisle.

Sir Winston Churchill, had he heard it, might have said that "never before has so much been said by so many for so long about so little." He might also comment that never before has there been a bill before this body more appropriately named.

For this reason, I hesitate to add still more fuel to the fire—if I may be permitted a very poor play on words. However, and this extremely apt quotation was used in this very debate, "to sin by silence when we should protest makes cowards of men."

But, before I register my protest, I want to make it very clear that I am not at all concerned at this particular juncture with the relative merits or alleged shortcomings of S. 1853, as a piece of legislation.

My stand on the measure is a matter of record. My stand stems from principle. I will vote for it.

Rather, I am now concerned with a strange contradiction that has unfolded with uninhibited candor and remarkable boldness during this great debate.

It is no secret, Mr. President, that stanch, dyed-in-the-wool, rock-ribbed Democrats have assumed the leadership on both sides of this issue. Natural gas has split the party right down the middle.

These Democrats have vehemently argued the pros and cons of the bill, argued such all inclusive terms as: "The little man, "big business," "captive consumers," "monopolies," and many more meaningless clichés.

Both sides, with appropriate emphasis and histrionics, claim to be the knight in shining armor courageously defending the God-given rights of the sacred individual. The individual in this case happens to be the consumer, trembling in uncertainty and fear, in some frigid outpost at the burner tip at the end of the pipeline.

Simple logic tells us that the Democrats on both sides cannot be right. But that is not the point I wish to make.

One Democrat, Mr. President, says that the best interests of that consumer can best be served by clamping Federal controls on big business—the gas producers, in this instance.

Another Democrat, with equal vehemence and conviction, shouts in effect: "Nonsense. What is good for X Natural Gas Corp. is good for the country."

It could be, of course, that this Democrat has embraced the so-called trickle-down theory which other Democrats have so often used to belabor Republicans. It is possible that the good effects of regulation at the wellhead may trickle down through the pipeline to the consumer by the burner tip.

The Democrat Party has shouted from one end of the country to the other that the Republican Party is the party of big business. The Democrat Party never fails at election time to charge that the Republican Party is against the interests of the little man.

This debate proves conclusively that the Democrat Party does not know exactly what constitutes big business. That is precisely the point I wish to make, Mr. President.

This debate proves conclusively that the Democrat Party does not know exactly what is in the best interests of the little man.

This debate proves beyond any shadow of a doubt that a very responsible wing of the Democrat Party is just as much a champion of big business as they accuse the Republican Party of being. This wing of the Democrat Party rationalizes its stand as being in the best interests of the Nation as a whole.

I wonder if they will be as generous with the Republican Party when election time rolls around.

I wonder if they will be big enough to admit that it is entirely possible to champion the cause of one particular economic segment of our society without necessarily being the unequivocal enemy of everyone else?

Or is it only in the natural-gas industry that the unfettered operations of big business and the free enterprise system work to the benefit of the little man?

The Democrat Party also shouts giveaway. Mr. President, whenever a Republican official makes a move concerning our great natural resources.

This debate proves that the Democrat Party cannot reach a simple agreement among its own members as to what constitutes a so-called giveaway. I do not consider the pending legislation as such.

These Senators well know that there is no giveaway when the Federal Government leaves our States and our people secure in their own property. But Democrats too often have used the word to mislead the people into thinking that the Nation's resources will be dissipated and lost. Take, for example, the Tidelands case, in which politicians charged giveaway. In that case the States received what was rightfully theirs, and the Federal Government has already received hundreds of millions for what justly belonged to it.

The present debate is another example which proves that the term is a loaded word, designed for popular appeal and employed only for political advantage. I wonder how often we shall be hearing it as November approaches.

Mr. President, the Democrat Party has sanctimoniously belittled the Republican Party whenever it sought to get the Government out of private business. These very wise moves were based on the theory that the Government in business is unfair competition in private enterprise. But, the Democrats angrily denounce us.

Mr. President, this debate proves that the Democrat Party is at loggerheads over what constitutes competition. This debate proves that the Democrat Party is not certain as to exactly what private enterprise is.

The contradictions of this debate are simply amazing. Here we have Democrats vigorously upholding free enterprise after supporting so many New Deal efforts to expand the Federal Government at the expense of free enterprise. And we have other Democrats who, after stanchly supporting free enterprise in the past, are now willing to have free enterprise shackled by Government control. Are our principles so fleeting that they can be wafted about by every capricious breeze?

This debate proves that on all questions concerning what is in the public interest, what constitutes a monopoly, and what should be federally regulated, the Democrats are completely at sea. Indeed, they are farther apart on these issues than the price of natural gas at the wellhead and at the burner tip.

I could go on and on, Mr. President, pointing out paradox after paradox. But I do not particularly enjoy exposing my colleagues on the other side of the aisle merely for exposure's sake.

As I have previously indicated, we should be concerned with protecting the tenets of the free-enterprise system—the basic one of which is that that natural resources of this country be developed by free enterprise. Neither party has exclusive claim to that responsibility—it is the responsibility of all Americans interested in our way of life. But, as I also indicated before, to have failed to protest at this time would have been to sin by silence.

This debate should once and for all put an end of the irresponsible habit of our Democrat friends of smear by slogan. The great lesson to be learned from this debate is the simple lesson that all chickens eventually come home to roost.

No single political party, Mr. President, has corralled all the wisdom in this Nation.

No single political party has all the answers to every question.

No single clever cliché, bright saying, or smart ditty encompasses a single problem in all its ramifications.

The protection of the basic concepts of our Government and our economic system is charged to both parties.

Let us hope that when election time approaches, and our Democrat colleagues are tempted to brand the Republican Party as the party of big business, they stop and think about this debate.

Let us hope that when they are tempted to brand us the "Party of the rich, by the rich, and for the rich," they remember the events of these past few weeks.

Let us hope that when they are tempted to tell the voters that the Republican Party is against the interests of "the little man," they will pause and remember how difficult it was for them to establish just what is in the public interest.

I am sure that if this debate in all its aspects is remembered by our Democrat colleagues, a much more sensible and constructive election year is in the offing.

Mr. GORE. Mr. President, I have listened with a great deal of interest to the debate on S. 1853, to amend the Natural Gas Act. It has been an instructive debate, conducted on an admirably high level. Many able and fine addresses have been delivered in the course of the debate.

I should like to cite 2 speeches in support and 2 in opposition which I found particularly provocative, interesting, and vigorous. I refer particularly to the speech of the junior Senator from Oklahoma [Mr. MONRONEY] in support, and the speech of the junior Senator from Rhode Island [Mr. PASTORE] in opposition; also to the speech of the senior Senator from Illinois [Mr. DOUGLAS] in opposition, and the speech of the junior Senator from Louisiana [Mr. LONG] in support.

Many other able addresses have been delivered, and I should not want my failure to mention others to indicate that I believed other speeches of equal quality have not been made. I did, however, find those four speeches particularly arresting.

Mr. President, with the exception of tax measures, the Senate is seldom called upon to pass upon legislative proposals directly affecting so large a number of American people as does the bill now before the Senate. Approximately 28 million consumers, together with their families, are directly dependent for their comfort and convenience upon the continued flow of natural gas into their homes. It is obvious that even a small change in the price they pay for gas will, in the aggregate, have a tremendous impact on the cost of living.

In 1938 the Congress clearly decided that regulation of the price charged consumers for natural gas was necessary in the public interest. I doubt if anyone seriously questions that proposition today. No Senator in debate has questioned it. Furthermore, Mr. President, it seems to me that when Congress decided regulation was necessary, it must have intended effective regulation. For unless the regulation is effective to accomplish the desired objective, the regulatory processes serve no useful purpose whatsoever.

I have examined carefully the arguments made by the proponents of the bill.

The junior Senator from Oklahoma [Mr. MONRONEY] has done a brilliant job in calling to the attention of the Senate and of the country the unreasonable charges for the retail distribution of gas, the high profits, and in many instances the unjustifiable tactics and practices of the distributing utilities. With his statements in that regard I have found considerable sympathy. I fail to see, however, how those unsavory facts can in any way justify passage of the pending bill.

Arguments in support of the bill are not without merit. It is not a one-sided question by any means. The proponents honestly and sincerely advance facts which they feel justify the passage of the bill. For the most part, however, the arguments advanced in justification of the bill are general principles and general propositions. It is true, for instance, as the proponents contend, that the price of coal is not regulated at the mine, even though the price paid by the consumer for the electricity generated by the use of coal is regulated.

It is true also, as urged by the proponents of the bill, that price regulation is not necessary or desirable, in normal circumstances, if there be free and open competition among the sellers of a given commodity. A statement of these general propositions, however, does not meet the real question before the Senate.

In our free society, the determination as to whether regulation is in the public interest must be made on the basis of an analysis of the nature of the commodity or service supplied and upon the economics of the industry engaged in supplying it. It is when we consider the nature of the natural-gas industry, and the interrelationship of each of its segments, that we reach the conclusion that the bill before the Senate fails to provide a means of effective regulation of the price ultimately charged to consumers and, therefore, fails adequately to protect the public interest.

I do not propose to go into a technical discussion of the various sections of the bill. The record is complete. Suffice it to say that, in the opinion of the junior Senator from Tennessee, the so-called regulatory features of the bill provides no adequate tools for reasonable control of the price of natural gas at the head of the pipeline.

It is said by the proponents of the bill that consumers are adequately protected by provisions under which the Federal Power Commission could, in some instances, deny to a pipeline company and, in turn, to a distributor, the right to pass on to the consumer unreasonable increases in the price of gas at the wellhead to the extent that such are in excess of a reasonable market price.

In the House report, included at page 40 of the Senate report, a majority of the House committee quoted with approval a legal definition of the term "market price." I read as follows:

> The actual price at which the given commodity is currently sold, or has recently been sold, in the open market, that is, not at a forced sale, but in the usual and ordinary course of trade and competition, between sellers and buyers equally free to bargain, as established by records of late sales.

I emphasize the phrase "between sellers and buyers equally free to bargain."

Herein lies the fatal weakness of the bill, because, as indicated in the foregoing definition, there can be no reasonable market price unless the parties are "equally free to bargain." There never has been a free market in natural gas, Mr. President, and there will not be one if the pending bill is passed.

Here, again, we come back to the nature of the commodity and the economics of the industry. As the junior Senator from Rhode Island has said those who need some natural gas cannot take a bucket and go and get some. It must come through the pipeline. When pipelines are installed in place at great expense, the suggestion that the owners may bargain freely with thousands of producers for a supply of gas is nothing more than an illusion.

Much has been said about the approximately 8,000 producers who have gas available for sale. Much has been said, also, about the relatively small number who control the vast majority of the gas reserves. I do not contend that regulation is required solely on the basis of concentration of ownership. The control of other segments of our economy is far more concentrated than in the industry with which we are today concerned. There are, of course, inherent dangers in concentration of control, if carried too far. But if natural gas were a commodity freely transportable and deliverable by alternate competitive means, but few would contend that such monopolistic tendencies are now present as to require Federal intervention. But the fact remains that consumers must still get their natural gas from the pipeline, itself authorized and protected by a certificate of convenience and necessity.

So it serves no useful purpose to talk of numbers of producers. The simple economic facts of the industry preclude the operation in the gas fields of the classic concept of bargain and sale known as free competition.

For this reason, Mr. President, we must impose reasonable regulation of the price of gas in the field.

After examining all the arguments advanced, I have reached the conclusion that the bill before the Senate fails to provide adequate safeguards. Accordingly, I oppose it.

Mr. CASE of South Dakota. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. CASE of South Dakota. Is the Senator convinced by his study of the subject that in essence the delivery of natural gas is the delivery of a monopoly product?

Mr. GORE. The distribution of natural gas, as I see it, is essentially monopolistic in character. I do not mean to suggest, as I tried to make clear, that there is a monopoly in the ownership of the reserves or of the producing facilities. The distribution essentially is monopolistic.

Mr. CASE of South Dakota. But so far as the customer at the end of the delivery line is concerned, he does not have a choice of suppliers.

Mr. GORE. The gas which comes into the kitchen stove of the housewife comes through one pipeline. She has no choice; neither does the Senator's wife; neither do any of the 28 million consumers of gas. They must rely upon the gas in the pipelines which reach their appliances. Yes; the consumer is a captive consumer.

Mr. CASE of South Dakota. I express my appreciation to the able Senator from Tennessee for stressing that point, because I expect to make some remarks on it when I shall have obtained recognition later this afternoon.

The general conclusion to which I have come is based upon the concept that natural gas is a monopoly product, so far as the consumer is concerned. My full speech will more or less rest upon that assumption, although it will deal with an entirely different phase of the matter.

Mr. FULBRIGHT. Mr. President, on January 24, in a colloquy with the Senator from Rhode Island, I said that later in the debate I would present for the RECORD, material on the question of the State minimum price laws and the effect of the pending natural-gas bill upon those laws. Therefore, I ask unanimous consent to have printed at this point in the body of the RECORD an explanation of this matter.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

STATE MINIMUM PRICE LAWS

Question has been raised as to the extent State minimum price laws might bear on or control the Federal Power Commission's determination of reasonable market price under the Fulbright-Harris bill.

It is clear under the opinions of the United States Supreme Court that State law or regulation cannot interfere or impede the action of the Federal Power Commission in the areas covered by this bill. Nothing in a State law and nothing that a State regulatory agency may do can control, affect, or restrict the Commission in determination of reasonable market price under the provisions of the Fulbright-Harris bill.

In a recent decision of the Supreme Court (*Natural Gas Pipeline Company of America* v. *Panoma Corporation, et al*, 349 U. S. 44, 75 S. Ct. 576) the Court held that an attempt by Oklahoma "to fix a minimum price to be paid for natural gas, after its production gathering has ended, by a company which transports the gas for resale in interstate commerce" could not be sustained as such "sale and transportation cannot be regulated by a State but are subject to the exclusive regulation of the Federal Power Commission."

In an earlier case (*Cities Service Gas Co.* v. *Peerless Oil and Gas Co. et al*, 340 U. S. 19, 71 S. Ct. 215) the Supreme Court had upheld an order of the Oklahoma commission fixing the minimum gas price. The order was attacked on the ground that it violated certain provisions of the United States Constitution but, as the Court pointed out, no contention was made "that the order conflicted with Federal authority asserted by the Natural Gas Act." In this connection, the Court said:

"The commerce clause gives to Congress a power over interstate commerce which is both paramount and broad in scope * * * a State may regulate matters of local concern, over which Federal authority has not been exercised, even though the regulation has some impact on interstate commerce."

Subsequent to this case, the Circuit Court of Appeals for the Eighth Circuit held, in *State Corporation Commission of Kansas* v. *Federal Power Commission* and *Northern Natural Gas Company* v. *Federal Power Commission* (206 Fed. (2d) 690), that as Congress has empowered the Federal Power Commission to regulate "the charges natural gas companies may make for the gas they sell in interstate commerce for resale," under those conditions "there is no room for the exercise of any local power to obstruct or pervent the lawful functioning of the Federal agency entrusted with the Federal power of regulation." The United States Supreme Court denied a writ of certiorari (346 U. S. 922, 98 L. Ed. 203) and denied motion for rehearing (74 S. Ct. 862).

The Fulbright-Harris bill requires the Commission to determine the reasonable market price of gas at the point at which it is delivered into the interstate transmission facilities. This must be determined in connection with escalator clauses in existing contracts and all price provisions under new or renegotiated contracts. It must be determined in connection with passing upon applications for certificates of convenience and necessity by interstate gas transmission companies. The act stipulates three things that the Commission must consider in determining the reasonable market price. However, the act is clearly worded so as not to restrict the Commission to these three considerations. The words "among other things" used in this connection gives discretion to the Commission to consider other pertinent factors bearing on the question of reasonable market price. The Senate committee, on pages 5 and 39–42, of its report on the Fulbright bill lists a number of these factors which should be considered.

Under the above authority, no action by a State legislature or administrative body will be sustained by the United States Supreme Court to the extent it conflicts with this authority granted the Federal Power Commission.

Mr. CLEMENTS. Mr. President, will the Senator from Arkansas yield to me, to permit me to ask several questions of the Senator from Texas [Mr. DANIEL] on the same subject the Senator from Arkansas dealt with in the statement he just placed in the RECORD? If the Senator from Arkansas will yield for this purpose, I wish to have it understood that he will not thereby lose his right to the floor.

Mr. FULBRIGHT. Mr. President, I am glad to yield for that purpose; and I request such consent.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection? Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, during the course of a colloquy between the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Rhode Island [Mr. PASTORE], appearing at pages 1262–1264 of the CONGRESSIONAL RECORD for Wednesday, January 25, 1956, the Senator from Rhode Island indicated, in effect, that S. 1853 could result in the financial destruction of an interstate pipeline company, in that the pipeline may be saddled with a contractual obligation to the producer at the one end of its operation and a price restriction at the other.

I should like to ask my friend, the Senator from Texas, than whom there is no better authority on this subject: Is there any possibility that such a construction could be placed upon the bill?

Mr. DANIEL. First, Mr. President, let me thank the Senator from Kentucky for his compliment.

As a member of the committee, I attended all the sessions, except on one day. It seems to me perfectly clear that S. 1853 will not permit any construction of that nature. In Senate Report No. 1219—84th Congress, 1st session—which is the report of the Senate Committee on Interstate and Foreign Commerce accompanying S. 1853, we have made it perfectly clear, in discussing subsection

(d) of section 3 of this bill, which is the section dealing with price raises as a result of escalation clauses in existing contracts, that:

It is the intent of this subsection that a natural-gas company be permitted to charge as an operating expense the price which it is obligated to pay the producer under subsection (e) of section 3, since it seemed apparent to the committee that it would be inequitable to the pipeline company to be bound, under its contract with the producer, to pay an increased price for the natural gas higher than the price it is permitted to include as an operating expense (p. 8).

Also, in the same report, in discussing subsection (e) of section 3 of this bill, which also deals with price increases as a result of escalation clauses in existing contracts, the committee report states:

Thus, the natural-gas company shall be permitted to charge as an operating expense under subsection (d) the same price which it is obligated to pay the producer under subsection (e) (p. 5).

Subsection (e) of the bill itself provides that the natural-gas company shall be obligated to pay "only such part of a price increase which does not exceed the 'reasonable market price'."

Then the bill goes even further, and prohibits the producers from canceling their contracts because of the ceiling placed on them in this bill.

Mr. CLEMENTS. Mr. President, I should also like to ask the distinguished Senator from Texas the following question: What would the situation be under S. 1853 under new or renegotiated contracts? Is it possible that the pipeline or natural-gas company can be caught in a squeeze between the producer's price and the price at the city gate as set by the Federal Power Commission?

Mr. DANIEL. Thus far we have spoken of the present or old contracts. The question of the Senator from Kentucky is in regard to new contracts, is it not?

Mr. CLEMENTS. Yes, new or renegotiated contracts.

Mr. DANIEL. Mr. President, as to new or renegotiated contracts, it is up to the pipeline companies to protect themselves. They are going to be negotiating new contracts, and under the bill they certainly have procedures by which they can protect themselves.

The bill provides that the Federal Power Commission shall permit a natural-gas company to expense only the reasonable market price. Therefore, the consumer is protected from ever paying more than this amount. Of course, subsection (c) of section 3 provides authority for the Commission, either on its own motion or at the request of a pipeline company, to predetermine the reasonable market price of gas to be sold by a producer before the contract between the producer and the pipeline or natural-gas company is entered into or renegotiated.

In other words, in subsection (c) there is sort of a declaratory judgment provision, whereby the producer, the natural-gas company, and the pipeline company can get a decision on reasonable market price before they ever enter into the contract. In that manner the pipeline can protect itself as between the price paid the producer and the amount it may expense for purposes of determining the permitted charge for gas at the city gate.

In answer to both questions the Senator from Kentucky has asked me, let me say that it certainly seems to me that it can readily be seen, then, that with respect either to existing or new and renegotiated contracts, the pipeline or natural gas company can avoid being saddled with a contractual obligation to the producer at one end of its operation and a price restriction at the other which would result in financial injury—in other words, which would result in the end discussed in the colloquy we previouusly had on the floor.

Mr. CLEMENTS. Mr. President, I appreciate very much the answers given by the distinguished Senator from Texas to my questions. His replies clearly bear out what I think was the intent of the report accompanying the bill, as it was submitted to the Senate.

Mr. DANIEL. That is correct; and I thank the Senator from Kentucky.

Mr. CLEMENTS. Mr. President, I also thank my friend, the Senator from Arkansas [Mr. FULBRIGHT] for making available to us the opportunity to have this colloquy.

Mr. FULBRIGHT. I have been glad to yield for that purpose.

Mr. President, I now yield the floor.

Mr. CASE of South Dakota. Mr. President, I rise to make a difficult speech. I had not expected to take part in the debate on the pending measure, the so-called natural-gas bill. I know very little about the economics in the collection and distribution of natural gas. I speak, therefore, only because one phase of the matter before us has presented itself to me in an unsought and now unavoidable manner.

By far, the overwhelming sentiment of the people of my State, as expressed in telegrams and letters during the past several weeks favors the passage of this bill. In the folders on my desk, 94 telegrams urge me to vote for the bill; only 11 telegrams oppose it. Of the letters received from South Dakota sources, 45 favor the bill, while 30 oppose it. Editorials in the State newspapers, both daily and weekly, are predominantly for the bill.

Among the senders of the telegrams are many of my very closest personal friends. Among the writers of the letters and resolutions are many officials and quasi-public bodies. A decent respect for these people who have expressed themselves in good faith on the evidence before them compels me to state in as clear a way as I can the reason or reasons why I cannot vote for the bill as it stands before the Senate today.

About a week ago, as I was signing out the day's mail, and talking at the same time to a couple of visitors, a long distance telephone call came in. I took it at once with the visitors present since it was after 5 o'clock, and I did not want to be late for other engagements by asking that the operator call back.

The voice at the other end of the line was that of a friend of mine in a South Dakota city who said that a caller had left an envelope with him that was to be given to me—a contribution for my forthcoming campaign. My friend said that he had opened the envelope and found it to contain hundred dollar bills, 25 of them in fact. He said, "What shall I do with it"

I was a bit startled. That would be the largest single contribution I could remember for any campaign of mine. But, the visitors were present; I was short on time; so I suggested he might turn it over to another friend in the same city, who, it so happened, within the past month had been receiving a few voluntary contributions to help with the preliminary costs of my campaign for reelection. But I asked, "What did you say was in the envelope?" and, "Who did you say left it?"

My friend said the envelope had been left by a man who had been in Washington to see me recently. He gave his last name. It did not register with me at once, but with the visitors present and with time short, I did not prolong the conversation.

But once the visitors had left, I asked my secretary who was folding the mail that night, if she could remember any caller by the name given. She did not. Next day, I asked others in the office. None remembered him, but my legislative clerk was away all last week attending the funeral of her mother. So that morning, I telephoned my friend who had been receiving campaign contributions and told him that if an envelope with currency was turned over to him not to deposit the funds and not to mingle them with any other funds but to hold them in a safe until we learned more about them.

When my legislative clerk returned this week, she vaguely recalled that someone by the name mentioned had been in one day when I was at committee or otherwise tied up and that she had talked with him briefly. She thought he had made some inquiry about the natural-gas bill. Then it seemed to me that I recalled having received a letter earlier in which this man's name had been mentioned by a South Dakota correspondent.

We did not find the letter for a couple days because it was received early in December and had been put in the storeroom files for last year. The letter stated that "the other day a gentleman by the name of ——— from ——— —another State—stopped in my office during which time we were visiting relative to the Harris bill which is coming up in the next session."

The visitor had inquired of my correspondent about my probable stand on the bill and my friend wrote to inquire. He stated his own opinion that "a lot of controls should come out of Washington and go to the States instead of more controls going to Washington."

My letter in reply said:

Generally speaking, I think the purpose of the Harris bill is desirable, and unless it has some complicated issues, I would expect to vote for it when it comes up in the Senate.

However, I should like to retain freedom of action should it appear upon analysis that it would have issues that would conflict with what I understand to be its main purpose in maintaining State control for intra-State development.

My legislative clerk has been unable to recall that when this visitor of a similar name did call that any specific question was asked as to my stand. She thinks he probably gained the impression that the correspondence coming to my office was predominently in favor of the bill and that as far as anyone knew, I was likely to vote for the bill but that the letters we had written refrained from any final commitment, one way or the other. That is true. I refrained from making any final commitment, one way or the other.

I then asked a friend here in Washington from this man's State if he knew a person by that name. He did. He was an attorney by occupation. At once, I deduced that he was representing clients. I have not tried to find out if he is registered as a lobbyist.

As soon as it was thus determined that the out-of-state person who had left the envelope in South Dakota was interested in the passage of the pending bill, I knew of course that I could have nothing to do with its contents. No one need pin any halos on me for such a conclusion.

I knew that if the contribution were listed and reported that a contribution of that size would stick out like a sore thumb among the $5, $10, and $25 run of contributions in any list of mine. Reported, it would be instant meat for a columnist whose name I do not need to mention.

And, were I to take advantage of the fact that the contribution was in currency and not report it, I would be the prisoner for the rest of my legislative career of a man whom I had never met, whose restraint, if he wanted a vote some future day, no one was guaranteeing.

And, if no exposure ever took place, Mr. President, I come from a State which still cherishes a remark once made by a distinguished predecessor, Hon. William J. Bulow, who once in this Chamber, when he had to oppose a bill many friends wanted, said, "I have to walk with my conscience to the end of my days."

So pin no halos on me. With the identity of interests established, I promptly sent a telegram to the friend who was holding the envelope and told him that we could not accept the funds, and that if the real donor was not identifiable and return was impractical, I suggested they be turned over to the South Dakota Children's Home Society and that an appropriate receipt be taken.

I presume that some people may think the incident might well end at this point. Some one offered us a campaign contribution; handy as it would have been, we decline it. That is that. So what? I am free to vote on the bill as I please. Free to vote for free enterprise. Free to vote against more regulation and redtape. Free, Mr. President, except for one thing—and that is what this experience reveals as to the nature of the problem before us.

Consider for a moment, as I have had to consider for the past few days, what this experience reveals as to the interest which somebody somewhere has in the outcome of this legislation and the course that has been followed to influence one vote.

It is idle to pretend that there is nothing to it when a lawyer from another State whom I had never known would contact a mutual friend in my State and ask him about my stand back in December and then that this lawyer should come to Washington and identify himself as knowing my friend in South Dakota, and, failing to see me because I was tied up when he came, should visit with my legislative clerk about the pending bill and endeavor to get some idea of my probable attitude; and then should return to the West and go to South Dakota and there leave an envelope with 25 hundred dollar bills in it with this friend and say, "It's for his campaign."

It is idle to pretend, Mr. President, that there are not substantial profits in this bill for some person or persons to put up the money to employ the lawyer on that kind of enterprise. Bear in mind that I am not yet a party candidate; I have not been renominated. It is not a matter of establishing a majority in the Senate for a political party—it can only be an interest in what my vote might mean in the immediate future or present.

In the matter before us, one of the issues is the charge that the passage of this bill will be immensely profitable to the owners of gas reserves. I have heard it said, if my memory is correct, that the estimates of the windfall of increased values may be 1, 2, or 3 billions of dollars for the several trillion cubic feet of gas in proven reserves. We have heard it said that the consumers of natural gas over a period of years may pay these billions in additional charges. It has also been alleged that this bill will place a floor under the price of natural gas when it enters the interstate pipelines that will, in turn, shore up the price of competitive fuels, all adding to the ultimate costs paid by the consumer public, thereby adding greatly to the assets and profits of all who own the fuel reserves.

Mr. President, I have been impressed at times during the debate by many of the arguments advanced for the bill—the encouragement to exploration and development that it would give; the minimizing of Federal regulation; and the avoidance of governmental intrusion into borderline interstate and intrastate cases.

I do not accept the argument on federalism advanced by the able Senator from Oregon [Mr. MORSE]. I do not think we should assert Federal control over every facet of commerce simply because the Constitution gave Congress the power to do so.

I do not object to the public's paying a fair price for its natural gas, a price that will compensate the producer and the distributor, a price that will, coupled with the existing 27½ percent depletion allowance, afford abundant encouragement for exploration and development.

The point at which I object, however, Mr. President, is that of doing something so valuable to those interested in natural gas that they advance huge sums of money as a down payment, so to speak, on the profits they expect to harvest.

The other day, the distinguished Senator from Missouri [Mr. HENNINGS] said on this floor:

> The concentrated money power of the great oil companies, wielded today to influence the decision of national Government by contributions to both parties in many parts of the United States is a menace to the proper functioning of free government within this country.

Free government, Mr. President, requires freedom for those who write the laws. If we pass a law that creates a huge endowment of future profits for holders of gas reserves, we might be mortgaging the issues of the future. Unrelated legislation could be influenced by the unregulated profits derived from monopoly prices paid by the captive customers at the end of the delivery line.

I see on the floor the distinguished Senator from Tennessee [Mr. GORE]. He will now understand why I asked him, at the conclusion of his remarks, for a clear definitive statement as to his conclusion on the question whether the consumer was a captive at the end of the delivery line.

Mr. President, the creation of a class who can seek to affect the choice of many States' representation in the Congress is a far greater danger to the country than a temporary shortage of gas. The people in the gas and oil business whom I have met are good, decent people. They are convinced that their ideas of good government are sound as any citizen's might be. None of them has ever told me I should vote so and so. But when the passage of a bill becomes so alluring that dollars are advanced to potential candidates even before primaries are held the warning signals go up, Mr. President.

I repeat, Mr. President, warning signals go up.

Government cannot remain free if those who write the laws are obligated to those who will get the extraordinary profits from laws enacted.

Mr. President, the incident that forced me to my personal position on this bill of course was individual to me. I specifically disclaim any suggestion that any other Member of Congress is in a similar situation. The House voted on this matter a year ago when party primaries were not imminent. Many Senators long ago publicly announced their stands. I respect them and whatever reasons led them to their position.

Had this incident not happened, I suppose that I would have followed the course recommended by the overwhelming majority of telegrams and letters from my State and voted for the bill. I want to see the oil and gas potentials of my State developed. The principle of maintaining free enterprise appeals to me. I do not like to see the long hand of the Federal Government reach down to primary production, but, Mr. President, I cannot vote to place upon the freedom of political thought chains that would be bought and paid for by the very

people placed under bondage, not even if they ask for it, not when in my own experience there is this evidence of the way things can work.

So, Mr. President, I cannot vote for the bill as it stands before us. In the light of evidence personal to me that the bill has prospects of unusual monetary profit to some, and that with that profit would go the means for a continuing effort to influence the course of government for private gain, I must vote to maintain in people's Government the opportunity to control the profits from a monopoly product.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. FULBRIGHT. I certainly join the Senator from South Dakota in condemning anyone who seeks to influence a vote by any such means as he has mentioned. However, I believe the Senator should be very careful; indeed, all of us should be careful. I say that, because in assuming such an attitude, it puts within the grasp of any unscrupulous person the power to influence a vote merely by making such an offer. It is a very serious matter to take such an attitude merely because an unknown person makes such an offer.

Certainly all the sponsors of the pending legislation would join in condemning any such action as the Senator has related. On the other hand, ours is a very large country, with many diverse people in it, who have personal interests, and there is certainly no way of controlling that situation. However, the Senator must admit, I am sure, that in taking an attitude such as he has taken, he does put it within the power of an irresponsible person to force a decision or cause a decision which might not be justified by the merits of the legislation proposed.

Mr. CASE of South Dakota. I very readily concede that the sponsors of the proposed legislation condemn this kind of action. I am sure they do, and I am glad to have the Senator from Arkansas state for the RECORD his position in that regard. However, the Senator from Arkansas, in his elaboration, is assuming a situation which does not exist. That is not the situation here. The situation would not be true in this case, either, if it were not for the fact that inherent in the issue at stake the very point which has been raised upon the floor of the Senate is more or less proved, to wit, that there are some inordinate profits in sight for the owners of the gas reserves, and that fact leads to this kind of method.

The incident which I mentioned is not a chance incident. The man to whom I have referred called upon a friend of mine in South Dakota sometime during the fall, and made inquiry about my stand on the bill. The person of whom he made inquiry wrote me, asking me about my stand. I replied in the exact text I have quoted. The man then came to Washington and conferred with a clerk in my office. He apparently got the idea that probably I would vote for the bill, but that my decision was not quite settled. The man returned to South Dakota. He is not a citizen or resident of my State. He is a lawyer. I assume he was working for the interests who hired him. Then he leaves 25 $100 bills and says, "This is for CASE's campaign."

If tactics like that can be countenanced, freedom in the United States Senate is gone. I cannot accept the proposition that I can vote for a bill when one of the issues in the bill and one of the main arguments against it is that inordinate profits will be created for some people and that they have a special pecuniary interest in the bill.

Mr. FULBRIGHT. Mr. President, will the Senator yield further?

Mr. CASE of South Dakota. I yield.

Mr. FULBRIGHT. First, I should like to say that very many bills before the Senate involve enormous amounts of money. Let us consider, for example, the tax bill. A tax bill, such as we had before last year, could mean many millions of dollars to corporations like General Motors, for example. Such considerations are inherent in many of our actions. That is nothing new at all.

Mr. CASE of South Dakota. If the Senator will permit me to interrupt him, I should like to say that if corporations which have great interests involved were to adopt such tactics as the one I have mentioned, then it would tend to confirm the conclusion that the profits involved were leading them toward attempts to control or affect the votes of individual Senators.

Mr. FULBRIGHT. If the Senator will permit me to develop my thought preliminary to my question, this is not the first bill which has involved tremendous sums of money.

Mr. CASE of South Dakota. Mr. President, I have been a Member of Congress for approximately 20 years, and this is the first time in all my experience in dealing with legislative matters, involving the interests of the American people, that anything like this has happened to me.

Mr. FULBRIGHT. Of course, I would assume that the Senator would not accept such a contribution. I think the Senator would resent it, of course. But this is not an unusual bill in the sense that it involves large amounts of money. It is no different from tax bills in that regard. But I submit to the Senator that the real issue involved in the proposed legislation is whether the type of regulation provided in the bill is a more efficient one than is the one involved in the Supreme Court's decision. I submit that there is nowhere in the record any indication that there will be any severe restriction on the profits of oil companies who own gas. They are doing quite well, as has been pointed out. I have never put the case upon the basis that if we did not pass this bill they would go broke.

Mr. CASE of South Dakota. Neither have I.

Mr. FULBRIGHT. I think they will fare quite well regardless of what happens to this bill. That is an entirely irrelevant matter. If the Senator is interested in restricting the profits of these companies, the proper way to do so is through the tax laws. If the Senator thinks they are making too much money now and will be making too much money under this bill, there is every opportunity to amend the tax laws. The bill was not introduced for the purpose of enhancing or decreasing the profits of the oil companies. The real point is that the industry is such that, as a practical matter, it cannot be regulated under a cost-plus formula.

That type of regulation would be a detriment to the consumer and to everyone involved, because a chaotic situation would be brought about by any such regulation. Given a reasonably intelligent Federal Power Commission which must administer the law, this bill represents a more businesslike and sensible way to do it. If it results in a windfall, the proper way to control windfalls is through our tax laws. A certain great company for the first time in history has made nearly $1,200,000,000 profit in 1 year. If that is a social problem, and I am inclined to think it is, there is a proper way to attack it, and that is through the application of the tax laws.

I regret that the Senator takes the view that because an unauthorized person makes an offer——

Mr. CASE of South Dakota. That is not the point at all. What I have said is that one of the contentions running all though the debate has been that the bill would enhance the value of the gas reserves to their owners. I have said that it becomes perfectly clear to me that an overwhelming issue involved is that it will perhaps enhance the profits of those who own the fuel reserves of the country to such an extent and they have become so interested in getting an affirmative vote that they have resorted to such tactics as I have described.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. AIKEN. Does the Senator believe that if he had accepted this campaign contribution he would then have been eligible to vote on the bill at all?

Mr. CASE of South Dakota. No, I do not.

Mr. AIKEN. Inasmuch as it was presumably offered by persons who would benefit from the passage of the bill.

Mr. CASE of South Dakota. That is correct.

Mr. AIKEN. Would there have been a conflict of interest which would have disqualified the Senator from voting on the bill ?

Mr. CASE of South Dakota. I think the able Senator from Vermont has made a very valid point. Had I accepted the $2,500, knowing it was made available for my campaign by someone also interested in the passage of the bill, and particularly at a time when we are about to start the circulation of nominating petitions in my State—I am not yet a candidate—and was offered, unsolicited, by a stranger, it certainly would have created a conflict of interest, and I think I would have been disqualified from voting.

The point has been made in the debate that the passage of this bill will create extraordinary windfalls for the owners of gas reserves, and, coupled with that, will perpetuate in the country an influence

which people of a certain type of thinking associate with great wealth, that they can seek to influence legislation. In the long years ahead I do not want the hand of the gas and oil industry using the billion dollars, or whatever the amount may be of increased assets it will receive if this bill passes, to make campaign contributions under any kind of a guise to candidates in various States of the Union.

Mr. FLANDERS. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. FLANDERS. In the first place, let me say that the attitude of the Senator from South Dakota in making it impossible for his campaign to be benefited by the money which he has mentioned is something we all appreciate, and not only appreciate, but recognize as being in accordance with the character and the history of the Senator from South Dakota. I would, however, wish that he might be sure whether he ought to separate the personal and moral question from the merits of the bill. This is the question which I particularly wish to put to him:

Would it not be the case, if the bill works as its proponents, among whom I am, expect it to, that a live reserve would have a tremendously greater value than would a dead one? Is it not a part of the public interest that reserves should be developed and brought into the gas mains, and if reserves are developed and brought into the gas mains, instead of being left dead under the soil, is not in that case the profit to the owners of the reserves also in the public interest?

Mr. CASE of South Dakota. I think somewhere along the line I have failed to make clear that I have tried to dissociate a personal incident from the merits or demerits of the bill. I maintain that one of the demerits of the bill, as evidenced by this experience, is that it apparently involves a financial stake. With respect to whether it is in the public interest to have the gas reserves put into the pipeline or lying idle, I think we have to rest on the assumption that the Federal Power Commission, if it is charged with the responsibility and if Congress gives it the proper means, will make a fair administration of the law and of the responsibility placed upon it by the so-called Phillips decision.

I assume there may be wastage of the gas or that the natural resources of the country will not be fully developed. I am willing to assume that the Federal Power Commission may fail in its duty in some respect; but I am not willing to say that it will be inefficient or unfair. There is a remedy for such a condition should it develop at any time, but I shall not predicate my attitude on the assumption that the Federal Power Commission is going to be inefficient or unfair.

Mr. DOUGLAS. Mr. President, because of the persistence of my colleagues who are sponsoring S. 1853, in drawing the by now somewhat bedraggled red herring of a dime and a dollar across the trail of this debate, I feel the record should be set straight with one last chart, which I have set up in the rear of the Chamber. It tells a very simple story.

On the left-hand side of this chart is a column showing the relative investment, by 1955, in the three phases of the business of interstate commerce in natural gas—$9 billion for the distributing end of the business, $5 billion for transmission, and only some $2 billion for production.

This figure for the producer investment is admittedly an estimate. But since the producers are so coy about furnishing the facts, we must make the best estimate we can in order to get a fair basis of comparison. I shall file a statement indicating how the estimate of $2 billion for production is arrived at.

On the right-hand side are the average consumer payments—which I have heretofore analyzed in this debate, and which are uncontroverted—of 44 cents per thousand cubic feet, with 10 cents to the pipeline, and 19 cents to the distributor. The average of 44 cents a thousand cubic feet, of course, includes sales to all consumers, residential, commercial, and industrial. These figures are for 1953, and I use them because they are the latest complete figures available.

The amount which goes for production is 10 cents. The amount which goes to the pipelines is 15 cents. Therefore, the average cost of which I am speaking, in 1953 at the city gate, is 25 cents, meaning that 19 cents is added by the distributing companies. Therefore, the share which the producers get is not 10 percent, as has been alleged, but 23 percent; 34 percent goes for transmission, and only 43 percent for distribution.

COMPARATIVE FIGURES SHOW PRODUCERS GET HIGHEST RETURN ON INVESTMENT

Here is the real comparison, which the proponents overlook: 56 percent of the investment dollar is in distribution, but only 43 percent of the revenue dollar goes to the distributing companies; 31 percent of the investment dollar is in transmission, but 34 percent of the sales dollar goes to the pipeline companies; and—here is the payoff—12½ percent of the investment dollar is the producer's share, but the producer gets 23 percent of the receipts from the consumers—or nearly double the producers' estimated percentage of the total investment.

The chart asks the question: Where is the profit? And the answer revealed by the facts so far as we can get them is that the producer gets by far the highest percentage of return on investment.

I think this should put the situation in much better perspective. If we could get the statistics of the comparative numbers employed in the three branches of the industry, I think it would tell an even more striking story. But we have not been able to get the figures as to the number employed in the producing end, and therefore, we do not present them. I think our investment figures are conservative—that is, our error, if any, is to overstate the producers' investment, which is to their advantage in this comparison.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing how we derived the estimate as to the billions of dollars invested in production.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimate of investment in natural gas wells and producing facilities

	Number of feet per well	Drilling cost per foot	Number of gas producing wells	Total cost, drilling and producing
Before 1946	3,500	$5	40,109	$715,900,000
1946–54	3,765	12	29,091	1,316,500,000
Total				2,032,400,000
1955 and other production facilities				500,000,000
Total				2,532,400,000
(a) Credit for part of above cost which has been "expensed"				(?)
(b) Credit for share attributable to natural gas liquids produced				(?)
Conservative estimate of net				2,000,000,000

Companies are allowed to charge to operating expenses, and usually do, "intangible drilling (although these are sometimes also capitalized) and development costs," and exploration and dry hole expense, so that the amount actually capitalized is only a fraction of the total cost of drilling wells.

Mr. DOUGLAS. Mr. President, even here, I think I am giving the producer the benefit of the doubt. I have had to estimate his investment, because the producer has been unwilling to come forward and tell us about it, so I had to do this conservatively. I took all the 70,000 gas wells, at their average depth and an average cost, pre-1946, and postwar, and made an additional allowance for other gas-field equipment. But here is the point where I am sure I am conservative. Much of the drilling cost, and all of the dry-hole and developmental cost, is charged against current income and is already paid for by the consumer. Some of the intangible well-drilling costs may also be capitalized on the producers' books, but we have not been informed about this. The $2 billion figure is probably a little high also because I have made no deduction for the gas wells owned by the transmission companies—nearly half of the total—which probably aggregate over $490 million, according to Gas Facts for 1954. Likewise I have made no deduction or allocation to take out the estimated percentage of producer investment devoted to intrastate use of natural gas. So my figure is probably too high. This, or course, is not to my advantage, and I think it cannot be called unfair.

In any event I shall be happy to put up a chart based on more authoritative sources if the producers will only come

forward with the data. But I think this one tells the story.

Let us hear no more of a dime and a dollar, or even a quarter and a dollar, but rather, let us decently inter this tired and by now somewhat odoriferous red herring, and get back to the real issue in this debate: does the protection of consumers require Federal regulation of interstate sales by producers?

STOCKBROKER LETTER REVEALS FULBRIGHT BILL EXPECTED TO RAISE PIPELINE STOCK VALUE PROFOUNDLY

Mr. DOUGLAS. Mr. President, today I received in the mails, a stockholder's letter which I think settles all this debate about whether the Harris-Fulbright bill will increase the consumer's natural-gas bills. It is a letter sent out by Keith Reed & Co., Dallas, Tex., urging investors to consider purchases of Colorado Interstate Gas stock.

I want to quote a sentence or two from it:

The result of the final vote on the Harris-Fulbright bill now in the Senate should profoundly affect the market price of this stock, since the company owns such a large portion of its gas supply.

Then, the letter goes on to say that in the last year, Colorado Interstate has put into effect under bond certain rate increases which for the most part are based on fair field prices, and that if these increases are finally allowed, the earnings could be around $5.25 per share and the stock would obviously move higher.

Should the bill fail to pass—

Says the letter—

rate increases may be disallowed, and earnings could be as low as $2.25 per share. * * * In our opinion, the stock should be bought on news that the bill has passed.

I submit that this statement by a reputable investment service explodes all of the arguments of the proponents of the Harris-Fulbright bill that passage of this measure will not increase prices. It will. Keith Reed & Co. know it, and their letter, in effect, tells investors to watch the news tickers and climb aboard whenever the consumer raid is voted.

Incidentally, this letter was sent to me by a Texan who thoroughly understands the iniquity of this soak-the-consumer legislation.

Mr. President, I ask unanimous consent to place this letter at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COLORADO INTERSTATE GAS A STOCK TO WATCH

The result of the final vote on the Harris-Fulbright bill now in the Senate should profoundly affect the market price of this stock, since the company owns such a large portion of its gas supply. During the past year, Colorado Interstate has put into effect rate increases, under bond, which for the most part are based on fair field prices. If these rate increases are allowed, earnings could be around $5.25 per share, and the stock would obviously move higher to be in line with price-earnings ratios of comparable gas pipelines. Dividends also would probably increase. Should the bill fail to pass, rate increases may be disallowed, and earnings could be as low as $2.25 per share. This will probably cause a market decline since, at present levels, the stock would be overpriced in relation to such earnings.

In our opinion, the stock should be bought on news that the bill has passed. If it is defeated, the market should be carefully watched for the opportunity to buy, since the stock will probably be oversold on such news and may decline below a realistic value.

CONTRADICTIONS OF PROPONENTS OF THE FULBRIGHT BILL

Mr. DOUGLAS. Mr. President, in their desire to picture the Fulbright bill as a consumers' bill, when it is wholly and completely a producers' bill, the proponents of this legislation have developed in their arguments some curious contradictions and inconsistencies.

I have prepared a brief, tabular analysis of some of these contradictions. Perhaps the most curious of them all is the contention that this bill exempts from regulation the sales by producers (which it does quite clearly), but provides for the regulation of the purchases by the pipelines (which it does not do clearly). I am inclined to think that the bill might be better called the "exempt the sales but regulate the purchase bill," or, the "control the producer by decontrolling him bill." Purchase, and, sale always seemed to me to be one transaction.

Another attempted camouflage is the use of the word reasonable with market price to cover up the fact that the price will be whatever the market will bring. I am tempted to call this the "reasonable what the traffic will bear price."

Nor are the proponents of the bill agreed on whether prices will go up or remain the same if this bill is passed. Some say they will remain the same or increase only slightly. Others say that not only will prices go up, but that they should. I am somewhat baffled by the contention that this bill is a "prices will increase without going up bill."

Nor do I quite see how it is possible for this bill to protect the consumer by increasing the price of gas at the producing end of the system. A "protect the consumer by raising his prices bill" is unique in my legislative experience. But, some of the proponents of this bill go even further. They argue that consumer prices will be brought down by freeing the producers' sales from regulation, thus permitting his prices to rise. I suppose they would call this a "lower consumer prices by raising producer prices bill."

Mr. President, I do not wish to spend too much time discussing the contradictions and inconsistencies of the proponents of the bill. I, therefore, ask unanimous consent that my analysis of them be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

CONTRADICTIONS OF PROPONENTS OF THE FULBRIGHT BILL

(An analysis by Senator PAUL H. DOUGLAS)

1. The bill exempts the sale of gas.	1. But it allegedly regulates the purchase of gas by pipelines. "Does it not make more sense, is it not obviously more efficient, to control the prices that some 120 pipelines pay for their gas rather than to attempt to fix the prices at which more than 8,000 producers sell the same gas?" (Senator FULBRIGHT, CONGRESSIONAL RECORD, p. 672.)
2. It protects the consumer through regulation. "The repeated effort in finest Madison Avenue style to state that this bill 'will free' the gas producer from all regulation is not in line with the facts." (Senator MONRONEY, CONGRESSIONAL RECORD, p. 536.)	2. But it exempts the gas producer from regulation. "In my opinion, it is our clear duty to enact the legislation now under consideration. I did not believe in utility regulation for producers in 1938—I do not believe in it today." (Senator BRIDGES, CONGRESSIONAL RECORD, p. 682.) "The measure exempting natural-gas producers from Federal controls." (Oil and Gas Journal, Dec. 26, 1955.) "Supporters of producer exemption." (Oil and Gas Journal, Jan. 23, 1956.)
3. Prices will not go up. "I doubt that it (applying the 'reasonable market price' standard) would raise the price of gas, although it may increase it a cent or a cent and a half." (Senator MONRONEY, CONGRESSIONAL RECORD, p. 545.)	3. Prices will and should go up. Spokesmen for the bill have argued gas should go to 25 cents, 35 cents, even more. The argument has been made repeatedly that higher prices are required to encourage exploration and also interstate sales. The whole argument about city prices assumes that producers should get more. The argument by some producers that "only pennies" will be taken from consumers assumes higher prices.
4. "Reasonable market price" is a meaningful regulatory standard. "I believe it (the bill) * * * clearly protects the consumer against unreasonable increases." (Senator MONRONEY, CONGRESSIONAL RECORD, p. 540.)	4. It means the going market price. Dr. Boatwright admitted that it was "the market price—period." (House hearings, p. 354.) "The Government * * * should not regulate the price below what the gas will bring as a commodity in the open market." (Representative HARRIS, House debate, CONGRESSIONAL RECORD, p. 10305.)
5. Exploration for gas will cease if bill is not passed. Made repeatedly.	5. But, exploration is for oil, not gas. Many quotations to this effect are in the RECORD. Also: "Only the gremlins who guide the drill bits into oil or gas sands can tell whether the dry hole was drilled for oil or gas." (Senator MONRONEY, CONGRESSIONAL RECORD, p. 551.)

CONTRADICTIONS OF PROPONENTS OF THE FULBRIGHT BILL—Continued

6. Reserves are short and getting shorter (made with No. 5).	6. Reserves are unlimited. "There are vast quantities of potential reserves." (Senator LONG, CONGRESSIONAL RECORD, p. 983.)
7. Regulation of producers' prices by FPC is interference with free enterprise. "Mr. President, my remarks on the bill have been from the point of view of free enterprise." (Senator BRIDGES, CONGRESSIONAL RECORD, p. 683.)	7. But, State regulation of minimum prices and "ratable take" is "conservation."
8. More effective regulation of distributors would hold down consumer prices. "If we had an effective and workable regulatory operation, many of the abuses in connection with the wide spread in city and delivery cost could be cured." (Senator MONRONEY, CONGRESSIONAL RECORD, p. 538.)	8. But, no regulation at producing end is supposed to do likewise.
9. The profits of distributors are high. The major argument of the proponents of the bill.	9. But, the proponents of the bill will not discuss or disclose producer profits, except to say they are not as high as those of General Motors.
10. The producers will not be able to charge off the expense of dry holes. Concern repeatedly expressed on this point.	10. Or, they will charge off all dry holes to gas. "Under the Supreme Court decision the consumer of gas is going to have the privilege of paying for all of the fine dusters (dry holes) which are drilled throughout the United States." (Senator MONRONEY, CONGRESSIONAL RECORD, p. 541.)
11. The proponents separate gas and oil in arguing: (a) There will be no more exploration for gas, although it is admitted that oil exploration will continue. (b) Citing drop in gas well completions.	11. They say that gas and oil are inseparable for: (a) Regulation. (b) Determining costs. (c) Determining profits.
12. Utility type regulation is unworkable for producers.	12. But, pipeline producers (admitted utilities) are also exempted by the bill.
13. Regulation based on a "just and reasonable" basis would not provide incentives for the producer.	13. But regulation on a "just and reasonable" public utility basis provides the distributors, according to the proponents of the bill, unfair and unreasonable prices.

GOVERNORS OF MANY MAJOR STATES OPPOSE FULBRIGHT BILL

Mr. DOUGLAS. Mr. President, we who have been fighting the "raid the consumer" natural gas price increase bill have received new support and new hopes from the governors of 12 great States. These public-spirited governors have joined in a telegram to their Senators urging defeat of the Harris-Fulbright bill.

Let us hope that their voices will prove mighty in the counsels of the Senate, and that this bill will be defeated. We welcome the support of the governors; we are heartened by it; and we believe in the wisdom of their counsel.

I ask unanimous consent to include at this point a press statement and the text of the governors' telegram.

There being no objection, the statement and telegram were ordered to be printed in the RECORD, as follows:

Text of the telegram was revealed jointly by Democratic Senator PAT MCNAMARA, of Michigan; Republican Senator CHARLES E. POTTER, of Michigan; Republican Senator ALEXANDER WILEY, of Wisconsin, and Democratic Senator PAUL H. DOUGLAS, of Illinois. All have been active in the Senate debate against the bill.

The governors warned of increases in natural gas prices if the bill is passed. The bill would exempt natural gas producers from Federal Power Commission controls.

In the dozen States which the governors represent, a total of 10,654,000 families consumed 1,600,387,000 cubic feet of natural gas in 1954. According to opponents of the Harris-Fulbright bill, it is probable that these families would have to pay $250 million more per year if the bill passes the Senate.

The telegram which was addressed to Senate leaders was initiated by Governors Walter J. Kohler, Wisconsin, and G. Mennen Williams, Michigan; other governors who signed the appeal include Abraham A. Ribicoff, Connecticut: Leo A. Hoegh, Iowa; Edmund S. Muskie, Maine; Orville L. Freeman, Minnesota; Robert Meyner, New Jersey; Averill Harriman, New York; Frank J. Lausche, Ohio; George M. Leader, Pennsylvania; Dennis J. Roberts, Rhode Island; and Frank J. Clement, Tennessee.

The governors' telegram read as follows:

"The interest of millions of citizens of our States would be sacrificed by the passage of the Harris-Fulbright bill to amend the Natural Gas Act of 1938. We are unalterably opposed to it.

"Hundreds of millions of dollars annually in increased natural-gas bills are at stake, if effective Federal regulation of sales by gas producers in interstate commerce is ended.

"The effectiveness of regulation of local gas rates by our State regulatory commissions would be largely nullified as field gas prices are exempted from effective Federal regulation.

"In the absence of such Federal regulation, producer prices will continue to skyrocket.

"Increasing gas prices invite increasing high prices for competitive uses.

"We call on the Senators from our States to consider and protect the national interest and oppose the bill."

FEDERAL POWER COMMISSION SUSPENSION AND INVESTIGATION OF 95-PERCENT INCREASE IN PRODUCER PRICE WOULD BE STOPPED BY FULBRIGHT BILL

Mr. DOUGLAS. Mr. President, on Tuesday, January 31, the Federal Power Commission issued two orders suspending natural gas producers' rate increases. The increases were suspended on the grounds that: "The increased rates and charges proposed have not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful." Hearings will be held on these rate increases, after which the Commission will render a final decision.

One of the orders suspended a rate increase from 10 cents to 19.5 cents per thousand cubic foot on gas sold by Tide Water Associated Oil Co. to United Gas Pipeline Co., which would have resulted in a total annual increase of $2,677,290.

The other order suspended two increases proposed by Stanolind Oil & Gas Co. in rates for gas sold to Texas-Illinois Natural Gas Pipeline Co., which serves sections of my own State of Illinois.

Mr. President, the Federal Power Commission is making progress. Last Friday I introduced into the RECORD—page 1488—12 orders instituting an investigation of rates charged by producers to the Tennessee Gas Transmission Co. In that case the Commission allowed rate increases to go into effect over a year ago. Last Friday they ordered the investigation, apparently operating on the principle of "hang 'em first, try 'em later."

I am pleased to note that the new orders suspend the proposed rate increases now and call for the trial to take place before final sentence is passed on the poor consumer. At least the consumer can get refunds in this case if the suspended rates are found to be unjust or unreasonable.

I must point out to the Senate again that passage of the Fulbright bill will stop these orders and take away from the Federal Power Commission the power to investigate and regulate all of these prior rate increases, and these increases will be passed on to the consumer without review.

Mr. President, I ask unanimous consent that the text of the two orders, together with a press release issued by the Federal Power Commission in this connection, be made a part of the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FPC SUSPENDS 3 PROPOSED RATE INCREASES BY INDEPENDENT NATURAL GAS PRODUCERS FOR TOTAL OF $2,684,427 PER YEAR; 72, AMOUNTING TO $85,384 ANNUALLY, ACCEPTED FOR FILING

WASHINGTON, D. C., January 31, 1956.—The Federal Power Commission has suspended, pending hearing and decision, a proposed $2,677,290 annual natural-gas rate increase proposed by Tide Water Associated Oil Co., of Houston, Tex., for gas sold to United Gas Pipe Line Co., of Shreveport, La. A hearing date will be set later.

The FPC also suspended two increases, both of the periodic type, proposed by Stanolind Oil & Gas Co., of Tulsa, Okla., in its rates for gas sold to Texas Illinois Natural Gas Pipe Line Co., of Chicago, Ill. Commissioner Seaborn L. Digby dissented on the Stanolind suspensions.

In other recent actions affecting independent natural-gas producers the Commission accepted without suspension 72 increases, totaling $85,384 per year. This total includes 15 tax increases amounting to $7,834 yearly. Four tax decreases, totaling $3,209 per year, also were accepted for filing by the FPC.

The proposed Tide Water increase, the largest ever filed with the Commission by an independent natural-gas producer, would result in a 9.5-cent per thousand cubic feet increase, from 10 cents to 19.5 cents. The in-

crease would cover gas sold to United in the Hollywood Field, Terrebonne Parish, La. Tide Water has proposed to make the higher rate retroactive to January 1, 1956. The FPC's order suspends the increase for 5 months from February 3, 1956.

In support of its increase, Tide Water said that at the time the original contract was negotiated, the well from which the gas was sold had been on fire and was only under partial control, with 30 to 35 million cubic feet of gas per day being flared. Thus Tide Water declared that the 3-year contract with United was entered into under duress, because the latter company was the only available purchaser with sufficient line capacity in the area. Deliveries of gas and the term of the contract started June 23, 1953.

Tide Water said that negotiations have been going on for several months with various potential purchasers for a long-term contract. Despite higher offers, Tide Water said that it decided to accept a price of 19.5 cents from United, with provision for an increase to 21.5 cents in 5 years, and to a final price of 22 cents 3 years later, subject to a redetermination clause for the last 10 years.

IN THE MATTER OF STANOLIND OIL & GAS CO.—DOCKET NO. 9933—ORDER SUSPENDING PROPOSED CHANGES IN RATES

Adopted January 25, 1956. Issued January 31, 1956.

Stanolind Oil & Gas Co. (applicant), on January 5, 1956, tendered for filing proposed changes in presently effective rate schedules for sales subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filings, which are proposed to become effective on the dates shown:

Description	Purchaser	Rate schedule designation	Effective date [1]
Notice of change, dated Jan. 4, 1956.	Texas-Illinois Natural Gas Pipe Line Co.	Supplement No. 6 to applicant's FPC gas rate schedule No. 51.	Feb. 5, 1956
Do	do	Supplement No. 9 to applicant's FPC gas rate schedule No. 60.	Do.

[1] The stated effective date is the 1st day after expiration of the required 30 days' notice, or the effective date proposed by applicant if later.

The increased rates and charges proposed in the aforesaid filings have not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commissions finds:

It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority contained in sections 4 and 15 of the Natural Gas Act and the Commission's general rules and regulations (18 CFR, ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of said proposed changes in rates and charges; and, pending such hearing and decision thereon, the above-designated supplements be and the same hereby are suspended and the use thereof deferred until March 5, 1956, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(B) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission. Commissioner Digby dissenting.

LEON M. FUQUAY,
Secretary.

IN THE MATTER OF TIDE WATER ASSOCIATED OIL CO.—DOCKET NO. 9932—ORDER SUSPENDING PROPOSED CHANGES IN RATES

Adopted: January 25, 1956. Issued: January 31, 1956.

Tide Water Associated Oil Co. (applicant), on January 3, 1956, tendered for filing proposed changes in presently effective rate schedules for sales subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filings, which are proposed to become effective on the dates shown:

Description	Purchaser	Rate schedule designation	Effective date [1]
Supplemental agreement, dated Dec. 21, 1955.	United Gas Pipe Line Co.	Supplement No. 2 to applicant's FPC gas rate schedule No. 34.	Feb. 3, 1956.
Notice of change, undated	do	Supplement No. 3 to applicant's FPC gas rate schedule No. 34.	Do.

[1] The stated effective date is the 1st day after expiration of the required 30 days' notice, or the effective date proposed by applicant if later.

The increased rates and charges proposed in the aforesaid filings have not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority contained in sections 4 and 15 of the Natural Gas Act and the Commission's general rules and regulations (18 CFR, ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of said proposed changes in rates and charges; and, pending such hearing and decision thereon, the above-designated supplements be and the same hereby are suspended and the use thereof deferred until July 3, 1956, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(B) Interested State commissions may participate as provided by sections 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

LEON M. FUQUAY,
Secretary.

Mr. DOUGLAS. Mr. President, in preparation for the debate, I prepared a brief statement to answer one of the claims of the proponents that the regulated pipelines have reduced their reserves because of regulation, and that they are going out of the producing business. These charges, of course, are contrary to the facts.

I ask unanimous consent that this statement be printed in the RECORD at this point for the information of Senators.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PIPELINE COMPANIES HAVE EXPANDED THEIR PRODUCTION AND EXPLORATORY ACTIVITIES UNDER FPC REGULATION

It is alleged by proponents of the Fulbright bill that regulation of producers' sales would destroy the incentive for continued discovery of gas reserves, with the ultimate result that adequate gas supplies would not be available to the consumer. I have already shown that the incentives to drill for oil are great. But to support this allegation, Dr. Boatwright, the Standard Oil of Indiana economist, and other proponents present a further argument; they assert that in the one case where there had been regulation of the natural gas industry production on a utility basis, production not only declined in an expanding market, but the actual volume of output declined. The Standard Oil expert also said that efforts to discover new reserves by these companies were reduced almost to the vanishing point. The genial Senator from Oklahoma in debate has said: "Pipelines are going out of the producing business as soon as they liquidate their present reserves." (Hearings, p. 452.)

Well, let's look at the record and ascertain the true facts. According to the official figures of the Federal Power Commision, which have been furnished to me, production of gas by interstate pipeline companies and their producing affiliates in the Southwest in the year 1947 was 627,023,015 thousand cubic feet while in 1954 it had amounted to 899,467,927 thousand cubic feet, an increase of 43.5 percent. For the country as a whole, excluding the Pacific coast, production by pipeline companies and affiliates increased from 891,533,844 thousand cubic feet in 1947 to 1,151,340,103 thousand cubic feet, or an increase of 29 percent. Owing to the depletion of gas reserves in the Appalachian area, the nationwide volume increase for pipeline and affiliated producers reflects less of an increase than does the Southwest region. However, official figures certainly do not indicate that the volume of output by the regulated pipeline companies and producing affiliates has declined as charged by Dr. Boatwright.

It is true that the relative position of the pipeline companies and affiliates in the interstate supply picture has declined from 43.28 percent of the total in 1947 to 19.72 percent in 1954, but this single fact cannot be taken as proof that FPC regulation was responsible even for that relative decline. Similar declines in percent of produced gas to total gas handled occurred with respect to pipeline and utility companies in the Southwest who were engaged entirely in intrastate operations and also with respect to companies transporting gas in interstate commerce, but whose rates were not subject to FPC rate regulation.

This particular matter has been the subject of considerable study. Based thereon, it is my judgment that several factors were responsible for this decline in the relationship of pipeline produced gas to purchased gas. None of these factors is related to regulation by the Federal Power Commission.

In the first place, in the early days of the development of the long lines (1926–40) it was difficult to finance these lines unless

the ownership of the gas reserves was in the hands of the pipeline companies. Therefore, the promoters of these lines arranged for the outright purchase of large blocks of reserves from the major oil companies. Some of the oil companies, themselves, were joint promoters of the pipeline projects and transferred a portion of their gas reserves to the new venture. This is how Natural Gas Pipe Line Company of America, which was the first pipeline company reaching the Chicago market, secured its reserves.

SHIFT FROM OUTRIGHT PURCHASE TO LONG-TERM CONTRACTS

After passage of the Natural Gas Act brought stability to the pipeline industry it became possible to finance new lines where the gas reserves were deliverable under long-term purchase contracts. The Federal Power Commission accepted these contracts as adequate proof of gas supply and they were likewise acceptable to the bankers. There was no need for the pipeline companies to acquire reserves by leasing, exploration, and development, although a number of them carried on such activities for the purpose of adding to their reserves. The oil companies were not anxious to sell their reserves outright because they lost the benefit of the statutory depletion tax allowance and the revenues from liquid hydrocarbons associated with the gas. Were the pipeline companies to have purchased the reserves outright, the great amount of additional capital required to finance the project would have added to the promoters' problems.

Proponents of this legislation, including the majority of the Federal Power Commission, have seized upon the decline in the relative position of pipe-line-owned production as proof that FPC rate regulation was responsible. The true facts and reasoned logic belie the assertion.

In my testimony before the Senate committee, I introduced a tabulation showing that at the end of 1953 companies reporting to the Federal Power Commission and their producing affiliates or subsidiaries owned natural gas reserves amounting to 28.139 trillion cubic feet. Earlier in the debate, I presented a tabulation showing that at the end of 1954, utility companies owned 29.276 trillion cubic feet of reserves. Inasmuch as this tabulation includes 620 billion cubic feet owned by utilities not subject to FPC regulation, the total owned by companies that are subject, becomes 28.655 trillion, an increase over the 1953 reserve figure of 516.1 billion cubic feet. Since pipeline companies and affiliates in 1954 also produced 1,151,134,010 thousand cubic feet natural gas companies subject to FPC jurisdiction added to their reserves during the year 1954 a total of 1.667 trillion cubic feet of natural gas reserves. This is 17.3 percent of the additional reserves discovered during the year by all segments of the industry. This percentage is particularly significant since pipeline companies and affiliates held only 13.5 percent of the total reserves as of January 1, 1955. This does not look as if they were going out of the producing business.

INCREASE IN PIPELINE COMPANY OWNED RESERVES

I wish to now refer to a few examples of what natural gas companies reporting to the Federal Power Commission have accomplished in the way of augmenting their reserves over the years under regulation.

Southern Natural Gas Co. reported ownership of gas reserves of 107 billion cubic feet in 1942. At the end of 1954 it reported ownership of 574 billion cubic feet.

Northern Natural Gas Co. reported owned reserves at the end of 1942 of .828 trillion cubic feet and at the end of 1954, 1.5 trillion cubic feet.

Colorado Interstate Gas Co. reported gas reserves in 1940 of 2.501 trillion cubic feet. At the end of 1954, its reported reserves were 3.021 trillion cubic feet.

Panhandle Eastern Pipeline Co. reported gas reserves of 2.257 trillion cubic feet at the end of 1940 and at the end of 1954 such reserves had mounted to 3.015 trillion cubic feet.

El Paso Natural Gas Co. increased its gas reserve ownership from 48.84 billion cubic feet in 1940 to 4.585 trillion cubic feet at the end of 1954.

Clearly "utility-regulation" didn't scare these pipeline producers out. Let us also recall that these large increases occurred in the owned reserves of these companies, despite the heavy annual production of gas therefrom which increased from approximately seven-tenths of a trillion cubic feet in 1942 to over one and one-tenth trillion cubic feet in 1954. It is therefore obvious that Dr. Boatwright was badly in error when he testified that efforts to discover new reserves by these regulated companies have been "reduced almost to the vanishing point." And he may have led the Senator from Oklahoma [Mr. MONRONEY] to his assertion—which I believe is incorrect—that the pipelines are getting out of the production business because "They know they cannot operate under a utility return basis and stay in business." The facts, as I have shown, are quite to the contrary.

INCREASED EXPENDITURES BY PIPELINE COMPANIES FOR EXPLORATION AND DEVELOPMENT

The interest of natural gas companies reporting to the Federal Power Commission in the ownership of natural gas reserves is also demonstrated by an analysis of the expenditures for exploration and development made by such companies during the 15-year period ending with the year 1954. Exploration and development expenditures, made directly by interstate pipeline companies, have increased from $4,067,000 in 1939 to $16,525,000 in 1954, a four-fold increase. The expenditures by years are as follows:

1939	$4,067,000
1940	5,181,000
1941	5,320,000
1942	5,913,000
1943	6,531,000
1944	7,145,000
1945	7,624,000
1946	6,977,000
1947	7,728,000
1948	8,104,000
1949	8,426,000
1950	7,555,000
1951	9,047,000
1952	12,915,000
1953	14,905,000
1954	16,525,000
Total	133,963,000

These sums do not include the funds expended by the affiliated producing companies and subsidiaries, complete data for which are not available. However, it is known that expenditures by 1 affiliate in 1954 amounted to more than $4 million. I know that Peoples Gas, the parent corporation of Natural Gas Pipeline and Texas Illinois Natural Gas Co., has an exploration subsidiary, Peoples Production Co., in which over $8 million has been invested, and Natural's own subsidiary, Texoma Production Co., has acquired rights in over 116,000 unproven acres. The amounts shown above also do not include very considerable sums expended for salaries and expenses of the geological and leasing departments, administrative expenses, and taxes.

The contention of the proponents of this bill that regulation as practiced by the Federal Power Commission stifled the initiative and reduced supplies of gas to natural gas pipeline companies is not supported by the facts.

REGULATION WILL NOT INTERFERE WITH EXPLORATION AND DISCOVERY

I believe Dr. Boatwright, as General Thompson had earlier, exposed the shallowness of the whole argument that regulation would interfere with the exploration and discovery of gas supplies when he testified in response to a question by Senator MONRONEY that (p. 129 of Senate hearings)—

"The exploration for natural gas reserves is primarily a byproduct of the exploration for oil, and the oil companies are going to continue to find the gas. The oil companies are going to prove up the reserves, and the oil companies are never going to be willing to turn these reserves over to the carrier companies. They would prefer the development of the properties on their own behalf, and sell the dry gas, after stripping out the liquid hydrocarbons, to the carrier companies."

Later, in response to a question by Senator PASTORE, asking whether he could envision the time when producers would be exploring for gas and finding oil incidental to it, Dr. Boatwright replied (p. 131):

"I can't visualize, frankly, at the current time, the time when production or exploratory effort will be designed primarily to find gas. It might come."

It is thus exploration for oil that discovers the gas. We know that men and companies are not going to stop or slow down their search for oil because of Federal regulation of gas sales. I believe Members of Congress will therefore see that one of the major claims of the proponents of S. 1853 that Federal utility regulation of producers' interstate sales will endanger the Nation's gas supplies is nonsense.

Dr. Boatwright, therefore, confirms the well-known fact that the oil companies were responsible for the discovery of the bulk of the gas reserves of the Nation in their search for oil. Pipeline companies and distributors of natural gas have obtained the bulk of their gas supply from oil companies, either by purchase of proven gas acreage in the early years of the industry when the oil companies were seeking a market, or in the more recent years through long-term purchase contracts. Regulation by the Federal Power Commission of pipeline company rates has not discouraged companies from increasing their ownership of gas reserves over the years. Their reserve ownership today, as I have already shown, is the highest ever.

This is another case where the facts contradict the claims of proponents for this bill.

CABINET COMMITTEE ADVISERS WERE HEAVILY LOADED WITH OIL AND GAS INDUSTRY SPOKESMEN

Mr. DOUGLAS. Mr. President, from time to time in this debate the Cabinet Committee on Energy Supplies and Resources Policy has been cited as favoring the principle of this bill.

What seems to have been forgotten in this connection, however, is the degree to which the principal advisers to this Cabinet Committee on oil and gas matters were selected from the very oil and gas industry which now is using the Committee's recommendation to further its drive for exemption.

I pointed out the danger of this in a letter to Hon. Arthur S. Flemming even before the Cabinet Committee reported. And I made this correspondence public in the CONGRESSIONAL RECORD on February 28, 1955.

As a reminder to Senators of the stacked deck that was arranged at that time, I ask unanimous consent to have printed in the RECORD at this point my letters of November 30, 1954 and January 14, 1955 to Hon. Arthur S. Flemming

and his replies of December 13, 1954 and January 26, 1955, to me, together with the statement I put into the RECORD on February 28 of last year.

There being no objection, the letters and statement were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DOUGLAS

PUBLIC RELATIONS SKILL AND "PUBLIC BE DAMNED" PROGRAM OF THE NATURAL GAS INDUSTRY

Mr. DOUGLAS. Mr. President, I desire to pay a brief tribute to the great public-relations skill—and public-be-damned program—of the natural-gas industry.

The latest proof of this is the gold mine they have just persuaded a special Cabinet Committee on Energy Supplies and Resources Policy to give them.

According to a White House release of February 26, this Cabinet Committee is recommending the exemption from Federal regulation of the interstate gas sales by nontransporting producers. A free hand to charge all that the traffic will bear would, of course, be the result of any such legislation.

This bonanza for the oil and gas industry, which it is estimated would cost the gas consumers of America at least a cool $200 to $400 million a year in exorbitant prices, is the first and presumably the most important of the Cabinet Committee's recommendations.

The artistry of the gas industry's work is seen most clearly in the phrasing of the recommendation, which piously asserts it is for "the protection of the national defense and consumer interests." The Cabinet Committee was thus persuaded to revert to the lordly theme—once discredited as enunciated by one of its members, the Secretary of Defense—that "what's good for the gas industry is good for the country." No matter what it does to the 60 million users of gas.

Let it not be said that this triumph was won without careful planning. According to releases issued by the Office of Defense Mobilization in September and October 1954, a task force of 4 persons was set up to advise the Cabinet Committee; and 7 consultants were appointed, to advise the task force on technical matters.

Gas and oil industry well represented on task force

The task force member who was made responsible for their oil and gas studies, according to the report, was a banker who happened also to be a former president of an oil company and of the Independent Petroleum Association of America, as well as a leader of the American Petroleum Institute. Another task force member was from the coal industry, which has for many years urged higher gas prices. The other two task force members had no known experience in rate-regulatory matters or consumer protections.

The seven technical consultants were all from the oil and gas industry. This was batting 1,000 percent, which would rate top honors in any league, and liaison with the official propaganda drive of the industry was made easier by having as 1 of the 7 consultants the assistant to the chairman of the board of the oil company whose president is heading that drive for exemption from reasonable regulation.

Public and consumer interests inadequately consulted

Not only were the personnel of the task force and its consultants chosen in a way to give a heavy balance to the gas industry interests but the procedures seemed also set to exclude any adequate representation of consumer or public considerations. Despite my own efforts after the election last November to point out to the earnest and genial Director of the Office of Defense Mobilization, Mr. Arthur S. Flemming, the skillful maneuver that was taking place under his scholarly nose, I have seen no evidence that the public or consumer interest experts I recommended were consulted by even so much as an invitation to submit their views.

Mr. President, so that the background of this Cabinet committee's work may be seen in perspective and the success of the gas industry's drive on the Cabinet may be fully appreciated, I ask unanimous consent to have printed at this point in the RECORD an exchange of correspondence with the Honorable Arthur S. Flemming concerning the makeup of that task force.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

NOVEMBER 30, 1954.

Hon. ARTHUR S. FLEMMING,
Director, Office of Defense Mobilization,
General Accounting Office Building,
Washington, D. C.

DEAR MR. FLEMMING: Now that the distractions of the recent election campaign are past, I should like to raise with you a basic question about the recently appointed task force of the Cabinet Committee on Energy Supplies and Resources Policy.

My question is this: Has any effort been made in establishing this task force and selecting the consultants for it, to give the representatives of the public interest a preponderant voice and representatives of the consumer interest a voice at least equal in numbers and experience to that of the producing and transporting groups?

Frequent reports in the financial press and in trade journals made it clear that there will be a determined drive in the new Congress for legislation to exempt the nontransporting producers of gas from all regulation by the Federal Power Commission. This drive, if successful, can mean a difference of tens, and in the long run hundreds, of millions of dollars to consumers of gas.

Without arguing the merits of that question here, I am nevertheless disturbed to note that 2 of the 4 members of the task force mentioned above and all 7 of its consultants have had close relations with oil, gas, and coal companies whose trade associations have been among the most vigorous advocates of this exemption legislation. One of the task force members, I am informed, is a former leader of the American Petroleum Institute and former president of the Independent Petroleum Association of America. These are all quite legitimate interests, but I do not know why the advice to the Cabinet should not come from a more balanced group.

If the two task force members who apparently have no connection with the industry have any experience in dealing with the regulatory problems or with the complex requirements for protecting consumers against exorbitant rates, it is not evident in the publicity I have seen about them.

If a balanced recommendation is desired from this task force, it is difficult to understand why representatives of distributors, consumers, or regulatory bodies were not included, at least among the consultants. Persons like James F. Oates, of the People's Gas, Light & Coke Co., of Chicago; Thomas C. Buchanan, of Beaver, Pa., former Chairman of the Federal Power Commission; Charles S. Rhyne, of the National Institute of Municipal Law Officers; Martin T. Bennett, engineer, of Washington, D. C., formerly with Wisconsin and New York regulatory agencies, and many others could have contributed a different and an experienced point of view.

I note that a generalized invitation to submit views has gone out to the industry and to State regulatory bodies—by way of press release, I assume. Would it not be desirable, in view of the industry-weighted nature of the personnel, for you to persuade this task force to make a special effort to secure presentations from public and consumer representatives such as I have mentioned? Can the Cabinet or the Congress give much weight to the task force's findings unless this is done?

I hope to learn that you have anticipated this inquiry and on the basis of your own sensitive regard for the public interest have already taken steps along the lines I have suggested.

I know that in the interest of our security we must, as a Nation, have these great resources available in abundance. But I am also convinced that we can do this without yielding to the gathering industry pressure to let them charge all that the traffic will bear.

With kindest regards,
Faithfully yours,

PAUL H. DOUGLAS.

EXECUTIVE OFFICE OF
THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, December 13, 1954.

Hon. PAUL DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: I very much appreciate your thoughtful letter of November 30 in which you discussed the membership of the task force of the Cabinet Committee on Energy Supplies and Resources Policy.

As you know, this group is composed of the following: James F. Brownlee, a general partner of J. H. Whitney & Co., who has served as chairman; J. Ed Warren, a vice president of the National City Bank, who was responsible for the oil and gas studies; Charles J. Potter, president of the Rochester & Pittsburgh Coal Co., in charge of the coal aspects of the task force studies; and retired Federal Judge Robert N. Wilkin. Neither Mr. Brownlee nor Judge Wilkin has any connection with industries concerned in these studies. In my opinion, both of these gentlemen represent the interest of the general public. Messrs. Warren and Potter were selected because of their special familiarity with the problems of the oil and gas and coal industries, respectively. On many issues the positions of these industries are widely divergent in character. It cannot be said, therefore, that the "industry members" represented a single bloc. As a practical matter, therefore, the representatives of the public interest did have a preponderant voice in the deliberations of the task force.

You call attention to the number of consultants from the oil, coal, and gas industries. While these men were chosen from the ranks of oil, gas, and coal companies, their services on the task force were strictly technical in nature. They had no part in the development of policy recommendations.

In order to achieve the widest possible dissemination of our request that industry and State regulatory bodies submit views to the task force, a suitable announcement was made via the public press. The alternative to such a course of action would involve the process of selecting those groups whose views should be sought. Within the time allotted it was not possible to do this, and if there were time, we would have no assurance that all specific interests were contacted.

Because the response to the initial newspaper story was not completely satisfactory, on November 2, I sent a wire to the Governors of a number of States, the mayors of several cities, and the chairmen of several public-service organizations. In this wire I specifically solicited the views of those groups from whom response had not previously been received.

I consider it important to keep in mind the fact that the task force to which you refer makes its report to the members of the Cabinet Committee. The Cabinet members themselves, as public servants, have the ultimate responsibility for evaluating the material submitted to them and reaching

their own decision as to the report which will be made to the President.

If there is any further information with which I can provide you, I hope you will not hesitate to call upon me.

Sincerely yours,

ARTHUR S. FLEMMING,
Director.

JANUARY 14, 1955.

The Honorable ARTHUR S. FLEMMING,
Director, Office of Defense Mobilization,
General Accounting Office Building,
Washington, D. C.

DEAR MR. FLEMMING: Thank you for your response to my letter of November 30 concerning the unbalanced composition of the task force of the Cabinet Committee on Energy Supplies and Resources Policy and its consultant group. I found your letter on my return from a brief holiday, and I want to comment quite frankly on it.

Unfortunately the facts reported in your reply give little or no assurance that consumer interests will be adequately represented or protected in the work of this task force.

There is no evidence that the investment banking and judicial experience of the members you cite as public representatives has especially equipped them as consumer defenders on a complex regulatory issue, no matter how highly we may regard their general ability and character.

And while you refer to the divergent views of the coal industry and the oil and gas industry on many issues, they have long seen eye to eye on the precise legislative issues I mentioned—the question of exempting from reasonable regulation the sales in interstate commerce of nontransporting gas producers. It would be a miracle, therefore, if the 2 industry members on the task force, with their 7 consultants all drawn from the oil and gas industry, did not present what you term a "single bloc" on this 1 vital question.

That the industry regards this question as important must be clear to you from the series of reports culminating in the Wall Street Journal story this past Wednesday announcing a $1½ million propaganda drive to sell the exemption bill to the country. I note in passing that the chairman of the industry committee running this drive is the president of an oil company which has supplied the task force with 1 of its 7 consultants. I am enclosing a copy of that newspaper story for your information on this issue.

I realize that the work of the Cabinet Committee's task force is probably nearing completion so that my earlier suggestions of ways to assure greater consumer representation cannot be utilized. I can only hope that the governors and mayors whom you invited to send their views included consumer-minded leaders familiar with the complexities and the propaganda currents in this controversy.

Because of the lack of balance in the composition of your task force, however, and in view of the mounting industry drive to be allowed to charge all that the traffic will bear, I frankly believe there is an urgent need for those in leading administrative posts to make sure that the task force's report does not become the instrument for advancing the gas producers' interests in higher prices at the expense of the country's consumers.

Faithfully,

PAUL H. DOUGLAS.

EXECUTIVE OFFICE
OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., January 26, 1955.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: I appreciated very much receiving your letter of January 14.

I know that we are dealing with a very difficult and complex issue and I can assure you that we will endeavor to arrive at a result that will prove beneficial to the entire country.

I am indeed grateful to you for the interest that you have taken in this matter.

Very sincerely and cordially yours,

ARTHUR S. FLEMMING,
Director.

PROPAGANDA PRESSURE BY OIL AND GAS INDUSTRY

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a very able article, entitled "High Pressure," written by Thomas L. Stokes, which appeared in the New York Post of February 2, 1956, and a letter to the editor entitled "The Price of Gas," which appeared in the Washington Post and Times Herald of February 3, 1956.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Post of February 2, 1956]

HIGH PRESSURE

(By Thomas L. Stokes)

WASHINGTON.—As the Senate wound through the third week of debate on the natural-gas bill and toward the voting that begins next Monday, public attention was directed toward the lobby financed and operated by the big oil companies to put over this measure to exempt producers from Federal regulation.

This operation was described to the Senate by Senator AIKEN, Republican, of Vermont, a veteran of 15 years' service, thus:

"Never, since I have been in Washington, have I seen such intensive and varied types of lobbying used to promote legislation."

So impressive has this performance been that a senatorial investigation of the oil lobby was urged by Senator HENNINGS, Democrat, of Missouri, who told the Senate that "the concentrated money power of the great oil companies, wielded today to influence the decision of the National Government by contributions to both parties in many parts of the United States, is a menace to the proper functioning of free government within this country.

"So that the American people may have real reason to believe their Corrupt Practices Act will protect them, I believe an investigation of these giant oil companies is long overdue. I will press for it at some later date."

A vehicle is at hand in the investigation arranged some time ago by Senator KENNEDY, Democrat, of Massachusetts, in connection with proposals to tighten up the existing law regulating lobbying which was enacted 10 years ago. The Senator now is assembling a staff for this inquiry to be conducted by a Government Operations subcommittee.

He explained today that his investigation was planned long before the natural-gas bill came up in the Senate, and naturally could not be turned immediately upon that current development. But, he said, the oil lobby could well come under scrutiny later.

An investigation of the oil lobby would, before it had gone very far, become an investigation of Congress itself, at least of those Members of the House and Senate who have received campaign contributions from the big oil barons, most of the latter in Texas. How far the Senate would permit such an investigation to go, or whether it would even permit it to start, is a big question.

Furthermore, it would take personal testimony from Senators about their campaign contributions in some cases, as such contributions are seldom reported under the very lax State laws and the Federal Corrupt Practices Act. That was what provoked HENNINGS' reference to the Corrupt Practices Act. He has introduced bills for revision of our Corrupt Practices Act to require complete publicity of all campaign contributions from whatever source, and an investigation of the oil lobby would reveal the need of that.

If he could bring about a real investigation he would perform a fine public service, for never so badly needed was a look into the interests that influence Congress.

In the case of the present oil lobby, campaign contributions constitute one type of inducement. Senators who have received them know how they are going to vote, since the lobbyists will be checking from the galleries.

Another familiar type of lobby maneuver which is being used in the natural-gas bill campaign is the use of letters and telegrams inspired, where not actually processed, by the big oil companies and their multitude of affiliates down to the filling station operator.

Another wrinkle, which Senators report, has been carried to greater extremes in the natural-gas lobby than ever before, is what one Senator called "the genealogical approach." The oil lobby, he said, has cataloged in the case of many Senators the life history back to birth, with a list of relatives and relatives of relatives and friends and friends of friends, anybody who might possibly have any influence with Senators. One Senator said:

"I got a call the other day from a lawyer in the Middle West, who said his mother had gone to school with my mother 75 years ago. For that reason I should vote for this gas bill."

[From the Washington Post and Times Herald of February 3, 1956]

THE PRICE OF GAS

You are to be congratulated on the editorial appearing in the January 13 issue respecting the Fulbright-Harris bill.

In your letters to the editor column on January 19, Mr. Alex Clark has attempted to justify this bill and depreciate its real threat to the consuming public with the same vague language in which the proposed legislation is written.

Mr. Clark in his letter says that "the gas pipeline companies which buy gas from the producers for interstate transmission may not pass on to the consumer more than a [reasonable market price of natural gas] they buy under contracts made or renegotiated after the bill is enacted into law." (Matter in brackets added.) He does not, however, provide any definition of reasonable market price, nor does he tell us to whom this market price will be reasonable, and from a study of the bill, it does not provide a useful definition of reasonable market price.

It should be clear that once the producer has set a new price to the pipeline company that effective control for the consumer is not only made more difficult, but the burden of proof as to the reasonable market price is placed on the consumer rather than on the producer, who should be required to justify any increase in price.

The Natural Gas Act was passed only after considerable study in 1938. This was a recognition by the Congress of the plain economic facts of life. It was realized that the regulation of distribution at municipal or State levels would be meaningless, and a fraud if the price to the distributors by the transmission companies was not likewise subject to regulation, and clearly Congress intended to regulate the producers who sold the gas to the pipelines.

This was established in the Phillips Petroleum case decided by the Supreme Court of the United States, on June 7, 1954. Under these conditions, the consumer is protected by regulatory bodies from the source to the

furnace, or stove, or water heater, and this is as it should be.

The next step by the producers of course was to negate the Supreme Court decision through giveaway legislation giving away the consumer's protection through established regulatory agencies. And this, despite all the smoke screens that have been erected to becloud the issue, is exactly what is going to happen if this legislation is enacted.

The claim that continued Federal regulation will result in diminishing supplies is specious on its face. Surely those who are forecasting a gas famine likewise know that wells are being drilled at a very high rate. Producers will continue to drill as long as gas is discovered as a by-product of oil, and it continues to be profitable to the producers. It is inconceivable to believe that they will burn this gas off as they once did.

There was no testimony before the House or Senate committees by executives of the producing companies that continued Federal regulation would result in financial reverses. The politicians who are commenting on this legislation must likewise know that producing companies have built-in protection for the risk element involved in exploration. Producers are permitted to deduct each year for corporation tax purposes 27½ percent of their gross profit on a lease-by-lease basis.

The removal of Federal regulations will cost the consumer millions of dollars. This is due to the fact that escalator clauses in contracts will be freed from regulatory review, and this device is so rigged as to push gas prices up and up, unless regulated.

It must not be forgotten that the production of gas and oil are related, and there is nothing to prevent the oil companies, once gas is priced out of a competitive position, from increasing the cost of their product. It is, therefore, evident, that the gas consumer is not alone standing in peril, but likewise his neighbor who uses oil could be victimized.

JOHN P. CAHILL,

HYATTSVILLE, MD.

MAYORS MISTAKENLY LISTED AS SUPPORTERS OF BILL

Mr. DOUGLAS. Mr. President, I have received a telegram and letter, respectively, from two mayors who maintain that they were mistakingly included in the list favoring the Harris-Fulbright bill, and who have asked that their opposition be made a matter of record.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

NORRIS CITY, ILL.,
January 31, 1956.

Hon. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I have had my name as mayor of Norris City, Ill., used without consent to further the passage of the Fulbright-Harris bill. It seems that Senator CAPEHART, of Indiana, has injected me into the records in Washington, D. C., as a strong supporter of the above-mentioned bill. May I at this moment instruct you as our Senator, Senator from the good State of Illinois to strike from the records any such statements, for the reasons that first, I haven't wired, written, or by telephone communicated with the Senator above-mentioned from Indiana. It is my thought that we can get along without the Fulbright-Harris bill. It would seem from my observation of the Federal Power Commission that they are doing a good job taking care of matters of interest where the people are involved. I can appreciate folks wanting to gain their objective in life and in politics, but I dislike being quoted in Washington or Norris City, Ill., on matters that I had nothing to say about.

Kindest regards,

I. E. TURNER,
Mayor, Norris City, Ill.

CAMDEN, N. J., *February 1, 1956.*

Hon. PAUL DOUGLAS,
Senate Office Building,
Washington, D. C.
(Attention: Miss Jane Carey, secretary.)

DEAR MISS CAREY: Confirming our telephone conversation of January 30, 1956, there appeared in the CONGRESSIONAL RECORD of January 26, 1956, page 1376, under Mayor's Remarks—"Mayor of Camden, N. J., W. G. Rohrer."

Mr. Rohrer is not the mayor of Camden. I have been the mayor of the city of Camden for the past 20 years. I do not know what remarks appeared in the CONGRESSIONAL RECORD, but I am enclosing herewith a copy of a communication which I directed to United States Senators CLIFFORD P. CASE and H. ALEXANDER SMITH, respectively. This communication is self-explanatory and makes clear my position on the Fulbright bill. * * *

Will you please ask Senator DOUGLAS to make sure that the remarks made by me as the mayor of the city of Camden, and as per the attached, are inserted in the CONGRESSIONAL RECORD, and also advise him that he is free to use any of the enclosed material that he feels might be helpful in defeating this measure. The Senator is performing an outstanding job for all of the gas consumers of our Nation.

With best wishes.

Sincerely yours,

GEORGE E. BRUNNER, *Mayor.*

RESOLUTIONS OPPOSING BILL

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution from the city of Metropolis, Ill., and a resolution from the Board of Public Utilities of Springfield, Mo., together with an accompanying letter from the latter.

There being no objection, the resolutions and letter were ordered to be printed in the RECORD, as follows:

RESOLUTION OF CITY OF METROPOLIS, ILL., RELATIVE TO THE HARRIS-FULBRIGHT BILL

Whereas it has been brought to the attention of the city council of the city of Metropolis, Ill., that a certain bill known as the Harris-Fulbright bill, otherwise known as H. R. 6645, will soon come to vote before the United States Senate; and

Whereas in all probability the passage of this bill is to be followed by an increase in the gas rates in the city of Metropolis, Ill., and the probability by such increase in rates to work a hardship upon businesses and homes using natural gas: Now, therefore, be it

Resolved by the City Council of the city of Metropolis, That said council, reflecting the attitude of its citizens, and particularly users of natural gas, go on record as opposed to the passage of said Harris-Fulbright bill, and respectfully urge our honorable Senators of Illinois to oppose said bill; be it further

Resolved, That the city council be directed to send a certified copy of this resolution to Hon. EVERETT MCKINLEY DIRKSEN, United States Senator of Illinois, and Hon. PAUL H. DOUGLAS, United States Senator of Illinois, and Congressman KENNETH GRAY.

Passed in regular meeting of the city council this 26th day of December, A. D. 1955.

B. N. BEANE,
Mayor.

Attest:

L. W. BARGER,
City Clerk.

CITY UTILITIES OF SPRINGFIELD,
Springfield, Mo., January 21, 1956.

Senator PAUL H. DOUGLAS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR DOUGLAS: The Board of Public Utilities of Springfield have been seriously disturbed by the possibility that the Fulbright bill and its counterpart, the Harris bill, might be approved, thus relieving the production and gathering of natural gas from Federal Power Commission regulation. They are sincerely convinced that this will result in extreme detriment to our gas customers, and feel that it would be to the interest of the citizens of Springfield that this legislation be defeated.

I am enclosing a copy of a resolution adopted by our board at its official meeting yesterday.

We urge that you do everything within your power to defeat this proposed legislative giveaway.

Yours sincerely,

H. D. MILLER,
General Manager.

Be it resolved by the Board of Public Utilities of Springfield, Mo., That:

Whereas this Board, all of whose members serve without compensation, is, by law, charged with a responsibility of supervising the operation of the City Utilities of Springfield, Mo., including its natural-gas distribution system serving more than 24 000 homes and small-business establishments; and

Whereas this Board is fully aware of its obligation and duty to protect such consumers of natural gas from exploitation and the fixing of exorbitant prices for such product and service; and

Whereas there is now pending before the Congress of the United States legislation which proposes to amend the Natural Gas Act and to thereby exempt from regulation gas producers and gatherers selling natural gas in interstate commerce for resale, which legislation is particularly embodied in the Harris bill (H. R. 6645) and in its counterpart, the Fulbright bill (S. 1853), which latter bill is presently being debated upon the floor of the Senate; and

Whereas after study of the proposed legislation and consideration of its effect, if passed, upon the price of natural gas to be paid by the ultimate consumer, this Board is firmly and sincerely of the opinion that the passage of such proposed legislation will, in effect, render wholly impossible the control, by the Federal Power Commission, of just and reasonable rates to be charged for natural gas; will not only permit, but will invite and encourage uncontrolled exploitation of the ultimate consumer by those engaged in the production and gathering of natural gas for sale in interstate commerce; will place such ultimate consumer at the mercy of the few who now control such production and gathering; and will rob the Federal Power Commission of its power presently possessed (as recently interpreted by the United States Supreme Court in the Phillips decision) to regulate and assure a reasonable and fair return to such producers and gatherers under the Natural Gas Act: Now, therefore, be it

Resolved, That the board of Public Utilities of the city of Springfield, Mo., speaking in behalf of the citizens and consumers served by the natural-gas distribution system supervised by it, unanimously declares itself to be adamently and vigorously opposed to any amendment of the Natural Gas Act such as is proposed in the presently pending legislation popularly known as the Harris and the Fulbright bills, and further, earnestly and sincerely solicits each of its duly elected Representatives in Congress to use all powers vested in him to defeat the passage of such legislation, and to thereby serve the best interests of the ordinary citizen and the consumer.

UNIVERSITY OF MICHIGAN LIBRARIES

ROOSEVELT DAY TESTIMONIAL TO SENATOR HERBERT H. LEHMAN

Mr. DOUGLAS. Mr. President, tonight in New York City at the eighth annual Roosevelt Day observance, a distinguished group of Americans will honor one of our good friends and one of our great statesmen, Senator HERBERT H. LEHMAN, in whose honor a banquet will be held tonight.

I am happy that I will be privileged to take part in this occasion. As Governor of New York, as the Director of UNRRA which saved millions from starvation throughout the world at the end of World War II, and as the junior Senator from New York, Senator LEHMAN has made tremendous contributions to this Nation and to peaceful understanding in the world. He is a great American in every sense.

I ask unanimous consent to place in the RECORD at this point, two statements relative to Senator LEHMAN'S outstanding public service, one by our beloved Mrs. Franklin D. Roosevelt, and the other by Mayor Robert F. Wagner, of New York City.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF MRS. FRANKLIN D. ROOSEVELT

I am very proud and happy over the Roosevelt Day observances staged by Americans for Democratic Action in commemoration of the liberal and humanitarian values to which my husband devoted his life. I think it is very appropriate, as the Nation faces another year of tension, and as the entire world continues to fight against poverty, disease, and backwardness, to set aside a day in which we in Americans for Democratic Action, and the friends who join with us, cannot only honor my husband, but also reexamine our thinking to determine how we, as a Nation and as individuals, can make the most effective contributions toward overcoming the grave problems that face us.

I am delighted to have the opportunity this year of serving with Robert F. Wagner as cochairman of ADA's eighth annual Roosevelt Day dinner which will take place at the Hotel Roosevelt on Friday, February 3. Mayor Wagner's father, of course, was very closely associated with my husband throughout his career; the mayor himself has, I think, built a wonderful record during his administration in New York City, and I am very pleased that Americans for Democratic Action have decided to honor Senator HERBERT H. LEHMAN at the Roosevelt Day dinner. HERBERT LEHMAN is a magnificent American who wonderfully represents the best in American life for which my husband fought and with which Americans for Democratic Action have always been identified.

STATEMENT OF THE HONORABLE ROBERT F. WAGNER

It is always a pleasure and real honor when Mrs. Roosevelt visits us at city hall. Today, I think, is particularly auspicious because Mrs. Roosevelt and I, as cochairmen of the eighth annual Roosevelt day dinner, February 3, are to reveal our committee's plans for the dinner.

In cooperation with Americans for Democratic Action, who are sponsoring the Roosevelt day celebration, we have the privilege of announcing that Senator HERBERT H. LEHMAN will be honored at a testimonial dinner climaxing the day-long Roosevelt day celebration. Senator LEHMAN certainly represents the great tradition President Roosevelt established, and has, of course, made a truly great contribution to our State, the Nation, and the entire world.

HERBERT LEHMAN, we all remember, entered public life as Lieutenant Governor, when President Roosevelt was first elected Governor of our State. Senator LEHMAN carried on and expanded good government in New York State when, in 1932, he succeeded President Roosevelt as Governor.

Subsequently, during World War II, the Senator, in the humanitarian, Roosevelt tradition accomplished a superb service for the world as Director General of the United Nations Relief and Rehabilitation Administration.

And, in 1948 HERBERT LEHMAN assumed leadership among the liberals of the Senate and has become one of our most distinguished and most widely admired Senators.

The Roosevelt day dinner committee is proud to have the opportunity of sharing an evening with Senator LEHMAN; of expressing our tribute to him for his outstanding liberal leadership; and undertaking to make clear to him our hopes that he will continue his splendid service during the years to come.

Mr. DOUGLAS. Mr. President, I wish to thank the Presiding Officer for his courtesy, and I now yield the floor.

PERMISSION TO SUBMIT REPORTS DURING RECESS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that all committees be permitted to file reports during the recess of the Senate.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

Mr. CLEMENTS subsequently said: Mr. President, earlier today an order was entered to permit the various committees to file reports during the recess or adjournment of the Senate. However, that order did not cover the filing of minority views. I now ask unanimous consent that any minority views which any of the committees may desire to file, may be covered by the order which has been entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD two telegrams I have received from Mr. J. S. Nemer, president, Yorkshire Realty Co., St. Paul, and from Andrew Kruszewski, St. Paul, as well as two resolutions from Renville Farmers Union local and the City Council of Chaska, expressing their opposition to the Harris-Fulbright bill to amend the Natural Gas Act.

There being no objection, the telegrams and resolutions were ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., *January 30, 1956.*

Senator HUMPHREY,
United States Senate Building,
Washington, D. C.:

Do your utmost to kill Fulbright natural gas bill.

ANDREW KRUSZEWSKI.

ST. PAUL, MINN., *January 31, 1956.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urgently request you vote against natural gas bill. Cost of heating very high now.

J. S. NEMER,
President, Yorkshire Realty Co.

FARMERS UNION,
Renville, Minn., January 31, 1956.

DEAR SENATOR HUMPHREY: It was unanimously resolved that we are opposed to the lifting of Federal regulation on natural gas, at our meeting January 30.

Sincerely,

WAYNE HEBRINK,
Secretary.

RESOLUTION OF THE CITY OF CHASKA, MINN.

Whereas the city of Chaska through the city council has at all times heretofore expressed its opposition to the passage of the so-called Harris bill (H. R. 4560) by the House of Representatives of the United States of America, said opposition expressed by the city council having been based upon conclusions that said legislation would be inimical to the economic welfare and well-being of all the citizens of the city of Chaska who are users of natural gas, in that the passage of such legislation could lead only to one result and that would be higher rates for the ultimate consumers of this natural resource; and

Whereas the Council of the city of Chaska, further expresses the conclusion that producers of natural gas are entitled to a fair and reasonable rate of return and can secure such return under the proper Federal regulatory authority; and

Whereas, further, the Council of the city of Chaska is firmly of the mind that the proper regulation of natural gas producers would in no manner defeat any economic or financial incentive which is asserted is necessary to attract investors and stimulate discovery and recovery of natural gas; and

Whereas, further, the Fulbright bill (S. 1853) is now on the calendar of the Senate, having been reported out by the Senate Interstate and Foreign Commerce Committee; and

Whereas the said Fulbright bill, while differing in some extent from the provisions of the Harris bill, is similar in import and effect and could lead to only one end result in the consumer market, and that would be an increased rate to be paid by the ultimate consumer of natural gas. Now, therefore, be it

Resolved by the City Council of the city of Chaska, That it reiterates its conclusions, heretofore arrived at, that the Harris and Fulbright bills, as amended, are contrary to the best interests of the whole gas-consuming public in this city; and be it further

Resolved, That the Council of the city of Chaska herein again records its full, and complete opposition to the Harris bill, as amended, and also to the Fulbright bill, and respectfully requests that the Senate of the United States return said Fulbright bill, as amended, to the Senate Committee on Interstate and Foreign Commerce for further hearings on said bill and the amendments which have been added to it since the last public hearing thereon. Said referral of the bill back to the Senate Committee on Interstate and Foreign Commerce will at least give the public of the United States an opportunity to present its side of the case before the honorable Senate committee; and be it further

Resolved, That the City Council of the city of Chaska herein again records its full and complete opposition to the Harris bill, as amended, and also to the Fulbright bill, and respectfully requests that the Senate of the United States return said Fulbright bill, as

amended, to the Senate Committee on Interstate and Foreign Commerce for further hearings on said bill and the amendments which have been added to it since the last public hearing thereon. Said referral of the bill back to the Senate Committee on Interstate and Foreign Commerce, will, at least, give the public of the United States an opportunity to present its side of the cause before the honorable Senate committee; and be it further

Resolved, That the City Council of the city of Chaska hereby again urgently requests the Senators and Congressmen from the State of Minnesota to exercise their utmost efforts to defeat this legislation which is not in the public interest; and be it further

Resolved, That a copy of this resolution be forthwith transmitted to the honorable Senators and Congressmen from the State of Minnesota, to each member of the United States Senate Committee on Interstate and Foreign Commerce to the clerk of said committee and the clerk of the Senate of the United States.

Unanimously passed by the City Council of the city of Chaska, Minn., this 26th day of January 1956.

R. S. POOL,
President of the City Council.

Attest:

J. F. HALLORAN,
City Clerk.

MOVEMENT OF MILK AND MILK PRODUCTS—STATEMENT BY THE GOVERNOR OF MINNESOTA

Mr. HUMPHREY. Mr. President, during the recent session of the State legislature, the Governor of the State of Minnesota was directed to make a study of the artificial barriers and restrictions to the free flow of commerce between the several States in milk, cream, and related dairy products. He was also directed to take whatever steps are necessary to assure Minnesota dairy producers of a fair and unrestricted market for their products.

The Governor, following the suggestion and mandate of the legislature, appeared before the Senate Committee on Agriculture and Forestry on January 23, 1956, to present a statement outlining the preliminary phases of the detailed and comprehensive study which has been undertaken. The research study presented by Governor Freeman affords the Congress an opportunity to reexamine the application and administration of Federal milk-marketing orders—a reexamination that is long overdue.

I call to the attention of the Senate this carefully documented report. It is the first in a series of such reports. It was presented in the spirit of cooperation, and can well serve as a guide for congressional investigation into this subject matter.

I ask unanimous consent that the statement of the Governor of Minnesota be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ORVILLE L. FREEMAN, GOVERNOR OF MINNESOTA, BEFORE THE COMMITTEE ON AGRICULTURE, UNITED STATES SENATE, JANUARY 23, 1956

MOVEMENT OF MILK AND MILK PRODUCTS

Your committee is aware of the importance of dairying to the economy and people of Minnesota. In 1954, dairying accounted for $233 million, or almost one-fifth of all cash farm income in Minnesota. Manifestly, any serious dislocation of that basic industry is a major concern to everyone in Minnesota.

The position of Minnesota dairying in the Nation's agriculture makes the problems of Minnesota dairying a matter of importance to the national interest. The State's importance in the manufacture of dairy products is indicated by its relative positions as the Nation's largest producer of butter, second in production of nonfat dry milk solids, and third in its production of cheese. Minnesota produces nearly one-fifth of the country's nonfat dry milk solids for human consumption, and 6 percent of all the cheese.

Over a period of many years, certain artificial barriers to the free movement of milk and milk products have developed. In 1953, the Minnesota Legislature, by House Concurrent Resolution No. 21, created an "Interim Commission to Study and Evaluate Minnesota Laws Dealing with the Production, Processing, Marketing, and Sale of Agricultural Products Including Dairy Products." That commission was specifically directed to include in its study "an investigation of the laws of other States and of the United States," and to "submit its report and recommendations to the legislature not later than January 15, 1955." In its report, that interim commission recommended that—

"The Minnesota Legislature adopt a resolution urging the Congress and the United States Public Health Service to further develop requirements for interstate transportation of dairy products and to eliminate artificial trade barriers."

On March 7, 1955, the Minnesota Legislature resolved that "the President and the Congress of the United States be requested to do all in their power to further extend and develop the use of the United States Public Health Service Milk Sanitation Code and to insure the unrestricted interstate movement of dairy products whose quality conforms to the standard of that code."

And that "we request Congress to amend the Agricultural Marketing Agreement Act of 1937 to provide that prices of all milk sold under provisions of Federal market orders must be related to the general level of manufacturing milk prices, and to provide that prices of class 1 milk shall be revised downward when production in the milkshed embraced within each Federal order shall be in excess of 115 percent of class 1 requirements in the low season of production; and to provide further for the elimination from such orders of all provisions designed to discourage, or which have the effect of burdening and obstructing, shipments of milk or cream from any production area in the United States to any marketing area regulated by a Federal milk order." (Laws 1955, Res. No. 4, p. 1597.)

Finally, the Minnesota Legislature enacted Laws 1955, c. 840 (approved April 25, 1955), by which the Minnesota attorney general was authorized to study the free movement of milk and dairy products in interstate commerce, and to present the results of such studies to the legislative and executive agencies of the Federal Government or other States, and to contest statutes, ordinances, regulations, and other barriers which restrict the sale in other States of Minnesota milk and dairy products.

The problems to which I now direct your attention have developed a magnitude and urgency which make them a major concern of both the legislative and executive branches of our State government and of all the people of Minnesota.

1. Sanitary regulations

Since 1856 the myriad of State and local jurisdictions in the United States have been enacting laws and ordinances to protect the sanitary quality of milk. We emphasize that we do not suggest that the Congress do anything which would lower the actual safeguards of the public health. The susceptibility of milk to contamination, its excellence as a medium for the growth of bacteria, and the widespread use of milk as a principal item of diet all require that the sanitary quality of milk be fully protected.

We do suggest, however, that the multiplicity of local regulations and the extreme disparity between their different requirements demonstrates that many of them cannot be justified on a public health basis. For example, the United States Department of Agriculture has referred to the chaos resulting from this uncertainty over the exact public health significance of any given bacteria count. One study of the sanitary milk legislation of 84 large cities disclosed that the ordinances of 9 cities did not specify any standard at all, while the other 75 city ordinances ranged all the way from 25,000 bacteria per cubic centimeter or less for milk for pasteurization in 8 of those cities to 6 cities which had standards of over 300,000.

The wide and sometimes weird variations in the requirements for lighting and ventilating milking barns, the specifications for materials and construction of barns and milk houses, and the different prescribed locations of barns, milk houses, cowyards, and manure storage render it impossible for many dairy farmers to comply with the ordinances of more than a single market. Most sanitary codes require farm inspections. The most common requirement is 1 or 2 inspections per year, but the range is all the way from 1 to 6 visits annually. Many cities require the sampling of milk at periodic intervals, but the number of samples required ranges all the way from 4 to 24 each year, and no sampling at all is required in other municipalities.

Obviously, such extreme variations in requirements cannot possibly be justified by considerations of public health. It is an open secret that many so-called health ordinances which obstruct the free flow of milk are based upon economic considerations rather than public health reasons. The interstate problem created by such unduly restrictive requirements is not new, but its adverse effect has been intensified by the development of techniques and facilities for the long distance movement of fluid milk in bulk. Under stress of wartime shortages, it was not at all uncommon for fresh, fluid Minnesota milk to be shipped all the way to Texas, Florida, and the Atlantic coast. We have not been able to discover any significant number of instances in which that milk was not safe and sanitary at its distant destination. But with an increase in local milk surpluses since the war, Minnesota milk handlers have experienced a renewed vigor in the enforcement of the local sanitary requirements. The conclusion is inescapable that local economic advantages, rather than considerations of public health, account for many of the artificial barriers to the interstate movement of milk.

The movement of milk is obstructed by local sanitary regulations in four principal respects, viz (1) Absolute prohibition of milk from outside sources; (2) differences between the requirements of different jurisdictions; (3) discriminatory application of the requirements; and (4) excessive duplication of inspections.

Examples of absolute prohibition of outside milk are those ordinances which forbid the sale of milk which is produced on a farm more than so many miles from the city limits or which is pasteurized at a plant which is located outside of the city limits or more than a specified number of miles from the city. That type of ordinance has been declared unconstitutional by the United States Supreme Court, but it nevertheless is still enforced in several cities. The most common prohibition of outside

UNIVERSITY OF MICHIGAN LIBRARIES

milk is found in those jurisdictions which flatly refuse to admit milk which was produced or processed in another jurisdiction having substantially the same standards.

Differences between the requirements of different jurisdictions are important in two principal respects. They constitute the basis for one city's refusal to accept inspection by another city; and the excessive expense or utter impossibility of complying with both sets of standards limits to one city or the other the market for the milk from a particular farm.

There is evidence that there is discrimination in applying sanitary standards. While confessions are understandably rare and absolute proof is difficult, there is evidence that distant farms and plants are inspected more rigidly than those nearby or that the inspections of outlying farms becomes more strict when local supplies of milk are more abundant or in surplus.

Finally, the excessive duplication of inspections is an undue burden in some cases. The duplicated inspection expense militates against qualifying milk for all possible markets. Some farmers and handlers experience difficulty in determining which markets to seek approval in the absence of assurance that they will be relatively constant and substantial outlets.

The consequence of such prohibitions, differences, discriminations, and duplications, is that qualified milk is not free to flow from one market where it is not needed to another market where it could be used. Rather, each market tends to create its own high-cost surplus while low-cost milk of equal quality backs up in the areas of best production and creates in those areas a surplus of manufactured milk.

Thirty-three years ago, the Federal Government recognized the effect of those local health ordinances. In 1923, the United States Public Health Service created an Office of Milk Investigations. A study then disclosed the wide variance between the many State and local milk regulations. It showed that the public health basis for certain requirements was questionable, that others were either unnecessary or impractical, and that there were extreme differences with respect to the same sanitation item. In 1924, a recommended milk ordinance was published by the Public Health Service; and in 1927, it issued a code which listed the public health reasons for each requirement and described satisfactory compliance. That recommended ordinance and code has periodically been revised to include modern techniques and developments, the latest revision being that of 1953.

The United States Public Health Service has also developed a system for rating city milk supplies and a cooperative program for the certification of interstate milk shippers. That recommended ordinance and code are now in effect in approximately 2,000 municipalities and counties, and the milk-plant ratings published quarterly are a ready reference to sources of acceptable milk. We know of no responsible authority who questions the reliability of that recommended ordinance and code or its adequacy to protect the public health. Unfortunately, however, there is no Federal law which requires the application of those standards to milk and dairy products in interstate commerce.

The States power to regulate milk is, of course, an exercise of the police powers reserved to the States by the Federal Constitution. It is true that the courts, in a number of cases, have declared unconstitutional many State and municipal restrictions which are not reasonably related to the protection of the public health. However, legal actions to invalidate burdensome sanitary ordinances have not effectively eliminated those artificial barriers to the free flow of milk. The cost of carrying to the Supreme Court a legal case to establish the unconstitutionality of a single city's ordinance usually far exceeds the total revenue which the successful plaintiff can expect to receive from its additional sales in that city for many years. Furthermore, there are just too many such ordinances. The extermination of them by individual lawsuits partakes too much of attempting to ward off a rainstorm drop by drop.

On the other hand, the Federal Government has authority under the Constitution to control milk shipped in interstate commerce. It has at hand both an ordinance and a code and also a rating system of demonstrated, practical value and validity. Its strength has resulted from the need which it fills and the consequent voluntary adoption of it in 2,000 jurisdictions which conscientiously safeguard the health of their inhabitants. In thousands of other jurisdictions, however, the sanitary protection of that ordinance and code is not available and those walled cities will continue to obstruct the Nation's commerce in milk until the Congress provides the only effective remedy.

We, therefore, respectfully urge that the Congress enact legislation that the production, transportation, processing, handling, sampling, examination, grading, regrading, and sale of all milk and milk products sold for ultimate consumption in any State of the United States or in the District of Columbia during or after the transportation of such milk and milk products in interstate or foreign commerce; the inspection of dairy herds, dairies, and milk plants; the issuing and revocation of permits to milk producers, haulers, and distributors; and the fixing of penalties, shall be regulated only in accordance with the terms of the unabridged form of the ordinance in Milk Ordinance and Code—1953 Recommendations of the Public Health Service, a certified copy of which shall be published in the Federal Register.

2. Federal milk marketing orders

The other major category of artificial barriers to the free shipment of milk is certain provisions of many milk marketing orders issued under the Agricultural Marketing Agreement Act of 1937. We emphasize that we are not opposed to Federal milk marketing orders. On the contrary, we support them. We endorse the concept of orderly marketing conditions which is the proper goal of those orders. We concur in the purpose to equalize the cost of milk to all handlers who sell in the same market. We recognize that proper compensatory payments are essential to effective functioning of marketwide pools. One Federal order now regulates the Minneapolis-St. Paul market. Another Federal order now regulates the Duluth-Superior market. A third order is being proposed for the Fargo-Moorhead area. Thousands of Minnesota farmers now sell their milk in federally regulated markets. Their experience by and large, has been good. In short and most emphatically, we are for Federal milk marketing orders.

We do believe, however, that certain cancerous tissues have developed in the body of Federal orders; and we think that the life of the Federal order system ultimately will depend upon whether those cancerous spots are cut out. Our concern for the life of the patient impels us to recommend prompt surgery to eliminate those cancerous spots. That interest in the patient should not be misconstrued as an intention to kill the patient.

We identify as the cancerous spots in the body of Federal regulation the following four specific areas: (a) Pricing formulas which create uneconomic surpluses rather than an adequate supply; (b) performance requirements which discriminate against handlers who must sell a substantial portion of their milk in other markets; (c) allocation requirements which arbitrarily discriminate against outside milk, and (d) compensatory payments which penalize nonpool milk by establishing its cost higher than the cost of pool milk instead of equalizing the costs of both nonpool milk and pool milk.

(a) Pricing Formulas

We think that all four of those areas of criticism stem from a single source, that is, a disregard or distortion of the fundamental purposes of the Agricultural Marketing Agreement Act of 1937. Prior to 1937, prices of agricultural commodities were disastrously low. One of the most important price depressing factors was the practice of processors playing off individual producers or producer groups against each other when negotiating the price to be paid for their products. The entire structure of the Marketing Agreement Act is based upon the achievement of fair prices to producers by eliminating that practice by prescribing uniform prices to be paid for all milk delivered by all producers either to the same handler in the case of individual handler pools or to all handlers in the case of marketwide pools. In either event, the whole regulatory scheme is bottomed on rendering it impossible for any handler to buy milk from one producer or group cheaper than from another producer or group. That's fundamental.

That concept of equal cost to the handler for the protection of producers is coupled with a second fundamental concept. For the protection of the handlers and consumers, the act required that "Whenever the Secretary (of Agriculture) finds * * * that the parity prices * * * are not reasonable in view of * * * conditions which affect the market supply and demand for milk and its products * * *, he shall fix such prices as he finds will * * * insure a sufficient quality of pure and wholesome milk, and be in the public interest."

Consequently, the twin concepts of uniform prices and adequate supply must be related to each other. Disregard of that relationship is the root cause of the milk order gimmicks which may be the seeds of the destruction of the whole Federal order system.

What constitutes an adequate supply of milk admittedly may be different for various markets and may be different for the same market at different seasons of the year. On the one hand, it must be recognized that a perfect balance where the supply exactly equals consumption is not an adequate supply. Some margin of supply over demand must be allowed to provide for inventories and situations in which one handler has more than enough milk lest another be short. Furthermore, it must be recognized that a supply slightly in excess of demand during the flush season will not be adequate during the season of low production. On the other hand, it must be recognized that a supply which is adequate during the period of low production in the autumn almost certainly will be more than adequate during the flush season in the spring months. Variations also may occur from year to year. However, there does appear to be substantial agreement that a supply which ranges between 105 percent and 120 percent of the demand for fluid milk in the season of short supply will be fully adequate for the entire year.

Notwithstanding that agreement, there is evidence that the uniform prices in some markets have been so high that they have stimulated production of substantial surpluses instead of only the adequate supply contemplated by the act. A recent study by the United States Department of Agriculture disclosed that, in a significant number of markets, the volume of milk received from producers in months of low production substantially exceeded the quantity of milk used in fluid form. Furthermore, the trend appears to be in the direction of surplus rather than adequate supply in an increasing proportion of the federally regulated markets.

TABLE 1.—*Utilization percentages: Milk received from producers as percentage of milk used in fluid form or forms requiring equal health approval, in the months of October and November in 1954, 1953, and 1952 in 48 Federal order markets*

	October			November		
	1954	1953	1952	1954	1953	1952
Over 120 percent	23	16	7	19	25	11
Over 115 percent but under 120 percent	1	5	4	6	8	5
Subtotal (over 115 percent)	24	21	11	25	33	14
Over 110 percent but under 115 percent	6	5	6	4	2	7
Subtotal (over 110 percent)	30	26	17	29	35	21
Over 105 percent but under 110 percent	4	9	7	3	2	6
Subtotal (over 105 percent)	34	35	24	32	37	27
Over 100 percent but under 105 percent	3	2	3	4	5	4
Subtotal (over 100 percent)	37	37	27	36	42	31
Under 100 percent	11	11	18	11	6	12
Total markets	48	48	45	47	48	45

Source: U. S. Department of Agriculture, Regulations Affecting the Movement and Merchandising of Milk, Agricultural Marketing Service, Marketing Research Report No. 98, table 18, p. 47 (June 1955).

The pricing formula of too many Federal orders are creating surpluses rather than adequate supplies of milk when nearly one-half of all Federal markets (47.92 percent in October 1954) receive in the season of low production more than 120 percent of their fluid-milk requirements. Significantly, too, the trend (except for the one month of November 1953) has been both uniformly and substantially in the direction of larger surpluses. The percentage of Federal markets receiving more than 120 percent of the fluid-milk requirements in the short supply month of October was 15.55 percent in 1952, 33.33 percent in 1953, and 47.92 percent in 1954.

Section 8c (18) of the Agricultural Marketing Agreement Act of 1937 now directs that the Secretary of Agriculture "shall fix such prices as he finds will * * * insure a sufficient quantity of pure and wholesome milk." Manifestly, we think, the Secretary has not done so. We respectfully urge, therefore, that that section of the act be amended so as to provide for immediate, automatic, and substantial reductions of uniform prices for fluid milk for the following year whenever any market's receipts in October or November of any year exceed 115 percent of the milk used in fluid form in that market during such month.

Parenthetically, we point out that while our advocacy of lower fluid-milk prices in surplus markets may reduce the retail price of fluid milk to consumers, it certainly does not follow that a reduction in fluid-milk prices will result in lower prices being paid to farmers. It must be remembered that farmers do not receive the fluid-milk price. Rather, they receive a blend price which is a composite of the fluid-milk price and the manufactured milk price. The excessively high fluid-milk prices have brought forth large surpluses which can be sold only for manufacturing. Consequently, as fluid price has gone up, the manufacturing price has gone down. If the rise of the dollar amount of fluid purchases equaled the decline of the dollar amount of manufactured milk purchases, the farmers' blend price would remain the same. They would neither gain nor lose; but the consumers would pay more and the milk manufacturers pay less. What actually happens, however, is that as fluid prices increase, they temporarily pull up the farmers' blend price but ultimately bring forth additional surpluses which go into manufacturing, depress the manufactured milk price, and pull down the farmers' blend price. When that happens, the consumer pays more, the farmer receives less, and the local milk manufacturers gain the advantage of reduced manufactured milk costs.

That situation points up a price relationship which some Federal orders have ignored to the serious detriment of producers of manufacturing milk. That is the spread between fluid milk prices and manufactured milk prices. Prior to 1953, the parity equivalent of manufactured milk was 88.5 percent of all milk sold wholesale by farmers. Since 1953, that has been dropped to 83.7 percent. While we strongly favor returning that ratio to 88.5 percent, either of those ratios represents a more fair and realistic relationship between manufactured milk prices and fluid milk prices. In the Minneapolis-St. Paul market area, the Federal order has maintained a reasonable and realistic spread between the fluid price and the manufactured price. The relationship between a reasonable class I price and a fair manufactured milk price in the Twin Cities has resulted in a comparatively satisfactory blend price for fluid producers. With a reasonable class I price in the Twin Cities, one of the richest dairy areas of the United States, we have not suffered under excessive surpluses of class I milk, and the percentage of fluid utilization of producers' milk is increasing. Last month, the class I price was $3.957, and the class II price was $3.010—a spread of only $.947. Percentagewise, the manufacturing price was 76 percent of the fluid price.

By contrast, for example, the class I–A price in New York last month was $5.52, and the manufactured price was $2.898—a spread of $2.722. Percentagewise, the manufactured price in New York was only 52½ percent of the class I–A price. Significantly, New York has a burdensome surplus of fluid milk, and it is steadily getting worse (fluid utilization of producers' milk is decreasing each year).

We think that it is plain that the New York consumers' payments of high class I prices constitute, in effect, a subsidy of the New York milk manufacturers in the form of unduly low manufacturing milk costs, and with no advantages to New York dairy farmers whose blend price is being pulled down by the low manufactured price.

We question whether it is justifiable Federal policy to subsidize by force of Federal law the manufacture of dairy products from high cost but low priced New York milk to the competitive disadvantage of dairy products manufactured from low cost but higher priced Minnesota manufacturing milk. We, therefore, urge that the Marketing Agreements Act be amended to require that the uniform price for manufacturing milk must not be less than a specified percentage of the uniform price of milk for fluid use.

(b) Performance Requirements

Federal orders commonly include two kinds of performance requirements for handlers' participation in a Federal market pool. They require that all of a handlers' milk (whether sold in the order market or elsewhere) must be pooled and paid for at the market uniform prices either (1) if the plant sells any milk for bottling or distributes any milk in the market, or (2) if the plant sells a specified minimum proportion of its milk or a specified minimum quantity of milk in the market. As a consequence of such performance requirements, each handler who sells part of his milk for fluid use in an order market and part in unregulated markets must decide whether he can get high enough prices in the unregulated markets to enable him to pay all producers for all of their milk the uniform prices prescribed by the order market. If he cannot get such prices in the unregulated markets, then he must either abandon his unregulated outlets and try to sell all of his milk in the order market or else abandon his business in the order market and confine his sales to the unregulated markets.

Instead of insuring a sufficient quantity of milk for the order market, the plain effect of those requirements is to drive out of the order market the volume of milk previously supplied by a plant which cannot afford to pay its producers that market's uniform prices for other milk which must be sold elsewhere in competition with unregulated plants' unpriced milk. The unfairness of requiring a plant to pay one Federal market's prices for milk which it sells in other markets is most acute in the case of plants which regularly have supplied several markets. With the rapid increase in Federal orders in recent years, such performance requirements can successively squeeze such a plant out of several markets. If the plant happens to be a farmers' cooperative, it is particularly ironic that a law which was intended to bolster the producer's prices for his milk should be abused to drive his milk out of his best markets. It is no secret that the larger handlers in Federal markets value those requirements for their effectiveness in squeezing out their smaller competitors rather than either for insuring a sufficient supply of milk or for protecting the producers' prices.

The decision of the Secretary of Agriculture with regard to the St. Louis (Mo.) marketing agreement (18 F. R. 4123, July 10, 1953) attempted to justify such exclusion on the grounds (1) that "plants selling primarily to other markets or * * * shipping milk on an opportunity basis to any market which happens to be short, do not represent reliable sources of milk," and (2) that if such "in and out" plants can sell a "token quantity of milk" in the order market when their class I sales are low and withdraw when their class I are high, they would gain an advantage by paying blend prices while selling class I and by drawing equalization payments while selling more at class II. It is false to assume that a plant is not a reliable source of supply or that it is an in-and-out plant simply because the volume of its sales in an order market are not large enough to enable it to pay that market's uniform prices for milk which is not sold in that market. A plant may supply 10 percent of its milk to a particular market just as regularly and reliably as another plant delivers 90 percent of its milk to the same market. We are not aware of any legitimate justification for one market pricing milk which never goes to that market. Yet that is a common practice which clearly obstructs the free movement of milk.

(c) Allocation Requirements

Every Federal order in the country provides that a pool handler's receipts of non-pool milk from an unregulated handler must arbitrarily be assigned to the lowest available use classification regardless of the actual use which is made of that milk. Conversely, all pool milk must arbitrarily be classified in the higher use classification before any outside source milk can be so classified. The result of such arbitrary use classification is to require the handler to pay into the pool, in addition to the actual price of the outside milk, a compensatory payment equal to the difference between the class II price and the class I price. Because that difference and, hence, the amount of the compensatory payment is usually more than the difference between the actual price of the outside milk and the class I price, the sum of the actual price plus the compensatory payment makes the total cost of outside milk more than the class I price. Consequently, the effect of such arbitrary classification is to bar outside milk from the market except when the market is so short of

UNIVERSITY OF MICHIGAN LIBRARIES

pool milk that a handler must incur the excessive cost of outside milk (actual price plus compensatory payment) in order to get enough outside milk to supply his needs.

The outrageous result of such arbitrary classification has been to provide, in some orders, for the suspension of those allocation requirements during periods of short supply. We submit that the act must plainly prohibit arbitrary allocation of other source milk to the lowest use classification. Otherwise, the market orders will be the foundation for an economic Chinese wall around each market area.

(d) Compensatory Payments

Perhaps no aspect of the Federal market orders has provoked more controversy than the subject of compensatory payments. They are not specifically authorized by the act. The Department of Agriculture has attempted to justify them under the provision of section 8c (7) (D), which provides that milk orders may include provisions which are "incidental to, * * * and necessary to effectuate the other provisions of such order." It appears to be the Department's position that the compensatory payment provisions are incidental or necessary to render effective the classification and pooling provisions of the orders. We confess some difficulty in justifying compensatory payments as necessary when there are no compensatory payments in four Federal order markets with marketwide pools.

Handler pools have no provisions for compensatory payments, because they have no equalization payments to attract unneeded plants. In marketwide pools, however, each handler whose payments to producers are less than the classified use value of his milk must pay the difference into an equalization fund. Each handler whose payments to producers are more than the classified use value of his milk receives a payment from the equalization fund equal to such difference.

When a pool-plant handler buys milk from an unregulated plant, it pays the nonpool plant a negotiated price. There must be some method of integrating that outside milk into the use classification and equalization payment operations of the pool. The purpose of the compensatory payment provisions is to provide that method.

The objective in determining the rate of the compensatory payments is said to be, "to prevent the undermining of the classification and pooling plan in the market without unnecessarily discriminating against unregulated milk." Actually, however, the rate of the compensatory payment is usually the difference between the class I price and the class II price.

If the handler actually bought the outside milk at the class II price, the addition of the amount of the compensatory payment would make his total cost of the outside milk equal to the class I price. In such a situation, that cost could not undermine the uniform price structure of the market. Nor could that cost operate either in favor of or against either pool milk or nonpool milk.

In practice, however, the negotiated price of the outside milk tends to be higher than the class II price of the pool. In addition, freight charges frequently must be added to the negotiated price. Under those circumstances, the further addition of a compensatory payment equal to the difference between the class II price and the class I price results in the handler's total cost of nonpool milk (negotiated price, plus freight, plus compensatory payment) being in excess of the class I price of pool milk. Consequently, the effect of such a compensatory payment is the same as a protective tariff at a prohibitive rate. It effectively bars outside milk from the order market. Since 38 of the 42 orders which provide for marketwide pools also provide for compensatory payments, and since Federal orders are rapidly expanding into additional markets, the result is a paralyzing Balkanization of the United States.

We have the impression that most people in the dairy industry are either for or against compensatory payments, usually, with more than a little feeling, too. It seems to us that there is evidence of a need for compensatory payments which are actually compensatory. On the other hand, to the extent that compensatory payments increase a pool handler's total cost of outside milk above the class I price for pool milk, the payment is a penalty rather than compensation. To that extent, the compensatory payment is a protective tariff which enables the pool producers to monopolize the order market to the exclusion of all other producers in the United States.

We respectfully urge, therefore, that section 8c (7) of the act be amended both, (1) so as to authorize compensatory payments to the extent necessary to equalize a handler's total costs of nonpool milk and pool milk, and (2) so as to plainly prohibit so-called compensatory payments in an amount greater than the amount necessary to equalize the cost of pool milk and other source milk.

DISMISSAL OF CLIFFORD J. HYNNING FROM TREASURY DEPARTMENT

Mr. HUMPHREY. Mr. President, we have recently had brought to our attention another one of those unfortunate examples of the way in which the security programs in the executive departments and agencies can work an injustice upon an individual.

In this instance, the wrong has been righted. It has been righted only in the immediate sense, however. No one can ever restore to the individual involved the months of anguish and despair he had to suffer in seeking to clear his name.

Clifford J. Hynning, a lawyer, who had been a member of the bar for 21 years and who had served the Government with honor and distinction for 15 years, was dismissed from his position with the Department of the Treasury after a hearing on June 23, 1954.

He was suspended on April 1, 1954, on the basis of two charges. Neither charge seems of any great substance, and this was apparently also the opinion of the board which conducted the hearing. For the security officer who had brought the charges asked the board, during the hearing, to declare the lawyer a risk on the basis of the lack of veracity in his testimony. This was based on his failure to recall a 10-minute interview he had had with an FBI agent 12 years before.

Mr. President, I ask unanimous consent that at this point in my remarks there be printed a news story from the Washington Post and Times Herald of September 27, 1955, which gives a fuller account of these proceedings. The article is headlined "Ex-Treasury Aide Disputes Dismissal."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EX-TREASURY AIDE DISPUTES DISMISSAL

(By Warren Unna)

The transcript of a Treasury Department security hearing showed yesterday a lawyer had been fired because of doubts as to his "veracity," a charge which never even appeared in the original bill of particulars drawn up against him.

The question of veracity, according to the testimony, stemmed from the fact that the lawyer did not remember a 10-minute or so interview with the FBI 12 years before.

One of the lawyer's attorneys, Edward Bennett Williams, counsel for Senator JOSEPH R. MCCARTHY, Republican, of Wisconsin during last year's contempt hearings, called it "a very bad case, one which will bring discredit to our whole security system unless corrected."

Others who had seen the case said the lawyer was a victim of the "numbers racket" of alleged security risks bequeathed from the previous administration. The hearing transcript indicated the lawyer had been fired in June 1954 on the doubtful veracity charge after the Treasury's formal charges of leftwing statements and associations were not sustained.

The lawyer, who prefers not to be named for the present, is 42, a chubby-faced, self-styled "outspoken New Deal Democrat." He has a doctor of philosophy degree in political science and has written a series of magazine articles and treatises containing anti-Communist statements.

WORKED FOR OPA IN WAR

The lawyer worked for the Office of Price Administration at the beginning of the war and had been with Treasury's General Counsel's office from 1943 until his dismissal last year.

The lawyer has gained interest in his case from men who both defend and criticize the administration's security program. They include: W. Scott McLeod, State Department Security Officer; Frank C. Waldrop, former executive editor of the old Times Herald and a consultant to McLeod; former Senator Harry P. Cain, Republican, of Washington, a member of the Subversive Activities Control Board; Senator Hubert H. Humphrey, Democrat, of Minnesota; and members of the Senate Subcommittee on Constitutional Rights.

The case was first cited by Cain Monday when he was enumerating major abuses of the loyalty-security program before the National Conference on Citizenship. The Treasury then announced it had ordered a restudy after the three-man hearing board, which found against the lawyer last year, offered on its own to reconsider the case. This is the first known instance in which a security board has volunteered to reopen a case.

The lawyer's story follows:

UNSOLVED QUESTION

He was informed in December 1953, he would be reassigned pending a security investigation. In March, the lawyer's superior told him his answers to the security questionnaire were insufficient and he (the superior) had been "ordered" to tell him he might resign with a notation on his record of "unsolved security question."

The lawyer refused, requested a hearing and was suspended April 1, 1954. He was presented with two charges:

1. "You are or have been a member of the Washington Bookshop Association," which appears on the Attorney General's list of subversive organizations.

2. "You are reported to have made statements during 1942 to the effect that (a) communism is a democratic form of government; and (b) anyone who has studied communism certainly does not think it is dangerous at the present time. Further, it is reported that you did not consider communism subversive."

The lawyer conceded he paid $1 to the bookshop in the early forties for discounts on books and records—but took no part in its political or social affairs. The hearing board indicated his explanation was acceptable.

He denied ever saying anything favorable about communism. He cited his record in Treasury in which he said he had personally

initiated opposition to the be-tough-on-postwar-Germany-policy of Harry Dexter White, late high Treasury official whom the administration has posthumously called a Communist.

It developed that the alleged remarks stemmed from a former FBI agent who questioned the lawyer on the loyalty of a subordinate employee, "Y."

The FBI agent concluded in his report: "Throughout the interview T-11's (the lawyer's) attitude was very hostile, evasive and uncooperative—first insisting he be told of the organizations we considered subversive before answering concerning Y's interest therein * * * T-9 (a woman informant) suggested T-11 may know about Y * * * but pointed out that T-11 is quite radical himself and might not want to give his real opinion of Y."

The transcript indicates the FBI failed to spell the lawyer's name correctly when he did mention him by name. The woman informant has since signed an affidavit completely denying the statement attributed to her.

During the 1½-day hearing, the lawyer testified he could not recall the FBI interview, which reportedly lasted 10 minutes, 12 years before. When it appeared the board was not impressed with Treasury's charges, the security officer declared: "This is not a trial conducted for the purpose of finding that (the lawyer) is or is not a Communist of whatever variety. He is not being charged with this."

He then asked the hearing board to declare the lawyer a risk on the basis of the lack of veracity in his testimony: his failure to recall the FBI interview.

DISCHARGE PROTESTED

The board so found and the lawyer received a letter at his home June 28, 1954, signed by Secretary of the Treasury George M. Humphrey. He was informed his "employment was not clearly consistent with the interests of national security."

The lawyer then wrote Treasury, pointing out he had been dismissed for veracity, an afterthought charge which was clearly in violation of Civil Service Commission rules. Treasury stood firm. Last month, the security board, composed of 1 Justice and 2 Commerce Department officials, asked Treasury if it might reconstitute itself and reconsider the case.

The lawyer wants some $17,000 in back pay and the privilege of being able to resign following reinstatement.

Mr. HUMPHREY. Mr. President, when it was brought to my attention that Mr. Hynning had been dismissed on a charge that was not contained in the bill of particulars originally supplied him before commencement of the formal hearing, I wrote to the Assistant Secretary of the Treasury, H. Chapman Rose, calling this to his attention. Since Mr. Hynning's defense and testimony had been directed to the original specification of charges, it did not seem that he had had a fair hearing on the issue of his veracity, upon which he was dismissed.

Mr. President, I ask that at this point in my remarks there appear in the RECORD the letter sent by me on July 28, 1955 to Mr. H. Chapman Rose, Assistant Secretary of the Treasury:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 28, 1955.

H. CHAPMAN ROSE,
Assistant Secretary of the Treasury, Department of the Treasury, Washington, D. C.

DEAR MR. ROSE: I am writing to you in regard to the security case of Clifford J. Hynning, who was dismissed after a hearing on June 23, 1954.

The Senate Subcommittee on Reorganization of the Committee on Government Operations on which I served as acting chairman was recently concerned among other things with the attempt of the Civil Service Commission to get relatively uniform standards or procedures on security hearings. Mr. Young, Chairman of the Commission, submitted to the subcommittee "a little handbook for the use of members of hearing boards, which was, of course, approved by the Department of Justice and represented the consolidated thinking of everyone that had an interest in this program." (Hearings on S. J. Res. 21, p. 517.)

Upon the publication of this handbook as exhibit 4 to the hearings, Mr. Hynning has discovered that the written position of the Treasury Department, as stated in a letter dated May 12, 1954, and signed by Clarence Tormoen, is directly contrary to the specific provision of the handbook (to which Mr. Tormoen also referred, citing appendix F thereto) on the procedure for a fair hearing. The letter stated that the issue of Mr. Hynning's veracity was properly to be decided by the hearing board, notwithstanding the fact that the written charges against him had contained nothing about veracity. The handbook deals with this precise point in the following manner:

"It is assumed that the letter of charges will have contained a statement advising the individual that deliberate misrepresentation, falsification, or omission of material facts may constitute sufficient basis for removal. If it has not been so worded, and adverse action is not warranted on other grounds, the Board will refer the matter to the personnel security officer for amendment of the charges." (VII, B, 3 Note, p. 775 of the hearings.)

My attention has also been called to the traditional manner for dealing with veracity as a separate ground for discipline by the Treasury Department in its circular 230, where provision is made for the filing of supplemental charges so that the respondent "shall be given due notice thereof and afforded an opportunity for preparing a defense thereto."

This procedural point was vital to Mr. Hynning's opportunity for a fair hearing to which he was entitled by law. His defense and testimony were directed to the written charges. He has never been afforded a hearing on the veracity issue, contrary to specific provisions of law and the executive branch views on the elements of a fair hearing as given in the handbook.

It is, of course, not within the facts at my disposal to judge the merits of the case against Mr. Hynning, and I have no intention with this letter to attempt to pass that judgment. Mr. Hynning has, however brought this matter to my attention, and in view of my participation in the hearings to which I refer above, I am interested in the point which Mr. Hynning raised. I would, therefore, be grateful to you for a report on this matter.

I look forward to hearing from you.

Sincerely,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, on August 3, 1955, the General Counsel of the Treasury Department replied to my letter. In the letter he claimed that Mr. Hynning had been sufficiently advised of a provision in the Treasury Department security regulations by the fact that the regulations were appended to the Notice of Suspension and Bill of Particulars sent to him.

I ask unanimous consent, Mr. President, that the letter of the General Counsel of the Treasury sent to me on August 3, 1955, be included in the RECORD at this point in my remarks:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, August 3, 1955.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: Mr. Rose has passed on to me your letter of July 28, concerning the Clifford J. Hynning matter. I note your comment relative to the applicability of civil-service rules, especially in the matter of notice to Mr. Hynning upon the point which he raises to you. He brings to your attention section VII (B) (3) of the Civil Service Handbook IN-203, and the footnote thereto, which states that deliberate misrepresentations, falsifications or omission of material facts, may constitute sufficient basis for removal, and suggests that a notice to this effect should be incorporated in the letter of charges.

As you are undoubtedly aware, the Civil Service Handbook is only a guide for members of security hearing boards. In other words, it is advisory only, and, by its own terms, does not supersede instructions contained in agency regulations.

Albeit, the notice suggested by the Civil Service Handbook was, in fact, given in this case, not by a statement in a letter of charges, but in a copy of Treasury Department Order No. 82, Revised, which accompanied the notice of suspension and the bill of particulars served on Mr. Hynning on April 1, 1954, the receipt of which was acknowledged by him on that day. Section 3 (b) (1) (ii) of the departmental regulation likewise provides that deliberate misrepresentations, falsifications, or omission of material facts may preclude a finding that the employee's retention in employment is clearly consistent with the interests of the national security. My Hynning thus had notice of the existence of the provision long in advance of the hearing and also at least two times at the hearing itself prior to the time he testified, as reference to pages 4 and 9 of the record will show.

I appreciate your interest in the matter, but in view of the above it is our considered opinion that the points raised present no basis for further action in the case.

Sincerely yours,

DAVID W. KENDALL,
General Counsel.

Mr. HUMPHREY. Meanwhile, former Senator Harry P. Cain, a member of the Subversive Activities Control Board, had called Mr. Hynning's case to the attention of the Senate Subcommittee on Constitutional Rights. In addressing an inquiry to the Secretary of the Treasury about the Hynning case, the counsel of the subcommittee raised this question about the response I had received from the general counsel of the Treasury:

The Treasury position in refusing to reopen the Hynning case, as given in the letter of General Counsel David W. Kendall to Senator HUMPHREY * * * far from furnishing a lawful justification of the Department's action, raised far more questions than it answers. In his letter Mr. Kendall advances the novel doctrine that by appending a copy of the departmental security regulation to the letter of specific charges, an employee is thereby charged with any and all of the whole gamut of the security charges set forth in the regulation without any further specification. If this is proper procedure, then we do not see what remains of the statutory right of an employee under Public Law 733 to be supplied with a written statement of specific charges to which he is then afforded an

UNIVERSITY OF MICHIGAN LIBRARIES

opportunity to answer. This doctrine would reduce the statutory requirement to a nullity, and the provision of a bill of particulars under the departmental security regulations would become entirely meaningless.

Further, the former hearing-board members—1 Department of Justice official and 2 Commerce Department officials—voiced serious misgivings over whether a miscarriage of justice may have occurred, and suggested that in the interest of justice the case should be reopened for the consideration of new evidence.

Finally, on January 27, 1956—about 25 months after action on this case had begun—the Treasury Department reinstated Mr. Hynning. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a news story headlined "Security Ouster Reversed by United States," which was published in the New York Times of January 28, 1956.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SECURITY OUSTER REVERSED BY UNITED STATES—TREASURY ADMITS ITS ERROR AND REINSTATES HYNNING, DISMISSED AS RISK

WASHINGTON, January 27.—The Government today admitted another mistake in its loyalty-security program.

The Treasury Department reinstated Clifford J. Hynning, who had been dismissed under the security program in June 1954. Mr. Hynning promptly resigned, but expects to collect back pay of close to $20,000.

Among previous security cases in which the Government has admitted error the best known are those of Abraham Chasanow and Wolf Ladejinsky. The Navy reversed a finding that Mr. Chasanow was a security risk and confessed a grave injustice.

After the Agriculture Department dismissed Mr. Ladejinsky, he was taken on by the Foreign Operations Administration. The Department later said a mistake had been made.

The Treasury said it had acted in Mr. Hynning's case "after careful review of the entire record." It started the review after the three members of the loyalty board that recommended Mr. Hynning's dismissal had written to the Secretary, George M. Humphrey, asking for another look at the case.

They said that Mr. Hynning had offered them some evidence that, had they known of it during the hearing, might have changed their finding. Their unusual action was first revealed by former Senator Harry P. Cain, now a member of the Subversive Activities Control Board, who has frequently criticized the security program as unfair to the Government employees.

The reason why Mr. Hynning did not offer the additional evidence in the first place was that the Government changed its charges against him near the end of the proceeding. He was unprepared to offer any evidence on the charge upon which he was dismissed because he did not know of its existence until the proceedings had almost ended.

ILLEGALITY CHARGED

At first the Treasury charged him with Communist associations. It abandoned that charge and substituted a charge of lack of veracity based on his recollection of a 10-minute interview with a representative of the FBI in 1942. On that issue he was dismissed.

Mr. Hynning contends that the shift of charges was illegal under President Eisenhower's security order. But in any case, over a period of several months, he was able to reconstruct the circumstances of the interview and the people involved. The interview had to do with possible Communist connections of a subordinate in Mr. Hynning's then job with the Office of Price Administration.

Through a series of sworn affidavits he was able to challenge the version of the interview given by the FBI man. He persuaded not only the three loyalty board members but also Edward Bennett Williams, who once acted as attorney for Senator JOSEPH R. MCCARTHY, Wisconsin, Republican.

Mr. Williams joined in Mr. Hynning's defense. The Civil Rights Subcommittee of the Senate Judiciary Committee took an interest in it, and urged a review by the Treasury.

Today's action, 19 months after the dismissal, was the result.

Mr. Hynning, a lawyer, plans to practice law here. He describes himself as a New Deal Democrat with a long and somewhat violent record of anticommunism dating back to the 1930's.

Mr. HUMPHREY. Mr. President, I am sure that all of us are glad for Mr. Hynning that now his ordeal is over and that his good name has been cleared. But it is nonetheless deplorable that these instances of injustice do occur under the programs set up in the executive branch in the attempt to insure security. As in the cases of Wolf Ladejinsky and Abraham Chasanow, the Government has restored the individual to his position, and has admitted its error. But the consequences are not simply obviated by admitting error and righting the wrong.

As I said earlier, in the case of Mr. Hynning, in no way can the Government ever repay him for 2 years of anxiety and ostracism. And what of those who perhaps are not as fortunate as Mr. Hynning or Mr. Chasanow or Mr. Ladejinsky—those who are dismissed, perhaps through error, perhaps without sufficient cause, but who are not fortunate enough or are without sufficient means to fight their case through to a successful conclusion?

The damage done through these miscarriages of justice extends, beyond the individual, to the integrity and efficiency of our Government. It is to the shame of our Government whenever an instance of this kind comes to light. We should not rest easily or complacently so long as individuals who have dedicated themselves to serving our Government are being subjected unfairly to this kind of ordeal.

It is incumbent upon the executive branch and the Congress to see to it that procedures are devised to prevent this sort of abuse of our honorable public servants, for the effects extend beyond the individual who is caught up in the nightmare of trying to prove his honor and loyalty. They threaten the security of the Government itself in a manner not originally intended by the word. We cannot have all Government employees live in a state of insecurity, in fear that they may be hauled up, and subsequently dismissed, on unjust charges or accusations, and hope to retain sound government. Such a continuing threat to the lives of those who work in Government is bound to have the effect of driving many persons out of Government employ, and of deterring many others from entering it. I think it is time that we recognize that there are a number of kinds of security, and that we should not bring on a state of insecurity in seeking a kind of total security which no means of man—short of totalitarianism—can devise.

We must take measures to insure that the Government is not infiltrated by espionage agents, but we must equally devise methods to insure that the many good and loyal citizens who work in our Government agencies are not hounded out of the Government by fear of the kind of 2-year ordeal to which Clifford Hynning was subjected.

I note that Mr. Hynning resigned his post with the Treasury Department, immediately after being reinstated. He elects to take up the private practice of law instead. Can anyone blame him? Can we really say that he received his just rewards and consideration for the 15 years of honorable service he gave his country?

I trust that those who administer the security programs in our agencies will keep in mind this case and others I have mentioned. An overzealousness for security must not blind out concern for the need of justice to the individual.

The Commission on Government Security now has the task of trying to reconcile our legitimate concern for security with the traditional American concern for the rights of the individual. The Commission on Government Security has a supremely important task before it. I hope it will get on with the job, and will carry it out in a way that will do justice to Clifford Hynning, Wolf Ladejinsky, Abraham Chasanow, and the unnumbered others who have paid so great a price for the malfunctioning of our security programs.

VISIT TO THE SENATE BY THE NORWEGIAN DEFENSE MINISTER AND STORTING DEFENSE COMMITTEE

Mr. SPARKMAN. Mr. President, today we are honored by a visit by representatives of one of our greatest friends and allies, namely, the Minister of Defense of Norway and the several members of the Norwegian Storting Defense Committee, who are here at the invitation of the Government of the United States, under our exchange program.

Mr. President, I shall not attempt to present these gentlemen individually; but I ask unanimous consent to have printed at this point in the CONGRESSIONAL RECORD a list of their names, together with a brief biographical sketch of each.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

BIOGRAPHIC INFORMATION, NORWEGIAN DEFENSE MINISTER AND STORTING DEFENSE COMMITTEE

Handal, Nils Kristoffer, Minister of Defense: Born; June 18, 1906 in Bergen. Basic occupation: Teacher. Education; Passed his student examinations in 1926 and took a higher degree in 1932. He then began to teach in the Bergen public schools. General: He was mayor of the city of Bergen from 1946 to 1953. and an executive on a number of Government boards and corporations. He entered the Torp Government as Minister of Industry, Shipping and Handicrafts on November 2, 1953.

Kjøs, Alv, Chairman, Storting's Defense Committee: Born: June 4, 1894, in Løten. Basic occupation: Colonel, RNA and farmer

at Eleverum. Education: Passed student exams in 1914, became an army officer in 1917, and colonel on January 1, 1946. General: Has been a farmer since 1926; member of the Løten Town Council from 1932 to 1940 and from 1945. During both periods he was for a time chairman of the town council. He is a member of a number of agricultural organizations and agricultural producers' cooperatives. He was the Conservative Party secretary in Hedmark province from 1929 to 1936, chairman from 1937 to 1946, a member of the Conservative Party's National Committee since 1946. He participated in the military resistance against Germany, and was arrested by the German Security Police in 1942, being sent first to the Grini concentration camp, later to other concentration camps in Poland and Germany. Member of Storting since 1937; Chairman of the Conservative Party.

Watnebryn, Olav Fredrik, Vice-chairman of Defense Committee; Born; November 4, 1908 in Drammen. Basic occupation: Tax official in Drammen. Education: Public school education, followed by commercial college; completed in 1941. General: Worked for some years in private industry and entered his present position in 1936. Member of Drammen City Council from 1935 to 1940 and since 1945 he has also been chairman of a number of municipal committees. He was a member of the Defense Commission of 1946, chairman of Drammen's Labor Party from 1934 to 1940 and 1949 to 1950; alternate member of Labor Party's National Committee from 1936 and member since 1949. He took special courses in socialism in 1934. He was arrested by the Germans in August 1944 and was incarcerated in Grini because he was a member of resistance movement and editor of underground newspapers. He has been a member of the Storting since 1945.

Ryen, Anton, Secretary of the Defense Committee: Born: December 15, 1894, in Heidal. Basic occupation: Army captain. Education: Public school. General: Worked on his father's farm; went to non-commissioned officer's school, became a sergeant in 1917 and after various types of military training was commissioned as lieutenant in 1935; later he became a captain. Active in agricultural organizations, Chairman of Vågå Agrarian Party; member of various other civic and social organizations. He was a member of the Defense Commission in 1946; fought in Norwegian military resistance; incarcerated in Grini, in Poland and Germany. Member of Storting since 1945.

Andersen, Johan: Born: May 5, 1902 in Holmestrand. Basic occupation: Metal worker, Norwegian Navy, Horten. Education: After completing primary school education he became an apprentice and worked at various jobs, mostly in the metal trades, moving to Horten in 1929. General: He became a member of the Horten City Council in 1946–47; vice-chairman of the Horten Metal Workers' Union from 1934–35; chairman from 1938 to 1945; connected with various civil servants' organizations employed by the armed services; chairman of the Horten Labor Party from 1951 to 1953. He was arrested by the Germans in 1940, for a while, rearrested in September 1944 and incarcerated in the Grini concentration camp. Member of Storting from 1945.

Dahl, Otto: Born: June 16, 1914, in Hamar. Basic occupation: Accountant in Hamar. Education: Basic public school and commercial education completed in 1933, following which he irregularly studied bookkeeping and accounting. General: Became a civil servant in Hamar in 1933; in the province of Hedmark in 1935; member of the Hamar City Council in 1946; member of various municipal committees. Became chairman of the Hamar Labor Party in 1953; member of the National Committee of Norwegian Civil Servants since 1950. He is an active member of the International Order of Good Templars and has had executive responsibility within the organization. Member of the Storting since 1954.

Fredriksfryd, Erling: Born: February 7, 1905 at Idd. Basic occupation: Teacher in Halden. Education: Completed his student's examinations in 1924 and his teachers' examination in 1926. General: Public school teacher in Halden area since 1924; journalist in Halden from 1926 to 1930; member of the Halden City Council since 1945, concentrating on school administration. He has been active in teachers' organizations. Member of the executive committee of the Halden Conservative Party; member of the Storting from 1945; secretary of the Odelsting (lower section of the Storting) since 1950.

Hoel, Oddmund: Born: January 18, 1910, in Oppdal. Basic occupation: Rural police and judicial official in Oppdal. Education: Attended noncommissioned officers' school from which he graduated in 1930; sergeant in 1931, officer in 1933; equivalent of Bachelor of Laws degree in 1941. Had other police, judicial and military training. General: Provincial civil servant in Oppdal from 1930 to 1941, attorney in Oppdal from 1941 to 1945; sheriff in Oppdal in 1945; member of the town council in 1945. Active in business and tourist affairs in Trondheim in the Trøndelag area. Vice chairman in Norway's sheriff's association since 1952 and in the Liberal Party of Sør Tøndelag. Received a research grant from the Ministry of Justice and Police to study police conditions in other countries in 1953. Member of the Storting since 1954.

Olsen, Ola: Born: October 25, 1891, in Bremnes. Basic occupation: Managerial capacity in business, Bremnes. Education: Basic public-school education, after which he began office work. General: Member of the Bremnes Town Council for 3 years; member of various committees. Alternate member of the Storting from 1945, member of Christian People's Party.

Solli, Bjarne: Born: November 7, 1910, in Lenvik. Basic occupation: Farmer in Lenvik. Education: Basic public school. General: He took over his father's farm in 1940; civil servant in Lenvik from 1939 to 1944; member of town council and mayor from 1946; active in Troms area in various municipal and social organizations. Member of board of directors of newspaper Nordlys (Troms); member of executive committee of Lenvik Labor Party and of the Labor Party's Municipal Committee in Troms. Member of the Storting since 1954.

Aabrek Kjell Gjøstein: Born May 3, 1901, in Bergen. Basic occupation: Teacher in Bergen. Education: Passed student exams in 1920, took a higher degree in 1926, following which he became a teacher. Settled down in Bergen in 1934. General: Member of Bergen City Council from 1938 to 1930 and from 1946 to 1951; active in school board and social affairs; received C. Mohr's scholarship for studies of socialism from 1929 to 1930 and traveled to Vienna, Switzerland, and Germany; received other scholarship grants for travels in Denmark and Sweden in 1947 and 1949; chairman of Bergen's United Labor Party from 1948 to 1951; member of the Labor Party's National Committee from 1949 to 1953; alternate member to the Storting in previous election periods he became a member of the Storting in March 1951.

Langlie, Lt. Col. Toralf, Administrative Secretary of the Defense Committee: Langlie was born in 1897 and became an army officer in 1920. His career has been entirely in the military service of the Norwegian Army. He is now on loan to the Defense Committee.

Mr. SPARKMAN. Mr. President, I am delighted to call the attention of the Senate to our distinguished visitors and friends, who now stand in the rear of the Senate Chamber. [Applause.]

The PRESIDING OFFICER. The Chair joins in extending to these gentlemen a very warm and cordial welcome to the Senate of the United States. We are delighted to have such distinguished guests in our presence today.

Mr. HUMPHREY. Mr. President, I wish to join the Senator from Alabama [Mr. SPARKMAN] and our other colleagues in extending a cordial welcome to the Norwegian Defense Minister and the Norwegian Storting Defense Committee.

The people of Norway and the people of the United States have had a long history of very friendly relations. Our Nation has benefited a great deal from the culture and the political experience of the Norwegian people, and, in particular, from the many persons of Norwegian extraction who have migrated to the United States of America. I wish to say that the close relationship between the United States and Norway is a source of great joy and pleasure to the American people, and, I hope, to the people of Norway.

Norway is an active member of the North Atlantic Treaty Organization. Norway has been our partner in peace and in war.

Finally, Mr. President, let me say that at noon, today, some of us had the opportunity to break bread with our neighbors and fellow parliamentarians from Norway; and at that time we extended to them very cordial invitations to visit our respective States. I am happy to know that this splendid delegation from Norway will visit the State of Minnesota. They will receive a warm welcome there, despite the fact that they will come to Minnesota in the month of February. [Laughter.]

Mr. President, I am pleased again to state that one of the sources of personal pride that I have in Norway is the fact that my wonderful mother was born in Norway. I cannot help but remind my colleagues that that is a blessing to be desired, and one which is to be jealously guarded and proclaimed.

Mr. WILEY. Mr. President, I am happy to join my distinguished colleagues in welcoming to this country and to the Senate these distinguished members of a free nation which has a free parliament. I am happy to say, too, that I stem from the sod of that country.

As will be recalled, it was a Norwegian, Leif Ericson, who discovered America in the year 1000. Norway has contributed the blood of her sons toward maintaining the freedom of the world. When she was challenged, her great king would not surrender, and her nation would not bend the knee to a would-be conqueror. Her sons fought valiantly. Her fleet made a great contribution toward saving the world when Hitler attempted to take it.

So I may say to the gentlemen who honor us by their presence today that we feel a sort of blood kinship, as well as an ideological kinship, with your people. You have always been a liberty-loving people. You have been a race which has ventured forth in new fields. Only this year when I was at Geneva, I saw there your exhibit, symbolic of the fact that for some 2,000 years your people reached out in every direction. They

UNIVERSITY OF MICHIGAN LIBRARIES

sailed down into the Mediterranean. The people of northern Italy stem from you. William the Conqueror was only one generation removed from Norwegian ancestry.

As was said so eloquently by that distinguished Irishman, the Senator from Montana [Mr. MANSFIELD], today, the Norwegians settled Dublin in 750.

As you travel about this country and meet kinfolk—I understand your Minister of Defense has relatives in Montana—I join with other Senators in wishing you a pleasant journey. In Wisconsin there are many of your kinfolk.

So it is a great pleasure to me to welcome this fine group of outstanding citizens, representing a free country, with a free parliament—a people who engage in the worthwhile enterprise which we call "seeking for more light."

Mr. MANSFIELD. Mr. President, I join my colleagues in extending greetings to the Minister of Defense, the Ambassador to Norway, dean of the diplomatic corps of Washington, and members of the Norwegian Storting.

Our colleagues do us great honor by coming across the water and visiting with us. I may say to them we are delighted that you intend to travel in the United States. We know that your visit will be not only pleasant, but interesting, as well. You will meet many people with whom you can establish kinship of one sort or another. We wish you well. We hope that this will be only the forerunner of other visits by other members of the Storting. We are delighted, proud, and happy that you have seen fit to honor us with your visit today.

Mr. MAGNUSON. Mr. President, it is a very happy privilege for me to join my colleagues in welcoming our friends from Norway.

My mother was born in Drummond, Norway. So I feel deeply grateful for the opportunity to join in this welcome.

As the Senator from Montana has said, we hope your visits will become more frequent. Of course, it goes without saying that Norway is one of the countries in the free world which occupies a very warm spot in the heart of the United States.

Mr. SPARKMAN. Mr. President, before we conclude these remarks, I should like to invite attention to the fact that one of our visitors to the Senate Chamber today is the dean of the diplomatic corps in Washington, our great, fine, and distinguished friend, Ambassador Wilhelm Munthe de Morgenstierne.

I think it might be fitting for me to relate a little incident which occurred at the luncheon today. There were a few remarks by some of those present. The Minister of Defense of Norway spoke to us in English, and our distinguished colleague the senior Senator from Wisconsin [Mr. WILEY] responded in Norwegian.

The PRESIDING OFFICER. The Chair repeats the very cordial greetings of Members of the Senate. We are very happy to have our visitors with us today.

ADDITIONAL EDITORIAL EXPRESSIONS IN OPPOSITION TO NATURAL-GAS BILL

Mr. WILEY. Mr. President, I have previously pointed out to my colleagues the tremendous outpouring of newspaper expressions all over our country opposing the natural-gas rate-increase bill.

Rather than attempt to consume too much space in the RECORD, I have selected only some of the most representative of such editorials and columns.

I have several examples in my hand today and, for purposes of brevity, have selected the most pertinent excerpts from them.

I ask unanimous consent, therefore, that these excerpts be printed at this point in the body of the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the Norfolk Virginia-Pilot of December 9, 1955]

INCREASING THE NEED FOR GAS REGULATION

The approval of the escalator clause in natural gas contracts by the Virginia Supreme Court of Appeals increases the necessity for Federal regulation of the price of natural gas at the source. Fortunately for Virginia the State Corporation Commission—which approved the escalator clause—has used its influence against the Harris' and related bills to kill off Federal control at the source.

The case for the escalator clause is that natural gas wholesale prices are constantly rising, partly because of a constantly expanding market, partly because of weak Federal regulation. The result, so far as the natural gas distributor in Virginia is concerned, is to require price increase hearings too frequently. The escalator clause fixes all elements of the fair price except the wholesale cost and then enables the retailer to adjust the retail price upward or downward as it is affected by the wholesale price. This is now done automatically without a public hearing before the SCC.

The case against the escalator clause is that it violates a tested rule of ratemaking: that changes should not be made without a public hearing and without a review of all the factors that go into a fair and just rate. This easy, automatic way of obtaining a rate increase may encourage natural gas distributors not to oppose with all their capacity proposals to increase the wholesale price of natural gas. Freed of the necessity of proving a case in a public hearing, the natural gas distributors may find it more comfortable to go along with the demands of those who used to burn natural gas to get rid of it and now want to charge all they can ultimately to consumers welded by monopoly to only one gas pipeline.

The dangers of the escalator clause can be considerably lessened by fair and just regulation of the price of natural gas at the wellhead. One of the soundest rules of American business is that a utility consumer who is tied on to one pipeline or one electric power line is denied the full benefits of competition and must receive the protection of effective regulation. Uncontrolled prices at one end of the natural gas pipeline in Texas and an escalator clause at the other end in Virginia do not provide effective regulation.

[From the Toledo Union-Journal of January 20, 1956]

THE $800 MILLION JOB

(By Pete Zvara)

Last week millions of words were printed in thousands of newspapers and magazines about the 11 hoodlums who some 6 years ago pulled off the famous "million dollar Brink's job" in Boston. And I suppose tens of millions of people read these stories with great interest and then probably spent hours talking about the notorious robbery with their friends and families. In fact, a movie, Six Bridges to Cross, had its inspiration in this holdup.

Well, with humans being what they are, all that is understandable. A million dollar robbery would make news anytime, anywhere. Particularly when it is pulled off with the near-perfection that the Boston job was.

But what puzzles me is why these same people—not to mention the thousands of newspapers, magazines as well as radio and TV stations—who were so eager to follow this case and so excited about it, hardly bend an ear to hear about another "job" that will most certainly involve something between $800 million and $1,000 million. And, incidentally, the cost will be for each year for God only knows how many years.

Moreover, and this is what should really make the people sit up and take notice, the "cost" of this "job" will come out of their pockets just as directly as if the same Boston hoodlums would do the job directly.

I am talking about the natural gas bill controversy that will soon come to a head in the United States Senate. The House already passed the Harris bill by a vote of 210 to 203, during the last session. Now the Senate will take up the same bill, known as the Fulbright bill there since it was introduced by the Arkansas Senator, for consideration and action.

While the outcome of the fight on this bill is far from certain for either side, it is understood that should the Senate pass the bill, President Eisenhower will sign it.

At this point, I would like to mention that a similar bill was passed, in 1951 I believe, but at that time President Truman vetoed the bill and that killed it.

Well, now let's see what is behind this fight.

At the present time there are some 4,300 gas producers, most of them in Southwestern States. This natural gas is pumped into huge interstate pipeline systems that carry the gas into our great metropolitan areas. Now, what these gas producers do not like is that the price of this natural gas is controlled by the Federal Power Commission. And it is this control they want to eliminate. The adoption of the Fulbright bill would do just that.

The question now is, What would the elimination of Federal control of the price of natural gas do to the consumers of natural gas? The answer came from Mr. Leland Olds, former chairman of the FPC, when he testified before a House subcommittee on the Harris bill.

According to Mr. Olds the gas producers would raise their prices and this would increase the total cost of gas to the consumers by an estimated $800 million. This, however, is only one phase of this price gouging attempt.

In some areas of the country, electric power generating plants use natural gas for fuel and these would be compelled to pay a higher price for their gas, which, of course, they pass on to their customers through increased costs to power consumers. The estimated price increase in the power field is some $170 million a year.

Finally, but still a part of this package, the fuel oil companies would find in it another excuse to hike their prices and how much this would cost consumers, only God knows.

So here we have a situation where the elimination of Federal price control at the source of natural gas would cost the American people roughly around a billion dollars a year.

Now, Senator FULBRIGHT, Senator LYNDON JOHNSON, as well as most of the Dixiecrats

and reactionary Republicans argue that competition between the so-called "independent" gas producers would "make the price right." This is, of course, mere talk, because of the 4,300 gas producers, 175 control more than 90 percent of the gas pumped into and through the interstate pipeline system to such States as Ohio, Michigan, Indiana, New York, and others.

It is interesting to note that two huge gas-oil companies, the Phillips Petroleum Corp., and Standard Oil of New Jersey, control one-sixth of the total natural gas production.

Now I know that most people when they read about hundreds of millions of dollars or a billion dollars to be gouged out of the public feel that it is something far removed from them and hardly their concern. That, of course, is not so and particularly in this instance.

Let's take the people of metropolitan Toledo, for example. Here we have approximately 98,900 residential gas users. According to Mr. Olds' estimate, the price increase for natural gas should the Fulbright bill be passed would cost every single gas user about $4 a month more than their present bills and that means something like $45 or $50 more each year. So we see that in Toledo alone, residential gas users would be compelled to pay somewhere between $4.5 million to $5 million additional per year.

Of course, if these gas users have so much money that paying this additional sum means nothing to them, they shouldn't worry—but if they are concerned, as they well should be, then they ought to do something about this problem, and really the solution is very simple.

If you use gas and you don't want to pay more for it, all you have to do is get a 2-cent or a 3-cent stamp and a piece of paper and envelope, take a few minutes of your time and write a few short lines to Senators GEORGE BENDER and JOHN BRICKER, of Ohio, and tell them that you are opposed to the elimination of Federal control of the natural gas producers and that they should vote against the Fulbright bill when it comes before the Senate. Address your card or your letter to the Senators, in care of Senate Office Building, Washington, D. C.

I should like to point out finally that these gas and oil companies are wallowing in fantastic profits right now. Any increase in the price of natural gas would only add to their already huge earnings. Incidentally, these same gas and oil companies now enjoy a gimmick in our tax law—the so-called 27½ percent depletion allowance which gives them an estimated $750 million a year. It is this gimmick in our law that makes it possible for one oilman in Texas to boast of an income of a million dollars a day. A million dollars a day is nothing to be sneezed at and such fortunate people certainly should be happy with their huge profits—but they are not. And if they can get away with this new steal, they will do so without batting an eye. As a matter of fact, these people announced last year that they would spend $1.5 million in the 84th session of Congress for lobbying to influence the Members of the House and Senate on this natural gas bill.

Yes, it's funny how people can get excited about 11 hoodlums stealing $1,250,000 from Brink's in Boston, but barely wiggle their ears when they're about to be taken for a billion dollars a year—and that's money out of their own pockets.

On second thought it isn't funny—it's tragic.

[From the Washington Post of January 27, 1956]

DEMOCRATS AND THE GAS LOBBY

The self-styled "party of the people" seems to be the victim of a powerful sectional interest in the debate on the Harris-Fulbright natural-gas bill. Instead of speaking for the consumer's interest, as Democrats contend they do more often than Republicans, the Democrats in the Senate are divided. Many of the party stalwarts are openly supporting producer interests as opposed to consumer interests. Other leaders are being strangely silent—out of deference, it would seem, to the power of the gas lobby. The strength of the oil and gas industry in such States as Texas, Arkansas, and Oklahoma is indicated by the powerful voices of Senators JOHNSON, FULBRIGHT, and MONRONEY, Democrats, who often fight the consumer's battles. It is one of the unwritten laws of politics that producer interests in a given State—whether the product is oil, wheat, cotton, tobacco, lead, or copper—have strong representation in Congress. Many of the letters this newspaper has received favoring the gas bill have come from employees or business associates of the big oil companies. If consumers could organize such influential blocs their interests would be far better protected than they are today.

In the debate on the gas bill, Senators FULBRIGHT and MONRONEY in particular have gotten their logic very much mixed up by attempting to speak for both interests. In their annoyance over the opposition of gas distributors to the bill, they have denounced the Washington Gas Light Co., and imply that it is overcharging Washington's consumers. Yet the local gas company is regulated by the Public Utilities Commission. These same Senators who argue that the local gas company is not sufficiently regulated, nevertheless, want even less regulation for the gas producers. If they have their way, as far as the producers are concerned, the Washington consumer is virtually certain to pay more for his gas regardless of the watchfulness of the local regulating body.

Because the gas bill is such a warm issue, Senators have stayed away from the debate in droves, and the arguments on the floor have attracted far less attention than they deserved. Senator DOUGLAS and a handful of his colleagues have fought valiantly in the consumer's interest. But in the absence of an organized consumer yelp that can be heard above the din of the gas lobby, it seems altogether likely that producer interests will prevail.

[From the Washington Evening Star of January 26, 1956]

DOUGLAS CHALLENGES JOHNSON—ILLINOIS SENATOR'S PERFORMANCE IN FIGHTING GAS BILL STANDS OUT

(By Thomas L. Stokes)

* * * * *

Most of this week the bare Senate stage has been dominated by a big, shambling gentleman who, day after day, plowed through his exhaustive speech against the measure. For a time one day he stood alone, talking to an empty Chamber and the lone presiding officer. He is the hero of the Senate saga, in all other respects so shoddy a performance. He is PAUL DOUGLAS, a Democrat from Illinois who is daring to challenge the Texas party leadership and several billion dollars. For the millions of words he has talked into the RECORD, for all the statistics he has inserted, he really said it all in one sentence:

"The issue before us is whether the interests of wealth and power are to run the Government or whether our Government is to be run in the interests of the public."

That is the issue. How right he is. It is dramatized in the $1.5 million big oilmen raised among themselves and spent on their lobby, the results of which you have seen in advertisements in newspapers and magazines, and which we have seen here in the high-pressure tactics being used by the lobbyists on Senators to get them to support this gigantic giveaway. Senator DOUGLAS summed this all up, thus:

"Huge profits are at stake in this legislative proposal to nullify effective natural gas regulation. If the gas producers succeed, it will cost consumers of this country from 600 to 900 million dollars annually. It will increase the value of the known gas reserves of the Nation from 12½ to 30 billion dollars. * * * It is no wonder that 'big oil' is working and spending to put this bill through Congress."

EXCHANGE OF CORRESPONDENCE BETWEEN PRESIDENT EISENHOWER AND PREMIER BULGANIN

Mr. WILEY. Mr. President, the world has noted with deep interest the exchange of correspondence between Soviet Premier Bulganin and President Eisenhower.

As is well known, under date of January 23, Marshal Bulganin wrote a message to the President which was hand-delivered by Soviet Ambassador Zarubin, to the President.

Under date of January 28, President Eisenhower responded to Premier Bulganin.

Under date of February 1, Premier Bulganin responded to the President's comments.

I shall ask at the conclusion of my remarks that the full text of this exchange be printed in the CONGRESSIONAL RECORD.

Certain facts are indisputable concerning this exchange:

COURTEOUS SPIRIT OF EXCHANGE

First. The Soviet Premier's two letters and President Eisenhower's reply to the initial letter have been presented in a commendably courteous and conciliatory manner.

We, of the United States, believing as we do so strongly in good will among the nations, welcome a pattern of sincere courtesy. We ourselves are prepared at all times to speak and act thus in the pursuit of peace, without, of course, in any way detracting from the firmness of our moral position.

WHY WAS PRESIDENT'S REPLY WITHHELD FROM IRON CURTAIN PEOPLE?

Second. It is significant that for several days, no word of President Eisenhower's courteous but forthright rejection of the Premier's "friendship pact proposal" was permitted to be revealed through the Soviet-controlled press and radio.

The world has a right to wonder why this historic, conciliatory, but firm reply was withheld for a considerable time from the Soviet and satellite peoples.

Surely, a letter on the subject of peace, which is so dear to the heart of mankind, should have been made available by the Kremlin as rapidly as possible to the Russian people and to all peoples behind the Iron Curtain.

WORLD'S FAVORABLE REACTION TO PRESIDENT'S RESPONSE

Third. The warm reaction of the people of the United States and of the free world to President Eisenhower's response, was instantaneous; it was enthusiastic; it was virtually unanimous in its approval.

The peoples of the world have nothing but admiration for the masterful way in which the President of the United States

UNIVERSITY OF MICHIGAN LIBRARIES

handled this matter—with care, with judgment, with complete good will—and yet, with frankness.

SIGNIFICANT SILENCES IN BULGANIN'S REPLY

Fourth. Premier Bulganin's latest letter is significant for what it does not say, despite its length, in addition to what it does say.

Thus, it is significant in that Premier Bulganin gives no answer to the most crucial questions propounded by our President.

What were those questions? I read them now as contained in the President's letter:

> But the present state of international tension was not prevented by the words of the charter. How can we hope that the present situation would be cured merely by repeating those words in a bilateral form?
>
> I wonder whether again going through a treatymaking procedure, and this time on a bilateral basis only, might indeed work against the cause of peace by creating the illusion that a stroke of a pen had achieved a result which in fact can be obtained only by a change of spirit.

SOVIET SILENCE ON ITS TROUBLEMAKING IN CRUCIAL AREAS

Fifth. Similarly, Premier Bulganin's letter is significantly silent on the paragraph of the President's letter which so well pointed out that the deterioration of the Geneva spirit was caused by the Soviet Government's activities in critical areas in the Near East and south Asia.

Why did not Premier Bulganin comment upon these crucial areas of the globe, in which it is so obvious that Soviet troublemaking affects the peace of the area and the world?

President Eisenhower's letter had, of course, carefully outlined the events which caused the deterioration in our relations since Geneva.

Premier Bulganin attempted to explain the failure of the subsequent Foreign Ministers' Conference by merely repeating the arbitrary Soviet positions taken at that latter conference. His repetition is neither a real explanation nor a real justification for the Soviet Government's failure to follow through on the agreements of the Geneva Conference.

NEGATIVE SOVIET REACTION ON CRUCIAL ISSUES

Sixth. But, of course, the heart of the President's message was contained in his request for concrete actions such as relate to reunification of Germany, an effective disarmament agreement, and freer contacts for peoples of East and West.

I read now precisely what the President so eloquently stated:

> Consider, Mr. Chairman, what a vast change would be effected not only in our relations but throughout the entire world if there were prompt measures to reunify Germany in freedom within the framework of security; if there were carried out our wartime pledge to respect the right of peoples to choose the form of government under which they will live; if there were arranged such mutual opening of our countries to inspection that the possibilities of surprise attack would vanish and if reductions of armament were made practical, with the release of productive power for the betterment of mankind. Consider, also, the mountain of distrust and misunderstanding that would disappear if our peoples freely exchanged news, information, visits, and ideas.

But again, the reply of Premier Bulganin, instead of being specifically affirmative, was negative, with respect to each of these crucial matters.

ANOTHER BILATERAL TREATY IS NOT AN ACT

Seventh. Premier Bulganin stated in his second letter that the conclusion of a treaty of friendship and cooperation between the U. S. S. R. and the United States of America would be one of the most important concrete acts.

But the decisive opinion of the world is that for the Soviets to propose still another treaty, when they have so obviously failed to abide by their previous commitments, is hardly the type of concrete action that the world has a right to expect.

We, of the United States, know the difference between deeds and words. And I am confident that the Russian people—a realistic people—as well, know the difference between deeds and words.

I may say parenthetically, Mr. President, that at Helsinki, when I attended the Interparliamentary meeting as a representative of the United States, it was my privilege to speak very plainly. In addressing myself to the Russian delegation, I quoted, in substance, the words of Emerson, when I said:

> What you are speaks so loudly, I cannot hear what you say.

They were using honeyed words then. The world wants deeds, not words.

The Russian people, and all other peoples, would be thrilled to hear news of the type of concrete actions, aimed at genuine freedom and security for all—such as President Eisenhower and Secretary of State Dulles have so eloquently and repeatedly urged.

And so we ask Premier Bulganin, "Will you and your associates not reconsider your position? Will you not act so as to bring news to your own people and to all the peoples of the world, of genuine deeds, expressed in lasting action, and not merely more words, expressed orally or in writing?"

Let the Kremlin act now, today, for man's peace and well-being, and the Kremlin's actions will be warmly responded to by the leaders and peoples of the free world in a prompt and resounding manner.

As for ourselves, we will not close our eyes to the record of the past, nor will we nonetheless, close our hearts to hopes for the future.

I ask unanimous consent that the full text of the correspondence be printed at this point in the body of the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

THE KREMLIN,
Moscow, January 23, 1956.

HIS EXCELLENCY
DWIGHT D. EISENHOWER,
President of the United States of America, Washington, D. C.

DEAR MR. PRESIDENT: In the firm conviction that you share my concern over the present state of the relations between our countries, I should like to impart to you my ideas regarding possible means of improving those relations.

You, I am sure, agree with me that the present international situation requires all states, particularly the great powers, which bear special responsibility for assuring worldwide peace and the security of nations, to take measures that may help further to lessen international tension and strengthen confidence and cooperation between states. This would satisfy the heartfelt longing of peoples to live in peace and tranquility and to devote their material resources and energy to creative and constructive work, cultural advancement, and prosperity.

At the meeting of the heads of government of the four powers at Geneva we all expressed our readiness to strive for a lessening of international tension and an improvement in relations between states in accordance with the principles of peaceful coexistence and economic cooperation.

There is no doubt that for any future lessening of international tension the question of relations between the Soviet Union and the United States has special significance.

This raises the problem of the necessity for taking steps to improve substantially the relations between the Union of Soviet Socialist Republics and the United States of America. Such improvement of Soviet-American relations would be a genuine contribution toward ameliorating the entire international situation and maintaining and consolidating world peace.

The history of the relations between our countries is convincing proof of the fact that their friendly cooperation, based on a striving for mutual understanding, mutual respect for sovereignty, and which was later based on the common struggle against the forces of aggression, satisfies the highest interests of the peoples of both countries.

It is certainly not by accident that, with the exception of the period of foreign intervention against the young Soviet Republic, the peoples of our states have never fought each other; that between them there have never been and are not now any irreconcilable differences, nor any frontiers or territories that might become an object of dispute or conflict.

This is why the Soviet people received with complete understanding your statement at the Conference of the Heads of Government of the Four Powers at Geneva, in which you remarked: "The American people would like to be friends of the Soviet people. There are no disputes between the American and Soviet peoples, there are no conflicts between them, there is no commercial hostility. Historically our peoples have always lived in peace."

Life itself has proven that cooperation between the U. S. S. R. and the United States of America has been based, not on accidental and short-lived motives but on fundamental and enduring interests. This found a significant manifestation, first of all, in the fact that our countries were allies during both World Wars.

You, as one of the outstanding military leaders of the anti-Hitler coalition, are especially aware of the fact that the military cooperation between the Soviet Union and the United States during the years of the Second World War played a most important part in crushing the common foe—the Fascist aggressors. Bound by the ties of blood shed by the best sons of the people of both countries, their military alliance, which was also shared by Great Britain, France, China, Poland, Yugoslavia, Czechoslovakia, Norway, Greece, and other countries of the coalition of freedom-loving peoples, endured with honor all trials of the war, which was thrust upon our peoples by the forces of aggression in the West and in the East.

It is highly regrettable that in the postwar period the relations of friendship and cooperation between the U. S. S. R. and the United States of America should have worsened. The impairment of relations between the Soviet Union and the United States of America, whatever the reasons may be, is contrary to the interests of both the Soviet and the American peoples and adversely affects the entire international situation.

I am sure that you, like myself, are convinced that the differences between the social structures of the United States of America and the U. S. S. R. should not prevent our countries from maintaining the political, economic, and cultural relations in which our peoples are interested. In the years preceding the Second World War, Soviet-American relations progressed considerably, especially in the economic field. During the war the relations between our countries reached new heights, which was due to the wide support of the peoples of our countries and which strengthened their mutual sympathies. This helped shorten the war and lessen the sacrifices of nations.

It is of course impossible not to take account of the fact that during the period of the cold war between the U. S. S. R. and the United States serious disagreements have arisen with regard to various international problems connected with disarmament, the assurance of security in Europe, the German question, together with certain problems of the Far East, and the importance of the above-mentioned problems is recognized. At the last meeting of the Foreign Ministers of the four powers at Geneva, even with the narrowing of the gap between the positions of both sides with regard to individual matters under discussion, substantial divergences became manifest and further efforts will in time be needed to reach the necessary agreement on a solution of the above problems.

Nevertheless, a continuation of the existing state of Soviet-American relations cannot further the settlement of unsolved international problems. At the same time an improvement in Soviet-American relations that would satisfy our peoples' longings for the furthering of friendly relations between our countries might create a new international atmosphere favorable to the settlement of controversial questions by means of negotiations on a mutually acceptable basis.

It is impossible not to see that a practical solution of the problem of a further lessening of international tension and strengthening of confidence between states, including the improvement of Soviet-American relations, is in the interest of both the Soviet and the American peoples as well as of all other nations.

I believe that you, Mr. President, will agree that under existing conditions international tension is fraught with the possibility of breaking the peace, with nations reaping all the dangerous consequences thereof.

Moreover, it is well known to everyone that the newest implements of war, such as atomic and hydrogen weapons, various instruments of present-day jet and rocket techniques, as well as other kinds of weapons of mass destruction, place the peoples of all countries in an equally dangerous situation in the event that international peace is disturbed, threatening to subject their territories and, above all, densely populated districts of highly developed countries to the devastating effects of atomic war.

At the present time more than ever, it is the duty of each state to be concerned with the maintenance and strengthening of peace, the settlement of international disputes by peaceful means alone, in harmony with the aims and principles of the United Nations.

There can be no doubt that the peoples of the Soviet Union and the United States of America are equally interested in putting an end to the armaments race, which forces them to waste their strength and resources for unproductive purposes. The existing armaments race not only saddles nations with a heavy burden of military expenditures and thereby creates obstacles to the promotion of their material welfare, but also greatly intensifies the danger of a new war.

The improvement of Soviet-American relations would lighten the task of putting an end to the armaments race and would contribute to a fuller utilization of the economic resources of states in the interest of peace. In this case the resources now going into unproductive military expenditures could be used for purposes of improving the material well-being of nations, lowering taxes, raising real wages, housing, and public construction, aiding underdeveloped countries in the interest of peace, and of strengthening international cooperation.

All of this would contribute considerably toward the expansion of the domestic market as well as the furtherance of international trade and would moreover insure a corresponding increase in production and in employment of the population on the basis of an expansion of the peace economy.

The fact should be recognized that events have recently taken place the positive significance of which could not fail to be reflected in the overall international situation. The past year was one in which no war was being waged in any part of the world. Recently certain complicated international problems that had remained unsolved after the end of the Second World War have been settled.

For the first time since the last war, a meeting of the heads of Government of the four powers was held in Geneva, and the results achieved by us at that meeting were genuinely and fervently welcomed by the peoples of the entire world as corresponding to their aspirations and hopes.

Recently an improvement has been noted in contacts between countries of the East and West, particularly between the Soviet Union and the United States of America, although it is still far from possible to consider such contacts as broad and adequate. As for the U. S. S. R. and the United States of America, these expanded contacts have shown how great are the longings of the peoples of our two countries for the further development of such contacts and of friendly cooperation.

In all these important international events, in which the Soviet Union has been advocating a stronger peace and friendship among nations, the results achieved have to a considerable extent been due to the cooperation that has taken place between our countries.

I am genuinely convinced that an improvement in Soviet-American relations is urgently needed.

In my opinion this purpose could be served by the conclusion of a treaty of friendship and cooperation between our countries.

Such a treaty could make provision for the parties, in a spirit of genuine cooperation and mutual understanding, to develop and strengthen the friendly relations between the people of the U. S. S. R. and the United States of America on the basis of the principle of equal rights, mutual respect for state sovereignty, and noninterference in internal affairs, and to settle all their international disputes, in accordance with the provisions of the U. N. Charter, by peaceful means alone.

The treaty might also provide for the agreement of the parties to cooperate in developing and strengthening economic, cultural, and scientific cooperation between the U. S. S. R. and the United States of America, based on the principle of mutual advantage and equality of rights.

My colleagues and I feel that the conclusion of such a treaty between the Soviet Union and the United States of America would be an important contribution to the development of Soviet-American relations and at the same time an act of great international significance.

I firmly believe that the proposal concerning the conclusion of a treaty of friendship and cooperation between the U. S. S. R. and the United States of America for the improvement of Soviet-American relations in the interest of strengthening peace and for the further lessening of international tension will be favorably received by you and will evoke a positive response from the Soviet and American peoples, as well as from those of other countries.

It is my opinion that the spirit of the treaty which I propose is embodied in the draft enclosed herewith.

I trust that I may soon receive an expression of Your Excellency's thoughts on this subject.

Respectfully,

N. BULGANIN.

A TREATY OF FRIENDSHIP AND COOPERATION BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED STATES OF AMERICA

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the President of the United States of America,

Inspired by a desire for a further lessening of international tension and for the establishment of trust between states and acting in the interest of maintaining worldwide peace and security,

Being desirous of strengthening the friendship between the peoples of the Soviet Union and the United States of America,

Being convinced that a strengthening of friendship and cooperation between the Soviet Union and the United States of America on the basis of the principles of equal rights, mutual respect for state sovereignty, and noninterference in each other's internal affairs, conforms to the vital interests of both countries,

Asserting their faith in the aims and principles of the charter of the United Nations and their desire to cooperate and live in peace with all peoples and with all governments,

Have resolved to conclude the present Treaty of Friendship and Cooperation and have designated as their plenipotentiary representatives:

For the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics _____,

For the President of the United States of America _____, who, having communicated to each other their full powers, which have been found to be in good and due form, have agreed as follows:

ARTICLE I

The contracting parties will develop and strengthen, in the spirit of sincere cooperation and mutual understanding, friendly relations between the peoples of the Soviet Union and of the United States of America on the basis of equal rights, mutual respect for state sovereignty, and noninterference in internal affairs.

ARTICLE II

The contracting parties have agreed, in conformity with the provisions of the charter of the United Nations, to settle all their international disputes by peaceful means.

ARTICLE III

The contracting parties will contribute to the development and strengthening of economic, cultural, and scientific cooperation between the two States, on the basis of the principle of mutual benefit and equal rights.

To implement the present article, appropriate agreements may be concluded between the contracting parties.

ARTICLE IV

The present treaty shall be subject to ratification. It shall become effective on the date of exchange of instruments of ratification which is to take place in the city of _____ in the shortest possible time.

The treaty shall be valid for 20 years from the date of its coming into force. Upon the expiration of the aforesaid period each of the contracting parties shall have the right to denounce it. Such denunciation shall become effective 1 year from the date on which notice thereof is given.

UNIVERSITY OF MICHIGAN LIBRARIES

In witness whereof, the Plenipotentiaries have signed this treaty and have affixed their seals thereto.

Done at _____ on _____, 1956, in two copies in the Russian and English languages, both texts being equally authentic.

By authority of the Presidium of the Supreme Soviet of the U. S. S. R.

By authority of the President of the United States of America.

THE WHITE HOUSE, *January 28, 1956.*

DEAR MR. CHAIRMAN: I wish to thank you for your letter of January 23, delivered to me by Ambassador Zaroubin. I have given it careful thought.

Let me say at the outset that I do indeed believe that the present international situation requires all states, particularly the great powers, to seek to lessen international tension and strengthen international confidence and cooperation.

As the power of destruction grows, it becomes imperative not merely to strive to control and limit that power, but also to do away with antagonisms which could tempt men to use that power. That view, I can assure you, is held by the people of the United States and by their political leaders without any exception whatsoever.

I am confident that that view is also shared by all the peoples of the world, and that those who have been entrusted with political authority have a high duty to respond to the universal longing of the peoples for peace.

As you are good enough to recall, I have more than once alluded to the immensely valuable asset we have in the historic friendship between our peoples. I profoundly believe that upon that foundation better political relations could be established. I can assure you, Mr. Chairman, that there is in the whole world no people more sincerely dedicated to building a structure of peace than the American people. Our whole Nation longs for a cessation of the strains and dangers now present in the international situation. There is indeed no honorable thing that we would not do if we were convinced that it would promote a just peace in the world.

It is from this viewpoint that I have examined your present suggestion that the cause of peace would now be served by the conclusion between our countries of a treaty of friendship and cooperation of 20 years duration.

I first observe that our countries are already bound to each other by a solemn treaty—the charter of the United Nations. The treaty which you now propose would consist of three substantive articles. I observe also that each one of these is already covered by the explicit provisions in this United Nations treaty between us.

The first article of your draft would bind our two countries to develop friendly relations between our peoples on the basis of equal rights, mutual respect and noninterference in internal affairs. As members of the United Nations we are already bound through that organization "to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples."

The second article of your proposed treaty would bind us to settle our international disputes by peaceful means alone. This is an undertaking to which our two countries are already bound by the provisions of article 2 (3) of the Charter of the United Nations which specifies that "all members shall settle their international disputes by peaceful means."

The third article would bind us to the strengthening of economic, cultural, and scientific cooperation. Chapter IX of the Charter of the United Nations dealing with "International Economic and Social Cooperation" pledges us to work for "solutions of international economic, social, health, and related problems," and to "international cultural and educational cooperation."

The Charter of the United Nations constitutes a solemn treaty not only between your country and our own—it is a treaty among many countries, all of whom are bound to us and to each other, and all of whom are concerned with world peace. The American people sincerely desire to help make reality of these charter goals.

But the present state of international tension was not prevented by the words of the Charter. How can we hope that the present situation would be cured merely by repeating those words in a bilateral form?

I wonder whether again going through a treaty-making procedure, and this time on a bilateral basis only, might indeed work against the cause of peace by creating the illusion that a stroke of a pen had achieved a result which in fact can be obtained only by a change of spirit.

Friendly collaboration between states depends not solely upon treaty promises but upon the spirit that animates the governments of the states concerned and upon actual performance.

It was in the hope of promoting such a spirit and such performance that I went to Geneva last July, a course which had no peacetime precedent in American history. Despite the doubts of many that the mission would, in fact, serve any useful purpose, I felt that the existing situation was so serious that no chance for improvement, however slight, ought to be neglected. In Geneva you expressed similar views and aspirations.

I had earnestly hoped that out of that meeting with you and with the Heads of Government of France and the United Kingdom would come a bettering of international relations, especially as between the four nations there represented and in relation to particular problems for which our four nations had a particular responsibility.

Unhappily, the American people have had sadly to conclude that the events following our meeting have not given substance to their hope.

Permit me to recall to your mind a short record of recent events.

At Geneva we directed our Foreign Ministers to propose effective means for the solution of three specific problems.

The first of these problems was that of European security and Germany. We explicitly agreed that the settlement of the German question and the reunification of Germany by means of free elections should be carried out in conformity with the national interests of the German people and the interests of European security. However, despite constructive proposals put forward by the three Western Powers for German reunification and European security, your Government felt that it could not at this time entertain any proposal dealing with the reunification of Germany by means of free elections.

The second problem was that of disarmament. In our Geneva discussion of that problem I made my "open skies" proposal in the hope that we might actually do something to convince the world that we had no aggressive purposes against each other. But this proposal your Government rejected at the Foreign Ministers meeting.

The third problem was the development of contacts between East and West. The Western Ministers proposed many concrete measures to bring about closer relations and better understanding, none of which was accepted by your Government. Despite that fact there has, as you point out, recently been some improvement in contacts between the Soviet Union and the United States of America.

A further deterioration has taken place because to us it has seemed that your Government had, in various areas of the world, embarked upon a course which increases tensions by intensifying hatreds and animosities implicit in historic international disputes. I share your conviction that an improvement in Soviet-American relations is urgently needed. But frankly, our people find it difficult to reconcile what appears to us to be the purposes of your Government in these areas with your present words—words which so rightly emphasize the special responsibility of our Governments to lessen international tension and strengthen confidence and cooperation between states.

I deal with the history of this past year solely for the purpose of enabling us with better prospect of success to chart our future. This nation holds out the hand of friendship to all who would grasp it in sincerity. I have often said, and I now repeat, that there is nothing I would not do to promote peace with justice for the world. But we know that it is deeds and not words alone which count.

Consider, Mr. Chairman, what a vast change would be effected not only in our relations but throughout the entire world if there were prompt measures to reunify Germany in freedom within the framework of security; if there were carried out our wartime pledge to respect the right of peoples to choose the form of government under which they will live; if there were arranged such mutual opening of our countries to inspection that the possibilities of surprise attack would vanish; and if reductions of armament were made practical, with the release of productive power for the betterment of mankind. Consider, also, the mountain of distrust and misunderstanding that would disappear if our peoples freely exchanged news, information, visits, and ideas.

These are all matters which you and I have discussed together at Geneva. They are results to which my Nation remains dedicated and toward which we are prepared at any moment to move in a spirit of conciliation. May I hope, from your letter, that you too are dedicated to these great ends?

I shall look forward to receiving a further expression of your views.

Sincerely,

DWIGHT D. EISENHOWER.

THE KREMLIN,
Moscow, February 1, 1956.

His Excellency DWIGHT D. EISENHOWER,
President of the United States,
Washington.

DEAR MR. PRESIDENT: Your message of January 27, which was written in so friendly a tone, could not fail to awaken in me recollections of those sincere and frank conversations which we had with Your Excellency and our other colleagues at Geneva 6 months ago. We may hold different positions, we may defend different views, but if we also have good will and a desire to understand each other then such discussions contribute to the strengthening of trust and the promotion of friendly relations.

I was gratified by your agreement that the present international situation makes it imperative for all states, especially the great powers, which bear special responsibility for ensuring the peace and security of nations, to adopt measures which can contribute to a further easing of international tension and the strengthening of trust and cooperation between states.

I was also gratified by your agreement that the historic friendship between our nations gives us a basis on which better political relations between our countries might be established.

It is precisely because such a basis exists that my colleagues and I decided, soon after our nations had welcomed the new year, to address to Your Excellency a proposal to consider jointly concrete steps that would permit a substantial improvement in the relations between our two countries. In this connection we felt that the future peace of

the world depended to a great extent on the status of our relations.

We believed, and still believe, that the time has come for concluding a treaty of friendship and cooperation between our countries. This would be an important contribution to the development of Soviet-American relations and, at the same time, would contribute to the improvement of relations between your friends and ours in the international field. We can only regret that our proposal did not have a more favorable reception on the part of Your Excellency.

As far as I was able to judge, Your Excellency is preoccupied by the fact that the draft treaty proposed by us repeats to a certain degree some provisions of the U. N. Charter, which our countries have signed. But this fact, it seems to us, not only does not hinder but, on the contrary, favors the conclusion of the treaty. The existence of the U. N. Charter by no means excludes the possibility of concluding any bilateral agreements between members of that organization that are based on its principles. It expressly states in the U. N. Charter that members of the United Nations are to "establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained."

The United States of America, like many other states, after the creation of the U. N. became a party to a large number of both bilateral and multilateral treaties and agreements. In this connection there has never been nor can there be any doubt as to the incontestable right of sovereign states, in the interest of peace, to conclude any treaties and agreements that regulate their relations with other countries.

Nor can be fail to take into account that the U. N. Charter itself cannot be sufficiently effective if the two greatest powers in the world—the U. S. S. R. and the U. S. A.—do not harmonize their relations. It can become more effective if our two countries cooperate in fulfilling the aims of the U. N. I think that Your Excellency will agree with this.

As far as I am able to judge, certain doubts arise in your mind because of the fact that we propose to Your Excellency the conclusion of a treaty "on a bilateral basis," whereas the U. N. Charter is a "treaty between many states." But you will agree that the conclusion of a treaty of friendship and cooperation between the two strongest powers in the world would contribute enormously to a healthier international situation. On the other hand, we are willing to conclude similar treaties with other states as well, including the United Kingdom and France. Lastly, the proposal to conclude a treaty between the two groups of states—those parties to NATO and those parties to the Warsaw Treaty—is still open.

In your message you rightly observe that it is deeds and not words that count in the establishment of peace throughout the world. The conclusion of a treaty of friendship and cooperation between the U. S. S. R. and the United States of America would be one of the most important concrete acts in this respect, inasmuch as our two countries, once they had the very important obligations provided for in the draft treaty, would strengthen confidence and would bring tranquillity to the entire international situation. This would mean that our countries do not confine themselves to verbal assurances of their desire to be friends, but put into actual practice the obligations which they have assumed.

Incidentally, it may be noted that after the Geneva Conference important steps had already been taken in this direction, contributing to a relaxation of international tension, and it is therefore difficult to agree with the assertion that the post-Geneva period has not justified the hopes of nations.

For its part the Soviet Government has already taken a series of steps designed to relax international tension and strengthen confidence among states. In this connection I should like to call to your attention the reduction in the Soviet Union's armed forces in 1955 by 640,000 men; the reduction in the appropriations for military needs of the U. S. S. R. for 1956 by 9.6 billion rubles as compared to 1955; the Soviet Union's withdrawal from its last military base in the territory of other states, namely, the military base in Finland-Porkkala-Udd; and the initiative of the Soviet Union toward concluding a state treaty with Austria, which led to the withdrawal of all foreign troops from Austrian territory and the assumption by Austria of the obligation to pursue a policy of permanent neutrality. Other steps taken by the Soviet Union toward easing international tension and improving relations among states are also well known.

In the Soviet Union it is thought that other states might also back up their declarations with specific deeds. Meanwhile, to be frank, Mr. President, it must be said that not only have certain great powers failed to take similar action but, on the contrary, much is being done to increase international tension.

In spite of the positive results of our Geneva meeting, the military appropriations of certain Western powers, including the United States of America, not only fail to be reduced but are even being increased. The number of American military bases in foreign territories is also being increased; moreover, these bases are located mainly in areas adjoining the borders of the Soviet Union. You will agree that this cannot fail to create fully understandable apprehension among the Soviet people concerning the intentions of the United States of America.

We cannot but call attention also to the fact that, contrary to our mutual assurances of peace at the time of the Geneva Conference, Mr. President, certain leading personages of the United States of America continue to make statements which can in no way be said to conform to the spirit of Geneva. It is a well-known fact, for example, that very recently a statement was made in the United States of America in favor of a policy that would keep the country "on the brink of war." We must also call attention to the belligerent statements of a number of military leaders of NATO, who openly advocate a continuation of the armaments race and the accumulation of stocks of atomic weapons in the NATO forces and do not feel any qualms about threatening to use them.

In proposing the conclusion of a treaty of friendship and cooperation between our countries, we follow the reasoning that the conclusion of such a treaty and the improvement of relations between our countries would make it easier to accomplish substantial reductions of armaments and armed forces. We could, for instance, seek a reduction in the armed forces of five powers to these levels, which have been duly agreed to by both the United States and the Soviet Union. An agreement on the problem of atomic weapons, the prohibition of which is demanded by the nations, would also contribute to it. A solution of the problem of establishing an appropriate international control would also become easier.

In your message you again called attention to your "open skies" proposal, which provides for mutual flights over the territories of the Soviet Union and the United States of America respectively by American and Soviet airplanes for the purpose of aerophotography, as well as for an exchange of military information. My colleagues and I have already had the opportunity to express their attitude on this proposal. It seems to us that in the present international situation and, moreover, under conditions of a completely unrestricted armaments race the carrying out of such flights would not only fail to free the peoples from the fear of a new war, but on the contrary would intensify that fear and mutual suspicion. Judge for yourself, Mr. President: What would the military leaders of your country do if it were reported to them that the aerophotography showed that your neighbor had more airfields? To be sure, they would order an immediate increase in the number of their own airfields. Naturally, our military leaders would do the same in a similar case. It is not difficult to understand that the result would be a further intensification of the armaments race.

It would be a different matter, if we could agree on a reduction of armaments and armed forces. Then, the carrying out of an appropriate control, the methods of which could be agreed upon, would be justified and necessary.

One cannot fail to note also that the obligation of the U. S. S. R. and the United States of America to solve all questions in dispute between them by peaceful means alone, which signifies a refusal to use force or the threat of force in their mutual relations, including atomic and hydrogen weapons, would indeed have a calm effect on the international situation and would create more favorable conditions for reaching an agreement on other unsettled international problems.

Thus, the conclusion of a treaty of friendship and cooperation between the United States and the Soviet Union would mean that we can actually do something, as you say in your message, "to convince the world that we have no aggressive designs against each other."

As far as the concrete international problems touched upon in your message are concerned, I am convinced, as before, that, along with the problem of disarmament, the most important is the problem of guaranteeing European security.

At the Geneva meeting of the Foreign Ministers in the fall of 1955 the Government of the Soviet Union introduced a number of concrete proposals for the solution of this problem. As before, the Soviet Government considers that the problem of an effective guaranty of security in Europe may best be solved on the basis of establishing a single all-European system of collective security.

In our proposals we also tried to meet halfway the wishes of the three Western Powers on many important questions, and we also took into consideration concrete ideas in that field which were brought forward by the representatives of the Western Powers during our meeting at Geneva. The proposals of the Soviet Government to guarantee European security also take full account of the important role which the United States of America plays in the solution of European affairs.

However, the governments of the three powers did not agree to our proposals and opposed them with a plan that would tend to reestablish militarism in all Germany and in addition provide for the inclusion of a united Germany in a closed military bloc created by the Western Powers. It is not difficult to understand that such a plan cannot serve as a basis for solving the question of guaranteeing genuine security in Europe and for settling the German problem.

Inasmuch as in the postwar period in Europe there arose and were consolidated two German states having different social and economic systems and developing in different ways, the problem of establishing a unified Germany as a peace-loving and democratic state cannot, of course, be solved without an appropriate agreement between the Germans themselves—between the German Democratic Republic and the German Federal Republic.

At the same time, I am convinced that the normalization of Soviet-American relations and, in particular, such a step as the conclusion of a treaty of friendship and cooperation between the U. S. S. R. and the United States of America, would be of great positive significance also in establishing the necessary

UNIVERSITY OF MICHIGAN LIBRARIES

prerequisites for the solution of the German problem.

With regard to your remark concerning the right of the nations to choose the form of government under which they wish to live, it is necessary to say that the Soviet Union has always maintained, and maintains at the present time, the principle that the internal system in any state is the domestic concern of its own people. We expect that other powers will also be guided by it in their international relations.

In your communication you also touch upon the important problem of the development of contacts between the East and the West. We are entirely in accord with you on the importance of these contacts. It was for this very reason that the Soviet Union submitted at the Foreign Ministers' meeting in the fall of last year a proposal designed to remove the barriers hindering the development of normal commercial and economic relations and broaden contacts in the field of culture, science, art, sport, tourism, etc. We were all pleased to note that definite agreement was noticeable at the meeting on this question. At the last moment, however, certain demands were advanced by the delegations of the United States of America and other Western powers, which were contradictory to the directives given by you and me, and by Mr. Eden and M. Faure to our Foreign Ministers. The Soviet Government could not accept these new demands, since they envisaged direct interference in the internal affairs of sovereign states.

Unfortunately, the practical measures of the Soviet Union for the development of contacts between our countries in particular by means of an exhange of delegations are encountering serious obstacles on the American side.

I believe that by joint effort we shall succeed in liquidating the so-called Iron Curtain and in creating conditions for a wide development of personal contacts between the citizens of our countries.

I permit myself to express the hope that you on your part share this opinion.

On this question, the conclusion of a treaty of friendship and cooperation between our countries would, without doubt, also have a great positive significance.

These are some of the ideas which I wanted to express to you, my dear Mr. President, in connection with the remarks which you made in your message. I should be very glad if they would help to clarify the significance which my colleagues and I attach to the conclusion of a treaty of friendship and cooperation between the Union of Soviet Socialist Republics and the United States of America.

For our part, we are ready to give the greatest attention to any of your thoughts on the provisions of the draft treaty which you may deem fit to express.

I await your further ideas on this subject.

Respectfully,

N. BULGANIN.

AGRICULTURAL LEGISLATION—INTRODUCTION OF BILL

Mr. MAGNUSON. Mr. President, I ask unanimous consent at this time, out of order, to introduce a bill. I introduce it at the request of the Washington State Wheat Growers' Association. It incorporates a plan and program adopted by the association, which includes members from the State of Oregon, and, I assume, from the State of the distinguished occupant of the Chair, the Senator from Montana [Mr. MANSFIELD].

The association held a convention in Spokane on December 12 and 13, 1955, at which time they reevaluated our whole depressing farm problems and reaffirmed, with some modifications and amendments, the program which was introduced by several Senators from the Pacific Northwest at the last session of Congress. It is the program which is referred to as the two-price program affecting the basic crops.

I understand an agricultural bill will be reported by the Committee on Agriculture and Forestry sometime during the first part of next week. On Monday, January 25, Mr. Dwelly Jones and Mr. Ben Grote, representing the Washington State Wheat Growers Association, appeared before the Senate Committee on Agriculture to testify on elements of the plan and to offer their comments as wheat-growers and as representatives of the State association on farm problems generally, and on this plan specifically.

During the week, because of the emergency of the situation, and the fact that the Senate Committee on Agriculture and Forestry is moving very quickly on this subject, these two gentlemen spent many hours in my office discussing the whole situation, and worked throughout the week with my staff and the legislative counsel in drafting the proposal which I am now presenting.

Neither Mr. Jones nor Mr. Grote has seen the final draft of the proposed legislation, and neither has the Washington State Wheat Growers Association, because Mr. Jones and Mr. Grote were forced to return home on January 27.

I believe, however, that the proposed legislation follows their plan and recommendations as closely as legislative draftsmanship will permit.

I wish to submit to the Senate for its consideration generally what the plan is. I think it is a good one. The plan is based on five assumptions:

First, that corn, wheat, oats, rye, barley, and other such grains compete for the feed market in this country.

Second, that we cannot reach a balance between domestic production and consumption of feeds without giving consideration to the overall supply of feed grains.

Third, that if our present surplus of 1½ billion bushels of corn and wheat is a bad thing for this country, an overall approach to the elimination of this surplus is essential—that a piecemeal approach will never provide a long-run solution and that the quickest way and the most equitable way to eliminate a surplus is to reduce our production below the level of consumption for a period of 3 or 4 years.

Fourth, they further believe that a soil bank program of sufficient magnitude is the logical way to reduce production and that all competing grains should share alike in achieving that objective.

Fifth, the association believes that the so-called two-price plan is the best device in meeting the total human, feed, and export needs of our Nation insofar as wheat is concerned and at the same time maintaining an equitable income for the Nation's wheat producers.

There may be some defects in the proposal as written, but I am presenting it to the Senate, as I say, somewhat hurriedly, because the Committee on Agriculture and Forestry is about to report some form of bill, and because all those concerned about agriculture will be vitally interested in the suggestions made by these people, who are practical and who are familiar with the problem and who have spent a great deal of time in studying the subject.

I ask unanimous consent that the bill be referred to the Committee on Agriculture and Forestry. I also wish to add, particularly because the Senator from Montana now occupies the chair, and because I see on the floor the Senator from Idaho [Mr. DWORSHAK], that we from the Pacific Northwest have a somewhat peculiar problem in our States. That includes a portion of Montana, Idaho, and Washington. We are geographically somewhat isolated. It is difficult to compete with the freight rates in moving our crops east. We have been eliminated, as the Senator from Idaho knows, from the big southern California market because of the rate case, which we fought for so many years, the so-called Utah rate case. The great wheat production in these areas has relied mainly on exportation, but that has slowly disappeared; it never was revived in the postwar period.

We have adjusted our type of wheat mainly to wheat for export, rather than to the type of wheat used for domestic consumption. There is more corn being fed in the Pacific Northwest than ever before. In times past we have used our surplus wheat for feed in connection with the great livestock, poultry, and egg industries in that area, but we have found ourselves in a peculiar situation.

So, Mr. President, the farmers have believed for many years that the so-called two-price plan would be a logical solution. Whatever the committee might decide in regard to the application of a ceiling or floor on wheat for human consumption, there would be a stable price, but on the basis of wheat for feed and for nonhuman consumption, it probably could be placed on the open market and something could be done about it.

I think the bill embodies a sensible program for basic crops. Much of it may overlap the Ellender bill, and even the Aiken bill, but it does prescribe a long-range and solid solution for the Pacific Northwest States and, in particular, the great wheat-growing States which some of us represent.

Mr. President, I understand the Aiken bill was also prepared in somewhat of a hurry. Members of the Senate went home last fall and found there was a farm problem, and everyone is trying to solve it. I am sure the Senator from Vermont has no particular pride of authorship.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The Chair would say to the Senator that the Aiken bill is the so-called administration bill.

Mr. MAGNUSON. That is correct. The Senator from Louisiana [Mr. ELLENDER] introduced a bill which embodied some of the ideas, I think, of many members of the committee, both Republicans and Democrats. I was hopeful that we would go back to the Democratic program and make our farm economy stable and probably achieve a long-range solution of the problem.

The PRESIDING OFFICER. The Chair would also like to say to the Senator that the chairman of the Committee on Agriculture and Forestry represented the viewpoints expressed to the committee by representatives from farm areas, following the adjournment of the Congress. The bill was merely a draft incorporating the ideas expressed in the several hearings throughout the United States, and they were put together so that the committee would have something to work on at the beginning of its deliberations this year.

Mr. MAGNUSON. That is correct. The Senator from Louisiana and other members of the committee spent a great deal of time going all over the United States and hearing testimony on the problem. The committee came to the Pacific Northwest. Several hearings were held in Pendleton, Oreg., involving the problem about which I am speaking.

On page 19 of the so-called Aiken bill, section 206 (b), at the end of the section, which embodies a portion of the so-called two-price program, it is provided as follows:

Notwithstanding the foregoing restrictions—

And they deal with other restrictions, the soil bank, and so forth—

the Corporation—

Referring, I suppose, to the Commodity Credit Corporation—

may sell annually not to exceed 100 million bushels of the less desirable milling quality of wheat for feeding purposes, provided, that in establishing the sales price for such wheat due consideration shall be given to the feeding value of wheat and to the effect that such sales of wheat will have on the price of feed grains.

In the bill I am introducing, which, again, is the embodiment of testimony adduced at hearings which the distinguished occupant of the chair has mentioned, it is felt that the 100 million bushels used as a figure would not be sufficient to take care of the problem. I have suggested in the bill that at least 200 million bushels—some have suggested 500 million bushels—could do a great deal to take care of the so-called surplus about which we have heard so much.

While I am on my feet, Mr. President, I should like to say that I spent a good deal of time with the farmers when I was home last fall. I asked many of them this question: "Were you against the so-called Democratic plan of 90 percent parity?"

I did not find one who said he opposed it. They said: "But they took it away from us."

I said, "Why?"

They said: "There was some suggestion that it was piling up a large surplus."

I suppose we cannot have a farm plan which will provide a remedy for all our farm problems. But there is a surplus, Mr. President. There is no doubt that 90 percent of the farmers of the Pacific Northwest still cannot understand that the fact there is a surplus was a justification for dumping the farm program which was keeping our farm economy stable. We all agree that we should attack the surplus. But to make it a justification for following the policies of Mr. Benson is something the farmers cannot understand. Farm economics is a different subject, but I think the farmers of the Nation understand one thing, namely, that under this administration and its farm policies, corporate income this year will be up $6¼ billion, and, strangely—it may be coincidental—farm income will be down almost that exact amount. And in the middle, the wage-earner is treading water.

I think the farmers understand that. It is not necessary to consult a number of economists to figure that out.

I believe that any approach to this problem must be based upon sound reasoning and logical thinking. In the meantime, there must be some kind of floor for farm prices. We cannot allow one pile to be going up, and the other one to be going down, and still expect to have stable prosperity in this country. If that should happen, we shall be headed for trouble. Therefore, I introduce the bill at this time.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3131) to provide for the establishment of a conservation acreage program, to promote conservation and improvement of agricultural soil and water resources, to adjust agricultural production to consumer and export needs so as to maintain an adequate, balanced and orderly flow of agricultural commodities in interstate and foreign commerce, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. MAGNUSON. Mr. President, I understand that the Senate is expected to begin voting on the natural gas bill on Monday. Much has been said pro and con on the subject. I think my position on this bill has been well known for a long time. I was chairman of the committee which conducted the hearings. The measure is now coming to what I think is a logical conclusion, and vote.

I had intended to make several comments on the bill, but many of my points have already been covered. I filed the minority views on behalf of the members of the committee who oppose the bill. They are signed by four members of the committee, and are a part of the RECORD. They very well state my opinion in the matter.

I understand the junior Senator from Oklahoma wishes to make a few remarks pertaining to phases of the subject which have not already been covered at this time. There are only 3 or 4 Senators present. I am certain I would not change the mind of the Senator from Maryland [Mr. BUTLER], or of the Senator from Idaho [Mr. DWORSHAK]. I know that I would not change the mind of the Senator from Oklahoma. So in order to save the time of the Senate, I ask unanimous consent that my remarks may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. MAGNUSON

The principal question for Congress to decide is whether the bill, S. 1853, now under consideration adequately protects the consumer interest.

I think it does not.

I opposed the Moore-Rizley bill in 1947, the Kerr bill in 1950, and I must oppose this bill—for the same reason—that the legislation did not, nor does this bill, protect the consumer from unwarranted price increases.

This legislation will have a detrimental effect on the millions of consumers of this Nation, who use natural gas for house heating and household appliances as well as the various industries dependent on this source of fuel.

REGULATION OF NATURAL GAS IS IN THE CONSUMER INTEREST

The Supreme Court, in *Phillips* v. *Wisconsin* (347 U. S. 672), upholding the regulatory plan of the Natural Gas Act stated:

"Protection of consumers against exploitation at the hands of natural gas companies was the primary aim of the Natural Gas Act."

This case was the latest enunciation and determination of the courts on the Natural Gas Act which was originally passed by Congress in 1938 to protect the consumer.

The consumers are captive customers, having invested in appliances and furnaces an estimated $12 billion. The average household investment approximates $800 and the consumer can ill afford to lose this investment if natural gas is priced out of his economic reach.

Neither can the consumer search the market for the lowest price and, in fact, he does not even sit at the bargaining table when the contract which will affect him is entered into. President Truman, in his veto message of the Kerr bill said:

"Unlike purchasers of coal and oil, purchasers of natural gas cannot easily move from one producer to another in search of lower prices. Natural gas is transported to consumers by pipelines, and is distributed in a given consuming market by a single company. The pipeline companies, and in turn the consumers of natural gas, are bound to the producers and gatherers in a given field by the physical location of their pipelines, which represent large investments of funds, and cannot be moved to other fields in search of a better price."

The proponents of this bill paint a graphic picture of over 8,000 independent producers and affiliates of transmission lines competing with each other to sell their supplies of natural gas. The picture fails to show that the tremendous bulk of natural-gas reserves are controlled by a limited number of oil companies, and even if this were not so, the true independent would still have to channel his product through the larger gathering stations owned by the more powerful companies. In either event, the true independent is controlled by the more powerful oil company.

Another basic fallacy is that the producers are anxious to sell their product, when in fact, they are in a sellers' market and can practically dictate the price, subject to Federal Power Commission approval, and State regulation. It is only necessary to show that the producers can insist on the inclusion of the so-called escalation clauses in their contract before they will contract to sell their gas. If it were not a sellers' market the buyer would be in the position of being able to prohibit the inclusion of such clauses in his contracts.

UNIVERSITY OF MICHIGAN LIBRARIES

In the consideration of the number of producers in the field it is interesting to note that not one producer appeared at the committee hearings. Not one producer appeared to testify that he was not receiving a fair return on his investment or that the increases in prices which the Federal Power Commission has allowed are so low that the rates are confiscatory or unreasonable. There was no testimony that the producers would suffer any losses under continued Federal regulation.

The proponents based their case primarily upon the fact that freedom from Federal regulation will provide an incentive to produce more natural gas and then they in turn will be able to supply the ever-increasing demand. It appears to be self-evident that merely freedom from regulation will not increase exploration and drilling but that it is the promise of higher prices that will provide the real incentive. And, likewise, it appears that the real drive behind the bill is not the concern for the consumer that is all too frequently heard, but it is the concern for a larger share of the consumer dollar.

Recent figures indicate that there are at the present time about 26 million consumers of natural gas. Many industries as well as many households throughout the Nation are committed to natural gas as a source of heat and energy. However, a number of local distribution companies testified at the hearings that if the price of natural gas was not effectively controlled from the wellhead to the consumer that it was inevitable that the price would rise to heights where it would be impossible to sell natural gas at a competitive price and it would not be feasible for the consumer to continue to use it. Testimony showed that in some sections of the country, particularly the northeastern section of the United States, natural gas has already been priced out of the market and that the large volume sale necessary to keep prices down are difficult, if not impossible, to obtain even at today's prices.

The price increases at the wellhead or along the transmission line could result in destroying the investment, not only of the local distribution company, but of the consumer who has equipped his home with appliances to use this source of fuel after assurance, under the pressure of modern sales methods, that natural gas would be readily available at a reasonable price for years to come.

The committee heard testimony showing that natural gas is frequently found and produced as a byproduct of the continuing and constant search for oil. Gen. Ernest O. Thompson, chairman of the Texas Railroad Commission, in testifying in support of the legislation said, "nearly all gas discoveries in my experience have been found incident to the search for oil."

In view of the general's statement, and the agreement among the producing industry that generally new discoveries of natural gas are discovered incident to the search for oil, it is difficult to reconcile this statement with the proponents position that unless this bill is passed, it is doubtful that the great risks will be taken not only to discover but also to develop the huge additional supplies necessary to feed the long transmission lines. If the real financial incentive for exploration and development comes from the search for oil, and the 27½ percent depletion allowance, it does not seem reasonable to conclude that the just and reasonable regulation of the field price of natural gas would have any appreciable effect on the exploration for natural gas.

The American economy has been based on a free-enterprise system and generally we abhor any governmental regulation. However, in the field of public utilities, where the natural law of supply and demand has failed to meet our requirements, experience has found some form of regulation necessary in the public interest. Consequently the Government, Federal, State and local, has had to move in and occupy this field and the regulation of transportation companies, electric companies, domestic water supply companies and telephone and telegraph companies has long been an accepted and welcome part of the American economic system.

Coupled with the absence of a true competitive market where supply and demand equally effect price, the natural-gas industry directly affects a captive consumer at the end of the transmission and distribution line. The natural-gas consumer is committed to his purchase of natural gas, at almost any price, because of the tremendous financial investment in natural-gas equipment. The recent national estimate of the consumer investment in natural-gas appliances runs to over $12 billion. If the bill is passed and natural gas is priced beyond the economic reach of these individuals, most of this equipment would either become obsolete, or at best, useless.

The Natural Gas Act does not compel a producer to sell his gas in interstate commerce; except for State conservation laws, the producer is a free agent. However, once having made the decision to sell his natural gas in interstate commerce and dedicated his supply to public use—a use made available to him by the millions and millions of dollars invested in the transmission lines and the ratepayers in their natural-gas household equipment—the price which the producer can charge is subject to a "just and reasonable" limit under the Natural Gas Act. This amount must not be so low as to be confiscatory of the producer's property nor so high that the producer fails to receive the protection the Congress has granted to him when the act was passed in 1938.

One of the most frequently heard arguments of the proponents of this legislation is the case for natural gas to sell at a competitive price. It has been estimated that this price would be somewhere above 20 cents per thousand cubic feet. Opinions varied as to what price this would be, but Wednesday of last week the Senator from Illinois, Senator DOUGLAS, introduced evidence from a Federal Power Commission rate hearing showing that the amount suggested by one company was over 50 cents per thousand cubic feet on a competitive level.

The proven recoverable reserves of natural gas are estimated at 211 trillion cubic feet. It is estimated that at the present high rate of consumption this reserve supply would last about 22 years. It is axiomatic that increased sale prices for natural gas would to the same degree increase the value of the known recoverable reserves. Therefore, a 5-cent increase in the value of natural gas per thousand cubic feet would increase the relative worth of the known reserves by well over $10 million. A 10-cent increase would increase the worth of the reserves by $21 million.

Based on the 1953 sales of natural gas, a 5-cent increase per thousand cubic feet would cost the residential and industrial consumers $200 million, a 10-cent increase would cost $537 million, and a 15-cent increase would cost the consumers over $800 million annually.

It cannot be said that increases in the cost of natural gas will be of little consequence to the consuming public even though such increases will be very small and spread over a large number of consumers. The fundamental philosophy of Federal regulation is the protection of the comparatively small savings of the many against unreasonable exploitation. This daily saving is important to the wage earner who must count his pennies to make both ends meet.

The bill does not meet the public interest.

Aside from my objection to the basic philosophy of the bill I still have grave unanswered questions regarding the method with which these objectives are accomplished.

I would refer first to the "rubber yardstick," reasonable market price, which is the term used in the bill and which is less definite than the term used by the Natural Gas Act of 1938, and, in fact, the phrase the Chairman of the Federal Power Commission testified the Commission would prefer—"just and reasonable price." The bill, in using the phrase "reasonable market price" adopts an entirely new criteria which may stretch the ceiling to the breaking point.

The bill would prohibit the payment of a price in excess of a reasonable market price in existing contracts, and would prohibit the charging of a price in excess thereof in new contracts. I fear that even at this late date the phrase is indefinite and unwieldy. I ask myself if a just and reasonable price would be lower than a reasonable market price and therefore, would not be as acceptable to the producer.

I am likewise concerned about the difference in treatment of new contracts and old contracts under the bill. The pipeline is prohibited from charging off a price in excess of the reasonable market price as to new or renegotiated contracts, but as to existing contracts the bill prohibits payment of a price in excess of the reasonable market price.

I wonder why the treatment given to new and renegotiated contracts differs from the treatment given to existing contracts under the bill. If the effect and the desire of the Senate is to prohibit a payment beyond whatever standard is used, be it "reasonable market price" or "just and reasonable price," then the bill should say that a payment beyond such standard is illegal, and therefore prohibit such payment.

I am likewise concerned because the bill does not outlaw escalation clauses, as such, but only prohibits such escalation above the standard.

Such action would give congressional sanction to increased prices brought about by whatever means. I feel that the bill should prohibit escalation, and in particular periodic step-up escalation which is beyond the standard, as this bill fails to do. That is, the bill, in its present form, would authorize periodic step-up in specific amounts at definite dates even beyond the reasonable market price, since they are specifically exempted from subsection (d) of section 2, at line 14 on page 8 of the bill, from the limitation to "reasonable market price."

Finally, I feel that the bill is more inclusive than the Kerr bill of 1950, in that this bill exempts from "just and reasonable" regulation the production affiliate or subsidiary of the long transmission lines. The Kerr bill failed to grant this exemption to producing subsidiaries and affiliates but the legislation under consideration would exempt such affiliate from Federal regulation.

For these reasons, and for the reasons I have previously mentioned, specifically that this bill is not in the consumer interest, I must vote against S. 1853.

PETITION BY SECRETARY BENSON FOR SUSPENSION OF RAILROAD REQUEST FOR FREIGHT RATE INCREASE

Mr. DWORSHAK. Mr. President, on January 19, 1956, in a letter to Chairman Anthony F. Arpaia, of the Interstate Commerce Commission, I urged a thorough study of the proposed 7 percent increase in freight rates scheduled to become effective February 25, 1956, unless rejected by the Interstate Commerce Commission. In my letter I said:

Such a study should be made on the basis of whether the rate increase will actually bring questionable profits to transportation

companies while at the same time placing even greater burdens upon the important agricultural industry.

Although our Nation is enjoying unprecedented prosperity, agriculture is facing many difficulties, primarily because the costs of production are constantly increasing and everything the farmer purchases, such as machinery, has been increasing in cost to such an extent that it is becoming more difficult for the average farmer to operate profitably.

It is encouraging to note that Secretary of Agriculture Ezra T. Benson has requested the Interstate Commission to suspend the railroads' request for a freight rate increase because of the adverse effect such an increase would have upon agriculture.

I ask unanimous consent to have printed at this point in the RECORD a Department of Agriculture release dated February 2, 1956, issued by Secretary Benson, dealing with this very vital subject.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

SECRETARY BENSON ASKS ICC TO SUSPEND RAILROAD REQUEST FOR FREIGHT RATE INCREASE

Secretary of Agriculture Ezra Taft Benson today petitioned the Interstate Commerce Commission to suspend an application of the railroads for a 7 percent increase in freight rates with respect to raw and processed farm products, farm supplies, and fish.

In his petition to the Commission, the Secretary emphasized that favorable action on the railroad request would, to the extent of the increase, nullify concerted efforts now being made to relieve the farm producers' difficult economic condition.

The petition referred to the President's state of the Union message of January 5, which stated that:

"Our farm people are not sharing as they should in the general prosperity. They alone of all major groups have seen their incomes decline rather than rise. They are caught between two millstones—rising production costs and declining prices. Such harm to a part of the national economy so vitally important to everyone is of great concern to us all."

The Secretary pointed out that since early 1946, the railroads have obtained 11 general freight rate increases. The increases which applied to agricultural products totaled 63 percent. During the same period—from July 1946 to December 1955—prices received by farmers for their products fell 8 percent, while prices paid by farmers for the commodities they buy rose 32 percent. Realized net income of farm operators fell 29 percent in the 9-year period. While per capita net income of farmers from all sources rose 8 percent from 1946 to 1955, chiefly because their income from nonfarm sources was larger, income per capita of nonfarmers rose 46 percent.

Secretary Benson stressed that solving the farm problem called for an attack on all causes of the drop in farm prices and income. "The Department of Agriculture is doing everything possible under existing legislation, and is asking the Congress for authority to strengthen the farm program," he said.

"Obviously," he continued in his petition, "the 63-percent increase in freight rates since early 1946 has contributed to farmers' present difficulties. It has been one of the factors in widening the gap between prices at the farm and retail prices in the city store. This widened gap * * * has been borne, mainly at least, by the farmer.

"Higher transportation rates have also been an important factor in rising costs of many industrial goods bought by farmers."

The Secretary stated that because of the continuing cost-price squeeze on farmers, this would be an extremely inopportune time to raise freight rates or take other action that would widen the spread between prices received by farmers and prices paid by consumers. "The President's Message on Agriculture," he said, "makes it clear that every effort should be made to narrow this spread, not widen it."

Referring to a recommendation of the railroad petition that—if the new freight rates go into effect—refunds could be made on freight paid if warranted by Commission investigation, Secretary Benson stated that individual farmers could not recover such refunds. Ownership of items on which freight is paid would be difficult to establish because most farmers necessarily sell their products to local buyers. Freight bills are actually paid by shippers, who pass the cost back to farmers in the form of lower prices. "There would be no chance whatever that the farmer could recover a refund," the petition states. "It would be a pure windfall to the shipper." The Secretary pointed out that this is a compelling reason for not permitting any part of the proposed 7-percent increase to become effective, at least so far as farm products, fish, and farm supplies are concerned.

VISIT TO THE SENATE BY REPRESENTATIVES OF INTERNATIONAL COUNCIL OF CHRISTIAN LEADERSHIP

Mr. CARLSON. Mr. President, in the gallery this afternoon is a group of young persons who are members of the International Council of Christian Leadership. Some of them are from foreign lands, including China, Germany, Finland, Bermuda, Japan, Korea, and the countries of Latin America. I wanted the Senate to know that they are in Washington attending a very fine spiritual meeting and conference. I should like to have them rise so that they may be seen and greeted by the Senate.

[The visitors in the gallery rose and were greeted by applause, Senators rising.]

AMENDMENT OF THE NATURAL GAS ACT OF 1938, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. MONRONEY. Mr. President, in the discussion of the Harris-Fulbright bill, and in the perimeter activities which have followed in newspaper articles and editorials, there has been such a maze of confusion regarding many phases of the bill that I feel compelled to answer some of the statements and to correct some of the unintentional misunderstandings of my colleagues as indicated by their statements, and, I say advisedly, the knowing misunderstandings of some of the members of the gas utility lobby, regarding the natural-gas bill.

Many persons outside the Senate and the Congress have intentionally, deliberately, and for the purpose of defeating the bill, attempted, in full-page advertisements and by other means, to impugn the character of Senators who support the bill, and to attribute to organizations which support the bill motives which are inconsistent with good government. A part of this misrepresentation has been found in the press. Much of it has been unintentional, I know, because the opponents of the bill are most honorable and distinguished Members of the United States Senate, who would not under any circumstances intentionally misquote or misuse statistics.

I fear, however, that some of the statistical work has been carried on with an idea of making a case rather than of providing a well-rounded summary of the facts.

My very dear and distinguished colleague, the senior Senator from Illinois [Mr. DOUGLAS], for whom I have the greatest respect, dwelt for most of one afternoon last week upon the staggering profits which he said were being made by the gas producers and upon the windfall which he alleged would result from the increased value of gas reserves based on an alleged increase in price—an enrichment which I believe he estimated at about $2 billion.

Some of the predictions are so completely absurd as to require only an explanation. Particularly so is the assertion which has been repeated and repeated, that the bill will add from $600 million to $800 million a year in costs to the gas consumers. The inference to be drawn from this statement is that the householders of America will find added to their gas bill a sum between $600 million and $800 million a year if the natural-gas bill should pass.

I again call attention to the fact that for the entire amounts of gas delivered interstate and intrastate in 1954 for household use—and we have a very accurate gage on household use—the producers received $191 million.

Compared to other commodities, the price of gas has been relatively stable since 1926. If we take the price of natural gas at the wellhead 25 years ago, of 9½ cents, and compare that with the average price at the wellhead in the United States for the year 1954 of 10 cents, the increase in a quarter of a century has been one-half cent a thousand cubic feet. If free enterprise without any regulation whatsoever, other than that of supply and demand in a competitive economy, has resulted in an elevation in price of only half a cent a thousand cubic feet in a quarter of a century, I think some persons are seeing ghosts under the bed, or are having very bad nightmares when they attempt to frighten Members of the Senate and the consumers of the country by alleging, with all the sincerity they possess, that the passage of the bill will cause an increase of from $600 million to $800 million in gas prices for the household consumers. That is the import of the accusation.

To substantiate these allegations that no incentive is required to induce a greater search for gas, the earnings of a number of taxpayers anonymous were recited by the distinguished senior Senator from Illinois [Mr. DOUGLAS]. He detailed the cases of companies A, B, and C through X, Y, and Z, and also another 1 or 2 companies beyond the limits of the alphabet. He purported to compare the tremendously large profits and the very

UNIVERSITY OF MICHIGAN LIBRARIES

small taxes paid by those companies. Obviously, the import of that presentation was to imply that all gas producers and oil producers were getting by without paying a reasonable amount of taxes.

I asked the distinguished Senator from Illinois where or how he obtained his list of 27 taxpayers anonymous, whose cases he detailed, and which will be found in the RECORD. I was advised by him that it was just happenstance; that he merely happened to select the 27 companies which he detailed as having paid little or no taxes on a large amount of net income. I regret that I have not the staff personnel to acquire the financial returns of those 27 companies and to analyze them.

However, in order to put the matter in proper perspective, I think we should ascertain what the entire industry did, according to the best source of tax information in the world, namely, the corporation income tax returns filed with the Internal Revenue Service of the United States Government. Although compilation of these returns necessarily lags behind, the pattern which was established in the most recent year for which statistics are obtainable will prove the fallacy of the selection of these 27 companies as being typical, as is alleged by the Senator from Illinois.

I call attention to the fact that part II of Statistics of Income for 1952, covering the corporation income tax returns for that year, compiled by the Internal Revenue Service show the aggregate tax returns of all industrial groups, of crude petroleum and natural gas production, of petroleum and coal products, and of electric and gas utilities. It is interesting to note that for all industrial groups the total of compiled net profit was $38,506,731,000.

The income tax which was paid upon that profit was $17,464,824,000.

The excess-profits tax was $1,537,527,000, or a total tax of $19,002,351,000.

The percentage of tax paid by all industrial groups, comprising 615,698 corporate returns, thus amounted to 50 percent of their compiled net profit.

Mr. President, keep that figure of 50 percent in mind.

Crude petroleum and natural gas production is the next column on the table I shall place in the RECORD. With 3,904 returns reported, the oil and gas producers had a compiled net profit of $568,059,000, on which they paid a total tax of $307,141,000, or 54 percent on their combined net profit.

Mr. President, those companies do not comprise 27 selected companies or 35 giant companies, nor are these figures a result of a spot check which might make the case look better for either my side of the bill or for the side of the Senator from Illinois [Mr. DOUGLAS]. The figures are compiled from all of the returns filed with the Internal Revenue Service. While all industrial groups paid 50 percent of their net income in Federal taxes, oil and gas producers paid 54 percent of their net income in taxes.

It is interesting to note that on the sale of petroleum and coal products the combined net profits were $1,756,974,000, on which these companies paid a total tax of $659,729,000, or 38 percent of the net income.

Those figures show that other segments of the oil business paid taxes equal to 38 percent of their net income, far less than did gas and oil producers, who paid 54 percent.

Let us consider the gas and electric utilities, that are leading—the gas utilities particularly—the fight against the bill, and are contending that gas producers are making such excessive profits. It is interesting to note that the compiled net profit of 906 electric and gas utilities was $1,950,362,000, while the total tax paid was $988,221,000 or 50 percent of their net income.

So we have the story, from the best source which I know, as to whether the producers of natural gas are paying very small taxes, in proportion to their net income. Fifty percent is being paid by all industrial groups, 38 percent by sellers of petroleum and coal products, 50 percent by electric and gas utilities, and 54 percent by crude petroleum and natural gas producers.

The crude petroleum and natural gas producers paid the highest percentage of taxes on net profits of any of these categories.

A little clearer picture may be drawn from the fact that the net profit of the gas utilities for 1954 was $356 million. The net profit has gone up from $82.6 million in 1941, to $132 million in 1946, to $356 million in 1954.

The best estimate of profits from total gas sales in 1954 is obtained from the same Internal Revenue Service Statistics of Income, which shows net profit amounting to 6 percent of gross revenue on both oil and gas. Apply that 6 percent figure for oil and gas to $883 million worth of gas delivered gives an estimated profit of $53 million from gas.

So it seems to me when there is an attempt to make a case by statistics, we should get all the statistics and the best we can, to determine the percentage of taxes to net income the industry is paying. Then he should compare how much the gas utilities are making and how much their profits have increased.

I ask unanimous consent, Mr. President, to have printed in the RECORD a table showing corporation income tax returns for 1952, showing the percentage of net income and percentage of profits which were paid in taxes, as compiled by the Internal Revenue Department.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Corporation income tax returns for 1952

[Thousands of dollars]

TABLE 4.—ASSETS AND LIABILITIES, RECEIPTS AND DEDUCTIONS—RETURNS WITH BALANCE SHEETS, BY MAJOR INDUSTRIAL GROUPS

PART I.—ALL RETURNS WITH BALANCE SHEETS

[Returns, assets, liabilities, receipts, deductions, compiled net profit or net loss, net income or deficit, taxes, and dividends paid]

No.	Item	All industrial groups (1)	Crude petroleum and natural gas production (10)	Petroleum and coal products (24)	Electric and gas utilities (40)
1	Number of returns with balance sheets	615,698	3,904	657	906
	Assets:				
2	Cash	79,597,257	469,043	1,413,866	997,986
3	Notes and accounts receivable	142,776,720	665,183	2,858,683	968,756
4	Less: Reserve for bad debts	1,875,458	6,634	33,997	22,619
5	Inventories	64,520,152	370,449	2,530,331	1,016,790
6	Investments, Government obligations	120,302,617	245,937	1,729,173	494,242
7	Other investments	132,511,693	705,050	3,599,588	1,851,461
8	Gross capital assets (except land)	243,859,223	6,128,292	20,584,422	34,289,321
9	Less: Reserves	84,253,341	2,716,057	9,924,380	6,801,540
10	Land	9,970,099	56,899	336,766	357,479
11	Other assets	14,485,302	96,560	231,573	656,884
12	Total assets	721,864,264	6,014,722	23,326,025	33,818,760
	Liabilities:				
13	Accounts payable	35,827,181	481,054	1,891,520	719,516
	Bonds, notes, mortgages payable:				
14	Maturity less than 1 year	20,996,125	229,387	208,592	497,891
15	Maturity 1 year or more	80,628,008	1,134,965	3,270,908	15,065,669
16	Other liabilities	330,406,468	467,390	886,361	1,981,129
17	Capital stock, preferred	15,831,096	142,163	306,055	3,040,774
18	Capital stock, common	85,365,302	1,071,106	6,861,461	7,629,893
19	Surplus reserves	13,471,933	145,293	1,111,397	570,053
20	Surplus and undivided profits	146,463,517	2,653,392	8,822,785	4,390,802
21	Less: Deficit	7,125,366	310,028	33,054	76,967
22	Total liabilities	721,864,264	6,014,722	23,326,025	33,818,760
	Receipts				
23	Gross sales	424,669,963	3,162,584	22,939,676	132,536
24	Gross receipts from operations	78,694,733	976,203	805,655	9,196,263
	Interest on Government obligations (less amortizable bond premium):				
25	Wholly taxable	1,917,749	4,557	30,073	10,274
26	Subject to surtax only	115,007	90	12	6
27	Wholly tax-exempt	278,351	24	120	369
28	Other interest	7,097,239	8,057	21,639	34,846
29	Rents	4,008,531	8,383	121,902	24,866
30	Royalties	526,660	39,058	44,042	2,661

Corporation income tax returns for 1952—Continued

[Thousands of dollars

TABLE 4.—ASSETS AND LIABILITIES, RECEIPTS AND DEDUCTIONS—RETURNS WITH BALANCE SHEETS, BY MAJOR INDUSTRIAL GROUPS

PART I.—ALL RETURNS WITH BALANCE SHEETS

[Returns, assets, liabilities, receipts, deductions, compiled net profit or net loss, net income or deficit, taxes, and dividends paid]

No.	Item	All industrial groups (1)	Crude petroleum and natural gas production (10)	Petroleum and coal products (24)	Electric and gas utilities (40)
	Receipts—Continued				
31	Net short-term capital gain reduced by any net long-term capital loss	24,528	1,464	1,294	27
32	Net long-term capital gain reduced by any net short-term capital loss	1,311,692	40,188	40,370	6,075
33	Net gain, sales other than capital assets	466,590	8,066	231	396
34	Dividends, domestic corporations	2,325,478	37,583	534,167	45,452
35	Dividends, foreign corporations	544,420	3,217	123,320	13,543
36	Other receipts	3,030,198	28,140	144,335	18,409
37	Total compiled receipts	525,011,139	4,317,614	24,806,836	9,485,723
	Deductions:				
38	Cost of goods sold	326,886,742	1,721,862	17,271,634	87,831
39	Cost of operations	44,710,198	602,152	424,224	4,561,722
40	Compensation of officers	8,282,246	45,293	41,638	52,307
41	Rent paid on business property	4,406,438	27,400	184,938	49,748
42	Repairs	5,017,115	25,752	407,927	3,194
43	Bad debts	928,879	5,703	9,075	8,037
44	Interest paid	4,948,830	45,729	91,623	480,371
45	Taxes paid	11,572,804	138,715	540,807	724,822
46	Contributions or gifts	396,085	1,862	10,011	9,463
47	Depreciation	9,492,670	252,349	645,603	346,095
48	Depletion	2,112,882	476,755	910,374	30,505
49	Amortization	827,309	2,058	40,900	27,161
	Deductions—Continued				
50	Advertising	4,976,661	4,754	111,151	21,680
51	Amounts contributed under pension plans	2,538,428	20,637	208,241	115,318
52	Amounts contributed under other employee benefit plans	627,675	2,780	47,293	24,862
53	Net loss, sales other than capital assets	314,102	2,554	1,606	15,704
54	Other deductions	58,465,344	373,200	2,102,817	486,571
55	Total compiled deductions	486,504,408	3,749,555	23,049,862	7,535,361
56	Compiled net profit or net loss (37 less 55)	38,506,731	568,059	1,756,974	1,950,362
57	Net income or deficit (56 less 27)	38,228,380	568,035	1,756,854	1,949,993
58	Net operating loss deduction	381,057	5,617	4,310	13,610
59	Income tax	17,464,824	298,438	648,286	979,106
60	Excess profits tax	1,537,527	8,703	11,443	9,115
61	Total tax	19,002,351	307,141	659,729	988,221
62	Compiled net profit less total tax (56 less 61)	19,504,380	260,918	1,097,245	962,141
	Dividends paid:				
63	Cash and assets other than own stock	11,196,079	359,678	1,166,332	907,483
64	Corporation's own stock	1,360,145	31,625	264,839	20,390
	Percentage of profits paid in taxes	50	54	38	50

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing a comparison of net profits of gas utilities, in millions of dollars, for the years 1941, 1946, and 1954.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of net profits

I. GAS UTILITIES

[Millions of dollars]

	1941	1946	1954
Straight distributing companies	7.1	8.4	38.5
Operating utility companies	75.5	123.6	317.5
Total gas utilities net profits	82.6	132.0	356.0

Source: Gas Facts, 1954, p. 186 and following.

NOTE.—Exact figures from Gas Facts are as follows:

Straight distributors:
1941: 8.5%×$84 million=$75,477,000
1946: 16.2%×$70 million=$123,606,000
1954: 9.9%×$3,207 million=$317,493,000

Combined operating utilities:
1941: 13.9%×$543 million=$75,477,000
1946: 16.2%×$763 million=$123,606,000
1954: 9.9%×$3,207 million=$317,493,000

Net profits of electric and gas utility companies represented 10.1 percent of gross receipts in 1952, the last year for which such figures are available from the Internal Revenue Service. See Statistics of Income for 1952, U. S. Treasury Department, Internal Revenue Service.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the estimated gas producers' profits from total gas sales in 1954, which, as I have just stated, totaled $53 million.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of net profits

II. GAS PRODUCERS

TABLE 1.—*1954*

Total marketed production (thousand cubic feet)	8,742,546,000
United States average price per thousand cubic feet	$0.101
Total receipts	$882,997,146

Source: Bureau of Mines Mineral Market Report No. MSS 2446.

TABLE 2.—*Income of crude petroleum and natural gas producers, 1952 (last available year 1952)*

Gross revenues	$4,317,614,000
Net profits	$260,918,000
Net profits as a percent of gross revenues	6

Source: Statistics of Income for 1952, United States Treasury Department, Internal Revenue Service, page 18.

Estimated producers' profits from total gas sales in 1954: 6 percent times $883 million equals $53 million.

Mr. MONRONEY. Mr. President, a useful approach is to assess the ratio of net profit, after income taxes, to net worth.

I should like to call attention to the table, which I shall ask to have printed in the RECORD, derived from Statistics of Income for 1952, as reported to the Treasury Department, showing the percentage of net profit to net worth for that year. The table will show that net profits of crude petroleum and natural-gas producers represented only 7 percent of net worth.

That compares with other businesses as follows:

Total mining and quarrying, 5.9 percent.

Food and kindred products, 6.1 percent.

Tobacco manufacturers, 8.4 percent.

Lumber and wood products, except furniture, 7.7 percent.

Furniture and fixtures, 7.6 percent.

Paper and allied products, 9.2 percent.

Chemicals and allied products, 9.3 percent.

Motor vehicles and equipment, except electrical, 12.6 percent, and so on.

Mr. President, the figures for the ratio of net profits after income taxes to net worth clearly show, I believe, that the profits on crude petroleum and natural gas have been in line with the general level of net profit.

I ask that the table be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Ratio of net profit after income taxes to net worth—petroleum and natural gas and other selected industries [1]

	Net worth	Net profit	Percent on net worth
	Millions	*Millions*	
Crude petroleum and natural gas production [2]	$3,702	$260.9	7.0
Total mining and quarrying	7,932	469.4	5.9
Food and kindred products	8,247	506.0	6.1

See footnotes at end of table.

UNIVERSITY OF MICHIGAN LIBRARIES

Ratio of net profit after income taxes to net worth—petroleum and natural gas and other selected industries [1]—Continued

	Net worth	Net profit	Percent on net worth
	Millions	*Millions*	
Tobacco manufacturers	1,474	123.3	8.4
Textile mill products	6,182	197.7	3.2
Lumber and wood products except furniture	2,674	205.8	7.7
Furniture and fixtures	1,079	82.5	7.6
Paper and allied products	4,487	412.4	9.2
Chemicals and allied products	10,339	966.4	9.3
Petroleum and coal products [2]	17,069	1,097.2	6.4
Stone, clay, and glass products	3,139	274.9	8.8
Primary metal industries	10,624	744.4	7.0
Motor vehicles and equipment, except electrical	7,583	957.5	12.6
Total manufacturing	109,496	8,880.1	8.1
Total trade	32,525	2,161.6	6.6
All industrial groups	284,006	19,504.4	7.7

[1] Statistics of Income for 1952, U. S. Treasury Department, Internal Revenue Service. Table No. 2, Assets and liabilities, receipts and deductions returns with balance sheets by major industrial groups.

[2] On a combined basis these 2 industrial classifications reported net worth, $20,771,000,000; net profit, $1,358 100,000; percent on net worth, 6.5.

Mr. MONRONEY. Mr. President, during the debate we have heard a great deal about the feared increased in the price that consumers must pay for natural gas. There has been much confusion on that point. For instance, let me state that on January 20, 1956, the senior Senator from Illinois [Mr. DOUGLAS], my very dear friend, made the following statement in the Senate Chamber, as appears in the CONGRESSIONAL RECORD for that date, on pages 977–978:

However, I also pointed out that in the areas where gas is produced the producers and the big oil and gas companies were being told that this was a bill which would result in a huge increase in the gas prices in the field, which would redound to their benefit.

In view of that assertion, Mr. President, I wish to read into the RECORD an editorial entitled "The Harris Bill Is a Consumers' Bill." The editorial was published in the January 16, 1956, issue of the Oil and Gas Journal, the most authoritative publication in the oil and gas industry. Therefore, I think it proper to include in the RECORD that statement of the views of this responsible segment of the industry. Because of the importance of the editorial, I read it at this time:

THE HARRIS BILL IS A CONSUMERS' BILL

One of the serious misprepresentations of the pending Harris-Fulbright bill is that it would free field prices of natural gas from Federal regulation—that it's a producers' bill.

The fact is that in its present form it is very much a consumers' bill and ought to be labeled as such.

The bill gives consumers of gas far, far more protection against excessive, exorbitant, or runaway gas prices than they ever had before. And it does it in a way to encourage producers to increase supplies of gas and to do it efficiently.

It does free producers from direct Federal regulation. An individual producer's wellhead price will not be set by the public utility rate-making formula. But it gives the Federal Power Commission a very real and potent control over the field prices that interstate pipeline companies will pay—which, after all, is what consumers want.

Ceiling on field prices will be set under FPC's new authority to determine the reasonable market price of gas in the area of purchase. This will apply to both old and new contracts.

The price-escalation provisions in recent supply contracts—the thing that alarmed consumers and distributors the most—are knocked out. Only two relatively minor and unobjectionable types of escalation clauses are permitted. Regardless of what present contracts say, field prices can't possibly rise above what FPC determines to be a reasonable market price.

Nor can producers cancel their contracts because the price provisions have been nullified. The escape clauses are made illegal. This eliminates another consumer nightmare—the fear of a producers' strike that would cut off supplies.

On new contracts, too, FPC will determine the maximum price allowed, and usually before the contracts take effect. Pipelines paying more than the ceiling will not be permitted to collect the excess from their customers—a mighty effective bar to offering high prices.

These consumer safeguards need to be better explained to persons in doubt or confused about the legislation. They have been lost sight of in the welter of propaganda and false issues.

Diehard opponents of the bill minimize these safeguards because they want to nullify all provisions of supplier contracts and limit producers' earnings by utility-type regulation. This would discourage efficient operation and reduce the supply of gas.

Producers aren't all happy about the bill's provisions. But they accept it as a compromise they can live under. It gives them leeway to operate under the field-price ceilings to be fixed by FPC.

Mr. President, I emphasize the fact that this authoritative journal, the staff of which probably knows more about the oil and gas business than does that of any other publication in the world, labels the bill a consumers' bill. Those of us who know the gas industry—and who know that effective regulation against increasing prices must lie in the direction of the reasonable market price, not in the direction of an unascertainable cost of facilities and discoveries and dry holes, and all the rest, plus determination of the imponderable of what percentage of return should be allowed to an extractive industry—know that only through the reasonable market price provisions of the Harris-Fulbright bill can the consumers of gas expect to get effective protection against unfair prices for natural gas.

Mr. President, the other day there was considerable colloquy between the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished junior Senator from Louisiana [Mr. LONG], as will be found in the CONGRESSIONAL RECORD for January 20, 1956. The Senator from Illinois stated:

I am told—and I think this is correct—that there was a very good increase in new reserves, but that reappraisal of the old reserves by the big companies reduced the annual increase somewhat.

Now let us consider that point, and obtain the facts regarding it, because we are concerned with the supply of natural gas, as well as with its price.

The facts are that, in 1954, extensions and revisions—which the Senator from Illinois called reappraisals—instead of reducing the amount of reserves, as he thought they did, added 4.6 trillion cubic feet to the estimated proven reserves.

Such extensions and revisions are made every year, because there is new engineering and new detail work, and it is desired to take an inventory of the producer's best possible reserves of gas and/or oil. Does that figure indicate that the oil companies and the gas companies reduced the amount of their reserves, by making those surveys and rescissions? Yet the Senator from Illinois left the clear inference that there was, instead, a reduction in the amount.

Mr. President, the 4.6 trillion cubic feet which were added to the estimated proven reserves were 8.7 trillion cubic feet less than the additions in 1953. Discoveries of new fields and new pools in old fields added 4.9 trillion cubic feet to the estimated proven reserves. That is an important figure, because it is 2.1 trillion cubic feet less than the corresponding amount in 1953. Thus, both classes of additions were substantially below those for the previous year, and all additions were 10.8 trillion cubic feet below those for the previous year.

Mr. FULBRIGHT. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. MONRONEY. I yield.

Mr. FULBRIGHT. I am not sure whether the Senator from Oklahoma was on the floor a short time ago when the Senator from South Dakota [Mr. CASE] made a statement regarding an attempted transaction which left the impression—at least it left it in my mind, and I was present, and listened very attentively to his remarks—that an attempt had been made to bribe the Senator from South Dakota, and that the attempt was made by someone whom he suspects or believes represents a gas producer.

I should like to read to the Senator from Oklahoma the account carried on the news ticker, and then I should like to ask the Senator from Oklahoma a few questions about this matter. I think the charge is a very serious one.

I believe the Senator from Oklahoma will agree with me that if an attempt is made to bribe a Senator or to influence his vote, the full facts regarding such matter should be supplied to the Senate, and the person guilty of the attempt should be pursued and prosecuted.

Mr. MONRONEY. I agree entirely with my distinguished colleague, the junior Senator from Arkansas.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. MONRONEY. Does the Senator wish me to yield in connection with this same subject? I should like to continue. I shall be glad to yield later.

Mr. BUTLER. I was about to suggest that the Senator from South Dakota [Mr. CASE] be notified of this colloquy, inasmuch as his name has been mentioned.

Mr. FULBRIGHT. I should be very pleased to have that done. What I have in my hand is an account of an interview by a newsman. The news report has just

come over the wire. It relates to the subject which the Senator from South Dakota mentioned a few moments ago. I hope the Senator from Maryland will send for him.

Mr. MONRONEY. Mr. President, I am glad to yield for a quorum call, with the understanding that I shall not lose my place on the floor.

Mr. BUTLER. Mr. President, I should like to suggest the absence of a quorum under those conditions.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BUTLER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BUTLER. Mr. President, I ask unanimous consent that the order for the quroum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I yield to my distinguished colleague from Arkansas.

Mr. FULBRIGHT. Mr. President, I should like to ask the Senator about a very serious charge which was made a few moments ago on the floor of the Senate by the Senator from South Dakota [Mr. CASE], regarding an attempt to influence his vote by a bribe. I should like to preface my question by reading to the Senator from an Associated Press dispatch as it is carried on the news ticker in the anteroom of the Senate, and then I should like to ask the Senator a question about it. The news item reads:

Newsmen asked CASE as he left the Senate floor whether he regarded the offer as an attempt to bribe him.

CASE replied that he could not say. He commented that there has been "no suggestion at all of any strings tied to it." He added that it is hard to sit in judgment on the motives of a man he has never met.

The Senator declined to name the attorney or say where he lives.

But he said he has checked back and discovered that information.

Asked whether he regarded the offer as an attempt to influence his vote, CASE again said he could not judge another man's motives.

But he stressed that the attorney was not from South Dakota and "so far as I know, the only inquiry he had ever made about me was in regard to my position on the gas bill."

"He had to have some special interest in my election," CASE commented, pointing out that, since he is not yet nominated as a GOP candidate, the interest could not be in backing a GOP candidate to insure a Republican Congress.

He said the incident "indicated to me a measure of interest that some people had in getting a single vote on what may be a very close vote."

He said he has no plans on following up the incident except for his attempt to return the money or see that it goes to the Children's Home. He commented that it would be "very difficult to prove" that there had been anything illegal or improper about the offer.

In view of such a serious charge, that an attempt has been made to bribe a Senator in order to influence the outcome of an extremely important bill before the Senate, in which the whole country is interested, I ask the Senator from Oklahoma if he does not believe the charge is so serious that the names and addresses of all the persons who are involved should be furnished to the Senate.

Mr. MONRONEY. It would appear to me that if such a charge was made—and unfortunately I was not present in the Chamber when the Senator from South Dakota spoke, because I was attending a luncheon for some naval officers in the Speaker's Dining Room in the House—that money was being used to influence a vote in the United States Senate, then certainly the full facts should be given to the Senate, and the matter should be completely and thoroughly investigated.

Mr. FULBRIGHT. I should like to invite the Senator's attention to the fact that the Senator from South Dakota does not seem to know whom the man represented, although he offered $2,500 for the Senator's campaign.

The offer itself has influenced the Senator's vote, because he said he was inclined to vote for the bill on the merits, but because of the offer he decided to vote against the bill. That in itself has already influenced a vote in the Senate by a means which I regard as highly improper. Does not the Senator agree that it is improper?

Mr. MONRONEY. It would seem to me that the net result of the use of the $2,500 is that a vote has been influenced on the floor of the Senate.

I admire my distinguished colleague from South Dakota [Mr. CASE], with whom I served for many years in the House of Representatives, and I know of his complete integrity. I believe it would be a very simple matter in this situation to use "dead cat" tactics, of which we have seen so much in recent days. Those tactics imply that Senators who support the bill are minions of the oil companies. Those of us who support the bill have already been attacked in full-page advertisements in the newspapers. In those advertisements we have been pictured as highway robbers. Such tactics are below the level of gutter politics.

In that connection, I do not refer to the argument made by Members of the Senate in debate, because the debate has been conducted on a very high ethical level. I refer to the "dead cat" tactics, however, which have been consistently used by people outside the Senate who apparently would do anything to defeat the bill.

Those of us who come from States which produce natural gas, and who want to assure an adequate supply of gas for interstate commerce, know the bill must pass in the interest of both the present and future consumers of this superior type of fuel.

I have never seen such an instance of giving a dog a bad name, and then using the Hitler "big-lie" technique in advertising in an attempt to build up and repeat the "big lie" often enough to make it believed.

Now we have reached a point in the debate on this issue—and I shall read from the remarks of the distinguished Senator from South Dakota, as reported—where a campaign contribution of $2,500 could be suspected of having come from those who are seeking the passage of the bill, in view of the fact that the offer was made to someone who had apparently left the inference that he was already committed to vote for the bill.

I shall be glad to yield to the distinguished Senator from South Dakota, whom I hold in the very highest respect. However, I do wish to say that I hate to see this matter become so involved that such a situation could deprive the bill of the votes of Senators who had already determined on the facts to support the proposed legislation.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CASE of South Dakota. There are two points on which I should like to make some comment. I shall take them up in the reverse order in which they have been raised.

First, I should like to deal with the suggestion that I had given an indication of how I stood on the bill. I cannot repeat the Senator's exact words, but they seemed to suggest that there was a specific commitment on my part. When I received the letter in December from the person who had first been contacted by the lawyer, my letter in reply said:

Generally speaking, I think the purpose of the Harris bill is desirable, and unless it has some complicated issues, I would expect to vote for it when it comes up in the Senate. However, I should like to retain freedom of action should it appear upon analysis that it would have issues that would conflict with what I understand to be its main purpose in maintaining safe control for intrastate development.

I submit that very clear statement shows that I was not making any commitment on the bill, but that I had a tendency, perhaps, to vote for the bill if it was what I thought it was and was limited to that. That was in December.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. Not at this moment. However, I said if conflicting issues developed or became apparent, I certainly retained complete freedom of action. Those words are in the statement.

With respect to the suggestion that my vote would be changed merely because of the leaving of the money, I tried to say as clearly as I could, in the previous discussion on the floor of the Senate this afternoon, that it was not because of the money.

I said rather that it was revealing of the issues at stake in the bill and a confirmation of the charge that has been repeatedly made during the debate on the floor, that some windfall profits would accrue to those who had the ownership of the oil reserves of the country.

I said the whole incident, as it developed in this experience—which I certainly did not seek—tended to support the charge that some extraordinary profits would go to the owners of the gas reserves. I also said that was strong confirmation to me on one of the principal issues in the matter. That was in the field of complicated issues that might arise about which I did not know

UNIVERSITY OF MICHIGAN LIBRARIES

but which possibility I mentioned when I wrote the letter in December.

This is one of the reasons, and it has become a dominating reason, in my judgment, and that is why I shall vote against the bill.

Mr. MONRONEY. The Senator has a right to vote against the bill. I know that on any matter which comes before him he will vote on the basis of his own honest, good judgment, because he always votes his convictions. But, for the life of me, I cannot help but see in this matter the technique which has been used consistently outside of the Senate in bringing pressure to defeat the bill. I think we are entitled to have the fullest possible information regarding the matter. As I have said, I was attending a luncheon for some naval officers and was not present on the floor when the statement was made. I read from the Senator's remarks:

When my legislative clerk returned this week, she vaguely recalled that someone by the name mentioned had been in one day when I was at committee or otherwise tied up and that she had talked with him briefly. She thought he had made some inquiry about the natural-gas bill. Then it seemed to me that I recalled having received a letter earlier in which this man's name had been mentioned by a South Dakota correspondent.

We did not find the letter for a couple of days because it was received early in December and had been put in the storeroom files for last year. The letter stated that "the other day a gentleman by the name of ——— from ——— (another State), stopped in my office during which time we were visiting, relative to the Harris bill which is coming up in the next session."

The visitor had inquired of my correspondent about my probable stand on the bill and, my friend wrote to inquire. He stated his opinion that "a lot of controls should come out of Washington and go to the States instead of more controls going to Washington."

Frankly, I hope the Senator, in his own good time, will further amplify the matter, because I think it is very important to those of us who feel the bill has been grossly misrepresented—not by the distinguished Senator from South Dakota, but, consistently, there has been a pattern of efforts made to connect anyone who supports the bill with corruption or domination by big interests. Certainly, the Senate should not be under any suspicion, and for that reason I think that all that can be done to clear this matter up would be tremendously in the public interest.

Mr. FULBRIGHT. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. FULBRIGHT. Is not the Senate necessarily under suspicion now to the extent that any Senator who votes for the bill, in view of the remarks of the Senator from South Dakota, may be suspected of having received one of these contributions to his campaign? That is the inference which is left, and it is for that reason, if for no other reason, that I think the Senator from South Dakota ought to name the person to whom he has referred.

The person referred to may represent one of the distributing companies, many of which have plenty of funds to contribute $2,500 to the Senator's campaign. It may well be a company such as the Consolidated Edison Co., of New York, which could easily afford to contribute $2,500 for the purpose of defeating this bill. Coming at this late date, it seems to me it should not be left up in the air. We should know who the people are and whom they represent. I see no reason why the information should not be given to the Senate.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. CASE of South Dakota. May I respectfully suggest that Senators may not want to press the point too far.

Mr. MONRONEY. I should like to press it as far as it can be pressed, and I am sure the Senator from Arkansas would do the same thing. I resent the implication of the Senator's statement——

Mr. CASE of South Dakota. Just a minute. I certainly meant nothing personal—I merely meant that I think any investigation will show friendship for the bill prompted the incident. The Senator from Arkansas suggested, for instance, that this party represented, perhaps, the Consolidated Edison Co.

Mr. FULBRIGHT. Or any of the distributors. I picked that name out of thin air. I meant to say, one of the opponents of the bill. The Consolidated Edison Co. happens to be one of the opponents.

Mr. CASE of South Dakota. There is little room for suspecting it was an opponent of the bill.

Mr. FULBRIGHT. Were there any instructions tied to the contribution?

Mr. CASE of South Dakota. Not that I know of.

Mr. FULBRIGHT. Then, what makes the Senator believe it was offered as an effort to influence his vote in favor of the bill?

Mr. CASE of South Dakota. Because he came from some place outside of my State to my State to make an inquiry of a friend of mine to see how I stood on the bill. They discussed the situation. The implication seems perfectly clear in the letter I received in December that he favored the Harris bill. I was queried by the letter as to my position after a statement favoring the bill. I have read my reply on that point in full to the Senate. After that the party apparently came to Washington——

Mr. FULBRIGHT. Why does not the Senator give the name and address?

Mr. CASE of South Dakota. He came to my office and as nearly as I can determine identified himself as an acquaintance of my friend in South Dakota. I did not happen to be available when he called. He had a brief visit, as nearly as can be determined, with one of the clerks in my office. A few days later he showed up in South Dakota again, and afterward I received the telephone call saying that this money had been left.

I would apologize deeply to the Senator from Oklahoma if I have said anything that could be interpreted as any personal insinuation with reference to this matter. None has been intended. I merely say my own belief, from every bit of knowledge I have about the matter, is that the person who brought the money into South Dakota was not an opponent of the bill but one who desired its passage.

If the Senator will permit me, I should like to read again what I said in my speech. I beg the Senator to understand that this was not an easy speech for me to make. I asked myself, "Should I just forget it? Should I report it as a contribution, and use the man's name, then where would I be in voting on the bill?" It has bothered me for the past 3 or 4 days. It has been a rather distressing experience.

I read from my speech:

Mr. President, the incident that forced me to my personal position on this bill, of course, was individual to me. I specifically disclaim any suggestion that any other Member of Congress is in a similar situation. The House voted on this matter a year ago when party primaries were not imminent. Many Senators long ago publicly announced their stands. I respect them and whatever reasons led them to their position.

Mr. FULBRIGHT. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. FULBRIGHT. I would ask the Senator from Oklahoma, and, through him, the Senator from South Dakota, why the Senator from South Dakota should not give the name of the person to whom he was referring, so that we can check on it and try to get at the motives. To come in here and use this example of the malfeasance of alleged supporters of the bill without any knowledge of who they are and whom they represent leaves us in a very peculiar position. There is necessarily suspicion aroused with reference to any Senator who supports the bill, because the Senator from South Dakota himself has changed his position because of the offer of a bribe——

Mr. CASE of South Dakota. No; not because of the offer, but because of the support it gave to the contention which has been running through all the debate; namely, that there were some special interests which would profit greatly by an increased markup for the reserves which they own.

Mr. MONRONEY. A vast number of people on the other side of the question will increase their profits tremendously if the bill should be defeated.

Mr. FULBRIGHT. There is another place in the Senator's speech, which he did not read just now, with regard to his position. He refers to the overwhelming majority of telegrams and letters from his State which are in favor of the bill, and which had influenced him, according to his speech. But in spite of them, he says now that he will vote against the bill. He did not read that part of his speech.

Mr. CASE of South Dakota. I want that to appear in the debate at this point.

Mr. FULBRIGHT. I do not understand why the Senator is not eager to give the name of the man whose company would seek to bribe Members of the Senate. Why does not the Senator give that name to the Senate? I see no excuse whatsoever for not giving the name of the person and whom he represents.

If he represent persons who are in support of the bill, we ought to know it and should get to the bottom of the matter, to see if he is an irresponsible person or one who is simply trying to help a good Republican Senator, whom he would like to see come back to the Senate. I cannot understand why the Senator from South Dakota will not give the name to the Senate. In fact, I think the Senate is entitled to the name.

Mr. CASE of South Dakota. The paragraph to which the Senator from Arkansas alludes, and for which I was looking at the time I read, because I wanted to point it out as I did at the time I made the speech, is as follows:

> Among the senders of the telegrams are many of my very closest personal friends. Among the writers of the letters and resolutions are many officials and quasi-public bodies. A decent respect for these people who have expressed themselves in good faith on the evidence before them compels me to state in as clear a way as I can the reason or reasons why I cannot vote for the bill as it stands before the Senate today.

In my own responsibility to the people of South Dakota, and especially to those who have expressed themselves on the bill, some of them in very persuasive language, I felt that I should state why I could not follow their wishes in this matter.

Mr. FULBRIGHT. Can the Senator from South Dakota give us any reason why he does not feel he can give the names of the culprits to the Senate? What could be the reason why he would not give them?

I will ask the Senator from Oklahoma. I cannot understand the charges which have been made. Yet we are expected to believe them. Of course, we are expected to believe them; otherwise the charges would not have been made. But there is no direct evidence, and there is no way for us to counter the evidence so as to disprove the implication—none whatsoever. How can we go about disproving the implication of the Senator's remarks?

I do not think any responsible gas company would dare do such a thing. On its face, it is not only dishonest, but is ridiculous and stupid.

Mr. CASE of South Dakota. I agree with the Senator's statement that it was ridiculous and stupid.

Mr. FULBRIGHT. I think that in order to get to the bottom of the matter, we ought to have the name of the person who has started this. I cannot understand why the Senator would wish to protect a man who is seeking to bribe Senators.

Mr. CASE of South Dakota. I do not think the Senator from Arkansas meant to impute that the incident did not happen, because on the statement of facts which I have been given, the money has been in the hands of two different persons in South Dakota.

Mr. FULBRIGHT. We do not doubt that. Still the Senator will not positively say whom that person represents. He leaves only implications. He wishes us to draw the inference from what he has said that the person represents one of the oil companies. Yet he gives no evidence whatsoever to connect or to justify the implication. I think the Senate is entitled to an opportunity to prove whether there is any truth in the implication which the Senator left with the public and with his fellow Members of the Senate.

It is not the fact that the money was offered which is in question. It is significant that it was done. I cannot understand such a serious charge being made, especially the day before the vote—the last legislative day before the vote—when there is no opportunity to make an independent investigation.

Mr. CASE of South Dakota. The junior Senator from South Dakota was not responsible for the timing of this situation.

Mr. FULBRIGHT. The incident reminds me of what often happens in political campaigns. Charges are made on the last day. Then, after the vote has been taken, we hear it said, "Well, I am sorry; it was not that way."

I think the Senate ought to have the name of the person today.

Mr. CASE of South Dakota. The Senator from South Dakota is not responsible for the timing today.

Mr. FULBRIGHT. He is responsible for the timing of his speech.

Mr. CASE of South Dakota. The Senator is responsible for what he said in his speech.

Mr. FULBRIGHT. Do I understand that the Senator from South Dakota refuses to give the Senate the name of the man who attempted what the Senator believes to be a bribe?

Mr. CASE of South Dakota. No, no; the Senator from South Dakota has never used the word "bribe" in connection with this matter, either publicly or privately.

Mr. FULBRIGHT. But he sought to leave the impression that it was a bribe.

Mr. CASE of South Dakota. No; the Senator from South Dakota did not. I said that, so far as I knew, there was no condition or string attached to the money. I said I thought this was revealing in support of the repeated allegations made during the debate that some inordinate profits would flow to the owners of the reserves, and that for that reason, the Federal Government ought to retain the machinery for regulating natural-gas prices, a monopoly product when delivered to captive customers.

Mr. MONRONEY. I should think the Senate ought to retain the machinery for regulating corrupt practices. The corrupt practices pursued in politics should not be allowed to defeat a bill which has been debated freely on its merits.

For 5 years, when I was chairman of the Subcommittee on Investigations of the Committee on Privileges and Elections, I advocated requiring the identification of all funds going into all primary and general election campaigns.

So long as a hopelessly obsolete, inaccurate, and false system of accounting is permitted to exist in senatorial campaigns, we shall continue to be threatened with occurrences such as this—the pollution of the stream of good government at its source, which is the people.

The only way in which I believe such activities can be prevented is to impose a limit of $100 a person, and to enforce it. I have done this in my own campaigns. Let that be known throughout the State, and then we will not be surrounded by or worried about persons anonymously leaving $2,500 in sealed envelopes with a friend of a friend who is raising a campaign fund in the small amounts with which I am certain the distinguished Senator from South Dakota is accustomed to financing his campaigns.

Let us face up to this fact. We are to blame if we do not do something about it. But let us not try to intermingle this kind of incident and bring into the bill a wholly extraneous matter. The bill has been debated on the floor for 3 weeks, and up to now has had, so far as the Senate is concerned, an adequate, logical, factual, and friendly discussion on all sides of the question.

Mr. President, on January 20, the senior Senator from Illinois [Mr. DOUGLAS] said:

> The reported reserves increased by about the same amount as the flow, by about 10 billion thousand cubic feet. There was a slight gain * * * so that the reserves at the end of the year were slightly more than at the beginning of the year. The two figures are approximately the same.

However, the Senator apparently regards this as a good year. He should not lose sight of the fact that for the preceding 8 years the new additions to reserves has averaged twice the current production.

I should like to refer to this chart in the rear of the Chamber, which, for the first time shows exactly what is happening in the production of gas. On the chart the new additions to reserves are printed in black. It will be noticed that consistently since 1946 and through the year 1953 the new additions to reserves have been more than double the net production or net withdrawal from our gas reserves.

It will be noticed that for the years 1954 and 1955 the new additions barely keep pace with what has been produced or with the exhaustion of the resources for that period.

It will be noted, Mr. President, that for the year 1955, the new additions to reserves barely outrun the withdrawals.

It seems to me anyone looking at this chart would see for certain that the threat of utility type regulation on any gas moving into interstate commerce is having a disastrous effect on needed exploration and developmental wells which must be brought in, if we are to have an increasing supply of natural gas to meet the continued, accelerated use of gas in the nonproducing States.

This next chart is illustrative of the percentage of increase or decrease in number of gas wells completed, as compared to the previous year, for the 5 years ending December 1955, for the entire United States.

For the year 1955 there was a 9.5 percent decrease in the number of gas wells drilled.

Certainly the consumers in the gas-consuming States must be concerned with two elements. One is price. That is vital, and the pending bill protects

UNIVERSITY OF MICHIGAN LIBRARIES

people against unreasonable price increases. The second element is supply. Any bill which proscribes or limits the availability of gas to interstate commerce works against the consumer in the very worst way, because if the supply is not available, then all the gas appliances and furnaces which have been bought by consumers, at such a terrific cost, as mentioned by the Senator from Illinois [Mr. DOUGLAS], have no value.

The Senator from Illinois also stated that—

Even with respect to developmental drillings of gas wells which were completed as gas wells, the number in 1955 was much greater than that in 1950, and represented a decrease of only about 4 percent from 1954.

What are the facts?

Mr. President, I have in my hand a table, which I shall ask to have printed in the RECORD. The figures in this table show that there has been a decrease in 1955 as compared to 1954, not of 4 percent, but of 9.5 percent, the first time there has been a decrease from the previous year since 1950. Certainly someone should be concerned with this rapid decrease of new-well completions.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the number of gas wells completed and the percentage of increase or decrease over the previous year, for the years 1950 to 1955, for the entire United States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Number of gas wells completed and percent increase or decrease over previous year, 1950 through 1955, entire USA

Year	Number of gas wells completed	Increase or decrease over previous year	
		Number	Percent
1950	2,843		
1951	3,030	187	6.6
1952	3,255	225	7.4
1953	3,806	551	16.9
1954	3,977	171	4.5
1955	3,600	[1] (377)	[1] (9.5)

[1] Decrease.

Source: Oil and Gas Journal, Jan. 31, 1955 and Dec. 26, 1955.

Mr. MONRONEY. Mr. President, under the title "Industry Completes 12,271 Wildcats in 1955," there appeared in the Oil and Gas Journal the following article:

Exploratory drilling in 1955 was expanded to new record levels, with the industry recording 12,271 wildcat completions, up about 8 percent over the previous year's high.

Wildcat wells accounted for 21.6 percent of all wells completed, up over the previous year, when the ratio of wildcat drilling to total wells completed was 20.9 percent.

The industry set a record-breaking exploratory footage aggregate in 1955. Wildcat footage soared to 58,958,356 feet, as compared with 54,502,000 feet in 1954. The average depth of wildcat wells in 1955 was 4,804 feet, compared to 4,831 feet in 1954, 4,714 feet in 1953, and 4,511 feet in 1952.

Of the total wildcats drilled in 1955—

And this is important—

1,812 were completed as new oil producers, compared to 1,598 in 1954. There were 353 new gas discoveries, compared to 399 in 1954; and 10,106 dry holes, compared to 9,283 in 1954.

Mr. President, the article shows that, in spite of record-breaking explorations and drilling, the discoveries of gas have fallen in number rather than risen.

I ask unanimous consent to have printed in the RECORD at this point a table showing the United States exploration results in 1955.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*United States exploration results in 1955*

	Total wildcats	Percent		
		Oil	Gas	Dry
Texas	5,124	17.2	2.6	80.2
Oklahoma	832	18.5	3.7	77.8
Kansas	1,018	13.3	3.3	83.4
Colorado	811	6.7	2.8	90.5
California	530	8.5	2.6	88.9
Louisiana	695	28.1	4.7	67.2
Illinois	635	11.7	.9	87.4
Wyoming	662	9.9	3.4	86.7
Michigan	212	5.7	.9	93.4
Indiana	261	4.2	0	95.8
Nebraska	415	10.4	.2	89.4
Mississippi	182	7.7	0	92.3
Kentucky	399	13.3	3.0	83.7
All others	895	12.6	6.3	81.1
Total 1955	12,271	14.8	2.9	82.3
Total 1954	11,280	14.2	3.5	82.3
Total 1953	11,062	14.2	3.3	82.5
Total 1952	10,552	14.1	2.5	83.4
Total 1951	10,302	14.8	2.5	82.7

Source: Oil and Gas Journal, Jan. 30, 1956, p. 2142.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Total Completions 56,682, Up 5.1 Percent," showing a drop in gas wells in 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GAS WELLS DROP IN NUMBER IN 1955, BUT TOTAL COMPLETIONS 56,682, UP 5.1 PERCENT

(By Carl Hoot)

Total well completions for the United States in 1955 reached 56,682. This was a gain of 2,752 wells over the previous year, or 5.1 percent. The total was well over the estimate for the year by drilling companies at the start of 1955, but in line with figures revised by most companies along mid-1955.

Total number of oil wells in 1955 was 31,567, up 1,794 over 1954, for a 6.02 percent increase.

Gas wells dropped a net of 364 wells in 1955, compared with 1954, for a loss of 9.15 percent. Total gas wells hit 3,613 for the year, compared with 3,977 wells the previous year.

Dry holes totaled 20,742 for the year, up 1,574 over 1954, or an increase of 8.21 percent. The overall success ratio for all wells was 65 percent. This figure includes gas and oil wells.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a table entitled "Total Completions in United States."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Total completions in United States*

	Total completions	Oil	Gas	Service	Dry	Total footage	Average completed footage, 1954
						Thousand feet	
Total 1955	56,682	31,567	3,613	760	20,742	226,270	3,992
Total 1954	53,930	29,773	3,977	1,012	19,168	218,986	4,061
Total 1953	49,279	25,762	3,806	1,262	18,449	198,839	4,035
Total 1952	45,821	23,466	3,255	1,482	17,618	187,190	4,085
Total 1951	44,516	23,453	3,030	1,380	16,653	172,331	3,871
Total 1950	43,279	24,430	2,843	1,249	14,757	159,288	3,680

Source: Oil and Gas Journal, Jan. 30, 1956, p. 146.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Oil and Gas Journal, written by Norman S. Morrisey, entitled "Gas-Well Completions Drop, Gloom Thick, as Federal Controls Hamstring Natural-Gas Industry."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GAS-WELL COMPLETIONS DROP, GLOOM THICK, AS FEDERAL CONTROLS HAMSTRING NATURAL-GAS INDUSTRY

(By Norman S. Morrisey)

Threat of Federal control curtailed drilling in the natural-gas industry during 1955. Total gas-well completions dropped from an all-time high of 3,977 wells in 1954 to 3,613, a decrease of 10 percent. New Mexico was the only key area that showed an appreciable increase in the number of gas wells completed, a gain of 172 wells over the 1954 figure. Texas registered the largest drop, down 309 wells, with total gas wells in 1955 only 603 compared to 912 the previous year.

At the end of 1955, the Nation had proved natural-gas reserves of nearly 214 trillion cubic feet; this was a gain of only 2.081 trillion cubic feet over the adjusted 1954 reserve figure, or 6 months' supply at the present rate of consumption. The gas industry has nearly 23 years' supply of reserves based on the present rate of consumption. But with the rapid growth of markets for natural gas and the anticipated increased rate of consumption, it is more probable that the country now has only enough proved reserves to last 10 to 15 years.

Marketed production has risen rapidly. In 1946 annual consumption stood at 4 trillion cubic feet and the ratio of proved reserves to annual consumption was 40:1. Now marketed production has soared to 9.4 trillion cubic feet and the ratio of reserves to production is only 23:1. The rate of consumption has increased faster than the rate at which we are increasing our gas reserves; and in recent years this situation has been aggravated by Federal control of natural-gas production.

Both development drilling and successful wildcats slumped 10 percent under 1954. This trend is expected to continue until some satisfactory legislation is passed that will eliminate the problem of Federal control. Pipeline commitments, offset obligations, and local markets, however, will serve as incentives for additional drilling in 1956, but the outlook is for another year comparable to 1955 with a continued decline in the total

number of gas wells completed. Passage of the Harris bill would allow slight relief, but some experts doubt that this would completely remedy the situation.

From a long-term standpoint, the current dilemma facing the gas industry will have a serious effect comparable to that faced by the oil industry during the depression years of the early thirties. Then oil companies were forced to curtail their exploration effort because of lack of funds. It took the oil companies many years to rebuild their staffs up to a point of efficiency, and, of course, their reserve picture suffered.

The market for natural gas continues to grow at a rapid rate with the 1955 consumption hovering at 9,384 billion cubic feet or 2.32 times the 1946 base figure. The rate of growth during 1955 exceeded the 1954 figure, 232 versus 216, and compares favorably with the 1950 and 1951 era when new pipelines gave the industry untapped markets.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a table entitled "Comparison of Drilling Activity in the Natural-Gas Industry," showing State by State the decreases in the figures.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—*Comparison of drilling activity in the natural-gas industry*

	1954			1955			Change in total wells
	Field wells	Successful wildcats	Total gas wells	Field wells	Successful wildcats	Total gas wells	
Arkansas	4	6	10	6	4	10	0
California	32	15	47	50	14	64	+17
Colorado	52	20	72	61	23	84	+12
Illinois	3	1	4	10	6	16	+12
Indiana	11	1	12	22	0	22	+10
Kansas	347	34	381	328	34	362	−19
Kentucky	208	6	214	150	12	162	−52
Louisiana	242	46	288	249	33	282	−6
Michigan	8	2	10	17	2	19	+9
Mississippi	8	0	8	1	0	1	−7
Montana	15	2	17	13	3	16	−1
Nebraska	17	3	20	3	1	4	−16
New Mexico	372	20	392	553	11	564	+172
Ohio	247	4	251	243	7	250	−1
Oklahoma	358	25	383	328	31	359	−24
Pennsylvania	480	3	483	284	7	291	−192
Texas	749	163	912	471	132	603	−309
Utah	8	1	9	2	8	10	+1
West Virginia	396	31	427	432	11	443	+16
Wyoming	19	10	29	37	9	46	+17
Others	2	6	8	0	5	5	−3
Total	3,578	399	3,977	3,260	353	3,613	−364

Source: Oil and Gas Journal, Jan. 30, 1956, p. 161.

Mr. MONRONEY. Mr. President, I may say that the statistics for every State which produces gas, with the sole exception of New Mexico, where a new field for a new market on the Pacific coast was discovered, show a vast decline in the number of completions of gas wells. Only New Mexico shows a gain, which is of 172 wells for the whole year.

I should also like to say that in the State of Texas, whence comes most of our gas, there were 309 fewer wells drilled; in Oklahoma there were 24 fewer wells drilled; and in Pennsylvania there were 192 fewer wells drilled.

It seems to me that in view of the utility cost formula of the Supreme Court decision, for which the pending bill seeks to substitute the reasonable market price formula, is necessary if the kind of exploration necessary to furnish this country with an adequate supply of gas is to be resumed.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the estimated proved recoverable reserves of natural gas in the United States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4c.—*Estimated proved recoverable reserves of natural gas in the United States*

[Billion cubic feet at 60° F. and 14.65 p. s. i. a.]

State	Jan. 1, 1955*	Jan. 1, 1956	Change
Arkansas	1,165	1,160	−5
California	9,027	9,050	+23
Colorado	1,933	2,020	+87

*American Gas Association figures as of Dec. 1, 1954.

TABLE 4c.—*Estimated proved recoverable reserves of natural gas in the United States*—Continued

[Billion cubic feet at 60° F. and 14.65 p. s. i. a.]

State	Jan. 1, 1955*	Jan. 1, 1956	Change
Illinois	254	275	+21
Indiana	36	37	+1
Kansas	15,758	15,650	−108
Kentucky	1,287	1,270	−17
Louisiana	36,800	37,000	+200
Michigan	330	367	+37
Mississippi	2,773	2,750	−23
Montana	724	685	−39
Nebraska	193	200	+7
New Mexico	17,241	18,500	+1,259
New York	69	70	+1
Ohio	775	785	+10
Oklahoma	12,396	12,550	+154
Pennsylvania	732	750	+18
Texas	105,129	105,500	+371
Utah	387	345	−42
West Virginia	1,607	1,613	+6
Wyoming	2,855	2,970	+115
Others	240	245	+5
Total United States	211,711	213,792	+2,081

Source: Oil and Gas Journal, Jan. 30, 1956, p. 161.

Mr. MONRONEY. In conclusion, Mr. President, I point out that we have seen big advertisements in the newspapers and propaganda going through the mail—desperate tactics being used to give the pending bill a bad name. There has been an attempt to insinuate that, if the bill should pass, the consumers will be taken for a ride or held up, and that those who support the bill are doing violence to constitutional government and good government.

How much of this information originates with the consumer and how much originates with the big, important, fat gas utility distributing companies, who maintain one of the most powerful and well-organized lobbies that I have ever seen operating on Capitol Hill?

I hold in my hand an example of the literature being sent out with gas bills. Bear in mind that when a person gets a gas bill, particularly in Brooklyn, the pocketbook nerve is rather ragged, the reason being that in Brooklyn the residential rate is $2.43 a thousand cubic feet, and the people are pretty sensitive about the cost of gas. So this wonderful appeal is made, depicting a cute little baby. I do not think the baby is old enough to talk, but he is supposed to be saying, "What do you mean my prices may go way up?" So the baby explains or maybe the mother explains to the baby, "The companies, mostly big oil companies—who own the natural gas wells, want to charge more for gas, a whole lot more. But right now there are laws against big price rises for gas. The Fulbright bill would change these laws, and let them charge whatever they want. If they can boost the price of gas, oil prices can go up as well."

Mr. President, the Brooklyn Gas Co. is feeding this kind of rubbish to all the consumers on its lines. Oh, how they love to grace their propaganda with the most tender of appeals, the appeal of a young child. I thought I had seen the ultimate in appeals for selling soap or character-building whisky or health-giving cigarettes, but this seems to be the ultimate.

So the campaign is proceeding; and the propaganda in this case is complete with a message to Senators, which is suggested in an effort to develop customer sentiment. That message reads as follows:

DEAR SENATOR: I am opposed to the Fulbright bill to amend the Natural Gas Act because I believe this is a special interest bill that will eventually result in higher gas prices for the Nation's 26 million gas users, and probably higher prices for oil customers as well.

Underneath that are dotted lines on which the consumer is to sign his name, address, and city and State.

So we see how public sentiment is attempted to be created by Madison Avenue.

Mr. President, let us consider the rate that is being charged to the parents of the cute little baby shown on that propaganda. I refer now to the average price of heating and cooking in Brooklyn. Incidentally, Mr. President, something is cooking in Brooklyn, but it is cooking at a rather high rate.

In the case of Brooklyn, the average price of gas supplied to the residential consumer is $2.22 per thousand cubic feet. How much of that amount does the producer of natural gas receive? He receives 7.8 cents per thousand cubic feet for the gas he sells. On the other hand, the cost of the natural gas at the Brooklyn city gate is 32 cents; and the amount charged for the city delivery—through the Brooklyn area, all along the streets, including Flatbush Avenue—is $1.90—to transport each 1,000 cubic feet of gas from the distant city gate to the consumer's burner tip, to the parents of the little baby shown in the propaganda to which I have referred.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. President, I wonder whether that baby would be able to understand the large chart which is on display in the rear of the Chamber. Even though a baby would not be able to read the figures shown on the chart, at least he would be able to see that, in the case of the average price of gas to residential consumers in Brooklyn, the small amount—or the 7.8 cents received by producers as their compensation for supplying the gas at the well—is represented by a very small green strip; and that the 32 cents, which is the cost of the gas at the city gate, is shown by a small yellow strip; whereas the $1.90, which is charged for the city delivery of the gas, is shown by a very long red strip. Under the circumstances, I think that cute little child would have no trouble in saying to its father, "Dada—red."

Mr. FULBRIGHT. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. BENDER in the chair). Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. MONRONEY. I yield.

Mr. FULBRIGHT. I ask unanimous consent to have printed in the RECORD a very fine editorial from the Providence Journal, in support of the Harris-Fulbright bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DECONTROL IN NATURAL GAS IS WORTH A TRY

The lengthy and thorough debate now drawing toward a close in the Senate over the natural-gas bill has pretty well boiled down the central issue to this question:

Will the consumers of natural gas get a better break, in terms of cheap fuel and protection against price gouging, from Federal control at the wellhead, or from competition among the producers?

This is an exceedingly complicated subject, though an important one. It can be—and in the Senate has been—argued plausibly either way. Statistics can be—and have been—marshaled to support both sides.

For instance, advocates of Federal control can show that in the last year before such control was sanctioned by a Supreme Court decision, the average wellhead price of all natural gas jumped almost 20 percent. They then argue that any commodity whose price rises that steeply in a single year scarcely seems subject to the normal restraints of competition. So, unless wellhead costs are controlled, they conclude, natural gas consumers will be hit by a price spiral which may cost them hundreds of millions of dollars.

On the other side, opponents of Federal control contend that the consumer's only real hope of cheap fuel lies in a greatly expanded supply of natural gas. Wellhead price regulation, they maintain, will block such expansion by discouraging exploration and development of new sources of natural gas. They point out that last year, after the Supreme Court decision, while oil-well completions were increasing by 6 percent over 1954, natural gas well completions dropped by more than 9 percent.

These are only two sets of pros and cons among many that have been advanced during the Senate debate. Is the natural-gas industry monopolistic by nature, as the Supreme Court found, or is it "actively competitive," as the Federal Power Commission declares? Would control of natural gas lead to control of other commodities, like coal and oil, or is the first dissimilar from the others and so properly subject to regulation, just as radio is regulated by the Federal Government, while newspapers are not?

But the key question, as we have said, seems to us to be which will serve the consumer better—control, or decontrol? This is at best a speculative matter. If control is continued, the supply of natural gas may be restricted, to the consumers' cost—or it may be expanded anyhow, with the consumer benefiting. Nobody can say for sure. If control is lifted, competition among producers may force the price down, to the consumer's benefit—or monopolistic practices may keep prices high, to the consumer's injury. Again, nobody can say for sure.

At the outset of the Senate debate, this newspaper was inclined to favor Federal control, and therefore to oppose the Harris-Fulbright bill. The debate has changed our mind, to this extent: On an issue so closely argued and so problematical as this one, we now feel that the force of competition, in the American free enterprise tradition, should be given a chance to prove itself. We, therefore, support passage of the Harris-Fulbright measure.

But we do not think that need be or should be the end of the matter for all time. Removal of control would, in all probability, result in some short-term increase in the wellhead cost of natural gas, say over the next couple of years. But after that, if the industry is as truly competitive as its supporters insist, expanded supply and free competition should begin to register in terms of cheaper fuel for the consumer.

If that does not occur, it will be proof that the advocates of control were right, and its opponents wrong. In those circumstances, we would hope to see and we would be ready to support a fresh move in Congress to bring production of natural gas under Federal regulation in the public interest.

Mr. MONRONEY. Mr. President, let me ask my friend, the distinguished Senator from Arkansas, whether the Providence Journal, which now is in support of the Harris-Fulbright bill, was not formerly opposed to it? It seems that after considering the remarks of the distinguished Senator from Arkansas, and after studying the facts and figures which have been developed in the course of this debate, the Providence Journal has changed its mind, and now is in support of the bill.

Mr. FULBRIGHT. Well, Mr. President, I believe it is proper to state that no doubt the editors of the Providence Journal have read the entire debate in the CONGRESSIONAL RECORD. I do not deserve all the credit for the change of attitude on the part of the Providence Journal. However, the editorial is an excellent one, and was published on yesterday in a newspaper which heretofore has been a leading opponent of the bill. So it is very heartening to observe this change of sentiment on the part of the Providence Journal.

Mr. MONRONEY. Mr. President, in the last few minutes I have been referring to propaganda issued in an attempt to influence the people of Brooklyn to oppose this bill and to write to their Senators accordingly.

Now let me refer to the propaganda issued to the people of Philadelphia. This propaganda is somewhat different from the Brooklyn propaganda. I do not know exactly why that is so. In fact, if I were a resident of Brooklyn, I would inquire about the difference, because in the case of the propaganda circulars issued to the people of Brooklyn, all they need to do is sign their names and addresses, whereas the statement issued to the consumers of gas in Philadelphia merely includes a presentation of views; and if the Philadelphians choose to write to their Senators, they must write their entire communications, rather than merely sign their names to a suggested communication which has been prepared and furnished to them. Apparently those responsible for the propaganda believe that the citizens of the City of Brotherly Love can both read and write, and are able to prepare any communications they may desire to send to their Senators, whereas the propagandists seem to believe that the residents of the city of Brooklyn need to have the entire communication, except for the signature and address of the person signing, prepared for them. Mr. President, if I were a resident of Brooklyn, and if I had submitted to me a prepared circular of that sort, which would require only my signature, I would think I was smart enough not to fall for a phony of that sort, with a picture of a cute baby on the cover—as is true of the propaganda which has been circulated to the consumers in Brooklyn.

Mr. President, it is quite interesting to observe the extent to which those who issue such propaganda are willing to go. For instance, I hold in my hand a large advertisement—almost a full page advertisement—which appeared in the Philadelphia Inquirer on January 19. The advertisement is in opposition to passage of the bill, and urges those who read the advertisement to write or telegraph to their Senators "If you agree that the defeat of the Harris-Fulbright bill is in your interest as a Philadelphian." It is interesting, Mr. President, to know that this advertisement costs approximately $6,500. The advertisement is filled with misrepresentations and misinterpretations of the bill. However, the cost of publishing the advertisement goes into the rate charged for the city delivery of the gas. So the more those who are in charge of the city delivery of the gas spend on such publicity, by means of such advertising, the higher the rate they are able to charge for delivering the gas. So we see how such propaganda is self-generating, and has the result of increasing the rates charged. If they do enough of such advertising, then, by encouraging the consumers—by means of such advertisements—to oppose the bill, those who handle the city delivery of the gas will finally be able to charge a price even higher than the one now shown on the chart in the rear of this Chamber.

However, Mr. President, let me point out that the circular sent to the consumers of gas in the City of Brotherly Love is much more dignified than the one which was circulated in Brooklyn. The circular issued in Philadelphia does not contain any baby pictures or any pictures of bathing beauties. Instead, it contains, among other things, the following straightforward statement:

If the Fulbright bill passes in its present form, the producers will be free to charge "what the traffic will bear," and sooner or later, it will be you, the consumer, who pays the bill.

Mr. President, those who prepared that propaganda either failed to read the bill, or they are deliberately, brazenly, and intentionally misrepresenting to every one of the gas consumers in Philadelphia the actual language of the bill, which does provide for regulation on the basis of "reasonable market price," as approved as such by the Federal Power Commission, in the case of all old contracts, and also on all new ones—in short, the type of regulation recommended by the Federal Power Commission itself and by the Joint Inter-Cabinet Committee on Fuel, which recently has made a study under President Eisenhower. Yet that propaganda goes to every consumer on the distributing line, and attempts to affect each one of them by touching a sensitive nerve at the point where such propaganda will have the greatest possible effect; and that propaganda is issued by the Philadelphia Gas Works, which makes one of the highest charges for delivery of natural gas.

Mr. President, in the morning newspapers we read that passage of the bill has been opposed by the governors of 12 States. I assume that inquiries were sent to the governors of all 48 of the States, to ascertain how they felt about the bill; and it seems that 12 governors responded by saying that they were opposed to passage of the bill. They represent some of the States where the city price of gas is the most exorbitant. Let me say that I feel sorry for them for not having staffs to advise them, so they would not be duped by the propaganda. I am sorry they are unable to realize how much of the price charged to the consumers for which they speak is directly attributable to their own public-utility commissions. If these governors did understand that, they would find that the largest amount charged for each 1,000 cubic feet of natural gas is the charge for city delivery—the amount shown by the big red strips on the charts in the rear of this Chamber—and not the 10 cents or 7.8 cents, which go to the producers——

Mr. President, I do not know why so much attention should be paid to the views of those 12 governors, and why so little attention has been paid to the fact that the governors of 17 States, and not all of them gas-producing States, are in favor of passage of the bill. Those Governors are as follows:

The Honorable J. Hugh Aaronson, Governor of Montana; the Honorable Norman Brunsdale, Governor of North Dakota; the Honorable Orvall E. Faubus, Governor of Arkansas; the Honorable Raymond Gary, Governor of Oklahoma; the Honorable Fred Hall, Governor of Kansas; the Honorable Christian A. Herter, Governor of the Commonwealth of Massachusetts; the Honorable Charles H. Russell, Governor of Nevada; the Honorable John F. Simms, Governor of New Mexico; the Honorable Milward L. Simpson, Governor of Wyoming; the Honorable LeRoy Collins, Governor of Florida; the Honorable Robert F. Kennon, Governor of Louisiana; the Honorable J. Bracken Lee, Governor of Utah; the Honorable William G. Stratton, Governor of Illinois; the Honorable Joe Foss, Governor of South Dakota; the Honorable Hugh White, Governor of Mississippi; the Honorable Allen Shivers, Governor of Texas; and the Honorable Joseph B. Johnson, Governor of Vermont. Seventeen governors, in all, Mr. President.

So, Mr. President, the larger number of governors and mayors—a larger number in each instance, I believe—support this logical, sensible, effective, carefully considered method of preventing increases in the price of gas, as compared with the smaller number who favor the Rube Goldberg type of regulation which would become the case in the event that the Supreme Court's Natural Gas Act became the only protection that the consumers could have.

Mr. President, it seems to me that notwithstanding everything which has been said by the press, by the advertisers, by columnists and others, this bill, on the basis of the facts developed by both sides in free debate on this floor, should certainly pass.

There is an old adage about giving a dog a bad name. In an effort to bludgeon Senators and keep them from voting for the bill, dead cats have been tossed around, and in a strange use of logic rule XII of the United States Senate has been used in inference and rather clever writing, to support the argument that a Senator is denied the right to vote on any question with respect to which he might have a financial interest.

For the record, let me say that I do not own a nickel's worth of oil or gas. But if I owned a great deal of oil or gas, I would still represent the State of Oklahoma; and under the Constitution of the United States, the State of Oklahoma would still be entitled to have two representatives in the United States Senate. The dead cats which are thrown around in connection with suggestions of the use of rule XII to compel a Senator to disqualify himself represent a complete distortion of what rule XII says. I should like to read rule XII for the RECORD, to show how far afield the propaganda writers have gone with respect to that rule. Rule XII reads in part as follows:

> 2. When a Senator declines to vote on call of his name, he shall be required to assign his reasons therefor, and having assigned them, the Presiding Officer shall submit the question to the Senate: "Shall the Senator, for the reasons assigned by him, be excused from voting?" which shall be decided without debate; and these proceedings shall be had after the rollcall, and before the result is announced; and any further proceedings in reference thereto shall be after such announcement.

In other words, the rules of the Senate provide that if a Senator is present in the Chamber, he must vote unless the Senate excuses him from voting. When an effort is made to twist that rule around and completely misrepresent what the rule is intended to do and has historically done, we are furnished with another example of the bitter opposition of high-powered utility-lobbying interests, misguided liberals, and newspapermen who will not listen to both sides of the story.

Mr. President, I am glad the vote on the bill is approaching. I congratulate the opponents of the bill on the floor of the Senate for the high-level debate we have had. We have had differences of opinion, but I believe that, on the basis of the record of the facts, statistics, and figures, and the assurance it affords of additional supply, the consumers of the 48 States would be better served by the passage of the bill next Monday than by its defeat.

Mr. President, I yield the floor.

Mr. GORE. Mr. President, I feel impelled to make a few brief remarks. I know nothing of the incident related by the junior Senator from South Dakota [Mr. CASE] which has been the subject of debate this afternoon, other than what I have heard on the floor of the Senate. Therefore, I do not presume to express an opinion on the facts.

The junior Senator from South Dakota sits on the other side of the aisle from me. For 14 years he sat across the aisle from me in the other body. For 10 years in the House, and for the fourth year now in the Senate, he and I have served together on the same committee.

I consider the junior Senator from South Dakota to be a man of perfect integrity. I do not know why he did not see fit today to disclose the name of the person who allegedly undertook to practice this influence. I presume that if the junior Senator from South Dakota considers it his duty, or considers it a matter of justice to the Senate, he will, in due time, make a statement with respect thereto. I do not wish to pass judgment or to reach conclusions as to his reason for not disclosing today the name of the individual concerned, until I hear his reasons therefor.

I did not hear the junior Senator from South Dakota undertake to impugn the motives of any Member of this body, or to impute to any Member of this body any relation to the incident. In fact, he explicitly stated to the contrary.

I think some unfortunate implications may have been left. Senator FRANCIS CASE is an honest man. He is a just man. He is a courageous man. He is a good man, a man who dignifies this body, who is worthy of the respect of his colleagues and of every American citizen.

I regret that this incident has occurred. At the very beginning of his speech the junior Senator from South Dakota stated that it was a difficult speech for him to make. I sat nearby and watched him as he spoke. It was plain to see that he was speaking with a feeling of travail. However, I am convinced that he spoke from a sense of duty and from a sense of justice.

I do not wish my remarks to be interpreted as conveying any implication as to the pending bill or as an attempt to use the incident to influence the outcome of this issue. I do not have any such thought in mind.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I am glad to yield.

Mr. MONRONEY. The junior Senator from Oklahoma shares completely and wholeheartedly the sentiments expressed

UNIVERSITY OF MICHIGAN LIBRARIES

by his distinguished friend and colleague from Tennessee. I have known the Senator from Tennessee for many years, and have served with him in the Congress for many years. I have served with the junior Senator from South Dakota for a like number of years. I hold no man in higher esteem.

I believe that the great tragedy involved in this entire episode has been the drumfire which has been in progress in an effort to give the bill a bad name. That effort has been made by forces without the Senate itself. It has been carried on through coloration of advertising, editorials, and columns. It has been increased by misunderstandings such as those to which I have referred, as the result of which the truth with respect to what the authors of the bill have said the bill would do has been completely distorted.

If it were not for the drumfire which has been going on for many weeks, perhaps this circumstance would not have seemed so important to us.

But certainly when Members of the Senate, dear friends of ours, are pictured in columns as beating their tax bills or accepting favors from oil companies in connection with the purchase of a few acres of land; and when, with respect to other Senators whom we know to be men of great integrity, an aura of suspicion and distrust is created, and reflections are cast upon their integrity; and when statements are made, no matter how carefully worded they are, which impute any improper motives to those of us who maintain one position or another, the situation becomes too important to be glossed over.

Certainly, with all the love and affection and respect and admiration we have for the distinguished Senator from South Dakota, we who have been in the forefront of this fight should ask—and I believe wisely so—for the name and for the identification of the man who is accused of doing this. That is our position. It is not an attack on the Senator from South Dakota.

The bill has been given a very bad press. The attempt has been made to give it a very bad reputation. Because of lack of information, it has been more difficult to get the facts across on the pending bill than on any other bill I have ever worked on.

Mr. GORE. Mr. President, I thank my able and distinguished and beloved friend, the junior Senator from Oklahoma. I share his resentment at the extremes to which certain elements of the opposition to the bill have gone.

Mr. MONRONEY. Outside of the Senate.

Mr. GORE. Outside of the Senate. I believe the debate in the Senate has been on a high level, and that it has been a debate worthy of the United States Senate. Frankly, the propaganda and the advertising and the tactics of both the opponents and the proponents of the bill, outside of the Senate, have been extreme. I regret and resent them.

I thank the Senator for his generous remarks about the junior Senator from South Dakota. I know that he genuinely holds the junior Senator from South Dakota in the highest of esteem. Like the junior Senator from Oklahoma, I believe two questions remain unanswered: The identity of the perpetrator of this deed and the identity of the client or the forces or the influences whom this attorney allegedly represented.

I presume, however, that the junior Senator from South Dakota had reasons which he regards as good and sufficient for his declination to disclose this identity today. Until I hear this reason I shall not presume that by such declination he means to impugn the motives of any Senator or to unfairly influence the outcome of this issue.

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD four editorials concerning the natural gas bill which, in my opinion, warrant the attention of each Member of this body, as well as the general public. The editorials and the newspapers in which they appeared are as follows: Not a Public Utility, Foster's Democrat, Dover, N. H., June 10, 1955; Federal Gas Fight, Manchester Union Leader, Manchester, N. H., July 25, 1955; Threat to Free Enterprise, Nashua Telegraph, Nashua, N. H., February 11, 1955; Gas Facts, Boston Evening American, Boston, Mass., January 25, 1956.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Dover (N. H.) Foster's Democrat of June 10, 1955]

NOT A PUBLIC UTILITY

The case for freeing natural-gas producers from Federal controls recently imposed by a United States Supreme Court interpretation of the Natural Gas Act of 1938 is overwhelming.

There is a great and basic difference between gas production, and gas distribution to the ultimate consumer. Each local gas distributing company is a public utility with an exclusive franchise in its territory. Therefore it is regulated as to rates and other matters by local regulatory bodies. The pipeline companies operating in interstate commerce are similarly regulated by the Federal Government. No one is seeking to change this.

But there are no exclusive franchises in finding gas. More than 8,000 independent producers compete vigorously to find it and then to sell it. No single company produces as much as 5 percent of the supply. And the risks are heavy, for the majority of wildcat wells turn out dry and worthless.

So far as consumers are concerned, between 1945 and mid-1954 the cost of household gas rose, on a nationwide average, by only 12 percent, as contrasted with a jump of nearly 50 percent in the cost of living as a whole. And producers get an average of but 10 percent of the gas bills the householders pay. If they got exactly nothing for their gas, household consumers would save less than 2 cents a day.

Finally, continued Federal regulation of gas at the wellhead would discourage producers and result in less searching and wildcatting—which means we ultimately would have less gas and more costly gas.

[From the Manchester (N. H.) Union Leader of July 25, 1955]

FEDERAL GAS FIGHT

It looks as if the drive to repeal Federal regulation of natural gas was not going to get anywhere at this session of Congress.

This drive was inspired by a 1954 decision of the United States Supreme Court, holding that the Federal Power Commission has the authority to regulate natural gas. This decision was based on the Natural Gas Act of 1938, which Congress stated did not apply to "the productor gathering of natural gas." On that basis the Federal Power Commission held that natural gas producers were not under its control. But the Supreme Court said different. It reversed the interpretation of the law and ruled that under the legislation of Congress, the Commission is required to regulate natural gas.

Now this ruling set off a fight between gas producers and gas consumers. The gas producers hold that there is no more reason why they should be treated as public utilities and subjected to Federal control than producers of oil and coal. They maintain that this public utility status forced upon them will undermine the incentive to explore and develop gas reserves.

Gas consumers, on the other hand, hold that gas distribution through expensive pipelines is essentially a monopoly which requires public regulation to protect the consumer. Since gas is produced largely in the Southwest and used mostly in the North and East, the controversy lies between these two sections of the country.

That being so, what Congress does will be largely a political matter. The fight is between Congressmen from the Southwest, such as SAM RAYBURN and LYNDON JOHNSON, backed up by the big oil companies, and representatives from the North and East.

Who will win remains to be seen. But it will be hard for the impartial observer to see why natural gas should be federally controlled any more than oil. That doesn't seem to make sense. In any case the press of legislation before Congress seems likely to prevent action at this session.

[From the Nashua (N. H.) Telegraph of February 11, 1955]

THREAT TO FREE ENTERPRISE

The recent Supreme Court decision that the price of natural gas at the well is subject to regulation by the Federal Power Commission is causing considerable concern on the production level of the Nation's business community.

The general concern is not so much with the immediate effects of the decision as it is with the long-range repercussions which could eventually reach from the oil and gas fields of the South and Southwest even into the factories of Nashua.

Many oil and gas men fear that this decision may mean the first step toward Government regulation of all business. It is a fear that is well worth examining more closely.

The gas producers concede that regulation of prices of natural gas at the consumer level is good and even necessary, since in most communities this end of the business is noncompetitive and doesn't allow the consumer any choice as to which firm he'll do business with—there's only one. The same holds true of the transmission of the gas over pipelines. Here again there is a virtual monopoly.

What is causing the gasmen concern, however, is the fact that the sale of the gas at the well is a highly competitive business with prospective purchasers able to shop around among several producers for the best price and terms.

It is regulation at this level which causes many people to see the spectre of Government control of all production.

Their point seems to be well taken.

If the Government can step in on one competitive field it is well within the realm of possibility that it can do it in other fields. The trend, once started, may be hard to stop. Regulation in one field breeds regulation in another until finally the whole fabric of free enterprise may be threatened.

Governments are notoriously reluctant to give up powers they have once assumed. Instead, the usual pattern is to extend those powers.

The present FPC, and its parent administration, may be determined to see that

there is no extension of these regulatory powers. It may, with the best intentions in the world, resolve to keep interference with free enterprise at a minimum.

However, administrations change and so do commissions. The unwritten rules of one generation are the laughing stock of the next. And today's entering wedge may produce tomorrow's full cleavage.

It might be well for Congress to examine this situation carefully and to take whatever action is necessary to insure the continuation of competition and free enterprise throughout an economy which has attained its present paramount position through those very factors.

[From the Boston Evening American of January 25, 1956]

GAS FACTS

Fundamental facts of interest to the consumer are being obscured in the Senate controversy over Federal control of the natural-gas industry.

The natural-gas business falls in 3 divisions—producers who obtain the fuel at the wells and who operate mainly in 6 States; interstate pipelines which transport natural gas to consumer markets, the bulk of which are situated in 33 large importing States; and distributors or, in plain language, local gas companies. Pipelines and local gas companies operate as monopolies.

To protect the public, local gas companies are regulated under State laws as public utilities. The Federal Government has no jurisdiction in this field.

Further to protect the public, Congress in 1938 passed the Natural Gas Act, giving the Federal Power Commission authority over the pipeline engaged in interstate commerce. The act specifically exempted producers at the well from Federal regulation.

In June 1954, the Supreme Court ruled, by a split decision, that producers were also subject to Federal control if any part of their production was sold across State lines.

In sum, the Court held that a law passed by Congress contained something that Congress had not put in the law.

This, as in the preceding matter of oil-bearing tidelands, was a case of the Federal judiciary invading the legislative powers of Congress.

Congress nullified the earlier decision by passing a law that returned the tidelands seized by the Federal Government to the States which had owned them for 100 years without dispute.

Following that precedent, the Harris-Fulbright bill was introduced in Congress to rescind the natural-gas decision and was passed by the lower House last year. The bill is now pending in the Senate.

The basic issue, therefore, is that legislative powers under the Federal Constitution belong solely to Congress and may not be usurped by either the executive or judicial branch.

Obviously, if the Federal Government has power to regulate the production of natural gas, then, as Senator BRIDGES has said:

"We must also extend Government control to the production of coal, lead, zinc, copper, and all other mining."

Opponents of the Fulbright bill assert that the production of natural gas is a monopoly from which the public must be protected by Federal intervention.

No reliable facts are offered to support this contention.

It is true that 197 companies produce 90 percent of the natural-gas supply. But, of these 197 companies competing with each other, none controls 5 percent of the total production. Moreover, in this highly competitive industry there are actually 8,000 producers operating 71,000 gas wells in 28 States.

That is hardly a monopoly.

Opponents of the Fulbright bill also allege that the consuming public is the victim of price extortion by the natural gas companies.

There are some 25 million residential natural-gas consumers, mostly in the large cities, and the millions of families who read the Hearst newspapers are among them. Naturally, we are on their side; always have been and always will be.

But here are some facts:

Prices vary geographically, but taking New England for an example:

The producer averages only 10 cents per 1,000 cubic feet for natural gas piped into New England. The pipelines get only 50 cents. But the average home price in New England is $2.40 per 1,000 cubic feet, the local distributor getting $1.80. The distributor's price is thus 2,400 percent of the producer's price.

In Washington, D. C., a residential consumer pays $1.31 for natural gas for which the producer receives 12½ cents.

According to a congressional estimate, a local utility company collects 18 cents for delivering 2 cents' worth of natural gas.

Plainly, the high costs to consumers are attributable much more to local service and distribution than to exploitation by producers; and local utilities are subject to State or municipal regulation.

Opponents of the Fulbright bill contend that Federal regulation, as unconstitutionally decreed by the Supreme Court, will increase the market supply of natural gas and reduce consumer prices.

Market statistics indicate exactly the opposite effects.

Expanding potential markets demand expanding supplies.

But the interstate supply is diminishing. Because of Federal regulation at the wellheads, many independent producers are selling their product only within their own States, where Federal control is absent. Likewise, "wildcatting," or bringing in new wells, is declining.

The long-range result of Federal control must be a future market shortage and high consumer prices.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I have noted during the past few days that the discussion of the natural-gas bill has, to some degree, degenerated into a matter of name-calling and the making of unpleasant charges, as, for instance, this morning, in the column of Mr. Drew Pearson, I find that he states that the Senators from Florida are reported to have a financial interest in gas and oil companies, and more of the same kind of thing.

In the first place, Mr. President, I wish to say that it would make little difference as to the right or wrong on this question as to whether the senior Senator from Florida had any such interest, but it happens that he does not have any such interest and never has had any such interest.

He is rather amused that anyone should have gotten to the point of making such wild charges as those we have been hearing when so many good people are supporting the gas bill in good conscience.

Apropos of that fact—and I hope the few Senators who are present will give me their attention—I received, under date of January 18, a letter on this subject from a very fine and outstanding citizen, the mayor of the city of Jacksonville, and I asked his consent to insert the letter in the RECORD, because I think it will throw some light on what is going on behind the scenes.

The letter reads as follows:

OFFICE OF THE MAYOR,
Jacksonville, Fla., January 18, 1956.

Hon. SPESSARD HOLLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR: I have read with interest that the Senate is now considering the Fulbright bill and that it is likely to be amended so as to correspond with the Harris bill which has already passed the House. I feel that if the free enterprise system is to be continued as the American way of doing business that this measure must be enacted into law.

The Florida League of Municipalities, representing more than 500 Florida cities, has, by resolution unanimously adopted, taken a position in favor of the Harris and Fulbright bills. This action by the Florida League of Municipalities was taken only after very careful study and consideration of what the results would be in case such legislation were not enacted into law and the production of natural gas were placed under Federal control.

The Florida State Chamber of Commerce, during its convention held at Miami last year, likewise adopted resolutions favoring the passage of these measures.

Mr. President, to this part of the letter I ask particular attention because I think it throws some light on what is happening nationally in this matter. I continue reading from the letter:

During national meetings of the American Municipal Association and the United States Conference of Mayors those of us in attendance have been besieged by lobbyists and various representatives of certain big eastern gas utilities who tried unsuccessfully at each of these conventions to have resolutions adopted opposing the passage of these two bills. Twenty-nine of the 32 members of the resolutions committee of the American Municipal Association, in convention at Miami, expressed their opposition to resolutions designed to oppose the passage of these measures and some of them were so vigorous in their expressions that the three members who were proponents tactfully withheld their resolution from consideration.

The more that I have seen of this type of operation on the part of those utilities referred to the more determined I have become that their position must not prevail. I therefore urge that, in representing the cities and the citizens of Florida in the United States Senate, you personally and energetically support the passage of the Fulbright bill after same has been amended to conform with the Harris bill.

With kindest personal regards and best wishes for this, the New Year, I am,

Sincerely yours,

HAYDON BURNS,
Mayor-Commissioner.

Mr. President, I hasten to say that Mayor Burns has been elected and reelected as the mayor of our second largest city; that he is a citizen of distinction and of high character; that he speaks in his letter with conviction, not

UNIVERSITY OF MICHIGAN LIBRARIES

only of his own views, but of the views which he says were unanimously adopted by the League of Municipalities, representing 500 cities and towns of the State of Florida. He also gives considerable light in his letter on the kind of tactics which he and other representatives of the municipalities of Florida and of the Nation have run into in meetings such as he has described, namely, meetings of the American Municipal Association and the United States Conference of Mayors. I think his letter speaks very fully for itself.

Mr. President, Mr. Burns speaks of a resolution passed by the Florida League of Municipalities, which he says was unanimously passed. I ask unanimous consent to have printed in the RECORD and made a part of my remarks the resolution which was adopted by the Florida League of Municipalities bearing on this subject.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas under a recent decision of the Supreme Court of the United States interpreting the Natural Gas Act, competitive producers and gatherers of natural gas have been brought under Federal regulation and have been assigned utility status as regards gas that enters interstate commerce; and

Whereas it is the opinion of this body that the extension of Federal regulation to competitive producers of raw products—whether such raw product be natural gas or some other product—and the assigning of regulated utility status to the producers of such products, is a policy contrary to the true American political philosophy and is violative of the inherent rights of the several States; and

Whereas it is also the opinion of this body that the continuance of such a policy of regulation will result in a scarcity of natural gas for export from producing States to consuming States, and a resulting increase in price to ultimate consumers as to that natural gas which is available to consumers in nonproducing States; and

Whereas it is further the opinion of this body that unless the Natural Gas Act is amended so that producers and gatherers of natural gas may freely compete free from Federal regulation and thus produce an adequate supply of natural gas for interstate movement, the citizens of the State of Florida will be hindered in their efforts to obtain natural gas as a fuel: Now, therefore, be it

Resolved by the Florida League of Municipalities in convention assembled at Tampa, Fla., That it is the belief of this body that the production and gathering of natural gas, including the sales thereof in the field where produced, should be conducted on a competitive basis free of Federal regulation, so that there may not be established a precedent of Federal regulation of competitive producers of raw products entering interstate commerse, and so that the people of the State of Florida, and of other States not producing natural gas, will not be denied the opportunity of obtaining an adequate supply of natural gas at a reasonable price due to scarcity of supply; be it further

Resolved, That the secretary-treasurer of the Florida League of Municipalities be instructed to furnish a copy of this resolution to the cabinet committee on energy, supplies, and resources policy, and to each member of the Florida delegation to the United States Congress.

Adopted November 23, 1954.

Mr. HOLLAND. Mr. President, Mayor Burns also mentions a resolution adopted by the membership of the Florida State Chamber of Commerce at its 38th annual meeting. This, by the way, is certified to by Mr. Earl W. Brown, president, who is a highly regarded and a very fine citizen of our State, and by Mr. Walter L. Hays, corporate secretary, who is another fine citizen of the highest type.

I ask unanimous consent that this resolution so adopted appear as part of my remarks at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Florida State Chamber of Commerce is devoted to the development and betterment of the State of Florida; and

Whereas we believe that natural gas is essential to the industrial development and domestic betterment of the State of Florida; and

Whereas, we believe that the Houston Texas Gas & Oil Corp., after having made a market analysis of Florida, is apparently making a sincere effort to properly petition the Federal Power Commission for a certificate of public convenience and necessity and the authorization to build and operate a natural gas pipeline of sufficient size from Louisiana to the State of Florida; and

Whereas the so-called Phillips case is apt to have a very injurious effect upon the further extension of natural gas: Now, therefore, be it

Resolved by the Florida State Chamber of Commerce in annual meeting assembled in Miami, Fla., this 16th day of November 1954, That this organization ask its national affairs committee to support legislation similar to the former Kerr bill (which was vetoed) in connection with the Natural Gas Act of 1938: Be it further

Resolved, That the board of directors of this organization is hereby requested to support the petition of the Houston Texas Gas & Oil Corp. before the Federal Power Commission, provided this petition be filed within 6 months from this time or within a reasonable length of time.

EARL W. BROWN,
President.

Attest:

WALTER L. HAYS,
Corporate Secretary.

Mr. HOLLAND. Mr. President, I do not wish to be heard further on this matter, but I hope that in the remaining debate upon the bill—and I believe we shall face some very vigorous debate on Monday prior to and between votes—I hope the Members of the Senate will confine themselves both in their arguments upon the floor and in their statements to the press and in the cloakrooms, to the facts, the merits, and demerits of the proposal, and refrain from the questioning of motives of brother Senators and the casting of reflections upon both Senators and good citizens who, by the thousands throughout this country, favor, as I favor, the enactment of the pending measure.

Mr. President, I yield the floor.

Mr. BUTLER. Mr. President, it has come to my attention within the last 15 minutes that radio transcriptions have been made by certain of my colleagues for circulation in my State, at the request of one of our labor organizations, for the purpose, I suppose, of attempting to influence my vote in connection with the pending bill.

I am a member of the Committee on Interstate and Foreign Commerce. I attended some of the hearings on the bill. I have been thoughtful in my consideration of the bill and during the recent recess gave all aspects of it serious study. I have arrived at my decision honestly, and I propose to stand by it.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 O'CLOCK A. M. MONDAY

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in recess until Monday morning at 10 o'clock.

The motion was agreed to; and (at 4 o'clock and 56 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, February 6, 1956, at 10 o'clock a. m.)

NOMINATIONS

Executive nominations received by the Senate February 3 (legislative day of January 16), 1956:

UNITED NATIONS

Raymond T. Bowman, of Pennsylvania, to be the representative of the United States of America on the Statistical Commission of the Economic and Social Council of the United Nations.

Mrs. Lorena B. Hahn, of Nebraska, to be the representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations.

INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Herbert V. Prochnow, of Illinois, to be United States Alternate Governor of the International Monetary Fund and the International Bank for Reconstruction and Development for the term of 5 years.

UNITED STATES MARSHAL

James Crawford, Jr., of Texas, to be United States marshal for the eastern district of Texas, for a term of 4 years, vice Peyton McKnight, Jr., resigned.

IN THE NAVY

In accordance with the provisions of section 413 (a) of the Officer Personnel Act of 1947 the following-named officers for commands and other duties determined by the President to be within the contemplation of said section, and to have the grade, rank, pay, and allowances of vice admiral while so serving:

Vice Adm. Francis C. Denebrink, United States Navy.

Vice Adm. Roscoe F. Good, United States Navy.

Vice Adm. Frederick W. McMahon, United States Navy.

Rear Adm. Walter F. Boone, United States Navy.

Rear Adm. William L. Rees, United States Navy.

Rear Adm. Ruthven E. Libby, United States Navy.

Rear Adm. Lorenzo S. Sabin, United States Navy.

Rear Adm. James H. Thach, Jr., United States Navy.

Rear Adm. Harry D. Felt, United States Navy.

Rear Adm. Bernard L. Austin, United States Navy.

Rear Adm. Edward W. Clexton, United States Navy.

Vice Adm. Murrey L. Royar, Supply Corps, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

Rear Adm. George F. Beardsley, United States Navy, to be Director of Budget and Reports in the Department of the Navy for a term of 3 years.

EXTENSIONS OF REMARKS

Dedicatory Prayer Breakfast

EXTENSION OF REMARKS
OF
HON. FRANK CARLSON
OF KANSAS
IN THE SENATE OF THE UNITED STATES
Friday, February 3, 1956

Mr. CARLSON. Mr. President, yesterday morning 800 persons, including the President, members of the Cabinet, the courts, Members of the Senate, Members of the House of Representatives, Government officials, delegates to the conference, and representatives of the Council of Christian Leadership Groups attended the Presidential prayer breakfast at the Mayflower Hotel in Washington, D. C. Conrad Hilton was host on the occasion.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a copy of the program and transcript of the proceedings of this service.

In my opinion, this prayer breakfast, attended by outstanding leaders in every field, will add much to the religious life of our Nation.

There being no objection, the program and transcript of proceedings were ordered to be printed in the RECORD, as follows:

PROGRAM FOR PRESIDENTIAL BREAKFAST, THURSDAY, FEBRUARY 2, 1956, 8 A. M., MAYFLOWER HOTEL

Presiding: Hon. FRANK CARLSON, United States Senate, president, International Council for Christian Leadership.

Invocation: Hon. JAMES B. UTT, Member of Congress.

Message from the Old Testament: The Honorable Sherman Adams, Assistant to the President (Psalm 24).

Message from the New Testament: Senator PRICE DANIEL (Texas) (Colossians 1: 12–20).

Breakfast.

Message of welcome: Senator FRANK CARLSON.

Greetings: Mr. Conrad Hilton.

The President of the United States.

Solo: Mr. Fague Springman.

Greetings from the Senate breakfast group: Senator JOHN STENNIS (Mississippi).

Greetings from the House of Representatives breakfast group: Hon. D. R. MATTHEWS (Florida).

Address, The Call To Advance: Mr. Howard E. Butt, Jr., Corpus Christi, Tex.

Prayer of dedication: Abraham Vereide.

Group singing (first verse and chorus of Battle Hymn of the Republic).

(The fourth annual prayer breakfast was opened by Senator FRANK CARLSON, president, International Council for Christian Leadership.)

Senator CARLSON. We will have the opening prayer this morning by Congressman UTT, of California.

Mr. UTT. Almighty and eternal God, we humbly ask Thy grace on this convocation of Thy servants. Help us to be thankful for Thy manifold blessings, those seen and those unseen. Help us to seek knowledge, wisdom, understanding, truth and compassion.

Help us to be humble enough to know that the salvation of this republic, and the salvation of this world must rest upon the shoulders of our spiritual leaders.

Help us to maintain our self-respect and an abiding respect for the rights and dignity of our fellow men.

Help us to search for that inner peace with Thee, that it may follow as the night the day, the world will be at peace.

Bless this food to our use—and us to Thy service, for the Lord is good, His mercy is everlasting, and His truth endureth through all generations.

In the name of the Father and of the Son and of the Holy Spirit, we lift our hands of prayer to Thee O Lord. Amen.

Senator CARLSON. We would like very much at this time to have two portions of the Scripture read before we proceed with the breakfast. The first portion of the Old Testament will be read by Gov. Sherman Adams and the second portion by Senator Price Daniel.

The Scripture read was the 24th Psalm and Colossians 1: 12 to 20.

Senator CARLSON. First I want to express my sincere appreciation for the very fine response that we have had this morning to the invitation of our host, from whom you will hear later.

We meet this morning at a breakfast of prayer and devotion. In order that we may be in keeping with the reverence and the dignity of this occasion, I am going to ask that you withhold your applause during this entire period. I know there are going to be times when you will want to applaud, but kindly do not do so.

We have two people at the head table this morning who will not participate in the program, but I want to present them at this time. First, Lt. Gen. William S. Paul, president of the International Christian Leadership of the United States.

Secondly, the Honorable BROOKS HAYS, Congressman from Arkansas and vice president of the International Council of Christian Leadership.

This morning is the first session of the International Council for Christian Leadership. We deeply appreciate the presence of the President of the United States, who by precept and deed is setting an example that worship of our Creator should be a part of our everyday life.

The theme of this meeting will be Worldwide Christian Action. In my opinion, in Christian leadership we must find ways and means of awakening people to a spiritual understanding. If we cannot do this, human personalities and personal freedom as we know them in this Nation are in danger of being lost to the other nations of the world. Somehow, some way, we must discover and bring about a collective strength of spiritual fellowship.

Increasingly the leaders of the world are expressing their conviction that the only hope for mankind lies in a renaissance—spiritual revival. When men cry to God in utter helplessness, His heart goes out to them.

This morning you are the guests of a Christian layman with whom I have had the privilege of working in the last few years. He is a most generous host who has not hesitated to give of his time and the use of his means in advancing Christian programs. It is a distinct honor to present one of the outstanding businessmen of the Nation who has done so much and will do much more in the interests of this cause—Mr. Conrad Hilton.

Mr. HILTON. Mr. Chairman, Mr. President, distinguished guests, ladies and gentlemen, the most effective story or picture of prayer in action that I know is 2,000 years old and was told by the greatest storyteller of all time. As I recall it, a man was going down from Jerusalem to Jericho and fell among robbers. They beat him, robbed him, and left him dying by the side of the road.

A number of people passed by, looked, and went on. I suppose they were very busy people. Finally, a man came along on a donkey and stopped, cared for the injured man's wounds, put him on his animal, and took him to an inn—incidentally, one of the first hotels mentioned in history. There he found him a room and left the injured man in good hands. That is what I call prayer in action.

The good samaritan showed great compassion and great thoughtfulness. He must have been a prayerful man, inasmuch as one does not and cannot act in this religious fashion unless he is warmed by the friendship of God in prayer.

This great short story, one of the finest in any language, seems to be applicable today in a number of ways. It can be applied within our families, in our neighborhoods, our cities and States, in fact, it could be an illustration of our national ideal.

More than that, since so many modern nations are lying by the side of the road, injured economically, politically or culturally that it might very well be our obligation, our privilege, to pick them up and take them along with us to greater assurance of security, peace and happiness.

We in America have been born very rich indeed, as individuals and as a Nation. We have inherited great wealth economically, culturally and spiritually. I think it is our obligation to share it.

Some of these nations, large and small, have fallen among robbers and there is great danger of more of them falling among the same robbers. There are bands of them now crawling in the Near East, the Middle East, the Far East. Others are in Africa and Latin America. I think we will be showing ourselves internationally prayerful men and an internationally prayerful Nation if we show a willingness to stop on the road along the broad highway of political and economic prosperity long enough to assist these nations. In fact, I would say that what this world needs more than anything else today is an awareness of its own unity, and admission of the fact that not only men but also nations are brothers, that we have a right to expect another nation to assist us if we fall among robbers.

The alarming fact is that almost half the world today is being taught to put its hope in the robbers.

UNIVERSITY OF MICHIGAN LIBRARIES

This is not the time nor the place to discuss political implications of this international fact, but this much I will say: prayer is not sufficient. We must, as a gentleman told me some time ago, pray as if it all depended upon God and act as if it all depended on ourselves. When we have done this on an international level, we shall indeed be good samaritans, indeed men of prayer, indeed religious men. I think a thousand years from now men will speak of our goodness as a nation just as we recall today the goodness of the man who helped another man on the road from Jerusalem to Jericho.

Speaking of prayer, one of the most inspiring prayers I ever heard was offered by President Eisenhower during his inauguration. When I learned that this prayer was written in the presidential suite of the Statler Hotel the morning of the inauguration, I had it inscribed on a silver plaque.

I would like to present this plaque, together with the desk and the chair, to you, Mr. President, with our best wishes for your continued good health and happiness.

President EISENHOWER. I am afraid the applause of you kind people doesn't speak well for Senator CARLSON'S discipline over you.

Mr. Chairman and Mr. Hilton and my friends, this is a touching thing which Mr. Hilton has done in presenting to me this plaque and the desk and the chair from which I wrote the little prayer that I used at the inauguration some 3 years ago.

That incident brought to me a great message. It seemed to me a perfectly natural thing to do. I was seeking some way to impress upon the audience at that moment that all of us realized a new chief executive would be inaugurated over a nation that was founded on a religious faith. Our founding documents so state in explaining our Government and what we intended to do.

In the Declaration of Independence are found references to the Creator which gave us certain rights in our Government, and it was set up to sustain them. That seemed to me a perfectly natural thing to do as a method of showing that I also believed.

It was with some astonishment that I began to see this response. Literally thousands of messages came in, some of them from people who did not particularly think I was the man to occupy that place. They still applauded that act.

Here is the lesson, as I see it. I know very few men, very few people, who tell me they are atheists or agnostics. But we find among the laity a curious diffidence in merely stating the fact that they believe that there is a God and He is more powerful than they and they depend upon him.

That is what the prayer was for. It was because a layman did do so, and of course in such a position, that this response came in.

I think that prayer is somewhat related to these prayer breakfasts. We can pray in our quarters, but we can also come to gatherings occasionally—and I understand this whole meeting is a week long—announcing to the world that we come as laymen and meet, making the same acknowledgment that was made in that prayer and doing exactly the same thing. We are telling people that this Nation is still a Nation under God. This is terrifically important today.

There has been too much of the world that believes the United States to be completely materialistic, boastful, proud, and arrogant. It makes no difference how they have achieved that understanding or how they have been misinformed in order to achieve such a belief. Traveler after traveler has reported the same thing.

It is meetings such as this, continual, repeated, that has helped to dispel this very great illusion. It still is a nation that is founded on a religious faith with great concern for the sentiments and compassion and mercy that Mr. Hilton so elegantly spoke about. That is what we want others to think about when they think of the United States.

People have talked about the spirit of Geneva. The thing that the spirit of Geneva did accomplish and that so far has not been destroyed is that people in watching that conference gained the belief that the United States was truly trying to follow the footsteps and the principles of religion and to establish a just peace for the world. That is a tremendous gain in this day of fear, hysteria, and a sometimes too great reliance on force.

I believe, if I am not misquoting, that even the Bible says when a strong man is armed he keepeth his palace. We intend to remain strong, but let us always do it with the certainty that anyone who comes in integrity, observing the moral values that we know are imbedded in this great religious faith, will be received as a friend and taken with us down the road to future happiness.

I had no intention of making a speech. As a matter of fact, I was promised I didn't have to, and I don't know how I got started.

Senator CARLSON. Thank you, Mr. President. We appreciate not only your presence but your statements this morning.

We will now be favored with a solo by Mr. Fague Springman.

(Solo.)

Senator CARLSON. Thank you, Mr. Springman, for that beautiful solo.

Over this Nation there are a number of prayer breakfast groups that meet weekly in many cities, held by businessmen, industrial leaders, Government officials, and professional people.

At the United States Capitol every week we have 2 prayer groups that meet, 1 in the United States Senate and 1 in the House of Representatives. This morning we are going to have short greetings from representatives of these two groups, from the Senate group the distinguished Senator from Mississippi, Mr. STENNIS, and from the House group, the Congresman from the State of Florida, Mr. MATTHEWS.

Senator STENNIS. Mr. President, Mr. Chairman, Mr. Hilton, and distinguished guests, it is my special privilege to bring you greetings from the Senate breakfast group which, as Senator CARLSON has said, meets in the Senate restaurant on Wednesday morning of each week where from 12 to 20 Members of the Senate meet for a brief social period around the breakfast table and then for a few minutes of prayer and the exchange of spiritual experiences.

Let me commend the idea to this great council at its present meeting, to your leadership in forming more of these groups.

I came here a few years ago, as everyone else, at first overwhelmed by invitations to come to breakfast, to lunch, to dinner, to this and that, and I was tired of all of it. And finally someone said, "Come to breakfast next Wednesday morning and we will discuss spiritual matters." I had already determined to refuse until that last clause but came on the strength of it.

I found a great source of strength from week to week and year to year, where men meet together under the responsibilities and burdens of making decisions for many millions of people without party lines or sectionalism or partisanship or denominationalism. Their exchange of ideas all proves to be a great source of spiritual and also moral strength. I think that applies with equal force to business leaders, professional men and women, groups everywhere throughout this great land.

I am personally grateful, as we all are, for your fine leadership in this great work so far. I commend it most highly to your dedicated services throughout this great land in giving us more groups that gain strength from each other, wisdom and power, and pass it on to others.

Mr. MATTHEWS. Mr. President and friends. I would like to bring you greetings from our House breakfast group. I would like to say that it is perhaps the most perfect example of nonpartisan activity in Congress. The only inevitable rule of organization that we have is that if the president be a Republican the vice president must be a Democrat. I cannot indulge my political preference before such a wonderful group, but let me say that next year the president will be a distinguished Republican.

I would like, in telling you a little about our particular group, to give you several statements that I have heard made by my colleagues, some forty, who come every Thursday morning, some hundred who come irregularly.

One of my colleagues said in a wonderful talk one day that too much has been said about what has been said about what Jesus said and not enough has been said about what He said.

Then on another occasion a colleague said that Christ never went to Rome to get a law passed, that he realized that only as you change the hearts of men can this world be saved.

On another occasion a distinguished colleague said, "I try to make as a daily part of my life the practice of praying for the people that I pass in the streets. I see those who are troubled and weary, and instead of thinking about my own burdens I pray for them."

Then I think another colleague summed it up so wonderfully when he said that of all the experiences he had had in the Congress—and he has had a distinguished career—he has felt that the experiences of our House breakfast group have been those that have meant the most to him.

I think these experiences mean so much to us because they do resolve tensions. We do have the spirit of spiritual fellowship. We do, I think, become more confirmed with the fact that although in this day of ours we are faced with Golgotha we also stand at Kadesh. The good Lord says to you and to me, "Come, look, and see this land which I have prepared for you."

Finally, I think we are confirmed as we meet together humbly, craving anonymity as we do, because we recognize the personal intimacy of man's relationship with his God, we realize that in this weary world of ours we can gain strength through prayer and fellowship to rise to those occasions which will make us superior to our environment. After all, that is the real promise of the spiritual life.

Senator CARLSON. Thank you.

We are now going to be favored with a personal testimony of one of our outstanding Christian laymen who is devoting much of his time to the work of God. He is a successful businessman. I now present to you Mr. Howard E. Butt, Jr., of Texas.

Mr. BUTT. Mr. President, Senator CARLSON, ladies and gentlemen, last Saturday night H. L. Mencken died in his Baltimore home. He was a great scholar, a scintillating writer, known as the magnificent dissenter. He was famed for his caustic wit and his biting cynicism.

Mr. Mencken regarded faith in God as a pious but unsupported sentimentality. He called faith the illogical belief in improbable occurrences. To many, in a sense, H. L. Mencken's death will be regarded as a fresh signification of the end of an era, for the intellectual climate of H. L. Mencken's day was a climate of skepticism and unbelief. Doubt was popular and a sure sign of culture and enlightenment was the sophisticated scholar.

You recall the story of the American soldiers in France on leave who made a tour of one of those magnificent French cathedrals. The priests showed them a sacred shrine, a niche of that great cathedral, and showed them a candle burning there. He gestured and then in tones of hushed reverence and awe he said, "There has been a candle burning in this shrine continuously for over 300 years."

The American GI nudged his buddy and said, "There has been a candle burning there for over 300 years continuously" and he blew it out. He said, "It is out now." And somehow that characterized that age in American life, a generation of candle blowers who felt it smart to snuff out sacred flames of faith, faith in God, faith in old truths, old principles, the old Book.

But in our day that has changed. The climate is different, perhaps not totally but certainly obviously and basically the climate is changed for the climate of our day is one of searching and praying and finding. It is an atmosphere of faith.

What produced that? World War II with its consequences militarily and scientifically that have been evolved.

You recall when a British lord stood at the close of the First World War before the British House of Lords and spoke of the bright optimism and quoting from Shelley he said, "The world's great age begins anew, the golden years return."

He was wrong. Those words have a sardonic ring now for the golden years did not return. The bloody years returned. Why? Because we had been deceived into thinking the optimism of Coue, that every day in every way we were getting better and better and we had neglected those basic truths that the Bible so clearly enunciates about human nature.

We came up short to realize that once we encounter what God has revealed about human nature we know that there is something basically wrong with the human race and that the problem of the world is the problem of the human spirit. When we realize that our problems are spiritual, that they demand a spiritual solution, suddenly it dawns freshly on our generation that the way out is the way up, and consequently in these last 10 years there has been a great sweeping wave of spiritual interest.

The signs have been magnificently hopeful. The churches are crowded. They grow with marvelous rapidity. Great preachers have captured the attention of the American people. Our best selling books are religious books. A nostalgia for God has somehow gripped countless millions, a search for some sure haven of rest for the soul in the midst of a stormy day; and for that we give our humble thanks.

But the peril lies precisely here, that the people of God in America, that the people who name the name of Jesus Christ in this land, will regard what has happened thus far as a victory rather than an opportunity. This spiritual awareness is a preliminary victory, but basically it is a golden opportunity and if we relax in some sort of self-congratulation or if we pause right on the ramparts of conquest in half-heartedness and ease, then we pass our opportunity to make this America's greatest spiritual renaissance.

Someone has said that on the plains of hesitation bleach the bones of countless millions who on the dawn of victory sat down to rest, and resting, died.

Our opportunity is the opportunity to dedicate ourselves regardless of the personal cost to the principles we know to be right for the Lord that we know to be God.

Three years ago President Eisenhower stood at his inauguration, his finger resting on those sacred words from the scripture that speak to us freshly today with sure promise but with strong demand, "If My people who are called by My name will humble themselves and pray and seek My face and turn from their wicked ways, then I will hear from heaven and forgive their sins and heal their land."

Some years ago someone said of the Polish nation that two forces strive for control of Poland, communism and Christianity, that whichever one becomes a flame of fire will capture Poland. And communism had its flame of fire and Christianity had no flame. The passion, the dedication, the sacrifice, and the consecration of these who are dedicated to atheistic materialism calls us afresh to say that we must commit ourselves in a devotion that is fresh and new and complete to Jesus Christ and his righteousness.

The statement of one of our great religious movements is, "It is better to light a candle than to curse the darkness." It is not enough that we are no longer candle blowers; it is essential that within our lives individually and collectively we light a flame, that we strike that match of the flame of faith in our own hearts by individual repentance from sin and commitment to Jesus Christ.

We dedicate ourselves to a premise of the word of God, that only Jesus Christ can transform human nature. We consecrate ourselves. We dedicate ourselves afresh today to Him who is our hope for personal peace and for the peace of our world, and somehow as we light that flame of faith the torch of liberty will burn more brightly in this land than it has ever burned before.

Our great heritage will be rekindled again for our generation, even more brightly than before. "Long may our land be bright with freedom's holy light. Protect us by Thy might, great God our King."

Senator CARLSON. Thank you, Mr. Butt.

I just wish to state that for the next 2 or 3 days this conference of the International Council for Christian Leadership is going to hear messages by clergymen and laymen from all over the country and the world.

We are going to close with a prayer by the executive secretary of the international council, Mr. Abraham Vereide.

Mr. VEREIDE. O God, our Father, we thank Thee for this hour together. We humbly thank Thee for our President, his Cabinet, our Congress, the courts, and the officials of the departments and agencies of this Government. We present them now to Thee, O God of infinite mercy, justice, and truth. Grant unto them the spirit of wisdom and power for every hour.

We thank Thee for these representatives of the International Council for Christian Leadership with their many groups throughout this land and other countries.

We thank Thee for this country, a haven of refuge, a place of opportunity for people from every land.

God grant that we may increasingly learn how to live together according to Thy plan in mutuality and concord. For the nations of the earth and leadership everywhere, especially those assembled before Thee, we pray.

Forgive, O God, our sins, and save us, for Jesus' sake. Cleanse us from headiness and pretense, pride, and all unreality, and so invade us by Thy spirit that we may in true dedication and implicit faith and love be an inspiration to our people and a blessing to mankind and an honor to Thy holy name. To this, O merciful Father, we now dedicate ourselves to Thee. By Thy grace may we arise to every difficulty and go forward courageously in Thy victory.

(This was followed by the Lord's Prayer in unison.)

SENATE

MONDAY, FEBRUARY 6, 1956

(Legislative day of Monday, January 16, 1596)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, without whose guidance our wisdom is but folly, grant us the grace to enter upon the waiting tasks of this new week in serene sincerity of purpose with the seal of understanding charity upon our lips. Save us from being embittered by ingratitude, pettiness, or meanness and from turning coward in the day of battle. Lift us from the lowlands of expediency and self-interest to the beckoning altitudes of our aspirations as servants of Thine and of Thy children who dwell upon this shattered, divided, embattled, and starving earth. Save us from false choices and guide our hands and minds to heal and bind and build and bless. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 3, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MCCLELLAN, and by unanimous consent, the Permanent Investigating Subcommittee of the Committee on Government Operations was authorized to meet during the session of the Senate today.

On request of Mr. NEELY, and by unanimous consent, the Committee on the District of Columbia was authorized to sit during the session of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, subject to a 3-minute limitation on statements.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

UNIVERSITY OF MICHIGAN LIBRARIES

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McClellan
Allott	George	McNamara
Anderson	Goldwater	Monroney
Barkley	Gore	Morse
Barrett	Green	Mundt
Beall	Hayden	Murray
Bender	Hennings	Neely
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Potter
Butler	Ives	Purtell
Byrd	Jackson	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Tex.	Saltonstall
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Kefauver	Scott
Chavez	Kennedy	Smathers
Clements	Kerr	Smith, Maine
Cotton	Kilgore	Sparkman
Curtis	Knowland	Stennis
Daniel	Kuchel	Symington
Dirksen	Langer	Thurmond
Douglas	Lehman	Thye
Duff	Long	Watkins
Dworshak	Magnuson	Welker
Eastland	Malone	Wiley
Ellender	Mansfield	Williams
Ervin	Martin, Iowa	Young
Flanders	Martin, Pa.	
Frear	McCarthy	

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

The Senator from New Jersey [Mr. SMITH] is absent on official business.

The VICE PRESIDENT. A quorum is present.

PROCEDURE FOR VOTING ON THE NATURAL GAS BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD excerpts from the CONGRESSIONAL RECORD of January 30, 1956, page 1564, concerning the unanimous-consent agreement; also excerpts from the CONGRESSIONAL RECORD of January 31, 1956, page 1703; excerpts from the CONGRESSIONAL RECORD of February 1, 1956, page 1754; excerpts from the CONGRESSIONAL RECORD of February 2, 1956, page 1878; excerpts from the CONGRESSIONAL RECORD of February 3, 1956, page 1960; and excerpts from the CONGRESSIONAL RECORD of February 3, 1956, page 1950—all of which make abundantly clear the understanding which had been entered into by honorable Members of this body.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE CONGRESSIONAL RECORD

JANUARY 30, 1956, PAGE 1564

Mr. JOHNSON of Texas. Mr. President, I have sent to the desk, in behalf of the distinguished minority leader, the majority leader, and the distinguished Senator from Rhode Island [Mr. PASTORE], a proposed unanimous-consent agreement, which I ask to have read.

The PRESIDING OFFICER. The clerk will read the proposed agreement.

The legislative clerk read as follows:

"*Ordered*, That, effective on Monday, February 6, 1956, at the conclusion of routine morning business, during the further consideration of the bill S. 1853, a bill to amend the Natural Gas Act, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

"*Ordered further*, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders."

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. PASTORE. I may say to the majority leader and the minority leader that I have been making a day-to-day canvass of Senators who I thought might be interested in speaking in opposition to the bill. I am pretty well convinced in my own mind that whatever speeches are still to be made on the part of the opposition can be fitted into the schedule of the Senate quite comfortably for the remainder of the week. I have no objection, therefore, as to the limitation of debate beginning next Monday.

However, I feel that inasmuch as I do not know at this time the number of Senators who might wish to speak on the final passage of the bill, I thought possibly in the unanimous-consent agreement a little more liberality could be exercised by extending the 2-hour period to possibly 3 hours.

Mr. JOHNSON of Texas. Would that please the Senator from Rhode Island?

Mr. PASTORE. It would please me.

Mr. JOHNSON of Texas. Mr. President, I modify the proposed agreement accordingly.

Mr. PASTORE. I have no further objection.

The PRESIDING OFFICER. The proposed unanimous-consent agreement is modified accordingly, so as to provide 3 hours debate on the final passage of the bill instead of 2 hours; and, without objection, the agreement is entered into.

(The agreement as entered into is as follows:)

"*Ordered*, That, effective on Monday, February 6, 1956, at the conclusion of routine morning business, during the further consideration of the bill S. 1853, a bill to amend the Natural Gas Act, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

"*Ordered further*, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders."

Mr. JOHNSON of Texas. Mr. President, I wish to refer to a matter I have discussed with the minority leader and with the Senator from Rhode Island [Mr. PASTORE]. It is the plan of the Senate to meet on Monday at 10 o'clock, so that the Senate will have ample time during that day for discussion. I desired that the RECORD show that plan.

Mr. LANGER. Mr. President, did the majority leader announce that the Senate would meet at 10 o'clock tomorrow morning, or Monday morning?

The PRESIDING OFFICER. The Senate will meet at 11 o'clock tomorrow morning, and at 10 o'clock in the morning on Monday, February 6.

JANUARY 31, 1956, PAGE 1703

Amendment of the Natural Gas Act, as amended

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Legislative Program

Mr. JOHNSON of Texas. Mr. President, the unanimous-consent agreement provides that at the conclusion of the morning business on Monday, the Senate shall proceed, under a limitation of debate, to the final consideration of the bill to amend the Natural Gas Act, including all motions, amendments, substitutes, and so forth.

It is the plan of the leadership to have the Senate meet at 10 o'clock on Monday morning and then, as soon as the morning hour has been concluded, to proceed to the consideration of amendments, motions, substitutes, and so forth, and to continue in session throughout the day on Monday.

I am not completely informed about the number of amendments which will be offered but the distinguished junior Senator from Rhode Island [Mr. PASTORE] indicated yesterday that, in his opinion, there would be perhaps 3 or 4 amendments. Under the limitation of 1 hour to an amendment if all the time were to be used—and possibly there may be a vote on a proposed substitute amendment—that would consume 3 hours. However, I have no reason to believe, if all the remainder of this week is devoted to debate on the bill, that all of that time will be used, although at least a portion of it will be.

In view of the plans which have been made to accommodate our colleagues of the minority, who have scheduled Lincoln Day speeches for later next week, I hope it will be agreeable to have the Senate continue as late into the evening on Monday as may be necessary in order to conclude the consideration and final action on the bill or whatever substitute may be adopted.

I should like the Senate to be on notice that this is the hope and plan of the leadership. If we are unable to achieve it or accomplish it on Monday, we shall come back at 10 o'clock on Tuesday morning and remain in session until late on Tuesday night. If action on the measure has not been concluded by Tuesday night, we shall come back on Wednesday in order to do so.

Mr. SALTONSTALL. Mr. President, will the distinguished majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. SALTONSTALL. For the purpose of enlightenment, will the majority leader inform the Senate whether, if the discussion on the bill runs out on Wednesday, Thursday, or Friday of this week, it is his plan to have the Senate consider some of the other bills concerning which he has given notice, such as the sugar bill?

Mr. JOHNSON of Texas. Yes, I have announced previously certain bills which may be taken up in case no other Senators desire to discuss the natural-gas bill.

FEBRUARY 1, 1956, PAGE 1754

Order for hour of meeting on Monday, February 6, 1956

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate meets on Monday next, it convene at 10 o'clock in the morning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

FEBRUARY 2, 1956, PAGE 1878

Legislative program—Order of business

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the majority whip, the Senator from Kentucky [Mr. CLEMENTS], and the minority leader, the Senator from California [Mr. KNOWLAND], I have an announcement I should like to make for the information of the Senate.

In the event no Senators desire to speak on the pending business today or tomorrow, it will be the purpose of the leadership to have the Senate proceed to the consideration of measures which it was previously announced could be considered during that period.

It is my understanding that it is the hope of the Senators opposed to the bill and the Senators who favor the bill that a vote can be obtained on Monday, under the unanimous-consent agreement which will go into effect on that day. The Senate agreed to the unanimous-consent request, which provides for an hour on any kind of motion, appeal, substitute or amendment that is germane.

Does my statement accord with the understanding of the Senator from Kentucky?

Mr. CLEMENTS. It is the understanding of the Senator from Kentucky that an hour is provided for debate on each of the items mentioned by the Senator from Texas, and 3 hours on the bill itself.

Mr. JOHNSON of Texas. Is that the understanding of the distinguished minority leader?

Mr. KNOWLAND. That is the understanding of the minority leader, and I believe of all Senators on this side of the aisle.

Mr. JOHNSON of Texas. Mr. President, I was not present when the preliminary discussion was had on the unanimous-consent agreement which is to take effect Monday, but I was informed by representatives from each group that all Senators desired to conclude the debate in 1 day.

Mr. President, yesterday I asked unanimous consent that when the Senate convened on Monday, it convene at 10 o'clock in the morning. I should like to have all Senators on notice that that will be the time at which the Senate will convene. There will be the usual morning hour, which may take 5, 10, 20, or 30 minutes. Then there will be another hour, if each side uses its time on any amendment, motion, appeal, or substitute. So very likely no vote will occur until after 11 o'clock in the morning. I shall try to have that happen by seeing that both sides use the time allotted to them.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLEMENTS. As the Senator who carried on the original negotiations for the unanimous-consent agreement, I should like to make it very clear that the statements the Senator from Texas has made are absolutely correct. There can be no question about the limitation of 1 hour covering all the items mentioned, including amendments, motions, appeals, and any other item in connection therewith, except a motion to lay on the table.

Mr. JOHNSON of Texas. Mr. President, if our plans work out as we hope they will, as the Senate will convene at 10 o'clock on Monday, it is my expectation—and I so announce—that there will be a yea-and-nay vote by 11 o'clock. In that event, there will be a quorum call beforehand so every Senator will be on notice.

When the Senate concludes consideration of the pending business, it is the plan of the leadership then to proceed to the consideration of bills previously announced—perhaps taking up the sugar bill—on Tuesday and Wednesday.

I may say it is our hope that there will be no yea-and-nay votes after next Wednesday for the remainder of the week and through Wednesday of the following week. That is the hope of the majority and minority leaderships, and is in accordance with the customary practice of the Senate during the period of the anniversary of Lincoln's birth. Senators have made engagements with our assurance that we would try to work out that kind of schedule. However, I do not want any Senator to feel that he is not fully informed of our plans. Let the RECORD show that the Senate will convene on Monday at 10 o'clock in the morning, by order of the Senate, and at the conclusion of the morning hour, will immediately proceed to consider any amendments, motions, appeals, or substitutes which are germane to the pending business.

Mr. President, if there are any Senators present who desire to make insertions in the RECORD at this time, I am prepared to yield to them for that purpose.

The ACTING PRESIDENT pro tempore. An order has been entered for the transaction of morning business.

FEBRUARY 3, 1956, PAGE 1960

Amendment of the Natural Gas Act, as amended

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. MANSFIELD. Mr. President, I should like to ask a question of the majority leader, if I may do so.

If it would be possible, I should like to be recognized as soon after the conclusion of the morning hour on next Monday as possible, in order to make a speech on the bill to amend the Natural Gas Act, as amended. Can the majority leader, who I understand will control some of the time, give me any assurance that at that time I will be given recognition?

Mr. JOHNSON of Texas. I assume the Senator realizes that under the unanimous-consent agreement the time in favor of the bill is controlled by the majority leader, and the time in opposition to the bill is controlled by the minority leader. Is my understanding correct that the junior Senator from Montana desires time in which to speak in support of the bill?

Mr. MANSFIELD. The Senator is correct.

Mr. JOHNSON of Texas. The Senator from Texas will be here Monday, and as soon as the morning business is concluded, and as soon as the Senator from Texas can gain recognition, he will allot to the junior Senator from Montana 15 minutes, perhaps more if that be necessary.

Mr. MANSFIELD. I thank the Senator from Texas.

FEBRUARY 3, 1956, PAGE 1950

Legislative program

Mr. JOHNSON of Texas. Mr. President, I have a brief announcement which I should like to make. I request the attention of the distinguished minority leader.

In accordance with the plans made by the leadership in cooperation with the opponents of the unfinished business, it is our plan, and the Senate has already given consent, to have the Senate meet at 10 o'clock on Monday, next. At the conclusion of the morning hour on Monday, we shall proceed to the consideration of any amendments, motions, substitutes, or appeals the Senate may desire to consider in connection with the unfinished business. There will be 1 hour on each of those, except in the case of a motion to lay on the table; and there will be 3 hours on the bill, as amended.

Mr. President, it has been rather generally agreed among the leaders that, by reaching this agreement, we could dispose of the unfinished business on Monday.

There is considerable demand among Senators to have the Senate proceed to consideration of the sugar bill. So I wish every Senator to be on notice and to have ample notice—and I announced this on yesterday and on the day before, and I shall announce it again, when the Senate meets Monday—that it is the plan of the majority leader, who hopes the minority leader will support him, to have the Senate complete action on the unfinished business on Monday, and to remain in session late into the evening, if necessary, in order to do so.

Mr. President, there are some of us who thought the bill could be finished on Wednesday, or certainly on Thursday. On yesterday, there was no debate of any length. Apparently there is to be no discussion of the unfinished business today. We do not plan to have a Saturday session, unless some Senators request one.

But in order to attempt to accommodate all Senators, and in the belief that we can complete action on the natural-gas bill on Monday, the Senate will convene early on Monday; and, therefore, I wish to give notice to all Senators who may have engagements that they should arrange their schedules accordingly.

It is contemplated that after disposing of the natural-gas bill the Senate will take up the sugar bill on Tuesday, and will consider it on Tuesday and, if necessary, on Wednesday.

I now repeat what I already have said several times, namely, that at the conclusion of the business of the Senate on Wednesday it is not contemplated that there will be any yea-and-nay votes or the consideration of any major business, so far as the majority leader can arrange, until the following Wednesday. Let me inquire whether the minority leader is in agreement as to that.

Mr. KNOWLAND. Yes; the majority leader has not only expressed his views, but also those of the minority leader. Certainly there has been ample time for the consideration of the natural-gas bill. We have expressed the hope of Senators who favor the bill and also Senators who oppose the bill, as well as Senators on both sides of the aisle, that the Senate may complete action on the bill on Monday, and then may take up the sugar bill on Tuesday, and consider it on Tuesday and, if necessary, on Wednesday of next week.

SELECT COMMITTEE TO INVESTIGATE ATTEMPT TO CONTRIBUTE TO CAMPAIGN FUND OF SENATOR CASE OF SOUTH DAKOTA

Mr. JOHNSON of Texas. Mr. President, I desire to address the Senate very briefly, and I ask unanimous consent for 2 minutes in addition to the 3 minutes allowed under the order for the morning hour.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I send to the desk a resolution sponsored jointly by myself and the leader of the minority [Mr. KNOWLAND].

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 205), submitted by Mr. JOHNSON of Texas, on behalf of himself and Mr. KNOWLAND, was read, as follows:

Resolved, That there is hereby established a select committee to investigate the circumstances involving an alleged improper attempt through political contributions to influence the vote of the junior Senator from South Dakota, Mr. CASE, in connection with the Senate's consideration of the bill S. 1853, the natural-gas bill.

SEC. 2. The Vice President shall appoint two (2) members from the majority and two (2) members from the minority Members of the Senate who shall constitute the select committee. A chairman shall be selected from among the members appointed upon their first meeting, to be called by the Vice President.

SEC. 3. The select committee is hereby authorized and directed to conduct an immediate investigation of these circumstances

UNIVERSITY OF MICHIGAN LIBRARIES

and report its findings and recommendations to the Senate at the earliest possible date, in no event later than March 1, 1956, and upon the filing of its report the select committee shall cease to exist.

SEC. 4. For the purposes of this resolution, the select committee is authorized to (1) make such expenditures from the contingent fund of the Senate; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpena or otherwise the attendance of such witnesses and production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony, either orally or by deposition; and (7) employ on a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable.

SEC. 5. The expenditures authorized by this resolution shall not exceed $10,000.

Mr. JOHNSON of Texas. Mr. President, the resolution authorizes the creation of a select committee of four members, to be appointed by the Vice President, to investigate the episode related to the Senate in the last hour of debate on Friday by the junior Senator from South Dakota [Mr. CASE], in which a sum of money was given to a person not connected with the Senate. I am informed that the language of the resolution has been reviewed by the junior Senator from South Dakota, and adjustments have been made in accordance with his wishes.

The junior Senator from South Dakota [Mr. CASE] has made a part of the Senate Record a recital of events in which he and acquaintances of his in his home State have been a part. He did not ask that any investigation be made. He has not made public to the Senate or to the press the names or connections of the person or persons involved, because he does not suggest that any violation of law has occurred. He has said—contrary to published reports—that he does not regard the episode as an instance of attempted bribery.

The expressed purpose of the Senator from South Dakota in relating the episode was to present the predicate for the announcement of how he intends to vote on the legislation pending before the Senate. The Senator from South Dakota selected for inclusion in the RECORD those facts which, in his opinion, were sufficient to influence his decision. That selection of facts was entirely the Senator's own; and, as he has stated, he submitted such facts in suppport of arguments advanced by some opponents of the pending measure.

Mr. President, every Senator has every right to introduce into any debate such information as he may consider relevant and germane; and that right is in no way challenged by this resolution. The junior Senator from South Dakota elected to present his narrative on the final day of the debate, which now has proceed for more than 3 weeks. Under the circumstances, the Senate would render itself impotent to conduct its business in orderly fashion if transactions between persons outside the Senate—persons who are nameless and unidentified in the RECORD—could, when partially reported to the Senate, after a unanimous-consent agreement by all of its Members had been entered—cause the Senate to set aside indefinitely its order of business.

Mr. President, the Senate of the United States can ill afford to prostrate itself before phantoms. That is what we would be doing if we delayed the vote that is now at hand. The junior Senator from South Dakota has said that no strings were attached to the sum of money he mentioned in his presentation. Accordingly, his recital of the episode has attached no strings to the Senate's voting.

The RECORD is filled abundantly with supported and supportable facts about the issue pending before the Senate. From these facts, honorable men may honorably arrive at different conclusions concerning the pending bill, and I think most Senators have done so some time ago.

The Senate would indict itself and return its own conviction in the public eye if independent and honest conclusions were hastily abandoned in fear that expression of these conclusions might be taken as an admission of improper influence.

My own position on this legislation is well and widely known. That position represents my honest conviction. I, for one, feel no compulsion to establish my integrity by voting against this bill, because to do so, would, in my eyes, establish an absence of integrity. Any Senator influenced by fear of undeserved and unmerited censure is yielding to an improper influence as surely as a man would be who sold his vote for money.

Popular favor, quite as much as the coin of the realm, can lead men into paths of temptation, and this is well known by all who make it their business or their calling to attempt to sway the legislative processes.

What the junior Senator from South Dakota has placed before the Senate is a challenge which cannot be answered—and which will not be answered—by the outcome of the voting on the pending legislation.

The Senator has submitted to the Senate a narrative of how he arrived at a certain conclusion based upon statements of staff members and associates. This narrative has been entered in the RECORD in the context of evidence, but there is absent from the RECORD at this point any tangible evidence from which proper conclusions may be drawn.

Who gave and who received the money mentioned is not a matter of record. The present disposition of the sum is not known. What was said by the principals in the case has not been properly established; the Senator from South Dakota was not present and the conversation was not witnessed. Neither the details of the episode nor the motives involved have been developed for our RECORD. This must be done, or else the Senate, by its apathy, will give its assent to a standard of unconcern that is incompatible with the integrity of the legislative processes.

The credibility and integrity of the junior Senator from South Dakota are in no way questioned by this resolution. What the Senate has placed before us is, in the judgment of your leadership on both sides of the aisle, a matter of concern to all Senators, not just one Senator.

If any law has been violated, that violation should be prosecuted to the fullest. If any effort has been made to subvert the conduct of the Senate's business, that effort should be condemned with the fullest force of the Senate's authority. If, as the Senator from South Dakota suggest, the facts are less sinister than some have made them appear, then that, too, should be made a matter of common public knowledge.

If there are any other instances, involving any other Senators, and they will rise in their places and call attention to them, I shall be glad to have the episodes they relate included within the scope of the resolution.

We need not anticipate the end of this investigation to recognize and acknowledge our obligation to begin the investigation.

The majority leader of this body thinks this is no time for hesitation. The true sense of the Senate can be reflected only by its complete unanimity.

Mr. KNOWLAND. Mr. President, as minority leader of the Senate I rise fully to support the resolution submitted by the majority leader on behalf of both the majority leader and the minority leader.

In view of the statements made on the floor of the Senate on Friday last, I think the Senate has a clear and present duty to proceed forthwith to adopt the resolution providing for a select committee to determine the facts.

As the distinguished majority leader has pointed out, if there has been any violation of the criminal statutes, it should be prosecuted to the full extent of the law. If there has been any attempt to impugn the integrity of the Senate, I think the Senate should forthwith demand that the question be cleared up and all the facts developed.

I fully agree with the statement of the majority leader that that issue is separate and apart from the merits of the pending legislation, upon which the Senate has agreed to vote on this date.

Men have differed on the merits of the legislation, on the wording of the bill, on its amendment, and on the philosophical approach to the question of control. There will be a division of sentiment in the Senate on those several issues. However, I do not believe that functioning of the Senate should be paralyzed. I believe that we should proceed under the unanimous consent agreement. I hope the unanimous consent request of the Senator from Texas [Mr. JOHNSON] that the select committee be appointed will meet the approval of the Senate.

Mr. HENNINGS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HENNINGS. Has any unanimous-consent request been made?

The VICE PRESIDENT. It has not been made formally.

Mr. JOHNSON of Texas. I do not think so.

Mr. HENNINGS. At this time I should like to make a unanimous-consent request——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration and approval of the resolution at the desk.

The VICE PRESIDENT. Is there objection?

Mr. CASE of South Dakota. Mr. President, who has the floor?

The VICE PRESIDENT. The Senator from Missouri has the floor.

Mr. HENNINGS. Reserving the right to object, it seems to me that all the majority leader has said with respect to the integrity of the Senator from South Dakota is beyond cavil. It also seems to me that no attempt has been made to bribe—to use the ugly word—the Senator from South Dakota. But it also seems quite evident from the recital of facts made by the Senator from South Dakota on Friday last that FRANCIS CASE is above being bribed for $2,500, or even $25,000,000. So I do not think the question of an attempt to bribe the Senator is at all before this body.

We know that usually a bribe giver studies his prospect very carefully, and that bribes are seldom offered unless there is some likelihood not only of the bribe being accepted, but that no disclosure will be made of the offer.

As Senators know, months before the Senate proceeded to the consideration of the pending bill, the natural-gas bill, there was before this body Senate bill 636, which would require exact, precise, and full disclosure of campaign contributions from whatever sources. Had that bill been enacted—and it is my personal belief that it transcended in importance to the people of the country at large even the pending measure—this question might not have arisen.

Indeed, Mr. President, it would seem to me that this is a matter which should concern the entire Senate in terms of the whole perplexing and difficult question of campaign contributions. I say that because here the very integrity of the Senate is at issue, aside from the merits of the pending measure, upon which many of us have had much to say with respect to the efforts of the oil and gas interests to bring pressure upon Congress.

At this time I should like to ask the distinguished majority leader if he would not be willing to enlarge his resolution. It seems to me that inquiring into the mater of a campaign contribution offered to the Senator from South Dakota [Mr. CASE] is a little like going lion hunting with a pea shooter. I therefore ask my good friend from Texas, for whom I have the greatest respect, as he well knows—and of course every Member of the Senate has the greatest respect and affection for him—whether he does not believe that, while his suggestion is desirable, it should not be confined to an inquiry relating only to the Senator from South Dakota. I wonder if he would accept my suggested enlargement, in about these words:

That there is hereby established a select committee to investigate the circumstances involving alleged improper attempts through political contributions or other expenditures to influence the vote of any Senator, whether by campaign contributions, assurances, or promises thereof, in connection with the Senate's consideration of S. 1853, the natural-gas bill.

I also suggest, if the Senator will accept my suggestion, in reference to section 3 at line 4, with respect to the date, that the date March 1, 1956, be stricken and that the resolution be confined to an inquiry to be terminated at the earliest possible date.

Mr. JOHNSON of Texas. Mr. President, I would have no objection to the inclusion of the Senator's suggestion in the resolution. I stated previously if there is any Senator who has any episode to recite similar to that related by the Senator from South Dakota, or if any similar set of circumstances or facts can be brought to the attention of the Senate, the Senator from Texas, as in the Case situation, would be the first to insist that it be gone into.

I do not want the situation referred to by the Senator from South Dakota to be diverted, and to have the Senate start out on a general fishing expedition.

For example, a Member of the Senate this morning brought me a list of contributions which have been made by prominent organizations that now call the supporters of the bill gas robbers. He said to me, "Does the Senator from Texas not think that this is on an equal basis with the situation recited by the Senator from South Dakota?"

The Senator from Texas has not as yet gone into that. If there is a Member of the Senate—and I believe most of the Members are present in the Chamber—who has been the subject of an attempt at improper influence, I should be very glad to have him rise in his seat at this time to divulge the information. We would then be very glad to include his episode in the authority of the resolution.

If not, Mr. President, I would suggest that the proposed committee meet promptly, hear the Senator from South Dakota and his clerks and his associates—I understand he has never met the man himself—and report back at the earliest possible date.

I do not wish to be diverted in this matter, and I have no desire to cover up anything. However, there is a pattern that has developed on this entire bill. I was away from the Chamber because of my health, for some 10 days. In another State I was called and told that the opponents of the bill desired to vote not sooner than on Monday of this week. It was very obvious to most Members of the Senate that the debate had been concluded the week before. There were very few speeches remaining to be made. It was necessary for the majority leader and the minority leader to call on various Members to discuss other subjects, and it was necessary for us to recess on 1 day at 1 o'clock because no Senator was ready to discuss the bill. A weekend intervened, and Senators opposed to the bill had other engagements on Thursday and on Friday and wanted to be here when the vote was taken.

I was assured that there would be no effort made to prolong the debate, and we could easily reach a vote on Monday if we could agree to a unanimous consent request in that regard. We did so.

Those of us who support the bill have been called gas robbers in full-page advertisements printed in newspapers across the land. I have had the personal attention of a so-called news columnist at least four times in his column, in which my motives and my integrity have been questioned. Other Members have had the same kind of attention. Cartoonists have had a field day over 3 separate weekends. In all my 25 years in Washington I have never seen a campaign of intimidation equal to the campaign put on by the opponents of the bill.

I have no objection to investigating those facts. There are committees of the Senate which have the authority now to make such investigation. I should not like to see the single episode related by the Senator from South Dakota diverted and used for propaganda purposes, because I believe the Senate should have the full facts. I hope, if it is agreeable to the Senate, that the Senate will unanimously approve the resolution as drawn.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HENNINGS. Mr. President, a parliamentary inquiry.

Mr. KNOWLAND. Mr. President, will the Senator from Missouri yield?

Mr. HENNINGS. I shall be glad to yield if the distinguished majority leader will first yield to me for a minute. I want it clearly understood that the contemplated substitute for the distinguished majority leader's resolution is to embrace not only the proponents but the opponents of the measure. The Senator from Texas was not a Member of the House of Representatives during 1935, when I witnessed the effort to defeat the so-called death sentence on public utility holding companies. Many of us who were here at that time will bear witness that that campaign, if not exceeded by the campaign on the pending measure, was at least equal to it. I do not understand whether the distinguished majority leader has consented to the enlargement of the resolution. I would assume that a special or select committee of the substance and standing and integrity which of course would be appointed would not be diverted by the episode related on Friday by the distinguished Senator from South Dakota. May I have the attention of the majority leader?

Mr. KNOWLAND. Mr. President, will the Senator from Missouri yield at that point?

Mr. HENNINGS. I wished first to ask the distinguished majority leader whether he accepts the enlargement which I have suggested to the resolution.

Mr. JOHNSON of Texas. In fairness to my distinguished colleague who serves in a leadership position with me, I should say that the first I heard of the Senator's proposed substitute was when he read it. Secondly, I should like to say——

Mr. HENNINGS. I will say that I tried to reach the distinguished majority leader this morning.

Mr. JOHNSON of Texas. I want the resolution I have presented to stand on its own merits and I want the committee to report to the Senate not later

UNIVERSITY OF MICHIGAN LIBRARIES

than March 1. I should not have the slightest objection to the Senator from Missouri, following the adoption of my resolution, presenting his resolution, it being made abundantly clear that the Senator's resolution covers all organizations. I believe he could obtain unanimous consent. I would not like to have his resolution added as a rider or cowcatcher to my resolution. I want to get at the facts in the Case situation. However, I will not object to the Senator's offering his resolution to the Senate, and have no terminal date on it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HENNINGS. I have——

Mr. THYE. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I should like to answer the Senator's question. I want my resolution to be considered, and I would be very glad to have the Senate consider the resolution of the Senator from Missouri and I hope the Senate will grant the authority he seeks.

Mr. HENNINGS. May I ask the distinguished majority leader what objection he has to enlarging his resolution? My resolution is not a "cowcatcher" resolution; it is an all-embracing one, relating to both sides of the controversy.

Mr. JOHNSON of Texas. I have not read the language of the Senator's resolution. The Senator from Missouri is a very able Senator. I have seen reports he has made to the press which he has not made to me. I do not know how far the language of his proposal goes. I stated in my original statement that if any Senator had any reason to relate to the Senate an episode similar to the Case episode, I should be glad to include it. I have no objection to a complete investigation of every contribution made by every organization, but I do not want it to stop the select committee from bringing to the Senate by March 1 the facts in the Case episode.

If my memory serves me correctly, the distinguished Senator from Missouri is the chairman of the Subcommittee on Privileges and Elections, and his committee possesses ample authority to investigate any and all organizations. The Members of the Senate share, I believe, with the majority leader complete confidence in the Senator from Missouri, and I assume the Senator has confidence in his own committee. If the Senator will not object to my unanimous-consent request relative to the Case episode, then, if the Senator wishes to present his own resolution, in his own time, and in his own right, I shall be glad to consent to that procedure.

Mr. THYE. Mr. President, will the Senator from Texas yield?

Mr. HENNINGS. Mr. President, do I have the floor?

The VICE PRESIDENT. The Senator from Missouri has the floor.

Mr. HENNINGS. Mr. President, I shall be glad to yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I think the majority leader has stated the matter very well. We have before us a proposal that the question raised by the Senator from South Dakota, [Mr. CASE] be investigated. That, I think, is highly necessary. The responsibility is upon this body to proceed to uncover the facts. I have stated that I am opposed to the bill. I know my decision and have known it for several weeks. But I believe that if we draw the resolution so broadly as is proposed by the substitute or the amendment offered by the Senator from Missouri, such a question could be raised at any time in the future on any matter where there might be a division of opinion.

Therefore, Mr. President, I think the Senator from Missouri is proposing to go too far afield in his substitute, for it would provide that we investigate every man's opinion relative to this bill. Therefore, I think the majority leader is completely correct in confining it to the issue of the charge which has been laid before this body relative to the offer which was made to the Senator from South Dakota.

Mr. KNOWLAND. Mr. President, will the Senator from Missouri yield?

Mr. HENNINGS. I should like to make one comment, and then I shall be glad to yield.

The distinguished majority leader has suggested that I have made a number of statements to the press without advising him——

Mr. JOHNSON of Texas. I beg the Senator's pardon.

Mr. HENNINGS. I tried to reach the Senator this morning and was unable to do so. I prepared my resolution from the language of the Senator's own resolution, by interlineation and the addition of words, and for the first time this morning the Senator's wording reached my desk and I have a copy of it.

The Subcommittee on Privileges and Elections has rather plenary authority, but I cannot see how that authority can be sufficiently enlarged in scope to inquire into all campaign contributions unless my amendment is agreed to, when everyone will have to report everything and the people will know all about the facts, which they are entitled to know.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Missouri yield?

Mr. HENNINGS. I yield.

Mr. JOHNSON of Texas. I did not realize that I was unavailable to the Senator from Missouri. I was in my home until after 9, and the Senate met this morning at 10 o'clock.

Mr. President, I ask unanimous consent for the present consideration of my resolution, which provides for a report to this body on the only episode involving an inferred attempt to influence a Senator improperly which has thus far been related to the Senate.

Mr. President, to broaden the authority to investigate every Senator would be, in my opinion, a fishing expedition of which the Senator from Texas would not want to be the author.

I have no objection to the Senate itself considering the Hennings resolution as soon as my resolution is acted upon. I have stated to this body that I would interpose no objection to the Senator's resolution, but it is my opinion that the Senator's amendment, whether so intended by the Senator from Missouri or not, is an effort further to influence votes against the pending bill. It was a part of the argument made by the Senator from Missouri originally. Some construed it as a threat that an investigation would immediately follow the passage of the bill. I am of the opinion that an attempt to investigate every Senator would be denounced by every thoughtful observer, and I do not desire my name associated with a resolution calling for such an investigation.

However, I shall not suppress any investigation which the Senator from Missouri desires to conduct in his capacity as chairman. In my opinion, he has ample authority.

Mr. President, I should like to have action on my resolution. If there is objection, I serve notice that I shall move to take it up at the conclusion of the debate on the unfinished business. I have no objection to having it bear the name of the junior Senator from Missouri.

Mr. KNOWLAND. Mr. President, will the Senator from Missouri yield?

Mr. HENNINGS. I wish to make one observation, and then I shall yield to the distinguished minority leader.

Mr. President, I think the distinguished majority leader knows full well that an enlargement of his resolution does not call for an investigation of every Senator. That is a distortion, although I am sure is not so intended, of the meaning of what we are trying to accompiish. Why should we investigate the Senator from South Dakota who stood upon the floor and related the facts and circumstances of his ordeal, and not inquire into every phase of this unseemly effort to bring influence to bear upon legislation in this body? I see no reason to single out one Senator in the resolution. We should investigate the entire background. I think it is a challenge to the integrity of this body. I believe we are on trial today as to whether we desire the matter fully explored or whether we wish to confine it to the Senator from South Dakota.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Missouri yield?

Mr. HENNINGS. I yield, but the distinguished minority leader has been waiting for some time.

Mr. JOHNSON of Texas. By nothing I have said have I intended to convey that I wished to investigate the Senator from South Dakota; quite the contrary. The resolution provides for investigating and determining many facts which the Senator has not presented to this body. The resolution, I am informed, was presented to the junior Senator from South Dakota and amendments were made in accordance with his wishes in the matter.

Mr. HENNINGS. The Senator will quickly see, when I hand him a copy of my proposed unanimous-consent resolution, that it does not require an investigation of any Senator. Its language is in all respects the language of the resolution of the Senator from Texas, except that my resolution enlarges the scope of the investigation so as to inquire into the public utility companies which have been the opponents of the bill and to in-

quire into some of the other interests which have been supporting the measure.

I am very glad to hear the majority leader say he will not object to my resolution, and I assume for his statement, implicitly, at least, that he will support the additional unanimous-consent request to go into the whole matter, as it should be gone into.

Mr. JOHNSON of Texas. The majority leader will support it if the Senator from Missouri will offer it in his own right at the conclusion of the action upon my own unanimous-consent request.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HENNINGS. I yield.

Mr. KNOWLAND. I hope the Senate will not be diverted from the incident which was called to the attention of the Senate on Friday last. That was a statement made by the junior Senator from South Dakota [Mr. CASE]. The resolution jointly introduced on behalf of the majority leader and the minority leader is for the appointment of a select committee of the Senate to proceed forthwith to develop all the facts and surrounding circumstances and to report to the Senate.

As I stated earlier, I not only believe that the Senate has this obligation and duty, but I believe, as I am certain every other Member of the Senate will agree, that if there has been a violation of the criminal statutes of the country, the violation should be forthwith prosecuted to the fullest extent of the law.

I fully concur in the statement made by the distinguished majority leader. I believe there is ample authority within the Subcommittee on Privileges and Elections to conduct such investigations as may be necessary. I say to the Senator from Missouri that if after he has examined the situation relating to the jurisdiction of that subcommittee and has discussed it with the legislative counsel and such other persons as he might desire to discuss it with, it should then be necessary to have a special resolution presented, I would have no objection to its presentation.

I do not believe the resolution now before the Senate, which is directed to the specific instance mentioned, should be broadened to the extent the Senator from Missouri has pointed out. If he cares to offer the resolution in his own right, I certainly shall raise no objection to it.

Mr. HENNINGS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Missouri will state it.

Mr. HENNINGS. Do I understand that the resolution offered by the majority leader, the distinguished Senator from Texas, is now before the Senate.

The VICE PRESIDENT. The Senator from Missouri is correct. The Senator from Texas has asked unanimous consent for the immediate consideration and adoption of his resolution.

Mr. HENNINGS. Then, at this time, I offer a substitute resolution, which I send to the desk.

The VICE PRESIDENT. The procedure which the Senator from Missouri has undertaken to follow at this time is not in order. The Senator from Texas, under the 3-minute limitation on debate during the morning hour, has presented a unanimous-consent request for the consideration of his resolution. The Senator from Missouri, under those circumstances, can object, if he desires to do so; or, as he has done, he may ask the Senator from Texas to modify his unanimous-consent request.

Since the Senator from Missouri has asked the Senator from Texas to modify his unanimous-consent request, and the Senator from Texas has declined to do so, the question now before the Senate is, Will the Senate give unanimous consent for the immediate consideration of the resolution offered by the Senator from Texas?

Mr. HENNINGS. Mr. President, another parliamentary inquiry.

The VICE PRESIDENT. The Senator from Missouri will state it.

Mr. HENNINGS. May I move my unanimous-consent request resolution as a substitute for that offered by the distinguished majority leader?

The VICE PRESIDENT. The Senator from Missouri would then have the problem of getting unanimous consent of the Senate for that purpose.

Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. LANGER. Mr. President, I wish to ask the distinguished majority leader a question.

I should like to know why the Subcommittee on Privileges and Elections, which is headed by the distinguished senior Senator from Missouri [Mr. HENNINGS], has been shunted aside and a special committee is sought to be selected in this case. The Senate already has a committee set up to hear matters of this kind, as I understand. I should like to have the Senator from Texas tell me why a select committee should be established in this specific instance.

Mr. JOHNSON of Texas. On Friday afternoon the minority leader and the majority leader met with the distinguished Senator from South Dakota and discussed the question of which committee properly should handle the matter. There was some discussion about having it referred to the Committee on Interstate and Foreign Commerce, some discussion about having it sent to the Committee on Rules and Administration, and some consideration of referring it to the Committee on the Judiciary.

It was the view of the Senator from South Dakota that he would be glad to give his information to any responsible committee of the Senate which had the authority to act and desired to receive the information.

The majority leader and the minority leader examined into the situation with respect to the precedents of the Senate, and it was our feeling, after consulting with some of our associates, that the matter was of sufficient importance that it should be handled promptly and expeditiously and by the ablest Members of the Senate, in whom every Member had confidence. It was our feeling that if the matter were referred to any committee whose Members had taken strong positions one way or the other for or against the bill, perhaps that might color their judgment. So it was our conclusion that a select committee, comprised of 2 Members from the majority and 2 Members from the minority, the most experienced and able Members of this body, who had not been directly connected with the pros or cons of the debate, could better report objectively and judiciously on the circumstances involved.

The resolution was prepared. The minority leader and the minority policy committee, and the majority leader and certain members of his policy committee, reviewed the resolution. We had only Saturday in which to do that. The minority leader went over the matter with the junior Senator from South Dakota, and the junior Senator from South Dakota made certain suggestions about the language.

Mr. CASE of South Dakota. Mr. President, I have no objection to the Senator from Texas stating the change I suggested.

Mr. JOHNSON of Texas. The original language referred to the attempted bribe, as I recall it, and the minority leader reported to me that the junior Senator from South Dakota said that he had made no charge that any attempt had been made to bribe him, and that he would prefer not to have that charge included in the resolution.

Mr. CASE of South Dakota. That is substantially as I recall the matter. Everyone had been referring to an allegation of bribery, but the Senator from South Dakota said that since he had made no allegation of bribery, he thought it should not be included.

Mr. JOHNSON of Texas. Although the Senator from South Dakota had made no allegation of bribery, it had been indicated to the general public throughout the country, in newspaper stories and headlines, that an attempt had been made to bribe the Senator from South Dakota, and on the original draft of the resolution that language was used.

But at the request of the Senator from South Dakota, that language was eliminated. I thought the resolution as now prepared would be acceptable to every Member of the Senate; and, if it is, then the Senate can proceed with the consideration of the unfinished business.

The Senator from Texas does not desire to do anything except to demonstrate to the Senate that we can act in emergencies like this, get the complete facts, and give the full truth to all the people of the country. This, he thinks, would be the better procedure.

I assume that whatever authority the Senator from Missouri [Mr. HENNINGS] needs to accomplish what he desires to do already resides in his own subcommittee.

Mr. LANGER. That is exactly the point. Suppose the select committee should make one finding, and the Senator from Missouri, who is the chairman of the Subcommittee on Privileges and Elections, should be dissatisfied with it and should proceed to conduct his own investigation and subsequently bring in a contrary report. The Senate would then be placed in a ridiculous position. A committee already exists for this

UNIVERSITY OF MICHIGAN LIBRARIES

purpose. Why not leave the matter in the hands of that committee?

Mr. JOHNSON of Texas. Mr. President, will the Senator further yield?

Mr. LANGER. I yield.

Mr. JOHNSON of Texas. The Senator is aware of situations in which some of our colleagues are involved. The Senate is very closely divided. Under the leadership of the late Senator Taft and the leadership of the present majority leader, the distinguished Senator from California [Mr. KNOWLAND], the majority and the minority have done everything they could, so far as possible, to avoid partisanship in matters affecting Members of the Senate. We felt that, if the committee were made up of 2 members from the majority and 2 members from the minority, an equally divided committee, that would be better than to have a strictly Democratic-dominated committee. We have had some experience in the Rules Committee, and other committees, where Democrats were on one side and Republicans were on the other.

Very frankly, I had hoped the two Senators selected to the committee from our side would be men who enjoy to the greatest extent the respect of the country, and perhaps of this body, men of unquestioned integrity, and two Senators from the other side, who are held in equally high regard. Then the committee would not be loaded with Democrats, and the minority would have equal representation. I think a 49–47 membership in a situation like this justifies such action.

Mr. LANGER. May I say I do not know of any Senator who does not command the respect of the people of the United States. We have a committee set up for this purpose.

So far as I am concerned, I am entirely satisfied to have the Subcommittee on Privileges and Elections hear the matter in the usual course, without any $10,000 special appropriation, or anything else. Has not the Senator from Texas confidence in the Subcommittee on Privileges and Elections?

Mr. JOHNSON of Texas. The Senator from Texas has complete confidence in the subcommittee. However, the Senator from Texas considers this to be better procedure. I would not want the country to think this is a partisan matter. I would think that a committee that was evenly divided and made up of the ablest Members of this body would be the better procedure under the circumstances.

Mr. LANGER. Mr. President, the Senator from North Dakota objects.

Mr. CASE of South Dakota. Mr. President, I wonder if the Senator from North Dakota will withhold his objection.

The VICE PRESIDENT. The Senator from North Dakota has objected to the unanimous-consent request of the Senator from Texas to consider his resolution.

Under the rule, the resolution will lie over one day.

The Senate is operating under the 3-minute rule. The Chair recognizes the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that I may proceed for at least 10 minutes. Much time has been devoted to this discussion.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from South Dakota may proceed.

Mr. CASE of South Dakota. Mr. President, whether the Senate should adopt a resolution to create a select committee and what the resolution should contain I have felt were matters for the Senate to decide. The one suggestion I made, as has been indicated, was that, in view of the fact that I had not used the word "bribery," I did not think that should be in the wording of the resolution. I am not a lawyer or versed in legal definitions but I have been under the impression that a bribe involved proposal and possibly promise. Here no proposal was made and no promise was given. So, I have never applied that term to this incident and have protested its use by others.

Personally, I should like to see the matter investigated in the light of various interpretations that have been given. Anyone who heard my remarks, or anyone who has read my remarks on the floor Friday must know that some headlines and statements have given an interpretation to the whole situation which I did not. I do not intend to discuss the merits of the whole matter at this time, but I think, in justice to the Senate, a few things perhaps should be said.

In the remarks of the distinguished majority leader, in presenting his resolution, two things seemed to be emphasized. One was the matter of timing. The remarks of the Senator from Texas, the distinguished majority leader, seemed to indicate a feeling that in some way the timing of my remarks was a part of a concerted effort to defeat the pending legislation. I think it must be evident upon reflection, however, that no one outside my office knew I was going to make that speech until a minute or two before I made it. No one knew the contents. I did not consult opponents or proponents.

The distinguished majority leader possibly overlooked or failed to consider the remark I made Friday when the distinguished Senator from Arkansas [Mr. FULBRIGHT] raised this question of timing. I told him that the timing was not under my control. I was responsible for what I said in the speech, but not responsible for the timing.

Mr. President, the only choice I had as to timing was whether I should make those remarks on Friday, at the first opportunity I had to be recognized that afternoon or whether I should make them today, during the course of the final debate under the unanimous-consent agreement.

I do not think it best now, under all the circumstances, to relate or to review or to repeat the details already given, which governed the timing. I will suggest, however, to any Member of the Senate, or anyone else who has any doubt or any skepticism on this point, that if he doubts my veracity in that regard, he should go back to other doubts expressed Friday, when I made my original remarks in this matter. Many doubts then expresssed as to the accuracy of my deductions in the matter have been destroyed by a development that has already taken place—a disclosure by the man who took the funds to South Dakota.

I had not intended to mention on the floor the name of the person who took some money to South Dakota and left it there as a campaign contribution. Since, however, he has already made a statement today, and I have heard his name over the radio—and since various news groups have called me up, asking whether I would confirm the statement he made, and in view of the fact that a telegram which he sent to me on Saturday, and which I received about noon yesterday, confirms so much of what I said on the floor on Friday, I should like to read that telegram at this time, merely as evidence that much of what I said on the floor on Friday has now been confirmed.

I hope when I demonstrate in that way the faithfulness of the facts, as nearly as it was possible for me to determine them, that Senators will accept at this time my statement that I brought the situation before the Senate at the earliest moment I could. A recital of certain circumstances and events has already been made before the Federal Bureau of Investigation; in response to questions asked when they came to see me on Saturday afternoon. They came to me; I did not initiate the meeting.

The same information will be placed before the select commitee, or whatever committee may be designated, if it has proper authority to conduct an inquiry.

So I shall read this telegram, not as a matter of revealing the man's name which has already been revealed by him, but as a matter of confirming the general accuracy of deductions in what I said the other day.

Leaving out the ideptification numbers, I read the town and time:

Lexington, Nebr. 4323 p. m. 1956. February 4. P. M., 11:30—

Which I take to mean that the telegram was sent at 3:23 in the afternoon and was received in Washington about 11:30 Saturday night.

The first knowledge I had of it was when my administrative assistant called me on the phone at home and said that the Western Union had a rather long telegram for me, and had read some of its contents to him over the telephone.

Considering the hour of the night, I suggested he pick it up the next morning and bring it to me which he did shortly before 11 o'clock, just as we were starting for church.

This is the text of the telegram:

Senator FRANCIS CASE,
Senate Office Building,
Washington, D. C.:

I was amazed and shocked at the news releases in the paper, on the radio, and TV concerning your speech in the Senate yesterday. I assume that I am "the man" you referred to since I delivered a contribution to your campaign fund several weeks ago.

I have always been a conservative Republican and have been active in Republican matters all my life, as was my father before me. I believe in midwest Republican policies, and have been interested in the passing of the Harris bill, and still am.

At this point I interrupt the reading to repeat because the other day, during the debate, there were some suggestions that possibly this incident was a "phony" or a "plant," and possibly was planned by someone opposed to passage of the bill.

So I repeat that part of the telegram:

I have always been a conservative Republican and have been active in Republican matters all my life, as was my father before me. I believe in Midwest Republican policies, and have been interested in the passing of the Harris bill, and still am.

When in South Dakota in November, I was informed by persons close to you that you felt as I do on Government issues of the day. I was also told that you intended to run again for election and would need campaign funds.

In January I made another trip to South Dakota and left with the man I believed to be your chairman of your campaign fund, $2,500 which I had been able to raise as a campaign contribution without any strings attached.

I was incensed to learn that you mentioned this matter on the Senate floor without divulging the names and with the necessary implications and inferences that it was some kind of a shady deal. Such improper inferences and implications are apt to follow me the rest of my life to my detriment and to the detriment of my family unless they are now corrected.

At that point I interrupt the reading again to say that obviously the reason why I did not give the name on the floor of the Senate or to the press, who hounded me—well, Mr. President, I will strike out the word "hounded" [laughter]—who pursued me, who met me at every door for some time afterward, wanting to know the name of the party involved—the obvious reason was that I did not place on the incident the interpretation which some persons had placed on it, and that I was not using the name—even when speaking on the floor of the Senate, with the privileges of the Senate floor—since to do so might start a lot of fly-by-night investigations and injure innocent people. So I gave no name.

It may be true that I was asked for it 11 times; but I felt that under my interpretation of the affair, I should not use names, certainly not unless there were further developments.

I had no idea that this thing would become the incident that it has or take on the proportions that it has. I shall have a bit more to say about that a little later.

I return now to the telegram:

You must have thought me naive to have made a campaign contribution several weeks before the vote on the issue thinking that it would influence your vote on the Harris bill or any other piece of legislation.

In December—

Now we have three dates, as set forth in the telegram: The trip to South Dakota in November, another trip to South Dakota in January, and now in December—

In December I complimented you to our mutual friend that you were the type of Senator who would not make up your mind definitely until the bill was up for vote. I still adhere to that policy and I did when I delivered the campaign contribution.

You, I know, are aware that for several months, men in both parties have been raising campaign funds for individual candidates as well as for each party as a whole or as a State unit without the thought or implication that such contributions were in any way related to any piece of legislation now pending in the Congress. I have done no more or no less in this instance. Again this letter is written on the assumption that I am "the man" to whom you referred on the Senate floor yesterday, since I did raise a $2,500 campaign contribution for your campaign for reelection this year, with no strings attached.

In my experience I know that it takes a lot of money to wage a successful campaign. I repeat, you knew where this campaign fund came from and to whom it was given. You also knew it had no strings attached whatsoever.

At that point, let me interject, so that there will be no misunderstanding: The only source of the campaign fund, so far as I knew, was a man whose last name corresponds to the name at the end of this telegram. Where he raised the funds, from whom he got them, I did not know and I do not know.

In my remarks on Friday, I said it was my understanding that no strings were attached to the money when it was left.

I proceed with the telegram:

Again, I cannot help being incensed by your making such statements and still withholding information which you had at the time of your speech, which necessarily cast reflection on me and on the party which we both serve. I have no apologies to make for attempting to be helpful to you under the circumstances. I am confirming this telegram by letter mailed this day.

The telegram is signed "John M. Neff"—N-e-f-f.

This morning I received a letter with that signature at the bottom, and it conforms to the telegram I have read.

I was advised by one of the news agencies that a copy of the telegram had been sent to the distinguished leaders on the majority and minority sides. I do not know whether it is true that the distinguished majority leader has received it. I do know that the distinguished minority leader received it sometime yesterday.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota yield at this point?

Mr. CASE of South Dakota. Yes.

Mr. JOHNSON of Texas. Let there be no doubt about the majority leader's receiving it. The majority leader did receive it; and, when the press asked him this morning, he told them he did receive it.

Mr. CASE of South Dakota. Mr. President, I have read the telegram at this time, with the name, because his name was already public, and, because from the text of the telegram, I take it he wants to have his statement on the record. If he wants it on the record, he is entitled to that and now it is on the record.

I have read the telegram also, because it provides confirmation of the fact that a man from another State—a man who, so far as I can recall, I have never seen—came into my State in November and made some interrogatories regarding me; that in December, he complimented me to someone as a man who did not make up my mind until all the facts were in or until the vote was ready, or something of the sort; that he returned again to South Dakota in January, and at that time left the $2,500. He confirms all that—or some phases of which doubts were expressed.

So, I hope that, when I now say to the Senate that the sequence of events and circumstances, that will be disclosed to proper authority, made it impossible for me to have come before the Senate earlier than Friday and say what I did say on Friday, the Senate will withhold judgment on the inference of timing until the facts are established. They are establishable as were the facts confirmed in this man's telegram.

The second question which seemed to me to be raised by the remarks of the distinguished majority leader was whether a Member of the Senate might not be influenced in his voting by fear of public favor or by a desire to court public favor as much as by money and whether the issue which I stressed was pertinent to the bill itself.

At that point let me return to the remarks I made on the floor of the Senate on Friday, as to the bearing I thought this incident had upon the merits of the matter.

I think possibly I should recall to the minds of my colleagues that the final thing which made it possible for me to make the statements I made on Friday was the finding in my files of a letter which was written in December, from a party in South Dakota, which started out with some such language as this—I no longer have the letter, because it is in the possession of the Federal Bureau of Investigation; so, I speak in general terms from memory.

The letter started with some such language as this:

A man by the name of Neff, from Lexington Nebr., dropped in the other day, and we got to discussing the Harris bill and your attitude about it—

Or something to that effect.

As I said in my remarks the other day, the South Dakota gentleman who was writing me said, in his letter to me, that he personally felt that it was time for more controls to flow to the States, rather than for more controls to flow to Washington. He then said he thought probably I felt about the same way, and was probably for the Harris bill, but that if I were not, he would like to know the reasons or objections I might have.

That letter was dated the 7th of December. It went to my home at Custer, S. Dak. I was not there at the time. I think I was in Washington on that particular date. I returned to my home at Custer, and I recall, on the afternoon of the 13th of December. My reply was dated the next day, the 14th of December 1955. In that reply with reference to his inquiry, I said:

Generally speaking, I think the purpose of the Harris bill is desirable, and unless it has some complicated issues, I would expect to vote for it when it came up in the Senate. However, I should like to retain freedom of action should it appear upon analysis that it would have issues that would conflict with what I understand to be its main purpose in maintaining State control for intrastate development.

That was all my letter said on the subject. There are other letters in my file, written in response to other inquiries

UNIVERSITY OF MICHIGAN LIBRARIES

or comments about the bill. I think some of them are probably a little more indefinite as to a possible position than that one. With some of them we sent copies of the hearings; but, so far as I know, I wrote no letter to anyone making any final commitment of a position on the natural gas bill to anyone. It is evident, from the statement in the telegram, that the writer of the telegram left the money under the impression that my mind was not made up. He says he complimented me to someone in December because I was "the type of Senator who would not make up your mind definitely until the bill was up for vote. I still adhere to that policy and I did when I delivered the campaign contribution," his telegram says.

One thing which I suggested on the floor the other day, is not confirmed in the letter. That is my belief that this man came to Washington and endeavored to see me. Senators may have read my remarks. It so happened that he came on a day when I was otherwise engaged. He came 2 or 3 times—or, at least, a man came to the office and identified himself as knowing a certain South Dakotan but did not see or talk to me as nearly as I and my staff can recall.

My receptionist remembers that the caller said he was from Lexington, Nebr. It is customary in my office, when someone comes from South Dakota, to invite them to register his name in our guest book. This caller said he was from Nebraska, so my receptionist did not register his name. He came back later and after waiting a while apparently did talk with a girl in my office, my legislative clerk, about the natural-gas bill. She was absent from my office during all the week when I first heard about the money being left in South Dakota. She was absent because she was attending the funeral of her mother in South Dakota. That was the first item of delay in identifying the interest of the caller.

I do not need to go on with the recitation. A part of it is contained in the statement which I made the other day. The balance will be brought out in the investigations. So, I merely suggest that this man made an inquiry of someone in my office as to how I stood on the gas bill. After that was established I tried to learn more, his full name and occupation. Finally, in the files of last year's correspondence on the gas bill, the exchange of letters my with South Dakota friend to which I have already alluded was found. That was after the visit of inquiry.

There is one other point to which I should draw attention in connection with the telegram. In the telegram Mr. Neff says:

> In January I made another trip to South Dakota and left with the man I believed to be your chairman of your campaign fund, $2,500 which I had been able to raise as a campaign contribution without any strings attached.

I state on my honor as a United States Senator that the gentleman with whom he left the money was not my campaign manager and that I had never discussed campaign funds with him.

That is until this friend in South Dakota called me to tell me that something had been left with him, an envelope with 25 one hundred dollar bills in it. He asked, "What shall I do with it?" He seemed bewildered. He said it had been left by a man who had been down to Washington recently to see me—and I think he gave the name of Neff. He indicated that there were no strings attached, and later said that to the man to whom I suggested that the envelope be given while we learned more about the matter. It was on that basis I said there were no strings attached when I made my speech Friday. So that was the situation I had to unravel and then determine what to do about it.

No one authorized this man to collect campaign funds for me. This individual came into my State unsolicited and unsought. What would any Senator do if such a situation were presented to him?

When it was unraveled and I thought interest established, did the incident have any significance in connection with the issues of the pending bill?

Was I relating the incident to the Senate before the vote took place in a last-minute, "dead cat" technique, to kill the bill?

I had not participated in the debate on the bill. The sentiments expressed in communications to me from my State were largely in favor of the bill. I was impressed by some of the arguments which were made in behalf of the bill. As I stated the other day, I have been impressed at times during the debate by many of the arguments advanced in behalf of the bill—by the argument that it would promote the search for oil and gas, and the development of our natural resources; by the argument that it would tend to minimize Federal regulation; by the argument that it would tend toward the avoidance of governmental entry into borderline intrastate-interstate cases.

I was interested in but I did not accept the argument on federalism advanced by the able Senator from Oregon [Mr. MORSE]. I do not think we should assert Federal controls over every facet of commerce merely because the Constitution gives Congress the power to do so, but I do not think we should hesitate to use them when it is in the public interest to do so.

And this incident made me think the regulation of natural gas is such a situation. Apparently there was something so valuable to those interested in natural gas in getting rid of Federal regulations that somebody would advance huge sums of money as a downpayment, so to speak, from the profits they might expect to harvest later.

And so I came to the conclusion that free government requires freedom for those who write the laws. It seemed to me that if we were to enact a law which creates a huge endowment in the form of future profits for holders of gas reserves, we might be mortgaging the issues of the future. Unrelated legislation might be influenced by unregulated profits derived from monopoly prices paid by captive customers at the end of the delivery line.

In my statement on Friday, I said that it had been suggested during the course of the debate that the passage of the bill would result in an enhancement of the values of the reserves to the people or companies owning them. If anyone was inclined to doubt that, he should have noted how oil stocks were reported in Saturday's paper as the most active and with the greatest advances in the market last week.

During the debate I had heard possible profits variously estimated. I had heard some reference to trillions of cubic feet of natural gas in the reserves. I did not know very much about the economics of the bill. I thought I had heard it estimated that those reserves, with a slight markup, would increase the value to the holders by two or three billion dollars. Yesterday I was told that I was conservative, and that the enhancement of values might be as high, over a period of years, as $12 billion.

On Friday, on the floor of the Senate, I tried to say as clearly as I could that this incident made that issue, for me, the dominant issue involved.

The question arose in my mind as to whether or not we were doing something which was so valuable to someone that a sequence of events such as has been described could take place relative to a Senator whose mind was not fully made up. Recall that sequence. Certain trips of inquiry were made. Inquiry was made in writing through this friend of mine as to my position on the gas bill. Then the same traveler returns and leaves the $2,500 with my friend in South Dakota, who calls me and asks, "What shall I do with it?"

The reference to a man who had been in Washington recently to see me meant nothing to me for I had not seen him. The name of Neff meant nothing to me at the time. I had not met the man.

In this particular case it was not until after the clerk who had returned from her mother's funeral thought the inquiry of the visitor was on the subject of the gas bill, that I said, "It seems to me that somewhere I have a letter from someone in which that name was used." The first search failed to develop it. It was found only when we went back to the files for 1955, and there we found the December letter, a letter prompted it would now appear by the inquiries Mr. Neff made when he went to South Dakota in November.

The morning after the call advising me of the campaign contribution, I called the man who did have authority to receive funds and told him if they were turned over to him not to deposit them, not to mingle them with other funds, but to keep them intact until we could learn more about them. Thursday, when we did identify the apparent interest behind the contribution, I wired him that they were to be returned and made my speech on the floor, Friday.

So, Mr. President, it was not a last-minute effort, I may say respectfully, to sabotage the bill or to develop any "dead cat" technique or anything of that sort. I came to the Senate as soon as the facts were established.

Mr. President, I do not need to go into that situation any more. The complete

sequence in full detail will be developed by the inquiries under way. I merely thought that before the Senate acts on the resolution—perhaps the resolution will come up for action at the conclusion of the debate on the bill, under the statement which has been made to us—I thought the Senate was entitled to have what I have said this morning, although much of it is a repetition of what I said Friday.

The other day, when I presented this matter, I said I did not want any halos pinned on me, and I do not wish any pinned on me now. The situation was not good any way you looked at it. If I took the money without reporting the name or names—if there be names—I would be giving myself as a hostage for the rest of my life to a man whom I had never met, with him knowing that he had left the money. If I took it and reported it with the name, or possibly another name that may have been associated with it, it would have stuck out like a sore thumb among the $5, $10, and $25 run of contributions and an occasional $100 which ordinarily come to my campaign fund, and that would have immediately made suspect any vote I might cast on the bill in which the donor's interest was established.

And then, as I thought of the whole matter, it seemed to me that this gave point to the argument that passage of the bill carried the potential of inordinate gains for the owners of large gas reserves, and the retention of Federal controls to protect the public interest became the great issue in voting on the bill as far as I was concerned.

Therefore Senators need not put any special virtue tag on me. It was simply handling a hot potato that had been dropped in my lap and then finding I had my answer as to how I should vote on the bill.

Now, just one other thing. On Friday the able Senator from Arkansas [Mr. FULBRIGHT] took his interpretation of what I said from the phrasing he found on the news ticker. I trust I do him no injustice if I read a paragraph from Saturday evening's newspaper:

> Asked if he thought Senator CASE should disclose the name of the man who offered the contribution, Senator FULBRIGHT replied, "If he expects to stay in public life, he had better."

Mr. President, let me close by giving assurance, if any is needed, of my full cooperation with a select committee if the Senate, in its wisdom, should create one, as it has already been given to the Federal Bureau of Investigation at their request, not mine.

When I went back to my office on Saturday at noon from the regular meeting of our South Dakota congressional delegation, there was a memorandum for me asking if I would call Mr. William Rogers, Deputy Attorney General. He asked me if I would have any objection to his sending up a couple of top investigators to come to talk to me about the incident. Of course, I told him I would not have any objection. When they were properly identified, I replied to whatever questions they asked me to the best of my ability.

So, of course, names or any other information which I may have, if requested of me by a select committee of the Senate, will be given if pertinent to the inquiry.

Mr. President, this is my 20th year of service in the Congress of the United States. If the course of my conduct in this matter should make this year my last one here, as has been suggested by the Senator from Arkansas [Mr. FULBRIGHT], perhaps I may be pardoned if I try to make the record clear as to my intent and purpose.

These 20 years have been troubled years in the life of this Republic. I have had various responsibilities which carried with them the making of difficult decisions. In the course of 20 years mortal men make mistakes. I have made my share—errors of judgment, errors of conduct, but not, I trust, of basic intent or purpose.

Mr. President, every Member of the Senate takes pride in this Government as a Government of freemen. Our security, we boast, is the security that comes from the right, the opportunity for truth to prevail. Our laws, we hold, are the product of a meeting of minds, the best that is possible at a given time.

My faith, Mr. President, is the belief that Government can be free, that good laws can be written only when the minds of the men who write them are free.

As I have said, if the course of my conduct in this unhappy matter should make this year my last year in this Chamber, let the record be clear as to my intent and purpose.

Let the record show that it was my intent to preserve freedom for the men and women who labor here. Let the record show that it was my purpose to keep minds unfogged by the mirage of campaign contributions, to keep vision unblurred by the color of currency left somewhere in an envelope by a person or persons interested in the outcome of any pending legislation and, in the present matter, not to create the very wherewithal for possible future enslavement.

Mr. HENNINGS. Mr. President, I shall be very glad to yield to any of my colleagues for unanimous-consent requests, and for that purpose only, provided I shall not thereby lose the floor.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Missouri has 3 minutes remaining.

Mr. HENNINGS. Under those circumstances, I cannot yield.

Mr. LEHMAN. Mr. President, are we still in the morning hour?

The VICE PRESIDENT. We are; and the Senator from Missouri has 3 minutes remaining.

Mr. HENNINGS. Mr. President, my statement will necessarily be brief, and at this time I ask for consideration of the resolution which I now send to the desk and ask to have read by the clerk. It is only an enlargement upon the resolution offered by the Senator from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. President, will the Senator from Missouri yield?

Mr. HENNINGS. I yield.

Mr. JOHNSON of Texas. Is the resolution to which the Senator is referring the amendment which was read a short time ago?

Mr. HENNINGS. It is not an amendment; it is a separate resolution.

Mr. JOHNSON of Texas. As I understand, the Senator desired to amend the resolution offered by the majority leader.

Mr. HENNINGS. I have inserted some additional matter.

Mr. JOHNSON of Texas. So it is a different matter than the one we have discussed?

Mr. HENNINGS. In only some respects.

The VICE PRESIDENT. The Senator from Missouri is recognized for 3 minutes on his resolution. The clerk will state the resolution offered by the Senator from Missouri.

The legislative clerk read the resolution (S. Res. 206) as follows:

Resolved, That the President of the Senate appoint a select committee of 4 Senators (consisting of 2 Senators from the majority party and 2 Senators from the minority party) to investigate the circumstances surrounding the tender of a $2,500 campaign contribution to Senator FRANCIS CASE of South Dakota and to make an investigation of any other campaign contribution to Members of the United States Senate by any persons directly or indirectly connected with interests either opposing or favoring the passage of amendments of the Natural Gas Act of 1938; to investigate campaign contributions by persons connected directly or indirectly with any interests opposing or favoring the passage of legislation touching on or involving the oil and gas industry of the United States.

Resolved further, That the select committee be directed and authorized to hold hearings with authority to swear witnesses and to make such investigations as are proper and necessary to inform the Senate concerning campaign contributions to candidates for the United States Senate in the elections of 1952 and 1954 as well as 1956.

Resolved further, That further consideration of the pending measure before the Senate be suspended until the select committee has reported its findings and recommendations to the Senate.

Resolved further, That for the purposes of this resolution the select committee is authorized to make such expenditures from the contingent fund of the Senate as it deems advisable.

Resolved further, That the expenditures authorized by this resolution shall not exceed $50,000.

Mr. HENNINGS. Mr. President, I am sure we should all be grateful for the forthright and courageous statement made in the Senate last Friday by the distinguished Senator from South Dakota, revealing as it did, a single highly illuminating instance of the way in which special interests in this country sometimes use campaign contributions in the hope of influencing legislation in their favor and for their special interest, as opposed to the public welfare.

That this was one crude blunder in the process of trying to obtain legislative influence by campaign contributions was promptly recognized for what it was, and exposed to public view, should not be surprising to anyone who has known the Senator from South Dakota as long

UNIVERSITY OF MICHIGAN LIBRARIES

as many of his colleagues in this Congress have known him. The offer of this campaign contribution has been called a bribe by some newspapers. From what little is known of the facts, it appears to me that no bribe was intended. Anyone who knows FRANCIS CASE, of South Dakota, knows that he could not be bribed. The Senator's statement, however, should do more than point to the way in which special interests of vast wealth have sought to bring about the amendments to the Natural Gas Act of 1938 which are now before us, by the expenditure of large sums of money. It should call to the attention of the Senate and of the country the fact that the Federal election laws which govern campaign contributions urgently need to be revised. Revision is long overdue.

Every candidate for public office requires campaign funds. All political parties require campaign funds. Some rich people give lavishly in every election year to the candidates of their choice. People of more moderate means give less, of course. Thousands of average citizens give a little money, each, to the political parties and candidates who meet their favor. Very often, as we all know, people tend to identify the public welfare with their own welfare, as witness that famous—even historic—statement that what is good for General Motors is good for the country. That statement had a genuine ring of sincerity in it. Its author meant what he said.

The officers of our great corporations, you may be sure, will very seldom be found spending money for the election of legislators reputed to seek their strict regulation or any increase in taxes affecting them. Members of labor unions have never been known to fill the campaign chests of candidates opposing the aspirations of organized labor. Farmers do not wittingly spend surplus money—if, indeed, in times like these there are farmers who have any surplus money—on candidates whose programs they conceive to be opposed to their interests.

We have to recognize that there is a great deal of selfishness, as well as public spirit, represented in the great sums of money spent in the political life of this country. We have to recognize that some very real control by the people themselves of campaign expenditures, as such, is necessary for the public good, and that complete publicity concerning these expenditures is needed to protect the public interest.

As a member of the Senate Committee on Elections for the past 5 years, and as its chairman for some of that time, I introduced in the last session of Congress, together with Senators HAYDEN, GREEN, and GORE, a bill (S. 636) to revise those election laws governing campaign contributions which have not been changed since 1925. Today they are obsolete, inadequate, and in practical effect, unenforceable.

It seems to me that all of us, both those who propose to vote against this natural-gas bill and those who are led by their inner convictions to vote in favor of it, should now unite in pressing for the revision of our laws governing campaign contributions. They stand today as an open invitation to evasion and downright violation. The statement of the honorable Senator from South Dakota last Friday, has brought this whole subject to the minds of the people of this country. There is no one in the Senate, I am certain, who will not agree that we all are in honor bound, for the sake of the reputation of the United States Senate itself, to do all we can possibly do to resolve this problem of our country's political life.

It certainly must have gratified all of us when the very able Senator from Texas, who is leader of the Democratic majority of the Senate, announced on Saturday that he would call for a thoroughgoing inquiry into the incident which Senator CASE reported. But is not this proposed limited inquiry like storming the citadel with a popgun? I think the inquiry should go far beyond this incident. I think the Senate should investigate completely the circumstances surrounding the consideration of this bill both by the Senate and the House of Representatives. We should learn all the facts about money spent on both sides of this issue.

I am hoping to obtain the support of the majority of my party and of a good many Senators from the other side of the floor, who have the interest of the consuming public at heart, for that other investigation which I am seeking. I refer to a congressional investigation of the giant oil companies who are backing the measure now before us—this bill to destroy and nullify the Natural Gas Act, insofar as any real protection for consumers may go.

It seems to me that both these investigations—one, of the particular incident which the Senator from South Dakota brought to our attention, only broadened to include the entire subject, and the other of the oil companies themselves—should take priority over any vote on this Natural Gas Act, now standing before the Senate under the circumstances which surround it in the public mind. There never was any need for this special exemption from Federal regulation now sought by the oil companies. There has been a need for a long time for greater inquiry into the problem of campaign contributions, such as the one which the Senator from South Dakota has been offered in his State, and for a greater inquiry into the monopolistic practices of this country's biggest oil companies—controllers both of gas and oil. For a long time now, the need has existed to see what part of these oil companies' funds are spent on influencing elections and legislation, and whether the provisions of our antitrust laws and the Corrupt Practices Act are adequate safeguards for the American people and in the interest of good government.

There are at least three actions which I believe the Senate should take before any vote on this needless amendment to the Natural Gas Act. First, the special inquiry which the Senator from Texas [Mr. JOHNSON] is proposing, broadened to include the expenditures of money on both sides of this issue; second, the congressional investigation of the oil industry itself; and third, the long overdue revision of our election laws of which I wish to speak a little further.

I happen to be one of the Senators who will run for reelection this fall. I certainly want the public generally to be able to know who contributes to my campaign fund, and in what amount. At this moment, I am told by some of my friends that in view of high costs of television and radio time, the amount needed to make an adequate campaign will be much more than the $20,000 formal limitation provided under the present law. This limitation applies to me individually. Political committees can spend much more. That is the way all candidates must manage under the present law. I certainly have no idea where that money is coming from. I am hopeful that some of my campaign funds will come from many small contributors, in small amounts—and that there will be some larger donations, too, in addition to my own contributions from my own savings.

Under the present election law there is an outside limit of $25,000 applying in only the larger States on the amount which any senatorial candidate may personally spend in an election campaign. Every Member of the Senate knows that more money than that is spent—with television, radio, and advertising costs what they are, with the cost of halls and organization, transportation and mails, in senatorial contests in the country's larger States.

I cannot tell at this time how much money will be spent on my own behalf in Missouri. I am reasonably hopeful that some campaign contributions will be as large as $2,500. I would not be surprised if some of the larger contributors had stock in an oil company or a natural-gas company. But such a contribution will be made by a man who believes that in spite of the fact I have opposed this bill to enrich the oil companies, I am working here, like so many other Senators, on behalf of the welfare of the country as a whole, and for that reason that contributor may believe that I should continue in office.

Our present election laws limit the amount of campaign contributions which any political party—as such—may spend to a ceiling of $3 million in a national presidential election. This limitation is merely a formal one, but by the creation of special committees more money can be raised and spent. On the basis of inadequate public reports, the cost of the last presidential election to the two major parties was well over $75 million. Some people say it was more than $200 million. Nobody really knows. But we all know that through many devices—most of them now legitimate and proper—such as the organization of so-called citizens committees of various kinds—both major parties and the people believing in them have been spending sums far in excess of the apparent ceilings provided in the outdated laws. We know, too, that there has been no adequate system of public accounting of these campaign contributions that would let the public really know who made them, and where, and in what amount,

and for what candidates. Nothing less than such an accounting ought to satisfy the people of this country. Nothing less than full publicity for campaign contributions and expenditures can protect our people adequately against misuse of the power of vast concentrated wealth to influence elections, and thereby to influence legislation itself.

There are some very rich and powerful men in this country who have an inordinate desire to control, insofar as they can, the election of United States Senators and United States Congressmen by means of their money. These men have been in the habit for years of contributing large sums to candidates not only in their own State, but candidates in other States as well. As the Senator from South Dakota has told us, the offer of $2,500 which was made to his own campaign fund was made by a lawyer from outside of his State. There is nothing unusual in that. The only unusual thing about this incident has been the public revelation of it. In fact, considering what that lawyer's clients probably expect to gain from this legislation, I think the tendered contribution of $2,500 was indeed small. The lawyer could have given $5,000 under the present law. As I suggested a few minutes ago, I hope to get more than one $2,500 contribution for my campaign and from persons who expect to gain nothing from my work in the Senate other than that I try to act—as do most Senators—in the general interest of my State and my country as it is given me the light to see it.

Under our present laws there is no bar against any rich man, who wants to do so, contributing not only $2,500 but $5,000 in every State of the Union. Now I doubt very much if many Americans will ever object if a person with wide interest sends a few dollars here and there throughout the country to his favorite candidates. But I know, without question, that the great majority of Americans in both our major political parties are opposed to having the elections in this country of ours dominated by a few men and families of vast wealth, or by a few big industries of enormous power and capital like these great oil companies, upon whom political parties have to rely to support their candidates.

From the facts as we now know them, the person who offered $2,500 to the campaign fund of the Senator from South Dakota meant no bribe. But he at least displayed an unseemly haste in making the contribution in gratitude for an expected vote in favor of the oil bill. Senator JOHNSON, who is one of the advocates of the measure, has pointed out that this incident will haunt the Senate for years to come—beclouding the issue of any vote, unless the issue of the $2,500 is resolved.

But I think that Senators who have become deeply concerned over the Senator's revelations, and who feel that Senators voting for the gas bill will be suspect in the public's mind, have in their anxiety over the immediate implications of this incident, failed to understand the real issues which Senator CASE raised in his speech in the Senate last Friday.

The Senator from South Dakota said quite clearly that he did not consider the tendered offer of a $2,500 campaign contribution as a bribe. On the basis of the facts insofar as we now know them, which are of course incomplete, it appears to me that he is entirely right in his conclusion that a bribe indeed was not intended.

The real issues here, Mr. President, are whether this isolated incident of an attempt to influence a Senator's vote, if, indeed, this proves to be the case, was illegal—I am reasonably sure that the FBI and the Department of Justice will find that it was not illegal—or whether it was only a naive and crude act lacking in discretion and decorum as it obviously was.

The real issues are, Mr. President—and this is what the Senator from South Dakota was saying to this body last Friday—that some large oil companies holding a monopoly over the natural-gas reserves in this country are bound to make enormous windfall profits with the passage of the gas bill, and that we—the representatives of the people in the United States Senate—should be alarmed by the extent to which these special interests have gone to pass this bill; and alarmed over the undue influence which concentrated wealth in the hands of a few people in this country can have on Federal elections—undue influence which is altogether legal under the present obsolete laws. These laws do not require adequate public disclosure of campaign contributions and expenditures.

The real issues are the monopolistic practices of the large oil companies and the failure of the Congress to pass adequate laws requiring a complete disclosure of campaign contributions and expenditures. These are the issues, Mr. President.

Will the Congress do what is necessary to protect our capitalistic competitive free-enterprise system against monopolies? Will the Congress do what is necessary to protect free and truly representative government? These issues will haunt this body until the Congress has passed an honest election law. These issues will haunt the Senate because of that one fact—that the concentrated money power of great industries, exerted in the political life of the country, is a menace. This menace needs the most searching examination.

Determining that the tendered campaign contribution to the Senator from South Dakota was not a bribe but only an indiscreet and ugly thing will not solve the real issues before the Senate.

This bill, S. 636, is an honest elections act. It contains several provisions which are important. It provides that no individual may contribute more than $10,000 to all Federal elections. It lifts the formal limit which the great parties may spend, in view of the high costs of television and modern techniques.

This bill would also, for the first time, subject to Federal law all party primaries, caucuses, and conventions for the selection of candidates for Federal offices.

It would make publicly accountable the financial activities of all political committees spending more than $100 annually for Federal offices. It would centralize, within practical limits, responsibility for campaign practices and expenditures. It would greatly improve and simplify reporting requirements imposed on candidates for elective Federal office and political committees supporting such candidates.

This honest election law has been needed for years. It was placed on the Senate calendar last June 22, 1 month before this Federal Natural Gas Act, which is now being considered, was placed on the calendar. In view of the elections which are now approaching, and in view of the fact that all parties and candidates are even today gathering those funds which will be necessary to them in the coming campaign, it is a matter of the highest urgency. It seems to me that the public interest in clean elections far transcends the Natural Gas Act in both dimensions and urgency.

I believe the Senate should set aside all further consideration of this Natural Gas Act until the select committee to be appointed shall investigate thoroughly the South Dakota incident. It should set the bill aside until after a thorough and complete investigation of the oil monopoly shall have been completed by the Antitrust and Monopoly Subcommittee of the Senate Committee on the Judiciary. And it should advance to the earliest possible date the consideration on this floor of the Honest Elections Act, S. 636.

Mr. President, I yield the floor.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Missouri?

Mr. FULBRIGHT. Mr. President——

The VICE PRESIDENT. Objection has been heard.

Under the rule, the resolution will lie over one day.

Mr. FULBRIGHT. Mr. President, I did not object but I intended to object, because, obviously, the purpose is only to delay consideration of the pending measure. I would not object to the adoption of such a resolution after the unfinished business had been disposed of.

The Senator from South Dakota made reference to a remark I made on last Friday. I want the RECORD to show that I certainly have no interest in wishing the junior Senator from South Dakota any misfortune of any kind, and I did not intend my remarks to have any influence one way or the other upon his election or return to the Senate. As a matter of fact, I have always enjoyed a very friendly relationship with the Senator from South Dakota, and I regret that he feels, if he does feel, that I have any intention, in any way, of influencing his political future in South Dakota. That is a matter quite beyond my interest in any respect.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. FULBRIGHT. But there are two remarks I should like to make, if the Senator from South Dakota will bear with me, since I am speaking on limited time. Regarding the Senator's remarks themselves, it seems to me that grown,

UNIVERSITY OF MICHIGAN LIBRARIES

mature persons, who occupy the office of United States Senator, must be presumed to know and to understand how reasonable men will interpret, or be likely to interpret, their remarks on the floor of this body.

The facts are very clear that everyone who heard the Senator from South Dakota speak last Friday—and I heard every word of it—and every reporter who reported the speech to the newspapers and read the Senator's carefully prepared address to the Senate, drew the conclusion that the Senator from South Dakota was alleging an improper effort had been made to influence his vote. The allegations were so made that the influence could be attributed to persons interested in the passage of the bill—in other words, interested in the same way in which I am interested.

In plain, everyday language, as it was interpreted, it was an effort to bribe. So the Senator from South Dakota, I think, must take the responsibility for the plain meaning of his words as they were interpreted by practically everyone I know of who heard them.

Furthermore, the Senator from South Dakota has been a Member of Congress for a long time. He knows that such a dramatic statement at the last moment, just before a measure is to be voted upon, is very likely to influence votes in this body. If it was not an improper attempt to influence his vote, as the Senator now seems to be saying, then the apparent and successful effort to leave that impression on Friday, and hence to create doubts in the minds of the Members of the Senate, seems to be likewise an unacceptable activity in this body. I still feel that the timing of it, as I said on Friday, was inexcusable. If the Senator from South Dakota was so uncertain as to what the purpose of the offer of money was, then I submit that the timing and the method of injecting this issue into this debate is an unacceptable procedure. The raising of the issue of bribery of this body is a serious matter, and anyone who does so should be very sure of his facts and very careful in his statements.

INTERPOSITION OF SOVEREIGNTY OF STATE OF VIRGINIA AGAINST ENCROACHMENT UPON RESERVED POWERS OF THAT STATE—JOINT RESOLUTION OF VIRGINIA LEGISLATURE

The VICE PRESIDENT laid before the Senate a letter from the Governor of the Commonwealth of Virginia, transmitting a joint resolution passed by the Legislature of that State, which, with the joint resolution, was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

RICHMOND, VA., *February 3, 1956.*

Hon. FELTON M. JOHNSTON,
Secretary, United States Senate, Washington, D. C.

DEAR MR. JOHNSTON: I enclose herewith copy of Senate Joint Resolution 3, "Interposing the sovereignty of Virginia against encroachment upon the reserved powers of this State, and appealing to sister States to resolve a question of contested power."

The resolution was adopted by the overwhelming vote of the membership in each branch of the General Assembly.

Sincerely yours,

THOS. B. STANLEY,
Governor, Commonwealth of Virginia.

Senate Joint Resolution 3

Resolution interposing the sovereignty of Virginia against encroachment upon the reserved powers of this State, and appealing to sister States to resolve a question of contested power

Be it resolved by the Senate of Virginia (the House of Delegates concurring)—

That the General Assembly of Virginia expresses its firm resolution to maintain and to defend the Constitution of the United States, and the Constitution of this State, against every attempt, whether foreign or domestic, to undermine the dual structure of this Union, and to destroy those fundamental principles embodied in our basic law, by which the delegated powers of the Federal Government and the reserved powers of the respective States have long been protected and assured;

That this assembly explicitly declares that the powers of the Federal Government result solely from the compact to which the States are parties, and that the powers of the Federal Government, in all its branches and agencies, are limited by the terms of the instrument creating the compact, and by the plain sense and intention of its provisions;

That the terms of this basic compact, and its plain sense and intention, apparent upon the face of the instrument, are that the ratifying States, parties thereto, have agreed voluntarily to delegate certain of their sovereign powers, but only those sovereign powers specifically enumerated, to a Federal Government thus constituted; and that all powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people;

That this basic compact may be validly amended in one way, and in one way only, and that is by ratification of a proposed amendment by the legisatures of not fewer than three-fourths of the States, pursuant to Article V of the Constitution, and that the judicial power extended to the Supreme Court of the United States to "all cases in law and equity arising under this Constitution" vested no authority in the court in effect to amend the Constitution;

That by its decision of May 17, 1954, in the school cases, the Supreme Court of the United States placed upon the Constitution an interpretation, having the effect of an amendment thereto, which interpretation Virginia emphatically disapproves;

That the State of Virginia did not agree, in ratifying the 14th amendment, nor did other States ratifying the 14th amendment agree, that the power to operate racially separate schools was to be prohibited to them thereby; and as evidence of such understanding of the terms of the amendment, and its plain sense and intention, the General Assembly of Virginia notes that the very Congress which proposed the 14th amendment for ratification established separate schools in the District of Columbia; further, the assembly notes that in many instances, the same State Legislatures that ratified the 14th amendent also provided for systems of separate public schools; and still further, the assembly notes that both State and Federal courts, without any exception, recognized and approved this clear understanding over a long period of years and held repeatedly that the power to operate such schools was, indeed, a power reserved to the States to exercise "without intervention of the Federal courts under the Federal Constitution"; the Assembly submits that it relied upon this understanding in establishing and developing, at great sacrifice on the part of the citizens of Virginia, a school system that would not have been so established and developed had the understanding been otherwise; and this assembly submits that this legislative history and long judicial construction entitle it still to believe that the power to operate separate schools, provided only that such schools are substantially equal, is a power reserved to this State until the power be prohibited to the States by clear amendment of the Constitution;

That with the Supreme Court's decision aforesaid and this resolution by the General Assembly of Virginia, a question of contested power has arisen: The court asserts, for its part, that the States did, in fact, in 1868, prohibit unto themselves, by means of the 14th amendment, the power to maintain racially separate public schools, which power certain of the States have exercised daily for more than 80 years; the State of Virginia, for her part, asserts that she has never surrendered such power;

That this declaration upon the part of the Supreme Court of the United States constitutes a deliberate, palpable, and dangerous attempt by the court itself to usurp the amendatory power that lies solely with not fewer than three-fourths of the States;

That the General Assembly of Virginia, mindful of the resolution it adopted on December 21, 1798, and cognizant of similar resolutions adopted on like occasions in other States, both North and South, again asserts this fundamental principle: That whenever the Federal Government attempts the deliberate, palpable, and dangerous exercise of powers not granted it, the States who are parties to the compact have the right, and are in duty bound, to interpose for arresting the progress of the evil, and for preserving the authorities, rights and liberties appertaining to them;

That failure on the part of this State thus to assert her clearly reserved powers would be construed as tacit consent to the surrender thereof; and that such submissive acquiescence to palpable, deliberate and dangerous encroachment upon one power would in the end lead to the surrender of all powers, and inevitably to the obliteration of the sovereignty of the States, contrary to the sacred compact by which this Union of States was created;

That in times past, Virginia has remained silent—we have remained too long silent!—against interpretations and constructions placed upon the Constitution which seemed to many citizens of Virginia palpable encroachments upon the reserved powers of the States and willful usurpations of powers never delegated to our Federal Government; we have watched with growing concern as the power delegated to the Congress to regulate commerce among the several States has been stretched into a power to control local enterprises remote from interstate commerce; we have witnessed with disquietude the advancing tendency to read into a power to lay taxes for the general welfare a power to confiscate the earnings of our people for purposes unrelated to the general welfare as we conceive it; we have been dismayed at judicial decrees permitting private property to be taken for uses that plainly are not public uses; we are disturbed at the effort now afoot to distort the power to provide for the common defense, by some Fabian alchemy, into a power to build local schoolhouses;

That Virginia, anxiously concerned at this massive expansion of central authority, nevertheless has reserved her right to interpose against the progress of these evils in the hope that time would ameliorate the transgressions; now, however, in a matter so gravely affecting this State's most vital public institutions, Virginia can remain silent

no longer; Recognizing, as this assembly does, the prospect of incalculable harm to the public schools of this State and the disruption of the education of her children, Virginia is in duty bound to interpose against these most serious consequences, and earnestly to challenge the usurped authority that would inflict them upon her citizens.

Therefore, the General Assembly of Virginia, appealing to our Creator as Virginia appealed to Him for Divine Guidance when on June 29, 1776, our people established a Free and Independent State, now appeals to her sister States for that decision which only they are qualified under our mutual compact to make, and respectfully requests them to join her in taking appropriate steps, pursuant to Article V of the Constitution, by which an amendment, designed to settle the issue of contested power here asserted, may be proposed to all the States.

And be it finally resolved, that until the question here asserted by the State of Virginia be settled by clear Constitutional amendment, we pledge our firm intention to take all appropriate measures honorably, legally and constitutionally available to us, to resist this illegal encroachment upon our sovereign powers, and to urge upon our sister States, whose authority over their own most cherished powers may next be imperiled, their prompt and deliberate efforts to check this and further encroachment by the Supreme Court, through judicial legislation, upon the reserved powers of the States.

The Governor is requested to transmit a copy of the foregoing resolution to the governing bodies of every county, city, and town in this State; to the executive authority of each of the other States; to the clerk of the Senate and House of Represenatives of the United States; to Virginia's Representatives and Senators in the Congress, and to the President and the Supreme Court of the United States for their information.

Agreed to by the house of delegates, February 1, 1956.

E. GRIFFITH DODSON,
Clerk, House of Delegates.

Agreed to by the senate, February 1, 1956.

E. R. COMBS,
Clerk of the Senate.

A true copy, teste:

E. GRIFFITH DODSON,
Keeper of the Rolls of the State.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON FEDERAL CONTRIBUTIONS, CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., transmitting, pursuant to law, a report on the Federal contributions program, obligation of Federal funds, Civil Defense Administration, for the quarter ended December 31, 1955 (with an accompanying report); to the Committee on Armed Services.

REPORT ON PROPERTY ACQUISITIONS, FEDERAL CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., reporting, pursuant to law, on property acquisitions by that Administration, for the quarter ended December 31, 1955; to the Committee on Armed Services.

REPORT ON EXCHANGE STABILIZATION FUND

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the Exchange Stabilization Fund, for the fiscal year ended June 30, 1955 (with an accompanying report); to the Committee on Banking and Currency.

BALANCE SHEET OF POTOMAC ELECTRIC POWER CO.

A letter from the President, Potomac Electric Power Co., Washington, D. C., transmitting, pursuant to law, a balance sheet of that company, as of December 31, 1955 (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON DISPOSAL OF FOREIGN EXCESS PROPERTY

A letter from the Administrator, Veterans' Administration, Washington, D. C., transmitting, pursuant to law, a report of sales and transfers of foreign excess property by that Administration, for the period January 1 through December 31, 1955 (with an accompanying report); to the Committee on Government Operations.

AUTHORITY FOR OFFICERS OF COAST AND GEODETIC SURVEY TO ACT AS NOTARIES IN CERTAIN CASES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize officers of the Coast and Geodetic Survey to act as notaries in places outside the continental limits of the United States and in Alaska (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF UNITED STATES CODE RELATING TO PUNISHMENT FOR PERSONS WHO ASSIST IN ATTEMPTED ESCAPE OF FEDERAL PRISONERS

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend title 18 of the United States Code, so as to provide for the punishment of persons who assist in the attempted escape of persons in Federal custody (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—WITHDRAWAL OF NAMES

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of certain aliens from reports relating to aliens whose deportation has been suspended, transmitted to the Senate on January 17, 1955, July 15, 1955, and January 16, 1956 (with accompanying papers); to the Committee on the Judiciary.

STATUS REPORT ON APPLICATIONS FOR ADJUSTMENT OF STATUS OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, Washington, D. C., reporting, pursuant to law, on applications for adjustment of status of certain aliens, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

REPORT OF NATIONAL MEDIATION BOARD

A letter from the Chairman, National Mediation Board, transmitting, pursuant to law, a report of that Board, including the report of the National Railroad Adjustment Board, for the fiscal year ended June 30, 1955 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the California Cattlemen's Association, Red Bluff, Calif., requesting an amendment to the Packers and Stockyards Act relating to brand inspection; to the Committee on Agriculture and Forestry.

A resolution adopted by the Porterville (California) American Legion Post, No. 20, favoring the enactment of legislation to provide for immediate construction of Success and Terminus Flood Control Dams, and to make available such additional appropriation of funds as are necessary to carry said construction forward to early construction; to the Committee on Appropriations.

A resolution adopted by the Board of Supervisors of the City and County of Honolulu, T. H., favoring the enactment of the bill (S. 2713) to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking and Currency.

A resolution adopted by the Knights of Columbus Morning Star Council, No. 294, Brooklyn, N. Y., relating to a revision of the Status of Forces Agreement; to the Committee on Foreign Relations.

A resolution adopted by the Knights of Columbus Parkway Council, No. 1433, Brooklyn, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treaty-making power; to the Committee on the Judiciary.

UNEMPLOYMENT DISTRESS IN CERTAIN AREAS—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the board of county commissioners of St. Louis County, Minn., to support H. R. 8323, establishing an effective program to alleviate conditions of excessive unemployment in certain distressed areas. This bill is identical to the companion bill in the Senate, S. 2663, of which I am cosponsor.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

COUNTY OF ST. LOUIS,
Duluth, Minn., January 24, 1956.

Senator H. H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The following motion was adopted by the board of county commissioners of the county of St. Louis, Minn., at its meeting held on January 23, 1956:

"Upon motion of Commissioner McKeever, Senators THYE and HUMPHREY were requested to support H. R. 8323, establishing an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas, introduced by Congressman BLATNIK during the second session of the 84th Congress, and which resolution has been referred to the Committee on Ways and Means."

Very truly yours,

W. H. BORGEN,
County Auditor.
O. L. PERRY,
Clerk of County Board.

EXTENSION OF SUGAR ACT—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution from the Minnesota-Dakota Sugar Beet Development Association requesting the early reenactment of the present law, with retention of protective quota provisions for sugar beets produced in domestic areas.

UNIVERSITY OF MICHIGAN LIBRARIES

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

THIEF RIVER FALLS, MINN.,
February 1, 1956.

RESOLUTION AMENDMENT OF SUGAR ACT OF 1948

Whereas the sugar act of 1948, as amended, will expire on December 31, 1956, and consequently its protective provisions will apply only to sugar refined from beets grown in 1955 and sold in 1956; and

Whereas reenactment of present law, with retention of protective quota provisions for sugar beets produced in domestic areas, is therefore essential early in second session of 84th Congress; and

Whereas, under the present act, the sugar beet crop has been subjected to acreage restrictions in 1954, 1955, and proposed for 1956 amounting to from 12 percent under previous plantings; and

Whereas the sugar beet crop is a major and important crop and the need is imperative that full acreage be restored and reasonable future expansion be provided for new areas; and

Whereas the sugar beet crop is of increasing importance due to the curtailment of other crops and because they furnish a reliable cash crop badly needed on new areas to meet high operating costs as well as old area to carry the mounting expenses of farming, and

Whereas both domestic sugar beet and cane producing farmers in equity should have the right denied to them under present law, to participate in the expanding market for sugar in this country; and

Whereas there is now pending before Congress, legislation to reenact and amend the expiring act: Now, therefore, be it

Resolved, That the Minnesota-Dakota Sugar Beet Development Association hereby directs its officers to actively support new legislation which will:

1. Provide sugar quotas to continental beet areas which will restore opportunity for full production among growers with a historical beet growing base.

2. Provide immediate opportunity on both new as well as established areas for farmers who desire to add the beet growing enterprise to their farming program to the extent that processing facilities are available.

3. Provide further that in sugar quota allocations such division of the steadily increasing American market be made as will create a basis for additional sugar processing facilities in areas adapted to beets, such as this, in which farmers do evidence a firm and continuing desire to grow beets.

4. Provide that deficits occurring in the quantities allotted to domestic areas be reallocated to other domestic areas; and be it further

Resolved, That this association actively support a provision in new legislation limiting the term of the Sugar Act now under consideration for a period of 4 years in order that in 1960 Congress may again reappraise the need for quotas in all domestic areas and their ability to consistently supply the amounts prescribed.

TRANSPORTATION OF NONSECURITY CARGO OVER COMMERCIAL RATHER THAN MILITARY TERMINAL FACILITIES—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD, a resolution adopted by the Association of California Port Authorities, of Alameda, Calif., relating to the policy of moving nonsecurity Government cargo over commercial rather than military terminal facilities.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the California Association of Port Authorities is composed of the major operators of marine terminal facilities in California and is vitally concerned with the continued operation and maintenance of these facilities in the interests of the general public; and

Whereas these same facilities are a vital part of this Nation's defense armor and must be maintained and available for use in emergency; and

Whereas the present level of commercial cargo is not, in most instances, sufficient to produce a compensatory revenue from normal operations; and

Whereas the various Armed Forces of the United States Government are shipping large amounts of nonsecurity cargo over marine terminal facilities under the control of the military which could be handled over commercial terminals: Now, therefore, be it

Resolved, That the California Association of Port Authorities lends its wholehearted endorsement to the findings and recommendations of the Transportation Subcommittee of the Subcommittee on Business Enterprises of the Commission on Organizations of the Executive Branch of the Government as contained in its report of March 21, 1955, entitled, "The Use of Military Port Facilities Versus Public and Private Marine Terminals in the Shipment of Armed Forces Cargo," as prepared by Mr. P. M. Shoemaker, committee chairman; and be it further

Resolved, That this association also is in complete accord with Recommendation No. 38 of the Subcommittee on Business Enterprises of the Department of Defense as contained in its report dated June 1955, which reads as follows:

"The Department of Defense should establish and enforce a policy regarding the shipment of military cargo through commercial and military ports that will recognize the wartime importance of commercial port facilities and contribute to their support and development during peacetime. Military ports whose operation is not necessary during peacetime should be closed and placed in standby, if necessary"; and be it further

Resolved, That the Department of Defense be urged to place these recommendations into effect at the earliest possible date so that commercial terminal facilities can enjoy the flow of cargo which they rightfully deserve; and be it further

Resolved, That the Secretary be, and he is hereby directed to forward copies of this resolution to such interested parties as the President may direct.

CONSTRUCTION OF OAHE DAM, ON MISSOURI RIVER—LETTER AND RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter and resolution sent me by the Sioux Tribe of Standing Rock Sioux Reservation, of North Dakota, and South Dakota, protesting against enactment of the bill H. R. 5608 to provide for the acquisition of lands by the United States required for the reservoir created by the construction of the Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in North Dakota and South Dakota, and for other purposes.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

FORT YATES, N. DAK., *February 3, 1956.*

HON. WILLIAM LANGER,
Senate of United States,
Senate Building, Washington, D. C.

DEAR SIR: Enclosed is resolution to the President of the United States, that we the Sioux Tribe of Standing Rock Sioux Reservation of North Dakota and South Dakota, has respectfully request to you that you confer with President of the United States; in behalf of said Standing Rock Sioux Tribe, that the tribe has protested against the said "A bill H. R. 5608, to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in North Dakota and South Dakota, and for other purposes."

That therefore, we the Sioux tribe rejected the rehabilitation problem, for the reason that we will establish our own arrangements with the money that come from the Oahe Dam compensation, that we do not want to be under the Indian Bureau fingers any longer, and furthermore, that 90 percent of the highest educated Sioux Indians already left the old Indian reservation life since the year 1915 to other States for seek of living in progressive way for future, that what few Indians left on the reservation system are those in condition of deaf, dumb, uneducate and cripple, aged that these class of Indians will never qualify for loan from the rehabilitation loan fund, of which is their own money due to each individual Indian from the Oahe Dam compensation for destroying their allotted lands and the tribal lands, and to reveal further that this system of rehabilitation programs has been experimented for cattle and sheep ranching and farming grain, but all these programs had failed by Indians on the Standing Rock Reservation; and

That the above disabled class of Indians as stated, they are living on what they called, "trust mortgage," the State advanced the sum money in allowance of so much to each Indian accordance, as providing how many inherited lands the Indian has, therefore, the tribe protested the rehabilitation program setup and inserted to embodied in the payment for taking the Sioux Tribe Indian lands for Oahe Dam Reservoir, and that we the tribe further protested the bill H. R. 5608 and any other bill that carried planning of the same rehabilitation program involved in the Oahe Dam compensation to the Sioux Tribe; and

We, the Sioux Tribe of Standing Rock Reservation do hereby respectfully appeal to you for your reconsideration on the such a bill H. R. 5608 and any similar bill now pending, that we protest also, that you take every effort to have our President of the United States to veto such a bill to confiscate the sum of money due to individual Indians from the Oahe Dam compensation.

May we the Sioux Tribe hear from you in regard to this letter, thank you ever so much,

Your Sioux Tribe of Standing Rock Indian Reservation,

JESSE J. GRAYBEAR,
President of Sioux Tribal General Council.

RESOLUTION OF STANDING ROCK INDIAN RESERVATION OF NORTH DAKOTA AND SOUTH DAKOTA

Whereas the Sioux Tribe of the Standing Rock Indian Reservation has not adopted

the proposed a bill H. R. 5608 or any all bills following the said: To provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in North Dakota and South Dakota, and that for the reason of we the Sioux Tribe do protested against the said rehabilitation system of the Bureau of Indian Affairs of the Department of the Interior its policies to withheld all sum of money which will derive from the construction of the reservoir, for purpose to use all this money that due to the Sioux Tribe of the Standing Rock Sioux Reservation, to perpetuate functions upon the said Sioux Tribe for another 150 years, under the same usual policy of prohibit the use of the tribal funds and all the income from the oil and gas leases on the tribal lands on the reservation, at present time the Sioux Tribe are in great need of their tribal funds, for food, clothings, fuels and feed for stock and other necessities for seeds for farming this coming spring, but the Indian Bureau Office has collected all tribal leases and using the sum of money to function the operation for the Indian Agency and hiring the extra office clerk, just to handle land lease matter, which is not necessary because Indians are capable to handle their own affairs: Now, therefore, be it hereby

Resolved by the Sioux Tribal General Council of three-fourths majority power of Standing Rock Sioux Reservation do hereby respectfully request, That the President of the United States, to veto the said a bill H. R. 5608, or any bill which hereafter proposed the same idea in connection with rehabilitation plan involved in Oahe Dam reservoir problem, that also be veto to protect the Sioux Tribe that they the tribe shall use the money paid to the tribe for their own use for each individuals Indians to benefit by, and please refer to the previous tribal petition and resolutions attached.

Dated, January 31, 1956.

JESSE J. GRAYBEAR,
President of Sioux Tribal General Council.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THYE, from the Committee on Agriculture and Forestry:

H. R. 8320. An act to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school-milk program and the brucellosis-eradication program for the fiscal year ending June 30, 1956; with amendments (Rept. No. 1471).

COMPENSATION OF EXECUTIVE DIRECTOR OF JOINT COMMITTEE ON ATOMIC ENERGY—REPORT OF A COMMITTEE

Mr. ANDERSON, from the Joint Committee on Atomic Energy, reported an original joint resolution (S. J. Res. 138) relating to the compensation of the Executive Director of the Joint Committee on Atomic Energy, and submitted a report (No. 1470) thereon, which was read twice by its title and placed on the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEHMAN (for himself, Mr. KENNEDY, Mr. MORSE, Mr. NEUBERGER, Mr. GREEN, Mr. PASTORE, Mr. SCOTT, Mr. JOHNSTON of South Carolina, Mr. ERVIN, Mr. SPARKMAN, and Mr. KEFAUVER):

S. 3137. A bill to provide insurance against flood damage, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. HILL:

S. 3138. A bill to amend the Public Health Service Act so as to improve the mental health of the Nation through grants for special projects to develop improved methods of care, treatment, and rehabilitation of the mentally ill; to the Committee on Labor and Public Welfare.

By Mr. MARTIN of Pennsylvania:

S. 3139. A bill to amend the public assistance and related provisions of the Social Security Act to provide separate matching of assistance expenditures for medical care, to provide gradually for equal matching of old-age assistance expenditures supplementing old-age and survivors insurance benefits, to make clear the purpose of encouraging States to provide assistance and services to help strengthen family life and to help needy families and individuals attain self-support or self-care, to assist in improving administration of public-assistance programs through research and training, to improve aid to dependent children, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. MARTIN of Pennsylvania when he introduced the above bill, which appear under a separate heading.)

By Mr. COTTON:

S. 3140. A bill to provide for granting longevity pay increases to wage board employees; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. COTTON when he introduced the above bill, which appear under a separate heading.)

By Mr. BENDER:

S. 3141. A bill for the relief of Exapet Philibossian and Eghia Philibossian; to the Committee on the Judiciary.

S. 3142. A bill to encourage construction and maintenance of modern Great Lakes bulk cargo vessels in the interest of peacetime commerce and the national defense; to the Committee on Interstate and Foreign Commerce.

By Mr. McCLELLAN (for himself, Mr. BYRD, Mr. STENNIS, Mr. DANIEL, Mr. ROBERTSON, Mr. THURMOND, Mr. ERVIN, Mr. RUSSELL, Mr. HILL, Mr. JOHNSTON of South Carolina, Mr. GEORGE, and Mr. EASTLAND):

S. 3143. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; to the Committee on the Judiciary.

By Mr. WATKINS:

S. 3144. A bill for the relief of Alfonso Macias Muniz; to the Committee on the Judiciary.

S. 3145. A bill to require the Bureau of the Census to develop farm income data by ecomonic class of farm; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WATKINS when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 3146. A bill for the relief of Eric Joseph; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 3147. A bill for the relief of Elsie M. Kenney; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 3148. A bill authorizing surveys and studies bearing upon the possible use of atomic energy for utility service requirements of buildings and grounds under the Architect of the Capitol, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. MAGNUSON:

S. 3149. A bill to amend the Civil Aeronautics Act of 1938 in order to permit certain air carriers to grant free or reduced rate transportation to ministers of religion; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON:

S. 3150. A bill for the relief of Sgt. and Mrs. Herbert G. Herman; to the Committee on the Judiciary.

By Mr. ROBERTSON (for himself, Mr. THURMOND, Mr. ERVIN, Mr. McCLELLAN, Mr. JOHNSTON of South Carolina, Mr. RUSSELL, and Mr. GEORGE):

S. J. Res. 137. Joint resolution exercising the power granted to Congress by section 5 of the 14th amendment to the Constitution through a declaration that both public schools which are desegregated as to race, and public schools for the different races which are separate but equal, satisfy the requirements of such amendment; to the Committee on the Judiciary.

(See the remark of Mr. ROBERTSON when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. ANDERSON:

S. J. Res. 138. Joint resolution relating to the compensation of the Executive Director of the Joint Committee on Atomic Energy; reported from the Joint Committee on Atomic Energy; read twice by its title, and placed on the Calendar.

INSURANCE AGAINST FLOOD DAMAGE

Mr. LEHMAN. Mr. President, on behalf of myself, the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senator from South Carolina [Mr. JOHNSTON], the Senators from North Carolina [Mr. ERVIN and Mr. SCOTT], and the Senator from Alabama [Mr. SPARKMAN], I introduce, for appropriate reference, a bill to provide insurance against flood damage, and for other purposes. I ask unanimous consent that the names of any additional sponsors may be added to the bill through the close of business on Wednesday, February 8.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LEHMAN. Mr. President, I ask unanimous consent that the bill, together with a press release announcing the introduction of the bill, a statement prepared by me concerning the bill, and a sectional analysis of the bill, be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, press release, statement, and sectional analysis will be printed in the RECORD.

The bill (S. 3137) to provide insurance against flood damage, and for other purposes, introduced by Mr. LEHMAN (for himself and other Senators), was received, read twice by its title, referred

UNIVERSITY OF MICHIGAN LIBRARIES

to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Federal Flood Insurance Act of 1956."

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2 (a) The Congress finds that in the case of recurring natural disasters, including recurring floods, insurance protection against individual and public loss is not always practically available through private or public sources. With specific reference to insurance against flood loss, the Congress finds that insurance against certain losses resulting from this peril is not so available. Since preventive and protective means and structures against the effects of these disasters can never wholly anticipate the geographic incidence and infinite variety of the destructive aspects of these forces, the Congress finds that the safeguards of insurance are a necessary adjunct of preventive and protective means and structures.

Inasmuch as these disasters impede interstate and foreign commerce, hamper national defense, and cause widespread distress and hardship adversely affecting the general welfare, without regard to State boundary lines, and in the absence of insurance protection from private or public sources, the Congress ought to provide for such protection in the case of flood, and study the feasibility and need for similar programs in the case of other forms of natural disaster against which insurance protection is not generally and practically available.

(b) (1) It is the purpose of this act to authorize and direct the establishment of a program of Federal insurance and reinsurance against the risks of loss resulting from flood as hereinafter defined, and to require a study and report on insurance and reinsurance against still other natural disaster perils hereinafter defined and specified, to the extent that such insurance or reinsurance is not available on reasonable terms and conditions from other public or private sources; and

(2) It is the purpose of this act to encourage private insurance companies to write insurance covering the extent of the risk above $10,000 in the case of residential property, as defined in section 8 (a) (1), and the risk above $100,000 for any other property, as defined in section 8 (a) (2), and to provide Federal reinsurance to the extent desirable and necessary to carry out this purpose.

FEDERAL FLOOD INSURANCE ADMINISTRATION

SEC. 3. (a) To carry out the functions authorized by this act, there is hereby created, as a constituent agency of and within the Housing and Home Finance Agency, an agency to be known as the Federal Flood Insurance Administration (hereinafter referred to as the "Administration"), which shall be headed by a Federal Flood Insurance Commissioner (hereinafter referred to as the "Commissioner") to be appointed by the President, by and with the advice and consent of the Senate, who shall be paid at the same basic rate of compensation established for the commissioners of the other constituent agencies or units of the Housing and Home Finance Agency. The management of the Administration shall be vested in the Commissioner. The Housing and Home Finance Administrator shall be responsible for the general supervision and coordination of the functions of the Administration with the functions of other constituent agencies and units of the Housing and Home Finance Agency, but, notwithstanding any other provisions of law, the Commissioner shall establish general operating policies of the Administration and, unless hereafter expressly authorized by law, none of the functions of the Administration shall be reassigned nor shall any of the administrative funds be reallocated.

(b) Section 101 of the Government Corporation Control Act, as amended, is hereby amended by inserting "Federal Flood Insurance Administration;" after "Federal Housing Administration;".

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this act, the Commissioner, notwithstanding the provisions of any other law, shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Commissioner as the issuing of insurance policies and the making of reinsurance agreements, and vouchers approved by the Commissioner in connection with such financial transactions, shall be final and conclusive upon all officers of the Government.

AUTHORITY TO INSURE AND REINSURE

SEC. 4. To aid in carrying out the purposes of this act, the Commissioner is authorized and directed to provide insurance and reinsurance against loss resulting from damage to or destruction of real or personal property (including property owned by State or local governments) due to flood, as hereinafter defined, occurring within the United States (including the District of Columbia, its Territories, and possessions, and the Commonwealth of Puerto Rico.

PREMIUM RATES

SEC. 5. The Commissioner shall from time to time prescribe (1) premium rates for each type of insurance and reinsurance he shall make available under authority of this act, and (2) terms and conditions upon which and areas (including subdivisions thereof) within which each rate shall apply. Such rates shall be based insofar as practicable upon consideration of the risks involved and upon calculations of amounts needed to cover all administrative and operating expenses arising under this act, as well as reserves for probable losses, to be accumulated over a reasonable period of years, but such basis shall be used only to such extent as in the judgment of the Commissioner shall be consistent with the aim of offering insurance and reinsurance at rates reasonable enough to make available to those who need it, at rates they can afford, the protection intended to be provided by this act.

PROPERTY AND LOSS LIMITS

SEC. 6. The Commissioner is authorized to provide for the determination of types and location of property with respect to which insurance or reinsurance shall be made available under this act, the nature and limits of loss or damage in any area (including subdivisions thereof) which may be covered by such insurance or reinsurance, and such other matters as may be necessary to carry out the purposes of this act.

RISK CLASSIFICATION

SEC. 7. (a) During a reasonable period of time following the effective date of this act, the Commissioner may grant a processing preference to any original application for insurance filed hereunder, over any subsequent application for insurance hereunder filed by a person whose original application for such insurance has been granted.

(b) The Commissioner may from time to time establish appropriate regulations regarding the classification and limitation of risks assumed by him under authority of this act.

POLICY AND PROGRAM LIMITS

SEC. 8. (a) The aggregate face amount of insurance issued by the Commissioner under this act against loss of or damage to (1) any one residential property (including personal property thereon) designed for occupancy by 1 to 4 families shall not exceed $10,000, and (2) any other single piece of real property and any other personal property in any single location shall not exceed $100,000. No claim for loss shall be approved which exceeds the lesser of (1) the actual value of the insured property at time of loss or (2) the cost of replacing, repairing, or rehabilitating the property destroyed or damaged with material of like kind and quality in such a manner as to restore it to the condition it was in at the time such destruction or damage occurred. Each insurance policy issued by the Commissioner shall contain a loss-deductible clause relieving him from any liability for paying the first $100 of a proved and approved claim for loss, or such greater amount in multiple of $25, not exceeding $200, as may be specified by the Commissioner upon issuance of the insurance policy.

(b) The liability of the Commissioner under insurance or reinsurance outstanding and in force at any one time under this act shall not exceed $1 billion: *Provided*, That such limit shall be increased by further amounts of $1 billion each on July 1, 1957, and July 1, 1958.

REINSURANCE REGULATORY AUTHORITY

SEC. 9. (a) The Commissioner is authorized to issue such regulations regarding reinsurance under this act as he deems advisable in order to carry out the purposes of this act.

(b) The premium rate and terms and conditions of any policy reinsured under the provisions of this act shall be subject to approval by the Commissioner.

(c) The Commissioner shall use his best efforts to encourage private insurance companies to undertake the issuance of insurance policies covering that portion of the loss in excess of the limits specified in section 8 (a) of this act resulting from damage to or destruction of real or personal property due to flood as defined in this act. The Commissioner shall seek to achieve this end by offering a program of appropriate reinsurance within the authority granted him by this act.

(d) Wherever practicable, the Commissioner shall encourage, by offering suitable reinsurance subject to the provisions of this act, the issuance by private insurance companies of policies insuring against loss resulting from damage to or destruction of real or personal property due to flood.

NONDUPLICATION OF AVAILABLE INSURANCE

SEC. 10. (a) No insurance or reinsurance shall be issued under the provisions of this act covering risks against which insurance is available on reasonable terms from other public or private sources.

(b) No insurance or reinsurance shall be issued under the provisions of this act on any property declared by a duly constituted State or local zoning authority, or other authorized public body, to be in violation of State or local flood zoning laws.

USE OF OTHER PUBLIC AND PRIVATE FACILITIES

SEC. 11. (a) In providing insurance or reinsurance under this act, the Commissioner shall use to the maximum practicable extent the facilities and services of private organizations and persons authorized to engage in the insurance business under the laws of any State or District, Territory or possession of the United States or the Commonwealth of Puerto Rico (including insurance companies, agents, brokers, and adjustment organizations); and the Commissioner may arrange for payment of reasonable compensation for such services.

(b) The Commissioner is authorized to enter into agreements for financial participation of private insurance companies in the underwriting of risks assumed, and for their proportionate participation in premiums received and profits or losses realized or sustained.

(c) In providing insurance or reinsurance under this act, the Commissioner may use the services of other public agencies, and pay reasonable compensation therefor.

(d) The Commissioner may supply, receive from and exchange with other agencies of the Federal Government, State, District, Territorial, possession, local and interstate commissions or agencies, and with private organizations experienced in the fields of insurance or reinsurance, such information as may be useful in the administration of the programs authorized by this act.

FEDERALLY AIDED PROPERTY

SEC. 12. Any department or agency of the Federel Government engaged in making direct loans or advances, or in participating in, insuring or guaranteeing loans made by private lending institutions, for construction, modernization, repair, rehabilitation, or purchase of property eligible for assistance under this act, may require as a condition for such future financial assistance that such property be insured against perils of natural disaster to the extent such insurance is available.

CLAIMS PAYMENT AND JUDICIAL REVIEW

SEC. 13. (a) Under such regulations as the Commissioner may prescribe, he shall arrange for prompt adjustment and payment of valid claims for losses covered by insurance or reinsurance under this act. He shall collect from participating insurance companies such amounts as they are obligated to contribute toward such losses under agreements entered into pursuant to the provisions of section 11 (b) of this act.

(b) No claim under color of any insurance or reinsurance made available under this act shall be liable to attachment, levy, garnishment, or other legal process before payment to the insured or the insurer, as the case may be, nor shall any such claim be liable to deduction on account of indebtedness of the insured or his estate, or the insurer, as the case may be, to the United States, except claims of the United States arising under this act.

(c) Upon disallowance of any claim against the Commissioner under color of any insurance or reinsurance made available under this act, or upon refusal of the claimant to accept the amount allowed upon any such claim, the claimant may institute an action against the Commissioner on such claim in the United States district court in which a major portion (in terms of value) of the insured property is located. Any such action must be begun within 1 year after the date upon which the claimant receives from the Commissioner written notice of disallowance or partial disallowance of the claim. For the purposes of this section, the Commissioner may be sued and he shall appoint one or more agents within the jurisdiction of each United States district court upon whom service of process can be made in any action instituted under this section. Exclusive jurisdiction is hereby conferred upon all United States district courts to hear and determine such actions without regard to the amount in controversy.

FUNDS AND TREASURY BORROWINGS

SEC. 14. (a) To carry out the purposes of this act, the Commissioner is authorized to establish two funds to be known as the (1) disaster insurance fund, and (2) disaster reinsurance fund.

(b) Into the disaster insurance fund shall be deposited all insurance premiums collected by the Commissioner for insurance policies issued by him under this act. Into the disaster reinsurance fund shall be deposited all fees collected by the Commissioner in connection with reinsurance made available by him under this act.

(c) Moneys in each of the funds may be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States. Such obligations may be sold and the proceeds derived therefrom may be reinvested as above provided if deemed advisable by the Commissioner. Income from such investment or reinvestment shall be deposited in the respective fund from which the investment was made.

(d) All salvage proceeds realized by the Commissioner in connection with insurance made available under this act shall be deposited in the disaster insurance fund; and all salvage proceeds realized by the Commissioner in connection with reinsurance made available under this act shall be deposited in the disaster reinsurance fund.

(e) The Commissioner is authorized to issue to the Secretary of the Treasury from time to time and have outstanding at any one time, in an amount not exceeding $1,500,000,000 (or such greater amount as may be approved by the President) notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury: *Provided*, That before July 1, 1957, the amount of such notes or other obligations issued to the Secretary of the Treasury by the Commissioner and outstanding at any one time shall not exceed $1 billion. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations to be issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Funds borrowed under this section shall be deposited, in such proportions as the Commissioner deems advisable, in the disaster insurance fund and the disaster reinsurance fund.

(f) Moneys in the disaster insurance fund and the disaster reinsurance fund may be used for the following purposes as deemed necessary by the Commissioner:

(1) To enable the Commissioner to carry out all functions under this act, including the payment of operating and administrative expenses;

(2) To pay from the disaster insurance fund approved for loss under insurance policies issued by the Commissioner under this act.

(3) To pay from the disaster reinsurance fund approved claims under reinsurance agreements entered into by the Commissioner under this act; and

(4) To repay to the Secretary of the Treasury sums borrowed from him in accordance with the provisions of subsection (e) of this section.

ADVISORY COMMITTEE

SEC. 15. In carrying out his functions under this act, the Commissioner shall appoint an advisory committee as authorized by section 807 of the Housing Act of 1954 (68 Stat. 590, 645). Such committee shall consist of not less than 3 or not more than 15 persons familiar with the problems of insurance or reinsurance, to advise the Commissioner with respect to the formulation of policies and the execution of functions under this act.

DEFINITIONS

SEC. 16. (a) As used in this act, the word "flood" shall include any flood, tidal wave, wave wash, or other abnormally high tidal water, hurricane, deluge, or the water component of any other severe storm, and landslide due to excess moisture.

(b) As used in this act, the term "natural disaster" shall include flood as defined above, earthquake, volcanic eruption, severe freeze, blizzard, duststorm, hailstorm, snowslide, explosion, drought, smog, radioactive contamination or other air pollution, and land subsidence due to an underground cave or man-made subterranean excavation, but shall not include fire or wind except where either of such perils occurs as a result of or in conjunction with one of the perils listed herein.

STUDIES

SEC. 17. (a) The Commissioner shall undertake a continuing study of the practicability of extending the coverage of insurance programs similar to those authorized under this act to one or more of the perils included within the term "natural disaster" as defined in this act.

(b) The Commissioner shall also undertake a continuing study of, participation by private insurance companies in the programs authorized by this act, to assure that the protection it authorizes can be provided, whenever practicable, through insurance policies issued by private insurance companies and reinsured with the Commissioner, in lieu of providing such protecton through insurance policies issued in the name of the Commissioner.

(c) The Commissioner shall undertake a continuing study of the feasibility of having private insurance companies take over, with or without some form of Federal financial support, the insurance programs authorized by this act.

SEC. 18. For the purpose of carrying out functions under this act the Commissioner may—

(a) sue or be sued;

(b) without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U. S. C. 529 and 41 U. S. C. 5), and section 322 of the act of June 30, 1932 (47 Stat. 412, as amended (40 U. S. C. 278a)), enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as he may deem appropriate, with any agency or instrumentality of the United States, or with any State or agency or political subdivision thereof, or with any person, firm, association, or corporation and consent to modification thereof, and make advance or progress payments in connection therewith;

(c) without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U. S. C. 529 and 41 U. S. C. 5), and section 322 of the act of June 30, 1932 (47 Stat. 412, as amended (40 U. S. C. 278a)), by purchase, lease, or donation acquire such real and personal property and any interest therein, make advance or progress payments in connection therewith, and hold, use, maintain, insure against loss, sell, lease, or otherwise dispose of such real and personal property as the Commissioner deems necessary to carry out the purposes of the act;

(d) appoint, pursuant to civil-service laws and regulations, such officers, attorneys, and employees as may be necessary to carry out the purposes of this act; and fix their compensation in accordance with the provisions of the Classification Act of 1949, as amended; define their authority and duties; require bonds from such of them as may be necessary; and delegate to them, and authorize successive redelegations by them, of such of the powers vested in him by this act as he may determine;

(e) issue such rules and regulations as he deems necessary to carry out the purposes of this act;

(f) exercise all powers specifically granted by the provisions of this act and such incidental powers as are necessary to carry out the purposes of this act.

RESERVATION OF RIGHTS IN REAL ESTATE ACQUIRED

SEC. 19. The acquisition by the Commissioner of any real property pursuant to this

UNIVERSITY OF MICHIGAN LIBRARIES

act shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local law of the inhabitants on such property.

TAXATION

SEC. 20. Nothing in this act shall be construed to exempt any real property, acquired and held by the Commissioner in connection with the payment of any claim under this act, from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

ANNUAL REPORT

SEC. 21. The annual report made by the Housing and Home Finance Administrator to the President for submission to the Congress under existing law on all programs provided for under this act shall contain a comprehensive report concerning (1) the operation of insurance and reinsurance programs authorized under this act, and (2) the status and result of studies authorized under section 17 of this act, together with such recommendations, if any, for legislative changes deemed by the Commissioner desirable to improve the operation of programs authorized under this act. The annual report for the calendar year ending December 31, 1961, shall contain an express opinion of the Commissioner, supported by pertinent findings, concerning the advisability of withdrawing in whole or in part Federal financial support for insurance policies to be issued at any time after June 30, 1962, offering protection against one or more of the perils included in natural disasters as defined in this act, taking into consideration the desirability of offering protection against such perils. Such opinion shall be accompanied by recommendations for legislative changes deemed desirable by the Commissioner in the event the opinion is to the effect that any such withdrawal of financial support is advisable. Unless and until an affirmative opinion is rendered, the annual report for every fifth calendar year after 1961 shall contain an express opinion of the Commissioner on this matter, supported by pertinent findings.

SEPARABILITY PROVISION

SEC. 22. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the act and the application of such provision to any person or circumstance other than those as to which it is held invalid shall not be affected thereby.

The press release, statement, and sectional analysis, presented by Mr. LEHMAN, are as follows:

TEN SENATORS PLAN TO INTRODUCE NEW DISASTER INSURANCE BILL

Senator HERBERT H. LEHMAN said today that he would introduce on Monday, jointly with Senator JOHN F. KENNEDY and eight other Senators, a flood-disaster insurance bill which represents, he said, "the thinking of the best experts in the field and the results of testimony presented before the Banking and Currency Committee in its series of hearings during November and December."

In addition to Senator LEHMAN and Senator KENNEDY, the cosponsors of the bill in the Senate are Senators MORSE, NEUBERGER, GREEN, PASTORE, JOHNSTON of South Carolina, SCOTT, ERVIN, and SPARKMAN.

Senator LEHMAN, who was acting chairman of the Banking and Currency Committee during the flood-disaster hearings, and who is chairman of the Securities Subcommittee to which the legislation on this subject has been referred, said he would convene hearings in the next fortnight on his new bill and on the administration's measure which has been introduced by Senator PRESCOTT BUSH, also a member of the Banking and Currency Committee. An identical bill will be introduced simultaneously in the House by a number of Members.

Senator LEHMAN said his new bill was drafted in consultation with Senator KENNEDY, who had earlier introduced a bill of his own—a somewhat less comprehensive measure.

The new Lehman-Kennedy bill provides for a $3 billion program of Federal insurance and reinsurance against the risk of flood and flood-related effects, and provides for a continuing study of the feasibility and desirability of extending coverage to other natural disasters.

Under the terms of the Lehman-Kennedy bill, premiums are to be established by the administrator of the program at rates low enough to encourage widespread participation by those who need the coverage.

Maximum coverage for private residences is set at $10,000; for industrial sites, $100,000. The bill proposes to encourage private insurance industry, through reinsurance, to assume the risk above $10,000 on private residences, and above $100,000 on industrial sites.

The Lehman-Kennedy bill does not require, as the administration bill does, State financial participation in the program or in the payment of premiums. Nor does it require that premiums be set at an actuarial level.

The bill provides for a report every 5 years, as to the feasibility and desirability of turning the program over to the private insurance industry.

In announcing the impending introduction of the measure, Senator LEHMAN said:

"Senator KENNEDY and I have every hope that this bill will obtain wide support and be quickly enacted into law. It is designed to provide immediately what is most immediately needed. The devastating floods that ravaged many parts of this country these past 6 months have taught us the need for quick action. Areas were struck which had never before experienced damage of this kind. I am informed that many parts of the country have reason to fear a new onset of floods in the spring. Thus, I am informed that in the mountains of the Northwest, the ground was unusually saturated before the winter freeze and that, since the freeze, the snows have been unusually heavy. There is every reason to anticipate that further floods will be experienced in Oregon and Washington which have seen such heavy damage in recent weeks.

"Both the Senate and House majority leaders have given this legislation high priority, and I have every hope of quick action."

After the introduction of the bill, it will lie on the table for several days in order that additional Senators who wish to cosponsor may affix their names.

A copy of Senator LEHMAN's proposed remarks on introduction and a detailed summary of the provisions of the bill are attached.

STATEMENT BY SENATOR LEHMAN

Mr. President, the sad plight of victims of hurricane Diane in the State of New York last August brought forcibly to my attention the need for some program of insurance against losses caused by flood. I immediately directed my staff to check on the availability of insurance against this peril. Unhappily, I learned that for all practical purposes, no such insurance could be obtained either from private insurance companies or from any governmental source. At that point, I advised the junior Senator from Arkansas, chairman of the Committee on Banking and Currency, of the need for a congressional study of the feasibility of making available insurance against flood loss. I urged that the study be undertaken immediately and that the committee press forward with hearings on this subject during the recess of the Congress. The chairman immediately responded to my plea by directing the staff of the Committee on Banking and Currency to prepare a background study of the problems involved in insurance against losses from floods, other forms of natural disaster, and man-made disasters. The staff quickly and efficiently completed this difficult task and made available the results of its study in time for the beginning of committee hearings on October 31, 1955. At the same time there was prepared at my direction a committee print of a comprehensive disaster insurance bill. I purposely made this broad in scope in order to provide specific legislative proposals on which witnesses could comment.

In opening the committee hearings as acting chairman, on October 31, 1955, by designation of the junior Senator from Arkansas, I specifically referred to this, among other drafts of proposed bills presented for committee consideration. I said: "I want to say these are only for the record. They are only to be given consideration. We realize perfectly well this whole subject of disaster insurance is a very complex one. We are plowing untrodden ground in this matter, and we want to develop the facts. That is really the purpose of this hearing. * * *

"We realize perfectly well—at least I do—that in all these proposals there are a great number of debatable issues. I want to make it clear so far as I am concerned, and I believe this is true of other members of the committee, that none of us is committed to any specific provision in any of these proposals."

It was in that spirit, Mr. President, that we proceeded to hold hearings in Washington on October 31 and November 1; in New York City on November 3; in Goshen, N. Y., on November 4; in Boston, Mass., on November 9; in Providence, R. I., on November 10; in Hartford, Conn., on November 14; and in Raleigh, N. C., on December 19.

The committee print of the bill I originally submitted—the broadest in scope of any of those before the committee—served its purpose well. It elicited testimony on phases of disaster insurance problems that might otherwise have escaped attention. As a result we have presently in printed form 903 pages of testimony taken at these hearings. This, together with the 417 page staff study now printed as Senate Document No. 1313 afforded the Senate committee a wealth of material pertinent to this precise problem.

I stated on the floor of this body on January 5, 1956, my intent to modify my committee print very seriously and drastically in the light of the testimony taken during that series of hearings. The bill I am introducing today is the result of that modification. Frankly, it has taken longer to revise the committee print than I had hoped. But I wish to emphasize that I had a proposed bill in print available for public consideration and comment last October. By contrast, I regret to note, the administration had no detailed bill on this subject until January 5, on which date its bill was introduced in the Senate as S. 2862. This in turn was substantially revised in wording by an amendment in the nature of a substitute for S. 2862 introduced on January 18. But all during our hearings, Mr. President, no draft bill was presented by the administration despite my constant urging.

Witnesses therefore had no means of commenting upon the specific provisions and procedures finally set forth by the administration in January of this year.

I think our hearings have proved of tremendous value; but I believe they could have proved of greater value had the administration made public during the hearings the specific proposals for legislation it held back until January 5 and then quickly revised on January 18. In fact, when the Senator who had introduced S. 2862 submitted on this floor the amendment in the nature of a substitute on January 18, he did not identify it as the administration bill. I first knew officially that this amendment represents the administration bill when my office was advised on January 31, 1956, of a letter written under date of January 27, 1956, to

the chairman of the Committee on Banking and Currency, the junior Senator from Arkansas, by Housing and Home Finance Administrator Cole.

That letter commented on S. 2862, saying:

"Senator BUSH, who introduced this bill, has signified his intention to propose an amendment in the nature of a substitute. The Housing and Home Finance Agency recommends the enactment of the substitute bill, and we have been authorized to state that it is in accord with the program of the President."

Upon introduction of S. 2862 on January 5, I requested a critique of that bill from the counsel on the professional staff of the Committee on Banking and Currency who had been assigned to this general problem. On January 9, I received a memorandum from Mr. McKenna which I will incorporate at the end of these remarks.

The careful and extensive staff work involved in preparation of this memorandum must now be evaluated in the light of changes in S. 2862 made by the amendment in the nature of a substitute.

I have gone into this detailed explanation of my activities on this matter in order to show that I have tirelessly and vigorously pushed forward in an attempt to solve the many perplexing problems involved.

I hope that the revised bill which I am now introducing along with Senator KENNEDY, and Senators MORSE, NEUBERGER, GREEN, PASTORE, JOHNSTON, SCOTT, ERVIN, AND SPARKMAN, will deserve and receive the wholehearted support of my colleagues. It is my intention, as chairman of the Subcommittee on Securities, to which this matter has been referred, to schedule early additional hearings on this bill and related proposals pending before the subcommittee. I am fully convinced that we must continue giving constant attention to this problem until it is solved.

In order that there may be ready understanding of the bill I am introducing, its provisions may be briefly summarized as follows:

Basically, it directs the Federal Government to make available, through insurance or reinsurance, a program of protection against flood losses to real and personal property. Its adoption will truly provide insurance against a rainy day. Moreover, the bill directs the Federal Government to make a study of the feasibility of extending insurance coverage to forms of natural disaster other than flood. To handle these programs, the bill establishes a Federal flood insurance administration as a constituent agency within the Housing and Home Finance Agency. The Commissioner heading this new administration would be appointed by the President by and with the advice and consent of the Senate. In him would be vested management of the administration with complete authority over its operating policies.

This bill is designed to spread its benefits as far as possible, at the same time meeting the needs of those most requiring protection in the event of flood. To this end, premium rates will be established after consideration of the risks involved, but the rate schedule finally fixed is directed to be consistent with the aim of offering protection at reasonable rates to those who need it. At this point I wish to stress that there is no practical method for a householder or a businessman to obtain insurance against flood damage to real property at the present time. Representatives of the insurance industry hold the opinion that they cannot offer such insurance on a commercial basis except at prohibitive rates. If this legislation is to accomplish its intended purpose, the schedule of rates at which insurance is made available must be within the means of prospective customers to pay. The bill's formula for ratemaking will allow appropriate flexibility in establishing these rates.

Once computed, these rates will be wholly paid by the persons obtaining insurance. It is my conviction that national problems require national solutions. There is little use in devoting serious attention to this legislation unless we succeed in arriving at a program which will work. The bill, therefore, makes the insurance policy a contract between the Federal Government and the person insured. Such an arrangement closely follows the pattern of insurance offered by private companies and promises to afford a representative test as to whether it would be commercially feasible for private companies to write this type of insurance. The appropriateness of this yardstick is made more certain by those provisions in the bill which require administrative expense to be recognized as part of the cost of the program. It is obvious that any commercial insurance company would normally treat the administrative expense of the program in this manner.

I appreciate there are many actuarial problems to be solved in connection with the issuance of this type of insurance policy. However, the Government itself possesses much information which should go far toward achieving a solution of these problems. Until some such program as that proposed by this bill is actually placed in practice, the actual problem of writing this type of insurance will remain unsolved. It is essential that we make an honest attempt to provide this type of insurance which is so vitally needed by homeowners and small-business men.

The premiums paid by those insured will provide a measure of self-help. In the event the impact of claims comes earlier than anticipated, the bill provides for borrowing power from the United States Treasury in an amount sufficient to meet these claims. Any such borrowings, of course, would remain an obligation against the program and would be repayable out of future income derived from the sale of insurance policies, the earnings on invested reserves, and salvage realized from property taken over as a result of insurance claims paid. Admittedly, this is of necessity a trial-and-error program at the outset. The bill aims at making the program as self-supporting as feasible in line with the aim of providing the intended protection. However, it contains certain written safeguards against any excessive drain on the United States Treasury. It limits total risk exposure under the program to $1 billion for each of the following 3 years. It authorizes a total borrowing power from the United States Treasury not exceeding $1.5 billion unless the President approves a greater amount. As in the case of the Federal crop insurance, experience will show weaknesses in actual operations which must be corrected. The bill, therefore, leaves with the Commissioner a large measure of discretion in carrying out its programs.

It also encourages participation by private insurance companies in several ways. It authorizes the Commission to enter into agreements with such companies to share in the profits and losses resulting from the program, as was done in the case of the War Damage Corporation during World War II. It further directs the Commissioner to encourage private insurance companies to provide insurance protection against flood loss to real and personal property, relying on a suitable reinsurance program to be offered by the Commissioner. It directs the Commissioner to use his best efforts to encourage private insurance companies to insure the excess flood loss above limits provided in the bill for direct Government insurance, again authorizing the aid of a Government reinsurance program. It directs the Commissioner to make continuing studies of private company participation in the programs authorized in the bill to assure that insurance can be provided whenever practicable through policies issued through private companies rather than insurance policies directly issued in the name of the Commissioner. It further directs the Commissioner to make a continuing study of the feasibility of having private companies take over all insurance programs authorized under the bill, either with or without some form of Federal financial support. The bill requires comment in the annual report concerning progress of these studies and directs that every fifth year such report shall contain an express opinion from the Commissioner concerning the feasibility of taking over by private insurance companies of programs authorized under the bill.

The bill will authorize coverage for both real and personal property. Testimony taken during the committee hearings indicated that the loss of personal property by some homeowners and businessmen often resulted in as heavy a burden as the loss of real property by others. This proved to be especially true in the case of tenants who occupied dwellings and businessmen who leased business facilities. I was convinced by this testimony that any Federal flood-insurance program should offer protection to personal property as well as damage to real property.

The aim of spreading the benefits of this legislation as far as possible is further carried out by that provision of the bill which limits individual policies to a face amount of $10,000 in the case of 1-to-4-family residences and to $100,000 in the case of other real property and personal property. These limits should serve the purpose of providing basic protection for the homeowner and the small-business man. It is my hope that with the aid of a reinsurance program offered by the Federal Government, private insurance companies will step in and offer flood insurance protection for losses exceeding the insurance limits provided in this bill for direct Government insurance policies. Obviously, the exposure to risk in any such excess loss policy would be far less than in a policy covering the entire potential flood damage to the property insured.

The bill provides that each such policy must contain a loss deductible clause relieving the Government from paying the first $100 of a claim for losses. It permits an increase in the loss deductible amount to $200 within the discretion of the Commissioner at the time the insurance policy is issued. This will prevent the filing of nuisance claims, will help to keep down the administrative cost of processing claims, and will still have the effect of getting into the hands of the disaster victim the insurance proceeds he vitally needs to help him to recover from the damaging effects of the flood. In a further effort to spread the benefits of this program, the bill contains a provision allowing the Commissioner to prescribe a preference in processing the original application for insurance under the program as compared with any subsequent application for insurance. With that safeguard, it then becomes possible for the bill to follow the usual insurance practice of permitting insurance to be written on the basis of property covered rather than being arbitrarily limited regarding the amount obtainable by a person or government.

The bill also contains a provision enabling Federal agencies that provide aid in the construction or acquisition of property to require that available flood insurance be carried on such property. This will serve to achieve a wider spread of risks for the program. In an attempt to assure to as great an extent as possible that the needy flood victim will receive his full share of insurance proceeds, the bill contains provisions protecting his claim against levy, attachment, garnishment, or other legal processes. It also provides an adequate access to the courts for any dissatisfied claimant.

Particularly in view of the untried nature of this program, the bill requires appointment of an advisory committee consisting of 3 to 15 members familiar with insurance

UNIVERSITY OF MICHIGAN LIBRARIES

or reinsurance problems. It should be noted that committee membership is not restricted to those actually experienced in writing insurance. Broader representation is desirable.

The staff study on this subject disclosed a wide variation in any given year from the average flood loss over a span of years. In view of this fact, it is doubtful whether any absolute conclusions concerning the commercial feasibility of a flood-insurance program can be reached over a short period of years. However, operation of the insurance programs contemplated in this bill will contribute actual knowledge about the factors involved in this program. With this in mind, the bill provides no arbitrary termination date but requires annual reports to the Congress concerning progress under the bill and recommendations for any legislative changes which prove to be desirable.

The bill authorizes a coordination of the insurance and reinsurance programs without earmarking specific dollar limits for each respective program. Such an arrangement grants the Commission that flexibility which will be needed to make the program a success. It will permit him to determine within the overall limits set by the bill how much of the coverage should be written as insurance and how much should be provided by reinsurance programs.

Under the circumstances, I believe we have incorporated in this bill the best program that can be devised under current conditions to meet the needs of our homeowners and businessmen for flood insurance against those risks for which no private company now offers such insurance. I urge swift and serious consideration of this matter in order that this vacuum in the field of insurance may be adequately filled.

MEMORANDUM FROM WILLIAM F. MCKENNA, COUNSEL, JANUARY 9, 1956, ON S. 2862, 84TH CONGRESS, 2D SESSION

The following observations are made in connection with S. 2862, National Flood Indemnity Act of 1956, introduced by Senator BUSH for the administration on January 5, 1956.

1. Geographic limits: Sections 3 (e) and (f) of the bill in defining "United States" and "State" omit United States possessions. These could be included by defining the United States and State as the several States, Territories, and possessions, and the District of Columbia.

2. Personal property: Section 101 expressly includes in "personal property" for the purposes of direct Federal flood insurance only business inventories, stored agricultural commodities and household effects. It leaves to the Administrator's determination other personal property to be included. By contrast, section 201 dealing wtih reinsurance authorizes the Administrator to reinsure companies insuring against flood loss on "personal property," without expressly limiting the type covered.

3. Flood: Section 101 in defining "flood" expressly includes "rising water caused by tide, wind, or rain." It leaves to the Administrator discretion to expand this definition by regulation.

4. Rates: Section 102 requires indemnity contract fees to "be based on consideration of the risks involved and the desirability in the public interest of providing indemnity protection at reasonable cost" (a seeming combination of actuarial and subsidy approaches to the ratemaking task).

However, the effect of this language is restricted by a proviso that in setting fees "the Administrator shall set up estimated rates which would be necessary to provide an adequate reserve to pay all claims for losses over a reasonable period of years" (a nonprofit, actuarial approach, excluding administrative expenses).

The next proviso requires the insured to pay at least 60 percent of this nonprofit, actuarial rate, the remainder of 100 percent to be paid half by a State and half by the Federal Government. This leads to the conclusion that a reasonable cost for indemnity protection is never lower than 60 percent of the actuarial, nonprofit rate. Query whether this is always true in the light of testimony received by this committee in its disaster insurance hearings. At the Goshen, N. Y., hearing, testimony was given that in one instance Lloyds' of London quoted a rate of $250 per $1,000 value to cover certain real property against flood risk. It may well be that 60 percent of this ($150 per $1,000) would still be too high to form a practical rate at which to sell flood insurance. In other cases, Lloyds' would not insure against flood risk at any rate.

It might prove desirable to allow the administering agency more flexibility in establishing rates in order to achieve a flood indemnity program that will truly provide protection to those who need it.

5. Reserve buildup: Section 102 requires loss reserves to be provided "over a reasonable period of years." Since section 403 contemplates a report to the Congress by January 3, 1961, on the feasibility of a transfer of the program to private insurance companies, presumably the assumption is that adequate reserves will have been built up by that date—roughly, a 5-year period.

6. Uniformity: Section 102 contemplates uniform rates for similar risks, an acceptable concept in theory. This differs from a uniform national rate for all contracts on a given type of property.

7. State participation: As worded, section 102 prevents the issuance of a single indemnity contract until the State in which the property covered is located has paid into a Federal fund the State's allotted portion of the fee due on the contract. This raises a question regarding workability of the entire direct indemnity program. Many State legislatures meet only biennially. Failure of a State to provide for its portion of each indemnity contract on property in the State would deprive all property in the State from protection under this program. Query whether a given State legislature will be willing to appropriate in advance such indefinite sums as may be needed to fulfill the obligation placed on the State under this bill. The bill gives the State no voice in the program, but only the obligation of paying for part of it. Taxation without representation is as abhorrent between governments as between a government and the governed.

If State financial participation is desired, it would seem more practical to require the State to contract with the Federal Government to reimburse it annually for a fixed percentage of claims paid on property in the State during the preceding year; with authority to offset other moneys due the State from the Federal Government in the event of default on such contract. This would permit the program to go forward without requiring as a condition precedent that the State participate in each separate contract fee payment.

Testimony given the committee demonstrated the flood problem to be more national than intrastate in character. Flood conditions in one State may well be caused or contributed to by action or inaction of a second State wholly outside the remedial jurisdiction of the suffering State. National problems should be openly met by Federal measures; not allowed to lack solution by invoking hybrid Government devices resulting in a program whose benefits may prove more illusory than real.

Under the bill, the State involved retains a veto power over every potential indemnity contract; yet the contract is designed to afford protection to the insured, not to the State.

Under the bill, each contract involves a forced subsidy on the part of the State involved; for no method is provided for returning funds to the State should the program prove to be profitable. The bill obviously hopes to make the program profitable, as section 403 envisions assumption of flood risks by private insurance companies. Yet it seems to assume a program normally working with compulsory Federal and State subsidies, hardly a proper yardstick to measure public acceptability by potential insureds of a similar protective program in which the insured must pay 100 percent of the actuarial fee plus enough to pay operating costs and produce an acceptable profit.

Technically, it would be possible to omit the States from consideration under the bill even under its present language if the insured paid 100 percent of the actuarial fee; but this would too likely prove prohibitive.

For many reasons, this method of compulsory State participation bears careful scrutiny. It raises serious doubts regarding workability of the indemnity program on a nationwide basis.

8. Administrative expense: Section 102 requires all Federal administrative expenses under the indemnity program to be paid from appropriations out of the Federal Treasury. A private insurance company would of necessity pay administrative expenses out of fees, earnings and salvage from the insurance program. The bill's method thus provides an unrealistic and short yardstick against which to measure the ultimate feasibility of the indemnity program as a profitable commercial venture, even without considering the non-profit nature of the bill's program.

The Federal crop insurance program began with a similar device; but more recently has charged some operating expenses against the program.

9. Declining applications and risks: Section 103 authorizes the Administrator to decline any application or risk, as well as regulating the classification, limitation, and rejection of risks. Under the power to decline any application, there is the danger the Administrator may play favorites or use discrimination in the absence of further statutory safeguards. Under the power to decline any risk, there is the danger the Administrator may thwart Congressional intent through inordinate caution in excluding from coverage risks intended to be covered by this act. The Administrator's other powers to vary fee schedules according to risks should prove adequate to exclude inadvisable risks.

10. Crop insurance: Section 104 precludes indemnity if flood insurance is obtainable on reasonable rates and conditions from a public program. This presents a problem of cooperating with the Federal crop insurance program, which presently covers only about 800 out of 3,000 counties. Under the bill's present language, the Administrator could issue in-ground crop insurance against flood in the cases in which insurance is not available from the Federal Crop Insurance Corporation.

11. Indemnity contract limit: Section 105 limits each indemnity contract to a Federal obligation of $250,000 per person (including a corporation or like organization and a State and local government). Most insurance contracts operate on a per property rather than a per person basis.

The limit is obviously a policy matter. It would seem needlessly high for owner-occupants of single family dwellings. It might well prove too low to meet the flood insurance needs of many business enterprises. A classified lower limit for residences and higher limit for other property might better distribute the allotted indemnity funds according to need, especially if changed to a per property rather than a per person basis.

This provision in section 105 speaking of "obligating the United States" not in excess of $250,000 per contract leaves doubt as to whether $250,000 is the top face limit per

contract. Another possible interpretation requires consideration of the provision in section 105, that the United States has no obligation to pay at least the first $300 of any claim and 10 percent of the balance of the claim. Would this permit the face amount of each contract to run as high as $278,077 ($278,077—$300—[10 percent of the difference between $278,077 and $300=$27,777]=$250,000)? This could be clarified by placing the limit on the face amount of the contract.

Computation indicates that under the present bill 7,600 contracts could be issued having a face amount of $278,077, if the aggregate United States exposure is limited to $1.9 billion. Increasing the aggregate limit by $1 billion, as permitted by the bill with Presidential approval, would increase the number of possible contracts by 4,000 for a total of 11,600 contracts. Reducing the limit per policy to $28,080 would increase the potential number of policies to 116,000. At a limit of $11,410 the contract potential expands to about 200,000 in number.

These figures compare with some 164 million United States population (comprising about 42 million families), and 4 million business enterprises (of which about 2 million are 1- or 2-man enterprises, mainly in the service field). Under the bill's policy of only 1 contract per person, as defined in the bill, this allows about 1 contract for every 150 potential family, corporate, or Government purchasers. Obviously not all these will want to buy flood insurance. But most businesses and governments will want to buy more than the $11,410 limit used in arriving at this ratio. The problem is raised whether this size program will give a true test of the feasibility of the program, since the principle of adverse selection will work to induce those most exposed to flood risk to apply early for indemnity contracts, leaving more desirable risks to compete for such portion, if any, of the total authorized coverage as remains after the greatest risks have been covered.

12. Loss deductible: Section 105 employs a formula to determine the minimum loss deductible. This is $300 plus 10 percent of the remainder of any claim. In principle, this serves the threefold purpose of eliminating nuisance claims, cutting operating costs, and requiring the insured to share the risk on all portions of the insured loss. I understand the more normal insurance practice to be to have a fixed dollar amount loss deductible, frequently $50 on standard extended coverage. The risk-sharing device is more usually obtained by coinsurance requirements, forcing the insured to carry insurance on a substantial portion of the value of the property under the penalty of otherwise receiving only partial recovery for a partial loss under the policy.

It should be borne in mind that the higher the loss deductible, the less benefit the policy gives the insured. A disaster victim frequently needs all the cash or credit he can obtain in order to recoup his losses.

13. Aggregate liability: Section 106 of the bill permits a total aggregate liability of $1.9 billion under indemnity contracts and permits the President to increase this by an additional $1 billion. This section also permits the Administrator to earmark portions of this amount for geographic areas of the United States according to the needs of persons in such areas.

The policy decision to be made on this point is whether an aggregate permissible exposure to risk of $1.9 billion is sufficient to supply the needs of the country for flood insurance, considering the limitation this places on the number of contracts which may be issued when taken in conjunction with the individual limit per indemnity contract.

14. Reinsurance scope: Title II of the bill deals with reinsurance. Section 201 authorizes Federal reinsurance of insurance companies against loss on account of flood insurance on real or personal property. Such reinsurance can be issued only as necessary to enable insurance companies to provide insurance where it would otherwise not be available. It should be noted that this provision leaves with the Administrator complete discretion as to type of insurance to be provided. It also permits coverage of all types of personal property. However, it makes it necessary to determine whether the insurance involved is presently available, presumably on any terms; otherwise the Administrator would not be authorized to issue reinsurance under the provisions of this bill. Interpretation of this provision raises this difficult problem. Testimony given the committee in its field hearings shows that insurance companies in the Lloyds' group offered flood-risk coverage on some real property in the United States at a rate of $250 per $1,000 valuation. A question is raised as to whether such an offer is to be interpreted under the bill as meaning that insurance is available against flood risk under such conditions.

15. Reinsurance premium rates: Section 202 requires the Administrator to fix rates for reinsurance upon consideration of the risks and requires the rates to be adequate in his judgment to cover all claims for losses under reinsurance agreements over a reasonable period of years. This seems to require the Administrator to calculate such rates on an actuarial basis. It raises the question whether a private company could successfully compete with the subsidized direct Government indemnity-contract program even if the private company wished to make use of the reinsurance provisions in the bill. The direct indemnity contract provisions contemplate a subsidy. The reinsurance provisions appear not to except for administrative expense.

16. Uniformity of rates: Section 202 requires reinsurance rates to be uniform throughout the United States for similar risks. This provision is acceptable, since it allows a difference in rates according to risk involved.

17. Conditions in policies reinsured: Section 203 of the bill grants the Administrator regulatory authority over the terms and conditions of insurance policies reinsured under the bill. Obviously, such control should be retained by the Administrator.

18. Noncompetition: Section 204 of the bill precludes the issuance of reinsurance if it is otherwise available at reasonable rates and upon reasonable conditions from private sources. It should be noted that this specifically refers to reinsurance being available rather than insurance. The provision is proper as to reinsurance.

19. Aggregate exposure to risk on reinsurance: Section 205 earmarks $100 million as the top exposure to risk on reinsurance under this bill. This raises the policy question as to the sufficiency of this amount when balanced against an authorized exposure to risk of $2.9 billion on indemnity contracts issued by the United States directly. It also has the effect of isolating this particular $100 million, making it unusable for direct indemnity contracts in the event no need develops for its use under the reinsurance program.

20. Administering agency: Title III of the bill provides for administration and financing of the program. Section 301 creates a new constituent administration within the Housing and Home Finance Agency similar to FHA and PHA from a housekeeping standpoint. This new unit would be known as the Federal Flood Indemnity Administration, headed by a commissioner appointed by the Administrator. The bill does not contemplate confirmation of the Administrator by the Senate, a departure from the requirements for the heads of FHA and PHA.

Placing administration within a constituent agency of HHFA obviously raises a policy question. Presumably the main function of the Housing and Home Finance Agency is to coordinate housing programs of the Government. Under the bill indemnity contracts would cover other types of property besides housing, namely, business properties and property owned by State and local governments. Under present programs the experience of the HHFA with insurance is primarily limited to general supervision of the mortgage-insurance program administered by FHA. Whether this differing type of insurance is persuasive as to placing administration of the flood-indemnity program within HHFA is a matter for policy decision. Other programs have suggested that the choice of the administering agency be left to the President; or that the Small Business Administration be named since it already handles a disaster-loan program for business and homes; or that the Federal Civil Defense Administration be named on the theory that it could complement its wartime duties with training received in administering the peace-time disaster-insurance program, especially since it already acts as Federal coordinator for disaster relief under an Executive order. A further possibility would be to name the Treasury Department, in the absence of reviving RFC, since the problems of liquidating RFC were given by statute to the Secretary of the Treasury. The old War Damage Corporation, an RFC subsidiary, is still in the process of litigation.

21. Budgetary control: Section 301 (b) makes the FFIA subject to the Government Corporation Control Act, but section 301 (c) makes the Administrator's determination final regarding vouchers he approves in connection with final transactions of all indemnity contracts and reinsurance agreements, even as against the General Accounting Office.

22. Funds: Section 302 authorizes a Federal flood-indemnity fund and Federal flood-reinsurance fund. Into the indemnity fund are to be placed fees paid by the insured, together with payments by the Federal and State governments. Reinsurance premiums are to be placed in the reinsurance fund. The Administrator is empowered to invest moneys in both funds in United States obligations. These provisions are satisfactory.

23. Financing: Section 303 authorizes the Administrator to borrow up to $500 million at any 1 time from the Secretary of the Treasury in order to finance activities under the bill. The remaining provisions of the section dealing with interest to be paid on such borrowings are couched in the usual language. Money borrowed is to be placed in the indemnity fund or the reinsurance fund as deemed advisable by the Administrator. The policy question here raised is whether the amount here provided is sufficient, but it should be recalled that indemnity fees are to be collected in advance and that section 305 of the bill authorizes the Secretary of the Treasury to pay valid claims out of the United States Treasury. Presumably the $500 million borrowing authorization would be called upon to meet the need of the Administrator for indemnity reserves before adequate reserves have been built up over the reasonable period of years allowed by the other portions of the bill. None of this amount is available for Federal administrative expenses since these are to be paid out of appropriated funds under the provisions of section 304 of the bill.

Apparently section 305 sets up a safety valve which gives claimants a direct line to the United States Treasury in the event the Administrator is unable to pay any valid claim under this bill. Also, presumably, no interest is to be paid by the Administrator for the use of money so paid out by the Federal Treasury.

24. Participation: Title IV of the bill contains general provisions. Section 401 directs the Administrator to encourage maximum participation of private companies under this bill. It directs him to use the services and

UNIVERSITY OF MICHIGAN LIBRARIES

facilities of public groups and private insurance companies, agents, brokers, and adjustment organizations. It authorizes him to agree with private companies that they may act as underwriter agent or claim agent on the Administrator's behalf.

The section does not seem to provide express authority for the Administrator to enter into participation agreements with private companies whereby they will share in the profits or losses from the program in a manner similar to that arrangement carried out by the War Damage Corporation. It is, of course, questionable whether any such grant of authority would be placed in use by private companies at this time.

25. Private takeover: Section 402 instructs the Administrator to consult with insurance industry representatives to make continuing studies concerning methods for expanding the reinsurance program and for facilitating the takeover of all flood risks by private insurance carriers. The Housing Act of 1954 contains general authority to form an advisory committee.

This section appears to have supplanted express provisions for a formal advisory board. Under it the Administrator is limited to consultation with insurance industry representatives. Other bills have authorized a broader representation on advisory boards by permitting membership to those familiar with insurance or reinsurance problems, as well as those in the insurance industry.

26. Duration: No express termination date is provided in this bill. However, section 403 requires the Administrator to send a report to the President on or before January 3, 1961. The President in turn is to submit the report to the Congress. Among other matters it is to contain recommendations for legislation terminating the Government insurance program and providing for assumption of flood risk by private companies or, in the alternative, it is to explain why such legislation would not be feasible or advsable at that time.

As previously pointed out, it is questionable whether the bill sets up a proper yardstick for measuring the feasibility of a flood-insurance program, since it contemplates both Federal and State subsidy of premium payments. Moreover, it does not envision any profit being made on the program; and it requires payment of all Government administrative expenses out of general United States Treasury funds rather than out of funds raised under the indemnity program. Since the staff study indicated that in any given year the amount of flood damage in the United States varies considerably from the average amount of damage over a long span of years, it is questionable whether a 5-year program will truly test the feasibility of flood insurance. A period of light damage during that 5 years might inaccurately lead to the belief that such a program over a longer period would be commercially profitable. On the other hand, a period of heavy damage during the 5-year period might lead to the unfair conclusion that no private insurance program is commercially feasible while in truth it might prove feasible over a longer period of years.

27. Payment of claims: Section 404 (a) authorizes the Administrator to pay claims either directly or through his agents. It limits claims to the actual cash value of the indemnified property or the cost of replacing such property with material of like kind or quality, less depreciation at the time of loss. It is suggested that the latter test make it plain that indemnity paid will equal the cost of replacing the damaged property in the condition it was in just before the damage occurred. Translating the formula into a computation of depreciated value of a damaged road becomes complex when compared with the similar calculation of estimating the actual cost of repair in order to restore the road to its undamaged condition.

28. Judicial review: Section 404 (b) allows a dissatisfied claimant 1 year within which to file suit in the Federal court in the district where the property is located. One year is measured from the date the Administrator mails notice of disallowance in whole or in part to the claimant.

Such a provision will assure judicial review for dissatisfied claimants.

29. Coordination: Section 405 (a) empowers the Administrator to consult with other Government agencies having jurisdiction over land use and flood control, in order to assure that the indemnity and reinsurance program is consistent with the programs of such Government agencies. This apparently is intended to encourage flood zoning. The Administrator is also entitled to the cooperation of other Federal agencies where the Administrator's program may affect existing or proposed flood-control works. Finally, the Secretary of Agriculture and the Administrator are to coordinate their respective programs for flood-indemnity insurance and reinsurance of agricultural commodities.

Section 405 (b) authorizes the Administrator to receive from or exchange with certain State or private organizations dealing with insurance problems information helpful in establishing fees and premiums and in administering the indemnity and reinsurance programs. As a minor point, it should be noted that this does not expressly authorize the Administrator to supply information to such groups unless he receives something in return for such information. This deficiency could be remedied by adding the word "supply" before the word "receive."

30. General corporate powers: Section 406 grants the Administrator general powers usually assigned to a corporation. These include the authority to sue and be sued; to enter into contracts; to acquire and dispose of real or personal property; to hire employees under the Civil Service and Classification Acts, requiring bonds as necessary (but not authorizing the Administrator to pay bond premiums); to place three positions in super grades; to conduct necessary research and investigation; to issue rules and regulations; and to exercise incidental powers necessary to carry out the purposes of the bill.

31. Exemption from attachment: Section 407 of the bill, like the Federal Crop Insurance Act, exempts claims under the bill from attachment, garnishment, levy, or other legal processes and also exempts claims from set-off against indebtedness due the United States. This provision is designed to insure receipt of funds from an approved claim by the person indemnified.

32. Jurisdiction of real estate: Section 408 of the bill preserves civil and criminal jurisdiction for States and political subdivisions over any real property acquired by the Administrator under the bill.

33. Taxation: Section 409 provides that nothing in the bill shall be construed to exempt from taxation by any State or political subdivision any real property acquired and held by the Administrator in connection with the payment of any claim under the bill. This is a provision similar to that contained in comparable portions of the National Housing Act concerning the take-over of property on foreclosure or default. It should be noted that it is limited in scope in that it applies only to property taken over in connection with payment of a claim under this bill.

34. Separability: Section 410 of the bill is the usual separability provision sustaining a portion of the act even though the remainder be held invalid.

SECTIONAL ANALYSIS OF LEHMAN-KENNEDY BILL ON DISASTER INSURANCE

Section 1. Short title: "Federal Flood Insurance Act of 1956."

Section 2. Findings and declaration of policy:

(a) Findings of need for national program of insurance against flood loss and study of insurance against loss from other natural disasters.

(b) Purpose of act: (1) To provide such a program; and (2) to encourage private insurance of excess loss above Federal coverage, with Federal reinsurance, as necessary.

Section 3. Federal Flood Insurance Administration:

(a) Creates constituent agency within HHFA to be named Federal Flood Insurance Administration and to be headed by Commissioner appointed by President subject to Senate confirmation. HHFA has general supervision but policy decisions remain with Commissioner.

(b) Administration made subject to Government Corporation Control Act.

(c) Official financial transactions of Commissioner binding on Government officers; annual audit to be made by GAO.

Section 4. Authority to insure and reinsure: Commissioner directed to provide insurance against flood loss to real and personal property, owned privately or by State or local government; and Commissioner directed and authorized to reinsure against such loss; program operative in United States (including District of Columbia), its Territories and possessions and Puerto Rico.

Section 5. Premium rates: Commissioner to establish them. Rates to be based on consideration of risks, administrative and operating expenses and need for reserves but rates to be consistent with the aim of offering protection at reasonable rates.

Section 6. Property and loss limits: Commissioner may determine types and location of property covered, nature and limits of loss in any area, and other necessary matters.

Section 7. Risk classification: (a) Preference granted to original applications over second applications for insurance.

(b) Commissioner may regulate classification and limitation of risks.

Section 8. Policy and program limits: (a) Face amount of insurance issued by Commissioner limited to $10,000 on 1- to 4-family residence, including contents, and $100,000 on any other single piece of real property or personal property in any single location. Claim for loss not to exceed actual value of property or cost of replacing in prior condition, whichever is lower. Loss deduction clause of $100 or up to $200 as specified by Commissioner.

(b) Total liability of Commissioner under insurance and reinsurance program not to exceed $1 billion originally, plus an additional $1 billion each on July 1, 1957, and July 1, 1958.

Section 9. Reinsurance Regulatory Authority:

(a) Commissioner authorized to regulate reinsurance.

(b) Premium rates, terms and conditions of reinsured policy are subject to Commissioner's approval.

(c) Commissioner to use best efforts to encourage private insurance companies to issue policies covering excess of loss above Federal policy limits. Commissioner to offer suitable program of reinsurance for this purpose.

(d) Commissioner to encourage private insurance companies to insure against loss from floods; Commissioner to offer suitable reinsurance.

Section 10. Nonduplication of available insurance:

(a) No insurance or reinsurance to be issued against risks if available on reasonable terms from public or private sources.

(b) No insurance or reinsurance to be issued on property in violation of flood zoning laws.

Section 11. Use of other public and private facilities:

(a) Commissioner to use private insurance facilities to maximum practicable extent and may pay reasonable compensation.

(b) Commissioner may allow financial participation of private insurance companies in profit or loss under program.

(c) Commissioner may use services of other public agencies for reasonable compensation.

(d) Commissioner may exchange information with private insurance organizations and other public agencies.

Section 12. Federally aided property: Federal agency aiding construction, repair, or purchase of property may require it be insured against natural disaster to the extent such insurance is available.

Section 13. Claims payment and judicial review:

(a) Commissioner to arrange for prompt adjustment and payment of claims, collecting any share due from participating private companies.

(b) Claim exempted from attachment, levy, or garnishment and offset against other claims due the United States.

(c) Dissatisfied claimant may sue Commissioner in United States district court within 1 year after receipt of notice of total or partial disallowance of claim.

Section 14. Funds and Treasury borrowing:

(a) Commissioner to establish disaster insurance fund and disaster reinsurance fund.

(b) Insurance premiums for insurance issued by Commissioner are to be deposited in disaster insurance fund. Reinsurance fees go into disaster reinsurance fund.

(c) Monies in each fund may be invested in United States obligations.

(d) Salvage proceeds go to appropriate fund.

(e) Commissioner may borrow up to $1.5 billion (or greater amount approved by President) from Secretary of Treasury: *Provided*, That before July 1, 1957, limit is $1 billion. Terms and conditions of evidences of indebtedness to meet approval of Commissioner and Secretary of Treasury. Interest rate fixed by Secretary of Treasury according to formula prescribed. Borrowed funds deposited in appropriate fund.

(f) Disaster insurance fund and disaster reinsurance fund usable for (1) operating and administrative expenses, (2) payment of claims, and (3) repayment of Treasury borrowing.

Section 15. Advisory committee: Commissioner shall appoint advisory committee of 3 to 15 familiar with insurance or reinsurance problems.

Section 16. Defintions:

(a) "Flood" includes flood, tidal wave, wave wash, high tidal water, hurricane, deluge, water component of severe storm, and landslide due to excess moisture.

(b) "Natural disaster" includes flood, plus earthquake, volcanic eruption, severe freeze, blizzard, duststorm, hailstorm, snowslide, explosion, drought, smog, radioactive contamination, other air pollution, land subsidence, excluding fire or wind except where either occurs as result of or in conjunction with one of the listed perils.

Section 17. Studies:

(a) Commissioner to study practicability of extending program to other natural disasters besides flood.

(b) Commissioner to study reinsurance program to avoid need for flood insurance by Federal Government.

(c) Commissioner to study feasibility of private insurance takeover of act's programs with or without Federal financial support.

Section 18. Additional powers: Commissioner may—

(a) sue or be sued:

(b) enter contracts freely;

(c) acquire real or personal property;

(d) hire employees;

(e) issue necessary rules and regulations;

(f) exercise specific and necessary implied powers.

Section 19. Reservation of rights: Commissioner's acquisition of real property shall not take away State or local jurisdiction.

Section 20. Taxation: Act not to be construed to exempt from State or local taxation any real property acquired by Commissioner due to payment of claims.

Section 21. Annual report: Annual report by HHFA to President for submission to Congress shall report comprehensively (1) operation of act's programs; and (2) status of studies under section 17, plus legislative recommendations, if any. Annual report for calendar year 1961 to contain Commissioner's opinion regarding advisability of withdrawing in whole or in part Federal aid for insurance under act after June 30, 1962. Affirmative opinion to be accompanied by legislative recommendations. Until affirmative opinion is given, similar report should be made every fifth year.

Section 22. Separability provision.

PUBLIC-ASSISTANCE PROGRAM

Mr. MARTIN of Pennsylvania. Mr. President, the President, from time to time in his several messages to the Congress, has made reference to necessary and needed improvements in our public-assistance program.

I introduce for appropriate reference, a bill to provide those improvements, as recommended by the President.

I ask unanimous consent to have printed in the RECORD a detailed statement on the purposes of this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3139) to amend the public assistance and related provisions of the Social Security Act to provide separate matching of assistance expenditures for medical care, to provide gradually for equal matching of old-age assistance expenditures supplementing old-age and survivors insurance benefits, to make clear the purpose of encouraging States to provide assistance and services to help strengthen family life and to help needy families and individuals attain self-support or self-care, to assist in improving administration of public-assistance programs through research and training, to improve aid to dependent children, and for other purposes, introduced by Mr. MARTIN of Pennsylvania, was received, read twice by its title, and referred to the Committee on Finance.

The statement presented by Mr. MARTIN of Pennsylvania, is as follows:

STATEMENT ON PUBLIC ASSISTANCE BILL

The bill which I have just introduced is intended to carry out the recommendations of the President with respect to public assistance under titles I, IV, X, and XIV of Social Security Act. The bill is designed to bring about necessary improvements in public-assistance programs, and to place old-age assistance on a more realistic basis in relation to the old-age and survivors insurance program.

In his health message to the Congress on January 26, 1956, the President identified illness and disability as major causes of dependency and recommended that with respect to medical care provided for public-assistance recipients there be separate Federal sharing in States expenditures in behalf of the needy aged, the blind, the permanently and totally disabled and dependent children. To carry out this recommendation the bill amends the formula for determining the Federal share of assistance expenditures to become effective July 1, 1957, so as to provide separate dollar-for-dollar matching of State expenditures for medical care in behalf of assistance recipients, including insurance premiums for voluntary health plans, up to a specified maximum on such expenditures. This maximum is an average of $6-a-month-per-adult recipient and of $3-a-month-per-child recipient. The Federal share of such expenditures for medical care would be in addition to the present Federal matching of public assistance. An Advisory Council on Medical Care to the Secretary of Health, Education, and Welfare is authorized. This proposal recognizes the great need for medical care among recipients of public assistance and makes possible a more equitable Federal sharing in medical care costs.

As more and more of the aged receive benefits under the old-age and survivors insurance program, States are being relieved of responsibility for providing many of these people with assistance. It is desirable to reflect this by a change in the formula for determining the Federal share of supplementary assistance payments thus making old-age assistance more clearly indentifiable as a supplementary program. Under the current formula the Federal share is four-fifths of the first $25 of the average monthly payment per recipient, plus one-half of the remainder up to $55 per month. Beginning July 1, 1957, the Federal share would be one-half the average monthly payment up to the $55 maximum for payments made to individuals whose assistance payments supplement benefits received under the insurance program and who did not receive old-age assistance prior to that date.

In this connection the President also recommends that the present formula for determining the Federal share of assistance expenditures be temporarily extended in order to avoid hardship to present recipients. The bill therefore extends the temporary amendments which were included in the public-assistance sections of the Social Security Act in 1952 (and were extended in 1954 for 2 years) until June 30, 1959. The 1952 provisions raised the maximum assistance payments in which the Federal Government would participate financially, and also increased the proportion of assistance payments from Federal funds. Without the extension of these amendments the reduction in Federal funds to States would likely result in reduction in payments to recipients in a substantial number of States. The expiration date, June 31, 1959, would coincide with the end of the fiscal year and assist in budget planning, both for the Federal Government and the States. It would also allow time for the States to make the necessary fiscal adjustments as the amendments expire.

As the President stated in his budget message of January 16, 1956: "The Federal Government should do more to assist the States to adopt preventive measures which will reduce need and increase self-help among those who depend upon public welfare." Three provisions in the bill carry out this objective. The bill would amend the public-assistance title of the Social Security Act to clarify the purpose so as to include assisting the States to provide appropriate public welfare services to enable recipients of aid to attain self-support or personal independence, and to strengthen family life for needy dependent children. The bill also adds to the provisions governing State assistance plans provision for a description of such services, if any, that a State offers to applicants or recipients of assistance, and their utilization of other agencies providing similar or related services.

Success in carrying out these preventive services is directly related to the adequacy of personnel. Therefore the bill also authorizes the Federal Government to share in the States' expenditures for training of skilled workers, by authorizing an appropriation of funds for allocation among the States in accordance with criteria specified in the

UNIVERSITY OF MICHIGAN LIBRARIES

bill. Effective July 1, 1957, the Federal Government would contribute to State expenditures for training to the extent of 80 percent for 4 years, and then 66⅔ percent for 2 years. The State public-assistance agencies would make grants to institutions of higher learning for training, for establishing fellowships or traineeships, and special short-term courses of study all of which would serve to equip persons more adequately for administering public assistance.

Recognizing that dependency is a complex problem in our society we need to learn more of the casual factors. The bill provides authorization for cooperating in research carried on by States, public and nonprofit organizations by the Federal Government sharing in the costs of the research and demonstration projects that are related to the prevention and reduction of dependency, the prevention of desertion and the coordination of planning between voluntary and public welfare agencies.

The bill makes two changes in the present law which would improve the aid to dependent children program. One change would extend aid to otherwise eligible children who are living with a first cousin, niece, or nephew as well as the relatives now specified in the law. Another change extends Federal sharing in assistance granted to children between the ages of 16 and 18 who are unable to attend school. Both of these changes grow out of experience in the administration of the present law. The provisions of the bill constitute improvements which would make it possible for additional needy children to live in the homes of relatives rather than with unrelated families, and to meet the needs of certain children who are not in school because of physical or mental handicap, or absence of school facilities in a community.

There is a provision in the bill to increase the amount of the dollar limitation now in effect for public assistance grants to Puerto Rico and the Virgin Islands by 25 percent after June 30, 1956. These increases are recommended as necessary in order to enable these two jurisdictions to meet more adequately the needs of persons qualifying for assistance. For Puerto Rico dollar limitations on annual Federal assistance grants would be raised from $4,250,000 to $5,312,500 and for the Virgin Islands from $160,000 to $200,000. This would not affect the present formula for or maximums on Federal participation in individual payments.

LONGEVITY PAY INCREASES TO WAGE BOARD EMPLOYEES

Mr. COTTON. Mr. President, longevity pay increases are now available to more than 1½ million Federal Government employees under the provisions of the Classification Act and the Postal Pay Act.

These laws provide that employees who have reached the top of their pay grades are entitled to additional pay increases in recognition of long experience and faithful service. Three such longevity increases at specified intervals of time are now permitted.

Unfortunately, one major group of Federal employees do not get the same treatment. This group includes more than 700,000 persons, almost 30 percent of all employees of the National Government. These are the wage board, or industrial employees who man the shipyards, arsenals, and other national defense installations which are vital to our security.

Almost 6,000 of this group are employed at the Portsmouth, N. H., naval shipyard. They are skilled craftsmen and artisans, many of whom have 30 to 40 years of experience in the specialized skills required in the construction of complex, intricate naval vessels like submarines. They have played a major role in the development and improvement of the national defense strength of the Nation. From personal knowledge, I can assure the Senate that our Government has no finer, more loyal and competent, or hardworking group of employees than those of the Portsmouth Naval Shipyard.

It is a matter of real concern to me that this large, important group of Federal employees are not given the same treatment as the rest. To correct this inequity, I introduce, for appropriate reference, a bill to provide longevity pay increases for wage-board employees of the Federal Government. I hope it may have early consideration as a matter of justice.

The bill provides for additional pay increases of 2½ percent each after the, 13th, 16th, and 19th years of satisfactory Federal service. In addition to recognizing wage-board employees for experience and long service, the longevity pay increases proposed in the bill will serve as an incentive for satisfactory service, will reduce turnover, and increase efficiency.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3140) to provide for granting longevity pay increases to wage board employees, introduced by Mr. COTTON, was received, read twice by its title and referred to the Committee on Post Office and Civil Service.

ANNUAL FAMILY AND PER CAPITA INCOME DATA BY "ECONOMIC CLASS" OF FARM

Mr. WATKINS. Mr. President, income statistics which lump all classes of farms together are not adequate guides for the formulation of public agricultural policies.

From what I said last Friday with respect to the need for limiting the amount of price support subsidy a farmer can get from the Federal Government, it is evident that the Congress must have at its disposal more meaningful, reliable, and current agricultural income data, if it is to develop programs which effectively meet the problems of different economic classes of farms.

Agricultural economists have long recognized this problem. Several economists called this problem to the attention of the Joint Committee on the Economic Report during the committee's 1955 hearings. Speaking of those two-thirds of our so-called farmers who produce very little for sale or even home consumption and who cannot, therefore, benefit from the price support programs, Dr. William S. Nichols, professor of agricultural economics at Vanderbilt University, told the committee, as I noted in my supplemental views of the 1955 committee report:

> Unfortunately, given the unsatisfactory nature of national employment statistics, such people are considered "fully employed" although at best their employment is part time and very unproductive. Their inclusion among America's farmworkers also pulls down the farm income per worker or per capita to levels which compare very unfavorably with nonfarm income, lending support to public farm policies which help them hardly at all while concealing the need for a positive public program, largely nonagricultural in nature, to alleviate their low state of productivity and income (p. 63).

We have, Mr. President, some 2.7 million farms with gross incomes of less than $2,500. Some of these are part-time farms operated by factory, white-collar, and other workers; others represent rural homes for persons retired or ill; and some are operated by farmers in the process of retiring. In addition, about 400,000 people are reaching retirement age annually. Many of these will find part-time work in agriculture because it is a type of occupation in which they can regulate the tempo and extent of daily life. Yet if the land area these people "farm" is 3 acres or more and the value of the products raised amount to $150 or more, they are classified as farmers; or if it is less than 3 acres in size and the value of the products sold amount to $150 or more they are classified as farms.

Clearly, Mr. President, the incomes of these people who are operating these 2.7 million farms should not be included in agricultural income statistics or in considering income problems or price conditions in agriculture.

Their problems as I have already noted are not directly related to the level of farm prices but to other factors such as age, welfare, and health. Price support simply does not figure in their income calculations to any appreciable extent.

If meaningful comparisons of farm and nonfarm income are to be made for public policy determinations, it is only the incomes of some 2 million commercial farmers divided into 6 economic classes by value of products sold which should be compared with those of other nonfarm occupations such as factory and office workers. Yet, the current estimates of farm income and expenditures published in the Farm Income Situation by the Department of Agriculture are provided in such terms as individual commodities and commodity groups, money incomes and nonmoney incomes and type of expenditure.

In a few words, Mr. President, the only available estimates are for all farms in the United States, from the very small part time and residential farms to the very large farms, many of which have annual sales or obtain price-support loans in excess of $150,000. Average and per capita income figures thus obtained have for years been cited by various Members of Congress and laymen as ample evidence that price support ought to be 90 percent or higher so that the so-called gap between farm and nonfarm incomes can be narrowed or eliminated. Yet, as I have already mentioned, and as I pointed out in my supplemental views to the 1955 report of the Joint Committee on the Economic Report:

> Here is not only the answer as to why 90-percent-rigid-price support will not narrow the gap between the average per capita incomes of the farm and nonfarm populations, but also a very clear and astounding presentation of the basic or number one problem confronting American agriculture: Too many small, inefficient farming units and

too many people in agriculture. It is plain that its cause does not have one thing to do with whether farm prices are supported or not, or whether they are supported at 75 percent of parity, 90 percent of parity, or 100 percent of parity.

It is evident then that the chief beneficiaries of the $5,000,400,000 of actual or reflected payments to farmers under the price-support programs (1953–54) on basic commodities have been the upper one-third of our farmers—some 9 million who live on 2 million of the most efficient and well-operated farms. As Dr. Nicholls told the committee:

"On the other hand, I think that at the lower end of the scale, the end of the scale that you are speaking of, price support will simply not do much good. Let me give an example. You know, we have minimum tobacco allotments in burley of, I believe, about seven-tenths of an acre now, and this is the minimum, as far as the small farmer is concerned. He cannot be cut below that, as I understand it, but what does this mean in terms of income? Seven-tenths of an acre would produce, let us say, a thousand pounds of tobacco; that is $500 gross income per year, and that is certainly not going to make any small farmer very well off, it seems to me—especially after he has paid for his seed, fertilizer, and other expenses."

It should immediately become obvious that the problems associated with lifting the levels of living of about two-thirds of our farm people who live on farms which, for one reason or another, are uneconomic units, have not been and can never be solved through price-support programs.

It helps a farmer very little to have prices go up if he has little or nothing to sell, which is just about the size of it for two-thirds of our farmers (pp. 64–65).

Mr. President, we have had, therefore, honest, sincere people advocating a particular price-support policy, based upon inadequate, misleading statistical data, which it is evident will not accomplish its avowed purpose: to narrow the gap between farm and nonfarm income. If such mistakes in advocacy are to be prevented in the future, we must have more accurate, meaningful data. If the Congress is to legislate effective policies, it must have such data. The stakes are too high; the welfare of too many people is involved for the Congress to enact laws which do not treat the causes rather than effects of our two basic problems in agriculture. First, effective price-support legislation for our family-sized farms, and second, economic-aid programs of quite a different nature for the great bulk of our so-called farm people who cannot be helped by price-support programs.

Mr. President, I deem it essential that an annual survey be conducted to obtain farm money and nonmoney income data by economic class of farm. This can most readily be accomplished by expanding the farm segment in the present Census Bureau's annual Current Population Survey. Therefore, I introduce, for appropriate reference, a bill to require the Bureau of the Census to develop farm income data by economic class of farm, which, if enacted, will provide the Congress and the general public this valuable data not now available.

The VICE PRESIDENT. The bill will be received, and appropriately referred.

The bill (S. 3145) to require the Bureau of the Census to develop farm income data by economic class of farm, introduced by Mr. WATKINS, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

PUBLIC EDUCATION IN THE UNITED STATES

Mr. ROBERTSON. Mr. President, I introduce, for appropriate reference, a joint resolution exercising the power granted to Congress by section 5 of the 14th amendment to the Constitution through a declaration that both public schools which are desegregated as to race, and public schools for the different races which are separate but equal, satisfy the requirements of such amendment.

This proposal is in accord with section 5 of the 14th amendment in which the people reserved the right to determine, through their representatives in Congress, how the equal rights provisions of the 14th amendment should be implemented.

I believe thoughtful citizens throughout the Nation are disturbed by the current trend of the Federal Government to assume jurisdiction over matters heretofore reserved to the States and by the attitude of the Supreme Court which has, in effect, claimed the right to become an unrestricted policy-making body. Those who have been concerned about these trends should welcome a declaration by the Congress indicating it still believes our unique form of government can best be preserved by maintaining a proper division of powers between the Federal Government and the 48 sovereign States.

An additional reason for offering the joint resolution is my belief that only through such a declaration can members of the Negro race get an education on a par with the white race in certain areas of our Nation.

Education is a subject in which I have been deeply interested ever since I entered the Virginia State Senate 39 years ago and today I am concerned over the threat to public education in the Southern States created by the recent ruling of the Supreme Court.

Those who drafted the Federal Constitution in Philadelphia decided to leave to the States, among other things, full control of public education and that action was emphatically supported by ratification of the 10th amendment.

When the 14th amendment was adopted, for the protection of those who had been slaves, no one in the Congress or in any of the States which ratified the amendment suggested it was intended to take from the States their control over public education.

The amendment specifically says, however, "the Congress shall have power to enforce, by appropriate legislation the provisions of this article" and it should be noted that the same Congress which proposed this amendment, while acting as a legislative body for the District of Columbia, established a system of segregated public schools in the District.

Congress still has the right to say, by legislation, how the civil rights provisions of the 14th amendment shall be enforced. I am proposing that this right be asserted by giving the States the choice of operating either desegregated schools of the separate-but-equal facilities which all previous decisions of the Supreme Court declared were permissible.

Mr. President, I would welcome as cosponsors any colleagues who agree with my thinking and wish to join me in this undertaking and I would be glad to have them notify the desk if they wish their names placed on the joint resolution.

I ask that the text of the joint resolution be printed in the RECORD at this point.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S. J. Res. 137) exercising the power granted to Congress by section 5 of the 14th amendment to the Constitution through a declaration that both public schools which are desegregated as to race, and public schools for the different races which are separate but equal, satisfy the requirements of such amendment, introduced by Mr. ROBERTSON, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the framers of the Constitution of the United States included in the Instrument no specific grant to the Federal Government of power over public education; and

Whereas the original 13 States which formed our Union, by adoption of the 10th amendment to the Constitution, reserved in perpetuity to the States or the people thereof all powers not conferred upon the Federal Government; and

Whereas there was subsequently adopted the 14th amendment to the Constitution for the purpose of protecting the rights of those who previously had been slaves; and

Whereas by section 5 of that amendment the people expressly reserved to themselves, through their representatives in Congress, the right to determine how it should be implemented by stating: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article"; and

Whereas the same Congress that proposed the 14th amendment, acting as a legislative body for the District of Columbia, established in the District a system of segregated public schools; and

Whereas the Supreme Court of the United States, contrary to all previous legal decisions on this subject, but in the absence of any legislation by the Congress implementing the 14th amendment in its application to public education, has decreed that the equal protection clause of that amendment requires desegregated schools; and

Whereas the disruptive effect of the Supreme Court's decree upon institutions and practices of the States which have been designed to accord equal opportunities in public education to the members of the different races under conditions which would preserve harmony among the races requires that the people, through their representatives in Congress, should now adopt legislation implementing the 14th amendment in its application to public education; and

Whereas the adoption of such legislation will serve the further useful purpose of arresting the trend which has developed in recent years for the Federal Government to invade in many ways fields previously deemed to have been reserved by the 10th amendment to the States and the people thereof, a trend which has been a matter of deep concern to thoughtful citizens who believe that our unique form of government can best be

UNIVERSITY OF MICHIGAN LIBRARIES

preserved through perpetuation of the original concept of a central government of limited powers which was contemplated by the founding fathers: Now, therefore, be it

Resolved, etc., That pursuant to the provisions of section 5 of the 14th amendment to the Constitution, the Congress hereby declares that the requirements of such amendment with regard to such public education as may be afforded by the States are satisfied through the operation of either schools which are desegregated as to race, or schools for the different races which are separate but equal, as each sovereign State may elect.

Subsequently, the names of the junior Senator from South Carolina [Mr. THURMOND], the senior Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. MCCLELLAN], the senior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Georgia [Mr. RUSSELL], and the senior Senator from Georgia [Mr. GEORGE], were added as additional cosponsors of the joint resolution.

NATIONAL PURE FOOD, DRUG, COSMETIC, AND MEAT INSPECTION LAWS WEEK

Mr. HILL submitted the following concurrent resolution (S. Con. Res. 69), which was referred to the Committee on the Judiciary:

Whereas June 30, 1956, will mark the 50th anniversary of our national pure food, drug, and cosmetic law, first enacted on June 30, 1906, as the Federal Food and Drug Act, mainly through the inspired leadership of Dr. Harvey W. Wiley (then Chief Chemist of the United States Department of Agriculture), and subsequently revised on June 25, 1938, as the Federal Food, Drug, and Cosmetics Act; and

Whereas June 30, 1956, will also mark the 50th anniversary of the Federal Meat Inspection Act, which has not been amended significantly since its enactment and continues to serve its additional pure-food purpose; and

Whereas the year 1956, will further mark the sixtieth anniversary of the national association of administrators of the Federal, State, and municipal pure food, drug, and cosmetic laws in this country, now known as the Association of Food and Drug Officials of the United States; and

Whereas our national pure food, drug, and cosmetic law; the Federal Meat Inspection Act; and other related Federal statutes are essential to protect the public health by prohibiting an injurious adulteration and misbranding of food, drugs, and cosmetics, in order to assure their safety and integrity; and

Whereas this legislation is the major legal foundation upon which our food, drug, and cosmetic industries have established and maintained for the American people high and even higher food, drug, and cosmetic standards, during the past 50 years, through a dynamic exercise of their creative genius in our free enterprise system; and

Whereas such legislation consequently has a profound social, economic, and legal importance to all our people: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby—

(1) commemorates the 50th anniversary of our national pure food, drug, and cosmetic law and the Federal Meat Inspection Act, respectively, and records their essential protective and fundamental beneficial value to the American people; and

(2) authorizes and requests the President of the United States forthwith to issue a proclamation designating the week beginning June 24, 1956, as National Pure Food, Drug, Cosmetic, and Meat Inspection Laws Week, in further commemoration of this historic anniversary.

RESOLUTIONS

The following resolutions were submitted and referred, as indicated:

By Mr. JOHNSON of Texas (for himself and Mr. KNOWLAND):

S. Res. 205. Resolution establishing a Select Committee to investigate circumstances involving alleged improper attempts through political contributions to influence the vote of Senator CASE, of South Dakota, in the so-called Natural Gas Bill; ordered to lie over under the rule.

(See resolution printed in full when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

By Mr. HENNINGS:

S. Res. 206. Resolution to investigate circumstances connected with the tender of a campaign contribution to Senator CASE, of South Dakota, and any other contributions by persons in legislation involving the oil and gas industry of the United States; ordered to lie over under the rule.

(See resolution printed in full when submitted by Mr. HENNINGS, which appears under a separate heading.)

EXTENSION OF SUGAR ACT OF 1948, AS AMENDED—AMENDMENT

Mr. CAPEHART submitted an amendment, intended to be proposed by him, to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes; which was ordered to lie on the table and to be printed.

SANITATION FACILITIES AND SERVICES FOR INDIANS—WITHDRAWAL OF COSPONSOR OF BILL

Mr. WATKINS. Mr. President, on February 1, 1956, I introduced the bill (S. 3112) to provide domestic and community sanitation facilities and services for Indians.

At the time the bill was introduced the name of the Senator from Wyoming [Mr. O'MAHONEY] was inadvertently included as a cosponsor. This error, though innocently made, may under some future circumstances be embarrassing to my colleague from Wyoming. Therefore, I ask unanimous consent that at the next printing of the bill the name of the Senator from Wyoming [Mr. O'MAHONEY] be deleted.

I hope that any person who might question the Senator sponsoring this legislation will do me the courtesy of allowing me to explain this inadvertent mistake and I apologize to my colleague from Wyoming if he has suffered, or in the future, suffers any inconvenience because of this.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc, were ordered to be printed in the RECORD, as follows:

By Mr. CARLSON:

Address delivered by him before the American Public Health Association at its 83d annual meeting in Kansas City, Mo., November 14, 1955.

By Mr. LEHMAN:

Address delivered by him on February 3, 1956, before the ADA Roosevelt Day dinner, held in New York, N. Y.

By Mr. WILEY:

Address delivered by him at annual banquet of Marathon County Retail Food Dealers Association, at Wausau, Wis., on February 4, 1956.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

Mr. MONRONEY. Mr. President, because of so much misunderstanding of the basic facts connected with the Harris-Fulbright bill, I ask unanimous consent that I may have printed at this point in the RECORD five items, as follows:

First. A memorandum entitled "Annual Additions of Natural Gas Reserves to Interstate Pipelines, 1949–1954."

Second. Because some of the statistics on field prices which have been placed in the RECORD by the opponents of the bill may be misleading, I ask unanimous consent to have printed a memorandum entitled "Trends in Natural Gas Prices," together with accompanying tables.

Third. Because of the unfounded allegation that pipelines are subject to price exploitation by producers, I ask unanimous consent to have printed in the RECORD the testimony of Dr. John Boatwright, appearing at pages 185 through 196 of the hearings, relating to the coverage of various fields by the root-supply systems of the major pipeline companies.

Fourth. A memorandum entitled "Regulation by Size of Producer or Vendor," together with accompanying tables.

Fifth. The Senator from Illinois [Mr. DOUGLAS] devoted considerable time on January 25, 1956, to a discussion of the alleged fact that Phillips Petroleum Co. maintained its internal accounts on a cost basis, and actually separated the cost of producing gas from the cost of producing oil. I ask unanimous consent to include at this point in the RECORD a letter from Phillips Petroleum Co., in answer to an inquiry from my staff, which confirms my previous conviction that the Senator from Illinois was misinformed.

Sixth. A telegram which I have received from Keith Reed & Co., protesting the assertion of the Senator from Illinois [Mr. DOUGLAS] on last Friday that that company had predicted an increase in the field price of gas, and pointing out that it made no such prediction.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANNUAL ADDITIONS OF NATURAL GAS RESERVES TO INTERSTATE PIPELINES, 1949–54

Supplies of natural gas available to interstate pipelines include both:

(a) Reserves contracted for by the pipeline company with independent and affiliated producers; and

(b) Reserves owned by the pipeline company.

New supplies of natural gas to the pipelines have dwindled sharply during the past 2 years. The estimated additions to the reserves available to substantially all major pipeline companies, including both con-

tracted for and owned reserves, have been as follows for recent years:

Year	Annual additions to supply (in billions of cubic feet)	Percent change compared with previous year
1949	11,500	
1950	18,900	+64
1951	12,100	−36
1952	18,800	+55
1953	10,100	−46
1954	6,000	−41

Sources: Annual reports of pipeline companies to Federal Power Commission; for 1954 and prior years; Statistics of Natural Gas Companies, for 1954 and prior years (FPC); data supplied by pipeline companies.

The above figures represent the annual additions to natural-gas reserves by the following major pipeline companies:

Arkansas Louisiana Gas Co.
Cities Service Gas Co.
Colorado Interstate Gas Co.
El Paso Natural Gas Co.
Lone Star Gas Co.
Natural Gas Pipeline Company of America.
Northern Natural Gas Co.
Permian Basin Pipeline Co.
Panhandle Eastern Pipe Line Co.
Trunkline Gas Co.
Southern Natural Gas Co.
Texas Eastern Transmission Co.
Texas Gas Transmission Corp.
Texas Illinois Natural Gas Pipeline Co.
Transcontinental Gas Pipeline Co.
United Gas Pipeline Co.

In 1954 the 16 pipeline companies added 5,935 billion cubic feet to their available supplies, including both contracted for and owned reserves. Withdrawals from available supplies by these companies totaled 4,454 billion cubic feet, so that the net additions to available supplies totaled 1,481 billion cubic feet.

For 7 among the 16 pipeline companies, gross additions to reserves exceeded withdrawals during 1954.

For 9 among the 16 companies, withdrawals during 1954 were in excess of gross additions. The summary figures are as follows:

	Additions to supply (MM c. f.)	Withdrawals from supply (MM c. f.)
Pipelines with net increase (7)	4,573,900	1,996,200
Pipelines with net decrease (9)	1,361,400	2,457,400
Total, 16 pipelines	5,935,300	4,453,600

Trends in Natural Gas Prices

1. General price trends

The Natural Gas Act providing for Federal regulation of natural gas companies became effective in 1938. Independent gas producers were not defined as natural gas companies and the act was not in effect applied to independent producers prior to the Phillips decision in 1954. The level and behavior of natural gas prices at points of production of the commodity was determined by the forces of supply and demand. Competition among buyers and sellers was the determinant.

During that period of 16 years, the prices at which gas was available to consumers declined in relation to the prices of alternative fuels. The Bureau of Labor Statistics maintains a continuing analysis of commodity price changes. The following tables were prepared from that source.

Table 1 sets forth the average annual indices of retail prices of gas and of competitive fuels. As of 1954 the average retail price of gas was 8.4 percent above the 1935 to 1939 average. This contrasts with increases of 122.6 percent for anthracite, 112.9 percent for bituminous coal, and 107.7 percent for No. 2 fuel oil. During the 16-year period the prices of competitive fuels more than doubled.

Moreover it should be noted that the average annual index of retail gas prices, as shown by table 1, reflects the retail prices of manufactured gas as well as natural gas. For this reason, the indices showing the prices at which representative amounts of natural and manufactured gas have been offered to consumers are set forth by table 2. These indices also were prepared and published by the Bureau of Labor Statistics. Average prices at which manufactured gas was sold to the consumers increased in response to the rising cost of mineral fuels, labor, and other components of the cost of manufacturing and distributing gas. The Bureau of Labor Statistics indices also show that over the 16-year period since enactment of the Natural Gas Act the average price of natural gas in retail markets tended to decline. That tendency has been reversed since 1951, but the 1954 retail price level was below the prewar price level.

It is obvious why consumers in recent years have looked with increasing favor upon natural gas. The prices of natural gas at points of production have been determined by competition and the forces of supply and demand. The costs of transportation and distribution also have been held down—by the effects of the increases in volumes consumed. Consequently, the price of natural gas to consumers has not shown the same reaction to inflationary conditions as have prices of alternative fuels.

Table 1.—*Average annual indices of retail prices of competitive fuels*

(1935–39=100)

Year	Gas	Anthracite	Bituminous coal	No. 2 fuel oil
1938	94.3	99.3	101.8	105.6
1939	94.0	98.4	101.1	96.1
1940	93.1	102.7	102.0	100.8
1941	91.5	108.5	108.2	103.4
1942	89.8	112.5	113.8	118.6
1943	89.6	119.5	118.7	128.9
1944	89.1	126.8	123.1	129.1
1945	88.4	130.7	125.7	123.3
1946	87.5	145.0	132.4	124.2
1947	88.4	157.3	156.5	148.2
1948	89.2	176.6	186.2	188.6
1949	90.4	188.7	193.1	178.8
1950	90.7	195.9	200.2	180.7
1951	91.6	214.9	204.6	191.0
1952	94.6	218.3	208.6	195.4
1953	99.6	233.4	212.9	205.5
1954	108.4	222.6	212.9	207.7

Source: Bureau of Labor Statistics.

Table 2.—*Comparison of cost of living—all items with natural gas*

(1935–39=100)

Year	Cost of living consumers, price index	Natural gas		Manufactured gas	
		10 to 10.6 therms	25 to 30.6 therms	10 to 10.6 therms	25 to 30.6 therms
1938	100.8	98.8	98.5	100.2	98.5
1939	99.4	101.9	100.9	100.6	98.4
1940	100.2	101.7	100.8	101.4	97.8
1941	105.2	99.7	97.1	101.0	97.0
1942	116.6	98.6	96.6	100.9	96.7
1943	123.7	96.7	95.2	101.4	97.0
1944	125.7	95.1	93.5	101.5	97.0
1945	128.6	93.0	91.0	101.6	97.0
1946	139.5	88.6	84.9	102.0	97.5
1947	159.6	87.6	83.6	106.9	101.8
1948	171.9	86.4	82.5	116.1	111.9
1949	170.2	86.4	82.7	128.7	120.5
1950	171.9	84.6	84.4	124.8	120.1
1951	185.6	81.9	84.2	124.9	120.9
1952	189.8	83.5	88.0	125.7	120.1
1953	191.3	85.9	91.7	126.4	120.9
1954	192.0	86.8	93.6	128.8	122.5

Source: Bureau of Labor Statistics.

Prior to 1953 it was assumed by the BLS for statisical purposes that 10.6 therms represent average monthly gas consumption for range use, and that 30.6 therms represent average monthly gas consumption for range and automatic water heater use. Subsequently bills were computed for 10 therms and 25 therms, intended to be representative of typical average consumption levels with no direct relationship to specific appliance usage. Data were collected for 50 cities for the period prior to July 1947, 34 cities from July 1947 to December 1952, and subsequently information has been collected for 21 cities.

2. Trend of average prices of interstate supply of natural gas United States

Table 3, showing changes in average prices paid to independent vendors by interstate pipelines since 1940 is on the basis of data for 35 mainline carriers. The source is the annual reports of the companies to the Federal Power Commission. These 35 pipeline companies in 1954 purchased 4,702 billion cubic feet from independent vendors, or 96.5 percent of the total volume purchased by all the 63 pipeline companies who report to the Commission and who buy from nontransporting vendors. The volumes are adjusted to a standard pressure base of 14.73 psia.

The weighted average prices paid to independent vendors was 5.87 cents per thousand cubic feet in 1940, 4.11 cents in 1945, and 9.89 cents in 1954. Thus, over the 14 years the weighted average price increased by 4.02 cents per thousand cubic feet.

The increase in average price paid by pipeline companies was at a considerably lesser rate than the increase of average field price (Bureau of Mines). For the same 14 years the average field price increased from 4.53 cents to 10.1 cents, or approximately 5½ cents per thousand cubic feet.

Table 3.—*Volume of natural gas purchased from independent vendors and weighted average price paid by 35 pipeline companies,[1] compared with total interstate movement of natural gas and average field price, United States, 1940 and 1945–54*

Year	Volume of natural gas (MM c. f.)		Average price per M c. f. (cents)	
	Purchased by carriers from independent vendors [2]	Transported interstate (United States) [3]	Purchased by carriers from independent vendors	Average field price [4] (Bureau of Mines)
1940	477,300	738,800	5.87	4.53
1945	827,600	1,105,800	4.11	4.87
1946	904,900	1,145,900	4.91	5.27
1947	1,275,100	1,402,200	4.97	6.00
1948	1,694,000	1,756,600	5.01	6.47
1949	1,937,100	2,007,900	5.37	6.35
1950	2,572,700	2,543,500	6.13	6.50
1951	3,266,700	3,242,800	6.75	7.28
1952	3,914,000	3,786,700	7.70	7.78
1953	4,250,400	4,191,600	8.87	9.23
1954	4,702,100	4,655,100	9.89	10.1

[1] The 35 pipeline companies include the principal transporters of natural gas, in 1954, who purchased from independent vendors. Some were organized during the period 1940 to 1954. Predecessor companies are included. Purchases from main line carriers and from affiliated vendors are excluded.

[2] All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

[3] As estimated by the Bureau of Mines. The quantities are not adjusted to a standard pressure base.

[4] Prices have not been adjusted to refer to volume at a standard pressure base.

Sources: Annual reports of pipeline carriers to the Federal Power Commission; Bureau of Mines.

3. Trend of average prices in the southwest producing areas (Louisiana, Oklahoma, and Texas)

In 1940 the average field price of natural gas in the United States as reported by the Bureau of Mines was 4.5 cents per thousand cubic feet—an all-time low. Prices had not always been depressed in the producing areas. In 1922 the estimated average field price was 11.1 cents per thousand cubic feet.

UNIVERSITY OF MICHIGAN LIBRARIES

The average declined quite steadily thereafter, to 9.5 cents for 1926, 7.6 cents for 1930, and to 4.5 cents for 1940. (Reports of Commissioners Smith and Wimberly, Natural Gas Investigation, Docket No. G-580, p. 178).

In the Southwest producing area the decline was to approximately 2.0 cents per thousand cubic feet. (See table 4.)

The large supplies of gas in relation to existing market outlets was the basic cause of the depressed field prices in the Southwest. Markets for the gas were limited and, in some areas, nonexistent. At the depressed prices natural gas was scarcely worth conserving.

The schedule shows that interstate pipelines were able to buy natural gas during the year of depressed field prices at the remarkably low contract prices of about 4 cents per thousand cubic feet.

The percentage rise of average prices since that era has been substantial, but this is a reflection of the depressed level used as the basis of such a calculation.

TABLE 4.—*Weighted average prices paid by pipeline companies to independent vendors compared with average field prices, as reported by Bureau of Mines in Louisiana, Oklahoma, and Texas, 1940 and 1945–54*

Year	Weighted average prices paid by pipeline companies			Bureau of Mines average field prices		
	Louisiana	Oklahoma	Texas	Louisiana	Oklahoma	Texas
1940	4.77	4.00	3.97	3.20	1.48	1.82
1945	4.94	4.01	3.89	3.56	3.57	2.62
1946	4.81	4.05	3.75	3.54	3.24	3.02
1947	4.74	4.18	4.01	3.64	3.94	3.68
1948	5.08	4.48	4.23	3.86	4.86	4.52
1949	5.40	5.22	4.67	4.37	4.67	4.59
1950	6.12	5.97	5.53	5.30	4.90	4.70
1951	7.45	6.92	5.82	5.80	5.30	5.40
1952	8.45	7.64	6.94	6.70	5.40	6.20
1953	9.21	9.34	8.73	8.2	6.9	7.6
1954	9.76	9.86	9.34	8.9	7.0	8.5

Sources: Annual reports of pipeline companies to the Federal Power Commission; Bureau of Mines Minerals Yearbook and subsequent market reports.

Purchases by pipeline companies are adjusted to a standard pressure base of 14.73 psia at 60° F. Average field prices as reported by the Bureau of Mines are not adjusted to a standard pressure base.

4. AVERAGE PRICES STATED IN CONSTANT PURCHASING-POWER MONEY

The value or size of the monetary unit of measurement—the dollar or the penny—depends upon its purchasing power. The size of the monetary unit changes from time to time. The 1954 dollar was roughly one-half the size of the prewar dollar. Valid comparisons through time require that adjustments be made for the change in the purchasing power of the unit of measurement. This is a common practice of the Bureau of Labor Statistics, the Department of Commerce, the Federal Reserve Bank and others who make studies of trends of wages, prices and other time series analyses stated in terms of money.

Table 5 sets forth the average prices paid by pipeline companies to independent vendors in 1940 and from 1945 to 1954, adjusted so that they are expressed in money of a constant purchasing power. On such a basis the average for all purchases by the 35 pipeline companies, representing, in 1954, over 96 percent of total purchases, the prices paid to independent vendors in 1954 were actually less than in 1940. There has been a slight increase in the Southwest market. But these increases have been minor in amount and insignificant in relation to the increased volume of consumption.

Weighted average prices paid by pipeline companies are expressed in money of constant purchasing power by use of the wholesale price index published by the Bureau of Labor Statistics.

TABLE 5.—*Trend of average prices paid by pipeline companies to independent vendors expressed in money of 1945 purchasing power, United States and certain Southwest States*

[Cents per M c. f.]

Year	United States	Louisiana	Oklahoma	Texas
1940	7.90	6.42	5.38	5.34
1945	4.11	4.94	4.01	3.59
1946	4.29	4.20	3.54	3.28
1947	3.55	3.38	2.98	2.86
1948	3.30	2.35	2.95	2.79
1949	3.72	3.74	3.62	3.24
1950	4.09	4.08	3.98	3.69
1951	4.05	4.46	4.15	3.49
1952	4.74	5.21	4.71	4.28
1953	5.54	5.75	5.83	5.45
1954	6.17	6.09	6.15	5.82

Sources: Annual reports of pipeline companies to the Federal Power Commission; U. S. Department of Commerce, Statistical Abstract of the United States, 1949, and Survey of Current Business, current issues; U. S. Department of Labor, Bureau of Labor Statistics, release dated Feb. 29, 1952.

5. WEIGHTED AVERAGE PRICES PAID FOR NATURAL GAS BY PIPELINE COMPANIES IN 1954

Tables 6–8 set forth the average prices paid for natural gas by 63 pipeline companies—all the natural gas pipeline companies who report to the Federal Power Commission and who make purchases from nontransporting suppliers of natural gas. These purchases represent some 8,640 transactions for 1954. The data include purchases made both for local deliveries and for interstate shipment to other markets.

The information with respect to volumes and prices was taken from the annual reports of the pipeline companies to the Federal Power Commission with supplemental information obtained directly from the pipeline companies in some instances. The volumes are adjusted to a standard pressure base of 14.73 psia, in order that they may be combined. Prices stated are equivalent prices at the standard pressure base except as otherwise noted.

The total purchases by all 63 pipeline companies amounted to 7,125 billion cubic feet. Table 6 shows that of this total 1,767 billion cubic feet represented purchases by pipelines from one or another among the 63 pipelines. Eliminating the intercompany purchases, net purchases from nontransporting vendors were 5,358 billion cubic feet.

In addition, the natural gas supply available to these pipeline companies included gas produced from owned reserves. This production for 1954 amounted to 703 billion cubic feet, of which 462 billion cubic feet were in the Southwest producing area. Thus, the total net supply available to the 63 pipelines was 6,061 billion cubic feet for 1954. Since the total quantity shipped across State boundaries for 1954 was 4,655 billion cubic feet (Bureau of Mines), it appears that 1,400 billion cubic feet purchased by the pipeline companies are consumed in the States in which purchased.

Table 7 sets forth the volume and average price for purchases from associated and from independent vendors. The total purchases from independent vendors in 1954, for both local and interstate distribution, amounted to 4.871 billion cubic feet. The weighted average price was 9.95 cents per thousand cubic feet.

The 4,871 billion cubic feet purchased from independent vendors are 80.4 percent of the total supply available to the pipelines. The balance of total supply, amounting to 1,190 billion cubic feet, comes from production owned by pipeline companies, in the amount of 703 billion cubic feet, and purchases from associated vendors in the amount of 487 billion cubic feet.

Pipeline company production plus the supply obtained by them from associated companies, is 13.6 percent of total marketed production in the United States (Bureau of Mines).

The heat content of gas purchased by pipeline companies from independent vendors varies from about 890 to 1,115 B. t. u. Natural gas is priced on a thermal basis at many points of consumption. For these reasons the average price per thousand cubic feet has also been computed on the basis of a thousand cubic feet containing 1,000 B. t. u. per cubic foot natural gas. The results are set forth by table 8.

It should be understood that the weighted averages shown by tables 6–8 reflect purchases under all past contracts and are not indicative of current competitive prices of natural gas in the producers' market.

TABLE 6.—*Weighted average prices paid and aggregate volumes purchased by interstate pipeline companies from nontransporting vendors and from pipeline companies, 1954*

	Volume purchased from (MM cf.)—			Weighted average price paid per M cf. to—	
	Nontransporting vendors	Other pipelines	Total purchases	Nontransporting vendors	Other pipelines
Purchases in the Southwest producing area	[1] 5,062,800	871,900	5,934,000	9.42	17.4
Purchases in the Appalachian and other eastern producing areas	242,500	864,000	1,106,500	21.5	30.6
Purchases in the mountain and west north central producing areas	52,500	31,000	83,600	8.35	18.9
Total, United States	5,357,900	1,766,900	7,124,700	9.95	23.9

[1] Includes purchases in the Southwest of 3 pipeline companies whose purchases are mainly in the Appalachian and other eastern producing areas.

NOTE.—Volumes as reported to the Commission are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

Source: Annual reports of pipeline companies to the Federal Power Commission.

TABLE 7.—*Weighted average prices paid and volumes purchased by interstate pipeline companies from associated and from independent vendors, 1954*

	Volume purchased from (MM c. f.)—		Weighted average price paid to—	
	Associated vendors	Independent vendors	Associated vendors	Independent vendors
Purchases in the Southwest producing area	[1] 440,400	4,622,400	8.9	9.5
Purchases in the Appalachian and other eastern producing areas	45,900	196,600	21.2	21.6
Purchases in the mountain and west north central producing areas	400	52,200	6.0	8.4
Total	486,700	4,871,100	10.0	9.95

[1] Includes purchases in the Southwest of 3 pipeline companies whose purchases are mainly in the Appalachian and other eastern producing areas.

NOTE.—Volumes as reported to the Commission are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

Source: Annual reports of pipeline companies to the Federal Power Commission.

TABLE 8.—*Weighted average prices for natural gas purchased from independent vendors in the Southwest producing area*

[Expressed as cents per M c. f. at standard pressure and as cents per 1,000 B. t. u. equivalent]

Pipeline company	Average, cents per M c. f.	
	At 14.73 p. s. i. a.	1,000 B. t. u. equivalent
Arkansas Louisiana Gas Co	9.69	9.88
Arkansas-Oklahoma Gas Co	7.19	8.03
Cities Service Gas Co	10.11	10.11
Colorado Interstate Gas Co	13.00	12.97
Consolidated Gas Utilities Corp	10.48	(1)
El Paso Natural Gas Co	9.06	8.32
Fort Smith Gas Corp	7.30	8.14
Kansas Colorado Utilities, Inc	11.84	12.24
Kansas-Nebraska Natural Gas Co	9.28	9.67
Kansas Power & Light Co	10.95	11.26
Lone Star Gas Co	9.54	8.59
Louisiana Natural Gas Corp	9.42	8.90
Louisiana Nevada Transit Co	4.96	4.51
Michigan-Wisconsin Pipe Line Co	8.74	8.97
Mississippi River Fuel Corp	12.28	12.07
Natural Gas Pipe Line Company of America	10.45	10.15
Northern Natural Gas Co	10.35	10.38
Olin Gas Transmission Corp	8.59	8.09
Panhandle Eastern Pipe Line Co	7.54	7.39
Permian Basin Pipeline Co	10.29	(1)
Public Service Corporation of Texas	10.84	10.05
Southern Natural Gas Co	9.43	9.29
Southern Union Gas Co	10.57	9.47
Southwestern Public Service Co	9.95	9.90
Tennessee Gas Transmission Co	10.30	9.84
Texas Eastern Transmission Corp	12.01	11.56
Texas Gas Transmission Corp	9.36	9.19
Texas Illinois Natural Gas Pipeline Co	10.40	9.83
Texas Northern Gas Corp	8.55	8.08
Transcontinental Gas Pipeline Co	7.81	7.35
Trunkline Gas Co	8.24	7.92
Union Gas System	9.46	10.54
United Gas Pipeline Co	8.57	8.34
Zenith Gas System	8.29	7.30
Total	[2] 9.47	9.11

[1] B. t. u. content of gas not available.
[2] Not including purchases by Consolidated Gas Utilities Corp. and Permian Basin Pipeline Co.

Source: Annual reports of pipeline companies to the Federal Power Commission.

6. THE RANGE OF AVERAGE PRICES RECEIVED BY INDEPENDENT VENDORS IN 1954

The average price paid by all interstate pipelines in 1954 averaged 9.95 cents per thousand cubic feet for the seven Southwest States combined and 9.45 cents for Texas and Louisiana combined. These weighted average prices conceal a wide range, from less than 2 cents per thousand cubic feet to 19.6 cents per thousand cubic feet.

The opponents of the Harris-Fulbright bill direct attention to the instances in which prices of 16 or 19 cents per thousand cubic feet are paid to independent producers. They disregard the fact that gas is purchased at less than 2 cents as well as at 19 cents. They disregard the facts with respect to the range of prices paid and the reasons for this range.

Natural gas is not a standardized commodity. Its price, fixed in the competitive market, varies widely with the quality of the gas purchased, conditions of delivery, date of contract, and many other factors.

Tables 9–12 set forth this range of prices for (a) the seven Southwest States combined, (b) Texas and Louisiana combined, (c) Texas, (d) Louisiana.

To illustrate, the volume purchased by pipeline companies in 1954 at 7 cents or less was about the same as that purchased at prices of more than 12 cents per thousand cubic feet.

It should be understood that these prices are not rates specified by the contracts effective at any one time, but are actually prices paid by the pipeline companies during 1954.

If natural-gas producers were to be regulated by use of the public-utility formula, they would be entitled to charge just and reasonable prices. Assuming that average cost of supply under current conditions is equal to but no higher than the average price being paid for gas under existing contracts—9.54 cents per thousand cubic feet—the number of prices to be raised would be equal to the number of prices to be reduced. Many consumers would pay more quite aside from the effect of a utility-type regulation on supply.

TABLE 9.—*Range of weighted average prices received by independent vendors, average prices distributed by price class intervals, 7 Southwest States, 1954*

Price class interval (cents)	Volume purchased (MM c. f.)	Cumulative volume purchased (MM c. f.)	Cumulative percent of total	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Price class interval (cents)	Volume purchased (MM c. f.)	Cumulative volume purchased (MM c. f.)	Cumulative percent of total	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
1	397	397		1.85	2	199	12	306,001	4,271,833	93.9	12.55	126	2,429
2	3,691	4,008	0.1	2.65	19	194	13	146,122	4,417,955	97.2	13.38	106	1,379
3	21,866	25,954	.6	3.44	104	210	14	22,414	4,440,369	97.6	14.30	18	1,245
4	64,953	90,907	2.0	4.48	119	546	15	79,983	4,520,353	99.4	15.25	39	2,051
5	136,235	227,141	5.0	5.55	210	649	16	12,565	4,532,918	99.7	16.26	8	1,571
6	290,690	517,832	11.4	6.59	227	1,281	17	8,588	4,541,506	99.9	17.37	1	8,588
7	566,287	1,084,119	23.8	7.31	188	3,012	18						
8	538,135	1,622,254	35.7	8.54	251	2,144	19	4,525	4,546,031	100.0	19.61	5	905
9	1,072,413	2,694,467	59.3	9.54	705	1,521							
10	774,244	3,468,911	76.3	10.31	702	1,103	Total	4,546,031			9.54	3,228	1,408
11	496,920	3,965,831	87.2	11.23	395	1,258							

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F. Due to lack of information in some instances as to average price paid, the volume distributed by this schedule is slightly less than the total purchases from independent vendors in the 7 Southwest States.

TABLE 10.—*Range of weighted average prices received by independent vendors, average prices distributed by price class intervals, Texas and Louisiana, combined, 1954*

Price class interval (cents)	Payments (dollars)	Volumes purchased (MM c. f.)	Average price (cents per M c. f.)	Number of transactions	Average volume per transaction (MM c. f.)	Price class interval (cents)	Payments (dollars)	Volumes purchased (MM c. f.)	Average price (cents per M c. f.)	Number of transactions	Average volume per transaction (MM c. f.)
1	7,345	397	1.85	2	199	12	31,067,953	246,643	12.60	92	2,681
2	61,751	2,320	2.66	13	178	13	18,654,455	139,454	13.38	99	1,409
3	678,163	19,814	3.42	89	223	14	2,057,472	14,543	14.15	10	1,454
4	2,370,117	53,289	4.45	53	1,001	15	11,146,587	73,074	15.25	36	2,030
5	6,599,760	118,887	5.55	172	691	16	2,043,562	12,565	16.26	6	2,094
6	11,893,621	182,668	6.51	197	927	17					
7	36,785,200	502,665	7.32	107	4,698	18					
8	44,325,181	518,156	8.55	190	2,727	19	560,976	2,861	19.61	4	715
9	77,427,790	814,649	9.50	436	1,868						
10	63,406,788	613,466	10.34	391	1,569	Total	334,908,631	3,543,301	9.45	2,100	1,687
11	25,821,710	227,851	11.33	203	1,122						

Source: Annual reports of pipeline companies to the Federal Power Commission. Volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F. Due to lack of information as to place of delivery, the volume distributed by this schedule is slightly less than the total volume purchased from independent vendors in the 2 States.

UNIVERSITY OF MICHIGAN LIBRARIES

TABLE 11.—*Range of weighted average prices received by independent vendors, average prices distributed by price class intervals, Texas, 1954*

Price class interval (cents)	Payments (dollars)	Volumes purchased (MM c. f.)	Average price (cents per M c. f.)	Number of transactions	Average volume per transaction (MM c. f.)	Price class interval (cents)	Payments (dollars)	Volumes purchased (MM c. f.)	Average price (cents per M c. f.)	Number of transactions	Average volume per transaction (MM c. f.)
1	7,345	397	1.85	2	199	10	52,653,984	511,600	10.29	346	1,479
2	46,156	1,777	2.60	9	197	11	19,053,097	168,807	11.29	168	1,005
3	566,762	16,513	3.43	65	254	12	17,271,470	136,649	12.64	66	2,070
4	1,658,044	37,624	4.41	40	941	13	13,825,960	103,262	13.39	88	1,173
5	3,289,311	59,104	5.57	108	547	14	1,995,135	14,120	14.13	9	1,569
6	9,478,639	146,537	6.47	155	945	15	9,487,340	62,496	15.18	14	4,464
7	34,395,046	470,062	7.32	74	6,352	16	992,710	6,078	16.33	3	2,026
8	34,418,859	404,219	8.51	128	3,158	Total	237,937,256	2,549,970	9.33	1,524	1,673
9	28,797,398	410,717	9.45	249	1,649						

Source: Annual reports of pipeline companies to the Federal Power Commission. Volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F. Due to lack of information as to place of delivery, the volume distributed by this schedule is slightly less than the total volume purchased from independent vendors in Texas.

TABLE 12.—*Range of weighted average prices received by independent vendors, average prices distributed by price class intervals, Louisiana, 1954*

Price class interval (cents)	Payments (dollars)	Volume purchased (MM c. f.)	Average price (cents per M c. f.)	Number of transactions	Average volume per transaction (MM c. f.)	Price class interval (cents)	Payments (dollars)	Volume purchased (MM c. f.)	Average price (cents per M c. f.)	Number of transactions	Average volume per transaction (MM c. f.)
2	15,595	543	2.87	4	136	12	13,790,483	109,993	12.54	26	4,231
3	111,401	3,302	3.37	24	138	13	4,828,495	36,192	13.34	11	3,290
4	712,073	15,665	4.545	13	1,205	14	62,337	424	14.71	1	424
5	3,310,449	59,783	5.54	64	934	15	1,659,247	10,578	15.69	22	481
6	2,415,182	36,131	6.68	42	860	16	1,050,852	6,487	16.20	3	2,162
7	2,390,154	32,603	7.33	33	988	17					
8	9,906,322	113,937	8.69	62	1,838	18					
9	38,630,392	403,932	9.56	187	2,160	19	560,976	2,861	19.61	4	715
10	10,752,804	101,857	10.56	45	2,263	Total	96,971,375	999,331	9.76	576	1,725
11	6,768,613	59,044	11.46	35	1,687						

Source: Annual reports of pipeline companies to the Federal Power Commission. Volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F. Due to lack of information as to place of delivery, the volume distributed by this schedule is slightly less than the total volume purchased from independent vendors in Louisiana.

7. EFFECT OF PRICE ADJUSTMENT CLAUSES ON PRICES OF NATURAL GAS, 1948–1954

The first line on Table 13 sets forth for each year, 1948 to 1954, the average price paid for natural gas by pipeline companies under the contracts written in each of the given years. These are the supply contracts between all independent vendors and all the major pipelines transporting gas from the States of Louisiana and Texas. The prices thus established in arms-lengths bargaining under current producer market conditions are indicators of the average competitive market value of the gas at points of production.

The prices set forth in this table are arithmetic averages of prices under all contracts executed during such year. Within each such group there is a wide range of prices, reflecting differences in quality of gas, volume, terms, conditions of delivery, and other price determining factors.

The second paragraph of the table sets forth prices paid in the two States, for each year's deliveries, under the contracts of each prior year during the period. To illustrate: deliveries in 1954 were at prices which averaged 9.1 cents per thousand cubic feet for contracts entered into in 1948, 9.8 cents for 1951 contracts, and 10.8 cents for 1953 contracts. It is apparent from these data that the price adjustment clauses written into the contracts executed since 1948 have had only a partial effect in adjusting the contract prices to the competitive price and value of the gas at the time of delivery.

It is equally apparent that the adjustment clauses which have been written into existing contracts fall short of the purpose of reflecting competitively determined prices at time of delivery.

The third paragraph of the table sets forth the extent to which prices paid currently under contracts written in prior years are not adjusted to current competitive price levels. Typically over this period the price adjustment clauses have been about two-thirds effective in bringing up to current competitive price levels the prices paid for gas delivered currently under contracts negotiated under past conditions and circumstances (see paragraphs 3 and 6). Only to this extent have these adjustment clauses protected independent vendors of the product against the disadvantage and hazard of being required to commit supplies for 20-year periods.

In paragraphs 4 and 5 of the table, the prices paid under current contracts, and under contracts of prior years are adjusted for changes in the purchasing power of money since 1945. The 1945 price level and purchasing power is used as the standard for this purpose because it is a benchmark before the postwar price inflation. The fact and prospect of inflation during the postwar period, together with the rise in the demand for and value of natural gas in the producing fields, were principal reasons for writing price adjustment clauses into the contracts.

TABLE 13.—*Effect of price adjustment clauses on prices per M c. f. of natural gas*

[Data based on Louisiana and Texas combined]

	Year of purchase and delivery						
	1948	1949	1950	1951	1952	1953	1954
	Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
1. Prices paid under current competitive contracts	4.7	4.9	6.6	7.7	8.3	9.7	11.2
2. Prices paid under contracts of prior years:							
1948 agreements	4.7	5.0	5.7	6.3	6.9	8.6	9.1
1949 agreements	------	4.9	6.4	6.1	7.4	8.6	9.0
1950 agreements	------	------	6.6	7.5	7.9	8.6	8.9
1951 agreements	------	------	------	7.7	8.8	9.4	9.8
1952 agreements	------	------	------	------	8.3	9.7	10.6
1953 agreements	------	------	------	------	------	------	10.8
3. Lag of prices paid under prior year contracts behind current competitive prices:							
1948 agreements	------	(.1)	.9	1.4	1.4	1.1	2.1
1949 agreements	------	------	.2	1.6	1.9	.7	2.2
1950 agreements	------	------	------	.2	.4	.7	2.3
1951 agreements	------	------	------	------	(.5)	.3	1.4
1952 agreements	------	------	------	------	------	------	.6
1953 agreements	------	------	------	------	------	------	.4

	Year of purchase and delivery						
	1948	1949	1950	1951	1952	1953	1954
ADJUSTED TO 1945 PURCHASING POWER	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
4. Prices paid under current competitive contracts	3.1	3.4	4.4	4.6	5.1	6.1	7.0
5. Prices paid under contracts of prior years:							
1948 agreements	3.1	3.5	3.8	3.8	4.3	5.5	5.7
1949 agreements	------	3.4	4.3	3.7	4.6	5.5	5.6
1950 agreements	------	------	4.4	4.5	4.9	5.5	5.5
1951 agreements	------	------	------	4.6	5.4	5.9	6.1
1952 agreements	------	------	------	------	5.1	6.1	6.6
1953 agreements	------	------	------	------	------	------	6.7
6. Ratio of prices paid under old contracts to current competitive contracts:	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1948	100	102	86	82	83	89	81
1949	------	100	97	79	89	89	80
1950	------	------	100	97	95	89	79
1951	------	------	------	100	106	97	88
1952	------	------	------	------	100	100	95
1953	------	------	------	------	------	------	96

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

8. PRICES RECEIVED BY INDEPENDENT PRODUCERS IN 1954 FOR INTERSTATE SUPPLY BY YEAR OF CONTRACT

The weighted average price paid by pipeline companies for natural gas supply purchased in the southwest producing area was 9.95 cents per thousand cubic feet for 1954.

This average conceals a wide price variation, from less than 2 cents to 16 and 19 cents per thousand cubic feet.

The quantities purchased at these extreme price limits are quite small in relation to the total. But substantial volumes are purchased throughout the range from 4 to 13 cents.

There are two principal reasons for these wide variations among prices paid under different contracts.

First, the prices established by contracts entered into at a given time vary widely because of differences in quality of gas, volume supplied under the contract, the terms and conditions of delivery, source in relation to the producers market, etc.

Second, the going market price and value of gas in the producing areas changes with time, so that the prices established by contracts executed in 1 year vary from the prices established in earlier or later years.

The great majority of the purchase contracts executed in more recent years contain price-adjustment clauses. The independent producer is required to sell his production over a 20-year period on the basis of a single contractual agreement. He is willing to sell reserves on the basis of future production, but only if able to protect himself against changes of the purchasing power of money and only if afforded an opportunity to receive for the product a price which corresponds to the competitive price and value of the gas at the time when delivery is made.

Many contracts contain adjustment clauses which provide for fixed price increase, usually every 5 years. But these contracts failed to protect the independent producer against the effect of changes in market conditions over such long terms: The so-called most-favored-nation clause was developed as a means of permitting the independent producer to receive a price adjusted to the competitive yardstick of value as of the date of delivery of the product.

Tables 14–16 indicate the extent to which these ends have, in fact, been accomplished by operation of the various price-adjustment clauses as written into past contracts for gas supply. The average price received for gas in 1954 has been determined separately for each year in which the contracts were negotiated. This determination has been made for purchases in Texas, in Louisiana, and in the States of Texas and Louisiana combined.

In the two States combined, the weighted average price paid for gas purchased in 1954 was 9.45 cents per thousand cubic feet. This average price includes purchases under contracts dated in 1954, and in each of the prior years back to 1941 and earlier. For the contracts executed in 1954, the average price was 11.2 cents per thousand cubic feet. This is a measure of current competitive price of gas in the producing area, reflecting the variations of quality, volumes, conditions of delivery, etc. But the prices received in 1954 under contracts executed in prior years were lower—for example, 9.1 cents per thousand cubic feet under 1948 contracts and 7 cents under contracts dated prior to 1941.

It appears, therefore, that the operation of the so-called most-favored-nation and other price-adjustment clauses in long-term contracts has failed to provide the independent producer with current delivery prices equal to the current competitive market value of the gas. It is wholly false to say that the price-adjustment clauses have no reasonable relationship to factors which reflect the rise in value of natural gas in the circumstances of the producers' markets over the past 10 years.

Tables 17–22 further demonstrate the operation of these clauses.

Table 17 sets forth the volume of gas supplied and the average price (cents per thousand cubic feet) distributed by year of contract for the seven Southwest States combined.

Tables 18–22 set forth similar information for the States of Arkansas, Kansas, Mississippi, New Mexico, and Oklahoma.

TABLE 14.—*Average prices received by independent vendor distributed by year of contract for 1954 gas-purchase transactions, Texas and Louisiana combined*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941	$4,536	64,463	7.0	74	871	1949	$34,284	380,754	9.0	194	1,963
1941–44	9,164	117,306	7.8	43	2,730	1950	41,011	462,868	8.9	172	2,691
1945	18,384	231,553	7.9	44	5,263	1951	34,218	349,585	9.8	174	2,009
1946	12,083	137,899	8.8	61	2,261	1952	60,243	568,068	10.6	309	1,838
1947	17,738	189,447	9.4	58	3,266	1953	39,811	368,740	10.8	565	653
1948	48,105	526,680	9.1	99	5,320	1954	10,969	98,082	11.2	224	438

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F. Due to lack of information as to date of contract in some instances, the volume distributed by this schedule is slightly less than the total purchases from independent vendors in Texas and Louisiana combined.

TABLE 15.—*Average prices received by independent vendors distributed by year of contract for 1954 gas-purchase transactions, Louisiana*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941	$1,176	16,156	7.3	23	702.5	1949	$11,627	135,825	8.6	63	2,156.0
1941–44	3,078	29,352	10.5	18	1,630.6	1950	17,744	192,074	9.2	85	2,259.7
1945	2,506	30,593	8.4	13	2,353.3	1951	15,945	160,268	9.9	75	2,136.9
1946	3,137	34,256	9.2	14	2,446.9	1952	12,674	113,047	11.2	89	1,270.2
1947	7,359	62,786	11.7	14	4,484.7	1953	4,211	41,525	10.1	71	584.9
1948	11,364	118,104	9.6	35	3,374.4	1954	3,592	30,797	11.7	55	559.9

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F. Due to lack of information as to date of contract in some instances, the volume distributed by this schedule is slightly less than the total purchases from independent vendors in Louisiana.

TABLE 16.—*Average prices received by independent vendors distributed by year of contract for 1954 gas-purchase transactions, Texas*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941	$3,360	48,307	7.0	51	947.2	1950	$23,267	270,794	8.6	87	3,112.6
1941–44	6,086	88,044	6.9	25	3,521.8	1951	18,273	189,317	9.7	99	1,912.3
1945	15,818	200,960	7.9	31	6,482.6	1952	47,569	455,020	10.5	220	2,063.3
1946	8,945	103,642	8.6	47	2,205.2	1953	35,600	327,215	10.9	494	662.4
1947	10,378	126,661	8.2	44	2,878.7	1954	7,376	67,285	11.0	169	398.1
1948	36,741	408,576	9.0	64	6,384.0	1955	1.68	21.36	7.9	3	7.12
1949	22,657	244,929	9.3	131	1,869.7						

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F. Due to lack of information in some instances as to date of contract, the volume distributed by this schedule is slightly less than the total purchases from independent vendors in Texas.

UNIVERSITY OF MICHIGAN LIBRARIES

TABLE 17.—*Average prices received by independent vendors distributed by year of contract for 1954 gas-purchase transactions, 7 Southwest States*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941	$8,190	110,503	7.4	134	825	1949	$50,441	545,234	9.3	273	1,997
1941–44	9,668	122,404	7.9	63	1,943	1950	51,070	556,332	9.2	224	2,484
1945	24,802	299,526	8.3	70	4,279	1951	41,044	417,861	9.8	253	1,652
1946	27,479	302,100	9.1	92	3,284	1952	69,740	662,801	10.5	423	1,567
1947	23,644	262,148	9.0	90	2,913	1953	52,934	489,153	10.8	759	644
1948	53,583	577,729	9.3	130	4,444	1954	14,443	129,060	11.2	344	375

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F. Due to lack of information as to date of contract in some instances, the volume distributed by this schedule is slightly less than the total purchases from independent vendors in the 7 Southwest States.

TABLE 18.—*Average prices received by independent vendors distributed by year of contract for 1954 gas-purchase transactions, Arkansas*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941						1949					
1941–44	$17	416	4.2	1	416	1950	$6	123	5.0	1	123
1945						1951	11	431	2.6	1	431
1946						1952	122	1,939	6.3	7	277
1947	38	888	4.3	2	444	1953					
1948	27	820	3.3	4	205	1954	48	850	5.7	14	61

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

TABLE 19.—*Average prices received by independent vendors distributed by year of contract for 1954 gas-purchase transactions, Kansas*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941	$1,712	17,383	9.9	46	378	1949	$6,626	61,048	10.9	23	2,654
1941–44	361	3,320	10.9	12	277	1950	8,158	74,980	10.9	24	3,124
1945	3,026	27,364	11.1	11	2,488	1951	890	8,185	10.9	21	390
1946	3,131	31,699	9.9	18	1,761	1952	1,266	11,751	10.8	30	392
1947	1,887	16,264	11.6	19	856	1953	3,912	33,366	11.7	36	927
1948	3,651	29,589	12.3	17	1,741	1954	787	7,653	10.3	26	294

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

TABLE 20.—*Average prices received by independent vendors distributed by year of contract for 1954 gas-purchase transactions, Mississippi*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941	$0.4	8	4.9	5	2	1949	$156	1,623	9.6	3	541
1941–44						1950	283	2,956	9.6	4	739
1945	185	2,390	7.7	1	2,390	1951	866	6,757	12.8	3	2,252
1946	5,137	60,140	8.5	5	12,028	1952	10	105	9.8	1	105
1947	3,118	46,141	6.8	3	15,380	1953	48	490	9.8	1	490
1948	398	5,811	6.9	3	1,937	1954	913	5,669	16.1	3	1,890

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

TABLE 21.—*Average prices received by independent vendors distributed by year of contract for 1954 gas-purchase transactions, New Mexico*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941	$1,925	28,464	6.8	4	7,116	1949	$2,993	36,508	8.2	44	830
1941–44	26	257	10.1	1	257	1950	1,606	15,338	10.5	21	730
1945	73	768	9.6	1	768	1951	4,196	44,988	9.3	43	1,046
1946	1,240	16,368	7.6	5	3,274	1952	5,402	54,716	9.9	51	1,073
1947	835	9,128	9.2	7	1,304	1953	3,992	34,556	11.6	54	640
1948	1,385	14,658	9.5	5	2,932	1954	801	8,188	9.8	26	315

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

TABLE 22.—*Average prices received by independent vendors distributed by year of contract for 1954 gas-purchase transactions, Oklahoma*

Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)	Year of contract	Amount (thousands)	Volume (MM c. f.)	Average price (cents per M c. f.)	Number of contracts	Average volume per contract (MM c. f.)
Prior to 1941	$17	186	9.4	5	37	1949	$6,383	65,301	9.8	9	7,256
1941–44	100	1,016	9.8	6	169	1950	6	66	9.9	2	33
1945	3,133	37,452	8.4	13	2,881	1951	862	7,915	10.9	11	720
1946	5,889	55,994	10.5	3	18,665	1952	2,697	26,222	10.3	25	1,049
1947	28	281	9.9	1	281	1953	5,171	52,001	9.9	103	505
1948	17	172	9.7	2	86	1954	925	8,618	10.7	51	169

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure base of 14.73 p. s. i. a. at 60° F.

United Gas Pipeline Co. blankets the entire gulf area from Mexico eastward through Texas, Louisiana, Mississippi, and along the coast of Alabama to Pensacola, Fla.

It also covers the northern Louisiana and east Texas area with their large natural-gas fields.

This pipeline connects with and makes deliveries to the Olin Gas Transmission Corp., Mississippi River Fuel Corp., Southern Natural Gas Co., Tennessee Gas Transmission Co., Texas Gas Transmission Corp., and Texas Eastern Transmission Corp.

It buys large quantities of natural gas from the Lone Star Gas Co., whose system, plus United's, gives virtually a complete blanketing of the State of Texas.

Thus, these six connecting companies are not only drawing supplies from fields adjacent to their line but also have the competitive advantage of supplies drawn from practically any part of the State of Texas, Louisiana, and Mississippi.

Northern Natural Gas Co. extends from the western portion of Kansas, Oklahoma, and west Texas up into Nebraska, Iowa, Minnesota, and South Dakota. Its roots are planted firmly in the entire Hugoton gas area that lies in the Panhandle of Texas, Oklahoma, and southwestern Kansas. In addition, it takes gas from the Texas Panhandle field and owns the Permian Basin Pipeline Co., which extends down to the large fields in southwestern Texas and New Mexico.

Thus, the line is directly connected with the Kansas Hugoton area, the Oklahoma Hugoton area, the Texas Panhandle and Hugoton fields, the west Texas Spraberry area, southeastern New Mexico, and smaller fields too numerous to mention. Certainly Northern is not at the mercy of any particular seller or sellers.

Texas Eastern Transmission Corp. system is a conversion of the war-emergency oil pipelines, greatly modified and expanded. This system reaches from New York to Texas and is in direct contact with fields in Arkansas, east Texas, northern Louisiana, Texas gulf in the Houston area, and Texas gulf in the southwest area. It connects with the Wilcox trend gathering system, which covers a considerable portion of southwest Texas.

It also has connections with United Gas Pipeline Co., Texas Gas Transmission Corp., Mississippi River Fuel Corp., and Transcontinental Gas Pipe Line Co.

Tennessee Gas Transmission Co. extends from the southernmost part of the Texas Gulf Coast Rio Grande Valley up through the gulf coast area to the Carthage field, northern and southern Louisiana; thence northeasterly up through the Appalachian fields into New York, Massachusetts, New Hampshire, and Connecticut. This line has potential supply sources in the Appalachian region, Arkansas, northern Louisiana, east Texas, and the broad belt along the Louisiana-Texas gulf coast.

Cities Service Gas Co. is a pipeline system based upon serving communities in Oklahoma, Kansas, and Missouri. Supplies are secured from the Hugoton and Panhandle fields. Connections also exist with practically all of the gas fields in the rest of the States of Kansas and Oklahoma, giving particular coverage to the production area between Tulsa and Kansas City. In addition, it has connections with the Consolidated Gas Utilities Corp., an interstate pipeline, from the eastern portion of the Panhandle field up into Oklahoma and Kansas.

Panhandle Eastern Pipeline Co. is one of the earliest, large diameter transmission carriers. It serves primarily communities in Michigan, Ohio, Indiana, Illinois, Missouri, and Kansas. It originates in the Panhandle of Texas. It also gets supplies from the Hugoton field in the States of Texas, Oklahoma, and Kansas. It owns the Trunk Line Gas Co., which extends from the Rio Grande Valley right up trough the heart of the Texas gulf coast area, Louisiana gulf coast area, thence north where connection is made with the Panhandle system at Tuscola, Ill.

Colorado Interstate Gas Co. serves primarily the requirements of the State of Colorado. It is connected directly with producing areas in Colorado, Oklahoma, and Kansas, including that portion of the Hugoton field, and with the Texas Panhandle field.

Michigan-Wisconsin Pipe Line Co. serves primarily the eastern part of the State of Wisconsin and the western part of the State of Michigan. Its supplies are obtained almost entirely from the Phillips Petroleum Co. in the Texas Panhandle. In this particular case, there is a very high concentration of supply with over 99 percent of the total line requirements being obtained from one company. A careful examination of prices reveals that this pipeline company has a long-term contract for supplies at prices more favorable than the current price paid by other lines receiving supplies from the same producing area. Thus, even though there is a concentration of supply source, the price at which the transaction is made shows the effects of competition.

Further, it is within the power of the line to protect itself completely because it makes connections at the south end of the Hugoton field in the northern part of the Texas Panhandle. The entire Hugoton producing area lies immediately to the north while the Texas Panhandle field lies just to the south of the southern terminus of the line.

Texas-Illinois Natural Gas Pipeline Co. and the Natural Gas Pipeline Company of America are two large lines designed primarily to serve the needs of the Chicago metropolitan market.

Although separate corporations, their ownership is predominantly that of the Peoples Gas Light & Coke Company of Chicago. For this reason the two lines have been consolidated in studying concentration. The Natural Gas Pipeline Company of America connects directly with the Texas Panhandle field. The Texas-Illinois pipeline traverses Arkansas, eastern Texas, and into the Texas gulf-coast region. Connections are made by Natural Gas Company of America with Colorado Interstate Gas Co., Texas-Illinois Natural Gas Pipeline Co., and Cities Service Gas Co.

Southern Natural Gas Co. serves portions of Mississippi, Alabama, and Georgia and recently extended into South Carolina where it furnishes the total supply of South Carolina Natural Gas Co. The Southern Natural system was originally supplied wholly out of the Monroe field in north Louisiana but now extends across northern Louisiana into east Texas, and has built down through Mississippi into the prolific fields along the Louisiana gulf coast around New Orleans. In addition to its field purchases, Southern obtains about 20 percent of its requirements from United Gas Pipeline Co. and thus has access to supply from practically all the producing areas of Texas, Louisiana, and Mississippi.

The El Paso Natural Gas Co. is the principal supplier of the California companies serving the Los Angeles and San Francisco markets. The original El Paso system originated in the Permian Basin area of west Texas and New Mexico and extended across southern New Mexico and Arizona to the California State line. A recent major addition also begins in the Permian Basin of west Texas and runs northwest to the San Juan Basin in northwestern New Mexico and across the northern part of Arizona to the California line. In addition to its widespread system in producing areas, El Paso is connected with and exchanges gas with Permian Basin Pipe Line Co., Northern Natural Gas Co., and Colorado Interstate Gas Co.

The Texas Gas Transmission Corp. largely serves the area of Louisiana, Arkansas, Mississippi, Tennessee, Kentucky, Indiana, and southwest Ohio. It secures gas from the Monroe field in north Louisiana and extends down to the large producing section in Louisiana gulf. In addition it makes connections with Panhandle Eastern Pipeline Co., Tennessee Gas Transmission Co., Texas Eastern Transmission Corp., and United Gas Pipe Line Co. Texas Gas obtains almost 60 percent of its requirements from these 4 pipeline companies, and the supply sources of these companies make virtually the entire southwest natural-gas producing area accessible to it.

Transcontinental Gas Pipe Line Corp. extends from the Rio Grande Valley to New York. Its marketing area lies north of Alabama with takeoffs in all States passed through but with the primary load being delivered to the Philadelphia-New York metropolitan areas. Its supply sources are all based upon direct field or natural gasoline plant residue gas purchases throughout the entire Texas, Louisiana, and Mississippi coastal producing areas, and more recently, some field purchases in Pennsylvania.

Each and every one of these pipelines would appear to have exercised the sound business precaution of insuring competition among vendors supplying its needs. With the single exception of the Michigan-Wisconsin line, every one of them is connected either directly or indirectly with most of the producing areas of the Southwest.

The net effect is that the network of pipelines covering the large producing areas of the Southwest constitutes a veritable blanket of transportation facilities which result in competition between Hugoton and Panhandle; between Hugoton, Panhandle, and Gulf Coast; between Hugoton, Panhandle, Gulf Coast, East Texas; and between all of these areas and Louisiana, et cetera.

Admittedly, the pipelines cannot be picked up and moved as a garden hose. It is equally obvious that the business acumen that built and promoted these lines has been just as cognizant of the desire for protection of their accounts and prices paid as have the producers in their desire to have alternate market outlets.

To contend that the prices in the Appalachian field are absolutely unrelated to those in northern Louisiana, or in the Texas gulf coast, or the Hugoton-Panhandle area, is to ignore the fact that markets beyond the Appalachian region draw a portion of their supplies from these remote points and thus do compete with each other, both on mainline transactions and on transactions with affiliated or connected lines.

If the prices in northern Louisiana are too high, producing areas farther south will win away their markets. If southern field prices are too high, every intervening producing area will win away the markets. The backup of supplies is one of the most effective means of competition and is evident every day in the market for natural gas.

REGULATION BY SIZE OF PRODUCER OR VENDOR

Opponents of the Harris-Fulbright bill urge that if regulation is made applicable to only the larger producers, it will be in the interest of consumers and administratively feasible. The suggestion has been made that producers of less than 2 billion cubic feet annually should be exempt from the provisions of the Natural Gas Act.

The attached schedules show distributions of independent vendors by the volume of gas supplied by each vendor. The first of these 2 schedules makes this distribution on the basis of the sales by the 7,620 independent vendors in the United States. The second schedule excludes the numerous small vendors in the eastern and Appalachian area.

In his testimony before the Senate Committee on Interstate and Foreign Commerce, Senator PAUL H. DOUGLAS presented figures, which he said had been compiled by the

UNIVERSITY OF MICHIGAN LIBRARIES

Federal Power Commission at his request, showing that in the year 1953 a total of 4,365 producers sold natural gas to companies reporting to the Federal Power Commission. He asserted that his bill, S. 1926, exempting producers of 2 billion cubic feet annually or less, would leave only 174 producers under regulation.

The attached schedule shows that in 1954 there were 239 independent vendors supplying over 2 billion cubic feet.

Senator DOUGLAS' figure is not complete. Apparently he has combined sales of different vendors with sales by companies in which the given vendor has only a part or joint interest. Sometimes there are numerous participants in such joint ventures. Operation is usually by one of the parties to the venture. If for the year 1954 the count is made on the same basis as that used by Senator DOUGLAS, the total is 210 vendors. It should be recognized that the number within any established-size categories would continuously shift.

The totals supplied by joint ventures are not a proper measure of volume for the purpose of determining the application of regulation. Owners of fractional interests in joint ventures commonly enter into separate sales contracts with the purchasing pipeline company, although in practice the latter identifies only the operator as the vendor.

The volume of sales by individual vendors as represented on the schedules is determined by existing business practice. These practices and arrangements may be modified if the effect would be to escape regulation.

Some firms purchase and gather gas from numerous wells, bring it to common delivery points, and make a single sale. Senator DOUGLAS refers to producers, whereas the annual reports of the pipeline companies to the Federal Power Commission, from which his information was derived, show only the quantities purchased from various companies selling to the pipelines. The producer is not necessarily the vendor and the vendor is not necessarily the producer of the gas.

If the effect would be exemption from regulation, numerous small producers would insist upon separate sales privileges, and compensate the gatherer on a fee basis.

The sales volume represented on the schedule also includes sales, by natural gasoline plants, of residue gas which originated as wet gas production from the leases of many operators. If the volumes of dehydrated and processed or residue gas are to constitute a part of the base for determining applicability of regulation, business arrangements may be modified so that each producer would individually sell his proportion of the residue gas at the outlet of the plant and receive payment for his portion of liquid hydrocarbons extracted.

The second schedule is similar to the first, except that sales by independent vendors in the Appalachian area have been excluded. The number of independent vendors shown by the second schedule is 1,693, as compared with 7,620 for the entire United States. This means that there is a total of 5,930 independent vendors in the Eastern or Appalachian States. These numerous small vendors supply a total of 197 billion cubic feet, in contrast with the 4,622 billion cubic feet supplied by Southwest vendors. If vendors supplying less than 2 billion cubic feet annually were to be exempted from regulation, 11 in the Appalachian area and 228 elsewhere would be subject to regulation as of 1954.

The schedules also set forth the number of contracts, as distinguished from number of vendors, in each volume-size interval. For the entire United States a total of 9,595 gas-purchase contracts or transactions were separately analyzed for 1954. It will be noted that deliveries in amounts of more than 2 billion feet were made under 1,539 contracts. Excluding the Appalachian area, deliveries in at least that quantity were made under 1,454 contracts. The number of contracts provides a good indication of the volume of administrative work and of the amount of cost to consumers that will result from an attempt by the Federal Government to fix prices in producers' markets.

Other information is presented by the schedules. For example, it is clearly evident that the average price received by independent vendors does not vary with size of vendor. There is no evidence that the larger producers are able to control supplies in such a manner as to enable them to realize higher prices.

SCHEDULE 1.—*Natural gas sales by independent vendors to pipeline companies distributed by volume size intervals on the basis of volume sold by each separate vendor, United States, 1954*

Size interval (M c. f. of natural gas)	Vendors			Sales in MM c. f.			Average price per M c. f.	Number of contracts	Average sales volume (M c. f.)		Number of contracts per producer
	Number in interval	Cumulative		Volume in interval	Cumulative				Per producer	Per contract	
		Number	Percent		Volume	Percent					
Over 100 million	7	7	0.1	1,408,322	1,408,322	29.1	0.43	369	201,188,885	3,816,591	52.71
50 to 100 million	15	22	.3	955,480	2,363,803	48.8	9.67	337	63,698,693	2,835,253	22.47
25 to 50 million	15	37	.5	512,222	2,876,025	59.4	9.37	120	34,148,156	4,268,519	8.00
10 to 25 million	43	80	1.0	668,208	3,544,233	73.1	10.15	244	15,539,720	2,738,557	5.67
5 to 10 million	60	140	1.8	429,580	3,973,813	82.0	10.72	219	7,159,671	1,961,554	3.65
2 to 5 million	99	239	3.1	311,988	4,285,801	88.5	10.65	280	3,151,391	1,247,951	2.53
1 to 2 million	144	383	5.0	205,633	4,491,434	92.7	10.80	331	1,428,007	621,248	2.30
500,000 to 1 million	204	587	7.7	143,568	4,635,002	95.7	10.71	342	703,766	419,791	1.68
100,000 to 500,000	582	1,169	15.3	145,950	4,780,952	98.7	10.93	822	250,773	177,554	1.41
10,000 to 100,000	1,343	2,512	33.0	42,364	4,823,316	99.5	[1] 13.27	1,449	31,544	29,237	1.08
Under 10,000	5,108	7,620	100.0	22,050	4,845,367	100.0	[1] 9.71	5,112	4,317	4,313	1.00
Total	7,620			4,845,367			9.93	9,595	63,587	59,498	

[1] Computation on basis of quantities supplied by all coded vendors.

Source: Annual reports of natural-gas companies to the Federal Power Commission. All volumes are adjusted to a standard pressure of 14.73 p. s. i. a. at 60° F. Purchases from other pipeline companies and associated vendors and exchange transactions are excluded. Volumes as measured by each separate vendor do not include volumes sold by combinations in which the given vendor has a part interest.

SCHEDULE 2.—*Natural gas sales by independent vendors to pipeline companies, not including sales in the Appalachian area,[1] distribution by volume size intervals on the basis of volume sold by each separate vendor, United States, excluding Appalachian area, 1954*

Size interval (M c. f. of natural gas)	Vendors			Sales in MM c. f.			Average price per M c. f.	Number of contracts	Average sales volume (M c. f.)		Number of contracts per producer
	Number in interval	Cumulative		Volume in interval	Cumulative				Per producer	Per contract	
		Number	Percent		Volume	Percent					
Over 100 million	6	6	0.4	1,267,431	1,267,431	27.4	9.50	354	211,238,833	3,580,314	59.00
50 to 100 million	16	22	1.3	1,051,484	2,318,915	50.1	9.65	346	65,717,736	3,038,970	21.63
25 to 50 million	15	37	2.2	504,781	2,823,696	61.0	9.20	109	33,652,085	4,631,021	7.27
10 to 25 million	40	77	4.5	627,622	3,451,318	74.6	9.35	201	15,690,541	3,122,496	5.03
5 to 10 million	58	135	8.0	412,514	3,863,832	83.5	10.10	216	7,112,318	1,909,789	3.72
2 to 5 million	93	228	13.5	296,240	4,160,071	89.9	9.87	228	3,185,367	1,299,294	2.45
1 to 2 million	132	360	21.3	189,246	4,349,317	94.0	9.51	274	1,433,683	690,680	2.08
500,000 to 1 million	183	543	32.0	128,345	4,477,662	96.8	9.32	272	701,338	471,856	1.49
100,000 to 500,000	482	1,025	60.5	122,800	4,600,462	99.4	9.16	592	254,771	207,432	1.23
10,000 to 100,000	506	1,531	90.4	25,258	4,625,720	100.0	[2] 8.91	550	49,900	45,920	1.09
Under 10,000	162	1,693	100.0	863	4,626,583	100.0	[2] 8.68	165	5,300	5,230	1.02
Total	1,693			4,626,583			9.54	3,307	2,732,770	13,990,000	1.95

[1] Excluding purchases by pipeline companies from independent vendors in Kentucky, New York, Ohio, Pennsylvania, and West Virginia.
[2] Computed on basis of quantities supplied by coded vendors.

Source: Annual reports of pipeline companies to the Federal Power Commission. All volumes are adjusted to a standard pressure of 14.73 p. s. i. a. at 60° F. Purchases from other pipeline companies and associated vendors and exchange transactions are excluded. Volumes as measured by each separate vendor do not include volumes sold by combinations in which the given vendor has a part interest.

PHILLIPS PETROLEUM CO.,
Bartlesville, Okla., January 27, 1956.
Hon. A. S. MIKE MONRONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MONRONEY: This is in reply to the inquiry of your staff regarding the accuracy of statements made by Senator PAUL DOUGLAS on the floor of the United States Senate on Wednesday, January 25, 1956, concerning the accounting practices of Phillips Petroleum Co. As reported in the CONGRESSIONAL RECORD for that day, Senator DOUGLAS endeavored to establish that Phillips Petroleum Co. maintain its accounting records on a cost basis and has measured its profits in its gas business by relating those profits to net investments in the gas business.

Senator DOUGLAS has been misinformed. His statements would make it appear that Phillips Petroleum Co. maintains accounting records which purport to separate the cost of producing gas from the cost of producing oil and the respective net profits from each. That is not correct. Our records do not attempt to separate the cost of producing oil and the cost of producing gas from the same properties. Those costs which are incurred in the joint production of oil and gas are shown on our records as joint costs and no attempt tis made to divide them between oil and gas.

Senator DOUGLAS pointed out that for income tax purposes each producer must keep records showing capital investment, depreciation, depletion and operating costs. This of course is true but it does not mean that records for income tax purposes are kept for gas separate and apart from oil production or that such records would otherwise serve as a basis for any utility type rate regulation, as indeed they would not. The basis for determination of the total net income of the company for income tax purposes is one thing; the segregation of costs and expenses and the risks assumed attributable to gas production only, so as to determine a utility type of rate on net investment, is quite another. Since Phillips Petroleum Co. pays income taxes upon the total income of the company and not upon the separate income from separate products, we have no occasion to maintain records in such manner as would permit the determination of a utility type rate on separate products such as gas.

Senator DOUGLAS stated that it is a matter of record that the Federal Power Commission determined the profits received by Phillips Petroleum Co. from its gas business. This also is incorrect. The Federal Power Commission did institute a proceeding against Phillips but by specific order of the Commission that proceeding was limited to the sole question of whether the Federal Power Commission had jurisdiction over Phillips. The matter of whether Phillips' rates were reasonable was deferred for subsequent determination if it were finally decided that the Commission did have jurisdiction. That determination of rates has never been made. In the proceedings against Phillips the staff sought to introduce an exhibit which purported to show some earnings of the natural gas department but the offer of the exhibit was rejected by the trial examiner. Even that exhibit did not purport to show all of the costs which would be properly attributable to the gas business. It most certainly did not attempt to make any segregation of costs between the production of oil and gas from the same properties. It did not include any gathering costs, any proper allocation of general exploration costs or general and service assets, items that we should think no one would contend should not be given consideration in determining any earnings on the gas business.

Senator DOUGLAS quoted quite extensively from the testimony of Thomas C. Buchanan in which Mr. Buchanan asserted that Phillips regularly uses the rate base-rate of return method in measuring the efficiency and profitability of its various operations. The basis for that assertion was exhibit 20 in the Phillips proceeding, which, like the exhibit tendered by the Commission staff, was rejected by the trial examiner. That exhibit was simply an estimate, prepared almost a year before the start of actual operations and made for comparative purposes, that is to compare approximately the economic desirability of one project with other projects within the company. It did not attempt to include all of the costs which would necessarily have to be included in any rate base-rate of return determination such as working capital, general exploration costs, and general and service assets. Neither did it attempt to exclude costs and income which would not be considered by the Commission. For example, it shows on its face that the income and expenses considered were the joint income and expenses of all products, and not just gas alone.

Senator DOUGLAS says that the material referred to shows that Phillips Petroleum Co. made a 16-percent profit. That also is in error. As stated above, the figures pertained only to one isolated project. It was not a computation of profits which had been made but was merely an estimate of future operations to show approximately comparative discount rates with other projects within the company. It did not purport to take into consideration all costs. If all costs could be shown there would be a materially different result. No such net profit has ever been enjoyed by Phillips Petroleum Co. The annual reports of the company on file with the Securities and Exchange Commission show that Phillips' earnings are in the realm of what Senator DOUGLAS suggested are reasonable.

Yours very truly,

PAUL ENDACOTT.

DALLAS, TEX., *February 4, 1956.*
Senator MIKE MONRONEY,
Senate Office Building,
Washington, D. C.:

Senator DOUGLAS is quoted in Washington dispatches as saying a market letter of ours regarding Colorado Interstate Gas backed claims that the proposed legislation would boost the price of gas. He is further quoted as saying "that Keith Reed & Co. knows it will increase prices and their letter, in effect, tells investors to watch the news tickers and climb aboard whenever the consumer raid is voted." We wish to point out that our letter did not make any mention of an increase in the price of gas by Colorado Interstate nor do we believe that there will be any price increase. The letter merely pointed out that rate increases already in effect for more than a year would probably be allowed. We believe that Colorado Interstate is an unusual situation whose stock will be affected, in our opinion, no matter which way the Senate votes and this was the purpose of our letter. We firmly believe that passage of the bill will, in fact, maintain or even lower the price of gas by encouraging exploration and development.

JACK R. MUNGER,
Chairman of the Board, Keith B. Reed; President, Keith Reed & Co.

THE UNEXPECTED DEATH OF RANDOLPH E. PAUL

Mr. DOUGLAS. Mr. President, a few minutes ago, while he was testifying before the Joint Committee on the Economic Report, Mr. Randolph E. Paul was stricken with a heart attack and fell dead. I think it appropriate at this moment that I should pay sincere tribute to him.

As we all know, Randolph Paul was for many years one of the leading officials of the Treasury Department, and was at one time the Chief Counsel for the Treasury. He was a brilliant and devoted public servant. He left the Government some years ago, entered the private practice of law, and quickly built up one of the largest tax practices in the United States. He was an extremely successful lawyer, but he did not stop there. Although his professional burdens were heavy, he gave of his great talents, not only in a detailed study of the tax laws, but in working out ways for improving the tax structure of the country, and in informing Congress and the country about ways in which the tax structure could be improved. I think we never had a more informed or devoted student of tax policy than we had in Mr. Paul.

In a sense, though we mourn his passing he died with his boots on, fighting for what he believed to be the best interests of the American people.

One of the most brilliant and successful lawyers of modern times, he took on heavy tasks, which ultimately proved to be beyond his strength, to defend the small taxpayers and to create a more just system of taxation.

A true soldier of the common good, he died, as he lived, heroically.

The American people should be grateful to him for his tireless and brilliant efforts on their behalf.

We shall miss him badly. Our ranks have been thinned by his passing, but we are unutterably proud and grateful for his devoted life.

To his beloved wife and family, we extend our deepest condolences, and we humbly pray that God may comfort them in their bitter hour.

Mr. CARLSON. Mr. President, the distinguished Senator from Illinois has commented on the death of Randolph Paul who was a personal friend of mine. I did not wish the opportunity to go by without expressing my appreciation for the work done by Randolph Paul in behalf of the Government of the United States.

Although I did not always agree with him in his views, while I was a member of the House Ways and Means Committee and Randolph Paul was Counsel for the Treasury Department, it is true that he rendered outstanding service, and was a very high type attorney and counsel.

I certainly regretted learning today of his very untimely passing. Mrs. Carlson and I express to Mrs. Paul and to his family our sincerest and deepest sympathy.

Mr. JOHNSON of Texas. I desire to associate myself with the fine things the Senator from Illinois and the Senator from Kansas have said about my beloved friend, Randolph Paul. I walked into the Capitol with him this morning. He conversed with me, and stated he was going to testify before a committee. I told him to give my regards to his lovely wife. He was one of the most brilliant and patriotic men I have ever known. It is a tragedy that our Nation has lost him and all of us who were associated with him will mourn with his family.

UNIVERSITY OF MICHIGAN LIBRARIES

It will be some consolation to those he leaves behind to know that he was one of the most respected and beloved men in the Nation's Capital.

Mr. FULBRIGHT. Mr. President, I wish to associate myself with the remarks of the Senator from Illinois, the Senator from Kansas, and the Senator from Texas. I saw Mr. Paul only last Friday in the committee. I was shocked to hear of his untimely death. I considered him one of the best informed and one of the finest technical men in the field of taxation in this country. In addition to that, he was very patriotic, and one of the outstanding citizens of the United States.

Mr. LEHMAN. Mr. President, I wish to associate myself with the remarks made by the Senator from Illinois, the Senator from Kansas, and other Senators. Randolph Paul was an old and very dear friend of mine. He was a magnificent public servant. I believe his untimely death is a tremendous loss to our country. At another time I shall have more to say in eulogy of Mr. Paul.

Mr. SYMINGTON. Mr. President, I should like to join with my colleagues and express my deep sorrow on learning of the untimely death of Randolph Paul. He was a very able man, and his loss is a serious one to the country. I should like to extend to his wife and family the sympathy of Mrs. Symington and myself.

Mr. HUMPHREY. Mr. President, I desire to associate myself with the remarks of the Senator from Missouri [Mr. HENNINGS] and the remarks of the Senator from Illinois [Mr. DOUGLAS] and other Senators concerning our late, departed friend, Randolph Paul. Mr. Paul's service to his government was one of high standard and unusual dedication. He represented the finest traditions of public service. In my few short years in Washington, it has been my privilege to have enjoyed his fellowship and friendship, as well as his advice and counsel. I am very sorry, indeed, to hear the sad news of his untimely death. His passing is a great loss to our country; and his departure from this scene of day-by-day life and activity will be a severe and a serious loss to his many friend, as well as to the Government.

On behalf of Mrs. Humphrey and myself, I wish to extend our sincere condolences to his family and his many friends.

Mr. O'MAHONEY. Mr. President, I wish to associate myself with all Senators who have spoken so feelingly today about the death of Randolph Paul. As a member of the Joint Committee on the Economic Report I was planning to listen to his testimony this morning. I know that it would have been of the very highest value to the committee, and to all the Congress, as well as to the executive department.

The Republic has lost a great mind, a skilled technician in the field of taxes, and a gentleman of the highest standards. I extend deepest sympathy to all the members of his family.

Mr. BARKLEY. Mr. President, I do not wish to overlook this opportunity to say a word about a distinguished man who died today, a former public servant of the United States.

I recall Mr. Paul as general counsel of the Bureau of Internal Revenue and I also recall that he testified frequently before the Committee on Finance, of which I was then and am now a member.

I have not seen much of Mr. Paul since his retirement from the public service. I do not recall any lawyer or any general counsel of any department who ever appeared before any committee of which I was a member who seemed to have a greater knowledge of the subject he discussed or who was so wholeheartedly dedicated to the public service as Mr. Paul.

There were members of the committee and men in the country who did not always agree with the philosophy of Mr. Randolph Paul in presenting his views, with regard to taxation. However, if there was any man in the country who could be called a tax scientist, I believe Mr. Randolph Paul qualified for that title.

I respected his views and his integrity and his devotion to public service, as well as his general attitude toward American problems. I deeply mourn his death, and I expres my profound sorrow to his family and friends. I did not wish this opportunity to pass without my saying a few words about him.

Mr. MORSE. Mr. President, I had not heard of the death of Mr. Randolph Paul until I walked on the floor of the Senate and heard the Senator from Kentucky paying a tribute to Mr. Paul. To say that I am shocked and grieved are most inadequate words for expressing my feelings, because Randolph Paul was a close and intimate friend of mine. I wish to attribute to him now much of the credit for all of the major suggestions or proposals that I have made on the floor of the Senate over the years on tax matters.

Starting in 1947, when I introduced a series of tax proposals on the floor of the Senate, my counsel and adviser in the preparation of those proposals and in the preparation of the argument I made in support of the proposals was Randolph Paul.

Each year I have counseled with him on tax matters. He had no peer in our country when it came to the right to speak with authority in the field of taxation. Time and time again he would point out to me the importance of our following, on the Federal level, the avoidance of regressive taxation. He stressed the importance of our always following the principle of progressive taxation. He was a great and true liberal in political philosophy.

Mr. President, in my judgment, our Government has lost a most valuable adviser. Although at the time of his death he held no official position with the Government, Mr. Paul exercised a potent influence in the Halls of Congress in the field of taxation.

I know that Mrs. Morse will feel the same way as I do when she receives the shocking news of his death. Therefore, I wish to say that Mrs. Morse and I join in extending to Mrs. Paul and the Paul family our very deep sympathy.

Mr. KEFAUVER subsequently said: Mr. President, I have just learned with much regret of the untimely death of Randolph Paul this morning. It is very much in character that Mr. Paul's death would have occurred while he was here in the Capitol testifying on a matter of grave economic concern to the people of this country. I have known Randolph Paul for many years, both during the times that he was occupying positions of considerable importance in the executive branch of the Government and during the later years when he gave unstintingly of his time and talents toward assisting committees of Congress in analyzing complicated economic and taxation measures. He was truly a man devoted to the general welfare of all the people. We shall miss him greatly. I want to extend my sympathy to Mrs. Paul and his children.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

Mr. GOLDWATER. Mr. President, much has been said of conflict of interests in the debate on the gas bill. It has been suggested that those Senators who have, by their residence in gas producing States, more than a passing interest in the bill, should not vote because of this interest. It has been also suggested that Senators who have received assistance in past campaigns from friends in the industry refrain from voting.

Today, Mr. President, I rise to state that if these suggestions are carried out to their logical conclusion, Senators who have received assistance from the CIO-UAW might search their conscience to see if the rule they wish to apply to others might not as well be applied to themselves. The UAW has assumed a gigantic role in this debate. They have spent thousands of dollars of their members' money, raised by dues, on full-page "ads" against the bill. They saturate the air with radio programs against it. To acquaint the Senate with the amounts this organization spends on the Senate and on lobbying elections, I wish to submit some figures, and I hope that those who have been so sanctimonious in their attitudes towards those of us who support the pending bill will read these figures and reflect on the rather untenable position they occupy in this instance.

I ask unanimous consent that the figures be printed in the RECORD.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

1954 political expenditures of the national PAC and those constituent CIO unions making reports to the Clerk of the House under the Corrupt Practices Act

CIO

[1954 only]

National PAC:	
Contributions	$415,041
Educational	339,991
New York State PAC (Dec. 22, 1953, to Nov. 23, 1954, no calendar total for 1954)	78,722
Amalgamated Political Action fund	17,400
United Auto Workers CIO-PAC	272,714
United Steelworkers of America Political Action Fund	185,004
Total	1,308,672

Mr. GOLDWATER. Mr. President, for the information of the Senate, I wish to call attention to the fact that the material which I have just had put in the RECORD shows that in 1954 the CIO spent $1,308,672. It spent $93,500 in the interest of electing Senators to this body.

Mr. President, in addition to the figures I have already asked to have printed as a part of my remarks, I ask unanimous consent that a brief study made of spending by lobbyists be printed in the RECORD. It compares the amounts spent by the CIO with amounts spent by the only two company committees as to which I could get information. They were the committee for pipeline companies and the general gas committee.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

SPENDING BY LOBBYISTS

[Based on tabulations by Congressional Quarterly]

CIO

For year 1953 spending was $48,425.61.
For 1954 spending was $120,119.09.
For year 1955 spending was $111,787.
First half of 1954 was $53,393.18.
First half of 1955 was $66,809.66.
Total 1955 spending for CIO, AFL, and AFL-CIO was $236,011.

COMMITTEE FOR PIPELINE COMPANIES

For year 1954 spending was $59,290.62.
First half of 1954 was $26,928.73.
First half of 1955 was $30,058.02.
No report for all of 1955.

GENERAL GAS COMMITTEE

For year 1955 spending was $87,709.
First half of 1955 was $67,851.74.
No report for first half of 1954 or all of 1954.

It should be pointed out that these are not an accurate index of lobbyist spending due to widespread uncertainty over who must file and what spending must be reported under the 1946 law.

Mr. GOLDWATER. Mr. President, to conclude, I might suggest to the Senator from Missouri, who is suddenly expressing a great interest in how campaign funds are raised, that he might have included in his bill a provision to control the vast amount of money that is being spent and will be spent by the CIO.

Mr. NEUBERGER subsequently said: Mr. President, a few moments ago the Senator from Arizona [Mr. GOLDWATER] presented for the RECORD a list of Members of the Senate who received some financial assistance in their campaigns from the political education funds of certain trade unions. I have not gone over the list, but I presume my name is on it, because in the 1954 campaign in Oregon the various committees supporting me did receive some assistance from various political education funds of trade unions.

I believe it is pertinent to point out, however, that during that campaign the various committees supporting my Republican opponents outspent the committees supporting me by approximately 50 percent.

Mr. President, since I came to the Senate, approximately 1 year ago, I have been working on a very detailed bill to free all men in the Senate and all men running for Federal office from the terrible burden of political campaign contributions.

The bill follows directly a proposal made by one of the most illustrious Americans who ever lived, the 26th President of the United States, Theodore Roosevelt.

When the bill is ready for introduction next week, it will be significant to note whether it will be supported by those who have had some assistance in their campaigns from the political education funds of trade unions, or from those who receive their financial backing from the owners of the biggest businesses in the United States.

The proof of the pudding will be in the eating. It is my opinion that our whole Nation will be better off if we accept Theodore Roosevelt's suggestion and free all candidates, of all views, and of both major political parties, from obligations to large contributors, of any allegiance or persuasion, whether those contributions are from the political education funds of trade unions or from the ranks of big business.

A move such as Theodore Roosevelt originally advocated would be in the direction of that free government about which the Senator from Missouri [Mr. HENNINGS] and the Senator from South Dakota [Mr. CASE] spoke so movingly and inspiringly here today.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. MORSE. Mr. President, I should like to have the Senator associate me as a consponsor of the joint resolution when he introduces it. I wish him to know that I am going to follow up with the annual introduction of my bill providing that all Members of Congress shall be required to file once each year the amounts and sources of all their income. I shall add to the bill this year the requirement that there be made a disclosure of the amounts and sources of all their campaign contributions. I say that because the real problem that confronts us was put forth by my junior colleague, when he said our problem is to follow procedurally those steps that are necessary to assure the American people that we are free men. There is no substitute for public disclosure. What is necessary, it seems to me, is that we adopt the resolution that I have been fighting for since 1946, that all sources of income and all amounts of all income be made a matter of public knowledge so far as Members of Congress are concerned. The same thing should apply also to campaign contributions. That means not only campaign contributions which go directly to the Senator, but also campaign contributions which go indirectly to so-called campaign committees for a Senator.

Mr. NEUBERGER. I thank my colleague from Oregon for his support of what my office staff has come to call the Teddy Roosevelt bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the junior Senator from Oregon has expired.

Mr. GOLDWATER. Mr. President, I should like to ask the attention of the junior Senator from Oregon. He was mistaken in his remarks. I did not include in my remarks any list of contributions given to Senators or to Representatives. I realized that that is public property; it is on file with the Clerk. I had no purpose or reason for introducing any such list, so I did not do so. I wished the junior Senator from Oregon to know that he was mistaken in his statement and that he should have paid a little more attention to what I stated.

SERMON AT THE RED MASS BY REV. DR. ROBERT J. WHITE

Mr. THYE. Mr. President, on Sunday, January 29, 1956, the Reverend Dr. Robert J. White, delivered the sermon at the annual red Mass in St. Matthew's Cathedral, Washington, D. C. His discussion of the law, justice, and spiritual leadership should be of particular interest to the Members of the Senate, and I commend it to their attention. I am informed that the sermon was printed in the Appendix of the Daily RECORD on January 30 at the request of Representative JOHN W. MCCORMACK, of Massachusetts.

THE AL SARENA MINING CLAIMS CASE—POSITION OF SECRETARY OF AGRICULTURE BENSON AND THE UNITED STATES FOREST SERVICE

Mr. NEUBERGER. Mr. President, it is not often that a Senator of one political party has opportunity or motivation to praise a Cabinet member of the other political party. However, I desire to commend Secretary Ezra Taft Benson for the way the Department of Agriculture, particularly through the United States Forest Service, has represented the public interest and welfare in the Al Sarena timber case. Courageously and vigilantly, the Forest Service, an agency of the Agriculture Department, has stood up to its great traditions, stemming from Gifford Pinchot and Teddy Roosevelt half a century ago.

From the beginning, the Forest Service protested the granting of the 15 mining claims in question to the Al Sarena company. The Forest Service did everything it legally could do to protect the valuable Rogue River National Forest fir and pine timber growing on these claims. Dr. Richard E. McArdle, Chief of the Forest Service, testified bluntly and candidly—and, I am sure, truthfully—before the investigating subcommittees.

This stand by the Forest Service does credit not only to the Forest Service, but also to Secretary Benson, under whose jurisdiction the Forest Service is located. After all, the culprit in this case is the Department of the Interior. It was the Interior Department, through the office of the Solicitor and of the Secretary, which permitted a private assay made in far-off Mobile, Ala., to cancel out assays undertaken by the Forest Service, by the Bureau of Land Management, and at the Bureau of Mines Laboratory in Albany, Oreg.

UNIVERSITY OF MICHIGAN LIBRARIES

I commend Secretary Benson for allowing one of the great agencies of his Department to fulfill its historic conservation mission by trying to stand guard, to the end, over national forest timber in its care.

I charge that full responsibility in this whole episode of the Al Sarena case lies squarely with the Interior Department, and no other Federal agency.

Incidentally, Mr. President, it is well to emphasize that, since the Interior Department granted patents to these so-called mining claims 2 years ago, there has been no mining of ore or minerals, but over 2 million board feet of lumber have been cut commercially.

In conclusion, Mr. President, I ask unanimous consent that two excellent editorials on the Al Sarena case from the Medford (Oreg.) Mail-Tribune of January 29, 1956, appear in the body of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

WHAT IS A "SMEAR"?

Ever since the Al Sarena mining case became a burning issue Congressman ELLSWORTH has called it a "smear," for political purposes only.

What is a "smear"?

Apparently it is any investigation into any matter which the accuser does not approve.

If the investigation is approved then the procedure is an entirely legitimate inquiry. It depends, in other words, as is so often the case in politics, upon whose ox is gored.

When Senator MCCARTHY was enjoying great popularity as an investigator into Red subversion, no one ever heard Mr. ELLSWORTH accuse him of using the "smear" technique as a political weapon. The Wisconsin Senator was then a great patriot and statesman and but for him good old Joe would have long ago have taken over the White House.

In fact it was then the intention to convict the Democratic administration of treason—20 years of treason—and that the Representative from the Fourth District of Oregon approved.

But this Al Sarena case, according to ELLSWORTH, is and was a different kettle of fish—it was merely an effort to "smear" Secretary of the Interior McKay as the leader of the GOP give-away brigade and thus make votes for the Democratic Party and take them away from the Republicans. As a matter of fact Congressman ELLSWORTH claimed from the outset there was nothing irregular, illegal, or even improper about the Rogue River mining-timber deal, though he never presented convincing evidence to prove it.

Democrats on the Senate subcommittee, on the other hand, claim and have claimed otherwise, declaring that the Interior Department refused to grant the Al Sarena mining claim in the Truman administration, because there was insufficient evidence to indicate the mineral values were sufficient to justify same, and that the whole deal was not a legitimate mining venture but just another timber grab under the pretense of such transaction.

Who is right?

Until all the evidence is in, no one can truthfully say. But as far as the claims of Congressman ELLSWORTH that everything connected with this deal was on the up and up is concerned, he furnishes the best evidence that the contrary is true.

For the issue had no sooner been publicized than our Congressman got busy, introduced a bill and secured its passage, which now makes what the Al Sarena mine owners did illegal. If there was nothing improper in the original transaction why prohibit it by law in the future?

The Ellsworth measure in fact recognizes that the old mining-claim laws long ago became obsolete, that as a result of their laxness and antiquity, scores of fraudulent mining claims in recent years have been laid out and used to secure valuable Government timber at a slight percentage of its market value, and that this procedure has grown into a national scandal.

So whatever the final verdict is this Al Sarena case—and it is doubtful if there is any except on strictly political lines—it is fortunate the inquiry was initiated.

For had no inquiry been indicated, undoubtedly it would still be possible to file a mining claim anywhere in the national forests of Oregon, whether justified by mineral values or not, and cut down the timber as a byproduct of the operation, at a mere fraction of its value to the Government on the open market.

If this a smear then let's have a few more smears of the same type. There is no doubt the people of the country as a whole, regardless of party, would approve them.—R. W. R.

PUBLIC SERVICE RENDERED

It is somewhat amusing to observe the ardor with which Secretary McKay's loyal followers rush into the public prints to disclaim any responsibility on McKay's part for the Sarena decision.

Why all this haste and emphasis on irresponsibility?

After all, in any Government department as important as that of the Interior, the Department head is responsible for what is or isn't done by any of his subordinates whether he himself attended to the details and assumed it or did not.

Considering these facts and the importance of the case it would have seemed more natural and proper for Secretary of the Interior to at least have shared the responsibility with his subordinate instead of allowing the latter to assume it all.

Before the Al Sarena case ever became known the Mail Tribune printed a news story pointing to the racket then in full swing, whereby fake mining claims were filed on public lands, only the minimum mining requirements were observed, and those granted the patent proceeded to cut the timber thereon and make a financial cleanup as a result.

It was because of the suspicion this Al Sarena deal was essentially along the same line that the present inquiry was instituted.

We grant that to date evidence to sustain any criminal charge has not been offered. Perhaps it never will be.

As remarked above until all the evidence is in judgment should be reserved.

But one thing is certain.

The inquiry has justified itself, not as a smear but needed public service, for had no investigation been considered, no public opinion aroused, there would be no law on the statute books, making what the Al Sarena group did, legally impossible in the future.—R. W. R.

THE FUNCTIONS OF GOVERNMENT IN WATER RESOURCE DEVELOPMENT AND CONSERVATION

Mr. MURRAY. Mr. President, last year the Hoover Commission and its task forces submitted to the Congress their recommendations on national water resources policy. On January 17 of this year the President submitted to the Congress the recommendations of his Advisory Committee on Water Resources Policy.

Both of these reports recommend that the Federal Government should relinquish to the States and local agencies major responsibility for water resources development, including flood control, irrigation, domestic and municipal water supply, power production, pollution control, and other uses.

Mr. Leland Olds, former Chairman of the Federal Power Commission, in an address delivered January 25 before the National Conference on Water Resources, held in St. Louis, Mo., termed the recommendations of the Cabinet committee a "retreat from responsibility" rather than a facing up to Federal responsibilities. The Conference was cosponsored by the United States Chamber of Commerce and the Engineers' Joint Council, an organization of professional engineers who have had a dominant influence in the preparation of the Hoover Commission reports.

Mr. Olds' speech is an excellent statement of the development of established Federal water resources policy through legislation reaching back to the administration of President Theodore Roosevelt. It suggests some of the tremendous losses this Nation will suffer if private and so-called local interests are permitted to go ahead with their plans for underdevelopment of the great dam sites like Hells Canyon, Nez Perce, John Day, and others. Millions of kilowatt-hours of electric generating capacity will be wasted. In the Columbia River Basin more than half of the 27 million acre-feet of water storage needed for flood control will be lost by construction of low dams, instead of Federal high dams.

Mr. Olds' speech contains much material which will be of great value in consideration of a national water policy. I therefore ask unanimous consent to have it printed in the body of the RECORD at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FUNCTIONS OF GOVERNMENT IN WATER RESOURCE DEVELOPMENT AND CONSERVATION

The report of the Presidential Advisory Committee on Water Resources Policy, just out, raises a serious question for the American people. The question is whether the people of this country, be they farmers or wage earners or professional people or managers or businessmen, are going to permit a misinterpretation of the public-service status of the electric business in our private-enterprise economy to bring about virtual abandonment of essential Government functions in the field of water resources. What this report proposes to abandon is the whole concept of comprehensive, multipurpose river-basin programs. This concept has already demonstrated its capacity to contribute to the progress of American life by stimulating, rather than undermining, the vitality of local institutions. It has won world recognition as an achievement of democracy.

A comparison of the President's water resources policy report of 1956 with the series of robust, America building reports and laws which have formulated the great American conservation tradition should give us pause. And I am sure no one will accuse the 12 Members of Congress who participated in the 1912 report of the National Waterways Commission of being "creeping Socialists."

There is no question but that the genesis of the recent attempt to change the concept of Federal responsibility for the country's water-resources program is to be found in the contention of private power interests

that public power is somehow un-American. It is their contention that the Federal power program threatens socialization of all private enterprise in America.

This contention, of course, ignores not only American tradition but also the experience of such public power areas as Ontario, Canada. There, almost 50 years of a system of power supply, closely akin to that subsequently developed in the Tennessee Valley area, has proved not the slightest threat to private enterprise.

A high Department of the Interior official is reported by the Associated Press to have told a newsman that this is the first time a definite recommendation has been made for the assumption of a direct Presidential responsibility for development of water resources. If I correctly read the report, it might have been more accurately said that it represents the first recommendation that the President assume direct responsibility for trying to get everyone to do it but the Federal Government. The report might be entitled "Retreat From Responsibility."

I mention this at the beginning of my remarks because the conception of the Government's function in the field of water resources, which I shall present as a development of the great American tradition, will be found to be in conflict with this most recent report in almost every particular. And, I shall begin by being very concrete about it.

In terms of specific projects, Government construction of the high Hells Canyon project, the Nez Perce project, the Paradise project, the John Day project, as originally planned, to take their places with the already constructed Bonneville, Grand Coulee, McNary, Chief Joseph, and Hungry Horse projects in a Federal program for full use of the water resources of the Columbia River Basin, is a sound Government function, in terms of 50 years' development of Federal water resources policy.

Equally sound in terms of the American tradition will be the extension of the Colorado River program to assure the upper basin States full use of their share of the resources of this mighty stream. The proper function of Government will also include similar programs for the Missouri River, for the Ohio River Basin, for the Arkansas-White-Red River Basins in Missouri, Arkansas, Oklahoma, and Texas, and for the many rivers, grouped for sound planning, which flow out of the eastern highlands into the North Atlantic, the South Atlantic, and the gulf.

The planning, construction, and operation of these programs are all proper functions and responsibilities of the Federal Government under the Constitution, just as the Tennessee Valley Authority program is a proper function and responsibility of the Federal Government in the field of sound water and related land resources development. This is so because, under a wide range of constitutional powers, the Federal Government can carry out comprehensive programs for development of our rivers for watershed management, flood control, conservation storage, water supply, navigation, irrigation, hydroelectric power, pollution control, fish and wildlife conservation, and recreation. And, from both an engineering and an economic point of view, it can perform these functions better than any other agencies, private or public, singly or in combination.

The proper assumption of this responsibility by the Federal Government will do more to preserve and strengthen the foundations for an expanding private enterprise system than can any hodge-podge substitute approach based on mistaken ideologies.

This is so because under any alternative approach the people will get less flood control, less conservation storage, less use of their waters, less pollution control, less watershed management, and less hydroelectric power from their rivers—and, with all due deference, less local control of their local affairs.

The concept of unified Federal programs for the development of the country's rivers, and the perfection of the necessary techniques, have been developing over a period of 50 years. This evolution has paralleled the trend toward larger river basin structures with concomitant recognition of the great possibilities of integrated multiple-purpose use. It has reflected growing recognition of the interrelationship between various structures in the same river basin, of the value of storage and release of water at one dam as increasing the values which can be derived from down-stream uses, of the importance of electrical as well as hydraulic integration of projects, and of the inseparable interrelationship between management of land and water resources.

This evolution has led to increasing insistence by conservationists on the exercise by the Federal Government of broad responsibilities in the field. And the people have moved ahead to see that this was done, using the Constitutional authority of Congress "to make all laws necessary and proper for carrying into execution all the powers vested in the Federal Government." These powers include its commerce power, its war and treaty-making powers, and its powers under the property clause of the Constitution. Yet to be fully tested, but hinted at in the Gerlach Irrigation District case, are its broad powers under the general welfare clause.

And this country, including its great private enterprise economy, has profited greatly and reached its present unparalleled heights, because of the dynamic interpretation of the Constitution.

I need only recall 1 or 2 early pronouncements—milestones in the conservation movement—to suggest the line of thinking which evolved the concept of Government responsibility for comprehensive development of our river basins. Thus, in 1908, President Theodore Roosevelt transmitted to Congress the preliminary report of his Inland Waterways Commission, with a message in which he said:

"Every stream should be used to its utmost. No stream can be so used unless such use is planned for in advance. When such plans are made we shall find that, instead of interfering, one use can often be made to assist another. Each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such."

In 1909 Congress created the National Waterways Commission, composed of 12 of its Members, to investigate "questions pertaining to water transportation and the improvement of waterways." In its 1910 preliminary report this Commission emphasized the need for consideration of multiple uses in planning navigation improvements, recommending "greatest care in the conservation of water power for the use of the people."

In its final report, the Commission pointed out the need for a comprehensive, storage-reservoir system to be utilized simultaneously for flood prevention, navigation, and power development. It said further:

"A reservoir system, in order to be utilized simultaneously for flood prevention, aiding navigation, and power development, must be controlled or operated by some public authority."

The Commission also reported that "the combined benefits from flood prevention, from additional power development, and from a more uniform flow of the stream may warrant the adoption of a system of reservoirs which, if intended for any one of these purposes alone, would not be practicable."

After a review of various United States Supreme Court decisions, the Commission determined that the constitutional authority of the Federal Government in this field was very broad, and went on to say:

"With the increasing unity of our national life and the growing necessity of securing for human needs the maximum beneficial use of the waters of every stream it will become increasingly necessary to treat every stream with all its tributaries as a unit. In the nature of the case so comprehensive a policy could be successfully administered only by the Federal Government and, consequently, the eventual desirability of Federal control is easy to predict."

This thinking during the successive administrations of Presidents Theodore Roosevelt and William Howard Taft laid the foundations for the evolution of government functioning in the field of water resources during the 40 years which followed. And, in the light of the report of President Eisenhower's Advisory Committee on Water Resources Policy, with its recommendation that "the Federal Government should encourage non-Federal initiation and assumption of responsibility for construction of water resources projects," it is interesting to read a few words from two veto messages sent to Congress by President Taft.

In the first instance, President Taft vetoed a bill authorizing a non-Federal power dam on the White River in Arkansas, a short distance upstream from where certain Federal navigation improvements were either completed or contemplated. His first objection was that, since the dam was "capable of becoming a part of this general Federal improvement" he opposed a provision which would have permitted the dam to become the property of the State of Arkansas upon expiration of the Federal permit. He added:

"To introduce a diversity of title into a series of dams which may all become eventually a part of a single improvement directed at the same end would, in my opinion, be highly objectionable."

About 3 weeks later President Taft vetoed a bill for non-Federal development of power at a point on the Coosa River (Georgia-Alabama) where "comprehensive plans" by the Army engineers contemplated one of a series of navigation dams. He noted that this bill presented "a typical case of a river where its development by the Federal Government for navigation should go hand in hand with its development for waterpower."

On the basis of the broad interpretation of the powers and responsibilities of the Federal Government in the field of water resources, formulated in the years 1908 to 1912, Congress proceeded over a period of 40 years to give effect to that interpretation in a series of laws which, in spite of constant opposition and obstruction, have made a tremendous contribution to the strength of our economy, to the national defense, and to private enterprise in all parts of the country.

There was the 1917 flood-control legislation in which Congress provided that "all examinations and surveys of projects relating to flood control shall include a comprehensive study of the watershed." This legislation required that the reports should include information on (1) the extent and character of the area to be affected by the proposed improvement; (2) the probable effect on any navigable water; (3) the possible economical development and utilization of waterpower; and (4) "such other uses as may be properly related to or coordinated with the project."

There was the Federal Water Power Act of 1920, which became part I of the Federal Power Act of 1935, which provided the Federal Power Commission with broad authority to make investigations and collect data concerning the "utilization of the waterpower resources in any region to be developed, the waterpower industry and its relation to other industries and to interstate commerce, and concerning the location,

UNIVERSITY OF MICHIGAN LIBRARIES

capacity, development, cost, and relation to markets of power sites, and whether the power from Government dams can be advantageously used by the United States for its public purposes."

The act provided for the licensing of non-Federal power projects, specifically requiring that the project adopted be best adapted to a "comprehensive scheme of improvement and utilization for the purposes of navigation, of waterpower development, and of other beneficial public uses."

Furthermore, the act required that whenever, in the judgment of the Commission, the development of any project should be undertaken by the United States itself, the Commission shall not approve "any application for such project" but "shall cause necessary examinations to be made, and submit its findings and recommendations to Congress concerning such project." In 1935 this was broadened to apply to "the development of any water resources."

The significance of this provision is likely to be missed unless we remember that the Federal Power Commission was originally composed of the Secretary of War, the Secretary of the Interior, and the Secretary of Agriculture. Thus, it served as a coordinating body for the three Federal Departments concerned with direct participation of the Federal Government in various phases of water resource development.

Incidentally, the same section, which retained for the Federal Government first preference for development of potential hydroelectric power sites, also accorded a next preference to States and municipalities.

In 1927, there followed the River and Harbor Act of 1927, which authorized the Corps of Engineers to undertake the surveys which resulted in the famous "308 Reports." These river-basin surveys were designed to provide for the formulation "of general plans for the most effective improvement of such streams for the purposes of navigation and the prosecution of such improvement in combination with the most efficient development of the potential water power, the control of floods, and the needs of irrigation."

The Boulder Canyon Act of 1928 not only authorized the Secretary of the Interior to construct, operate, and maintain what is now known as Hoover Dam, with its great contributions to the Southwest in the way of flood control, municipal water supply, irrigation, and hydroelectric power, but also directed the Secretary "to make investigations and public reports of the feasibility of projects for irrigation, generation of electric power, and other purposes in the States of Arizona, Nevada, Colorado, New Mexico, Utah, and Wyoming for the purpose of * * * formulating a comprehensive scheme of control and improvement and utilization of the water of the Colorado River and its tributaries."

Five years later, in 1933, there followed the Tennessee Valley Authority Act, in which the Congress authorized a single Federal agency, with provision for cooperation with the State and local interests in the river basin, to undertake the multiple-purpose development of a river and its tributaries under unified legislation, i. e., without division of responsibility.

The act created a Government corporation as the instrument for carrying out this program. It directed the President to recommend legislation for comprehensive development of the Tennessee drainage basin which would foster the "orderly and proper physical, economic, and social development of the area." In addition, such recommended legislation must be for the declared purpose of bringing about (1) the maximum amount of flood control; (2) the maximum development of the Tennessee River for navigation purposes; (3) the maximum generation of electric power consistent with flood control and navigation; (4) the proper use of marginal lands; (5) the proper method of reforestation of all lands in said basin suitable for reforestation; and (6) the economic and social well-being of the people living in the said river basin.

The joint congressional committee, which investigated the TVA in 1939, endorsed this unified river control, and said:

"The value of the authority lies in providing the only method by which all uses of the river can be brought within reach of the public."

Time does not permit more than a passing reference to the important reports and legislation which followed, all designed to extend the basic concept of unified river-basin programs to other rivers of the country, without the institutional changes represented by the creation of similar Government corporations, and to provide more definitely for the cooperation of the States in such programs.

There was the Rural Electrification Act of 1936, which should be considered under our general subject not only because of the importance of low-cost power from Federal projects in making farm electrification economically feasible but also because it offered a majority of our farms the first opportunity to have running water for their homes, their barns, and their stock watering.

There was the Bonneville Act of 1937, the Flood Control and Fort Peck Acts of 1938, the Reclamation Projects Act of 1939, and the Flood Control Act of 1944, all of which made important contributions toward establishment of the principles under which the Federal functions in the field are carried out. And, in addition, there were the many authorization and appropriation bills through which Congress has provided for the carrying out of these functions.

A series of official Government reports during the period following creation of the TVA probably added more to the understanding of water resources problems and their solution than all the studies made in the world before that date. But I shall mention only one, the 1934 report of the Mississippi Valley Committee of the Public Works Administration.

I mention that report, not because it spoke of hydroelectric power as the key to sound programs for river-basin development, but because it said:

"Engineering does not exist for its own sake. It is of little use to control rivers if we cannot thereby improve the quality of human living. Therefore, the final and most significant element which the committee has considered is neither land nor water, but the people who live on the land and are dependent on the water."

The Tennessee Valley Authority program has demonstrated how such a unified plan, with multipurpose water resources projects integrated both hydraulically and electrically, and with equal consideration given to all interrelated land and water resources, can offer the people the fullest possible use of such basin resources.

The Columbia River Basin program was well on the way to making a similar demonstration. But already the changed conception of Federal functions set forth in the Eisenhower Advisory Committee report is beginning to show why you cannot dilute the Federal functions without sacrificing full use of water resources. For it has already become clear that the proposed private power company projects which will displace larger Federal projects, if the administration's present partnership plans go through, will sacrifice millions of acre-feet of potential storage, and such storage means both more flood control and more power.

The substitution of the three Idaho Power Co. projects for the proposed high Hells Canyon Dam alone will account for nearly 3 million acre-feet of lost storage.

This tendency to cut down the size of projects, building 2 or 3 lower dams in place of 1 high dam, with the resulting sacrifice of cyclical storage and failure to take full advantage of the diversity of flow between tributaries of a bigger river, is the almost inevitable result of the application of local private, rather than basinwide public criteria in the selection of projects.

This results, not only from the shorter range, more single-purpose outlook of private planning but also from the fact that private construction involves higher fixed charges. These higher fixed charges, coupled with an outlook which puts a premium on achieving the highest possible margins of benefits over costs, tend to result in what is sometimes termed skimming the cream of waterpower resources rather than achieving the maximum use of the resources subject to a positive benefit-cost ratio.

Thus, the Federal Power Commission, in approving a license for Idaho Power Co.'s three-dam substitute for the high Hells Canyon project, in effect accepted the private rather than the public outlook. For it openly tossed away some 450,000 kilowatts of additional power, which the high dam could have contributed to the Columbia River main control program, on the excuse that this increment would only just pay for itself.

In this connection, it is interesting to note that back in 1930, on recommendation of the Corps of Engineers, Congress authorized the conduct of negotiations with private interests for construction of high dams in the Tennessee River, with the Federal Government making a contribution if the structures were built for both power and navigation. But the local utility companies showed no interest in this early offer of partnership.

Time does not permit me to discuss other illustrations, particularly in New England, which have come to my attention in connection with my experience in dealing with the country's rivers. But they all illustrate the fact that full acceptance of the Federal responsibility for river-basin development means greater use of water resources than can be obtained where private participation becomes the rule.

The report of the New England-New York Inter-Agency Committee gives us an example of the results of this new approach which should cause the people to stop, look and listen. For the reports, completed June 30, 1955, show a strange separation of multipurpose river-basin programs into two single-purpose groupings, a flood control program, mainly so-called "dry dams," and an inventoy of potential single-purpose power dams. Thus, the power dams, deprived of their flood control benefits and set up on the basis of private fixed charges, are found uneconomic.

If the drive of the New England States to secure flood protection results in Congressional approval of the single-purpose flood control program, the people of that high electric rate region may be permanently deprived of their undeveloped hydroelectric resources, and of the opportunity which Federal development would afford of introducing some effective competition into an otherwise monopolistic situation.

The Federal Power Commission estimates about 3 million kilowatts of undeveloped hydroelectric power in New England and nearly 88 million kilowatts, capable of producing some 378 billion kilowatt-hours per year for the country as a whole. It is safe to predict that less than half of this will ever be developed if the Federal functions in the water resources field are seriously diluted. And if I could cite illustrations from the New England experience showing how it would also mean less flood control and less protection for wildlife and recreational interests.

The performance by the Government of the functions which I have been discussing as essential to our national strength has been tested in the courts. And the highest courts have consistently upheld the use of the

powers delegated to the Federal Government by Congress to accomplish these vitally important purposes.

The necessary powers are found in the commerce clause, the property clause, the general welfare clause, and the power to provide for the common defense. These constitutional powers are broad enough to enable the Federal Government to undertake comprehensive river-basin programs, including flood control, irrigation, navigation, hydroelectric power, etc. They are broad enough to enable the Government to build, or contract for the use of, transmission lines for the interconnection of its projects and the marketing of its power; broad enough to enable Government to build or contract for conventional steam or atomic power to firm up its hydro and for other public purposes; broad enough to determine the conditions under which the power shall be marketed.

How these powers are used and the Federal functions in this field performed will, of course, be determined by the people in the public interest. And I do not think they will be long misled, as the present Federal administration has apparently been misled, by skillfully designed propaganda as to the nature of the power business. Once the misconceptions created by that campaign are corrected, it will be clear that the Federal function of developing and marketing power, with a preference to public and cooperative electric systems, does not threaten extension of public ownership to the general field of private enterprise.

The fact is that under the law a utility business is differentiated from the general run of private business. It is recognized as a public or public service business whether it involves water supply, or gas service, or rapid transit, or telephone and telegraph service, or railway service, or electric service.

As the United States Supreme Court said in the case of *Olcott* v. *Supervisors* (16 Wall. 695), a case involving a railroad:

"Whether the use of a railroad is a public or a private one depends in no measure upon the question who constructed or who owns it. It has never been considered a matter of any importance that the road was built by the agency of a private corporation. No matter who is the agent, the function performed is that of the State. Though the ownership is private the use is public."

This view has been reaffirmed in other cases and applies equally to all businesses carried on under a public grant of privileges. An attorney member of the Hoover Commission Task Force on Water Resources and Power, Donald R. Richberg, testifying in 1930 before the New York State Commission on Revision of the Public Service Commissions Law, said:

"1. The furnishing of public utility service is not a private business and those engaged in it are public agents performing a function of the State.

"2. This doctrine has been long established in the construction of public highways and the operation of railroads.

"3. Among the recognized bases for determining what is essentially a 'public business,' as distinguished from a 'private business,' are: (1) Public grants of privileges; (2) monopolistic restraints on competition; (3) economic dependence of the community on the service.

"4. Under modern conditions the furnishing of either transportation, communication, light, heat, power, or water is essentially a 'public business'."

With this word as the legal distinction between public utility business and private enterprise in general, I suggest that it is a legitimate and desirable Federal function to use the power generated in the performance of its water resources functions, or in making the best use of its property in the public interest, to assure a competitive source of power supply to rural electric cooperatives and municipal electric systems.

I think this is immensely important to assuring full use of electricity on our farms. I also think it essential to preventing an ultimate all-embracing private monopoly in a field which affects every activity in the American way of life. When anyone urges that the Government should not participate on the ground that power supply is a local responsibility, he is overlooking the fact that, technologically speaking, power supply is regional not local in character. Thus we have interconnected private power systems extending from Virginia to Indiana, or from Arkansas to Mississippi, or from Utah to the Oregon Pacific Coast.

I am not suggesting the extension of this Federal function to include all wholesale power supply. In fact, I think it is up to the privately owned power systems to determine how much farther it need be extended. But they will do this, not by tremendous campaigns to make it appear that this business is private but by assuming its public character and living up to the public responsibility involved.

So, in very brief, I think that the undertaking of comprehensive river-basin programs for watershed management, flood control, conservation storage, ground water replenishment, water supply, navigation, irrigation, hydroelectric power, pollution control, and recreation in its broadest sense, is a proper Federal function and responsibility. The Tennessee Valley Authority has proved that it can be undertaken with the active cooperation of the interested State and local governments.

And, to get a true picture of the importance of the continued acceptance of this Federal responsibility to the future of America, I suggest that you turn to the last two major Federal Government reports in this field, the 1950 report of the President's Water Resources Policy Commission, chairmaned by Morris Llewellyn Cooke, whose services have spanned the 50 years of the conservation movement, and the 1952 report of the President's Materials Policy Commission chairmaned by William S. Paley, chairman of the Columbia Broadcasting System. Both see our resources problems in terms of a dynamic America, playing its part in the modern world.

LOUIS G. FEIL—MAN OF THE YEAR

Mr. CARLSON. Mr. President, Mr. Louis G. Feil, who is the ranking civilian employee of the Kansas City district of the Army engineers, has just been selected as "man of the year" among the 12,000 Federal employees of Greater Kansas City.

He has rendered outstanding service through the Corps of Army Engineers in all forms of water conservation. As a result of his many years of effort, we in the Midwest are now enjoying some beautiful recreational areas. The Kanopolis Reservoir near Salina, Kans., is a good illustration. Its 3,000 acres have brought fishing, boating, and other recreational facilities to that section of the State.

Mr. Feil is a member of an early day Kansas City family. His grandfather, Johanns Feil, founded the St. Peter's Evangelical Church, and his maternal grandfather, Louis Klein, was a building contractor.

Mr. Feil graduated from Kansas University in 1928 with a degree in architectural engineering. He joined the Army Engineers in 1933.

I want to commend him for the service he has rendered in our section of the Nation. Here is another evidence of the splendid work our Government is receiving from loyal, dedicated public career servants, under the civil-service system.

OPPOSITION TO THE HARRIS-FULBRIGHT BILL

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram opposed to the Harris-Fulbright bill, signed by R. J. Coughlin, president of the Westland Oil Co., of Minot, N. Dak.; a telegram and a letter from Herschel Lashkowitz, the mayor of Fargo, N. Dak.; and a telegram from Sophus Trom the mayor of Casselton, N. Dak.

There being no objection, the letter and telegrams were ordered to be printed in the RECORD, as follows:

MINOT, N. DAK., *February 4, 1956.*

Senator WILLIAM LANGER:

Support for gas bill in North Dakota dissimilar to South Dakota only to extent that no scandal is evident; however, chambers of commerce and other groups who have indicated their support have done so through influence and pressure of major oil interests and their local political supporters. In the best interests of all of our people for the future this bill should be defeated.

WESTLAND OIL CO.,
R. J. COUGHLIN,
President.

CASSELTON, N. DAK., *January 11, 1956.*

Senator WILLIAM LANGER,
Washington, D. C.:

For benefit future North Dakota consumers natural gas oppose Fulbright-Harris bill.

Mayor SOPHUS TROM.

FARGO, N. DAK., *January 20, 1956.*

Hon. WILLIAM LANGER,
United States Senator, Washington, D. C.:

In reply to your telegram re Harris-Fulbright bill, I deem it of utmost importance that full-scale public hearings be held at once on Harris-Fulbright natural-gas bill. The public is entitled to all of the facts. I therefore urge that such hearings be held immediately and that consumers, producers, and distributors of natural gas testify as to real current situation and possible future developments in rate structure. All forces and factors involved in this issue should be disclosed to the public.

I am frankly skeptical of any and all attempts to pass legislation on this subject when the public is not given the complete picture. The public wants and is entitled to all the facts, figures, and possible results of such proposed legislation. As a citizen, I again respectfully urge full-scale open hearings now on this issue.

HERSCHEL LASHKOWITZ.

BOARD OF CITY COMMISSIONERS,
Fargo, N. Dak., January 30, 1956.

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.

DEAR SENATOR LANGER: During the past week I was privileged to discuss the Harris-Fulbright natural-gas bill with the Honorable Anson J. Anderson, public service commissioner of the State of North Dakota. I am deeply grateful to Mr. Anderson for vital information on this legislation.

I also received a letter from Commissioner Anderson and I have replied to same and I am enclosing a copy of my letter herein.

I am completely convinced that the Harris-Fulbright bill is legislation detrimental to

UNIVERSITY OF MICHIGAN LIBRARIES

the consuming public and that furthermore the Harris-Fulbright bill serves only the interest of a handful of oil-gas producers.

It is my understanding that the Federal Power Commission was created in the public interest to serve the public. Any attempt to deprive the Federal Power Commission of its jurisdiction should naturally be viewed with suspicion, since the Federal Power Commission is charged with protecting the public. The Federal Power Commission should be maintained at guarding the public against excessive and discriminatory rates.

Since you wired me approximately 10 days ago I have read every available bit of information in the CONGRESSIONAL RECORD reporting the present debate in the United States Senate and I have tried to get as much information as possible. I feel that I must speak out in unmistakable terms and oppose the Harris-Fulbright bill as vigorously as humanly possible.

It is not inconceivable that the Harris-Fulbright bill could provide a windfall of from $300 million to $600 million per year at the expense of the consuming public.

You not only have my permission to read this letter before the United States Senate and also the copy of the letter to Hon. Anson J. Anderson, but I also sincerely hope that you will read it so that the other 95 United States Senators know how some of us feel about this matter.

I have never seen a slicker nor more deceptive campaign waged, calculated to fool the general public than the present one seeking to promote this bill by some of its advocates. I would also like in this letter to pay my respects to the Honorable PAUL DOUGLAS, a great American waging a great fight on behalf of the people. Knowing that you have always championed the public interests when they are threatened, I am confident that you will be fighting side by side with the Honorable PAUL DOUGLAS in order to assure the defeat of the Harris-Fulbright bill. The Harris-Fulbright bill must be defeated.

With kindest regards, I am

Respectfully yours,

HERSCHEL LASHKOWITZ.

BOARD OF CITY COMMISSIONERS,
Fargo, N. Dak., January 30, 1956.

Hon. ANSON J. ANDERSON,
Public Service Commissioner,
Bismarck, N. Dak.

DEAR COMMISSIONER ANDERSON: In reply to your letter received Saturday inquirying as to my stand on the Harris-Fulbright natural gas bill now pending before the United States Senate, allow me to state that I am vigorously opposed to the Harris-Fulbright bill.

I want to express my appreciation to you and your colleagues for information regarding this legislation. After studying available information and the reports in the CONGRESSIONAL RECORD, I am satisfied that the Harris-Fulbright bill is designed primarily to serve the interests of a handful of oil-gas producers and not the general public.

It is my understanding that the Federal Power Commission was created in the public interest to serve the public. Any attempt to deprive the Federal Power Commission of its jurisdiction should naturally be viewed with suspicion, since the Federal Power Commission is charged with protecting the public.

In view of the almost monopolistic aspect of the natural-gas service in many areas of the country the Federal Power Commission is the only agency that can act to prevent excessive and discriminatory rates charged to the public.

I hope that all of the vital information on this subject will be given to the public. It is my further belief that additional open public hearings be held on this measure now so the real current situation and possible future developments in the rate structure can be made possible. There has been a slick and deceptive campaign waged by certain advocates of the Harris-Fulbright bill designed to push this bill through before the public is given the full picture.

In closing, the Harris-Fulbright bill must be defeated, and as a citizen and constituent I am urging the Senators from this area to oppose it vigorously. Again may I thank you for information on this subject.

Sincerely yours,

HERSCHEL LASHKOWITZ.

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD a letter and resolutions by a majority of the Public Service Commission of North Dakota, Mr. Anson Anderson and Mr. Ernest Nelson in opposition to the Harris-Fulbright bill.

There being no objection, the letter and resolutions were ordered to be printed in the RECORD, as follows:

PUBLIC SERVICE COMMISSION,
Bismarck, N. Dak., January 11, 1956.

Hon. WILLIAM LANGER,
United States Senate Building,
Washington, D. C.

Hon. MILTON R. YOUNG,
United States Senate Building,
Washington, D. C.

Hon. USHER L. BURDICK,
United States House of Representatives,
Washington, D. C.

Hon. OTTO KRUEGER,
United States House of Representatives,
Washington, D. C.

GENTLEMEN: The House of Representatives in the first session of the 84th Congress passed H. R. 6645, otherwise known as the Harris bill. H. R. 6645 is now pending before the Senate, having been favorably reported out of committee. There is also pending S. 1853, commonly known as the Fulbright bill, also dealing with substantially the same amendments to the Natural Gas Act.

Oil and gas in commercial quantities were discovered in North Dakota early in 1951. All but a small portion of the natural gas produced in North Dakota at the present time is under the control of two major oil companies, Amerada Petroleum Corp. and Signal Oil and Gas Co.

North Dakota is a consumer State as regards natural gas and in the efforts of this commission to implement and encourage the use of this native resource in the homes and business places of North Dakota citizens, this commission has observed that these two producers above mentioned have made demands upon all public utilities, proposing to use this gas, which are unreasonable, monopolistic, and contrary to the general public interest.

These companies, Amerada and Signal, have attempted, by contract, to exact a wholesale price for gas to be consumed in North Dakota in excess of reasonable market value and at a level substantially more than 300 percent of the value placed upon the gas by them for production tax purposes, according to the records of the North Dakota State Tax Commissioner's office.

Now, therefore, be it resolved by the undersigned Commissioners of the North Dakota Public Service Commission that each United States Senator and United States Representative holding office as such from the State of North Dakota be requested to cast his vote against H. R. 6645 and S. 1853 and to do everything within the limits of their respective offices to bring about the defeat of these bills due to the fact that to divest the Federal Power Commission of its authority to set wellhead prices of natural gas would be to leave the general consuming public unprotected against a natural-gas monopoly and would otherwise prejudice the rights and interests of the North Dakota natural-gas consuming public.

Dated at Bismarck, N. Dak., this 11th day of January 1956.

ERNEST D. NELSON,
Commissioner.
ANSON J. ANDERSON,
Commissioner.

SUPPORT OF THE HARRIS-FULBRIGHT BILL

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter and various resolutions in favor of the Harris-Fulbright bill, as adopted by various chambers of commerce in the State of North Dakota.

There being no objection, the letter and resolutions were ordered to be printed in the RECORD, as follows:

TIOGA, N. DAK., *January 16, 1956.*

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Urge your support and passage of Harris-Fulbright bill. Consider Federal control of gas prices detrimental to free enterprise and to the development of natural resources in the State of North Dakota.

TIOGA CHAMBER OF COMMERCE,
G. HEINLE, *President.*

BISMARCK, N. DAK., *January 28, 1956.*

Hon. WILLIAM S. LANGER,
United States Senator,
Senate Office Building:

At a meeting of the oil and gas industry committee of the Bismarck Chamber of Commerce held on the 28th day of January 1956, the following resolution was unanimously adopted:

"Whereas the Harris-Fulbright bill is now pending before the United States Senate; and

"Whereas North Dakota is a producing State in which many millions of dollars have recently been expended by both independent operators and major companies in search and exploration for oil and gas, and defeat of the Harris-Fulbright bill would have a detrimental effect on future developments; and

"Whereas the production of natural gas is not a monopoly, and is not a business susceptible to utility type regulation because of the risk involved in discovering the commodity; and

"Whereas all facts available indicate that opposition to the bill is fostered by utility companies who operate without risk and with a guaranteed profit, and who prefer to have governmental agencies fix the producer's price rather than permit the sale by competitive methods and private contract: Be it

"*Resolved*, That this committee go on record as approving the Harris-Fulbright bill as submitted, without amendment, and that a copy of this resolution be forthwith submitted to our United States Senators, Hon. WILLIAM LANGER and Hon. MILTON R. YOUNG."

R. M. HART,
Committee Chairman,
ARTHUR LENO,
Secretary-Manager,
Bismarck Chamber of Commerce.

VALLEY CITY, N. DAK., *January 18, 1956.*

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Your support of legislation to specifically exempt independent gas producers from Federal control is respectfully solicited. Best regards.

LAWRENCE MELDAHL,
Manager, Valley City Chamber of Commerce.

WILLISTON, N. DAK., *January 14, 1956.*
Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Strongly urge your active support passage Harris-Fulbright bill. Desirable for best interests of all North Dakotans and general welfare of all America.

WILLISTON CHAMBER OF COMMERCE,
GEORGE, E. SCHMIDT,
Executive Vice President.

FARGO, N. DAK., *January 11, 1956.*
Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Resolution favoring passage of Harris bill prepared April 7, 1955, by board of directors of the Fargo Chamber of Commerce forwarded to you. Fargo and other cities in North Dakota urgently need natural gas for domestic and industrial uses and present price controls on producer increases consumer prices and discourages development of new sources of oil and gas. Our sentiment remains unchanged. Strongly urge you support this legislation.

ROBERT N. HUEY,
Industrial Representative, Fargo Chamber of Commerce.

MINOT, N. DAK., *January 26, 1956.*
UNITED STATES SENATOR WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Executive committee acting upon recommendation oil and gas development committee, Minot Chamber of Commerce, this date, unanimously approved action urging your active support for passage of the Fulbright natural gas bill (S. 1853).

MORRIS O. BROSCHAT,
President, Minot Chamber of Commerce.

MANDAN, N. DAK., *January 23, 1956.*
WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

The chamber of commerce endorses the passage of S. 1853. Your support will be appreciated.

J. R. ROVIG,
Secretary, Mandan Chamber of Commerce.

FARGO CHAMBER OF COMMERCE,
Fargo, N. Dak., January 12, 1956.
Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: This letter will confirm our telegram sent to you January 11 expressing our approval of the Harris bill which is soon to come up for vote in the United States Senate.

Attached is a copy of a resolution passed by the board of directors of the Fargo Chamber of Commerce, April 7, 1955, in which we expressed our approval of the bill.

Our telegram and this letter is intended to let you know that our sentiment remains the same and we hope that you will give the bill favorable consideration when it comes to the vote.

North Dakota is now a major oil State, and since more oil and gas is being found on some farmers' property, we believe it is a good source of supplemental income for the citizens of our State. We believe that the passing of the Harris bill is necessary to encourage development of new sources and to bring down consumers' prices.

We wish to thank you for your cooperation in this matter.

Yours very truly,
ROBERT N. HUEY,
Industrial Representative.

OPPOSITION TO THE HARRIS-FULBRIGHT BILL

Mr. HUMPHREY. Mr. President, on January 26, as appears on page 1376 of the CONGRESSIONAL RECORD, the Senator from Indiana [Mr. CAPEHART], I believe, placed in the RECORD a list of mayors in Minnesota who were urging or were favorable to passage of the Harris-Fulbright bill. Apparently this matter was brought to the attention of some of the mayors of cities in Minnesota. I have received the following telegram from Worthington, Minn., under date of February 3:

WORTHINGTON, MINN., *February 3, 1956.*
Senator HUBERT HUMPHREY,
Senate Chamber, Capitol Building,
Washington, D. C.:

Remove my name from CONGRESSIONAL RECORD, January 26, 1956, page 1376, as favorable to Harris-Fulbright bill. I am opposed to bill.

JOHN E. FENSTERMACHER,
Mayor of Worthington.

Mr. President, I received the following telegram from the executive committee of the Minnesota Electric Cooperatives:

ST. PAUL, MINN., *February 3, 1956.*
Hon. HUBERT HUMPHREY,
United States Senator,
Washington, D. C.:

Executive committee, Minnesota Electric Cooperative, strongly urges you to oppose bill exempting natural-gas producers from Federal Commission control.

GENEVIEVE A. KELLEY,
Executive Secretary, Minnesota Electric Cooperatives.

Mr. President, I received the following telegram from the Honorable Harold Davis, mayor of Cannon Falls, Minn.:

CANNON FALLS, MINN., *February 3, 1956.*
Senator H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Cannon Falls City Council urges your opposition to Fulbright bill.

Mayor HAROLD DAVIS,
Cannon Falls, Minn.

Mr. President, I have received a number of other telegrams in opposition to the Harris-Fulbright bill. They come from the Twin Cities Carpenters District Council and from others. I ask unanimous consent that the telegrams be printed at this point in the body of the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., *February 4, 1956.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

The Twin Cities Carpenters District Council and its affiliated unions are in full in complete opposition to the Harris bill as amended and also to the Fulbright bill now before the Senate and we urgently request that you use your utmost influence to defeat this legislation.

J. H. BAKKEN, *Secretary.*

ST. PAUL, MINN., *February 5, 1956.*
Senator HUBERT HUMPHREY,
United States Senator,
Washington, D. C.:

Local 2127, USA, urges you to vote "no" on Fulbright gas bill.

HENRY W. BAKER,
President.

ST. PAUL, MINN., *February 4, 1956.*
Senator HUMPHREY,
Senate Office Building,
Washington, D. C.:

Vote "no" to the Fulbright bill. The people cannot afford another increase in fuel gas. The last one was too much to take.

Your supporter,
JAMES ROSENTHAL.

Mr. HUMPHREY. Mr. President, under date of January 26, the CONGRESSIONAL RECORD reports that Mayor Clarence Roloff, of Welcome, Minn., was in favor of the Harris-Fulbright bill. I think the RECORD should stand corrected that on January 17 the Mayor and the city council of Welcome, Minn., expressed their opposition to the Harris-Fulbright bill.

Mr. President, I have noticed the names of other mayors from Minnesota in the list of those who are supposed to be favorable to passage of the bill. I am having the list carefully examined. I definitely predict that it will be found that a number of those whose names are on the list did not express their opinions or their views in favor of the bill.

QUESTIONS ON THE HARRIS-FULBRIGHT BILL

Mr. O'MAHONEY. Mr. President, I have had several conferences with the sponsors of the unfinished business, which will be laid before the Senate at the conclusion of the morning hour. Those conferences were sought by me after having read the bill, in order that there might be a clear interpretation of its meaning.

Mr. President, I come from the State of Wyoming, which is a natural-gas-producing State. The Federal Government owns large areas of land there, and leases land for oil and gas production, and is vitally interested in the royalties that are to be paid. The State of Wyoming owns school sections, some of which are oil bearing and, I think, gas bearing. So the State has a vital interest in the meaning of this bill. All the producers of gas in Wyoming and all the consumers of gas have a vital interest in the meaning of this bill.

Accordingly, I have an understanding with the Senator from Arkansas [Mr. FULBRIGHT] and other managers in behalf of the bill that I shall prepare a series of questions to be answered in colloquy on the floor, so that there may be no doubt as to what the bill means. The questions have not all been typed as yet. They are in the process of being typed.

I ask unanimous consent that these questions may be printed in the RECORD at this point. I do this in order that everyone who is interested in the interpretation of the bill may have the opportunity to read the questions. I shall hand typewritten copies to the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Texas [Mr. DANIEL], and the Senator from Illinois [Mr. DOUGLAS]. I shall try to make more copies if any other Senators are interested in seeing them. In any event, they will be in the RECORD.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. LANGER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LANGER. Of course, the answers will also be printed in the RECORD; will they not?

Mr. O'MAHONEY. Oh, yes. There will be colloquy on the floor, so the answers will be in the RECORD.

The PRESIDING OFFICER. The Chair understands that the present request, however, covers only the printing of the questions. Is that correct?

Mr. O'MAHONEY. That is correct. The answers will be developed later.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the questions were ordered to be printed in the RECORD, as follows:

QUESTIONS INTENDED TO MAKE CLEAR THE LEGISLATIVE INTENT OF S. 1853, TO AMEND THE NATURAL GAS ACT, AS AMENDED

1. Is section 1 of the act of June 21, 1938, amended by this bill?

This question is asked because if it is not modified, these words of section 1 (b) will continue to be the law:

"(b) The provisions of this chapter shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural gas companies engaged in such transportation or sale."

2. Section 2 of S. 1853 adds two new definitions not contained in the existing law. They are:

New subsection 10, which defines "transportation of natural gas in interstate commerce."

New subsection 11, which defines "sale in interstate commerce of natural gas for resale."

Does the definition of transportation of natural gas as being only such transportation "as occurs after the completion in or within the vicinity of the field or fields where produced of all production, gathering, processing, treating, compressing, and delivering" mean that the managers of the bill intended by the use of the words "within the vicinity of the field or fields" to change the interpretation of section 1 (b) of the existing law above quoted, which says that "the provisions of this chapter shall apply to the transportation of natural gas in interstate commerce for resale for ultimate public consumption for domestic, commercial, industrial, or any other use?"

3. Does the new definition in new subsection 11 of sale in interstate commerce of natural gas for resale modify the meaning of section 1 (b) above quoted?

4. Is there any definition in the proposed legislation of the meaning of the phrase "in or within the vicinity of the field or fields where produced"?

5. If gas is produced in a field which contains parts of two or more States, how is the definition of interstate commerce as contained in subsection 7 affected?

This definition says that the phrase means "commerce between any point in a State and any point outside thereof." It is, therefore, important to know whether, if natural gas is delivered to a transportation pipeline in such a field embracing two or more States, the delivery can be made at a point within the vicinity of the field regardless of in what State the delivery is made.

6. Is it intended by the managers of the bill that the measure shall be understood to include a producer of natural gas as well as a transporting pipeline company in new subsections (b) and (c)?

Subsection (b) deals with the filing with the Commission of an increase in any rate or charge "based in whole or in part upon any contract executed or renegotiated after the date this subsection takes effect."

Question. Does this provision allow the producer of natural gas to file with the Commission "an increase in any rate or charge for natural gas"?

In answering this question it must be borne in mind that in section 2 of the present law, which is not amended by this bill, a natural-gas company includes a person engaged in "the sale in interstate commerce of such gas for resale," namely, a producer.

7. Does the Federal Power Commission have the authority under the proposed section 5 (b) to determine the reasonable market price of natural gas whenever an increase in rate or charge is filed?

8. What is the reason for the provision in new subsection (b) for the exception contained in lines 11 and 12 on page 6 of the bill and reading "unless there has been a prior determination under subsection (c)"?

9. Is this exception designed to enable a pipeline company under proposed subsection (c) to file an application with the Federal Power Commission after the execution of any new contract to purchase from the producer and thus obtain a finding as to "reasonable market price" for the entire period of such new contract, even though such contract may be for 20 years or for the entire life of the field from which the gas is produced?

10. If the application for the determination of "reasonable market price" is to be filed only by a transporting company, what provision is made to allow a producer to secure an increase in price for the natural gas if conditions have changed and an increase is desirable?

11. Is the natural-gas company which is a producer of gas to receive "notice and opportunity for hearing"? If so, has it been made clear in the bill?

12. A producing company which is an affiliate of a pipeline company is excluded from the provisions of the proposed new subsection (b) by the use of the words "other than an affiliate" in lines 10 and 11. Why is this exemption made?

13. Is it intended by the managers of the bill to have a different policy in the treatment of independent producers and producers which are the affiliates of pipeline transportation companies?

This question is asked because the new subsection (c) provides that the pipeline company "shall be obligated to pay only such part of the increase in price" as does not exceed the reasonable market price. This provision would seem to impair the obligation of a contract between a pipeline company and an independent producer. This clause does not appear in new subsection (d) which deals with the producer affiliated with a pipeline transportation company. This section does not attempt to release the pipeline company from the payment of the sums required by escalation clauses when above the "reasonable market price," although new subsection (c) does release the pipeline company from escalation payments to the independent.

POSITION OF MAYOR OF CHICAGO ON HARRIS-FULBRIGHT BILL

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a telegram which I have just received from Hon. Richard J. Daley, mayor of Chicago, in which he says:

I wish unequivocally to state my position for urging the defeat of this bill.

* * * * *

The city asks for the defeat of this bill for for one purpose only: To protect gas consumers from sharp increases dictated by a monopoly industry. As mayor of Chicago and on behalf of the city, I urge the Senate to defeat the Harris-Fulbright bill.

I ask unanimous consent that the entire telegram be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *February 3, 1956.*

Hon. PAUL DOUGLAS,
United States Senate,
Senate Office Building,
Washington, D. C.:

In May of 1955, the city council passed a resolution urging the Congress of the United States to defeat the proposed Harris-Fulbright bill which would exempt producers of natural gas from regulation by the Federal Power Commission.

This issue is vital to the million gas consumers in Chicago and I wish unequivocally to state my position for urging the defeat of this bill. The passage of this bill would leave gas consumers at the mercy of a monopolistic industry.

In 1954, 35 of the estimated 8,000 producing companies supplied more than 70 percent of the total volume of natural gas purchased in the field by interstate pipeline companies. Ten of the largest producers of natural gas are among the first 20 largest American corporations. They are the ones who would directly profit by legislation which would leave the producers' price of natural gas unregulated.

In the city of Chicago, the million consumers of gas are dependent upon one source, one company, for this vital service.

The bill would seek to set aside the decision of the United States Supreme Court ruling that gas producers are under regulation of the Federal Government. If the bill passed there would be no protection for the consumer against a sharp increase in the price of gas.

In Chicago, the gas company has been the beneficiary of substantial increases. In 1953, in Chicago, the minimum bill for home consumers of gas was 70 cents. In 1955, it was 95 cents.

The city asks for the defeat of this bill for one purpose only: To protect gas consumers from sharp increases dictated by a monopoly industry. As mayor of Chicago and on behalf of the city, I urge the Senate to defeat the Harris-Fulbright bill.

RICHARD J. DALEY,
Mayor.

ALLOCATION OF COSTS BETWEEN OIL AND GAS

Mr. DOUGLAS. Mr. President, when I corresponded with the Humble Oil Co., requesting that it give to us a statement of its costs, it replied, under date of January 19, as set out on page 1178 of the CONGRESSIONAL RECORD for January 24:

Wherever oil is found, gas in also present in the reservoir and both oil and gas produced from the same wells, utilizing the same equipment and facilities. Because of this complex interrelationship between these two products, and the activities involved in exploration for and production of them, no generally accepted accounting practices or methods exist in the industry for separating or allocating these items of investment, cost, and net income as between oil and gas.

I am much interested in the fact that the Oil and Gas Journal for July 25, 1955, contains a very able article by E. E. Hunter, which reads in part:

Accountants for Humble Oil & Refining Co. have developed an energy-content

method for allocating gas-production cost. This method yields a fair and equitable unit production cost figure, and promises to find industry-wide application.

I ask unanimous consent that this article be printed in the RECORD at this point as a part of my remarks. I shall take pains to mail a copy to the Humble Oil Co., and urge its members to get together:

HOW TO DETERMINE GAS-PRODUCTION COST

(By E. E. Hunter)

Sales of natural gas by the 4,000 or more producers in the United States rose to an all-time high of 8.7 trillion cubic feet in 1954—representing an aggregate value at the well of about 870 million dollars.

This may have resulted in an over-all profit or it may very well have resulted in a loss. It is very doubtful that anyone can say with any degree of certainty which was the case—and it is almost certain that no one can say how much profit or how much loss was realized.

Perhaps in no other industry has such an important product been produced and marketed with so little information on cost. It is difficult to imagine what kind of problem could present a more immediate or more urgent challenge to those concerned with oil-industry costs than this one.

PRODUCTS INVOLVED IN ALLOCATION

The first question encountered in working out a procedure to allocate producing costs relates to the products. We actually have two generally known types of gas—gas-well gas and casing-head gas. We also have two generally known types of liquids—crude oil and condensate.

The realistic approach from the standpoint of cost determination seems to be that we have four products to be considered: Crude oil, casing-head gas, gas-well gas, and condensate.

Measurement of production: Another troublesome question encountered in working out a procedure for producing cost allocation involved the definition of gas production for the purpose of computing the allocation factors. The fact that gas is often handled more than once before it is sold or used as fuel is the root of this problem.

Spent gas-lift gas, for instance, should not be included as production for the purpose of this allocation because to include it would have the effect of allocating more cost to gas, while it actually helps reduce the cost of lifting oil. The same thing is true of cycled gas and gas returned to the same reservoir for pressure maintenance.

Flared gas would appear at first to be the type of production that should bear its fair share of the cost, but with conservation practices constantly tightening down on flaring of gas in most States to the point where about the only gas that will be flared in the future is that which is not salable or usable under any circumstances, the first appearance might be misleading.

If it is not a commercial product it should be considered as a waste product and no costs allocated to it, as such. Stored gas, on the other hand, probably should be considered as production since it is more in the nature of inventory awaiting sale or use.

Taking all these facts into consideration, gas production can be defined as only that part of the total gas handled that is permanently served from its reservoir and sold, used, or stored.

TYPES OF COSTS TO BE ALLOCATED

Having determined the products for which costs are to be computed and the volume of each produced, the next step was to find the most logical way to segregate the costs. For this purpose costs are naturally divisible into three general categories—direct producing costs, indirect producing costs, and exploration costs.

Direct costs: Direct producing costs at Humble include all costs that can be directly traced to the smallest accounting unit, which in most cases is a lease. Examples of these costs are: depreciation, taxes, maintenance, fuel, pumping, reconditioning, etc. These costs are actually segregated by leases—thus making it possible to determine the amount applicable to gas leases and to oil leases.

However, there was no method of allocating these costs between the gas and condensate produced on gas leases. Neither was there a method of segregating the costs applicable to oil leases between the crude oil and the casing-head gas produced.

The method adopted to accomplish the segregation of direct producing costs to the four products is composed of several steps. All direct producing costs applicable to gas leases are allocated between gas-well gas and condensate in proportion to the energy content of each. For this purpose each 1,000 cubic foot of gas is assumed to contain 1 million B. t. u. and that each barrel of condensate contains 6 million B. t. u. (a figure which may be slightly low).

The direct producing cost per 1,000 cubic feet of gas-well gas is thus obtained. This unit cost of gas-well gas is considered to be the direct producing cost per 1,000 cubic feet of casing-head gas produced on oil leases. Total direct producing costs of casing-head gas can then be determined. The total direct producing costs of crude oil is the balance of the total cost attributable to oil leases.

This procedure for costing casing-head gas by reference to the cost of gas-well gas can be justified by the fact that the products are similar in nature even though they happen to exist in different surroundings in the reservoir. The procedure does not allocate as much cost to casing-head gas as would be allocated if the total direct producing cost applicable to oil leases were allocated to crude oil and casing-head gas on the basis of the energy content of each.

This is due to the fact that it costs less to produce a British thermal unit from a gas well than it does from an oil well, due to the wider spacing and more natural flow of gas wells. This procedure, therefore, tends to give a reasonable credit to casing-head gas for its work in lifting crude oil. At the same time it recognizes that some of the direct producing cost is attributable to the casing-head gas produced jointly with the crude oil.

Indirect costs: Indirect costs, including division and home-office supervision and staff expenses, present a somewhat different problem because they are not directly related to either oil leases or gas leases. Since these costs are closely related to direct costs, they are allocated in proportion to the amount of direct costs applicable to each product.

There is considerable precedent in accounting practice for this type of allocation.

Exploration cost: Exploration cost includes such items as dry-hole costs, lease rentals, surrendered leases, test-well contributions, and all types of geologic, geophysics, and leasing costs. The allocation of exploration cost presents a more difficult question of principle than the other two types of cost, but the size of the expenditures involved makes any cost analysis incomplete without it.

Actually, exploration cost is related to the volume of recoverable hydrocarbons discovered rather than to the volume produced in a given period. However, the accounting concept of exploration cost is much the same as that of research and development costs.

Many industries must, by their very nature, expend considerable sums in research activities in order to remain in a competitive position. In this light, such cost must be viewed as a normal and recurring charge to current operations.

Obviously, the exploration effort of the petroleum industry must be conducted to provide the oil and gas reserves that are necessary for a producing company to stay in business. For this reason most companies have elected to expense exploration cost currently and to consider such cost as a part of the overall cost of producing oil and gas.

Over the life of a company, the cost per unit would be the same whether related to recoverable discoveries or to production, since the two would ultimately be equal. This expense is allocated to the four joint products in proportion to the aggregate energy or heat content of each.

As in the case of the direct producing cost of gas-well gas and condensate, the basis for allocation is the ratio of 1 million British thermal units for 1,000 cubic feet of gas to 6 billion British thermal units for a barrel of liquid.

ALLOCATION EXAMPLE

The results of the allocation procedure just described can be illustrated by a hypothetical example, which compares the traditional method of allocating all cost to crude oil with the energy content method of allocation:

Hypothetical example

	Crude oil	Casinghead	Gas-well gas	Condensate
Volume of production.....thousands..	1,000 barrels.....	1,000 M c. f.....	1,000 M c. f.....	1 barrel.
Heat equivalent.....do....	.....do.....	167 barrels.....	167 barrels.....	Do.

COST PER UNIT

	Total cost (thousands)	Traditional method, crude oil, per barrel	Allocated by energy content method (approximate figures)			
			Crude oil, per barrel	Casing-head gas per M c. f.	Gas-well gas per M c. f.	Condensate, per barrel
Direct cost:						
Gas leases	$60	$1.00			$0.06	$0.36
Oil leases	940		$0.88	$0.06		
Indirect cost	330	.33	.29	.02	.02	.12
Exploration cost	500	.50	.37	.06	.06	.37
Total	1,830	1.83	1.54	.14	.14	.85

Reasons for procedure: In the search for principles that would take into account the character of oil and gas-producing operations and would provide reasonably accurate indications of relative costs, two basic methods of allocating costs that could not be directly or indirectly attributed were seriously considered.

We can call these the "sales realization method" and the "energy content method."

UNIVERSITY OF MICHIGAN LIBRARIES

The latter is one that was adopted, but since the realization method is familiar to so many people, the reasons why it was not adopted will be discussed briefly before discussing the reasons why the energy content method was adopted.

In all the discussion that follows, it should be kept in mind that, while we are talking about general principles of cost allocation, we are talking about them principally as they apply to the allocation of exploration costs.

Except for the allocation of direct producing costs on gas leases to gas-well gas and condensate, and the effect that this has on the distribution of costs between crude oil and casing-head gas, there is no actual application of either the realization method or the energy content method to anything but exploration costs.

Sales-realization method: The sales-realization method of allocating costs assumes that costs are incurred in proportion to sales value. This method has a fundamental weakness. If the price of one product declines relatively to the price of others, or is not a fair price to start with, the costs allocated to that product are reduced correspondingly—even though there may be no change in the costs incident to the total operation or in the costs involved in handling the individual products.

This is really not so much a method of allocating costs as it is a device for allocating profit or loss according to sales values.

The objections to the sales-realization method can be summed up by saying that since there is no anchor to which costs can be attached, with costs fluctuating solely as a result of price changes, there cannot possibly be any indication of what a product should be selling for to return total cost.

To illustrate the incongruous results that this method can produce, let us assume that gas from a gas well has been going into a transmission system at 5 cents a thousand cubic feet, with a total cost of 4 cents a thousand, including 2 cents a thousand for exploration. The old contract expires and a new contract is made to sell the gas at 20 cents a thousand.

Using the sales-realization method to allocate exploration cost, the exploration cost factor would jump to 8 cents a thousand, and total costs to 10 cents. It is perfectly obvious that the actual total costs applicable to the gas, exclusive of production taxes, would probably not be changed one iota by the change in price.

THE ENERGY-CONTENT METHOD

The energy-content method of allocating costs is based on the simple fact that the petroleum industry is primarily engaged in supplying energy in the form of heat. This is borne out by the fact that a very small portion of total petroleum production is used for purposes other than fuel and power. Energy is the basic ingredient common to all four of the products that we have been talking about, and, as such, is the most logical basis for allocation.

The use of a cost-allocation principle involving physical characteristic is not new or unique. As an example, the chemical industry uses the molecular weight of various joint products in allocating costs of production in some of its plants. The steel industry uses a straight B. t. u. basis for allocating the costs involved in coke manufacture between the fuel gas and coke that results.

Another line of reasoning in support of the method, which would apply particularly to exploration costs, is that the energy content of the liquid and gaseous fuels derived from oil and gas is closely related to the real or intrinsic value of the material.

This is supported not only by the widespread use of petroleum for fuel and power but also by the fact that so many new contracts are including specifications for certain heat content in the products delivered. It is reasonable to assume that the effort put forth to find and produce crude oil and gas, and the coproducts of each, is influenced by the relationship of intrinsic values.

Since the expenditure of money is usually very closely related to the effort put forth, it is reasonable to conclude that costs can be divided in the same manner as the effort when there is no more exact means of making a division.

Another reason for use of the energy-content method of cost allocation is its simplicity and stability, since the ratio of heat content is a constant yardstick for cost allocation.

LIMITATIONS OF METHOD

There are certain limitations to this method. It was designed for broad application with average costs as the objective rather than for the determination of specific costs for individual fields or leases. The main reason it would not be adaptable to small areas is that some of the factors that are involved in its application would not be present.

An example would be a field that had no gas-well gas production. In this case there would be no criterion for assigning direct producing costs to casing-head gas. Such obstacles are not believed to be insurmountable, however, since it would be possible to assign costs to the casing-head gas that had been determined for production under similar conditions elsewhere.

Or perhaps some formula showing the relationship between the cost of producing a unit of heat from gas wells to the cost of producing a unit of heat from oil wells could be worked out. This ratio could then be applied to the cost that would otherwise be assigned casing-head gas under a strict energy-content allocation of the direct producing costs attributable to the leases involved.

Other modifications of the method used at Humble could probably be worked out to satisfy almost any condition.

ALLEGED ATTEMPT BY OIL AND GAS INTERESTS TO INFLUENCE SENATE SUBCOMMITTEE

Mr. McNAMARA. Mr. President, I announce to the Senate that a joint session of the House and Senate of the State of Michigan, at the end of last week, passed a resolution opposing the Harris-Fulbright bill.

In that connection, there has been much discussion here today about a proposed investigation of an incident in connection with the bill. There has been much discussion about investigating campaign contributions. I hope the committee which ultimately will be appointed to investigate this subject will go further.

I read from the CONGRESSIONAL RECORD of May 20, 1955:

ALLEGED ATTEMPT ON PART OF OIL AND GAS INTERESTS TO INFLUENCE A SUBCOMMITTEE OF THE SENATE

Mr. McNAMARA. Mr. President, I ask permission to speak briefly to draw to the attention of the Senate a new and scurrilous and slanderous attempt to influence a subcommittee of the Senate by the oil and gas interests of this country.

On Wednesday last, when Mr. James H. Lee, assistant corporation counsel of the city of Detroit, was beginning to give his testimony before the subcommittee holding hearings on the natural-gas bill, a slanderous mimeographed sheet was circulated at that moment in the committee room. It bore the notation at its top: "From Mid-Continent Oil & Gas Association," and was circulated by a man who later described himself as an employee of that group.

Mr. Lee has been for many years a highly respected public servant in Detroit. He has earned his high place in the affections and esteem of the people of my home city by his dedicated and effective service in their behalf. I doubt if there is another man in the field of relations between a city and its utilities of his stature in these United States. For almost half a century he has spoken out for the people of Detroit and of Michigan, and he has spoken effectively and always in the highest traditions of honor.

Yet this scandal sheet, financed no doubt from the million-and-a-half-dollar slush fund the oil and gas people have thrown into this fight as a preliminary installment on the tens of millions of dollars they are prepared to spend to gain their immoral ends, accused Jimmy Lee of being "an unwitting victim of Fabian Socialist tactics." The statement was made by Mr. R. F. Windfohr, head of the oil and gas lobby.

It is slanderous on two counts: First, that Mr. Lee, an attorney of national stature, is unwitting in his considered opposition to the bill which proposes to give the natural gas interests a blank check to raid the bank accounts of the gas consumers of the Nation; and, second, that Mr. Lee's opposition to the bill is some sort of a socialistic tactic. On just what grounds Mr. Windfohr in his windy eloquence reaches this conclusion I do not quite know, but anyway that is what the mimeographed scandal sheet says.

The sheet, I submit, was an attempt to influence the subcommittee improperly. I am told that this invasion of the senatorial dignity is something new. I say it is something very bad.

I read a little further:

Let me quote a little further from Mr. Windfohr's remarks. He wrote:

"Mr. Lee, in his testimony * * * apparently swallows whole the salami tactics by which socialism has been sold to many European countries—slice by slice."

I will leave it to the good judgment of my colleagues and of the American people if this is not a sly attempt to put a sinister, an alien, overtone into the present controversy.

The statement continues for another paragraph, but I understand my time has expired.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The time of the Senator has expired.

Mr. McNAMARA. I have been reading from the CONGRESSIONAL RECORD, volume 101, part 5, pages 6710 and 6711.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1261. An act to authorize the conveyance of certain lands within Caven Point Terminal and Ammunition Loading Pier, New Jersey, to the New Jersey Turnpike Authority;

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes;

S. 1959. An act to direct the Secretary of the Army or his designee to convey a six and eighty-nine one-hundredths acre tract of land out of a one hundred ninety-nine and nine hundred fifty-nine one-thousands acre tract of land situated in the vicinity of Houston, Harris County, Tex., to the State of Texas;

S. 2624. An act to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark,

N. J., and for other purposes," approved June 20, 1936, as amended; and

S. 2990. An act to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution and they were signed by the Vice President:

H. R. 1078. An act for the relief of Dr. Robert C. Jalbuena;

H. R. 1084. An act for the relief of Dorothy Antonia (Suk-fong) Leong;

H. R. 1092. An act for the relief of George Henry Mahoney;

H. R. 1193. An act for the relief of Dr. and Mrs. Ivan Pernar;

H. R. 1198. An act for the relief of Kenneth K. W. Lau and Romana Say Soat Kheng, also known as Mrs. Anne Say Lau;

H. R. 1208. An act for the relief of Mrs. Esther Moreno;

H. R. 1232. An act for the relief of Salvador, Mercedes, and Miguel Chofre;

H. R. 1657. An act for the relief of Louis B. Prus-Latkiewicz;

H. R. 1907. An act for the relief of James Wilson;

H. R. 2049. An act for the relief of Anastasios Seleimetsidis;

H. R. 2525. An act for the relief of Madiros Kebabjian;

H. R. 2782. An act for the relief of Josefa Martinez Infante;

H. R. 2945. An act for the relief of Joan Frances Feeley;

H. R. 3188. An act for the relief of William Lawler;

H. R. 4025. An act for the relief of Mrs. Donald A. Howard (nee Miss Elsa Ursula Kuchinke);

H. R. 4548. An act for the relief of Michele Pica;

H. R. 4612. An act for the relief of Vladimir and Svatava Hoschl;

H. R. 4769. An act for the relief of Mrs. Barbara (Pearson) Boycott;

H. R. 5869. An act for the relief of Andreas (or Andrew) Voutsinas;

H. R. 5870. An act for the relief of Jesajahu Braun;

H. R. 6298. An act to amend section 601 (g) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit transfer of war-housing projects to the city of Moses Lake, Wash., and to other communities similarly situated;

H. R. 7094. An act to amend section 120 of the Internal Revenue Code of 1939 (relating to unlimited deduction for charitable contributions);

H. R. 7197. An act for the relief of Mrs. Mary Christine Dowdy;

H. R. 7930. An act authorizing the completion of the initial stage of development for flood control and other purposes in the Russian River Basin, Calif.; and

H. J. Res. 471. Joint resolution to permit FHA title I repair assistance to new homes damaged by major disasters.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

The PRESIDING OFFICER. The clerk will read the unanimous-consent agreement with reference to the unfinished business.

The legislative clerk read as follows:

Ordered, That, effective on Monday, February 6, 1956, at the conclusion of routine morning business, during the further consideration of the bill S. 1853, a bill to amend the Natural Gas Act, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

The PRESIDING OFFICER. The Chair wishes to state that the morning business having been concluded, the unanimous-consent agreement is now in effect.

The Chair wishes also to advise the Senate that the question is on agreeing to the committee amendment, which is a complete substitute for the text of the bill.

Under the precedents of the Senate in such cases, a substitute for the purpose of amendment is regarded as original text. Any amendment proposed thereto is, therefore, in the first degree. Any amendment to such amendment is in the second degree, and not open to amendment. Any amendment to the original text of the bill or any amendment to such an amendment would have precedence over the committee substitute or any amendment thereto.

Mr. JOHNSON of Texas. Mr. President, as I understand, the question now is on the committee amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. And the time on the committee amendment is controlled by the majority leader and the minority leader.

The PRESIDING OFFICER. The Chair so understands the situation.

Mr. JOHNSON of Texas. Mr. President, I should like to yield 15 minutes to the distinguished Senator from Montana [Mr. MANSFIELD].

The PRESIDING OFFICER. The Senator from Montana is recognized for 15 minutes. The Chair understands that the Senator from Michigan [Mr. POTTER] desires to propound a parliamentary inquiry. Is the Chair correct in that understanding?

Mr. POTTER. That is correct.

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Michigan for that purpose?

Mr. MANSFIELD. I yield.

Mr. POTTER. Mr. President, I should like to ask the Chair if it is proper at this time to offer a motion to recommit the bill.

The PRESIDING OFFICER. The Chair advises the distinguished Senator that such a motion will be in order when the Senator from Michigan can obtain the floor in his own right. The purpose of the Senator from Michigan is, no doubt, to discover the order of precedence. A motion to recommit will, at the time the Senator from Michigan has the floor in his own right, take precedence over other matters pending.

Mr. MANSFIELD. Mr. President, may I inquire of the Chair whether this discussion comes out of my 15 minutes?

The PRESIDING OFFICER. It does not.

Mr. POTTER. As I understand, the amendment now under consideration is the committee amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. POTTER. And the time will be allocated between the distinguished majority leader for the proponents and the distinguished minority leader for the opponents of the amendment; will it not?

The PRESIDING OFFICER. The Chair so understands.

Mr. POTTER. I thank the Chair.

The PRESIDING OFFICER. The Senator from Montana has the floor, and may proceed.

Mr. MANSFIELD. Mr. President, I am glad that the leadership has moved so quickly to get to the bottom of the incident reported by the Senator from South Dakota [Mr. CASE]. I believe that all of us have to some degree felt the pressures from both sides as we have proceeded to consider the pending legislation. I can understand the conflict in the mind of the junior Senator from South Dakota, whom I have known, respected, and admired, for the 14 years of our mutual service in the Congress.

In keeping with the dignity and the tradition of this body in which I have great and, I think, justifiable pride, adoption of the resolution offered is the only course which should be followed. If we are not unremitting in exposing to public gaze this particular matter and all related matters, the integrity of the Senate will suffer. The integrity of the Senate will suffer equally, Mr. President, if we do not consider this legislation on the merits or demerits of the pending bill, and not on the basis of suspicions, allegations, and implications. The measure before the Senate has to be weighed on its intrinsic values. The bill is, in itself, either good or bad as we see it individually, and should be so judged.

As the Senator from Vermont [Mr. FLANDERS] said, the personal and moral question should be separated from the merits of the measure now before the Senate. The Senator from South Dakota has raised a question to which the Senate and the Nation are entitled to an answer, because neither he nor we can shirk our duty or responsibility. As for me, I intend to base my vote in favor of the natural-gas bill on its merits. All one can do is to call his shots as he sees them and to lay the cards face up on the table. The resolution introduced this morning will have my wholehearted support, as will the resolution of the Senator from Missouri [Mr. HENNINGS].

Mr. President, after considerable time and thought I have come to a decision on the Harris-Fulbright natural-gas bill. I have followed closely the debate in the Senate for the past several weeks. I have studied the arguments pro and con,

UNIVERSITY OF MICHIGAN LIBRARIES

and waded through voluminous files of statistical and source material. I have received hundreds of communications both for and against the proposal, and have talked with scores of people about it. To state my feelings briefly, I have been torn between the possibilities as expressed by the opponents of the Harris-Fulbright bill and the realities of the present situation as they seem to be at this time. In making a decision on the measure now before the Senate I have had to decide for myself what I thought best for the Nation and for the State of Montana within the fold of that concept.

As the Senate knows, the basic purpose of the pending bill is to exempt the producers of natural gas from direct regulation by the Federal Power Commission. On June 7, 1954, the Supreme Court held, in *Phillips Petroleum Company* v. *Wisconsin, et al.* (347 U. S. 794), that the Commission had authority under the original act of 1938 to "regulate sales of natural gas in interstate commerce by independent producers." The most important consideration is the effect which the passage or rejection of the bill now before the Senate will have upon the individual consumer. The primary argument for regulation of the producer is to bring down the cost of natural gas to the consumer through fixing the producer's prices and conditions under which he may sell his gas. I understand the concern voiced by many colleagues representing large urban areas and consumer States, but while the advocates of regulation make many dire predictions, they are not borne out by the situation in Montana which has developed entirely without Federal Power Commission regulation of production prices. The advocates of the measure do not deny that there will be a rise in the price at the wellhead if the regulation is removed, but they maintain that the individual consumer is protected against any unreasonable rise by the provisions in the bill.

As I understand the Harris-Fulbright bill, it would forbid the Federal Power Commisson to allow a pipeline to pass on to its customers higher prices for natural gas than a fair-market price. This would prevent unfair forms of escalation clauses or difficulties arising from a particular situation which tended toward a monopoly, and the antitrust laws would remain in reserve for gross abuses. On the other hand, Federal regulation gives no assurance that there will not be an increase in gas rates. As a matter of fact, the Federal Power Commission has already granted a number of increases in price to the producers, and others are now pending before the Commission. Tentative figures from the Federal Power Commission show that 1,000 applications for producer rate increases, totaling $13,300,000, have been granted since the Phillips case decision of June 7, 1954. In addition, applications for 220 producer rate increases involving $18 million are now pending before the Commission. These figures indicate that it is possible for producers to increase their rates under Federal regulation, and that there will be more rate increases in the future with or without Federal regulation.

Natural gas production in Montana has developed to a large extent, I might say completely, without Federal regulation. Montana is both a producer and consumer of gas. The largest portion of the gas consumed in Montana is produced in the State itself and is therefore subject to State control only. A small portion is imported from the adjoining State of Wyoming, and some gas is imported from Canada for defense purposes.

Mr. President, only on last Saturday and again this morning I learned that the gas from Wyoming which is sold over the State line in Montana is not subject to Federal Power Commission regulation in Montana, but is subject to Federal Power Commission regulation over the Montana-Dakota Utility pipeline from Worland, Wyo., to the Montana border.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a tabulation of the 1954 natural gas production for Montana, according to the statistics of the Bureau of Mines.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

According to the Bureau of Mines, the 1954 natural gas production figures for Montana are as follows:

	Cubic feet
Gross production in the State	30,700,000,000
Marketed production	30,252,000,000
Flared or put back in ground	448,000,000
Imported from Canada	6,847,000,000
Imported from Wyoming	9,197,000,000
Exported to North and South Dakota	5,272,000,000
Total marketed gas production in the State	41,024,000,000

Mr. MANSFIELD. Mr. President, Montana prices at the wellhead are reasonable and, I repeat, the State is practically void of Federal regulation in this area. The current price for gas at the wellhead in Montana is 6.8 cents per thousand cubic feet. In 1951 it was 5.5 cents per thousand cubic feet. It is interesting to note that in 1938 the national average wellhead price was 4.9 cents per thousand cubic feet; in 1953 it was 9.2 cents. In Montana in the latter year it was 5.9 cents. The United States Bureau of Mines reports that for 1954, producers of natural gas in the United States were paid an average rate of 10.1 cents per thousand cubic feet for all gas supplied to residential consumers. This figure is 3.3 cents above the average price paid at the wellhead in Montana for the same year. Individual comparisons from Federal Power Commission figures show that the average producer's rate in 1954 for gas supplied to many large cities is well above the Montana average of 6.8 cents. In Washington, D. C., the gas producer gets 12 cents; in New York City, 8 cents; in Baltimore, 13 cents; in Denver, 13 cents; and in Minneapolis, 10 cents.

The significant part about these figures is that in Montana, where there is very limited Federal regulation, there has not been a drastic rise in gas prices at the wellhead before or after the Phillips case. Likewise, rates to residential consumers, established by the Railroad and Public Service Commission of Montana, and without Federal Power Commission regulation, are among the lowest in the United States. In 1954, the average rate paid by the consumer in Montana was 58.9 cents. In that same year consumers in Atlanta paid 78 cents; in Minneapolis, 82 cents; in Milwaukee, $1.31; in Philadelphia, $1.36; in New York City, $2.08; and in Providence, R. I., over $3. In the year previous, 1953, the average consumer rate was 62.5 cents in Utah; 83.7 cents in Tennessee; $1.52 in New York; $2.73 in Connecticut; and $3.27 in Rhode Island, compared with a consumer rate in Montana of 53.1 cents. These figures would indicate that the high cost to consumers is attributable much more to local service and distribution than to exploitation by producers. These distributors are subject only to State or municipal regulation.

While the 1953 consumer rate for Montana compares very favorably in comparison with all the other States mentioned above, the Montana Power Co., a distributor of natural gas in my State, was granted a consumer gas rate increase of 32 percent in that year. This increase was granted by the Montana Railroad and Public Service Commission. I do not feel that an increase of this magnitude was justified at that time. A reasonable rate increase may well have been justified because of increased operating and labor costs, but certainly not an increase to the extent of 32 percent.

Mr. President, I think it only fair to state to the Senate that this morning I was visited by Mr. Jack Corrette, president of the Montana Power Co., and Mr. Sam Chase, vice president and general counsel of the same company, with respect to the 32 percent increase in gas rates to the consumers, which I have just mentioned. They informed me that this 32 percent increase means, in effect, that the profits accruing to the operations of the Montana Power Co., insofar as the gas production, pipeline, and distribution end is concerned, will mean that their profits will not exceed 5.5 percent on the cost of their gas production. I think it is only fair that, in view of the statement in my office this morning, the information be made a part of the RECORD, and I ask unanimous consent that it may be printed at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Montana Power Co. investment in gas properties

Jan. 1, 1949	$18,246,000
Dec. 31, 1952	41,776,000
Increase—129 percent	23,430,000

The 1953 rate was 19 percent over 1931 rate. Rate established in 1931, reduced in 1933 and 1935; 1953 rate 32 percent over 1935 rate.

All costs increased in 1953 over 1935 more than 100 percent, some almost 200 percent.

Return on actual cost-less-depletion: For 1955, without increase, 4.3 percent; for 1955, with increase, 5.55 percent.

Mr. MANSFIELD. Mr. President, this 32 percent rate increase is now being appealed to the supreme court of Montana. The Montana Power Co. obtains the greatest part of its supply of natural gas from within the State and, therefore, is not subject to Federal Power Commission regulation. The end result of the vote on the Harris-Fulbright bill will have little or no effect on this situation in Montana.

In considering the general increase in the price of gas to consumers throughout the Nation, we must remember that increased rates are not necessarily due to higher field prices at the wellhead. These increases are generally due to higher prices of everything that enters into the distribution, transmission, and production of gas. These include sharp increases in the cost of steel, labor, taxes, and many other expenses. Only a small part of the total cost to the residential consumer is represented by the price received by the producer for natural gas at the wellhead. In Montana the average price at the wellhead represents only 11.5 percent of the total price to the consumers.

So far as the big cities in the East and Middle West are concerned, that percentage rate would be decreased considerably more.

There are three elements in the natural gas industry: the producer, the transporter, and the distributor. The last two, the transporter, or pipeline owner, and the distributor are regulated—the former by the Federal Power Commission, and the latter by its State regulatory agency. Yet these two segments of the gas industry, constituting in themselves monopolies, receive on the average 90 percent of the price charged the consumer.

I should like to state again what I mentioned earlier in the course of this speech. The bill before us will exempt the gas producer from Federal utility regulation, as intended by Congress in the Natural Gas Act of 1938, but it will not leave the Federal Power Commission powerless or the consumer defenseless against unreasonable price increases because the Federal Power Commission will have authority to control what the producer is paid by the pipeline. Under this act, interstate pipelines cannot pass on to consumers more than the "reasonable market price," as determined by the Commission. The charge has been made that the passage of this act will increase the gas bill to the residential consumer by anywhere from $500 million to a billion dollars a year.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator is advised that his time has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 5 additional minutes to the Senator from Montana.

Mr. MANSFIELD. May I have 10 minutes?

Mr. JOHNSON of Texas. I yield 5 minutes at this time. Then I shall yield time on the bill.

The PRESIDING OFFICER. The Senator from Montana has been yielded 5 additional minutes.

Mr. MANSFIELD. Mr. President, to increase the gas bill of the residential consumer by as much as $750 million a year, the price paid to the producer would have to be at least 50 cents per thousand cubic foot, or about five times the average price paid in 1954. I doubt that anyone would believe that the Federal Power Commission would approve such an increase. It is my belief and hope that the provisions of the Harris-Fulbright bill are sufficient to maintain a ceiling of a reasonable market price on the amount pipelines may pay, and will prevent gouging of the residential consumer.

Mr. President, I realize there has been considerable debate as to whether the Supreme Court correctly interpreted the intent of Congress in the Phillips case. In this case Associate Justice William O. Douglas, who dissented from the majority opinion, said in his dissent that "Congress was concerned with the interstate pipelines, not with independent producers" when it passed the Natural Gas Act of 1938. At this point in my remarks I wish to incorporate Justice Douglas' statement dissenting from the majority opinion at the time the Phillips case was decided. I ask unanimous consent to do so.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> The sale by this producer is a "sale in interstate commerce * * * for resale." It is also an integral part of "the production or gathering of natural gas" * * * for it is the end phase of the production and gathering process. * * *
>
> Congress was concerned with interstate pipelines, not with independent producers. * * * If one can judge by the reports of the Federal Trade Commission that preceded the act * * * and the hearings and debates in Congress on the bills that evolved into the act, little or no consideration was given to the need of regulating the sales by independent producers to the pipelines. The gap to be filled was that existing before the pipelines were brought under regulation, sales to distributors along the pipelines. * * *
>
> That was the view of the Commission in a decision that followed on the heels of the act. * * * That decision exempted from regulation an independent producer to whom Phillips is in all material respects comparable. It was a decision made by men intimately familiar with the background and history of the act * * * Leland Olds, Basil Manly, Claude L. Draper, and Clyde L. Seavey. One Commissioner, John W. Scott, dissented. That construction of the act by the Commission has persisted from that time * * * down to its decision in the present case.
>
> There are practical considerations which buttress that position and lead me to conclude that we should not reverse the Commission in the present case. If Phillips' sales can be regulated, then the Commission can set a rate base for Phillips. A rate base for Phillips must of necessity include all of Phillips' producing and gathering properties; and supervision over its producing and gathering expenses. * * * The fastening of rate regulation on this independent producer brings the production or gathering of natural gas under effective Federal control, in spite of the fact that Congress has made that phase of the natural-gas business exempt from regulation. * * * That regulation largely nullifies the exemption granted by Congress.

Mr. MANSFIELD. Mr. President, returning to the effect this legislation will have on the State of Montana, I wish to reiterate that the citizens of my State now have—on a comparative basis—low consumer rates, and the producers of gas in Montana are selling at what is perhaps the most reasonable rates in the entire country. Regulation by the Federal Power Commission will accomplish nothing of benefit for the State. The most apparent result will be to force Montana producers of natural gas to go through the cumbersome and expensive process of qualifying as "natural-gas companies," subject to utility regulation under the Natural Gas Act. This may well mean that a lot of independents will sell out, and that the net result may well be a greater consolidation on the part of the large companies, thereby bringing into being a greater degree of monopoly. The natural-gas industry in Montana is not made up of a small, elite group of large oil companies. It is my understanding that approximately 200 companies produce 90 percent of the natural-gas supply in the United States. It is my further understanding that of these companies competing with each other, no one company controls more than 5 percent of the total production. It is my further understanding that, on a nationwide basis, there is in excess of 8,000 independent producers operating 71,000 gas wells in 28 States. As far as Montana is concerned, it is the independent who produces 60 percent of the total natural gas in my State.

The records of the Montana Oil Conservation Board for February, 1955, show that there are 35 companies actively engaged in the production of natural gas in Montana. Only nine of the total so listed can be classified as major companies. In addition, there are many landowners who are also involved in the production of gas. Under an ordinary oil and gas lease, a landowner receives one-eighth of the value of the gas sold—or 12½ percent. The benefits these royalty owners derive is determined by the price for which the gas sells at the wellhead. In recent years there has been a notable increase in the development of the natural-gas industry in Montana. There is a serious question in my mind about the effect continued regulation would have on the encouragement of expanded exploration. Regulation by the Federal Power Commission would not hinder the large companies in their search for new oil and gas fields, but—and this is important to me—the little fellows or independents would perhaps be discouraged because of the cumbersome regulations and the expense involved in complying with Federal Power Commission regulations. One result might well be a freeze-out of many of these independents, to avoid regulation, and an expression of willingness on their part to sell out to the larger companies. This would mean that in Montana and elsewhere really big gas monopolies would be the result.

It is natural to conclude that industry locates where power and heat are available. It is my hope that Montana will be able to attract new industries as we develop adequate reserves of natural gas. In order to increase our gas reserves, it is necessary to have continued and expanded exploration. To establish this desirable situation, it is necessary to have wildcatting, to seek out new gas fields;

UNIVERSITY OF MONTANA LIBRARIES

and that means we must promote exploration by the small independent operator.

The PRESIDING OFFICER. The time allotted to the Senator from Montana has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes on the bill to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana has been yielded 5 additional minutes.

Mr. MANSFIELD. Mr. President, in my opinion, many of these independents are not going to risk their dollars under the burden of public utility regulation, and with none of the benefits. Montana and its citizens are benefiting greatly from the heavy investments operators are now making in Montana's oil and gas future. The progress in Montana has been good without regulation.

Mr. President, I ask unanimous consent that a news story on oil and gas operations in Montana for 1956 be inserted at this point in my remarks. The article appeared in the Great Falls (Mont.) Tribune, under date of January 30, 1956.

There being no objection, the news story was ordered to be printed in the RECORD, as follows:

OIL, GAS OPERATORS PLANNING TO DRILL 430 NEW WELLS IN MONTANA THIS YEAR

Oil and gas operators plan to drill 430 new wells in Montana during 1956, compared with 411 wells completed in the State in 1955, the Oil and Gas Journal says in its annual review and forecast issue.

The forecast is based on drilling schedules of oil companies and independent operators, and shows the new wells scheduled for Montana this year will be divided into 161 wildcats seeking new pools and 269 development wells in known fields.

The actual performance record in Montana during 1955 is shown in the Journal's detailed survey as follows:

A total of 411 wells were completed, of which 170 were successful in finding oil, 16 found natural gas, and the remaining 225 were dry or service wells. Wells drilled in the State last year had a total footage of 1,928,000 feet.

Production of crude oil in Montana totaled 15,075,000 barrels in 1955, an average of 41,301 barrels a day, the Journal reported. The State had 3,889 producing wells at the end of the year, so its 1955 production averaged 10.6 barrels per well a day, compared with the national average of 12.9.

Proved reserves of crude oil in Montana increased 127 million barrels during 1955, the Journal estimated after deducting the year's production. As of January 1, the State had 364 million barrels of proved recoverable crude oil, which is 1.16 percent of the total of the United States.

Mr. MANSFIELD. Mr. President, the foregoing figures come from the Oil and Gas Journal's 1955 Annual Review and Forecast issue. It shows 411 wells were completed in Montana in 1955 as compared with 343 completions in 1954. I think the following breakdown of the 1955 figures are very indicative of great activity on the part of the "wildcatter" and the small company, the one who assumes the greater part of the risk.

Mr. President, I ask unanimous consent to have those figures printed in the RECORD, at this point.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

1955	Wildcat	Developmental	Total
Wells completed	172	239	411
Oil wells	15	155	170
Gas wells	3	13	16
Dry holes	154	71	225

Mr. MANSFIELD. Mr. President, in my discussion of the Harris-Fulbright bill I wish to make several matters clear. I am very much concerned over the obviously concerted and highly organized effort by both sides behind the flood of telegrams and letters which are being delivered to my office daily. I welcome communications from my constituents expressing their individual opinions on this legislation and any other problems they may be interested in. I am sure that all of my colleagues here in the Senate feel as I do or we would not be here; however, a great many of the telegrams on the Harris-Fulbright bill have a familiar ring and contain identical expressions. In fact, I have been informed by three constituents that approaches are being made to Montana by individuals who are willing to compose the messages and to pay for them as well. Perhaps this experience is familiar in offices of other Senators.

I also should like to note that I have received a communication from one of the wealthiest oil men in this country asking me to vote in favor of this bill.

In this morning's Washington Post there is a statement by Columnist Drew Pearson containing an almost complete list of money sent into Montana by oil people to defeat me in my campaign for the Senate in 1952. This list is accurate as to the individuals named and the amounts contributed to my opponent to be used against me.

This man, through his family, sent large sums of money into Montana to defeat me in the Senate campaign of 1952. It is the right of this gentleman to express his views to me, but I must confess that his active support of the Harris-Fulbright bill has not increased my enthusiasm for it.

Mr. President, my reaction to this kind of pressure is to make me scrutinize my position more carefully than ever. I have done that. I have gone over the pros and cons of this measure as they relate to the total interests of my State many times. Despite my disapproval of organized high-pressure, lavishly financed lobbying campaigns, and letters from certain individuals who opposed me in 1952—individuals who are not known for their zeal in protecting the public interest—I am forced to state that, in my considered judgment, the Harris-Fulbright bill is in the best interests of the State of Montana at this time.

In conclusion, I wish to state that a careful examination of the issues has convinced me that the best interests of the producers and the consumers in Montana will be served if the Senate approves the bill before us and it becomes law. Government regulation in those special cases where it is necessary to protect the public is proper, but there seems to be no justification for such a claim in this instance, where we find in Montana that 11.5 percent of the total price to the consumer represents the average price paid at the wellhead to producers, and where 60 percent of the gas produced is by independents.

I yield the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Montana yield back the remainder of his time?

Mr. MANSFIELD. I do.

Mr. JOHNSON of Texas. Mr. President, I understand that the senior Senator from Michigan [Mr. POTTER] desires to submit a motion to recommit the bill.

The pending question is on agreeing to the committee amendment. A motion to recommit is in order at this time, if time is yielded to the Senator from Michigan; is that correct?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator from Michigan has a right to be recognized if he addresses the Chair in appropriate time.

Mr. JOHNSON of Texas. Mr. President, let me ask how much time the Senator from Michigan would like to have.

Mr. POTTER. First, Mr. President, let me make the motion.

I move that Senate bill 1853 be recommitted to the Committee on Interstate and Foreign Commerce.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. My understanding is that the distinguished Senator from Michigan will control 30 minutes on his motion to recommit, and that the majority leader will control 30 minutes in opposition to the motion to recommit. Is that correct?

The PRESIDING OFFICER. The Senator from Texas is correct.

The Chair will advise the Senator from Texas that after the Senate acts on the motion to recommit, if the motion is not approved by the Senate, debate on the committee amendment will recur, and the time elapsed will be charged to the time available to the Senator from Texas.

Mr. PASTORE. Mr. President, will the Senator from Michigan yield to me, so that I may address a question to the majority leader?

Mr. POTTER. I yield.

The PRESIDING OFFICER. First, let the Chair state that the Parliamentarian has called the attention of the Chair to the possibility of a misunderstanding of the Chair's ruling, although the Chair does not think so. Of course, the time which will be used by the Senator from Michigan in debating the motion to recommit will not be charged to the time available to the Senator from Texas.

Mr. JOHNSON of Texas. I so understood, Mr. President.

Mr. President——

The PRESIDING OFFICER. The Senator from Michigan has the floor. Does he yield?

Approved For Release 2005/11/16 : CIA-RDP57-00384R000100040001-3

Mr. POTTER. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Rhode Island [Mr. PASTORE] may propound several questions to the majority leader, without causing the Senator from Michigan to lose the floor, and without having the time required for the questions charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PASTORE. Mr. President, approximately 20 minutes of the time available to those who support the committee amendment has been used, which means that only 10 minutes, approximately, remains to them. Is not that the present situation?

Mr. JOHNSON of Texas. Thirty minutes is available in opposition to the amendment, and a total of 30 minutes is available to those who favor the amendment. Under the agreement, the majority leader and the minority leader are in control of the time. In this instance, if the minority leader is in favor of the committee amendment, as the majority leader is, and if the Senator from Rhode Island desires to use time in opposing the committee amendment, the majority leader will be glad to allot time to the Senator from Rhode Island.

Mr. PASTORE. May it be allotted now? If we continue to use both the time available on the question of final passage of the bill and the time available on the question of agreeing to the amendment in the nature of a substitute, we may find ourselves with less than 2½ hours on the question of final passage.

The PRESIDING OFFICER. The Chair wishes to inform the Senator from Rhode Island that under the unanimous-consent agreement, none of the time available to the opponents of the committee amendment has been consumed, nor can any of that time be consumed except by having such time allotted by the minority leader.

Mr. PASTORE. I understand that. However, I understand that the majority leader and the minority leader have control of the time.

Mr. JOHNSON of Texas. That is true.

Mr. PASTORE. And both of them are in favor of the committee amendment and are in favor of passage of the bill.

Mr. JOHNSON of Texas. Mr. President, I am not in a position to state the decision of the minority leader on the question of agreeing to the committee amendment. I am in favor of the committee amendment. I do not know whether the minority leader will oppose the committee amendment. I wish to make it abundantly clear that when the Senator from Rhode Island or other Senators desire to have time in opposition, and when the minority leader and the majority leader are on the same side, the 30 minutes will be allotted to the opponents.

Mr. PASTORE. Let me state my question more clearly: Do I correctly understand that the opposition to the bill and the opposition to the committee amendment will have, altogether, 2 hours, namely 1½ hours on the question of final passage of the bill and one-half an hour on the amendment?

Mr. JOHNSON of Texas. That is correct. Let me state that none of that time has been used. Only time available to the proponents has been used.

Mr. PASTORE. I so understand.

Mr. JOHNSON of Texas. The minority leader said to me, when he left the Chamber, that he assumed that when the time came to vote on the question of final passage of the bill—in whatever form the bill might then have—he would be in favor of it. And assuming that I would also be in favor of it, he asked, therefore, "To whom should we allot the time in opposition?"

I said, "I assume Senator PASTORE would like to control that."

I have said to him, as I have said to every other Senator interested in any measure subject to a unanimous-consent agreement, that although it is the long-established custom or procedure for the two leaders to control the time, they do not intend to monopolize the time; we yield time to the other side. I am sure that is understood.

Mr. PASTORE. I understand, and I did not mean to state otherwise.

Mr. JOHNSON of Texas. I understand.

Mr. PASTORE. I merely wished to clear up the point. My understanding is that the opposition will have 1½ hours on the question of final passage of the bill and one-half an hour on the question of adoption of the committee amendment.

Mr. JOHNSON of Texas. That is correct; the opposition will have one-half hour on any motion, appeal, or substitute, and 1½ hours on the bill itself.

Mr. PASTORE. I thank the Senator from Texas.

Mr. JOHNSON of Texas. If the minority leader is opposed to any of those, he will control the time in opposition. If he is not opposed, he will yield such time to any Senator who is opposed.

Mr. PASTORE. I thank the Senator from Texas.

The PRESIDING OFFICER. For the information of all Senators, the Chair wishes to advise the Senate that 25 minutes have been used thus far in the debate—20 minutes being chargeable to those who favor the committee amendment and 5 minutes being chargeable to those who favor the bill as it will finally stand at the time when the question of final passage is put.

The Senator from Michigan [Mr. POTTER] has the floor, and controls 30 minutes in support of his motion to recommit the bill.

Mr. HENNINGS. Mr. President——

Mr. POTTER. I yield to the Senator from Missouri.

Mr. HENNINGS. Mr. President, will the distinguished Senator from Michigan yield to me, to permit me to make a very brief statement?

Mr. POTTER. Yes.

Mr. HENNINGS. Mr. President, in view of the discussion which occurred this morning, regarding unanimous-consent requests—that is, the one propounded by the distinguished majority leader and the one propounded by me—I should like to say that, after consultation with the distinguished Senator from Tennessee, the third member of the subcommittee, the junior Senator from Nebraska, not being immediately available tomorrow morning at 10 o'clock, the Subcommittee on Privileges and Elections will meet to consider such matters as may be embraced within any of the resolutions thus far presented or hereafter intended to be presented; and that the subcommittee will inquire into such contributions, expenditures, or other cognate or related matters, insofar as the jurisdiction and authority of the subcommittee extend relating to the efforts of both the proponents and opponents of the amendments to the Natural Gas Act of 1938 to influence by contributions, assurances, or promises thereof the course of this legislation, and related matters.

Mr. ANDERSON. Mr. President, will the Senator from Missouri yield to me?

Mr. HENNINGS. Yes; insofar as I am able to yield. But I do not have the floor.

Mr. POTTER. Mr. President, if the Senator from Missouri has concluded——

Mr. HENNINGS. I have, and I thank the distinguished Senator from Michigan.

Mr. POTTER. Mr. President, I am reluctant to yield, for fear that in doing so, the time thus consumed will be charged to the time available to me.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Michigan yield to me, if it is understood that the time I use will be charged to the time available to me?

Mr. POTTER. Mr. President, the charm of the distinguished majority leader is such that under these circumstances I yield to him.

Mr. JOHNSON of Texas. Mr. President, I yield myself one-half minute on the bill itself.

I should like to say that I am delighted to hear the announcement of the Senator from Missouri. I have no doubt that he will perform in good fashion the functions of his office as a Senator and as chairman of the subcommittee.

However, I do not want the Senate to feel that the leadership will be diverted from asking the Senate to consider the resolution providing for a select committee. We announced, as early as we could following the disclosure of what happened in South Dakota, that we would submit to the Senate such a resolution. It was submitted to the Senate today with a request for unanimous consent for its present consideration. We announced at that time that if such unanimous consent request should be refused, at the conclusion of the unfinished business we would move the consideration of the resolution.

I do not think the Senator from Missouri or any other Senator would object to such a motion. I hope there will be no objection. In any event, such a motion will be made when the unfinished business is disposed of.

Mr. POTTER. Mr. President, I regret that the resolution submitted jointly by

UNIVERSITY OF MICHIGAN LIBRARIES

the distinguished majority leader and the distinguished minority leader, to investigate the so-called Case incident, was objected to. I think the distinguished Senator from South Dakota performed a real service to the Senate and to people who believe in free representative government by bringing this incident to the attention of the Senate. It has been at least insinuated, by innuendo on the part of certain Members of the Senate, that he should not have discussed the facts relating to the so-called Case incident on the floor of the Senate. To me the action of the distinguished Senator from South Dakota demonstrates and attests to his integrity.

Mr. President, a cloud hangs over the Senate. The Senate is asked to vote on various amendments to the bill, and on the bill itself, at a time when an allegation is made which is considered serious enough to warrant the leadership of the Senate in asking for the adoption of a resolution providing for an investigation of the charges. A situation has developed which has caused the Department of Justice to ask the Federal Bureau of Investigation to investigate the charges.

If those charges are as serious as has been indicated by the action of the leadership on both sides of the aisle, and by the Department of Justice—and I think they are—and serious enough to justify the action suggested today, it would be folly of the first order for the Senate to act on the various amendments to the bill while such a cloud is hanging over the Senate.

I know that the argument has been made that the integrity of each Senator is such that his own individual integrity is not questioned. My personal position with respect to this particular bill is well known to many Members of the Senate.

The public has received notice that $2,500 was placed in the hands of a man in South Dakota by a man from another State, not because of his great love and affection for the Senator from South Dakota, but for another reason. It would seem that the only logical reason why the $2,500 was placed in the hands of a man in South Dakota for use in the campaign of the Senator from South Dakota was in an effort to influence his vote on this particular bill.

I am sure the Senate would be on much firmer ground if it were to investigate the episode, and if the individual concerned were brought before the select committee to tell his side of the story.

I hope—and it may well be—that nothing improper has been done. However, it is possible that this incident represents only a small part of an overall effort of larger proportions on the part of certain people to influence the passage of the bill.

The bill has been discussed for 3 weeks. Other proposed legislation, including the sugar bill and the farm bill, are ready for consideration by the Senate. I had hoped that the leadership would postpone final action on this bill until the Senate determined the facts, which has not been done up to this time. We are now asked to vote on a bill when a cloud hangs over the Senate. In order that there may be speed and expedition, we are told that we cannot wait to determine the facts.

I assume that the proposed investigation could be conducted in very short order. I assume that possibly within a week or 10 days all the facts could be determined. So what is the reason for speed? Why cannot the bill be recommitted to the Committee on Interstate and Foreign Commerce? That committee reported the bill in the first instance by a vote of 11 to 4. I would hope that during the period of recommittal the Committee on Interstate and Foreign Commerce could utilize its time to study some of the amendments which have been prepared for consideration in connection with the bill. In particular I should like to see the committee study an amendment which I have had printed, to substitute for the language "reasonable market price" as a formula for determining rates the language "fair and equitable price."

The difference between a reasonable market price and a fair and equitable price is, of course, obvious.

A reasonable market price means that the Federal Power Commission considers only the seller, only the producer, and considers what the market will bear. On the other hand, a fair and equitable price takes into consideration not only the producer, or the seller, but at the same time, the buyer, the consumer. There must be equitable consideration.

I hope that the Senate, in its wisdom, will send the bill back to committee, for the two basic reasons which I have mentioned. First, the bill should not be again reported from committee until the cloud which now hangs over the Senate in connection with this bill is dispelled, and the Senate has all the facts relating to the so-called Case incident.

Secondly, the Committee on Interstate and Foreign Commerce should utilize the period of recommittal in an effort to better balance the bill, so that the consuming public will have protection. The bill should provide protection for the consuming public, as well as gains for the producer. There are many other features of the bill which might well be studied, but in the interest of preserving time I wish to state that the bill should go back to committee and it should be studied further, and the allegations made by the distinguished Senator from South Dakota should be fully aired, and all the facts ascertained before the Senate is asked to vote on the bill.

I reserve the remainder of my time.

Mr. ANDERSON. Mr. President, I yield 10 minutes to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I rise in opposition to the motion to recommit. It is merely a device to kill the bill. It could be offered for no other purpose. If there is a desire to defeat the bill, let us do it honestly. This is not the way to do it. If we wish to pass a corrupt practices act, let us pass such an act, and do it in a straightforward manner.

I apologize to no one for the time and effort I have spent in the past in trying to clean up the situation by requiring identification and publicity with respect to all moneys contributed to senatorial campaign funds. However, let us not get our legislation crosswise, and insinuate that the Senate is operating under a cloud. If we have come to the point in this deliberative body of believing we are operating under a cloud because a Senator in the course of debate mentions a reason why he is going to vote against the pending bill, but states that he did not know whether any improper influence was involved, then we have reached a point where we had better surrender the title of the world's greatest legislative body and declare ourselves to be subject to every outside pressure from any lobby or group that seeks to frustrate or delay or change the legislative pattern agreed to by unanimous consent on the floor of the Senate.

I do not fear for my reputation in supporting the bill. I do not believe there is a Senator within the sound of my voice who is afraid that his reputation will be blackened or that his integrity will be suspect because of the episode which was described on the floor of the Senate last Friday.

It seems strange, Mr. President, that those who are worried most in this situation are those who are opposed to the bill and who would do everything in their power to kill the bill.

Although no Member of the Senate is subject to this criticism, the bill has been subjected to the most constant smear effort I have ever seen in my 18 years in Congress. It has been deliberate. It has been well financed. It has been well generaled. The Members of the Senate have had nothing to do with it. However, powerful and insidious lobbies have tried to smear any man who has had anything to do with the bill.

I do not understand why the episode related by the distinguished Senator from South Dakota [Mr. CASE], who is a man of great moral integrity, and who would never be guilty of any improper act, should be deliberately interpreted in a way the Senator himself says he did not mean it to be interpreted. That seems extremely strange to me. We have seen eight-column headlines about a "bribe offer," and the charge that someone has offered to buy a Senator's vote. All that has been said in spite of the fact that the Senator from South Dakota has deliberately and consistently said on the floor of the Senate that that is not the case and in spite of the fact that he explained his reasons for the action he took.

Mr. President, the Members of the Senate are intelligent enough and certainly have the integrity to face the issue on its merits, and to face the imperative need, which I say does exist, to clean up the hopelessly obsolete and ineffective Corrupt Practices Act under which we operate today.

Hearings on the pending bill were held for 3 or 4 weeks before the Committee on Interstate and Foreign Commerce. The distinguished Senator from Michigan [Mr. POTTER] participated in those hearings. We met early in the morning, and we sat until late at night. Sometimes

we met until 10 o'clock at night. Every witness who asked to be heard was given a hearing.

The witnesses appeared in droves. It might be interesting to know that about 80 percent of the time was devoted to witnesses against the bill and about 20 percent to witnesses for the bill. By a vote of 11 to 4 the committee reported the bill to the Senate. That was during the last session, approximately 2 weeks before the session adjourned. The bill was on the Calendar of the Senate and remained there during the adjournment. It is the one major piece of proposed legislation which was passed by one House of Congress and left on the calendar of the other House. It came up almost by unanimous consent within the policy committee, and it is now before the Senate. The majority leader, in asking when Members of the Senate wanted to vote on it, listened to the opposition to the bill, and delayed the vote for a week, and the Senate agreed to vote on the bill on Monday, by unanimous consent.

Now we are confronted with two suggested reasons for recommitting the bill. The first reason is that if we act on the bill, the Senate might in some way be considered to be the victim of guilt by association. The second reason advanced is that we need to add an amendment providing something about fair and equitable rates.

The Senator from Michigan [Mr. POTTER] sat through the hearings of the committee. He sat through the executive sessions of the committee. I do not recall his offering such an amendment as he now proposed when the bill was before the committee, and I do not remember that any other Senator offered such an amendment. If we desire to kill the bill, let us go through the day and vote against the bill when the vote on the bill comes before the Senate. Let us vote on the merits of the bill, not in fear because of any intimidation or because of any fear as to what some member of the press or some columnist may say.

Let us not send it back to committee for "deep freeze" treatment and the question to hang over the gas production industry, discouraging commitment of the free gas which has not been committed into interstate commerce.

Even the most ardent opponent would like to get the question settled, and not put it in "deep freeze" before the committee. Any amendment relating to fair and equitable rates should be considered on its merits when it is offered. I have discussed the two reasons advanced by the Senator from Michigan.

The distinguished and able chairman of the committee, the Senator from Washington [Mr. MAGNUSON], stopped by my side and asked, "What would the amendment do?" I said we were discussing a motion to recommit the bill.

The Senator from Washington said, "I just got through signing a check of the committee for $3,000 for expenses for the hearings. Every member of the committee knows all he can know about the bill. Don't send it back to the committee. If they want to kill it, let them do that, as I will."

That is what the chairman said. Why go through all that work again? I believe the motion to recommit should be rejected.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished friend from Texas.

Mr. DANIEL. Is the Senator from Oklahoma quoting the distinguished chairman of the committee, who considered the bill in committee for many weeks?

Mr. MONRONEY. Yes. Although the chairman is opposed to the bill, he said, "No good can possibly come from sending it back to committee. We have already considered the bill. Previously, we considered it also in other committees. Don't send it back to the committee."

Mr. THYE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. THYE. Mr. President, as one who has stated that he is opposed to the bill—and I am opposed to it—I cannot see any object in sending the bill back to the committee, and in that way further burdening an already very busy committee with additional work. I do not believe any good could result from such action. I believe the minds of the Senators are made up. I am certainly ready to express my opinion on the issue.

Mr. MONRONEY. I thank the distinguished Senator. I yield back the remainder of my time to the majority leader.

The PRESIDING OFFICER. The Senator from New Mexico is recognized. To whom does he yield time?

Mr. ANDERSON. I do not desire to yield any more time at present.

Mr. POTTER. Mr. President, I yield time to the distinguished senior Senator from Illinois. How much time does he desire?

Mr. DOUGLAS. I should like to speak for 10 minutes.

Mr. POTTER. I yield 10 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 10 minutes.

Mr. DOUGLAS. Mr. President, I rise to support the motion of the Senator from Michigan [Mr. POTTER] that the bill be recommitted. I do so for a number of reasons.

In the first place, recommittal of the bill would enable the committee and the Senate to get further vital information which was not produced in the hearings last spring. Although the committee took evidence on a number of points, no witness who appeared for the producers made any statement about the costs to the producers in the field of gas production or of their investments or of their present profits, and no showing was made that it was necessary to remove Federal control in order to give to them an adequate return.

Mr. President, the recommittal of this bill would enable the Committee on Interstate and Foreign Commerce to secure this vital information which is necessary if we are to vote with full intelligence upon this bill.

I may say that I made an effort to obtain from the oil and gas companies specific figures on costs and profits. They replied that they either could not keep those records or were unable to compute them. I placed in the RECORD this morning an article from an employee of the Humble Oil Co. which stated they had a method of allocating costs, although that company, some months later, denied that they had a method.

So, Mr. President, I think a recommittal would enable us to make a further study on investment costs and profits of other producers and distributors.

In the second place, it would provide an opportunity to investigate the tactics and the methods used on all sides to influence the outcome of this issue.

The Senator from South Dakota [Mr. CASE], in his very fine and courageous statement of last Friday, put his finger on the nub of the issue. He said the danger signals are up when groups interested in the passage of the proposed legislation make contributions of large sums of money in order to influence the vote. The Senator made no specific charges; he was restrained in his statement, but he did say that it indicated that the danger signals were flying and that Members of this body should consider the matter very carefully.

I do not wish to pass judgment on this particular transaction or upon any other transaction which may be involved. It is significant that on the ticker-tape at this very moment has come through dispatch 121 of the Associated Press stating that Mr. Neff in 1955 was a lobbyist in Lincoln, Nebr., as a representative of the Superior Oil Co. of Austin, Tex. I think that should remove any question that Mr. Neff may have represented the distributors as was hinted by certain Senators last Friday.

I am not passing any judgment on Mr. Neff at the moment, but I think it is pretty clear that he has been a representative of the oil and gas producers although I suspend final judgment until the investigation is completed.

Mr. President, this is an issue which we shall have to face. I do not think any Senator wishes to face it with incomplete information. He wishes to know something about the methods used, something about whether there are powerful economic interests which are seeking to control this body and the Nation. That will be a measurable factor in determining his vote.

As I have listened to the arguments of the Senator from Texas and of the Senator from Oklahoma I am reminded of Alice in Wonderland, when the Red Queen was conducting a trial, and Alice suggested that they should take the evidence. The Red Queen replied, "No; judgment first and evidence afterward."

Apparently, what the Senator from Texas and the Senator from Oklahoma wish to do is to vote first and then have the circumstances attending vote investigated.

Mr. President, I am proposing, and the Senator from Michigan [Mr. POTTER] is proposing, that we hold the final vote in abeyance until the Committee on Interstate and Foreign Commerce goes into the merits of the question and until the Committee on Privileges and Elections,

UNIVERSITY OF MICHIGAN LIBRARIES

or such other body as we may set up, goes into the question of the methods used by both sides to influence the outcome of the issue. If the oil industry is trying to take over the Government of the United States, we should know that. If the distributing utilities have been using improper methods we should know that as well.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. The Senator mentioned the utility lobby which has been referred to time after time in this debate. Is it not true that the distributing companies, wih very few exceptions, did not testify during the hearings on this particular bill, due to the fact that they had not arrived at any central position?

Mr. DOUGLAS. I believe they did not testify in any great detail before the House committee, but they did testify before the Senate committee.

Mr. HUMPHREY. Is it not true that the distributing companies, in connection with previous legislation on this question, had refused to take a position in opposition to a bill along the lines of this one, and that it was very late, indeed, in the consideration of the Harris bill that the distribution companies made their position clear and were subject to cross-examination?

Mr. DOUGLAS. That is correct.

Furthermore, Mr. President, if this bill is recommitted to the Committee on Interstate and Foreign Commerce it will permit the Federal Power Commission to proceed with regulatory action, which it has recently started, and determine whether regulation is both possible and reasonable. This would involve no great injury to the industry, because, as the Senator from Arkansas [Mr. FULBRIGHT] said last Friday, "I think they will fare quite well, regardless of what happens to this bill."

For all these reasons, Mr. President, and for many others, I think it is highly desirable that the bill be recommitted before this body takes final action, which many Members may later regret.

I yield the remainder of my time to the Senator from Michigan [Mr. POTTER].

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the motion to recommit.

The PRESIDING OFFICER. There is obviously a sufficient second, and the yeas and nays are ordered.

The Senator from Michigan has 13 minutes left.

Mr. POTTER. Mr. President, how much time has the opposition?

The PRESIDING OFFICER. The opposition has 20 minutes left.

Mr. POTTER. Mr. President, I have no additional statement at this time.

Mr. LEHMAN. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. LEHMAN. Mr. President, we know that this bill affects the interests of the oil and gas producers, but what is far more important, to my mind, is that it affects approximately 30 million homeowners who unquestionably, if this bill shall pass, will have to pay a higher rate for the gas which they consume in their households.

In the proposal made by the distinguished Senator from Texas, the majority leader, that a select committee be appointed to investigate the statements made last Friday by the distinguished Senator from South Dakota [Mr. CASE], he stated that such a committee could report to the Senate by March 1. I do not know whether it could report by March 1; I do not know whether the date would be earlier than that or later than that; but what is the purpose of having a report from the select committee referring to the bill now pending before the Senate, when the bill in question has already been acted upon? It is perfectly inconsistent. We should not in this way shut off further consideration of what have been very, very important and very disturbing statements made by one of our colleagues, the distinguished Senator from South Dakota [Mr. CASE].

The proponents of the bill may discount these statements as much as they like. The fact still remains that because of these statements, and because of other statements which have been made on the floor about pressures, about lobbying, about other activities which sought to influence the votes of the Members of this House, a cloud hangs over the measure, a cloud which cannot possibly be dissipated if we take final action on this bill here today.

I cannot conceive that there is any pressing reason for haste. Yes, we want to get ahead with the business of the Senate as promptly as possible. But a recommittal of the bill would not in any way hold up the business of the Senate. As the Senator from Michigan [Mr. POTTER] pointed out, there is much important legislation already on the calendar which can and should be taken up at an early date. He mentioned the sugar bill; but there are many other highly important bills which could be taken up promptly if the natural gas bill were recommitted, without in the slightest degree affecting or delaying the business of this body.

I cannot understand the need for hurry. What are the proponents of the bill concerned about in the proposal to recommit the bill to the Committee on Interstate and Foreign Commerce? That is not an unfriendly committee. Certainly it is a fair committee, composed of responsible and high-minded Members of the Senate. I point out that the bill was reported by the committee by a vote of 11 to 4, so every assurance is given to the proponents of the bill that if it be recommitted to the Committee on Interstate and Foreign Commerce, full consideration will be given not only to the statements made by the Senator from South Dakota, but also to the many other highly controversial provisions which are now contained in the bill.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The time of the Senator from New York has expired.

Mr. LEHMAN. Mr. President, will the Senator from Michigan yield me another minute?

Mr. POTTER. I yield an additional minute to the Senator from New York.

Mr. LEHMAN. The majority leader earlier in the day took the junior Senator from South Dakota to task, stating that——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. LEHMAN. I will yield if I have time.

Mr. JOHNSON of Texas. I hope the Senator from New York will not assume from what I said that I took the Senator from South Dakota to task. I do not think the Senator from South Dakota has made any such assumption.

Mr. CASE of South Dakota. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield.

Mr. CASE of South Dakota. I do not feel that the distinguished majority leader was taking me to task.

Mr. LEHMAN. Very well, then, I am glad to rephrase my remarks.

Mr. JOHNSON of Texas. I said that the Senator from South Dakota chose to make his statement on the last day of the debate. That was a factual statement.

Mr. LEHMAN. I will restate what I wanted to say.

The distinguished majority leader certainly said that the statements which had been made by the Senator from South Dakota had raised doubts in the minds both of Senators and the public. That being so, how can we possibly afford to disregard those doubts, to try to push through the bill when grave doubts remain. We must do everything in our power to eradicate those doubts from the minds of the public before we act finally on the pending bill.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. POTTER. Mr. President, would the Senator from Texas wish to yield back the remainder of his time, if I yielded back the remainder of mine?

Mr. JOHNSON of Texas. Mr. President, I will yield back the remainder of my time, provided——

Mr. HUMPHREY. Mr. President——

Mr. POTTER. Mr. President, does the Senator from Minnesota wish time?

Mr. HUMPHREY. I should like to have 4 minutes. I think about that much time remains.

Mr. POTTER. I yield 4 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the Senator from Oklahoma [Mr. MONRONEY], I think, stated the issue very well. He said that if Senators are opposed to the bill, they should so register their vote. That is exactly my intention, of course, at the time we have an opportunity to vote on opposing the bill.

Between that time and now, a number of amendments might be offered, if the bill should not be recommitted, which on the surface may indicate that the bill has been improved. But I do not believe in buying a pig in a poke, so to speak, and in being confronted with a measure which could have many amendments attached, but which were

inadequately explained and inadequately understood.

One trouble I find with the bill is that there is too much in it which has not been explained. The so-called consumer protection features of the bill have not been adequately explained, nor are they adequately understood. The so-called consumer protective devices are somewhat uncertain as to whether they apply to future contracts or only to present contracts. There is doubt as to whether the bill provides any regulation at all as to "reasonable market price," or whether "reasonable market price" as interpreted in the bill is simply another phrase.

Furthermore, there is no Senator who can explain what "reasonable market price" is. There is no testimony on reasonable market price. There is no background for "reasonable market price."

We shall be voting on a measure which involves millions and millions of dollars, without a shadow of a doubt as to the future cost to consumers and the future gross income of producers, without any regard, for the moment, as to whether companies are deserving of those future gross earnings or consumers of paying them.

The fact is that there is in the bill no real legal yardstick for regulation. An attempt has been made to convey to the American people the belief that "reasonable market price" means something to the consumer. I will tell them what it means. It means one of the great hidden secrets of the Government. It should be labeled "top secret," "confidential," "restricted," because no one can tell us what it means, except that it seems to be another slogan.

I refuse to let this bill pass on the basis of a slogan. The only thing to do is to send the bill back to committee and let the publicists define the slogan. What do they mean by "reasonable market price"? Let them define that phrase legally. Let them define what they mean by "market," by "price," by "reasonable"; and then let them put it into one package and get a legal determination.

There is no Member of the Senate who is equipped to say at this moment exactly what that phrase means, because the phrase was added to the bill after the House hearings. There was no direct testimony in the House upon that particular phrase in the context of the bill, and it is my understanding that while there was testimony in the Senate committee about "reasonable market price," it was not testimony which was directed in terms of a legal definition of that phrase.

So, Mr. President, I think there is good reason to recommit the measure. I shall not go into the matter which was brought up by the distinguished junior Senator from South Dakota. I think that matter ought to be handled separately. That is my personal point of view.

But whether that matter had ever come up or not, I say to my colleagues in the Senate that I shall vote to recommit the bill. If this is a way to kill the bill, I would just as soon kill it this way—painlessly. I am a humane man. [Laughter.]

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield back the remainder of my time, provided the Senator from Michigan [Mr. POTTER] will agree to yield back the remainder of his time.

Mr. BARKLEY. Mr. President, I should like to ask the distinguished Senator from Michigan how much time he has left.

The PRESIDING OFFICER. The Senator from Michigan has 3 minutes remaining.

Mr. BARKLEY. That is not enough time for me, so I will not ask for time. [Laughter.]

Mr. DOUGLAS. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. DOUGLAS. I merely wish to suggest that anything in this body can be done by unanimous consent. I wondered if the majority leader would not ask unanimous consent that the distinguished Senator from Kentucky, formerly the majority leader, and formerly the Vice President of the United States, might be given some additional time in which to express himself.

Mr. JOHNSON of Texas. Mr. President, I have been in the Senate long enough to know——

Mr. BARKLEY. Mr. President, I do not wish to ask for any special privilege.

Mr. DOUGLAS. The Senator from Kentucky was not asking for a special privilege. I was merely asking the Senator from Texas to accord a special privilege to the Senator from Kentucky.

Mr. BARKLEY. I thank the Senator from Illinois, but I would not wish to ask for that privilege.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield back the remainder of my time on the motion to recommit on condition that my friend the distinguished senior Senator from Michigan do likewise; that when all time has been yielded back, I may suggest the absence of a quorum; and that when the quorum has been developed the Senate may proceed to vote on the motion to recommit without further debate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Case, S. Dak.	Goldwater
Allott	Chavez	Gore
Anderson	Clements	Green
Barkley	Cotton	Hayden
Barrett	Curtis	Hennings
Beall	Daniel	Hickenlooper
Bender	Dirksen	Hill
Bennett	Douglas	Holland
Bible	Duff	Hruska
Bricker	Dworshak	Humphrey
Bridges	Eastland	Ives
Bush	Ellender	Jackson
Butler	Ervin	Jenner
Byrd	Flanders	Johnson, Tex.
Capehart	Frear	Johnston, S. C.
Carlson	Fulbright	Kefauver
Case, N. J.	George	Kennedy
Kerr	Monroney	Scott
Kilgore	Morse	Smathers
Knowland	Mundt	Smith, Maine
Kuchel	Murray	Sparkman
Langer	Neely	Stennis
Lehman	Neuberger	Symington
Long	O'Mahoney	Thurmond
Magnuson	Pastore	Thye
Malone	Payne	Watkins
Mansfield	Potter	Welker
Martin, Iowa	Purtell	Wiley
Martin, Pa.	Robertson	Williams
McCarthy	Russell	Young
McClellan	Saltonstall	
McNamara	Schoeppel	

The PRESIDING OFFICER (Mr. STENNIS in the chair). A quorum is present.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. Just a moment; the Senate cannot proceed until there is order both on the floor of the Senate and in the galleries. Those on the floor of the Senate will please find places and will remain quiet.

The Senator from Texas is recognized.

Mr. JOHNSON of Texas. First, Mr. President, I desire to thank and to commend the Chair for obtaining order.

Second, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. The question about to be voted on is the motion of the Senator from Michigan [Mr. POTTER] to recommit the bill to the Committee on Interstate and Foreign Commerce; is that correct?

The PRESIDING OFFICER. The Senator from Texas is correct.

Mr. JOHNSON of Texas. On this question, a vote to recommit will be a vote "yea," and a vote against recommittal will be a vote "nay." Is that correct?

The PRESIDING OFFICER. The Senator from Texas is correct.

The question is on agreeing to the motion of the Senator from Michigan [Mr. POTTER] to recommit the bill. On this question the yeas and nays have been ordered.

All time for debate has been consumed or yielded back.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GEORGE (when his name was called). On this vote, I have a pair with the distinguished senior Senator from Colorado [Mr. MILLIKIN]. I am advised that he would vote "nay" on this motion. Therefore, I exercise the right to vote; and I vote "nay."

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. MILLIKIN] is absent because of illness. If present and voting, he would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent on official business.

The result was announced—yeas 30, nays 64, as follows:

YEAS—30

Aiken	Gore	Kennedy
Barkley	Green	Kilgore
Bender	Hennings	Langer
Bush	Hill	Lehman
Case, N. J.	Humphrey	McNamara
Case, S. Dak.	Ives	Morse
Douglas	Jackson	Neely
Duff	Kefauver	Neuberger

Pastore	Purtell	Symington
Potter	Sparkman	Wiley

NAYS—64

Allott	Flanders	McClellan
Anderson	Frear	Monroney
Barrett	Fulbright	Mundt
Beall	George	Murray
Bennett	Goldwater	O'Mahoney
Bible	Hayden	Payne
Bricker	Hickenlooper	Robertson
Bridges	Holland	Russell
Butler	Hruska	Saltonstall
Byrd	Jenner	Schoeppel
Capehart	Johnson, Tex.	Scott
Carlson	Johnston, S. C.	Smathers
Chavez	Kerr	Smith, Maine
Clements	Knowland	Stennis
Cotton	Kuchel	Thurmond
Curtis	Long	Thye
Daniel	Magnuson	Watkins
Dirksen	Malone	Welker
Dworshak	Mansfield	Williams
Eastland	Martin, Iowa	Young
Ellender	Martin, Pa.	
Ervin	McCarthy	

NOT VOTING—2

Millikin	Smith, N. J.

So Mr. POTTER's motion to recommit was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment, which is open to amendment.

Mr. PASTORE. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "2-156-C."

The PRESIDING OFFICER. The amendment offered by the Senator from Rhode Island to the committee amendment will be stated.

The CHIEF CLERK. On page 6, line 25, in the committee amendment, after "at," it is proposed to insert "the protection of the interest of the consumer,".

On page 10, line 11, after "at," it is proposed to insert "the protection of the interest of the consumer,".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. PASTORE] to the committee amendment.

Mr. PASTORE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, I allot myself 10 minutes.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Washington for a question?

Mr. MAGNUSON. I think it should be made clear to the Senate that in this particular bill there are no committee amendments in the usual sense. The committee has reported an entire substitute. The amendments now being brought up are the amendments of individual Senators.

Mr. PASTORE. They are amendments offered by individual Senators to the Senate committee amendment in the nature of a substitute.

Mr. MAGNUSON. However, the committee did not report any amendments, in the usual sense. It reported an entire substitute as a committee amendment.

Mr. PASTORE. The Senator is correct.

Mr. President, my amendment is a very simple one and a very important one. For the past 3 weeks during the debate on the bill all the proponents and all the opponents have been speaking of their clear intention to protect the consumer in the use of natural gas. My amendment would do nothing more than protect the interest of the consumer.

Senators will observe that in the committee report the majority took occasion to mention the consumer 13 times; but nowhere in the bill itself is the word "consumer" used.

My amendment would not change the phrase "reasonable market price," which is to be found on page 6 of the bill as reported from the committee. My amendment would do nothing to change the formula proposed by the committee. All it would do would be to add an additional factor to the various elements which are to be taken into consideration by the Federal Power Commission in the establishment of the reasonable market price.

I invite the attention of Senators to line 22 on page 6 of the bill, which reads as follows:

In determining the reasonable market price of natural gas under the provisions of this section 5—

That language I leave undisturbed—

the Commission shall consider, among other things, whether such price has been competitively arrived at—

My amendment would not disturb that language—

the effect of the contract upon the assurance of supply—

My amendment would not affect that language—

and the reasonableness of the provisions of the contract as they relate to existing or future prices.

My amendment would not affect that phraseology either.

All that my amendment would do—and it is a very simple amendment—would be to add among the things to be considered by the Commission "the protection of the interest of the consumer."

Up to this time we have had a number of varied explanations as to what is meant by a reasonable market price. The opponents of the bill have taken the position that that is not a protection of the consumer. The proponents of the bill have disagreed with the opponents, and have said that it does protect the consumer so far as it establishes a reasonable market price.

All I am saying, in order to carry out the intent of the proponents, and in order to carry out the objective of the opponents of the bill, is that in addition to the factors already spelled out in the bill, in the determination of the reasonable market price the Federal Power Commission shall also consider "the protection of the interest of the consumer."

Mr. President, I know there have been some rumors—and I hope they are only rumors—that the proponents of the bill are bent upon resisting every possible amendment to the bill because someone has gossiped that the opponents of the bill are trying to attach an amendment to the bill in the hope that the bill go back to the House of Representatives and die in the House. I assure the proponents as seriously and as honestly and as frankly as I can, that that is not my purpose.

Mr. KERR. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. KERR. Is the Senator from Rhode Island in a position to give the Senate any assurance as to what action the House will take?

Mr. PASTORE. The assurance I give is that if we fortify the bill and strengthen the bill to protect the consumer interest, I have no doubt that if it goes back to the House the majority in favor of it will be much larger than six votes, which was the majority when it passed the House. How can any Member of the House repudiate a vote he has already cast in favor of the bill if in fact the bill which goes back to the House spells out in clear and simple English language that the Federal Power Commission shall also consider the interest of the consumer when it establishes a reasonable market price?

As a matter of fact, I am at a loss to understand why the proponents of the bill in very good grace cannot accept this amendment and either take it to conference or allow it to go to the House.

All I am saying is that in the establishment of the reasonable market price, which contains the factor to assure a supply, and takes into consideration the reasonableness of the provisions of the contract as to future and existing prices, and also takes into account the fact that it was competitively arrived at, the Federal Power Commission shall also consider the added factor I have proposed. That is the one point the junior Senator from Rhode Island has been arguing on the floor of the Senate for the past 3 weeks.

All I am trying to do is to protect the consumer interest. All I am saying is that if the proponents want to retain their formula of reasonable market price, they should retain in the bill the factors which are to be considered by the Federal Power Commission, but should add to those factors the one phrase that confirms the intent which has been spelled out in the majority report but not mentioned in the bill, namely, that in the determination of the reasonable market price the Federal Power Commission shall take into account and consider the interest of the consumer. It is as simple as that.

I urge now upon the proponents of the bill—who in good conscience feel they should vote for the bill—that the amendment I am proposing makes it a stronger bill in the consumer interest. I do not understand how any Senator who intends to vote for the bill can in good conscience resist this particular amendment.

Mr. JOHNSON of Texas. Mr. President, I yield 6 minutes to my friend, the author of the bill, the junior Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, I appreciate very much the interest of the distinguished Senator from Rhode Island in the protection of the consumer. I share that interest. Throughout the writing and shaping of the bill I have kept the interest of the consumer in the forefront of my thinking, and I am sure the other committee members have done

PROPERTY OF MICHIGAN LIBRARIES

likewise. So have my colleagues on the floor of the Senate during the debate. It was because of this concern for the welfare of the consumer that from the very beginning the bill has included these specific provisions for the protection of the consumer. These provisions spell out what has been cited by the Senator from Rhode Island. I therefore assure my illustrious colleague from Rhode Island that his amendment is quite unnecessary.

I do not believe his amendment would serve any purpose whatever, and believe, furthermore, that it would be redundant. The Senator from Rhode Island well knows that throughout the long hearings on the bill, when he was presiding, he did not feel it necessary to submit such a specific amendment. He did not make such a suggestion in the minority views. Therefore I am sure that at those times at least he must have felt it was quite unnecessary.

As presently written, the bill contains all the provisions which are usually considered necessary to protect the interest of the consumer against unreasonable prices. It provides that in determining whether a contract price for gas in the field is a reasonable market price, the Federal Power Commission shall consider, among other things, first, whether such price has been competitively arrived at; second, the effect of the contract upon the assurance of supply; and, third, the reasonableness of the provisions of the contract as they relate to existing or future prices.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. PASTORE. Am I to understand from the observations being made by the Senator from Arkansas that under the determination clause, found at page 6, line 22 of the bill, the Federal Power Commission is authorized and empowered to consider what effect the reasonable market price has upon the consumer?

Mr. FULBRIGHT. The Senator from Rhode Island knows as well as I do that the Federal Power Commission itself was created for the specific purpose of protecting the interest of the consumers, and for the protection of the public welfare. It was not created to protect the interest of the producers or of any special class. The Senator knows that. The testimony itself shows that to be a fact. I have forgotten whether it was the Senator from Rhode Island or one of his colleagues who asked the Chairman of the Federal Power Commission, "Who will represent the consumer?" The Chairman said, "That is what the Federal Power Commission is for."

I will say to the Senator from Rhode Island that under his own ideas about the bill and under the decisions of the Supreme Court, it will still be the same Federal Power Commission that must apply the rule in the interest of the consumer.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. All I say is that the Senator knows that that is inherent in the Federal Power Commission. I would ask the Senator why he did not mention this point in the committee, and why he did not mention it in his minority views and ask that the language should be inserted?

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. PASTORE. I invite the Senator's attention to line 22 on page 6 of the bill, which reads:

> In determining the reasonable market price of natural gas under the provisions of this section 5, the Commission shall consider, among other things, whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices.

Does that not mean that the Federal Power Commission is empowered in the establishment of the reasonable market price, to take into account the initiative which will be generated in the producer to look for more reserves of gas?

If we are to take the producer into account in order to give him the initiative by using direct language in order to assure supply, what is wrong with also giving the Federal Power Commission the specific authority to say that in the determination of a reasonable price it shall also take into account the protection of the interest of the consumer? If my words are redundant, what harm will they do by being included?

Mr. FULBRIGHT. I submit the Senator from Rhode Island has not responded to my question.

Mr. PASTORE. I do not believe the Senator has responded to my question either.

Mr. FULBRIGHT. I believe the Senator knows quite well that the protection of the interest of the consumer is essentially the object of the Federal Power Commission. I refer the Senator from Rhode Island to title 15 of the United States Code. It is quite clear.

In that connection, the court said that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

If the Senator from Rhode Island wishes to distinguish between public interest and consumer interest, he is at liberty to do so, but I think any reasonable interpretation of the language would clearly indicate protection of the consumer interest.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. FULBRIGHT. Mr. President, will the Senator from Texas yield me 3 or 4 more minutes?

Mr. JOHNSON of Texas. Mr. President, there are 14 amendments at the desk, and we are now discussing only 1 of them. Does the Senator from Arkansas think he can conclude in 3 minutes?

Mr. FULBRIGHT. I think so.

Mr. JOHNSON of Texas. I yield 3 additional minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, the provisions which I have mentioned are all for the protection of the consumers. They are the basic yardsticks which would be used to test the reasonableness of the price to be paid for any product in an effort to protect the consumer. Let us look at them separately.

First. Competition always has been recognized as one of the greatest protections to the consumer against unreasonable prices. When a contract price for the purchase of gas by a pipeline company has to fulfill the requirement of "being competitively arrived at," with the Federal regulatory body as the judge, it cannot be said that the consumer is unprotected.

Second. Assurance of supply is another most important factor from the standpoint of protecting the consumer. A low arbitrary price does not help the consumer if, because of such arbitrary price, the product is in short supply and cannot be obtained. The consumers' real protection against high prices is an abundance of supply. When the bill provides that the Federal regulatory body shall test a price to see whether it will or will not result in an abundant supply, the consumer is certainly getting the protection that he needs to protect him against scarcity and resulting high prices.

Third. Under the bill as presently written, the Federal regulatory body also must test the reasonableness of the provisions of the contract as they relate to existing and future prices. Here again the consumer gets the protection not only against unreasonable prices at the present time, but also against contract provisions that would lead to unreasonable prices in the future.

What it all sums up to is that the three yardsticks set out in the bill are all for the protection of the interest of the consumer, and for no other purpose. Since the important protections to the consumer have been enumerated, nothing would be added to the bill merely by inserting a statement of the purpose for which the enumeration is made. No new yardstick is suggested by this amendment. It merely would restate that which is already covered.

This apparently was recognized by the distinguished author of this amendment while the matter was in committee. Nowhere in the minority report signed by him is it ever suggested that the insertion of the now proposed words would extend to the consumer any greater protection than will be extended by the three yardsticks enumerated in the Fulbright bill.

The Federal Power Commission is, of course, provided for in the original act and remains the real protector of the public interest, which most certainly means the consumers' interest. Under any circumstances, we must rely upon the Federal Power Commission for a fair and sensible application to the industry of the provisions of the law.

Mr. President, in view of the facts I have stated, and in view of the clear implication of the provision which it is attempted to have inserted, I urge that the amendment be defeated as being completely superfluous and unnecessary.

Mr. PASTORE. Mr. President, I yield myself 5 minutes.

UNIVERSITY OF MINNESOTA LIBRARIES

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 5 minutes.

Mr. PASTORE. Let me say to the distinguished Senator from Arkansas and to all the other Members of the Senate that the determination of reasonable market price as spelled out in the bill does not have to be derived from any implications of the language of the bill or from the intent of the proponents of the bill.

I should like to read a colloquy to the Members of the Senate with relation to the presentation made by the distinguished Senator from Arkansas when he appeared before the committee.

Senator PASTORE. If they do not have to buy the gas and they cannot get the gas, how are you going to turn on your gas jet back home? That is the purpose of all of this provision.

Senator FULBRIGHT. You make an assumption here that is at the root of the fallacy of this whole business. That assumption is, that natural gas is a necessary ingredient in yours or anybody else's home. Everybody knows that natural gas is a more desirable fuel. It is the most luxurious fuel. It is the finest fuel you can buy for most purposes.

Just because you happen to want gas, you do not have to use it as a fuel. You can readily turn to oil or coal.

That is the statement made by the distinguished Senator from Arkansas when I was debating with him before the committee as to the consumer's protection.

I repeat to the Senator that there is only one way of determining the reasonable market price of the product, and the bill spells it out. It goes out of its way to say that the Federal Power Commission shall give effect to the assurance of supply.

I say to the Senator from Arkansas that the word "consumer" is not once mentioned in the bill. It is not a consumer's bill in that sense of the word. But if we are anxious to protect the rights of the consumer, we should give the Federal Power Commission the right to consider the protection of the consumer in establishing the reasonable market price.

Mr. FULBRIGHT. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. FULBRIGHT. Did the Senator offer in the committee an amendment like the one he has offered here?

Mr. PASTORE. I offered an amendment with reference to just and reasonable rates.

Mr. FULBRIGHT. But it was not like the pending amendment.

Mr. PASTORE. No; but is the amendment no good because I did not offer it at that time?

Mr. FULBRIGHT. It may as well have reference to the Middle East. It certainly is not necessary, nor is it appropriate to this bill.

Mr. PASTORE. The consumers do not live in the Middle East, and there is no interest in the Middle East mentioned in the bill. If the consumers are to be protected, the Senate should vote for my amendment.

Mr. President, I yield 6 minutes to the Senator from Ohio [Mr. BENDER].

Mr. BENDER. Mr. President, at his press conference on June 29, President Eisenhower had presented to him a long question by the correspondent of a Texas newspaper, as follows:

Mr. President, sir: I believe I am right in this * * * you have always taken a stand consistently against price controls. And that was in your 1952 campaign and what you have done since. Now I wonder if you feel there should be any exception in the price of gas at the wellhead?

The President replied:

Well, of course, you bring up a question that has been one of the most argumentative in all this field of Federal control over the natural resources of America.

There is a bill in Congress now. Progress is certainly being made. And here is the problem: How do you defend adequately and properly a consuming public?

And how do you encourage at the same time the utmost in exploration and exploitation of the natural resources—in this case, gas?

One way you could kill off all exploration and raise the price of gas unconscionably would be just to stop exploring for it, so just a simple answer saying we are going to control gas at 8 cents a thousand or something like that just won't do it.

So this is a complicated problem. And my feeling is this: Congress is actually making progress because they are trying to devise a bill which, at one and the same time, protects the consumer * * * (and) will encourage exploration.

All the details of this bill I am not completely certain about * * * it seems to me that progress is being made in this complex problem.

Mr. President, much has been heard and said about the Harris-Fulbright bill and its advantages and disadvantages. But everyone seems to agree that first and foremost we should protect the interests of the consumer. In fact, that is what the authors claim the bill does.

The opposition has pointed out that they cannot find such protection provided for in the bill, but I believe both the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Oklahoma [Mr. MONRONEY] have stated that such purpose is covered in the bill even if not spelled out in definite language.

The Senator from Rhode Island [Mr. PASTORE] has offered an amendment which favorably impresses me as one that all Senators can support, because it certainly does what the opponents claim they want and what the proponents claim the bill does. So the Senator's amendment brings out, directly, that which both sides agree is necessary, namely, "protection of the interest of the consumer."

This short amendment, "protection of the interest of the consumer" inserted in two places in the bill—one in line 25 of page 6, following the comma, and the other in line 11 of page 10, following the comma—will assure the consumers in my State, Ohio, and the consumers in other States, that they will have an adequate supply of gas, and at prices which we believe will be in line with what they ought to pay.

While there is still some gas produced in the State of Ohio, more than 90 percent of it is imported from the Southwest. Ohio folk, to a large extent, heat their homes with gas. They have come to look upon this fuel as a necessity, and they call upon me to help them secure an adequate supply at a reasonable rate.

Therefore, if the bill shall be amended to provide that the Federal Power Commission, in determining the reasonable market price the pipeline can charge the distributing utility, shall consider, among other things, "the protection of the interest of the consumer," I feel that my constituents will be protected, and I will support the proposed amendment and the bill.

Mr. JOHNSON of Texas. Mr. President, does the Senator from Rhode Island desire to use any more of his time?

Mr. PASTORE. Unless some other Senator desires to speak in favor of the amendment, I am willing to yield back my time.

Mr. JOHNSON of Texas. Mr. President, I make the unanimous-consent request that I may yield back the remainder of my time on condition that the Senator from Rhode Island will do likewise; that there then may be a quorum call; and that at the conclusion of the quorum call, the Senate proceed to vote on the amendment. As I understand, the yeas and nays have been ordered.

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). The yeas and nays have been ordered. Does the Senator from Rhode Island join with the Senator from Texas in requesting that all time on the amendment be yielded back?

Mr. PASTORE. I so join.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McClellan
Allott	George	McNamara
Anderson	Goldwater	Monroney
Barkley	Gore	Morse
Barrett	Green	Mundt
Beall	Hayden	Murray
Bender	Hennings	Neely
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Potter
Butler	Ives	Purtell
Byrd	Jackson	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Tex.	Saltonstall
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Kefauver	Scott
Chavez	Kennedy	Smathers
Clements	Kerr	Smith, Maine
Cotton	Kilgore	Sparkman
Curtis	Knowland	Stennis
Daniel	Kuchel	Symington
Dirksen	Langer	Thurmond
Douglas	Lehman	Thye
Duff	Long	Watkins
Dworshak	Magnuson	Welker
Eastland	Malone	Wiley
Ellender	Mansfield	Williams
Ervin	Martin, Iowa	Young
Flanders	Martin, Pa.	
Frear	McCarthy	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. PASTORE]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. GEORGE (when his name was called). On this vote I have a pair with the senior Senator from Colorado [Mr. MILLIKIN]. I do not know how he would vote on the pending amendment; therefore, I withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness and his pair with the Senator from Georgia [Mr. GEORGE] has been previously announced.

The result was announced—yeas 40, nays 53, as follows:

YEAS—40

Aiken	Humphrey	Neely
Barkley	Ives	Neuberger
Bender	Jackson	Pastore
Bush	Jenner	Potter
Case, N. J.	Kefauver	Purtell
Case, S. Dak.	Kennedy	Robertson
Clements	Kilgore	Smith, Maine
Douglas	Langer	Sparkman
Duff	Lehman	Symington
Ervin	Magnuson	Thye
Gore	Mansfield	Wiley
Green	McNamara	Williams
Hennings	Morse	
Hill	Murray	

NAYS—53

Allott	Eastland	Martin, Pa.
Anderson	Ellender	McCarthy
Barrett	Flanders	McClellan
Beall	Frear	Monroney
Bennett	Fulbright	Mundt
Bible	Goldwater	O'Mahoney
Bricker	Hayden	Payne
Bridges	Hickenlooper	Russell
Butler	Holland	Saltonstall
Byrd	Hruska	Schoeppel
Capehart	Johnson, Tex.	Scott
Carlson	Johnston, S. C.	Smathers
Chavez	Kerr	Stennis
Cotton	Knowland	Thurmond
Curtis	Kuchel	Watkins
Daniel	Long	Welker
Dirksen	Malone	Young
Dworshak	Martin, Iowa	

NOT VOTING—3

George	Millikin	Smith, N. J.

So Mr. PASTORE's amendment was rejected.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. POTTER. Mr. President, I ask the clerk to state my amendment.

The PRESIDING OFFICER. Will the Senator from Michigan identify which amendment he prefers to have stated? The Senator from Michigan has two amendments at the desk.

Mr. POTTER. It is the amendment which proposes to strike out the words "reasonable market." It is identified as 2-3-56-E.

The PRESIDING OFFICER. The clerk will state the amendments.

The amendments submitted by Mr. POTTER were read, as follows:

On page 6, lines 14 and 15, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 6, lines 21 and 22, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 6, line 22, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 6, line 24, beginning with the word "whether" strike out over through line 3 on page 7 and insert in lieu thereof the following: "(1) whether such price has been competitively arrived at; (2) the effect of such price on the consumer and upon the ultimate market for the gas; (3) the effect of the price upon the continued development of new sources of gas; (4) the cost (including discovery costs) to the seller of its gas production and gathering facilities in the area in which the particular field is located, and the profit reasonably required on such costs in light of the risks involved and the need for attraction of capital; and (5) the characteristics and delivery conditions of the gas being purchased."

On page 7, line 9, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

One page 7, line 18, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 8, lines 1 and 2, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 8, line 9, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 8, line 23, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 9, line 1, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 9, line 11, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 9, line 16, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 10, line 6, strike out "reasonable market" and insert in lieu thereof "fair and equitable."

On page 10, strike out lines 10 to 14, inclusive, and insert in lieu thereof the following: "considering, among other things, the factors set forth in the last sentence of section 5 (b) of this act."

The PRESIDING OFFICER. If there is no objection, the Chair will order the amendments considered en bloc.

The Senator from Michigan is recognized for 30 minutes.

Mr. POTTER. Mr. President, the heart of the so-called Fulbright bill is the formula for determining the price of gas at the wellhead. In the Fulbright bill a new formula for determining that price has been established. Rather than the "fair and reasonable price," as we normally find in connection with the establishment of a public utility rate—in other words, the just and reasonable price—the Fulbright bill uses the words "reasonable market price."

The criteria to be used in determining the reasonable market price are loaded in favor of the seller. One of the factors which I think we must consider is the fact that gas is sold in a seller's market; and in considering the future we can assume that the seller's market will continue and, as a matter of fact, probably will be intensified. Thus, the normal competitive factors are not available and will not be available.

Therefore in determining the market price, when there is a seller's market—and it will continue to be a seller's market—there will be only one determination the Federal Power Commission can make, and that is "all that the market can bear." Consequently, the 27 million consumers in the United States have no protection whatsoever as to price rates, under the bill as it now stands.

I wish to give credit to the distinguished Senator from Connecticut [Mr. BUSH] for the work he has done in determining a new formula which we believe not only is in the interest of the producer, but also is balanced with the interest of the consumer.

Mr. SALTONSTALL. Mr. President, will the Senator from Michigan yield for a question?

Mr. POTTER. I yield.

Mr. SALTONSTALL. I should like to ask whether the Senator from Michigan knows of any instance of the term "fair and equitable" being applied to prices or services. In that connection let me refer him to page 1529 of the CONGRESSIONAL RECORD for January 30, 1956, at which point I placed in the RECORD a memorandum from the Legislative Council of the Senate. In the memorandum, I should like to read one sentence from the section entitled "Fair and Equitable Price":

The term "fair and equitable" is a term of art, but it deals with receiverships, corporate reorganizations, and other such matters, and no case has been found where the term has been applied to the price of services or commodities.

Does the Senator from Michigan know of any?

Mr. POTTER. No; but by the same token, I know of no case where the term "fair market price" has ever been used by the Federal Power Commission. That is why I had hoped, Mr. President, that the bill would be recommitted—so the committee could call before it members of the Federal Power Commission and experts in the field, to receive their comments and their advice concerning the words "fair and equitable."

I shall be very frank to say to the distinguished Senator from Massachusetts that I do not know whether the language I suggest in the amendment is the best language that could be chosen; but I do know that under the bill as it now stands, the term "reasonable market price" means just one thing, and in that language there is not one thread of protection for the consumer.

The term "reasonable market price" means all that the market will bear. I am sure the distinguished Senator from Massachusetts would prefer language——

Mr. DANIEL. Mr. President, will the Senator from Michigan yield to me?

Mr. POTTER. When I finish stating this thought, I shall be delighted to yield.

Mr. President, I do know that the consumer would be protected under the term "fair and equitable" with the criteria we establish in this amendment. Let us read the criteria:

First, whether such price has been competitively arrived at.

That is one of the factors which is supposed to be considered under the bill as it now stands.

The second factor is:

The effect of such price on the consumer and upon the ultimate market for the gas.

That is a new factor. The consumer has no such protection under the bill as it now stands.

I now read the third criterion:

The effect of the price upon the continued development of new sources of gas.

That is a producer's protection, and is one of the factors which is in the bill as it now stands.

UNIVERSITY OF MICHIGAN LIBRARIES

Fourth:

The cost (including discovery costs) to the seller of its gas production and gathering facilities in the area in which the particular field is located, and the profit reasonably required on such costs in light of the risks involved and the need for attraction of capital.

I submit that is a criterion which is in favor of the producer.

The fifth criterion:

The characteristics and delivery conditions of the gas being purchased.

So, Mr. President, of the five criteria I have mentioned as a means of determining what is to be considered a "fair and equitable price," there is only one—namely, the second factor or criterion—which would give the consumer some protection. All the other four factors take into consideration the various problems of the producer.

I regret that the bill as it now stands has neglected to protect the interests of the consumer, and is weighted entirely in order to give rate adjustments, which would be upward adjustments, to the producer of natural gas.

Mr. President, this amendment is not a punitive amendment. The amendment will afford many protections to the producer of natural gas. However, one other factor is added, and it happens to be a factor in the interest of the consumer.

Mr. President, in this amendment are we asking for too much when we are considering a bill which will have such far-reaching effects, and when such vast amounts of money are involved? Under the circumstances, is it impossible for us to include in the bill at least one little item which will give some protection, some consideration, to the poor man or poor woman who pays a gas bill? Is that asking too much?

Mr. President, I do not care to discuss this subject much further. My amendment is similar to the one recently offered by the distinguished Senator from Rhode Island [Mr. PASTORE], the only difference being that in his amendment the Senator from Rhode Island inserted another condition in the application of the definition of "reasonable market price," the condition being that the interest of the consumer should also be considered. The Senate voted that amendment down. I assume the Senate will do the same with my amendment. Apparently this is not a day when the interests of consumers are to be considered.

Mr. President, I earnestly request that the Senate act favorably on this amendment. I believe it is fair. I believe that if the bill passes without my amendment, next year the Congress will be called back, and the committee will be compelled to consider an amendment of this nature, under which the consumer will receive some type of protection in a gas producers' bill.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. POTTER. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. MORSE in the chair). The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. POTTER] to the committee amendment. The Senator from Texas [Mr. JOHNSON] has charge of the time for the opposition.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, this proposal is nothing new. The amendment is almost identical with one discussed at great length by the distinguished Senator from Maine [Mr. PAYNE] during a debate which continued for an entire day, with participation by Members on both sides of the aisle.

This amendment is simply an oblique way of inserting in the bill the utility type formula for the regulation of the gas industry. It goes to the very root of the problem. The other day a memorandum was inserted in the RECORD by the Senator from Massachusetts [Mr. SALTONSTALL] dealing with this subject in great detail. It dealt with the significance of the term "fair and equitable." That memorandum has been cited. I shall not repeat what the Senator from Massachusetts said, but I urge the Senate not to give further attention to this kind of amendment. I see no point in discussing it further. It was rejected by the committee. It would completely change the entire tenor of the legislation. A Senator might as well vote against the bill itself as to vote for this type of amendment, because it would change the basic philosophy of the bill.

Mr. POTTER. Mr. President, I yield 5 minutes to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I am opposed to the pending measure, as I stated several weeks ago, because without such an amendment as that now proposed or one very similar to it, I do not believe it would be a sound measure which would stand up over a period of years.

There are two major weaknesses in the so-called Fulbright-Harris bill. One is the existence of a privileged position for the so-called most-favored-nation clauses and the so-called spiral clauses in contracts. The other is the requirement that the Federal Power Commission make its determination as to a fair price upon the basis of the "reasonable market price" formula, to which I object very strongly, and that is the principal reason why I take a position against the bill. I commend the Senator from Michigan for his comments and for his amendment.

All of us have seen various kinds of markets fluctuate very widely. I can remember the Florida land boom of the 1920's, when land sold at $5,000 an acre in one month, and a year later sold at $50 an acre. We can remember the stock-market boom of 1929, when National City Bank stock, for example, was thought to be selling at a reasonable market price at $450. Many of the officers bought it at that price, only to find, 3 years later, that it was selling for $20 a share. Fears of scarcity, fears of war, other fears, and various surges of emotion, have the effect of making prices move up or down sometimes with great rapidity.

There is involved in this case a fuel, namely, natural gas, which is distinct from all other minerals. Wherever it is used in interstate commerce it is sold under regulation, because the gas utility is a monopoly. It seems to me that the consuming public has the right to be protected against severe fluctuations which may occur in markets. That is the reason why I have objected, and object very strongly, to the reasonable-market-price determination.

If this amendment were agreed to, and if the most-favored-nations and spiral clauses, which are so objectionable to the consuming public, were removed, there would still be retained in the bill a feature of which I think most Senators approve, namely, that the regulation of price by the Federal Power Commission should be confined to the pipeline gate, or the spot where the gas enters interstate commerce. The Senator from Illinois [Mr. DOUGLAS] has acknowledged, through the amendment which he has sent to the desk, which is designed to exempt some 96 percent of the producers, that it would be better if the regulation point were at the pipeline gate. His amendment certainly strongly suggests that in principle. So I hope that the pending amendment may have the approval of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. POTTER] to the committee amendment.

Mr. POTTER. Mr. President, may I inquire if the majority leader is willing to yield back the remainder of his time?

Mr. JOHNSON of Texas. Are there any further requests for time on this side? Apparently not. If there are no further requests for time on this side, I ask unanimous consent, as I did in connection with a previous amendment, that both sides be permitted to yield back the remainder of their time, that there be a quorum call, and that the Senate then proceed to vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and all time is yielded back.

The absence of a quorum having been suggested, the clerk will call the roll.

The chief clerk called the roll, and the following Senators answered to their names:

Aiken	Ellender	Long
Allott	Ervin	Magnuson
Anderson	Flanders	Mansfield
Barkley	Frear	Martin, Iowa
Barrett	Fulbright	Martin, Pa.
Beall	George	McCarthy
Bender	Goldwater	McClellan
Bennett	Gore	McNamara
Bible	Green	Monroney
Bricker	Hayden	Morse
Bridges	Hennings	Mundt
Bush	Hickenlooper	Murray
Butler	Hill	Neely
Byrd	Holland	Neuberger
Capehart	Hruska	O'Mahoney
Carlson	Humphrey	Pastore
Case, N. J.	Ives	Payne
Case, S. Dak.	Jackson	Potter
Chavez	Johnson, Tex.	Purtell
Clements	Johnston, S. C.	Robertson
Cotton	Kefauver	Russell
Curtis	Kennedy	Saltonstall
Daniel	Kerr	Schoeppel
Dirksen	Kilgore	Scott
Douglas	Knowland	Smathers
Duff	Kuchel	Smith, Maine
Dworshak	Langer	Sparkman
Eastland	Lehman	Stennis

UNIVERSITY OF MICHIGAN LIBRARIES

Symington	Watkins	Williams
Thurmond	Welker	Young
Thye	Wiley	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. POTTER]. The yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GEORGE (when his name was called). Mr. President, I have a pair with the Senator from Colorado [Mr. MILLIKIN]. I am advised that on this question he would vote "nay." I therefore exercise the privilege of voting, and I vote "nay."

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness, and if present and voting, he would vote "nay."

The Senator from Indiana [Mr. JENNER] and the Senator from Nevada [Mr. MALONE] are detained on official business. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "nay."

The result was announced—yeas 33, nays 59, as follows:

YEAS—33

Aiken	Hill	Morse
Barkley	Humphrey	Neely
Bender	Ives	Neuberger
Bush	Jackson	Pastore
Case, N. J.	Kefauver	Potter
Case, S. Dak.	Kennedy	Purtell
Douglas	Kilgore	Smith, Maine
Duff	Langer	Sparkman
Gore	Lehman	Symington
Green	Magnuson	Thye
Hennings	McNamara	Wiley

NAYS 59

Allott	Ellender	McCarthy
Anderson	Ervin	McClellan
Barrett	Flanders	Monroney
Beall	Frear	Mundt
Bennett	Fulbright	Murray
Bible	George	O'Mahoney
Bricker	Goldwater	Payne
Bridges	Hayden	Robertson
Butler	Hickenlooper	Russell
Byrd	Holland	Saltonstall
Capehart	Hruska	Schoeppel
Carlson	Johnson, Tex.	Scott
Chaves	Johnston, S. C.	Smathers
Clements	Kerr	Stennis
Cotton	Knowland	Thurmond
Curtis	Kuchel	Watkins
Daniel	Long	Welker
Dirksen	Mansfield	Williams
Dworshak	Martin, Iowa	Young
Eastland	Martin, Pa.	

NOT VOTING—4

Jenner	Millikin	Smith, N. J.
Malone		

So Mr. POTTER's amendment was rejected.

The PRESIDING OFFICER. The committee amendment is still open to amendment.

Mr. HUMPHREY. Mr. President, I should like to call up my amendment identified as "2-3-56-A."

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Minnesota.

The LEGISLATIVE CLERK. On page 10, line 14, after the word "prices", it is proposed to insert the following new section:

SEC. 5. Any provision in the act or in this amendatory act to the contrary notwithstanding, escalation clauses in any contract for the purchase of natural gas in which clauses provision is made for adjustment of the price of the seller by reason of changes in (a) the prices received by the purchaser upon resale, or (b) the payment of higher prices by other purchasers in the same or other producing areas, are declared to be contrary to the public interest and shall not be given force or effect in any court or before any tribunal.

Mr. HUMPHREY. Mr. President, speaking in behalf of my amendment—and I wish to assure my colleagues that I shall take only a very few moments, because I think we can vote upon it very quickly—whatever may be the provisions of the Federal Power Act, as amended, there is no purpose served in permitting the continued effectiveness of the most pernicious type of escalation clauses. Much has been said in this debate about these clauses. The junior Senator from Rhode Island has ably presented the case against the three-party favored-nations clauses by which a transaction between two entirely different parties can affect the price between a producer and his pipeline. Equally evil is the spiral clause, by the terms of which an increase in a rate of a pipeline company "triggers" an increase in the price of a producer, which can then further increase the price of the pipeline company, and so on ad infinitum.

Another clause of the same general nature as these two is the much more plausibly titled price-redetermination clause by which prices can go up on the basis of the highest three prices paid by other parties in a given area. The Federal Power Commission during the time that it has exercised its jurisdiction has by rule prohibited the inclusion of such clauses in contracts for gas supply coming before them. The least the Congress should do in amending the Natural Gas Act at this time to protect the consumer interest is to make it quite clear that it is against the public interest that these clauses should be in a supply contract between an independent producer and a pipeline.

Some may argue that it is improper to declare that clauses of this nature are without force and effect, if they are already imbedded in contracts entered into prior to the time when this amendatory act may be adopted. There need be no concern on this basis. The courts have long held that where the public interest is involved and where Congress has the power to legislate, it may affect the terms of contracts entered into prior to the passage of an act. After the passage of the Natural Gas Act, there were many such cases brought—*Colorado Interstate Company* v. *Federal Power Commission* (324 U. S. 581, 1944); *Mississippi River Fuel Corporation* v. *Federal Power Commission* (8th Cir. 1941). These cases in turn rest on many other prior determinations in the courts to this same general effect.

I am sure my colleagues will agree with me that this minimum step needs to be taken to avoid unnecessary regulatory burden in the Federal Power Commission and unwarranted increases in the price of natural gas.

Stated briefly, the purpose of my amendment is to see to it that in contracts between producer and pipeline the so-called three-party favored-nation clause and the spiral clause and the price-redetermination clause, all of which clauses have been used in prior contracts, are not made a part of future contracts, and, therefore, by prohibiting them we protect the consumers' interest.

Of all the clauses which are totally indefensible, the spiral clause cannot be defended by any living mortal, because it does but one thing. It is an automatic trigger device, whereby when a pipeline gets more the producer also gets more; when a producer gets an increase the pipeline pays more; and then the producer asks more, the pipeline pays more, and the consumer gets the business.

Of course, Mr. President, the Federal Power Commission says by rule that it will not permit such a practice. If this bill is a consumer-interest bill—and I have heard loud voices in long arguments on the part of the proponents proclaim that it is a bill for the consumer—there is no moral, legal, or economic justification for the spiral clause.

Furthermore, the third-party favored-nation clause is referred to on page 35 of the committee report, as follows:

Under this clause the price is increased in the event an unrelated third party shall pay a higher price to another producer for gas in the same field or in an area specified in the contract.

I wish to make it quite clear, Mr. President, that this does not refer to the producer and the pipeline in connection with a contract for the purchase and distribution of gas. It relates to a producer in the same area and to another pipeline. But if someone down the street can get a better deal with more "gravy" in it than the first party got in the first deal, then the first party can get out the gravy bowl and fill the pipeline with the gravy.

I submit, Mr. President, that it is a rather unconscionable provision, and as the Commission seems to think so, I suggest that the Congress legislate, and, furthermore, since natural-gas companies are defined in the act as being only pipelines, my amendment is all the more important, because we then have a situation under the terms of the act where what we are really regulating as such is merely the pipelines, and we have no control over the producers.

If we permit the continuation of spiral clauses, price-redetermination clauses, and third-party favored-nation clauses, we will permit the unregulated producer to have an open hunting season. He can take advantage of any market, and the pipeline can be actually in collusion with the producer if it so wishes, and we shall find the price to the consumer going up and up.

So we feel that even those who are for the bill should be very happy to join with us in sponsoring and supporting my amendment.

Furthermore, what it does is to outlaw the particular kind of escalator clause which has already been proclaimed by the proponents of the bill to be indefensible.

Mr. JOHNSON of Texas. Mr. President, does the Senator from Minnesota desire to use any more time?

Mr. HUMPHREY. I ask for the yeas and nays on my amendment.

Mr. JOHNSON of Texas. If the Senator will yield back his time, I am certain that the yeas and nays will be ordered.

Mr. HUMPHREY. Unless some other Senator wishes to speak, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I, too, ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I make the same request which I have made several times previously today. I ask unanimous consent that the Senator from Minnesota and I may yield back the remainder of our time at the conclusion of 3 minutes which I shall yield to the junior Senator from Texas [Mr. DANIEL]; that when all time has been yielded back, the absence of a quorum may be suggested; and that following the development of a quorum, the Senate may vote without further debate on the amendment offered by the Senator from Minnesota.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DANIEL. Mr. President, the distinguished Senator from Minnesota evidently overlooks what the committee did with respect to spiral escalation, two party and third party favored-nation clauses, price-redetermination and price-renegotiation clauses. The committee worked hard to prevent happening the very evil the Senator has mentioned.

We placed in the bill control by the Federal Power Commission, so that it could in the future prevent those clauses from ever running the producers' prices up or the pipeline companies from ever paying the producers more than the reasonable market price. Most of the words in the bill are intended to accomplish that very purpose.

The Senator from Minnesota has simply come in with a new amendment, which was not considered by the committee, and has said, "We think the committee should have done it this way."

The Committee on Interstate and Foreign Commerce by a vote of 11 to 4 agreed to take care of this very evil by the way in which the bill was presented to the Senate. It will effectively take care of spiral escalation, favored-nation clauses, and the other escalation clauses mentioned above, in present and future contracts, by providing that the Federal Power Commission shall never permit a charge under those clauses of more than the Federal Power Commission finds to be the reasonable market price. Therefore, there is no need for the amendment.

The committee, after long work, included an amendment to take care of this very situation. I suggest that the Senate should not agree to the amendment offered by the Senator from Minnesota. The Senate should vote "nay" on the amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield? I simply wish to ask the Senator a question for the information of the Senate.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The 3 minutes of the junior Senator from Texas have expired.

The time is under the control of the junior Senator from Minnesota and the senior Senator from Texas. The Chair understands that by unanimous consent all time has been yielded back.

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. All time has been yielded back.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McCarthy
Allott	George	McClellan
Anderson	Goldwater	McNamara
Barkley	Gore	Monroney
Beall	Green	Morse
Bender	Hayden	Mundt
Bennett	Hennings	Murray
Bible	Hickenlooper	Neely
Bricker	Hill	Neuberger
Bridges	Holland	O'Mahoney
Bush	Hruska	Pastore
Butler	Humphrey	Payne
Byrd	Ives	Potter
Capehart	Jackson	Purtell
Carlson	Jenner	Robertson
Case, N. J.	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Saltonstall
Chavez	Kefauver	Schoeppel
Clements	Kennedy	Scott
Cotton	Kerr	Smathers
Curtis	Kilgore	Smith, Maine
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Thurmond
Duff	Lehman	Thye
Dworshak	Long	Watkins
Eastland	Magnuson	Welker
Ellender	Malone	Wiley
Ervin	Mansfield	Williams
Flanders	Martin, Iowa	Young
Frear	Martin, Pa.	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the junior Senator from Minnesota [Mr. HUMPHREY]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GEORGE (when his name was called). Mr. President, on this vote I have a pair with the senior Senator from Colorado [Mr. MILLIKIN]. I am advised that on this amendment he would vote "nay." Therefore, I am at liberty to vote. I vote "nay."

The rollcall was concluded.

Mr. CLEMENTS. I announce that the Senator from Missouri [Mr. SYMINGTON] is absent on official business. If present and voting, the Senator from Missouri would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness, and, if present and voting, he would vote "nay."

The Senator from Wyoming [Mr. BARRETT] is detained because of illness in his family, and, if present and voting, the Senator from Wyoming would vote "nay."

The result was announced—yeas 33, nays 59, as follows:

YEAS—33

Aiken	Case, N. J.	Gore
Barkley	Case, S. Dak.	Green
Bender	Douglas	Hennings
Bush	Duff	Hill
Humphrey	Langer	Neuberger
Ives	Lehman	Pastore
Jackson	Magnuson	Potter
Jenner	McNamara	Purtell
Kefauver	Morse	Sparkman
Kennedy	Mundt	Thye
Kilgore	Neely	Wiley

NAYS—59

Allott	Ervin	McCarthy
Anderson	Flanders	McClellan
Beall	Frear	Monroney
Bennett	Fulbright	Murray
Bible	George	O'Mahoney
Bricker	Goldwater	Payne
Bridges	Hayden	Robertson
Butler	Hickenlooper	Russell
Byrd	Holland	Saltonstall
Capehart	Hruska	Schoeppel
Carlson	Johnson, Tex.	Scott
Chavez	Johnston, S. C.	Smathers
Clements	Kerr	Smith, Maine
Cotton	Knowland	Stennis
Curtis	Kuchel	Thurmond
Daniel	Long	Watkins
Dirksen	Malone	Welker
Dworshak	Mansfield	Williams
Eastland	Martin, Iowa	Young
Ellender	Martin, Pa.	

NOT VOTING—4

Barrett	Smith, N. J.	Symington
Millikin		

So Mr. HUMPHREY's amendment was rejected.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The committee amendment is still open to amendment.

Mr. WATKINS. Mr. President, I call up my amendment, identified as 1-18-56-B, and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 10, following line 14, it is proposed to insert the following new section:

SEC. 5. Section 3 of the Natural Gas Act is amended by inserting between the second and third sentences thereof a new sentence as follows: "It shall not be deemed to be consistent with the public interest to authorize the exportation or importation of natural gas in any case where the Commission finds that such exportation or importation will result in unemployment, or injury to competing fuel industries of the United States."

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. WATKINS. Mr. President, on January 18 I introduced an amendment to the Fulbright bill which had as its purpose the amendment of the Natural Gas Act by vesting the Federal Power Commission with the authority to determine whether or not proposed importations or exportation of natural gas would result in unemployment or injury to competing American fuel industries. I asked that it be printed and lie on the desk. My proposal would amend section 3 of the act by adding a new sentence therein as follows:

It shall not be deemed to be consistent with the public interest to authorize the exportation or importation of natural gas in any case where the Commission finds that such exportation or importation will result in unemployment or injury to competing fuel industries of the United States.

In my statement to the Senate at the time of the introduction of this amendment, I pointed out that I felt the interest of the Senate in natural-gas legislation should be broader than the narrow issue of the status of the producers of natural gas under the Natural Gas Act. It is my feeling that we must deal with the larger problem of insuring

UNIVERSITY OF MICHIGAN LIBRARIES

the self-sufficiency of the Nation in its overall fuel economy and its ability to provide for the common defense without becoming dependent on outside help.

I further pointed out that it did not seem reasonable to give Government sanction to the importation of natural gas, tax free, into areas now being adequately served with Amercan coal, oil, and natural gas, and that the result of such action would be to place the Nation in the precarious position of building up dependency upon a foreign nation as one of the principal sources of our fuel supply. I also asserted that such possibilities should be subject to extremely careful scrutiny by the agency charged with the control over importations of natural gas in view of the important questions of high public trust and national defense that are inherent in this whole matter. Finally, I made the assertion that the present law was inadequate in the light of these considerations and urged the Senate to adopt my amendment in order to protect the public interest. It shall be my purpose today to expand somewhat on the remarks which I made earlier in order to document those contentions and to impress again upon the Senate the urgent need for additional legislation covering the important matter of foreign natural gas.

Let me say at the outset that I sincerely believe that every Member of the Senate can conscientiously vote for the principle which motivated me to introduce my amendment to broaden the power of the Federal Power Commission in dealing with international natural gas matters. The subject was not a matter of high importance in 1938 when the Natural Gas Act was passed; the absence of definitive standards to guide the Federal Power Commission in the matter emphasizes this fact. However, the relatively recent discoveries and development of natural-gas resources in Canada together with the revival of Mexican offers to furnish natural gas to the United States places the matter before the American people now as an issue which must be dealt with by the Congress if American interests are to be safeguarded.

There is currently under way a plan—and it is gathering momentum for the final push that only a congressional directive to the Federal Power Commission can restrain—a plan to import annually more than 70 billion cubic feet of natural gas. It is those 70 billion cubic feet which would disemploy more than 2,000 American miners. There is nothing hypothetical about this estimate. There is at present an application before the Federal Power Commission for permission to bring that amount of gas into our country at the international border near Emerson, Manitoba, and St. Vincent, Minn.

Reduced to energy equivalent, 70 billion cubic feet of natural gas amounts to 2,800,000 tons of coal. While it is true that domestic oil would to a degree be displaced by imported gas, it must be remembered that the new line is intended to enter an area very largely dependent upon coal. Without attempting to analyze the matter meticulously, it is conservative to say that if this Canadian gas crosses our border it would cost the jobs of at least 2,000 men inside and outside our own coal mines.

Nor should the adverse effects on railroads and lake shippers be overlooked. Great quantities of bituminous coal are handled by vessels that ply from Lake Erie ports which are served by railroads extending from the mining regions of Ohio, Kentucky, Indiana, Illinois, Pennsylvania, and West Virginia. The lake vessels carry this cargo principally to docks in Ashland and Superior, Wis., and Duluth, Minn. Many railroaders on this end of the line, as well as truckers and dock workers, depend upon this traffic for their livelihood. Thus, imported gas would swell the ranks of this Nation's unemployed by idling working groups in mining, industrial, and shipping communities extending from the Appalachian coal fields over a thousand-mile arc to the northwest.

Should this project be approved, the precedent would pose a threat to innumerable coal miners and railroad workers in my home State of Utah and everywhere else in the United States that coal is mined. Without specific authority to take "unemployment and injury" into consideration when it sits in judgment, the Federal Power Commission will be relatively helpless to deal with an important problem affecting American industry, labor, and security.

In the past few months, the Federal Power Commission authorized the importation of Canadian natural gas for distribution into the Pacific Northwest, which authorization will permit the importation and distribution of foreign natural gas to the coal equivalent of over 5 million tons per year. Approximately 3½ million tons of coal are at the present time annually consumed in this area. Of this tonnage, during the last 10 years an average of 1,627,000 tons of coal annually from companies in my State of Utah have been shipped to this area. The balance of the coal consumed in the Pacific Northwest is supplied by coals produced in the States of Washington, Wyoming, and Montana. It is evident from these figures that the supply of Canadian gas, which will be imported and distributed throughout the Pacific Northwest, will far exceed the tonnage of coal that is presently used. Should we then permit a foreign product to invade our home markets, retard the normal development of our own natural resources, and at the same time throw thousands of our citizens out of employment and a means of a decent livelihood? How far must we go on this good-neighbor policy? Let us have proper protection of our domestic economy.

Mr. MORSE. Mr. President, will the Senator from Utah yield for a question?

Mr. WATKINS. My time is limited, but I yield for a brief question.

Mr. MORSE. I am trying to understand the Senator's amendment. Is the amendment one which would seek to deny to the people of Oregon cheap natural gas from Canada, because the Senator from Utah thinks we should buy more expensive coal from Utah?

Mr. WATKINS. My amendment is to protect the coal industry of the entire United States against cheap foreign competition, if the Senator wishes to state the matter the other way. We purchase various articles from Oregon and Washington, and in the past many of them have been protected. All of us have gone along with that idea. But in time of emergency, we cannot count on continued importations of Canadian gas; and there is no way in the world to protect our consumers against a price increase for the Canadian gas. Certainly after we once become committed to using Canadian gas, we cannot say to Canada, "You can charge only so much for the gas."

So we have no assurance whatsoever that we shall obtain cheap Canadian gas, after our coal mines are closed and after Canadian gas is used by homes and industries in the United States. There is no assurance that the Canadian gas will be cheap. In an instance of that kind, no such assurance can be given, because that gas is beyond our regulation.

Mr. MORSE. Does the Senator from Utah take the same position regarding all importations from Canada?

Mr. WATKINS. I do not take the same position with respect to all importations.

During recent years the coal and railroad industries in the Far West have been under serious economic stress and strain. Further curtailment in the activity of the coal-mining industry which can result from the importation of foreign competition through foreign natural gas can only mean a serious economic dislocation in this competing fuel industry in these Western States.

Let me remind all of you that this matter is not limited to the West for among the applications now pending before the Federal Power Commission, seeking authority to import and export greater volumes of natural gas, are applications to construct huge pipelines bringing Canadian natural gas from producing fields in Alberta and Saskatchewan through Manitoba and Ontario to Toronto and Montreal in eastern Canada. This pipeline has contracted to deliver into the United States so as to dump huge volumes of Canadian natural gas into large important industrial and domestic consuming areas in the States of Minnesota, Wisconsin, Michigan, and the Great Lakes area, as well as into eastern United States, particularly New York State. This will, no doubt, mean the capture of a large share of these markets where the foreign natural gas, on an interruptible basis during off-peak periods, when the domestic demand is light can be poured into the giant industrial and commercial plants. This will almost prohibit the continued expansion of American natural-gas producers serving these markets and certainly destroy coal consumption. This Canadian natural gas will be sold on this basis at "dump" prices with which coal cannot hope to compete and thus coal will be relegated to a standby role in the markets extending over this entire area.

These markets for coal are perhaps the most important of any served by our major eastern coalfields and the eastern railroads. Eastern coal has already lost substantial ground in competing with

domestic natural gas and oil and certainly cannot stand foreign gas competition such as is threatened. For instance, in 1948 53.2 million tons of eastern coal was unloaded at Lake Erie docks for delivery beyond by lake shippers to consuming points on or near the Great Lakes. By 1953, this movement had dropped to 43.7 million tons. In addition, very substantial tonnages of eastern coal which would have moved into this area via all-rail routes has been seriously reduced.

In 1948, 19.7 million tons of eastern coal moved via the Great Lakes to Wisconsin, Minnesota, and the upper peninsula of Michigan. By 1952, this tonnage had declined to 11.4 million tons, a decrease of 42 percent. The cause of this decrease in coal consumption was laid primarily to the introduction of American natural gas which increased in these States between 1948 and 1952, an increase of 155 percent.

This competition between domestic fuel industries is not at issue; no doubt it is healthy to our Nation's economy, but certainly care should be taken that our coal industry does not become destroyed by the impact of addititional loss of markets due to foreign gas competition.

It is obvious to me, therefore, that the threatened serious injury to the fuel industries of the West by the invasion of foreign natural gas is just as prevalent and predominate a threat to the East. It is obvious, also, that if surplus Canadian natural gas is to become available in the huge volumes indicated by the many applications now pending before the Federal Power Commission that it will dominate competitive markets in the East and Middle West just as it will in the Far West, where it is now a known threat since authorization for its importation has been provided by the Commission.

That coal production through the United States at high levels is imperative during times of emergency will not be disputed by anyone. If it becomes a necessity to close down many mines throughout the Nation because of economic difficulties, or expansion is suppressed because of foreign natural gas, this Senate must, to a great degree, take the blame for this destruction of our own domestic industries or the weakening of them to such a degree that they will not be in a position to continue to furnish the fuel needs for the security and defense of our Nation.

It is inconsistent with the public interest to allow a tax-free foreign fuel to be imported to compete with American industry and labor under conditions where large investments can become valueless and important segments of such industry forced into bankruptcy.

To place heavy reliance upon a foreign fuel is inimical to the national security. Assume, if you will, that the Federal Power Commission permits imported gas to invade our market areas. The coal miner loses his job. The railroad worker is laid off as freight traffic declines. Mines are closed down and equipment lies idle. On the theory that the supply of imported gas would continue uninterrupted for a period of several years, the mining family would be forced to leave the import-created ghost town and seek employment elsewhere.

Furthermore, there are many indications that Mexico desires to tap the rich United States markets as an outlet for some of its natural-gas supplies. There is presently pending before the Federal Power Commission an application requesting authority to bring Mexican gas across the Texas border to serve areas principally along the Eastern seaboard into New England. Whereas this may be somewhat out of my jurisdiction in Utah, in my capacity as the United States Senator from that great State, nevertheless in my correlative duty to serve the best interests of the Nation through my concern for the problem as a whole, my colleagues present in the chamber today undoubtedly remember the expropriation move taken by the Mexican Government a number of years ago whereby the properties of American oil companies were confiscated and American investments were lost by a stroke of the pen south of our border. It is not my assertion that such an eventuality will again occur but I do not hesitate to assert that it is an eventuality which should be given adequate consideration by the Federal Power Commission before granting authority to import such gas. I mention this fact because of a genuine concern on my part about encouraging needless dependency upon foreign resources in matters touching upon our welfare, defense, and general security. The importation of substantial quantities of natural gas from foreign sources needlessly places the Nation in a dependent position with respect to such other nations. Present plans as revealed in the records of the Federal Power Commission demonstrate conclusively that there is in prospect a virtual network of gas pipelines contemplating the exclusive use of foreign gas in areas now being adequately served by coal, oil and—yes, natural gas.

Mr. CHAVEZ. Mr. President, will my friend, the Senator from Utah, yield to me for a moment?

Mr. WATKINS. I yield for a brief question; my time is limited, as the Senator from New Mexico understands.

Mr. CHAVEZ. Yes. My question is this: Why is it that the State of Georgia at this very moment cannot obtain natural gas from southwest Texas, eastern New Mexico, or other areas of the United States? The reason is that sufficient gas is not available there; that is the only reason.

I favor the bill. We must import gas. Despite the fact that there is a pipeline in east Tennessee, it cannot be used to deliver natural gas to the people of Georgia, because sufficient gas is not available.

Can the Senator from Utah tell me why we cannot obtain the needed gas?

Mr. WATKINS. I suppose the answer is—as I have heard it stated here several times—that the purpose of the bill is to permit and encourage the development of domestic gas, not foreign gas.

Mr. CHAVEZ. I am in favor of that. But at the moment, if sufficient gas cannot be obtained from Texas, Oklahoma, New Mexico, and Kansas to meet the needs of the home and industries in Georgia, why should not gas be imported from outside the United States?

Mr. WATKINS. If we could not get gas domestically, I should say that the Senator would be correct. But I point out, as I notice from the literature and the discussion which has taken place, that apparently a number of States in the South hope to produce gas in the future, and probably gas can be obtained in Georgia from that source.

It may surprise some Members of the Senate to know that substantial American natural gas interests oppose the plans to import foreign gas because of the adverse impact that such proposals will have upon the welfare of the Nation. Such opposition is not readily indentifiable since, for understandable reasons—blood being thicker than water—opponents cannot always stand up in order to be counted.

What are some of the dangers of encouraging the unnecessary importation of natural gas and the unwarranted dependency upon foreign sources for fuel? It goes without saying that there are strong considerations of national defense that dictate against such dependency irrespective of the undoubted high degree of friendship that exists between this country and Canada. In the event of hostilities such as witnessed in the unexpected Korean war, or in any great emergency affecting the North American Continent, Canada understandably would preserve its own interests first and consider our needs only after theirs have been fulfilled. It is inevitable that expanding Canadian fuel needs under emergency pressures would result in cutting off the source of supply to important areas of the United States. This would not be an unfriendly act on the part of Canadians and they would rightfully say under such circumstances that we should have expected such action. It is my view that we should not only expect such action but should make certain that it is anticipated here in the Senate and in the future by the Federal Power Commission in considering all aspects of the proposals to import gas from Canada and Mexico.

It should be interesting to the Senate to know that the real motivating force behind the numerous import proposals is not nearly so much the demonstrated need for fuel throughout the northern parts of the United States as it is a response to promotional activities on the part of those who will profit by such developments. Now, I am not against the profit motive—the fact is I believe in free competitive enterprise—but "free" competitive enterprise is subject to the same modifications that "free" speech and other freedoms that are cherished by the American people. Even though "free" speech is guaranteed by the Constitution, it is modified by considerations of public interest since a person cannot under the protection of the free-speech guaranty, heedlessly yell "Fire" in a crowded theater when there is no fire and not be subject to being called into account for his actions. By the same token, under the guise of free competitive enterprise I do not believe that the promoters of pipelines using foreign gas should have an unqualified right to their

UNIVERSITY OF MICHIGAN LIBRARIES

enterprise at the expense of American labor, industry or security. Their right is certainly subject to some modification in the public interest.

In the case of coal, I do not think that we could expect our mining companies or our miners to be ready for any such emergency. The reopening of a mine is a long-term proposition. It often requires months or even years of pumping operations, rewiring, retimbering, and other jobs that require a long time to consummate.

For that matter, there is not much of a chance that adequate labor would be available even if the mines could be put into operation at a moment's notice. The men who produce coal in today's modern mines are skilled technicians operating the mechanical robots that cut, load, and haul the coal. These men cannot be trained overnight to take over the mining operations any more than army draftees could be expected to handle a Nike facility without thorough training. In like manner, I do not believe that any railroad could promise stepping-up activities to the extent demanded in an emergency if their experienced operating and maintenance crews had moved into other industries.

Now, what about the domestic oil and gas industries? Does anyone believe for 1 minute that they would be able to step in and overcome the fuel deficit actuated by a cut-off of foreign supplies? I know of no oil or gas company that would be willing to invest in the construction of a pipeline into an industrial area or residential community that has already negotiated for service with another line. Nor would there be any chance of bringing in the necessary liquid fuels by rail in an emergency, for there would be no chance whatsoever of having availability of the required number of tank cars or of the railroad track necessary to handle increased traffic of this amount.

In considering further some of the possible detrimental results from encouraging needless dependency upon foreign sources for fuel, it seems more than appropriate that I should refer to some of the testimony which has been presented on the floor of the Senate during the course of the debate on the Fulbright bill during the past few days. We have witnessed here a great struggle for the soul of the consumer and both the opponents and the proponents of the Fulbright bill have laid the foundation for the claim that their point of view represents the appropriate path to peace of mind for the ultimate consumer.

It is not my purpose today to discuss the amendment at greater length. I made a statement as to its purpose when I submitted it for the RECORD and asked that it lie on the table.

Mr. President, I ask unanimous consent that the remainder of my prepared remarks be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. WATKINS. Mr. President, I am very sincere in offering this amendment. I think the time has arrived when the Congress must take into consideration the present plight of the coal miners and the coal mine operators. I realize that the forces in control of the voting today will probably not accept this amendment, but I offer it in all sincerity. I invite the attention of the Congress and the American people to the fact that we have before us a problem which requires attention, first, because of the effect upon our domestic economy and employment; and second, because of the effect upon our defense and security if we allow the coal mines to deteriorate, if we allow many of them to close, and cut off this important supply of fuel, which may be needed in an emergency of war, as it has been needed in past war emergencies. We have tried our level best to increase production every time. We must not lose this great asset.

EXHIBIT 1

STATEMENT BY SENATOR WATKINS

Supporters of the Fulbright bill maintain that freedom from Federal controls over the production of natural gas will result in the stimulation of exploration and development so that greater supplies of natural gas will be available, and Q. E. D., the natural law of supply and demand will hold the supply of gas within reasonable bounds—to the benefit of consumers. On the other hand, the opponents of the measure claim with equal fervor that removal of Federal controls will give producers of natural gas power to raise prices to unconscionable levels in the absence of Federal Power Commission controls over ratemaking—to the detriment of the consumer. Without determining this issue as such now, I can promise the members of the Senate that gas consumers of the United States are in for an eventual rude awakening insofar as the price of natural gas is concerned if foreign natural gas is to be introduced into the pipeline systems of the United States as a result of failure to act upon the principle of my amendment. The promoters of the pipelines proposing to use foreign gas make extensive promises of relatively inexpensive gas to proposed credulous consumers, but you may be sure that this is in reality a "loss leader" approach and that once said consumers are committed to, and dependent upon, foreign gas, they will be at the price mercy of foreign producers. The Federal Power Commission will have no control whatsoever over the price of the producers or transporters of Canadian or Mexican natural gas beyond our international borders. Is it in the public interest to place the consumers in such a precarious price position? I raise this question here because it has been asserted time and time again on the floor of the Senate during the course of the present debate, by both sides, that American producers are likely to charge such prices as would result in unreasonable rates for natural gas at the consumers end of the line. If this is true of American producers, how much more likely it is to be true if the source of natural gas and the intermediate distribution phases are wholly under the control of a foreign government?

In addition to the foregoing considerations, I wish to direct the attention of the opponents and the supporters of the Fulbright bill to the fact that I am genuinely concerned with the effect that Federal controls over production and gathering of gas may have upon the supplies of natural gas available for distribution in our pipeline systems. It is just possible that the application of Federal controls to the producers of natural gas may discourage the exploration and development of natural gas reserves as has been repeatedly asserted on the floor of the Senate. Be that as it may, I do know that the introduction of foreign gas into Utah and the bordering States can only serve to discourage the exploration and development of our own natural gas resources in the great Pacific Northwest. It seems to me that imports of Canadian gas will also serve to discourage this in the Southern States of production, and certainly natural gas from Mexico will accentuate this result. Therefore, it seems incontrovertible to me that all members of the Senate interested in the preservation, development, and extension of our own natural resources would support the principle of my amendment with respect to foreign gas.

Finally, I wish to call attention to the fact that there will be no real substantial amount of Canadian gas introduced into United States markets unless and until the highly difficult matter of financing the Trans-Canada pipeline has been determined by the Canadian Government. This is an all-important issue in Canada since it, of course, touches upon the development of its own natural resources. On repeated occasions it has been bluntly pointed out in Canada that there will be difficulties in developing its own natural-gas resources unless it is done through the medium of temporarily using American markets in a sort of quasi-subsidization plan. We do indeed value our friendship with Canada but not to the extent of creating dangerous dependency upon their country for natural gas for the principal purpose of developing a profitable Canadian business on the other side of the line. A great deal of the present opposition in Canada to existing plans to construct the Trans-Canada pipeline from Alberta to Montreal arises out of the fact that American promoters will be the principal beneficiaries of the profits from such a line. On the surface this seems a supportable end but in actuality it is no answer to the long-term considerations of our national welfare and security since the promoters will realize a complete return on their investment within the 20-year period of amortization—and what happens after that makes little difference. However, if American promoters are not to be permitted to reap the major portion of the financial harvest from the Canadian line—and there is a very good prospect that the existing plan will not prevail—then and in that event it will be incumbent upon the Canadian Government to finance the Trans-Canada pipeline. The result of this possible action will be a socialized pipeline system in Canada with which free enterprise American fuel industries must compete here, for they must use our markets if the line is ever to be built. Here you have the worst element of unfair competition for free competitive American enterprise, in that American fuel industries will be competing against a socialized industry. As late as January 17, 1956, this possibility was considered in the Canadian House of Commons when the following statement was made by the Honorable Carl O. Nickle:

"The other problem, socialization of natural gas, is a very real one. If we socialized the gas line in Canada we would find ourselves face to face with a very strong new opponent to the import of Canadian gas into the United States. This new opponent would be the United States coal industry who, as a matter of course, opposes all gas and oil pipelines in the United States, whether they are entirely domestic or international. If we gave the United States coal industry new arguments, if we gave the free enterprise United States coal industry, the free enterprise United States railway system, the free enterprise United States oil industry who are now being asked to compete in their home market with socialized fuel from another country, new arguments, I am very much afraid it would take years to break through the barrier of that United States border in order to get outlets we desperately need for surplus western Canadian fuel."

UNIVERSITY OF MICHIGAN LIBRARIES

CONCLUSION

The late Senator Lester C. Hunt in 1954 introduced a bill which is identical with my proposed amendment with the exception that my proposal does not contain the standard economic dislocation. I have deleted the words "economic dislocation" after hearing the testimony given by the various parties when the Hunt bill (S. 1267, 2d sess., 83d Cong.) was the subject of hearings before a subcommittee of the Senate Committee on Interstate and Foreign Commerce. It appeared to me from an examination of the record and listening to the discussions that the term "economic dislocation" could be considered to be too indefinite to include in the Natural Gas Act since it might be difficult for the Federal Power Commission to administer this provision. However, I do not feel that same way about the terms "unemployment" or "injury" since these are susceptible to recognition by the Federal Power Commission or any other agency charged with protecting the public interest. Obviously, it can be developed by testimony before the Federal Power Commission whether or not a given proposal to import or export natural gas will, in fact, displace American mine, railroad, or other labor dependent upon American fuel industries. By the same token, if a natural gas pipeline is to be brought into an area that is presently being adequately served by coal, oil, or natural gas, it can be demonstrated before the Federal Power Commission the extent to which the resulting injury justifies modification or denial of such a proposal. I do not agree that my amendment will in any measure amount to an arbitrary cutoff of natural gas since obviously there is no objection on the part of any American group to the introduction of natural gas in the United States where it serves a purpose which cannot be filled by domestic fuels or in areas where American fuels cannot meet the needs and requirements of the area in question. In short, no unemployment or injury can possibly result under the circumstances described and foreign gas would be free to find its way into the United States under my amendment. It is certain that any foreign gas would find its way into the United States where it was actually needed and where the introduction of such foreign fuel would not create a problem with respect to the long-term security of the Nation.

Mr. President, by way of conclusion, I wish to urge the Members of the Senate to take this opportunity to deal with the important problem of our international natural-gas relations. My purpose in introducing the amendment at this time is to give Congress the earliest possible opportunity to protect American interests at a time when the Senate has under consideration other proposed amendments to the Natural Gas Act. Now is the time for the Senate to act in the matter. I note that my colleague, Senator LANGER, of North Dakota, has introduced a separate measure (S. 3003) which is identical with the Hunt bill alluded to previously. This action on the part of Senator LANGER emphasizes the need for amendatory action by the Congress with respect to the foreign gas problem. We who market our coal along the northern border of the United States are aware of the issue in advance of others because we are to be the first who are adversely affected by the impact of the many proposals relating to foreign gas. It is my purpose here to arouse the Nation to the dangers inherent in some of the plans and proposals relating to foreign gas and to enlist support now for needed amendatory legislation that will permit the Federal Power Commission to exercise needed additional controls to protect the best interests of my State and the Nation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. WATKINS] to the committee amendment.

Mr. LANGER. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the junior Senator from Texas [Mr. DANIEL].

Mr. DANIEL. Mr. President, I congratulate the distinguished Senator from Utah on his suggestion that the Senate should consider this important question. However, I should like to invite the attention of Senators to the fact that this proposal was not before the committee. It is a matter entirely outside the scope and purpose of this particular bill.

Much as I regret to do so, I must say, on behalf of the majority of the committee, that we cannot accept the amendment. We ask that it be voted down, and handled as a separate piece of legislation.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. DANIEL. I yield.

Mr. MAGNUSON. I think I am in the same position as the Senator from Utah. I believe that this is a subject which we ought to look into. But the Commission has the power and authority to consider the question. It can consider all factors in connection with any application for the importation of gas. Therefore, such an amendment to the pending bill seems unnecessary.

Mr. HUMPHREY. Mr. President, will the Senator from Texas yield?

Mr. DANIEL. I yield.

Mr. HUMPHREY. Would the Senator care to express an opinion as to whether or not he considers this amendment desirable as a separate piece of legislation? Whether it is attached to this bill, or whether it is acted upon separately, does the Senator consider it desirable?

Mr. DANIEL. At first glance, it seems to me that it is a subject which deserves consideration. However, the Senator from Texas has not had sufficient opportunity to study the question so as to enable him to express himself definitely.

Mr. JOHNSON of Texas. Mr. President, I am prepared to make the usual request with respect to yielding back the remainder of the time. I am ready to yield back my time if the Senator from Utah is willing to yield back his remaining time.

The PRESIDING OFFICER. Does the Senator from Utah yield back his remaining time?

Mr. WATKINS. I yield back my remaining time.

Mr. JOHNSON of Texas. I yield back my remaining time.

The PRESIDING OFFICER. All unused time has been yielded back.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Barkley	Bennett
Allott	Beall	Bible
Anderson	Bender	Bricker
Bridges	Hennings	Monroney
Bush	Hickenlooper	Morse
Butler	Hill	Mundt
Byrd	Holland	Murray
Capehart	Hruska	Neely
Carlson	Humphrey	Neuberger
Case, N. J.	Ives	O'Mahoney
Case, S. Dak.	Jackson	Pastore
Chavez	Jenner	Payne
Clements	Johnson, Tex.	Potter
Cotton	Johnston, S. C.	Purtell
Curtis	Kefauver	Robertson
Daniel	Kennedy	Russell
Dirksen	Kerr	Saltonstall
Douglas	Kilgore	Schoeppel
Duff	Knowland	Scott
Dworshak	Kuchel	Smathers
Eastland	Langer	Smith, Maine
Ellender	Lehman	Sparkman
Ervin	Long	Stennis
Flanders	Magnuson	Symington
Frear	Malone	Thurmond
Fulbright	Mansfield	Thye
George	Martin, Iowa	Watkins
Goldwater	Martin, Pa.	Welker
Gore	McCarthy	Wiley
Green	McClellan	Williams
Hayden	McNamara	Young

The PRESIDING OFFICER. A quorum is present.

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. WATKINS].

The amendment was rejected.

ORDER FOR ADJOURNMENT TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 11 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. DOUGLAS. Mr. President, I offer my amendment 1-24-56-A, and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That subsection (b) of section 1 of the Natural Gas Act, as amended, is hereby amended by striking out the period at the end thereof and adding the following: "or to any transportation or sale of natural gas for resale in interstate commerce which occurs at or prior to the completion of production or gathering during any calendar year by any person if (1) during the preceding calendar year the total sales of natural gas for resale in interstate commerce by such person, alone or in the aggregate with affiliated producers and gatherers, did not exceed 2 billion cubic feet computed at 14.65 pounds per square inch absolute at 60° F., and (2) such person is not a natural-gas company by reason of other transportation or sale of natural gas for resale in interstate commerce and is not affiliated with a natural-gas company."

SEC. 2. Section 2 of such act is amended by inserting "(a)" after the section number and by adding at the end thereof the following new subsection:

"(b) For the purposes of this act, a person shall be deemed to be affiliated with a producer or gatherer if such person directly or indirectly controls, is controlled by or is under common control with such producer or gatherer by reason of voting stock interest, common officers, directors, or stockholders, voting trusts, or by any other direct or indirect means."

Mr. DOUGLAS. Mr. President, before we proceed with a discussion of the amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOUGLAS. Mr. President, the amendment would free the small producers of natural gas from all regulations, and would retain regulation for the approximately 200 large producers.

As the amendment states, only those producers who sell more than 2 billion cubic feet, or 2 million thousand cubic feet of natural gas annually in interstate commerce would have their sales regulated. All other producers would be freed from any burden of regulation.

As demonstrated in the figures introduced in the CONGRESSIONAL RECORD of January 23, there are some 5,557 gas producers who sell gas in interstate commerce. Of these, 5,360 producers, who sell less than two billion cubic feet, would be exempt. Therefore, my amendment would exempt more than 96 percent of all producers who sell gas to interstate pipelines. The amendment would retain regulation, however, over 197 producers, or less than 4 percent of the total, who sell 90 percent of the gas.

In other words, the amendment would exempt 96 percent of the producers, but only 10 percent of the gas; and would retain regulation over only 4 percent of the producers, but 90 percent of the gas.

This amendment would have a double advantage. In the first place, it would be administratively much easier for the Federal Power Commission to function under it than under the Fulbright-Harris bill. The Fulbright-Harris bill at least sets up the possibility of an advance determination of the sale price which has to be made by the Federal Power Commission. If that is taken advantage of, the Federal Power Commission under the Fulbright bill will be swamped with contracts submitted by pipelines dealing with 5,557 producers, each one of which will have to be separately considered. Therefore the Fulbright bill in practice would not, as it has been argued it would do, free the Federal Power Commission from the heavy administrative load. My amendment would confine the work of the Federal Power Commission to the 197 big producers who produce and sell 90 percent of the gas in interstate commerce. In reality we know that it is the 35 big companies which produce and sell 70 percent of the gas in interstate commerce. If we control the 197 producers we in effect control the major portion of the gas and give effective protection to the consumer.

But, under my amendment, we permit the small producers to drive bargains with the pipelines without further supervision, so that they may increase their price, if necessary, if the pipelines require their gas. Yet, the higher prices which the small producers receive would not serve to trigger off the most-favored-nation clauses in the contracts which the big producers have with the pipelines, nor would it permit the big producers to insist upon a renegotiated contract in excess of a just and reasonable price as a condition of supplying additional gas.

So, Mr. President, we would still regulate the dog, but we would cease to regulate the tail. We can give up regulating the tail, provided we continue to regulate the dog. We would free the small producers from the burden of paperwork and we would free the Federal Power Commission from the burden of paperwork, but we would retain regulation of the big producer which is needed to protect the consumer of the product.

Mr. President, the evidence has indicated that there is no real or effective competition so far as the big producers and gatherers are concerned. Along the pipelines the big producers dominate the sales. The evidence which Dr. Boatwright himself produced indicated that in the case of 9 of the 13 big interstate pipelines 4 producers furnish more than 50 percent of the gas, and in 1 case, the famous Michigan-Wisconsin pipeline case, 1 gatherer, the Phillips Co., furnished 100 percent of the gas—a complete monopoly.

So, Mr. President, I submit that this amendment in the nature of a substitute would protect the consumer and at the same time free the small producer, and would make the administrative work both for producers and for the Federal Power Commission manageable.

Mr. LANGER. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. LANGER. The distinguished Senator is familiar with the fact that when I was chairman of the Antimonopoly Subcommittee we decided to go into that situation, but a Republican-dominated Congress refused to appropriate one single dollar to carry on the investigation. Does the Senator have an answer to that?

Mr. DOUGLAS. I am familiar with that fact. It is regrettably true. I think the Senator's committee should have been given the appropriation.

Mr. LANGER. I would have defended the Senator there, too.

Is the Senator aware of the fact that there is under this bill practically no regulation to protect the consumer of natural gas in his home; that if this bill is passed, it will cost the users of natural gas from $25 to $50 more a year, especially if used for heating as well as cooking?

Mr. DOUGLAS. That is correct.

Mr. LANGER. Is the Senator familiar with the fact that only a few years ago the Northern States Power Co. was sued in Fargo, Grand Forks, and Minot? We appealed to the public service commission, and as a result over a million dollars was refunded to the citizens of Fargo, which at that time had a population of around 30,000 people; $60,000 to the city of Grand Forks, and $60,000 to the city of Minot? All because the people were being charged extortionate electric light rates by the company.

Mr. DOUGLAS. I think the Senator from North Dakota had something to do with that.

Mr. LANGER. Yes; at that time I was Governor of the State.

Does the Senator believe that if this bill should pass without the proposed amendment there will be excessive rates?

Mr. DOUGLAS. I am virtually certain of it.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I am sure the Senator from Illinois has read the New York Times of February 4 and that possibly somewhere in his argument today he has referred to it.

Mr. DOUGLAS. No, I have not.

Mr. HUMPHREY. I have in my hand a clipping from the financial section of the New York Times, referring to the trading on the market on February 3. It is headed: "Big Gains Scored in Oils, Chemicals."

I shall read some pertinent portions of it:

Pronounced gains in oils and chemicals gave the stock market a rosy tone yesterday. Most of the improvement, also shared by General Motors, came in the late hours of trading.

Volume expanded to the best level since January 24, reaching 2,110,000 shares, against 1,900,000 on Thursday. Of the 1,144 issues traded, 558 rose, 338 fell and 248 closed unchanged. There were 24 new 1955–56 highs and 14 new lows.

Industrials were far stronger than rails. The New York Times industrial average climbed 5.12 points to 534.69 and the rails were up only 0.45 point to 103.34. The combined average rose 2.78 points to 319.01.

General Motors once again led in market activity, trading 36,600 shares and rising 1⅛ to 45. Following it in the list of the most active stocks were six oils. Standard Oil of New Jersey "when issued" and Sunray rose 1⅛ each, Standard of Indiana and Ohio Oil rose a point each. Jersey Standard Oil rose 3⅜ and Phillips rose 2⅝. Among the less active stocks, Standard of California jumped 2⅛, Texas Company 2¼, and Socony 1¼.

HUMBLE OIL SOARS 4½

On the American Stock Exchange, Woodley Petroleum advanced 2¾ and Humble Oil, a Jersey Standard subsidiary, 4½. Another good gainer in the same general field was Panhandle Eastern Pipe Line, up 2¼.

I merely ask the Senator from Illinois, in the light of those advances in stock-market quotations, is there not apparently a little prophetic vision in the eyes of the directors of these companies as to what may happen in the Congress?

Mr. DOUGLAS. I think the insiders in the companies or in the stock market had a better idea what the vote would be today in the Senate than had the Senator from Illinois or the Senator from Minnesota.

I have here the figures of changes in stock values on the New York Stock Exchange, over the entire week ending February 4, 1956.

The stock of the Chicago Corp. rose 1½ points over the week.

Cities Service, 4½.

Continental Oil, 7.

Gulf Oil, 6.

Northern Natural Gas, a pipeline company, rose 3⅝.

Phillips Petroleum rose 5¾.

Panhandle Eastern Pipeline, which will make a killing if this bill should pass, rose 4¼.

Pure Oil, 3½.

Sinclair, 2.

Skelly Oil, 3.

Socony, 4⅝.

Standard of Indiana, 2⅞.

Standard of California, 2⅞.

Standard of New Jersey, 10⅛.

In that case, in view of the announced stock split there may be other factors also involved in the rise.

Texas Co., 7¾.

Sunray Oil Co., 1⅞.

Superior Oil, 120——

Mr. HUMPHREY. Did the Senator say Superior Oil?

Mr. DOUGLAS. Yes.

Mr. HUMPHREY. It seems to me I have heard that name earlier today.

Mr. DOUGLAS. I believe that is the company of Austin, Tex., which Mr. Neff was listed as representing in Lincoln, Nebr.

Mr. HUMPHREY. How far up did it go?

Mr. DOUGLAS. It went up 120 points. In fairness I would point out that it is a high-cost stock, which was at $1,095 at the beginning of the week. Still that was a large gain for 1 week.

The Sun Oil Co. rose 2½.

Warren Petroleum, 6.

So the big boys have got the word.

Mr. HUMPHREY. They have also got the gravy.

Mr. DOUGLAS. They will get the gravy.

Mr. HUMPHREY. They are doing alright, already. We can imagine what will happen when the bill is passed. This is only anticipation. Sometimes anticipation is better than realization, but in this instance it is still very nice.

Mr. LANGER. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. LANGER. Is the distinguished Senator aware of the fact that the Public Service Commission of North Dakota voted for a resolution requesting the Senate not to pass this bill? Anson Anderson and Ernest Nelson, members of that commission, have different political affiliations. Neither one of them could, in my opinion, at anytime for any purpose be bribed, scared, or bulldozed. One is a member of the Nonpartisan League, the other of the Republican organizing committee; and never voted for me. But I would support either one for Governor of North Dakota, and if elected either one would make a good, honest governor and protect the interest of consumers against monopolistic interests who live on the tears and sweat of the farmer, small-business man, and the laborer.

Mr. DOUGLAS. Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 11 minutes left.

Mr. DOUGLAS. I should like to take about 3 minutes, and then yield some time to the Senator from Wyoming.

There are two objections which have been advanced to this amendment. The first is that it is unconstitutional to make an exemption of small producers in this amendment.

This, of course, is not true. Congress has, on numerous occasions, classified industries according to size and has applied the law to those over a given size. The Supreme Court in many cases has upheld such an act. I placed in the RECORD supporting material on this point, and I think it is abundantly established.

The second objection which has been advanced is that the provision could be evaded by the big companies subdividing into smaller units. I call the attention of my colleagues to section 2 of my amendment in the nature of a substitute, which provides that the test shall be whether such producer or gatherer has control by direct or indirect means, by voting stock interest, common officers, directors, or stockholders, voting trusts, and so on.

So the test is not the separate corporation, but is the control by a given set of persons or interests.

Therefore, the amendment could be enforced. It is constitutional. It would protect consumers, but it would exempt the small producers from regulation.

Mr. President, I now yield 5 minutes to the junior Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I thank the Senator from Illinois. I doubt that I shall need that much time.

I am sorry I have not had an opportunity to present to the Senate the questions which I dictated this morning and which are a part of the record, and on which I hoped to engage in a colloquy with the managers of the bill. I feel, however, that the situation is such that I should point out to the Senate at this time that the amendment of the Senator from Illinois will, in my opinion, definitely be of advantage to the small producers. One of the questions in my mind, after I had the opportunity to read the bill—and the opportunity was not presented until only last week—was whether it was a producer's bill or a pipeline bill, because the provisions contained in section 3 of the bill, page 6, create two new subsections, one of them (b), and the other (c), which seem to be designed to benefit the subsidiaries of the pipeline and to lay burdens upon the producers who are independent of the pipeline.

I am not at all certain that under the bill the producers of natural gas in Wyoming, who have heretofore had no market because they could not transport their oil to the markets, will not have to submit, not to Federal regulation, but to the regulation of the pipeline, and to take what they can get.

Section (d) provides for a hearing by the Commission "When an increase in any rate or charge for natural gas is filed with the Commission."

The Commission is authorized to fix a reasonable amount to be paid for the purchase of natural gas from a person—which, of course, is a natural gas company selling in interstate commerce for resale—other than an affiliate.

So the affiliate producer is specifically exempted from the provisions of this section. Then there follows another exemption, in lines 11 and 12 on page 6:

Unless there has been a prior determination under subsection (c) of this section.

I have asked, Why is that exemption introduced? The object and purpose of that exemption is clearly intended to provide that under subsection (c) the transporting pipeline may make an application for the fixing of the reasonable price when a new contract is negotiated or an old contract is renegotiated, and that fixing of the price will stand so long as the contract stands.

Most contracts for the sale of natural gas are for 20 years or for the life of the producing field. Consumers who want natural gas will do well to stimulate the production of new gas by independent operators. I come from a State which has seen the independent operators hampered in the development of fields because of a lack of transportation. But when a measure seems to provide that the independent operator must be dependment upon the pipeline transporter—I could give other instances in the bill, but I shall not do so now—it seems to me to be highly advisable that the amendment in the nature of a substitute offered by the Senator from Illinois should be adopted. If it shall be adopted, then, as I see it, the independent producer will be encouraged; the production of more gas will be promoted, and there will be reposed in the Federal Power Commission the power to regulate the pipeline, which both purchases and distributes in interstate commerce, and then carries to the city gate of the consuming public, where regulation passes into the hands of the municipality. But, of course, an amendment to the act has taken from the Federal Power Commission the power to control such distribution.

I shall vote for the amendment of the Senator from Illinois.

The PRESIDING OFFICER. Does the Senator from Illinois yield back the remainder of his time? He has 5 minutes left.

Mr. DOUGLAS. No, I do not yield back the time; I reserve it.

Mr. JOHNSON of Texas. I yield 5 minutes to the junior Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I rise in opposition to the amendment in the nature of a substitute offered by the Senator from Illinois. I wish I could agree that the reasoning of my distinguished colleague from Wyoming [Mr. O'MAHONEY] would prove to be justified as he thinks it would. As a matter of fact, I see in the amendment a result far worse than no bill at all.

In the first place, the Douglas amendment in the nature of a substitute is a confession of the chaos which the Supreme Court rule of cost plus reasonable return on investment will create. In order to avoid the supercharged chaos, we attempt to come to an ordinary chaos by saying that we will not try to deal with 8,000 independent gas producers, but will pick 197 larger ones. That figure happens to be slightly misleading by about one-half, according to the best

UNIVERSITY OF MICHIGAN LIBRARIES

figures my research staff can collect, because there are about 400 who would come under the limitation of 2 million thousand cubic feet a year. So there would be the regulation of at least 400 gas producers which would ultimately be passed upon by five members of the Federal Power Commission.

Instead of agreeing with the distinguished Senator from Wyoming that this would help the independent producers, believe me, it would run them out of business. It would freeze the big producers in their already dominent spot, and would prevent the growth of competition beyond that which would exist at the time of the passage of the bill.

Let me show Senators how that will work—and work it will, exactly in this way: The distinguished Senator would limit the unregulated production of gas to 2 million thousand cubic feet. That is based on current gross sales, whether those sales took place in the Allegheny field or in Kansas, Oklahoma, Texas, New Mexico, or anywhere else. Only 2 million thousand cubic feet a year could be produced before utility regulation would be imposed. The value of gross sales of 2 million thousand cubic feet at current prices would be $200,000.

If we take the latest Treasury figures of the profits which are earned by crude oil and gas producers, we arrive at a net profit of 6 percent of gross sales. So the amendment offered by the Senator from Illinois would limit the profit of any small gas producer, from a practical standpoint, to $12,000 a year at which point he would become a public utility. The Senator says—and I think sincerely believes—that his amendment is to protect the independent producer. But the result will be that the small independent producer will not wish to get any bigger if he sells $200,000 worth of gas. If he does, he will become a public utility and will then require certificates of convenience and necessity. Then it will be necessary to have a Washington legal staff; and the best information I can obtain is that it will cost $10,000 a year in order to comply with the red tape with which a gas producer must comply, in order to become a producer within the jurisdiction of the Federal Power Commission.

So if a producer has $12,000 profit from his sales of 2 million thousand cubic feet a year, he will stop when he gets to 2 million thousand cubic feet, unless he can in some way figure how to go to 5 million thousand cubic feet a year.

If a producer can go from 2 million thousand cubic feet to 5 million thousand cubic feet, then he might want to become a public utility and be regulated. But if anything has ever been devised to make the big producers bigger and keep them from ever facing any competition from the smaller producers who might wish to produce gas, it is the amendment of the Senator from Illinois.

Furthermore, the amendment will result in gas having two values. It will have one value in interstate commerce if it comes from a large producer on one side of the section line—let us assume that this would be a lesser value under public utility regulation. If it comes from a small producer on the other side of the section line, it has a different value, because there is no kind of regulation provided in the amendment of the distinguished Senator from Illinois which would affect it. There is no limit on what the man on the other side of the section line charges.

I do not know what the amendment would do to the farmers, inasmuch as they own one-eighth of the gas, if they should happen to lease gas to big corporations.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The chair is advised that the time of the Senator from Oklahoma has expired.

Mr. MONRONEY. Mr. President, I ask the Senator from Kentucky to yield to me 3 additional minutes.

Mr. CLEMENTS. I yield 5 additional minutes to the Senator from Oklahoma.

Mr. MONRONEY. If a farmer had a lease with a big corporation, assuming the lease were 5 years old, the amendment would provide for Federal regulation of the price of the one-eighth of that farmer, while the amendment would leave his neighbor across the section line free.

I do not know what kind of justice that is. I am not a constitutional lawyer. But I have a hunch the courts would not let such a situation stand, when farmers living side by side would be allowed a different return, because it would seem to violate the Bill of Rights and would be taking property without due process of law. I do not think even Congress can do that.

It seems to me that the distinguished Senator from Illinois in this case, as in many cases in the debate, does not know about the conservation practices in the gas field, with respect to permitting 1 dozen or 2 dozen or 3 dozen producers to acquire small parcels of gas-producing land, put them together, and market the gas through 1 marketing agency.

Reference has been made to the so-called malicious contract made between the Michigan-Wisconsin pipeline and the Phillips Petroleum Co. Phillips did not want to supply the gas exclusively, but the pipeline people did not want to do business unless they found one producer who would supply the gas. That is the fact, as the hearings brought out.

It seems to me the Senator's amendment drives at the heart of combinations on the part of small operators, because when they combine their total sales may go above the 2 million thousand cubic feet ceiling and the combination will become a public utility.

Another aspect which would not make the amendment workable is its effect on unitization. In the vast Huguton field there are many gas pools and many producers, but production is unitized so that there may be, for example, only one gas well to a square mile, and the various leaseholders contribute to the cost of drilling. There is not a well every 50 or 100 feet, and much gas is saved as a result.

If the pending amendment should be adopted, unitization of fields would be made impracticable or unprofitable, although it is one of the most practical methods of conservation.

It was said there might be an attempt to shift back and forth, and divorce properties, so that they would not be under regulation. I point to the fact that the gimmick is in the Supreme Court bill, not in the Fulbright bill. The distinguished Senator from Rhode Island [Mr. PASTORE] has inquired about the gimmick. The gimmick is in the Supreme Court bill. I do not know of anything which would prevent the Senator from Rhode Island from realizing a good return if he should discover a gas field. Assume that it might cost him $500,000 to discover and start the initial drilling. If the engineering research showed the field to be worth $10 million, in order to avoid committing the gas to interstate use, and a control status which would come about if it were committed to an interstate pipeline, the Senator could sell the gas field to MIKE MONRONEY for $10 million. It would be an arm's-length deal, and I could obtain financing in any bank in the oil-producing area for 20 years.

What would the result be? After tolerating all the pain and inequities of a utility type regulation, what would Congress have accomplished? But under all the court holdings—and I challenge anyone to show me that this is not true—the buyer at arm's length who paid $10 million before the gas was devoted to public use would be guaranteed a return on the $10 million. So instead of having a ceiling, as the proponents of the Supreme Court measure would have us believe, the Supreme Court decision would guarantee a 6 or 8 or 10 percent return on the cost of the property.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. CLEMENTS. Mr. President, I yield one additional minute to the Senator from Oklahoma.

Mr. MONRONEY. I should like to have 2 minutes, so that I may yield to the Senator from Rhode Island.

Mr. CLEMENTS. I yield 3 minutes to the Senator from Oklahoma.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield to the Senator from Rhode Island.

Mr. PASTORE. Where does the distinguished Senator from Oklahoma get the idea that the finding of a reasonable market price, to protect the consumers' interest, makes it a utility type regulation? The Senator keeps referring to utility type regulation. Where does the Senator get that idea?

Mr. MONRONEY. That is what it is.

Mr. PASTORE. Does the Senator mean that the bill——

Mr. MONRONEY. I am talking about the Supreme Court decision.

Mr. PASTORE. I am talking about the bill.

Mr. MONRONEY. I am also talking about the bill, because the bill would relieve the gas consumers from the effects of an unworkable utility type regulation.

Mr. PASTORE. The distinguished Senator knows that I attended all the hearings on the bill. Did I ever take the position that producers should be under a utility type regulation?

Mr. MONRONEY. As I recall, there was a great deal of discussion of the just and reasonable rates throughout all the hearings, which means a utility type regulation.

Mr. PASTORE. Is it not a fact that I have always taken the position that special consideration should be given to the producers, and yet the consumers' position should be protected?

Mr. MONRONEY. All through the hearings the Senator said he was willing to give a fair return, but we always went back to the original cost.

Mr. PASTORE. The Senator is mistaken. I never took that position. I took the position that passage of the bill would be a victory for no one. The defeat of the bill would be a victory for no one. I have always taken the position that there was a middle-of-the-road position, and that there should be equity for the producer as well as protection for the consumer.

Mr. MONRONEY. That is provided for in the Harris bill.

Mr. PASTORE. That is not provided, and the chickens will be coming home to roost.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. CLEMENTS. Mr. President, I should like to ask the Senator from Oklahoma how much more time he desires.

Mr. MONRONEY. I should like sufficient time to yield to the Senator from Texas. Then I shall yield the floor.

Mr. CLEMENTS. I yield 3 more minutes to the Senator from Oklahoma.

Mr. DANIEL. Will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield to the Senator from Texas.

Mr. DANIEL. The Senator from Texas agrees with the Senator from Oklahoma that nothing would hurt the small producer more and help the big ones more than would adoption of the amendment offered by the Senator from Illinois.

I should like to ask the Senator if it is not true that the Federal Power Commission, in reporting on the proposal, said that it would be "extremely difficult to administer, if not unworkable, and would of necessity be uncertain." Is that not true?

Mr. MONRONEY. That is exactly correct. Furthermore, adoption of the amendment would cause greater loss in the gas supply than anything else I could name, because when a producer reaches the 2 million thousand cubic feet limit, he would not drill another well.

Mr. DANIEL. Under the system advocated by the Senator from Illinois, one producer in a field would be getting one price, while another nearby producer would be getting another price. Is that not correct?

Mr. MONRONEY. I agree with the Senator from Texas.

Mr. CLEMENTS. Mr. President, let me inquire whether the Senator from Illinois proposes to yield back the remainder of the time available to him?

Mr. DOUGLAS. Not quite; first I should like to ask how much time remains to me.

The PRESIDING OFFICER. Seven minutes remain to the Senator from Illinois.

Mr. DOUGLAS. Then, Mr. President, I yield 2 minutes to the junior Senator from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. President, I do not pose as an expert in the field of the economics of oil and gas production and distribution. But in connection with the amendment, it occurs to me that there is some precedent in principle for it, in the Federal practice regarding bigness and smallness of industry. When Congress initiated the renegotiation statute, designed to control excessive profits during wartime, no exemption was provided because of the size of an industry. But experience demonstrated that it was practical to exempt some of the smaller suppliers. I think the first exemption was for industries under $100,000. Later the exemption was increased to industries up to $250,000 or $300,000, as I recall, eventually the exemption was extended to industries up to $500,000. In any event, the practice was to find a dividing line, so that the processes of controlling the problem would not be complicated by dealing with too many of the small units.

It seems to me that, in practice, that principle proved to be a sound one in that field; and I believe it could in this field. That is why this particular amendment seems to have much to commend it, and I should like to urge its adoption.

Mr. DOUGLAS. Mr. President, I should like to reply to some of the criticisms which have just been advanced by the Senator from Oklahoma.

First, the Senator from Oklahoma said that 400 or 500 producers still would be hit by regulation, if my amendment were adopted. Let me say that the report of the Federal Power Commission, which I placed in the CONGRESSIONAL RECORD on page 1031, shows that there would be only 197 producers covered on the basis of 1954 figures of sales in interstate commerce. If we add to that number the 14 or 17 major pipelines, some of which have very little production, we have a total of only a little more than 200 major producers subject to regulation. I submit that these Federal Power Commission figures are the most authoritative ones available to the Senate.

Mr. President, certainly the Senator from Oklahoma was not thinking very carefully when he said that my amendment would limit the small producer to a total profit of $12,500. Quite to the contrary, my amendment would permit the small producer to obtain whatever he could secure for his gas, and would not limit him to any profit figure.

My amendment would not make the small producers utilities. They would become utilities only if, first, they were big enough to sell more than 2 million thousand cubic feet, and only if, second, they decided to sell in interstate commerce.

Mr. President, I am totally bewildered by the argument of the distinguished Senator from Texas that if we try to exempt the small producer, we are hurting him. That is a fantastic argument, if I may say so. My amendment more fully exempts him than the pending bill—if the claims of the proponents that it retains some regulatory power are correct.

Then it is said, by the Senator from Oklahoma, classification is unjust. Mr. President, certainly classification is not unjust, for under the SEC there is classification by size in the case of issues of securities of under $300,000; and there is also classification by size in the case of the Fair Labor Standards Act, the Packers and Stockyards Act, the act for an 8-hour day for railroad workers, and in the case of the Social Security Act; and in all such cases the Supreme Court has upheld classification as constitutional.

My good friend there says that unitization of the field is impossible under my amendment. But, Mr. President, that is not so, because adjoining owners who operate through a common well drilling, but who are not economically related or subject to common control might agree to apportion the costs and returns of such drilling. They could be doing it in a sense on a cooperative basis, instead of upon a basis of common control.

Mr. President, I understand that one further argument was that it would be impossible for the Commission to classify by size—whereas, as a matter of fact, the Commission not only has done that, but is now doing it; it classifies the concerns by size for accounting requirements and for the furnishing of reports to the Commission.

Mr. President, I submit that this amendment is a good one; and I hope very much that it will be adopted.

Mr. CLEMENTS. Mr. President, will the Senator from Illinois advise the acting majority leader whether he will yield back the remainder of his time?

Mr. DOUGLAS. Yes; provided the opposition to the amendment will also yield back the remainder of their time.

Mr. CLEMENTS. Mr. President, I assure the Senator from Illinois that the time which is under the control of the acting majority leader is ready to be yielded back at any time the Senator from Illinois is willing to do the same.

Mr. DOUGLAS. I am ready to have an armistice if the Senator from Kentucky is also ready for one.

Mr. CLEMENTS. Mr. President, under that expression by the Senator from Illinois, the Senator from Kentucky is ready to yield back the remainder of the time under his control.

Mr. DOUGLAS. Then, Mr. President, I yield back the remainder of my time.

Mr. CLEMENTS. Mr. President, I rise to a point of information.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. CLEMENTS. It is my understanding that after a quorum call, no time will be left on the amendment. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. CLEMENTS. Then, Mr. President, I suggest the absence of a quorum.

UNIVERSITY OF MICHIGAN LIBRARIES

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McCarthy
Allott	George	McClellan
Anderson	Goldwater	McNamara
Barkley	Gore	Monroney
Beall	Green	Morse
Bender	Hayden	Mundt
Bennett	Hennings	Murray
Bible	Hickenlooper	Neely
Bricker	Hill	Neuberger
Bridges	Holland	O'Mahoney
Bush	Hruska	Pastore
Butler	Humphrey	Payne
Byrd	Ives	Potter
Capehart	Jackson	Purtell
Carlson	Jenner	Robertson
Case, N. J.	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Saltonstall
Chavez	Kefauver	Schoeppel
Clements	Kennedy	Scott
Cotton	Kerr	Smathers
Curtis	Kilgore	Smith, Maine
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Duff	Lehman	Thurmond
Dworshak	Long	Thye
Eastland	Magnuson	Watkins
Ellender	Malone	Welker
Ervin	Mansfield	Wiley
Flanders	Martin, Iowa	Williams
Frear	Martin, Pa.	Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the committee amendment. All time for debate is exhausted. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness. If present and voting, he would vote "nay."

The Senator from Wyoming [Mr. BARRETT] is detained because of illness in his family. If present and voting, he would vote "nay."

The result was announced—yeas 35, nays 58, as follows:

YEAS—35

Aiken	Humphrey	Mundt
Barkley	Ives	Neely
Bender	Jackson	Neuberger
Bush	Jenner	O'Mahoney
Case, N. J.	Kefauver	Pastore
Case, S. Dak.	Kennedy	Potter
Douglas	Kilgore	Smith, Maine
Duff	Langer	Sparkman
Ervin	Lehman	Symington
Green	Magnuson	Thye
Hennings	McNamara	Wiley
Hill	Morse	

NAYS—58

Allott	Flanders	McCarthy
Anderson	Frear	McClellan
Beall	Fulbright	Monroney
Bennett	George	Murray
Bible	Goldwater	Payne
Bricker	Gore	Purtell
Bridges	Hayden	Robertson
Butler	Hickenlooper	Russell
Byrd	Holland	Saltonstall
Capehart	Hruska	Schoeppel
Carlson	Johnson, Tex.	Scott
Chavez	Johnston, S. C.	Smathers
Clements	Kerr	Stennis
Cotton	Knowland	Thurmond
Curtis	Kuchel	Watkins
Daniel	Long	Welker
Dirksen	Malone	Williams
Dworshak	Mansfield	Young
Eastland	Martin, Iowa	
Ellender	Martin, Pa.	

NOT VOTING—3

Barrett	Millikin	Smith, N. J.

So Mr. DOUGLAS' amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The committee amendment is open to amendment.

LET US CLARIFY CONGRESSIONAL INTENT

Mr. O'MAHONEY. Mr. President, I offer an amendment. It has not been printed, and I shall therefore read it.

On page 6, lines 10 and 11, I propose to strike out the words "other than an affiliate;" and in lines 11, 12, and 13, to strike out the words "unless there has been a prior determination under subsection (c) of this section."

The purpose of my amendment is to have an opportunity to enjoy a colloquy with the junior Senator from Texas [Mr. DANIEL], the junior Senator from Oklahoma [Mr. MONRONEY], and the junior Senator from Arkansas [Mr. FULBRIGHT], the Senators in charge of the bill on the floor. I should like to clarify the intent of Congress on this bill.

We all know that when a measure goes to the courts, statements by those in charge of a measure are read by the courts as indicating what the intention of Congress was in passing the measure.

I did not have an opportunity to read the bill carefully, because of other duties, until last week, and I confess that upon study it has seemed to me to be vague and uncertain in many provisions.

I would not hesitate to predict that it is a measure which is more likely to create litigation, rather than one to solve the great problems of handling our natural-gas resources from their deposit under the ground until delivery to the consumers in the cities. We need stabilization of this industry on a basis that is fair to all concerned, from the production to the consumer.

Mr. President, I have been careful to make certain that the managers of the bill should know precisely most of the questions that I should like to ask of them. Therefore I dictated the questions this morning, and have had them mimeographed. They are a part of this day's proceedings, and the pages are now distributing the questions to all Members of the Senate who desire to pay heed to what is being said.

I should like to know, in the first instance, whether the bill directly or indirectly modifies and amends section 1 of the act of June 21, 1938. I wish to read subsection (b) of the act. This is an important issue. The law which was enacted in 1938 by men who are presumed to have known what they wanted done, said in words of very simple meaning in subsection 1 (b):

(b) The provisions of this chapter shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural gas companies engaged in such transportation or sale.

Nothing in the bill as reported by the committee directly repeals or modifies that provision. Therefore I should like to have one of the managers of the bill tell the Senate if subsection 1 (b) is modified or amended by the bill; if so, how it is amended.

Mr. DANIEL. Mr. President, I will say to the Senator from Wyoming that I am not volunteering. I have been designated by the floor managers, members of the committee who handled the bill on the floor, to attempt to answer these questions.

The Senator from Wyoming read only the first portion of the present law. Of course, he did not intentionally leave out the remainder of it, but to answer his question I must read the rest of the sentence.

After saying what the Natural Gas Act shall apply to, then, if the Senator will follow me——

Mr. O'MAHONEY. I have the act before me.

Mr. DANIEL. It then provides: "but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

Mr. O'MAHONEY. That is precisely what is in the original law.

Mr. DANIEL. For 16 years that law was interpreted by the Federal Power Commission to mean that it had no jurisdiction over sales by independent producers. The purpose of the bill is to write a law for the future as it was understood to be for 16 years and as Congress seemed to understand it when it wrote the law.

We felt it had been written as clearly in this provision as Congress could write it. Rather than to attempt to make it any plainer there, the committee has suggested in the Fulbright bill the addition of definitions of what is meant by "transportation of natural gas in interstate commerce" and "sale in interstate commerce of natural gas for resale." That is in section 2 on page 5 of the bill.

Those two paragraphs would modify the Supreme Court's interpretation of the present Natural Gas Act and would make sales at the wellhead or at the "tailgate" of a processing plant or any sales made before delivery into interstate transportation lines, not subject to regulation under the act.

Mr. O'MAHONEY. What are the provision to which the Senator refers?

Mr. DANIEL. On page 5, the provisions of section 2, which would be numbered in section 2 of the present law as subsections 10 and 11. They would follow the first 9 sections of section 2 of the present law.

THE NEW DEFINITIONS

Mr. O'MAHONEY. Let us read those 2 sections, because they are definitions, and the courts in coming to any decision involving the law, if it is enacted will try to interpret these definitions. I read from page 5, beginning with line 7 of the bill before us:

(10) "Transportation of natural gas in interstate commerce" means only such transportation of natural gas in interstate commerce as occurs after the completion in or within the vicinity of the field or fields where produced of all production, gathering, processing, treating, compressing and delivering—

I observe, Mr. President, that the original act in its prohibition, providing that

the law shall not apply to certain acts, refers only to production and gathering. This new definition adds: "processing, treating, compressing, and delivery of such natural gas into the transportation facilities of a person engaged in transporting in such transportation facilities, natural gas in interstate commerce beyond the vicinity of the field or fields where produced."

Mr. President, there is nowhere in the bill a definition of the word vicinity. One of the questions which I would address to the Senator is, What is the intended meaning of the word "vicinity" means?

I ask the question having in mind the definition contained in the bill as reported from the Committee on Interstate and Foreign Commerce. Does it mean transportation, or does it mean an area embracing two or more States? The definition of interstate commerce as contained on pages 4 and 5, beginning in line 23, is as follows:

"Interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State, but through any place outside thereof.

I ask the Senator whether delivery to a single spot in a field which embraces two or more States can meet the purpose of this bill, wherein commerce is defined as that which takes place between any point in one State and a point in another State. Is not subsection 10 a reversal or a denial of paragraph 7 of section 2 as amended by this bill?

Mr. DANIEL. The purpose of including the words "in the vicinity of the field or fields where produced of all production, gathering, processing, treating, compressing and delivery" is to limit it to local features. This would be true even though some of the processing is done at a central plant, although the gas comes from more than one State, where there is a field on a State line. It is my understanding from the evidence before us, both in the House and in the Senate, that was what was intended in including "in the vicinity of the field or fields." Usually there is a processing plant for a field, and if a part of the field happens to be over a State line, for example, between Oklahoma and Texas, there might be one processing plant to which all the gas will come to be processed and the gas will not be ready to go into interstate commerce until it has gone through the processing plant. I handled a case, as Attorney General of Texas, which involved such a field, and all the gas was processed at the same plant. It did not go into interstate lines until after being processed; and that point, under this bill, is the point where interstate commerce would begin.

In no event, under this bill, would the gas be exempted from the definition of interstate commerce after it goes into the interstate pipeline. That is the point. After the sale and delivery are made into an interstate pipeline, of course the present Natural Gas Act would apply but not before.

Mr. O'MAHONEY. May I ask the Senator, then, if he understands that it makes any difference whether the interstate pipeline owns the processing plant, the compressing plant, the treating plant, and the plant to which the delivery is made?

Mr. DANIEL. Yes. It would make a difference, in my opinion, because the present provisions of the Natural Gas Act would apply in the case of ownership of the plants mentioned. If the situation involves an interstate pipeline company, it would be under regulation in accordance with the present law plus what has been added in subsection (f) of the present bill.

Mr. O'MAHONEY. The present law?

Mr. DANIEL. When I said "subsection (f)" I should have said subparagraph (f) of section 3 of the Fulbright bill in addition to the present law which provides that it shall be allowed the reasonable market value.

Mr. O'MAHONEY. I thought the Senator meant subsection (f) of this bill.

Mr. DANIEL. No. In the case of interstate pipeline companies which have their own production we have to look to the present law which we are not changing except for the provisions of subsections (f) and (g) on page 9 of the bill.

Mr. O'MAHONEY. It is clear, then, that the bill does not contain the statement which the Senator has just made, and his interpretation is the interpretation which the managers of the bill want us to understand to be the intent?

Mr. DANIEL. That is correct.

Mr. O'MAHONEY. Does the Senator believe that this interpretation, though not stated in the bill, will be recognized in the courts as controlling and as defining the intent of Congress?

Mr. DANIEL. That is my opinion, but, as the Senator knows, none of us can predict very well what the courts might do to legislation enacted by Congress.

Mr. O'MAHONEY. I have served with the Senator from Texas long enough to know that he is a very brilliant and able lawyer.

Mr. DANIEL. I thank the Senator from Wyoming.

CONGRESS MUST TAKE CARE

Mr. O'MAHONEY. He is also a gentleman of great personal charm. I agree with him, however, that we cannot predict what the courts will do. I am certain the Senator will agree with me that, when we are writing a law, we ought to make it so clear that the judges would have to "go around the corner" to misinterpret it.

Mr. DANIEL. I agree with the Senator from Wyoming. However, sometimes the judges "go around the corner"; and they certainly did in interpreting the present act when they held that neither production nor gathering is exempt from control.

Mr. O'MAHONEY. I wish there were in the law a definition or a statement that "Transportation of natural gas in interstate commerce means only such transportation of natural gas in interstate commerce as occurs after the completion in or within the vicinity of the field or fields where produced of all production, gathering, processing, treating, compressing, and delivering"—now I am suggesting new language—"of such natural gas into the transportation facilities of a person engaged in transporting, in such transportation facilities, natural gas into the processing, treating, compressing, and delivering facilities of an interstate pipeline."

This would make clear what the Senator from Texas meant.

Mr. DANIEL. On that point I believe the bill is just as clear as the committee could possibly make it. Having sat in on the debates in the committee and having heard the testimony for about 17 days, I think the language is as clear as it can be made.

Certainly what the Senator has said is in line with what the committee report has to say on the subject. I refer to the fifth paragraph on page 4 of the report.

Mr. O'MAHONEY. Without reading it from the report, would the Senator be good enough to place that paragraph in the RECORD?

Mr. DANIEL. Yes.

Mr. President, I ask unanimous consent that paragraph 5 on page 4 of the committee report on S. 1853 be printed at this point in the RECORD.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

Except for the authority given the Federal Power Commission by section 3 of the bill as to contracts made or renegotiated after its effective date and as to certain types of escalation clauses, the new definition included in paragraphs (10) and (11) will exclude from the Commission's jurisdiction wellhead sales of natural gas, sales at a central point in or near the field or fields of production to which the gas has been gathered, and sales at the "tailgate" of a processing plant located in or near the field where the gas is produced. It will also exclude from such jurisdiction all production, handling, and processing of gas occurring prior to such a sale or prior to the receipt of the gas by the transmission company into its interstate transmission facilities. However, any transportation in interstate commerce and any sale in interstate commerce for resale occurring after transportation in interstate commerce has commenced will continue fully subject to Commission jurisdiction.

WHAT IS "INTERSTATE COMMERCE" FOR THE PURPOSES OF THIS BILL?

Mr. O'MAHONEY. Mr. President, I now ask the Senator to refer to the definition of "interstate commerce," as included in the bill. It begins on line 23, page 4.

(7) "Interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, or between any point in a State and any foreign nation, but only insofar as such commerce takes place within the United States.

Will the Senator now tell me whether, in his opinion, the use of the words "vicinity of the field or fields", in subsections (10) and (11), can be embraced within that definition? Or are there two definitions of "interstate commerce" in the bill?

Mr. DANIEL. There is just one definition of "interstate commerce." The bill continues by saying what is meant by the sale in interstate commerce and the transportation of natural gas in interstate commerce, and exempts therefrom the local processes, such as produc-

UNIVERSITY OF MICHIGAN LIBRARIES

tion, gathering, processing, and compressing the gas. Those operations are exempt from the definition of interstate commerce, because they are performed before the gas is put into the interstate pipeline.

Mr. O'MAHONEY. Does the definition in subsection (11), "Sale in interstate commerce of natural gas for resale," modify section 1 (b) of the entire act as it presently stands?

Mr. DANIEL. Yes; to the extent I have explained, it would modify section 1 (b) of the act. The definitions in subsections (10) and (11) would modify the language in section 1 (b) as it has been interpreted by the Supreme Court to the extent I have already stated.

Mr. O'MAHONEY. We now come to subsections (b) and (c), which appear on pages 6 and 7. These are offered by the committee as new subsections of section 5 of the Natural Gas Act. Section (b) exempts, as I have already pointed out, an affiliate of a natural gas company from the provisions of this section. Of course, a natural gas company, as defined in the original law, not in the bill, is either a transportation company or a producer which sells for resale in interstate commerce.

Mr. DANIEL. Except to the extent that that definition of "natural gas companies" would be changed by subsections (10) and (11), this would be true.

THE MEANING OF PRODUCER

Mr. O'MAHONEY. But even with section (11) a producer is still a natural gas company.

Mr. DANIEL. No. If the producer is an independent producer, who does not engage in interstate commerce beyond the way in which that term is defined in subsections (10) and (11), he would not be a natural gas company.

Mr. O'MAHONEY. But if the producer does engage in interstate commerce as defined in subsection (10), lines 7 and 8. Then that person, artificial or natural, is a natural gas company.

Mr. DANIEL. That is correct.

Mr. O'MAHONEY. Then may such a producer file an increase in any rate or charge for gas under subsection (b)?

Mr. DANIEL. If I understand the Senator from Wyoming correctly, we are now talking about not an independent producer, but a pipeline company and producer combined—an integrated company.

Mr. O'MAHONEY. Let us get clear about the independent producer. I think of an independent producer as one who is not an affiliate of a pipeline. No matter whether he sells in intrastate commerce or sells for resale in interstate commerce, he is an independent. So I am asking about the independent producer, not about the affiliate. May the independent producer apply to the Federal Power Commission for an increase in the price if his natural gas is for resale? We must remember that economic conditions change. Inflation comes or goes.

Mr. DANIEL. No; he would not be regulated by the Federal Power Commission as to price. Therefore, he would not have the benefit of asking for an increase in his price.

Mr. O'MAHONEY. The Senator is very able. I do not ask him whether the producer would be regulated or not; I ask whether he would have the right to file a rate increase or charge.

Mr. DANIEL. Under subsection (b)?

Mr. O'MAHONEY. Yes.

Mr. DANIEL. No; he would not.

Mr. O'MAHONEY. That was my impression. I believe we should legislate for the producer so that he may get an increase if necessary.

Mr. DANIEL. But we cannot legislate for the producer by letting him have his cake and eat it, too.

Mr. O'MAHONEY. I wish the Senator had not said that.

Mr. DANIEL. We cannot say that we are not going to regulate the producer and, at the same time, say that we will let him come forward and apply for rates higher than those in the contracts he makes.

THE OBLIGATIONS OF CONTRACTS

Mr. O'MAHONEY. I with the Senator had not used the phrase, "Let him have his cake and eat it, too," because now I must turn to page 8, subsection (e), which provides with respect to the recommendations of the committee:

> Whenever, in connection with an increase in the price of natural gas under the provisions of an escalation clause, the Commission, pursuant to subsection (d) has made a determination as to the reasonable market price of such natural gas, the natural-gas company shall be obligated to pay only such part of the increase in price as results in a price which does not exceed such reasonable market price.

There we have a provision which relieves the pipeline company from the obligations of the contracts it has made for increasing the price.

Mr. DANIEL. The Supreme Court relieved them by their decision in the Phillips case.

Mr. O'MAHONEY. But we are making new law.

Mr. DANIEL. If the Senator from Wyoming had sat through 17 days of hearings, he would have found out that this is the best bill which could have been reported by the committee to protect the producers. When they have made contracts—and they have made plenty of them—dedicating their gas for a 20-year period, with provisions concerning prices, it would seem that we should allow them to enjoy the terms of contracts arrived at in arms-length negotiations. But some producers put spiral escalation clauses and favored nations clauses and other types of escalation clauses in their contracts, which are now in disfavor. Since the Supreme Court went as far as it did, and said that the contracts mean nothing, we felt as to certain escalation clauses in the contracts, which the Supreme Court had knocked out, that we should not let the producers get more under the contracts than a reasonable market price.

If that had not been done, the opposition would today be "fussing" a lot more than it is.

Mr. O'MAHONEY. I am very much interested that the Senator from Texas cites the Phillips decision in order to support his position and the position of the committee. It is the first time I have heard it cited favorably by his side.

Mr. DANIEL. It was not cited favorably, and I did not intend to leave that impression, but we must recognize that the decision is the law of the land and will be until we change the law for the future.

I will say, frankly, that in some of the producer contracts there are automatic escalation clauses which do not seem to be in the public interest, and the committee was of the opinion that some control should be put on such contracts.

I wish this colloquy had been going on when some of the previous debate was had, so the opponents would have understood how far we went in holding the producers down to a fair and reasonable market price, even though producers had contracts which would bring them more money.

Mr. O'MAHONEY. I congratulate the Senator and the committee on the fact that it has required a reasonable market price, although I know the opponents object, because the language does not have the phrase the Senator has just used—"fair and reasonable."

Mr. DANIEL. The language "reasonable market price" was used.

Mr. O'MAHONEY. I was merely taking advantage of a slip of the tongue, if the Senator will pardon me.

Mr. DANIEL. I would say "reasonable" means "fair."

Mr. O'MAHONEY. But I will say to the Senator that on page 9 of the bill, subparagraph (f), where the committtee was dealing with affiliates, no authority was granted to the parent company to refuse to pay the obligation in contracts with respect to the escalator clause, even though it would be above the reasonable price.

Why is it that in the case of the independent, the committee tells the independent producer that he cannot get the price for which he contracted, but the committee is not telling the affiliate of the pipeline company that he cannot do that?

Mr. DANIEL. In effect, the committee does say that to the affiliate company, because we say in subparagraph (g) that "a person shall be held to be an affiliate of a natural-gas company if such person controls, is controlled by, or is under common control with, such natural-gas company."

The power is given to take care of such a situation as between the affiliate and the parent company.

Mr. O'MAHONEY. The power is there, and the obligation is there to pay the price in the contract; but in one case, in the case of the independent, the bill formally says to the pipeline, "You are relieved of your obligation." In the other case, that of the affiliate or subsidiary, the bill does not relieve the pipeline.

Mr. DANIEL. No, sir. Where there exists a corporate connection between the parent and the affiliate, the courts look into the situation, and say that when Congress says the parent cannot expense more than the reasonable market price, that must be followed.

Mr. O'MAHONEY. I agree. There is no doubt about that.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. DANIEL. In subparagraph (f) it is provided that a natural-gas company may not expense more than the reasonable market price of gas purchased from an affiliate.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. May I inquire how the time was figured?

The PRESIDING OFFICER. The discussion between the two Senators was on the time of the Senator from Wyoming.

Mr. O'MAHONEY. It was my understanding that time was to be divided.

Mr. CLEMENTS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLEMENTS. How much time remains to the acting majority leader on the amendment?

The PRESIDING OFFICER. The Senator from Kentucky has 30 minutes remaining.

Mr. CLEMENTS. May I inquire of the Senator from Wyoming how much time he desires to be yielded to him?

Mr. O'MAHONEY. If the Senator from Kentucky will allow me 10 minutes more, I shall try to restrain myself.

Mr. CLEMENTS. I yield 15 minutes to the Senator from Wyoming.

Mr. O'MAHONEY. The Senator is very gracious.

Mr. PASTORE. Mr. President, will the Senator yield on the point which was just raised?

Mr. O'MAHONEY. Certainly.

Mr. PASTORE. I wonder whether or not the Senator later on his colloquy with the distinguished Senator from Texas is going to cover a point I have in mind. Insofar as concerns the obligation to pay in excess of the reasonable market price, which applies to existing contracts under subsection (e) of section 3——

Mr. O'MAHONEY. I believe I know to what point the Senator's mind is addressing itself. He is thinking of the last sentence.

Mr. PASTORE. No. I am thinking of subsections (b) and (c), which have to do with future contracts, because in the majority report the signers of the report have gone so far as to say that it is inequitable to allow a pipeline company to pay more money than it can expense, and in future contracts more money is allowed than it can expense, but they cannot expense it.

I have been trying to ascertain for 3 full weeks—and I hope the Senator from Wyoming will be more successful than I have been—why that difference was put in the bill when our eyes were wide open.

Mr. DANIEL. Mr. President, will the Senator from Wyoming allow me to answer that?

Mr. O'MAHONEY. I shall be very glad to let the Senator from Texas answer.

Mr. DANIEL. I have attempted to do so on several occasions. I shall not take much time of the Senator from Wyoming to do it again.

Mr. O'MAHONEY. It is a pleasure to hear the Senator from Texas do it.

Mr. DANIEL. The Senator from Wyoming is too kind.

Mr. PASTORE. I love it, too.

Mr. DANIEL. I doubt that. We forbid the interstate pipeline to be obligated to pay more than the reasonable market price in existing contracts, and the Senator from Wyoming is complaining about it to some extent——

Mr. O'MAHONEY. Oh, no; I am not complaining.

Mr. DANIEL. There were written contracts; and we thought it was only fair to make it clear what the obligation shall be under existing contracts. With regard to future contracts, if the pipeline companies cannot take care of themselves, and if we on the floor of the Senate have to write into the law a provision that they shall not be obligated to pay more than what the Federal Power Commission finds to be a reasonable market price, that certainly is far beyond anything the majority of the members of the committee ever dreamed of, because in future contracts, pipelines are going to take care of themselves.

Mr. O'MAHONEY. And how.

Mr. DANIEL. And how. That is right.

There is another thing to remember. I know the Senator from Rhode Island is interested not in the pipelines; his primary concern is in the consumers. Will the Senator agree with me that no part of that price over and above a reasonable market price can be passed on to consumers by a pipeline?

Mr. PASTORE. I agree to that. I think it is very imprudent to allow a regulated company to pay any cost of an operating expense which cannot be charged off, because the minute that is done, we get into a watering proposition. Any pipeline that can afford to pay more money than rates which could be substantiated in a rate case hearing is earning more money than it is entitled to earn.

Mr. DANIEL. A pipeline might, in a very cold spell, be justified in paying a few cents more during a temporary period than the Federal Power Commission would allow it to pay. Pipeline companies can afford to pay a little more than what the Federal Power Commission might determine was a reasonable price. It might be necessary in emergency situations. Why make such action against the law and say that the pipeline companies shall not be allowed to pay that, even if they wanted to do it?

COMPARISON OF SUBSECTIONS (B) AND (C)

Mr. O'MAHONEY. Mr. President, I wish to get back to the source of the question regarding the difference between subsection (b) and subsection (c), to be found, respectively, on pages 6 and 7 of the bill.

I think the Senator from Texas and I have agreed that under subsection (b), whenever a natural gas company—a transportation company—desires to file an application for an increase in any rate or charge for natural gas, the Commission is obligated to hold a hearing thereon.

Mr. DANIEL. That is correct.

Mr. O'MAHONEY. In other words, there may be as many hearings to determine the reasonable price, under subsection (b), as there are applications unless—according to the language in lines 11, 12, and 13—"unless there has been a prior determination under subsection (c) of this section."

In order that the Members of the Senate now present may understand the difference between those two subsections, I think I should point out that both subsection (b) and subsection (c) relate to contracts which are executed or renegotiated after the date this law takes effect.

In subsection (c)—the subsection which, under subsection (b) provides for a prior determination—is it not a fact that when an application is made by a transportation company, the Commission has only one hearing?

Mr. DANIEL. Yes; under subsection (c) I would say the Senator from Wyoming is correct—that there would be only one hearing on the entire contract. Perhaps it would be a contract for a 20-year period; and if the prices to be paid under the contract for the 20-year period were set out, there would be one hearing, and the Commission would have to determine what would be a reasonable price for that period of time—just as the producer and the pipeline company would have to determine it, too, because they would have to tie up their supplies for that period of time. I think the Senator from Wyoming has interpreted that correctly.

Mr. O'MAHONEY. Suppose it were a contract for the life of a field. Does the Senator from Texas believe it would be any more possible for the Commission to look into the future for 20 or 30 years or for the life of the field, and determine the reasonable price, than it would be for the Commission to handle the Douglas amendment?

Mr. DANIEL. Someone must do it. If it is going to tie up the entire field for the life of the field, the producer must get what is a fair price for the future, unless he provides for renegotiation every 5 years, or some provision of that sort. The other party to the contract, the pipeline company, has to try to arrive at what it deems to be a reasonable price, too. So I think it is perfectly fair to provide that the Commission shall hear both of them and anyone else who may be interested, and shall try to determine whether it is a fair price at this time, for a 20-year contract.

The Senator from Wyoming understands that some of them may set the price for only 5 years, and may say that at the end of the 5-year period the price shall be renegotiated. In that case, they would have to come back to the Federal Power Commission for approval of the renegotiated price.

Mr. O'MAHONEY. Would it not be desirable—because of the provision allowing the pipeline to make an application—

for the independent gas producer to insist upon short contracts, rather than long ones; and would that not be bad for the industry?

Mr. DANIEL. In some cases it would, and in some cases it would not. That is something we are going to have to leave to the producers and to the pipeline companies to work out.

Mr. O'MAHONEY. Does the Senator from Texas not think the committee would have acted wisely if it had provided, in subsection (c), that the application could be made by a natural gas company—whether it was a transporting company or a producing company? How can the producer get in on this hearing to determine the reasonable market price?

Mr. DANIEL. If the applicant is a natural gas company, it has the right to make this application, for determination of the reasonable market price. The independent producer is not specifically given the right to do it, but he could ask the Commission to make the determination on its own motion. But in any event, the producer would be in there, because the natural gas company would not have anything to bring before the Commission if it did not have a producer at the other end of its contract, ready to get approval.

Mr. O'MAHONEY. But does the Senator from Texas not see that now he is putting himself in the position of saying that although a natural gas company is specifically defined by the law to include both the transportation operator and the producer, in this case a difference is being made?

Mr. DANIEL. No, Mr. President. I will say this——

Mr. O'MAHONEY. Then does the Senator from Texas wish me to understand that the words "application by a natural-gas company" mean that under this bill, if it becomes a law, the producing company may also apply? Let me say just a word before the Senator from Texas answers. I ask the question because the sentence says that "the Commission shall determine upon application by a natural-gas company."

And then we have the words "or may determine upon the Commission's own motion."

Mr. DANIEL. We understand best the term "the independent producers" as those not engaged in the interstate transportation of natural gas. Those companies would not be natural-gas companies under the law, if the Fulbright-Harris bill is enacted.

Mr. O'MAHONEY. I am sorry the Senator from Texas has fallen into what I conceive to be a misinterpretation of the word "independent." To me, an independent company is one which not only is not engaged in interstate commerce, but also is independent of the big fellows although engaged in interstate commerce.

Mr. DANIEL. That is correct; and that is what it means to me, I may say to the Senator from Wyoming.

Mr. O'MAHONEY. Even though it is engaged in interstate commerce, for resale.

Mr. DANIEL. If a company is engaged in interstate commerce, it is a natural-gas company, irrespective of how much it produces. It is a natural-gas company if it engages in interstate transportation of its natural gas; and the sale, for resale, then is not covered by sections 10 and 11. Therefore, it will be a natural-gas company.

I think the Senator from Wyoming is really inquiring about the producer—which we both understand to be an "independent producer," meaning he is not an integrated company, and does not have an interstate line, and is not transporting his own gas. Under subsection (c) such a producer is not given any authority to apply for a determination of a reasonable market price.

Mr. O'MAHONEY. Why should he not be?

Mr. DANIEL. Because he is not regulated by the Federal Power Commission. It is only the natural-gas company which is buying from him, that is regulated. But he would automatically come into the determination by the Commission under subsection (c) because he would be the second party to a two-party contract. The natural-gas company would not have anything to ask the Commission to decide on, unless there were a producer signed at the other end of the contract, agreeing to sell for a certain price, provided the Federal Power Commission agreed to it. So that is how the producer gets in.

PRODUCER MAY BE HEARD

Mr. O'MAHONEY. Then it is the desire of the managers on behalf of the bill to say that under subsection (c) the independent producers may come in and may be heard in the Commission, if the Commission shall hold a hearing; they cannot be excluded?

Mr. DANIEL. There is no doubt about it.

Mr. O'MAHONEY. There is no doubt at all of it?

Mr. DANIEL. There is no doubt about it, because they will be a party to the contract. If one reads—as probably the Senator from Wyoming has—the rules and regulations of the Federal Power Commission in regard to notices and hearings, it will be found that all interested parties are given plenty of notice and opportunity to be heard.

Mr. O'MAHONEY. Let me say to the Senator from Texas that I have known his reputation of old, and I know that as attorney general of the State of Texas he did a very effective piece of work in enforcing the antitrust laws in that State. But I also know that one of the greatest problems the country now faces is as to the widespreading control that huge aggregations of capital are acquiring over all the commerce within the States, without the States, in interstate commerce, and in foreign commerce. Unless we are careful in drafting legislation, we stand in danger of losing the economic war with Russia, because we are permitting private regulation and control instead of maintaining Federal and State control effectively. I know from personal experience what the difficulties are in dealing with the pipelines. As a city attorney in the city of Cheyenne, as I think I have already told the Senator, I found that a subsidiary company distributing, in the city of Cheyenne, the gas from a natural gas company which owned a pipeline from Amarillo, Tex., was compelled to pay a price at the city gate which the parent company of both companies fixed; and the State authority could not control the situation.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. CLEMENTS. Mr. President, I ask the Senator from Wyoming if he desires further time.

Mr. O'MAHONEY. Will the Senator allow me 1 minute longer? I was just about to conclude a thought.

Mr. CLEMENTS. I yield 5 additional minutes to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I wish to make it as clear as possible on this record that we are not backing away from a recognition of the fact that huge capital is operating in the stratosphere, beyond the daily experience of the people who live in the fields producing, and the people who live in the cities consuming and sometimes beyond their comprehension. That is our greatest danger, and that is why I have sought to make it as clear as we can what is the intent of this bill. I am frank to say that I still believe that the exception of the affiliates should not have been brought in.

Mr. DANIEL. Mr. President, the exception of the affiliate is exactly in line with what the Senator has just said, in general. The affiliate is excepted from subsections (b) and (c) of section 3 of the bill, because the committee did not want the affiliate of a pipeline company to have as good treatment as the independent producers have. Therefore they were excepted from the benefits of the bill; and all the changes in the present law with reference to affiliates are embodied in subsection (f) on page 9, where it will be found that the affiliates cannot even get the reasonable market price for their gas if they have contracts and are selling it at a lower cost. The Senator will note the language beginning in line 14. This subsection provides that the Commission shall allow as an operating expense "for gas purchased from an affiliate, the amount paid to such affiliate for such gas up to but not in excess of the reasonable market price of such natural gas."

In other words, if the affiliate now has a contract providing for less than the reasonable market price, it is not entitled to have that price increased, or, at least, the extra amount cannot be allowed as an expense of the parent pipeline company.

Mr. O'MAHONEY. I acknowledge that; but as I previously pointed out, it may pay such excess price to the affiliate, unless the language is changed in some way or other. The Senator was about to change it——

Mr. DANIEL. No. It cannot expense in excess of the reasonable market price to the affiliate.

Mr. O'MAHONEY. But it could pay more.

Mr. DANIEL. It could pay. But certainly the interstate pipeline is not going to pay its affiliate more than it can expense.

Mr. O'MAHONEY. But if it has a contract, it can, and it should.

Mr. DANIEL. Yes.

Mr. O'MAHONEY. I am for the producer. If the independent producer has a contract with a pipeline, it should have the privilege of having that contract fulfilled, and nothing in this bill should take that privilege away from the producer. What has been done by the committee is to say that the independent, though he may no longer receive the payments provided for in the contract if they are higher than what the Federal Power Commission, the regulatory body, says is a reasonable price, nevertheless, he must continue to furnish the gas, because the last sentence of subsection (e) reads as follows:

> No provision of any such contract shall be construed to authorize its cancellation because of the enactment of this subsection or subsections (d) or (f).

Mr. DANIEL. With people calling them robbers, that was the best we could do for the independent producers. Those who appeared before the committee said, "We would rather have this than what we have under the Supreme Court's decision."

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. DANIEL. Mr. President, may I have 1 additional minute?

Mr. CLEMENTS. Mr. President, I yield 1 minute more to the Senator from Wyoming.

Mr. O'MAHONEY. The Senator will exhaust my time. He should yield time to the Senator from Texas.

Mr. DANIEL. The difference between the independent producer and the affiliate is this: The pipeline company has no control over the independent producer but as between the pipeline company and the affiliate, there exists a partnership, or, in reality, one entity. The money is shuffled around between them. It is like my buying gas from the Senator and selling it in interstate commerce; but we are partners in the entire transaction. So I do not think we have treated the affiliates as well as we have treated the independent producers.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the questions which I have had mimeographed may be answered by the Senator from Texas in writing, if he so desires, and that the answers be made a part of this RECORD. I think we have covered every one of the questions.

Mr. DANIEL. I would prefer to have the answer I have given on the floor stand.

Mr. O'MAHONEY. Mr. President, I yield the floor, saying only that if the potential gas fields of my State are developed by allowing producers to receive a reasonable price, more gas will be available for consumers.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

Mr. O'MAHONEY. Mr. President, I withdraw the amendment. It is quite clear that the amendment would not prevail.

Mr. CLEMENTS. Mr. President, I yield back the unused time.

Mr. MANSFIELD. Mr. President, on behalf of the senior Senator from Montana [Mr. MURRAY] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Montana will be stated.

The CHIEF CLERK. Beginning with line 21 on page 4, it is proposed to strike out through line 3 on page 5.

On page 5, line 4, it is proposed to strike out "SEC. 2. Section 2," and insert in lieu thereof "That Section 2."

On page 6, line 1, it is proposed to strike out "SEC. 3" and insert in lieu thereof "SEC. 2."

On page 9, line 25, it is proposed to strike out "SEC. 4," and to insert in lieu thereof "SEC. 3."

Mr. MANSFIELD. Mr. President, it is proposed in section 1 of the bill to change the definition of interstate commerce as it is now defined in section 2 (7) of the Natural Gas Act.

This section would add nothing but confusion to the act. No useful purpose could be served by such a change in the definition of interstate commerce except duplication of regulation between State regulatory commissions and the Federal Power Commission.

In my opinion, this section is contrary to the public interest, in that it would tend to stifle the importation of an important source of energy to the United States, a source of energy which is extremely vital to our national welfare.

We in Montana are presently the only importers of natural gas from Canada. The Federal Power Commission has recently granted a general permit which will enlarge the use of gas in our State. The need for this gas to the welfare of our economy cannot be overemphasized.

This section would make it more difficult for us in Montana to avail ourselves of the tremendous gas reserves to our immediate north in Canada. The use of such sources of energy is certainly in the interest of conservation of our own resources and should be utilized to supplement our own energy resources. To do otherwise would be taking a very short and narrow view of overall energy policy.

The section is contrary to the pronounced policy of the Congress in attempts to do away with overlapping and duplicating regulation and control by the State and Federal Governments. This policy was most recently set forth by Congress only last year in Public Law 323 of the 83d Congress. In that law Congress exempted from the provisions of the Natural Gas Act any person who received within, in, or at the border of a State gas which is ultimately consumed in such State if the rates and services are subject to regulation of a State commission.

Changing the definition of interstate commerce to include foreign commerce would cause the duplication sought to be avoided in the so-called Hinshaw legislation. The gas we import from Canada to Montana can now be imported only after approval of the Federal Power Commission.

The gas brought into Montana is fully regulated as to facilities and rates by the Montana Railroad and Public Service Commission. To change the definition of interstate commerce would duplicate that regulation by the Federal Power Commission. I see no logical reason for such duplication. As a matter of fact, Congress in 1953 wrote into the Federal Power Act language which would specifically exempt foreign commerce from the definition of interstate commerce in that act. That was done by Public Law 210, 83d Congress, 1st session. We have been trying for more than 5 years to get a general permit to import under existing law, and we do not think any further restrictions on importation are wise or necessary. The House of Representatives has adopted this amendment in H. R. 6645, and in order to have conformity with that legislation, this amendment should be adopted.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MONRONEY. Mr. President, I have polled a majority of the members of the committee. Nine members of the committee agree that the amendment of the Senator from Montana, which in effect strikes the first paragraph of the Fulbright bill, would be advantageous to sound legislation, and that the paragraph referred to would be a duplication of the existing law and the existing court decisions. Therefore, in behalf of the majority of the committee we accept the amendment.

Mr. MANSFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD].

The amendment was agreed to.

Mr. PASTORE obtained the floor.

Mr. CLEMENTS. Mr. President, will the Senator from Rhode Island yield so that I may suggest the absence of a quorum, with the understanding that he will not lose the floor?

Mr. PASTORE. With that understanding, I yield.

Mr. CLEMENTS. I also ask unanimous consent that the time consumed in calling the roll be equally divided between the Senator from Rhode Island and the Senators who are opposed to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Rhode Island yield briefly to the Senator from Georgia [Mr. RUSSELL]?

Mr. PASTORE. I yield, provided I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, for myself and my colleague, the distinguished

UNIVERSITY OF MICHIGAN LIBRARIES

senior Senator from Georgia, I desire to offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 14, it is proposed to insert the following:

SEC. 4. Subsection (e) of section 4 of the Natural Gas Act is amended by striking therefrom the following: "*Provided*, That the Commission shall not have authority to suspend the rate, charge, classification, or service for the sale of natural gas for resale for industrial use only."

Mr. RUSSELL. Mr. President, when the House bill was pending in the House, an amendment was offered by Representative FLYNT, of Georgia, with the support of the other members of the Georgia delegation, to strike this provision from the existing law. I do not know how the differential in application to different customers came about under the existing law. A natural gas pipeline company can file a rate increase with the Federal Power Commission. In that event the Federal Power Commission has authority to suspend the rate increase for a period of 5 months, in the case of domestic and commercial users of gas. However, for some reason there was a provision included in the law that the Commission shall not have the authority to suspend the increase in the rate with respect to industrial users.

The amendment I am offering for myself and my senior colleague would place industrial users on the same basis as commercial and domestic users of gas. If the Federal Power Commission decides to exercise the authority which it would have under the amendment, it can suspend the rate increases applicable to industrial users for a period of 5 months.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DANIEL. Is this the same amendment which was placed in the Harris bill on the floor of the House without objection or without a contested vote?

Mr. RUSSELL. I do not believe there was any contest about it. It was manifest that it was desirable to have the same treatment accorded to all at the hands of the Federal Power Commission. Under existing law the Federal Power Commission is powerless to afford any relief to industrial users in the event of rate increases.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MONRONEY. Mr. President, I am delighted the Senator has offered his amendment. I polled a majority of the members of the Committee on Interstate and Foreign Commerce. Nine members of the committee favor the acceptance of the amendment offered by the Senators from Georgia. It strengthens the hand of the Federal Power Commission in regulatory matters, and conforms to the House bill. We are happy to accept the amendment.

Mr. RUSSELL. I thank the Senator from Oklahoma.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senators from Georgia [Mr. RUSSELL] for himself and his colleague [Mr. GEORGE].

The amendment was agreed to.

Mr. PASTORE. Mr. President, I offer my amendment, which is designated 2-1-56-B.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 6, line 20, after "contract" it is proposed to insert a comma and the following: "and shall be obligated to pay,".

On page 7, line 17, after "act", insert the following: "and shall be obligated to pay,".

Mr. PASTORE. Mr. President, under section 3 of the pending bill, with reference to existing contracts, at page 8, it is provided:

(e) Whenever, in connection with an increase in the price of natural gas under the provisions of an escalation clause, the Commission, pursuant to subsection (d), has made a determination as the reasonable market price of such natural gas, the natural-gas company shall be obligated to pay only such part of the increase in price.

And so forth. On page 8 of the majority report, in explaining the provision, the majority of the committee said:

It is the intent of this subsection that a natural-gas company be permitted to charge as an operating expense the price which it is obligated to pay the producer under subsection (e) of section 3 since it seemed apparent to the committee that it would be inequitable for the pipeline company to be bound, under its contract with the producer, to pay an increased price for the natural gas higher than the price it is permitted to include as an operating expense.

The committee realized that it would be absolutely inequitable in the case of existing contracts to allow a natural-gas company to pay more than the reasonable market price, and, therefore, it said that it should be obligated to pay only such part of the increase in price as represented a reasonable market price.

In subsections (b) and (c) of section 3, no such language is used. The proponents of the bill say that if the circumstances were such that a pipeline company was trying to reach out for added reserves, else its lines would become dry, the company might be compelled to pay more. I feel that it is absolutely inequitable to say, in the case of existing contracts, that a pipeline company shall not be obligated to pay more than the reasonable market price, whereas in the case of future contracts there is no such requirement. All my amendment does is to make the same provision apply in the case of future contracts which the committee recognized to be proper in the case of existing contracts. Under existing contracts, a pipeline company is obligated to pay only a reasonable market price. What I am saying is that with reference to future contracts, the pipeline company shall be obligated to pay only the reasonable market price. It is as simple as that. I cannot understand why the proponents of the bill will not accept an amendment applying to future contracts which in the case of existing contracts, they have said it would have been inequitable not to accept.

Mr. JOHNSON of Texas. Has the Senator from Rhode Island concluded his statement?

Mr. PASTORE. I understand the junior Senator from Texas will answer me, and then I shall be glad to state to the distinguished majority leader whether I have concluded.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. President, I yield to the junior Senator from Texas 2 minutes.

Mr. DANIEL. Mr. President, where there are written contracts already made with pipeline companies, having no knowledge of what was going to happen in the Supreme Court with reference to the Phillips decision, we provide that they cannot expense more than the reasonable market price and that the pipeline shall not be obligated to pay more than that price. With reference to contracts made in the future, with the pipeline companies having full knowledge of all their rights and limitations under the bill and under the Supreme Court decision, we did not think it was necessary to protect the pipeline companies, when they have some of the best lawyers in the country, and to provide that they cannot pay more than the reasonable market price. The reason for that is that if, for instance, there is a cold spell in Rhode Island, and the people need more gas faster than a hearing can be had, the pipeline company must get more gas. If it can afford a little higher price, why should we prevent them by law from paying it in an emergency of that kind? None of it can be passed on to the consumer. I think the Senator agreed with me a few moments ago on that very point.

Mr. PASTORE. Wait a moment. I did not agree with anything of the kind. I realize the Senator has made an answer, but I do not agree that it has been logical or consistent.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PASTORE. Mr. President, I yield myself 5 minutes.

The Senator from Texas has argued that in the case of existing contracts—and pipeline companies have just as good lawyers to advise them on existing contracts as they have on future contracts——

Mr. DANIEL. They did not know what the Supreme Court was going to hold.

Mr. PASTORE. The Supreme Court's decision was handed down on June 7, 1954. We are talking about 1956. We are providing by law that a pipeline company shall be obligated to pay only the reasonable market price when it comes to an existing contract. The Senator has raised a question of an emergency, and there is where the blackjack comes in.

Mr. DANIEL. Does the Senator mean to use the word "blackjack" in a literal way?

Mr. PASTORE. I mean it in a figurative way. I am as plain as the Senator from Texas has been. In my book there

is no difference. If what we are trying to do in this case is to establish a reasonable market price and tie down the pipeline companies to pay that and only that, because it is the reasonable market price, then let us leave no loopholes in the law whereby there may be a situation where a producer will say to a pipeline company, "If you want this gas badly enough, I do not care what the Federal Power Commission said the reasonable market price is, my price is so much. Now, either pay it or leave it." The position the pipeline company takes depends on how hungry the consumer may be for the natural gas. That is why I say the Senator's bill is unfair and inequitable, because it recognizes that a certain price is all that has to be paid in the case of existing contracts, but as to future contract it says, "No, we will wait and see what the circumstances are, and if they are desperate enough, we will give you the squeeze."

The Senator may use any word he likes, but that is all it is.

That is the reason why the loophole is in subsections (b) and (c), in order to allow the producer to put the squeeze on the pipeline company. And inevitably the pipeline company will put the squeeze on the consumer.

Mr. KILGORE. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. KILGORE. Is it not a fact that a large amount of southwestern gas is stored in other States for the winter months?

Mr. PASTORE. I do not know about that.

Mr. KILGORE. For that reason there are certain storage charges connected with it. On the other hand, it furnishes a reservoir of gas in those months in which there is a great demand for gas.

Mr. PASTORE. I can realize that circumstances may be such that the demand for gas exceeds the supply. We have been saying right along that this is not a free market. The witnesses have testified it is not a buyer's market; it is a seller's market. I can envision within a month or two months or within a year or 2 years, that the pipeline companies may be desperate for gas, and it does not make any difference what the Commission has set as a reasonable market price. We have left the door open whereby the producer can ask any price, and the pipeline company can pay any price. It all depends on how imprudent the pipeline companies are going to be. I am one who never believed that any regulated company should charge or pay any more than it can charge off as an operating expense, because otherwise we would be allowing watering of the capital investment. When that is done, such a company is on a shaky foundation and the consumer is hurt. If we are going to be fair, just, and uniform, if we recognize the fact that in existing contracts the pipeline company is obligated to pay only a reasonable market price, then I say that in future contracts the pipeline company should be obligated to pay only a reasonable market price.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. KILGORE. Mr. President, will the Senator yield to me for a question or two?

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the junior Senator from Texas.

Mr. DANIEL. Mr. President, in order that the Senate may know there has been no robbery or blackjacking or intention to put any loophole in the bill, I may say that in the original draft of the bill there was no provision as to obligation not to pay higher than the reasonable market price as provided in the bill, either under new contracts or under existing contracts.

It was thought that the pipeline companies could take care of themselves; but because of existing contracts, which were already on the books, and the fact an additional price would not be allowed to be expensed, wording was added to the bill to apply to existing contracts, and was not provided as to future contracts, because the pipeline company can take care of itself.

One important point to remember in connection with the bill is that nothing the pipeline company pays above the reasonable market price in an emergency can ever be expensed or passed on to the consumer. If we are really interested in the consumers, why adopt a pipeline amendment in the last minutes of this discussion?

Mr. PASTORE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 21 minutes remaining.

Mr. PASTORE. Mr. President, I allot myself 5 minutes more. Under subsection (b) of section 3, the only time a determination can be made as to how much can be expensed is when the pipeline company make an application for a rate increase. The price which the producer has already asked and collected in excess of the reasonable market price may have been charged 1, 2, 3, 4, or 5 months before an application has been made by the pipeline company for a rate increase. So how does the pipeline company know what will be reasonable or unreasonable? The pipeline company pays the price in good faith, because that is what the producer asks.

Later, when the pipeline company files a petition for a rate increase under the Senator's bill, under subsection (b), it is told, "You may have paid this money in good faith, because you were desperate for the gas; but this is all you can charge off." The producer will lose nothing by that, because he has already pocketed the money. There is nothing in the law which will permit the pipeline to recoup the difference. The only provision in the law is that the pipeline company can charge that off as a part of its operating expense. How inequitable can we become, to use the words of the majority members of the committee?

Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. PASTORE].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on agreeing to the committee amendment, as amended.

Mr. JOHNSON of Texas. Mr. President, what is the question?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. DOUGLAS. Mr. President, is this the question on final passage?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the third reading of the bill.

The bill was read the third time.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time controlled by the minority leader on the bill be assigned to the Senator from Rhode Island [Mr. PASTORE] for the discussion on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the text of the House bill may be substituted for the text of the Senate bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOUGLAS. Mr. President, I could not hear the Senator from Texas. What was his unanimous-consent request?

Mr. JOHNSON of Texas. I asked unanimous consent that the House bill may be taken from the calendar, and that the text of the House bill, which is the same as that of the Senate bill, may be substituted for the language of the Senate bill.

Mr. DOUGLAS. Mr. President, reserving the right to object, do I understand that the Senator from Texas is proposing to substitute the House bill for the Fulbright bill?

Mr. JOHNSON of Texas. With the adoption of the Russell amendment and the Mansfield amendment, the language of the two bills is now identical. It is customary to substitute the text of the House bill for that of a Senate bill; and I have asked unanimous consent to do that in this instance. The House bill and the Senate bill are identical.

Mr. DOUGLAS. I should like to get the parliamentary situation clear. If

UNIVERSITY OF MICHIGAN LIBRARIES

the Senator's proposal is agreed to, then, as I understand, there will be no need for the bill to go back to the House or to have a conference on the bill later.

Mr. JOHNSON of Texas. There will be no necessity for a conference, because all amendments have been offered to the bill which can be offered. We have now had the third reading of the bill, and the Senate bill and the House bill are identical.

Mr. DOUGLAS. Do I correctly understand that the Fulbright bill is identical with the House bill?

Mr. JOHNSON of Texas. The Russell amendment and the Mansfield amendment have brought the Senate bill into line with the Harris bill. So the Senate bill and the House bill are identical measures.

Mr. DOUGLAS. So, there will be no conference between the two bodies of Congress if the request is agreed to and if the present bill should pass.

Mr. JOHNSON of Texas. Not in view of what the Senate has done in adopting the Mansfield amendment and the Russell amendment.

Mr. DOUGLAS. Then why is the Senator from Texas making a motion?

Mr. JOHNSON of Texas. The Senator from Texas is not making a motion. He is asking consent.

Mr. DOUGLAS. Why is the Senator asking unanimous consent if the job has been done?

Mr. JOHNSON of Texas. We hope so, as soon as consent is given, or, if not, a motion can be made, if the Senator from Illinois prefers.

Mr. DOUGLAS. I would much prefer to have the Senator make a motion.

Mr. JOHNSON of Texas. Mr. President, I move that the text and number of the House bill be taken from the calendar and be substituted for the text and number of the Senate bill.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Illinois will state his parliamentary inquiry.

Mr. DOUGLAS. The question is whether under the unanimous-consent agreement a motion to substitute both the text and number of the House bill is now in order.

The VICE PRESIDENT. Yes; a motion is in order.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. Does the unanimous consent agreement under which we have been operating cover the motion?

Mr. JOHNSON of Texas. Mr. President, when the Senate entered into the unanimous consent agreement it was understood by all Senators that any motion, amendment, or appeal, except a motion to lay on the table, would be covered. That is provided in the unanimous consent agreement. Each side can discuss it for 30 minutes, but I have no desire to do so, and I see no point in it, in view of the adoption of the two amendments.

Mr. MORSE. Mr. President, I ask for a ruling of the Chair.

The VICE PRESIDENT. Does the Senator from Orgon desire to debate the matter?

Mr. MORSE. No; I merely want a ruling from the Chair.

The VICE PRESIDENT. The ruling of the Chair is that the Senator from Texas is correct. As the Chair reads the unanimous consent agreement, it is clear that it covers all amendments, motions, or appeals, except the motion to lay on the table. It seems to the Chair that the fact that one exception is named makes it clear. As the Senator from Oregon understands very well, that is the only exception, so far as motions, amendments, and so forth, are concerned.

The ruling of the Chair is that the motion falls within the unanimous consent agreement, and that each side is entitled to 30 minutes.

Mr. MORSE. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. Supposing, hypothetically, that there were proposed an entirely different substitute bill. Would that fall within the unanimous consent agreement?

The VICE PRESIDENT. The Chair, of course, is confronted at this moment with a specific question. The Chair will follow the practice, which he thinks the Senator from Oregon will agree is a proper practice, of ruling on the question presented to the Chair.

Mr. JOHNSON of Texas. Mr. President, if the Chair and the other Senators will indulge me, the Senator from Rhode Island, the Senator from Kentucky, the Senator from California, and the Senator from Texas all had a clear understanding that an hour would be allotted on any motion, any substitute, any amendment, or any appeal, except a motion to lay on the table, and I did not think unanimous consent would be refused. I thought it was the intention of both the proponents and opponents to try to let the will of the Senate express itself in a vote. Today was selected for a vote. I preferred last Wednesday. We have worked to a late hour. We are prepared to discuss the bill tonight. The Senate and House versions are identical. The two amendments which the Senate has adopted have been agreed to by substantial votes, and have made the two bills identical.

I did not desire to make a motion, but the Senator from Illinois suggested that I do so. He wanted to show an objection. Let the record show he objected. So I did make a motion. Now, under the motion, I am entitled to 30 minutes, and the Senator from Rhode Island is entitled to 30 minutes, if he desires to use it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MORSE. I assure the Senator from Texas that I am raising my parliamentary inquiry only because of my interest in future unanimous-consent agreements, as well as this one. If it was the understanding of the leadership at the time that the unanimous-consent agreement covers the motion now offered, all the Senator needs to do is tell me so. If he tells me that the unanimous-consent agreement was contemplated to cover a substitute bill, then I accept his statement of the understanding.

I want to say that ordinarily when unanimous-consent agreements are entered into with respect to one bill they do not cover an entirely different bill. From a parliamentary standpoint, the House bill is an entirely different bill, no matter if we pass a Senate bill containing the same language. But if it was the understanding that the agreement was to cover a substitute bill, I shall raise no objection.

Mr. JOHNSON of Texas. I assure the Senator from Oregon that was my understanding. It was the understanding of the Senator from Kentucky and the understanding of the Senator from California. That is all in the record. I think it was also the understanding of the Senator from Rhode Island.

Mr. PASTORE. Mr. President, there was never any doubt in my mind that such a motion would come within the unanimous-consent agreement.

Mr. JOHNSON of Texas. Mr. President, I renew my motion that the Senate take from the calendar House bill 6645, and substitute for it the text of the Senate bill.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Texas. How much time remains on the bill?

The VICE PRESIDENT. There remain 174 minutes. The opposition to the bill has 90 minutes. The Senator from Texas has 84 minutes.

Mr. JOHNSON of Texas. Mr. President, I call to the attention of the Senator from Rhode Island the fact that he controls the time for the opposition, if he is not aware of it.

Mr. PASTORE. I am aware of that.

Mr. JOHNSON of Texas. I have no request for time in support of the bill at this time.

Mr. PASTORE. Mr. President, I yield 10 minutes to the distinguished Senator from New York.

The VICE PRESIDENT. The Senator from New York is recognized for 10 minutes.

Mr. LEHMAN. Mr. President, I am vigorously and wholeheartedly opposed to the bill, because, among other reasons, it fails to protect the interest of the consumers.

Under the bill, if it should pass, an increase in the cost of natural gas would be inevitable. A small number of great oil companies, whose profits are already swollen, would greatly benefit by the passage of the bill. Over a period of years they would profit through increased earnings, and through enhancement of the value of their reserves, by as much as from $12 to $18 billion.

Mr. President, I am not talking in terms of millions of dollars; I am talking in terms of billions of dollars.

I said a little while ago that the oil companies—the small number of oil companies which really control a great

UNIVERSITY OF MICHIGAN LIBRARIES

percentage of gas production—have swollen profits largely because of the overly generous attitude of the Government of the United States. The Congress of the United States has permitted liberal tax deductions which are allowed to no other industry in this land. But while the small number of gas and oil companies profit to a huge extent, the nearly 30 million homeowners, who are captives of the gas companies, will have to pay increased gas bills of from $300 million to $900 million a year. I use the term "captive," and they are captives, because once they have installed the necessary facilities for using gas, they cannot change from gas to oil or to coal.

Industrial and commercial companies, on the other hand, are able to change when such a change is advisable. They are able to buy coal in the summertime and pile it up at a time when coal is cheap, and they can use it during the remainder of the year, when the price of gas is high.

Mr. President, this bill is confused in its verbiage. The term "reasonable market price," in my opinion, means absolutely nothing. When it was suggested that instead of using the term "reasonable market price," the term "fair and equitable price" should be used, of course that proposal was utterly rejected.

This morning, when the Senator from Rhode Island [Mr. PASTORE] submitted an amendment which, at least to some extent, would have clarified the matter and would have protected the consumers, his amendment also was voted down.

Mr. President, in this bill there are escalation clauses and favored-nation clauses—both to the second degree and to the third degree—which inevitably will increase the price of natural gas.

The statement made on Friday by the distinguished Senator from South Dakota [Mr. CASE] has unquestionably cast grave doubts over this proposed legislation. It has been disclosed that the man who deposited the twenty-five $100 bills was a lobbyist for the Superior Oil Co., of Texas. There can be no doubt of the intent of that man—although, of course, I know that our distinguished colleague, the Senator from South Dakota, knew nothing at all about it; and had he known it, he would have turned it down immediately and without a second's thought, when the money was given to someone in his office.

There will not even be a conference on the bill, Mr. President; the proponents of the bill took care of that possibility by means of the adoption of amendments which make the bill conform exactly to the bill passed by the House of Representatives. A bill of this sort ordinarily would require a conference, when there were differences between the versions passed by the two Houses. In my opinion—although, of course I cannot prove it, and I shall not attempt to prove it—the reason why the bill was made to conform, by means of two amendments, to the bill passed by the House was that the proponents were afraid to have the bill go to conference and have it again brought before the House of Representatives, which passed the bill by a vote of only 209 to 203.

Today it was proposed that an investigation be made in connection with the statement made to the Senate by the Senator from South Dakota [Mr. CASE]. Mr. President, in the name of heaven, what good would a report do, when the report would come to the Senate weeks or even only a few days after the bill has been passed? Of course such an investigation would be merely a gesture; after the bill had been passed, it could not possibly affect the result of the vote in the Senate.

Mr. President, I consider the bill unwise and costly and unfair to the consumers of the United States. The bill will benefit only a few great oil and gas companies; but the bill will place very heavy financial burdens on nearly 30 million householders, mostly of small or moderate means.

I have no hope, of course, of having the bill defeated; the votes which have proceeded throughout the morning and afternoon certainly dissipate any hope I might have had of that. But I predict, Mr. President, that as a result of the passage of this bill, which I think is a thoroughly bad and a thoroughly dangerous bill, many of my colleagues, who I am sure have acted in good faith, will live to repent their action. Mr. President, grabbing and greed can go on for just so long, but the breaking point is bound to come sometime.

As a result of the passage of this bill—which inevitably will raise the cost of natural gas to the consumers, and will inevitably increase the profits of the oil and gas companies—I predict that there will be such a demand for remedial action that the iniquitous 27½ percent depletion allowance will be wiped from the statute books or at least greatly reduced.

Mr. President, I repeat—and I feel this at the bottom of my heart—that this is a bad bill and a dangerous bill; and I hope it will be defeated by the Senate of the United States.

The VICE PRESIDENT. The time of the Senator from New York has expired.

Mr. WILEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin desire to have time yielded to him?

Mr. WILEY. Yes, Mr. President. Will the Senator from Rhode Island yield 5 minutes to me?

Mr. PASTORE. Yes, Mr. President; I yield 5 minutes to the distinguished Senator from Wisconsin.

The VICE PRESIDENT. The Senator from Wisconsin is recognized for 5 minutes.

Mr. WILEY. Mr. President, I understand that soon we are to vote on the bill, not on an amendment. I was having my dinner, and I returned to the Chamber just after the motion to substitute the text of the House bill carried.

Mr. President, I had in mind submitting an amendment. I shall not be able to do so now, but I shall simply ask that the proposed amendment be printed in the RECORD, because I think that possibly in a year or two the very objective of the amendment will become law.

Mr. President, let me state briefly the reasons why I am opposed to the bill. First, I feel that the bill itself will confuse a situation which the Supreme Court has definitely clarified in the Phillips case. I believe the bill will upset the act which was placed on the statute books in 1938, after an investigation had been made by an appropriate commission, which found that the situation then existing was not a salutary one, to say the least.

I am also opposed to the bill because it will affect very seriously the consumers of my State. It is not a bill in the interest of the consuming public.

Mr. President, the legislature of my State has resolved against the bill. The public utilities commission of my State has resolved against the bill. The Governor of my State has resolved against the bill. The attorney general of my State and over 50 mayors of cities in my State have resolved against the bill. Consequently I feel that in the interest of the consuming public, the bill should not become law.

In connection with the amendment I had intended to submit I would have said, among other things, that, in view of the fact that the gas industry is the sixth largest in the United States, we must not remove it from regulation. I believe that the bill provides a curtain which will spread over the oil and gas groups in such a way as to deny to the Congress and the people access even to the most basic information concerning the companies engaging in the natural-gas industry. That industry has several times requested exemption from Federal control, and no doubt the industry has spent millions upon millions of dollars to lobby for such exemption. Yet not once throughout the hearings on the Harris-Fulbright bill, so I am informed, has a single representative of a natural-gas producing company had the nerve to come forward to present the facts in its own behalf on the record.

Why did they not come forward in their own defense? Why did they not subject themselves to interrogation? The answer is clear. They did not want to give the facts. They were afraid to be asked for the most pertinent information about their reserves, their profits, and their price increases.

A very significant statement was made on the floor today by one of the proponents of the bill. He said, "Suppose I should discover oil or gas, which nature produces, and sell it to you for $10 million." He probably had in mind 40 acres, to sell for $10 million. He stated, in substance, that that price would be the basis for figuring what the consumer should pay.

I was in favor of the "fair and equitable" rule. Yet that amendment was defeated. I have long known if a man has control of a commodity he can fix the market price very easily. Now the gas people have in this bill the "market price rule."

So, for reasons stated, and for other reasons contained in my previous remarks on the floor of the Senate in this debate on previous days, and those contained in a statement which I ask to have printed in the RECORD, together with the amendment, I shall vote against the bill.

There being no objection, the statement and suggested amendment were ordered to be printed in the RECORD, as follows:

At the end of the bill add a new section, as follows:

"SEC. 5. After section 24 of the Natural Gas Act, there is added a new section, as follows:

" 'INVESTIGATIONS RELATING TO NATURAL GAS

" 'SEC. 25. The Commission is authorized and directed to make studies and conduct investigations regarding the production, transmission, distribution, and sale of natural gas throughout the United States in furtherance of the wider and more economical use of natural gas in the public interest, in the interest of investors and consumers; it shall so far as practical secure and keep current information regarding the sources and ownership of gas reserves; field prices for natural gas and the affect thereof on drilling, reserves and production of natural gas; the relationship of field prices to cost of production; the corporate structures of producers and natural-gas companies and influence exerted by them upon other companies in which they are interested or with which they are affiliated; and the relation of any and all such facts to the development of industry, commerce, and the national defense. The Commission shall report to Congress the results of its studies and investigations and its recommendations on or before January 4, 1959.' "

STATEMENT BY SENATOR WILEY

The purpose of this amendment is to penetrate the artificial darkness which now covers the natural gas industry.

This artificial darkness—this lack of basic facts—is almost too incredible to believe.

Here we have the sixth largest industry in the United States, and yet, some of the most elementary statistics concerning it are not available.

A PAPER CURTAIN OVER INDUSTRY

Why? Because a deliberate paper curtain has apparently been spread by the oil and gas forces, so as to deny the Congress and the people access to even the most basic information concerning it.

NO GAS PRODUCING COMPANY TESTIFIED

Here we have an industry which has several times asked for exemption from all Federal controls—an industry which has no doubt spent millions upon millions of dollars to lobby for such exemption—and yet, never, throughout the hearings on the Harris-Fulbright bill has a single representative of a natural gas producing company had the nerve to come forward to present the facts in its own behalf on the record.

Why did they not come forward in their own defense?

Why did they not subject themselves to interrogation?

The answer is clear. They don't want to tell the facts. They are afraid to be asked the most pertinent information, about their reserves, their profits, their price increases.

I know of no large industry in the United States in which there is such a comparable cloud over its operations.

FACTS FULLY KNOWN ON LOCAL UTILITIES AND PIPELINES

By contrast, the facts are available for all to see concerning the local gas distribution companies throughout the Nation. They are all subject to State and local regulation, and the facts with regard to them are a matter of open record.

In turn, the facts concerning the pipeline companies are far more available.

But what about the natural gas producers?

The time has come to get the facts. The time has come to direct the Federal Power Commission to make studies and investigations to get this information.

TYPE OF FACTS REQUIRED

To my way of thinking, there should be an open book concerning every single phase of the natural gas industry.

We should know about the volume of gas sold in interstate commerce under each contract for sale. We should know about the revenue received in total, and per thousand cubic feet, for the sales.

We should know about the increases or decreases of contracts due to the application of favored-nation clauses and other types of escalation.

We should know about the extent of natural gas reserves in the United States—about the average prices received by producers for gas sold in interstate commerce.

We should know about the trends in the pricing pattern.

FULL DATA AVAILABLE AT MADISON

So far as my own State is concerned, the fullest facts are already available on the record, as regards the prices which are charged. The State public service commission at Madison has been most exacting in its requirements, in its zeal to protect the public interest by getting the full facts on the record.

I regard its efforts as a model which should prevail throughout the rest of the Nation. That model certainly should prevail at a Federal level.

CONFUSING INTERPRETATIONS OF FACTS

Now, my opponents may contend that much of the data which I am seeking today is already available.

The proof of the fact that it is not available is demonstrated in the confusion which we have seen on the Senate floor.

Throughout this debate, we have seen the ironic spectacle on both sides drawing upon the same set of confusing statistics for their own purposes, with the result that conclusions based on the confusing statistics never agree.

How could it be possible that so large an industry, with such vast sums involved, should be subject to such a fantastic variety of interpretations and statistical evaluation?

The answer is very simple. The reason there has been so much controversy and confusion on the statistics is that a single authoritative and comprehensive set of statistics simply is not available. And the reason, in turn, that they are not available is because of the "Paper Curtain" which has been held over the natural-gas industry.

CAN WE LEGISLATE BLINDFOLDED?

Can we of the Congress go to the American people and say, "Yes, we are passing a bill which will give exemption to the industry, and we are doing so relatively blindfolded.

"We don't want to know the facts, and we don't want you to know the facts. We don't mind if there is chaos and confusion on interpretation of the facts. We don't care if the Federal Power Commission doesn't get the facts. And we don't care if it never reveals the facts to the public."

Can we take that fantastic position? Can we legislate blindfolded and supervise the FPC blindfolded? I don't believe that we can or should.

For this and other reasons, therefore, I ask for favorable action on this amendment.

Mr. PASTORE. Mr. President, I yield 15 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I am opposed to this bill. It was very obvious during the discussion of the bill today that the amendments many of us were offering were due for defeat. The very first vote, on recommittal, was indicative of what was about to happen. The vote on the Douglas substitute was clear and compelling evidence as to the temperament of the Senate and its views with relation to this particular bill.

I had intended to offer two other amendments which I had submitted for the consideration of the Senate a few days ago, and which I had intended to call up today. One of these amendments deals with a very important part of the legislation before us, namely, the jurisdiction of the Federal Power Commission. I should like to bring to the attention of the Senate what I consider to be a very glaring loophole in the bill.

Fundamentally the bill is an exemption bill. It is not a regulation bill. It relieves the producers of almost all the consequences of regulation under the Natural Gas act of 1938. Accordingly, the bill adds new sections 210 and 211 to the Natural Gas Act, defining "transportation of natural gas in interstate commerce" and "sale in interstate commerce of natural gas for resale" so as to exclude sales by producers.

However, in one respect the pending bill will affect contracts between producers and pipelines. It is provided in the new section 5 (e) of the Harris-Fulbright bill—and much of the same language is to be found in the House bill, H. R. 6645, which has been substituted for the Senate bill—that if an existing escalation clause results in a price higher than the reasonable market price, the pipelines are relieved of the obligation to pay the producer any more than that amount. In order to make it possible for the Commission to exercise this power to alter the terms of contracts between producers and pipelines, it is obviously necessary that the Commission retain jurisdiction over the producers to the extent necessary for the exercise of that power. Accordingly, the amendment I had to offer would limit the new subsections 10 and 11 of section 2 by providing that the Commission's jurisdiction, as it existed prior to the passage of this bill, would be continued to the extent necessary to carry out the provisions of the act.

The purpose of the amendments was to cure an obvious legal defect in the bill. In other words, if the Commission is to carry out the responsibilities which this bill lists for it, there is not the authority in the bill for the Commission to do it. Obviously we shall have to come back at a later date to take care of this complex exemption bill, so that we can provide the authority which the Commission needs with respect to existing contracts.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the amendment to which I refer.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 5, line 15, after "produced", add a colon and the following: *"Provided, however,* That the jurisdiction of the Commission as it attached prior to the adoption of this amendatory act shall be retained to the extent necessary to carry out the provisions of this act."

On page 5, line 24, after "gas", add a colon and the following: *"Provided, however,* That

the jurisdiction of the Commission as it attached prior to the adoption of this amendatory act shall be retained to the extent necessary to carry out the provisions of this act."

Mr. HUMPHREY. There was another amendment which was very important, and which I felt should be included. The substance of this amendment has been discussed in connection with other proposals offered earlier in the day.

The amendment to which I refer is one which relates to protection against the abandonment of service.

I ask unanimous consent that this amendment be printed in the RECORD at this point as a part of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

SEC. 5. Section 7 (b) of the Natural Gas Act is amended by inserting after "such facilities" the following: "and no person selling gas to a natural gas company shall discontinue such sales or abandon any facilities required for making such sales,".

Mr. HUMPHREY. Mr. President, this amendment is necessary because the bill as now written exempts the independent producers from the provisions of the Natural Gas Act, including section 7 (b) which states that natural gas companies cannot discontinue service unless their reserves run out or the Commission finds this discontinuance to be consistent with the public interest. Inasmuch as the pipelines have enormous fixed investments and the distributing companies depend upon the reserves committed for sales to pipelines, and the customers in turn depend upon these reserves for gas supply, it is obviously necessary that reserves which have been committed for sale of natural gas in interstate commerce remain dedicated for this purpose. To a very minor extent, section 5 (e) attempts to do this by stating that producers cannot cancel old contracts with escalator clauses provided the Commission forces them to accept less than they would be entitled to by the original terms of those contracts.

This provision, however, does not prevent cancellation for any other reason by the producers, nor does it apply to contracts written after the date when this amendatory act might become effective. Consequently, it is essential, in order to forestall the loss of gas supply by a pipeline and its customers, that section 7 (b) of the amended act should be expanded so as to retain Commission jurisdiction over proposed abandonment of service by producers.

What it means is that the bill, as presently written, affords no protection whatsoever in case a producer decides it does not wish to supply gas to a pipeline because the "reasonable market price" is not adequate to satisfy the producer.

It could mean that consumers in the States today might find themselves in a situation in which no gas will be available, even under an existing contract, because the legislation before us now simply does not provide the authority to the Commission to compel continuance of service to the pipeline, through the distribution system, into the homes and commercial establishments.

I hold in my hand a Federal Power Commission bulletin relating to "Docket Nos. G–6810 et al, Release No. 8290–G–4073." This particular document refers exactly to what I am saying, that under the present law the Federal Power Commission has denied independent producers the right to cut off a contract under present law. Fourteen producers are seeking to abandon the supply of natural gas they contracted for. This is the way it reads:

The Federal Power Commission has affirmed a decision by a presiding examiner holding that a group of 14 independent natural gas producers "have failed to show any cause" why they should not be required to obtain FPC permission before terminating deliveries to Texas, Illinois Natural Gas Pipeline Co., of Chicago, Ill.

Rather than read the entire document, I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

FPC AFFIRMS DECISION BY PRESIDING EXAMINER FINDING THAT 14 INDEPENDENT PRODUCERS HAVE FAILED "TO SHOW CAUSE" WHY THEY SHOULD NOT BE REQUIRED TO OBTAIN COMMISSION PERMISSION BEFORE TERMINATING GAS DELIVERIES TO TEXAS ILLINOIS

WASHINGTON, D. C., January 25, 1956.—The Federal Power Commission has affirmed a decision by a presiding examiner holding that a group of 14 independent natural-gas producers "have failed to show any cause" why they should not be required to obtain FPC permission before terminating deliveries to Texas Illinois Natural Gas Pipeline Co., of Chicago, Ill.

The decision by Presiding Examiner Daniel J. Kelly, was issued last October 26. Exceptions were filed by the producers and by Transcontinental Gas Pipe Line Corp., of Houston, Tex., an intervener in the proceedings. Examiner Kelly held that each of the producers is a natural-gas company under the Natural Gas Act and subject to the jurisdiction of the FPC.

The proceedings were instituted by the FPC in January of 1955 when it directed the producers to show cause why they should not be determined to be natural-gas companies under the Natural Gas Act, and why they should not be required to comply with the provisions of that act before abandoning any sales or service under contracts covering natural-gas sales from the Clayton and La Gloria fields in Texas to Texas Illinois.

The contracts covering Texas Illinois' purchases in the two producing areas contain so-called "escape clauses," providing for termination at the election of the producers if the FPC imposed regulation upon them. The producers contended that the issuance by the FPC of its Order No. 174–A, on August 6, 1954, prescribing regulations to govern independent producers, constituted such regulation. The producers therefore served termination notices upon Texas Illinois.

The producers filed 106 exceptions to the Examiner's decision. The Commission, however, declaring that the producers are engaged in substantially the same operations and sales as those brought before the Supreme Court in the Phillips Petroleum Co. case, and upon which the Court held Phillips to be subject to the Natural Gas Act, concluded that the respondents in this case are also natural-gas companies under the act and the Commission held that the producers could not abandon service to Texas Illinois without first complying with the Natural Gas Act by obtaining FPC permission.

The Commission rejected Transcontinental's exceptions, indicating that its rights were not adversely affected by the Presiding Examiner's determination.

The producers involved in the proceedings are Argo Oil Corp. and Magnolia Petroleum Co., which supply gas to Texas Illinois from both the Clayton and La Gloria fields; and Brown and Wheeler; Continental Oil Co.; Fidelity Oil & Royalty Co.; Mound City; R. A. Welch; La Gloria Oil & Gas Co.; the Ohio Oil Co.; Phillips Drilling Corp.; Irene Sheerin, individually and as independent executrix of the estate of John J. Sheerin; C. C. Small and Binford Arney, trustees for trust "B" for John Joseph Sheerin, Jr., James Lawrence Sheerin, and Robert Malcolm Sheerin; Sun Oil Co.; and Wiltex Corp., all of which sell gas in the La Gloria field.

Commissioner Seaborn L. Digby did not participate in the FPC's action affirming the Examiner's decision.

Mr. HUMPHREY. This is a release for January 25, 1956. It relates specifically to the very point I am now trying to make.

One further point. The bulletin of the American Gas Association has this to say:

Read together the text of the Harris bill's proposed amendments to the Natural Gas Act in the new sections 5 (b) through (e). Assume the independent natural-gas producer is in law a "natural-gas company." Suppose his last old gas purchase contract has been replaced by new or renegotiated contracts. Then so far as the text of these provisions of the Harris bill is concerned that independent natural-gas producer is not limited by reasonable market price. And he is free to cancel his contract—which means he may abandon service.

In other words, we have written a law which is going to have within it possibilities—I will say, rather, obviously within it probabilities of denying service in gas to consumers who thought they would get it through distribution companies which felt they had bona fide contracts with the pipeline companies. This bill is so full of loopholes it makes a sieve look like a solid wall. It is a bad bill—one against the public interest.

The Senator from Rhode Island [Mr. PASTORE], who has done an outstanding job in managing the opposition to the bill, along with his stalwart associate, the Senator from Illinois [Mr. DOUGLAS], offered an amendment today which is known as the "consumer interest amendment." It provided that the protection of the interest of the consumer was to be a part of the criteria which the Commission must consider in determining the reasonable market price.

This is a bill which has been heralded by its proponents as a help to the consumer. In the whole bill no mention of the consumer can be found. In this bill the consumer is the forgotten man of the Senate.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is the Senator from Minnesota aware of what Commodore Vanderbilt said about the consuming public?

Mr. HUMPHREY. That the consumer—I will let the Senator state it. He is much more eloquent than I.

Mr. DOUGLAS. I believe the phrase was, "Let the public be damned."

Mr. HUMPHREY. I am afraid that Commodore Vanderbilt's sentiment is

UNIVERSITY OF MICHIGAN LIBRARIES

reflected most faithfully in this bill. H. R. 6645 does not even have an intimation that the consumer is to be considered. The consumer interest? There is nothing about the consumer in the bill.

This is a bill for the pipelines and for the producers. It is even a bill for a special kind of pipelines, if they have the ambidextrous quality of being able to produce and pipe at the same time. In that event they get double preferential treatment, a double reward, a double gold standard.

Mr. President, it is a peculiar thing that the United States Senate could not vote language into the bill to provide that the Federal Power Commission shall give consideration to the protection of the interest of the consumer when establishing a reasonable market price.

Are we to assume that there is no desire to protect the interest of the consumer? I know of no other meaning that one can draw from what has been done today.

Another amendment was offered by the Senator from Rhode Island [Mr. PASTORE], which sought to have uniform treatment accorded to both new and old contracts. It certainly seems to me that that was an equitable proposal.

The bill permits pipelines to pass along to consumers no more than the reasonable-market price of purchased gas. In the case of escalation clauses in existing contracts, the pipeline would not be obligated to pay the producer any more than this; but in the case of new and renegotiated contracts—and, as you know, Mr. President, a contract really gets new life by renegotiation—the pipeline would have to absorb any excess. This amendment would have made the rule the same for new and old contracts, by relieving the pipeline of the obligation to pay the excess to the producer; thereby, of course, it would have helped the consumer.

That amendment was rejected. In other words, we have a bill that is untouched. It is an untouchable instrument, because if the bill could have been changed with so much as one word, it would have had to go to conference. If it had gone to conference, it never would have passed the House again.

It passed the House by a margin of only 6 or 7 votes when many did not know all that was in it. But the people will find out what has been done here. Every time their monthly gas bill comes they will find out what is in this gas bill. Every month they will be reminded. I say to the consumer, "Every time you pay your bas bill, you will be reminded of this bill." Company after company has applied to the Federal Power Commission for an increased rate adjustment. I will ask the consumers to look at the stock market every time they pay their gas bill, to see how the stocks of the gas and oil companies are faring. The consumers will see the stock of gas and oil companies going up. So will the consumers' gas bills go up every month.

There is another point about the bill which needs to be considered. It concerns fair and equitable prices. Can anyone imagine the Senate of the United States turning down anything fair and equitable? This is supposed to be the people's body. I am afraid it is only "some people's body" in this instance. Why in the world should anyone oppose anything fair and equitable. Yet such a proposal was rejected by a majority vote. The amendment offered by the Senator from Michigan [Mr. POTTER] would have stricken the "reasonable market price" standard, which is a phrase that no one has been able to define or identify. In place of "reasonable market price," the term "fair and equitable" would be stated. To guide the Commission in applying this standard, five criteria were included in the amendment. They would have assured consideration by the Federal Power Commission of competition, protection of the consumer interest, high enough prices to encourage exploration, and adequate profits in light of the risks involved. There were five specific criteria to be used in determining the fair and equitable price. One of the criteria was adequate profits in the light of the risks involved. Another one was high enough prices to encourage exploration. Another one was consideration of competition. Then came the words that seemed to bother some persons: Protection of the consumer interest. When those words were suggested, somehow or other the majority vote became "No." I'm proud to have voted "Yes."

The VICE PRESIDENT. Does the Senator from Minnesota desire more time? His time has expired.

Mr. HUMPHREY. I should like to have an additional 5 minutes, if the Senator from Rhode Island would be so kind.

Mr. PASTORE. I yield 5 additional minutes to the Senator from Minnesota.

Mr. HUMPHREY. I offered an amendment, to outlaw the worst type of escalation clauses. They are indefensible. Even the majority report found them to be obnoxious. Yet when I offered specific language to outlaw the so-called spiral clause, and when I offered language to outlaw the so-called favored-nation clause and the price redetermination clause, the junior Senator from Texas said that there were certain provisions in the bill which took care in part of those objections. But there is nothing in the bill to take care of the very part I am objecting to.

The bill is woefully weak in the matter of escalation clauses. If those clauses are as bad as everyone in the debate said they were, they should have been nailed down. I offered an amendment to see to it that they would be removed and nullified.

Also, Mr. President, amendments were offered on the floor of the Senate by the Senator from Illinois [Mr. DOUGLAS]. I refer particularly to one amendment which would have exempted the small producers who produce 2 million thousand cubic feet or 2 billion cubic feet or less. The argument was made, "Oh, all you are trying to do is restrict gas producers to making not more than $12,000 a year." Mr. President, $12,000 a year is not to be sneezed at either. But that is not what the Douglas substitute would have done.

The Senator from Illinois pointed out that it did not restrict them at all. They were to be left unregulated. They were the small companies about whom so many crocodile tears have been shed. They were the small companies about which we are supposed to be so greatly concerned. The Senator from Illinois offered an amendment to take care of the small companies, to provide for the little man's exploration and development, and to provide for no Federal regulation with respect to them. But he touched those golden calves—197 of them. Perhaps they were a little bit bigger than calves. They were golden bulls.

He touched the big ones, and when he pointed out that by his amendment the large producers of natural gas were to be regulated, then the red lights and the alarm went on. If we only had detection devices to guard the safety of our country such as the oil and gas companies have detection devices to guard their interests, we would never have to worry about the success of an enemy attack.

Mr. President, I have heard a great deal of talk to the effect that if this bill were not passed exploration and development would come to an end, or at least would be jeopardized, halted, or limited. But the Douglas amendment would have freed thousands of small producers, so as to encourage exploration. Yet it was not acceptable to the proponents of the bill.

As I conclude my argument, I wish to make it perfectly clear that we have said to the oil and gas industry, so far as producers are concerned, "You are not to be touched by Federal regulation." Of course, Mr. President, we regulate banks, we regulate railroads, we regulate the farmers, we regulate independent businessmen, we regulate manufacturers, we regulate many persons through agencies of the Federal Government, but there is one group in this country untouched, and that happens to be the group known as the oil-and-gas industry. Not only are they not regulated, but they are inspired, they are exhilarated, they are given a 27½-percent depletion allowance. Oh, how they love to be depleted. This is one time when depletion becomes a means of growing stronger. Ordinarily depletion and depreciation indicate that you are nearing the end of the line. But, oh, beautiful depletion allowance. It is one sure way to be able to convert oil and gas into gold.

Not an industry in the United States of America receives such generous tax benefits as are accorded to the oil industry. Not a farmer, doctor, lawyer, or merchant is given the tax benefits which are received by the oil industry. I say, Mr. President, that one of these days the American people are going to demand justice and equity. We cannot ask a businessman connected with a normal corporation to pay his 52 percent corporate tax, or a farmer to pay his personal income tax, or a doctor, or a lawyer, or a teacher, or a factory worker, to pay his tax, and then give the oil and gas companies a 27½ percent depletion allowance, quick write-offs; exploration and development deductions and other favors. Good grief, Mr. President, if there is anything they have not thought

of to reduce their taxes, it is hidden deep down in the caverns of the Mammoth Cave in Kentucky.

Mr. BARKLEY. That is one thing they do not claim to have produced. [Laughter.]

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Yes, Mr. President, my time is up. But we will be back another day. The consumers of this country will demand that more equitable legislation be written on the statute books. I shall vote against the Harris-Fulbright bill.

Mr. MORSE. Mr. President, will the Senator from Rhode Island yield me about 3 minutes?

Mr. JOHNSON of Texas. Mr. President, I had intended to yield 2 minutes to the Senator from Oklahoma [Mr. MONRONEY].

Mr. MORSE. Then I shall be glad to wait.

Mr. MONRONEY. Mr. President, as we approach a vote on this bill, let me say that I know the distinguished opponents of the bill are just as anxious to protect the consumers as are those of us who support the bill. We feel that under a workable system of regulation the consumer will have his gas much cheaper than he will under the utility-rate formula which the Supreme Court decision in the Phillips case has provided. He will have his gas in more ample supply, and the cheap gas will move into interstate commerce.

I feel sorry for the consumers in New York, Wisconsin, and Minnesota, whose rates are so unconscionably high because of exorbitant city-delivery costs, and it is no wonder that these consumers are pressing for lower rates. But it is a dollar for the distributor and a dime for the producer; and less than 10 percent of the consumer's bill goes for the raw commodity he burns in his stove.

I ask Senators to help me—and this is not a diversionary tactic although it has been so labeled all through the debate—I ask Senators to support my bill for "truth in billing." I feel sure that, based on what I believe to be the facts, we can reduce the Washington consumers' rate by 30 cents a month, and do it rather quickly. The rate is about three times the rate in other cities of comparable size. If Senators will join me and help to cut down these terrifically high rates, perhaps we can wake up some of the sleeping utility commissions and some who are not given money enough to bring rate cases, to force down the rates charged for city delivery. If we are looking for savings, we should look where the big spread is—in the city delivery charges. If we act promptly we can save 30 cents a month on the residential rate.

Mr. PASTORE. Mr. President, I yield 5 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I wish to summarize my opposition to this bill in 3 minutes.

I shall vote against the bill because it further weakens our Federal system of government in that it would delegate Federal jurisdiction over interstate commerce to the States. The oil and gas industry is clearly an interstate commerce industry; in protecting the general welfare of the people of the United States it should be regulated by the Federal Government.

The bill jeopardizes the rights of our people to a full protection of their heritage in our natural resources.

I am sure the American people are going to say of this bill, once they come to fully understand it, that it takes away from them their rights to Federal protection from State encroachment upon the sovereignty of the Federal Government. One of the great issues confronting us today in America is the concerted attempt on the part of powerful economic forces in this country to weaken the Federal jurisdiction of our National Government. We see this encroachment by the States righters upon the sovereignty of the Federal Government as they succeed with one piece of major legislation after another, be it tidelands or the natural-gas bill, or various proposals in respect to labor legislation, taxation, or the give-away of our power resources to private utilities. If this undermining of our Federal system of government is not stopped, the final result will be a costly price to the consumers in America and to the general welfare of our people.

This issue of antifederalism threatens to divide our people at a time when our national welfare calls for complete unity. The War between the States carried the doctrine of State sovereignty supremacy over Federal rights. The States righters are making a mistake in trying to resurrect the doctrine of Calhoun on the issue of Federal sovereignty. Lincoln answered it by pointing out that the summation of the sovereignty of the several States is less than the sovereignty of the Nation as a whole. This bill seeks to turn over to the States a sovereign responsibility of the Federal Government which in the best interest of our people should be retained by the Federal Government.

I shall vote against the bill because it increases the monopolistic control of our economy by big business. In this bill we are dealing with the sixth largest industry in the country. The bill lifts the gas and oil industry out from under any effective Federal regulation in respect to the producing of natural gas.

Lastly, Mr. President, I shall oppose the bill because it places the consumers of natural gas at the price mercy of the oil and gas industry in this country.

I am very much interested in the argument which has been made that gas prices will not go up as a result of the passage of this bill. I am willing to make the prediction that in due course of time, as the result of the passage of this bill, gas prices will go up all along the line. The giant gas and oil industry under this bill will fix gas prices in accordance with what the traffic will bear.

I consider the passage of this bill, in effect, a surrender to the selfish interests of the gas and oil lobby of this country. Time will prove it to be against the best interests not only of the consumers but of the gas and oil industry itself. In due course of time the voters of this Nation will make known at the ballot box their opposition to this bill.

I shall vote against the bill because it cannot be reconciled with the general welfare of all the people of our Nation.

SEVERAL SENATORS. Vote! Vote!

Mr. DANIEL. Mr. President, does the Senator from Rhode Island yield back the remainder of his time?

Mr. PASTORE. I yield 10 minutes to the distinguished senior Senator from Maine.

Mrs. SMITH of Maine. Mr. President, although I voted against the Natural Gas bill and the Douglas amendment 6 years ago in 1950, as I stated when this debate started I have been open-minded and willing to change my mind if I was so convinced to do so by the debate. I have listened to the excellent debate on both sides as I sat here on the Senate floor, as I presided over the Senate and as I acted in the capacity of acting Senate Republican leader. I have also read the debate as reported in the CONGRESSIONAL RECORD with care and interest.

And I have reversed myself, as have other Senators, in part, on this issue. I have voted today for the Douglas amendment to exempt the small gas producers of two billion or less cubic feet.

Before I address myself to the bill itself, I want to make certain observations. First, I want to say very plainly and clearly that those who attempt to paint Senators who vote for this bill as puppets of oil and gas interests and those who attempt to paint Senators who vote against this bill as enemies of free enterprise and as advocates of socialism—do their country a disservice. More than that they make themselves ridiculous.

For example, would they seriously call Representative JOHN TABER, of New York, and Representative HOWARD SMITH, of Virginia, enemies of free enterprise because they voted last year against the natural-gas bill? Would they seriously call Senators MUNDT, KNOWLAND, JENNER, DWORSHAK, and WILLIAMS advocates of socialism because 6 years ago they voted against the natural-gas bill? Yes, would they seriously call any Senator today who votes against the bill an enemy of free enterprise and an advocate of socialism?

They are just as ridiculous in trying to label any Senator who votes for the bill as a puppet of oil and gas interests.

Second, I want to say that while I am impressed with the learned expressions of such questions of what constitutes a public utility, I am more concerned with what I conceive to be in common, everyday terms the public interest not of any group or groups but rather the majority of the people.

While all of the speeches on both sides have been impressive, challenging and intelligent, as far as I am concerned I have found the statements of Senators AIKEN, KENNEDY, PURTELL, and PASTORE to be the most persuasive and to possess the more commanding logic.

Yes, the debate convinced me to reverse my position of 6 years ago on the Douglas amendment and to vote for it this time in resolving any question of consideration of the small producer and of encouragement of explorations.

UNIVERSITY OF MICHIGAN LIBRARIES

On the other hand, the debate has convinced me that there has been no real change in the 6-year interim to cause me to change my opposition to the basic proposal here today. Had the Douglas amendment been adopted I would have voted for the bill.

I am going to vote against the bill because:

First, to me the debate has failed to show that Federal regulation has impoverished gas producers or unjustly enriched gas consumers or discouraged gas explorations;

Second, to me the debate has raised serious fear in my mind that passage of the bill will result in substantial increases in the price of fuel heat to the good people of Maine—even if Maine is neither a gas-consuming or a gas-producing State—for the very oil and gas producers who seek this natural-gas exemptive legislation are the same people who not only produce gas but produce fuel oil and gasoline that heat the homes of Maine people and who, at the same time, continue their vigorous efforts to restrict the importation of offshore oil to Maine and other States of the Northeast region.

Clearly the real purpose of the bill is to clear the way for an increase in natural-gas heating prices—and if that happens, then surely will follow an increase in fuel oil prices—hardly a pleasant prospect for the good people of Maine in the cold of this winter.

For the reasons I have given, I shall vote against the bill.

Mr. PASTORE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 41 minutes remaining.

Mr. PASTORE. I yield 15 minutes to the senior Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, this bill exempts from Federal regulation the sales of natural gas in interstate commerce for resale. It does so not only for the gas produced by so-called independents, dealing at arm's length with pipelines, but it does so also for the gas produced by the pipelines themselves. In the latter respect, it goes beyond the Kerr bill of 1950.

The justification which is advanced for this exemption is the argument that the gas-producing industry is competitive, and that competition in the field can be depended upon to regulate the price to the consumer more effectively than can Federal regulation. Let us examine that contention step by step.

Certainly so far as the consumer is concerned there is very little competition. There is only one utility in his area from which he can buy gas. The 21 million consumers of natural gas in this country have invested in gas furnaces, gas ranges, gas hot water heaters, and gas refrigerators something like $11 billion, or an average of more than $500 a consumer. Therefore, if the price of natural gas goes up, the consumers will not have any real alternative of going to other fuels; they are captive consumers.

Similarly, the local distributing companies are tied to the pipelines. They can buy their gas only from a given pipeline at the city gate. I believe no one seriously denies this.

Now we come to the vital point, namely, that the pipelines are tied to the big producers in the gas fields. There has been much talk about the large number of producers of natural gas. What should never be forgotten in a consideration of the whole subject is that 35 big companies control 70 percent of the gas and approximately 70 percent of the reserves. If we examine the situation along each of the major interstate pipelines, we will find that in the majority of cases four sellers control more than 50 percent of the gas which a given pipeline purchases.

As has been brought out in the debate in one case, that of the Michigan-Wisconsin pipeline, one company, the Phillips Co., gathers and sells all the gas that the pipeline buys.

Mr. President, this is the practical situation. There is a tremendous demand for natural gas from the consumers. This demand is felt by the distributors, which is passed to the pipelines, and then the pipelines move in the field and try to get contracts for large additional amounts of gas. To whom do they have to go? They have to go to the big producers for they are the only ones with adequate supplies. The big producers will sell additional quantities of gas only on certain conditions. First, they will insist on a much higher price than is currently being paid. They will also insist that prices be increased on previous contracts, either under some form of the most-favored-nation clause or under renegotiation of the original contract.

Thus, the pressure for additional gas carries with it an increase in price for all the preceding amounts which have been furnished also, and the pending bill will permit all those increases to occur.

During the debate on this bill I tried to show the magnitude of these increases. It is true that the average price received by the producers for the country as a whole is approximately 10.7 cents per thousand cubic feet. But I showed that down in the south Louisiana field in 82 new contracts which have been negotiated for large quantities of gas, the average price of the new contracts is not 10 cents, but 18.45 cents, with some contracts running well above 20 cents. And these 82 contracts were for some 7 billion thousand cubic feet over the life of the contracts and, on a yearly basis, enough to supply the entire amount for 1 of the 17 major pipeline companies which carry 88 percent of the gas in interstate commerce. That is a very large supply of gas at a very high price.

There have been other contracts which we have produced which show that prices now in the field are moving raptdly up to 17, 18, and 20 cents a thousand cubic feet. Figures which the Federal Power Commission sent to me just last Friday show new contracts at 21 and 23 cents.

If the bill passes, we can expect that those prices will become the predominant prices in the field, in the not too distant future, and that the present average of 10.7 cents will be replaced by the average of 17, 18, 20, and 21 cents. These will be the reasonable market prices, and the alleged consumer protections in this bill will prove worthless.

In my own judgment, I think the case is clear that there will be an increase of 10 cents a thousand cubic feet in the average price of gas received by the producer. Let us see what that means so far as the consumers are concerned.

The increased cost will be passed on, of course, by the pipelines to the distributing companies, and the consumers will ultimately have to bear the burden.

Last year there were sales by utilities and pipelines of 6 billion thousand cubic feet of natural gas. Every increase of 1 cent increases the final cost of gas by $60 million. An increase of 10 cents would increase the final cost of gas to the consumers by $600 million a year.

May I say in this connection that most of the cost would be unloaded upon the householder and the family, because it will be almost impossible for the distributing companies to unload the added costs upon the industrial users of the North, since many of the latter have alternative facilities and fuel supplies of coal or fuel oil to which they may turn.

So, Mr. President, with 21 million families involved, and with a total increase of $600 million a year, the average cost per family will go up somewhere between $25 and $30 a year.

To whom will those amounts go? They will go, in the main, to 35 big companies that sell 70 percent of the gas which enters into interstate commerce.

I am not going to make a whipping boy of those companies, except to say that they include at least four Standard oil companies and they include Phillips, Gulf, Atlantic, Texas, Shell, Humble, and other big oil companies, which, as the Senator from Minnesota has said, are treated more favorably, so far as taxes are concerned, than is any other group in American society. The favored group also includes the big pipelines that own and produce large quantities of gas.

The bill will result in a still further concentration of wealth and a still greater aggregation of economic power. There is no doubt whatsoever about that.

There is one further feature which needs to be noted. The gas reserves of this country are approximately 21 times the annual production of gas. If the revenues go up by $600 million a year, we can be quite certain that the value of the reserves will go up by not far from $12 billion a year as a minimum. Those are the stakes for which the gas and oil industry have been playing, as this bill has been considered by Congress and as this body is about to pass it.

Mr. President, it seems to me it is about time that the Congress of the United States represented the consuming interests of the United States and tried to protect the 21 million families, weak individually but powerful collectively, from the tribute which is about to be levied upon them.

Mr. PASTORE. Mr. President, I yield 10 minutes to the distinguished Senator from Kentucky.

The VICE PRESIDENT. The Senator from Kentucky is recognized for 10 minutes.

Mr. BARKLEY. Mr. President, I rise to speak very briefly on the pending bill,

not in the hope that I shall influence any vote but I wish to place in the RECORD my reasons for my opposition to the pending bill.

My attitude has not been influenced by anything that has happened during the current debate. When the Kerr bill was passed in 1950 I occupied the position now occupied by the present distinguished Vice President. While I had no vote at that time, I was opposed to the bill, and when the President of the United States, Mr. Truman, vetoed it, I approved his veto. As I recall, the veto was not voted on by the Senate. Therefore no record was made.

I have no animosity toward anybody who is in the gas or oil business. Back in the twenties, I tried to make a little money by investing in oil, and I not only got no oil, but I got no gas. I have no envy toward those who succeed in obtaining oil or gas. So I speak, Mr. President, without prejudice, without any feeling of bitterness, without any envy, or without a spirit of covetousness toward anybody who in this land of ours has a gas well or an oil well, or has stock in a big gas or oil company.

It seems to me the bill which is before the Senate contains only two propositions. First, does Congress have the power to regulate gas? In 1787, those who wrote the Constitution provided that Congress should have power to regulate commerce among the States. That power lay dormant for 100 years. The first act to regulate commerce was enacted in 1887. From that time until now Congress and the Supreme Court have enlarged the scope of Federal regulation, until now we regulate by law many activities which originally might not have been thought to come within the purview of Congress or its regulation.

Every short-line railroad in the United States, though there is not a crosstie that goes beyond the State border, is regulated by the Interstate Commerce Commission, under laws enacted by the Congress, because such lines have an effect upon interstate commerce and upon other railroads which are engaged in interstate commerce. The wages of every laboring man or woman who works in any State, though the factory does not extend beyond the State line, are regulated because the product of the factory enters into interstate commerce and is affected with a public interest.

Gas and oil companies are public utilities. They are natural monopolies. I care not whether gas and oil are mostly produced by 35 companies which produce 70 percent of the entire production, or whether the companies engaged in gas and oil production are widely distributed. Gas and oil companies are public utilities and are monopolies, because gas and oil are a part of the resources of our country, with which God Almighty has blessed all the people, whether they live in the State where gas and oil is produced or not.

So, Mr. President, I feel Congress not only has the power to regulate at the wellhead the price of gas which is designed to enter interstate commerce, and which has an effect upon interstate commerce, but I think it is the duty of the Congress to do so. Unfortunately, as I see it, the pending bill withdraws such Federal regulation of this natural product which has heretofore been in force, and relegates regulation to the States and their legislatures.

I am not one of those who look upon the Government of the United States as a great monster, sitting off on a high mountain, preparing to devour our people. I have noticed, as I have been in the Congress for a good many years, that many of those who oppose regulation from Washington, also oppose it at home by the legislatures of the States from which they come. I am afraid that if we are to rely entirely upon the State legislatures in the gas-producing States or their commissions or their State governments—and I speak with no disrespect—to regulate the price which you, Mr. President, and I in Kentucky or in Washington, must pay, and if the natural-gas producers have as much power in their State capitals as they seem to have in Washington, there will be no agonizing reappraisal on the home front, after we have withdrawn our own regulation, and have relegated ourselves to the mercies of the producers in the various States which produce gas.

I speak as one coming from a State which produces some gas, literally gas, Mr. President—not necessarily limited to political gas [laughter], of which we have had a good deal produced here in the past 3 or 4 weeks, although unfortunately it is not usable—and some of the gas produced in my State goes into interstate commerce. I have received a great many letters—I have not been bothered by any lobbyists, although I have been told that there have been the greatest number of lobbyists who have ever been here in the recollection of anyone; but I do not know about that, because I have not been bothered by a single one of them, not one; and I am glad of that, because I have had other things to do [laughter]—but I have received a great many urgent and serious letters from sincere persons in my State, urging me to vote for this bill. I have written to every one of them that I am not going to vote for it, and I have given them my reasons for not voting for it.

I am against the bill because I think only Congress has the power to regulate this utility; I am against the bill because I think it is the duty of Congress to do so. I am against the bill because I do not believe it is necessary, in order to enable the gas producers to succeed and prosper, to enact this proposed legislation.

The bill has been advocated as a consumer's bill. The author of the Senate bill in his opening speech described it as a consumer's gas bill. Well, Mr. President, he must have been speaking in the Pickwickian sense. [Laughter.] There is no consumer's lobby in Washington, that I have heard of, tugging at our coattails, asking us to vote for this bill. I have not received any letters from any consumers asking me to vote for it. Wherein, therefore, is it a consumer's bill? If it is truly a consumer's bill, it must be that when it is passed, it will consume more of the income of the people than was consumed before. [Laughter.]

Mr. President, I do not wish to delay the vote. I recognize the fact that in this case the die was cast from the very beginning. So far as the effect upon the Senate was concerned, we might as well have voted 4 weeks ago. But the debate has been interesting, and has been constructive, and I think it has been fair. Therefore it may have been of some use, because this problem may arise in the future; and the debate which has been conducted—and conducted on a high level—during the past 3 weeks may lay the foundation for even greater debates in the future, when again we may be called upon to determine whether we shall persist in our withdrawal of our power and our duty, or whether we shall resume it on behalf of the American people.

The PRESIDING OFFICER. (Mr. ELLENDER in the chair). The time of the Senator from Kentucky has expired.

Mr. PASTORE. Mr. President, does the Senator from Kentucky desire to have more time yielded to him?

Mr. BARKLEY. No; I am through.

Mr. President, for these and other reasons, I shall vote against the bill; and I shall do so with great pleasure because I feel it my duty to do so, in view of all the facts.

Mr. DANIEL. Mr. President, will the Senator from Rhode Island yield the remainder of the time available to him?

Mr. PASTORE. Mr. President, if the Senator from Texas is ready to do likewise, I shall yield the remainder of the time available to me.

Mr. DANIEL. Mr. President, I ask unanimous consent that the Senators from South Carolina [Mr. JOHNSTON and Mr. THURMOND] and any other Senators who may desire to do so, may have their statements on the bill printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I send forward my statement to be printed in the RECORD.

The statement of Mr. JOHNSTON of South Carolina is as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

I intend to cast my vote in favor of S. 1853 otherwise known as the Natural Gas Act. There has been so much confusion and distortion of facts appearing in the press regarding this bill that many of our constituents have been misled as to what the real issues are. I believe a brief statement by me may serve to clear up the situation.

In voting to pass this bill I do so because I firmly believe that I am casting a vote for States rights, for less government in business, and at the same time assuring gas consumers in my State and the other States of adequate Federal protection against exorbitant gas rates.

This bill that I vote for maintains Federal control over gas distributed to South Carolina or to any State other than the State in which the gas is produced.

This bill only exempts from Federal controls gas which is consumed in the same State in which it is produced.

UNIVERSITY OF MICHIGAN LIBRARIES

The bill specifically provides that the Federal Power Commission shall continue to control gas rates charged by producers to transporters of gas carrying gas to gas consumers in South Carolina and other States.

Prior to this legislation, the Federal Power Commission, as a result of previous legislation and court cases, was forced to use the cost-plus utility formula in controlling interstate gas rates. This guaranteed the producer a cost-plus price for his gas. This system generates no inducement for producers to cut costs of production because the more it costs, the more of the cost-plus price he will get.

But under the system provided for in this bill the Federal Power Commission establishes the price the producers can charge on a basis of what is a reasonable market price. This induces the producers to cut production cost in order to widen his margin of profit and to keep in line with competitors' prices. Therefore, I do not believe this bill will result in any gas rate increase. It can easily be seen that no reduction in gas rates was even minutely possible under the prior system, but that now at least there is a chance for a price reduction even though I doubt that it will ever come. Actually under this bill gas production will be stimulated, and consumers will be assured greater supplies, and competition between producers will be increased.

If any exorbitant gas rate increases result from the passage of this bill, I will be the first to call on Congress for an investigation of gas rates from the wellhead to the consumer.

Actually, the main cost of gas is not that charged by the producers, but results from transportation costs and profits arising from the middle man and distributors engaged in interstate distribution. Transporters and distributors are not remotely touched by this bill except and unless they are engaged in business solely within the confines of the State in which the gas is produced. The transporters engaged in interstate commerce will continue to be controlled by the Federal Power Commission and the intrastate distributors in the various States will be controlled by the local State public service commissions as has been the case all along.

An editorial appearing Thursday, January 26, 1956, in the New York Journal American on this subject expresses exactly this situation. I wish to insert this editorial in the RECORD for the benefit of the Senate.

"Fundamental facts of interest to the consumer are being obscured in the Senate controversy over Federal control of the natural-gas industry.

"The natural-gas business falls in 3 divisions—producers who obtain the fuel at the wells and who operate mainly in 6 States; interstate pipelines which transport natural gas to consumer markets, the bulk of which are situated in 33 large importing States, and distributors or, in plain language, local gas companies. Pipelines and local gas companies operate as monopolies.

"To protect the public, local gas companies are regulated under State laws as public utilities. The Federal Government has no jurisdiction in this field.

"Further to protect the public, Congress in 1938 passed the Natural Gas Act, giving the Federal Power Commission authority over the pipelines engaged in interstate commerce. The act specifically exempted producers at the well from Federal regulation.

"In June 1954 the Supreme Court ruled, by a split decision, that producers were also subject to Federal control if any part of their production was sold across the State lines.

"In sum, the Court held that a law passed by Congress contained something that Congress had not put in the law.

"This, as in the preceding matter of oil-bearing tidelands, was a case of the Federal judiciary invading the legislative powers of Congress.

"Congress nullified the earlier decision by passing a law that returned the tidelands seized by the Federal Government to the States which had owned them for 100 years without dispute.

"Following that precedent, the Harris-Fulbright bill was introduced in Congress to rescind the natural gas decision and was passed by the lower House last year. The bill is now pending in the Senate.

"The basic issue, therefore, is that legislative powers under the Federal Constitution belong solely to Congress and may not be usurped by either the executive or judicial branch.

"Obviously, if the Federal Government has power to regulate the production of natural gas, then, as Senator BRIDGES has said:

"'We must also extend Government control to the production of coal, lead, zinc, copper, and all other mining.'

"Opponents of the Fulbright bill assert that the production of natural gas is a monopoly from which the public must be protected by Federal intervention.

"No reliable facts are offered to support this contention.

"It is true that 197 companies produce 90 percent of the natural gas supply. But of these 197 companies competing with each other, none controls 5 percent of the total production. Moreover, in this highly competitive industry there are actually 8,000 producers operating 71,000 gas wells in 28 States.

"That is hardly a monopoly.

"Opponents of the Fulbright bill also allege that the consuming public is the victim of price extortion by the natural-gas companies.

"There are some 25 million residential natural-gas consumers, mostly in the large cities, and the millions of families who read the Hearst newspapers are among them. Naturally, we are on their side; always have been, and always will be..

"But here are some of the facts:

"Prices vary geographically, but taking New England for an example:

"The producer averages only 10 cents per 1,000 cubic feet for natural gas piped into New England. The pipelines get only 50 cents. But the average home price in New England is $2.40 per 1,000 cubic feet, the local distributor getting $1.80. The distributor's price is thus 2,400 percent of the producer's price.

"In Washington, D. C., a residential consumer pays $1.31 for natural gas for which the producer receives 12½ cents.

"According to a Congressional estimate, a local utility company collects 18 cents for delivering 2 cents worth of natural gas.

"Plainly, the high costs to consumers are attributable much more to local service and distribution than to exploitation by producers; and local utilities are subject to State or municipal regulation.

"Opponents of the Fulbright bill contend that Federal regulation, as unconstitutionally decreed by the Supreme Court, will increase the market supply of natural gas and reduce consumer prices.

"Market statistics indicate exactly the opposite effects.

"Expanding potential markets demand expanding supplies.

"But the interstate supply is diminishing. Because of Federal regulations at the wellheads, many independent producers are selling their product only within their own States, where Federal control is absent. Likewise, wildcatting, or bringing in new wells, is declining.

"The long range result of Federal control must be a future market shortage and high consumer prices."

In regard to where the consumer's cost of gas goes, I wish to insert the following figures for the record:

Price paid for gas at well, 9.04 cents per thousand cubic feet.

Price paid for pipeline, 0.33 cent per thousand cubic feet.

Price paid by distributor, $1.93 per thousand cubic feet.

Price paid by Charleston and Columbia, S. C., consumers, $2.27 per thousand cubic feet.

Price paid for gas at well, 7.6 cents per thousand cubic feet.

Price paid for pipeline, 0.24 cent per thousand cubic feet.

Price paid by distributor, $1.17 per thousand cubic feet.

Price paid by Anderson, Spartanburg, and Greenville consumers, $1.40 per thousand cubic feet.

It is obvious that the sharpest controls are needed not at the wellhead but in the interstate delivery and most of all in the State in which the gas is delivered to the consumer. The States have the power to control these local delivery rates through the State public service commissions and State utility controlling agencies. The power of the Federal Government to control interstate rates is in no way diminished by passage of this bill. As I said, my vote is to retain to certain States their rights of controlling their own gas rates.

If we of the South expect to get help from other States to preserve our States rights, then we must be willing to help them preserve their States rights.

I am basing my vote on this bill solely upon the merits of the act, weighing carefully the issues of States rights, Federal rights, and most importantly, consumer protection. As I have outlined, I vote for this bill with full confidence that the gas consumers of my State are adequately protected on all levels against any possible exorbitant gas-rate increases.

Under the foregoing order, Mr. THURMOND submitted the following statement to be printed in the RECORD:

STATEMENT BY SENATOR THURMOND OF SOUTH CAROLINA

Unless the Fulbright bill is adversely amended, it is my intention to vote for it. The bill would place producers of natural gas under regulation of the States instead of under the Federal Power Commission. In 1938 Congress passed the Natural Gas Act to regulate the pipelines transporting gas in Interstate Commerce and the sale of natural gas for resale for public consumption. However, this 1938 Act was not intended to apply to independent producers and gatherers of natural gas. The Federal Power Commission agreed with this interpretation and for 16 years made no effort to impose regulations over the producers. But in 1954, the Supreme Court handed down a decision in the Phillips case which in effect gave the Commission authority to regulate producers and gatherers of natural gas sold in Interstate Commerce for resale. After this decision by the Supreme Court in 1954 applying a new interpretation to the 1938 Act, the Commission was required to begin to regulate the activities of producers and gatherers of natural gas.

On July 28, 1955 the House of Representatives passed the Harris bill to exempt producers and gatherers of natural gas from regulation by the Federal Power Commission. The Fulbright bill now being debated in the Senate is almost identical with the bill passed by the House.

I believe in open competition in free enterprise without governmental regulation insofar as possible. I also believe in State regulation rather than Federal regulation when regulation is necessary, and a choice can be made between Federal and State authority.

If the Federal Government can regulate the price a man can get for the gas produced on his land, it is just as logical to argue that the Government can control the price

for which he can sell cotton, corn, wheat, milk, Kaolin clay, titanium, and other resources from the soil. Such regulation could also lead to Federal price setting on products made in our textile plants which go into interstate commerce, such as sheets, pillow cases, and other cotton manufactured goods. Such regulation if expanded and continued could lead to the destruction of our American system of constitutional government.

The price of natural gas has risen as has the price of other commodities generally. The cost of exploration, the cost of labor, the cost of transmission, the cost of distribution, and other economic factors enter into the eventual price paid by the consumer of natural gas.

The records indicate that the producers of natural gas receive only about 10 percent of the price paid by the consumer. The difference is added by the transmission lines and the distributors. If the price of natural gas were to rise, it appears that it would not be as a result of passage of this bill, but because of failure by the Federal Power Commission to regulate the transmission lines properly and failure by the State Commission to regulate the distributors properly.

The best way to reduce the price of any commodity is to increase its production. Increased gas production can best be encouraged without regimentation. I believe it to be my duty to vote for the Fulbright bill in the best interests of the public.

Mr. HUMPHREY. Mr. President, will the Senator from Texas yield to permit me to submit several telegrams for printing in the RECORD?

Mr. DANIEL. I yield.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram from the mayor of Marshall, Minn., who asks that the RECORD be corrected; he refers to the RECORD in which he was shown as being in support of the bill. To the contrary, Mr. President, he is not in favor of the bill.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MARSHALL, MINN., *February 6, 1956.*
HUBERT H. HUMPHREY,
United States Senator,
Washington, D. C.:

I am not in favor of the Harris-Fulbright bill. I would appreciate if my name was removed from the CONGRESSIONAL RECORD. Alexson Clark appointment misrepresented.

GEORGE ABRAHAMSON,
Mayor of Marshall.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that a second telegram, advising me of opposition to the bill, be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *February 6, 1956.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

This is to advise that we oppose the Harris-Fulbright natural-gas bill.

I. J. OAKES,
Business Representative, Plumbers Union No. 15, Minneapolis.

Mr. HUMPHREY. Mr. President, I thank the Senator from Texas for his courtesy.

Mr. DANIEL. Mr. President, with the understanding that the Senator from Rhode Island [Mr. PASTORE] yields back the remainder of his time, I am authorized to yield back the remainder of the time for the proponents.

The PRESIDING OFFICER. All time having either been used or yielded back, the question is on the third reading of the bill.

The bill was ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McCarthy
Allott	George	McClellan
Anderson	Goldwater	McNamara
Barkley	Gore	Monroney
Barrett	Green	Morse
Beall	Hayden	Mundt
Bender	Hennings	Murray
Bennett	Hickenlooper	Neely
Bible	Hill	Neuberger
Bricker	Holland	O'Mahoney
Bridges	Hruska	Pastore
Bush	Humphrey	Payne
Butler	Ives	Potter
Byrd	Jackson	Purtell
Capehart	Jenner	Robertson
Carlson	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Saltonstall
Case, S. Dak.	Kefauver	Schoeppel
Clements	Kennedy	Scott
Cotton	Kerr	Smathers
Curtis	Kilgore	Smith, Maine
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Duff	Lehman	Thurmond
Dworshak	Long	Thye
Eastland	Magnuson	Watkins
Ellender	Malone	Welker
Ervin	Mansfield	Wiley
Flanders	Martin, Iowa	Williams
Frear	Martin, Pa.	Young

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

The question now is, Shall the bill pass?

Mr. JOHNSON of Texas. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. ERVIN (when his name was called). On this vote I have a pair with the senior Senator from New Mexico [Mr. CHAVEZ]. I am informed that if he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. GEORGE (when his name was called). On this vote I have a pair with the senior Senator from Colorado [Mr. MILLIKIN]. I am informed that if he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The legislative clerk resumed and concluded the call of the roll.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness, and his pair with the Senator from Georgia [Mr. GEORGE] has been previously announced.

The result was announced—yeas 53, nays 38, as follows:

YEAS—53

Allott	Flanders	McCarthy
Anderson	Frear	McClellan
Barrett	Fulbright	Monroney
Beall	Goldwater	Mundt
Bennett	Hayden	Murray
Bible	Hickenlooper	O'Mahoney
Bricker	Holland	Payne
Bridges	Hruska	Saltonstall
Butler	Johnson, Tex.	Schoeppel
Capehart	Johnston, S. C.	Scott
Carlson	Kerr	Smathers
Cotton	Knowland	Stennis
Curtis	Kuchel	Thurmond
Daniel	Long	Watkins
Dirksen	Malone	Welker
Dworshak	Mansfield	Williams
Eastland	Martin, Iowa	Young
Ellender	Martin, Pa.	

NAYS—38

Aiken	Hill	Neely
Barkley	Humphrey	Neuberger
Bender	Ives	Pastore
Bush	Jackson	Potter
Byrd	Jenner	Purtell
Case, N. J.	Kefauver	Robertson
Case, S. Dak.	Kennedy	Russell
Clements	Kilgore	Smith, Maine
Douglas	Langer	Sparkman
Duff	Lehman	Symington
Gore	Magnuson	Thye
Green	McNamara	Wiley
Hennings	Morse	

NOT VOTING—5

Chavez	George	Smith, N. J.
Ervin	Millikin	

So the bill (H. R. 6645) was passed.

The VICE PRESIDENT. Without objection, Senate bill 1853 will be indefinitely postponed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND].

The motion to lay on the table was agreed to.

NOTICE OF HEARING ON H. R. 2068, FOR THE RELIEF OF WILLIAM F. FRIEDMAN

Mr. O'MAHONEY. Mr. President, on behalf of the Subcommittee of the Committee on the Judiciary on Patents, Trademarks, and Copyrights, I wish to announce that a hearing has been scheduled on H. R. 2068, for the relief of William F. Friedman, for 10: 30 a. m., Thursday, February 16, 1956, in room 424, Senate Office Building, at which all persons interested may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Wisconsin [Mr. WILEY], and, myself, as chairman.

ADJOURNMENT TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 11 a. m. tomorrow.

The motion was agreed to; and (at 8 o'clock and 31 minutes p. m.) the Senate adjourned, the adjournment being,

UNIVERSITY OF MICHIGAN LIBRARIES

under the order previously entered, until tomorrow, Tuesday, February 7, 1956, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 6 (legislative day of January 16), 1956:

BOARD OF COMMISSIONERS, DISTRICT OF COLUMBIA

David Brewer Karrick, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years and until his successor is appointed and qualified, vice Samuel Spencer, term expiring.

IN THE COAST GUARD

Capt. Ira E. Eskridge, United States Coast Guard, for promotion to the permanent rank of rear admiral in the United States Coast Guard, effective February 1, 1956.

The following Coast Guard officers for promotion to the permanent rank of rear admiral in the United States Coast Guard:

Kenneth K. Cowart
Harold C. Moore
Henry T. Jewell
Donald E. McKay
Edwin J. Roland

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 6, 1956

The House met at 12 o'clock noon.

Rev. William D. Barnes, Hartford, Conn., offered the following prayer:

Gracious God, Architect of the Universe and Father of our spirits, whom to know aright is life eternal, be pleased to accept the worship of those assembled here, who, like their forebears, would precede their deliberations with moments of quiet devotion before Thee. Like the great Presidents, whom the Nation honors this month, we would reveal our dependence upon Thee and seek the strength, direction, and courage required for conducting the affairs of a great people.

Remind us that Thou art King of Kings, Lord of Lords, whose sceptered sway reachest to the outermost star, whose rule is by law which we violate to our hurt and obey to our progress, that Thou rulest in mercy, remembering that we are neither gods nor children, but men in a world of men.

Bestow upon us a sense of Thy divine presence so that all that is done is within Thy knowledge and written in the Book of Life.

Open our minds to the voice of conscience so that we may be free of sorrow or remorse for actions taken. Create in us the willingness to be led by the spirit of righteousness and appreciate beauty, seek truth, practice justice, and exemplify loving kindness. Help us to be great like our forebears in faith in serving Thee and our Nation, courageous to acts of sacrifice in preserving freedom and maintaining domestic tranquillity. Grant health to our Chief Executive that as his day so shall his strength be; wisdom to our international counselors that peace may persist around the world; integrity to our elected officials that they represent the needs of the silent majority as well as their articulate constituents; industry to other appointed officials that the business of government may be as efficient as private industry. Grant courageous action to business leaders that a living for all who would work may be provided, and, above all, that the people, whose Nation it is, shall return to morality derived from religion that government of, by, and for the people shall not perish, but lead the earth to happiness. "Be with us yet, lest we forget, lest we forget." Amen.

The Journal of the proceedings of Thursday, February 2, 1956, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 1078. An act for the relief of Dr. Robert C. Jalbuena;

H. R. 1084. An act for the relief of Dorothy Antonia (Suk-fong) Leong;

H. R. 1092. An act for the relief of George Henry Mahoney;

H. R. 1193. An act for the relief of Dr. and Mrs. Ivan Pernar;

H. R. 1198. An act for the relief of Kenneth K. W. Lau and Romana Say Soat Kheng, also known as Mrs. Anne Say Lau;

H. R. 1208. An act for the relief of Mrs. Esther Moreno;

H. R. 1232. An act for the relief of Salvador, Mercedes, and Miguel Chofre;

H. R. 1657. An act for the relief of Louis B. Prus-Latkiewicz;

H. R. 1907. An act for the relief of James Wilson;

H. R. 2049. An act for the relief of Anastasios Seleimetzidis;

H. R. 2525. An act for the relief of Madiros Kebabjian;

H. R. 2782. An act for the relief of Josefa Martinez Infante;

H. R. 2945. An act for the relief of Joan Frances Feeley;

H. R. 3188. An act for the relief of William Lawler;

H. R. 4025. An act for the relief of Mrs. Donald T. Howard (nee Miss Elsa Ursula Kuchinke);

H. R. 4548. An act for the relief of Michele Pica;

H. R. 4612. An act for the relief of Vladimir and Svatava Hoschl;

H. R. 4769. An act for the relief of Mrs. Barbara (Pearson) Boycott;

H. R. 5869. An act for the relief of Andreas (or Andrew) Voutsinas;

H. R. 5870. An act for the relief of Jesajahu Braun;

H. R. 6298. An act to amend section 601 (g) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit transfer of war housing projects to the city of Moses Lake, Wash., and to other communities similarly situated;

H. R. 7094. An act to amend section 120 of the Internal Revenue Code of 1939 (relating to unlimited deduction for charitable contributions);

H. R. 7197. An act for the relief of Mrs. Mary Christine Dowdy;

H. R. 7930. An act authorizing the completion of the initial stage of development for flood control and other purposes in the Russian River Basin, Calif.; and

H. J. Res. 471. Joint resolution to permit FHA title I repair assistance to new homes damaged by major disasters.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1887. An act for the relief of Dr. Tsi Au Li (Tsi Gziou Li), Ru Ping Li, Teh Yu Li (a minor), and Teh Chu Li (a minor);

H. R. 2667. An act to amend section 208 (b) of the Technical Changes Act of 1953 (Public Law 287, 83d Cong.);

H. R. 6790. An act for the relief of Anna K. McQuilkin;

H. R. 7054. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estates taxes paid on certain prior transfers; and

H. R. 7247. An act to amend the Internal Revenue Code of 1954 with respect to the treatment of gain in certain railroad reorganizations.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 1026. An act for the relief of Nihat Cengiz;

S. 1221. An act for the relief of the estate of Joseph Kelsch;

S. 1456. An act to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended;

S. 1897. An act for the relief of Gosta Harry Roner;

S. 1992. An act to provide for the conveyance of a certain tract of land in Madison County, Ky., to the Pioneer National Monument Association;

S. 2884. An act to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

S. 2990. An act to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955;

S. Con. Res. 64. Concurrent resolution providing for a joint committee to arrange for the inauguration of the President-elect of the United States, January 20, 1957;

S. Con. Res. 66. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens;

S. Con. Res. 67. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; and

S. Con. Res. 68. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens.

COMMITTEE ON THE JUDICIARY

Mr. LANE. Mr. Speaker, I ask unanimous consent that a subcommittee of the House Committee on the Judiciary may sit tomorrow while the House is in session during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GEN. J. E. B. STUART

Mr. HARDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. Mr. Speaker, today is the birthday of one of Virginia's great military leaders. I rise to pay a brief tribute to J. E. B. Stuart, who was a major general commanding the Cavalry Corps of Northern Virginia at the age of

29. His daring, gallantry, and shining courage are a part of the South's most cherished heritage.

I quote from an editorial which appeared in the Richmond press following the death of this Virginia hero in 1864:

A skirmish near Richmond with General Sheridan's raiding column has unfortunately cost Stuart his life, and the Confederacy her best cavalry officer.

He is dead at the early age of 33, perhaps the first cavalry officer of his day; but he has lived long enough to have given a marked character to Confederate strategy, and to have organized a cavalry service which has over and over again been the bulwark of the Confederacy. Forrest, Morgan, Van Dorn, older men, were pupils in his school; and amongst the heroes of the war his name will worthily take its place beside those of Lee and Stonewall Jackson. Personally J. E. B. Stuart will be perhaps more widely lamented than any Confederate general who has fallen. His noble features and manly figure, his easy carriage and fine seat, his never failing spirits, his personal gallantry, his daring enthusiasm, his unfailing devotion, endeared him to all his men and all who knew him. They will hear no more the ringing "Charge" that made every man of them grip his saddle more closely, and clench his hand more firmly on his sword-hilt. They will never see again the gleaming blade that so often led them safely through the thickest of the fight. But his memory will be one more prize to the chivalry of the South, and his loss will be avenged. But somewhere in Virginia there is a home that will know this fearless soldier no more, and there will be sorrow that cannot be comforted. God grant that the days of peace be not far distant, and that the blood of this Virginia hero, sprung from a race of kings, has not been poured out in vain.

Although Jeb Stuart was not a native of my congressional district, after his death his widow spent most of her remaining years in Norfolk, where she died in 1923, and I have the privilege of knowing and representing a number of their grandchildren.

I have observed with regret that, according to recent news stories, a Bermuda night club operator has falsely claimed to be a descendent of General Stuart. Official records have proved, and I believe this individual now admits, that these claims were untrue.

Born in Patrick County, Va., February 6, 1833, J. E. B. Stuart graduated from West Point in 1854. He died of battle wounds received just 10 years later in the defense of Richmond, but in the 3 brief years during which he served as cavalry commander, and was the "eyes and ears" of Lee, the "right arm" of Jackson, he established such a record for brilliant cavalry maneuvering that his exploits have been the source of study for succeeding generations, not only in the United States, but also in foreign lands.

THE HUGHES CASE

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, today I am putting into the RECORD an editorial appearing in the Saturday, February 4, 1956, Washington Post entitled "The Hughes Case" which discusses responsible journalism. I am also putting in the RECORD a copy of the letter I have written to the Washington Post on this fine editorial.

In the letter you will find that I am urging responsible journals to pick up the the plea that I have made to the Speaker that a committee be immediately charged with investigating the alleged improper and illegal tactics of the so-called gas and oil lobby. The reputation of the Congress has been seriously impugned. Either the charges are true or they are false. If they are true, it lies with the Members of Congress to do something about it. If they are false, it also lies with the Members of Congress to establish this fact so that the people of the country may know it. I again reiterate in my own judgment, these charges are false. I have great faith in the integrity of my colleagues and of the leadership in this body.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 4, 1956.

EDITORS OF THE WASHINGTON POST,
Washington, D. C.

GENTLEMEN: I thought your editorial entitled "The Hughes Case" in which you discuss some of the criteria of responsible journalism was excellent. I intend to place it in the CONGRESSIONAL RECORD so that it may receive some national circulation.

I am enclosing some remarks I made on January 25, 1956, on the floor of the House and extended for the RECORD on the general subject of responsible journalism. I think the standards you set for your own reporters should likewise be set for the columnists whose views you print and circulate.

Furthermore, I wish a few responsible journals would take up the plea I have made to the Speaker that a committee, special or otherwise, immediately go into the charges that have been made of improper and illegal tactics of the so-called gas and oil lobby. Since the Drew Pearson article to which my remarks refer appeared, there has been Senator CASE's charge of attempted bribery.

I might state that from the standpoint of writing good legislation, it is equally in error for a legislator to vote against a measure because he has been insulted by a bribe to do so as it is for him to vote for it because of a bribe. The merits of the measure itself rather than the tactics of the opponents or proponents of it should be the test of one's vote. Regrettably, many persons have been trying to have the Harris-Fulbright bill judged not on its merits, but on the alleged tactics of certain of its proponents. This kind of procedure is not conducive to good legislation, and responsible legislators, journals and people should realize it.

Sincerely,

THOMAS B. CURTIS.

VACATING EXTENSION OF REMARKS

Mr. HOSMER. Mr. Speaker, I ask unanimous consent that the order heretofore granted me to extend my remarks in the body of today's RECORD and include two separate unrelated subjects and a geologist's report be vacated.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOSMER. Mr. Speaker, I ask unanimous consent that the permissions heretofore granted me to extend my remarks in the RECORD, which have not been used, be canceled, and that I now be granted permission to extend my remarks in the RECORD and include extraneous matter in two instances.

The SPEAKER. Is there objection?

There was no objection.

PROVISIONS OF DAVIS-BACON ACT SHOULD BE INCLUDED IN FEDERAL-AID-TO-SCHOOLS LEGISLATION

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, I consider it essential that sound Federal aid-to-school-construction legislation include a provision requiring prevailing-wage standards as outlined by the Davis-Bacon Act. This act provides a sound and fundamental concept of the role of government in Federal programs sponsoring construction. The principle of the law is time-tested and has been valuable as a remedial measure to protect contractors and craftsmen from unfair contract bids. Failure to include it is manifestly unfair to law-abiding contractors who may be underbid by other contractors paying below local existing wages. It is a necessary measure to eliminate existing unfair bidding advantages of contractors who pay low wages in areas where union rates prevail. The Davis-Bacon provision in the school construction measures would provide a proper wage scale.

This provision would prevent the Federal Government from becoming a party to the breaking down of existing prevailing practices regarding wages, hours of work, health, welfare, pensions, overtime provisions, and other working conditions which have been privately negotiated between contractors and construction craft unions.

Originally, the Davis-Bacon Act was enacted in 1931 because the Congress of the United States realized the seriousness of the labor problems created by Government construction contracts which, at that time, were operating to the advantage of the lowest bidder and creating an imbalance in the labor market when nonunion workers were brought into a State to work for exceedingly low wages.

Since 1931, however, when the Davis-Bacon provision has been applied by the Congress it has to its credit the following accomplishments:

First. Equality of bidding opportunity has been guaranteed to all contractors. It protects them against unfair competition and restricts the area of competition to economy and efficiency.

Second. Local employment has been assured by the provision because no advantage can be gained by importing workers from lower wage rate areas.

Third. It protects the standard of living of the local craftsmen.

Fourth. It has fostered industrial peace wherever it has been applied because it removes the prime cause of disputes on these projects.

UNIVERSITY OF MICHIGAN LIBRARIES

Fifth. Collective bargaining has been encouraged by it.

Sixth. It has prevented the disturbance of local economies.

Seventh. Through this provision contractors have been able to receive an adequate supply of skilled, experienced, and competent construction craftsmen at the wage rate contained in the contract specifications.

Federal acts which have provided for a prevailing wage clause include the following:

Housing Act of 1937, as amended by the 1949 act.

Federal aid for public airport development of 1946.

Hill-Burton Facilities and Hospital Construction Act of 1946.

School survey and construction of school facilities in federally affected areas of 1950.

Defense Housing and Community Facilities and Service Act of 1951.

Slum clearance and urban renewal program in the Housing Act of 1954.

Multifamily rental housing under the Federal Housing Administration Lease Purchase Contracts Act of 1954.

In my opinion, it would be an act of gross neglect for the Congress, in the light of these facts, to enact legislation for a large school-construction program without the Davis-Bacon provision. This would seriously hamper the program and the interests of labor.

There must be a prevailing wage provision in any Federal school-construction bill we enact.

SPECIAL ORDER VACATED

Mr. HORAN. Mr. Speaker, I have been granted a special order to address the House for 1 hour on tomorrow. I ask unanimous consent that that be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

A COST OF WAR

Mr. RADWAN. Mr. Speaker,. I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RADWAN. Mr. Speaker, the other day I received one of those general information pamphlets from the Veterans' Administration. It was full of statistics, and not easy reading, but the title caught my eye. "Cost of War," it read. At long last, I said to myself, the powers that be are beginning to recognize veterans' benefits for what they are—not charity, not a handout, but a "cost of war."

Obviously this is so. The cost of a veterans' program is just as much a cost of war as the planes and ships and shells that were hurled at the enemy. And they should be viewed in the same spirit of urgency and sacrifice as are other more readily recognizable war costs.

I have often repeated a phrase which I think sums the situation up pretty neatly. "Veterans do not create the wars which create veterans." This is a one-package answer to those critics who complain that there are so many veterans we should do something about cutting down the cost of their benefits. The care of these men and women is an aftermath of war, and directly although belatedly a cost of war.

All the veteran did was win that war. If he had not, we would not have a nation, rich and strong and powerful enough to give the veterans a helping hand, or to look after the well-being of any of its citizens, for that matter.

The number of men and women who have been aided in one form or another by our veterans' program is very impressive. But so is the number of veterans. Over 16 million Americans participated in World War II alone, and over 15 million of these are living today. Then, almost 5 million more entered service after Korea and over 4 million of these are with us today.

America did not lose by coming to the aid of these men and women. The 7,800,000 veterans who received education and training benefits will, by 1970, have paid the entire cost of that program back, because they have with their education reached an income level at which they are paying an extra billion dollars a year in Federal income taxes.

Veterans have purchased 4 million homes under the loan-guaranty program. Did that hurt America? Can you imagine what an influence that has had on our postwar and our present prosperity? And do not forget that these homeowners pay their communities and States real-estate taxes.

Many prominent economists actually feel that the veterans' program helped prevent an economic crisis after World War II by stimulating civilian demand. The benefit to the Nation did not stop there, however. Now that the country is desperately in need of engineers, scientists, and doctors, where would we be without the 145,000 engineers, 744,000 scientists, 63,000 doctors, 238,000 teachers, 700,000 mechanics, and 380,000 construction workers trained under the GI bill?

Two weeks ago, I had the warm satisfaction of introducing a bill which is most essential to the continued progress and security of our Nation. It would extend the education benefits of the GI bill to peacetime veterans. In my view, this bill should encourage enlistments in the Armed Forces, encourage the post-service training of urgently needed scientists and engineers and, at the same time, show the veteran he is not forgotten.

This is one cost of war which is a lot easier to take than some of the others. It is always repaid—and with heavy interest.

EXTENSION OF GREETINGS TO STATE OF SUDAN

Mrs. FRANCIS P. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, on January 1 the Sudan relinquished its former ties with both Great Britain and Egypt, and took its place in the family of nations as the newest independent state.

Having been in the Sudan just a month before this move, I want to join the many who are wishing the new nation well in its future life.

The Sudan is a huge plateau of 967,500 square miles in the northeastern section of Africa, lying across the middle reaches of the Nile River. Some 8 or 9 million people live in this area and they have for neighbors: on the north, Egypt; on the west, Lybia and French Equatorial Africa; on the south, the Belgian Congo, Uganda, and Kenya; and on the east, Ethiopia.

During my visit I had conversations with Prime Minister Sayed Ismail El Azhari, the speakers of the House and Senate, heads of the Medical Services, Education Department, and Ministry of Social Affairs; and the leader of opposition, Sayed Mohammed Ahmed Mahgoub. They impressed me with their peoples' needs and aspirations, and with the strong nationalistic sentiment that can be seen throughout the Near East and Africa.

Nationalism is a beneficial force when given adequate direction by responsible and mature leaders. But it can also be the opening wedge for Communist infiltration. As you know, the Communists have lost no time in making overtures to that area.

The United States should, in every way commensurate with our national aims of peace and freedom, assist these people in their natural aspirations to take a proud position alongside the other free nations of the world.

Today I am introducing a concurrent resolution extending greetings of the Congress of the United States to the Sudan, expressing, in the words of the resolution, "the earnest hope that the Parliament and the people of Sudan will enjoy continuing success in the development of a sovereign democratic republic" and reaffirming "the friendship of the United States for the people of Sudan." A similar resolution was introduced last week by Senators ALEXANDER SMITH, of New Jersey; GEORGE, of Georgia; GREEN, of Rhode Island; and WILEY, of Wisconsin.

H. R. 7993

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, during the time the House was considering bill H. R. 7993, I was impressed that favorable action would be forthcoming. I am a great believer in letting a bill pass with the least possible debate and for that reason I did not take the floor to express my sentiments. I do however, have some comments for the

RECORD which I am glad to insert at this time.

At this time it appears most appropriate to mention facts which are of great importance for the safeguarding of our country. I have always felt that the safety of our Nation depends in considerable part upon our strength, and this most certainly includes the strength of our Armed Forces. Not the least of these areas where our attentions should be directed concerns our naval power.

Protection for our country and its citizens depends, in large part, upon the adequacy of our Armed Forces when viewed against the backdrop of the world picture today. Every day we hear about the progress made by the Russians in many fields of military and naval equipment. One area in which this progress has been steady, sure, and consistent, is naval power. Today, we are told, the Russian Navy is second only to that of the United States. Countries which have for centuries been world naval leaders have now been outstripped by the Soviets. And this is all the more important because the Russian progress in this respect has not, and apparently will not stop or even decrease in rate. We must assure that our Navy has the wherewithal to meet this challenge to our current supremacy. Let us be certain that our progress is truly sufficient under the circumstances found in the world today.

Thus it is with considerable gratification that I see a forward-looking naval shipbuilding program proposed by the administration. I feel, however, that there is an area concerning which comment is desirable. This involves the amphibious aspect of our naval strength. There is no question that the necessity and effectiveness of an adequate amphibious force has been repeatedly and irrefutably demonstrated by experience. The inclusion in this shipbuilding program of amphibious ships is, indeed, a step in the right direction. The provision for the conversion of a ship to handle helicopters which can land marines in an assault is certainly an example of looking to the future in this age of rapid and continuing change in our modes and methods of warfare. I have read that the Marine Corps has, since the end of World War II, been working on a plan of warfare which envisages the landing of their forces on objectives through the use of helicopters rather than the usual slower and restricted surface vehicles on the water. This, too, is an example of the type of thinking and planning which will assure success, should the call come, in any future type of military operation.

In this atomic age it seems clear that success will depend upon such rapid and well-planned operations. Again I say, I am certainly pleased that a ship for transporting these helicopters is being converted. However, I wonder if this is enough for us to do in this most important area. Should we not consider that perhaps more such ships might be necessary so that our forces actually would be capable of an assault by helicopter from the sea. Perhaps the Navy, after the initial experience with the conversion we have in this program, is planning to construct vessels specifically designed for this purpose. I certainly hope and trust that the planning in the Navy shipbuilding program is abreast of the helicopter assault plans of the United States Marines. It would be most unfortunate if the lack of ships or equipment would handicap any part or portion of this splendid progress in atuning our military forces to the requirements of the age in which we live. I am sure that this is one area from which our attention should not be diverted and in which continued progress is vitally necessary. I feel that the Navy is to be commended for their foresightedness in planning and executing such revolutionary and novel programs as we see in the atomic submarines, other nuclear vessels, and new missile armament. This is the type of planning which must be assured in the development of ships for helicopter transport and amphibious shipping in general. This aspect of sea power must go forward as surely and as rapidly as that of submarines and other combatant ships if we are to be certain that our Navy is complete and adequate to the needs imposed by the present world situation. A weakness in one area would certainly weaken our entire defense forces, a condition which we must not and cannot allow to exist.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary and its Subcommittee No. 2 on Claims be permitted to sit during general debate tomorrow and Wednesday.

The SPEAKER. Is there objection?

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

MEMBERSHIP OF CERTAIN COUNTRIES IN UNITED NATIONS

The Clerk called the resolution (H. Con. Res. 186) expressing the sense of Congress that certain countries should be granted membership in the United Nations.

Mr. WILLIAMS of New Jersey. Mr. Speaker, I ask unanimous consent that House Concurrent Resolution 186 be laid on the table.

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not, I expected the request for withdrawal to be made some time ago, because obviously this concurrent resolution has been invalidated by virtue of other action for a long time.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

House Concurring Resolution 186 was laid on the table.

PARTICIPATION BY UNITED STATES IN UNESCO

The Clerk called the bill (H. R. 5894) to amend the act providing for membership and participation by the United States in the United Nations Education, Scientific, and Cultural Organization to provide for the acceptance of gifts, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MASON, Mr. GROSS, and Mr. WILLIAMS of Mississippi objected.

DISPOSAL OF LANDS UNDER BANKHEAD-JONES FARM TENANT ACT

The Clerk called the bill (H. R. 6815) to provide for the orderly disposition of property acquired under title III of the Bankhead-Jones Farm Tenant Act, and for other purposes.

Mr. METCALF. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

ESTABLISHING A COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

The Clerk called the bill (H. R. 7500) to establish a Commission and Advisory Committee on International Rules of Judicial Procedure.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS, Mr. DAVIS of Georgia, and Mr. BOW objected.

DESIGNATING NATIONAL FARM-CITY WEEK

The Clerk called the resolution (H. J. Res. 317) designating the last week in October of each year as National Farm-City Week.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

INCREASING CERTAIN PATENT AND TRADE-MARK FEES

The Clerk called the bill (H. R. 7416) to fix the fees payable to the Patent Office and for other purposes.

Mr. WILLIS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

ASSISTANCE FOR CERTAIN LANDLESS INDIANS OF MONTANA

The Clerk called the bill (H. R. 7433) to provide assistance for certain landless Indians in the State of Montana.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SAYLOR, Mr. CUNNINGHAM, and Mr. FORD objected.

UNIVERSITY OF MICHIGAN LIBRARIES

TRANSFERRING CERTAIN LAND TO THE CITY OF SITKA, ALASKA

The Clerk called the bill (H. R. 3083) to transfer certain land within United States survey 1474, tract A, of the townsite of Sitka, Alaska, to the city of Sitka, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there are hereby conveyed to the city of Sitka, Alaska, lot 1 of block 6; lot 6 of block 2; lot 6 of block 9; the United States Reserve, Public Service; United States Public School Reserve No. 1; United States Public School Reserve No. 2; Park Reserves A through H, inclusive, all according to United States survey 1474, tract A, of the townsite of Sitka, Alaska.

SEC. 2. The grants herein shall become effective upon notice by the Secretary of the Interior to the city of Sitka of the detailed description of the land and the written acceptance of the grants by the proper officials of the city of Sitka.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Secretary of the Interior is hereby authorized to convey to the city of Sitka, Alaska, all of the right, title, and interest of the United States of America in and to the following described property; lot 1 of block 6; lot 6 of block 2; the United States Reserve, Public Service; United States Public School Reserve No. 1; United States Public School Reserve No. 2; and Park Reserves A through D, inclusive, all according to United States survey 1474, tract A, of the townsite of Sitka, Alaska.

"SEC. 2. The grants herein shall become effective upon the execution of the deed or deeds of conveyance."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABOLISHING THE VERENDRYE NATIONAL MONUMENT

The Clerk called the bill (H. R. 1774) to abolish the Verendrye National Monument, and to provide for its continued public use by the State of North Dakota for a State historic site, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Verendrye National Monument, North Dakota, is hereby abolished, and the Secretary of the Interior is authorized to convey the lands contained therein, together with any improvements thereon, subject to existing permits, to the State of North Dakota for public recreation use and as a State historic site.

SEC. 2. The Secretary is authorized to execute, on behalf of the United States, the necessary deed or other instrument to effect the purposes of this act. Such deed or instrument shall contain the express provision that the grantee shall use the lands conveyed exclusively for public recreation and State historic site purposes and may contain such other provisions as the Secretary and the grantee shall agree upon.

SEC. 3. The conveyance authorized herein shall be made upon the further express condition that the title and right to possession to any land so conveyed, together with any improvements thereon, shall revert to the United States upon a finding by the Secretary, after notice to such grantee and after an opportunity for a hearing, that the grantee has not complied with such conditions during a period of more than 3 years, which finding shall be final and conclusive and such lands and improvements, upon reversion to the United States, shall be returned to the administrative jurisdiction of the Department of the Interior for appropriate administration or disposition as determined by the Secretary: *Provided*, That this condition shall cease to be in effect as to any lands conveyed hereunder 25 years after the conveyance of such lands.

With the following committee amendment:

Page 2, line 12, strike out the words "such conditions" and insert in lieu thereof the following: "the provisions of the conveyance".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AFFIRMING TITLE TO A CERTAIN TRACT OF LAND IN CALIFORNIA

The Clerk called the bill (H. R. 4680) affirming that title to a certain tract of land in California vested in the State of California on January 21, 1897.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all right, title, and interest of the United States in and to tract 39 of section 16, township 4 north, range 18 east, Mount Diablo meridian, California, as identified on the plat of survey approved August 5, 1931, by the United States Supervisor of Surveys and accepted on March 2, 1932, by the Assistant Commissioner of the General Land Office of the Department of the Interior, vested in the State of California on January 21, 1897, the date on which the original plat of survey of such lands was accepted by the Commissioner of the General Land Office of such Department under the school land grant made to such State by the act entitled "An act to provide for the survey of the public lands in California, the granting of preemption rights therein, and for other purposes," approved March 3, 1853 (10 Stat. 244), and that the United States has not held any interest in such lands since the date on which title to it so vested in the State of California.

With the following committee amendment:

Page 1, line 4, strike out the words "39 of section 16," and insert in lieu thereof the numeral "39."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LAND TO SCHOOL DISTRICT NO. 24 OF LAKE COUNTY, OREG.

The Clerk called the bill (H. R. 6772) to authorize the Secretary of the Interior to convey certain federally owned land under his jurisdiction to the school district No. 24 of Lake County, Oreg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior shall convey all the right, title, and interest of the United States in and to the land described in section 2 of this act to the school district No. 24 of Lake County, Oreg., upon payment by it of the fair market value of the land as determined by the Secretary.

SEC. 2. The land referred to in the first section of this act is more particularly described as follows:

(1) All of the southeast quarter southeast quarter southeast quarter section 32, township 25 south, range 14 east, Willamette meridian, except the following: Lot 1 described as beginning at the southeast corner of the southeast quarter, section 32, township 25 south, range 14 east, Willamette meridian, thence running north 244 feet, thence west 130 feet, thence south 244 feet, thence east 130 feet to place of beginning; lot 2, beginning at a point 130 feet due west of the southeast corner, section 32, township 25 south, range 14 east, Willamette meridian, thence running north 144 feet, thence 133 feet 6 inches west, thence 144 feet south, thence 133 feet 6 inches east to the point of beginning, being a tract of land 144 feet by 133 feet and 6 inches; lot 3, beginning at a point 27 rods due west of the southeast corner, section 32, township 25 south, range 14 east, Willamette meridian, thence running north 220 feet, thence west 198 feet, thence south 220 feet, thence east 198 feet to point of beginning; the land thus described contains 7.75 acres.

(2) The northeast quarter southeast quarter southeast quarter section 32, township 25 south, range 14 east of Willamette meridian, Lake County, Oreg.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUMBEE INDIANS OF NORTH CAROLINA

The Clerk called the bill (H. R. 4656) relating to the Lumbee Indians of North Carolina.

Mr. ASPINALL. Mr. Speaker, my colleague the gentleman from North Carolina [Mr. DEANE] could not be here today. He asked me to request in his behalf that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CONFERRING JURISDICTION TO ADJUDICATE CERTAIN CLAIMS

The Clerk called the bill (H. R. 5862) to confer jurisdiction upon United States district courts to adjudicate certain claims of Federal employees for the recovery of fees, salaries, or compensation.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

UNIVERSITY OF MICHIGAN LIBRARIES

CAVEN POINT TERMINAL AND AMMUNITION LOADING PIER, NEW JERSEY

The Clerk called the bill (S. 1261) to authorize the conveyance of certain lands within Caven Point terminal and ammunition loading pier, New Jersey, to the New Jersey Turnpike Authority.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is hereby authorized and directed to convey by quitclaim deed to the New Jersey Turnpike Authority, a body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, for street or road purposes and other purposes connected therewith, or related thereto, including restaurants, gasoline stations, rest rooms, parking areas, maintenance shops, and storage areas for maintenance equipment, whether operated by the New Jersey Turnpike Authority or others, all right, title, and interest of the United States, except as otherwise reserved in this act, in and to a certain parcel of land within Caven Point terminal and ammunition loading pier, New Jersey, situated in the city of Jersey City, county of Hudson, and State of New Jersey, and more particularly described as follows:

Parcel R–30A–2 as designated on a map filed or about to be filed in the Office of the Register of Deeds of said county, entitled: "New Jersey Turnpike Authority, New Jersey Turnpike, Newark Bay-Hudson County Extension, Parcel Property Map."

Said Parcel R–30A–2 including specifically all the land and premises lying within the proposed lines of the New Jersey Turnpike, Newark Bay-Hudson County extension, and described as follows:

Beginning at a point in the division line of lands now or formerly of the United States Army, and lands now or formerly of Lehigh Valley Railroad Co., said point being a point common to lots 1B and 1A; thence (1) north 37 degrees 13 minutes 52 seconds east continuing along last-mentioned division line 495.43 feet to a point; thence (2) north 79 degrees 24 minutes 23 seconds east continuing along aforesaid last-mentioned division line 440.75 feet to an angle point in said division line; thence (3) north 71 degrees 17 minutes 52 seconds east, continuing along said division line 444.40 feet to a point in the northwesterly boundary of lands now or formerly of Tankport Terminals, Inc.; thence (4) southerly along the division line between lands of the United States Army, and lands now or formerly of Tankport Terminals, Inc., said division line being a curve to the left having a radius of 441.68 feet, an arc distance of 384.72 feet to a point; thence (5) running along the proposed right-of-way line of the Newark Bay-Hudson County Extension of the New Jersey Turnpike, the following courses and distances, said right-of-way line being a curve to the left having a radius of 374.27 feet, an arc distance of 120.27 feet to a point; thence (6) south 21 degrees 13 minutes 47 seconds west, a distance of 134.93 feet to a point; thence (7) following a curve to the right having a radius of 531.44 feet, an arc distance of 578.18 feet to a point; thence (8) south 83 degrees 33 minutes 52 seconds west, distant 136.69 feet to a point; thence (9) along the arc of a curve to the left having a radius of 493.34 feet, an arc distance of 54.39 feet to a point in the line dividing lot 4C and lot 1A; thence (10) north 33 degrees 13 minutes 08 seconds west, a distance of 273.59 feet to the point of beginning, containing 396,913.0 square feet more or less, or 9.11 acres more or less, being also designated as part of lots 1A, 1D, 2, 3C in block 1500, and part of lot 1D in block 1494 on the tax map of the city of Jersey City, together with any and all right of direct access to and from the aforementioned extension of the New Jersey Turnpike constructed or to be constructed on land hereinabove described.

SEC. 2. The conveyance authorized by this act shall be made subject to (a) the condition that the New Jersey Turnpike Authority pay into the Treasury of the United States, in return for the land conveyed, an amount equal to the fair market value of such land to be determined by the Secretary of the Army after appraisal of such land, and (b) such other conditions, limitations, or reservations as the Secretary may deem necessary to assure that the use of such land by the New Jersey Turnpike Authority, its successors, contractors, lessees, or assigns, shall not interfere with the operation of the aforementioned installation and to assure that the interest of the United States shall be protected.

SEC. 3. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 4. There shall be further reserved to the United States in the conveyance of the above-described lands, rights-of-way for water lines, sewer lines, telephone and telegraph lines, power lines, and such other utilities which may now exist or which may become necessary to the operation of the Caven Point terminal and ammunition loading pier. Any such utility crossings required by the United States subsequent to the opening of the Newark Bay-Hudson County extension of the New Jersey Turnpike to traffic shall be installed underground and at the expense of the United States.

SEC. 5. In executing the deed of conveyance authorized by this act, the Secretary of the Army shall include specific provisions covering the reservations contained in sections 3 and 4 of this act.

SEC. 6. In the event actual construction of such street or road and other construction connected therewith or related thereto is not commenced within 2 years from the date of enactment of this act, or in the event such property shall cease to be used for street or road purposes and other purposes connected therewith or related thereto for a period of 2 consecutive years, then title to such land, including all improvements made by the New Jersey Turnpike Authority, shall immediately revert to the United States without any payment by the United States of compensation therefor.

SEC. 7. The provisions of section 601 of the act of Congress approved September 28, 1951 (Public Law 155, 82d Cong.), shall not apply to the conveyance authorized by this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF THE ARMY TO CONVEY A 6.89-ACRE TRACT OF LAND TO THE STATE OF TEXAS FOR NATIONAL GUARD PURPOSES

The Clerk called the bill (S. 1959) to direct the Secretary of the Army or his designee to convey a 6.89-acre tract of land out of a 199.959-acre tract of land situated in the vicinity of Houston, Harris County, Tex., to the State of Texas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army or his designee is authorized and directed to convey by quitclaim deed, without consideration, to the State of Texas all right, title, and interest of the United States, except as retained in this act, in and to six and eighty-nine one-hundredths acres of land out of the P. W. Rose survey, abtract No. 645 situated in Harris County, Tex., and being a part of and out of the northwest corner of a one hundred ninety-nine and nine hundred fifty-nine one-thousandths acre tract of land out of the D. W. C. Harris survey, abtract No. 325, and the P. W. Rose survey, abstract No. 645, being known as the veterans hospital site and having been acquired by the United States of America in condemnation proceedings in civil action No. 2430 in the cause entitled United States of America against 209.01 acres of land situated in Harris County, Tex., and R. S. Sterling, et al., in the District Court of the United States for the Southern District of Texas, Houston Division. The six and eighty-nine one-hundredths acre tract of land to be conveyed to the State of Texas is more particularly described as follows:

Beginning at the intersection of the southerly right-of-way line of United States Highway No. 59 (Old Spanish Trail) with the easterly right-of-way line of Knight Road (sometimes called old Main Street Road), said intersection being marked by a Texas Highway Department concrete monument, and being the northwest corner of the one hundred ninety-nine and nine hundred and fifty-nine one-thousandths acre tract above referred to, and running thence with the present southerly right-of-way line of United States Highway No. 59 (Old Spanish Trail) north 74 degrees 57 minutes east 477 feet; thence south 15 degrees 3 minutes east 600 feet; thence south 74 degrees 57 minutes west 523.55 feet to the easterly right-of-way line of Knight Road (Old Main Street); thence along easterly right-of-way line of Knight Road (Old Main Street) north 10 degrees 36 minutes 50 seconds west 601.8 feet to place of beginning, containing six and eight-nine one-hundredths acres of land more or less.

SEC. 2. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 3. There shall be further reserved to the United States in the conveyance of the above-described lands, rights of ingress and egress over roads in the above-described lands serving buildings or other works operated by the United States or its successors or assigns in connection with the remaining portion of such one hundred ninety-nine and nine hundred and fifty-nine one-thousadths acre tract of land, rights-of-way for water lines, sewer lines, telephone and telegraph lines, power lines, and such other utilities which now exist, or which may become necessary to any operations of the United States on or in connection with the remaining portion of said one hundred ninety-nine and nine hundred and fifty-nine one-thousandths acre tract of land.

SEC. 4. The conveyance of the property authorized by this act shall be upon condition that such property shall be used for training of the National Guard and the Air National Guard and for other military purposes, and that if the State of Texas shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States, and in addition, all improvements made by the State of Texas during its occupancy shall vest in the United States without payment of compensation therefor.

SEC. 5. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful

or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of Texas for the duration of such state of war or of such emergency. Upon the termination of such state of war or of such emergency plus 6 months such property shall revert to the State of Texas, together with all appurtenances and utilities belonging or appertaining thereto.

SEC. 6. In executing the deed of conveyance authorized by this act, the Secretary of the Army or his designee shall include specific provisions covering the reservations and conditions contained in sections 2, 3, 4, and 5 of this act.

SEC. 7. The cost of any surveys necessary as an incident to the conveyance authorized herein shall be borne by the State of Texas.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT OF JUNE 13, 1949 (63 STAT. 172)

The Clerk called the bill (S. 1633) to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, That the boundaries of the Yuma auxiliary project, Arizona, as limited by the act of June 13, 1949 (63 Stat. 172), are modified so as to exclude therefrom the following lands, containing two hundred eighty-five and thirteen one-hundredths irrigable acres more or less, and located in Yuma County, Ariz.:

TOWNSHIP 10 SOUTH, RANGE 23 WEST, GILA AND SALT RIVER BASE AND MERIDIAN

Section 6: Southwest quarter northeast quarter northwest quarter, west half northwest quarter southeast quarter northwest quarter, west half east half northwest quarter southeast quarter northwest quarter, southwest quarter southeast quarter northwest quarter, southwest quarter northwest quarter, northwest quarter southwest quarter.

Section 7: Southwest quarter northeast quarter northwest quarter, northwest quarter northwest quarter, northwest quarter southeast quarter northwest quarter, north half southwest quarter northwest quarter, southwest quarter southwest quarter northwest quarter, northwest quarter southwest quarter, north half southwest quarter southwest quarter, southwest quarter southwest quarter southwest quarter.

Section 18: North half northwest quarter northwest quarter, and in lieu thereof to include in said project those lands in the same county and State which are situate in section 33, township 9 south, range 23 west, and in sections 4 and 9, township 10 south, range 23 west, and which lie between the east boundary of the project as limited by said act and the east boundary of the right-of-way of the project's existing B-Main Canal and containing two hundred eighty-five and five one-hundredths irrigable acres more or less.

SEC. 2. This act shall become effective upon acceptance by the Unit B Irrigation and Drainage District of an amendment to its contract dated December 22, 1952, with the United States whereby the description of the Yuma auxiliary project therein contained or incorporated by reference is revised to conform to the modification of the boundaries of said project as hereinbefore provided.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE SALE OF THE PORT NEWARK ARMY BASE TO THE CITY OF NEWARK, N. J.

The Clerk called the bill (S. 2624) to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in view of the national interest in the future maintenance and development of the Port Newark Army Base as a marine terminal in good operating condition, and to encourage, by providing a sound economic basis therefor, the investment by the Port of New York Authority, during the remainder of its term as lessee of the premises, of such sums for maintenance, repair, rehabilitation, or reconstruction of wharves, buildings, or other installations as may be necessary to provide and maintain such a terminal, now therefore, the first section of the Act entitled "An Act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended, is further amended by striking out *"And provided further,* That such conveyance shall be made upon the condition that the United States, in the event of war or of any national emergency declared by Congress to exist, shall have the right to take over said property and shall pay to the city of Newark as liquidated damages a sum equal to 3 percent per annum on the amount theretofore paid on the purchase price of the said property by the said city during each year or part thereof that the said property is occupied under such taking by the United States, the said property to be returned to the city of Newark upon the expiration of such war or national emergency," and inserting in lieu thereof the following: *"And provided further,* That such conveyance shall be made upon the condition that the deed executed by the Secretary of the Army shall include a provision prohibiting the city of Newark from utilizing or allowing the property to be utilized for purposes other than as a marine terminal and shall contain the express condition that whenever the Congress of the United States declares a state of war or other national emergency to exist, the United States shall have the right, subject to the obligation to make payments as hereinafter provided, to reenter the property and use the same or any part thereof, including any and all improvements made thereon during its occupancy by the city of Newark or its lessees, for the duration of such state of war or other national emergency. If the property is not returned by the United States to the city of Newark prior to the termination of such state of war or other national emergency, it shall revert to the city of Newark upon the termination of such state of war or other national emergency. During each year or part thereof that the said property is occupied by the United States under a reentry during such state of war or other national emergency, the United States shall pay to the city of Newark or, if the property is then under lease, then to the city's then lessee, a rental or rentals to be computed as follows:

"(1) If subsequent to August 1, 1955, but prior to the date of such reentry there has been expended (other than by the United States) less than the sum of $3 million for the capital repair or improvement, and reconstruction or rehabilitation, other than normal maintenance, of the said property including any part thereof and the wharves, buildings, structures, or other installations thereon or therein, then and in such event the United States shall pay as the annual rent a sum equal to 3 percent of the amount theretofore paid on the purchase price of said property by or on behalf of the city of Newark.

"(2) If subsequent to August 1, 1955, but prior to the date of such reentry, there has been expended (other than by the United States) $3 million or more but less than $10 million, for the capital repair or improvement, and reconstruction or rehabilitation, other than normal maintenance, of said property including any part thereof and the wharves, buildings, structures, or other installations thereon or therein, then and in such event the United States shall pay as the annual rent $60,000 plus a sum equal to three-fifths of the annual fair rental value of said property on the date of such reentry.

"(3) If subsequent to August 1, 1955, but prior to the date of reentry, there has been expended (other than by the United States) $10 million or more for the capital repair or improvement, and reconstruction or rehabilitation, other than normal maintenance, of the said property including any part thereof, and the wharves, buildings, structures, or other installations thereon or therein, then and in such event the United States shall pay as the annual rent $60,000 plus a sum equal to that part of the annual fair rental value of the property on the date of such reentry which is the same proportionate part of the annual fair rental value on that date as the excess of the fair market value of the premises on the date of such reentry over $3,200,000 is of the total fair market value on that date.

"The deed shall further provide that in establishing the fair market value or the annual fair rental value as of the date of reentry when such value or values are required for rent-computation purposes, the United States and the city of Newark, or if the property is then under lease, then the United States and the city's lessee, shall be guided by 2 appraisers, 1 to be appointed by the United States and 1 by the city or the city's lessee, and if the United States and the city, or if the property is then under lease, then the United States and the city's lessee are unable to agree on the fair market value or the annual fair rental value as of the date of reentry, then said value or values shall be determined by the United States District Court in and for the District of New Jersey, and jurisdiction is conferred on that court for such purpose.

"The deed shall further provide that there shall be excluded from consideration as part of the sums expended by others than the United States any moneys that may be paid to the city of Newark or its lessee by the United States in lieu of restoration, if any, of the said property to be performed under any lease to the United States of said property or as restoration costs incurred by the United States, during any period of reentry as herein provided, regardless of whether or not the funds are thereafter actually expended for capital repair or improvement, or reconstruction or rehabilitation, of the said property.

"The deed shall further provide that during any period of reentry hereunder, the United States shall have the right to make additions, alterations, modifications, or improvements to the property and that such additions, alterations, modifications, or improvements placed in, upon, or attached to said property may be removed by the United States prior to the return of the property to the city of Newark or its lessee.

"Prior to or at the expiration of the state of war or other national emergency during and on account of which the right to reenter

UNIVERSITY OF MICHIGAN LIBRARIES

said property herein granted, is exercised, but not later than the expiration thereof, the property shall be returned to the city of Newark or if the property is then under lease, then to the city's then lessee: *Provided, however*, That unless the United States shall return the property and the wharves, buildings, structures, and installations thereon and therein in the same condition as at the time of reentry the fair and reasonable restoration costs (which costs shall include the fair and reasonable costs of the reinstallation of any machinery, equipment, or fixtures placed on the property prior to the reentry and removed therefrom by or at the request of the United States during the period of its occupancy), as agreed upon by the United States and the city of Newark or if the property is then under lease, then by the United States and the city's then lessee shall be allocated between the United States and the city of Newark or its then lessee as follows:

"(a) If the annual rent paid by the United States is computed in accordance with subparagraph (1) hereinabove, then and in that event the United States shall pay no part of such costs;

"(b) If the annual rent paid by the United States is computed in accordance with subparagraph (2) hereinabove, then and in that event the United States shall pay to the city of Newark or if the property is then under lease, then to the city's then lessee three-fifths of such costs; and

"(c) If the annual rent paid by the United States is computed in accordance with subparagraph (3) hereinabove, the United States shall pay to the city of Newark or, if the property is then under lease, then to the city's then lessee so much of the said costs as is the same proportionate part of the total of such costs as the annual rental paid by the United States (less $60,000) is of the annual fair rental value.

"In the computation of restoration costs damage caused by reasonable wear and tear, by action of the elements, or by circumstances beyond the control of the United States other than acts of war or of enemies of the United States, shall be excluded.

,"If the United States and the city of Newark or its then lessee are unable to agree on the fair and reasonable restorations costs, then said costs shall be determined by the United States District Court in and for the District of New Jersey in accordance with the provisions of this act and jurisdiction is conferred on that court for such purpose."

SEC. 2. Nothing contained in this act shall impair, or be construed to impair, in any manner whatsoever, any other right or rights the United States may now or hereafter possess to condemn, seize, lease, or otherwise take over the property in accordance with the applicable provisions of the laws of the United States.

SEC. 3. The Secretary of the Army is authorized to execute a supplement to the contract of sale entered into with the city of Newark, N. J., pursuant to the act of June 20, 1936, in order to make effective the amendments made to said act by this act, but, in any event, the deed to be delivered to said city by the United States upon receipt of the final payment of the purchase price shall conform to these amendments.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT OF JUNE 19, 1948, RELATING TO THE RETENTION OF CERTAIN DISABLED OFFICERS OF THE ARMY AND AIR FORCE

The Clerk called the bill (H. R. 2216) to amend the act of June 19, 1948 (ch. 511, 62 Stat. 489), relating to the retention in the service of disabled commissioned officers and warrant officers of the Army and Air Force.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 19, 1948 (ch. 511, 62 Stat. 489), is hereby amended to read as follows:

"That notwithstanding any other law, the President may retain on active duty disabled commissioned officers and warrant officers of the Army and Air Force until their physical reconstruction has reached a point where they will not be further benefited by retention in a military or Veterans' Administration hospital, or until processed for physical disability benefits otherwise provided by law."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARIFYING STATUS OF CITIZENS OR NATIONALS OF THE REPUBLIC OF THE PHILIPPINES WHO ARE RETIRED MEMBERS OF THE UNIFORMED SERVICES AND WHO HOLD OFFICES OF PROFIT OR TRUST UNDER THE REPUBLIC OF THE PHILIPPINES

The Clerk called the bill (H. R. 2220) to clarify the status of citizens or nationals of the Republic of the Philippines who are retired members of the uniformed services and who hold offices of profit or trust under the Republic of the Philippines, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, the Congress hereby grants its consent to members of the "uniformed services," as defined in section 102, Career Compensation Act of 1949 (63 Stat. 804), as amended (including members of the Philippine Scouts), who are citizens or nationals of the Republic of the Philippines, who are not on active duty, and who have been or hereafter are retired or are entitled to receive retired, retirement, retainer, or equivalent pay from the United States, to accept military or civil offices or employment from the Government of the Republic of the Philippines or from any agency or concern which is controlled in whole or in part by that Government, together with the compensation and emoluments thereunto appertaining, without affecting such pay or retired status.

SEC. 2. This act is effective after July 3, 1946.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF THE ARMY TO GIVE 25 WORLD WAR II PAINTINGS TO THE GOVERNMENT OF NEW ZEALAND

The Clerk called the bill (H. R. 3101) to authorize the Secretary of the Army to give 25 World War II paintings to the Government of New Zealand.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Secretary of the Army is authorized to transfer to the Government of New Zealand without compensation 25 German war paintings depicting New Zealand troops which are now the property of the United States in the custody of the Secretary of the Army.

(b) Nothing contained in this act shall authorize the expenditure of any funds of the United States to defray any costs of transportation or handling incident to such transfer.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LANDS BY THE UNITED STATES TO THE STATE OF WISCONSIN

The Clerk called the bill (H. R. 2452) to provide for the conveyance of certain lands by the United States to the State of Wisconsin.

There being no objection, the Clerk read the bill, as follows:

Be is enacted, etc., That the Secretary of the Army is authorized and directed to convey to the State of Wisconsin all of the right, title, and interest of the United States in and to the real property described in section 2 of this act, subject to the condition that it be used in the training and maintaining of units of the Wisconsin National Guard, and if such real property shall ever cease to be used for such purpose, all the right, title, and interest in and to such property shall revert to, and become the property of, the United States, which shall have the immediate right of entry thereon.

SEC. 2. (a) The La Crosse National Guard Target Range, located near La Crosse, Wisconsin, in La Crosse County, Wisconsin, more particularly described as follows:

Beginning at the southwest corner of section 10 thence north 6 rods; thence east 160 rods; thence south 6 rods; thence west 160 rods to the place of beginning, being south 6 acres of the southwest quarter of section 10, township 15 north, range 7 west, recorded in La Crosse County, October 23, 1912, at 4:35 postmeridian, volume 120, page 354.

(b) Four hundred and forty acres of land situated in sections 15 and 16, township 17 north, range 2 east, Juneau County, Wisconsin, more particularly described as follows:

Township 17 north, range 2 east: Section 15, northwest quarter southwest quarter, southwest quarter southwest quarter; and section 16, northeast quarter northeast quarter, northwest quarter northeast quarter, southwest quarter northeast quarter, southeast quarter northeast quarter, northeast quarter northwest quarter, northwest quarter northwest quarter, southwest quarter northwest quarter, southeast quarter northwest quarter, northeast quarter southwest quarter.

(c) The radio range site located on Highway "M", approximately 3½ miles northeast of the northeast corner of the original military reservation, more particularly described as follows:

Township 17 north, range 2 east, from number 9, tract 5, Camp Williams Airport. A parcel of land 36 rods square in the northeast corner of the southeast quarter of the northeast quarter containing 8 acres, more or less.

With the following committee amendments:

Page 1, strike out lines 3 to 10, inclusive, and lines 1 and 2 on page 2 and insert the following: "That the Secretary of the Army is authorized and directed to convey to the State of Wisconsin all the right, title, and interest of the United States in and to the real property described in section 2 of this act, the property to be used for the training

and maintaining of units of the Wisconsin National Guard, and the conveyance to be made without monetary consideration therefor, but upon condition that it shall be used for the aforesaid purposes and that if such real property shall ever cease to be used for such purposes, all the right, title, and interest in and to such real property shall revert to and become the property of the United States, which shall have the immediate right of entry thereon, and to be further subject to the reservation by the United States of all mineral rights, including oil and gas; the right of reentry and use by the United States in the event of need therefor during a national emergency; and such other reservations, restrictions, terms, and conditions as the Secretary determines to be necessary to properly protect the interests of the United States."

Page 3, strike out lines 10 to 24 and lines 1 to 3 on page 4 and insert the following:

"Township 17 north, range 2 east: Section 2, a parcel of land 36 rods square in the northeast corner of the southeast quarter of the northeast quarter containing 8.10 acres, more or less."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHARPE GENERAL DEPOT, CALIF.

The Clerk called the bill (H. R. 7761) providing for the conveyance of a portion of the Sharpe General Depot, Calif., to the Stockton port district.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized to convey to the Stockton Port District by quitclaim deed approximately 21 59/100 acres of land located within the Stockton Annex area of the Sharpe General Depot Military Reservation, Calif., together with all appurtenances pertaining thereto and all improvements located thereon, other than improvements to be relocated in accordance with section 2 of this act. Said land is more particularly described as follows:

A parcel of land containing 16 83/100 acres, more or less, situated in the county of San Joaquin, State of California, in section 8, township 1 north, range 6 east, Mount Diablo base and meridian, being a portion of that certain 112 27/100-acre parcel of land now or formerly owned by the United States of America, as recorded in official records, volume 760, page 249, San Joaquin County records, and more particularly described as follows:

Beginning at an iron pipe in the northerly boundary of the aforementioned 112.27-acre parcel of land, said pipe being at the northeast corner of that certain 20.07-acre parcel of land conveyed by quitclaim deed to S. M. McGaw Co., and recorded in official records, volume 1242, page 225, San Joaquin County records, thence from point of beginning along the northerly boundary of aforementioned 112.27-acre parcel of land south 74 degrees 58 minutes 30 seconds east 130.82 feet; thence on a curve to the left (radius 453.34 feet, the long chord of which bears south 84 degrees 35 minutes 30 seconds east) a distance of 151.34 feet; thence north 85 degrees 48 minutes 30 seconds east 310.11 feet to a point on the northerly boundary of the aforementioned 112.27-acre parcel of land; thence south 4 degrees 15 minutes east 1,004.00 feet more or less to a point on the southerly boundary of the aforementioned 112.27-acre parcel of land and the northerly right-of-way line of the Borden Highway; thence along said southerly boundary line and said northerly right-of-way line south 85 degrees 45 minutes west 720.00 feet to the southeast corner of the aforementioned 20.07-acre parcel of land; thence along the easterly boundary of the aforementioned 20.07-acre parcel of land north 4 degrees 15 minutes west 951.06 feet; thence on a curve to the right, whose tangent bears north 4 degrees 15 minutes west and whose radius is 63.00 feet for a distance of 63.50 feet; thence north 53 degrees 30 minutes 10 seconds east 128.32 feet more or less to the point of beginning and containing 16.83 acres more or less.

A portion of sections 8 and 9, township 1 north, range 6 east, Mount Diablo base and meridian, situate in the county of San Joaquin, State of California, and more particularly described as follows:

Commencing at the northwest corner of lot 9, block 16, of Boggs tract subdivision numbered 2 as filed October 4, 1923, in book of maps, volume 10, page 74, of San Joaquin County records, thence from point of commencement south 85 degrees 45 minutes west 1,165.93 feet to the westerly line of a parcel of land 60 feet in width; thence along said westerly line north 9 degrees 39 minutes 30 seconds west 60.27 feet to the intersection of said westerly line with the property line common to the properties of the United States Government and the Stockton Port District; thence along said common property line south 85 degrees 45 minutes west 198.22 feet to an iron pin at the true point of beginning of the herein-described parcel of land; thence continuing along said property line common to the properties of the United States Government and the Stockton Port District south 85 degrees 45 minutes west 2,034.78 feet to a brass cap monument; thence south 4 degrees 08 minutes 30 seconds west 121.30 feet to an iron pin on the property line common to the properties of the United States Government and the Stockton Port District; thence along the southerly line of the herein-described parcel of land parallel to and 120 feet distant at right angles from the first above-mentioned property line common to the properties of the United States Government and the Stockton Port District north 85 degrees 45 minutes east 1,420.93 feet to an iron pin; thence north 74 degrees 59 minutes 30 seconds east 642.86 feet to the true point of beginning of the herein-described parcel of land and continuing 4.76 acres.

SEC. 2 (a) The conveyance herein authorized shall be made for a monetary consideration determined by the Secretary of the Army or his duly authorized representative to represent the fair market value of the property to be conveyed and shall be made upon such terms and conditions and shall include such reservations as the Secretary of the Army shall determine to be in the public interest.

(b) The grantee shall pay to the Department of the Army the cost of relocating or reconstructing elsewhere within the Sharpe General Depot Military Reservation such improvements, presently located on the land to be conveyed, as are designated for relocation or reconstruction by the Secretary of the Army or his duly authorized representative. The money received from the grantee to defray the cost of such relocation or reconstruction shall be credited to the departmental appropriation used to make such relocation or reconstruction.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN PROPERTY OF THE UNITED STATES TO THE STATE OF NEW MEXICO

The Clerk called the bill (H. R. 4363) authorizing the conveyance of certain property of the United States to the State of New Mexico.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, subject to the reservations and conditions set out in section 2 of this act, the Secretary of the Army is authorized and directed to quitclaim to the State of New Mexico all right, title, and interest of the United States to the property known as the Bruns General Hospital area and more particularly described as follows:

All that portion of land situate in the northeast corner of section 4 and the northwest corner of section 3 in township 16 north, range 9 east, and in the southeast corner of section 33 and southwest corner of section 34 township 17 north, range 9 east, New Mexico principal meridian, known as the westerly portion of Bruns General Hospital area in the southwest corner of the Santa Fe grant, Santa Fe, New Mexico; bounded on the north by United States Highway Numbered 85, on the south by Siringo Road and land used by the Atomic Energy Commission, on the east by West Avenue, on the west by Siringo Road, and more particularly described as follows:

Beginning at the southwest corner, whence the southwest corner of the Santa Fe Land Grant bears south 44 degrees 47 minutes 20 seconds west, a distance of 70.71 feet; thence along the easterly edge of Siringo Road, north 00 degrees 12 minutes west, a distance of 2,307.10 feet to the northwest corner; thence along the southerly edge of United States Highway No. 85, north 57 degrees 45 minutes east, a distance of 375.75 feet to the northeast corner; thence along the westerly edge of a road known as West Avenue, south 32 degrees 15 minutes east, a distance of 1,489.83 feet; thence south 57 degrees 45 minutes west, a distance of 112.50 feet; thence south 32 degrees 15 minutes east, a distance of 500.00 feet; thence south 57 degrees 45 minutes west, a distance of 675.00 feet; thence south 32 degrees 15 minutes east, a distance of 475.00 feet to the southeast corner; thence along the northerly edge of Siringo Road south 89 degrees 50 minutes west, a distance of 959.00 feet to a place of beginning; containing 48.428 acres more or less.

SEC. 2. (a) Any conveyance granted by reason of this act shall contain a reservation to the United States of all minerals, including gas and oil, in the property so conveyed.

(b) Such conveyance shall be subject to the condition that the property conveyed shall be used primarily for the training of the Air National Guard of New Mexico or for other military purposes, and if the State of New Mexico shall ever cease to use the property so conveyed for such purposes, then title to such property shall immediately revert to the United States which shall have the immediate right of entry thereon.

(c) Such conveyance shall further provide that whenever the Congress of the United States declares a state of war or other national emergency or the President declares a state of national emergency, and upon the determination by the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force that the property so conveyed is useful for military, naval, or air purposes or in the interest of national defense, the United States shall have the right, without charge, to the full unrestricted possession, control, and use of the property conveyed, or any part thereof, including the use of all improvements made by the State of New Mexico thereon, for the duration of such state of war or other national emergency. Six months after the cessation of such state of war or national emergency, such property shall revert to the State of New Mexico.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That the

Secretary of the Army is authorized and directed to convey to the State of New Mexico, all the right, title, and interest of the United States in and to the 51 acres of land, more or less, of the former Bruns General Hospital area in Santa Fe, N. Mex., now under license to the State of New Mexico, the property to be used for the training and support of the National Guard of New Mexico and for other military purposes, and the conveyance to be made without monetary consideration therefor, but upon condition that it shall be used for the aforesaid purposes and that if such real property shall ever cease to be used for such purposes, all the right, title, and interest in and to such real property shall revert to and become the property of the United States which shall have the immediate right of entry thereon, and to be further subject to the reservation by the United States of all mineral rights, including oil and gas; the right of reentry and use by the United States in the event of need therefor during a national emergency, and such other reservations, restrictions, terms, and conditions as the Secretary determines to be necessary to properly protect the interests of the United States.

"SEC. 2. The cost of any surveys necessary as an incident of the conveyance authorized herein shall be borne by the State of New Mexico."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR USE OF CERTAIN PROPERTY IN VOLUSIA COUNTY, FLA.

The Clerk called the bill (H. R. 5657) to allow the use of certain property in Volusia County, Fla., for civil-defense purposes without payment of compensation to the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, or any condition or restriction placed on the real property by the deed given by the United States to the Board of Public Instruction of Volusia County, Fla., on May 15, 1948, which can be found in book 386, page 27 of the public records of Volusia County, Fla., such real property may be used for civil-defense purposes by the Volusia County Civil Defense Control Center without the payment of compensation to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING MERCHANT MARINE ACT OF 1936

The Clerk called the bill (S. 2286) to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if we might have a brief explanation of what this bill proposes to do?

Mr. Speaker, not hearing any response, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AUTHORIZING LOAN OF TWO SUBMARINES TO THE GOVERNMENT OF BRAZIL

The Clerk called the bill (H. R. 8100) to authorize the loan of two submarines to the Government of Brazil.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to lend two submarines to the Government of Brazil for a period of not more than 5 years. The President shall, prior to the delivery of the submarines to the Government of Brazil, conclude an agreement with the Government providing for the return of the submarines in accordance with the provisions of this act and in substantially the same condition as when loaned. All expenses involved in the activation of the submarines, including repairs, alterations, outfitting, and logistic support shall be charged to funds programed for the Brazilian Government under the Mutual Security Act.

With the following committee amendment:

Page 1, line 5, after the word "years", insert the following: "and may, in his discretion, extend the loan for an additional period of not more than 5 years."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE TERRITORY OF ALASKA TO INCUR INDEBTEDNESS

The Clerk called the bill (H. R. 4781) to authorize the Territory of Alaska to incur indebtedness, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Territory of Alaska is authorized and empowered notwithstanding any provision of the Organic Act of Alaska or any other act of Congress to the contrary, to borrow on the credit of the Territory from time to time such sums as may be necessary for constructing, altering, equipping, or acquiring public improvements including, but without limitation, schools, hospitals, colleges, offices, prisons, and other public buildings, and roads, water and sewer systems, wharves, docks, bridges, and other public facilities, and to issue bonds of the Territory for such borrowing. Such bonds shall be issued only by authorization of the Territorial legislature, shall bear such rates of interest as may be authorized by the law under which the bonds are issued, and shall be sold for not less than their principal amount plus accrued interest. The principal amount of such bonds outstanding at any one time shall not exceed $12,500,000. The faith of the Territory shall be solemnly pledged to the payment of all such bonds according to their terms.

SEC. 2. No such bonded debt shall be contracted unless it shall be authorized by Territorial law for one or more public improvements, which shall be distinctly specified in such law. No such bonded debt shall be contracted for a period longer than the probable life of the works of improvement for which the debt is to be contracted nor, in any event, for a period longer than 30 years. A determination of such probable life provided by either a special or general law of the Territory in effect at the time the debt is contracted shall be conclusive.

SEC. 3. The bonds provided for in this act shall be serial bonds the maturities of which shall be so scheduled as to provide for the payment of the principal of each issue of bonds in annual installments, which need not be equal. The earliest-maturing bonds of each issue shall become payable not more than 3 years from the date of the issue, and the latest-maturing bonds of each issue shall become payable before or upon the expiration of the probable life of the works of improvement for which the issue was made and, in any event, not more than 30 years from the date of the issue. The privilege of redeeming all or any part of the bonds of each issue prior to the dates on which they respectively become due may be reserved to the Territory on such terms and conditions, which may include the payment of a premium, as may be prescribed by the law authorizing the issuance of the bonds. The Territorial legislature may provide means and authority whereby any such debt may be refunded, in accordance with any privilege of redemption reserved to the Territory, but any debt incurred for refunding purposes shall be payable in annual installments so scheduled as not to extend by more than 6 months the maturity of any portion of the debt so refunded.

SEC. 4. The Territory of Alaska is authorized and empowered, notwithstanding any provision of the organic act or any other act of Congress to the contrary, to borrow on the credit of the Territory from time to time, when the legislature of the Territory is not in session, such sums as may be necessary to meet emergencies for which funds are not made available by appropriation or otherwise, and to issue certificates of indebtedness of the Territory for such borrowings. Such certificates of indebtedness shall be issued only by authorization of the Territorial legislature, shall bear interest at not more than the commercial interest rate, shall be sold for not less than their principal amount, shall become payable at such time or times, not later than 1 month subsequent to the date of convening of the succeeding regular session of the legislature, as the Territorial treasurer or other officer designated by the law authorizing the issuance of such certificates may prescribe, and shall be subject to redemption by the Territory prior to their maturity. The principal amount of such certificates of indebtedness outstanding at any one time shall not exceed the sum by which the principal amount of the bonds then outstanding under this act is less than $12,500,000 and shall not, in any event, exceed $200,000. The term "emergencies" as used in this section shall be defined by Territorial law and the Governor shall be empowered to apply, and shall determine the application of, such definition. The faith of the Territory shall be solemnly pledged to the payment of all such certificates of indebtedness according to their terms.

SEC. 5. The bonds and certificates of indebtedness provided for in this act may be issued as negotiable instruments and, when so issued, shall be treated as negotiable instruments for all purposes. Such bonds or certificates of indebtedness may bear such date or dates, may be in such denominations, may carry such registration privileges, may be executed by such persons and in such manner, and may be subject to such other terms and conditions as may be prescribed, consistently with the requirements of this act, by the laws authorizing their issuance, and shall be offered for sale on a competitive basis.

UNIVERSITY OF MICHIGAN LIBRARIES

SEC. 6. The Territorial legislature shall provide in the law authorizing any such bonds or certificates of indebtedness, and thereafter, for the payment of the interest upon and the principal of such bonds or certificates of indebtedness as the same shall fall due, by the levy of an adequate tax or otherwise, and by seasonal appropriation for payment. If at the time when any such interest or principal falls due sufficient moneys have not been appropriated to pay the same, the Territorial treasurer shall pay such interest or principal out of the first revenues thereafter received by him that are applicable to the general funds of the Territory.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERIODS OF OBLIGATED SERVICE OF MEMBERS OF THE ARMED FORCES SHALL NOT TERMINATE BY REASON OF APPOINTMENT TO A SERVICE ACADEMY

The Clerk called the bill (H. R. 2106) to provide that the enlistment contracts or periods of obligated service of members of the Armed Forces shall not terminate by reason of appointment as cadets or midshipmen at the Military, Naval, Air Force, or Coast Guard Academies, or as midshipmen in the Naval Reserve, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if we might have a brief explanation of this bill?

Mr. DEVEREUX. Mr. Speaker, we discovered that at the service academies a number of young men who entered the Academy shortly thereafter would resign or flunk. It is quite evident that this was a deliberate move on their part to terminate their military service. All this bill does is to provide that men in that category will continue with their obligated service.

Mr. GROSS. I wonder if the gentleman could tell me, insofar as cadets at Annapolis, West Point, and the Air Force Academies are concerned, what contract we have with them that they serve a certain period after completing their courses?

Mr. DEVEREUX. The actual current regulation is that the man serve 3 years upon graduation.

Mr. GROSS. Then let me ask this question: Is it at the pleasure of the President whether a graduate of one of these academies goes into the pro football ranks immediately after he completes his education?

Mr. VINSON. Mr. Speaker, if the gentleman will yield, as the gentleman from Maryland has said, under the regulations the contract is supposed to cover 3 years, but all officers in the Army, Navy, and Air Force always serve at the pleasure of the President. Now, this bill, may I say, provides that if a boy is in the service as an enlisted man, stands a competitive examination, as one of 100 admitted each year in the Academy, and he gets his appointment into the Academy coming through the ranks, then after he goes to the Academy he is required to continue the courses there if he can. If he fails or if he resigns, then he has to go back into the service and finish his tour of enlistment.

Mr. GROSS. The question I should like to get an answer to is what mandatory provision is there that the taxpayers, having spent some $40,000 upon the training of a cadet at any of these service institutions, be given the services of these military careerists for a specified period of time?

Mr. VINSON. That has nothing particularly to do with this bill, but, when a boy graduates from the Academy, it is the hope and the intention of the Department to retain his services. If, for some reason, physical or home affairs, he cannot serve, then it is up to the President as to whether or not he will serve.

Mr. GROSS. Is there any compulsion upon him to serve at all?

Mr. VINSON. Well, it is the understanding that he will have to serve 3 years.

Mr. GROSS. Does not the gentleman think there should be something in the law to compel a man, unless disabled, to return something to this country in the way of service?

Mr. VINSON. The regulations in regard to that matter are almost equivalent to law. Unless there is some outstanding reason, his resignation is never accepted.

Mr. GROSS. I read in the paper the other day where one of the outstanding football players of the West Point team may go into the ranks of professional football. He is graduating this year.

Mr. VINSON. There is some other reason behind it if they let him out.

Mr. SHORT. That has no connection whatever with this bill.

Mr. VINSON. This bill is aimed at the boy who has come through the ranks, gone to the Academy and deliberately failing to get out of his obligated service in the ranks. You see, every year 100 enlisted men are permitted to go to the Academy. Of course, he has to be discharged from the Army when he goes to the Academy.

Mr. GROSS. I find no fault with this bill. I commend the chairman of the Armed Services Committee, the gentleman from Georgia [Mr. VINSON] and members of the committee for bringing it to the floor, but I think you ought to go further and require a minimum of several years of active service from those who are graduated from West Point, Annapolis, and the Air Force Academies.

Mr. VINSON. I agree with the gentleman. Just like he pointed out the other day, having those ships in one harbor, we are grateful to the gentleman for these inquiries.

Mr. GROSS. I thank the gentleman and I hope he will do something about it. I withdraw my reservation of objection, Mr. Speaker.

Mr. ALBERT. Mr. Speaker, further reserving the right to object, does this also apply to cadets appointed by Members of the Congress to the Academies?

Mr. DEVEREUX. Yes; it applies to all enlisted men.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the enlistment contract or period of obligated service of a Regular, Reserve, or inducted member of any of the Armed Forces, who hereafter accept an appointment as a cadet at the United States Military Academy or the United States Air Force Academy, or an appointment as a midshipman at the United States Naval Academy or an appointment as a midshipman in the Naval Reserve or an appointment as a cadet at the United States Coast Guard Academy, shall not be terminated by reason of acceptance of such appointment, during the continuation of the cadet or midshipman status of such member. A member so appointed from enlisted status shall be entitled only to the pay and allowances provided by law for a cadet at the United States Military Academy or the United States Air Force Academy, a midshipman at the United States Naval Academy, a cadet at the United States Coast Guard Academy, or the compensation and emoluments accruing to such reserve midshipman by virtue of his status in the Naval Reserve.

SEC. 2. A person who hereafter accepts an appointment as a cadet at the United States Military Academy or the United States Air Force Academy, or as a midshipman at the United States Naval Academy, or as a midshipman in the Naval Reserve or as a cadet at the United States Coast Guard Academy, while having a period of obligated service as an enlisted member of any of the Armed Forces or while serving under an enlistment contract, and who thereafter is separated from the United States Military Academy, from the United States Air Force Academy, or from the United States Naval Academy or from a reserve midshipman training program, or from the United States Coast Guard Academy, for reasons other than the acceptance of a commission in the regular or reserve components of one of the Armed Forces, or for physical disability, shall have his appointment as a cadet or midshipman terminated, and his enlisted status shall thereupon be resumed. A person so reverted to his former enlisted status shall be continued in such enlisted status for the remainder of his obligated service or until sooner promoted or discharged. In computing the unexpired portion of an enlistment contract or period of obligated service, for purposes of this act, time served as a cadet or midshipman shall be counted as time served under such contract or period of obligated service.

SEC. 3. A person whose enlistment contract or period of obligated service is continued pursuant to this act, shall not, while a cadet or midshipman, be a charge against the allowed number of personnel in the armed force in which he was enlisted or inducted.

SEC. 4. The period of time served under an enlistment contract or period of obligated service while also serving as a cadet or midshipman under an appointment made after the date of enactment of this act shall not be counted in computing for any purpose the length of service of any officer of an armed force.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXAMINATION PRELIMINARY TO PROMOTION OF OFFICERS

The Clerk called the bill (H. R. 4704) to provide for the examination preliminary to promotion of officers of the naval service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1496 of the Revised Statutes is amended to read as follows:

"No officer in the grade of ensign in the Regular Navy shall be promoted permanently to the next higher grade on the active list of the Navy until he shall demonstrate to the satisfaction of a board of examining officers such mental, moral, and professional qualifications as the Secretary of the Navy may prescribe. No officer in a grade above that of ensign and below that of captain shall be promoted to the next higher grade on the active list until he shall demonstrate to the satisfaction of a board of examining officers such professional qualifications as the Secretary of the Navy may prescribe. The Secretary of the Navy shall issue regulations governing the procedures to be followed by such examining boards as he may convene from time to time, including regulations to insure a full and fair hearing to officers whose cases come before the boards and who demand a hearing. The Secretary of the Navy may, in his discretion, suspend in whole or in part the operation of the provisions of this section in connection with the promotion of officers under the act of July 24, 1941 (55 Stat. 603), as amended."

SEC. 2. The following laws are repealed:

(a) Sections 1495, 1499, 1500, 1501, 1502, 1503, and 1504 of the Revised Statutes;

(b) Act of June 18, 1878 (ch. 267, 20 Stat. 165);

(c) Section 20 of the act of May 22, 1917 (40 Stat. 89), as amended; and

(d) Section 316 (k) of the Officer Personnel Act of 1947 (61 Stat. 868), as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELOCATION OF TRENTON MASSACRE CANYON MONUMENT

The Clerk called the bill (H. R. 6022) to provide for the relocation of the Trenton Massacre Canyon Monument presently located near Trenton, Nebr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior shall relocate the Trenton Massacre Canyon Monument near Trenton, Nebr., to a site near United States Highway No. 34 to be selected by the Chamber of Commerce of Trenton, Nebr.

SEC. 2. This act shall not be construed to authorize the Secretary of the Interior to acquire real property.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LONGER TERMS OF OFFICE FOR JUSTICES OF SUPREME COURT OF HAWAII

The Clerk called the bill (H. R. 6162) to provide for longer terms of office for the justices of the Supreme Court of Hawaii and the circuit courts of Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of section 80 of the Hawaiian Organic Act, as amended (48 U. S. C., sec. 633), is amended, by striking out "That the President shall nominate and, by and with the advice and consent of the Senate, appoint the chief justice and justices of the supreme court, the judges of the circuit courts, who shall hold their respective offices for the term of 4 years, unless sooner removed by the President" and inserting in lieu thereof the following: "The President shall nominate and, by and with the advice and consent of the Senate, appoint the chief justice and justices of the supreme court, who shall hold office for the term of 7 years unless sooner removed by the President, and the judges of the circuit courts, who shall hold office for the term of 6 years, unless sooner removed by the President."

SEC. 2. The amendment made by this act shall apply notwithstanding the provisions of section 1864 of the Revised Statutes of the United States (48 U. S. C., sec. 1463a).

With the following committee amendment:

Page 1, line 4, after the word "amended" at the end of the line, add the words "effective at noon, January 20, 1957."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SEWAGE-DISPOSAL SYSTEM TO SERVE YORKTOWN AREA OF COLONIAL NATIONAL HISTORICAL PARK

The Clerk called the bill (H. R. 6112) to authorize the construction of a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of modernizing the sanitary facilities in the Yorktown area of Colonial National Historical Park, and in anticipation of the increased need for such facilities in connection with the Jamestown-Williamsburg-Yorktown celebration to be held in 1957, the Secretary of the Interior is authorized to construct, operate, and maintain, in such manner as he shall consider to be in the public interest, a sewage-disposal system to serve Federal and non-Federal properties in the said Yorktown area: *Provided*, That non-Federal users of the system shall be charged for such use such amount as the Secretary shall consider to be equitable, taking into consideration Federal expenditures for costs of construction, operation, and maintenance of the system. Funds obtained from such non-Federal users of the system shall be deposited in the Treasury of the United States as miscellaneous receipts, with the exception that the Secretary may consider as appropriation reimbursements, to be credited to the appropriation current at the time received, such amount of the aforesaid collections as may be necessary to reimburse, on a pro rata basis, appropriated operating funds expended for maintenance and operation costs of the system.

In the event it should become desirable to do so, the Secretary of the Interior may dispose of all or any portion of the interest of the Federal Government in the sewage-disposal system in such manner and upon such terms and conditions as he may deem to be in the public interest.

With the following committee amendments:

Page 2, lines 1 through 5, strike out the proviso and insert in lieu thereof the following language: "*Provided*, That non-Federal users of the system shall be charged rates sufficient to recover a pro rata share of depreciation and costs of operation and maintenance of the system."

Page 2, strike out all of lines 14 through 18.

Page 2, add the following section after line 18:

"SEC. 2. There are hereby authorized to be appropriated for the construction of these facilities the sum of not to exceed $250,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO AMEND THE HAWAIIAN ORGANIC ACT

The Clerk called the bill (H. R. 7058) to amend the Hawaiian Organic Act in respect of the compensation of supreme court justices and circuit court judges.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 92 of the Hawaiian Organic Act is hereby amended in the following respects:

(a) By striking out "$10,500" relating to the salary of the chief justice of the Supreme Court of the Territory of Hawaii and substituting therefor "$12,250."

(b) By striking out "$10,000" relating to the salary of the associate justices of the supreme court and substituting therefor "$11,900."

(c) By striking out the following clause: "the judges of the Circuit Court for the First Circuit of the Territory of Hawaii the sum of $7,500, and to each of the judges of the Second, Third, Fourth, and Fifth Circuits of the Territory of Hawaii the sum of $7,000." and substituting therefor "the judges of the circuit courts of the Territory of Hawaii the sum of $9,375."

SEC. 2. The provisions of this act shall take effect on the first day of the month following the date of enactment of this act.

With the following committee amendments:

Page 1, line 3, strike the words "section 92 of the Hawaiian Organic Act," and insert in lieu thereof the words "section 1 of the act of May 29, 1928 (45 Stat. 997)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the act of May 29, 1928 (45 Stat. 997), in respect to the compensation of supreme court justices and circuit court judges."

A motion to reconsider was laid on the table.

TO AMEND THE CLAYTON ACT BY PROHIBITING BANK MERGERS THAT MAY TEND TO CREATE A MONOPOLY

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5948) to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may be substantially to lessen competition, or to tend to create a monopoly.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraphs 1 and 2 of section 7 of the act entitled "An act

UNIVERSITY OF MICHIGAN LIBRARIES

to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (64 Stat. 1125; 15 U. S. C. 18), are amended to read as follows:

"SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission and no bank, banking association, or trust company shall acquire, directly or indirectly, the whole or any part of the assets of another corporation engaged also in commerce, where in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition or to tend to create a monopoly. "No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission and no bank, banking association, or trust company shall acquire, directly or indirectly, the whole or any part of the assets of one or more corporations engaged in commerce, where in any line of commerce in any section of the country, the effect of such acquisition, of such stocks or assets, or of the use of such stock by the voting or granting of proxies or otherwise, may be substantially to lessen competition, or to tend to create a monopoly."

The SPEAKER. Is a second demanded?

Mr. KEATING. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, we have all watched the steady rise in the number of bank mergers. Some have watched it with apathy; some of us have watched it with a considerable degree of alarm. It is interesting to note that this alarm has spread to the White House and that the President in his recent economic message recommended strongly that we amend the antitrust laws to cope with this problem.

Bank mergers are concentrating control of the Nation's bank resources into fewer and fewer hands. In fact, the rapidly accelerating trend toward mergers stands out as the major development in the field of banking during the past 5 years. The present situation is such that unless adequate precautions of the kind proposed here are taken, there is a very real possibility that banking credit will to an ever-increasing extent be dominated by small, tightly knit groups.

Consider that from 1950 to 1954 some 594 of the country's commercial banks have disappeared by way of mergers and consolidations; the total for 1955 is 250, the largest number in 25 years. What is more, this trend toward bank mergers is on the increase.

I would not be so concerned if these mergers involved merely weak or inefficient banks, but they involved, as you can see from the record, strong, financially powerful, really competitive banking institutions. Of the 494 mergers involving national banks which have taken place since 1950, more than half, or 274 all told, involve 1 or more large institutions, some having assets of $100 million or more. And the absorbed banks were hardly minnows; nearly half of them, 121, to be exact, had assets in excess of $10 million; 33 had assets of over $50 million.

Merger activity has had an additional effect. In large measure it has caused a situation where the 100 largest banks today control approximately 46 percent of the total assets of all the commercial banks in the country and more than 48 percent of the Nation's bank deposits. Further reflecting the degree of concentration in our present-day banking system, in 10 of the Nation's 16 leading financial centers, 4 banks own more than 80 percent of all commercial bank assets. In 9 of these financial centers, 2 banks own more than 6 percent of all bank assets. In each of the leading financial centers the first 2 banks own more than 40 percent of all the bank assets, the first 4 banks more than 60 percent.

As I indicated to you, the President has asked us to take action—to take action along the lines embodied in the bill before you. He has stated that the antitrust laws should be revised by extending Federal regulation to all mergers of banking institutions. Such legislation, the President continued, "would give the Government an opportunity to prevent mergers that are likely to result in undue restraint of banking competition."

This bill is the answer to the President's plea. The Department of Justice heartily endorses this bill. The Federal Trade Commission wholly sympathizes with its purpose and endorses the bill. The Federal Reserve Board favors the object of the legislation. The Comptroller of the Currency and the Director of the Federal Deposit Insurance Corporation likewise approve its general purpose although they are in disagreement with the approach the bill takes in providing that the Attorney General and the Federal Reserve Board shall have the power of enforcement.

The Independent Bankers Association, comprised of the rank and file of officials of smaller banks throughout the Nation, heartily approve of this bill. In a recent poll taken among rural bankers we find that almost three-quarters of them want this legislation.

Specifically, all the bill does is plug a loophole in the present law dealing with bank mergers that may have serious anticompetitive or monopolistic consequences.

This loophole exists because section 7 of the Clayton Act prohibits bank mergers where the effect may be substantially to lessen competition or tend to create a monopoly, but only if such mergers are accomplished by stock acquisition. Where the mergers are accomplished by asset acquisition the law does not apply.

All we do is provide that the same prohibitions as apply to mergers resulting from stock acquisitions shall be applicable to mergers resulting from asset acquisitions. There is no intent to interfere with the authority of the State bank supervisors. Their authority to approve or disapprove of mergers of banks under State law remains unaffected subject, of course, as is the case now, to the long-standing right of Federal enforcement officials to prevent any antitrust violations. That right has existed for a long time. Either the Attorney General or the Federal Reserve Board can now proceed under section 7 of the Clayton Act against bank mergers, achieved by stock acquisitions where the effect may be substantially to lessen competition. The bill follows the existing pattern of enforcement insofar as State-Federal division of responsibility is concerned.

Mr. KEATING. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I urge the passage of H. R. 5948.

This bill would amend section 7 of the Clayton Act to provide that "no bank, banking association, or trust company shall acquire, directly or indirectly, the whole or any part of the assets of one or more corporations engaged in commerce, where in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition or tend to create a monopoly." This provision would plug a loophole caused by section 7's failure to cover asset acquisitions by banks.

The bill would give the Attorney General and the Federal Reserve Board power to prevent bank mergers achieved through stock acquisitions. Experience has shown that as a result of the present loophole, section 7 is virtually useless in coping with the increasing trend of bank mergers which has been going on for the last 5 years. This is because banks, instead of acquiring the stock of other banking concerns, acquire the assets instead and thereby avoid the section's prohibitions entirely.

I fully recognize that many bank mergers are entirely desirable from an economic standpoint. Among these are mergers attributable to management problems occasioned by the advancing age of officers and failure to provide adequate succession; mergers between smaller banking institutions which enable them to provide more effective competition; and mergers which result from the inability of smaller banks to meet the borrowing needs of the community. It would be a great mistake and a distinct disservice to many communities for the Congress to take any action to interfere with bank mergers thus motivated. Not only are these mergers desirable, they would not come within the reach of the present bill.

President Eisenhower was unquestionably right when he stated in his Economic Report of January 24, 1956, that "mergers have become more numerous of late and an eye, at once vigilant and discriminating, must be kept on such developments."

As the President pointed out:

> Many mergers have a solid economic justification and serve the general interest by increasing competition; others have neutral effects; while still others place obstacles in the path of effective competition. Over the years Americans have wisely viewed excessive business concentration, or any other undue concentration of economic power, with uneasiness. To serve the basic American desire for an economy in which business opportunities are increasing and in which economic control is widely diffused, it is desirable to strengthen our antitrust laws and provide larger appropriations for their enforcement.

The bill now pending is one of those which the President has recommended to strengthen the antitrust laws. In his words:

> Federal regulation should be extended to all mergers of banking institutions. * * * This extension of the law would give the Government an opportunity to prevent mergers that are likely to result in undue restraint of banking competition.

Mr. Speaker, the Federal Reserve Board and the Attorney General can keep a vigilant and discriminating eye on bank mergers only if they have the weapons at hand. They cannot prevent undue banking concentration resulting from mergers if their hands are tied behind their backs.

To illustrate the degree of present commercial bank asset concentration, in 9 of 16 of America's principal financial centers, 2 banks own more than 60 percent of all commercial bank assets. And in each of these 16 centers, the first 2 banks own more than 40 percent of all commercial bank assets.

That the degree of concentration may be on the rise is suggested by New York City's experience. In 1900 the 4 largest banks in New York City had 20.8 percent of the total deposits. This number had jumped to 50.3 percent in 1935 and 60.6 percent in 1954. These figures not only indicate a picture of steadily increasing bank deposit concentration, they are typical of the situation in other financial centers of the country.

It is for these reasons that the interested Government agencies urged that section seven's standards be applied to bank assets and stock acquisitions alike. All agree that the acquisition of one bank by another should not be permitted if the effect of the acquisition may be substantially to lessen competition. It is their view, with which I concur heartily, that it is no less important to have competition in banking, when this can be done soundly, than it is in other fields of commerce and industry. The well-being of this Nation demands that our banking system remain strong and vigorously competitive.

One further consideration. Frequently businessmen proposing to merge are troubled by the necessary generality of the antitrust laws coupled with the fact that the applicability of court decisions to the contemplated transaction may be confusing. To obviate these uncertainties, the Attorney General's office has formulated advance clearance procedures whereby parties to a proposed merger may obtain clearance in the event the transaction does not appear to violate the antitrust laws. This procedure is eminently sound in providing a method whereby the business community can obtain advice with regard to the legality or illegality of a particular transaction under the antitrust laws.

I emphasize that existing clearance procedures will be fully applicable where one bank proposes to acquire the assets of another. In such instance the parties will have a full opportunity to obtain the views of the Attorney General before going ahead with the transaction.

The passage of the legislation we are considering today will not only improve our body of antitrust law but also strengthen our economy and for the long range, assist the earnest advocates of the free-enterprise and free-opportunity system in their vigilant fight to preserve that system and to prevent a violent swing of the pendulum toward State socialism.

Mr. Speaker, I have no further requests for time.

Mr. CELLER. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The SPEAKER pro tempore. Without objection a motion to reconsider will be laid on the table.

There was no objection.

EXTENSION OF POLIOMYELITIS VACCINATION ASSISTANCE ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 395 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 8704) to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and yield myself such time as I may require.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. BOLLING. House Resolution 395 provides for an open rule and 1 hour of debate on H. R. 8704, a bill to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

H. R. 8704 merely extends the authorization to carry on the vaccination program through June 30, 1957.

The expiration date of February 15, 1956, was set in Public Law 377 of this Congress with the understanding that the program would not be completed by February 15, but, by so setting this date, the opportunity was afforded to review the operation of the program before authorization was given to complete it.

Testimony by the Surgeon General of the United States and the president of the Association of State and Territorial Health Officers indicates that operations under the program have been satisfactory, and they recommend the extension of the act without change.

Thirty million dollars was appropriated in the Supplemental Appropriation Act of 1956. Only about one-half of this amount will be spent before February 15 due to the fact that there has been an inadequate supply of the vaccine. However, it is estimated by the Public Health Service that enough vaccine will be available on or before June 30, 1957, to vaccinate the 65 million children and expectant mothers who are eligible under the act.

The Secretary of the Department of Health, Education, and Welfare recommends the extension of the act, and enactment is in accord with the program of the President. In fact, it is estimated that completion of the program will require an additional $30 million, and the President in his health message to Congress on January 26, 1956, recommended an appropriation of this additional sum in order to complete the program.

The vaccine has proved to be effective according to the Surgeon General who reported that the paralytic polio rate among children who did not receive the vaccine was four times greater than among vaccinated children in the same age group and in the same localities.

I urge the adoption of House Resolution 395 so the House may proceed to the consideration of H. R. 8704.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. PRIEST. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8704) to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8704), with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. PRIEST] will be recognized for 30 minutes and the gentleman from New Jersey [Mr. WOLVERTON] for 30 minutes.

The Chair recognizes the gentleman from Tennessee.

Mr. PRIEST. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the gentleman from Missouri, in presenting the rule, did such a very good job of explaining the purpose of the bill, H. R. 8704, that it seems hardly necessary to go further into any detailed explanation of it at this time. It will be recalled that late last summer when the bill was presented to the House it was stated that an expiration date of February 15 had been included in the bill and agreed upon in conference in order that the two committees might look into the progress of the program early this

UNIVERSITY OF MICHIGAN LIBRARIES

year before taking any further action thereon.

We have looked into the program as early as we could reach it on our schedule. The Department of Health, Education, and Welfare early in the year requested this extension until June 30, 1957. In his health message, the President requested an extension also. Our committee heard reports from the Department of Health, Education, and Welfare, from the Surgeon General of the United States Public Health Service, and we listened also to a report from Dr. Daniel Bergsma who is president of the State and Territorial Health Officers Association, to get from him as nearly as we could a complete statement as to the progress in the States.

All of the States have now made application for funds to carry out programs as authorized by this legislation.

I point out 1 or 2 significant factors in the consideration of this extension which I believe are worthy of note.

In the experience to date over 4 million children and expectant mothers have received partial immunization under the program. As stated by the gentleman from Missouri in presenting the rule, the program has proven highly satisfactory. The results have been gratifying. Paralytic polio as we have been told was four times as great among those not receiving vaccine as those who did receive it in the same general areas or communities. Mind you, that was only partial immunization. It did not include complete immunization with all three shots as contemplated.

May I refer just briefly to salient provisions of the act so that the House will understand just what we are extending. The act that we passed last year made provision for allocation to the States, upon their application and upon their presentation of a State plan, funds for carrying out this program. The allocation formula, as you may recall, was based on one-third or 33⅓ percent of children between the ages of 1 and 20 and expectant mothers in a State multiplied by the cost of the vaccine, and then by the ratio of the per capita income of that State to the per capita income of the United States. That was the formula for allocation. Once a State has submitted a plan then funds are allocated to that State according to this formula.

The administration of the program within a State must be under a single State agency. In its application for funds, the State must give assurance that the grant shall be used only for vaccination of people within that age bracket 1 to 20, and expectant mothers; that no means test shall be required when the vaccination is done by a public agency; that the State plan will be administered by a single State agency; that the Surgeon General may, at the request of the State, purchase vaccine and turn it over to the State in lieu of a cash allotment. All of the money authorized and appropriated for this program must be used for the purchase of vaccine except for a 20-percent administrative provision that was written into the original bill.

It is my understanding that 23 of the States, nearly half, have requested that the Surgeon General purchase the vaccine and have it delivered to the States. May I state that up to date, or up until a very recent date, 31 million cubic centimeters of the vaccine have been released and approximately 13.5 million of these were turned over to the National Association for Infantile Paralysis for their program in the second and third grades. As you recall, that was part of the voluntary program plan in the very beginning.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Do I understand from the gentleman's explanation that it is necessary for the States to submit a plan before the Surgeon General approves the same?

Mr. PRIEST. Maybe I should call it an application. There are certain requirements set forth, certain criteria that must be met or assurances that must be given that certain fundamental things will be done. It could be called a plan or an application. It is, in a sense, both.

Mr. ROGERS of Colorado. After that application or plan has been submitted and approved by the Surgeon General, is he under any duty or obligation to see that the State carries out that particular plan?

Mr. PRIEST. The States are required, and they must so state in their application, that they will submit to the Surgeon General complete reports on the program in their State as it develops; statistical reports and other reports as required by the Surgeon General.

Mr. ROGERS of Colorado. May I inquire further? There has been some dissatisfaction in the State of Colorado—at least, I have had letters to the effect—that first of all there is not sufficient vaccine available and, second, of that that was made available, complaint of the method in which it was administered; that is to say, it was turned over by the State department to the county department, and in many instances the county departments were not in a position to properly administer it and that some plan was worked out whereby private physicians were given the vaccine and were permitted to charge for the same. Does the gentleman know anything about that?

Mr. PRIEST. May I state that just as briefly as I can so far as the legislation goes, bearing in mind that there is rather a considerable amount of authority in the single State agency that administers it and it is possible and it has proved true that some of the States were not immediately organized through their single State health agencies to administer a statewide program, and that, plus the fact that there was not enough production of the vaccine, accounts for the fact that only about half of the money made available for the fiscal year has been expended to date. It is possible under that program, on a voluntary basis, if physicians desire to cooperate and there is not adequate organization to administer public programs in the schools and clinics or elsewhere—the vaccine may be turned over to private physicians who cannot charge for the vaccine, but who may be their own judge as to whether the person coming to receive the vaccine or his or her parents is able to pay for the vaccination. The fee that he may set is a matter that is not covered by law which applies only to public programs. And although a physician agrees to enter the program and takes so many thousand cc.'s to be administered in his own office or from his own clinic, he cannot make a charge for that vaccine. The question whether he shall charge for the service is one between him and the person who presents himself to him for a vaccination. It is a question they must settle between themselves; that is true.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield further

Mr. PRIEST. I yield further to the gentleman.

Mr. ROGERS of Colorado. Then, under that system, it is possible that the State agency may distribute the vaccine to the physician and he is left free to charge whatever he pleases; that is to say, if his ordinary fee for a vaccination were say $10, if he wanted to up that to $20 or $25, there is nothing to prevent him from doing so?

Mr. PRIEST. There is no statute or regulation to keep him from doing that. That is strictly a relationship between the physician and the person presenting himself to receive the vaccine. It is not covered by statute. I am certain in my own area that public opinion would operate against any physician who did that. A physician who went to the State agency and said, "I am willing to help out in this program"—and I think a great number of them have done it on that cooperative basis—"I am willing to help out if you do not have facilities in the county health unit," public opinion certainly would have a very retarding effect in the matter of any physician charging an exorbitant fee for the actual vaccination. I cannot visualize that happening since this is altogether a voluntary program. The State does not have to enter the program unless it decides to do so on its own. I should think there would be a minimum of that sort of thing but, to answer the gentleman specifically, there is no law, there is no regulation to prohibit a physician from doing what the gentleman suggests he might do.

Mr. ROGERS of Colorado. If the gentleman would yield further, I may point out that in my own district where we have the headquarters for the Welfare Department, it would be virtually impossible to vaccinate, say, 100,000 children who would come into that area at one particular time and to one particular hospital. As I mentioned a moment ago, there was a shortage, at least in the State of Colorado, in the amount of vaccine received, and in many instances many of the physicians did cooperate. But the chief complaint I have found is that there was not enough vaccine, first; and second, where the vaccine was made available, many people felt that they were required to pay more for a shot of the vaccine than they would have paid for an ordinary vaccination.

I assume there is nothing the Surgeon General or the State agency can do, when they are receiving the cooperation of physicians, if they are supposed to do this service without charge, to see that it is given without charge, except to hope and pray that they do not charge too much.

Mr. PRIEST. That is substantially the situation so far as legislation is concerned. We must remember that this is not a compulsory program. If it were a compulsory program, then there might be a different approach legislatively. But it is not a compulsory program.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Oklahoma, the distinguished majority whip.

Mr. ALBERT. Can the gentleman tell us whether all States are in this program at least to some extent?

Mr. PRIEST. All States are now. May I say to the gentleman that up until a few weeks ago the great State of Massachusetts had not made application to come under the program, but they have done so now. That means that all of the States are cooperating in the program.

Mr. ALBERT. Would it be difficult to put into the RECORD the extent to which this program has been carried on in the various States, or is that information in the report?

Mr. PRIEST. I do not believe it is in the committee report, but I shall attempt to get that and put it in the RECORD. I think that information is important to have. It had not been completely assembled when we had the hearings. May I say that it has proven, from testimony of the State and Territorial Health Officers Association, through its president and others concerned, a generally very satisfactory program throughout the country.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I say to the distinguished majority whip that I think what he really is interested in is the 12 States in which the experiment was conducted as to how much better children did who were vaccinated than those who were not vaccinated. Those 12 States reach all the way from California to New York and from the Southern States to the Northern ones. In that test last year it was shown that the test was four times as successful with those children who were vaccinated than with those in the unvaccinated group. This gives you an idea of the success of the program.

Mr. PRIEST. The committee believes that the House should take early action to pass this extension legislation, realizing all the while that if there should develop at any point any circumstance or situation that might justify still another look the committee will keep in very close touch, as it has from the beginning, with everything that takes place in this program, and will be ready at any point to look into any unusual circumstance that might develop.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. O'HARA of Minnesota. As a member of the gentleman's committee I of course am supporting the legislation before us. There has been one disturbing feature, however, and that is the incidence this last year of the very serious bulbar type of polio, which has hit particularly hard in the 20-to-30-year group. It is my understanding that under the procedure which has been previously laid down those persons are not eligible to receive polio shots at this time, until the 1-to-20-year-old group is taken care of. However, it does certainly indicate to some of us who are laymen the need for consideration and early attention to this group between 20 and 30.

Mr. PRIEST. The gentleman has brought up an important point, which was brought up also by the gentleman from Massachusetts [Mr. HESELTON] during the subcommittee hearings. I think we must continue to look into this phase of the program. While we know that the ages 1 to 20 cover those groups more susceptible to attack, there are instances when persons in older age brackets seem to suffer more severely than those who are younger. This is one of the conditions which I think we must consider in further study of this matter as we proceed

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. WOLVERTON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the purpose of the bill now under consideration is to extend until June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955. The legislation passed last year would expire February 15, 1956. The Senate, on February 2 of this year, passed S. 2990, similar to H. R. 8704, reported favorably by the House Committee on Interstate and Foreign Commerce.

When the so-called Polio Vaccination bill was passed in July last, it was purposely limited as to its effectiveness until February 15, 1956, with full knowledge that the program of vaccination could not be completed by that time. This early time of limitation was placed in the bill to provide an opportunity to review the operation of the program early in this 2d session of the 84th Congress before authorizing completion of the program.

It is gratifying to report that the testimony given before our committee by Dr. Leonard A. Scheele, Surgeon General of the United States Public Health Service, and Dr. Daniel Bergsma, president of the Association of State and Territorial Health Officers, leaves no doubt that the results attained in the carrying out of the polio vaccination program have been highly satisfactory and, consequently, they have recommended that the act be extended through June 30, 1957, as provided for in the pending bill. It is also pleasing to note that there was no opposition from any source to the adoption of this bill. It was further stated at the hearings on this pending bill that no amendments to the original bill were necessary other than the extension of the date to June 30, 1957. Hence, the bill as passed by the Senate and now before the House carries no amendments other than the change of date to enable the program to be extended to June 30, 1957.

It will be highly gratifying to the public in general, and to fathers and mothers in particular, to know that the effectiveness of the Salk polio vaccine has now been demonstrated to be highly beneficial as a preventive for paralytic poliomyelitis. Experience during 1955 has shown that the paralytic rate was more than four times greater among unvaccinated children in the same age group and same locality. This 1955 experience is all the more impressive because the great majority of children had received only a single injection of vaccine. The committee, as a result of hearings on the subject, reports:

> On the basis of this evidence we are confident that the vaccine is effective in preventing a very substantial percentage of cases of paralytic poliomyelitis.

Thus, it will be seen that the doubts and uncertainties that were created and existed for a short time in the early use of the vaccine have been cleared up. Consequently, the approval that has been given to the Salk vaccine by our leading health officials will undoubtedly go far in giving assurance to parents as to its use and eliminate the fears that may have previously existed.

There has been no matter before our committee that has given me greater satisfaction than this opportunity to assist in a legislative way to make available to our people a remedy that gives such great promise of preventing paralytic poliomyelitis. Dr. Salk is entitled to all the honors that are being heaped upon him for his discovery. I am certain, however, that his greatest sense of compensation lies in the fact that he has been able to do something for humanity.

The passage of this bill will enable the Congress to adopt an appropriation, as recommended by President Eisenhower, of an additional appropriation of $30 million to complete the program.

I am certain it must give a great deal of satisfaction to parents to realize that many of the doubts and fears which originally were created have disappeared, and that there is a general recognition by the leaders in the medical profession the present Salk vaccine is a satisfactory remedy for this dread disease. I am pleased to see the great honor that is being paid to Dr. Salk. He is entitled to every bit of it. For myself, I can say I feel greatly pleased to have been a member of the committee that had a part in the legislative history of this matter. It is a satisfaction to know that in connection with our many other works along the line of health, that in this we have done something which is really appreciated by the people of this Nation by making it possible for this wide distribution of the Salk vaccine.

The CHAIRMAN. The gentleman from New Jersey has consumed 4 minutes.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, I rise in support of this measure, because this polio-vaccine program which was initiated by the Congress of the

UNIVERSITY OF MICHIGAN LIBRARIES

United States about a year ago has proven to be eminently successful. It is one of those measures in which everyone can rejoice. Finally, at long last, it has made it possible for a curb to be put on the dread disease of poliomyelitis and especially insofar as it affects young people under the age of 19.

The Members of the House know the provisions of the bill which was passed last year, namely, that a substantial amount of money, $30 million, was made available for the distribution of this antipolio vaccine among children of school age who otherwise would not be able to secure the immunization. The program was carried out and the matter was taken care of by means of agreements with the various public-health authorities of the various States. In connection with my own State of Iowa may I report that the program has proven very satisfactory. It has had a deterrent effect upon the incidence of the disease upon our schoolchildren, particularly. On the whole it has been one of the finest things that has come out of the health program of the Congress of the United States.

It is interesting, too, to note, Mr. Chairman, that there are other countries who are very greatly and importantly interested in this program. During the recess, together with other members of the Committee on Interstate and Foreign Commerce, we visited Denmark and found in that country the public health authorities had taken their cue from the discoveries made by Dr. Salk and his associates.

In Denmark they have developed an antipolio vaccine which has been used with great success in reducing the incidence of that disease there. We found elsewhere in our journeys that most of the countries were extremely interested in what had been done in the United States and that they were anxious to emulate and to carry out the program as it has been initiated here.

I am heartily in support of this measure. I would call particular attention to the fact that this extends the date for more than 1 year—from February 15, 1956, to June 30, 1957, something over 12 months. It seems to me that this should receive the unanimous support of this body.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Chairman, I want to make the position I took in committee consideration of this bill clear. I can do so best by restating the additional views I filed with the committee report as follows:

I did not vote to report this bill favorably.

I am convinced that Public Law 377 of this Congress, the Poliomyelitis Vaccination Act of 1955, should be extended beyond the terminal date, February 15, 1956. But I am not convinced now that it should be extended to July 1, 1957, without more consideration of certain facts. Since I have no doubt that it will be extended to that date, I believe I should state briefly the matters I think should be considered further by the Department, this committee, and Congress prior to July 1, 1957. I know that this committee has every intention of continuing its interest in the administration of the program and I understand that reference will be made to that in the report.

This committee and Congress wisely set the present terminal date at February 15, 1956, so that this new and vitally important program would be reviewed early in this session. The Secretary of Health, Education, and Welfare recognized this in his letter transmitting the draft of this bill stating that it was the congressional intention "to provide an opportunity for reviewing program developments early in the second session of the Congress before completely implementing the Federal grant provisions of the act."

The Department reported its estimate that there would be sufficient vaccine available by December 31, 1956, to provide for 3 injections for each of the 65 million children under age 20 and expectant mothers, but added that this was based upon 100-percent demand which it conceded was unlikely. It based its request for the extension to July 1, 1957, on the recommended 7-month interval between second and third injections.

It seems to me that this committee should have been given evidence of any departmental plans as to adjustments which should be made as soon as production of the vaccine permits, to make additional vaccinations in the older age groups possible.

Undoubtedly such adjustments will be made and I hope they will prove satisfactory to all concerned. However, without intending any reflection upon anyone, it seems to me that this committee should not be asked to approve a blanket extension of such duration in the absence of the most complete information available as to possibilities during that period.

This committee recommended, and this Congress accepted the recommendation, of an upper age limit of 19 years, with the addition of "any expectant mother," in the definitions under the act—section 10 (b) (1), and see also section 4. I believe that recommendation was sound. But I cannot accept the argument that it should necessarily be continued to June 30, 1957. It constitutes an important limitation and I hope it will be considered fully long before that date.

Last year this committee had before it the clear and sound warning that it would not discharge its full responsibilities by confining its thinking to the admittedly vital problem of prevention among those under 21 years of age.

At its hearings—part 2, pages 134, 136, 137—Dr. Albert B. Sabin, of the Children's Hospital Research Foundation, Cincinnati, Ohio, testified in part as follows:

> It is important to stress that this is no longer a disease we should call infantile paralysis, because the disease occurs with great frequency in young adults and, furthermore, is much more severe in those in later life than in earlier years * * *. I submit, gentlemen, that these in the third decade (age 21 to 30) are just as much in need of preventive measures as are all the others * * *. To summarize this, then, the problem in the United States is to prevent paralysis in young adults in whom it is most severe, as well as in children in whom it is more frequent.

Last year, and mostly subsequent to the passage of this law, Massachusetts suffered its worst epidemic of poliomyelitis. At the suggestion and with the financial assistance of the National Foundation of Infantile Paralysis a special study was made.

It appears that of 3,819 cases, there were 675 in the age groups between 10 and 20. However, there were 574 in the age groups from 20 to 30, 232 in the age groups from 30 to 35, and 104 in the age groups from 35 to 40.

It is my recollection that a great many of the cases among the young adult groups were most severe.

Any instance of this disease is tragic. All who have contributed toward its prevention are richly entitled to the gratitude of this Nation.

But the responsibilities of this Congress toward insuring the best possible program are great. I do not believe that they will be discharged completely by a simple extension of the date. For emphasis, I repeat my appreciation of and agreement with the contents of what I understand will be in the committee report on this point.

In this connection, I also want to quote the paragraph in the committee report, to which I have referred, as follows:

> The highest incidence of paralytic poliomyelitis for the United States as a whole occurs in the age groups below 20 and in pregnant women. These are the groups which are eligible to receive vaccinations with funds authorized in the act. Your committee is recommending no change in this limitation at the present time. Your committee has received information, however, which indicates that in some States the incidence of paralytic poliomyelitis and the severity of the cases is as great or greater in some age groups above 20 years. Your committee trusts that the Surgeon General and others responsible will review from time to time the voluntary national priority system now in effect in relation to experiences in the various States to determine whether the priority groups should be modified to include individuals in selected age groups above 20 years, and advise the Congress of any corresponding changes in this legislation which might be desirable.

Therefore, I have every reason to believe that, irrespective of the extension of the expiration date of the Poliomyelitis Act of 1955 to July 1, 1957, the Department, the Surgeon General and others responsible will review the existing priority system and will keep in close touch with the committee as to all developments and as to any desirable modification, extension or other revision of that system. I know that the committee will continue its interest in guaranteeing that the program is sound in every respect.

At this time, I think it advisable to note that Congress undoubtedly will adjourn prior to August 13, 1956, and that

there is now no reason to expect that it will be in session again until the 85th Congress convenes in January 1957.

A suggestion has been made that there would only be enough vaccine to permit the vaccination of those under 20 and expectant mothers between now and July 1, 1957. That ignores the fact that no one can possibly know how many will qualify in those priority groups in that period. It ignores the fact that the Department conceded frankly that its estimate was based upon 100 percent demand which it felt was unlikely. And it ignores the fact that the production possibilities are definitely estimates. There may be other important factors which the committee and Congress would wish to consider sometime in the nearly 17 months ahead of us before the act would expire under this bill.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I think it would be well, in order that the House may know, to review this situation last year.

You will recall there was some vaccine which was manufactured in early 1955 and was given to children in certain areas of this country and there were a few deaths as a result thereof. For that reason the Subcommittee on Health of the Committee on Interstate and Foreign Commerce held a panel hearing with 15 of the most distinguished men in America on the question of polio vaccine. Dr. Salk was among them. There were three Nobel prize winners on that panel. This hearing extended over several days. We came to the conclusion that, in spite of the effect the vaccine had had on the public in a few instances we should go ahead with the program in 1955.

You are wondering what the results were of the go-ahead sign given last year. Everything that has happened in the meantime bears out the conclusion of those experts, that we should have proceeded in spite of some of the things that happened early in 1955. The results in percentage indicate conclusively that the program has been successful. It shows that the effectiveness of the program has been four times greater in the vaccinated children than it has been among the unvaccinated children. That survey was conducted in 12 States, later in 1955.

You ask why is it necessary to extend the program? It goes back to this basic thing that there was not enough vaccine being manufactured in 1955 to take care of even the children through the age of 19 years. There will not be enough vaccine to do that even during the remainder of 1956. So you see we are in short supply as far as the vaccine is concerned.

There were some members of the Subcommittee on Health of the Committee on Interstate and Foreign Commerce who were disturbed as to those between the ages of 20 and 30. May I say that as soon as the vaccine is available, after those through the ages of 19 have been taken care of, those people 20-30 in age will be reached. There are only a few companies who can manufacture this vaccine. There are only 5 in number. Not just any drug company can do this work. It is a highly specialized thing that takes not only large resources but it takes a company with considerable experience to undertake the manufacture of this vaccine.

May I say to the House that as a result of the hearings held last year I allowed my one child who was eligible, to be vaccinated, because I felt it was safe. I hope that when the other two become eligible that they will be vaccinated. I tell you that because many people have asked whether it was safe to have their children vaccinated. This is an indication of how I felt, after listening to these several days of hearings last year. I believe we have a right to look forward optimistically to the next 2 or 3 years. When we have all children vaccinated there will be a very, very low rate among the children of this country who actually get polio.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, I simply wanted to add 1 or 2 remarks, not to prolong the discussion of this particular legislation which I feel will be unanimously supported. I do want to pay tribute to the manufacturers of this particular product. I feel that they have a great deal at stake in the reputation of their firms and the results they have secured up to the present time. As my colleague from Illinois has put it briefly, we had some unfortunate experiences with the vaccine of one particular manufacturer, but that has been corrected. At the same time, I feel that the public should know—and I think the House understands; I know the House committee and subcommittee do understand—that the laboratories that are furnishing this particular product have done a splendid job.

We are concerned about one thing, I should mention, and that is that children of parents of low income do not always take advantage of this vaccine because there was no means test. Many of them dislike to go before the proper authorities to secure it. I am thinking of those in the low-income brackets. I hope none of these people will fail to secure it. In fact, the President in his message pointed to this particular situation and expressed the hope that in the absence of any means test it would not eliminate the low-income-bracket people from having this service.

I am sure all of us want to see this bill passed.

Mr. PRIEST. Mr. Chairman, does the gentleman from New Jersey have any further requests for time?

Mr. WOLVERTON. I have no further requests for time.

Mr. PRIEST. Then I ask, Mr. Chairman, that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 2 and subsections (a) and (b) of section 6 of the Poliomyelitis Vaccination Assistance Act of 1955 (Public Law 377, 84th Cong.) are each amended by striking out "February 15, 1956" and inserting in lieu thereof "the close of June 30, 1957."

The CHAIRMAN. There being no amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 8704, pursuant to House Resolution 395, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to take from the Speakers's table the bill (S. 2990) to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955, a bill identical with H. R. 8704 just passed by the House, and ask for the immediate consideration of the Senate bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 2, and subsections (a) and (b) of section 6, of the Poliomyelitis Vaccination Assistance Act of 1955 (Public Law 377, 84th Cong.) are each amended by striking out "February 15, 1956" and inserting in lieu thereof "the close of June 30, 1957."

The bill was ordered to be read a third time, was read the third time, and passed.

By unanimous consent the proceedings whereby the bill H. R. 8704 was passed were vacated and that bill was laid on the table.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

NEEDED FEDERAL TAX REFORMS—OUR FEDERAL DEBT

The SPEAKER. Under the previous order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 30 minutes.

Mr. MASON. Mr. Speaker, Treasury reports tell us Uncle Sam is in the red to the tune of $278 billion—but that is not the whole story. In addition to the $278 billion debt, Uncle Sam has other

UNIVERSITY OF MICHIGAN LIBRARIES

outstanding obligations amounting to over $40 billion—obligations incurred by the Commodity Credit Corporation, the Reconstruction Finance Corporation, the Export-Import Bank, the International Bank, the International Fund, and several other Government lending agencies. That means that Uncle Sam—you and I—owe something over $300 billion. How much is $300 billion? I do not know; you do not know. Our finite minds cannot grasp such an astronomical sum. There never was such a national debt as that before. It is more than the total debt that all the other countries of the world owe, put together. It is more than twice as much as all the countries of Europe owe, put together. Yet in face of this, practically all the nations of the world stand before Uncle Sam today saying, in effect: "Please Uncle Sam, your credit is still good; won't you borrow more money; won't you go deeper into debt; won't you levy heavier taxes upon your people and help us out of the mess we are in?" And Uncle Sam has been doing that; he is still doing that, and his board of directors—the Congress—proposes to continue to do that.

Where is bankrupt Uncle Sam going to get these billions to hand out to other nations? He can get them only by borrowing and going deeper into debt. Such a program can end only in national bankruptcy, financial chaos, repudiation, and then dictatorship. And that is exactly what will happen to us unless our board of directors makes a right-about-face—unless our leaders "stop, look, and listen."

OUR FEDERAL EXPENDITURES

Mr. Speaker, so much for our back-breaking, astronomical debt. Now what about our Federal expenditures? In the budget message President Eisenhower sent to the Congress in January he asked for $65.9 billion to run the Government during the fiscal year that starts next July 1. That is $3.5 billion more than last year. In size and shape that budget message resembles a Sears, Roebuck catalogue. It is 2½ inches thick; it weighs 6½ pounds; and it has exactly 1534 pages in it. However, if it is analyzed and summarized, it can be condensed into six overall general budget items. These six items are as follows:

	Billion
Interest on the public debt	$7.1
National defense	36.5
Veterans benefits	4.9
International aid	4.9
The Federal payroll	9.5
Miscellaneous items (subsidies, grants-in-aid, etc.)	3.0
Total Federal budget	65.9

And that is $11 billion less than the last Truman budget.

OUR FEDERAL TAXES

Mr. Speaker, 20 years ago, in 1935, just before the New Deal took over, our total Federal tax load was $3.7 billion. Today our total Federal tax load is $65 billion—more than 16 times as heavy as it was 20 years ago—and every single tax increase was made during either Roosevelt's or Truman's administration.

This Federal tax load can be broken down into four different tax sources, namely:

First. Individual income taxes, running from 20 percent of the taxable income in the lowest bracket to 91 percent of the taxable income in the highest bracket. This means that the man in the lowest income bracket must work about 3 months each year for the Government and 9 months for himself and family; and the man in the top tax bracket must work about 11 months each year for the Government, with only 1 month left to work for himself and family. The tax take from this source—individual income taxes—is roughly $34 billion, or over half of the total tax load.

Second. Corporation taxes, now running from a 30 percent rate to a 52 percent rate upon all corporation profits. This means that a corporation must make $2 in profit for every dollar it can hand out to its stockholders. It means also that most corporations work a little more than 6 months each year for the Federal Government and a little less than 6 months each year for their stockholders. Corporation taxes bring in a total tax take of roughly $20 billion.

Third. Excise taxes, taxes levied upon goods bought and consumed, not upon income. Excise tax rates range up to 10 percent of the cost of the article or service rendered—except upon liquor and tobacco, both of which are much higher. Our excise taxes bring in a tax take of roughly $10 billion.

Fourth. Inheritance taxes and tariffs and customs: Tariff rates average about 5 percent of the value of the goods imported. Inheritance tax rates range up to 70 percent of the value of the estate. Receipts from this source amount to about $2 billion.

Mr. Speaker, our fiscal picture is as follows:

(a) A $300 billion debt.

(b) Expenditures of $65.9 billion.

(c) A tax take of $66 billion.

Now what do we propose to do about it? What tax reforms do we propose to make?

A TAX CEILING OR LIMITATION

Mr. Speaker, the first tax reform we propose to make is to place a tax ceiling or limit of 25 percent upon all Federal income taxes, corporation taxes, and estate taxes. Why should this be done? In 1848, 100 years ago, Karl Marx announced a 2-point program for the destruction of capitalism and the promotion of communism.

First. All estates should be confiscated through a 100-percent inheritance tax so that the State would eventually become sole owner of all land, buildings, factories, and business enterprises.

Second. A graduated income tax should be levied, which should increase progressively to the point of confiscation, whereupon all private initiative, private capital, and private property would cease to exist.

Under the New Deal we have traveled a long way upon the road that Karl Marx laid out. True, we have not yet reached the 100 percent confiscation of inheritances, but we do go up as high as a 70 percent inheritance tax; we have reached 91 percent confiscation of all large incomes; and we now have a 52 percent confiscation of corporate incomes. So, if we are to avoid Government ownership and operation of all American business and industry, we must adopt a tax limitation amendment to our Constitution.

Excessively high tax rates today are drying up the streams of investment capital. Industrial expansion, the creation of more jobs, and the production of more goods are being curtailed. American industry is now being forced to go to Washington with tin cup in hand and beg the Government for the capital it needs and must have for expansion. This eventually means Government supervision, Government control and Government ownership. That is socialism.

The experience of England should be a warning to us. England's heavy graduated income tax, coupled with her confiscatory inheritance taxes, forced her into government ownership and socialism. We are traveling down the self-same road. It is time to call a halt.

Our tax limitation proposal, House Joint Resolution 68, seeks to establish a tentative or proposed 25 percent ceiling upon all income taxes—except in time of war.

The question immediately arises, can the Treasury stand the loss of revenues that such a tax ceiling would bring about? Judging the future by the past—and that is the only way we can judge it—the answer to that question is an emphatic "Yes." With a tax ceiling today of 25 percent receipts of almost $50 billion would still flow into the Federal Treasury—a sum much greater than any sum ever collected by the Federal Government up until 1952, 3 years ago.

AN EQUITABLE EXCISE TAX PROGRAM

Mr. Speaker, the second tax reform we propose is the repeal of all present excise taxes now on the books—except upon liquor and tobacco—and to substitute for them a flat 5 percent manufacturers' excise tax, uniformly applied to all end products. My bill, H. R. 5694, would do just that.

The repeal of present excise taxes would cost the Treasury about $5 billion per year. Imposition of a flat 5 percent manufacturers' excise tax upon all end products would produce about $5 billion per year to make up for the loss. And, it would have the following definite advantages:

First. We would get rid of the present hodge-podge, hit-and-miss, inequitable system of excise taxes—taxes levied without rhyme or reason—and lower the present 10 percent excise taxes down to 5 percent.

Second. A manufacturers' excise tax is the cheapest and easiest of all taxes to administer and collect.

Third. It would tend to equalize the total tax burden upon all our people, without hurting any one producer or consumer.

Pertinent questions in connection with the subject of a general manufacturers' excise tax are:

What proportion of our total Federal revenue should be raised by such a tax?

What constitutes a well-balanced, equitable Federal tax system, one that is fair to all groups and classes of people?

England gets about one-half of her total government revenue from excise taxes. Canada gets about one-third of her total revenue from excise taxes. The United States gets only one-seventh of her total revenue from excise taxes. We depend more upon income taxes and less upon excise taxes than any of the other major nations of the world.

A well-balanced, equitable Federal tax system should collect about one-third of its needed revenue from personal income taxes, one-third from corporation taxes, and one-third from excise taxes—levied at the manufacturers' level.

The imposition of a flat manufacturers' excise tax, in lieu of the present hodge-podge of excise taxes, would constitute a long step forward toward the establishment of a well-balanced, equitable, and efficient Federal tax system.

TAX EQUALITY BETWEEN BUSINESS COMPETITORS

Mr. Speaker, in our third tax reform we propose to bring about tax equality between business competitors: Corporations now pay up to a 52-percent tax upon their profits; cooperatives, mutual savings banks, building and loan associations, credit unions, Government-operated businesses, now pay little or no Federal income tax.

My bill, H. R. 43, if passed would do three things:

First. It would establish tax equality as between business competitors;

Second. It would bring into the Treasury more than $1 billion of brand new money from presently untaxed sources; and

Third. It would make possible a little easing up of the tax load upon presently overtaxed business enterprises.

For the past 8 years we have had bills before every session of Congress proposing to change the laws so that we could collect taxes from these profit-making competitors of regular taxpaying businesses, but so far we have received little or no aid from the Treasury officials. Lately, however, we have been led to believe by the present Treasury officials that a start may be made toward correcting this situation—perhaps next year.

As a consequence of the present tax inequality and discrimination between business competitors, the co-ops and various mutuals are able to use the major part of their profits for expansion, for buying out taxpaying enterprises in their own lines of business. Thus they keep expanding year after year.

Mr. Speaker, the following are a few samples of the many glaring inequalities that now exist between business competitors:

First. In 1952 the Cooperative Grain League Federation Exchange of New York—biggest of all co-ops in the United States—made about $7¾ million profits. A regular corporation would have paid, at the 52 percent rate, something over 4 million dollars. GLF paid $1,600,000—and it is only within the past few years that GLF has paid anything at all.

Second. In the same year the Indiana Farm Bureau Co-op made about $2¾ million profit and the Farmers Union Central Exchange of St. Paul made more than $3½ million—and so far as I can discover neither paid a penny in income tax; while the Illinois Farm Supply Co. made about $3 million and assessed itself 14 percent Federal income tax.

Third. In 1952 25 big co-ops whose books were studied by the Department of Agriculture made profits of more than $36 million, on which some didn't pay any corporate income tax at all and the rest paid a total of less than $2½ million, which amounted to 6.7 percent of their total profits, while other companies were paying 52 percent.

Unhappily I cannot tell you how much income tax any of these overgrown co-ops paid in 1954, because the co-op boys in the Department of Agriculture are not printing the figures any more. They are ashamed, I guess. They ought to be.

Fourth. The Consumers Cooperative Association of Kansas City owns oil wells, pipelines, refineries, oil station outlets on a par with Standard Oil. This co-op has assets of over $50 million, and does an annual business of around $6 million. Yet it pays little or no Federal income tax.

Fifth. One of these so-called little farm co-ops is the California Fruit Growers Exchange, which did an annual business last year of $300 million. This gigantic corporation is exempt from Federal taxes. There are at least a dozen large co-ops in the United States today that would have to pay the Treasury an average of at least $1 million each if they were taxed on the same basis as their competitors. Why not tax them?

Sixth. In Chicago—and in all other large cities—you will find magnificent, impressive buildings with the savings and loan association name above them. They pay 3 to 3½ percent interest upon their deposits, while the regular commercial banks can afford to pay only 2 percent upon their savings accounts. They are giant financial corporations with assets of approximately $20 billion, and pay practically no Federal income tax on their huge earnings. If they were taxed as the regular commercial banks are taxed, they would have paid last year $250 million into the Federal Treasury. That is a quarter of a billion dollars that had to be paid by other overburdened taxpayers because the New Deal administrations have been afraid to tax this growing octopus.

THE POWER OF CONGRESS TO TAX CO-OPS

Mr. Speaker, in public hearings on the proposal to tax co-ops, the spokesmen for the co-ops have always asserted that Congress has no legal right to tax co-ops, that co-ops were simply agents for their patrons, that co-ops made no profits in the sense that corporations made profits, and therefore co-ops were not taxable.

This argument of the co-op spokesmen was forever settled when the greatest tax authority in the Nation, if not in the world, the Joint Committee on Internal Revenue, rendered an opinion in 1951 saying that under our Constitution and laws, Congress does have the right to tax co-ops in the same manner and for the same reason that it now taxes corporations.

Briefly, the report of the joint committee entitled "The Power of Congress To Tax Cooperatives on Net Margins" points out—

First. Nearly all co-ops are organized as corporations and have corporate charters granted by the various States; therefore they are taxable as corporations;

Second. The few not chartered as corporations are "associations"; the definition of a corporation in the Internal Revenue Code includes associations, therefore for Federal tax purposes they are considered corporations;

Third. For many years Congress has considered co-ops as corporations, and has by legislation exempted them from the corporation tax.

The joint committee in its report has settled for all time the moot question raised by the spokesmen for the co-ops. The Congress does have the right to tax co-ops. The real question is, "Does Congress have the courage to do so?"

McCARRAN-WALTER IMMIGRATION ACT

The SPEAKER pro tempore (Mr. BASS of Tennessee). Under previous order of the House, the gentleman from Illinois [Mr. SHEEHAN] is recognized for 15 minutes.

Mr. SHEEHAN. Mr. Speaker, there is a well-acknowledged axiom that there very seldom is brought forth a perfect legislative bill. That generalization holds true for the McCarran-Walter Immigration Act and certainly there are some revisions needed. However, to hear Mr. Adlai Stevenson, candidate for the Democratic nomination for President, talk, one would think that the whole McCarran-Walter law was a sinister act deliberately designed to discriminate against certain peoples. From what I have read of Mr. Stevenson's criticism of the McCarran-Walter Immigration Act, I felt that some of the facts should be set out so that blanket charges and veiled innuendoes, which are so glibly used by Mr. Stevenson, could be put in their proper perspective.

It seems to me that Adlai Stevenson, in his eagerness to capture the Democratic nomination for the Presidency, is resorting to attacking the actions of the majority of his own party in an effort to win support of minority groups.

Most recent of these attacks was his January 1 statement on the 1952 Immigration Act, the so-called McCarran-Walter Act, which he considers "harsh and restrictive," among other things.

The fact that the 1952 Immigration Act passed a Democrat-controlled House of Representatives by an overwhelming majority of 206 to 62—a standing vote, indicating the bill's support was so great that a record vote was not even sought; that it came out of committee with a unanimous vote; and that 107 Democrats voted to override the President's veto—as opposed to the 90 Democrats who voted to sustain the veto—apparently is, to Mr. Stevenson's mind, beside the point. Had he read the RECORD and history of the bill, he also would have noted that the measure was supported in the

UNIVERSITY OF MICHIGAN LIBRARIES

Senate by a majority of his party. The bill passed the Senate on a voice vote, and 25 Democrats voted to override the veto, as opposed to 18 who voted to sustain. Among the Democrats voting to override the veto was Senate Majority Leader Ernest W. McFarland.

Veto vote: House, 278 to 113, 17 more than necessary for two-thirds majority—170 Republicans, 107 Democrats voted "aye"; 23 Republicans, 90 Democrats voted "nay." Senate, 57 to 26—32 Republicans, 25 Democrats voted "aye"; 8 Republicans, 18 Democrats voted "nay."

Mr. Stevenson is flying in the face of the judgment of a majority of the party whose nomination he seeks when he states the act's bad features outweigh the good.

The political intent of Adlai Stevenson in entering this controversy is obvious when one considers the many opportunities he had to voice his opinion before the Democrat Congress enacted the law and before he became a candidate for national office.

Hearings on revision of the immigration laws were conducted for over 4 years prior to the law's enactment, and during that time all persons interested in the law were invited to make their representations to the committees. Certainly the Governor of Illinois would not have been refused had he asked to be heard.

Also, it should be remembered that Adlai Stevenson was employed by the United States Department of State at the close of World War II. At that time the condition he complains of as discriminating against southern Europe, eastern Europe, and Asia was even more apparent than it is today. As a State Department officer, with influence in high places in Washington, it is strange indeed that he made no attempt to have the national-origins system changed.

Indeed, from Mr. Stevenson's public statements, it appears that he became an authority on the McCarran-Walter Act in 1952, when a Democrat nominee for President; and in 1955–56, when a candidate for the Democrat nomination for the Presidency. Apparently the "harsh and restrictive" provisions of the law are easier to bear when one is not a candidate for national office.

Whatever his reasoning, Mr. Stevenson certainly is a Johnny-come-lately to the battle. First steps to revise the law were taken in 1949: 4 years of hearings were held; 100 witnesses appeared before the Senate committee; 56 appeared before the joint Senate-House committee; and 76 submitted statements to the joint committee. If Mr. Stevenson was too busy attending to the business of the State of Illinois at the time, he could at least have submitted a statement citing his reasons for objecting to the national-origins quota system.

The principles of the national-origins quota system were established in 1920. Mr. Stevenson's own party controlled the Presidency from 1932 through 1952. Mr. Stevenson's own party controlled the majority in Congress from 1930 to 1946, 1949 to 1952, and during the last 2 years. Mr. Stevenson's own party, in all that time, made no attempt to change the principles of the national-origins quota system, even while Mr. Stevenson was one of the high officials in our State Department during the 1940's. Is it possible that Mr. Stevenson, like Rip Van Winkle, has been asleep all of these years and all of a sudden feels that his entire party has been wrong and he is the only one who can cover himself with the mantle of righteousness?

But he did not speak up then, and he gives only vague reasons now for attacking the law. He, as usual, contents himself with generalities designed to make him appear the champion of the underdog.

He has called on Congress to "dispel the atmosphere of fear and prejudice and other unworthy motives in which our immigration laws and policies are cloaked, and give the American people an honest, forthright piece of legislation, guarding our shores and our people from undesirables, but extending a traditionally warmhearted welcome to those we can help and who can help us."

There seem to be four categories, all generalities, in Mr. Stevenson's latest attack on the Immigration Act of 1952. It is significant that he has no solution to offer to these situations that he considers "completely indefensible." Members of his own political party have answered his charges as follows:

First. The charge: The quota system discriminates against southern Europe, eastern Europe, and Asia.

> In more recent years there has been but little immigration from the countries with the largest quotas, like Great Britain.

The answer: Under the national-origins quota system the United States has admitted, since 1929, nearly 5 million immigrants. The system does four things: First, limits the annual number of quota immigrants who can come to the United States; second, determines the nationality of those who come so as to maintain the historic population pattern of the United States; third, puts all quota nationals on an equal footing; fourth, keeps the immigration problem beyond the reach of politics and pressure groups. Representative FRANCIS E. WALTER, Pennsylvania Democrat and coauthor of the law, asks a very pertinent question:

> Are we to have an immigration policy—impossible of fulfillment—based primarily on the desires of Europe? Or are we to have a policy which is based primarily on what is good for America?

Judging from Mr. Stevenson's recent remarks, he favors the former. If not, he should make his position clear. The country whose highest office he seeks certainly deserves to know where his first interests lie—in preserving our historical strength, or in fulfilling the desires of Europe.

He has offered no alternative to the national-origins quota system. Several were offered, he will find if he reads the RECORD, in the form of amendments when the House and Senate debated the bill—all were rejected.

The most popular plan was to pool the unused quotas of countries like Great Britain, and give them to other nations whose quotas had been filled. As Representative WALTER pointed out, the effect of this amendment would have been to flood the country with orientals—unused quotas, distributed on a first come, first served basis would go entirely to China the first year. China has more than a quarter of a million registrants awaiting entry. How does Mr. Stevenson plan to sidestep China and favor some of his southern and eastern European countries, without practicing the "discrimination" he rails against?

The alternative would be to set up some sort of commission or system to allot the unused quotas, immediately throwing the field of immigration into politics. The joint committee wisely rejected both these plans by unanimous decision, and the House and Senate agreed with the committee action.

The purpose—and the only purpose—of our having immigration laws at all is to strengthen the United States. No grounds can be found for the contention that we make welcome in this country all the aliens who desire to enter. It is possible that Mr. Stevenson worries about the persons fleeing religious and political persecution. If so, he should read the law, and he would know they are cared for in our refugee relief programs.

Second, the charge: "The fate of an applicant for permission to enter the United States may be determined by the whim or caprice of a single individual"—the consular official abroad whose decision, Stevenson claims, is "absolute and subject to no appeal whatever." This is coupled with his final criticism, which is conclusive proof that Mr. Stevenson has not familiarized himself with the law. He states an inquiry officer "conducts the proceedings, examines the witnesses, and then proceeds to act as judge" in deportation and exclusion proceedings.

Answer: There is absolutely no basis in fact for this charge. It is impossible to know who got to Mr. Stevenson and fed him this abundance of misinformation, but wittingly or unwittingly he has walked into a well-laid trap. The entire charge is false. Arbitrary decisions are just what the law guards against. The McCarran-Walter Act provides for judicial review of official decisions concerning aliens.

If Mr. Stevenson had read the newspapers in recent months, he would know that a well-known Hollywood singer, an alien, was able to fight his case through the courts to a favorable decision. And he would have seen that some prominent gamblers, all aliens, were privileged to carry their cases to the Supreme Court of the United States before their deportation was upheld. This is all the protection that we provide for native-born citizens—why must we go further for aliens?

The McCarran-Walter Act has certain basic provisions which are immediately apparent to any student of the legislation. It maintains entry quotas based on the number of persons resident in the United States in 1920 whose national origin is in that particular country; it entitles all quota countries, including Asian countries, to a quota under the national origins system, which system provides that the minimum quota for any quota area shall be 100; it stiffens

the law concerning the admittance, exclusion, and deportation of dangerous aliens; it codifies all immigration, naturalization, and nationality law into permanent statutes, distinct from separate emergency and temporary legislation designed to admit large groups under persecution and duress; it introduces selective immigration by giving special preference to skilled aliens urgently needed by this country; it broadens the grounds for exclusion and deportation to conformity with recommendations made by the Senate Special Committee To Investigate Organized Crime in Interstate Commerce; and it provides for judicial review of official decisions concerning aliens.

The law further has revised the national origins quota system to remove racial discrimination and discriminations based on sex, but fixed limitations are included to prevent an influx of orientals.

These and the many other provisions that were written into the law to strengthen it caused it to draw support from all the major Asiatic organizations in the country. In addition, it was endorsed by the Department of Justice, Central Intelligence Agency, Immigration and Naturalization Service, the Department of State and its Visa Division, all Democrat controlled at the time. Over 100 nationwide patriotic, civic, and religious organizations backed it and assisted in its preparation.

There is no national clamor for revision. There is a steady attack by minorities—some of whom honestly desire minor changes; others of whom seek the law's emasculation because it interferes with their subversive intent.

If Adlai Stevenson has no constructive changes to suggest for the law, he should refrain from emotional outbursts such as the one contained in his January 1 statement to the Massachusetts Committee for Revision of the Immigration Act. Such attacks only serve to cloud the real issues. And by making them, he is playing into the hands of less reputable organizations which have an ulterior purpose in seeking repeal of the Immigration Act.

FEDERAL AID FOR SCHOOL CONSTRUCTION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Montana [Mr. METCALF] is recognized for 60 minutes.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, to include an article by Walter Lippmann, an editorial from the Washington Post and Times Herald, a letter from Clarence Mitchell, and an editorial from the St. Louis Post-Dispatch.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, the Rules Committee is still hearing witnesses on H. R. 7535, the Kelley bill for Federal aid for school construction.

President Eisenhower presented his views on this legislation in the special message he sent to the Congress on January 12. The President submitted a revised and broadened program which in most respects is similar to that proposed by the Kelley bill. Except for a formula to encourage the States to greater local effort, every one of the President's proposals was considered by the House Committee and accepted or rejected or modified in the bill finally voted out and now pending in the Rules Committee.

The awareness of the need for more classrooms, the action at the White House Conference on Education, the strong bipartisan support for the Kelley bill in the committee added to the President's request for legislation now, gave hope that some school construction legislation would be enacted soon. There is, however, one great obstacle in the way of enactment. That is the so-called Powell amendment proposed by the gentleman from New York.

A similar amendment was proposed, in committee last year by the gentleman from New York, [Mr. WAINWRIGHT]. At that time the House had already considered a similar amendment in the military reserve bill. When the vote came upon the amendment in committee, I voted against it because I was convinced that its adoption would kill the bill and that the amendment added nothing to the present law. I still take that position. However, the gentleman from New York the other day addressed the House and told us of the need for his amendment. In the course of his speech he raised some questions that should be discussed in more detail.

The gentleman from New York inserted into the RECORD a copy of a letter from Mr. Parke M. Banta, general counsel for the Department of Health, Education, and Welfare, in which Mr. Banta declared that further congressional action was needed before the Surgeon General could withhold public funds where a hospital, to be built under a Hill-Burton grant, does not allow colored doctors to use its facilities for treatment of their patients.

In view of the legislative history of the Hill-Burton Act and because of the fact that there has been no decision of the Supreme Court of the United States specifically respecting hospitals the opinion may have some basis.

Then Mr. Powell calls attention to a letter from Dr. Harold Hunt, Under Secretary of the Department of Health, Education, and Welfare, "that any decision to withold grants because of the continuation of some degree of segregated education should necessarily be based on a court determination that the particular State or school district in question was not proceeding to make a prompt and reasonable start toward good faith compliance with the pronouncement of the Supreme Court."

The United States Supreme Court has acted. It has declared that—

> We conclude that in the field of public education the doctrine of "separate but equal" has no place. Separate educational facilities are inherently unequal. Therefore, we hold that the plaintiffs and others similarly situated for whom the actions have been brought are, by reason of the segregation complained of, deprived of the equal protection of the laws guaranteed by the 14th amendment.
>
> We have now announced that such segregation is a denial of the equal protection of the laws.

Subsequently the Supreme Court said:

> The courts will require that the defendants make a prompt and reasonable start toward full compliance with our May 17, 1954, ruling. Once such a start has been made, the courts may find that additional time is necessary to carry out the ruling in an effective manner. * * * During this period of transition, the courts will retain jurisdiction of these cases * * * to take such proceedings and enter such orders and decrees consistent with this opinion as are necessary and proper to admit to public schools on a racially nondiscriminatory basis with all deliberate speed the parties to these cases. * * *

Then in the case of Bolling against Sharpe the Supreme Court said:

> In view of our decision that the Constitution would prohibit the States from maintaining racially segregated public schools, it would be unthinkable that the same Constitution would impose a lesser duty on the Federal Government.

These decisions make it clear that the constitutional provision is a positive and affirmative one.

The equal protection clause is not a negative one. The Supreme Court has made it clear that the courts will enforce the constitutional requirement of nonsegregation without the necessity of further legislation. This provision is a self-executing one soundly based on constitutional doctrine and cannot be circumvented by inaction on the part of Congress. The later case of Bolling v. Sharpe also decided that racial segregation in the public schools of the District of Columbia was a denial of due process in violation of due process of law guaranteed by the 5th amendment.

What is the situation today? There are three categories of States. In the first category are States such as mine where segregation is not a problem and where it is illegal by State law and for all practical purposes is nonexistent. For such States the Supreme Court decision has made no material change.

The other two categories are the ones with which I propose to deal in the remainder of this discussion.

The second category is composed of States in which segregation has been practiced and in which schools were maintained under the separate but equal doctrine but who are now making genuine and realistic efforts toward compliance with the Court's decision. Border States of West Virginia and Missouri are examples of this second category.

The Supreme Court recognized that the process of desegregation would be a long one and directed that the process be undertaken with "deliberate speed," taking into consideration "problems related to administration, arising from the physical conditions of the school plants, the school transportation system, personnel revision of school districts and attendance areas into compact units to achieve a system of determining admission to the public schools on a nonracial basis."

These and other problems caused the Court to recognize that desegregation

UNIVERSITY OF MICHIGAN LIBRARIES

would not take place in a month or a year.

But note that the Supreme Court said that there must be a prompt and reasonable start toward full compliance. After such a prompt and reasonable start the districts were to proceed with deliberate speed.

In the third category are the States who have openly, notoriously, and publicly declared that they are not going to comply with the Supreme Court's decision. In these States official proclamations by the governor, regularly enacted acts of the legislatures, or official elections under the auspices of public officials and in accordance with the laws of the State have laid down a policy of open defiance of the Supreme Court decision. These are not acts of isolated local officials nor of groups of citizens but these are such public and official acts which have the force of State law, and courts in most jurisdictions would take judicial notice.

Now Mr. POWELL's proposed amendment would apply to each of these categories. As outlined in his speech on January 24 the gentleman from New York would add an eighth requirement to the contents of the State plan for any State desiring to accept the benefits of Federal aid for school construction. The amendment proposes that the State plan "provide that school facilities of the State are open to all children without regard to race, in conformity with the requirements of the United States Supreme Court decisions: Except that if a State plan does not so provide, it shall not prevent payment of funds authorized under this act to such States for use in counties or other political subdivisions within the State that are operating their schools in conformity with the Supreme Court decisions" and shall add to the contents of the statement that must be filed with the Commissioner of Education by the State educational agency the following language: "and shall state that the county or other subdivision in which each project is located is operating its schools without regard to race in conformity with the requirements of the United States Supreme Court decision. A State plan which meets the requirements of the Commissioner in every other way shall be permitted to be put into effect in those school districts which comply with the Supreme Court decisions."

As I read the amendment it will force the States to accelerate the process of desegregation. Those States in the second category that I have mentioned, who are honestly, sincerely, and realistically attempting with deliberate speed to bring about integration of their schools would be forced to bring this desegregation about immediately.

Mr. Walter Lippmann in a recent column took a comparable position. The States that are making an effort to desegrate need the patient cooperation and the understanding of the rest of the Nation. At its best the Powell amendment would do nothing more than the Supreme Court decision is now doing. But giving it the interpretation above, and it is open to such interpretation, would be a deterrent to the very gradualism that the Supreme Court desires.

The gentleman from Arizona [Mr. UDALL] has introduced H. R. 6803 which is much sounder in its approach to this problem of aiding States in this second category to integrate their schools. Instead of saying to these States, you will have to get your schools desegregated immediately or you will not get any Federal funds, H. R. 6803 would adopt a positive approach. In effect, the Udall bill says that the Federal Government is responsible for the change in the doctrine of separate but equal to the doctrine of complete integration. Many States have made genuine efforts to provide Negro students with schools that were separate but equal. Now these States must readjust their school systems, close some of their schools, build others and undergo additional expense. This is in effect as surely a Federal impact on the districts affected as if a defense industry or an army post had moved in and disrupted the ordinary operations of the district. The Federal Government would build the schools or help to build them in districts where the impact was greatest. All of the people of America would be extending a helping hand in solving a problem that is national in scope.

The third category is different. In this category are the few States that by a system of calculated disobedience have taken legal and official steps to defy the Supreme Court's decision. The Supreme Court directed that there be a prompt and reasonable start. By no rationalization can these States be deemed in compliance with the decree of the Court.

The decree of May 31, 1955, said "all provisions of Federal, State, or local law permitting such discrimination must yield to this principle," that is, the principle that segregation is a denial of equal protection of the laws and a violation of the Constitution.

Laying aside for the moment the pending legislation for Federal aid for school construction the question arises as to what is the effect of the Supreme Court decision on other school legislation. Can the Secretary of Health, Education, and Welfare certify that vocational educational money to be sent into these recalcitrant States is to be expended in accordance with the Federal law? Are these defiant States entitled to school lunch money for segregated schools? Are they entitled to money under Public Law 815 and 874 for construction and operation of schools in federally impacted areas?

According to Under Secretary Hunt's letter the administrative agency in charge of distributing can close its eyes to open defiance of the Constitution of the United States and continue to pay out money to States who are in open and flagrant defiance until directed to do otherwise by Congress.

I shall never agree with such a doctrine until there is a definite court decision declaring that I am wrong.

In a recent letter to the Washington Post and Times Herald, Mr. Clarence Mitchell, director of the NAACP, says that here is involved a deep principle and that "the NAACP has never retreated on principle and we shall not do so now."

For me, too, there is a principle here that is fundamental in constitutional doctrine, that goes back to the separation of powers. I shall never concede that the enforcement of the great provisions of the Constitution, the liberties guaranteed in the Bill of Rights, and the 14th amendment are not effective until there is a specific legislative enactment by the Congress. The legislative branch of Government cannot by refusal or failure to act, deprive citizens of rights and privileges guaranteed by the Constitution. It is the duty of the executive branch to enforce these provisions of the Constitution in every law. These self-executing provisions of the Constitution are implicit in every law enacted by Congress and it is unnecessary to specially mention them in legislation affecting the subjects in which these constitutional principles are involved. Without further congressional action it becomes the duty of the Commissioner of Education, the Secretary of Health, Education, and Welfare, and the Attorney General of the United States to enforce the equal protection and due process clauses of the Constitution as soon as clarified by the United States Supreme Court.

Therefore, when a State, by official proclamation of its governor, by regular act of its legislature, by a duly called referendum of its voters or by any other official means, takes action circumventing the Constitution of the United States, then it is the duty of the executive department to enforce the Constitution. There is a great deal of difference between unofficial local resistance and failure to comply and public official acts of duly authorized officeholders.

To insert the Powell amendment into the school-construction bill would mean that Congress does believe that specific legislation is necessary to enforce the 5th and 14th amendments and that the rights and freedoms guaranteed by those amendments are not enforcible by the executive department until Congress has directed the Executive to carry them out.

Applied to the instant case, it means that the Commissioner of Education can sit idly by while States are in open defiance of the Constitution and violating the equal-protection and due-process clauses of that Constitution by official action and continue to send money to aid vocational education, school lunches, and other federally assisted educational services in segregated schools. I do not believe that is the law and I will not vote for an amendment that concedes that to be the law.

President Eisenhower has said that, in his opinion, the Powell amendment was unnecessary. He can clarify the whole question by getting a decision from the Attorney General as to whether the Commissioner has a right to withhold Federal funds from schools in the third category. Such a decision and a forthright declaration of intention to carry out the provisions of the Constitution as interpreted by the Supreme Court should be made before debate on the Kelley bill begins in this House.

I include as a part of my remarks the following editorials and the text of the letter from Mr. Mitchell mentioned above:

[From the Washington Post and Times Herald of February 2, 1956]

TODAY AND TOMORROW

(By Walter Lippmann)

THE POWELL AMENDMENT

The Kelley bill to appropriate Federal money in aid of the construction of schools has run into the conflict—which is still unresolved in the Southern States—over the Supreme Court's decision on segregation. Representative ADAM C. POWELL of New York is proposing an amendment to the bill which would deny Federal funds to States or local school districts which continue to maintain segregated schools. The money which is denied them would be held in escrow and paid out whenever a local district complied with the decision of the Supreme Court.

This amendment, which has the support of Representative JOSEPH W. MARTIN, the Republican leader in the House, might well, if adopted, bring about the defeat of the bill and the hope of Federal aid for the schools. It would be expecting too much that the southern Senators and Congressmen would vote for the bill with this amendment in it.

The southerners, plus many northerners who are really opposed to Federal aid on principle or on grounds of economy, would be a formidable opposition. But even if the bill could be passed over their opposition, it would complicate and obstruct, rather than assist and promote, the movement to end segregation in the schools.

"I think I shall vote for the Powell amendment" said Representative MARTIN the other day, "because of the position of the Supreme Court, I don't think you can do otherwise." Mr. MARTIN is entirely mistaken. The truth of the matter is that because of the position of the Supreme Court, Congress ought to reject the Powell amendment. For that amendment, far from upholding the Supreme Court's decision, would subvert it.

The position taken by the Supreme Court is that segregation in the public schools is unconstitutional, being a denial of the equal protection of the laws, and that the Court will pass upon "the adequacy of any plans" that State and school authorities may propose "to effectuate a transition to a racially nondiscriminatory school system. During this period of transition, the courts will retain jurisdiction of these cases."

The Supreme Court, recognizing that the changeover from segregated schools is a difficult and complex matter, has refrained from demanding immediate and unconditional application of its ruling. It has recognized that there must be a period of transition—a period of persuasion and accommodation—and the Supreme Court has accepted the burden of presiding over this transition.

The Powell amendment runs counter to the letter and the spirit of the Supreme Court's decision. For the amendment proposes to have Congress take over from the Court the burden of getting the rule against segregation observed. It proposes to punish the localities which are slow about or opposed to complying, and to give to administrative officials, rather than to the Supreme Court, the power to determine whether the law is being observed. No one, I submit, who understands and believes in the Supreme Court's decision, can vote for the Powell amendment.

If the amendment is adopted and the school-aid bill is defeated, the cause of integration will suffer. Federal aid for school construction will be withheld from precisely those States and school districts where it is most needed. Integration, since it means that Negro children will have the same education as white children, requires much money. In the segregated school systems the Negro children are for the most part less well provided for. One of the necessary means to the integration of the schools is to build more schools. Otherwise, under integration the education of the white children will be pulled down toward the standards now prevailing for the Negro children.

Any true and understanding friend of integration in the Southern States should realize that when he proposes to starve the southern schools, he is making it more difficult to bring about integration. The South now has a dual school system, the white one better than the Negro. It will take money to bring about one school system at the level of the schools for white children. The worse the two systems are allowed to become, being deprived of money that is indispensable, the harder it will be in fact to integrate them. And the more acute will be the passions aroused.

Mr. POWELL is a Democrat and Mr. MARTIN is a Republican. They would do well not to play politics with the public schools.

[From the Washington Post and Times Herald of February 3, 1956]

CART BEFORE THE HORSE

Those who believe that the bill for Federal aid to education ought to be saddled with an antisegregation rider need to give sober and realistic thought to the amount of weight they are asking it to carry. The bill will fall with that burden. And its falling will be a blow to integration as well as to education.

If Representative ADAM POWELL insists upon attaching his antisegregation amendment to the school bill, there is no doubt that many Members of the House of Representatives will support him—not because they think the amendment useful or constructive or in any way likely to achieve its purpose but because they think opposition to it politically inexpedient. They may have the votes to adopt the rider, but it is by no means sure that they will then have the votes to adopt the bill—or that some who vote to encumber the bill will not turn around and vote to defeat it. Moreover, if the bill passes the House with Mr. POWELL's amendment tacked to it, the chances of getting it through the Senate will be very slim indeed.

This is not to suggest by any means that Mr. POWELL and others who advocate an antisegregation amendment to the education bill are cynical or indifferent to the welfare of the schools. Many of them are deeply convinced that Federal funds ought not to go in any circumstances to States or localities which are acting in violation of the United States Constitution. This newspaper has always shared that conviction. The trouble with trying to apply it in connection with a school grant-in-aid bill is that the Supreme Court has not said that the Constitution requires immediate and unconditional school integration; it has said, rather, that integration should be accomplished as speedily as practicable in conformity with local conditions, and it has designated the Federal District Courts not the Office of Education or any other executive agency, to determine whether the pace of compliance is satisfactory.

On the pretext of supporting the Supreme Court, the Powell rider would require the executive branch of the Government to discharge a function that is essentially judicial—and to impose a rigid standard where the Supreme Court has fixed a flexible one. The effect would be to give plausibility to opponents of Federal aid to education who argue that Federal aid would mean Federal interference in local affairs. And it would be to deny Federal aid to the very areas most in need of it. Thus education and integration alike would be retarded. For it is precisely where poverty is most prevalent that prejudice is most rampant. The States and localities most committed to segregation are the ones most in need of Federal aid—most in need of school improvement as an indispensable basis for the integration which they must sooner or later embrace.

Integration will come as education progresses. It cannot be promoted by withholding aid to education. Those who would be responsible for denying aid to all the Nation's public schools because segregation persists in a few of them threaten to push apart the pillars of the democratic process. The United States now has a historic opportunity to rejuvenate its public-school system. It would be tragic to lose that opportunity by confusing it with a different cause.

[From the St. Louis Post-Dispatch of February 3, 1956]

NO TIME FOR A RIDER

President Eisenhower has done well to throw his weight against any amendment to the school-aid bill denying Federal funds to districts where racial segregation persists.

To mix up the issues of Federal aid for school construction and racial segregation in the schools would be especially pointless in view of the Supreme Court's unanimous decision against segregation and its order for gradual implementation of the decision.

If it is unconstitutional for school districts to use their own funds in support of segregation, it is obviously unconstitutional for them to use Federal funds for that purpose. Hence, if a school-aid bill is passed without an antisegregation rider, and if some States undertake to use funds received under this bill in support of segregation, they can be enjoined in the courts.

So long as the courts obeyed the Supreme Court decision on segregation, they would surely have to rule against the use of Federal funds to support practices which have been declared in violation of the Constitution.

It is true that bitter-enders in the South are fighting the execution of the Supreme Court school decision. But an antisegregation rider to a school-construction bill will not settle that controversy. In the end, the courts must settle it. This will take time. But the time will not be shortened by unnecessarily injecting the segregation issue into the school-bill debate.

As the President said, let's get a bill passed first. School districts the country over face immediate building needs. The chances of Federal aid in meeting those needs ought not to be jeopardized by a pointless legislative fight over segregation.

[From the Washington Post and Times Herald of February 3, 1956]

POWELL AMENDMENT

Your editorial of January 26 on the school construction bill reiterates your oft-repeated opposition to the Powell amendment to the pending school-construction bill. This amendment was introduced by Mr. POWELL at the urging of the NAACP. It is supported by sincere and honest people throughout the country. A great many of these people, including the writer of this letter, have children who attend public schools.

After spending approximately $250,000 to win the school-segregation cases, private citizens should not be asked to spend additional money to obtain court decrees preventing the use of Federal money in the underwriting and extension of racial segregation. This is exactly what they will be called upon to do if the pending school-construction bill passes without the Powell amendment.

At present, the 5 most recalcitrant States receive over $75 million a year from the Federal Treasury for education. All of this money is spent under the illegal pattern of racial segregation and most of it goes to schools and colleges for white only.

UNIVERSITY OF MICHIGAN LIBRARIES

The Department of Agriculture, the Comptroller General, and the Department of Health, Education, and Welfare have all refused to halt this misuse of tax money. The States that do not practice segregation in public schools are also the biggest sources of Federal revenue. This means that their money is being used to help finance segregation.

It is a cause for deep regret that you and the President direct your fire at those of us who are seeking to obtain obedience to the law, but do not criticize the obstructionists, who are expected to fight our amendment. The President and most of the supporters of the school-construction bill are willing to include the very worthwhile Bacon-Davis provision in the proposal because those who support the Bacon-Davis regulations have sufficient political power to get what they want. On the other hand, those who do not have such political strength are asked to step aside and bow to lawlessness.

The NAACP has never retreated on principle and we shall not do so now.

CLARENCE MITCHELL,
Director, Washington Bureau, National Association for the Advancement of Colored People.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Georgia.

Mr. LANDRUM. I thank the gentleman for yielding. I believe before the gentleman came to the Congress from Montana he was a member of the Montana Supreme Court, was he not?

Mr. METCALF. That is right.

Mr. LANDRUM. If I interpreted the statement of the gentleman correctly, it is his belief that if this Congress passes legislation authorizing an appropriation of Federal money for the construction of public schools, that money, or money that might be appropriated later under an appropriation measure, can be withheld from any State without any further action by this body or by the Supreme Court, if the State in question should disagree with the principle of integrated public schools.

Is that what the gentleman says?

Mr. METCALF. With one addition. That one addition is that Federal funds can be withheld from those States where there has been such a public and official action by the legislature, by referendum such as was had in Virginia, or by official proclamation of the governor, such an official action that a court would be able to take judicial notice of their failure to start and their open disobedience of the constitutional provision.

Mr. LANDRUM. Do I understand by that the gentleman means that when any State has announced its opposition to the Supreme Court decision of May 17, 1954, or any State which has now or might later adopt measures to prevent the integration of its public schools, the administrative, or executive, branch of our Government would be authorized to withhold from that State any appropriations which might have become available for public schools through the action of this Congress?

Mr. METCALF. Again I have to qualify the gentleman's question. A mere announcement of disagreement with the Supreme Court decision is, to my mind, not enough. It takes a regular official act of the legislature or an official proclamation of the governor, or some regular act that of which a court of competent jurisdiction could take judicial notice, rather than these things we would have to prove in a regular court proceeding. I might say we would take judicial notice of the official election in Virginia, a referendum held under the laws of Virginia, by the regularly constituted voters of Virginia, that is a different kind of an act than a mere pronouncement that a State is or is not going to comply.

As I understand, there is a resolution of interposition pending in the Mississippi Legislature. The fact that a resolution was introduced or that some members of the legislature announced that they were going to introduce such a resolution would not, to my mind, justify the withholding of Federal funds, but if the legislature passes that resolution and it is enacted into law in a regularly constituted form and fashion, then I say the only thing the Federal Government can do is to take cognizance of that official action and withhold funds.

Mr. WILLIAMS of Mississippi. Mr. Speaker, will the gentleman yield for a correction?

Mr. METCALF. Yes.

Mr. WILLIAMS of Mississippi. There is no interposition resolution pending at this time in the Mississippi State Legislature.

Mr. METCALF. I am sorry.

Mr. WILLIAMS of Mississippi. However, the State of Alabama has already interposed by declaring the decision null and void, and the State of Virginia has interposed its sovereignty, and I am certain that the State of Mississippi within the next 2 or 3 weeks will certainly not let its sister States down in their defense of the Constitution of the United States.

Mr. METCALF. I have been misinformed. But I would say if a resolution is passed by Alabama, if the gentleman's information is correct, that would put them in the official category that I have designated in my opening remarks, the third category, that would warrant and require the Commissioner of Education to withhold all Federal funds.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield further?

Mr. METCALF. I yield.

Mr. LANDRUM. Then, what the gentleman is saying is that any State which has put itself in that position would be supporting an appropriation for the construction of public schools throughout the United States and yet have that State's share withheld from it because the State refuses to comply with the decision of the Supreme Court of May 17, 1954, barring segregation in our public schools?

Mr. METCALF. That is exactly correct. The gentleman from Georgia knows that I understand that I have not the awareness he has of the emotional and sociological conditions that exist in some areas of the South. I do not have a segregation or desegregation problem in my district. I am merely talking about what I believe to be sound constitutional doctrine.

Before I yield further to the gentleman, let me give him an example. The right to trial by jury is guaranteed by the Constitution. Let us suppose the Congress of the United States failed to pass any act providing for trial by jury. Does the gentleman think that any court would say, "Well, Congress has failed to act and, therefore, because of the inaction of Congress, because there is no legislation on the matter, we cannot have a trial by jury." The courts, of course, would provide it under court rules.

I appreciate some of the difficulties. I have tried to be sympathetic and understanding concerning the problems of the South, as the gentleman knows. I say, as a matter of constitutional principle, that this amendment is completely useless; and that it is the duty of the Federal Government, the executive department, to enforce these self-executing provisions of the Constitution.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield further?

Mr. METCALF. Of course, I yield further.

Mr. LANDRUM. The gentleman is a very able, studious, and devoted member of the House Committee on Education and Labor and I am sure the legal opinions he expresses here have come only after long and careful study.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Arizona.

Mr. UDALL. I should like to compliment the gentleman from Montana on his presentation today. It seems to me that this is an issue that should be discussed in advance of the voting on the school bill. I know there are many advocates of the Kelley bill who have said that this issue ought not to be discussed, that it would endanger the bill because some of our southern colleagues might realize that if the argument presented by the gentleman from Montana [Mr. METCALF] is right, then in that event they would be opposed to any Federal aid bill. There have been speeches placed in the RECORD in recent days which lead me to believe that there are some of our colleagues who grasp that this may be the actual status if the Kelley bill passes. But I certainly think the gentleman has performed a very important service in bringing this matter to the floor where it can be discussed now, because I know there are enough keen lawyers in this body so that this question is going to be thoroughly considered before a vote is taken. I think the gentleman from Montana, whom I consider one of the ablest constitutional lawyers in the body—not necessarily because he served on the Montana Supreme Court, but because of the inherent qualities of his mind—has performed a service in discussing this particular aspect of the problem. As long ago as last summer, some of us were discussing these ramifications of the general problem.

Am I correct in understanding that the gentleman feels there should be a pronouncement by the Attorney General of the United States on this matter in order to clarify the issue before the Kelley bill comes to the floor?

Mr. METCALF. The gentleman from Arizona is correct.

Mr. UDALL. I also appreciate the mention the gentleman made in his discussion of the legislation that I have introduced. I have been one of those very much troubled by the problem presented by this bill, and by the amendment proposed by our colleague from New York [Mr. POWELL]. To me, this is not an easy question. I am unable to see it as a simple moral issue. Nor do I see it as a simple referendum on the segregation issue. I think the issue raised as far as any conscientious Member is concerned, is whether any amendment that is offered to the bill will effectuate or obstruct the law pronounced by the Supreme Court.

I think we have to keep that uppermost in mind.

May I say to the gentleman that it is my present intention to offer my proposal as an amendment to the Kelley bill. Thereby we would say to our southern colleagues that there would be a program of direct assistance to those districts in the South which are prepared to carry out integration programs. May I ask the gentleman if he would vote for and support that bill as an amendment attached to the Kelley bill?

Mr. METCALF. I thank the gentleman from Arizona for asking that question. I believe that is the way we should approach this very difficult situation. I believe we should say to our friends in the South, who are confronted with a problem of whose complexities I am aware, that we are going to extend the hand of helpfulness and friendship to help them solve a difficulty that has arisen as a result of the changed decision of the Supreme Court. The gentleman's approach, which would make it a Federal impact and say all of the people of the United States must join in and help our southern colleagues, is the kind of thing I would like to see done, and I would like to participate in it.

Mr. UDALL. I appreciate very much the gentleman's statement on this issue.

Mr. LANDRUM. If the gentleman will yield further, of course we, from the South, are delighted to have the hand of friendship extended to us from any Member or any section, but let me say to the gentleman that the greatest assistance that can be rendered to my State or, for that matter, in my opinion, to America, is to accept the responsibility at home for public education. If we are going to justify the further existence of the States making up this great Union, then let us accept our responsibilities at home. That is the kind of help we can extend to America. Let us solve these problems at home and carry on our public school functions at home. We have built ours into a pretty strong country that way.

Mr. METCALF. I thank the gentleman.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Georgia.

Mr. PRESTON. I am very much interested in the comments being made here this afternoon about our Southern States. We did not bring this discussion up. Our distinguished friend from the West brought it up, and he does not have any problem in his part of the country about integration, I understand.

Mr. METCALF. It is not quite accurate to say I do not have any problem in my State. There are small areas in which an integration problem is a difficult one, especially one which involves the Indians in my area rather than the Negroes you have in your area.

Mr. PRESTON. If they ever bring up this Indian question on the proposition of integration and segregation, I am afraid the whole country will be put to shame. There was never any such great concern shown about the Indians in this country as has been expressed about the colored population in the South.

I just want to make this observation to my warm friend from Montana. The people of Georgia will never accept 1 cent of Federal aid for education if it is conditioned upon placing into effect integration in our public schools. It matters not how badly we need it, the issue is too great, the principle too important for us to be tempted or baited in the least by $1 of Federal money.

Something comes to my mind constantly as I think about this decision of May 17, 1954. Shortly after it happened, a distinguished Senator from Virginia was carrying a Justice of the Supreme Court on a weekend jaunt down through his State. As they approached an old house, there was an obvious eruption of the ground there, an uneven contour of the land.

The Justice of the Supreme Court said to his distinguished friend who was in attendance on the journey, "What is that unusual eruption on the hillside over there?" The Senator said, "Why, my dear judge, that is where John Marshall turned over in his grave when the Supreme Court handed down its antisegregation decision." I am sure not only John Marshall turned over in his grave after that decision, but George Mason, Madison, Jefferson, and a lot of others of those great men who wrote into the Constitution so plainly and so clearly the proposition that all rights not given to the Federal Government were reserved unto the States. I repeat that we are undertaking to place a new interpretation on the Constitution. You know, I would much prefer and I am sure my distinguished colleague who is a jurist of great and fine reputation in his State must agree, that it would be better and we, in the South, could take this decision better if the Congress of the United States had met this proposition head on and voted on this issue through the people's representatives rather than for the Supreme Court to do something that the Congress steadfastly through the years has refused to do.

Mr. METCALF. I will say to my good friend, the gentleman from Georgia, that there is a way in which the Congress of the United States can vote on this issue, and that is for the Commissioner of Education to deny these States which I have included in my third category, these States who have passed legislation in defiance of the decision, to deny them vocational education funds. Then the law says that an appeal shall be made to the Congress of the United States as to whether those funds will be given for vocational education or not. That appeal would bring the issue squarely before the Congress if the administration, the executive department, would act, as I contend it is its duty to act.

Mr. PRESTON. There again, you are dealing with the proposition only of education. There is a broader picture involved here as to whether the 10th amendment means what it says. Does it really mean that all of the rights not granted to the Federal Government are reserved unto the States? Does it really mean that? The Supreme Court apparently says it does not mean what it says at all. That is the thing the Congress ought to face. Is Congress going to reaffirm the meaning and the intention of the 10th amendment or is Congress going to say that times have changed and the situation in this country has now socially developed to the point where the intention of the framers of the Constitution, however wonderful those intentions were at the time, cannot properly apply now. That is something, in my judgment, that Congress ought to face up to and not have the Supreme Court change the effect of the Constitution and then have the Congress docilely falling into line because of the Court decision. What do we do in other cases? When the Supreme Court makes a decision affecting gas in Texas or Louisiana or Arkansas or makes some decision affecting the pay of some disloyal employee of the Government of the United States, Congress promptly—promptly steps in and takes action to nullify the decision. But, the Congress has done nothing to nullify this decision of May 17, 1954. I think it is proper that the Congress should do it. Let us put it right out in the open with every Member speaking for the people he represents in the Congress and taking a position on this question of what the 10th amendment means.

Mr. METCALF. Of course, may I say to the gentleman before I yield to my friend, the gentleman from Mississippi who is on his feet, he recognizes the great differences between the Supreme Court passing upon the validity or the effect of a statute and the validity or the effect of an article or section of the Constitution of the United States. It takes different legislative action and different congressional action when the question of due process or equal protection of the laws is involved than is required when the question of ownership and title of tidelands oil or some other question arises which is a purely legislative matter.

Mr. WILLIAMS of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. WILLIAMS of Mississippi. In that respect, does the gentleman feel that the people of the United States and the States themselves are helpless in the face of any arbitrary action that the Supreme Court might take in any case?

Mr. METCALF. No, I do not feel they are helpless.

Mr. WILLIAMS of Mississippi. Surely the gentleman knows that the decision rendered by the Supreme Court in this case was not based on law. The gentle-

UNIVERSITY OF MICHIGAN LIBRARIES

man knows it was based on sociology and politics; does he not?

Mr. METCALF. The gentleman from Mississippi and I disagree, as many other lawyers disagree, on the validity of the Supreme Court's decision.

Mr. WILLIAMS of Mississippi. They did not find one single legal premise on which to base their decision.

Mr. METCALF. I cannot agree.

Mr. WILLIAMS of Mississippi. Let us get down to the point of what you were talking about in your remarks. Is it my understanding that this is the basic point of your argument this afternoon—that the Powell amendment is not necessary in order to accomplish the purposes of denying funds to States who do not comply with this illegal Court decision?

Mr. METCALF. That is a very clear and succinct way of stating what I was trying to say, not nearly so ably.

Mr. WILLIAMS of Mississippi. May I say that I had not intended to vote for that legislation in the beginning. If there had been any doubt in my mind, though, it would have been removed this afternoon.

Mr. METCALF. I will say to the gentleman that one of the purposes for which I came to the well of the House today is to bring out some of the issues in this controversy that others feel should be smoothed over until the bill is passed, and find out on this floor and find out from the administration just what kind of enforcement we are going to get on this and other laws, so that the people from Mississippi and the people from Montana and the Representatives of all of the other great States of the Union can vote with intelligence on this legislation.

Mr. WILLIAMS of Mississippi. If the gentleman will just help us get that word around among our fellow southern Members, we will not be bothered by any such thing as Federal aid to education as presented in this bill.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. UDALL. Our southern colleagues have been asking questions and I have an inquiry to direct to these gentlemen. I ask it in all sincerity, because it bears particularly on the approach that my amendment to this legislation would take.

Mr. METCALF. I will be glad to yield to any of them to answer the gentleman's question.

Mr. UDALL. Let me propound it. I may have to make a short speech before propounding it, because I come from a State that carried out desegregation 2 years in advance of the Supreme Court decision. Admittedly we do not have the problem that some southern States have. I recognize that where the Negro population in some of the States is 30 or 40 or 50 percent, that is one problem. Where it is 5 or 10 or 15 percent, in my opinion, that is another problem.

Mr. WILLIAMS of Mississippi. Will the gentleman yield for a short observation?

Mr. UDALL. Yes.

Mr. METCALF. I yield.

Mr. WILLIAMS of Mississippi. In the gentleman's State of Montana the ratio of Negroes is two-tenths of 1 percent. The total population of the State in 1950 was 591,024 of which 1,232 were Negroes. The population of the State of Mississippi is 47 percent colored. We feel that we know better than those who do not have the problem how to attend to our business down there.

Mr. METCALF. Let me say to the gentleman I had no idea there were that many Negroes in the State of Montana.

Mr. UDALL. May I say to my colleague that in my State of Arizona the population is about 5 percent Negro, plus the fact that we have more American Indians than any other State in the Union. However, the point I want to ask, and I ask it with all sincerity, is that these border States who feel as Arizona did—and I refer to such States as Oklahomt, Tennessee, Kentucky, and West Virginia—and who do not want to prolong the constitutional argument with the Supreme Court and are prepared to go ahead with integration, should not these States have assistance by Congress and by the country, in carrying out their programs? What is the answer of the gentlemen to that question?

Mr. METCALF. I yield to the gentleman from Georgia for his answer.

Mr. PRESTON. I cannot speak for other southern States, but I can speak for what is being done in Georgia. We do conceed that it has been overdue, but Georgia has moved to correct the deficient school facilities for the Negro population of our State.

We are at this time engaged in a program known as the minimum foundation program for education throughout the State, and we are constructing facilities just as good and in many cases better for the Negro population of the State.

I am not speaking for the others, but I think that those who are familiar with the situation in Georgia will agree that without the facilities of Federal aid we are moving rapidly to a point where we could in good conscience say that we have met squarely the problem as far as the Negro population is concerned.

Mr. UDALL. I think it is fair to state that those familiar with the situation know the efforts the State of Georgia has made—as a member of the House committee that held hearings on the subject I know that Georgia has done possibly more than most other States—but the question still remains as to the gentleman's convictions, and his attitude, as far as these other States and school districts are concerned that do not resist the decision of the Supreme Court, but say, "Very well; we disagree with the Supreme Court's interpretation, but we are willing to comply." Should those communities in the so-called border States have the assistance of Congress if they are prepared to carry out integration of schools?

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. LANDRUM. In answering the last question put by the gentleman from Arizona [Mr. UDALL], I would say first that I speak as did my colleague from Georgia [Mr. PRESTON] from the standpoint of a Georgian: We believe fundamentally in the right of the State to run its internal affairs. To the extent that we believe in that, and that is our conviction, we do not propose to interfere with what other States do in their own affairs, except that if in our national effort it becomes obvious that some are being misled by what some others have said as to their rights, we want to do what we can to help them be saved from themselves.

Mr. UDALL. In other words, taking the State of Oklahoma as an example, if the people of Oklahoma are prepared to carry out integration programs, the gentleman will not put any obstacle in the way of that State or its school districts?

Mr. WILLIAMS of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I want to explain what I said we believed was the position of the people of Mississippi in regard to the question that he asked.

We do not care what they do in Oklahoma; we do not care what they do in Arizona; and as far as your receiving tax money to help integrate your schools or build your schools, we do not mind so long as we are permitted to operate our schools without Federal interference. But if you are going to get it and we are not, then do not tax us to pay you. I believe the gentleman will agree with me in this.

I think that each State should be permitted to run its own internal affairs, and that includes the operation of the public school systems under the Constitution of the United States which leaves that exclusively to the States, in the manner that they deem best suited to the needs and circumstances of each local community and within the State itself.

I do not think that the Supreme Court—and I say this honestly—had a right to interfere by their decision in the operation of our local public school systems, and I think that the States are on solid ground and are defending the Constitution of the United States when they interpose their sovereignty between the evil of that decision and their citizens.

Mr. METCALF. Much as I respect the learning, the erudition, and the legal opinion of the gentleman from Mississippi, I could not disagree with him more. I still respect his right to quarrel with the decision of the Supreme Court.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. UDALL. The real tragedy of this classroom shortage situation—the dilemma in which Congress finds itself at the moment—as I see it, is that the States that need help the most are the States where this problem is particularly acute and where opposition to the Supreme Court decision has been strongest.

I would like to state my concept of the highest form of patriotism. I think the highest test of the patriotism of a citizen of our country is his ability to ultimately accept the laws and our Supreme

Court decisions when he profoundly disagrees with them. I quite understand the present attitude of some of our colleagues here. Perhaps if I were a native of and grew up in the States they represent, I would be making the same statements they have made here today. But I still feel—and I say this with all sincerity—that the ultimate act of patriotism is to finally accept what the United States Supreme Court says about the Constitution of our land. I have confidence in our friends. I believe that ultimately their patriotism will prevail, and we will solve this problem.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from West Virginia.

Mr. BAILEY. I have no intention of asking any controversial questions because there have been enough raised already. At present I see a three-sided argument that by the time this legislation reaches the floor may be a five-sided argument. My purpose will be to see to it that the meaning and the action of the Congress are directed toward the welfare of our boys and girls in this country. I am for classrooms—we have to have them—and I do not propose, if it is in my power to prevent it, to allow some side issue to be dragged into this legislation that is going to defeat it. We must not lose sight of the objective of it, and that is the boys and girls of our country.

Mr. METCALF. I agree with the gentleman from West Virginia.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I agree with the gentleman from West Virginia. This is a practical situation, and we are not operating in a vacuum. If the Attorney General should hand down a formal opinion that these funds should not be made available to certain States, as suggested by the gentleman, or if the House should adopt an amendment containing such a prohibition, the schoolchildren of America will be the ones who will suffer, and not the proponents or opponents of this particular amendment.

Mr. BAILEY. If the point made by the distinguished gentleman from Montana is true, that the executive authority has the right to withhold funds, would that not apply to any other fund in the field of welfare? Would it not also apply to our decision to send $4.7 billion of foreign aid abroad?

Mr. ALBERT. I think the gentleman is correct.

Mr. QUIGLEY. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Pennsylvania.

Mr. QUIGLEY. I would merely like to make this comment. I would like to thank the gentleman from Montana and all the others who have participated in this most interesting discussion for all the light they have spread upon this subject, a subject which generally generates much more heat than light. But even as I compliment the gentleman and all who participated in this excellent debate, I must in all frankness and honesty state that I cannot say you have helped my thinking. You have just given me more to think about.

Mr. METCALF. I would like to make a comment to the gentleman from Oklahoma, the majority whip. It seems to me that now that the Supreme Court has acted, now that there is a Supreme Court decision, it is not only within the power but it becomes the actual duty of the Attorney General of the United States, the President of the United States, the Commissioner of Education and the Secretary of Health, Education, and Welfare to decide, not only on school construction but on all these other matters relating to education, what is going to be done with those school funds. When vocational education is certified by the Commissioner of Education, when he says "I certify that these funds are going to be paid in accordance with Federal law" he will have to make a determination in his own mind that those States in the South that have officially decided that they will not abide by the Supreme Court decision are either in violation of Federal law or that they are complying with Federal law.

When he makes that decision he is making a decision on a self-executing provision of the Constitution of the United States.

Mr. UDALL. Mr. Speaker, will the gentleman yield further?

Mr. METCALF. I yield.

Mr. UDALL. I wanted to find out if the gentleman's motives and his point of view were not the same as mine on this aspect of the issue, and I daresay there are no Members of the House who want a Federal aid to education building program more than the gentleman and I do. But, the thing that has troubled me is that if this bill were brought to the floor without discussion—although at one time I thought perhaps it would be better if it were brought to the floor under those circumstances—and if we did not discuss this in advance, we might find some of our friends from Georgia, Mississippi, and these other States voting for the bill and then subsequently to have the decision and determination made that the gentleman suggests should be made now, and that they then, if the gentleman's constitutional argument is correct, find that they are deprived of aid when they voted for aid thinking that they would receive aid. It seems to me that they could conscientiously say to the gentleman and to myself and to others that we had misled them and that they would not have voted for the bill if those circumstances had been fully explained prior to the time it was brought to the floor. Is that the gentleman's purpose?

Mr. METCALF. That is exactly the purpose which I am trying to serve by raising this discussion at this time.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield further?

Mr. METCALF. I yield.

Mr. LANDRUM. Let me say to the gentleman from Arizona that the gentleman from Georgia has not been fooled. From the beginning of this controversy about Federal aid to schools I have known, and I believe the gentleman, as a member of the Committee on Education and Labor, has known, that I believe that this legislation, if passed, means the surrender of the public schools to Federal direction, supervision, and control.

Mr. ALBERT. Mr. Speaker, will the gentleman yield further?

Mr. METCALF. I yield.

Mr. ALBERT. The gentleman has made a good argument. He has based his conclusions on legal reasoning and matters of constitutional construction. But, following what he has said, it would seem to me that if the gentleman is correct, then an opinion from the Attorney General is no more necessary than an antisegregation amendment to the Kelley bill.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. ROGERS of Colorado. I understand that the chief point made by the gentleman is that the Supreme Court of the United States has ordered desegregation, that is now the law of the land.

Mr. METCALF. It is an accomplished fact.

Mr. ROGERS of Colorado. Well, now, if the Supreme Court should change its decision, as it has been accused of from time to time, then what position would this legislation be in if it did not have the Powell amendment?

Mr. METCALF. It is the same as any other self-executing provision of the Constitution.

Mr. ROGERS of Colorado. Then the question is, if the Supreme Court should, by any chance, change its position, as it has been accused of constantly on the floor of this House, and say "We were mistaken when we made that decision as it deals with segregation" and then withdraw its opinion and we do not have the Powell amendment in the school bill, then what would the Attorney General of the United States say to any of these States who may practice segregation when they make application for funds? Does the gentleman think that the Attorney General then has any legal authority to say to them that they cannot receive the funds?

Mr. METCALF. I think that the Attorney General under the present decision of the Supreme Court has the legal duty to say that States not in compliance with the Court's decision cannot receive the funds. In the hypothetical case submitted by the former attorney general of Colorado and my good friend, of course, there should not be any withholding of funds because the law of the land would have been changed by that decision.

Mr. ROGERS of Colorado. If that is true, what is wrong with placing into legislation the law of the land not only in this bill but in all the others?

Mr. METCALF. The thing that is wrong about it is that we, the Congress, will concede that the Constitution of the United States is not a self-executing document, that it needs congressional authority to put into effect certain very precious and basic liberties guaranteed by the Bill of Rights, the Fourteenth Amendment, and even the body of the Constitution itself.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. METCALF. Surely, I yield further.

Mr. ROGERS of Colorado. I direct the gentleman's attention to the situation he developed a moment ago when he stated that the gentleman from New York produced a letter from the Surgeon General stating that he could not withhold funds from certain hospitals entitled to money under the Hill-Burton Act. If that provision had been in the Hill-Burton Act, would the Surgeon General then have been in a position to withhold funds?

Mr. METCALF. I will say to the gentleman from Colorado that the provision that they tried to put in the Hill-Burton Act was the provision that was the law of the land at that time under the then interpretation of the Constitution, a separate but equal provision.

Mr. ROGERS of Colorado. But as a result of the failure to have anything in the act, the Surgeon General said he was helpless. Let us go one step further. The gentleman made reference to the so-called Vocational Training Fund. Does the gentleman feel, knowing that those funds and other educational funds were made available years ago before the Supreme Court did their flip-flop, so to speak—does the gentleman feel that the Surgeon General prior to the time that the Supreme Court rendered its decision, would be justified in saying that he could spend money in those areas where they have vocational training in segregated schools?

The SPEAKER pro tempore. The time of the gentleman from Montana has expired.

Mr. POWELL. Mr. Speaker, I ask unanimous consent that the gentleman from Montana be permitted to proceed for 15 additional minutes.

The SPEAKER pro tempore (Mr. BASS of Tennessee). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. METCALF. I thank the gentleman from New York, and I now yield to him.

Mr. POWELL. I should first like to say that I apologize for not being here when the gentleman began his address.

Mr. METCALF. The gentleman told me in advance that he might not be here.

Mr. POWELL. Yes; I told him I might not be here. I tried to get here, but the planes were blocked out, and that is why I am late.

I want to compliment the gentleman on what I have heard, and on the years of excellent service he has rendered here.

There are 1 or 2 items that may be repetitious. As I got the drift of the gentleman's talk, he said that the Commissioner of Education has the power or should be instructed to have the power to deny funds to those school districts not abiding by the Supreme Court decision. Am I right or wrong on that?

Mr. METCALF. That is correct; districts which demonstrate their position by official acts, acts of sufficient stature so that a court would take judicial knowledge of the act. Therefore, the Commissioner of Education would have to take cognizance of that to come in the State and deny funds for failure to comply with Federal law.

Mr. POWELL. Our hope for such an action by the Commissioner of Education would be predicated upon one of two different things: Past action or a new director. Is that correct?

Mr. METCALF. If my premise is sound, of course, even an adverse opinion of the Attorney General would be overthrown by the first court action that would institute it. But I cited the letter the gentleman received from Dr. Hunt as demonstrating the attitude of the administration and its failure to carry out what I believe to be its constitutional duty.

Mr. POWELL. The gentleman therefore believes for one reason or the other that at present the Commissioner of Education has no directive nor any precedent with which to follow the gentleman's own philosophy. Is that correct?

Mr. METCALF. No. The letter from the Under Secretary, Dr. Hunt, is entirely foreign to my interpretation of the Constitution.

Mr. POWELL. Nevertheless, the gentleman is a colleague of mine in the legislative branch. Whatever the gentleman's interpretation may be, as a colleague of mine, as much as I may respect him, nevertheless it is confined to the legislative branch. What the gentleman is asking is that the executive do something which the executive has said it cannot do. Am I right or wrong?

Mr. METCALF. Yes, the gentleman is right. I am saying that I will never concede this basic constitutional principle, that the great rights protected by the first amendment, for instance, need legislative action for their enforcement; that the great rights protected by the fifth amendment need specific legislative action for their enforcement. I contend that it is the primary duty of the executive department to carry out the provisions of these self-executing sections of the Constitution, and that in enacting legislation such as your amendment there is a tacit admission by the Members of this Congress that we do need very specific legislative direction.

Mr. POWELL. That is exactly my position. It is an admission that we do need specific legislation, because the Comptroller General of the United States in the letter which the gentleman possesses, written to me; Dr. Hunt, in his letter which the gentleman has; Parke Banta, the general counsel of the Health, Education and Welfare Department, and Mr. Folsom in public statements, all have indicated that there is no directive, and precedent also is against our position, our meaning, the gentleman's and mine, because right now there is flowing into States in open defiance of the Supreme Court, as of this moment, about $75 million per year. How then does the gentleman propose to change the mind of the executive branch of the Government?

To show you that the Negro people are completely in favor of my amendment, I call your attention to the following three editorials from the Pittsburgh Courier of January 28, 1956; the Afro-American of January 28, 1956, and the Chicago Defender of February 4, 1956:

[From the Pittsburgh Courier of January 28, 1956]

SUBSIDIZING SEGREGATION

It would be an outrageous circumvention of the United States Supreme Court's directive to desegregate public schools if Congress should now pass a law providing a quarter billion dollars annually for 5 years to aid in the construction of segregated schools.

This is in line with the President's proposal to solve the serious problem of scarcity of schools, which also includes a provision of $750 million in Federal credits to stimulate construction, and such bills have accordingly been introduced.

Congressman POWELL and others quite properly want to make sure that none of this huge sum of tax money goes to States which are in revolt against the Supreme Court's desegregation decree, and they plan to attach a rider to the bill to insure that school segregationists are not aided.

President Eisenhower and Welfare Secretary Marion B. Folsom, along with various educational organizations, who are pressing for the passage of such a law, have taken the position that the issue of segregation is "extraneous" to the building of schools.

Like all American citizens, colored Americans are deeply concerned over the apparent inability of States and local communities to provide adequate public educational facilities, but they cannot see, in view of the Supreme Court's decision and directive, how the issue of segregation can be regarded as "extraneous."

The contemplated voting of such a huge sum to build public schools means that hundreds, perhaps thousands, of schools will be constructed and furnished out of Federal taxes collected from all of the people, with many scores of buildings being in the very southern States which are now defying the decision of the highest court in the land.

If any Washington legislator should introduce a bill to appropriate hundreds of millions of dollars to aid public education in Russia or South Africa, a tremendous outcry would come from all over this land, and properly so; but the southern States revolting against the decision of the Supreme Court (which determines what the Constitution means) are no less subversive of American society than Soviets or Boers.

Those southern States that have elected to disobey the directive of the Supreme Court in an effort to maintain what they say is their way of life, must not be encouraged in their disobedience by having Federal funds lavished upon them, the better to evade the law.

Southern Senators have admitted that this appropriation cannot be passed if there is a no-segregation rider attached to the bill, while several prominent Representatives insist that such a rider will certainly be tacked on to assure that none of these millions is used to aid racially segregated school systems.

It is depressing to note that spokesmen of the National Education Association, the Association of State School Officers, and the American Association of School Administrators are all plunking for the bill without the proposed rider, prepared to sacrifice principle for pelf, disdainful of the Supreme Court's decree.

If this no-segregation rider is defeated, it will demonstrate to the entire world that a little minority of Negrophobes can thumb noses at justice, fair play, and constitutional procedure with impunity; that unreconstructed Dixie can eat its Jim Crow cake and have it, too.

[From the Afro-American of January 28, 1956]

CHILDREN AND EISENHOWER

Former President Truman has said if he were in Congress he would not vote to grant Federal money to schools in southern States which are not integrated.

President Eisenhower, urging the Government to appropriate money to schools, carefully refrained from making any mention of antisegregation safeguards.

The difference could lie in the fact that Mr. Truman was a Member of the Congress before he became President.

He clearly sees the need for the White House and Congress to support the decisions of the judiciary in order to give the Government a unified policy where the Constitution of the United States is involved.

President Eisenhower has had no such experience in Congress. All of his career has been with the executive branch of Government.

On this issue, we are convinced that Mr. Truman is right and Mr. Eisenhower disappointingly wrong.

It would be a great mistake for an otherwise fine administrator not to place himself solidly behind the decision of the highest court of the land.

[From the Chicago Defender of February 4, 1956]

OUR OPINIONS—DEMOCRATS ON THE SPOT

A. CLAYTON POWELL'S forthcoming amendment to the Federal school-aid bill is expected to show the world—not only the United States—who in Congress believes in the basic tenets of our Government.

POWELL wants to deny any part of the proposed vast cash bounty for education to any State that is not willing to abide by the decision of the United States Supreme Court ordering integration of all public schools.

Normally this would be a thorny problem for our Congressmen, but this being an election year makes it—to put it mildly—explosive to an atomic degree.

Wiley JOE MARTIN, GOP leader in the House, has challenged the Democrats on the issue.

Last week, he announced with no reluctance that he favors the Powell amendment and predicted its passage in the House.

It seems to us that he made a point of the fact that he was making the statement after conferring with the President.

It would seem that the strategy is to let the Democrats kill the amendment and possibly the whole bill if either or both fail to pass.

With the presidential and and congressional elections at stake, the GOP could then point out to the Negro voter that the Democrats killed the Powell amendment, and to those favoring Federal aid to education that it was the same Democrats who likewise blocked its passage.

What the Democrats will do to offset this most tactical move has yet to be seen. But one thing is certain: The Democrats are on the spot.

Mr. POWELL. Further, to show you that one of the best constitutional lawyers in the United States, Mr. Thurgood Marshall, also an expert on the legal aspects of integration, is in favor of my amendment, I offer his brief on the question:

From: Thurgood Marshall, special counsel, NAACP.

Subject: Proposed amendment to pending grant-in-aid legislation for construction forbidding payments to segregating States.

This is in reference to the report that certain individuals and organizations are circulating information purporting to show that the Powell amendment to the school-construction bill is not necessary.

1. Last year I submitted a memorandum which was incorporated into the report of the committee's hearings dealing with certain legal objections expressed by the NEA to a proposed amendment to pending grant-in-aid legislation which would forbid payment under this legislation for the use of segregated schools.

2. All of the points made then are still valid now, and may be incorporated by reference into this memorandum. In summary, these points are:

(a) It is objected that no limitation such as that proposed in this amendment appears in other legislation. But, none of the other legislation referred to was passed in the face of a clear Supreme Court decision; and, at any rate, wrongful action in the past does not condone such action in the future.

(b) It was urged by the NEA that it would be inadvisable to legislate on a pending judicial issue. This objection is now clearly without force.

(c) It was urged by the NEA that the proposed limitation would be inconsistent with the position taken by the Attorney General in his amicus brief before the court. But even assuming, arguendo, that this brief has legal effect it has been superseded by the May 1, 1955, decision of the United States Supreme Court.

(d) It was objected that the United States Commissioner of Education would become an agent of the Supreme Court under the proposed limitation. But the Commissioner of Education is asked to enforce nothing. He would merely be required to administer an easily administrable requirements of the law.

(e) It was objected that even a State which is in the process of voluntarily desegregating should be denied such funds. But, the amendment could easily provide that such funds could be used only in school districts which comply with the Constitution of the United States.

(f) In addition, it was urged by me that to invest money in segregated school systems would be to invest it in economically inefficient schools which are also educationally harmful. This investment, moreover, would create an economic vested interest in segregation which would tend to perpetuate it.

(g) I pointed out that all the branches of Government are obliged by oath to obey and follow the Constitution. This is required by article VI of the Constitution. In passing this the Congress would be working in concert with the courts in support of the Constitution.

(h) I wrote that it is wise policy to make it attractive to school districts to comply with the Constitution rather than tell them that they may disobey and enjoy Federal funds nevertheless.

(i) The proposed amendment places in the bill a standard no more extraneous than that imposed upon the bill in the Davis-Bacon Act with which we, of course, agree.

3. Since that time certain events have occurred to which reference ought to be made.

(a) On May 31, 1955, the United States Supreme Court handed down its final decision in the School Segregation Cases. This decision sets down constitutional standards which courts are to employ in entering final decrees against school districts which have been sued to compel desegregation. These are:

(1) A prompt and reasonable start toward full compliance of the May 17, 1954, ruling of the Supreme Court must be made.

(2) The burden is upon the school district to establish that time is necessary to effect the change.

(3) The school district must proceed in good faith.

(4) On time for delay it may find justification in problems relating to school administration arising from the physical condition of the school, the school transportation system, personnel and revision of school districts and attendance areas. But, as noted before, the burden is on the school system to prove that their considerations warrant delay.

(5) The Court held that "It should go without saying that the vitality of these constitutional principles cannot be allowed to yield simply because of disagreement with them."

These standards are clear and easy to follow. In fact they have been followed in a very large number of school districts in many States throughout the South. In the North they present very little, if any, problem. Certainly, districts which are proceeding in good faith to obey the Constitution, or which are obeying it, as is true of the overwhelming majority of school districts throughout the Nation, should not be denied Federal aid and it is not the intention of the proponents of this amendment that they should be denied Federal aid.

However, in a small minority of the States there is intransigent objection to the United States Constitution. In some of these States, as in Georgia, where a school district desires to follow the Constitution, State authorities have attempted to enjoin it. This has occurred in Valdosta, Ga., where the State has filed a suit to prevent the school board to even consider desegregating. States or districts which persist in disobeying the law should not obtain money from all of us to be applied to an illegal end.

It is the intention of the proponents of the amendment that school districts north and south which obey the Constitution may obtain these moneys. The subversive, defiant minority, which is making no move toward compliance, but is in many instances actively opposing compliance, deserves no such funds.

Mr. POWELL. We were sent here to be Members of the Legislature. We took an oath to support the Constitution of the United States here in this Chamber. We cannot shift the burden of our responsimility as legislators to the shoulders of the Executive or the judiciary. If they do what you would like them to do, all well and good. If they do not, I do not see how that excuses us. Therefore, lacking a philosophy or a directive or an order in the executive department along the lines which you and I agree on, I cannot fail my personal responsibility and I do not feel you, or others, can fail your personal responsibility as a member of the legislative branch to sustain the law of the land which we swore to uphold. I am not a former member of the Supreme Court of Montana and I am not a lawyer, but I am an American and I know the Constitution and I know the oath I took. That is my feeling. If you can give me an argument to the contrary, I would be the first one to be convinced.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. ALBERT. Is it not true that if the gentleman's statement is correct, the decisions of the Supreme Court are nullified in all instances in which implementing legislation does not follow?

Mr. POWELL. If any decision of the Supreme Court needs implementation, you are right.

Mr. METCALF. If I may answer the gentleman. The opinion of the gentleman from New York is correct if his position is that these various provisions of the Constitution need special imple-

UNIVERSITY OF MICHIGAN LIBRARIES

menting legislation. Surely he does not contend that by inaction or by failure to act or refusal to act that we can deprive people of basic freedoms guaranteed by the Constitution; that it is necessary for the legislative body to act before the executive body must enforce basic constitutional provisions. He does not make that contention and neither do I. The contention he makes is that in the history of this administration there has been failure to carry out the duty to enforce the provisions of the Constitution as interpreted by the Supreme Court. Therefore, it is the duty of this body to pass legislation to enforce the Constitution and I say to him that under the doctrine of the separation of powers, the way to require the executive department to carry out its constitutional duty is to go into the courts and force it to do it just the same as we would go into court to force the Executive to carry out every one of these self-executing provisions of the Constitution.

Mr. MURRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield.

Mr. MURRAY of Illinois. I think that your discussion is a discussion that has perplexed not only a great many lawyers but oftentimes perplexes the Supreme Court of the United States itself, and that is the differentiation between what is a right and what is a remedy. Certainly, the constitutional right, is enunciated in our Constitution and interpreted by the Supreme Court. But, we also have a constitutional provision that requires a remedy for every wrong. Is it the gentleman's position that this legislation or the Supreme Court decision in enunciating the right also provides the remedy?

Mr. METCALF. That is correct. It is my position that in the case of Bolling against Sharpe, which is the last case, the Supreme Court made it clear that there was no need for specific legislative enactments to enforce the particular decision in the case of Brown against Board of Education.

Mr. MURRAY of Illinois. Is there an adequate, sufficient remedy against any wrong that might be perpetrated by reason of our legislation?

The United States Supreme Court has held in recent years that the right to counsel for an accused in a capital case is a right protected by the Federal Constitution. Obviously, that right is ineffectual unless a State had some legislation insuring that every accused has counsel in a capital case. Is there a remedy in this case for a denial by the State of the right recently clarified by the Supreme Court in Bolling against Sharpe and the other cases referred to.

Mr. EDMONDSON. Will the gentleman yield?

Mr. METCALF. I yield.

Mr. EDMONDSON. In the instance of denial of counsel, does the gentleman not agree that a writ of habeas corpus would lie to secure that Federal right, even if the State had denied it or had made no provision to secure it?

Mr. MURRAY of Illinois. The Federal right of habeas corpus applies to Federal constitutional rights. It does not apply to the States. But in the case of a capital case, if a State would deny counsel for a criminal in a capital case, the party after exhaustion of State remedies would have a right to go into the Federal district court and obtain relief. But, this remedy is not effective in insuring that counsel will be given an accused. Are not other measures necessary to insure that a State will give them the right if we are going to have enforcement of criminal law consistent with the Constitution as interpreted by the Supreme Court.

Mr. EDMONDSON. Will the gentleman yield?

Mr. METCALF. I yield.

Mr. EDMONDSON. If I followed the reasoning of the gentleman from Montana, it is in substance this, that the Executive is now under constitutional direction to follow a particular course as defined by the Supreme Court; that if the Executive will not obey the Constitution of the United States in carrying out its administrative functions, how are we to expect the Executive to obey a statute passed by the Congress of the United States?

Mr. METCALF. Exactly.

Mr. EDMONDSON. Now as to remedy which may be available to a person aggrieved by the failure of the Executive to perform a constitutional duty, or by the Executive's performance of duty in an illegal way, would there not be available a suit in the Federal court in the way of an injunction?

Mr. MURRAY of Illinois. Are we not to have a remedy for every right?

Mr. EDMONDSON. I would like to see that, yes. I question whether or not the right of injunction be present to forbid the sending of Federal funds in defiance of the Constitution?

Mr. ROGERS of Colorado. Will the gentleman yield?

Mr. METCALF. I yield.

Mr. ROGERS of Colorado. On the question of an injunction against public officials, which you and I recognize as lawyers is a very difficult proposition, especially if he has no statute to guide him, on segregation, the questions I wanted to ask the gentleman, under those laws that have been in force and effect that do not mention segregation, would a public official who has the control of those funds, such as vocational training or welfare matching funds, is he in a position to say to that State, "Because you are not now complying with the Supreme Court decision we are going to withhold funds as it relates to vocational training and welfare funds," because those States are not living up to the Supreme Court decision?

As a Federal official he has authority to make such rules. I insist that he is not going to send it down because that State is not living up to the Supreme Court decision.

Mr. METCALF. May I answer the gentleman?

The SPEAKER. The time of the gentleman from Montana has again expired.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. SCHWENGEL. Mr. Speaker, reserving the right to object, as a member of the minority side in a Democratic Congress I am willing to stay here as long as necessary if we can accomplish something constructive, but it seems to me we are doing nothing except to have a very general discussion here this afternoon which can perhaps be just as well carried on elsewhere as here. May I ask the gentleman how much more time he might be asking for before this thing is brought to a close?

Mr. METCALF. I would merely like to answer the gentleman's question which he propounded just before my time expired previously and which he propounded a second time just now.

Mr. SCHWENGEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER. The gentleman from Montana is recognized for 5 additional minutes.

Mr. WILLIAMS of Mississippi. Mr. Speaker, will the gentleman yield for 30 seconds?

Mr. METCALF. If the gentleman will leave me enough time to answer the question, I will gladly yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I just wanted to make the observation that the crowd that is trying to put the Powell amendment across is the same crowd that has been crying such bitter tears over what they allege to be economic pressures being used by certain prosegregation organizations in the Southern States. It looks to me as if they are trying, by the Powell amendment, to give legal sanction to economic pressure against the South. They are a bit inconsistent, it appears to me.

Mr. METCALF. I thank the gentleman from Mississippi.

Now, let me answer the gentleman from Colorado.

As I see it, I believe that it is not only within the power but it is also the duty of the Commissioner of Education when he finds that vocational education funds, for instance, are going into these States which I designated as States of the third category, it is the duty of the Commissioner of Education to deny funds to those districts.

The Supreme Court has spoken only on the 5th and the 14th amendments with respect to education as I outlined it before. I do not know what happens to welfare funds. I think there is a great field of contention.

Where is the remedy? I am sure what kind of remedy there is is in the Federal courts. There is a remedy in the State courts under a taxpayer's suit for an injunction. But I can assure you that this thing can be definitely settled in one lawsuit, in one test case, and that is in the procedure that is outlined in the law. If the Commisisoner of Education or the Secretary of Health, Education, and Welfare will deny funds once then there is a procedure for appeal, there is a procedure for the State thus affected to go into Federal court and ask why

those funds were denied and we can have a definite decision of this matter.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. METCALF. I yield.

Mr. ROGERS of Colorado. Does the gentleman not recognize that under the law when we vest an executive officer with the right to do certain things we vest him also with discretion and that the only ground on which you can get a review of his actions in court is on the ground of abuse of that discretion.

Mr. METCALF. But I want to say to the gentleman from Colorado that in every one of these laws there is specific provision for appeal on the part of the State against any act of the administrative agency.

Mr. ROGERS of Colorado. Yes; but will the gentleman not agree as a general proposition of law that you do not upset the actions of any board or bureau or executive department on the question of the discretion that is used?

Mr. METCALF. I agree.

Mr. ROGERS of Colorado. That being true, if it is specifically in the law as to what he should and should not do, would it not be easier for the court to determine whether he was following the law that the Congress of the United States had passed?

Mr. METCALF. It is specifically in the law now, just as plain as it can be made by decisions of the Supreme Court that surround this provision of the Constitution.

Mr. ROGERS of Colorado. I am glad the gentleman gave that answer. But let us go a step further. I pointed out the question in reference to vocational education. Let us go to the question of funds under the Old Age Assistance Act. The gentleman agrees that that decision is the law of the land. Now, does he think that the Administrator of the old age assistance program would be justified in withholding from any State funds if the State was not in compliance with the Supreme Court decision?

Mr. METCALF. He may be justified, he may not; I do not know what the Supreme Court would do with the hypothetical question that the gentleman has presented. But I do know what the Supreme Court has done with the case involving racial discrimination in education. They have made that very plain.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Michigan.

Mr. DINGELL. Would the gentleman not say it was an abuse of discretion by an appointive official of the executive branch to fail to deny funds in compliance with the mandate of the Constitution as interpreted by the Supreme Court?

Mr. METCALF. That is correct. I say they are abusing their discretion right now. They have a constitutional mandate to withhold these funds.

Mr. Speaker, I ask unanimous consent that all Members who took part in this discussion may have permission to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

FEDERAL RESERVE SHOULD BE LOOKED INTO AS DESERVING SALARY RAISE SPONSORED

Mr. PATMAN. Mr. Speaker, January 21, 1956, the Washington Post and Times Herald had the following editorial:

UNDERPAID FEDERAL RESERVE

Congress is considering two bills to increase the salaries of members of the Federal Reserve Board, but neither of them deals adequately with the problem. Board members are exceptionally influential men who make decisions every day affecting the economic life of the Nation. It is only good sense that the most capable men should be named to such important positions. Because of the low pay scale, however, it sometimes has been difficult for the President to persuade outstanding candidates to accept appointment or remain on the Board.

When the Federal Reserve System was established in the first year of the Wilson administration, Congress specified that Board members should receive $12,000—the same salary received by members of the President's Cabinet. This was in recognition of the fact that the work of Board members was on a par with that of Cabinet officers. Since 1949, however, there has been a great disparity between Cabinet salaries and those of the Board. Congress raised the pay of the Cabinet from $15,000 to $22,500, but gave Board members only a token increase from $15,000 to $16,000.

One of the bills now before Congress would set Board salaries at $20,000, the other at $20,500; each would give the Chairman $500 more. But the same bills would increase Cabinet salaries to $25,000. The continued disparity would be highly unjust. The Chairman of the Federal Reserve sits on two Cabinet committees and ought to be paid the same salary as Cabinet officers; other Board members should be paid, if not the same, at least $22,500.

Federal Reserve salaries are paid, not out of tax funds, but from the income of member banks. Because Board members are not in a position to take the lead in explaining the problem, Congress ought to be especially sympathetic to the advice of its own committees which twice since 1949 have recommended adjustments. Surely jobs of such heavy national responsibility justify salaries commensurate with those paid the top administrative officers of the Government.

This editorial was immediately answered by me, and my answer was published January 26, 1956, as follows:

In your editorial of January 21, Underpaid Federal Reserve, you correctly stated that the members of the Board of Governors should have compensation equal to that paid Cabinet officers. Your statement, however, that Federal Reserve salaries are paid, not out of tax funds, but from the income of member banks needs clarification.

The statement is true, but considering the fact that excess earnings go into the United States Treasury for the benefit of the taxpayers it is evident that everything that is not spent by the Federal Reserve banks will inure to the benefit of the taxpayers. The point I desire to bring to your attention especially is that the Federal Reserve System, through the Board of Governors, is obviously trying to set itself off as a fourth branch of Government. It seems to have declared itself independent from the Government itself. It is not unusual for this agency and servant of Congress to refuse to cooperate with its master, the Congress. For instance, the General Accounting Office has been refused permission to investigate and audit Federal Reserve banks. A Congressional committee has been defied by this Board. The manager of the open market account at New York, who is put there by the chairman of the Federal Reserve Bank of New York, owes his obligation to the Federal Reserve Bank of New York and to the president of this bank, who is selected by the private bankers of that Federal Reserve district. This manager of the account is privileged to take our new money from the Bureau of Engraving and Printing and trade this new money for United States Government bonds—the former, non-interest-bearing; the latter, interest-bearing. The Federal Reserve banks are allowed to hold these bonds and collect the interest, which runs into several hundred million dollars a year. It is this interest that you refer to as not being tax funds, but you fail to say that tax funds paid the very interest which permits the accumulation of the funds to pay the Federal Reserve banks' expenses.

This does not make too much sense—either common, book or horse—but as long as we believe it is done in the public interest and to protect the people against inflation or deflation, we are naturally reconciled and consoled. However, it is disturbing that the people who are handling these billions of dollars a year object to having their books audited.

Remember this—there has never been an independent audit or an audit by the General Accounting Office of the Federal Reserve banks, including the Open Market Committee, since the establishment of these banks over 42 years ago.

It has reached the point that Members of Congress have a right to inquire what they have to hide in refusing to permit audits by Government agencies or by Congressional committees. This is particularly true since this agency was set up to carry out a constitutional duty of Congress.

It occurs to me that these salaries should be raised, but we should take advantage of the opportunity to look into all the questions involved at the same time, including some amendments that were put into the law during the depths of the depression for emergency purposes only, but which have been allowed to remain in the permanent law, which are detrimental to the public interest, although very beneficial to certain banking interests and money lenders generally.

Sincerely yours,

WRIGHT PATMAN.

It is my hope that Congress will not permit this raise—although I am for it—to go through without an opportunity to study some of the problems in connection with the Federal Reserve System.

It seems to be impossible to get a real study and investigation of the Open Market Committee or the Federal Reserve System generally and we should, therefore, take advantage of this opportunity to make sure that the study is made.

It is, therefore, my hope that Congress will not be pressured into taking quick action on the proposal and will go into all the major questions that should be studied in connection with the Federal Reserve System at the same time.

It is my belief that Members of the President's Cabinet should receive the same pay as Members of Congress and that Members of the Board of Governors of the Federal Reserve System should receive the same pay as Members of Congress. At one time, salaries in the ex-

UNIVERSITY OF MICHIGAN LIBRARIES

ecutive branch were not allowed to go beyond salaries paid Members of Congress. This was a good rule. It should be restored. It should also apply to independent agencies and agencies of Congress—like the Federal Reserve System.

FORD STOCK OFFER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 5 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, at this time and as part of my remarks, I insert in the RECORD a series of correspondence and data in regard to the Ford Motor Co. stock offer to its employees:

FEBRUARY 6, 1956.

Mr. KEN BANNON,
Director, National Ford Department,
UAW–CIO, Detroit, Mich.

DEAR MR. BANNON: Thank you for your letter of January 30, 1956, in which you comment on the remarks I made on the floor of the House the day the Ford Motor Co. stock went on public sale, January 18, 1956.

I am somewhat surprised at the heat your letter displays inasmuch as I did not attempt to "inform" my colleagues or the Nation of anything other than the fact that the CIO–UAW had rejected what on its surface appeared to be a magnanimous offer by the Ford Motor Co. I stated that I thought Mr. Walter Reuther and the other labor leaders who rejected this offer owed an explanation to union men throughout the country and to the general public.

Now in what way, sir, did I "grossly and inexcusably misinform" anybody by such a line of observation and such a line of questioning? It becomes quite apparent that some of your Ford UAW members have been asking similar questions of yourself and the other union leaders. Perhaps the explanations that you have been giving do not entirely satisfy them.

I had read and have reread the letter of January 3, 1956, that you sent to all Ford workers explaining the actions of the officers of National Ford Department UAW–CIO in this matter. I find some good points raised in it, but the question I would ask is whether any attempt was made in negotiating to try to correct some of the objectionable features you saw in the original stock proposal offer. The information I have is that your union, with hardly a pause for breath, rejected the proposal. Your UAW president, Mr. Walter Reuther, was quoted in a public statement as calling the offer "an inadequate wheel of fortune," certainly a smear response to an honest proposition and not one which indicated a desire to work out whatever "bugs" might be in the proposal.

We need a great deal more light thrown on this entire matter. To aid in this end I am inserting a copy of your letter to me along with a copy of the letter sent by you to all Ford workers on January 3, 1956, which you enclosed, and a copy of this letter, in the CONGRESSIONAL RECORD. I am also inserting into the RECORD the interesting article appearing in February 3, 1956, U. S. News & World Report, pages 97–100, entitled "If Ford Workers Had Bought Stock." I will be glad to put into the RECORD any further comments you or Mr. Walter Reuther would care to make on the subject or any additional data you would like considered.

I still raise the basic question of whether the present leaders of the CIO–UAW and of the merged CIO–AFL are opposed to their members becoming stockholders in the companies for which they work. Is the welfare of the businesses for which they work such "a wheel of fortune" that the union men should have no interest in it beside their weekly paycheck? Indeed, is the private enterprise system in your eyes and Walter Reuther's eyes a "wheel of fortune"? Is a reliance on the National Treasury the way to security? I am not saying these are your views. I am asking basic and pertinent questions to find out if they are. The decision of the present leaders of the great AFL–CIO merger seems to be to disregard Samuel Gompers' advice and throw the welfare of the workingman into the political arena. It may be that such a decision is best for the workingman, although I believe deeply that it is not. But it becomes necessary to know whether these leaders believe security for our people rests upon Government or upon private enterprise. If these leaders believe that political government is the source of economic security for our people, then I am certain that the welfare of the workingman is in serious danger as long as these leaders control the destinies of the great labor movement.

Sincerely,

THOMAS B. CURTIS.

INTERNATIONAL UNION,
UNITED AUTOMOBILE,
AIRCRAFT, AND AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA,
Detroit, Mich., January 30, 1956.

Hon. THOMAS B. CURTIS,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN CURTIS: My attention has been called to your remarks on the floor of the House on January 18, 1956, to the effect that President Walter P. Reuther of the UAW owed an explanation to UAW members and to the Nation as to why the union rejected Ford's stock-purchased proposal during our negotiations last year.

The reasons for rejection of the proposal were set forth in detail and widely publicized at the time the offer was made. At that same time we proposed to submit the two proposals—the company's stock proposal and our guaranteed wage proposal—to a democratic and impartial vote of the Ford workers. The company, not daring to subject its proposal to that test, refused to cooperate.

On January 3, 1956, the deficiencies of the Ford stock proposal were again set forth in detail in a letter to Ford workers, a copy of which is enclosed, which was released to the press at that time.

If you, in your speech in Congress, had been concerned with presenting to your colleagues an accurate and objective account of this episode in collective bargaining, you would have gone to the trouble of ascertaining the facts before speaking. They were easily available to you.

It is to be devoutly hoped that you spend more energy and effort in learning the facts about legislation you are required to vote on in Congress than you did in preparing for the aforementioned speech.

May I respectfully suggest that it is you who owe an explanation and an apology to UAW members, to the Nation and to your colleagues in the House for having so grossly and inexcusably misinformed them.

Sincerely,

KEN BANNON,
Director, National Ford Department.

UAW–CIO,
INTERNATIONAL UNION,
UNITED AUTOMOBILE,
AIRCRAFT AND AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA,
Detroit, Mich., January 3, 1956.

To All Ford Workers, Greetings:

As we close the records on the year 1955, Ford workers can review the events and happenings of the year with a feeling of pride and accomplishment. Great strides forward have been taken toward a better life for all workers, their families, and people generally.

In 1955, we established the principle of the guaranteed annual wage, won increased retirement benefits, improved insurance and hospital-medical benefits, increased vacation benefits, substantial wage increases, and many other important improvements.

The year 1955, too, will be remembered for the merging of the two great labor federations, the American Federation of Labor and the Congress of Industrial Organizations.

Ford workers will also remember 1955 as the year in which Ford Motor Co. made known its financial position in preparation to selling 10,200,000 shares of its common stock. As a result of this recent announcement, we have again had inquiries as to the specific reasons for our union's rejection of the stock-purchase plan proposed by the company during last spring's negotiations. Shortly after receiving the company's proposal, a tabloid was distributed by your local which contained the company proposal and the reasons for rejecting it. Contained below is a review of the tabloid.

The plan was rejected because it was so full of restrictive provisions, that it would have had little value even for those workers who could afford to participate in it, and because it did not meet the needs and desires of Ford workers as expressed through the democratic machinery of the union. (You will recall that the company refused an offer by the union to let the workers vote on it.)

At the time Ford's stock-purchase proposal was made, the press attempted to create the impression that the union rejected it without adequate consideration. The fact is, that a practically identical proposal had been made to our union about 10 days earlier by General Motors. By the time the Ford proposal was received, the GM offer had been thoroughly analyzed. The members of the Ford national negotiating committee therefore had all the necessary facts in their possession when they weighed the company's proposal from the standpoint of the workers' needs and interests.

After careful consideration of these facts, the national negotiating committee was unanimous in rejecting the company's proposal. The committee's action was unanimously approved by representatives of all Ford locals who assembled in Detroit on May 28, 2 days after the company proposal was received.

The provisions of the plan were such that only a small minority of Ford workers could hope to derive any benefit at all from it; and even fewer could expect to obtain the full benefits that the plan seemed to promise. For example:

1. In order to obtain the full benefit of the plan, a Ford worker would have had to be able to put aside 10 percent of his pay regularly every week and to leave it undisturbed in the plan for 5 full years after the end of the year in which he put it aside. The workers with the heaviest financial obligations and the greatest family responsibilities—those who have the greatest need—are obviously unable to save anything out of their pay. They would have gotten nothing out of the plan. The great majority of those with lighter responsibilities probably would not have been able to put aside anything like 10 percent of their pay on a regular basis, week by week. Even those who were able to save a smaller part of their pay could not be sure of being able to leave it in the plan for over 5 years. Sickness or layoffs could force many workers to withdraw their savings from the plan long before 5 years were up, while others would need to take out their savings to replace a broken-down car or refrigerator or for some major household repair.

General Motors had a similar plan in effect during the 1920's and early 1930's. About

UNIVERSITY OF MICHIGAN LIBRARIES

75 to 80 percent of GM's workers, both hourly and salaried, put savings into the plan in typical years; but only 15 percent, on the average, were able to leave their money in long enough to get the full company contribution.

2. Most Ford workers probably would not have been able to keep their savings in the plan long enough to get even any substantial equity in the company's contribution. The plan provided that the company would buy 50 cents worth of Ford stock to match every dollar put into the plan by a worker. But—the company's contribution would not even have begun to become the property of the worker until 2 full years after the end of the year in which the worker made his deposit. Even then, the worker's share in the company's contribution would have built up slowly—at the rate of 2¾ percent per month.

For example, suppose the plan had gone into effect and a worker put $10 of his money into it in January 1956. Three years later, at the end of January 1959, his equity in the company's matching $5 would amount to exactly 2¾ percent of $5, or 13¾ cents, plus not quite a penny in interest.

If illness, or injury, or layoff, or some family emergency forced him to take out his money before the end of January 1959, he would not be entitled to a single penny of the company's contribution.

3. The company's proposal provided that if a worker wanted to withdraw any of his savings, he would have to take out a full year's savings all at once. If he had saved $400 in a year and needed $50 in a hurry, he would have to withdraw the entire $400. Thus he would lose the entire $200 matching company contribution on this full year's savings.

4. Some workers who might have thought they had an equity in the company's contribution would have discovered that they did not, after all. The company's plan provided that a discharged worker would get back only his own money plus interest.

5. Once a worker agreed to put money into the plan, he would have been stuck for a full 3 months. The company's proposal provided that a worker could not vary or suspend his rate of contributions to the plan within a quarter of a year—even if he went on short workweeks or was laid off or sick during the quarter.

6. The company proposed the plan as part of a 5-year contract. If the plan were terminated at the end of this 5-year period the worker would have gotten no matching company dollars on the last 3 years of his savings because, by so terminating the plan, the company would be free of its obligation to make contributions to match workers' savings.

7. The company's proposal included one big loophole which it could have used to escape making any contributions at all. Ford reserved the right to discontinue its contributions "in the event of certain emergencies interfering with the normal course of business."

8. Under the company's proposal, no Ford worker would have been sure of getting any real benefit out of the company's contribution. Half the workers' deposits, and all of the company's contribution would have gone into Ford stock. Stocks can decline as well as rise in value. All the company was willing to guarantee, in the event of a decline on the stock market, is that the worker would get back his own money, plus the same interest he would have gotten if he had put his money into Government bonds.

9. In addition, the stock-purchase plan, which the company wanted to charge off against the cost of the entire collective-bargaining package, could have turned out to be a highly profitable operation for the company. This would be the case if the company used newly created stock for that purpose—as General Motors is doing for its salaried workers' stock-purchase plan. Issuing such stock to the workers participating in the plan would actually cost the company nothing, yet it would be able to charge off the value of such stock for tax purposes. For example, suppose Ford workers put $20 million into a stock-purchase plan, and Ford issued $10 million worth of new stock to cover its matching contribution, that $10 million would be counted as a cost of doing business and would be deducted from the amount of profit on which the company paid taxes. There would be $10 less taxable profits, although the money would merely be transferred from one company account to another. Since the tax rate on Ford profits is 52 percent, this would increase the company's real profits, after taxes, by $5,200,000. Despite this possibility for the company to make a profit out of the plan, it wanted the Ford workers to give up some of their legitimate demands in return for the plan.

This stock-purchase plan, with all its defects, was offered as part of a package proposal. The entire package included less in wage increases, in pensions, in insurance, and in contract improvements than we ultimately won from the company. While under the stock plan there was a possibility of the company making a profit out of it, the company now must contribute 5 cents per hour to provide some protection against the hardships of layoffs and unemployment.

The stock-purchase plan was one of several proposals offered as substitutes for the security against layoffs and unemployment that was one of the union's main demands in accordance with the democratic decision of the membership. In place of such security for all Ford workers, the stock plan provided nothing for the workers with the greatest need for security—those whose financial responsibilities left them unable to save. It would have been contrary to elementary trade-union solidarity to sacrifice their interests and their equity in the total collective-bargaining package.

The agreement finally negotiated does not in any way deprive individual workers of the right to buy Ford stock when the stock is put on the market. To buy or not to buy the stock is a matter of individual choice which every worker remains free to make for himself. In fact, the union, at management's request, has given the company a letter which leaves the way open for the stock plan to be made available to those workers who can afford it and who want to participate in it. The decision is up to the company.

In short, the 150 delegates to the National Ford Council rejected the stock-purchase plan because it was not a good deal from the workers' standpoint. At best, it might have brought some gains to a small minority of the workers—but only at the expense of the great majority. By rejecting the plan as part of a package deal the union was able to win improvement of the entire package for the benefit of all the Ford workers. At the same time, the way remains open for the company to offer the stock plan to those who can afford it and are interested in it.

Trusting this review of the stock-purchase plan answers any questions you may have, I remain,

Fraternally yours,

KEN BANNON,
Director, National Ford Department, UAW–CIO.

[From U. S. News & World Report of February 3, 1956]

IF FORD WORKERS HAD BOUGHT STOCK—DEAL COULD BE BETTER THAN THE ONE THEY GOT

(Did Ford workers lose money by turning down a chance to buy half-price stock? Comparisons now are being made with wage benefits won. Some say stock plan was worth more than twice as much per hour to the employees. The union defends its choice as helping majority of workers.)

DETROIT.—The way the public rushed in to buy when stock in the Ford Motor Co. was put on the market is prompting some Ford workers to ask this question:

Was the union right in rejecting Ford's offer to sell stock to workers at half price in favor of a so-called annual wage plan under which workers are to be paid for part of the time they are laid off?

It's the cold mathematics of the situation that is troubling those who now question the union's choice. The way these doubters figure it, workers who got stock at half price would have benefited to the extent of 12 cents an hour of working time, whereas the annual wage benefits them only to the extent of 5 cents an hour.

Complaints, in fact, recently became so numerous that the United Auto Workers Union issued a defense of the union's position, contending that the workers were better off under the layoff-pay plan than they would have been if the union had taken the stock-purchase plan.

The stock-purchase plan, offered last May, was coupled with a savings program for the employees.

Under the proposal a worker could invest up to 10 percent of his pay in the plan each week. That was the top limit. He could put aside that or a lesser amount—or none—in the savings and stock plan.

Half of the amount put aside would be used to buy Government bonds in the worker's name. The other half would be invested in Ford stock. The company would match the worker's purchase of stock, crediting the stock to the individual's account in the program.

This meant that the worker would be getting the Ford stock at half price, while building a nest egg of Government bonds. The company was willing to guarantee that the worker would get back the full amount that he put into the plan, plus interest. This guarantee did not cover stock bought by the company.

If the worker left his money in the plan for at least 5 years he would get the full benefit of the amount contributed by the company. If he withdrew from the plan before 2 years he would get none of the company's contribution. After 2 years he could collect part of the company's money in his account.

As an illustration, a worker earning $100 a week would have been able to invest $10 in the Ford program. Half of this, or $5 a week, would go into United States bonds and the rest in Ford stock. The company would match the stock purchase, putting another $5 a week into Ford stock in his name.

At the end of the year this worker would have $520 invested in the stock, plus $260 in Government bonds. He would have a claim on 8 shares of stock if its price remained at the recent offering level of $64.50 a share.

Dividends, if continued at the first-quarter level, would add $19.20 to this worker's account during the year, on the 8 shares.

The worker's gain from the company's contribution would amount to about $260 in donated stock and about $10 in dividends—about $5.20 a week, or 12 cents an hour for the average workweek.

Against those possible gains from the stock offer that was rejected, Ford workers are checking into the possible benefits coming their way under the annual wage plan accepted by Walter Reuther and other leaders of the auto union.

The compromise plan calls for a company payment of 5 cents an hour into a trust fund—5 cents for each hour worked by each Ford employee. That is the maximum cost to the company.

Starting this June, payments will be made from the trust fund to eligible employees who are laid off.

The Ford plan, adopted by the rest of the auto industry, provides for total layoff pay

equal to 65 percent of the worker's normal take-home pay—his regular pay after taxes—during the first 4 weeks of a layoff period. Then, benefits are to run at 60 percent of take-home pay.

The number of weeks of benefits given to a laid-off worker will depend on the length of his service and the size of the trust fund. When the trust fund reaches its maximum level, there will be 26 weeks of benefits.

Some of the auto workers are complaining that the union's victory on the so-called annual wage was not as big as pictured by their leaders. There are complaints that the younger workers, who are laid off first, are unable to collect the benefits or will draw them only for a week or two.

The union position, however, is that the package won by the union in the end was better than the original Ford proposals. Ken Bannon, director of the union's Ford department, sent a letter to Ford workers recently explaining why he thinks so.

Mr. Bannon's letter included this comment: "The plan was rejected because is was so full of restrictive provisions that it would have had little value even for those workers who could afford to participate in it, and because it did not meet the needs and desires of Ford workers as expressed through the democratic machinery of the union. * * *

"The provisions of the plan were such that only a small minority of Ford workers could hope to derive any benefit from it, and even fewer could expect to obtain the full benefits that the plan seemed to promise."

The union official said that a worker, to get the full benefit of the plan, would have had to put aside 10 percent of his pay each week and leave it undisturbed for 5 years after the end of the year in which he invested it. He continued:

"The workers with the heaviest financial obligations and the greatest family responsibilities—those who have the greatest need—are obviously unable to save anything out of their pay. They would have gotten nothing out of the plan.

"The great majority of those with lighter responsibilities probably would not have been able to put aside anything like 10 percent of their pay on a regular basis, week by week. Even those who were able to save a smaller part of their pay could not be sure of being able to leave it in the plan for over 5 years."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. GREEN of Oregon (at the request of Mr. REUSS), for February 6 through February 8, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. EDMONDSON, for 1 hour, on February 13 and February 14.

Mr. CURTIS of Missouri, for 5 minutes today.

Mr. HORAN, for 1 hour on Thursday next.

Mr. FERNANDEZ, for 30 minutes on Friday next.

Mr. SIKES (at the request of Mr. ALBERT), for 20 minutes on Tuesday, February 14.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MACDONALD (at the request of Mr. MATTHEWS).

Mr. CHRISTOPHER and to include an editorial.

Mr. PATMAN to extend his remarks in the body of the RECORD at the end of the proceedings today and to include an editorial and his own letter.

Mr. FISHER.

Mr. ANFUSO (at the request of Mr. DOYLE) and to include some appropriate material.

Mr. TOLLEFSON and include extraneous material.

Mr. SMITH of Kansas and include extraneous matter.

Mr. COLE and include extraneous matter.

Mr. MERROW and include an editorial.

Mr. FEIGHAN in two instances.

Mr. RADWAN.

Mr. BOLAND and include extraneous matter.

Mr. PRICE and to include newspaper articles.

Mr. DINGELL in two instances and to include extraneous matter.

Mr. RHODES of Arizona.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1026. An act for the relief of Nihat Cengiz; to the Committee on the Judiciary.

S. 1221. An act for the relief of the estate of Joseph Kelsch; to the Committee on the Judiciary.

S. 1456. An act to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

S. 1897. An act for the relief of Gosta Harry Roner; to the Committee on the Judiciary.

S. 1992. An act to provide for the conveyance of a certain tract of land in Madison County, Ky., to the Pioneer National Monument Association; to the Committee on Government Operations.

S. 2884. An act to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

S. Con. Res. 66. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 67. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 68. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1078. An act for the relief of Dr. Robert C. Jalbuena;

H. R. 1084. An act for the relief of Dorothy Antonia (Suk-fong) Leong;

H. R. 1092. An act for the relief of George Henry Mahoney;

H. R. 1193. An act for the relief of Dr. and Mrs. Ivan Pernar;

H. R. 1198. An act for the relief of Kenneth K. W. Lau and Romana Say Soat Kheng, also known as Mrs. Anne Say Lau;

H. R. 1208. An act for the relief of Mrs. Esther Moreno;

H. R. 1232. An act for the relief of Salvador, Mercedes, and Miguel Chofre;

H. R. 1657. An act for the relief of Louis B. Prus-Latkiewicz;

H. R. 1907. An act for the relief of James Wilson;

H. R. 2049. An act for the relief of Anastasios Seleimetzidis;

H. R. 2525. An act for the relief of Madiros Kebabjian;

H. R. 2782. An act for the relief of Josefa Martinez Infante;

H. R. 2945. An act for the relief of Joan Frances Feeley;

H. R. 3188. An act for the relief of William Lawler;

H. R. 4025. An act for the relief of Mrs. Donald A. Howard (nee Miss Elsa Ursula Kuchinke);

H. R. 4548. An act for the relief of Michele Pica;

H. R. 4612. An act for the relief of Vladimir and Svatava Hoschl;

H. R. 4769. An act for the relief of Mrs. Barbara (Pearson) Boycott;

H. R. 5869. An act for the relief of Andreas (or Andrew) Voutsinas;

H. R. 5870. An act for the relief of Jesajahu Braun;

H. R. 6298. An act to amend section 601 (g) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit transfer of war housing projects to the city of Moses Lake, Wash., and to other communities similarly situated;

H. R. 7094. An act to amend section 120 of the Internal Revenue Code of 1939 (relating to unlimited deduction for charitable contributions);

H. R. 7197. An act for the relief of Mrs. Mary Christine Dowdy;

H. R. 7930. An act authorizing the completion of the initial stage of development for flood control and other purposes in the Russian River Basin, Calif.; and

H. J. Res. 471. Joint resolution to permit FHA title I repair assistance to new homes damaged by major disasters.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 7, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1470. A letter from the national adjutant, Disabled American Veterans, transmitting a report on the proceedings of the national gathering of the Disabled American Veterans, held in Des Moines, Iowa, August 15–19, 1955, pursuant to Public Law 249, 77th Congress (H. Doc. No. 328); to the Committee on Veterans' Affairs and ordered to be printed with illustrations.

1471. A letter from the Administrator, Federal Civil Defense Administration, transmitting the quarterly report of Federal contributions for the quarter ending December 31, 1955, pursuant to subsection 201 (i) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1472. A letter from the Administrator, Federal Civil Defense Administration, transmitting a report of property acquisitions for the quarter ending December 31, 1955, pursuant to subsection 201 (h) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1473. A letter from the Acting Secretary of the Treasury, transmitting the annual report of the Exchange Stabilization Fund for the fiscal year ending June 30, 1955, pursuant to section 10 (a) of the Gold Reserve Act of 1934, approved January 30, 1934, as amended; to the Committee on Banking and Currency.

1474. A letter from the president, Potomac Electric Power Co., transmitting a copy of a balance sheet of Potomac Electric Power Co. as of December 31, 1955, filed with the Public Utilities Commission of the District of Columbia, pursuant to paragraph 14, section 8, act of March 14, 1913 (37 Stat. 974); to the Committee on the District of Columbia.

1475. A letter from the Administrator, Veterans' Administration, transmitting the report of the Veterans' Administration on its activities in the disposal of foreign excess property for the period January 1 to December 31, 1955, pursuant to Public Law 152, 81st Congress, as amended; to the Committee on Government Operations.

1476. A letter from the Secretary of Health, Education, and Welfare, transmitting a report covering personal property made available for distribution to educational and public health institutions for the quarter ending December 31, 1955, pursuant to section 5, of Public Law 61, 84th Congress; to the Committee on Government Operations.

1477. A letter from the Chairman, Civil Aeronautics Board, transmitting the annual report of the Civil Aeronautics Board covering fiscal year 1955; to the Committee on Interstate and Foreign Commerce.

1478. A letter from the Chairman, National Mediation Board, transmitting the 21st Annual Report of the National Mediation Board, including the report of the National Railroad Adjustment Board for fiscal year ended June 30, 1955, pursuant to Public Law 442, approved June 21, 1934; to the Committee on Interstate and Foreign Commerce.

1479. A letter from the Secretary of the Interior, transmitting a report entitled "Mission 66" outlining recommendations for a comprehensive 10-year program for the protection, improvement, and development of our national park system; to the Committee on Interior and Insular Affairs.

1480. A letter from the Acting Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend title 18 of the United States Code, so as to provide for the punishment of persons who assist in the attempted escape of persons in Federal custody"; to the Committee on the Judiciary.

1481. A letter from the clerk, United States Court of Claims, transmitting certified copies of the court's opinion rendered relative to *County of Riverside, California*, v. *The United States* (No. Congressional 1–53), pursuant to the provisions of sections 1492 and 2509, United States Code, and House Resolution 215, 83d Congress; to the Committee on the Judiciary.

1482. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 23, 1955, submitting a report, together with accompanying papers, on a review of reports on Hudson River, N. Y., for flood protection along tributary streams of the Hudson River in Rensselaer County, N. Y., requested by resolutions of the Committee on Public Works, House of Representatives, and the Committee on Public Works, United States Senate, adopted September 29, 1949, and July 29, 1949, respectively; to the Committee on Public Works.

1483. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting additional information relative to the case of Manuel Antonio Brites, A–4499431, involving suspension of deportation, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1484. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting additional information relative to the case of Abdul Karim, A–9102045, involving suspension of deportation, and requesting that the case be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1485. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, relative to furnishing a status report on applications for adjustment of status, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1486. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting additional information relative to the case of Andreas Alberto Francisco Estrada y Solera, A–4787790, involving suspension of deportation, and requesting that the case be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1487. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress, amending subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 155 (c)); to the Committee on the Judiciary.

1488. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

1489. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1); to the Committee on the Judiciary.

1490. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1491. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952 (18 U. S. C. 1254 (a) (5); to the Committee on the Judiciary.

1492. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Navy Industrial Fund, Philadelphia Naval Shipyard, Bureau of Ships, Department of the Navy, for the period April 14, 1952, to March 31, 1955; to the Committee on Government Operations.

1493. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "a bill to amend the Federal Employees' Compensation Act to provide compensation for employees of the United States suffering injuries from war-risk hazards or during detention by an enemy"; to the Committee on the Judiciary.

1494. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "a bill to authorize officers of the Coast and Geodetic Survey to act as notaries in places outside the continental limits of the United States and in Alaska"; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of February 2, 1956, the following bills were reported February 3, 1956:

Mr. CANNON: Committee on Appropriations. H. R. 9063. A bill making appropriations for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 1742). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARY: Committee on Appropriations. H. R. 9064. A bill making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes; without amendment (Rept. No. 1743). Referred to the Committee of the Whole House on the State of the Union.

[Submitted February 6, 1956]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. Report of the Committee on Post Office and Civil Service on leave administration in the departments and agencies (Rept. No. 1744). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 1779. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Juniper division of the Wapinitia Federal reclamation project, Oregon; with amendment (Rept. No. 1745). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. House Joint Resolution 514. A joint resolution relating to the compensation of the Executive Director of the Joint Committee on Atomic Energy; without amendment (Rept. No. 1746). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG: Joint Committee on the Disposition of Executive Papers. House Report No. 1747. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUELIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of February 2, 1956, the following bills were introduced February 3, 1956:

By Mr. CANNON:

H. R. 9063. A bill making appropriations for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

By Mr. GARY:

H. R. 9064. A bill making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes; to the Committee on Appropriations.

UNIVERSITY OF MICHIGAN LIBRARIES

[*Introduced and referred February 6, 1956*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRIS:

H. R. 9065. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DOLLIVER:

H. R. 9066. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H. R. 9067. A bill to amend the Internal Revenue Code of 1954 for the purpose of aiding small- and medium-size business, encouraging industrial expansion, encouraging competition, counteracting forces growing out of the present tax structure which are bringing about widespread corporate mergers and consolidations, and for the purpose of discouraging the growing concentration of business into a few giant corporations, by substituting for the nearly uniform tax rates now applicable to corporations of vastly differing sizes a moderate graduation of tax rates on corporate incomes; to the Committee on Ways and Means.

By Mr. WOLVERTON:

H. R. 9068. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BAILEY:

H. R. 9069. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions and for other purposes; to the Committee on Ways and Means.

By Mr. BERRY:

H. R. 9070. A bill to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. BOLAND:

H. R. 9071. A bill to provide insurance against flood damage, and for other purposes; to the Committee on Banking and Currency.

By Mr. DAVIDSON:

H. R. 9072. A bill to provide insurance against flood damage, and for other purposes; to the Committee on Banking and Currency.

By Mr. FLOOD:

H. R. 9073. A bill to provide insurance against flood damage, and for other purposes; to the Committee on Banking and Currency.

By Mr. THOMPSON of New Jersey:

H. R. 9074. A bill to provide insurance against flood damage, and for other purposes; to the Committee on Banking and Currency.

By Mr. BOGGS:

H. R. 9075. A bill to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; to the Committee on Ways and Means.

By Mr. COLE:

H. R. 9076. A bill authorizing surveys and studies bearing upon the possible use of atomic energy for utility service requirements of buildings and grounds under the Architect of the Capitol, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. DORN of South Carolina:

H. R. 9077. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions and for other purposes; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H. R. 9078. A bill to provide that the authorized strength of the metropolitan police force of the District of Columbia shall be not less than 2,500 officers and members; to the Committee on the District of Columbia.

By Mr. GUBSER:

H. R. 9079. A bill to provide for an experimental national flood indemnity and reinsurance program and for other purposes; to the Committee on Banking and Currency.

By Mr. HOLIFIELD:

H. R. 9080. A bill to amend the Japanese-American Evacuation Claims Act of 1948, as amended, to expedite the final determination of the claims, and for other purposes; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 9081. A bill to direct the Secretary of the Army or his designee to convey a 2.915 acre tract of land situated about 6 miles south of the city of San Antonio, in Bexar County, Tex., to the State of Texas; to the Committee on Armed Services.

By Mr. MILLER of Maryland:

H. R. 9082. A bill to prevent automobile manufacturers from coercing automobile dealers to purchase unwanted merchandise; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLS:

H. R. 9083. A bill to amend the Internal Revenue Code of 1954 to extend the period for amortization of grain-storage facilities; to the Committee on Ways and Means.

H. R. 9084. A bill to provide a method of taxation for regulated investment companies and their shareholders on realized long-term capital gains; to the Committee on Ways and Means.

By Mr. MURRAY of Tennessee:

H. R. 9085. A bill to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to members of the civilian faculties of the United States Naval Academy and the United States Naval Postgraduate School; to the Committee on Post Office and Civil Service.

By Mr. O'HARA of Illinois:

H. R. 9086. A bill prohibiting the importation of the United States flag or emblem from foreign countries, and for other purposes; to the Committee on Ways and Means.

By Mr. PRIEST:

H. R. 9087. A bill to increase the amount authorized for the erection and equipment of suitable and adequate buildings and facilities for the use of the National Institute of Dental Research; to the Committee on Interstate and Foreign Commerce.

By Mr. RAINS:

H. R. 9088. A bill to provide an annual income program for owners of small tracts of land who develop thereon approved commercial forestry, and to assist in such development; to the Committee on Agriculture.

By Mr. REED of New York:

H. R. 9089. A bill relating to the status of certain organizations as tax-exempt organizations under section 101 of the Internal Revenue Code of 1939; to the Committee on Ways and Means.

H. R. 9090. A bill to provide a measure of coordination between the Civil Service Retirement Act and the Social Security Act, and for other purposes; to the Committee on Ways and Means.

H. R. 9091. A bill to amend the public assistance and related provisions of the Social Security Act to provide separate matching of assistance expenditures for medical care, to provide gradually for equal matching of old-age assistance expenditures supplementing old-age and survivors insurance benefits, to make clear the purpose of encouraging States to provide assistance and services to help strengthen family life and to help needy families and individuals attain self-support or self-care, to assist in improving administration of public assistance programs through research and training, to improve aid to dependent children, and for other purposes; to the Committee on Ways and Means.

By Mr. REUSS:

H. R. 9092. A bill to provide for the establishment of the Bureau of Older Persons within the Department of Health, Education, and Welfare; to authorize Federal grants to assist in the development and operation of studies and projects to help older persons; and for other purposes; to the Committee on Education and Labor.

By Mr. SHELLEY:

H. R. 9093. A bill to amend title II of the Social Security Act to provide that entitlement to old-age insurance benefits shall not prevent a widow from receiving widow's or mother's insurance benefits; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 9094. A bill to authorize the Secretary of Defense to dispose of deposits of sand, stone, and gravel located on certain public lands of the United States reserved for military or naval uses; to the Committee on Armed Services.

By Mr. THOMPSON of New Jersey:

H. R. 9095. A bill to provide for the establishment of an American National Theater in the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. VAN PELT:

H. R. 9096. A bill to encourage construction and maintenance of modern Great Lakes bulk cargo vessels in the interest of peacetime commerce and the national defense; to the Committee on Merchant Marine and Fisheries.

By Mr. VURSELL:

H. R. 9097. A bill to amend the Bankhead-Jones Farm Tenant Act to adjust the loan limitations of title II so as to provide more effective assistance to production and subsistence loan borrowers; to the Committee on Agriculture.

H. R. 9098. A bill to amend the Bankhead-Jones Farm Tenant Act and to authorize the Secretary of Agriculture to make or insure loans to farmers and stockmen for the purpose of refinancing existing debts, and for other purposes; to the Committee on Agriculture.

By Mr. WIGGLESWORTH:

H. R. 9099. A bill to amend subparagraph (A) of subparagraph (3) of subsection (a) of section 1033 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. WINSTEAD:

H. R. 9100. A bill to amend the Agricultural Act of 1949, as amended, and the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

H. R. 9101. A bill to encourage the sale of cotton for export and to limit imports of manufactured cotton products; to the Committee on Agriculture.

By Mr. YOUNG:

H. R. 9102. A bill authorizing a monetary contribution for the flood-control accomplishments of the multiple purpose Hoye Canyon Dam proposed to be constructed on the Walker River by the Walker River Irrigation District, a quasi-municipal corporation of the State of Nevada; to the Committee on Public Works.

By Mr. DURHAM:

H. J. Res. 514. Joint resolution relating to the compensation of the executive director of the Joint Committee on Atomic Energy; to the Joint Committee on Atomic Energy.

By Mr. ABBITT:

H. J. Res. 515. Joint resolution relating to fire-cured tobacco acreage allotments and marketing quotas; to the Committee on Agriculture.

By Mr. METCALF:

H. J. Res. 516. Joint resolution for payment to Crow Indian Tribe for consent to transfer of right of way for Yellowtail Dam and Reservoir, Hardin Unit, Missouri River Basin project, Montana-Wyoming; to the Committee on Interior and Insular Affairs.

By Mrs. FRANCES P. BOLTON:

H. Con. Res. 210. Concurrent resolution to extend greetings to the Sudan; to the Committee on Foreign Affairs.

By Mr. MURRAY of Tennessee:

H. Res. 398. Resolution authorizing the printing of the 34th annual report of the Board of Actuaries of the Civil Service Retirement and Disability Fund together with the Comptroller General's report on audit findings relating to civil service retirement and disability fund, United States Civil Service Commission for the fiscal years 1954 and 1955, as a House document; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Virginia, memorializing the President and the Congress of the United States relative to senate joint resolution No. 3 entitled, "Interposing the sovereignty of Virginia against encroachment upon the reserved powers of this State, and appealing to sister States to resolve a question of contested power"; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H. R. 9103. A bill for the relief of Mrs. Maria Murgida; to the Committee on the Judiciary.

By Mr. BOYLE:

H. R. 9104. A bill for the relief of Gordon Louis Schmidt (also known as John Campion and Frank James); to the Committee on the Judiciary.

By Mr. BUCKLEY:

H. R. 9105. A bill for the relief of Sun Hsi Zen Yung (also known as Yung Sun Hsi Zen); to the Committee on the Judiciary.

By Mr. DAVIDSON:

H. R. 9106. A bill for the relief of Saul Lehman; to the Committee on the Judiciary.

By Mr. DAVIS of Wisconsin:

H. R. 9107. A bill for the relief of Kimiko Horiba; to the Committee on the Judiciary.

By Mr. GORDON:

H. R. 9108. A bill for the relief of Marie Gundel; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 9109. A bill for the relief of Ralph E. Garlock; to the Committee on the Judiciary.

H. R. 9110. A bill for the relief of Alma Goddard; to the Committee on the Judiciary.

By Mr. HOLMES:

H. R. 9111. A bill for the relief of Arnold Franz; to the Committee on the Judiciary.

By Mr. KING of California:

H. R. 9112. A bill for the relief of Godfrey Hwa; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 9113. A bill for the relief of Yusuf Khalaf; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 9114. A bill for the relief of Elio Rotondo; to the Committee on the Judiciary.

By Mr. RAINS:

H. R. 9115. A bill for the relief of Mrs. Mary Jane Russell; to the Committee on the Judiciary.

By Mr. SHUFORD:

H. R. 9116. A bill for the relief of Hortense R. Pattison; to the Committee on the Judiciary.

By Mr. TEAGUE of California (by request):

H. R. 9117. A bill for the relief of the Electronic Medical Foundation; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H. R. 9118. A bill for the relief of Mrs. Elizabeth Helene Carter; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. R. 9119. A bill for the relief of Francesco Rossi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

480. By Mr. LECOMPTE: Petition of railroad employees at Ottumwa, Iowa, urging enactment of H. R. 3087 to amend the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

481. By Mr. SADLAK: Petition of the Connecticut Zionist Region of the Zionist Organization of America, representing 19 communities of the State of Connecticut, with reference to military balance in Near East and appealing to our Government to accede to Israel's request for armaments and to uphold Israel's independence and integrity of her borders; to the Committee on Foreign Affairs.

482. By the SPEAKER: Petition of the Commander, Porterville Post, American Legion, Porterville, Calif., requesting the appropriation of the initial funds necessary for the immediate construction of Success and Terminus flood control dams, etc.; to the Committee on Appropriations.

483. Also petition of the secretary, Anderson Committee on Christian Action, Anderson, S. C., petitioning consideration of their resolution with reference to requesting passage of H. R. 4627, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages; and for other purposes; to the Committee on Interstate and Foreign Commerce.

484. Also, petition of the grand knight, Knights of Columbus, Parkway Council No. 1433, Brooklyn, N. Y., petitioning consideration of their resolution with reference to expressing their support of the principles of the proposed Bricker amendment to the Federal Constitution; to the Committee on the Judiciary.

485. Also, petition of the Governor of Hawaii, Honolulu, T. H., transmitting a copy of a resolution passed by the Board of Supervisors of the City and County of Honolulu, T. H., urging the Congress of the United States of America to consider favorably the passage of and enactment into law the Capehart-Long bill, 2713; to the Committee on Banking and Currency.

486. Also, petition of the president, Honolulu Business and Professional Women's Club, Honolulu, T. H., petitioning consideration of their resolution with reference to endorsing Miss Marguerite K. Ashford for the office of Associate Justice of the Supreme Court of the Territory of Hawaii; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Bill To Provide Federal Program of Insurance and Reinsurance Against Flood Loss

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. BOLAND. Mr. Speaker, I have today filed in the House a bill that will provide for a Federal program of insurance and reinsurance against flood loss in this country.

This measure is similar to that filed in the Senate today by Senators LEHMAN, of New York, and KENNEDY, of Massachusetts.

The bill encourages private insurance company participation in the program. The Commissioner of the Federal Flood Insurance Administration, the new constituent agency of the Housing and Home Finance Agency, would be required to give Congress his opinion every fifth year on the feasibility of private insurance companies taking over the program completely.

We all know, Mr. Speaker, that thousands of property owners in the Northeast and on the west coast suffered millions of dollars in damage due to the 1955 floods. Citizens must have the opportunity of being protected against such future disasters. In the past, however, private insurance companies just could not risk flood insurance offerings and still hope to remain solvent.

Under this bill we are offering protection to real and personal property owned privately or by State and local governments, but no State participation is required. The bill sets a per policy limit of $10,000 face value on real and personal property for one to four family residences and $100,000 face value for other real and personal property in a single location.

This should encourage private insurance companies to issue policies covering risks above these limits, with the aid of Federal reinsurance.

Nationalism in a Collectivist World

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. FEIGHAN. Mr. Speaker, on Sunday, January 22, 1956, it was my privilege to appear on the Georgetown University Forum of the Air, including a telecast which was carried over the Dumont network. The subject of the forum was Nationalism in a Collectivist World. The other participants in this forum were the Honorable PATRICK J. HILLINGS, Member of Congress from California, and the Honorable Charles J. Kersten, former Congressman from Wisconsin, and now a White House consultant on global problems of the cold war.

The subject selected for forum discussion, in a very special way, crystallizes the struggle of the cold war which now

UNIVERSITY OF MICHIGAN LIBRARIES

grips the entire world. I believe Members of Congress who did not hear or see this program, will find it of interest, particularly the manner in which state collectivism and colonialism are brought into focus as identical evils and oppressors of the spirit of mankind.

Under leave previously obtained, I include the transcript of the Georgetown University Forum Nationalism in a Collectivist World:

Mr. WARREN. "Nationalism in a Collectivist World," is the topic for the 479th consecutive broadcast of the Georgetown University Radio Forum, another in a series of educational and informative programs from Washington. The Georgetown University Forum was founded in 1946.

This is Matthew Warren speaking by transcription from the Raymond Reiss Studio, on the campus of Georgetown University, historic Jesuit seat of learning in the Nation's capital.

Today's discussion will be Nationalism in a Collectivist World. The participants are the Hon. Michael A. Feighan, Member of Congress from Ohio; the Hon. Patrick J. Hillings, Member of Congress from California; Charles J. Kersten, formerly Congressman from Wisconsin, now White House consultant.

The spirit of nationalism is one of the major forces of the 20th century. It is the spirit of peoples and nations seeking and fighting for natural opportunity to determine themselves free. In its enlightened form it means love of God and country, patriotism, national independence, and sovereignty.

Secretary of State Dulles gave fitting expression to this spirit recently when he declared, "We do not believe that nations and peoples who want to be independent should be forced into unwelcome dominance by others merely to produce monolithic power."

Our panel today comprises three members of the former Select House Committee on Communist Aggression; Congressman FEIGHAN is a well-known authority on the non-Russian nations in the U. S. S. R.; Congressman HILLINGS visited the collectivist world last summer and has studied closely the problem of Red imperialism and colonialism; Mr. Kersten is world renowned for his fight in behalf of all enslaved and captive nations in the Russian Communist empire.

Congressman FEIGHAN, to open today's discussion, would you give us perhaps a more complete definition of nationalism?

Mr. FEIGHAN. You gave a good definition, but I think it is important that we make certain what we mean and what we do not mean by nationalism. Nationalism has been equated with imperialism and superracism and supranationalism. As an example, nazism and fascism were often called nationalism. But they really are misguided internationalist terms. As an example, the concept of the Rising Sun of Japan was not nationalism. It also was misguided internationalism.

The term "nationalism" is derived from and related to the term "nation." Nation is best defined as a people having a common and distinctive heritage, culture, tradition, folk lore, and language which is supported by geographical continuity. The Declaration of Independence sets forth very clearly the principle of nationalism. Historians will agree that nationalism in World War I brought about the breakup of the Czarist Russian Empire, the Austro-Hungarian Empire, and the Ottoman empire.

Nationalism, as you say, is patriotism such as we have in the United States. It is pride in our national independence and our national sovereignty. We have a right to these, as do all other nations have the same right. It was after World War I that there was a rebirth and birth of nations because of that nationalistic spirit.

Mr. WARREN. Congressman HILLINGS, do you note from your trip overseas a fear of nationalism?

Mr. HILLINGS. Well, Mr. Warren, at the outset let me say that I agree with the definition which you have advanced, and also that which has been advanced by my distinguished colleague and good friend, Congressman FEIGHAN, of Ohio.

Yes, on my trip to the Soviet Union and five of the satellite nations this summer and fall, I found that seems to be the one major aspect with which the Russians are terribly frightened and concerned, that plus the military strength of the West. But I found that in the satellite nations you could see constant attempts by the Soviet masters to destroy the nationalistic spirit which exists, for instance, in Hungary, Czechoslovakia, Poland, and the other countries that are there.

In Warsaw, which was a city which suffered something like 85 percent or more destruction in World War II, you find the rebuilding is being done along Moscow lines, every effort being made to erase the Warsaw which was typical of the time in the old days of the Polish Republic, and the other eras of Polish history. Everywhere you go in the satellite countries today you see constant evidence of the fact that those areas are being rebuilt and reconstructed along Soviet lines, every effort being made to destroy the basic nationalistic fervor which exists in those captive nations.

Mr. WARREN. Thank you. Congressman Kersten, would you agree with what we have said up to this point on nationalism?

Mr. KERSTEN. Yes, I certainly would. I was glad to hear Congressman FEIGHAN distinguish between true nationalism and the abuses that nations have through history accomplished by extending their national efforts beyond their own nation and to try to subdue other nations.

I was very glad to hear the example of that described by Congressman HILLINGS in his recent trip, the way Moscow has extended its influence over into Warsaw, a distinct and different nation. You have the two examples right there.

I certainly agree with this concept, that the force of nationalism, the natural aspirations of human beings living in one area, it is a kind of family concept, where everybody has the same custom and tradition. It is a distinctive thing located to that area, and they have the natural right to self determine themselves, people that have the same culture, the same tradition, the same language. This is what we are talking about, and what this means to the world, what its destruction means to the world, and what its maintenance means to our security.

Mr. WARREN. Our topic for discussion, of course, is Nationalism in a Collectivist World. Would you say that collectivism is just the opposite of nationalism?

Mr. KERSTEN. Mr. Warren, I believe it definitely is. Collectivism is a mowing down of all the natural, human forces and traditions that each nation has, and makes for a common absence of all of these national characteristics. I think it is one of the most terrible forces that has been unloosed in modern times, this destructive force, the destruction of the nations behind the Iron Curtain.

Mr. WARREN. Congressman FEIGHAN, I have heard nationalism described as an 18th century development. Isn't it older than that?

Mr. FEIGHAN. The historians usually refer to the 19th century as the century of nationalism. We Americans should be mindful of the fact that nationalism was really born with the birth of our Nation.

Mr. KERSTEN. Nationalism is really an outgrowth of colonialism and colonial exploitation.

Mr. HILLINGS. Where the people rose up against the colonial masters and established their individual countries, and which led to the basic ground of nationalism, as characterized in the American Revolution.

Mr. FEIGHAN. Congressman HILLINGS, you had the firsthand knowledge of not only the Soviet Union, but you went down to Guatemala a little over a year ago, and you saw some firsthand efforts of the attempted extension of foreign influence right here in the American Hemisphere, of the destruction of a nation down there; is that correct?

Mr. HILLINGS. That is right. I happened to be in Guatemala just before the revolution took place which threw out the Communists. Then I went back a few months after the new anti-Communist government had taken over. There was firsthand evidence of how the Communists had tried to impose their will on a little nation in the Western Hemisphere and completely destroy its nationalistic feeling and its heritage.

I am convinced that there, one of the first nations, incidentally, that has succeeded in overthrowing the Communists, that in that little country it was the desire for nationalism, and the right to govern themselves, and at least have the type of government that they basically wanted, and their belief in their background and their history and their traditions which caused the overwhelming majority of the people to have the courage to rise up against the imposition of a foreign ideology.

I believe, frankly, that this spirit of nationalism may in the final analysis be the greatest hope the free world has to eventually overthrow the cloak of Communist slavery which has now enveloped some 800 million people in the world.

Mr. WARREN. Congressman FEIGHAN, what is the situation, to bring us up to date now, in southeast Asia?

Mr. FEIGHAN. I was there last fall, and that situation is another example of nationalism being rampant. Many people are confused by the Russians, who try to make believe that they are responsible for the nationalistic spirit in southeast Asia.

As an example, I will take Ho Chi Minh, who is the Red Communist agent in North Vietnam, but the Russians try to set him up as a patriot. He is not. Unfortunately, the nations in southeast Asia were under colonial rule by the Europeans, but now that they see the opportunity for national independence and self-determination, that is what they are fighting for, and that is what we in this country should support. Our whole foreign policy has been the support of independence for nations. I believe that we should do everything in our power to let the entire world know that we are opposed to colonialism or imperialism in any form.

The Congress by unanimous vote passed the McCormack resolution, which sets forth our policy as being absolutely opposed to colonialism or imperialism in any form. I think we should tell the world exactly that we stand against colonialism and we will support the efforts of all nations to regain or gain their national independence and self-government.

Mr. WARREN. Mr. Kersten, you are well known, as I said earlier, in your fight for the enslaved and captive nations in the Russian Communist empire. How are you carrying forth this fight now?

Mr. KERSTEN. Mr. Warren, I have been a consultant at the White House for the past 6 months. Of course, I wouldn't want to talk about any of my activities specifically, publicly, but I can say from the basis of the experience that I had as a Member of Congress, and the investigation of the House Committee on Communist Aggression, that one of the things that I think we are all interested in is to understand what is going on behind the Iron Curtain insofar as these nations are concerned.

The reports that we turned out in our committee showed the takeover of these nations and the processes of destruction that have been going on with regard to all of them. I think one of the things that we as Americans must be concerned about is what is going to be the end result of the destruction of these nations, if the Communists are permitted to communize nearly a billion people. If these nations are destroyed, if that happens, we will be bequeathing to our children the most terrible problem, probably the most terrible war that mankind has ever experienced. The prospect of a communized Marxist world facing a future generation of Americans, generations of Marxists, without any idea of God, that is, believers in atheism, such as they are teaching their children there now, devoid of any national characteristics, devoid of such things as the ordinary relationship in a family.

I have here in my hand, for example, Mr. Warren, a textbook that is being used in the Soviet Union today. This textbook contains a story glorifying the young man who gladly sent his father to the gallows. This is typical of the destruction of something that arises out of the concept of nations, the love of one's own family. If they are able to communize the Soviet orbit and destroy these human values that are planted in and rooted in the national idea, then God help our children.

Mr. WARREN. Is this an example of the exhibits that you discovered during your official report to Congress?

Mr. KERSTEN. Yes, it is, Mr. Warren.

Mr. WARREN. You have numerous examples of this?

Mr. KERSTEN. We have numerous examples of this, and numerous examples of what happens to this kind of philosophy. To me, there are two symbols to the world devoid of any national characteristics: The one symbol is a cadavar, with wrists wired behind the back, and a bullet in the back of the head; and the other symbol is this young man raised to the emanated, who would turn his parents over to the executioner. That is what is being built behind the Iron Curtain.

Mr. WARREN. Congressman HILLINGS, would it be possible to encourage nationalism within the Iron Curtain without being accused of fomenting or fostering war?

Mr. HILLINGS. Mr. Warren, in direct answer to that question, I say "Yes," it is possible.

Now, there are people in this country and in the countries of our friends abroad who have a basic misunderstanding of the international Communist conspiracy. There are people who say, "Well, the Communist Party is a political party," and they fail to recognize that the Communist Party in all the various countries of the free world today is an international conspiracy directed and controlled by the men in the Kremlin. It is not an independent political party. It is not a nationalist party, say, in regard to the Communist Party in France, or in the other countries. It is a Russian-directed international conspiracy.

So, when some of our friends say now we must not interfere in the internal affairs of other countries, by sending in our broadcasts and getting literature and material in, or sending delegations, because if we do that, we are in a sense adopting Communist tactics, I think they are being terribly unrealistic. This is a war. Fortunately, it is not being fought at the present time with bullets. We hope that day will not come. But certainly it is a war that is going on for the control of the minds of men.

I believe that we must use every means at our disposal, short of war, in an effort to try to get the word to these captive nations and to the other peoples of the Soviet Union.

Let me say this in regard to that general question, and also in commenting on my good friend, Charlie Kersten's statement, with which I agree, I believe there is hope. I am convinced that the spirit of nationalism is still strong and burning behind the Iron Curtain. It is true that every effort is being made to atheize the people and do everything else to destroy their belief in nationalism, and their belief in the principles of human freedom, which we cherish. But that hope is still there despite all the Communists have done.

I believe there are ways and means by which we can capitalize on it, things we can do to keep the spirit burning behind the curtain. We will talk more about that, I am sure, before this program is concluded.

Mr. FEIGHAN. On that, I would like to say that what we should do is to have as our basic point in our foreign policy the eradication of colonialism from the face of the earth. We will succeed because 90 percent of the people of the world are in favor of eradicating colonialism. The only people who are opposed to it are a handful of tyrants of the Russian Communist stripe.

If we are to prevent war, we have to eliminate the collectivist strength which gives them an opportunity and the strength to wage war. The surest way to break up that collectivist strength to prevent war is to crusade for the national independence of the many nations enslaved. In addition, we should take action, political action, diplomatic moves, and proper use of our economic strength. In that way we can eradicate colonialism, and this colonialistic strength is the only strength that would enable the Russian Communists to engage in a war.

So, as I say, by encouraging nationalism, and standing against the colonial tactics of the Russian Communists, is the only way to prevent war.

Mr. WARREN. You would make this the strongest spoke in our wheel of foreign policy?

Mr. FEIGHAN. One of the very strongest, and it will be one of the most effective in any effort to prevent world war III.

Mr. KERSTEN. I would like to comment on the statements of Congressman HILLINGS and Congressman FEIGHAN. I certainly agree with them that this idea that appealing to the basic, or appealing in behalf of the basic human rights of the people behind the Iron Curtain, the idea that that would provoke war simply fails to recognize the situation as it is. Actually, it is one of the best ways to deter war, because in order for the Communists to launch a war against the rest of the world, they have to have basic support among the people behind the Iron Curtain. They can't send their forces out behind the Iron Curtain in any great numbers with the threats of uprisings at home, with the threat of having their lines of communication cut.

If we were to let the Communists, if we were to give them time and a free hand to beat down all resistance in the next 10 or 15 or 20 years, then that would be the best way, that would be the most terrible path for us to follow, that would be the greatest provocation to war.

Actually, a deterrent to war is to encourage the basic human rights, to appeal on their behalf and do everything we can to restore true human values behind the Iron Curtain.

I think in that regard, referring to what Congressman FEIGHAN said, one of the best things we can do is to have our delegation in the United Nations bring up the basic charge against the Soviet Union of Red colonialism. There is plenty of ammunition and facts in which the war might be conducted, ideologically, in the U. N. against the Soviet Union, and to arouse world opinion against the Soviet Union as being the greatest colonizer in all history.

Mr. HILLINGS. I was going to agree to this extent, too, to add that I think there is a great deal that the United Nations could be doing which is not being done at the present time to take the stand that you mentioned. I think a lot of us in the United Nations have been a little fearful to take a stronger stand against Red colonialism might result in some further internal dissension within the U. N.

Let me add to that what would probably be considered a dangerous statement, and I make it advisedly, having seen a little bit of what life is like in the other side of this Iron Curtain area: I am convinced that we have consistently overestimated Russian strength, both militarily, economically and psychologically. I believe we have tended to believe that the Russians are actually more powerful and stronger than they are. It is dangerous to make a statement like that, because if we should dare to underestimate them we could find ourselves in trouble. Of course, the real problem is to try to estimate them exactly. I believe that we are closer to that situation today than perhaps we have been for some time. We have had the courage to stand up to them time after time in recent months. For example, by standing up to them strongly we have succeeded in bringing back another part of the world to freedom, and that is Austria, and now the Red Army of the Soviet Union has been pushed back beyond the borders of Austria, which is a great gain, and a fact and event which undoubtedly has given great hope and encouragement to peoples behind the Iron Curtain.

I am convinced on the basis of what I saw in my recent trip into the Soviet world that we are stronger than we think we are, and the Russians are not as strong as we have been inclined to think in these various categories that I mentioned. If we can continue to follow the principles of courage and stand up to them time after time, I think the Russians are going to find it far more difficult to convince the peoples behind the Iron Curtain that they should bow in obeisance and give in as the constant pressure of the Soviet continues.

Mr. FEIGHAN. I believe you are so right on that, Mr. HILLINGS. I think we must recognize from the reports of the Kersten Committee of over 335 witnesses and documentary testimony, we have to recognize the biggest enemy of Russian communism is the upswing of nationalism in all the non-Russian nations throughout their entire empire.

You take the Ukraine, for example, which is the largest nation in Europe outside of Germany. They celebrated their 38th anniversary of their independence, which they gained in 1918, but unfortunately lost within 3 years because of the aggression and occupation takeover by the Russian Communists. But in addition to that, you have the resistance in Georgia, Armenia, Turkistan, the Baltic States, Latvia, Lithuania, and Estonia. I think the most dynamic force of nationalism seeks to bust up this U. S. S. R. These people are striving for their independence. It is a real rip tide. That is the real ally of the United States. So long as that upsurge of nationalism is in existence, the U. S. S. R. will not be in any position to start a war. And eventually we will have a breakup of the empire and an opportunity for peaceful existence among peaceful nations in the world.

Mr. KERSTEN. A very good example to prove Congressman FEIGHAN'S point is the news story that appeared in the paper yesterday. In the small nation of Lithuania, one of the Baltic States, and there the Russians, the Communists have sought in the last 10 or more years to wipe out that nation. They have deported hundreds of thousands from the Baltic nations. They have moved in Russians. They have repressed religion completely, and destroyed, attempted to destroy all basic human rights. And yet the resistance there is still causing the Communists a great deal of trouble. I think it is all bound up in the concept expressed by President Eisenhower at Philadelphia last August, when he said that our way of life rec-

UNIVERSITY OF MICHIGAN LIBRARIES

ognizes man as made in the image of God, and behind the Iron Curtain they want to plant in the hearts of their youth the idea of atheism. That is the basic issue and it is an issue on which we have taken a stand.

Mr. WARREN. Congressman HILLINGS, what does this mean to our listeners? What can they do about it?

Mr. HILLINGS. First of all, I believe that every listener who is interested in government, and that should include every American, who is listening to us at the present time, should recognize that we must have men in public office who are in a position to do something about this problem, who recognize that we must not abandon the peoples of the satellite countries and even the peoples of Russia itself.

We must do everything we can to encourage our Government and our leaders to increase the contact between the West and the East. To take the necessary steps to let the people there know they must not abandon their hopes, that we are still thinking about them and working for the day when they will be able to be free again and have their own nationalistic government.

Mr. WARREN. Are we getting through now?

Mr. HILLINGS. Unfortunately, our Voice of America is jammed in all the major cities of Russia and the satellite countries. It is practically impossible to get an American newspaper or magazine anywhere. But I hope that many of our listeners, Mr. Warren, will go to the Soviet Union, as Mr. FEIGHAN has done in the past and I did recently, not because they are going to have a nice trip like they would if they went to my State of California, but because they will have a chance to come in contact with individual Russians, and the more the Russians see us and hear us, the more the people in the satellite countries hear us and see us, will help.

Let me add one final point on my part, and I don't want to inject controversy into this discussion from a political standpoint, but I believe a recent article in Life magazine by Secretary of State Dulles, because he took a courageous stand in the situation facing us today, that article if it could be widely distributed around the Iron Curtain areas could be of great help.

Mr. WARREN. Congressman FEIGHAN, what would you say we could do about this program?

Mr. FEIGHAN. First, I think we must take an unequivocal stand against colonialism. We must identify the colonial power, which is Russian communism, and call them what they really are, and not to use any abstractions in doing so.

I think we should use every media of expression that is available and all scientific advancements to let the world know that we are opposed to colonialism, and we are willing to assist these nations in their fight for national independence.

The President requested an expanded United States information program. I think we should get behind that and expose all the lies of the Kremlin, and in addition use political, diplomatic and economic action along with that to implement our work in behalf of nationalism for all nations.

Mr. WARREN. Thank you very much, gentlemen. I am sorry but our time is up for further discussion of today's program, Nationalism in a Collectivist World. Our thanks to you, Congressman Michael A. Feighan, Congressman Patrick J. Hillings, Mr. Charles J. Kersten.

Next week you will hear discussed, American Military Policy: 1956. Our panel at that time will consist of Dr. Eugene H. Bacon, instructor in American history, Georgetown University, coauthor of the book, American Military Policy; Dr. Henry Kissinger, professor of international relations, Harvard University; Dr. James D. Atkinson, associate professor of government, Georgetown University.

This program has been presented in the interest of public education by Georgetown University. Your moderator: Matthew Warren.

Eighty-third Annual Meeting of the American Public Health Association

EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1956

Mr. CARLSON. Mr. President, the American Public Health Association held its 83d annual meeting in Kansas City, Mo., beginning on Monday, November 14, 1955.

There were several thousand delegates and visitors attending this annual meeting and a very interesting program was arranged. One part of the program was a symposium at which representatives from industry, labor, government, and education discussed on a panel, "Where Are We Going in Public Health?"

It was my privilege to speak on this panel as a representative of government, together with Adm. Ben Moreell, chairman of the board of the Jones & Laughlin Co., in Pittsburgh, Pa., for industry, Mr. Leonard Woodcock, vice president of the International UAW–CIO, of Detroit, for labor, and Dr. Fillmore Sanford, executive director of the American Psychological Association for Education.

As it was my privilege to speak for Government on that occasion, I ask unanimous consent to have the statement I made placed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR FRANK CARLSON, ASSOCIATION SYMPOSIUM, AMERICAN PUBLIC HEALTH ASSOCIATION, KANSAS CITY, MO., NOVEMBER 14, 1955

Mr. Chairman and officers, members and friends of the American Public Health Association, I am honored to be here and to participate in the Association Symposium, "Where Are We Going in Public Health?"

I believe the answer to that question will depend upon how well the people are informed on health matters—how active the various levels of government—namely, national, State, and local—become in meeting public health problems.

The Good Book says, "Where there is no vision, people perish," and we have been blessed in this Nation, in the field of public health, by having men and women with vision. It takes more than vision to build and carry out a great public health program. It takes faith and courage on the part of our citizens.

I realize there are more improvements required than just improvements in our medicine and surgery for a great public health program, but I believe we all recognize that great advancement has been made in these fields.

Some of the things which we now take for granted are priceless commodities that kings, emperors, and presidents could not obtain.

Would Abraham Lincoln and his wife, Mary, have quibbled about the price of a small quantity of antibiotics as they maintained their futile vigil at the bedside of their dying son?

Would Calvin Coolidge have preferred the wealth of the Indies or a few dozen sulphur tablets when septicemia was draining away the strength of his boy?

What of the untold thousands of parents who suffered mental anguish while their children were stricken with diphtheria, pneumonia, tetanus, influenza, smallpox, and other diseases which are almost unknown to American parents today.

Not being a medical man, I realize that I am treading on dangerous ground, but I do feel that there is some reason to believe that we are on the threshold of eliminating polio as one of the plagues of mankind. I am also confident that we are tightening the noose around the neck of cancer. Before many generations these words will be in the limbo of the past.

As we consider the field of public health, I know those of us in Government must give consideration to such programs as education, social security, vocational rehabilitation, juvenile delinquency, mental health, general health, hospital reconstruction, and training programs for doctors and nurses.

In the 83d Congress, which session began in January of 1953, Congress approved much legislation dealing with the various problems I have just mentioned:

1. Social security legislation was extended to cover an additional 10 million more Americans.

2. The Vocational Rehabilitation Act of 1954 will increase the level of rehabilitated persons from 60,000 to 200,000 per year.

3. Established a new Juvenile Delinquency Service Division in the Children's Bureau to offer professional consultation to States and communities and to search for improved methods of dealing with juvenile delinquency.

4. Changed existing laws to provide for Federal funds to supplement State and local resources for the building of chronic-disease hospitals, nursing homes, diagnostic and treatment centers, thus recognizing medical problems of older Americans, the group most susceptible to chronic illness.

These major legislative measures enacted by the 83d Congress are bringing many benefits to the American people.

During the 1st session of the 84th Congress, which began in January 1955, consideration was given to the omnibus health bill sent to Congress by President Eisenhower at the beginning of the session.

In this session, Congress responded to the President's request for legislation in only one of the measures proposed in the omnibus bill—that of mental health.

In this field, Congress did forward to the President a measure which he approved, Public Law 182, which authorized an appropriation of $250,000 for the fiscal year, ending June 30, 1956, and $500,000 for each of the next 2 years for grants by the Surgeon General for one or more Government agencies for a basic study and evaluation of our mental health problems.

Among the programs which failed of consideration during the 1st session of the 84th Congress were:

1. The establishment of a self-sustaining health reinsurance service to increase the number of Americans protected by health insurance and to increase the scope of protection they enjoy.

2. Provision of Federal insurance of mortgage loans for the construction of private hospitals, clinics, nursing homes, and related health facilities.

3. Expansion of practical nurse training under existing State vocational education programs.

4. The authority for the Public Health Service to provide traineeships for the graduate training of nurses and professional

public health personnel in Public Health Service facilities or educational institutions.

5. Consolidation of the existing Federal grants-in-aid to the States for the promotion of general health services and the control of venereal disease, tuberculosis, cancer, and heart diseases.

It is my sincere hope that the second session of the 84th Congress will give favorable consideration to the proposal submitted by the President.

Every person who has worked in the field of government has a few achievements in which he quietly takes pride. As I now look back on my 4 years as Governor of the State of Kansas, it is health legislation that gives me some of my greatest satisfaction.

This kind invitation to visit with you affords me an opportunity to boast a bit of accomplishments in the field of health in Kansas, during my administration. Sincerely, I am glad to have been a part of health projects that so many persons worked on. I am glad these projects came into being while I was Governor. I am glad to report on them to you because now, some six or more years later, an obvious and apparent success is proof that our judgment was right and that there still is much work to be done.

The projects that immediately come to my mind are: Our mental-health program—our project to attain medical care in rural areas—and our project for handicapped children.

These are major undertakings and the cost of each was such that many persons wondered whether we could ever reap reasonable returns on our investment.

I believe our present story will supply the answer to that question:

I. MENTAL HEALTH

May I give you a brief account of what I recollect on the mental-health story in Kansas?

Our mental hospitals were what State-operated institutions for the insane all over the United States have been—relatively humane houses of incarceration to protect society from the patient and the patient from himself. Whatever else we said about these places was unrealistic and simply not true to the facts.

Actually, we didn't know what was happening until some surveys were made. From these surveys, the public learned the truth. They then became sufficiently aroused to act.

Now I do not need to tell you what our surveys revealed because the problem was the same everywhere—buildings were run down and overcrowded and were fire hazards and health hazards. Patients were all but forgotten—a commitment was almost tantamount to a life sentence and no one seemed to do anything about it.

We have the well-known Menninger Foundation in Kansas and we called in the doctors from this outstanding foundation and solicited their counsel and advice.

We called in doctors from all over the State, especially the Mental Health Committee of the Kansas Medical Society and we talked with leaders in every field—farmers, bankers, lawyers, churchmen, and yes, we talked with housewives, many of them.

Gradually we learned that the people wanted to do something to correct this situation and the professional people told us how we might do this.

I know there is much still left to be done—let there be no mistake about that—but let me show you what has been accomplished through the cooperation of the people of Kansas.

We immediately repaired and refurnished buildings. They are not new but they are safer today than they were and inside they are more attractive.

The long hard benches have been replaced with bright colored chrome chairs. There are rugs on the floors—curtains hanging in the windows—books for the patients to read.

There is organized entertainment and vocational therapy. The patients have begun to live instead of sitting out an endless existence. They talk—they laugh—and have an interest in things around them.

How this happened is far too long to recount here, but this is what has happened—Kansas has 3 mental hospitals, of which the one at Topeka was designated as a training center.

At this institution, there are 11 separate training programs such as adjunctive therapy, where people are trained in recreation, music, and occupational work. There is a training program in psychology and social service—a training program for ministers who have an interest in such work.

Kansas schools of nursing now send their students here for their psychiatric experience. There are classes for lay volunteers who wish to help with the mentally ill. The University of Kansas School of Medicine sends each senior student to one of our mental hospitals for 6 weeks' training.

And there are others, but perhaps the most significant is the residency training program in psychiatry. Out of a 5-year residency, the physician who is specializing in psychiatry will spend 3 years at the Topeka State Hospital. I am told there are about 50 such physicians at this hospital now.

Such programs are gradually supplying us with trained personnel in our State hospitals, and, of course, we are training people for hospitals in other States, too. But, in Kansas, the acute shortage of professional personnel may be over.

In comparing the Kansas situation of 1947 with that in 1955, here is what we find:

In 1947, there were 13 physicians in all our mental hospitals.

Today, there are 77, in addition to the 50 residents mentioned earlier.

We had no social workers in 1947, and now have 23.

Then, there were 9 registered nurses, now there are 56.

We had no trained psychiatric aides in 1947, today we have 609.

There were no dietitians in 1947; today there are 8.

The ratio of patients to employees has changed from 9 in 1947 to 2.2 at the close of last year. Expensive? Yes; this program is expensive in dollars and cents.

In 1947 it cost us 76 cents a day to keep a patient in a mental hospital. But in 1955, it cost us $5, and this cost will go still higher.

But look what our money is buying. We are sending people home cured and they are taking their place as constructive members of society again.

In spite of increased commitments, our average daily hospital census is actually declining. In 1948, we were proud to have released 400 persons. Last year, I am informed, almost 1,500 were dismissed as cured. And today the great majority are cured.

Worth the money? Honestly, I cannot think of any program adopted by our State that I could be more proud of, and this is only the beginning.

The future will be infinitely more dramatic. Where is there greater drama than in the restoration of a mind to useful service again? Where is there greater drama than in the reunion of a family?

That is why we are proud of this program, why I am pleased to have been a part of it, and why I am happy to have this opportunity to discuss it with you today.

II. DOCTORS FOR RURAL AREAS

The second major health effort was an effort to supply doctors to all parts of our State. It also is an expensive program but a successful one and one I wish I had time to discuss in detail.

After World War II, we were all concerned over the physician shortage and we all blamed the war for this situation.

In Kansas, we made a little survey and found that the war had very little effect on this crisis because we had been losing doctors constantly during the last 50 years and in addition to that, doctors were moving out of the country to the cities. So the entire State was losing doctors and rural Kansas was losing doctors twice as fast as the cities.

Dr. Franklin Murphy, now chancellor of the University of Kansas, came up with a formula that might cure this problem. It is in three parts which, as I remember, went a little like this:

1. We cannot expect other States to educate our young men and women in medicine. We must do this ourselves, if we expect them to come to Kansas to practice.

2. We must bring graduate medicine to the profession so they will not feel isolated.

3. Communities must understand that a doctor, to practice in a rural area, needs access to a hospital.

There was a great deal of effort spent in getting this project before the people but it was successful to a remarkable degree.

I had the pleasure of signing into law an appropriation bill of $3,862,560 to the medical school in 1949. It was most remarkable because, out of a house of 125 members, only 2 voted against this and they did so, not in protest to the plan, but because they wanted to draw the money from a different fund.

In other words, support of this venture was almost unanimous and, for our State, this $4 million was more than had been spent for the school in the past 20 years together.

Here is what it did: It increased the number of students per class from 80 to 125, at the present time. This makes it possible for 40 additional Kansas young men and women each year to enter medicine.

Now, as they finish their education, they are returning to Kansas to practice.

Part 2 of the program is strictly a professional venture—that of supplying graduate education. But I understand that our own school now ranks first in the United States in the volume of graduate education offered, so that problem has been solved and the hometown doctor can keep up with new developments without traveling long distances for such instruction.

Part 3 consists of preparing the community to receive its doctor. This involved many things and sometimes the construction of a hospital. In 1947, a division of hospital facilities was begun by the State board of health to administer the hospital licensing act passed by the legislature.

In the same year, we arranged to obtain access to Hill-Burton money and passed what I believe to be a very workable and elastic hospital district law. I wish I might go into detail because I find this a fascinating story, but time will not permit.

The conclusion is that the school of medicine was expanded—more students graduated and they began to locate in Kansas, in small towns too because they had built hospitals or clinics. We have built or enlarged about 70 Kansas hospitals since the program went into effect. Today there are doctors practicing there, fine doctors doing an excellent job for Kansas.

Today, we have at least 1 doctor in each of our 105 counties and, in many small towns where 1 doctor timidly set up to practice a few years ago, he had to get a partner. So now there are 2.

That is the story of the rural health program—a job we have done without subsidies or bonuses or contracts. If we could put the formula into one sentence, it would be that we tried to obtain doctors by making them want to practice and to live in our smaller towns.

I am proud also to have had a part in this venture because it is proving itself of value to the people of this State.

And now, I would like to just mention briefly one other Kansas project which I

UNIVERSITY OF MICHIGAN LIBRARIES

believe is of great importance both to parents and their children:

The Kansas Legislature of 1949, through House bill 440, created, within the State Department of Education, a division of special education. By this enactment, the State department of education could authorize certain schools to participate in a special education program for handicapped children.

That law has since been implemented and Kansas now has a program for children with speech deficiencies, supervised by well-trained and qualified speech teachers.

These children were not mentally retarded; they simply had a speech deficiency and needed special training and attention.

In addition to this law, the Institute of Logopedics of Wichita, Kans., is authorized to establish branch speech centers in certain qualified schools of the State.

Ladies and gentlemen, I have reported on these projects because it is my sincere belief that, if our people are to have the right kind of health programs and health protection, we must continue to conquer "medical isolation." We need to put additional emphasis on medical research and to carry on a progressive program in the field of public health education.

Increases in Postal Rates

EXTENSION OF REMARKS
OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. DINGELL. Mr. Speaker, I rise to criticize the President's communication on the Post Office and on postal rate raises released February 1, 1956.

While I am not convinced of the need for a postal rate raise, I am against an increase as recommended by the administration. The report of the Postmaster General requests legislation from Congress to raise postal rates of the little man. By this same program he seeks to raise rates on postal services which are already turning in a profit to the Treasury. It appears to be a payoff to the weekly periodicals, some of which, like Time, Life, and Fortune, are little better than house organs for the Republican Party.

The report starts out decrying the expense of the Post Office deficit in its first paragraph. Then some paragraphs further on, the Postmaster's report gets down to some of its really iniquitous aspects. It recommends the increase of first-class mail rates, the little man's mail, from 3 cents per ounce to 4 cents per ounce, or an increase of 25 percent. This increase is to take place at once, or immediately upon passage of the legislation authorizing it.

Now, it so happens that, from the latest information available, first-class mail, the kind most used by the little man, is a profitmaker for the Post Office. According to the deficit figures for the fiscal year 1955, it earned $63,327,680, yet the administration proposes to raise the rates to capture an additional $295 million.

Very piously the report states that 75 percent of the first-class mail is used by business and that the raise in rates will only cost the average family 12 cents per month. However, the administration's report does not say that by far the greatest portion of the little man's mail goes first class. Stated differently, the postal rate raise means that the little man will be taxed about one quarter of $295 million, or $73.75 million more for his mail, which already turns into the Treasury a profit.

In like manner, airmail rates are to go up 1 cent per ounce, from 6 cents per ounce to 7 cents per ounce. Airmail also turns into the Treasury a tidy profit, which was $3,598,035 during fiscal year 1955. Airmail might properly be called the poor man's telegram, since it will carry letters between many of the major cities overnight. The result is that the little man is again buffeted by the administration that raises rates on a service which benefits him, and which already turns in a profit. Now if airmail is so much in need of a rate hike to be profitable, why does the administration have 21,000 tons a year of first-class mail paid for at 3 cents an ounce carried by air, when airmail at 6 cents per ounce is unprofitable. (Washington Sunday Star, February 5, 1956, on p. A–28.)

On second-class mail, the administration proposes to increase rates, which are now about 2½ cents per pound, by 2 successive annual raises of 15 percent each. The handling cost of this mail was 11½ cents per pound prior to the last postal pay raise, and is presumably higher now. The first raise will be about $0.00375, or less than four-tenths of 1 cent per pound, to use the administration's own figure.

The rate after the first raise will then be approximately $0.02875 per pound. The handling cost to Uncle Sam will still be more than 11½ cents. The second annual rate raise will be about $0.0043125, or in round figures about $0.0043, making the charge $0.0331, or about 3.3 cents per pound, while it will still cost the Government more than 11½ cents to ship that same pound of second-class mail.

I want to lay special emphasis on the fact that this class of mail is used for the shipment of periodicals, such as Time, Life, and Fortune, whose publisher is powerful in the ranks of the Republican Party.

Note that these 2 raises on second-class mail will raise $17 million, while the raise on the first-class mail will bring in $295 million a year. And yet first-class mail brings into the Treasury a substantial profit.

There is proposed for third-class mail a raise amounting to 30 percent to bring in $77 million per annum. This is again a shifting of the burden to the little man. Such third-class mail is primarily advertising matter, and now has a deficit, or had in fiscal 1955 a deficit, of $147,187,173. Even the most optimistic cannot see how either the second- or third-class mail can be made to support itself under this plan. In the case of second-class mail there remains a deficit of over 7 cents for each pound shipped; in the case of third-class mail the deficit will at best only be cut in half.

The plan is obviously rotten, and cries to be defeated. I will vote to defeat it, and I know my colleagues will join me.

I herein insert a table showing some of the rates and losses which the periodicals cause by the rates as they stand, which I have taken from a statement by Hon. JOHN E. MOSS, JR., of California, in the CONGRESSIONAL RECORD of Wednesday, July 7, 1954, at page 9983.

Itemized breakdown of the amounts of deficit occasioned in handling mail of 5 largest-circulation magazines and 5 largest-circulation newspapers

	Quarterly weight	Copies	Quarterly postage at present rate	Cost of handling	Quarterly loss	Annual loss
	Million pounds	*Millions*				
Magazines:						
Life	47.5	45.8	$1,273,000	$3,424,000	$2,151,000	$8,604,000
Saturday Evening Post	34.1	36.9	690,000	2,321,000	1,631,000	6,524,000
Ladies' Home Journal	10.2	7.7	215,000	623,000	408,000	1,632,000
Collier's	17.4	33.1	386,000	1,623,000	1,237,000	4,948,000
Reader's Digest	7.0	23.5	134,000	1,051,000	917,000	3,668,000
Newspapers:						
Chicago Tribune	5.9	9.8	154,000	601,000	447,000	1,788,000
New York Times	5.6	7.6	211,000	636,000	425,000	1,700,000
Detroit Free Press	.8	1.4	17,000	75,000	58,000	232,000
St. Louis Post Dispatch	1.7	2.6	37,000	150,000	113,000	452,000
Los Angeles Times	.5	.7	24,000	69,000	45,000	180,000

NOTE.—The above figures are based on mailings for the quarter ended Dec. 31, 1952. Postage paid has been adjusted for the 10 percent increase on Apr. 1, 1953. Costs are based on expenditures for the fiscal year 1952.

These figures are the latest I could find on a representative group of periodicals. Since all the cost estimates antedate the last postal-rate raise, the cost of subsidizing the large periodicals like Time, Life, and Fortune would be substantially higher today.

It is interesting to note that the figures of the Post Office for profit and deficit on the various classes of mail, usually released by this time of year, are not yet available. These would properly help us to determine the current cost to the Post Office of shipping the various classes of mail. The inference is clear that Mr. Summerfield would prefer not to have the figures showing while his rate raise is before the Congress.

The current edition of Life magazine, dated February 6, 1956, weighs 15½ ounces. Publishers of magazines of this kind are charged postage according to the amount of reading and advertising matter contained in the edition. Reading matter is $0.0195 per pound, and advertising matter is approximately $0.0475 per pound. This is based on certain zone rates. Figuring that there is about

50 percent reading and 50 percent advertising in this edition, the postage would be $0.0335 per pound, or approximately $0.0325 for this edition which weighs 15½ ounces. With the handling costs to the Post Office exceeding 11½ cents per pound, the uncompensated cost to the Government for the handling of each copy will be almost 8 cents. If an individual sent the same edition of Life, weighing 15½ ounces, it would cost him 2 cents for the first 2 ounces and 1 cent for each additional 2 ounces or fraction thereof, making the total cost 9 cents. Even under second-class-mail rates the little man is made to bear the larger part of the burden because of two different rates. Incidentally, there is a minimum charge for newspapers and magazines sent out under the second-class rate. In no instance can the charge per publication be less than one-eighth cent per publication. It is obvious that the handling costs are far in excess of this.

The answer is clear. If there must be a postal-rate raise, it will be one which puts all classes of mail, and all classes of mail users on the same footing. It will not be one which prefers one class of users over other classes of users.

Address by Hon. Herbert H. Lehman at ADA Roosevelt Day Dinner

EXTENSION OF REMARKS
OF

HON. HERBERT H. LEHMAN

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1956

Mr. LEHMAN. Mr. President, on February 3, in New York City, I had the honor of addressing the ADA Roosevelt Day dinner, and I ask unanimous consent that the text of my remarks made at that time be printed in the CONGRESSIONAL RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF HON. HERBERT H. LEHMAN AT ADA'S ROOSEVELT DAY DINNER, FEBRUARY 3, 1956, NEW YORK CITY

The sincere praise of good friends is music to the ear. I am afraid I have heard more tonight than is either justified or is good for any man. The presence and the words of my friend, Governor Averell Harriman, and of my beloved colleagues from the Senate, and of the array of other eminent and distinguished persons who have gathered here tonight, do me much more honor than I deserve.

But although I believe I am too old to have my head turned by praise, I am still quite young enough to enjoy and appreciate it.

Thank you for the honor of this occasion.

This tribute should, in fact, be directed to the memory of the man in whose name tonight's dinner is being held. And, in a certain sense, it has been. For I consider myself something of an apostle of Franklin Delano Roosevelt, and of all the great causes and principles which have come to be identified with him, and which history calls the New Deal.

I was not only his friend for 30 years, but in New York State I tried to be what he called me while I was his lieutenant governor—his good right arm. He often said that I did his worrying for him. And although I differed with him on some occasions, publicly as well as privately, I did my best during his lifetime, as I have since his death, to carry on the fight for the kind of government * * * the kind of society here at home and the kind of world order Franklin Roosevelt conceived and worked so greatly to achieve.

I am proud indeed to be along with HUBERT HUMPHREY, national cochairman of these Roosevelt Day dinners across the country.

I am proud, too, to be a national vice chairman of the ADA. My pride is enhanced, rather than dimmed, by the attacks which have been and continue to be made against ADA.

In this election year we can look for those attacks to be intensified. They constitute, in fact, ADA's merit badge of achievement, a reflection of the effective role ADA has played in our public life.

Of course, ADA does not pretend to have a copyright on liberalism, nor does it insist on the use of its trademark on all liberalism or on all liberals.

But the ADA is concerned over the quality of the product that is offered under the name of liberalism.

Thus President Eisenhower was recently called a New Dealer because of his state of the Union message. Shades of Alice in Wonderland. And to top it off, this so-called New Deal message won the immediate praise and support of such liberals as Senators BRIDGES, BRICKER, and BUTLER.

As a matter of fact, this is nothing to be really surprised at. This is simply a recurrent political phenomenon known as leap year liberalism. Every fourth year, in the same year that a maid can propose to a man, and when candidates for public office propose to the voters, so-called liberalism bursts out all over.

It should be reassuring, but it is disturbing, too. It is reassuring that liberalism is so popular, but it is disturbing to think that some voters may be taken in by the leap-year liberals.

The trouble arises from a lack of general understanding of what liberalism really is. To begin with, liberalism is much more than the sum of those specific programs and policies which have, at one time or another, been advocated by liberals.

Once upon a time liberals fought for public utility rate regulation, for the Sherman Antitrust Act, and for the Clayton Antitrust Act. Well, these eventually were adopted and today no one, but no one, directly repudiates them. Not even Senator BRIDGES. Does that make Senator BRIDGES a liberal?

The New Deal ushered in regulation of the stock market and the commodity market; it outlawed utility holding companies; it established bank deposit insurance, and social security. Does that make liberals of everybody who today accepts these programs—which is practically everybody?

President Eisenhower has indicated his acceptance of the principle of minimum-wage legislation, of Federal aid for school construction, of Federal aid for voluntary health-insurance plans, and of public housing, for example. Remember, I said "the principle."

Does that make President Eisenhower a true liberal, and make the Republican Party into a liberal party?

I am not ready to concede that. If liberals are willing to accept these, and these alone, as passwords of liberalism, then we have certainly lowered our standards, and liberalism has lost the meaning I always thought it had.

As I understand it, liberalism is, above all, a spirit of action, a method of approach to problems, and a devotion to certain basic tenets of faith in freedom and in individual dignity.

And of these three characteristics, the last is the most important.

Liberals believe not only in the Bill of Rights, but in the right of individuals to exercise those rights, free from intimidation, coercion, or punishment.

Liberals believe not only in the right to be right, but even more importantly, in the right to be wrong.

Liberals believe not only in the words "equal opportunity" and "nondiscrimination," but believe that these words must be implemented by action: they believe that the denial of equality of opportunity, or the practice of discrimination on the basis of race, creed, color, or national origin is not only absolutely wrong, but absolutely intolerable.

Liberals believe in the ceaseless reexamination of all doctrine and orthodoxy.

Liberals believe in the encouragement of the strong, but not at the expense of the weak.

Liberals believe in the widest and most equitable distribution of the benefits of prosperity. We are opposed to the trickle-down theory of economics.

Liberals do not believe that the sole business of government is business. We believe that business of government is the welfare of all sectors of the Nation.

Liberals believe in international cooperation and brotherhood; in the possibility of peace, security, prosperity, and justice for all nations and all peoples.

Liberals believe that we are our brother's keeper.

Liberals believe that each human life and each human soul, whether in America or elsewhere, is important.

Liberals are opposed to communism and totalitarianism in any form, under any name.

I have listed 11 criteria of liberalism as I understand it. I have undoubtedly omitted some important ones.

I do not expect that every liberal will agree with my definitions. We do not expect every liberal to fit into a rigid category in order to be a liberal. But he must have the liberal spirit and the liberal faith.

The liberal spirit is an adventurous spirit—a spirit of bold experiment and courageous attack on problems. It is a spirit which strives for the practical but does not automatically reject the ideal.

It is a spirit of pressing forward toward new horizons, attempting not only to resolve the problems of today but to anticipate the problems of tomorrow.

The liberal spirit puts the accent on youth—on the youth who are the inheritors of our successes and our failures.

Do you remember—some of you are surely old enough to remember—the early days of the New Deal? Do you remember the Civilian Conservation Corps? The WPA? And the National Youth Administration?

High among the priorities of the New Deal were the programs designed to meet the problems of our young men and women.

Among other reasons, that is why the New Deal appealed so deeply to the young and why there was a trend, which has not yet been reversed, for first voters to become Democrats.

Where is the emphasis on youth today? Where is that bold forward-seeking spirit that characterized our Government in the days of Franklin D. Roosevelt?

Where is the ferment of ideas which led to some of the greatest advances our country had ever made—from the brink of economic disaster and despair to the highest levels of economic and scientific achievement the world has ever known?

The spirit of the New Deal is not to be found in the ranks of this administration.

There were some wild and woolly minded young men in Government in those days.

UNIVERSITY OF MICHIGAN LIBRARIES

But collectively they had a spirit which infected the land—a spirit of reform and recovery, of reconstruction and of construction. This spirit lighted new fires of sacrifice, dedication, and patriotic endeavor which brought America from depression into recovery, and then on to victory in World War II.

Today, in place of that spirit we have the stodgy, stifling atmosphere of caution and restraint—a spirit of search—not for solutions, but for slogans; an emphasis not on pioneering but on merchandising.

This is the spirit of 1956—the spirt of this administration, the spirit of this time.

I do not mean to indicate that all we need to do to renew and rekindle the spirit of the New Deal is to elect a Democratic President. It is not quite as simple as that. There are deep ailments afflicting the national soul today.

But I do mean that as we liberals go into this election year, our sights must be set high because we have fallen back and have far to go.

November is still 10 months away, but it is also very soon. Let us consider well what we are going to say to the people in the months ahead.

The people are wiser than some people think. Neither the violence nor the extravagance of unsupported assertions will convince them. They may be temporarily swayed, but they will not be held by trick or maneuver. In the long run, they will see through hypocrisy.

Their support can be won by honesty, sincerity, vision, courage, and a sense of responsibility. It can be won by talking sense.

In appealing to voters we must speak in the language of the times and address ourselves to the problems of the hour. But we dare not try to anticipate too much the passing public mood and tailor our program and principles to it.

Such a presentation will ring false and come out untrue.

The people will know.

The chief task of liberals in the year ahead is to help frame the issues.

They must help to insure that the people will have a clear choice between clearly alternative sets of principles and programs.

Of all the issues there is one which, in 1956, serves better than any other as a touchstone of liberalism. I mean the issue of civil rights.

I have spoken too often on this subject—and this is too sophisticated an audience—for me to be required to spell out what I mean.

If a candidate is to qualify as a liberal candidate he must show a deep understanding and firm resolve on this issue. He may not duck or dodge it.

There is no halfway house on the road to equal human rights for all our citizens.

It is the duty of government to see that none of our citizens is treated less equally than others. When there is a threat to the very authority of government, as there is today, it is time that the struggle is joined and pressed to its inevitable conclusion.

I know that this issue cuts across party lines. I have heard the wish expressed that the civil-rights issue be taken out of politics. That wish is academic. And those who wish it are reflecting an inadequate understanding of the inner workings of democracy.

In this election, the people are going to vote on the civil-rights issue. It is their only opportunity to express themselves effectively. It is the only way they can give their mandate.

I have no doubt of what this mandate will be.

I have faith in the people's wisdom. I have faith in the basic truths of liberalism. And if all of us—each one of us here—and those thousands and hundreds of thousands like us throughout the country—if we truly have faith, we cannot truly fail.

Greatest Engineering Blunder in Our History

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. HOSMER. Mr. Speaker, gigantic Glen Canyon Dam, $421 million main unit of the proposed upper Colorado River project, could become the greatest engineering blunder in our history, because water for the project might pour into two enormous subterranean sievelike basins, instead of flowing through the dam to make hydroelectric power.

Alongside of the proposed Glen Canyon Dam and Reservoir are two underground basins of almost unbelievable size. Once the 700-foot-high dam was built across the Colorado River, the flow of water could back up and pour into these immense sieves.

One of these great subbasements of the earth is known as the Kaiparowits Basin. It would hold at least 250 million acre-feet of water. The other is the Henry Mountains Basin, and it would hold 100 million acre-feet of river water. An acre-foot of water is enough water to cover one acre of ground a foot deep.

That is 350 million acre-feet of water, or at least 26 years' flow of the whole Colorado River at this point.

If adequate power cannot be produced by the dam to pay its cost, it hardly seems reasonable to build it and force this great new loss on the taxpayers of the Nation.

Scientific data in my hands make it doubtful that Glen Canyon Reservoir could be filled in our lifetime, and doubtful as well that adequate power could be produced by the dam. I am appending at the conclusion of my remarks the full text of a memorandum to me by geologist Harold W. Hoots, Ph. D., on this subject.

This matter demands an exhaustive investigation by independent geologists and engineers who have no personal interest in the project, as do those employed by the Bureau of Reclamation whose employment depends on authorization of more projects by Congress.

The Kaiparowits and Henry Mountains Basins can hold enough water to cover the District of Columbia to a depth of 8,000 feet.

That is enough water to serve the people of New York City for 98,000 days, or 268 years.

Here, based on sound geological reports, we have the frightening spectacle of the whole Colorado River flowing for years into gigantic underground sponges.

The great dam that is proposed here could well stand as a towering monument to engineering folly and a memorial to the wanton waste of all these millions. It could become history's most colossal white elephant.

These endless cellars are immediately adjacent to the reservoir site and plunge as far as 2,000 feet in depth. There are miles and miles of rock of great porosity through which the river water would flow away, to be forever lost to use in the cavernous depths of the earth.

This rock is marked by enormous cracks and fissures which I have observed myself as late as last December. Water backed up behind Glen Canyon Dam could have free flowing passage into them and into the great basin through them. Undoubtedly many of these cracks and fissures occurred during the gigantic geologic earth movements that created these tremendous downwarps.

Such a loss would be a major tragedy. In addition to the great money loss to all taxpayers, the entire economy of most of the West would be irreparably damaged. This in turn would affect the welfare of the entire Nation.

Last December, in the company of Geologists Harold W. Hoots, Ph. D., and Peter H. Gardett, I made an examination of the Glen Canyon Dam and Reservoir area in northern Arizona and southern Utah. The country contains no roads, and the trip was made by helicopter. Samples of Navaho sandstone and Chinle shale rocks were brought out from the reservoir site.

A portion of Dr. Hoots' memorandum states as follows:

> The Navaho sandstone clearly is sufficiently porous and permeable to contain large quantities of water, and to permit movement of this water from the proposed reservoir into and through the sandstone walls to areas of lower hydrostatic pressure.

I wish to emphasize that the Bureau of Reclamation has reported favorably on the proposed upper Colorado River project and its chief unit, Glen Canyon Dam, without adequate information as to the practicability of the project, without proper engineering studies, and without determining the immensity of water losses that would occur.

In House Document No. 364 of the 83d Congress, the Bureau of Reclamation's explanation of the project, a startling admission is made as to water losses of an unexplained nature in the San Juan Basin. The reservoir's waters would extend 71 miles up the San Juan River which is crossed by the Henry Mountains downwarp. At page 180 the following is stated:

> Unexplained losses of water have been reported also in the San Juan River Basin. The proposed study in the vicinity of the Navaho Reservoir is for the purpose of evaluating this loss, and determining the quantities that are lost by evaporation and transpiration.

In connection with these structural basins, House Document No. 364 adds on pages 180–181:

> There is also the question whether the Kaiparowits and Henry Mountains structural basins contain significant amounts of unsaturated strata in positions where they might draw water from the Glen Canyon Reservoir.
>
> Several wells drilled in the region for oil indicate that the regional water table is at great depth below the plateaus. In the Mexican Hat field along the San Juan River, small quantities of oil were encountered in a synclinal structure, an exceptional occurrence which has been explained as due to

the lack of ground water in the area. Ground-water studies are proposed for the purpose of determining the position of the regional water table. There is also the question whether the Kaiparowits and Henry Mountains structural basins contain significant amounts of unsaturated strata in positions where they might draw water from the Glen Canyon Reservoir.

I most emphatically agree with Dr. Hoots and other eminent geologists and engineers that the Glen Canyon reservoir project has been proposed and recommended without benefit of a vast amount of information essential to a determination of the practicability and future success of this project. This is evident from statements made by the United States Geological Survey that much of this essential information is not available.

Orderly consideration of his project should come only after the Geological Survey has had an opportunity to complete the topographic and geologic mapping of the entire proposed reservoir area, investigate underground water conditions, soil and erosion hazards, and appraise and make available to all concerned the results of these studies.

On last Monday I told this body of the existence of large outcrops of Chinle shale in the proposed reservoir area that could be undermined by its waters, causing collapse of overlying massive rock formations and disaster to the power potential of the Glen Canyon power project and thus the entire financial structure of the proposed upper Colorado River storage project.

If the reservoir will never hold water, concerning which there is considerable doubt from what I have said today, the Chinle of course, will not have opportunity to disintegrate and fill the reservoir with its own residue and the overlying rocks.

In either eventuality, or with a combination of them, the net effect would still be to make the Glen Canyon project a complete failure.

Thus it would be folly to proceed to consideration of this legislation without a complete and thorough geological study of this area and the final and absolute determination of the questions I have raised.

My studies have been attacked and will be attacked by proponents of the project whose local interests are understandable. But these local interests should be subordinated to the general welfare of the Nation, its taxpayers, and its fiscal integrity.

If I am wrong in this geological analysis, if the respected and distinguished geologists who agree with me is wrong, then let the facts be collected through studies that are yet to be made. But let not this Congress embark upon a program which learned and distinguished opinion warns may be one of tremendous folly and disastrous financial consequence. I reiterate, no further legislative steps should be taken with regard to this project until full, complete and thorough geologic studies and analyses have been made of the Glen Canyon Reservoir site.

I say this despite the fact that under date of February 2 the Department of the Interior finally wrote an answer to my inquiries dated January 3 with respect to these basins and other geologic questions regarding the Glen Canyon site. It is interesting to note that this February 2 letter did not reach my office until February 4, whereas another February 2 letter from the Department to me appeared on that date in the CONGRESSIONAL RECORD proceedings of the other body.

In 1950 when House Document No. 364 was prepared Interior geologists concluded:

Several wells drilled in the region for oil indicate that the regional water table is a great depth below the plateaus.

In 1956, now that the geologic feasibility of the plan is under scrutiny and the Bureau of Reclamation is hot to perpetuate its massive bureaucracy by having Congress authorize new projects, any new projects, they say, through the Department's letter:

All evidences from existing oil and water wells and observation of springs and seeps within the basin show a normal tributary water table with no significant volume of unsaturated strata.

Comparing the two quotations one wonders indeed how such contrary conclusions can be reached if in truth and in fact the Bureau of Reclamation is producing unbiased and uncolored scientific opinion rather than self-serving statements toward its goal of self-preservation at the taxpayers expense.

It also should be a matter for those interested in evaluating these conflicting Bureau opinions to know that the so-called water wells on which the Bureau is placing substantial reliance for its 1956 opinion are little more than scratches on the surface which could be expected under any conditions to yield some recently captured rainfall. This is the footnote in the Bureau's letter describing two wells on the northeast side of the Kaiparowits Basin on which the Bureau's learned 1956 opinion is based:

Utah State Engineer Application No. 6288 located T.40S, R5E. (unsurveyed) Depth-water 5' yield 2g/PM–Utah; State Engineer Application No. 6289 located T.41S., R5E. Unsurveyed. Water in standstone at 5' yield 2g/PM.

I submit that 2 scratches on the surface, only 5 feet deep, yielding the meagre amount of 2 gallons of water per minute can hardly substantiate the Bureau's conclusion. Turn on the tap in any kitchen sink and you will get out a lot more than 2 gallons of water in a minute.

I repeat once again, no further legislative steps should be taken with regard to this project until full, complete, and thorough geologic studies and analyses have been made of the Glen Canyon Reservoir site, preferably by geologists other than those in the employ of the Bureau of Reclamation.

So that there may be no question or doubt with respect to the Hoots' memorandum, I am setting it forth in its entirety, except for the illustrations which cannot be reproduced in this RECORD:

MEMORANDUM ON GEOLOGICAL ASPECTS OF THE PROPOSED GLEN CANYON DAM SITE AND RESERVOIR AREA IN NORTHERN ARIZONA AND SOUTHEASTERN UTAH

(By Harold W. Hoots)

The writer was requested by Hon. CRAIG HOSMER to undertake a geological investigation of the proposed Glen Canyon Dam site at Mile 15 on the Colorado River in northern Arizona, and the proposed reservoir area located principally in southeastern Utah and extending 186 river miles up the Colorado River from Mile 15, and 71 miles up the San Juan River.

PURPOSE OF THIS INVESTIGATION

The purpose of this investigation was threefold, namely:

1. To inspect in the field critical geological aspects of the proposed Glen Canyon Dam site and reservoir area, and to collect rock samples considered essential to this investigation;

2. To review:

(a) existing conclusions and recommendations pertaining to the proposed dam site; and

(b) published geological data pertinent to the proposed dam site and reservoir area, for the purpose of appraising the adequacy of geological investigations that preceded the recommendation of this construction project; and

3. To ascertain from tests by qualified engineering laboratories certain critical physical properties of rocks exposed at the proposed Glen Canyon Dam site and in the reservoir area.

PROCEDURE

Fieldwork

The geological investigation and collection of rock samples in the field was done by Harold W. Hoots and Peter H. Gardett, consulting geologists, December 12–14, 1955. Transportation by helicopter made it possible not only to inspect the geology of the proposed Glen Canyon Dam site and reservoir area from the air, but also to land at strategic localities for the examination of rock outcrops and the collection of rock samples along both the Colorado River and the San Juan River.

Several hundred pounds of rock samples were collected, flown out by helicopter, and shipped for laboratory determination of certain physical properties of the Navaho sandstone and the Chinle shale. Samples of water from the Colorado River and the San Juan River also were collected for use in conducting laboratory tests on rock samples under conditions that would approach actual field conditions within the proposed reservoir area.

Photographs were taken to illustrate the erosional characteristics of rock formations critical to the proposed reservoir area, and to emphasize the difficulty and tremendous expense involved in constructing a dam that would adequately protect Rainbow Bridge from destruction by the proposed reservoir.

Laboratory tests of rock samples

The more important of the laboratory tests were directed toward:

1. Determination of the permeability and porosity of the Navaho sandstone which forms the walls of the canyon of the Colorado River at the proposed Glen Canyon Dam site and along most of the 186 river miles of the proposed reservoir area.

These tests were made with water from the Colorado and San Juan Rivers, and were designed to duplicate, insofar as possible, conditions that would exist within the pro-

UNIVERSITY OF MICHIGAN LIBRARIES

posed reservoir. Their purpose was to determine:

(a) the ability of this Navaho sandstone to absorb water from the reservoir;

(b) the capacity of the pore-spaces within a unit volume of this sandstone;

(c) The total quantity of reservoir water that could be lost by leakage through the sandstone walls of the proposed reservoir, and thence by natural gravity drainage into the large structural basins known to extend from the Colorado River for many miles to the north;

(d) The magnitude of the leakage that might occur around the abutments of the proposed Glen Canyon Dam at mile 14; and

(e) Whether Rainbow Bridge National Monument can be protected from flooding by a dam built in this sandstone.

2. Determination of the physical characteristics of the Chinle shale which outcrops, and would be covered by water, along 50 river miles of the proposed reservoir area.

The purpose of these tests was to determine the ability of the Chinle shale to maintain its position and physical strength when saturated with water, and, under these conditions, to support the load of several hundred feet of overlying cliff-forming Wingate and Navaho sandstone, and to thus prevent the ultimate loss of much of the calculated capacity of the proposed reservoir.

Office studies and preparation of this memorandum

Critical review of available information bearing directly on investigations of, and recommendations made for, the proposed Glen Canyon Dam and reservoir was essential to this investigation and the preparation of this memorandum. Particular attention has been devoted to:

1. Published and mimeographed reports by the United States Bureau of Reclamation and the United States Geological Survey on the geology and ground water of the area containing the proposed Glen Canyon Dam and reservoir area;

2. To the adequacy of the investigations made by the Bureau of Reclamation of the physical character of the Navaho sandstone at the proposed Glen Canyon Dam site, and to the extent that the Chinle shale in the reservoir area will increase sedimentation and reduce the storage capacity and usefulness of the reservoir; and

3. The problems and expense involved in the construction of a dam designed to protect the Rainbow Bridge, and the uncertainty that such a dam would actually provide this protection.

FINDINGS

The Navaho sandstone

The canyon of the Colorado River at the proposed Glen Canyon Dam site and along most of the 186 river miles of the proposed reservoir is composed entirely of Navaho sandstone. This sandstone, as it occurs in this region, is described by Dr. Herbert E. Gregory and Dr. Raymond C. Moore [1] as follows:

"The Navaho sandstone is essentially an aggregate of white, crystal-clear quartz grains, loosely held together with cement. In general the cement is weak. Even where iron oxide forms the bond it is not easy to obtain a well-trimmed hand specimen, and much of the rock exposed at the surface is so friable that it crushes under the foot, and a single blow of the hammer may reduce a block of sandstone to a mass of dust. Blasting this rock with powder presents special difficulties."

[1] The Kaiparowits Region, U. S. Geological Survey Professional Paper 164, pp. 65, and 66, 1931.

J. W. Harshbarger, C. A. Repenning, and J. T. Callahan [2] of the United States Geological Survey, make the following statement regarding the Navaho standstone:

"One striking feature of this sandstone is its great permeability and capacity to absorb, immediately, a substantial portion of the light precipitation. Evidence of this rapid absorption is the extremely small amount of runoff from the area of outcrop. Undoubtedly, the Navaho sandstone transmits water more freely than any other water bearer in the region."

Laboratory tests of porosity and permeability

Samples of Navaho sandstone collected from the lower part of the canyon wall at the site of the proposed Glen Canyon dam were determined to have a porosity varying from 24.3 to 25.5 percent, and an average porosity of 25 percent. One acre-foot of this sandstone thus has sufficient porosity to contain one-fourth of 1 acre-foot of water.

The permeabilities of these samples of Navaho sandstone to air were found to be uniformly high, to vary from 4,920 to 5,180 millidarcys, and to average 5,060 millidarcys. Their permeabilities to Colorado River water under normal vertical hydrostatic gradient for 100 hours averaged, at the end of this 100 hour period, 1,330 millidarcys. Permeabilities of this magnitude permit comparatively rapid movement of water into and through the Navaho sandstone.

Significance of established porosity and permeability: The Navaho sandstone clearly is sufficiently porous and permeable to contain large quantities of water, and to permit movement of this water from the proposed reservoir into and through the sandstone walls to areas of lower hydrostatic pressure. Several such areas of lower pressure adjoin the proposed reservoir and are tabulated below.

1. The sandstone walls of the canyon adjacent to the proposed dam and the lower end of the proposed reservoir: Average permeability of this sandstone indicates that in excess of 15 million gallons of water may leak around the abutments of the proposed dam every day.

2. The Kaiparowits downwarp or structural basin: This geologic feature, one of the major structural basins of this region, extends from the lower part of the proposed reservoir northwestward for 70 miles. (See accompanying map of A. A. Baker, of United States Geological Survey.) It is a magnificent natural basin for containing water in volume many times that calculated for the proposed Glen Canyon Reservoir.

Access of water to this basin from the proposed reservoir is provided by porous and permeable Navaho sandstone walls along 50 river miles of the proposed reservoir immediately above the proposed dam. This basin covers over 1,700 square miles and has the capacity, within the Navaho sandstone alone, to hold an estimated 250 million acre-feet of water when the proposed Glen Canyon Reservoir is full. Since this capacity is about 10 times that calculated for storage in the proposed Glen Canyon Reservoir, it is essential to determine how much of this capacity is empty and is thus free to drain water from the proposed reservoir.

3. The Henry Mountains Basin: This geologic feature crosses the Colorado River about 45 river miles above the mouth of the San Juan River. It is similar to the Kaiparowits Basin in its geologic character and ability to drain water from the proposed reservoir. It has ready access to the reservoir through permeable Navaho sandstone walls along many river miles of the proposed reservoir, and it has the capacity, within the Navaho sandstone alone, to hold an estimated 100 million acre-feet of water when the proposed Glen Canyon Reservoir is full. It is essential to determine how much of this capacity is empty and is thus free to drain water from the proposed reservoir.

[2] The Navaho Country, Arizona-Utah-New Mexico, included in the Physical and Economic Foundation of Natural Resources, p. 121, by Interior and Insular Affairs Committee, House of Representatives, U. S. Congress, 1952.

4. The Rainbow Bridge National Monument: This area, it is proposed, is to be protected from flooding by a dam built in the porous and permeable Navaho sandstone, but regardless of the cost expended this low area will be subject to flooding by seepage of water from the proposed reservoir through the Navaho sandstone.

The Chinle shale

The Chinle shale is exposed along the canyon walls of the Colorado and San Juan Rivers for an aggregate distance of about 50 river miles within the proposed reservoir area. Its importance to the proposed reservoir area lies in the fact that it immediately underlies the canyon-forming Wingate and Navaho sandstones and, in areas of exposure of this shale, provides the only foundation support for these overlying cliff-forming rocks.

The Chinle shale is a fine-textured bentonitic type rock that varies in color from gray to blue, red, and purple. When exposed to the elements it has little resistance to erosion, and when brought in contact with water it expands and rapidly disintegrates to a shapeless mass of mud.

If brought in continuous contact with water from the proposed reservoir this Chinle shale, which now is partially protected in canyon walls above the river level, would immediately disintegrate and flow down slope into the reservoir. More importantly, it would undermine and cause collapse of all overlying cliff-forming rocks in extensive areas bordering the proposed reservoir. All of the broken debris resulting from this collapse would move down slope and would partially or completely fill the proposed reservoir in these extensive areas of Chinle outcrop.

Field and laboratory investigations of the character, distribution, thickness, and geological relations of the Chinle shale strongly indicate that this formation, if brought in contact with water in the proposed reservoir, would contribute materially to rapid diminution of the capacity and usefulness of the reservoir for water storage.

The Chinle shale is not thin. According to H. D. Miser [3] this formation has a thickness of 800 to 1,000 feet in the drainage area of the San Juan River. Its thickness in at least some of the critical areas of exposure along the nearby Colorado River appears to be similar.

LACK OF ADEQUATE INFORMATION

It is essential that the expenditure of money required for the proposed Glen Canyon Dam project be supported and justified by adequate data, and expert appraisal and interpretation of these data. Published statements by the United States Geological Survey emphasize the fact that a vast quantity of data essential to a technical evaluation of the soundness of this project has not been obtained.

The following quotations of statements by the United States Geological Survey are taken from pages 178–182 of House Document No. 364, 83d Congress, 2d session, entitled "Colorado Storage Project."

[3] The San Juan Canyon, U. S. Geological Survey Water Supply Paper 538, fig. 2, p. 34, 1924.

Page 178, second paragraph:

"Although much information on water resources of the upper Colorado River Basin already has been collected, available records fall far short of presenting the complete understanding of water resources which will be needed for purposes of the storage plan outlined in this report, and for full utilization of the waters allocated to the respective States under the terms of the upper Colorado River Basin compact. Detailed geologic maps and data for the upper Colorado River Basin are inadequate, and in large areas they are entirely lacking. The topographic mapping essential for inventory of both water resources and mineral resources is likewise far from adequate. Only 11 percent of the basin is adequately mapped, and mapping is in progress in an additional 2 percent of the area."

Special Erosion and Sedimentation Studies (p. 179, first and second paragraphs):

"The Colorado River has always been outstanding in sediment transportation, and has been cited as a horrible example of land erosion and soil wastage by many writers. The sedimet has been a vexing problem in the preparation of the storage project. * * *

"Far more research is needed before reliable predictions can be made as to sedimentation in the future, and before evaluation can be made of proposed preventive measures. * * * A complete analysis of the problem will involve study also of meteorological aspects, as well as soils and vegetative cover—that is, coordination of effort among the Geological Survey, the Weather Bureau, and agencies of the Department of Agriculture."

Special Water-Loss Studies (p. 179, last paragraph):

"In the case of Glen Canyon, it has been estimated that evaporation losses would average about 63 inches annually, of which 54 inches would be chargeable to the basin. These estimates are based on very meager data as to evaporation from free water surfaces, and transfers of data from remote areas in the case of natural losses from the stream. Detailed investigations have not been made of evaporation from streams in the basin under varying conditions of turbulence, or of evapo-transpiration from riparian vegetation or from flood plains bordering the streams."

Glen Canyon Reservoir and vicinity, Arizona and Utah (p. 180, last paragraph, and p. 181, first and second paragraphs):

"Topographic mapping of more than 2,600 square miles has a high priority for the Glen Canyon project. Geologic mapping of a slightly smaller area along the Colorado and San Juan Rivers is proposed. The rocks cropping out in the reservoir area are predominantly sandstones, as shown by geologic reconnaissance. It is known that structural basins lie northwest of the reservoir site under the Kaiparowitz Plateau and also under the Henry Mountains. Groundwater studies are proposed for the purpose of determining the position of the regional water table. There is also the question whether the Kaiparowitz and Henry Mountains structural basins contain significant amounts of unsaturated strata in positions where they might draw water from the Glen Canyon Reservoir.

"Several wells drilled in the region for oil indicate that the regional water table is at great depth below the plateaus. In the Mexican Hat field along the San Juan River, small quantities of oil were encountered in a synclinal structure, an exceptional occurrence which has been explained as due to the lack of ground water in the area. Ground-water studies are proposed for the purpose of determining the position of the regional water table. There is also the question whether the Kaiparowitz and Henry Mountains structural basins contain significant amounts of unsaturated strata in positions where they might draw water from the Glen Canyon Reservoir. * * *

"The Glen Canyon Reservoir will extend upstream into Cataract Canyon, where gypsum and salt of the Paradox formation crop out near river level in several places. The possible effect of these rocks upon the quality of water in the reservoir should be investigated."

Classification of Federal Lands for Water Development (p. 182, first paragraph):

"The Geological Survey is responsible for classification of Federal lands as to their water-storage and waterpower values. These values are dependent in part upon the upper basin's ability to furnish water to the lower basin as required by compact, and dependent therefore upon the Colorado River storage project. Many of the streams in the basin are not adequately mapped, and geological investigations of possible dam sites must precede any classification as to their waterpower or water-storage value."

CONCLUSIONS

The Glen Canyon Reservoir project has been proposed and recommended without benefit of a vast amount of information essential to a determination of the practicability and future success of this project. It is evident from the above-quoted statements by the United States Geological Survey that much of this essential information is not available.

Orderly consideration of this project should come only after the Geological Survey has had an opportunity to complete the topographic and geologic mapping of the entire proposed reservoir area, investigate underground water conditions, soil and erosion hasards, and appraise and make available to all concerned the results of these studies.

Of particular importance is the determination of:

1. The magnitude and rapidity of water loss that can be expected from the proposed reservoir into the large Kaiparowitz and Henry Mountains basins;

2. The extent to which the disintegration of water-soaked Chinle shale and other similar formations will reduce the capacity and usefulness of the proposed reservoir; and

3. How the dam suggested for the protection of the Rainbow Bridge National Monument can be built in the impassable terrain surrounding this area, and how any dam, regardless of its construction, can protect this national monument from flooding.

HAROLD W. HOOTS,
Consulting Geologist.

Letter From a Senator—Goldwater Tells Stand on Labor

EXTENSION OF REMARKS
OF
HON. JOHN J. RHODES
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 6, 1956

Mr. RHODES of Arizona. Mr. Speaker, under leave previously granted, I would like to include in the RECORD a letter from the junior Senator from Arizona that appeared in the Arizona Republic of January 29, 1956. The junior Senator from Arizona has been the subject of some controversy concerning his views on unionism. I feel that it is proper to include this letter in the RECORD as it will set forth the Senator's feelings in his own language.

LETTER FROM A SENATOR—GOLDWATER TELLS STAND ON LABOR

(It is customary for Congressmen to answer all letters they receive, but few go to such lengths as Senator BARRY GOLDWATER did this week when a constituent wrote him. Because his answer explains why he is a friend, not a foe, of labor, the Republic publishes it in full herewith.)

DEAR SIR: From the comments made in your letter of January 6, it appears that you have misunderstood the statements I have been making for the past several months about the use of union funds for political purposes. You seem to have concluded that my criticism of certain leaders of organized labor in this connection constitutes an attack on all leaders of organized labor and on all unions. Nothing could be further from truth.

Do you remember back in 1949 when Phil Murray was attacking the Communist leadership of some of the unions in the CIO and went so far as to have those unions expelled from his organization? Or more recently, when George Meany was attacking the corrupt leadership of the longshoremen's union on the Atlantic seaboard? Did anyone say that Phil Murray or George Meany, by courageously attacking some of their fellow labor leaders in those situations, was attacking all labor leaders and all unions? Certainly not. And I sincerely believe that in attacking certain labor leaders for corrupt political activity I am in the same boat as Phil Murray was when he was attacking Communists and George Meany was when he was attacking racketeers. The only difference is that I do not happen to hold office in a union.

What I have been talking about and what I am fighting for is political freedom, nothing more and nothing less. It so happens that certain labor leaders are engaged in activities which many besides myself believe constitute a grave threat to that freedom. If you or anyone else can point out to me where leaders of business are threatening political freedom by similar or any other activities, I will be the first to speak out against them and to expose them.

This is not a management versus unions issue. It is an issue that goes to the very heart of our existence as citizens of this great country. This Nation was founded for freedom and I will fight encroachments on freedom from any quarter, whether it be labor, management, government or any other group.

Millions of wage-earners join unions and pay dues to support those unions. They pay those dues to defray the expenses of collective activity in dealing with their employers, to gain and maintain for themselves the best possible wages and working conditions. This is well and good.

As a result of the tremendous growth in union membership, these dues constitute, in the aggregate, vast sums of money. We have big unions and these big unions are big business. The individual union member is similar in many respects to a stockholder in a big corporation. He has a voice in electing the management of the union, but he must trust in the ability or integrity of those he elects to run this big business for the purposes for which he joined it and contributes to it. Unions, just like corporations, are made up of both Republicans and Democrats. In fact, as near as we can tell from polls and other surveys, about 40 percent of the union members in this country are Republicans. Therefore, Republicans and Democrats supply in almost equal proportions the vast sums of money which union leaders have at their command.

Now let's assume that you are both a union member and a Democrat. In 1956 John Smith is the Democrat candidate for Governor of Arizona. Bill Jones is the Republican candidate. You are very much in favor of John Smith. You spend a lot of your spare time working in his behalf and you even put up $25 as a contribution to his campaign. Now it happens that the leaders of your international union have some tie-in

UNIVERSITY OF MICHIGAN LIBRARIES

with Bill Jones, the Republican candidate—he's promised to do them some favor in exchange for their support. So they take $150,000 out of your union's coffers and contribute it to Bill Jones' campaign. With the help of this money Jones is able to beat Smith and to become Governor of Arizona. Your hopes for John Smith and your $25 have gone down the drain. And whose money sent them down the drain? Your money, the dues you and other Democrats and Republicans paid to the union to assist you in bargaining with your employer. How would you feel if a corporation in which you own some stock, or your church, did this to you? You would be plenty mad, I'm sure, in any case—whether it was your union, your corporation or your church. And you would wonder what had happened to your political freedom.

If your union did that to you in Arizona where you are free to join or not to join as you see fit, it would be bad enough, but think of our fellow wage earner in Michigan, for example, who has to join a union and pay dues in order to keep his job. Maybe he's a Republican and likes to give effective support to Republican candidates for office. Or maybe he's a Democrat who opposes the particular Democrat the union leaders back in the primary. You would fight for his right to do so. And yet in 1950, CIO unions spent $211,550 of union funds, some of it his money, to defeat candidates in Michigan, supported by many individual union members? How would you like to be in his shoes?

That's what I've been talking about. I don't care whether it's voluntary union dues or compulsory union dues or whether its used for Democrats or for Republicans, the principle, or rather the lack of principle, is the same. Many thousands of union members in this country are being disenfranchised as a result of the political activities of a few labor leaders. I am not contending that those union leaders are telling those union members how to vote—its been proven plenty of times that they can't. But I am contending that by using the money of those union members they are nullifying their votes. If this is an attack on all union leaders and all unions, then the same is true of an attack on Communists and racketeers in unions. You and I both know that that isn't so.

I want you and everyone else to know what I am trying to do. I am trying to eliminate the abuse by a few power-hungry leaders of a very fundamental right, the right to individual, effective political action. My sole objective is to defend and maintain political freedom. The few whom I have criticized on this score don't like it, and to cover up their wrongdoing they cry out in the very name of the persons whose political freedom they are shackling. The Communists and the waterfront racketeers did the same thing when Phil Murray and George Meany attacked them. The union men and women of this country were not fooled then. I don't believe they are fooled now.

Sincerely,

BARRY GOLDWATER.

Congress To Use the Atom

EXTENSION OF REMARKS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. COLE. Mr. Speaker, nearly a year ago, the House of Representatives authorized the House Office Building Commission, in collaboration with the Architect of the Capitol, to enter upon a very substantial program for not only the construction of a new office building for House Members, but also for enlarging and modernizing Capitol Hill, generally.

In connection with this sizable undertaking, there are the problems of heating, electricity, and air-conditioning, all of which are the natural by-product of atomic energy.

Since I have been somewhat instrumental in encouraging greater application of the possible uses of atomic energy, it occurred to me that perhaps here was an opportunity to show not only the Congress, but the Nation and the entire world just how helpful and practical the atom could be. Accordingly, I made a suggestion to the Architect of the Capitol, Mr. George Stewart, that he discuss the matter with knowledgeable persons in the Atomic Energy Commission as well as the staff of the joint committee.

When it became evident that the initial consideration showed that the idea might be feasible, I then wrote to the Speaker of the House, the Honorable SAM RAYBURN, more formally, urging that the matter be thoroughly considered and canvassed.

During the intervening months, the matter has been rather thoroughly explored and the point has been reached where all persons, who had given any thought to it, are confident that the idea is not only feasible and practicable, but that it can be done economically as well.

In order to be more certain of its feasibility and practicability, it seems highly desirable that a detailed study and survey be made by competent persons in the field of atomic energy. Accordingly, the Honorable CLINTON P. ANDERSON, junior Senator from New Mexico and chairman of the Joint Committee on Atomic Energy, and I have introduced companion measures in the Senate and House today authorizing the appropriation of $200,000 for the necessary survey to be done under the direction of the Architect of the Capitol, and the Joint Committee on Atomic Energy.

Under leave to extend my remarks, I include the letter addressed to Speaker RAYBURN last year and the press release issued today by the Architect of the Capitol:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 22, 1955.

Hon. SAM RAYBURN,
The Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: As senior member of the Joint Planning Committee you are aware that present plans for expansion of Capitol Hill buildings, together with new construction under way of contemplated and certain planned classified activities, will require approximately 25,000 kilowatts of heat to provide space heating in winter and electricity for air-conditioning in summer. These planned modifications and new construction are needed not only to meet the pressing office and committee space problems, but also to provide suitable and safe locations for Capitol Hill personnel in the event of enemy attack.

In thinking about these matters, it occurred to me that the Congress should consider the installation of an atomic power reactor to provide the needed heat and electric generating capacity. The atomic power reactor appealed to me from several vantage points:

1. It would provide a source of heat and electricity for the Capitol area independent of any disruptions that might occur to Metropolitan utility systems. It could be buried beneath the present powerplant. The sort of shielding necessary for the reactor itself would also give it protection for everything but a direct hit with a very large bomb.

2. Its economics of operation, I am told, may well prove to be more attractive by the time it is operating than any other independent source of energy. For such an independent source of energy the only alternative in this area is a diesel plant, which requires underground fuel storage, and whose fuel is relatively high in cost in Washington.

3. The size of the reactor needed to do the job—about 25,000 kilowatts of heat energy—is of very widespread interest for use by rural electric cooperatives, in small metropolitan areas and in many foreign countries. Yet, to date, no substantial effort on a plant of this size has been undertaken by Government or industry. A need for such a plant by the Congress would serve to speed the day when such users would be able to benefit from atomic power.

4. The location of an atomic-power plant at the Capitol, undertaken at the initiative of the Congress, would serve as a dramatic demonstration of the practicability of atomic power and the feasibility of locating atomic-powerplants in cities. It would also be a fine example of leadership by the Congress in an area of untold national significance. Similarly, it would have great international impact.

5. Additionally, it would provide an early opportunity for the tens of thousands of American citizens who come to Washington and who have supported the development of atomic energy with their taxes to see a practical application of atomic power.

These considerations led me to explore further the idea of installing a 25,000-kilowatt atomic reactor on Capitol Hill. Discussions were held with the Architect of the Capitol, scientists of the Atomic Energy Commission, and members of the staff of the joint committee. Far from regarding the idea as impractical, these discussions show it to be quite worthy and workable. A preliminary study of such a reactor system for Capitol Hill is being undertaken by the Atomic Energy Commission, in consultation with the Architect of the Capitol. In my opinion, the study will bear out the preliminary estimates.

I recommend this project to you, and urge its most serious consideration by the Joint Planning Committee.

Very sincerely,

STERLING COLE,
Member of Congress.

[Press release issued by the Architect of the Capitol, February 6, 1956]

A bill was introduced in the Senate, today, by Senator CLINTON P. ANDERSON, of New Mexico, and in the House of Representatives by W. STERLING COLE, of New York, both members of the Joint Committee on Atomic Energy, authorizing the Architect of the Capitol, under the direction of that committee, to make surveys and studies and prepare recommendations and reports, including preliminary plans and estimates of cost, for providing and utilizing atomic energy for lighting, heating, power, and air-conditioning refrigeration for the Capitol Building and Grounds; Senate and House Office Buildings; Capitol Power Plant; Supreme Court Building; Congressional Library Buildings; Botanic Garden; Legislative Garage; Government Printing Office; Washington City Post Office; and the Folger Shakespeare Library (all of which are connected

with the Capitol Power Plant, which produces air-conditioning refrigeration and steam for heating and other purposes, and from 1910 to 1951 also generated electrical energy for light and power); the additional Senate Office Building now under construction; the additional House Office Building and related improvements authorized by Congress last year and now in the planning stage; the Extension of the Capitol and related improvements also authorized by Congress last year and now under study; and for any new construction and improvements which can be reasonably anticipated and for which lighting, heating, power, or air-conditioning refrigeration services may reasonably be expected to be supplied from the same source as the Capitol group of buildings.

Under the provisions of the proposed legislation, the Architect of the Capitol, under the direction of the Joint Committee on Atomic Energy, is authorized to engage such professional engineering services as may be necessary for making the surveys, studies, recommendations, and reports authorized.

The proposed legislation also provides that the surveys, studies, recommendations, and reports shall develop full information concerning the feasibility of providing and utilizing atomic energy for the purposes proposed, and shall also develop full information concerning the safe, practical, adequate, and appropriate means and facilities for accomplishing such purposes.

The proposed legislation further provides that, upon completion of the surveys, studies, recommendations, and reports, the joint committee shall submit to the Senate and the House of Representatives a report thereon, together with such recommendations as the committee may deem advisable.

The Deceptive Budget

EXTENSION OF REMARKS
OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. PRICE. Mr. Speaker, so far as American airpower is concerned, the budget for fiscal year 1957 presented to Gongress last week is deceptive. It falls miserably short of meeting the real needs of military airpower in the critical areas of research, development, production, and maintenance, even though it shows increases both in obligational authority and in expenditures. Evaluated in reference to current international problems, this budget is as unrealistic and deceptive as that of fiscal year 1950, which so strongly encouraged the Communists to launch their aggression in Korea.

There are three principal areas in which this airpower deception is being perpetrated: First, the modernization rate of the combat units is being artificially retarded by the stretchout of current aircraft production; second, the technical pace of our research and development will not be appreciably accelerated in spite of constantly recurring evidence that the Soviets are challenging us in technology and probably leading us in the race to perfect an intercontinental ballistic missile; third, funds for the procurement of new aircraft for the Air Force have been cut so substantially that only 1,900 new planes will be contracted for during the next year. This is about 1,400 planes short of what the United States Air Force estimates it needs annually merely to maintain and modernize its authorized 137 combat-wing strength.

During the past year all the responsible leaders of the Air Force have publicly warned that the tremendous technical progress made by Russian airpower poses one of the greatest challenges ever faced by this Nation. Only last Sunday, an Air Force spokesman stated that many of its newest and most powerful aircraft are spending most of their time on the ground because of a shortage of skilled maintenance crews. The new budget will put the Air Force's expansion program to 137 combat wings by the end of fiscal year 1957 on such a thin financial base that it cannot actually have the full strength of combat-ready wings currently scheduled for that date.

In 1950 the Air Force created paper wings to provide an illusion of meeting its program when in fact its real combat strength was inadequate. The new budget, if adopted by Congress, will encourage the Air Force to the same expediency.

At the end of June 1950, just as the fiscal year was ending, the Communists struck in Korea. The deceptive budget presented last week might well encourage the Communists to strike again in June 1957.

Mr. Speaker, all these facts are ably marshaled and presented by Mr. Robert Hotz in an editorial in Aviation Week of January 23, 1956. In asking unanimous consent of my colleagues for permission to extend my remarks and insert this editorial, I wish to quote the final paragraph of Mr. Hotz's editorial:

We are reaching a critical point in the technological race with the Russians for superior weapons. The stakes in the race far surpass a political victory or a military promotion. This is a time for men's consciences to speak out before the airpower budget fraud becomes a fact.

The editorial is as follows:

THE NEW AIRPOWER FRAUD

The fiscal 1957 airpower budget presented to Congress last week is deceptive. Although the Defense Department budget shows increases both in new obligational authority ($2.5 billion) and in expenditures ($1 billion) for fiscal 1957, it falls miserably short in meeting the real needs of military airpower in the critical areas of research, development, production, and maintenance. Evaluated on the scale of current international problems, the fiscal 1957 budget imposes artificial limitations on the growth of airpower that are as bad as those in the now infamous fiscal 1950 budget of Louis Johnson, Defense Secretary of the Truman administration. It is significant to remember that Johnson's airpower budget that was once billed as adequate for our defense needs and as "cutting the fat but not the muscle," strongly encouraged the Communists to launch their Korean aggression and sent us into that bloody fray woefully weak in the air.

If the fiscal 1957 airpower budget is approved by Congress without change, it will serve notice to the Communists that our military airpower is again on the decline and that our policy of massive retaliation is being built on bluff and bluster rather than superior weapons. This airpower budget submitted by the executive branch of the Government will mean that American airpower will lose further ground in its technological race with the fast-growing Communist air forces. If the trends it initiates are continued, American airpower will not only fail to improve its present slim margin of superiority over the Communist air fleets but will not even maintain its present position.

For this fiscal 1957 defense budget is not a budget of airpower progress, as billed by Defense Secretary Wilson, but a budget of airpower stagnation followed by inevitable retrogression.

There are three principal areas in which this airpower deception is being perpetrated:

First, stretchout of current aircraft production is being continued by a limitation on expenditures. This means that the modernization rate of the combat units is being artificially retarded and that the aerial weapons in our usable arsenal will be deliberately kept closer to the beginning of their obsolescence curve.

Second, the fallacy of the constant level of funds for research and development that is adopted again in this budget (Aviation Week, Jan. 2, p. 13) will mean that our technical pace will not be appreciably accelerated and will certainly lose more ground in the race with the Russians.

Third, funds for procurement of new aircraft have been cut substantially for the Air Force so that only 1,900 new planes can be contracted for during the next year. This is a bare few hundred more planes than those lost every year through normal operational attrition. It is about 1,400 planes short of what USAF estimates it needs annually merely to maintain and modernize its authorized 137-combat-wing strength.

Censorship imposed by top-level Defense Department officials in the guise of military security has carefully concealed the real problems facing the Air Force in particular and our military airpower in general.

For example:

Nearly one-third of the fighter strength of Tactical Air Command is grounded due to lack of qualified maintenance personnel. Strategic Air Command has quantities of bombers grounded for the same reason, although it has not been hit as hard as TAC.

Strategic Air Command is rapidly losing its intercontinental atomic attack capability as the B–36, only bomber in the United States arsenal with genuine intercontinental range, is sliding rapidly down the obsolescence curve. SAC is now essentially a medium-range force relying almost entirely on B–47's that require multiple aerial refueling from relatively slow KC–97 tankers at low altitude to operate against the Russian heartland even from foreign bases. General LeMay's program to reequip SAC as fast as possible with longer range B–52's and its KC–135 jet tanker companion have been junked by the fiscal 1957 airpower budget. For the next several years, the retaliatory power of SAC will be significantly curtailed by this production stretchout, and its future power will be delayed by the research fund ceiling.

USAF's expansion program to 137 combat wings by the end of fiscal 1957 is programed on such a thin financial base that it will not actually have the full strength of combat-ready wings now scheduled for that date. USAF is rapidly reverting to its 1950 dilemma of organizing "paper" understrength wings to provide an illusion of meeting its program when in fact its real combat strength is not increasing.

In presenting this airpower budget to Congress, Defense Secretary Wilson testified that:

"Nothing has occurred in the international situation during the past year which would indicate the necessity for any major change in these policies and concepts."

Yet, during the past year, all of the responsible leaders of the Air Force including its

UNIVERSITY OF MICHIGAN LIBRARIES

Chief of Staff, Gen. Nathan Twining; his vice chief, Gen. Thomas White; United States Air Force Secretary Donald Quarles; the Assistant Secretary for Research and Development, Trevor Gardner, and Lt. Gen. Thomas Power, commander of the Air Research and Development Command, have all publicly warned that the tremendous technical progress made by Russian airpower poses one of the gravest challenges ever faced by this Nation.

In the face of this glaring contrast between the urgent warnings of the top military airpower leaders and the bland complacency expressed by Defense Secretary Wilson and his fiscal 1957 Defense Department program, Congress should make the most strenuous efforts to determine our genuine airpower problems and examine them in minute detail before reaching a verdict on this vital budget.

We can expect a barrage of official propaganda to support the fiscal 1957 defense budget combined with ruthless attempts to suppress its critics among responsible military leaders.

But we are reaching a critical point in the technological race with the Russians for superior weapons. The stakes in the race far surpass a political victory or a military promotion. This is a time for men's consciences to speak out before the airpower budget fraud becomes a fact.

Food Merchandising

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1956

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me at the annual banquet of the Marathon County Retail Food Dealers Association, at Wausau, Wis., on February 4, 1956.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY URGES INTENSIFIED EVOLUTION OF FOOD MERCHANDISING—STATES OUTLOOK FOR AMERICA BRIGHT

I am indeed happy to address your annual banquet.

You—the independent businessmen of this fine association—are symbols of the hard-working, free-enterprise system which is the mainspring of economic progress in our Nation.

The more than 340,000 independent food dealers across the country are transacting over $22 billion worth of business yearly. This represents a tremendous contribution to our overall national income.

In Wisconsin alone, as you know, there are more than 7,000 independent dealers, contributing to the wealth and growth of our Badger State.

YOUR ROLES IN WISCONSIN COMMUNITIES

I personally am definitely interested in the well-being of your group as a whole and in ample opportunity for every single member of this audience.

I am interested in all this, because each of you here plays not only an important economic role in your community—a vital role in the American distribution system—but because all of you are, I know, significant contributors to the social, political, church, veterans, and fraternal life of your communities.

THE MAN BEHIND THE COUNTER

The man behind the food counter is one of the vital men behind America's great happiness and growth.

The man who stands in front of the cash register, checking out food purchased by our citizens, is a man who is helping to satisfy the changing needs of the American people.

THE REVOLUTION IN MERCHANDISING

I emphasize "changing needs," because this is an era of change. The whole food distribution system has been and is being revolutionized—peacefully—by ingenious, daring sales—conscious pioneers, constantly evolving new techniques.

Indeed, the principal theme that I will submit to you tonight is that the helpful economic revolution which has occurred in America—with 65 million jobs and a constantly rising economy and population—is going to continue at an ever accelerated pace.

And it is up to all of us to contribute to progress in this peaceful revolution. Why? Because it means greater happiness, a higher standard of living for all of us, better nutrition, healthier minds and bodies.

It means too, an ever healthier retail food industry for our country.

THOUSANDS OF NEW PRODUCTS

I need hardly remind you, my friends, that a century ago, less than 100 food items were available in the average food store.

Today, independent food stores combine together an average of 4,000 separate food and grocery items; and in the case of larger stores, as many as 15,000 different items.

Each of those items represent new businesses that have been established in our country—new products which have been developed, new skills, as well as new types of packaging, bottling, displaying, advertising, and merchandising, as a whole. In other words, every single day we are satisfying more and more needs of the average man, and you are contributing to this process.

You yourself are constantly perfecting your store—its physical appearance, its layout, its inventory, its signs, its lighting. You are constantly streamlining operations, cutting costs wherever possible, increasing efficiency, adding to volume, diversifying brands.

You represent America at its best—changing for the better, growing, serving.

You of course, are far more familiar than I with the details of this revolution in food merchandising. The entire growth of the self-service store, the growth of the frozen food industry, the development, say, of detergents—the installation of automatic machines—"silent salesmen"—are but a few instances of how the genius of American free enterprise has responded to American needs.

BARGAINS THROUGH COMPETITION

Mrs. Average Housewife today wants more of her foods precut, prepackaged, yes, precooked. Mrs. Average Housewife today is, however, always looking for bargains, and the food dealer is giving her bargains.

I know of few, if any, industries in America where independent owners are providing every single day a better example—than your industry—of competition at work.

But what you want and what I want is healthy, fair competition.

The kind that produces the best product for the public's consumption.

The kind that delivers the product at a price the consumer can afford.

The kind that provides a living return—a living profit—for both the producer and the retail dealer, based on their heavy capital investment.

THE FIGHT AGAINST MONOPOLY

I need not tell you that the independent food dealers of this country have had to wage down through the years, a continuous campaign in their own self-protection.

A peak of that campaign's effectiveness was reached on June 19, 1936, when the Robinson-Patman Act became law. The passage of that act marked a landmark in the fight to assure fairness in American competition. The passage of the law served to prevent the big man—the big chain—from competing unfairly with the little man; served to prevent the big man from getting, for example, price rebates in direct or disguised form—rebates on the basis of which he could slash his prices and thereby destroy his competition.

FULLY SUPPORT ROBINSON-PATMAN LAW

Of course, the Robinson-Patman Act did not prohibit anyone from competing or from meeting fair competition. It did, however, soundly require that when a price cut is given to a big mass distributor, it must be offered on equal terms to merchants who are competing with him.

This is a sound objective. For this reason and for other good reasons, I have supported the Robinson-Patman Act in its letter and in its spirit, since the day I came to Washington.

I support it now. I am definitely opposed to any efforts which would nullify it, which would emasculate it. I am for strengthening it wherever and whenever it is indicated it must be strengthened.

I am for clearing up any ambiguities, however, any inconsistencies.

The Robinson-Patman Act is not, of course, the "last word" in American antitrust laws.

There are continuous problems of working out the complex and overlapping relationship between the Sherman Law (now more than 65 years old), the Clayton Act, and the Federal Trade Commission Act, (both over 41 years old) and the 19 year old Robinson-Patman Act.

There is a continuing problem in resolving some points of controversy in the letter and spirit of some of these acts.

One of my jobs in Washington is to make sure that all of these laws are, in practice, applied in a consistent manner which will best serve their most basic objectives, the objectives of 165 million Americans.

MY WORK ON MONOPOLY SUBCOMMITTEE

As you know, one of my important assignments in Washington, is to serve as senior Republican of the Senate Committee on the Judiciary. In turn, one of the important subcommittees of that group is its Subcommittee on Antitrust Laws and Monopoly.

I take my position on this subcommittee particularly seriously. We are dealing on that subcommittee, not only with enormous national problems, such as questions concerning the merger of large corporations, say, the proposed merger of Bethlehem Steel and Youngstown Steel—questions concerning competition in giant industries like automobiles; rather, we are dealing as well with the very lifeblood of the small retail food dealer and other small merchants of our country.

INTERIM REPORT BEING DRAFTED

Right now, we are in the process of writing an interim report of the subcommittee. It is not my purpose at the present time to attempt to anticipate our subcommittee findings. I may state, however, that in the interim report, it is our intention to suggest lines for further study—lines for additional hearings which should be held, e. g., as regards the respective jurisdictions of the Federal Trade Commission and the Department of Justice in antitrust matters.

As a Senator, serving in a quasi-judicial capacity, I don't want to attempt to prejudge any specific problem before those hearings are held.

But I do want to say this: I don't believe in antitrust laws remaining on the statute books as a dead letter.

I don't believe Congress wrote laws just for the "noble sound" or in order to have them clutter up the statute books.

If any law is not being applied, we must find out why it is not being applied. If it is obsolete in terms of the changing necessities of modern times, then it must be modernized.

Similarly, the law must be made clear. In many instances today, it is obviously very ambiguous—so ambiguous that the courts, in decision after decision, have condemned much of the language of our antitrust statutes as so fuzzy as to be inapplicable.

Of course, the language in statutes must, to a considerable extent, be kept general, because laws are designed to cover a vast number of situations.

Nevertheless, it is one thing to have broad language, which covers many instances; it is another thing to have cloudy, vague and unmeaningful language, which cannot possibly be applied in the Nation's courts.

FOSTERING SOUND ECONOMIC CLIMATE

But you and I know that the Retail Food Dealers of America are affected by more simply than antitrust laws.

You are affected by the general economic climate of our country. If our people have full confidence in America—if they believe that there are going to be more jobs tomorrow, rather than less; more purchasing power, rather than less; more opportunities, rather than less—then they are going to buy more of the good things of life from you and from other merchants.

It is our job, therefore, in Washintgon to help maintain confidence strong in America. It is our job in Washington to make sure that there is a continually favorable economic climate in our land.

TEN-POINT PROGRAM FOR PROGRESS

I want to suggest now several points in a program for assuring a favorable climate for our country:

One. We must pursue sound economic policies with the purpose of stimulating and encouraging growth and expansion in all fields of private enterprise.

There is one bill now before the Senate which would unfortunately do just the opposite. It is the Harris-Fulbright bill, which would gouge 400,000 Wisconsin consumers of natural gas. That is why I favor amending this bill, so as to protect home, store, and factory users of natural gas.

Two. We must broaden our programs of developing skills and technology; this means training more people, more engineers and technicians, and expanding our scientific research.

Three. We must increase and encourage the international flow of money and goods, for economic developments abroad are important to provide markets for our many products.

Four. We must accelerate our atomic-energy development—for peacetime, as well as wartime uses. For example, we need atomic power to propel ships, run factories, generate electricity, and many other uses—medical and agricultural—known and yet undreamed of.

Five. We must, of course, guard against attack from world communism.

Here in Wausau—a seemingly safe and distant place—we are dangerously close to enemy bases, as measured by time in the jet age. We may soon be less than 30 minutes away from possible guided-missile attack, and less than 6 hours away from jet bombers from Siberia. Consequently, we need a strong anti-Communist program. Our defense spending—about $40 billion a year—is necessarily geared to meet the Communist threat to our own and others' freedom.

Six. We must increase our efforts to get the true story of the American way of life to the people of the world.

For this purpose, I am a cosponsor of a bill to make American participation in foreign trade fairs a permanent feature of our overall program to help bring the truth about America to the people abroad.

The trade fair is an opportunity to display our way of life—yes, our markets and our supermarkets—and our other technological advancements to foreign countries. It will help open new markets for our machines and our products, and it will create improved international relationships and understandings.

Seven. We must evolve stronger practices of conservation—that is, preserve our reservoir of strategic materials and conserve our water, soil, forests, and other natural resources.

Eight. We must embark on new, bold programs of internal development. For example, the St. Lawrence Seaway, with deepened connecting channels, will, at completion, be a 2,300-mile deep-water artery of travel and trade into the heart of America, a tremendous asset to Wisconsin and to the Nation.

Nine. We must assure adequate purchasing power for the 10 percent of our population, which is aged 65 years or older. Yes, too many of our 14 million old folks can barely make ends meet these days. That is why I have offered comprehensive old-age assistance legislation in the Senate to help them as regards jobs, housing, health, training, et cetera.

Ten. We must equip ourselves with a flexible economic policy to meet the needs of current, and future, situations. For instance, we need to provide relief for victims of flood disaster, drought, or other natural catastrophes. We need to take care of unemployment in isolated, depressed areas. We need to prevent unbalance in our economy, such as is now occurring in agriculture.

Of this, I shall have a bit more to say later on.

FULFILLING POSTAL SERVICE NEEDS

If time permitted, I would like to turn in detail to certain other specific challenges which we face.

It may not be realized, for example, by the average man, but the food dealers of our country depend very heavily upon local newspaper advertising and direct mail advertising.

To strengthen our local papers, I have been urging steps to increase newsprint supply.

And, with reference to direct mail, I know that many of you use postal cards, as well as letter mail, to acquaint consumers with the latest food bargains.

I regard the fulfillment of postal service as one of the real pillars of the American free enterprise system, including our food distribution. I would oppose the false concept that the Post Office should not remain primarily a service institution.

The post office was created to serve America. We don't like postal deficits. But if we wanted to forget every other factor but profit and loss and run the post office strictly to get into the "black ink," then there are probably hundreds and even thousands of the 42,000 post offices in our country which might have to be closed. Such a thought would, of course, be utterly objectionable, and no thinking, fair-minded person seriously contemplates it. But some people do speak at times as if they wanted radically to change the post office and run it strictly for a profit, ignoring almost completely its essential service functions.

Instead, I say, the post office must serve you and serve your customers.

A sound retail food industry is a cornerstone of a sound America.

WE WANT A HEALTHY AGRICULTURE

I know that you will agree with me, too, that all of us want a healthy agricultural segment of our population. We want the farmer to earn his cost of production, plus a reasonable profit.

The retail grocer, selling, say, dairy products, does not want to profit at the expense of the dairy farmer. Nor does the thinking consumer.

At the same time, the farmer is glad to turn out ever higher quality food, and at a fair price for the distributor to move, for the trucker to deliver, for the food dealer to sell, and for the consumer to buy. There is no inconsistency in seeking fair play and a fair price for all.

Naturally, representing as I do America's dairyland, it is my hope that our food dealers will continue to sell an ever increasing proportion of dairy items—more nutritious fluid milk, more cheese, more butter, more nonfat dry milk solids, more ice cream. And attractive displays of dairy products on food counters, on shelves, and in food freezers are, of course, a most important element in increasing dairy item consumption.

I wish that time might have permitted me to comment in further detail on other phases of interest to you.

It has, however, been a pleasure to review, if only briefly, these few important matters.

I hope that when I return to Washington, you will continue to give me the benefit of your judgment, and let me know how I can be of service.

The Use of Atomic Energy for Electric Power

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 6, 1956

Mr. HOSMER. Mr. Speaker, the CONGRESSIONAL RECORD of March 11, 1954, carried a report I offered for the record on the subject of the Use of Atomic Energy for Electric Power. In the nearly 2 years which have followed a great amount of change has occurred, and it might be appropriate for me to review in summary form the progress which has been made. Although all the data I am presenting has been drawn from public sources, the information is scattered, and developments are coming so fast that accounts of even a few weeks back are already out of date. This report covers what had been announced by December 31, 1955. I wish to acknowledge the very capable assistance of Charles S. Sheldon, II, Ph. D. of the Library of Congress staff in preparing it.

My concern is with reactors whose primary purpose is the generation of power. There are many parallel programs which impinge upon this field, and they affect each other because the advances in one reactor program influence the design and costs of other programs. Because these several programs are so interrelated, I want to talk about all of them.

Only a small part of our total expenditures for atomic energy has gone into the development of power reactors. This was because of the overriding need for weapons development in the race for survival. But power development can be delayed no longer, and in each of the last several years, expenditures for power

UNIVERSITY OF MICHIGAN LIBRARIES

research and development have been stepped up.

Our specific projects which have been made public are easiest to comprehend if presented in tabular form. Table I shows this information, and my discussion of the several parts of this program is built around this table.

My report of 2 years ago described the four study groups which explored various power reactor concepts in a series of design studies. These groups were: First, Commonwealth Edison Co.-Public Service Co. of Northern Illinois; second, Dow Chemical Co.-Detroit Edison Co.; third, Monsanto Chemical Co.-Union Electric Co.; and, fourth, Pacific Gas & Electric Co.-Bechtel Corp. These initial studies have long since been completed and many of their results have been used in the concrete projects now underway.

CIVILIAN-REACTORS PROGRAM

A greatly expanded number of study groups are undertaking a wide range of projects associated with power generation. By June 30, 1955, there were 25 groups under contract with the Atomic Energy Commission: First, American Machine and Foundry Co.; second, Atomic Power Development Associates, headed by Detroit Edison Co. and consisting additionally of 25 utilities and 8 engineering, construction, and manufacturing firms; third, the Babcock and Wilcox Co.; fourth, Baldwin-Lima-Hamilton and the Denver and Rio Grande Western Railroad; fifth, Bendix Aviation Corp.; sixth, Bethlehem Steel Co.; seventh, Combustion Engineering, Inc.; eighth, Consumer Public Power District of Nebraska; ninth, Ford Motor Co.; tenth, Foster-Wheeler Corp.-Pioneer Service and Engineering Co.-Diamond Alkali, and 6 associated companies; eleventh, General Dynamics Corp.; twelfth, General Electric Co.; thirteenth, Kaiser Engineers Division of Henry J. Kaiser Co.; fourteenth, Monsanto Chemical Co.; fifteenth, National Rural Electric Cooperative Association; sixteenth, Newport News Shipbuilding and Dry-Dock Co.; seventeenth, Nuclear Power Group, consisting of 5 companies; eighteenth, Pacific Northwest Power Group, consisting of 4 companies; nineteenth, Pennsylvania Power & Light Co.; twentieth, Puget Sound Utilities Council; twenty-first, Rocky Mountain Nuclear Power Study Group, consisting of 9 companies; twenty-second, Seminole Electric Cooperative Association; twenty-third, Tennessee Valley Authority; twenty-fourth, the Vitro Corporation of America; twenty-fifth, Westinghouse Electric Corp.

TABLE I.—*Civilian power reactor program*

Reactor concept name	Location	Scheduled completion date	Moderator	Coolant	Fuel	Heat output (kilowatts)	Electrical output (kilowatts)	Total cost (millions)[1]	Cost per kilowatt[1]	Cost per kilowatt-hour (mills)[1]	Constructor	Operator
(a) Earlier experiments:												
Boiling water	Borax I, Arco, Idaho	1953	Water	Water	Nat and Hi enrich U						Argonne	Argonne.
Do	Borax II, Arco, Idaho	1954	do	do	Nat and Hi enrich U		3,700				do	Do.
Do	Borax III, Arco, Idaho	1955	do	do	Nat and Hi enrich U	15,000	2,400				do	Do.
Fast breeder	EBR-1, Arco, Idaho	1951	None	Na-K	U-235 in blanket U-238	1,400	170	3			do	Do.
Homogeneous, aqueous	HRE-1, Oak Ridge, Tenn.	1952	Water	D_2O	Hi enrich UO_2SO_4	1,000	140	10			Oak Ridge	Oak Ridge.
(b) 5 year program:												
Pressurized water	PWR, Shippingport, Pa.	1957	do	Water	Sli enrich U	264,000	60–100,000	85	630	8–20	Westinghouse	Duquesne Light Co.
Boiling water	EBWR, Lamont, Ill.	1956	do	do	Nat and Hi enrich U	20,000	5,000	17			Allis-Chalmers	Argonne.
Fast breeder	EBR-2, Arco, Idaho	1958	None	Sodium	U-Pu alloy	62,500	15,000	40			Argonne	Do.
Homogeneous, aqueous	HRE-2, Oak Ridge, Tenn.	1956	D_2O	D_2O	Hi enrich UO_2SO_4	10,000	300	47			Oak Ridge	Oak Ridge.
Do	HTR, Oak Ridge, Tenn.	1959	D_2O	D_2O	Same, plus thorium	65,000	16,000				do	Do.
Sodium graphite	SRE, Santa Susana, Calif.	1956	Graphite	Sodium	Sli enrich U	20,000	7,500	13			North American	North American.
(c) Later and proposed additions to 5-year program:												
	LASLR, Los Alamos, N. Mex.						5–10,000				Los Alamos	Los Alamos.
Liquid metal	LMFR				U-Bi hi enrich and Th_3Bi_5 blanket.						Babcock & Wilcox	Brookhaven.
							10–20,000					
Organic moderated	OMRE, Arco, Idaho		Dowtherm A or E.				20–40,000				North American	North American.
(d) Power demonstration reactor program:												
Fast breeder	Monroe, Mich.	1958–59	None	Sodium	Hi enrich U and blanket	300,000	100,000	54	540		[Not named yet]	Detroit Edison.
Boiling water, dual cycle	Dresden, Ill.	1960	Water	Water	Sli enrich U	682,000	180,000	45+	250		General Electric	Commonwealth Edison.
Sodium graphite	Columbus, Nebr.	1958–59	Graphite	Sodium	Sli enrich U	250,000	76,000	20–25	320	7–11	North American	Consumer Public Power.
Pressurized water	Rowe, Mass.	1958	Water	Water	Sli enrich U	500,000	134,000	25–30	230	8–10	Monsanto-Fluor Corp.	Yankee Atomic Electric.
Homogeneous, aqueous	(Allentown, Pa.)	1962	D_2O	D_2O	UO_2SO_4, Th-D_2O blanket		150,000	20–25			Westinghouse	Pennsylvania Power & Light.
Boiling water, closed cycle	Elk River, Minn.	1959	Water	Water	Sli enrich U (and oil)		[2] 22,000	6.5	273	8	American Machine & Foundry.	Rural Co-op Power Association.
(e) Other applications:												
Pressurized water	Buchanan, N. Y.	1959–60	do	do	Sli enrich U or Th (and oil)	500,000	[3] 236,000	55	233	7–9	Babcock & Wilcox	Consolidated Edison.
Fast breeder	(Philadelphia, Pa.)							54			[Foster Wheeler?]	Philadelphia Electric.

[1] Not an accurate indicator for ultimate commercial production costs due to involvement of experimental and research items and other noncommercial factors.

[2] 17,600 nuclear.

[3] 140,000 nuclear.

The several laboratories of the Atomic Energy Commission have built experimental reactors for power generation. They have discovered that by altering reactor design, among the hundreds of variations open to them, they could maximize radioactivity for research purposes, or conversion of U238 into plutonium, or heat generation. All three processes simultaneously are present, and like the difficult cost accounting problems associated with a multipurpose hydroelectric dam, power costs depend a little on whether the primary interest is to breed plutonium for military purposes, or to generate heat for power.

My report of 2 years ago summarized the principal types of power reactors which were then known to the public. All of these types and more are now represented in working piles included in table I. Very small experimental reactors need highly enriched uranium in order to sustain a chain reaction. The larger models can go critical with only slightly enriched uranium. Many of the projects include some conversion of U–238 into Pu–239 or of Th–232 into U–233. This is the "stretcher-outer" type I referred to in my previous report, that allows some conversion of nonfissile material to economize in the use of the very expensive U–235 or its equivalents in plutonium and U–233. The greatest economies probably will be associated with breeder reactors which will produce more fissile material than they consume, but it will take longer to develop the experimental reactors of this type into large plants.

The first operational power reactors of significance are the military types used in submarines. The STR pressurized water reactor has to use very expensive, highly enriched uranium in order to be made small enough to mount in the submarine *Nautilus*. The SIR, which uses liquid sodium instead of water as a coolant, was the first to supply as a byproduct this year commercial power from the prototype at West Milton, N. Y.

The STR reactor which had to be developed under high priorities for naval purposes, supplied much useful data which could be used for the development of civilian powerplants. So, too, did the design study undertaken for the CVR project for a nuclear-powered aircraft carrier, which was canceled. Both of these were pressurized water reactors, one of the simpler designs, although not especially economic. It was adopted as the type for the first full-scale power project, the one which will serve the Duquesne Light Co. in the Pittsburgh area. Although it is not expected to supply cheap power, it seemed to offer the best prospects for gaining experience quickly in the operation of a large plant.

To avoid the complications of working with high pressures, the boiling water reactor, which is basically of the same type as the pressured water design, was tested in three successive small reactors at Arco, Idaho. It was Borax III, which for a short time supplied 2,000 kilowatts to the nearby town of Arco in 1955. These studies have led to the construction of an intermediate-sized boiling-water reactor at Lemont, Ill., for the Argonne Laboratories. Earlier experiments with a fast-breeder reactor have led to the planning of an intermediate-sized reactor of this type at Arco, but it is still over 2 years away from completion.

Reactors which are designed primarily for breeding plutonium rather than power have to be shut down frequently to change the fuel elements which contain the partially converted U238. In power generation, the purpose is to have as near continuous power production as possible with fuel elements which can remain in the reactor for extended periods. One solution to this problem is to depart from the heterogenous reactors which are best known, and to use homogeneous reactor fuel instead. This type uses highly enriched uranyl sulphate in a solution of heavy water. As it passes through the reactor vessel, the chain reaction is possible, but as the solution is piped to carry away the heat, it is not concentrated in sufficient quantity to react. A heat exchanger picks up the heat for the turbine. These experiments are continuing with scaled-up intermediate models, and in time may also breed some thorium into U233. There is no necessity to shut down the pile to replenish fuel, for byproducts can be separated from the continuously flowing liquid mixture, and new fuel added. This in the future may offer great economies. The highly corrosive nature of uranyl sulphate makes it difficult to handle, however.

Also difficult to handle is liquid sodium, which is a much more efficient heat transfer agent than water. Probably some of the experience gained from the SIR naval reactor will be useful to the sodium-graphite reactor being completed by North American Aviation as a part of the 5-year program of power reactors.

Although the Los Alamos Laboratory reactor has other uses, it is making contributions to the civil program and is now classed as part of the 5-year program. There are other new reactor suggestions which have also been commended for inclusion in the program. One is the use of a homogenous reactor which instead of being aqueous uses liquid metal. This promises potentially considerable savings in its greater efficiency but also involves difficult engineering design problems. It would circulate highly enriched uranium and bismuth with a blanket system of Th_3Bi_5. Another recent proposal is for an organic moderated reactor which would use Dowtherm A or E for the moderator.

Growing realization that foreign countries cannot afford large plants, even though they are the only ones that yet offer much prospect of early economy in operation, and the interest of some smaller utilities in sharing in atomic developments have led to the proposal for a new program for three sizes of small reactors. These plans probably will draw upon the experience which is being acquired in the Army package power-reactor program.

As a result of the earlier study group investigations of reactors and the amendment of the Atomic Energy Act, a power demonstration reactor program has been launched. This goes beyond the joint AEC-Westinghouse-Duquesne Light Co. plant under construction at Shippingport. It includes a number of central power station plans. The program has some limits to it. The purpose is to extend some Atomic Energy Commission aid to selected projects which will test each of the principal reactor types showing promise of generating reasonably competitive power. There is no substitute for the kind of experience to be gained from such actual operations. The Atomic Development Associates have proposed a very advanced fast-breeder reactor to supply power to the Detroit Edison Co. Some 21 companies will share in the development. The nuclear power group headed by Commonwealth Edison, and joined by seven utilities and the Bechtel Corp., plan a boiling-water reactor for the Chicago area. General Electric is to supply a dual-cycle type which offers marked economies over earlier test models. After first being rejected, now a revised plan of the Nebraska Consumer Public Power District is to receive power from a sodium-graphite reactor. In New England, the Yankee atomic electric group of 12 utilities wants to build a pressurized-water reactor on the Pittsburgh model, but as of this date there is still some question whether it meets the needs of the demonstration program. A late proposal of the Pennsylvania Power & Light Co. of Allentown would call for the construction of an advanced homogeneous aqueous reactor which might be eligible under the AEC's demonstration program. The smallest of the later proposals is for a boiling-water, closed-cycle reactor for Elk River, Minn. It would differ from the other reactors listed by using conventional oil fuel in a superheater unit to boost the temperature of the steam for greater efficiency in the turbine. Only 17,600 kilowatts of the total 22,000 kilowatts of electricity generated would be attributable to the nuclear part of the plant.

Outside the demonstration program is a major plant projected by the Consolidated Edison Co. of New York, to be built on the Hudson at Indian Point. It would not require partial financing by the AEC. It also is a pressurized-water type, using conventional fuel to superheat the steam. Of its total power output of 236,000 kilowatts of electricity, 140,000 would be of nuclear origin. Another independent project which has not reached concrete form yet is a proposal for a fast-breeder reactor to serve the Philadelphia Electric Co. and some eight other utilities sharing in the development. Finally, the Rocky Mountain nuclear power study group looks forward eventually to a 60,000-kilowatt plant delivering power at a cost of from 7 to 7.5 mills. Nine companies are supporting this project.

FUSION REACTORS

This brings up to date the status of the civilian power reactor program, so far as announcements have been made. Other power reactor programs are those of the Army, the Navy, and the Air Force. It would be a mistake, too, to ignore nuclear-power developments in other countries. For many of them, power costs are so high or fuel is so scarce that nuclear power has a much greater immediate business significance than is true at the present moment in the United States.

Finally, there is some speculation about the future, including use of fusion power, which is required to round out this report.

Dr. Bhabha, of India, at the Geneva meeting insisted that there was every prospect that within 20 years the secret of controlled fusion would be unlocked, and the world would have at its disposal unlimited power supplies. The United States somewhat reluctantly admitted that it has been studying the problem for some years, but will not estimate

UNIVERSITY OF MICHIGAN LIBRARIES

when success will be attained if ever. Our country started project Matterhorn at Princeton, N. J. This initial work has been followed by project Sherwood with five of our best laboratories at work on the problem. In addition to the work at Princeton, study is underway at Livermore, Calif., Los Alamos, N. Mex., Oak Ridge, Tenn., and at New York University. There has been no public disclosure of a method to contain the high temperatures required to sustain a fusion reaction. In its semireport issued a few days ago, expressed belief there is a long road ahead before controlled fusion will become a reality.

ARMY REACTORS PROGRAM

Under actual construction is the APPR–1, the Army package power reactor, No. 1. It is designed to have its components air-transportable for later assembly at advanced bases where conventional fuel might be difficult to obtain in sufficient quantity or at reasonable cost. ALCO Products, with the assistance of Stone & Webster, is building it at Fort Belvoir, Va., with a scheduled completion date of 1957. It is of the pressurized water type, using water for both moderator and coolant, and enriched uranium for fuel. Its capacity is 1,825 kilowatts of electricity. The cost is about $2 million.

Some 10 other firms are making design studies under contract to the Army for more advanced reactors, and from among these will come later construction projects. These firms are: General Electric, Babcock & Wilcox, Westinghouse Airbrake, Fluor Corp., Walter Kidde Nuclear Laboratories, Glenn Martin, Sanderson & Porter, Argonne National Laboratory, Oak Ridge National Laboratory, and Army Engineer Research and Development Laboratories.

NAVAL REACTORS PROGRAM

Two prototype reactors for submarines have been put into operation, and two atomic-powered submarines launched so far. The SS571 *Nautilus* has already gone to sea. The SS575 *Seawolf* is nearing completion. The SS578 *Skate* is building at Groton, Conn., and the SS579 *Swordfish* is building at Portsmouth, N. H. Two similar ships are to be constructed at Mare Island and at Portsmouth. These latter 4 ships are smaller than the first 2 already launched. They may have the improved hull shape now under test with the conventionally powered U. S. S. *Albacore*. Also authorized for construction at Groton is a new very high speed submarine, and another exceptionally large submarine which will be of the radar picket type. It will be equipped with two reactors. A preliminary design contract for a much smaller submarine reactor has been let to Combustion Engineering.

The AEC has identified the following submarine reactors so far: The submarine thermal reactor, STR, was built as mark I at Arco, Idaho, as a prototype for the *Nautilus*. It was completed in 1953, was of the pressurized water type using water as moderator and coolant and highly enriched uranium as fuel. It could deliver 10,000 kilowatts of electricity. Westinghouse was responsible for its construction. Now it is being converted to other uses. The STR mark II was the unit actually installed in the *Nautilus* at Groton, and completed in 1955. The submarine intermediate reactor, STR mark A was built at West Milton, N. Y., by the General Electric Co. as a prototype for the *Seawolf*. Completed in 1955, it is graphite moderated and sodium cooled. It also produces 10,000 kilowatts of electricity. The SIR mark B of course is installed in the *Sea Wolf* which was launched in 1955. The AEC has also identified the SAR, submarine advanced reactor, being built with a mark A prototype at West Milton by General Electric and a mark B to go into an unspecified submarine. It is water moderated and cooled. Westinghouse has a contract for two SFR, submarine fleet reactors. Another reactor is the SRS, submarine reactor small. This is the one being built by Combustion Engineering.

The program of surface ship reactors was initiated with the CVR, intended for installation in an aircraft carrier. This was a Westinghouse project carried on with the assistance of the Newport News Shipbuilding & Drydock Corp. It was of the pressurized water type. When it was canceled, the study results were used in the PWR reactor under construction at Shippingport, Pa. Work has now been renewed by Westinghouse with the LSR, large ship reactor, of which a prototype is to be built at Arco. It is also of the pressurized water type, using water as moderator and coolant, and slightly enriched uranium for fuel. Corresponding ship designs to use this reactor are under study both at Newport News Shipbuilding and at the Bethlehem Quincy yards.

The Navy has discussed the possible construction of a new 85,000-ton atomic-powered carrier which might contain as many as eight reactors. But no budget request has been made yet for funds to cover its construction. The new budget contains instead a request for funds to construct an atomic-powered antiaircraft cruiser which would launch guided missiles.

The Navy also is interested in building atomic-powered seaplanes. In this effort, it is working with the Air Force. Airframe design contracts have been awarded to Martin and Convair. The powerplant is to be developed by Allison Division of General Motors designing the turbine and Nuclear Development Corp. the reactor. It already is sharing in the development contracts awarded to General Electric and Curtiss-Wright, through the Air Force. AiResearch of Garrett has a contract to develop certain auxiliary systems.

MERCHANT SHIP REACTORS PROGRAM

Serious work on this project will depend upon actions taken by the present session of Congress. The President's original proposal for an atomic-powered demonstration ship was not approved, nor was the alternate proposal for a commercially competitive cargo vessel. The United States Lines has talked of building a replacement for their liner, the *America*, which would be nuclear powered. Newport News Shipbuilding & Drydock Co. plans to build under contract for the AEC a merchant ship test reactor at Arco, Idaho.

AIRCRAFT REACTORS PROGRAM

Although it is not possible to state when a successful nuclear-powered plane will take to the air, a major effort is underway to make this possible. The former Manhattan District assigned the exploratory contract to Fairchild Aircraft under the initials NEPA, even before the present AEC was created. Those studies have been concluded. The present Commission has a number of contracts outstanding which are concerned with the many phases of the problem. Airborne reactor projects have been assigned to General Electric, Pratt & Whitney, Curtiss Wright, and Carbide & Carbon Chemicals. Airframe contracts have been assigned to Convair, Boeing, and Lockheed. It is thought by unofficial sources that General Electric will probably be paired with Convair, Pratt & Whitney with Boeing, and Curtiss-Wright with Lockheed.

A testing facility is under construction at Arco, while other development facilities are being prepared at Oak Ridge, Evendale, Ohio, Middletown, Conn., Fort Worth, and Sandusky, Ohio. The Sandusky research reactor will cost $4.5 million. A B–36 with conventional power has been the first to carry aloft a working reactor, to test problems of shielding and placement. A large seaplane may be the first to fly under actual nuclear power.

Since preparation of this report the Atomic Energy Commission has announced the testing of a nuclear aircraft engine prototype at its Arco, Idaho, installations.

FOREIGN NUCLEAR POWER DEVELOPMENTS

The Geneva meetings resulted in the unveiling of atomic projects in several parts of the world. Although most of the participating countries are only able to contemplate research reactors, there were also a number or nuclear power projects described.

PROGRAM OF THE BRITISH ATOMIC ENERGY AUTHORITY

The AEA has extensive facilities active in many lines of research necessary to both weapons and civilian use. In the field of power production, it has two major enterprises. Calder Hall in Cumberland uses a very simple design to produce both power and plutonium for the weapons program. Dounreay in the far north of Scotland is an experimental fast breeder reactor to pave the way to much advanced designs for use a decade hence.

Calder Hall will be in operation by 1956, probably the first plant of such size anywhere in the world. It is a thermal reactor, carbon dioxide cooled and graphite moderated. Using natural or slightly enriched uranium, it will produce plutonium, and as a byproduct, some fifty to sixty thousand kilowatts of electric energy from its two reactors. The plant will cost between $42 and $56 million. This is a cost of about $560 per kilowatt capacity or 7 mills per kilowatt-hour.

To expand production of plutonium further, and to supply more electricity as well, the AEA will build two more

Calder Hall type primitive reactors at Calder Hall and four more of the same type at Chapel Cross.

The Dounreay plant will use U–235 or Pu to convert natural uranium into Pu. This fast breeder will be ready in 1957 or 1958. It will be graphite moderated and liquid sodium cooled. The Zephyr research breeder already has produced at a rate of 2 for 1.

PROGRAM OF THE BRITISH CENTRAL ELECTRICITY AUTHORITY

Looking forward to 1975, the expectation is that 40 percent of electrical needs will be met by nuclear fuel-generated electricity. To this end, a program of 12 large plants has been established, with 16 reactors involved. All of these will be patterned after the Calder Hall installations, but with progressive improvements. The first 2 will have 2 reactors each and generate between 100,000 and 200,000 kilowatts. These will be carbon dioxide cooled and graphite moderated. The total cost of each plant will run between $84 million and $98 million. These plants will be completed in 1960 and 1961.

The next 2 plants also with 2 reactors each will be similar in design and capacity but may be slightly more expensive. They will be complete in 1963.

Then will come four plants to be completed in 1963 and 1964. Each will have only a single reactor, and similarly be carbon dioxide cooled and graphite moderated.

The final stage of this program is four more single-reactor plans, probably with liquid cooling. They will be in service by 1965. All told, the last 8 reactors will produce over 1 million kilowatts and cost about $350 million to build.

The entire program therefore will produce between 1,500,000 and 2,000,000 kilowatts at a cost of $560 million for plans, $112 million for fuel, $84 million for ancillary equipment, and $84 million to $112 million for prototype development, or a total investment of $840 million.

BRITISH PROPULSION PLANS

For 5 years, the Royal Navy has been sponsoring the construction of a nuclear submarine. The results have not been made public. The British Shipbuilding Research Association is exploring the application of such propulsion to merchant ships.

SOVIET PROGRAMS

The Russians claim to have been the first to deliver usable commercial electric power as a byproduct from a reactor. In 1954, they say they put into operation a demonstration power plant of only 5,000-kilowatt capacity about 50 miles outside of Moscow. It is of elementary design, using pressurized water as a coolant and graphite as a moderator. They claim that at some undesignated point, by 1956, a new full-scale station of 100,000 kilowatts will be completed. Other plants are projected, but their numbers and locations have not been revealed.

The Russians also have described a planned merchant ship of the icebreaker category to have a nuclear power plant of 200,000-kilowatt capacity. This may be its steam-generating capacity rather than net electrical output. The vessel is to be able to shoot out jets of steam to carve a way through ice. It will have a speed of over 24 knots and be 512 feet long.

Russian papers also have carried a suggested design for an atomic-engined plane with a needle-like fuselage which would put the crew compartment as far away as possible from the reactor near the rear of the plane.

What may be the truth and fact with regard to these Soviet assertions is not subject to verification.

THE FRENCH PROGRAM

Starting with Zoe at Chatillon in 1948, additional research reactors have been built. Zoe is heavy water moderated and turns out only 150 kilowatts of heat. The second reactor was built at Saclay. It is gas cooled and heavy water moderated. It turns out 2,000 kilowatts of heat, and uses natural uranium for fuel. Also building at Saclay is a reactor known as EL–3.

Electricité de France has two power producing reactors planned for Marcoule in the Rhone Valley. G–1 will be completed in 1956, and produce 5,000 kilowatts of electricity. This air-cooled reactor will produce 40,000 kilowatts of heat. In 1957 and 1958 will come the first unit of reactor G–2. It will produce between 100,000 and 150,000 kilowatts of heat, and 25,000 kilowatts of electricity. It will be fueled with natural uranium, graphite moderated and carbon dioxide cooled. A second unit of similar capacity will be added in 1958–59, and a third unit of 50,000 to 60,000 kilowatts electrical capacity will be completed in 1960. Thereafter, every 4 years,, the French expect to double the electrical output from nuclear sources. The cost of G–1 and G–2 will be about $86 million.

The French also are working on a submarine nuclear propulsion unit.

CANADIAN REACTORS

Following the experimental work with heavy water moderated research reactors at Chalk River, the first power reactor is to be built at Des Joaquims, Ontario, about 20 miles away. This is called the NPD—Nuclear Power Demonstrator. It will produce 20,000 kilowatts for Hydro-Electric Power of Ontario. It will be built by General Electric of Canada. To be ready in 1959, it will cost $11 million. Moderated with heavy water it will use natural uranium for fuel, slightly enriched with plutonium. The Atomic Energy of Canada, Ltd., is supporting the development.

BELGIUM

Westinghouse is to supply a power reactor to be ready by April, 1958, in time for the opening of the Brussels World Fair. A Belgian syndicate of 20 companies called the Syndicate d'Etude de l'Energie Nucleaire is cooperating in the venture. The plant is to produce 11,500 kilowatts of electricity. It will be of the pressurized water type, will cost between $5 and $5.5 million, or between $400–$500 per kilowatt of capacity. It will be fueled with slightly enriched uranium. United States cooperation with Belgium is especially critical because of our use of the Belgian Congo uranium output. The Belgians also are planning to construct a nuclear powerplant with an electrical output of 100,000 kilowatts.

ITALY

Westinghouse also has made tentative arrangements to sell a pressurized water reactor of 10,000 kilowatts capacity to the Fiat Company of Turin. It will operate with enriched uranium.

Another Italian group, the Societa Edison, centered in Milan, is seeking a reactor plant of 100,000 kilowatt electrical output capacity, but have not let the contract yet. They plan to spend from $22 million to $25 million for it.

NORWAY

Norway and the Netherlands have operated jointly the JENER—Joint Establishment for Nuclear Energy Research—which operates a pile at Kjeller, Norway. Proceeding from this experimental work, Norway is designing a merchant ship atomic reactor which they hope to complete in 1957. Norway also plans to build an atomic electric powerplant.

NETHERLANDS

Following from research carried on with Norway, the Dutch plan to build a power reactor in their own country.

SWEDEN

Sweden plans a power reactor, first of test size, then later of 100,000 kilowatt electrical output.

WEST GERMANY

West Germany plans a power reactor.

LATIN AMERICA

The American and Foreign Power Co. is in the market for three different reactor designs of about 10,000 kilowatts each, and costing between $15 million and $20 million each, for installation in countries where it operates conventional powerplants. It is thought that these may be built in Brazil, Cuba, and Mexico.

SOVIET AID

Just as the United States has an extensive program of experimental reactor agreements with other countries, the Russians claim they are offering similar aid to satellites and neutralist countries. They have promised powerplants to Czechoslovakia, Rumania, Egypt, and Red China. The plant in China is announced to produce 6,500 kilowatts of electric power.

Reliability of Soviet announcements and stated intentions in the nuclear field must, of course, be regarded with the same caution as in other fields.

SPECULATION ON THE FUTURE OF NUCLEAR ENERGY

There is every indication that existing knowledge of nuclear principles with some engineering development will yield electric power competitive in price with most conventional sources. Almost certainly there will be new discoveries which will reduce costs even below these levels, but there is nothing to indicate yet that power will become so cheap in the future as to revolutionize life. This is because even if fuel is free, as is already true of a hydroelectric plant, there will always be capital costs for the construction of the plant. What is true, however, is that nuclear fuel promises to rescue us

UNIVERSITY OF MICHIGAN LIBRARIES

from the danger of exhaustion of chemical fuels of reasonable cost, and to bring cheaper power to places where chemical fuels are now high in cost. Further, its availability casts serious doubts on the advisability of investing taxpayers' dollars in hydroelectric projects, such as the proposed multibillion dollar upper Colorado storage project, which must sell power at relatively high rates for the next 100 years to return capital investments.

A better basis for estimating nuclear power costs has been provided by the revelations this last summer at Geneva of United States selling prices for materials associated with nuclear energy. Enriched uranium is now priced at $88 a pound, and pure U-235 at $11,000 a pound. Deuterium is priced at $140 a pound and heavy water at $28 a pound. The price of heavy water is now only about one-third what had been charged by the Norwegian supplier.

It was also made clear in the discussions at Geneva that the plentiful element, thorium, may become the principal atomic fuel of the world. It converts in a breeder reactor into U-233 which is fissile. Granite rock was revealed to be a practical source of both uranium and thorium, opening the door to even larger supplies of fuel for the future.

At least two new applications of nuclear power are under development, according to recent announcements. One is to use the heat of nuclear reactions to carry out coal gas synthesis at lower cost. Another is to operate a nuclear reactor with nitrogen gas as the coolant. Instead of powering a turbine coupled with an electric generator, the gas turbine would power the propeller shaft of a merchant ship. This design approach, under consideration in the United States, would use either graphite or beryllium as a moderator.

Although one can always wish for greater speed, sufficient progress has occurred in the 2 years since my last report to make the assertion that the outlook is very hopeful and that there is every expectation that the next 2 years will see many additional developments.

There Are No Frontier Barriers for Free Men

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. ANFUSO. Mr. Speaker, on July 4 of this year our Nation will celebrate the 180th anniversary of the Declaration of Independence. Throughout its long history extending over 180 years of independence, the United States has been a beacon of freedom to colonial and dependent peoples yearning to attain their national independence. Our Declaration of Independence struck a notable spark which ignited a determination for freedom among the oppressed and subjugated peoples the world over when it declared:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men deriving their just powers from the consent of the governed.

Patrick Henry's stirring words, "Give me liberty or give me death" expressed the yearnings not only of the American Colonies, but also of those under colonial rule on other continents as well. From Paris, Benjamin Franklin wrote during the War of Independence as follows:

> Hence it is common observation here that our cause is the cause of all mankind, and that we are fighting for their liberty in defending our own.

Likewise, the continuing influence of American opposition to colonialism and tyranny was envisaged by Thomas Jefferson in 1790. He said:

> It is indeed an animating thought that, while we are securing the rights of ourselves and our prosperity, we are pointing out the way to struggling nations who wish, like us, to emerge from their tyrannies also. Heaven help their struggle, and lead them, as it has done us, triumphantly through them.

As our country grew in power, prestige, and population, the opposition of the American people to colonialism was reflected in our state policy. In his message to Congress in 1823, President James Monroe enunciated a new doctrine:

> The American continents—
>
> He warned in his message—
>
> are henceforth not to be considered as subjects for future colonization by any European power.

The effects of this doctrine in helping to bring greater freedom, independence, and a realization of national aspirations of the Latin American peoples is now a matter of history. We are proud of our role in that great struggle for human liberty by our Latin American neighbors.

During the 19th century, colonial rule was severely tightened upon the continent of Africa. In Asia, the peoples of India, Burma, Ceylon, Malaya, Indonesia, Indochina, and the Philippines were all subject to alien control. In China there was a race among the colonial powers to fasten and extend their spheres of influence. When the total dismemberment of China appeared imminent in 1899, it was the United States which consistently remained firm in seeking to preserve China's territorial integrity. At that time our Secretary of State, John Hay, enunciated the so-called open-door policy—a policy of equal opportunity which, while it did not stop the expansion of foreign influence in China, it discouraged outright annexation of territory.

The consistency of United States policy in opposing the spread of colonialism in China has since become traditional throughout the past half century. Suffice it to recall that in 1932, even while the League of Nations was still debating the issue, the late Secretary of State Stimson proclaimed American nonrecognition of the Japanese conquest of Manchuria.

During World War II, a war in which the might of this Nation saved vast areas in all parts of the world from becoming colonies of Nazi Germany and Japanese imperialism, President Franklin D. Roosevelt minced no words in urging independence for the subjugated peoples in colonial areas. His opposition to the return of French rule to Indochina was outspoken. The same was true of our attitude toward the continued rule of the Netherlands in Indonesia. As for United States policy regarding independence for India, Burma, and Ceylon, it is recalled that at one point during the war our diplomatic representative in India was so outspoken on the question of freedom for that country that the British Government requested his recall.

When the United Nations Charter was being formulated and subsequently adopted at the San Francisco Conference in 1945, the United States supported the establishment of a trusteeship system which provided for international scrutiny of the administration of certain dependent areas in various parts of the world. At the war's end, we supported the independence of Korea. Independence was also restored to Ethiopia. The Arab States in the Middle East were granted their independence. Later, the new state of Israel was created and our country was among the very first to extend its recognition.

The list of newly independent nations does not end there. True to the promise which had been given by our country, the Philippines were granted full independence on July 4, 1946, nearly 10 years ago. This was followed by the British grant of independence to India, Pakistan, Burma, and Ceylon in 1947. In contrast with our peaceful transfer of power in the Philippines and also in the former British dependencies in Asia, Indonesian independence was won in 1949 amid bitterness and hostilities.

In Indochina, after 8 years of costly warfare in human lives and resources, the independence of Vietnam, Laos, and Cambodia had been achieved. Among the last remaining colonial areas in Asia, Malaya and Singapore have each held elections during the past year and have thus taken a long step on the path toward self-government. In Africa, Libya gained its independence, while Tunisia and Morocco have been granted a large measure of self-government by France. In very recent days Sudan has cast off its British-Egyptian yoke and has joined the growing list of independent nations on that continent.

With certain exceptions, it may well be said that western European colonialism has been swept from the continent of Asia. It is now being seriously challenged in Africa. Parts of that sprawling continent are now in boiling ferment, while other areas are showing unmistakable signs of political stirrings. Judging by past experiences, it would seem that the western nations in that area of the world are facing the overwhelming trends of historical evolution—the trends toward freedom and national independence.

In its essence, the issue of colonialism is simply a question of the inherent right of peoples to exist in freedom from external domination and control. On this question, I am happy that the history of our country over these past 180 years has been a flaming testimonial of the opposition of the American people to the evils of colonialism. Only the blind can fail to see that testimonial. Only those who are themselves seeking to foist upon the world a new brand of colonialism and tyranny will not admit it, for it is in their selfish interests to try to label us as defenders of colonialism.

Nearly a year ago, on April 11, 1955, the President of the United States restated this heritage of the American people. He said:

> By tradition and conviction, our Nation is committed to the independence and self-determination of all peoples. This determination, rooted in our own revolt against colonial status, is exemplified by our encouragement of Cuba and the Philippines to assume full freedom and control of their own destiny as independent nations. Throughout our history, and especially in the postwar years, the American people have made substantial personal sacrifices so that other peoples may enjoy internal stability and hope for the future.

Yet now, as many of these former colonial and subjugated peoples are struggling with the trials and tribulations of their newly found independence, the freedom of these new states is being threatened by a militant communism. For the United States to stand aloof and permit Communist imperialism to trample upon the liberties of these free nations would hardly be consonant with our traditional opposition to colonial domination, including the Communist brand of colonialism. We Americans want the newly born states to remain free and to enjoy the fruits of their hard-won freedom. We have given them economic aid and we have extended them a helping hand out of the deep store of technical skill and knowledge which our people possess. We want to continue to share these blessings with them, so that they can stride confidently into the future as free nations.

Ironically enough, our motives are sometimes misconstrued by the very people whom we are trying to help. At times, these nations have the delusion or suspicion that through our aid we are endeavoring to impose upon them some new form of colonial control. The Communists, of course, strive mightily to nourish this delusion and to spread it far and wide, in order to divide the free nations and to entrap in their clutches the weak and the naive. They strive to cover up their own despotism and the lack of fundamental standards of freedom, decency and human dignity within the confines of the Communist empire.

In the December 13, 1955 issue of Look magazine, Supreme Court Justice William O. Douglas, who recently toured the Soviet Union, has an article entitled Soviet Colonialism—Product of Terror. The opening paragraph reads as follows:

> The Soviets denounce colonialism and pose as champions of the underdog. Yet, within its own borders, the U. S. S. R. today has a brand of colonialism similar to the kind the French practice in Morocco and more evil than anything England ever promoted.

Justice Douglas then adds the following:

> I speak of Central Asia, where I spent a month last summer. In this part of the Soviet Union, political control is concentrated in the hands of Russians; there are segregated schools, special courts for the trial of Russians, discrimination against the native people, a ruthless suppression of all nationalist sentiments, and a quick liquidation of all those who dare breathe a word about liberty.

Mr. Speaker, such is the type of colonialism practiced by the Communists. It is no different in Eastern Europe than it is in Central Asia. Nevertheless, during their recent tour of India and Burma, the Soviet leaders Khrushchev and Bulganin continually stressed how much the Kremlin hates colonialism. Upon his return to Moscow Mr. Khrushchev attacked the bourgeois nations of the West as representing an imperialistic pact that is a disgrace to modern man, and he emphasized: "We shall keep repeating this point as long as colonialism exists."

We wish he would do so, but we also wish he would tell the truth. In such event, he will be repeating himself a great deal, because Communist colonialism has chalked up a long and black record which is truly a disgrace to modern man. Will Mr. Khrushchev be sure to include the peoples of Albania, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, and the Ukraine, who are suffering in Europe because of the colonialism of communism. He should also not overlook the peoples of Outer Mongolia, Tibet, North Korea, and North Vietnam, who are suffering in Asia because of the colonialism of communism.

And when Mr. Khrushchev speaks about India's and Burma's colonial status in the past, he must not forget to tell the truth here, too, namely—that it was "imperialists" like the British who gave them a free choice and enabled them to attain their independence. But this would be expecting too much from one who perverts modern history, who approaches it in a cynical manner, and seeks to interpret it in an upside-down version to suit communism's ends.

The fact of the matter is that, if Mr. Khrushchev would be honest and truthful with himself and with the world at large, he would stop shedding crocodile tears over the colonialism of the past and would try to convince his colleagues in the Kremlin to make an end to the colonialism of the present. I mean the brand of Soviet colonialism in Europe and Asia which is infinitely worse than that ever practiced by any Western power.

I cannot believe that the peoples of Asia, in their desire to maintain their freedom and independence, will voluntarily suppress this desire and allow themselves to be swallowed up by Communist colonialism. The untold millions of people in Asia, who a short while ago existed in faceless anonymity, are on the march to attain political and economic independence. It is incumbent upon us, the people of America, to bring to the people of Asia a clear picture of the advantages and the disadvantages of a free and democratic society such as we have in this country, as against the despotic and ruthless society of the Communist world. There is no doubt in my mind as to their choice, if given the true facts.

In a discussion of Asian policy, the London Times recently stated as follows:

> The West will fail to understand Asia if it thinks Asia's attitude to communism can be equated with its own. However much it has traduced its first ideals, communism proclaims itself the liberator of the common man from want and indignity. There are many common men in Asia suffering from both. It proclaims the brotherhood of man and that is echoed most warmly in Asia. It proclaims equality which Asia assiduously demands. Its message is all-embracing.

Mr. Speaker, before it is too late, we must bring to the people of Asia the truth that real liberation, that genuine brotherhood of man, and equality of peoples and nations will not be acquired by linking their future with communism. Communism is dangling false hopes and promises before their eyes. We must help open their eyes to the fact that once they get behind the iron curtain they can forget about freedom and brotherhood and equality and all the other things for which they are aspiring.

I stated above that there is distrust and suspicion of United States motives in that part of the world. The thought is widely shared by many people in Asia that the actions of the United States are compromising its traditions. In certain instances, it is felt, our country has placed strategy before liberty, and military policy before the advance of democracy. In short, they believe that, where a military ally of ours stands to be embrarrassed, we fail to act in support of the dependent and the oppressed.

To these people we should say: If you will judge our actions from a more realistic and long-range point of view, free from emotional or partisan approach, then you will find that in the vast majority of instances our actions have been determined on the basis of the general welfare of mankind as a whole, and of its future survival as a free civilization.

Perhaps what is needed at this time is a careful reorientation of our policy in Asia. That reorientation should also include a restatement or reassurance to all the peoples of Asia and Africa regarding the true American conviction on colonialism. I feel that the situation calls for dramatic and forceful evidence from the American people and their representatives in Congress that we are loyal to our heritage and to the doctrine of freedom for all.

Mr. Speaker, for these reasons I am today introducing a resolution reaffirming our traditional policy of opposition to colonialism as a basic tenet of American foreign policy. The resolution declares "there are no frontier barriers for free men" and maintains that United States policy "will continue to be the expansion of freedom throughout the world." The resolution also extends the greetings of this Congress and the American people to the subjugated people suf-

UNIVERSITY OF MICHIGAN LIBRARIES

fering from Communist colonialism in Europe and Africa and expresses the firm hope that they will soon be liberated from Communist domination and be "able to resume their existence as independent nations, developing their national cultures in peace and freedom."

Let us establish this firmly as one of the foundations of American foreign policy today. Let us unmistakably prove to the nations of the world that the United States disclaims any colonial prerogatives or designs. We always have been and always will be opposed to the subjugation of any nation, and we shall at all times be prepared to help subjugated nations attain their independence.

Let us emphatically establish this as our foreign policy for 1956. The American people stand for the expression of freedom throughout the world. In order to achieve this, we must plant the seed of hope among peoples everywhere. While the policy of Soviet Russia is to expand the Iron Curtain and to engulf as many nations as possible behind its bars, we must be determined to break it wide open wherever it now exists. We do not recognize, and never will recognize, that there are frontier barriers for freemen.

Mr. Speaker, the Holy Bible has served humanity as a great source of inspiration in times of stress because of the eternal truths which it expounds. In similar fashion, our Declaration of Independence, our Constitution, and the Bill of Rights are a source of genuine inspiration to the people of the United States and of the whole world because of the fundamental principles of freedom and human dignity which they expound. It is, therefore, imperative for us to reaffirm strongly and clearly that, since colonialism is against the principles enunciated in these basic documents on which our Nation is founded, hence we cannot tolerate it anywhere in the world.

Such is the meaning and purpose of my resolution. I call upon all of my colleagues to support it. I also urge the committee to which the resolution is being referred to give it early consideration. We cannot afford to lose any more precious time.

The text of the resolution is as follows:

House Concurrent Resolution —

Concurrent resolution reaffirming the United States' policy of opposition to colonialism, restating the United States' policy of expanding freedom throughout the world, and sending greetings to those suffering under the colonialism of the Communists

Whereas it is now evident that it is the policy of the Union of Soviet Socialist Republics to expand and extend the Iron Curtain to engulf other free nations; and

Whereas the United States, has, throughout its history, opposed the subjugation of any nation, through colonialism, imperialism, or any other form of tyranny; and

Whereas the United States is at all times prepared to help subjugated nations attain their national aspirations and their freedoms; and

Whereas the United States at this time reaffirms its traditional policy of opposition to colonialism, imperialism, and similar forms of tyranny which is, and always has been a basic tenet of the foreign policy of this country: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That, in pursuance of this policy, the Congress and the people of the United States declare that there are no frontier barriers for free men and declare that the foreign policy of the United States for 1956 will continue to be the expansion of freedom throughout the world, and send greetings to the people of Albania, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, and the Ukraine, who are suffering in Europe because of the colonialism of communism, and to the peoples of North Korea, North Vietnam, Outer Mongolia, and Tibet who are suffering in Asia because of the colonialism of communism, and express the firm hope that these peoples will soon regain their freedom from domination by the Communists and will be able to resume their existence as independent nations, developing their national cultures in peace and freedom.

Mr. Speaker, under leave to extend my remarks, I am also inserting into the RECORD a very timely article which was published in the Washington Post and Times Herald on January 3, 1956. The article is written by Edward Crankshaw and deals with the subject I discussed above. It reads:

RUSSIA'S RECORD AS A COLONIAL POWER

(By Edward Crankshaw)

LONDON.—It was all too easy for Mr. Khrushchev in Indian and Burma to represent the Soviet Union as the champion of anticolonialism. But it has nothing to do with the truth. Russia is also one of the great colonial powers; and, unlike Britain or France, Russia has never given up an inch of the territory she has taken from small nations.

The conquest of Siberia proceeded almost unnoticed by the outside world; the Russians, over the centuries, moved slowly east until they got to the Pacific. But it was a conquest nonetheless, involving innumerable small wars and the subjugation and reduction of innumerable Asiatic tribes and nationalities.

It was an operation not unlike the American conquest of the Red Indians, but it took longer, and what remained of the tribes of Siberia, the Yakuts, the Bashkirs, the Tartars and the rest, has now been absorbed into the Union of Soviet Socialist Republics.

The grandfathers of the present-day inhabitants of Uzbekistan, Kazakhstan, Turkmenia, Khirgizia, to say nothing of the Georgians and the Azerbaidjans, and Armenians of the Caucasus, did not submit themselves to Moscow of their own free will. They fought hard and bitterly and over many years against the organized armies of the Tsars.

When the Revolution came the process in many cases had to be repeated. With the collapse of central authority, there was an empirewide move toward separatism. This included not only the Asiatic nationalities, but also the Ukranians and the peoples of the little Baltic nationalities. Of all these, only the last managed to preserve their separate identities—until they were reoccupied once more by the Russians in 1940.

For the rest there was no hope at all, though the proud and high-spirited Georgians gave the Russians a grueling time before they finally surrendered to their great compatriot Stalin.

Even today separatism is far from dead: it constantly smolders and intermittently flares up all round the perimeter of the great Muscovite empire, and is kept under control only by the efficiency and ruthlessness of General Serov's security police.

Mr. Khrushchev does not call this rebelliousness a national liberation movement: he calls it bourgeois nationalism, and it is the supreme crime against the Soviet state. For Stalin laid it down explicitly that the idea of self-determination among nations was always right when the ruling power belonged to the bourgeois world and always wrong and counterrevolutionary when the ruling power was Russia. And so it goes on.

This is not an argument against colonialism as such. Colonialism has clearly had its place in the history of world development.

Colonialism, with all its evils, has raised up and educated backward peoples to the point at which they feel able to turn successfully against their conquerors the very weapons from newspapers to guns which those conquerors taught them to use. Everywhere, that is to say, except in the great Russian empire where, sealed off from the outside world, the colonial nations cannot make their voices heard.

Dreadful things have happened throughout the length and breadth of the Soviet empire, and dreadful things are still happening. So it can truly be said that Mr. Khrushchev is interested only in national liberation movements and anticolonialism when these are directed against the Western powers and are calculated to weaken their economy and undermine their authority and strategic position.

The peoples of Indonesia, of Africa, are encouraged to raise their voices and fight the imperial authority. The peoples of Uzbekistan and Georgia may not cry out and, if they move against the imperial authority, are immediately struck down.

Nobody would deny that Russia has brought benefits to her colonies. The reward of total obedience is a gradual raising of the standard of living and increasing absorption in the Soviet way of life—which means the Russian way of life.

But the peoples are still subject absolutely to the central authority.

The Russians take the line: Resist us and we shall annihilate you; do exactly as we tell you, however different it is from what you want to do, and we shall share with you everything we have. It may not be what you want, but it will be good for you. There may not be much to share now, so that you have to give more than you receive; but one day, if you do what we tell you, we shall all be rich together.

This is a point of view. But it is not the point of view of the hundreds of thousands of martyrs who struggled for so long, who in lesser numbers still struggle, against Russian domination. And Mr. Khrushchev knows it.

Remarks of Hon. Andrew F. Schoeppel, of Kansas, Before the Kansas Republican Veterans, Topeka, Kans., January 28, 1956

EXTENSION OF REMARKS

OF

HON. WINT SMITH

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. SMITH of Kansas. Mr. Speaker, on January 28 Senator ANDREW SCHOEPPEL, senior Senator from Kansas, delivered an address to the Kansas Republican Veterans. I believe this address to be most timely in view of the fact that veterans are indicating more and more interest in their Government.

I commend this address.

Thank you for your kind invitation to be with you at this gathering. I appreciate it very much.

I am glad that I could get away with others of my colleagues to be with you.

Everything in Washington at the moment is a bit hectic, and most pressing, and of course charged with a slight degree of politics, on the eve of a national election.

I am here as a Republican, at this Republican gathering where we can speak frankly in the interest of our party, and as the Commentator John Cameron Swayze would say, "glad we can get together!"

I am not here to poke my head in the clouds or to shout fine platitudes, or to look down on you from on high (from the Washington scene).

Rather, I prefer to be one of you—with you. I hope I have an honest understanding of how you and I feel about our political policies, philosophies, and approaches to fundamental principles which tie us to our party and the principles for which it stands.

I hope that I will not approach these matters as bluntly as a filling-station attendant did recently over in a fine town in Missouri, when a gentleman in a yellow Cadillac convertible drove up to his filling station, presumably for gas. The attendant looked it over, stuck his head in the car, and said, "Hello, boob, what question did you flub on the $64,000 TV program?"

We cannot afford to flub the $64,000 questions and approaches that we have confronting us today—more especially because we are on the eve of a tremendously important national election.

I am sure we would not want to be like the man in a rowboat on the Potomac River the other day, when a friend of mine, driving to the airport in Washington, noticed the individual in a rowboat hollering at the top of his voice, "No, no, no."

My friend thought the man was in serious trouble and immediately upon arriving at the airport contacted a policeman and told him what he had seen and heard, and suggested the policeman go out and care for him, as he appeared to be in trouble.

The officer studied a moment, and then hesitantly said, "Don't worry about that; that's a 'yes' man from the White House staff on vacation."

My Republican comrades, across this great Nation of ours a few nights ago there were gatherings of men and women by the tens of thousands, paying honor and respect to the President of the United States—a Republican President of the United States.

True, it is they who paid $100 or less for a plate or a box lunch.

True, it is and was that by that account they each contributed financial aid to our party and its organization throughout this land.

But, beyond that, something of greater import was manifested.

First, they respected and honored the man who as President of these United States had fought his way back from the near tragedy of a severe heart attack, with a will to carry on his responsibilities—and we all wish him a speedy and complete recovery.

Then they met to express and say that by and large the policies established and proposed by the Republican Party which he heads, are meeting with the approval of millions of Americans who were sick, disappointed, and disillusioned with the 20 years of the New and Fair Deal and what it portended for this Nation had it been continued.

Yes, I think by that outpouring they said most positively that we as Americans are interested in seeing our Nation remain steadfast to fundamental principles which embody honesty in public office, a loyal faith in our system of free government, the protection of the liberties of our people—and that here is and shall remain the principle that the Government shall not be the dictator and director of all activities or things.

That the industry and initiative of the individual was to be respected.

That the private-enterprise system was to continue under proper and necessary safeguards in the public interest.

That bureaucratic controls and regimentation was not to be the order of the day.

And further, that this Nation should be strong in its defenses both from within and from without.

I am well aware that I am speaking to men who offered their services and if need be, their lives, for our country.

There are those among you who did their job for $30 a month, hoping they had fought a war to end all wars and preserve this Nation in its way of life.

Also in this group are those who fought in two wars for the same objectives.

You have emerged from these wars, returned to civilian life, willing to live and to fight for the same principles which engaged you in fields of battle beyond our shores.

In the span of only a few years you have seen forces at work which challenged our economic system and which, if continued and carried to a logical conclusion, would have in time undermined and weakened our civic and our financial stability.

You have all learned the hard way, that you cannot take without giving. In simple terms, we cannot continue to give away or to borrow ourselves out of public debt.

At this juncture I want to point out that, thanks to a careful administration, we are able now, for the first time in many years, to do what I consider a most important thing—balance the budget of our Nation, and may even put a few hundreds of millions of dollars left over to apply on the national debt.

In my years in Washington as your Senator I have received thousands of letters from people protesting the billions of dollars which we have expended in foreign countries. Hundreds of them recognized the economic plight of our Nation and have in their way justified requests for more local projects and consideration on the theory that if we can throw it around the world, why not spend more of it at home?

Many have pointed to waste, duplication, and a lack of business methods in administering and spending these funds abroad.

In response to these inquiries, my friends, I have consistently said that waste of our funds abroad does not justify waste and extravagance at home, and that we should reevaluate the use to which our tax moneys are put abroad as diligently as we do at home.

I do not mean to infer that you should be precluded from making expenditures abroad for real and genuine national defense, but I fail to see, and I cannot condone, this apparently endless demand for foreign spending on projects that have little or no relationship to our national defense.

I do not deny that many countries need military aid and technical assistance in meeting problems of hunger, disease, military defense. But we have segments in our national economy that are also in need of serious consideration at this time.

The present plight of our farmers, our agricultural economy, is a good example of what I mean, and I again emphasize that the time has come when a new appraisal should be made of this entire foreign spending program. I am not unmindful that many of our so-called allies have presently exceeded the goals which we established when these programs were enacted. It seems to me that they should now be called upon to pay their fair share of any such program which we so liberally have contributed to in the past.

The time has come when the nations of the world which are with us should realize that this burden is not ours alone, but that of every country whose economy has reached the level where, in equity and good conscience, they can and should contribute to their and our collective program.

Fundamentally, there is little difference between our Nation and many others.

Every nation has its natural resources, its people, its tools, yet during our 167 years of national existence we have gone from a weak, loosely bound federation of 13 Colonies, ridiculed and despised by many of these foreign nations, until today we are reputed to be the strongest nation in the world.

I realize that we are even now criticized by some, feared by a few, and I hope respected by all.

What has been the basis of our success and our phenomenal growth? The people who settled this land had learned well their lessons from experience and the school of hard knocks.

They knew so well that every man lived by the fruits of his own labor. They built their homes, their churches, their schools, expanded their highways and means of communication.

In those days, my comrades, when times were rough, they did not have a government in Washington that could care for them in all of their needs. They did not expect, nor did they ask, for many of the programs which we now consider to be commonplace. What has caused this?

The answer probably is not simple, but many feel and think that a philosophy has been developed over the last 20 years and more, that the National Government can solve all of our people's problems. And there has been a growing tendency to look to Washington for the solution of all problems, without realizing that for every concession a powerful government grants it demands some portion of our liberty and freedoms as individuals and a submission to some type of Federal control.

Liberty is old in thought but new in the practices of our era. Our Government was conceived to foster freedom. Our people believe in liberty. This was and still is a revolutionary idea when for so much of historical time liberty has been suppressed by emperors, kings, dictators, and the so-called people's democracies.

As a political party Republicans must be eternally opposed to all forms of tyranny over the individual, whether it be fascism or communism abroad or a totalitarian creed at home which centralizes all power in government, regiments our people, and dictates the courses of our lives.

Liberty means more than freedom of speech, of religious worship, of the press, and the protections of equal justice under law. It means the freedom of each individual to choose his occupation, to start and develop a business of his own, to acquire and manage his own property, and to dispose of his property as he pleases, subject only to the rights of others to do the same.

At the heart of the problem of liberty and freedom is the relation of government to its people. In American Government, liberty is safeguarded by a constitutional system of checks and balances to prevent the rise of any special interest or power capable of dominating the Government.

If government becomes highly centralized, if it engages in enterprise in competition with its citizens, if it takes in taxes too much of the people's income to spend as bureaucrats dictate, if government becomes the controlling, directing, and dominating boss over the daily activities of the people—then the lights of individual freedom will be darkened.

Many of you before me today have gone through the horrors of war. You have been close to, and well may have been a part of, the interesting as well as terrible discoveries that have been made in this atomic age.

UNIVERSITY OF MICHIGAN LIBRARIES

One of the most interesting of all discoveries to have come out of the atomic age is so mysterious that we have not as yet given it a name—our scientists refer to it as the binding force.

It is neither magnetic nor electrical, but is a billion times stronger than the force of gravity. They tell us it works only in the center of atoms. If it did not exist the universe would dissolve into hydrogen gas. This is the force which keeps all nature in balance.

I mention this phenomena of nature because in a way it is applicable to the American veteran. In our national life the American veteran should constitute the binding force. You represent no special interest. You are from the professions, the crafts, the businesses, the industries, and from amongst the tillers of the soil.

You share in the experience of having served your country. Your patriotism and your devotion to the country have been demonstrated by deeds and actions, and not alone with words.

As veterans, therefore, we have a responsibility to sell and resell our philosophy of government, and to put our shoulders to the wheel to see that we have men and women in responsible positions in our Government who believe in our constitutional processes and the protection of our basic rights.

If time permitted, I could point out to you today that within the Halls of Congress there are being debated issues that are of great importance to the individual and to our Nation.

Specifically, in the past 3 years the Eisenhower administration has been able to record many accomplishments. Let me briefly state them for you.

1. We have secured peace—an uneasy peace, it is true, but nevertheless no American boys are being killed on foreign soil.

2. We have strengthened our defenses and those of the free world.

3. We have reduced spending and now have submitted a balanced budget.

4. We have reduced taxes with over 60 percent of the reduction going to individuals.

5. We have halted inflation and stabilized the dollar.

6. We have ended price, wage, and rent controls and restored these matters to the normal control of supply and demand.

7. We have strengthened our internal security against Communist infiltration.

8. We have extended our social security and retirement benefits.

9. We have restored honor and decency to government.

For your own particular interest as veterans I would like to mention some of the accomplishments of the first session of this Congress, in veterans' affairs.

1. We gave 5-percent increase in pensions and pay for veterans of all wars and their widows and dependents.

2. We gave Korean veterans the same benefits and preferences as World War II veterans in war housing, civil-service appointments, and GI training, and extended the period for initiating training under the GI bill.

3. We raised funds for building veterans' hospitals to record amounts; speeded construction.

4. We continued direct home- and farmhouse-loan programs for veterans—supported legislation liberalizing direct farmhouse loans and permitting Government-guaranteed loans to veterans for farmhouse purchase, construction, and repair; increased revolving funds so more direct loans could be made.

5. We continued Federal contributions to dependency allotments for more than 1 million enlisted personnel.

6. We continue paychecks and family allotments under the Missing Persons Act for Korean war prisoners and soldiers missing in action.

7. We provided automatic renewal of term insurance policies and simplified handling of veterans' life insurance policies.

8. We extended the period of granting military service credits toward old age and survivors' insurance, assuring many servicemen of larger retirement benefits.

9. Increased Federal payments for veterans cared for in State soldiers' homes.

I hope you will not consider me somewhat old-fashioned or ultra conservative, when I dwell upon some of these fundamental virtues that I think are a part of our American system.

Naturally, all the problems which we inherited have not been solved. We cannot undo the excesses of 20 years in 3 years. In my opinion, however, considerable progress has been made and more will be. We are at work seeking constructive solutions to the difficult problems of agriculture, education, civil liberties, highways, and many others.

We want your support—we need your help in furtherance of the program established by our Republican Party and our President.

In a few short months the people of this country will be engaged in a political campaign for the Presidency and the Congress. We have a message to bring to the American people, and you as veterans can wield a tremendous influence, with your enthusiasm and whole-hearted support, and I shall be with you in your endeavors.

In conclusion may I briefly review one matter which has caused me considerable concern and which I intend to restify if it be within my power. This is the so-called Status of Forces Treaty under which the criminal jurisdiction over American Armed Forces overseas was taken away from our military authorities and given to the country in which our troops were stationed. It was my contention when this abortive treaty was adopted that (1) it deprived American servicemen of their constitutional guaranties, (2) it exposed them to cruel and unusual punishments in foreign lands, (3) it exposed them to possible persecution by Communist judges for propaganda purposes; and (4) it was an abject surrender of American sovereignty.

To draft a Kansas farm boy, send him involuntarily to France for the defense of that nation and then to deprive him of his constitutional rights of due process and Anglo-Saxon jurisprudence seemed to me to be the height of folly and injustice.

Events have justified my concern. Though there are many others, I cite the case of Richard Keefe now in solitary confinement in a French jail serving a 5-year term for stealing a taxicab and attacking the driver. The press reports that Keefe must pay a customs duty on food packages sent to him by his mother and that the United States Army chaplain who visits him is not allowed to bring even cigarettes which Keefe must purchase from the French authorities at 55 cents a pack. Furthermore, he is even denied the privilege of American language newspapers.

I could mention the case of another young American soldier sentenced to 3 years at hard labor by a Japanese judge for commandeering a taxicab and taking 1,400 yen which was later restored to the driver.

If these were the only cases, it will be sufficient for the repeal of the atrocious arrangement. Unfortunately, there are many others. The last information I received indicated that 58 United States citizens, subject to military law, are in foreign prisons.

Therefore, in the coming session you have my assurance that everything will be done to restore to our soldiers the rights to which they are entitled under our Constitution.

With all the sincerity of my heart, I congratulate you on the work that you have done and the work which you will do in the future as the "binding force" of our beloved State.

The Food and Drug Administration

EXTENSION OF REMARKS
OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. DINGELL. Mr. Speaker, June 30, 1956, will be the 50th anniversary of the enactment of an important Federal law, which embraces every family in the Nation, to assure them pure food, effective drugs, safe cosmetics, and related protection at less than the cost of a postage stamp per person.

The Food and Drug Administration in the Department of Health, Education, nd Welfare has the principal job of enforcing the Federal Food, Drug, and Cosmetic Act to insure that foods, drugs, therapeutic devices, and cosmetics are pure and wholesome, safe to use, made under sanitary conditions, and truthfully labeled.

The annual retail value of domestic and imported products subject to statutes enforced by the Food and Drug Administration is currently estimated at $65 billion. These products are consumed each year by a sharply increasing population who are spending an average of 25 percent of its personal disposable income for food alone.

The importance of the Federal Food, Drug, and Cosmetic Act to the public health and safety is great. The last few decades have seen an extensive revolution in the production and distribution of foods and drugs in this country.

The need for increasing the resources of the Food and Drug Administration was recognized and authorized by the President and the Congress in the 1956 Appropriation Act.

Upon request of the Secretary of the Department of Health, Education, and Welfare, and the President, the Congress acted favorably upon a request to establish a Citizens Advisory Committee to study the Food and Drug Administration. The committee appointed were indeed a broad-gaged, nonpartisan group of citizens with varying degrees of familiarity with food and drug work, including representatives of consumers, industry, labor, educational institutions, medicine, law, and the judiciary.

The committee focused attention upon long-term objectives of how best to administer the food, drug, and cosmetic laws to reach the maximum compliance in the best interest of the public. In its major recommendations the committee stated that:

1. Compliance with all phases of the law is not completely satisfactory.

2. Satisfactory compliance can be obtained only if the Federal Food and Drug Administration and its functions are properly understood, supported, financed, and staffed.

3. The committee is firmly of the opinion that (a) the scope and complexity of the present enforcement and regulatory problems, if dealt with inadequately, constitute a threat to the health and the welfare of our citizens; and (b) that the resources of the FDA are woefully inadequate to discharge its present responsibilities.

With the fiscal year 1956 as the base from which an expansion must be launched to implement the recommendations in the committee report, the President's budget estimate for fiscal year 1957 is the first major step in a program to strengthen the Food and Drug Administration and provide the staff and facilities needed to attain the objectives envisioned by the Citizens Advisory Committee for the Food and Drug Administration to properly serve a purpose fare of every person in the Nation.

World Trade Unions a Potent Force To Resist the Spread of Communism

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, February 6, 1956

Mr. TOLLEFSON. Mr. Speaker, American organized labor has become a potent force in the effort of the democracies of the world to resist the spread of communism. Stories coming out of French North Africa indicate that American labor's activity may well be an important new factor not only in speeding the independence of those Arab-speaking lands but in preventing communism from gaining a foothold there.

In Algeria, the largest of France's three North African territories, there is being created a new Moslem trades union. It is patterned after similar unions in Morocco and Tunisia, which have played a major part in winning the greater independence recently granted those areas by the French Government.

American labor's connection with this effective effort in French North Africa, which is expected to bring about cohesion among the natives in their move toward independence, began with the strong campaign waged over the past 6 years by Irving Brown, head of the European office of the A. F. of L. It was followed by the all-out support of the anti-Communist International Confederation of Free Trade Unions—ICFTU—with headquarters in Brussels, which originally encouraged the formation of the Tunisian and Moroccan trade unions in order to prevent those countries from falling under Communist influence. The new Algerian union will, as have the other two states, join the ICFTU.

Concerted effort is now being made toward the formation of an overall organization, comprising these three North African unions. This would mean that the political North African Federation, made up of Tunisia, Algeria, and Morocco as independent states, had already been formed to all intents and purposes at the labor level.

Hence, France can no longer deal with isolated Algerian populations. These native unions, aided by their common membership in ICFTU and their common cause in seeking independence from France, are merging across the frontiers of the three states. Any effort that France should make now to seek to carry out a policy in Algeria, which would not meet with the approval of Tunisia and Morocco, would find resistance of the massed workers of all three states.

The new Union des Syndicats des Travailleurs Algerians (USTA) already is organizing port and dock workers, transport workers and hospital personnel. Plans are being made to wage a campaign to recruit agricultural workers.

USTA will make demands for improvement of the lowly lot of workers in Algeria and "equal pay with Europeans." It will, it is said, eventually move into the political field. Spokesman for the union, Ahmed Afri, said recently in Paris:

We shall not limit ourselves strictly to economic problems. We feel we must take our place in the fight for the defense of democratic liberties and the rights of the Algerian people to evolve their own status in accordance with both the charter of the U. N. and the statutes of the ICFTU in which we asked membership.

Mr. Speaker, this only serves to emphasize again the constructive, farseeing planning and effort that American organized labor is making, to do its full part as a group of responsible, intelligent persons, in helping to keep the world free of Communist domination.

Tension in the Middle East

EXTENSION OF REMARKS
OF
HON. TORBERT H. MACDONALD
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 6, 1956

Mr. MACDONALD. Mr. Speaker, the noise of the Egyptian and Israelian guns, fired thousands of miles away, is having a depressing effect on political, military, and diplomatic officials in Washington. Last week President Eisenhower and British Prime Minister Eden discussed the problem of what to do about mounting tension in the Middle East where the fuse has been burning for several years. Social, political, and economic unrest make this area the world's newest danger spot, especially vulnerable to Communist assault. We all know that a new war between the Arab States and Israel can only accelerate violent internal revolt, produce chaos, beneficial to no one, except perhaps to the enemies of freedom. Therefore, I contend, Mr. Speaker, that peace, freedom, and prosperity, are immediate imperatives for the Middle East. In the name of justice and America's good name among the nations I urge our Government to act firmly and decisively before it becomes too late. With these facts in mind I want to first discuss the problems which threaten the existence of the State of Israel and the peace and security of the entire free world, and second, the steps that would help resolve some of the problems in the area. I am convinced that if the proposals I suggest are accepted and fulfilled, the tension in the Middle East will subside, the stability of the region will be strengthened and a peaceful settlement on honorable terms could then be attained between Israel and the Arab States.

Seven years after its war of independence the State of Israel still faces a security problem of unusual complexity. The area of the country is only 8,100 square miles. Owing to the peculiar shape of its territory there are more than 400 miles of frontier. Three-quarters of the population of Israel lives in the coastal plain, running from north of Haifa to south of Tel Aviv, with a slender branch heading to Jerusalem. This densely settled area has an average width of no more than 12 miles between the Mediterranean and the Jordanian border. From the Israel Parliament buildings in Jerusalem, the armed sentries of the Jordanian Arab Legion can be seen a few hundred yards away. The headquarters of the Israel General Staff are within clear view from the hills which mark the Jordan frontier. The country's main roads and railways are exposed to swift and easy attack. Scarcely anywhere in Israel can a man live or work beyond the very easy range of enemy fire. Indeed, except in the Negev, no settlement is at a distance of more than 20 miles from an Arab frontier.

Obviously then, the term frontier security has little meaning in the context of Israel's geography. The entire country is a frontier, and the whole rhythm of national life is affected by any hostile activity from the territory of neighboring states. On the other hand, the Arab States are in no such position, especially Egypt. Border tensions affect only a narrow fringe of their territories, beyond which stretch deep hinterlands entirely remote from the hazards and strains of frontier life. An American citizen who can cross a vast continent without seeing a foreign, let alone a hostile, face requires a highly unusual measure of imagination to understand the degree of vulnerability which geography imposes upon the people of Israel.

The effects of geographical vulnerability are aggravated by the fierce antagonism, directed against Israel across her embattled frontiers. There is no other State in the world community, whose very right to existence is so persistently challenged by all its contiguous neighbors. This is not the classic pattern of international conflict, in which neighboring peoples recognize each other's statehood but are divided by specific disputes which they have failed to reconcile. The struggle between the Arab States and Israel has passed through four phases: First, before 1948, there was a determination to prevent the establishment of an independent Israel; second, in 1948, there was an unsuccessful attempt to destroy Israel's independence at its birth by armed assault; and third,

UNIVERSITY OF MICHIGAN LIBRARIES

in the period 1948–54, there has been an attitude of inveterate revenge based on nonrecognition and the undying hope of Israel's extinction. Fourth, Egypt in 1955, as leader of the Arab World, has embarked on a special arms seeking policy in which it invited arms from Communist sources. The elementary duty of members of the United Nations to recognize each other's right to sovereignty and integrity has never been found in the relations of the Arab World with Israel.

It is necessary to take into consideration the expressed intentions of the leaders of Israeli's foes against the Israelis. The secretary general of the Arab League has said:

> This war (in 1948) against Israel will be a war of extermination and a momentous massacre which will be spoken of like the Mongolian massacre and the crusades.

Indeed, the Arab attack, especially in its first guerrilla stage, did not lack instances of disregard of the rules of war. This is illustrated by the fact that at present there are more than 180,000 Arabs living in the State of Israel, but not one single Jew survives in any part of Palestine that came to be occupied by the invading Arab armies. The Jewish quarter in the old city of Jerusalem, with its ancient synagogues and monuments, was completely destroyed; even the Jewish cemetery of the Mount of Olives was desecrated and laid waste.

Naguib, then President of Egypt, said:

> The existence of Israel is a cancer in the body of the Arab Nation.

This was said on April 18, 1953. The man who succeeded Naguib, the former colonel and current President Nasser, said on May 8, 1954:

> Israel is an artificial state which must disappear.

During his visit at the Lebanese Parliament on July 1, 1954, the Egyptian Minister of National Guidance, Maj. Salah Salem, stated:

> The evacuation of the occupation forces from our country will free essential forces of ours. We shall then be able to raise our voices and to liberate Palestine. We shall prepare the forces that will liberate Palestine. And, with the help of God, there will be a great revival.

Mohammed Salah-ad-Din said recently:

> The Arabs will not be satisfied with the implementation of United Nations resolutions. We shall only have complete satisfaction when Israel is finally blotted out from the map of the Middle East. The Arabs will find no rest until this cancer has been removed from their heart.

On another sphere—an economic sphere—hostility has been shown the State of Israel. From the very inception of the State of Israel, an economic boycott has been enforced against it by the Arab States, of which the most significant aspect was the closing of the Suez Canal to all Israel shipping, and the interference with the passage of ships of other nations carrying cargoes to Israel. This action of the Egyptian Government was a violation of the Constantinople Convention of 1888 under which the power contiguous to the Suez Canal is bound to keep the canal—

> Always • • • free and open in time of war as in times of peace, to every vessel of commerce or war without distinction of flag.

The Security Council of the United Nations on September 1, 1951, ruled that under the armistice agreement neither party could assert that it was actively a belligerent, or entitled to exercise the right of visit, search, and seizure. The Council found that Egyptian interference with the passage through the Suez Canal of goods destined for Israel was "inconsistent with the purpose of the armistice agreement" and an abuse of the exercise of the right of visit, search, and seizure. It called upon Egypt to terminate all such restrictions. No heed was paid to this decision and the Egyptian blockade went so far as to flagrantly seize an unarmed Israel ship, in the international waterway.

A widely ramified boycott machinery was set up with headquarters in Cairo to prevent trade between the Arab States and Israel, indeed between Israel and other countries. International firms trading with Israel were blacklisted, airlines and shipping companies are denied servicing in Arab airports and harbors if they insist on maintaining contact with Israel. A conspicuous example of this policy was the campaign of intimidation conducted by the Arab States against the German Federal Republic which has signed a reparations agreement with Israel. Danger to international air traffic has been caused by the refusal of Arab airports to provide flight information to aircraft proceeding to or from Israel. The boycott of the Arab States against Israel extends even to the denial of information on the movement of infectuous diseases or locusts.

Is it, therefore, unreasonable that Israel, in her isolation—the only democratic country in the world so isolated—should seek a pact with the United States, the country which once befriended her. The first country to recognize her as a free state?

The situation in the Middle East has deteriorated where it now constitutes one of our own weakest security links. Through a lack of firmness with the Western Powers, our obvious indecisiveness, so open to the Arab States that they have successfully played the East against the West, we now face Soviet penetration of the Middle East.

The Western World has reason for its alarm about the advances made by the Communists in the Middle East. It is amazing to me that the Western World, dedicated to the preservation and even to the expansion of democracy, should have turned its back on the one practicing democratic nation in that area of the world.

Is it that the Government of Great Britain considers Israel expendable? Can Eden on one hand deprecate an arms race in the Middle East and on the other condone the supply of arms to the country of declared and open hostility against Israel?

In all this, where is United States policy? Will our leadership go by virtue of its absence?

We cannot, of course, say that our Government will inevitably steer the wrong course in this area. We do know that there has been—and apparently still exists—a split among the State Department advisers as to what course will be followed. And we also do know that our diplomacy has not been successful in Egypt. However, a course must be set by us soon in the Middle East. We must act with realism, after staring the real facts straight in the face. We must stop merely hoping and start acting for we cannot afford any conflagration in this area in the name of our own security.

What then can be done? It would seem clear that the following steps would help resolve some of the problems in the area:

First. Under no circumstances sell any United States arms to Egypt. If Egypt desires peace she has more arms than she needs—if Egypt wants war she has more arms than she deserves.

Second. United States should enter a mutual security pact with all peace-loving nations of the Middle East. A pact which would not preclude the entrance of Israel into mutual defense against non-Middle East enemies and which would guarantee the borders of those countries.

Third. Impose economic sanctions on nations that breach the peace. That is, for example, unload our surplus cotton, for which all our taxpayers have paid their tax dollars to support, in Egyptian foreign markets at a low price, if Egypt should breach the peace in this area.

Fourth. Offer concrete help in order to develop Israel's oil resources to their fullest.

Fifth. Provide defensive arms needed by Israel to protect itself against any aggression.

Sixth. By educational methods and by the pressure of world opinion, try to bring to the consciousness of the Arab States that it is to their own self-interest that Israel survive. So that its men of learning, its doctors, its public health experts, its irrigation experts may be utilized by the people of the entire area. So that the whole of the Middle East may flower and peace again shine on the lands from which all mankind sprang.

In my opinion, Mr. Speaker, until these things are done it is only logical to expect that the prestige and influence of the United States will fall even lower in this most important and strategic area of the world.

The Political Crisis in Asia

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. FEIGHAN. Mr. Speaker, on Sunday, February 5, I gave a report to my constituents over WHK Broadcasting Station, Cleveland, on a very serious situation now developing in Asia which bears upon the future security and well being of all the American people. This was part of my report to my constituents

on a 7 weeks inspection tour of Asia which I undertook on behalf of the House Committee on the Judiciary. Because I believe what I had to say will be of interest to my colleagues in Congress, I ask unanimous consent to insert my address in the RECORD:

THE POLITICAL CRISIS IN ASIA

It is a pleasure for me to have this opportunity to resume my talks of last year, made possible by the courtesy of WHK. This affords me an opportunity to tell you, my constituents, and all the people of Cleveland, about some developments which have come to my attention since the adjournment of the first session of this Congress.

As a member of the House Judiciary Committee, I was requested to undertake a special study mission in Asia, the purpose of which was to evaluate the administration of the Refugee Relief Act, to estimate the upset of populations caused by Communist aggression in that part of the world, and generally to observe developments that may have a bearing on the future security and well-being of the American people. I undertook this mission because it was obvious to me that a political crisis was rapidly developing throughout all of Asia which could very well spell the difference between peace and war.

I left the United States by air on October 2 and visited the following countries—the Philippines, the Crown Colony of Hong Kong, Vietnam, Cambodia, Laos, Thailand, Burma, Indonesia, Macao, Formosa, Korea, and Japan. This mission lasted 7 weeks and was a most arduous one due to the difficulties of travel, lack of ordinary accommodations in so many of the countries and the need to be constantly alert to the many food problems Americans have traveling in that part of the world. Today I am going to try to give you some of the highlights of my findings on this special mission and in later weeks I will have more to say on this subject.

To begin with, I found that the population upsets throughout all of Asia caused by Communist aggression, had caused widespread human suffering and grave social and economic problems. However, despite these problems, I was encouraged by the spirit demonstrated to me by the hundreds of thousands of people who had risked their lives to escape from Communist tyranny and their determination to solve their own problems and eventually to rid their homelands of the scourge of communism. For example, in the wartorn country of Vietnam, I visited the refugee villages where some 700,000 victims of Communist aggression now reside. In these villages I talked with men, women, and children who had firsthand experiences with the cruelties of communism. They had lost all their material possessions and their homes, but they were convinced beyond any doubt that communism would lose in the end because it violated all the things that mankind everywhere regard as decent and just. As another example, in the Crown Colony of Hong Kong, the population has more than doubled during the past 5 years because well nigh over 800,000 refugees of Chinese aggression have been given political asylum in Hong Kong. Here I witnessed the splendid work of the American governmental agencies and the American voluntary agencies in providing temporary shelter for these victims of communism and in setting up fitting programs for the refugee children. You will be interested to know that surplus foods from the United States were used in this program which feeds over 25,000 children each day. I only wish that more programs like this could be developed for the victims of communism because it costs the American taxpayer practically nothing and the benefits that result are beyond measure.

In Korea I saw very much the same picture, but here again I was encouraged by the determination of the refugees to build a new life and to remain free and independent.

During my investigation I uncovered a very serious breach of the free world security which I would like to tell you about briefly at this time. Over 5,900 so-called White Russians have been moved out of Red China to some twenty-odd countries of the free world without having any security investigation whatever made on them. The vast majority of the so-called White Russians were traveling on valid passports issued by Soviet Russia and all of them were in possession of an exit visa given to them by the Chinese Reds. I was amazed to find out that the United States taxpayers' money was being used to pay the transportation costs of these so-called White Russian refugees from Hong Kong to the various countries of the free world. When I learned that the United States taxpayers' money was involved in this matter, I inquired as to why no investigation was made on these people, and the reason given was that no investigation was possible because their investigators would not be allowed into Red China.

On my return to Washington, I prepared and issued a special report on this breakdown in free world security and called upon responsible officials in the Government to take corrective action. To my knowledge, nothing has been done up to this time to close this breach in the free world security, so I will certainly have much to say about this at a later date.

There is a revolution taking place throughout all of Asia today. I call it a revolution because the changes taking place there are so basic and sweeping that the pre-World War II Asia will no longer exist. The people of Asia have awakened and are now demanding equal rights, equal recognition, and the opportunity to run their own affairs and chart their own destiny. The colonialism of the past which, in many respects, forms a dark chapter in the history of civilized mankind, is dead. Many new countries have fought for and secured their national independence. Still other countries, still held in colonial bondage, are seeking their national independence. Against this upswing of the people in free Asia, one finds the other part of Asia now gripped in a new type of colonialism 10 times more cruel and ruthless than the colonialism of the past. I refer, of course, to Russian colonialism, and the manner in which it has occupied and exploits the mainland of China, Manchuria, Inner and Outer Mongolia, Tibet, North Korea, and North Vietnam. I am sure all of you have heard a great deal about the Iron Curtain which the Russian Communists have erected between their world of slavery and the free and independent nations of Europe. I want to assure you that the curtain erected in Asia by the Kremlin is just as cold and cruel as the Iron Curtain in Europe. Just as in Europe, thousands of Asians are today risking their lives to escape from under that Asian curtain into the free world. In every respect, the colonial slavery of Moscow is the same in Asia as it is in the non-Russian nations of central and eastern Europe.

And so the political crisis in Asia today is the struggle between Russian communism and the national independence movements which have thrown off, or are seeking to throw off, the yoke of colonial bondage. Many of the nations which have but recently gained their rightful status as independent sovereign nations, are today threatened with the new colonialism of the Russian Communists. These newly independent nations look to the United States for leadership and support in the cause of justice and freedom. The stakes at issue in this struggle are indeed among the highest in all of history. The outcome of this struggle will determine not only the question of peace or war, but very well could determine the destiny of mankind for hundreds of years.

While this struggle is intense and apparent on all sides in every one of the countries I visited, I believe there are three countries that might well be used by the Russians as a fuse to set off world war III. The first one, of course, is the Republic of China, on Formosa. The Chinese Reds are constantly threatening to invade and occupy free China and threaten the most direends for all who would dare to support the just cause of free China. The free Chinese, of course, are determined that the stooges of Moscow will not successfully invade or occupy free China. The United States has made known to the world its intention to defend Formosa against the alien invasion and occupation of the Chinese Communists. Whether we will have total warfare between Red China and free China is now a matter of grave speculation. You and I know that the Chinese Communists would not hesitate to set off world war III if they thought they had a 50–50 chance of winning it.

Korea is another country in which the Communists pose a daily threat to freedom and justice. The Communists caused a war of aggression in Korea which cost us Americans dearly in terms of the loss of our loved ones. We know, too, that the toll of Korean lives taken by that Communist war of aggression was very, very heavy. The armed truce which now prevails in Korea is, in my judgment, a very thin and precarious guarantee of peace.

While in Korea I uncovered evidence which leads me to believe that the Chinese Communists and the Russian Communists are determined to occupy all of Korea just as soon as we weaken our determination to stand by our good ally, the Republic of Korea. The people of the Korean Republic are equally determined that they shall not give up their freedom and independence. The Communist war lords might at any time choose Korea to set off a general war in Asia and probably world war III.

Vietnam is the third most critical area in Asia. Here the Russian Communists used one of their old comintern agents, Ho Chi Min, to masquerade as a Nationalist and seize temporary control of the national independence movement in Vietnam. The war with France followed, which was ended by a Geneva agreement splitting the country in two. One-half of it put under the tyranny of communism and the other half loosely allocated to the free world and which the United States had to immediately protect or the Communists would have gobbled up all of Vietnam.

In free Vietnam, a young democratic government is attempting to establish a permanent democratic way of life based on principles of law and justice. Here, too, I was impressed with the determination of these freedom-loving people to keep their independence and to unite all of the country under a government representative of the people. But the Communist-occupied section in North Vietnam now ruled by the same Ho Chi Min, is determined that all of Vietnam will be put under the colonial yoke of Russian communism. Here again we find the ever-present possibility of open conflict and war brought about by Communist aggression.

For example, only Friday we learned of the new Communist aggression and war taking place in the newly independent state of Laos, which borders on the state of Vietnam.

The political crisis in Asia is one that we, as free people, must understand and face up to. Involved in this political crisis is the choice of human freedom or the colonial slavery of communism. If the forces which stand up for human freedom and independence emerge as victors from this political crisis, there will be no war in Asia. I assure you, as your Congressman, that I shall do

UNIVERSITY OF MICHIGAN LIBRARIES

everything I can to make certain that our Government supports all those measures which advance the cause of human freedom in order to avert the catastrophe of world war III.

Procedures To Be Followed in Seeking Federal Help on Building Dams for Flood Control and Other Purposes

EXTENSION OF REMARKS
OF
HON. O. C. FISHER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. FISHER. Mr. Speaker, a subject of transcendent importance to the American people today is that of water, its conservation and its use. The President recently submitted to Congress a report by an Advisory Committee concerning water resources. In my own State of Texas people in all walks of life have become acutely aware of the importance of water and its conservation.

Many questions are being asked by the man on the street about the methods to be employed in getting water projects initiated. With several agencies of the Federal Government participating in various types of water conservation, there is considerable confusion on the part of the people in regard to when and under what conditions the Federal Government will interest itself in flood control, irrigation, power production, watershed-flood prevention, and similar activities.

In an attempt to be of some help in removing that confusion and providing understandable answers to many questions that are being asked each day, I have, in collaboration with the Corps of Engineers, the Bureau of Reclamation, and the Department of Agriculture, prepared a series of questions and answers. After preparing these, they were submitted to the respective department heads, and I believe it can be assumed that the answers are factually accurate. These questions and answers follow:

FLOOD CONTROL—CORPS OF ENGINEERS

Question. Suppose a community thinks it proper that a dam be constructed on a stream, what steps should be taken to get the project built?

Answer. Local people who desire a flood-control project should contact their Congressman and give him as much information as possible to justify the project.

Question. Then what can the Congressman do?

Answer. Under the law the Corps of Engineers (which makes all surveys for Congress on justification for flood-control projects) cannot undertake such a survey and study unless Congress first authorizes it. Therefore unless the survey is already authorized, the Congressman would contact the committee having jurisdiction and seek a resolution enabling the engineers to proceed with the study.

Question. When such a survey is made by the engineers, do local people have a chance to present their views and any facts they have in support of the project?

Answer. Yes, the district engineers hold public hearings for that purpose.

Question. Under what authority does the Corps of Engineers make recommendations following surveys?

Answer. Under the Flood Control Act of 1936 which outlined the procedure and the formula which guides the engineers in their surveys and recommendations.

Question. What is that formula?

Answer. That law requires that, as a general rule, before the Corps of Engineers recommends the building of a flood-control dam the estimated value of the annual benefits resulting from the project must equal or exceed the annual costs.

ENGINEER SURVEYS ALREADY AUTHORIZED ON MOST TEXAS STREAMS AND WATERSHEDS

Question. Do the Corps of Engineers now have authorization from Congress to make surveys and studies of Texas streams?

Answer. Yes, most of them. That includes the upper Colorado watershed, the Nueces River watershed, Devils River, Pecan Bayou, and others.

Question. What is the status of the engineering survey work on the Colorado River watershed in Texas?

Answer. It is inactive at the present time. Under authority of Congress a comprehensive report on the Colorado River and its tributaries was submitted to the Chief of Engineers by the district engineer in 1944. But this report was returned to the district engineer in 1948 by the Chief of Engineers for further study and revision. Since that time the resurvey work has not been undertaken due to curtailment of funds.

Question. Did the 1944 report include studies of possible flood control projects on such streams as the Llano, San Saba, and Concho rivers?

Answer. Yes, as well as the main Colorado stream.

Question. Did the report recommend dams on the Llano and San Saba Rivers?

Answer. Actually three dams were recommended in that report as being economically feasible—one on the Colorado near Winchell, one on the Colorado near Marble Falls, and another on the San Saba a few miles above the town of San Saba.

Question. What about upper San Saba and its watershed area and the Llano and its watershed tributaries?

DAMS ON LLANO AND UPPER SAN SABA RIVERS NOT JUSTIFIED

Answer. From the study that was made the engineers did not find dams either on the Llano River or at any other site on the San Saba to be justified under the Flood Control Act of 1936.

Question. Is it possible under the law for the engineers to recommend the construction of a dam where the primary justification is for recreation and wildlife?

Answer. No, the law does not authorize that. Primary justification must be based upon benefits resulting from prevention of floods. There are other factors that may contribute to the justification, such as water supply to a city, irrigation, hydroelectric power, etc. If electric power is produced the government sells that and the revenue adds to the economic justification of the project.

Question. How do engineers predict probable benefits over the life of a project?

Answer. The engineers make a flood frequency analysis which is essentially a study of all past flood records and a projection into the future by means of statistical and mathematical procedure. They predict the probable damage that will be done without the improvement and how much damage can be prevented if the structure is built.

Question. Do the Corps of Engineers ever recommend flood control dams when the benefits do not equal or exceed the costs?

Answer. As a general rule, no. In rare instances where intangible values are involved such as abnormal loss of life, national defense, or economic security of a region as a whole—which is rare and exceptional—a project may be approved even though the costs may exceed direct benefits.

WHY SMALL DAMS ARE NOT RECOMMENDED FOR FLOOD CONTROL

Question. Why does the Corps of Engineers not recommend a series of small dams on streams to control floods rather than the larger dams?

Answer. There are several reasons why it is not feasible to build several small dams on a stream rather than one large one to control floods. First, the cost per acre-foot of water would be greater; secondly, small dams do not control the river basin but only a small immediate area. Thirdly, with small dams there is less opportunity for making multipurpose dams in cases where they are feasible. A fourth reason is that operation from a rainfall standpoint is far less satisfactory with several small dams and sometimes might be more disastrous than no dams at all. Finally, there is more evaporation in several small dams than in one large one.

This refers to main streams and not to watershed areas where the Soil Conservation Service builds small dams under watershed-protection programs.

INTERIM REPORT

Question. What is an interim report?

Answer. An interim report is essentially a report on a separable area of a project under survey. It does not affect the comprehensive planning of a watershed as a whole.

Question. In the case of the Colorado watershed report of 1944 where a dam was recommended on the San Saba in San Saba County, Tex. (along with two others on the Colorado), is it possible for an interim report to be made in regard to the San Saba project without waiting for the more expensive, time-consuming comprehensive resurvey to be made of the entire watershed?

Answer. The Chief of Engineers, after careful study of the situation, has ruled that it is not proper or feasible to make an interim report on the San Saba project.

Question. Why is that?

Answer. The Chief of Engineers tries to discourage interim reports because the whole project in a watershed is usually interrelated and when interlated to the extent of the Colorado watershed in Texas, it is difficult to make a separate report because so often plans called for in an interim report have to be changed when the whole survey is completed. If an interim report may affect the survey of the whole project, it is not recommended. And that was the basis of the Chief of Engineers' finding in respect to the San Saba project.

Question. What about local contributions on flood-control projects?

Answer. It varies, depending on the purpose and nature of the project. In the case of flood-control reservoirs the Corps of Engineers pays all or nearly all the cost and then operates and maintains the dam after completion.

Question. Under what conditions do cities get municipal water from flood-control projects?

Answer. The primary purpose of flood-control dams is to prevent damages from recurring floods, and the project must be justified on that ground, if built under flood-control authorization. The project may, of course, be a multipurpose one and not only fulfill its primary function but also supply a municipality its water for home and industrial use, provide power for electricity, and water for irrigation. In the event the project does supply a city with its water and an irrigation district with water, the city would have to pay for that portion of construction which is allocated to city water supply; and the farmers would have to pay for that portion allocated to irrigation.

Question. Assuming that a district engineer, after a survey, finds a flood-control project economically feasible, what is the next step?

Answer. The district engineer makes his report to the division engineer, who processes the report and forwards it to the Chief of Engineers. The Chief of Engineers submits it to the Board of Engineers for Rivers and Harbors. The latter makes its findings and recommendations.

Question. Do other governmental agencies also see the report?

Answer. Yes. The report is submitted to the Reclamation Bureau, the Secretary of Agriculture, and other agencies that may be interested. In addition, it is sent to the governor of the State for his comments.

Question. After all of that, what is the next step?

Answer. Assuming that the proposed project is approved by those who study it, and by the Bureau of the Budget, it is submitted by the Chief of Engineers to the Secretary of the Army, who, in turn, submits it to Congress.

Question. Is legislation then required?

Answer. Yes; when submitted to Congress, the report is referred to the proper committees, and the usual procedure is for hearings to be held on it, along with all other projects that have been thus cleared, and if approved by the committee the project is included in an omnibus measure and is then advanced to the House and Senate for action.

BUREAU OF RECLAMATION PROJECTS

Question. Under what authority does the Department of Interior get into the dam-building program?

Answer. The Reclamation Act of 1902 and subsequent acts and amendments, together constitute the reclamation law, authorize and direct the Secretary of the Interior to investigate, construct, and operate irrigation and multiple-purpose projects for development of the water resources of Texas and the 16 other Western States. The Bureau of Reclamation is the agency which is entrusted with these responsibilities.

Question. Is Federal reclamation limited to water resources only for the irrigation of farmlands?

Answer. No. Reclamation projects may also be multiple purpose, involving hydroelectric power, flood control, municipal, industrial and domestic water supply, salinity control, stream pollution abatement, fish and wildlife conservation, recreation and other purposes.

Question. How are needed projects brought to the attention of the Bureau?

Answer. Either by local interests, a Member of Congress, or from inventories of the development of water resources in a particular river basin in regular basin surveys made by the Bureau of Reclamation.

Question. Is the Bureau studying the entire water resources situation throughout the 17 Western States?

Answer. Yes, to the extent of available funds the Bureau is reviewing by means of comprehensive river-basin reports the entire water resources situation, thus planning for the optimum utilization of water. These basin reports inventory the potential developments from which projects are selected for more detailed investigations.

Question. Where does the Bureau get its money for general investigations of potential projects?

Answer. From Congress, which makes annual appropriations for the Bureau to proceed with a program of investigations.

Question. Are local interests expected to contribute to the general investigations funds?

Answer. General investigations funds are limited; local or State interests sometimes contribute additional funds to speed up investigation of a project. The law requires that one-half of costs of investigations not previously scheduled by the Bureau which are undertaken at the specific request of local interests are to be paid for by those local interests.

WHAT TO DO TO GET A PROJECT STARTED

Question. Who are the proper people for local interests to contact in connection with the development of a project?

Answer. Expression of interest may go to regional directors; in Texas the regional director is Robert W. Jennings, P. O. Box 1609, Amarillo. The interest may also be expressed to a Congressman who will bring it to the attention of the Commissioner of Reclamation.

Question. What is a feasibility investigation?

Answer. It is a detailed study directed toward a determination of (1) engineering feasibility—the planning and the estimating of costs of physical structures; (2) economic justification (benefits will exceed costs and operations of structure) and (3) financial feasibility—that is, that the project will pay for itself over a period of years and that the users have the ability to pay—irrigators, power users, etc.

LOCAL INTERESTS ARE CONSULTED

Questions. During the planning of a project does the Bureau consult with local interests and other governmental agencies?

Answer. Yes. The Bureau maintains close cooperation with local interests and with other Federal agencies in order to obtain the views, desires, and support of all concerned. The results of the various investigations by the Bureau are also summarized in a planning report which is submitted for review and comment by the affected local, State, and Federal agencies, and other interests.

Question. What happens to the report after it has been submitted to local and other interests?

Answer. Upon receipt of these comments, the regional director makes whatever revision in his report he considers proper in the light of these comments and then submits his report to the Commissioner of Reclamation. Upon approval of the regional director's report, the Commissioner submits his report to the Secretary of the Interior.

Question. What is the next step?

Answer. The Secretary of the Interior submits the report, as his proposed report, to the State where the project is located and to Federal agencies for official review and comment under the provision of the Flood Control Act of 1944; these States and agencies have 90 days in which to comment. Upon receipt of the comments from the reviews (or the expiration of the 90 days without receipt of the comments) the Secretary submits his report with his recommendation to the President through the Bureau of the Budget to determine if the authorization and construction of the project is in accordance with the program of the President.

REPORT FINALLY GOES TO CONGRESS

Question. Does the report finally go to Congress?

Answer. Yes. Upon receipt of clearance from the Bureau of the Budget the Secretary transmits the report to Congress. At or about this stage of the work your Congressman will introduce legislation to authorize the project, under the terms and conditions of reimbursement contained in the report.

Question. After a project has finally been officially authorized, when does construction get underway?

Answer. Construction cannot be undertaken until funds for the purpose have been appropriated by the Congress. These appropriations are made annually. Request for appropriations are made by the Bureau and is first cleared through the Bureau of the Budget.

Question. Does the Bureau of Reclamation do the actual construction work?

Answer. No. Construction is done by private contractors under the supervision of the Bureau.

SOIL CONSERVATION SERVICE WATERSHED PROJECTS, DEPARTMENT OF AGRICULTURE

Question. What is the general purpose of the watershed flood prevention projects?

Answer. Under Public Law 566, 83d Congress, the program is designed to supplement both the present agricultural soil and water conservation programs (of the individual farm or ranch) and the programs for development and flood protection of major river valleys (such as those undertaken by the Corps of Engineers and other agencies). It bridges the gap heretofore existing between the two types of programs.

Question. Does this law add to the authority of the Secretary of Agriculture?

Answer. Yes. It authorizes him to cooperate with States and local agencies in carrying out jointly planned and mutually agreed on flood-prevention and water-management projects.

Question. What is a watershed under the act?

Answer. All land and water within a natural drainage area of 250,000 acres or less.

KINDS OF FEDERAL ASSISTANCE

Question. What kinds of Federal assistance are authorized under the act?

Answer. Technical help in working out and applying a watershed work plan, and determining its feasibility; also funds for the equitable Federal share of the costs of installing the needed flood-prevention and water-management measures. Storage capacity for other than flood preventions must be paid for from non-Federal funds.

Question. What must local people do?

Answer. They initiate the action and help develop a watershed work plan. They must acquire necessary land, easements or rights-of-way; assume an equitable share of the project's cost; arrange for operation and maintenance; acquire necessary water rights; and get agreements from owners of not less than half of the lands in the drainage areas above dams to carry out soil-conservation programs.

SIZE OF DAMS

Question. What size structures can be built?

Answer. Single dams are limited to total storage capacity of 5,000 acre-feet. Watershed work plans including any structures of more than 2,500 acre-feet total capacity must be approved by the House and Senate Agriculture Committees before funds can be provided for the project.

Question. May a farmer irrigate from a lake created on his land?

Answer. Yes. But storage capacity specifically for water for irrigation must be paid for from non-Federal funds. If the water is stored incidental to the primary purpose of the structure, no such payment is required.

MUNICIPAL USE, RECREATION

Question. What about municipal water supply?

Answer. Storage for municipal water supplies may be included as part of the watershed work plan, but structural costs above those necessary for flood prevention must be paid from non-Federal funds.

Question. What about recreation?

Answer. Many opportunities for recreation developments will arise incidental to the works of improvement. But the costs of developing recreational facilities must be borne by non-Federal funds.

PROJECT MUST BE FEASIBLE

Question. What, basically, is the requirement for a project on a watershed to be justified?

UNIVERSITY OF MICHIGAN LIBRARIES

Answer. As a general rule, the project must be found to be economically feasible; that is, the estimated benefits must equal or exceed the cost.

Question. How would any local organization, such as a soil conservation district, initiate action under the law?

Answer. Formal application blanks and suggestions for filling them out are available in the State office of the Soil Conservation Service (in Texas, Henry N. Smith, State conservationist, Post Office Box 417, Temple), and the State agency (State Soil Conservation Board, 1012 First Street, National Bank Building, 1620 South Main, Temple), designated by the Governor to act on applications.

Question. At what stage do the Soil Conservation Service people begin to assist the local organization in developing a watershed work plan?

Answer. After the Soil Conservation Service, acting for the Secretary of Agriculture, has approved the project for planning. This approval can be given only after approval of the local organization's application by the authorized State agency or the Governor.

Question. If a satisfactory watershed work plan is developed, what is the next step?

Answer. The plan is transmitted to the Administrator of the Soil Conservation Service, acting for the Secretary. A period of up to 60 days is then allowed to the Corps of Engineers and the Reclamation Service, if they are concerned, in which to review and comment on the plan. The Secretary of Agriculture next forwards the plan to Congress, through the President, together with any recommendations of those agencies. Forty-five days during which the Congress is in session must then elapse before any installations involving Federal assistance are begun. In addition, as noted above, if the plan includes any structures larger than 2,500 acre-feet total capacity, it must be approved by the House and Senate Agriculture Committees before appropriations can be made.

LOANS FOR SOIL AND WATER CONSERVATION PURPOSES, FARMERS' HOME ADMINISTRATION

Question. Under what authority may a farmer or an association borrow money from the Federal Government for financing soil conservation measures?

Answer. Public Law 597, 83d Congress, which makes available to farmers and ranchers a new type of credit for financing soil conservation measures.

Question. Who is eligible?

Answer. A farmer is eligible when he has sufficient experience to indicate reasonable prospects of conducting successful agricultural operations, and is unable to obtain the necessary credit on reasonable terms and conditions from private and cooperative sources. The applicant must be engaged primarily in agriculture. Associations are eligible which are primarily engaged in extending to their farm members services directly related to soil conservation, water conservation and use, or drainage of farmland.

LOCAL COMMITTEES PASS ON LOANS

Question. Who determines the eligibility of applicants?

Answer. The local three-member county committee of the Farmers Home Administration. This committee is composed of persons at least two of whom are farmers, who are familiar with local agricultural conditions and whose judgment is established and respected in the community in which they reside.

Question. Where can a farmer or rancher apply for these loans?

Answer. At the local county office of the Farmers Home Administration.

Question. What can the loans be used for?

Answer. The loans can be used to pay costs of materials, equipment, and services directly related to the application or establishment of soil and water conservation practices, water facilities, and drainage. Water facilities means tanks, cisterns, wells, pumping and irrigation equipment, and similar facilities. Soil and water conservation practices include construction or repair of terraces, dikes, and ponds, pasture improvements, basic application of lime and fertilizer, tree planting, and similar measures.

Question. Is there any limit to the amount that can be loaned to an individual, corporation, or association?

Answer. Loans to individuals are limited to $25,000. Loans last year averaged about $5,000. Loans to associations are limited to $250,000.

Question. What is the interest rate?

Answer. On insured loans the interest rate is 3½ percent per year on the unpaid principal. In addition, each insured loan borrower will pay each year in advance an annual loan insurance charge of 1 percent on the unpaid principal. On loans made from appropriated funds the interest rate is 4½ percent.

Question. When do loans have to be repaid?

Answer. In no case will the repayment period on loans to individuals exceed 20 years. Loans to associations can be repaid over periods not to exceed 40 years.

Are Veterans Being Studied, Stalled, Double-Crossed and Hooverized?

EXTENSION OF REMARKS

OF

HON. GEORGE H. CHRISTOPHER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1956

Mr. CHRISTOPHER. Mr. Speaker, when the President appointed his $300,000 President's Commission on Veterans' Pension, those experienced in veteran affairs were not fooled, and the very thing they expected has come to pass.

In the first place, Mr. Speaker, what does this Commission, outside of General Bradley, know about pensions? Are they expert legislators? I have their names and their professions. Not one of them is capable of writing a bill, not one of them has distinguished himself in the field of civil government.

Mindful of the fact that our Nation's veteran policy has always been the responsibility of the Congress, and knowing that this Democratic Congress would not jump through the hoop, an old holdover, self-perpetuating clique that attempted to sell President Truman a bill of goods, has pushed Eisenhower into a leaky boat. Their scheme is to transfer all aged VA pensioners to some sort of social-security scheme and thereby to fire the first shot in their campaign to eliminate the traditional veteran class.

But Mr. Speaker, that is not all. This Bradley Commission is being used as a stalling device. In his budget message, the President stressed the point that "the Congress and the country would want to consider" this Commission's report. In brief, he told us to keep "hands off" until this Commission makes a report. When will that report come forth? That Commission has been in existence for more than 12 months. It was instructed to report in November, but an extension was granted, and today no Member of Congress knows when the Commission will report.

In the meantime, I suppose we are to sit and fiddle—just fiddle—until these pseudo experts decide to give us the benefit of their findings.

The distinguished ranking minority member of our Committee on Veterans' Affairs, the gentlewoman from Massachusetts, has forgotten more about the pension system than this Commission will ever learn; and I hope that our committee will never be influenced by an undisclosed Commission report to be transmitted to the Congress at some unknown future date.

Then, of course, Mr. Speaker, we have the residuals of numerous Hoover Commissions to cope with. Mr. Hoover's only noteworthy contribution in the field of veteran affairs is found in his order to General MacArthur to drive the starving bonus army out of Washington and to later have his Attorney General brand them criminals. So, the man who could not make good in Government himself, now poses as an authority on everything from the lowly hamburger to management of the atomic energy program. With literally thousands of disabled veterans being denied VA medical care, the great victor over the unarmed bonus army demands that still more Veterans' Administration hospitals be closed.

Under leave granted, I am inserting an editorial from the National Tribune for January 26, 1956. The National Tribune is the oldest veterans' newspaper, and I commend the editorial to my colleagues.

TIME TO CLOSE RANKS

President Eisenhower has sent to the Congress his budget message for the year ending June 30, 1957. The message in fact spelled out in detail the many promises made in the state of the Union message and repeated the rosy results to be expected if his recommendations are followed. The budget makers peered into the crystal ball, pontificated at great length and, for the Chief Executive, came up with a document asking for record-breaking expenditures based upon the hope of a dynamic prosperity that anticipates a balance between income and spending and presages a small surplus to be used to retire a little of the vast public debt and lead, possibly, to a mild reduction in taxes. The budget proposes expenditures of nearly $66 billion, more than a billion dollars in excess of the outlays for 1955 and a billion and a half more than it is estimated will be spent by the end of the present fiscal year ending next June.

We would ourselves enter into the stargazing business if we were to pass judgment on expected revenues or on savings that it is hoped will be accomplished, but we have our own troubles and we shall leave that to self-claimed experts. We do know that regardless of the claims of budgeteers, the national budget has not been in balance for over a quarter of a century, and long-anticipated tax reductions appear to be futile election year promises predicated upon new revenue-raising legislation that we judge may well not be realized. Whether or not advice to young mothers or other proposals made in the message are sound, we hesitate to predict, nor would we express opinions about the advisability of building satellites in space or about placing new moons in the cosmos. We have our abiding doubts about the purpose expressed of outspending the

Soviet in the long-range quest for friends abroad and concerning the bolstering of economies of friends and former enemies, because we consider it to be foolhardy to try to compete with Communist promises which we do not believe can be or will be kept. We also feel that charity should begin at home, but we note that while no effort seems to have been spared by this administration to spend its largess where it appears to be needed elsewhere in this country, we see that the veteran class has once more been held up as a specter of fear and the inference is made in the budget message that those who have saved the Nation and its economy by turning back foreign aggression are again considered to be the greatest menace to its well-being.

Unlike the state of the Union message that devoted a mere 43 words to sharing "a continuing concern for those who have served this Nation in the Armed Forces," the President's budget message devoted many paragraphs to veterans and their dependents and recommended that considerable money be spent on them and in their behalf. The request for the Veterans' Administration was for $4.9 billion, second only to the $36 billion plus for the Department of Defense and the $8 billion for the Treasury Department, and a little more than is requested for the President himself, who asked for $4,353,000,000 to run his office and manage by remote control the affairs of the world. The VA request is about $422 million more than was spent in 1954–55 and $86 million more than the expected outlay for this fiscal year. The biggest boost is for compensation and pensions that must be paid under existing laws. GI bill costs are expected to diminish sharply and it is asked that some rights be terminated, but expenditures for medical care and hospital construction and maintenance are considerable, and even the United States Soldiers' Home is going to be permitted to spend $5 million of its own money that was raised by court-martial fines and contributions from enlisted men. All this is on the credit side of the ledger, and even though nothing in the way of new legislation is taken into consideration, we cannot complain too much about the amounts proposed to administer veterans' laws. After all, new laws are always appropriated for only after they are enacted.

General Eisenhower, however, did not fail to enlarge upon those 43 words in his state of the Union message. Whereas, in the new message to the Congress he once more anticipated passage of the White House supported bill for survivor's benefits that makes no distinction between peacetime and wartime service and cares for widows and orphans of only about 4 percent of those who saw service in our major wars, he appeared in his message to be greatly concerned about the expense of caring for the 22 million war veterans now extant and who, he indicates, will in time, with their loved ones, compose nearly half the population, all potential claimants upon the country's income. It all seems a little silly to us, if for no other reason than that death and other considerations, to say nothing of the fact that only a minimum of war sufferers in all of our wars have ever claimed rightful benefits, have kept down the numbers on pension rolls, but somebody has sold the President a bill of goods that has him worried. In his message, he spelled out this potential danger in great detail and projected his thinking to the end of the century when he said that direct payments of compensation and pension "may be twice their present yearly total of nearly $3 billion." General Eisenhower dwelt on this theme, noted that as time goes on many veterans of proper age will take a larger pension payment instead of lesser compensation rates and that costs would, therefore, multiply.

Then the cat was let out of the bag. The Congress and the public, the President stated, will want to give careful attention to the findings of his Bradley Commission that will report later this year on "the relation of existing nonmedical programs for veterans to each other and to the numerous civil benefits which the Nation now provides for the aged, the needy, the infirm, and the disabled—both veterans and others." The White House is obviously more concerned about this than anything else and, even though it would be idle to try to say now what will be included in the Bradley recommendations, it would appear that the President, who named the investigating group, is fully determined to lump together the veterans' compensation and pension program with that of social-security benefits, if the Congress will accept his proposal. There are more than words in this budget message insofar as the veteran class is concerned. There is money to take care of obligations already imposed by our legislators, but there is also the clear implication that a new deal for former servicemen and their dependents is going to be proposed, and there is the implicit warning to all Members of Congress to go slow until the proposals are relayed to them.

Meantime, the Congress is in session. Before appropriate committees are numerous relief measures advanced by organized veterans that deserve honest consideration before the solons close up shop and go home in July or early August to talk to their constituents about continuing their public service. Not the least among the pending bills are those seeking pension adjustments and our war veterans expect them to be given earnest attention, but of perhaps even greater consequence is the necessity for a sales compaign to impress upon all Congressmen the fact that there is a vast difference between relief measures for the worthy poor and a system of benefits that has been built up through the years with full public support to reward not only those who have become disabled in preserving this Republic, and to make reasonably secure the happiness of the dependents of their honored dead, but also to care for those others who also served and who have through age and disability required the aid of those whose rights and privileges have been preserved. It would be inexcusable for this Nation to attempt through any means to default on its responsibility. It would grossly insult those who have died in their country's uniform to recommend that this be done. And yet it is this possibility that today faces the veteran class. The implications are vividly present. All veterans' groups had better see to it that their numbers are strengthened and that every member is prepared to do his or her part in the battles ahead. It is time to close ranks.

SENATE

TUESDAY, FEBRUARY 7, 1956

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, at this altar of Thy grace, with demanding tasks waiting, we pause in this moment of quiet dedication lest with the light shining clear upon us we should choose the dark.

O Thou kindly light, lead us on amid the encircling gloom. Prepare us for the role committed to our fallible hands in this appalling day, with its vast issues that concern not only our own dear land but all the continents and the islands of the sea. By Thine indwelling presence cleanse us from the soil and defilement of these hectic days. Save us from soul erosion. Flow through us like clean waters and carry from our hearts the tensions, the resentments, the irritations, and the paralyzing fears which spoil the music of our lives. In the Redeemer's name, we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 6, 1956, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1774. An act to abolish the Verendrye National Monument, and to provide for its continued public use by the State of North Dakota for a State historic site, and for other purposes;

H. R. 2106. An act to provide that the enlistment contracts or periods of obligated service of members of the Armed Forces shall not terminate by reason of appointment as cadets or midshipmen at the Military, Naval, Air Force, or Coast Guard Academies, or as midshipmen in the Naval Reserve, and for other purposes;

H. R. 2216. An act to amend the act of June 19, 1948 (ch. 511, 62 Stat. 489), relating to the retention in the service of disabled commissioned officers and warrant officers of the Army and Air Force;

H. R. 2220. An act to clarify the status of citizens or nationals of the Republic of the Philippines who are retired members of the uniformed services and who hold offices of profit or trust under the Republic of the Philippines, and for other purposes;

H. R. 2452. An act to provide for the conveyance of certain lands by the United States to the State of Wisconsin;

H. R. 3083. An act to transfer certain land within United States survey 1474, tract A, of the townsite of Sitka, Alaska, to the city of Sitka, Alaska;

H. R. 4963. An act authorizing the conveyance of certain property of the United States to the State of New Mexico;

H. R. 4680. An act affirming that title to a certain tract of land in California vested in the State of California on January 21, 1897;

H. R. 4704. An act to provide for the examination preliminary to promotion of officers of the naval service;

H. R. 4781. An act to authorize the Territory of Alaska to incur indebtedness, and for other purposes;

H. R. 5657. An act to allow the use of certain property in Volusia County, Fla., for civil-defense purposes without payment of compensation to the United States;

H. R. 5948. An act to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may

UNIVERSITY OF MICHIGAN LIBRARIES

be substantially to lessen competition, or to tend to create a monopoly;

H. R. 6022. An act to provide for the relocation of the Trenton Massacre Canyon Monument presently located near Trenton, Nebr.;

H. R. 6112. An act to authorize the construction of a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes;

H. R. 6162. An act to provide for longer terms of office for the justices of the Supreme Court of Hawaii and the circuit courts of Hawaii;

H. R. 6772. An act to authorize the Secretary of the Interior to convey certain federally owned land under his jurisdiction to the School District No. 24 of Lake County, Oreg.;

H. R. 7058. An act to amend the act of May 29, 1928 (45 Stat. 997), in respect of the compensation of Supreme Court Justices and circuit court judges;

H. R. 7761. An act providing for the conveyance of a portion of the Sharpe General Depot, Calif., to the Stockton Port District;

H. R. 8100. An act to authorize the loan of two submarines to the Government of Brazil; and

H. R. 8101. An act to authorize the Secretary of the Army to give 25 World War II paintings to the Government of New Zealand.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6645) to amend the Natural Gas Act, as amended, and it was signed by the Vice President.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 1774. An act to abolish the Verendrye National Monument, and to provide for its continued public use by the State of North Dakota for a State historic site, and for other purposes;

H. R. 3083. An act to transfer certain land within United States survey 1474, tract A, of the townsite of Sitka, Alaska, to the city of Sitka, Alaska;

H. R. 4680. An act affirming that title to a certain tract of land in California vested in the State of California on January 21, 1897;

H. R. 4781. An act to authorize the Territory of Alaska to incur indebtedness, and for other purposes;

H. R. 6022. An act to provide for the relocation of the Trenton Massacre Canyon Monument presently located near Trenton, Nebr.;

H. R. 6112. An act to authorize the construction of a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes;

H. R. 6162. An act to provide for longer terms of office for the justices of the Supreme Court of Hawaii and the circuit courts of Hawaii;

H. R. 6772. An act to authorize the Secretary of the Interior to convey certain federally owned land under his jurisdiction to the School District No. 24 of Lake County, Oreg.; and

H. R. 7058. An act to amend the act of May 29, 1928 (45 Stat. 997), in respect of the compensation of Supreme Court Justices and circuit court judges; to the Committee on Interior and Insular Affairs.

H. R. 2106. An act to provide that the enlistment contracts or periods of obligated service of members of the Armed Forces shall not terminate by reason of appointment as cadets or midshipmen at the Military, Naval, Air Force, or Coast Guard Academies, or as midshipmen in the Naval Reserve, and for other purposes;

H. R. 2216. An act to amend the act of June 19, 1948 (ch. 511, 62 Stat. 489), relating to the retention in the service of disabled commissioned officers and warrant officers of the Army and Air Force;

H. R. 2220. An act to clarify the status of citizens or nationals of the Republic of the Philippines who are retired members of the uniformed services and who hold offices of profit or trust under the Republic of the Philippines, and for other purposes;

H. R. 2452. An act to provide for the conveyance of certain lands by the United States to the State of Wisconsin;

H. R. 4363. An act authorizing the conveyance of certain property of the United States to the State of New Mexico;

H. R. 4704. An act to provide for the examination preliminary to promotion of officers of the naval service;

H. R. 5657. An act to allow the use of certain property in Volusia County, Fla., for civil-defense purposes without payment of compensation to the United States;

H. R. 7761. An act providing for the conveyance of a portion of the Sharpe General Depot, Calif., to the Stockton Port District;

H. R. 8100. An act to authorize the loan of two submarines to the Government of Brazil; and

H. R. 8101. An act to authorize the Secretary of the Army to give 25 World War II paintings to the Government of New Zealand; to the Committee on Armed Services.

H. R. 5948. An act to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may be substantially to lessen competition, or to tend to create a monopoly; to the Committee on the Judiciary.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. JOHNSON of Texas was excused from attendance on the session of the Senate tomorrow.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

On request of Mr. NEELY, and by unanimous consent, the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

On request of Mr. HENNINGS, and by unanimous consent, the Subcommittee of the Committee on Privileges and Elections was authorized to meet during the session of the Senate this afternoon.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the morning hour statements made in connection with the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business be limited to the usual 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I should like to announce that at the conclusion of any insertions or statements Senators may desire to put in the RECORD, there will be a quorum call, and I hope to have action taken on Senate Resolution 205, providing for the appointment of a select committee, which was offered yesterday, and which is lying on the table.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AUDIT REPORT ON NAVY INDUSTRIAL FUND, PHILADELPHIA NAVAL SHIPYARD

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Navy Industrial Fund, Philadelphia Naval Shipyard, Bureau of Ships, Department of the Navy, for the period April 14, 1952, to March 31, 1955 (with an accompanying report); to the Committee on Government Operations.

REPORT ON AINSWORTH UNIT, NEBRASKA, OF MISSOURI RIVER BASIN PROJECT

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report of the Department of the Interior on the Ainsworth unit, Nebraska, of the Missouri River Basin project (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT, RELATING TO COMPENSATION FOR CERTAIN INJURIES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend the Federal Employees' Compensation Act to provide compensation for employees of the United States suffering injury from war-risk hazards or during detention by an enemy (with an accompanying paper); to the Committee on Labor and Public Welfare.

OLD-AGE ASSISTANCE—PETITION

The PRESIDENT pro tempore laid before the Senate the petition of John D. Wysong, president, and C. F. Davis, chairman of petition committee, Fourth Congressional District Townsend Council, Miami Springs, Fla., praying for the enactment of legislation to provide for old-age assistance, and so forth, which was referred to the Committee on Finance.

PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING IN INTERSTATE COMMERCE—PETITIONS

Mr. CAPEHART. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a number of letters and petitions requesting legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air. These letters and petitions were sent to me by constituents in Indiana.

There being no objection, the letters and petitions were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, without the signatures attached, as follows:

To Our Senators and Representatives in Congress:

We, the undersigned, respectfully petition you to exercise the proper discretion vested in you by passing legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages. At a time when 1 out of 10 drinkers is becoming an alcoholic there should be no encouragement to increasing the use of such beverages. Children and youth are being misled to consider them harmless, especially by the powerful audio and visual suggestions of radio and television.

GLADYS HASKINS
(And 57 other citizens of the city of Wabash, Ind.).

WABASH, IND., *February 2, 1956.*

Enclosed is a petition from the Every Woman's class of the Wabash Christian Church which we ask to be recorded in the CONGRESSIONAL RECORD.

DURNBAUGH HARDWARE CO.

To Our Senators and Representatives in Congress:

We, the undesigned, respectfully petition you to exercise the proper discretion vested in you by passing legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages. At a time when 1 out of 10 drinkers is becoming an alcoholic, there should be no encouragement to increasing the use of such beverages. Children and youth are being misled to consider them harmless, especially by the powerful audio and visual suggestions of radio and television.

GERTHA GAMBLE
(And 27 other citizens of Wabash, Ind.).

WABASH, IND., *January 29, 1956.*

Senator HOMER E. CAPEHART,
Washington, D. C.

DEAR SIR: We would like this petition to be registered in the CONGRESSIONAL RECORD.

Sincerely,

Mrs. FLOSSIE FARLEY.

To Our Senators and Representatives in Congress:

We, the undersigned, respectfully petition you to exercise the proper discretion vested in you by passing legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment, to control the sale of such beverages. At a time when 1 out of 10 drinkers is becoming an alcoholic there should be no encouragement to increasing the use of such beverages. Children and youth are being misled to consider them harmless, especially by the powerful audio and visual suggestions of radio and television.

WAYNE WORRALL
(And 16 other citizens of the city of Wabash, Ind.).

WESLEYAN METHODIST CHURCH,
Wabash, Ind., January 30, 1956.

Senator HOMER E. CAPEHART,
Washington, D. C.

DEAR MR. CAPEHART: Included are names of members of the Wesleyan Methodist Church of Wabash, Ind. We wish the petition to be recorded in the CONGRESSIONAL RECORD.

Thanking you in advance.

Sincerely yours,

WILLARD F. KNOX.

To Our Senators and Representatives in Congress:

We, the undersigned, respectfully petition you to exercise the proper discretion vested in you by passing legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, in a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages. At a time when 1 out of 10 drinkers is becoming an alcoholic there should be no encouragement to increasing the use of such beverages. Children and youth are being misled to consider them harmless, especially by the powerful audio and visual suggestions of radio and television.

GERALDINE BEHRT
(And 64 other citizens of the city of Wabash, Ind.).

WABASH, IND., *January 28, 1956.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SIR: Would you please record the petition in the CONGRESSIONAL RECORD.

You can see by the list of names the ladies do not approve the liquor problem. The WCTU is making a wonderful effort and we hope their good work will be appreciated.

Very truly yours,

Mrs. PEARL MODRICKER,
Vice President, Pollyanna Class, First Methodist Episcopal Church.

To Our Senators and Representatives in Congress:

We, the undersigned, respectfully petition you to exercise the proper discretion vested in you by passing legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages. At a time when 1 out of 10 drinkers is becoming an alcoholic there should be no encouragement to increasing the use of such beverages. Children and youth are being misled to consider them harmless, especially by the powerful audio and visual suggestions of radio and television.

Mrs. CLARENCE JONES
(And 16 other citizens of the city of Wabash, Ind.).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Foreign Relations:

Raymond T. Bowman, of Pennsylvania, to be representative on the Statistical Commission of the Economic and Social Council of the United Nations;

Mrs. Lorena B. Hahn, of Nebraska, to be representative on the Commission on the Status of Women of the Economic and Social Council of the United Nations; and

George H. Emery, of North Carolina, and sundry other persons, for appointment and promotion in the Foreign and Diplomatic Service.

By Mr. JOHNSON of Texas, from the Committee on Finance:

Frank D. Yturria, of Texas, to be collector of customs for customs collection district No. 23, with headquarters at Loredo, Tex.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS (for himself, Mr. AIKEN, Mrs. SMITH of Maine, and Mr. PURTELL):

S. 3151. A bill to reduce the percentage depletion for oil and gas wells; to the Committee on Finance.

By Mr. BUTLER:

S. 3152. A bill to provide price support for the 1955 crop of Maryland tobacco; to the Committee on Agriculture and Forestry.

By Mr. THYE:

S. 3153. A bill to allow amounts paid for the institutional care and training of a mentally retarded child of a taxpayer to be deducted for Federal income tax purposes; to the Committee on Finance.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. JACKSON (for himself and Mrs. SMITH of Maine) (by request):

S. 3154. A bill to provide medical care for dependents of members of the Armed Forces of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. LEHMAN:

S. 3155. A bill for the relief of May Ping Lee; to the Committee on the Judiciary.

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 3156. A bill to authorize the presentation of claims of the Coos (or Kowes) Bay, Lower Umpqua (or Kalawatset), and Siuslaw Tribes of Indians to the Indian Claims Commission; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (for himself, Mr. AIKEN, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENDER, Mr. BENNETT, Mr. BIBLE, Mr. BRIDGES, Mr. BUSH, Mr. CARLSON, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CLEMENTS, Mr. CURTIS, Mr. DANIEL, Mr. DIRKSEN, Mr. DUFF, Mr. EASTLAND, Mr. FULBRIGHT, Mr. GEORGE, Mr. GOLDWATER, Mr. GORE, Mr. HENNINGS, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KILGORE, Mr. KNOWLAND, Mr. KUCHEL, Mr. LANGER, Mr. LEHMAN, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Pennsylvania, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. NEELY, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PAYNE, Mr. POTTER, Mr. SCOTT, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. THYE, Mr. WELKER, Mr. WILEY, and Mr. YOUNG):

S. J. Res. 139. Joint resolution to provide for the observance and commemoration of

UNIVERSITY OF MICHIGAN LIBRARIES

the 50th anniversary of the first conference of State governors for the protection in the public interest of the natural resources of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. MURRAY when he introduced the above joint resolution, which appear under a separate heading.)

DEDUCTION, FOR INCOME TAX PURPOSES, FOR INSTITUTIONAL CARE OF MENTALLY RETARDED CHILDREN

Mr. THYE. Mr. President, for some time, I have been concerned over an income tax matter which relates to a taxpayer who has a mentally retarded child. Specific cases in this respect have been brought to my attention, and have prompted my investigation of the existing provisions in the Internal Revenue Code which I find are not sufficiently broad to enable such a taxpayer to deduct for income-tax purposes his expenses for the school care of such a dependent.

Section 213 of the Internal Revenue Code of 1954 presently allows a deduction of certain medical care expenses of the taxpayer, and these are defined to mean amounts paid for diagnosis, care, mitigation, treatment, and prevention of disease. Amounts expended for special care and training designed to alleviate mental or physical handicap are also deductible. However, amounts paid for care in a special school for the handicapped are not specifically included as allowable deductions for income tax purposes.

Mr. President, in view of the fact that I feel such expenses for institutional care and training for a mentally retarded child should be classified as permissible deductions for Federal income tax purposes, I introduce, for appropriate reference, a bill to amend Section 213 (e) of the Internal Revenue Code of 1954 so as to add a new paragraph defining the term "medical care" as meaning the amounts paid for the care, including board and lodging, supervision, treatment, and training of a taxpayer's mentally retarded dependent, who is placed in a special institution for the dependent's own welfare.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3153) to allow amounts paid for the institutional care and training of a mentally retarded child of a taxpayer to be deducted for Federal income tax purposes, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Finance.

COMMEMORATION OF 50TH ANNIVERSARY OF FIRST CONFERENCE OF STATE GOVERNORS

Mr. MURRAY. Mr. President, on July 30, 1955, I introduced, on behalf of myself and 28 other Senators, Senate Joint Resolution 101, to establish a National Conservation Memorial Commission which would arrange for a proper observance in 1958 of the 50th anniversary of the first national conference on conservation problems called by President Theodore Roosevelt. That was the first conference of State governors ever held.

In the pressure to adjourn, several Senators who desired to be cosponsors of the joint resolution were omitted. There have since been 32 Senators who have joined in sponsoring this joint resolution.

Sponsors now include a total of 61 Senators, namely: Mr. AIKEN, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENDER, Mr. BENNETT, Mr. BIBLE, Mr. BRIDGES, Mr. BUSH, Mr. CARLSON, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CLEMENTS, Mr. CURTIS, Mr. DANIEL, Mr. DIRKSEN, Mr. DUFF, Mr. EASTLAND, Mr. FULBRIGHT, Mr. GEORGE, Mr. GOLDWATER, Mr. GORE, Mr. HENNINGS, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KILGORE, Mr. KNOWLAND, Mr. KUCHEL, Mr. LANGER, Mr. LEHMAN, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Pennsylvania, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. NEELY, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PAYNE, Mr. POTTER, Mr. SCOTT, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. THYE, Mr. WELKER, Mr. WILEY, Mr. YOUNG and myself.

Inasmuch as the supply of printed copies of Senate Joint Resolution 101 is virtually exhausted, I am today introducing, for appropriate reference, on behalf of myself and the 60 other Senators, the same resolution with perfecting changes in language, so it may be printed again in improved form bearing the names of all of its sponsors.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resoluiton (S. J. Res. 139) to provide for the observance and commemoration of the 50th anniversary of the first conference of State governors for the protection in the public interest, of the natural resources of the United States, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

EXTENSION OF SUGAR ACT OF 1948, AS AMENDED—AMENDMENTS

Mr. FULBRIGHT submitted amendments, intended to be proposed by him to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. CAPEHART submitted an amendment, intended to be proposed by him, to the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address by him on Seeking God's Way for World Peace, delivered at the First Methodist Church, Milwaukee, Wis., on February 4, 1956, at the Congressional District Peace Conference, Milwaukee Council of Churches.

By Mr. THYE:

Statement made by him on the occasion of his placing the name of President Eisenhower as a candidate in the Minnesota presidential primary.

By Mr. HRUSKA:

Statement prepared by him entitled "Operation Pork-Lift."

Br. Mr. MURRAY:

Letter sent to the Postmaster General on January 27, 1956, regarding unsatisfactory mail service in Montana.

SELECT COMMITTEE TO INVESTIGATE ATTEMPT BY A CAMPAIGN CONTRIBUTION TO INFLUENCE THE VOTE OF A SENATOR

The PRESIDENT pro tempore. If there is no further morning business, the Chair lays before the Senate a resolution coming over from the previous day, which will be stated for the information of the Senate.

The legislative clerk read the resolution (S. Res. 205), as follows:

Resolved, That there is hereby established a select committee to investigate the circumstances involving an alleged improper attempt through political contributions to influence the vote of the junior Senator from South Dakota [Mr. CASE] in connection with the Senate's consideration of the bill S. 1853, the natural gas bill.

Mr. JOHNSON of Texas. Mr. President, as I announced on yesterday, it is the intention of the minority leader and myself to seek action on the resolution today. As the Senate is well aware, unanimous consent could not be obtained on yesterday. At the conclusion of action on the resolution, it is the plan of the leadership to proceed to the consideration of the sugar bill. But I do not want to have it said that the Senate is afraid to act on the resolution for the investigation, or that the Senate is hesitant to act. I hope we can obtain complete unanimity on the resolution.

So far as any other matters which may have developed are concerned, the committees of the Senate may go into them, or if any Senator thinks he has been improperly influenced, or cares to relate facts similar to those related by the Senator from South Dakota, and cares to have them investigated, we shall be glad to include them in the resolution. But I do not believe that the Senate will desire to be diverted.

Mr. President, I suggest the absence of a quorum, so that every Member may be on notice.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The question is on agreeing to the resolution.

Mr. KNOWLAND and Mr. JOHNSON of Texas asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CASE of South Dakota (when his name was called). Mr. President, it is my understanding that under the rules and precedents of the Senate, when an individual Senator is involved or is named in a resolution or other measure, it is customary for him to withhold his vote when the resolution comes before the Senate for action. I certainly would not wish the withholding of my vote to indicate that I was opposed to the adoption of the pending resolution. I wonder whether the Parliamentarian will advise whether it is proper for me to vote on this resolution.

The PRESIDENT pro tempore. Does the Senator from South Dakota ask to be excused from voting?

Mr. CASE of South Dakota. No, Mr. President; I do not ask to be excused from voting. I am wondering whether there is a rule of the Senate which prevents me from voting.

The PRESIDENT pro tempore. The Senator from South Dakota is at liberty to vote.

Mr. CASE of South Dakota. Mr. President, do I correctly understand that it will not be a violation, under the rules or precedents, for me to vote on this resolution?

The PRESIDENT pro tempore. Under the rule, a Senator is required to vote unless he asks to be excused.

Mr. CASE of South Dakota. Mr. President, I do not ask to be excused from voting. Therefore, I vote "yea."

The rollcall was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness, and, if present and voting, he would vote "yea."

The result was announced—yeas 90, nays 0, as follows:

YEAS—90

Aiken	Carlson	Flanders
Allott	Case, N. J.	Frear
Anderson	Case, S. Dak.	Fulbright
Barkley	Chavez	George
Barrett	Clements	Goldwater
Beall	Cotton	Gore
Bender	Curtis	Green
Bennett	Daniel	Hayden
Bible	Dirksen	Hennings
Bricker	Douglas	Hickenlooper
Bridges	Duff	Hill
Bush	Dworshak	Holland
Butler	Eastland	Hruska
Byrd	Ellender	Humphrey
Capehart	Ervin	Ives
Jackson	Martin, Iowa	Saltonstall
Jenner	Martin, Pa.	Schoeppel
Johnson, Tex.	McCarthy	Scott
Johnston, S. C.	McClellan	Smathers
Kefauver	Monroney	Smith, Maine
Kerr	Morse	Sparkman
Kilgore	Mundt	Stennis
Knowland	Murray	Symington
Kuchel	Neely	Thurmond
Langer	Neuberger	Thye
Lehman	Pastore	Watkins
Long	Payne	Welker
Magnuson	Potter	Wiley
Malone	Purtell	Williams
Mansfield	Robertson	Young

NAYS—0

NOT VOTING—6

Kennedy	Millikin	Russell
McNamara	O'Mahoney	Smith, N. J.

So the resolution (S. Res. 205) was agreed to.

Mr. JOHNSON of Texas subsequently said: Mr. President, pursuant to the resolution agreed to earlier today to create a select committee, which resolution was offered by the distinguished minority leader and myself, I submit as recommendations from the majority side the name of the senior Senator from Georgia [Mr. GEORGE], the President pro tempore of this body, and chairman of the Committee on Foreign Relations. The Senator from Georgia is the senior Member of the Senate, the dean of the Senate. He first entered the Senate in 1922, and he opposed the natural-gas bill passed yesterday.

In addition, I submit the name of the distinguished senior Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations, formerly the chairman of the Committee on Rules and Administration. The Senator from Arizona first entered Congress in 1912, and was elected to the Senate in 1927. He favored the passage of the bill passed yesterday.

Mr. KNOWLAND. Mr. President, on behalf of the minority, I submit, as the minority representatives on the select committee, the names of the distinguished senior Senator from New Hampshire [Mr. BRIDGES], formerly the President pro tempore of the Senate, and the distinguished senior Senator from Minnesota [Mr. THYE], formerly the governor of his State.

The VICE PRESIDENT. The Chair, following the recommendations made by the majority leader and the minority leaders, appoints as members of the select committee the Senators named by the majority leader and the minority leader.

The Chair believes that these appointments will meet with the approval of all Members of the Senate on several scores, but particularly, as the Senator from Texas has indicated, because two Members from each side voted against the bill. The committee, therefore, is well balanced and is also one composed of Members having high seniority in the Senate.

Mr. JOHNSON of Texas. I wish to call the attention of the Vice President to the first sentence of section 2 of the resolution agreed to earlier, as follows:

The Vice President shall appoint 2 Members from the majority and 2 Members from the minority Members of the Senate who shall constitute the select committee.

The reason for this is that in a closely divided case, involving a fellow Member, it was felt that the committee should be as nonpartisan as possible. Normally in legislative committees the majority party has an additional member or members; but in a situation such as this, in accordance with Senate precedent and tradition, it was felt that that should not be the case.

Section 2 of the resolution further provides:

A chairman shall be selected from among the members appointed upon their first meeting to be called by the Vice President.

Section 3 provides as follows:

The select committee is hereby authorized and directed to conduct an immediate investigation of these circumstances and report its findings and recommendations to the Senate at the earliest possible date, in no event later than March 1, 1956, and upon the filing of its report, the select committee shall cease to exist.

I hope the Vice President will take notice of the necessity of calling a meeting of the select committee, so that the Senators can proceed with the investigation.

I feel certain that the committee can complete its deliberations within the time prescribed in the resolution; but in case they cannot, the minority leader and I will certainly be willing to discuss whatever problems they may have and, if necessary, propose an extension of a few days or to whatever time seems advisable.

The VICE PRESIDENT. As soon as arrangements can be made to have the four Senators assemble together at a convenient place today, the organization meeting, over which the Vice President will preside, will be held. The committee can then commence its deliberations and its hearings.

INVESTIGATION OF CAMPAIGN CONTRIBUTIONS

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from the previous day, which will be stated.

The CHIEF CLERK. A resolution (S. Res. 206) to investigate circumstances connected with the tender of a campaign contribution to Senator CASE of South Dakota and any other contributions by persons in legislation involving the oil and gas industry of the United States.

Mr. HENNINGS. Mr. President, in view of the fact that the Subcommittee on Privileges and Elections met this morning and voted to meet again this afternoon for the consideration of the same subject matter, I ask unanimous consent that the resolution lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE UNEXPECTED DEATH OF RANDOLPH E. PAUL

Mr. LEHMAN. Mr. President, yesterday, in one of the committee rooms of the Congress, a vibrant and valuable life was snuffed out at its zenith.

UNIVERSITY OF MICHIGAN LIBRARIES

An outstanding American citizen, the Honorable Randolph Paul—a friend and adviser to many of us—was seized with a heart attack and died.

He was in the midst of testimony before a committee of Congress. He was in the midst of offering the benefit of his great wisdom and experience in the field of finance and economics to the lawmakers of the Nation, just as he has been doing for many years; both formally in testimony and informally in the offices of the Senators and Members of the House of Representatives who were privileged to receive his counsel and advice.

He was for many years a Government servant, having risen to the eminence of General Counsel of the Treasury Department. But he had more than a title. He was a vital and driving force, or, rather, a guiding force, in the Government—trusted and respected, alike by his superiors in the Cabinet and in the White House, by his subordinates and coworkers, and by the Members of Congress with whom he came in contact during those days.

When he entered the Government service, he was already a highly successful tax attorney, an acknowledged expert in his field, who could and did command the confidence of some of the greatest corporations in America. He left a lucrative law practice to dedicate himself to Government service.

When he felt he had done all he could in Government, he returned to his law practice and resumed his representation—skillful and brilliant representation—of some of the great economic interests of America—private and corporate interests, Mr. President.

But Randolph Paul was one of those rare souls who was the master of his profession and never let his profession master him. Even while he was seeking to obtain for his clients the best possible treatment under the tax laws that could be properly obtained, he was pointing out to the Members of Congress the loopholes in the tax laws that made it possible for him to serve his clients so well.

Only 2 years ago he completed a monumental work entitled "Taxation in the United States," which, I understand, is already considered one of the great and standard works on tax law—a work that will endure for many years as an authoritative volume of reference, as an invaluable textbook, on tax law.

But Randolph Paul was much more than a great technician, a great master of law, a great scholar and writer in his field. He was also a man of fiery zeal and profound dedication to liberal causes, and to those principles which he considered to be identified with good government. He was a man of gentle humor, of kindliness, of never-failing courtesy—a man who was lovable and beloved because he in turn loved his fellow men.

To his widow and family in this hour of their grief, all of us extend our deepest condolence. We will miss Randolph Paul, but we have much by which to remember him. In his lifetime he built his own monument.

EXTENSION OF SUGAR ACT OF 1948, AS AMENDED

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1482, H. R. 7030.

The PRESIDENT pro tempore. The Secretary will state the bill by title.

The CHIEF CLERK. A bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

Mr. DOUGLAS and Mr. KNOWLAND addressed the Chair.

The PRESIDENT pro tempore. The motion is not debatable during the morning hour. The question is on agreeing to the motion.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

Mr. FULBRIGHT. Mr. President, what is the purpose of the motion?

Mr. JOHNSON of Texas. I have moved to proceed to the consideration of the sugar bill.

Mr. DOUGLAS. I thank the majority leader for informing us of his unanimous-consent request. I appreciate it very much.

Mr. JOHNSON of Texas. I did not ask for unanimous consent. I moved that the Senate proceed to the consideration of H. R. 7030, the sugar bill, in accordance with repeated announcements by the majority leader. The motion has been agreed to.

Mr. DOUGLAS. Mr. President, will the majority leader yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. DOUGLAS. I take it that the majority leader intends to give us something sweet after the sour medicine we had to swallow. [Laughter.]

MARITIME ACADEMIES

Mr. BUTLER. Mr. President, I rise today to pay well-deserved tribute to several of my distinguished colleagues for a job eminently well done. Too often, in the press of Senate business, we are inclined to pass over accomplishments and to stress deficiencies or mistakes. It is a real personal pleasure and privilege for me to reverse the usual order.

I have in mind the report made to the Senate on Tuesday by the very able senior Senator from Washington [Mr. MAGNUSON], in his capacity as chairman of the Interstate and Foreign Commerce Committee, on the matter of maritime training and education in the United States.

The report covers a 5-month study by a subcommittee consisting of the Senator from Washington [Mr. MAGNUSON] and the distinguished junior Senator from Maine [Mr. PAYNE], during which hearings were held at the California Maritime Academy by the Senator from Washington and at the Kings Point Academy and the Maine, Massachusetts, and New York Maritime Academies, by the Senator from Maine.

The great mass of factual matter developed during the investigations, and through questionnaires directed to all phases of the maritime industry, and the findings and conclusions of the subcommittee, combine to afford the Congress and the responsible Government agencies, for the first time, a thoroughly comprehensive and authoritative picture of conditions and needs in the field of maritime training and education. The lack of such authoritative data, I need hardly recall, has been responsible for a great deal of confusion and uncertainty in Government decisions in recent years.

This report, with its well-documented conclusions and recommendations, should be exceedingly helpful to Senators in our coming consideration of H. R. 6043, to authorize permanent establishment of the United States Merchant Marine Academy at Kings Point. The subcommittee report stresses the need for continuation of this academy on a permanent basis. It also makes clear that the four State maritime academies in California, Maine, Massachusetts, and New York are fulfilling most successfully their function of educating officers fully qualified to carry on the duties and tradition of our merchant marine, and calls for an assurance of a continuation of Federal financial support to these splendid academies.

I heartily congratulate and commend both the Senator from Washington and the Senator from Maine for their untiring and outstanding efforts in carrying out the mandate of the Senate as expressed in Senate Resolution 35, of the 1955 session. I feel it proper also to add a word of commendation for the members of the subcommittee staff who worked so diligently.

I ask unanimous consent that at this point in my remarks there be inserted in the RECORD the letter I addressed to the Senator from Washington on November 22, urging favorable consideration of the bill to make the Kings Point Academy permanent, and pointing out the equal importance of continuing Federal support to the four State maritime academies.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 22, 1955.

Hon. WARREN G. MAGNUSON,
Chairman, Interstate and Foreign Commerce Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR: Knowing that you are in the process of conducting the study concerning our maritime training program, as authorized and contemplated by Senate Resolution 35 of the 84th Congress, 1st session, I should like to take this opportunity to make my views known for the record.

Turning first to the question of the number of newly licensed officers needed each year to man our American-flag merchant vessels, I am of the opinion that in peacetime the industry requires and can absorb between 1,000 and 1,500 freshly commissioned officers annually. This estimate is based upon 2 factors: First, a rule of thumb that there is approximately 10-percent attrition of licensed personnel each year; and, second, that the consensus of industry representatives and the authorities in the Maritime Administration reflects an informed view

UNIVERSITY OF MICHIGAN LIBRARIES

that 1,000 to 1,500 new officers are required annually.

It seems to me that the next matter of critical significance is the question of the number of new officers being licensed annually. As I understand it, the 4 State maritime academies and the United States Merchant Marine Academy at Kings Point are presently graduating approximately 450 to 500 graduates yearly. I am further advised that in 1954, and in 1955 to date, less than 300 new licenses per annum have been issued by the Coast Guard to men "up from the hawsepipe." Therefore it would appear to follow that our present annual needs are not being met, let alone exceeded by the two traditional sources of officer personnel.

As to the cost of our maritime training program, it is my information that the Federal Government is spending approximately $2,660,000 annually to maintain Kings Point and to participate as we are doing with the States of California, Maine, Massachusetts, and New York in the operation of their maritime academies. I am further informed that of this figure approximately $2 million are being allocated to Kings Point and $660,000 are being allocated to the 4 State institutions.

While it is difficult to rationalize how anyone with an appreciation of our critical need for a well manned privately owned merchant marine flying the American flag can question the wisdom of spending approximately $2½ million on this officer-training program, I want the record to show that in my opinion this is a very small expenditure in relation to the value received by the United States. Indeed, while I feel that we should always try to improve our standard of past performance in the field of maritime officer training, I am convinced that any attempts to economize further by reducing our appropriations to these five schools would be "penny-wise and pound-foolish" in the extreme.

This brings me to the question of whether or not the graduates of Kings Point and the four State maritime academies are repaying to the Federal Government the moral obligation they have incurred by accepting the benefit of the Federal expenditures which have contributed to their education. I believe they have in ample measure, and for the following reasons: Contrary to the rumor that most of the academy graduates take their degrees and head inland for lucrative shore jobs, I understand that the evidence presented to your committee to date indicates that the great majority of the graduates of all five schools promptly obtain employment at sea. I recognize that as time passes a large percentage of these men go ashore, many going into related maritime industries, others going into nonmaritime fields. Almost all of the graduates, sooner or later, serve at least 2 years' active duty as naval officers. While this service probably interrupts permanently certain of the careers which would otherwise be devoted to the merchant marine, I have the impression that many graduates after completion of their naval service return to merchant marine employment.

Our present program provides an annually refreshed pool of highly trained officer personnel, upon which this Nation would immediately call in time of national emergency. In addition, this program could be promptly expanded, depending upon future need. Furthermore, it must be recognized that no matter what amount of money we are willing to expend in time of national emergency to develop adequate teaching faculties and facilities, it would be a practically impossible task were we not to have our present nucleus from which to work.

With the advancements being made in the field of ship design and construction, it is essential that we have each year a group of maritime officers, highly trained in the principles behind and practical aspects of these technological advancements. This is not to say that officers who have not had the benefit of academy training become obsolete or less valuable than their academy counterparts. While I recognize that most of our leading American flag operators rely heavily on officer personnel "up from the hawsepipe," those companies are anxious to employ and do employ for certain berths academy graduates.

I believe that one of the matters under consideration by your subcommittee is the issue of whether or not the Federal Government should continue to participate with the States of California, Maine, Massachusetts, and New York in financing of their own academies. While in recent years the question of continued aid to the State academies has continually arisen in connection with the appropriation problems, I have never been able to regard it as anything more than a formality. In the first place, the State academies in Massachusetts and New York have been in existence and performing their valuable function of training maritime officer personnel since the late 1800's—long before the Federal Government assumed its rightful share of this burden. The State academies in California and Maine, though of more recent origin, have given splendid accounts of themselves during the last war and the Korean conflict. Many graduates of all four State academies sacrificed their lives to our defense during those crises.

In my judgment, one of the most startling revelations that has been developed by your subcommittee is the extent to which the four States above-mentioned are bearing the burden of maintaining and operating their maritime academies. As chairman of the Water Transportation Committee during the 83d Congress I had a deep and active interest in such matters. However, it was not until the State academies' answers to your questionnaire became public that I realized that the taxpayers in California, Maine, Massachusetts, and New York are paying considerably more for the running of those academies than is the Federal Government. Where many Members of the Congress have evidently in the past viewed the Federal appropriations for the State academies as being "handouts" it now becomes crystal clear that if anybody has been doing any "handing out" it is those States and not the Federal Government. In this connection, we should not overlook the fact that these State academies have graduated at considerable State expense many officers who have embarked upon active duty naval berths, with little or no additional cost to the Federal Government—an inexpensive way to train qualified Navy officers, I'd say.

The Academy at Kings Point graduates about 200 officers a year at a total cost to the Federal Government of approximately $2 million. Since I consider that the $2 million spent at Kings Point is Federal money very well spent, can there be any doubt whatsoever that the $660,000 we spend for the State academies (which also graduate 200 to 300 officers yearly) is likewise a sound investment?

And so, without laboring this point, I want the record to show that so long as those four States continue to operate their maritime academies according to the same high standards they have in the past I will ardently support their cause, both here in the Congress and with the executive branch of our Government.

Turning now to the question of Kings Point and whether it should be made a permanent institution. The answer to this question is absolutely obvious; the permanency of Kings Point is long overdue. As I envision Kings Point's future role, if it measures up to the hope and expectation of those of us who favor its permanency, it will shortly become a truly Federal institution. By this I mean that from a geographical point of view its student body will be as representative of this country as the Congress itself. Furthermore, as the Federal institution, working in harmony with the four State academies, and having, let us say, better physical facilities and the assurance of regular and adequate appropriations, the standard of excellence in maritime training in this country will leave nothing to be desired. And the leadership of the American merchant marine in world commerce will be eminently enhanced.

I want to close my remarks on what I believe to be a most important though perhaps overlooked attitude. It is simply this: during the past few years while both Kings Point and the State academies have been engaged in a fight for survival, each have all too often, in my opinion, devoted their energies to trying to prove that the other group was not needed in the Federal maritime training program. This destructive competition has served no useful purpose and, as I see it, has led literally to confusion and chaos. It was as plain as could be that the Federal Government needed—and direly needed—both Kings Point and the four State academies. Your study under Senate Resolution 35 has brought this unfortunate situation into proper perspective, and I trust that the Kings Point authorities and the authorities in the four States will so conduct themselves in the future that there will never be a repetition of the harmful interacademy contest of the last several years. I say this not by way of censure, but in a vein akin to the principle that all five schools should benefit from their past experiences in general and your able inquiry in particular.

With best wishes and kindest personal regards, I am

Sincerely yours,

JOHN MARSHALL BUTLER,
United States Senator.

FEDERAL FLOOD INSURANCE TO REIMBURSE FAMILIES FOR TRAGIC LOSSES

Mr. NEUBERGER. Mr. President, I am happy to associate myself with the Senator from New York [Mr. LEHMAN], the Senator from Massachusetts [Mr. KENNEDY], my senior colleague [Mr. MORSE], and many other Senators in sponsoring a bill to enact the Federal Flood Insurance Act of 1956. The program which we propose in this bill would tackle the problem of insurance for disaster losses for which no insurance today is available. While it is initially called a flood-insurance program, I am particularly pleased that the definition of "flood" in the bill is broad enough to include abnormally high tidal waves, hurricanes, rainstorms, and deluges, and landslides caused by excessive moisture, and that it provides for study of coverage of other natural disasters. The enactment of such a Federal flood-insurance program will provide a long-needed measure of financial protection against losses which, year in and year out, hang like a Damocles' sword over the heads of thousands of families in my State.

Mr. President, the last holiday season was not a happy one in many areas of Oregon. From December 22 until past New Year's rainstorms, floods, and slides and their other aftereffects created havoc in the basins of the Willamette River, the Rogue River, the Umpqua River, the Coquille River, and other areas. Several lives were lost. Much property, public and private, was destroyed or damaged. During the past

weeks, I have sought to collect what information I could on the total impact of the winter's floods. Compilation of official statistics is still in process, and the complete totals are not yet available. I believe they will be available to be turned over to the Committee on Banking and Currency at the time it takes action on this bill. At that time, I shall also present to the committee descriptions in the press of these floods, and many photographs which speak louder than any words in displaying the damage done.

Yet, Mr. President, more telling even than pictures—even than photographs of crumpled walls and flooded living rooms, of flooded fields and dead livestock, of highways blocked by landslides and streets turned into canals—are the letters I have received from men and women in Oregon describing the personal tragedies of these flood losses; losses that in many instances could have been prevented by vigorous and timely flood-control measures and that are irrecoverable because of the lack of any insurance program.

CITIZENS PLEAD FOR ADEQUATE DISASTER INSURANCE

I have received scores of such letters, Mr. President, and I should like to quote from just a few of them today. Statistics may show the total impact of a natural disaster on a community and on the fiscal resources of a State, such as Oregon. They are useful in demonstrating the justification for needed flood-control measures and in assessing the economics of a program of disaster indemnity. Yet such statistics mean little to the individual family who have lost their home to the flood. Their loss is as tragic and, under present conditions, as final whether the totals of all losses run into the thousands or into millions of dollars. And it is these individual tragedies which our proposed disaster insurance program is designed to alleviate. I am sure that the men and women who have written me will not object to my reading from some of their letters in the Senate, if this will bring home to this body the need for insurance against flood and related losses and contribute to the early enactment of this program.

Mr. President, let me read, for instance, from this description written by Mr. A. J. Sullivan, of Grants Pass, Oreg., on January 12, 1956:

During the recent flood of December 22 last, when we felt the full fury of an extremely high water condition which carried at its crest large trees, logs, and all matter of building material. Some of the larger logs and stumps slammed repeatedly into the side of our house until they tore away the entire side, dislodging 3 of the 8 cement foundation piers. The big logs then got under the house and completely wrecked two deep-freezes fully packed with meats and other foods which all went down the river together with the freezers. In addition we lost better than 500 jars of fruits, jams, and jellies, a new hot water heater, camping equipment, yard furniture, books. A conservative estimate of the cost to restore things to their former status would be about $2,500. * * * Many other owners suffered far greater losses than we did as the water at its highest stood from 2 to 5 feet on the floors and in some instances washed houses off their foundations right down the river, furniture and all, leaving a few sections of plumbing sticking straight up as mute evidence of what had been there a short time before. * * *

Your plan of Federal flood insurance should prove a godsend to millions of citizens of the United States; something comparable to war risk insurance of World War II. Of course, the spread under such a specific form of policy as flood insurance only would interest only a small percentage. * * * Wouldn't it be a smart idea to propose a Federal disaster policy combining these coverages which would at once be attractive to millions of homeowners and thus meet the basic underwriting principles of spread, volume, and premium income?

Recurring floods often interrupt and frustrate the laborious and expensive process of reconstruction. Dr. Herrmann B. Wulfe, of St. Helens, Oreg., wrote me on January 16, 1956:

We have had three different floods in succession this fall; the first flood was at Thanksgiving time, washed out driveway completely with no way to get in or out. I had two loads of large rock hauled in * * * the second flood came along too soon to finish this rock-up for the driveway and washed part of that away. The third flood came a day or so before Christmas, and that was terrific, 3 feet over the bridge, tore out everything, bridge, culvert, and planking, and the driveway again and all the temporary repairs.

And Dr. Wulfe's letter encloses a series of photographs illustrating vividly this damage.

Mr. Frank Liening wrote on January 22 from Roseburg, Oreg.:

On Sunday morning, October 29, 1950, we woke up to find floodwater around our house and we just had time to dress and wade to higher ground and finally had to be evacuated by motorboat. We lost about $1,500 in furniture, tools, and equipment. * * * Since 1950 we have had four major floods. Each time we try to save what we can but we always lose something and then clean up and replant trees, shrubs, and lawn. * * *

Our river is an enemy that has hit us 4 times in 5 years. Why can't we have flood-risk insurance at a price that we can afford to pay? I most urgently request that you join with other Senators to sponsor a flood-insurance bill that will provide financial protection for at least our major losses.

ROSEBURG FAMILY SUFFERS TRAGIC LOSSES

The same experience is reflected in this letter from Mrs. J. K. Masters, of Roseburg, Oreg., dated January 19:

We have had 5 floods since October 1950, all 5 doing much damage to our home, yard, and shrubs, fruit trees, and soil. Our floors, cabinets, and furniture were all ruined in the 1950 flood. * * * Our well, which is our source of drinking water, has been contaminated since 1950 flood. * * * These past 5 years has been filled with dread of what would happen next. Five times we have endured, always hoping that something would be done to protect us. * * * We who are 60 or more who have put all of their life earnings in these homes and acreage need something now to help us enjoy our declining years. * * *

If it is at all possible for you to use your influence to help our flood condition, it would be greatly appreciated by thousands who live in the Umpqua Basin. We live under dread all the time and that is sure bad on the nerves.

Mr. President, I think one of the most affecting letters I have read in this unhappy stream of mail about flood losses is a letter written to my wife Maurine on January 11, 1956, from Mrs. Harriette A. Keyes, of Fossil, Oreg., Mrs. Keyes wrote:

For 51 years Mr. Keyes, my husband, has lived here and run sheep and never in that time has he known the river to rise at this time of year. * * *

But at 4 a. m. (Thursday, December 22) he was aroused by the phone. Our neighbor across the river was awakened by the roar and together they got help and boats and tried to rescue the sheep. But by that time water was too high and swift. Their boats were turned over with the debris and logs—was a miracle they were not lost with the sheep, for which we are thankful.

So you can imagine our heartbreak when we got back—all our best ewes with lamb and wool gone—we've worked so hard building this little flock of high-grade fine wool stock up. * * * and would like to know how to find out if there is any provision by Federal or State Government whereby we may get help and how to go about it.

It must be possible, Mr. President, for this great, rich Nation to institute a program which will make it possible for people like the Keyes family to recover from a disastrous loss such as the one they suffered, due to no fault of their own, and to rebuild the flock of fine sheep which they had so painstakingly developed through years of hard work and savings—and which will make it possible for others to withstand the loss of a year's crops, or for expensive nursery stock, or to rebuild a flooded workshop or store upon which their livelihood depends.

There will always be personal losses which money cannot fully replace. Here is a letter, for instance, from Mrs. Loyd Kaufman of Grants Pass, Oreg., written January 11, 1956:

The December 22 flood of the Rogue River damaged us at least to the extent of $2,500, besides the things we can never replace such as photographs, snapshots, the Bible my husband gave me in 1928, the diaries that I have kept since 1930, books * * * music that I'll never be able to replace. The damage to our electrical equipment, walls, floors, and furniture is terrific. * * * My husband is 58 and I'm 54 so you know it will take us the rest of our lives to replace the luxuries such as a camera, watches, pop-up toaster, sewing machine, etc. * * * All of our neighbors suffered too, some more, some less. * * * Our refrigerator and oven are still dripping water and the flood was 3 weeks ago. * * * In the rooms, part of the walls have to come down—but in time we will have the home livable—which it isn't now. Most of the furniture was ruined * * * one isn't too enthused repairing, remodeling and trying to replace the comforts of living, when one realizes this same thing may happen next year. We own our little home, and have to stay here—as we have no other choice.

Let me just read briefly from a few more letters, Mr. President. From Mrs. Anthony Roth, of Gold Beach, Oreg., January 19, 1956:

I would like you to know that we have lost 3½ acres of fine rich bottom land and now the Rogue River is threatening the bank by our house. We sure wish there were some way to insure it, as we have a very nice home that we have worked hard for. * * * If our home goes we will lose just about everything. I pray this measure will pass.

From Mr. C. C. McKay, Grants Pass, Oreg., written January 17:

We live halfway between Applegate and Provolt on Applegate River. We lost 5½ acres of ground valued at $600 an acre which would be $3,300. It was used for truck farming and gardening that was part of our livelihood.

FAMILIES NEED REAL INDEMNITY FOLLOWING FLOODS

Mr. President, the letters which I have quoted show the need for help, and for the kind of help which evidently only the Congress can initiate. But I do not mean to imply that the people of Oregon just sit back in adversity and wait for Federal action. They are self-reliant. There are letters which tell of community self-help and neighborly cooperation in the immediate aftermath of disaster, such as this one of January 12 from Mr. Glenn W. Hutchinson, quartermaster of Rogue River Post, No. 4116, of the Veterans of Foreign Wars:

I am on your mailing list of legislative activities that you report each month, which I read and pass on. We enjoy the reports very much.

Now I am going to report for our commander, John Leyen, on the flood in the Rogue River Valley at Rogue River and rural district.

The VFW building in Rogue River was used as headquarters for the civil defense, Red Cross, and storage for home contents taken from homes in the flooded area. The Red Cross, manned by local ladies kept our kitchen going 24 hours a day. Hot meals were served at any time. Mrs. Verle Babcock, head of Red Cross, had help on hand 24 hours a day and reports fine cooperation at all times. Buz Webb, head of civil defense was really the man on the big job. The National Guard was mustered in early Wednesday evening, December 21, and maintained a constant patrol until Friday morning, when they were disbanded. Then Buz Webb really went to work. Sixteen local men were sworn into the county sheriff's department, with cars and gasoline and sent out to patrol the highway and county roads 24 hours a day for 7 days. The big surprise was, the turnout of local men with their trucks, ready to assist in evacuation and saving life and property. Some of the men returned home early next morning to find their own home and business under water.

Nevertheless, Mr. President, after the evacuation of endangered individuals, the emergency housing and feeding and clothing of the homeless has been completed, after the waters have receded, the permanent losses are beyond the scope of local community action. Mr. Don Lane, secretary of the Oregon State Water Resources Board, wrote me on January 24:

The loss of life and property in southwestern Oregon as a result of the recent flood has been tremendous. The State civil defense agency has informed the board that 13 people in Oregon lost their lives as a result of these floods. Property damages run into millions of dollars.

The same day Mr. Ivan Oakes, executive secretary of the Willamette Basin prospect committee in Salem, Oreg., wrote me:

I am quite convinced that when the engineers complete their damage survey of the winter storm that you will find that they come up with a figure in excess of $14 million. * * * We are receiving estimates from various parts that pertain only to the farmers' damage, and so far are finding them very staggering.

To cope with losses of that magnitude a preexisting, organized plan of offering financial protection is necessary, and people recognize that Congress must act to initiate such a plan now. Thus, Mr. Lyle M. Walters, secretary of Local No. 128 of the National Federation of Post Office Clerks in Portland, wrote on January 8 that the members of that local "are deeply interested in (Federal) legislation, as many of our fellow workers, due to the recent floods in our own and adjacent States, are eligible for such help. Any support that may be given by you for such legislation will be wholeheartedly appreciated by the entire membership of our organization."

REAL ANSWER IS FLOOD CONTROL

Mr. President, I do not want to close this speech leaving the impression that disaster insurance by itself is an answer to the recurring tragedies of floods and other natural calamities. Far from it, indeed. Flood control, rather than flood insurance, must remain the first line of defense against the recurrence of these disasters. The best and most generous recompense in money is a poor substitute for security against flood losses in the first place. But not only is it far better for the threatened areas to avoid floods than to insure against them; flood control must also go hand in hand with any insurance program, so as to reduce the remaining risks to proportions which the program can bear.

In river basins such as those which have recurrently experienced disastrous floods in Oregon, we need greatly stepped-up multipurpose programs of planning and construction, with flood control a prime objective. I understand, for example, that a dam at Lewis Creek, under consideration by the Bureau of Reclamation during the preceding administration, would have prevented the recent disaster in the Rogue River Basin. But I shall have more to say on this subject in the early future. For today, I want once more to express the hope and confidence that the Congress will see fit to enact a necessary disaster insurance program this year.

In conclusion, Mr. President, I should like to append to these remarks some of the factual material which has been sent me on the extent of the damage done by the recent floods in Oregon. As I said before, a complete statistical summary of this information is not yet available and may perhaps not be for some time. As Mayor George S. Burr, of the city of Coquille, county seat of Coos County, and apparently the hardest hit area in our State, wrote me on January 19:

In reply to your letter of January 11, 1956, requesting information and data on our most damaging flood disaster in the history of our area of Coos County, must advise you that at this time it would be impossible to send you anywhere near a complete report on the loss because we are still flooded. After the water does go down it will take weeks to make a list of the damage done and probably there will be thousands of dollars of damage which will not be reported. Some areas are damaged to the extent that it will take a year or so to really know the total loss. * * * Any help that you can give us on this terrible disaster will be greatly appreciated. We hope with the information herewith enclosed you will be able to work out a good program as outlined in your letter.

Attached to this letter there was a preliminary list of flood damage to streets, water distribution lines, and roads. Similarly, I ask to have printed at this point a letter from Mr. Robert A. Finlayson, city manager of the city of Eugene, Oreg., dated January 21, 1956, which describes the flood damage done in that city.

Although the information may not be quite final, I nevertheless believe that a very good review of the recent floods in Oregon is set forth in a letter dated January 27, 1956, which I received from my friend, Col. Jackson Graham, district engineer of the Portland, Oreg., district of the United States Army Corps of Engineers. Of particular interest in this letter is Colonel Graham's report of the great effectiveness of existing reservoirs in controlling the floods, and of the protection which the Lewis Creek Dam, proposed by the Bureau of Reclamation in 1950, would have furnished in the Rogue River Basin. I therefore ask unanimous consent, Mr. President, to have this letter printed with my remarks in the RECORD, along with a letter of February 2, 1956, from Mr. A. M. Sheets, director of the Oregon Civil Defense Agency, enclosing a summary of estimates of damage to essential public facilities which serves as an indication of the magnitude of the total damage. Finally, I ask to have included a brief description of the major characteristics of the proposed Federal Flood Insurance Act of 1956.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EUGENE, OREG., *January 21, 1956.*

Hon. RICHARD L. NEUBERGER,
United States Senator, United States Senate Building, Washington, D. C.

DEAR SENATOR NEUBERGER: Your letter of January 13, 1956, addressed to Mayor V. E. Johnson, requesting information on the damages resulting from the recent floods in the city of Eugene, has been referred to my office for a reply.

For an 8-day period, December 18, 1955, to December 26, 1955, the city experienced a series of storms which, according to record, had no parallel. For the 24-hour period 6 p. m., December 20, 1955, to 6 p. m., December 21, 1955, the average rainfall was 4.87 inches, which is greater than any on record at the weather station for this area. The greater portion of this rain fell within the first 12 hours, causing the Amazon Creek to overflow its banks more so than any other time, with widespread flooding of our streets. I am enclosing pictures taken on December 21, 1955; also, a small map showing the flooded areas crosshatched in red.

The flooded areas encompass a large segment of our residential districts, including the new $4 million high school. The flooding of our streets, coupled with the ground saturation, allowed storm water to enter our sanitary sewers, causing them to overflow and back up into homes through toilet facilities, creating an unsanitary and unhealthy condition. Also, the floodwaters entered basements and, in a few cases, ground floors of dwellings became inundated. Fortunately, all damages were physical, or direct damages,

UNIVERSITY OF MICHIGAN LIBRARIES

with some losses to a few commercial establishments. During the 8-day period prior to December 26, 1955, there was general inconvenience, interruption of traffic in the city, and a partial isolation of some parts of the city.

It is estimated that approximately 150 dwellings and commercial establishments were damaged an average dollar amount of $150, or a total of $22,500. Municipal damage to streets, and cleanup of debris is estimated at $5,000, and school damage at $2,100, giving a grand total of $29,600. It must be pointed out that while these are estimates, additional damages can, and will, show up in a 3-month period due to settlement, causing plaster cracks in walls, inside and outside, raveling of street surfacing, sagging of buildings, curbs, and sidewalks, et cetera, and there is always the problem of getting rid of trap water under houses, which causes a general unsanitary condition.

I believe the above covers the information I have concerning the damages caused by this flooding.

We, in Eugene, feel that if it were not for the improvements done on the Amazon by the Corps of Engineers and the city of Eugene, this last flooding would have been the worst ever experienced by the city, and I am enlisting your aid in securing the needed appropriation for the construction of the third phase of the modified Amazon Creek project. I am enclosing a copy of my letter to you dated February 11, 1955, which gives a short history of this project, and you may recall that last spring Congress appropriated $22,000 to do the planning for the third phase of this project with the expectation that the appropriation would be made in this Congress for the construction. We feel that the construction of this final phase will alleviate, to a great extent, the flooding of the Amazon here in Eugene. The city has set aside the funds which they are expected to furnish; also, they will secure all necessary rights-of-way and whatever else is required by Federal law.

May I wish you every success in your quest for obtaining a national disaster insurance program. We will be more than glad to furnish you with any other information to help you in this quest.

Very truly yours,

ROBERT A. FINLAYSON,
City Manager.

CORPS OF ENGINEERS,
UNITED STATES ARMY,
OFFICE OF THE DISTRICT ENGINEER,
Portland, Oreg., January 27, 1956.

Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: Recent floods on Oregon streams were among the maximum of record. The resulting damages were extremely heavy in many areas. Considerable detailed information as to the magnitude of floods and the extent of damages in various stream basins has been published in newspaper accounts. Although those accounts were very informative, they did not necessarily reflect the relative magnitude of the problem in various areas. Also, it is difficult, if not impossible, to summarize from those accounts an estimate of all damages attributable to the floods, or to differentiate between flood damages and damages caused by the storm preceding the flood.

Major floods occurred in Willamette, Rogue, Coquille, and Umpqua River Basins, and on several minor coastal streams. Damage surveys are not yet complete and detailed estimates of the amount of damage in various localities are not available. Funds have been made available, however, for detailed damage surveys in Willamette, Rogue, Umpqua, and Coquille River Basins, and in other smaller basins where damage is known to have been severe. As soon as those surveys can be completed and the results summarized, I will furnish you full information as to estimated damages and damage prevented by existing flood-control works.

Even though detailed information is not yet available, I believe you would be interested in a brief summary of the situation in each of the four large basins involved, and an indication of the extent to which existing projects assisted in reducing damages.

The flood in Willamette River Basin was of an overall frequency of about once in 20 years, on an average. Streamflows above some of the completed reservoirs exceeded previous recorded maximums, both in volume and peak discharge. Floods of that nature are both extremely damaging and particularly difficult to control. The five completed multiple-purpose reservoirs, Cottage Grove, Dorena, Fern Ridge, Lookout Point, and Detroit, however, were extremely effective in controlling flooding and reducing damage. Stages at Eugene, Albany, and Salem, on the main stream, were reduced about 9, 5, and 3 feet, respectively. Preliminary estimates indicate that damages in the order of $9 million were prevented thereby. Even though the five reservoirs were effective, damages in the basin were large. McKenzie and South Santiam Rivers, and many minor tributaries such as Fall Creek and Calapooya, Marys, Luckiamute, Yamhill, Pudding, Molalla, and Tualatin Rivers were without any control. Middle Fork Willamette River, above Lookout Point Reservoir and downstream from the site of Hills Creek Reservoir, broke through a privately constructed levee and necessitated evacuation of about 300 people from their homes. Particularly notable examples of the effects of storage control were the uncontrolled and extremely damaging flooding on South Santiam River, as compared to the controlled North Santiam, and on McKenzie River as compared to Willamette River which was held within banks above the confluence of the McKenzie.

Because of the effects of the reservoirs, no major communities were endangered. Primary highways were blocked at several points and secondary highways were generally blocked, many for several days. Many small bridges were washed out, county roads were damaged, and farm homes and improvements were isolated and in many instances badly damaged. Also, considerable damages were suffered by bank revetments and other local protective works.

The flood in Rogue River Basin also was extremely damaging. The stage of 30.16 feet at Grants Pass was about 7 feet higher than the maximum previously recorded in 1945, and apparently about the same as that of 1927, which was not recorded. No loss of life is known to have occurred. Approximately 400 families in the vicinity of Grants Pass and about 200 families in the vicinities of Trail and Shady Cove were evacuated from their homes. Several homes and motel units in Rogue River, near Grants Pass, were swept from their foundations and destroyed and many others were seriously damaged by flooding to depths of several feet. A city-owned railroad bridge at Grants Pass was washed out. Several State highway bridges and approaches were partially destroyed and many county bridges were washed out. United States Highway No. 99 near Grants Pass was inundated to depths of 8 to 10 feet. Irrigation, diversion dams, canals, and head works suffered severe damage, as did other agricultural developments in the flood plain.

Two floods occurred in the Umpqua River Basin, one on December 22–23 and the other on December 26, 1955. The first flood with stages of 31.6 and 45.6 at Winston and Elkton, respectively, was approximately equal to the previous maximum of record. The second was somewhat lower, particularly on North Umpqua River and the main stream below the North Umpqua. One life was lost due to the flood. About 500 homes and businesses were evacuated and 300 residential and business properties were inundated. The principal damage centers were at Myrtle Creek, Dillard, Roseburg, and Sutherlin, and in the Riversdale and Garden Valley agricultural areas. Damages to roads, bridges, and utilities were extensive. Damages to agricultural developments also were heavy and three lumber mills at Dillard lost large quantities of logs and lumber. Levees protecting the town of Reedsport prevented inundation by floodwater from the river. Damages to State Highway 38, which was closed above Reedsport by slides and has not yet been restored to full service, were due principally to the storm rather than to high flows in Umpqua River.

Coquille River also experienced 2 flood peaks, 1 on December 22 and 1 on December 26. The first peak was approximately equal to the highest of recent years. The second peak, which reached a stage of 27.6 feet at Coquille, was apparently the highest since 1909. More than 100 families were evacuated during the first flood. The second flood affected some 350 homes, 10 mills, 30 dairies, and various public and private properties. Five lives were lost as a result of a mud slide at the town of Remote. Highway and rail connections were severed for several days by flooding and slides. Between 100 and 200 valuable dairy cattle were lost during the flood.

Aside from a few minor levees and some bank protection works, the Corps of Engineers had no constructed flood-control works on streams other than in Willamette River Basin. Reports authorized for Rogue, Umpqua, and Coquille Rivers have not been completed because of lack of funds and it is not known what reduction in damages could have been obtained on these streams. The Bureau of Reclamation, however, has indicated informally that its proposed Lewis Creek Dam on Rogue River near Trail would have been adequate to control the Rogue to substantially nondamaging stages throughout the major damage areas. This office has cooperated with the Bureau in the past on studies of Rogue River Basin and plans to do so in the future, both on that stream and on the Umpqua.

I hope this general summary will prove of value to you. As soon as more definite knowledge of damages and flood occurrences is available, I will see that you are notified. In the meantime, I shall be pleased to furnish any additional available information you may require on the subject.

Sincerely yours,

JACKSON GRAHAM,
Colonel, Corps of Engineers, District Engineer.

STATE OF OREGON,
OREGON CIVIL DEFENSE AGENCY,
Salem, February 2, 1956.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Your January 9 letter requested the most complete figures available to you of the total loss resulting from the recent floods.

We are now compiling a report, a copy of which you will have in a few days. We do now have a summary of estimates based on engineering reports, a copy of which is attached and is entitled, "Summary of Estimates of Reimbursable Costs for Repair of Essential Public Facilities under Public Law 875."

Yours respectfully,

A. M. SHEETS, *Director.*

Summary of estimates of reimbursable costs for repair of essential public facilities under Public Law 875

	City	County
Benton		$3,300
Clackamas		22,600
Clatsop		1,900
Astoria	$10,000	
Columbia		20,000
Coos		100,000
Coquille	1,500	
Myrtle Point	11,200	
Powers	1,075	
Coos Bay	670	
Empire	400	
Curry		38,000
Gold Beach	2,125	
Douglas		32,900
Riddle	1,625	
Roseburg	4,225	
Canyonville	2,500	
Jackson		125,500
Central Point	12,800	
Medford	20,000	
Gold Hill	2,000	
Ashland	10,000	
Rogue River Irrigation District	11,500	
Gold Hill Irrigation District	11,500	
Jackson and Josephine County Fire District	35,000	
Josephine		49,000
Grants Pass	2,500	
Lane		18,500
Lincoln		8,500
Linn		
Marion		3,900
Multnomah		(1)
Portland	(1)	
Polk		38,500
Monmouth	1,700	
Dallas	5,000	
Washington		24,750
Total		634,670

[1] Added to the list Jan. 25, 1956. Only estimate is total damage and not based on engineering survey which is now being done. Estimate Portland $175,000 and Multnomah County $100,000.

SUMMARY OF FEDERAL DISASTER INSURANCE BILL

This bill directs a Federal program of insurance and reinsurance against flood loss in United States to be made available by the Commissioner of the Federal Flood Insurance Administration (a new constituent agency of the Housing and Home Finance Agency). It also directs a continuing study of the feasibility of extending insurance or reinsurance to cover other forms of natural disaster, with annual reports to the Congress.

Offering protection to real and personal property owned privately or by State and local governments, the bill sets a per policy limit of $10,000 face value on real and personal property for 1 to 4 family residences and $100,000 face value for other real and personal property in a single location. This should encourage private insurance companies to issue policies covering risks above these limits, with the aid of Federal reinsurance.

Rates to be paid by policyholders will be based on risks, but will be set at levels reasonable enough to permit purchase by potential flood victims. No State participation is required.

Each policy will have a loss deductible clause ranging from $100 to $200, to eliminate nuisance claims and encourage use of care by the insured.

No policy will be issued if reasonably available from other public or private sources; nor on property violating flood-zoning laws.

Insurance and reinsurance total program limits are $1 billion each year for this and the next 2 fiscal years. If needed, up to $1.5 billion (more if President approves) may be borrowed from the United States Treasury ($1 billion until July 1, 1957) to finance program, including administrative expense.

Private insurance company participation in program is encouraged.

Adequate administrative discretion is vested in the Commissioner to accompany the pioneer nature of this program. The insurance and reinsurance programs are not segregated.

No termination date is provided, but annual reports to the Congress are required. Every fifth year, the Commissioner is to give Congress his opinion on feasibility of takeover of program by private companies.

NEEDS OF SMALL BUSINESS FIRMS

Mr. THYE. Mr. President, during the past few months, I have been deeply disturbed about rumblings in certain quarters that the present Republican administration, under the leadership of President Eisenhower, is not sensitive to the needs of small business firms in this country. In essence, the charge is made that the administration is the captive of big business interests and that the small-business man is being left to wither on the economic vine.

As ranking minority member of the Senate Small Business Committee and as the chairman of that committee during the 83d Congress, I have kept in touch with the general condition of our small business community and have endeavored to evaluate the efforts made in behalf of small business by the present administration. I have always striven in the past to be candid and objective in my remarks on small business. I have been critical of policies and regulations on the part of Government agencies which I thought were not consistent with the interests of the small firms, regardless of the administration in power. At the same time, I have commended those efforts which are designed to assist this important segment of our economy. Today, I believe we have a President and an administration who recognize the needs of small business and who have taken action on all fronts open to Government to stimulate small business expansion and growth.

As late as last month, in two separate reports, the President spoke out clearly on this issue. In the economic report, the President stressed the need to foster competitive enterprise in the following statement:

> Government can strengthen competitive markets by helping small and medium-sized business overcome impediments to their expansion. In our modern economy, with its heavy capital requirements, high taxes, and emphasis on national markets, small concerns are subject to serious handicaps in many lines of endeavor. Yet, the continuance of small and medium-sized businesses and their ability to prosper and grow are vital to the Nation's welfare. * * * When the Government helps smaller concerns to overcome some of the hindrances to their growth, it is acting in the interests of the whole economy.

In his budget message, the President said:

> Through the Small Business Administration, we shall continue to help small business concerns obtain access to adequate financing, to a fair share of Government procurement, and to competent counsel on management, production, and marketing problems.

There is another important consideration which should be stressed in regard to the so-called trend toward big business. We might ask ourselves this question: When did the trend begin to accelerate to the present proportions? History shows that ever since the industrial revolution, we have had a trend toward larger corporations. This has been an inherent part of our economy. During the Democratic administrations of the thirties or forties, the trend accelerated. We saw big business and big labor rising to the front during those periods. World War II, with its all-out industrial effort, also put a premium on the resources of large business.

The record of accomplishment since 1953, which I am about to outline, shows a concerted and sincere effort on the part of President Eisenhower and the Republican administration to create an atmosphere and climate within which small business can grow and prosper.

Before proceeding further, the term "small business" should be defined. There is no simple definition for this term. A suitable definition of it cannot be found in any dictionary. Many people have attempted to formulate an adequate definition. In fact, at the present time, there is a task force within our Government agencies which is developing a workable definition. However, I do not believe we must labor at any length over this problem. We are speaking today about the stores, shops, filling stations, and retail establishments along the main street of every small community in the United States. We are referring to manufacturers with no more than 500 employees in some industries. We are talking about independently-owned-and-operated business firms as contrasted with subsidiary companies of giant corporations. I do not think there is any doubt in anyone's mind about which business concerns we are referring to.

I should like to make one further general observation before I discuss specific aspects of this matter. At the present time, we are enjoying the highest peacetime prosperity in the history of this Nation. There does not seem to be any serious challenge to this proposition. This is a prosperity which exists without wage, price, and rent controls. It is a tribute not only to the Eisenhower administration, which has created the climate for such prosperity, but it is also a tribute to our great free-enterprise system itself. There were those in 1953 who predicted a depression when controls were lifted from the economy. We were told that a free-enterprise system could not succeed in our day without rigid direction from the Federal Government. Critics of the administration, baffled by this peacetime prosperity, have now shifted their ground from predictions of a general depression to an attack upon the administration on the ground that small business is the forgotten element in our economy.

It is well to keep in mind that our giant corporations began as small business firms. They rose from humble beginnings. The fact that they have been successful and have given us the highest standard of living in the world is to be hailed, not condemned. At the same time, we must make certain that the same opportunity is available to our young business leaders and executives who have the ability and initiative to

UNIVERSITY OF MICHIGAN LIBRARIES

continue this traditional pattern of growth and stability.

In appraising the work of the Republican administration in the major areas of concern to small business, I shall confine myself to five general categories:

First. Antitrust enforcement.

Second. The operations of the Small Business Administration.

Third. The Government procurement program.

Fourth. Government competition with private business.

Fifth. Tax relief.

In these five categories, the administration has taken action which will result in a healthy small-business community in the United States.

I. ANTITRUST ENFORCEMENT

To evaluate antitrust enforcement, we must consider the activities of two Government agencies, namely, the Department of Justice and the Federal Trade Commission.

A. DEPARTMENT OF JUSTICE

In our national economy, the key to the vitality and prosperity of the small business firms lies in the quality of antitrust enforcement. As will be recalled, there have been periods in our history, though admittedly few in number, when vigorous antitrust enforcement has been a matter of resolute policy. During such periods, small business has enjoyed a large, vital, and prosperous place in the American economic system. On the other hand, when antitrust enforcement was lax or inconsistent, small business has declined economically.

The explanation of the dependency of small business upon vigorous enforcement of antitrust laws is not complicated. Free competition is the basic protection required for small business, and aggressive enforcement of the laws produces competition having a free and fair character. From such competition are generated energy, ingenuity, and determination. These are the qualities which make for the success of any small enterprise.

The Republican administration has recognized the fundamental connection between the economic well-being of efficiently managed small business and the maintenance of free competition in the market place. As a first step, President Eisenhower appointed Mr. Herbert Brownell, one of the Nation's brilliant legal practitioners, to be Attorney General of the United States. I stress the word "practitioner" here because not only is the present Attorney General a fine legal scholar, but he has also gained nationwide recognition as a practicing attorney.

The second step was to appoint Judge Stanley Barnes as head of the Antitrust Division of the Department of Justice. Judge Barnes was noted for his integrity, his outstanding legal ability, and his fair administration of justice as a member of the judiciary.

Under the direction of Judge Barnes, the Antitrust Division has compiled an outstanding record in its primary role of preserving the principle of competition in American business life. He has instituted considerably more than 100 suits against antitrust violators. Many of these suits were brought against a formidable array of industrial giants. Is this the record of an administration which is the captive of big business? Let us compare the record of this administration with the previous administration, so that we may clearly see who has done a job for small business in this area.

The present administration, in its complaints, has brought cases which are aimed not at mere doctrinal perambulations, but at making real strides either toward cracking restraints on entry or controls over prices. Thus, the goal has been a vigorous cracking down, without fear or favor, on hard-core antitrust violations. As a result, businessmen know that this difference in policy will spell greater court success. This has produced a sharp rise in pretrial settlements. The administration has achieved more results for each enforcement dollar spent. The Justice Department has also been effective in dealing with those questions where the law and policy are not well settled.

The following statistics reveal the effectiveness of the present administration in dealing with violators of the antitrust laws. For the year ending December 31, 1955, 54 new cases were filed. There were 33 civil cases and 21 criminal. In fiscal year 1952, under a Democrat administration, 30 new cases were filed. In fiscal year 1953, 33 new proceedings were brought, and in fiscal year 1954, some 32 new antitrust cases were begun.

During the year 1955, approximately 52 antitrust cases were brought to a close. Of these 52 cases, 14 were cases filed during that same year. This means that, in addition to taking effective action, the present Antitrust Division is making real strides toward keeping its calendars up to date.

The ability to close 14 cases in the same year they were started is due to a new program put into effect for prefiling negotiations. This approach involves negotiation of consent judgments prior to the filing of the civil complaint.

Prefiling negotiation is no stranger to the Department of Justice. In the second half of the 1920's, about 25 percent of all cases used this procedure. However, in the thirties, under a Democrat administration, this procedure was not effectively used. It was revived in the early forties only after companion criminal cases had been brought. By that procedure, the negotiation method of dealing with violators was only a step in the settlement of criminal proceedings. This type of pressure was generally criticized.

Today the negotiation method is not used as a pressure device. It is entered into only where the Department contemplates civil proceedings. Thus in no instance is the criminal sanction used to coerce civil settlement.

Prefiling negotiations are not used where an important issue of law is involved which demands litigation, or where long delay might vitiate the cause embodied in the complaint.

In addition to this concentration on violations and the increased emphasis on speeding the administration of justice, the cases commenced have been aimed at practical enforcement results. This attempt to enforce results has been done without fear or favor, and has been used against all violators. It is interesting to note that in the 62 years since the passage of the Sherman Act, some 24 contempt proceedings have been brought for violation of outstanding decrees. Of this figure of 24, one-third, or 8, of them, have been brought in the past 3 years since the Republican administration came into power.

This brief summary shows that not since the days of Theodore Roosevelt, another Republican, has there been such a concentrated effort by the Department of Justice to enforce the antitrust laws.

Mr. SALTONSTALL. Mr. President, will the Senator yield at that point?

Mr. THYE. I am delighted to yield.

Mr. SALTONSTALL. Is it not true that the greatest recent example of that policy was the consent decrees in connection with the Bell Telephone Laboratories and the International Business Machines Co., whereby patents were released to persons in small businesses, thus affording them greater opportunity to make use of patents freely in the new and growing field of electronics?

Mr. THYE. Mr. President, the distinguished Senator from Massachusetts is absolutely correct. It is for that reason that I am making this statement today. I merely want to allay the fear in the mind of any small-business man who might think that he does not have an opportunity these days to develop and expand his business. I wish to show that the Justice Department has used every possible legal method in the effort to protect the small-business man and at the same time eliminate monopolistic practices of big corporations which threaten the small-business man.

Mr. SALTONSTALL. Mr. President, will the Senator yield for an additional question?

Mr. THYE. I shall be happy to yield.

Mr. SALTONSTALL. Is it not true that the present administration has been very cognizant of the fact that businesses have been growing bigger, and that the comparative profits of bigger businesses are larger than the profits of smaller businesses? Has the administration not been exerting every effort which it can properly exert to counteract those tendencies in cases where Government business is involved and where antitrust suits can be brought?

Mr. THYE. Mr. President, the Senator from Massachusetts is definitely correct in his statement. It is the constant objective of the Select Committee on Small Business to assist the small-business man, so that he may enjoy the benefits of obtaining defense contracts. The committee is interested in making certain that all the contracts are not obtained by the larger firms.

Mr. SALTONSTALL. If I may interrupt again, I should like to say that one of the great problems today is that as the need for new procurements, in connection with defense, arises, it is harder to spread the smaller contracts out. That is one of the problems we face.

Mr. THYE. That is true, because the larger corporations can well afford counsel and the technical advice necessary to secure defense contracts. It is for that reason that we in Congress, as well as the executive agencies, must constantly be alert, making certain that the small-business man does have an opportunity to bid, and is alerted to the fact that bids are being called for by our defense agencies. In that manner, he may have an opportunity to bid for the small items in our defense program which he and his plant are capable of manufacturing or producing. We then are spreading out our vast defense contracting, and are not permitting it to be channeled to one large corporation, which then would set up within itself subsidiaries to do what small-business men across the Nation might well be doing.

Mr. SALTONSTALL. That is a difficult thing to do, but it is being done conscientiously to the best of their ability, is it not?

Mr. THYE. It most certainly is. That is what I am endeavoring to set forth in the statement I am making today.

Mr. President, at this point I should like to pay a tribute to Judge Stanley Barnes for his untiring work in the field of antitrust enforcement. I have not heard one word of criticism about him or his work from any members of the Republican or Democrat Party in either the House of Representatives or the Senate. To the contrary, I have heard outstanding men in both parties praise him highly, both in committee hearings and in private conversations. This is a high tribute to a man who works in a most sensitive position within our Government.

B. FEDERAL TRADE COMMISSION

The Federal Trade Commission is another agency charged with the enforcement of antitrust laws. The primary responsibilities of this agency are in connection with safeguarding small business from price discriminations and other unfair trade practices. The Federal Trade Commission, together with the Department of Justice, is also supposed to police merger actions in business. This is a subject which recently has commanded considerable conversation. All of us are disturbed when we see a wave of mergers occur within industry.

I hasten to point out that the merger problem is not new. It is a problem with which both Democrat and Republican administrations have come to grips. We find that the original Clayton Act, passed in 1914, contained a section making illegal certain mergers and acquisitions. In the Arrow-Hart-Hegman case, in 1934, the United States Supreme Court made it clear that that law was unenforceable. Despite this fact and despite the fact that there was a serious merger wave between 1940 and 1947, during a Democratic administration, the act was not amended until 1950.

Even after the amendment, the Federal Trade Commission, under the previous Democratic administration, gave the law no more than token enforcement. In fact, only one action was brought by the Federal Trade Commission and none by the Department of Justice under the previous administration. The truth of the matter is that only since Eisenhower appointees have been charged with the administration of the Federal Trade Commission and the Department of Justice has there been any visible effort to enforce this vital law. Eleven actions have been instituted since 1953 by these two agencies. The Federal Trade Commission has published a merger report setting forth the most authoritative facts and figures concerning the problem. Such a report is a vital prerequisite to any intelligent analysis of the problem. Finding that ordinary procedures and regular organization failed with limited manpower, the Chairman of the Commission appointed a special task force to use extraordinary procedures to enforce this law. The Commission has presented to the Congress a request for sufficient funds to institute a program and staff which will be able to do the job insofar as the present law permits. At the same time, the Federal Trade Commission has forwarded legislative recommendations which, it believes, are essential to a full realization of the intent of Congress in the basic law.

Just last week, I received from the Commission Chairman, Judge John W. Gwynne, a letter in which he stated his intentions to pursue vigorously this phase of the Commission's work.

A recent action by the Federal Trade Commission in the area of restraint of trade is another significant indication of the work being done by the Eisenhower administration which is of benefit to small business. I refer to the complaint against 3 major oil companies and 3 big tire manufacturers involved in the marketing, through service stations, of tires, batteries, and accessories. My personal interest in removing trade restraints in this field date back to late 1953, when, as chairman of the Senate Small Business Committee, I held public hearings in Seattle, Wash., on the problems of west coast gasoline retailers. Testimony at the hearings convinced me that some major oil companies were using a most subtle exclusive dealing arrangement for the sale to their dealers of tires, batteries, and accessories.

The Federal Trade Commission also has taken action, for monopoly practices, against nine of America's largest ice-cream manufacturers. Through furnishing cabinets and other facilities and by making loans, these companies have allegedly been buying retail outlets. At the same time and, perhaps, partially as a result of these practices, small ice-cream manufacturers and dairies have been selling out to larger companies. This has resulted in a marked trend toward concentration in an industry which traditionally has been composed of small businesses.

The Federal Trade Commission also polices deceptive advertising and similar practices. This work is vital to the small-business man. A competitor's deceptive advertising is dangerous to competing firms and to the general public.

An outstanding example of the Commission's efforts on behalf of small business in this area is the recent complaint against General Motors for its use of the word "genuine" to describe replacement parts distributed by it to its dealers. This type of advertising places at a competitive disadvantage small distributors and garages that handle identical parts from the same manufacturer, and eventually will cause many small firms to close their doors. This is further proof of the effective work being done by a Republican administration in a field which directly affects small business.

II. SMALL BUSINESS ADMINISTRATION

The Government agency charged most directly with assisting small business today is the Small Business Administration. This agency was created by a Republican Congress in cooperation with a Republican administration. It is the first peacetime, independent agency devoted exclusively to small business. I am proud to say that as chairman of the Senate Small Business Committee in 1953, I had the honor to author the act which established this agency.

This agency has 14 regional offices and 23 branch offices in the United States, set up to serve the small-business community. The agency has approximately 760 employees. It has four major functions:

First. Financial assistance and counseling.

Second. Procurement assistance to small firms.

Third. Management and technical assistance to small business.

Fourth. Disaster loans.

A. FINANCIAL ASSISTANCE AND COUNSELING

In the area of financial assistance, this Government agency cannot make any loans when private sources are available. Two-thirds of the loans made are accomplished in cooperation with participating banks. A new innovation is the limited loan participation plan. This is tailored to meet the needs of the smallest business establishments, such as retail hardware stores, drug stores, laundries, grocery stores, small manufacturers, and industrial plants. In these cases, local banks must put up at least 25 percent of the total amount of the loan. The loans run up to 5 years. This type of financial assistance is best appreciated when we consider the fact that commercial banks lend most of their money for short terms—30, 60, or 90 days.

The regular lending program of the Small Business Administration allows for loans up to $250,000, payable over an extended period of time.

As of December 31, 1955, the agency approved 2,270 business loans for a total of approximately $114 million. Approximately 40 percent of the loan applications are approved.

B. PROCUREMENT ASSISTANCE

The Small Business Administration has accomplished much in its attempts to assist small business to gain a fair share of Government contracts. The agency has procured specialists assigned to the major purchasing offices of the Department of Defense and other Government agencies.

UNIVERSITY OF MICHIGAN LIBRARIES

Through a joint determination program with the Defense Department, contracts or parts of contracts have been set aside for small business firms. More than 8,600 individual contracts have already been awarded under this program. The results of the efforts of the Small Business Administration in the field of procurement have served as a stimulus to small firms throughout the Nation.

C. MANAGEMENT AND TECHNICAL ASSISTANCE

The importance of the work being done by this agency in the field of management and technical assistance becomes apparent when we are told by Dun & Bradstreet that 86 percent of failures in business are due to poor management. It must be recognized that small business firms are competing in a complex economy, that overhead costs are rising, and that specialists in the fields of accounting, cost controls, and quality controls have become bywords in American industry. Through booklets, pamphlets, and courses in conjunction with our colleges and universities and a new products program, the Small Business Administration is assisting small firms to improve their operations and to keep abreast of industry's advancements. Today 58 of our best colleges and universities are cooperating with the agency in sponsoring 108 courses for small-business men. The types of courses vary from clinics and seminars to straight lecture courses. This, I might add, is being done with no cost to the Government except the part-time effort of two men in Washington.

Here we find a Republican administration bringing small firms and institutions of higher learning together in an endeavor to lay the foundation for the lasting success of small business in a free-enterprise economy.

I believe that the record of the Small Business Administration under the direction of Mr. Wendell Barnes deserves credit for taking affirmative and aggressive action in behalf of small business.

D. DISASTER LOANS

In the administration of disaster loans, the agency provided relief to homeowners and business owners. Last fall, we witnessed the suffering and hardship of people in the South and East as a result of hurricane and flood damage. More recently, we are aware of the destructive floods in the Far West and the breeze in the Deep South.

The Small Business Administration has declared 44 disasters, including tornadoes, floods, hurricanes, and freezes. This type of decisive action is further proof that the Republican administration is not only sensitive to the needs of stricken people but that it takes immediate action to relieve the hardships which follow in the wake of any disaster.

III. GOVERNMENT PROCUREMENT PROGRAM

The Congress has declared that small business shall receive a fair share of Government contracts. There are two basic reasons for the declaration of such a policy. It is obvious that if we are to have a strong economy based on our traditional free enterprise system, small business must be an active participant with big business. Today, with a defense budget of $36 billion, the Federal Government is the largest single purchaser of supplies and equipment. Small business must share in providing the Government with its needs.

The second reason for the declaration in behalf of small business is to insure the widest possible mobilization base to meet a defense emergency. History has shown us that when an emergency arises, there is a need for the type of efficiency and ingenuity which small manufacturers can supply.

Many small business establishments in Minnesota contributed greatly to the success of our World War II efforts. I was then serving as Governor of Minnesota, and I visited many of those plants, a goodly number of which were directly responsible for the development of some of the most highly technical types of defense equipment.

We have heard charges that the Department of Defense, in its purchasing program, has no room for the small firm. We are supposed to believe that contracts are let to a handful of giant corporations. Let us turn our attention to the record of the present Republican administration in the vast field of procurement.

I have already pointed out the success of the joint determination program worked out between the Small Business Administration and the Department of Defense. This is a part of the procurement program which deals exclusively with small business. I have even heard complaints from large firms that by cooperating in such a program, the Republican administration is discriminating against large business.

Considering the net value of prime contracts alone, we find that in fiscal 1955, 21.8 percent of the contract dollars awarded went to small business. Measured in terms of dollars and cents this means that $3,331,000,000 went to small firms.

I have followed this procurement program carefully as a member of the Senate Small Business Committee. I have found that from Secretary of Defense Charles E. Wilson down, there is a determined effort being made to obtain the services of the small manufacturer. The Department of the Army has over 350 small-business specialists whose duty it is to assist small firms. The Navy has 60 of these specialists, and the Air Force employs 36 full-time small-business specialists and 11 part-time specialists.

A further attempt was inaugurated last year by the Department of Defense to channel more business into small firms. A subcontract program was initiated with major large prime contractors in defense work. Here is an attempt to install a small business program within the prime contractor plants to enable small firms to participate as subcontractors on Government contracts.

Mr. BENDER. Mr. President, will the Senator yield?

Mr. THYE. I am delighted to yield.

Mr. BENDER. I wish to commend the Senator for his fine statement on this point. As the Senator knows, there is a determination on the part of the present administration to follow through with its policies. It is easy to make speeches and talk about doing things, but the present administration believes in action and pursues its own pronouncements in a way which is effective, as the distinguished senior Senator from Minnesota has indicated. We are extremely grateful to him for his fine statement on this issue.

Mr. THYE. I will say to the distinguished Senator from Ohio that his State not only has many large industrial corporations, but its whole countryside is dotted with successful small-business establishments which are participating in defense work. The State of Ohio has been the birthplace of many small businesses which later grew into large corporations. No Member of Congress more keenly recognizes the importance of small businesses than does the distinguished Senator from Ohio. He lives among them in his State. His desire and efforts, like mine, have been to establish an atmosphere in which the small, individual businessman can be successful in developing his business, no matter what type of business, and to continue to develop it, and to create a thriving industry of his own.

In the course of my life I have seen blacksmith shops become great foundries. I have seen machine shops grow into a great industry. In the Senate I asked to serve as a member of the Small Business Committee because I knew that by serving on that committee I could directly assist the businessmen in Minnesota and help them in their efforts to obtain defense contracts. At that time, we were engaged in a great defense effort, as we still are. Without question, that situation will continue into the future. When I came to the floor this morning I had just left a subcommittee meeting of our Small Business Committee where we considered the subject of defense tooling. Witnesses from the Department of Defense and other agencies of the Government appeared before the subcommittee. Our subcommittee wants to make certain that our country will have adequate tooling to meet any emergency which may arise, as well as to obtain assurance that these manufacturing activities are not concentrated in one large corporation, but are spread out across the United States. In that way, the small manufacturer and the small-tool designer are afforded the same opportunities as those enjoyed by large corporations.

The Department of Defense is also assisting small business in other ways. The extension of progress payments, improvements in the writing of specifications, a reduction in "emergency" buying, and improved delivery schedules all give small business an added opportunity to bid on defense work.

It must be recognized that there is no perfect program. The vast field of Government procurement is a complex one and difficult to administer. However, the important point is that genuine and determined efforts are being made within

this area by a Republican administration to stimulate small business participation.

Other agencies of Government, such as the Atomic Energy Commission, the Veterans' Administration, and the General Services Administration, are also calling on small firms to supply their needs.

IV. GOVERNMENT COMPETITION WITH PRIVATE BUSINESS

There is another vital field of activity which this administration has used in behalf of small business. This administration has pursued a policy which permits small businesses to survive in this complex economic system.. I refer specifically to the elimination of Government competition with private enterprise.

During my service on the Senate Small Business Committee, I have found many times that a specific military program which was established during a war period, was not terminated at the close of the war period, but was continued and became competitive in the field of private enterprise. As the committee went into that subject, we discovered various activities indicating that Government agencies have encroached on private businesses through direct competition with them.

For every type of commercial activity that we can name, we will find some Government competition. The list is too long to enumerate. But it includes the operation of laundries, bakeries, ice cream manufacturing, logging camps and sawmills, paint manufacturing, scrap disposal facilities, tree and garden nurseries, farming, a ropewalk, maintenance and repair facilities. The list goes on and on. For years, both political parties and Government officials recognized the need for concerted action to wipe out unnecessary and unjustifiable Government competition. This type of activity saps the strength of private business and deprives the Government and the taxpayers of much-needed revenue. However, nothing was done to correct this situation until the present administration came into office. Since 1953, the Bureau of the Budget, the Department of Defense, and all Government agencies have waged an aggressive campaign to stamp out this type of activity. Much progress has already been made. Much must yet be done. But the important fact is that we are getting action now and not just words. The net effect of such a campaign is to benefit small firms because many of the activities lend themselves to the operations of the smaller firm.

V. TAX RELIEF

Another area in which the present administration has taken action to benefit the small firm is the area of tax relief. During the 83d Congress, the Senate Small Business Committee issued Senate Report 442 entitled "Tax Problems of Small Business." Five concrete recommendations were made by the committee which were designed to alleviate the heavy tax burden of the small business concern. Since the Republican administration came into power in 1953, three of these recommendations were carried out. In addition, much progress has been made in a fourth recommendation. So, in whole or in part, the administration has taken affirmative action on 4 out of 5 of the recommendations of the Small Business Committee. I might add that the report of the committee was a unanimous report, with no dissents from either Republican or Democrat members. This, again, demonstrates the sincerity of the President and the administration in their efforts to stimulate the growth of our small business population.

I may say that the Senator from Alabama [Mr. SPARKMAN] the present chairman of the Small Business Committee in the 84th Congress and I, who served as chairman in the 83d Congress, have held many hearings on tax matters in an effort to get recommendations from small-business men on their tax problems. We made those recommendations known to the tax-writing committees in our determination and in the hope that we could be of service to the small-business man and make certain that he had an opportunity to survive in our complex economic system.

The latest statistics from the quarterly report of the Securities and Exchange Commission and the Federal Trade Commission show that this effort is paying dividends. The third quarter report of 1955 shows that: Net profits after taxes, as a percent of sales for manufacturers with assets under $250,000, increased from 1.1 percent in the second quarter to 2.2 percent in the third quarter. During the same reporting period, the profits of the largest corporations, those with assets of more than $100 million, declined slightly from 7.4 percent in the second quarter to 7.1 percent in the third quarter. Based upon an annual rate of profit on stockholders' equity after taxes, the smallest group of companies' profit increased from 5.3 to 10.4 percent, while the profit of the large companies declined from 15 to 13.5 percent during the same period.

I have just been able to touch the high spots in the Eisenhower administration's effort in behalf of small business. There are many other areas which could be mentioned, and much more could be said about the subjects which we have considered.

This is not intended to be a smug and self-satisfied approach. There are imperfections in many areas, and there always will be no matter which political party is in power. But a true reading of the facts will show that the Republican administration is aware of the need to maintain and stimulate the growth of the small-business economy of this Nation. It is taking decisive action in the three major fields of antitrust enforcement, the activities of the Small Business Administration, and the Government procurement programs.

Small business asks no special favors. It only asks that it be allowed to grow in an atmosphere of a free economy with open and fair competition available to all, whether it be large or small. History has shown that if that atmosphere prevails, we shall always be the recipients of the courage, ingenuity, and resourcefulness of small firms.

The American public has the habit of demanding the facts before judgments are cast. In this case, I am confident that the facts will rebut the idle contentions that the Republican administration is not concerned with small business. The facts demonstrate that small business is a partner in our unprecedented peacetime prosperity.

Mr. President, I yield the floor.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. PAYNE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PAYNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that Mr. Lawrence Myers, Director of the Sugar Division of the Commodity Stabilization Service, be permitted to have the privilege of the floor during the debate on the sugar bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, we have before us House bill 7030 to amend and extend the Sugar Act of 1948, as amended, which is known as the sugar bill.

Before proceeding, Mr. President, I ask unanimous consent to have the following change made at the desk to correct a printing error:

On page 19, line 25, after the word "quota", insert the word "or."

I ask that the clerk read the amendment and that it be adopted.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Virginia.

The LEGISLATIVE CLERK. On page 19, line 25, after the word "quota", it is proposed to insert the word "or."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. BYRD. Mr. President, the sugar market of the United States is by far the largest in the world. It is getting larger each year; in fact the most conservative estimates indicate that within the next 4 years the demand for sugar in the United States will increase by considerably more than a half-million tons. The per capita consumption in the United States is enormous compared with that of other countries.

Nevertheless, the potential production of sugar in the Western Hemisphere and the Philippines far exceeds the demand, and serious surpluses have existed and may again demoralize the industry unless some form of agreement and regulation is continued.

The bill which is now before the Senate, H. R. 7030, extends for a period of

UNIVERSITY OF MICHIGAN LIBRARIES

6 years the Sugar Act of 1948, as amended and extended in 1951, with certain adjustments in quotas and with other amendments. The bill as reported by the Finance Committee adjusts the quotas allocated to the supplying countries and grants to producers in the United States a share in the growth of the United States sugar market which they do not now have, but which they did have prior to 1948.

The bill also extends until June 30, 1963, the excise tax on sugar in the Internal Revenue Code. The revenues from this tax have been, and should continue to be, more than sufficient to replace the costs to the Government under the Sugar Act.

A very thorough report on the bill has been printed and is in the hands of Senators, and I shall not burden the RECORD with a repetition of the details of that report.

The preamble of the Sugar Act of 1948 states the purpose of the act, namely, "to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes."

The act of 1948 superseded the 1937 act and extended the sugar program through December 31, 1952. The principal change made then was in the method of establishing quotas. It was known at that time that the Philippines would have large sugar deficits for several years following the war, whereas Cuba was in a position to supply large amounts. The United States has asked Cuba to increase very substantially its sugar production during the World War II emergency, and that country had responded generously.

For these reasons, and because too sudden a cutback in Cuban production following the war would have had serious effects, almost all the benefit of supplying increases in United States consumption was given to Cuba for the duration of the act of 1948.

In 1951 the Sugar Act was extended from January 1, 1953, through December 31, 1956. Again the principal changes concerned the allocation of quotas. Cuba was granted 96 percent of the increase in United States consumption, and that share will continue to exist until December 31 of this year, or until some superseding act is put into effect. The same situation applies to the flat increase of 170,000 tons granted to Puerto Rico.

The bill H. R. 7030, as it came from the House, would have reduced Cuba's share in the increased demand from the present 96 percent to 25 percent. One proposal in the Finance Committee would have raised the Cuban share to 27 percent. However, the Committee by a majority vote felt that this was too sharp a cutback, even though Cuba may have been forewarned that the 96 percent share would not be theirs indefinitely. The committee therefore raised the Cuban share in future growth to 33.8 percent.

Mexico, under the present law, benefits by about four-tenths of 1 percent of the growth in the United States market. According to the testimony, that country is one of our best customers, and it has a large sugar-growing potential. The House bill would have granted Mexico a share of about 5 percent. One of the proposals in the Finance Committee was that Mexico be given a share of 1.9 percent, but a majority of the committee felt that a share of 4 percent was more realistic, and the bill as reported therefore grants a share of 4 percent to Mexico.

Other countries also have received substantial increases in shares of increased consumption demand. Under the present law Peru gets only 1.9 percent of the growth of the United States sugar market. The committee proposes that Peru's share be increased to 4 percent, more than double what Peru now has. The bill would also increase the share of the Dominican Republic from 1 percent to 2 percent; and the share of the other group of supplying countries is increased from seven-tenths of 1 percent to 1.2 percent.

Although these percentages do not seem large in themselves, they are substantial in tons of sugar and are of considerable importance to the countries concerned.

Attention is invited to the fact that the passage of the bill H. R. 7030 as reported by the Finance Committee would not cut back the production of sugar in Cuba or in any other country. No producer will be required to curtail output or to reduce acreage in order to conform to the new arrangements under this bill. On the contrary, every country involved will be entitled to continue its present production level, and it can expand production each year as the consumption increases in the United States. If the present rate of consumption increase continues, and the experts seem to agree that it will, producers will need to supply more than a half million more tons of sugar to the United States in the year 1960 than in the year that has just passed. This increase will be shared by growers both in this country and elsewhere.

This brings me to what some persons consider to be the most important feature of the bill, namely, the provision which restores to domestic cane and beet sugar growers the right to participate in the supplying of the increase in the domestic demand for sugar. Prior to the 1948 act domestic producers were supplying slightly more than 55 percent of the domestic market. Under the 1948 act, as well as under the 1951 extension, domestic producers had no share at all in supplying the increases in domestic consumption. Since 1948 they have been producing on the basis of fixed and rigid quotas.

Actually, the acreage devoted to the production of cane and beet sugar in the United States has been sharply reduced, as required by law, because as improved strains, better production methods, and the use of fertilizers have developed, it has been possible to produce the quotas on smaller and smaller acreages. Therefore the law forced substantial cuts in acreages to prevent the production in tons of sugar from exceeding the quotas.

The House bill proposed that domestic growers be permitted to supply 50 percent of the consumption growth, with foreign suppliers to furnish the other 50 percent. After much study and many conferences with those concerned, the members of the committee worked out the formula of 55 percent for domestic growers and 45 percent for others. Largely because this restored the relationship which existed prior to the 1948 act, but also for other reasons, these respective shares were looked upon as the most equitable which could be attained, and they were adopted unanimously by the committee.

The distribution of the increase in domestic participation has also been the subject of many conferences and serious study.

The problem of distribution among domestic producing areas has been settled by almost complete agreement. Not every beet grower is completely satisfied, and some producers of sugarcane may feel that more should be allocated to them, but there seems to be general agreement among domestic producers.

The Finance Committee took a considerable amount of testimony and heard representatives of foreign producers as well as those representing domestic interests. The bill before the Senate is, in the committee's considered judgment, a fair and equitable compromise, and I hope that the Senate will accept it.

Before I conclude, there is one thing I wish to emphasize and to make perfectly clear. It is not intended that anything in the bill will cause any increase in the price of sugar. It certainly is not my intention in supporting the bill that the consumers of sugar in the United States should have to pay increased prices because of increased allocations to domestic sugar growers by reason of the measure.

This is one thing of which I wanted to make certain during the hearings, as is borne out by the following discussion which I had with the Honorable True D. Morse, Under Secretary of Agriculture. The first question I asked of Mr. Morse after he had concluded his direct statement, and I quote from page 74 of the hearings, was:

The CHAIRMAN. Mr. Morse, in your opinion, would the statute have the effect of increasing the price of sugar?

Mr. MORSE. No, sir.

The CHAIRMAN. I have been told by users that they think it would increase the price by about 1 cent; is that correct, in your opinion?

Mr. MORSE. That is not my understanding, sir.

The CHAIRMAN. Now would there be the same amount of sugar available?

Mr. MORSE. Yes, sir.

The CHAIRMAN. The amount would be sufficient; I mean there would be sufficient sugar available for the needs of the country?

Mr. MORSE. Yes, sir. We have announced a consumption figure of 8,350,000 to start the year and, as is customary, as requirements begin to grow beyond that, there would be additions to this consumption estimate.

The CHAIRMAN. There is not a possibility, in your opinion that the price of sugar will be increased to the industrial users, or consumers, anywhere along the line?

Mr. MORSE. That is my understanding, and it is in keeping with the administration of the act in the Department.

This establishes the clear intent of the Department of Agriculture to administer the law if the bill be passed so that price increases will not result.

So that my position in this matter will be perfectly clear, I serve notice that I shall press for an investigation into the matter, if price increases should grow out of the passage of the bill. The preamble to the Sugar Act itself states that one of its prime purposes is, "to protect the welfare of consumers of sugar," and it is my intention to make certain that the purpose of the act is not overlooked in its administration.

I hope the Senate will adopt the bill as reported.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. ELLENDER. First, I wish to compliment my good friend, the Senator from Virginia, for the very clear statement he has made, and for his comprehensive outline of the reasons why the bill is necessary.

Is it not true that in the early part of this year the distinguished junior Senator from Utah [Mr. BENNETT] offered to the committee an amendment which was intended to take the place of the bill which the committee first reported to the Senate in the closing days of the last session?

Mr. BYRD. That is correct.

Mr. ELLENDER. Are we to understand that the Bennett amendment was very similar to the pending bill with this one exception: a change was made in the allocation among offshore producers of the 45-percent annual increase in American consumption?

Mr. BYRD. I think that is correct. There is another amendment, however, offered by the junior Senator from Florida [Mr. SMATHERS].

Mr. ELLENDER. I was coming to that.

It is my understanding that the original amendment proposed by the Senator from Utah [Mr. BENNETT], allocated the 45 percent by giving Cuba 60 percent of the 45 percent, or 27 percent of the total allotment of the extra sugar.

Mr. BYRD. That is correct.

Mr. ELLENDER. I notice in the bill that Cuba, instead of receiving 60 percent, is given almost 75 percent of the 45 percent. Was that incorporated by virtue of the amendment offered by the distinguished Senator from Florida [Mr. SMATHERS]?

Mr. BYRD. It was changed in the amendment offered by the Senator from Florida.

Mr. ELLENDER. I notice also, according to page 6 of the hearings, that a formula was decided upon as to how the remainder of the 45 percent should be distributed among the other countries which can supply sugar in our market. I wonder if we could have printed in the RECORD, if the Senator has it available, the extent to which the formula which is written in the bill differs from that formula which was proposed in the original bill and in the amendment of the Senator from Utah [Mr. BENNETT].

Mr. BYRD. That information will be supplied and will be incorporated in the RECORD.

Mr. ELLENDER. The reason I am asking for this information is that it was my understanding that the bill, that is, the amendment which was submitted by the Senator from Utah [Mr. BENNETT], was one which had been agreed upon by the Departments of Agriculture, State, Interior, and, in fact, every interested department of our Government. Am I correct?

Mr. BYRD. That is correct.

Mr. ELLENDER. As I indicated, the only change which was made was that suggested by the distinguished Senator from Florida [Mr. SMATHERS].

Mr. BYRD. As I recall, that was no agreed to by the State Department.

Mr. ELLENDER. I understand that, and that is why I have asked the Senator from Virginia to place in the RECORD the variation in the allocation of the 45 percent, as between the amendment submitted by the Senator from Florida and what the original amendment proposed.

Mr. BYRD. Mr. President, I ask unanimous consent that that information which will be supplied may be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD subsequently said: Mr. President, I now have the information requested by the Senator from Louisiana, and I ask that it be printed in the RECORD.

The table is as follows:

Comparison of quotas under present legislation, House passed bill and Senate Finance Committee bill [1]

[1,000 short tons raw value.

	Beet	Mainland cane	Hawaii	Puerto Rico	Virgin Islands	Total domestic	Philippines	Cuba	Peru	Mexico	Dominican Republic	Other full duty	Total foreign
1956:													
1948 act	1,800	500	1,052	1,080	12	4,444	980	2,987	58	13	31	22	4,091
House	1,842	539	1,052	1,090	14	4,537	980	2,898	56	12	30	22	3,998
Senate Finance Committee	1,853	549	1,052	1,080	12	4,546	980	2,889	56	12	30	22	3,989
1957:													
1948 act	1,800	500	1,052	1,080	12	4,444	980	3,116	61	13	32	24	4,226
House	1,869	547	1,068	1,106	14	4,604	980	2,911	57	32	58	28	4,066
Senate Finance Committee	1,885	580	1,052	1,091	12	4,620	980	2,917	63	24	36	30	4,050
1958:													
1948 act	1,800	500	1,052	1,080	12	4,444	980	3,246	63	14	34	24	4,361
House	1,897	556	1,083	1,122	14	4,672	980	2,934	72	40	74	33	4,133
Senate Finance Committee	1,910	588	1,066	1,115	15	4,694	980	2,963	66	37	36	29	4,111
1959:													
1948 act	1,800	500	1,052	1,080	12	4,444	980	3,375	66	14	35	26	4,496
House	1,924	564	1,099	1,138	14	4,739	980	2,956	58	49	90	38	4,201
Senate Finance Committee	1,941	597	1,083	1,132	16	4,769	980	3,008	72	42	39	30	4,171
1960:													
1948 act	1,800	500	1,052	1,080	12	4,444	980	3,505	68	15	36	27	4,631
House	1,951	572	1,115	1,155	14	4,807	980	2,978	103	57	106	44	4,268
Senate Finance Committee	1,971	606	1,100	1,150	16	4,843	980	3,054	77	47	42	32	4,232
1961:													
1948 act	1,800	500	1,052	1,080	12	4,444	980	3,634	71	16	38	27	4,766
House [2]													
Senate Finance Committee	2,001	616	1,117	1,167	16	4,917	980	3,100	82	53	45	33	4,293
1962:													
1948 act	1,800	500	1,052	1,080	12	4,444	980	3,764	73	16	39	29	4,901
House [2]													
Senate Finance Committee	2,031	625	1,134	1,185	16	4,991	980	3,145	88	58	48	35	4,354

[1] Assumed requirements: 1956, 8,535; 1957, 8,670; 1958, 8,805; 1959, 8,940; 1960, 9,075; 1961, 9,210; 1962, 9,345.
[2] House bill extends only through 1960.

ORDER FOR ADJOURNMENT TO 11 O'CLOCK A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Virginia may yield to me, without losing the floor, and with the understanding that the unanimous consent request and the announcement I am about to make will appear at the conclusion of his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 11 o'clock a. m. tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UNIVERSITY OF MICHIGAN LIBRARIES

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to announce that certain money resolutions are now being studied by the minority leader. Several of them have been cleared. I have asked the able Democratic whip, who will be acting majority leader tomorrow, since I expect to be away, to confer further with the minority leader. If it is agreeable with the Senator from Louisiana [Mr. ELLENDER], who is now on the floor, the resolutions which can be cleared will be brought up for action in the Senate tomorrow.

Mr. ELLENDER. Mr. President, does the Senator from Texas anticipate that action on the sugar bill will be completed today? I hope it will.

Mr. JOHNSON of Texas. We are hopeful action will be completed by tomorrow, at least.

I should like to say there are three resolutions which seek extensions, and which should take very little time, and I should like to see noncontroversial resolutions cleared, even during the consideration of the unfinished business, because some serious problems are involved.

Mr. ELLENDER. I wish to say to the Senator from Texas that, as he knows, I have been very busy in the Committee on Agriculture and Forestry. I now hope to remain on the floor of the Senate until the sugar bill is passed. That will give me very little time to consider any resolutions. If the Senator will bear with me, so that I may examine them, I shall try to do so tonight; but if I cannot, I hope the Senator will be patient with me and let the resolutions go over until I can look into them. I give the Senator assurance that it is my hope that the Senate can consider all the resolutions before the holidays.

Mr. JOHNSON of Texas. The Senator from Texas knows of no Member of this body who is more cooperative than is the chairman of the Committee on Agriculture and Forestry, or one who is more interested in the welfare and problems of the Nation. The Senator from Texas does not have many things in abundance, but he does have abundant patience. I will bear with the Senator from Louisiana, even though I expect to be in Texas. I will ask the acting majority leader to coordinate his efforts with the Senator from Louisiana. I am sure that if the resolutions cannot be acted on promptly, we can at least keep the committees functioning until action on the resolutions can be considered and disposed of.

Mr. ELLENDER. That is what I was about to suggest.

Mr. JOHNSON of Texas. The minority leader has already cleared some resolutions which are noncontroversial, for instance, two from the Committee on Foreign Relations. I am sure that when the Senator from Louisiana sees the list, he will also clear them, and the others can be extended.

Mr. FULBRIGHT. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. FULBRIGHT. I should like to inquire about Senate Resolution 197, which is a resolution opposing the sale of a Government-owned synthetic rubber plant at Institute, W. Va. Because of an existing regulation, that resolution must be acted upon before Saturday. I wondered if the Senate majority leader had intended to have the resolution brought up tomorrow.

Mr. JOHNSON of Texas. The majority leader hoped it could be. He does not want to speak for his successor who will be acting majority leader tomorrow. I shall talk to him about it. We have previously discussed it. No announcement was made that the resolution referred to by the Senator from Arkansas would be taken up. The Senator from Texas desires to cooperate with the chairman of the Banking and Currency Committee. I shall talk to the Senator from Kentucky [Mr. CLEMENTS] about it.

If we can get the bill of the Senator from Virginia [Mr. BYRD] passed we shall have plenty of time to consider all the other matters I have mentioned. However, we have a firm agreement that there will be no rollcalls after Wednesday evening until the following Wednesday, because of engagements made for Lincoln Day speeches.

Mr. FULBRIGHT. That is what disturbed me. I have no particular interest in the resolution, except the responsibility to see that something is done about it.

Mr. JOHNSON of Texas. If the Senator from Virginia is not successful in getting the sugar bill acted on today, it will not be in keeping with his usual record. He has the excellent record of saying less and having more bills passed than any other Member of the Senate. He is a very effective chairman of a committee. I hope that before the day is over the sugar bill will have been passed and sent to conference. If that is done, there will be ample time to consider the resolution concerning the rubber plant, as well as other measures.

Mr. President, at this time I may as well announce what the other measures are. They comprise:

Calendar No. 1458, H. R. 7156, to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Fla.

Calendar No. 1210, H. R. 2889, to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah.

Calendar No. 1296, H. R. 6857, to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.

Calendar No. 1486, Senate Resolution 197, to oppose the sale of the Government-owned synthetic rubber plant at Institute, W. Va.

Calendar No. 1102, H. R. 6043, to amend the Merchant Marine Act of 1936.

MAINTENANCE OF MERCHANT MARINE ACADEMY

Mr. JOHNSON of Texas. Mr. President, I should like to ask the junior Senator from Maine [Mr. PAYNE] if there would be any objection to the consideration of Calendar No. 1102, H. R. 6043.

Mr. PAYNE. I have no objection.

Mr. JOHNSON of Texas. I made a commitment to have the bill considered.

Mr. President, I ask unanimous consent that the unfinished business be laid aside and that the Senate proceed to the consideration of Calendar No. 1102, H. R. 6043.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. PAYNE. Mr. President, reserving the right to object, and I shall not object, I ask unanimous consent to have included in the RECORD at this point a statement which I prepared in connection with the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAYNE

I should like to state that I am very glad to have an opportunity today to support passage of H. R. 6043, a bill to give permanent status to the United States Merchant Marine Academy at Kings Point, N. Y. Last fall I had an opportunity to visit this fine institution and I was deeply impressed with the work which is being carried on there.

For the record, it should be made absolutely clear that passage of H. R. 6043 cannot be construed in any way as prejudicing the status of the four State maritime academies in Maine, Massachusetts, New York, and California. On January 31 a Senate Committee on Interstate and Foreign Commerce filed Senate Report No. 1465 (84th Cong.) on merchant marine training and education. That report discussed at some length the need for continuation of the maritime training programs at both Kings Point and the State academies. Sections 5 and 6 of the report discuss the status of these academies and the relations between them in some detail.

I ask unanimous consent that those sections of the committee report be printed at this point in the RECORD.

I should like to urge favorable action by the Senate on H. R. 6043.

The procedural objection which I made to enable me to make this brief statement is therefore withdrawn.

SENATE REPORT NO. 1465, 84TH CONGRESS, MERCHANT MARINE TRAINING AND EDUCATION

AID TO THE STATE ACADEMIES IN CALIFORNIA, MAINE, MASSACHUSETTS, AND NEW YORK SHOULD BE CONTINUED AT LEAST AT THE PRESENT LEVEL; AND APPROPRIATE LEGISLATION TO THAT END SHOULD BE ENACTED

The study conducted in accordance with Senate Resolution 35 reveals clearly the wisdom of continuing Federal aid to the State academies. First, our merchant fleet apparently needs between 1,000 and 1,600 newly licensed officers each year. Second, less than 500 new officers are being graduated annually from Kings Point and the 4 State academies, and less than 400 nonacademy men are being licensed each year. Third, the entire maritime training program is now costing the Federal Government about $2,660,000. Of that expense the State academies, now graduating more than half of all academy-trained men, are responsible for only about $660,000. Fourth, from the industry replies to the subcommittee questionnaire it appears that while certain steamship companies prefer to employ the graduates of one maritime academy over those of another, generally speaking they rate graduates of all five academies as excellent and on a par with one another.

Until recent years there was no serious question but that it was advantageous to the United States to participate with the States of California, Maine, Massachusetts,

and New York in financing their maritime academies. As pointed out in the introduction of this report (in the section dealing with the legislative background of the Federal maritime training program), since 1874 the Federal Government has taken numerous legislative steps to encourage various coastal States to train merchant marine personnel. However, not until just before World War II was it considered necessary to establish a Federal Academy. Even then there was no thought that the task would be taken over exclusively by the Federal Government. Indeed, our wartime need for trained merchant marine personnel was so great that Maine started its academy in 1941, after the United States Merchant Marine Academy at Kings Point was already in operation.

No one can read the hearings upon which this report is based without coming to the conclusion that the United States is, and will remain, deeply obligated to those four States for the invaluable services they have rendered this country in undertaking the burden of training merchant marine officers.

However, commencing in 1953, a series of administrative developments gave rise to the question of whether or not it would be better for the Federal Government to put all of its maritime training eggs in one basket—by turning the job of officer training over exclusively to either the Federal Academy at Kings Point or the four State academies. These developments have been discussed previously at pages 3–4 of this report and will not be labored further. It is sufficient to say that in the opinion of this committee it is obvious that not only is there need for Kings Point and the State academies but the United States derives great benefit from the present dual system. In the first place it would cost the United States considerably more than it is presently spending to train at Kings Point the number of students necessary to graduate approximately 500 new officers a year. In the second, this Nation benefits from constructive academic rivalry between the State academies, as a group, and Kings Point. The excellent engineering courses offered at the State University of New York Maritime College, for example, are bound to exert a healthy influence on Kings Point and the other maritime academies. Likewise, the excellent practical shipboard training given at the Maine Maritime Academy should have a similar salutary effect.

Unfortunately, since 1954 when the issue was drawn that either Kings Point or the State academies had to be dropped from the maritime training program, the competition between these schools often has not been constructive in nature. While regrettable, it is understandable because the State academies on one hand and Kings Point on the other have felt that the continued existence of each depended upon proving that the Federal Government should abandon the other.

Another unfortunate development in recent years has been the administration's uncertain and wavering appropriations policy concerning the State academies. The fact that there has been such continuing and serious doubt as to whether the administration would ask for funds for the State academies has made it extremely difficult for those schools to maintain stability within their faculties and student bodies. During the hearings held at each of the schools the predominant theme that ran throughout was that the greatest service the Federal Government could render would be to establish a firm and reliable policy of continued financial participation with the four States in question. The authorities at each of these schools and the members of your committee recognize the difficulty of committing the Federal Government to any long-term program of financial participation; and yet, we believe the problem can be solved.

Therefore, in addition to the conclusion that the Federal Government should continue to aid the States of California, Maine, Massachusetts, and New York in the financing of their maritime academies, it is recommended that appropriate legislative action be taken to give these States the assurances they request and to which they are clearly entitled. This is in accord with the following statement of Mr. Clarence G. Morse, Maritime Administrator (at p. 415 of the hearings):

"It is frustrating to us, as I know it must be to the State schools, to have this question of the continuance of appropriations being raised every year, or every several years. We are very hopeful that not only Kings Point, but the State schools will be placed on a permanent basis. We think it is essential that they be so placed."

While your committee makes no specific recommendation as to the type of appropriate legislative action, it calls attention to the fact that similar problems have been solved. For an example, see the recent amendments to the Federal Airport Act (Public Law 211, 84th Cong., approved August 3, 1955), the primary purpose of which was to give the Secretary of Commerce, for use in making grants under the Federal Airport Act, annual contract authority in the amount of $63 million for each of the fiscal years 1956–59. Similar advance assurances have been given States in recent years in connection with Federal-State highway programs.

Throughout the hearings and during the many conferences which preceded and followed them, the subcommittee noted that the representatives of the Kings Point Alumni Association and the Parents and Friends of Kings Point uniformly stated they were in favor of continued Federal aid to the State academies. On numerous occasions they stated that once Kings Point was assured its permanent status they would actively support appropriate legislation to accord the State academies the assurances of continued Federal aid to which they are entitled.

Of the many statements made during the hearings in support of continuing Federal aid to the State academies the following are typical:

Senator IRVING M. IVES said (pp. 252–253):

"Through my association with both institutions I have become convinced that the continuance of the State schools in New York, Maine, Massachusetts, and California, together with the Kings Point Academy, is essential to our country's position as a maritime leader. * * *

"The complete picture of maritime training must encompass the State institutions as well as the Kings Point Academy. The New York State University Maritime College is the oldest institution of its kind in the United States. Together with the schools in Maine, Massachusetts, and California, it provides an important adjunct to the continued growth of a vital arm of the Nation's defense.

"To curtail the Federal contribution to the State schools would injure a training program which has maintained the highest standards since 1874."

Senator HERBERT H. LEHMAN said (p. 256):

"I believe with all my heart that the Federal Government should continue to assist and support State maritime schools. There is great need for the State schools and for their further expansion. * * *

"There is no question—there must be no question—of deciding between the Kings Point school and the State schools. Both, or rather all, are greatly needed, and needed in improved and expanded form. * * *

"I do not think it is either realistic or reasonable to suggest that the successful operation of the one demands the elimination or the weakening of the other. My own feeling is quite the opposite. The four State schools and the Kings Point Academy have combined in recent years to provide the finest trained young men as officers for the merchant marine of the United States."

Congressman FRANCIS E. DORN said (p. 270):

"I would say that the Merchant Marine Committee of the House felt that very definitely this bill, in passing it, did not affect the State institutions which they felt were doing an equally admirable job with Kings Point; and that they were putting first things first, making Kings Point a national institution and then intending to turn their light and their efforts on being of assistance and help to the State academies. They felt that nothing in what they were doing to help Kings Point become a national institution should reflect in any way on any of the State academies.

"I am sure if there was any thought of that in the minds either of the Merchant Marine and Fisheries Committee of the House of Representatives or of anyone in the House of Representatives, it could never have passed unanimously or have been reported unanimously."

Maritime Administrator Clarence G. Morse said (p. 410):

"The splendid contribution of the State academies to the growth and development of the American merchant marine is likewise recognized by the Maritime Administration. Continued Federal aid to these State maritime academies has our wholehearted support and is fully justified. This training of merchant marine officers performed by State maritime academies is of special national interest and is fully in accord with the principles contained in the recommendations of the Commission on Intergovernmental Relations, which recommends support by the Federal Government 'to stimulate forms of training especially important to the national interest.'

"Today, Federal aid for the State academies is provided for in the appropriations, and it is the intention of the Maritime Administration to continue such aid."

THE KINGS POINT BILL, H. R. 6043, SHOULD BE PASSED WITHOUT AMENDMENT

Although on July 22, 1955, your committee had reported favorably H. R. 6043, in accordance with the broad mandate of Senate Resolution 35 it carefully reconsidered whether the bill should be amended. In view of various facts developed during the course of the study under Senate Resolution 35, now made a part of the legislative history of H. R. 6043 by this report, the conclusion was reached that amendment of the bill is not necessary.

Although other questions concerning the Kings Point bill were raised, the only two which troubled your committee were the following:

(1) Would enactment of H. R. 6043, unamended, be construed as a decision that the Federal Government intended to stop or cut down its participation with California, Maine, Massachusetts, and New York in the financing and running of their State maritime academies?

(2) Does H. R. 6043 contain provisions which will give Kings Point competitive advantages over the State maritime academies?

By a letter dated November 14, 1955 (appendix P, p. 46), which he had first cleared with the Bureau of the Budget, the Superintendent of Kings Point, Adm. Gordon McLintock, United States Maritime Service, notified the subcommittee that "as the Academy interprets the provisions of the Kings Point bill (H. R. 6043), there is no inference, direct or indirect, that the Federal Government should alter its policy of financial participation in the operation of the

UNIVERSITY OF MICHIGAN LIBRARIES

State academies as this principle is established in law and practice, past and present. This interpretation is in accordance with assurances given us by advocates of the bill in conferences we have held."

Admiral McLintock went on to comment upon how the Secretary of Commerce would fill the vacancies remaining at Kings Point after the appointments from the allocations to each State. He said:

"In the above-quota appointments the Secretary of Commerce, should in our opinion, be guided by the principles upon which the quota system is established and by the realization that the Federal Academy seeks its student body from all the States and the Territories and that the State academies necessarily must select nearly all their students from the States in which they are located. (The letter is reprinted in its entirety as appendix P to this report.)"

Your committee concluded that enactment of H. R. 6043 unamended would not, and could not reasonably, be construed as a decision that the Federal Government intended to stop or cut down its participation with the four States. Not only does the bill make no mention of the State academies but the uncontradicted testimony of many of its advocates, including two of its Senate sponsors (Senator HERBERT H. LEHMAN and Senator IRVING M. IVES), as well as the testimony of the Maritime Administrator, is clearly to the effect that (1) the bill is not intended to affect adversely the State maritime academies, and (2) Federal aid to the State academies should be continued. (See also appendix P.)

As for the question of whether H. R. 6043 contains provisions which would give Kings Point competitive advantages over the State maritime academies, your committee concluded that it does not. The one provision which caused most concern in this regard is found in section (1) of the bill and deals with the manner by which Kings Point will fill its quota of students. Certain spokesmen for the State academies recommended amending the bill in various ways to prevent Kings Point from drawing its student body so heavily from the States having maritime academies that those academies would find it difficult, and perhaps impossible, to obtain the size and quality of studenty body which they need.[1] However, in view of assurances received from the Maritime Administrator, Admiral McLintock, and others that the purpose of the bill is to make Kings Point a truly Federal institution in the sense that its student body will come from all the States and Territories in practically the same ratio as exists in Congress, the committee concluded there was no need for such an amendment. In this connection the following colloquy between subcommittee counsel and the Maritime Administrator, found at page 423 of the hearings is relevant:

"Mr. WEBSTER. Am I correct in assuming that it is the policy or the hope of the Maritime Administration that once Kings Point is firmly established as a permanent institution, whether it be 1 year, 2 years, or 3 years in the future—the students who come into Kings Point will come proportionately from all of the States in the country?

"Mr. MORSE. Yes. We are very hopeful that it will be accomplished on that basis. We see no reason why we can't get students from all over the country just like they do at West Point or the Naval Academy."

Your committee recognized that it might take a short while for Kings Point's student body to become truly representative of all 48 States. Therefore, rather than further restrict the Academy in the manner of filling its quota during the first few years of its permanent status, reliance is placed upon section (1) of the present bill and the assurances of the Maritime Administrator that everything possible will be done administratively to make the Kings Point student body truly representative of our Federal system. If within the next few years Kings Point has not made great strides in this direction, and if it is then drawing its student body in disproportionately large numbers from the States of California, Maine, Massachusetts, or New York, amendment of the bill would probably be in order to give the State maritime academies protection from such unintended competition.

[1] Correspondence between Senator PAYNE and the Secretary of Commerce, dated, respectively, December 8, 1955, and January 5, 1956, concerning the need for amendment of H. R. 6043, is set forth in appendix Q.

The PRESIDING OFFICER. The clerk will state the bill by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6043) to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. KNOWLAND. Mr. President, under the circumstances, may we not have a brief explanation of the bill?

Mr. JOHNSON of Texas. Mr. President, as I understand, the Senator from Maine put into the RECORD a statement explaining the bill. The bill proposes to make permanent the Merchant Marine Academy. I made a commitment to the Senator from Maine to have the bill considered. The Senator from Maine does more to help the majority leader than does almost any other Member of the Senate, in presiding over the Senate and in other matters, and I wanted to honor my commitment before I left.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H. R. 6043) was ordered to a third reading, read the third time, and passed.

EXTENSION OF SUGAR ACT OF 1948 AS AMENDED

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I thank my friend from Virginia for yielding to me. I wish to leave the Chamber now. I express the hope that, since the bill reported from the committee is a very fine one, the Senate may pass the bill as reported. In case there should be many attempts to amend it, I hope the junior Senator from Florida [Mr. SMATHERS], who has taken such an interest in the proposed legislation, has made such a major contribution to it, and has already written amendments for it, will sit in the watch tower and see that the bill which was reported from the Committee on Finance will remain practically intact, and will not be cut to pieces.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The question is on agreeing to the committee amendment, as amended, to House bill 7030, the sugar bill. The committee amendment is a complete substitute for the text of the bill.

Under the precedents of the Senate, in such a case the substitute, for the purpose of amendment, is regarded as original text. Therefore, any amendment proposed thereto is in the first degree; and amendment to such an amendment is in the second degree, and is not open to amendment.

Any amendment to the original text of the bill, or any amendment to such an amendment, would have precedence over the committee substitute or any amendment thereto.

In the event the committee amendment, as amended, is agreed to, no further amendment will be in order.

Mr. BENNETT. Mr. President, I rise to discuss the pending sugar bill. Before I make a statement in my own behalf, I am privileged to present to the Senate a statement by the senior Senator from Colorado [Mr. MILLIKIN], the ranking Republican member of the Senate Finance Committee. His statement is as follows:

STATEMENT BY SENATOR MILLIKIN

Sugar is of very great importance to the State of Colorado. The interests of consumers as well as those of many growers of sugar beets and operators of sugar factories have been given my close attention for a number of years. The development of the beet-sugar industry in Colorado and in the other States of the Rocky Mountain region has had and will have a very close relationship to the success of many communities. Many a returned veteran and other owners of small farms have depended on sugar beets for a cash crop, and as sugar-beet acreage has had to be reduced, those communities have suffered in proportion. The contributions which the beet-sugar industry has made to the stability of agriculture and to the entire business life of this vast area of the United States must not be overlooked.

It has been my privilege for many years to have had a responsible part in shaping our Nation's sugar legislation. In helping to develop the present Sugar Act and the various amendments to it, I have always recognized not only the vital needs of the sugar-beet farmer of the West and our other sugar-producing areas, but also the importance of this legislation in connection with our relations with other nations. At the same time the consumer and our obligations to him stand as one of our most important considerations. In my opinion it is generally recognized that the Sugar Act has been eminently successful in achieving all its various purposes.

The need for amending the present law in order to best carry out its original intent and real purposes has been apparent to many for a considerable period of time. The restoration to American sugar producers of the right to share once more in the growth of our own Nation's food requirements must not be delayed. To effect the needed changes in the law, I joined with 48 of my colleagues in the Senate in introducing an amendment last year. This measure favorably reported by the Committee on Finance and now before us is an outgrowth of those efforts.

I want the RECORD to show my unqualified endorsement of the principles of this legislation. I hope that the Senate will favorably

consider and adopt it. This legislation will restore the traditional and historical position of the domestic producers in the supply and demand picture, and at the same time the consumer will be adequately protected price-wise as well as assured of a constant and dependable supply.

Mr. President, that concludes the statement given to me, to be read in behalf of my colleague, the Senator from Colorado [Mr. MILLIKIN].

Now I wish to present my own statement, Mr. President.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. BENNETT. Mr. President, almost 22 years ago, in establishing a basic national sugar policy, the Congress of the United States enacted a measure which since then has frequently been called the most successful farm legislation ever developed in this country. In its original form, this legislation was known as the Jones-Costigan Act. Today we know the revised version as the Sugar Act of 1948.

Among the more important factors in the outstanding success of our national sugar program has been the frequency of revision in order to keep its provisions harmoniously attuned to changing conditions in the agriculture and commerce of our Nation. No less than 8 times since enactment of the original legislation, on May 9, 1934, has the act been reviewed, amended, or extended in bipartisan action by the Congress. Because it has kept pace with the times, the Sugar Act has fulfilled its several objectives in remarkable fashion, benefiting not only the American consumers and our domestic sugar producers, but also our trade relations with foreign friends and neighbors who participate in the American sugar market.

Now, again, it becomes the responsibility of the Congress to consider suggested revisions of the Sugar Act, in light of events since enactment of the 1948 law and the limited modification made 5 years ago. As we undertake this responsibility we encounter two primary questions: First, in view of all obtainable evidence, is it necessary that the law be amended?

Second, if so, what changes are indicated?

Evidence that the time for revision of the Sugar Act has come is unmistakable and undeniable, and among those directly concerned there is unanimous agreement that modifications are essential to the continued well-being of our farmers, processors, and refiners engaged in the domestic sugar industry. The position of the executive branch was set forth by President Eisenhower in his message to the Congress, in which he said:

> The legislation to renew the Sugar Act of 1948, as amended, should promptly be completed. The Congress is aware of the need to give producers, as well as foreign suppliers and the entire sugar industry, as much notice as possible in planning their operations.

Long prior to that time, 49 Members of the Senate joined in sponsorship of proposed amendatory legislation. All segments of the domestic-sugar industry—including our sugar beet and sugarcane producers on the mainland; the farmers and processors in Hawaii, Puerto Rico, and the Virgin Islands; and the cane-sugar refiners of the Nation, with refineries in Massachusetts, New York, Pennsylvania, Louisiana, Georgia, Maryland, Texas, and California—are united in their desire for revision, and are in full agreement with the basic principles advanced.

The portions of the suggested legislation which particularly relate to domestic producers also have the specific support of most foreign suppliers, and they were objected to by none. This statement includes Cuba, whose representative at the recently concluded Senate Finance Committee hearings acknowledged the justice of the American producers' case.

Perhaps this widespread support arises from the fact that our domestic-sugar industry directly affects the lives of so many of our Nation's citizens that it has become indispensable to the general economic welfare of the country.

In the continental United States, sugar is produced in exactly half our States—24 of the 48. These States comprise well over half our mainland area. The benefits accruing from the sugar enterprise of these 24 States flow outward into all the other 24 States—to manufacturers, merchants, and consumers.

The segments of the domestic industry outside continental United States are of equal importance. In Hawaii, our great defense bastion of the Pacific, sugar production is the principal industry, and is essential to maintenance of the American standard of living there. This is equally true in Puerto Rico and the Virgin Islands, those Caribbean Territories which lie so strategically placed at the eastern gateway to our southern approaches.

Sugar sold on the mainland by Hawaii and Puerto Rico is a major factor in their purchases of American goods shipped from the mainland to those islands—purchases in recent years exceeding an average annual total of $850 million. And all of these purchases moved in American-flag vessels.

On the mainland, sugar production pours into our economic lifestream more than a half-billion dollars annually—and a half-billion dollars which are spent for American goods and services.

To thousands of American farmers, sugar is the most important cash crop. In our Western States, the sugar beet is in many areas essential to the establishment of proper crop rotation and is the keystone of livestock feeding programs.

Where we have invested hundreds of millions of dollars in Federal funds to reclaim arid and otherwise useless lands, the sugar beet is playing a tremendous role in guaranteeing repayment of these investments to the Federal Treasury. The latest figures I have from the Bureau of Reclamation show some startling facts about this. For example, in 1953, sugar beets accounted for almost one-fifth of all crop income on some 4 million acres of Federal irrigation projects. On the Colorado-Big Thompson project in Colorado, total value of crops from project lands in 1953 was $59,237,730, of which $26,259,450 came from sugar beets. That is 44.33 percent of the total—and only slightly more than 17 percent of the land was planted to sugar beets. Seventeen percent of the cropland produced more than 44 percent of the cash income.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. FULBRIGHT. I have just been examining the report. There is one figure with respect to which I wish the Senator would enlighten me. On page 2 I find the following:

> The amount of the increase in our market above 8,350,000 short tons, raw value, would be apportioned 55 percent to domestic producing areas and 45 percent to the foreign suppliers.

On the next page, in the table, the assumed requirements for 1956 are shown as 8,535,000 tons, which is about 200,000 tons more than the allocation. What is the reason for the discrepancy?

Mr. BENNETT. This is the explanation, as I understand: The Department of Agriculture has made a long-range estimate of what we may expect as the average annual increase in the sugar requirements of the American market. That estimate is 135,000 tons. Of course, markets and the buying pattern of the public never stick exactly to averages. Some years the figures are higher than for other years. In this particular year, apparently, it is estimated that the increase will be, not 135,000 tons, but 185,000 tons.

As the law stands, the Secretary begins his estimate for the year by assuming that the amount required will be at least equal to the amount required for the preceding year. So the Secretary has announced an estimate for 1956 approximately equal to the final estimate for 1955; but, as the year moves along and the pattern of buying develops, the Secretary will continue to revise his estimate.

I hope that explanation is satisfactory to the Senator.

Mr. FULBRIGHT. Is it possible that by keeping the estimate down to 8,350,000 tons, the division of all above that quantity on the percentages of 55 and 45 would permit a greater allocation to domestic growers than would otherwise be the case?

Mr. BENNETT. It is the opinion of the Senator from Utah that if that were done one year, the estimate would be carried below for the next year. These figures average themselves out. Over the past history of the Sugar Act, I think the estimates of the Secretary have been fairly accurate, and they have averaged out. So I am not concerned with the discrepancy.

Mr. FULBRIGHT. Is it not true that in practically every case the estimates of the Secretary of Agriculture have been below the actual consumption?

Mr. BENNETT. Is not that the conservative thing to do?

Mr. FULBRIGHT. Is not that the way to force the price up?

Mr. BENNETT. When we go a little deeper into this subject, perhaps we can

UNIVERSITY OF MICHIGAN LIBRARIES

bring into the discussion the actual price figures.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENNETT. I am still yielding to the Senator from Arkansas.

Mr. FULBRIGHT. I have one further question.

Mr. BENNETT. Let me say one thing further.

I think the records will show that the early estimates are always on the low side, and the later and final estimates, as we move toward the end of the consumption year, tend to reflect accurately the amount required.

Mr. FULBRIGHT. Is it not true that the effect of having the estimate lower—and it is upon the estimate that the allocation is based—is to decrease the supply and increase the price? Is not that the reason why it is done?

Mr. BENNETT. No. I think it is done because the Secretary wants to be able to feel his way along as the changes in consumption are reflected in the buying of the people.

Mr. FULBRIGHT. The act has been in force since 1933. The Secretary has the record. He can predict very accurately what the consumption is going to be, in the absence of war or some other exigency; can he not?

Mr. BENNETT. I think the buying habits of the people change, so that there cannot be a completely accurate consumption prediction.

Mr. FULBRIGHT. While I have the attention of the Senator, I wonder if I may ask him a question about a little different aspect of this problem. I and many of my colleagues have been strong supporters of 90 percent of parity. I have prepared an amendment which would assure sugar producers 90 percent of parity. I wonder if the Senator would be willing to accept such an amendment.

Mr. BENNETT. The operation of the Sugar Act is not based on the same kind of situation as that upon which parity is determined under other acts.

Mr. FULBRIGHT. I did not suggest that. I merely asked whether or not the Senator would accept an amendment which would assure sugar producers of not less than 90 percent of parity.

Mr. BENNETT. I am afraid the Senator from Utah would not be willing to accept such an amendment, because there are other considerations involved besides the question of parity, and there are restrictions imposed upon sugar producers which are not imposed upon those who produce the so-called basic crops.

Mr. FULBRIGHT. Can the Senator tell me which agricultural commodities in our entire agricultural program are supported at levels in excess of 90 percent of parity, either by price supports or any other means?

Mr. THYE. Mr. President, will the Senator permit me to ascertain what percentage of parity sugar producers, both cane and beet, have received during the years since 1933?

Mr. BENNETT. That is what the Senator from Utah was trying to fumble for among his papers.

Mr. THYE. It would be enlightening to me if I could have the information as to what they have received since the act went into effect in 1933.

Mr. BENNETT. I should like to read these figures into the RECORD, because they bear exactly on the point the Senator has raised.

During the past 8 years the picture is as follows: In 1948 the sugar-beet growers received 96 percent of parity, and sugarcane producers received 74 percent of parity. The general farm parity ratio was 110 percent.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BENNETT. Let me give the remaining figures.

In 1949 the sugar-beet growers received 100 percent, and sugarcane producers received 82 percent. The general parity ratio was 100 percent.

In 1950 the sugar-beet producers received 93 percent of parity. Sugarcane producers received 102 percent. The general farm parity ratio was 101.

In 1951 beet sugar, 89 percent; cane sugar, 81 percent; general farm parity, 107 percent.

In 1952 beet, 92 percent; cane, 92 percent; general farm parity, 100 percent.

In 1953 a change came about. Beet sugar, 93 percent; cane, 102 percent; general farm parity, 92 percent.

In 1954 beet sugar, 90 percent; cane, 98 percent; general farm parity, 90 percent.

I do not have the 1955 figures for sugar. Of course, the general farm parity went down to 84. However, for the 8 years the average received by sugar-beet producers was 93 percent; the average received by the sugarcane producers was 90 percent; and the average for the entire farm economy was 100 percent.

These figures are calculated on different bases, and I do not believe it would help the situation generally to rewrite the Sugar Act in order to limit the parity.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENNETT. I shall be happy to yield in a moment. I believe I am still yielding to my friend the junior Senator from Arkansas [Mr. FULBRIGHT]. I am trying to answer his questions.

Mr. FULBRIGHT. I should like the opportunity of asking a few questions at this point.

Mr. LONG. I wish to ask merely one question.

Mr. FULBRIGHT. I realize, of course, that the Senator from Louisiana has a different point of view.

Mr. LONG. Mr. President, I should like to ask the Senator from Utah about the table he is using. Is it not correct to say that during the years the Senator has cited many of the other farmers were producing crops for which they were getting more than 100 percent of parity, without any acreage limitation; on the other hand, the sugarcane producers were getting less than 100 percent of parity and producing their sugarcane with acreage limitations, as well as severe limitations on the amount of sugar they could market from their production of sugarcane. In other words, they were controlled in two ways. They were controlled with respect to the acres they could plant and also with respect to the amount of sugar they could sell. On top of it all, they were reduced to less than 90 percent of parity during those years. Is that not correct?

Mr. BENNETT. That is the effect of the figures, I am sure.

I now yield further to the Senator from Arkansas.

Mr. FULBRIGHT. Can the Senator tell the Senate what agricultural commodities are presently supported at levels in excess of 90 percent of parity, either by way of price supports or any other means?

Mr. BENNETT. Not being an agriculturalist or a member of the Committee on Agriculture and Forestry, I do not know.

Mr. FULBRIGHT. I should like to remind the Senator that I am not an agriculturalist or a member of the committee either. However, it will be interesting, I am sure, for the RECORD to show that there are only two commodities which are supported at prices higher than 90 percent of parity. Does the Senator agree with that statement?

Mr. BENNETT. The Senator from Arkansas may be correct in his statement. That may be true as of this particular time. It has not always been so, and I hope it will not always be so.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I wonder whether the Senator will not permit me to ask a few questions of him without interruption?

Mr. BENNETT. I have a statement which will take me about 20 minutes to make, if I am not constantly interrupted.

Mr. FULBRIGHT. The bill before the Senate would extend the sugar law for 6 years. In view of that fact, I believe we can take a few minutes to discuss it. I cannot think of any bill comparable to the pending bill in the sense that it attempts to set a policy for 6 years in advance. That alone is inexcusable, and I intend to offer an amendment to restrict the extension of the bill to 2 years.

Is it not correct to say that there are only two commodities, wool and sugar, in which our great Secretary of Agriculture seems to be interested, and whose support he does not seem to condemn? I may say that that does not reflect a very wise view on the part of the Secretary of Agriculture. I am reading from page 19 of sugar reports issued by the Department of Agriculture for the preceding year of 1947. The prices then were 113 percent of parity; were they not?

Mr. BENNETT. I do not have that figure.

Mr. FULBRIGHT. I have the official publication of the Department of Agriculture.

Mr. BENNETT. I assume that the Senator is correct.

Mr. FULBRIGHT. I will come over to the Senator from Utah to show him the Department of Agriculture publication which contains that statement. It is publication No. 42, and I am reading from page 19.

Mr. BENNETT. I agree that the Senator is reading the figures correctly from the publication.

Mr. FULBRIGHT. Is it not correct to say that the pending bill seeks to relate the actions of the Secretary, in establishing the quotas, to the year 1947, a year in which the prices, in his judgment, were the highest since 1923? Is that not correct?

Mr. BENNETT. I believe the Senator is making an assumption that is not necessarily true. In the first place——

Mr. FULBRIGHT. I am not making any assumption about the prices. Are those not the prices?

Mr. BENNETT. The year 1947 was a year of high prices everywhere. It was the end of the war period.

Mr. FULBRIGHT. Does the Senator from Utah believe he is justified in selecting the very highest prices and then writing into a law, which will operate for 6 years, a mandate to the Secretary of Agriculture, "You will have to maintain the highest prices"?

Mr. BENNETT. I do not believe there is anything in the proposed legislation which requires the Secretary of Agriculture to maintain prices related to any particular point in history. The reason I have used the years I have used is that the present act was passed in 1948. Anything that happened prior to that time happened under another law.

Mr. FULBRIGHT. It is my impression that the bill requires the Secretary of Agriculture to consider 1947 as a typical year in the estimation of all his actions in which he has discretion, such as determining the amount of sugar which may be imported, and so forth. As I understand it, the theory of the bill is to maintain a price to the producer at which he will make a profit. That is the purpose of it, is it not?

Mr. BENNETT. The purpose is also to maintain prices at a level low enough to provide sugar at the best balance between the producer and the consumer. The effect of the law has been to keep the consumer's price at a very substantially low level.

Mr. FULBRIGHT. I am sure the Senator does not question the fact that the United States consumer is paying for sugar approximately 2 cents more than the world price. I am sure the Senator realizes that the American people pay more for sugar than the people of Great Britain or France pay for sugar, for example. Is that not a fact?

Mr. BENNETT. No; I do not believe that to be a fact.

Mr. FULBRIGHT. Oh, I did not know that anyone questioned it. For years the United States price of sugar has been 2 cents higher than the world price.

Mr. BENNETT. Let us get ourselves straight on what we are talking about.

Mr. FULBRIGHT. I am talking about the price of sugar. The world price of sugar has averaged for years approximately 2 cents lower than the American price of sugar. Is that correct?

Mr. BENNETT. If the Senator will give me an opportunity to find the chart showing the world price, I will give him the figures.

Mr. FULBRIGHT. Certainly. Mr. President, if I may be permitted to do so, while the Senator is looking up the figures, I should like to refer to the index of prices. These are the sugar prices since 1923. I am sure the Senator knows that the price in 1947 was the highest price since 1923. I do not believe there can be any question about that. Of course, in 1947 the Secretary of Agriculture was not the one who holds the office now.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. BENNETT. I wonder whether the Senator from Arkansas will give me a minute or two to get at these papers.

Mr. FULBRIGHT. Certainly. I know this is a very complex subject. Having been engaged in another matter until last night, I am not too well prepared myself on some of these questions.

Mr. BARRETT. If the Senator will yield to me, I should like to answer the question of the Senator from Arkansas.

Mr. BENNETT. I am glad to yield.

Mr. BARRETT. I have before me the wholesale prices of sugar in New York from 1870 to date, at 10-year intervals. In 1880 the price was 4.6 cents. In 1890 it was 7.6 cents. In 1900 it was 5.3 cents. In 1910 it was 5 cents. In 1920, which was during World War I, it was 15.5 cents. In 1930 it was 4.6 cents. In 1940 it was 4.3 cents. In 1950 it was 7.8 cents.

The wholesale price of sugar in 1950 was almost precisely the same as it was in 1890. It is the cheapest farm commodity available in the American market today.

If the Senator from Arkansas is interested in making the American farmer compete with the sugar producers of Cuba, then, of course, the price of sugar will go down to the world level. But our people cannot pay taxes, cannot support schools, cannot live in the American way of life, and meet that type of competition.

Mr. FULBRIGHT. The point which the Senator from Wyoming raises was referred to by the Senator from Utah. It would seem to me that what we are considering here is beet sugar. What Congress is asked to do is to establish an increased quota for the growers of beet sugar. If that is done, we will be confronted with the problem of an increased program of irrigation in order to grow the beets. We will be asked also to subsidize the creation of vast waterworks in order to bring water to the acreage on which the beets are grown, thus subsidizing an industry which is not a native industry. It entails an expense upon the consumer and the taxpayer far beyond any comparable crop or any comparable program in this country.

What has the Senator from Utah to say about that?

Mr. BENNETT. In the first place, the Senator from Arkansas says it is not a native industry. How far do we have to go back to establish a new industry and call it a native industry?

Mr. FULBRIGHT. I stated a moment ago that there are hundreds of thousands of acres of land irrigated through the appropriations of Federal funds in order to produce sugar beets which would not be grown at all without this enormous subsidy, the figures for which I shall use in my own statement; but it amounts to more than a billion dollars in direct subsidy to enable producers to produce beets on land which would not produce them without vast amounts of money appropriated for irrigation.

On the other hand, the Senate will soon have before it a soil-bank proposition to take acreage out of production. The pending proposal is contrary to the soil-bank program. We subsidize the bringing in of land, and then we subsidize the taking of it out of production.

Mr. BENNETT. In the first place, I represent, in part, a State whose beet-sugar industry was founded by private industry on privately irrigated land nearly a hundred years ago. To say that the beet-sugar industry is dependent entirely on modern irrigation projects is, of course, incorrect.

Mr. FULBRIGHT. I did not say that. The Senator was reading figures——

Mr. BENNETT. About a particular project in the State of Colorado, in order to show that land devoted to sugar beets was more profitable than that devoted to other crops. But the Senator from Arkansas says it is not a native industry and that it is dependent entirely upon Government subsidies. Actually, the production of beet sugar in the West was begun on land the water for which was bought by private capital. At the present time in the State of Utah most of the sugar beets are raised on land which is not subject to Federal reclamation funds.

I think there is nothing more confusing in the minds of people who are not directly involved in this problem than is the use of the world price to secure the bottom market for sugar outside the United States. There are approximately 40 million tons of sugar consumed in the world in a year, and of that amount about 4½ million tons are available in the so-called world market or free market. About 90 percent of it is handled under a system of controls within the various countries which are interested in the consumption of the sugar. So, the world market is not a free world market.

In that connection, I should like to state what the London Economist says about it:

> Even the world price is not the proper price, nor is it free. Were it not for the huge tonnage sold under preferential arrangements the price of sugar in the free market would have to be higher than it is.

Mr. FULBRIGHT. Is it not true that we could have all the sugar we wanted at 2 cents less than the world price?

Mr. BENNETT. That is not true. The world price is on a type of sugar which no one particularly wants. If we took our sugar from the world market we would see the price rise.

Mr. FULBRIGHT. We would want it if we were permitted to want it.

Mr. BENNETT. We come, now, to the question of national policy, as to whether there is any value in the maintenance of a domestic sugar industry.

Mr. FULBRIGHT. That is what I am trying to develop. I cannot understand why, in the situation in which American agriculture now finds itself, this particular industry should be picked out, as it

UNIVERSITY OF MICHIGAN LIBRARIES

has been, and we are told that everything about it is different. The bill did not even go to the Committee on Agriculture and Forestry. It seems to me that it is a sort of anachronism. I think it should be a part of the agricultural program, yet the bill is considered by the Finance Committee whose members are not so familiar with it as are the members of the Committee on Agriculture and Forestry. There was an attempt made to pass the bill on the calendar without debate, on the last day of the last session.

Why does the Senator from Utah think we should extend the program for 6 years? We do not extend agricultural acts for 6 years. Every year we have to take action on them, but here we are asked to extend the sugar program for 6 years. How does the Senator excuse such a procedure?

Mr. BENNETT. I wish to finish this colloquy, because I desire to resume and complete my statement, if the Senator will permit me.

In the judgment of the Finance Committee, the purpose of the bill is more or less to provide a stable supply and a comparatively stable market for our sugar, and we might as well extend it for 6 years. There is always an opportunity to open it up, of course. But, I think, having reestablished by this bill the right of the domestic industry to operate effectively, we should extend the act far enough so that that right will be of some benefit.

I think the Senator from Arkansas feels that if this bill is passed, there will be a large amount of irrigated acreage.

Mr. FULBRIGHT. Certainly.

Mr. BENNETT. It is my impression that even at the end of 6 years it is doubtful whether the acres which have been taken out of sugar production because of the restrictions of the act will be allowed to become productive again.

I should like to discuss this question later with the Senator, but I wonder if I may proceed and finish my statement.

Mr. FULBRIGHT. First, will the Senator indicate why the bill should go to the Finance Committee instead of to the Committee on Agriculture and Forestry?

Mr. BENNETT. There is a tax involved in it, and all bills involving taxes go to the Finance Committee.

Mr. FULBRIGHT. I beg the Senator's pardon. There are other bills which involve taxes. The Committee on Banking and Currency has one before it today, involving a bank holding company. A change in the tax was involved, and our committee submitted it to the tax experts. But we did not submit the whole bill.

After all, the tax in this instance is purely an incidental matter. It is taking money away from the consumers and is paying it to the producers.

The Committee on Agriculture and Forestry, it seems to me, is the committee which should have jurisdiction of the bill, because it pertains to a part of the overall agricultural policy of the country.

Mr. LONG. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. LONG. I believe that if the Senator will consider the question, he will find that the whole subject of sugar legislation in this country originally began with a tariff, which, of course, would come within the jurisdiction of the Committee on Finance.

Subsequently the taxing feature became involved. That also made proposed sugar legislation referable to the Committee on Finance.

Import quotas also became involved, and they likewise were subject to regulation by the Committee on Finance.

More recently, a large number of international agreements became involved, concerning foreign trade; and foreign trade matters, particularly so far as quotas and tariffs are concerned, are referred to the Committee on Finance.

That is how the custom of referring bills of this type to the Committee on Finance developed.

Subsequently there were certain regulations pertaining to the control of the domestic industry. But so far as the other features of the sugar industry are concerned, every feature of regulation of this nature previously had been referred to the Committee on Finance. The Sugar Act was permitted to remain under the jurisdiction of that committee.

That is my best understanding of how the Committee on Finance came to have jurisdiction of proposed sugar legislation.

Mr. BENNETT. Of course. Proposed legislation of this type has always been referred to the Committee on Finance.

Mr. FULBRIGHT. Is it not true that in the House this kind of bill is referred to the Committee on Agriculture?

Mr. BENNETT. That is correct. Each House decides how bills shall be handled within its own body.

Mr. FULBRIGHT. Is this instance not rather unusual, since under the Constitution all tax measures originate in the House; and uniformly, if they are tax measures, they are referred in the House to the Committee on Ways and Means? Is that not so?

Mr. BENNETT. I understand that each House determines where a particular bill will be referred.

Mr. FULBRIGHT. I know that. My inquiry is directed to the justification for this practice. Is there any justification for having this commodity taken away, or distinguished from other agricultural commodities, and placed in the Committee on Finance?

The statement by the Senator from Louisiana [Mr. LONG] persuades me that the bill ought to go before the Committee on Foreign Relations, because the bill would have a most disastrous effect upon our relations with all our friends in Latin America. I do not see how anything we do will overcome the ill will and dissatisfaction which will be caused in a number of Latin American countries. Our best customers are Mexico, Cuba, and Peru. Arbitrary quotas will be placed on their production, and they will have an almost insuperable task of balancing the demands of this country. They are countries which buy all kinds of commodities from all the industries of the United States. Their commerce will have to be sacrified simply for the sake of a few beet-sugar growers.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENNETT. I prefer not to yield any further until I have completed my statement. I hope that when the Senator from Arkansas makes his statement I may have the opportunity to question him.

Mr. LONG. Mr. President, will the Senator permit me to make just one point?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. BENNETT. I yield to the Senator.

Mr. LONG. Is it not correct to say that all matters pertaining to foreign trade are referable to the Committee on Finance? I suggest that when the Senator proposes his amendment he try in vain if he wishes to take the subject of foreign trade away from the Committee on Finance. He can judge what success he will have in changing the rules of the Senate.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. HOLLAND. One of the statements made by the distinguished Senator from Arkansas is so very far from the facts of the matter that I thought I should make a comment at this time.

The Senator from Arkansas indicated that all the other price-support legislation is temporary, on a year-to-year basis, or for the duration of a few years, and that the sugar bill, being placed on a 6-year basis, was very far afield from the normal procedure.

I ask the distinguished Senator from Utah if it is not, in fact, true that ever since 1938 the legislation in the general field of price supports has been permanent, without any limitation of years, and that that is still the case as to the present agricultural price-support legislation?

Mr. BENNETT. I am informed that the Senator's statement is correct.

Mr. President, I should like to resume my statement. I had just cited some figures showing the value of beet sugar production as compared with the value of other crops which might be raised on irrigated lands.

Figures like these not only indicate the contribution made by our sugar crops to the Nation's agricultural pattern, but they hint at the progress being made by our producers. Within the past 30 years our beet growers have doubled their yields and today produce a ton of raw sugar with the expenditure of but 4.2 man-days in the field, a figure unmatched in any other beet-growing area in the world. Hawaii similarly leads the world in efficiency of cane production, the record there being 2.63 man-days of field work per ton, with Florida second at 4.31 man-days.

Though Cuba sometimes is thought of as the sugar bowl of the world, the fact is that average yields in every domestic producing area of the United States are significantly higher.

The achievements of our domestic producers have been attained by painstaking devotion to self-improvement, in plant culture, farming methods, development of machinery, preservation and improvement of soil fertility—self-improvement attained by never-ending exertion of time and effort and thought.

Paradoxically, however, there has been little recognition of our growers' accomplishments. More truly, a penalty has been imposed, for as our farmers and processors have achieved new productive heights per acre of land, they have been forced to cut total acres to remain within the limiting confines of outmoded quotas.

In our beet-growing areas, acreage reductions averaged 10 percent during 1955, and similar reductions have been ordered for this year. Planted acreage in the Louisiana-Florida industry was reduced by 11 percent in 1954; this cut was extended to 18 percent last year, and a further reduction of 11.5 percent was ordered for this year. Does this suggest a point at which progress and suicide become synonymous?

In many States, including the State I have the honor, in part, to represent, still another penalty is being suffered, and this has disturbing effects throughout our agricultural economy. Because of the widespread reductions in sugar-beet acreage, much of our very best cropland is not being put to optimum use. Should the farmer who is denied the beet acreage which logically and economically fits into his planned farm program be forced instead to plant his land to crops which are in surplus supply?

Sugar is, of course, one of the few cash crops being produced in this country at a rate far below consumption demands. On the mainland we are producing only about a third of our annual sugar needs. In all domestic producing areas, the output is only a little more than half our yearly demands. The balance is being imported from foreign countries.

In these circumstances it is difficult to the point of impossibility to justify the proposition that the number of acres devoted to the production of sugar must progressively be lessened. Such a policy is an added threat to maintenance of the family size farm.

Consideration of such facts as these leads inevitably to the conclusion that there is grave necessity for revision of the existing law at this time. There remains, then, the determination as to the particulars of modifications which must be made to bring our national sugar program once more into balance.

Before the Senate is a corrective proposal containing several salient features thoughtfully and carefully designed to restore equity and workability to the law. In broad summation, the proposal seeks to bring us back to historic principles temporarily waived in 1948 to meet exigencies of the time. Let us consider some of the details of this general aim.

First, beginning this year, in 1956, the domestic sugar-producing areas would once again share their historic 55 percent of annual market increases in the United States over and above an annual base consumption of 8,350,000 short tons of sugar. Under the present act, domestic areas have no share of each year's market growth in this country. The Sugar Act of 1948 made a sharp break with previous laws and historical patterns. In the Sugar Act of 1937, for instance, total percentages assigned to present domestic producing areas aggregated 55.59 percent of the market. Thus on this percentage basis, domestic quotas grew each year in a regular and routine way, in accordance with increases in total United States sugar demands arising from such factors as increases in the population.

Circumstances appertaining in 1948, however, led the Congress to set rigid quotas. Perhaps we should make special note of this juncture in our discussion that the quotas were set on this rigid basis as a temporary arrangement only, a fact carefully noted during Senate Finance Committee hearings both on the 1948 act and on the amending legislation of 1951.

In any event, with the domestic quotas fixed, all annual growth in the market automatically is reserved under the present law for foreign suppliers, in the ratio of 96 percent for Cuba and the remaining 4 percent for other countries.

Since the 1948 law was enacted, annual consumption of sugar in the United States has risen by well over 1 million tons. It continues to grow, at a current rate of about 135,000 tons per year. All of this increase is denied to our own farmers. And so the bill before us provides that we return to the pre-1948 formula and divide future annual growth on the basis of 55 percent for the various domestic areas, with the remaining 45 percent being shared among foreign suppliers.

No present supplier would be cut out of our market; none—and this specifically includes Cuba—would suffer a reduction of so much as a pound in its present quotas. Participation in future growth would be shared by all.

In discussing the 55 percent of growth to be shared by the domestic industry, it should be noted that two of the domestic areas—the beet States of the West and the cane industry of Louisiana and Florida—are burdened with quantities of overquota sugar which they cannot sell. A Government purchase of 100,000 tons of this sugar, undertaken at a request of the Congress adopted last summer, helped to alleviate the problem, but did not solve it. The two areas still are plagued by overquota sugar.

In the face of this situation, the various elements of the domestic industry agreed to the following proposed formula relative to their aggregate 55 percent of growth:

The first 165,000 short tons would be divided 51.5 percent to the domestic beet sugar area and 48.5 percent to the mainland cane area. The next 20,000 tons would go to Puerto Rico, and the next 3,000 tons to the Virgin Islands. These divisions total 188,000 tons.

About the 188,000-ton level, the five domestic sugar-producing areas would share growth on the basis of their fixed quotas for 1955, plus the respective amounts added to this quota out of the first 188,000 tons.

Next—still speaking about the domestic share of market growth—the bill provides that the existing laws be revised so that beginning in 1958 the quantities of direct consumption sugar which may be brought into mainland America from Hawaii and Puerto Rico will be increased in the same proportion as their respective quotas are increased under the growth formula I have already described.

It is additionally provided that, beginning at once, deficits which occur in any domestic sugar producing area in any year resulting from operation of the growth formula will be prorated to other domestic areas on the basis of their quotas in effect at that time, insofar as such domestic areas can fill such deficits. Any unfilled deficits would next be prorated to foreign countries.

The bill reported by the Finance Committee also provides that definitions of raw and direct consumption sugar which is further refined and other improved in quality will be revised to reflect recent technological developments, and that the cost-of-living formula in section 201 of the act will be altered to the now generally accepted base of 1947–49.

Finally, the bill would extend the revised act through December 31, 1962. The current act is, of course, dated for expiration on December 31 of this year.

Enactment of these suggested revisions will ease the shackles now binding our domestic sugar industry to a future offering no chance for orderly, healthy growth. In addition, it will guarantee to our foreign friends and neighbors who help to supply our sugar needs future growth as our Nation grows. Not only will these foreign friends be guaranteed participation in our national growth, but they will also be assured a continuation of their present large share of our sugar market. Equity, therefore, would be extended to all.

Even more important to consumers and to the industry which serves them, the bill preserves and strengthens provisions which assure fair and reasonable prices for sugar.

As the history of the Sugar Act shows, costs for this commodity have been far more stable than have those of foods in general. Between 1935–39 and 1954, for instance, the price of sugar rose 35 percent less than the average price for all foods.

I should like to refer my distinguished colleagues to page 15 of the committee report, wherein we find this paragraph:

> The sugar acts have eliminated the extremes of very high and very low prices in the United States market. They have protected domestic growers during long periods of price depression in the world market and likewise have protected consumers during shorter but sharper periods of price inflation in that market. Price stability has helped assure adequate supplies to consumers and a market for a definite quantity of production to producers.

The Sugar Act is, in fact, a guaranty ers, not only by keeping prices stable, but by keeping them at a low level. The production worker who could buy 519

UNIVERSITY OF MICHIGAN LIBRARIES

pounds of sugar with his gross weekly earnings in 1941 could buy 674 pounds in 1954. Put another way, in 1941 a man worked 4.7 minutes to earn enough to buy a pound of sugar. By 1954 he needed to work but 3.5 minutes. On the basis of average consumption, he would need to work but 6 hours to earn enough to buy a full year's supply.

The plain fact is that sugar is a real bargain in America, where the consumer pays less than do consumers in three-fourths of the other important sugar-using nations in the world.

As the distinguished Senator from Virginia [Mr. BYRD], the chairman of the committee, has pointed out, there is nothing in the bill which affects the price of sugar. Actually, however, the consumer safeguards in the law are strengthened by the amendment to section 201 of the bill.

The Sugar Act is, in fact, a guaranty against unwarranted increases in the price of sugar, just as it is a protection against disastrous and sudden drops in the price of sugar. As I have shown, the actual administration of the act has resulted in sugar prices which have not in reality gone up as much as the general average prices of other foods; the rise has, in fact, been 35 percent less than other foods. The enactment of the bill will not affect the scope of the Secretary's authority in making estimates of consumers' requirements for the purpose of achieving prices fair to both consumers and producers.

The proposed legislation awaiting our action represents the culmination of many months of diligent and precise effort, predicated upon the basic principles established in the first Sugar Act. With each passing month, as we have approached this day, the urgency for action has grown more and more pronounced. Our American sugar farmers are right now completing their cropping plans for this year. In a matter of a very few short weeks, sugar beet growers in my home State of Utah will be planting their seed—late this month in some sections, early in March in others. As these people ready their farmlands for the approaching season, they are looking to us for our reply to their moderate and entirely just requests.

Mr. President, and my colleagues in the Senate, I say to you that our reply must be in the affirmative, and our reply must not be long delayed, else we shall have failed the men and women who are asking nothing more than their undeniable right to grow with their country, to participate in the benefits their own hard work and devotion to the American way of doing things have helped make possible. Their faith and hope lie in us and the measure we now consider. We must not fail them.

Mr. LONG. Mr. President, I propose to discuss the pending bill rather briefly. I do not believe that extensive detailed arguments are needed to persuade Senators that the bill should be passed. It is made desirable by developments which are typically American. It is needed, and needed urgently, by sugarcane producers because they have been for a number of years devoting themselves energetically and successfully to the improvement of the quality of their varieties and increasing their productivity.

I am sure that most of us are prepared to join enthusiastically in commending the sugarcane producers for their success. Yet because of the success, they have found themselves in the absurd position of seeing the benefits of this increased efficiency and improvement of quality go to their competitors abroad. Far from being benefited, local producers have been suffering.

The reason is to be found in the terms of the Sugar Act of 1948. At that time, we were justifiably anxious to prevent any undue hardship on our friends in Cuba, who had expanded their production during the war years in order to meet our esesntial requirements, both military and civilian. In the act, therefore, we guaranteed foreign producers whatever increases in consumption we might have, giving 96 percent of it to Cuba. Thus Cuba's basic quota has increased from 1,923,000 in 1948 to 2,859,840 for 1955, an increase of 49 percent. So far as I am aware, there is no parallel in our history or the history of any other nation for this act of generosity and consideration on our part.

The effective period of the Sugar Act of 1948, as it was amended in 1950, is 6 years. Like all matters which have to be decided over a future period of time, we had to make estimates of conditions and production of our domestic producers during this period. Insofar as the sugarcane area is concerned, these estimates proved woefully inadequate. In order to illustrate the increase in production per acre during this period, I ask unanimous consent to insert at this point in the RECORD, as a part of my remarks, a brief table showing acreages of sugarcane in production and average production of sugar per acre. It will be noted that production increased in every year except 1951, during which the crop suffered severe freeze damage. The percentage of increase is just under 45 percent.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Sugarcane production per acre

Crop year	Total acreage	Production per acre
	Thousands	*Tons*
1948	334	1.418
1949	340	1.532
1950	336	1.682
1951	341	1.228
1952	339	1.788
1953	347	1.802
1954	308	2.001
1955	289	[1] 2.049
1956	[1] 247	----------

[1] Estimated.

Mr. LONG. Mr. President, the Sugar Act provides for perhaps the most extensive and detailed set of controls over production and distribution of sugar in this country that we have ever had on any commodity in peacetime. Included in these controls is, of course, the power to reduce acreages in order to prevent piling up of excess quantities of sugar which cannot be sold within the fixed quotas. While I quarrel occasionally with the Secretary of Agriculture on the way in which he uses this power, I entirely agree that it is necessary that he have the authority.

Mr. President, from the foregoing table Senators can see that the acreages planted in sugarcane have been drastically reduced. In the 1954 crop a reduction of 10 percent was imposed. For last year's crop a further cut of 8 percent was made, and the most drastic cut of all has been ordered into effect for 1956. This latest reduction was about an average of 12 percent.

I must also admit that despite the acreage cuts which the Secretary has imposed, the producers of sugarcane have managed to accumulate a very burdensome surplus. I ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, a table giving the data on production and stocks over the years since the last time the Sugar Act was amended. Stocks on hand increased six times during this period, and it should be remembered that these stocks could not be sold at all, because the Sugar Act forbids sales in excess of allotted quotas.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Sugar production and stocks in the sugarcane area

[Thousands of tons]

Year	Total production	Jan. 1 stocks
1950	560	61
1951	417	110
1952	605	55
1953	640	64
1954	610	190
1955	[1] 575	300
1956	----------	379

[1] Estimated.

Mr. LONG. Mr. President, Senators will recall my unsuccessful efforts in the closing days of the session last year to obtain consideration for the bill which we are presently discussing. Failing to do that, I proposed that at least the emergency-purchase program provisions should be adopted by unanimous agreement.

It was much appreciated by me and by the sugar producers in Louisiana that even the opponents of this proposed legislation agreed to that action, which means that 100,000 tons of the surplus stocks are being disposed of outside the United States. The special difficulties of the sugarcane area were recognized by the allocation of 71,500 tons of this amount for purchase of sugar produced from sugarcane.

As helpful as that action has undoubtedly been, a mere glance at the figures will show that it is something like taking an aspirin tablet to ease a severe migraine headache, so far as meaningful relief to sugarcane producers is concerned. It will be many years before our sugarcane growers will even be able to replant the acres they have been forced to abandon.

Not only has production per acre been increased steadily and substantially, but, perhaps even more important, varieties which are remarkably resistant to cold

weather have been developed. For example, only a few weeks ago, one of the worst freezes in history affected a part of the Florida area. For 6 nights in succession, for as many as 8 hours each night, the cane in the fields was frozen. In former years, this would have meant certain destruction for the cane for sugar-production purposes. I understand, however, that the crop is being steadily ground into sugar, and that it will be only a little short of expectations.

This situation, Mr. President, makes it extremely important that the proportion of 55 percent of our future increases in consumption be given to our domestic producers, with priority to our cane and sugar-beet growers. The House bill provided for only 50 percent of future growth. If the Senate passes the pending bill, the chief problem of the conference committee will be to resolve this difference. I believe it is important to have other Senators express themselves strongly on this point, in order that the conference committee will know they have a mandate on this issue.

The figure represents the minimum share, without consideration of the inequities involved. Senators should always recall that what we are dealing with here is a unique situation in which we are guaranteeing our own markets, at stable prices, to foreign producers. Certainly a great number of foreign producers of other commodities produced abroad and imported into the United States would like to have even 5 percent of the expansion of our domestic demand for the commodities they have to import over tariff walls.

Mr. BARRETT obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Wyoming yield to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Wyoming yield to the Senator from Montana?

Mr. BARRETT. I yield.

Mr. MANSFIELD. Mr. President, I am in receipt of a communication from Mr. John A. O'Donnell, attorney at law, relative to some testimony he presented on the pending measure, in an appearance before the Finance Committee. I ask unanimous consent that his letter to me, together with excerpts from his testimony before the Finance Committee, be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the letter and excerpts were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *February 7, 1956.*

In re Sugar Act extension (H. R. 7030).

The Honorable MIKE MANSFIELD,
Senate Foreign Relations Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR MANSFIELD: I am writing you as a member of the Senate Foreign Relations Committee with a known keen interest in Philippine-American relations, to bring to your attention the fact that the Philippines is the only foreign supplier singled out under this proposed legislation from benefits of increased quotas.

To begin with, I wish to make it absolutely clear that we take no position with respect to what share of the United States sugar market Congress should allot to United States producers. Congress not only has the right, but the duty, to look after the best interests of the domestic economy of the United States first. Philippine claims go solely to whatever share of the market is left for division among foreign suppliers.

You will recall that, in the first session of the 84th Congress, the Philippine Trade Revision Act of 1955 was reported favorably by the Senate Foreign Relations Committee and passed by the Congress, wherein there is a proviso in article 2, paragraph 1, as follows:

"The establishment herein of the limitations on the amounts of Philippine raw and refined sugar that may be entered or withdrawn from warehouses, in the United States for consumption, shall be without prejudice to any increases which the Congress of the United States might allocate to the Philippines in the future."

It will be appreciated if you will bring this proviso to the attention of your colleagues, together with the contents of a brief memorandum attached which contains substantially the facts as testified to by me before the Senate Finance Committee on January 17, 1956.

With all good wishes, I am

Sincerely,

JOHN A. O'DONNELL,
Counsel, Philippine Sugar Association.

MEMORANDUM

FEBRUARY 7, 1956.

Re Sugar Act extension (H. R. 7030).

PHILIPPINES SINGLED OUT FOR EXCLUSION FROM BENEFITS OF INCREASED QUOTAS

To begin with, I wish to make it absolutely clear that we take no position with respect to what share of the United States sugar market Congress should allot to domestic United States producers. That is a responsibility which I do not feel it appropriate for me, as representing a foreign client, to come before the Congress to suggest what they should allocate to a domestic producer. Congress not only has the right, but the duty, to look after the best interests of the domestic economy of the United States first. Philippines' claims go solely to whatever share of the market is left for division among foreign suppliers.

The legislation here proposed by the Executive Department leaves the Philippines completely out in the cold and makes no attempt by the Executive Department to consider the Philippine situation in this industry on its merits. An examination of the comparative economics of the opposing claims fully discloses that, on the express objective of the Sugar Act to promote foreign trade of the United States, the Philippines only purchases in the United States market 20 percent less than another large foreign supplier of sugar, yet this country enjoys a sugar quota here 200 percent greater than the Philippines.

In 1953 the Philippines purchased $300 million worth of various merchandise from the United States out of a total importation to that country of $380 million. Roughly, 70 percent of all Philippine imports come from the United States. In addition, agricultural products account for 50 percent, of which dairy products is No. 1; wheat, tobacco, coffee, fish products, and cotton follow in that order. The Philippines is the 9th best market for American products.

It is inconceivable to us that the Philippines who, among the suppliers, probably needs it the most because she has not yet entirely recovered from her war-ravaged economy—the result of her loyalty to our cause in the last war—should be singled out for such discrimination. Her economy is still plagued by trade deficits, unemployment, and inflation. Her dollar reserves are gradually being depleted. This country that before the war had always had a favorable trade balance with us and with the world has piled up a tremendous trade deficit. During the 8 years before Pearl Harbor, she had a favorable trade balance with us in the amount of $257 million.

During the 8 years after Pearl Harbor, she piled up a trade deficit of $1,250 million. The one Philippine industry that has fully recovered is the sugar industry and therefore it is the only one that is in a position immediately to contribute to the solution of this problem of trade deficits and unemployment that is plaguing the country. This industry is also the chief dollar earner for the Philippines.

PHILIPPINE HOPES RAISED BY UNITED STATES TRADE AGREEMENT OF 1955 MAY TURN TO DISILLUSIONMENT

At the hearings held before the Senate Finance Committee on the proposed Sugar Act extension on January 16 and 17, 1956, the Honorable True D. Morse, Under Secretary of Agriculture, testified, that insofar as the foreign suppliers were concerned the Department of Agriculture followed the recommendation of the Department of State in this regard. It is interesting to note that the Assistant Secretary of State for Latin America, the Honorable Henry F. Holland, omitted any reference to the Philippines with respect to their participating with other foreign suppliers in any increased consumption of sugar in the United States. Of course, with the appearance of the Assistant Secretary of State for Latin American Affairs at this hearing, representatives of the Philippines readily foresaw little or no chance of their being recommended for participation. Perhaps the Department of State was relying solely on the revisions of the Philippine Trade Agreement, which agreement was enacted into law in the 1st session of the 84th Congress, wherein there is a proviso in article 2, paragraph 1, as follows:

"The establishment herein of the limitations on the amounts of Philippine raw and refined sugar that may be entered or withdrawn from warehouses, in the United States for consumption, shall be without prejudice to any increases which the Congress of the United States might allocate to the Philippines in the future."

Since the Senate Finance Committee did not accord us any recognition in their report on the proposed bill insofar as sharing in the increased consumption in the United States is concerned, the Philippines now recognize that the Congress of the United States is its court of last resort and to it it is making this appeal. In this connection, the Philippines appeals to the Members of the Congress, knowing that they have always had the interests of the Philippines in their hearts and have been most friendly to it.

It is inconceivable to the Philippine people that, after thus having their hopes raised by the aforementioned amendment contained in the Philippine Trade Agreement Revision Act of 1955 that their principal industry will again have a chance for expansion in the United States market, we should now deny them a share in increased quotas, due to increased consumption, while giving everyone else a share, their disillusionment would be great, indeed. Her share at present stands at approximately 11.6 percent of United States sugar consumption. This bill would place the Philippine sugar industry in a straitjacket as far as this market is concerned, for the next 6 years while all the other suppliers increase their share.

SUGAR INDUSTRY REQUIRED 13 YEARS TO RECOVER AFTER TOTAL WAR DESTRUCTION

Because of the almost complete destruction of the sugar mills and the limited compensation they received for their losses, as well as because of the loss of planters' equipment and work animals, it took the Philippines 13 years to completely rehabilitate their sugar industry and it was only the year before last that they were able to fill their

UNIVERSITY OF MICHIGAN LIBRARIES

quota in this country and have a surplus besides.

During the 13 years after Pearl Harbor, they were unable to market in the United States some 8 million tons of sugar of approximately $1 billion in value. This quantity of sugar was filled by other foreign suppliers, and the United States collected thereon import taxes of approximately $120 million.

It is inconceivable to us that this country that suffered the most in lives and property during the last war because of their loyalty to our cause and who needs it the most because she is still licking her wounds, as it were, should thus be the only supplier to be excluded from any participation in increased quotas due to increased consumption in this country.

THE PHILIPPINES, THE SHOWCASE OF DEMOCRACY IN ASIA

The Philippines is the one dependable ally and friend that we have in that part of the world where one-half of humanity lives and where communism and neutralism are making such progress. In fact, the Philippines is probably the only country in that part of the world where the fight against communism is succeeding because of the joint efforts of their gallant people and our own.

This we have been able to do principally by showing the people of the Philippines and the rest of Asia that the aspirations of people to raise their standards of living can be better attained under the democratic way of life than under totalitarianism. Just at a time when, according to the Secretary of State in his press conference last week, the Communists have shifted their strategy in the cold war to an economic contest in which, in the words of the Secretary, "defeat could be as disastrous as defeat in an armament race."

We just cannot afford to tell the people of the Philippines and their neighbors who are so closely watching how the free world treats its tried allies and friends that not only are we unable to help her increase her trade, that she might in some measure recover from the losses she suffered, and help her in rehabilitating her war-ravaged economy, but that we will even deprive her of her traditional share in the sugar market in this country.

Under the Jones-Costigan Act of 1934, the Philippines was allocated 15.41 percent of the sugar consumption in this country. While they were flat on their backs immediately after the war, the Philippine Trade Act of 1946 was approved, converting this duty-free quota into an absolute quota. The imposition of this absolute quota was strenuously objected to by the State Department in these words:

"Since the imposition of absolute quotas is contrary to the commercial policy of this Government, the Department recommends that the bill be amended to permit imports in excess of quotas, provided that full United States duty is paid on imports over and above the quotas." (Statement of L. C. Stinebower at hearing on H. R. 4185, November 15, 1946.)

THE ECONOMIC CONTEST IN ASIA

If we may revert to the statement of the Secretary of State at his press conference last week, he stated:

"The way to counteract Soviet effort is not by outbidding in sheer amount of economic aid, but by making the newly independent nations of Asia feel that their needs can best be satisfied if they become and remain part of the free world."

On April 11, 1955, the President of the United States in a message to Congress stressed the need for intensifying our cooperation with the free nations of southeast Asia in their efforts to achieve economic development and a rising standard of living. I quote from his message:

"The motivation behind this cooperation is twofold: Our fixed belief in the worth and dignity of the human individual whatever his race or flag may be, and our dedication to the principle that the fruits of national growth must be widely shared in every society.

"As a people we insist that the dignity of the individual and his manifold rights require for their preservation a constantly expanding economic base. We are convinced that our continued economic, cultural, and spiritual progress are furthered by similar progress everywhere."

THE PHILIPPINES, FRIEND AND ALLY

Our ties with these people are close indeed. They have guaranteed our nationals the same rights in the exploitation of commerce and industry as their own nationals. We have valuable military, naval, and aerial bases there. They have stood by us in the last war, in Korea and in Bandung.

Let us help them rehabilitate their war-ravaged economy so that they may be able to establish a better standard of living for their people and play their part in the global fight against communism not only as a trusted friend and ally but as the showcase of democracy in Asia.

And in connection with communism, I am sure that all of you have seen this recent article in the Washington Post under date of January 16, 1956, wherein it is headed, "Philippine Red Plot Revealed," and which goes on to say:

"The Philippine Army said today it has uncovered an elaborate and vicious Communist plot to cripple the national economy by infiltrating Philippine labor and farm organizations.

"Military officials said that the plot was brought to light in documents taken from captured couriers of the dissident Hukbalahap Army. They said the documents showed that Communist leaders planned to redouble labor agitation."

This shows, Members of the Congress, that the fight in the Philippines in respect to communism is still going on, but fortunately we have a friendly government there under the dynamic leadership of President Magsaysay, who is on the alert and doing everything possible, as this article shows, to prevent this Communist invasion.

I plead with you, gentlemen, not to commit this act of discrimination that is so apparent that it is bound to have its impact on the thinking of the Filipinos and all the peoples of Asia.

Mr. CAPEHART. Mr. President, will the Senator from Wyoming yield briefly to me?

Mr. BARRETT. I yield.

Mr. CAPEHART. Mr. President, I offer, and send to the desk, an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 18, in the table following line 2, opposite "Cuba", it is proposed to strike out "33.8" and insert in lieu thereof "27"; opposite "Peru", to strike out "4.0" and insert in lieu thereof "8.0"; opposite "Dominican Republic", to strike out "2.0" and insert in lieu thereof "3.0"; and opposite "Mexico", to strike out "4.0" and insert in lieu thereof "5.8".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

Mr. BARRETT. Mr. President, before the Senate adjourned last summer, I took time to discuss this measure at considerable length. I did so because I consider this bill to be of great importance to the sugar producers of our country and to the welfare of my State. I intend to speak only briefly today.

Mr. President, the people of Wyoming know of my long and deep interest in the production of sugar beets in our State.

The roots of the sugar beet travel 6 or 7 feet into the soil, enriching it every inch of the way. When sugar beets are grown in rotation with other crops, they promote soil equilibrium. Instead of mining the soil or robbing the soil, as some crops may do, the sugar beet increases soil fertility as long as rotation practices are followed. As a matter of fact, the sugar beet returns almost everything it takes from the soil. The very nature of the sugar beet itself and the rotation system, Mr. President, make it abundantly clear why farm conditions improve when sugar beets are grown.

The byproducts of sugar beets, such as beet tops, pulp, and molasses, have made possible the tremendous cattle-feeding and lamb-feeding business in the Mountain West. I may say, Mr. President, as I have said before, that the tops from an acre of sugar beets are reckoned to have a feeding value equivalent to that of 1 ton of alfalfa. Is it any wonder, then, that the Western States are deeply interested in the sugar beet industry, inasmuch as millions of cattle and sheep are fattened each year in the sugar beet areas? In many communities in the west the feeding operation means the building of an entirely new business operation. Feeding operations are generally conducted in the corn States of the Middle West. Everyone must agree that this great industry must be permitted to grow with the country.

I congratulate the Senate Finance Committee for bringing in this bill designed to restore to domestic producers their historic share in the growth of the United States sugar market. This legislation opens the way for domestic producers to participate in the larger market constantly being created by an increase in our population resulting in the growth of the consumption of sugar.

Let me make clear that in the beginning of consideration of the amendments to the Sugar Act of 1948, I was hopeful that a more generous increase in quota could be made available to domestic sugar beet and sugarcane growers than is provided by the committee amendment. After consulting with leaders of the industry in my State I have been assured that the bill includes the principles for which the industry contends, and consequently merits the support of all friends of the industry.

However, there is one point in connection with the administration of the act which I wish to call to the attention of the Senate. There are areas in my State—and I am sure there are such areas in many other States—which have not received an acreage allocation for 1956 sufficient to meet their needs.

The national total for 1956 allocated to sugar beets amounts to 850,000 acres. That total is allocated to growers in the various States on a historic production basis. Each year circumstances prevent nearly every State from planting its total acreage. In some cases the deficit is slight. For example, Wyoming's deficit last year was only 100 acres. However, 42,204 acres of the total of 850,000

acres of sugar beets were not planted last year. Michigan failed to plant 15,806 acres. For one reason or another the following States failed to plant their quotas by the amounts indicated: California, 10,410 acres; Colorado, 6,715 acres; Wisconsin, 5,665 acres. Ten other States failed to reach their quotas by small acreages.

It seems to me that the Sugar Division of the Department of Agriculture should make immediate plans to change its system so that quick determinations of the deficit areas could be made, in order that the unplanted acreage allotments in certain States could be transferred to States so badly in need of additional acreage. It seems to me that if the officials in charge of this program are vigilant and alert, the greater part of the 42,000 unused acres of allotment can be promptly made available to the States like my own, which need additional acreage so badly.

I am supporting this bill, but I do so on the assumption that the Department of Agriculture will take immediate steps to remedy the situation with respect to the transfer of acreage allotments from deficit States to other States before the planting season begins. In view of the crying need for additional sugar beet acreage in so many areas of the West, it seems to me that the Department of Agriculture could make a great contribution by transferring this acreage as quickly as possible when it becomes available. To my way of thinking, it is the clear duty of the Sugar Division to take such action.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. BARRETT. I am delighted to yield to my distinguished colleague from Nebraska.

Mr. HRUSKA. In connection with the subject of quick transfers of acreage allocations, would any such transfers made this year be prejudicial to the allotment made next year to the State relinquishing a part of its acreage?

Mr. BARRETT. No, sir; it would not. The State would not lose its historic allotment under the act. The acreage could be transferred to other States on a temporary basis, so that they might plant additional acres for that particular year.

Mr. HRUSKA. The planting seasons of the various States begin at different times; do they not?

Mr. BARRETT. The Senator is quite correct.

Mr. HRUSKA. Therefore it would be of some moment to have a quick determination by the proper division, even if it were to apply to this season. Is that correct?

Mr. BARRETT. The Senator is entirely correct. For example, in the State of Michigan 15,000 acres were not planted last year. If that were known by the first of March, those 15,000 acres could be easily transferred to States like Nebraska, which the Senator represents in part so admirably, and my own State of Wyoming, and to other States in the West where the planting season is later than it is in Michigan.

Mr. HRUSKA. Is there any reason why prompt action cannot be taken if there is the will to do it?

Mr. BARRETT. None whatsoever, in my opinion.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BARRETT. I am glad to yield to my distinguished colleague from Colorado.

Mr. ALLOTT. Is the Senator able to say why some of these discrepancies appeared in the planting statistics during the past year?

Mr. BARRETT. I am not familiar with every State in the Union, but I do know that in the Western States there was a severe drought last year. Undoubtedly that would account for some of the cuts in acreage. In some States, like my own, there were terrific floods during the planting season; and no doubt that fact accounted for some reduction in Wyoming and the same situation prevailed elsewhere.

Mr. ALLOTT. Is it not true that the planting and harvesting of sugar beets require a comparatively high expenditure and investment in the initial stages, as well as in the harvesting?

Mr. BARRETT. The Senator is entirely correct. In order that any grower may take advantage of increases which might be available, he must necessarily have the information in advance of the planting season, so that he may make his plans accordingly.

Mr. ALLOTT. I value the opinion of the Senator from Wyoming because he has had great experience in this field. In the Senator's opinion would it be possible that a part of the planting which was not made was accounted for by the fact that in individual instances the farmers did not feel that they had sufficient acreage to justify planting for that year?

Mr. BARRETT. That might be true in some instances. However, I am inclined to believe that the big cuts in Michigan and Wisconsin, for example, have been occasioned by reason of the fact that greater profits were possible from other crops than sugar beets. That is not true in the Mountain States, since the growing of sugar beets is so profitable in the irrigated areas.

Mr. ALLOTT. I should like to ask one further question. Since the comparatively high mechanization of sugar-beet planting and harvesting, is it not true that the advantage of the average farmer would be far better served by a bill providing a program of some duration—for example, 6 years—so that the farmer may plan for the future, rather than a bill providing for a short program, such as the one suggested a while ago by the Senator from Arkansas [Mr. FULBRIGHT]?

Mr. BARRETT. The Senator from Colorado is eminently correct. Of course, the Sugar Act of 1948 has been on the books for more than 6 years, with 1 slight amendment in 1951, as the Senator well knows.

Mr. ALLOTT. I thank the Senator.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. BARRETT. I am delighted to yield to my distinguished colleague from Idaho.

Mr. WELKER. I am delighted to be able to participate in this discourse on the floor of the Senate with my able colleague, the senior Senator from Wyoming [Mr. BARRETT] who comes from a neighboring State, and who has worked diligently and hard for the enactment of a bill which would be satisfactory to the sugar-beet growers of Idaho, Wyoming, and all other areas of the country.

Knowing him to be a profound student of the subject, I should like to propound a few questions to him so that as it appears in the RECORD the debate on the sugar bill will be clear.

Mr. BARRETT. Before the Senator from Idaho propounds an inquiry to me, let me disclaim any superior knowledge in the field of sugar production. I am only a country lawyer trying to do the best job I can to help the people of my State. I do not claim to be an expert in this field, although I believe I know something about the needs of the sugar-beet industry of the West. As the Senator from Idaho knows very well, we are hopeful of getting the proposed legislation enacted.

Mr. WELKER. I may say that although the Senator may not know all the technical answers, it is a fact that he has worked hard to do all he can for the sugar-beet industry of this country.

Mr. BARRETT. I thank the Senator from Idaho.

Mr. WELKER. Would the Senator be kind enough to tell me, in rough figures, about how many additional acres the bill, if it should be enacted, would allow us in Idaho, say, in the year 1962?

Mr. BARRETT. Well, I may say to my distinguished colleague, that it is extremely difficult to predict just what the increase might be by 1962. However, I can say that, as the Senator well knows, under the bill the first 165,000 tons over and above the estimate of the 8,350,000 tons, which was made by the Secretary of Agriculture on December 1st last year, will go to the domestic sugar-beet and sugarcane producers, divided 51½ percent to the sugarcane producers and 48½ percent to the sugar-beet producers.

In my judgment that will result in an increase in 1956, this year. I anticipate that before the first of March the Secretary of Agriculture might very well be able to say that the consumption in 1956 will be 8,450,000 tons, instead of 8,350,000 tons and as a result, 100,000 tons will be available to the beet and cane producers of this country. Therefore, we can look for some increase this year. If the increase continues in 1957, as I expect it will, we will get the other 65,000 tons increase, making a total increase to domestic producers of 165,000 tons over and above the base of 8,350,000 tons.

Mr. WELKER. I believe the distinguished Senator from Wyoming will agree with me that the domestic sugar-beet producer has received very little of the grease in the fryingpan that has not already been burned.

Mr. BARRETT. I agree with my colleague wholeheartedly. I can only say that from 1948 to 1955, the consumption

UNIVERSITY OF MICHIGAN LIBRARIES

of sugar in this country increased from 7,200,000 to 8,350,000 tons, and that the domestic producers got none of that increase.

As I said a moment ago, we will get the first 165,000 tons of additional sugar consumption in this country right off the bat. After that we will participate in the increased consumption arising from the increase in population, on a basis of 55 percent to the domestic producer and 45 percent to the foreign producer. Consequently, I am sure we can look forward to 1962 for considerable additional relief. Just how much it will be, I am not prepared to state, or to even predict.

Mr. WELKER. I thank the Senator from Wyoming. I know the Senator can tell the sugar-beet producers of the United States that we, the American people, consume more sugar than we produce; is that correct?

Mr. BARRETT. Yes; indeed it is correct. We produce about 28 percent of the sugar we consume in the United States, as such. Of course there is sugar, produced in Hawaii and Puerto Rico and in the Philippines, which comes into this country, but on the mainland we produce only 28 percent of the sugar we consume.

Mr. WELKER. The Senator from Idaho has long complained about the philosophy of Government which permitted us to give the benefits of increased production to offshore islands and countries far away. He has always felt that the domestic producer, whether he be a cane or beet sugar producer, should be given a right to live and earn income from his farm. I have complained, as the Senator from Wyoming has, and as other Senators have, about the very large percentage of the increased domestic sugar requirements being supplied by overseas producers, when we have World War II veterans in our States who depend on a cash return from sugar-beet fields, but who are handicapped because someone overseas is getting the benefit of the increased consumption in the United States.

During the colloquy between the Senator from Utah [Mr. BENNETT] and the Senator from Arkansas [Mr. FULBRIGHT] I heard the question asked, why the bill was considered by the Committee on Finance. I am wondering whether it should not have been considered by the Foreign Relations Committee, inasmuch as we seem to be bailing out everyone else but the farmer of the United States.

Mr. BARRETT. I believe it is time that we give the American farmers a break. I am hopeful we will get this bill enacted. It is not all that we would like it to be, but it is a decided improvement over the 1948 act.

Mr. WELKER. Would the Senator agree with me that the delegation which came to Washington from Wyoming and the delegation which came to Washington from Idaho took the crumbs that fell on the floor and had to say, "All right, we will take them," but that they were not satisfied? Is that a fair conclusion?

Mr. BARRETT. I would not go quite that far. I would say that they were not too happy with the bill as it came out of the committee. They agreed to the bill, and they have advised their representatives in the Senate and in the House that in their opinion it is the best legislation they can get. As I said before the industry as a whole has agreed to the bill.

As I said earlier, I congratulate the distinguished chairman of the committee and the other members of his committee for bringing this bill to the Senate floor. I hope it will be enacted without amendment.

Mr. WELKER. Is it fair for me to say that, if everything goes well and the act is administered as it is intended it should be, and consumption keeps up as we anticipate, we of Idaho will receive an allotment of about 500 acres of additional land to go into sugar beet production?

Mr. BARRETT. I would hazard the guess that the additional acreage in the Senator's State might be twice that amount in 1956. In addition to that, I am sure that the distinguished Senator from Idaho heard my remarks a few moments ago to the effect that last year, for one reason or another, about 42,000 acres in various States were unplanted. I am suggesting to the Department of Agriculture in my remarks today that it take steps to insure that that unplanted acreage shall be allocated to other States, where additional acreage is badly needed. If that were done, I am sure Idaho would get at least 2,000 more acres, in addition to the 1,000 acres I mentioned a moment ago.

Mr. WELKER. I remember talking with the distinguished Senator from Wyoming about this question before the planting season last year. I wish to know why steps were not taken at that time whereby the sugar-beet farmers could have paid off, or reduced, the heavy mortgages on their farms and farm equipment and could have had a better mode of living. Why is it, at this late hour, that we have to tell someone to be on the ball? We have known of the Sugar Act since 1948. I wonder why we should have to come forward at this late hour and say to those who are in a position to take action, "You fellows be on the ball and do better." That is what they were hired for in the first place.

Mr. BARRETT. Since the matter has been called so forcefully to the attention of the Sugar Division of the Department of Agriculture, I am very hopeful that the sugar branch will take steps in the immediate future to see that action is taken, before the planting season begins in the West, to transfer allotments from those States which do not desire to plant their full acreage.

Mr. WELKER. I am sure my distinguished colleague knows how I feel about this bill. It is one of the things we have to take, but I do not like it any better than does any other Senator on this floor. I wish to ask the Senator whether he likes the idea that 40 percent of the Cuban sugar interests are owned, controlled, and operated by the capital of United States citizens, in direct competition with the farmers of my State and farmers all over the United States.

Mr. BARRETT. I do not wish to be inconsistent in my remarks. As I said earlier, while I am not entirely happy with the bill, nevertheless I do appreciate the fine work of the Finance Committee, and, under the circumstances, I am going to be quite content with the bill if we can pass it without amendment.

Mr. WELKER. I appreciate the work of the committee. I know what tremendous difficulty they had with it. I am grateful that they did not give everything away to Cuba or Puerto Rico.

Mr. BARRETT. I might bring out another point, namely, that I hope that when the committee goes to conference on the bill that it will bring back a bill that is no worse, so far as the American producers are concerned, than the bill in its present form.

Mr. CHAVEZ. Mr. President, will the Senator from Wyoming yield, so that I may ask the Senator from Idaho a question?

Mr. BARRETT. I yield for that purpose.

Mr. CHAVEZ. I do not mind the Senator from Idaho having a grievance against Cuba, but when he attacks Puerto Rico, which is just as much a part of the Union as are Idaho and New Mexico, I do not like it.

Mr. WELKER. I did not know Puerto Rico was a State.

Mr. CHAVEZ. It is not a State, but it is part of the Union.

Mr. WELKER. Since the Senator from New Mexico has singled out Puerto Rico, let me say that I have no quarrel with Puerto Rico, as such, or with Cuba, or Haiti, or any other country, but there are hundreds of thousands of veterans to whom we promised land, and they are not getting a dime out of the soil.

Mr. CHAVEZ. I agree with the Senator.

Mr. WELKER. I want the people of Puerto Rico to have prosperity, too.

Mr. CHAVEZ. As well as the people of Idaho.

Mr. WELKER. Not only the people of Idaho, but people all over America.

Mr. FULBRIGHT. Mr. President, will the Senator from Wyoming yield?

Mr. BARRETT. I yield.

Mr. FULBRIGHT. Is it a fact that the State of Wyoming produces about 35,000 acres of sugar beets?

Mr. BARRETT. We have planted as much as 50,000 acres, but we have been obliged to take substantial cuts in our acreage in the past few years, and we plant only 35,000 acres at the present time.

Mr. FULBRIGHT. The Senator knows that every other basic commodity has been affected in a like manner, and will take another cut this year. So there is nothing unusual about that.

Mr. BARRETT. I do not know that that is precisely true in the West. So far as Wyoming is concerned, the wheat acreage has increased considerably, and, at the same time, the sugar beet acreage has decreased.

Mr. FULBRIGHT. We do not raise wheat in Arkansas, but I was under the impression that there was a surplus of wheat. We certainly have decreased the acreage of cotton from about 26 million to about 18 million in a very short time.

Mr. BARRETT. I will say to the Senator that so far as sugar is concerned and so far as wool is concerned, we produce only about a third of the wool and

less than a third of the sugar we consume in this country.

Mr. FULBRIGHT. Are they not also the only two agricultural commodities on which there are support prices above 90 percent of parity?

Mr. BARRETT. The sugar producers of this country are not subsidized by the Government. It is true that there is a processing tax paid by the sugar refiners of the country which goes to the growers.

Mr. FULBRIGHT. The Senator knows very well that the distinguished Senator from Virginia said the sugar taxes are paid by the consumers.

Mr. BARRETT. I do not think that the distinguished Senator is correct about that. The tax is not paid by the consumer; it is paid by the processors, and the price of sugar has not been raised as a result of the processing tax.

Mr. FULBRIGHT. Let me refer to page 82 of the hearings on the extension of the Sugar Act. I read from the middle of that page:

> The CHAIRMAN. That is added to the price of sugar, of course.
>
> Mr. MORSE. The users of sugar.
>
> The CHAIRMAN. The users of sugar pay; it is reflected in the price, like the gasoline tax.

That was the distinguished chairman of the Finance Committee [Mr. BYRD], who, I think, we all admit, knows something about taxes.

Mr. BARRETT. I have a very high regard and deep affection for the distinguished senior Senator from Virginia. I follow the Senator from Virginia on many issues on the floor of the Senate, but on this particular item I certainly do not agree with him at all, and I invite attention to the fact that Mr. Frank A. Kemp, of Colorado, who appeared before the committee, represents all segments of the sugar industry in this country, and whose testimony can be found at page 123 of the hearings, and who took sharp issue with the distinguished Senator from Virginia, and contended very forcefully, and, I think, very accurately, that the processing tax is paid by the refiners and is not passed on to the consumers.

Mr. FULBRIGHT. I am informed that the Senator from Virginia buys a little sugar, and he feels that the price is passed on to the consumer.

Mr. BARRETT. Sugar is the cheapest commodity available to the American people today. The price has not raised materially, for a great many years, except during World War I, and World War II. During World War I the price went up to 15 cents a pound, the highest price in 100 years. We can compare the price of sugar today with the price of sugar 50, 60, or 70 years ago, and taking into consideration the value of the dollar it is cheaper today than ever in our history.

Mr. FULBRIGHT. Will the Senator agree that the price of sugar in the United States is higher than the world price of sugar?

Mr. BARRETT. I agree that it is higher than the world price of sugar, but I say to the Senator that in this country the children are educated far better than are the children of Cuba, and that the wages paid to the working people of Cuba are not nearly as high as those paid to workers in the United States. If the Senator from Arkansas wishes American labor to go down to the standards of foreign producers then, I suspect, we could compete with the world producers in a measure, anyway.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. BARRETT. I yield.

Mr. DWORSHAK. Does the Senator from Wyoming know whether the domestic price of oil is higher than the world price of oil today?

Mr. BARRETT. I think it is.

Mr. DWORSHAK. Is the Senator certain of that?

Mr. BARRETT. Yes, of course it is.

Mr. FULBRIGHT. I may say to the Senator from Wyoming that the oil business is not before the Senate asking for a handout from the Federal Treasury. That makes a little difference. If we were paying the oil producers an enormous subsidy, the question might have some pertinence. But I fail to see any relevancy of this matter to oil or to any other privately produced commodity.

What is being sought here is to have the Government pay out of the Treasury some $64 million a year in a direct subsidy by the operation of the Sugar Act. So far as I can determine, it will cost the consumer more than $300 million a year by causing the price to average about 2 cents a pound above the world price. Using the figure of 8,500,000 tons, I think the cost would be in the neighborhood of $300 million. So this has nothing to do with oil.

But if the Senator from Wyoming will permit me to do so, while I do not wish to delay him, I should like to ask him one or two questions.

Mr. BARRETT. First, I wish to make an observation in answer to the statement made by the Senator from Arkansas. Not only do the American producers of sugar, both beet and cane, receive the benefit of the higher price paid in this country, but also the producers in Cuba also receive the benefit of the higher price. If the Senator from Arkansas is concerned about the Cuban producers, as I gather he is——

Mr. FULBRIGHT. No. I am concerned about the American consumers and about the American producers of rice and other commodities which are normally and naturally produced in the United States, and which this artificial product is destroying. I have no particular interest in the producers of Cuba, and I said nothing which would so indicate.

Mr. BARRETT. As I have repeatedly said to the Senator from Arkansas, sugar is the cheapest food commodity available to the American people today. I do not know why under the sun he picks out sugar and says it ought to be cheaper; it is today and so much cheaper than anything else. I think the record shows that the producers of the United States have made available a supply of sugar in this country sufficient to meet the needs of our Nation, so far as they were permitted, and at a price that is wholly reasonable and much below the price of any other food commodity.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. May I ask the Senator from Wyoming a question or two?

Mr. BARRETT. I shall first yield to the Senator from Idaho and then to the Senator from Arkansas.

Mr. DWORSHAK. When the Senator from Arkansas insists on saying that the sugar producers of the United States receive a subsidy, is he not incorrect? Does not the record show that when the half-cent tax was levied on the processing of sugar in this country, currently the tariff on Cuban sugar was reduced from $2 a hundred pounds to 50 cents a hundred pounds, and as to full-duty sugar-producing countries, it was reduced from $2.50 a hundred pounds to 62½ cents a hundred pounds?

Mr. BARRETT. The Senator from Idaho is correct.

Mr. DWORSHAK. So a partial processing tax was established to offset the reduction—the drastic reduction—in the tariffs on sugar.

Mr. BARRETT. The Senator is correct. After the processing tax had been levied by Congress, the price of sugar did not increase, as the Senator from Arkansas intimated it had, but remained stable and, certainly, no increase was passed on to the consumers.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARRETT. I yield.

Mr. LONG. The Senator from Arkansas has spoken of saving the consumers $300 million a year. It is true that perhaps we might save a few million dollars if we put all the beet and cane growers out of business. But if it is desired to save the taxpayers' money, we could reduce the amount of our foreign-giveaway program, for which the Senator from Arkansas has voted. In that way we could save billions of dollars a year, perhaps many times as much as the Senator from Arkansas hopes to save at the expense of the farmers.

Mr. BARRETT. In order to try to bring that about, I have voted for the amendment of the Senator from Louisiana year after year.

Mr. O'MAHONEY. Mr. President, will my colleague yield?

Mr. BARRETT. I yield to my distinguished colleague.

Mr. O'MAHONEY. I thank the senior Senator from Wyoming. I wanted to make a little comment for the ear of the Senator from Arkansas. Having listened to his argument in response to the statement by my colleague, I fear the Senator from Arkansas is being misled by overlooking the turbulent state of commerce in the world.

If the Philippine Islands could export the sugar which is produced in the Philippines into the main area of China, all the Philippine production would be easily absorbed in China. If the situation in Europe were not torn by an economic war between Soviet Russia and the United States and other western free countries, then the price of sugar in Europe would be far greater than it now is.

The Senator from Arkansas is basing his argument upon conditions that pro-

UNIVERSITY OF MICHIGAN LIBRARIES

ceed from the international situation, which everyone hopes will speedily pass away. The Sugar Act was passed as a substitute for the tariff, in order to encourage the production of domestic cane and domestic beet sugar in the United States, so that this country would not be at the mercy of the offshore producers, who sell at a much greater price than that at which they could sell if they did not have the competition from the domestic areas.

While we preserve the right of the United States producers of cane and sugar beets to help contribute to the consumptive market in the United States, we are setting up a barrier against what would be an increase in price to all domestic industrial and residential consumers if the act were not upon the books.

Mr. BARRETT. I agree 100 percent with my distinguished colleague on that point.

I said earlier today that the only time in the past 100 years when the price of sugar got out of line in this country was during World War I, when hardly any sugar at all was produced in the United States. Consequently, we were at the mercy of the foreign producers. At that time the price of sugar went up 300 percent. I think that proves conclusively that if we were to subject the American consumers to foreign producers, the price of sugar would be much higher than it is today.

Mr. O'MAHONEY. In other words, if we were to yield to the argument of the Senator from Arkansas, we would be placing the consumers and the producers of the United States at the mercy of foreign producers.

Mr. BARRETT. The Senator is eminently correct, in my judgment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BARRETT. I yield.

Mr. FULBRIGHT. What was the price of sugar in World War II? Why does the Senator go back to World War I? What was the price of sugar in 1943 or 1944? Was it 15 cents?

Mr. BARRETT. It went up, as I said, to over 15 cents in World War I.

Mr. FULBRIGHT. What about World War II? What was the price of sugar then?

Mr. BARRETT. During the Second World War the price of sugar was low. It was around 5.49 per hundred in New York. The price of sugar in 1950 was 7.8 cents a pound.

Mr. FULBRIGHT. What was it in 1944 or 1943?

Mr. BARRETT. I do not have those figures, but it was not so high as the Senator has suggested.

Mr. FULBRIGHT. It was not so high as it is now.

Mr. BARRETT. But the increase came about because Cuba had a tremendous market in Great Britain and in Europe. Consequently, Cuba supplied that market and was at liberty to withhold from the American market as much of the Cuban product as it desired. Therefore, the price of sugar went up somewhat during World War II. But it did not go up in proportion to the rise in the prices of other commodities. I can say that.

Mr. FULBRIGHT. Would the Senator permit me to read for the record 1 or 2 examples of prices? Let us take the price of Cuban raw sugar in 1947. I am referring to pages 66 and 67 of the hearings.

The price of Cuban raw sugar in 1947 was 5.03 cents.

In the United States, at New York, the price of raw cane sugar in January 1947 was 6.03 cents.

In January 1955, the price of Cuban raw sugar was 3.17 cents.

In January 1955, the price of raw cane sugar at New York was 5.96 cents.

That shows the great spread between the world price and the price in New York.

Mr. President, I really was not trying to argue that point with the Senator. What I desired to bring out——

Mr. BARRETT. Before the Senator proceeds, let me say to him that if he wants to be fair about it, the wholesale price in New York of 8 cents a pound which he mentioned compares very favorably with the price in 1880. The price then was 9.6 cents. Does the Senator know of any other food which is made available to the American people today which stands on a level similar to that of sugar, or about the price of which it was 75 years ago?

Mr. FULBRIGHT. I am saying that the price would be much lower if it were not for the Sugar Act.

Mr. BARRETT. If the Senator will permit me, let me say to him that if sugar producers didn't have to pay or if the growers and laboring people of America could be persuaded to work for a few dollars a day, or if the price of automobiles could be reduced from $3,000 down to $600 or $700, then I think we could produce sugar in America in competition with Cuban sugar. If the Senator wants to do that, then America is going to be in a bad way.

I want to keep America's way of life as it is today. I want to keep the American people on a standard that is the best in the whole world. If we are to succeed in that, if we are to keep the American people on the level which has made this country great, then we cannot adopt the philosophies and policies espoused by the Senator from Arkansas.

Mr. FULBRIGHT. The Senator from Wyoming completely misinterprets my point. I object to the discrimination in the bill against other legitimate interests in the United States, the consumer, the producer of rice, and producers of all kinds of commodities which the Cubans and others would like to buy. That is why I am interested in the bill. As the Senator has indicated, this is a very unique bill.

I wish to go back to one matter. The Senator has said that his State produces, very largely, wool and sugar. They are two agricultural commodities which are supported by Government intervention and governmental subsidy at considerably above 90 percent of parity. There is a bill presently being considered by the Committee on Agriculture and Forestry in which other producers of agricultural commodities are seeking to get 90 percent of parity price supports. We are not asking for more than that.

I wonder if the Senator from Wyoming would tell me whether he would support an amendment which would adjust the subsidy so that sugar would be given a 90 percent support price. Would he accept such an amendment? I am going to offer it. I wonder if such an amendment would meet with the Senator's approval.

Mr. BARRETT. I certainly would not accept it, for the very good reason that the American sugar producers are barely able to make a living in raising sugar beets as it is. I am sure that is true of sugarcane.

I say to the distinguished Senator from Arkansas that prices for sugar beets, even including Sugar Act payments, reached parity only in 1949, and for sugarcane only in 1950 and 1953. For the other years beet prices have averaged 93 percent of parity, and cane prices 84 percent.

Mr. FULBRIGHT. I am sure the Senator is familiar with the sugar reports published by the United States Department of Agriculture, Commodity Stabilization Service, Sugar Division, Washington, D. C., for October 1955. I ask him to look at page 19.

Mr. BARRETT. I do not have it before me.

Mr. FULBRIGHT. The parity price of sugar beets in 1947 was 113 percent; in 1946, 129 percent; in 1944, 143 percent; in 1945, 135 percent.

I submit the Senator is completely in error in his statement.

The point I am trying to make is why the Senator is not content to have sugar producers treated in the same way cotton, wheat, tobacco, and rice producers are treated. We are struggling to get 90 percent of parity support prices. We have not obtained 90 percent.

Mr. BARRETT. I want to tell you why I would not be satisfied. There are two reasons. In the first place, as I said before, wool and sugar are deficit commodities, so far as this country is concerned. We produce only about one-fourth of the sugar we consume and about one-third of the wool we consume. The other commodities which the Senator has mentioned are produced in surplus in this country. Consequently, the United States is trying its very best to bring the production of those commodities in line with domestic consumption.

I wish to say something else. As far as sugar is concerned, the excise taxes are paid by the processor and not provided by an appropriation by the Congress. As a matter of fact, there is a tremendous surplus in the Treasury arising from the excise taxes which have been paid over the past 20 years. It amounts to about $300 million.

Mr. FULBRIGHT. I take it the Senator's answer is that he would not be satisfied with a 90-percent support price on sugar. Is it not a fact that the Wool Act is based on 105-percent prices for wool? It seems rather strange to me that just those two commodities should be singled out of all the agricultural commodities produced in this country, and given very extra special treatment. I am not willing to agree to it. I do not see any reason why those commodities should be given special treatment

above the treatment given to rice, cotton, wheat, corn, or any other agricultural commodity. Merely because we are able to do it does not justify it, in my opinion.

Mr. LONG. Mr. President, will the Senator from Wyoming yield?

Mr. BARRETT. I yield.

Mr. LONG. Does not the Senator from Arkansas know that there have been tremendous cutbacks in sugar acreage? For instance, in my State acreage has been reduced by one-third. With such major reductions in acreage, the producers need to have more than 90 percent of parity. I never knew anyone was planning that the farmer would get only 90 percent of parity. It was hoped that the farmer would get as much as 100 percent of parity. I cannot understand why the Senator from Arkansas or anyone else would want to try to reduce the farmer's income, merely because farmers are getting a little better than 90 percent of parity, when the objective was at least 100 percent.

Mr. BARRETT. I agree with the Senator from Louisiana. We are all hopeful that farmers will be able to get 100 percent of parity for their products.

Mr. LONG. The fact that farmers who are producing cotton, wheat, rice, or any other commodity get less than 90 percent of parity does not mean that we like to see that applied to others. We would like to see all of them get a better price than 90 percent of parity.

Mr. BARRETT. I share the objective of the Senator from Louisiana in that respect. I will say to my distinguished friend that certainly if parity represents the fair price the farmer should get compared with the price of things he buys, he certainly should get 100 percent of parity.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. BARRETT. I yield.

Mr. LONG. If I correctly understand the argument of the Senator from Arkansas, and I have heard him make it several times, the objective is not merely to reduce the income of the sugar farmers; it is to put them out of business completely.

Mr. BARRETT. Yes.

Mr. LONG. He is proposing to run them out of business not merely to reduce their income.

Mr. BARRETT. I think what he is proposing certainly would have that effect.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLOTT. Mr. President, it is my desire this afternoon to discuss certain aspects of the sugar bill, particularly with respect to its impact upon the rural life in a great many of the States of the Union.

Experts tell us that no food in our diet can compare with sugar as a source of quick energy. Perhaps it would be appropriate for us to help ourselves to a couple of lumps right now, if it would do any good toward facilitating quick consideration of the bill.

This generally admirable legislation, first enacted in 1934, regulates the sugar commerce of the United States.

Mr. President, while I am at this point, I should like to commend particularly the distinguished senior Senator from Wyoming [Mr. BARRETT], and to call the attention of the Senate to the wonderful and admirable argument and exposition he made on this matter last summer. At that time the senior Senator from Wyoming went into the complete legislative history of the entire sugar business and sugar legislation. I know of no place in which that subject has been more fully or completely or accurately covered than in the speech he made before the Senate, last summer.

Mr. President, this legislation has served our economy well. Chiefly, it has halted the cycle of "boom or bust," once so characteristic of the sugar industry. Those of us who have lived with and among farmers, particularly farmers who grow either sugarcane or sugar beets, can well remember the "boom or bust" characteristics which were prevalent before enactment of the Sugar Act. More important, that act has served the consumer well, by maintaining an adequate supply of sugar at reasonable prices.

But the Sugar Act does more than regulate the commerce of sugar. It also exerts a powerful influence over the health and stability of the Nation's agriculture, for sugar beets and sugarcane are essential crops in important sections of the Nation. In many areas, indeed, one or the other is the key crop.

It may be forgotten—and, Mr. President, Senators who today have spoken of the new land that is being brought into use by the sugar industry may be among those who have forgotten it—that sugarcane was being grown in Louisiana even before the United States became a Nation, and that it had become basic to the economy of that State by the time George Washington was elected to his second term as President, in 1792. This is, nevertheless, the case, and, in fact, through all the intervening years agronomists have searched in vain for an adequate substitute crop.

Sugar beets have done much to shape the destiny of the once-barren West, the magical combination being that of sugar beets and water. Ours are relatively new lands—that is to say, relatively new, when compared with the east coast and the Thirteen Original Colonies. Nevertheless, the sugar industry has figured in our Nation's history for more than a century.

Mr. President, as has already been pointed out by other Senators, in remarks they have made on the floor, although the great increase in the production of sugar beets in Colorado has come about in part as a result of the development of reclamation projects—and we are proud of them—85 percent of them have been developed under private initiative with private capital, and only 15 percent of these irrigation developments throughout our great State have been made with the assistance of the Federal Government.

Mr. President, one who drives an automobile, flies in a plane, or walks throughout our State will find old canals which were built, not with modern steam shovels, but by horny-handed men who came West and, with the aid of a slip and an old mule, built ditches from the rivers or the creeks to their homes, and attempted—without the modern means of ground leveling which are now available—to develop and maintain a real agricultural economy in our State. I may say that in the great State of Colorado, agriculture is still by far the most important single industry.

Today, sugar beets are grown in 22 of our Western States, Colorado ranking second in that production. Sugar beets are processed into sugar in 71 factories. Thousands of individuals and hundreds of communities depend directly upon the beet-sugar industry for their economic well being.

The beet-sugar industry supplies not only the raw material for the making of sugar, but also feed for cattle and for the fattening of other livestock; and it supplies off-season employment to hundreds of men in farm areas throughout the West.

Nor is the production of sugar the only contribution made by sugar beets. Beet molasses and beet pulp, two of the valuable byproducts of the manufacturing process, are highly prized by the cattle industry as finishing feed. The leaves of the plant, which are severed from the large root in the harvesting process, also are excellent stock food, having approximately the same nutritive value as alfalfa hay. On the average, the byproducts of an acre of sugar beets will produce a little over 300 pounds of dressed meat.

Beyond the matter of byproducts, the sugar beet is of extreme importance in crop-rotation plans. Many farmers, in fact, begin their calculations with the sugar beet, acknowledging that although this sturdy, adaptable plant will not be their most lucrative crop in any single year, it will be the most dependable. These qualities—sturdiness, adaptability, and dependability—not only make the sugar beet a highly attractive crop in our Western irrigated regions, but in many cases an irreplaceable crop. This is most obviously the case with farmers confronted with soil problems, extremes of climate, and the like.

The efficiency of the remarkable sugar beet, which is grown in the United States at altitudes ranging from below sea level to over 7,500 feet, is matched by the efficiency of the men who grow them. Efficiency is indeed characteristic of our Nation's sugar industry. It has no equal any place else in the world.

Mr. President, let me point out briefly that nowhere is this more evident than in the situation in regard to the seed itself. Until 1923, our sugar-beet farmers depended for sugar beet seed upon the countries of central Europe. From the beginning of large-scale domestic production in that year, this branch of the industry has grown to the point where today we are an exporting Nation.

During this period the seed has undergone marvelous changes, wrought by men of science working their modern miracles in the laboratory. Today, our seeds not only produce more sugar, but they also are resistant to diseases such as curly top, a virus infection which once threatened to wipe out the industry in many

UNIVERSITY OF MICHIGAN LIBRARIES

States. The development of sugar-beet seed and the use of the seed in the United States is in itself a fascinating story, worthy of long consideration by us. However, in order to speed along the debate, I shall now address myself to other matters.

Equally great strides have been made in the development of special machines, most of them devised by the farmers themselves. Among many others, we now have the huge mechanical beet digger, which today harvests virtually all of the crop in many of our States.

The result of accomplishments such as these has been steady growth in production. In the year 1923, to which we referred a moment ago, yields on our best farms averaged 8.5 tons per acre. Thirty years later that average had climbed to 14 tons, an increase of 68 percent.

The skillfulness indicated by the achievements of American beetgrowers is to be found in all our domestic producing areas.

Hawaii, for instance, is the most efficient cane sugar area in the world. In 1953, production of a ton of sugar there required but 2.93 man-days of field work. Florida was a strong second during the same year, with 4.32 man-days per ton.

We can properly take great pride in the progress made by these fellow Americans of ours. But we cannot be proud of the penalties their accomplishments have provoked.

For to the extent that our sugar producers have increased their efficiency—as they have won more sugar from each acre they have planted—to that extent they have had to reduce their acreage.

In 1954 and 1955, for example, our mainland cane growers suffered acreage reductions totaling 18 percent, and a further cut of 11.5 percent was authorized for this year. Enforced acreage reductions in our western beet areas averaged 10 percent last year and similar reductions were ordered for 1956. The reduction in my own State was 13 percent.

Such cutbacks in acreage point compellingly to the challenge those of us in the Congress face today, for they are the result of the Sugar Act of 1948.

This act, as we have noted, regulates the sugar commerce of our Nation. As the law was written and as it still stands, however, American sugar producers are imprisoned within fixed annual quotas which shut them off from any expansion of that commerce.

These quotas, covering the western beet areas, mainland cane, Hawaii, Puerto Rico, and the Virgin Islands, total 4,424,000 short tons, raw value.

That is considerably less than half of our Nation's present yearly sugar requirements. The remainder is purchased from foreign countries, principally Cuba, which by law is assigned 96 percent of our total sugar imports.

But of course our annual requirements, unlike the quotas of our producers, are by no means fixed. Inevitably they change as the size of our population changes, and as the demands of our people require more sugar.

When the Sugar Act of 1948 established the quotas of our domestic producers, the annual sugar requirements of the United States totaled 7,200,000 tons. In the intervening years that annual total has risen by more than 1 million tons.

Cuba has therefore seen her market for sugar in the United States climb from 1,923,480 tons in 1948 to 2,667,840 in 1955 without the American farmer benefiting to the extent of $1 from such increase.

Meanwhile the market for the American beet sugar producer, to cite 1 example in contrast, has remained fixed at 1,800,000 tons. His efficiency has not remained fixed, as we have seen, nor his inventiveness nor his energy. Whatever progress he may have made as a farmer, however, he has been kept within a marketing quota established 8 years ago, and today that marketing quota is being fought for on the floor of the Senate. The only choice in this frustrating and inequitable situation was to reduce his acreage, and that is what has been done.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. LONG. I wish to compliment the Senator on the very fine speech he is making. I find it interesting to note that, while we have reduced the acreage of our own sugarcane producers and sugar beet producers by about one-third, they have been compelled to find ways of increasing their efficiency in order to stay in business. If the increase in the market had been attributed to our own producers instead of Cuban producers, we would not have had to reduce the acreage of our own farmers.

Mr. ALLOTT. The Senator from Louisiana is entirely correct in that statement, and I appreciate his making it at this point.

Mr. LONG. All we are asking in this case is not to have for ourselves what the Cubans have had up to now, but only to share with foreign countries the increase in the domestic market for the product.

Mr. ALLOTT. Yes. Nothing is so comparable to this situation as the picture of a man being grabbed from behind, with his arms pinned to his side so that he is unable to move them. The sugar beet farmers and sugarcane growers have not been able to move for eight years.

Mr. LONG. Does the Senator know of any other nation in the world in which a large number of people are engaged in a production industry, which has gone to the extent we have gone in sharing our market with our friends overseas?

Mr. ALLOTT. I do not; and I do not know of any instance comparable with that of our sugar beet and sugarcane farmers, who have been so generous in cooperating not only with this administration, but with the preceding administration, in an attempt to help our neighbors and allies.

Mr. LONG. In time of war we call upon cane producers and beet producers to provide us with large quantities of sugar, which are needed to fight the war, when our outside sources of supply are cut off, and the entire world is demanding sugar. It seems only fair to keep them in business during peacetime.

Mr. ALLOTT. I think that point is well made, and I thank the Senator for his statement.

We have before us today another solution for this problem. It is embodied in the Finance Committee bill, which would revise the Sugar Act and extend it through December 31, 1962.

I digress for a moment. The question has been asked as to the reason for a 6-year extension. In my recent questions of the distinguished senior Senator from Wyoming [Mr. BARRETT] I sought to bring out that point. The distinguished Senator from Louisiana is better able than I am to speak of the necessity for long-term planning for the cane producers of his State. Speaking for the people of the West, and for the sugar beet producers, it is necessary that they plan for the future. It is necessary that a farmer be able to dispose of the products which he raises on his farm. He must plan whether they are to be fed to cattle or to sheep, and what sort of material he is to have on hand. He must plan as to whether or not he will build compounds for his sheep and erect sheep fences. He must decide whether or not he wishes to raise cattle and build corrals for them. It is an occupation which definitely requires planning.

Mr. LONG. In the case of those who produce sugar from sugarcane, there is even greater need for being able to plan in advance. Sugarcane is a 3-year crop. The cane producer plants cane, cuts it back, lets it grow again, and cuts it back. A cane grower must plan on a 3-year cycle, from the time he does the original planting to the time of final harvesting. The cane producers, unless they are to be permitted to produce from the acres already planted, must in effect plow up their planting and destroy their crop. Therefore, it is necessary for them to know in advance how much they will be permitted to produce.

The same thing is true of all the countries which supply sugar to us. Producers who plant sugarcane in Cuba, Mexico, Nicaragua, Peru, Haiti, and other countries need to be able to plan years in advance, just as other cane producers need to know, years in advance, what their market will be.

Mr. ALLOTT. I am sure the Senator would not mind answering a question. Is it not true that what he has said in response to my invitation to speak on the subject is that, really, what the cane producers are planning today will determine the position in which they will be 3 years from today, with respect to their plantings and crops?

Mr. LONG. In many respects that is true.

There is a further problem involved. Every time we receive an acreage cutback in the cane-producing regions, far from not planting additional seeds, we must plow up the plantings which are already in the ground.

Mr. ALLOTT. I thank the Senator very much for his explanation.

The basic, most urgent element in this proposed legislation is the restoration to American sugar producers of the right to grow as our Nation grows. Specifically, this bill provides that the domestic areas will be given, effective this year, 55 percent of all increases in the United States sugar market over a base consumption of 8,350,000 short tons.

Even when our beet and cane producers will have obtained passage of the pending bill, they will still have been more generous with our friends and allies than any other segment of the economy to which we could point.

The remaining 45 percent of consumption increases beyond the 8,350,000-ton base will be shared by foreign countries exclusive of the Republic of the Philippines, whose quota is established in the Philippine Independence Act.

Therefore the bill gives us the opportunity to restore to our American producers a basic right, namely, the right to grow with the Nation, and not to be confined within a straitjacket, such as the one in which sugar producers have been confined during the past few years, since 1948. Instead, the bill would give them an opportunity to grow with the Nation and to take part in the expansion and in the use of our agricultural products.

It is a most modest proposal. Assuming that the increase in the Nation's sugar requirements continues at approximately the current rate, considerable time would be necessary to enable our farmers even to recover the acreage lost by enforced cutbacks.

Passage of the bill would seem to be the least gesture we can make toward our American sugar producers. It is in fact—and we all recognize it—a compromise, arrived at so that there will be no further delay in handling what has long since become an urgently distressing situation.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happly to yield to the Senator from Louisiana.

Mr. ELLENDER. I should like to point out to my good friend from Colorado, that even in this year's crop, if the prognostication made by the Secretary of Agriculture is realized, Cuba will benefit under the formula. During 1955 Cuba was allotted 2,859,840 tons. It is estimated that the consumption will be in excess of 8,500,000 tons. If that estimate proves to be correct, Cuba will receive in the neighborhood of from 40,000 to 50,000 tons more than she received last year, even under the proposed formula.

Mr. ALLOTT. I thank the distinguished Senator from his statement. It is comforting to know that, even though the American farmer will perhaps get back a little of what he has lost, our neighbors will also be able to profit by it.

Mr. President, justice and our national well being demand not only that our action on the bill be favorable, but that it be immediate, and without any of the crippling amendments which have been suggested.

Dr. Elwood Mead, former Commissioner of Reclamation, has stated that sugar beets are the one crop which contributes more than anything else to a rounded-out and complete agricultural program, makes the largest and best use of the surrounding grazing land and the largest and best use of the alfalfa which is grown, and gives in an unusual measure continuous employment for the family on the farms and a more stable income than anything else.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an editorial published in the Fort Morgan (Colo.) Times entitled "Amend the Sugar Act."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMEND THE SUGAR ACT

One of the early matters to be taken up by the United States Senate this year is an amendment to the Sugar Act—an amendment which is of vital importance to the agricultural and industrial health of this area.

The House of Representatives passed an amendment to the act (H. R. 7030) last July, but time ran out in the Senate and the rush for adjournment prevented action by that body. Now the matter is coming up again and it is hoped that the Sugar Act may be adjusted early in the session so that the benefits proposed may be shared by the domestic producers of sugar.

It would be impossible to underestimate the importance of the domestic sugar industry to our economy. The production of sugar in the United States alone has an impact on the lives of families in 23 States, and the economic benefits are felt in all 48 States. Last year, for example, more than $1 billion flowed from the sugar industry into the national economic bloodstream.

Sugar beets represent the principal cash crop on farms in 21 States and are processed in more than 85 factories stretching from Michigan to California. Coming closer to home the sugar beet has been described as the "economic backbone of western irrigated agriculture—the crop that brought modern farming to the west."

Legislation should provide that as consumption increases beet growers should share in the increase in quotas to meet the increased demand of consumers.

Mr. ALLOTT. Mr. President, I should like to read a short editorial published in the Ordway (Colo.) Era of December 22, 1955. It reads as follows:

SUGAR FACTORY TO RUN NEXT FALL

There is big news for Crowley County this week. Good news. The National Sugar Co.'s factory at Sugar City will operate this coming fall. * * * The sugar factory operating next fall will not only be a great thing for Crowley County, but will be one of the very few instances where a sugar mill has ever opened again after once shutting down. Coming at this time, Mr. (Reginald S.) Carey's statement that the plant will operate will put real meaning in the old wish for a happy and prosperous new year.

Mr. President, I also ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an editorial from the Ault (Colo.) Progress.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MONOSODIUM GLUTAMATE BOON TO BEET INDUSTRY

The sugar-beet industry's contribution to one of the most exciting new products in the food world has been told in the October issue of the Reader's Digest. Over 30 million people in the United States and Canada will read Frank J. Taylor's article To Make Your Food Tastier, the story of the amazing properties of pure monosodium glutamate as a basic flavor enhancer.

The rising demand for monosodium glutamate may eventually require new refineries with the capacity to salvage all the glutamates from all the molasses waste of all the sugar-beet mills in the United States and Canada, it is predicted in the article.

The article describes the acceptance of the product throughout the entire food industry, telling how it helps food processors to build flavor and brand preference in packaged foods, why chefs use so much of it to make restaurant eating more enjoyable, and what it does to make homecooked foods more exciting.

The sugar-beet industry, with its specially treated molasses residue, Steffens liquor, provides one of the very satisfactory raw materials from which to extract the glutamate. The widespread demand for the flavor heightener has not only eliminated a costly disposal problem for sugar-beet mills, but it has also provided a byproduct worthy of special consideration by the sugar-beet industry.

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article published in the Denver Post of January 3, 1956. It was written by Mr. Bruce Gustin.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Revision of the sugar quota system to give American producers a larger share of the American market should be a must at the 1956 session of Congress. The United States and its territories produce only a little more than half of the sugar we consume. American producers are not even allowed to sell all they produce. Although sugar beets and sugarcane are the only important nonsurplus crops raised by American farmers, the acreage devoted to these crops has been cut and cut. Why? So Cuba can hog a larger share of the American market.

As a result of the population growth, it is estimated that sugar consumption in the United States is increasing at the rate of about 135,000 tons annually. Of that increase, Cuba gets 96 percent and the balance goes to other foreign producers. Domestic producers are held to rigid quotas—1,800,000 tons a year for beet and 500,000 tons a year for cane sugar. What they produce in excess of those quotas they can't sell.

Such discrimination against American producers and American sugar processors is indefensible and should not be tolerated. Reducing the average planted to sugar beets and cane adds to other crop surpluses, aggravating the farm problem which results from overproduction. * * *

As spokesman for all the American producers, president Frank A. Kemp of the Great Western Sugar Co., executive committee chairman of the American Sugar Beet Industry Policy Committee, told the House committee that "the domestic people believe they have a right as American citizens to share in the growth of their country and in its increased sugar demand." There is no reasonable room for argument about that.

Mr. ALLOTT. Mr. President, I have in my hand a series of statements on the subject which have been made at one time or another by various distinguished Colorado agriculturalists. When I say agriculturalists, I mean farmers. That is just the fancy name for them. They are farmers, people who have grown sugar beets. I ask unanimous consent to have these comments printed in the RECORD as a part of my remarks.

There being no objection, the comments were offered to be printed in the RECORD, as follows:

QUOTES FROM GROWERS

Earl G. Smith, Greeley, Colo., of the Mountain States Beet Growers' Association: "American farmers are entitled to sell their

UNIVERSITY OF MICHIGAN LIBRARIES

sugar to at least a fair share of the American market. No business can survive standing still. We don't want legislation which would cause grief for other countries. But the fact remains that through northern Colorado beets have been our main crop. It is the crop on which farm credit is extended. It is the backbone of our livestock feeding industry, giving us a cheap gain on the cattle we ship elsewhere. I don't believe anyone can rightly take away the American market from the American farmer."

Frank Beede, Loma, Colo., of the Western Colorado Beet Growers' Association: "Mesa County has been cut 22 percent to slightly less than 5,000 acres. At least 7,000 acres are necessary to assure profitable operation of the one sugar factory we have in western Colorado. We have a right to this market."

W. I. Sanford, Pueblo, Colo., of the Southern Colorado Beet Growers' Association: "We have three sugar factories in the Arkansas Valley. The largest of these factories alone could process all the beets grown in a normal year on the 19,000 acres we were permitted to plant last year. The only cure for our troubles is to give the United States farmer a right to the United States market to the extent that he is able to supply that market."

Ishmael Yost, Billings, Mont., of the National Beet Growers' Federation: "While this bill does not meet the full needs of the industry, it does go a long way toward alleviating the difficult situation we now face and gives the industry something to look forward to in possible future growth. We have been highly gratified by the tremendous initial support given this bill. I think this support is ample evidence that our requests have been modest and reasonable in the extreme. We have every confidence that all Members of Congress who really have the interests of American agriculture at heart will do what is necessary to push this legislation through to enactment."

"The value of sugar produced in our market area is estimated at $90 million per year, with the peak payments made to farmers equaling $65,717,651. Company payrolls of the processors amount to $18,702,437 and direct company purchases in the market area amount to $10,221,038. Above and beyond these figures, it should be remembered that sugar-beet byproducts, principally tops, pulp, and molasses, have a multi-million-dollar annual volume and are the mainstay of our western livestock feeding industry. In many factory communities the sugar-beet industry alone is responsible for as much as 35 percent of all railroad freight. Its annual freight payments are estimated to exceed $12 million. The industry fosters and is largely responsible for the sale of several million dollars' worth of mineral and chemical fertilizers each year. Very important is the fact that the industry uses a pound of coal for each pound of sugar produced and, therefore, is one of the two largest purchasers of coal from Rocky Mountain mines. Last, the influence of this industry on the purchase of such items as farm machinery, petroleum products, etc., and the economic stability for which the industry is responsible in agricultural regions is a valuable factor." (From a report to the board of directors of the Denver Chamber of Commerce, prepared by the agriculture and livestock committee, April 14, 1955.)

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. CARLSON. The distinguished Senator from Colorado has made a very excellent statement with regard to the beet production of our nation. Colorado, a sister State of Kansas, is of course a great beet-producing State. We in Kansas grow some beets, and we have one sugar factory. We are very happy that the pending legislation has been proposed. I sincerely hope that it will be passed without difficulty.

I again commend the Senator from Colorado for the statement he has made and for the able manner in which he represents his great State.

Mr. ALLOTT. I thank the distinguished Senator from Kansas for his kind remarks. It is hard to tell where the land in my State ends and the land of Kansas begins. We are one community of thought and action.

Mr. President, I urge my colleagues not to consider any of the crippling amendments which may be offered to the bill; not to fetter the American farmer, and not to allow the sugar beet grower and the sugar cane grower longer to be bound, but to pass the bill and to pass it immediately, and in that way give the growers an opportunity to share in the growth and wealth and production of the United States, just as the rest of us expect to share in its growth and development.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6790) for the relief of Anna K. McQuilkin.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1261. An act to authorize the conveyance of certain lands within Caven Point Terminal and Ammunition Loading Pier, New Jersey, to the New Jersey Turnpike Authority;

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes;

S. 1959. An act to direct the Secretary of the Army or his designee to convey a 6.89-acre tract of land out of a 199.959-acre tract of land situated in the vicinity of Houston, Harris County, Tex., to the State of Texas;

S. 2624. An act to amend an act entitled "An act to provide for the sale of the Port of Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended; and

S. 2990. An act to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 7, 1956, he presented to the President of the United States the following enrolled bills:

S. 1261. An act to authorize the conveyance of certain lands within Caven Point Terminal and Ammunition Loading Pier, New Jersey, to the New Jersey Turnpike Authority;

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes;

S. 1959. An act to direct the Secretary of the Army or his designee to convey a 6.89 acre tract of land out of a 199.959 acre tract of land situated in the vicinity of Houston, Harris County, Tex., to the State of Texas;

S. 2624. An act to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended; and

S. 2990. An act to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. HRUSKA. Mr. President, I wish to commend the Senator from Colorado [Mr. ALLOTT] for his contribution to the discussion of the issue before the Senate. He has ably outlined the situation and has very well illustrated and documented it.

Earlier this afternoon the Senator from Wyoming [Mr. BARRETT] commended the Committee on Finance for bringing the bill to the Senate. I should like to join him in his commendation. We know that we are not satisfied with the bill, but the Senator from Wyoming was right when he said that we are much more happy with the bill than we are with the status quo. At the same time, I should like to commend the Senator from Wyoming, not only for his remarks this afternoon, but likewise for his extended remarks during the closing days of the session last year, when he reviewed the entire history of sugar legislation and the sugar industry and legislative action by the Senate.

Mr. President, this Nation is now enjoying a genuine, wholesome prosperity unheralded in the history of the world. It is a peacetime economy as nearly as we can achieve one in a world of international tension.

As we have gradually adjusted our economy to peacetime service of the strength and welfare of our people, one vital segment of our farm economy has remained completely under the rigidity of wartime controls. I refer to our domestic sugar producers. It is time, Mr. President, that avowedly temporary shackles on our domestic sugar industry be relaxed so that traditional principles of regulation of this industry may be restored.

This bill is of interest to every Nebraskan. My State is the fifth ranking sugar beet producer. Within its borders are located several of the Nation's major beet producing areas. The largest are in the North Platte Valley in the Gering-Scottsbluff region and in central Nebraska in the vicinity of Grand Island.

The importance of this crop to Nebraska was recognized by the 67th session of the Legislature of Nebraska in 1955 when it approved legislative Resolution 11. The resolution urged Congress to amend the Sugar Act of 1948 to give the domestic sugar industry "a fair and equitable share in our Nation's growth."

In part, Resolution 11 declared:

The beet sugar industry is prepared to meet the challenge of an expanding market,

UNIVERSITY OF MICHIGAN LIBRARIES

because it has achieved major gains in productivity per acre and new acreages for the production of sugar beets continue to be developed in the State of Nebraska, * * * the welfare of our State and our Nation requires the existence of a strong and vigorous domestic sugar industry, especially during periods of war and national emergency.

According to official figures of the United States Department of Agriculture, Nebraska farmers planted 66,710 acres of sugar beets in 1954. Under provision of the Sugar Act, because of overproduction, 7,220 acres were required to be abandoned, so that 59,490 acres of beets finally were harvested. These acres produced 783,854 tons of beets.

The Department estimates for 1955 show that the State was allocated 58,720 acres of beets with an indicated production of 688,000 tons of beets as compared with 1953 production of 789,000 tons.

Nationally, the pattern is one of continuing cuts in acreage allotments but increases in actual production. In 1954, for instance, farmers were ordered to plant 10 percent less acres to beets, but their production ran 14 percent higher.

Like any farmers, our sugar-beet producers have interested themselves in increasing and improving their efficiency. Their farming techniques have improved as they have diligently applied the results of laboratory research to their operation. The result has been higher yields per acre, an investment by these sugar producers in the future expansion in size and vitality of our country.

Mr. BARRETT. Mr. President, will the Senator from Nebraska yield at that point?

Mr. HRUSKA. I shall be delighted to yield.

Mr. BARRETT. I wish to commend the Senator for the very splendid statement he is making. I ask the Senator if it is not a fact that the average production per acre for the 11 years previous to World War II was approximately 11 tons, whereas, at the present time, it is a little more than 15 tons per acre?

Mr. HRUSKA. Those figures are substantially correct, as they have been given to me.

Mr. BARRETT. I think that indicates very clearly that the sugar producers of this country, as well as all the other farmers, have been very efficient in their operations, and have endeavored to produce the food and fiber which we need for our domestic use.

Mr. HRUSKA. And, by the same token, it means that under the status quo the increased efficiency is being penalized, and that situation will be remedied in large measure by the passage of the pending bill.

It is high time, Mr. President, to award these farmers a realization of the results of their scientific improvement programs.

Although Nebraska is a major beet-producing State, this crop produces less than 1 percent of the total agricultural income of that great farm State. Nevertheless, sugar beets are one of the State's most vital crops. They are excellent for rotation purposes. When rotated with hay, grass, or grain, they make a valuable contribution to enriching the soil. In addition, they help a farmer to make the best use possible of grazing and alfalfa land on his farm. Beet byproducts have an excellent feeding value and have built an extensive livestock feeding industry in our western sugar States. With their accompanying processing industry, they also bring a solidly integrated economy of decentralized industry and healthy agriculture.

As a food, sugar is our cheapest source of energy, and its nonfood uses in industry are many and varied. A thriving domestic sugar industry also is an excellent investment in crucial times.

Thus, it is clear that a thriving beet sugar industry is a valuable asset to this country. It should be released from the absolute control of fixed production and marketing.

This is a right of the beet industry, Mr. President, as established by historic precedent. The first Sugar Act, passed in 1934, began this precedent. It was extended until the disruption of World War II and the Korean war when our traditional pattern of domestic sugar production and import of foreign sugar was dislocated.

It was the intent of the Sugar Act of 1948 to take temporary steps to prevent damage to the economy of Cuba by permitting Cuba to retain her traditional share of American consumption plus the annual consumption increase of sugar in the United States. Fixed ceilings were imposed on domestic producers for this purpose and increased demand was met almost entirely by Cuban growers.

Since approval of the Sugar Act of 1948, American sugar consumption has increased by 1 million tons and continues to expand at about 100,000 tons a year. But by the terms of that 1948 law, Cuba has supplied 96 percent of that increased demand. American producers have been at a standstill. They have not enjoyed any benefit from increased use of sugar. Their acreage has actually been cut instead.

The denial of domestic producers to share in increased demand was meant to be a temporary measure. In its report on the 1948 Sugar Act, the House Agriculture Committee said:

> It should be pointed out that this bill is a short-term measure designed to meet postwar adjustment problems in the production and distribution of sugar.

This temporary measure became, however, longer-termed than intended as the Korean war renewed disruption of traditional sugar-producing and marketing patterns and it was extended in 1951.

The act will expire December 31, 1956. It is long overdue that we restore to our domestic sugar industry its share of the growth and prosperity of our Nation. Domestic sugar producers will again be restored their historic share of the increased consumption market, being allocated 55 percent of United States consumption above base consumption of 8,350,000 tons, and this is as it should be.

Mr. President, it is a tribute to the fairness of this bill that it has received broad support from Members of both Houses, from the administration, and from the industry itself. This could be characterized by the fact that although the domestic sugar industry is a highly competitive one, it agreed on this proposal so solidly that but a single witness represented the entire industry in the hearings before the Senate Finance Committee. Speedy action has been urged by the President, and this bill has been endorsed by all administrative agencies concerned. It should be passed promptly.

As part of my remarks, I ask unanimous consent to insert at this point in the RECORD editorials from two fine Nebraska newspapers.

The first is from the January 25, 1956, edition of the Scottsbluff Star-Herald, and was written by Editor Floyd C. Wisner. The second, A Matter of Justice, appeared in a recent edition of the Omaha World-Herald.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Scottsbluff Star-Herald of January 25, 1955]

SUGAR BILL OUTLOOK GOOD

First indications give promise to prompt passage of new sugar legislation by the Congress during the current session.

The Senate Finance Committee has lost no time in reporting the legislation to the floor and, in the process, has not altered the basic premise that domestic producers should be allotted the major portion, 55 percent, of future market increases.

The hopes expressed by Senator HRUSKA and others for fast consideration points to the fact that the groundwork has been carefully laid.

The bill originally came up for hearing last summer but was shunted aside, temporarily, in the rush for adjournment in August. Main points in the mainland producers' position have been widely disseminated, in the meantime, and it appears that legislators are fully conversant with the facts.

Cuban sugar interests actually do not suffer at the hands of the bill-drafters. Cuba's present quota position is completely protected, but future increases in the United States market are assigned to domestic growers and refiners in a ratio of 55–45.

For nearly 8 years, domestic sugar interests have been excluded from a share in market growth and, on the contrary, have been strictly limited to an outdated formula. The bill merely recognizes the forgotten fact domestic industry should share equitably in domestic markets.

[From the Omaha World-Herald]

A MATTER OF JUSTICE

Many Nebraska farmers who have irrigation produce sugar beets. But they and other domestic sugar producers supply only a small part of the American market. Most of the market is supplied by imports, principally from Cuba, Puerto Rico, Hawaii, and the Philippines. It is a closely regulated business. The market is divided up by law and domestic production by beet growers is controlled by marketing quotas.

Population growth, naturally, increases sugar consumption. But since 1948 virtually all of the increase in usage on the mainland—more than 1 million tons—has been allocated to Cuban producers.

Sugar-beet farmers on the continent think they should be allowed a proportionate share of future increases in consumption. So long as such matters are decided by Government fiat, we think they are right.

Mr. HRUSKA. Mr. President, it is my hope and the hope of the people of my State that there will be speedy action on the bill, not only here, but in the conference, and likewise on the conference report which will follow.

Mr. President, I yield the floor.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. LEHMAN. I have submitted two amendments which I wish to call up in the course of the debate on the bill. I have been advised that an amendment is before the Senate at this time. Will the Chair advise me what is the pending question?

The PRESIDING OFFICER. The amendment now before the Senate is the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. LEHMAN. I thank the Chair.

Mr. ELLENDER. Mr. President, I do not know that I can add very much to what has already been said about the pending bill. However, I should like to state briefly the reason why sugar legislation differs from legislation with respect to other agricultural crops presently accorded price protection.

For many years the United States has attempted to maintain a sugar industry of its own; today continental production amounts to about 28 or 29 percent of our requirements. The rest of our needs is supplied by Puerto Rico, the Virgin Islands, Hawaii, and also from such foreign countries as Cuba, the Philippine Islands, Mexico, Peru and others. Mr. President, sugar legislation dates back to the early days of this Republic. For many years our domestic sugar industry was protected by a relatively high tariff. Tariff protection did not work well. Our consumers were subjected to widely fluctuating prices; foreign producers made huge profits in some years and sustained tremendous losses in others. For example, Cuba grew much more sugar after 1914 because the Cuban producers were selling on inflated markets. Their sugar brought what may be termed exorbitant prices during World War I. Cuban production kept increasing for several years thereafter, but good prices did not. Faced with low prices and high tariffs, by the 1920's and especially the early 1930's, the sugar producers in Cuba found themselves in dire straits. As a matter of fact, under the existing United States tariff law they were hardly able to make a go of it.

I should say that the same situation prevailed among our own sugar producers in the early 1930's. Our domestic producers were able to sell only on a glutted, depressed market.

In the early 1930's a new approach was tried with respect to the protection of sugar growers in the United States, growers in the islands under our jurisdiction, and also in order to protect Cuba, because Cuba has always been a large purchaser of commodities from the United States. It was advantageous to the manufacturers of this Nation that the production of sugar in Cuba be kept on a healthy basis.

It will be recalled that in 1934 the Jones-Costigan law was enacted. This law, for the first time, instituted a program of quotas as a substitute for higher protective tariffs. I shall read for the record at this time a statement which appears in a document entitled "The United States Sugar Program," issued by the Department of Agriculture under date of 1953. I think it is pertinent to what I am now discussing:

During the early months of 1933 the United States Tariff Commission made a careful appraisal of the prevailing sugar situation and recommended a program emphasizing supply controls rather than the traditional tariff method of assistance. In a letter to the President of the United States, dated April 11, 1933, the Chairman of the Commission outlined the failure of the tariff to solve the sugar problem. His letter pointed out that the price had declined to disaster levels for both American and Cuban producers; that both the domestic industry and that of Cuba required price relief; that prices should be raised by limiting, through a quota system, the supply of sugar offered for sale in this country; and that if some type of quota system were instituted by this country, the duty on Cuban sugar might be reduced to help restore the purchasing power of Cuba.

Pursuant to the study by the Tariff Commission in 1934, Congress passed the so-called Jones-Costigan Act, which established quotas for domestic sugar producers, the offshore islands under the American flag such as Hawaii, Puerto Rico, and the Virgin Islands, and also established a quota for Cuba. The record will show, I am certain, that conditions both in Cuba and here at home improved greatly over those which existed prior to 1934. In the meantime, sugar production in Cuba had gradually increased from a low point in 1932 of 2,234,000 tons to about 3,800,000 tons just about the time the Second World War began.

A question was asked a while ago by my good friend the Senator from Arkansas [Mr. FULBRIGHT], who is not now present, as to why sugar prices in the United States during World War II were not as high as prices in World War I. The answer is very simple. To begin with, during World War II the prices of commodities were controlled, as I am certain all of us will remember. Also the United States had an understanding with Cuba, under which Cuba furnished the United States with large amounts of sugar at reasonable prices, which, in many cases, might have been sold by Cuba on world markets at a much higher profit.

When the Sugar Act was renewed in 1948, it was felt we owed at least a moral obligation to Cuba not to drastically reduce her share of our market. Cuba had helped us obtain sugar during the dark days of World War II; she sold us her sugar at what was considered a fair price, at a price much lower than the then prevailing world price. Thus, when the act was renewed in 1948, as has been stated in the Senate on numerous occasions, Cuba received preferential treatment. Fixed quotas were imposed upon producers in the continental United States, Puerto Rico, the Virgin Islands, and Hawaii, as well as Cuba. There was this difference, however: In order to assist Cuba to restore her production to a normal basis, it was understood that Cuba would supply the United States with 95 percent of the unfilled deficits in the quota assigned to the Philippine Islands, and also 96 percent of any increase in American sugar consumption. The remaining 4 percent was allocated among so-called full-duty countries.

As the years passed, both American consumption and American farming efficiency increased. As was pointed out by quite a few of my colleagues, the sugarcane producers of Louisiana and Florida found themselves chained to fixed quotas, with no means available to them to increase their production. They found their acreage drastically cut, even while United States sugar consumption skyrocketed and even as Cuba sold ever-increasing amounts of sugar to this country. I do not believe that in 1948 any of us thought that our consumption of sugar would increase at the rate finally reached. Nobody could in 1948 have predicted that the consumption of sugar in the United States would increase as it has. But, as the record shows, Cuba increased her sales to the United States by over 1 million tons.

The pending bill merely affords an opportunity to the producers of the United States—and this includes, of course, our island possessions—to supply a fair share in this increased American sugar consumption. That is all the bill does.

Mr. President, this bill does not penalize Cuba. Unfortunately, the Cubans do not seem to understand this. I have been described in Cuban newspapers as that nation's public enemy No. 1. I think my "title" is without justification. The Lord knows I want to do justice to Cuba, but at the same time, I believe we owe an overriding duty to our own people—our domestic producers. They deserve, and this bill would give them, the right to supply a fair share of our increased sugar consumption, particularly since our failure to do so in the past has cost them heavily.

As the record will show, since 1948 the acreage planted to sugar in Louisiana alone has been curtailed over 30 percent. In spite of this substantial reduction on acreage which is now allocated, the people of Louisiana are producing more sugar than was produced in 1948. That, of course, is due to mechanization, better seed cane, and better cultivation; in other words, Mr. President, because our producers are becoming more efficient, they are, in effect, being penalized for that efficiency.

It is my contention that our producers should not remain "tied to a post," as it were, without any chance of increasing their sugar production as our consumption increases.

Mr. President, as I tried to point out a while ago, in my colloquy with the Senator from Colorado this bill will not reduce the Cuban quota. On the contrary, if the bill is passed as reported, the Cuban quota would increase this year. The Department of Agriculture has recently estimated that the consumption of sugar in 1956 will be in excess of 8,500,000 tons. If that estimated total is reached, it will mean the Cuban producers will be permitted to market roughly 30,000 tons over and above what they marketed last year.

In other words, if the consumption which the Department says will take place in the United States this year should be reached, the Cuban growers would obtain a quota of 2,888,880 tons

for 1956, compared with a basic quota last year of 2,859,840 tons.

If we look at page 3 of the report on the bill, it will be seen that the Department has estimated that the total increase in domestic sugar consumption for 1956, 1957, 1958, 1959, 1960, 1961, and 1962 will approximate 135,000 tons a year. It will be noted also that the Cuban quota will grow during these years in the same manner as that of domestic producers.

Cuba's share of all increased consumption in 1956 will be 43.2 percent, and from 1957 onward it will be 33.8 percent.

The mainland producers of both sugar beets and sugarcane, and those of Hawaii, Puerto Rico, and the Virgin Islands, would likewise be granted quota increases under the formula commencing in 1956. They would receive 55 percent of our increased consumption with this amount distributed among the domestic producing areas, in proportion to their yearly allocations.

Mr. President, I do not know of a fairer way to reach our objective than that which has been suggested by the committee. Last year, the Senator will recall that as an emergency measure, the Senate passed a special resolution directing that 100,000 tons of domestic sugar be purchased to relieve the situation caused by over-large stocks. This sugar was to be used in our foreign-aid program. At that time, there was a more or less tacit understanding that if the Department of Agriculture exercised the right to purchase the 100,000 tons of sugar, the allocation of the 45 percent of the consumption increase among foreign countries would remain in status quo—that is, the formula as written into the committee bill as reported in the closing days of the last session of Congress would be adhered to.

As I pointed out when the Senator from Virginia [Mr. BYRD] had the floor, the Senator from Utah [Mr. BENNETT] this year offered what he termed a "clean bill." When the Committee on Finance decided to consider sugar legislation this year, the Senator from Utah proposed, by way of amendment, a bill which would have allocated to Cuba 60 percent of the 45 percent of increased consumption allocated to foreign areas. The remaining 40 percent of the 45 percent would have been distributed among other countries producing sugar, in line with the formula which was written into the bill last year.

That formula did not specify percentagewise what each country would receive but it did set out a method for prorating among the full-duty countries the amount involved. While the bill was being considered by the Finance Committee, my good friend, the Senator from Florida [Mr. SMATHERS], suggested an amendment which in some respects changed the formula suggested by the so-called Bennett amendment. According to the proposal made by the State Department, and submitted by my good friend, the Senator from Utah [Mr. BENNETT], 60 percent of the 45 percent consumption growth—an amount equal to 27 percent of the whole—was to be allocated to Cuba. Instead of giving to Cuba this 27 percent, the amendment suggested by the Senator from Florida increased the Cuban share of the increased consumption to 33.8 percent. The effect of this amendment was to give to Cuba 75 percent of the 45 percent, instead of 60 percent of the 45 percent. Am I correct in that statement?

Mr. SMATHERS. Yes.

Mr. ELLENDER. Then, instead of distributing the rest of the 45 percent among the full-duty countries in accord with the language proposed in the Bennett amendment, the Smathers amendment curtailed to some extent the amount received by Peru; it curtailed to some extent the amount received by the Dominican Republic; and it increased to quite an extent the amount received by Mexico.

Mr. President, it is my suggestion that we either go back to the original amounts suggested by the State Department, and included in the Bennett amendment, or else we let the bill remain as it is.

If the formula for allocating the 45 percent, as contained in the so-called Bennett amendment, is not offered as an amendment to the pending bill, then I shall consider myself free to vote as I see fit.

Mr. SMATHERS. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Louisiana yield to the Senator from Florida?

Mr. ELLENDER. I yield.

Mr. SMATHERS. The able Senator from Louisiana said he either would vote for the original proposal, as embodied in the so-called Bennett amendment——

Mr. ELLENDER. That is what I have stated.

Mr. SMATHERS. Or that he would support the bill as it was reported by the Finance Committee.

Mr. ELLENDER. If an effort is made to restore the figures which were provided in the Bennett amendment, I shall feel compelled to vote for that. But, if any change is sought to be made from that formula——

Mr. SMATHERS. Then the Senator from Louisiana will support the bill as reported by the Finance Committee; is that correct?

Mr. ELLENDER. Yes; I shall support the bill as reported by the Finance Committee; that is correct.

Mr. SMATHERS. I thank the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield the floor.

HOW THE SUGAR ACT OF 1948 WORKS

Mr. FULBRIGHT. Mr. President, the Sugar Act, through a complex, crazy quilt maze of regulations, governs the sugar economy of the United States, for the benefit of a relatively few thousand producers, and to the detriment of the Nation's 165 million people. The principal features of this Government-sponsored cartel include:

First. Power is given to the Secretary of Agriculture to determine the quantity of sugar that may be marketed in the United States in any calendar year. His decision, largely arbitrary and often, as now, political, is final. Under this unique law, the Secretary of Agriculture is directed to determine the requirements of consumers in the continental United States. The power to make this determination, in effect, gives the Secretary of Agriculture the power to regulate sugar prices in the United States. If the Secretary sets the figure for sugar consumption requirements at a low level, as he has in most years, and as he has for 1956, the result is comparatively high sugar prices for United States consumers.

Second. The Sugar Act establishes quotas for each producing area supplying the United States with sugar. The total of these quotas for all producing areas must always equal the annual consumption requirements as determined by the Secretary. The act sets fixed tonnage quotas for the domestic areas—mainland beets and cane, Hawaii, Puerto Rico, and Virgin Islands—amounting to 4,444,000 tons, and a fixed quota of 980,000 tons for the Philippines, with most of the residual demand for sugar in this country being supplied by Cuba, whose share is now 2,808,960 tons.

Third. The Sugar Act does particularly well by the mainland refiners, in that the law limits all offshore sugar supplies, except for a small proportion, to raw sugar. This limitation against the sending of refined sugar into the United States covers not only such major foreign suppliers such as Cuba and the Philippines, but also Hawaii, Puerto Rico, and Virgin Islands, which—it should not be overlooked—are still a part of the United States.

Fourth. Among other things, the Secretary of Agriculture is empowered to restrict domestic area output, to keep it in line with the marketing quotas. But the fact is that the Secretary has rarely used this power, or has used it but sparingly, so that a few months ago, as a sheer political gesture, the administration ordered the purchase of 100,000 tons of so-called surplus sugar grown in the mainland areas.

Fifth. Another feature of this curious law gives the domestic producers subsidies in the form of direct money payments from the Federal Treasury. Growers receive payments at the basic rate of $0.80 per 100 pounds of sugar recoverable from the beets or cane. These payments average $40 per acre of beets annually, according to the Department of Agriculture.

Sixth. An excise tax of 50 cents per 100 pounds is assessed on all sugar marketed in the continental United States. This tax is collected on imported sugar as well as on domestically produced sugar, but only growers in domestic areas get their tax back—and much more—in the form of subsidy payments.

THE SUGAR ACT—UNIQUE FARM LEGISLATION

Sugar is sweet—and there is nothing sweeter than the Sugar Act in its protection of a 1-percent minority—some 60,000 out of the Nation's 6 million farmers. The Sugar Act, in fact, is triply sweet. True, there are some agricultural products that have the protection of marketing quotas. True, there are some agricultural products that have support in the form of subsidies. True, there are products, from farm and factory alike, which are buttressed by a tariff wall against foreign imports. But

UNIVERSITY OF MICHIGAN LIBRARIES

only the domestic sugar producers get all three forms of protection. Is that not a sweet, sweet, sweet piece of legislation?

Prof. Don D. Humphrey, of Duke University, in a recent study sponsored by the Twentieth Century Fund and the National Planning Association, published in August 1955, leaves off the sugar-coating and states bluntly that "sugar is the most highly protected industry in America."

As might be expected, the quota system has been rigged so as to favor producers in domestic areas. When the system was first established in 1934, quotas for domestic areas were set at the maximum level of production ever reached in each area. On the other hand, the quota for Cuba was set at just about the lowest point in modern history.

During 1920–29—before the high rate of duty in the Hawley-Smoot tariff cut imports of sugar from Cuba about one-half—domestic areas marketed an average of only 2,395,000 tons per year. The 1934 quota for the domestic areas of 3,578,080 tons represented an increase of 49 percent over their performance prior to the Hawley-Smoot Act.

In contrast, Cuba, which had supplied the United States with an average of 3,637,000 tons of sugar a year during 1920–29, received a quota in 1934 of only 1,866,482 tons—a reduction of 49 percent.

Thus, the original Sugar Act of 1934 started with an injustice. Since then, it must be admitted, the act has been consistent—consistent in favoring and coddling the uneconomic, inefficient, largely unnecessary domestic producers at the expense of Cuba, our natural supplier, and to the general detriment of the American public.

The Sugar Act is not only unique; it is a paradox. One of the principal reasons for establishing the act in the first place, as expressed by President Franklin Delano Roosevelt, was "to provide against further expansion of this necessarily expensive industry." Yet, under this extraordinary act, this "necessarily expensive" industry—unnecessarily expensive to the consuming public—has expanded steadily.

I do not mean, of course, that the domestic production increased every year since 1934. During the World War II years, when we needed sugar most, domestic production fell off substantially. But since then, the domestic producers pushed ahead with production, despite the so-called limitations on production, so that today the quota for the domestic producers is nearly 25 percent more than it was when this strange system was first imposed upon the American people in 1934, 86 percent more than the domestic production of 1920–29.

In contrast, the present quota for sugar from Cuba of 2,808,960 tons is 23 percent below the average annual United States imports of sugar from Cuba during 1920–29.

This discrimination against Cuban sugar inevitably has the effect of curtailing United States exports to Cuba. Sugar constitutes about three-fourths of Cuba's total exports to the United States. Obviously, Cubans can pay for their purchases of United States goods only with the money they obtain from the sale of their sugar here.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. What is the Senator's objective with regard to Cuba? In selling sugar to us Cuba gets a substantially better price than the so-called world market price, upon which the Senator seems to rely in support of his argument. Would the Senator like to reduce the price which the Cubans get, as well as the price which Americans get for their sugar?

Mr. FULBRIGHT. The price and the amount sold are only one aspect of the problem.

I should like to invite the Senator's attention to page 87 of the hearings. On that page appears a table showing United States exports of agricultural products to countries from which sugar imports exceeded 1,000 tons in 1953 and 1954. In 1952 we sent to Cuba agricultural exports amounting to $153,980,000; in 1953, $143,251,000; and in 1954, $133,215,000. That is an illustration. Later I shall place the entire list in the RECORD.

The point is that in this act we are nourishing and causing to expand an uneconomic industry, by an outrageous system of subsidies, to the detriment of all other legitimate industries, as well as agriculture.

Mr. LONG. We are also nourishing Cubans, are we not?

Mr. FULBRIGHT. Just a moment. In 1952 our agricultural exports to Cuba were $153,980,000. They are now down to $133,215,000.

Mr. LONG. The Senator seems to object to nourishing Americans. I wonder if he objects to nourishing Cubans.

Mr. FULBRIGHT. Is the Senator trying to leave the impression that the Cubans are for this restrictive act? Does the Senator mean to imply that the Cubans would rather not have the act repealed? The Senator knows better than that. The Cubans are not in favor of this act.

Mr. LONG. For the sugar they sell us, they receive a better price than the so-called world price. I should like to know what the Senator is recommending.

Mr. FULBRIGHT. I am recommending the defeat of the bill. I hope the Senator is not under any misapprehension. I have voted against legislation of this character every time it has been before us, and I expect to vote against the pending bill. It is an outrageous piece of legislation, from many points of view.

Mr. LONG. I know the Senator is against the bill. I should like to know what he is for.

Mr. FULBRIGHT. I am for letting the Cubans and the other sugar-producing countries sell us their sugar, and letting us sell them our rice, our manufactured articles, our butter, wheat, flour, and other products. I am for carrying on a vastly expanded trade with Cuba, with the Dominican Republic, with Mexico, with Nicaragua, Peru, Haiti, Costa Rica, Panama, and El Salvador.

Mr. LONG. At the present time we are paying those countries a better price for their sugar than they would be receiving if it were not for the Sugar Act.

Mr. FULBRIGHT. The Senator knows that we are paying a better price on a very restricted amount. We let in a little dribble, and pay them a better price for it, but they would much prefer to do business in a normal, free market, in which they could sell us a great deal more sugar.

Mr. LONG. I take it the Senator would like to have them sell to us at a lower price.

Mr. FULBRIGHT. The sad part about it is that countries like Cuba, notwithstanding the supposed advantages they enjoy, have a most difficult time balancing their payments with us. They would be delighted to buy more of our agricultural products, as well as industrial products, if we would buy more sugar from them. They would be delighted to buy more apples from the Senator from Virginia [Mr. BYRD] if we would only take a little more sugar from them.

Mr. LONG. The answer I am seeking is the answer to the question whether the Senator wants to buy from them at a lesser price than they are now receiving for the sugar they are selling to us. I want to know what the Senator is advocating.

Mr. FULBRIGHT. I think the consumers of this country would benefit from buying sugar at the world price. I know it would benefit consumers in this country. It would also benefit Cuban producers if they were permitted to sell to us more than they are now selling.

Mr. LONG. Is the Senator advocating that the Cubans sell at the world market price, rather than at the much better price they are now receiving for what they are selling to us?

Mr. FULBRIGHT. They would sell a great deal more sugar. I think the cane sugar industry is probably an economic, natural, legitimate industry in this country. So far as I know, with respect to that industry, we did not create any special irrigation districts by vast expenditures of public funds. I think the Senator's State of Louisiana would probably do very well from the standpoint of being self-supporting. I have figures to which I shall refer in a moment, with respect to sugar producers. I think the cane sugar producing industry is as legitimate an industry as the production of rice in Arkansas or wheat in Montana. But that is far different from going out into the desert and building an enormous irrigation district, bringing land under cultivation at an expense of 3 or 4 or 5 thousand dollars an acre in order to subsidize certain producers to the extent of 80 cents per 100 pounds of raw sugar. There is no excuse for it. That is what this bill would do. The sugar industry of Louisiana is a cane sugar industry. The cane is high-grade cane, just as good as Cuban cane, and, as the Senator knows, cane sugar is far better than beet sugar.

Mr. LONG. It is my understanding that the producers in the West are subject to acreage controls, just as we are in Louisiana. In fact, the producers of

all major commodities are subject to acreage controls at the present time.

Mr. FULBRIGHT. The argument made on the floor in justification of the bill is that we do not produce enough sugar for our needs. Therefore it is contended that this is a short crop. Last year the Government, after paying all these subsidies, bought 100,000 tons of surplus sugar. Is that not correct?

Mr. LONG. That is correct. Of course I assume the Senator knows why that is true. It is because, entirely different from the laws that apply to other commodities, the sugar law forbids our cane sugar producers from selling what they have produced, even in this country.

Mr. FULBRIGHT. The Senator knows very well that there is no law like the sugar law. It is unique. It is the sweetest piece of legislation that has ever been passed by Congress. It carries all three known kinds of protection: Tariffs, subsidies, and restrictions on quotas. I do not know of any other commodity which enjoys such special treatment. I congratulate the Senator as a Senator for protecting the interests of Louisiana. I do not quarrel with the Senator because of that. He has every right to do so. I, too, however, have a right to point out that the rice industry in my State has just as much right to live as has the sugar industry. The sugar law has caused restrictions to be placed on our exports in many ways. As I said, I shall put this table into the RECORD. It is taken from the hearings. It shows how our exports of agricultural products to Cuba and the other Latin American countries have been going down because we cut off their sales of sugar to us.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. I believe the Senator will find that there are more reasons than that why our agricultural exports have gone down.

Mr. FULBRIGHT. I believe this proposed legislation should go to the Committee on Agriculture and Forestry, where it can be weighed in the balance with other legislation dealing with similar commodities. It is bad policy to pick out 1 or 2 agricultural items and give them special treatment before committees other than the Committee on Agriculture and Forestry.

Mr. LONG. Is the Senator not familiar with the fact that the Cubans have undertaken to increase very greatly their production of various farm commodities, and that rice is one of the principal ones?

Mr. FULBRIGHT. They had to do so, or do without them, because when we cut off their sugar they had no way of paying for our rice. The same situation applies to other commodities. From 1952 to 1954 their exports of agricultural commodities have decreased.

Mr. LONG. I am sure the Senator does not mean to say that we have reduced the amount of sugar Cuba has been selling us.

Mr. FULBRIGHT. It is amazing how the Senator can leave that impression, when the record shows that that is not the fact. There has been a decrease.

Mr. LONG. I shall be very curious to see the figures the Senator is relying on for his argument that the sugar imports from Cuba have been decreased from 1952 to 1955.

Mr. DWORSHAK. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. On page 66 of the hearings there are several tables. The table I am looking at is entitled "Entries and Marketings of Sugar in Continental United States From All Areas, 1920 to 1955."

If the Senator will look at the bottom of the table, he will see that in 1950 we received from Cuba 3,276,000 tons. The table also shows that in 1951 we received 2,966,000 tons. In 1952, 3,011,000 tons. In 1953, 2,766,000 tons. In 1954, 2,722,000 tons. In 1955, 2,864,000 tons. In other words, from 1950 to 1955, there was a decrease of about 400,000 tons, which is a very substantial amount to a small country like Cuba. I do not know how anyone can say that we have not decreased the amount of sugar we have been taking from Cuba. Unless the Senator questions the accuracy of the table in the report, that is the fact.

In 1929 we took from Cuba 4,449,000 tons of sugar. That is what the Cubans would like to sell us. If they could, they would be free to purchase from us. Cuba, like other Latin-American countries, is delighted to purchase from us. Most Latin-American countries are glad to purchase the vast majority of their goods from our country. That includes all kinds of goods, such as agricultural and manufactured products. In other words the Sugar Act is the most outrageous interference with the freedom of trade among friendly countries in this hemisphere that I have ever seen.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I do not believe there is anything we can do in connection with our other activities so far as these countries are concerned that will help the situation. I refer to what we would like to do in connection with our good neighbor policy. Certainly all the fine words and all the fine compliments in the world will not offset this kind of bill, which simply squeezes them to death economically.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Am I to understand that the Senator takes the position that sugar has received preferential treatment from our Government and from Congress?

Mr. FULBRIGHT. I certainly do. There is nothing I know of that has been so coddled as the sugar industry.

Mr. DWORSHAK. Then, of course, the Senator would be glad to give rice, a product of his own State, the same preferential treatment?

Mr. FULBRIGHT. I have long since come to the conclusion that it is almost impossible to do anything about sugar. In accordance with the old adage, if you can't whip them you had better join them, perhaps I will soon be ready to throw in my lot with the sugar people.

Mr. DWORSHAK. I am sure the Senator knows that under the Sugar Act the production of sugar in the continental United States is restricted to 28 percent of the sugar we consume in our country. If that is preferential treatment, I suggest that the Senator from Arkansas endeavor to have rice placed under the same restrictive program, so that only 28 percent of the rice consumed in our country could be produced in the United States. Would the Senator be willing to accept such a restrictive program on rice in his State and in this country?

Mr. FULBRIGHT. Of course the only reason there is any desire to produce beet sugar is that there are three forms of protection in effect, namely, subsidy, quota, and tariff. I recognize there is a basic difference in the two crops—cane and beet sugar—but there is no——

Mr. DWORSHAK. What is the difference?

Mr. FULBRIGHT. Beet sugar is an unnatural and uneconomic crop, which should not be grown here at all. It is the same as if we decided to build great hothouses in which to raise our coffee.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am sure we could raise our coffee in that way.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Can the Senator tell us whether it is possible to produce rice in some Asiatic countries much cheaper than it is possible to produce it in Arkansas?

Mr. FULBRIGHT. I know that until recently the production of rice was not fostered in Arkansas by any such payments as are provided for sugar. Only 3 years ago we had an export quota. We were not permitted to export rice to countries where we could get more money for our rice.

Mr. DWORSHAK. Is there a surplus of it now?

Mr. FULBRIGHT. Oh, yes; it is in surplus now. However, it was in a normal and natural condition without any such aid as the sugar bill would provide for beet sugar, and it was not fostered or grown under the kind of protection sugar has had. I have asked several Senators whether they would be willing to take 90 percent of parity for sugar, the same percentage applied to other commodities, and not one was willing to do that.

Mr. DWORSHAK. If we could remove the restrictive acreage and marketing controls, so that we would be free to produce more than 28 percent of the sugar consumed in our country, and could produce 100 percent, I am sure the sugar industry in this country would be in a position to operate under normal conditions, instead of under the restrictions which have been imposed upon the industry.

Mr. FULBRIGHT. The only reason the restrictions are in effect is that outrageous subsidies have been paid. Half the beet growers in the Senator's State would probably stop raising sugar beets if the handouts were abandoned. Of course, there is pressure to increase the acreage, and people from the Senator's State will soon come to Congress to ask for appropriations to build more irriga-

UNIVERSITY OF MICHIGAN LIBRARIES

tion projects to bring in more land for sugar production.

Mr. DWORSHAK. I have in mind a memorandum which was prepared by Mr. Lawrence Myers, Director of the Sugar Division, Commodity Stabilization Service, Department of Agriculture. He was on the floor today. I should like to quote from the memorandum. It States that the tax receipts from the half-cent tax on sugar produced $82 million, of which the Government has paid out $65 million, leaving a net balance in the Federal Treasury of about $17 million. Certainly when the Senator from Arkansas contends that the beet-sugar industry or cane-sugar industry is receiving a subsidy because of the one-half cent tax, he is not entirely correct.

If that tax were eliminated and the 1½-cent tariff, which was removed under the provisions of the Sugar Act, were restored, so that the sugar producers on the continent, both cane and beet, would receive some measure of protection in competing with the low-cost sugar produced abroad, then I am sure the price of sugar would be higher than it is today, and, certainly, there would be no subsidy under that kind of a program. I am sure the Senator will agree with the correctness of that statement.

Mr. FULBRIGHT. No; I do not agree with it; and I do not think the chairman of the committee agrees that a subsidy is not being paid.

Let me ask the Senator whether he contends that the veterans' program does not cost anything because veterans pay taxes.

Mr. DWORSHAK. Certainly, veterans and all Americans pay taxes for a meritorious program. I do not think there is any analogy whatsoever between that and the so-called excise tax of one-half cent.

Mr. FULBRIGHT. The money goes into the Treasury and then it is taken out. All the consumers pay taxes, and then we give this enormous subsidy. I wish to remind the Senator that I have figures showing who gets the money. There is very little of it going to the farmers. The big corporations in Hawaii and in other places get most of it.

Mr. DWORSHAK. Not most of it. Mr. Myers says the payments range from 80 cents——

Mr. FULBRIGHT. I have the figures as to who gets what, and I shall put them into the RECORD. The Senator is anticipating it a little bit.

Mr. DWORSHAK. May I ask one other question while we are on the point of the tax?

Mr. FULBRIGHT. Certainly.

Mr. DWORSHAK. Will the Senator from Arkansas explain his concept of the imposition of the half-cent tax? Why was it placed on the processing of sugar?

Mr. FULBRIGHT. It was placed on sugar to make the act more palatable to the people. There was a little sleight of hand in connection with it. It passes on the cost to the consumer. Very few people understand the act; it is very complex.

Mr. DWORSHAK. Does the Senator from Arkansas believe, or will he contend, that if we should remove the acreage quotas on cane and beet sugar in this country, and remove all marketing quotas, there would be any need of making the bill palatable?

Mr. FULBRIGHT. I lost the thread of the Senator's question.

Mr. DWORSHAK. The Senator said the half-cent tax was imposed to make payments palatable to the producers and to make the program more palatable. If we should permit the producers to produce all they economically could, and placed no marketing restrictions on sugar, then would it be necessary or unnecessary to place a half-cent tax on the processing of sugar?

Mr. FULBRIGHT. If we did not put a quota on it?

Mr. DWORSHAK. Yes. If we eliminated all the restrictions on marketing and permitted the cane growers of the South and the beet growers of the West to produce all the sugar they wanted, would there be any need of the half-cent tax?

Mr. FULBRIGHT. Does the Senator wish to restore the tax?

Mr. DWORSHAK. It is a compensating factor.

Mr. FULBRIGHT. I am against a high tariff.

Mr. DWORSHAK. Is the Senator against all tariffs, on oil and rice, and everything else?

Mr. FULBRIGHT. I do not know of any tariff on rice.

Mr. DWORSHAK. Or on oil, or restrictions or import quotas on oil?

Mr. FULBRIGHT. There is a very small amount; I have forgotten the figure. Whatever quota there is is a voluntary quota. As the Senator from Idaho well knows, the big importers are also big domestic producers. It is a voluntary matter.

I favor a gradual lowering of our tariffs. I think the most difficult problem this country has to face is that of gradually increasing our trade with other countries and enabling the free world to make a good living; in other words, to survive. I agree that that should be done. I do not believe it is practicable immediately and suddenly to abolish all tariffs. I have always favored the approach of the reciprocal-trade program. I think it is a sound approach. The beet-sugar industry is a very small industry. It involves only about 60,000 farmers out of 6 million farmers. The big production is concentrated in the hands of a few huge corporations.

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield at that point?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Arkansas yield further to the Senator from Idaho.

Mr. FULBRIGHT. I yield. I think it is a very bad kind of insurance and an unnecessary one.

Mr. DWORSHAK. The Senator said, I think, that it is preferential treatment for a single industry.

Mr. FULBRIGHT. Not a single industry. It applies to wool, also.

Mr. DWORSHAK. I did not refer to wool. But if sugar has preferential treatment, will the Senator from Arkansas be willing to place rice in the same category, with restrictions and quotas?

Mr. FULBRIGHT. The Senator well knows that we have been cutting rice acreage to the bone. We have cut it this year another 15 percent.

Mr. DWORSHAK. Are we still producing a surplus over our own consumptive needs?

Mr. FULBRIGHT. The Senator knows the facts.

Mr. DWORSHAK. No; I do not. We do not produce rice in my State.

Mr. FULBRIGHT. The Senator certainly reads the newspapers. We do not produce any wool in my State, but I have heard about the wool bill. We do not produce any sugar, but I have read about the sugar bill.

I do not think the Senator will deny that there is nothing similar to this bill with reference to the protection we give to the industry. Would the Senator be willing to accept 90 percent parity for sugar?

Mr. DWORSHAK. I am not mandated or authorized to speak for the sugar industry of this country or that of my own State, but, personally, I would say that if all the restrictions on the production of cane and beet sugar were removed, so that we could produce as much as might be feasible, I think it would be a very fine thing for the industry.

Mr. FULBRIGHT. Without a tariff and a subsidy?

Mr. DWORSHAK. I think it is entitled to the same tariff as other commodities and manufactured products enjoy. Automobiles have a tariff.

Mr. FULBRIGHT. The tariff on automobiles is very slight.

Mr. DWORSHAK. Is sugar not entitled to some measure of tariff protection, the same as thousands of other commodities produced in this country?

Mr. FULBRIGHT. There are many distinctions. All commodities have their own peculiarities. But the beet-sugar industry particularly is a noneconomic and unnatural one. It is somewhat similar to building a lot of hothouses in which to grow bananas, and then saying, "Are bananas not entitled to some protection?" I say that we have no business growing bananas. We can buy them much more cheaply. By and large, I think the cane-sugar industry in this country is quite similar to that in Cuba. But I say we have no business taking desert land and spending billions of dollars a year in order to grow sugar beets and collect a subsidy. I think it is a ridiculous policy.

Mr. DWORSHAK. Would the Senator rather have the producers or growers in the arid Western States produce wheat or cotton, crops of which we have had exportable surpluses, or would he prefer to have them produce sugar of which there is no exportable supply?

Mr. FULBRIGHT. The Senator has asked me a question. I think the policy of the administration of bringing into production desert land, and at the same time paying for the taking of better land out of production and putting it in a soil bank, does not make much sense. It seems to me to be a rather ridiculous policy. On the one hand the land is taken out of production, and payment is made for taking it out; on the other

hand, certain producers grow large crops and are paid for doing so.

I do not think that the land should be brought into production until there is a need for it. At some point in our population growth, when there are two hundred, three hundred, or four hundred million people, no doubt that land will be needed. But I think this is not an appropriate time to force the production onto the market.

Mr. DWORSHAK. Any of the new land which is brought into cultivation in the Western States under Federal reclamation is competitive, free-enterprise land, participating in the production of beets, because, under the national free quota in each State, there is no allotment available for any individual producer of beets, unless he has a historical background. So it is idle to talk about producing a lot of additional sugar when no quotas are available for new land.

Mr. FULBRIGHT. Much of the sugar already in production is on the Government land, which was irrigated at Government expense. I think the Senator from Utah [Mr. BENNETT] gave the Senate those figures earlier in the day. I remember hearing him discuss them. I cannot remember the exact figures. I do not think it is contended that much of the production was brought in because the Government brought irrigation to the land.

Mr. DWORSHAK. Would the Senator agree to have his favorite commodity, rice, placed in the same preferential category in which sugar is placed?

Mr. FULBRIGHT. I certainly would like to have the handout for rice which the sugar boys have.

Mr. DWORSHAK. That does not answer my question.

Mr. FULBRIGHT. The Senator from Idaho wants more than 90 percent of parity, and is expecting apparently to get an increase in acreage when everyone else is taking a decrease.

Mr. ANDERSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the distinguished Senator from New Mexico, who probably knows much more about the subject than I do.

Mr. ANDERSON. Did I not understand the Senator from Arkansas to say that he was very much interested in the treatment being given to our Latin American friends?

Mr. FULBRIGHT. Exactly.

Mr. ANDERSON. I might explain to the Senator from Arkansas that the 1948 Sugar Act was pretty largely born in the Department of Agriculture while I was there. I sat in on all the conferences in 1947, and the proposals which were considered eventually became the Sugar Act.

So I am not trying to be critical of the sugar legislation. I may differ with the Senator on that point.

As we prepared to deal with the subject of sugar, I could not always understand the statistics which were furnished me, so I asked a man in the Department if he would prepare for me a chart which showed the proportionate amount of the American sugar market each country had.

The Senator from Arkansas will recognize on the chart a heavily colored section at the bottom. That represents the proportion of the domestic sugar market which Cuba has received since 1898.

I assure the Senator that these statistics were very carefully compiled by a man in the Department of Agriculture, who primarily was a plant pathologist, but who made a hobby of the sugar trade.

The Senator will notice that the white section represents the United States cane sugar; the red, the United States beet; the yellow represents Hawaii; the green represents Puerto Rico; and the black section represents the Philippines. If there is an orange color, it represents all others.

Does the Senator realize that in the period begining about 1905 and continuing until about 1914 or 1915, when a new Tariff Act was passed, Cuba received quite a growth from our market, and got it at the expense of United States cane? United States beet-sugar production was not so small in those days. Cuban production began to spread out a little and took some of the United States cane production away. I am not talking about the total tons produced, but only of the percentage of the market. Then Cuban production dropped off very rapidly, when another tariff law was enacted about 1918.

In the next period Cuban production rose, and in the 1930's it went away down, because of tariff restrictions.

Does the Senator from Arkansas have any idea why Cuban production jumped up in 1942, and why the Philippine and Hawaiian production almost dropped out of existence?

Mr. FULBRIGHT. The war came on.

Mr. ANDERSON. Yes. When the war came, all American business began to cry for sugar. A most interesting thing was that the congressional districts in which were bottled Coca-Cola, Pepsi-Cola, Dr. Pepper, and similar soft drinks seemed to call for more sugar. They wanted a great deal of Cuban sugar. Those were the years when the Cuban sugar was the priceless ingredient. Everyone said, "Go to Cuba and get all the sugar you can."

Does the Senator realize how in those years the Cuban production was built up and took the place in the American market of the production which had been developed in the Philippines, and completely replaced it so that American business could go on as usual?

The Senator from Arkansas can see from the chart that that period was relatively short lived. In 1948 the new Sugar Act became effective. It still left Cuba with a fair share of the American market.

It afforded an opportunity for beet and cane sugar to take a historical portion of the market, but it permitted the Philippines gradually to come back, and permitted Hawaii to retain its place as a producer.

This was our effort to say to Cuba that we appreciated what Cuba had done. I am very frank to admit that I went to Cuba, actually on a plane, but figuratively on my hands and knees, trying to buy two crops of sugar which they were withholding from the American market. Cuba sold that sugar to us at a price well below the world market, but they did so on the assurance that we would try to protect them in the years after the war.

Since the Sugar Act was pretty well developed in the office of the Secretary of Agriculture, I can say that the reason why this line on the chart stayed fairly well up was that I believed we had incurred an obligation which we ought to repay.

When the act was renewed, Cuba was dropped down a little bit. But what worries me now is that we are going to drop them down a little more. While I favor the renewal of the Sugar Act, and while I am happy to see a price put into the Sugar Act which seems to guarantee stability to the American farmers who are producing the sugar, in both the cane and beet areas, I hope the rights of Cuba will not be forgotten.

It struck me that the Senator from Arkansas was on extremely strong ground when he submitted that the bill ought to be referred to the Committee on Foreign Relations. I do not have any hope that it will get there. Like the Senator from Arkansas, I have never understood why the bill was referred to the Committee on Finance, except that it was anticipated, perhaps, that it would have an easier time there than in the Committee on Agriculture and Forestry, which is headed by our friend, the able senior Senator from Louisiana [Mr. ELLENDER]. Nonetheless, it was referred to the Committee on Finance.

All I am saying, out of my limited experience, is that I hope I can give some support to the words uttered by the Senator from Arkansas, when he said we should be careful about the treatment of our Latin American friends.

I, for one, feel a tremendous responsibility about Cuba. All over the United States during the war there were housewives who were pleading for sugar for canning, so that they could preserve the fine fruits grown, not in one State, but in almost every State of the Union. When we go to a country and plead with that country to sell us not 1, but 2 crops of sugar, and pay them $960 million for those 2 crops, and include an escalator clause to protect them in case they bought their rice and flour at higher prices, and said, "If you will sell to us at a low figure, around 4 cents a pound, when the world figure is 8 or 10 cents a pound, we will not forget you," I think it is important that we do not forget them, because the time may come when we may want them to help us again.

Mr. FULBRIGHT. I appreciate the Senator's contribution to this discussion. He is speaking from personal experience. I hope the Senate will pay attention to the remarks of the Senator from New Mexico, because he was the Secretary of Agriculture during this period.

The Senator is interested in the stability of our local, domestic industry. But the bill seeks a substantial expansion, as the Senator from New Mexico knows, which seems to be indefensible under the conditions of the subsidy which the producers enjoy.

I think I might differ with the Senator as to retaining it, even at this level, but to ask for an expansion under the conditions of the subsidy which the producers enjoy, in comparison with the

UNIVERSITY OF MICHIGAN LIBRARIES

condition of the rest of agriculture, is hard to justify.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. The Senator referred to the fact that I had been Secretary of Agriculture. I hope he will recall that at that particular time it was necessary, because of world food conditions, to have a world food board. It was my pleasure, although it was a somewhat arduous task, to serve as chairman of that world food board and try to allocate sugar, not only to the United States, but to markets all over the world. We know what Cuba did. Production in Cuba was raised more than 600,000 tons. That caused the possibility of havoc to that country. When Cuba raised her sugar production, it said, first of all, it was allocated to the United States. Cuba said she wished she could get new markets, and stated that if she could not deal with other countries at that time, it could never get their markets again. We had to say to Cuba, "No; try to get as much as you can into the American market." We bought millions of tons of sugar. Cuba would like to have obligated herself to other markets, but instead she gave us that great opportunity.

When the Senator from Arkansas raises his voice and says it is an international question, and that other Latin American countries are entitled to equal treatment, I do not intend to be critical of the chairman of the Finance Committee, for whom I have great respect, as I do for the other members of the committee, but if there is any way of amending the bill so that Cuba will get a fair share of the future American market, it would be highly satisfactory to one who had to go to Cuba, after 11 months of negotiation by ordinary methods, not only on his own authority, but to negotiate for the Armed Forces and for the Office of Defense Mobilization, not only for sugar, but for molasses and industrial alcohol, which was greatly needed by us. I said to the Cubans we would never forget it.

I came to the floor merely to say to the Senate I hope we will not forget it, because I think we have an obligation to remember what Cuba did for us at a time when business after business faced disaster if we did not get help from Cuba.

Mr. FULBRIGHT. I wish again to thank the Senator for bringing our attention to these matters. There is no one in the country who could speak with greater authority on this matter. He was one of our most distinguished Secretaries of Agriculture.

I call the Senator's attention to page 2 of the report, wherein it states:

> The amount of the increase in our market above 8,350,000 short tons, raw value, would be apportioned 55 percent to domestic producing areas and 45 percent to the foreign suppliers.

When we consider that 8,350,000 tons is substantially below the assumed requirements set up on the following page, is it not a fact that by that device we would be cutting the quota for Cuba? Is that not the necessary result of that device? In other words, Cuba has been getting 96 percent of the amount above the quota, or the estimate of our production. Now, by the simple device of lowering the estimated amount below any realistic figure, the 96 percent figure is changed to 45 percent. Is that not the effect of it?

Mr. ANDERSON. I would have to see where the base was, and I would not want to say whether it was or was not; but I do say this to the Senator from Arkansas: That in any market which runs 8,535,000 tons, I think Cuba ought to have pretty close to 3 million tons. If it were only 2,995,000 tons——

Mr. ELLENDER. That is what Cuba will get.

Mr. ANDERSON. As I already explained, as the American market expands, Cuba's quota does not expand with it. When the American market gets up to 9 million tons, Cuba's share goes up to a little over 3 million tons. I think it ought to have a larger share of the sugar quota.

Mr. ELLENDER. From whose quota would this additional sugar come? I wonder if we could get an answer to that question from the Senator from New Mexico.

Mr. FULBRIGHT. Mr. President, the two Senators from Louisiana have had their say at great length.

Mr. ELLENDER. I am sorry the Senator from Arkansas was not present when I spoke on the point to which the Senator from New Mexico has referred, to the effect that we assisted Cuba in 1948 because we were able to buy sugar at a fixed price from them during the war. When the 1948 act was put on the statute books, we gave to Cuba 96 percent of the deficit of the Philippines; we gave her 96 percent of the consumption increase. If we are to give Cuba more than she is now getting, we will have to take it away from the Philippines, or from our own people. Does the Senator want to do that?

Mr. FULBRIGHT. That is not the only alternative. Neither the Senator from Louisiana nor anyone else will deny that the main purpose of the bill is to increase production of the beet sugar growers of our country. That is the main purpose of it.

I should like to ask the Senator from New Mexico another question with regard to our trade with other countries. Is it not a fact that all these countries as to which we have quotas are large purchasers of our agricultural products?

Mr. ANDERSON. I wish to say to the able Senator from Arkansas that the reason we wrote into the contract, which I signed with the Cuban Government for 2 full years, an escalator clause was that all the money received for Cuban sugar finds its way directly back to the farmers of the United States. Practically every dollar which is obtained by the Cubans as a result of the sale of sugar goes into the purchase of flour, rice, and various other agricultural products.

I was told that they had to have a price with a floor to it. The price could be 4.16 cents, or 4.25 cents, but it had to be at least 4 cents. There had to be some leeway. The first escalator clause which was ever written into a contract of that nature was written into the contract at that time. President Grau wanted to know what was going to happen when price controls were taken off flour. If they were removed, and if the price on rice and flour doubled, naturally, in order to get the same purchasing power, the price of sugar would have to be doubled.

I expressed my firm conviction that the Government of the United States would not let prices get out of hand. I said that I knew nothing would happen to let prices get out of hand. The President of Cuba expressed doubt, as did others, including Senator Casenova. I said that if there was doubt about it, we could write a provision that if prices should get out of hand, sugar prices would be increased at the same time.

The only reason why that provision was absolutely essential was that Cuba spends in the United States every dollar she receives for the sugar she sells. If ever there was a hamstring of the trading back of commodities, that was it.

I hope I have made it clear to the able Senator from Louisiana that I am not trying to strike at the American producer of sugar. I do not want to shrink his market. I do not think it is necessary. I merely hope, as the market develops, that the groups which have been traditional growers of sugar for others will expand with it. I was worried that Cuba was not going to participate in that advance to the same extent she participated when we needed her so badly.

Mr. FULBRIGHT. There is no doubt about the fact that the bill will diminish Cuba's percentage of the market as compared with existing legislation.

Mr. ANDERSON. I do not know that.

Mr. FULBRIGHT. That is certainly the purpose.

Mr. President, let me make one other comment, and then I shall yield to the Senator from Florida.

Does the Senator from New Mexico think there is any necessity for passing a bill extending this law for 6 years, especially in view of the provisions he has just mentioned?

Mr. ANDERSON. I wish to say to the Senator from Arkansas that I certainly would vote for a 3-year extension. I am not sure that I would not vote for a 6-year extension, because I have felt that sugar legislation is not bad legislation. That is why I say I hope that if a bill to continue in effect for 6 years is to be passed, extreme pains will be taken to make sure that Cuba is not damaged.

Mr. FULBRIGHT. But this bill already damages Cuba; there is no question about that; that is in the bill.

Mr. ANDERSON. That is why I say that if Cuba is to be damaged, she certainly should be damaged for only 6 months, instead of 6 years. If Cuba is not to be damaged, the bill can cover a 6-year period, so far as I am concerned. I felt compelled to speak in behalf of Cuba only because I went to Cuba and to other countries in that part of the world at a time when Cuba desperately needed a larger sugar quota. Although I have full sympathy for the requirements of Mexico, Peru, and many of our other Latin American friends, and hope that in connection with the bill we will take into consideration those and many other friends, yet I hope we will give due consideration to Cuba, which needs it.

Mr. HOLLAND. Mr. President, I wonder whether the Senator from Arkansas will yield to me long enough to permit me to address three questions to the Senator from New Mexico [Mr. ANDERSON] who, I understand, may not be able to remain in the Chamber very much longer.

Mr. FULBRIGHT. I am willing to yield for that purpose for a limited time. How much time does the Senator from Florida care to have yielded to him?

Mr. HOLLAND. Sufficient to enable me to ask three questions only of the Senator from New Mexico.

Mr. FULBRIGHT. Will 5 minutes be sufficient for that purpose?

Mr. HOLLAND. I think so.

Mr. FULBRIGHT. Very well, Mr. President; under the circumstances I yield 5 minutes to the Senator from Florida, to permit him to ask his questions of the Senator from New Mexico, if I may have unanimous consent for that purpose.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection? Without objection, it is so ordered.

Mr. HOLLAND. I thank the Senator from Arkansas.

First, Mr. President, let me thank the Senator from New Mexico [Mr. ANDERSON] for the very fine contributions he has made in the past, and also the very fine contribution he is making now, to agriculture and to the entire Nation.

My first question is this: From the unparalleled experience the distinguished Senator from New Mexico had when he was Secretary of Agriculture during wartime, does he not know that sugar is one of the food crops which is regarded as most necessitous and most strategic in the fullest sense of those words?

Mr. ANDERSON. Yes. Of course there are several other foods in that category. Fats and oils are of tremendous importance. But the reason why we had trouble with sugar was that it was a very handy, compact form of food which could be put into sacks and, if it remained dry, could be shipped almost anywhere. Sugar is a very satisfactory form of nourishment, and is susceptible of use in many different forms, including candy bars. Sugar becomes of tremendous importance in supplying dietary deficiencies and also in supplying heat to the human body. Sugar is a very fine food.

Of course those of us who are diabetics take a very dim view of sugar; but for the rest of the populace, sugar is a very fine food.

Mr. HOLLAND. Are not sugar and wool two strategic commodities which are in deficit supply, and therefore have been subjected to programs, such as the sugar program, which have been strongly supported by the Senator from New Mexico, based upon his entirely unparalleled experience?

Mr. ANDERSON. I will say that although sugar was in a peculiar situation, there are certain other commodities in a comparable situation. However, generally speaking, the others are not commodities which are produced simultaneously in the United States and abroad.

A moment ago mention was made of bananas. Bananas are good food, but primarily they are not grown in the United States.

Wool and sugar are two commodities produced in the United States. However, the United States is a deficit production area, insofar as those two commodities are concerned.

Some other commodities are in a comparable situation, but they are not nearly so important to the American diet or the American economy as are wool and sugar.

Mr. HOLLAND. I thank the distinguished Senator from New Mexico.

I have one more question to ask: Is it not true that, believing that those two commodities are of vital importance—more important, in fact, as I believe the Senator from New Mexico has just said, than are any other commodities—the Senator from New Mexico has consistenty supported, and is now supporting, the sugar program, because he thinks it necessary to keep our domestic production of sugar going—always with the understanding, of course, that the Senator from New Mexico also wants us to do our full duty to Cuba, which stood by us in the way the Senator from New Mexico just recited?

Mr. ANDERSON. Yes; if the Senator from Florida will modify his question in the way he did at the conclusion of the question, I agree completely. I do believe there should be a sugar program.

I am worried only about what action has been taken in regard to Cuba.

Let me say that I did not have a chance to read the hearings. I am sure the Senator and his fellow committee members did what they thought was right; and of course they had the advantage of hearing all the testimony. Not only did I not hear any of it, but I have not been able to read any of it, for I have been engaged, and still am engaged, in a hearing in connection with the Atomic Energy Act, which matter has occupied all my attention for a full week, and will continue to do so next week, and so forth.

But within that limitation, I have made up my mind that whenever a sugar program is before the Senate, I would be unfaithful to an obligation I bear within me if I did not say that I hope Cuba will have fine treatment in that program.

Mr. HOLLAND. I thank the distinguished Senator from New Mexico; and I am particularly grateful to my friend, the Senator from Arkansas [Mr. FULBRIGHT] for his courtesy.

Mr. BENNETT. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield for a question.

Mr. BENNETT. Of course I yielded to a considerable extent to the Senator from Arkansas, when I was addressing the Senate.

There are two bits of information which I think belong in the RECORD, in connection with the colloquy which occurred in connection with the remarks of the Senator from Arkansas on the effect on the production of sugar. Under the circumstances, I shall handle the matter in the form of a question: Would the Senator from Arkansas be interested in knowing that, year by year, Cuba exercised the privilege of supply 3,245,000 tons from the deficits of other foreign and domestic areas, through the 8 years of the existing Sugar Act?

I should like to have permission to place this table in the RECORD.

Mr. FULBRIGHT. Certainly. I think that is in accord with the chart.

Mr. BENNETT. I wished to have the figures placed in the RECORD.

Mr. FULBRIGHT. Certainly; I think that would be desirable.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cuba's quotas and deficits in United States sugar market, 1948–56

[1,000 short tons, raw value]

	Deficits received in United States market				Cuba's quota plus deficits	Percent Cuban quota of total United States quotas	Percent Cuban quota plus deficits of total United States quota
	Cuba's United States quota	From Philippines	From domestic areas	Total deficits			
1948	1,923	705	312	1,017	2,940	26.7	40.8
1949	2,219	404	470	874	3,093	29.6	41.2
1950	3,403	428	0	[1] 428	3,431	39.1	39.4
1951	2,614	190	143	333	2,947	33.1	37.3
1952	2,622	190	213	403	3,025	33.2	38.3
1953	2,574	96	89	185	2,759	31.8	34.1
1954	2,719	0	5	5	2,723	33.0	33.0
1955	2,860	0	0	0	2,860	34.0	34.0
1956	[2] 2,809						

[1] Because a technical deficit of 400,000 tons was declared in Cuba's 1950 quota, official statistics of the Department of Agriculture show 27,500 tons net deficit to Cuba that year.
[2] Initial 1956 quota based on 8,350,000 consumption estimate.

Source: Data from 1948 to 1952 from Sugar Statistics, vol. I. Data for 1953, 1954, 1955, and 1956, from sugar reports and USDA press releases.

Mr. BENNETT. Mr. President, would the Senator from Arkansas be interested in a statement from the Cuban sugar bible, namely, the Weekly Statistical Sugar Trade Journal of February 2, 1956, in which the Cubans discuss the pending bill? Let me say that I should like to read a part of it to the Senator from Arkansas, if he would be interested in having me do so; and I should like to have the entire quotation set forth in the CONGRESSIONAL RECORD.

Mr. FULBRIGHT. Yes; if it is not too long. Certainly I do not wish to exclude any information which is pertinent to our consideration of this matter.

Mr. BENNETT. It will take only a minute to read the part I have in mind.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. FULBRIGHT. Certainly; let the Senator from Utah read it, Mr. President.

Mr. BENNETT. It reads as follows, and is from Luis Mendoza & Co., under date of February 2, 1956:

In the long run we consider that it would be better for Cuba's interests that the domestic areas should participate automatically in the increases in consumption making the Sugar Act fairer and, therefore, of a more permanent character and as they would be participating in the increases in consumption at the same rate in which they supply their domestic consumption we cannot consider that as a reduction to Cuba.

Then the article continues, but I shall not read further from it. Since the rest of the article is to be placed in the RECORD, the Senator from Arkansas can read it there tomorrow.

But when it is said that a cut in Cuba's hopes is not represented by the allocation of 55 percent to the domestic industry, but is represented by allocations to other foreign countries, let me say that these Cubans feel that that is the unfair situation—and not that the domestic industry is to be permitted to share as it did before 1947.

So, Mr. President, I ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HABANA, CUBA, January 28, 1956.—Messrs. Luis Mendoza & Co. write as follows:

"THE SUGAR ACT

"In answering the following questions put up to him by Senator J. ALLEN FREAR when appearing before the Senate Finance Committee, Mr. Henry Holland, Assistant Secretary of State for Latin American Affairs, did the best defense of Cuba's sugar quota in the United States ever made in the Senate of that country:

"Question. 'In World War II where did the United States get the bulk of its sugar?'

"Answer. 'Cuba.'

"Question. "Were we able to produce our own needs during the war?'

"Answer. 'No, sir.'

"Question. 'This sugar which Cuba furnished us during World War II, was it at the world price or at a stipulated price?"

"Answer. 'It was at a stipulated price which was below the world price.'

"Question. 'Why did Cuba sell sugar to us at less than it could get on the world market?'

"Answer. 'In my judgment it was because they were willing to devote their major industry which is sugar to supplying our needs and in this way making their contribution to our war effort.'

"Question. 'In another war where would we get most of our sugar?'

"Answer. 'From Cuba.'

"After these definite statements it would seem impossible to have Cuba's sugar quota reduced in order to increase the quotas of countries that were not able or did not want to contribute like her to the war efforts of the United States but there are several political considerations that cannot be overlooked.

"The amendments to the Sugar Act, that now it appears will be introduced by the Senate, makes Cuba's situation somewhat better as compared with the previous projects but anyway we are subject to the reduction to 33.75 percent of the 96 percent we now enjoy in the increases in consumption. This big loss is to a great extent only apparent as the Sugar Act in force was not permanent as it expires at the end of this year and when in 1952 the previous act expired we suffered an actual loss of 170,000 tons and a reduction in the increases in consumption equivalent to about 80,000 tons more, or say, about 250,000 short tons a year so it was logical to assume that at the expiration at the end of this year of the Sugar Act in force the reduction would match the increase in consumption.

"In the long run we consider that it would be better for Cuba's interests that the domestic areas should participate automatically in the increases in consumption making the Sugar Act fairer and therefore of a more permanent character and as they would be participating in the increase in consumption at the same rate in which they supply their domestic consumption we cannot consider that as a reduction to Cuba. The real reduction we suffer in the projected measure is in favor of the foreign areas amounting to slightly more than 10 percent of the increases in consumption and assuming they reach 135,000 tons, as is expected, the real loss for Cuba would be only about 15,000 tons a year, plus about 75,000 tons this year, as the new Sugar Act will be effective 1 year ahead of schedule.

"The fact is that everybody in Cuba is so upset about this matter of reductions because it has reached the saturation point due to the continuous reductions suffered for various reasons in recent years.

"First of all the 1952 cut of 250,000 tons, then the Philippines, whose large deficits we used to cover, produce at present their full quota. All the domestic areas no longer have deficits which we used to cover to a great extent. Domestic areas, through means of better and modern methods have been increasing production thus requiring larger quotas, but what really hurts us is that the new legislation is favoring the granting of quota increases to countries who did not cooperate during the war or who are not cooperating with the London Agreement which is backed by the United States. We think this attitude is neither logical nor convenient to the United States and above all the fact is that all reductions must be made at Cuba's expense."

Mr. SMATHERS. Mr. President, I think a point of clarification is needed. The Senator from Utah says the Cubans do not feel that they are suffering by reason of the changes between 1955 and 1945; but I say to the Senator from Utah that they certainly would like to have 33 percent of the increase above the figure of 8,350,000 tons; and I hope the Senator from Utah will help us support that particular figure, because that is what the Finance Committee reported.

Mr. BENNETT. Let me say that, rather than read the entire statement, I have had it printed in the RECORD.

Mr. SMATHERS. Mr. President, let me say to the Senator from Arkansas that actually this proposed legislation does decrease, of course, the amount of sugar Cuba can sell to the United States; and the figures in the table show that in 1956, Cuba will be decreased 97,000 tons; in 1957, 199,000 tons; and it continues to 1962, when Cuba will be decreased 618,000 tons. So actually this legislation would decrease the amount which Cuba could ship to the United States. But I should like to add that the Finance Committee attempted to lessen the blow to Cuba by increasing the proportion which Cuba could sell to the United States, of the increased consumption over 8,350,000 tons, from 27 percent, as in the original Bennett amendment, to 33 percent, which the Finance Committee finally recommended, which represented some relief.

Mr. FULBRIGHT. I thank the Senator from Florida for his observations. I had been struggling to make the point that the pending legislation would involve a decrease in Cuban sugar, and he has clarified it. Of course, page 2 of the report makes it quite clear that there is a decrease.

Mr. MANSFIELD. Mr. President, will the Senator yield for a breather of 1 minute, to enable me to submit a unanimous consent request?

Mr. FULBRIGHT. I yield with the understanding that I do not lose the floor.

Mr. MANSFIELD. Mr. President, in view of the fact that the Senate is now considering the Sugar Act Extension measure, I should like to call to the Senate's attention a letter written by an old friend and colleague in the Congress, the Ambassador of the Philippines, the Honorable Carlos Romulo.

This letter, written to Secretary of State Dulles, sets forth the viewpoint of the Philippines vis-a-vis the sugar legislation before us. It is my hope that Ambassador Romulo's remarks will be given every possible consideration by this body because he speaks as a tried and true friend of the United States and an extremely capable Ambassador from the Philippines to the United States.

I ask unanimous consent that the letter be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EMBASSY OF THE PHILIPPINES,
Washington, D. C., January 12, 1956.

His Excellency JOHN FOSTER DULLES,
Secretary of State, Washington, D. C.

EXCELLENCY: I have the honor to refer to the bill, H. R. 7030, to amend and extend the Sugar Act of 1948, and to Your Excellency's note of August 15, 1955, in reply to the Embassy's note of April 26, 1955.

The bill was passed by the House of Representatives at the 1st session of the 84th Congress, but was not acted upon by the Senate. Among other things, H. R. 7030 provides, in section 6 thereof, that section 202 (a) of the Sugar Act of 1948 be amended so that any increases in the United States consumption in excess of 8,350,000 short tons, raw value, be apportioned as follows: 50 percent thereof to domestic areas (continental beet, mainland cane, Hawaii, Puerto Rico, and the Virgin Islands); and the other 50 percent to foreign countries (Cuba and other foreign suppliers except the Philippines). The Philippines is excluded from participating in any such increases in the United States sugar consumption and its sugar quota remains absolutely fixed at 977,000 short tons, raw value.

In Your Excellency's note referred to, you stated that "In its report to the Congress the Department of State did not recommend that the Philippine sugar industry receive at this time a share of future increases in sugar consumption in the United States," and "has indicated that consideration should be given to allowing the Philippines to share in increased consumption when sugar legislation is next amended and after sugar from the Philippines begins to pay a tariff."

In support of its recommendation the Department of State advanced the following arguments:

1. Since the proposed legislation would enable the domestic producers to share in future increases in consumption, the remaining balance thereof available to all foreign suppliers would be correspondingly reduced.

2. It was necessary to improve the position of the so-called full duty countries by giving them greater share of the future increase in consumption available to foreign suppliers.

3. In view of Nos. 1 and 2 above, any further reduction was not possible under present circumstances because of overwhelming importance of sugar to the Cuban economy.

4. That the Philippines is guaranteed a market for 952,000 tons for 18 years, an enviable position which no other country enjoys, and that Philippine sugar is unique in that it pays no duty at the present time and will experience only gradual imposition of the lower Cuban rate over the extended period of 18 years.

I will now be permitted to state the position of my Government on each of these arguments:

1. This argument apparently is predicated on the proposition that, by allowing domestic areas to share in future increases in consumption, no other area. in this case the Philippines, should be permitted to share in such increase because to do so would further reduce th amount available to other foreign suppliers, i. e., Cuba and full-duty countries. Such a proposition, if accepted, would violate the principle of proportional allotment, which has been the basis of the quota system as inaugurated in 1934.

Section 4 of Public Law 213, 73d Congress, known as the Jones-Costigan Act, provides for proportionate allotments to offshore areas based on "average quantities therefrom brought into continental United States for consumption in the years 1925–32, inclusive * * * ." The Sugar Act of 1937 continued the principle of proportional participation and provided for a Philippine share of 15.41 percent of the United States consumption.

Furthermore, in the view of the Department of State itself, the imposition of an absolute quota is "contrary to the commercial policy of the United States Government." Thus, at the hearing on the Philippine trade bill in 1945, the representatives of the Department of State opposed the imposition of absolute quotas in these words:

"Since imposition of absolute quotas is contrary to the commercial policy of this Government, the Department recommends that the bill be amended to permit imports in excess of quotas, provided that full United States duty is paid on imports over and above the quotas" (statement of L. C. Stinebower, at hearing on H. R. 4184, November 15, 1945).

The revised Philippine-American Trade Agreement signed in Washington on September 6, 1955, permits an increase in the absolute sugar quota of the Philippines at the discretion of Congress. Article II, paragraph 1, of the agreement provides:

"The establishment herein of the limitations on the amounts of Philippine raw and refined sugar that may be entered, or withdrawn from warehouse, in the United States for consumption, shall be without prejudice to any increases which the Congress of the United States might allocate to the Philippines in the future."

While it is true that the participation of the domestic areas and the Philippines in increases in future consumption will reduce the percentage shares of Cuba and other foreign countries of such increases when compared to their previous allotments of such increases, it is to be noted that while domestic areas had fixed allotments corresponding to their productive capacities, the Philippines not only had an absolute quota but its production was, until last year, less than its quota to the United States. With the increased production in domestic areas and the rehabilitation of the Philippine sugar industry, it would seem logical and equitable to reestablish the principle of proportional sharing by all areas of any improvements in sugar consumption in the United States. Such an arrangement will not prejudice any party, since each area will have its basic quota which will be increased proportionately as consumption of sugar in the United States increases in the future over and above 8,350,000 short tons, raw value.

2. The desire of the Department to improve the position of the so-called full duty countries is based obviously on the principle of proportional allotment which it is now proposed to apply more liberally in respect to these countries by giving them a larger share of the increases in consumption. With all deference, I must state that it is difficult to understand how this principle could be used as an argument for excluding the Philippines from among the suppliers who will thus benefit proportionately from a greater sugar demand in the United States.

3. With respect to the importance of sugar to the economy of Cuba which Your Excellency considers as one of the reasons why the Department did not recommend for the Philippines a share of the future increases in sugar consumption in the United States, I am bound to impress upon Your Excellency the fact that any share assigned to the Philippines will not affect the quantity which Cuba is currently supplying in the United States.

A reference to the record when the quota system was inaugurated in 1944 will show that the Philippines made the greatest sacrifice to make this system possible. For instance, it had to reduce its production from 1,652,593 short tons in 1933–34 crop to 754,271 short tons in the 1934–35 crop, or a cut of more than 50 percent. As may be seen from the following figures, the Philippines suffered the most in the interest of the quota system in the United States.

Sugar production in the United States and principal areas supplying United States with sugar before and after quota system [1]

Area	Production, 1933, short tons	Production, 1934, short tons	Increase or decrease, short tons	Percent
United States:				
Beet	1,757,000	1,241,000	−516,000	−29
Cane	250,000	267,000	+17,000	+7
Puerto Rico	1,103,822	773,021	−330,000	−30
Hawaii	1,086,654	986,849	−99,805	−9
Philippines	1,652,593	754,721	−897,872	−54
Cuba	2,583,202	2,882,656	+299,454	+12

[1] Sugar Manual, Hawaiian Sugar Planters' Association, 1954.

Furthermore, the record of the past 20 years establishes the fact that none of the areas experienced a reduction in its allotment except the Philippines, which actually suffered a cut of 3 percent in its quota, that is, from 1,005,602 tons in 1934 to 977,000 tons in 1955. The following figures represent the respective final quotas of the various areas in 1934 as compared to their final quotas in 1955:

Final adjusted sugar quotas, 1934 compared to 1955 [1]

[Short tons, raw value]

Areas	Final adjusted quotas		Increase or decrease	Percent
	1934	1955		
Domestic areas:				
United States beet	1,556,166	1,800,000	+243,834	+16
United States cane	261,034	500,000	+238,966	+92
Hawaii	948,264	1,052,000	+103,736	+11
Puerto Rico	807,312	1,080,000	+272,688	+34
Virgin Islands	5,304	12,000	+6,696	+126
Total	3,578,080	4,444,000		
Foreign areas:				
Philippines	1,005,602	977,000	−28,602	−3
Cuba	1,866,482	2,859,840	+993,358	+54
Full-duty countries	25,836	119,160	+93,240	+361
Total	2,897,920	3,956,000		
Grand total	6,476,000	8,400,000		

[1] USDA reports.

As Your Excellency will recall, the Philippine sugar industry emerged from World War II completely paralyzed with most of its factories destroyed and its farms laid waste. The recovery and rehabilitation of the industry was handicapped by the universal shortage of machinery and equipment. Plantations had to be reconditioned to resume production, but owing to the lack of cane seeds, work animals, agricultural implements and supplies, it was possible to increase the area under cultivation only gradually. Consequently, despite the efforts and sacrifices of both planters and mill owners and the generous assistance of both the United States and Philippine Governments, it took the industry 8 years to recover completely to its prewar position. In the 13-year period, 1941–53, the Philippines could ship to the United States no more than 4,433,501 short tons of its total quota of 12,376,000 short tons, thus relinquishing a total of 7,952,499 short tons.

That deficit, totaling nearly 8 million short tons and valued at approximately a billion dollars, was filled from foreign sources which thus benefited by the failure of the Philippines as a result of the war. The United States Government collected approximately $100 million in customs duties on the Philippine deficit which Cuba and other foreign countries supplied. It would seem only fair, therefore, that after so many difficulties, the Philippine sugar industry should be allowed to share with these countries any increase in the United States consumption.

4. Finally, in further support of its recommendation, the Department points out that not only do the Philippines enjoy a guaranteed market for 952,000 tons, but such quota is protected by legislation for an additional 18 years, adding that no other foreign country is in this enviable position. The unique position in which the Philippines thus finds itself in the United States is, however, reciprocated by the equally unique position the United States enjoys in the Philippines. For instance, no foreign country except the United States enjoys national rights in the Philippines in respect of the development of the country's natural resources, business enterprises, and the operation of public utilities.

Again, on a reciprocal basis, the products of the United States are accorded preferential duties in the Philippine market. As a matter of fact, until our war-devastated economy made it necessary for us to limit importations, American products were in the unique position of being entitled to enter into the Philippines without limitations, whereas our principal products—sugar, coconut oil, tobacco, pearl buttons, and cordage—were under quota restrictions in the American market. This preferred position of American products will undoubtedly be restored as soon as the economy of the Philippines returns to normal condition.

The special relationship between our two countries has been, as Your Excellency is well aware, the logical result of fifty-odd years of cooperation and collaboration in peace as in war.

The State Department, in its observation on Philippine progress in 1954, stated the legitimate interest of the United States in Philippine progress in the following vein:

"We in America have a human interest in the fate of the Philippines, for a half century an American protege and in the darkest days of World War II our stanch ally. But self-interest no less than international friendship demands our deep concern for the welfare of the Philippines, for the 1,100-mile-long archipelago close to the southeastern rim of Asia is of strategic importance to us and to all free nations. The Philippines forms the southern link in a natural line of defense running northward through Japan and the Kuriles. In recognition of their need of each other, the United States and

UNIVERSITY OF MICHIGAN LIBRARIES

the Philippines signed a treaty of mutual defense in August 1951.

"Not only vital to our defenses in the Pacific, the Philippines is also prima facie evidence of our democratic integrity. In its independence, attained in accordance with promises made by the United States Government, the Philippines is proof to the world that the democratic principle is valid and that the United States stands by its promises. Other peoples, especially in the Far East, have kept a close eye on developments in the Philippines, weighing carefully the fact and the results of Philippine independence. With good reason, the Philippines has been called America's show window in the Orient" (Department of State publication 5508, Far Eastern Series 66, August 1954).

The sugar industry has been a main pillar of Philippine economy. Upon it a large portion of the population depend for their livelihood, and the Philippine Government for its revenue. Our sugar exports to the United States provide much of the dollar exchange with which we pay our imports of American products. It is significant to note in this connection that, in the 8-year period before the war, 1934–41, the Philippines had a total favorable trade balance with the United States of $257 million (imports, $621 million; exports, $878 million); in the 8-year period after the war, 1946–53, the Philippines had a total negative trade balance with the United States of $1,268 million (imports, $2,861 million; exports, $1,593 million).

At a time when the dynamic leadership of President Magsaysay is lending such great impetus to a program of development by which the Filipinos hope to stop the inroads of communism, I need hardly emphasize to Your Excellency the importance of maintaining and strengthening the Philippine sugar industry which, upon its record of complete recovery from the vicissitudes of the Second World War, holds the best promise of providing jobs for the masses and improving the trade balances of the Philippines. In fact, against all the difficulties which stem from the provisions of the 1946 executive agreement, increased foreign rates and high labor costs due to the enforcement of the minimum-wage law, the sugar industry is and continues to be a mainstay of the national economy of the Philippines.

According to the State Department, it has indicated to the Congress that "consideration should be given to allowing the Philippines to share in increased consumption when sugar legislation is next amended and after sugar from the Philippines begins to pay a tariff." This, in effect, prolongs the imposition of the absolute quota for the next 5 years, notwithstanding the fact that the Department, as already stated, vigorously opposed it 8 years ago as "contrary to the commercial policy" of the United States Government. The second condition for withholding its recommendation for Philippine participation "after sugar from the Philippines begins to pay a tariff" has already been met because Philippine sugar became subject to 5 percent of the United States duty on January 1, 1956.

In the light of the foregoing facts and considerations, I trust that Your Excellency will find it possible to reconsider your position with respect to the Philippine pro rata participation in any increases in sugar consumption in the United States. I would be most grateful to Your Excellency if the views of my Government could be brought to the attention of the respective committees of Congress for their consideration when the pending legislation comes up before them.

Accept, Excellency, the renewed assurances of my distinguished consideration.

CARLOS P. ROMULO.

Mr. FULBRIGHT. Mr. President, I think the colloquy which has taken place has been very enlightening. However, I had better get on with my speech. I should like to complete it before the Senate suspends for the day.

I think this is a pertinent point. Under Secretary of Agriculture Mr. True Morse had this to say, as reported on page 74 of the hearings:

The CHAIRMAN. The amount would be sufficient; I mean, there would be sufficient sugar available for the needs of the country?

Mr. MORSE. Yes, sir. We have announced a consumption figure of 8,350,000 to start the year and, as is customary, as requirements begin to grow beyond that there would be additions to this consumption estimate.

In other words, it is quite clear from his statement that that estimate is below what they know will be the requirements later.

The figures speak for themselves. In 1951 Cuban purchases were $540 million In 1954 their purchases were only $420 million worth. In 1951 the United States used 2,946,000 tons of Cuban sugar; in 1954 only 2,729,000 tons.

Among many other items, Cubans purchase large quantities of rice from the United States. As a rule, Cuba is the biggest buyer of American rice. In 1951 United States exports of rice to Cuba were worth $52 million; in 1954 only $38 million. Obviously, reduced purchases of sugar from Cuba left the Cubans with less money with which to buy American rice and encouraged Cubans to grow more rice in their own country, although they would prefer to produce sugar.

This shrinkage of the rice market in Cuba hurts every rice grower in the United States, including those in Arkansas. It also hurts the rice farmers in Louisiana, where the value of rice produced exceeds the value of sugarcane. Thus, one of the effects of increasing the domestic sugar quota to the detriment of Cuba is to injure the American rice farmer. Cuba is also an important purchaser of cotton textiles from this country, and her purchases of such textiles have been declining, to the detriment not only of the cotton-textile industry of the United States but also cotton farmers.

In like manner, by benefiting the domestic sugar producer, we hurt the American producers of wheat, beans, lard, automobiles, machinery, and hundreds of other items produced in every section of the United States, items which the Cubans buy in large quantities.

HOW SUGAR ACT BENEFITS A LIMITED GROUP OF DOMESTIC INTERESTS

One of the ostensible purposes of the subsidy payments under the 1948 Sugar Act is to help small farmers. In keeping with this philosophy, the basic subsidy rate, $0.80 per 100 pounds of sugar—raw value—diminishes progressively with the amount of sugar that the recipient of the subsidy produces. The average subsidy paid in 1953 was $0.67 per 100 pounds.

In spite of this apparent congressional intention, however, the small farmer has not been the main beneficiary of these subsidies. In 1953, the average payment per farm in Hawaii was $11,850. In 1953 Florida cane growers received $1,330,000 in subsidies. The average payment per farm was $53,000. That is pretty big money for small farmers. Most small farms could be bought for not more than $53,000.

In 1949 I placed in the CONGRESSIONAL RECORD a list of the producers who had received individual Sugar Act payments in excess of $100,000 for cane sugar during the 1948 crop year. For that year, out of total Sugar Act payments to Florida of $807,738, one sugar planter received $593,451; 24 others shared the remaining $214,000. In 1953, 1 cane grower in Florida received $750,633. In Hawaii, out of 1949 payments of $3,437,619, 27 cane growers received amounts in excess of $100,000 each, ranging from $954,849 down to $111,232. In Louisiana, two cane growers received in excess of $100,000 each. In Puerto Rico, 9 received in excess of $100,000.

Beet sugar subsidies per farm are not of the same order of magnitude but they are still large, averaging in California, the principal beet-producing State, $4,846 per farm in 1953.

Yet statistics based on average payments per farm fail to disclose the full extent to which the bulk of the subsidy payments tend to go to the big operators. The Department of Agriculture has released figures indicating the distribution of 1952 sugar payments. These figures show that, in the domestic beet areas, 0.3 percent of the growers received 7.5 percent of the payments in 1952. At the bottom end of the scale 1.4 percent of the growers received only 0.002 percent of the total payments.

The differences are even more striking in the mainland cane areas of Florida and Louisiana, as well as in Puerto Rico. In 1952, 124 out of 8,262 mainland cane growers pocketed 48 percent of the subsidy payments, while the 931 growers at the other extreme received only 0.0001 percent.

In Puerto Rico, 11,207 growers received about 5 percent of the total Government payments; they were balanced by the two largest farmers, who also received 5 percent of the total payments.

But these fat subsidies—along with quota and tariff protection—were not enough for the domestic sugar industry. It has been permitted to expand its output 16 percent since 1948 and is now demanding the right to increase still further. Consider how different the situation is for wheat, cotton, corn, and rice farmers.

The domestic sugar industry even had the nerve to demand increased quotas for itself in 1954—3 years before the existing law was due to expire, a law which domestic producers had urged Congress to pass in 1951. The present bill is generous. It would change the Sugar Act only 1 year before it is due to expire.

A month or so ago the administration added still another to the already long and unmatched list of benefits to the domestic sugar industry. The Government is now purchasing 100,000 tons of domestic sugar and trying to give it away abroad. It is purchasing this sugar at the high prices prevailing in the United States, thereby adding $3 to $4 million to the cost—just another item to be borne by the consumer and taxpayer, who are to subsidize the domestic sugar producers.

The excuse for buying the 100,000 tons of domestic sugar is that there is a surplus or over-quota supply of such sugar

in the United States. The Sugar Act, however, contains provisions by which the Secretary of Agriculture can control production and so prevent the appearance of any such surplus. In fact, the law provides that one of the conditions for paying subsidies to growers shall be the control of production in line with the established quota. Consequently, no surplus sugar could exist in domestic areas if the law had been properly administered.

LEGISLATION INJURES OUR BEST SOURCE OF SUGAR

The proposed Sugar Act legislation—in both the House-passed version and in the administrations' own bill—is bad enough in serving to expand the artificially propped, triply protected, highly subsidized, uneconomic domestic sugar industry at the expense of Cuba, historically our natural and economic source of supply.

But what is even worse—morally and economically—both proposed changes in the Sugar Act would further penalize Cuba, our one sure supplier of sugar, at reasonable prices, in time of war as well as in time of peace.

During World War II, when the United States was in vital need of sugar—essential for ammunition as well as food—for both herself and her allies, some foreign producers preferred to sell their sugar in the open market in order to take advantage of the higher price. We had to turn to Cuba to double her production, and Cuba sold us her crop at a price substantially below what she could have gotten on the open market.

The export of sugar is vital to Cuba, for sugar is overwhelmingly her principal crop. Sugar is a relatively unimportant source of revenue for both Peru and Mexico, and not nearly as important to the Dominican Republic as to Cuba.

Cuba has virtually but one item to sell us—sugar. Peru sells us minerals of all kinds and a special kind of cotton. The Dominican Republic sells us coffee and cocoa. Mexico sells us a host of items, fishery products, and agricultural products, minerals, and oil, and more recently natural gas. Mexico increases its production of cotton to sell on the world market even as the United States reduces its production of cotton for sale on the world market. Under these circumstances, in our own best national interest, how can we reduce Cuba's share of the American sugar market to the benefit of Peru, the Dominican Republic, and Mexico?

Mexico, Peru, and the Dominican Republic are today enjoying a booming prosperity. That is good. Cuba is suffering from a severe recession—a 40-percent reduction in sugar production and with it a 40-percent reduction in take-home pay for the sugar workers. That is bad. So that great good neighbor, the United States, now moves to help the situation by giving Mexico, Peru, and the Dominican Republic a bigger share of the American market at the expense of Cuba. That is just dandy.

However, I want it clearly understood that I think the other countries which I mentioned, and to which I referred a moment ago as being among our best customers for all products, especially other agricultural products, should not be cut.

With regard to the effect on rice exports, in 1949 to 1950, we exported to Cuba 6,111,625 hundredweights of milled rice, and in 1950 to 1951, the export figure of milled rice to Cuba was 6,959,708. Since that time, our exports of milled rice to Cuba have been substantially diminished each year. In the 1953 to 1954 period, our exports of this commodity had fallen to 4,655,390 hundredweights.

During the period from 1950 to 1955, imports of sugar from Cuba to the United States declined from 3,265,088 short tons raw value to 2,667,840, the initial quota for 1955, which is a reduction of 597,248 tons. In the corresponding period, exports of rice from the United States to Cuba dropped from 6,959,708 hundredweights in 1950 to 4,655,390 hundredweights in 1954, a reduction of 2,304,318 hundredweights.

These figures leave little doubt that the quota system imposed on the importation of Cuban sugar by the Sugar Act have had a serious diminishing effect on the amount of rice we export to Cuba.

Mr. President, I wish to draw the Senator's attention also to the relative costs of some of the agricultural programs. The most recent report of the Commodity Credit Corporation, as of December 31, 1955 discloses the following information taken from schedule 8 entitled, "Analysis of Program Results From October 17, 1933, through December 31, 1955 (Realized Gains and Losses)."

This schedule shows that the realized loss from price support programs on basic commodities for that period is $489,643,464. The total cost of all price support programs is shown at $2,720,817,458.

For example, the cost of price supports during this period have amounted to—

Rice	[1] $6,051,406
Upland cotton	[1] 267,889,590
Wheat	[2] 335,497,546
Potatoes	[2] 478,536,219
Dried milk	[2] 302,178,866
Butter	[2] 322,049,716

[1] Profit.
[2] Loss.

The total of payments under the Sugar Act from 1937 to 1955 is $1,038,735,000.

That is incredible to me. I do not believe many persons realize that we have paid to this relatively small number of sugar producers, many of whom are in Hawaii and Puerto Rico—especially the big producers—more than a billion dollars since 1937, although the total realized loss for all the basics was less than a half billion dollars.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am glad to yield to the distinguished Chairman of the Committee on Agriculture and Forestry.

Mr. ELLENDER. Does the Senator have before him the amount collected during that period? I refer to the entire amount.

Mr. FULBRIGHT. That amount is in the report. I have never questioned the amount which has been collected. I agree that we have collected more taxes from the people of our country than the amount of that payment. However, that is quite irrelevant to the issue. We have also collected more taxes from the people of the country than the total cost of running the Government. We have not had a deficit every year. I see no relevancy in that regard. We penalize the consumers of the United States and collect a tax from them, and then pay the money to a few people who produce sugar.

Mr. ELLENDER. With the Senator's permission, I should like to make a short statement, to the effect that from 1938 to 1955 the entire amount collected was $1,298,858,419. The net amount that went into the Treasury and not paid out was $312,648,370.

Mr. FULBRIGHT. I do not believe that has any significance at all. It is like the argument that the veterans program does not cost us anything because the veterans pay taxes. They may well pay more than the cost, but a great many other people also pay taxes. The taxes are levied on all the people, as was brought out in the committee, and not levied merely on the sugar producers.

I have not been able to find in the record of hearings the number of payees under the Sugar Act. However, there are at pages 84, 85, and 86 tabulations showing the number of payees for the 1953 crops in the various domestic areas. They are as follows:

Sugar-beet program	40,000
Virgin Islands	472
Louisiana and Florida	7,565
Hawaii	1,200
Puerto Rico	19,833

The total of these figures is 69,070.

On February 3 the Senator from Utah [Mr. WATKINS] stated that the most up-to-date census figures indicate that there are approximately 4,700,000 farms. Therefore, it is a very small fraction of the producers.

I have submitted two amendments which I intend to offer to the bill. One of them merely cuts down the period for which the act is extended to 2 years. I believe that then we should take a look at the act to see how it works and determine what havoc it has caused. In the Central American countries we are doing a great deal to isolate ourselves. Certainly we are isolating ourselves from our friends in Europe and Asia. Now with this bill we contribute to our isolation in this hemisphere. Therefore I commend the amendment to the Senate merely as a safeguard against the drastic effects of the bill.

The other amendment would provide 90 percent supports for sugar, because, as I have said before, I see no reason why the support for sugar should be higher than it will be for the commodities covered in the bill which I hope the distinguished Senator from Louisiana [Mr. ELLENDER] will bring to the Senate from the Committee on Agriculture and Forestry. I do not believe sugar should be supported at any higher percentage of

UNIVERSITY OF MICHIGAN LIBRARIES

parity than wheat or cotton or any of the other basic commodities.

I ask unanimous consent to have printed in the RECORD at this point a memorandum I have prepared relative to payments to individual producers in Hawaii, Florida, Louisiana, and Puerto Rico, and some discussion of the subject.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

It was testified, at the hearings upon the amendments to the Sugar Act of 1948, that payments under this act have averaged $64 million annually. An analysis of the producers receiving these payments discloses that during the year 1954, 39 producers received over $100,000 each. Their sugar act payments comprise approximately 20 percent of the total payments to all producers. One producer received over $1 million. Set forth below is a tabulation showing how much each of these producer companies received:

	Amount of payment, 1954
Hawaii:	
Hakalau Plantation Co	$180,726
Hamakua Mill Co	282,935
Hawaiian Agricultural Co	311,534
Hilo Sugar Plantation Co	192,840
Honokaa Sugar Co	243,824
Hutchinson Sugar Plant. Co	163,104
Kaiwiki Sugar Co., Ltd	180,656
Kohala Sugar Co	360,527
Laupahoehoe Sugar Co	219,179
Olaa Sugar Co., Ltd	265,141
Onomea Sugar Co	230,196
Paauhau Sugar Plant. Co	176,446
Pepeekeo Sugar Co	203,524
Gay & Robinson	171,911
Grove Farm Co., Ltd	325,264
Kekaha Sugar Co., Ltd	397,586
Kilauea Sugar Plant. Co	145,205
McBryde Sugar Co., Ltd	285,441
Olokele Sugar Co., Ltd	288,002
The Lihue Plant. Co., Ltd	498,880
Hawaiian Commercial & Sugar Co., Ltd	1,051,585
Pioneer Mill Co., Ltd	457,358
Wailuku Sugar Co	271,718
Ewa Plantation Co	489,051
Kahuku Plantation Co	195,828
Oahu Sugar Co., Ltd	572,497
Waialua Agricultural Co., Ltd	517,710
Florida:	
U. S. Sugar Corp	702,564
Okeelanta Sugar Refinery, Inc	119,015
Louisiana:	
Godchaux Sugars, Inc	121,363
South Coast Corp	221,261
Southdown Sugars, Inc	200,859
Puerto Rico:	
Luce & Co	557,288
Heirs of Miguel Esteves Blanes, deceased	144,015
Eastern Sugar Associates	328,904
Antonio Roig, Sucrs	345,101
Sucesion J. Serralles	322,094
Mario Mercado y Hijos	105,963
Ramon Gonzales Hernandez	107,850

HIDDEN BENEFICIARIES

Sugar producers form a tightly-knit organization. Indeed, unlike any other industry of which I am aware, they exchange among themselves common directors. Only in a highly-protected, highly-subsidized, noncompetitive industry would this be possible. I have found, for instance, that one company, C. Brewer & Co., Ltd., owns between 50 and 100 percent of the stock of 10 of the companies which received compliance payments. The payments to these 10 organizations total $2,164,000, or 3.4 percent of the total payments made by the United States Government to all sugar producers. Another company, Theodore H. Davies & Co., controls three companies, which received Sugar Act payments in 1954 totaling over $700,000, or a little over 1 percent of the total payments made by the United States Government. The Brewer and Davies companies, whose names do not even appear in the list of beneficiaries of Sugar Act payments, therefore received almost 5 percent of the $64 million paid out by the Government last year under the Sugar Act. I understand that recently, some of our big industrial corporations, which are listed on the stock exchange, are entering the field to share the Federal Government's largesse. The financial services recently carried the story that Webb & Knapp either had purchased or were going to purchase the controlling interest in Godchaux Sugars, Louisiana producer. Celotex Corp. has, for some time, held the controlling interest in South Coast Corp., another Louisiana sugar producer which has consistently received in excess of $200,000 per year in Sugar Act payments. It is apparent from this bare recital of the real beneficiaries of the Sugar Act that the chief beneficiaries are not, as some persons would have us believe, farmers, but large industrial corporations.

RATE OF RETURN

The contribution of the Sugar Act to the prosperity of American sugar producers is evident from the most casual of glances at their income statements. Five American mainland sugar producers received payments of over $100,000 in 1954. Of these, four publish financial statements about their operations. United States Sugar Corp., which received a payment of $703,000, earned a return for its investors of 15.4 percent upon their net worth. Southdown Sugars, Inc., which received a payment of $200,000, earned a return upon net worth in 1954 of 13.1 percent. Although South Coast Corp. earned a return of only 4.9 percent upon its net worth in 1954, those earnings were abnormally low. In 1953 their earnings were 50 percent higher. In 1952 they were approximately 40 percent higher, and in 1951 South Coast's net income, after taxes, was more than twice the net income it received in 1954. In each of these years, however, the Sugar Act payment was between $165,000 and $234,000.

Rates of return upon net worth show considerable fluctuation in the table prepared by the Department of Agriculture which appears on pages 80 and 81 of the hearings. Financial information about most of the companies is difficult to obtain and is not published in the financial manuals. It seems that it is those companies, whose financial statistics are not scrutinized by the Securities and Exchange Commission, or any other public agencies, that show the lowest return. Thus, 6 of the 7 Puerto Rican companies publish no financial statistics, and it is the Puerto Rican companies which claim the lowest return. Similarly, the Okeelanta Sugar Refinery is the only mainland company receiving a compliance payment of over $100,000, which does not show a substantial return upon net worth, and it is the only company which does not publish its financial statement. I make no charges, but I believe this matter should be studied.

UNITED STATES SUGAR CORP.

One of the most highly subsidized corporations is the United States Sugar Corp. For most of the years during which the Sugar Act has been in effect, it was the only producer in the State of Florida which received a payment of over $100,000 per year. Now, there are two such companies, the other one being the Okeelanta Sugar Refinery, which receives payment slightly in excess of $100,000 per year.

The United States Sugar Corp. received payments of $592,000 in 1949, $615,000 in 1950, $658,000 in 1951, $789,000 in 1952, $750,000 in 1953, and $702,000 in 1954. During this time it had a net income, before taxes, of $2,109,000 in 1950, $5,718,000 in 1951, $5,857,000 in 1952, $5,246,000 in 1953, and $5,223,000 in 1954. The market price of its stock has reflected its prosperity, for the stock has risen from $3 per share early in 1950 to $14 per share in 1955. Benefits from the subsidy, obviously, are designed to improve the financial resources of the stockholders of the corporation.

INACCURACIES IN TABLE

On pages 80 and 81 of the Sugar Act Extension hearings before the Senate Committee on Finance, there appears a table showing the 39 producers receiving Sugar Act compliance payments of $100,000 or more in 1954 and certain financial data for the calendar year 1954 or the fiscal year ending in 1955. It indicates the gross income of the producers, their net profit excluding compliance payments, and their net profit including compliance payments, their net worth at the end of the year, their rate of profit upon their net worth, their production of raw sugar, the processing tax collected, the excess of the payment over the processing tax, the rate of tax, and the rate of compliance payments.

The data was collected in response to a request by Senator BYRD during the hearings, by telegrams sent to the producers by the Department of Agriculture. Since it was compiled under pressure and in a hurry, there are some inconsistencies in the table. Of the 39 producers to whom telegrams were sent requesting information, 38 responded and furnished the requested data. Of these 38, it appears that 35 showed net profits. However, if the compliance payment is subtracted from the net profit, the table shows that only 14 would have a net profit.

This method of determining whether there is a net profit from operations exclusive of the compliance payment is fallacious, for it results in subtracting the taxes paid upon the compliance payment before arriving at the net profit, even though the compliance payment is excluded from the income. It would be more accurate to subtract the compliance payment from the profits figure before taxes if a determination whether there is a profit exclusive of compliance payments is desired. The table furnished to Senator BYRD does not have a net-profit-before-taxes figure. In order to obtain this, I examined the financial statements of the producers which are published by the financial manuals. Only 23 of the 39 producers make such financial statements available to the public. Only 1 of the 7 Puerto Rican producers does. My calculations, which have been checked by the SEC, show that 15 of the 23 producers had a net income in 1954 which exceeded the compliance payment.

Company	Profit before taxes	Compliance payment	Excess of profit over compliance payment
Eastern Sugar Associates	$168,850	$328,904	−$160,054
Ewa Plantation Co	1,402,161	489,051	913,110
Godchaux Sugars, Inc	1,090,172	138,488	951,684
Hawaiian Agricultural Co	99,293	311,534	−212,241
Hawaiian Commercial & Sugar Co., Ltd	2,429,455	1,051,585	1,377,870
Honokaa Sugar Co	161,333	243,824	−82,491
Hutchinson Sugar Plantation Co	92,470	163,104	−80,634
Kahuku Plantation Co	77,350	195,828	−118,478
Kekaha Sugar Co., Ltd	845,655	397,586	448,069
The Lihue Plantation Co., Ltd	985,118	498,880	486,238
McBryde Sugar Co., Ltd	218,416	285,441	−67,025
Oahu Sugar Co., Ltd	1,551,552	572,497	979,055
Olaa Sugar Co., Ltd	−745,382	265,141	−1,010,523
Olokele Sugar Co., Ltd	561,426	288,002	273,424
Onomea Sugar Co	37,975	230,196	−192,221
Paauhau Sugar Plantation Co	198,745	176,446	22,299
Pepeekeo Sugar Co	238,847	203,524	35,323
Pioneer Mill Co., Ltd	822,704	457,358	365,346
South Coast Corp	497,439	221,261	276,178
Southdown Sugars, Inc	1,814,441	227,073	1,587,368
United States Sugar Corp	5,223,521	702,564	4,520,957
Waialua Agricultural Co., Ltd	1,180,743	517,710	663,033
Wailuku Sugar Co	506,312	271,718	234,594

SUGAR PAYMENTS FROM, COMPARED TO TAX PAYMENTS TO, TERRITORIAL, STATE, AND FEDERAL GOVERNMENTS

A comparison was also made between the total Federal income, excess profits and territorial or State taxes paid by the sugar producers and the payments received by them. It was found that 16 of the 23 producing companies received more from the Federal Government as a payment under the Sugar Act than they pay to the Federal and territorial or State governments in taxes. In effect, therefore, they have a tax-free operation.

Names of persons receiving Sugar Act payments of $100,000 (rounded to nearest dollar) or more

Name of producer	Amount of payment					
	1949	1950	1951	1952	1953	1954
Hawaii:						
Hakalau Plantation Co.	$163,902	$150,784	$133,839	$151,694	$166,920	$180,726
Hamakua Mill Co.	215,398	234,544	235,271	247,724	291,793	282,935
Hawaiian Agricultural Co.	318,698	308,085	320,733	306,657	313,439	311,534
Hilo Sugar Plantation Co.	187,735	166,655	138,507	148,456	172,715	192,840
Honokaa Sugar Co.	267,392	245,150	248,577	231,439	309,421	243,824
Hutchinson Sugar Plantation Co.	169,150	160,866	156,710	176,577	192,448	163,104
Kaiwiki Sugar Co., Ltd.	111,233	152,491	164,544	173,685	189,985	180,656
Kohala Sugar Co.	329,718	356,786	374,432	352,851	404,692	360,527
Laupahoehoe Sugar Co.	154,176	156,795	179,352	195,295	225,550	219,179
Olaa Sugar Co., Ltd.	270,542	271,995	238,720	295,032	281,954	265,141
Onomea Sugar Co.	180,275	147,556	113,804	163,743	201,628	230,196
Paauhau Sugar Plantation Co.	140,893	149,417	159,764	172,298	176,535	176,446
Pepeekeo Sugar Co.	167,277	171,124	154,454	175,589	194,619	203,524
Gay & Robinson	131,589	149,086	155,361	172,693	170,610	171,911
Grove Farm Co., Ltd.	297,254	290,393	253,490	302,340	329,637	325,264
Kekaha Sugar Co., Ltd.	394,386	375,705	364,661	392,831	388,238	397,586
Kilauea Sugar Plantation Co.	122,825	119,781	123,777	133,563	157,771	145,205
McBryde Sugar Co., Ltd.	262,012	266,985	270,892	292,851	294,385	285,441
Olokele Sugar Co., Ltd.	260,061	270,457	289,384	288,729	308,685	288,002
The Lihue Plantation Co., Ltd.	473,508	461,941	473,698	506,439	508,508	498,880
Hawaiian Commercial & Sugar Co., Ltd.	954,849	974,940	1,028,502	1,011,005	1,085,695	1,051,585
Pioneer Mill Co., Ltd.	355,598	397,691	437,180	391,671	433,037	457,358
Wailuku Sugar Co.	219,844	242,421	234,159	208,979	244,946	271,718
Ewa Plantation Co.	401,725	475,195	479,118	472,586	489,921	489,051
Kahuku Plantation Co.	178,495	178,884	181,047	187,968	201,804	195,828
Oahu Sugar Co., Ltd.	600,740	588,492	600,963	608,470	613,463	572,497
Waialua Agricultural Co., Ltd.	483,601	510,227	522,311	524,113	450,332	517,710
Florida:						
United States Sugar Corp.	592,452	615,026	658,835	789,158	750,633	702,564
Okeelanta Sugar Refinery, Inc.	(1)	(1)	(1)	125,343	158,148	119,015
Louisiana:						
Godchaux Sugars, Inc.	(1)	127,675	(1)	135,124	138,488	121,363
South Coast Corp.	177,418	232,478	165,863	226,256	234,416	221,261
Southdown Sugars, Inc.	143,447	166,330	127,713	234,696	227,073	200,859
	1949–50	1950–51	1951–52	1952–53	1953–54	
Puerto Rico:						
Luce & Co.	608,281	617,988	610,841	555,599	557,288	----------
Heirs of Miguel Esteves Blanes, deceased	142,600	166,707	154,701	140,143	144,015	----------
Eastern Sugar Associates	429,992	344,622	388,236	336,668	328,904	----------
Antonio Roig, Successors	392,770	356,064	368,743	337,295	345,101	----------
Sucesion J. Serralles	376,861	396,125	363,867	318,746	322,094	----------
Mario Mercado e Hijos	112,484	119,704	116,589	110,194	105,963	----------
Ramon Gonzalez Hernandez	107,618	(1)	131,877	109,748	107,850	----------
Antonio Cabassa Vda.	103,584	101,885	(1)	(1)	----------	----------
Heirs of Alfredo Ramirez Rossell	112,682	101,430	(1)	(1)	----------	----------

[1] Under $100,000.

NOTE.—The above figures of payments were tabulated according to the records in the Washington office of the Sugar Division. Inasmuch as reports for processor-producers only have been received during the past few years, there may be some producers, other than processors, who have received payments of $100,000 or more. However, this is doubtful.

Mr. FULBRIGHT. I should like to point out the nature of this information, to indicate the type of situation we are dealing with. Let us take Hawaii. The Hawaiian Commercial & Sugar Co., Ltd., was paid $1,051,585. I can see no excuse whatever for levying a tax upon the housewives of this country and paying any such magnificent sums to a number of enormous corporations operating in Hawaii. The list contains 39 producers who received in excess of $100,000 each.

Mr. HOLLAND. I believe it is 38 producers.

Mr. FULBRIGHT. My list shows 39. It is taken from the same statistics which were presented at the hearings. I wonder how many people realize that these enormous payments are being made. I found for instance that one company, C. Brewer & Co., Ltd., owns between 50 and 100 percent of the stock of 10 of the companies which received compliance payments. The payments to these 10 organizations total $2,164,000, or 3.4 percent of the total payments made by the United States Government to all sugar producers.

If these are little farmers we are helping, I do not understand the English language.

Another company is the Theodore H. Davies Co., which controls three companies. It received sugar payments in 1954 totaling in excess of $700,000, or a little more than 1 percent of the total payments made by the United States Government.

If there is any justification for aiding a few small growers to get started or to survive in the arid West, perhaps a case can be made for such a situation. However, I am utterly unable to understand why we should subsidize to the tune of $2 million a great combine in Hawaii which owns 10 big companies.

There is one other point I should like to make in regard to the profits of these companies. I believe I have consent to place these papers in the RECORD. I believe the distinguished chairman of the Finance Committee did not put into the RECORD the letter and the table, and if it is agreeable with him, I ask unanimous consent to have printed in the RECORD a letter from the Department of Agriculture, addressed to the chairman of the Finance Committee. I believe he made inquiry as a result of my letter to him relating to the interpretation of the tables. I believe there was a misconception left by the table presented to the committee. I think this letter clarifies the situation, together with the table which I ask consent to have printed at this point.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY STABILIZATION SERVICE,
Washington, D. C., February 6, 1956.

Hon. HARRY F. BYRD,
Chairman, Senate Committee on Finance, United States Senate.

DEAR SENATOR BYRD: We appreciate very much your calling to our attention Senator FULBRIGHT's comments on the data supplied by the Sugar Division, which appear on pages 80 and 81 of the hearing record of the Committee on Finance on the extension of the Sugar Act.

The data, as you will recall, were furnished in response to your request, which appears on page 78 of the RECORD, as follows:

"I would like to have a statement of all companies that get over $100,000 subsidies and find out what the earnings were without the subsidies, and what the earnings are with the subsidies, with the amount of invested capital."

The table contains two columns labeled "Net profit (or loss) from all operations"; one "including compliance payments," the other "excluding compliance payments." The latter is subject to a footnote which reads, "Without adjustment for the income tax paid on compliance payments." As the note indicates, and as the figures in the column clearly show, the data in the latter column represent a simple subtraction of the amount of the compliance payment from the net profit (or loss) from all operations. The compliance payments are shown in the first column of the table.

Senator FULBRIGHT objects to our simplified procedure which did not include the computation of income taxes on compliance payments. Much can be said in favor of a more comprehensive procedure which will show the tax breakdown required to meet Senator FULBRIGHT's point. The effect, of course, is to show that companies in a profit position are permitted to retain only a portion of their compliance payments. Unfortunately, Senator FULBRIGHT, in his own computations, shows as the "true profit figures" data on profits before taxes. In an evaluation of earnings we do not consider it proper to disregard any such major item of cost as taxes. Senator FULBRIGHT, by ignoring taxes, overstates net profits for the more profitable companies by more than 100 percent.

Federal income taxes alone amount to 30 percent of the first $25,000 of taxable net income and to 52 percent of taxable net income above $25,000. All of the companies, except those in Puerto Rico, are subject to this tax and those in Puerto Rico are subject to a substantial income tax imposed by the Commonwealth. Additional taxes or net income are levied by Hawaii and a number of States on firms operating in those jurisdictions. It does not appear valid to ignore a cost which may be greater than the net profit.

In order to obtain information required for the more elaborate computations sug-

UNIVERSITY OF MICHIGAN LIBRARIES

gested by Senator FULBRIGHT's letter, i. e., the amount of the compliance payment which is recovered as income tax, we have asked the payees for additional information, including the portions of their income taxes ascribed to the receipt of compliance payments. This information is tabulated on the attached table which shows for each of the payees a breakdown of the net profit into two parts: One, that attributable to the compliance payment and two, that attributable to all other sources.

Except for one company that now has a final tax figure in place of an estimate, the total net profit position of each of the companies is identical in the two reports. Obviously, the total profit cannot be affected by tax prorations or other such computations.

The former simplified computations showed that 24 of the 38 companies had either losses or net profits smaller than their compliance payments. By deducting taxes from the compliance payments it is found that 5 of these companies had a net profit from other sources. These detailed computations show that 19 of the 38 companies would have had losses if they had received no compliance payments.

Senator FULBRIGHT gives data taken from financial manuals on profits before taxes for 23 companies. His data show that of these 23 companies 8 would have had losses before taxes if no compliance payments had been received. Apparently the data used by Senator FULBRIGHT tended to cover the more profitable companies.

Sincerely yours,

LAWRENCE MYERS,
Director, Sugar Division.

Effect of Sugar Act compliance payments on the net profit (or loss) of sugarcane and sugar beet producers who received compliance payment in excess of $100,000, calendar year 1954 or fiscal year ending in 1955

Company	Sugar Act compliance payment	Net profit (or loss) before income taxes	Federal and State taxes on income			Net profit (or loss) after income taxes			Percentage of compliance payment retained after income taxes
			Total	Apportioned to—		Total	Ascribed to—		
				Compliance payment	Other net income		Compliance payment	Other	
Domestic beet area: None.									
Mainland sugarcane area:									
Godchaux Sugars, Inc	$126,388	$747,323	$373,171	$67,000	$306,171	$374,152	$59,388	[1] $314,764	47.0
Okeelanta Sugar Refinery Inc	119,015	(75,433)				(75,433)	119,015	(194,448)	100.0
South Coast Corporation	222,787	659,456	350,000	118,000	232,000	309,456	104,787	[1] 204,669	47.0
Southdown Sugar, Inc	187,483	1,638,086	768,948	101,000	667,948	869,138	86,483	[1] 782,655	46.1
United States Sugar Corp	702,564	5,060,724	2,600,000	351,282	2,248,718	2,460,724	351,282	2,109,442	50.0
Total mainland sugarcane area	1,358,237	8,030,156	4,092,119	637,282	3,454,837	3,938,037	720,955	3,217,082	53.1
Hawaii:									
Ewa Plantation Co	489,921	1,402,161	746,396	265,536	480,860	655,765	224,385	431,380	45.8
Gay & Robinson	170,610	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[3]
Grove Farm Co., Ltd	329,637	391,792	147,526	111,469	36,057	244,266	218,168	26,098	66.2
Hakalau Plantation Co	166,301	91,987	37,126	37,126	0	54,861	129,175	(74,314)	77.7
Hamakua Mill Co	291,793	249,055	36,600	36,600	0	212,455	255,193	(42,738)	87.5
Hawaiian Agricultural Co	313,439	134,609	7,905	7,905	0	126,704	306,534	(178,830)	97.5
Hawaiian Commercial & Sugar Co	1,085,695	2,417,294	802,182	603,650	198,532	1,615,112	482,045	1,133,067	44.4
Hilo Sugar Plantation	172,715	360,098	162,421	93,599	68,822	203,677	79,116	124,561	45.8
Honokaa Sugar Co	301,689	231,160	74,000	74,000	0	157,160	227,680	(70,520)	75.4
Hutchinson Sugar Plantation Co	192,448	140,651	17,603	17,603	0	123,048	174,845	(51,797)	99.9
Kahuku Plantation Co	201,804	77,350	0	0	0	77,350	201,804	(124,454)	100.0
Kaiwiki Sugar Co., Ltd	189,985	157,322	16,600	16,600	0	140,722	173,385	(32,663)	91.3
Kekaha Sugar Co., Ltd	388,238	845,655	395,063	209,757	185,306	450,592	178,481	272,111	46.0
Kilauea Sugar Plantation Co	157,771	75,042	5,551	5,551	0	69,491	152,220	(82,729)	96.5
Kohala Sugar Co	404,692	283,145	105,545	102,696	2,849	177,600	301,996	(124,396)	74.6
Laupahoehoe Sugar Co	225,550	111,134	0	0	0	111,134	225,550	(114,416)	100.0
McBryde Sugar Co., Ltd	294,389	218,416	29,230	29,230	0	189,186	265,159	(75,973)	90.1
Oahu Sugar Co., Ltd	596,149	1,409,543	452,379	205,548	246,831	957,164	390,601	566,563	65.5
Olaa Sugar Co., Ltd	281,954	(745,382)	0	0	0	(745,382)	281,954	(1,027,336)	100.0
Olokele Sugar Co., Ltd	308,685	585,021	241,120	167,364	73,756	343,901	141,321	202,580	45.8
Onomea Sugar Co	201,629	80,578	0	0	0	80,578	201,629	(121,051)	100.0
Paauhau Sugar Plantation Co	176,535	212,399	102,481	95,436	7,045	109,918	81,099	28,819	45.9
Pepeekeo Sugar Co	194,619	272,473	118,692	99,798	18,894	153,781	94,821	58,960	48.7
Pioneer Mill Co., Ltd	433,637	800,403	168,491	48,952	119,539	631,912	384,085	247,827	88.7
The Lihue Plantation Co., Ltd	508,508	861,625	308,328	252,962	55,366	553,297	255,546	297,751	50.3
Waialua Agricultural Co., Ltd	450,332	999,779	521,712	244,080	277,632	478,067	206,252	271,815	45.8
Wailuku Sugar Co	244,946	539,344	224,633	132,760	91,873	314,711	112,186	202,525	45.8
Total Hawaii	8,773,071	12,208,654	4,721,584	2,858,222	1,863,362	7,487,070	5,744,239	1,742,831	[3] 66.8
Puerto Rico:									
Eastern Sugar Associates	337,838	351,955	98,500	111,030	(12,530)	253,455	226,808	26,647	67.1
Heirs of Miguel Esteve Blanes, deceased	135,362	109,940	28,200	28,200	0	81,740	107,162	(25,422)	79.2
Ramon Gonzales Hernandez	105,505	3,711	0	0	0	3,711	105,505	(101,794)	100.0
Mario Mercado y Hijos	105,963	124,746	33,185	29,159	4,026	91,561	76,804	14,757	72.5
Luce & Co	535,355	237,940	92,459	92,459	0	[4] 145,481	442,896	(297,415)	82.7
Antonio Roig, Successores	345,101	201,262	47,352	47,352	0	153,910	297,749	(143,839)	86.3
Sucesion J. Serralles and Wirshing & Co., Coproducers	261,941	(412,825)	0	0	0	(412,825)	261,941	(674,766)	100.0
Total Puerto Rico	1,827,065	616,729	299,696	308,200	(8,504)	317,033	1,518,865	(1,201,832)	83.1
Total, all areas	11,958,373	20,855,539	9,113,399	3,803,704	5,309,695	11,742,140	7,984,059	3,758,081	[3] 67.7

[1] Reflects income from oil and gas royalties and leases and from the refining of off-shore sugar.
[2] Not available.
[3] Average excludes Sugar Act compliance payment to Gay & Robinson.
[4] Previously reported as $137,940 before income taxes were determined to be $92,459 and when a $100,000 reserve had been provided for such taxes.

Source: Obtained from payees.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Relative to the table and the letter which the Senator has just placed in the RECORD, the table carries a list, does it not, of all producers of sugarcane who received compliance payments in excess of $100,000 each, in the year 1954.

Mr. FULBRIGHT. That is correct.

Mr. HOLLAND. Does it not show that 19 of the 38 producers contained in that list would have operated at a loss if they had not had such payment?

Mr. FULBRIGHT. Is the Senator talking about the letter, or about the table?

Mr. HOLLAND. I am talking about both. The table lists the large producers, one at a time, but totaling 38, all of them being producers of sugarcane, who have received compliance payments during the calendar year 1954, in excess of $100,000 each. My question is this: Is it not true that the list, and the letter accompanying it, both show that 19 of the 38 large producers so listed would have operated at a loss unless they had been drawing compliance payments?

Mr. FULBRIGHT. The fact of the matter is that the table which the Senator has in his hand was furnished only a few minutes before I came to the floor this afternoon by the Senator from Virginia [Mr. BYRD]. We had no access to the figures prior to that time.

As to the companies giving published information, that is not true. We have observed in our analysis of the figures that those companies which publish their statements uniformly, show a higher percentage of profits than those companies which do not publish their figures.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield further?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Does not the letter which the Senator has filed in connection with the list contain this statement:

These detailed computations show that 19 of the 38 companies would have had losses if they had received no compliance payments.

Mr. FULBRIGHT. The table prepared by the Department to which the Senator is referring shows that. The information from which it is compiled was private information. It was not from published statements of the companies.

Mr. HOLLAND. Does not the letter commenting on the distinguished Senator's request contain this statement?

Unfortunately, Senator FULBRIGHT in his own computations shows as the "two profit figures" data on profits before taxes.

Mr. FULBRIGHT. That is correct. The taxes can be deducted. Everyone knows what the tax rate on corporations is. The information supplied to the committee was very misleading because they had deducted taxes twice, which left a completely false situation before the committee. That was the origin of this new request.

Mr. President, I wish to point out a few facts. First, Mr. President, let me say that it seems to me that some Members of the Senate have permitted Hawaii to get a little ahead of them. I think they should figure out a plan which does not favor the Hawaiian producers so much more than our own producers. It would make it a little easier to take if the hundreds of thousands of dollars were going to people in Louisiana or Colorado. I think we have let Hawaii outtrade us a little.

Godchaux Sugars, Inc., received a payment of $126,388, a return of 2.8 percent upon their net worth.

The United States Sugar Corp. received a payment of $702,564, a return on its investment of 15.4 percent. That is getting up into big money. That is after taxes.

Southdown Sugar, Inc., received a payment of $187,483, earning a return upon net worth of 13.3 percent.

Mr. LONG. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. Is that after taxes?

Mr. FULBRIGHT. Yes; it is after taxes.

UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, will the Senator from Arkansas yield to me to propound a unanimous-consent request, on condition that he shall not thereby lose his right to the floor?

The PRESIDING OFFICER. Does the Senator from Arkansas yield for that purpose?

Mr. FULBRIGHT. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, on behalf of myself, the distinguished minority leader, and the distinguished chairman of the Finance Committee, I send to the desk a proposed unanimous-consent agreement and ask that it be read.

The PRESIDING OFFICER. The unanimous-consent request will be read.

The legislative clerk read as follows:

Ordered, That, effective on Wednesday, February 8, 1956, at the conclusion of routine morning business, during the further consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Has not the Senate already entered an order that when the Senate concludes its business today it adjourn until 11 o'clock a. m. tomorrow?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield for any questions concerning the unanimous-consent request, but before so doing I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask that the question be put on agreeing to the proposed unanimous-consent agreement which I have submitted.

The PRESIDINC OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Texas? The Chair hears none, and the agreement is entered into.

Mr. CARLSON. Mr. President, the debate this afternoon has demonstrated some of the complexities concerning sugar involved in legislation. The matter has been discussed from several angles. For example, the Senator from Arkansas [Mr. FULBRIGHT] has implied that the bill might well have been considered by the Committee on Foreign Relations. I think there is some merit to that contention.

The Senator from Louisiana, the able chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER], and the Senator from New Mexico [Mr. ANDERSON] have suggested that the bill might well have been referred to the Committee on Agriculture and Forestry. I think their suggestions are well taken.

The bill before the Senate, however, was reported by the Committee on Finance, under the able chairmanship of the Senator from Virginia [Mr. BYRD]. The committee considered the bill for several months. Some of the members of our committee have worked very hard and diligently, among them the Senator from Utah [Mr. BENNETT], the Senator from Florida [Mr. SMATHERS], and the Senator from Louisiana [Mr. LONG].

So the bill has come to the Senate with many complex problems and many diverse ideas. I may say frankly that the bill contains some features which I should very much have liked to have changed. I did not obtain everything I wanted.

Nevertheless, the bill increases the acreage allotment for our domestic producers. Furthermore, it gives the domestic producers, the American farmers, the benefit of the economic growth and the population growth. Therefore, I think the bill is very timely.

As we consider the Sugar Act extension today, I believe we can do much to help encourage the principle of reciprocity in United States trade relations with many countries and areas included in the United States sugar legislation.

If reciprocity is to have a real meaning in our foreign trade, it must be a two-way proposition.

Flour is one of our principal items of export to countries with which we are dealing today in the present Sugar Act extension. I discuss this matter today because I firmly believe that in dealing with these countries, some of them favored nations under the reciprocal trade agreements, we should be assured of a fair and equitable treatment, and these countries should recognize the mutual basis of trade.

Testimony before the Finance Committee indicates that there are some countries receiving sugar quota privileges under this legislation that are not observing the true fundamental principles of reciprocity.

It is my intention to discuss this from the angle of the wheat grower and the flour-milling industry of the United States.

For example, when the United States and a foreign country negotiate a trade agreement and the United States gives a tariff concession on an imported product, such as sugar, and receives a concession on an export product, such as wheat flour, that is considered reciprocity. But when the other country imposes trade controls, such as quotas and restrictive licenses, on our export commodities and impairs the concession, the principle of reciprocity receives a serious setback.

The proposed sugar legislation for 1956 has appeared to offer an unusual opportunity for developing a constructive and positive policy in regard to the principle of reciprocity in the United States import and export trade.

The bill clearly recognizes on the part of the United States certain limits that should be placed upon uneconomic or historic domestic production of sugar in the United States. Its quota provisions also enable such countries to participate

UNIVERSITY OF MICHIGAN LIBRARIES

in an important way in any further growth of the United States sugar market.

Several of the sugar-supplying countries receiving special import quotas in the United States market have either already taken some action or are reported to be contemplating adopting measures that restrict imports of United States surplus agricultural commodities. Most control measures are to support uneconomic local production in such countries of the basic agricultural commodities or their products, the production of which is now being severely restricted in the United States.

The agricultural commodities which we export to sugar exporting countries are commodities upon which our taxpayers vote large sums of money to maintain a price-support program.

It occurs to me that at least the countries whom we favor in the Sugar Act should at all times give every consideration to some of our problems in relieving our surplus farm products. In most instances, the commodities that we export and hope to export to these countries are commodities that they cannot produce economically.

As I view the trend, based on statistical tables which I shall make a part of these remarks, I am concerned about the future of this trade program. The countries which we favor with special trade concessions are, by establishing certain types of trade control, limiting our export markets, making our own agricultural surplus problem worse, and forcing further acreage and production controls in the United States. There is a limit, in my opinion, as to how far we should be patient in such matters and continue to suffer trade restrictions on our export commodities, especially for items that have been included in trade agreements for which we receive concessions, and in turn gave concessions, and which are now being forced to curtail production while protected monopoly-type operations are developed abroad.

I considered offering an amendment to the sugar bill at this time, designed to place in the hands of the Department of State and Agriculture specific means by which these developments might be corrected and their further expansion arrested.

The amendment I considered offering would have helped to implement a real policy of reciprocity in our foreign trade should be particularly helpful now in dealing with the surplus agricultural problem.

I do not plan to offer the amendment today for two reasons.

In the first place I think it is important that we secure the passage of the bill at the earliest possible date, in order that our domestic producers may know what their program will be for this year.

Second, this type of amendment is of a much broader character and should not be confined simply to sugar-producing countries. For these reasons I am withholding my proposed amendment for the present.

I would, however, specifically direct the attention of the Department of State and the Department of Agriculture to my deep concern about this problem.

I suggest, and I think most of my colleagues concerned with this problem will concur, that all available means should be employed to correct the many unfair individual country trade problems with which we are faced and which particularly involve our surplus agricultural commodities.

The trade agreement negotiations now in progress in Geneva, for example, should afford an opportunity to help improve this fundamental problem of reciprocity and greater access to markets for many of the products which can be produced economically and so advantageously in the United States.

Congress has given our administrative departments considerable authority to deal with our trade problems; also we have appropriated billions of dollars for foreign aid and assistance since World War II, and we sharply increased our productive capacity at great cost to help meet the needs of a hungry world. Now we find we are denied access to such markets for much of our surplus production, while other countries want to ship their supplies to the United States.

If some of these problems of trade are not or cannot be corrected soon through the authority and legislative means which have been supplied by Congress, it will be my purpose at a later date to propose suitable legislative remedies.

I ask unanimous consent to have printed at this point in the RECORD tables giving information on wheat and flour exports to Cuba.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Cuba: Wheat and flour exports from the United States and Canada, prewar average and annually, 1945–46 to 1954–55* [1]

[1,000 bushels, wheat equivalent]

Year	United States			Canada			Total		
	Wheat	Flour [2]	Total	Wheat	Flour	Total	Wheat	Flour	Total
Average, 1934–35 to 1938–39	22	4,717	4,739	--------	58	58	22	4,775	4,797
1945–46	76	8,442	8,518	86	47	133	162	8,489	8,651
1946–47	86	8,737	8,823	4	65	69	90	8,802	8,892
1947–48	58	6,145	6,203	--------	419	419	58	6,564	6,622
1948–49	70	6,342	6,412	12	582	594	82	6,924	7,006
1949–50	56	5,022	5,078	4	1,831	1,835	60	6,853	6,913
1950–51	68	5,153	5,221	17	2,525	2,542	85	7,678	7,763
1951–52	145	4,956	5,101	949	2,362	3,311	1,094	7,318	8,412
1952–53	1,354	5,051	6,405	1,638	149	1,787	2,992	5,200	8,192
1953–54	1,442	3,143	4,585	1,152	776	1,928	2,594	3,919	6,513
1954–55	1,621	3,819	5,440	1,113	995	2,108	2,734	4,814	7,548

[1] Supplying countries other than United States and Canada have been unimportant during this period.
[2] Includes semolina and also flour milled in bond.

Source: Official export data for United States and Canada

TABLE II.—*Cuba: Dollar value of wheat and flour shipments from the United States and Canada, 1945–54*

[1,000 United States dollars]

Year (calendar)	United States			Canada			Total		
	Wheat	Flour	Total	Wheat	Flour	Total	Wheat	Flour	Total
1945	123	13,758	13,881	--------	--------	--------	123	13,758	13,881
1946	154	16,077	16,231	--------	--------	--------	154	16,077	16,231
1947	230	25,462	25,692	--------	665	665	230	26,127	26,357
1948	199	14,236	14,435	--------	1,015	1,015	199	15,251	15,450
1949	144	14,640	14,784	30	3,180	3,210	174	17,820	17,994
1950	129	9,687	9,816	15	4,305	4,320	144	13,992	14,136
1951	137	10,990	11,127	75	5,375	5,450	212	16,365	16,577
1952	1,282	10,556	11,838	3,500	2,340	5,840	4,782	12,896	17,678
1953	2,881	8,502	11,383	2,800	735	3,535	5,681	9,237	14,918
1954	3,745	7,422	11,167	2,229	2,106	4,335	5,974	9,528	15,502

Source: Official export value figures for United States and Canada.

Mr. YOUNG. Mr. President, I wish to speak in favor of the extension and reenactment of the Sugar Act of 1948, as amended, substantially in the form recommended by the Committee on Finance in its report (No. 1461) on H. R. 7030. Briefly, among my reasons for supporting the bill are these:

First, I favor the national policy of the United States Government, enunciated by the committee, of preserving the ability of domestic areas to produce as large a portion of our sugar requirements as may be compatible with our friendly relationship with foreign countries.

Second, the bill as reported would restore the historical principle that the increase in the American sugar market because of population growth should be shared by the domestic sugar industry on the basis of the committee's recommendations. This would give domestic areas 55 percent of the increase in annual sugar consumption in continental United States above 8,350,000 tons. The need for additional sugar-beet acreage in crop rotation in North Dakota is pressing. Such need and demand apply to both the Red River Valley and to western areas of the State.

Third, the bill recommended by the committee for passage provides that deficits occurring in quotas allotted to any domestic area shall be apportioned

to other domestic areas which are able to fill the deficit. This small advantage to domestic areas is well justified.

I support H. R. 7030 with the amendments recommended by the committee, because I believe that some control of sugar-beet production is necessary. I do so, however, with the specific reservation that when conditions warrant, I shall feel free to propose amendatory legislation designed to provide domestic areas greater quotas. I feel, even at this time, that these areas are entitled to more recognition than the present bill permits.

Mr. SMATHERS. Mr. President, the Sugar Act is a complicated piece of legislation. The Senate Finance Committee's bill for amending and extending the act is necessarily also complicated. Even so, the principles involved stand out clearly enough.

Under existing conditions, it is in the interest of our agricultural economy that the domestic sugar producers should be permitted to expand their output at a rate permitting them to share, on a fair basis, in the annual growth of the American market resulting from the increases in our population.

It is also in our national interest that Cuba, our major foreign supplier of sugar in time of peace, and our indispensable and vital source of sugar in time of war, likewise be given a fair share of the annual increase in American consumption of sugar.

Under the existing Sugar Act, Cuba receives 96 percent of the annual increase; other foreign countries the remaining 4 percent. The domestic industry, therefore, obviously does not share in this increase. It is proposed in the bill reported out by the Committee on Finance, and now under consideration, to reduce substantially the Cuban share in the increase for the benefit of all domestic suppliers of sugar, both beet and cane, and also for the benefit of foreign suppliers which do not have fixed quotas. The domestic sugar industry, with the support of the executive branch of the Government, has requested that it be allotted 55 percent of the annual growth of our national sugar market. The Committee on Finance is in agreement with this position. The bill which has been reported, therefore, allots to the domestic industry the 55 percent which it desires instead of the 50 percent provided in H. R. 7030, as passed by the House of Representatives. This percentage of the growth factor which is now recommended corresponds closely to the proportion of the existing market now being supplied by the domestic industry.

Turning next to our most important foreign supplier, Cuba, it has been our endeavor to apply the same principle and to allot to Cuba 33.8 percent of the annual increase in consumption, a percentage justified by the proportion of our existing market now being supplied by that country. Any reduction below 33.8 percent for Cuba would be contrary to the public interest of the United States in that it would jeopardize an essential source of sugar, would be highly injurious to the economy and well being of a loyal and allied neighbor, and would affect most adversely a very important export outlet for the products of American farms and factories.

The allotment of 55 percent of the growth factor in sugar consumption to the domestic industry, plus 33.8 percent to Cuba, still leaves 11.2 percent of such factor for the other foreign suppliers, which is nearly three times the 4 percent they receive under existing law. This very generous treatment for such foreign suppliers is accorded because of the small tonnage which constitutes their basic quotas and the excellent trade relations which exist between them and the United States. It is thus clear that the domestic industry and foreign suppliers receive very substantial benefits under the proposed legislation, entirely at the expense of Cuba. Any further reduction in the Cuban share of our market would be, in my opinion, totally without justification, and would be based upon no economic principle or historical precedent.

Mr. MORSE. Mr. President, as one of the cosponsors of the original sugar bill, I wish to say I am supporting the pending legislation to extend the Sugar Act.

I think the reasons for my support are very obvious. I believe the sugar producers of this country are entitled to the assistance that will flow from the enactment of the bill.

Last fall I visited a large number of sugar beet growers in the Ontario-Nyssa-Vale area of my State. I found that they are in economic difficulties, and I think there is an obligation on the part of the Government to enact legislation which will not result in a continuation of what amounts to economic discrimination against them.

I care not what language is used, Mr. President; I care not how one may try to describe the effects of the heretofore existing sugar policy; I care not how much international wrapping is used on the package. The fact is that our economic foreign policy in connection with sugar has not accrued to the advantage of our domestic producers.

I certainly do not have to yield to any other Member of the Senate in the position I have taken on our economic foreign policy. I have always taken the position that when we adopt an economic foreign policy, we must always try to be fair to our domestic producers. I think we could do a better job by shipping some Cuban sugar elsewhere, rather than by bringing so much of it into the United States. I quite agree that we owe a great deal to Cuba, and I quite agree that it is not in our national interest to have the economy of Cuba damaged. But, Mr. President, it does not follow that we should continue to import into the United States all the Cuban sugar which is now coming into the United States. If we had a State Department that was doing the job which I believe it should be doing in the field of international economic aid and trade, I believe we would be parties not to bilateral trade agreements, but to multilateral trade agreements, whereby a certain amount of Cuban sugar would go elsewhere in the world, and we would take into our own country, from other parts of the world, products which would not do the great damage to various segments of our economy which at the present time is being done to the sugar producers of the United States.

Mr. President, because I think such a bill might provide some impetus and stimulate the State Department to do a better job in the matter of the international trading in sugar, I would support it; but I would support it in any event because in my judgment our farmers are entitled to the assistance aimed at in this bill.

As the Senator from Kansas [Mr. CARLSON] has said, each of us can have his own reservations as to how the bill might be improved. But I quite agree with the distinguished Senator now presiding over the Senate [Mr. SMATHERS] that the bill has received the most careful consideration by the Finance Committee; and it has gone through the fires of conscionable compromises in the Committee, I am sure. We have before us a bill which offers the best opportunity of being voted for by a majority of the Senate; and I am going to support the bill. I shall oppose any amendments which would seek to place in effect unfair discrimination against American producers, because I think it is about time that we make very clear to the American sugar producers that they can count upon having their own Government protect their economic interests.

When the bill comes up tomorrow, I hope it will receive a very large majority vote, which I believe it deserves.

Mr. President, at this time I desire to turn my attention to another matter.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The Senator from Oregon has the floor.

DESIRABILITY OF UNIFORM TERMINATION DATES FOR MARITIME LABOR CONTRACTS

Mr. MORSE. Mr. President, I desire to refer to a matter involving a maritime problem.

I hold in my hand a press release dated February 6, 1956. I desire to read the release, and then I wish to make a few comments on it.

The release reads as follows:

At the close of a conference held under the auspices of Chairman HERBERT C. BONNER, Democrat, North Carolina, of the House Merchant Marine Committee, and the ranking Republican member of the committee, Hon. THOR C. TOLLEFSON, Republican, Washington, Chairman BONNER issued the following statement:

"At the meeting today the leaders of both the management associations and the unions representing longshore labor unanimously agreed upon the desirability of establishing uniform termination dates for the labor contracts on both coasts of the United States. They agreed also upon the desirability of contracts extending over at least a 2-year period. The question of the specific date to be agreed upon was the subject of considerable discussion, and August 1 was tentatively selected as the date upon which both contracts would expire. This date was uncondi-

UNIVERSITY OF MICHIGAN LIBRARIES

tionally agreed to by Paul St. Sure, representing the Pacific Maritime Association; Mr. Louis Goldblatt, representing the International Longshoremen's and Warehousemen's Union; and Mr. Patrick Connolly, representing the International Longshoremen's Association. Mr. Alexander Chopin, representing the New York Shipping Association, stated that he had no authority to agree upon any specific date other than the one, September 30, when his contract now expires. He indicated that he would be pleased to take this matter up with the members of his association at once and advise Chairman BONNER of the association's position."

Also attending the meeting today was the Honorable Clarence G. Morse, chairman of the Federal Maritime Board and Maritime Administrator. August 1 was recommended to the New York Shipping Association by Chairman Bonner, Congressman Tollefson, and John J. Allen, Jr., of California, and Board Chairman Morse.

Chairman BONNER expressed the hope that the action taken today would be the forerunner in a series of steps designed to provide increased stability to the maritime industry, and that the New York Shipping Association would agree promptly to the August 1 date. He stated that he intended to contact the leaders of the maritime unions representing the seagoing personnel and ask that they meet with him in a similar conference.

Mr. President, I wish to commend Chairman BONNER and Representative TOLLEFSON for the public service they are rendering in connection with this matter, because economic stability on both coasts in the field of industrial relations I believe would be greatly enhanced by the adoption on the part of the unions concerned and on the part of the industry itself of a common date for the termination of the contracts. I would point out to Mr. Chopin, representing the New York Shipping Association, and to all the members of the New York Shipping Association, that the difference between the date which was recommended in the so-called Bonner Conference and the date in the Shipping Association's existing contracts, is simply 1 of 2 months. The Shipping Association's contracts now expire on September 30.

As one who over a period of years arbitrated major maritime disputes on the Pacific coast, for the full length of that coast, in the field of the longshore industry, I can testify from experience that the difference in termination dates between the west coast and the east coast creates a great deal of instability in the maritime industry, particularly in the case of so-called intercoast shipping. It is highly desirable, in the interest of economic stability in that industry, that the contracts expire on the same date.

I sincerely hope that the recommendations of the Chairman of the Federal Maritime Board and the Maritime Administrator, the Honorable Clarence G. Morse, not only be given careful consideration by the New York Shipping Association, but be given favorable consideration.

I hope that as a result of these negotiations, we shall at long last reach the time when there will be a uniform contract termination date, because I am satisfied that such an event would result in much greater stability in industrial relations in the maritime industry on both coasts.

Mr. President, I now desire to introduce a bill.

THE PRESIDING OFFICER. The Senator from Oregon may proceed.

REFERENCE TO INDIAN CLAIMS COMMISSION OF CLAIMS OF COOS BAY, LOWER UMPQUA, AND SIUSLAW TRIBES

Mr. MORSE. Mr. President, on behalf of myself and my colleague [Mr. NEUBERGER], I introduce, for appropriate reference, a bill to authorize the Coos Bay, Lower Umpqua, and Siuslaw Tribes of Indians to present their claims to the Indian Claims Commission for compensation for tribal lands turned over to the Federal Government under an unratified treaty of 1855.

The Indians have not been compensated for their homelands which they gave up nearly a century ago; but neighboring Indian tribes several years ago recovered the 1855 value of their lands, pursuant to an act authorizing them to present their claims—*Alcea Band of Tillamooks et al.* v. *U. S.* (103 Ct. Cls. 494, 329 U. S. 40).

The Coos Bay, Lower Umpqua, and Siuslaw Tribes of Indians were authorized to present their claims to the Government by a jurisdictional act of 1929. However, because of inadequate evidence on the matter of possession of the lands in question, they were denied recovery—87 Court of Claims 143. The Indian tribes named in the authorization bill introduced today are firmly of the opinion that they have been denied justice by the United States. On this subject, they have commented:

> The other tribes, the Alcea Band of Tillamooks and others, parties to the same unratified treaty under precisely the same situation presented convincing documentary evidence and the courts held in their favor.

If these facts are correct, we have a striking case of an injustice which has not been remedied, and I think the Congress of the United States should be in the forefront in clearing the way for corrective action.

In recent years, authorization bills similar to that introduced today have been offered in the Senate on behalf of these Indians. However, the Senate Interior Committee, relying strongly upon the doctrine of "res judicata" has not reported favorably upon such bills. Let me assure my colleagues that I recognize the wisdom of the "res judicata" doctrine in private litigation. After all, private legal disputes must be terminated if we are to have certainty and stability in our laws and their administration. On the other hand, where it is claimed that the Federal Government is indebted to citizens of the United States and where it is further alleged that the Government has compensated other citizens under precisely the same circumstances, I feel that serious consideration should be given to the making of an exception to the "res judicata" doctrine.

If the allegations of the Coos Bay, Lower Umpqua and Siuslaw Indians can be established in subsequent proceedings, the case is one which would call for the application of equitable principles. There should be a thorough scrutiny of the facts if we are to be wholly satisfied that there has not been a miscarriage of justice with respect to these Indians.

I urge that the Senate Interior Committee give prompt and careful study to this bill, which is designed as the first step toward permitting the Indians to present their claims to a proper tribunal of their Government.

All I am asking is simply the right for them to present their evidence in an appropriate judicial tribunal, and let the record speak for itself.

I send to the desk the bill to which I have just referred. I ask that it be appropriately referred; and I also ask that the bill be printed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The bill will be received and appropriately referred; and without objection, the bill will be printed in the RECORD.

The bill (S. 3156) to authorize the presentation of claims of the Coos (or Kowes) Bay, Lower Umpqua (or Kalawatset), and Siuslaw Tribes of Indians to the Indian Claims Commission, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That any claim or claims which shall be presented to the Indian Claims Commission under the terms of the act entitled "An act to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes," approved August 13, 1946, by, for, or on behalf of the Coos (or Kowes) Bay, Lower Umpqua (or Kalawatset), and Siuslaw Tribes or Bands of Indians, or portions thereof, and their descendants shall be determined and adjudicated irrespective of and notwithstanding the decision of the courts in the case of Coos (or Kowes) Bay and others against the United States, numbered K345, in the Court of Claims of the United States, or the decision in the case of *Coos (or Kowes) Bay et al.* v. *the United States* before the Indian Claims Commission No. 265: *Provided*, That the time for presenting such claim or claims is hereby extended for 90 days after the date of enactment of this act and unless filed and presented within such time shall not thereafter be filed or presented.

SEC. 2. In the presentation of such claims, such tribes or bands may be represented by an attorney or attorneys of their own choosing who may be employed without regard to the provisions of sections 2103 to 2106, inclusive, of the Revised Statutes (25 U. S. C. 81–84). The attorney or attorneys shall be entitled to fees fixed by the Indian Claims Commission, in accordance with section 15 of such act of August 13, 1946, at not to exceed 10 percent of the amount recovered, and to reasonable expenses incurred in presenting such claims.

ADJOURNMENT TO 11 O'CLOCK A. M. TOMORROW

Mr. MORSE. Mr. President, in accordance with the order previously entered, I move that the Senate now stand

adjourned until 11 o'clock a. m., tomorrow.

The motion was agreed to; and (at 6 o'clock and 24 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, February 8, 1956, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 7, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou whom we worship and adore as the God of infallible wisdom, invincible strength and infinite love, show us how we may lay hold of those spiritual resources and reserves which will make us equal to all our needs and demands.

We humbly confess that we find it difficult to discern and know Thy will because of the blurrings and refractions of our poor human vision.

Grant that in the great business of statecraft, with its many arduous tasks and heavy responsibilities, we may be inspired with those sterling qualities of character which will keep us strong and steadfast.

May we be men and women of high resolve, noble aspirations, sound judgment, and bold initiative as we daily set our minds and hearts to the lofty vocation of serving our generation faithfully and effectively.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6645. An act to amend the Natural Gas Act, as amended.

CHANGING THE DATE FOR THE COUNTING OF THE ELECTORAL VOTES IN 1957

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. J. Res. 517) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There being no objection, the Clerk read the joint resolution, as follows:

Whereas January 6, 1957, is a Sunday; and

Whereas Public Law 771, 80th Congress (62 Stat. 672, 675), provides that "Congress shall be in session on the 6th day of January succeeding every meeting of the (Presidential) electors" for the purpose of counting the electoral votes: Therefore be it

Resolved, etc., That the two Houses of Congress shall meet in the Hall of the House of Representatives on Monday the 7th day of January 1957, at 1 o'clock postmeridian, pursuant to the requirements of the Constitution and laws relating to the election of President and Vice President of the United States, and the President of the Senate shall be their presiding officer; that 2 tellers shall be previously appointed by the President of the Senate on the part of the Senate and 2 by the Speaker on the part of the House of Representatives, to whom shall be handed, as they are opened by the President of the Senate, all the certificates and papers purporting to be certificates of the electoral votes, which certificates and papers shall be opened, presented, and acted upon in the alphabetical order of the States, beginning with the letter A; and said tellers, having then read the same in the presence and hearing of the two Houses, shall make a list of the votes as they shall appear from the said certificates; and the votes having been ascertained and counted in the manner and according to the rules by law provided, the result of the same shall be delivered to the President of the Senate, who shall thereupon announce the state of the vote, which announcement shall be deemed a sufficient declaration of the persons, if any, elected President and Vice President of the United States, and, together with a list of the votes, be entered upon the Journals of the two Houses.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARRANGEMENTS FOR THE INAUGURATION OF THE PRESIDENT-ELECT AND VICE PRESIDENT-ELECT ON THE 20TH DAY OF JANUARY 1957

Mr. McCORMACK. Mr. Speaker, I offer a concurrent resolution (S. Con. Res. 64) and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of 3 Senators and 3 Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States on the 20th day of January 1957.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: Page 1, line 7, strike out "twentieth" and insert "twenty-first."

The amendment was agreed to.

The Senate concurrent resolution was concurred in, and a motion to reconsider was laid on the table.

JOINT MEETING TO RECEIVE THE PRESIDENT OF THE REPUBLIC OF ITALY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, February 29, 1956, for the Speaker to declare a recess subject to the call of the Chair for the purpose of receiving in joint meeting the President of the Republic of Italy.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

READING OF WASHINGTON'S FAREWELL ADDRESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Wednesday, February 22, 1956, Washington's Farewell Address may be read by a Member to be designated by the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNA K. McQUILKIN

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6790) for the relief of Anna K. McQuilkin, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, after "McQuilkin", insert ", of Chicago, Ill."

Page 1, line 9, after "World War I", insert "In the event judgment is entered for Anna McQuilkin any award payable thereunder shall be reduced by the amount received by the father of Elmer K. Kersey, under the provisions of section 401 of the act of October 6, 1917 (40 Stat. 409), as amended."

Page 2, after line 6, insert:

"SEC. 3. Nothing contained in this act shall be construed as an inference of liability on the part of the United States."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight February 14, 1956, to file a supplemental report on H. R. 3383.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

ESTATE OF GRADY WARD

The Clerk called the bill (H. R. 2472) for the relief of the estate of Grady Ward.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to

UNIVERSITY OF MICHIGAN LIBRARIES

pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to the estate of Grady Ward, who was killed on October 2, 1943, when the truck in which he was a passenger was in collison with a United States Army truck near Bushnell, Fla. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert in lieu thereof "$2,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PHILIP COOPERMAN AND OTHERS

The Clerk called the bill (H. R. 4773) for the relief of Philip Cooperman, Aron Shriro, and Samuel Stackman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of determining the individual liability for income taxes for the taxable year 1951 of Philip Cooperman, Aron Shriro, and Samuel Stackman, the elections of said Philip Cooperman, Aron Shriro, and Samuel Stackman, sole stockholders of Queens Syndicate, Inc., which was liquidated pursuant to a plan of complete liquidation adopted on the 1st day of September 1951, to have the benefits of section 112 (b) (7) (A) of the Internal Revenue Code shall be considered to have been filed within 30 days after the date of adoption of such plan, such benefits having been denied because the mailing of such election was delayed, without negligence or fault on the part of such stockholders, until after the 30th day following the adoption of such plan.

With the following committee amendments:

Page 2, line 1, after "Code", insert "of 1939."

Page 2, line 3, strike out "election" and insert "elections."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. LU HO TUNG AND HIS WIFE, CHING-HSI (NEE TSAO) TUNG

The Clerk called the bill (H. R. 1892) for the relief of Dr. Lu Ho Tung and his wife, Ching-hsi (nee Tsao) Tung.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Lu Ho Tung and his wife, Ching-hsi (nee Tsao) Tung, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN RELATIVES OF UNITED STATES CITIZENS

The Clerk called the joint resolution (H. J. Res. 457) for the relief of certain relatives of United States citizens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, notwithstanding the provisions of section 212 (a) (6) of the Immigration and Nationality Act, the aliens hereinafter named may be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: Viviana T. Alfano, Maria A. M. Almeida, Joan W. Arrant, Elizabeth C. D. Ashe, Helene S. Banyai, Siroun Bazikian, Iole B. Biddle, Olive Byers, Makaria Chamberis, Alfonsina F. Corra, Christiane Donahue, Mavis M. Dunn, Helmtrud W. Engelhardt, Luisa V. Falcone, Antonio Formichelli, Germaine M. P. Foscolos, Enrica S. Garra, Petros A. Gasparatos, Jean D. Gibson, Sofia Hawley, Maria do R. Henriques, Christa E. Holder, Rose D. Israel, Regina H. Kikel, Michele Labellarte, Anna M. Larson, Edith R. Levy.

Chryssoula V. Lewis, Paul Louizos, Andromachi Loukatos, Elfriede Luker, James McGrath, Maria McWalters, Nicholaos I. Manolessos, Rosario Maniscalco, John N. Manos, Nicolaos Mavromatis, Elizabeth S. Meinhardt, Demetrios A. Metropoulos, Marina Michialis, Nicolaos Mikedis, Patricia E. M. Miller, Michail Miloradowitsch, Zambeta J. P. Moraitis, Carmen O. Morales, Maria C. M. Navarra, Barbara D. Oakley, Lubomyr Ortynsky, Johanna Overkamp, Giulia P. Pacini, Camille Pagacik, Bruno Pantera, Maria S. Riley, Ingeborg A. G. Ruschak, Katherine P. Skalkotos, Charlotte B. Snow, Angele L. M. B. Sorayama, Mary Stine, Alexandra Tsagkouris, Lorenzo Tuccori, Aspasia Vourliotis, Giangiacomo Vuxani, Hedwig S. Whittey, David M. Wilkins, Lydia H. Willard, Anna L. M. Wilson, Jadwiga Wozniak, Rene Wyss, Michele Zappitelli, and Karola C. Z. Zmijewski.

With the following committee amendments:

Page 2, line 4, strike out the name "Olive Byers."

Page 2, line 10, strike out the name "Christa E. Holder."

Page 2, line 14, after the name "Manos," insert the name "Rudolfo Marmaioli."

Page 2, line 20, after the name "Ruschak," insert the name "Settina F. Serra."

Page 3, at the end of the bill, add new sections 2 and 3, to read as follows:

"SEC. 2. For the purposes of the Immigration and Nationality Act, Christa E. Holder shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

SEC. 3. For the purposes of the Immigration and Nationality Act, Olive Byers shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act."

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMANENT RESIDENCE STATUS FOR ALIENS JOSEPH HAYIM ABRAHAM AND OTHERS

The Clerk called the concurrent resolution (H. Con. Res. 201) approving the granting of the status of permanent residence to certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress approves the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 6 of the Refugee Relief Act of 1953, as amended (67 Stat. 403; 68 Stat. 1044):

0300-324377, Abraham, Joseph Hayim.
0300-324378, Abraham, Liza.
E-118803, Belich, John.
0300-322190, Chen, Ellin.
A-6848424, Chen, Suez.
A-6143086, Chen, Ping, or Ping Sun.
A-6709315, Chen, Tsung, Hsien.
A-6877776, Chou, Shelley Nien-Chun.
A-6967717, Chow, Christopher Hsin-Ren, formerly Hsin-Ren Chow.
0300-133483, Do, Quai.
A-8031885, Fabry, Paul Andrew.
T-2019796, Fang, Jencho.
A-7480746, Hoffman, Eugene.
0300-340214, Hsu, Kwangtze W.
A-7491747, Hsu, Lee Hwei.
A-7491745, Hsu, Ling Nyi Chang.
A-7491746, Hsu, Wung Hwei.
A-7296209, Hsu, Mary (Pseng-I).
A-7263685, Kahan, Alfred.
0300-458490, Kao, Chein Chai.
A-6958625, Lee, Cheng-Lee.
A-6497276, Lee, Shu-Chin (nee Shen).
A-6967495, Li, Pei-Chao.
A-7424894, Ling, Huo Won, also known as Loretta Fok.
A-6527763, Liu, David Kung-Chan, formerly Kung-Chan Liu.

A-6527762, Liu, John Kung-Fu, formerly Kung-Fu Liu.
A-6527760, Liu, Mary Man-Li, formerly Man-Li Liu.
A-6527759, Liu, Robert Kung-Shan, formerly Kung Shan Liu.
0300-459048, Liu, Gseling Lee.
0300-459047, Liu, Ming Chao.
0300-459058, Lu, Chen Yenan.
0300-459057, Lu, Hwa Chang, also known as Flora Lu.
0300-362127, Nieh, Candia Kwangtee.
A-7913547, Pih, Hao, Hwei.
A-7985647, Poy, Wong Wah.
A-6973676, Shen, Yu-Fu, or Angela Yu-Fu Shen.
A-7292437, Szeto, Edward.
A-8001025, Tao, Ling Hsiao Chen.
A-8057493, Tao, Shih-Yu.
A-3104066, Vucetic, Peter Paul.
A-7930524, Wang, Ernest Tseng-Chuan.
A-7930525, Wang, Minta Chi-Hsien Chou.
A-6967535, Wen, Tao Yung.
0300-459344, Wong, Chen Ta.
V-189653, Wu, Grace Ka-Ho.
0300-367910, Wu, Sek Chang.
0200-86981, Yes, Chin-Ho Yu.
0200-86833, Yen, Peter Kai-Jen.
A-7174394, Yin, Chi Peng.
A-7174395, Yin, Chi Tien.
A-7185010, Yin, Hua Nien Chien.
A-7174393, Yin, Yi Ming.
A-8057007, Appel, Berta Szalel.
A-7807024, Appel, Isaac, or Isaac Marcu Appel.
A-7952526, Apter, Joshua.
A-6819170, Brull, Gitta, formerly Gitta Moskowitz.
A-7293132, Chan, Hak Chill.
A-7376694, Chang, Diana Yueh-Ming (nee Yueh-Ming Tan).
0200/130572, Chang, Te Wen, or Te-Wen Chang.
A-2590672, Chang, Yick Sun.
0300-463563, Chang, Yuck Gee.
A-6196856, Chang, Yun Lang Susan.
A-3061510, Chao, Grace Chi-Chen.
A-6967550, Chen, Alice Lee.
A-7830621, Chen, Jean Chun, also known as Chun Chen.
A-8021873, Chen, Minjen, also known as Homer Minjen Chen.
A-7174728, Cheng, Fa-Wu.
A-7350323, Cheng, Yi-Ren, also known as Luke Louh Cheng.
A-7859931, Chi, Ho Yu, also known as Hsu King-Ling.
A-6195282, Chiang, Franklin Chuin.
0300-462366, Chraime, Chabetaye.
A-7910594, Chuan, Kao Bie, also known as Ling Quee, alias Ting Hing Quee.
A-9765172, Deak, Julius Leslie, or Julius Leslie Emerick Deak.
A-6450820, Fan, Shih Kuei.
A-9559245, Fen, Chong.
A-6967560, Fong, Chen Chiang, now Michael Chen-Chiang Fong.
A-7913558, Gluckman, Eva.
A-7992598, Grunbaum, Imre.
A-6848544, Ho, Catherine Lu.
A-6143092, Ho, Hui-Chen.
A-9694641, Ho, Loo.
A-7399272, Ho, Theodore Wei-Yung.
A-7228330, I-Lieh, Huang, or Henry I-Lieh Huang.
V-1189017, Katani, Simentob Cholomo (Salman).
V-1487850, Katani, Wizeh.
0300-464315, Kaung, Hui Ming Shen.
0300-464327, Kaung, Stephan.
A-7244877, Koprak, Joseph.
A-7952709, Krieger, Moisze.
0300-462066, Krieger, Perl (nee Magerowitz).
A-6994578, Kuang, Hsiang.
A-6967660, Kuang, Janet Lauphit (nee Lofee, Ming-Chi).
T-1143768, Kuo, Franklin Fa-Kun, formerly Fa-Kun Kuo.
V-1505924, Kwei, Chung Shu, alias Tao Chien or C. S. Kwei.
V-1505925, Kwei, Linda Lee (nee Linda Lee), alias Lin Dee Lee.
A-6847927, Kwok, Gloria Joyce.
A-7821107, Lee, Joy Mary, or Joy Mei-Jui Lee.
A-6970896, Lepak, Harry, or Henryk Lepak or Hersz Lepak.
0300-455919, Li, Chang Fu.
A-7444638, Li, Jui Lan.
A-7444636, Li, Meng Shu.
V-952238, Li, Ta Wei, or David Henry Lee.
A-6980350, Li, Rose Shao Chiang.
A-7056924, Liang, William Wei-Liang.
A-6983524, Lin, Ying-Ngoh Tang.
A-6847863, Ling, Frederick Fongsun.
A-7809747, Liu, Zang Sun.
A-7436599, Loe, Mary Jean, formerly Hsiao Piao Loe.
A-7210312, Lommatsch, Ernest E.
A-7210313, Lommatsch, Olga.
A-7133236, Ma, Evelyn, formerly Ma Hwun Ing.
0300-448219, Nicis, Lilija Cukurs.
0300-448218, Nicis, Zanis.
A-7845330, Nindel, Pinkas.
A-7282983, Ong, Anna Marie Bernadette.
0300-325763, Peng, Shu-Fang.
A-7897528, Rott, Joseph.
0300-332133, Shashoua, Menashi Alfred.
A-7241495, Spinrad, Jakos.
A-7865106, Streicher, George.
A-7865107, Streicher, Kalman.
A-7286227, Tan, Daisy (nee Daisy Chan Tu).
A-6815632, Tan, Yueh-Han, also known as John Tan.
V-372657, Tang, Betty, formerly Betty Fong.
A-7626358, Tang, Yun-Teh.
A-6851457, Teng, Hsi Huan.
A-7274543, Tsao, Maak-Sang.
0300-320945, Tsuei-Ju-Shien, Sister Josephine Frances, also known as Maria Francesca Tseui-Ju-Shien.
0300-386518, Vala, Rosario.
A-7967252, Wang, Funghin Lieu.
A-6567123, Wang, Ju-Chien Tseng.
A-7129794, Wang, Ting-Ming.
0300-431055, Wang, Leon Li-Jen.
0300-367007, Way, Shirley L., also known as Shiu-Lan Liang.
0300-367008, Way, Theodore L., also known as Ling Wei.
0300-406302, Weinreb, Sara.
0300-331156, Weinreb, Wolf.
A-7805993, Weintraub, Saul.
0300-360795, Wong, Yuen Su.
0300-466652, Yeh, Shu Tze.
A-6159686, Yeh, Wan Yuan.
A-7118743, Yeh, Victoria Shuan.
0300-458486, Yuan, Hu Lung.
A-7983493, Yurman, Joseph, or Joseph Jurman, also known as Guiseppe Yurman, or Guiseppe Gemini.
A-7930592, Zawiszynski, Binem.
A-7196409, Zia, Lucy Ai Chu, or Lucy Ai Chu Henson, or Mrs. Nolan Henson.
A-7962598, Berger, Nora.
A-9922560, Chang, Chin Hsiang.
E-057572, Chang, Lee Kong.
A-6589868, Chang, Hung-Chi.
V-550063, Chang, Ping Yuen (Mary).
V-550064, Chang, Yuen Yu Mei (Margaret).
A-6848009, Chen, Ching-Tao.
A-7436766, Chen, Shih Chen.
A-7368976, Chen, Yung Chiung.
A-6851598, Cheng, Hung Sheng or David H. S. Cheng.
A-6847821, Lee, Chu Shan.
A-6967247, Cheng, Mou-Ta.
V-885362, Ching, Kam Shee (nee Kum Yee Kam).
A-7357784, Chiu, Han-Hsiang.
0600-9906, Liu, San-Teh.
A-6986578, Chu, Ting Li.
0900-65392, Da Costa, Frank Richards.
0900-65393, Da Costa, Dorothy Graham (nee Bacelar).
0900-65394, Da Costa, Carol Ann Richards.
A-7296247, Gyorki, Ladislas.
A-6848514, Han, Lit-Sien.
A-7118647, Han, Tsung-Men Shen.
0800-113002, Huang, Ray.
0501-20451, Hwang, Ying-Chen.
A-5057004, Hwang, Lois, formerly Hsueh-Hsia Lois Lee.
A-6017698, Hsu, Cheng-Teh.
A-7274364, Hsu, Chih Hsiang.
A-6953088, Hsu, Eu-Phang Tsao (nee Eu-Phang Tsao).
0501-20461, Huang, Kwe Pau.
T-103125, JIJI, Latif Menashi.
A-6958634, Ku, Benedict Hsing-Yun.
0900-77628, Ku, Agnes Pei-Chaun nee Ho.
A-6848572, Kuang, Huan-Pao.
T-2760295, Kung, Lilly Meng-en.
A-9801108, Kwok, Choon.
A-7392522, Kwong, Kong Nin.
V-1184786, Lee, Lucy Hsien Ping.
A-8039640, Lei, Chih Tseng.
A-8039641, Lei, Pao-Ying *Wu*.
A-7546050, Liang, Theresa Shih-ying.
0300-443846, Lillemagi, Adelaida (nee Koppel).
A-6451318, Lin, Chi-Chiang.
A-8110448, Ling, Chi Chang (Frances).
A-6451319, Lin, Jun-Ching.
A-7299351, Ma, John Yoh-Han.
A-7267394, Ma, Christina Tsi-Ching (nee Liu).
A-9579072, Mak, Koon Sing.
T-669332, Mar, Timothy Tientseh.
T-669333, Mar, Shuhyin Lu.
T-669336, Mar, Florence Hsu-Yung.
T-669337, Mar, Michael Yuan-Kai.
A-8021421, Mei, Ginsiang.
A-8258365, Pan, Edwin Shih-Chuin.
A-6855647, Pan, Te-Tai.
A-8001932, Pu, Pin Hsiu.
A-10187012, Pu, Lillian or Lai-Ling.
A-7415302, Yao, Ting Siu.
V-550144, Shen, Suzy Yu San.
A-7436763, Shen, Theresa (Fang-Ching) (nee Chow).
A-8065318, Shen, Walter Yuen-When.
A-8065319, Shen, Gen Wun (nee Chen).
A-8065320, Shen, Pearl Yuin-Tai.
A-8065321, Shen, Lyon Yin-Liang.
A-7292405, Su, Chin Fan.
A-7389501, Szu-Tu, Huang I-Ping.
A-7483763, Tang, Anna.
A-6396667, Tang, Tze-Tung.
E-0518036, Tse, Chek-Sau.
E-057489, Sze, Ching Ah.
A-7952393, Vong, Sandy Ting-Shung.
A-6967683, Wang, Cheh-Chang.
A-6848684, Wang, Isabel Deh-Yu (nee Isabel Deh-Yu Sueh).
A-6962973, Wang, Phyllis Chiu-Chu.
A-7299371, Wei, Peter En-Tien.
A-8211313, Wu, Carlton Chung-Chieh.
0804-5290, Yao, Hao (Wm. H. Yao).
A-6033461, Yu, Cheng-Tseng.
A-7985246, Angielowicz, Fania.
A-7985245, Angielowicz, Michel.
A-7370990, Au, Lewis Li Tang.
A-7274568, Blum, Fajga.
A-7274597, Blum, Ide Lejb.
A-7952703, Borgenicht, Chaim.
A-7399268, Chang, Julia Chu-Hua (nee Young).
A-6877737, Chang, Richard Chi-Cheng.
A-7805891, Chao, Man alias Hilda Man Chao.
A-6712051, Cheang (Cheng), Katharine Hui-Chin.
0300-463428, Chen, Ethel Ihming.
0300-447082, Chen, Tai Jai also known as Ah Seng or Ah Sing.
V-184756, Chin, Jin Gew.
A-4831369, Ching, Ming Tseng.
0300-372213, Ching, Gong Sze.
A-1209297, Chong, Yon or Chong Yon.
E-085421 Chow, Ling Lai.
A-6877745, Chow, Woo Fong.
A-5928207, Choy, Moo.
0300-460537, Chu, Chang Wei or John Way Chu.
A-6847753, Chun-Jo, Liu or Chun-Jo Liu also known as Yolanda Liu.
0300-455955, Chung, Tsang Kwang.
A-8102803, David, Reuben Isaac Solomon.

UNIVERSITY OF MICHIGAN LIBRARIES

A-7966373, Feng, Yen-Tsai.
0300-462354, Folger, Efraim.
A-7209172, Frank, Abraham.
A-7209173, Frank, Edit.
A-7863599, Frank, Judit.
0300-463691, Guth, Dresel (nee Klapholz).
0300-465382, Guth, Eliasz.
0300-463692, Guth, Wigdor.
E-084376, Hallman, Herman.
0300-297505, Herskovitz, Moses.
0300-297506, Herskovitz, Rosalia.
0300-321913, Ho, Gwei Hsin Wang.
A-7395426, Ho, William Wei-Lan.
A-6844338, Hou, Chi Ming.
A-6619131, Hsia, Tao-Ching.
A-4373792, Hsu, Marjory Louise Hsi-Yen.
A-7241235, Hsu, Martin Shao-Min.
A-7028985, Hsu, Ming-Yen.
A-7424867, Huang, Pak Cio.
A-6017053, Ilic, Ivan.
A-7251805, Jeremias, Elizabeth Mindszent.
A-7251806, Jeremias, Imre.
0300-320857, Kaminer, Cecylia.
A-7988128, Klein, Nicolas.
0300-462006, Klein, Rozalia (nee Berger).
0300-460274, Kong, Bao Tse.
A-7118698, Kong, Louise.
A-7841163, Kortus, Praskovia.
0300-442009, Koscica, Ante also known as Ante Pavle Koscica.
A-6703362, Kwang, Lillian Ya Chieh Lo (nee Lo).
0300-291809, Lai, Kong Kuen.
0300-459397, Lau, Mee Kee.
0300-459398, Liu, Ying Yuen.
0300-294022, Lee, Fook Sang.
A-7367997, Lee, Paul Chin Yuan.
A-7384797, Lerner, Izak.
A-6962847, Liang, Dehwei David also known as David Liang.
A-1020258, Lieu, Rio Lien Wha or Rio Lieu Chiang.
V-371658, Lin, James Min.
0300-397683, Liu You-Chao.
E-082523, Michael, Heskel Saleh.
A-6691425, Nee, Paul Chen-I.
0300-346429, Pan, Kuo-Fong.
0300-346199, Pan, Wni-Sing.
0300-346200, Pan, Yeu Yeu.
0300-346201, Pan, Pien Hwa.
A-6917987, Polak, Samuel.
A-7480747, Raices, Josef.
0300-457032, Rubin, Rachel or Rachel Neuhaus.
A-8198430, Rubin, Samuel or Shmuel Rubin.
A-7296245, Ryniewicz-Wisniewski, Henryk Stanislaw.
A-6931513, Schischa, Erno Ernest.
A-8267919, Schwartz, Solomon.
0300-416245, Schwartz, Chaja.
A-7290227, Steiner, Bertalen.
A-7819651, Stern, Jindrich.
A-7133262, Sun, Clara V. G. Shu-Yi
0300-461732, Sun, Woo Kin.
A-9765798, Tang, Shing Wha, also known as Sheng Hui Tang.
A-7802716, Tchen, Hoshien.
V-885365, Tchen, Lin Sie Chao.
0900-74128, Tchen, Victoria Kuo Hua.
E-094625, Tsao, Yuet Yung.
A-7476105, Tse, Helen Yung-Feng.
A-6991761, Tseng, Margaret Ting-Yi Shang (nee Margaret Ting-Yi Shang).
A-6381290, Tso, Yung Sze.
E-085484, Twanmoh, Mary Vivian, or Tsai-Wei Fu or Mary Vivian Fu.
E-085482, Twanmoh, Thomas, or Chun-Ming Twanmoh.
A-6470331, Wang, Chai Shih.
T-359245, Wang, George Chung.
A-6851664, Wang, Joseph Ch'eng-Tung.
A-6847945, Wang, Liance.
A-6772193, Wang, Sue Ming.
0300-360173, Wang, Shangee.
1610-8899, Wong, Fee Ting.
A-7364798, Woo, Tung Ting.
A-6142243, Yeh, Chok Ming or Yeh Chok Ming.
A-7121731, Yih, Mae or Chih Feng Dunne.
0300-381997, Yin Ng.
0300-456582, Yue, David.
0300-460249, Yue, Mai-Tchi Chang.
0300-460243, Yue, Shyh Jong.
A-6432549, Yung, Kway Sung.
0300-463831, Zbigniew, Joseph Birtus.
0300-461463, Zimmerman, Frieda.
0300-444754, Zimmerman, Rozielie.
A-7837168, Zimmerman, Samuel.
A-7197709, Chen, Katherine Michiu.
A-8065821, Cheng, Tsung O.
A-7056914, Chiang, Chieh Yue.
T-404087, Chu, Yeh Ta Kung.
V-865191, Chuang, Ching-Chi Claude.
A-6858251, Djao, Er Hung.
A-6527765, Dju, Mei Yu.
A-6851468, Hsu, Kuo-Liang.
A-7118751, Huang, Bertha Hsiao-Yun.
A-6982890, Hung, Chin-Tsai also known as Hung Chin-Tsai.
A-7134534, Jen, Young Ming.
A-7079587, King, Tieh-Sun Conrad.
A-6986595, Ling, Huang.
A-6552709, Lum, Kum Nown known as Sister Mary Francene Lum.
V-550145, Shen, Yu-Chuan known as Jenny Shen.
A-7805898, Shu, Jia, or Jimmy Chong.
V-026472, Tsao, William Shen.
A-6589959, Tu, Hung, Yeuan.
A-6877760, Tu, Tai-Chen Chang.
A-6735290, Wang, Carter Chia-Ta.
A-7282067, Wang, James or Yung-An Wang.
A-7415179, Wang, Ting-Hsien.
A-6526170, Wang, Frances Dzo formerly Frances Yu-Lin Dzo.
A-6973670, Wong, Helen Wen-Chuan.
A-7952444, Wu, Chen Yang.
A-6975566, Wu, Rodney Ta-Chuan.
A-80-0612, Yang, James C. S.
A-8125590, Yew, Ming-Chih.
0200-86483, Chang, Chung Mou.
0200-86544, Chang, Feng Ye Chen.
0300-457462, Chen, Liang Fu.
0300-45463, Chen, Rena.
0300-457464, Chen, John.
0300-457465, Chen, Mary.
A-7285818, Cheng, Kaiser, Kai-Shih.
A-6522849, Cheng, Kwei Fang.
A-6221003, Chih, Yu-Ju alias Jimmy Chih.
0300-368618, Chin, Shao-Fen.
0300-368617, Chin, Ke-Sien.
0300-368619, Chin, Ya-Tung.
A-7985789, Chin, Nina.
A-7286199, Cukier, Mordko.
0300-313410, Cukier, Chana.
A-5961419, Darida, Zoltan Sandor.
0300-340142, Dong, Suey Yuen.
0300-340375, Dong, Sin Tsan Tsai.
A-7975021, Kao, Morgan M. T. or Mong-Tsang Kao.
A-7975003, Kao, Dorothy H. or Ming-Wei Hsiung or King-Wei Hsiung.
0300-460655, Kaufman, Pepa (nee Schwitzer).
A-7913542, Kiffel, Jacob.
A-7399688, Korf, Gedale.
A-6545335, Kwan, Tsun-Yee.
0300-465468, Fried, Ignacy.
0300-459065, Friedman, Abraham.
0300-331806, Goldmann, Zsigmond.
A-6702141, Hsiung, Gueh-Djen alias Edith Hsiung.
A-6027124, Hsu, Pao-Tan.
A-6008443, Hsu, Kwei Fang.
0300-256956, Hsu, Shu Kuan.
A-7383189, Hsu, Lillian Lee-Yee.
A-7383190, Hsu, Stephen Sui-Dah.
A-7383191, Hsu, Peter Ping-Dah.
A-8307995, Hung, Teh-Lung (Sister M. Theresa Hung).
A-7436605, Lampart, Lazar or Lejzor Lampart.
0300-331003, Lampart, Rachela (nee Prawda).
E-088758, Lampart, Enoch.
0300-420127, Lee, You or Lee Yow or Li Yau.
A-8307994, Li, Mo-Hsien (Sister M. Gloria Li).
0501-20527, Li, Pao-Ming Tien.
0501-20529, Li, Si-Chi.
0501-20528, Li, Si-Ju.
A-6703350, Li, Sue Loong or Sue Loong.
A-7285833, Lieou, Yves, also known as Liu Yen Tsu.
A-6967606, Lo, Yuen Tze.
A-10035286, Low, Henry Bei-Chung alias Bei or Pei-Chung Low (Lu).
A-10035285, Low, Betty Bei-Chen (nee Betty Bei-Chen Yang) alias Betty Pei Chen Yang.
0300-365723, Lowinger, Lajos.
0300-365724, Lowinger, Livia.
0300-366369, Lowinger, Peter.
0300-366368, Lowinger, Marietta.
A-7436622, Mendlovic, Herman.
0300-373167, Mozes, Lola Rewitz.
A-8036391, Mozes, Menachem.
0300-390488, Ng, Tin You.
A-5372318, Purgvee, Arnold.
0300-324151, Radulo, Riho.
0300-324152, Radulo, Helmi Adele (nee Veera).
0300-420922, Rymland, Mordechaj.
0300-42923, Rymland, Miriam.
A-7298065, She, Berlin.
A-7125266, Sheng, Sheng Pao.
A-6690602, Sheng, Fang Shao.
A-6967484, Sun, Veronica Hui Lan.
0300-364811, Sung, Jesse I-Hsin.
A-8039359, Sung, Susan (nee Chiang).
A-6699887, Tan, Chun-Lin or Chester Chun-Lin Tan.
0300-357533, Tien, Li Soo.
0300-459372, Tom, Yet Pang.
0300-459373, Tom, Cung May Ngo.
0300-444070, Tom, Cherry also known as Wang Chi Tom.
A-6967705, Tsuan, Tai Hsun.
A-9682627, Wah, Wong Sei.
A-7297286, Weiss, Joseph or Joseph Weisz or Jozsef Weisz.
A-7297283, Weiss, Machla or Machla Weisz (nee Kahan).
A-7297280, Mendlowitz, Olga known as Olga Mendlovic (nee Weisz).
A-7910441, Weiss, Edity or Edity Weisz.
0300-354448, Wen, Lian-Tong.
0501-20253, Yan, Shung Ching.
A-10035256, Yang, Martin Mao-Chun alias Mao-Chun Yang, Tien Sze or Mien Chai.
A-10035257, Yang, Lucy Ching-Yuan (nee Lucy Ching-Yuan Wang) alias Mei Wang.
A-10035258, Yang, Jefferson Yuan-Sheng alias Yuan-Sheng Yang.
A-10035255, Yang, Peterson Pu-Sheng alias Pu-Sheng Yang.
A-10035259, Yang, Jackson Chai-Sheng alias Chai-Sheng Yang.
A-7418228, Yeh, Yuen Kung.
A-6849357, Chang, Fu Wen.
A-7078172, Chang, Robert Wen-Hua.
A-6589867, Chang, Tony H. also known as Tan Hsueh Chang.
A-6877749, Chen, Paul Shih Kan.
A-7118660, Cheng, Ting Chuan known as Sister Alfonsine Ting.
A-6847884, Chiao, Lin Sung.
A-6916542, Chieh, Chang Shieh known as Sister Mary Louise Chang.
A-6916541, Chieh, Chen Mei known as Sister Margareth Mary Chen.
A-6589915, Chin, Te Ning.
A-6967472, Chow, Pu Ho Chen.
A-5671024, Chow, Iong Lien.
A-5529100, Chow, Martha Chen (nee Mai-Chia Chen) also known as Martha C. Chen.
A-6324935, Chow, Kao Liang.
A-6916543, Fang, Chao Wen known as Sister Collette Chao.
A-7118750, Fu, Elizabeth Pai-Ying Huang.
A-6848164, Fu, Peter Wenyung.
A-6967697, Fu, Helena Da-Cheu (nee Suen).
A-7299556, Fu, Richard Ko-Liang.
V-1505572, Gin, Tew Gan Yee also known as Yee Gin Tew Gan.
A-8967106, Han, Daniel Cheng Sin.
A-7118703, Hsia, Chu Kuang known as Sister Theodorine Chu.
A-6916529, Hsin, Cheng Fu known as Sister Paschal Cheng.
A-6967381, Hu, Patrick Pei Chwen.

A–7267074, Han, Grace Hsiu Hua.
V–1598804, Hung, Fu, or Frederick Hung.
A–7269688, Jong, Serena Sit-Yee.
A–7295486, Kiang, Chien Kuen.
A–6916547, Kuen, Hu Cheng, known as Sister Gabrielis Hu.
A–6916546, Kuo, Chuang Cheng, known as Sister Fransis Kuo.
A–6171336, Lee, Han Yuan, or Chao Nein Lee.
A–6849845, Lee, Henry Kuang-Chen.
A–6916544, Li, Cheng Chieueh, known as Sister Clara Li.
A–6851414, Ling, Cheng.
A–7354777, Ling, Cho-Hsin.
A–4076136, Liu, Ang-Tsung.
A–4076135, Liu, Helen Tso-Zue Zau.
A–6916545, Liu, Chao Min, known as Sister Elizabeth Liu.
A–6916661, Liu, Din Lung, known as Sister Isidor Liu.
A–7286739, Liu, Samuel Lieng-Chu.
T–1896835, Liu, Young King.
A–6936467, Lu, Wen Lung, known as Sister St. Michael Lu.
A–6916549, Mei, Chiang Ching, known as Sister Peter Damian Chiang.
A–6916539, Min, Chang Shih, known as Sister Marie Chang.
A–7118704, Pao-Lung, Hu, known as Sister Claudine Hu.
A–6958552, Pih, Hui.
A–6916548, Ping, Fang, known as Sister Therese Fang.
1209–8437, Shao, Yung Shen.
A–6916557, Shaw, Horace Kao.
A–7286659, Sim, Alfred Yang-Ping.
A–8871714, Sim, Willie Yuk Sum.
A–7436667, Soong, Wan Chen.
A–8153737, Sui, Kuang-Chi (nee Fong).
V–574882, Sui, Francois Siao.
A–7961380, Sui, Wai Kong.
A–6564142, Sun, Raydong.
A–6959856, Szu, Chung Yao.
A–6405951, Tan, Hai-Chuen, also known as Sterling Tan.
A–8057464, Tom, Pak-Tsai.
0900–76578, Tsui, Li Fen.
A–1841383, Tsang, Chi Mou.
A–7424845, Tsang, Chin-Nien Chow.
T–356924, Wang, Yi Chu.
T–1794218, Wang, Kay Tom.
0900–74033, Wang, Hung.
0900–74032, Wang, Hui.
0900–74034, Wang, Cheng.
A–6923186, Wang, Hang Chia.
A–6916524, Wang, Hsing Ting known as Sister Magdalene Wang.
A–6855618, Wang, Hui (Helen) Chi.
A–7491389, Wang, Thomas T. S.
A–6851312, Wang, Yun-Shen.
A–7118719, Wei, Shu Cheng known as Sister Emiline Wei.
A–7390063, Wu, Robert Kung-Hsien.
A–7248492, Yang, Yun-Jui nee Sung Yun-Jui, now known as Rachel Yun-Jui Yang.
A–7882619, Yeh, Ling-Chuan.
A–6916682, Ying, Bao Yuan known as Sister Pacis Bao.
A–7285805, Yu, Kwok Leung.
V–383272, Yuen, Yue Lucille.
A–7358511, Zwack, Peter.
0300–407030, Bang, Lee Yung.
A–7993997, Butt, Carlos Joseph Rickman.
A–7457273, Carleton, Mary Sing Gieu.
A–6457510, Chai, Chen Kang.
A–6959726, Chang, Katherine Feng-Yi.
A–7788070, Chang, Yuan-Feng Eugene also known as Chang Yuan-Feng.
0300–419146, Chao, Ah-Ling.
A–8829315, Chen, Belle Pei-Li.
A–6967573, Chen, Rose or Miao Young-Cheng.
0300–260171, Cheng, Stephen Chuntao also known as Chuntao Cheng.
A–6967249, Cheng, Tao.
A–6712047, Chin, Yung Kang.
A–10141621, Chou, Chi-Ye.
A–9653210, Chu, Lee Ah also known as Ding Wah Chu.
A–7436760, Citronenbaum, Pinkas Hirsh.
E–096452, Cukurs, Gunnar.
E–086802, Deutsch, Karoly.
E–086804, Deutsch, Edith.
E–086829, Deutsch, Eugen.
E–086834, Deutsch, Marta.
0300–459555, Ding, Hung Han.
A–7046631, Doo, Sih Huan.
0300–140547, Egerov, Nikolai.
A–9559249, Fook, Pong Chan also known as Chan Fook or Chan Hong or Chan Hong Fook.
A–6943497, Fu, Jack Jen-Kuei.
0300–463774, Gragas, Bruno.
A–8198402, Hsieh, Sherwood J. S., also known as Hsieh Jui Shang.
A–7355246, Kan, Dora (Frances) or Dora Kan.
0300–459345, Kee, Fong Tung also known as Fong Kirn Liam.
0300–469694, Klausner, Tiberius.
A–7357776, Kunda, Faiga Felicia also known as Faiga Kunda also known as Fay Kunda.
A–6849437, Kuo, James also known as Tsing Hwan Kuo.
A–7491708, Kuo, Wei.
0300–304957, Kwok, Marguerite (Lien-Fong).
T–2659481, Lee, Ming.
0300–460544, Lee Yee Lung.
A–8082054, Lin, Seng, Ma.
A–6858247, Liu, David Chang-Tso.
A–671973, Loo, Sin-Jez or Patsy (nee Pei).
A–7274637, Ma, Henry Shing-Yi, also known as Henri Ma.
0300–402501, Mans, Ilmar Leonhard.
E–118816, Mielczarek, Mieczyslaw.
A–8091348, Mon, Ching, also known as Mun Ching.
0300–304630, Ow, Man Kong.
0300–459374, Tong, Man Fong.
0300–304632, Chaw, Hin or Chaw Hin.
E–093938, Peras, Giuseppe.
A–7365712, Rimpler, Ozjasz or Szaya Rimpler.
V–126051, Ryniewicz-Wisniewski, Alicja Joanna (nee Berger), also known as Modzelewska.
A–7436673, Schanowicz, Azriel.
A–7480732, Schwej, Boruch.
0300–461121, Sepp, Aleksei.
A–6739692, Shen, Amy I-Chin Sun (nee Sun).
A–6886876, Shen, Teh-Ching, also known as John Teh-Ching Shen.
0300–305730, Szoffer, Abraham.
E–082732, To, Koot Bun.
A–7282985, Tsai, William Wei-Ling alias Wei-Ling Tsai.
0300–421200, Wah, Ng or Ching Wah Ng.
A–6849388, Wang, Chi Hua.
A–7247323, Wang, Nancy Yang.
0300–396164, Wang, Shih Kun.
A–9765244, Wong, Meng Kong.
A–7202727, Yang, Chen Tek.
A–6845072, Yang, Ching Huan.
A–5829657, Yen, Ernest Chu also known as En Chu en.
A–7640624, Yen, Louise Loo.
A–7350772, Yen, Martha.
A–7350773, Yen, Simone.
A–7350774, Yen, Linda.
A–7123420, Yen, Pei Ping.
A–5119422, Yuan, (John) Chia-Chang.
A–5119402, Yuan, Lu (Norma) Shih-Chu.
A–7926272, Yung, Paul Tse Hwa.
A–7135602, An, Chung or Chung Ting Shan, also known as Lillian Chung and Sister M. Anne.
A–6930158, Beyda, Cohen Alfred.
A–6930156, Beyda, Linda Yacoub.
A–8015605, Chai, Martha May.
A–7436614, Chang, Chih-Ming or Benjamin Chang.
A–7354795, Chang, Leo I-Oh.
A–8909618, Chang, Lih-Yong Ya-Go, now know as James Lih-Young Chang.
A–6847835, Chang, Lucy or Chang Ching Lui, also known as Sister M. Lily.
V–305609, Chang, Yao Teh.
A–7313270, Chang, Lois Tsung-Ying.
A–7399270, Chen, Ronald Ming-Teh.
A–10135605, Chen, Tseh-Han.
A–10135606, Chen, Tse-Ping.
A–6855638, Chen, Vincent, alias Chao-Kuei Chen or Benedict Chao-Kuei Chen.
A–6848432, Cheng, Hou Shyi.
A–6271455, Cheng, Ruth Hsin Yueh Chang.
A–7399683, Cheng, Shun.
A–8036489, Cheng, Ya Yu Lung.
A–7225901, Chi, Chou Fung or Sister M. Grace (Gloria Chou).
A–7248471, Chih, Yin Choa also known as Sister M. George.
A–10141572, Chow, Chien.
A–10141573, Chow, Dorothy Wei.
A–7819671, Chow, Tse-Sun.
A–7828203, Chu, Kinman.
A–6739697, Chu, Wei Lee.
A–7286821, Chu, Yun-Wen also known as Yun-Wen Yvonne Chu.
A–6708411, Chung, Evangeline Chi-Ming.
A–7480693, Cross, Evelyn Shu-Chu.
A–7367960, Ding, Ai-Fang.
A–6702151, Fan, Florence Ih-Chi.
A–6527579, Gih, Ru-Chin now known as Marcus Gih.
A–7436808, Gih, Wei-Ching (nee Hu) now known as Marian Gih.
A–7374666, Heimann, Jakob also known as Jacob Heiman.
A–8909598, Ho, Chih Chin (nee Hsu) now known as Lucy Hsu Ho.
A–8307993, Ho, Ki-Yu (Sister Mary Antonia Ho).
A–6877750, Ho, Wan also known as Van H. Ho.
A–6959725, Hsieh, Jui Sheng.
A–6973661, Hsu, Anthony Kuo-Chi.
A–6967379, Hsu, Ming Chen.
A–6148161, Hu, Hsun also known as William Shun Hu.
A–6363936, Huang, Alice Shih Hou.
A–10141613, Hui, Peter Shui Pui.
A–7524245, Jen, Rose (Sister M. Agnes) Jen I Yeh.
A–6275292, Kan, Peter Tai Yuen.
A–6973674, Kan, Juliana Lee-Chun.
A–7835197, Kao, Shih-Chinn.
A–7097351, Kentzer, Czelaw Pawel.
A–6967657, Ku, Timothy Tao or Chao-Seng Ku.
A–6967563, Ku, Victoria Feng or Keh-Hsuin Feng Ku.
A–10135611, Ku, Wei Shing.
A–6847737, Kung, Kuo-Hao also known as Charles Kuo-Hao Kung.
A–7142393, Lee, Laurence Chih-Liang.
A–8829406, Lee, Maofang Linda Miriam.
A–8055430, Lee, Stephen Shao-Chin.
A–5855220, Lee, Tsung Ma or Lucia Tsung also known as Sister M. Mario.
A–7288227, Lee, Virginia Chieh-Shou, also known as Chieh-Shou Lee.
A–7396005, Li, Anthony Ching-Wen.
A–6916657, Li, Kuang-Hua.
A–6847940, Li, Chu-Tsing.
A–6847738, Li, Yao-Wen Kwang.
A–7941731, Ling, Chang Si also known as Pan Han Chang, Si Ling Tchang, Pan Han Tchang.
V–754165, Ling, Tsai Cho-Zung.
0801–17059, Ling, Chen Kuo.
0801–17061, Ling, Lu Lu.
A–7202734, Ling, Sung Ching.
A–6527761, Liu, Margaret Kung-Ting.
A–6967587, Liu, William Yung.
A–7274548, Lo, Frances Romana.
A–6847941, Lo, Robert Kai Tze.
A–6982863, Lo, Helen Pei Yao Chao.
A–8876902, Ng, Hop Tai.
V–485911, Nowicka, Helena.
V–485910, Nowicka, Irene.
A–7282988, Oleen, Nachum.
A–7295487, Sah, Chih-Han.
A–7362934, Shen, Ku-Chen.
A–6851333, Shiu, Yan Chang.
A–7282965, Su, Kelvin.
A–7483525, Sung, Mei-En now Mary Ann Chou.
A–8106780, Szethofer, Leon de, also known as Leo Setoff.
A–8106781, Szethofer, Blanche de, also known as Blanche Setoff.
0900–77483, Tan, Humen.

UNIVERSITY OF MICHIGAN LIBRARIES

A-7274386, Tao, Grace Hsu (nee Grace Kwang-Chueh Hsu).
A-6849412, Tao, Lu Chang.
A-6694211, Teng, Chang Li.
A-7118658, Tsao, Ching Chang.
V-371645, Tseng, Ching Yuen.
A-6534342, Tseng, Po Yee (Stella) Huang.
A-6847787, Tsui, Yaw Tzong.
0800-111750, Wang, Chun-Heng.
T-2080357, Wang, Huai Ming.
A-6551848, Wang, Tsu Hsiao.
A-6855599, Wu, Mei Chuan Chi.
A-3848057, Wu, Mien Tseng.
A-6624722, Yip, Su Zee known as Diana Yip.
0900-69922, Zak, Joseph.
0900-69923, Zak, Emilia.
A-6916639, Zee, King Tao.
E-6066, Li, Ann Teh Chu.
E-6067, Li, Nancy Teh Yu.
E-6761, Li, Ru Ping.
A-9708070, You, Soo.

With the following committee amendment:

Page 10, line 5, after the name "Pao-Ying", insert the name "Wu."

The committee amendment was agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

FAVORING THE GRANTING OF THE STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Clerk read the concurrent resolution (H. Con. Res. 202) favoring the granting of the status of permanent residence to certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 50 App. U. S. C. 1953):

A-6954184, Horesovsky, Bohumil Rudolf.
A-7415111, Horesovsky, Jr., Bohumil Rudolf.
A-7415110, Horesovsky, Jan Josef.
A-6938802, Balaits, Janis Alberts or John Alberts Balkits.
A-6848040, Chang, Victor Chao-Lung.
A-6620889, Chen, Pem Ching alias Robin Chen.
A-6361214, Dow, Tsung-I.
A-7086975, Hinko, Ladislav.
A-7439056, Hinko, Ladislav Gustav.
A-7439057, Hinko, Eva.
A-6442478, Javor, Pal or Paul.
A-6450409, Javor, Olga (nee Landesmann).
A-3153623, Peros, Peter Milan.
0300-442350, Ting, Ah Wong.
A-7044355, Vujosevic (Vujosevich), Nikola Mirko.
A-6819093, Chalme, Sara Moise (nee Sutton).
A-6472673, Ernst, Adolf.
A-6760795, Moncauskas, Julijonas.
A-6472150, Ravasz, Rudolf.
0300-416646, Shing, Sam, also known as Lem Shing.
A-6377623, Sneed, Myla, also known as Myla Szaladini.
A-6847792, Tung, Cheng-Kang.
A-6963306, Burger (Burgerova), Marie.
A-9643921, Ching, Leong.
A-6847975, Fang, Theresa Chihsun.
A-6851302, Fu, Chi-Hsiung.
A-6534357, Isakowitz, Robert Meier.
A-9559796, Lam, Yin or Yim Lam.
A-6173176, Li, Pa Chun, also known as Pat Li.
A-6703332, Li, Choi Chee Lou also known as Jennie Li.
A-8196502, Lung, Dong Ah.
A-6437027, Mitt, Rudolf.
A-6491926, Mitt, Olga (nee Ulenan).
A-6159696, Papp, Frank.
A-6159698, Papp, Valeria (nee Stritz).
A-6159697, Papp, Jr., Frank.
0300-408013, Roziskovich (Boziskovich), Josep or Joe.
A-6967286, Shen, Florence Tse-Yun Kao.
A-6609116, Tsang, Zue-Tze.
A-6971753, Uustalu, Juri, Arnold.
A-2797209, Ching, Chen Pak also known as Manuel Ching.
A-6776849, Choukanoff, Boyan Petkoff.
A-6776848, Choukanova, Ekaterina Boyanova.
A-5411126, Chu, Dai Poy also known as Dai Poy Chew; professional name, T. B. Chew, Jr.
A-6848515, Han Paul Shu Tung formerly Han Shu-Tung.
A-9771293, Lee, Chay Kun also known as Lee, Choy Kun.
A-6415037, Liu, Victor.
A-6847717, Loh, John Chu Fei.
1300-128711, Yuk, Lau also known as James Low.
A-7828457, Moy, Sun Show.
A-6923191, Rannala, Harry.
A-9825276, Tarabocchia, Martin.
A-7863005, Tipans, Ansis.
1300-74259, Wong, Gee Yiao.
A-6702180, Yen, Shee-Mang or Yen Shee Mang.
1300-74263, Yong, Wah Hing.
E-8394, Kroneroff, Geza.
A-8021280, Smits, Paul.
A-7941090, Barbarini, Antonio.
A-6848234, Bergman, Ibolya (nee Lebowitz).
A-7863011, Bondarenko, Vladimir Ivanovich or Vsevolod Ivanovich Abromov.
A-6438029, Cavrilovic, Mira.
E-086531, Cerineo, Branko.
A-8039898, Chan, Mong Chu.
A-68515114, Chang, Ching-Tung.
A-6652186, Cohen, Nadji Murad or Maji Murad Cohen.
0300-308450, Fat, Chang Han.
0300-363107, Fook, Cheong Chung.
A-6438028, Gavrilovich, Oscar.
A-6931603, Iwaniszyn, Helena.
A-6403580, Liang, Florence Kiang.
A-9765847, Lizzul, Giuseppe or Joseph Lizzul.
A-6894879, Philibosian, Emil Herant.
A-9767788, Randoja, Hannus.
A-6772096, Strupl, Milos.
A-6673276, Wung, Tam Bing.
A-6674085, Hung, Loo Shirt.
A-6250123, Zakkay, Victor Haron.
A-6960369, Filipescu, Aurelia.
A-6662152, Fulga, Alfred Dimitru also known as Alfred or Fred Fuuga.
A-8065669, Hong, Ng.
A-6960370, Istrate, Steliana.
A-7962159, Pauska, Aleksander.
A-6594757, Rejlek, Frantisek also known as Frank Rejlek, alias Raym.

With the following committee amendment:

Page 4, line 14, strike out the name "Cavrilovic" and substitute in lieu thereof the name "Gavrilovic."

The committee amendment was agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

ETHA DORA JOHNSON

The Clerk called the bill (H. R. 6618) for the relief of Etha Dora Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue, without consideration, to Etha Dora Johnson, of Taylorsville, Miss., a patent in fee, including all mineral rights, to the following-described tract of land:

Lot 5 southwest quarter northwest quarter and lot 6 southeast quarter northwest quarter, section 8, township 10 north, range 14 west, Smith County, Miss.

SEC. 2. If any mineral deposits in such land have been leased by the United States, the patent authorized under the first section of this act shall be issued subject to such lease and all rights of the United States under such lease shall be transferred to the said Etha Dora Johnson.

With the following committee amendment:

Page 1 line 4, strike out the words "without consideration," and insert in lieu thereof the words "upon the payment of not less than $1.25 per acre."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Clerk called the joint resolution (H. J. Res. 472) for the relief of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, for the purpose of the Immigration and Nationality Act, Isak Herstig, Constantine George Kaltsoyannis, Milly Model, Erich Rahneberg, Margaretha Rath Rahneberg, Solomon Joseph Sadakne, Rosa Stangl, Rosy Juin Tseng, Irma Elina Vcela, and Jose Cristiano Vieira, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this act, if such alien was classifiable as a quota immigrant at the time of the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING ACT RECOGNIZING PUBLIC SERVICE RENDERED BY MAJ. WALTER REED AND HIS ASSOCIATES

The Clerk called the bill (H. R. 5590) to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, by including therein the name of Gustaf E. Lambert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to recognize the high public service

rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929 (45 Stat. 1409), is hereby amended by inserting after the name of John J. Moran, wherever it appears in such act, the name of Gustaf E. Lambert.

With the following committee amendment:

Immediately following line 2, on page 2, add the following new section:

"SEC. 2. No benefits shall be paid by reason of the amendment made by this act for any period prior to the date an application therefor is filed after the date of enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND IN ALASKA

The Clerk called the bill (H. R. 6703) to authorize the sale of certain land in Alaska to Victor Power, of Juneau, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Victor Power, of Juneau, Alaska, is hereby authorized, for a period of 1 year from and after the effective date of this act, to apply for the purchase of, and the Secretary of the Interior is hereby authorized and directed to convey to Victor Power, for use in connection with his homesite, lot 7, United States survey No. 3269, Alaska, containing approximately seventy-three one-hundredths acre.

SEC. 2. The purchase price for the land shall be the reasonable value thereof without improvement, as determined by the Secretary of the Interior but not less than $1.25 per acre: *Provided*, That the conveyance hereby authorized shall not include any land covered by a valid existing right initiated under the public land laws: *Provided further*, That the coal and other mineral deposits in the land shall be reserved to the United States, together with the right to prospect for, mine, and remove the same under applicable laws and regulations to be prescribed by the Secretary of the Interior.

With the following committee amendments:

Page 1, strike out lines 3 to 9, inclusive, and insert in lieu thereof the following: "That Victor Power, of Juneau, Alaska, shall have the right to purchase under the act of June 1, 1938, as amended (43 U. S. C., sec. 682a), lot 7, United States survey No. 3269, Alaska, within 1 year after the approval of this act."

Page 2, line 4, strike out the word "reasonable" and insert in lieu thereof the words "fair market."

Page 2, line 9, change the colon to a period and strike out the remainder of the bill.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LANDS IN ALASKA TO MATANUSKA VALLEY LINES, INC., AND OTHERS

The Clerk called the bill (H. R. 7513) to authorize the conveyance of certain lands in Alaska to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey to the Matanuska Valley Lines, Inc., and to Russel Swank and Joe Blackard, without further compensation therefor, all the right, title, and interest of the United States to the following described lands purchased by the said grantees pursuant to the provisions of the Alaska Public Sale Act of August 30, 1949 (63 Stat. 679; 48 U. S. C. 364a–364e): Tracts 1, 2, 3, and 4 of block 27 of the east addition to the original townsite of Anchorage, Alaska, and tracts 6 and 7 of block 34 of the east addition to the original townsite of Anchorage, Alaska.

SEC. 2. The deed of conveyance authorized under the provisions of this act shall contain the terms, conditions, reservations, and restrictions included in patents granted under the Alaska Public Sale Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following language: "That the Secretary of the Interior shall grant the Matanuska Valley Lines, Inc., such additional period of time as he shall deem reasonable within which to comply with the requirements of its certificate of conditional purchase, issued on August 20, 1951, pursuant to the provisions of the Alaska Public Sale Act of August 30, 1949 (63 Stat. 679; 48 U. S. C., secs 364a–364e), for tracts 1, 2, 3, and 4 of block 27 of the east addition to the original townsite of Anchorage, Alaska, and tract 7 of block 34 of the east addition to the original town site of Anchorage, Alaska.

"SEC. 2. The Secretary of the Interior shall grant Joe Blackard and Russell Swank, operating a joint centure as Blackard & Swank, such additional period of time as he shall deem reasonable within which to comply with the requirements of their certificate of conditional purchase, issued on August 20, 1951, pursuant to the provisions of the Alaska Public Sale Act of August 30, 1949 (63 Stat. 679; 48 U. S. C., secs. 364a–364e), for tract 6 of block 34 of the east addition to the original townsite of Anchorage Alaska."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To direct the Secretary of the Interior to grant an extension of time to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard within which to apply for patent to certain lands in Alaska."

A motion to reconsider was laid on the table.

A. J. CROZAT, JR.

The Clerk called the bill (S. 1352) for the relief of A. J. Crozat, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. J. Crozat, Jr., New Orleans, La., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said A. J. Crozat, Jr., against the United States on account of permanent physical disability resulting from the withdrawal of blood, to be used in the treatment of members of the Armed Forces of the United States, at a Red Cross blood donor center in New Orleans, La., on December 13, 1943: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAYMOND D. BECKNER AND LULU STANLEY BECKNER

The Clerk called the bill (S. 1584) for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Raymond D. Beckner and Lulu Stanley Beckner, Fairmont, W. Va., the sum of $4,953.50. The payment of such sum shall be in full settlement of all claims of the said Raymond D. Beckner and his wife, Lulu Stanley Beckner, against the United States arising out of a paralytic stroke suffered by said Lulu Stanley Beckner on November 5, 1943, as the result of furnishing blood to a blood bank operated in Fairmont under the wartime blood donor program which was conducted for the armed services by the American National Red Cross: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. ROBERTSON

The Clerk called the bill (H. R. 1471) for the relief of William J. Robertson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William J. Robertson, the sum of $1,590.82. The payment of such sum shall be in full settlement of all claims of such person against the United States for payment for damages to his personal effects, alleged to have been sustained while being shipped on the steamship *Alaska* at Government expense, as an employee of the Department of the Interior, on February 2, 1947, on which date said ship was wrecked: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

UNIVERSITY OF MICHIGAN LIBRARIES

With the following committee amendment:

On page 2, lines 2 and 3, strike out the words "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARTIN M. SORENSEN

The Clerk called the bill (H. R. 1876) for the relief of Martin M. Sorensen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Martin M. Sorensen, New Orleans, La., the sum of $697.35. The payment of such sum shall be in full settlement of all claims of the said Martin M. Sorensen against the United States for pay and allowances for 45 days terminal leave which he should have received as an incident to his service as a commissioned officer in the United States Coast Guard Reserve: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 6, strike out "$697.35" and insert in lieu thereof "$592.50".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BLANCHE HOUSER

The Clerk called the bill (H. R. 3343) for the relief of Mrs. Blanche Houser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 and 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Mrs. Blanche Houser, Kenton, Ohio, and her claim for compensation for the death of her husband, John Houser, a former employee of the Civil Works Administration who died on June 19, 1947, shall be acted upon under the remaining provisions of such act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within 6 months after the date of the enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERMAN F. GIERKE, JR.

The Clerk called the bill (H. R. 3725) for the relief of Herman F. Gierke, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman F. Gierke, Jr., of Watford City, N. Dak., the sum of $3,550. The payment of such sum shall be in full settlement of all claims of Herman F. Gierke, Jr., against the United States for damages resulting from the failure of the Corps of Engineers to replace certain fences, for their failure to construct containment for livestock, and for their failure to construct certain road approaches which they agreed to do in return for an easement granted by Herman F. Gierke, Jr., to the United States. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$3,550" and insert "$2,500."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, line 4, strike out "in excess of 10 percent thereof."

Mr. LANE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, in reference to the committee amendment which has just been read by the Clerk, that has to do with the attorney clause in the bill. The committee originally thought that no attorney was involved in this particular matter and for that reason this committee amendment is before us. We now find, however, that an attorney has been working on this case and, therefore, we are hopeful that the amendment will be voted down.

The SPEAKER. The question is on the committee amendment.

The committee amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES A. BARRON

The Clerk called the bill (H. R. 3733) for the relief of Charles A. Barron.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Charles A. Barron, Rising Sun, Md., is hereby relieved of all liability to refund to the United States the sum of $864.96. Such sums represents the amount of overpayment of basic compensation received in good faith by him from the United States as a result in his indefinite appointment on December 10, 1951, in contravention of existing law and regulations, to the position of ordnance inspector (general), grade GS–7, Office of the Naval Inspector of Ordnance, Philadelphia, Pa. In the audit and settlement of the accounts of any disbursing officer of the United States, full credit shall be given for the amount of such overpayment. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Charles A. Barron a sum equal to the aggregate of any amounts which may have been paid by him, or withheld from amounts otherwise due him, in complete or partial satisfaction of the claim of the United States for the refund of such overpayment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY V. SHOOP, ET AL.

The Clerk called the bill (H. R. 3980) for the relief of Harry V. Shoop, Frederick J. Richardson, and Junior K. Schoolcraft.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Harry V. Shoop, Frederick J. Richardson, and Junior K. Schoolcraft are hereby relieved of all liability to refund to the United States the sums of $1,190.20, $410.40, and $1,176.80, respectively. Such sums represent the respective amounts of overpayment of compensation made to the above-specified individuals and received by them in good faith covering periods from and after November 9, 1952, through February 14, 1953, during which such individuals were absent from duty as employees of the Department of the Air Force by reason of service which they were performing with the Ohio National Guard. In the audit and settlement of the accounts of any disbursing officer of the United States, full credit shall be given for such respective amounts of overpayment. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the above-specified individuals a sum equal to the aggregate of any amounts which may have been paid by him, or which may have been withheld from amounts otherwise due him, in complete or partial satisfaction of the claim of the United States for refund of such overpayment.

With the following committee amendments:

Page 1, line 3, after the name Richardson, insert "Joseph D. Rosenlieb, Joseph E. P. McCann."

Page 1, line 5, after "$410.40", insert "$636.11, $904.80."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Harry V. Shoop, Frederick J. Richardson, Joseph D. Rosenlieb, Joseph E. P. McCann, and Junior K. Schoolcraft."

A motion to reconsider was laid on the table.

CROSSE & BLACKWELL CO.

The Clerk called the bill (H. R. 4633) for the relief of Crosse & Blackwell Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,620.09 to the Crosse & Blackwell Co., of Baltimore, Md., in full settlement of all claims against the United States. Such sum represents the tax refund on four overseas shipments of alcoholic products on

which the taxes were paid at the time of bottling, but on which drawback claims were rejected: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2 line 1, after the word "Act" strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARENCE MAXWELL

The Clerk called the bill (H. R. 4759) for the relief of Clarence Maxwell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clarence Maxwell, Sterling, Ill., the sum of $318.37. Such sum represents reimbursement to the said Clarence Maxwell for paying out of his own funds a judgment, together with court costs, arising out of an accident occurring on January 30, 1951, when the said Clarence Maxwell was operating a United States mail truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELLA MADDEN

The Clerk called the bill (H. R. 5237) for the relief of Mrs. Ella Madden.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Ella Madden, of Lawton, Okla., the sum of $25,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Ella Madden on account of the death of her two sons, Robert and Jackson C. Annis, resulting from the explosion of a rifle grenade which had been found by these boys and which undoubtedly had been brought into the town by some member of the United States Army stationed at nearby Fort Sill, Okla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert "That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Mrs. Ella Madden, of Lawton, Okla., the sum of $15,000, in full settlement of all claims of the said Mrs. Ella Madden against the United States on account of the death of her two sons, Robert and Jackson C. Annis, resulting from the explosion of a rifle grenade which had been found by these boys and which undoubtedly had come from nearby Fort Sill, Okla., and (2) to Clarence E. Madden, of Lawton, Okla., the stepfather of Robert and Jackson C. Annis, the sum of $1,950.21, in full settlement of his claim against the United States for reimbursement of hospital, funeral, burial, and other expenses incurred by him on account of the injuries and death of the said Robert and Jackson C. Annis: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Ella Madden and Clarence E. Madden."

A motion to reconsider was laid on the table.

KEITH A. BOTTERUD

The Clerk called the bill (H. R. 5284) for the relief of Keith A. Botterud.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,649.94 to Keith A. Botterud, 10140 Dallas Avenue, Silver Spring, Md., in full settlement of all claims against the United States as reimbursement for travel and transportation expense of his immediate family, household goods, and personal effects, while a civilian employee of the Post Office Department carrying out his duties under official travel orders dated June 2, 1954, which specified that such travel and transportation expenses would be paid by the Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid, delivered to, or received by any agent or attorney on account of services rendered by any agent or attorney in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR H. HOMEYER

The Clerk called the bill (H. R. 5495) for the relief of Arthur H. Homeyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Arthur H. Homeyer, Cheverly, Md., is hereby relieved of liability to repay to the United States the sum of $1,415.33, representing the amounts of payments made on voucher numbered 2–266799 (in the amount of $951.99, dated October 1947) and voucher numbered 415764 (in the amount of $463.32, dated December 1947), certified by him, to which the General Accounting Office has made exception. The said Arthur H. Homeyer certified such vouchers for payment in good faith but he cannot properly defend himself against any action by the United States to require him to pay such sums to the United States because of the loss by the Public Housing Administration of records relating to the transactions covered by the vouchers.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. KATHRYN M. BAKER

The Clerk called the bill (H. R. 5526) for the relief of Mrs. Kathryn M. Baker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Kathryn M. Baker, of Bethel Island, Calif., the sum of $691.20. The payment of such sum shall be in full settlement of all claims of the said Kathryn M. Baker against the United States on account of the death of her former husband, Staff Sergt. James C. Sipes (serial No. 37232567), who was killed in action on June 10, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, after the word "Act", strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUNE SMITH

The Clerk called the bill (H. R. 5778) for the relief of June Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to

UNIVERSITY OF MICHIGAN LIBRARIES

pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,500 to June Smith whose leg was injured when struck by United States Navy vehicle No. 18970 while crossing the street on August 1, 1945, at Burton Station, Princess Anne County, Va. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident (this claim is not cognizable under the Federal Tort Claims Act): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$3,500" and insert "$2,400."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. HERMAN FLOYD WILLIAMS AND MR. AND MRS. W. C. SEGARS

The Clerk called the bill (H. R. 6137) for the relief of Herman Floyd Williams, Bettie J. Williams, Alma G. Segars, and W. C. Segars.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman Floyd Williams the sum of $12,500, to Bettie J. Williams the sum of $12,500, to Alma G. Segars the sum of $2,500, and to W. C. Segars the sum of $2,500. The payment of such sums shall be in full settlement of all claims of such persons against the United States on account of personal injuries, death, and property damage caused by the crash of a United States Air Force aircraft in the city of Marianna, Fla., on July 22, 1952, it having been determined that these claims are not cognizable under the Federal tort claims procedure: *Provided*, That no part of the amount appropriated in this act for the payment of any one claim in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "to" insert "Mr. and Mrs."

Page 1, line 6, strike out "$12,500, to Bettie J. Williams the sum of $12,500, to Alma G. Segars the sum of $2,500, and."

Page 1, line 7, after the word "to" insert "Mr. and Mrs." and change "Segars" to "Segers."

Page 1, line 8, strike out the figures "2,500", and insert in lieu thereof "5,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mr. and Mrs. Herman Floyd Williams and Mr. and Mrs. W. C. Segers."

A motion to reconsider was laid on the table.

MANUEL MELLO

The Clerk called the bill (H. R. 6673) for the relief of Manuel Mello.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Manuel Mello, New Bedford, Mass., the sum of $158.21. Such sum represents reimbursement to the said Manuel Mello for paying out of his own funds a judgment rendered against him in the courts in the Commonwealth of Massachusetts, arising out of an accident occurring in January 1954, when the said Manuel Mello was operating a Government vehicle in the course of his duties as an employee of the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 3, after the word "Act" strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EUGENE G. ARETZ

The Clerk called the bill (H. R. 7373) for the relief of Eugene G. Aretz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Eugene G. Aretz, employee in the Naval Ordnance Plant at Indianapolis, Ind., is relieved of all liability to refund to the United States the sum of $410.40 which he received as excess compensation as a result of his promotion approved on June 24, 1951, before the expiration of a waiting period of 52 calendar weeks of service required by section 701 (a) of the Classification Act of 1949 (63 Stat. 967).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY VIOLA JONES

The Clerk called the bill (H. R. 7583) for the relief of Mary Viola Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Viola Jones, 909 Keener Avenue, Atlantic City, N. J., the sum of $2,000 in full satisfaction and final settlement of her claim against the United States arising out of the lapse of insurance policy No. 4901, issued by the International Fidelity Insurance Co., Houston, Tex., on the life of her son, Sgt. Donald Jones, RA13266376, which policy lapsed prior to the death of the said Sgt. Donald Jones which occurred on April 28, 1951, while he was a prisoner of war in North Korea: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, or attorney or attorneys, on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WRIGHT H. HUNTLEY

The Clerk called the bill (H. R. 8187) for the relief of Wright H. Huntley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wright H. Huntley, Bishop, Calif., a sum consisting of $20,147.27, representing the amount reported by the United States Court of Claims to the Congress in response to House Resolution 255, 83d Congress (congressional No. 2-53, decided November 8, 1955), to be the amount agreed to by the United States and the said Wright H. Huntley of losses of the said Wright H. Huntley against the United States as a result of mining operation restrictions by the Government, during the period beginning June 10, 1944, and ending February 21, 1946, in the operation of the Huntley Talc Mine, Saline Valley, Inyo County, Calif., as a result of the establishment by the United States of the Saline Valley Aerial Gunnery Range which included such mine and certain roads leading thereto: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WESTFELDT BROS.

The Clerk called the bill (H. R. 8298) for the relief of Westfeldt Bros.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Westfeldt Bros., of New Orleans, La., is hereby relieved of liability to pay to the United States the amount of $540,540.00 erroneously levied as increased customs duty on account of merchandise imported by them, because of a clerical error in the entry of such merchandise (New Orleans warehouse entry No. 676

of October 3, 1945), such error being perpetuated by an appraisement based thereon which became conclusive with respect to all parties upon the lapse of 60 days after the date of such appraisement.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EUGENE GARDNER, BYRON M. BARBEAU, JOHN R. REAVES, AND JACKSON L. HARDY

The Clerk called the bill (H. R. 8306) for the relief of Eugene Gardner, Byron M. Barbeau, John R. Reaves, and Jackson L. Hardy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eugene Gardner, 427 East Main Street, Xenia, Ohio, the sum of $1,479.40; to Byron M. Barbeau, Fourth and Main Streets, Batavia, Ohio, the sum of $463.68; to John R. Reaves, 41 Wood Street, Rutherford, N. J., the sum of $4,944.39; and to Jackson L. Hardy, 903 Third Avenue South, Box 629, Seattle, Wash., the sum of $1,548.54. The payment of these amounts shall be in full settlement of all claims against the United States for the losses sustained by the said Eugene Gardner, Byron M. Barbeau, John R. Reaves, and Jackson L. Hardy, as a result of damage to and destruction of their personal property in a fire that occurred in the warehouse of the Ferguson Moving & Storage Co., 1220 Harrison Avenue, Cincinnati, Ohio, on September 10, 1952: *Provided*, That nothing in this act does or shall affect the right, title, and interest in and to any claim which the Government of the United States has as a result of this fire: *Provided further*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATHAN A. KAHN

The Clerk called the bill (H. R. 8307) for the relief of Nathan A. Kahn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to 1st Lt. Nathan A. Kahn, United States Army Reserve, 2915 Blackshear Avenue, Pensacola, Fla., the sum of $1,568.40 in full settlement of all claims against the United States for the damages sustained by him as a result of the destruction of his household goods and personal effects in a fire that occurred in the warehouse of the Washburn Storage Co., Atlanta, Ga., on April 30, 1954: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR E. WEEDEN, JR.

The Clerk called the bill (H. R. 8308) for the relief of Arthur E. Weeden, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur E. Weeden, Jr., 523 Janesville Street, Oregon, Wis., the sum of $572.80, in full settlement of all claims against the United States for the loss sustained by him as a result of damage to and destruction of his personal property in a fire that occurred in the warehouse of the Buckner Transfer & Storage Co., 2301 Mills Street, El Paso, Tex., on June 3, 1953: *Provided*, That nothing in this act does or shall affect the right, title and interest in and to any claim which the Government of the United States has as a result of this fire: *Provided further*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. HENRY M. ZELLER

The Clerk called the bill (H. R. 8309) for the relief of Col. Henry M. Zeller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Col. Henry M. Zeller, O–16843, Fort Benning, Ga., the sum of $1,871.43, in full satisfaction and final settlement of his claim against the United States for destruction of his household goods by fire while in the custody of the Government en route from Fort McPherson, Ga., to Fort Richardson, Anchorage, Alaska, incident to his change of station in March 1953, such amount being in addition to the amount of $2,500 already administratively paid to him under the provisions of the Military Personnel Claims Act of 1945, as amended (31 U. S. C. 222c): *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. W. O. GEORGE C. CARTER

The Clerk called the bill (H. R. 8310) for the relief of C. W. O. George C. Carter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. W. O. George C. Carter, 537 Meadow Lane, Collinsville, Ill., the sum of $1,432.35, in full satisfaction and final settlement of his claim against the United States for the destruction of his household goods and personal property by a fire which occurred on December 27, 1954, in the building in which Chief Warrant Officer Carter and his family were residing pursuant to a private rental agreement at the time when he was on duty with the United States Army in France. The amount of $1,432.35 is in addition to the amount of $2,500 already administratively paid to him under the provisions of the Military Personnel Claims Act of 1945, as amended (31 U. S. C. 222c): *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DANIEL O. HULSE, JR.

The Clerk called the bill (H. R. 8311) for the relief of Daniel O. Hulse, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Daniel O. Hulse, Jr., 10233 Sylvia Drive, Dallas 28, Tex., the sum of $256.20, in full satisfaction and final settlement of his claim against the United States for the destruction of his household goods and personal property by fire on July 15, 1954, while in the custody of an agent of the Government at the warehouse of the Sunset Motor Lines, Dallas, Tex. The shipment was picked up by Army authorities in Fort Bliss, Tex., where Sergeant Hulse was stationed prior to his release from the military service, and had been transported to Dallas, Tex. The amount of $256.20 is in addition to the amount of $2,500 already administratively paid to him under the provisions of the Military Personnel Claims Act of 1945, as amended (31 U. S. C. 222c): *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIVERSITY OF MICHIGAN LIBRARIES

BARBARA D. COLTHURST

The Clerk called the bill (S. 97) for the relief of Barbara D. Colthurst.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the Immigration and Nationality Act, the periods of time Barbara D. Colthurst has resided or was physically present in the United States or any State since July 2, 1947, shall be held and considered as compliance with the residence or physical presence requirements of section 316 of the said act.

With the following committee amendment:

After line 8, on page 1, add sections 2 and 3, to read as follows:

"SEC. 2. For the purposes of section 316 (a) of the Immigration and Nationality Act, Pedro P. Dagamac shall be held and considered to have been physically present in, and a continuous permanent resident of, the United States during the period from February 1946 until November 7, 1952, while temporarily absent from the United States in the employment of the United States Government.

"SEC. 3. Notwithstanding the provisions of the Immigration and Nationality Act, the periods of time Edith Kahler has resided or was physically present in the United States or any State since December 11, 1947, shall be held and considered as compliance with the residence or physical presence requirements of section 316 of the said act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Barbara D. Colthurst, Pedro P. Dagamac, and Edith Kahler."

A motion to reconsider was laid on the table.

MRS. INGEBORG C. KARDE

The Clerk called the bill (S. 213) for the relief of Mrs. Ingeborg C. Karde.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Ingeborg C. Karde shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That for the purposes of the Immigation and Nationality Act Ingeborg C. Karde, Shigeko Nakamura, and Valdis Mikelsons shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. Upon the granting of permanent residence to each alien as provided for in this section of this act, if such alien was classifiable as a quota immigrant at the time of the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

"SEC. 2. The Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have been issued in the cases of Georges Demetelin, Athena Demetelin, Stanley William Wheatland, Mareanthe Baicou, and Peter Skoie. From and after the date of enactment of this act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

"SEC. 3. For the purposes of the Immigration and Nationality Act Domenico Bompiani, Beri Denovi, Mervin Walter Ball, Gordon Thompson Brown, Edward White, Lily Elsie White, Dr. Klaus Hergt, and Stephen Fodo, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to grant the status of permanent residence in the United States to certain aliens and to cancel deportation proceedings in the cases of certain aliens."

A motion to reconsider was laid on the table.

ASHER EZRACHI

The Clerk called the bill (S. 315) for the relief of Asher Ezrachi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 212 (a) (9) and section 212 (a) (19) of the Immigration and Nationality Act, Asher Ezrachi may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act: *Provided*, That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That notwithstanding the provisions of section 212 (a) (9) and (19) of the Immigration and Nationality Act, Asher Ezrachi and Ralph Piccolo (Raffaele Piccolo), may be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of such Act: *Provided*, That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

"SEC. 2. Notwithstanding the provisions of section 212 (a) (1) and (4) of the Immigration and Nationality Act, Bart Krijger may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act: *Provided further*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

"SEC. 3. Notwithstanding the provisions of section 212 (a) (9) and (12) of the Immigration and Nationality Act, Anna Jerman Bonito and Esteni Rodriguez Estopinan de Witlicki may be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act: *Provided*, That these exemptions shall apply only to grounds for exclusions of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

"SEC. 4. Notwithstanding the provision of section (5) of the Immigration and Nationality Act, Ivan Gerasko may be admitted to the United States for permanent residence, if he is found to be otherwise admissible under the provisions of such act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department fo Health, Education, and Welfare, may deem necesary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

"SEC. 5. Notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Jose Alvarez, Hildegard Kropfitsch Pelloski, George Roland Lavoie, Katharine Lajimodiere (nee Schneeberger), Luigi Cardone, Ingeburg Edith Stallings (nee Nitzki), and Hilde Schiller, may be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens."

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN INDIVIDUALS WHOSE LAND WAS FLOODED BY ACTION OF THE FEDERAL GOVERNMENT

The Clerk called the bill (H. R. 6421) for the relief of certain individuals whose land was flooded by the Federal Government.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the persons listed in section 2 the sums set forth after their names. The payment of such sums shall be in full settlement of all claims of the persons so named against the United States arising by reason of the flooding of land in the vicinity of Lake Alice, N. Dak., as a result of the activities of the Fish and Wildlife Service in connection with the establishment and maintenance of a migratory wildlife refuge.

SEC. 2. The names of the persons referred to in the first section and the amount claimed by each are as follows: Roy Cowan, $9,750; Dorothy Gessner, $1,800; Norris Larson, $10,300; L. A. Anderson, $13,650; Albert and Evelyn Moen, $25,400; Allan Overland and Reuben Overland, $2,100; Reuben Overland, $4,000; C. N. Barrett, as agent of certain landowners, $4,000; Joseph Hartl, $4,200; Annie Elsperger, $38,990; John F. Elsperger and Kathleen Elsperger, his wife, $31,180; Robert M. Elsperger, $288; Roman F. Elsperger, $12,100; Bernard F. Lange, $3,850; Roy A. Noltimier, $23,870; Donald Noltimier and Agatha Noltimier, his wife, $29,590; Henry Noltimier, $700; Maude Wright Webster, $8,650; Ewald Henke, $2,900; Harry L. Overland and Bella Overland, $25,000; John Magnuson, $13,750; Roy G. Sylvester and Walter E. Sylvester, $10,500.

SEC. 3. No part of the amount appropriated in this act for the payment of any one claim in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Roy Cowan and others."

A motion to reconsider was laid on the table.

TREASURY, POST OFFICE, TAX COURT APPROPRIATION BILL, 1957

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9064) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes; and pending that motion I ask unanimous consent that general debate on the bill be limited to 3 hours, one-half the time to be controlled by the gentleman from New Jersey [Mr. CANFIELD] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9064, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. GARY. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I am happy to report to the House at this time that, although there has been some talk about this session of the Congress being late in getting down to business, this bill is being reported to the House earlier than any regular annual appropriation bill has been reported since the 1933 amendment to the Constitution changing the date of the meeting of the Congress.

I assure my colleagues, however, that this does not mean the bill has been rushed through the committee. Our committee is exceedingly fortunate in that we have as members experienced men who have handled this particular bill for a number of years. Most of you know that my very distinguished colleague the gentleman from New Jersey and I have had the honor of alternating as chairman of this committee for the past 6 or 8 years. When his party is in control of the Congress he serves as chairman of the committee, and when my party has been in control I have had that honor. The gentleman from New Jersey [Mr. CANFIELD] has served on this committee for a number of years and has rendered very outstanding service. In addition, the gentleman from Louisiana [Mr. PASSMAN], the gentleman from New Jersey [Mr. SIEMINSKI], the gentleman from Indiana [Mr. WILSON], and the gentleman from Pennsylvania [Mr. JAMES] have served for more than one Congress. They, therefore, are thoroughly familiar with the workings of the two Departments. The gentleman from Illinois [Mr. MURRAY] is the latest addition to our committee, and he has the benefit of the experience of last year.

Mr. Chairman, may I say that the members of this committee work the year around on this bill. We do not hold hearings and then forget about it. The committee has visited the installations of the Treasury and the Post Office Departments in various parts of the world. We have visited post offices in various parts of the United States, we have visited Coast Guard installations which are scattered far out into the Pacific and into the Atlantic.

In addition to these visitations which offered the committee an opportunity to get firsthand information of the needs of the departments, we had, during the past recess of the Congress, five staff investigations, and the committee had the benefit of the recommendations of those staff reports. We also had one General Accounting Office report dealing with certain phases of the work of the departments. We commenced our hearings almost immediately after the Congress convened and we held sessions morning and afternoon during long, tedious hours. Therefore, I say to you that the bill has been given as thorough consideration as any bill that we have ever brought to the floor of the House; at the same time we are somewhat proud of the fact that we have established a record.

The total amount of budgeted funds covered in this bill is $20.4 billion. In other words, this bill carries more money than any other appropriation bill that is presented to the House with the exception of the armed services bill. However, the larger part of that amount is moneys over which the committee has no control. For example, the permanent indefinite appropriations which are carried in the bill amount to $7.8 billion. The largest item in the permanent indefinite appropriations is the interest on the public debt, which is estimated for the fiscal year 1957 at $7 billion, an increase of $200 million over 1956. That increase is due largely to the increase in the interest rate on the short-term notes.

The bill also carries $8.9 billion of trust funds, and in that item there is an increase of $238 million over 1956. The largest item in these trust funds is the Federal old-age and survivors insurance trust fund, the expenditures from which are estimated at $7.3 billion for the fiscal year 1957. These are fixed expenditures that our committee cannot revise either up or down.

When these items are eliminated, it leaves estimated expenditures of $3,649,872,000 for 1957 over which the committee does have jurisdiction. These are the estimated expenditures for the Treasury and Post Office Departments and the Tax Court of the United States. The appropriation for these departments for fiscal 1956 was $3,332,501,500. The request for 1957 represents an increase over 1956 of $317,370,500. Our committee recommends $3,618,699,000, which is a decrease of $31,173,000 in the estimates presented to us by the departments.

Of the $286,197,500 increase allowed by our committee over 1956 appropriations, however, I might point out that $197 million is due to the pay increases which this Congress approved during the last session. That appropriation is broken down into three subtitles, and we will consider first the appropriations for the Treasury Department.

The Congress appropriated for the Treasury for the fiscal year 1956 $609,611,000. If any of you desire to follow these figures, you can find them tabulated at the end of the committee report beginning on page 17.

The Treasury Department requested $648,507,000 for the fiscal year 1957. Our committee recommends $643,434,000. That is an increase of $33,823,000 over the appropriation for 1956, and a decrease of $5,073,000 from the 1957 estimates; $25 million of the increase is due to the pay raise legislation of last year.

I will not discuss each item in the Treasury bill unless there are some questions about them, but I shall discuss briefly the items in which we have granted the largest increases. Let us take up first the Division of Disbursements. Last year we appropriated $15,475,000 for the Division of Disbursements. They requested $16,240,000 this year. Our committee recommends $16,100,000, which is an increase of $625,000 over 1956 and a decrease of $140,000 from the 1957 estimate, $355,000 of the increase is due to the pay increase legis-

UNIVERSITY OF MICHIGAN LIBRARIES

lation. The balance is due largely to the increased number of Social Security checks which that division will have to prepare and distribute during the next year. The increase in the number of checks is due to the changes that have been made in the Social Security law by the Congress of the United States.

Mr. GROSS. Mr. Chairman, will the gentleman yield briefly?

Mr. GARY. I gladly yield to the gentleman from Iowa.

Mr. GROSS. On the subject of the Bureau of the Public Debt I notice that the committee recommends $45,500,000. Can the gentleman tell me briefly how that money is spent? Is it spent upon advertising, for radio time for the sale of bonds, and so forth?

Mr. GARY. The Public Debt handles all of the transactions relating to the public debt. They have to keep a record of the public debt. They have to keep a record of the holders of bonds. They have to provide for the sale of bonds. A part of the money is spent for the preparation of advertising programs. But I might say to the gentleman, and it is a very remarkable fact, that the Bureau of the Public Debt secures millions of dollars worth of advertising for which it does not pay a single penny.

Mr. GROSS. I understand that, but $45,500,000 is a pretty substantial sum. The number of employees in this Bureau is not large, is it?

Mr. GARY. Yes. They handle all transactions relating to the public debt. They have a large organization. Our committee has visited their facilities. They have an extensive setup because they have to keep records of all United States bonds. It is a tremendous task when you think of the millions of bonds that are held by individual bond holders in the United States and the records that have to be kept of those individual bond holders.

Mr. GROSS. Is the personnel to be paid in the terms of hundreds or thousands or what?

Mr. GARY. Five million one hundred twenty-four thousand seven hundred dollars is used for the promotion of bond sales. That is the total amount for that item. Practically all of the advertising is free. The television and radio stations donate the time for the programs and the performers donate their time. It is a great and patriotic contribution to the Nation.

Mr. GROSS. Then the other $40 million goes for the compensation of employees?

Mr. GARY. The other $40 million goes for the handling of the public debt. There are 3,957 employees in the Bureau. They are required for the handling of the public debt. As a matter of fact, that Bureau asked for only $1 million increase over last year. Our committee granted them that increase for this reason: The Treasury Department has made very great strides in modernizing the Department, installing electronic machines and various other modern appliances so as to reduce the cost of operation. Very frankly, our committee thought that the Bureau of the Public Debt has not been as active in the modernization program as some of the other bureaus. We therefore allowed them this additional $1 million with the understanding that they apply a large part of it next year to the study and the improvement of their methods. I do not want to intimate that the Bureau has not made any progress, but we hope that it will make greater progress next year because of this additional allowance.

The next item is the Bureau of Customs. The appropriation for the Bureau of Customs for 1956 was $41,200,000. They requested for 1957 $44,500,000. Our committee recommended $44,250,000, which is an increase of $3,050,000 over 1956, and a decrease of $250,000 from their request. Two million nine hundred thousand dollars of the increase is due to pay-raise legislation. The additional increase recommended by the committee is allowed to permit the examination of more foreign mail packages, that is, the examination of packages coming into this country from abroad. Previous experience convinces the committee that the revenue gain from the examination of this foreign mail will more than offset the cost of the examination.

The next item is the Internal Revenue Service, and this is, of course, one of the larger divisions of the Treasury Department and one of the most important, because that is the division that collects the taxes that are so necessary to operate the Government.

The appropriation for the Internal Revenue Service for 1956 was $282,250,000. The estimates for 1957 are $307,850,000.

Our committee recommends $305 million, which is an increase of $22,750,000 over 1956 and a decrease in the estimates of $2,850,000. The pay raise legislation accounts for $19 million of the increase.

The increase allowed over and above the pay increase is due largely to the addition to the legal staff to permit the preparation and issuance of ruling pertaining to the Internal Revenue Code of 1954. That code, as you all know, made very great changes in the law and a larger staff is required to prepare and issue rulings carrying the new law into effect.

Moreover, additional staff members are required in the unit responsible for the collection of taxes from United States citizens residing overseas.

Several discussions which arose in the Internal Revenue Service hearings were very interesting. One has gained considerable publicity throughout the United States and relates to the fact that certain professional boxers in the United States are delinquent in the payment of their income taxes. Apparently there is no provision in the present law for withholding taxes on amounts they receive from the boxing matches in which they engage because they are not employees. They are considered to be independent contractors and consequently at least 1 or 2 boxers have gotten way behind in their income tax payments. When the Treasury Department attempted to collect the tax, their earning capacity had so seriously diminished that it has been difficult, if not impossible, to collect the taxes due. Our committee insisted that the Treasury Department give this matter very serious study and attempt to work out a method of handling these cases which will avoid recurrences in the future.

Another situation arose in one of our principal cities where a very outstanding citizen died and it was found on his death that he had not reported his income tax for a number of years. His estate was then assessed a million or more dollars in back taxes.

This incident resulted in an investigation which disclosed that there were a number of other people in that community who had failed to file returns. Our committee feels that the Internal Revenue Service should have exercised greater diligence in these cases, and we have so expressed ourselves. Every effort should be made to collect taxes at the time they are due and when the taxpayer has the money with which to pay them.

We also had some discussion with reference to the new training school. You will remember that 2 years ago the Congress authorized a training school for the revenue employees. Our staff interviewed a number of those attending the school last year. They reported to us that the employees attending the school, were of the opinion that the courses were too academic and not enough related to the duties of a tax assessor. The new Commissioner of Internal Revenue assured us that he would give this matter immediate attention. We trust that this will result in more practical courses in the future.

The next item is the Bureau of Narcotics. This is a very important bureau of the Treasury Department, particularly at the present time when the use of narcotics is becoming such a blight in the United States. That bureau was allowed for 1956 $2,990,000. For 1957, they asked for $3,250,000 which is an increase of $260,000. Our committee recommended the full amount. We did not feel that in face of the problems which the Bureau has before it we should attempt to cut down on the appropriation at this time. The $260,000 increase which they have requested will provide additional pay of $155,000, and 15 additional agents for enforcement of the narcotic laws in the troubled areas of the United States.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. HIESTAND. May we have just a brief statement from the gentleman on the testimony of Narcotics Bureau in asking additional amounts and only 15 additional agents? This is the most serious problem of the Nation, and I am wondering what we can do with only 15 additional agents.

Mr. GARY. Our committee felt, and so does the Bureau of Narcotics, that the prime duty of enforcing the narcotics law should be left with the States and the localities. The moment we intimate to the localities or the States that we are going to step into this field and take over, we are going to lose the benefit of thousands of enforcement officers throughout the United States who are now engaged in enforcing this law. What the Bureau of Narcotics attempts

to do is to handle the interstate and foreign aspects of the matter. For example, we allowed them several agents a few years ago to operate abroad. We cannot do anything abroad except pick up information, and work in collaboration with the foreign governments. But those agents have been instrumental in breaking up large international narcotic rings. There are certain areas in the United States where the situation is particularly acute at this time and Dr. Anslinger, who I think is one of the ablest administrators in the Government, says if we give him these 15 agents he believes he can handle the problem from the Federal standpoint at the present time. But, we are never going to get to the point where the Federal Government can take over this narcotics-enforcement program. We must have the cooperation of the States and the localities, and it is the policy of the Bureau, to cooperate with the State and local officers in enforcing the law locally.

Mr. HIESTAND. I thank the gentleman. However, I am sure we are all agreed in the soundness of the fundamental policy of having the enforcement local; there is no argument there. I am sure we all agree in commending the excellent work of the Commissioner and the Bureau in the good things it has done. However, this is interstate traffic, and I still cannot see how it is with an additional 15 men that it will make any appreciable difference in choking off this interstate traffic which the local enforcement officers are not privileged to enforce or capable of enforcing.

Mr. GARY. Our committee allowed them the full amount requested. We never cut their request a single penny. We allowed the Bureau what it said was necessary. Two reports on this subject have been released within the last few days. One by a Senate committee which has been investigating this matter. The other, by a Cabinet committee which made a study at the request of the President. If the Congress, after a study of these reports, considers additional agents justified, they can be added later. However, we have given the Bureau everything it asked for.

The next item is the United States Secret Service, which we have given an increase over 1956 of $456,000, of which $261,000 represents pay increase. The additional amount will provide five new agents to take care of the backlog of work which has piled up in the Department.

United States Coast Guard: This appropriation was $195,053,000 in 1956. The request for 1957 was $202 million. The committee recommends $200,250,000, an increase of $5,197,000 over 1956 and a decrease of $1,750,000 on the request; $690,000 of the increase is for pay raise and the balance provides for the operation of 10 additional loran stations, a modification of the radar installations on certain ships, and the modification of aircraft, including helicopters. The loran stations are part of the national-defense program.

We come now to the Post Office Department.

In 1956 for the Post Office Department we appropriated $2,721,720,500. They requested for 1957 an even $3 billion. The committee recommends $2,973,900,000, which is an increase of $252,179,500 over the 1956 appropriations.

Of that amount, $172 million is due to pay raise; the balance is due to an estimated increase in the volume of mail.

Last year the House, at the recommendation of our committee, cut the Post Office Department $69,117,000. The Senate restored practically every bit of it; they restored $68,404,000. Then we went to conference, and the final cut was $33,096,500. This year, I want to say to you very frankly, the Post Office sent over a very much closer estimate than in 1956. Therefore, instead of recommending to you a cut of $69 million this year, we are recommending a cut of only $26,100,000. We feel that the Post Office can stand that without any difficulty. They told us last year when we cut them $33 million that they could not operate on that figure. They have operated on that figure, and they say they believe they are going to be able to finish the year without asking for any additional money. I compliment them for it, because we did cut them heavily last year. I believe, however, that this year they will be able to operate on the amount the committee recommends without any difficulty.

I want to call attention to one other item, and that is the postal deficit.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I shall be glad to yield to the gentleman.

Mr. JENNINGS. A newspaper circulated in my district published an editorial commending the Postmaster General and attributed the decrease of about $364 million in the postal deficit from the fiscal year 1952 to the fiscal year 1955 to the use of better business methods by the Post Office Department. Is that editorial observation correct?

Mr. GARY. No; I was just getting ready to discuss that. The editorial is not correct in two respects. In the first place, they misquoted the Postmaster General. He never claimed the reduction in the deficit was due to better business methods and more efficient operation as the newspaper alleged. In the second place, the reduction was not due to those causes.

It is true that the deficit was $727 million in 1952 and that it had dropped to $363 million in 1955.

In the $727 million deficit of 1952, however, we had an item for franked mail of $1,700,000. That is the mail that we Members of Congress send out durin the year. We now appropriate to the Congress money for the franked mail and that money is paid to the Post Office Department. In my judgment that is proper as there is no reason why the Post Office Department should be charged with the mail of the Congress. The same is true with the penalty mail for the various departments. There is no reason why the Post Office Department should be charged with the mail that they handle free for other departments. Now we appropriate the money to the various departments for them to pay to the Post Office Department. That amounted to $54,200,000. Then we had in the accounts of the Post Office Department the airmail subsidies which should never have been in there. That item which amounted to $67 million has been transferred to the Civil Aeronautics Administration. This makes a total of $122,900,000 that was transferred from the Post Office Department by bookkeeping entries to various other departments.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. MASON. Would the gentleman not say that was due to better business management on the part of the Congress?

Mr. GARY. I would, and I am glad to say that I was one of those who advocated those changes. They were very proper changes, and I am not criticizing them. I am merely trying to answer the gentleman's question.

In addition to these changes, we have had one increase in parcel post rates which was instituted by the previous administration and carried through by this administration, which brings in $151 million in additional revenue. So that $273,900,000 of the deficit is due to changes made by the Congress in the laws. However, that leaves a balance of approximately $90 million unaccounted for. The Post Office Department has put in some innovations and may with good reason claim that this $90 million is due largely to improved methods adopted by the Department.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. SPRINGER. During the last several years the committee of which I am a member has traveled in various countries of the world. One of the things that has come to my attention, which has nothing to do with my committee, is important. That is that practically every mail system in existence, except ours, pays its own way. Can the gentleman comment on that?

Mr. GARY. I was going to comment on that.

The situation is as follows and this is what I particularly call attention to. The deficit decreased from $727 million to $363 million in 1955. In 1956 it is estimated it will go back up to $420 million, and in 1957 that it will go up to $470 million. This is due largely to the increase in postal salaries. I am not criticizing this increase. I thought it was justified and voted for it. But you cannot increase the salaries of postal employees and the other operating expenses of the Department without increasing the deficit. When the costs of handling the mail increase and the postal rates remain fixed, a deficit is bound to result. The only answer to getting rid of the deficit is to increase the mail rates and I am happy to say that our committee has recommended such an increase over a long period of time.

Mr. SPRINGER. Would the gentleman tell me in connection with what classifications his committee has recommended increases?

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. GARY. We have not recommended increases in any particular classification. We do not feel that is within the province of our committee. Postal rate legislation is handled by the Committee on the Post Office and Civil Service. We have never tried to take over the functions of any other committee of the Congress. However, we do say that the Post Office Department should be more nearly self-sustaining than it is now, and that there should not be a deficit of a half-billion dollars a year. We have, therefore, recommended that the Congress give serious consideration to the question of increased postal rates without making recommendations as to any particular classification.

Mr. SPRINGER. Is that the gentleman's recommendation now, for this year?

Mr. GARY. Yes.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Tennessee.

Mr. MURRAY of Tennessee. I have read with much satisfaction and am in complete agreement with the following section of the report appearing on page 9 under title II, Post Office Department:

> The postal deficit having reached the estimated figure of $470 million, the committee cannot avoid again expressing concern that some action must be taken to get postal rates more appropriate to the costs of the service. Many items previously charged to the postal service, but not properly a part of operating costs (airline subsidies, etc.) have now either been eliminated or transferred to a more proper place in the Federal fiscal structure. There remain in these appropriation items but the costs of handling the mails, and it is obvious that the presently established rates are woefully inadequate to compensate for such necessary expenditures.

I would like to ask the gentleman first, was that part of the report completely approved by your committee?

Mr. GARY. Yes.

Mr. MURRAY of Tennessee. Was it also approved by the entire Committee on Appropriations?

Mr. GARY. So far as I know.

Mr. MURRAY of Tennessee. As the gentleman knows, for the past 10 years there has been a deficit amounting to $10 billion in the Post Office Department. Does the gentleman also realize that if this deficit is to be reduced appreciably or curtailed, there must be an increase in the first-class mail rates?

Mr. GARY. I stated that our committee has not taken any position whatever as to the classes of mail that should be increased. The gentleman from Tennessee is the chairman of the committee whose duty it is to consider measures of that kind. It is not our desire to encroach upon your prerogatives, Mr. Chairman. We are perfectly willing to leave that matter to the tender graces of your committee.

Mr. MURRAY of Tennessee. I will ask the gentleman if he read the letter of the Postmaster General proposing an increase in postal rates which was sent to the Congress just a few days ago by the President of the United States.

Mr. GARY. Yes.

Mr. MURRAY of Tennessee. Now, the Postmaster General is proposing an increase of a little less than $400 million in the postal rates. Of that amount $295 must come from raising the first-class rate from 3 to 4 cents. You can raise the second-class mail rate 30 percent, as the Postmaster General proposes, but it will only raise $17 million. You can raise your third-class mail rate 30 percent, practically one-third, and it would only amount to $77 million. What I would like to know from the gentleman is if the Committee on Post Office and Civil Service reports out a bill increasing adequately the first-, second-, and third-class rates, does that signify that our Committee on Post Office and Civil Service can depend upon the enthusiastic support of every member of the Committee on Appropriations?

Mr. GARY. I cannot speak for the members of the Committee on Appropriations other than what we have said in this report. I believe if your committee comes out with a bill which will fairly increase the various classifications of mail, that our committee will support it. I can give the gentleman my assurance that I will support it.

Mr. SIEMINSKI. Mr. Chairman, will the gentleman yield for a correction?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. SIEMINSKI. The gentleman from Tennessee stated that the deficit was $10 billion in 10 years. It was $5 billion.

Mr. MURRAY of Tennessee. Five billion dollars. That is correct.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Speaking for the minority on this subcommittee, I am sure I concur in the statement of the chairman. It is about time we were realistic and faced the facts of life and took care of this situation.

Mr. MURRAY of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. MURRAY of Illinois. I would like to call the attention of the House on this question of rates to this. One of the reasons I expect it is so different to determine what class of mail the rate of increase should go on is disclosed by testimony given in our committee when I questioned the officials of the Post Office Department in connection with the allocation of cost on an experimental airmail basis by which a 3-cent letter is sent by air, and the cost of that experimental air transportation, although one would think that it would be allocated to the 3-cent letter, is actually allocated to the cost of air transportation.

I think, though, that I concur that there is a need of an increase in postal rates and that before we decide on which classification of mail should bear those increases, we should make a very close inquiry into cost allocations.

Mr. GARY. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. GROSS. Last year Congress passed a bill increasing the salaries of some 2 million classified workers. Can the gentleman tell me how the revenue was increased to take care of the deficit incurred by those salary increases?

Mr. GARY. So far as I know, the revenue was not increased in any way.

Mr. GROSS. All those salary increases are charged up to the general tax revenues, are they not?

Mr. GARY. That is right.

Mr. GROSS. I do not understand what the shooting is all about in attempting to put rates upon the public for service commensurate with expenditures of the department which provides that service.

Mr. GARY. The Post Office Department renders special service to particular people. It renders a special service to those who use the mails. Our committee has felt that the users of the mails should pay for that service. There is no reason why the taxpayers of the Nation should be called upon to pay for that service. The taxpayers of the Nation should not be required to pay the cost of the junk mail which is sent to them against their wishes and which they promptly throw into the trash basket.

Why should not that class of mail pay its own way? Why should not all classes of mail pay their own way? Let the user of the post office pay for the service that is rendered him.

Mr. GROSS. But the gentleman very well knows that if there is to be any balancing of the post-office budget it will have to come through an increase in the first class mail rate. There are no special users of the first class letter rate. Every man, woman, and child in this country who can write may use and does use first-class mail.

Mr. GARY. Personally I have never advocated that the Post Office Department must absolutely pay its way because I can see that there are some publications which might be given some preference in the handling of the mail. I am convinced, however, that this Government should not operate a Post Office Department at an annual deficit of half a billion dollars a year. In determining which classifications should be increased I think we should see what classes of users are being subsidized and we should put them on a self-paying basis. If first class mail is not paying its own way I say by all means first-class rates should be increased. But if first-class mail is paying its own way I see no reason for increasing the rate on first class mail and permitting other users of mail to enjoy large subsidies.

Mr. GROSS. The gentleman well knows that first class mail is the only service showing a profit.

Mr. GARY. I am not certain of that.

Mr. GROSS. Of more than $100 million a year. The Department admits that.

Mr. GARY. It was at one time more than paying its way. Since the recent increases I am not certain. Maybe local first-class mail pays its own way. But certainly the gentleman would not say that when one pays 3 cents to carry a letter from Washington to California that the 3 cents covers the cost of handling that mail.

Mr. GROSS. Especially if it goes by air as many of them do. The gentleman from Illinois [Mr. SPRINGER] raised the question of the foreign postal services' paying their own way. The gentleman will agree, will he not, that our dishing out of a good many billions of dollars has helped them to maintain their postal services, in some instances at a higher level than the service given the people of the United States? Only a few days ago we learned that every civil servant in Italy, a million of them, in a country with a population of some 40 million people, had an increase. The Government frankly admits that they have no money with which to pay the increase. One of the top officials in the Government, I believe the Finance Minister, has resigned because the increase has been authorized. Where do you suppose they are going to get the money to pay the increase to the civil servants in Italy? It is through the appropriations bill for the foreign giveaway program in this House.

Mr. GARY. That is not involved in this bill.

Mr. GROSS. It is by way of comparison.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. MURRAY of Tennessee. First-class mail is not paying its way. The crying need is for an increase in first-class mail outside of the local mail from 3 to 4 cents. Statistics show that from 75 to 80 percent of all first-class mail is being used by those who are using the mail for profit. Why should not those who are using first-class mail pay more? And why should we continue to subsidize the second- and third-class mail users?

Mr. GARY. The last item in our bill is the Tax Court of the United States. We have made no change in their request.

They are requesting slightly more funds, but their increase in due entirely to the salary increases and the fact that they will have a couple of extra retired judges next year.

Mr. CANFIELD. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I, too, am very proud of this subcommittee handling this bill here today. I am very proud of its product.

I want to say a special word about the distinguished gentleman from Virginia who chairmans our committee. I do not know of any person serving in the Congress of the United States in either body who is more sincere, more dedicated, and who works harder than he.

I, too, want to discuss these perennial problems of the Post Office Department, problems that we must solve if we are to continue to give the American public efficient postal service. First, of course, is that of the postal deficit just discussed by the chairman. In the past 10 years the costs of the Post Office Department have exceeded its revenues by almost $5 billion. This huge sum is now costing the American taxpayers more than $100 million a year in interest alone. We cannot in good conscience keep on dodging the cost of our own postal bill and passing it on to our children and their children to pay.

During the past 3 years, Mr. Chairman, major postal improvements and savings have been made. Despite this, the yearly postal deficit now approximates one-half billion dollars of which $200 million is for pay raises and other employee benefits enacted by the Congress during the previous session.

The Post Office Department is losing money in such huge amounts for one primary reason. It is still charging 1932 rates but paying 1956 costs. Letter rates are the same today as they were in 1932. Second-class mail rates on magazines and newspapers have increased only by 3 percent net since 1932.

The distinguished gentleman from Iowa who discussed this matter briefly a moment ago may not subscribe to some of the major magazines and periodicals printed in the United States of America, but even though he does not subscribe he has to pay part of the freight through general taxation. He has to pay part of the postage on magazines and periodicals which editorially, week after week, and month after month, speak out against Federal subsidies—yes, Federal subsidies—all except their own.

Third class rates for advertising matter and small parcels have increased only one-third since 1932. Yet, all postal operating costs are up 107 percent since 1932. The pay of postal clerks is up 103 percent. City carriers' pay is up 106 percent. Rural carriers' pay is up 118 percent. Railroad costs are up 90 percent. Postal transportation service wages are up 102 percent. Cost of trucks, and that is a big cost, is up 206 percent.

During this period when this country is so prosperous and yet so heavily in debt, continuing to run our postal operations at a loss encourages fiscal irresponsibility throughout the whole Government. As you know, we are the only major Nation in the world that does not operate its Post Office Department on break even or better basis. Our neighbor Canada has shown a surplus in its postal operations for 17 of the past 20 years. The excess of income over outgo of the Canadian postal system during these two decades approximates $100 million. As far as I can determine, there is only one other major nation operating its postal system on a deficit basis as we do, and that country is Argentina. In keeping with this administration's insistence on fiscal integrity in Government, Postmaster General Summerfield is urging an increase in postage rates so that actual users of the mail will assume the costs that they are now passing on to the general public. Any sizable cut in the postal deficit is dependent on an increase in first-class mail postage, the mail postage that gets all the preferential tratment. The Department has, therefore, recommended an increase of 1 cent per ounce for first-class mail, which would yield about $295 million each year in new revenue as pointed out by the distinguished gentleman from Tennessee [Mr. MURRAY] who heads the Committee on Post Office and Civil Service.

For second class mail, mainly newspapers and magazines, the Postmaster General proposes two successive annual increases of approximately 15 percent each. This, in effect, will bring in about $17 million more a year. For such mail, the Department now receives about 2½ cents per pound in postage but spends about 11½ cents to handle each pound, without including the recent pay increases.

On third-class mail, mainly advertising matter, the Department proposes a rate increase averaging 30 percent, which would produce approximately $77 million in new revenue.

The second serious problem facing the Post Office Department is the inadequacy of its postal plant.

For nearly 20 years the physical plant of the Post Office Department has lagged behind the Nation's growth during a time when mail volume was doubling. Since 1938 no money has been appropriated by the Congress for the construction of postal buildings.

Most of the 25,000 postal units in rented, leased, or Federal buildings now used by the Department are badly in need of modernization or enlargement.

Many present buildings need replacement. In fact the Postmaster General estimates that 3,500 new postal buildings distributed throughout the country are needed now.

Much of the work today in our post offices is done with outmoded equipment, in congested buildings, built 50 or more years ago.

A badly needed large scale new building and modernization program, extending over a minimum of 5 years time, and costing approximately $780 million is urgently needed now. It should be accomplished simultaneously with the postage rate increases I have already discussed.

Only when our postage rates are increased, and our postal buildings and equipment modernized can we expect the Post Office Department and its one-half million splendid employees to meet properly the ever growing postal requirements of this great Nation.

I earnestly hope this Congress will meet this responsibility and take steps to assure the American people with a continuously improving mail service.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mrs. ST. GEORGE. I would like to commend the gentleman for this very fine presentation. He has brought out the great necessity of increasing postal rates. I do not think anyone can deny it, unless we want to say that the Post Office Department is purely a service department, in which case we should all be given franked envelopes and allowed to send anything we want at the taxpayers' expense.

Mr. CANFIELD. Most certainly we would be unique in saying that, because no other major country in the world says that.

Mrs. ST. GEORGE. The gentleman is absolutely right. When we try to say that on account of our so-called giveaway programs those nations are able to make their postal departments pay, I can tell the gentleman that is not correct. I was in Europe all summer studying this question, and they told me,

UNIVERSITY OF MICHIGAN LIBRARIES

everywhere I went, that it would be an unheard-of thing to allow the postal department to operate at a deficit; that their own people would not stand for it and have never stood for it. I think if this was put up to our people, the gentleman would find that they are definitely in favor of an adequate postal rate.

Mr. CANFIELD. May I say that from time to time national polls have been conducted on the willingness of the American postal patrons to meet this issue. Those polls indicated that far more than 80 percent of the patrons want this operation to be conducted on a businesslike basis and that they are willing to pay the freight. So are the New York Times and the Scripps-Howard newspapers and many others interested in this problem.

Mrs. ST. GEORGE. I might say to the gentleman that I spoke to one of our biggest magazine publishers, and he said to me it would be quite proper for them to pay a higher cost, and he added that "we would still make plenty of money." I said, "I have long suspected that."

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. GROSS. The gentleman would not deny the fact that the billions of dollars that we have handed out to governments overseas has helped them with their economies and the maintenance of the services of those governments? The gentleman would not deny that?

Mr. CANFIELD. That may be so, but that is not any reason why we should not meet this issue face to face. I am willing to do it, and I hope the gentleman from Iowa is willing to do it also.

Mr. GROSS. I will say to the gentleman that I take issue with this beautiful prosperity picture that he paints, that everything is lovely and the goose hangs high. It does not work out that way in my country. A day or two ago legislation was passed giving the farmers a refund on gasoline consumed on the farms. Now, to pass a bill increasing the first-class postage rates would take some of that money away from them again.

Mr. CANFIELD. I want to say to the gentleman that I have not discussed nor do I propose to discuss geese. I am discussing this issue right here before us.

Mr. GROSS. I will say to the gentleman that we do not have the prosperity in the Middle West that he speaks about.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to my friend from Illinois.

Mr. O'HARA of Illinois. Mr. Chairman, I am told that in Chicago they now have stamp vending machines which when you put in your nickel or dime not only delivers your stamps, but then a sweet voice says, "Thank you." My constituents write saying they understand that the Post Office Department paid a good deal of money for these machines. May I ask the gentleman is this intended to soften up the opposition to a 4-cent stamp? Does it hold out the prospect that when and if the 4-cent stamp is forced on the people the dose will be made more palatable by having the sweet little voice in the vending machines sing out: "Thank you so much; come lick me some more."

Mr. CANFIELD. I shall be glad to discuss that item for my good friend and colleague from Illinois.

The procurement of seven experimental models of the patron-operated changemaking stamp-vending machines—these machines are called the Stampmaster—for streamlined installations is only one item in our overall streamlined self-service project. The practical objective of this project is to reduce the man-hours required to provide necessary window service and to provide after-hours self-service facilities for postal patrons in the major offices. It will be a 24-hour around-the-clock operation.

The Department purchased and installed 1,500 patron-operated stamp-vending machines manufactured by the Commercial Controls Corp. more than 50 years ago. In addition the Department procured and installed 70 metered postage Mail-o-Mats from the Pitney-Bowes Co.; also, the Department is now considering proposals for vending machines to sell stamped paper, stamped envelopes and post cards.

The use of these vending machines will permit the consolidation or closing of numerous stamp windows and help cut these long stamp window lines at holiday times and in rush hours.

The Department did not have a developmental contract on these latest machines but the manufacturer developed and built the new Stampmaster at their own expense. The prototype of the Stampmaster, like any other equipment, is much more costly than the production model, since the prototype is hand-made.

The talking feature of the new Stampmaster is a relatively inexpensive item. It is planned to experiment with this type of announcer for educational purposes; for example—this is what concerns the gentleman—the public can be advised to use the new certified mail service, to complete carefully the new money order forms, to remind patrons of early holiday and overseas mailing, and to announce new postal services as they are provided.

Comment regarding this that you have heard over TV and radio and in newspaper columns does not tell the whole story by any means.

The talking tape, may I say to my friend from Illinois, was not in the specifications for which the Post Office Department contracted; it was added by the contractor without charge to the first seven models as an experiment to test whether the Department would want to purchase it on future orders for stamp vending machines.

I know a lot about the gentleman from Illinois, and all that I know is good. I know he is the kind of fellow who, when somebody renders him a service, is quick to say, "Thank you."

I do not know whether he drives his own car, but if he does he is the kind of fellow who now and then yields to the other person. For the life of me I cannot see why there is all the to-do about this experimental purchase which really is not costing the United States Government a cent.

Mr. O'HARA of Illinois. May I say to the gentleman that the reason I addressed the question to him is because of my great regard for the gentleman and my great affection for him. In my esteem there is not a finer gentleman or a statesman of higher caliber in this body than the distinguished and beloved statesman from New Jersey.

Mr. CANFIELD. And I reciprocate those sentiments.

Mr. O'HARA of Illinois. I appreciate the gentleman informing me of the facts as he finds and believes them. I was relieved to learn that the sweet voice of seduction in the vending machines is not really 15 years old. It is a new voice and, as the gentleman explains, the circumstances of its maturity, it all seems to be along a certain pattern, recently set by another Cabinet member who pinned the blame for his self-confessed boner onto a little woman who earns her daily bread as secretary to a press agent. I am grateful for the information that in the present instance the Postmaster General disclaims having anything to do with this vending machine voice. As a matter of gallantry I would say it is much preferable to pin the blame on a man contractor instead of a little woman secretary. The contractor thought it would be a good thing to put the "We thank you" into the apparatus.

Mr. CANFIELD. Yes; and may I say to the gentleman I think it is a good thing, too. It is wholesome; it follows the best American tradition.

Mr. O'HARA of Illinois. I agree with the gentleman that courtesy and gentleness give a richness to life that we ill could spare, but let us not charge the little American people 1 cent more on their letters to pay for a metallic voice saying "We thank you."

BUREAU OF NARCOTICS

Mr. CANFIELD. Mr. Chairman, I desire now to say a few words about a small bureau in the Treasury Department currently operating under an annual appropriation of about $3 million and doing a heroic job to prevent the flow into our country of illicit narcotics and to stamp out with the cooperation of State and local authorities drug addiction in the United States which unfortunately is now increasing monthly.

The Federal Bureau of Narcotics has approximately 250 enforcement agents. A report recently filed by Senator DANIEL on behalf of a Senate committee states that New York City alone has more full-time narcotics agents than the Federal Government. This report holds that a minimum of 50 additional agents should be provided at the earliest possible moment.

Two years ago I called to my office here on Capitol Hill, Mr. Chapman Rose, Assistant Secretary of the Treasury, having jurisdiction over this Bureau, for a discussion of the national narcotics problem and I then suggested that he take up with the President the formation of an interdepartmental committee to review all phases. This was done.

UNIVERSITY OF MICHIGAN LIBRARIES

While our committee has allowed in this bill all the funds requested by the Bureau of Narcotics for the new fiscal year, we did not have before us during the hearings or at the time of our markup, the first report of this interdepartmental committee. This report was publicized only yesterday.

The committee, consisting of members of the President's Cabinet, recommends stiffer prison terms, more enforcement agents, and a greater coordination of Federal-State drives to combat illict traffic in narcotics. In releasing the report, President Eisenhower urged early and effective action on all fronts to stamp out this awful menace.

Commissioner Harry Anslinger, who heads the Federal Bureau of Narcotics and who, all students of the problem agree, is the world's greatest authority on narcotics addiction, has ofttimes told our committee, and he did so again this year, that there are too many courts prone to mete out low sentences. He emphasizes that where stiff sentences are imposed the traffic usually moves to areas generally those where sentences are not so severe. The Commissioner feels that it is definitely the responsibility of the Federal Bureau of Narcotics to help foreign police break up international gangs sending this stuff to our shores and to do everything possible to prevent its entry, also to get the interstate trafficker, leaving local enforcement to State and municipal authorities. Our committee has said repeatedly in its reports that unless there is real honest-to-goodness enforcement on the State and local level, we are never going to win this important battle.

In the 32 years I have been living and working in the Nation's Capitol City, I have never been shocked more than when it was developed about 2 years ago that the officer in charge of the Metropolitan Police Department's narcotics squad was charged with being part and parcel of a dope racket. It pleases me now to hear of the dedication of the present Chief of Police and his officers and men to meet this challenge and do a good job. It pleases me also that the courts of the District of Columbia have in recent years taken a more realistic approach and are handing out stiffer sentences.

It is my hope that on the basis of the recommendations made by the President's Interdepartmental Committee and the Daniel's committee in the Senate the Treasury Department will without delay make recommendations to the Congress for stiffer prison terms for violators of the narcotics laws and will come before our committee with a request for funds for an increased number of enforcement agents. Meanwhile, more Federal authorities should exercise the proper leadership in obtaining stronger Federal-State and local cooperation. Commissioner Anslinger tells us that he is receiving reports of 1,000 additional addicts each month. That is 1,000 too many and the Congress must do its part in meeting this challenge.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from California.

Mr. HIESTAND. I am happy to comment on the opinion of a great many people that the enforcement of the laws and the stiffening of the sentences in the State represented by the gentleman from New Jersey [Mr. CANFIELD] who is now addressing us, has very, very largely reduced the problem in that State.

Mr. CANFIELD. May I say to my friend right here that I am so happy that the Commissioner of Narcotics told our committee not only this year but he told us last year that my State and Mr. SIEMINSKI's State of New Jersey stands out as No. 1: No. 1 in the Nation in enforcement and No. 1 in the type of stiff sentences handed out by the courts in New Jersey. And, I am so proud of that.

Mr. HIESTAND. I think the Congress and the Nation certainly can well congratulate the great State of New Jersey. However, the problem as I see it is one of interstate law enforcement. The chairman remarked that your committee had recommended or requested enlargement of the enforcement officer staff. Am I to understand that your committee will approve or recommend to the Congress any additional staff that the Commissioner shall subsequently recommend?

Mr. CANFIELD. Knowing our committee's concern about this problem, knowing something about its dedication to meet this awful challenge, I feel quite ready and free to say now that if the Treasury Department comes down to us tomorrow with a request for additional agents, be it 50 or be it some other reasonable number, our committee will accord that request immediate consideration and unanimous support.

Mr. HIESTAND. I thank the gentleman.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Connecticut.

Mr. SADLAK. I want to commend the gentleman for the vigorous presentation he is making. It is perhaps unfortunate that the subcommittee of the Committee on Ways and Means on narcotics has not as yet presented its report of its findings of hearings that have been held down at Lexington, New York City, San Francisco, Seattle, and Chicago, in addition to hearings that have been held here in Washington. I am sure, when the report and recommendations by our committee are presented, we will have the full help and cooperation of the gentleman and of his committee. The pushers of narcotics must be dealt with severely when presented to the courts on their first offense. A severe mandatory sentence will have a salutary effect in this vicious trade.

Mr. CANFIELD. There is no question about that. I thank my friend from Connecticut.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I am happy to yield to the distinguished gentleman from Kansas, former chairman of the House Committee on Civil Service and Post Office, who knows so much concerning post office matters.

Mr. REES of Kansas. I thank the gentleman. I want to commend the gentleman from New Jersey who presently has the floor. I also want to pay tribute to the chairman of this subcommittee the gentleman from Virginia [Mr. GARY], for the careful study you have made in respect to the problems involved in the legislation you have submitted today. Explanations on both sides of the aisle have been unusually clear. I see no reason why anyone in the House today should leave the floor and say that he did not understand the bill as presented here. Both leaders have done a good job in their presentation.

There is one comment I should like to make, which relates to the matter of postal rates. It is unfortunate, I think, that the people across the country have been imbued with the idea that 3-cent postage pays its own way. Unfortunately, so many think this to be a fact, and therefore feel there ought not be an increase in that rate. Of course, if the public are not in favor of sufficient postage to pay its own way, that is something else. But, as the gentleman has well explained and as the gentleman from Virginia [Mr. GARY] has well stated—and I think both gentlemen have done an exceptionally good job in getting this information across to the people of this country—we do have a postal deficit not only in third-class and in second-class mail, but also in first-class mail. But it is for the people to decide whether to support an increase in these rates or let all of the deficiency be charged against the Federal Treasury.

Permit me, also, to join with the gentleman from New Jersey in paying tribute to the Postmaster General and his associates in their efforts to provide this country with an efficient postal system.

Mr. CANFIELD. The gentleman is correct. I am very sorry now, before I close, to have to make this statement. I have come to the conclusion that the Congress of the United States is not ready, is not equipped, to meet this problem. It may be that until the time comes when we can set up an independent agency to treat the issue realistically and squarely, we will not be able to run the Post Office Department of the United States on a business basis.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from California.

Mr. TEAGUE of California. I should like to make this observation, if I may, as a freshmen, perhaps a naive Member of this body. But I believe we underestimate the good sense and judgment of the American voter. Recently I sent out a questionnaire through my district and 75 percent of the voters of both parties, a cross-section, indicated that they felt an increase of all classes of postal rates was justified and would not in any way oppose that.

Mr. CANFIELD. I thank the gentleman; I want to say to him I have never known anybody in the House who thought the gentleman was naive in any sense of the word. We all appreciate the wonderful contribution he is making and his dedication to his assignment.

Mr. GARY. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, it is always a pleasure to pay tribute to the very able chairman of this subcommittee, the gentleman from Virginia [Mr. GARY], for his determination to report a good bill to the floor for consideration. Mr. GARY is fair, impartial, courteous, and efficient, and incidentally, my regard is equally as high for the former chairman of this Subcommittee on Appropriations, Mr. CANFIELD, of New Jersey.

Now, Mr. Chairman, while we are passing out bouquets, I think it would be proper to again bring to the attention of the subcommittee that Postmaster General Arthur E. Summerfield and Assistant Postmaster General Norman R. Abrams are doing an outstanding job in handling the affairs of the Post Office Department.

General Summerfield has brought to the Post Office Department as his assistants some of the finest businessmen in the Nation. He, too, is one of America's outstanding and highly successful businessmen.

The appropriation bill before the Committee at this time is indeed of the atomic-jet type in an atomic-jet age. Yet, it is to a large extent being supported financially by horse-and-buggy postal rates.

On yesterday I received an airmail letter from a constituent which read in part as follows:

DEAR MR. PASSMAN: I have been keeping up with your work in Congress and I think a majority of the people feel that you are doing a good job. I observed your great courage and the courage of the Congress in voting well deserved salary increases for postal employees. I wonder if you and other Members of Congress would display as much courage and vote for an increase in postal rates and stop subsidizing newspapers, magazines, other periodicals and big business.

Yours very truly,

PAUL MCKENZIE,
601 Victoria Street, Monroe, La.

Mr. Chairman, the American people are now aware that the operating deficit of the Post Office Department is made up largely of subsidies to business which includes newspapers, magazines and periodicals which are in business primarily to make a profit on their investment.

It has been pointed out that in the past 10 years the cost of operating the Post Office Department has exceeded its revenues by almost $5 billion. Of course, this $5 billion had to be paid with borrowed money and increases the public debt by $5 billion.

I have no apologies to offer for praising General Summerfield and General Abrams and other officials of the Post Office Department. They have done a good job and are continuing to improve the postal service, but notwithstanding these facts, the operating loss of the postal establishment for the current fiscal year will approach $500 million. Why is this true? Simply because we are charging 1932 postal rates but paying 1956 costs. May I remind you that letter rates are the same today as they were in 1932. Can you imagine such gross neglect as to permit this condition to exist?

Second-class rates on magazines and newspapers are the same as in 1932 or, that is, within 2 or 3 percent of the 1932 rates.

Third-class rates, which cover advertising matter and small parcels, could be better identified as junk mail and are up only about 33 percent since 1932.

Mr. Chairman, there are arguments for and against an increase in postal rates but from a standpoint of equity, fairness, and good business, the arguments for a postal rate increase are sound.

I should like to put it this way, that it costs a certain amount of money to handle the mails and when the revenue from postal receipts is inadequate to pay the cost of the postal service, then it is necessary to ask the taxpayers to make up the difference. It is just that simple. Would it not be better, safer and more sound to let the actual users of the mail pay the costs rather than to ask the nonusers who, as a usual thing, are the masses and poor people, to make a contribution through a subsidy to business, and magazine and newspaper publishers.

I can see no reason for the poorer people of this Nation to continue through their Government to subsidize tens of thousands of businesses, newspaper publishers and magazine publishers who operate their businesses mainly for a profit and who are presently accepting a subsidy from the Government to enhance their own profits.

I shall consider voting for an increase of 1 cent per ounce for first class mail as well as an increase of 1 cent per ounce for air mail. But I should like also to vote to remove the subsidy from 2d and 3d class mails. It certainly would not be hard for me to vote for an increase in first class and air mail if the President and the Postmaster General would ask for legislation that would remove the subsidy from 2d and 3d class mails. I should like to see legislation that would remove the subsidy in 4 years, increasing the rates sufficiently to erase 25 percent of the subsidy each year for 4 years. This way it would give those accustomed to this large subsidy an opportunity to make the necessary adjustment.

I do not know what my position will be on the postal rate increase bill if the President and the Postmaster General ask for only a 15-percent increase in second-class mail for 2 consecutive years and an increase of 30-percent in third class mail. To my way of thinking there is a sleeper in this recommendation. For instance, on second-class mail as it is now being handled, if the publisher is paying 20 percent of the cost of handling, and the taxpayer through the Government the other 80-percent, and the rates are increased by 30-percent, then the user or publisher would be paying only 26 percent of the cost of handling the mail and the taxpayer through his Government, 74 percent. I repeat, this is a sleeper and would remove very, very little of the subsidy now going to business and magazine and newspaper publishers.

If there are those among you who feel that the large publishers of newspapers and magazines and businesses who are in business for the main purpose of earning a profit need a subsidy, then I suggest that you secure a financial statement on a few of those receiving an unwarranted and unneeded subsidy.

You may find that many of them are earning substantial profits out of the operation of their businesses.

Mr. CANFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. JAMES].

Mr. JAMES. Mr. Chairman, just about everything that can be discussed concerning this bill has already been discussed by the very able chairman of our committee and our ranking minority member, the gentleman from New Jersey [Mr. CANFIELD], who has just finished a remarkably fine statement on this bill. I, however, want a few minutes to express my admiration for and confidence in the leadership of this committee which, as the chairman has said, rotates. The gentleman from Virginia, the present chairman, will no doubt, therefore, in view of that regular rotation, in the next session of the Congress be the ranking minority member, and the gentleman from New Jersey will be the chairman.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JAMES. I yield.

Mr. PASSMAN. I wonder if the gentleman is going to change his party affiliation—that is news to me.

Mr. JAMES. I will not change my party affiliation, I have some inside information that the statement I have just made is a sound prediction.

Mr. Chairman, this is the only committee of the House, of which I am aware, that actually appropriates a deficit. In the present bill, the deficit amounts to $470 million. It is written in the bill. It says right here, "together with an amount equal to the difference between such revenues and the total of appropriations hereafter specified, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General for the following purposes."

That is very unique in the business of appropriating money for the operation of Government agencies. As has been pointed out here today very amply, that situation comes about solely because the postal rates, be they first, second, third, or fourth class, are not accurately adjusted to the cost of handling those classifications of mail. I want simply today to point out that the fiction of first-class postage paying for itself has finally and amply been exploded in the testimony before our committee in the hearings we have just concluded.

I want to read just that part of the hearings. But first I want to say that if all the charges which should properly be made against the Post Office Department were made against that Department, the deficit would be very much greater than the deficit estimated in this year. In the first place the Post Office Department is not charged with the pensions paid to its employees who have retired. Nor is the workmen's compensation claims arising out of the operation of the Post Office Department paid by the Post Office Department. Those sums are paid elsewhere in the Government. Of

course, since they are related to the employment of over a half million people, those expenditures are very, very great indeed, and would probably add a huge sum to the already heavy estimated deficit, if they were a part of the Post Office Department accounting, which they are not.

Now I am going to read a part of what was said concerning the first-class postage rate. Just about the time that the statement I am going to read was made, an editorial in the Philadelphia Inquirer carried a statement that it has never been denied that the first-class postage rate pays a profit. Now listen to this statement by the Deputy Postmaster General Mr. Stans, in response to a question by Mr. CANFIELD:

On that basis, Mr. CANFIELD, first-class mail shows a loss across the board.

That is the first real testimony that has come out of the Post Office Department, as far as I know, that first-class postage does not pay its way. Of course it is unfair to take out of the context a statement of that kind, so there must be something further said.

Mr. Stans, in response to a question by Mr. CANFIELD, said:

I quote:

On the basis of our cost ascertainment report which merely allocates our cost according to the use of the facilities and personnel, we show that the revenues derived from the 3-cent letter that is sent out locally exceeds the cost. On the other hand, the revenues from the 3-cent letter that is sent out of town no longer covers the cost of that letter.

Now beyond that I want to point out, as I have done in my testimony before the Post Office Committee, that those computations do not take into account the preferred service that first-class mail receives. It is the position of the Department that first-class mail should pay a premium above its present allocated costs so that the deferred service—that is, the mail which does not receive as good attention as the first-class mail—would pay less than its allocated costs.

Now, that is the philosophy of the Post Office Department. There is a frank and complete confession that first-class mail no longer pays its way.

Now, what is this cost allocation program that the Post Office Department uses? It is not a cost-finding program. It is not a program in which the cost of handling any class of mail is actually established, but it is merely a cost allocation and it is handled in this way, because this was adduced at the hearings. It is a statement again by Mr. Stans, no less a person than the Deputy Postmaster General, and he is speaking about cost ascertainment.

I quote:

All it purports to do is allocate the postal revenues in toto over the classes of mail since there is no separate accounting at the source for the use of the stamp:

It also allocates the cost to the Department of the classes of mail in accordance with the class of mail requiring the uses and facilities of the Department.

That simply says that they take the total sum appropriated for operations and they say because we have so many billion first-class letters that is a percentage of the total number of pieces of mail, so we allocate that much of the percentage of the appropriation to first-class mail. And so on down through the other classes of mail. That, I submit, is not intended as a method of finding the actual cost of operations in any of the postal classes.

But it is very certain now that from their experiences and from other means of testing the values in first-class mail and its preferred handling that they are willing to come forward now with the frank statement that first-class mail does not pay its way, much less yield a profit; and I, as a member of this subcommittee, am willing to stand today with any who are ready to vote for an increase in first-class postage and also for an increase that is adequate and substantial in the rates for other classifications of the postal service.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, I think in passing on the merits of the bill one could derive greater confidence if he were to ask three questions and give himself satisfactory answers to each question:

First. What is the value of the postal service to the United States? If the postal service were closed down for 1 year, what would the effect be on our economy? Would that help us determine its value?

Second. What are the three lines of approach that the Department must continuously take in trying to meet and whip its problems? Will efforts at cost reduction, rate adjustment and user accommodation as our Nation grows insure effective and economic service?

Third. What is the status of cash in the pockets of our citizens now and in the estimated future? If there is enough, after taxes, then obviously our citizens will not mind the estimated deficit of $470 million which this bill carries. If there it not enough cash going into the pockets of our citizens in the foreseeable future then, of course, we are going to have a mild, to say the least, tax and stamp act reaction in the country against this measure and all similar deficit bills.

What creates the wealth of America? In my opinion, it seems that among other factors are the speedy transmittal and prompt use of goods, services, and information be it by letterbox, phone, wire, printed page, package, and screen via air, ground, water, boat, train, plane, truck, car, horse, mule, word of mouth, and hand to hand.

If you start from scratch and eliminate the postal service what would you, Mr. and Mrs. Citizen, care to restore and at what cost, of the service you now use and enjoy? How much would you pay to get back the right to receive your Government check, your pension, your veterans' benefits, your social-security funds, and so forth?

What value to you is it to make contracts by mail, to shop and to pay your bills and insurance premiums, as well as to receive them if you are in business or commerce? Those are just a few of the factors we must consider in the question of how worthwhile moneywise is our postal service, not to mention the intense value beyond measure of person to person contact at home and abroad. When this bill passes I think the country and the Congress should know, as they no doubt do, that there will be three lines of effort put out by the postal service in meeting the problems it faces each year on appropriations.

First. Intense application to cost-reduction factors will continue in order to eliminate or reduce unnecessary motions to get the mails through quicker and at less cost. Perhaps we could save for the Treasury of Uncle Sam as much as a billion dollars a year if our check disbursements were made at local levels instead of from Washington. Some 50 million Government checks, I am advised, now go through the mails monthly sent by Uncle Sam which could be disbursed on local levels and thus take out of the mails some 500 million mailings a year. For this information I am indebted to one Mr. Baber, a Government employee.

Second. In addition to efforts at cost reduction we face the continuing problem of rate adjustments which, as the gentleman from Virginia [Mr. GARY] said, does not come directly before our committee, rather is it a problem facing our legislative committee on the postal service. I trust they will resolve it.

The third item is, Will the Post Office Department be on guard to direct its efforts at user accommodation as suburbia grows? As we know, there are some 18 to 23 great clusters of ever growing population in the United States. As we grow, the Post Office must be most flexible to accommodate itself to the swift and efficient service the people expect of it. This is going to cost money. At the same time, it will increase postal user benefits.

This is a great bill, Mr. Chairman. The Treasury, Post Office, and Tax Court are great institutions. They are called upon to service the prime needs of our people in keeping their Government and the economy operating. Adequate funds and swift information for the ready dispatch of goods and the immediate use of services seems the mission of this measure.

In or out of deficits, our job here, it seems, is to keep attuned to the cash in the pockets of our citizens. If they have adequate cash in the pocket to pay the taxes levied to overcome deficits, then postal service must be rendered as inexpensively as possible. If not, the deficit must be erased by rates adjusted to do so.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, you may have gathered from my previous questions that I am concerned about this matter of narcotics. There are a few very brief remarks that might well be made.

Testimony before the Boggs committee as well as the committee of the other body confirmed generally that 50 percent of the crime in the larger cities is directly traceable to the narcotics traffic.

Mr. Chairman, this is an interstate traffic. It is an international traffic. We cannot possibly shut off all of the imports due to our very, very long and wide open boundary and the fact that

UNIVERSITY OF MICHIGAN LIBRARIES

there is such a tremendous profit wrapped up in such tiny physical parcels. It is practically impossible to stop the importing. Therefore, we have got to stop the interstate traffic. It becomes a national problem because it is an interstate problem.

I have no criticism of the achievements of the Bureau of Narcotics, one of those fine old bureaus which has not asked for wild billions of dollars but has tried to do its job conscientiously and well, except that this is our major crime problem, and, in my judgment, they are not asking for enough money. They are not enlarging their staff anywhere near enough.

I have introduced a bill, as has been suggested, for heavily stiffening the penalties, but that is not going to do the job entirely. My bill also provides for no suspensions and no probations after the first offense. That will help some, of course. But the major thing is this: Because of the fact that the Bureau of Narcotics has not seen fit to ask for adequate funds for enforcement, supplementing the local enforcement, the remedy, in my judgment, is to transfer the Bureau of Narcotics from the Treasury Department to the Department of Justice and the FBI, the strongest interstate law-enforcement agency. I propose to introduce that at a later time.

Presently, however, I concur absolutely with the recommendation of the committee as expressed by the chairman that the major enforcement must be local. It should be local and it must be. That is quite all right. We in southern California are getting probably a greater total of arrests and apprehensions than anywhere else but we are getting few convictions. Partly that is due to the inadequate evidence gathered by the local law-enforcement agencies. This can be greatly helped if we add to it the power of the Department of Justice and the FBI. We all recognize what happened to the kidnapping racket when that became a Federal offense and was turned over to the Department of Justice and the FBI. It is my opinion that will happen if we make this transfer. The very fear of law-enforcement power of the Department of Justice and the FBI will prove a major deterrent to would-be peddlers of narcotics.

However, for the moment, I support the bill. I do not believe that part of it is adequate. I do believe it should have been much larger. I cannot criticize the committee. Their job is to control appropriations rather than add to them, and it is hard to add more money than is requested. However, I feel that we should support the bill but also concur in the committee's expressed desire to add to the staff if and when the Treasury Department so requests.

Mr. GARY. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MURRAY].

Mr. MURRAY of Illinois. Mr. Chairman, after the excellent presentation and discussion by our able chairman, the distinguished ranking minority member of the committee and the other members of the committee there is very little, if anything, that I, the newest member of the committee, can add to the presentation. I would like, however, to express my appreciation to the able chairman of the committee and the ranking minority member of the committee, the other members of the committee, and the staff members, particularly our staff assistant, for the tremendous consideration they have shown me.

Mr. Chairman, I observed, as the newest member of the committee, that the consideration of this bill was not hasty, although the bill was expeditiously handled. Every cut in the requested appropriations made was supported by documentary evidence. Much of the testimony was devoted to evidence that disclosed that the services that these departments ought to give the public would, in fact, be rendered. Like the gentleman from California, I am not at all satisfied with the type of protection we are getting on the Federal level as far as the narcotics situation is concerned. I think we do not sufficiently appreciate the interstate character of this problem. In Cook County, through our able State's attorney, we have had particular emphasis on the narcotics situation. We have some 80 police officers assigned to narcotics. We increased our local penalties to provide for life imprisonment in case of a repeated offense. Although this local enforcement showed improvement, particularly in the case of juvenile addiction—as a matter of fact, last year I believe we did not have a single juvenile case—the evidence before our committee disclosed that despite this increased local enforcement, the interstate movement of narcotics shifted from other areas to the city of Chicago. Obviously, the clearing up of this situation is a Federal and not a local responsibility. I am happy to see that the very capable head of the Bureau of Narcotics, Dr. Anslinger, probably the outstanding man in this field in the country, has stated that he intends to place an emphasis in the Chicago area this year and hopes that we can clean up that situation. I am not at all convinced, after I heard the testimony of the Bureau of Customs, that due to their procedure in spot checking vessels and spot checking baggage we are given adequate policing through our customs laws and our narcotics laws.

However, it would be legislatively presumptuous in a high degree, in my opinion, if we were to attempt to tell the administrative officials how to administer the law. Obviously that is their responsibility. But we did in this bill approve every dime to the Bureau of Narcotics that they requested and we gave to the Bureau of Customs funds which their methods of enforcement disclosed were required. That is all that it is possible for an Appropriations Committee to recommend, in my opinion. I think in this matter of the enforcement of our penal laws with respect to narcotics, we might be a little penny-wise and pound-foolish; we might be like the department-store owner who decided to attempt to secure economy by not buying sufficient electricity as a result of which his customers could not see his merchandise. I will support legislation designed to strengthen narcotic law enforcement at the Federal level.

I was disappointed that the committee did not see fit to appropriate funds so that icebreaking service could be maintained in the Illinois waterway. In 1947, and until this past winter, the Coast Guard sought and received sufficient funds to keep the Illinois River clear of ice. Last winter it was administratively decided to discontinue this most important activity. I requested the subcommittee and the full committee to include funds in this bill to insure that this activity be continued. However, after deep consideration, the committee rejected my suggestion. I do not intend to offer my amendment to the present bill for icebreaking activity, largely because the able chairman of our committee, after the matter had been brought to his attention, made inquiry of the Coast Guard and the Commandant of the Coast Guard sent a letter to the chairman of our committee, making a statement therein in connection with any emergency that might arise in the city of Chicago or State of Illinois with regard to a bad ice condition. In his letter, the Commandant of the Coast Guard stated, under date February 2, 1956:

MY DEAR MR. GARY: This is in compliance with your recent request for information on Coast Guard icebreaking operations.

Under 14 United States Code 2 and Executive Order 7521, the Coast Guard conducts icebreaking operations to the extent of available and suitable Coast Guard facilities, consistent with the reasonable demands of commerce, the requirements of the national defense, and emergency duties imposed on the Coast Guard by law.

However, not every Coast Guard vessel is suited to icebreaking or continuously available to such purpose. Moreover, in any severe ice year, those that are suitable and available are quite unequal to the task of keeping all navigable harbors and channels open to navigation. Thus, the Coast Guard cannot guarantee to keep all channels and harbors clear, and in fact the cited laws do not appear to impose on the Coast Guard such a responsibility. However, the Coast Guard makes every effort to use its equipment to the best practicable benefit in breaking ice, consistent with the other variables and urgent responsibilities outlined above.

The situation on the Illinois Waterway deserves mention as a special case. Icebreaking operations on this waterway were initiated by the Coast Guard in World War II to insure expeditious passage of Great Lakes-built naval vessels to the sea. The Chief of Naval Operations in August 1945 withdrew this national defense requirement for icebreaking on the waterway, and such operations were not carried on during the winters of 1945–46 and 1946–47.

During an acute oil shortage in the Midwest in the ice season 1947–48, the Coast Guard was provided with special funds for contractual icebreaking on the waterway as an urgent humanitarian service. About the time need for this activity would have terminated, the Defense Transportation Administration stated a national defense requirement (incident to hostilities in Korea) for keeping the waterway open to fuel barge traffic during the winter of 1951–52. Based on the national defense requirement, the Coast Guard thereafter was furnished funds by the Congress annually for this express purpose through the winter of 1954–55. Subsequently, there being no apparent national defense requirement for such special icebreaking service, funds for this purpose have not been appropriated.

In the event of a serious emergency which could cause serious hardship to a community

the President is authorized by the act of September 30, 1950 (42 U. S. C. 1855), to take such necessary action as he deems advisable to alleviate the situation.

Very truly yours,

A. C. RICHMOND,
Vice Admiral, United States Coast Guard Commandant.

I think that our community owes a debt of gratitude to the chairman of our subcommittee for his interest in this matter and for obtaining an assurance from the Coast Guard that funds would be available if an emergency arose.

Because the subcommittee and the full Committee on Appropriations rejected my request for additional appropriations for icebreaking activity in the Illinois River, and because our chairman has secured from the Commandant of the Coast Guard the assurance that in the event the city of Chicago or other communities of Illinois were to suffer from a bad ice condition on the Illinois River funds would be available to alleviate the situation, I do not intend to submit an amendment to this appropriation bill to provide legislatively for such service. I do feel that as a matter in the public interest such funds ought to have been made available and ought to continue to be made available.

Mr. CANFIELD. Mr. Chairman, we have no further requests for time on this side.

Mr. GARY. Mr. Chairman, I yield the balance of our time to the gentleman from Missouri [Mr. CANNON], the distinguished chairman of the Committee on Appropriations.

Mr. CANNON. Mr. Chairman, we are discussing a subject here which more nearly touches and more nearly interests every man, woman, and child in the United States than any other of the appropriation bills or any other bill which could be introduced or considered in the House. The postman makes his appointed round 6 days a week to the remotest corner of the Nation and the smallest school child writes and receives letters and counts out the pennies for postage.

I regret that the bill is so liberal. Frankly, it is a surprise. We were promised retrenchment and decreased Federal expenditures, and for years we have listened to criticisms of profligacy on this floor every time an appropriation bill was reported. And yet the Budget Bureau sends up this bill with estimates and recommendations for the largest amount ever spent for the purpose in the history of the Nation. And no one over there on the other side of the aisle uses the old time-worn phrase we used to hear so often, that "it is ridiculous."

Speaking very seriously, Mr. Chairman—and it is a time for serious speaking—the bill is too large. It is swollen in every section—almost in every paragraph, and the aggregate is the largest ever before estimated or spent for this purpose by any administration. Surely if there ever was a time when the assurances that have been given us so often of reducing expenditures in the Department should have been carried into effect, this is the time.

The bill is too large. Many items instead of being increased should have been reduced below those of the current year. But I want to correct an impression which seems to be abroad to the effect that the increase in the bill is due to increases in the pay of the employees of the Department.

The bill itself disproves any such idea. The increase in this bill over last year is in excess of $317 million. But the total budget estimate for statutory pay increase is only $170 million—and even at that it should not have been more than $150 million as the Department in a bill of that size should have absorbed $20 million or more.

So it is evident on the face of the bill that the increase is not chargeable to warranted adjustment of postal salaries already too long delayed. But that is one of the stock arguments always advanced when they want to raise the rate of postage on any class of mail.

And they also want to hold the postal employees responsible for the recent order requiring a complete name and address on circular mail which they want us to believe is junk mail. There is no such thing as junk mail. That is merely a smear word used as a term of opprobrium in an effort to create prejudice. It is propaganda, pure, and simple. And again they try to hide behind the mailman.

Postmaster General Summerfield is a practical businessman and saw the absurdity of requiring individual addresses on this class of mail, and directed its discontinuance. The results obtained justified his good judgment. Without knowing very much about it here in the House we suggested its resumption last year and now it is costing the businessmen of the country an aggregate of millions of dollars a year without any compensating advantage to anybody and rendering vastly reduced service.

Let us drag this thing out into the open and take a look at it. If a street address is not required—if it is addressed to Boxholder, Occupant, or to any other impersonal addressee, the carrier does not have to sort it before leaving the office. All he has to do is put in one copy for each patron. And when he reaches the point of delivery he does not have to scrutinize it to be certain it is the proper address. He merely drops one copy—any copy—in the slot. And when he finds the patron has moved or died or the address is imperfect he does not have to follow up and redirect or redeliver. Such mail requires less time and attention than any other class of mail.

And what about the service rendered the sender? Let us not overlook the fact that the Post Office Department is a service department and is intended to render the most efficient service at the lowest possible legitimate cost. When mail must be individually addressed the cost of securing lists and of addressing each piece is heavy and then the sender misses anywhere from 10 to 25 percent of the patrons along the line. He is subjected to a heavy expense and then gets less service. And the mailman works harder and with less efficiency. Everybody concerned is penalized and nobody is benefited. And the Department does a 10 percent to 25 percent poorer job.

But they claim the recipient is burdened with a plethora of unwanted mail. "The patron doesn't want it." That statement belongs under the classification of "interesting if true." This mail is welcome everywhere except in the Congressman's office and requiring an address would not protect the Congressman. His wastebasket is always full anyway. Out on the delivery line—and especially on rural delivery—many patrons receive less than a letter a week. They like to have the mailman stop—even with a circular—rather than pass them by. I can say positively that in the rural mailbox the circular is welcome. And the proof of that is the fact that even when an address is required this class of mail is heavier this year than last. The Wall Street Journal this week called attention to the increasing use of this class of mail. And the senders of such mail find that the patrons read it and answer it and both find it profitable or it would not be on the increase. So the last argument against "junk" mail goes glimmering.

If the Congressman does not like it, a push of his elbows drops it into the wastebasket. And if it costs too much to deliver it, just add the cost of service. But the patron wants it and answers it and will pay cost of delivery. Permit me to say again that the Post Office Department is a service department and both the sender and the patron want this service and are willing and glad to pay for it.

But Mr. Chairman, when it comes to this pious tongue-in-cheek sob story about first-class mail not paying its way, and an attempt to add another cent to the cost of delivery, that is another matter. Charging 4 cents for delivering a 3-cent letter would be an outrageous imposition on every family in the country. Never before has it been claimed that first-class mail did not pay its way and I do not believe it now. If any such claim is seriously made it is due either to inefficiency in administration or to faulty bookkeeping.

During the war it was decided—merely as a war revenue measure—to increase the cost of letter postage from 2 cents to 3 cents. And we were promised that as soon as the war was over the cost of postage would go from 3 cents back to 2 cents. That promise has never been kept. And now they propose to further mulct the public by charging 4 cents.

Somewhere between 3 cents and 4 cents the law of diminishing returns will clamp down. And you will get less profitable revenue at 4 cents than you would get if you went back to 2 cents. And the Post Office Department is no longer a service department.

I am opposed to it. My constituents are opposed to it. The American people are opposed to it.

Mr. Chairman, the Post Office Department is the one department of government in which a deficit is not an unmixed misfortune.

When the Constitution of the United States was adopted in 1789 there were many, including Patrick Henry, who seriously doubted its success. And the criticism most frequently made was that the average citizen was not sufficiently informed to vote intelligently on issues with many of which he naturally lacked familiarity. The Founding Fathers, ap-

UNIVERSITY OF MICHIGAN LIBRARIES

preciating the logic of this objection, early adopted two measures to meet it. They organized a public school system with a little red schoolhouse on every hill. And they provided free postage at Government expense of newspapers in local and adjacent counties in order that news, information, and official opinion might be disseminated as widely and as cheaply as possible. So successful have these two measures justified the expectations of the founders, that they are continued to this day. And in addition congressional speeches are mailed free of postage in order that the voters may know what the issues are and may understand the position of their representative on the questions of the day and have opportunity to judge whether he represents their views.

No money spent by the Federal Government is so well and so wisely spent as that expended by the Post Office Department for the diffusion of knowledge for these purposes.

And when any one proposes to lay profane and impious hands on the delivery of first-class mail under a 3-cent stamp, let us again remember that the Post Office Department is a service department. Let us not lose sight of the high ideal of service envisioned by Woodrow Wilson when he indited the inscription for the facade of the post-office building here in Washington:

"Messenger of sympathy and love,
Servant of parted friends,
Consoler of the lonely,
Bond of the scattered family,
Enlarger of the common life.

"Carrier of news and knowledge,
Instrument of trade and industry,
Promoter of mutual acquaintance,
Of peace and of good will,
Among men and nations."

Mr. GARY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. If there are no further requests, the Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. GARY. Mr. Chairman, I move the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 9064, directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. GARY. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CANNON. Mr. Speaker, I do not think any general appropriation bill ought to pass this House without a yea-and-nay vote. I shall demand a yea-and-nay vote, and ask unanimous consent that further proceedings on this bill may go over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

URGENT DEFICIENCY APPROPRIATION BILL, 1956

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion I ask unanimous consent that general debate thereon be limited to 2 hours. Is that satisfactory to the gentleman from New York?

Mr. TABER. How about 1 hour?

Mr. RABAUT. Let us compromise and say not to exceed an hour and a half, the time to be equally divided and controlled by the gentleman from New York and myself.

The SPEAKER. The gentleman from Michigan asks unanimous consent that general debate on the bill be limited to 1 hour and a half, the time to be equally divided and controlled by himself and the gentleman from New York [Mr. TABER].

Is there objection?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9063, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RABAUT. Mr. Chairman, I yield 25 minutes to the gentleman from Missouri [Mr. CANNON], chairman of the Appropriations Committee.

Mr. CANNON. Mr. Chairman, this is election year. On November 6 the American people will determine at the polls what administration will be entrusted with control of the Government for the next 4 years.

Since 1789, 34 Presidents have been elected and the 35th will be elected this year. In that respect it is a routine election. But this year there is a new note. This year—for the first time—there is the possibility that this may be the last Presidential election ever to be held under our form of government, and that the President elected this year may be the last President in the history of the United States.

Our people and our form of government are in greater danger today than they have been since the administration of President Washington. The sinister shadow of communism is engulfing the world and the United States is the last bulwark of free government around the globe.

Twenty-five years ago in Moscow the secretary of the executive committee of the Comintern declared:

War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 or 30 years. To win we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard-of concessions. The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as the guard is down we shall smash them with our clenched fist.

The current peace offensives of the Communist world may herald the beginning of the "electrifying overtures and unheard-of concessions."

There are left in the world today only the two major military powers. Both are arming desperately for the last and final conflict. Our Secretary of State reports that already the two have been repeatedly on the brink of war.

Such a conflict would be unlike any war ever waged. It would be fought with new and terrible weapons of incredible destructive power that conceivably may destroy a part of the globe itself. And undoubtedly it would be fought under circumstances unlike any in which the United States has ever participated.

We are not a war-minded people. Our Nation is not a military power by choice. We have never initiated a war. In every conflict in which we have been engaged we have accepted war only when it was forced upon us and when there was no alternative.

We had not expected to fight in the First World War—or the Second. We did not want to fight. We were not prepared to fight. But in each instance, when it became inevitable our allies held the line while we armed.

This time there will be no one to hold the line. The attack will come suddenly and aimed directly at the heart of America. And no ally can delay it 1 day or 1 hour. And ready or unready, with such armament as we happen to have at the time, we must fight without help and without quarter. If we are not ready when the zero hour comes we will never be ready. Ever since the close of the world war in 1945 we have striven earnestly for peace. We are a peace-loving people and have humbled ourselves and accepted insults without protest and shut our eyes to violations of our rights of sovereignty. We pleaded for peace and accepted eagerly every suggestion for a peace conference from whatever source. But without avail. Communism is insatiable and implacable. Always talking peace, they have made peace impossible. From the first they announced to the world that communism and what they chose to call capitalism could not live in the same world. They have never for an instant deviated from that policy and their war factories have roared day and night in three 8-hour shifts for 7 days a week continuously—and are in heavier production today than ever before—even in time of war.

At the close of the last world war we were invincible. Our Armed Forces excelled the combined forces of the world in every branch of military service. We had the greatest Army, the greatest Navy, and the greatest Air Force in history. We had annihilated the Hitler armies so completely as to

leave no one with authority to sign terms of capitulation. On the deck of the battleship *Missouri* we submitted terms, without consultation with the enemy and demanded that they sign on the dotted line. And they signed.

Today we are outarmed and outmanned in practically every branch of the service. Russia has the greatest army in the world. China has the second largest. And the United States is a poor third. Both Russia and China have commanding armies in the field and in reserve, and monolithic manpower which we can never hope to equal.

If the issue were left to the foot soldier, Russia could sweep the allied forces from the Continent and into the English Channel in a matter of 30 to 60 days.

So far as naval power is concerned, Russia has over 400 modern snorkle submarines and is building more at the rate of 75 a year. Our production is barely 5 per annum.

If Hitler with less than 100 old style submarines could drive our commerce from the Atlantic, as they did in the last World War, when they had to come to the surface to recharge their batteries, what could more than 400 snorkles, staying submerged indefinitely, do with allied commerce today?

But Russia is devoting comparatively little attention to our Army or Navy. They are concentrating on long-range bombers and ballistic missiles. They will fly over any army and any navy.

If Russia had ten times the navy they have today—if they had 1,000 divisions of infantry—they could not seriously disturb us in our homeland. But one long-range bomber with one nuclear bomb could destroy Washington and all in it. The French learned that lesson at the gates of Paris. As the German troops advanced the French would rally and drive a spearhead through the German line. And at that crucial instant a German plane would drift down and drop a bomb at the head of the French column. Frantically they telephoned back to French headquarters. "Send us a plane—just one plane." But France had made the same mistake we are making. They had none to send. All they had was blueprints. We have blueprints too.

There will be no Maginot lines, no trenches, no no-man's land—no first line of defense on land or sea. All such anachronisms are a part of the dead, buried and forgotten past. The A-bomb, the H-bomb and the cobalt-bomb have seen to that.

A decade ago an airplane flew over Hiroshimo and dropped a single bomb. The city with a population of 343,000 was all but obliterated. More than 220,000 of its people were killed, maimed and subjected to radiation. We had expected to have to take the homeland step by step at a cost of thousands of lives and immeasurable treasure. But when the bomb dropped the war was over and complete surrender followed. That bomb was merely experimental and was as a T-model Ford compared with a modern automobile.

Today a single H-bomb can blanket an area of 100,000 square miles with deadly radioactive fallout. Such a bomb would kill 85 percent of all people living in ordinary houses within 12 miles of the explosion point and would seriously injure the other 15 percent.

The world has shrunk. There is no place on the globe that cannot be reached by airplane within a few hours. We ourselves have developed a jet fighter which flies faster than 1,100 miles per hour. At that rate it could fly from Chicago to St. Louis in less than 15 minutes. Every city in the Nation is now subject to attack and in event of a nuclear war every major city in the United States would be attacked simultaneously.

And there is no defense once the bomber has left the Russian base. The only defense is evacuation. But complete evacuation of a major American city requires 6 hours. The longest notice mentioned is 3 hours and no assurances can be given that it will be more than 15 minutes. As you enter the express highway leaving Washington you may have noticed a sign: "In event of enemy attack, this highway will be closed to all except military traffic." That sign is the result of experience in the last world war. When the German armies approached Paris, the terrified inhabitants jammed the highways out of the city until the French cavalry could not maneuver and sat completely immobilized.

But, if you will not be permitted to use the highways, how can you evacuate the city. And what will you do with a million people suddenly without homes or shelter?

The situation is worse in Washington. The Washington Post said editorially a month or two ago:

ABANDONING WASHINGTON

The White House decision that Washington must be evacuated in the event of a threatened air attack has the great virtue of definiteness. It resolves for all the people of this Capital city a pervasive uncertainty as to what they ought to do in case a "probable attack" warning should be sounded. Other cities may postpone evacuation of the civilian population until the destination of enemy bombers approaching the United States can be determined; and pending this determination civilians may have to face a most difficult decision as to the best way to take care of themselves and their families. But Washingtonians now know they have no choice if hostile planes should approach anywhere along the eastern seaboard.

The decision seems a sound one. Behind it is the consideration that the White House staff and key Government agency personnel must be evacuated immediately in case of a bombing threat to the Capital. Obviously, the President and his aides would run the risk of being hopelessly entangled in "panic and disorganized flight" if the residents of the city were left free to stay or go as they thought best. It follows from this, as Commander Beach, the President's naval aide, pointed out in revealing the White House decision, that the city must develop a "workable, tested evacuation plan" in cooperation with Maryland and Virginia. Mass evacuation is an extremely complicated and difficult undertaking. It can be accomplished only if people know clearly where they are to go and what is expected of them. The next step, therefore, is a comprehensive, concise plan by civil defense authorities. There should be no uncertainties.

The Russians not only have more planes than we have, but they may have better planes than we have. Russia led in the development and production of jet planes. It was stated on the floor of the Senate last week that as early as 1954 Russia had jet planes more advanced than our own. When we could get them up but were having difficulty getting them down, Russia was already producing the Bison, the Russian counterpart of our B–52, in quantity. The Russians moved 2 years faster than we did in the mass production of long-range bombers. And last May Day the Soviets flew large numbers of a new fighter plane equipped with an engine with a thrust estimated by our experts to be twice that of any airplane engine we have flying.

And the Kremlin is going back to the fundamentals and training increasing numbers of scientists and engineers. The National Science Foundation estimates that in the decade from 1950 to 1960 Russia will educate and train 1,200,000 students while we are graduating only 900,000.

We turn now to perhaps the greatest and most immediate menace—the ICBM, the intercontinental ballistic missile. I shall not discuss the missile in detail as Senator JACKSON, of Washington, discussed it exhaustively in the Senate last week.

Suffice to say that immediately on the conclusion of the war in 1945 Russia seized the laboratories, factories and most of the German scientists engaged in the production of the V–2 rocket with which Hitler had been bombarding London and which had it been left undisturbed would shortly have ended the war disastrously for the Allies.

The United States took over a few of the German staff at work on the rocket but convinced that there would never be another war, gave the project only cursory attention. As a result, while General Electric was producing casually one model, the Russians were producing 1,000 improved machines and extending research industriously. Realizing belatedly the importance of the missile we are now engaged in a deadly race to develop range and accuracy but the Russians have had the lead from the start.

We are in much the same situation we were with the atomic bomb when the Committee on Appropriations refused to provide the money—$800 million in the first request unless we knew how the money was to be used. The Department told us they could not divulge the purpose of the appropriation but they would tell us that Germany and the United States were engaged in a race for the project and if Germany first solved the problem, Germany would win the war and nothing could stop her. If the United States first found the solution the United States would win the war and nothing would stop us. Confronted by that alternative we appropriated the money sight unseen. It is high time additional effort was applied to this race—just as important and perhaps just as decisive.

Ballistic missiles are automatic and carry no operator—only a warhead. They travel at a speed many times that of sound and no defense has been found which can be used against them. It is claimed that unless we can meet this

UNIVERSITY OF MICHIGAN LIBRARIES

threat our allies will eventually have no choice but to abandon NATO. Strategic materials will be denied us. And our defeat will be merely a matter of time.

But the maximum range of the ICBM is tentatively set at 1,500 miles so the final attack, if it comes, will be by long-range bombers, Bisons or their equivalent. Just how effective such an attack could be is indicated vividly by the recent Operation Sagebrush, carried out November 15 last, over 12 Southern States, the largest military maneuver since the World War, in which actual war conditions were simulated as nearly as possible. The result was startling. The enemy bombers were in contact within 17 minutes after the first warning signal and in the next 23 minutes had knocked out half the United States striking force in the area and destroyed 80 percent of our known air bases. In 40 minutes the battle was over.

Our military authorities have been relying on a policy of massive retaliation. We cannot strike first. Our plan of battle has been to give the enemy the first blow and then strike back. But in the light of recent developments we are beginning to wonder if we would have anything with which to strike back after the first blow. We are now keeping our planes aloft, day and night, to prevent enemy surprise or infiltration at our bases. Such bombers would follow up with a retaliatory attack on Russia. But back at home with our centers of population, centers of production, centers of communication, centers of military mobilization destroyed, what would there be to come back to?

It is significant that Russia is drilling troops to operate on paved highways. There are no paved highways in Russia—only dirt roads. So it is possible that Russia is preparing to follow up such a colossal simultaneous attack by bombers with paratroopers who protected by victorious bombers overhead could quickly dispose of such American troops as retained mobilization.

What would follow would be a familiar pattern. As Russia took over her satellites her firing squads exterminated all official and professional classes—all who might attempt to organize what was left of the population for resistance. Bank vaults were broken open and the contents appropriated. Livestock and other food was allotted to armies and all factories were dismantled and shipped to Russia. Germany was denuded of factory equipment even where Russian use could not be found for it and it remained rusting on the sidetracks.

What adequate provisions are we making? In the supreme minute when the sirens are screaming, when panic-stricken mobs rush through the streets seeking shelter, when the drone of Russian planes mingles with the crash of rending explosions, and blinding flashes, and all-consuming heat and the debris blots out the sun—it will be too late.

Remember, the battle will be won or lost in the air. And it will be largely over in one afternoon.

And if we lose, we lose forever. There will be no second chance. It will avail nothing to go down on our knees and beg for mercy. The last ounce of gold and the last drop of blood will be exacted. The looting of Anglo-Saxon England by the Normans will not be a circumstance. And if there is still any doubt about it, take another look at Czechoslovakia, Poland, Lithuania, Estonia, and the rest of the once-proud and independent nations which have been "liberated" by Russia.

Mr. Chairman, we are engaged in the happy and delectable chore of spending money out of the United States Treasury here this afternoon. May I venture to suggest that we leave at least a small amount for long-range planes and guided missiles.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I have been especially interested this year in appropriations for and in the work connected with the Defense Department. I think the country should know that as of November 30 we had $262,262,000 unobligated in the appropriation in the Army for research and development; that they are going ahead just as fast as they can with the Nike development, which is designed to protect us from airplanes on a long-range basis. That is the main item along that line, and they are giving everything they have to it.

In the Navy, where they are developing antisubmarine operations, and doing it to the very best of their capacity, they had $320,947,000 unobligated on the 30th of last November for research and development.

The Air Force which is doing a tremendous job of development had $428,357,000 available and had obligated $132 million up to the 30th of November. I felt that the House ought to know those things.

In the bill before us are a few small items for disaster relief, $25 million.

In Independent Offices we have a small item of $750,000 for the service-disabled veterans' insurance fund under the Veterans' Administration.

The overall total of the bill is $61,504,000.

For public works we have a total of $31 million.

We have also provided $2,600,000 for use out of unobligated funds which the Corps of Engineers told us would be at least $60 million on the 30th of next June for use in the New England, Pennsylvania, and New York area.

Every recommendation for construction was allowed in full.

The only items which were cut were items which would not in the slightest delay any forward-looking work.

I think that tells the story of most of what is in the bill.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Is any of the amount for flood-control work reimbursable?

Mr. TABER. No.

Mr. MILLER of Nebraska. Does it draw interest? Or is it matched by the communities?

Mr. TABER. In every case, as in other parts of the country, certain local contributions are expected, including rights-of-way over lands and a great many other things that are necessary to bring the matter to a head.

Thirty-one million dollars is provided to reimburse the Engineers' funds for items they were obliged to pay out in fighting the temporary disaster that followed the flood in New England. That was under a new bill passed about 2 years ago, I think.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. MILLER of Nebraska. If my memory serves me right, about $5,800,000,000 has been spent on flood-control projects in the last 20 years, approximately that much.

Mr. TABER. I have not those figures available. I do not know whether anyone else has or not, but I do not have them.

Mr. MILLER of Nebraska. No part of it is returned to the Federal Government?

Mr. TABER. There is no provision for any part of items that are spent for navigation or for flood control that is returnable. That is correct.

Mr. MILLER of Nebraska. The thought I wanted to bring out is the fact that reclamation projects which are designed to put water on the land and not keep it off have had about one-fifth as much money and the funds that are advanced for reclamation projects will be returned by the local districts that borrow the money.

Mr. TABER. They are paid in to what they call the reclamation fund, but they are not returned to the Treasury as such.

Mr. MILLER of Nebraska. The reclamation fund is a part of the Treasury.

Mr. TABER. It is set up in the Treasury, but it is not available for the general use of the Treasury. It is only available for other new reclamation projects.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I understand that there is a cut of some $300,000 for surveys recommended by the Engineers for New England for future flood control work. That is very vital to us there. My district has suffered great damage and it would have been even more if the wind had hit in a little different direction.

Mr. TABER. It was not that much. There is a situation where something in the neighborhood of $3 million was turned over to the Engineers for a survey. That item resulted in a complete survey and an analysis of every stream in the New England-New York territory. That item involved, as I remember it, 48 volumes. The reports have just been received within the week. Those volumes are about 3 inches thick and they are as big on the flat surface as the sheet of paper I hold in my hand.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. TABER. The gentleman from Minnesota has in his hand one of those little volumes. They only filled up two

great big shelves in the subcommittee's room, is that correct?

Mr. MARSHALL. Five and a half feet by measurement.

Mr. TABER. 48 volumes, as I remember it.

Mrs. ROGERS of Massachusetts. They may not have all of the information that is available.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. As the gentleman will recall this survey cost approximately $5 million and took 5 years to complete.

Mr. TABER. That is correct, and it has just arrived. It is not something that was made year before last. It was just finished up this year.

Mr. CANNON. The last volume was received this week.

Mr. MARSHALL. The cost for these volumes was $4½ million extending over a 6-year period and 2 agencies of the Federal Government.

Mr. CANNON. And that does not include the amount the States put into it, which makes a total of approximately $5 million.

Mr. MARSHALL. That is correct.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Whether or not this report of New England and New York included a survey of the flood of 1955, I would like to know. Does this report have any reference at all to the floods of 1955 that occurred in August and in October?

Mr. TABER. I do not know as it did, but the efforts of almost every agency of the Army engineers have been devoted almost exclusively to rehabilitation work and the work of getting out the things that they absolutely needed to do to protect the people in New England and going into these streams and analyzing the things that had happened to them since they made that survey. Now, I believe, taking those things as a base and following the thing through, that they have covered the whole picture. I do not like to see these people doing nothing at all except putting on a survey to do over and over again the same thing that they did yesterday.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. RABAUT. Well, now, when we talk about floods, we make a study of the terrain. The terrain is no different just because you had a flood in 1956 or 1954 or 1888. It is a matter of the terrain, and it is a matter of where the water comes from and it is a matter of where the water should be retained, and it is a matter of where the flowoff should be. That is what a study is, and this talk about what they got in 1955 and they got a 5½-foot shelf of study is quite a different thing.

Mr. TABER. I think I ought to say at this point that when we had the Engineers up before us—and I would like to have the attention of the gentleman from Minnesota on this because I want to be sure that I am right—were we not told that they had pulled in from all over the country every engineer that could possibly be spared from the projects that were involved at other places?

Mr. MARSHALL. The gentleman is absolutely correct. That is what they told us.

Mr. TABER. So that they had an enormous force there, many times what they would have under ordinary circumstances.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. MORANO. Is it not true that the Army Engineers recommended this money to the Bureau of the Budget and that the Bureau of the Budget and the President approved it and made the request of the Committee on Appropriations?

Mr. TABER. Well, that is correct. There is no question about that. They came up and asked for the money.

Mr. MORANO. If that is so, then would it not be accurate to say that the money is needed on the expert advice and recommendation of the Engineers and the President?

Mr. TABER. Well, I would say that the Engineers said it was needed and they wanted something in the neighborhood of $150,000.

Mr. MORANO. Three hundred and thirty thousand dollars.

Mr. TABER. No. Let me see what they wanted for New England.

Mr. MORANO. Two million six hundred thousand dollars.

Mr. TABER. No. They wanted in the neighborhood of $150,000.

Mr. MORANO. Well, I thought the figure was $330,000.

Mr. TABER. No. That was for New York and down the coast as far as the Potomac.

Mr. MORANO. All we are trying to do is to protect the people of New England and particularly of Connecticut, in my case, from a recurrence of the disasters that struck the area last year.

Mr. TABER. I have the figure right now in front of me. It is $130,000 for New England, $169,000 for streams south of the New England territory to and including the Potomac, and then there is $31,000 to initiate a comprehensive resource investigation of the Delaware River Basin. That is the way it was divided.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. I think the item that the gentleman has just referred to was an item for $330,000 to——

Mr. TABER. Well, the overall item was that. The New England item was $130,000.

Mr. PHILBIN. Let me finish my question.

The item originally was for $330,000 to cover a comprehensive study and resurvey from the Potomac to the New England States, including all of the New England States. Now, of that, $130,000, I think, was allocated to New England. Now, is it not true that this study that the gentleman has referred to, the so-called interoffice agency report, a sample of which has been exhibited by the distinguished gentleman from Minnesota, was finished and concluded prior to the devastating flood of August 19?

Mr. TABER. Yes.

Mr. PHILBIN. And those which followed it.

Mr. TABER. And after that they had in that territory an enormous number of engineers. They probably had as many engineers in that territory as they had in all the rest of the country put together during all that fall period.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I would think that the proof of the pudding was in the request that came from the President's Bureau of the Budget, inasmuch as he asked for construction items which this committee allowed, and he asked for planning projects which this committee allowed. They certainly did not indicate that they needed any further study, or certainly they would have presented that to the committee.

Mr. TABER. That is the impression that I got.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. PATTERSON. I want to say to the gentleman that I represent the congressional district that was completely devastated.

Mr. TABER. I appreciate that.

Mr. PATTERSON. Further I want to state, not only to the gentleman, but to the entire House, that when the Engineers were in my district, they were working. There were not any studies being made. They were doing things to help the people in the area. The gentleman would have to only witness one of those terribly devastating floods to realize that it is a very small thing to ask the Congress of the United States for an extra $330,000 or even $2 million.

Mr. Chairman, last week the House Appropriations Committee astonished hundreds of thousands of persons who were victims of the tragic floods that struck the New England area last August and October when the committee rejected President Eisenhower's budget request for flood control in the New England States.

In my particular district—the Naugatuck Valley of Connecticut which was the worst hit of all areas—the only beacon of hope that my constituents have looked forward to since the floods of last August and October has been the wholly understandable expectation that the Congress would act at once on flood control measures to prevent future disasters similar to those from which we suffered last year.

Indeed, I was both surprised and shocked when I learned that the House Appropriations Committee did not see fit either in the subcommittee or in the whole committee to come to the aid of our good people in New England. Of course, there are times here in Congress when appropriations should be slashed, but never when the welfare and security of our people and their property are at stake.

UNIVERSITY OF MICHIGAN LIBRARIES

I can readily imagine what would happen to the economy of our Nation if its New England industrial heart should be washed away by muddy waters while Members of Congress quibbled over a few extra dollars. When we take into consideration the vast investment the Nation has in New England both from a financial point of view and from the standpoint of national defense, we must take no further chances on jeopardizing the lives and property of millions in New England and the national defense of the United States.

It is now a well-known fact that if measures such as those recommended by President Eisenhower had been taken just 5 years ago the tragic loss of life and property in New England would have been avoided—or at least reduced to a negligible degree.

The question before Congress today is are we going to once again let history repeat itself? It has been said before the Appropriations Committee that floods similar to these that struck New England last August occur only once in every hundred years. But look what actually happened. Instead of waiting 100 years for another disaster, we had to wait only 2 months for another one which struck with devastating force in October. Are we to let tragic history repeat itself when we can take steps to prevent this disastrous recurrence?

Therefore, I once again appeal to my colleagues in the House of Representatives to restore the essential funds for flood control that were recklessly cut from the appropriation bill last week by the House Appropriations Committee. I urgently appeal to you to restore all of the flood-control funds cut from President Eisenhower's very modest budget requests for this high essential work. Let us not be penny wise and pound foolish when the very lives of our citizens are at stake in the crucial flood hazard areas like my own Fifth Congressional District of Connecticut.

Mr. TABER. Let me get down to earth on that. I shall try not to be too long-winded, but I should really like to call attention to page 6 of the committee report. There are in New England for advance planning 4 projects that the committee has recommended. They must have taken some of their attention, with this enormous force that they had up there, to recommend those projects. On top of that there are in New England 5 projects involving total costs in the long run of something like $50 million for which provision was made for construction. In other words, they got these plans out.

Let me say this further, that one of those that they recommend for planning was the Thomaston Reservoir in Connecticut which is on the Naugatuck, and which is the main reservoir that is being recommended by them. The total cost of that item, when they get through, is said to be $16 million, indicating that the Engineers must have paid considerable attention to the future activities expected in that territory.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. PATTERSON. This Thomaston Reservoir is the main part of our flood control in the entire industrial Naugatuck Valley.

Mr. TABER. That is what I understand. We have done everything we could to speed that through. We went ahead and held hearings just as soon as we possibly could. I was not running the committee, but I am making that statement. Maybe it is not good politics to compliment the other guy, but they went to work and they put us to work. The gentleman from Minnesota [Mr. MARSHALL] was in charge of the operation and he kept us grinding right straight through until we got it done. I do not know that I have seen any more prompt or expeditious handling of anything than there was on that. I think I ought to say that.

Mr. MARSHALL. I wish to thank the gentleman from New York for his kind remarks. I would say that all members of the committee worked long hours and faithfully and neglected some of their other committee work, which they did not like to do, in order to give prompt consideration to this matter which we thought was of paramount importance.

We did it for the reason that we understood it was necessary to get some of the construction started early up there so that it could be done this season. We did that, and that is why we have put in here these construction projects.

I call the attention of the Congress to the fact that on some of these projects to which we granted construction funds there are considerable unobligated funds. Regardless of that, and knowing that this is the year that it is, we put those in our request to the Congress. In addition, we went outside the flood area, based upon what the Army engineers defined to us as the flood area, to put in two construction projects that we felt ought to be in there.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. May I say at the outset that I am one of those from an area not affected by the storms which struck New England but who nevertheless deeply appreciate the attention the committee did give to the problem of flood control, even though it is many miles away from our own Oklahoma problems. I appreciate also the discussion the gentleman has been addressing to the particular points of this bill, and specifically to page 6 of the report by the committee, to which the distinguished former chairman has just made reference. In the middle of that page appears this language:

> In view of the fact that the Corps of Engineers is accumulating large unobligated balances during this fiscal year, the committee directs that the foregoing construction program be financed out of previously appropriated and now unobligated funds.

In view of the concern which we in the Arkansas River Basin have over certain funds appropriated by Congress for dams in that basin, I would appreciate an explanation by the distinguished former chairman as to that particular language, "previously appropriated and now unobligated funds."

Mr. TABER. I looked at the budget and I saw that the budget prophesied $35 million of unobligated funds on the 30th of June next, so when I got to talking to the Assistant Chief of Engineers, General Itschner, I said, "General, it looks to me like you would have instead of $35 million unobligated on the 30th of June the sum of $55 or $60 million." General Itschner said, "At least that."

What is the Congress going to do? We have always deducted unobligated balances that were going to be available after the end of the fiscal year from many appropriations we made for construction or surveys. That has always been the practice regardless of who was in power. I do not know anything about the status of the Arkansas projects or anything about what has been done about them. I cannot give the gentleman any report.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. McCORMACK. Bearing on that question, I received a letter from General Itschner this morning. The mail arrived yesterday. I arrived in Washington this morning. Among other things it says:

> At the end of the fiscal year 1956, there will be obligated balances from the regular 1956 appropriations sufficient to cover the cost of the projects authorized for planning and construction in the committee report. I would like to stress, however, that these are not savings and most of these funds are programed for obligation in the first quarter of the fiscal year 1957. If the projects which the committee recommends must be financed out of these funds, it will be necessary to obtain a like amount of additional fiscal year 1957 funds to complete the program covered in the regular 1956 appropriations.

Now that is information as of either yesterday or of today, which was received from the Corps of Engineers.

Mr. TABER. Of course, they always say that.

Mr. McCORMACK. Oh, now, I do not think my dear friend ought to say that. The Corps of Engineers is one of the greatest organizations we have.

Mr. TABER. Yes, but you see when the budget came out a couple of weeks ago, there was to be $35 million left over and when they got up to see us, it had grown to $60 million.

Mr. McCORMACK. It is nothing but robbing Peter to pay Paul.

Mr. TABER. Every year when we have these bills up, we find that same situation—that the unobligated balances are much greater than they have told us they would be and we find that same thing happening year after year. If you get the figures as of May 1 or June 1, you will find that your June 30 estimate will be way beyond what it has been before. I would like to ask the gentleman from Missouri if that statement is not correct?

Mr. CANNON. The gentleman has outlined a situation which has given the committee considerable concern over a number of years.

Mr. McCORMACK. In other words, the position of my friend, the gentleman from New York—and I believe he is having a hard time trying to put his heart in the case he is trying to present because he is too good a fellow—what my friend says is that out of the funds we have already appropriated for the fiscal

year—projects in other Members' districts, they should take some of that money and apply it to this and then let them hope that they will get a reimbursable appropriation for the next fiscal year. My good friend would not want that to happen if it related to a project in his district, I am quite sure.

Mr. TABER. I would not object in the least because that has been the practice, for us to take the unobligated balances into consideration in making our appropriations for years and years.

Mr. McCORMACK. But there is a commitment.

Mr. TABER. I have never known the question to be raised before.

Mr. McCORMACK. But these unobligated funds are committed.

Mr. TABER. Oh, they say they are committed, but they never will use as much or obligate as much as they tell you they will. And that has been our experience over a period of years, and I can remember back at least 25 years.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARSHALL. I would like to read from page 162 of our hearings:

Mr. TABER. You had available in the neighborhood of $415 million when you started the fiscal year. You probably will have an unobligated balance of $55 million or $60 million this year, will you not, out of that?

General ITSCHNER. I think it will be at least that amount; yes, sir.

Mr. TABER. This particular item is about $31.5 million to reimburse for straight out and out emergency flood items. There is about $3 million for new flood construction or planning.

General ITSCHNER. That is right.

Mr. TABER. The amount involved for the construction and the planning one way or the other wouldn't make much difference to your overall picture as of the first of the year?

General ITSCHNER. No, sir.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. EDMONDSON. I think the gentleman will concede that if we adopt the principle of taking funds that are set up for one purpose and using them for a new purpose before they have been spent for their originally intended purpose, if that were carried over into several other appropriation bills, as could possibly be done, we would wind up not having money on hand for its intended purpose; is that not correct?

Mr. TABER. No, it is not. That is not the way the thing works at all. They use the money for the things they have in front of them to work with and that is what the practice has been over at least 25 years to my personal knowledge and I imagine I could remember back even a little farther than that.

Mr. EDMONDSON. May we then conclude from the statement of the gentleman and from the statement of the distinguished chairman of the subcommittee, the gentleman from Minnesota [Mr. MARSHALL], that this does not involve any deferment on the part of the committee, or any shifting to the back of the shelf on the part of the committee of other projects?

Mr. TABER. Or any other project. I will say that. That is correct.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. NICHOLSON. Were these obligated funds obligated for work to be done in New England States?

Mr. TABER. They are not obligated at all. They have not been obligated. It is only out of unobligated funds that we set aside this money; the things that they had not contracted for. They had not gotten around to it, because their work had not progressed to the point where they could.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENKINS. I would like to ask the gentleman one or two questions. Do I understand that all reference to the Department of Defense and the Army engineers only applies to work in New England?

Mr. TABER. What does the gentleman mean?

Mr. JENKINS. Well, whatever you are going to do in reference to civil defense functions, and so forth. Do you confine all of your appropriations in this bill to the catastrophies up in New England?

Mr. TABER. No.

Mr. JENKINS. Then I come to this point: I pointed out before the Army engineers at a meeting I attended, in which a matter on the Ohio River was a very important matter and the Army engineers agreed to it and recommended it. I do not find it in this bill.

Mr. TABER. Well, I do not know anything about that, but I do know that these were the things that they brought before us as a result of the flood situation in New England, and these are the items that we considered. I beg the gentleman's pardon. There were some other territories that were hit. There was a little corner of Pennsylvania, New Jersey, and a little bit up the Hudson River in New York. It was all of the lower part of New England that was hit in that terrible flood last fall. We have tried in this emergency bill to bring in something that would take care of that situation just as well as it could be cared for.

Mr. JENKINS. That being the case, I am going to assume that this bill covers those urgencies, and we will have another bill that will later cover things that are not so urgent?

Mr. TABER. We will have to have a regular river and harbor and general public works bill. Frankly, I do not think it can be brought in here before the 1st of May, in view of the fact that hearings will have to be held. If we can do so it will be done, but I do not see how we can at this time.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARSHALL. Approximately 80 percent of the funds in this bill go into the New England area. There is one other thing that should be cleared up at this time and that is the reason why some of these funds are unobligated. One of them is that many times the local people have not met the assurances that are required by the Army engineers before they can contract for work. Another reason is because the Engineer Corps are having difficulty in getting engineers to do the work. This extra load came onto the Engineers because of the generosity of the House in passing a public works appropriation bill last year. That has affected some of the projects throughout the country, and the more projects we had throughout the country to conduct planning work, the longer some of this will be delayed.

Mr. TABER. That is correct.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. McCORMACK. In answer to the gentleman from Ohio [Mr. JENKINS], I think the gentleman from New York [Mr. TABER] gave us a correct answer. This is for the remainder of this fiscal year. It involves areas in New England and Pennsylvania. The regular budget with reference to fiscal year 1957, of course, will be considered later.

Mr. JENKINS. I have no objection to whatever is done for New England because they suffered terrifically and deserve to be helped.

Mr. McCORMACK. The importance of getting this through now so far as these projects in New England and Pennsylvania are concerned is that it will give them an advance construction year, whereas if it waits until the next fiscal year or until next June a whole construction year is lost. That is of vital importance.

Mr. TABER. Let me say to the Members that I expect the item we have here will be very small in comparison with what we will be expected to provide for the New England situation before the end of the session. I would not want to say what the time limit might be but we have quite a considerable job in covering this disaster.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. PHILBIN. With regard to what the majority leader has just said, I think the testimony of the Engineers is that if we can appropriate for and commence these projects right now, or within the reasonably near future, they will save from 6 months to a year and a half in construction time; and that may be a very critical thing.

Mr. TABER. The money is provided in this bill as it stands to take care of those things that would expedite construction. That is the thought the committee had in mind in bringing the bill in here.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from New York has consumed 39 minutes.

Mr. RABAUT. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, this recommendation is the Presidential recommendation for the fiscal year 1956, and it amounts to $34,645,000. This request is occasioned, as everyone knows, by the tragic floods that hit New England and the Northeast last August and again in October.

UNIVERSITY OF MICHIGAN LIBRARIES

The devastation that was wrought by the torrential hurricane winds and water of those months was, according to the Corps of Engineers, the worst in the history of the United States. Damages total as of this date $680 million for the August flood alone.

But more important than that, more important than the actual dollar damage, is the tragic fact that a total of 205 lives were lost throughout the flooded area.

This House is thoroughly familiar with the pictorial and written facts of this catastrophe. Few phenomena have received such coverage by press, radio, and television. This great and good Nation joined with nations across the world in an expression of sympathy and concern to the people of the Northeast, and our people are grateful for the deep interest shown. They deeply appreciate the help that was so readily given by the President, by the Congress, by governmental agencies, by the Federal Civil Defense organization, by the Small Business Administration, by the air rescue teams of the Army, the Navy, and the Air Force. We are grateful not only to the Federal Government for the wonderful work done by the Corps of Army Engineers in such a short period of time to rehabilitate these people and their property, but also to the governors, the mayors and the selectmen of the area. They deserve much credit also. Without all this help so much rehabilitation could not have been accomplished.

This Committee on Public Works, the subcommittee, the eastern panel upon which I serve with the distinguished gentleman from Minnesota as my chairman, deserves a great deal of credit for the manner in which it handled this request.

I deeply regret the statements from some people, who ought to know better, that it was callous and indifferent to the needs of New England. There are few men in this Congress who are more cooperative than Mr. MARSHALL, the distinguished chairman, and Mr. TABER, the ranking minority member. Of course, it is not so. This does not involve any partisan issue at all. Republicans and Democrats alike are united in the program that is recommended and that we hope will give adequate protection to New England.

There are few committees in this Congress that work harder than the House Committee on Appropriations and specifically the House Subcommittee on Appropriations for Public Works. So I want to let the chairman of this committee know that my people are grateful for what you have done in speeding up the hearings on this matter. This request from the President came to the Congress on January 12, as I recall, and the chairman set down hearings for the very next week. The only reason why we did not have hearings sooner was because General Sturgis was unable to be present.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Massachusetts.

Mr. MARTIN. The gentleman, I understand, served on the subcommittee that handled this project?

Mr. BOLAND. That is true.

Mr. MARTIN. Do I understand he is going to offer an amendment to restore these funds?

Mr. BOLAND. That is true.

Mr. MARTIN. He thinks that the New England condition demands that the money be returned?

Mr. BOLAND. That is right.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I want to congratulate the gentleman for the statement he is making.

Mr. Chairman, I assure him of my support of amendments which will restore to the urgent deficiency appropriation bill for 1956 the sums requested by the President for the purpose of accelerating flood-control works in New England and the North Atlantic States. I believe this work is necessary because of the occurrence of last year's disastrous floods.

As you know, the House Appropriations Committee has recommended the appropriation of only the portion of this supplemental budget intended to reimburse the Corps of Engineers for the disaster relief expenditures. The committee has also authorized the initiation of planning on some of the recommended projects with unobligated funds available to the Corps of Engineers. It also authorized initiation of construction on the six projects recommended, using the same method of financing. The committee further recommended the elimination of planning funds for local protection works at Allentown, Pa.; Bethlehem, Pa.; Rutland, Vt.; flood-control reservoirs at North Hartland, North Springfield, and Townshend, Vt.; and modification of existing dams at East Barre, Waterbury, and Wrightsville, Vt.

It is my understanding that the first two referred to above were eliminated because the committee felt that their planning should be deferred until the Bear Creek Reservoir, a unit in the same system, was further along. The other projects, I understand, were eliminated from the planning because the committee apparently felt they involved no emergency action since they are not in the immediate area affected by the hurricane storms of last year. In addition, the committee also by its action has eliminated the item of $330,000 requested by President Eisenhower for investigations, general, with the statement that the recently completed New England-New York Inter-Agency Committee Report had already resulted in sufficient study data.

It is my understanding, Mr. Chairman, that at the end of fiscal 1956 there will be unobligated balances from the regular 1956 appropriation sufficient to cover the cost of the projects authorized for planning and construction in the committee's report. I think, however, it is only fair to stress at this time that these are not bona fide savings. Most of these funds are programed for obligation in the first quarter of the fiscal year 1957. I think it is apparent to all of us that if the projects which the committee recommends must be financed out of these funds, it will then be necessary to obtain a like amount of additional fiscal year 1957 funds to complete the program covered in the regular 1956 appropriation.

Mr. Chairman, we do not know where the next disaster may strike. It is possible that in the future we may be spared the terrible consequences of the elements or of any other natural manifestations. But we of New England know that in the order of things past we may expect catastrophes in the future.

I believe that the elimination of the money requested for surveys, covered under the topic "General investigations," is particularly harmful. I recognize that it is perfectly true that the New England-New York Inter-Agency Committee Report is now available, and I also realize that most of the basic data for the flood-control studies is contained in this report. However, I must rise and insist that this report does not purport to provide an answer to the complete flood-control problems of the area.

I am advised that while the Chief of Engineers is authorized within limitations to transfer planning funds between projects authorized for planning, and construction funds between projects authorized for construction, he cannot under law trahsfer either planning or construction funds to meet survey requirements. The survey funds available now to the Chief of Engineers are completely committed. Unless an appropriation is made available for this survey, this program, which we in New England are united in believing to be of the utmost importance, cannot be funded.

Mr. Chairman, when President Eisenhower submitted this supplemental budget it was based on a potential danger to the Northeast States and not solely to the area affected by the August and October storm patterns.

Without meaning to sound as an alarmist, I must report that the frequency of disaster storms in the Northeast seems to be increasing. I believe it would be unwise to delay action on certain projects solely on the ground that these projects were not in the August or October patterns of last year.

New England has a lower degree of flood protection now than any other section of the country. The projects at North Hartland, North Springfield, and Townshend are units in the comprehensive plan for control of the Connecticut River. This river basin has been flooded disastrously 5 times in the last 28 years.

Had there been a slight shift in the storm patterns in either August or October, the downstream industrial area would have been devastated.

We in Connecticut are keenly aware of the day, the hour, and the minute that Hurricane Diane brought death and destruction to our peaceful and homeloving communities. This terrifying experience will never be forgotten by me or by any of the citizens whom I am honored to represent. The floods which descended on us brought unbelievable destruction and resulted in the loss of jobs for many of those working in my area.

During our period of need, every agency of State, local, and Federal Government provided prompt aid and assistance. The Red Cross brought instantaneous help and stayed on to aid in

restoration and rehabilitation. We are truly grateful for that assistance and will never forget it.

However, one of our greatest problems remains—and that is the problem of employment. Our factories and places of business were destroyed and our people were deprived of their ordinary means of livelihood. A great many of our people not only lost their jobs but also their homes and all of their possessions.

During this period of emergency and the difficult days that followed, the spirit of our people has been a constant inspiration to all. By providing the funds requested by President Eisenhower, we will assure those people that here in Washington we are doing everything that we can to protect them at home so that they may rebuild their homes and regain their jobs and work together in the building of a better and stronger America.

Mr. BOLAND. Mr. Chairman, I am concerned, too, about the manner in which moneys are appropriated by the Congress. I am concerned as a member of this committee, and I am concerned because I think there is a great danger that when people legislate at the height of the storm there will be a great waste of public funds. That is not being done in this instance, and it is not being done because General Sturgis and the Corps of Engineers have given to this problem a great deal of study. This is not a crash program. The Corps of Engineers recommended the maximum program that could be accomplished with this particular amount of money. I think they have done a good job, just as this committee has done a good job all around. In the committee records it will be shown that I expressed my concern about appropriating money for projects that are outside of the flooded areas. I believed that should not be done. I do not believe any supplemental bill ought to be used as a vehicle to bring in projects outside the flooded area; but because of the explanation given by the Corps of Engineers that if the storm pattern of last August and October had shifted a few miles New England would have been completely devastated and the $657-million damage could have amounted to billions and billions in damage, I have changed my position today. I do it with great respect for the committee on which I serve.

Mr. RABAUT. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. DODD].

Mr. DODD. Mr. Chairman, I wish to commend my colleague from Massachusetts for the remarks he delivered here a few minutes ago. I shall not talk about the terrible damage which we suffered in Connecticut, and, indeed, in other parts of New England. I believe most of you have heard that terrible story. I do want to point out that the distinguished Governor of my State, Abraham Ribicoff, who served in this body with great honor for two sessions, has come to Washington today to represent all of the New England governors and, indeed, all of the people of New England, in urging those of us in the House from that territory to restore the necessary funds for flood prevention and control in New England.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Connecticut.

Mr. PATTERSON. I want to say to my distinguished colleague from Connecticut, that the distinguished governor did not have to come down here to urge his Members of Congress to do something about it.

Mr. DODD. Well, I do not know how you feel. All I know is that there are 6 governors in New England, 3 Republicans, and 3 Democrats, and they asked him to come down here. Those who have served with him in the House know that he is a man of great intelligence, fairness, and reasonableness, and I think he deserves a great deal of credit for taking time out from a busy job as Governor of Connecticut to come down here today and I am grateful to him for doing so. He has been of great help.

It seems to me that our problem is one of time. As I read the bill, and as I have heard the statements made here, the difference between us seems to be this: The chairman and the members of the committee say as to the $333,000 for the special survey: "We will wait until we read all of those volumes of reports." There are two long shelves of these reports and they are as big as telephone books. Yet the committee says: "We are going to take all the time we need to read them and after we get through doing that we may do something." It looks to me like it will take 6 months to read them. They say, "Then we will decide whether the recommendation of the Army engineers that this special survey is necessary should be followed."

Now I say to the distinguished members of the committee that there is not that much time. Nature will not wait. A lot of people in this country thought after this disaster that we should have a special session of this Congress. That is how valuable time is with respect to this problem. The people in my State thought that surely this Congress would not say: "Give us more time." They want us to get down to business and do something now—not 6 months from now.

There is also an element of time with respect to these projects up in Vermont which have great bearing on the Connecticut River Basin. The committee says, "Let us wait" until we get around to all projects perhaps next summer.

Now, these floods and these tornadoes and these hurricanes and these disasters do not wait on the Committee on Appropriations and do not wait on the deliberations of this body. We may be hit again soon. Connecticut and all of New England has been subject to disasters recently that were never dreamed of 20 years ago. A hurricane in New England in 1938 was as likely as a glacier in Florida. But now we have hurricanes, we have dreadful floods, we have tornadoes, and the weathermen and the people who ought to know say "Look out." That is why the Corps of Army Engineers say we need $330,000 to conduct a special survey, because this latest disaster indicates to us that something new is in this pattern, and there is not enough or sufficient funds in this bill to cope with the situation, and a special study must be made right away. Now, that is all we are asking for in this item, and it is not very much money. The people of New England are not people begging with their hands out. On the other hand, we have tried to be helpful when other parts of the country were hit by flood and disaster. We need this help badly and we need it now. If the Connecticut River had been hit by these torrential rains in this area where these projects are provided for, the city of Hartford probably would have been devasted and her industry would have been ruined. We built great dikes there, but the Engineers say that is not enough. The Engineers say that if we are to prevent a future flood disaster, we need to start at once with this protection in the Connecticut Basin. Of the $330,000, only $130,000 goes into the New England area; $200,000 goes elsewhere along the Atlantic area.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Rhode Island.

Mr. FORAND. Would the gentleman agree with me that the $330,000 involved here is for a survey of the entire area because the surveys that were made in the past are now inadequate and made obsolete by last year's floods?

Mr. DODD. Yes. The majority leader read from a letter that he received from General Itschner, and I am sure he will agree with me that in another paragraph of this same letter General Itschner said of this $330,000:

> Elimination of the surveys covered under general investigations is particularly harmful.

That is what we need this money for. Here is the Chief of the Corps of Engineers telling in a letter that it is dangerous not to get at this thing right away. I hope that we will add these items to the bill.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I want to continue reading from the letter from which the gentleman from Connecticut just quoted. I think it is extremely important to all of us in New England. When we suffered from these 2 floods, 1 in August and 1 in October, this report which has been discussed had already been filed. This is the last of the paragraph of the letter:

> While the Chief of Engineers is authorized within limitations to transfer planning funds between projects authorized for planning, and construction funds between projects authorized for construction, he cannot transfer either planning or construction funds to meet survey requirements.

That is what we are emphasizing. That is what has been eliminated.

UNIVERSITY OF MICHIGAN LIBRARIES

The survey funds available now to the Chief of Engineers are completely committed, and unless an appropriation is made available for this survey, this program, which we consider of the utmost importance, cannot be funded.

The Chief of Engineers testified before the committee that—

The purpose of this review will be to determine in the light of the 1955 floods, and predicated upon sound basin planning, what additional projects and measures may be necessary and feasible to protect against or reduce the damages from flood occurrences.

I do not have the figures readily at hand, but it is my impression that only something like 20 percent of the funds authorized have been granted to all of New England. I am glad that the gentleman from Massachusetts [Mr. BOLAND] will ask to restore this $330,000. Without it, as the majority leader has stated, New England will be stopped dead in its tracks. Remember, these were the worst two floods in New England history. We must have action now—not 6 months or a year from now.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to my colleague from Massachusetts.

Mr. BATES. I want to commend the gentleman for his very fine statement. I am glad he stresses the urgency of this matter because time is of the essence. If we try to save a few pennies we are going to lose millions of dollars and many lives later on.

Mr. HESELTON. I appreciate the gentleman's point. It is an excellent one. Even though these two floods did not reach his district he has worked hard and effectively to bring about the comprehensive flood-control system New England needs so much and to which it is entitled. I know that the gentleman from Massachusetts, the chairman of our Massachusetts delegation subcommittee, agrees with us. I am certain that he shares our conviction that these funds are needed now.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. HESELTON. I yield.

Mr. PATTERSON. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made during this debate.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. CRETELLA. The gentleman has read from the letter of General Itschner, and parts of it have been read by others, but I think there is a very important sentence that has been left out up to this time. It is as follows:

The frequency of disaster storms in the Northeast seems to be increasing and we believe it would be unwise to delay action on certain projects because they were not in the August or October patterns. New England has a lower degree of flood protection now than any other section of the country.

I think that is very important.

Mr. HESELTON. That was stressed repeatedly in New England last year and it was presented forcefully by General Itschner. I do not believe anyone, considering the contributions New England has always made whenever disaster struck any other part of our country, would be unwilling to accept the responsibility of helping New England now to have the fair degree of flood protection to which it is entitled. I am certain that this House will approve that principle this afternoon.

Mr. RABAUT. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. LANE. Mr. Chairman, will the gentleman yield?

Mr. PHILBIN. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Chairman, I rise to compliment my colleague, the gentleman from Massachusetts [Mr. PHILBIN] for his very energetic and able study of this entire flood situation as it affects Massachusetts. He was appointed chairman of a committee that worked not only hours but days on this subject matter up in Massachusetts and considered all these flood projects. I know that he knows whereof he speaks. I know he is familiar with the subject matter. He is to be congratulated and complimented for the time and effort that his committee put into studying the flood situation as it affected us in the New England States. I know that his statement will be of interest to the Congress. I join with him in hoping that this bill will be amended to increase the funds allowed to us in that area so that we may be able to do our best to combat these floods as they come from time to time.

Mr. PHILBIN. Mr. Chairman, I thank the gentleman for his very fine contribution and especially for his generous compliments.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. PHILBIN. I yield to the gentleman.

Mr. PATTERSON. I just want to say to the gentleman that I, too, compliment him and thank him for the letters he sent me and for the help that he has given me and the people of my district.

Mr. PHILBIN. I very much appreciate the gentleman's remarks, and I shall try to be as brief as I can under the circumstances. I have enjoyed the pleasant interpolations and very generous compliments that have been paid me.

First let me say that I am thankful to the distinguished chairman of the subcommittee and the entire subcommittee for the courtesy extended me when I appeared before them and for the kind consideration they have given to the requests that I have made, some of which have been included in this bill. I realize that the problems confronting us are very great indeed and extremely complex. But I think it should be noted that the need is great, the need in New England and other flood-stricken areas is very great, for immediate relief. We cannot longer delay the commencement of these vital projects, and those which are provided for by the amendment to be offered by my distinguished friend from Massachusetts [Mr. BOLAND]. We must have this relief I say at the earliest possible time if we are to avoid the prospects of the terrible visitations of nature which are so unpredictable in their arrival, which may come at any time.

The great district which I have the honor to represent, and other districts were torn by ravaging torrents of floodwaters. Never before was there a similar disaster. This is all inscribed on the records of the Army engineers, that great organization that rendered us so much help during our time of real disaster in New England and in the Northeast.

Never before in a similar disaster was there such suffering, privation, and damage over such a large area. Many lives were lost. Entire communities were paralyzed, torn, and tattered by the virtually unprecedented surge of raging waters. I have outlined these conditions many times before in various speeches here before the Members of the House and elsewhere, and I will not proceed further with this discussion of the conditions.

I should like to emphasize that the amendment to be offered by the gentleman from Massachusettts [Mr. BOLAND] is sound. It carries out the recommendations of the President and the Army engineers—it does not go beyond these recommendations—whose invaluable help has enabled us to recover from a great holocaust and restore many communities to normal economic activity.

I should prefer to see a larger and more extensive program, but I realize that this one will permit an early start to be made on vital flood-control projects. To that extent, I believe it is very essential and imperative that if possible we get favorable action on this amendment.

It will also, as you note, permit fresh engineering studies and planning to be made. Reference has been made to previous studies and reports. They were very extensive and very valuable. But since that time we have had this flood damage covering such a large area of our part of the country. To that extent, while much of the material in this study will be valuable, in other respects it has been completely outmoded. It is amply warranted that we have an appropriation in this bill for new studies and new surveys that will take into account the conditions produced by this terrible flood, with a view of rectifying them in every way possible within the purview of the Federal Government.

Let me repeat—this amendment is sound. It includes no projects that have not been authorized, studied by the Engineers and concurred in by the States and local communities. It is vitally needed to start the most important work of safeguarding the Northeast against the ravages of flood.

In expressing my thanks to the committee and many Members of the House who have manifested warm interest and willingness to help us in our present most unfortunate plight, I would like most

respectfully to urge each and every Member of the House to answer our humble plea for this desperately needed assistance and vote for this amendment and all others necessary to reinstate all of the flood-control program as originally presented.

I ask unanimous consent to include as part of my remarks a pertinent letter of Gen. E. C. Itschner, of the Army engineers.

The letter follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D. C., February 6, 1956.

Hon. PHILIP J. PHILBIN,
House of Representatives,
Washington, D. C.

DEAR MR. PHILBIN: In compliance with your request to General Fleming, the following information is furnished concerning the report of the House Appropriations Committee on the fiscal year 1956 deficiency bill which was submitted for the purpose of accelerating flood control works in New England and the North Atlantic States found necessary because of the occurrence of last year's disastrous floods.

The House Appropriations Committee recommends the appropriation of only the portion of this supplemental budget intended to reimburse the Corps of Engineers for the disaster relief expenditures. It authorizes the initiation of planning on some of the recommended projects with unobligated funds available to the Corps of Engineers. It also authorizes initiation of construction on the six projects recommended with the same method of financing. It eliminates planning funds for local protection works at Allentown, Pa., Bethlehem, Pa., Rutland, Vt.; flood-control reservoirs at North Hartland, North Springfield, and Townshend, Vt.; and modification of existing dams at East Barre, Waterbury, and Wrightsville, Vt.

The first two are eliminated because the committee felt that their planning should be deferred until the Bear Creek Reservoir, a unit in the same system, was further along. The other projects were eliminated from planning because the committee felt they involved no emergency since they are not in the immediate area affected by the hurricane storms of last year. The committee also eliminated the item of $330,000 for "Investigations general" with the statement that the recently completed New England-New York Interagency Committee report had already resulted in sufficient study data.

At the end of fiscal year 1956 there will be unobligated balances from the regular 1956 appropriation sufficient to cover the cost of the projects authorized for planning and construction in the committee's report. I would like to stress, however, that these are not savings, and most of these funds are programed for obligation in the first quarter of fiscal year 1957. If the projects which the committee recommends must be financed out of these funds, it will be necessary to obtain a like amount of additional fiscal year 1957 funds to complete the program covered in the regular 1956 appropriation.

Elimination of the surveys covered under General Investigations is particularly harmful. It is true that the New England-New York Interagency Committee report is now available, and that most basic data for the flood-control studies is contained therein. This report, however, does not purport to provide an answer to the complete flood-control problem of the area. While the Chief of Engineers is authorized within limitations to transfer planning funds between projects authorized for planning, and construction funds between projects authorized for construction, he cannot transfer either planning or construction funds to meet survey requirements. The survey funds available now to the Chief of Engineers are completely committed, and unless an appropriation is made available for this survey, this program, which we consider of the utmost importance, cannot be funded.

The program submitted by the President's supplemental budget was based on a potential danger to the Northeast States and not solely to the area affected by the August and October storm patterns. The frequency of disaster storms in the Northeast seems to be increasing and we believe it would be unwise to delay action on certain projects because they were not in the August or October patterns. New England has a lower degree of flood protection now than any other section of the country. The projects at North Hartland, North Springfield, and Townshend are units in the comprehensive plan for control of the Connecticut River. This basin has been flooded disastrously five times in the last 28 years and had there been a slight shift in the storm patterns in either August or October, the downstream industrial area would have been devastated. The cities of Allentown and Bethlehem suffered damages of about $12 million in the August 1955 flood. The schedules for these local protection projects were correlated with that for Bear Creek Reservoir so as to provide protection for the Lehigh River Basin early in fiscal year 1961, when Bear Creek Reservoir would be in operation. The Bethlehem project is scheduled for completion at that time. The Allentown project would be in effective operation in fiscal year 1960. Being primarily a channel improvement it will provide benefits immediately on completion. It is therefore considered that the funds requested for Allentown and Bethlehem should be allowed to provide effective flood protection as scheduled. The modification projects at East Barre, Waterbury, and Wrightsville are corrections of known deficiencies in projects constructed in the 1930's with relief funds. We believe they are dangerous in their present condition. Similarly action should not be delayed on the Rutland local protection works. Had either the August or October storms shifted to this area, this section of Vermont would have been disastrously affected.

Sincerely yours,

E. C. ITSCHNER,
Major General, United States Army,
Assistant Chief of Engineers for Civil Works.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, so that this debate will not go down in history as New England against the world, I should like to put in also my plea for the restoration of these funds so that the very necessary and vital surveys can be made in the State of New York.

I spoke with the Corps of Engineers as recently as Sunday morning and they assured me that it would be impossible to make the necessary studies and surveys around Port Jervis on the Delaware River, in my own district, where the devastation has been very, very great indeed, unless these funds are restored.

In looking over the bill I see no mention of any survey to be made in that part of the State of New York. This is vitally needed. It has to be done immediately. This is the second flood we have had in that area. While we hope we may not have any more, we never can be sure. As the gentleman from Massachusetts has well said, time is of the essence. We here in the Congress have to see that this very small amount, because it is a small amount, $330,000, is restored to this bill. That is all we ask. These surveys are vital. Without them nothing can be accomplished.

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am grateful to every single person who has helped us in our flood conditions in New England, New York, and throughout that area. I wanted a special session of Congress. I am grateful to the gentleman from Massachusetts [Mr. PHILBIN]. I heard indirectly from the gentleman from Minnesota [Mr. MARSHALL] all the time on this matter.

I would like to speak of the plight of the Merrimack and Concord Rivers area. Those rivers are both in my district. The Merrimack was not very high. If it had been high, Lowell, Mass., would have been wiped out, because the Concord runs into that river.

I went over to look into the yellow book which contains the water resources report and asked about it, but there was no mention of the Merrimack in that book.

Having lived through a number of floods and tornadoes, I plead with you to grant this small amount. I assure you it will not be wasted. It will save many lives and much money.

Mr. BATES. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the distinguished gentleman from Massachusetts.

Mr. BATES. I am glad the gentlewoman mentioned the Merrimack River which is in my district as well as hers.

Mrs. ROGERS of Massachusetts. And also in the district of Congressman LANE. The Merrimack River was high only a month ago and damage was done in Congressman LANE's district. We watched hourly for great damage in Lowell, Mass.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. RABAUT. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. STAGGERS]

Mr. STAGGERS. Mr. Chairman, I think it has been well stated here that this is not a local proposition for New England. We are legislators for all America. When problems come up affecting the west coast, we try to help. When problems come up affecting the affairs of the North, the South, the East, the West, we help. I think, too, that this appropriation should be restored. I have a personal feeling about this. I feel that the Engineers have done a good job and are doing a good job. I feel, as has been said, that time is of great importance. The heading of this bill reads, "Urgent Deficiency Appropriation Bill for the Remainder of 1956." It does not say for 1957. It does not say we can come here next year and get some money for this. It reads "Urgent Deficiency Bill for 1956." I would like to tell you

UNIVERSITY OF MICHIGAN LIBRARIES

about that same storm and of my own personal experience. You will notice the survey says "down to and including the Potomac." That includes part of my district as well as my hometown of Keyser, W. Va., which lies along the Potomac River. I lived right close to the Potomac. When that hurricane and the flood came, the Potomac River broke through and came down through my hometown. I had never been in a flood before—my neighbors came to us and said, "You had better get out of this if you want to get out." I said, "All right." I sat down to eat the evening meal and somebody said, "You cannot get your car out now, but maybe you can get your family out." I got four of my children out of that flood. My wife and I came back to get the two youngest children. When we started out we could not get out; the water was too high. I tell you from my own personal experience that $330,000 for this is nothing. I saw men and women after 2 or 3 days coming back to their homes from which they had been driven. Some of the homes were badly damaged. I had the Engineers there looking at that hometown of mine when the floods were over. I moved from there—I will tell you that—but there are thousands of people who cannot move. I say it would be a small amount. The Engineers want something now to make that survey and not next year. They want it this spring to start as soon as the money is appropriated. If one life is lost as a result of this Congress not appropriating this money, I would feel that I was a part of it, and I think every Member of this House would feel the same way. The engineers are men who have been appointed to their positions because of their specialized knowledge and they know their job. They come up here and recommend to the Congress of the United States things that they believe are urgent, and we say, "You do not know your job, but we, as Congressmen, who are here to legislate know better than you do." This is marked "Urgent"; that means now, not next year, and I hope the House will restore this money.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. RABAUT. Mr. Chairman, I yield myself a half minute to tell the gentleman from West Virginia, who just addressed us, that a committee amendment is on the desk which restores the $330,000 budget estimate. The committee amendment is at the Clerk's desk and it has been there all afternoon.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RABAUT. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. McCONNELL].

Mr. McCONNELL. Mr. Chairman, I have asked for this time for two reasons. First of all, to say that I favor the restoration of these funds to the particular appropriation bill that we are considering. Secondly, to ask a question of either the gentleman from Michigan [Mr. RABAUT] or the gentleman from Minnesota [Mr. MARSHALL]. I understood there was an amount presented and requested of the Committee on Appropriations which I favor for a survey in Pennsylvania for some projects around Allentown and Bethlehem. Is that correct?

Mr. MARSHALL. That is correct.

Mr. McCONNELL. And they were not allowed?

Mr. MARSHALL. The reason they were not allowed is because they found the building of the key Bear Creek Dam was necessary. The committee feels that that dam must be expedited as much as possible, and included $300,000 in this bill in accordance with the accelerated date of the Army engineers it will be June 1961 before it is completed. Your committee does not feel that we ought to appropriate money for planning for projects that will be that far in advance of the construction date of this dam.

Mr. McCONNELL. In other words, the denial was not one of disapproval of the plan but rather the fact that we should wait a while. Is that correct?

Mr. MARSHALL. That is correct. The committee was very sympathetic to those two items.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. McCONNELL] has expired.

Mr. RABAUT. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I just want to say to the Members that I think the full amount recommended by the President should be restored to the budget. I call attention to an article which appeared in the magazine Wall Street. It is a very important statement:

> The Water Resources Policy Commission reported in 1951 that the Connecticut River floods in 1927, 1936, and 1938 caused damages that totaled $150 million. The damage in one 1955 flood was placed at an additional $326 million, bringing property damages for the 4 floods to a total of $476 million. The 1950 estimate of cost for all Connecticut Basin flood-control projects contemplated, authorized, or recommended, came to only $154 million, or $232 million less than the loss that might have been prevented.

Certainly the House recognizes that that these flood situations in the Connecticut Valley and Pennsylvania should be remedied.

The amount requested in this amendment to complete the surveys and studies is essential so the actual construction of the work can be expedited.

The people of the New England States and Pennsylvania are entitled to relief from these devastating, recurring floods which have been periodically visited upon these communities over the past many years.

And I know that a sympathetic House will pass this amendment without question.

Also, I want to call to your attention the amendment which will follow to be offered by my very good and able friend, the gentleman from Massachusetts [Mr. BOLAND].

The gentleman from Massachusetts should be complimented on the fine work he has done on the flood-control program for the protection of the New England States.

This amendment, and the one that is to follow, should be overwhelmingly adopted.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GAVIN] has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

CHAPTER II. DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

DEPARTMENT OF THE ARMY

Rivers and harbors and flood control

Mr. RABAUT. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RABAUT: Page 2, after line 17, insert:

"General investigations

"For an additional amount for 'General investigations,' $330,000, to remain available until expended."

Mr. RABAUT. Mr. Chairman, this amendment provides for the inclusion of the budget estimate of $330,000 for general investigations. It includes $299,000 for flood-control studies for New England streams and streams south of the New England area down to and including the Potomac River Basin. It also includes $31,000 for a special study of the Delaware River Basin. This money will only provide for the initiation of those studies.

The first study covers the area from the Potomac River north and is estimated to take about 5 years to complete. The total cost is estimated at $1,581,000.

The study of the Delaware River Basin will cost approximately $1 million in total to complete.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from New York.

Mr. TABER. The committee on this side of the aisle will accept the amendment.

Mr. SCUDDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Chairman, I rise in support of the amendment to restore the $330,000 for survey and general study of flood conditions in an area which, in my opinion, is entitled to every consideration.

I have viewed the results of the terrible flood in California and can vouch for the disaster that was wrought on the west coast. I know the conditions of the Northeast and the terrible loss of life and property resulting from the hurricane and flood damage. I believe that this item and other items that have been stricken from the proposal submitted by President Eisenhower should be restored.

I believe in times like this it is false economy to endeavor to save at the expense of distress. I trust that when the appropriation bill to relieve the destruction wrought in California is presented

to this body it will receive favorable action as it will alleviate, as far as money can help, the burden of people in my district.

I am happy to support this amendment and trust that the House, in its wisdom, gives an unanimous vote in support of the same and that these recommendations of the President for disaster relief are voted in full.

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the committee amendment as well as the one that I understand will be offered a little later by the gentleman from Massachusetts [Mr. BOLAND].

Mr. Chairman, I want to call the attention of the membership to the fact that these items are here upon the recommendation of the President of the United States they are here as part of his program to relieve suffering and bind up the wounds of communities which suffered from a great disaster. This happens to be the item that chiefly affects New England, but it is only one of a series of legislation that will follow. The President recognizes the need of aid to all sections of the country which meet with disaster.

It is not an innovation for Congress to come to the assistance of people who have met disaster; it is commonly believed to be the right thing to do here in America. We have responded many, many times in the past.

If we do not restore this $330,000 to the program it would mean that all efforts to promote further flood control in New England would be suspended for 1 year. I do not think the Congress wants that to happen. I do not believe we want to take that chance. We want to get on immediately with the task of security from the ravages of flood. Adequate protection is a good investment for a country.

This morning I was at the White House and discussed these particular items with the President and the Republican leadership. As it happened, Roland Hughes, who is Director of the Budget, was present and he, without being solicited, volunteered the information that these items are essential if we are to go ahead with the splendid flood program outlined by the President.

President Eisenhower believes not only in assistance for New England, but also for the people of California and other sections of the country that have been grievously hit by storm and flood.

I am surprised that there should be any opposition to this bill which is tagged in its title as an urgent bill and which is here at the request of the President of the United States. I repeat, this bill has been approved by the Bureau of the Budget and it is a bill which the Army engineers say is absolutely necessary if we are going to do our full duty in these disaster areas. Who is there in Congress in the face of these facts who would eliminate the appropriation, so I want to voice my appreciation to the committee for proposing the amendment. I hope it is accepted, and I hope also the gentleman from Michigan who is offering the amendment in recognition of its desirability, will support the second amendment that is to follow. Both are essential if we are to expedite the flood protection measure.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. As one who comes from a section of the country that is devastated by floods from time to time, but who does not come from New England, I want to join in supporting this amendment. I will also support the amendment to be presented to give New England the aid it needs at this time to repair the damage done by the floods of last summer and fall. I have just read the Red Cross report of the effects of that flood. The disaster was terrific.

These amendments ought to be adopted.

Mr. MARTIN. I appreciate the gentleman's remarks. He has a great record of work for flood control and the building of the waterways of America. The Congress was full of appreciation and sympathy for the people of New England last year. At that time many words were spoken. Now is the time to show the sympathy in a practical way and in a way that will erect a barrier against further disaster.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Connecticut.

Mr. SADLAK. I want to commend the gentleman from Massachusetts and associate myself with his remarks. I wish I could translate to this body what appears as a headline in a morning paper of Hartford, Conn. It states:

"State traffic slowed by storm from south."

There might not be much significance in reading the headline but I want to tell the Members of the House that all of those people who were affected by not one but two storms are greatly concerned because again they are threatened with floods tomorrow morning.

Mr. MARTIN. I thank the gentleman from Connecticut. He has worked zealously for this legislation.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I believe we people who live along the rivers of the United States should be insistent that every river basin in the country be taken care of. Back in 1937 we had a very serious situation up in my district and if it were not for the Federal Government putting up funds at that time the situation would have been more serious and we would not have the condition up there that we have today.

Mr. MARTIN. I thank the gentleman. He has always supported every worthy appeal. May I say that this tremendous amount of $330,000 will not all go to New England. Only about $175,000 will go to New England. The rest goes to Pennsylvania, Maryland, New York and other States along the eastern seaboard. These States have proposals that must be surveyed. Let us get on with the business and do what the President of the United States, the Army Engineers and the Budget Director say is our duty.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it happens that my district was not visited by either one of the two catastrophes mentioned.

Mr. MARTIN. Mr. Chairman, if the gentleman will yield, may I say that neither was my district seriously affected by that disaster. Fortunately, most of the water in my district flows into the ocean.

Mr. McCORMACK. Mr. Chairman, I can therefore look at this from an objective angle, just as I view objectively votes I have made throughout the years for projects in other sections of the country and just as I will vote for a bill tomorrow authorizing a project in Oklahoma which I shall vote for with pleasure and which I hope will pass. As I said, I view this objectively. I view this country as a great Nation. I was born in Massachusetts, but others were born in other sections of the country, but we have a great Union. I like to consider the Nation as a whole. Somewhere in this country there is an avenue called National Avenue that we can travel, where we can reconcile our sectional necessities and obligations and viewpoints in the national interest.

New England was very seriously visited on two occasions. That is an indisputable fact. I am very gratified at the feeling which exists among my colleagues on both sides of the aisle who have come to me today. I know my other friends from New England are likewise gratified when our colleagues from other sections of the country state they are going to vote for not only this amendment but for the Boland amendment, which I hope will be adopted.

Like my other colleagues here, I appreciate what the subcommittee has done. If these two amendments are adopted it will be no reflection on the subcommittee. The chairman of the subcommittee and the members of the subcommittee have expedited these hearings and we are very grateful. There is just an honest difference of opinion in some respects. I feel that the appropriation should be made for the full amount that the President asked for rather than taking from some other projects and then later those projects having the hope and expectation that there will be an appropriation made to care for what was taken away from them.

Now, why should we make this appropriation for the full amount of $34,436,000 or thereabouts? I can see no justifiable reason why we should not do it today. If we do not do it today we are only putting it off until sometime in the future, and at the same time we are going to create fear in the minds of people in other sections of the country that their projects might be affected as the result of a diversion of the money appropriated for their projects and used during the remainder of the fiscal year for these projects.

Now, these projects are located not only in New England, but also in Penn-

UNIVERSITY OF MICHIGAN LIBRARIES

sylvania. The two projects in Pennsylvania are necessary from an angle of flood protection. Bethlehem and Allentown are just as important from the angle of flood protection as any of the projects located in New England. I would be down here in this well fighting for California, as I expect I will be if a bill is brought in in connection with the catastrophe out there or in connection with any other section of the country, because they are our people. All over this country they are Americans and they are our people, and in this body it is viewed from that angle. The Army engineers have gone into this very carefully. The six governors of New England have had a number of meetings. There is a unanimity of opinion between them and the New England delegation. The New England delegation has had a number of meetings. We come before this body of our colleagues representing other sections of the country with the President of the United States recommending an amount. With the New England governors, 3 Democrats and 3 Republicans—but above all, they are governors, elected as Republicans and Democrats, but governors—and with the Democrats and Republicans from New England serving as Members of Congress, elected by our respective parties, united, we come before our colleagues and ask you to give to us today what the President of the United States has recommended in his budget message and which every one of the New England governors and the Members of Congress and the people are united for. I hope that this body will pass today an appropriation of thirty-four-million-and-some-odd dollars. So, I urge my colleagues to vote not only for the committee amendment, but to vote for the Boland amendment, which will be offered in a few minutes.

Mr. FORAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am happy to go along with the committee on the amendment that has been offered, and I intend to vote for the Boland amendment when it is offered, because I look upon flood-control legislation as I do upon disaster-insurance legislation. It is a necessity.

Over and above that, let us just take into consideration the small amount of cost for these flood-control measures as compared to the great loss of life and property suffered during a flood. I heard our colleague from West Virginia [Mr. STAGGERS], a few moments ago recite the incident that he experienced in the last flood. Mr. Chairman, you have to live through one of these floods to really understand what a tragedy it is. When I say to you it is a nightmare, I mean it. When you see aged people and little children unable to help themselves and you realize that their lives are in danger and that unless someone comes to their rescue, you know they will be carried away by the torrents of swiftly flowing water, your heart sinks and you wonder why flood-control measures have not been taken before now. If you realize that, then cost of flood control is nothing. We have just got to be realistic.

Oh, sure, it is going to cost the Federal Government money, which means it is going to cost the taxpayers money, but the taxpayers of this country have proven time and time again that whenever there is an emergency they respond, and the best proof of that is what was done during these floods in New England last year when the American Red Cross appealed to the people of the Nation and during a period of a few days raised $11 million. Not only will this flood-control legislation be helpful economically, but it will also save lives and it will save property and thereby save the jobs of many people in these areas.

I have in my home district the city of Woonsocket with a population of some 50,000 to 55,000 people. This city was devastated beyond even the worst picture anyone can think of, even to the point where a large part of the city not only was flooded and the people driven from their homes, but half of a cemetery was washed away. There were the caskets floating down into the residential district, banging up against buildings and breaking up. We had a number of undertakers who voluntarily joined together to pick up the bones and do the best possible job they could to put them into some kind of caskets and put them away. I say to you it was a nightmare. I shall never be able to picture to you in words the scenes that I have seen myself.

Here we have an amendment restoring $330,000 to the bill for a restudy of the plans that were originally made. There is a reason for that, Mr. Chairman. It is that because the plans now in existence are obsolete as a result of the storms of last year.

I urge the Members not to think simply of the dollars involved but to think of the human beings whose lives are in jeopardy. Think of these people whose homes are washed away, whose jobs are washed out—yes, who themselves are washed out, to use the vernacular.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the amendment which is before us is supported by myself as well as those who have preceded me and who have spoken so much more ably on this subject than can I.

My district, too, was devastated by this summer's floods. I view this matter not as an act of compassion on the part of a Congress but as an act of economy. The earning power of any number of the people of the United States was literally destroyed, at least for a long period of time this summer.

This devastation was completely unwarranted. The rivers, the harbors, the natural resources of this great land of ours belong to all of the people. Their potential is such that it must be harnessed. The need for further studies I think cannot be better emphasized than by this true story. Only 2 days before the flood practically wiped out the town of Yardley, Pa., in the district of our colleague [Mr. KING] the Army engineers issued a report on a study saying that flood-control measures at Yardley, Pa., were deemed unnecessary. That is not a very persuasive argument when 2 days later thousands of people were left homeless.

I urge the Members to support this amendment. I cannot say in honesty that they are doing a good or a great thing. They are doing their duty. They are doing something which each and every one of them knows should be done and it must be done not only for those who have been affected by the recent disasters, but those of us from other parts of the Nation who may be in danger in the future.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. Is it the understanding of the gentleman that the funds I spoke of earlier, with reference to Allentown and Bethlehem would be included in the amendment now pending?

Mr. BOLAND. If the gentleman will yield to me, they are not included in this amendment but will be in the amendment which will follow.

Mr. McCONNELL. In other words, the other amendment will deal with funds for Allentown and Bethlehem?

Mr. BOLAND. That is correct.

Mr. THOMPSON of New Jersey. It is my understanding that Mr. BOLAND's amendment which will follow the one pending will take in the broader aspects, including funds for Allentown.

Mr. RABAUT. Mr. Chairman, inasmuch as the leadership on both sides of the House have agreed to this amendment, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The Clerk read as follows:

Construction, general

For an additional amount for "Construction, general," $31,600,000 to remain available until expended.

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 2, line 20, strike out "$31,600,000" and insert "$34,436,000."

Mr. BOLAND. Mr. Chairman, I think I recognize the temper of this House and I will not detain it very long.

This amendment restores to the urgent deficiency appropriation bill every single item that was recommended by the President of the United States when he sent the supplemental of 1956 to the Congress.

The figure of $34,436,000 represents $31 million spent to reimburse the Corps of Engineers for money spent under Public Law 875, the disaster assistance law. It includes $1,586,000 recommended for advance engineering and design. It includes $1,100,000 for construction. It includes $150,000 for the project in Woonsocket, R. I. This means a total of $34,436,000.

The projects and advance engineering and design that would be restored by this amendment would be the North Spring-

field Reservoir, the North Hartland Reservoir, and the Townshend Reservoir—all in the Connecticut River Basin.

It would restore the East Barre appropriation in the Winooski River Basin for modification. It would restore the Wrightsville appropriation for modification. It would restore the Waterbury appropriation, and it would restore the local protective works at Rutland, Vt., all of those being up in the Lake Champlain area of Vermont.

It would restore in Allentown, Pa., $60,000 and in Bethlehem, Pa., $50,000 for local protective works.

So every single item which was recommended by the President is now included in this amendment that I have offered and which the Clerk has read.

The only reason, Mr. Chairman, why the Corps of Engineers and the President recommended this particular supplemental is to insure speed to accelerate the flood-control program in New England. Making money available now would speed construction of these projects by 6 to 18 months. We have spent in the entire comprehensive flood-control program $72 million in the Connecticut River Basin out of a total of $331 million that must be spent.

I think the recommendation of the President pretty clearly demonstrates its urgency, and I trust that the amendment will be adopted.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I first want to commend the subcommittee on appropriations that handled this legislation. On the day that this Congress was reconvened, I introduced a bill at the request of the Governors of all the New England States to handle this emergency appropriation. About 2 weeks later the President proposed to Congress the emergency appropriation bill that we have before us now. The only difference between the administration bill and the one that I introduced was the deletion of one project. This happened to be in the State of Massachusetts, the West Hill project. Other than that, the administration bill is the same as the bill I introduced on the 3d of January at the request of the New England Governors. As soon as this request was received by the committee about the middle of January, the panel chairman, the gentleman from Minnesota [Mr. MARSHALL], along with the gentleman from New York [Mr. TABER], held hearings immediately. I do not believe any appropriation committee has ever acted with more speed than this committee has—although I do not agree with the end results. That is why I am here before you supporting the amendment of my friend, the gentleman from Massachusetts [Mr. BOLAND]. When this bill was being considered in the committee, I offered an amendment which contained the language of the bill that I had introduced. My amendment was supported by Mr. BOLAND. Mr. BOLAND offered another amendment when my amendment was defeated, and his amendment was also defeated in the committee. That is why we are appealing to the membership of this House to restore what the President has asked this House to do in this emergency bill.

This is something that everyone is united on in New England whether we are Democrats or Republicans—whether Senator or Representative or governor of a New England State—we are all here together at this time asking the membership of this House to support us in this particular emergency. When other emergencies arise all over the country, whenever it is determined to be an emergency, we expect to give that type of support. We from New England have been supporting these projects for many years. This is the first time in history that New England has come to the Congress of the United States for this type of help and we now come because of flood conditions that existed last August and again last October in our area. I do not think this is asking too much. I received a call from Mayor Kevin Coleman, of the city of Woonsocket in Rhode Island, only this morning. He told me that if these survey sums were not voted by the House today, the work on the Woonsocket project, the new work that was being done on this survey and some work that was being carried on in projects in Connecticut and Massachusetts, would be stopped—that they would be stopped in their tracks as of now. Mayor Coleman is naturally very much concerned about the possibility of this project or survey being held up for lack of funds. In our conversation he once again stressed the great importance the project has to the entire economy of the city of Woonsocket and its environs. He cited the fact that the French Worsted Co., the largest textile manufacturing plant in Woonsocket, with employment of about 500 people, had been severely hit by last years floods. In addition, the Argonne Worsted Co., the Verdun Worsted Co., and many other textile plants and dye houses had severely suffered. The entire mercantile district, the center of the social district, was devastated in the August flood, causing at least $2 million in damage.

A particular point which Mayor Coleman asked me to make clear was the feeling of insecurity which so many small concerns had regarding future plans for the area. One of these businesses, a woodworking company owned by the Brodeur family is faced with that problem. Although hard hit last year, they would like to expand their present facilities but they are holding back on their decision until they hear definitely whether or not a flood-control project is to be authorized for the lower reaches of the Blackstone River within the city of Woonsocket. They feel that there is no point in spending more money at the present location if they have no protection. That is a feeling which a good many owners of small businesses have and which is certainly justified.

Mr. Chairman, I think the House is going to adopt this amendment. I think it is worthwhile. I think it is something of a real emergency nature.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. ALBERT. I appreciate what the gentleman has said. The amendment does not radically increase this item. I think we should go along with the request of the gentleman from Massachusetts. I personally hope the committee will adopt it.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. FLOOD. I would like to say that while the Allentown and Bethlehem projects are not in my district, they are in the district of my colleague, the gentleman from Pennsylvania [Mr. WALTER] who is out of the country at this time on the official business of the House of Representatives. He has asked me that I bring to your attention the importance of these two projects in Allentown and Bethlehem that are a part of one of the most strategic defense areas in the Nation. While it is true that the co-called Bear Creek and White Haven project contains $300,000 for the construction and is there for the purpose of flood control in the valley, nevertheless, that vast area is in the hurricane pattern and we think the Allentown and Bethlehem projects for design and engineering are vital and necessary to meet the intent of the House of Representatives.

Mr. FOGARTY. Mr. Chairman, did I understand the gentleman from Michigan to say that he was going to accept this amendment?

Mr. RABAUT. I am not in charge of accepting any amendment.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. DONOHUE. Mr. Chairman, I rise to urge the approval of this urgent flood control deficiency appropriation bill with the restoration and inclusion of all the flood control projects eliminated by the committee.

As you all know, the President has placed himself on record in favor of granting reasonable Federal Government assistance to the people in the various sections of the country who have suffered so greatly and continuously from flood disasters and he has requested the Congress to appropriate the necessary money.

I speak in particular appeal and quite naturally for full flood relief and protection aid to my home State of Massachusetts and the Northeastern States, while at the same time extending my fullest sympathy and support to the people of the other sections of the country who well understand the heavy loss of life and the widespread property destruction that follows in the wake of flood, hurricane, and other natural disasters.

I speak so earnestly because my own home city of Worcester, Mass., was visited last August by the most severe floods in our history and it is not pleasant to be an eyewitness to the havoc that is wrought upon a community, its people and its property when the roaring waters pour uncontrolled over bridges and through the streets. The aftermath of such flood visitation in loss of life, property damage, lost employment and lost business is staggering to

UNIVERSITY OF MICHIGAN LIBRARIES

the imagination, even for an ordinary community. It is beyond human imagination when we try to picture the amount of the destruction of life and damage to property that has occurred in all the States throughout the Nation. Precise figures may, indeed, never be established, but the financial losses are unquestionably up in the billions. We cannot, of course, even approach the placing of any value upon the terrible loss of life involved in these tragedies.

The most recent flood visitations in my area, as well as those throughout the country, have prompted our weather experts to advise that apparently permanent changes have come in the upper air currents and they may well be responsible for continuing and recurring freaks of nature with their accompanying devastation. It would seem wise, then, for us to act in expectation that, unfortunately, more and more of these terrors of nature will strike the North Atlantic Seaboard and the rest of the country. We should, then, further wisely act in expectation of and, therefore, in damage protection of physical disasters of the magnitude of the floods which formerly ravaged annually the valleys of such great rivers as the Ohio and Mississippi and which caused untold destruction along such untamed rivers as the Yellow in China each year.

A practical and sensible look at the path and pattern of this terrible flood damage makes it convincingly clear that the control and prevention problem is not local or statewide but regional and national. It would be worse than useless for each community or State to attempt to set up their own control and protection measures without realization of and relation to the problems of their neighboring communities and States. For the overall national welfare, the vital and imperative need of effective regional coordination must not be overlooked in trying to solve our national flood problem.

In this respect, the Governors of New England have very deeply appreciated that necessity and should be complimented for the harmony and unity in which they are working together on this matter for the common welfare of all our people.

In my opinion, the modern history of congressional action in relation to the water resources and power of this country clearly reveals the continuing congressional conviction and intent that our water resources should be developed in a manner to assure their greatest contribution to the national economic growth, strength, and general welfare.

In pursuit of that policy and intent, the Congress has repeatedly demonstrated their belief that in any regional water control problem the Federal Government should assume a major share of responsibility when Federal participation or initiative is necessary to safeguard the national interest or to accomplish broad regional objectives of national import, where projects, because of size or complexity or potential multiple purposes or benefits, are beyond the means or the needs of local communities and private enterprise. Within these principles of Federal Government activity, I believe the great regional New England water control problem lies, as it does for the other sections of the country with the same problem. The Federal Government must, with promptness, assume their moral, patriotic, and financial obligation in granting assistance for the solution of the problem in the whole national interest.

This Government and country has granted, in Christian generosity, untold billions of needed aid to desperate people in foreign lands and as a Christian nation we can be modestly proud of such action. It is, at the very least, a gamble on the side of God. However, the willing and patriotic taxpayers of our own country have a prior and predominant claim on the resources of the country, and it will be a national disgrace if the imperative and immediate needs of our flood-ravaged regions are not provided for with full Federal assistance before disaster may strike again.

In that respect, and for the few small voices of prejudiced interest, it may be philosophically beneficial to point out that there is about as much of any socialistic tint to the granting of Federal aid for flood prevention as there is about the current Federal aid being given to the tragic victims of these terrible floods.

Beyond the astronomical property damage from continuing and repeated floods, the family tragedies through the loss of loved members can never be erased from our consciences if we do not take immediate reasonable steps to prevent death from striking our people in this manner again. In the national interest, I ask you to unanimously approve this deficiency appropriation bill without further delay.

Mr. SADLAK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the Boland amendment restoring the projects which have been deleted after being recommended by our great President. Confirming my remarks made on the committee amendment restoring the $330,000, when the distinguished minority leader the gentleman from Massachusetts [Mr. MARTIN] yielded to me, again I want to emphasize the great anxiety and concern and worry my constituents in my district, the entire State of Connecticut, feel when a new rainstorm or snowstorm approaches. The water table for New England shows an alltime high—the ground is saturated from the unprecedented floods that visited us accompanying hurricanes in August and October—more rain or melting snow immediately causes a serious problem because there is no ground absorption—it must run off, refilling temporary repairs and quickly forming rushing rivers that under ordinary circumstances would be brooks, creeks or rivulets.

I displayed this morning's Hartford Courant which I brought with me from Hartford, by plane. To a reader outside the boundaries of Connecticut the headlined story about the 7-inch snow in Litchfield would evince no great worry, but in Winsted, scene of great devastation and havoc, there immediately grew concern about where the water would go since the weather was to turn warmer today and there would be an abundance of water that would have no normal outlet or absorption.

The fears of our people in Connecticut and the New England States can be very largely allayed by the restoration of the projects and the survey today since these funds will mean that help and relief and hope for remedying the problem will be forthcoming. I urge the adoption of the amendment.

Mr. LANE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I realize full well that the House has heard about all that the House can digest this afternoon as far as increasing this appropriation for flood damage. However, I want to briefly state that if the Members had occasion to read the hearings on this particular item, and the questions propounded by my colleague who has offered this amendment, Congressman BOLAND, there is no doubt in my mind but that every Member in the House would be satisfied that this money is needed and should have been in the bill in order to provide relief in this very, very critical situation. My colleagues from Massachusetts [Mr. BOLAND] and from Rhode Island [Mr. FOGARTY], of the House Appropriations Committee, can be congratulated for the amount of work they have put in on that subcommittee in behalf of the restoration of this particular item. The best way to insure against flood losses is to prevent them, by flood-control projects that work. Paper plans, without construction, protect no one. New England needs flood money because we have suffered the losses that have been mentioned so many times this afternoon, due to the failure of our Federal Government to provide dams and reservoirs. Therefore, I think this amendment should be adopted, so that emphasis on the need of meeting flood-control projects in the areas where such disasters have occurred can be met. They have caused the heaviest losses and there should be provided the greatest measure of real protection.

Last year alone, as a result of these two disastrous floods in New England, hundreds of millions of dollars worth of homes, industries, and public facilities were damaged or destroyed.

May I say that since 1927 the Congress has spent $4.5 billion on flood control for the whole country, but only $53 million has come to the six New England States.

May I respectfully join with my colleagues, Mrs. ROGERS and Mr. BATES, in their effort to try to do something to prevent further floods in the Merrimack River Basin. However, this particular item has nothing to do with my own area, but, in view of the fact that I know of the disaster, and all of us from New England are conversant with it, I certainly hope that the amendment offered by my colleague will be adopted.

Table showing status of Federal flood-control projects in New England

State	Location (nearest town)	River	Project	Drainage area square miles	Step No. 1		Step No. 2				Step No. 3		Total estimated cost
					Authorized by Congress		Local assurance		State concurrence		Planning funds made available		
					Action	Date	Received	Date	Received	Date	Amount	Date	
Connecticut	Andover	Hop	Andover Reservoir	114	Yes	Aug. 18, 1941	(1)		No				$4,900,000
Do	East Hartford	Connecticut	East Hartford local protection [2]		Yes	June 28, 1938	Yes	1938	(1)				2,413,000
Do	Hartford	do	Hartford local protection [2]		Yes	1938, 1942, and 1950.	Yes	1938, 1940, and 1943.	(1)				10,403,000
Do	Mansfield Hollow	Natchaug	Mansfield Hollow Reservoir [2]	139	Yes	Aug. 18, 1941	(1)		Yes				6,400,000
Do	Norwich	Shetucket	Norwich local protection [2]		Yes	do	Yes	1947	(1)				1,372,000
Do	South Coventry	Willimantic	South Coventry Reservoir	52	Yes	do	(1)		No	(?)	96,000	1945	10,100,000
Do	Thomaston	Naugatuck	Thomaston Reservoir	97	Yes	Dec. 22, 1944	(1)		Yes	September 1955	25,000	1946	15,000,000
Do	Winsted	Mad	Winsted local protection [2]		Yes	Aug. 18, 1941	Yes	1949	(1)				202,000
Massachusetts	Adams	Hoosic	Adams local protection [2]		Yes	do	Yes	Nov. 22, 1949	Yes	Nov. 21, 1950	(?)	(?)	6,490,000
Do	Athol Royalston	Tully	Tully Reservoir [2]	50	Yes	June 28, 1938	(1)		Yes				1,548,000
Do	Barre	Ware	Barre Falls Reservoir	57	Yes	Aug. 18, 1941	(1)		Yes	(?)	217,000	1946–50	2,680,000
Do	Brimfield	Quinebaug	East Brimfield Reservoir	67.5	Yes	do	(1)		Yes	September 1955	70,000	1945	5,320,000
Do	Charlton	Little	Buffumville Reservoir	26.5	Yes	do	(1)		Yes	December 1955	195,000	1946–56	2,820,000
Do	Chicopee	Connecticut	Chicopee local protection [2]		Yes	June 28, 1958	Yes	1938	(1)				1,988,000
Do	Colrain	North	Fort Morrison Reservoir	48	No		(1)		No				4,667,000
Do	Easthampton	Manhan	Easthampton Reservoir	68	No		(1)		No				3,090,000
Do	Greenfield-Gill	Falls	Falls River Reservoir	34	No		(1)		No				2,676,000
Do	Holyoke	Connecticut	Holyoke local protection [2]		Yes	June 28, 1938	Yes	1938–45	(1)				3,592,000
Do	do	do	Springdale local protection [2]		Yes	Aug. 18, 1941	Yes	1945	(1)				757,000
Do	Huntington	Westfield	Knightville Reservoir [2]	162	Yes	June 28, 1938	(1)		Yes				3,217,000
Do	do	do	Littleville Reservoir	53	No		(1)		No				5,500,000
Do	Lowell	Merrimack	Lowell local protection [2]		Yes	June 28, 1938	Yes	1940	(1)				581,000
Do	North Adams	Hoosic	North Adams local protection [2]		Yes	June 22, 1936, Aug. 18, 1941.	Yes	Mar. 3, 1950	Yes	Nov. 2, 1950	(?)	(?)	18,350,000
Do	North Andover and Lawrence.	Shawsheen	North Andover and Lawrence local protection.		Yes	June 28, 1938	No		(1)		20,000	1945	1,723,000
Do	Northampton	Connecticut	Northampton local protection [2]		Yes	do	Yes	1938, 1939, and 1940.	(1)				1,110,000
Do	Oxford	French	Hodges Village Reservoir	30	Yes	Aug. 18, 1941	(1)		Yes	December 1955			3,040,000
Do	Royalston	Millers	Birch Hill Reservoir [2]	175	Yes	June 28, 1938	(1)		Yes				4,167,000
Do	Southbridge	Quinebaug	Westville Reservoir	[4] 26	Yes	Aug. 18, 1941	(1)		Yes	December 1955	78,600	1945	5,890,000
Do	Springfield	Connecticut	Springfield local protection [2]		Yes	June 28, 1938, Aug. 18, 1941.	Yes	1938–42	(1)				1,209,000
Do	Uxbridge	West	West Hill Reservoir	284	Yes	Dec. 22, 1944	(1)		No		83,000	1944–46	2,730,000
Do	West Brookfield	Quaboag	West Brookfield Reservoir	106	Yes	Aug. 18, 1941	(1)		No		67,000	1945–48	8,990,000
Do	West Springfield	Connecticut	Riverdale local protection [2]		Yes	do	Yes	1946	(1)				1,213,000
Do	do	do	West Springfield local protection [2]		Yes	June 28, 1938	Yes	1939–41	(1)				1,609,000
Do	Worcester	Middle	Worcester diversion		Yes	Dec. 22, 1944	No		(1)		70,000	1945–46	5,050,000
New Hampshire	Bennington	Contoocook	Bennington Reservoir	[4] 142	No		(1)						9,487,000
Do	Bethlehem	Ammonoosuc	Bethlehem Junction Reservoir	90	No		(1)						9,500,000
Do	Claremont	Sugar	Claremont Reservoir	245	Yes	June 28, 1938	(1)		No		207,000	1944–45	13,000,000
Do	Franconia	Ammonoosuc	Franconia Reservoir	30	No		(1)		No				(3)
Do	Franklin Falls	Pemigewasset	Franklin Falls Reservoir [2]	1,000	Yes	June 22, 1936, June 28, 1938.	(1)		Yes				7,921,500
Do	Hillsboro	Contoocook	Beards Brook Reservoir	[4] 76	No		(1)		No				4,850,000
Do	Hopkinton	do	Hopkinton Everett Reservoir	490	Yes	June 28, 1938	(1)		No				33,020,000
Do	Keene	Ashuelot	Surry Mountain Reservoir [2]	100	Yes	do	(1)		Yes				1,731,000
Do	do	do	Otter Brook (South Keene) Reservoir	47	Yes	1954	(1)		Yes		260,000	1954–55	4,800,000
Do	Nashua	Nashua	Nashua local protection [2]		Yes	June 28, 1938	Yes	1944 and 1946	(1)				273,000
Do	Peterborough	Contoocook	Edward McDowell Reservoir [2]	44	Yes	do	(1)		Yes				2,008,000
Do	Plymouth	Pemigewasset	Livermore Falls Reservoir	408	No		(1)		No				18,384,000
Do	do	Baker	Baker River Reservoir	213	No		(1)		No				11,869,000
Do	Swiftwater	Wild Ammonoosuc.	Swiftwater Reservoir	57	No		(1)		No				8,650,000
Do	Thornton	Pemigewasset	Thornton Reservoir	261	No		(1)		No				11,589,000
Do	Walpole	Cold	Cold River Reservoir	101	No		(1)		No				7,273,000
Do	Webster	Contoocook	Blackwater Reservoir [2]	128	Yes	June 28, 1938	(1)		Yes				1,317,000
Do	West Canaan	Mascoma	West Canaan Reservoir	80	Yes	Aug. 18, 1941	(1)		No		92,000	1944–45	9,060,000
Rhode Island	Clyde	Pawtuxet	Clyde local protection	106	Yes	do	No		(1)		8,830	1946–47	610,000
Do	Pawtucket	Blackstone	Pawtucket local protection		Yes	Dec. 22, 1944	No		(1)				202,000
Do	Pontiac	Pawtuxet	Pontiac diversion	194.7	Yes	Aug. 18, 1941	No		(1)		24,217	1943–44	5,270,000
Do	Woonsocket	Blackstone	Woonsocket local protection		Yes	Dec. 22, 1944	Yes	February 1954	(1)		125,000	1955–56	2,192,000
Vermont	Bethel	White	Randolph Reservoir	109	No		(1)		No				4,830,000
Do	do	do	South Randolph Reservoir	63	No		(1)		No				4,284,000
Do	Bloomfield	Nulhegan	Bloomfield Reservoir	70	No		(1)		No				(3)
Do	Brockway Mills	Williams	Brockway Reservoir	101	Yes	Aug. 18, 1941	(1)		No				10,700,000
Do	Cambridgeport	Saxtons	Cambridgeport Reservoir	58	Yes	do	(1)		No				5,170,000
Do	East Barre	Winooski	East Barre, modification of existing reservoir.		Yes	Dec. 22, 1944	(1)		No				3,865,000

Do	Gaysville	White	Gaysville Reservoir	226	Yes	June 22, 1936, June 28, 1938.	(1)		No				12,800,000
Do	Groton	Wells	Groton Pond Reservoir	17.3	No		(1)		No				(1)
Do	Jamaica	West	Ball Mountain Reservoir	[4] 132	Yes	1944 and 1954	(1)		Yes	(2)	472,000	1945–50	16,600,000
Do	Londonderry	do	Island Reservoir	40	Yes	do	(1)		No				4,370,000
Do	Ludlow	Black	Ludlow Reservoir	56	Yes	June 28, 1938	(1)		No				5,690,000
Do	North Hartland	Ottauquechee	North Hartland Reservoir	222	Yes	do	(1)		Yes		29,000	1946	10,800,000
Do	North Springfield	Black	North Springfield Reservoir	[5] 158	Yes	do	(1)		No		9,000	1946	9,260,000
Do	Rutland	Otter Creek	Rutland local protection		Yes	June 22, 1936, Aug. 18, 1941.	Yes	May 27, 1960	No				5,320,000
Do	South Tunbridge	White	South Tunbridge Reservoir	102	Yes	June 28, 1938	(1)		No				5,440,000
Do	St. Johnsbury	Passumpsic (Moose).	Victory Reservoir	75	Yes	do	(1)		Yes		103,000		3,900,000
Do	Townshend	West	Townshend Reservoir	[4] 106	Yes	1944 and 1954	(1)		Yes		71,000	1945–49	10,800,000
Do	Union Village	Ompompanoosuc	Union Village Reservoir [3]	126	Yes	June 22, 1936, June 28, 1938.	(1)		Yes				4,003,000
Do	Waterbury	Winooski	Waterbury, modification of existing reservoir.		Yes	Dec. 22, 1944	(1)		No				860,000
Do	do	do	Waterbury local protection		Yes	Aug. 18, 1941	(1)		No				5,549,000
Do	Wrightsville	do	Wrightsville, modification of existing reservoir.		Yes	Dec. 22, 1944	(1)		No				2,663,000

[1] Unnecessary.
[2] Completed.
[3] Partially completed.
[4] Net.
[5] Estimate not completed.
[6] Gross.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. LANE] has expired.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. O'NEILL. Mr. Chairman, I object.

Mr. MASON. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fifty-five Members are present, a quorum.

Mr. BROOKS of Louisiana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Chairman, I live in the lower Mississippi Valley. This is a section of the United States that from earliest recorded history has been vexed with serious and disastrous floods. In the years gone by we in the lower Mississippi Valley have looked upon water more or less as a curse rather than as a benefit to mankind.

Now I am glad to say conditions are slowly changing. Floods which were recurring so often at one time have not been so frequent in the last few years. We believe that this fact is due to the magnificent work of our Corps of Army Engineers in building dams, dikes, and channel improvements to prevent disastrous floods. I hope this situation continues indefinitely.

During the last 9 months New England has suffered the tragedy of disastrous floods which heretofore had been one of the hardships and lot of those who lived in the Mississippi Valley. The Red Cross report which I have just read is illuminating. It is true that I had read many newspaper accounts and heard many stories and details over the radio, all about the size and destructive effect of the New England floods of last year. In spite of all that I had read and heard, I must confess that the American Red Cross report of recent date gave additional yardsticks by which I gage the scope and size of these disasters. Every Member of Congress should read this report.

New England needs the help of Congress at the present time. Perhaps at a later date California will need the help of those of us in the Congress who support flood control and river development. In the past we from Louisiana have appealed to the people of New England and of California, and at this critical hour in the lives of the people in New England, I think that we from the Mississippi and Red River Valleys should show our appreciation of what support in the past has meant to us. I believe that all of our people, filled with the recollections of the horrible loss of life and property in the crevasses and disastrous floods of the South and Southwest, will likewise support New England in its present effort to recover from the floods of the last year.

As president of the National Rivers and Harbors Congress, I have watched these tragedies developing, and with proper help from Congress, much of the suffering and many hardships of our people, whether they be in the South, East, North, or West, can be prevented in the future.

Mr. O'NEILL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts [Mr. BOLAND].

I think that a bit of information I could pass on to this Congress is that recently I read an article telling why the hurricanes were heading into the New England coast. We all received a communication from the gentleman from Florida [Mr. ROGERS] about the tremendous number of hurricanes they have had during the years. For many, many years New England has escaped them, but in the last 10 years we have had 4 hurricanes. It is interesting to note that as those hurricanes come up the Atlantic coast, the Weather Bureau claimed there was a barrier 27 miles high outside of North Carolina, and when the hurricane hit that barrier it veered out to the ocean; but now that barrier has severed, and instead of the hurricane storms bearing out to the ocean, they head right up the coast into Pennsylvania, New Jersey, and on up into New England. New England gets the entire brunt of the disaster.

I believe the amendment offered by the gentleman from Massachusetts [Mr. BOLAND] is offered to meet an emergency. Because of the way the weather has changed we do not know how often New England is going to be hit by these hurricanes.

Secondly, may I ask you, Mr. Chairman, to imagine what it means to the economics of the Connecticut Valley area. If you were an industrialist thinking of setting up a plant in the Connecticut Valley area, either in Massachusetts, New Hampshire, or Connecticut, surely you would think twice before you would do so, knowing that there was this need of dams up in the Vermont area.

I am sure the House will go along with us on this matter. I want to congratulate the chairman and the committee which worked so hard to achieve the results that are placed before you today.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. I am in accord with the views that have been expressed by the gentleman and his associates, and hope that the House will adopt the amendment.

Mr. O'NEILL. I thank the gentleman from Oklahoma.

I want also to mention the interest shown by the gentleman from Rhode Island and to state that the entire New England delegation did heroic work, really, during these terrific floods in the summer and fall of last year.

Mr. RABAUT. Mr. Chairman, I renew my request that all debate on this amendment and all amendments thereto close in 5 minutes and that the time be allotted to the distinguished gentleman from Minnesota [Mr. MARSHALL],

who is chairman of the panel having this matter in charge.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. MARSHALL] is recognized to close the debate.

Mr. MARSHALL. Mr. Chairman, all of us as Members of the House have certain responsibilities. One of my responsibilities, being assigned to the chairmanship of the eastern panel means that I have a number of items that come up before our committee, many, of course, in which all of us are interested.

I would like to make one point very clear to all of you, that I certainly appreciate all of the courtesies the Members of this House have always extended to me when they have come to me with their problems. They always approach me in a courteous and gentlemanly manner.

I would also like to say that I certainly have no malice to anyone in the New England area or the northeastern part of the United States. I serve on the committee and I sit next to one of the finest Members of this House, the gentleman from Massachusetts [Mr. BOLAND]. It is a real privilege to know Mr. BOLAND and to serve with him. I am proud that he is on our panel. I am proud of all of the members of our panel. Service on this panel means hard work. It means in this particular instance that we had to lay aside some of our other chores and certainly I know we laid aside some things that would be much more appealing to us and much more interesting than serving on this particular committee. The service was rendered gladly and the committee worked hard and faithfully on this problem.

Your committee held extensive hearings and certainly I know at this time we want to praise the Army engineers for the excellent work that they did in the New England area. The New England area was visited with a storm; the intensity of which is almost beyond the imagination of man. The loss of life and property was terrific. The Army engineers responded; moved into the area and provided construction work of a temporary nature.

Because the efficiency and know-how of the Corps was put to wise and intelligent use and because they were prompt and efficient, all of us can be proud of their work well done. The result of their work expresses it in a manner far more eloquent than I can express on the floor of the House. Every person appearing before our committee expressed a feeling of gratitude and thanks to the Corps. It seems to me that the expenditure of $31,600,000 was done as economically and as well as it could possibly have been under the circumstances. We recommend unanimously that this appropriation be made. In addition to that, your committee feels that out of unobligated appropriated funds, we ought to appropriate for advanced engineering and design for the following projects in the flood areas:

Project	Estimated total Federal cost	Appropriation in accompanying bill
Thomaston Reservoir, Conn.	$16,000,000	$140,000
East Brimfield Reservoir, Mass.	5,700,000	140,000
Hodges Village Reservoir, Mass.	4,350,000	140,000
Worcester, Mass.	5,030,000	60,000
Endicott, Johnson City, and Vestal, N. Y.	4,840,000	80,000
Dyberry Reservoir, Pa.	7,630,000	125,000
Stillwater Reservoir, Pa.	9,200,000	120,000
Prompton Reservoir, Pa.	5,860,000	100,000

In addition we are recommending that construction start as soon as possible out of unobligated appropriated funds on the following projects:

Project	Estimated total Federal cost	Appropriation in accompanying bill
Barre Falls Reservoir, Mass.	$2,680,000	$300,000
Buffumville Reservoir, Mass.	2,820,000	100,000
Otter Brook Reservoir, N. H.	4,800,000	100,000
Bear Creek Reservoir, Pa.	17,900,000	300,000
Ball Mountain Reservoir, Vt.	16,600,000	300,000
Woonsocket, R. I.	4,200,000	150,000

Two of these construction projects are adjacent to but outside of the flood area. We urge that Members of Congress concur with us in including the items for the Otter Brook Reservoir, N. H., and Ball Mountain Reservoir, Vt. We have been reliably informed that funds are forthcoming for this purpose and that construction can be expedited to the point where we may gain from 6 months to a year. We believe it most desirable that these projects be constructed since they will both alleviate, to some extent, the damage caused by flooding.

Mr. Chairman, your committee on the eastern panel is sympathetic to the people of the Northeastern States. We feel for you up there in the northeastern part of the country when you have these disastrous floods. We wish something more could be done than is being done to alleviate the suffering that was experienced in that territory, but it is a thickly settled region for the most part without adequate area for large reservoirs and water-control works.

But to get back to the work of our committee, because I think sometimes people have wrong notions about the work of the committee, your committee recommended every project we thought could be expedited on which construction could be started this year. We provided funds for every such project. We went outside the flood area. I want to call your attention to page 159 of the hearings where the engineers outlined the projects that were in this particular area and the projects that were out of it. We followed their recommendations in that regard.

We did not allow all of the projects that are being requested in the Boland amendment. You will notice some projects are way outside the flood area up in the northern part of Vermont. We did not feel that that was a matter that ought to come before the urgent deficiency appropriation bill. We felt that was something that should be weighed in the consideration of projects in other parts of the United States.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. The matter of reservoirs in Vermont and New Hampshire is probably the big answer to floods in Massachusetts. If there were dams up there we would not get that water.

Mr. MARSHALL. I appreciate the gentleman's comment. In talking about these reservoirs in the northern part they can contribute some but actually very little.

Then we threw out some other projects we were considering. We threw out North Hartland, Townshend, and we threw out North Springfield, all outside of flood area. Why did we throw out North Springfield? You have to have the cooperation of the State of Vermont before that project can be started. You would not want our committee that you have assigned the responsibility to in this House to accept projects of that kind which require State cooperation or acknowledgment before we can proceed.

Mr. PROUTY. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Vermont.

Mr. PROUTY. I just want to suggest to the gentleman that the State of Vermont in all probability will concur in that particular flood-control project.

Mr. MARSHALL. I appreciate that and I hope the State does in order that that can be expedited, since we have provided funds for that purpose. We also threw out two projects mentioned heretofore in Pennsylvania. Those two projects are projects that are needed. The committee has never felt they were not needed but the fact is they are dependent upon the Bear Creek Dam, which is the key to those two projects. We are accelerating them as fast as we can, but we are informed that it will be June 1961, before that particular project is ready. Why should we appropriate money for planning so far in advance of that?

May I say that as far as the engineers are concerned, the engineering corps has a great responsibility. The engineering corps is being handicapped because it is difficult in this time to get qualified engineers to get all of the work done that the Engineers have placed on their shoulders. So there is some danger in including certain of these projects that instead of being expedited they may be slowed up.

The three projects that we mentioned above are in the southern part of Vermont. The Engineers do not contemplate completing the planning this year. It will in all probability be extended over a 3-year period. Why bring that in in an emergency appropriation bill?

Mr. Chairman, I hope the pending amendment will be rejected.

Mr. EVINS. Mr. Chairman, as has been pointed out by previous speakers,

we are all aware of the disastrous floods which took place in the summer and late fall in New England.

These floods brought extensive damage to the people of the northeastern section of our country. Property was destroyed and many lives lost. As the Congress was in adjournment at the time, speedy legislative action was at that time impossible. However, since the reconvening of the Congress the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], has moved with expedition to provide emergency funds to help alleviate conditions in this area. The urgent deficiency appropriations bill now before the House carries a total appropriation of new funds of $31,600,000 for public works in the disaster area. In addition, the committee has authorized the expenditure of $2,155,000 for advance engineering and design and construction on some 15 projects in the various States in the New England area.

Also previously appropriated and unobligated funds are authorized for us in this connection. While previous surveys and studies have been made of the flood situation in the New England area, I can certainly envision no damage in the making of a new and additional survey, particularly in view of the recent floods occurring in this area. This work should proceed with all expedition.

As a member of the Public Works Subcommittee on Appropriations and as one coming from an area in which the floodwaters have been controlled by a system of dams in an area where extensive flood damage heretofore occurred, I can express the hope that other areas of our country will in time be similarly protected and I can certainly support, which I gladly do, the pending appropriation in this connection.

Mr. DOYLE. Mr. Chairman, we in California have also had recent bereavement come to us as a result of uncontrolled flood waters destroying irreplaceable human lives and washing away millions upon millions of dollars' worth of real property and its improvements.

We, therefore, would be less than aware of our full duty if we did not cordially support both these amendments, the money from which will give the people of New England and Pennsylvania deserved and necessary flood-protection planning.

You cannot construct flood-control protection unless you plan engineering-wise to do so. Let us have the engineers begin immediately to plan against recurring tragedy to property and further death for innocent human beings.

What affects New England and Pennsylvania in flood matters vitally concerns us in California, and vice versa. The interests of all sections of our beloved Nation must go forward together if we as a people are to achieve the greatest prosperity.

We vote millions upon millions to aid foreign countries against flood destruction and for reclamation and huge water reservoirs and dams. Let us not overlook that our own people's need—and our own physical resources need—deserve our close attention also.

I shall cordially vote for both amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. BOLAND].

The amendment was agreed to.

The Clerk read as follows:

CHAPTER III

DISTRICT OF COLUMBIA

OPERATING EXPENSES

Executive office

For an additional amount for "Executive Office," to be available on and after August 12, 1955, for regulating the election of delegates representing the District of Columbia to national political conventions, $43,500.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word in order to make a brief announcement. When we go back into the House I shall ask unanimous consent to vacate the order previously entered as a result of which the Treasury-Post Office Department appropriation bill was put over until tomorrow. May I inform the Members that if the unanimous consent request is agreed to we will vote on that bill tonight.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I want to pay the gentleman from Massachusetts a compliment on the way in which he has given us information on flood matters. I am grateful to the gentlemen from Massachusetts, Mr. McCORMACK and former Speaker MARTIN, for appointing a committee to study and secure appropriations for flood control. The chairman of that subcommittee, Mr. PHILBIN, did remarkable work.

The Clerk concluded the reading of the bill.

Mr. RABAUT. Mr. Chairman, I move the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. RABAUT. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ORDER VACATED

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the order heretofore entered into today postponing further consideration of the Treasury-Post Office appropriation bill be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS AND THE TAX COURT OF THE UNITED STATES APPROPRIATION BILL, 1957

The SPEAKER. The question is on the passage of the bill, H. R. 9064.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RABAUT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks and that all Members who spoke on the bill may revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEGISLATIVE PROGRAM

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I take this time to inquire of the majority leader as to the program for the remainder of the week.

Mr. McCORMACK. Mr. Speaker, on tomorrow the first order of business will be a resolution out of the Committee on Armed Services in relation to the sale of a rubber plant at Institute, W. Va. It has to be acted upon before Friday of this week. I have been advised by the distinguished gentleman from Georgia [Mr. VINSON], chairman of the Committee on Armed Services, that they desire to have the matter brought up tomorrow, and I am programing it for tomorrow. He informs me there will probably be a rollcall. I am giving the membership of the House this information for their own benefit.

Mr. MARTIN. I understand that a rollcall is required?

Mr. McCORMACK. I do not know whether that is so or not. My understanding is that he probably will ask for a rollcall. I am alerting the Members so they will be informed of the situation.

After that there will be S. 180 relating to the Washita River Basin reclamation project in Oklahoma.

I might also say that H. R. 8710, to amend the Armed Services Procurement Act of 1947 probably will necessitate a rollcall, and that was scheduled for Thursday. Because of our agreement with the Republican leadership that Thursday would be a light day—and a light day means that there will be no rollcall; that is my promise when I refer to a light day—that will be postponed and will not come up before Wednesday of next week.

Mr. MARTIN. I thank the gentleman.

H. R. 9067, A BILL TO GRADUATE CORPORATE INCOME TAXES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include certain tables and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, yesterday I introduced a bill to graduate the tax rates on corporate incomes. I think this bill will warrant the serious consideration of the Members. Since I made a public proposal for such a bill on January 16, 1956, I have received a great many communications from business firms of all sizes and in all parts of the United States endorsing this proposal.

In both corporate and personal taxes, the Federal Government is taking each year approximately one-fourth of the national income. We can no longer ignore the impact of these taxes. They are rapidly bringing about fundamental changes in the structure of business, none of which are good. Among other things, the tax structure is channeling substantially all of the income available for investment in business growth into a few super-giant industrial corporations, and making them investment bankers. These corporations are rapidly taking possession of all of the productive wealth, yet the result is a slowing down of industrial growth and a disappearance of competition upon which our historic public policy depends for regulation of the free-enterprise system. Small- and medium-size firms are being squeezed out.

If our free-enterprise system is to survive, these trends must be reversed. We need increased business growth to provide jobs for our growing population and children now growing up on farms. We need a wider availability of investment funds, a growth of small business and a restoration of a "middle class" in business firms. We need to check the wave of corporate mergers and consolidations, and we need to encourage a competitive structure of business.

H. R. 9067 will help to establish these wholesome trends. The effect of the bill on corporate taxes of several sample sizes is illustrated with the following table:

Comparison of taxes and effective rates under present law and proposed law (combined normal and surtax)

On a taxable income of—	Amount of tax			Effective rate	
	Present law	Proposed law	Percent change	Present law	Proposed law
				Percent	*Percent*
$25,000	$7,500	$5,500	−26.7	30.0	22.0
$100,000	46,500	22,000	−52.7	46.5	22.0
$500,000	254,500	150,000	−41.1	50.9	30.0
$1,000,000	514,500	345,000	−32.9	51.5	34.5
$3,000,000	2,594,500	2,105,000	−18.9	51.9	42.1
$10,000,000	5,194,500	4,655,000	−10.4	51.9	46.6
$50,000,000	25,994,500	26,255,000	+1.0	52.0	52.5
$100,000,000	51,994,500	56,755,000	+9.2	52.0	56.8
$500,000,000	259,994,500	312,755,000	+20.3	52.0	62.6
$1,000,000,000	519,994,500	667,755,000	+28.4	52.0	66.8

TAXES WOULD BE REDUCED ON ALL CORPORATIONS HAVING NET INCOMES OF LESS THAN $50 MILLION

In summary, H. R. 9067 will do the following things:

First. It will reduce the normal tax rate on corporate incomes from the present 30 percent to a new rate of 22 percent. The normal tax will apply, as now, to the total net income of the corporation. It will substitute in place of the present surtax rate of 22 percent, which applies now on all except the first $25,000 of the corporate income, a series of rates which become progressively larger with progressively larger corporate incomes.

Second. The surtax exemption will be raised from the first $25,000 as now, to the first $100,000 of net income. Thereafter the surtax rate will increase gradually over the entire range of income sizes, until it reaches a maximum rate of 53 percent on that part of the corporation's net income which is in excess of $1 billion.

Third. The normal and surtax rates combined will maintain the present effective tax rate on a corporation receiving $50 million of net income; all smaller corporations would pay less taxes, and all larger corporations would pay more taxes. But the new rates are calculated to yield the same total tax revenue from corporations as the present rates would yield. In other words, it is not intended that Federal revenues will be decreased or increased by this bill.

The surtax begins to apply when a corporation's income is in excess of $100,000. Thereafter the formula, in general, is this: When the corporate income increases tenfold, the surtax rate increases by 10 percentage points. Thus the graduation is quite moderate. Compared to the way in which the tax rates on personal income progress, these rates on corporate incomes hardly progress at all. The maximum marginal rate, taking the normal tax and surtax together, is 75 percent. This maximum marginal rate would apply to that part of the corporation's income which is in excess of $1 billion. Under the excess profits tax, which was repealed in 1953, the maximum marginal rate was 82 percent.

Under the bill, the total effective rate on a corporate income of $1 billion is 66.8 percent. Prior to the time the excess-profits tax was dropped, the maximum effective rate was 70 percent.

If it is fair and just to have graduated tax rates on individual incomes, then it is equally fair and just to have graduated rates on corporate incomes. But the need for this bill goes far beyond the question of simple justice. Our economic system is rapidly undergoing changes, under the impact of our present tax laws, personal and corporate, which threaten the existence of the free-enterprise system itself.

INVESTMENT IN NEW PRODUCTIVE CAPACITY MUST BE ENCOURAGED

First of all, there is a compelling need to encourage investment in new productive capacity. One thing certain about our profit system of business is that the system must continuously grow or it must collapse.

Despite the general impression that 1955 was a boom year, the output of goods and services last year failed to reflect the economic growth we should have had. The gross national product of last year reflected a growth of only 2.8 percent per year in the 3 years since 1952—which is less than the normal increases in productivity, to say nothing of the increases in population. From 1939 through 1952, the growth in the gross national product, measured in 1955 prices, averaged 6.8 percent per year.

The changes which were made in the tax laws in 1953 and 1954 overwhelmingly favored the big corporations and the high-income families. These changes were sponsored on the theory that they would encourage investment in new productive capacity. They have, however, provided the big corporations with an incentive to raise prices and take more profits, and these profits have not found their way into new productive capacity. Dropping the excess-profits tax particularly had the effect of encouraging the big corporations in raising prices. The excess-profits tax tended to place a ceiling on the amount of profits which a corporation could take without increasing its investment in new capacity. Dropping the tax removed the ceiling.

The recent Economic Report of the President shows that in 1955 corporations took $8.6 billion more in 1955 in tax allowances and in profits after taxes than in 1952. But corporate outlays for productive capacity, including replace-

ment items, was only $2.1 billion more than in 1952.

BIG BUSINESS HAS ACCUMULATED GOVERNMENT SUBSIDIES

Our experience during and since World War II should have driven the lesson home. When the necessities of war demanded maximum output of all kinds of essential goods, farmers expanded output very rapidly, and expanded to a greater extent than did industry. This record of the most competitive segment of the economy was made, not with special subsidies and incentives, but despite the shortages of machinery and fertilizer and despite difficulties of all kinds.

Some of our biggest corporations, on the other hand, were offered speedup amortizations, Government loans, and Government contracts which assured repayment of the loans, amortization of the new plants, and handsome profits. Yet in spite of all this, these corporations had to be prodded, cajoled, and threatened to accept these incentives and go along with the expansions which were desperately needed. The same has been true in the Korean hostilities, and during the so-called defense buildup that the Government has sponsored since that time.

Without naming names, I might remind the Members of the Government incentives which have recently been given some of the biggest corporations in the country, to induce these corporations to make capacity expansions. These include speedup amortizations by which plants are paid for out of taxes. They include agreements by which the Government is maintaining support prices by buying for stockpile all the output which civilian markets do not absorb. And they include contracts by which the Government guarantees premium prices for the output of new facilities.

Again without naming names, I could point out that some of the biggest corporations in the land now have relatively little overhead costs, simply because their plants have substantially all been paid for by the Government. These corporations enjoy reputations for phenomenal efficiency, which many people believe enables them to drive smaller competitors and would-be new competitors out of business. I do not question their efficiency, but I simply point out that the fact that their plant cost has been paid for through Government incentives and subsidies also enables them to drive out small competitors and frighten away new competitors.

These big corporations have received the lion's share of the speed-up amortizations. They have received, and are receiving today, the lion's share of Government production contracts. And despite their highly advertised initiative in research and development, their research is being subsidized to the tune of $1.5 billion a year by the Department of Defense alone. I do not have the record of the additional research subsidies which they may be receiving from the Atomic Energy Commission and other Government agencies.

The tax concessions to small- and medium-size firms which my bill would make should help such firms, in a small way, to overcome the obstacles of entering those industries where big competitors have paid for their plants through Government subsidies and have grown fat on Government incentives.

And I might remind the Members that we still have shortages of almost all of the basic materials. If we now had a Federal road program, for example, we would not have enough steel and cement capacity to support such a program.

And I might also remind the Members of the continuing inflation in big business prices and profits. It happens that prices of metals and metal products have gone up during the past 3 years by the same rate that farm prices have gone down. One has gone up 16 percent; the other has gone down 16 percent.

SMALL BUSINESS MUST BE ENCOURAGED

For several years now substantially all of the funds for business expansion have come from retained corporate earnings. The bulk of these funds are held, directly or indirectly, by high-income families who own the corporate stocks. Personal income taxes being what they are, it simply does not make sense for these families to take out of the corporation those funds which the family wishes to reinvest. This means that the bulk of the funds available for business growth are accumulating in the high-profit corporations, which means the big corporations.

Yet the big corporations are those least willing to expand capacity—at least in those industries in which they are already well established. These are the quasi-monopolistic industries where a large degree of arbitrary control over prices and production exists, and these industries are naturally reluctant to make capacity expansions which may generate competitive pressures.

The basic solution to this problem is to encourage the accumulation of investment funds in smaller corporations, first, because the smaller corporations are more responsive to expansion opportunities, and second, the growth of smaller companies will generate competition and bring prices down, which is the thing we should expect from investment in new capacity.

There are no reports showing the profit experience of all large and small corporations since the tax changes of 1953. But there are reports for the most important segment—namely the manufacturing corporations.

Nineteen hundred and fifty-two was considered an extremely good year for corporate profits. In the first 9 months of that year, the profits of the giant manufacturing corporations—those with more than $100 million of assets—were at an annual rate of 11.1 percent of stockholders' equity. This was after taxes, and in addition to generous depreciation, depletion, and amortization allowances which had the effect of returning to the corporation a substantial proportion of its investment in productive capacity. Stockholders' equity refers to the stockholders' total investment, including original capital plus earnings over the years which have not been paid out in dividends.

In the first 9 months of 1955, the profit rate of the giant manufacturing corporations had increased 27 percent over 1952. Conversely, however, the rate of the smaller corporations—those with less than $250,000 of assets—had dropped by 39 percent from 1952.

There are other signs that small business is not fully sharing in the business boom. Dun & Bradstreet reports that there were 46 failures for each 10,000 firms listed in its reports last year. These were all small-business failures. In the decade prior to 1953, the corresponding failure rate averaged 20 firms for each 10,000 firms listed by Dun & Bradstreet.

At the end of 1952 corporations with more than $100 million of assets had 52 percent of all of the assets of manufacturing corporations. Two and one-half years later, 57 percent of the assets were held by corporations of this size. If this rate is not checked, it will take about 20 years for all of the manufacturing assets of the country to become concentrated into corporations of this giant size class.

If the tax rate on small and medium size firms will not allow such firms to accumulate expansion capital, then these firms will not be able to obtain such capital. It is by now undisputed that the capital markets for loan funds are generally not open to small business, and the capital markets for equity funds are even less so.

H. R. 9067 IS NEEDED TO CHECK THE MERGER MOVEMENT

While the giant corporations are generally reluctant to expand capacity in those industries in which they are already established, they are not averse to buying up and merging corporations in related and even unrelated lines of business. The pressure of cast accumulations of investment funds building up in the big corporations make such a merger movement almost inevitable. The great wave of corporate mergers and consolidations going on today is principally a result of the accumulation of investment funds in the big corporations, and the scarcity of capital available to finance the smaller corporations.

COMPARISONS WITH SENATE BILL

Questions will arise as to how the bill I have introduced compares with the two bills (S. 3128 and S. 3129) introduced in the Senate on February 3, by Senator FULBRIGHT.

Insofar as the tiny one- and two-man corporations are concerned, both bills would do the same. In both bills, 22 percent is the lowest overall rate. Senator FULBRIGHT's bill would give the benefit of this rate on the first $25,000 of net income. My bill would give the benefit of the 22-percent rate on the first $100,000 of net income.

In more fundamental respects, however, the bills are in no way similar. The following comparisons might be

made between the effects of my bill and the effects of the two bills introduced by Senator FULBRIGHT, the second of Senator FULBRIGHT's bills being to replace the revenue loss which would be brought about by his first bill:

On a taxable income of—	Amount of tax under present law	Fulbright bill		Patman bill	
		Amount of tax	Percent change	Amount of tax	Percent change
$25,000	$7,500	$5,500	−26.7	$5,500	−26.7
$100,000	46,500	45,250	−27.0	22,000	−52.7
$500,000	254,500	257,250	+1.1	150,000	−41.1
$1,000,000	514,500	522,250	+1.5	345,000	−32.9
$5,000,000	2,594,500	(?)		2,105,000	−18.9
$10,000,000	5,194,500	5,292,250	+1.9	4,655,000	−10.4
$25,994,500	(?)		26,255,000	+1.0	
$50,000,000	51,994,500	52,992,250	+1.9	56,755,000	+9.2
$100,000,000	259,994,500	(?)		312,755,000	−20.3
$500,000,000	519,994,500	(?)		667,750,000	+28.4
$1,000,000,000					

In other words, the bill I have introduced will make a true graduation, or progression, of tax rates; and it will help some firms of substantial size, not just the tiny firms. I would hope that my bill will help to restore and maintain a middle class in American business, and that it will help check the trend toward a business structure in which there are a few multi-billion-dollar corporations at the one extreme, and a number of very small distributors at the other.

It is time, I think, that we take a more realistic look at the way corporate incomes are distributed.

The latest available report from the Treasury Department, which is for the tax year 1952, shows that only 508 corporate returns reported 48 percent of all the net income of corporations. These 508 returns accounted for, as a maximum only one-tenth of 1 percent of the corporations. Thus almost half of all the net corporate income in the country was income of corporations receiving more than $10 million, and if separate figures were available for the really big corporations, they would show that this bulk of the income went to corporations receiving more than $100 million of net income.

Similarly, the 3,000 corporations receiving more than $1 million of net income accounted for no more than nine-tenths of 1 percent of the corporations, but they received 71 percent of all the net corporate income.

Conversely, corporations receiving incomes of less than $25,000, accounted for only 6 percent of the net corporate income, and those receiving less than $100,000 accounted for only 12 percent of the corporate income.

There have been recent news reports that General Motors net income before taxes last year was in excess of $5 billion. This was more than the combined income of 98 percent of all the corporations in the country.

How the corporate incomes were distributed in 1952

Corporate returns with net incomes of—	Returns		Net income	
	Number	Cumulative percent of total	Amount	Cumulative percent of total
$10,000,000 or more	508	0.1	$19,344,152	47.8
Between $5,000,000 and $10,000,000	455	.2	3,129,000	55.6
Between $1,000,000 and $5,000,000	3,020	.9	6,351,075	71.3
Between $500,000 and $1,000,000	3,243	1.6	2,260,846	76.9
Between $250,000 and $500,000	5,968	3.0	2,080,026	82.0
Between $100,000 and $250,000	15,064	6.4	2,335,476	87.8
Between $50,000 and $100,000	20,623	11.0	1,443,968	91.4
Between $25,000 and $50,000	33,470	18.6	1,162,855	94.3
Between $20,000 and $25,000	26,357	24.6	594,566	95.7
Between $15,000 and $20,000	27,752	30.8	483,872	96.9
Between $10,000 and $15,000	37,136	39.2	458,022	98.1
Between $5,000 and $10,000	61,780	53.2	447,571	99.2
Under $5,000	207,201	100.0	340,250	100.0
Total	442,577	100.0	40,431,697	100.0

H. R. 9067 MIGHT ENCOURAGE DISSOLUTION OF BIG COMBINES

It is not to be expected that the progression of tax rates provided in the bill will force any immediate splitup of the big corporations. It is entirely possible, however, that some of the big corporations will find it to their stockholder's advantage to work out voluntary dissolutions. This will be in those situations where the management knows that there are no substantial technological and managerial advantages attached to huge combines, and division into smaller units can be worked out without loss of efficiency. This is the way dissolutions should be made—by the management that knows how to make them.

There are numbers of big corporations today that are living on the borderline—in the gray zone, as it were—of our antitrust laws. This leads these combines to throw great resources and prestige into political support of the parties and programs which promise them greatest immunity from the antitrust laws—a condition which is unwholesome in itself. Finally, on those rare occasions when the Federal courts are faced with the problem of ordering dissolution of an illegal combine, they have great difficulty in trying to unscramble the assets in such a way that real dissolution will be had and, at the same time, efficient and potentially successful business units will result.

May I suggest that if voluntary dissolutions were made in a few of the more highly concentrated industries, this would go a long way toward solving some of the more troublesome problems that are plaguing us today. I have in mind the increasing problem raised by large numbers of small fabricators or distributors, on the one hand, trying to do business with a very small number of giant suppliers, on the other hand.

We have recently had dramatized, for example, the problems of the automobile dealers. The pressure grows year by year for legislation to regulate, or give a new basis, to relationships between dealer and manufacturer. And all such legislations yet conceived necessarily involve an elimination or restriction on competition between dealers—a solution which is contrary to our traditional policy. Yet the argument is plausibly made that we now find here more of the system of feudalism than free enterprise. The dealer's property rights in his business are abrogated at the manufacturer's whim to cancel his franchise. Investment of money and long years of building good public relations become worthless, or relatively so, and without enforceable claims.

The fact that franchises are cancelable is not, however, the root of the trouble. The automobile business grew up under this arrangement. The point is that not many years ago a man was content to put his money into a sales agency under a cancelable franchise. He then knew that if, say, the Chevrolet Motor Car Co. canceled his franchise, he would, assuming he knew his business, have no difficulty in getting a franchise from another manufacturer. He could sell Buicks, or Oldsmobiles, or Maxwells, or Hupmobiles, or a variety of other makes.

The loss of free enterprise does not result from cancelable franchises; it results from fewer and fewer alternative suppliers seeking dealers.

CONSOLIDATED RETURNS

Under present law, corporations owning subsidiary corporations are given the option of filing a consolidated return or separate returns. The presumption is that, in most instances, the advantages are on the side of filing a consolidated return, for two reasons: First, when separate returns are filed the corporation first receiving the income pays taxes at the regular rates and, in addition, 15 percent of the payments of dividends from one corporation to another are taxable as income of the corporation receiving the dividends. Second, should any of the corporations in the corporate family have a loss, such losses are more likely to reduce the income liable to tax when a consolidated return is filed, than when separate returns are filed. For these reasons the present law assesses a 2 percent surtax on consolidated returns.

H. R. 9067 does not change these features of present law. If experience with the progressive tax rates shows there is developing a tendency to create

subsidiary corporations, as a means of evading the impact of the progressive rates, then it may become necessary to amend the law further to prevent such evasion—either by requiring consolidated returns, by decreasing the amount of the exemption now provided for intercorporate dividends, or by other means.

This is, however, a matter which can await experience and study. For presently existing corporations, the options have already been elected, and these cannot be changed except with the consent of the Commissioner of Internal Revenue, upon application and presentation of good reason. Therefore, we will have at least a year to consider whether or not some additional amendment may be needed to prevent reorganizations for purposes of evading the new tax.

THE LATE J. MARK WILCOX

The SPEAKER. The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I regretfully bring to the attention of the House news of the death of J. Mark Wilcox. The former Congressman from the Fourth Congressional District of Florida died on his farm at White Springs, Fla., on Friday, February 3, 1956.

The entire Florida delegation and all Members who served with Mark Wilcox in the 73d, 74th, and 75th Congresses are saddened that the brilliant sage of Willacoochee, Ga., has passed on.

His dedication to public service started in 1911 as solicitor for Jeff Davis County, Ga. He moved to Florida, and for 30 years thereafter, he served the people of his district, State, and Nation faithfully and with outstanding ability.

As a Congressman, his career has few parallels. The Wilcox Municipal Bankruptcy Act saved many cities in this country by permitting them to solve their financial difficulties. As a strong advocate of national preparedness, he sponsored the National Frontier Defensive Act which was the first step toward an adequate frontier defensive system for the United States.

Mark Wilcox leaves a warm spot in the hearts of all his friends and the many people who knew him. His love of people, his legendary wit and humor, have endeared him to all.

J. Mark Wilcox was a man whose life, work, record, and family will forever be a credit to his memory. As attestation of this, I cite a few of the many newspaper accounts of his death:

[From the Miami Herald of February 4, 1956]

HIS RECORD, CREDIT TO HIS MEMORY

The unexpected death of J. Mark Wilcox deprives this community of an outstanding citizen.

His services to Great Miami, the county, the State, and the Nation are an inspiring record of achievement for the public good.

Mark Wilcox was a brilliant lawyer. His legal abilities were responsible for salvaging the credit of West Palm Beach through a postboom bonded debt readjustment.

As the Representative in Congress from the Fourth Congressional District, Wilcox from his first appearance on the floor impressed his colleagues with the scope and soundness of his thinking and judgment.

He was among the first nationally to sense the danger of Red Russia. He was an ardent advocate of national preparedness.

As a Congressman he sponsored pioneer legislation for building up military aviation. Today the country accepts what he said 2 decades ago: "Only through the strongest Air Force in the world will America be safe in the future."

Wilcox's grasp of sociopolitical economy was evidenced in his appeal in the depression years to this area to reclaim many sections of land for the development of new business.

He was an ardent pleader for the creation of Everglades National Park, long the president of the citizens' group working for its accomplishment. He warned this community that it could only achieve its full destiny by a cooperative thinking instead of the haphazard, ineffective proposals in which everyone wants to be a general.

His greatest contribution to the community was at the Miami International Airport.

His firsthand knowledge, gained from his airport bill in Congress, his legal skill, his ability to bring dissident groups into a cohesive action brought the airport out of the doldrums of early uncertainty into the careful planning and intelligent handling which have made Miami the gateway of the Americas and the hub for the most highly traveled air route in the Nation.

The people of this country were singularly fortunate in having Mark Wilcox to counsel officials in the airport development. He was as fine a legal representative as any elected body could have.

He was what we like to think is the type of man who merits being called a southern gentleman. Good citizen, good neighbor, he was endowed with the divine gift of liking people.

[From the Miami Daily News of February 4, 1956]

WILCOX SERVED US, NATION AND DADE

Sudden death of J. Mark Wilcox, Dade County Port Authority attorney, former congressman and outstanding civic leader, is a tragic loss to this community.

Dade County citizens, particularly Miamians, knew Wilcox better in recent years during his residence in Miami, where he moved in the 1930's from West Palm Beach. However, the name of Wilcox is known all over America because of the Wilcox Municipal Bankruptcy Act. This law, still being used, helped Florida cities to refinance boomtime indebtedness they could not pay and other cities to rescheduled payments or better amortization of municipal bonds regardless of their finances.

There were many other remarkable legislative accomplishments to Wilcox's credit during his congressional career. His first term was one of the most effective, if not the most effective, in the annals of Congress. He probably could have been reelected Fourth District Congressman as long as he desired. He was defeated by circumstances and at considerable personal loss when he tried for the Senate in 1938.

Perhaps as important in its way to the Nation, Wilcox served this community faithfully for years as the man who put together the bond issues and legal instruments enabling International Airport to grow. He also fought ably for a new FEC railway station. He was little known to the general public, but he devoted long hours and lately, his entire time to the county business.

The $21 million International Airport bond issue, now financing the current airport expansion, is the latest monument to his skill and his perseverance in behalf of this community's greatest public asset. Few will doubt that County Commission Chairman MacVicar spoke the truth when he commented yesterday, "We shall miss him terribly."

Other Miamians will also miss J. Mark Wilcox for other things—for his friendships, for his associations in civic and fraternal organizations, and for his occasional political and other speeches. He was an accomplished orator and wit. All in all, the community can be comforted in that it has honored him and rewarded him in some measure—though little enough—for a lifetime of public service.

[From the Miami Herald of February 4, 1956]

J. MARK WILCOX, 65, DIES—30-YEAR POLITICAL VETERAN

(By Bert Collier)

J. Mark Wilcox, 65, former Congressman and a public official and political leader for 3 decades, died Friday at his farm near White Springs, where he had gone for a rest.

Mr. Wilcox was stricken with a heart attack while under treatment for asthma and died unexpectedly.

Since organization of the Dade County Port Authority, he had been its attorney, handling the intricate legal details of financing and operating Miami International Airport, Venetian Causeway, and other authority enterprises.

He was a national authority on self-liquidating ventures of local governments.

Noted as an orator and wit, Mr. Wilcox was in demand as an after-dinner speaker and on the political hustings during his active career. He was a brilliant pleader before judge and jury.

In one case, involving a contest of the $1 million Abram Barker will, he delivered a 13-hour summation, believed to be the longest in the history of the Florida bar.

He also asked a witness a 5,000-word question which required only a 5-word answer.

Called on frequently to read long and technical documents before the port authority, Mr. Wilcox liked to inject the words, "and give your attorney a salary increase." He maintained this kept his auditors awake and alert.

Born in Willacoochee, Ga., from which came in later life his affectionate designation as "the Sage of Willacoochee," Mr. Wilcox studied at Emory University and became a country schoolteacher.

Turning to the law, he practiced in Hazelhurst and Brunswick, Ga., before moving to West Palm Beach in the early 1920's.

After serving as city attorney there, Mr. Wilcox offered for Congress against the late Ruth Bryan Owen Rohde in 1932.

The big issue of the campaign was prohibition. Mrs. Rohde, like her famous father, was strict prohibitionist, Mr. Wilcox was one of the first candidates to favor relaxing the dry laws.

At that time the Congressional district extended along the east coast from Jacksonville to Key West. With enormous energy, the young Mr. Wilcox matched the oratory of the talented daughter of William Jennings Bryan, and won election.

He was reelected in 1934 by the same constituency of 18 counties and again in 1936, when the district was reduced to the counties from Vero Beach to Key West.

In three terms he introduced the municipal bankruptcy law which still bears his name and became the leading expert on legislation to help hard-pressed local governments during the depression. The Bankruptcy Act saved the cities of West Palm Beach, Coral Gables, and others.

He also authored numerous laws increasing the Military Establishment in the face of the growing menace from Nazi Germany. Through his efforts, bills establishing Everglades National Park and the Naval Air Station at Opa-locka were passed.

In 1938, Mr. Wilcox surrendered his seat to campaign for the Senate against Claude Pepper. Though he carried every county in his own congressional district, Mr. Wilcox lost the State.

Urged frequently to offer again for elective office, Mr. Wilcox refused. He became increasingly absorbed in his legal specialty and established his home in Miami. He lived in a downtown apartment hotel.

He is survived by his wife, Mrs. Christine Wilcox, who was with him when he died.

There are two sons, Joel C. Wilcox, assistant manager of the Greater Miami Traffic Association, and J. Mark Wilcox, Jr., an official of the United States General Accounting Office, Frankfort, Germany, and five grandchildren.

Ben Lanier Funeral Home is in charge of arrangements.

[From the New York Times of February 4, 1956]

J. MARK WILCOX, 66, EX-REPRESENTATIVE

WHITE SPRINGS, FLA., February 3.—J. Mark Wilcox, Miami Port Authority attorney and former United States Representative from the old Fourth District, died last night after a heart attack. His age was 66.

As a Member of Congress he was the author of two nationally important legislative measures. He sponsored the Wilcox Municipal Bankruptcy Act, which became law in 1934 and permitted cities to adjust bonded indebtedness, and the National Frontier Defensive Act, passed in 1935, the first step toward an adequate frontier defensive system for the United States.

He also was a leading supporter of measures that created the Tennessee Valley Authority and the Everglades National Park.

Survivors include his widow and two sons, J. Mark, Jr., and Joel C.

Mr. Wilcox, a Democrat, served in the 73d, 74th, and 75th Congresses (1933–38).

A leading spokesman for national air defense he campaigned both before and after the passage of the 1935 defense bill to have the armed services construct air bases for defense of the interior.

In 1938, he was defeated by Senator Claude Pepper in the Florida Democratic primaries for nomination for the Senate. Mr. Wilcox had run as an opponent of the New Deal.

[From the New York Herald Tribune of February 4, 1956]

J. MARK WILCOX, EX-CONGRESSMAN

WHITE SPRINGS, FLA., February 3.—J. Mark Wilcox, 66, Miami Port Authority attorney and former United States Representative from Florida, died last night.

As a Member of Congress he sponsored the Wilcox Municipal Bankruptcy Act, which became law in 1934 and permitted cities to adjust bonded indebtedness, and the National Frontier Defensive Act, which was the first step toward an adequate frontier defensive system for the United States. He also was a leading supporter of measures which created the Tennessee Valley Authority and the Everglades National Park.

WARNED OF PEARL HARBOR

Mr. Wilcox's Defensive Act, which became law in 1935, affected airbases throughout the United States, including Mitchell Field, which it expanded to 400 officers and 1,500 men and made a base for 150 planes. In recommending another airbase for Alaska, he warned 6 years before the attack on Pearl Harbor of the danger of such assault by air from Japan.

Mr. Speaker, his family have suffered an irreparable loss, and to them I extend my deepest sympathy and condolences.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days in which to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, the curtain of death has been drawn on a noble and illustrious life and the work and career of a fine man ends. I would like to join in paying tribute to this great American, and a former member of this body, the Honorable J. Mark Wilcox.

Mr. Wilcox, a native Georgian, moved to West Palm Beach in 1925, and became one of south Florida's most outstanding citizens and statesmen, making many contributions to his State and to his Nation. He was elected a member of the 73d Congress from the then Fourth District of Florida in 1933, and was reelected in 1935 and again in 1937 to the 74th and 75th Congresses. His record as a Congressman was brilliant. He was the author of two nationally important legislative measures: The Wilcox Municipal Bankruptcy Act, which became law in 1934, permitting cities to adjust bonded indebtedness; and the National Frontier Defense Act, which was the first step toward an adequate frontier defense system for the United States. He also served while in Congress as a member of President Hoover's Conference on Home Ownership, on the taxation committee. Of primary interest to Florida was legislation introduced by Mr. Wilcox creating the Everglades National Park, and also the survey of the Intracoastal Waterway through Broward County, which was enacted into law during the 74th Congress.

Mr. Speaker, Florida and the Nation have lost a fine citizen and public servant, one who always gave generously of himself in serving his fellowman. He was a great American and rendered invaluable services both in private and public life.

I know that Mr. Wilcox's family and children can look back on history in the years to come on a father who ranks among the great Floridians of his time. To his family I would like to extend my deepest sympathy. May God bless and sustain them in their hour of sorrow.

Mr. Speaker, I would like also to call to the attention of the Members of this House the following editorial from one of our great newspapers in Florida, the Palm Beach Post-Times, which expresses the deep feeling of the people of my district for J. Mark Wilcox:

J. MARK WILCOX: LEADING CITIZEN

"Greatness and goodness are not means, but ends.
Hath he not always treasures, always friends,
The great good man?"

—*Samuel Taylor Coleridge.*

When Congressman J. Mark Wilson returned to his hometown in 1933 to make the principal address at the traditional July 4 celebration, reference to him in newspaper accounts of the occasion as "West Palm Beach's leading citizen" was no mere figure of speech.

He was that, and more. Coming to West Palm Beach in 1925, he had won the hearts, confidence, and respect of that city's people by the simple, yet complex, process of being a good citizen and a good man. His brilliance as an attorney, and his genuine interest in his adopted community and its problems, soon won him widespread recognition.

In 1926, he was appointed city attorney. In 1929, he was presented the Civitan "Award of Merit" for outstanding civic achievement in recognition for his work on the city's distressing bond problem. In 1930, he was named general counsel of the Florida League of Municipalities, where he worked untiringly to give other cities of the State the benefit of his study and experience on municipal finance. In 1932, he was overwhelmingly nominated and elected as Member of Congress from what was then the Fourth District of Florida—the east coast from the Georgia line to Key West.

The depression came early to Florida. We were in it in 1928, as a result of the great "bust" which followed the great "boom" of the midtwenties. Characteristically, one of J. Mark's first acts when he became city attorney was to cut his own salary in order to help the city meet its financial crisis.

Generous to a fault, he was just as quick to come to the aid of fellow citizens caught in the economic squeeze of the times, often at a personal sacrifice. He gave not only of his substance, but his time and his talents as well. He was either a leader or a willing worker in every worthwhile program in West Palm Beach, especially those with the aim of helping the unfortunate.

He was, indeed a leading citizen, and if ever a man bore the mark of greatness, that man was J. Mark Wilcox. That became evident to all of Florida and to the whole Nation during his first term in Congress. The freshman Representative sponsored the Municipal Bankruptcy Act, which became law in 1934 and permitted cities to adjust their bonded indebtedness. West Palm Beach is only one of hundreds of cities throughout the United States which owe their present financial stability to that vital legislation.

Later, Representative Wilcox authored the National Frontier Defensive Act, which was the first step toward an adequate frontier defensive system for the United States. This was just another example of his remarkable vision and keen analytical mind.

As an amusing sidelight, it is interesting to note that a Miami newspaper, reviewing his accomplishments in 1936, referred to Representative Wilcox as "the Miami Congressman," although J. Mark proudly proclaimed West Palm Beach as his home until November 1938. And the Atlanta Constitution, in a 1935 editorial predicting a brilliant Senate career for the Congressman, took pride in reminding its readers that Wilcox was a native of Georgia and was educated there.

That he was headed for the eminence of being a leading citizen of the Nation there is little doubt, but fate decreed otherwise. Wilcox was always a loyal Democrat, but first of all he was a loyal American. He gave wholehearted support to President Franklin D. Roosevelt's early efforts to lift the Nation out of the depths of the great depression by extraordinary measures, even though he recognized that some of them were potentially dangerous.

However, he soon realized that F. D. R. was determined to lead the Nation toward socialism, and he made use of his great oratorical powers to vigorously oppose extension of Federal control over individual lives and encroachment on States rights. He broke sharply with the administration when

the bold attempt was made to pack the Supreme Court. That cost him the friendship of F. D. R. and his New Deal clan, and eventually ended his political career.

President Roosevelt's plan to raise the court's membership to 15, he said, "could accomplish no good, but would result in doing infinite harm. * * * The proposal to increase the numbers of judges so as to guarantee in advance the sort of decisions desired * * * would bring the judiciary into disrepute and tend to put an end to free government in America."

When Wilcox entered the Florida Democratic primary against Senator Claude Pepper in 1938, Rooseveltian "justice" intervened to defeat him. Through his son and secretary, James, F. D. R. made it known that he wanted Pepper, "who stood for and believed in the things the administration stands for," returned to Washington. And he backed up that desire with a spate of Federal money and projects.

So, J. Mark Wilcox's services to America were lost because he was a real American and wanted to preserve the cornerstone of its greatness. Perhaps we today are in a better position than the electorate of 1938 to appreciate how sound were his reasons for outspoken opposition to tampering with the system which made ours a government of laws instead of a government of men. The future may hold even more positive proof that Representative Wilcox was a "leading citizen" in this issue too.

Now J. Mark Wilcox is dead.

He will be sorely missed—as a husband, a father, and a friend. He will be missed as a defender of justice, a financial expert, a reliable consultant. He will be missed as a brilliant attorney, as a sound mind in a crazy world.

But he will be remembered as a true American who had the best interests of his constituents and his nation at heart; and to those who knew him best he will always be our leading citizen.

Mr. HALEY. Mr. Speaker, I wish to join with my colleagues to pay tribute to my late friend, James Mark Wilcox. While Florida was his adopted State he served it well in many capacities and was still serving Florida at the time of his untimely death. He ably represented the Fourth Congresional District of Florida in the Seventy-third, Seventy-fourth and Seventy-fifth Congresses. He was a good legislator as well as a capable and conscientious man in all his efforts. Mark Wilcox introduced the municipal bankruptcy bill which still bears his name. He was one of the first Members of the Congress to become aware of the menace of Nazi Germany and he worked for increased military establishments in the face of that menace. Through his efforts, the Everglades National Park was established.

After his retirement from the Congress he returned to Dade County, Fla., to practice law. He was the attorney for the Dade County Port Authority since the beginning of that organization. He had charge of the legal and financial operations of the Miami International Airport, the Venetian Causeway, and other port authority projects. He was well known as a national authority on self-liquidating ventures of local governments.

Mark Wilcox was a brilliant lawyer. He once gave a 13-hour summation of a case before the Florida bar, which is believed to be the longest summation ever given in the history of the bar. He was noted as an orator and a wit, and as such was in great demand as an after-dinner speaker. Consequently, Mark, who was born in Willacoochee, Ga., became known as the sage of Willacoochee.

Mark Wilcox was one of the outstanding men in the political life of our State for many years. We all shall miss him.

I extend to his family and his many thousand friends my deepest sympathy.

Mr. SIKES. Mr. Speaker, I wish to take this opportunity to express my deepest regrets at the recent death of the Honorable Mark Wilcox, distinguished former Congressman from Miami, Fla. Mr. Wilcox served honorably and faithfully in the Congress of the United States from 1932 to 1938.

I was not privileged to serve with Mark Wilcox, but I knew him well for many years, and admired him for his devotion to principle and his courageous adherence to the principles of democracy. His service in Congress was outstanding. He quickly gained recognition and was nationally known for his legislative achievements.

After his retirement from active politics, he continued to show a great interest in public affairs and served the State of Florida in many ways in his business and civic activities.

There are many throughout the Nation who remember him for his achievements and who join with us in the State of Florida in mourning the passing of a distinguished and beloved citizen. My earnest sympathies are extended to all the members of his family.

Mr. HALLECK. Mr. Speaker, the tributes which have been paid here today to the memory of Hon. James Mark Wilcox constitute a real indication of the deep affection in which he was held by everyone. It was my privilege to claim him as a close personal friend for whom I had the highest regard, and I want to add this brief word of mine to the many fine things which have been said concerning him.

Mark Wilcox, as we all knew him, was a Member of the House of Representatives when I came here as a freshman Member 21 years ago. He was one of the most lovable and kindly men it has been my privilege to know, who promptly endeared himself to me by his many kind acts. I soon recognized his ability as an able legislator, and found him to be one of the hardest working and most conscientious members I have ever known.

Most of Mark Wilcox's life was dedicated to the service of his fellow man. His contributions to his State and his country have been great. Our deepest sympathy and love is extended to his wife and family, who have every right to be proud of the splendid heritage which he has left them.

Mr. BENNETT of Florida. Mr. Speaker, I wish to extend to the loved ones of Congressman Wilcox my very deepest sympathy and that of all of my constituents. He was a noble and a great man, of splendid character; and his passing is a loss to us all. He left behind him a splendid memorial in his legislative achievements and in the love of all who knew him.

Mr. MATTHEWS. Mr. Speaker, I wish to join with my colleagues from Florida expressing my sadness because of the death of the Honorable J. Mark Wilcox, who was the former Congressman from the Fourth Congressional District of Florida.

Mr. Wilcox had many friends in the Eighth District of Florida, that I have the high honor to represent. He died on his farm at White Springs, Fla., on Friday, February 3, 1956. This community is in my district, and I think there is a divine providence in the fact that Mark Wilcox died surrounded by the beautiful Suwannee River and the trees that he loved so well.

As a Congressman, his colleagues will remember that his Municipal Bankruptcy Act saved many cities in this country from financial destruction. Mark Wilcox believed in peace through national preparedness, and he sponsored the National Frontier Defensive Act, which was so important in making America conscious of the need for an adequate defensive system.

When Mark Wilcox was a Member of Congress, he represented a district which extended along the east coast from Jacksonville to Key West. With enormous energy he dedicated himself to the task of representing this great area and all of Florida was the beneficiary of his constructive legislative action.

In later years, Mr. Wilcox was busy in the practice of law, which absorbed most of his time. I saw him frequently, however, in Hamilton County in the Eighth District of Florida, and in other areas of that section which he loved so well.

I want to extend to the family of Mark Wilcox, and to his many friends, my heartfelt sympathy, and I know we all recognize with sadness that Florida will sorely miss one of her most illustrious citizens.

UPPER COLORADO RIVER STORAGE PROJECT

Mr. DIXON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DIXON. Mr. Speaker, today I should like to correct some serious misunderstandings that have arisen over the upper Colorado River storage project and its relation to the farm-surplus problem.

The plain fact of the matter is that there is little or no relation between the Colorado project and the existing surpluses—construction of the project will not materially, if at all, contribute to the surplus problem.

It will be at least 10 years before new agricultural production can begin on lands watered by the Colorado project, and 20 to 25 years or more before the project is completely in production.

When all units of the project are in full production, only 132,360 acres will have been added to the farm production of the region and the Nation, and a more complete water supply for an additional 233,000 acres.

Now during all the time that the upper Colorado project is being constructed

and brought into production, this Nation will be losing productive farmland at a startling rate. Cities are being expanded, new highways are being constructed, airports are built or enlarged, new industrial plants go up, more land is set aside for military reservations. All in all, these and other similar conversions of land use make 1 million acres of farmland into nonfarmland each year. And the destructive forces of erosion take another 400,000 acres of agricultural land out of production annually.

That means that in the 10 years while the very first units of the upper Colorado project are being built, the Nation will have lost 10 to 14 million acres of farmland. The four upper Colorado River Basin States—Colorado, New Mexico, Utah, and Wyoming, where the storage project will be built—will themselves lose more land. The four upper basin States are losing 160,000 acres of cultivable land each year. They will lose more land each year than the new land brought into cultivation by the upper Colorado project in 20 to 25 years, and in 3 years they will lose more land than the 132,000 new acres plus the 233,000 acres provided with supplemental water.

It should be remembered, too, that many of the forces that are working to take agricultural land out of production are rapidly accelerating. Highway building is a typical example. We are building highways bigger than ever before, with increasing emphasis on divided highways, so-called freeways that take double the amount of land required by the roads of a decade ago. Recently when it was decided to extend the turnpike from Canton, Ohio to Chicago, it was found that the cost in agricultural lands would be between 80,000 and 100,000 acres. With the President's proposals for a 10-year program of highway building and modernization across the Nation before us, no one can doubt that the amount of farmland that will be covered up by asphalt and concrete will increase substantially in the next few years.

Airports are another example. Each year our planes get bigger and faster and require longer runways to accommodate them. Within a few years we shall have jet transports flying our skies on regular commercial schedules—requiring airports even bigger than those we have today. Again, the cost in farmland will be tremendous.

Both highways and airports tend to take over the very choice agricultural lands, the flat lands that make the best farms. The dollar value of lost farm production is correspondingly great.

The Agriculture Department has warned us that within a very few years we shall no longer be producing more farm crops than we can consume. Rather, we shall be looking for new lands to replace those that have been lost, and to raise larger crops to feed the greatly increased population we shall have a few years hence.

For these reasons, Mr. Speaker, I believe it is conclusively plain that the upper Colorado River storage project can add very little if any to our problem of agricultural surpluses. It can only help us to meet our expanding food needs in the years to come, when our surpluses will have long ceased to exist.

THE RIGHT TO VOTE

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. ROOSEVELT] is recognized for 15 minutes.

Mr. ROOSEVELT. Mr. Speaker, the ladies and gentlemen of the House will remember that in his state of the Union message the President requested the appointment of a commission because of the fact that he was seriously disturbed by the possibility that certain American citizens were being denied the right to vote in their areas.

As the result of that request, on January 31 I addressed a letter to the Attorney General of the United States, the Honorable Herbert Brownell, Jr., in which I asked him certain specific questions.

I first pointed out to him that it was beyond dispute that large numbers of American citizens are being denied the right to vote, and that the threat of violence should they exercise their right to vote is a very real and existing menace. Therefore, I asked him whether in his opinion, and I had in mind particularly the need of the commission which he had requested, there is existing in Federal law sufficient authority to take care of the situation when such exists.

I asked further that if legislation in any degree is needed, does he plan to recommend such legislation to the President for transmission to the Congress.

Thirdly, I asked if such recommendations are planned, and with knowledge that the legislative process is necessarily slow, would these views be made known in the near future so that action could be taken at this session of the 84th Congress.

I am very happy to say that the office of the Attorney General, although my letter is dated only January 31, has prepared an answer which has been received by me as of the date of February 3. I would like to call particular attention to the answers which are in that letter. First, the Attorney General states that in the opinion of the Attorney General existing Federal law is not sufficient to take care of the situation when such a situation exists. Second, he states that the Attorney General plans to recommend such legislation to the President for transmission to the Congress. Third, that the Attorney General is presently engaged in preparing comprehensive legislation in this field and plans to transmit it in the near future so that action may be taken at this session of the 84th Congress.

Mr. Speaker, I ask unanimous consent to insert the text of both of these letters in the RECORD at this point, and to add simply that in my opinion the forthcoming message from the President, as a result of the Attorney General's recommendations, are of the greatest importance to many Members of this House and, of course, to the citizens of the United States who will be affected thereby. I sincerely hope that these recommendations will reach us in time that they may get the study and the action which I am sure they will deserve. I shall watch with great interest the timing of the forthcoming message because many of us have waited for a considerable period before taking action in order that the administration could come forward with their recommendations. We hope that further delay will not ensue and that, therefore, these measures may be considered before the adjournment of the 84th Congress. In any event we shall be prepared to act.

The letters referred to are as follows:

JANUARY 31, 1956.

The Honorable HERBERT BROWNELL, Jr.,
Attorney General,
Department of Justice,
Washington, D. C.

MY DEAR GENERAL BROWNELL: As I am sure you are aware, I am deeply concerned that the fundamental issue of civil rights and liberties be given full consideration by both the Congress and the executive branch and that such action as is reasonable and fair be initiated at the earliest practical moment.

It would seem beyond dispute that large numbers of American citizens are being denied the right to vote because of the color of their skin and accident of birth; that the threat of violence should they exercise their right to vote is a very real and existing menace and that, therefore, there exists a grave danger of physical violence among a large portion of the population.

It would seem extremely clear that, among other articles of the Constitution, sections 2 and 5 of article XIV impose a direct duty upon Congress. It would seem to me to be equally evident that any interference with the right to vote requires Federal legislation to make it a punishable crime and that such acts need to be clearly defined.

Would you therefore inform me as to the following:

1. In your opinion is there existing Federal law sufficient to take care of the situation, when such a situation exists?

2. If legislation in any degree is needed, do you plan to recommend such legislation to the President for transmission to the Congress?

3. If such recommendations are planned and with knowledge that the legislative process is necessarily slow, do you plan to make your views known in the near future so that action may be taken at this session of the 84th Congress?

May I urge upon you the seriousness of the situation, and the earnest hope that such suggestions as you may have may be immediately forthcoming in order that our position in the world may not be held up for further ridicule and that justice may be given to American citizens who are without question fully and clearly entitled to it.

Very sincerely yours,

JAMES ROOSEVELT.

DEPARTMENT OF JUSTICE,
Washington, February 3, 1956.

Hon. JAMES ROOSEVELT,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN ROOSEVELT: This will acknowledge with thanks your letter of January 31, 1956, to the Attorney General, which in his absence from the city, has been referred to me for reply.

You state that you are deeply concerned that the fundamental issue of civil rights be given full and prompt consideration by both the Congress and the executive branch. You also state that large numbers of Amer-

ican citizens are being denied the right to vote because of the color of their skin and accident of birth; and that their right to vote is being denied by threats of violence. You also state that among other articles of the Constitution, sections 2 and 5 of article XIV impose a direct duty upon Congress; that any interference with the right to vote requires Federal legislation to make it a punishable crime and that such acts should be clearly defined. Finally, you ask three questions each of which may be answered in the affirmative.

1. In the opinion of the Attorney General, existing Federal law is not sufficient to take care of the situation, when such a situation exists.

2. The Attorney General plans to recommend such legislation to the President for transmission to the Congress.

3. The Attorney General is presently engaged in preparing comprehensive legislation in this field and plans to transmit it in the near future so that action may be taken at this session of the 84th Congress.

Please be assured that your interest in this matter is fully appreciated. There is probably no matter within the Department which is of greater concern to the Attorney General than to make meaningful every guarantee of civil rights and liberties contained in the Constitution.

Sincerely yours,

J. LEE RANKIN,
Assistant Attorney General,
Office of Legal Counsel.

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and insert two letters.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. OLIVER P. BOLTON (at the request of Mr. MARTIN), for February 7 and 8, on account of illness in the family.

Mr. DAVIS of Tennessee, for February 8 to the 18th of February, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House following the legislative program and any special orders heretofore entered were granted to:

Mr. BAILEY, for 1 hour, on Wednesday next.

Mr. GRAY, for 15 minutes, on Thursday, February 16.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FEIGHAN and to include certain articles.

Mr. VANIK and to include extraneous matter.

Mr. DAVIS of Tennessee.

Mr. ENGLE and to include an editorial.

Mr. DIXON.

Mr. JENSEN.

Mr. FOGARTY to revise and extend his remarks made in Committee and include extraneous matter.

Mr. BECKER (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. KELLEY of Pennsylvania.

Mr. FORAND and to include an address by Senator CLINTON P. ANDERSON at the congressional dinner of the nationalities division of the Democratic National Committee on January 28.

Mr. DAVIDSON.

Mr. CHRISTOPHER and include a newspaper article from the Missouri Farmer, of Columbia, Mo.

Mr. MULTER (at the request of Mr. KEOGH) and to include extraneous matter.

Mr. PATTERSON and include extraneous matter.

Mr. ASHLEY (at the request of Mr. ALBERT) and to include extraneous matter.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6645. An act to amend the Natural Gas Act, as amended.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1261. An act to authorize the conveyance of certain lands within Caven Point terminal and ammunition loading pier, New Jersey, to the New Jersey Turnpike Authority;

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes;

S. 1959. An act to direct the Secretary of the Army or his designee to convey a 6.89-acre tract of land out of a 199.959-acre tract of land situated in the vicinity of Houston, Harris County, Tex., to the State of Texas;

S. 2624. An act to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes, "approved June 20, 1936, as amended; and

S. 2990. An act to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1078. An act for the relief of Dr. Robert C. Jalbuena;

H. R. 1084. An act for the relief of Dorothy Antonia (Suk-fong) Leong;

H. R. 1092. An act for the relief of George Henry Mahoney;

H. R. 1193. An act for the relief of Dr. and Mrs. Ivan Pernar;

H. R. 1198. An act for the relief of Kenneth K. W. Lau and Romana Say Soat Kheng, also known as Mrs. Anne Say Lau;

H. R. 1208. An act for the relief of Mrs. Esther Moreno;

H. R. 1232. An act for the relief of Salvador, Mercedes, and Miguel Chofre;

H. R. 1657. An act for the relief of Louis B. Prus-Latkiewicz;

H. R. 1907. An act for the relief of James Wilson;

H. R. 2049. An act for the relief of Anastasios Seleimetzidis;

H. R. 2525. An act for the relief of Madiros Kebabjian;

H. R. 2782. An act for the relief of Josefa Martinez Infante;

H. R. 2945. An act for the relief of Joan Frances Feeley;

H. R. 3188. An act for the relief of William Lawler;

H. R. 4025. An act for the relief of Mrs. Donald A. Howard (nee Miss Elsa Ursula Kuchinke);

H. R. 4548. An act for the relief of Michelo Pica;

H. R. 4612. An act for the relief of Vladimir and Svatava Hoschl;

H. R. 4769. An act for the relief of Mrs. Barbara (Pearson) Boycott;

H. R. 5869. An act for the relief of Andreas (or Andrew) Voutsinas;

H. R. 5870. An act for the relief of Jesajahu Braun;

H. R. 6298. An act to amend section 601 (g) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit transfer of war housing projects to the city of Moses Lake, Wash., and to other communities similarly situated;

H. R. 6645. An act to amend the Natural Gas Act, as amended;

H. R. 7094. An act to amend section 120 of the Internal Revenue Code of 1939 (relating to unlimited deduction for charitable contributions);

H. R. 7197. An act for the relief of Mrs. Mary Christine Dowdy;

H. R. 7930. An act authorizing the completion of the initial stage of development for flood control and other purposes in the Russian River Basin, Calif.; and

H. J. Res. 471. Joint resolution to permit FHA title I repair assistance to new homes damaged by major disasters.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 8, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1495. A letter from the Deputy Secretary of Defense, relative to 6 reports received from the Department of the Army covering 270 violations of section 3679, Revised Statutes, and Department of Defense Directive 7200.1 entitled "Administrative Control of Appropriations Within the Department of Defense," pursuant to section 3679 (l) (2), Revised Statutes; to the Committee on Appropriations.

1496. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide temporary disability insurance benefits for employees in the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6643. A bill to amend the reclamation laws to provide that excess lands acquired by foreclosure or inheritance may receive water temporarily for 5 years; with amendment (Rept. No. 1748). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 412. A bill to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado; with amendment (Rept. No. 1749). Referred to the Committee of the Whole House on the State of the Union.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. VINSON: Committee on Armed Services. House Resolution 396. Resolution disapproving the sale of the Institute, W. Va., copolymer plant, Plancor 980 (Rept. No. 1750). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER:

H. R. 9120. A bill to amend the public assistance and related provisions of the Social Security Act to provide separate matching of assistance expenditures for medical care, to provide gradually for equal matching of old-age assistance expenditures supplementing old-age and survivors insurance benefits, to make clear the purpose of encouraging States to provide assistance and services to help strengthen family life and to help needy families and individuals attain self-support or self-care, to assist in improving administration of public assistance programs through research and training, to improve aid to dependent children, and for other purposes; to the Committee on Ways and Means.

By Mr. ASPINALL:

H. R. 9121. A bill to establish an additional pension program for veterans of World War I; to the Committee on Veterans' Affairs.

H. R. 9122. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DAWSON of Utah:

H. R. 9123. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BLATNIK:

H. R. 9124. A bill to provide for the issuance of a special series of postage stamps commemorating the 100th anniversary of the founding of the city of Duluth, Minn.; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL:

H. R. 9125. A bill to amend section 8 (d) (1) of the Civil Service Retirement Act of May 29, 1930, to extend on an equitable basis the increases in annuities provided therein to persons separated from the service with entitlement to deferred annuity; to the Committee on Post Office and Civil Service.

By Mr. BURDICK:

H. R. 9126. A bill to establish an additional pension program for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. DIXON:

H. R. 9127. A bill to provide for the establishment of a national seed-storage facility; to the Committee on Agriculture.

By Mr. DOYLE:

H. R. 9128. A bill to amend the Japanese-American Evacuation Claims Act of 1948, as amended, to expedite the final determination of the claims, and for other purposes; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. R. 9129. A bill to amend the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

By Mr. KEOGH:

H. R. 9130. A bill to amend title II of the Social Security Act to provide that the wage credit of $160 a month for military or naval service, granted to individuals who served in the Armed Forces of the United States, shall also be granted to certain individuals who served in the armed forces of countries allied with the United States; to the Committee on Ways and Means.

By Mr. MILLER of Nebraska:

H. R. 9131. A bill to amend section 1 of the act entitled "An act to authorize the President of the United States to make withdrawals of public lands in certain cases" (36 Stat. 847), approved June 25, 1910, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 9132. A bill to provide for the approval of the report of the Secretary of the Interior on the Ainsworth unit of the Missouri River Basin project; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California:

H. R. 9133. A bill to amend the Legislative Reorganization Act of 1946 to make applicable to Members of Congress the current provisions of section 10 of the Civil Service Retirement Act of May 29, 1930, relating to voluntary contributions; to the Committee on Post Office and Civil Service.

By Mr. OSTERTAG:

H. R. 9134. A bill to amend the act entitled "An act authorizing Federal participation in the cost of protecting the shores of publicly owned property," approved August 13, 1946; to the Committee on Public Works.

By Mr. PELLY:

H. R. 9135. A bill to provide parking space for the automobiles of patrons and postal employees at postal installations; to the Committee on Post Office and Civil Service.

By Mr. RAINS:

H. R. 9136. A bill to amend the National Service Life Insurance Act of 1940 to authorize the Secretary of the Treasury to purchase loans guaranteed under the Servicemen's Readjustment Act of 1944 from the national service life insurance fund, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SHUFORD:

H. R. 9137. A bill to waive section 142, of title 28, United States Code, with respect to the United States District Court for the Western District of North Carolina holding court at Bryson City, N. C.; to the Committee on the Judiciary.

By Mr. THOMPSON of Texas:

H. R. 9138. A bill to amend the Texas City Claims Act; to the Committee on the Judiciary.

By Mr. WILLIS:

H. R. 9139. A bill to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. ALEXANDER:

H. R. 9140. A bill maintaining the 1955 burley tobacco allotment quota; to the Committee on Agriculture.

By Mr. CHUDOFF:

H. R. 9141. A bill to make certain graduates of maritime schools who have served 2 years as licensed officers on United States vessels eligible for appointment as permanent commissioned officers in the Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. DINGELL:

H. R. 9142. A bill to amend the National Labor Relations Act in order to permit supervisors to be considered as employees under the provisions of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. HALE:

H. R. 9143. A bill to amend the Cooperative Forest Management Act; to the Committee on Agriculture.

By Mr. HOLT:

H. R. 9144. A bill to amend the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

By Mr. KLEIN:

H. R. 9145. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McDOWELL:

H. R. 9146. A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees; to the Committee on Post Office and Civil Service.

By Mr. O'NEILL:

H. R. 9147. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes; to the Committee on Education and Labor.

By Mr. SHUFORD:

H. R. 9148. A bill to maintain the 1955 burley tobacco allotment quota; to the Committee on Agriculture.

By Mr. TUMULTY:

H. R. 9149. A bill to provide that members of the Armed Forces who claim their privilege against self-incrimination shall thereby forfeit their rights to benefits provided veterans; to the Committee on Armed Services.

By Mr. UDALL:

H. R. 9150. A bill to provide domestic and community sanitation facilities and services for Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCORMACK:

H. J. Res. 517. Joint resolution changing the date for the counting of the electoral votes in 1957; passed House.

By Mr. ABBITT:

H. J. Res. 518. Joint resolution relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas; to the Committee on Agriculture.

By Mr. DOYLE:

H. J. Res. 519. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. FASCELL:

H. J. Res. 520. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the official founding and launching of the conservation movement for the protection, in the public interest, of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. LANKFORD:

H. J. Res. 521. Joint resolution relating to Maryland tobacco acreage allotments and marketing quotas; to the Committee on Agriculture.

By Mr. NATCHER:

H. J. Res. 522. Joint resolution relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FORD:

H. R. 9151. A bill for the relief of Albert Rieksts; to the Committee on the Judiciary.

By Mr. GORDON:

H. R. 9152. A bill for the relief of Maria Gundel; to the Committee on the Judiciary.

By Mr. GRANAHAN:

H. R. 9153. A bill for the relief of Ignacio Maria Segovia de Aparicio; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 9154. A bill for the relief of Mrs. Eve Mae Hardy; to the Committee on the Judiciary.

H. R. 9155. A bill for the relief of Mrs. Madeleine (Alessandri) Burns; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H. R. 9156. A bill for the relief of Eustace Victor Phelan (also known as Robert Phelan); to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 9157. A bill for the relief of Mrs. Magdalena Brenner Jackson; to the Committee on the Judiciary.

By Mr. PATMAN:

H. R. 9158. A bill to confer jurisdiction on the United States District Court for the Eastern District of Texas, Jefferson Division, to hear, determine, and render judgment on certain claims of George W. Edwards, Jr., against the United States; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 9159. A bill for the relief of Hjalmar Johansen; to the Committee on the Judiciary.

By Mr. ROBERTS:

H. R. 9160. A bill for the relief of Norman H. Cunningham; to the Committee on the Judiciary.

H. R. 9161. A bill for the relief of Michael Tony Fenfene; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 9162. A bill for the relief of Ellen G. Marinas; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 9163. A bill for the relief of Manuel Gonzales Corona; to the Committee on the Judiciary.

By Mrs. SULLIVAN (by request):

H. R. 9164. A bill for the relief of Mrs. Rita Maria Agnes Larski Settlemoir; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. R. 9165. A bill for the relief of Joseph F. Piggott; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

487. By Mr. BRAY: Petition of 99 persons of Monroe County, Ind., in support of H. R. 4627, a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

488. Also, petition of 59 persons of Monroe County, Ind., in support of H. R. 4627, a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

489. Also, petition of 143 persons of Monroe County, Ind., in support of H. R. 4627, a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

490. By Mr. ELLSWORTH: Petition of J. Irene Hanekamp, president, and 21 other ladies of the World Vision Missionary Society of Lighthouse Temple, Eugene, Oreg., urging enactment of legislation to prevent advertisement of alcoholic beverages on television and in newspapers and magazines; to the Committee on Interstate and Foreign Commerce.

491. By Mr. FOGARTY: Petition of the Woman's Christian Temperance Union of Rhode Island, submitted by Mary M. Eldridge, legislative director, and signed by 40 residents of Rhode Island urging the use of the powers of Congress to get alcoholic beverage advertising off the air and out of the channels of interstate commerce and thus protect our people and the rights of States to prevent advertising of commodities which have been declared unlawful by the rights of local option granted them under State law; to the Committee on Interstate and Foreign Commerce.

492. By Mr. FORAND: Petition of Mary M. Eldridge, legislative director of the Woman's Christian Temperance Union of Rhode Island and 93 others from Rhode Island, urging enactment of legislation to remove advertising of alcoholic beverages from the air and out of channels of interstate commerce and thus protect our people and the rights of States by preventing advertising of commodities which have been declared unlawful by the rights of local option granted under State law; to the Committee on Interstate and Foreign Commerce.

493. By Mr. NORBLAD: Petition of Mrs. Mabel Krahmer and 15 other citizens of Hillsboro, Oreg., urging that the Townsend plan, as defined in H. R. 4471, be enacted into law; to the Committee on Ways and Means.

494. By Mr. SHORT: Petition of M. Johnson, and other citizens, of Lawrence County, Mo., protesting alcoholic beverage advertising on radio and television; to the Committee on Interstate and Foreign Commerce.

495. Also, petition of Rev. Emory Wallace, and other citizens, of Greene County, Mo., protesting the advertising of alcoholic beverages on radio and television; to the Committee on Interstate and Foreign Commerce.

496. Also, petition of Mrs. E. C. Allman, and many other citizens, urging the support of S. 923 and H. R. 4627; to the Committee on Interstate and Foreign Commerce.

497. Also, petition of John F. Carter, and other citizens, of Aurora, Mo., urging the support of S. 923 and H. R. 4627; to the Committee on Interstate and Foreign Commerce.

498. Also, petition of Mr. and Mrs. Ben Baugh, and other citizens, of Lawrence County, Mo., urging the passage of bills S. 923 and H. R. 4627; to the Committee on Interstate and Foreign Commerce.

499. By the SPEAKER: Petition of the secretary, Tulare Chamber of Commerce, Tulare, Calif., relative to recommending the establishing of Success Dam on the Tule River and Terminus Dam on the Kaweah River, and requesting the immediate appropriation of funds necessary for their construction; to the Committee on Appropriations.

500. Also, petition of the faithful navigator, Long Island General Assembly, Knights of Columbus, Brooklyn, N. Y., petitioning consideration of their resolution with reference to expressing their support of the principles of the proposed Bricker amendment to our Federal Constitution; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

National Seed Storage Facility

EXTENSION OF REMARKS

OF

HON. HENRY ALDOUS DIXON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1956

Mr. DIXON. Mr. Speaker, I sent to the desk a bill to be introduced as a companion measure to S. 3095, a bill to provide for the establishment of a national seed storage facility.

Mr. Speaker, President Eisenhower in his special agricultural message called attention to the fact that "we must find new crops offering new opportunities and benefits" to farmers. Much of the hope for increasing the economic well-being of agriculture and for keeping fully employed our agricultural resources depends upon developing new markets, new uses and new crops.

As you know, the President recommended an increase of 25 percent in the research appropriation for the Agricultural Research Service and for grants-in-aid to State experiment stations.

In the development of new plants and new crops, it is paramount that plant breeders have access to a wide variety of plant stocks since although the plants in themselves may not be valuable as new crops they often contain needed genetic characteristics which can be utilized in producing new commercial crops such as soybeans and grain sorghums which have become so important in our agriculture.

Although Federal and State experiment stations have been doing the best they can to preserve parent stocks of plants and seeds, they neither have adequate space nor appropriate storage facilities for holding such stocks over a long period of time. Since research is a primary activity of the Department of Agriculture and is carried on in the general public interest, it is necessary that the development of more extensive facilities to maintain crop plant and breeding materials must also primarily be carried on as a national function.

I, therefore, introduce for appropriate reference a bill to authorize and direct the Secretary of Agriculture to establish and maintain a national seed storage facility.

Seeking God's Way for World Peace

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, February 7, 1956

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered at the First Methodist Church,

Milwaukee, Wis., on February 4, 1956, at the Congressional District Peace Conference, Milwaukee Council of Churches.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY URGES THAT THE ANNUAL ONE GREAT HOUR OF SHARING BE THE GREATEST IN THE HISTORY OF THE AMERICAN CHURCH—SAYS THAT NEVER BEFORE HAS THE CHURCH HAD THE OPPORTUNITY TO REACH SO MANY IN THE SPIRIT OF CHRIST AT SO LITTLE COST

It is a real pleasure to be with this fine group of Wisconsin Christian leaders.

I can think of no greater responsibility or opportunity in this Atomic Age than that of "Seeking God's Way for World Peace."

Down through the ages men and women of conviction—followers of the Way-Shower—have blazed new trails along which too few have had the courage to trod.

Too many of us—in every age—look out on a world torn by hate and ungodliness and lose the will to bring to the world the constructive power and redeeming love of the faith we profess.

It is a time for spiritual greatness.

It is a time to turn to the letter to the Hebrews for spiritual strength and guidance:

"Therefore lift your drooping hands and strengthen your weak knees. * * *

"Strive for peace with all men, and for the holiness without which no one will see the Lord."

MANKIND'S BASIC RELIGIOUS CONVICTIONS MAY BE ANNIHILATION INSURANCE

I was glad that a delegation of American Protestant leaders was named this week by the National Council of Churches to make a 10-day visit to Russia in an effort to increase mutual understanding. However, I agree with the note of caution in the comment by Dr. Eugene Blake, president of the Council, when he announced this trip: "While we cannot be sure that an agreement can or should be reached at many points, we do hope that under the guidance of Almighty God that exchange of visits will contribute toward a large measure of understanding and good will."

We are living in an age where the only insurance from annihilation may be the basic religious convictions which—despite those who would deny them—I am convinced that all men share.

PRAYER IS THE POWER THAT LEADS TO CONSTRUCTIVE AND POSITIVE ACTION

What, then, is our real job in this time and age of crisis and confusion? I believe that there are three things that we must do if we would truly seek "God's way for world peace."

First, we must pray.

Prayer is the power that leads to constructive and positive action.

Prayer can be the point of departure for the better decisions which man is always capable of making.

May I suggest to you that a nation whose President opens each Cabinet meeting with prayer is a nation that is earnestly seeking God's way to world peace.

May I say to you, also, that more decisions at high levels in our country are reached through prayer than anyone in America or the world realizes.

We must all turn to prayer if we are to achieve the calmness of spirit and the clear thinking that the terrible and awesome decisions of the atomic age require from us.

SHARING IS THE KEY

Secondly, we must share.

We must share the bounty of material blessings and know-how that have been showered upon our Nation.

During the past 2 months I have been working in Washington with the leaders of the major religious and secular overseas relief organizations who represent the American Council of Voluntary Agencies for Foreign Service, and with Mr. John B. Hollister, Director of the International Cooperation Administration. Effective and immediate action was needed and obtained in a stepped-up program of sharing of our surplus agricultural products.

I have been deeply impressed by the fact that the Catholic Relief Service of the National Catholic Welfare Conference, the Church World Service of the National Council of Churches of Christ in the United States of America, and the United Jewish Appeal of the Synagogue Council of America are working in common purpose in this great program of sharing.

During 1955 upward of 800 million pounds of surplus dairy products and cottonseed oil were distributed in over 50 countries to needy people who have no means with which to buy.

I am encouraged by this kind of sharing.

These agencies have recently—after the greatest of perseverance in battling Government redtape—been able to obtain the release of grains in 1956 in addition to the dairy products.

This will mean that the people of the United States will be distributing through these fine relief agencies more than 1.6 billion pounds of commodities during the calendar year of 1956.

SHARING IS A MAJOR RESPONSIBILITY OF THE CHURCH

Now where did this program, of sharing, start?

It was started in churches like this one, by people like yourselves. Our Christian conscience keeps telling us to share.

I have received a great deal of support for the suggestion that I made on Christmas Day that this matter of sharing be strengthened by the appointment of a White House expediter who would seek out and meet the needs of the hungry and needy people both at home and abroad.

Now if there is one thing that I would urge all of you to do in your seeking of world peace, it would be to make March 11, 1956, the date of the eighth annual one great hour of sharing, the greatest in the history of the American church. Why? Because the one great hour of sharing will help make possible not only the distribution in countries overseas of the foodstuffs for needy peoples, but it will make possible medicines and other supplies in emergency situations, long-term health and nutrition programs, resettlement and rehabilitation of refugees, self-help projects in vocational training, and the broadest kind of ministry to the homeless and destitute.

May I say that the good that can and will be accomplished with the $11 million to be raised through the 1956 united appeal is incalculable. May I urge that all of you see to it that this giving is oversubscribed in your church.

HUMAN NEEDS EVERYWHERE MUST BE MET

Your big job—our real job, is to see that this one great hour of sharing is successful and that the major areas of world need—Korea, the Near East, India, Pakistan, Japan, Greece, Germany, Austria, Italy, France, and Hong Kong—will receive the best that Christian action can offer.

In Korea, the Vietnam, and the Near East refugee problems are still acute. Whole villages have been demolished, malnutrition and disease are widespread.

Japan is still rebuilding after overwhelming typhoon destruction. India and Pakistan have been devastated by floods.

In Hong Kong, 300,000 refugees still live in huts on cluttered hillsides.

In the Near East, hundreds of thousands of Arab refugees still exist in hopelessness and despair.

In Germany and Austria, millions of homeless are still crowded in refugee camps.

In Greece and Italy there are pressing human needs of all kinds.

These are but a few of the situations which are being met by the sharing which you and I can and must do.

Never has the church had the opportunity to reach so many in the spirit of Christ at such little cost.

WE MUST SET EXAMPLES FOR OTHERS

Thirdly, we must set an example for others.

If we can lead others from prayer to sharing then we are beginning to get on top of our real job as Christians. I do not think that this matter of an example to others has been said in any finer way than by that great and good man who is sharing his talents and Christian concern so deeply with other human beings—Albert Schweitzer:

"Example is not the main thing in influencing others. It is the only thing. Hope is renewed each time that you see a person you know who is deeply involved in the struggle of life helping another person. You are the unaffected witness and must agree that there is hope for mankind. And those who are not so tied down to the struggle for existence, who are freer, must give the example of service. Those not tied down by suffering are called to help those who are chained by suffering. But they should not think, 'Behold, I am giving an example;' that spoils it. Anyone who thinks of the example he will give to others is occupied with things he ought not be doing. He has lost his simplicity. Only as a man has simplicity can his example influence others."

CONCLUSION

I heard a very distinguished colleague of mine in the Senate say to us the other day that it is our thinking that determines the kind of example we are to others. He quoted the Way-Shower and said "If you have faith as a grain of mustard seed" you can accomplish great things.

Jesus did not wipe out the armed aggression of His day but He did teach that which, if understood, does away with evil in the individual. He stated that "God is a spirit and they that worship Him must worship Him in spirit and in truth." He also said "Lo, I am with you always, even unto the end of the world."

We were told not simply to love those that love us but to love our enemies—but above all we were told to love God supremely. Hate (pride, egotism, bigotry) and intolerance must be displaced with love, fear and courage, lust with purity. Thus, when the individual—and Jesus impacted individuals—learns the way to the more abundant life by right thinking, followed by right living and right doing, that individual obtains peace—that peace which He said, "I leave with you."

We know that nations would not war with nations if hatred and lust for power and gain were destroyed in the consciousness of the individuals.

Saul of Tarsus was blinded by the creed and dogmas of his day. So much so, that he was a fanatic, ready to kill and imprison those who did not agree with the concept of the state church at that time. Something happened to Saul on the way to Tarsus. The Bible relates that Jesus spoke to him and a new light impacted the consciousness of Saul. It changed him from a persecutor, an intolerant human being, to Paul—one who hungered to bring the light of the Spirit to his fellows.

Now he didn't revolt against the armed aggression of Rome, but he did feed the hungry of mind. Like Paul, we too can hear, "Lo I am with you always."

Perhaps our real job is to escape, as Moses of old did, the bondage of Egypt—the limiting thoughts of the modern Pharisee and the fears and doubts of the materialistic period in which we live. We need what Jesus called "the spirit of truth which would guide us into all truth"—away from the bewilder-

ment of human experience—away from the alarms of the atomic age, to courage and competence and faith. Not the faith that is blind but the faith that will lift us above the storms to a spiritual serenity such as John had when he said "Now are we the sons of God." That is what we need.

Our real job is to know even as the Way-Shower knew that "in Him we live and move and have our being." God never deserts man. Man loses sight of Him by living empty lives and having empty hearts. We must, like Paul, after he had his experience on the way to Damascus claim our heirship. We are told that "Truth will make us free." It is our right to claim our heirship with the Almighty and to apply the truth that makes us free.

With faith we can destroy apathy and fear and assure ourselves of alertness and strength and confidence. "Where the spirit of the Lord is there is liberty."

Paul counseled you and me to "Be not conformed to this world, but be ye transformed by the renewing of your minds that ye may prove what is that good and acceptable and perfect will of God." He renewed his mind by casting out the old religious dogmas. He said, "Now is the time to awake out of sleep" and yet in his word to the Philippians he said "I count not myself to have apprehended, but this one thing I do, forgetting those things which are behind and reaching forth to those things which are before I press toward the mark of the prize of the high calling of God in Christ Jesus."

I have dwelt upon these spiritual truths because thinking on these things one becomes more competent and adequate to meet the problems that he is confronted with. I am sure that you who are leaders in your church, who are teachers of the word, recognize the significance of Paul's words when he said "Have that mind in you which was in Christ Jesus." Or to put it in another way: Have those thoughts, the spiritual food, the ideas that Jesus lived with and expressed.

Our real job then is simply a job of more prayer, more sharing, more setting of examples. It is always a task of forever understanding more of the great spiritual truths.

I suggest again that now is the time for all of us here to "lift our drooping hands and strengthen our weak knees. * * * Let us strive for peace with all men and for that holiness without which no one of us will see the Lord."

United States Policy in the Near East

EXTENSION OF REMARKS
OF
HON. THOMAS L. ASHLEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. ASHLEY. Mr. Speaker, with the issuance yesterday of a joint declaration on the Near East by a number of Republican and Democrat Members of this body, a call to action has been made which I believe to be of profound significance.

As a signatory of this joint declaration, I would like to take this opportunity to state in detail the reasons why I support the substance of this message and the action which it urges to promote the self-defense of Israel.

It is impossible to understand the basis of the present tensions in the Near East without a proper historical perspective. For, in a very real sense, the hostile feelings which exist between the Arab peoples and the Jewish inhabitants of Israel can be traced to early Biblical times when Jews inhabited the regions of Palestine, with Jerusalem as their capital and Holy City. By the second century A. D., after years of revolt against Roman domination, Jewish resistance was crushed, Jerusalem destroyed, and the Jewish people dispersed throughout the Near and Middle East, the Mediterranean region, and later throughout the world. From that time until 1948, Palestine passed from one conqueror to another.

During World War I, when Britain defeated the Turks, Palestine fell under British military control. In 1917 the British Government issued the Balfour Declaration which stated that the establishment of a Jewish homeland in Palestine was looked upon favorably. The ambiguous wording of the declaration has lent itself to many interpretations, but the Zionists acted upon the assumption that the Balfour Declaration was a promise of a political as well as a spiritual homeland for the Jewish people.

In 1918 Palestine had a total population of 700,000—with Arabs outnumbering Jews 10 to 1. Between World War I and World War II, especially under the impetus of nazism, immigration swelled the number of Jews to 700,000, and by 1938, the ratio of Arabs to Jews had declined to 2 to 1.

In the 1930's, Arab fears and resentment, spurred by awakening nationalism, exploded in a series of rebellions. To curb the unrest, the British issued the White Paper of 1939 which rejected the idea of a Jewish state, put a stop to Jewish land purchases, and stipulated that after 5 years, further Jewish immigration would depend on Arab agreement. The Jews bitterly protested the White Paper, but the whole question was put in abeyance when World War II broke out.

At the end of the European conflict, Britain was caught between her interests in the Arab world and the question of what to do with the Jewish refugees. In 1946, President Truman issued a statement noting "that substantial immigration into Palestine cannot wait a solution to the Palestine problem and that it should begin at once." He mentioned 100,000 immigrants, and stated that the United States would lend its financial assistance in moving them. The Arabs, of course, opposed the suggestion, and the Secretary of the Arab higher committee, representing the Palestinian Arabs, threatened to ask the Arab League to sever all economic, cultural and diplomatic relations with the United States, revoke all oil and other concessions, and boycott American colleges if the plan was acted upon.

The British, on October 18, 1946, refused to grant any increase in the legal Jewish immigration quota into Palestine. Armed Jewish terrorist activities against the British stationed in Palestine became deadly frequent. Early in 1947, Britain presented the case to the United Nations. On November 29, 1947, 7 months later, the General Assembly voted 33 to 13—10 abstentions—for a partition plan creating an Arab state of 4,500 square miles and a Jewish state of 5,500 square miles, and an international regime for Jerusalem. The Soviet Union and the United States both supported the plan; Great Britain abstained from voting. The British were to withdraw their troops by August 1, 1948, while the 3 new entities were to come into being on October 1, 1948.

Upon announcement of the U. N. vote, heavy Arab-Jewish fighting broke out in Palestine. The United Nations-Palestine Commission, on February 16, 1948, reported the situation to the Security Council as follows:

> Powerful Arab interests, both inside and outside Palestine, are defying the resolution of the General Assembly and are engaged in a deliberate effort to alter by force the settlement envisaged therein.

Britain, which as a mandatory power was still responsible for law and order, informed the U. N. that it would take no direct action—such as the use of military force—in implementing the partition plan. The U. N. Security Council deemed that it had no authority to enforce the plan, and thereafter armed affrays and acts of terrorism became commonplace in Palestine.

On May 14, 1948, Britain terminated its mandate, and the same day the Jews of Palestine proclaimed the independence of the State of Israel. Although boundaries were not specified, the Jewish-held areas corresponded almost exactly to the partition plan approved by the U. N. Within 1 hour after the independence proclamation, President Truman announced that the United States recognized Israel's provisional government. Soviet recognition followed 3 days later. The following day, armies of Egypt, Lebanon, Syria, Iraq, and Jordan invaded the new State.

Between May 1948 and March 1949, hostilities between Israel and the Arab States went on intermittently. Efforts of the U. N. mediators to bring about peace were rewarded when negotiations between the 2 sides culminated in early 1949 in a series of armistice agreements between Israel, on the 1 hand, and the Arab States directly concerned, on the other.

The armistice terms greatly revised the U. N. partition plan. The proposed Arab State disappeared; the Arab countries received about 2,000 square miles of land formerly in mandatory Palestine, and Israel got a major portion of the Negev Desert, territory that had not been allotted to it under the partition plan. Control of Jerusalem was divided between Israel and Jordan. On May 11, 1949, Israel won admission to the United Nations by a 37 to 12 vote. As on the vote for partition, Britain abstained, while the United States and the Soviet Union approved.

The armistice agreements and the admittance of Israel into the family of nations did not, however, end the turmoil in the Middle East. If anything, the creation of Israel gave rise to new tensions. The problem of more than 800,000 Arabs who fled Palestine is a principal sore spot. Two hundred thousand now live in conditions close to destitution in Egypt's Gaza strip within sight of their

former homes. Over 450,000 are in Jordan, the only Arab country which has offered the refugees citizenship but whose economy is so poor that it has proved difficult to absorb the newcomers. Syria and Lebanon also have sizable numbers of Palestine refugees.

Israel has offered the refugees compensation for their land but has refused to accept the return of the embittered and hostile Arabs who, it is argued, would be a security risk to the new nation. The Arabs are insisting on repatriation as a first step toward permanent peace with Israel.

A second troublesome problem has grown out of the haphazard delineation of boundary lines under the armistice agreements. The Arab States now maintain that the boundaries must be settled on the basis of the 1947 partition plan, which would deprive Israel of the Negev, almost one-third of her present territory. Israel, on the other hand, while it agrees that certain boundary rectifications of slight nature the justified, holds that the 1949 armistice lines should be the basis for peace negotiations since it was the Arab States themselves that went to war for the specific reason of destroying the partition plan. Great Britain, France, and the United States, in what is now known as the Tripartite Declaration of 1950, are pledged to guarantee the present frontiers and armistice lines against forceful violations.

In the past 7 years, border clashes have been frequent. Israel claims to have had 1,100 citizens wounded or murdered, and has adopted a policy of retaliation for the raids, claiming that Jordan, Syria, and Egypt have the responsibility for controlling their citizens. The United Nations, however, has harshly censured Israel for its calculated attacks on Kibya, and more recently, for the raid into Syria near the Sea of Galilee.

Israeli officials feel that Arab determination to wipe out the new state has never abated. The purchase of arms last September by Egypt from Communist sources has added to Israel's uneasiness. On the other hand, competent observers of the Middle East say that there is a very real fear among the Arabs that if Israel continues to permit unlimited Jewish immigration, one day Israel will be compelled to expand territorially.

At the outset, the United States tangibly demonstrated its friendship for Israel by a loan in 1949 of $100 million from the Export-Import Bank. In 1951 a second loan of $35 million was granted. In addition to the loans, United States grants-in-aid, from the first grant approved in 1951 through June 30, 1955, have totaled well over $200 million.

In spite of the sizable economic aid of the last few years, Israeli officials since 1953 have been worried by United States policy in the Middle East.

Israel's Ambassador to the United States, Abba Eban, has attributed the gravity of American-Israel relations to "not so much a difference of opinion about American policy toward Israel, as a clash of judgment on American policy toward the Arab States." American policy makers, viewing with dread the possible loss of Middle East oil, communications, and bases to the Soviet orbit, have sought to maintain Western security in the Middle East through friendship with the Arabs as well as with Israel. However, the policy pursued by the United States is viewed in Israel as a threat to their security. The United States decision to arm Iraq set off vigorous protests from Israelis who asserted that even with the weapons Iraq could not stand up against a single Russian division, while on the other hand the weapons would be weighty if turned against Israel.

It is against this background, Mr. Speaker, that United States policy must be measured. Under the Tripartite Declaration of 1950, our Government recognized "that the Arab States and Israel all need to maintain a certain level of armed forces for the purpose of assuring their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole." At the same time, we emphasized that an arms race between the Arab States and Israel should not be permitted to develop and, together with Great Britain and France, we expressed our readiness to take action to prevent violations of the frontier lines established with the armistice of 1949.

Since that time, United States policy has repeatedly been described as being based on the fundamental principle of sympathetic and impartial friendship for all states in the Near East.

In a major policy statement of August 26, 1955, Secretary of State Dulles indicated certain steps which the United States would be prepared to take to contribute toward a solution of the Arab-Israel dispute. With reference to the question of a security guaranty, Secretary Dulles said that—

> Given a solution of other related problems, he (President Eisenhower) would recommend that the United States join in formal treaty engagements to prevent or thwart any effort by either side to alter by force the boundaries between Israel and its Arab neighbors.

As we all know, Mr. Speaker, this statement was, and continues to be, meaningless because one of the "other related problems" which would have to be solved as a condition to the United States security guaranty is Arab-Israeli agreement upon their borders.

The unhappy fact of the matter is that recent United States policy has done nothing to relieve tensions in the Near and Middle East, nor has it been successful, in any significant measure, in meeting the ghastly threat of all-out violence in that area—violence which may well spread to other parts of the world.

Mr. Speaker, the American people are concerned because our policy of "impartiality" has not yet been clearly defined. It is important for us to state, for example, whether our Nation is prepared to support the present armistice lines or the U. N. Partition of 1947, or some compromise between them, as a basis for discussion.

The core of the problem for our country, Mr. Speaker, lies not in the Near East but here in the United States. We can make a real contribution only if we face the problem here—and this is a responsibility and a challenge which the administration and Congress must face up to.

Mr. Speaker, positive action is essential if we are to halt the drift toward war in the Near East. We must face the fact that the West is no longer able to curb an arms race in this area, as it has been successful in doing for more than 5 years. The reasons are clear. Moscow has become active; British troops are gone from the Suez Canal, and Britain's adherence to the Turco-Iraqi Pact has amounted to taking sides as between Arab League members. In short, the guaranties of moderation which have existed for nearly 5 years with some effectiveness have now vanished. The choices of policy now open to Western diplomats are narrow and none are attractive. The leapfrog move of the Soviets into the Middle East has made it clear that they intend to continue arming the Arab nations unless we scuttle our "northern tier" alliances with the nations along the southern border of the Soviet Union. Yet, if matters are allowed to ride, in the hope that time alone will prove the insincerity of Soviet promises, we run the high risk that in this interim period there will be an outbreak of fighting which, at the very least, would involve all the nations in the Middle East area.

Mr. Speaker, the joint declaration in which I joined with my Democrat and Republican colleagues includes the request that Israel be permitted to purchase $50 million of defensive arms which she needs for purposes of self-defense. I am sure that no one who signed this declaration believes for a moment that any long-range or permanent solution will evolve from the arming of Israel. Nor do I believe that there was any general feeling among us that this measure would, in any sense, reduce the present tensions which exist in the Near East.

The conviction, I believe, was that the sale of arms to Israel at this time is essential to the "internal security and legitimate self-defense" of that nation, and that the present threat of war will thereby—at least for a short period—be mitigated rather than increased.

It is not my purpose today to speak in a vein which is either pro-Israel or pro-Arab. Certainly, the best that any of us can do is to explore policies which have some promise of being propeace. However, I think that it can be stated accurately that no nation on earth today faces a more difficult geopolitical situation that does the nation of Israel.

With a population of only 1,600,000 and a territory of only 8,000 square miles, this tiny oasis of democracy is surrounded by hostile neighbors—Egypt, Saudi Arabia, Jordan, Syria, and Lebanon—with a total population of about 40 million and a total territory in excess of 1 million square miles. The Arab States have taken full advantage of Israel's geographical helplessness by blockading the country completely on land and as completely as they can manage by sea; Israel's ships are barred not only from the Suez Canal, but even from the Gulf of Aqaba, Israel's outlet to the Red Sea.

Can there be any question whether a weak and defenseless Israel can long survive these perilous circumstances? Surely not; and in 1950 our Government recognized this fact when, together with Great Britain and France, it entered into the Tripartite Declaration with recognized the necessity for Israel as well as the Arab States to maintain a certain level of armed forces.

Today, that need is all the more apparent and must again be acknowledged by positive declaration and action by this country.

We must face the fact that the realities of the situation in the Near East are not what they were a year ago. Soviet influence is now firmly established in Egypt which relies on the Communist bloc not only for arms, but as the main market for exports and as the source for economic aid and technical assistance. It is not by chance that Egypt's Nasser recently remarked that the arms deal alone "was worth more than a quarter of a billion dollars in propaganda to Soviet leaders."

Mr. Speaker, we must recognize that nothing, now, can keep Russian Embassies and emissaries out of the Near or Middle East, and that it is wisest to enlist them, as soon and as publicly as possible, in the ranks of those who do not want a second Palestine war. We must make it unmistakably clear that our policy of selling arms to Israel is designed only as a short-range measure to preserve a tenuous peace; and that the long-range task of reducing tensions and establishing a stable and permanent peace can only be accomplished by patient, but persistent, negotiation of the complex problems which as yet have found no solution.

Finally—and above all—we must assert positive leadership to dispel the paralyzing fear which grips the Middle East today. Opportunities for peace are precious because they are only momentary; they must be taken by free people with courage and conviction.

Eighty-Six Democratic Congressmen Issue Joint Declaration Requesting Arms for Israel

Eighty-six Democratic Members of the House of Representatives joined today in a declaration calling upon the Government to permit Israel to purchase defensive arms in the United States.

Pointing out the dangers to Israel and the free world resulting from the Egyptian purchase of arms from Czechoslovakia, the Congressmen called for decisive action by the United States to end the threat of war in the Near East through the promotion of "an honorable peace settlement" between the parties.

They proposed that the United States and other interested nations seek to negotiate "formal treaties within the framework of the United Nations guaranteeing the existing frontiers of Israel and the Arab nations in the Near East that want peace and are ready to enter into such treaties."

However, in the absence of agreement by the Arab nations to sit down at the peace table, there is the present danger of a major outbreak of hostilities, the Congressmen warned.

Accordingly, they proposed "that our Government permit Israel to purchase the $50 million of defensive arms which she seeks in this country strictly for purposes of self-defense."

They noted that "Israel is firmly a part of the free world and she may be counted upon not only to defend herself, but also to join in the defense of the free world."

While expressing opposition to an arms race in the Near East, the Congressmen asserted their belief that Israel's military capability for self-defense must be maintained.

"We believe the danger of war will be seriously increased if the Arab nations attain a military preponderance capable of use for aggression because of the Communist initiative," they declared.

At the same time they urged continued United States economic and technical assistance to the area and help in resettling the Palestine-Arab refugees "with impartial friendship to all in the Near East who will cooperate for peace."

They also expressed opposition to proposals that Israel be asked to yield territory to the Arab states, which they termed "the road to appeasement, not the road to peace."

The full text of the declaration and the names of the signers follow.

Declaration on the Near East

Under the Tripartite Declaration of 1950, our Government recognized "that the Arab States and Israel all need to maintain a certain level of Armed Forces for the purpose of assuring their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole."

Communist weapons and technicians are now pouring into the Near East as a result of the Egyptian-Czech arms deal, imperiling the stability and peace of the region and weakening the defenses of the free world.

The Egyptian-Czech arms deal brings the front of the cold war to the Egyptian-Israel frontier, and the survival of Israel is directly and immediately menaced.

It is vital that our Government act decisively to end the threat of war in the Near East. The best way to do this is, of course, to promote an honorable peace settlement between the parties. To that end we urge that our Government and other interested nations seek by all possible means to negotiate formal treaties within the framework of the United Nations guaranteeing the existing frontiers of Israel and the Arab nations in the Near East that want peace and are ready to enter into such treaties. But to make peace we need agreement to negotiate and until there is agreement by the Arab nations to sit down at the peace table, there is the present danger of a major outbreak of hostilities.

Accordingly, we make this further specific suggestion: that our Government permit Israel to purchase the $50 million of defensive arms which she seeks in this country strictly for purposes of self-defense. Israel is firmly a part of the free world and she may be counted upon not only to defend herself, but also to join in the defense of the free world.

While we are opposed to an arms race in the Near East, we believe that the military capability for safeguarding Israel's national existence must be maintained. We believe the danger of war will be seriously increased if the Arab nations attain a military preponderance capable of use for aggression because of the Communist initiative.

Our Government should continue to offer economic and technical assistance and help to resettle the Palestine Arab refugees with impartial friendship to all in the Near East who will cooperate for peace.

We have heard with regret that there are proposals that Israel be asked to yield vital territory of her small area to the Arab States. We believe this is the road to appeasement, not the road to peace.

The American people will not tolerate anything so immoral as the sacrifice of Israel to Communist infiltration of the Near East. The time to act is now. Failure to take action will encourage the Communist offensive, increase tension, and endanger freedom.

Hugh J. Addonizio, 11th District, New Jersey; Carl Albert, 3d District, Oklahoma; Victor L. Anfuso, 8th District, New York; Thomas L. Ashley, 9th District, Ohio; Wayne N. Aspinall, 4th District, Colorado; Cleveland M. Bailey, 3d District, West Virginia; William A. Barrett, 1st District, Pennsylvania; John A. Blatnik, 8th District, Minnesota; Richard Bolling, 5th District, Missouri; James B. Bowler, 7th District, Illinois; Charles A. Boyle, 12th District, Illinois; Charles A. Buckley, 24th District, New York; James A. Byrne, 3d District, Pennsylvania; Clarence Cannon, 9th District, Missouri; Emanuel Celler, 11th District New York; Earl Chudoff, 4th District, Pennsylvania; Frank M. Clark, 25th District, Pennsylvania; Irwin D. Davidson, 20th District, New York; William L. Dawson, 1st District, Illinois; James J. Delaney, 7th District, New York; John J. Dempsey, Member at Large, New Mexico; Charles C. Diggs, Jr., 13th District, Michigan; John D. Dingell, 15th District, Michigan; Thomas J. Dodd, 1st District, Connecticut; Isidore Dollinger, 23d District, New York; Harold D. Donohue, 4th District, Massachusetts; James G. Donovan, 18th District, New York; Clyde Doyle, 23d District, California; Herman P. Eberharter, 28th District, Pennsylvania; Carl Elliott, 7th District, Alabama; George H. Fallon, 4th District, Maryland; Daniel J. Flood, 11th District, Pennsylvania; John E. Fogarty, 2d District, Rhode Island; Aime J. Forand, 1st District, Rhode Island; Samuel N. Friedel, 7th District, Maryland; Edward A. Garmatz, 3d District, Maryland; Thomas S. Gordon, 8th District, Illinois; William T. Granahan, 2d District, Pennsylvania; Mrs. Edith Green, 3d District, Oregon; William J. Green, Jr., 5th District, Pennsylvania; Mrs. Martha W. Griffiths, 17th District, Michigan; Harlan Hagen, 14th District, California; Wayne L. Hays, 18th District, Ohio; Don Hayworth, 6th District, Michigan; Chet Holifield, 19th District, California; Lester Holtzman, 6th District, New York; Mrs. Edna F. Kelly, 10th District, New York; Eugene J. Keogh, 9th District, New York; Cecil R. King, 17th District, California; Michael J. Kirwan, 19th District, Ohio; Arthur G. Klein, 19th District, New York; John C. Kluczynski, 5th District, Illinois; Mrs. Coya Knutson, 9th District, Minnesota; Thomas J. Lane, 7th District, Massachusetts; Richard E. Lankford, 5th District, Maryland; John Lesinski, Jr., 16th District, Michigan; John W. McCormack, 12th District, Massachusetts; Torbert H. Macdonald, 8th District, Massachusetts; Harris B. McDowell, Jr., Member at Large, Delaware; Ray J. Madden, 1st District, Indiana; Thomas E. Morgan, 26th District, Pennsylvania; Morgan M. Moulder, 11th District, Missouri; Abraham J. Multer, 13th District, New York; James C. Murray, 3d District, Illinois; Thomas J. O'Brien, 6th District, Illinois; Barratt O'Hara, 2d District, Illinois; Philip J. Philbin, 3d District, Massachusetts; Melvin Price, 24th District, Illinois; Adam C. Powell, Jr., 16th District, New York; James M. Quigley, 19th District, Pennsylvania; Louis C. Rabaut, 14th District, Michigan; Henry S. Reuss, 5th District, Wisconsin; George M. Rhodes, 14th District, Pennsylvania; Peter W. Rodino, Jr., 10th District, New Jersey; Byron G. Rogers, 1st District, Colorado; John J. Rooney,

14th District, New York; JAMES ROOSEVELT, 26th District, California; JOHN F. SHELLEY, 5th District, California; ALFRED D. SIEMINSKI, 13th District, New Jersey; MRS. LEONOR K. SULLIVAN, 3d District, Missouri; FRANK THOMPSON, Jr., 4th District, New Jersey; T. JAMES TUMULTY, 14th District, New Jersey; CHARLES A. VANIK, 21st District, Ohio; ROY W. WIER, 3d District, Minnesota; HARRISON A. WILLIAMS, Jr., 6th District, New Jersey; SIDNEY R. YATES, 9th District, Illinois; HERBERT ZELENKO, 21st District, New York.

Address by Hon. Frank E. Smith of Mississippi Before the Mississippi Valley Association Annual Meeting, St. Louis, Mo., February 6, 1956

EXTENSION OF REMARKS
OF

HON. CLIFFORD DAVIS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1956

Mr. DAVIS of Tennessee. Mr. Speaker, we have no more able Member in this House than FRANK E. SMITH, from the State of Mississippi. As a member of the Committee on Public Works, he is alert to the needs of our rivers and harbors and has a comprehensive understanding of the whole problem of water resources.

On yesterday, he delivered a splendid speech before the Mississippi Valley Association at their annual meeting in St. Louis, Mo. Because of the increasing emphasis which must be given the subject matter of his address, I have asked permission to include it in its entirety that the full membership of the House may have the benefit of his views.

The speech follows:

I am very pleased and honored to have a part in the program of the Mississippi Valley Association. As a Representative in Congress of a region that is a vital part of the Mississippi Valley, I am proud of the constructive influence that this organization has had upon public policy for many years.

Proper development and use of the water resources of the Mississippi Valley are essential to the economic growth of the valley and of our Nation. This organization has made and will make an important contribution to public policy in this field. We have achieved much in our effort to fully utilize the great natural resource that is the Mississippi River and its tributaries, but there is far more yet to be done in the years ahead of us.

I am concerned primarily today about two important issues having to do with the role of our National Government in the field of water resources. I approach the problem, not from any politically partisan sense, but only in a partisanship that holds an aggressive water resources policy as one of the essential activities of our Federal Government.

The Mississippi Delta area that I have the honor to represent in the Congress was first settled by hardy pioneers who used the Mississippi and its tributary, the Yazoo, as their means of transportation from the other settled areas of the country. Our oldest settlements are on the Mississippi and the Yazoo. Historically, the Mississippi has been a great waterway, tying together the economy of the heartland of America. All of the early settlements along the Mississippi came into being because the river was the natural path of the advancing settlements. We have long since passed the day when new settlements must be confined to points available to water transportation, but we are today realizing more than ever that adequate water transportation is a vital part of the economic growth and expansion of our area.

The river brought settlement up and down the great valley, but it also threatened death and destruction and floods. Consequently, the history of most of the valley from the time of its first settlement has been a long fight to control the waters of the Mississippi and its tributaries. With adequate flood protection for the Mississippi Delta, we are making new advances in our economy, both in industry and in agriculture. This same equation holds true for the entire Mississippi Valley.

The use of our waterways as channels of commerce and protection from the ravages of floods have been accepted as a proper responsibility of the Federal Government for many years. Although private business, and local and State governmental subdivisions, have contributed vast sums to this overall program, it is recognized that there is no way to properly coordinate the work except through the Federal Government. The benefits from the water resources program are shared by all the people of the country, and it is proper that a major portion of the cost should be assumed by the Government.

We have had our ups and downs in the continuing struggle to make proper use of our national water policy, but today we face two specific problems that could disrupt the pattern of orderly progress which we have sought to create. The recommendations of the Hoover Commission Task Force on Water Resources point up one of these major problems. The Hoover Commission task force report was so blatantly partisan in its opposition to virtually every phase of water resources policy that perhaps it has already been discredited enough to prevent any major recommendations from being adopted. The Hoover Commission itself refused to adopt most of the task force proposals, but the Commission report made two proposals which still should be of grave concern to us. I refer, of course, to the proposed toll system for inland waterways and the plan to establish a new, independent, board of review for water policy.

I think the very vocal opposition expressed to the toll system all over the country from every element of our political and economic life has eliminated the possibility, at least for the time being, that the Congress would approve a toll system, so I am not going to dwell further on that proposal.

I believe we face a real threat, however, in regard to the plan to establish the new board of review. The Presidential Advisory Committee on Water Resources Policy has adopted this proposal in its recommendations made public a few weeks ago. It is not at all impossible that this board of review may be established through means of a reorganization plan under the authority granted the President in the current Reorganization Act. It is highly important that all of our people be alerted to the danger to prevent any possibility of the Congress' approving such a plan.

Just why should we be fearful of this new board of review? Primarily because it would be another barrier between the people and the Government in carrying on a sound national water policy. It would be a new instrument of bureaucratic control which would serve to delay and defeat navigation and flood-control projects vital to the sound development of our American system.

The people of the country act through their elected representatives in the Congress to establish water policy. I'm sure all of you are familiar with the long and complicated process that must be carried out in order to change a flood control or navigation project from an idea into a reality. There are at least 28 separate steps in the authorization of such a project. The process adds up usually to a number of years. Then, following authorization, there has been a long and sometimes even more difficult campaign to secure adequate appropriations to accomplish the work. The board of review proposal could only result in adding more years to this long process. It would serve as a bottleneck and an often insurmountable levee to hold back many projects that would normally gain approval of the Congress in rapid fashion. It could conceivably become a major instrument of political favoritism, far removed from the nonpartisan approach which most of our water agencies have adopted over the years as normal operating procedure.

Our Federal water agencies have made many mistakes in the past, and they are likely to make more in the future. There is no question but that there should be better coordination of policy from time to time, but these mistakes are minor by comparison with the possibilities of error that would be almost certain with any new centralized control.

We have achieved great progress in the past under our present system, and we are continuing to improve it. There is no demonstrable need for a new board of review, and I hope that we can prevent any such instrumentality from being established.

The other great problem which faces us in the field of water policy is the increasingly difficult fight we have to make to secure adequate appropriations for flood control and navigation projects.

In 1927 when the disastrous flood of that year had created nationwide interest in river control, the total approved program of civil works amounted, in estimated cost, to about $1,200 million, that is, some $1.2 billion. About $800 million had at that time been appropriated to carry out this authorized program, which means that a backlog existed even then of about $400 million worth of work, at 1927 prices.

In 1937, following the increased interest in flood control and waterway development reflected in the passage of the 1936 Flood Control Act—with its declaration of policy that prevention of floods in cooperation with the States and other local political subdivisions was a proper activity of the Federal Government—the backlog of uncompleted projects had grow from $400 million in 1927 to $900 million worth of construction, at 1937 prices. In 1947, after World War II, and when the concept of basinwide development was being generally accepted, the backlog had grown to $5.4 billion, at 1947 prices.

Today the estimated cost of construction of all civil works projects which have been approved for construction by the Congress is approximately $19 billion, of which a total of less than $7 billion has been appropriated; thus, there exists today a backlog of projects, either not started or not completed of about $12 billion worth of work, at today's prices.

Admittedly many of the projects in this backlog have now become obsolete, or for some other reason should not be built. For the sake of discussion, let us assume that one-third of all the work represented by today's accumulated backlog should, for some reason or another, never be built. Even so, there would still remain $8 billion worth of economically sound, urgently needed, congressionally approved work either not started or not finished. This amount—$8 billion—is greater than the accumulated total of all appropriations made since 1824 for new construction for the Corps of Engineers' civil-works projects.

Now certainly, if there is any statistical support needed for my belief that our water resources program is critically lagging, it can be found in this ever-mounting backlog of

from $400 million in 1927 to the $8 billion of today. I submit that this is at least a red flag we must heed in connection with our endeavors to insure the welfare and even the survival of future generations.

An example of the present inadequate appropriations with which I happen to be familiar may be of interest to some of you in the audience who know the history of the St. Louis flood-protection project. I was a member of the committee which visited the site of the flood damage in this area in 1951. The long process of study and evaluation to remedy this situation and to provide adequate protection for St. Louis did not result in the authorization of the St. Louis project until 1955. The United States engineers told our committee that the project could be completed after 2 years' planning and 6 years' construction if adequate funds were made available during the period. I am told that in the budget for fiscal year 1957, less than 10 percent of the funds needed for planning alone are provided. If the appropriations do not develop at a better rate than this, the St. Louis flood-control project will be still a project and not a reality for many years beyond the 8-year goal that was first proposed.

A minor but vastly important failure of the Congress in the matter of appropriations in the past few years has been the drastic reduction in funds for examinations and surveys. These funds have been reduced so greatly that any major surveys must receive special earmarking from the Bureau of the Budget and the Congress. The reduction in survey funds has been defended with the false logic that there is such a huge backlog of already authorized projects that there is no point to allowing further studies for any new project that might be authorized.

This is a splendid example of that overworked term "false economy." It means that the Corps of Engineers is prevented from making adequate studies of any flood-control problem until some major or minor disaster occurs in the area, bringing sufficient pressure upon the Bureau of the Budget and/or the Congress to make special funds available for the study. It means the Corps is barred by lack of funds from exercising the normal review of the worth of existing projects which should be carried on at all times. I hope the Congress during this session will rid itself of this burden of sharply restrictive survey funds.

According to the United States Weather Bureau, the climatic patterns of the Northern Hemisphere are undergoing a change. It is believed that our country will be more and more affected by tropical hurricanes. More in recent years, and even more in the near future, it is believed, of these dreaded hurricanes will strike the United States mainland with their unleashed fury. Most of them bring torrential downpours. Since the newly developing patterns carry the hurricanes through the most highly industrialized and densely populated sections of the country, the awful possibilities—nay, probabilities—for disastrous catastrophes are truly frightening. Already this new pattern has cost the country 500 lives and an unknown amount of property damage variously estimated at between $1 and $2 billion.

What is true of the Northeastern States in recent years is in varying degrees true of the entire Nation. There have been floods of major proportions elsewhere, too. In 1952 the upper Mississippi River Basin was the scene of a flood of disaster proportions; this and lesser floods throughout the Nation snuffed out lives of 54 human beings and wreaked damage up to an estimated quarter billion dollars. Again in 1953, the State of Maine experienced a sudden thaw which swelled most of its rivers out of their banks; northwestern Iowa and most of the State of Louisiana were the scenes of major flooding. These and numerous smaller floods cost 40 lives and over $120 million in property damage.

In 1954 the Midwest suffered three major floods; the Des Moines River, the Ohio River Valley, and the Chicago area were the worst sufferers. In the same year the Rio Grande Valley was a heavy sufferer from floodwaters. High waters in the wake of Hurricane Hazel wreaked considerable damage to the northeastern section of the country. Total damage last year amounted to over $1.6 billion and 44 people lost their lives. As yet, the final toll of the Christmas disaster in California has not been determined.

Special emphasis has been given by the administration and many Members of Congress toward developing some type of disaster-insurance program to cope with situations such as developed in New England last year. I hope that some program can be worked out to alleviate the financial hardship brought on by tragic disasters which cannot be prevented by man, such as hurricanes which come in from the sea. Perhaps there is even some way of helping to establish some reasonable type of flood insurance.

It would be a legislative disaster, however, if the Congress were to accept the idea that the only help we can give the country in our fight against floods is some type of insurance to compensate for damage. The only real insurance there can be is in the form of flood-control projects which will prevent floods. It will be far cheaper in the long run and it is the type of forward-looking, affirmative approach to the problem which is consistent with every ideal of our American economy.

Our country should no more turn to insurance as a remedy for floods than it should turn to insurance for polio victims instead of devoting the funds to study and research for the development of the Salk vaccine to prevent the disease. Our primary job with floods should be to prevent them, not to alleviate the suffering they cause, as much as we want to do this when a disaster does strike an unprotected area.

The development of American water resources has contributed vastly to the story of American progress. We cannot afford to neglect their proper development in the future. Unless we move at a more rapid rate than we have in the past few years, we will lose irretrievable ground, at great cost to our people and our Government.

The Peace Party's Pledge

EXTENSION OF REMARKS
OF
HON. BEN F. JENSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. JENSEN. Mr. Speaker, world history records that in a free economy such as ours and which must be preserved here, segments of the people have for relatively short periods experienced financial setbacks until the aftermath of wars has been completely erased.

Our farm belt has been passing through just such an era. It had its origin on the day in 1951 when the Democrats rolled back cattle prices 10 percent—that was the day all farm prices started down the toboggan.

By honorable, peaceful means—without the stimulant of war and its heartaches—the Republican Peace Party will earnestly strive, and will succeed, in leading the way to genuine prosperity.

That is our sacred pledge to the American people.

Officials Deny Windfall—Ghost of FHA Still Walks

EXTENSION OF REMARKS
OF
HON. CHARLES A. VANIK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. VANIK. Mr. Speaker, please permit me to call the attention of the Members of the House of Representatives to the sixth and last of a series of articles which appeared in the Cleveland Plain Dealer on February 3, 1956, on the housing problem in America. This article was written by Phil G. Goulding, of the Washington Bureau of the Cleveland Plain Dealer, and is entitled "Officials Deny Windfall Ghost of FHA Still Walks." This article very graphically illustrates the need for revising the Federal laws on housing:

OFFICIALS DENY WINDFALL—GHOST OF FHA STILL WALKS

(By Phil G. Goulding)

WASHINGTON, February 2.—Government officials scoff at the charge that the ghost of the infamous windfall scandals of 2 years ago still haunts the Federal Housing Administration.

Some builders and civic slum fighters allege that FHA is overly cautious in its administration of mortgage insurance for urban renewal projects, fearing a repetition of fantastic sponsor profits and embarrassing congressional investigations.

Authorities responsible for administering section 220 of the housing act contend that the ghost has been exorcised. They do admit to a period of ultraconservatism in the early days of the 1954 act, when the agency was still extremely windfall conscious.

Part of this conservatism sprang from congressional caution, which set up the yardstick to be used in appraising proposed projects. Amendments enacted last year changed the appraisal law and eliminated the major obstacle to 220 mortgage insurance.

TERMS LIBERALIZED

Part of it was exemplified in the FHA charter setup. The administration holds the majority of preferred stock in corporations established for 220 projects. Delayed dividend restrictions locked up the money put into the corporation by sponsor builders.

Thus hobbled, builders declined to participate. The terms were liberalized by FHA last February, so that builders could extract their money under certain circumstances. A recent directive removed the "bugs" of this liberalization, permitting sponsors to pay themselves back as return of capital rather than taxable earnings.

Housing officials here feel the second principal barrier to greater building activity under 220 was thus removed.

From the field, where sponsors are undergoing daily negotiations with local FHA offices, come many more complaints against the law and the manner in which it is being administered.

Here are a few with official answers:

The charge: That the law permits reasonable profit, but that FHA allows only 5 percent. With a 10 percent figure, the builder still must have cash equal to 3 percent of the total cost; with 5 percent profit, his equity must be 6 percent.

The reply: Congress warned FHA not to go over 10. A full 10 percent would amount to an outright subsidy in many areas. It is untrue that FHA will permit only five. In the one commitment made—three Delano village projects in New York—the builder was allowed 7 percent.

The pertinent directive to field offices reads that fees should be determined "on the basis of the utmost diligence exercised in determining the appropriate percentage, commensurate with the fees customarily being paid in the area for projects which are similar in type and size."

The charge: That FHA valuations resulted in mortgages below 90 percent of the actual cost to builders.

The reply: Before the 1955 amendment, FHA had to follow the law on appraisal. This did result in 85-percent-of-cost mortgages, which builders would not accept. It is no longer true, now that appraisals are based on replacement cost.

The charge: That there still is too much caution displayed, so much that Federal authorities are evidently not genuinely in sympathy with the law.

The reply: Tremendous risks are being taken. One example is the level-payment plan of amortization. The debt service is the same to begin with as it is in the 40th year. We are gambling that the income of the project will remain constant throughout the life of the mortgage—a gamble against tenant dissatisfaction, inflation, and the character of the neighborhood. We are not required to heed the "economic soundness" required under section 207, and we do not.

Reporter's note: The only Federal people interviewed who appeared cool to the 220 program were a couple of old-timers who felt that only wholesale public housing, and not Government insurance of private builders, could do the job.

The FHA official most directly responsible for 220 operations is W. Beverley Mason, Special Assistant for Urban Renewal, who is vitally interested, extremely able, and works far into the night on his job.

The charge: That there is no authority at the local level. Field personnel check and doublecheck with Washington on every detail.

The reply: Builders get this impression because they ask insuring offices for things far in excess of the law and administrative regulations. Some request 95, 100, or 110 percent insurance. We do need to perfect techniques on the rehabilitation advantages of 220, and we are now in the midst of boiling the process down.

The charge: That processing takes so long that banks will not become involved; they prefer to earn a return on their capital in other ways.

The reply: We know of no cases where the sponsor has failed to go ahead because he could not get bank financing.

The charge: That FHA is applying Shaker Heights standards to urban renewal apartment projects. The specifications: That in Garden Valley, for example, the Government has insisted upon the elimination of common walls in row houses, on blacktopping the parking area, on enlarging the buildings to make rooms of swanky-apartment size.

The reply: We seek the minimum construction that will have market acceptance. Garden Valley is on a slag fill, with settlement a major problem. The double wall was recommended so that the settlement of one unit would not pull down the adjoining one. Blacktop or asphalt-concrete was recommended for the parking area to cut down on the terrible slag dust.

Suggested change in building size was from 59 to 63 feet. The larger building provides for a living room 12.5 to 13 feet, 1 bedrom 9 by 12.5 and another 9 by 9.6. These are not luxury apartment standards. Rooms should be at least this large, to protect the taxpayers' money which is insuring the mortgage and to keep within the spirit of a law designed to improve housing conditions.

The charge: That rents proposed under 220 projects are too steep for persons whose homes are being lost as the slums they live in are being cleared and renewed.

The reply: Rental housing projects under 220 are not meant to be for these low-income families being displaced. Nowhere in the law, or in congressional comment on it, is this purpose suggested. There is wide misunderstanding on this point.

Section 220 is to help fight decay by establishing decent housing in areas now lost to communities. Public housing and private single-family homes under section 221 are designed for displaced low-income families.

Mortgage limitations written by Congress clearly indicate that 220 projects need not be low-rent projects. The law provides for a mortgage up to $2,250 per room. This may be hiked to $2,700 where elevators are included and an additional $3,700 in high-cost building areas. The mortgage on a 4-room apartment can, therefore, be $14,800.

Compare this with 221 limitations of a $8,600 top for a single house. It becomes obvious, not by administrative interpretation but by congressional law, that 220 was not enacted as a substitute for public housing.

Federal Housing Administration officials nonetheless strive to produce middle-income housing under the section—for those who earn too much to qualify for public housing, but not enough for decent private rental projects.

But communities and builders who want to improve slum property by shooting for the maximum limitation and more costly apartments will not be turned down. The Federal Government wants to lure private builders into constructing on slum land.

Rents, ltherefore, wil vary tremendously. Where Garden Valley now proposes $85 for two-bedroom units, the rate in Delano Village in New York is $37 per room, $148 for a four-room suite. And on some slum land in Philadelphia, an air-conditioned project with elevators is on the way.

In Philadelphia's case, no Federal money went into the actual land acquisition or slum clearance. Building plans were delayed until passage of a 1955 amendment raising the limit on a single mortgage to private enterprise from $5 million to $12.5 million. Only 43 families were displaced, so relocation was not a major task.

But it remains one of the chief problems of the entire anti-slum fight—rehousing of those whose homes, however deteriorated, are leveled.

Unsatisfactory Mail Service in Montana

EXTENSION OF REMARKS
OF
HON. JAMES C. MURRAY
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Tuesday, February 7, 1956

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of a letter which was sent to the Postmaster General on January 27, 1956, regarding unsatisfactory mail service in Montana. The letter was signed by the junior Senator from Montana [Mr. MANSFIELD] by Representative METCALF, and myself.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 26, 1956.

The Honorable ARTHUR E. SUMMERFIELD,
Postmaster General,
Post Office Department,
Washington, D. C.

DEAR MR. SUMMERFIELD: From time to time we have contacted you or other members of your Department regarding unsatisfactory mail service in Montana. Recently complaints have been increasing.

They have come from Stanford, where the Commercial Club assigned a committee to investigate the "rapidly deteriorating mail service."

They have come from an official of the State of Montana, who reports that Montanans may suffer "serious financial loss" due to discontinuance of the post-office directory service.

They have come from a Miles City businessman who is disturbed by rumors that the Post Office Department is considering discontinuing the railway postal service between Miles City and Butte on Milwaukee trains 15 and 16.

They have come from major cities, like Billings, and from small communities like Forest Grove, between Lewistown and Winnett, the mail to this community having been curtailed, we are told, to 3 days a week.

Protests against proposed closing of small post offices continue to come in. And, as our voluminous correspondence on the matter indicates, there has been considerable dissatisfaction over discontinuance of week-end RPO service in northeastern Montana.

There, in outline, is the picture we are getting of inadequate mail service in Montana. This morning's mail indicates that

Montana is not unique. The publisher of a daily newspaper with nationwide circulation reports an increasingly large number of complaints of poor mail delivery service from "almost every State in the Union."

A typical complaint, reports the publisher, is that his subscribers receive no papers at all for a week or 10 days, and then get all the missing numbers in 1 day's delivery.

We need not remind you, I am sure, of the Republican Party's 1952 platform pledge to provide a more efficient and frequent mail delivery service, which was followed by President Eisenhower's assurance that this program would be carried out to the letter.

We respectfully request that your personal attention be directed to the deteriorating postal delivery situation in Montana.

Sincerely yours,

JAMES E. MURRAY,
United States Senator.
MIKE MANSFIELD,
United States Senator.
LEE METCALF,
Member of Congress.

A Disgusting Incident

EXTENSION OF REMARKS
OF
HON. IRWIN D. DAVIDSON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. DAVIDSON. Mr. Speaker, I have no doubt that our Communist adversaries are busy today—busy telling a shameful story to confused people all over the world. The story is being circulated in India, in the Middle East, in the Far East—all over the globe. It is a powerful but completely distorted and false story of the American people.

We have spent billions to bring the truth to those already enslaved and on the brink of Communist enslavement, and now in one brief and disgusting incident, we and our message have suffered a setback from which we may never fully recover.

A small mob of cowardly hooligans, blinded by ignorance and hate, inflamed by liquor and bigoted venom, has caused all this, and has destroyed all that we have worked so assiduously to accomplish. The objective of this foul rabble's hatred is a single defenseless girl named Autherine Lucy, 26 years old. She happens to be a Negress. When she attempted to attend classes at the University of Alabama, the mob collected and greeted her with stones, mud balls, and eggs as fetid as the breath used by these erstwhile men, turned to beasts, in their vituperative catcalls.

To all of this, Alabama's Governor Folsom has as yet made no comment.

It is required for someone to say that this is not a picture of America. True Americans are agonized by this spectacle and pray to God that the Communist propaganda machine will not make the people of the world lose confidence in America or faith in democracy.

Respect for the dignity of the individual is still the essence of democracy and the American creed, the actions of a disgraceful riotous mob of 1,000 cowards to the contrary notwithstanding.

President Eisenhower as a Candidate in the Minnesota Presidential Primary

EXTENSION OF REMARKS
OF
HON. EDWARD J. THYE
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, February 7, 1956

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the statement I made at St. Paul, Minn., at the time I placed the name of President Eisenhower in the Minnesota presidential primaries as a candidate for President.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THYE

The citizens of Minnesota in March of 1952 catapulted President Eisenhower into American political leadership with an unprecedented write-in vote in the Minnesota presidential primary. Today the Republican Party of Minnesota reaffirms its convictions and faith of 4 years ago by placing the name of President Eisenhower before the voters in the Minnesota primary to be held on March 20, 1956.

The petitions which have been filed in behalf of the President contain the names of approximately 1,000 people from all walks of life. We are entering the President in the Minnesota primary confident that he will be a candidate for reelection and certain that he will be returned to the White House for a second term by a landslide vote.

President Eisenhower's administration has been one of imagination, conscience, mind, and heart. He has breathed new life and has injected hope and faith into a sagging world.

During the campaign of 1952 he spoke plainly to the American people about world peace and domestic prosperity. This was done amid a backdrop of the Korean war, rigid controls on wages, prices, rents, a spiraling inflation, excessive deficit spending, high taxes, and a Government which was growing topheavy after 20 years of bureau operating on top of bureau.

Today just 3 years after his inauguration we find the United States at peace, enjoying an unprecedented prosperity without economic controls, and with a balanced budget in sight. Inflation has been arrested, taxes have been reduced, and Government operations have been streamlined. This all adds up to the fact that the President has kept faith with the American public and has fulfilled his campaign promises like no other presidential candidate in our time.

Today his opponents stand exposed before the public in a state of utter disbelief and frustration. These are the people who laughed in late 1952 when the President visited Korea personally in an attempt to end the Korean war. These are the same people who spread gloom and doom in 1953. They predicted a deep depression, the destruction of labor unions in the United States, and an isolationist approach to world affairs. They proved to be false prophets. They were wrong; President Eisenhower was a far greater leader than they were accustomed to.

President Eisenhower has unfolded a new and stimulating philosophy in government. It is neither radical nor reactionary. It does not constantly pull at the tender strings of emotion. It rejects the proposition that every phase of the individual's life must be planned and controlled from Washington. He has created an active partnership among the Federal Government, the State and local governments, and the individual citizen.

In foreign affairs the Republican administration has assumed world leadership which rejects the policy of appeasement toward Russia. We have made clear that we are desirous of world peace, but that we are prepared at the same time to thwart aggression wherever it may come. The United States has seized the initiative in the battle of nerves with Russia. No longer is our policy geared only to the timetable of Communist aggression.

As a vital part of this policy the administration has taken all steps to protect the security of the United States. The President with his military and diplomatic experience and background has been able to achieve these interrelated results by careful and prudent planning of our military needs and our diplomatic goals.

Perhaps the true greatness of the President can best be seen through his deep and sincere concern for the individual. It is in the field of human relations where we find the heart and conscience of a great humanitarian. He has charted a new course for the young and the aged. School construction and extended social-security benfits for millions will in time have a profound effect upon the population of this country. He has translated his compassion for the sick and bereaved into action by spearheading the drive for more intensive research into medical science to combat such ills as heart disease, cancer, polio, cerebral palsy, etc. Many have spoken pages of empty words about civil rights, but not since Lincoln have we had a President truly dedicated to the proposition that race, color, and creed do not determine the rights and privileges of our citizens. President Eisenhower has made it clear to all that every individual enjoys an inherent dignity which human bigotry cannot destroy. Herein lies the true reason why the President has become a member of every family in the United States.

President Eisenhower has brought out the best in our heritage of freedom, liberty, and opportunity. The American people will extend their thanks in November with a resounding vote of confidence in the President and the Republican Party.

Brink by Brink

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. FORAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the address delivered by Senator CLINTON P. ANDERSON at the congressional dinner, nationalities division of the Democratic National Committee, in Washington, D. C., on January 28, 1956.

The address follows:

Anyone who walks the corridors of the Capitol today finds his elected representatives absorbed by two problems: the farm problem and the problem of our foreign relations. Every participant in this nationalities group is immediately attracted to these questions because so many of us have ties back to another country where the way of life is largely agricultural. Naturally, many of these farmers who immigrated to this country found their way into agricultural

pursuits. All through the States of Iowa, Wisconsin, Minnesota, the Dakotas and Nebraska you find whole areas that were built up by those individuals who saw in America a chance for freedoms, opportunities and the pursuit of happiness which they had not known in their homeland.

On my bookshelves at home I have a book entitled "The Swedes in South Dakota." There were huge immigrations of Swedes in the 1860's and as I turn the leaves of the book I find not only the name of my father, but of my cousins and uncles and aunts. A whole section of the Dakotas was filled by the Swedish migration.

They came looking for land, land that was free. Jim Hill became their patron saint because as he stretched his railroads across the western prairies he made advantageous sales to the Scandinavian and German immigrants. They could acquire one quarter of a section by homestead route, another quarter section by a tree claim, and then buy the alternate quarters from the railroad to give them a full section of land. It was a day of great opportunity not only to those who entered agriculture but to those who were employed in industry because if they did not like their jobs they could pick up their belongings and go west to make a new home and a good living.

It's because my father was born in Sweden that by instinct and inheritance I am attracted to the problems of the farm and to those matters of international relationships which touch the peoples in lands over the seas.

Every time we come closer to an election the farm problem gets more attention. For 3 years farm prices have been moving downward. We Democrats occasionally differ among ourselves as to causes and sometimes as to proposed remedies, but we are agreed on one subject. That is that the farmer has been getting proportionately less and less of the consumer's dollar, a smaller and ever smaller share of national income, and a persistent reduction in his markets at home and abroad.

I'm sure Secretary Benson has good intentions, but he may be headed the wrong way. For instance, he said this to the Farm Bureau Convention on December 16, 1953: "Let me assure you that though the solution of the farm problem may still be in the future, considerable progress has been made along the road to recovery. I believe that 1953 has marked the turning point—in the right direction."

Let's look at the farmer's road to recovery. On the day that Mr. Eisenhower was elected President, parity stood at 99 percent. I know it had been higher and I know it got lower before Mr. Eisenhower was inaugurated because people worried over what his administration would do to the farmers, but on the day he was elected, parity stood at 99 percent. And today it stands at 80 percent. That's the lowest it has been since 1940. That is one landmark on the road to recovery.

When Mr. Eisenhower was elected President, the farmer's share of the consumer's dollar was 47 percent. True, it had been up to 54 percent in 1945, but it went on down until today it stands at 38 percent, almost a record low and the lowest it has been since 1939. That is another milestone on the road to recovery.

When Mr. Eisenhower was elected, net farm income was running at the rate of 15 billions per year. Today it is running at the rate of 10.5 billion per year and the Department estimates it may drop lower in 1956. That is the third milestone on the road to recovery. From these we may conclude that what Mr. Benson referred to as the right direction is not the direction that agriculture was traveling during the years of Democratic administration.

When I read these comments by the Secretary, I am reminded of a flier who flew the Atlantic Ocean but claimed that he really thought he was flying to the west coast. The press named him "Wrong Way Corrigan." Now I worry, because the Secretary said on December 15, 1954, "We are headed in the right direction at last." That talk of the right direction bothers me because what seems to be meat to him is poison to the American farmers.

Of course the recent blast by Republican Congressmen against the Secretary might have been brought on by the speech of Secretary Benson to the National Council of Farm Cooperatives only 2 weeks ago in which he proclaimed that there was, and I quote, "a new buoyancy in the market place—a new hope—a new vigor and zest." Right after he said it, all grain prices dropped. The zest was not in the bulls, it was in the bears. Every farmer knows the difference.

Someone urged me to see a new film called "I'll Cry Tomorrow." I could not, farmers are crying today.

Frankly, I do a little farming myself, and my experience helps me understand the protests from livestock producers. On the 14th of January 1955, I bought 208 calves that weighed 87,155 pounds and I paid $15,339.47 for them. I put them on rough pasture for a few months, then on irrigated permanent pasture, and then put them in a feed lot and fed them ensilage, chopped alfalfa and oats with a generous mixture of prepared supplement with stilbestrol. I sold them in the last 2 weeks. I had lost a few head by bloat in the rich pasture where I kept them all summer, but the 198 head that remained weighed 140,750 pounds. They brought me $19,669.88 in the market. By the time I took off commissions, feed enroute to the market, charges of the livestock meat board, trucking and a delivery charge, I netted about $17,000 for cattle that had cost me a year ago $15,339. When I then take out the cost of the supplement I find that I broke even so far as cash is concerned. I got nothing for my roughage, nothing for my pasture, nothing for my ensilage, nothing for my alfalfa, nothing for my oats, nothing for the services of the men who fed them. In fact, I could sing the song, "I Got Plenty of Nothing." My only comfort is that my wife and I have had the company of the cattle all year long.

But on January 16 an Associated Press dispatch tells that John Morrell & Co., packers, reported that their net income for the last fiscal year has risen from 64 cents a share in the previous year to $3.37 a share this past year. The packers did all right but I was not looking in that direction. The movie star may cry tomorrow, but the farmers are crying today.

Now to pass from the dismal farming scene to a happier, more buoyant portion of the national spectrum. I refer to that very hopeful, happy, optimistic note sounded by the Secretary of State who is now engaged in a heroic effort to rewrite history in his own image and likeness. We had four brinks in the same week, one of them was the solution to a robbery in Boston, and the other three were triumphs in diplomacy. I am not sure which was the most fascinating recital, but I know that I read with wonder and amazement how we had been brought three times to the verge of war without getting into the war. Whether that is or is not what Mr. Dulles calls "the necessary art," people were certain to be attracted to the frankness of the observations by the Secretary of State to this effect: "If you are scared to go to the brink, you are lost."

Now in addition to the diplomatic consequences there may have been political consequences all along the pathway to the brink. Let's take a look—brink by brink.

The first brink came in 1953 when Syngman Rhee ordered the release of thousands of Communist war prisoners. Let's accept the appraisal of his accomplishment by Mr. Dulles, although in the published record at the time I find no evidence whatever that an American ultimatum was delivered, hinted at, or even contemplated. Right now my question is: What took place thereafter on the American scene where the people I know do not believe that the closer you get to war the nearer you are to peace? I overlook the possibility that the Communists may find in a magazine article excellent material for their propaganda mill as I try to see what took place at home.

From the Democratic standpoint, the first brink in 1953 did us no damage. That fall the Democrats won 6 out of 7 congressional elections. Two of these districts we won for the first time in history—the victory of LESTER JOHNSON in the Ninth District of Wisconsin and of HARRISON WILLIAMS in the Sixth District of New Jersey.

Also, in the fall of 1953, the Democrats won a victory of enormous strategic importance by the election of able and attractive Robert B. Meyner to the Governorship of New Jersey, the first time a Democrat had been elected Governor in that State in 20 years. So the 1953 brink was not so bad for us Democrats at the polls.

Many touching scenes are connected with these heroic and historical episodes. For example, there was the very sweet scene which followed the dramatic speech of the President as he took office. He announced to a cheering joint session of the Senate and House that he was unleashing Chiang Kai-shek and would no longer allow the Sixth Fleet to hold him bottled up in Formosa but would let him rain his savage blows upon the Communists on the mainland of China. See him today as the Generalissimo stands among the tea gardens in Formosa and says over and over to himself:

"How dear to my heart are the scenes on the mainland
Since Ike has unleashed me to battle the Reds.
But now that we're free to depart from Formosa,
We pull up the covers and sleep in our beds."

The second brink was Indochina in early 1954. I have no way of knowing whether Eden did or did not find himself able to bargain from Dulles' strength, as the magazine article claims. If our Secretary of State was so pleased by what he accomplished at Geneva, why did he pack his bags and come home in high dudgeon? But if I accept for the moment his claims of great accomplishment in the Indochina crisis of 1954, I wonder what happened at home after we passed the brink? How did it affect the Americans? And particularly, what did it do to the Democrats?

That fall, to put it briefly, we won 25 out of 38 Senate races. Our Democratic candidates for Congress got the highest percentage of popular votes that they had received since 1934—a period of 20 years. We won 500 seats in State legislatures from the Republicans and we lost only 5—a nice comfortable ratio of 100 to 1.

We won eight more governors and lost none. We won in Maine, Minnesota, and Pennsylvania for the first time in 20 years, in New York for the first time in 12 years. New York and Pennsylvania, by the way, have the greatest number of votes in our electoral college. As a westerner I am glad we won in Connecticut with able and popular Governor Abe Ribicoff, but I take more joy out of the fact that we redeemed part of the great Democratic desert that had been building up in the arid Southwest. We won back the governorships of Arizona, Colorado, and New Mexico. In these three, the desert now flourishes like the rose, and drought will never again invade our pleasant pastures. That brink wasn't too tough.

So I come to the third brink—Formosa Strait in 1955. The effects of this brink are not quite so stimulating to the Democrats because Democrats helped in the passage of a resolution which clarified the American position on Formosa and gave strength to the President in his position as our leader in foreign affairs. I do not regret that the Democrats displayed the true measure of a responsible party promptly upon taking over control of the Congress, but I point out that the brink itself did not disappoint our party. In California we elected the first Democratic State senator since 1912. In West Hartford we took control of the council for the first time in 100 years. In Michigan the Democrats won 5 out of 8 statewide contests, the first time they have had such success in a spring statewide election since 1933. In November, Indiana Democrats did a wonderful job in municipal el ctions, to the end that the Democrats now control the mayors' offices in 73 cities, whereas the party's previous high record was 56 in 1930, just ahead of the Franklin Roosevelt landslide. So the third brink didn't hurt us.

Isn't there a nursery rhyme (if not, I'm sure there should be)—a nursery rhyme that goes like this:

"Every time he touched the brink
He plunged his party in the drink."

Now that we have joined the brink-of-the year club, no one knows where the 1956 salvation will take place. I can only predict that it will probably result in the same political disaster as have these past endeavors. We have won the cities after one of the brinks. We've won the legislatures after another brink. We won the governorships and control of the House and Senate after a third brink.

What can the fourth brink bring us except the Presidency itself, and to that task of winning the White House in 1956 I am sure the nationalities groups wi'l steadfastly dedicate their endeavors from now until November.

Comparison of School Construction Financing

EXTENSION OF REMARKS
OF
HON. AUGUSTINE B. KELLEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. KELLEY of Pennsylvania. Mr. Speaker, because of the paramount interest in legislation dealing with Federal aid to school construction, I am submitting figures showing a comparison between H. R. 7535, the Kelley bill, and S. 2905, the administration bill.

Under the provisions of H. R. 7535, the requirements are that matching funds should be on a 50–50 basis over a 4-year period. Four hundred million dollars for 4 years amounts to $1,600,000,000. The column on the left shows what each State would receive from the Federal Government for a period of 4 years.

Under the provisions of S. 2905, the requirements are that $250 million be allotted annually, but on a different formula and for a period of 5 years. Two hundred and fifty million dollars for 5 years amounts to $1,250,000,000. The column on the right shows what each State would receive from the Federal Government for a period of 5 years.

Consequently, S. 2905 penalizes the wealthier States.

	H. R. 7535 [1]	S. 2905 [2]
Alabama	$37,591,776	$44,205,000
Arizona	10,256,416	9,595,000
Arkansas	22,907,488	26,610,000
California	105,817,232	50,195,000
Colorado	13,973,760	11,025,000
Connecticut	19,292,896	7,585,000
Delaware	3,298,320	1,430,000
Florida	31,356,608	25,050,000
Georgia	41,748,560	44,730,000
Idaho	7,003,280	7,025,000
Illinois	81,102,448	42,285,500
Indiana	36,709,360	24,050,000
Iowa	25,844,352	23,070,000
Kansas	19,247,712	15,070,000
Kentucky	33,660,912	34,500,000
Louisiana	32,937,984	34,995,000
Maine	9,397,952	7,165,000
Maryland	24,568,880	17,040,000
Massachusetts	43,058,848	25,740,000
Michigan	68,225,456	46,655,000
Minnesota	30,814,416	27,380,000
Mississippi	27,154,640	30,275,000
Missouri	37,908,048	23,835,000
Montana	6,461,088	5,315,000
Nebraska	13,057,728	11,200,000
Nevada	1,852,480	7,650,000
New Hampshire	5,015,248	4,060,000
New Jersey	44,820,960	20,900,000
New Mexico	9,217,216	10,320,000
New York	128,950,640	59,785,000
North Carolina	49,429,568	57,510,000
North Dakota	6,958,096	7,780,000
Ohio	79,385,520	41,245,000
Oklahoma	24,262,960	24,735,000
Oregon	15,452,384	11,660,000
Pennsylvania	100,485,712	70,945,000
Rhode Island	7,003,280	3,530,000
South Carolina	27,787,184	34,215,000
South Dakota	6,912,912	7,220,000
Tennessee	37,275,504	37,840,000
Texas	87,879,808	83,905,000
Utah	8,629,840	8,990,000
Vermont	3,976,048	4,005,000
Virginia	36,914,032	36,055,000
Washington	23,720,768	16,195,000
West Virginia	22,952,672	26,535,000
Wisconsin	34,880,832	27,735,000
Wyoming	3,207,952	2,485,000
District of Columbia	6,099,632	4,960,000
Alaska	1,039,200	1,790,000
American Samoa	303,656	
Guam	497,008	705,000
Hawaii	5,286,336	4,490,000
Puerto Rico	32,440,976	42,035,000
Virgin Islands	361,456	490,000

[1] $400 million annually for 4 years.
[2] $250 million annually for 5 years.

Operation Pork Lift

EXTENSION OF REMARKS
OF
HON. ROMAN L. HRUSKA
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Tuesday, February 7, 1956

Mr. HRUSKA. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement in the form of a summary of efforts made by various communities in my State and in the neighboring State of Iowa to increase the consumption of meat stocks. Admittedly a publicity venture and gimmick, it nevertheless does show the efforts of some of our local people to make intelligent and alert efforts to solve a very trying problem.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPERATION PORK LIFT

(Statement by Senator HRUSKA)

Many studies of our farm problems have shown that consumption of our farm products lags far behind production despite our population increase and lower farm prices. As a result, we have piled up huge surpluses which hang over the market further depressing prices.

Statistics show that the American consumer is spending less money for meat despite his higher take-home pay. And, although the United States is the world's fifth largest meat producer, our meat consumption per capita lags far behind per capita meat consumption in Uruguay, Australia, Argentina, and other meat producing countries.

When pork prices dropped recently, Nebraskans and Iowans faced up to these facts and made a frontal attack on them. The result was a help-your-neighbor campaign, operation pork lift, aimed at increasing pork consumption and strengthening hog prices.

At the suggestion of the West Pottawattamie County, Iowa, Farm Bureau last December, operation pork lift was organized in Omaha and Council Bluffs. Working committees were set up in each city, spearheaded by their respective chambers of commerce, and coordinated through the Omaha-Council Bluffs joint steering committee.

These groups represented all segments of the pork economy—producers, packers, labor unions, marketing interests, retail grocers, restaurants, and consumers. No advance notice was given the consumer so that he could save up his pork purchasing before a 3-day campaign held January 12 through 14.

Promotional material for the eat pork campaign was carried by the press, radio, and television, and in groceries, nonfood retailers, and restaurants. Pork featured school lunches, hospital meals, and service organization lunches.

At the end of the campaign not one food retailer was found who had not at least doubled his pork sales, and several reported increases up to 600 percent. The dollars-and-cents results for pork producers were immediate; at the end of the campaign week the Omaha hog market closed with hog prices 25 cents to 50 cents a hundred pounds higher, and the closing top, $12.25 a hundredweight, was the highest since November.

With Governor Victor Anderson, of Nebraska, and Governor Leo Hoegh, of Iowa, acting as spearheads, Operation Porklift now has reached state-wide proportions.

A public-spirited city in each State—Cozad, Nebr., and Audubon, Iowa—symbolized the intensiveness of these campaigns by contesting for a pork-consumption championship. Each city enlisted surrounding cities and towns in the week-long effort, and caravans of pork purchasers visited each city daily. Airplanes were used as the contest neared an end to keep retailers supplied with pork products. Otoe County, Nebr., began its Porklift January 21.

Presented with the first ham sold in the Cozad campaign, President Eisenhower wrote Cozad citizens, "The friendly competition between Audubon and Cozad cannot fail to focus attention on the pork-disposal problem of the country as a whole."

The impact of these campaigns on our farm problems is, indeed, a significant one. In addition to encouraging pork consumption and working to relieve the surplus, these campaigns lead to better health by encouraging more consumption of pork in a greater variety. Housewives found more uses for other than the demand cuts which make up only about one-third of the hog, but have the same protein value.

This Nebraska-Iowa leadership shows the country, Mr. President, the contribution it can make directly toward licking our surplus problems. It again demonstrates that local initiative and resourcefulness can secure results quickly and economically without the need for Government interference.

The following item is taken from the Omaha World-Herald of January 31, 1956:

"A PINK GLOW IN THE SKIES

"Sure, it was a publicity gag.

"It won't solve the farm problem.

"But what a glorious time the people of Audubon, Iowa, and Cozad, Nebr., had in last week's pork-sale derby.

"And not the residents of those two towns only. Hosts of people flocked in from nearby communities—and far-away ones too—to take part in the contest. That probably is one of the big reasons why Audubon won. It has more neighbors.

"As for the spirit of the two towns, there wasn't much to choose. Both were superb. Both threw themselves into the contest with that high-octane enthusiasm which is experienced only by people who work selflessly for their neighbors and their community.

"We imagine there will be a pink glow in the skies over Audubon and Cozad for many a week to come."

Statement by Hon. Abraham J. Multer, of New York, to the House Committee on the Judiciary

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. MULTER. Mr. Speaker, I wish to call the attention of our colleagues to the following statement which I presented on Febraury 6, 1956, to the House Committee on the Judiciary during its hearings on bills relating to the payment of annuities to widows and dependent children of United States justices and judges:

Mr. Chairman and members of the committee, I am appreciative of the opportunity to present my views concerning the bills before you, which would amend Chapter 17 of Title 28 of the United States to provide for the payment of annuities to widows and dependent children of United States justices and judges.

It is a matter of public record that in recent years experienced judges have resigned, and at the same time able candidates have debarred themselves from judicial ranks, only because they could envision no security for their families by accepting appointment to the Federal judiciary.

I have been advocating annuities or pensions for members of our judiciary for some years past. I am unable to dismiss from my mind the remarks made a few years ago by one of our judges during the course of giving testimony before another subcommittee of this committee. In describing the sad plight of judges' widows, he remarked that in order to earn a bare livelihood the widow of a former United States judge had been working in the clerk's office. She was then close to 90 years of age.

It is my recollection that in past years the objection to proposed legislation of a similar nature was on the ground that judges should contribute to the cost of an annuity program for their families. It is my information that there is no objection among the judiciary to contributing to the cost of an annuity system.

It is an acknowledged truism that one cannot expect the fullest professional enthusiasm or zeal from a man who can have no hope of security for his family after his death. I am not talking about the conscientious performance of duties, but I refer to that zest by which the brilliancy of man can spark if free from economic worries for the future.

How sad but true is the implication that results by metaphorically applying to this situation the legal maxim: the law provides for the future and the judge for the past, lex de futuro, judex de praeterito—judges are not able to plan for their future because they are already too worried about how to resolve the economic obligations of their unprosperous judicial past.

I urge the enactment of a bill that will set up a fair annuity system for our judges' dependents.

Prayer in the United Nations

EXTENSION OF REMARKS
OF
HON. FRANK J. BECKER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. BECKER. Mr. Speaker, on January 5, 1955, I introduced House Concurrent Resolution 23 to bring about the open expression of prayer in the United Nations at their Assembly gatherings. I have continued pressing for action on this resolution and hope that it will be reported out early in this session.

I was very happy to learn through an article appearing in the New York Herald Tribune, December 30, 1955, that our representative to the United Nations, Ambassador Henry Cabot Lodge, Jr., through the various delegations of the United Nations, is taking action to bring about prayer in the United Nations Assembly. Under unanimous consent, I insert this newspaper article in the CONGRESSIONAL RECORD at this point together with my copy of letter complimenting the Honorable Henry Cabot Lodge, Jr.:

LODGE CALLS FOR PRAYER TO START U. N. ASSEMBLY

(By John Molleson)

UNITED NATIONS, N. Y., December 29.—Henry Cabot Lodge, Jr., today made public his proposal that each meeting of the U. N. General Assembly open with an audible prayer, to be offered by a priest from any of the faiths which have believers in the U. N.

The chief American delegate said he had sent letters urging an Assembly invocation to each of the 75 other member states, including 16 newly admitted nations. "The fact that many new members have been admitted to the U. N. prompts me to propose afresh that future meetings of the General Assembly be opened with prayer," he said.

A United States spokesman said that more than a dozen replies had been received to the letter, which was mailed December 21. Most of the replies favor the invocation, a small number are noncommital, and none is opposed to the idea, he said. The names of the responding nations were not released.

Assembly meetings now open with a moment of silence which can be used for prayer or meditation. In his letter Mr. Lodge urged "that God be openly and audibly invoked in the conviction that we cannot make the U. N. into a successful instrument for God's peace without God's help—and that with His help we cannot fail."

The American delegate proposed an invocation in accordance with any one of the religious faiths represented here. "There is probably no single thing that the U. N. can do which will so move and touch millions of people around the world, and will give them such confidence in the United Nations," he said.

With its wide representation of different beliefs and degrees of belief, the U. N. has avoided appeals to a specific God and has confined its show of devotion to a carefully nondenominational meditation room, an enclosure in the main lobby of the General Assembly hall, now chiefly visited by tourists.

JANUARY 11, 1956.

Hon. HENRY CABOT LODGE, Jr.,
United States Representative, United States Mission to the United Nations, New York, N. Y.

MY DEAR MR. AMBASSADOR: I, together with many people, congratulate you on taking some forward steps to bring about the expression of audible prayer at the sessions of the United Nations, and your statement made on December 29 spells out the reasons in no uncertain terms.

I have felt very keenly about this ever since the United Nations came into being and have used every method at my command to bring this about, including the introduction of a resolution, House Concurrent Resolution 23, copy of which is enclosed. I have felt that it would be an excellent expression if the Congress adopted this resolution, and I firmly believe that it would add additional strength to the position you have already taken.

The argument that has been advanced that there are many different types of religion represented at the United Nations can be easily answered by a prayer properly drawn that could well represent the thinking of all God-fearing people regardless of their manner of worship.

It is my sincere hope that this resolution will receive favorable action at this session, and I know the American people are taking and will continue to take every possible means to assist you in bringing into the United Nations the Prince of Peace because, without His help, I fear there is little hope of the United Nations accomplishing the results we all desire.

Sincerely yours,

———.

Mr. Speaker, I am positive that the passage of House Concurrent Resolution 23 by both Houses of Congress will certainly lend great weight to the efforts of our Ambassador to the United Nations.

Farmers Reply to the Question, Will Soil Bank Work?

EXTENSION OF REMARKS
OF
HON. GEORGE H. CHRISTOPHER
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. CHRISTOPHER. Mr. Speaker, this House voted by a substantial majority last year to discontinue the sliding scale of parity price supports and return to 90 percent on the basic commodities. Had the Senate taken similar action, much of the suffering and loss of income on the farms of this country that has taken place during the past year would have been avoided. It is to be hoped that when the Agricultural Committee of the Senate reports out the measure it is presently considering, they

will concur with the action the House took last year.

The soil-bank plan proposed by this administration, if taken in conjunction with 90-percent price supports for our basic commodities, with a production payment covering meat, milk, eggs, poultry, fruit, and vegetables equal to the difference between the price at which these commodities sell on the market and 90 percent of parity, this difference to be determined by the Department of Agriculture, such a program would relieve the agricultural situation and put the farming industry back again on its feet. The farmer has always demonstrated that he was willing to accept production controls, if it would give him an income that would permit him to meet his fixed overhead, and have enough left over to feed, clothe, and educate his family. The vote last year on wheat-acreage allotments demonstrated that fact quite clearly. No matter what such a program costs, it will be cheap compared to what will happen if this situation is permitted to continue until it breeds a depression such as we had in the early thirties.

The American farmer is honest, industrious, and patriotic. He has always answered the call of his country when he was asked to produce food and more food. He was told not so long ago that food would win the war and that it would also write the peace. At his country's call, he expanded his production and although his sons were drafted into the army; with the aid of his wife and daughters, he kept the food and fiber coming in from the American farms in the volume required to feed and clothe our military forces, our factory workers and our allies, who were engaged in the conflict.

When the war had been won and the peace had been written, the farmer received no reconversion payment such as industry received; no depletion allowance of 27½ percent as has been allowed and is still being allowed the oil, gas and mining industry. But he was told by those whose duty it was to protect him that he "had been living in a dream world" and that nobody expected it to last. Someone in the Department of Agriculture, over the signature of Secretary Benson, wrote a letter praising a magazine article that branded the farmer as an undesirable citizen and compared him to a hog with its jowls in a trough. If accepting a Government subsidy brands the farmer as a hog, then business and transportation should share the disgrace along with him, because for every subsidy dollar the farmer has received, business and transportation has received 39 subsidy dollars during the same period.

The farmer has always fed and clothed this Nation better than any nation was ever fed and clothed in the history of the world; and the only charge brought against the farmer today is that he is doing his job just a little too well.

Industry and business responded nobly to its country's call, producing the steel and the armament that their country needed. But check the difference in the way this country rewarded the patriotism shown by industry and the way it has rewarded the same patriotism evidenced by the American farmer. It is true that between October 17, 1933 and November 30, 1953, the Federal Government has taken up a tab for losses on agricultural products amounting to $1,194,800,000. But during that same period, the Government picked up a tab for business in reconversion payments amounting to $40,787,864,000; with subsidies to shipping and airlines amounting to $5 billion more. So it is evident from these figures that business, transportation, and industry received 39 times the amount in post-war adjustment than has gone to agriculture. These figures are taken from Government Subsidy Historical Review, under date of June 3, 1954, obtainable from the House Committee on Agriculture. The foreword is written by the Honorable CLIFFORD R. HOPE, of Kansas, who was chairman of the House Committee on Agriculture at the time these figures were compiled.

There is no valid reason why the farmers of the United States should not be paid parity prices for the food and fiber that feeds and clothes this Nation. Every other segment of our industry is receiving cost of production, plus a profit—a profit that is sometimes more than a reasonable profit. It would be to the interest of the entire economy to have a prosperous agriculture in this Nation.

The farmer is not only a producer, he is a consumer; and the best market in the world today for the products of American business and industry; and why anyone would seek to force him to accept the role of an inferior citizen is beyond my comprehension.

I am appending hereto, statements by a number of farmers in my home State which will give the reader an idea how farmers in Missouri feel about the present plight of the American farmer, and what they think should be done about it. These men are good, solid, reasonsible farmers and are good citizens. They are not radicals by any stretch of the imagination. I hope my colleagues will read their views on this situation. I think we can all do so with profit to ourselves and our country.

Let me close, Mr. Speaker, by saying that regardless of what the farm program turns out to be, unless we have 90 percent of parity price supports for all farm products, the program, however good it might otherwise be, will fail to correct this situation. Prices are of the utmost importance.

Four hundred thousand farmers have already been forced off of their farms. The need is imperative and must be met now, not in 1957 or 1958, but now, or thousands more will share the same fate before 1956 becomes history.

The statements referred to follow:

FARMERS' REPLY TO THE QUESTION: WILL SOIL BANK WORK?

Last month we ran results on a questionnaire sent out to a number of farmers. It created so much interest that we include here the results and comments of a second such survey. The 19 questions listed below all pertain to the soil-bank plan. They were sent to about 150 farmers. Returns were amazing. The fact that most every set of questions was returned, gave evidence that farmers were fully aware of the much ado about farm affairs. Their answers also indicated that they are considerably more alert on the problems of low agricultural income than some given them credit for. Below is a sample questionnaire with a tabulation of the answers.

SAMPLE QUESTIONNAIRE

1. Should soil bank be voluntary? Voluntary, 68; compulsory, 18.

2. Should grazing be allowed of acres diverted to soil bank? Yes, 39; no, 46.

3. Should farmers be allowed to harvest grass seed from acres diverted to soil bank? Yes, 42; no, 43.

4. Should farmers be allowed to harvest hay crop from acres diverted to soil bank? Yes, 31; no, 54.

5. Should farmers be required to mow acres diverted to soil bank? Yes, 48; no, 32.

6. Should farmers spend all the money received from Government under soil bank agreement on soil building practices on these diverted acres? Yes, 11; no, 71.

7. In normal years approximately half a million acres of Missouri cropland lies idle. Should these acres be included among those receiving payment under the soil-bank proposals? Yes, 22; no, 64.

8. Some farmers feel that they need more acres to profitably utilize their machinery and time. Do you have acres that you can afford to keep out of production? Yes, 38; no, 48.

9. Have you acres that you would plant in grass under such an agreement? Yes, 58; no, 24.

10. Have you acres that you would plant in trees under such a proposal? Yes, 8; no, 81.

11. In your opinion what would be desirable number of years for duration of such soil-bank agreements with farmers? Thirty-four answered 3 years and under; 34 answered 5 years; 6 answered 10 years; 1 answered 10 to 15 years.

12. Should soil-bank proposal include your best land? Yes, 3. Your poorest land? Yes, 23. Both? Yes, 59.

13. Should a limit be placed on the number of acres farmers could lease to Government? For example a farmer might desire to lease his entire farm to Government. Favor limit, 50; no limit, 37.

14. You have fixed costs such as interest, insurance, taxes, etc. What, in your opinion, would be a fair payment per acre for keeping cropland idle under a soil-bank agreement? Twenty-eight answered $15 per acre of cropland or less; 11 answered $16 to $26 per acre of cropland; 26 answered $26 to $35 per acre of cropland; and 7 answered $35 to $100 per acre of cropland.

15. Do you consider the soil-bank proposals as a farm program with the idea of the Government leasing enough land to cut production to the point that farm prices will rise as a result of farm commodities becoming scarce on the market (yes, 18), or do you consider it merely as a conservation measure that is only a part of an overall farm program? Yes, 56. Both? Yes, 7.

16. How much would the Government be required to pay you per acre before you would be willing to lease them your entire farm? Eight answered $10 per acre or less; 26 answered $11 to $25 per acre; 19 answered $25 to $40 per acre; 16 answered $40 to $100 per acre.

17. In your opinion, will the soil-bank payments be adequate to compensate for low prices farm commodities are bringing at the market? Yes, 11; no, 75.

18. Do you feel that the soil bank is the answer to the farm problem? Yes, 10; no, 72; partially, 7.

19. You do not know exactly what type of a soil-bank proposal will be considered by the next Congress. In view of what you do know about the soil-bank proposals, how

do you think it would fit into your own personal farm operation? Fill in your remarks in the space below.

Included are typical answers to this question.

Phil M. Smith, Williamsburg, former State director of the PMA, stated: "Don't think the soil-bank plan will answer the farmers problem. Most family-size farms need every acre of their productive land now to make a living and won't be interested in renting any good land to the Government. Plenty of marginal land can be rented but that will not cut production or be much of a soil-conservation measure. The soil-bank plan will not fit my personal farm operation. On 640-acre farm I have 320 acres of cropland and need it all to furnish feed for my livestock. From past experience would say that the soil-bank plan is impossible to administer so it will achieve the desired results."

Senator George Spencer, of Columbia, chairman of the Missouri Senate Agriculture Committee, asks, "How is a reduction in grain acreage going to help hog and beef cattle prices?" Senator Spencer pointed out that the soil-bank prospects have not increased grain-future prices.

Lawrence Laney, Pleasant Hope, has a dairy and poultry farm. He explained: "I doubt if it would help me as I buy more grain than I produce. I do think it would help the grain farmer if enough acres are taken out of production. It could hurt the dairy farmer if idle acres are allowed to be grazed or mowed for hay."

AVERAGE PAYMENT TOO SMALL

Frank Rea, of Branson, raises beef cattle and hogs. He remarked: "I think the soil bank would have very little direct effect on my operation as I pasture my entire acreage. If the acres diverted to grass are pastured and hay mowed off them, there would be a tendency to increase cattle numbers. If $750 million was the annual cost of the soil bank and each of 6 million farmers took part, the average would be $125, a magnificent sum for the easing of the price squeeze we are getting now. Even two or three billion dollars were put into it, the average payment to each farm would be too small to be of material assistance in itself. If the reduced production resulted in something near a shortage, then the increased price for the smaller production might materially increase the farm income. A big enough drought might do the same thing, and if both came together, some people might long for some surplus."

State Senator James P. Kelly, of Trenton, writes: "My own operation is mostly grass so it wouldn't be of much help to me personally. If it works, or is to work, it must be considered only a segment of a many-sided operation."

Raymond Roberts, Moberly, said, "I would be in favor of a try for any program that would tend to bring the production and demand into closer balance. I believe that there would be a better chance of the soil-bank proposal doing permanent good if the payments were made in surplus commodities instead of cash."

W. F. and Donald E. Rages, of Smithton, are partners. Donald said, "I don't think any such plan will be adequate to alleviate the present plight of the average farmer caught in a 'vicious high cost-low farm price squeeze.' It seems to me that any farm leader, farm organization, or Agriculture Department official advocating the soil-bank plan as the solution to the present farm problem is either unacquainted with the farmer or is completely indifferent to the situation as it exists and affects the average welfare of the farmer and to the welfare of the whole American agricultural economic structure."

LOOK TO THE BIBLE

Dalton Brown, of Walnut Grove, believes something must be done to check surplus and to rest and save soils. He said, "I believe the farm plan as found in Leviticus, chapter 25, verses 1 through 7, would be the solution to the surplus problem." This is the Bible story where the Lord told Moses that for 6 years they should sow their fields, prune their vineyard, and gather in the fruit but during the seventh year they should rest the land.

Leslie L. West, of Elvins, comments, "I don't believe the soil-bank plan will work to much of an advantage on smaller farms. It may work on farms of several acres. Farmers will have to have 100 percent parity on livestock as well as crops to operate and stay in business."

Jim H. Witten, Trenton remarks "I am against governmental controls in general. However the farm-price situation being what it is will draw a farm prog-am of some sort out of Washington. I think the soil-bank plan would have less controls attached to it than any other program."

FIRST NEED IS FAIR PRICE

Paul S. Schenk, Memphis, said: "What the farmer needs is a fair price for his products to enable him to carry on his own soil bank. To demand this price it appears we must accept some sort of production control. What in agricultural vocabulary is termed 'surplus' in industry and defense is termed 'stock piling'."

Edwin Brunner of Argyle explained, "It would help the big farmer and not the little farmer."

HOW WILL SMALL FARM EXIST?

Cyrus Crowder, of Sweet Springs, writes: "I could use a few acres in permanent grass but no trees. I have enough trouble with brush now. What I want to know is: How is the acreage going to be based? If it is on crop acres, how is the small farmer going to exist? I don't believe in cutting a small farm to where farmer must have another income to live decently."

Virgil Hitt, Greenwood, remarks, "I think now is the time to take some of it (land) out of production."

T. C. Howard, Elsberry, said: "I think the soil bank program is a fine thing for the future generations." He explains that what is needed now is a plan where we can live, pay taxes, and interest, and plan for the future.

Hilton Bracey, Portageville, writes: "This is the silliest proposal to come up in recent history—but we will probably get it anyway."

Forrest T. Lilley, Elsberry, is a livestock and grain farmer. He remarked: "The soil bank might replace the tenant farmer. One hundred percent of a Government payment might well be more attractive (to landlords) than 50 percent of a crop and the risks involved. The basic need in Missouri is for help for the livestock producer."

J. Roy Jeffress, Shakelford, comments: "The farmer needs help now, not next year. The young farmer could be out by that time."

L. W. DeMoss, Louisiana, explained, "I think soil bank O. K. for long-range program but farmers are in need of something to bring in cash immediately to prevent bankruptcy."

NO HOPE FOR REAL SOLUTION

Morris Horn, Labadie, writes, "What we are concerned about now is how we can get enough for our production to meet current expenses and keep from losing a life's work. It's the price of hogs, cattle, eggs, and cream that we are worried about. It seems to us that Benson and company should have been more concerned about prices farmers were getting, instead of accusing far-thinking farm leaders of being 'prophets of doom and gloom' when these leaders were pointing out the fact we were headed for trouble; instead of talking about the 'mess' they had inherited; instead of telling the farmer he was 'pricing himself out of the market.' Had they wholeheartedly supported and administered existing law and authority we would not now be in this extreme condition. Now, all of a sudden in an election year and like a bolt out of the blue sky 'no problem is more urgent.' It is this hypocrisy that has caused us to lose all faith that anything will be done for the family-type farmer in time."

Ed Derks, Stanberry, writes, "I believe the soil bank program will soon cut surplus if they (farmers) are paid enough for taking land out of production."

W. P. Hunter of Sikeston grows cotton, corn, beans, wheat, and cattle. He said, "If this soil bank land is to be grazed it would bankrupt the cattle man." He feels there should be no limit to the amount of payment to any individual farm or to any individual landowner or tenant.

Bernard Leonhard of Portage Des Sioux writes, "I am in a little different position than most grain farmers because I grow seed corn and I have an irrigation system on my farm. Due to the fact I have irrigation I have been growing single cross corn, also inbreds for the seed corn company. My gross income from my corn acres this year was $137 per acre. Since I have only 100 acres of cropland and a family of six children to support I certainly cannot afford to leave any of my acres in a soil bank unless I will be paid very well for it. I do not think the soil bank will solve the farmer's problem any more than acreage allotments have solved them. Farmers will naturally try to grow more on the acres they have left to farm so probably we will produce nearly as much as we are producing now."

Chriss J. Koening, Belle, explains, "With the machinery I have I could only afford to have a small percent of my land to rest at a time. It would not cut production much in my case."

S. T. Cooley, Centralia, states: "I do not think the soil bank is the answer to our farm problem but so far it is the only thing that Mr. Benson has come along with. I am in the same fix as every other Missouri farmer so am willing to go along with the soil bank program and hope it will help solve our farm problem."

Emer Nienhiser, Blackburn, explains: "I am a family-size farmer. The soil bank would not fit in my present operation at all. I have a very small corn allotment. I need all the grassland and feed for my present setup. It seems to me the soil bank program would fit in best for large farm operators, or farmers that have been depleting their farms, or part-time farmers. This could also include farmers that are more or less retiring."

Charles D. Miller, Memphis, explains: "The soil bank would not do on my farm as I am a grass farmer and run calves for feeder market." Miller favors production payments as a means of improving farm purchasing power.

Dwight Dodge, Hamilton, said: "The soil bank will help the larger farmers and hurt the small ones."

Hugo Schnakenberg, Cole Camp, points out the danger of some rich landlords renting their farm to the Government for more money than a renter could afford to pay. He describes the proposal as "just something to make the rich richer and the poor poorer."

John B. Ezell, Marshall, comments: "I can see no indication that the idea behind the soil bank is to retire me and eliminate my production. The idea of retiring certain acres about my farm would merely subject me to harassment and added costs; also it would be impossible to use the remaining acres to the best advantage. For instance, who is to build and pay the costs on the fence that will be necessary to keep the cattle from breaking in?"

Charles A. Myers, Brunswick, explains that most farmers do not have more land than is needed for them to get along. "The problem is how to get in enough money to meet necessary expenses," he said.

Elmer W. Haas, Rolla, writes: "I could not profitably keep out of production cropland and still have an economical farm unit whereby machinery and time would be fully utilized."

Don Sparks, Dixon, said "Some large owners who rent their farm might lease them to the Government. In my own case, with a large family of small children, I must increase production and use all available acres to keep up with the rising cost of living."

Everett Jose, Hartsburg, has 473 acres consisting of about 200 acres of Missouri River bottom land. He said, "The bottom land becomes overgrown with willows, cottonwoods and all types of weeds if not cultivated for a year or two. It would have to be kept mowed. I think this should be considered in the compensation allowed."

N. B. Tinnin, Hornerville, remarks, "The soil bank to me is just a political idea to get farmers thinking about something other than the low prices they are receiving for their commodities."

William Marshall of Nelson replied, "The whole soil bank program is a thin political primer to whitewash the United States farm economy."

Why can't Congress solve the farm problem, MFA President Heinkel asked? Any cost of a real plan would be cheap compared to a depression, which is in the making, he warned.

Outstanding Bibliography on Estonian Publications of Dr. Salme Kuri

EXTENSION OF REMARKS
OF
HON. JAMES T. PATTERSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. PATTERSON. Mr. Speaker, I know that every Member of this distinguished body at times has the occasion to perform certain research that is essential to the duties of our office.

Depending on which committee we serve upon, our ability to legislate more intelligently—thus to fulfill the responsibility for which we were summoned by the people of America—is largely dependent upon our accessibility to facts about many matters and categories with which we must be well acquainted.

In this terrifying age—when more than 900 million innocent human beings are held in cruel Soviet bondage—there is compelling need for factual and up-to-date information about the various satellite and Baltic States that are bound by the heavy chains of Communist slavery.

Mr. Speaker, in connection with my duties on the House Armed Services Committee, I recently took upon myself the task of acquiring certain late and current information about the unfortunate Baltic States, particularly about that northernmost country that borders the Baltic Sea—Estonia.

Searching vainly through the gigantic catalog of our Library of Congress, I was unable to find a single bibliography on publications concerning the Baltic States that would provide me with a shortcut to the information that I sought and needed.

It was only good fortune, Mr. Speaker, that finally led me to the library of our Catholic University in Washington where I found a complete and up-to-date bibliography on Estonian publications that had recently been submitted as a dissertation for a master's degree by Dr. Salme Kuri—herself a naturalized American citizen from Estonia who is an employee at the Library of Congress.

This bibliography of Dr. Kuri is unique in many respects. The hundreds of publications contained therein are broken down in various fields of interest, and it contains an extensive index. This work of Dr. Kuri is indeed a masterpiece and without doubt the most outstanding product of extensive research on the Baltic area.

It is my understanding, Mr. Speaker, that the Library of Congress now contemplates publishing this outstanding work of Dr. Kuri; and if so, it will certainly be a useful and noteworthy contribution to the legislative branch of our Government. If published, I wholeheartedly recommend this bibliography to any of my distinguished colleagues who are desirous of obtaining a shortcut to information on all aspects of Estonia. It would be an asset to the Nation if a similar publication existed that covered the entire Baltic area.

Mr. Speaker, this outstanding contribution of Dr. Kuri only bears out a contention that I have held for many years: That is that the United States is fortunate to have among its citizenry so many of the good, progressive and industrious peoples from East Europe and elsewhere. It is my good fortune to represent a district in which a number of Connecticut's finest and most progressive citizens are of Polish descent. Also, we have in the fifth congressional district many excellent citizens that are of Czechoslovakian, Hungarian, and Italian descent. These good people are constantly striving, in their respective ways, to make America a greater nation and to maintain the flame of liberty that they knew they would find when they reached the shore of the United States.

The Primacy of Strategic Air Power Has Yet To Be Fully Recognized

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. ENGLE. Mr. Speaker, the Armed Services Committee, under the most able leadership of Mr. VINSON, has performed a splendid task in its report on the proposed naval shipbuilding and conversion program for fiscal year 1957. I would like to commend the committee and express my conviction that its members have been guided by the principle that this country must be provided maximum military security if it is to successfully resist Soviet aggression.

In considering this proposed program, however, it is imperative that we review it not only in terms of the needs of one service but that it be studied in relationship to the overall military requirements of this country. One statement contained in the report of the committee might well be rephrased to read: "The basic consideration in the preparation of a military program is, of course, the maintenance of the security of the United States. This requires a dynamic military program which, naturally, must take into consideration the overall military capabilities of unfriendly powers."

It is unfortunate, but a review of the report on this program does create the impression that here in one neat package is a military panacea that will take care of all of this Nation's security needs. The fact of the matter is, however, that here in this second decade of the atomic air age and some 5 years after the first Soviet nuclear explosion, the primacy of strategic air power has yet to be fully recognized by many in whom the security of the country is invested.

The disquieting disclosures of Admiral Burke of recent Soviet naval growth and her achievements in the development of new naval weapons is indeed sobering. Yet air power and the Air Force, because it is inherently capable of operating anywhere and at anytime and because it is not restricted by the definitive boundaries of land or sea, flies over those very same weapons that are a threat to our naval supremacy. The very barriers that in times past have hindered and restricted the movement of surface forces are today neutralized because of air power.

In the near future we can expect to be called upon to consider the requirements of the Air Force for the coming fiscal year. In so doing, it is important that we realize that, regardless of what action we take here today on the naval shipbuilding program, the common denominator of our strategic and our military discussions must be the fact that air power is the dominant factor in modern war. Our security and civilization as we know it is entirely dependent upon the state of readiness and degree of modernity of our Air Force.

Reported qualitative and quantitative improvements in the Soviet air force have become distressingly evident. The adequacy of the presently contemplated 137-wing Air Force has now become problematical. Even this planned level of Air Force readiness may not be possible, in view of the handicaps imposed by current limited Air Force operating funds. It faces a similar difficulty in fiscal year 1957. This is all the more serious when we consider that, except in the category of medium-range bombers, the Soviet Union has overtaken us in all categories of warplanes.

Unquestionably, long-range airpower, whether it be strategic or tactical, is the most portentous single fact of modern life. It has given the free world a true and trusted defense. Our strategic Air Force has prevented postwar Europe from falling an easy prey to Communist pressures. It has proven to be the sole factor responsible for forging the system of alliances that have united most of the free nations of the world.

It is a fact that American airpower has pointed at the very core of incipient aggression. Surprise Soviet attack no longer remains inviolate against retaliation.

Whether American nuclear airpower will succeed in remaining an effective tool for the prevention of war depends entirely upon this Congress. Based upon our actions alone, the Soviets can be made to realize that they cannot defeat the United States or if they irrationally decide to attack us there will be little chance of forestalling even more devastating counterblows.

The price we will pay for these measures will not be small but the cost of an atomic holocaust directed against this country would be incalculable.

Gen. Thaddeus Kosciuszko

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1956

Mr. FEIGHAN. Mr. Speaker, under leave previously granted, I wish to insert in the RECORD an address I delivered Sunday, February 12, at the Kosciuszko monument in Lafayette Park, Washington, in commemoration of the birth of the well-known and beloved patriot, Gen. Thaddeus Kosciuszko, an original American patriot:

GENERAL KOSCIUSZKO, AN ORIGINAL AMERICAN PATRIOT

I am very happy to join with all those who today are commemorating the anniversary of the birth of that great patriot, Gen. Thaddeus Kosciuszko. Those of us who know the timeless contribution made by General Kosciuszko to the cause of human freedom and individual liberty, look forward to this day each year as an occasion to rekindle the flame of human freedom by whatever means available to us.

You and I know full well that the cause of freedom will be kept alive only by those who are willing to sacrifice for it and who have come to learn that simple fundamental—that freedom is life itself and that there can be no life worth living without individual liberty.

It seems to me most fitting this year that we give some thought to General Kosciuszko and his great patriotism for the United States and for his beloved country of birth—Poland. It will be recalled that General Kosciuszko journeyed to the United States to take part in the American Revolution which he so often said involved a cause and principles dear to all mankind. He was both a dedicated and inspired leader in the victorious campaign of the Continental Army—being blessed with both the genius of military leadership and an abundant knowledge of mankind's endless struggle for equality, independence, and dignity. During his entire life, General Kosciuszko expressed a warm patriotism for the United States and fervent hopes for its prosperity. At the same time he expressed an equal patriotism for Poland which was then, as now, occupied by the Russians, and a fervent determination that Poland would soon be free of alien occupation and be sovereign among all the powers of the world.

General Kosciuszko did not consider it unusual that he would have such a strong patriotism for the noble cause of the United States and Poland. The leaders of the American Revolutionary War, the war by which we threw off colonial status and won our national independence, did not consider the dual patriotism of Kosciuszko as a bit unusual. In fact, the leaders of the 13 original colonies were ever mindful that the freedom-loving sons of many countries came to our shores all for the same purpose of supporting the inspiring cause set forth in the American Declaration of Independence.

It will be recalled that after the victory of the American Revolution, General Kosciuszko was offered a land grant in the hope that he would remain on the soil of the free America he helped to create. It is important in this connection to remember that when General Kosciuszko expressed his thanks for this offer and explained that he would have to decline because his native Poland was enslaved by the Russians, the leaders of the American Government understood immediately that the fire of freedom burned so brightly in his heart that he had no other choice but to return to Europe and there to carry on his struggle for the liberation of Poland.

It seems strange to me that today we here in the United States, entrusted as we are with the task of keeping bright the flame of human freedom, should have any question about the dual patriotism of men like General Kosciuszko. For some strange reason it has become the vogue since the Russians occupied Poland and many other once free and independent nations of Central and Eastern Europe, to frown upon or look with suspicion on anyone who would dare to express a concern for the enslavement of Poland or any of the other non-Russian nations. It is even more strange that one's patriotism to our beloved United States is likely to fall into question for advocating the liberation of Poland and the other enslaved nations from the ruthless colonial empire of the Russians. I cannot but wonder what the American patriots of 1776 who fought shoulder to shoulder with General Kosciuszko would think if they were to return to America today and would hear people raising questions on the subject of patriotism for the United States and patriotism for one's native land.

The very things that gave General Kosciuszko an equal patriotism for the cause of the American Revolution and the cause of liberating the Russian occupied Poland of his day, were the same moral and political principles spelled out in the American Declaration of Independence.

Those great principles made it possible for General Kosciuszko to have complete loyalty for the cause of both nations. These same moral and political principles bind the people of Poland and the people of the United States today.

History has the habit of repeating itself and sometimes the repeats in history are very happy ones. It is my fervent hope that American patriotism of our day will find a means of liberating Poland and restoring that once free and independent nation to her rightful place in the family of nations. I have no doubt that if we could inspire the world of today with our fundamental political beliefs as the signers of the American Declaration of Independence did in 1776, the liberation of Poland and the securing of a just and lasting peace for all the nations of the world would be a certainty.

It is a challenge to our traditions as well as to our moral responsibility, to awaken all the people of the world to the fact that human freedom and individual liberty will be secure only when all people of the world equally enjoy it.

General Kosciuszko stood for those same timeless moral and political principles and it is the clear duty of the people of the United States to stand up for those same principles. That is the great challenge of our time.

SENATE

WEDNESDAY, FEBRUARY 8, 1956

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, Thou dost so fill all things with Thy glory that earth and sky and sea but thinly veil Thy presence. For the beauty which colors the earth, for the love which hallows our homes, for the joy which springs from work faithfully done, we thank Thee, the source of all pure gladness.

As we bow before Thee, open our eyes to the faults and failings which mar our democracy. Make us conscious of the evils in ourselves that we so readily condemn in others. Make us tall enough for these testing days. Cast out our pride—national, racial, and personal. Join us to those who labor to bring sense and system to this disordered globe, and grant that our eyes may yet look upon a world that has found a path leading toward the plains of universal peace—

"When all men's good shall be each man's rule
Through all the circle of the golden years."

In the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., February 8, 1956.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. EVERETT M. DIRKSEN, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. DIRKSEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 7, 1956, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Tribbe, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Franklin G. Floete, of Iowa, to be Administrator of General Services, vice Edmund F. Mansure, resigned, which was referred to the Committee on Government Operations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 97. An act for the relief of Barbara D. Colthurst;

S. 213. An act for the relief of Mrs. Ingeborg C. Karde; and

S. 315. An act for the relief of Asher Ezrachi.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 64) providing for a joint committee to arrange for the inauguration of the President-elect of the United States, January 20, 1957, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes; and

H. R. 9064. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Appropriations:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes; and

H. R. 9064. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. CLEMENTS, and by unanimous consent, the Committee on Rules and Administration was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, there will be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and I ask unanimous consent that any statement made in connection therewith be limited to 2 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, six reports relating to overobligations of appropriations (with accompanying papers); to the Committee on Appropriations.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to authorize the admission into the United States of certain aliens, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT, TO REGULATE JUDICIAL REVIEW OF DEPORTATION AND EXCLUSION ORDERS

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF SECTIONS 201 AND 202 OF IMMIGRATION AND NATIONALITY ACT

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted at a mass meeting of Americans of Lithuanian descent, of the City of Racine, Wis., relating to communism; to the Committee on Foreign Relations.

A resolution adopted by the Long Island General Assembly, Fourth (Patriotic) Knights of Columbus, Brooklyn, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treatymaking power; to the Committee on the Judiciary.

A resolution adopted by the board of directors of the Chamber of Commerce of the City of Tulare, Calif., favoring the enactment of legislation to provide funds for the completion of the Success Dam on the Tule River, and the Terminus Dam on the Kaweah River, Calif.; to the Committee on Appropriations.

OPERATION AND MAINTENANCE OF RANSOM COUNTY DEVELOPMENT FARM, N. DAK.—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the North Dakota State Water Conservation Commission, favoring the enactment of legislation to provide for the operation and maintenance of the Ransom County Development Farm in North Dakota by the Bureau of Reclamation.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

RESOLUTION BY NORTH DAKOTA STATE WATER CONSERVATION COMMISSION URGING CONGRESSIONAL APPROVAL FOR THE OPERATION AND MAINTENANCE OF THE RANSOM COUNTY DEVELOPMENT FARM IN NORTH DAKOTA BY THE BUREAU OF RECLAMATION

Whereas a resolution adopted by representative residents of Ransom County, N. Dak., who constitute the irrigation development committee duly designated for that county by the board of directors of the Missouri River Diversion Conservancy District, has been presented to, and filed with, the State water conservation commission, requesting the approval and assistance of this commission with reference to the establishment and maintenance therein of an irrigation development farm in order to determine and demonstrate irrigation practices best suited to climatic conditions and various soil types in the irrigable areas of the county; and

Whereas data developed and results obtained from the operation of an irrigation and development farm will not only serve to demonstrate methods of irrigation suitable to climatic conditions and types of soil in a large typical area in southeastern North Dakota, but will also materially aid the Bureau of Reclamation in design and capacity studies of needed irrigation facilities; and

Whereas the development farm established by the Bureau of Reclamation in Burke County, N. Dak., known as the Bowbells Development Farm, demonstrated that irrigation of a vast area in the northern and northwestern sections of North Dakota was not feasible on account of the impermeable nature of the subsoil, rendering adequate drainage impossible, and thus waterlogging the land if artificially watered; and

Whereas the unfeasibility of irrigation demonstrated on the Bowbells Development Farm undoubtedly prevented the establishment of a vast project for the irrigation of lands in Missouri Souris Conservancy and Reclamation District, established by the Legislative Assembly of North Dakota in 1949, which project, if undertaken, would have cost millions of dollars: Now, therefore, be it

Resolved by the State water conservation commission in regular meeting assembled this 20th day of January 1956, That the establishment and maintenance of an irrigation development farm in Ransom County, N. Dak., is deemed highly desirable; that our Senators and Representatives in Congress are respectfully asked to give the establishment and maintenance of such irrigation development farm their wholehearted support and that the Director of the Bureau of the Budget is respectfully urged to approve appropriation by Congress of funds required by the Bureau of Reclamation for the establishment and maintenance of such irrigation and development farm; be it further

Resolved, That copies of this resolution be mailed to our Senators and Representatives in Congress, to the Director of the Bureau of the Budget and to the chairman of the Committees on Appropriations of the Senate and House of Representatives.

PROTECTION OF FOREIGN-BORN AMERICAN CITIZENS FROM SOVIET HARASSMENT—RESOLUTION

Mr. WILEY. Mr. President, February 16 marks the 38th anniversary of the Declaration of Independence of Lithuania.

It constitutes another occasion for us to recall that the light of liberty has not

been extinguished in Lithuania, or for that matter, in the other oppressed Baltic lands. Since June of 1940, when they were occupied by Soviet invasion forces, they have suffered as few other peoples have suffered, but they have held fast to the ideal of liberty as have other brave enslaved peoples.

As in previous years, I am glad to call attention to this forthcoming anniversary of the Lithuanian Declaration of Independence.

I was happy to receive today from Mr. Stanley P. Budrys, secretary of the Racine branch of the Lithuanian American Council, a resolution relative to America's continued moral support of the oppressed people of that country.

I invite attention to the fact that the resolution stresses that there has been interference on the part of the Soviet Union and its agents in the private affairs of citizens of the United States and of intended citizens of our country. We are all aware that the Soviet Union has been carrying on an intensive world-wide propaganda campaign designed to lure back to their home countries refugees from Communist oppression, as well as members of families still living behind the Iron Curtain.

This entire subject of the harassment of our citizens and of would-be citizens is a subject which I believe merits the attention of appropriate groups within the legislative and executive branches. I believe, therefore, that the Department of Justice should initiate the appropriate study of this problem.

It falls as well within the jurisdiction of the Subcommittee on Constitutional Liberties of the Senate Judiciary Committee and/or of the Subcommittee on Internal Security of that same committee.

I ask unanimous consent that the text of the resolution be printed in the RECORD in order that it may be appropriately studied thereafter by the groups which I have mentioned, so that necessary action can be taken to protect our citizens.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas Soviet Russia has since June of 1940 extinguished the light of liberty in Lithuania; and

Whereas since then its peoples have been subjects of brutal terror and unheard oppression; and

Whereas the Kremlin rulers are plotting all freedom-loving nations to crush beneath the heel of international conspiracy; and

Whereas Soviet assurances have been and are virtually useless or worth no more than the measure of expedience which suits Communist policy at the time; and

Whereas our aim has been, and will always be, to insure the rights of our citizens to life, liberty, and the pursuit of happiness; and

Whereas at the same time it should be our purpose to assist others in acquiring these same blessings: Therefore be it

Resolved, That this mass meeting appeal to the executive and legislative branches of our Government asking for bipartisan leadership and cooperation in the field of national defense and foreign policy; and be it further

Resolved, That we are urgently in need of a more realistic approach on the part of our Nation as regards to the solution of the problem of Communist menace which is gradually but surely moving nearer us; and be it further

Resolved, That our Nation must always by word and by deed keeep alive and nurture the courage and the faith of the millions of enslaved peoples who are striving and fighting for liberation; and be it further

Resolved, That a congressional investigation is necessary to check actual Communist propaganda interference in the private affairs of the citizens of the United States which is being carried out by the Committee "For Return to Homeland" whose headquarters are in East Berlin, East, Germany; and be it further

Resolved, That the reply of the President of the United States to the recent proposals of the Soviet Government is wholeheartedly supported by this mass meeting as having great importance to the unity of a free world and the hopeful encouragement of enslaved peoples; and be it finally

Resolved, That this mass meeting express gratitude to our Government for its pledged nonrecognition of forcible annexation of Lithuania and other nations into the Soviet Union and for strenuous efforts to spread its beliefs in truth, justice, and the equality of free men everywhere and for everyone.

Prof. JONAS SIMOLIUNAS,
Chairman, Lithuanian American Council, Racine Branch.
STANLEY P. BUDRYS,
Secretary.

RACINE WIS., *February 5, 1956.*

REPORT OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 2711. A bill to authorize medals and decorations for outstanding and meritorious conduct and service in the United States merchant marine, and for other purposes (Rept. No. 1473); and

S. 2972. A bill to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes (Rept. 1472).

By Mr. HAYDEN, from the Committee on Appropriations:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes; with amendments (Rept. No. 1476).

By Mr. GREEN, from the Committee on Rules and Administration, without amendment:

S. J. Res. 95. Joint resolution to authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to General John J. Pershing (Rept. No. 1475);

S. Res. 180. Resolution providing additional funds for the Committee on Interstate and Foreign Commerce;

S. Res. 194. Resolution authorizing the Committee on Labor and Public Welfare to employ four additional temporary clerical assistants (Rept. No. 1474); and

S. Res. 195. Resolution to print the 37th biennial report of the Convention of American Instructors of the Deaf.

By Mr. GREEN, from the Committee on Rules and Administration, with an amendment:

S. Res. 193. Resolution to provide additional funds for the Committee on Labor and Public Welfare.

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, without amendment:

S. J. Res. 111. Joint resolution relating to burley tobacco acreage allotments and marketing quotas (Rept. No. 1477); and

S. J. Res. 141. Joint resolution relating to Maryland Tobacco acreage allotments and marketing quotas (Rept. No. 1478).

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, with amendments:

S. J. Res. 136. Joint resolution relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas (Rept. No. 1479).

MARGARET K. HAMMOND—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 207), which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Margaret K. Hammond, sister-in-law of Nancy E. Hammond, an employee of the Senate at the time of her death, a sum equal to 6½ months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

PRINTING OF REPORT ENTITLED "FEDERAL CORRUPT PRACTICES AND POLITICAL ACTIVITIES" AS A SENATE DOCUMENT—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 208), which was placed on the calendar, as follows:

Resolved, That a revised edition of Senate Document No. 233 of the 81st Congress, entitled "Federal Corrupt Practices and Political Activities," be printed as a Senate document.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Warren R. Cushman, and sundry other persons, for appointment in the United States Coast Guard; and

John H. Brittain, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEHMAN:

S. 3157. A bill for the relief of Tadeusz Z. Kassern and his wife, Longina Kassern; to the Committee on the Judiciary.

By Mr. LEHMAN (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. MORSE, Mr. NEUBERGER, Mr. MAGNUSON, Mr. HENNINGS, Mr. KEFAUVER, Mr. MURRAY, and Mr. MCNAMARA):

S. 3158. A bill to amend certain laws relating to the provision of housing and the elimination of slums, to establish a National Mortgage Corporation to assist in the provision of housing for families of moderate income, and for other purposes; to the Committee on Banking and Currency.

By Mr. LEHMAN (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. MORSE, Mr. NEUBERGER, Mr. MAGNUSON, Mr. HENNINGS, Mr. MURRAY, and Mr. MCNAMARA):

S. 3159. A bill to provide for the establishment in the executive branch of the Gov-

ernment of a Department of Housing and Urban Affairs; to the Committee on Government Operations.

(See the remarks of Mr. LEHMAN when he introduced the above bills, which appears under a separate heading.)

By Mr. KUCHEL:

S. 3160. A bill for the relief of Aly Wassil; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 3161. A bill to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands; to the Committee on Interior and Insular Affairs.

By Mr. BUTLER:

S. 3162. A bill to provide for the development of a comprehensive master plan to abate and prevent water pollution in the District of Columbia and areas immediately adjacent thereto, and for the conservation and development of the Potomac River Basin for water supply, pollution control, agricultural, industrial, municipal, and recreational purposes; to the Committee on Public Works.

By Mr. MAGNUSON:

S. 3163. A bill to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating in Hawaii and Alaska; and

S. 3164. A bill to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska; to the Committee on Interstate and Foreign Commerce.

By Mr. BENDER:

S. 3165. A bill to authorize the appropriation of funds to assist in financing the 1957 World's Conservation Exposition and Plowing Contests to be held in Adams County, Ohio, in September 1957, and for other purposes; to the Committee on Agriculture and Forestry.

S. 3166. A bill for the relief of Lucie Toehl; to the Committee on the Judiciary.

By Mr. WATKINS:

S. 3167. A bill to authorize the admission to the United States of certain aliens, and for other purposes;

S. 3168. A bill to amend the Immigration and Nationality Act, and for other purposes;

S. 3169. A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes; and

S. 3170. A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. WATKINS when he introduced the above bills, which appear under a separate heading.)

By Mr. WILEY (by request):

S. 3171. A bill for the relief of Mrs. Riva Kagan; to the Committee on the Judiciary.

S. 3172. A bill to provide for the promotion, and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals; to the Committee on Foreign Relations.

(See the remarks of Mr. WILEY when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 3173. A bill to encourage the operation of marginal lead and zinc mines necessary to the national defense; to the Committee on Banking and Currency.

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 3174. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. J. Res. 140. Joint resolution authorizing the President of the United States to proclaim the period from February 12, 1956, to February 19, 1956, as National Negro History Week; to the Committee on the Judiciary.

By Mr. BUTLER:

S. J. Res. 141. Joint resolution relating to Maryland tobacco acreage allotments and marketing quotas; to the Committee on Agriculture and Forestry.

By Mr. GOLDWATER:

S. J. Res. 142. Joint resolution directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. GOLDWATER when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

The following resolutions were reported by Mr. GREEN, from the Committee on Rules and Administration, and placed on the calendar:

S. Res. 207. Resolution to pay a gratuity to Margaret K. Hammond; and

S. Res. 208. Resolution authorizing the printing as a Senate document of a revised edition of Senate Document No. 233 of the 81st Congress, entitled "Federal Corrupt Practices and Political Activities."

Mr. CLEMENTS (for himself and Mr. KNOWLAND) submitted an original resolution (S. Res. 209) authorizing certain committees to make additional expenditures from the contingent fund of the Senate, which was considered and agreed to.

(See the remarks of Mr. CLEMENTS when he submitted the above resolution, which appear under a separate heading.)

PROPOSED HOUSING ACT OF 1956— DEPARTMENT OF HOUSING AND URBAN AFFAIRS

Mr. LEHMAN. Mr. President, in association with a number of Senators, I am introducing, for appropriate reference, two housing bills, one an omnibus program measure, and one a reorganization proposal to establish a Department of Housing, of Cabinet level, in the Federal Government.

The cosponsors on the housing program bill are Senators HUMPHREY, MORSE, NEUBERGER, MAGNUSON, MURRAY, HENNINGS, KEFAUVER, MCNAMARA, and DOUGLAS. The cosponsors on the housing reorganization bill are Senators HUMPHREY, MORSE, NEUBERGER, MAGNUSON, MURRAY, HENNINGS, MCNAMARA, and DOUGLAS.

There is an urgent need to raise our sights on housing, and immediately to take the necessary steps leading to a well-rounded housing program to meet the needs of all sectors of our population.

Within the next 10 years we are going to confront a real housing crisis, much more acute than anything we have ever known, unless we begin to plan, act, and build now.

The increases in our population, and the increases in the size of families, which began with the outbreak of World War II, will reflect themselves in a vastly increased demand for housing in a short period of time, which will make the present demand seem puny indeed.

We badly need, right now, more housing for low-income families, more housing for middle-income families, and more specialized housing for elderly people. In the last two categories we are inexcusably deficient, in terms of housing proportionate to the people's ability to pay.

Today, even at the relatively high rate of current construction, we are building only half the new homes this Nation needs, and most of those are being built for higher-income families.

Almost all the present housing programs of the Federal Government expire at the end of the current year, since the first session of the Congress enacted only a 1-year extension.

This is the time to take a new look and make a fresh start. This is the time to raise our sights and take in the whole picture, before the picture, which will become a critical one, moves in on us.

We are doing nothing effective about middle-income housing, a crying need today. We are doing nothing at all about specialized housing for the elderly and the aged. We are engaged in a mere pittance of a program of public housing for persons of low income.

We are eliminating a few slums, while making new ones at a much more rapid rate. Housing is deteriorating throughout the Nation.

This administration has failed to develop or propose a program to meet the Nation's need. Indeed, this administration seems to be looking the other way, while the housing crisis is moving in upon us.

There are today 15 million substandard dwellings in the country. Additional houses are sinking into the substandard class at a much faster rate than the rate of new construction.

The omnibus housing bill we are introducing today may not be a perfect bill, but it is at least a bill of a magnitude adjusted to the magnitude of the problem.

We hope the Housing Subcommittee of the Banking and Currency Committee will give this proposal the study it deserves and come out with a comprehensive program, instead of being content to limp along on a mere extension of an old, outmoded and watered-down program consisting of unrelated, uncoordinated, and frequently conflicting parts.

We also propose the establishment of a Department of Housing to cope with this problem, to coordinate the work of the many agencies now involved in this field, to give policy and planning direction, to conduct intensive and practical research in the problem, and to meet the crisis on the level it deserves. This problem should have Cabinet consideration and Cabinet attention.

We hope the Committee on Government Operations will give this latter proposal prompt and sympathetic consideration.

I ask unanimous consent that a press release I have prepared, together with summaries of the two bills be printed at this point in my remarks.

The ACTING PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the press release and summaries will be printed in the RECORD.

The bills, introduced by Mr. LEHMAN, for himself and other Senators, were received, read twice by their titles, and referred, as follows:

S. 3158. A bill to amend certain laws relating to the provision of housing and the elimination of slums, to establish a National Mortgage Corporation to assist in the provision of housing for families of moderate income, and for other purposes, introduced by Mr. LEHMAN (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. MORSE, Mr. NEUBERGER, Mr. MAGNUSON, Mr. HENNINGS, Mr. KEFAUVER, Mr. MURRAY, and Mr. MCNAMARA); to the Committee on Banking and Currency.

S. 3159. A bill to provide for the establishment in the executive branch of the Government of a Department of Housing and Urban Affairs, introduced by Mr. LEHMAN (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. MORSE, Mr. NEUBERGER, Mr. MAGNUSON, Mr. HENNINGS, Mr. MURRAY, and Mr. MCNAMARA); to the Committee on Government Operations.

The press release and summaries presented by Mr. LEHMAN are as follows:

TWO NEW HOUSING BILLS PROPOSED BY SENATOR LEHMAN AND COSPONSORS; OMNIBUS HOUSING PROGRAMS FOR LOW- AND MIDDLE-INCOME HOUSING AND REORGANIZATION OF HOUSING ADMINISTRATION PROPOSED IN NEW MEASURES INTRODUCED TODAY

Senator HERBERT H. LEHMAN, in association with a number of other Senators, today introduced two housing bills, one an omnibus housing measure to authorize a greatly expanded program of public housing (200,000 units annually), including housing for elderly persons, and to stimulate middle-income housing; and another to reorganize the Government agencies concerned with housing into a Cabinet-level department.

His cosponsors on the housing program bill are Senators HUMPHREY, MORSE, NEUBERGER, MAGNUSON, MURRAY, HENNINGS, KEFAUVER, MCNAMARA, and DOUGLAS. His cosponsors on the housing reorganization bill are Senators HUMPHREY, MORSE, MAGNUSON, MURRAY, HENNINGS, MCNAMARA, and DOUGLAS.

Senator LEHMAN, in introducing his bill, said that even at the relatively high rate of current housing construction, "we are still building only about half the new homes this Nation needs, and most of those being built are for higher income families."

Senator LEHMAN said the Eisenhower administration has failed to develop or propose a program to meet the Nation's housing needs, and that existing programs were being managed in such a way as to discourage the construction of the kinds of housing most urgently needed.

Senator LEHMAN predicted that unless a vastly expanded building program was instituted immediately, an acute housing crisis would overtake the Nation within 10 years as a result of the population increase and the increase in the size of families which began with the outbreak of World War II.

Some highlights of the omnibus housing bill are as follows:

1. Authorization of 200,000 public-housing units for low-income families annually, for a 3-year period.

2. Ten percent of the authorized public-housing units would be designed, constructed, and set aside for elderly couples and elderly single persons. Special units for the elderly would be included in every public-housing project.

3. A National Mortgage Corporation would be established, with a lending authority of $1 billion, to stimulate the construction of middle-income housing.

4. Offices of coordination would be established in each of the metropolitan districts of the Nation to assist in coordination, planning, and research for the housing needs of that particular district, thus adapting plans and program to the particular needs of the particular district. Grants would be made available to assist local agencies to carry on planning and research in this field.

5. The HHFA would be authorized to guarantee local bond issues up to $1 billion for local public works and improvement programs in connection with housing (sewers, water, community facilities, etc.).

6. A $20 million program is provided to stimulate advance planning of local public works and community facilities.

The second bill would establish a Department of Housing and Urban Affairs, headed by a Secretary, who would become a member of the President's Cabinet.

A detailed summary of the two bills and a copy of Senator LEHMAN'S introductory statements are attached.

SUMMARY OF OMNIBUS HOUSING BILL PROPOSING BROAD NEW ATTACK ON HOUSING FRONT

TITLE I. PUBLIC HOUSING

This title amends the United States Housing Act of 1937. It changes the definition of "families" to include families consisting of a single elderly person. It expands the public housing program by authorizing 200,000 additional units during each of the fiscal years 1957, 1958, and 1959, providing that balances not utilized in any such year shall be available until June 30, 1960. The title authorizes the Housing and Home Finance Agency to establish general physical standards with respect to low-rent housing projects and contains other technical perfecting amendments. It authorizes the Administrator to make loans and contributions to any public housing agency to assist in the acquisition of existing housing privately constructed for use as low rent housing, under certain circumstances. The title also repeals restrictions which have been imposed on the public housing program at the local level by national legislation adopted since the Housing Act of 1949 passed.

TITLE II. MIDDLE INCOME HOUSING

The National Mortgage Corporation is created with authority to make and service loans and issue obligations in aid of a program of housing for families of moderate income. Eligible borrowers under this program include (i) families of moderate income as defined in the bill, or (ii) certain private nonprofit cooperative ownership housing corporations, and (iii) private corporations authorized to provide dwellings for which charges are agreed upon or for sale to private nonprofit cooperative ownership housing corporations. The National Mortgage Corporation is authorized to issue capital stock to be subscribed for by the Secretary of the Treasury up to an amount not to exceed $100 million at any time. The Corporation may issue capital stock for subscriptions by corporate eligible borrowers and each such borrower must subscribe for capital stock in an amount equal to 5 percent of the mortgage loan which it seeks from the Corporation. The title prescribes the methods of payment, the terms and conditions of payment for the stock and for mortgage loans. The method of retirement of the capital stock held by the Secretary of the Treasury is described as well as the distribution of the assets upon liquidation of the Corporation. The title authorizes the Corporation to make mortgage loans to eligible borrowers or commitments to purchase or participate in loans made by any FHA approved mortgagee or to finance the development of a housing project upon certain certifications by the Administrator. Borrowers agree, among other things, to establish a schedule of rents or charges which will permit dwellings constructed to be made available to families of moderate income. The Corporation is authorized to issue notes or other obligations in an aggregate annual amount not to exceed $1 billion except that with the approval of the President this amount may be increased after July 1, 1957, by additional amounts aggregating annually not more than $2 billion. The aggregate amount outstanding at any one time however is limited. Terms and conditions and procedure upon default of these obligations are prescribed. The Corporation is required to carry a reserve account for losses equal to one-fourth of 1 percent of the outstanding balance of mortgage loans. Not more than 10 percent of the funds shall be expended in any one State. Veterans preferences are provided for within other classes of preferences. Provision is made for taxes, protection of labor standards, and penalties. The title in general is based on title III of S. 2246 introduced in 1950.

TITLE III. HOUSING COORDINATION IN METROPOLITAN DISTRICTS

The Administrator is directed to establish an Office of Coordination in each metropolitan district, to be headed by a director. Each director shall analyze housing and mortgage markets and housing needs, make reports and recommendations to the Administrator, and appoint a representative advisory committee. The director shall encourage the establishment of State or municipal agencies for metropolitan planning in connection with housing and public-works needs. Matching grants may be made by the Administrator to assist local agencies to carry out the planning functions, and to reduce maximum mortgage ratios or maximum grants or loans otherwise available for such district upon recommendation of the directors. Such sums as may be necessary to carry out for the purposes of the title are authorized.

TITLE IV. AIDS TO LOCAL PUBLIC WORKS

The Housing Act of 1954, is amended, (i) by authorizing to be appropriated for the revolving fund the further amount of $20 million, which may be available to the revolving fund after July 1, 1956, and additional sums from year to year estimated to be necessary for the planning of a $20 billion local public works program at the end of the 5-year period; (ii) by authorizing the Administrator to guarantee, up to a face amount of $1 billion, the obligations of local public agencies issued for the purpose of acquiring sites for local community facilities in advance of actual need; (iii) authorizing to be appropriated $1 million annually for a 10-year period to be used by the National Science Foundation for scholarships for the graduate training of professional city planning and housing technicians. The Housing Amendments of 1955 is amended by authorizing $1 billion to be appropriated for the purpose of section 203 of that act.

TITLE V. SLUM CLEARANCE AND URBAN RENEWAL

This title amends the Housing Act of 1949. It authorizes the Administrator to make advances of funds on an annual basis up to 90 percent of local expenditures for rehabilitation and conservation activities and for redevelopment planning. The financial formula for urban redevelopment projects, under title I of the 1949 act, is modified to require that local expenditures authorized as a part of the project plan shall not be required

to exceed one-third of the aggregate net costs involved. Acquisition of areas to be cleared is permitted over a period of years. The capital grant authorization under title I of the 1949 act is increased to a total of $1 billion. The redevelopment plan required to be prepared by the local agency is made more comprehensive with additional emphasis on a program for relocating families displaced from renewal areas and for controlling population density in the locality. Vacant land assembly projects are encouraged. The title provides that local contributions in form of tax exemption, cash, or tax remission shall be accepted in lieu of local grants-in-aid required by this title.

TITLE VI. CONVENTIONAL MORTGAGE CREDIT AIDS

A 40-year amortization of FHA-insured mortgages is provided instead of the existing 30-year. The Federal Home Loan Bank Act is amended as follows: by authorizing the Board to charter new Federal savings and loan associations and authorizing the Board to purchase stock issued by them, and for this purpose there is authorized to be appropriated $200 million; the Board is required to survey the mortgage-lending resources of each State, including nonfarm areas, and to report periodically to Congress on its program for providing additional needed institutions; Federal home loan banks are authorized to discount mortgage loans made by banks in rural areas, such loans may be rediscounted by other banks in the general geographic area of the originating institution, and for this purpose there is authorized to be appropriated $200 million as a revolving fund.

The Federal National Mortgage Association is reestablished as a wholly Government-owned corporation. It is authorized, in addition to its present authority, to make mortgage loans over 40-year periods or to purchase such loans, and to contract with private lenders to initiate and service loans. All rights, powers, obligations, and commitments of the FNMA are preserved.

TITLE VII. FARM HOUSING, HOUSING FOR THE AGING, HOUSING RESEARCH AND TECHNICAL INNOVATIONS

This title amends title V of the Housing Act of 1949 by authorizing an additional appropriation of $200 million for each ensuing fiscal year for farm housing. It broadens the term "elderly families," with respect to all housing covered by the act, to mean families consisting of a single elderly person, or families, the head of which or his spouse, is of advanced age. Ten percent of all housing units built pursuant to this act are to be suitable to meet the needs of elderly families.

The Administrator is directed to conduct a program of housing research in accordance with title III of the Housing Act of 1949, and there is authorized to be appropriated $2 million in new funds for this purpose for each fiscal year, together with up to $2 million of funds otherwise available to the Department. A representative advisory committee on housing research is established to guide the expanded program, and the focus of the research program is sharpened to direct the research inquiries to critical problems in housing construction, design, etc.

SUMMARY OF REORGANIZATION BILL PROPOSING CREATION DEPARTMENT OF HOUSING AND URBAN AFFAIRS

This bill establishes a new executive department to be known as the Department of Housing and Urban Affairs, headed by a Secretary who is to be appointed by the President with the advice and consent of the Senate. It is the function of the Department to foster and facilitate the execution of national housing and urban affairs policies. For this purpose there are transferred to the Secretary all functions, personnel, records, assets, and obligations of the Housing and Home Finance Agency, the Federal Housing Administration, the Public Housing Administration, the Federal Home Loan Bank Board, the Community Facilities Administration, the Urban Renewal Administration, and the National Mortgage Corporation created by this act. The Federal National Mortgage Association is to be hereafter administered in the Department. The bill prescribes the organization of the new department and its method of functioning and creates the positions of an Under Secretary, four Assistant Secretaries, General Counsel, an Administrative Assistant Secretary, and a Director of the Office of Budget and Management.

PROPOSED IMMIGRATION AND NATURALIZATION LEGISLATION

Mr. WATKINS. Mr. President, a special message has been received from the President of the United States on the subject of immigration and naturalization legislation. That is a field of law which is of overwhelming importance to the United States, not only because of its effect upon our citizenry and the aliens resident among us, but also because of general world conditions causing thousands of persons abroad to clamor for admission to this country. Our position as a leader in world affairs demands that we make it known to all, here and abroad, that the United States still stands as a shining example of freedom, equality, and justice—those things that are unknown to, and not even hinted at by, the terror-stricken inhabitants of the countries now in the semidarkness caused by the Iron Curtain which enshrouds so much of the world.

We all have heard charges, Mr. President, that our immigration laws are unfair, discriminatory, and biased. Some of these claims are obviously overstated and exaggerated out of all proportion to reality. I do not believe that any Member of this body would wish to open wide our doors to accommodate the countless numbers of Asians and Europeans who would come to our shores. There is no principle of law or equity that says we must; nor is there any sound basis for the view that an alien who has once gained admission to our shores must be allowed to remain here regardless of conduct that calls for his expulsion.

Nevertheless, I believe that sincere and fair consideration should be given to the President's suggestions contained in his message. Only such changes as will be consistent with our national interests should be made; that being our paramount consideration. We should give serious attention to charges that have been made of unfairness to aliens. In doing this, we can consider such changes in the law which may be made in order to further the proper administration of the law.

I now introduce four bills which have been prepared to carry out the President's recommendations, and ask that they be referred to the appropriate committee.

The ACTING PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills introduced by Mr. WATKINS were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 3167. A bill to authorize the admission to the United States of certain aliens, and for other purposes;

S. 3168. A bill to amend the Immigration and Nationality Act, and for other purposes;

S. 3169. A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes; and

S. 3170. A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes.

Mr. WATKINS. Mr. President, I ask that the remainder of my statement in explanation of the four bills be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WATKINS

The first bill would revise the basic quota system. At the present time the annual quota is computed in accordance with a formula that was devised under the Immigration Act of 1924. At that time, the Census Bureau, pursuant to the mandate of Congress, made an analysis of the United States population, and proceeding upon the basis of certain assumptions, determined a method of allocation of quota numbers in accordance with the so-called national origin of the population. Now that the Immigration Act of 1956 has been in effect 3 years, I believe that with extended investigation and study the Congress of the United States can arrive at an immigration system which, in the light of recent events and the present international situation, is best for the United States. That long-range overall policy will take a much longer time to determine than the Congress will have at its disposal in the present session. In the meantime the administration's so-called interim bill would establish a partial deviation from the national origin system to meet in some measure present conditions.

The present total annual quota is 154,657. Under this bill, the annual quota will be 219,461, or an increase of 64,804. This is arrived at by taking one-seventh of 1 percent of the total United States population based upon the 1950 Federal census. The established existing quotas will be distributed as under the present law, except that the maximum allocation of subquotas for colonies would be increased from 100 to 200.

This bill would increase the quota of the minimum quota areas from the present 100 to 200. The increase in the annual quota less the amounts needed for the minimum quota area increment, and less 5,000 numbers, would be distributed among the several quota areas in proportions which would reflect the ratio of immigration between July 1, 1924, and July 1, 1955, into the United States from such areas to the total immigration from all countries in the world. I would have you observe that this system recognizes and gives weight to the deviations from the national origins system over the past 30 years resulting from immigration of nonquota immigrants, and the immigration permitted under the Displaced Persons Act and Refugee Relief Act outside the original quota system. It also adjusts some of the differences in the quota caused by the fact that some countries never exhaust their quotas—indeed fall far short—and others are greatly oversubscribed.

The 5,000 remaining numbers would be available for assignment, without regard to nationality or national origin, to aliens anywhere in the world if they are of the type whose services and skills are needed in the

United States. This is completely new in our law.

The administration's bill would also permit the use of unused quota numbers which are now lost. The time has come to recognize that some countries never exhaust their quotas while others have a constant demand. It is now proposed to assign unused quota numbers annually to four regions: Europe, Asia, Africa, and Oceania. This pool of quota numbers would be available only in the ensuing year. They can be distributed to aliens within those regions regardless of the particular country in the respective regions in which they were born. To serve the best interests of the United States, it is proposed that the only persons eligible to share in this pool will be the classes of aliens who are entitled to a preference status in the quota under the existing law by reason of their special skills, or because of their relationship to citizens or resident aliens.

It will be observed that, as a general proposition, computation and distribution of quotas would be made in the bill itself. I believe that is a legislative function to be performed by the Congress, and not to be delegated to some administrative officer or commission. The possibilities of pressures would be obvious.

The proposed legislation would eliminate the "mortgage" upon the quotas resulting from the Displaced Persons Act of 1948 and certain so-called sheepherder laws. Some countries in the world have their quotas mortgaged as much as 300 years in the future. When the Congress enacted the Refugee Relief Act in 1953 it did not require any such "mortgage." Consistent with that, this bill would eliminate the charge now existing upon the quotas resulting from the laws I have mentioned, making additional quota numbers available now and in the future.

The second bill I am introducing is one which both the legislative and executive branches of the Government I believe would want to see enacted. I refer to the overwhelming burden placed upon us by the private relief immigration bills. I will not bore you with statistics, but I know that my colleagues are well aware of the time-consuming operations required of the committees and this body as a whole to give consideration to such private bills. Most important, however, Mr. President, is the fact that press of other duties makes it impossible for this body to give the necessary consideration to every such bill which has been introduced. And what shall we say of the alien for whom a harried legislator has lacked the time to obtain the information that will justify him in his own mind of the necessity for introducing a bill of this nature

We must do away with this archaic, inefficient, and unfair system of adjusting the immigration status of aliens. I believe that is a matter which should be performed by a responsible officer in the executive branch of the Government, equipped with the necessary organization to give all such matters the necessary attention, thus granting to the Congress and the President additional time for the performance of their constitutional functions on a broad national scope. This bill would vest in the Attorney General discretionary power to admit to the United States, regardless of statutory grounds of excludability, a limited number of aliens who are United States soldiers or war veterans, close relatives of citizens, or religious functionaries. A recommendation from the State Department would guide the Attorney General, but under no circumstances could he grant admission to aliens whose presence here would be a danger to our national security or safety. Similarly, this bill would give the Attorney General discretionary power to withhold deportation proceedings against aliens in this country, and create the status of lawful admission for permanent residence, if they are in the same categories. An overall ceiling of 5,000 per annum is specified.

Such a system I regard as highly necessary if we are to avoid falling into the ever-widening morass of private immigration relief measures. Of course, this bill would not cut off the right of any Member of Congress to introduce such a bill. It would merely place us on notice, if a private bill is introduced, that no other real administrative relief is available or appropriate. Then, shall we be in a position to learn why, and to take such action as the circumstances require in the limited number of cases which may in the future arise.

The third bill I offer makes a number of changes in the existing Immigration and Nationality Act which are regarded as necessary for a proper administration of the law, to eliminate injustices, and to remedy unfortunate situations which have resulted from the application of the law in its present form. I shall not expound on these at length. The following is a brief summary:

Two technical and unnecessary grounds of exclusion of aliens would be eliminated. The Secretary of State and the Attorney General would be given discretionary power to waive fingerprinting of aliens seeking temporary admission to the United States, and the power to waive nonimmigrant visas in emergency cases would be enlarged. Inspection of aliens coming to the continental United States from Alaska and Hawaii would be eliminated. The Attorney General would be given clear and statutory authority to provide for an examining officer at exclusion hearings, and the authority to initiate deportation proceedings other than by a physical arrest of the alien in every case would be made clear. Passage of aliens would be permitted through the United States, from one foreign country to another, in the discretion of the Attorney General, without application to them of all the provisions of the immigration law, upon proper safeguards making certain of the departure of the alien. The Attorney General would be authorized to refrain from deporting certain displaced persons who, when they came to this country, made misstatements as to their identity and nationality in their visa applications to avoid forcible repatriation behind the Iron Curtain. An undue restriction on the adjustment of the immigration status of aliens in this country married to citizens would be eliminated.

All the law respecting naturalization of soldiers and veterans would be codified and revised by eliminating, among other things, the necessity for a lawful admission for permanent residence. Eligibility for naturalization as a veteran would be on a uniform basis regardless of the particular conflict in which the soldier served. Proper safeguards are retained against the naturalization of those who did not serve honorably, or who did not perform military duty in active service.

In respect to the deportation of narcotic-law violators, the law would be strengthened and clarified so that violators of law relating to illegal possession of drugs, and conspiracy to violate drug laws would be deportable beyond any question. Existing law would be revised by giving a status under the immigration laws to certain illegitimate and adopted children. A discriminatory provision affecting Asian spouses who seek to come to the United States under the quota of a non-Asian spouse would be eliminated.

The distribution of the quota would be revised by giving the fourth preference category a known percentage, 10 percent, of the total, in lieu of the unknown number of quotas permitted for this category under existing law. Spouses and children of skilled specialists would be admissible in the first preference group if following to join the specialist; spouses and children of the brothers and sisters, etc., named in the fourth preference category would be eligible for the same fourth preference. The Secretary of State would be given broader latitude in waiving nonimmigrant visa fees, and the language relating thereto would be clarified. The exclusion provisions relating to aliens convicted of petty offenses would be clarified.

Certain technical requirements as to crewmen would be eliminated, and visa applications generally would no longer require an alien to specify his race and ethnic classification. The expatriating provisions of the law respecting certain veterans and their close relatives would be greatly modified. The Attorney General would be authorized to extend the period of validity of reentry permits of close relatives of our soldiers stationed abroad, and an expeditious form of naturalization would be provided for adopted children of soldiers or other persons stationed abroad in their employ, all for the purpose of keeping families together.

These proposals, and others more fully set forth in this bill, I regard as worthy additions to our laws, since they would serve the interest, not only of aliens and their families, but of paramount importance, would benefit the United States because of their effect.

The fourth bill relates to the subject of judicial review of cases arising under the immigration laws. I have no doubt that my colleagues in this body are aware that the situation in this respect, on a national basis, gives all the appearances of a fantastic comedy. For many years it was the established rule that an alien could have review of a deportation order solely by the use of a writ of habeas corpus, which was available, of course, only when he had been taken into physical custody. Recent court decisions have made it possible for aliens to seek judicial review by additional court proceedings, such as declaratory judgment actions, applications for injunctive relief, and the like. And none of these, we have all noted, are exclusive, nor do they withdraw from the alien the previous existing avenue of judicial review under habeas corpus proceedings. The result has followed, unfortunately, in the cases of certain aliens deportable for the most heinous offenses, such as drug-law violations, racketeers and the like, that actual deportation can be delayed and prevented for years by repetitive court actions.

This, without in any way disparaging the judicial process, is an affront to our national sovereignty. Furthermore, the present procedures are time-consuming for the alien, technically difficult to pursue, and wholly unsatisfactory. A single form of judicial review should be provided in such cases which would make certain that aliens shall have a right to judicial review in a locality convenient to them, and this would be provided by this bill. It would also eliminate, to the greatest possible extent, frivolous applications to courts, without detriment to the alien's rights. The form of review provided by this bill would be speedy and effectual. Aliens seeking admission to the United States would be restricted to the use of habeas corpus proceedings in accordance with the traditionally expeditious method of adjudicating their claims of admissibility to the United States. Enactment of this measure would render the atmosphere more wholesome in this country by making certain that the judicial process shall not be available for use by unworthy aliens to defeat the proper application to them of the immigration laws.

I earnestly hope that these bills will receive prompt consideration by this body. The President of the United States has on several occasions indicated the need for revision of the immigration laws. The time has now come for action and I ask that we take this action at once. The gentlemen on the other side of the aisle have been in control of this Congress since it first met in January 1954. Nevertheless they have as yet not come forth with specific recommendations, by commit-

tee action, for definite changes in the law. I, for one, am of the view that this subject is so enmeshed in the heart and lifeblood of this country as to call for a setting aside of party politics and petty bickerings: Let us now all proceed in unison to seriously consider the matters so earnestly called for by our great President. Let us show the world that we are just and fair in our efforts to solve this difficult and perplexing problem of immigration. We stand ready now and always to extend a warm greeting to as many worthy aliens, who seek and deserve the precious boon of entering our country, residing in our midst, and joining our national community as may be consistent with our best interests as a nation.

PROPOSED INTERNATIONAL CULTURAL EXCHANGE AND TRADE FAIR PARTICIPATION ACT

Mr. WILEY. Mr. President, by request, it is my pleasure to introduce today, on behalf of the executive branch, a bill to known as the International Cultural Exchange and Trade Fair Participation Act.

Basically, its purpose is to make permanent what has heretofore been merely temporary and emergency authorizations to the President to help defray the expenses of American activities in sending cultural troupes, and in participating in sports festivals and competitions, as well as to participate in trade fairs throughout the world.

I believe our experience since President Eisenhower initiated this program in 1954, points indisputably to the tremendous value of the program in helping to cement understanding and friendship between our own people and peoples throughout the world.

I introduce, for appropriate reference, the text of the administration bill. I ask unanimous consent that there be printed at this point in the RECORD the letter sent by the distinguished Director of the United States Information Agency, Theodore Streibert, to the Vice President, forwarding this proposed legislation for action.

I know the Senate Foreign Relations Committee, under the able chairmanship of the senior Senator from Georgia [Mr. GEORGE], will give its early attention to this proposed legislation, and to a related proposal now pending before it.

I may say that right now, the 1957 fiscal year appropriations of USIA are under review by the House Appropriations Subcommittee. I earnestly hope that committee will take favorable action on the President's request for enlarged funds for this vital agency.

Passage of the bill which I am introducing will likewise be a great asset to us in the competitive coexistence struggle throughout the world. We must not provide "too little, too late," in this struggle.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3172) to provide for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals, introduced by Mr. WILEY (by request), was received, read twice by its title, and referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "International Cultural Exchange and Trade Fair Participation Act of 1956."

SEC. 2. The purpose of this act is to strengthen the ties which unite us with other nations by demonstrating the cultural interests, developments and achievements of the people of the United States, and the contributions being made by the United States economic and social system toward a peaceful and more fruitful life for its own people and other people throughout the world; thus to assist in the development of friendly, sympathetic, and peaceful relations between the United States and other countries of the world.

SEC. 3. The President is authorized to provide for:

(a) Tours in countries abroad by creative and performing artists and athletes from the United States, individually and in groups, representing any field of the arts, sports or any other form of cultural attainment.

(b) United States representation in artistic, dramatic, musical, sports and other cultural festivals, competitions, and like exhibitions abroad.

(c) United States participation in international trade and industrial fairs and other like public or private expositions and demonstrations in other countries.

(d) Publicity and promotion, including representation, abroad of activities of the type provided for herein.

SEC. 4. To the maximum extent feasible (1) private individuals, firms, associations, agencies, and other groups shall be encouraged to make contributions of funds, property or services (which shall be available to carry out this act) and otherwise to participate in carrying out this act and (2) funds appropriated hereunder shall be used to contribute toward meeting the expenses of activities carried out through normal private channels and by private means.

SEC. 5. There are hereby authorized to be appropriated, to be available until expended, such sums as may be necessary to carry out this act.

SEC. 6. In carrying out this act, the provisions of title VIII of the United States Information and Educational Exchange Act of 1948 may be utilized to the extent the President deems necessary.

SEC. 7. The President is authorized to provide for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibits and materials and equipment therefor, and the actual display thereof, including but not limited to costs of transportation, insurance, installation, safekeeping and storage, maintenance and operation, rental of space, and dismantling.

SEC. 8. Whenever the President determines it to be in furtherance of this act, the functions authorized hereunder may be performed without regard to such provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property, and the expenditure of Government funds as he may specify.

SEC. 9. The President shall transmit to the Congress reports covering each 6 months of operations under this act.

JANUARY 23, 1956.

The VICE PRESIDENT,
United States Senate.

DEAR MR. VICE PRESIDENT: At the request of the President, I have the honor to transmit to the Congress for its consideration a bill to provide for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals. A copy of the bill, with sectional analysis, is enclosed.

This bill would be known as the International Cultural Exchange and Trade Fair Participation Act of 1956. Its basic purpose is the promotion of various types of projects overseas that will demonstrate in a dramatic and effective manner the excellence of our free institutions as reflected in our cultural achievements and products. A principal method of attaining this objective is to stimulate and encourage presentation abroad by private individuals, firms, and groups of the best the United States has to offer in cultural and industrial achievements. Such presentations are designed to refute Communist propaganda by demonstrating clearly the United States dedication to peace, human well-being, and cultural values.

This program was conceived by the President in 1954. Its inauguration was undertaken in the face of the urgent necessity of combating the growing Communist cultural offensive which has posed a great threat to our position throughout the world. The program has been carried out for the past 2 years under the authority of the President's "Emergency Fund for International Affairs" (Supplemental Appropriation Acts, 1955 and 1956), by the Departments of State and Commerce and the United States Information Agency. The President has designated me Coordinator of the program.

The program has facilitated presentations throughout the world by outstanding United States performing artists and athletes who have been enthusiastically received. It also has supported United States exhibits at important trade fairs and exhibitions in every geographic region, which, likewise, have attracted great interest. Because the program has proved successful and because of increasing Communist activity in similar programs, it has been decided to request the Congress to place the program on a permanent basis.

The program so authorized will continue to be the President's program, one to which he gives his interest and support. All authorities in the bill run to the President and it will be his decision as to the duties and responsibilities of the departments and agencies which will carry it out. In this way continued flexibility will be insured.

Funds available to this program will continue to be used in part to underwrite performing artists and athletes in their tours abroad to the extent that admission receipts are insufficient to cover the total costs involved. Such funds will also support United States participation in international cultural and sports festivals and competition. The funds will also help finance United States exhibits of varying types at international trade and industrial fairs abroad.

Because of the frequent necessity to split nonrecurring project costs between fiscal years, the likelihood that unforeseeable changes in program plans will necessarily result in project changes, and the necessity of long-lead time to arrange such projects, appropriations are requested to be available until expended to meet the needs of the program. In addition, the bill provides the President with necessary power to waive restrictive statutory provisions, similar to that available to him under the Mutual Security Act of 1954. In order that the Congress may be kept fully aware of the use of these powers and of the activities carried out, the bill provides for semiannual reports to the Congress.

The Bureau of the Budget advises that there is no objection to the presentation of this draft legislation to the Congress for its consideration and that its enactment would be in accord with the program of the President.

Sincerely yours,

THEODORE C. STREIBERT,
Director.

SECTIONAL ANALYSIS

Section 1: This section sets forth the title of the act, to be known as the International Cultural Exchange and Trade Fair Participation Act of 1956.

Section 2: This section sets forth the purpose of the act in appropriate language.

Section 3: This section authorizes the type of activities presently carried out through Presidential delegation by the Departments of State and Commerce and the United States Information Agency, under the President's Emergency Fund for International Affairs (Supplemental Appropriation Acts, 1955 and 1956, P. L. 663, 83d Cong. and P. L. 219, 84th Cong.) These activities include: (a) individual and group tours abroad by representatives of every field of cultural attainment; (b) participation in all types of artistic, dramatic, musical, and sports fairs, festivals, and competitions and the like abroad; (c) participation in international trade and industrial fairs and other like public and private expositions and demonstrations in other countries, by way of joint governmental-industry exhibits, international pavilions, and trade information centers; and (d) publicity and promotion, including representation, of activities of the type authorized by this section in order to achieve full, effective, and dramatic exploitation of the program.

Section 4: This section provides, as the principal means of carrying out the purpose of this act, the stimulation and encouragement of private participation abroad in these activities. Presidential funds appropriated under this act are looked upon as seed money to encourage United States exportation of its cultural and industrial attainments, and ordinarily will be used to pay only part of the expenses of privately sponsored activities. Contribution of funds, property, and services from private sources for the purposes of the act is to be encouraged to the largest possible extent. This section authorizes the receipt of such contributions and the expenditure thereof to carry out the act. Funds received may be merged with appropriations and expended in the usual manner.

Section 5: This section authorizes appropriations, to be available until expended.

Section 6: This section makes available to the President the administrative provisions of the United States Information and Educational Exchange Act of 1948, which include the making of contracts and grants, payment of travel expenses, etc. This is done in the interest of concise legislation.

Section 7: This section provides necessary additional expenditure authorities for carrying out this act. This language is necessary because certain rulings of the Comptroller General indicate that many of those types of expenses are only allowable where statutory authority exists.

Section 8: This section provides for Presidential waiver of restrictive statutory or regulatory provisions which might otherwise prevent the maximum utilization of these funds to achieve the desired effect. The great flexibility required of this program in order to meet rapid changes on the international scene necessitates that it be freed of many of the normal restrictions on Governmental contracting and expenditure. It is necessary that the President retain this waiver authority given him by the legislation authorizing the "President's Emergency Fund." This section is practically identical to that contained in section 533 of the Mutual Security Act of 1954.

Section 9: This section provides for semiannual reports to the Congress on all operations under this act.

INCORPORATION OF VETERANS OF WORLD WAR I

Mr. NEUBERGER. Mr. President, on behalf of my distinguished colleague the senior Senator from Oregon [Mr. MORSE] and myself, I introduce a bill to grant a Federal charter of incorporation to the Veterans of World War I of the United States of America. A companion bill, H. R. 4733, is already pending before the Judiciary Committee of the House of Representatives.

Mr. President, of the brave Americans who served our Nation in the First World War 38 years ago, 3,120,000 were living on October 31, 1955. Their average age was 61½ years. Since the years of their service, nearly 4 decades ago, much history has been made and other great wars have been fought. In the memory of many Americans alive today, the great World War means that which we fought between 1941 and 1945, and another generation is growing up whose veteran husbands and brothers are those who fought for freedom and security in Korea.

Twenty-three years separate the service of the veterans of World War I from the beginning of the Second World War. Yet, many Members of the Senate, who themselves served in this first great war of our century, will understand that, to the veterans of that war, it is a memory to be held and shared in common with their contemporaries. For that purpose, many of them have decided to form among themselves the special organization known as the Veterans of World War I of the United States of America. This organization now seeks a Federal charter of incorporation to help it to bring the memory and the interests of this generation of American veterans to the attention of the American people. Federal charters have in the past been granted to such other veterans' organizations as the Veterans of Foreign Wars, the Disabled American Veterans, the AMVets, the American Legion, and the Marine Corps League. No reason is apparent to me why an organization of the Veterans of World War I should not be entitled to equal rights and recognition from the Congress. Accordingly, Mr. President, I ask that this bill be referred to the appropriate committee for early consideration, and that the bill itself appear in the RECORD with my remarks.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3174) to incorporate the Veterans of World War I of the United States of America, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the following persons: Emanuel Levy, Fort Wayne, Ind.; Harry J. Millen, Watertown, N. Y.; Reginald H. Murphy, Jr., Baltimore, Md.; Harry M. Rodman, Baltimore, Md.; Stillman G. Davis, Nashua, N. H.; Rev. George G. Shurtz, Newcomerstown, Ohio; Frank J. Weipert, Baltimore, Md.; Ancil Morton, Indianapolis, Ind.; Charles Thomas, Newark, N. J.; George J. Young, Buffalo, N. Y.; Fred Hollenbeck, Kent, N. Y.; Godfrey Weiss, Hamburg, N. Y.; LeRoy M. Bowers, Reading, Pa.; Emerson R. J. Follet, Dover, N. H.; Ray Countryman, Auburn, N. Y.; John A. Roche, Reading, Pa.; Martin F. Iverson, Washington, D. C.; Arch MacIntyre, Tampa, Fla.; Stanton L. Smiley, Gary, Ind.; Harry E. Johnson, St. Louis, Mo.; Al Novak, Seattle, Wash.; John C. Barker, Piggott, Ark.

R. F. Nichols, Metropolitan Station, Los Angeles, Calif.; Lewis Brake, Mount Vernon, Ill.; Earl Williams, Nashua, N. H.; Stuart W. Woodward, Auburn, N. Y.; Charles S. Pemburn, High Bridge, N. J.; A. W. Rauch, Cleveland, Ohio; Martin C. Day, Portland, Oreg.; Frank Taroney, Reading, Pa.; John F. Thompson, Dallas, Tex.; Bertron G. Stiltner, Kelso, Wash.; Dr. Harry E. Mort, St. Louis, Mo.; Albert L. Weber, Maple Heights, Ohio; Earl Bennett, Sr., Q. M., Kerrville, Tex.; Edward J. Hewitt, LaFayette, Ind.; William V. McCafferty, Los Angeles 23, Calif.; Charles W. Barish, New Albany, Ind.; Earlem R. Van Atta, Columbus, Ohio; Earl Soliday, Sandusky, Ohio; Samuel F. Brown, Dayton, Ohio; Victor Page, East St. Louis, Ill.; Bernard Stein, New York 19, N. Y.; William M. Lauton, Miami, Fla.; Robert Miller, Shreveport, La.; George S. Vander Poel, Camp White, Oreg.; A. E. Demerst, Wood, Wis.; Dwight Reidt, Igloo, S. Dak.; Leland Berger, Monterey Park, Calif.; Edward Disney, La Follette, Tenn.; J. E. Watson, Winslow, Ariz.; E. R. Bruce, Amarillo, Tex.; John V. Jeffryes, Hot Springs, S. Dak.; James Joyce, Chicago 19, Ill.; Phillip Oropallo, Auburn, N. Y.

William F. Schwab, Eggertsville, N. Y.; Dudley J. Bell, Duncan, Okla.; Charles A. Kretschmer, Grants Pass, Oreg.; Earl Beavin, Cloverport, Ky.; Gurney Gray, New Castle, Ind.; James R. Travers, Fort Wayne, Ind.; Richard Timke, Washington, N. J.; John K. Ellwood, New Philadelphia, Ohio; James Waldt, Eugene, Oreg.; Leo W. Hendricks, Granite City, Ill.; Walter L. Emmett, East Ann Arbor, Mich.; Lew Evans, La Grande, Oreg.; John Barker, Rector, Ark.; Emile Carrier, Nashua, N. H.; E. J. Kenney, Borger, Tex.; Adolph Schlender, Indianapolis, Ind.; Alfred Parker, Canastota, N. Y.; Robert D. Mills, St. Augustine, Fla.; Everett R. Bell, Quincy, Ill.; Christopher Carroll, Geneva, N. Y.; H. W. Craine, Plains, Mont.; Clyde C. Cruze, Louisville, Ky.; Bernard H. Kisting, Rockford, Ill.; Dart T. Lang, Mason, Mich.; Everett E. Larie, Springfield, Ohio; Thomas A. Wilkins, Piggott, Ark.;

C. E. Headley, Corning, Ark.; A. C. (Bert) Newgard, Portland, Oreg.; Walter E. Few, Doniphan, Mo.; Walter E. Green, Hackettstown, N. J.; Albert Phillips, Evanston, Ind.; Arthur C. Young, Huntington, Ind.; Walter C. Siorszulski, Buffalo, N. Y.; P. Alfred Patton, Paoli, Pa.; Durwood S. Colclough, Kenwood Heights, N. Y.; George A. Cenna, Braddock, Pa.; Walter M. Wintin, Shelbyville, Ind.; Joseph S. Paulin, Cannelton, Ind.; Peter M. Lutz, Jersey City, N. J.; Frank Nelligan, Bath, N. Y.; Jesse C. Yoakum, Pendleton, Oreg.; Alfred H. Ohlsen, San Francisco, Calif.; Bruce Hinds, Davis, Ill.; William H. Kelly, Massilion, Ohio; Albert H. Early, Reading, Pa.; Robert J. Boyd, Oxford, N. Y.; Earl R. Ipson, Rolla, Kans.; John R. Gholson, McLeansboro, Ill.; C. O. Williams, Memphis, Tenn.; Herman Richtera, St. Louis, Mo.; Ray Miller, Baker, Oreg.; R. E. Evans, Smyrna Beach, Fla.; Fred H. Waite, Hutchinson, Kans.; J. W. Hinkle, Sherman, Tex.; Anacleto Cabading, Zamboanga City, P. I.; C. O. Wainwright, Burkett, Ind.; Roy O. Gamber, Westminister, Md.; Carl D. Hogue, Canton, Ohio; Stephen Kendall, Orting, Wash.;

Charles O. Hagseth, Spokane, Wash.; Ernest Geller, Paterson, N. J.; Fred W. Ring, Keene, N. H.; Gustave G. W. Laegeler, Newark, N. J.; Samuel J. Karsevar, Philadelphia, Pa.; Carmie L. Innes, North Bay, N. Y.; Armand P. Lanoix, Somersworth, N. H.; James Morley, Brooklyn, N. Y.; Robert E. Lee Murphy, Lexington, Ky.; John B. Smith, Bayonne, N. J.; Bruce W. Edwards, Dallas, Tex.; Charles Wells, Norco, Calif.; John W. Dunlap, Manchester, N. H.; Michael J. Oppelt, Jamaica, Long Island, N. Y.; Leonard Van Schaik, Preston, Md.; G. C. Purcell, Mount Vernon,

Ill.; Thomas E. Howe, Manchester, N. H.; Harold Coon, Fulton, N. Y.; James H. Cullen, Sr., Portmouth, N. H.; R. F. Nichols, Los Angeles, Calif; Leonard E. Jackson, Louisville, Ky.; Louis H. Fleischmann, Centralia, Ill.; Lee Henry Hass, Marmaduke, Ark.; Raymond S. McGuire, Houston, Tex.; Fred Mancrum, Caraway, Ark.; Charles Bunting, Munhall, Pa.; Frank W. Young, Salem, Oreg.; Robert A. Hoffman, Greencastle, Ind.; Albert Hoehn, Rome, N. Y.; Laurance I. Morelli, Albuquerque, N. Mex.; Ralph L. Becktel, Gary, Ind.;

Frank W. Schwartz, Oak Park, Ill.; Francis P. Hayes, Derry, N. H.; Matthew W. Diehl, Erie, Pa.; Julien L. Jenkins, Mountain Home, Tenn.; Arlie G. Skelton, Boonville, Ind.; C. W. Thomas, Tyler, Tex.; John Twardue, Stratham, N. H.; William J. Hayes, Lawrence, Mass.; William R. McGuin, Ligonier, Ind.; Julius Tubman, Cambridge, Md.; Howard F. Metcalfe, Seattle, Wash.; Harvey B. Stout, Noblesville, Ind.; William D. Chandler, Everett, Wash.; Robert J. Kidd, Mexico, N. Y.; Herbert Willis, Mountain View, Ark.; Joseph M. Gale, Walla Walla, Wash.; Clarence I. Webb, Key West, Fla.; Merton C. Preston, Napa County, Calif.; Jesse W. Wooley, Coos Bay, Oreg.; William O. Jones, Muncie, Ind.; Maurice A. Jones, Utica, N. Y.; Harry E. Griffith, Stamford, Conn.; Samuel Mulholland, Marysville, Wash.; Henry Shute, Syracuse, N. Y.; Robert R. Renner, Taft, Oreg; Marion J. Borigo, The Dalles, Oreg.; Blake L. Miller, Cave Junction, Oreg.; Frank X. Zielinski, Oregon City, Oreg.; Rile Eldridge, Santa Ana, Calif.; Raymond J. Murray, Pulaski, N. Y.; Raymond E. Morris, Connersville, Ind.; John P. Langley, Bloomington, Ind.; Robert C. Reno, Hagerstown, Md.

William J. Baer, Bend, Oreg.; Harry R. Buckles, Long Beach 7, Calif.; Frank H. Smith, Petersburg, Fla.; William A. Sullivan, Riverside, Calif.; Sylvester M. Miller, Yakima, Wash.; Archie Swan, Tacoma, Wash.; C. L. Dickinson, Vancouver, Wash.; Edward Krewson, St. James, Mo.; Frank R. Heise, Washington, D. C.; John J. Yates, Kenneth, Mo.; James A. Braunbeck, Williamsport, Pa.; Louis F. Heckman, House Springs, Mo.; George F. Smith, Lincoln, Nebr.; Sam H. Mauk, Los Angeles, Calif.; Harry Anderson, Nashville, Tenn.; Lloyd L. Coffelt, Wellington, Kans.; James S. Ross, Mena, Ark.; Herbert E. Pendleton, Deadwood, Oreg.; Boyd Rust, Apple Valley Calif.; William Edgar Hocken, Newport, Oreg.; Frederick Brakebush, Tualatin, Oreg.; O. K. Mitchell Santa Cruz Calif.; Ora Overholser, Bowie, Md.; Herbert Mosher, Springville, N. Y.; Cloye Williams, Alhambra, Calif.; William MacDowell, Norwich, N. Y.; U. V. Robinson, Onalaska, Wash.; Denton V. Opp, Aurora, Ind.; Noah A. Battles, Cabot, Ark.; and R. R. Hall, Oakville, Wash., and their associates and successors, are hereby created a body corporate to be known as the "Veterans of World War I of the United States of America."

SEC. 2. The persons named in the first section of this act are authorized, a majority concurring, to complete the organization of the corporation by the selection of officers and emloyees, the adoption of regulations and bylaws and the doing of such other acts as may be necessary for such purpose.

SEC. 3. Eligibility for full membership in the corporation, and the rights and privileges of members, shall be determined according to the constitution and bylaws, but shall be limited to persons who served honorably in the Armed Forces of the United States during the period beginning April 5, 1917, and ending July 2, 1921.

SEC. 4. The purposes of the corporation shall be patriotic, fraternal, historical, and educational, in the service and for the benefit of veterans of World War I; (a) to unite them with their comrades; (b) to provide assistance when needed and to protect their interests and the interests of their widows and dependents; (c) to venerate the memory of their honored dead; (d) to collect, preserve, and encourage the study of historical episodes, chronicles, mementos, and events pertaining to World War I; (e) to support law and order and foster the spirit and practice of true Americanism; and (f) generally to do any and all lawful acts which may be necessary, useful, suitable, desirable, and proper for the furtherance, accomplishment, and attainment of any or all of the foregoing purposes.

SEC. 5. The corporation (a) shall have perpetual succession; (b) may charge and collect membership dues and receive contributions of money or property to be devoted to carrying out the purposes of the organization; (c) may sue or be sued; (d) may adopt a corporate seal and alter it at pleasure; (e) may adopt and alter a constitution and bylaws not inconsistent with the Constitution and laws of the United States or of any State; (f) may establish and maintain offices for the conduct of its business; (g) may appoint or elect officers and agents; (h) may choose a governing board to conduct the business and exercise the powers of the corporation; (i) may acquire, by purchase, devise, bequest, gift, or otherwise, and hold, encumber, convey, or otherwise dispose of such real and personal property as may be necessary or appropriate for its corporate purposes; and (j) generally may do any and all lawful acts necessary or appropriate to carry out the purposes for which the corporation is created.

SEC. 6. The corporation shall have the exclusive right to use the name "Veterans of World War I of the United States of America," and such emblems, badges, seals, and devices as the corporation may lawfully adopt and employ.

SEC. 7. The corporation shall, on or before the 1st day of December in each year, transmit to Congress a report of its proceedings and activities for the preceding calendar year, including the full and complete statement of its receipts and expenditures. Such reports shall not be printed as public documents.

SEC. 8. The right to alter, amend, or repeal this act at any time is hereby expressly reserved.

STUDY OF USE OF SEA WATER FOR IRRIGATION PURPOSES IN ARIZONA

Mr. GOLDWATER. Mr. President, the soil of the valleys of Arizona is among the richest in the world. All that is needed to turn this vast area of undeveloped land into productive acres is water. Arizona's farm history is wrapped up in the Reclamation Act, which enabled the rivers of central Arizona to be dammed, allowing the controlled water to flow out on to the soil and create an economy of the vast nature that agriculture has achieved in my State.

The rivers of central Arizona have been completely utilized. The waters of the Colorado, which is our only remaining surface source, are now the subject of a suit in the Supreme Court to determine whether California is right in her claims to that water or whether Arizona is. Assuming that Arizona wins this suit and that our rightful share of this great river eventually is used to irrigate some of the lands of our State, there will still be need for other sources.

It has long been the feeling of the junior Senator from Arizona that the day of potable and usable ocean water is close at hand, and that possibly before the distribution of the waters of the Colorado is realized, ocean water may be available for the irrigation purposes.

With this thought in mind, my colleague in the other House, the Representative from Arizona's first district, Mr. JOHN RHODES, has introduced a joint resolution directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes.

It is my wish to introduce at this time an identical joint resolution and ask that it be properly referred. I ask unanimous consent that the joint resolution be printed at this point in my remarks.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S. J. Res. 142) directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the Secretary of State, with the cooperation and participation of the Secretary of the Interior, acting through the Bureau of Reclamation, is authorized and directed to conduct a study and investigation into the possibility of acquiring riparian rights or license from the Republic of Mexico for the purpose of permitting the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes, and to acquire a permit to locate the desalinization plant within the territorial limits of the Republic of Mexico.

SEC. 2. The Secretary of State and the Secretary of the Interior in carrying out the provisions of this joint resolution are authorized to procure the temporary or intermittent services of experts, consultants, or organizations thereof in accordance with the provisions of section 15 of the act of August 2, 1946 (60 Stat. 810). Such experts or consultants shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them while performing such services.

SEC. 3. Not later than 3 years after the effective date of this joint resolution, the Secretary of State and the Secretary of the Interior shall submit to Congress a complete report of the results of such study and investigation, together with such recommendations as they deem desirable.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary for carrying out the purposes of this joint resolution.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, AS AMENDED—AMENDMENTS

Mr. MAGNUSON submitted amendments, intended to be proposed by him to the bill (S. 1119) to amend the Civil Aeronautics Act of 1938, as amended,

and for other purposes, which were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO URGENT DEFICIENCY APPROPRIATION BILL, 1956

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, and for other purposes, the following amendment, namely:

At the proper place in the bill, to insert the following:

"CHAPTER VI

"ARCHITECT OF THE CAPITOL

"Acquisition of site, construction and equipment, additional Senate Office Building

"Acquisition of site: In addition to the real property contained in square 725 in the District of Columbia heretofore acquired as a site for an additional office building for the United States Senate under the provisions of the Second Deficiency Appropriation Act, 1948, approved June 25, 1948 (62 Stat. 1028), the Architect of the Capitol, under the direction of the Senate Office Building Commission, is hereby authorized to acquire, on behalf of the United States, by purchase, condemnation, transfer, or otherwise, for purposes of extension of such site or for additions to the United States Capitol Grounds, all other publicly or privately owned real property (including alleys or parts of alleys and streets) contained in said square 725 and all publicly or privately owned real property (including alleys or parts of alleys and streets) contained in square 724 in the District of Columbia, and there is hereby appropriated for such purposes $4,500,000, which, together with the unexpended balance of the appropriation for Acquisition of Site contained in the Second Deficiency Appropriation Act, 1948, shall be available for such purposes until expended, and there are hereby authorized to be appropriated such additional sums as may be required for such purposes: *Provided*, That for the purposes of this chapter and of the aforesaid act of June 25, 1948, squares 725 and 724 shall be construed to extend to the outer face of the curbs of sidewalks surrounding such squares: *Provided further*, That any proceeding for condemnation brought under this chapter shall be conducted in accordance with the act entitled 'An act to provide for the acquisition of land in the District of Columbia for the use of the United States,' approved March 1, 1929 (16 D. C. Codes, secs. 619–644): *Provided further*, That notwithstanding any other provision of law, any real property owned by the United States and contained in squares 725 and 724 shall upon request of the Architect of the Capitol, made with the approval of the Senate Office Building Commission, be transferred to the jurisdiction and control of the Architect of the Capitol, and any alley, or part thereof, contained in such squares, shall be closed and vacated by the Commissioners of the District of Columbia in accordance with any request therefor made by the Architect of the Capitol with the approval of such Commission: *Provided further*, That upon acquisition of any real property pursuant to this chapter, the Architect of the Capitol, when directed by the Senate Office Building Commission to so act, is authorized, under the funds appropriated hereunder, to provide for the demolition and removal of any buildings or other structures on, or constituting a part of, such property and, pending demolition, to lease any or all of such property for such periods and under such terms and conditions as he may deem most advantageous to the United States and to provide for the maintenance and protection of such property: *Provided further*, That the jurisdiction of the Capitol Police shall extend over any real property acquired under this chapter: *Provided further*, That the Architect of the Capitol, under the direction of the Senate Office Building Commission, is authorized to enter into contracts and to make such other expenditures, including expenditures for personal and other services, as may be necessary to carry out the purposes of this chapter and to obligate the additional sums herein authorized prior to the actual appropriation thereof."

Mr. HAYDEN also submitted an amendment, intended to be proposed by him, to House bill 9063, making appropriations for the fiscal year ending June 30, 1956, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MURRAY:

Address on issues facing the Nation, delivered by Senator MAGNUSON to legislative delegates of the CIO steelworkers, at Washington, D. C., on January 18, 1956.

NOTICE OF HEARING ON CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. DANIEL. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, February 15, 1956, at 10 a. m., in room 424, Senate Office Building, on the following nominations:

R. Dorsey Watkins, of Maryland, to be United States district judge for the district of Maryland.

Joseph P. Lieb, of Florida, to be United States district judge for the southern district of Florida.

And at 10:30 a. m., on the following nominations:

Ewing T. Kerr, of Wyoming, to be United States district judge for the district of Wyoming.

John M. Cashin, of New York, to be United States district judge for the southern district of New York.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from Indiana [Mr. JENNER] and myself, chairman.

JANE EDITH THOMAS

Mr. KILGORE. Mr. President, on January 17, 1956, the House sent to the Senate a message on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7588) for the relief of Jane Edith Thomas, and requesting a conference thereon. I ask that the Chair now lay that message before the Senate.

Mr. KNOWLAND. What is the bill to which the message relates?

Mr. KILGORE. It is a private immigration bill to which the Senate added certain amendments. The House has disagreed to the amendments, and has requested a conference. I wish to have conferees on the part of the Senate appointed.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7588) for the relief of Jane Edith Thomas, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KILGORE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. KILGORE, Mr. EASTLAND, and Mr. WATKINS conferees on the part of the Senate.

FORTY-SIXTH ANNIVERSARY OF THE BOY SCOUTS OF AMERICA

Mr. MARTIN of Pennsylvania. Mr. President, today is the 46th anniversary of the founding of the Boy Scouts of America.

There is no Member of this body, I am sure, who is not altogether familiar with the noble aims, great objectives, and enormous good work done by the Boy Scouts.

Special recognition is annually given to this grand boys' organization by the designation of Boy Scout Week, from February 6 to 12.

All of us have been personally active in the Boy Scouts, and have not only made an individual contribution to their record of success, but have gotten much personal benefit by being participants.

Today, therefore, is a most appropriate occasion to review briefly the growth of this movement, and to pay deserved tribute to its accomplishments.

It is especially significant to note that the Boy Scouts of America have launched a new 4-year program under a very appropriate title: "Onward for God and My Country." It is a program to strengthen the knowledge of our heritage and increase capacity to contribute to the welfare of our fellow men and our Republic.

Today, in 1956, the Boy Scouts of America number more than 4.1 million cubs, boy scouts, explorers, and adult leaders. This is the all-time highest membership peak ever reached.

During 1955, the organization recorded a gain of 401,119 members, an increase of more than 10 percent, the largest yearly gain in members since the beginning of Boy Scouts of America.

I should also like to call the attention of my colleagues to the fact that February 12 is Boy Scout Sunday, and to sug-

gest an active participation in the solemn services on that day. Boy Scout Sunday will be observed in churches of all faiths, with Jewish observance on Friday evening, February 10, and Saturday, February 11.

I know that I speak for all of my colleagues when I congratulate, today, the Boy Scouts of America on their inspiring record, their wonderful growth, and their inestimable contribution to our country.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, an editorial entitled "Happy Birthday, Boy Scouts" published in the Oil City Derrick of Monday, February 6, 1956, and an editorial from the Washington (Pa.) Observer entitled "God Is Important in New Scout Program."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Oil City Derrick of February 6, 1956]

HAPPY BIRTHDAY, BOY SCOUTS

We salute the Boy Scouts of America on its 46th birthday, now being observed during Boy Scout Week, February 6 to 12.

Scouting is a program for all boys everywhere. It is successful in the widest rural areas and in the most congested cities. It possesses an inherent appeal for the healthy, vigorous, normal American youth and also offers fields of achievement for the handicapped.

It has often been said that a boy can always find something to do. However, it is when he finds something to do that does not measure up to reasonable standards that he may get into trouble. Scouting offers a steadying hand that often tips the scales away from delinquency.

Scouting now influences the lives of more than 3 million boys through its 3 program parts designed to meet the needs of different age levels. There are 1,430,000 Cub Scouts in 36,000 Cub packs; 1,160,000 Boy Scouts in 54,000 troops; and 440,000 Explorers in 14,000 Explorer units.

Many hands join in bringing Scouting to these 3,030,000 boys and young men. In addition to the 1,070,000 adult volunteers who provide the leadership for them, there are 68,000 sponsoring institutions that actually operate the 104,000 Scouting units. This roll of institutions sponsoring Scout units really represents democracy in action. They represent the religious, civic, educational and veterans organizations of the Nation.

Scouting gives youth opportunities to develop physical fitness, self-reliance, a sense of personal responsibility, a spirit of helping people, a willingness to share, an understanding of Government's democratic processes, and above all, it helps them to the realization and acceptance of God as the guiding power of the universe.

Truly, Scouting is a program worthy of the support of all Americans interested in youth.

[From the Washington (Pa.) Observer]

GOD IS IMPORTANT IN NEW SCOUT PROGRAM

Over 4 million Boy Scouts this week are observing the 46th anniversary of the beginning of their organization in America.

During the week the scout organization will launch a new 4-year program, "Onward for God and My Country." This program is designed to help prepare America's boys to live in today's world and to prepare them to carry their full share in the years ahead.

It is highly significant that such a program is to be built on a religious theme. It is important that the Scout movement has recognized the fact that a program designed to build the youth of America must include the recognition of God and the training of Boy Scouts in religion and the knowledge of God. For America's future, and the future of its citizens are inseparably bound up with their fidelity to or unfaithfulness to God. If they are faithful to God, most of us believe, the future of the Nation is secure. Infidelity, we fear, may destroy the freedoms we possess. Certainly no program which leaves out God will raise the moral tone of young manhood or create a spirit of citizenry which will make a better Nation.

Dr. Arthur A. Schuck, chief scout executive, feels that this program is launched at a time when it is evident that increased emphasis on our free way of life is important. For the safety and welfare of the United States, he holds, a patriotism of the highest type is essential, a patriotism built on a firm spiritual foundation.

"As Scouting now influences the lives of 3 million boys," he says, "we must help them to the realization and acceptance of God as the guiding power of the universe. We must interpret and find additional methods to help a Scout in his own religious life to fulfill his obligation to God as stated in the Scout Oath and Law."

The "Onward for God and My Country" program also seeks to give youth opportunities to develop physical fitness, self-reliance, a sense of personal responsibility, a spirit of helping people, a willingness to share, and an understanding of government democratic processes.

It is a program worthy of the support of all Americans interested in youth.

THE AL SARENA CASE

Mr. NEUBERGER. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, the Senator from Oregon may proceed.

Mr. NEUBERGER. Mr. President, the national forests are the most valuable real estate belonging to the American people. They comprise vast areas, particularly in the Western States, of forested uplands, scenic meadows, watersheds where great rivers rise, and immense mountain ranges. Yet some of the essential and majestic portions of our national forests will be in danger if the procedure followed in the Al Sarena mining case becomes a precedent.

This is one of the most shocking cases to occur on our public domain in recent years. It amounts to a complete and reckless giveaway of valuable timberlands under the guise of so-called mining claims, in the Rogue River National Forest in the State of Oregon. In 1953, in the areas where the Al Sarena mining claims are located, there were over 300 sets of mining claims covering 50,000 acres and supporting a stand of mature and high-quality timber totaling 1,800,000,000 board-feet. What will be the result to the Pacific Northwest and to our country if the Interior Department follows the Al Sarena procedure on these 300 other claims? It could mean the disposal, virtually as a gift, of public timber valued at perhaps $20 million.

If the Al Sarena procedure is not followed, it will mean that this one Mobile, Ala., mining corporation has received favored treatment denied to all other mining claimants in the forests of Oregon and the rest of the Western States.

Three very significant facts stand out incontrovertibly in the Al Sarena case. They are these:

First. The Interior Department accepted as final a Mobile, Ala., assay and allowed that assay to overrule assays taken by its own Bureau of Land Management and by the United States Forest Service.

Second. Dr. Richard E. McArdle, Chief of the United States Forest Service, and an official of 32 years' experience in that agency, testified under oath that, in his entire career, the procedure in the Al Sarena case had never before been followed with either a large or small mining claim or operation on the National Forests.

Third. Since patent was granted to these so-called mining claims in January 1954, by the Interior Department, not one ounce of ore has been mined on the Al Sarena claims, but over 2 million board feet of valuable fir and pine timber have been cut commercially.

I am a conservationist. I became a candidate for the United States Senate because I thought that our vast heritage of valuable resources was in danger under this administration. The Al Sarena case symbolizes that danger. It symbolizes the imposition of a purely political judgment against the judgment of career officials in our great conservation agencies, such as the Forest Service and the Bureau of Land Management.

Secretary of the Interior McKay and Under Secretary Clarence A. Davis must accept responsibility for this case. Mr. Davis testified that he alone was responsible for Al Sarena, but the Secretary of the Interior cannot avoid being implicated in what occurred in the Secretary's office of his Department.

I have just learned from the acting chairman of the subcommittee, the distinguished junior Senator from North Carolina [Mr. SCOTT], that he has received a letter in which Secretary McKay accepts responsibility for the Al Sarena decision. Mr. McKay has done the manly thing; I commend him for it. I am glad he has not shirked his part. But, Mr. President, accepting responsibility for a deed does not in any way lessen the aspects of that deed. The act remains. And the deed in the Al Sarena case is contrary to the welfare and protection of the natural resources of the United States. Out of the Al Sarena case, only one of two conclusions can be drawn. Either the Al Sarena case establishes a precedent which could lead to the indiscriminate disposal of great and valuable tracts of timber in our national forests; or, if it is not to be a precedent, then the Al Sarena Co., of Mobile, has been the beneficiary of special and preferential treatment never accorded any other mining corporation or individual prospector.

Neither of these conclusions, Mr. President, does credit to the Interior Department's top-level officials who rendered the Al Sarena verdict.

FOREST SERVICE HAS DEFENDED OUR TIMBER RESOURCES

Let me repeat at this point what I said on the Senate floor on February 6, 1956. The Interior Department, and only

the Interior Department, among Government agencies is culpable in this case. The Department of Agriculture, in which is located the United States Forest Service, acted courageously and vigilantly in protesting the decision on these 15 Al Sarena mining claims; and for that protest both Secretary of Agriculture Ezra Taft Benson and Chief Forester McArdle deserve full credit and praise.

Minority members of the subcommittee investigating the Al Sarena case constantly tried to bring in the name of ex-Secretary of the Interior Oscar L. Chapman. What happened in this case is a credit to Mr. Chapman. During his tenure as Secretary, political pressure was applied to bring about granting of the Al Sarena patents, despite the fact that the Forest Service and the Bureau of Land Management claimed there was not sufficient mineralization to warrant granting the patent. Oscar Chapman resisted this pressure. He did not grant the patents. The pressure continued when Mr. McKay succeeded Oscar Chapman as Secretary of the Interior in January 1953. Less than 1 year after Mr. McKay's installation in office, the Al Sarena patents had been granted. The political pressure had succeeded. It succeeded with McKay, where it failed with Chapman.

The assays taken by the Forest Service and the Bureau of Land Management were tested at three different laboratories—at the Annes Engineering Laboratory, in Grants Pass; at the Abbott A. Hanks Laboratory, in San Francisco, Calif.; and at the United States Bureau of Mines Laboratory, in Albany, Oreg. All of these assays showed insufficient mineralization. Then the Interior Department arranged for a private assay in which the Al Sarena Co. would have a voice in determining the assaying agency. Al Sarena selected the Williams Inspection Co., in Mobile, Ala., with which Al Sarena had a longstanding relationship. This assay, Mr. President, was allowed to cancel the results shown at Grants Pass, at San Francisco, and at Albany.

ONE RULE FOR AL SARENA, ANOTHER FOR LITTLE PROSPECTORS

Mr. President, there are thousands of little prospectors scattered all over the national forests of Oregon and the rest of the West. Why, then, should they not be allowed to bring in private assays from their own personal assaying house, and let these overrule those of the Forest Service and the Bureau of Land Management? If this should be done, what will happen to our national forests? If this is not done, what will Mr. McKay and Mr. Davis say to prospectors who have been denied the special favors and preferred treatment which went to Al Sarena?

In his testimony before the subcommittee, Under Secretary Davis felt it necessary to indict the fairness and impartiality of a veteran mineral examiner with the Bureau of Land Management. This, of course, was after Mr. Davis had been pressured politically and had heard adverse comments against this mineral examiner from the owners of the Al Sarena Co. Mr. Davis testified that he never gave the examiner a hearing or an opportunity to present his side of the situation. Mr. President, what kind of governmental procedure is this? That mineral examiner is a respected career employee of Mr. Davis' own department. So far as I can determine, the general public and the mining industry in Oregon have complete confidence in him. His record is unblemished, to my knowledge.

Yet the second ranking official of the Interior Department told our committee of this examiner's obvious hostility when he had given that examiner no hearing. Is it not curious that the Under Secretary of the Interior deems it important to hear complaints against a trusted career official, but not to hear that official's defense of his integrity and his capacity for public service?

Or was Mr. Davis so anxious to part with these so-called mining claims that he did not desire to hear the mineral examiner's side. It is significant that, before he ever made a final determination in this case, Under Secretary Davis wrote a letter stating:

> I am aware of the peculiar nature of the area that they say is mineralized and I want to approve patent for them if the assays afford us the well-established legal basis therefor.

In other words, Mr. President, Mr. Davis did not want to judge the case on its merits. He wanted to grant a patent. In his testimony, Mr. Davis compared himself with a judge in an appellate court. He used this comparison frequently. What would the Senate Judiciary Committee think of an appellate judge who, prior to hearing a case, wrote a letter saying he wanted to reach a verdict on one particular side of the litigation before him? Would that appellate judge still be qualified to sit on the bench in that case?

The Portland Oregonian, a newspaper friendly to Secretary McKay, suggested editorially a few weeks ago:

> If there is still controversy, it can only be ended by taking new samples and getting new assays.

Alas, if only the conclusion of the Oregonian could be pursued to its logical goal. When the Interior Department granted the patent to the claims, that was final. Forest Rangers at Union Creek, in the Rogue River National Forest, testified before the subcommittee that they consider these 15 claims private land, even though they lie within the borders of the National Forest. And so, of course, they are. They are the lands of the Al Sarena Co., no longer of the United States Government. That is what the Interior Department decision means.

A new assay would not revoke the patents. On these lands, the Al Sarena Co. can do anything it wants. It does not even need to follow the sustained-yield cutting practices adhered to by the Forest Service. It can cut timber as it sees fit, and as it is doing. And, obviously, it is not operating a mine on these so-called mining claims.

Mr. President, I am concerned about the fair administration of natural resources. The chief of the United States Forest Service told the subcommittee that the value of the timber on the Al Sarena mining claims, as of 1954, was approximately $231,000. The company cut a substantial portion of that timber in 1954. This timber, growing on land which once belonged to the United States Government, was virtually a gift to the company. Is this even fair to legitimate operators of saw mills and logging camps and other phases of the lumber industry in Oregon, which is the Nation's leading lumber producing State? They have to pay for their timber. They engage in spirited competitive bidding for sustained-yield timber on Government land. Should they have to compete with a corporation which receives its timber for nothing, under the guise of so-called mining claims?

NO ONE MINING BUT PLENTY OF TREE MINING

Mr. President, the defenders of the Al Sarena deal cite constantly that the timber was of very little value back in 1935 when the Al Sarena Co. acquired some of these claims. That is true, Mr. President. But here, again, the defenders of the deal bring up information adverse to their cause. Without a patent, the company could operate a mine. But without a patent it could not harvest and sell the timber. The company did not apply for a patent until 1948, when the timber had a substantial value of at least $77,000. Unless it was to harvest timber, why did the company delay so long in seeking a patent? It is important to note that the company was evidently not interested in a patent to these claims until the timber growing on the claims had increased greatly in value.

Mr. President, I shall not discuss any further today this shameful episode in the history of our public domain. For the record, I want to restate once more three incontrovertible facts which cry out for a new administration in our Interior Department. These facts are:

First. A private assay in Mobile, Ala., was given credence over the assays conducted by the United States Forest Service and the Interior Department's own Bureau of Land Management, to say nothing of a Bureau of Mines laboratory test at Albany, Oreg.

Second. The Chief of the Forest Service and his subordinates testified that never, in their long experience, had they encountered such a procedure as that in the Al Sarena case.

Third. Since the patents were granted, there has been no mining of minerals, but there has been a commercial cut of over 2 million board-feet of timber in the Rogue River National Forest. That timber was virtually a gift to the company.

Mr. President, I ask unanimous consent to include with my remarks an article on the Al Sarena case, by Clark Mollenhoff, published in the Des Moines Register of January 22, 1956; a column from the Denver Post, by Roscoe Fleming, published in that newspaper on February 2, 1956; an editorial published in the Denver Post of January 31, 1956, and an analysis of the Al Sarena case, by Mr. John B. Oakes, conservation editor of the New York Times. These noted writers and editors indicate some of the same outrage and indignation which I have

tried to express here today over the shameful lack of scruples and lack of care shown by the Interior Department in its custody of valuable timberland belonging to the American public.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Des Moines Register of January 22, 1956]

UNITED STATES TRANSFER OF 454 ACRES OF FOREST LAND TO SARENA NOW CENTER OF GIANT POLITICAL BATTLE

(By Clark Mollenhoff)

WASHINGTON, D. C.—The transfer of 454 acres of national forest land in Oregon to the Al Sarena Mining Co. has become the center of a giant political battle.

The case has resulted in a major effort by congressional Democrats to hand a "give-away" tag on Interior Secretary Douglas McKay.

Republicans call it an attempt "to smear" the Eisenhower administration and McKay. They are trying hard to halt this investigation and to limit funds for others.

A dozen Republican Senators and Representatives have taken part in the hearings and have engaged in verbal assaults on the motives of Chairman W. KERR SCOTT, sphinx-faced Democratic Senator from North Carolina.

A joint subcommittee of the House Government Operations Subcommittee and the Senate Interior Committee is holding the hearing.

THE CASE

The Democrats contend the Interior Department sold Al Sarena 454 acres of timber land for $5 an acre. They said the natural timber is worth $231,000.

The patents for the land were approved by Under Secretary of Interior Clarence A. Davis, then Solicitor under McKay.

The owners of the Al Sarena Mining Co. are the McDonald family—Democrats from Mobile, Ala., Charles R. McDonald is president and Herbert P. McDonald, Jr., is secretary-treasurer.

The name Al Sarena is derived from parts of the names of three McDonald women—Alice, Sarah, and Rena.

STARTED IN 1948

In 1948 Al Sarena applied for 23 land patents in the Rogue River National Forest in southern Oregon. The Bureau of Land Management in the Interior Department notified the United States Forest Service in the Department of Agriculture of the claims.

Tests were conducted by the Bureau of Land Management and the Forest Service on ore samples from the 23 tracts.

When three assays had been run, the Forest Service recommended that the claims be not granted. It said the mineral content did not justify transferring this forest land to Al Sarena at $5 an acre, the statutory fee for transfers on mineral claims.

The Assistant Director of the Bureau of Land Management on April 27, 1951, affirmed the field decision to refuse the land patents.

TO CHAPMAN

On May 21, 1951, Al Sarena appealed to Secretary of Interior Oscar Chapman, a Democrat.

Chapman took no action. The McDonalds asked Representative FRANK BOYKIN, an Alabama Democrat, to urge the Department to give consideration to the claims.

At the same time, a prominent Democratic attorney in Denver, Colo., wrote the McDonalds and proposed that for a $2,000 fee he would try to get favorable action. If the claims were approved, he wanted $8,000 more.

The fact that Chapman did not act was lauded by Senator RICHARD NEUBERGER, Democrat, of Oregon, as showing that the Democratic administration had not been influenced by pressure to give away the Nation's timber.

Representative CLARE HOFFMAN, Republican, of Michigan, declared the Democratic administration apparently hadn't acted because Al Sarena had not produced the legal fee.

CHARGE INJUSTICE

HOFFMAN, Senator BARRY GOLDWATER, Republican, of Arizona, and Representative CHARLES R. JONAS, Republican, of North Carolina, charged Chapman was guilty of an injustice to Al Sarena in "sitting on" the appeal for 18 months without action.

When the Eisenhower administration took over in 1953, the Al Sarena group shifted their contact from Representative BOYKIN to a Republican from Oregon—Representative HARRIS ELLSWORTH.

The Department of Interior has a large file of letters that ELLSWORTH and his secretary, Hayden S. Garber, wrote to Clarence Davis, then Solicitor for the Department.

REOPENS CASE

On September 3, 1953, Davis ordered the Director of the Bureau of Mines to take new ore samples on the lands Al Sarena sought.

Davis said the samples must be sent to an assayer who was acceptable to Al Sarena, and asked that the reports on the assays be "sent to me promptly."

M. E. Volin, Spokane, Wash., Chief of the Mining Division of the Bureau of Mines, assigned the assaying job to R. N. Appling, Jr., a field man at Grants Pass, Oreg.

Appling was instructed to work with D. Ford McCormick, an engineer for Al Sarena.

Appling testified that he suggested three assaying firms in the West. However, Al Sarena chose the A. W. Williams firm of Mobile, Ala., with which the McDonalds had had many business dealings.

Chairman SCOTT introduced a letter from the General Services Administration saying that on three Government contracts there had been unsatisfactory performance by the Williams firm on tests for bauxite and chrome ore.

GOLDWATER and HOFFMAN produced a memorandum written by a Bureau of Mines Regional Director to Volin, saying the Williams firm "was okay."

The Williams assays indicated it might be possible to extract about $2 worth of gold from every ton of ore handled.

Democrats produced a mining engineer, George N. Holderer, who said union wages for handling the ore would be about $9 a ton, and that it could not be profitably operated unless the minerals were worth at least $20 a ton.

PHONES FOR REPORT

Davis phoned Appling on December 29, 1953, before Appling had written his report on the assays. Appling said he told Davis he thought the reports indicated exploration for minerals would be justified.

According to Appling, Davis told him to complete his report and to hurry it to Washington. He mailed it January 5, 1954, and it arrived in Washington January 8.

On January 6, 1954, Davis approved the 23 patents.

Richard W. McArdle, Chief of the United States Forest Service testified that it wasn't until after this date that his agency knew new samples of ore were being taken. Since the Forest Service is a party in these disputes, he said, it is normal procedure to allow that agency to interpose any objection.

CUTS TIMBER

In the 2 years since Al Sarena got the patents, it was estimated by a forest ranger that more than 2,220,000 board-feet of lumber has been cut. No mining has been done.

Democrats contend the mining claims were a subterfuge for getting Government timber at a low price, and that the Republican administration made undue efforts to help Al Sarena instead of protecting the Government's interests.

[From the Denver Post of February 2, 1956]

MINING-CLAIM CASE: AL'S NOT SARENA IN OREGON

(By Roscoe Fleming)

The betraying fact about the Dixon-Yates transaction in Tennessee, of which the administration is now trying to shake itself clear, was the stealthy, roundabout way in which everyone went about it. People do not hide behind Robin Hood's barn, to complete a straightforward business transaction.

The betraying fact about the so-called Al Sarena case in Oregon, aside from the nervous haste of everyone concerned, is that a patent was issued to a group of mining claims on an alleged showing of $2.06 value per ton, for gold and silver ore.

Try raising money along Seventeenth Street to dig an underground mine and put up a mill, on assays showing you've got $2.06 ore. You'd be laughed out of town; there's better ore than that, on some old mine-dumps, or some Colorado roads.

Yet, upon this basis the Interior Department permitted private exploitation of 300 acres of magnificent primal timber worth nearly $250,000, of which much has since been cut.

In 1948 the Al Sarena Mining Co., of Mobile, Ala., had asked patents under the mining law of 1872, now amended. This law requires proof that profitable mining may be conducted, before the land may be taken over into private ownership.

Tests showed values of only 87 cents a ton so the patent was not allowed. But when the present administration came in, the patent was hastily granted. Since then the company has "mined off" from $77,000 to $110,000 worth of timber, but allegedly has done little toward underground mining.

An assayer coming from the company's home town of Mobile, Ala., said the new tests showed values of $2.06 per ton. Clarence A. Davis, then Department solicitor, now an Assistant Secretary of Interior, issued the patent at once upon hearing of these results by telephone from Oregon. Mr. Davis has assumed "full responsibility" for the decision.

Democrats on the investigating committee claim this test was just monkey business to make a giveaway look good. Republicans, led by Representative HOFFMAN of Michigan, claim the whole hearing is nothing but an attempt to smear the administration.

The Chief of the Forest Service, Richard E. McCardle, testified that in 30 years of Government service, he never saw a case handled like this one.

But the crux goes back to those mineral samples. The then regional Chief of the Bureau of Mines in Spokane testified that Dr. Davis instructed him to take a set of samples and have them assayed by a company mutually satisfactory to himself and the Al Sarena Co. Hauling the Bureau into such a case is itself virtually without precedent.

He suggested two west-coast firms, but nobody would do Al Sarena save its Mobile assayer. The Bureau official checked on the Mobile firm, and agreed.

But General Services Administration has since told the committee that work done for it by the Mobile assayer had proven incorrect and inadequate. Check samples of Al Sarena ore, though taken by the Bureau, were later thrown into the Rogue River without test.

The committee's own mining expert, George E. Holderer, testified that the Al Sarena samples were some of the poorest he had ever seen, and that ore 10 times as rich

is needed to make a successful mining venture at this site, or $20 a ton.

Promptly Representative HOFFMAN claimed that Mr. Holderer is nothing but a Democrat, whereupon it was shown that Mr. Holderer is a holdover from Republican control of the committee, and was named to his job by Senator GEORGE W. MALONE, of Nevada.

This is a sad case, and a mysterious one, unless the Interior Department sought thereby to set a precedent to throw open the national forests to exploitation by anyone who could make a showing of $2 ore. In that event, millions of acres of the public domain are in danger, even under the amended law. "Who will watch the watchers?"

[From the Denver Post of January 31, 1956]

THE OREGON MINE CASE AND POLITICS

The Al Sarena mine case in the Rogue River National Forest of Oregon is being ballooned into cause célèbre by those who believe it illustrates the giveaway proclivities of the Eisenhower administration's Department of Interior.

We know something about that case, having studied it closely in connection with the campaign the Denver Post conducted to amend the obsolete mining laws under which the Rogue River incident unfolded. Whether the Department erred in permitting the claimant company to take patent on mining claims that held timber of some value is largely a matter of evidence. The law on the subject was as clear as it was defective in protecting the public interest.

The evidence involved only one consideration: Was there enough mineralization within the company's claims to justify the efforts of a prudent man in exploiting it? Normally that question is answered by inspections and assays undertaken by examiners of the United States Forest Service or the Bureau of Land Management. The decisions had not been easy ones to make under the mining laws then in effect. And the minerals examiners freely admitted it.

In the Al Sarena case the Department's Solicitor, Mr. Clarence Davis, set aside the findings of Forest Service and BLM examiners and enlisted the Bureau of Mines and others in a double check of previous assays. Mr. Davis said he asked for completely new samples as a double precaution against the wrongful conversion of public timber to private ownership. And he found that the second assays showed there was present a mineral deposit which might be profitably worked—leaving him no alternative but to grant the claimant a patent on the land.

Now it appears to us that an extraordinary effort was made by Mr. Davis, with the vigorous encouragement of a surprising number of the mining company's friends in and out of Congress, to grant the company patent to that land and ownership of that timber. Mr. Davis himself was obviously impressed by the fact that the company, which had filed its first claims in 1897 and its latest in 1936, had expended at least $150,000 in trying to extract minerals during that time.

The fact that the mining company had embarked upon the construction of 9 mining tunnels, the erection of a 100-ton-a-day mill and housing, and had done other work long before the timber on the claims had appreciated to its present values was emphasized by Mr. Davis.

The Forest Service estimated the value of timber on the claims at $77,000 (with a growing stock still standing). "It is hard to believe," Mr. Davis commented, "that people who filed mining claims in 1897 and who have spent, as they claim, $250,000, and as everyone concedes, at least $150,000 are mere 'timber grabbers' in the bad sense of that word."

So it seems obvious that the double precaution Mr. Davis referred to was not that of guarding against the conversion of public timber, but was taken as a means of permitting the Al Sarena Mine Co. to salvage something of value from an unprofitable enterprise. We doubt very much that under the mining laws then in effect, such action was the first of its kind—although there have been apparently few examples of such extensive mining investment upon such questionable quality and quantity of mineralization to justify it.

Whether Mr. Davis was a conscious party to a giveaway can hardly be proved. The terms and conditions applying to the granting of patents were so vague as to be endlessly debatable. But Mr. Davis' predecessors had supported the findings of fact and the evaluation of evidence by the Department's men in the field. And the reversal of that record, by such unusual if not questionable precaution, in context with the pressures which the Department felt after the Republicans assumed power, exposes them to the charge of giveaway whether it can be proved or not.

[From the New York Times]

CONSERVATION: AL SARENA

An alleged give-away of over $200,000 worth of timber on national forest land under cover of a mining operation has been the subject of a protracted congressional investigation in Washington. A most unusual and hasty—if entirely legal—procedure was apparently followed by officials of the Interior Department in granting patent of Oregon timberland to a mining company that enabled it to mine the land of timber instead of minerals.

The Al Sarena Co., with head offices in Mobile, Ala., had filed a mining claim in 1948 on lands in the Rogue River National Forest in Oregon. Under the law, mining operations must be adjudged commercially feasible for a patent to be granted on national forest land; but once a patent is granted—and not until then—the company has the legal right to remove and sell timber that happens to be growing on the claim. Tests in 1949 indicated that mineral content of the claims was virtually negligible; but in 1953 Al Sarena made the claim again. This time the test—which Al Sarena insisted be made by a Mobile, Ala., testing company—showed a higher probable rate of return, but still so low that one expert witness said of it at the hearings that "the economics are zero." Yet the patent was immediately granted. Since then (early 1954), the Al Sarena Co. has taken out some 2,600,000 board feet of valuable timber that in the absence of a patent would have belonged to the Federal Government; but it has done no mining on the disputed claims whatsoever. The procedure under which the patents had been granted was said, in testimony by the Chief of the Forest Service and at least one other official, to be unique in their experience.

TIMBER RIGHTS

Regardless of the politics involved in this investigation, the testimony appears to show that valuable timber rights on national forest land were granted under a law supposedly applicable only to mining operations.

What worries conservationists in this case is that sufficient care apparently was not taken at high levels in the Interior Department to guard against misuse of the law. A legislative reform in the mining laws was made last year; but it applied only to claims on mining lands, not to actual patents. It therefore would not have affected the Al Sarena case even if the latter had occurred subsequent to passage of the new law.

SCHOOL MILK PROGRAM AND BRUCELLOSIS ERADICATION PROGRAM

Mr. CLEMENTS. Mr. President, previously the majority leader has announced that a number of measures on the calendar would be scheduled for early consideration by the Senate. Without enumerating the half-dozen or more bills which it was suggested should be taken up at the earliest possible moment, I should like to invite attention to another which should be added to the list. I refer to Calendar No. 1488, House bill 8320, a bill to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis program for the fiscal year ending June 30, 1956. There is an urgency about the passage of this proposed legislation which prompts me to make this statement to the Senate.

This bill, with the committee amendments, would—

First. Extend the special school milk program 2 years to June 30, 1958, increase the amount authorized for it from $50 million annually to $60 million for the current fiscal year and $75 million for each of the next 2 fiscal years, and make certain nonprofit institutions devoted to the care of underprivileged children eligible for the benefits of the program;

Second. Extend the accelerated brucellosis program 2 years to June 30, 1958, and increase the amount authorized for it from $15 million annually to $17 million for the current fiscal year and $20 million for each of the next 2 fiscal years; and

Third. Extend the veterans and Armed Forces milk program 2 years to December 31, 1958.

Some of the areas are entirely out of funds, and there is real urgency for the passage of the bill at the earliest possible moment. If it should be possible to bring it up later in the day, I cannot conceive that any Member of this body who understood the circumstances would interpose any objection.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. KNOWLAND. I am glad that the acting majority leader has brought this subject to the attention of the Senate. I hope that, as soon as the unfinished business is disposed of, this important measure can be brought up for consideration. I understand that the bill was reported unanimously favorably from the Committee on Agriculture and Forestry.

Mr. CLEMENTS. That is correct.

Mr. KNOWLAND. I am sure it is a bill which all Members of the Senate will wish to expedite.

Mr. CLEMENTS. I may say to the distinguished minority leader that not only was the bill reported unanimously from the Committee on Agriculture and Forestry, but it was brought out at a time when the Committee on Agriculture and Forestry was considering the overall general farm bill.

NEED FOR HIGHWAY CONSTRUCTION TO REDUCE TRAFFIC DEATHS

Mr. KUCHEL. Mr. President, I took occasion on the floor of the Senate a number of days ago to point to the increasing urgency for Congress to come to grips with the problem of Federal highway legislation, and to consider the speedy enactment of legislation which fairly and practically would establish Federal responsibility for construction in the United States an interstate system of 40,000 miles of efficient and modern highways.

On that occasion I told the Senate that during the 12 months of 1955 there were more deaths resulting from highway accidents in America than resulted from the entire Korean war.

I have before me an Associated Press article which appeared in the Washington Star several days ago, which indicates that 1955 traffic deaths were placed at 38,300, which constitutes almost a record.

Today the automobile has become a veritable weapon of destruction, particularly when it is driven on poor highways and broken down roads.

Because I think this article bears on the necessity for the Congress and the Federal Government to assume responsibility for constructing highways which would tend to reduce, if not to eliminate, such accidents as are described in the article, I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

1955 TRAFFIC DEATHS PLACED AT 38,300—NEARLY A RECORD

CHICAGO, February 2.—Traffic accidents killed 38,300 Americans in 1955—one of the heaviest tolls in history.

The motor vehicle held its perilous place as the No. 1 killer in accidents.

The National Safety Council today reported that last year:

Accidents of all types brought death to 92,000 persons, injured 9.2 million, and resulted in $10.3 billion in financial setbacks—such as equipment and property damage, lost wages, and medical expenses.

Traffic accidents alone cost 38,300 lives, approximately 1,350,000 nonfatal injuries, and $4.7 billion in terms of cash.

Last year's motor vehicle death total tied with the 1953 toll for the third highest on record. It was 1,669 under the all-time high of 39,969, reached in 1941, and approached closer to the 39,643 registered in 1937, the runner-up year.

The safety council said 35 States had higher traffic death tolls, and the total was lower in 13 others.

States showing reductions included Maryland, with a decline of 1 percent.

Cities reporting a decline included Alexandria, Va., with a drop of 0.3 deaths per 10,000 registered vehicles.

CODE OF FAIR PROCEDURE NECESSARY FOR SENATE COMMITTEES

Mr. KUCHEL. Mr. President, while I am thoroughly aware that one Congress cannot bind another, I wish to call to the attention of the Senate a solemn promise made the American people and to attempt to inspire action to carry out that promise.

On various occasions during the 83d Congress, discussion occurred on this floor and elsewhere with respect to the crying need for revision of the rules under which the committees of this body operate. There was a demand for so-called reform of our procedures. A variety of proposals was put forward for adoption of a code of ethics and some congressional equivalent of the Marquis of Queensbury rules.

To my great distress, the responsibility for remedying deplorable and intolerable conditions has been ducked on a number of occasions during the more than 3 years I have had the honor of sitting in this body. I recall with regret that time after time in 1954 on calls of the calendar mild proposals to improve the standing rules governing our committees were passed over without a word of discussion. I also recall, Mr. President, that definite and apparently earnest pledges were made that at some future date we would come to grips with this problem.

As my service here has lengthened, I have become steadily more convinced of the need for revising our rules—for reforming, if you will, our procedures. I feel even more strongly on this subject than I did on one occasion nearly 2 years ago when I used the word "shocking" in describing the proceedings of a Senate committee which listened to accusations which I termed "unsubstantiated," "unverified," and "damaging." My conviction has grown that we need even more desperately the "abundance of changes" to which I referred on this floor on another occasion late in 1954.

There have been incidents and instances in the current session of the 84th Congress, Mr. President, when the degrading laxness of Senate rules has caused me to recoil at the manner in which we sometimes trample on individuals unable to defend themselves, acquiesce in smears and character assassination, receive the most indefensible type of hearsay testimony, or autocratically disregard all recognized standards of ethics and decent conduct.

In the hope that attention would be paid this problem of committee procedure, I was happy at the opening of the 84th Congress to join with my colleague from Connecticut [Mr. BUSH] in presenting a resolution which we felt would be at least a step in the right direction, a positive move toward reform, a productive effort to uphold the cherished reputation of the United States Senate. That proposal, Senate Resolution 22, has not, so far as I can ascertain, received the slightest attention from the committee to which it was referred. Nor, I fear, have similar resolutions aimed at achieving a similar objective.

Consequently, Mr. President, I now am trying to focus attention once again on this problem and make earnest efforts which will enable the Senate to look forward to eventual adjournment with a feeling that it has lived up to its commitments. We do not want to conclude this session as welshers and faithbreakers.

In the hope that my colleagues will concern themselves with this pressing matter, I ask unanimous consent to have printed in the RECORD as a part of my remarks a copy of the letter which I recently sent the chairman of the Committee on Rules and Administration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. THEODORE F. GREEN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR GREEN: I write to you because of a deepening conviction that the Senate cannot justify its failure to correct conditions which result in disregard for the rights of, and injury to, American citizens, jeopardize the dignity and prestige of the United States Senate, and do serious violence to traditional constitutional and democratic principles.

Since I became a Member of the Senate, I have felt there is imperative need for the establishment of rules of procedure governing Senate committees. From time to time I have expressed myself publicly on this point, as, indeed, have many of our colleagues. Virtually each week that passes gives me new cause to deplore the absence of appropriate regulations for committee procedure and to deplore, also, the abuses which inevitably result.

At the opening of the 84th Congress, I joined with our colleague from Connecticut, Senator BUSH, in Senate Resolution 22, which would amend the Standing Rules of the Senate by prescribing procedure for standing, select, and special committees in the conduct of their business. Various similar resolutions for the same purpose were introduced in both the 83d and 84th Congresses by different Members.

Regrettably, all of these proposals to remedy an intolerable and undemocratic situation appear to have languished in the archives of the Senate Committee on Rules and Administration.

This is very disturbing, especially since on various occasions in the 83d Congress, apparently positive assurance was given by Senators in positions of responsibility that serious attention would be paid in the future to writing and adopting rules which would be at least a step in the direction of desperately needed reform. I am sure you will recall several instances when statements were made on the Senate floor about the very real need for adopting rules insuring fair treatment of witnesses and providing orderly functioning of committees.

The resolution which Senator BUSH and I introduced would not, by any means, answer all of the complaints and criticisms heard in the past—and still being uttered—about incidents of abuse of authority, unwarranted attacks upon individuals, disregard of generally recognized rights, and undemocratic procedure. Adoption of Senate Resolution 22 would be a constructive move that could not help but safeguard the reputation of the United States Senate and strengthen respect for the legislative process.

I am aware there are wide differences of opinion about the scope and nature of revised rules of procedure. At the same time, I cannot agree that because the subject of Senate reforms is controversial we should delay further facing up squarely to the responsibility of action.

The present session of the 84th Congress already is well advanced. In a short time, there will be a considerable volume of measures sent to the floor for debate and disposition. Presumably, a substantial amount of

time will be needed to agree on revision of the Senate rules. As time runs along, prospects for taking up such an important matter are bound to become poorer.

Inasmuch as I feel it will be a cause for shame for the 84th Congress to end without attempting to improve this situation, I sincerely request you as chairman of the Committee on Rules and Administration to schedule Senate Resolution 22 for early consideration in the hope that action at this session may be possible.

With best wishes, I am

Sincerely,

THOMAS H. KUCHEL,
United States Senator.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. CAPEHART. When I was chairman of the Senate Committee on Banking and Currency the committee adopted, almost verbatim, the rules of which the Senator from California speaks; and they were used 100 percent during the hearing and inquiry relating to the Federal Housing Administration.

Furthermore, as chairman of the committee, I made the statement at every hearing the committee held that any person whose name was brought in directly or indirectly, inadvertently or purposely, and who felt that he had been harmed or injured in any way, would be immediately given an opportunity to be heard.

The committee adopted almost verbatim the resolution about which the Senator from California was speaking. It worked very satisfactorily during our FHA investigations. We had no trouble whatever with it. Witnesses and everyone else seemed to like the procedure. We gave everyone an equal opportunity to be heard and to answer anything derogatory to himself.

Mr. KUCHEL. Mr. President, I think the congratulations are in order for our able colleague from Indiana. Once again we are reminded that what, apparently, has been done with respect to his committee ought to be the general rule in the Senate for all of our committees.

On numerous occasions during several committee hearings this year and in prior years I have noted the tragic lack of any kind of rules of fair procedure with respect to the examination of witnesses. I congratulate the Senator from Indiana, and I know he will join with some of us in urging prompt consideration of the resolution by the Committee on Rules and Administration.

Mr. CAPEHART. The coauthor of the resolution is the able Senator from Connecticut [Mr. BUSH]. He is a member of the Committee on Banking and Currency and participated in the hearings to which I have referred.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BUSH. I should like to observe that I endorse everything the Senator from Indiana has said about the way the hearings were conducted when the Committee on Banking and Currency was looking into the housing scandals in 1954. It was an exemplary operation from start to finish. Although there arose a great many difficult situations, when many witnesses were in very tight spots, at all times the chairman showed the utmost consideration of witnesses and adhered strictly to the rules which were, as he said, adopted from the resolution to which the Senator from California has referred.

If the Senator from California will permit me to do so, I should like also to commend him for reviving the matter and reminding the Senate of its continuing responsibility in connection with its rules, particularly as they apply to investigations.

As the Senator has said, some committees adopt such rules for their own operations, and some committees do not. What the Senator has in mind, and what we had in mind when we prepared the resolution 2 years ago, was that it would be an obligation which should be undertaken by the Senate to revise its rules, so that all committees would be governed by them.

Again I say the Senate should be grateful to the Senator from California for reviving the matter.

Mr. CAPEHART. I wish also to say that the Committee on Banking and Currency at the present time is operating under the rules which were adopted last year and that all hearings before the Committee on Banking and Currency are conducted on the basis and within the framework of the resolution to which the able Senator from California has referred.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LANGER. For my own information, could the distinguished Senator from Indiana tell us how many persons went to jail as a result of the investigation into the housing scandal?

Mr. CAPEHART. Quite a number went to jail, but I do not know the exact number. Within the past 6 weeks a man in Evansville, Ind., went to jail. I cannot tell the exact number.

Mr. LANGER. Did the Government recover any money as a result of the investigation?

Mr. CAPEHART. Yes, it did; but I cannot give the Senator the exact amount of money which was recovered.

SALE OF GOVERNMENT-OWNED SYNTHETIC RUBBER PLANT AT INSTITUTE, W. VA.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1486, Senate Resolution 197.

The ACTING PRESIDENT pro tempore. The Secretary will state the resolution for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 197) as follows:

Resolved, That the Senate does not favor sale of the Government-owned synthetic rubber plant at Institute, W. Va., known as Plancor No. 980, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas?

Mr. CLEMENTS. Is this a privileged matter?

Mr. FULBRIGHT. It is a privileged matter.

The ACTING PRESIDENT pro tempore. It is a privileged matter. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

Mr. FULBRIGHT. Mr. President, the Senate Banking and Currency Committee voted 9 to 6 to report adversely Senate resolution 197, which I introduced. This resolution provided for disapproval of the sale of the Institute, W. Va., synthetic rubber plant to the Goodrich-Gulf Corp. I should like to point out, however, that six members of the committee, including myself, voted in favor of the resolution and against the sale.

I want to make it clear at the outset that those of us opposing the sale of the Institute plant to Goodrich-Gulf, nevertheless favor private ownership and operation of all synthetic rubber facilities. We especially want this for the Institute plant because it is located in an area of heavy unemployment, and operation of the plant would provide jobs as well as additional synthetic rubber for the consuming public. If this resolution is approved I shall introduce a bill to permit the Rubber Producing Facilities Disposal Commission to receive new bids on this plant and we are confident that new bids will again be forthcoming.

DISPOSAL COMMISSION SALES PERMIT FOUR BIG COMPANIES TO ATTAIN CONTROL OF TWO-THIRDS OF ENTIRE SYNTHETIC RUBBER INDUSTRY AT BARGAIN PRICES

While we want the operation of the Institute facility, we do not believe that it is necessary to stifle competition any further in the synthetic rubber industry. If we permit the sale of that plant to Goodrich-Gulf, the four largest rubber companies will control two-thirds of the entire synthetic rubber industry. Such concentration, in itself, is not in the best interests of our competitive system, and certainly the Government should not foster it. All our antitrust laws are designed to prevent this type of situation, and it would be a grave mistake for us to pursue a policy contrary to the intent of these antitrust laws.

Bad though such concentration is, it is even worse when we consider the ridiculously low prices which the synthetic rubber companies paid to achieve it. The synthetic rubber plants which were sold last year returned an average of $66 million a year for the 5 years before their sale. The receipts from these operations alone would exceed the total sales price of $275 million in 4 or 5 years. I can see no excuse for such bargains to the big rubber and oil companies.

I admit that we cannot turn back the clock and correct the mistakes which were made last year, when several of us opposed those sales when they were before the Senate for consideration. But we certainly do intend to object to continuing along the same policy lines promoting a further concentration of control over the synthetic rubber industry by four rubber companies.

PROPOSED SALE OF INSTITUTE PLANT WOULD TIGHTEN BIG-COMPANY CONTROL OF SYNTHETIC RUBBER INDUSTRY

We have studied the proposed sale of the Institute plant very carefully, and

last Wednesday and Thursday, the committee held extensive hearings. We heard the West Virginia Senators, Representatives, Governor, and received the testimony of many organizations from that State. We heard also from the Disposal Commission, the Department of Justice, the Federal Trade Commission, and Goodrich-Gulf Chemicals, Inc.

After reviewing the extensive testimony, 6 members came to the conclusion that the sale of the Institute plant to Goodrich-Gulf would not best serve the public interest, that it would not, in the words of the 1953 Disposal Act, "best foster the development of a free competitive synthetic rubber industry."

Under a new offer of sale, as would be provided for in the bill I am prepared to introduce, the plant could be disposed of in a way which would increase competition in the industry, instead of further enhancing the already substantial position of Goodrich-Gulf.

Our bill would be similar to Public Law 336, under which the Institute plant was offered for sale last summer, except that the periods for submitting bids and negotiations would be reduced to 30 and 45 days, so that the sale could be considered by Congress and become effective this summer. If enacted by February 15, the period for congressional review would expire June 9, or earlier.

We agree with the Attorney General that sale of the Institute plant to Goodrich-Gulf "would not best foster the development of a free competitive synthetic rubber industry, since such disposal would add significantly to the substantial position presently held by these companies."

He was also speaking of Goodyear Synthetic Rubber Corp., "In the field of synthetic rubber."

The Attorney General pointed out that there were other bidders who were in this position and said that sale of the plant "to firms not presently engaged in synthetic rubber production would not only broaden the base of competition but also afford greater assurance to small business."

The Chairman of the Federal Trade Commission, Judge Gwynne, a former member of the House Judiciary Committee, agreed with this position. He went on to say:

> I think competition would be better served in the long run if a sale—assuming now that the fair value is not a troublesome matter—if a sale would be made to some independent group who are not already competitors. You would in effect add another competitor. It is always good for competition.
>
> And in addition, Senator, if I might add, you prevent increasing the power of a company which is already a substantial company in the business.

I think the Commission should have accepted the Attorney General's advice in this sale, and should have told Goodrich-Gulf, as Goodyear was told in the Baytown sale, that sale to one of the bidders not already in the industry would have best assured competition. Unfortunately, the Commission decided not to follow the Attorney General's advice. Instead, they announced to the bidders that they would not sell for less than Goodrich-Gulf's bid of $9,500,000, at that time the high bid, and then awarded the contract to Goodrich-Gulf at its final bid of $11 million.

DISPOSAL COMMISSION OVERLOOKS LAW REQUIRING COMPETITION

In taking this course, the Commission relied on the statutory test of "full fair value," apparently overlooking the text of the statute, which says that "full fair value will be received taking into consideration the policy set forth in section 2 of this act." Section 2 calls for the development of a free competitive synthetic rubber industry.

The Commission was very reluctant to talk about what they thought was the full fair value of the plant. The Commission did not say, either in the report or in the hearing, what they thought the plant's value was, though they discussed at length the extensive engineering reports and other information they developed on the subject. The most the Commission would say was that $11 million represents full fair value, and that the next highest bid of $5,800,000 was not full fair value. But the only reason why $5,800,000 was not full fair value, apparently, was because there was a higher bid. Certainly, the conclusion that $5,800,000 was not full fair value was not based on the remarks made by the Commission about the plant on page 21 of its 1955 report on the general disposal program:

> The Commission did not receive a bid for the plant at Institute, W. Va., nor was it able to interest any bidder in this facility during negotiations, despite continuous efforts to do so. The principal drawbacks * * * are that it has no equipment to make cold rubber, and it has no adjoining facilities for the manufacture of butadiene. Industry engineers have also cited its crowded compactness on relatively small areas as an explosion hazard.
>
> Industry also regards the plant as a high-cost producer and unable to compete with other plants more favorably located. The Government has been aware of these facts, as evidenced by the fact that the plant has been in standby since September 16, 1953.

In addition, the Commission stated in the same report that "it cannot foresee any time or circumstance in the future when the plants will be worth more." Many of us at that time thought the Commission was wrong. We thought that better prices would be received if the original disposal program should be rejected and new bids requested. We recognized an improvement in business conditions over the 1954 recession, and we also thought that more competition in the bidding would improve the prices.

We were delighted to be proved correct when the Baytown plant was sold later in 1955. Even after Goodyear was invited to leave the bidding on that plant, spirited competition between the eight remaining bidders resulted in selling the plant at the highest per-ton price to a new competitor in the industry.

The Commission, finding it had been wrong when it had said that it could not foresee any time or circumstance when the plants would be worth more than the prices negotiated in the 1954 recession, now, in the case of the Institute installation, rushed to the other extreme. Price became all-important. Goodrich-Gulf and Goodyear must not be ruled out, even though the Attorney General recommended it. Instead, any bid below $9,500,000 must be ruled out regardless of the new competition which might be provided, and this for a plant which could not be given away a year before.

SALE OF PLANT TO GOODRICH-GULF STIFLES COMPETITION

In view of the lack of bids for the Institute plant under the original program, it is interesting that Goodrich-Gulf should suddenly bid $11 million, nearly twice as much as the next highest bid of $5,800,000. Some feel that we are indeed fortunate to get such a generous bid. But this is one gift horse we ought to look in the mouth. Why this eagerness to have a plant it would not touch a year before?

The President of Goodrich-Gulf explained that they wanted to expand production, which they were planning to do at their plant at Port Neches, Tex. They found, for roughly the same price, they could take over the Institute plant, instead. This course has other advantages for Goodrich-Gulf, however. They can kill three birds with one stone. By taking over Institute they first, keep out a new competitor; second, keep out competing production of synthetic rubber; and, third, take care of their desire to expand.

This all seems very plausible to Goodrich-Gulf, but restricting competition and production in this manner is downright harmful to competition.

I think that the Attorney General's original advice should have been followed. Perhaps a smaller price would have been realized, though I think it is arguable that, if the giants in the industry had been promptly ruled out as they were in the Baytown case, the other bidders might have done as well as they did in that case.

But even if a lower figure had been realized, I think the benefits to free competition are more important. The requirement that full fair value must be obtained, taking into consideration the policy to establish a free competitive industry, does not mean that no bid lower than the highest can be taken. It simply means that the plants must not be given away.

And remember, the gains on the sales do not end the matter. The concentration of power created by the first sales has created such a dangerous situation that the Antitrust Division has had to ask for more appropriations to supervise the Frankenstein we have created. These extra appropriations, some $963,000 a year, must be weighed against the proceeds of the sale.

ATTORNEY GENERAL EVADES RESPONSIBILITY

Once the Commission had ruled out all the bids but the one from Goodrich-Gulf, the Attorney General was placed on the spot. He said the sale creates problems of economic concentration; he said that if this were a private transaction he would go to court under section 7 of the Clayton Act; he pointed out that he had advised the Commission that

Goodrich-Gulf and Goodyear should be ruled out and the sale should be made to a newcomer in order to broaden the base of competition and provide greater assurance to small business. But the Attorney General, even after his advice had been rejected by the Commission, would not take the responsibility of saying no. Instead, in a masterful exhibition of tergiversation, he reached the following conclusion:

> In order, however, to permit the Congress to have the final determination, as the law anticipates, I set forth the considerations hereinabove mentioned, and am willing to, and do, express the opinion that the proposed disposal of the institute plant to Goodrich-Gulf would not violate section 7 of the Clayton Act.

Let us examine this paragraph for a moment. The Attorney General is glad to point out that the law anticipates that Congress will have the final determination. Nothing is said about the fact that the law anticipates that Congress will have the benefit of clearcut advice from the Attorney General. Instead of clearcut advice, Congress gets lengthy arguments against the sale. Finally, assuming that the Attorney General is skilled in the law and chooses his words carefully when writing a formal opinion required by statute, I must take exception to the words—I "am willing to, and do, express the opinion." Even with all the preliminary hedging, the Attorney General will only express an opinion; he will not state that this is his opinion.

The Attorney General is clearly unwilling to assume any responsibility in this matter. Whatever happens, whether for good or for ill, he can say, "I told you so."

Together the Attorney General and the Disposal Commission have put the Congress on the spot.

CONGRESS SHOULD NOT HELP TO INCREASE CONCENTRATION OF CONTROL IN SYNTHETIC RUBBER INDUSTRY

If we approve the sale, we approve a transaction which the Attorney General and the Chairman of the Federal Trade Commission say will not best foster the development of a free competitive synthetic-rubber industry and will create problems of economic concentration. I am sure none of us is enthusiastic about this.

If we reject the sale, we delay by several months the date when the plant can be put into operation, producing needed synthetic rubber and providing needed jobs. I recognize that there are disadvantages to this also.

I think we should look at this matter in perspective. Our competitive free enterprise system is a fundamental part of our national life. Approval of this sale would make worse a lasting threat to this system. Disapproval of this sale, and sale to a new competitor in the industry, would strengthen and increase competition in the industry over the coming years and decades. These lasting effects of the action we take today, in my judgment far outweigh the delay of perhaps 3 or 4 months which would result from the course of action I propose.

On mature reflection, I think we must come to the conclusion that the best interests of the Government would, in the long run be better served by a brief delay in the sale of this plant; that the benefits to the competitive free enterprise system, the development of a free competitive synthetic-rubber industry, are the most important factors in this matter.

HOW THE BIG FOUR RUBBER COMPANIES ACHIEVED CONTROL OF THE VAST BULK OF THE SYNTHETIC RUBBER INDUSTRY

I submitted the resolution of disapproval and I voted for it in committee. I wish the RECORD to be clear that six members of the committee voted for the resolution of disapproval. We oppose the sale of the Institute, W. Va., synthetic rubber plant to Goodrich-Gulf because as the Attorney General himself has said, it will "not best foster the development of a free competitive synthetic rubber industry."

If this sale is permitted, the four largest rubber companies will control two-thirds of the entire productive capacity of the synthetic rubber industry. These four companies are: (first) B. F. Goodrich Corp., through its 50-percent ownership of Goodrich-Gulf; (second), Firestone Tire & Rubber Co.; (third) Goodyear Rubber Co., through its subsidiary, Goodyear Synthetic Rubber Co.; and (fourth) United States Rubber Co. which owns half of Texas-United States Chemical Corp.

The control of these four companies over the vast bulk of the synthetic rubber industry will have been achieved by payment of ridiculously low prices to the Government which built them. The impact of this upon the citizens of this Nation is twofold. As taxpayers they suffer from the low prices paid to the Government, and, as consumers, they will ultimately suffer from a concentration of power among the big rubber-producing companies.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KILGORE. Is it not a fact that the price offered was a fair price?

Mr. FULBRIGHT. The Senator is quite correct. The Commission held that the price for this particular plant was a full, fair price for the plant itself. I may say that is not the point to which I and five other members of the committee take exception. We do not question that the price itself was a fair, full price. We do question—and the Attorney General questioned—that the sale "fosters" competition. We do not believe it complies with the requirement of Congress with respect to fostering free competition in the synthetic rubber industry.

I might remind the Senator that last year, I along with other committee members—I am not sure whether they were the same members as now—objected to the sale on that ground and also on other grounds. The price per ton of capacity is a little higher than on some sales last year. The Attorney General, while taking the position that the sale would not foster competition, evaded the question, in a way, by saying he questioned whether section 7 of the Clayton Act applies to a sale by the Government, as distinct from transactions between private enterprises.

It should be made clear that we want the Institute plant in operation by a private concern. As was the case with our opposition to the general program, we favor private ownership and operation of all synthetic rubber plants. Production at the Institute facility would be especially advantageous since it would not only add to the supply of synthetic rubber for the consuming public but also provide employment in an area desperately in need of it.

Our purpose in opposing the sale is to permit new bids very quickly so that the Institute plant can be operated without cutting down further on competition in the industry.

The Disposal Commission argued that only Goodrich-Gulf bid as much as the "full fair market value" of the plant, and thus no older bidders could be considered. Actually, however, the Commission never made a finding of what constituted "full fair value" in its report. After the first bids were received, it took the highest bid, that of Goodrich-Gulf for $9,500,000, and told all bidders that it would not recommend any sale at less than this figure. It seems highly questionable for the Commission to adopt the bid of such a dominant industry leader as Goodrich-Gulf and declare that to be the minimum price it would consider.

While obtaining "full fair value" is one of the criteria in the law authorizing the sale, it is not the only one. Others are that the sale should "foster a free competitive synthetic rubber industry," and the Attorney General was to make a finding as to whether a sale "will violate the antitrust laws."

Apparently proceeding on the basis that section 7 of the Clayton—Antitrust—Act applies only to transactions between two corporations and not to acquisitions from the Government, the Attorney General stated:

> In order, however, to permit the Congress to have the final determination, as the law anticipates, I set forth the considerations hereinabove mentioned, and am willing to, and do, express the opinion that the proposed disposal of the Institute plant to Goodrich-Gulf would not violate section 7 of the Clayton Act.

We strongly disagree with this extremely narrow interpretation. The only possible purpose to be served by the inclusion of this requirement in the Synthetic Rubber Disposal Act was to apply it to sales by the Government under the act.

These criteria were of equal importance. The Commission sacrificed the standard of "fostering competition," thereby permitting one company, Goodrich-Gulf, to control over one-fourth of the present capacity of the industry. Even after planned expansion in the industry, Goodrich-Gulf would still control one-fifth of the total. It was mainly for this reason that the Attorney General stated in his letter to the Commission "that a sale of that plant to Goodrich-Gulf would not best foster the development of a free competitive synthetic rubber industry."

As a matter of fact, the Attorney General went even further and stated that "were this a private transaction rather than a sale by the Government subject to the review of the Congress, I would probably request a Federal court to enjoin consummation pending a determination of legality by the court under section 7 of the Clayton Act."

Both the Department of Justice and the Chairman of the Federal Trade Commission stated that the sale would make a significant increase in the economic power of Goodrich-Gulf and that sale to a new firm would be preferable from the point of view of free competition. Their reason was that a new producer would (a) provide a new competition and (b) not increase the power of Goodrich-Gulf.

They raised the point that the new production brought about by its operation of the Institute plant would help competition by providing more synthetic rubber. Actually, however, the reverse is true. The president of Goodrich-Gulf testified that that company would expand its capacity at its plant at Port Neches, Tex., if it did not get the Institute plant. Thus, had Institute been sold to a different bidder, the result would have been a net of more production than will be the case with Goodrich-Gulf operating the Institute facility.

While we level no charges at Goodrich-Gulf, it is nevertheless advantageous for them to buy the Institute plant since it will enable them to expand and, at the same time prevent an additional competitor and additional competing production of synthetic rubber.

Thus not only does the sale of Institute to Goodrich-Gulf not "foster" competition—it will be downright harmful to competition.

Let it be crystal clear that neither the Attorney General nor the Disposal Commission has made a determination that the five to seven million dollar additional price received by the sale outweighs the harmful effects on competition of the sale of the Institute plant to Goodrich-Gulf. The Commission carefully confined its efforts to deciding that only Goodrich-Gulf had submitted a bid of full fair value, and left the competitive problems to the Department of Justice. In his formal opinion the Attorney General only considered the proposed sale to Goodrich-Gulf—and even at that, his conclusion amounted in substance to passing the responsibility to Congress; he did not weigh the disadvantages of this sale against the added price received by taking Goodrich-Gulf's offer instead of the second highest.

We hope that the Senate will pass Senate Resolution 197 in order to permit new bids to be made. We regret the necessity for enacting legislation permitting new bids, since this will cause a few months' delay in getting the Institute plant into operation. But the refusal of the Department of Justice to take a position on the Goodrich-Gulf bid as compared with other bids, and the arbitrary adoption by the Disposal Commission of the Goodrich-Gulf bid of $9,500,000 as the minimum amount at which they would recommend sale, makes this necessary.

Congress has enacted the antitrust laws and is firmly committed to the principle of competition as rules for private enterprise. We believe we should apply the same standards to Government sales to private business. In fact, Government sales should be in furtherance of these policies rather than in opposition to them.

Joining with me in the approval of the resolution are the Senator from Alabama [Mr. SPARKMAN], the Senator from Illinois [Mr. DOUGLAS], the Senator from New York [Mr. LEHMAN], the Senator from Oregon [Mr. MORSE], and the Senator from Oklahoma [Mr. MONRONEY].

I may say, Mr. President, that if this resolution is agreed to I have a bill prepared and ready for introduction, providing for the immediate taking of new bids.

FOREIGN PETROLEUM SUPPLY AGREEMENT ANOTHER INSTANCE OF ATTORNEY GENERAL'S EVADING RESPONSIBILITY

Mr. President, in closing I should like to say a few words about the expression, by the Attorney General, of an opinion, rather than his opinion, that the sale of the Institute plant to the Goodrich-Gulf would not violate the antitrust laws.

This is not the only occasion when the Banking and Currency Committee has found the Attorney General reluctant to accept responsibilities under the antitrust laws. The committee has had to work hard to force the Attorney General to take a stand on the foreign petroleum supply agreement.

This agreement was approved under the Defense Production Act by Attorney General Brownell on June 1, 1953; it gave antitrust exemptions for an arrangement under which a number of international oil companies met and discussed production estimates. Many of these companies were defendants in the oil cartel case.

In June of 1955 the committee was asked to extend the law for 2 years. We were told that the Justice Department found nothing wrong with this agreement, although when the committee pointed out that the Interior Department official in charge of the agreement was a WOC from one of the companies involved, it was conceded that this was improper and he was removed—6 weeks later. The Attorney General was required by the 1955 Defense Production Act amendments to review these voluntary agreements, and to cancel them if he found the adverse effects on the competitive free-enterprise system outweighed the benefits to national defense. He was given 90 days to do this.

On November 9, the Attorney General duly reported, but he had not made his mind up on the foreign oil supply agreement. Apparently, the decision was too difficult to make in 3 months. By December Judge Barnes had learned that the agreement involved a real possibility of abuse. And on February 5, the newspapers reported that substantial changes have been made in the agreement, over the objections of Secretary of the Interior McKay.

How much harm has been done since this agreement was approved by Mr. Brownell in 1953 we shall probably never know. The committee will review the new arrangements carefully when the Attorney General reports to us, to see whether they provide reasonable protection to competition.

For the record, I request unanimous consent that a statement I made on January 14, 1956, and my correspondence with the Justice Department on the subject be printed in the RECORD following my remarks.

There being no objection, the correspondence and statement were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
November 22, 1955.

Hon. HERBERT BROWNELL, Jr.,
Attorney General, Department of Justice, Washington, D. C.

DEAR MR. ATTORNEY GENERAL: I appreciate your consideration and that of Judge Barnes in sending me a copy of your report of November 9, 1955, prepared pursuant to section 708 (e) of the Defense Production Act of 1950, as amended. The committee will review this Report carefully when the Congress convenes, particularly in connection with any proposals made for extension of the Defense Production Act.

I am glad to see that as a result of the amendments to section 708 made by Public Law 295, 84th Congress, your Department is making a thorough study of the operations under the various voluntary agreements and programs approved and being carried out under that section, in order to make the determination required by the amendments whether the adverse effects of the various agreements on the competitive free-enterprise system outweigh the benefits to the national defense. The antitrust problems involved in these agreements, particularly in the two agreements on which you have not been able to make up your mind, demonstrate clearly to me that this review was necessary.

I note the statement made in your report, consistent with Judge Barnes' testimony before the committee, that the Attorney General was not previously expected to exercise his authority to approve a proposed voluntary agreement or program, on the basis of a comparative evaluation by him of the benefits of the agreement to the national defense and its adverse effects on the competitive free-enterprise system (report, pp. 3–4, 12–13). I note further that you are not planning to make such evaluations and determinations in connection with future operations or under agreements continued after the present review (report, pp. 12, 27). Instead, you suggest that, if continuing surveys of this sort are to be made, they should be made by an "impartial agency charged with primary responsibility for national security."

Previous Attorneys General have acted on the basis of such an evaluation and determination. Attorney General McGranery certainly was acting on the basis of such an evaluation when he withdrew approval of the Voluntary Agreement Relating to Foreign Supply of Petroleum to Friendly Foreign Nations "over the objection of the Petroleum Administrator for Defense and other Government agencies, as he felt its continued operation to accomplish the normal objectives of PAD was no longer justified with the passing of the Iranian crises (report, appendix B, p. 11)." Attorney General McGrath in the first report under section 708 (e), submitted December 7, 1950, made it clear that he expected to consider the balance between the national defense and the competitive system, on the basis of information supplied by the agency sponsoring the agreement.

The Senate report and the statements on the floor concerning this provision (Senate

Rept. No. 696, 84th Cong., pp. 6–7; CONGRESSIONAL RECORD, vol. 101, pt. 8, pp. 10890–10892) and the amendments themselves, show clearly that it was the intention that your authority to approve new agreements, and the authority expressly conferred on you to withdraw approvals of agreements, should be exercised on the basis of the standards explicitly set forth for the review required under the 1955 amendments. Indeed, I find it difficult to read into section 708 any other standard for your approval.

This authority is lodged in you, as the official charged with the enforcement of the antitrust laws, subject, of course, to final determination by the President in case of a difference of opinion between you and the official acting under delegation from the President. The reason for this, as has been stated repeatedly, is that the authority to grant exemptions from the antitrust laws is considered so exceptional as to call for the exercise of every precaution to prevent abuse and lasting damage to the competitive free enterprise system.

Your evident reluctance to undertake the functions imposed on you by section 708 contrasts sharply with the fact that you have gone beyond the express requirements of the section, in reviewing under the standards of the section small business pools formed under the Small Business Act. The requirement of section 708 for this review applies specifically only in the case of agreement covered by that section.

In conclusion I should like to express my hope that you will soon be able to make up your mind about the two agreements as to which you suspended judgment in your report. The delay in the case of the foreign oil supply agreement is particularly surprising, in the light of the review of that agreement made by your Department after this committee on June 20 called to Judge Barnes' attention the fact that the Government official in charge of the program was a WOC on leave from one of the oil companies involved. In other words, this program has been under intensive review by your Department for more than 4 months.

Your failure to carry out the required review of and determination of these agreements within the 90-day period prescribed by Public Law 295 leaves them in a state of uncertainty, which seems highly unsatisfactory both to the defense agencies which urge the necessity of the agreements and to the participants who should have a clear status under the antitrust laws.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

DECEMBER 15, 1955.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: I have your recent letter to the Attorney General. There you acknowledge receipt of the Attorney General's November 9, 1955, report under section 708 (e) of the Defense Production Act of 1950, as amended. Further, you raise several questions about this Department's responsibilities under the Defense Production Act, which the Attorney General has asked me to answer.

At the outset, you comment that this Department has "gone beyond the express requirements of [sec. 708], in reviewing under the standards of the section small business pools formed under the Small Business Act." At the time this Department's report was prepared, some 29 small-business pools were outstanding with antitrust immunity. Of these, 26 initially were formed under the Defense Production Act, and 3 under section 714 of the Small Business Act. Since DPA section 708 (b) specifically directed survey of the 26 DPA small business pools, for the sake of completeness we thought the other 3 should be added. Of these 3 Small Business Act pools, 2 were continued and 1 disapproved, all with the concurrence of the Small Business Administration. Against this background, it seems clear that inclusion of the 3 Small Business Act pools was required to make this report a useful and coherent whole.

Next, you offer your view of this Department's future responsibilities regarding voluntary agreements or programs exempt from antitrust under section 708. You suggest that "[t]he Senate report and the statements on the floor concerning this provision * * * and the amendments themselves, show clearly that it was the intention that [our] authority to approve new agreements, and the authority expressly conferred on [us] to withdraw approvals of agreements, should be exercised on the basis of the standards explicitly set forth for the review under the 1955 amendments." Further, you conclude that this Department is "not planning to make such evaluations and determinations in connection with future operations or under agreements continued after the present review." Finally, you emphasize the importance of this Department's making up its "mind about the two agreements as to which [it] suspended judgment in [its] report." To each of these comments I turn.

First, about the standards this Department should apply in approving future agreements under DPA sections 708 (b) and (c). For the scope of this obligation, it seems clear, we must rely on the legislative history of the 1955 DPA amendments. And, since the Department has no representative present during the executive sessions of either the House or the Senate Banking and Currency Committees considering these amendments, we must rely on the statutory language, the committee reports, and floor debates.

This task is ofttimes difficult. [See e. g., comments of the court in *Addison* v. *Holly Hill Fruit Products* (332 U. S. 607, 615–617).) Especially so when, like DPA sections 708 (b) (c), and (e), construction is complicated by an ambiguous statute and legislative history.

On the one hand, we are of course aware of the statements in the Senate committee report and floor debate to which you refer. Thus, the Senate report, at page 6, states:

"This means that the Attorney General, as well as the official conducting the mobilization program, must be satisfied that the defense benefits outweigh the adverse effects on the competitive economy, with the President in a position to resolve a disagreement."

And, the report continues, the Attorney General is "expected to exercise this authority whenever in his judgment the adverse effects of the agreement on the competitive economy outweigh the benefits to the national defense." Further, Senator FREAR stated during floor debate (CONGRESSIONAL RECORD, vol. 101, pt. 8, p. 10888):

"The committee looks to the Attorney General to protect the competitive economy of the country, and expects that he will not aprove any new military agreements, and that he will withdraw his approval of outstanding agreements, unless he is satisfied that the defense benefits outweigh the adverse effects to the competitive economy."

On the other hand, the 1955 amendments to section 708 (b) might reasonably be construed as requiring no change in the Attorney General's established procedures for approval of exempt agreements or programs under section 708 (c). As I explained before your committee on June 20, 1955, Department policy is to accept the President's delegate's finding of the defense need for any particular program. Our task, then, is to insure that this defense goal is accomplished with a minimum of anticompetitive consequences.

This view of the Department's responsibilities, contrary to your apparent understanding, has been accepted by all Attorneys General charged with Defense Production Act responsibilities. You refer specifically to Attorney General McGrath's withdrawal of approval for the Voluntary Agreement for Foreign Petroleum Supply to Friendly Foreign Nations, as well as to Attorney General McGrath's December 7, 1950, Defense Production Act Report to Congress. Attorney General McGranery withdrew his approval of this agreement because that Iranian crisis which gave it rise had terminated. Accordingly, any necessity for the Agreement vanished. No weighing of defense needs appears. Indeed, the Department files indicate that Attorney General McGranery considering termination of the agreement, informed the Defense Production Administration that this Department would cooperate with the Petroleum Administration for Defense to formulate any new agreement which the changed situation might require. And it was from those conferences, I point out, that the present Voluntary Agreement for Foreign Petroleum Supply emerged. In like fashion, Attorney General McGrath's December 7, 1950, DPA Report to Congress expressly stated (p. 29) that it was the "delegate agency [that] should carefully weigh the degree to which competition will be eliminated by the proposed program as against the need for such program in the mobilization effort."

Against this background of comparatively uniform practice, Congress by its 1955 amendments in no way altered the statutory language controlling the Attorney General's obligations under section 708 (c)'s approval process. Accordingly, it might be persuasively argued that, while 708 (b) makes a more limited class of agreements eligible for approval, Congress intended no change in our procedures for approval under section 708 (c). (See comment by Justice Frankfurter on oral argument of *Ulman* v. *United States*, reported at 24 Law Week, 3161.) Further emphasizing the wisdom of such a conclusion is the Senate report's statement (p. 6):

"The determination to grant exemptions under section 708 involves the weighing of two factors: The benefits to the national defense, concerning which the officials carrying out the mobilization program should have special competence; and the possibility of adverse effects on our competitive free enterprise system, concerning which the Attorney General should have special competence. * * * This means that the Attorney General, as well as the official conducting the mobilization program, must be satisfied that the defense benefits outweigh the adverse effects on the competitive economy, with the President in a position to resolve a disagreement."

The language suggests continuation of established procedures, based on bifurcated responsibility, for section 708 (c) approval.

It was with this history uppermost that the Attorney General suggested in his November 9, 1955, DPA Report to Congress that our procedures for approval under section 708 (c) would stand essentially unchanged. Especially so since any comprehensive weighing of defense versus antitrust considerations would project this Department beyond its traditional antitrust responsibilities. This might well require transfer of antitrust personnel from active litigation of pending cases. We were most hesitant to reach such a result without specific statutory direction.

Your letter, however, adds a new factor to be weighed in determining congressional design of the newly amended DPA sections 708 (c) and (e). As chairman of the Senate Committee on Banking and Currency, you, of course, have unique insight into what Congress sought. Accordingly, the following procedure seems a way for this Department to fully and fairly effectuate the responsibility intended under section 708 (c).

Relevant, at the outset, is that all new agreements or programs under section 708 (c) now must relate "to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment." Thus, the only two agreements submitted to us since the 1955 amendments have involved J-57 jet aircraft engines and tools and maintenance equipment for Army aircraft. In such instances, defense need is usually presently clear and readily predictable. Similarly, anticompetitive consequences may be in some instances more readily measurable. If this, as is likely, continues to be the sort of agreements submitted to us, we could more readily take the responsibility of weighing defense versus antitrust considerations.

Second, the responsibilities of this Department for surveys under DPA section 708 (e). As you correctly note, the Attorney General in his November 9, 1955, DPA Report (p. 21) did suggest Congress "might well consider placing responsibility for such surveys on some impartial agency charged with primary responsibility for national security." Contrary to your apparent understanding, however, the Attorney General did not specify this Department's plans for future surveys under DPA section 708 (e).

My own view is that it is by no means clear that Congress intended each of the quarterly reports required by section 708 (e) to include a complete reevaluation of the need for and anticompetitive consequences of each outstanding program. True, section 708 (b) directs that, within 90 days, "[t]he Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation * * * that the adverse effects of any such agreement or program on the competitive free-enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval * * *." Equally true, however, section 708 (e) states that beyond this first report, subsequent reports shall merely include "studies of the voluntary agreements and programs authorized by this section."

With this in mind, to meet fully our survey responsibilities under section 708 (e), we might include in each of our quarterly reports some summary of the status of outstanding exempt agreements and programs under section 708 (c). This status report might include checking, first, each quarter with the interested defense agencies to insure that the defense need for any agreement or program still exists. Further, it might encompass some investigation of any changed circumstances which might suggest alteration of those antitrust safeguards included in any exempt agreement or program. To my view, this seems a reasonable way to take care of the obligations section 708 (e), as amended, places on this Department.

Finally, you comment on the necessity for rapid determination of our review of the exemption accorded the agreement for foreign petroleum supply as well as the agreement relating to contribution of tanker capacity. Regarding both, I can assure you I am fully aware of the need for prompt action. However, the defense implications of each may be substantial. My staff has been in constant contact with the interested agencies to determine if the same defense goals could be accomplished by alternative means. The Attorney General's aim is to report on both plans in the near future.

Sincerely,

STANLEY N. BARNES,
Assistant Attorney General.

JANUARY 5, 1956.

Hon. STANLEY N. BARNES,
Assistant Attorney General, Department of Justice, Washington, D. C.

DEAR JUDGE BARNES: I am glad to see from your letter of December 15, in reply to my letter of November 30 to the Attorney General, that consideration is being given to carrying out the responsibilities which this committee and the Congress intended the Attorney General to undertake in his future surveys and reports to the Congress on the effect of the mobilization program, particularly the voluntary agreements under section 708 of the Defense Production Act, on the competitive free economy. However, your letter contains a number of statements which I cannot accept without comment.

The Attorney General's report of November 9 and your letter of December 15 take a position different from that of the committee. The Attorney General prefers to accept the finding of the President's delegate of the defense need for a voluntary agreement, apparently including the delegate's finding that the defense need outweighs the adverse effects on the competitive free economy, and he wishes to confine his responsibility in approving and withdrawing a previous approval of a voluntary agreement to accomplishing this defense goal with a minimum of anticompetitive consequences. The committee's position, as stated by Senator FREAR in reporting the bill, is that "* * * the committee looks to the Attorney General to protect the competitive economy of the country, and expects that he will not approve any new military agreements, and that he will withdraw his approval of outstanding agreements, unless he is satisfied that the defense benefits outweigh the adverse effects to the competitive economy."

In discussing in your letter the question whether the Attorney General should weigh the needs of national defense against the effects on the competitive economy, except in connection with the review of agreements outstanding on August 9, you refer to my "unique insight into what Congress thought" and the fact that the Department of Justice was not present at the Banking and Currency Committee's executive sessions. My position that the Attorney General should weigh these factors was not based on any unique insight or private information, but rather on the clear and unequivocal statements in the committee report and Senator FREAR's remarks in reporting the bill.

I recognize that, as you point out, a technical legalistic argument can be made for the narrow interpretation of the scope of the Attorney General's responsibilities set forth in the report of November 9. However, I do not view this narrow interpretation as either necessary or desirable.

I also cannot agree with your statement that the withdrawal of approval by Attorney General McGranery of the foreign oil supply agreement and Attorney General McGrath's report of December 7, 1950, are a "background of comparatively uniform practice" under which the Attorney General accepts the finding of the President's delegate of the defense need for any particular program, and that the Attorney General's task is only to insure that this defense goal is accomplished with a minimum of anticompetitive consequences.

In your letter you state:

"Attorney General McGranery withdrew his approval of this agreement because that Iranian crisis which gave it rise had terminated. Accordingly, any necessity for the agreement vanished. No weighing of defense needs appears."

In the report of November 9 the following statement is made:

"On January 16, 1953, the then Attorney General withdrew his approval of the basic voluntary agreement, over the objection of the Petroleum Administrator for Defense and other Government agencies, as he felt its continued operation to accomplish the normal objectives of PAD was no longer justified with the passing of the Iranian crisis."

What the objection of PAD and other Government agencies could have been based on, other than a belief that the necessity for the agreement had not vanished, as they weighed defense needs, it is difficult to imagine.

Your quotation from Attorney General McGrath's report of December 7, 1950, is, in my judgment, taken out of context and its meaning reversed.

Your letter states as follows:

"In like fashion, Attorney General McGrath's December 7, 1950, DPA Report to Congress expressly stated (p. 29) that it was the 'delegate agency [that] should carefully weigh the degree to which competition will be eliminated by the proposed program as against the need for such program in the mobilization effort'."

The implication of your quotation that this "weighing" was solely the responsibility of the delegate agency and not of the Attorney General is shown to be misleading when the full quotation from Attorney General McGrath's December 7, 1950, report is read:

"Second, in a determination of its finding that a request for the voluntary agreement or program is in the public interest as contributing to the national defense, the delegate agency should carefully weigh the degree to which competition will be eliminated by the proposed program as against the need for such program in the mobilization effort. In transmitting the request for voluntary action, the delegate agency should make known to the Attorney General and the Chairman of the Federal Trade Commission the considerations underlying its finding that the program is in the public interest as contributing to the national defense in order to assist them in determining the effects of such program on the competitive economy."

The desirability of a continuing thorough review by the Attorney General of activities under these voluntary agreements and programs, in contrast to the previous practice by the present Attorney General, is demonstrated clearly by the results of your survey of the voluntary agreement relating to foreign petroleum supply, which was approved June 1, 1953, after the previous agreement had been terminated by Attorney General McGranery.

On June 20 you testified before this committee that you had received copies of the minutes of meetings under the agreement, and that:

"So far as our examination would disclose, there was nothing in the minutes which would be justification for any action on the part of the Attorney General to rescind the approval theretofore given" (hearings on S. 2163 and S. 2165, June 20, 1955, p. 93).

Then, apparently as the result of the committee's calling to your attention on June 20, 1955, the fact that the Interior Department representative in charge of this program was a WOC on loan from one of the participants in the agreement (hearings on S. 2163 and S. 2165, p. 95), you instituted an investigation into the activities under the agreement (incidentally insisting that the representative be replaced at once, i. e., on August 1, 1955). (Hearings before the Antitrust Subcommittee of the House Judiciary Committee, Part 1, Serial No. 12, August 4, 1955, pp. 545, 546.) Even at that time you appear to have found no serious problems in connection with this agreement, and your principal concern seems to have been the status of the WOC director.

But when you were required under the Defense Production Act amendments of 1955 to make a more thorough survey of what was in fact being done under the agreement, the real problems arising under this agreement were brought to your attention. You

described these as follows in your testimony before the Antimonopoly Subcommittee of the House Judiciary Committee on December 9:

"The second activity consists of gathering and evaluating information and statistics. These presently relate to petroleum forecasts, storage facilities, and consumption. From this second activity antitrust questions arise.

"The problem here stems from the possibility of tacit agreement or overt pressure by agreement participants, which include 14 of the principal oil producers, to abide by their production estimates. The effort would then be to make production estimates, in effect, production quota agreements.

"This possibility for abuse may be real. For agreement participants include 5 of the principal defendants and 6 more of the alleged coconspirators in our oil cartel suit. And, contrary to our suggested standards, the agreement does not provide for a Government chairman."

These serious antitrust problems appear to have made it impossible for the Attorney General, even after 4 months of careful study, to determine whether the adverse effects of the agreement on the competitive free-enterprise system outweigh the benefits of the agreement to the national defense. Instead, the participants apparently are permitted to continue under the agreement though it is not clear what protection they receive.

It is, in my judgment, a serious reflection on the supervision over these voluntary agreements formerly exercised by the Attorney General and on the diligence with which he carried out his statutory duty under section 708 (e) to "make * * * surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power," that these antitrust problems apparently had not come to your attention before the review required by the 1955 act. It would seem appropriate to refer again to the committee's report:

"The Attorney General must be alert to his responsibility under this section; otherwise Congress should discontinue the program."

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

STATEMENT BY SENATOR FULBRIGHT

When a congressional committee is considering a legislative proposal, it has a right to expect complete and correct information from the executive branch. When legislation is enacted, calling for certain action to be taken, it has a right to expect that the executive branch will carry out the statutory provisions promptly and fully.

And when information supplied to a committee by the administration is incomplete or inaccurate, or when the administration does not carry out statutory requirements promptly and fully, this should be pointed out.

The administration has failed to comply promptly and fully with two important provisions of the Defense Production Act, which Congress wrote into the law as it was amended on August 9, 1955. These provisions were designed to protect against abuses in the WOC program and the voluntary agreement program, and to keep Congress and the public informed about what was going on under those programs.

I

The 1955 amendments to the Defense Production Act required the head of an agency appointing a WOC (an industry-paid Government employee exempted from many of the criminal laws prohibiting conflicts of interest) to publish a notice of the appointment in the Federal Register, and required the WOC himself to publish a statement of his financial interests. It also required the Chairman of the Civil Service Commission to survey the appointments made under the provision and to report to the President and the Joint Committe on Defense Production at least once every 3 months.

The administration continued to appoint WOC's under the section, including 10 division directors in the Commerce Department, without publishing notices or statements of financial interests in the Federal Register, up to November 28, 1955, 3½ months after the act was approved.

On November 28, an Executive order was issued, for the most part merely repeating the statutory provisions, and giving an additional 30 days for the required filing with the Federal Register. This order was accompanied by a White House press release which, as Senator MORSE has pointed out, was misleading both in what it said and what it did not say. Those who remember that the administration proposed no changes in this provision, and opposed several of the changes that were made by Congress, were surprised to read in the press release that "today's order culminates a 9-month, governmentwide, intensive study, conducted under the direction of the Attorney General, of the numerous problems involved in Government employment of WOC's and experts and consultants."

Since November 28, the notices and statements of financial interest have been trickling in to the Federal Register, and by January 11, some 126 such notices had been published. There is some question whether the filings are complete. Judge Barnes testified on December 9 that the order covers about 390 WOC's. What has happened to the 260 other WOC's Judge Barnes thought were covered by the order, but for whom no notices have been filed, is not clear.

But even if it can be assumed that the filings are now up to date, 5 months after the enactment of the provision, Chairman of the Civil Service Commission has not yet made the report which he is required by law to make at least once every 3 months. Mr. Young tells me that he did not do it within the time required by the law because the Executive order had not been issued and because the agencies were not complying with the law.

These seem to me to be entirely inadequate excuses for failure to carry out a duty imposed on him by law.

II

The 1955 amendments to the Defense Production Act required the Attorney General to review all outstanding voluntary agreements approved under the act. (These provided exemption from the antitrust laws for action taken by industry at the request of a mobilization agency under agreements approved by the Attorney General.) The amendment required the Attorney General to withdraw his approval and thereby terminate the agreement, if he should determine that the adverse effects of an agreement on the competitive free enterprise system outweighed the benefits to the national defense. The law required that this should be done within 90 days after enactment, in other words by November 9.

The Attorney General acted promptly on the bulk of the outstanding voluntary agreements, terminating most of the agreements under which small business pools were formed, and continuing most of the agreements between producers of strictly military items.

But the Attorney General was not able, within this 90-day period, to decide whether two agreements were more beneficial to the national defense or more harmful to the competitive free enterprise system; he postponed making any decision on them in his report of November 9, and he still has not reported making any decision.

One of these agreements was discussed at the hearing of the Senate Banking and Currency Committee on June 20, 1955, when it was called to Judge Barnes' attention that the Government official in charge of the agreement for the Interior Department was a WOC on leave from one of the oil companies which was a party to the agreement.

At that hearing, on June 20, Judge Barnes said:

"So far as our examination would disclose, there was nothing in the minutes which would be justification for any action on the part of the Attorney General to rescind the approval theretofore given."

In his report of November 9, Judge Barnes had made sufficient further study of the activities under the agreement to say that the agreement raised serious problems that could not be resolved within 90 days.

And on December 9, Judge Barnes made the following statement about the activities under this agreement, in explanation of why the Attorney General had not been able to reach any decision on this agreement, by that time 4 months after passage of the law:

"The second activity consists of gathering and evaluating information and statistics. These presently relate to petroleum forecasts, storage facilities, and consumption. From this second activity antitrust questions arise.

"The problem here stems from the possibility of tacit agreement or overt pressure by agreement participants, which include 14 of the principal oil producers, to abide by their production estimates. The effect would then be to make production estimates, in effect, production quota agreements.

"This possibility for abuse may be real. For agreement participants include 5 of the principal defendants and 6 more of the alleged coconspirators in our oil cartel suit. And, contrary to our suggested standards, the agreement does not provide for a Government chairman."

Another month has gone by since that statement, but the question remains unresolved.

The Attorney General's failure to carry out his statutory duty to reach a decision on this agreement within the 90-day period prescribed by law leaves the companies participating in the agreement in an ambiguous and undesirable position. It also raises the question of how much harm to the competitive free enterprise system is resulting from the continuance of the agreement.

In addition, the serious antitrust problems, and the real possibility for abuse, which the Attorney General and Judge Barnes now find, as the result of the study which the law required the Attorney General to make, have shown that the statement made to the committee on June 20 was completely incorrect. If the committee had relied on that statement, and had not required the Attorney General to make this study, these serious antitrust problems, this real possibility for abuse, these adverse effects on the competitive free enterprise system, might have continued indefinitely.

Mr. CAPEHART. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER (Mr. POTTER in the chair). With regard to the limitation of time——

Mr. FULBRIGHT. Mr. President, this proceeding is taking place under a unanimous-consent request to consider a privileged matter.

The PRESIDING OFFICER. The procedure is fixed by law, according to the understanding of the Chair.

The Chair recognizes the Senator from Indiana.

Mr. CAPEHART. Mr. President, first, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. What is the time limit?

The PRESIDING OFFICER. The Chair will have the clerk read the procedure on a resolution of this character.

The legislative clerk read as follows:

1. A motion to take up the resolution is in order at any time.
2. Such a motion is highly privileged and not debatable.
3. No amendment to such motion is in order.
4. The vote on such a motion is not subject to reconsideration.
5. Debate on the resolution is limited to 10 hours, and equally divided between those favoring and those opposing it.
6. A motion to further limit debate is not debatable.
7. No amendment or motion to recommit the resolution is in order.
8. The vote on the resolution is not subject to reconsideration.
9. A motion to postpone the consideration of the resolution shall be decided without debate.
10. A motion to proceed to consideration of other business is not debatable.
11. All appeals from the decision of the Chair relating to the application of the rules to procedure shall be decided without debate.

Mr. CAPEHART. Mr. President, I do not wish to prolong the debate on this question, because we had an agreement with the leadership that we would dispose of it rather quickly. I wish to say, however, that regarding sales of synthetic rubber plants, including the one at Institute, this is the first time in many, many years that the Government has received, in my opinion, fair value for surplus property. To me it is a very interesting thing that those who complain of the low prices received for synthetic rubber plants evidently have not taken a good look at the prices received for other plants which were sold at the end of World War II.

I shall place in the RECORD within a few days a statement showing exactly how much larger percentage the Synthetic Rubber Disposal Commission received for this plant as compared with the sales in 1947, 1948, 1949, and 1950 of aluminum plants, steel plants, chemical plants, and other plants. There is no comparison, Mr. President. In this case the Synthetic Rubber Commission received more than the depreciated value of the property, which means more than the Government had invested, after taking into account depreciation. But we are told the plants were sold too cheaply. I shall place in the RECORD a statement showing that we received very little for aluminum plants and steel plants and how much we received, in comparison, for synthetic rubber plants.

Those who lost out in the bidding for the Institute plant and who now complain as those who lost out in bidding for a plant in California, were those whose original bids were so low as to be ridiculous. They evidently thought they were still operating in the days of 1946, 1947, 1948, and 1949.

The first bid of one of the men who now complains that the sale should be reopened was only $1,500,000 or $2,500,000 for a property which later sold for $11,500,000. I suppose that if the synthetic rubber plants had been sold for as low a figure as were the aluminum plants, steel plants, and other plants, such bids might have been considered. There were 13 synthetic rubber plants sold. They were sold to 11 different persons. Had 2 other persons bought them, it would have amounted to 1 plant to each concern. It would be difficult to get a better division that that.

I think the Disposal Commission received a fair price, a much greater price than ever before received in the history of any sales which the Federal Government has made of so-called surplus property. I do not think criticism is justified.

Mr. DIRKSEN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. DIRKSEN. Mr. President, it occurs to me, having gone into this question myself, that the work of the Disposal Commission under the chairmanship of Mr. Pettibone, of Chicago, is one of the real achievements of our time. The members of the Commission have addressed themselves with vigor to their job and have recovered for the taxpayers of the country every possible dollar that could be recovered. Obviously, over a period of time there were shifting economic values. We started the work of disposal some time ago, when conditions may not have been very good, but as conditions improved more and more money was received for plants which were disposed of. I think the Commission deserves the accolade of Congress for a job well done.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. KNOWLAND. The Senator may already have done so, but, in view of the fact that the chairman of the committee has placed in the RECORD the minority views, I believe it would be well for the Senator from Indiana to include in the body of the RECORD, prior to the vote on the measure, the report of the majority of the committee, which was adverse to the resolution.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the majority report be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report (No. 1469) was ordered to be printed in the RECORD, as follows:

ADVERSE REPORT

(To accompany S. Res. 197)

The Committee on Banking and Currency, to whom was referred the resolution (S. Res. 197) to disapprove the recommendation of the Rubber Producing Facilities Disposal Commission for the sale of the synthetic-rubber plant at Institute, W. Va. (Plancor No. 980), having considered the same, report unfavorably thereon and recommend that the resolution do not pass.

PURPOSE OF RESOLUTION

Public Law 336, 84th Congress, authorized the sale of the synthetic-rubber plant at Institute, W. Va., by the Rubber Producing Facilities Disposal Commission (called the Commission in this report) created under Public Law 205, 83d Congress. The procedures and policies established by Public Law 336 were generally the same as those established by Public Law 205. Under Public Law 336, the Commission was required to report any recommended sale of the plant to the Congress, and the sale becomes final unless within 30 days from the filing of the report either House should disapprove the sale by resolution. On January 12, 1956, the Commission filed its report, recommending sale of the plant to Goodrich-Gulf Chemicals, Inc., for $11 million, plus an estimated $333,000 for spare parts and equipment on hand in the plant. Senate Resolution 197 was introduced on January 26, 1956, and referred to this committee.

If Senate Resolution 197 is adopted by the Senate, the proposed sale would be disapproved and the Institute plant would remain idle in the hands of the Government. Your committee believes it is in the public interest to sell this plant to Goodrich-Gulf, and therefore urges that Senate Resolution 197 be defeated.

THE INSTITUTE PLANT

The Institute plant was built in 1942 to make GR–S (general-purpose synthetic rubber) at a cost of approximately $18,400,000. It was built as part of an overall facility, which included butadiene (the principal ingredient of GR–S) and styrene (an ingredient of GR–S) plants and a powerplant, all of which but the GR–S plant were sold to Union Carbide & Carbon Corp. in 1947. The plant itself has a rated capacity of 122,000 long tons of GR–S a year, the largest of all the GR–S plants. By reason of its location, the plant has, when operated in the past, used butadiene made from alcohol, produced either at Institute or more recently at Louisville, Ky., instead of the cheaper petroleum butadiene used by the GR–S plants on the gulf and the Pacific coast. Alcohol butadiene has been more expensive than petroleum butadiene, and for this reason the Institute plant has been considered a high-cost plant, though it has the advantage of being situated near the principal rubber fabricating area of the country, in Ohio and the Northeast.

The plant is in good condition, but it is dependent for its power on the neighboring Union Carbide & Carbon plant, and it is not equipped to produce cold rubber, or to operate on the more efficient continuous process used in other GR–S plants. The cost of the alterations to bring the plant up to fully competitive status would be about $6 million. The plant last operated in 1953.

No bids were received for the Institute plant during the disposal program under Public Law 205, and in accordance with that law the plant has been kept in standby, at a cost to the taxpayers of about $230,000 a year.

SALE OF THE PLANT IS DESIRABLE

If this sale is approved, the purchaser will promptly place it in operation. The additional capacity is needed by the rubber-consuming industries.

World production of natural rubber, during the years 1950–54 has ranged from a high of 1,885,000 long tons to a low of 1,726,000 long tons, and about the same level of production has continued in 1955. The Commerce Department reports that the outlook for the next few years is a gradually lessening world production of natural rubber. The price of natural rubber has reflected this situation, in the face of rapidly rising demand for rubber. From prices of 20 cents a pound in February 1954, and 31 cents a pound in March 1955 (average New York spot price, No. 1 Ribbed Smoked Sheet, by months) natural rubber has risen to around 50 cents in December 1955, and is now at or slightly below that price.

The production of synthetic rubber has been pushed to capacity, to fill the gap created by rapidly increasing demands, which natural rubber was failing to fill. United

States production of S-type rubber has increased as follows:

1952	637,225
1953	669,210
1954	474,219
1955 (11 months)	716,756

These varying production trends, together with the fact that the price of synthetic rubber has remained substantially constant at a basic price of 23 cents a pound, while the price of natural rubber has risen sharply, have resulted in a substantial increase in the proportion of synthetic rubber used in industry.

It may be noted that an increase in the supply of synthetic rubber, at 23 cents a pound, instead of natural rubber at a price of 40 to 50 cents a pound, should result in substantial savings to the public.

A second factor which makes the sale of the Institute plant desirable is that it would provide substantial employment in an area which has for long been suffering from chronic unemployment. Charleston (about 10 miles from Institute) has been classed by the Department of Labor for many years as a class IV–B area, meaning the highest level of unemployment. When the plant last operated, it employed about 670 persons, many in skilled positions, with a payroll of over $850,000. While the future operations may not call for precisely the same staff, these figures suggest that the sale should have very substantial benefits to the area.

We have an excellent opportunity to make a real contribution to a distressed area.

All these benefits can be obtained, at no cost to the taxpayer. Instead, the taxpayer will benefit:

1. By eliminating the maintenance charges of $230,000 a year;

2. By providing additional employment and reducing unemployment benefits;

3. By the receipt of the sales price of $11 million plus some $333,000 for supplies and equipment at the plant; and

4. By the collection of income taxes, both corporate and individual, on the profits of the plant and the salaries and wages of the employees.

COMMITTEE VIEWS

Public Law 336, and Public Law 205 which it amended, contained four major criteria for the sale:

1. That the disposal plan will be consistent with the national security;

2. That the disposal program will be designed best to afford small-business enterprises and users, other than the purchaser of a facility, the opportunity to obtain a fair share of the end products of the facilities sold and at fair prices;

3. That full fair value for the facility or facilities will be received by the Government, taking into consideration the policy set forth in section 2 of the Disposal Act; and

4. That the recommended sales will provide for the development of a free, competitive, synthetic rubber industry, and will not permit any person to possess unreasonable control over the manufacture of synthetic rubber or its component materials.

National security

The sale contract contains the same national security clause which was included in all the sales under Public Law 205 and the Baytown sale. The present demand for synthetic rubber, and the current plans which other concerns in the industry are making to increase their production, leave your committee with no question that the proposed sale will enhance the national security.

A plant in operation is a better assurance to the national security than a plant in standby.

Fair share to small business at fair prices

The appendix to the contract of sale contains the following stipulation:

"2. The purchaser will make available for sale at fair market prices to small-business enterprises (as defined in sec. 21 (h) of the act) in reasonably equal monthly quantities, the following tonnages per year:

"(a) 21,000 long tons, when only 1 line is in operation;

"(b) 51,000 long tons, when 2 lines are in operation;

"(c) 81,000 long tons, when all 3 lines are in operation."

This is a definite commitment, incorporated into the contract by section 17 of the contract. The amounts are clearly specified and will be made available to small businesses only. The amounts are substantial, half the first line and almost three-fourths of the second and third lines. It is the judgment of your committee that this commitment is the most favorable of all those made under the disposal program, considering both the quantities involved and the definiteness of the commitment.

Your committee is convinced that this contractual commitment will insure that small business will receive its specified share of production. This is demonstrated by the fact that the producers have more than met their commitments of 106,739 tons under the 1955 disposal program. In fact they have supplied 144,731 tons to small business during the period they have been operating the plants.

Full fair value

The sale price of $11 million clearly represents no less than full fair value for the plant and more than twice the present book value of $4,968,000. The price is more than half of the cost of $18,398,000. The plant is almost 14 years old; it is dependent on Union Carbide & Carbon Corp. for its steam and water; it is not equipped to use the up to date continuous production process or to make cold rubber; and it is located far from the sources of cheap petroleum butadiene and nearby sources of alcohol butadiene are expected to be more expensive.

Specific evidence that the sale price is not below full fair value is to be found in the fact that no bids whatever were received for the plant during the disposal program under Public Law 205, and in the fact that $11 million is substantially more than any other price offered during free competitive bidding by 6 responsible and capable bidders. The highest bids submitted by the other firms were: $5,800,000; $4 million; $2,700,000; $2 million; and $750,000.

A free competitive synthetic rubber industry

Your committee carefully considered whether the sale would contribute to the development of a free competitive synthetic rubber industry and concluded that it would.

The Disposal Commission recommended sale to Goodrich-Gulf, having decided that theirs was the only bid which satisfied the full fair value requirement of the statute, and requested the Attorney General to review it and to give the statutory opinion and findings. The Attorney General took into consideration the obvious benefits to the rubber-consuming industry of the supply of rubber from this plant, a supply which would be of great benefit to small business, to competition, and to the public. He also took into consideration the fact that other producers were expanding their capacity, and the fact that the purchase did not mean that other competition was decreased.

Accordingly the Attorney General concluded that, under all the circumstances, the sale would best foster the development of a free competitive synthetic rubber industry, and did not violate the antitrust laws.

The Commission's report contained a table showing the effect of the sale on the relative positions of firms in the industry:

Plant	Original plant capacity (long tons)	Percent 1st disposal (total capacity 689,600)	Percent with Baytown (total capacity 733,000)	Including Institute and current announced expansion to 1,091.9 thousand long tons	
				Long tons	Percent
Institute	122,000			122	[1] 11.2
Goodrich-Gulf	90,000	13.1	12.3	95	[1] 8.7
American Synthetic	44,000	6.4	6.0	44	4.0
Copolymer	49,000	7.1	6.7	61.3	5.6
Firestone-Akron 129,600 / Firestone-L. C. 129,600	30,000 / 99,600	18.8	17.7	189.9	17.4
General Tire (new plant)	40,000			40	3.7
Goodyear-Akron 114,800 / Goodyear-Houston 114,800	15,200 / 99,600	16.6	15.6	149.4	13.7
Phillips	63,000	9.1	8.6	116.3	10.7
Shell	89,000	12.9	12.1	[2] 89	[2] 8.2
Texas-United States	88,000	12.8	12.0	118.8	10.9
United States Rubber	22,200	3.2	3.0	22.2	2.0
United Rubber & Chemical	44,000		6.0	44	4.0
Total	895,000			1,091.9	

[1] Goodrich-Gulf plus Institute equals 217,000 long tons or 19.9 percent.

[2] Shell has announced that capacity will be "materially increased" but assigned no figures to the expansion. In the absence of a specific figure, no expansion could be reflected in the table. The effect of this expansion will be to reduce all other percentages.

The table shows that by the time all three lines are operating at Institute, Goodrich-Gulf will have 19.9 percent of the industry's capacity. This is not substantially greater than the 18.8 percent share of Firestone in the original disposal. Judge Barnes made it clear to the committee that tendencies to monopoly, and undue or unreasonable concentrations of economic power, cannot be judged by mathematical formulas. The simple statement that 25.2 percent or 19.9 percent is greater than 18.8 percent is not conclusive, or even substantial, evidence that this sale will result in greater harm, or even as much harm, to competition in the synthetic rubber industry as the original 18.8 percent Firestone share.

The entrance of United Rubber & Chemical Co. into the industry at the Baytown plant changes the situation substantially from the situation when the disposal under Public Law 205 was being considered. This firm is producing a large volume of rubber, all available for the open market because it consumes no rubber.

Still further broadening of the base of competition may be expected from the new fully integrated synthetic rubber plant which the General Tire & Rubber Co. and the El Paso Natural Gas Co. have decided to build. This will provide an additional 40,000 tons of rubber a year.

It must also be recognized that disapproval of this sale will not necessarily keep Good-

rich-Gulf from expanding its capacity to 20 percent, or even 30 percent, of the industry. Goodrich-Gulf is free under the Clayton Act to build a new plant or to expand its Port Neches plant, at least so long as its capacity does not rise to a position of monopoly under the Sherman Act. Accordingly, at best, disapproval of this sale would be little or no protection against an increase in capacity by Goodrich-Gulf.

After careful consideration of these factors, and the arguments urged in favor of the resolution, your committee reached the conclusion that the public interest would best be served by approval of the proposed sale.

CONCLUSION AND RECOMMENDATIONS

Your committee wishes to commend the Disposal Commission. The Commission and its staff have performed an outstanding public service. The task has not been an easy one. A complex industry, built and run by the Government for more than 10 years, has been transferred to private hands, and is now contributing greatly to the national economy. The financial returns to the taxpayer far exceed virtually all other disposal programs. The task has been carried out in the highest spirit of fairness, honesty, and devotion to Government. Careful attention has been paid to the needs of small business and to the competitive situation.

Your committee wishes to commend the Attorney General and his staff for keeping the committee fully informed about all aspects of competition, or lack of competition, in the synthetic rubber industry, including particularly the extent to which small businesses are receiving a fair share of the end products at fair prices. The annual reports of the Attorney General should inform the Congress fully of all developments in this field. These reports should make all recommendations for legislative changes which the Attorney General finds necessary or desirable to accomplish the purposes of the Disposal Act.

The committee also wishes to commend the new synthetic rubber industry for the way in which it has taken on the task of providing the vast quantities of rubber which American industry and the public have required. The success with which these companies have carried out their commitments to small business, and their policy of refraining from increasing prices, in a time of shortages, are also to be commended.

These actions on the part of the concerns now carrying the burden of supplying rubber to the country have justified the decision to put the synthetic rubber industry into private hands. Your committee looks with confidence for continuance of the present free competitive situation.

Mr. BUSH. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. BUSH. I should like to support strongly the views of the Senator from Indiana respecting the Commission and its work in the disposal of the rubber plants. I ask the Senator if it is not true that when this kind of highly specialized plant is being sold, it does not have the broadest market in the world. There are not so many persons who would care to buy an artificial-rubber plant. It is not like the sale of fruits and vegetables. It is very highly technical. Does the Senator from Indiana not agree with me that there are relatively few persons who are competent even to be interested in buying this kind of operation?

Mr. CAPEHART. The Senator from Connecticut is 100 percent correct. I certainly would have been very happy, as I know everyone else would have been, if the gentleman who had made the original bid of $1 million or $2 million, on a property which sold later for $11,500,000, had originally bid $9,500,000 or $10 million. Had he done so, the Commission might have sold the property to him.

This appears to me to have been a case in which someone thought he was going to get something for 10, 15, or 20 cents on the dollar, as had been the custom in years past. But when he could not buy it in the same way the aluminum and steel plants previously had been bought, then, of course, he came forward and said that the bids ought to be reopened and that he ought to be given an opportunity to do that which he should have done in the first place. Had he wanted to buy the plant, he had an opportunity to bid $9,500,000 or $10 million, or $11,500,000. He could have bid $12 million or $15 million, if the plants were so profitable; and they are profitable. There is no question about that. Then, no matter what concern the bidder might have had, he could have entered a higher bid.

Had the Disposal Commission sold the plant for half the amount for which they sold it, they would have been criticized for getting too little for it when they were offered more.

I think it is necessary to take all these things into consideration, and I believe the Commission did take them into consideration. I do not believe the Commission should be criticized.

As a matter of competition, it is a fact that the plant at Institute is being bought by Goodrich-Gulf. They did not need to buy that plant in order to increase their capacity. This plant has a capacity of 122,000 tons. They could have increased their capacity in Texas by 122,000 tons. They could have built a new plant. The testimony was that a new plant would have cost them very little more than the amount they paid for the existing plant.

Under the law, any of the companies which are now in the synthetic rubber business—which is what the able Senator from Arkansas calls a monopoly—has a perfect right to increase its production or has a right to build new plants or additions to old plants.

It was brought out that Goodrich-Gulf had been engaging, not in a monopoly, but in some unfair trade practices. But one can engage in unfair trade practices if he owns only one-tenth of 1 percent of something.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BUSH. Does the Senator not agree with me that if there was any monopolistic tendency in this case, or the approval of any monopolistic practice, it is very strange, indeed, that the distinguished Senators from West Virginia were among the proponents of the sale? I think particularly of the distinguished chairman of the Committee on the Judiciary [Mr. KILGORE], and of his able colleague, the junior Senator from West Virginia [Mr. NEELY], both of whom appeared before the Committee on Banking and Currency. I feel certain that if there had been any danger of a monopolistic charge being sustained, neither of the West Virginia Senators would have had anything to do with the sale.

Mr. CAPEHART. Let me call attention to another feature of the sale of all the synthetic rubber plants, especially the one at Institute, W. Va., which we are discussing now. The agreement with the Goodrich-Gulf Co. was that that company would sell 67 percent of its output to small business, under the law passed by Congress. In every sale, they agreed to sell X amount of their production to small business. In this particular case, the amount was 67 percent.

I call attention to another factor. I was the author of the bill, and was the chairman of the committee which reported the bill. The bill provided that for the next 10 years the Attorney General must submit to Congress a report upon the operations, including whether there had been any tendency to discriminate against small business and whether there had been any tendency toward monopoly. We wrote that provision into the bill, and it was to continue for 10 long years. I do not think we could have done anything better than to write into the bill a provision that the purchaser must sell X amount of its production to small business. As I have said, in the case of the plant at Institute, the amount is 67 percent. The law provides that once a year, over a period of 10 years, the Attorney General must investigate the operations from every conceivable angle and then file a report with Congress.

If Congress finds that the purchaser has been violating any of the rules or laws, if it has not been selling 67 percent of its production to small business, or if there is a tendency toward monopoly, Congress has the right to enact new legislation and to provide whatever is thought best under the circumstances.

I think this is another instance of Senators taking a negative position merely because they feel it is the popular one to take, or they feel that it is a position which would be in line with the general practice today of calling many things giveaways, when there is no giveaway at all.

For example, while it is not particularly material to the case, I call the Senate's attention to the fact that the Government sold the plant for $11,500,000. The plant is valued on the Government's books at $4,500,000. The Government is getting 52 percent of the profits from the corporation, in addition to the $11,500,000. As a businessman, I should say that is a very good deal. If the Government can get $11,500,000 for a plant which is valued on the Government's books at $4,500,000, and in addition will receive 52 percent of all the profits the company will make for years to come, I think the Government has concluded a sound transaction.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. NEELY. The able Senator from Indiana, of course, knows that the Goodrich-Gulf Co. will, after the acquisition

of the West Virginia plant, have less than 20 percent of the rubber-manufacturing capacity of the country.

Mr. CAPEHART. They will have about 18 percent. Gulf is not in the business at all. The Goodrich Rubber Co. in reality will have only half of it. They will have less than 18 percent.

Mr. KILGORE. Mr. President, I shall not speak at length. I have prepared a statement which I shall ask unanimous consent to have printed in the RECORD. But before I do so, I should like to comment on 3 or 4 points.

First, the plant at Institute, W. Va., originally was designed as a green alcohol plant for the manufacture of butadiene. There are surplus grains which can be used for the production of alcohol. Goodrich contemplated bringing butadiene from their alcohol butadiene plant in Kentucky. This is the only plant in the group which is not drawing purely upon petroleum.

The second highest bidder, of all the bidders, bid only a little more than $5 million, while Goodrich-Gulf bid more than $11 million.

My third point is that this plant is in the center of a distressed employment area. Every day while the plant remains closed, the employees are on the relief rolls. If the plant were operating, they could be working in the plant.

Fourth, the plant is one which is not completely modernized, so Goodrich-Gulf will have to do some modernization work on it. They contemplate starting operations at one-third capacity while they install some additional facilities for bringing into the plant the cold process which is now being used in other plants.

I have stated the highlights of the situation. For the reasons stated, I think the resolution should be defeated.

Furthermore, Judge Barnes, the head of the Antitrust Division of the Department of Justice, unquestionably recommended that Congress should be the sole judge.

I ask unanimous consent that the statement I have prepared may be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KILGORE

I wish to express opposition to Senate Resolution 197, disapproving sale by the Government of the synthetic rubber plant at Institute, W. Va., to Goodrich-Gulf Chemicals, Inc., one of the leading companies in the industry.

This proposal has been investigated at great length by every group concerned; there has been no disapproval of agreement on the consummation of the sale, and I am firmly convinced that the consummation of this sale is in the best interests of the Nation. It should go forward immediately.

Every hour of delay impedes the progress of the synthetic rubber industry, so essential both to our national defense and our peacetime economy, and at the same time perpetuates the unemployment of hundreds of workers in the area who are impatiently waiting to go back to work.

The Rubber Producing Facilities Disposal Commission has recommended the sale as proposed. The Department of Justice is of the opinion that Congress has the responsibility for making the decision. The Senate Banking and Currency Committee has disapproved Senate Resolution 197, which resolution would have disapproved the sale. The House Armed Services Committee, which considered a similar resolution, voted 22 to 0 Tuesday to report it.

It may be instructive to review the background of the case. Under an amendment I had the privilege of introducing last year, the Commission was ordered to keep certain criteria in mind in ruling on the sale of the plant.

Most critical was the protection of national security. It is clearly in the national interest for this plant to be operated by a major company like Goodrich-Gulf, with a clause requiring its maintenance for 10 years.

Another criterion was the rightful protection of small business. The company has made a commitment to set aside for small-business use some 81,000 out of 122,000 long tons, the largest commitment made by any of the bidders.

In addition, the Commission decided that the $11 million bid constituted full fair value for the plant. The second highest bid was $5,800,000, which the Commission denied was fair value.

Finally, there was the effect of the sale on a free competitive synthetic rubber industry. Under the law, the Attorney General was required to rule on this aspect of the proposal. Although the Attorney General questioned whether it would have an anti-competitive effect, his position is clearly that it is in the purview of Congress to make the final decision.

The head of the Antitrust Division, Assistant Attorney General Stanley N. Barnes, went even further when he testified on February 1 before the Banking and Currency Committee.

When asked by the Chairman, the Senator from Arkansas—and I quote—"You do recommend that the Congress approve the sale?" Mr. Barnes replied—again I quote—"That is correct."

In view of the unanimity of opinion on the desirability and legality of the proposal, I again call the attention of the Senate to the necessity for approval by this body.

I am convinced this sale will not foster monopoly. I have fought monopoly all my life, and I will continue to do so. Sale of this plant to Goodrich-Gulf will mean no increase in monopoly. The Institute plant will give the company 19.9 percent of production in the industry. Other plants were approved with 18.8 percent of production. The difference is negligible.

The need is urgent. Every day that the plant is idle deprives skilled and unskilled workers in my State of the chance to go back to work and support themselves. They do not want relief. They want work.

At present, I am sorry to say, West Virginia has one of the most critical unemployment problems in the Nation. There are still more than 100,000 persons in my State living on food given them by the Government.

Some of these people can be put back on their feet if jobs are provided by the opening of the plant. This is not a partisan matter. There has rarely been such unanimity. All of West Virginia favors this proposal, regardless of party or organization, from the State legislature, the chamber of commerce, organized labor, on down.

With all the force at my command, I strongly urge the Senate to take favorable action on this proposal immediately.

Mr. FULBRIGHT. Mr. President, the remarks of the distinguished Senator from Indiana call for some comments by me, just for the sake of the record. He has mentioned aluminum companies. I know a little about those, since some of them were established in my State. I would very readily admit that it is likely that the Government could have obtained a few more dollars by selling those plants to the Aluminum Co. of America, which at that time had a complete monopoly on the production of the virgin metal. But in order to assure competition in the industry, sales were negotiated and the Government succeeded in bringing in the Reynolds Metal Co., and later the Kaiser Co., and now 2 or 3 other companies have gone into that industry.

It is now a highly competitive industry, and that condition operates to the benefit of all the people of the country. The salesmen certainly acted in the public interest, if one balances the few dollars which might have been obtained from a higher price against the benefits of competition in the industry. That is the point I wish to make.

The Senator from Indiana has made a comparison with book value, and has stated that the price to be received is higher than the book value—that is, the value after heavy depreciation. The Senator must no doubt be disturbed by what has happened in the sale, because—and I refer him to the CONGRESSIONAL RECORD, volume 99, part 7, pages 9358 and 9359—when the Senator from Indiana was chairman of the Banking and Currency Committee, and was in charge of the legislation concerning the sale, he said:

So far as I am personally concerned, a fair price, unless there are some factors about which I do not know at the moment, is certainly going to be pretty close to, if not above, what the plants costs the Government originally. That is what I am thinking about. I say, in all fairness, that there may be some factors involved which might change my mind, but as I see it at the moment, I am thinking in terms of what the plants cost the Government or possibly more. But I am certainly not thinking in terms of their book value.

Later in the debate, the Senator from Indiana said, as appears on page 9359:

Unless someone can give me some facts I do not have before me at the moment, I am certainly not going to stand for selling these 28 plants for 35 cents on the dollar.

What happened under the sale? The chart on pages 35 and 36 of the hearings shows that plants and equipment costing $476,997,045 were sold by the Commission for $273,848,202. That is about 57 cents on the dollar. It is a little better than the Senator's 35 cents, but by no means, in his words, "pretty close to, if not above" the cost of the plant.

Mr. CAPEHART. If the Senator will yield, I call his attention to the fact that the sale price was $410 million.

Mr. FULBRIGHT. That was not the sale price according to the hearings. I refer the Senator to page 36 of the hearings.

Mr. CAPEHART. The sale price was $410 million.

Mr. FULBRIGHT. According to the hearings, the sale price was $273,848,202.05.

Mr. CAPEHART. We must add the inventory and other things, and, adding them, the Senator will find that the recovery was $410 million.

Mr. FULBRIGHT. I refer to the plants. If the Senator adds the inventory, he will have to subtract the inven-

tory cost; but the facilities themselves are listed on pages 35 and 36 of the hearings. I do not think there can be any doubt about the amount.

The figures given do not include the Institute plant. If the Institute plant were included, we would have to consider the amounts of $18 million in the cost and $11 million in the recovery, so there would be only another $7 million added.

The Senator recognized that there might be facts about which he was not aware which might prevent his expectations from being realized. Perhaps the Senator was not counting on the 1954 recession, which seems to have affected the prices bid. And perhaps the Senator was counting on real competition for the plants, not on a single bid for each plant, in most cases.

If the Commission had realized $450 million or $475 million or $500 million for the plants, I would not be objecting to the prices obtained in 1955. But I do object to a price of $200 million below the Senator's expectation.

It seems strange to me that if big business happens to get a bargain, it is referred to as a great sale and a wonderful thing; but if a small business is affected, it is not said to be of particular significance.

I objected last year because the plants were sold too cheaply, and because, in many cases, I thought consideration could have been given to bringing new plants into the industry. I still think the plants were sold too cheaply when it appears, from the best estimates I have been able to obtain, that as a result of the earnings the plants will be paid for in 4 or 5 years, if they maintain the same earnings which were derived when the Government was operating the plants. The Government could have kept the plants 4 or 5 years and have obtained more money from them than it received from the sale.

So I think the sales were improvident from the point of view of the taxpayer, especially since competition was not provided for. There is some excuse for taking a low price if the sale results in bringing in or promoting competition, so that the public will benefit in that way. So on both grounds I think the sale last year was an improvident one, that the price which the Government should have obtained was not received, and that the sale did not contribute to competition in this instance, as it should have. So I do not think the sales were good sales.

The Senator from Indiana has said he has never known of any comparable sale. As I recall, the sale of the Big Inch brought closer to the cost than did the sale under consideration.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I shall yield to the Senator if he desires, but I submit again that the sales were not in the public interest.

Mr. ROBERTSON. Mr. President, the pending resolution was one I knew nothing about until I attended the committee hearings. No one had ever written me a letter regarding the matter. No one had ever come to see me about it. I knew nothing about it at all.

At the hearings I was greatly impressed by the testimony given by the Chairman of the Disposal Commission. He proved, by the figures he gave, that this would be a better sale of a rubber plant than any similar sale the Government had ever made. He proved the price would be nearly twice as much as the next highest bid. He said it was the positive conviction of the Commission, a Commission made up of very fine, able, public-spirited men, that the sale would not disturb the competitive situation.

The Attorney General's office did not make any specific recommendation against the sale from the standpoint of the anti-trust laws. The testimony was that the offer constituted a fair price. The testimony was that the Government might not get as good a price elsewhere. The testimony was that if Goodrich did not get the plant, it intended to expand and add equal capacity in the South to the plant it already had. The testimony was that we faced the alternative of getting what the Commission said was a fair, reasonable price for the plant, or retaining it as a standby plant, which would deteriorate each year and keeping out of production a very efficient plant, because it was in an area where raw materials could be economically furnished.

I reached the conclusion that the operation of the plant would be so efficient that, instead of hurting competition and resulting in higher costs to consumers, it would actually contribute to a possibly lower price for synthetic rubber.

Then, Mr. President, I could not be unmindful of the unemployment which for the past 5 years have existed in our neighboring State of West Virginia. Everyone knows the depressed condition of the coal mines of that State, which is one of the really great coal-producing States of the Nation. Everyone knows that a great many workers will be employed in this plant if the plant is sold and put into operation.

So I was glad to join with the other nine Members who heard the testimony. I approached the matter ab initio, without any prejudice one way or the other. I was convinced by the testimony that the sale was a fair one. I was also convinced that the operation of the plant in West Virginia—and it cannot be operated unless we approve this sale—will be a great help to that immediate area of West Virginia.

Mr. President, I make this brief statement to show that I think the resolution should be rejected and the sale should be approved by the Senate.

Mr. LANGER. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER (Mr. BUSH in the chair). Does the Senator from Virginia yield to the Senator from North Dakota?

Mr. ROBERTSON. I yield.

Mr. LANGER. Why cannot the plant be operated unless it is sold?

Mr. ROBERTSON. Because the Government is not operating any more of these plants. Unless the plant is sold to private industry, it cannot be operated, for the Government has gotten out of the business of producing synthetic rubber; and I think the Government should not be in any private competitive business which can be efficiently and properly operated by private capital.

I have been voting right along for the sale of the Government-owned rubber plants, and have done so because of my conviction that, although there was a time when it was necessary for the Government to operate them, in connection with the defense effort, that time now has passed. Private industry now can operate the plants, and there can be competition at a fair price.

Therefore I favor the sale of this plant. If the plant is not sold, it will not be operated.

Mr. BRICKER. Mr. President, in order that the RECORD may show the position I take on this matter, I wish to state that from the very beginning I have been interested in the sale of the synthetic rubber plants. In one way or another, this matter has been before this body during the past 6 or 8 years. Very early, we got rid of the patent pooling arrangements relating to this field. Then, a few years ago, the Government finally decided on the sale of the rubber plants, which during the war had done a remarkably fine job in supplying America with synthetic rubber, or whatever it may be called, and in providing for the needs of the country in this field.

The Government operated these plants, and did so efficiently. Some improvements in the processing of rubber, particularly the cold process, now have come into active use in connection with such operations.

Having decided upon the sale, the Commission was organized to take competitive bids and, further, to negotiate for the sale of the plants, if the bids received were not satisfactory.

The sale of the plants came originally before the Congress, and was sustained under the peculiar provision of law requiring that the sales go into effect unless either House of Congress adopts a resolution negating the action of the Commission in the case of a particular sale.

We did approve the sale of all the other plants. The particular plant now in question was not sold at that time because there were no bids on it. It was not the most efficient plant, and it is not yet. A great deal of work will have to be done on this plant. Two of the lines will be put into the production of what is known as the cold-rubber process. The other will be continued as it was originally built, for the processing of hot rubber.

This particular sale was subsequently authorized by an act of Congress, after the sale of the great majority of the plants had been consummated. Bids were taken. The bid in this case is by far the highest bid; as the distinguished Senator from Virginia said, it is almost twice the amount of the next highest bid.

There is great need, from the local point of view, for placing this plant in private industry. I think the distinguished Senator from West Virginia has already presented the figures regarding unemployment in this area. Adequate

manpower to conduct the operation, as the Goodrich-Gulf Co. will conduct it, is available in the area. Operation of the plant will be a great boon to that particular locality, and there is need for the rubber the plant will produce.

In connection with the sale, it was provided that 67 percent of the rubber produced in the plant would have to be made available to small business. Commitments of the same character were required in connection with the sale of the other plants, although of not so high an amount as in this case. So there is adequate protection for small business.

I think no one will contend that there is a monopoly in the rubber business. Anyone who knows anything about the business will not so contend. I know of the active competition between the rubber companies, most of which are located in my own State. There is very active and aggressive competition in the field, not only as regards sales, but also as regards improvement of the products themselves.

In this case the bid was determined by the Commission to be the full and fair value for the plant, and much higher than the depreciated value at the present time.

The Government is getting out of the rubber business; in fact, the Government has gotten out of it. As the Senator from Virginia said a moment ago, the Government no longer is producing artificial rubber or synthetic rubber. This sale will bring the production of the company which is purchasing this particular plant up to approximately 19.9 percent of the full amount of production of synthetic rubber made by the disposed of plants operated by all companies.

The Attorney General filed no objection to this sale; but intimated that, if there were a private sale, there might be some objection on his part. However, an entirely different situation is to be considered here, as compared with a consolidation of two companies. Under the antitrust laws or antimonopoly statutes of the country, the Goodrich-Gulf Co. could expand its plant at Port Neches; it could build another plant, and no one could object to that. This company could enlarge its present plant, so that its production would amount to a much higher percentage of the total production than the percentage it would have as a result of acquiring this particular plant. Any of the other companies operating in this field could do likewise.

Mr. President, in my judgment, there is no question that this sale is in full compliance with the antitrust laws, the Clayton Act, and the Sherman antitrust law, and that the company will not be put in an unfair competitive position as regards the other companies, which likewise could increase their production so as to make it equal to the amount which, within a period of 3 years, will be possible from the combined plants owned by the Goodrich-Gulf Co.

So, Mr. President, in the interest of the economy of the country and the good of the country and in the interests of the industry generally, I believe this sale should be consummated; and I believe that the resolution of the Senator from Arkansas should be rejected. Not only will the Government have the benefit of increased production and better research and greater progress in the industry, but likewise the Government will receive large amounts in taxes from the operation of this plant by private industry.

Therefore, Mr. President, I think the resolution of the Senator from Arkansas should be rejected; and I believe that the program, as laid down by the Commission, should be consummated.

Mr. GOLDWATER. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield.

Mr. GOLDWATER. I should like to ask the Senator from Ohio whether he sat through the gas bill debates during the past 3 weeks and a part of this week?

Mr. BRICKER. I did.

Mr. GOLDWATER. Did the Senator from Ohio hear much argument raised about getting the Government out of business?

Mr. BRICKER. Not a great deal from the forces of the opposition in this case.

Mr. GOLDWATER. On numerous occasions I heard the Senator from Arkansas speak about the inadvisability of having the Government in control of private business—I believe I am correct in my recollection on this point; and he advocated that the Government get out of private business. So I was very, very heartened to realize that we had gained a convert to the cause of free enterprise.

I am a little surprised to hear, just 2 days after the great debate ended, that we might possibly have lost a valued member of that team.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. The Senator from Arizona misunderstood. The minority—speaking for myself—is strongly in favor of selling these plants, as we were last year, but not selling them at such cheap prices. They sold last year for about $200 million less than they should have been sold for on the estimate of the distinguished Senator from Indiana [Mr. CAPEHART], who said in 1953, in the discussion of the bill which became the Disposal Act, that he was thinking of recovering the cost to the Government, and not the book value. I am thinking of the cost. If they had been sold at cost, which is about $200 million more than the Government received, I would not object to the price at all. But it is our duty, I think, to get the full value for the taxpayer. I object to giving away to big business these plants at far below cost—far below their present value, I may say.

Mr. NEELY. Mr. President——

Mr. BRICKER. Let me briefly answer the suggestion made by the distinguished Senator from Arkansas.

Mr. NEELY. That is what I wished to do.

Mr. BRICKER. I think the best authority on this question is the Disposal Commission which the Congress authorized to proceed to sell the plants. It has found that this figure is above the full, fair value. Certainly the competitive bids show what the value of the plant is. The accepted bid is almost twice as much as the next highest bid, and the negotiated price is about $3 million higher than the original sealed bid, which shows that a fair price was obtained.

The Chairman of the Commission, in introducing one of his colleagues to the committee at the time, stated that that man proved to be a very good horse trader. I think there has been some very fine salesmanship on the part of the Government commission. In particular, the price for this plant is on the basis of a higher value than with respect to the other plants.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. NEELY. In the circumstances of this case, if approval of this sale should be withheld until someone offers within $2 million of the $18 million which the plant cost, does the distinguished Senator from Ohio believe that it would ever be sold?

Mr. BRICKER. In my judgment, it would not be sold; the community would never get the employment it needs, and the plant would rust out, at great cost to the Government to maintain it in a rusting condition.

Mr. MORSE and Mr. CASE of South Dakota addressed the Chair.

The PRESIDING OFFICER. The Chair reminds Senators that the Senate is now operating under controlled time, and that Senators wishing to make comments on subjects other than the pending resolution must obtain unanimous consent for that purpose.

Mr. MORSE. Mr. President, I wish to discuss very briefly the pending resolution.

The PRESIDING OFFICER. Is the Senator for or against the resolution?

Mr. MORSE. I am for the resolution, being 1 of the 6 members of the committee who voted for the resolution.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I wish to say at the outset that no Member of the Senate, including the Senators from West Virginia, is more sympathetic than the Senator from Oregon regarding the plight of fellow Americans in depressed areas. I think it is very important that we do everything we can to make available means of employment of people in depressed areas.

I believe the record which our Government has made in respect to bringing employment relief to people in depressed areas is a sorry one. I believe that job opportunities should have been provided long before this.

However, I point out that it is not proposed to move this plant out of this area. It is not proposed to dismantle the plant. If the plant is to be operated, it will be operated in this area. It is true that a time factor is involved, to the extent of the slight delay which will take place in calling for new bids if the resolution should be adopted. That would involve only a matter of a few weeks. I am satisfied that new bids could be called for

and the final decision reached within a maximum period of 6 weeks.

I certainly believe that in the meantime our Government should go to the assistance of the people in this depressed area, without using this proposed sale as an excuse for not doing anything to find jobs for these people. In my judgment this proposed sale will saddle upon the American people a greater entrenchment of monopoly in the rubber industry. The rubber industry is already throttled by monopoly. I think the figures show that about 4 rubber companies and 3 oil companies control approximately 88 percent of the synthetic rubber production of the country at the present time.

I now wish to come to the discussion of what I think is the basic issue involved in the sale of this plant, namely, the issue as to whether or not it would stregthen vertical monopolies in the oil and rubber industries. On the basis of the hearings, I do not think there is any question that it would. It would increase the control of this particular company over a large segment of the production of rubber. The figure of 18 percent has been used as the figure representing the segment of the industry which would be controlled by this company. The record shows that it would be 25.2 percent of present capacity, if the sale to the Goodrich-Gulf Co. should go through.

So we have before us a question of great public policy. Shall we follow a course of action which would bring a newcomer into the industry, or are we to follow a course of action which would prevent a newcomer from engaging in the industry, and thereby further entrench the existing vertical monopoly in the rubber and oil industries?

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. Is the Senator of the impression that if the sale is blocked the prospects for selling the plant to a newcomer are good, with a better price obtainable?

Mr. MORSE. I think they are very good. I think the result of adopting the resolution would be a sale to a newcomer. I will say something about the offers made by the various companies in a moment.

I should like to dwell for a few moments on the fact that we have a chance of bringing a newcomer into the industry. The argument has been made on the floor of the Senate that, of course, the Goodyear-Gulf Co. may go ahead and build another plant in Texas. In fact, one of the most recent speakers on the subject said if the company did not get this plant, it would proceed with increasing its production elsewhere.

My answer is that is fine. But it is all the more reason for not selling the plant to this particular company. If they are ready and willing to increase production elsewhere, that is fine. Let them go ahead. That will help broaden the base of competition in the industry, if we can get a newcomer to operate the plant at Institute, W. Va.

I am not at all moved now, any more than I was in committee, by the argument that if we do not sell the plant to the Goodrich-Gulf Co. they will go ahead and produce more rubber elsewhere. I am all for that, just as I am in favor of doing everything we can to have this plant sold to a newcomer in the industry. If we really mean it when we say that we wish to broaden the base of competition in the rubber industry, it is imperative that the plant involved in this resolution be sold to a new manufacturer. We need a new face, so to speak, in this industry, if we are to check monopoly.

I wish to make clear—because it is so easy to be misunderstood on a subject such as this—that I have always been in favor of selling the rubber plants. I have always been opposed to the Federal Government operating the rubber plants in peacetime. I do not believe in nationalizing our rubber industry. I do not believe in nationalizing any private enterprise. However, I have been insistant that in selling Government-owned plants we follow a course of action that will broaden the base of competition and narrow the limits of monopoly.

I am greatly concerned about the trends of monopoly in America today. I point out that small-business men across the country also are greatly concerned about it because they are beginning to feel the pinch of monopolistic control.

When heretofore the sale of other rubber plants was urged, I suggested that the sales be made with certain guaranties to the American people which would protect their interests. We lost in connection with the other sales, as I suspect we will lose again today. However, the same need for protection of the public interest exists in connection with this sale.

For example, let us consider a recapture clause. There is no recapture clause in the sale contract before us, any more than there was in the other sales of rubber plants. I well remember the Senator from Georgia [Mr. GEORGE], when the last proposal was before the Senate, rising on the floor and asking if he understood us correctly when we pointed out that there was no recapture clause in the contracts then being considered. When he discovered that no recapture clause was in the contracts he opposed the sale of the plants. In my judgment the American people, who paid 100 percent of the cost of the development of the synthetic rubber industry in this country, are entitled to protection of that investment, at least by way of a recapture clause, so that if a great national emergency arises they will not have to pay bonanza prices to the rubber industry to get back these plants. It may be that in time of war we shall want to recapture these plants.

Therefore, I say that our objection of a year ago is clearly applicable to this particular sale. I shall not accept the argument that a mistake made in the past justifies a repetition of the mistake at the present time. If it was wrong then, it is wrong now.

Now I wish to discuss another objection we had a year ago, which is applicable to this sale. It was our objection that there really was no protection to small business in those sales. In my judgment, there is no protection to small business in this sale.

Oh yes, it will be pointed out, in this sale there is a section written into the contract which provides that 67 percent of the rubber is to be made available to small business. I say most respectfully that that provision is not enforceable. When Judge Barnes testified before our committee, we could not get him to give us any assurance that it would be enforced. He said they would try to enforce it, but he could not cite any legal doctrine under which the Department of Justice could enforce it.

No small-business man could enforce it, because he would not have any legal standing in court. In fact, he would be out of court before he even started, if he tried to enforce that provision of the contract. It is nothing more than window dressing, Mr. President. At best, it creates a moral obligation, but not a legal obligation.

After public concern about the danger of monopoly in this sale dies down, in 2 or 3 or more years, I forewarn that small business will find itself up against a vertical monopoly in the rubber industry, which will determine at its own whim or discretion whether it will sell any rubber to small business. If it is in the economic interest of the big rubber companies not to do it, we can be sure they will not do it.

That leads me to the next point I wish to stress in my brief remarks. We are dealing with the problem of vertical monopoly, which we see all through the oil and rubber industry. It is taking form in fabrication operations and in retail operations. What we see is a chain without one broken link from the point of production right down to the retail counter. That is what concerns small-business men. That is what concerns gas station operators, as they testified before both the Select Committee on Small Business and before the Small Business Subcommittee of the Committee on Banking and Currency, of which I am chairman. The testimony is very clear that the small-business men are finding themselves being squeezed in the jaws of the vice of vertical monopoly, the oil industry being one jaw of the vice and the rubber industry being the other jaw.

The result is that the gas station operators must sell such products as they are told to sell and at such prices as they are told to sell them. Of course those demands are not placed in writing because of the antitrust laws.

What I wish to say on this point is that it is very important that we get a newcomer into the synthetic rubber industry. Only by so doing, can we assure competition and place some check upon vertical monopoly which has come to dominate the oil and rubber industries.

Let us consider the question of the price offered for the plant. The price offered is $11,500,000. That should not surprise anyone. I am satisfied that if a monopoly thought it had to bid $15 million or $18 million or $20 million, it would not hesitate to bid that amount, because in no time at all—in fact, in the space of a short period of years—with monopolistic practices it could pay for

the plant with a slight increase in the price of rubber.

It is very interesting, I might say, to note the timing of the Disposal Commission's finding of the $9,500,000 price as a fair market price. As I understand the RECORD, the Commission did not reach that decision until the first bids were in. The first bid of the Goodrich-Gulf Co. on this particular plant was a bid of $9 million. The second bid was $9,500,000. The third bid was $11,500,000. It is rather interesting to note the timing of the Commission's finding that the $9,500,000 price was a fair market price.

Be that as it may, let us look at that price as against the prices offered by some newcomers in the industry. Let us take, for instance, the Pauley offer. With respect to that offer, when we take into account the fact that the Pauley proposal contemplated a new rubber operation, the cold-rubber process, as I understand, instead of the old hot-rubber process, the conversion cost to Pauley would have brought the bid up. It would have been somewhat more than $8 million, which is not so far below $9,500,000. Moreover, when we take into account, also, that the very thing which the Rubber Disposal Commission has to consider, namely, the antimonopoly objective, or the objective to sell the plant in a manner which will decrease the danger of monopoly, I am not sure but that the Pauley bid should have been considered a fair bid.

In any event, Mr. President, I think it is well to have these plants producing the various types of rubber. I am not an expert in this matter; I know only what I have heard in the hearings. But I understand that the so-called cold-rubber process is a very important need within the industry so far as the productive needs of the American people are concerned.

I also understand from the record that 1 or possibly 2 of the other potential newcomers would have used this plant for producing rubber other than hot rubber. But, be that as it may, I wish the record to show that, in my judgment, when we consider the conversion cost to which the other bidder would have been put in order to use the plant for the production of another type of rubber the Pauley bid was not so low.

Now, Mr. President, a word in regard to the price the Government is receiving for the plant. I still think it too low, in view of the control which the companies will have over prices. I think they can pay for this plant very quickly by adding a very slight increase to the price of rubber. The important consideration in respect to our duty as Senators, so far as public policy is concerned, is to ask ourselves whether we are doing everything we can in connection with the sale to protect the American people from a deeper entrenchment by the vertical monopoly in the field of rubber production. One reason why I am supporting the resolution is that, in my judgment, we are not doing everything we should to protect the people against the danger of monopoly.

The last point I wish to make is in regard to Judge Barnes' testimony, because, Mr. President, Judge Barnes does not give his unqualified endorsement to the sale proposed. What he said to us in his testimony, in essence—and I cross-examined him at some length, as the record will show—was that the Department of Justice had decided to recommend the sale; but not unqualifiedly.

Let me show some of the qualifications indicated by Judge Barnes in his testimony. First, he pointed out quite clearly that if this sale were between two private companies, the Department of Justice would object. If it were a sale between two private parties, the Department of Justice would intervene and proceed with action under the antitrust laws, because, in his judgment, it would constitute an impairment of free competition; it would be an inducement to monopoly, which would, in his judgment, demand action by the Department of Justice to protect the American people against unfair competitive practices on the part of industry. But, he said, "We are in doubt as to whether section 7 of the Clayton Act applies to a sale between the Government and a private company." I thought that was a very interesting position for the Assistant Attorney General to take, because I do not see how we can read the Clayton Act, or any other of the antitrust acts, without recognizing that what the Congress was seeking to do was to protect the American people from monopolistic abuses. If the danger of monopolistic abuse is present, it does not make one whit of difference whether the sale is between the Government and a private company or between two private companies.

So far as I was concerned, when Judge Barnes admitted that if the sale were between two private companies, the Department of Justice would intervene and do what it could to prevent the sale; it settled the case for me. I say that because, no matter what he said thereafter by way of rationalization to support the opinion which the Attorney General had filed with the Rubber Disposal Commission, he could not escape the fact that he had admitted in his testimony that if this had been a sale between two private companies, the interest of the American people would have been involved. If the officials of the Department of Justice desire to torture section 7 of the Clayton Act, they are welcome to do it, but not with my blessing. My study of the Clayton Act convinces me that it was the intent of Congress to prevent a sale between the Government and a private company or between two private companies, when in either case the result of the sale would endanger the economic welfare of the American people by imposing upon them monopolistic abuses and practices.

Judge Barnes also in his testimony made it very clear that he was not certain whether the section of the contract supposedly included to protect small business would protect small business, in that he would not say for a certainty that it would be enforceable. I cross-examined him at some length on the enforceability of this provision of the contract. The record is before the Senate. When we get through with all his comments, they add up to the conclusion that he does not know whether that provision of the contract is enforceable, but that those in the Department of Justice will do what they can to try to enforce it.

I happen to believe that the Congress has the duty before it of preventing the sale by insisting that a section be written into the contract which will be enforcible. That is why I took the position in the committee that we should insist that instead of writing into the contract what is only a gesture, a little bit of window dressing, we ought to require the Commission to write a warranty clause which would be enforceable. But the parties did not want to do that. Why? We can judge for ourselves why. But I think there is no real intent to put into the contract a legally binding provision which will make the promise to small business an enforceable promise.

So, Mr. President, I shall vote against this sale as I voted against the other sales of the rubber plants. I summarize by saying I want the plant sold; I want it sold within the next few weeks. I think it can be sold within the next few weeks, because the Rubber Plant Disposal Commission can proceed immediately to call for new bids. There is no reason why the sale cannot be expedited, and I think we can get the plant operating to the benefit of the people in that distressed area in the very near future. However, I believe that at this time we should see to it that we have done everything that can be done to protect the American people from a further entrenching of a vertical monopoly in the oil-rubber industry of this country.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I understand the resolution pending before the Senate is a negative resolution, and that a negative vote on the resolution will approve the sale recommended by the Commission.

The PRESIDING OFFICER. The Senator from California is correct. A negative vote is a vote in favor of the sale.

Mr. KNOWLAND. And a negative vote is in support of the position recommended by a majority of the Banking and Currency Committee.

The PRESIDING OFFICER. The Senator is correct.

Mr. NEELY. Mr. President, as usual, I have listened with great interest to the remarks of the distinguished Senator from Arkansas [Mr. FULBRIGHT] and the eminent Senator from Oregon [Mr. MORSE]. The latter's reference to the Clayton Act has carried me back to that distant day when, as a Member of the House of Representatives, I cast my vote for that beneficent measure. From then until now every opportunity that has ever become available to me to vote for an antimonopolistic bill or provision has been improved to the limit of my capacity. But notwithstanding my sincere desire for the complete protection of the Nation against monopoly, it is nevertheless impossible for me to be more deeply concerned about metaphysical argumentation relative to statutory regulations or constitutional limitations than I am

about hungry men, women and children. There are today more than 200,000 of these in my State as a result of long-continued, widespread unemployment. If the Fulbright resolution is defeated, one of the consequences will be employment, at lucrative wages, for several hundred of the idle men and women in the southern part of West Virginia.

On the first day of this month, before the Senate Committee on Banking and Currency, over which the distinguished author of the pending measure presided, it was my privilege to make an argument in opposition to the resolution of disapproval before you. In the course of my remarks it was pointed out that the Commission, in making the sale of the plant to the Goodrich-Gulf Co., had meticulously complied with every requirement of the law. In my opinion, my previous argument refutes everything that has been said in opposition to the sale on the floor of the Senate today, not even excepting the vigorous address made by the illustrious statesman from Oregon [Mr. MORSE].

Mr. President, it is my confident belief that the resolution will be overwhelmingly defeated. Consequently, I am unwilling to delay the decision of this matter by answering in detail the many objections the eminent Senator from Oregon has made, for experience admonishes me that regardless of any refuting response that might be offered, he would follow with a rejoinder, since he was undoubtedly the inspiration of Timon's notable couplet:

The two-edged tongue of mighty Zeno, who
Say what one would, could argue it untrue.

[Laughter.]

In the circumstances, I now ask unanimous consent to have printed in the RECORD at this point the complete statement made by me before the committee last Wednesday relative to this important matter.

The PRESIDING OFFICER (Mr. BUSH in the chair). Without objection, it is so ordered.

Senator NEELY's statement was as follows:

Mr. Chairman, Dr. Oliver Wendell Holmes in the Autocrat of the Breakfast Table, says:

"All economical and practical wisdom is an extension or variation of the arithmetical formula: 2 plus 2 equals 4."

Equally simple and logical are the facts which impel West Virginia to oppose the pending resolution of disapproval of the sale of the Government's idle, deteriorating and tax-burdening rubber plant which is situated at Institute, a few miles from the capital of the State. These facts are briefly as follows:

The Disposal Commission has recommended the sale of this plant to the Goodrich-Gulf Co. for $11 million—a sum more than twice as great as the present book value of the plant and almost twice as great as any other bid received for the property. To maintain this factory, which has long been idle, in standby condition for the 10-year period required by our national security, would cost the Government $2,400,000. For this expenditure of the taxpayers' money they would receive absolutely nothing in return.

Goodrich-Gulf has bound itself in its contract of sale to make available to small business 81,000 tons of the plant's 122,000-ton capacity. After acquisition, the company will have only approximately 19.9 percent of the Nation's total capacity for the manufacture of Government rubber-styrene.

The Disposal Commission acted in this matter in pursuance of the statute which contains various criteria. One of these is the protection of our national security. The sale of this idle plant to the highly responsible and thoroughly capable Goodrich-Gulf Co. under a contract requiring the plant's maintenance for 10 years is, beyond the shadow of a doubt, in the interest of such security.

There are three other mandatory major criteria with which the Commission has fully complied. The first of these requires that small-business enterprises and users of rubber have an opportunity to obtain a fair share of the output of the facilities sold and to obtain such products at fair prices. In satisfaction of this requirement, the company has, as previously indicated, agreed to allocate approximately two-thirds of its output to small-business enterprises.

The second criterion is the requirement that if the plant is sold, it must be for its full and fair value. If anyone has even ventured to suggest that $11 million is not full and fair value for this plant, that fact has entirely escaped my notice.

The highest bid received, except the one for $11 million, for which the sale was made, was for $5.8 million dollars. The Commission unequivocally stated in its report that the latter sum would not be the full, fair value of the plant. In this decision informed opinion and commonsense would fully concur. Furthermore, the Commission points out that the sale of the plant for the lower bid would give the purchaser an unfair competitive advantage over those who paid full, fair value for the other governmental synthetic rubber plants sold under the first disposal program. In the circumstances, under the statute, the Commission must sell the Institute plant to Goodrich-Gulf for $11 million, or not sell it at all. To continue the maintenance of the idle plant is to burden the taxpayers with the useless upkeep cost of a quarter of a million dollars a year.

The third criterion with which the Disposal Commission must comply is the requirement that the sale provide for the development of a free competitive synthetic rubber industry, and that such sale shall not permit the purchaser to possess unreasonable control over the manufacture of synthetic rubber.

If it were permissible for me to hazard a guess as to what was the principal motive that impelled the distinguished able chairman of the committee to introduce the resolution under consideration, that guess would be to the effect that he fears the possibility that competition would suffer from the sale of the plant to the Goodrich-Gulf Co.

The CHAIRMAN. That is the principal issue. And, as I pointed out, it is raised by the Attorney General's opinion on both——

Senator NEELY. Of course, the Attorney General changed his mind. But let it be remembered that the eminent Mr. Emerson declared:

"A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines."

In this case, General Brownell, by changing his opinion so as to approve the sale of the Institute plant, escaped the Emersonian condemnation and, in my judgment, also rendered a distinct service to the Government.

The synthetic rubber industry, as envisioned by the Commission in its disposal program of a year ago and augmented by the sale of the Baytown, Tex., plant last summer, includes the elements necessary to vigorous competition, not only among the rubber fabricators who purchased the Government's plants, but also among the oil and chemical companies which bought plants although they were not at that time fabricators of rubber. These companies have no captive demand. They must competitively sell their products in the market place. The sale of the Institute plant to Goodrich-Gulf will not reduce competition. It is more than likely to increase it.

This criterion contains the restriction that the purchaser shall not have unreasonable control over the manufacture of synthetic rubber. The Commission's report clearly shows that this industry is rapidly expanding, and that additional expansion is confidently expected. On the basis of these expansions, Goodrich-Gulf, after the acquisition of the Institute plant, will have only 19.9 percent of the Government rubber-styrene capacity of the country. Certainly this could not be considered unreasonable control, since there are a number of other strong competitors, each of which will have 10 percent or more of capacity. Among these are the nonrubber fabricators—Shell Chemical Co. and Phillips Chemical Co.

Attention is invited to the following discrepancies in the Attorney General's opinion, which is reprinted in the Disposal Commission's report. He says that Goodrich-Gulf after acquiring the Institute plant will have 25.2 percent of capacity. This conclusion or estimate is based on the originally assigned capacities of the various plants, and it is now unrealistic. Former capacities have been substantially increased and other increases are underway. The proper figures in this case are those used by the Commission which are based on existing instead of original capacities.

Mr. Chairman, to the best of my knowledge and belief, the foregoing is a factual statement of the merits of this case. Let me add a brief, sincere entreaty to the committee in behalf of the distressed unemployed of West Virginia, to several hundred of whom the operation of the Institute plant would afford immediate relief. During the month of January just past, out of a total population of less than 2 million, 208,660 West Virginians kept their souls and bodies together by food furnished them by the Federal Government. The destitution of these unhappy ones is largely attributable to the unemployment with which West Virginia has been more greatly scourged than any other State in the Union, except Pennsylvania and Kentucky.

A little more than a year ago the widely circulated U. S. News & World Report carried an illustrated article entitled "Where Jobs Are Hardest To Get," in which West Virginia was listed as having 13 distressed unemployment areas, although at that time the national average was a fraction more than one jobless area for each of the other States.

I am authoritatively informed that the estimate of those requiring Government food in my State for the present month of February is 210,000, or an increase of 1,340 over last month.

In view of all which, we entreat the committee, in addition to doing justice in this case, as it undoubtedly will, to extend its consideration to include a reasonable degree of sympathy for the suffering people of West Virginia, and to translate that sympathy into action, encouraged and comforted by the Pilgrim's Progress assurance:

"He who bestows his goods upon the poor,
Shall have as much again, and ten times more."

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. CURTIS. Mr. President, I notice——

The PRESIDING OFFICER. Is the Senator for or against the resolution?

Mr. CURTIS. I am for it.

I notice that the resolution pertains to the sale of a synthetic rubber plant

which was created to produce rubber from butadiene made from alcohol. It appears that the sale is to an oil company. I find this sentence in the report:

The cost of the alterations to bring the plant up to fully competitive status would be about $6 million.

I should like to inquire of Senators in charge of the measure if it is their understanding that the plant will be converted into one which will produce rubber from butadiene made from petroleum.

Mr. KILGORE. What is sought to be done is to modernize the plant and to produce rubber by the cold process, using only one line at a time, but still to use butadiene made from alcohol which is now being processed at Louisville, Ky., on the Ohio River, thus enabling the butadiene to be carried by barge up the river to the plant.

Mr. CURTIS. Do I understand correctly that the plan is to continue using alcohol, rather than petroleum, as the basic product?

Mr. KILGORE. Yes; that is what I have been told by officials of the company.

Mr. CURTIS. If that is the situation, I withdraw my objection, and yield back the remainder of my time.

Mr. BRICKER. As I understand, the plan is to make rubber from butadiene made from alcohol.

Mr. FULBRIGHT. Mr. President, there is no commitment to use only butadiene made from alcohol; but the butadiene presently most available is manufactured at Louisville. It is my understanding, from hearing the evidence, that in time, as the other segments of the plant are brought into operation, the company will certainly be at liberty to use butadiene manufactured at its Port Neches plant in Texas.

I do not wish any misunderstanding to arise, but I do not believe the Senator is justified in relying on the information that the plant will use only alcohol butadiene. I think Goodrich is perfectly at liberty to use petroleum butadiene whenever it wishes to do so. It has merely been stated that in the initial stages the expectation is to use butadiene made at the Louisville plant.

Mr. CURTIS. As I understand, there is nothing in the contract which binds the company to continue using butadiene made from alcohol. But my inquiry was, Is it planned, in the operation which it is proposed to begin, to use butadiene made from alcohol?

Mr. FULBRIGHT. I refer the Senator to page 144 of the hearings. Mr. Burt, president of the Goodrich-Gulf Co., was testifying. He said:

The fact of the matter is there is no butadiene available for the Institute operation except that butadiene that is manufactured from alcohol, and that alcohol is costing us 17½ cents a pound as against 14 cents. Therefore, of that difference of 3½ cents, 80 percent of that, or about 2½ cents, is added directly to our cost of that rubber. So that just the butadiene cost will add 2½ cents to the cost of the rubber produced at Institute over that at Port Neches. That will only be true until new production can be brought in at Port Neches, which we are planning to do. That is a 2-year program.

If I understand that statement correctly, it is planned to use alcohol butadiene at the beginning, but, as soon as enough additional production of petroleum butadiene can be started at the Port Neches plant, that will be used.

Mr. LEHMAN subsequently said: Mr. President, when Senate Resolution 197, concerning the synthetic-rubber plant at Institute, W. Va., was being considered by the Senate earlier in the day, I was unable, because of absence from the Chamber during a part of the time, to participate in the debate. However, I did sign the minority views, which is a matter of record.

I wish to place my views before the Senate at greater length and in more detail. I therefore ask unanimous consent that a statement which I have prepared be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

I wish to support my colleague, Senator FULBRIGHT, and urge that this body vote in favor of Senate Resolution 197 and thereby disapprove the proposed sale of this plant to Goodrich-Gulf Chemicals, Inc. I urge this for two reasons.

The first is that, in my opinion, to allow Goodrich-Gulf to have this plant would greatly and dangerously increase concentration of economic power in an already highly concentrated industry. That is my belief and opinion. I stress the fact that it is my opinion by way of preface to my second reason for opposing this sale.

My second reason is that, if the Senate should vote against this resolution and allow this disposal to Goodrich-Gulf, we will have done so completely in the dark. We will not have had the benefit of a considered judgment on the economic consequences of this sale from either of the two bodies charged by law with advising Congress thereon in the Natural Rubber Act.

I am sure the Senate will see the relationship of these two reasons.

If I were sure in my own mind that allowing Goodrich-Gulf to purchase this plant would not increase concentration of economic power in this industry, I would be less troubled by the fact that I was acting without benefit of an opinion on this question from the Attorney General or the Synthetic Rubber Disposal Commission. But I am not sure. And I have not had their advice.

I am not a lawyer. I am told that the only real question that arises as to the legality of this sale would be under the "tendency to monopoly" language of the Clayton Act. I do not know whether an acquisition, which gives a company that had 11 percent of the productive capacity in an industry enough to bring it up to about 20 percent of that capacity, constitutes a tendency toward monopoly. Lawyers tell me that sometimes a smaller percentage may be monopolistic and sometimes a larger percentage may be unobjectionable, depending upon the facts and circumstances of each case.

What I do know is that the Attorney General of the United States, who was charged with a duty to advise the Senate upon exactly this question, informed the Senate Banking and Currency Committee only that it was for the Senate to decide. He was unwilling to say that the sale was not unlawful. He was unwilling to say—in view of the fact that he had been presented only with a single take-it-or-leave-it proposal—what disposition would best foster the development of a free, competitive, synthetic rubber industry.

The highest bidder was Goodrich-Gulf, offered $11 million. But awarding this bid to Goodrich-Gulf would move them from 3d to 1st place in the industry, with one-fifth of total productive capacity and a high degree of vertical integration. The next highest bidder was Edwin W. Pauley, offering $5.8 million.

It is true therefore that he offered substantially less money. At the same time, he was a newcomer to the field. Goodrich-Gulf has already purchased Government surplus synthetic rubber plants under this program—and at bargain rates. There are now 12 independent companies in this field. If we disapprove the Goodrich-Gulf bid, I think it highly probable that we can have 13 competing firms in the field. I am sure no one will doubt that this would be more desirable. It will cost us something. We do not know exactly how much. In my opinion, it will be worth the cost, but that is only a guess. What I really want is to have the expert opinion and assistance of the Commission and the Attorney General on whether this would be worth the cost. And without that, I refuse, Mr. President, to approve the disposition.

I am not insensitive to the need to get this plant into operation. I realize it would do much to relieve the economic distress existing in West Virginia, and I am as eager as my colleagues from that State to see it become productive again.

If I thought that no other sale could be obtained for this plant, I would hesitate long before recommending that my colleagues join me in disapproving the sale. But I see no reason to suppose that if bids are reopened, the plant cannot be put into operation with but moderate delay. And although I regret even that moderate delay, I do not think the Senate can in fairness be charged with responsibility for it. The responsibility lies rather with the administrative agencies, specifically with the Commission and with the Attorney General, for having sent to the Senate a proposed disposition whose competitive consequences had nowhere been evaluated. The blame for that is, I believe, properly assignable, and I trust that my colleagues from West Virginia will assign it where it belongs. For us, I see no alternative but to disapprove this sale under those circumstances, on this record.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The Chair will state that a yea vote is in effect a vote against the sale of the plant, and a nay vote is in effect a vote in favor of the sale of the plant. Senators who are in favor of the resolution will vote "yea."

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Bible	Case, N. J.
Allott	Bricker	Case, S. Dak.
Anderson	Bridges	Chavez
Barkley	Bush	Clements
Barrett	Butler	Cotton
Beall	Byrd	Curtis
Bender	Capehart	Daniel
Bennett	Carlson	Dirksen

Douglas	Johnston, S. C.	O'Mahoney
Duff	Kennedy	Pastore
Dworshak	Kerr	Payne
Eastland	Kilgore	Potter
Ellender	Knowland	Robertson
Ervin	Kuchel	Russell
Flanders	Langer	Saltonstall
Frear	Lehman	Schoeppel
Fulbright	Long	Scott
George	Magnuson	Smathers
Goldwater	Malone	Smith, Maine
Gore	Mansfield	Sparkman
Green	Martin, Iowa	Stennis
Hayden	Martin, Pa.	Symington
Hennings	McCarthy	Thurmond
Hickenlooper	McClellan	Thye
Hill	McNamara	Watkins
Holland	Monroney	Welker
Hruska	Morse	Wiley
Humphrey	Mundt	Williams
Ives	Murray	Young
Jackson	Neely	
Jenner	Neuberger	

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Connecticut [Mr. PURTELL] is necessarily absent.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to Senate Resolution 197.

The Chair would remind the Senate that on this vote, a vote "aye" will be a vote against the sale of the plant, and a vote "no" will, in effect, be a vote in favor of the sale of the plant.

The question now is on agreeing to the resolution. (Putting the question.)

Mr. FULBRIGHT. Mr. President, I call for a division.

On a division, the resolution was rejected.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1471. An act for the relief of William J. Robertson;

H. R. 1876. An act for the relief of Martin M. Sorensen;

H. R. 1892. An act for the relief of Dr. Lu Ho Tung and his wife, Ching-hsi (nee Tsao) Tung;

H. R. 2472. An act for the relief of the estate of Grady Ward;

H. R. 3343. An act for the relief of Mrs. Blanche Houser;

H. R. 3725. An act for the relief of Herman F. Gierke, Jr.;

H. R. 3733. An act for the relief of Charles A. Barron;

H. R. 3980. An act for the relief of Harry V. Shoop, Frederick J. Richardson, Joseph D. Rosenlieb, Joseph E. P. McCann, and Junior K. Schoolcraft;

H. R. 4633. An act for the relief of Crosse and Blackwell Co.;

H. R. 4759. An act for the relief of Clarence Maxwell;

H. R. 4773. An act for the relief of Philip Cooperman, Aron Shriro, and Samuel Stackman;

H. R. 5237. An act for the relief of Mrs. Ella Madden and Clarence E. Madden;

H. R. 5284. An act for the relief of Keith A. Botterud;

H. R. 5495. An act for the relief of Arthur H. Homeyer;

H. R. 5526. An act for the relief of Mrs. Kathryn M. Baker;

H. R. 5590. An act to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, by including therein the name of Gustaf E. Lambert;

H. R. 5778. An act for the relief of June Smith;

H. R. 6137. An act for the relief of Mr. and Mrs. Herman Floyd Williams and Mr. and Mrs. W. C. Segers;

H. R. 6421. An act for the relief of Roy Cowan and others;

H. R. 6618. An act for the relief of Etha Dora Johnson;

H. R. 6673. An act for the relief of Manuel Mello;

H. R. 6703. An act to authorize the sale of certain land in Alaska to Victor Power, of Juneau, Alaska;

H. R. 7373. An act for the relief of Eugene G. Aretz;

H. R. 7513. An act to direct the Secretary of the Interior to grant an extension of time to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard within which to apply for patent to certain lands in Alaska;

H. R. 7583. An act for the relief of Mary Viola Jones;

H. R. 8187. An act for the relief of Wright H. Huntley;

H. R. 8298. An act for the relief of Westfeldt Bros.;

H. R. 8306. An act for the relief of Eugene Gardner, Byron M. Barbeau, John R. Reaves, and Jackson L. Hardy;

H. R. 8307. An act for the relief of Nathan A. Kahn;

H. R. 8308. An act for the relief of Arthur E. Weeden, Jr.;

H. R. 8309. An act for the relief of Colonel Henry M. Zeller;

H. R. 8310. An act for the relief of Chief Warrant Officer George C. Carter;

H. R. 8311. An act for the relief of Daniel O. Hulse, Jr.;

H. J. Res. 457. Joint resolution for the relief of certain relatives of United States citizens;

H. J. Res. 472. Joint resolution for the relief of certain aliens; and

H. J. Res. 517. Joint resolution changing the date for the counting of the electoral votes in 1957.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 201. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; and

H. Con. Res. 202. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H. R. 1471. An act for the relief of William J. Robertson;

H. R. 1876. An act for the relief of Martin M. Sorensen;

H. R. 1892. An act for the relief of Dr. Lu Ho Tung and his wife, Ching-hsi (nee Tsao) Tung;

H. R. 2472. An act for the relief of the estate of Grady Ward;

H. R. 3725. An act for the relief of Herman F. Gierke, Jr.;

H. R. 3733. An act for the relief of Charles A. Barron;

H. R. 3980. An act for the relief of Harry V. Shoop, Frederick J. Richardson, Joseph D. Rosenlieb, Joseph E. P. McCann, and Junior K. Schoolcraft;

H. R. 4633. An act for the relief of Crosse and Blackwell Co.;

H. R. 4759. An act for the relief of Clarence Maxwell;

H. R. 5237. An act for the relief of Mrs. Ella Madden and Clarence E. Madden;

H. R. 5284. An act for the relief of Keith A. Botterud;

H. R. 5495. An act for the relief of Arthur H. Homeyer;

H. R. 5526. An act for the relief of Mrs. Kathryn M. Baker;

H. R. 5778. An act for the relief of June Smith;

H. R. 6137. An act for the relief of Mr. and Mrs. Herman Floyd Williams and Mr. and Mrs. W. C. Segers;

H. R. 6421. An act for the relief of Roy Cowan and others;

H. R. 6673. An act for the relief of Manuel Mello;

H. R. 7373. An act for the relief of Eugene G. Aretz;

H. R. 7583. An act for the relief of Mary Viola Jones;

H. R. 8187. An act for the relief of Wright H. Huntley;

H. R. 8298. An act for the relief of Westfeldt Bros.;

H. R. 8306. An act for the relief of Eugene Gardner, Byron M. Barbeau, John R. Reaves, and Jackson L. Hardy;

H. R. 8307. An act for the relief of Nathan A. Kahn;

H. R. 8308. An act for the relief of Arthur E. Weeden, Jr.;

H. R. 8309. An act for the relief of Col. Henry M. Zeller;

H. R. 8310. An act for the relief of Chief Warrant Officer George C. Carter;

H. R. 8311. An act for the relief of Daniel O. Hulse, Jr.;

H. J. Res. 457. Joint resolution for the relief of certain relatives of United States citizens; and

H. J. Res. 472. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. R. 3343. An act for the relief of Mrs. Blanche Houser; to the Committee on Labor and Public Welfare.

H. R. 4773. An act for the relief of Philip Cooperman, Aron Shriro, and Samuel Stackman; to the Committee on Finance.

H. R. 5590. An act to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery

of the cause and means of transmission of yellow fever," approved February 28, 1929, by including therein the name of Gustaf E. Lambert; to the Committee on Armed Services.

H. R. 6618. An act for the relief of Etha Dora Johnson;

H. R. 6703. An act to authorize the sale of certain land in Alaska to Victor Power, of Juneau, Alaska; and

H. R. 7513. An act to direct the Secretary of the Interior to grant an extension of time to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard within which to apply for patent to certain lands in Alaska; to the Committee on Interior and Insular Affairs.

H. J. Res. 517. Joint resolution changing the date for the counting of the electoral votes in 1957; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were referred to the Committee on the Judiciary:

H. Con. Res. 201. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; and

H. Con. Res. 202. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 8, 1956, he presented to the President of the United States the following enrolled bills:

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

EXPENDITURE OF FUNDS BY SPECIAL INTEREST GROUPS IN CONNECTION WITH A FEDERAL ELECTION

Mr. GOLDWATER. Mr. President, last Friday in Detroit a decision which had little attention in the national press was handed down on the matter of the expenditure of funds by special interest groups in connection with a Federal election. This decision will be of great importance to the citizens of the United States, and, I venture to say, will also be a matter of important concern to the Congress.

This decision was handed down in connection with a Federal grand jury indictment of a labor union for spending general union funds on television programs broadcast to the general public in support of certain candidates for Federal office. The union, in its brief, did not deny such funds had been spent as specified in the indictment. The court, nevertheless, held that existing law did not prohibit such activity on the part of this special interest group.

What does this decision mean to the average voting citizen in the United States, and especially what does it mean to labor union members? If it means that unions may now consider it legal to spend union dues money on radio and television programs, as well as other campaign expenses without limit, we may well ask ourselves what chance the rest of the citizens—or for that matter, any other special interest group in this country—will have when faced by such a group as we find in the new union merger which controls the dues money of more than 15 million members in this country.

Recent substantial studies indicate that the annual dues collected in this country run about $500 million. If only 10 percent of this money were allocated to political purposes, it would mean a slush fund amounting to $50 million annually. Does anyone suppose that the citizens of this country would be able to resist the political force which can be generated with such an overwhelming fund? Or does anyone suppose that certain union leaders who have already shown a strong desire to use their muscles on the American political scene can now be expected to show any reasonable restraint in the use of such funds? This decision in Detroit last Friday opens the door for the influencing of Federal elections by special interest groups which can make the wide-open corruption developed 50 years ago by the use of corporate funds seem trifling by comparison.

This situation, I submit, calls for an immediate review of the law pertaining to Federal elections in order to protect the individual rights and freedoms of citizens of the country, as well as to insure that members of labor unions will not be compelled, as the price of holding a job, to support, through their union dues, candidates or parties which they personally would oppose.

In this connection, I would like to insert into the RECORD at this point an article from the Washington Star of February 4, 1956. This Associated Press dispatch says, briefly, that the senior Senator from the State of Michigan [Mr. POTTER], who represents the State most concerned at present with the result of this decision, believes that Congress will have to rewrite the Federal Corrupt Practices Act as a result of this ruling.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of February 4, 1956]

POTTER SAYS RULING VOIDS CORRUPT PRACTICES ACT

Senator POTTER, Republican, of Michigan, said today that Congress "will have to rewrite the Corrupt Practices Act" if a Federal judge's ruling dismissing a charge against the United Auto Workers union is upheld.

Federal Judge Frank A. Picard threw out of court in Detroit yesterday a charge that the UAW had used members' dues illegally to finance television and radio programs of political candidates.

"The expenditures charged in this indictment are not prohibited by the act," the judge ruled. He said the union was "exercising the right of free speech." There was no immediate decision on an appeal.

The case was the keystone of a drive by Chairman GOLDWATER of the Republican Senatorial Campaign Committee and others against what Senator GOLDWATER called the "massive use of political slush funds" by unions in election campaigns.

Union leaders have scoffed at Senator GOLDWATER's charges, which have been echoed by Senator KNOWLAND, of California, the Senate minority leader.

The UAW admitted spending money for political purposes, but questioned the law's constitutionality.

Without ruling on that contention, Judge Picard said the law does not prohibit the action charged against the union. He said the Supreme Court, on appeal, "may determine otherwise, and may at that time decide upon the law's constitutionality."

Emil Mazey, secretary-treasurer of the UAW, commented "We are glad to see that Judge Picard has upheld the Bill of Rights."

The Detroit case grew out of charges by Michigan Republican leaders that the union had used funds for support of Democratic candidates in 1954 when Senator FERGUSON, Republican of Michigan, was defeated for reelection by Senator MCNAMARA, Democrat.

Senator POTTER said in an interview that if Picard's ruling is upheld by the Supreme Court "that means the end of the Corrupt Practices Act."

"If unions can use their dues to make political contributions, there is no reason why corporations can't use their stockholders' money for the same purpose," he said. "In my judgment, neither should be permitted to use money collected from members or stockholders against the will of some of the people from which the money came."

Mr. GOLDWATER. Objective university studies have shown that more than 40 percent of the union members in this country in 1952 voted for a Republican President. Yet the union dues of most of this 40 percent were being appropriated by certain union leaders to finance the campaigns of candidates which these same union members, as individuals, were opposing at the polls.

I want to emphasize, however, that this is not a partisan issue. The question of whether a union member is a Republican or a Democrat is not the first consideration. We know that in important regions of this country the Republican Party rarely, if ever, elects a candidate. In these regions there is a situation equally dangerous to political freedom. Yes, in these areas, dues money collected from union members is being used to support certain candidates in the Democrat primaries, in spite of the fact that union members, as individuals, may be opposing these candidates at the polls. What can be more degrading to a free citizen than to be compelled, in order to earn a livelihood, to pay the campaign expenses of political candidates whom he, as a citizen, opposes at the polls?

This, I repeat, is not a partisan issue. Union members who are of Democrat conviction, as well as those who are of Republican conviction, are being abused equally by this situation where union dues are being used to support candidates which the individual union member personally would oppose.

Going beyond the matter of parties entirely, there is the still further question of the appropriateness of an economic organization, like a union, being engaged in politics at all. Other large economic organizations, such as corporations, have been prevented—and I think rightly so—from engaging in such political practices. Substantial studies of undisputed integrity have shown that a very high proportion of union members do not believe that the union ought to engage in politics at all. Study after study has shown that this attitude is widespread throughout the country. I

do not intend today to detail these studies and what they show, but I shall do so at a later time. Suffice it to say that many millions of Republican union members are being abused and their political rights made a mockery by this practice. Equally so, many millions of Democrat union members are being compelled to support, through their dues money, candidates in Democrat primaries whom they as individual voters oppose at the polls. Beyond this partisan matter, I repeat, stands the question of the principle involved in permitting enormous economic aggregates to transform their economic power into political power in the face of the fact that a great many union members do not believe that influencing elections is an appropriate activity for labor union officials. Yes, many union members of years of faithful union activity—men who believe completely in the legitimate economic aims of unions—are, at the same time, profoundly convinced that their organization should not be transformed into a political instrument. Several weeks ago 3 Michigan men—2 of them members in good standing of the same union which has just been given a green light in Detroit—came all the way to Washington at their own expense to appeal for help against this political abuse.

All this would be dangerous enough if we did not have the added factor of compulsory membership in unions. But what can we say of a situation in a State like Michigan, for example, where the overwhelming majority of wage earners are compelled to belong to unions in order to hold a job, yet, where the general union dues, at the same time, are being used to support candidates for Federal office both in Federal elections and in Federal primaries. What can we say of a situation where a man must, in order to hold his job, pay, through his union dues, for the campaign expenses of candidates in either party whom he, as an individual, would oppose at the polls.

In the case under recent consideration in Michigan, the brief presented by the politically ambitious union officials agrees that the present law does not protect minorities within the union. I submit, if such is the case, the law ought to be changed.

President Eisenhower has said only recently that "the rights of minorities holding differing social, economic, and political views, must be scrupulously protected and their views accurately reflected."

The junior Senator from Nebraska [Mr. CURTIS] has introduced a bill, S. 3074, in which I was happy to join him, the purpose of which is to protect the wage earner in his political rights. The recent judicial decision in Detroit shows how great is the need for such legislation.

THE PRESIDENT'S MESSAGE ON THE IMMIGRATION AND NATURALIZATION ACT

Mr. LEHMAN. Mr. President, I should like to inquire whether the President's message on immigration has been read to the Senate.

The PRESIDING OFFICER. The President's message has not been read.

Mr. LEHMAN. Mr. President, I have read the message, which has been distributed to all the Members of the Senate. There are many important suggestions and some good recommendations in it.

I am very happy that the President in his message has recognized the validity and necessity of the battle which I have been carrying on for so many years against the unfair national origins quota system. In his message the President said:

> Experience in the postwar world demonstrates that the present national-origins method of admitting aliens needs to be reexamined, and a new system adopted which will admit aliens within allowable numbers according to new guidelines and standards.

That statement recognizes the fact that the national originis quota system must be discarded and a new system set up. In legislation now before the Congress, I have proposed such a system which I believe is practicable, humane, and in accord with the democratic traditions of America.

I ask unanimous consent to have a statement which I have prepared, commenting on the President's message, made a part of my remarks at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

I am glad to welcome President Eisenhower into the ranks of those seeking a really substantial revision of the McCarran-Walter Act. His recommendations are better and more comprehensive than I had expected. He has come a considerable way down the road I and others have been pointing out for the last 4 years.

I regret, however, that he has taken no cognizance whatever of the discriminatory features of the McCarran-Walter Act dealing with citizenship and the invidious distinctions made in the law between native-born and naturalized citizens.

I urge and invite the President, since he has come this far in recognizing the faults in the McCarran-Walter Act, to come the rest of the way with those of us who have been urging a complete overhaul of the act.

While the President agrees that the national origins quota system needs to be superseded—which is progress in itself—he recommends only that the matter be studied. It has been studied enough. I have a proposal to replace it which is perfectly consistent with the guide marks which President Eisenhower has set forth in his message. I think the pooling of unused quotas is a palliative which, while it would represent progress, is certainly not the final answer.

I am not opposed to any one of the President's recommendations. I just think there should be more of them. I look forward to seeing the bill which I assume will be submitted to carry out the President's recommendations. I commend to the President the bill which I and 15 others have introduced in the Senate, which is thoroughly consistent with the spirit of the recommendations and observations made by him in his message today.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona will state it.

Mr. GOLDWATER. Are we still in the morning hour?

The PRESIDING OFFICER. The morning hour has ended.

The unanimous-consent agreement which is applicable at this time will be read.

The agreement was read, as follows:

> *Ordered*, That, effective on Wednesday, February 8, 1956, at the conclusion of routine morning business, during the further consideration of the act, H. R. 7030, to amend and extend the Sugar Act of 1948, as amended, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.
>
> *Ordered further*, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. CAPEHART. Mr. President, on behalf of myself and the Senator from Rhode Island [Mr. GREEN], I modify my amendment, and I send the modification to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 17, beginning with line 8, it is proposed to strike out all of section 7 and insert in lieu thereof the following:

> SEC. 7. Section 202 (c) of such act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:
>
> "(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 percent and to other foreign countries 4 percent of the amount of sugar, raw value, by which 8,350,000 short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of 4,444,000 short tons, raw value, and the quotas established pursuant to subsection (b) of this section; and by prorating to Cuba 60 percent and to other foreign countries 40 percent of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of 8,350,000 short tons plus the increase in quotas provided for in subsection (a) (2) of this section.
>
> "For the calendar year 1957, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than 1,000 nor more than 2,000 short tons, raw value, a proration of 3,000 short tons, raw value,

and, third, by prorating the balance of such quota to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded 2,000 short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

"For the calendar year 1958 and for each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by prorating the balance of such quota among the remainder of such countries on the basis of the final quotas established for such countries pursuant to this section for the calendar year 1957."

Mr. CAPEHART. Mr. President, I assign myself 3 minutes.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SMATHERS. I should like to ask the Senator from Indiana whether he does not believe we should have a quorum call before he proceeds, in view of the importance of his amendment.

Mr. CAPEHART. I have no objection, provided the time for the quorum call is not taken out of my time.

Mr. SMATHERS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that the time consumed in calling the quorum be not charged to either side.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. Suppose it takes 30 minutes to develop a quorum?

Mr. SMATHERS. The time would not come out of the time allotted to either side on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. I wish to have it clear in my mind. As I understand, the request is that the time taken in calling the roll is not to be charged to either side. Is that correct?

Mr. SMATHERS. The time would be charged to neither side.

Mr. CAPEHART. Suppose it takes an hour to develop a quorum. What will the situation then be?

Mr. SMATHERS. The Senator would have just as much time to speak then as he would have had without a quorum call.

The PRESIDING OFFICER. The Senator would still have 30 minutes on his side.

Mr. CAPEHART. Even though it might take 2 hours to develop a quorum, would each side still have 30 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. CAPEHART. With that understanding, I have no objection to a quorum call.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The secretary will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Anderson	Barrett
Allott	Barkley	Beall
Bender	Gore	Monroney
Bennett	Green	Morse
Bible	Hayden	Mundt
Bricker	Hennings	Murray
Bridges	Hickenlooper	Neely
Bush	Hill	Neuberger
Butler	Holland	O'Mahoney
Byrd	Hruska	Pastore
Capehart	Humphrey	Payne
Carlson	Ives	Potter
Case, N. J.	Jackson	Robertson
Case, S. Dak.	Jenner	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kennedy	Schoeppel
Cotton	Kerr	Scott
Curtis	Kilgore	Smathers
Daniel	Knowland	Smith, Maine
Dirksen	Kuchel	Sparkman
Douglas	Langer	Stennis
Duff	Lehman	Symington
Dworshak	Long	Thurmond
Eastland	Magnuson	Thye
Ellender	Malone	Watkins
Ervin	Mansfield	Welker
Flanders	Martin, Iowa	Wiley
Frear	Martin, Pa.	Williams
Fulbright	McCarthy	Young
George	McClellan	
Goldwater	McNamara	

The PRESIDING OFFICER. A quorum is present. The Senator from Indiana has the floor.

Mr. CAPEHART. Mr. President, I yield myself 2 minutes on the amendment.

The amendment is recommended by the administration as being a fair and equitable way of handling the situation. The amendment differs from the so-called Smathers bill or the bill reported by the committee only in respect to provisions of the bill whereby Cuba is given a quota of 33.8 percent of the increased usage of sugar in the future. None of the proposals changes the amount of sugar which Cuba will export to the United States, according to the basic conception which has existed for many years. They have to do only with the increased sugar usage in the future.

The bill we are amending calls for a quota of 33.8 percent to Cuba. The bill which was passed by the House gives Cuba 25 percent. The amendment offered by the Senator from Rhode Island [Mr. GREEN] and me would give Cuba 27 percent, or 2 percent more than the House gave.

We would take 6.8 percent, which is the difference between 27 percent and 33.8 percent, and allocate it among all the other nations. Under the amendment the small nations—the 4 or 5 nations which have been selling only 1,000 or 2,000 tons a year—would automatically be allotted 3,000 tons. All the other nations would then be given a quota based upon their historical quotas or shipments in the years 1951, 1952, 1953, and 1954.

In the opinion of the Department of State and of the administration itself, this is a fair and equitable way to proceed, because it will treat every nation on an equal basis. The nations which have had an allotment of about 1,000 tons will each be allotted 3,000 tons. That would be fair and equitable, according to those who are in a better position to understand the workings of the situation than we in the Senate are. They are dealing with the problem every day, and they are negotiating with the exporting countries not only with respect to sugar but with respect to many other commodities. In their opinion, this is the best and most equitable way in which to proceed.

I stress the point that we are taking away from Cuba nothing that Cuba had in the past. Cuba will still continue to receive an allotment of approximately 96 percent of all our sugar imports.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BENNETT. Cuba has today 96 percent of the tonnage necessary to meet the increased consumption caused by the growth in population, but not 96 percent of the total imports. Cuba's percentage of the total imports is about 33 percent, including the 96 percent of the growth she has had since 1948.

Mr. CAPEHART. That is correct.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CHAVEZ. Under the formula contained in the amendment, what will be the reduction for Mexico?

Mr. CAPEHART. The reduction for Mexico will be to approximately 1.9 percent.

Mr. CHAVEZ. What would that amount to in tons?

Mr. ELLENDER. Mr. President, will the Senator from Indiana yield, so that I may answer the question?

Mr. CHAVEZ. No; I want the Senator from Indiana to answer.

Mr. CAPEHART. I do not think I have that information at hand.

Mr. CHAVEZ. Does not the bill itself, as reported by the Committee on Finance, provide for 4 percent; and under the Senator's formula, would it not be reduced to 1.9 percent?

Mr. CAPEHART. The bill I am trying to amend gave Mexico 4 percent.

Mr. CHAVEZ. That is correct.

Mr. CAPEHART. Under my proposal, Mexico would be given 1.9 percent. But it must be kept in mind that the 1.9 percent is more than Mexico received in the past. It is more than they have been exporting to the United States. But even that amount would be according to the historical shipments during the past years. In other words, we would be treating Mexico exactly the same as we would treat Peru.

Mr. CHAVEZ. If, as the State Department representatives say, the allotments have been inequitable, why should they have been inequitable?

Mr. CAPEHART. Under my amendment, we shall be treating Mexico exactly the same as we would treat Peru.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, I yield myself 2 additional minutes.

Peru and the other countries are being treated on the same basis as Mexico is treated. They are being treated the same, percentagewise, using the same historic formula.

Mr. CHAVEZ. I am complaining about the historic formula. The officials of the State Department would

like to have that formula forgetting all the so-called good will and the sermonizing about how much we love Latin America.

Mr. CAPEHART. Why does the Senator from New Mexico want to increase Mexico's quota and decrease Peru's quota?

Mr. CHAVEZ. I do not want to decrease Peru's quota.

Mr. CAPEHART. That is what the bill from the Finance Committee does.

Mr. CHAVEZ. I do not think it does.

Mr. CAPEHART. It certainly does.

Mr. CHAVEZ. The bill from the committee gives Peru a pretty good part of what is contained in the bill. From 1.4 percent for Peru, it was raised to 4 percent. The Dominican Republic had an increase from 1 to 2 percent.

Mr. CAPEHART. According to the State Department and the administration, my amendment represents the historic and fair and practical way to do it. The Senator understands that there are only so many tons allowed in the quotas. If the quotas of some countries are raised more than those of others, then some tonnage is going to be taken away from those whose quotas are not raised.

Mr. CHAVEZ. I disagree with the Senator from Indiana that the administration knows what the State Department officials are trying to do to the administration by this amendment.

Mr. KERR. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. KERR. I wish to ask a question, because either I misunderstood the Senator, or he is wrong, or I am wrong about what is in the bill. I understood the Senator to say that under his amendment Cuba would continue to get what she has been getting, 96 percent of the increase. Is that correct?

Mr. CAPEHART. We do not change the past historic arrangement.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

We are talking about only increased usage of sugar in the United States in years to come. The House gave Cuba 25 percent. My amendment would give Cuba 27 percent. The bill which we are attempting to amend would give Cuba 33.8 percent.

Mr. KERR. Cuba has had 96 percent, and the Finance Committee bill would reduce it to a little more than 33 percent.

I also understood the Senator from Indiana to say that under his amendment Mexico would continue to get what she has been getting, and Peru would continue to get what she has been getting. Is that correct?

Mr. CAPEHART. Percentagewise, I think that is correct.

Mr. KERR. Peru would get 8.9 percent under the Senator's amendment; would she not?

Mr. CAPEHART. Peru would get how much?

Mr. SMATHERS. Eight and three-tenths percent.

Mr. KERR. Is that correct; I ask the Senator from Indiana?

Mr. CAPEHART. My amendment would give Cuba 27 percent. Foreign nations are to get 45 percent. My amendment would grant Cuba 27 percent and all the other nations 18 percent, and that 18 percent, according to the State Department, except as regards small nations which will automatically get 3,000 tons, will be divided up in proportion to the percentage of sugar which they have been shipping into this country over the period 1951 to 1954.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. KERR. I do not wish to get into an argument with the Senator; I was merely trying to get the record clear. I helped write the bill in committee. Either I do not know what is in it, or the Senator from Indiana is mistaken as to what is in it. I know he does not want to leave the discussion on that basis.

Mr. CAPEHART. I want to be perfectly fair. If I am in error, I hope someone will correct me.

Mr. KERR. Under the present law, Peru and other nations in a similar position receive 4 percent of the increase, because Cuba is getting 96 percent of the increase and the rest of the nations 4 percent.

Mr. CAPEHART. In the first place, the foreign nations receive 45 percent. We are dividing up only the 45 percent.

Mr. KERR. The Senator from Indiana is talking about the bill before the Senate, and I am talking about the existing law.

Mr. CAPEHART. Cuba receives 96 percent of the increase since 1948.

Mr. KERR. That is the existing law.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. KERR. Under the committee version, Mexico's quota was raised from 1.9 to 4 percent. What was Peru given under the bill?

Mr. SMATHERS. The committee moved Peru's quota from 1.9 percent up to 4 percent.

Mr. KERR. It was raised to 4 percent. How much of an increase did Mexico receive?

Mr. SMATHERS. Mexico's quota was raised from 1.9 to 4 percent. Peru and Mexico would now receive the same.

Mr. KERR. The bill would give Peru and Mexico not only the same amount each has been receiving, but each of them would get an equal amount of the increase.

Mr. CAPEHART. The amendment I have just offered would give the domestic growers 55 percent, and would give Cuba 27 percent, the Dominican Republic 4.9 percent, Mexico 1.9 percent, Peru 8.4 percent, and all others 2.8 percent. The bill we are seeking to amend gives domestic growers 55 percent, Cuba 33.8 percent, the Dominican Republic 2 percent, Mexico 4 percent, Peru 4 percent, and all others 1.2 percent.

Mr. KERR. That is the point the Senator from Oklahoma was trying to make clear. The Finance Committee, in writing the bill, gave Peru and Mexico the same amount. Under the amendment offered by the Senator from Indiana, we would give Peru four times as much as we would give Mexico.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

In answer to the Senator from Oklahoma, I say the reason for that is that Peru has been shipping that much more sugar to the United States.

Mr. KERR. Regardless of the reason, that is a fact.

Mr. CAPEHART. We are trying to be fair and to treat all nations alike by permitting them to ship sugar to the United States in the same percentage they had enjoyed historically in the past. Why anyone should object to that policy, I cannot imagine.

Mr. KERR. Cuba has been getting 96 percent, and the Senator is proposing to give her 27 percent, so how could it be said that she is being treated the same as before?

Mr. CAPEHART. Perhaps I should have said that all countries except Cuba were being treated the same. Much as I admire and like Cuba, I do not think we should legislate for only one nation's sake, because a number of Latin American nations are involved, and one is as important as the other.

Mr. KERR. I agree with the Senator from Indiana in his latter statement, but I do not think the first part of his statement is correct when Peru is being given better treatment than Mexico.

Mr. CAPEHART. They are being treated exactly alike, percentagewise.

Mr. LONG. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. LONG. I believe I can help the Senator clear up the confusion over the figures to which he has referred. Starting back in 1948, just after the war, Cuba at that time had been receiving 27 percent of the sugar market of the United States. That is what she was getting in 1948. But there were deficits as of that time. We had certain obligations with regard to Cuba left over from the war, so we agreed that for the next 8 years Cuba would get 96 percent of all the increases there would be in the quota for all foreign nations, arising from increased consumption in the United States.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself 2 additional minutes.

Mr. LONG. Cuba got a quota of 96 percent of all the increases in imports due to increases in domestic consumption for 8 years. At the end of 8 years, her quota of 27 percent of our market had increased to 33 percent. The State Department now says we have met our obligation to Cuba in that regard, and now desires to return to the historic formula we followed in 1948, under which Cuba had been receiving 27 percent.

Mr. CAPEHART. Which the Senator from Louisiana favors.

Mr. LONG. That is what the Senator is recommending. I shall vote for it. The State Department has said that if we start horse trading and playing one country against the other, we will have all enemies and no friends, that the best course is to take a formula which it can be agreed is fair and in accordance with our historic usage of sugar.

Mr. CAPEHART. The able Senator from Louisiana is correct. I believe he is a member of the Finance Committee.

Mr. LONG. Yes.

Mr. CHAVEZ. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. CHAVEZ. In answer to the Senator from Louisiana, I wish to say that we are making an enemy of our closest neighbor. The activities of the International House in New Orleans will be futile if the proposal now made shall be adopted.

Mr. SMATHERS. Mr. President, how much time remains to each side?

The PRESIDING OFFICER. The Senator from Indiana has 13 minutes remaining. The opposition has the full 30 minutes remaining.

Mr. SMATHERS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. BARKLEY. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. BARKLEY. Before the debate on this amendment is over, I should like to have at least 5 minutes.

Mr. SMATHERS. I shall be happy to see that the Senator from Kentucky does.

Mr. BARKLEY. In fact, I might want 1 or 2 minutes more, if available.

Mr. SMATHERS. Yes.

Mr. President, as has been evidenced already this afternoon, there is some confusion in respect to the bill and particularly to the 45 percent of the increased consumption of sugar which goes to the so-called offshore countries.

For the benefit of the Senate, I may say that the Finance Committee wrestled with this particular problem, just as the Senate has done today. However, the Finance Committee wrestled with it for several days. The committee heard all the testimony given by the various representatives of the various countries. After hearing all the testimony and listening to all the arguments, and after having had the matter explained by the representatives of the various countries, who pointed out what the proposal would do to the respective economies of their countries if their quotas were shifted either up or down, the committee finally voted for what we now call the committee bill. The Senator from Indiana is now trying to change the bill by means of his amendment, as modified.

What the committee bill did was to give every full-duty country an increase in its quota of sugar shipped into the United States.

Mr. BENNETT. Mr. President, will the Senator from Florida yield for a correction?

Mr. SMATHERS. I yield.

Mr. BENNETT. The committee voted for the bill which was reported, and the committee voted against what we call the committee print. That is the action which was taken by the committee. However, the Senator from Florida just said that the committee finally voted for the committee print. He meant to say, I am sure, that the committee rejected the committee print, and voted to report a different bill.

Mr. SMATHERS. I accept that correction; the Senator from Utah is correct.

Mr. President, the measure before the Senate today, providing for the distribution of 45 percent to offshore countries is the one which we would like to have passed, because it is the bill for which the committee voted after much deliberation of the many problems involved.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield for a moment to me?

Mr. SMATHERS. Mr. President, first I should like to finish my preliminary statement, and then I shall be glad to yield.

We attempted to give to every one of these countries an increase in its quota; and that is what we have done.

Under the present law, Cuba was receiving 96 percent of the increased consumption. Under the bill before us we reduced her quota all the way down to 33.8 percent. This is certainly a sizable reduction. Six years from today the change will cost Cuba approximately 618,000 tons. But that is done in order to be fair. So, Mr. President, instead of leaving Cuba's quota at 27 percent, as had originally been recommended in what we call the Bennett committee print, we increased Cuba's quota to 33.8 percent. However, let it be remembered that Cuba's quota of the increased consumption still is being cut from 96 percent to 33 percent.

Under the present act, Peru is receiving a quota of 1.9 percent of our increased consumption. In the bill, that quota is increased to 4 percent. In other words, we have increased Peru's quota a little more than two times; but we must remember that Peru had her quota tripled as recently as 1953.

We are asked, "Why should we do any more for Peru?" Very frankly, Mr. President, Peru is a fine country, as I think all of us recognize. Peru has a diversified economy. Her economy is not a one-crop economy, as in the case of Cuba; but, on the contrary, Peru has petroleum and other agricultural products besides the production of sugar. Let us also remember, as we act to increase Peru's quota for the shipment of sugar into the United States, that today Peru does not have a surplus, and does not have lying fallow ground which previously was used for the production of sugar. Inasmuch as the Peruvian share was tripled as recently as 1953, the proposed allocation to Peru under the bill before us will be 6 times larger in 1957 than it was in 1952. Unlike Cuba, which is today carrying a tremendous sugar surplus of 1,400,000 tons, Peru's exports of sugar have been the greatest on record in volume and value, according to an official report of the United States Department of Commerce. In fact Peru is at the present time enjoying a period of record prosperity. Under the bill Peru is treated justly and fairly. It is impracticable to justify an even bigger share as proposed in the Capehart amendment.

Let us also remember that Peru is approximately 4,000 nautical miles from the United States. So if we ever become involved in a conflict, we cannot say—as we can say as regards Mexico and Cuba—that Peru is close enough to our shores so as really to do us some good in an emergency.

Any further increase in the Peruvian share of the annually growing American market would only serve to stimulate construction of new or expanded sugar producing facilities in Peru, which has no sugar surplus, at the very time when there is a large world surplus. This unquestionably would be especially harmful to Cuba, which is presently suffering from a severe cut in sugar production and widespread unemployment.

Mr. ANDERSON. Mr. President, at this point will the Senator from Florida yield to me?

Mr. SMATHERS. I am glad to yield to the Senator from New Mexico.

Mr. ANDERSON. Is it not true that during the last war we did not have to worry about the submarine menace, insofar as obtaining supplies of sugar was concerned, because we could bring sugar from Cuba to the United States?

Mr. SMATHERS. That is correct. I hope that during the debate the Senator from New Mexico will tell us about his experiences as Secretary of Agriculture, when he had to ask Cuba to increase her sugar production in order that American housewives would have sufficient sugar for the canning of peaches and other fruits and commodities.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. CAPEHART. Is it not a fact that the House committee and the House as a whole had before them exactly the facts the Senator from Florida has stated, but their conclusion was that the quota for Cuba should be 25 percent—not the 27 percent called for by my amendment, and not 33.8 percent, but 25 percent—and is it not a further fact that the House committee heard from the same witnesses and had before it the same facts and the same figures that our Finance Committee has had before it?

Mr. SMATHERS. Mr. President, two wrongs obviously do not make a right. But the Finance Committee heard all the testimony and, after due deliberation, finally reported a bill which provides for what I regard as a very fair proportion of distribution for all these countries.

Mr. KERR. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. KERR. The Finance Committee even had before it the action of the

House Ways and Means Committee, did it not?

Mr. SMATHERS. It certainly did, and it decided that it should be amended.

With respect to the Dominican Republic, the present act gives her a quota of 1 percent. In the Finance Committee's bill, that quota is increased to 2 percent—in other words, an increase of 100 percent.

In the case of Mexico, which under the present act has a quota of only 0.4 percent, the committee voted to increase her quota to 4 percent. The committee did so because today Mexico, among all the Latin American countries, is the second largest sugar producer at the moment. Moreover, Mexico is the third best customer of the United States. In 1954 Mexico's unfavorable balance of trade with the United States amounted to approximately $300 million. The Senator from Utah does not like to agree with me as to that; but I checked it this morning with the Department of Commerce, and again they say that is the fact.

In any event, Mexico is our third best customer, and is the nearest sugar-produring country to the United States. So we believe that Mexico has some basis for requesting a quota of somewhat more than 0.4 percent, and for requesting a quota at least as large as that of Peru. Mexico is the second largest sugar producer of all of the Latin American countries. Her production among them is exceeded only by that of Cuba. In the event of a catastrophe or war—which we hope we shall not experience—the United States will have close to her sugar producing countries on which she can rely. The committee considered all of these factors and in setting Mexico's share at 4 percent of the increased consumption has in my opinion dealt fairly with the situation.

Mr. CHAVEZ. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I am glad to yield.

Mr. CHAVEZ. Is it not correct to say that Mexico is the only one of the sugar producing countries that is contiguous to us and does not have to depend upon shipments by water? For instance, in the case of Peru, water shipments of more than 4,000 miles are required.

Mr. SMATHERS. Of course, the Senator from New Mexico is correct.

In regard to Cuba, let me say that I think the junior Senator from New Mexico [Mr. ANDERSON] will in a moment be able to tell the Senate more than I can tell it about our obligation to Cuba. I can merely say that Cuba was receiving 96 percent of our increased consumption. She is the only country whose quota will be reduced at all by the bill. Every other country will receive a sizable increase in quota; Cuba is the only one whose quota is being reduced.

As I pointed out yesterday, the Sugar Act is a complicated piece of legislation. The committee's bill for amending and extending the act is necessarily also complicated. It, after careful consideration, reported out a bill, which is fair and equitable to all areas supplying the United States with sugar as anything which could be devised, which would be consistent with the sugar policy of the United States, established and maintained for over 20 years, and our overall national interest. It provides for a very substantial participation by our own domestic industry in the increases in consumption in the United States, which will result from the continuing growth of our population. The fairness and wisdom of the approach to a very difficult problem, I submit, is amply demonstrated by the unqualified endorsement which has been given the bill by distinguished Senators on both sides of the aisle. I urge the Senate to defeat the Capehart amendment and sustain the considered action of the Senate Finance Committee by supporting the bill as report to the Senate.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. CAPEHART. Until 1948, Cuba had a quota of only 27 percent; but now the committee proposes that Cuba's quota be restored to what it was before she got the subsequent increase in her sugar quota.

Mr. SMATHERS. I would appreciate it if the Senator would check with the Department experts who are seated in the Chamber, in order that they may give him the facts and figures accurately.

Today Cuba has a surplus of about 1,400,000 tons of sugar. She is the only country in the Western Hemisphere, except the United States, which has a surplus. At the present time she has 500,000 people unemployed. At the present time she has a deficit of some $676 million. Ninety percent of the money which we pay to her for sugar comes back to the United States to be spent here. Cuba is our fifth best customer.

Cuba is also one of the countries which have joined in the international sugar agreement. All those countries work together to reduce the surplus. Peru has not seen fit to do so. So it seems to me that the recommendation of the committee is the fairest compromise which could be made. The committee deliberated over this particular problem for a long time. It considered what was the fair thing to do. I can assure Senators that the bill in its present form is the result of very careful consideration of the testimony which was given by representatives of all the interests involved. We believe that it is the fairest compromise which could be made in a very delicate situation in which we hope not to offend the heads of any of our good neighbors in Latin America.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Does the Senator from Indiana wish to yield back his time?

Mr. CAPEHART. I shall be very happy to yield back all my remaining time if the other side will yield back its time.

Mr. SMATHERS. Mr. President, I yield 6 minutes to the Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. Mr. President, a day or two ago I tried to say that I am very much interested in trying to do simple justice to a people who did a very fine job for us. I have been greatly interested in the fact that again we are here fighting the battle for Cuba.

Everyone learned, during World War II, that because of the geographical location of Cuba we could quickly call upon her to expand her sugar production, and allow certain areas in the United States to produce other types of food needed by the Armed Forces. There can be no argument on that score. The records of the Department of Agriculture are full and complete. I hope the Senate will not adopt the Capehart amendment and strike again at the people to whom we had to turn.

The other day I presented to the Senate the chart which I constructed at the time I was dealing with the Cubans and trying to buy their sugar. I was trying to find out what they had done during the period of the war. The record is clear. The black segment at the top represents the production which came from the Philippines. When, because of the attack on the Philippines, they were entirely cut off from supplying sugar to the United States, the supply came from Cuba.

Someone may ask why sugar production could not have been expanded in certain areas in the United States. We were calling upon the American farmer for an increased supply of food and fiber. We were not going to ask him to produce something which could be advantageously produced in a neighboring friendly country.

Because of the short distance between Cuba and the United States, there was no danger. There were submarines on the eastern shore, but so far as I know, we did not lose a single cargo of sugar. We might have lost a small shipment or two, but the submarine menace did not succeed in stopping the flow of sugar to the United States.

When the Military Establishment and the Office of Production Management had not been able to obtain the blackstrap molasses and the alcohol they needed, and when representatives of the Department of Agriculture had been negotiating with Cuba for more than 12 months in an effort to obtain two crops of Cuban sugar, and those negotiations had failed, it was my privilege to go to Cuba and meet with the President of Cuba and with representatives of the Cuban producers, and to plead with them to stand by their friend. At the suggestion of the President of the United States, his Cabinet, and representatives of large industries in the United States, I said to them that if Cuba would stay with us during the period of the war, we would never forget it. That is, we would never forget it until we got ready to pass another bill and give the business to Peru. I am not ready to do that.

The Cuban Government turned over to the United States two entire crops of sugar. I had not intended to refer to this fact, but the Cubans turned over the sugar at a price of slightly more than 4 cents. At that time there was Peruvian sugar floating in what might be called the black market. I was Chairman of the Food Board at that time. We could not get our hands on

Peruvian sugar, because the world market price was sufficiently high so that it flowed out at higher prices.

Mr. President, I think we have an obligation to stand by a country which stood by us and furnished sugar for American housewives in a time of emergency. We should not turn away from that country and say, "We do not remember you any more." I do not think it is right. I would be disappointed if the Congress were to take the position of saying to Cuba, which once made her production freely available to us, which expanded its plant, and which now is forced to realize that it has a surplus in excess of requirements, "We are going to cut your allotment further. We remembered you for a few years. If we ever need you again, we will make a new set of promises to you, but those promises will also be forgotten."

Mr. President, I do not believe any representative of the Cuban sugar industry has come to call upon me. I regard that as a compliment, because it is an indication that they feel that they do not need to remind me of what took place.

At the time the effort was made to buy Cuban sugar, all kinds of influences were trying to make Cuba hold it away from the United States. Cuba did not yield to such influences. We called upon Cuba, and Cuba said, "We will give it to you. You have been our good friend."

Let us remember that every dollar we turn over to Cuba for sugar comes back to the United States for agricultural products. They buy wheat, rice, and other products. If we are not ready to deal with them, I think we are very shortsighted, at a time when we have a surplus of agricultural commodities.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. ANDERSON. Mr. President, may I have 1 minute more?

Mr. SMATHERS. Mr. President, I yield 1 additional minute to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I think of our sister Republic to the south, which has developed a great many agricultural products. Not only is Mexico contiguous, but it has been, and remains, our very stanch friend. I would be disappointed, indeed, if the Senate were to forget that fact when we are dealing with sugar quotas.

I am not trying to cut down the market of a single American producer. I do not intend that the market of a farmer in a single State shall be cut down. But there is such a thing as living up to our commitments. When we brought those millions of tons of sugar into the United States from Cuba there was not a single Senator who did not believe that we should remember our obligation to Cuba. I hope we will remember it now.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Does the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 13 minutes.

Mr. CAPEHART. How much has the Senator from Florida?

The PRESIDING OFFICER. The Senator from Florida has 13 minutes remaining.

Mr. SMATHERS. Mr. President, I yield 5 minutes to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, the entire question of sugar is so complicated that no one who is not an expert on sugar can speak about it with any degree of authority.

I am confronted with 2 or 3 alternatives, as I suppose most other Senators are. The House passed a bill which reduced the quota of Cuba with respect to increased importations in the future. It has no effect on the present law, but with respect to the increase in the consumption of sugar in the United States, Cuba is reduced from 96 to 25 percent in the House bill.

The so-called committee print, which was largely prepared by the Senator from Utah [Mr. BENNETT] after consultation with representatives of the various departments, provided for a reduction from 96 to 27 percent.

The amendment which was adopted by the committee, and which had been offered by the Senator from Florida [Mr. SMATHERS], provided for a reduction of Cuban quotas from 96 to 33 percent, and also redistributed the quotas for other importers of sugar into the United States.

When that amendment was offered in committee, I listened to the arguments for and against it. I had to leave the committee before a vote was taken. I left my vote with the Senator from Virginia, the chairman of the committee, to vote for the Smathers amendment. In doing so my main object was to help Cuba. I thought it was a rather drastic reduction from 96 percent, although temporary, from 1948 on. I felt it was a rather drastic reduction, and I voted for the amendment, or left my vote for the amendment, largely because it increased the Cuban quota from 27 percent in the so-called committee print, or 25 percent in the House bill, to 33 percent. I did not realize fully what it did in regard to the other countries. Whether I would have voted for it anyway, I am not certain, and I do not say.

I should like to vote for an amendment which would still give Cuba 33 percent and redistribute the balance among the other countries. However, there is no such amendment pending in the Senate, and, frankly, I am not sufficiently acquainted with the economic situation in each country to offer an amendment myself which would make a proper distribution among the other countries.

If we pass the bill as reported, it will give the conferees a broader field in which to adjust the differences. If we adopt the amendment offered by the Senator from Indiana [Mr. CAPEHART], the conferees will be limited to a decision between 25 percent, as provided in the House bill, and 27 percent, as provided in the committee print. Therefore, the conferees would have a wider field of compromise or settlement if the committee bill as now reported should be passed.

I believe also it would give the conferees a wider field in regard to the other countries, and—if I am mistaken about this I should like to have the chairman of the committee or the Senator from Florida or the Senator from New Mexico correct me—the committee bill as reported would not only give the conferees wider jurisdiction with regard to Cuba, but would also give them a more flexible field with regard to the other countries and, therefore, the conferees could work out a fair and just arrangement among them. Is that correct?

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. KERR. Mr. President, I may say to the Senator from Kentucky that his statement is not correct?

Mr. BARKLEY. It is not correct?

Mr. KERR. It is not correct.

Mr. BENNETT. The effect of the passage of the Senate committee bill would practically eliminate any conference on the status of Mexico, because the House would give Mexico 5 percent. The bill as reported gives Mexico 4 percent. That would be the limit of adjustment for Mexico, between 4 and 5 percent. Practically, that would be the result.

Mr. BARKLEY. In that regard, Mr. President, I should like to say that I am a great friend of Mexico, and always have been, and I hope our friendly relations with that country will continue.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. SMATHERS. Mr. President, I yield an additional 2 minutes to the Senator from Kentucky.

Mr. BARKLEY. I am happy over our relationship with Mexico, and I want that relationship not only to continue, but to continue to improve. However, I cannot overlook the fact that, insofar as Cuba is concerned, sugar is the one great product upon which her economy is based, whereas sugar is only a small proportion of the economy of Mexico.

I do not believe our relationship with Mexico would be strained or very much affected by a difference between 4 percent and 5 percent. I realize the delicate problem which confronts the Department of State in trying to keep an even keel in this regard in our diplomatic relations. However, as between the provisions of the bill as reported by the Committee on Finance, and the amendment offered by the Senator from Indiana [Mr. CAPEHART], I feel it my duty to vote for the bill as reported, and therefore against his amendment, because I believe the amendment would involve the conferees in the entire field of sugar importations, whereas the bill as reported would enable them to deal with the problem in a way which would preserve our feeling of obligation toward a nation which in every crisis in the last half century has been on our side, and permit all the other countries to share in a new way with the American farmer and the American customer.

Therefore, for those reasons, Mr. President, I shall feel compelled to vote against the amendment of the Senator from Indiana, although I should like to

vote for an amendment which would leave Cuba in the same position she is now, and leave the other nations to further negotiation. However, we do not have such an amendment before us.

Mr. CAPEHART. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. CAPEHART. How much time does the opposition have remaining?

The PRESIDING OFFICER. The Senator from Florida has 6 minutes remaining.

Mr. CAPEHART. Mr. President, I hold in my hand a chart which shows the number of tons——

The PRESIDING OFFICER. Would the Senator from Indiana advise the Chair how much time he is yielding to himself?

Mr. CAPEHART. I yield myself 3 minutes. I hold in my hand a chart which shows the number of tons which each country will have in the year 1962, the year in which the law will expire. Cuba will have 3,077,610 tons. All other countries will have 296,140 tons.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. First, I wish to read into the RECORD the countries involved. They are the Dominican Republic, Mexico, Nicaragua, Peru, Haiti, Costa Rica, Formosa, the Netherlands, Panama, Belgium, British Guiana, Canada, Hong Kong, the United Kingdom, and El Salvador. Those are 15 or 20 countries which will have less than 10 percent.

No one has a finer regard and respect for Cuba than I have. In fact, I have great respect and admiration for all Latin-American countries. Therefore, I cannot quite understand the argument of some Senators, inasmuch as Cuba will get 3,077,610 tons, and all the other countries will get only 296,000 tons.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. What is the argument about? Why do we not give the other countries a little more?

Mr. ANDERSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield; and, if so, to whom?

Mr. CAPEHART. I yield first to the Senator from Minnesota.

Mr. THYE. Mr. President, my question is, What percentage increase is given to Cuba over and above its previous allowance?

Mr. CAPEHART. Cuba gets exactly the same percentage she had up until 1948, at which time she was getting a 96-percent increase.

Mr. THYE. I should like to ask one further question. As I understand, then, Cuba is not in any different situation now than she was in previous years. Is that correct?

Mr. CAPEHART. Cuba, in 1956, will get 2,886,000 tons, and in 1962 she will get 3,077,610 tons. She will have a 27-percent increase in the usage of sugar in the United States under my amendment, and under the House bill she will get a 25-percent increase.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SMATHERS. I am sure the Senator from Minnesota will be interested to know what would happen is that Cuba, which since 1948 has been getting 96 percent, would now be reduced to 33 percent.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself such time as I may require. Cuba had 27 percent in 1948. Is that correct?

Mr. SMATHERS. The Senator is correct.

Mr. CAPEHART. In 1948 Cuba was increased to 96 percent, for good reasons, I am certain. What we are doing now——

Mr. SMATHERS. That is not correct, if I may interrupt the Senator.

Mr. BENNETT. She was increased to 96 percent of the increase.

Mr. SMATHERS. She got 33 percent of the total.

Mr. CAPEHART. Yes; that is correct. It was not 96 percent of the total, but 96 percent of the increased consumption.

Mr. SMATHERS. Of the increased consumption; that is correct.

Mr. CAPEHART. That is correct.

SEVERAL SENATORS. Vote! Vote!

Mr. SMATHERS. Mr. President, I shall be happy to yield to the Senator from Oklahoma 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. KERR. Mr. President, I think the following facts should be borne in mind by the Senate:

First, the committee bill which is before the Senate gives the domestic producers everything they asked.

Second, the committee bill would reduce what Cuba has been getting from 96 percent of the increase to 33.8 percent, and the domestic producers would receive 55 percent.

Third, under the committee bill, Peru would get 4 percent of the increase, which is twice as much as she has been getting, or a little more than that. Mexico would get 4 percent of the increase, the same as Peru. The Dominican Republic would go from 1 percent of the increase to 2 percent; the other countries from 0.7 to 1.2 percent.

Those figures were arrived at because, first, we wanted to give the producers what they desired; second, we felt that Cuba was entitled to more than she would be given under the bill as it passed the House; third, we did not think we should permit Peru to go from a small amount up to 8 percent of the increase, when our neighbor to the south, Mexico, was held to less than half that amount.

So, Mr. President, we equalized Mexico and Peru insofar as their percentage of the increase was concerned. We lifted Cuba's percentage. We did so because of all these countries, Cuba had the greatest call on us and the greatest need. All the other nations have a better trade-balance position than has Cuba. They all have a more greatly diversified economy.

So, with those considerations before the committee, we wound up by giving Peru and Mexico all they had been receiving in the past, and identically the same percentage of the increase. We increased the percentage of Cuba; we increased that of the Dominican Republic; we increased the others, and also gave the domestic producers that which they asked. It seemed to us that we were not only giving the domestic producers everything they asked, but, as nearly as possible, doing justice as between our neighbors on the south.

Mr. CAPEHART. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. CAPEHART. We gave Mexico five times what she is receiving now, did we not?

Mr. KERR. We did not feel that Peru was entitled to get any more of the increase than was Mexico, and basically, we let each one continue to have the relative part of the market it had.

Mr. CAPEHART. Mr. President, I am delighted to see all of them get as much as they can, but the position of the administration and that of the State Department is that they should be treated on an equal basis.

Mr. KERR. No; the position of the State Department is that Cuba should be ravaged for the benefit of Peru; and we were not going to give it all to Peru.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, I yield myself 1 minute to say that we do not do much ravaging when one country receives 3 million tons a year and the other receives 137,000 tons. I would not call that ravaging.

The PRESIDING OFFICER. Does the Senator from Indiana wish to yield back his time at this point?

Mr. CAPEHART. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. CAPEHART. How much time does the opposition have?

The PRESIDING OFFICER. The Senator from Florida has 3 minutes remaining.

Mr. CAPEHART. I should be very happy to yield back my time if the able Senator from Florida will yield his time. Thereafter, we can immediately have a quorum call, and then, after that, vote without further debate.

The PRESIDING OFFICER. The Senator from Indiana yields back the remainder of his time——

Mr. CAPEHART. I said, provided——

The PRESIDING OFFICER. On condition that the Senator from Florida yields back the remainder of his time.

Mr. SMATHERS. Mr. President, if we are to have a quorum call I think it would be better to reserve our time so that we may be able to explain the situation to Senators who were not present during the discussion.

Mr. CAPEHART. I cannot agree to that, Mr. President.

The PRESIDING OFFICER. The Senator from Indiana declines to yield back the remainder of his time?

Mr. CAPEHART. I decline to yield back the remainder of my time except on the basis that at the conclusion of the quorum call we may immediately vote. I understand the Senator from Florida does not agree to that.

Mr. SMATHERS. I will agree if the Senator from Indiana yields back the remainder of his time.

Mr. CAPEHART. First, I yield myself 1 minute. I hold in my hand a statement showing that 14 countries will receive only 296,000 tons. That is the increase which will be effective in the year 1962. At that time Cuba's tonnage will be 3,077,610 tons.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana on behalf of himself and the Senator from Rhode Island.

Mr. CAPEHART. Mr. President, it seems to me that there is a failure to have a little cooperation here, which is very interesting. What is the idea? Is it the intention to have a quorum call? How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining.

Mr. CAPEHART. How much time does the opposition have?

The PRESIDING OFFICER. The Senator from Florida now has 3 minutes.

SEVERAL SENATORS. Vote! Vote!

Mr. CAPEHART. Is it in order to have a unanimous-consent agreement to have a quorum call and vote immediately after the quorum call?

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Is it not a fact that any Senator at any time can make the point of order that there is not a quorum present?

The PRESIDING OFFICER. The Chair is advised that a Senator can make such a request if all the time has been used and he can receive unanimous consent.

Mr. BARKLEY. Where there is an agreement entered into for the limitation of debate, no Senator can exercise his right to make a point of no quorum unless all the time has expired?

The PRESIDING OFFICER. He can do so by unanimous consent.

Mr. BARKLEY. Mr. President, I ask unanimous consent that I may make the point of order that a quorum is not present.

Mr. LONG. Mr. President, I object.

Mr. KNOWLAND. Mr. President, out of the time on the bill, I suggest the absence of a quorum.

Mr. CAPEHART. Reserving the right to object, what is the Senator's request.

Mr. BARKLEY. The Senator from California controls the time on the bill; does he not?

Mr. CAPEHART. No, he does not.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Martin, Pa.
Allott	Fulbright	McCarthy
Anderson	George	McClellan
Barkley	Goldwater	McNamara
Barrett	Gore	Morse
Beall	Green	Mundt
Bennett	Hayden	Murray
Bible	Hennings	Neuberger
Bricker	Hickenlooper	O'Mahoney
Bridges	Hill	Pastore
Bush	Holland	Payne
Butler	Hruska	Potter
Byrd	Humphrey	Robertson
Capehart	Ives	Russell
Carlson	Jackson	Saltonstall
Case, N. J.	Jenner	Schoeppel
Case, S. Dak.	Johnston, S. C.	Scott
Chavez	Kennedy	Smathers
Clements	Kerr	Smith, Maine
Cotton	Kilgore	Sparkman
Curtis	Knowland	Stennis
Daniel	Kuchel	Symington
Douglas	Langer	Thurmond
Duff	Lehman	Thye
Dworshak	Long	Watkins
Eastland	Magnuson	Welker
Ellender	Malone	Wiley
Ervin	Mansfield	Williams
Flanders	Martin, Iowa	Young

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, on the pending amendment, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. Does the Senator from Florida yield back the remainder of his time?

Mr. SMATHERS. Mr. President, does the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. I merely want to say that the administration is in favor of the amendment on which we are about to vote, and which I was asked to offer. I cannot quite understand why it is desired to give a couple of countries a greater allotment and to reduce the allotment of others. I do not know why it is not desired to treat all countries alike. However, that is a question for the Senate to determine; it is not a peculiar concern of mine. Nevertheless, I cannot quite understand that viewpoint.

Mr. LONG. Mr. President, will the Senator yield 1 minute to me?

Mr. CAPEHART. I yield 1 minute to the Senator from Louisiana.

Mr. LONG. The amendment offered by the Senator from Indiana represents the foreign policy of the administration. I do not always support the administration, as many Senators know. However, the amendment is important. It has been strenuously advocated by the State Department, and I understand it to be in accordance with the policy of the President of the United States.

It seems to me that an amendment of this consequence, especially one which undertakes to assert the position of all except a minority of 7 of the 15 members of the committee, is at least entitled to the significance of a yea-and-nay vote in the Senate. Therefore, I ask that the yeas and nays be ordered on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. I will yield back the remainder of my time on the condition that immediately there will be a yea-and-nay vote.

The PRESIDING OFFICER. Does the Senator from Florida yield back the remainder of his time?

Mr. SMATHERS. Mr. President, I should like to yield 2 minutes to the distinguished Senator from New Mexico.

Mr. ANDERSON. Mr. President, I do not wish to go over the story I have already told, except to say that the Senate, regardless of any statements of foreign policy, ought to stay with our friends.

Cuba did a job for this country when almost every business requiring sugar was about to close down. Those persons who had soft drink establishments sent telegram after telegram saying, "Get some sugar. Get some sugar." We got the sugar from Cuba; we did not get it from the other countries. We should not forget our friends.

I say to Senators who represent the farm States where sugar beets are grown that if it is sought to jeopardize the bill by adopting this amendment, the next amendment might be one to reduce the time to 1 year. Give the bill a chance to operate.

I do not agree with everything in the bill as it came from the committee. But certainly I will not agree with it if we are to cut off the country which stood with us and shipped us millions of tons of sugar at a control price of only 4 cents, when they could have got 10 or 15 cents in the free markets of the world. I say it is not fair to go back on that kind of a friend, and Congress must not permit it. We must not allow that to happen. We must stand by Cuba. The Committee on Finance was entrusted with the responsibility of reporting a good bill, and has done so. I shall stand with the committee.

Mr. CAPEHART. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 2 minutes remaining.

Mr. CAPEHART. My opinion is that all Latin American countries stood by us. Mexico stood by us; Peru stood by us. I, for one, do not particularly appreciate the statement that other countries in the Western Hemisphere did not stand by us.

I hold in my hand the hearings, in which a statement was made, as appears on page 382, that the reason why we did not get sugar from Peru during the war was that there were no ships to carry the sugar; it was not because Peru did not have sugar.

I am fighting for what I think is right. I think we ought to treat our friends to

the south equally. I agree Cuba should have the lion's share, and she does have the lion's share.

The able Senator from New Mexico has been threatening that if the amendment is agreed to, States which produce sugar will suffer, and that there will be a filibuster against the amendment. I dislike that kind of tactics. I think they are unnecessary, and I think it is uncalled for in the United States Senate to threaten a filibuster or say that something may happen to the so-called sugar States in the United States. I, for one, do not like it.

Mr. ANDERSON. I think the Senator ought to be a little careful with his language.

Mr. CAPEHART. The Senator said a while ago something might happen and that the time in the bill might be cut down to a year.

Mr. ANDERSON. I think the amendment, if adopted, would be a bad law, and I would have a right to propose amendments to a bad bill.

Mr. CAPEHART. The Senator does not have any right to threaten a filibuster when he knows we have an agreement not to transact business after tonight for a week. I want the RECORD to be clear that we wish to decide the bill on its merits, and not by threats and counterthreats that we are going to have a filibuster and that certain States in the United States will suffer as a result of the enactment of the bill, because I, for one, have a great respect for all Latin-American countries, and I do not put one above the other. We need them, and they need us.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

The Chair recognizes the Senator from Florida.

Mr. SMATHERS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Florida has 1 minute remaining.

Mr. SMATHERS. I shall be happy to yield 1 minute to the chairman of the Finance Committee.

Mr. BYRD. Mr. President, on behalf of the Senate Committee on Finance, I merely wish to state that the question of sugar allotments was a most difficult one to determine. After the most careful consideration the committee decided upon the allotments provided in the pending bill. Every South American country received an increase in allotment, but Cuba will not get as large an increase as she has had in the past.

The Finance Committee believes the distribution provided in the pending bill is equitable, in view of all the conditions existing.

Mr. President, I hope the amendment offered by the Senator from Indiana [Mr. CAPEHART] will be rejected.

The PRESIDING OFFICER. All time for debate on the amendment has expired.

The yeas and nays have been ordered, and the clerk will call the roll.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. The vote will be on the so-called Capehart amendment, will it not?

The PRESIDING OFFICER. The vote will be on the Capehart amendment, as modified.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment, as modified, offered by the senior Senator from Indiana [Mr. CAPEHART], on behalf of himself and the senior Senator from Rhode Island [Mr. GREEN], which will be stated.

The amendment was, on page 17, beginning with line 8, to strike out all of section 7 and to insert in lieu thereof the following:

SEC. 7. Section 202 (c) of such act is amended by striking out "For" after "(c)" and inserting in lieu thereof "(1) For the calendar year 1956, for" and by adding at the end thereof the following new paragraphs:

"(2) For the calendar year 1957 and for each subsequent calendar year for foreign countries other than the Republic of the Philippines, by prorating to Cuba 96 percent and to other foreign countries 4 percent of the amount of sugar, raw value, by which 8,350,000 short tons or such lesser amount as determined pursuant to section 201 exceeds the sum of 4,444,000 short tons, raw value, and the quotas established pursuant to subsection (b) of this section; and by prorating to Cuba 60 percent and to other foreign countries 40 percent of the amount of sugar, raw value, by which the amount determined pursuant to section 201 exceeds the sum of 8,350,000 short tons plus the increase in quotas provided for in subsection (a) (2) of this section.

"For the calendar year 1957, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by assigning to each such foreign country whose average entries within the quotas during 1953 and 1954 were not less than 1,000 nor more than 2,000 short tons, raw value, a proration of 3,000 short tons, raw value, and, third, by prorating the balance of such quota to such foreign countries whose average entries within the quotas during 1953 and 1954 exceeded 2,000 short tons, raw value, on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

"For the calendar year 1958 and for each subsequent calendar year, the quota for foreign countries other than Cuba and the Republic of the Philippines shall be apportioned, first, by assigning to each such foreign country whose average entries within the quotas during the years 1953 and 1954 were less than 1,000 short tons, raw value, a proration equal to its average entries within the quotas during 1953 and 1954, and, second, by prorating the balance of such quota among the remainder of such countries on the basis of the final quotas established for such countries pursuant to this section for the calendar year 1957."

The PRESIDING OFFICER. All time for debate on the amendment has expired, the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KILGORE (when Mr. NEELY's name was called). My colleague [Mr. NEELY] is unavoidably absent on official business, holding hearings in Pennsylvania, before the Senate Committee on Labor and Public Welfare. He has asked me to announce that if he were present, he would vote "nay."

Mr. PASTORE (when his name was called). On this vote I have a pair with the distinguished senior Senator from Texas [Mr. JOHNSON]. If the Senator from Texas were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

I further announce that if present and voting the Senator from Oklahoma [Mr. MONRONEY], and the Senator from West Virginia [Mr. NEELY] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BENDER] and the Senator from New Jersey [Mr. SMITH] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from Connecticut [Mr. PURTELL] are necessarily absent.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

If present and voting, the Senator from Illinois [Mr. DIRKSEN], and the Senator from Connecticut [Mr. PURTELL] would each vote "yea."

On this vote the Senator from Ohio [Mr. BENDER] is paired with the Senator from Colorado [Mr. MILLIKIN]. If present and voting, the Senator from Ohio would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 30, nays 56, as follows:

YEAS—30

Aiken	Duff	Malone
Beall	Ellender	McCarthy
Bennett	Fulbright	Payne
Bricker	Green	Saltonstall
Bridges	Holland	Schoeppel
Butler	Ives	Smith, Maine
Capehart	Jenner	Thye
Carlson	Knowland	Watkins
Case, N. J.	Langer	Wiley
Cotton	Long	Williams

NAYS—56

Allott	Case, S. Dak.	Eastland
Anderson	Chavez	Ervin
Barkley	Clements	Flanders
Barrett	Curtis	Frear
Bible	Daniel	George
Bush	Douglas	Goldwater
Byrd	Dworshak	Gore

Hayden	Lehman	Potter
Hennings	Magnuson	Robertson
Hickenlooper	Mansfield	Russell
Hill	Martin, Iowa	Scott
Hruska	Martin, Pa.	Smathers
Humphrey	McClellan	Sparkman
Jackson	McNamara	Stennis
Johnston, S. C.	Morse	Symington
Kennedy	Mundt	Thurmond
Kerr	Murray	Welker
Kilgore	Neuberger	Young
Kuchel	O'Mahoney	

NOT VOTING—10

Bender	Millikin	Purtell
Dirksen	Monroney	Smith, N. J.
Johnson, Tex.	Neely	
Kefauver	Pastore	

So the amendment, as modified, was rejected.

Mr. SMATHERS. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. ANDERSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEHMAN. Mr. President, I call up my amendment which is identified as "1-31-56—A," and request its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, line 15, it is proposed to strike out all after the colon through line 7 on page 17 and insert in lieu thereof the following:

(A) The first 188,000 short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 45.2 percent to the domestic beet area; 42.6 percent to the mainland cane area; 10.6 percent to Puerto Rico; and 1.6 percent to the Virgin Islands; and (B) any additional amount shall be apportioned on the basis of the quotas established in paragraph (1) of this subsection as adjusted by clause (A) of this paragraph (2).

Mr. LEHMAN. Mr. President, the proposed amendment is a very simple one. It proposes only that in allocating any increase in the sugar quota which might come about as a result of an increase in domestic consumption above 8,350,000 short tons per year, Puerto Rico be given the minimal share agreed on in the House of whatever amount is allocated to the domestic areas.

It was the purpose in both Houses to relieve the surplus stock situation in the domestic areas suffering crop restriction. Puerto Rico, as already stated, is the domestic area where crop restriction has been most rigorously and continuously applied under sugar legislation since 1934. There is no just basis for omitting Puerto Rico from this minimal sharing of 10.6 percent.

I propose that we adopt the House allotment, so that the first 188,000 tons of any increase in domestic consumption will be allocated as follows: 42.6 percent to the mainland cane areas, 45.2 percent to the domestic beet areas, 10.6 percent to Puerto Rico, and 1.6 percent to the Virgin Islands.

Under the bill reported by the Senate Finance Committee, neither Puerto Rico nor the Virgin Islands would share in the first increment of increase for domestic areas if there is an increase in domestic consumption. All of the first 165,000 tons allocated to domestic producers would be divided between the mainland cane area and domestic beet sugar area on a basis of 48.5 percent and 51.5 percent, respectively.

Puerto Rico and the Virgin Islands would not get any quota increase unless and until the quota increase for the domestic areas exceeded 165,000 tons.

I believe this formula is unjustifiably discriminatory against Puerto Rico. There is considerable doubt as to whether the domestic areas will, in fact, get more than 165,000 additional tons for a considerable number of years to come. Puerto Rico is thus left out in the cold.

Mr. President, I have been interested in the question of sugar legislation for a number of years. My concern with this legislation goes to many facets, including its implications for our foreign relations, its effect on labor standards, the necessity of providing safeguards for the sugar producers and the refining industries in the United States, and the interest of the consumers. But I have been particularly concerned with the especially discriminatory treatment accorded Puerto Rico.

Last year when the sugar bill was debated on the closing day of the session, I stated in the RECORD that I had serious reservations concerning the treatment accorded Puerto Rico under the terms of the bill as it stood at the time. I have many more misgivings concerning the bill which is pending in the Senate today.

Puerto Rico is a part of the United States. Its residents are citizens, although they have no voting representation in Congress. It is therefore a special obligation on each of us to pay particular attention to any legislation which may directly affect the American citizens of Puerto Rico.

Sugar is a very important part of the economy of this island. The discriminations in the amount of raw sugar which can be shipped to the mainland result in severe economic hardships on these people. The Bell committee report recognized this discrimination in its report in 1953. And I include an excerpt on this point as exhibit I at the conclusion of my remarks.

Representatives of the Department of the Interior testified before the House Committee on Agriculture in favor of an increase both in the raw sugar quota for Puerto Rico and in the refined or direct-consumption quota last year when this bill was before the House. I will include excerpts from this testimony as exhibit II at the end of my remarks.

Looking back into history, we find that President Roosevelt, in signing the sugar bill in 1937, recognized the discriminatory nature of the terms of that bill in dealing with Puerto Rico, and noted that he had been given assurances by Members of the Congress—some of whom are still serving in the Senate—that these unfortunate discriminations would be removed in future legislation.

To this day—almost 20 years later—this situation remains relatively unchanged. Exhibit III contains the statement of President Roosevelt made in signing the 1937 Sugar Act.

Mr. President, I wrote to the Senator from Virginia [Mr. BYRD], chairman of the Senate Finance Committee, requesting that his committee give consideration to the two amendments I am proposing today. Unfortunately, my letter to him arrived after the committee had completed action on the bill. Therefore, my amendments did not receive specific consideration by the committee. I include as exhibit IV the exchange of letters with the chairman of the Senate Finance Committee.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a letter from the Governor of Puerto Rico supporting these amendments, and outlining the background of inequitable treatment accorded Puerto Rico over the years.

I also request unanimous consent to include at this point in my remarks a sample selection of the telegrams and letters I have received from many varied groups and individuals in Puerto Rico. I hope the United States Senate will heed the pleas of these people.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF PUERTO RICO,
OFFICE OF THE GOVERNOR,
La Fortaleza, San Juan, January 31, 1956.

Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR LEHMAN: Thank you for sending me a copy of your letter to Senator BYRD.

In regard to the refined sugar issue, I made my position clear in a TV broadcast from New York on October 2, 1955. I said that it was an error to prohibit any community by law from converting its home produced raw materials into a final industrial product. Such prohibitions, I pointed out, are vestiges of 18th century colonial policy and should be abolished. However, I also pointed out that we did not wish to injure the long established sugar refining communities on the east coast, and, therefore, only ask for a share of the increased annual consumption. It is gratifying to see from your letter that you support our position, by pointing out that Puerto Rico should be permitted to ship as refined sugar any increase specified by the law in its basic raw sugar quota. I note that the Department of Interior also supported our position in public hearings on the sugar bill last year. I hope the Senate will adopt your amendment.

I am completely at a loss to understand the denial by the Senate Finance Committee of the small participation granted Puerto Rico by the House bill (10.6 percent) in the first increase of 188,000 tons of sugar above the base figure of 8,350,000 tons. From the hearing record, I understand that this decision rested on the fact that we received a quota adjustment—very much belated—in the 1951 legislation. It seems to have been overlooked that the increase in our quota of 170,000 tons, though enacted in 1951, did not become effective until 2 years later, so that we bore the burden of severe crop restriction several years before mainland sugar was subject to restrictions. Furthermore, our continental friends have consistently ignored the prior "take-out" by them during the 1934-48 period of 700,000 tons over and above parity of treatment with Puerto Rico. The original quota for Puerto Rico was based on marketings of 3 years prior to the quota system. The same standard applied to the mainland would have given it a 1,600,000 tons quota. Actually the total fixed was 1,817,000 tons at the level of consumption at that time of 6,476,000 tons. In the 1937 act, this total

was increased by 159,000 tons to take care of the mainland, bringing it up to 1,976,000 tons. In the 1948 act, the figure was again increased for the mainland to 2,300,000 tons. Puerto Rico's quota was then increased for the first time since 1934 from around 800,000 tons to 910,000 tons. We do not believe it is fair to begin with the 1953 increase in our quota.

I hope that the House provision will be restored, as you have urged in your letter.

Please be assured of our deep appreciation of your efforts to obtain fair treatment for the Commonwealth.

With best personal regards,

Cordially yours,

LUIS MUÑOZ-MARÍN,
Governor.

SAN JUAN, P. R.

In the name of 20,000 sugarcane growers of Puerto Rico, we congratulate and thank you for your invaluable defense of our rights. We are proud of you and know that our case will undoubtedly receive now favorable action with your cooperation. We shall not forget what you have done for us.

ORESTE RAMOS,
President, Puerto Rico Farm Bureau.

SAN JUAN, P. R.

Senator HERBERT H. LEHMAN,
Washington, D. C.:

Feel grateful for your cooperation to give Puerto Rico fair deal in sugar legislation now pending. Appreciate heartily your interest since we have no Senators, Congressmen to represent us.

BULL INSULAR LINE, INC.

SAN JUAN, P. R.

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

The Puerto Rico Manufacturers Association extends to you their sincere congratulations and fully endorse your timely and vigorous stand before Senate Finance Committee on our legitimate rights as domestic sugar producers. We sincerely hope that your views may prevail to remedy distinct and unmistakable injustice of our position under present sugar legislation.

ENRIQUE A. CASTILLO,
President.

PONCE, P. R., *January 26, 1956.*

Senator HERBERT LEHMAN,
Senate Office Building, Washington:

Please accept our congratulations and gratefulness for your fair and just position requesting equal treatment for Puerto Rico as that for other domestic areas under new Sugar Act. Your continued support in Puerto Rico's behalf will be greatly appreciated.

A. F. ARMSTRONG,
President, Banco de Ponce.

SAN JUAN, P. R., *January 26, 1956.*

Hon. HERBERT LEHMAN,
Washington, D. C.:

I feel that I convey the appreciation of the people of Puerto Rico for your generous gesture in supporting the demands of Puerto Rico for an equal treatment under the new sugar bill. It is men of your caliber who maintain the faith of the people of the world in the sound principles of democracy.

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION,
By ENRIQUE CAMPOS DEL TORO, *President.*

SAN JUAN, P. R., *January 26, 1956.*

Senator HERBERT H. LEHMAN,
Washington, D. C.:

Your statement in defense our growers has won our praise and we shall not forget it. With your invaluable help we shall succeed in obtaining recognition of equality among domestic sugar producing areas, as ascribable to loyal American citizens.

JOSE RAMON QUIÑONES,
Honorary President, Puerto Rico Farm Bureau.

VIRGILIO RAMOS,
Executive Vice President.

[From proceedings, 13th constitutional convention, Congress of Industrial Organizations, November 5–9, 1951]

RESOLUTION NO. 49

THE PUERTO RICAN SUGAR INDUSTRY

The Congress of Industrial Organizations and its affiliates have always recognized and supported the right of the workers of Puerto Rico to produce and process to the fullest extent the products of the island.

The Sugar Act of 1948 limits the production of raw sugar and the refining of pure sugar in Puerto Rico to an extent that is both unfair and economically unsound for the economy of the island. The restrictive limitations contained in the Sugar Act of 1948 severely hampers the major industry of Puerto Rico, depresses income, and makes it impossible for the island to pay for many needed imports.

The limitations on the right of Puerto Rico to produce and to process its own sugar is a vestige of colonialism which should be eliminated: Now, therefore, be it

Resolved, There must be a realistic adjustment of the existing situation. This convention approves of the action already taken by the CIO through its organization department in attempting to secure amendments to the Sugar Act. The CIO through its organization department will continue its efforts to secure a review of the Sugar Act of 1948 in order to advance the Puerto Rican economy by increasing its overall sugar production to the fullest possible extent.

[From proceedings, 12th constitutional convention, Congress of Industrial Organizations, November 20–24, 1950]

RESOLUTION NO. 60

THE PUERTO RICAN SUGAR INDUSTRY

The Congress of Industrial Organizations and its affiliates have always recognized and supported the right of the workers of Puerto Rico to produce and process to the fullest extent the products of their island, and

The Sugar Act of 1948 limits the production of raw sugar and the refining of pure sugar in Puerto Rico to an extent that is both unfair and economically unsound for the economy of the island.

By the Sugar Act of 1948, sugar is to continue to be a controlled industry for at least 5 years and Puerto Rico's major industry must continue to function within restricted limits. Whereas in other years the island produced, for example, 992,000 tons of sugar and shipped 919,000 tons to the mainland under the basic quota established by the Sugar Act of 1948, the island's basic quota is set at 910,000 tons, only 126,033 tons of which can enter as refined sugar.

This, obviously, severely restricts the major industry of Puerto Rico, depresses income, and makes it impossible for the island to pay for many needed imports: Now, therefore, be it

Resolved, There must be realistic adjustments of the existing situation. Through its organization department the CIO recommends that immediate steps be taken to review the Sugar Act of 1948 in order to propose certain necessary amendments to the act to protect the Puerto Rican economy and lead it toward the goal of the fullest possible production and processing of sugar.

Mr. LEHMAN. Returning to the substance of my amendment, I submit for the RECORD at this point in my remarks a table showing the maximum increases in raw sugar quota which would be given Puerto Rico under the bill, first, as it passed the House, second, under the present Senate amendments, and third, under my proposed amendment to the Senate bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Effect on Puerto Rican quota of Senator Lehman's proposed amendment

[In short tons, raw value]

Year	Assumed estimate of consumption	Puerto Rican quota		
		Under H. R. 7030 per p. 19 Senate Finance Committee report	Under Senate Finance Committee revisions per p. 3 committee report	Under Senator Lehman's proposed amendment
1956	8,535,000	1,089,805	1,080,000	1,090,786
1957	8,670,000	1,106,020	1,091,000	1,099,442
1958	8,805,000	1,122,236	1,114,783	1,114,868
1959	8,940,000	1,138,452	1,132,416	1,132,688
1960	9,075,000	1,154,667	1,150,049	1,150,508
1961	9,210,000	(1)	1,167,681	1,168,328
1962	9,345,000	(1)	1,185,314	1,186,148

[1] House bill terminates Dec. 31, 1960.

Mr. LEHMAN. Under my amendment—and granted that the consumption increase assumed for the current year, in the committee report, of 185,000 tons above the 8,350,000-ton base figure actually takes place—45 percent would be allotted to foreign countries, leaving 101,750 tons for the domestic areas, of which amount only 10.6 percent, or 11,000 tons, would accrue to Puerto Rico. Although the amount is small, the principle of participation by Puerto Rico is maintained. This is my main concern.

Finally, Mr. President, I wish to include, as exhibit V at the close of my remarks, a memorandum which I have prepared, giving the background of my interest in this problem, and a fuller justification for my belief that my amendments are necessary.

I hope it will be possible for the chairman of the committee to agree to accept this amendment.

The PRESIDING OFFICER. Without objection, the various exhibits submitted by the Senator from New York may be printed in the RECORD.

The exhibits submitted by Mr. LEHMAN are as follows:

[From the Bell committee report]

EXHIBIT I

A REPORT TO PRESIDENT TRUMAN BY THE PUBLIC ADVISORY BOARD FOR MUTUAL SECURITY, FEBRUARY 1953, ON A TRADE AND TARIFF POLICY IN THE NATIONAL INTEREST

The entire increase in sugar supplied by foreign and insular producers should be permitted to be imported in the form of either refined or raw sugar. It is unjust to limit severely the proportion of their quotas which these producers can ship as refined sugar. If some expansion of the refining industry were to take place in Cuba or other offshore areas as a consequence of a more liberal policy on refined sugar, this would represent a logical industrial development for those areas. It would be consistent with United States policy of encouraging economic de-

velopment and stimulating private investment in underdeveloped countries.

* * * * *

In the staff report to the Randall Committee Report of January 1954 to President Eisenhower (Report of the Commission on Foreign Economic Policy), the following criticism is given of the sugar program.

(2) Through special quotas limiting shipments of refined or "direct-consumption sugar" to the continental United States, mainland sugar refiners are given absolute protection at the expense of those in Puerto Rico, Cuba, and the Philippines—representing a denial to these supplying areas of a kind of industrial processing that is highly appropriate to their resources.

[From hearings on amendments to Sugar Act of 1948 (Committee on Agriculture of House of Representatives) on H. R. 5406, June 22, 1955]

EXHIBIT II

STATEMENT OF WILLIAM A. ARNOLD, ASSISTANT DIRECTOR FOR INSULAR AFFAIRS, OFFICE OF TERRITORIES, INTERIOR DEPARTMENT

Mr. ARNOLD. Mr. Chairman and members of the committee, my statement on the pending bill, H. R. 5406——

The CHAIRMAN. We have 30 bills pending before the committee; you are perfectly free to talk about any of these 30.

Mr. ARNOLD. Thank you. [Continuing.] Represents the views of the Office of Territories in behalf of the Commonwealth of Puerto Rico and the Virgin Islands of the United States, for whose economic welfare and development we have a direct responsibility.

Under existing law the fixed quotas established for Puerto Rico and the Virgin Islands are 1,080,000 and 12,000 short tons, raw value, respectively. These areas, like the other domestic areas, do not share in the expansion of the domestic market resulting from population growth and increased sugar usage. Of the quota established for Puerto Rico, 126,033 short tons, raw value, may be filled by direct-consumption sugar. We are of the opinion that, if the Sugar Act of 1948, as amended, is extended, favorable consideration should be given to an immediate share by these two territories in the annual increases in sugar consumption and for an increase in the amount of direct-consumption sugar which may be supplied by Puerto Rico.

With respect, first to the Virgin Islands, we should like to point out that the growing of sugarcane constitutes the major economic activity, and the manufacture of raw sugar from this cane is the principal activity of the Virgin Islands Corporation, a corporation wholly owned by the Federal Government and operated under the supervision of the Secretary of the Interior. Sugar accounts for almost 60 percent of the Corporation's gross income and for nearly 90 percent of its total employment, but it is also responsible for almost all of the Corporation's losses.

While sugar production has quite consistently been unprofitable for the Corporation, it cannot be abandoned at this time because of its importance to the economy of the islands. We believe that even a small increase in the amount of sugar which the Virgin Islands could market in the United States would substantially benefit both the Corporation and the economy of the islands and that any proposal for the extension of the Sugar Act of 1948, as amended, should make provision for such increase.

We are of the opinion, secondly, that there should be an increase in the amount of sugar which the Commonwealth of Puerto Rico should be permitted to market in the United States, if the Sugar Act is to be extended. Even though Puerto Rico has complied with all determinations of the Secretary of Agriculture under title III of the act with respect to the quantity of sugar to be produced, substantial carryover stocks have, nevertheless, developed. For example, carryovers amounted to about 250,000 tons for the year 1952, 148,000 tons for the year 1953, and 162,000 tons for the year 1954. In addition, a portion of the cane crops has been left uncut in the fields. A substantial carryover is anticipated for 1955.

An increase in the amount of sugar which could be marketed in the United States by Puerto Rico would result in significant economic benefits to the hundreds of thousands of Puerto Ricans in the sugar-producing area who now have the lowest income and the most difficult social problems of any group in Puerto Rico. The Commonwealth is doing much through its own efforts to attract and develop industrial and manufacturing enterprises to improve its economy, but the growing of sugarcane still constitutes a very significant portion of that economy.

As is pointed out above, the domestic areas, including Puerto Rico and the Virgin Islands, are now permitted to market only the amounts of sugar allowed by the fixed quotas and they do not share in the growth of the sugar industry. We recommend that consideration should be given to an adjustment in the present quota system which would permit these domestic areas immediately to participate in the expansion of the industry resulting from increased consumption and population growth.

It should be noted, in addition, that the present marketing quota for direct-consumption sugar from Puerto Rico was first established in 1934 and has remained unchanged since that time at 126,033 short tons, raw value. The direct-consumption quota not only limits the amount of refined sugar that may be sent to the mainland from Puerto Rico but it also limits the shipments of sugar in other forms to the mainland for direct consumption.

During this same period of time, the mainland seaboard refiners increased their processing operations by an amount in excess of 1½ millions tons. Puerto Rico has not been permitted, by reason of this 21-year long restriction, to share in this growth of industrial activity even though the refining of sugar fits naturally into its economy.

I am sure that all the members of this committee are familiar with the great and rapid strides which have been made in recent years in the industrial development of Puerto Rico. But virtually all of that activity has involved the utilization of raw materials brought to Puerto Rico for fabrication from United States mainland and elsewhere. It seems to us to be most inconsistent with such a program of industrial development that the one raw material available in abundance for fabrication or processing in Puerto Rico must be shipped in its raw form to the mainland.

Accordingly, it is recommended that any increase in the amount of sugar that Puerto Rico may be permitted to market by reason of its sharing in the expansion of consumption in the United States should not be subject to the existing limitation on the shipment of direct-consumption sugar. This would not modify the protection which has for so many years been accorded the capital investments of the mainland seaboard refiners. They would continue to receive the same quantity of raw sugar from Puerto Rico for refining as they do at present. But Puerto Rico would be given what we believe to be a deserved share in the future growth of the sugar refining industry.

This concludes my prepared statement, but I shall be happy to answer to the best of my ability any questions the members of the committee may have.

[From President Roosevelt's statement of September 1, 1937, upon his signing of the sugar bill]

EXHIBIT III

Since the passage of the bill I have been given the following assurances by Senators representing the great majority of continental sugar producers:

1. That their primary interest in sugar legislation is to afford protection to the growers of sugar beets and sugarcane in all domestic sugar producing areas of the United States, and when the Sugar Act of 1937 comes up for renewal they will endeavor to deal with the question of refined sugar quotas in a separate measure.

2. That they recognize the fact that Hawaii and Puerto Rico and the Virgin Islands are integral parts of the United States and should not be discriminated against.

3. That when the refined sugar quotas for Hawaii, Puerto Rico, and the Virgin Islands are terminated, they will endeavor to enact legislation providing that minimum labor standards in sugar refineries in these offshore areas shall not be lower than the minimum standards in refineries on the mainland.

4. That in future legislation they will see to it that the American housewife is protected adequately.

I have received similar assurances from responsible leaders of the House of Representatives. In view of these assurances, therefore, I am approving the bill with what amounts to a gentleman's agreement that the unholy alliance between the cane and beet growers, on the one hand, and the seaboard refining monopoly on the other, has been terminated by the growers.

NOTE.—With respect to No. 3 above, the Federal minimum wage of 75 cents per hour has been applied to the Puerto Rican refined sugar industry, since the above statement.

EXHIBIT IV

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
January 24, 1956.

The Honorable HERBERT H. LEHMAN,
United States Senate, Washington, D. C.

DEAR SENATOR: I have today received your letter of January 23, expressing your views on the Sugar Act extension bill, H. R. 7030, and suggesting the adoption of two amendments in behalf of the Puerto Rico sugar producers.

I regret that your letter and suggestions were received too late for consideration by the Committee on Finance. We completed the committee action on the bill yesterday.

With kindest regards, I am

Faithfully yours,

HARRY F. BYRD,
Chairman.

JANUARY 23, 1956.

Hon. HARRY FLOOD BYRD,
Chairman, Senate Finance Committee, Washington, D. C.

DEAR SENATOR BYRD: I have followed with great interest the progress of your committee's consideration of H. R. 7030, Committee Print of January 13, 1956, containing certain amendments to the Sugar Act of 1948 and providing for its extension through 1962. My concern with this legislation goes to many facets of the problem, including its implications for our foreign relations, its effect on labor standards, the necessity of providing safeguards for the sugar producers and refining industries of the United States, and the interests of our consumers. I must say that the proposed Senate amendments, like the provisions of H. R. 7030, as passed by the House, show a marked improvement as I see it, over the original bills introduced in both Houses last year, in several important respects.

I am informed that the spokesmen for the various sectors of our domestic sugar producing industry continue to support the quota provisions despite the difficulties associated with crop restrictions. Their attitude, in this regard, recognizes the difficulties inherent in any other kind of solution to the problem. I am in accord with this position.

I regret, however, that in at least some other important aspect of this legislation, insufficient attention seems to have been given to the equities involved.

I refer to our treatment of Puerto Rico. Puerto Rico is a domestic area. I see no reason nor justification for making a categorical distinction between Puerto Rico and other domestic producing areas. Yet in this legislation Puerto Rico is discriminated against in two respects: (a) in respect to the production quota and (b) in respect to refined sugar.

Surely with regard to an area over which the Congress has such supreme authority, we should feel a special responsibility to treat this area and its people with the most scrupulous fairness. Since Puerto Rico has no voting representation in the Congress, each of us must consider himself a representative of the interests of that commonwealth. Our policy toward Puerto Rico is carefully watched throughout Latin America. Each manifestation of alleged injustice toward Puerto Rico is noted. I consider the treatment accorded to Puerto Rico in this legislation to be a real injustice.

I refer, first of all, to the allocation to Puerto Rico of a share in the domestic quota increases resulting from an increased consumption of sugar. The language of H. R. 7030, as it passed the House, gives Puerto Rico a percentage share of the amount to be allocated to the domestic areas as a result of any overall increase in the United States consumption. The Senate committee amendments place Puerto Rico in a separate and second category, which is to share in increased consumption only if and after increased consumption is in excess of 165,000 tons.

I hope this discrimination will be eliminated in the bill reported out. I believe it to be quite unjustifiable both in principle and in actual operation. I would urge the committee to return to the language of the House-approved version of this section.

In regard to refined sugar, let me recall that when the first sugar program was enacted in 1934, in light of the fact that the refined-sugar industry was in a depressed condition, Puerto Rico was limited in the total amount of refined sugar it could ship to the mainland to 15.5 percent of its total production quota. In the years following, this percentage has been gradually reduced until today Puerto Rico is limited in its refined shipments to 11.7 percent of its quota. This has been a result of congressional failure to increase the Puerto Rican refined quota along with its total quota. Under the pending measure, it is proposed to make this small percentage permanent. There can be no justification, in my opinion, for his persistent discrimination.

A small increase in both the basic quota and the refined quota for Puerto Rico would have far-reaching benefits for its economy. Puerto Rico needs such an economic stimulus.

I do not undertake to urge that all the past injustices in this regard be righted, as desirable as that might be in a moral sense. I know how much opposition there would be to any proposal to increase Puerto Rico's refined quota at the expense of the amount of sugar now being milled by our mainland refineries. I, therefore, urge only that Puerto Rico be permitted to ship as refined sugar any increases in her basic production as might be allowed under the terms of the bill now under consideration.

I am attaching to this letter suggested amendments to translate into legislative language the proposals I have made in this letter. I hope the committee will give them careful consideration and will see fit to adopt them.

If this is done, it will go far toward rectifying an historical pattern of discriminatory treatment meted out to Puerto Rico in this and other respects.

With kind personal regards, I am,

Very sincerely yours,

HERBERT H. LEHMAN,
United States Senate.

EXHIBIT V

STATEMENT IN JUSTIFICATION OF PROPOSED AMENDMENTS

My attention was first directed to the importance of the sugar legislation and its administration in relation to the Puerto Rican development program, when it became known that sugarcane crop restriction would be required under the law in 1952.

Puerto Rico had been permitted under regulations of the United States Department of Agriculture (the controlling authority) to produce close to the 1,300,000-ton level in the 1949 and 1950 crops and in the 1951–52 crop up to 1,372,000 tons.

The hardships attendant upon crop restriction, in a community so heavily dependent for its income and man-hours of labor on the production of sugar, were called to my attention by representatives of Puerto Rican farmers and laborers. With the aid of my staff, I tried to interest the Department of Agriculture in finding ways of mitigating these hardships.

At the time, Puerto Rico was the only area in the world which was expected to curtail its sugar crop. Elsewhere in the Caribbean, record expansion of sugar production was going on, especially in Cuba, which expansion regrettably had to be eliminated by Government restrictions a few years later.

I was then advised that officials of the Department of Interior, deeply concerned about the economic and social welfare of Puerto Rico—one of the areas then under its jurisdiction—were of the opinion, after careful study, that by the exercise of certain discretionary powers of the Secretary of Agriculture (relating to reallocation of deficiencies of production in certain domestic areas) a considerable dent might be made in the carryover of sugar in Puerto Rico, thus enabling the Secretary of Agriculture to alleviate the rigors of crop restriction otherwise required under the law. However, officials of the Department of Agriculture did not agree that such alleviating action could be taken under the act. The difference in legal interpretation between the two departments was not referred to the Department of Justice but the Secretary of Agriculture, Mr. Brannan, sought to be helpful by exploring other measures of relief and did succeed finally in alleviating somewhat the burden of crop restriction for the 1952–53 crop.

I should point out in this connection that crop restriction in Puerto Rico has always been on a more exact and rigorous pattern than in the other domestic areas, whenever such restrictions were applied at all in those areas. Every grower has an allotment in terms of tons of sugar, not in terms of acreage, as in the mainland. Acreage allotments permit a certain flexibility, as the facts developed in the recent sugar hearings clearly demonstrate. It has been brought out that even with a declining acreage the mainland has been able to increase its sugar production through higher yields per acre. This would not be possible under the Puerto Rican crop-restriction program. No criticism of the Department of Agriculture is intended in this observation for the act clearly gives discretion to the Secretary to establish allotments to growers in either form. However, the fact remains that Puerto Rico cannot help but observe the contrast in administration between the mainland and Puerto Rico in this matter.

Puerto Rico, I am sure, was grateful for whatever action the departments were able to work out in alleviation of the drastic crop-curtailment programs of the years since 1952. For the workers in the fields, it meant desperately needed man-hours of work with which to buy essentials of life—food and clothing and shoes. But again, Puerto Rican sugar producers cannot help but note that in a similar situation for the mainland recently developed, Commodity Credit Corporation has purchased 100,000 tons of surplus sugar from mainland producers at the domestic price or very near that price. In the similar purchase for the use of the Economic Cooperation Administration of about 50,000 tons of refined sugar made from excess quota raw sugars in 1953, a reduction from the domestic price of about a full cent a pound was made (4.55 cents per pound and 4.70 cents per pound respectively f. o. b. San Juan). The official announcement of the United States Department of Agriculture has recently been made on the current sale and is as follows (p. 4, Sugar Rpts., No. 45):

"The contracts covering the purchase of raw sugar in Louisiana and Florida provide that the price per pound of raw-sugar basis, 96° polarization, f. o. b. rail cars, New Orleans, La., or Savannah, Ga., as the case may be, shall be the season's average price determined pursuant to paragraph (b) (ii) of the fair price determination (874.8) applicable to Louisiana sugar of the 1955 crop."

I should point out that the more conservative price policy of 1953 followed the denial to Puerto Rico of sales of its surplus sugar in the world market during one of those rare periods when world prices were above the United States price. Again, no criticism is intended of the Federal administrator for they no doubt wish to protect the American consumer during the active Korean war period when it seemed possible that the inflated world market price would draw surplus and reserve supplies away from us in our usual foreign sources of supply. In fact, Puerto Rico is proud of the fact that its reserve stocks were available in 1950–52 to the Federal administration as insurance reserves against depleted stocks. But it is hard to understand why they should have been prevented from selling abroad so long after the emergency was over and thereafter required to sell these insurance reserves at a price so much below what is now deemed fair for the mainland areas in a similar situation.

Puerto Rico is not envious of its sister producers in the mainland because of their good fortune in this respect. In fact, it takes satisfaction in that the exploratory efforts of the Department of Agriculture with Puerto Rican producers made at the beginning of the postwar renewal of crop restriction, has served to provide a means of more effective relief to mainland producers at a later period, when the troubles of crop restriction were faced by them in turn. For the exploratory efforts of 1952–53 were fraught with many obstacles to be overcome, both for administrators and producers.

However, in view of the foregoing, Puerto Rican producers find it all the more difficult to understand why the much belated action taken by the Congress in 1951 to increase their quota—not to become effective until 1953—should be used as an excuse to deprive the Commonwealth of equal treatment with the other domestic areas, in the small participation granted it in the House bill for the first 165,000 tons of possible increase in consumption.

I need not comment on the proposed amendment relating to the restriction on refined sugar, as I have covered the subject in previous statements. Let me illustrate, however, the inequity of the existing provision by an example.

Recently the USDA announced the conclusion of successful experiments in preparing sugar for use by various industries—confectionery especially—by a new process eliminating some of the present cost of refining. Should this experiment work out successfully, in a practical way, as the result of further effort on the part of the technicians of the Department, there would be rejoicing in the mainland cane areas for they would be permitted to transfer from the old operation to the new one. There is no limit on the amount of sugar that may be produced in refined form, or in any other form of direct-consumption sugar, in Louisiana or Florida.

In contrast, under the pending bill, such technical advance would be almost meaningless for Puerto Rico, limited as it is by the restriction on the quantity of sugar which it may market in finished form.

This is also true, of course, of Hawaii and the Virgin Islands. However, Hawaii has its cooperatively owned refinery at Crockett, Calif., which refines most of the Hawaiian crop, and the Virgin Islands has only one mill in a special situation. For Puerto Rico, this limitation is a real problem.

The first amendment merely seeks to restore to Puerto Rico the share granted to it by the House bill in the first 188,000 tons of increase in consumption above 8,350,000 tons. It was the purpose in both Houses to relieve the surplus-stock situation in the domestic areas suffering crop restriction. Puerto Rico, as already stated, is the domestic area where crop restriction has been most rigorously and continuously applied under sugar legislation since 1934. There is no just basis for omitting Puerto Rico from this minimal sharing of 10.6 percent.

Not only is the principle of participation involved here but it is also necessary to protect Puerto Rico against a most undesirable contingency.

One of the primary objectives of the act is to stabilize the price of sugar. The Secretary of Agriculture may not be able to increase his present consumption estimate of 8,350,000 tons by more than 100,000 tons, if he is to comply with the price objectives of the act. The following year, as in 1953, a reduction in consumption may take place or only a small increase. Under such conditions under the bill as reported by the committee, and without my amendment, Puerto Rico would receive no relief whatsoever for a number of years while the mainland areas could dispose of considerable quantities of surplus stocks in addition to the disposal of 100,000 tons of mainland surplus purchased by the Commodity Credit Corporation. The Senate should remember that not a pound has been purchased from Puerto Rico in this transaction.

Because I do not wish to delay Senate action on this bill, I do not propose in this amendment to deal with another difficulty for Puerto Rico, embodied in the pending bill, which does not apply to the House bill. In allotting increases in consumption above the first 188,000 tons, the mainland areas have a built-up base as a result of their having received the lion's share of the first increment of 188,000 tons of increased consumption.

Puerto Rico's base, on the other hand, is thereby reduced somewhat for sharing in future increases of consumption (beyond the first increase of 188,000 tons). I have been advised that the House bill sought to meet this difficulty by freezing the allotment system for 1957 and thereafter, to the 1956 base. This matter should certainly be adjusted in conference.

Mr. LONG. Mr. President, I have been designated by the acting majority leader to control the time in opposition to the amendment.

Mr. BENNETT. Mr. President——

Mr. LONG. How much time does the Senator from Utah desire?

Mr. BENNETT. I should like to have 10 minutes. I am sure I will not use it all.

Mr. LONG. I yield 10 minutes to the Senator from Utah.

Mr. BENNETT. First, let me inquire which of the Senator's two amendments is the pending question?

The PRESIDING OFFICER. It is the amendment designated "A."

Mr. BENNETT. Mr. President, I can understand the feeling of the distinguished Senator from New York with regard to this subject. I assure the Senator that this particular question was given full consideration by the Senate Committee on Finance. The decision as to the manner of allocation provided in the bill was made on the basis of what seemed to the committee to be the most equitable allocation for all concerned.

Moreover, the allocation provided in the bill as reported by the committee—and I emphasize this, Mr. President—is endorsed by the Association of Sugar Producers of Puerto Rico. The official representative of Puerto Rico before the committee endorsed the committee's program.

The amendment offered by the Senator from New York was supported before the committee by a gentleman who introduced himself as the honorary president and a member of the board of directors of the Puerto Rico Farm Bureau.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. LEHMAN. I should like to invite the Senator's attention to the fact that the Governor of Puerto Rico, an elected official, is strongly in favor of the amendment which I have offered.

Mr. BENNETT. The fact remains that the men who produce sugar in Puerto Rico support the committee's amendment. Let us make a comparison.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. CHAVEZ. Will the Senator tell me the name of the gentleman to whom he has referred?

Mr. BENNETT. His name is José Ramon Quinones.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. BENNETT. I am speaking on my own time now.

Mr. LEHMAN. I shall be glad to yield 3 minutes to the Senator for this purpose. I should like to ask him whether he is quoting the name of a man who sent a telegram to him.

Mr. BENNETT. No; I am not. The man appeared before the committee.

Mr. LEHMAN. What was his name?

Mr. BENNETT. José Ramon Quinones.

Mr. LEHMAN. It may interest the distinguished Senator to know that I have in my hand a radiogram reading as follows:

> Your statement in defense our growers has won our praise and we shall not forget it. With your invaluable help we shall succeed in obtaining recognition of equality among domestic sugar producing areas, as ascribable to all American citizens.
>
> JOSÉ RAMON QUINONES,
> *Honorary President, Puerto Rico Farm Bureau.*

Mr. LONG. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BENNETT. The bill provides that the first 165,000 tons of the domestic industries' share of increases in the American sugar market above 8,350,000 tons shall be divided on the basis of 51.5 percent to the domestic sugar-beet area, and 48.5 percent to the mainland cane area. The next 20,000 tons shall be allotted 100 percent to Puerto Rico, and the following 3,000 tons shall be allotted 100 percent to the Virgin Islands.

The amendment proposed by the distinguished Senator from New York [Mr. LEHMAN] would result in approximately the same tonnage as in the bill reported by the committee. The difference is that under the proposed amendment all four of the domestic areas named would share in the increase on a percentage basis from the first ton of increase, on up through the last of the 188,000 tons.

The committee had definite reasons for reserving the first 165,000 tons for the domestic beet and mainland cane areas. In the first place, this would partly offset the 170,000-ton increase made by Congress in 1951 in the fixed quota of Puerto Rico. The 1951 amendments to the act raised Puerto Rico's fixed quota from 910,000 to 1,080,000 tons, an increase of 170,000 tons; and it raised the fixed quota of the Virgin Islands from 6,000 to 12,000 tons, doubling it, or increasing it by 6,000 tons.

The other domestic areas, however, have had no increase at all in their fixed quotas since the 1948 act became effective. The 1951 amendments became effective in 1953. Therefore, Puerto Rico and the Virgin Islands are now in their fourth year of enjoying the benefits of those increases.

Puerto Rico has had 3 years to date at 170,000 tons a year, or the benefit of more than a half million tons, while the domestic areas have not been able to get a single pound.

Instead of being shunted into a secondary position, as the distinguished Senator from New York suggests, Puerto Rico in reality has had for 4 years a preferred position among the domestic areas. The alleged preference now proposed for the domestic beet and mainland cane areas really is not a preference at all, but merely permits these 2 areas partly to catch up with what Puerto Rico already has, and has had for 4 years.

It seems to me that the situation is very simple. I could continue the debate, and shall do so if the Senator from New York wishes to continue it. However, it seems to me that it is a very

simple proposition. Having given Puerto Rico 170,000 tons a year by way of a head start over any other domestic area back in 1951, effective January 1, 1953, it is only fair that the mainland domestic areas be given a chance to catch up to an amount approximately one-third as large as the amount Puerto Rico had before it begins to share again in our relative positions.

Mr. LEHMAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New York has 22 minutes remaining.

Mr. LEHMAN. I should like to say in reply to the distinguished Senator from Utah that a part of section 6 of the bill reads as follows:

(a) (1) For domestic sugar-producing areas by apportioning among such areas 4,444,000 short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar	1,800,000
Mainland cane sugar	500,000
Hawaii	1,052,000
Puerto Rico	1,080,000
Virgin Islands	12,000

(2) To the above total of 4,444,000 short tons, raw value, there shall be added an amount equal to 55 percent of the amount by which the Secretary's determination of requirements of consumers in the continental United States for the calendar year exceeds 8,350,000 short tons, raw value. Such additional amount shall be apportioned among and added to the quotas established under paragraph (1) of this subsection for such domestic sugar-producing areas, respectively, as follows: (A) The first 165,000 short tons, raw value, or any part thereof, by which quotas for the domestic areas are so increased shall be apportioned 51.5 percent to the domestic beet-sugar area and 48.5 percent to the mainland cane-sugar area; (B) the next 20,000 short tons, raw value, or any part thereof, by which such quotas are so increased shall be apportioned to Puerto Rico.

In the first place, Puerto Rico is a part of the United States. The residents of Puerto Rico are definitely citizens of the United States in the same manner that we are citizens of the United States.

All my amendment does is to provide that at least a part of the first 188,000-ton increase in domestic sugar consumption shall go to Puerto Rico in exactly the same manner as a part of it is allocated to the sugar industry in this country, whether raw or refined. That is all I am asking. It seems logical to make such a request. I am asking only that Puerto Rico get at least a part of the first additional amount which is made available by an increase in domestic consumption.

Mr. BENNETT. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I am glad to yield.

Mr. BENNETT. Would the Senator be willing to change his amendment to put Puerto Rico's base back to where it was when the bases of the other domestic areas were established, and add 20,000 to the 910,000 tons? Puerto Rico already has had 170,000 tons added to her base. I think the other domestic areas would be willing to leave her with that higher base.

Mr. LEHMAN. I ask the Senator, When did that happen?

Mr. BENNETT. In 1953.

Mr. LEHMAN. Since then, of course, provisions have been made for the cane sugar industry on the mainland, and for the beet sugar industry, but Puerto Rico has simply been shunted aside. It has no chance of getting any more. As I said before, it is left out in the cold. It has not a chance.

Mr. BENNETT. Was there anything added to the domestic cane and beet sugar base in 1951?

Mr. LEHMAN. I do not know.

Mr. BENNETT. There was not. The domestic cane and beet people had nothing added to their base since 1948.

Mr. LEHMAN. I am not asking for anything to be added to the base. I am asking only that from the first increase in sugar consumption in this country Puerto Rico receive some share. I am asking only that Puerto Rico receive some share of the increased consumption which will come about in the United States.

Mr. BENNETT. By 1962 Puerto Rico's increase will be more than 100,000 tons. So she is not being deprived of anything. Puerto Rico is simply being asked to step aside for a year until the domestic producers get about half of what Puerto Rico received in 1953.

Mr. President, I am ready to yield back my time if the Senator from New York has finished.

Mr. CHAVEZ. Mr. President, will the Senator from New York yield about 3 minutes to me?

Mr. LEHMAN. I shall be glad to do so.

Mr. CHAVEZ. Mr. President, I believe the Senator from New York is contributing something to the way of life in this country when he tries to be fair and just to our fellow citizens on the island of Puerto Rico.

As it is, notwithstanding the fact that the Senator from Utah is correct in his statement of the allotments, Puerto Rico is still handicapped. Congress has prevented Puerto Rico from refining more than a certain amount of sugar. The sugar which is grown in Puerto Rico is sent in a raw state to the North Atlantic States for refining, and there is where the profit is. Puerto Rico would not ask for any increase whatsoever if this country were only fair with that island. The citizens of Puerto Rico have been true blue. They have answered the call. They have over a hundred thousand veterans of the last two wars. The Senate knows how we treat those veterans. There is one hospital in Puerto Rico, with 200 beds, to take care of that great number of veterans. I feel that we should be fair. The greatest characteristic of Americans is to be fair.

I hope the Senate will agree to the amendment offered by the Senator from New York.

Mr. LONG. Mr. President, I yield myself 1 minute.

As the Senator from Utah has pointed out, in 1948 quotas were set up for all sugar-producing areas within the United States. Since that time there has been no part of the United States which has had any increase in its quota, except in the case of Puerto Rico and the Virgin Islands. Puerto Rico was permitted to have an increase of 170,000 tons in 1951. The Virgin Islands were permitted an increase of 6,000 tons in 1951.

All the bill provides is that the domestic producers shall have some relief from the huge surplus they have borne before Puerto Rico shall begin to share.

The PRESIDING OFFICER. The Senator from Utah has yielded back his time.

Mr. LEHMAN. Mr. President, I should like to make one statement.

The Senator from Louisiana [Mr. LONG] referred to the surplus in Puerto Rico. It existed long before any surpluses existed in this country. The people of Puerto Rico have been very hard pressed and their economy has very greatly suffered because they were prevented from shipping any more sugar than the amount allotted to them.

I am very glad indeed that my distinguished friend from New Mexico [Mr. CHAVEZ] mentioned the question of refined sugar. I think the following observations may be of some interest in that regard, and they show the sorry plight in which Puerto Rico now finds herself:

When the Sugar Act of 1934 was enacted, Puerto Rico was permitted to ship to the mainland, in the form of refined sugar, approximately 15 percent of its total quota. Today, and under the terms of the pending bill, Puerto Rico is permitted to ship only approximately 11 percent of its quota in the form of refined sugar. This has resulted from the failure to increase the refined quota for Puerto Rico as the total raw sugar quota has been increased. This is an injustice and it has prevented any expansion in the refining industry of Puerto Rico and an equitable share in the expanding economy of the Nation as a whole.

The people of Puerto Rico are fellow citizens. They deserve to be treated on an equitable basis.

I hope the Senate will agree to my amendment.

Mr. CHAVEZ. Mr. President, will the Senator from New York yield further?

Mr. LEHMAN. I yield.

Mr. CHAVEZ. Is it not a fact that the economy of Puerto Rico is based almost altogether on sugar?

Mr. LEHMAN. That is correct.

Mr. CHAVEZ. Is it not a fact that with the dollars they receive for their sugar they buy 90 percent of all their food within the United States?

Mr. LEHMAN. So far as I know, that is correct.

Mr. CHAVEZ. They buy rice and all other foodstuffs, with very few exceptions—possibly a few pineapples and wild potatoes—from the United States. The only thing they produce is sugar. They buy everything else from New York, Miami, Charleston, Atlanta, and New Orleans.

Mr. LEHMAN. I am sure the Senator from New Mexico is correct.

I wish to point out, also, Mr. President, that poverty is so great in Puerto

Rico that it is necessary for a large number of Puerto Rico-Americans to emigrate to this country and, to some extent, to other countries. Of course, the larger number of them come to this country. Sugar is their main product, as has been pointed out. Even if we give them an opportunity to sell at reasonable prices an increased share of their sugar production, Puerto Rico would still have a large surplus. I believe that my amendment would help unemployment and help the economic situation in Puerto Rico to the point where fewer persons would feel impelled to emigrate from Puerto Rico to the mainland of this country.

Mr. BENNETT. Mr. President, will the Senator from Louisiana yield to me 1 more minute?

Mr. LONG. I yield 1 minute to the Senator from Utah.

Mr. BENNETT. I should like to place this additional fact in the RECORD, that the 170,000 tons added to the base of Puerto Rico in 1953 was an increase of 18.6 percent. The 165,000 tons which we are asking to be added to the beet and cane sugar producing areas on the mainland before Puerto Rico begins to share is 7.2 percent. So that the increase for Puerto Rico is already more than two and a half times the increase for the domestic area.

Mr. LEHMAN. Am I to understand that the percentages which the Senator gave were percentages only on the increase in consumption?

Mr. BENNETT. That is correct.

Mr. LEHMAN. Of course, an increase in consumption would also be reflected in the amount which was allocated to the cane sugar and beet sugar industry. Now, they are getting the whole 55 percent.

Mr. BENNETT. They have had no increase.

Mr. LEHMAN. They are getting the whole 55 percent of the increase in consumption, while poor little Puerto Rico is not getting anything.

Mr. BENNETT. Poor little Puerto Rico has had a half a million tons, while the American industry has not had a pound. I think Puerto Rico could wait a year and give us a chance to catch up one-third of the distance we have gone.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BENNETT. I am willing to vote.

Mr. LEHMAN. Unless some other Senator wishes to question me, I am willing to surrender the remainder of my time.

Mr. LONG. The opposition yields back the remainder of its time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. LEHMAN.]

The amendment was rejected.

Mr. FULBRIGHT. Mr. President, I call up my amendment "2-7-56-A."

The PRESIDING OFFICER. Does the Senator wish to have his amendment read?

Mr. FULBRIGHT. No. I referred to it yesterday in my remarks.

The PRESIDING OFFICER. The amendment will be printed at this point in the RECORD.

The amendment offered by Mr. FULBRIGHT is as follows:

On page 15, strike out lines 21 to 24, inclusive, and insert in lieu thereof the following:

"SEC. 5. Section 201 of such act is amended to read as follows:

" 'SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States: Such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first 10 days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration a return to domestic cane and beet sugar producers (including payments under title III of this act) reflecting 90 percent of the parity price therefor, as determined under section 301 (a) of the Agricultural Adjustment Act of 1938, as amended'."

On page 23, after line 21, insert the following new section:

"SEC. —. Section 304 of such act is amended by adding at the end thereof the following new subsection:

" '(e) In no event shall payments be made to any producer which will provide a total return to the producer in excess of the amount of return considered by the Secretary of Agriculture in making his determination under section 201 (a)'."

Mr. FULBRIGHT. Senators will recognize very easily that the amendment merely provides that the support price for sugar shall be the same as the support price on the basic commodities, namely, 90 percent of parity.

It struck me, in view of the attitude of many of the Members of the Senate who are not even for the 90 percent support program, but who are for flexible supports, that a guarantee of a 90 percent support for sugar would be sufficient. To me it is unusual, at least, that sugar and wool, the only two commodities which are very important in the State of Utah, and in a few other States in the West, should have a support of more than 90 percent, or that they should even expect more than 90 percent.

The amendment merely provides that sugar shall be supported at 90 percent of parity, instead of approximately 113 percent, as I think is provided in the bill. At least in 1947 sugar was supported at 113 percent of parity. The bill undertakes to tie the prices which the Secretary is requested to achieve in the operation of the bill to the 1947 level. So, while 113 percent is not a precise amount established in the bill, it would be the objective whenever the Secretary contemplates setting a quota for the importation of sugar. That is, he must take the 1947 price level into consideration.

I submit that, in all fairness, the growers of sugar should be content with 90 percent of parity, as are the producers of cotton, wheat, rice, and peanuts. I can see no reason why the sugar growers should receive any more than the producers of our basic commodities. I urge the Senate to adopt the amendment.

Mr. LONG. Mr. President, the Sugar Act is not operative and never has been on the same basis applied in the case of the ordinary support program. In the first place, there is no price support provided by the Sugar Act. The Secretary of Agriculture does not have the responsibility of buying any sugar at 90 percent of parity or at any other relationship to parity.

The formula developed by the Sugar Act some years ago was the basis of allotment to the domestic market. If the sugar producers produce more than their domestic allotment, they are simply forbidden by law to market the excess, and it is their responsibility to finance the carryover of their surpluses. If they cannot find a market for them, that is their problem; it is not the responsibility of the Secretary of Agriculture.

Mr. FULBRIGHT. Is it not true that when a surplus accumulated last year, the sugar growers came in and had special action taken by the Secretary of Agriculture to take 100,000 tons of the surplus off their hands?

Mr. LONG. My latest information is that as of today there are stocks of more than 300,000 tons of cane sugar. On January 1 stocks were 379,000 tons. The annual quota of cane sugar is 500,000 tons. It will take several years to work off this surplus.

Sometimes they have received much less than parity, when other producers were receiving much more than parity. It happens that at the moment they are receiving something in excess of 90 percent of parity, which has not always been the case.

Certainly I hope that all farmers will receive at least 100 percent of parity. It seems to me it is fair to ask for it. Merely because the farm program with regard to wheat, cotton, and various other commodities as of this moment causes those commodities to sell for less than 90 percent of parity is no reason why the producers of cane or beet sugar should be victimized. Those producers have accepted their fair acreage limitations.

The cane producers have had a cutback of one-third in the acreage which they are permitted to plant. They are the only major producers of commodities in this country who are denied the major share of the domestic market. More than half of the market is guaranteed to foreign producers and I am including Puerto Rico and Hawaii as domestic

producers of course. That makes it possible for the producers of farm commodities here to have a better market overseas. Perhaps sugarcane would lead the list of commodities which could be produced here; yet we permit other nations to have a larger share of the sugar market.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ELLENDER. Is it not also true that in the Sugar Act there is a provision whereby the administrator of the act can state how much labor shall be paid in the sugar industry?

Mr. LONG. That is true. The Secretary of Agriculture is responsible for fixing the wage rates that producers must pay. That is one of the many problems most producers have. Much as some persons would like to see sugar produced at the same price at which it is produced in other countries, the fact is that the American producers are required to pay wages established by the Secretary of Agriculture, while the producers in some other countries can get by with a payment of a far lower rate.

Mr. FULBRIGHT. Mr. President, I yield myself whatever time may be necessary to make my statement.

I wish to say first, with regard to the last amendment, for which I voted, that I was on the horns of a dilemma. I favor increasing the quota for the other South American countries, but I do not favor increasing it at the expense of Cuba. But that particular amendment was one of the cases in which one is for one part of the proposal and not for the other part; and one has to take his choice.

I would not favor and do not favor decreasing the allotment to Cuba, but I think the industry in this country could well share the market a little more generously with some of our South American countries.

Returning to the amendment which is now being considered, the Senator from Louisiana says his producers are restricted, and that only a certain percentage of the domestic market is permitted to the cane producers. Of course, that situation arises only because of the embargo on imports which enables the producer to have the share he now has. If there were no tariffs and no embargoes, as in the case of cotton, the Senator knows that there would not be nearly so much domestic sugar production as there now is. To say this is unique because one is restricted in the amount he can grow, to say that as if it were comparable with any other commodity produced in this country, is completely misleading.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. Certainly.

Mr. LONG. I am as much interested in cotton as is the Senator from Arkansas. Can the Senator tell me what percentage of the American market for cotton the foreign producers have?

Mr. FULBRIGHT. Of the domestic market?

Mr. LONG. Yes.

Mr. FULBRIGHT. A very small amount of Egyptian cotton comes into this country, but that is because it is competitive; it is not because the Egyptian cotton has a siphon into the Public Treasury, as sugar does. There is no embargo; neither is there a quota nor a tariff. Egyptian cotton comes into the United States simply because the domestic producers have not been able to produce long-staple cotton in competition with the Egyptian cotton.

Mr. LONG. With all deference to the Senator, I question whether foreign producers have 40 percent of the market for cotton. If they were taking the rest of it, the Senator would be taking the same position.

Mr. FULBRIGHT. The two commodities are not comparable but are completely dissimilar. I object to a comparison between them. There is nothing at all comparable between sugar and cotton. The Senator himself has advanced that argument into the circumstances, when he has sought to justify this particular bill.

The only point I make in connection with this amendment is—and I do not wish to delay the Senate unduly—that when everything is said and done, when the prices are arrived at by artificial means, by quotas, and by excise taxes, and then the compliance payments are added, it seems to me that the sugar producer is not entitled, in all fairness, to more than 90 percent of parity. This is similar to what is paid for the production of other basic agricultural commodities under the most favorable support program. One of the objections I have to the pending bill, and also to the wool program, is that these particular commodities are given special and favored treatment. Such action weakens the overall position of agriculture. One of the reasons why agriculture today is so completely out of balance with the rest of the economy is that the forces of agriculture, the people who should be working together to help agriculture, are divided. A small segment of agriculture becomes satisfied because a wool bill has been passed, which gives wool growers 105 percent of parity, so they do not care what happens to other agricultural producers. The same is true of sugar. We treat them so well that sugar producers are likely not to care what happens to wheat, cotton, or corn growers. So when we get through, all the agricultural forces are scattered and weakened. It is significant to note that for the last 4 years the income of agriculture as a whole has declined abruptly and disastrously, whereas all the rest of our economy has expanded and is flourishing.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. WATKINS. I notice that the Senator has talked about basic crops as compared with sugar, and the very fine position of sugar prices as compared with basic crop prices. I wonder if the Senator has ever thought of the fact that there are literally millions of farmers in other fields who do not get any price supports whatsoever. Fruit growers, vegetable growers, and other perishable crop growers do not get any help whatsoever. There are no price supports for them. If the Senator wants to be consistent, he ought to make a fight for all the fruit growers and the other perishable crop growers, and not fight only for rice and cotton growers.

Mr. FULBRIGHT. One of the great obstacles to prosperity for fruit growers is the high price of sugar.

Mr. WATKINS. It is not the high price of sugar that is stopping the fruit growers. It is the high cost of processing fruit and shipping it. The cost of processing and shipping has gone up so high that if we were to give the fruit to people, they could not afford to pay the cost of having the fruit processed. It is processing costs that are ruining the fruit growers of the country.

Mr. FULBRIGHT. I know that fruit growers have had a very difficult time. One of the reasons why we have not been able to help fruit growers is that no one has been able to suggest a practical method to do it. During World War II, we tried to work out a program with respect to semiperishables like potatoes, and it proved to be disastrous. Its failure brought discredit to the whole agriculture program. I wish we could do something to enable fruit growers at least to stay in business, because there is no one who appreciates the peaches and cherries that grow in Utah more than I do.

Mr. WATKINS. We have made such heavy investments in orchards that we cannot afford to abandon them. Growers of wheat, tobacco, rice, peanuts, and other basic crops can go out of business in a hurry. They can change their crops. Fruit growers cannot do it.

I hear all these pleas for growers of basic crops and arguments against what is being done about sugar producers. It makes me wonder whether there is any consistency in the statements. The price of sugar is not high as compared with the price of many other commodities. We have no difficulty on that score. Fruit growers could sell their products if the cost of sugar were the only item involved, but salaries and wages, shipping costs, processing costs, the cost of baskets and boxes, and everything else used in the processing of fruit have gone so high that people cannot afford to buy fruit, even if we were to sell them fruit at half what it costs to produce it.

Mr. FULBRIGHT. I do not quite follow the Senator. All I am saying is that producers of sugar should have equal treatment with that given to producers of other basic commodities. I do not know why they should be given extra special treatment, in view of the great dividends they receive. I read those into the RECORD yesterday, and I shall not repeat them.

Mr. WATKINS. I have not said much in the debate, but I want to make it clear that, for instance, in our State, we had one of the pioneer sugar producers. Equipment was brought from France to set up one of the early sugar mills.

I should like to see our country in a position where it would be more or less independent of the production of other countries, so that in times of emergency there would be enough production in this country to meet our needs. Sugar producers should be encouraged to the point

where in times of emergency it would not make any difference whether our sources of supply were cut off. We must encourage sugar and wool producers in order that we may have some degree of independence. It is not a surplus crop in this country. We all know that. We want to share our market with other countries and at the same time help our own people.

There has been a reduction in acreage in my own State. It is true that there has been increased production per acre, but we ought to have a balanced agriculture there, instead of having farmers turn to wheat when they no longer can produce sugar. They ought to have increased acreage allotments in proportion to their fair share of the American market, so that their allotments will increase over the years. That is the kind of help we ought to give to the industry. Sugar is not produced in surplus. We ought to encourage it. We ought to make ourselves more independent than we are at the present time. In my book, that is a good national policy.

Mr. FULBRIGHT. The Senator is entitled to his view. I think one of the greatest obstacles we will have to overcome in the next several years is lack of sufficient trade with the free world. If we were to follow the Senator's view, we would trade even less.

The Senator well knows that when we foster this largely uneconomical industry, we are sacrificing other agricultural industries in its behalf. I have already gone over what that policy has done to the rice industry in my State. I do not wish to bore the Senate with a repetition of it. However, it is very clear that in pursuing the policy we have followed with regard to sugar, we have already created enormous surpluses of rice which we used to sell to Cuba. The figures were placed in the RECORD yesterday. I shall not bother to go into them again. I have spoken 4 or 5 times on the matter already. But in this case we are artificially building up an industry which was not in existence, particularly western beet sugar, and the effect is to cut off the normal, natural markets of other agricultural commodities. That is another reason why I think the bill should go to the Committee on Agriculture and Forestry, where the staff, which is expert in the field of agriculture, could study it, along with Senators who understand it a lot more.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. FREAR. I merely wanted to know if the Senator preferred rice to sugar.

Mr. FULBRIGHT. We do not get much sugar. We cannot afford to buy it, because the price is so high.

Mr. President, I believe that is all I have to say.

Mr. HOLLAND. Mr. President——

Mr. LONG. Mr. President, how much time does the Senator from Florida desire?

Mr. HOLLAND. I should like to have 10 minutes.

Mr. LONG. I yield 10 minutes to the Senator from Florida.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Florida is recognized for 10 minutes.

Mr. HOLLAND. Mr. President, if I may have the attention of the distinguished Senator from Arkansas, I rise to oppose the amendment of the distinguished Senator from Arkansas, because it seems to me that the Senator has not glimpsed the real essence of this situation in any way at all.

By means of his amendment he proposes to place sugar in the same classification in the general price support bill with commodities which receive now, or have received in the recent past, 90 percent of parity, and are classed as basic commodities, but all of which are in heavy surplus. That bill is restricted in its operation to commodities which are in surplus.

The pending measure has to do with one of the two great commodities which, in the Untied States, not only are not in surplus but are in deficit to a very large extent.

Mr. President, I wish all Members of the Senate might have heard the statement made on yesterday by the former Secretary of Agriculture who served during World War II, the present junior Senator from New Mexico [Mr. ANDERSON]. I believe he stated that sugar was of such strategic necessity during the war, and that there was so great an outcry for sugar, not only from commercial firms making candy, bottling drinks, and the like but also from housewives all over the Nation, who wished to have sugar in order to put up preserves, jellies, fruits, and vegetables, that he was put to the necessity of negotiating with Cuba for much more sugar than we had been able to obtain up to that time. As I recall, the distinguished Senator from New Mexico, the former Secretary of Agriculture, said he went virtually on his hands and knees to Cuba for sugar because it was of such strategic necessity to our people during those war times.

Mr. President, the sugar produced in the United States supplies only a small part of our market, and would supply a smaller part of our market during a war or other great emergency. Therefore, this system of special support for sugar, through the levying of a processing tax, was evolved away back under the Jones-Costigan act.

Mr. President, it is completely idle to compare the situation existing with respect to basic storable crops which are dealt with under the general price-support legislation, and for which the highest price support has been 90 percent, with the situation existing with respect to sugar or the situation existing with respect to wool. All of us know that in the case of wool, at the very time when we as a Congress were reducing the general price-support structure, and were writing a flexible price-support structure as to some commodities, and directly reducing the support rate as to other commodities, and when we were proceeding in other ways to make more conservative, and less generous, the price-support structure, in 1954, we wrote into that very measure a special provision in the case of wool, because we recognized wool as a strategic commodity. As I recall, in order that that particular strategic commodity might be more extensively produced in the United States, we allowed a price support of 110 percent as the maximum price-support applicable to that necessitous commodity.

In the case of sugar, there has been no such price support as 110 percent. The figures for the last few years show that, on the average, the price support for sugar has, under the present act, been between 90 and 93 percent.

Mr. President, it appears very clearly that this measure had been coupled with a reduction of tariff taxation, so as not to increase the price to consumers. Likewise it appears that the price to the consumers has remained stable, and that the price has not increased anything like the general level of increase which has occurred in the case of food commodities other than sugar.

On yesterday, a question was raised by the distinguished Senator from Arkansas [Mr. FULBRIGHT] as to why this measure went to the Finance Committee. It did so because it began in the Finance Committee, primarily as a tariff-reduction measure, as well as one providing a price-support structure for domestic producers; and the bill had to be reported from that committee.

Senators will recall that when the first law on this subject was passed, a tariff or tax of 2 cents a pound was imposed on sugar imported into the United States. The Jones-Costigan Act reduced the tariff to 1½ cents a pound, and at the same time placed a processing tax of one-half cent a pound on sugar produced in the United States.

Mr. President, we have the direct word or statement at that time of the Secretary of Agriculture then serving and of the President of the United States then serving, that that act did not bring about an increase in the price of sugar to consumers throughout the United States. It is unnecessary for me to repeat those statements or to quote from them, for they are already in the record in this instance.

Measures on this subject have continued to be considered by the Finance Committee, because such measures have continuously been coupled with reciprocal trade and with tariff-reduction measures; and the record regarding the several acts will show that while the tax of 50 cents per hundredweight continued to be imposed on sugar as a processing tax, the import tax or tariff on sugar was reduced, as I have already said, in the first instance from 2 cents to 1½ cents, and subsequently to the present level of one-half a cent a pound. Except for the tariff, sugar imported into the United States from Cuba sells for identically the same price as that received for sugar produced in the United States.

Mr. President, it is completely idle to liken the program for sugar to the regular 90 percent price-support program which heretofore has been applied to some basic commodities, and is still being afforded to one basic commodity, namely, tobacco, and such protection is being afforded to some nonbasic commodities because in the case of those nonbasic commodities the producers

have worked together and with our Government, and have not greatly increased production.

For instance, only yesterday the Secretary of Agriculture announced for the third consecutive year a 90 percent price support for naval stores, doing so on the ground that the naval stores industry had disciplined itself, and had not continued to produce surpluses, but, instead, had kept its production in line with demand during the last several years.

Mr. President, for a moment let us consider some of the other matters to which the Senator from Arkansas adverted yesterday.

First, in regard to conditional payments by the Government and the list of those who received in excess of $100,000 in such payments, which was placed in the RECORD by the Senator from Arkansas, I wish to call attention to the fact that the payment to the producers varies from 80 cents per hundredweight of raw sugar, in the case of the small producers who produce not more than 350 tons, down to 30 cents per hundredweight in the case of the really large producers of sugar. Mr. President, what could be more protective of the rights of the small producers of the Nation, than that provision? In all the price-support legislation of the United States, I know of no comparable provision which so clearly operates in the protection of the small producers, as does this provision in this sugar measure.

Mr. President, the list of some 38 producers whose names were placed in the RECORD, will be found on page 2215 of the RECORD for yesterday. In 1954 each of those producers received more than $100,000 in conditional payments. I may say that there are 39 instead of 38 listed as having received $100,000 or more, but there are only 38 as to which the amount of tax paid and the other facts required to be furnished in that compilation appear. So there are really only 38 producers in that list whose figures are shown with respect to what they received and also with respect to the taxes they paid, and the profit they made.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, may I have 5 minutes additional?

Mr. LONG. I yield 5 additional minutes to the Senator from Florida.

Mr. HOLLAND. I hope Senators will look at the list on page 2215 of the RECORD of yesterday. They will find that exactly half of those producers, or 19 out of 38, would have been operating in the red if they had not been receiving some compliance payments. In other words, the compliance payment in the case of half those producers was greater than the total profit made. Certainly that ought to be a rather clear illustration of the fact that, without compliance payments, this industry would not be able to exist in this country.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question on that point?

Mr. HOLLAND. I shall be glad to yield when I conclude my statement.

Mr. FULBRIGHT. I am glad to yield 1 minute of my time to the Senator from Florida.

Mr. HOLLAND. I yield.

Mr. FULBRIGHT. Is it not true that, according to the table, there is only one company within the United States which shows a loss, namely, the Okeelanta Sugar Refinery, Inc.?

Mr. HOLLAND. The Senator is correct. There are two Florida companies shown, one of which is shown as operating at a loss, and the other of which is shown as operating at a profit.

Mr. FULBRIGHT. Is it not a fact that the Okeelanta Sugar Refinery, Inc., is the only mainland refining company which does not publish financial reports?

Mr. HOLLAND. I am unable to say.

Mr. FULBRIGHT. That was the information brought to me by our staff. I understand that that company does not publish reports. Therefore we cannot tell accurately what its situation is. It reported a loss without the compliance payments.

Mr. HOLLAND. For the information of the Senator, the Okeelanta Sugar Refinery, Inc., went through bankruptcy 3 or 4 years ago, and is now trying to get on its feet. It has demonstrated rather conclusively that the sugar business is an uncertain, indefinite, unsatisfactory business, and that certainly the compliance payments are required. In this case, for this year, the Okeelanta Sugar Refining Co., Inc., was still operating in the red.

I invite attention to the fact that all 38 of these producers are producers of cane sugar. I remember that yesterday the Senator from Arkansas stated, on page 2205 of the RECORD, that beet sugar was uneconomical, unnatural, and, in fact, had no right to continue to exist as an industry in this country. However, he was gracious enough to say:

> By and large, I think the cane-sugar industry in this country is quite similar to that in Cuba.

I invite the attention of the Senator from Arkansas and of other Senators to the fact that the 38 largest producers of cane sugar in this country show the following record: 19 of them would have been operating in the red in the prosperous year for sugar of 1954 if it had not been for the compliance payments.

Let me say something about the United States Sugar Corp., inasmuch as it was held up as being one which was profiting too greatly. The Senator from Arkansas does not know it, but I want him to know, and I want the RECORD to show, that the second year before the passage of the Jones-Costigan Act that organization went through bankruptcy.

I want the Senator to know that in 4 different years since the passage of the Jones-Costigan Act that company has been in dire straits, due in 2 instances, to floods, and in 2 other instances to freezes.

So the existence of this act, and of some price support under it, has been a life-and-death matter to even the best operators in the sugar industry. I think I am justified in saying that the United States Sugar Corp. is shown by this list to be one of the best organized and best operated companies in the business.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LONG. Does the Senator know that among the corporations pointed out by the Senator from Arkansas as making too much profit and not being deserving of a subsidy was a corporation under whose land oil had been discovered? Therefore the oil royalties account for half the revenues of the corporation. If it did not have the oil royalties, I suppose the corporation would be expected to close down and stop completely the production of sugar.

That corporation also operates a sugar refinery, and it is entitled to make a profit on its refinery, quite apart from the question of whether or not it should be engaged in the production of sugar.

Mr. HOLLAND. I understood that to be the situation.

Mr. LONG. That is the situation with reference to Southdown Sugar, Inc.

Mr. HOLLAND. The Senator is correct.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield me 5 additional minutes?

Mr. LONG. Mr. President, I yield the Senator from Florida an additional 5 minutes.

Mr. HOLLAND. In the case of the United States Sugar Corp., again the production of sugar is not the only business in which it is engaged. It is one of the largest cattle producers in our part of the country. The latest available figures show that its gross production of cattle—and the figures shown in the record are gross—was about $1½ million.

Oil was also a factor entering into the revenue of the United States Sugar Corp.—not the actuality of oil, but the hope of oil. In connection with a large part of its acreage there were leases and production and exploration contracts, which accounted for a sizable part of its revenue.

It seems to me that we have a very clear picture of the fact that the sugar industry cannot operate without this special kind of support. The support has been carefully calculated so as not to cost the consumers additional money, but, on the contrary, to keep down prices. For example, we saw that in World War I, the price of sugar went up above 15 cents a pound, when there was no such structure as this.

Mr. President, I wish Senators to get the picture with reference to the United States Sugar Corp. It is the largest mainland producing company. It is a good citizen of our State. In drainage districts—and there are many drainage districts in our State—where the United States Sugar Corp. has property, frequently small producers are not able to pay their very heavy drainage tax. The United States Sugar Corp. has a fixed policy of advancing such taxes so that the bonds will not go in default. While

repayment has been made in some instances, there are many instances in which the company has not been repaid.

Also, I learned from some of the small growers that during the recent freezes in Florida in December the United States Sugar Corp. had pooled its frozen acreage with the frozen acreage of the independent producers and had transferred all its harvesting equipment over into the area which had been frozen and is operating, on a share-and-share-alike basis, in cooperation with the independent growers in that area.

There are many other things which show that that organization was and is a good neighbor and a good citizen. However, I shall not discuss that situation further.

One further comment with reference to the United States Sugar Corp., and I will conclude my remarks on the proposed amendment. If anyone thinks this has been a bonanza to that corporation, a close look at the facts will, I am sure, convince him that such is not the case.

In 1953 the United States Sugar Corp. had 28,415 acres of sugar. It has been cut down yearly since that date until this year, 1956, it has been allotted 19,760 acres. It has had cut out 8,655 acres, or a reduction of 33 percent.

This is no easy business to keep going, but it has been found, under the Jones-Costigan Act and succeeding acts, that it is an important business, and that it should be continued. It is of extreme importance that we have a continuation of domestic production in this Nation to free us from such situations as the one so vividly described by the former Secretary of Agriculture, the distinguished Senator from New Mexico [Mr. ANDERSON] in his statement of yesterday.

Mr. President, I hope the amendment will not be adopted. I regret the necessity for taking this much time. However, it seems to me that in this field we are completely justified in asking for an extension and revision of the present program, recognizing that life under it has not been easy, and recognizing that in both beet sugar producers and cane sugar producers we have industries which are great assets to our Nation and which need to be preserved and allowed to live in prosperous conditions.

I hope the Senate will reject the amendment of the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 17 minutes remaining.

Mr. FULBRIGHT. Mr. President, first, with regard to the referral of the bill to the Committee on Finance, if my memory serves me correctly, the distinguished Senator from Michigan, Mr. Vandenberg, in the 80th Congress, referred the sugar bill to the Committee on Agriculture and Forestry, where it should have gone. However, the Senate overruled him. It overruled him because of the outstanding strength of a group of Senators who were interested in sugar, especially because the distinguished Senator from Colorado [Mr. MILLIKIN] was chairman of that committee. Therefore it is quite obvious that there is no sacredness about the jurisdiction of the Committee on Finance over the bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. It is contrary to commonsense. We do not have to go further than that. It is essentially an agricultural matter. Certainly the Committee on Agriculture and Forestry has a better claim to such a bill than the Committee on Finance.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I shall be very glad to yield. However, as I say, we just differ about it, the Senator and I. The Senator from Florida certainly does not deny, does he, that the bill was referred by Senator Vandenberg, and that the Senator was overruled in that regard?

Mr. HOLLAND. I recall that incident well. I remember when the precedents were adduced, they showed that the bill had always been referred to the Committee on Finance, and the distinguished Presiding Officer of the Senate was overruled by the Senate because of the precedents in the case.

Mr. FULBRIGHT. I do not wish to argue the point any more. The Senator also well knows that in the House of Representatives the bill does go to the Committee on Agriculture and Forestry. The situation is perfectly ridiculous, Mr. President. The reason for it is that a custom has grown up in the Senate, under which such a bill has never been sent to the Committee on Agriculture and Forestry for study. In fact, the proponents of such a bill seem even to resent having the bill discussed on the floor. Last year they desired to pass it during the last few hours of the session, without debate. It ran afoul of a parliamentary difficulty.

The bill certainly should have been referred to the Committee on Agriculture and Forestry. It should have been treated in the same way that bills dealing with other segments of agriculture are dealt with. Sugar should receive justice, not preferential treatment. That is all my amendment would do. There is no reason why we should select a small group of enormously rich corporations and a scattering of small farmers and give them this kind of preferential treatment.

The Senator from Florida [Mr. HOLLAND] has strengthened my argument that this is an uneconomic industry. I did not realize, until his very enlightening speech drew our attention to it, that 19 companies would go broke if they did not have this handout. That clearly demonstrates the fact that without this artificial stimulus, those companies would fail. It is a clear demonstration that the industry should not be sustained. That is the whole trouble with the Senator's argument.

He talks about sugar being a strategic crop and about how necessary it is in time of war. I submit that it is obvious that it is much easier to get sugar from Cuba than from Hawaii. It is not one-third as far away. The sugar would come through Florida, and it would be beneficial to the Senator's own great port of Miami. I draw attention to page 2214 of the CONGRESSIONAL RECORD, which lists the very large and rich corporations, which have been drawing up to $2 million in direct payments. One of the reasons we had to get the sugar in enormous quantities from Cuba during World War II was that we could not get sugar in sufficient quantities from Hawaii and the Philippines. That strategic argument does not hold water at all. The truth of the matter is that we are now spending enormous sums of money to keep alive a large industry in Hawaii, far from our shores, and at the same time we are punishing the local domestic industries, such as the producers of rice and wheat. Cuba buys both products in large quantities, as do other Latin American countries. That applies also to all kinds of machinery which is manufactured in the great State of Wisconsin and in other States. There is no question that every one of the Latin American countries, especially Cuba and Mexico and Peru, are our best customers. They take 90 cents out of every dollar they get, and with that money buy something else in the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. Is the Senator from Arkansas arguing that we should liquidate not only the sugar industry of Hawaii, but all the attendant activities and employment of American citizens who are in the Territory of Hawaii, which I, at least, hope will eventually become a State, and liquidate the tremendous amount of agricultural labor and the labor in industry, both of which are dependent upon the beet sugar industry and the cane sugar industry in this country?

Mr. FULBRIGHT. The Senator from California could logically pursue his argument by saying that we ought to start a coffee industry in this country. Of course, we could also build hothouses and grow bananas. We could give employment in those industries, too. If we gave such industry enough of a handout, they, too, would survive.

Mr. KNOWLAND. I am sure the Senator is not serious.

Mr. FULBRIGHT. Well, that is the logical conclusion of the Senator's argument. I am not arguing that we should liquidate any industry. I simply argue that there is no sense in taking an industry which is poorly suited to our climate and our soil and giving it this kind of treatment in order to have it survive.

Nineteen of the corporations mentioned by the Senator from Florida would be in the red, or would be liquidated, if we did not give them artificial stimulus through direct payments, quotas, and tariff relief.

Mr. KNOWLAND. I am sure the Senator is familiar with the fact that if we had no domestic sugar industry and no domestic agriculture in this country and in Hawaii, the time would come when this country would have to pay through the nose under a situation similar to that which obtained with regard to rubber, when, during wartime other countries

were able to get rubber at their own price and Americans had to pay a high price.

Mr. FULBRIGHT. The Senator was not in the Chamber when the Senator from New Mexico [Mr. ANDERSON] made his statement. Incidentally, he is in favor of the bill, but he said very clearly from his own experience that that was not so. He said that Cuba sold us enormous quantities of sugar at well below the world market price because of her regard for our country and because of her friendship. He said that both yesterday and today. What the Senator from California is saying is just not so. Cuba has cooperated and kept the price down in time of need. I do not wish to repeat all that has been said on that subject.

In this bill we are beginning to cut Cuba's throat. Of course, if we continue to do it, we will have to grow our own sugar. Unfortunately, if we continue this kind of policy, no country in the free world will be able to trade with us. We will isolate ourselves from all the friendly countries of the world. Apparently we are determined to become completely self-sufficient and not trade with anyone else. What has happened in Burma and Egypt with regard to Russia will inevitably happen in the other half of our own hemisphere. It is certainly very bad for our foreign relations to go along that route. Besides, it is bad economics. With regard to liquidating an industry, it is true that some sugar corporations may have to go out of business.

By the same token, if we purchase sugar from these other nations, they will purchase more of our products. The figures which I placed in the RECORD show a very close relationship to the selling of other agricultural commodities. That is why we should look not merely at sugar. We should see what has happened to other fields of agriculture.

For example, from the State of the Senator from North Dakota [Mr. YOUNG], wheat is sold to Central America. If we exclude their sugar in order to help growers in Utah and California, we foreclose the wheat growers in North Dakota from selling wheat to Cuba.

Mr. YOUNG. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. YOUNG. Does the Senator contend that wheat farmers in the United States can compete on an equal basis with cheaper labor in Canada, or that cattle growers can compete on an equal basis with cattle growers in South America? If such a thing were attempted, we would have practically no agriculture in this country.

Mr. FULBRIGHT. As a realistic matter, I do not say that we could immediately and suddenly abolish all our tariffs. However, I do not accept the Senator's basic thesis that this country is so inefficient or stupid that it cannot compete with any other country and that everything we produce must be protected.

I think, in a transitional period, we must protect infant industries, in order that they can become efficient producers. Of course, some protection is needed in that case. But I think, among the nations of the free world, it is important that we do some trading and that we should not go out of our way to create an industry for which we are poorly suited by climate and soil. I have no doubt that in Louisiana and Florida, if we wanted to spend the necessary money, we could grow all the bananas we need at probably twice the price we now have to pay for that product. It is the same way with sugar.

The trouble is that we are helping only 60,000 people who are engaged in the sugar industry and are, at the same time, injuring in an uncalculable way many more people interested in other industries. When we begin to interfere with the natural productivity of a country, it usually has that effect.

Let me say to the Senator from California [Mr. KNOWLAND] that I think experience will show that when we increase trade in other commodities it offsets whatever liquidation takes place in sugar production. That is the whole thesis of expanded trade. That is the whole idea of trade, not aid. But here is a complete contradiction of the idea of trade, not aid. If we are going to cut off all trade, we will become completely isolated economically and eventually politically.

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Yesterday the Senator made the statement that the beet-sugar industry is uneconomic and unnatural, and he made the claim that we should not produce any sugar domestically because we can get sugar which is produced abroad at a lesser figure. Is it not true, then, that we should shut down on the production of oil and purchase all our oil in the Near East where it can be produced at one-fifth of what it can be produced for in this country? Should not the oil industry be placed in the same category with sugar?

Mr. FULBRIGHT. Are we giving aid to the oil industry comparable to that given to the sugar industry?

Mr. DWORSHAK. The Senator is in a better position to answer that question than I am, knowing that the oil industry receives a 27½ percent depletion allowance. I am not going to argue that point. But I say the charge that the sugar industry receives a subsidy from the Federal Treasury is incorrect and untrue.

Mr. FULBRIGHT. It certainly appears on the books of the Treasury. There is a very substantial amount paid to the sugar industry.

Mr. LONG. Mr. President, how much more time remains?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). The Senator from Arkansas has 3 minutes remaining, and the Senator from Louisiana has 4 minutes remaining.

Mr. LONG. Mr. President, the Senator from Arkansas has argued that the domestic sugar industry should go out of business, if I properly understood his argument. I should like to invite the attention of the Senate to the fact that there are 282,000 field workers in the United States and its possessions who are engaged in the production of sugar. Those are only field workers. Of that number of workers, 145,000 are in Puerto Rico. Puerto Rico enjoys the same benefits under the Sugar Act as our producers enjoy.

I would be curious to know how we expect the producers to exist when they find the price of sugar has been cut 25 percent. Perhaps the Senator from Arkansas would like to see the wheat producers reduced about one-third. To me it does not make good sense.

A great number of farmers produce sugar. I understand the Senator would like to benefit the rice producers at the expense of the sugar producers. Is Arkansas prepared to reduce its rice acreage? Every single acre in Louisiana could be used in the production of rice. If the Senator would like to know why there is a large surplus of rice, let me say that one of the principal reasons is that when the cane producers were cut back they have tried to produce rice.

The Senator picks out the Southdown Corp. which is making a profit of 12 percent. Part of that is from oil royalties discovered under the land. If there is not some subsidy for the domestic industry I assume it would have to close down. It would not particularly benefit us; it would not even benefit the Cubans, because they are in a position to sell their sugar at a net price of about 5 cents as against the world market price of 3¼ cents, and they have a large surplus on-hand which they cannot dispose of.

If we were to ask the Cubans I am sure they would tell us that the last thing they want to see is the destruction of the American Sugar Act. Therefore, Mr. President, I rather doubt that we can find any nation in the world which would care to see the act repealed and the production of sugar come to an end.

Mr. FULBRIGHT. Mr. President, the amendment I have offered does not liquidate anyone. It merely asks that the sugar producers take a 90-percent support, the same as in the case of cotton, wheat, rice, and peanuts. The Senator thinks that is good enough for the cotton grower. Why is it not good enough for the sugar grower?

Mr. LONG. I have heard the argument of the Senator that we should quit the production of sugar in the United States. What the Senator wants to do is to put the sugar producers out of business completely.

Mr. FULBRIGHT. Not at all.

Mr. LONG. That is what the amendment would do.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. FULBRIGHT. Mr. President, I would say to the Senator, since he has put words into my mouth, that my amendment is a simple amendment which provides that we should treat sugar no better than cotton is treated. I am sure the Senator has many cotton constituents and rice constituents.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. In just a moment. Consider the United States Sugar Corp. in Florida. It had a profit last year of more than $5 million. Why the little housewife should be penalized to the extent of 2 or 3 cents a pound in order to

pay the United States Sugar Corp. $750,000 on top of $4,500,000 is beyond me. It makes no sense. All I am asking in this amendment is, Why not take 90 percent supports for sugar, as the producers of other crops do? We in Arkansas would be delighted if we could get back to 90 percent for our rice and cotton. I think the amendment is fair.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BARRETT. I am advised that cotton which is just as good as any cotton that can be produced in the United States can be grown in Egypt at a mere fraction of the cost at which it can be produced in Arkansas or any other State which grows cotton.

I am also advised that that cotton can be sent to Japan for processing into cotton goods at about 15 or 20 percent of the cost to make those goods in this country.

Does the Senator from Arkansas believe it would be in the best interest of the consumers of the United States to have the cotton producers of America get out of the cotton business, to have the cotton grown in Egypt, to have the processors or manufacturers of cotton in the United States get out of the manufacturing business, and to import the finished cotton products from Japan?

Mr. FULBRIGHT. I do not accept the Senator's advice. He is misinformed when he says the cotton producers in Arkansas are inefficient, and that American production, not only of cotton but of other commodities, cannot compete with the products of other countries.

The cotton producers of Arkansas until recently competed with the producers of the world. The Senator knows that support prices and other situations have created conditions under which cotton is not competitive. But there has been and is at present in progress a review of that program, which has caused the dislocation.

For 150 years American cotton has competed with the cotton from any other nation. Cotton was not built up on a Government subsidy. Cotton was not built up by placing an embargo on importations and on handouts from the Federal Treasury. Until very recently, as the Senator from Wyoming well knows, none of the basic commodities were in that condition.

Mr. BARRETT. The Senator has been told repeatedly on the floor that this is not a subsidy from the Federal Treasury on sugar.

Mr. FULBRIGHT. Anyone who wishes to believe that is welcome to do so. The figures will not support such a statement.

The PRESIDING OFFICER. All time on the amendment offered by the Senator from Arkansas has expired. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was rejected.

Mr. BENNETT. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Utah.

The CHIEF CLERK. On page 18, beginning with the table following line 2, it is proposed to strike out through line 7 and insert in lieu thereof the following:

Country:	Percent
Cuba	33.8
Other countries	11.2
Total	45.0

The above proration of 11.2 per centum to foreign countries other than Cuba and the Republic of the Philippines shall be apportioned on the basis of the average entries within the quotas from each such country for the years 1951, 1952, 1953, and 1954.

Mr. BENNETT. Mr. President, I yield myself 3 minutes. I had hoped to get the floor to offer this amendment immediately after the amendment offered by the Senator from Indiana was rejected by the Senate, but I have been unable to do so until now.

This simple amendment gives Cuba the share which the Senate bill gives her, but divides the share of the other full-duty countries in accordance with their historic percentages. We have been over the problem. I think Members of the Senate expressed themselves fully on the subject during the debate on the Capehart amendment. It is not my intention to ask for a yea-and-nay vote on the amendment. However, the administration still feels that it would like to be free to proceed in its relations with the full-duty countries on the basis of their historic record, rather than on the basis of the division as accepted by the committee.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. BYRD. Is the Senator's amendment practically the same as the Capehart amendment?

Mr. BENNETT. It sets the quota for Cuba at 33.8 percent. It takes Cuba out of the discussion entirely, and then would divide the remaining tonnage among the full-duty countries in the same way as the Capehart amendment would have divided it.

Mr. BYRD. The Capehart amendment was defeated.

Mr. BENNETT. The Capehart amendment was defeated, and I recognize that my amendment probably will be defeated. But the administration is anxious to give the Senate an opportunity to vote on the amendment for the purpose of the RECORD.

I have no further statement to make on the amendment. I hope that without further discussion the Senate may vote.

The PRESIDING OFFICER. Does the Senator from Utah yield back the remainder of his time?

Mr. BENNETT. I yield back the remainder of my time.

Mr. BYRD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. BENNETT]. [Putting the question.]

The "ayes" seem to have it.

SEVERAL SENATORS. Mr. President, a division.

The PRESIDING OFFICER. Without objection, the Senate will divide.

On a division, the amendment was rejected.

Mr. FULBRIGHT. Mr. President, I call up my amendment designated 2-7-56-B and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Arkansas.

The CHIEF CLERK. On page 25, line 10, it is proposed to strike out "1962" and insert in lieu thereof "1958."

On page 25, line 14, it is proposed to strike out "1963" and insert in lieu thereof "1959."

On page 19, lines 10 and 11, it is proposed to strike out "and for each subsequent calendar year."

Mr. FULBRIGHT. Mr. President, the amendment merely limits the extension of the bill to 2 years instead of 6. It seems to me that it would be very unwise to commit the Senate and the country for such a long period, when so many things could happen which might cause great dislocation in our trade with the various countries involved. I think this kind of legislation should be reviewed more often than every 6 years.

I ask that the Senate agree to the amendment.

Mr. LONG. Mr. President, I hope the amendment will be rejected. Those who plant sugarcane and all the nations which sell sugar to the United States are engaged in the planting of sugarcane—must plant their crop on a 3-year basis. In other words, from the time the cane is planted until it is finally harvested, 3 years are required. The planters need to make their plans ahead of time, based on the market available to them.

Mr. FULBRIGHT, Mr. President, would the Senator accept a 3-year limitation?

Mr. LONG. No; I would not.

Mr. FULBRIGHT. I thought the Senator was making the argument that 3 years were needed.

Mr. LONG. This point itself indicates that the nations trading with the United States need to plant on a fairly long-term basis and need to know in advance what markets will be available to them when they clear new land in order to make sugar available.

I hope the amendment will be rejected.

The PRESIDING OFFICER. Do both sides yield back the remainder of their time?

Mr. LONG. I yield back the remainder of the time in opposition to the amendment.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, I call up my amendment 1-12-56-A and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Washington.

The CHIEF CLERK. On page 3, line 3, after "SEC. 6", it is proposed to insert "(a)."

On page 4, after line 10, it is proposed to insert the following new subsection:

(b) The Secretary of Agriculture is authorized and directed to set aside, out of the increases provided by the amendment made by this section in the quota for domestic beet sugar, a reasonable amount to be used as a reserve for establishing or adjusting proportionate shares for farms on reclamation projects on which new acreage suitable for production of sugar beets has been made available.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that I may modify my amendment on page 1, lines 4 and 5, by striking out the words "and directed".

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Is that the Senator's own modification to his amendment?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the amendment will be modified as requested.

Mr. MAGNUSON. Mr. President, the purpose of the amendment, with the words "and directed" taken out, is merely to authorize the Secretary of Agriculture, in his discretion, to set aside, in certain cases, a reasonable amount of land for sugar-beet production. He might decide not to set aside an acre. He might find it reasonable to set aside a few acres on new lands. The amendment is primarily directed to lands in the West which are under irrigation and reclamation. In the Columbia Basin in my own State, as well as in lands in Utah, Wyoming, and Idaho, the Government has spent great sums of money—in the Columbia Basin alone over a half billion dollars—to reclaim land for small, family-size farms, the average being from 25 to 30 acres, where landowners or tenants on the land have agreed to pay back money which they have invested in the land.

Most of the farms are small ones and are occupied by veterans who had priorities and who were encouraged to occupy the lands by the Department of Agriculture, the Department of Interior, and all the other agencies involved, and start small family farms. They were encouraged in some cases to grow sugar beets. Sugar beets would be a very small cash crop. Under the bill 1 percent for new lands is provided. Those lands would be located in the States of Washington, Wyoming, Utah, and Idaho, and would comprise such a small amount that it would not take care of any of the new settlers. Sugar beets would be what is termed a cash crop.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. Would the Senator be willing to restrict his amendment to beet sugar? We have no reclamation projects in Louisiana or Florida which might be used to divert some of our cane sugar acreage.

Mr. MAGNUSON. I would be willing to restrict my amendment to beet sugar, because that is all I am talking about.

Mr. HOLLAND. Will the Senator so modify his amendment?

Mr. MAGNUSON. I so modify my amendment.

The PRESIDING OFFICER. The Senator from Washington modifies his amendment accordingly.

Mr. MAGNUSON. Mr. President, I used the word "sugar." We do not raise cane sugar. I have listened to the debate concerning foreign countries. It seems to me we have been pretty liberal with foreign countries providing them sugar quotas. We surely have some responsibility to take care of veterans who were almost pushed upon the land to which I have referred and who were encouraged to take up farming there. It seems to me we could at least take a step which would enable them to pay back and make good their obligation to the Government by allowing the Secretary of Agriculture discretion in some cases to allocate a very, very small proportion of sugar production to these farmers. About 92 percent of the persons who go on these small tracts are veterans.

The distinguished Senator from Utah said to me a few moments ago that there would not be any unused land. In that event the Secretary of Agriculture would make no allotments to sugar beet production to new lands. All I am asking is that the Secretary of Agriculture have discretion and authority in cases—and they are very few—where the land is available and the Government is encouraging the farmers to raise sugar beets on it. We spent millions of dollars so that the land could be utilized. I think we have a greater obligation to those farmers than we have to Cuba, Peru, and other foreign countries. The quota involved would be less than 1 percent of the amount being allotted to foreign countries. It seems to me we owe an obligation first to our own people.

I know the historic growers of sugar beets probably will oppose the amendment. Senators who have in their States more historic growers of sugar beets than there are in my State have talked to me about it. However, I am sure that a fair analysis of the amendment will convince them that new farmers, who are mainly young married people on these reclaimed lands should have a chance to benefit from this apparently very important agricultural crop.

I think we have been very liberal with foreign countries. I am perfectly willing to vote to help them, but, surely, the Secretary of Agriculture should have some discretion so that he can take care of this problem affecting irrigated lands on which we have spent hundreds of millions of dollars.

There will be such farmers in Wyoming. They are primarily young people and veterans. The amendment would give the Secretary of Agriculture discretionary authority to set aside some lands for sugar-beet production. Perhaps in a given year he would not set any land aside.

I voted for the Fulbright amendment for 2 years. If the bill as it now is before the Senate, is passed the farmers to whom I have made reference will never have a chance to come under the program. If the amendment is not adopted, we will be saying to American veterans who are encouraged to go into farming, "You shall not be allowed to enjoy the benefits of this law under any circumstances, because we have given so much to foreign countries. You shall not be allowed to devote 1 acre to sugar beets."

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BARRETT. Yesterday I stated on the floor of the Senate that 42,000 acres out of a total acreage of 850,000 acres were not planted last year. I suggested that it was the duty of the Department of Agriculture to reallocate those divested acres to other States. If the Department of Agriculture did that, there would be acreage which would be available for people in the State of Washington and in my State. I may say to the Senator that I agree wholeheartedly with him.

Mr. MAGNUSON. I have stricken from my amendment the words "and directed." I think the Secretary of Agriculture should have leeway. It might be that in a given year he might not care to use his authority. But, without the amendment, the bill would foreclose new farmers for 6 years. They are usually young married people who have gone on the land to farm. We would be saying to them, "You shall not raise one single sugar beet." I think that is unfair.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. Does the Senator refer to land which has been brought in under Government projects?

Mr. MAGNUSON. Yes.

Mr. FULBRIGHT. The situation is that we have appropriated large sums to bring the land under cultivation, and now we are asked to give a special subsidy to grow beets on it. Is that correct?

Mr. MAGNUSON. We would not give the farmers on the land subsidies. We would merely allow them to grow beets.

Mr. FULBRIGHT. They would not receive payments for their production. Is that correct?

Mr. MAGNUSON. I do not know what payments they would receive. I suppose they would receive the same payments received by other beet growers. This is land on which they have invested money, and they wish to pay back their obligations.

Mr. FULBRIGHT. From payments received for growing beets?

Mr. MAGNUSON. This is the most productive land in the whole United States.

Mr. DWORSHAK. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. I am in thorough sympathy with the objectives of the amendment offered by the Senator from Washington, but under our restrictive sugar program probably after a man

gets through fighting for his country, we are placed in the embarrassing position of encouraging him to take his family and go to Cuba or some other country in order to produce sugar.

Mr. MAGNUSON. He might go to Peru and raise sugar. Cuba is a little overcrowded, but he might go to Peru.

Mr. DWORSHAK. He can fight for his country, but cannot grow sugar for Americans to consume.

Mr. MAGNUSON. My amendment does not in any way touch the quotas which the committee has wisely set; it merely provides that the Secretary of Agriculture may, if he finds a way, under given circumstances, allot to a few farmers just a little bit of the sugar production. The amendment gives him authority to do so.

Mr. President, I have some time remaining, have I not?

The PRESIDING OFFICER. The Senator has.

The Chair suggests that the language of the amendment is limited to beet sugar, so it is not necessary to amend the amendment in order to take care of the point suggested by the Senator from Florida.

Mr. MAGNUSON. That is correct; and we are not going to raise any cane sugar.

Mr. FULBRIGHT. How about bananas?

Mr. MAGNUSON. We might raise some bananas. [Laughter.]

Mr. President, I wish to read a letter which came to me from the Columbia Basin Commission. The letter does not come from a chamber of commerce, but comes from the official State of Washington agency charged with operation of the Columbia Basin. Naturally, they are the ones who have made the suggestion. The letter reads as follows:

STATE OF WASHINGTON,
COLUMBIA BASIN COMMISSION,
Ephrata, Wash., February 2, 1956.

Senator WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Thank you very much for your telegram yesterday and the assurance that you will continue the effort to get sugar beets for the basin when the sugar legislation reaches the floor of the Senate. I want to thank you again for the excellent help and cooperation that you gave us when the effort was made to get committee approval in the hearing before the Senate Finance Committee.

The committee's action was somewhat of a shock to the Columbia Basin, and farmers here are constantly calling meetings to consider what to do. There is no doubt but that the growers here feel that the right to grow sugar beets is one of the most important, if not the most important, need at the present time. There are many who even put sugar beets ahead of appropriations and farm financing. I have assured them that you are doing everything possible to get that right for us.

In meetings held by water users Tuesday and Wednesday, there were expressions indicating that the farmers could not go along with the stand of the committee, which reportedly said that the amendment called for earmarking beet acreage and would cause inequalities and ineffectiveness in administering the act. To say that we are asking for special privileges is to say that we are asking for nothing more than the old growers are asking for and obviously expect to get. The legislation as it now stands certainly gives them special consideration by assigning all of the normal-growth factor to them if they want it and even keeps acreage from new growers if the old growers don't want it.

We are not asking and never have asked that any definite acreage be earmarked for the Columbia Basin or any other project. We just don't want to be discriminated against to the point where we cannot get acreage which it seems to us this legislation does. We only want the right to get acreage on a basis equal to everyone else, and we believe we can sell our proposition to processors and others.

There is a great fear out here that if the legislation passes without your amendment, we will be out in the cold for so long that it will be questionable whether some of our farmers can survive. The legislation as it now stands, continues this Sugar Act until 1962, and if we are denied sugar beets until then, we will have to face an obstacle that could easily be disastrous.

I am sure that you understand the condition here very well, and in behalf of the Columbia Basin farmers and at their request, I am asking that you do everything you can for us. I want you to know, too, that I personally realize the magnitude of the task we are asking you to perform, but I am not sure that everyone out here is aware of that.

We talked quite at length with Senator MORSE when we were there, explaining our sugar problem to him, and I believe we have his wholehearted support, and he said he would do whatever he could to help us.

If there is anything that you can suggest that we should do, we will certainly be very glad to do it. Again I want to thank you for the splendid cooperation you have given us in the past.

Yours very truly,
HUBERT H. WALTER,
Administrative Assistant.

In the letter, Mr. President, I emphasize particularly the sentence:

The legislation as it now stands certainly gives them special consideration by assigning all of the normal growth factor to them if they want it and even keeps acreage from new growers if the old growers don't want it.

That is the point I made before.

Mr. JACKSON. Mr. President, will my colleague yield to me?

Mr. MAGNUSON. I yield.

Mr. JACKSON. I desire to thank my colleague for the very fine statement he has made, and I wish to join him in advocacy of the amendment.

Mr. MAGNUSON. I thank my colleague.

Mr. FULBRIGHT. Mr. President, will the Senator from Washington yield to me?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I am very happy to support the amendment. If there is to be an increase, I think the veterans should have an opportunity to receive some of the acreage.

Mr. MAGNUSON. I thank the Senator from Arkansas.

Mr. HOLLAND. Mr. President, will the Senator from Washington yield to me?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. I thank the Senator from Washington for yielding to me.

I wish the RECORD to show, in connection with my request that the Senator's amendment be limited to beet sugar, that two things are true regarding our cane-sugar acreage: First, there are no reclamation projects at all in the States of Florida and Louisiana; second, the average yield per acre has increased so greatly that, in the case of my State it has caused a drastic reduction of acres. I hold in my hand a statement concerning a typical grower in Florida, which shows, between 1953 and 1956, a loss of 33 percent of the acreage of productive cane-sugar area belonging to that grower, solely due to the production of more tons of sugar per acre. So in recent years the process has been one of constant shrinkage, insofar as the acreage he has employed is concerned.

Mr. BENNETT addressed the Chair.

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, I should like to have the attention of the two Senators from Washington, in particular, as well as the attention of my other colleagues.

I read now from paragraph (b) of section 302 of the Sugar Act of 1948, as amended; this is the present law. I shall read the entire paragraph, but the end of the paragraph is the most important part:

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall—

The word was "may" at first, but now it is "shall"—

insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

I think the Secretary already has all the authority this amendment could convey to him, for he is instructed to "protect the interests of new producers."

I hope we will continue to depend upon this very clear statement in the law, rather than to adopt this amendment.

Mr. MAGNUSON. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am glad to yield.

Mr. MAGNUSON. I am familiar with that section, but that applies to the 1 percent.

Mr. BENNETT. No, it says nothing about the 1 percent.

Mr. MAGNUSON. But does not the act provide 1 percent for new acreage?

Mr. BENNETT. It says:

The Secretary shall, insofar as practicable, protect the interests of new producers and small producers.

Mr. MAGNUSON. But does not that provision apply to the 1 percent? The Secretary has leeway only to the extent of the 1 percent, does he not?

Mr. BENNETT. I understand that is a plain statement of general power.

Mr. MAGNUSON. But in that case he has a leeway of only 1 percent.

Mr. BENNETT. The decision to limit it to 1 percent was an administrative decision. So the Secretary has the power to change his own administrative

decision, and to increase that amount in the State of Washington, for new producers, if he wishes to do so.

Mr. MAGNUSON. I can read to the Senator from Utah the testimony of those who feel that he did not have that authority or, if he did, that it would apply to only 1 percent, which is less than 300 acres in my State.

Mr. BENNETT. That is a problem of administrative solution.

If the representatives of the Columbia Basin Commission could present their problem to the Secretary, in view of this new legislation, I am sure he would give them sympathetic consideration. But I do not think anything would be added to his present powers by the amendment.

Mr. MAGNUSON. I think the amendment would add to his present powers. The best information I obtain from the persons concerned is that adoption of this amendment is necessary for them.

Mr. LONG. Mr. President, I yield back the remainder of the time under my control.

Mr. MAGNUSON. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All time available has either been consumed or yielded back.

The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON]. [Putting the question.]

The amendment was rejected.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. KNOWLAND. Mr. President, under the unanimous-consent agreement, I understand that time is available for debate on the question of final passage, and is under the control of the majority leader and the minority leader, respectively.

Unless some Senators desire to submit requests for time to the minority leader, the minority leader is prepared to yield back the time under his control, if the acting majority leader is prepared to do likewise.

Mr. CLEMENTS. Mr. President, the acting majority leader is in complete accord with that suggestion, except he understands that one Senator desires to make some comments.

Mr. KNOWLAND. In fact, several Senators on this side are in the same situation.

Mr. President, at this point I yield 2 minutes to the distinguished junior Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 2 minutes.

Mr. ALLOTT. Mr. President, during the past 2 days we have completed consideration of what is commonly known as the Sugar Act. It has been a very technical, very detailed, and a very toilsome process.

I believe I speak for all those in the West, particularly, when I extend to the junior Senator from Utah [Mr. BENNETT] our thanks for the magnificent and scholarly way in which he has handled this very complex subject. All citizens of the country who grow sugar cane or beets are indebted to him for the masterly way in which he has handled this legislation on the floor; and I am happy and proud to have this opportunity to congratulate him.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. BARRETT. I wish to join the distinguished Senator from Colorado in commending the junior Senator from Utah for his untiring efforts, not only while the bill has been under consideration in the Senate this week, but during the past year, in preparing the bill for presentation on the floor of the Senate. I think he has done an admirable job. He is entitled to great credit, and I am happy to join with the distinguished Senator from Colorado in commending him.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. WATKINS. Mr. President, will the Senator from California yield to me 5 minutes?

Mr. KNOWLAND. I yield 5 minutes to the Senator from Utah.

Mr. WATKINS. Mr. President, I am delighted to hear the statements of the Senator from Colorado [Mr. ALLOTT] and the Senator from Wyoming [Mr. BARRETT] with respect to my colleague from Utah [Mr. BENNETT]. I wish to join with them in the commendation they have expressed for the very fine work he has performed in connection with this problem. He has worked for more than a year in an effort to develop a program which would be satisfactory to the sugar producers of the United States, to Members of Congress, and to the administration, particularly the State Department.

He has had a difficult task, and he has executed it with a great deal of ability and efficiency. In the beginning there was such a difference of opinion among various groups that it seemed impossible to bring them into agreement. Largely as a result of the work of my colleague, we have now arrived at the point where we can say that his work in that field has been very successful. We now commend him for the work he has done.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. POTTER. I join the distinguished senior Senator from Utah in his commendation of the junior Senator from Utah for his work in connection with the extension of the Sugar Act.

The extension of this act means a great deal to the sugar beet growers of the State of Michigan; and I wish to join my colleague in commending not only the junior Senator from Utah, but also members of the Committee on Finance, for bringing forth a bill which, possibly, some of us would like to have seen a little different, but which, of necessity, must represent a compromise. I join heartily in the commendation.

Mr. WATKINS. Mr. President, I had prepared a statement to make on the particular measure now before the Senate. The points which I had intended to discuss have been discussed by various other Senators during the 2 days' debate, so I shall not read the statement which I have prepared, but I ask unanimous consent that it may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WATKINS

I urge the Senate to pass H. R. 7030, as amended by the Finance Committee. I shall be brief and will limit my remarks to a discussion of why, as provided by the Finance Committee amendment, American farmers ought to be given a larger share of the production needed to meet our growing domestic sugar requirements.

The demand for sugar, as we all know, has continued to increase as our population has increased. One authority has estimated this increase to be 135,000 short tons, raw value per year based upon an annual 2.5 million addition to total population, which has been the annual increase for several years. Per capita sugar consumption has also increased over the years from 18 pounds to 96.2 pounds during the period 1860–1954, which also saw our total population increase from 31.4 million to some 164 million.

So that the Senate may have a concise but comprehensive picture of the domestic sugar industry, which will be affected by the action it takes, let me digress just a moment and call these facts to its attention:

1. Sugar beets are grown as a cash crop in 22 of our western and north central States on some 27,965 farms. In 1954, the latest year for which reliable figures are available, the total farm value of the beet crop was $185,828,000.

2. Sugarcane grown for sugar was grown as a cash crop on 3,908 farms in Louisiana and Florida during 1954 with a total farm value of $55,713,000.

3. In 1955 there were some 70-odd sugar beet factories in operation, 57 cane mills, and some refineries. The investment in land, plant, and equipment, which this part of the sugar industry represents, totaled over one-third of a billion dollars.

4. Some 300,000 seasonal workers are given employment during the planting and harvesting season; some 70,000 plant workers depend for a livelihood upon the production of domestic sugar; and some 50,000 producers depend upon sugar beets and cane for a large part of their cash income.

5. Domestic consumers have benefited pricewise from the operation of the Sugar Act and domestic sugar production. For example, I should like to point out that whereas sugar cost 13.5 cents per pound in 1870, we consumers paid only 8 cents per pound in 1953. Relative to other food prices, sugar prices have risen less since 1940. According to the Bureau of Labor Statistics wholesale price index the combined 1952 price of all foods was 254 percent of the 1940 prices; sugar by comparison was only 195 percent of the price prevailing in 1940.

I should like to take a minute or two and point out the importance an expanded domestic sugar-beet industry has to western agriculture. As you know, one of the major

problems which has served to help pile up the burdensome $8 billion surpluses, which the Commodity Credit Corporation now has on hand, is that a great many farmers lack substantial diversified production opportunities. They continue to produce the same crop regardless of the price received, regardless of supplies already on hand, and regardless of what it does in the way of "mining" our soil reserves.

In western agriculture, the growing of sugar beets is important in maintaining diversified or rotation farming. This is so because—

1. Sugar beets return everything they take from the soil. They serve to promote soil equilibrium when grown in rotation with hay, grains, and legumes.

2. As Senators know, the major agricultural industry of the intermountain area is livestock production. In Utah, farmers derived in 1954 some 70 percent of their income from that source compared to a national average of 55 percent. The byproducts of beet sugar—tops, molasses, and pulp—provide a rich and very necessary source of supplemental feed for livestock in an area generally considered to be a deficit feed area. Experiments carried out at our Western States experiment stations show that the byproducts from 1 acre of beets, if properly fed, will produce 300 pounds of meat.

I should like to point out in this connection that per capita beef consumption has increased some 24 pounds since 1950.

The Department of Agriculture estimates that by 1960 we will need 2 billion more pounds of meat each year if our projected population requirements are to be met. It is estimated that by 1975 beef production will need to be increased 46 percent over that prevailing in 1950 to meet consumer demand. This will require more feeder livestock for finishing in the Midwest and on the west coast. As Senators know, the bulk of cattle in our area is not slaughter cattle. Rather the great ranges of our mountains and desert areas primarily produce feeder cattle. But in order to build larger breeding herds to meet future needs more feed is going to be required especially for winter feeding. It is in this respect that the byproducts of sugar beets—tops, pulp, and molasses—play such an important role. Greater amounts will be needed in the future and this requires obviously a larger acreage allotment for the production of domestic sugar beets. I should like also to point out that the bulk of the grains, legumes, and hay produced in rotation with sugar beets in the Western States are likewise fed to livestock. They do not find their way to Government warehouses in any appreciable quantity.

The present Sugar Act quota provisions, however, restricts the domestic beet area's production to only 1,800,000 short tons, raw value based upon an annual estimated need of 8 million short tons raw value. Although the actual distribution required to meet our needs actually exceeded this statutory estimate of 8 million tons in 1952, 1953, 1954, and 1955, respectively. Unless this quota is adjusted upward, as provided by the Finance Committee Amendment to H. R. 7030, the following adverse effects upon western agriculture and the Nation as a whole will readily become more apparent:

1. A further decline in farm income.

2. Less not more diversified agriculture with continued loss of flexibility in planting alternatives and less opportunity for farmers to take advantage of more favorable prices.

3. Continued deterioration of our soil and water resources at a very time when all of us are interested in maintaining soil fertility for future use.

4. Adverse effect upon livestock production for future projected needs.

The present law serves to deny domestic beet and cane producers an opportunity to expand, to grow, and to develop. This restriction upon acreage in the beet areas coupled with technological progress in beet farming has served to work real hardships on farmers at a time when every sector of the economy except agriculture is enjoying unprecedented prosperity and economic growth.

New seed strains, use of fertilizers, better methods of cultivation resulted in an increased yield per acre from 13.6 tons in 1948 to 16.0 tons in 1954. Expressed another way, the average yield, raw value, per planted acre for the three years ending in 1950 was 1.92 tons. For the three-year period ending in 1954, that yield per planted acre increased to 2.2 tons—a 15 percent gain. The effect of technological development for output is easy to see. For example, the acreage of sugar beets in 1954 was 878,000 acres, yet the production was 1,998,000 short tons, raw value—198,000 short tons in excess of its quota.

This has necessitated a decrease in the acreage allotment required to meet the domestic beet areas quota of 180,000 tons raw value. For example, the beet acreage in 1954 was 944,000 acres and for 1955 it was set at 850,000 acres—a 10 percent decrease.

Because of acreage restrictions, two adverse situations have resulted:

1. Acreage released from sugar beet production have been diverted to the production of other crops, many of which were already in surplus and which were under price support during a period which saw the parity ratio fall from 92 percent in December 1953 to 80 in December 1955.

2. Large numbers of farmers have simply had to stop producing beets because their allotments are so small that it is not economical to produce them. Labor costs are too high if the beets must be hoed, thinned, and topped by hand, and it doesn't pay to buy expensive mechanical equipment to do these jobs unless it can be applied to the optimum sized land area which can reduce per unit costs of output to the lowest possible point.

Yet on the other hand, acreage restrictions and low prices for other alternative crops have created a great demand by farmers for an adequate proportionate share of the domestic sugarbeet quota.

When farmers have several crop production alternatives, their choices are largely determined, other things being equal (resources, know-how, etc.), by the price relationship between these various alternatives. When one examines these relationships in terms of the farm price as a percentage of the parity price, it is not too difficult to see why farmers in our domestic beet areas are demanding, and I believe rightly so, an opportunity to grow beets.

For example, while the price of sugar for the years 1948–54 has averaged 98 percent of parity as of November 1955, the price of sugar stood at 98 percent of parity. Compare this with the parity prices of other crops grown in rotation with sugar beets:

1. Barley: Parity price has declined from 81 to 69 percent of parity 1954 to 1955.

2. Oats: Parity price declined during the same period from 88 percent to 74 percent of parity.

3. Grain sorghums: Declined from 87 to 69 percent of parity.

4. Potatoes: Parity price has declined from 70 percent in 1954 to 57 in 1955.

5. Beans: From 93 to 73 percent of parity.

Certainly, we can recognize the need, in light of the sober facts I have presented, to permit American farmers to supply a larger percent of our domestic sugar needs than that permitted by the Sugar Act of 1948. Farmers caught in a cost-price squeeze, as they have been since soon after the end of the Korean war, ought to have the greatest possible freedom and flexibility to produce those commodities in growing demand, which offer the best income alternative. The production of sugar beets, as these figures indicate, is one such bright alternative.

I believe that the least the Congress can do to assist these farmers is to provide for the modest increase in the domestic quota provided by H. R. 7030 as amended by the Finance Committee. This provides that 55 percent of the amount by which the Secretary of Agriculture's annual estimated needs exceeds 8,350,000 short tons, raw value shall be added to the basic quota now provided in the Sugar Act of 1948, as follows:

1. Of the first such 165,000 tons, 51.5 percent is to be added to the basic sugar quota of 1,800,000 tons of the beet area, and 48.5 percent to the basic quota of 500,000 tons of the cane area.

2. The next 20,000 tons is to be added to Puerto Rico's basic quota of 1,080,000 tons.

3. The next 3,000 tons to the Virgin Islands basic quota of 12,000 tons.

4. If any remains of the 55 percent of the amount by which the Secretary's estimated needs exceeds 8,350,000 tons, it is to be apportioned on the basis of the basic quotas of the domestic suppliers.

Mr. WATKINS. Mr. President, I wish to say in conclusion that I am in full support of the measure which has finally been hammered out in committee negotiations and in the various other activities of the Senate, to the point where it is now ready for passage. The people of my State engaged in agriculture—in fact, all the people of the State, because they all benefit from agriculture—will be pleased by favorable action by the Senate this afternoon.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. LANGER. I am quite sure the distinguished Senator from Utah would also wish to say a few words in commendation of the senior Senator from Colorado [Mr. MILLIKIN], who cannot be with us. During the many years he has been in the Senate he has worked untiringly for the sugar interests of the United States.

Mr. WATKINS. I appreciate the statement by the Senator from North Dakota with respect to the senior Senator from Colorado. We have all noted over the years his untiring labors in behalf of the industries of the United States, and particularly those of the intermountain States of Colorado, Utah, Wyoming, Idaho, and other States which have the same type of agriculture and other industries. It is one of our regrets that the senior Senator from Colorado, who is so greatly admired and beloved by us all, is unable to be present on this occasion. I am glad to note, from reports which I have recently received, that he is gradually gaining in strength, and we hope and pray that he will soon be with us.

Mr. BENNETT. Mr. President, will my colleague yield to me?

Mr. WATKINS. I yield.

Mr. BENNETT. I appreciate the statement by the Senator from North Dakota [Mr. LANGER] bringing in the name of the distinguished senior Senator from Colorado. I was very much honored by having the privilege of reading his statement on the bill as I began my participation in the debate. He honored me by giving me the privilege of reading his statement. I am happy that the bill is about to pass under those circumstances.

Mr. ELLENDER. Mr. President, will the Senator from Kentucky yield 1 minute to me?

Mr. CLEMENTS. I yield 1 minute to the senior Senator from Louisiana.

Mr. ELLENDER. Mr. President, I wish to join my colleagues across the aisle in paying tribute to my good friend, the junior Senator from Utah [Mr. BENNETT].

I remember when the bill was first introduced. We were having a great deal of difficulty with the White House and the State Department, in having a bill enacted last year. It was through the efforts of the junior Senator from Utah that we were able to get the various departments of Government—the State Department, the Department of the Interior, the Department of Agriculture—together, so that the bill could be enacted so early this year.

Mr. HUMPHREY. Mr. President, will the Senator from Kentucky yield to me?

Mr. CLEMENTS. Will the Senator suggest the amount of time he desires?

Mr. HUMPHREY. Less than 5 minutes.

Mr. CLEMENTS. I yield to the Senator from Minnesota 6 minutes.

Mr. HUMPHREY. Mr. President, last August the House sent H. R. 7030 to the Senate only 2 days before adjournment. This is the bill that would restore the right of all domestic sugar-producing areas to share in the future growth of the United States sugar market.

Our domestic sugar products desperately need our help—and they must have it now before they plant their 1956 crop. If Senators think we dare procrastinate another hour, hark to the mandate of thousands of distressed sugar beet farmers among my constituents in the great State of Minnesota.

In these times of booming prosperity we are all perturbed to find our farmers plagued by surplus production, declining prices, and rising costs. Explain then, if you can, why our fixed marketing allotments are so low that farmers in the fertile Red River Valley of Minnesota and North Dakota must accept a cut in sugar beet acreage. Sugar is not a surplus commodity in the United States, and they know it.

Yet the fixed quotas of the 1948 Sugar Act forced them in 1955 to reduce by 15 percent their sugar beet acreage. Orders for 1956 call for holding the 1955 level. To what possible use can they commit this newly idle land? Certainly not potatoes. They are so abundant in the Red River Valley that one cannot give them away. Certainly not corn or small grain, already subject to controls because of a real surplus.

And while my Red River Valley farmers are pondering this dilemma, they read in the Fargo, N. Dak., Morning Forum (September 11, 1955) that housewives and commercial sugar users in the area were being forced to use cane sugar "despite the fact that there is more than enough beet sugar in the Red River Valley to supply their needs."

Let me quote further from the Fargo Morning Forum:

> At least one industrial user in Fargo has already received cane sugar. A company representative said that cane cost 20 cents more per 100-pound bag and that it takes from 2 to 3 weeks longer to be delivered after ordering, making it necessary to order much further in advance than in the past. He opined that it was "kind of stupid" to buy the cane when "they have all the sugar we need right over in Moorhead."

Let me assure Senators that my beet farmer friends find this predicament "kind of stupid" too. And so do the families of some 300 men at 1 Minnesota procesing factory which ran out of beets after a 50-day campaign. A neighboring Iowa factory had an even shorter run.

In Michigan, too, sugar-beet growers this year will be forced to accept an average 4 to 5 percent reduction in acreage. This is their penalty for exceptional yields per acre in 1955. Yet it is the only possible course under a ceiling of fixed quotas.

If I may be permitted to step across into North Dakota's new irrigation project, what is in store for farmers wanting to grow sugar beets in the 22-county Garrison Conservancy District? Even now they have entered their petition for a sugar-beet program on 2 million acres of North Dakota land scheduled for irrigation.

I speak not for my State alone. The same need prevails throughout the North Central region, in fact in each of the 22 sugar-beet States from Ohio and Michigan westward to the Pacific. It prevails, too, in Louisiana and Florida, where our growers of sugarcane are confronted with acreage curbs on land suitable for no other crop. Parallel hardships extend to our offshore domestic producers in Puerto Rico and the Virgin Islands.

It is high time to correct the inequities and injustices of this act, which is disrupting the lives and well-being of thousands of American families in half the States of our Union where sugar is produced.

It should be pointed out that the Sugar Act of 1948 was expressly designed as a short-term measure to meet post-World War II problems in the production and distribution of sugar. Domestic sugar-producing areas were at that time given fixed quotas for a temporary period of 5 years. This period was then adjudged of sufficient duration to enable necessary postwar adjustments to be made in the foreign areas supplying the United States sugar market. Then in 1951 that act was extended to December 31, 1956. Domestic quotas remained fixed, although Puerto Rico and the Virgin Islands were granted modest increases.

It is most important to our deliberations at this time to know that in 1948, and again in 1951, the Congress expressly stated that the fixed-quota system was "not to be regarded as the establishment of longtime national sugar policy." Congress clearly and implicitly reserved the right to change the act whenever the need arose.

The domestic sugar industry now finds that need acute. Tremendous technological improvements, more efficient and greatly mechanized cultural methods, plus application of research findings, have enabled sugar producers to grow more sugar per acre than ever before. Since 1948 sugar-beet farmers have increased their average tonnage per acre by 20 percent, and growers of sugarcane in Louisiana and Florida have increased their yield by more than 16 percent.

The result is that this kind of dynamic progress is producing more sugar than the present law will let enter the domestic industry market.

Under the Sugar Act, of course, our domestic producers are always subject to acreage restrictions. Accordingly, these restrictive measures have been severely imposed during the past 3 years in an effort to keep sugar production within the rigid limits fixed by present law. In 1955 western sugar-beet farmers were obliged to reduce their acreage from 10 to 15 percent, and southern sugarcane producers were required to accept an 18 percent acreage cut during a 2-year span. Puerto Rican sugar production has been restricted for 3 successive years.

And yet a combination of favorable weather conditions and continuing progress within the industry has more than offset these acreage reductions. Inventories of sugar continue to pile up—sugar that cannot be sold because of fixed marketing quotas.

These excess inventories are costly to carry, and they reduce the net returns of farmers, because in the sugar business the final income of the farmer depends upon the costs of marketing as well as the sales price of sugar. I submit that it is contrary to the national interest to heap still further acreage reductions and hardships on our sugar farmers. We dare no longer sanction a law which penalizes progress.

Yet, for all the urgency to relieve the critical situation in which it finds itself, our domestic sugar industry wishes to be most generous and considerate of our foreign sugar suppliers. In the following corrective legislative program endorsed by domestic sugar producers, foreign nations will find their present sugar quotas undisturbed.

Put simply, the most important of the amendments to H. R. 7030 as now proposed by the Senate Finance Committee would restore in 1956 the historic division of the future growth in the United States sugar market on approximately the same basis that existed before 1948. This means that the future growth of this Nation's sugar market will be divided on the basis of 55 percent for domestic producing areas and 45 percent for foreign nations. This division will be effective on all sugar consumed in the United States in excess of 8,350,000 short tons, approximately the level reached at the close of 1955.

By agreeing to these terms, the domestic sugar producers are willing to concede the foreign supplier's right to all the 1,150,000-ton increase in the United States sugar market between 1948 and 1955. Thus foreign producers are assured they will be able to sell in 1956 as much sugar as they did in 1955, plus their 45-percent share of the still expanding United States market.

Another amendment provides that beginning in 1956 the foreign countries, exclusive of the Republic of the Philippines, producing sugar for United States consumption will share among themselves 45 percent of the growth of the United States sugar market in excess of 8,350,000 short tons. These foreign countries will share this 45 percent of the growth in 1956 as provided by existing law.

This means that in 1956 Cuba will continue to enjoy 96 percent of the foreign share of the United States increased market. All other countries will share in the remaining 4 percent. This is the same ratio Cuba has enjoyed since 1948, the difference being that it will now apply only to the foreign nations' 45-percent share instead of the entire increase of the United States market.

However, beginning in 1957 Cuba's share of the foreign countries' participation in our annual sugar-market growth will be reduced to 75 percent. Other foreign countries will divide the remaining 25 percent, according to quotas which the administration will recommend at that time. This realinement among our foreign suppliers has been suggested by experts well versed in international sugar policies and trends of supply and demand.

Other features of this proposed new Sugar Act would include:

First. Beginning in 1956 the quantities of direct consumption sugar which may be brought in annually from Hawaii and Puerto Rico will, as provided in the bill passed by the House, be increased to the same proportion as their respective quotas are increased by the growth formula.

Second. Deficits in any domestic sugar producing area in any year resulting from operation of the growth formula will first be offered to the other domestic sugar producing areas.

Mr. President, I submit we should enact the revised Sugar Act of 1956 into law immediately for these reasons:

First. It best serves the interests and welfare of sugar producers both domestic and foreign. Proponents and dissenters to any and all provisions considered for this legislation in House or Senate during the 84th Congress have been heard, and their statements have been carefully evaluated in drafting this final bill.

Second. It restores to our sugar-quota legislation the fundamental and historic principle that the growth in the American sugar market should be shared by the American sugar industry as well as by foreign sugar interests.

Third. It provides for moderate relief in 1956 for the most oppressed of our domestic sugar producing areas; and at the same time it assures our foreign producers that they, too, will enjoy small quota increases during this calendar year.

Fourth. It provides a solid foundation for a continuously growing trade with our foreign friends of Latin America in the years ahead.

Fifth. It protects the American housewife and industrial consumer of sugar by assuring a stability of price and adequate supplies.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a resolution which I received from the Marshall County Sugar Beet Growers Association of Warren, Minn.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 1—AMENDMENT OF SUGAR ACT OF 1948

Whereas the Sugar Act of 1948, as amended, will expire on December 31, 1956, and consequently its protective provisions will apply only to sugar refined from beets grown in 1955 and sold in 1956; and whereas, reenactment of present law, with retention of protective quota provisions for sugar beets produced in domestic areas, is therefore essential early in second session of 84th Congress; and whereas, under the present act the sugar-beet crop has been subjected to acreage restrictions in 1954, 1955, and proposed for 1956 amounting to from 12 percent under previous plantings; and

Whereas the sugar-beet crop is a major and important crop and the need is imperative that full acreage be restored and reasonable future expansion be provided for new areas; and

Whereas the sugar-beet crop is of increasing importance due to the curtailment of other crops and because they furnish a reliable cash crop badly needed on new areas to meet high operating costs as well as old areas to carry the mounting expenses of farming; and

Whereas both domestic sugar beet and cane growing farmers in equity should have the right denied to them under present law, to participate in the expanding market for sugar in this country; and

Whereas there is now pending before Congress legislation to reenact and amend the expiring act: Now, therefore, be it

Resolved, That the Marshall County Sugar Beet Growers Association hereby directs its officers to actively support new legislation which will:

1. Provide sugar quotas to continental beet areas which will restore opportunity for full production among growers with a historical beet-growing base;

2. Provide immediate opportunity on both new as well as established areas for farmers who desire to add the beet-growing enterprise to their farming program to the extent that processing facilities are available;

3. Provide further that in sugar quota allocations such division of the steadily increasing American market be made as will create a basis for additional sugar processing facilities in areas adapted to beets, such as this, in which farmers do evidence a firm and continuing desire to grow beets;

4. Provide that deficits occurring in the quantities allotted to domestic areas be reallocated to other domestic areas; and be it further

Resolved, That this association actively support a provision in new legislation limiting the term of the Sugar Act now under consideration for a period of 4 years in order that in 1960 Congress may again reappraise the need for quotas in all domestic areas and their ability to consistently supply the amounts prescribed.

RESOLUTION 2—TO COYA KNUTSON

Be it resolved, That the Marshall County Sugar Beet Growers Association thank Mrs. COYA KNUTSON for her efforts put forth in getting the sugar legislation through the House of Representatives.

RESOLUTION 3—TO STATE AND AGRICULTURE DEPARTMENT

Be it resolved, That the sugar consumed above the consumptive estimate of 8,200,000 tons, be taken from the stocks of domestically produced sugar instead of being allocated to foreign producers.

Mr. CLEMENTS. Mr. President, I yield 3 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I wish to say that I oppose the bill. The Senate is considering a bill which involves a levy of about $300 million a year on the consumers of America. The increase in the domestic price of sugar over the world price because of this bill is 2 cents a pound on 8,500,000 tons. Nevertheless, the bill has attracted extremely little attention, and virtually no opposition. That is indeed strange, when I think of the great opposition which develops to some legislation affecting the consumer. It puzzles me how our legislative process functions. Are not the housewives captives of the sugar producers? I desire to congratulate the sponsors of this legislation for their astuteness in being able to pass legislation of this kind with so little opposition. Even though hundreds of millions of dollars will be levied upon the consumers of sugar in this country and paid to a favored few, no one—or at least very few—objects. It is a rare accomplishment. I am opposed to the bill.

Mr. CLEMENTS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 50 minutes remaining. The Senator from California [Mr. KNOWLAND] has 55 minutes remaining.

Mr. CLEMENTS. Mr. President, I am ready, willing, and anxious to yield back the remainder of my time.

Mr. KNOWLAND. I am prepared to do likewise.

The PRESIDING OFFICER. All times has been yielded back. The question is, Shall the bill pass?

The bill (H. R. 7030) was passed.

Mr. CLEMENTS. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Kentucky to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion of the Senator from Kentucky.

The motion to lay on the table the motion to reconsider was agreed to.

Mr. BYRD. Mr. President, I send an order to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Secretary will read the order.

The legislative clerk read the order, as follows:

Ordered, That in the engrossment of the amendment of the Senate to the bill (H. R. 7030) the Secretary of the Senate is authorized to make all necessary technical and clerical changes, including changes in section, subsection, paragraph, etc., numbers and letters and cross-references thereto.

The PRESIDING OFFICER. Without objection, the order is entered.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the

Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MARTIN of Pennsylvania, and Mr. BENNETT conferees on the part of the Senate.

BUDGET OF THE JUVENILE DELINQUENCY SUBCOMMITTEE

Mr. WILEY. Mr. President, I am delighted to speak in favor of the $110,000 budget which is requested for the operation of the Juvenile Delinquency Subcommittee of the Senate Committee on the Judiciary during the next year.

This subcommittee has been one of the most productive subcommittees of the Senate. It has explored urgent problems facing the American people. Its nearly finished reports on juvenile delinquency and religion, pornography, black marketing of babies, and education, will be basic contributions to our understandings of these subjects.

The subcommittee, very wisely, because its major work is now behind it, has reduced its budget from a budget of $154,000, as it was last year to $110,000 for this year.

The magnificent work of the subcommittee has been accomplished on a modest budget. The opportunity to finish its important work—that of maturing badly needed legislation in this field—must be preserved.

I strongly urge that the budget be approved, and I desire to express my appreciation to the hard-working members of the Juvenile Delinquency Subcommittee, and to its able chairman, the Senator from Tennessee [Mr. KEFAUVER].

AMENDMENT OF AGRICULTURAL ACT OF 1949 AND AGRICULTURAL ACT OF 1954

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Order No. 1483, H. R. 8320.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 8320) to amend the Agricultural Act of 1949 and the Agricultural Act of 1954, with respect to the special school milk program and the brucellosis-eradication program for the fiscal year ending June 30, 1956.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, line 8, after the numerals "$60,000,000," to insert "and for each of the two fiscal years in the period beginning July 1, 1956, and ending June 30, 1958, not to exceed $75,000,000"; on page 2, line 2, after the word "in", to insert "(1)"; in line 3, after the word "under", to insert a semicolon and "and (2) such nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions as are devoted to the care and training of underprivileged children on a public welfare or charitable basis"; in line 13, after the numerals "1956", to insert "and $20,000,000 for each of the fiscal years 1957 and 1958"; and on page 3, after line 5, to insert:

SEC. 3. The first sentence of subsection (a) and the first sentence of subsection (b) of section 202 of the Agricultural Act of 1949, as amended, are amended by striking out "1956" and inserting in lieu thereof "1958."

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program, the veterans and Armed Forces milk programs, and the brucellosis eradication program."

CONVEYANCE OF CERTAIN LAND IN LEE COUNTY, FLA.

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1458, H. R. 7156.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7156) to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Florida.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HOLLAND. Mr. President, the bill authorizes the conveyance of 7.2 acres of land in Punta Rassa, Florida, now belonging to the United States to the Board of County Commissioners of Lee County, Florida, without consideration.

The land was acquired by the United States from Lee County for the purpose of building a Coast Guard station on it. Previously, the county commissioners of Lee County had paid $3,167 for the land at the time of its acquisition by the county.

The land was never used by the United States for a Coast Guard station, although no final decision in that regard was made until last year, when the Coast Guard decided finally that it did not wish to build such a station on the land.

My colleague in the other House, Representative PAUL G. ROGERS, who represents the district in which the land is located, introduced the measure in the House of Representatives. The bill was passed by the House.

I believe this is a meritorious measure. I gladly consented to a postponement of its consideration the other day when it was called on the calendar, because of the necessary absence of the Senator from Oregon.

Mr. MORSE. Mr. President, I wish to make a brief statement on the bill, so that there will be no misunderstanding as to whether or not the bill violates the so-called Morse formula.

This bill would authorize the General Services Administrator to convey to the Board of County Commissioners of Lee County, Fla., without consideration, a tract of land consisting of 7.2 acres of unimproved surplus land located at Punta Rassa, Lee County, Fla.

The land in question was conveyed to the Federal Government for a nominal consideration of $10 for the specific purpose of constructing and operating a Coast Guard lifeboat station.

The property has been reported excess in October 1954 and was determined to be surplus in January 1955 by the General Services Administration.

This bill would appear equitable in permitting the transfer without consideration because the specific purpose never was fulfilled.

We are concerned with a situation involving some land which was conveyed to the Federal Government for a very small sum of money. In this instance there was a definite understanding that the use of the land would be limited to the Federal Government's carrying out a specific purpose, that specific purpose being the building of a Coast Guard lifeboat station on the land. The Federal Government has given up that plan. It is only fair and proper, therefore, that the land should be returned to the original grantor. The bill in no way violates the Morse formula, and I have no objection to it.

I thank the Senator from Florida for his courteous consideration in withholding action on the bill when I had to fly to Oregon to attend the funeral of the Governor of my State. He postponed consideration of it so that I could make my statement on the floor of the Senate today. I appreciate his courtesy very much.

Mr. HOLLAND. I thank the distinguished Senator from Oregon; and to his statement may I add the further fact that the county commissioners, out of county funds, paid at the time of the original conveyance something over $1,300 in addition to the $10 referred to.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LAND IN NEDECAH, WIS., TO THE VILLAGE OF NEDECAH

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1210, House bill 2889, to provide for the conveyance of certain land in Nedecah, Wis., to the village of Nedecah.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 2889) to provide for the conveyance of certain land in Nedecah, Wis., to the village of Nedecah.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. There was an amendment to the bill which has been previously agreed to.

Mr. MORSE. Mr. President, the bill would authorize the General Services Administration to convey to the village of Necedah, Wis., a tract of about four-fifths acre of unimproved land for $1.

The report states that the land has a market value of about $500.

A proviso of the bill recites that the land is to be used for public purposes for not less than 20 years, with optional reversion in event of nonpublic use.

The village conveyed the land to the United States in 1938 for $1. It desires to use the land for park, picnic grounds and recreational area.

The land appears to be worth $500. The fact that the city conveyed originally for $1 creates no equity of reversion in the city. The Morse formula should apply with the city of Necedah, Wis., paying 50 percent of the fair appraised market value.

There should be a complete reversionary clause, and minerals should be reserved.

Therefore, Mr. President, I send to the desk an amendment to be added to the bill. This is not like the Florida case which we have just considered. It is not a case in which the land was conveyed in the first instance to the Federal Government to be used for a specific purpose, such as the building of a Coast Guard station and the Federal Government decided that it did not want the land for that purpose. In such an instance as that, I think it only fair and proper that the land should revert to the original donors. But here is an out-and-out grant, and the city wants the land back for park purposes. I think the city should pay the owners if it wants to claim any reversionary right, which it did not do. The bill also violates the usual provision with respect to mineral rights.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The CHIEF CLERK. On page 1, line 5, after the word "interest," it is proposed to insert a comma and the words "except mineral rights (including oil and gas)."

On the first page, lines 6 and 7, strike out "in consideration of $1 upon such," and insert in lieu thereof "upon condition that such village pay to the Administrator of General Services as consideration for said land an amount equal to 50 per centum of its fair market value as determined by the Administrator of General Services after appraisal of said land, and upon such other".

On the first page, lines 9 and 10, strike out "for a period of not less than 20 years".

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. KNOWLAND. I wish to inquire of the Senator whether he discussed with the Senators from Wisconsin the amendment he has offered to the bill.

Mr. MORSE. No. I have not, since the last night of the last session. The Senator will recall that the bill was up at that time and I then announced that I would object unless the standard Morse formula were added to it, both as regards the mineral rights and the 50 percent of the appraised market value clause. I have not had an opportunity to talk to the Senators from Wisconsin with reference to it today. I did not know until only a few moments ago that the bill would be brought up.

Mr. KNOWLAND. Then, Mr. President, I will say to the Senator that I shall ask the acting majority leader if he will not withhold consideration of this bill. I understand the junior Senator from Wisconsin is on his way to the Chamber. There is some other business which I hope can be disposed of until he arrives.

Mr. MORSE. I think we should wait until the Senator from Wisconsin appears.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the bill be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, I should like to ask the Senator from Oregon if he holds the same position with reference to Calendar No. 1296, House bill 6857.

Mr. MORSE. No; I do not. I am ready to make a statement on that bill.

CONVEYANCE OF CERTAIN LAND TO THE CITY OF MILWAUKEE, WIS.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1296, House bill 6857.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 6857) to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, I have had a conference with the Senator from Wisconsin [Mr. WILEY] in regard to this bill, and I should like to make the following report in regard to it:

This bill would authorize the General Services Administrator to convey to the city of Milwaukee, Wis., without consideration, a small tract of Federal land consisting of .40 of an acre located at Milwaukee Harbor entrance.

The land in question is part of a tract of 19 acres donated to the Federal Government by the State of Wisconsin during the 1920's. According to House Report 1460, the 19 acres was conveyed to the United States without charge to serve a specific purpose, namely, the reclamation and development of the area as a central depot for marine activities of the Federal Government in Milwaukee Harbor.

In 1949 the 19 acres, minus the .40 of an acre, was conveyed to the city of Milwaukee in exchange for city-owned property desired for use by the Corps of Engineers. The .40-acre tract was retained for use by the United States Coast Guard.

The Coast Guard discontinued use in September 1953, the property was declared surplus for Federal needs in November 1953, and the buildings have gone into such a state of disrepair that they must be demolished and removed.

In return for the conveyance the city of Milwaukee agrees that it will remove and dispose of the buildings without cost to the Federal Government.

This condition is included in the bill, H. R. 6857.

This is a very close case under the Morse formula. The original donation was made by the State of Wisconsin; the proposed disposal in the instant case would benefit, not the State of Wisconsin, but the city of Milwaukee.

The 1949 exchange agreement presumably was based upon the transfer of 18.6 acres of Federal property.

The report fails to disclose the fair-market value of the tract in question but, inasmuch as it is harbor property, it must have a fairly substantial value.

Furthermore, Mr. President, I have gone into the matter and studied the consideration involved. I have met with the officials of the Milwaukee Harbor Commission, and I have before me a map showing property which is being turned over to the Federal Government by the Harbor Commission of the City of Milwaukee, including, for example, a 19.5-acre tract leased to the United States Government for $1, the lease value of the land involving a good many thousand dollars.

There is another tract of 2.25 acres which represents a tremendous value to the Federal Government.

There is a third tract of 6.4 acres with a 50-year lease for $1.

Finally, there is a 6-acre tract with a 50-year lease by the city to the Navy for $1.

These all represent a program of exchanges and leases which have been entered into by the city through its harbor commission and our Military Establishment. If we ever had before us a case in which the Federal Government received not only full consideration, but consideration in the amount of many times the value of the property being conveyed, this is such a case. It simply illustrates what I think is the importance of getting all the facts in these matters. The Knight site alone involves a value that would equal more than 50 percent of the appraised fair market value of this property. In fact, it more than equals many, many times the total value of the property. Therefore, I am pleased to say that I have no objection to this particular transfer.

Mr. President, I ask unanimous consent to have printed at the close of my remarks a letter addressed to me under date of January 19, 1956, signed by H. C.

Brockel, municipal port director, and Arthur J. Saltzstein, assistant city attorney, which sets forth in greater detail the consideration which I have briefly outlined in my remarks in support of the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF MILWAUKEE, WIS.,
January 19, 1956.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: On behalf of the city of Milwaukee, Mr. Salzstein and I wish to convey to you our deep appreciation of the courteous reception you gave us yesterday in connection with our discussion of the proposed Milwaukee harbor land conveyance bill. We very much appreciate your taking time from your busy schedule to give us a hearing on this legislation.

This letter will confirm the information conveyed to you yesterday and we hope will provide a convenient memorandum for your consideration of the bill. As you know, three identical measures cover the requested conveyance. H. R. 6857 by Congressman ZABLOCKI, of Milwaukee, passed the House of Representatives on July 30. This measure and two Senate bills are pending in the upper Chamber. Senator MCCARTHY has introduced S. 2254 and Senator WILEY has introduced S. 2262. We understand that it is the House measure H. R. 6857 which is pending on the Senate Calendar.

As we advised you, the city of Milwaukee, through its board of harbor commissioners, has made the following conveyances of land to the United States Government in the area dedicated for municipal harbor development by the city of Milwaukee: In December 1948, we conveyed to the United States Corps of Engineers 2.25 acres of high-value dock property in the west bank of the Kinnickinnic River, for use by the Corps of Engineers as a marine depot. This conveyance was demanded by the Corps of Engineers as a prerequisite condition before the Federal Government would convey to the city of Milwaukee 20 acres of lake bottom which we had previously conveyed to the Government for a Federal project which was subsequently abandoned. In other words, the Federal Government returned our own property to us but as a condtion thereto, demanded 2.25 acres of dry land dock property.

In 1948, this property was valued at $65,000. Recent land transactions in the area indicate property values in the range of $50,000 per acre.

In 1950, the United States Army received a 50-year lease on 6.4 acres of municipal harbor property for armory purposes. The consideration for the entire rental term of 50 years was $1. The value of this property is approximately $250,000 and if the city were leasing it commercially, that would be the valuation upon which rentals would be fixed.

In 1952, the city of Milwaukee, through its board of harbor commissioners, leased to the United States Navy for Navy armory purposes another 6-acre tract, located in close proximity to Lake Michigan. This lease runs for 50 years, for a token consideration of $1. If commercially leased, it would have a lease valuation of $240,000.

On January 6, 1956, the United States Navy applied for lease of another 0.92 acre of harbor land, and for free use of valuable dock structures, for the purpose of establishing docking and service facilities for naval training craft which base at Milwaukee Harbor. The land area is required for the establishment of a small steam plant and other service facilities, to support the proposed naval harbor installation. This land application has not been formally acted upon as yet but we are confident that it will be approved by the board of harbor commissioners and by the common council.

The largest land acquisition of Milwaukee Harbor property by the United States Government is approaching the final stage of negotiation. The United States Army has requested that the city lease to it for 20 years, 19.5 acres of our most valuable municipal harbor land in close proximity to the downtown district. The Federal Government proposes to establish guided missile (Nike) batteries on this location for the defense of the Milwaukee industrial area. The common council has given preliminary approval to the Army request and has directed this office to negotiate a suitable lease with the United States Army. This negotiation has been delayed because of the difficulties encountered in terminating agreements and contracts for operation of a downtown municipal airport which now occupies the area.

Assuming that the lease for the proposed Nike installation will be granted and assuming also favorable action on the latest Navy request for 0.92 acre or harbor land, it will be seen that since 1948, the city government has conveyed or leased or is in the processing of leasing a total of 35.07 acres of valuable and strategic municipal harbor property for various Federal governmental undertakings.

In contrast, we are requesting the conveyance of 0.4 acres of Government property, not as an acquisition of great value but merely to assure unified jurisdiction in filling and developing a 20-acre area of submerged land north of the harbor entrance. As we advised you, this small, federally owned remnant of land has been declared surplus by the United States Coast Guard. It is occupied only by a dilapidated dwelling and an ancient tin garage. The property has been badly vandalized, has little or no commercial value, and, in our judgment, some expense will be borne by the city of Milwaukee in removing the buildings from the site. If we do not do so, it is inevitable that the Federal Government must in the near future remove these dilapidated structures and will therefore incur expense which we are prepared to assume if we are given title to the small land area involved.

The locations of the various parcels of land in question have been indicated on the map which we left with you. Brief legends describe the transactions involved, but this letter will supplement and amplify the data set forth on the map.

We can assure you with all sincerity that the city of Milkaukee is not attempting to acquire a Federal asset of any substantial value, but desires only to correct a physical eyesore in the harbor area and to secure unified jurisdiction in an area which the city of Milwaukee has under development for harbor purposes at a most substantial cost. As a final thought, may we point out that our municipal harbor development serves the foreign and domestic commerce of the United States, and in this respect also the requested conveyance would seem to us to be in the public interest.

Your careful consideration of our presentation and your prompt action in having the bill placed on the calendar for early consideration is deeply appreciated. We thoroughly respect the principle you have so often expressed but believe that the circumstances surrounding this legislation are far different than those which customarily surround requests for conveyance of Federal lands or surplus property. The city of Milwaukee has aided Federal programs in this area by substantial grants of valuable land and we believe that the circumstances completely justify the small consideration we now request the Congress to grant to this community.

Respectfully and sincerely,
H. C. BROCKEL,
Municipal Port Director.
ARTHUR J. SALTZSTEIN,
Assistant City Attorney.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was read the third time.

Mr. CLEMENTS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLEMENTS. I should like to ask if that is the bill of which the Senator from Wisconsin is the sponsor.

Mr. McCARTHY. Yes.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (H. R. 6857) was passed.

PRESIDENT EISENHOWER'S VIEWS ON THE NATURAL GAS BILL

Mr. HUMPHREY. Mr. President, I understand the Senate is operating under the 5-minute rule on the call of the calendar.

The PRESIDING OFFICER. The Senate is not calling the calendar and is not operating under any rule at this time.

Mr. HUMPHREY. My comments, while not on the subject of the bill which has been under consideration, will, I trust, be of some interest, considering what has happened in recent days.

The press wire services are carrying an account of President Eisenhower's press conference today. During the press conference, a question was asked concerning the President's reaction to the natural gas bill. I read from the Associated Press wire service, as follows:

Asked whether he intends to sign or veto the natural gas bill sent to him by Congress 2 days ago, Eisenhower replied that he always has felt that the Federal Government should not interfere with the States any more than is absolutely necessary. The bill would exempt producers of natural gas from Federal price regulation at the well.

Eisenhower said he had not made up his mind yet whether to sign or veto the measure. One of the things he wants to resolve, he said, is to find some way of preserving the rights of States and at the same time protecting the public as users of gas from any excessive price increases.

I now read from a further dispatch concerning the same news conference, as follows:

President Eisenhower said today he will try to strike a balance between States rights and the rights of consumers in deciding what action to take on the Natural Gas bill.

Eisenhower declined to say specifically whether he will sign or veto the controversial measure, sent to him after the Senate passed it Monday night 53–38.

The bill would exempt natural gas producers from utility-type Federal regulation. Eisenhower has 9 more days in which to act.

The President told questioners at a news conference today that his feeling always has been that production of national resources is a matter for State regulation and that the Federal Government should not interfere in the States' business unless it must.

On the other hand, Eisenhower said, natural gas production and distribution is a complex affair and it is necessary to protect consumers—who, he said, are pretty much the captives of producers.

He said he will weight both factors in deciding what action to take.

Mr. President, in these dark, sometimes despairing days, it is good to see a ray of hope. I hope this is not an optical illusion. I have at least some reason to believe that this may be a matter of considerable substance and importance. The President in his news conference has touched upon two of the important points which were developed by those of us who opposed the natural gas bill. The first point was that the distribution and production of natural gas is a complex business, and that the consumers are in a sense captive customers.

The President then goes on to point out that he is concerned about the consumers' interest, and the fact that the consumers might be compelled to pay excessive prices; or, to put it in another vein, he was concerned lest the consumers should be compelled to pay excessive prices.

It appears, therefore, that the President is asking the American people for their views. I hope the American people will indeed respond and will let the President know exactly what their views are.

I hope the White House will receive a substantial number of letters, messages, and telegrams from the consumers of natural gas, indicating their desire that the President veto the natural gas bill.

It is reassuring to know that the President of the United States is weighing the natural gas measure most carefully. He has stated his views, namely, that he feels the matter of production of our natural resources should be basically left in the hands of the States. However, he has indicated that there may be overriding or compelling reasons why Federal regulation is necessary.

Some time ago the New York Times published an editorial stating that the last chance to defeat the natural gas bill was in the Senate. I wrote a letter to the editor of the New York Times in reply to that editorial, stating that the Senate was not the last chance; that the last opportunity for the American people to receive such protection, of which they are justly deserving, was in the hands of the President.

Now the President has at least indicated that he is deeply concerned about the action which was taken by the Senate. I think he has done in this press conference a very worthy service. In other words, he has invited the advice and counsel of the American people. If the American people will speak up, they may very well be able to demonstrate to the President that the bill is not in the public interest.

I call upon the President to read the debate in the Senate most carefully. I call upon him to read particularly the remarks of the junior Senator from Rhode Island [Mr. PASTORE] on the matter of consumer interest. I hope the President will note that the amendment which the Senator from Rhode Island proposed, establishing as one of the criteria for fair market value, for fair market price, the criterion that the consumer interest be considered, was defeated in the Senate; that the proponents of the natural-gas bill refused to accept that criterion.

When the President of the United States sees that the word "consumer" is not to be found in the natural gas bill, and when he sees that the proponents of the bill refused to accept an amendment which would have set up, as one of the criteria for establishing what is called reasonable market price, the criterion of consumer interest, then I feel certain that he will realize that the bill does not protect the consumers.

I call upon the people of the United States to let the President know their views. I hope that mayors, governors, legislators, aldermen, and councilmen, as well as housewives and businessmen, all of whom are consumers of gas, will send telegrams and letters to the President, setting forth in no uncertain terms the necessity of a veto.

President Truman vetoed the Kerr bill of 1950. President Eisenhower, by vetoing the present bill, will demonstrate his keen interest in the consuming public. I only hope this will be his decision.

If that shall be his decision, he will surely receive my praise and my approval, if that will mean anything. I urge bipartisan support to encourage the President to do his duty in this matter as he sees it, as he undoubtedly will, but to make certain that that duty is one of protecting the consumer interest.

PROPOSED IMMIGRATION AND NATURALIZATION LEGISLATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 329)

The PRESIDING OFFICER (Mr. BARKLEY in the chair) laid before the Senate a message from the President of the United States, which was referred to the Committee on the Judiciary.

(For President's message, see House proceedings of today.)

REVIEW OF THE AMERICAN PATENT SYSTEM—ADDITIONAL COPIES OF REPORT

Mr. O'MAHONEY. Mr. President, on the 30th of January last, I filed with the Senate Report No. 1464, from the Committee on the Judiciary. This was a report of the Subcommittee on Patents. The report is less than 20 pages in volume.

In the ordinary course of business, the committee had 3,500 copies printed. The demand for the report has been so great that in less than 1 week more than half of the supply has been exhausted.

I should like to have it noted on the record precisely how this report of the special Subcommittee on Patents, a standing subcommittee, has been received by the public, the demand for the report, and the interest the country has displayed in the activities of the subcommittee.

More than 990 requests, to be placed upon our mailing list for this report and all others, have been filed with the committee, and to date copies have been distributed, not only in response to those who wanted only a single copy, but those who wanted as many as 250 copies.

I have in my hand a list of the categories of organizations which have filed applications for the report. I am going to ask unanimous consent that the entire list may be printed in the RECORD, but, for the information of the Senate at this moment, I shall be content to say that these requests come from Government officials, including Members of Congress, from trade associations, and from other associations such as the American Bar Association, the National Council of Patent Law Associations, and the United States Trade-Mark Association.

In addition, applications from abroad have come from the Australian Consulate General, the Commonwealth National Library at Canberra, Australia, the National Foreign Trade Council, the British Embassy, Switzerland, and also from corporations abroad, as well as research corporations and organizations, oil companies, automobile companies, electric companies, publications, universities and schools, the Rockefeller Foundation, the American Federation of Labor, the United States Chamber of Commerce, the Los Angeles County Law Library, and miscellaneous companies in this country such as the National Cash Register Co., the North American Philips Co., International Harvester, Aluminum Company of America, Allis-Chalmers, Block Drug Co., the Machinery and Allied Products Institute, and so forth.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LANGER. I might say I received a request from the Volkswagen, in West Germany, that it also wanted a report of the committee. I submitted that request to the distinguished Senator.

Mr. O'MAHONEY. That is true. Interest in the report is so great and so general that I feel, as I have felt on previous occasions when I have filed reports with the Senate, notice should be given to the public that copies will be available for sale at the Government Printing Office.

Arrangements have been made, Mr. President, whereby the report, which is entitled "Review of the American Patent System," will be on sale, at 10 cents a copy, at the Government Printing Office. Members of the public who desire to have copies of the report, if they cannot get them from other sources, may get them from the Government Printing Office.

The demand has been so great, of course, that I am asking that additional copies be printed by the Government Printing Office for the use of the committee and the use of Members of Congress.

Mr. President, I ask unanimous consent that a breakdown of requests for the report be printed in the RECORD, and I also ask unanimous consent that the report of the committee be printed in the RECORD at this point.

There being no objection, the breakdown and report were ordered to be printed in the RECORD, as follows:

BREAKDOWN OF REQUESTS FOR PATENT REPORT

GOVERNMENT

Department of Justice: Patent Section, Antitrust Library.
Copyright Office.
Commissioner of Patents.
Bureau of the Budget, Executive Office of the President.
Council of Economic Advisers, Executive Office of the President.
Office of Solicitor General.
Small Business Administration.
Committee on Government Operations.
Department of State: Office of International Trade and Resources, Distribution Section.
General Services Administration—Law Library.
Department of Commerce—Office of Technical Services.
Assistant Secretary of Defense (Supply and Logistics).
Federal Trade Commission—Bureau of Economics.
United States Court of Customs and Patent Appeals.
United States Court of Claims.
National Bureau of Standards.
Atomic Energy Commission.
Library of Congress.
Navy Department: Office of Naval Research, Bureau of Ordnance.
Department of the Air Force: Judge Advocate General's Office.
Department of the Army: Judge Advocate General's Office.
Department of the Interior: Patents Branch.

ASSOCIATIONS, TRADE

Automobile Manufacturers Association.
Aircraft Industries Association.
National Association of Manufacturers.
Engineers and Scientists of America.
American Railroads Association.
Manufacturing Chemists Association.

ASSOCIATIONS, OTHER

American Bar Association.
National Council of Patent Law Associations. The executive secretary of this organization informed me that there are 26 local associations in this organization each of which will probably write in to receive from 20 to 50 copies. (Today we received a request for 20 copies of the report from the Chicago Patent Law Association.)
Patent Equity Association.
Patent Office Society.
American Arbitration Association.
National Patent Council.
Public Affairs Institute.
American Patent Law Association.
District of Columbia Bar Association.
United States Trademark Association.

FOREIGN

Australian Consulate General.
Commonwealth National Library—Canberra.
National Foreign Trade Council.
British Embassy.
CIBA—Switzerland.
Seefhaupt, O. B. B.—West Germany.
British Iron & Steel Corp., Ltd.

RESEARCH

Esso Research & Development Co.
National Research Council.
United Engineering Laboratories.

OIL COMPANIES

Socony Mobile Oil Co.
The Texas Co.
Ethyl Corp.
Sinclair Oil Co.
Standard Oil Company of New Jersey.

AUTOMOBILE COMPANIES

Ford Motor Co.
General Motors Corp.
Chrysler Corp.
American Motors Corp. (Nash-Hudson).
White Motor Co.
Studebaker-Packard Corp.
Willys Motor, Inc.

ELECTRIC COMPANIES

General Electric.
Sylvania Electric Products.
Western Electric.
Westinghouse Electric Corp.

PUBLICATIONS

Bureau of National Affairs.
Jobber News.
Labor Newspaper, Washington, D. C.
McGraw-Hill Publishing Co.
Business International.
Commerce Clearing House.
Federal Legal Publications.
Chelton News Bureau.
Patents Quarterly.
Chicago Daily Law Bulletin.

UNIVERSITIES

Northwestern University: Law school, department of economics, technological institute.
Michigan State University: Department of economics, law school.
Chicago University: Department of psychology, law school, school of business.
Harvard Law School.
Massachusetts Institute of Technology: Dewey Library, division of industrial cooperation, office of sponsored research, department of economics.
Cornell University: Law school, department of economics.
George Washington University: Law school, department of economics.
Georgetown University Law School.
Queens College: Department of economics.
Columbia University: Department of industrial engineering.
Johns Hopkins University: Department of political economy, applied physics laboratory.
Miami University: Radio-TV-film department.
Villanova University: Library.
University of California Law School.
Stanford University.
Catholic University of America: Department of economics.
University of Wisconsin Law School.
Rockefeller Foundation.
American Federation of Labor.
United States Chamber of Commerce.
Los Angeles County Law Library.

MISCELLANEOUS COMPANIES

National Cash Register Co.
Pittsburgh Plate Glass Co.
Celanese Corporation of America.
Polaroid Corp.
Ferro Corp.
Kaiser Aluminum Co.
Koppers Co., Inc.
Lockheed Aircraft Corp.
Champion Paper & Fiber Co.
North American Philips Co.
International Harvester Co.
Schenley Industries, Inc.
Aluminum Company of America.
Otis Elevator Co.
Vick Chemical Co.
Allis-Chalmers Manufacturing Co.
Abrasive Associates.
The Bettinger Corp.
Block Drug Co.
Dayton Rubber Co.
Machinery & Allied Products Institute.

REVIEW OF THE AMERICAN PATENT SYSTEM

INTRODUCTION

Pursuant to Senate Resolution 92, May 11, 1955, 84th Congress, 1st session, the standing Subcommittee on Patents, Trademarks, and Copyrights was authorized to review the statutes relating to patents, trademarks, and copyrights, and to take testimony thereon. The sum of $50,000 was appropriated from the contingent fund of the Senate for use of the subcommittee. Due to the lack of office space, the subcommittee was unable to launch its work until August 22, 1955. Approximately $24,000 will, therefore, remain unexpended on January 31, the termination date of the appropriation of the subcommittee as fixed in Senate Resolution 92.

It is already clear from the testimony which has been adduced, from the preparatory investigations of the staff, and from the reports and papers of well-known experts of training and experience who are generously cooperating with the subcommittee, that the study now in progress is of great importance. Although the work of the subcommittee is far from completion, the following preliminary conclusions are justifiable on the basis of the facts before it.

I. PRELIMINARY CONCLUSIONS OF THE SUBCOMMITTEE

1. The present patent system should be adjusted to modern conditions

When the patent laws were first drawn, invention and discovery were almost exclusively the product of the efforts of individuals working alone. Today, invention and discovery are largely the work of research laboratories. In other words, individual enterprise has been gradually yielding to collective enterprise. No less than 4,835 laboratories are now in operation in this country, and many of them are owned and operated by large corporations.[1] Seventeen years ago (1938) more than 50 percent of all patents issued by the United States Patent Office went to corporations.[2] This included 17.2 percent of the total which went to giant industrial corporations with assets over $50 million each. It is now estimated that 60 percent of the patents go to corporations and only 40 percent to individuals.[3] As a result, the independent individual inventor is continually finding it more difficult to defend and to market his own invention.

The subcommittee heard an almost unanimous chorus of dissatisfaction from individual inventors. The normal market, investment, and business hazards attending any innovation—whether a new product, a new machine, or a substantive improvement—are already so large that the additional and, in some respects as they see it, unnecessary administrative and judicial hazards now incurred in securing and protecting a patent represent the straw that breaks the camel's back.

It is true, of course, that the fault by no means always lies with the system. Many individual inventors are wasting time and money in filing patent applications that should never have been filed, and attempting to exploit inventions that should never be exploited. This happens because they do not have adequate technical background or sufficient knowledge of present-day problems in industry to qualify in the fields in which they have chosen to work. Unfortunately, some garret inventors, often with no experience in the problems at hand, have

---

[1] Information supplied to subcommittee by National Research Council: In 1950 there were 3,313 scientific laboratories employing 165,032 persons.

[2] Investigation of Concentration of Economic Power, 75th Cong., pt. 3, p. 1127.

[3] Hearings, American Patent System, pt. 1, 84th Cong., p. 25. The Patent Office is currently making a study for the subcommittee to determine the number of patents owned by large patent-holding corporations and the number owned by each of the 500 largest corporations.

no hesitation in filing patent applications on everything from improved tools for brain surgeons to atom smashers.[4]

Notwithstanding these unfortunate experiences, the individual inventor working in a field in which he has technical competence and directing his efforts toward the current problems in that field, performs a vital and important function. The patent system is designed to encourage this type of inventor, and the patent statutes, Patent Office administration, and the patent system as a whole must be considered, and improved where necessary, in the light of this purpose.[5]

[4] An illustration of the problem, perhaps an extreme one, was found in the experience of the Sinclair Oil Co. About 4 years ago, Sinclair, finding itself with excess capacity in its new research laboratory, under the guidance of P. C. Spencer, president, offered its facilities to independent inventors to test out any inventions relating to petroleum. In return, Sinclair asked only a royalty-free license for its own operations (hearing, p. 20).

The results were not happy. The company received 6,000 inquiries and 400 ideas or suggestions. More than half of the ideas were outside the petroleum field and only about 30 came within the ambit of the plan. Two-thirds of these were excluded because they were not patented or proper subjects for patenting. All but 3 of the remainder were excluded after screening that indicated they did not make sense. The remaining 3 were tested, 2 unsuccessfully; the third turned out to be economically unsound. The company concluded that there were no independent inventors in the petroleum field really in need of help, although the need for help might exist in other fields (hearings, p. 20).

[5] The problem here, fully corroborated and documented throughout our hearings, was stated by the chairman of this subcommittee on the opening day as follows:

"The question that now presents itself is whether the individual inventor still enjoys the sort of protection the drafters of the Constitution had in mind. The Senate by its adoption of a special resolution authorized the Judiciary Committee to undertake what was conceived to be a necessary study to determine what changes should be effected in the patent law if new frontiers are to be opened to the inventive genius of Americans in the modern era. The individual in our time finds himself in a field of competition with foreign nations and institutional research laboratories which did not exist as competitors when the Constitution was drafted and the patent laws first written."

* * * * *

The central patent issue seems to be that of the relation of the individual inventor and the business concern which puts inventions on the market. Phrased in another way, is the million-dollar laboratory usurping the function of the garret inventor; and, if not, how can we bring the inventor down from the garret and into the living room and eventually into the dining room, where he can pick up the profit? The problem comes up in several ways.

First, we find the practical business problem of the inventor in financing the research he must undertake and his cost of obtaining patents and marketing inventions.

Second, is the problem of the dealings of organized industry with inventors in order to achieve a satisfactory working arrangement which can best convert the fruits of the inventor's mind into merchantable commodities whose introduction into the market will benefit the public, the inventor, and the producer.

Third, is the problem of high mortality of patents—the fact that our courts so frequently hold patents invalid. What is its effect upon the inventor and the manufacturer? What is the underlying reason for this situation? What can be done to remedy it?

Fourth, is the cost of obtaining patents and of patent litigation. What is the effect of these costs upon inventors and industry? How can they be reduced consistent with maintaining a sound patent system?

Fifth, apart from financial costs, how adequate are our present court procedures both in terms of the time it takes to reach decisions and in terms of the correctness of those decisions? Are our courts equipped to handle the complex technical subjects involved in patent litigation; do they need the benefit of consultation with independent experts, or do we need special courts to hear patent cases?

Sixth, how adequate is Patent Office administration in terms of the time it takes, the results reached, and the issuance of patents that our courts will enforce? How can this administration be improved to the advantage of the inventor, the businessman, and the general public? Do we need more patent examiners? Do they need better working conditions so they can work more efficiently, and do they need better salaries so the Patent Office does not lose them to private industry after they have been trained? Can Patent Office procedure be improved, especially with respect to classification? (hearings, pt. 1, pp. 1–3).

[6] Hearings, pt. 1, pp. 5, 35.

[7] Hearings, pt. 1, p. 38.

[8] Hearings, pt. 1, p. 42.

From the standpoint of complexity, there seem to be two extremes in the scale of invention. The simple "gadget" type requires relatively little scientific knowledge for its conception and limited capital for its exploitation. The more complicated invention requires extensive scientific knowledge and considerable capital to bring it to the point of even a successful commercial demonstration.

In the gadget field, the subcommittee heard the testimony of Mr. Donn Bennett, producer of the TV program The Big Idea. This program over the past 6½ years has presented demonstrations of inventions with the purpose not only of entertaining the viewers but also of securing interest in production or sale of the invention. During that period of time, 36,000 inventors have submitted ideas to Mr. Bennett's program, more than 14,000 of them being rejected by letter. Of the remainder, he has been able to get less than 10 percent, or approximately 1,600, on the air. Of that number, however, almost 500 have found their way into the market place. Some have been extremely successful.[6] Another interesting incident: When a certain manufacturer described one of his problems over Mr. Bennett's program and offered the audience a reward for acceptable solutions, some 1,500 inventors submitted ideas. After review, six were found to be of practical merit.[7]

In the field of aiding the independent inventor, the Small Business Administration has undertaken a program to help manufacturers find new products and processes and also to assist distributors in finding products. It lists inventions in a circular published periodically and distributed to manufacturers throughout the United States, and also offers assistance through its regional and branch offices. There have been a number of good results from this program and many manufacturers express a desire to be on the mailing list.[8]

The Office of Technical Service of the Department of Commerce has also aided manufacturers and inventors by collecting and disseminating information of both patented and unpatented technical nature. The National Inventors Council, also of the Department of Commerce, provides both a stimulus and focal point for national-defense inventions made by independent inventors.

The National Research Council is an independent organization in Washington, D. C., which aids Government, industry, and universities, as well as individual scientists. It has published books and articles on the subject of nonprofit research and patent management. Research Corp. is a nonprofit patent-management foundation which aids inventors and universities and other nonprofit organizations.[9]

A frequently mentioned obstacle to successful negotiation between inventors and the company research laboratory is the common use by companies of "idea submission" forms which outside inventors must sign before their ideas will be considered. Such forms are often legalistic in wording and sweeping in the protection they give manufacturers.[10] The latter justify this on the grounds of need to protect themselves both against unwarranted claims and against liability for the submission of ideas from the outside on which the research department of the company is already at work.[11]

2. The Patent Office and the United States courts are in conflict as to what is and what is not patentable

Testimony before the subcommittee indicates that more than 60 percent of patents brought before the various United States courts of appeal since 1947 have been invalidated.[12] In the district court the published decisions have ruled out more than 53 percent of the claims which the Patent Office had previously approved.[13] Although

[9] Hearings, pt. 1, p. 21.

[10] Hearings, pt. 1, p. 38.

[11] Hearings, pt. 1, p. 58.

[12] Hearings, pt. 1, p. 178.

[13] At the instigation of the subcommittee, the Patent Office prepared a study of patents adjudicated in the period 1948–54 (hearings, pt. 1, p. 176, et seq.) In approaching the problem of patent invalidity, in order to secure a balanced perspective it must first be recognized that only 1 out of every 290 patents issued is litigated (hearings, pt. 1, p. 176.) During the 7-year period the United States Supreme Court passed upon the validity of 7 patents, of which 5 were held invalid and in 1 certain of the claims were held invalid. In the United States courts of appeal during the same period 62.7 percent of the patents involved were held invalid. The published district-court decisions reported 53.5 percent of the patents adjudicated invalid, though the unpublished decisions of the district courts show a considerably lower percentage of invalidity.

Partly as a result of this situation, a considerable reduction took place in the number of patent suits filed in 1954 as compared with 1938 (hearings, pt. 1, p. 182). The statistics also show a decline in the percentage of cases in which patents were held valid and infringed with a corresponding considerable increase in the percentage of patents held invalid in the courts of appeal from 1925–54 (hearings, pt. 1, p. 182).

At the request of your subcommittee, the Patent Office studied 50 patents recently held invalid by the United States courts of appeal (hearings, pt. 1, p. 163, et seq). Thirty-four of the 50 patents were held invalid solely on the ground of lack of invention or anticipation. In 9 others this was one of the grounds of invalidity. In 6 of these cases the patent was held invalid on the basis of the identical prior art that had been cited by the examiner.

In 34 cases new references were used or referred to. In 6 instances the court noted specifically that the references were not considered by the Patent Office; in 11 instances all of the references applied by the court were new. In the 17 remaining cases the holding

the action of the Patent Office has fared better in those cases in which opinions were not written by the courts, this conflict in approach is a matter of serious concern. Whatever the explanation for the gap now existing between the findings of the Patent Office and those of the courts, every effort should be made, consistent with the public interest and the constitutional objectives of the patent system, to narrow it.

The large number of patents held invalid has an especially devastating effect upon the independent inventor of small financial means. Because of the probability that infringement litigation will result in judgment for the alleged infringer, it encourages a tendency to ignore the rights of patentees even where the patents are valid. Since prosecution of infringement suits is extremely difficult, slow and expensive, patentees may balk at undertaking it, even though satisfied that their patents are valid. Investment in inventions, in consequence, is discouraged since the property value thereof is depreciated.[14]

On the other hand, infringement litigation is expensive for both parties and even a successful defense of a patent-infringement suit requires heavy expenditures; issued patents, whether valid or not, may have a high nuisance value in the hands of large corporate owners, since they can wreak financial havoc upon smaller competitors by infringement suits, even though the ultimate judgment is in favor of the infringer.[15]

3. Need for maintaining and expanding qualified Patent Office personnel

Because the Patent Office is one of the older Government agencies, it has suffered by comparison with newer agencies in salaries offered to the highly trained engineers and scientists whose services are essential. The examiner of ability can easily find a better salary and more attractive employment conditions outside the Government than are now afforded him in the Patent Office. This results in many resignations, particularly in the higher grades.[16] In turn, an unduly high proportion of less qualified or inexperienced examiners inevitably means slower and less competent processing of applications. If the quality and the rate of output at the Patent Office are to be improved, the positions should be made more attractive than they are now. The separation of able employees from the service should be discouraged and the enrollment of new experts of high qualifications should be secured by providing better incentives than is now the case. In addition to the salary scale of Patent Office examiners, the need for a considerably increased staff of examiners, engaged both in examining pending applications and in classification, and for improved working conditions in the Patent Office was forcibly brought out in the hearings.

One of the casualties of inadequate budget and staffing has been improvement of the Patent Office classification system. Classification of prior art is a crucially important function of the Patent Office—and at the present time a sadly neglected one. Classification is important for several reasons. In the first place, the Patent Office is a vast storehouse of technical information which should be available to the public. Without adequate indexing, this store of information becomes virtually inaccessible to the public. Second, an adequate classification is necessary to enable examiners of pending patent applications adequately to review the prior art which may anticipate pending applications. Failure to locate pertinent prior art as a result of inadequate classification is seriously detrimental to the public since it increases the number of invalid patents, inevitably resulting in unnecessary litigation and expense both to the patentee and to the alleged infringer. The high incidence of patent invalidity, already mentioned, is at least partly attributable to inadequate examination and classification. Finally, inadequate classification seriously retards the examiner bent upon doing his best with the facilities at hand. Without pertinent information at his fingertips, with irrelevant materials mixed in with the relevant, he must rummage through a vast jumble of miscellaneous information, on the chance that it may contain a pertinent reference here and there—and when he is through he has no assurance that he has explored all the possibilities.

Further study of the operations of the Patent Office is necessary to ascertain what other devices may be necessary to take care of the tremendous backlog of patent applications awaiting action. No stone should be left unturned to bring about a reduction in the unconscionably long time—some 3 years and 5 months on the average [17]—which is now required to secure a patent grant.

The long pendency of applications is a serious problem not only to those inventors who require the issuance of patents in order to interest risk capital but also from the standpoint of manufacturers innocent of any wrongful intent who embark upon manufacture of an item only to find after the lapse of some years that a patent has issued thereon.

Finally, it plays into the hands of those applicants who deliberately delay issuance in order to prolong the patent monopoly beyond the 17 years provided by the statute. As was repeatedly stated in our hearings, there is urgent need for prompt, intelligent, and stable decisions by the Patent Office in its issuance of patents.

The budget for the Patent Office submitted to the Congress for several years has been considerably less than that required satisfactorily to maintain adequate examining and classification personnel.[18] This has been so well understood by the Congress that last year the Appropriations Committee on its own initiative increased the Patent Office 1956 budget from a recommended $12 million to $14 million. Subsequent to preliminary inquiries made by the chairman of your subcommittee, the Patent Office prepared an 8-year program to reduce the backlog of pending patent applications from a present peak in excess of 220,000 to a manageable total of approximately 100,000.[19] This would enable the Patent Office to act upon applications within 3 to 4 months, in contrast to delays today, in many instances, of over a year.[20] Reflection of this 8-year plan is the budget for fiscal 1957 which proposes $17 million for the Patent Office. The proposed plan contemplates considerable increase in the size of the Patent Office examining staff and this entails recruiting engineering, physics, and chemistry graduates, a program which the Patent Office is now vigorously pursuing.

The efforts that are being made to solve these problems are encouraging. It is an unhappy fact, however, that the damage done by an inadequate budget, even for a single year or biennium, can have far-reaching effects and the process of convalescence—in this case, 8 years by the most optimistic predictions—can be distressingly slow.

It is essential that relief be considered as a long-range proposition. Examiners require several years of experience in the Patent Office before the volume of applications which they are capable of handling reaches a satisfactory level. Only by maintaining the Patent Office budget on a long-range basis, can examiners be encouraged to make a career of Patent Office service instead of accepting the tempting lure of private employment—and only in this way can the backlog of pending applications be effectively reduced.

4. The need for a single Court of Patent Appeals

One of the recommendations of the Temporary National Economic Committee was the creation of a single Court of Patent Appeals, with jurisdiction coextensive with the United States and its Territories. Such a court would replace the present independent jurisdictions and should do much to assure uniform treatment of patents and to reduce the time and cost of patent litigation. It is true that since the rendition of the foregoing report, the lack of uniformity in decisions among the circuits which prompted the recommendation has to a considerable extent disappeared. It has disappeared because the circuits are now uniformly holding patents invalid.

The need for appellate judges having intimate acquaintance with patent-law problems is apparent. At the hearings, the view was exressed that such a court of appeals should be a rotating court with its bench drawn from the judges of the various courts of appeal rather than a court of technical experts.[21]

Regardless of whether the bench of such a court is selected in such manner or from the members of the bar having particular familiarity with patent matters, nevertheless, the court should be assisted in its determinations by a staff of technically trained experts.

II. SUMMARY OF SUBCOMMITTEE WORK DURING THE FIRST SESSION AND PROPOSED AGENDA FOR THE SECOND SESSION

1. October hearings on major patent problems

The subcommittee conducted hearings on October 10, 11, and 12, 1955, in the form of round-table conference discussions.[22] Approximately 49 inventors, inventor representatives, judges experienced in patent matters,

---

of invalidity may or may not have been caused by new references and in some of these instances the new reference or references do not seem to have been of much consequence.

The foregoing statistical résumé provides a clue to what Justice Jackson may have had in mind when in a famous dissent he said that the only patent which is valid today is one which the Supreme Court has not gotten its hands on (*Jungerson* v. *Ostby & Barton Co.*, 335 U. S. 560).

[14] The existence of some prior art and prior uses of patented subject matter may be known only to industry and not be available to the Patent Office, which results in the inadvertent issuance of invalid patents, however thorough its examination. Nevertheless, the study conducted by this subcommittee shows that there is an increasing percentage of holdings of invalidity. A very large number of witnesses testifying before the subcommittee expressed the view that this is extremely undesirable from the standpoint of protecting the independent inventor in his attempt to enforce patents and to interest capital in investment. If continued, according to these witnesses, this tendency may result in a reversion to the mystery of the guilds of the Middle Ages where technology was suppressed and restricted to the initiated and the channels of free exchange of information and ideas were impaired. Such regression might be well nigh disastrous to the welfare of the country.

[15] Hearings, pt. 1, p. 108.

[16] Hearings, pt. 1, pp. 14, 17, 170, 171, 199.

[17] Information furnished the subcommittee by the Patent Office. In 1954 the average was 3 years 6.8 months.

[18] Hearings, pt. 1, p. 164.

[19] Hearings, pt. 1, pp. 162, 195. The 8-year program will also increase the number of classification examiners to 141 from a present average of 17 (hearings, pp. 165, 203).

[20] Hearings, pt. 1, p. 162.

[21] Hearings, pt. 1, p. 132.

[22] The transcript of the hearings is found under the title "American Patent System," 84th Cong., referred to herein as "hearings." The transcript is preceded by a synopsis prepared by staff members of the subcommittee.

and patent attorneys participated. A full and frank discussion of the problems of the independent inventor and small-business man in dealing with patents, as well as other problems relating to the patent system, ensued. Mr. Robert C. Watson, Commissioner of Patents, and Mr. P. J. Federico, Examiner in Chief, attended the hearings throughout, not only participating actively in the discussion and comments but also assisting the subcommittee in questioning the numerous witnesses. Subsequent to the hearings, those in attendance, as well as other experts in the field of patents, were requested to submit written statements on the subjects discussed at the hearings, as well as other topics of their own choosing. Approximately 58 persons responded to this request and their statements are being printed as an appendix to the transcript of the hearings.[2] The large number of persons participating in the hearings and even larger number sending in statements is ample evidence of the interest in and concern for the welfare of the patent system, and underlines the importance of the current inquiries by this subcommittee.

2. Research studies in process

A most distinguished witness at the October hearings, the venerable Judge Learned Hand, retired chief judge of the United States Court of Appeals, Second Circuit, stated:

"I take it that you really want in this subcommittee to consider the thing anew from the bottom up.

* * * * *

"Well, my own view is that the only step which will really be important—the rest will be skirmishing about, procedural skirmishing—is to have a thoroughgoing examination of how the present system works.

"As I say, I mean a very thoroughgoing investigation in which you would compel, for example, the corporations that maintain their laboratories and everybody else you could get and see if you could find out how far the present system contributes to the purpose, the underlying purpose being, of course, the promotion of the arts on which civilization has come to depend so completely, even for its very existence.

"I don't know that that has ever been done. I think that has never been done. Oh, there have been committees. I know I was on a committee. Perhaps I didn't pay enough attention, but nothing came of it (hearings, pt. 1, pp. 111–112)."

The thoroughgoing inquiry urged by Judge Hand may be conducted by investigations and hearings, as well as through special studies undertaken by experts in the field. Whatever the method, the subcommittee often possesses facilities for obtaining needed information that may not be available to other groups. This was emphasized by Judge Hand. Thus, when Dean O. S. Colclough (acting director, Patent, Trademark, and Copyrights Foundation, the George Washington University) testified concerning the work of the foundation, Judge Hand, with a play on Dean Colclough's name and referring to the subpena power of Congress, commented to the subcommittee, "You have got the claws, and they have not" (hearings, pt. p. 123).

The subcommittee has heeded the counsel of Judge Hand. In the field of special studies, it has arranged for the preparation by eminent authorities of research papers covering a wide variety of subjects in the patent field. While some of these are already well along, most of them will not be finally completed until sometime during the second session.

The first of these papers to be undertaken and now nearing completion is a study by Dr. Vannevar Bush, recently retired president of Carnegie Institution of Washington, D. C., long a constructive critic of the patent system. He is the author of Science, the Endless Frontier; Modern Arms and Free Men; and many other studies and articles on the subject of technology, research, and the social significance of technological development. His present study embraces proposals to strengthen patent validity and protect against the misuse of patents, including their use for monopolistic purposes.

Included in his tentative suggestions are procedures for more careful processing of patent applications so as to increase the probability of validity; provision for technical advice and assistance to courts handling patent cases; and broader use of compulsory licensing at a reasonable royalty to deal more adequately with restrictive practices and other misuse, monopoly, or domination through patent concentration, domination through improvement patents, and patent suppression. He also takes up the underlying purposes and objectives of the patent system, its relationship to basic and applied science and their shifting roles, and its relationship to the independent as compared to the corporate inventor and to innovation as compared to invention.

Other outstanding figures who are currently preparing studies for the subcommittee include:

Dr. Walton Hamilton, formerly associated with Yale Law School and the Antitrust Division and now practicing law in Washington, D. C.: Dr. Hamilton is author of TNEC Monograph 31 (Patents and Free Enterprise) and numerous other writings. His present study deals with the applicable technological and economic tests in the grant and use of patents, including analysis of the technical criteria that should be considered in determining whether a patent should issue and the economic criteria to be applied in determining the validity of licensing practices, concentration of patents and other patent conditions affecting the competitive structure of business and industry.

Dr. Archie Palmer, Director of the Office of Patent Policy Survey, National Research Council, and former president of the University of Chattanooga and chairman of the Government Patents Board: Dr. Palmer is author of a number of studies and reports dealing with patents and research, especially with respect to the policies and administration of nonprofit and university research organizations. His present study deals with this same subject, but with especial attention to the actual operation of such organizations, their relation to and effect upon the inventors whose inventions they administer, and the business, industrial, and competitive effects of their licensing policies.

Mr. John Schulman, practicing attorney, New York City: Mr. Schulman, a leading authority on copyright law, was one of the United States advisers who participated in the 1952 Inter-Governmental Copyright Conference at Geneva, Switzerland, which drafted the Universal Copyright Convention, ratified in 1954 by the Congress. He is the author of a number of articles, lectures, and other treatises on various aspects of copyright law. His present study involves a comparison of patents, copyrights, and trademarks, and of the respective functions, purposes, and objectives served by these different types of intellectual property. Following completion of this study, Mr. Schulman will prepare a study of "petty" patents comparable to the German "gebrauchsmuster," which would provide a short-period, limited-rights grant for novel contributions of a minor nature.

Prof. Seymour Melman, department of industrial engineering, Columbia University, New York City: Professor Melman has given considerable study over the years to modern industrial research, especially corporate research of the large-scale, industrial laboratory type. His present study will examine definitions and legal tests of "invention," as applied in the patent laws, in relation to these modern research methods, and the operation of the patent system generally in its application to corporate research.

Mr. Nathaniel Sage, director of the office of sponsored research, division of industry cooperation, Massachusetts Institute of Technology: Mr. Sage and his staff have had wide experience in working with business concerns, independent inventors, and Government agencies in the conduct of research and the development of new inventions to the point of successful innovation and commercial practicability. Their study, based upon actual case histories, will deal with the patent system in terms of its significance as an aid to individual and independent inventors and to new and small businesses in their efforts to develop and successfully commercialize new inventions.

Prof. Leonard Emmerglick, professor of law, Georgetown University, Washington, D. C.: As former trial attorney with the Antitrust Division, Department of Justice, Professor Emmerglick tried, or participated in the trial of, several of the major antitrust cases involving patent and other technological features, including the Aluminum case, the General Electric Incandescent Lamp case, the Imperial Chemical Industries case, and several others. His study will analyze and evaluate the patent recommendations of the report of the Attorney General's National Committee to Study the Antitrust Laws, with especial attention to the probable effect of these recommendations upon the trial of antitrust cases involving patent issues.

Mr. Raymond Vernon, manufacturer and former Chief of the International Business Practices Division, State Department: Mr. Vernon is preparing a study of United States business and governmental policies and practices in relation to patents and technology involved in international trade. These will be examined from the standpoint of commerce in patents and technology as such and in products involving patented technology as well. The study will analyze business practices in relation to Government policies concerning international trade, foreign investment, and effect of technology, as well as their relation to antitrust policies in respect to international trade.

Prof. Murray Friedman, department of economics, Queens College, New York City: Professor Friedman is undertaking certain institutional studies relating generally to the relationship of research and technology to industrial size, and the competitive significance of this relationship. He is giving especial attention to the effect of mergers upon research activity and upon the acquisition and use of patents.

Mr. P. J. Federico, Examiner in Chief of the Patent Office, author of Statutory Disclaimers in Patent Law, and numerous studies and articles relating to the patent system, is preparing a comparative study of "opposition" and cancellation proceedings in foreign countries. He is also preparing a digest, survey, and tracing the historical development of proposals presented to Congress from 1870 to date for reforming and improving the patent system.

The Legislative Reference Service of the Library of Congress is undertaking several projects for the subcommittee. These include the preparation of a detailed bibliography of patent reference materials, appropriately indexed and classified; also a historical digest and analysis of congressional hearings, reports, and legislation on various subjects, including the following: (1) Efforts to establish a statutory standard of invention; (2) recordation of patent license and assignment agreements and regu-

[2] Appendix to hearings, pt. 1, p. 239, et seq. A synopsis of the appendix materials prepared by staff members is found at the front of the hearings.

lation of international patent cartels, including appropriate parts of Federal incorporation proposals and proceedings with respect to the Habana Charter; (3) licensing of patents, including various compulsory licensing proposals and provision for voluntary registration of patents available for license, as well as bills to require the licensing or dedication of Government-owned patents; (4) recommendations for Government assistance to and encouragement of invention and research, including proposals for dealing with inventions made by or for the Government, reward of Government-employed inventors, creation of organizations designed to encourage and supervise research such as the National Research Council, National Inventors Council, and National Science Foundation, aid to private inventors through assistance, subsidy, awards, dissemination of information, etc., and proposals for favorable tax treatment of research expense and patent income; (5) Patent Office fees; and (6) proposals for expediting Patent Office procedures, including the 20-year law.

Other studies in the course of preparation relate to the historical development of remedies in patent-infringement cases, with especial attention to the development of equitable relief and the circumstances, historically, under which such relief would be granted; and a study of the legal development and scope of judicial doctrine relating to price restrictions in patent agreements as well as the economic and business factors back of such restrictions and economic evaluation of the applicable legal rules.

A number of other research studies are currently under discussion with selected and qualified individuals, both in and out of Government, who have indicated an interest in proceeding with them. Subject matter includes comparative studies of the patent systems of several other countries; further studies in the international field; legislative and historical developments in our patent system over many decades; further studies of Patent Office and court operations and procedures; the sociological and psychological foundations and effects of the patent system; the broad relationship of the patent system to scientific and technological development; further studies of the relationship of the patent system to problems of competition, monopoly, marketing practices, and the antitrust laws; further studies of the system's role vis-a-vis the small-business man and independent inventors; the role of various Federal Government activities in relation to the patent system; and so on.

As the foregoing studies are completed and received by the subcommittee, it is contemplated that they will be printed, either separately or collectively, and made available for public distribution as committee prints, monographs or in some other appropriate form.

3. Staff investigations

(a) Compulsory patent licensing: This is one of the most controversial subjects in the patent field. The Temporary National Economic Committee reported in favor of an amendment to the patent laws which would require licensing of patents at reasonable royalties. Subsequently as an adjunct of enforcement of the antitrust laws in the patent field, a number of antitrust civil decrees required defendants to license patents either at a reasonable royalty or royalty free. The subcommittee determined that no study had ever been made of the effect of these provisions of the decrees either by the Antitrust Division or by others. Accordingly, a complete review of every antitrust decree in which compulsory licensing of patents was required has been undertaken to determine how effective it has been in opening industry to competition and what practical problems have arisen in the administration of compulsory licensing.

(b) Patent-antitrust problems: In preparation for hearings on patent-antitrust problems, the staff is studying major topics of concern in the antitrust-patent field. Cooperation of the Antitrust Division of the Department of Justice has been secured in this work. This preparation is in line with the subject matter discussed in the chapter on patent-antitrust problems in the report of the Attorney General's National Committee to Study the Antitrust Laws.

(c) Relation of the individual inventor to corporate research: The staff of the subcommittee has undertaken to investigate the relationship of the individual inventor to corporate research. One of the first steps presently in process is a determination of what companies own the largest number of patents and how many patents are owned by the largest corporations in the United States. This work is being conducted in cooperation with the Patent Office.

In addition, the subcommittee, as a result of its hearings and publicity thereon, has received numerous complaints of unfair treatment of individual inventors by corporations to whom they have disclosed their inventions. If substantiated, these complaints indicate a very grave disregard for the rights of individual inventors. The staff of the subcommittee is now in the process of investigating the most serious of these complaints.

(d) The automobile patent pool: A number of years ago the automobile industry by private cross-license agreement had in operation a system whereby patents acquired by any manufacturer were available to all competitors either without payment of royalty or on payment of a nominal royalty. Investigation by the staff of the subcommittee disclosed that this cross-license agreement had broken down and for all practical purposes is no longer in existence. Further investigation and eventual hearings are necessary.

(e) Electronics patents: Within the past years antitrust actions involving electronics of major significance have been filed and consent decrees have been entered. Recently filed has been an action by the Government against Radio Corporation of America, charging an illegal patent pool in the electronics industry on patents acquired by Radio Corporation of America from General Electric, Westinghouse, A. T. & T. Co., and Western Electric. Recently settled by decree have been an action against Western Electric and A. T. & T. providing for compulsory licensing of all patents, both present and future, with no limit as to time or the use to which they may be put, and covering approximately 8,600 patents; and an action against International Business Machines Corp., likewise providing for compulsory licensing of patents and technical know-how. There are numerous agreements involving patents in the electronics industry. Further investigation of the patent picture and the enforcement of the antitrust laws as affecting patents in this growing industry is necessary.

4. Legislative action

Title 35 of the United States Code, dealing with patents and the Patent Office, was completely overhauled and codified in 1952. One may inquire, in consequence, why there should now be any occasion for other than minor legislative changes. The answer is twofold. First, that overhaul, except in certain minor respects, was a codification, not a revision, of existing law. Numerous substantive changes, some of which may have considerable merit, were suggested at that time, but were passed over in view of the sound disinclination to consider new matter at that time. These proposals should now be examined on their merits. Second, many important attributes of the patent system, both in terms of its effect upon other laws and vice versa, may be the subject of legislation that lies outside the scope of title 35 as such. Antitrust matters, special relief bills, certain aspects of Government research and patent policies, many statutes relating to litigation, and various international aspects, come within this category. Trademark and copyright matters also lie outside the scope of title 35.

As a result of the evidence thus far obtained in our hearings, the chairman is ready to submit drafts of the following bills for submission to the Congress:

1. A statement of intent by Congress that patents shall be issued only to inventors in accordance with the public interest and only after thorough search and consideration of the prior art, but after once issued by the Patent Office patents shall not be held invalid except upon the basis of clear and convincing evidence of improper issuance or on the ground of fraud.

2. A bill which would create in the Department of Commerce an agency to assist inventors by making inventions more readily available to industry.

3. The so-called 20-year bill, which was passed by the Senate April 26, 1940,[34] and which would limit the term of a patent to 20 years from the date of filing of the application but in no case more than 17 years from the date of issuance.

4. A compulsory recording of license agreements bill which passed the House of Representatives April 1, 1946.[35]

5. A bill permitting revocation or cancellation of patents on motion of the Patent Office, interested persons, or the Attorney General which in large measure follows the recommendations of the National Patent Planning Commission established by Executive order in 1941.[36]

6. A bill for the creation of so-called short-term or minor patents and patents of addition which are found in the laws of many foreign countries.

7. A bill for filing evidence of invention similar to a proposal which passed the Senate October 9, 1949.[37]

8. A bill simplifying review of Patent Office decisions by eliminating 1 of the 2 alternative appeals now open to applicants.

9. A bill requiring publication of interference counts after termination of the motion period and before the taking of testimony so as to give warning to manufacturers of the possibility of delayed issuance of patents involved in interference between two applicants.

10. A bill to establish a single Court of Patent Appeals.

There are now pending in the Senate a number of bills relating to patents, trademarks, and copyrights which come within the jurisdiction of your subcommittee and require consideration by it. These include bills originating in the Senate, others which originated in and were passed by the House of Representatives, and others still pending in the House but expected to be passed by it and referred to the Senate during the second session.

The following bills originating in the Senate are currently pending before this subcommittee:

S. 116 (companion bill H. R. 2128 presently pending before the House of Representatives): To authorize the extension of patents covering inventions whose practice was

---

[34] 76th Cong., S. 2688, S. Rept. 747. See also: 79th Cong., H. R. 2631; 77th Cong., H. R. 9211, S. 892; 74th Cong., H. R. 4986; 73d Cong., H. R. 5554; 72d Cong., H. R. 10153, 11016, H Rept. 1200.

[35] 79th Cong., H. R. 3756. There were a number of bills of similar nature in prior and subsequent Congresses.

[36] Recommendation of National Patent Planning Commission (1941).

[37] 81st Cong., S. 868, H. R. 1711, S. Rept. 675. Similar proposals in prior Congresses.

prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls.

S. 215: An act to amend the Trademark Act in certain particulars.

S. 590: Relating to the rendition of musical compositions on coin-operated machines.

S. 672: For the relief of Richard T. Harvey by the renewal and reviving of patent application No. 320,998.

S. 683: For the relief of Ashley G. Ogden by payment of a sum in satisfaction of his claim against the United States for use of an invention submitted to the National Inventors Council.

S. 1815: To confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Antoine Gazda for use of certain patents.

S. 1968: To amend the act of June 30, 1950, relating to the extension of the terms of patents of World War II veterans.

S. 2233: To extend and renew letters patent relating to vehicle-door hardware.

The following bills have been passed by the House of Representatives and are now pending before this subcommittee:

H. R. 2068: For the relief of William F. Friedman in settlement for all rights in respect of his inventions placed in secrecy status.

H. R. 2383 (companion bill S. 2157): To provide for inventors' awards for those making inventive suggestions to the Armed Forces.

H. R. 5876: To amend the copyright law to permit, in certain classes of works, the deposit of photographs or other identifying reproductions in lieu of copies of published works.

Although not presently before the subcommittee, the House Committee on the Judiciary has reported favorably H. R. 4983 to increase Patent Office fees. The subject matter of this bill will in all likelihood come before this subcommittee during the second session.

5. Additional hearings on certain patent problems

One of the important chapters in the report of the Attorney General's National Committee To Study the Antitrust Laws is on antitrust-patent problems.[29] The Senate Subcommittee on Antitrust and Monopoly Legislation has undertaken extensive hearings on other chapters of the report but has specifically deferred hearings on antitrust-patent problems so that the Patents Subcommittee may conduct these hearings.

In addition, hearings on the patent policies of the Federal Government are highly desirable, both for their general significance in terms of public policy and for their effect upon monopoly, competition, and concentration in our economy.

Further, hearings are desirable on the international aspects of patents, including attention to the International Union for the Protection of Industrial Property (an especially significant matter at this time because of the contemplated meeting to consider revisions thereof, scheduled for Lisbon, Portugal, in 1957); the export and exchange of technology and patent rights as part of our foreign policy, in connection with cartel agreements, etc.; and a comparative study of the United States patent system and those of other countries.

Several witnesses stressed the extreme importance of making, as Judge Learned Hand put it, "a thoroughgoing examination of how the patent system works. That is the only question in the end, how far does this system of what we call monopolies promote the public interest by stimulating progress, interstitial progress of the arts? That cannot be determined satisfactorily a priori by the beliefs that people have one way or the other. Not without a thoroughgoing investigation. I mean a very extended examination. Call everybody and see how it works. I don't care much about their opinions as to how it works. But how does it work? It will be a long job. It may be an impossible job (hearings, pt. 1, p. 118)."

This examination the subcommittee proposes to undertake.

[29] Ch. V. Patent-Antitrust Problems, pp. 223–260.

CONCLUSION

No basic changes in our patent system or its underlying principles have been made since 1836 when our "modern" patent statute came into being. Amendments have either dealt with specific, and often relatively minor, problems or have been largely revisory or declaratory in nature.

Yet with so relatively static a statutory structure, this country, like much of the rest of the world, has been the subject of dynamic development industrially, technologically, and economically. Except for a few minor areas of business activity, the industrial and technological economy of today bears little resemblance to that of yesterday. The relatively simple, easily understood and inexpensive inventions have given way to highly complex inventions that require extensive scientific training to understand and substantial experimentation and capital to develop and perfect. The garret, garage, or basement inventor to a marked extent has given way to the laboratory technician who is both scientifically trained and versed in the latest techniques of experimentation and invention. The independent "lone wolf" inventor has given way to the coordinated group activity of the research laboratory.

An economy of scarcity, relying mainly upon manpower, craftsmanship, and simple tools, has been replaced by an economy of potential abundance increasingly mechanized, productive and efficient, with developments in automation, chemistry, electricity, electronics, and atomic energy increasingly measuring the pace and extent of advance. The science and technology of foreign countries that was almost as unavailable as undiscovered technology in an earlier day, is now, with certain obvious exceptions, capable of easy, rapid, accurate, and complete communication. An economy that once was slow moving and deliberate in its technological advances has given way to one that moves at fast and ever-accelerating speed.

A Government that once contributed little to technological development, other than to enact a patent law and provide a court system to enforce it, has today become a tremendous factor in this area, not only through its own direct research activities and financial assistance to other public and private research institutions, but by increasingly posing the problems that require solution and thereby providing the incentive for their solution.

The genius of the architects of our patent system, like the genius of those who framed our Constitution, to some extent anticipated these basic shifts and built a structure that was adaptable to them and sufficiently flexible and far reaching in its underlying principles as to be able, with an occasional patching here and a shoring there, to weather these changes and continue to carry out with maximum effectiveness the constitutional purpose of "promoting the progress of science and useful arts." One cannot, however, question the desirability of an inquiry, as suggested by Judge Hand, to determine to what extent this is so and, even where it is so, to ascertain what patching or refurbishing may be desirable if the patent system is to perform even better in today's society.

These are some of the considerations that induced this subcommittee to shape the program and undertake the activities outlined in this report.

CONVEYANCE OF CERTAIN LAND IN NECEDAH, WIS., TO THE VILLAGE OF NECEDAH

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of Calendar No. 1210, H. R. 2889, which was temporarily laid aside.

The PRESIDING OFFICER. The bill was temporarily laid aside.

The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 2889) to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. McCARTHY. Mr. President, I very much dislike the amendment offered by the Senator from Oregon. I think it is unfair to the village of Necedah, which transferred this property for $1. The village should get it back for the same price. However, rather than hold the bill up, I am willing to accept the amendment of the Senator from Oregon.

I assume the amendment also strikes the proviso clause, so that Necedah will get the property free and clear. Is that correct?

Mr. MORSE. That is correct.

Mr. McCARTHY. I accept the amendment.

Mr. MORSE. I wish to thank the Senator from Wisconsin for his cooperation. As I said before he reached the Chamber, it is a close case and a difficult case. I not only want to thank the Senator for his cooperation in this case, the case of a bill which involves his own State, but for his cooperation in the past when he has supported me when I have urged the Senate to adopt the so-called Morse formula.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE], which has heretofore been stated.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H. R. 2889) was ordered to a third reading, read the third time, and passed.

EXTENSION OF TIME FOR INVESTIGATION OF WELFARE AND PENSION PLANS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1470, Senate Resolution 200.

The PRESIDING OFFICER. The clerk will state the resolution by title, for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 200) extending the time for investigation of welfare and pension plans.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

Mr. KNOWLAND. Mr. President, I am not going to object to taking the resolution up, but I should like to have an understanding with the majority

leader. I understand there remains in the funds available to the committee the sum of $20,500. What the resolution seeks to do is make that amount available until March 15. The committee normally would have finished its work and reported by January 31.

This resolution extends the period to March 15. But I should like to have assurances that this will complete the job, and that the committee will not return, seeking an extension of time or additional funds with which to finish its work.

Mr. CLEMENTS. Mr. President, my distinguished friend, the Senator from California, is correct, insofar as I am informed. Sufficient money remains with the committee for the completion of its work. It does need the time from now to the 15th of March to complete its report and submit its report to the Senate.

I was informed today, by letter from the committee chairman, that the March 15 date would give him ample time, and that the money which remains unexpended is ample to take care of the committee's needs.

Mr. KNOWLAND. With that understanding, I am prepared to join the Senator from Kentucky in the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. If there is no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 200) was agreed to, as follows:

Resolved, That section 1 of Senate Resolution 40, 84th Congress, 1st session, agreed to February 21, 1955 (authorizing an investigation of welfare and pension plans by the Committee on Labor and Public Welfare) is amended by striking out "January 31, 1956" and inserting in lieu thereof "March 15, 1956."

ADDITIONAL CLERICAL ASSISTANT FOR THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1473, Senate Resolution 164, authorizing the Committee on Post Office and Civil Service to employ a temporary additional clerical assistant.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 164), which had been reported from the Committee on Post Office and Civil Service without amendment, and subsequently had been reported from the Committee on Rules and Administration without amendment.

Mr. ELLENDER. Mr. President, is this the resolution for the employment of the same number that were employed last year, or would this resolution authorize the employment of new employees?

Mr. CLEMENTS. I will say to my friend, the Senator from Louisiana, that I am informed that the resolution authorizes the employment of the same number employed by the committee a year ago. But the chairman of the Committee on Post Office and Civil Service is present, and I prefer that he state the situation.

Mr. JOHNSTON of South Carolina. Mr. President, the resolution is for the employment of a stenographer. We have a great deal of correspondence to handle; and this authority has been continued from year to year, during the past 6 or 8 years, including the time when the Senator from North Carolina [Mr. LANGER] was chairman of the committee, as he will inform the Senator from Louisiana.

Mr. ELLENDER. Very well.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 164) was agreed to, as follows:

Resolved, That the Committee on Post Office and Civil Service is authorized, from February 1, 1956, through January 31, 1957, to employ one additional clerical assistant to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of Public Law 4, 80th Congress, approved February 19, 1947, as amended.

ADEQUACY OF UNITED STATES AIRPOWER

Mr. SYMINGTON. Mr. President, once more an acknowledged military expert has written an article in which he states that the Secretary of Defense has again evaded answering in a press conference a frank question about the airpower of this country.

Partial truth is an evasion of truth. The Department of Defense should not continue such efforts to mislead the people about the true nature of our relative military strength, as against that of the Communists.

The article states flatly that the number of aircraft scheduled in the fiscal year 1957 budget is not enough to either attain or maintain the 137-wing program. These figures justify the statement that this new budget means the death of any true combat-ready, 137-wing Air Force.

The article in question says, in part:

What it (the Air Force) is getting is 137 wings on paper as the administration has promised, but as many as 20 of these wings will not be effective.

What the article shows is, in effect, that much of the 137-wing program is being scrapped; and that even further heavy reductions in the program will be necessary unless very much increased funds are asked for, and ultimately are actually spent.

The article continues:

The problems and costs of maintaining in readiness and keeping modern the 137-wing Air Force have not been faced, according to Air Force officials. It will be one of the major problems the next administration will have to deal with.

If the plan now is to scrap part of the 137-wing program, the American people should be told just that.

As the great chairman of the House Armed Services Committee, the Honorable CARL VINSON, of Georgia, said recently:

Time is the most precious item known to man, and it can't be stockpiled or purchased.

And as the great chairman of the House Appropriations Committee, and distinguished dean of the Missouri delegation in the Congress, said:

And if we lose, we lose forever. There will be no second chance. It will avail nothing to go down on our knees and beg for mercy. The last ounce of gold and the last drop of blood will be exacted. The looting of Anglo-Saxon England by the Normans will not be a circumstance. And if there is still any doubt about it, take another look at Czechoslovakia, Poland, Lithuania, Estonia, and the rest of the once-proud and independent nations which have been "liberated" by Russia.

Mr. President, in the interest of further knowledge of what is actually going on with respect to our airpower and our defense picture in general, I ask unanimous consent that the article in question, by Brig. Gen. Thomas Phillips, as printed in the St. Louis Post-Dispatch on February 6, be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AIR FORCE FUND 5 BILLION SHORT OF NEEDS FOR REPLACING LOSSES BY ATTRITION AND OBSOLESCENCE—BUDGET AUTHORIZES ONLY 1,900 PLANES WHEN 5,000 ARE REQUIRED—REQUEST FOR FULL AMOUNT WOULD HAVE BEEN POLITICALLY INEXPEDIENT

(By Brig. Gen. Thomas R. Phillips, U. S. Army, retired)

WASHINGTON, February 6.—Asked at his press conference Wednesday if the 1,900 aircraft that can be ordered under the new obligational authority provided in the budget for 1957 were sufficient to maintain the Air Force when it required about 5,000 new aircraft annually as replacements on account of attrition and obsolescence, Secretary of Defense Charles E. Wilson gave no direct answer, but stated that the figures were wrong.

The figure of 1,900 aircraft that could be contracted for in 1957 under the new budget authorizations is the figure used by the Defense Department's comptroller's office in its budget seminar January 14. The exact figure is 1,991, so the Secretary could call 1,900 wrong.

All figures on attrition and obsolescence of aircraft are debatable. Air Force experience shows that attrition varies from 6 percent to 10 percent on different types of aircraft. If averaged at 8 percent on an inventory of 25,000 aircraft, attrition would account for 2,000 losses a year.

Obsolescence is a more difficult figure to determine. Cargo and passenger aircraft may have a usable, although probably not economical, life of from 7 to 10 years.

In contrast, new bombers or fighters can be made obsolete by the time they are in production if the potential enemy has made great advances in his aircraft.

Our own subsonic jet bombers, for example, can be made obsolete by high-performance Soviet supersonic interceptors, just as the piston B–36 was made obsolete by the MIG–15, long before its usable service life was ended. If the B–36 were used in war, the losses might prove unacceptable.

In the same way, our own interceptors must have much better performance than the potential enemy's bombers. The famous F–86 Sabre jet is obsolete against the Soviet type 37 Bison and type 39 Buffalo jet bombers.

Only the F–86D all-weather interceptor, of the entire F–86 series, remains able to perform its task against the new Soviet bombers.

To return to the figures of obsolescence: If 7 years is taken as the average life of military aircraft, other than loss from attrition, with an inventory of 25,000 aircraft about 3,500 aircraft would become obsolescent annually.

This number, together with about 2,000 lost from attrition, would total 5,500. In September 1954 a high official of the comptroller's office estimated the loss from obsolescence and attrition as from 5,300 to 5,500 annually.

Wilson knew what his questioner was trying to commit him on. Under the present administration new obligational authority to contract for aircraft for the Air Force has been 1,400 for fiscal year 1954, 1,400 for 1955, 2,500 for 1956, and 1,900 for 1957.

These are the aircraft that will come into inventory during the next 2, 3, or 4 years to replace the aircraft lost by attrition or obsolescence. They number 7,200 compared to prospective losses from attrition and obsolescence of between 21,000 and 22,000.

Obligational authority in the fiscal year 1952 budget authorized the Air Force to contract for 6,000 new aircraft. Until now the provision of new planes for the Air Force to replace losses from attrition and obsolescence and to build the Air Force from 48 to 137 wings has been due almost entirely to appropriations made following the outset of the Korean war.

New obligational authority during the last 4 years is not sufficient to maintain and keep modern the Air Force being completed with these funds.

The Nation, and the administration, Air Force officials fear, have not faced up to the fact that the 137-wing Air Force cannot be maintained in readiness and kept modern with the funds being allocated to it.

New obligation authority for the fiscal year from 1954 to 1957 has been 11.4, 11.6, 15.7 and 16.5 billion dollars. Authorizations for 1952 and 1953 were $22.3 billion and $20.3 billion, respectively.

For 1957 fiscal year the Air Force needed about $5 billion more than has been asked for. It did not itself make the request for the full amount, judging such a request politically impracticable.

It also would have conflicted with the New Look in defense which set a ceiling of about $16 billion on annual expenditures for the Air Force.

REQUEST REDUCED

The original estimates were pruned or stretched out and a reasonable figure of slightly under $19 billion was submitted. After conferences and budget exercises in the Pentagon the request was reduced to $16,518,000,000.

To maintain its current program in the 1957 fiscal year at a minimum, the Air Force is underfunded by slightly more than a billion dollars for aircraft procurement, about $600 million for other major procurement, about $400 million for maintenance and operations, $100 million for public works (actually an additional billion is required for public works) and a substantial amount for research and development.

Although the problem is usually discussed in terms of money, and it is easy to say that the military never have enough so why not limit them, the real decision being made in terms of dollars is that the United States will not have a modern and ready Air Force of 137 wings.

What it is getting is 137 wings on paper, as the administration has promised, but as many as 20 of these wings will not be effective. Since this is an election year, the problem has simply been brushed aside.

FEWER WINGS SUGGESTED

The next administration will have to face it. Already studies are underway to determine what size Air Force can be maintained with the present limitations of funds. It is the opinion of some Air Force officials that if the 137-wing figure were dropped, a fully effective Air Force of perhaps 10 fewer wings could be maintained.

This, they believe, would be a better solution than the present one which carries with it as many as 20 ineffective wings. After the election, the next Congress will have the problem to solve in these terms.

Since the New Look was adopted, greatly increased expenditures that had not been foreseen at that time have come up, especially for air defense. The "dew" line is underway at great cost. The SAGE (semiautomatic ground environment) system for control of air defense is going forward with billions to be spent. An increase of a billion dollars for guided missiles is included in the 1957 budget. More interceptor aircraft are required for air defense.

The money for these additional requirements has, in effect, been taken from the 137-wing Air Force.

DELIVERIES STRETCHED OUT

Just how does this affect the Air Force? The billion dollars not asked for the aircraft procurement means that about 20 percent fewer aircraft than are scheduled can be procured. Deliveries will have to be stretched out. Replacement of obsolescent aircraft will be delayed.

The reduction of $600 million for procurement other than aircraft will cause a slowdown in procurement of complicated radar and other electronic equipment for air defense. It will delay completion of the air defense system now scheduled for 1960 and putting into operation of the Bomarc long-range air defense guided missile, as well as the production of other missiles.

The reduction of $500 million in maintenance and operations means more deadlined aircraft and constantly fewer flying hours for the expanding Air Force.

As for public works, Gen. Earle E. Partridge told the jet-age conference of the Air Force Association Friday that he has units on 18 civil airports—about one-third of his operational units.

TWO WINGS TO A BASE

The Strategic Air Force is doubled up with two wings to a base on many of its United States bases. This increases the vulnerability of these wings and the crowding enhances the hazards of operation.

Due to lack of nearby housing to the bases, a substantial percentage of pilots cannot be alerted and get to their bases in less than 2 hours. The warning time being gained at great expense by the multibillion dollar air defense system is being nullified for lack of housing.

The slowdown in replacement of obsolescent aircraft is the most serious of all effects. New fighters of the 100 series are needed now. It will not be until 1958 that the lowest performer of the group, the F–100, will be in inventory in substantial numbers.

Production of the B–52 intercontinental jet bomber to replace the obsolescent B–36 is too slow—fewer than 20 a month. The B–36's will not be phased out, at present rate, until late 1958. Meanwhile the Russians are producing their intercontinental jet bomber at a rate exceeding our production of B–52's.

MEDIUM BOMBERS NEEDED

Both the United States and the Soviet Union have designs and prototypes of supersonic jet bombers. The United States needs to be in production of such a medium bomber now to start replacement of the B–47 subsonic medium jet bomber.

The supersonic bomber is required to cope with the supersonic fighters being built in large numbers in the Soviet Union now. The Russians are reported to be building a Yak–24 interceptor with a speed of 1,800 miles an hour. Such fighters would make the task of our supersonic bombers almost hopeless.

The problems and costs of maintaining in readiness and keeping modern the 137-wing Air Force have not been faced, according to Air Force officials. It will be one of the major problems the next administration will have to deal with.

McKINNEY PANEL REPORT ON IMPACT OF THE PEACEFUL USES OF ATOMIC ENERGY

Mr. HUMPHREY. Mr. President, I have read with a great deal of interest the report of the panel on the Impact of the Peaceful Uses of Atomic Energy. The Joint Committee on Atomic Energy and, in particular, its chairman, the distinguished Senator from New Mexico [Mr. ANDERSON], deserve great commendation for their wisdom and foresight in causing so necessary and thorough a study to be undertaken.

I was particularly interested in reading the panel's comments on the system of information control in the atomic energy program. This is a subject in which I developed considerable knowledge and interest last year as acting chairman of the Subcommittee on Reorganization of the Committee on Government Operations, when we looked into the Government's security mechanism in connection with Senate Joint Resolution 21, to establish a Commission on Government Security—or the so-called McKinney panel, which is what the group making the report on the peaceful uses of atomic energy is known as.

The panel recommends that the Congress and the executive branch "explore the possibility of reinstituting a single information control system with uniformly applicable penal provisions for violations." The panel reached the conclusion that this is desirable on the basis of studying only the atomic-energy program itself. I reached the same conclusion last year, on the basis of studying the operation of the overall mechanics of Government security; and I believe that the need for establishing a unified, uniform security system is much more imperative than even the panel report indicates.

As I pointed out to the Senate last June 27, there is a completely independent, self-contained statutory security system for protection of atomic energy secrets, and that system duplicates, parallels, and in many instances overlaps, the mechanisms for protecting other types of national-defense secrets. Thus, under the Atomic Energy Act, atomic-energy secrets in many respects are much more elaborately protected than are other equally vital secrets. At the same time, our hearings last year uncovered the fact that in some respects atomic-energy secrets are not adequately protected in ways in which other secrets are protected. Also, it is perfectly clear that the existence of dual standards for protection of national-defense secrets is unnecessarily costly to the taxpayers, and has significantly hampered our national-defense efforts by creating difficulties in communicating information to all the members of the national-defense team who need it. There is no

question whatever, for example, that it has impeded our civil-defense program. I think it is also established that this situation may involve serious loopholes in our overall national defense against espionage.

Mr. President, I wish to report that the McKinney panel of distinguished Americans who have been examining the operations of the Atomic Energy Commission has reached the same conclusion, namely, that the lack of uniformity in the information programs among the agencies of the Government on matters relating to our national security is a very unfortunate development, and one which should be corrected.

I note, Mr. President, that controversy about another aspect of information policies of the Atomic Energy Commission arose again yesterday, in a hearing being conducted by the Joint Committee on Atomic Energy. I was not present, of course, and my information comes from newspaper accounts, so I trust that my colleagues on the committee will enlighten me if the reports I have received in any way need expansion or correction.

According to the Washington Post and Times Herald of today—

The AEC's appearance before the Joint Committee on Atomic Energy, the first in its 3-day annual report to Congress, started off in sweetness and light and ended up with accusations of thought control in the research on uses of the thermonuclear reaction at a time restrictions are being eased on the uranium fission process.

The fracas began when Senator CLINTON P. ANDERSON, Democrat, of New Mexico, Joint committee chairman, resumed his months-long challenge of Strauss' policy for maintaining secrecy lids on scientific advances in the peaceful uses of thermonuclear (hydrogen) power.

Strauss repeated his argument that a peaceful themonuclear reactor—if successful—would produce the neutrons necessary for weapons. He said if this country released such information it might add to the research "carried on by an unfriendly power."

Senators ANDERSON and JOHN O. PASTORE, Democrat, Rhode Island, and Representative CARL T. DURHAM, Democrat, of North Carolina, then wondered what would happen if a college student, with no access to AEC data, came up with a major discovery concerning neutrons.

Strauss first said the law was silent on this point but then added: "A man takes his own chances" if he publishes without first submitting his scientific paper to the AEC for clearance. "He has a certain obligation to this country," Strauss said.

AEC General Counsel William Mitchell declared: "He [the hypothetical student] is under obligation to treat it as classified information even though it may have originated with him."

Anderson said he now knew why the Federation of American Scientists has been asking that peaceful thermonuclear work be declassified for scientists—"there's an obsolute iron curtain on thought [and] we didn't write that into the law. * * * The ultimate answer is that anyone who has a thought must first submit it to the AEC to see if they are allowed to think."

Strauss disagreed. And Mitchell said it was "not necessarily" true that physicist Albert Einstein would be in jeopardy for publicizing his nuclear findings were he alive today.

Mr. President, there is nothing new about the fact that the authority of the Atomic Energy Commission to classify information extends beyond the confines of its own establishment and jurisdiction. During the hearings which I held last year on the resolution to set up the Commission on Government Security, I posed much the same sort of hypothetical question to Mr. William Mitchell, the general counsel of the Atomic Energy Commission: whether the AEC assumed the authority to classify information developed by a scientist working in his own private laboratory if the AEC considered it should not be disclosed. Mr. Mitchell said that the Atomic Energy Commission did have this authority, and that failure to comply with AEC classification requirements could result in the prosecution of the scientist. I want to make clear, Mr. President, that I am speaking of a scientist who is in no way connected with the Atomic Energy Commission; an individual scientist just working on his own experiments in his own private laboratory.

Mr. President, I should like to have included at this point in my remarks a portion of the testimony presented by Mr. Mitchell, the general counsel of the Atomic Energy Commission, when he appeared before the subcommittee which held hearings last year on the resolution to establish the Commission on Government Security. The testimony begins at the bottom of page 267 in the hearings and concludes midway down page 270.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senator HUMPHREY. There was some information to the effect in the stories at that time that if a good competent scientist or physicist with plenty of time, with the knowledge that is now public knowledge, would spend his time and energy he could produce a weapon. I do not have any idea about this. That is all very fascinating. My son knows more about this than I do. He was showing me about it last night. He reads the Popular Mechanics. But what would happen if a scientist out here at some university came up with some very important material and decided he just was going to release it? He says "I am an American. I live in this free country. I have got the Bill of Rights. Not only that, I do not like to be restricted." And so he just published it. What do you do about that?

Mr. MITCHELL. I am assuming that this scientist knows that the information that he has developed and is publishing falls within the category of restricted data.

Senator HUMPHREY. Let us assume that he is not very smart about these matters, but is just a good scientist. He never has met a politician, or even read the papers or a law book. I have met people like that. They are not particularly interested in the AEC. They are just interested in these little molecules. They finally produce something. What happens if he produces something?

Mr. MITCHELL. I think when this came to our knowledge, we would immediately call to his attention the fact that this information does fall within this area, and we would call to his attention the need for safeguarding it, and not passing it on to people who were not entitled to receive it.

Senator HUMPHREY. In other words, you would in the first instance only exercise prudent caution with him. No penalty?

Mr. MITCHELL. That would be my feeling, maybe Captain Waters——

Mr. WATERS. That would be my feeling.

Senator HUMPHREY. If he were going to continue his investigation, he would have to be cleared?

Mr. WATERS. Yes, sir.

Mr. MITCHELL. I think he would.

Senator HUMPHREY. What if he did not want to work through you? He just wants to sit in the basement and brew up these juices and just produce. Does he still have to be cleared?

Mr. MITCHELL. He would not have to be cleared so far as ideas generated in his own mind are concerned.

Senator HUMPHREY. What about his publishing these ideas?

Mr. MITCHELL. Well, the minute, I would say that at this point, he is on notice, that the kind of thing he is doing not only the information he already has developed but the information that he may continue to develop falls within this area. Then I think he is on notice that if he passes this new information on to people who are not entitled to receive it, I would think that this would be a knowing revelation.

Senator HUMPHREY. He is not a malicious fellow and really is a very saintly sort of person—the one I am talking about. He does not even know about these foreign enemies. He is filled with love and he writes these articles.

What do you do about him? Do you tell him he cannot write?

Let us assume first of all that he cannot get a security clearance. That he joined something that he should not have joined. He does not get a security clearance. So you cannot hire him. You cannot have anything to do with him. What do you do with this fellow? He is a scientist. He has a laboratory. He likes to work in his laboratory. He researches and he produces and he publishes. What do you do with him in America?

Mr. MITCHELL. So far as I know, we have never run into this situation. If we did, I would say that if this man is on notice that the things that he is doing have an important impact on our national defense and security, and if he chooses in spite of this knowledge, to pass this information on, to people who are not entitled to receive it, then he quite properly becomes subject to the criminal provisions of the law.

It seems to me in that situation, the national interest——

Senator HUMPHREY. In other words, you could really put him in jail?

Mr. MITCHELL. I think we could.

Senator HUMPHREY. What I am getting at is that here is a man who cannot meet your criteria for clearance. He is brilliant. He is able. He is skilled and he is peculiar. He just does not like these rules and regulations. I have some sympathy for those people that I meet. He does not know about a lot of the things we are talking about here. He has his mind on these atoms. He is splitting them five different ways. He is publishing things about them. You cannot use him. You do not want him. You cannot possibly take him under the law. And yet he has a brilliant mind. What do you do, just put him in jail?

Mr. MITCHELL. I hope we would not have to meet that situation.

Senator HUMPHREY. You may, very well. Let me give you an example which I am sure is not realistic. Suppose Oppenheimer who has been denied AEC clearance came to the AEC and informed you that he has been performing some calculations in his own office, because of his great intellectual curiosity, and that he has developed a revolutionary idea in the atomic weapon field.

The idea looks good to AEC, so good that if it had been developed within the AEC, a top secret restricted data classification would be immediately placed on it.

What could or would AEC do about controlling this data which now Dr. Oppenheimer has? What would Dr. Oppenheimer's position be?

Would AEC permit him to have access to this data and to work on his own idea? What do you do with this fellow if he comes up with a big new discovery?

Mr. MITCHELL. I would say in this situation that we would have to tell Dr. Oppenheimer something which he of course would know anyway, that this did fall within the category of classified information which had a bearing on the national defense and security, that we would expect him to follow the same physical precautions by way of safeguards and so on in protecting this that we would do ourselves, and then we get to the difficult question that you suggest, are we going to clear him so that he can discuss this with other people or must he segregate himself and carry it on himself?

Senator HUMPHREY. That is where you get to the tough issue.

Mr. MITCHELL. That is a very tough one.

Senator HUMPHREY. I am sorry to have to use this name. There are probably many scientists who could fall into this category?

Mr. MITCHELL. I think, yes, sir, as you say, let us take the hypothetical situation.

Senator HUMPHREY. Yes.

Mr. MITCHELL. One thing I can suggest there is that our security criteria do permit of a balance between the security risk on the one hand, and the need for getting the man's services on the other. So that we would have room there for this judgment.

How we would exercise it I could not tell you.

Senator HUMPHREY. What if you found a man who produced such ideas that is not just a security risk, but actually disloyal? What do you do about that?

Mr. MITCHELL. I would assume that we would have no compunction about compelling him to comply with the law; namely, not to pass this on.

Senator HUMPHREY. One way that could be done would be to put him in the electric chair. That surely would shut him up. What about the information that you may need? What do you do about that?

Mr. MITCHELL. Senator, I do not know any way that you can compel a person to give up what is in his mind unless he is willing to do that.

Senator HUMPHREY. But let us assume that he was willing to give us the information if he could get some other classified information to help with his idea?

Mr. MITCHELL. Well, then, we would have this balancing of judgment, if we knew he was disloyal. I think it is unlikely—it is most unlikely we would let him have anything additional.

Senator HUMPHREY. Even though he could give you twice as much.

Mr. MITCHELL. We would have to balance the relative factors here, and arrive at our best judgment. It certainly would be, to my mind, we would have to have a very impelling showing of our need to get what he had, before we would give him anything that was in our possession.

Senator HUMPHREY. This is an intriguing proposition, if you will pardon me for saying so. You know, you do run into people that are just sort of unorthodox.

Mr. MITCHELL. Yes, sir.

Senator HUMPHREY. You get one that is very wise, able, intelligent, and brilliant. He comes up with some discovery in a private installation. Maybe he worked all of his life to build his own laboratory. What if he just does not like all of your regulations?

Mr. MITCHELL. That is right.

Senator HUMPHREY. But you could force him to shut up.

Mr. MITCHELL. Yes, sir.

Mr. HUMPHREY. To return to the subject which I first began discussing, Mr. President—the fact that there is not a single information control system applicable to atomic-energy information as well as other types of national-defense secrets that are just as secret.

I searched in vain for an explanation, justification, or defense of this situation and why it has been permitted to persist since 1946. I am satisfied that there is no justification for it. Certainly no witness before the Subcommittee last year was able to defend or justify the situation or to explain why a uniform system would not be preferable.

It is my earnest hope that the Commission on Government Security will thoroughly explore this problem and submit recommendations for bringing order and system out of the existing chaos.

I repeat, the present confusion is intolerable and indefensible. It seems to me that after almost 10 years someone in the executive branch of the Government should be able to devise a uniform information system with respect to national defense matters, so that the respective offices and agencies of the Government responsible for the defense and security of the United States could exchange information without having road blocks placed in their way by an uncoordinated, literally unorganized system of information restrictions in department after department. Undoubtedly, the report of the McKinney panel will provide added impetus in this direction.

I wish to commend the McKinney panel for an outstanding job. It has been my privilege to read the account of the work of the McKinney panel on the peaceful uses of atomic energy, as published in the New York Times of February 1, 1956. That report has brought to the attention of the American people some very forward looking thinking and planning. The substance of the report, of course, is that there needs to be freedom of action and freedom of exchange of information relating to peacetime uses of atomic energy and thermonuclear energy.

I commend the chairman of the Joint Committee on Atomic Energy [Mr. ANDERSON] for his foresight and leadership. It is due very much to his determined, intelligent, and progressive leadership that the McKinney panel was established and the report made available.

Mr. President, I ask unanimous consent that the text of the conclusions and recommendations in the report of the Panel on the Peaceful Uses of Atomic Energy be printed in the RECORD at this point as a part of my remarks.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

REPORT ASKS AEC TO SHARE CONTROL OF ATOM IN PEACE—VAST GAIN FORECAST IN NUCLEAR POWER

(By Anthony Leviero)

WASHINGTON, January 31—Congress was told today that atomic energy should be able to produce more electricity in 1980 than now is generated by conventional means.

The report of a citizens panel on the Impact of the Peaceful Uses of Atomic Energy called on the Nation to drive toward the nuclear-power goal with urgency and high priority.

The coal and gas industries were assured that the impact of nuclear power would be so gradual in a continually expanding economy that they would suffer no damage from this source.

In fact, the panel, headed by Robert McKinney, said neighborhood atomic powerhouses would bring many beneficial and few, if any, adverse effects on the national economy.

The report declared that if industry failed to assume the full risks and burdens in the nuclear power endeavor, the Atomic Energy Commission should go ahead and build with public funds one full-scale demonstration atomic plant of each size and type.

The more difficult but intriguing possibility of obtaining usable power by taming the thermonuclear hydrogen bomb process was viewed by the panel as a problem requiring maximum cooperation between the Commission and private scientific and industrial interests.

EXPANSION OF ECONOMY CITED

The relative impact of industrial nuclear power 25 years hence was illustrated in the report in this way:

The electric-generating capability of the United States, having doubled since the end of World War II, now is close to 115 million kilowatts. If the national economy continues to expand at the present rate, the United States will require as much as 600 million kilowatts by 1980, and of this total nuclear reactors may produce 135 million kilowatts annually.

"Special impact of atomic power," the panel said, "may be hard to isolate 25 years from now from the sum of the forces which will have come to bear on the power economy of the world's greatest energy user.

"Within 25 years our total electrical output may have gone up 3 to 5 times. If so, the national investment in generating, transmission, and distribution facilities will have risen from around $40 billion to between $125 billion and $210 billion.

"Using forecasts favorable to a high rate of atomic-power growth, atomic reactors would, in 1980, still be generating less than a fourth of our power. Using forecasts pessimistic to the use of fossil fuels, steam powerplants then will still be burning more than 60 percent more coal than they do today."

The panel also referred to the controlled hydrogen bomb process as another promising source of power. But the prospects of taming this greatest of forces were so remote that the committee was unable to venture an estimate as to when it might be attained.

A BASIC ENERGY RESOURCE

"This is a truly frontier research project," it said. "It concerns a basic energy resource which could have impact on the economics of the entire world. The Government has a clear obligation to give it full support as well as to stimulate scientific contributions from every quarter.

"At the same time there is also an obligation to the public and to those being encouraged by the Federal Government to invest in nuclear fission power to see to it that they are allowed to have sufficient information about the feasibility of nuclear fusion power to have an adequate foundation upon which to base a determination for themselves of the propriety of their investments and actions."

Senator CLINTON P. ANDERSON, Democrat, of New Mexico, who is chairman of the Joint Congressional Committee on Atomic Energy, has been feuding in recent months with Lewis L. Strauss, Chairman of the AEC, over the latter's refusal to release information about the hydrogen or fusion process.

The AEC has established a project to explore the feasibility of a controlled fusion process. The project has military implications associated with the hydrogen bomb, however, and for this reason the Commission has withheld information. The panel recog-

nized this and pleaded for a maximum interplay of scientific and engineering ideas within the limits of national security.

But it was atomic or fission power as the realizable goal that the panel discussed exhaustively. It saw an immediate need for experimental pilot plants from which necessary engineering and operating data would be gained.

"Private enterprise should carry a substantial part of the burden of research and development," the panel said, "including construction and operation of full-scale 'demonstration' plants.

"By 'demonstration' we mean providing experimental and engineering data from which economic feasibility can be deduced reasonably.

"REACTORS ARE DESCRIBED

"Where private enterprise does not assume the risk, we believe that the Commission should support expeditious development, if necessary, even up to and including construction of one 'demonstration' plant of each major reactor size and type with public funds. In any event, we believe that continuing responsibility should rest with the Commission to encourage, and, where necessary, support basic research and development in this field."

These are seven types of nuclear power reactors, authorized by, or pending before, the AEC:

Type, sponsor, power level, and kilowatts	
Pressurized water at Shippingport, Pa., due for completion in 1957—AEC-Duquesne Light & Power Co.-Westinghouse Electric Co.	60,000–100,000
Boiling water, in operation 1960—Commonwealth Edison, Illinois	180,000
Fast breeder, in operation 1959—Detroit Edison and AEC	100,000
Pressurized water, Westchester County, N. Y., in operation 1959—Consolidated Edison	140,000
Aqueous homogenous, in operation 1962—Pennsylvania Power & Light and AEC	150,000
Sodium graphite, in operation 1959—Consumer's Public Power District, Columbus, Nebr., and AEC	75,000
Pressurized water, in operation 1958—Yankee Atomic Electric Co., Boston, and AEC	134,000

If nuclear power develops, as forecast, the panel said, its impact on the electric power equipment industry would amount to sales of $27 billion between 1960 and 1980.

Similarly if total electrical generating capacity expands as forecast, there will be no disruption or dislocation in the coal industry. If dislocations do occur, the panel said, they will be caused by the mining of more tons of coal by fewer men as a result of technological improvements.

REPORT ASKS AEC TO SHARE CONTROL OF THE ATOM IN PEACE—SECRECY DECRIED—CITIZENS' PANEL URGES BROAD CAMPAIGN TO TAP RESOURCES

(By Russell Baker)

WASHINGTON, January 31.—Congress received today a detailed and comprehensive blueprint for the Nation's peacetime atomic future.

It came from a special citizens' panel that had spent 10 months studying the country's atomic resources for peace at the direction of the Joint Senate-House Committee on Atomic Energy.

The panel urged that responsibility for developing the peacetime atom be transferred to a broad partnership of Government and independent science, technology, and industry.

In effect, it called for an end to strong centralized control by the Atomic Energy Commission. It recommended that the Commission become adviser, aid, and coordinator for a concerted national drive to develop the atom's peaceful potential.

On this basis, it depicted a future in which the Nation would add immeasurably to its material resources, extend its atomic bounty to the backward and improve the physical well-being of peoples everywhere.

CALLED MOST COMPREHENSIVE

The panel was composed of nine prominent citizens. It was headed by Robert McKinney, editor and publisher of the Santa Fe New Mexican. The Joint Atomic Energy Committee had assigned it to study "the impact of the peaceful uses of atomic energy."

Mr. McKinney described the report as the most comprehensive and, in some respects, the most authoritative survey of its kind yet published. Its major recommendations, concurred in by all the panel members were:

Government should build demonstration nuclear power plants of each reactor size and type if private capital did not take this important pioneering step soon.

The Atomic Energy Commission should make public all information about the technology of reactors.

The Commission should abandon the concept that all nuclear information was "born classified"—that is, that all new knowledge should be automatically labeled secret.

The Commission should create procedures through which more scientists could participate in the ultra-secret thermonuclear program related to the development of the hydrogen bomb and so speed development of nuclear fusion power.

The United States should make available "know-how and materials" for generating 1 million kilowatts of nuclear power abroad by 1960. This, it said, would rebut the argument "that America is so rich, so prosperous that a revolutionary new energy resource can emerge without any urgent need on our part to put it to man's use."

The Commission, the Maritime Administration and private shipping interests should explore the economic feasibility of atomic-powered ships in the 1960–65 period. Atomically propelled motor cars were ruled out as impracticable in the foreseeable future. The panel said atomic propulsion for commercial airplanes should await military experiment. It saw no immediate economic advantages for atomic locomotives.

Atomic developments in agriculture should be explored with high priority for humanitarian benefits to the world. In this country, however, Government should be alert to the likelihood that they would increase the food-surplus problem.

Implicit in the 155-page document and its 749-page supplement is the conviction that the United States cannot develop the peaceful atom best under restrictions now imposed on the Atomic Energy Commission by law and practice.

Both Congress and the Executive branch, the panel said, should accept "the fact that the era of atomic centralization in the Government in general and the commission in particular ended with the decision to press forward with peaceful uses."

As a basic step in making peaceful development equal to military research, it urged the commission to create a focal point within its organization at which authority could be concentrated for a master program.

The panel urged a greater responsibility for the atomic future for traditional wellsprings of United States progress—the universities, the hospitals, independent science, technology, and industry. It also recommended, however, that the Government continue to play a large and active role.

AN OPINION BY REUTHER

Many of the panel's recommendations, and particularly its call for a freer flow of information, contain the seeds of controversy. The report, however, is not regarded here as a partisan document in the amicable feud between Senator CLINTON P. ANDERSON and Lewis L. Strauss.

The New Mexico Democrat, who heads the Joint Atomic Energy Committee, and Mr. Strauss, chairman of the Atomic Energy Commission, have been at odds for months over information policy.

Because of this, many Capitol observers had expected that the report would be a hatchet job on Mr. Strauss.

Only in a separate opinion filed by Walter P. Reuther, president of the United Automobile Workers Union, was there any hint of overt criticism of the Commission. Mr. Reuther said that the country was "not moving with speed and determination to convert atomic energy into an instrument of peaceful progress."

He also concurred in the report of the full panel.

This report implied mild criticism of the Commission in its study of Government organization. It noted that there was "no actual focal point in the Commission for the integration of policies and programs related to peaceful uses comparable to the focus and empetus provided for military applications." It added:

"Yet the urgency for exploration of both is rapidly approaching equality as a matter of national policy."

The panel recommended action to fill this need and urged that other executive agencies develop their own organizations for dealing with their functional interests in peaceful uses of atomic energy, drawing upon the Commission for advice and services rather than leaning on it.

It also urged the joint committee to adjust restrictive deficiencies in the controlling Atomic Energy Act of 1954 and to conduct "continuous critical but constructive evaluations.

A WARNING ON MEDICINE

The weight of most recommendations was that peaceful development of the atom should gradually be turned over to those facets of national life that traditionally have brought all other scientific innovations to fruition.

It urged freer information, for example, so that industry might have sound knowledge for making vital business decisions and so that research might flower in the universities and private laboratories.

It warned that the Government atomic energy monopoly must not be extended to medicine because of dangers of secrecy, concentration of research, and bureaucratic control over institutions and personnel.

It urged private shipping interests and the Maritime Commission to be active in planning of atomic ships.

It urged generous support, both in money and facilities, for basic research in universities. It suggested that reactors be located for the greatest use to the greatest number of university scholars.

A CONCEPT CHALLENGED

Many recommendations hinged on the need for diffusing atomic know-how throughout the social fabric.

To balance "special-interest pressures," Congress would need "a well-informed and vocal public opinion," it said.

"The inherent requirement for less secrecy and freer flow of sgnificant information concerning the peaceful uses of atomic energy" is greater than the amount encouraged by the present law, the panel said.

While conceding the importance of keeping some information classified for security reasons, the panel criticized the concept that information is born classified.

This concept, it said, is not compatible with the expeditious action required to make information available for the full development of peaceful uses. Secrecy should

be limited to nuclear weapons, the report insisted.

It urged the Commission to begin compiling both classified and unclassified information relating to peaceful uses of the atom so that it could be easily available to those entitled to use it.

Without such a program, it warned, important data seem doomed to pile up in obscure documents and never reach those competent to use them.

Besides Mr. McKinney and Mr. Reuther, the panel members are: Ernest R. Breech, chairman of the Ford Motor Co.; George R. Brown, chairman of the Texas Eastern Transmission Co.; Sutherland C. Dows, president of the Iowa Electric Light and Power Co., and Dr. John R. Dunning, dean of engineering at Columbia University.

Also, Frank M. Folsom, president of the Radio Corporation of America; T. Keith Glennan, president of Case Institute of Technology, and Samuel B. Morris, general manager of the Los Angeles Water and Power Department.

REPORT OF THE PANEL ON THE PEACEFUL USES OF ATOMIC ENERGY

CONCLUSIONS AND RECOMMENDATIONS

Inevitably the many peaceful uses of atomic energy will be explored, fully developed, and put to man's best use. They will have strong impact on the American society and economy. For the Nation as a whole, and for most people, impact should be beneficial. Dislocations which may be in store will not be different from those normal in a rapidly expanding industrial economy.

For the many peaceful applications to enter into everyday life on a scale sufficient to cause impact, much remains to be done. Atomic power must first become economically competitive. Later it may be cheap but not free. Other atomic applications can add to the production capabilities of our factories and farms. New avenues to better health are in prospect.

More than money and promises are needed, however. It takes time and trained people to stake out the resources of this new technology. Widespread understanding of the difficulties to be overcome—potential hazards, and necessity for realistic international working arrangements—is an essential element in the realization of these benefits. Not only are these benefits our objective for ourselves; they must also be our objective for the whole free world. With our ability and leadership, their realization need not be far off.

ATOMIC POWER

Atomic power gives promise of becoming an important new resource for the generation of electricity. For the expanding economy of the United States and for less highly developed countries seeking ways to raise their levels of industrialization, atomic power provides reason for optimism.

The bright promise of the future must not hide the fact that large sums of money and years of effort must be spent to bring atomic power to a point where it can be used effectively and widely on a competitive basis. Unless and until research and development demonstrate that atomic power can be economically feasible, there can be no substantial impact.

Private enterprise should carry a substantial part of this research and development program, including especially the construction of full-scale "demonstration" plants. But in the event that industry does not take on the full risks and burdens, such a program should be supported by the commission, even to the construction with public funds of one full-scale "demonstration" plant of each major reactor size and type.

The present development program is deficient to the extent that appropriate "demonstrations" of the small and medium-size types are not now under way. The urgency associated with accepting the challenge to United States world leadership, together with the need for establishing atomic energy as a power resource available to assist in maintaining maximum expansion rates of the American economy, require that effective development and "demonstration" of all major reactor sizes and types be carried forward at high priority. If progress is not expeditious and efficient, it is clear that the Federal Government has a fundamental obligation to carry it out. Although private participation in this program is desirable, it should not be obtained at the cost of delay.

The rate of growth of atomic power will depend to a large degree on the rate of expansion of our total economy. By 1975 atomic power could amount to 20 to 40 percent of presently installed electric generating capability in the United States. If this occurs, however, it will be in the context of a total generating capability of 3 to 4 times present levels.

The net domestic impact of atomic power should be beneficial to individual consumers and to industry. Disruptive influences, even on specific industries most directly affected, are likely to come—if at all—over periods of time long enough to permit orderly adjustment. In specific industries popularly assumed to be most vulnerable to atomic inroads—coal, for example—such dislocation as appears possible would come from a welter of forces more complex and more overriding than atomic energy alone.

If atomic power is exploited as a source of electric power at a rate consistent with sound technological, economic and public policy considerations, the impact will be totally beneficial at home and abroad.

We recommend—

1. That the Congress, the American people, and the people of the world recognize that large sums of money and years of effort must be spent to bring atomic power to a point where it can be used effectively and widely on a competitive basis; unless and until research and development demonstrate that atomic power can be economically feasible, there can be no substantial impact;

2. That, in the event that industry does not take on the full risks and burdens, the commission should support a program to bring atomic power to a point where it can be used effectively and widely on a competitive basis, even to the construction with public funds of one full-scale "demonstration" plant of each major reactor size and type;

3. That the urgency associated with this program requires that the technological resource of atomic power be fully explored with high priority; and

4. That atomic power be exploited as a source of electric power at a rate consistent with sound technological, economic and public policy considerations.

CONTROLLED THERMONUCLEAR POWER AND DIRECT CONVERSION OF RADIATION ENERGY

Controlled thermonuclear power and direct conversion of radiation energy are subjects which stimulate men's imaginations. We have come to the conclusion that we can contribute nothing in the way of sound estimates of future impact in the absence of better data and on the basis of the speculations available to us. Exploration of these areas offers a great challenge to the best scientific minds in the world today.

There are military implications, however, which would come with the availability of specal nuclear material as a byproduct of controlled thermonuclear power. Within the limitations of national security considerations which these impose, we believe that this entire area of scientific and engineering development warrants the maximum interplay of ideas. We note the recent decision by the commission to make available information about its controlled thermonuclear program to United States citizens holding permits for access to secret restricted data. As private citizens, we would hope that the day will come when world conditions will permit all those able to contribute to thermonuclear power to learn all there is to know about it. Of greater present importance is the development of procedures by which more people can contribute freely to it.

This is a truly frontier research project. It concerns a basic energy resource which could have impact on the economics of the entire world. The Government has a clear obligation to give it full support as well as to stimulate scientific contributions from every quarter. At the same time there is also an obligation to the public and to those being encouraged by the Federal Government to invest in nuclear fission power to see to it that they are allowed to have sufficient information about the feasibility of nuclear fusion power to have an adequate foundation upon which to base a determination for themselves of the propriety of their investments and actions.

We recommend:

1. That the Commission, with the limitations which national security considerations impose, permit the maximum interplay of scientific and engineering ideas, and develop procedures by which more people can contribute to the controlled thermonuclear program in the United States; and

2. That the Commission, in encouraging investment in nuclear fission power, see to it that investors have sufficient information about the feasibility of nuclear fusion power upon which to base determinations for themselves as to the propriety of their investments and actions.

MEDICINE AND PUBLIC HEALTH

We feel that a high priority must be set on means for bringing higher health standards to our people and the peoples of the world through the beneficial use of atomic energy in medicine and public health. As individuals learn to recognize these beneficial aspects, they will begin to lose their fears of atomic energy arising from the fact that hitherto their attention has been focused on its military applications.

In setting forth the recommendations below, we have purposely refrained from suggesting specific methods of financing. It is our strong feeling, however, that medical institutions and research centers should not assume a passive role and expect the Government, and more especially the Commission, to assume all or even a major portion of the responsibility for providing research facilities, equipment, and materials. Government monopoly of atomic energy for weapons was wise and necessary, but this monopoly must not be allowed to extend itself into the medical field, with all the concomitant dangers of secrecy, concentration of research and control over facilities and personnel. Any Government assistance afforded the medical and public health professions should flow from all the various governmental agencies concerned with health, education, and research, and should carry with it no implication of Federal control over medical practice or research.

If maximum benefit is to be gained from the advances in medicine and public health made possible by atomic energy, it is necesary to—

1. Provide all medical schools with adequate facilities for training in atomic medicine techniques;

2. Create additional research centers with all appropriate equipment, including reactors;

3. Design low-cost atomic medical equipment suitable to the needs of the 6,100 hospitals and medical clinics without atomic facilities and provide at least minimal facilities to this group as rapidly as possible;

4. Make available at reasonable prices the now-expensive radioactively labeled organic compounds essential for research and therapy;

5. Assure prompt availability of current atomic developments in the field of medicine and medical research, with opportunity for full interchange of latest data and without interference of the independence of medical research investigators; and

6. Inaugurate a nationwide educational program on the more judicious use of radiation and the need for better recordkeeping of the exposure of individuals to radiation from all sources.

AGRICULTURE

Peaceful uses of atomic energy in the field of agriculture are significant additions to the many other modern methods of improving farm technology.

Man can already produce the food he needs if he takes advantage of the modern techniques available today. Atomic contributions will extend this ability to a still higher level, thus accentuating farm surplus problems in the United States. The extent of this impact will depend upon the rate of speed of development and the breadth of application. Efforts to speed the contribution of atomic energy to agriculture will inevitably increase the urgency of meeting the challenge to the Nation posed by farm surpluses.

Benefits of atomic applications to farmers can be as real and as immediate as each individual wishes to make them. The cumulative impact will be an increase in the farmers' ability to specialize, diversify, and better deal with their traditional worst foes—weather, pests, and diseases.

Peaceful uses of atomic energy in agriculture can help the undernourished peoples of the world have more to eat. If technological assistance is provided. There can be no miracles; research, education, and work are needed.

We recommend:

1. That the humanitarian benefits which can result from the application of atomic developments to agriculture require that this technological resource be fully explored with high priority;

2. That those charged with meeting the farm surplus problem take into consideration the fact that such atomic developments—as other major new farm techniques—will contribute materially to farm output; and

3. That the agencies and departments concerned with assistance to foreign countries develop a coordinated and vigorous program of high priority with technical assistance from the Commission, to focus atomic research where it can be useful soonest in undernourished countries. Only in this way can the United States bring to bear atomic contributions to agriculture, so as to demonstrate our historic sense of international humanitarian leadership.

RADIATION PRESERVATION OF FOOD

Radiation preservation of food does not appear likely to replace other methods of food preservation to any substantial extent in the foreseeable future. When economically feasible, it would be a supplement to other methods.

It appears that nothing but benefits can come from success in this field for both the consumer and for the economy as a whole. Higher proportions of skilled workers would probably be needed in the food industry, but the levels of skill should not be difficult to meet by retraining.

As radiation preservation is adopted commercially, more of the food produced in the Nation would reach consumers in usable condition. This would have the effect of adding to food supplies without relationship to any increases in food production. Radiation deinfestation of grain, a technique now available, could lead to greater surpluses.

Radiation preservation techniques appear to be new tools of an advanced and mature technological and industrial society, and are not likely to be readily applied to industrially underdeveloped areas of the world.

We see no need to change the present rate at which development of radiation preservation techniques is going forward, except insofar as military needs may require.

Therefore we recommend:

1. That the present program for development of radiation preservation techniques for foods and other perishables be supported at present and projected levels; and

2. That those charged with meeting the farm surplus problem take into account the fact that radiation deinfestation of grains, a technique now available, could lead to greater surpluses.

ATOMIC PROPULSION

Propulsion of commercial ships: Atomic propulsion of commercial ships is technically feasible. However, economically competitive atomic ships are not generally yet in prospect. A limited number of applications, such as oceangoing tankers, may have economic advantage. The possible need to replace a large portion of the United States merchant fleet in the 1960–65 period makes it desirable for the Atomic Energy Commission, the Maritime Administration, and the shipping and shipbuilding industries to work out a program for exploring the economic feasibility of atomic-powered ships. Only in this way can adequate engineering and operating data be obtained in time to permit determination of the advisability of construction of any substantial number of atomic-powered commercial ships a decade hence. Advantages of such ships during any future war, as well as maintenance of United States maritime prestige, give a degree of urgency to this line of development.

Propulsion of commercial aircraft: Though technical prospects for military aircraft with atomic propulsion are considered good, prospects for economically competitive commercial applications seem unlikely until some experience with military prototypes has been acquired. If commercial types ever come into use, they will probably be by-products of the military program. Foreseeable impact, even so, is not substantial since only very long-range cargo aircraft appear likely to be able to make profitable use of atomic power. The prospect of nuclear crashes in populated areas and resultant radiation hazards could serve as additional deterrents to extensive use. There appear to be no advantages inherent in commercial atomic aircraft worth additional efforts now, over and above those being expended on achievement of military objectives.

Propulsion of locomotives: Atomic locomotives could in all probability be built and operated successfully, but appear to offer no economic advantages until substantial improvements in reactor technology are made. There is no real industrial development program directed at atomic locomotives today and no directly comparable military atomic power projects are underway, but the technical and engineering data being developed will undoubtedly improve the outlook for economically competitive atomic locomotives in the years ahead. There appears to be no incentive or necessity for Federal support of an atomic locomotive development program, but the Commission should cooperate within the limits of national security with any industrial efforts.

Propulsion of motor vehicles: Atomic-powered civilian automobiles and commercial trucks and buses are not technically feasible today and apparently will not be in the foreseeable future.

Recommendations: We recommend:

1. That the Atomic Energy Commission, the Maritime Administration, and the shipping and shipbuilding industries work out a program for exploring the economic feasibility of atomic-powered ships; and

2. That the Commission cooperate within the limits of national security with any industrial efforts to develop atomic locomotives.

GENERAL INDUSTRIAL USES

Radioisotopes and radiation are already being used by industry for process control and inspection and for research. Savings in the form of reduced scrap, reductions in additional work performed on faulty products in process, and in better knowledge of what is happening in complex processes undoubtedly will be large in the years ahead. These have become natural tools of industry.

Atomic heat for industrial processes could be of significance in the future. No active research and development program on this problem is in progress. In view of the nature of the potential industrial applications of process heat, it would appear that private industry must bear the primary responsibility for the development of specific applications. However, at the present time, only the Commission has the facilities required to conduct the metallurgical research essential to the development of high-temperature reactors.

Atomic radiation may be very important as a new form of energy for the chemical and other industries. Present Commission support could profitably be stepped up in these areas of fundamental exploration. However, here again it appears that the development of specific applications will be most successful if they are carried out by the actual industries which are prepared to exploit them.

Atomic space heating, while theoretically feasible, appears unlikely to prove economically competitive on any substantial scale. Nevertheless, since space-heating requirements are a large fraction of total national energy demand, any efforts on the part of private industry to explore promising ideas should be encouraged by the Commission.

We recommend:

1. That the Commission step up fundamental research in areas relating to the use of atomic radiation as a new form of energy for material processing; and

2. That the Commission encourage any efforts by private industry to explore promising ideas relating to atomic space and process heating.

IMPACT ON THE UNITED STATES OF PEACEFUL ATOMIC DEVELOPMENTS ABROAD

The humanitarian applications of atomic energy can make significant contributions to the health and prosperity of peoples throughout the world. These techniques offer the United States an opportunity to establish specific research goals, the accomplishment of which could demonstrate the benefits of our concepts of freedom and the importance of the individual in society. There are many ways in which United States leadership in application of humanitarian uses must be pressed forward with imagination and vigor.

Atomic power may be the most tangible symbol of America's will to peace through the peaceful atom. Our domestic needs cannot be our only motivation. Otherwise, we leave without effective rebuttal the argument that America is so rich, so prosperous, that a revolutionary new energy resource can emerge without any urgent need on our part to put it to man's use. This must seem a strange position indeed to peoples possessing neither conventional fuels nor technical capabilities to put the atom to work.

If we fail to act to bring atomic power to the free world, other countries will do so ahead of us, or progress will proceed at a slower pace.

Peaceful uses of atomic energy will inevitably be developed throughout the world. The United States must lead.

Therefore, we recommend:

1. That the executive branch establish specific research and development goals to meet the needs of friendly nations; and that attainment of these goals be assured by provision of technical services, including the conduct of projects at home and abroad aimed at developing crops and farming methods, medical practices, and education and training in basic science and in applied atomic techniques adapted to the problems of specific friendly nations;

2. That the Commission center its responsibilities with respect to international development of peaceful uses of atomic energy in one alert, forward-looking organizational unit;

3. That adequate research and educational equipment and facilities be provided to friendly countries, accompanying research reactors sonsored by the United States, so that atomic scientific, agricultural, and medical benefits can be brought to bear promptly where most needed;

4. That the United States encourage other nations to decide for themselves the rate at which they wish to apply atomic power and other industrial uses of atomic energy to their own economies, to which end, we further recommend:

I. That the United States promptly convene a series of regional conferences of our bilateral partners for the immediate establishment of realistic goals for the installation of atomic electric generating plants in specific countries:

II. That the United States, in issuing invitations to such conferences, announce that it is prepared to furnish nuclear fuels, provide necessary technological assistance and permit contracts for the installation of at least 1 million kilowatts of atomic generating capacity outside the United States as soon as possible—we hope by 1960. The attention of the world should be called to the fact that such a program would parallel and possibly exceed the capacity installed during the same period at home;

III. That financial assistance, when required and where justified for this program, be made available through normal governmental and private channels, not through the Commission; and

IV. That atomic power plants constructed under these programs be subject to interim control plans involving appropriate inspection to be agreed upon by each participating bilateral partner, and requiring reprocessing of spent fuel and recovery of plutonium or uranium 233 in the United States; materials thus recovered to be earmarked for further expansion of peaceful uses.

PUBLIC AND PRIVATE ATTITUDES AS THEY AFFECT DEVELOPMENT OF THE PEACEFUL USES

Until there is a better informed public opinion—until there is more balance in programing what lies ahead—and until there is integrated policy to guide both our domestic development and our participation in international development of peaceful uses of atomic energy compatible with international atomic control, attitudes and climate alike are apt to shift from day to day and week to week. Stabilizing these in the framework of sound public policy is a task which requires the concerted, responsible attention of all those seriously interested in the future of America in the atomic age.

With the opening up of applications of peaceful uses of atomic energy to private enterprise, however, the Congress clearly needs the full benefit of a well-informed and vocal public opinion. This is necessary to provide a balance to special-interest pressures. In the normal course of the democratic process there are pressures concerning public and private power, concerning guaranteed ore and byproduct purchasing programs, concerning Federal encouragement of developments which, it is feared, may cause dislocation of workers or obsolescence of capital investment. These and other pressures can best be kept in balance by an informed and critical public, and an intelligent, freely functioning press. It therefore follows that the inherent requirement for less secrecy and freer flow of significant information concerning the peaceful uses of atomic energy is greater than the encouragements to this end contained in the 1954 act.

CONTROL OF INFORMATION

National security requires that some information related to atomic energy be controlled. Important though the peaceful uses of atomic energy may be, military uses are vital to our defense. As long as world tensions continue, some classification system will be required both to reduce the knowledge of potential enemies about our defenses and to avoid making it easier for potential enemies to build military strength to be used against us.

The existence of a dual system of information control, one for atomic information and one for defense information, has less validity now that other countries have developed capabilities of their own in military and peaceful uses of atomic energy. We would think it appropriate for both the Congress and the executive branch to explore the possibility of reinstituting a single information control system with uniformly applicable penal provisions for violations. The concept that information is "born" classified is not compatible with the expeditious action required to make information available for the full development of peaceful uses. This concept should be limited to nuclear weapons.

As long as any atomic information remains under control, those interested in its development and applications will suffer serious handicaps. No administrative agency can ever give a guaranty that a private citizen has all the information needed for decisions and actions.

The Commission can take steps beyond those now contemplated, however, to improve the situation. The collation of all information pertinent to peaceful uses on some rapid and continuing basis is an important technique. Collections can and should be divided into classified and unclassified categories so that they can be made available to the maximum number of people. Without action of this sort, important data seem doomed to pile up in obscure documents, and never reach those competent to use them. Such data may not even come to bear fully on Commission work. If any significant quantity of information essential to development of peaceful uses is to remain classified, it would seem that a substantial number of people will have to become engaged, directly or by contract, in the tasks of digesting, collating, reviewing, and distributing it for those entitled to use it.

Therefore we recommend:

1. That the Commission remove all reactor technology from the restricted data category, including such areas as fuel element fabrication and processing techniques, leaving specific military applications of such technology to be protected, insofar as national security is involved, by the defense classification system;

2. That the Joint Committee reexamine the concept that atomic information in all fields is born classified; we believe that this concept is not compatible with the expeditious action required to permit rapid development of peaceful uses of atomic energy; and that therefore this concept should be limited to the design, manufacture, or utilization of atomic weapons; and

3. That the Joint Committee require the Commission to undertake the compilation of both classified and unclassified information relating to peaceful uses of atomic energy on a continuing and current basis so that it can be available in ready reference form for those entitled to use it.

RESEARCH AND DEVELOPMENT

During the present transition from all-Government to Government and private responsibility for the conduct of applied research and development relating to the peaceful uses of atomic energy, a more equitable sharing of the burden should be the constant objective of the Commission and of industry. The research resources of the Commission should continue to be directed to exploration at the frontier and at the same time be available to insure that no promising area is left unexplored or receives insufficient effort to meet the national interest.

For industry to bear its responsibility, it must have facilities, personnel, current and full information, and detailed knowledge of Commission programs as they relate to peaceful uses. Normal competitive incentives must be available. To hasten progress a two-way flow of information between the Commission and industry is essential.

Continued expansion of basic research is, of course, essential to future progress. Such research should continue to be supported vigorously by the Commission in the university centers where, historically, the dual function of advancing fundamental knowledge and education has flourished.

In order to achieve these objectives, we recommend:

1. That basic research in universities be given generous support, both in funds and facilities, through all normal channels to insure continued expansion of fundamental knowledge in the fields related to the peaceful uses of atomic energy:

2. That the Commission be encouraged to place research and development contracts with universities and other private research centers—even in advance of actual construction of such facilities—in order to expand total research efforts and to aid in the prompt establishment of such private research capabilities; should additional contract authority be necessary, appropriate amendment of the 1954 act should be made promptly;

3. That the Commission be encouraged and, if necessary, required to state its research and development objectives and programs in detail on a current basis so that industry can have a firm base in knowledge on which to make its decisions; and

4. That the present Commission laboratories continue to be supported as vital national assets for assuring the expeditious exploration of atomic energy. For exploration of our peaceful atomic resources, these laboratories, however, must be used to encourage non-Commission research capacities as they develop. Their objective must continue to be research at the frontiers so that they can make the maximum contribution to peaceful and military application of atomic energy.

MANPOWER; EDUCATION OF THE PUBLIC AND THE INDIVIDUAL

Whatever limitations are imposed by present secrecy rules on other aspects of the development of the peaceful use of atomic energy, there can be no doubt that sufficient information now exists in unclassified form to serve as texts for the most advanced college courses in nuclear science and engineering.

Having noted the need for more nuclear scientists and engineers, and having noted that present college programs are not adequate to supply them, the consideration of various alternate solutions is in order.

An all too normal tendency is to view with alarm, to consider every problem in every field a crisis, and to call for crash-program solutions.

America's multitudinous forums of public opinion are now at work on the important

task of searching for an answer to the problems of higher education in a free society. We believe the Nation will find the answer in a variety of ways, not in any single master plan.

We feel that nuclear scientists and engineers will be important to the Nation in the years ahead. It will also be important to train scientists and engineers in many other specialties as well. Further, scientists and engineers are an important element, but only one of the elements of a free society. Our social sciences and cultural arts need equal emphasis to aid us in adapting to conditions and tensions of the atomic age—both military and peaceful.

The balanced society is the society which serves all its members best and uses all their talents.

Our recommendation here, as on other subjects, is balance. Specifically we recommend:

1. The encouragement of orderly and determined efforts on the part of all concerned to increase the output and improve the quality of scientists and engineers capable of contributing to the development of peacetime atomic uses;

2. That the Commission continue support of university research and graduate study; we urge that private enterprise likewise give them support;

3. That the facilities of the national nuclear laboratories be made more widely available to support college training programs; and

4. That recognition be given to the need for additional research reactors and other facilities. In addition to facilities required for use on college campuses, we would consider it wise to design, locate, and operate future research facilities, and especially reactors, in such way that they can be of the greatest use to the greatest number of college and graduate students.

HAZARDS, PROTECTION, AND INSURANCE

The possible hazards from peaceful uses of atomic energy range from minor to catastrophic. Hundreds of applications in the fields of medicine, agriculture, and industry can apparently go forward under present regulations and standards with no serious risks.

There is urgent need for better data, however, and every effort to expedite its development should be made by the commission and all other responsible public and private groups involved in development of peaceful uses. Every argument for changes in standards should be explored fully in competent forums to insure that no lead is left unexplored and that real doubts are resolved for maximum public safety.

Federal, State, and local authorities must continue to cooperate closely in the establishment and enforcement of the best uniform radiation health standards which can be developed. There must be balance between the conceivable and the actual hazards, however, and for some years to come the Federal Government will certainly have the responsibility of establishing this balance. This is not the sole responsibility of the Commission, but a joint responsibility of all Federal agencies involved or affected.

We are not satisfied that the time has yet arrived to reconsider the need for a Federal atomic insurance program covering peaceful uses. We have noted with interest recent plans of private insurance companies to deal with these problems. Such efforts should be encouraged. At least 2 and possibly 3 years remain in which to conduct research and accumulate knowledge and experience before any substantial private activity can be delayed or stopped because of inability to obtain adequate insurance. In fact, implications that the Government is prepared now to take on the insurance burden might stifle vigorous private efforts to meet the problem. We look on a Federal atomic-insurance program as a threat to private atomic enterprise, not a benefit. It is a last resort not yet called for and one which may not be needed.

Therefore, we recommend:

1. That the Commission be encouraged to step up its program of research into the causes, effects, and control of atomic hazards; the 2 or 3 years remaining before any full-scale "demonstration" atomic powerplant comes into operation must be used to obtain the maximum amount of information in order that both those concerned with protection against harmful levels of radiation and those concerned with providing insurance to cover such damage as may occur can have the most advanced knowledge possible at the earliest time; and

2. That the Joint Committee and the Commission continue to encourage the insurance industry to develop ways of meeting atomic-insurance problems entirely within the concepts of private enterprise.

OWNERSHIP OF SPECIAL NUCLEAR MATERIALS, LICENSING AND REGULATION

Ownership of all special nuclear materials by the Federal Government is now desirable and useful, but at some future time the factors motivating such Federal ownership may change. We would expect that continuing review for the statutory finding would result in its abandonment at some future date.

We have noted that while it is desirable to construct a sound licensing system as rapidly as possible, contracts for private possession and use of Government-owned special nuclear materials could provide, in addition to financial terms, all of the conditions necessary for protection of public safety and national security. The emphasis in the 1954 act on licensing is sound as a means of establishing equality of treatment of private participants, only if it is recognized that licensing rather than Federal ownership is to be the future course.

Despite recognition of the fact that there is no evidence of anyone now being injured by the licensing provisions of sections 103 and 104, the principles involved in these sections, in our opinion conflict with the principles of private enterprise which the 1954 act has been represented as advancing.

As the peaceful uses of atomic energy expand, public safety requires establishment of minimum Federal standards on radiation dosage and equipment design. Enforcement on a uniform basis should be shared with State and local authorities as rapidly as possible * * *.

Delays in clarifying for American business men what they can do or what they can discuss with potential foreign customers with respect to peaceful atomic applications further impair incentive for development of industrial manufacturing potential at home, and the leadership of the United States in these fields abroad.

We therefore recommend:

1. That the Joint Committee on Atomic Energy create statutory devices to insure a continuing review of the present policy of Federal ownership of all special nuclear materials in anticipation of the establishment of private ownership;

2. That the 1954 act be amended to permit initiation of proceedings for the determination of "practical value," as required in section 102, by private citizens as well as by the Commission, limiting the definition of "practical value" to technical considerations;

3. That the Commission and other appropriate Federal departments and agencies, work with State and local authorities to establish uniform safety and health regulations and enforcement relating to peaceful uses of atomic energy; and

PEACEFUL USES OF ATOMIC ENERGY

4. That the Joint Committee on Atomic Energy reevaluate now the propriety of the controls on the activities of American business in foreign countries imposed by section 57a (3) of the 1954 act, over and above those controls established by other provisions of the act relating to control of information.

FINANCIAL ENVIRONMENT

The selection by the Commission of research and development projects is significant in affecting the financial environment surrounding development of peaceful uses of atomic energy. Research performed by the Commission and access granted to the results can take the place of work which otherwise would have to be performed by private investors.

Guidance related to research conducted in Commission laboratories for itself and for others should be given by the Congress on three points: The priority to be accorded civilian versus military research tasks; the desirability of creating additional Commission facilities to conduct peaceful research as an alternative to other devices, such as direct Government financial aid to private industry to develop such research facilities, and priorities as between potential private applicants for research in Commission facilities.

Without such guidance, the Commission is placed in a position to exercise influence over the economics of private ventures which may lead to charges of favoritism, partiality, and mismanagement of Government resources. This is an excessive responsibility to place on the Commission. It is almost certain to lead to an overly cautious attitude on the part of Commission personnel.

The establishment of priorities for making available Commission facilities for processing, fabricating, separating, or refining source, byproduct, and special nuclear materials should follow the standards of urgency applied to peaceful uses requiring these services * * *

With respect to Commission support of research and development in licensed facilities, we have concluded that only in this way can the Commission assure that exploration of the frontiers of peaceful atomic use will move forward with sufficient impetus. Investment of Commission research and development money in both small and large private demonstration atomic powerplants seems to us to be sound national policy.

The Commission can seek to meet its own requirements for products and services of a military nature by contracting with industry. There may be some question, however, as to how useful this form of financial encouragement can be to peaceful uses development, except for the value resulting from the training of skilled personnel.

Waiver by the Commission of charges for fuel inventories and consumption could be of substantial financial assistance in the development, construction, and operation of experimental, medical, research, and demonstration facilities. This device now has limited effect because the Commission is considering the exercise of its discretionary authority only in relation to fuel consumption.

Military requirements for uranium are the present reason for ore-price guaranties. A free market should be the objective for the era of expanded peaceful uses without guaranties.

As an alternative to price guaranties in accomplishing the transition to a free market, tonnage guaranties based upon military requirements should be considered. Any guaranties should be reviewed annually and extended on a 5-year moving basis only if justified by military requirements.

Commission authority to establish guaranteed prices for production of special nuclear materials in licensed facilities is a powerful financial device which has a material bearing on the economics of atomic power. The Commission has exercised its pricing authority in a conservative manner so as not to lay the foundations for a long-term subsidy to the

atomic-power industry. The wisdom of this cannot be examined publicly unless the entire supply and demand picture can be declassified. We are not critical of the Commission's prices, but we think it undesirable for a financial device of such far-reaching significance to be hidden from public examination.

The authority of the Commission granted by section 81 of the 1954 act to distribute radioisotopes and fission products with or without charge has been exercised with beneficial effects in the sale of radioisotopes at 20 percent of cost for medical research. We can think of no better way to increase the rate of development of many peaceful uses of atomic energy in the years immediately ahead than by extending this same policy to all research in the fields of general science, agriculture, and industry, as well as to diagnostic and clinic uses in the field of medicine. This may be an ideal way for Government to speed exploration of potential new resources and to aid humanity at modest cost.

Other financial devices, direct and indirect, controlled both by the Commission and by other Government agencies, can be used as necessary to improve the financial environment and speed development of peaceful uses of atomic energy.

We recommend that:

1. The Joint Committee review the 1954 act, in light of the priorities for development of various peaceful uses set forth in our report, with a view to providing clear guidance to the Commission on the relative priorities of military and peaceful uses and between various peaceful uses:

2. The Commission provide financial assistance under section 31 of the 1954 act for the conduct of research involved in one "demonstration" of each major type of utilization facility insofar as such assistance proves essential to private participation in such projects;

3. The Joint Committee, in considering future Commission requests for long-term contract authority for the procurement of materials and services from industry as an alternate to building additional Government facilities, bear in mind that in some cases it may be unsound to encourage private enterprise to focus its attention on commission military needs not compatible with the ultimate direction of peaceful uses;

4. The Commission waives all charges for fuel used in experimental, medical, research, and demonstration facilities where such facilities are owned by nonprofit institutions and used substantially for educational or medical purposes;

5. The Commission recognize that military requirements for uranium are the present reason, for ore-price guaranties and that a free market should be the objective for the era of expanded peaceful uses without guaranties; that the Commission, as an alternative to price guaranties in accomplishing the transition to a free market, consider tonnage guaranties based upon military requirements; any guaranties should be reviewed annually and extended on a 5-year moving basis only if justified by military requirements;

6. The guaranteed price schedules for the production of special nuclear materials be declassified to make possible public examination of this important financial device;

7. The Commission sell radioisotopes at 20 percent of cost for use in all research in the fields of general science, agriculture and industry, as well as in diagnosis and clinical use in the field of medicine; and

8. The study prepared by the Department of the Treasury be examined as a valuable exposition of important and often-misunderstood financial techniques. * * *

PATENTS

Patents can stimulate private investment in the development of peaceful uses of atomic energy. The absence of clear patent policies or ambiguity in administration can seriously retard. The 1954 act for the most part accomplishes the same objectives as the normal patents system and at the same time protects the public against unwarranted abuse or monopoly. Return of patents on peaceful atomic applications to the normal system must be the objective. In the meantime, prompt and definitive statements of Commission patent policy are currently more essential than revision of the patent provisions of the 1954 act.

We recommend:

1. That the Commission announce its complete interpretation of patent provisions relating to private development of peaceful uses promptly, not on a piecemeal or case-by-case basis;

2. That the Commission notify inventors promptly as to the intentions of the Government with regard to the filing of applications for patent rights in foreign countries on inventions to which title in the United States rests with the Commission and authorize the inventors to file applications for patent rights in foreign countries where the Commission chooses not to do so; and

3. That the complete review of the patent provisions of the 1954 act by the Joint Committee be set aside until the expiration date relating to the reserve power compulsory licensing provisions in section 153 (h)—September 1, 1959—is closer at hand. There are many other important policy issues which require more prompt attention.

GOVERNMENT ORGANIZATION

The peaceful uses of atomic energy affect the functions of almost every department and agency of the executive branch and all of the corresponding committees of the Congress. Organization of both branches of our Government must be directed toward acceptance of the fact that the era of atomic centralization in the Government in general and the Commission in particular ended with the decision to press forward with peaceful uses.

There is no actual focal point in the Commission for the integration of policies and programs related to peaceful uses comparable to the focus and impetus provided for military applications. Yet the urgency for exploration of both is rapidly approaching equality as a matter of national policy.

In the transition from primarily military orientation to dual emphasis, the speed with which the Congress recognizes problems and adjusts legislative policy will be of great importance in determining the rate and continuity of progress. The need for a mutuality of understanding between the Joint Committee on Atomic Energy and the Atomic Energy Commission and for leadership on the part of both to a common end is of greater importance today than ever before.

We therefore recommend:

1. That the Commission provide a real focal point within its organization at which are concentrated authority and responsibility for defining the integrated objectives for research and development of the peaceful uses of atomic energy, both at home and abroad, for establishing definite requirements with time scale for accomplishment of these objectives, and for assuring expeditious execution of the necessary programs and projects;

2. That other departments and agencies of the executive branch be encouraged to develop their own organizations for dealing with their functional interests in peaceful uses of atomic energy, drawing upon the Commission for advice and services rather than leaning on the Commission or delegating their functions to it;

3. That the Joint Committee on Atomic Energy continue to serve the Congress as a mechanism for balancing the interests of the Nation in both peaceful and military atomic pursuits and for providing the Congress and the Nation, through hearings, reports, and by other means with a constantly expanding but realistic understanding of the import of peaceful uses of atomic energy to the American way of life, economy, industry, employment, and natural resources, and to our international leadership; and

4. That the Joint Committee on Atomic Energy recognize deficiencies in law, act expeditiously to make appropriate adjustments and clarification in law, and provide the Commission and other agencies and departments of the executive branch concerned with peaceful uses of atomic energy with opportunity for sympathetic consultation, as well as conducting continuous critical but constructive evaluations.

NOMINATION OF JAMES WELDON JONES TO BE A MEMBER OF THE UNITED STATES TARIFF COMMISSION

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a statement which I have prepared in support of the nomination of Mr. James Weldon Jones to be a member of the United States Tariff Commission, which nomination has been favorably reported to the Senate by the Committee on Finance.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

For some days now there has been on the Executive Calendar the name of Mr. James Weldon Jones, of Texas, who has been nominated to membership on the Tariff Commission. Mr. Jones' nomination has been favorably reported by the Finance Committee to fill an unexpired term. He is at present sitting on the Tariff Commission as an interim appointee.

I do not have the pleasure of personally knowing Mr. Jones, but individuals in whom I have high trust and confidence have spoken to me in eloquent terms concerning the qualifications of Mr. Jones, his character, and his long and faithful service to the Government of the United States.

Mr. Jones is, as I understand, a member of my own party. He is a man of vision and understanding of the role and position of the United States in world affairs. He understands the economic implications of that role.

Having served for over a decade in the Budget Bureau as Assistant Director of the Bureau, having served before that in the Philippines as financial adviser to the High Commissioner and as Acting High Commissioner, he has shown throughout his career in public service—and it is a service now of more than 20 years—a keen and lively sense of the human values which underlie the figures and statistics with which he has always worked, and with which he will continue to work as a member of the Tariff Commission. Such a man is a valuable addition to the Tariff Commission.

It seems to me that Mr. Jones is a very appropriate appointee as the Democratic member to the Tariff Commission. I wish there were more appointments like this one. Unfortunately there have not been many. I am glad, however, to pay tribute to President Eisenhower for this one appointment which should be a model for others.

ADDITIONAL FUNDS FOR THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the

consideration of Calendar No. 1474, Senate Resolution 184.

The PRESIDING OFFICER. The Secretary will state the resolution by title.

The CHIEF CLERK. A resolution (S. Res. 184) to provide additional funds for the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, as I understand, the resolution would authorize the employment of additional persons by the Committee on Interior and Insular Affairs.

Mr. CLEMENTS. The Senator is correct.

Mr. ELLENDER. The same situation prevails as has prevailed in the past. Is that correct?

Mr. CLEMENTS. That is my information.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the Committee on Interior and Insular Affairs is authorized to expend from the contingent fund of the Senate, during the 84th Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 of the Legislative Reorganization Act of 1946.

EXTENSION OF TIME FOR FILING REPORT BY THE SUBCOMMITTEE ON DISARMAMENT OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1475, Senate Resolution 185.

The PRESIDING OFFICER. The Secretary will state the resolution by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 185) extending the time for filing a report by the Subcommittee on Disarmament of the Committee on Foreign Relations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, I understand that the resolution merely gives authority to complete the report by June 30, 1956, with the utilization of $15,000 of unspent funds and $20,000 of new funds; is that correct?

Mr. CLEMENTS. That is correct; $35,000 in all.

Mr. KNOWLAND. Mr. President, the distinguished Chairman of the Committee on Foreign Relations, the senior Senator from Georgia [Mr. GEORGE], spoke to me about the resolution. I am a member of the Committee on Foreign Relations and of its Disarmament Subcommittee. The resolution was unanimously approved by the Committee on Foreign Relations.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the subcommittee (as authorized and directed by S. Res. 93 of the 84th Cong., 1st sess., agreed to July 25, 1955) of the Committee on Foreign Relations is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with the jurisdiction of the Committee on Foreign Relations specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to the international control and reduction of armaments, as further described in Senate Resolution 93, 84th Congress.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1956, to July 1, 1956, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than July 1, 1956.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $35,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF MATTERS PERTAINING TO TECHNICAL ASSISTANCE AND RELATED PROGRAMS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1480, Senate Resolution 162.

The PRESIDING OFFICER. The Secretary will state the resolution by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 162) to investigate matters pertaining to technical assistance and related programs.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with amendments on page 1, line 12, after the word "January", to strike out "13" and insert "31", and on page 2, line 4, after the word "the", where it appears the first time, to insert "prior", so as to make the resolution read:

Resolved, That the subcommittee (as authorized by S. Res. 214, 83d Cong., 2d sess., agreed to July 6, 1954) of the Committee on Foreign Relations is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with the jurisdictions of the Committee on Foreign Relations specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to technical assistance and related programs.

SEC. 2. For the purposes of this resolution the committee from February 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $27,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

Mr. ELLENDER. Mr. President, as I understand, the purpose of the resolution is to continue the study of technical assistance to South America. Is that correct?

Mr. CLEMENTS. The Senator is correct.

Mr. ELLENDER. The amount involved is $27,000. Is that correct?

Mr. CLEMENTS. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

RESOLUTION CONTINUING TO FEBRUARY 29, 1956, AUTHORIZATION OF COMMITTEES TO MAKE EXPENDITURES

Mr. CLEMENTS. Mr. President, on behalf of the minority leader and myself I send to the desk a continuing resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The Secretary will state the resolution.

The Chief Clerk read the resolution (S. Res. 209), as follows:

Resolved, That all committees having fund resolutions now on the Senate Calendar, specifically Calendar Nos. 1387, 1388, 1400, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412, 1476–1479, and 1481 (inclusive), and which have, under specific prior resolutions that expired on January 31, 1956, or which will expire prior to February 29, 1956, authority to make expenditures from the contingent fund of the Senate, shall, through February 29, 1956, be authorized, pursuant to the provisions of each committees' expired or expiring resolution, to make expenditures from the contingent fund of the Senate at a monthly rate not in excess of the highest expenditures for each committee, respectively, in any of the past 3 months.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CLEMENTS. I am delighted to yield.

Mr. KNOWLAND. The distinguished acting majority leader consulted me with regard to this procedure. We felt, in view of the gentleman's agreement with respect to the period of a week which starts tomorrow, the only fair thing to the committees involved would be to continue their funds through the 29th of February.

Undoubtedly before that date, and at the earliest opportunity, after the disposition of the program the majority has in mind, the Senate will consider these resolutions, debate them, and adopt them. Therefore, I believe we should consider the resolution before the expiration date contained in the continuing resolution which the Senate is now considering.

Mr. CLEMENTS. I may say to the Senator from California, and for the information of the Senate, that it is the intention of the acting majority leader to bring the resolutions to the floor of the Senate for consideration and final determination at the earliest possible time after the period involved in the gentleman's agreement has expired.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CLEMENTS. I am pleased to yield to the Senator from Wisconsin.

Mr. McCARTHY. With respect to the list of resolutions which the clerk has read, I should like to inquire whether the list includes a resolution for the so-called Hennings subcommittee on constitutional rights.

Mr. CLEMENTS. I say to the Senator from Wisconsin that it applies to that resolution and that it also covers resolutions of all committees that have requested funds to continue their work.

Mr. McCARTHY. I may say to the Senator from Kentucky, in view of the gentlemen's agreement, which I understand has been entered into, to the effect that no controversial matters will come before the Senate during the next week or 10 days, and in view of the fact that the authority for the expenditure of funds by the committees is being extended for only a short period of time, I shall not spend any time discussing the resolution at this time.

However, I wish to serve notice—and I should like to have the attention of the Senator from Missouri——

Mr. HENNINGS. I am listening very carefully to the Senator from Wisconsin.

Mr. McCARTHY. I wish to serve notice that when that resolution comes up I shall discuss it in some detail. I believe the Hennings subcommittee, not purposely, but unwittingly, has done irreparable damage to the country. I believe it has damaged the security system as it exists in our country. I believe it has scared security officers, and has kept them from performing their functions as they should have. I say again that, not purposely, but unwittingly, the Hennings subcommittee has served the cause of Communist Party liners who hold jobs in Government and who have infiltrated the Government.

I do not intend to discuss the matter any further at this time, because I believe it would be improper to object to the extension requested until February 29, under the agreement entered into between the minority leader and the majority leader. However, I shall discuss it in some detail when the resolution comes before the Senate for consideration.

Mr. CLEMENTS. So that the RECORD will be clear, the date is not February 29, but March 1.

Mr. McCARTHY. Very well; March 1.

Mr. HENNINGS. Mr. President, the Senator from Wisconsin, of course, has made several declarations this afternoon. I assure him that I shall undertake to be ready to answer his observations and arguments to the best of my ability, as I was ready to do this afternoon. I assume and presume that we can leave the entire matter to the good judgment of the Senate at the appropriate time.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 209) was considered and agreed to.

Mr. CLEMENTS. Mr. President, I am sure it is not necessary for me to say that every Member of the Senate is aware that both the Senator from Missouri [Mr. HENNINGS] and the Senator from Wisconsin [Mr. McCARTHY], and every other Member of the Senate, will have ample opportunity to express their views on this resolution, as on any other measure that comes before the Senate.

Mr. President, I desire now to make a motion.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I realize that the senior Senator from Oregon has a matter which he has been waiting for some time to take up, but I hope he will bear with me for a moment while we consider the Executive Calendar.

Mr. President, I move that the Senate proceed to the consideration of executive business and consider the nominations under the head of "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The clerk will state the nominations under the head of "New Reports."

UNITED NATIONS

The Chief Clerk read the nomination of Raymond T. Bowman, of Pennsylvania, to be a representative of the United States of America on the Statistical Commission of the Economic and Social Council of the United Nations.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Mrs. Lorena B. Hahn, of Nebraska, to be representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nominations in the Diplomatic and Foreign Service be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and the nominations in the Diplomatic and Foreign Service are considered and confirmed en bloc.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Frank D. Yturria, of Texas, to be collector of customs in customs collection district No. 23, with headquarters at Laredo, Tex.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

HOG MARKETING PREMIUM PAYMENTS

Mr. HUMPHREY. Mr. President, today in the Senate Committee on Agriculture and Forestry I presented for the consideration of my colleagues on that committee amendments to the pending farm bill relating to our overall agricultural program.

One of the amendments I presented related to hog market premium payments. It is a proposal to implement the price of a certain type of hog, namely, the lightweight hog, and I have outlined a proposal which I think will be workable and be a very sound and economical program for the Government, the consumer, and the producer.

Mr. President, I ask unanimous consent that a statement which I have had prepared explaining the proposal involved in the amendment which I have presented to the committee be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

A self-regulation plan for easing depressed conditions in hog markets through Government premium payments for the marketing of hogs at weights of 200 pounds or less was proposed to the Senate Committee on Agriculture and Forestry today by Senator HUBERT H. HUMPHREY, Democrat, Minnesota.

Senator HUMPHREY emphasized that the premium proposal was aimed at adjusting supply to demand through orderly marketing, rather than being an outright price support proposal.

"It is estimated that a cut of 800 million pounds of pork volume would have rallied the price to 90 percent of parity during the past year," Senator HUMPHREY said.

"From our calculations, the premium payments for marketing lightweight hogs would be the most effective and least expensive way to achieve such a reduction. For example:

"For surplus removal of 800 million pounds of pork by direct purchase, as now

being attempted, would require an estimated $400 million.

"To achieve the same ends by direct supports, according to Secretary Benson's own estimates, would cost $1 billion.

"But under the incentive payment plan I have proposed, we can reduce the amount of pork going on the market by 800 million pounds at a cost of $198 million in 1 year, with that cost declining to not more than $96 million in the second and succeeding years.

"It would be a self-liquidating plan, with smaller premium payments as prices improved and finally none at all as prices reached 90 percent of parity."

The plan calls for premium payments of $3 per hundredweight when the national average price received by farmers for hogs in any month is less than 80 percent of parity, premium payments of $2 per hundredweight when the average price is less than 85 percent of parity, and premiums of only $1 per hundredweight when prices are more than 85 percent but less than 90 percent of parity.

"Participation would be entirely voluntary, with no regulation of production but incentives for marketing leaner hogs rather than fattening them up to increase the amount of pork on the market," Senator HUMPHREY said.

All that would be required for administrative purposes would be certificates to be issued the farmer by the buyer at time of slaughter, showing how many hogs he sold weighing not more than 200 pounds. The farmer in turn would collect on the certificates from his county ASC office.

"My amendment proposes a limitation of $1,200 on the total premium payment any farmer could receive in a year, meaning he could not market more than 200 hogs at the premium prices," Senator HUMPHREY explained.

Senator HUMPHREY said he had offered the pork amendment as 1 of 4 amendments submitted to the committee "to strengthen our proposed farm bill." All will be voted on in the committee tomorrow.

The other amendments include:

Dairy amendment: Establishing dairy support prices at not less than 80 and not more than 90 percent of parity, based on a parity equivalent using the 30-month period from July 1946 to December 1948.

Parity formula: Continuing the present dual-parity formula until the Department of Agriculture completes a thorough study of possible methods of improving the parity formula and reports back to the Congress with recommendations.

Feed grains: Requiring the Secretary of Agriculture to establish support prices for feed grains at levels preserving competitive equality between them on the basis of feed values.

"I feel so strongly about the need for all these improvements that I shall press for them on the Senate floor if we do not gain them in committee," Senator HUMPHREY said.

"The dairy amendment is urgently needed to make dairy support mean anything at all. Unless we fix a definite base for the parity equivalent the actual dollar support can keep going down without being reflected in a lower percentage of parity, as a result of continually lowering the parity formula itself.

"The same thing is true on shifting to the transitional parity formula on basics. It just means lower support prices, with a built-in downward escalator that will cause lower dollar-support levels each year regardless of what the percentage of a distorted 'parity' might indicate. All we are asking is to retain present formula with which farmers are familiar until a thorough study has been made of alternatives for the committee to consider.

"On feed grains, it is foolish not to relate one to the other in establishing support prices. They are all alternative feeds—barley, rye, oats, and grain sorghums. They are used as substitutes for corn. When prices are out of balance, farmers seal one grain and feed the other. My amendment would require support prices to be established in relation to feed value, to preserve competitive relationships."

Mr. HUMPHREY. Mr. President, I commend this matter to the attention of my colleagues. The proposal is not one which has been created alone out of my own imagination or thinking, but is the result of very careful study and analysis on the part of a number of agricultural economists, including the best thinking of a number of producers of hogs in the Minnesota-Iowa area. It is one which has received considerable support and attention in the States of Minnesota and Iowa. I believe it is one which will do a great deal to solve the present economic problem relating to livestock production.

Mr. CLEMENTS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. CLEMENTS. I have not heard all the statements of the distinguished Senator from Minnesota. I understand he is offering a suggestion of legislation dealing with farm problems. It is not unlikely that whatever he may offer here may become the plan of someone else, possibly in the executive branch of the Government.

It was about this time a year ago that the distinguished Senator from Minnesota devised a soil-bank proposal, and even though it was rejected by many in Government circles a few months after that time, today its praises are being sung from the housetops in many places, and we find but few being willing to give the Senator from Minnesota credit. I hope that in what he has presented the Senator has offered a means of bringing more money to the pockets of that group who are in a worse plight than any other group of our people.

Mr. HUMPHREY. I thank the Senator from Kentucky. I wish to make it quite clear that if this proposal is accepted by the administration and they wish to call it their own, I shall be glad to give them full title to whatever rights of parenthood they can obtain. I do not ask to be invited to the family table, if I may just have a peek at the children. I am not interested in who may receive the credit. We are going to pass a good farm bill, I am sure, with the help of the Senator from Kentucky, who is a very able, diligent, and distinguished member of the Committee on Agriculture and Forestry, and one with whom I find great joy in working. In almost all instances I find myself agreeing with him on agricultural problems.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I should like very much to be associated with the proposal of the Senator from Minnesota. I think it is very sound, as I have found to be all the proposals of the Senator from Minnesota on farm matters.

I agree with the Senator from Kentucky as to the Senator from Minnesota being a forerunner in the soil-bank proposal. I wish to compliment him for the high degree of leadership he has shown in the matter of farm legislation. I seldom find myself even having a mental reservation as to what the Senator from Minnesota says on many matters. But as to what he has said about the Senate passing a good farm bill, I wish to register a very strong reservation. All I wish to say is that I hope it will.

Mr. HUMPHREY. I join in that reservation.

Mr. MORSE. With reference to the dairy farmers, the bill coming from the Committee on Agriculture and Forestry is far from being a good farm bill. Apparently, the responsibility for it is on both sides of the Senate. As I understand, in its present form, in regard to the dairy industry, every dairy farmer ought to rise up in wrath against the perpetrators of a bill which fails so utterly to meet the needs of the dairy farmers. We will have to put on the most vigorous fight we have ever conducted on the floor of the Senate in order to protect the dairy farmers if a farm bill comes from the committee containing what the press ticker says it embodies.

That is not the only segment of the bill, unofficially reported, which I think falls far short of meeting our obligations to the farmers in their sorry plight. We should come to grips with the farm problem to protect the purchasing power on the part of a very important segment of our economy. If the farm bill in the offing is what I understand it to be, it is not going to do the American farmer very much good. I hope that we can at least get some improvement on the early reports which have come out of the Committee on Agriculture and Forestry as to the shortcomings of the farm bill, and, particularly, I hope that something will be done in regard to the dairy farmers.

I am very much interested in a bill which provides a 2-price system for rice, but rejects a 2-price system for wheat. Whereas the 2-price system for rice has been in the field so much longer, no consideration was ever given to the matter of a 2-price system for wheat. I shall be very much interested in any explanation as to why the committee can recommend it for rice and not for wheat. Even Mr. Benson, speaking in Portland the other day before the Wheat League, said he thought the system had a great deal of merit in it, although he had submitted an adverse report last year against the 2-price system for wheat.

He said he thinks there is much merit in it. He wants only another year in which to study it. Perhaps in another year from now he will report favorably on it. I hope the Senate Committee on Agriculture and Forestry has not swallowed his present line, namely, that the matter ought to be delayed for another year.

If the 2-price system for wheat has merit, we ought to come to the assistance of wheat farmers this year, 1956. If it is sound for rice, it is sound for wheat. I shall be very much interested in the kind of farm bill to be reported by the Committee on Agriculture and Forestry both with respect to the dairy farmers and the wheat farmers. I will make the statement general and say I shall be much interested in respect to every farm

producer in this country who is being put through the economic wringer by this administration, every farmer who is now in the depths of the great farm depression.

I did not intend to make these remarks until my good friend, the Senator from Minnesota suggested that the committee is going to come forward with a good farm bill. It had better be a better bill than the news ticker today indicates the present bill in the Committee on Agriculture and Forestry appears to be.

Mr. HUMPHREY. I thank the Senator from Oregon for his advice and counsel, and for his expression of a strong, right, and proper feeling about developments in the agricultural legislative field. I assure the Senator that many areas of the farm bill need drastic revision and improvement.

I intend to offer in the committee tomorrow 4 amendments which go right to the heart of the subject about which the Senator from Oregon has spoken. It would be much easier if we had some help from the administration in backing up the income-stabilizing and income-improvement provision which some Senators favor.

Tomorrow I shall offer an amendment on the dairy question, which, first of all, will require honest reporting as to what the parity price ratio is as affecting dairy products. I want the record to be clear that the present reports are not factual or honest. They are misleading. They do not really tell what is happening in terms of dollar income to the dairy producers.

I shall offer other amendments relating to the feed grain parity formula. All the amendments are essential for the entire overall agricultural economy of our country.

I am delighted to have heard the Senator from Oregon speak as he has tonight, because he is always diligent in his work on a legislative proposal, and is always very careful to make certain that equity and justice are accomplished in a legislative program, particularly as it relates to the people in the agricultural areas of the Nation.

Mr. President, I included a statement as to the amendments which I propose to offer in the committee in connection with the explanation of the hog marketing amendment.

My only purpose in having included the statements as to the amendments was that I might acquaint my colleagues with the nature of the amendments, because they are new. I think they have great merit, and I believe they will produce results in the market place.

My hog-marketing proposal will involve only about 50 percent of the cost of the present pork purchase program. My proposal goes to the heart of the problem, both as to the consumer and the producer. It involves no Government regulation. It is based upon incentive payments for the kind of pork product which the consumer will want—in other words, a meat product rather than a lard product.

My proposal, furthermore, will make certain that there will not be excesses or surpluses of lard, and that pork products will flow through the normal market rather than be purchased by the Government from the processors at the highest prices, at the very time the farmer or hog producer is getting lower and lower prices for his commodity.

Mr. President, I ask unanimous consent that my proposed amendment relating to hog marketing premium payments may be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, the amendment will be printed.

The amendment intended to be proposed by Mr. HUMPHREY is as follows:

On page 3, after line 24, insert the following:

"HOG MARKETING PREMIUM PAYMENTS

"SEC. 105. (a) In order to assure the orderly marketing of an adequate national supply of hogs and pork products, to encourage the increased domestic consumption of pork and pork products, to maintain the productive capacity of our hog farming industry, and to avoid the feeding of hogs to less desirable weights, the Secretary of Agriculture is authorized and directed, whenever he finds (1) that the annual pig crop for any year will exceed the average pig crop for the 10 preceding years, or (2) that the national average price received by farmers for hogs is less than 90 percent of the parity price therefor, to make incentive payments to hog producers to encourage the marketing of hogs at weights of 200 pounds or less.

"(b) The amounts of incentive payments under this section shall be established by the Secretary at such level as he determines is necessary to carry out the purposes of this section except that (1) whenever the national average price received by farmers for hogs in any month is less than 90 percent of the parity price for hogs, the incentive payment for such month shall not be less than $1 per hundredweight, (2) whenever such average price for any month is less than 85 percent of such parity price, the incentive payment for such month shall not be less than $2 per hundredweight, and (3) whenever such average price for any month is less than 80 percent of such parity price, the incentive payment for such month shall not be less than $3 per hundredweight. No producer shall be eligible to receive incentive payments under this section totaling in excess of $1,200 in any calendar year.

"(c) The Secretary is authorized to use any funds of the Commodity Credit Corporation, and any funds appropriated by section 32 of Public Law 320, 74th Congress (49 Stat. 774; 7 U. S. C. 612c), as amended, in making the payments provided by this section."

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a statement I have prepared relating to the amendments to which I have referred may be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

HOG MARKETING PREMIUM PAYMENTS

(Statement by Senator HUMPHREY)

A self-regulation plan for orderly marketing of hogs through Government premium payments for the marketing of hogs at weights of 200 pounds or less.

What this plan would do:

Avoid boom and bust cycles in hog production and prices.

Assure fair and stable returns for the hog raiser.

Assure stable supplies at fair prices for the consumer.

Promote greater consumption of pork products.

Encourage the marketing of a choicer quality product.

Maintain the producing capacity of our hog plant (just as the soil bank will maintain the potential of our cropland.)

Provide mandatory use of the incentive payments for premium weights at any time a surplus is imminent or the price drops below 90 percent of parity.

Provide for payments up to $3 per hundredweight to farmers who cooperate.

Give stability to the industry through a program with a low annual cost.

What this plan does not do:

No regimentation of the hog producer.

No slaughtering of breeding stock or little pigs.

No Government processing, packing, or storing.

No pegging of market prices.

RETURNS TO THE HOG PRODUCER

The long-run effect of the incentive payment plan would be to assure that prices received by farmers for hogs would be at or near 90 percent of parity.

The incentive payment plan provides for payments of from $1 to $3 per hundredweight.

Of course, if prices were badly depressed at the time the incentive program was launched, it would take some time to cut down the volume sufficiently to rally the price.

However, in 1955, we had a surplus of only 6 percent when measured by hog marketings and only 2 percent by actual volume of dressed pork produced. Therefore, only a relatively small cutback would be needed to rectify the overrun.

It is estimated that a cut of 800 million pounds of pork volume would have rallied the price to 90 percent of parity.

To do this a sufficient incentive payment would have been needed to attract 83 million hogs to market at 200 pounds or less. Had all 74 million head of hogs come to market at less than 200 pounds, the pork volume would have been cut by 16 percent, which shows to what extent volume could be reduced by incentives, voluntarily and without controls.

Once the major adjustment in supply had been made, the program would tend to regulate itself, for if too many pigs were being raised, or if the price weakened below 90 percent of parity, the incentive payments would continuously be cutting back the pork volume.

The farmer would find it advisable to cooperate because the market price together with the incentive payment would tend to give him a return in the neighborhood of 90 to 100 percent parity. When supply and price were in order, then the premium plan would not be needed.

These projections are on the conservative side since no evaluation is placed upon the effect which the leaner pork may have in increasing consumer demand and farmer's prices. This effect may be very substantial, and, if so, it would reduce the cost of the incentive payment program.

WOULD THE INCENTIVE SYSTEM ATTRACT PARTICIPATION?

The incentive payment of $3 per hundredweight would make it worthwhile for the farmer to market his hogs at a lighter weight.

For example, a farmer would have the following alternatives:

200-pound hog sold at $16	$32.00
Incentive payment, $3 per hundredweight	6.00
Gross income from hog	38.00
250-pound hog sold at $15.50	38.75
Cost of putting extra 50 pounds on hog	7.50
Gross income from hog less added costs on final 50 pounds	31.25

The farmer would be better off, marketing his hogs at 200 pounds, whether the incentive was $1 or $3, than if he feeds the hogs to a higher weight.

HOW IT WOULD WORK

We do not have a great surplus of pork at the present time. However, even a small surplus can break the market price, just as with other commodities where a surplus as small as 5 percent can break the market.

For perishable products, which do not lend themselves very well to longtime storage, the problem is to develop a self-regulating plan which will determine the amount of the commodity placed on the market without invoking any controls upon the individual producer.

The plan for incentive payments to encourage marketing of hogs at prime weights is such a plan. It depends for its effectiveness upon incentives instead of controls.

As proposed, the plan would require the Secretary of Agriculture to put into effect the incentive payment plan whenever either of two conditions are found to exist:

1. Whenever the annual pig crop exceeds the average annual pig crop for the preceding 10-year period, or

2. Whenever the national average price received by farmers falls below 90 percent of parity.

Once launched, the program would remain in effect for as long as the surplus threat or low prices continued to exist.

The Secretary of Agriculture would be authorized and directed to offer premium payments of not less than $1 per hundredweight and not more than $3 per hundredweight on hogs marketed at 200 pounds or less. While he would have discretionary authority to offer the full $3 per hundredweight incentive at any time he deemed proper, it would be mandatory that he maintain at least a $1 per hundredweight premium payment when farmers' prices are between 85 and 89 percent of parity; at least $2 per hundredweight when farmers' prices are between 80 and 84 percent of parity; at least $3 when farmers' prices are below 80 percent of parity.

HOW IT WOULD REGULATE PORK VOLUME

In 1955, the average hog went to market at 240 pounds, producing a total volume of dressed pork of 10.8 billion pounds.

If the average hog had gone to market at 200 pounds, the 40 pounds less of live weight would have meant 24 less pounds of pork meat, per animal. Had this been true, the total pork production would have been 9.1 billion pounds, well below the amount necessary to have moved at above 90 percent of parity prices.

An analysis of pork production and prices during the period from 1920 to 1940 shows the sensitiveness of the market to even a small surplus. Several things are apparent from such a study:

1. Prices suffer disastrously when there is even a moderate increase of marketings.

2. Prices are weak when supply is about equal to demand.

3. Prices begin to approach 90 percent of parity when supply is about 4 percent short of the total disappearance of pork products during the preceding 5-year period.

4. Prices do not reach 100 percent of parity until the supply is about 10 to 12 percent short of average marketings in preceding 5 years.

Since the total disappearance of pork products from 1950–54 averaged 10.4 billion pounds, it is apparent that the 1955 production was somewhat above average marketings.

Using the rule, found to be accurate above, the 1955 production would have needed to have been cut back to a point about 4 percent below the base period average in order to bring about 90 percent of parity prices in the open market.

Expectations would be that farmers would have received 90 percent of parity market prices if the pork volume had been some 800 million pounds smaller or about a total of 10 billion pounds.

A cut of 800 million pounds of pork could be achieved in one of two ways:

1. By a system of hog controls or quotas to reduce the marketings by some 6 million hogs. This would make it necessary to regiment farmers and tell them they would have to cut their marketings by 8 percent.

2. By a system of incentive payments to bring hogs to market at 200 pounds. There would be no controls, no dictation to the farmer—he would receive the incentive payment if he cooperated, but he would not be forced to cooperate.

WHAT WOULD THE INCENTIVE PLAN COST TO OPERATE?

An incentive-payment plan would be moderate in cost compared with surplus removal or price-support measures.

Secretary Benson has announced an $85 million pork-purchase program. He has spent part of this sum, about $15 million, without rallying the market.

In fact, prices dropped about $3 per hundredweight during the peak of the marketing season despite the surplus removal measures.

Secretary Benson has reported estimates by his department that direct price support measures on hogs would be costly. He calculates that it would take an outlay of $1 billion to raise the market price by $5 per hundredweight.

He has also pointed out that processing and storage costs would be prohibitive should the Government wish to go into the purchase and packing of pork products.

COMPARATIVE COSTS OF VARIOUS MEASURES TO ACHIEVE 90-PERCENT PRICE LEVELS

Surplus removal of 800 million pounds of pork	$400,000,000
Direct supports (Benson estimate)	1,000,000,000
Incentive payments to reduce pork going on market by 800 million pounds	198,000,000
Incentive payment plan, second and succeeding years	96,000,000

Under the incentive payment plan, the greatest cost would be in the first year when the major adjustment would need to be made. Thereafter, the maintenance of a balanced supply would be less than $100 million a year.

The incentive plan would act as a preventive measure and avoid surplus situations such as we have had in recurring cycles.

HOW MUCH OF A HOG SURPLUS DO WE HAVE?

There is no unmanageable surplus of hogs.

Despite the talk of hog surpluses and of headlines about the disastrous hog price break, the 1955 hog production was only a few percent above normal.

To make a fair comparison, the 1955 production and marketings must be judged against a base of the previous 10-year period. Comparison with 1954 alone does not give a fair picture because 1954 was a comparatively light year.

The 1955 pig crop totaled 95,256,000 animals, as compared with an average total of 88,867,000 pigs for the previous 10-year period. This is an increase of 7 percent.

The preliminary figure on total hog marketings for 1955 is some 74,068,000, as compared with a 10-year average of 69,353,000. This represents an increase of 6 percent.

However, this gain in hog numbers did not show up in a proportionate gain in pork production volume because, on the average, hogs were marketed at slightly lighter weights than normal for the 10-year period. The average for 1955 was about 240 pounds, as compared with 253 pounds in the preceding 10 years.

The preliminary figure on 1955 pork production is 10.8 billion pounds, compared with an annual pork production average of 10.6 billion pounds during the previous 1-year period. This is actually, then, a surplus of only about 2 percent above the normal pork production.

MAINTAINING AN ADEQUATE FOOD-PRODUCING PLANT

While the farmers are producing more of some commodities than are being absorbed by the markets under present economic conditions, considerations of the national health, welfare and safety demand that we keep an adequate food-producing plant in existence.

There is a danger that continued low prices or unwise control tactics will drive farmers out of production and reduce our potential below safe levels.

Deliberately low prices, such as result from the flexible support program control programs which do nothing to replace the farmer's income from the diverted acres, regulations such as cross compliance which put the squeeze on the farmer, and soil-bank proposals which provide too small a payment to permit compliance by the average farmer, all are dangerous because they threaten to reduce the size of the farm plant.

A conservation acreage reserve, which fully replaces the net income from the diverted acres, can be very helpful in making a temporary adjustment in supply without breaking down the food-producing plant.

In the same way, whenever any adjustment is needed in the supply of meat products, the task should not be left to the harsh remedy of disaster prices and bankruptcy for a percentage of the operators.

Just as the soil-bank can keep our cropland potential ready on a standby basis, an incentive payment for premium weights could regulate the amount of meat being put on the market without reducing the livestock population.

There is no need to make the adjustment by killing off brood sows or little pigs. A reduction of 15 to 20 percent in the pork volume could be achieved in any season simply through the incentive payment plan for lightweights.

It takes time to expand the hog or livestock population should a larger volume be needed because of disaster, disease, or national emergency. It is much safer to keep the hog population on the farm at a high level. Normally, they can be marketed at light weights. Should the need arise, a quick expansion can be made in pork production simply by feeding them to heavier weights.

Total pig crop:	
Average for period 1945–54	88,867,000
1955 annual	95,256,000
Percentage increase	7
Total hog marketings:	*Head*
Average for period 1945–54	69,353,000
Preliminary 1955 total	74,068,000
Percentage increase	6
Total dressed pork volume:	*Pounds*
Average for period 1945–54	10.6 billion
Preliminary 1955 total	10.8 billion
Percentage increase	2

Supply-demand relationships

	Average farm price as a percentage of parity	Volume of annual pork products (million pounds)	Annual production as a percentage of annual disappearance for previous 5 years
1920	88	7,645	−4
1925	88	8,129	−4
1926	97	7,966	−6
1936	101	7,474	−10
1937	99	6,951	−12

CONSIDERATION OF URGENT DEFICIENCY APPROPRIATION BILL ON FRIDAY

Mr. CLEMENTS. Mr. President, I have conferred today with many Senators on the floor, among them being the present occupant of the chair, the distinguished senior Senator from Illinois [Mr. DOUGLAS], with reference to the program on Friday, including the action of the Committee on Appropriations today on H. R. 9063, the urgent deficiency appropriation bill.

It is the intention of the leadership, if the Senate does not offer objection, to bring the urgent deficiency appropriation bill to the floor for consideration on Friday. I therefore ask unanimous consent that the bill may be the subject of consideration by the Senate on Friday.

Mr. MORSE. Mr. President, I wish to make an inquiry. Certainly the Senate ought to handle this very important matter most expeditiously. Is it contemplated that the bill is one which will be subject to considerable debate and will necessitate a yea-and-nay vote?

Mr. CLEMENTS. If that should be the case, the bill will go over until after the period covered by the gentlemen's agreement. However, it is the opinion of the acting majority leader, which is concurred in by the members of the Committee on Appropriations, that there is not an item in the urgent deficiency appropriation bill about which there will be any serious controversy.

The PRESIDING OFFICER. Without objection, the request of the Senator from Kentucky is agreed to.

ORDER FOR ADJOURNMENT TO FRIDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its labors today, it stand adjourned until noon on Friday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

FORESTRY PROGRAMS OF THE FOREST SERVICE, BUREAU OF LAND MANAGEMENT, AND BUREAU OF INDIAN AFFAIRS

Mr. MORSE. Mr. President, I wish to discuss for a few minutes the forestry programs of the Forest Service, the Bureau of Land Management, and the Bureau of Indian Affairs.

It is appropriate that I do this because timber is the No. 1 business in Oregon, and recreation is the second ranking business. Furthermore, Oregon is the leader in the Nation in returns to the Treasury from our Federal forests. It is interesting to note that, after all expenses were considered, including in lieu payments in fiscal year 1954, only four States returned more money to the Treasury than was expended in them by the Forest Service. These States were Arkansas, Texas, Oregon, and Washington. In the first two States expense and income were about even. In Oregon and Washington income far outstripped expenses.

Let us consider the last year as an example of what is happening in the National Forests of Oregon; $6.2 million was allocated to Oregon for operating expense, and $5.1 million was allocated for capital investments; $6.1 million was made in "in lieu" payments to counties, and an additional $2.6 million was spent on slash disposal and similar work, and for research and other State and private forestry aids. This totals about $20 million for all expenses.

Income was $33.3 million plus about another $1.2 million in deposits for slash disposal and work performed for others, or a total of about $34.5 million in income. The Treasury received as a net profit $14.5 million from Oregon's national forests.

The picture on the O. and C. lands of the Bureau of Land Management is more difficult to describe, but these lands are also showing a good rate of earning. I am delighted to see that Secretary McKay heeded the calls which the Senator from Arizona, Mr. HAYDEN, and I made this fall to increase the forestry budget of the Bureau of Land Management. However, I do feel he neglected to make commensurate increases for the Bureau of Indian Affairs.

Our Indian reservations present special problems, because these lands belong to the Indians. The American Indian is entitled to the best possible management of his lands and every opportunity to participate and learn the art of self-government and management.

The point I want to make about Oregon's public forests is that the appropriation of additional money can and will return dividends.

Take the Texas national forests as an example. Created by the purchase of cutover lands in the early 1930's, they are now paying their way. Many of our individual forests in the South and East are also paying their way. Others can do so if developed.

But Oregon and Washington forests have vast stands of timber, much of which is rotting on the stump for lack of access roads and personnel to process sales.

If we can get the funds to sell our full allowable cut and develop access roads, I can assure you, Mr. President, that the Nation will see dividends flow from Oregon, as well as to Oregon.

Mr. President, more lumber and other forest products can be procured at more favorable prices, and the Federal Treasury will receive larger payments. Land that is covered with timber which is not growing, but decaying, will be converted to a growing and a producing forest. Recreationists will find expanded opportunities to enjoy our forests.

Oregon will benefit, too. Her industries, which vitally need timber, will be adequately supplied. Her counties will benefit, not only by the increase in industry, but also by the increased "in lieu" payments. Her land will continue to be the strength which sustains her, and a source of enjoyment for those who love the growing, living forest.

Oregon's forests demonstrate what can be done, and, if given half a chance, will give an even better demonstration.

We spend about four times as much on our national forests in Utah as we take in. I do not want it to appear that I condemn this, because much of our Utah forests is vital watershed area rather than commercial forest. But I do object to Mr. Benson's apparent lack of understanding that our national forests are capable of better providing for our needs. Wood for paper and lumber is in short supply. It is not a surplus item.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the close of my remarks, the budgets of the Forest Service, Bureau of Land Management, and Bureau of Indian Affairs, and other information on the allocations to Oregon. I should like to have the people of my State and throughout the Nation enabled to study this record so that they can be in a position to judge adequately what should be done for the wise management and use of our Federal forest lands.

Mr. President, I ask unanimous consent to have the material to which I referred printed in the RECORD at this point in my remarks. It includes the regular Forest Service budget for the fiscal year 1957; the regular Bureau of Land Management budget for the fiscal year 1957; and the Bureau of Indian Affairs regular budget for the fiscal year 1957, with letter from the Bureau of Land Management relative to conditions in Oregon, and table showing appropriations for Indian Service activities in Oregon.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

FOREST SERVICE BUDGET, REGULAR, FOR FISCAL YEAR 1957

FOREST SERVICE

Introductory statement

The Service carries on three primary functions: (1) Protection, development, and use of about 181 million acres of land in national forests in the United States, Alaska, and Puerto Rico; and management of land utilization projects covering about 7 million acres; (2) cooperation with States and private forest landowners to obtain better fire protection on approximately 431 million acres of forest lands and better forest practices on about 345 million acres of privately owned commercial timberlands, to encourage reforestation, and stimulate development and management of State, county, and community forests; and (3) research for all forest lands and related ranges to bring about better protection from fire, insects, and diseases; to increase productivity, and facilitate full utilization of forest, water, and range resources, and more profitable production of timber and forage. Included in these three primary functions are construction and maintenance of roads and trails, control of forest pests, protection against floods, land exchange, and a number of cooperative projects.

Appropriated 1956, $55,088,000.
Estimated 1957, $60,938,000.[1]

[1] Excludes $9,950 for activities transferred in the estimates to "Salaries and expenses, Office of the Secretary of Agriculture." The amounts obligated in 1955 and 1956 are shown in the schedule as comparative transfers.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. National forest protection and management:			
(a) Resource protection and use	$30,002,086	$35,937,750	$39,823,000
(b) Resource development	1,246,626	1,845,000	1,845,000
Total, national forest protection and management	31,248,712	37,782,750	41,668,000
2. Fighting forest fires	6,000,000	5,250,000	5,250,000
3. Control of forest pests:			
(a) White pine blister rust control	2,553,491	2,734,000	2,734,000
(b) Forest pest control	4,498,660	3,537,500	2,386,000
Total, control of forest pests	7,052,151	6,271,500	5,120,000
4. Forest research:			
(a) Forest and range management research	3,656,258	4,529,816	4,529,816
(b) Forest protection research	1,275,776	1,388,222	1,516,222
(c) Forest products research	1,255,961	1,303,301	1,621,301
(d) Forest resources research	976,719	1,015,961	1,232,661
Total, forest research	7,164,714	8,237,300	8,900,000
Total obligations	51,465,577	57,541,550	60,938,000
Financing:			
Comparative transfers to other accounts	192,430	9,950	
Unobligated balance no longer available	312,175		
Appropriation (adjusted)	51,970,191	55,088,000	60,938,000
Proposed supplemental due to pay increases		2,463,500	

PROGRAM AND PERFORMANCE

1. National forest protection and management—(a) Resource protection and use: The national forests are protected from fire, and their resources are managed in such ways as to bring about full utilization and maximum sustained production.

Main workload factors

Description	1955 actual	1956 estimate	1957 estimate
Area administered and protected (acres)	181,071,658	181,000,000	181,000,000
Timber managed and protected (billion board-feet)	600	600	600
Timber sales (number)	27,542	28,200	28,500
Timber harvested (billion board-feet)	6.3	7.25	7.75
Forest fires controlled (number)	11,792	11,000	11,000
Area burned (acres)	203,973	350,000	200,000
Grazing use permits (calendar year)	25,783	25,500	25,500
Estimated number of livestock on national forest ranges (including calves and lambs)	8,099,000	8,000,000	8,000,000
Special use permits (number)	54,703	56,000	57,500
Estimated number of visitors to national forest (calendar year)	40,304,000	45,000,000	50,000,000
Receipts (by fiscal years):			
Timber sales	$75,043,577	$101,800,000	$108,500,000
Grazing	2,953,257	3,000,000	3,000,000
Land use and power	1,524,046	1,700,000	1,700,000
Land utilization projects	1,618,410	1,500,000	1,500,000
Total receipts	81,139,290	108,000,000	114,700,000

This item also provides for management of about 7 million acres in land utilization projects, including revegetation and other development work. These lands are used under lease or permit by local farmers and ranchers under specific use conditions.

(b) Resource development: Main factors are shown in the following table:

Main workload factors

[In acres]

Description	1955 actual	1956 estimate	1957 estimate
Planted to trees (annual)	13,000	20,000	20,000
Planted to trees (cumulative)	1,386,084	1,405,084	1,425,084
Still to be planted (total)	4,000,000	4,000,000	4,000,000
Reseeded to range grasses (annual)	41,077	60,000	60,000
Reseeded to range grasses (cumulative)	591,715	651,715	711,715
Still to be reseeded (total)	3,408,285	3,349,285	3,288,285

2. Fighting forest fires: This provides for employment of additional manpower and other facilities to suppress forest fires which cannot be controlled by the fire-control organization provided for under national forest protection and management.

3. Control of forest pests—(a) White pine blister rust control: Protection of white pine trees from blister rust is provided by removing ribes (alternate host plants) from areas where white pines grow. Some of this work is done in cooperation with State, private, and other Federal land-managing agencies. Ribes have been removed from approximately 17 million acres to date. This acreage is reworked to keep the ribes suppressed. Approximately 6.2 million additional acres require further eradication work. The following table indicates the estimated program for 1956 and 1957 as compared to work done in 1955:

[In acres]

Description	1955 actual	1956 estimate	1957 estimate
Initial eradication	184,792	175,000	175,000
Rework	668,376	750,000	750,000
Total	853,168	925,000	925,000

(b) Forest pest control: Operations consist of surveys to detect and appraise the danger of insects and plant diseases which injure or destroy forest resources and suppressive measures before extensive damage is done and while areas requiring treatment are small.

4. Forest research—(a) Forest and range management research: Research is conducted at regional forest experimental stations and elsewhere to provide private and public land managers and owners with a sound basis for protection and management of timber, range, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage on rangelands for maximum production of livestock without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce flood and sedimentation.

(b) Forest protection research: Research is conducted at the regional forest experiment stations and elsewhere to develop sound measures for the protection of forests from damage by fire, insects, and diseases. These investigations provide the technical basis for control and preventive measures, including predictions of fire danger.

(c) Forest products research: The work of the Forest Products Laboratory is directed toward improvement of forest products, reduction and utilization of waste, utilization of low-quality wood and unpopular species and development of new wood products. Studies are undertaken to reduce costs of logging and wood utilization, develop basic knowledge, and disseminate findings to meet the needs of the forest owner, primary manufacturer, wood fabricator, and ultimate consumer.

(d) Forest resources research: These investigations are conducted to inventory and appraise the condition of forest lands and their ownership, volume and quality of standing timber, annual growth and depletion, potential need for timber products, and other information on supply, production, marketing, and utilization.

Main workload factors

[Acres in millions]

Description	1955 actual	1956 estimate	1957 estimate
Initial surveys (annual)	15	15	22
Initial surveys (cumulative)	481	496	518
To be surveyed (total)	283	268	246
Resurveys (annual)	25	25	35
Resurveys (cumulative)	219	244	279

A supplemental appropriation for 1956 is proposed for later transmission and appears at the end of this chapter.

FOREST ROADS AND TRAILS, FOREST SERVICE

Appropriated 1956, $24 million.
Estimate 1957, $24 million.[2]

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Construction of roads and trails	$15,715,451	$17,189,583	$17,100,000
2. Maintenance of roads and trails	6,596,347	6,900,000	6,900,000
Total obligations	22,311,798	24,089,583	24,000,000
Financing:			
Comparative transfers to other accounts	2,165	2,165	
Unobligated balance brought forward	−306,012	−91,748	
Unobligated balance carried forward	91,748		
Unobligated balance no longer available	301		
Appropriation (adjusted)	22,100,000	24,000,000	24,000,000

[2] Excludes $2,165 for activities transferred in estimates to "Salaries and expenses, Office of the Secretary of Agriculture." The amounts obligated in 1955 and 1956 are shown in the schedule as comparative transfers.

PROGRAM AND PERFORMANCE

Roads and trails are essential to the protection and management of the national forests and the utilization of their resources. The existing system consists of 120,914 miles of earth- or gravel-surfaced roads and 118,755 miles of supplemental trails.

Funds for 1957 will permit continued emphasis on the construction of timber access roads urgently needed to accelerate harvesting of national forest timber.

The Federal-Aid Highway Act of 1954 (23 U. S. C. 23) made available contract authorizations totaling $70½ million. Contract authorization equivalent to funds appropriated for roads and trails are administratively canceled annually. The program for 1957 cancels the balance of the authorization.

STATE AND PRIVATE FORESTRY COOPERATION

State and Private Forestry Cooperation, Forest Service.

Appropriated 1956, $11,337,129.
Estimated 1957, $11,385,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Cooperation in forest-fire control	$9,448,614	$10,025,029	$10,025,000
2. Cooperation in forest tree planting	444,314	505,000	505,000
3. Cooperation in forest management and processing	635,003	690,000	690,000
4. General forestry assistance	148,475	165,000	165,000
Total obligations	10,676,406	11,385,029	11,385,000
Financing: Unobligated balance no longer available	20,270		
Appropriation (adjusted)	10,696,676	11,337,129	11,385,000
Proposed supplemental due to pay increases		47,900	

PROGRAM AND PERFORMANCE

This program, carried on in cooperation with the States, encourages private timber growing through assistance in preventing and suppressing forest fires, reforestation of denuded and poorly stocked areas, and good management of woodlands. Privately owned forest lands comprise three-fourths of the Nation's commercial forest area and produce 90 percent of all timber cut. The fire-control program applies to all forest lands within the boundaries of organized protection units. The balance of the program is concentrated on small forest properties in private ownership because they are in greater need of management.

1. Cooperation in forest-fire control: Assistance is furnished 44 States and Hawaii in preventing and suppressing forest fires on private and State-owned lands by financial aid, training, procurement of equipment, and a nationwide fire-prevention campaign. About 89 percent of the 431 million acres of non-Federal ownership are now partially covered. During 1954 the acreage burned on protected areas was 0.7 percent as against an estimated 12 percent on unprotected lands. Of the total expenditures under this program, 72 percent is contributed by States and counties, 5 percent by private owners, and 23 percent by the Federal Government.

2. Cooperation in forest-tree planting: To encourage woodland owners to plant trees on the more than 60 million acres of inadequately stocked State and private forest land, the States provide trees at less than cost. The Federal Government shares about 25 percent of the cost with the States.

3. Cooperation in forest management and processing: In cooperation with State foresters, 274 projects in 1,300 counties are operated to aid small-woodland owners in applying good management to their timber holdings. In 1954 these projects covered some 32,224 owners and about 2.6 million acres.

4. General forestry assistance: Assistance and advice is given by field technicians in response to inquiries in technical forestry fields.

COOPERATIVE RANGE IMPROVEMENTS, FOREST SERVICE

Appropriated 1956, $700,000.
Estimate 1957, $700,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
Construction and maintenance of range improvements (total obligations)	$408,049	$728,855	$700,000
Financing:			
Unobligated balance brought forward	−36,959	−28,855	
Unobligated balance carried forward	28,855		
Unobligated balance no longer available	55		
Appropriation	400,000	700,000	700,000

PROGRAM AND PERFORMANCE

On the basis of a statutory formula and to the extent appropriated, part of the grazing fees from the national forests are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock-watering facilities, bridges, corrals, and driveways.

Acquisition of lands for national forests, Weeks Act, Forest Service

Appropriated 1956, $190,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
Acquisition of lands (total obligations)	$123,126	$190,000	
Financing: Unobligated balance no longer available	1,874		
Appropriation	125,000	190,000	

PROGRAM AND PERFORMANCE

The funds are used to acquire lands to protect the watersheds of navigable streams and to increase the production of timber. The National Forest Reservation Commission has approved the establishment of 78 national forest purchase units in 33 States, mainly in the eastern half of the United States. The present value of forest lands thus purchased to date is conservatively estimated at $200 million which is more than twice their cost.

FOREST SERVICE BUDGET—PROPOSED SUPPLEMENTAL FOR 1956

Salaries and expenses, Forest Service (under existing legislation, 1956): An anticipated supplemental appropriation in the amount of $5,750,000 is included in the budget for fighting fires and to accelerate the sales of national forest timber.

Budget authorizations, expenditures, and balances

	1955 actual	1956 estimate	1957 estimate
BUDGET AUTHORIZATIONS AVAILABLE			
Proposed supplemental appropriation		$5,750,000	
Obligated balance brought forward			$750,000
Total budget authorizations available		5,750,000	750,000
EXPENDITURES AND BALANCES			
Expenditures—			
Out of current authorizations		5,000,000	
Out of prior authorizations			750,000
Total expenditures		5,000,000	750,000
Obligated balance carried forward		750,000	
Total expenditures and balances		5,750,000	750,000

FOREST SERVICE—THE OREGON PICTURE

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D. C., January 19, 1956.

Hon. WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: In accordance with Mr. Berg's conversation with Mr. Gordon D. Fox of the Forest Service, there follows preliminary estimates of national forest damage in Oregon resulting from the recent floods:

1. Roads, trails, and bridges, $1,055,000.

2. Campgrounds, buildings, and telephone lines, $52,000.

It is estimated that there may be an additional $500,000 damage to national forest improvements in the high country which is presently inaccessible. The total preliminary estimates indicate that damage will probably be in excess of a million and a half dollars.

In addition to the above it is estimated that about 100 million board-feet of timber was blown down by the high winds accompanying the recent storms. This is known loss in areas concentrated sufficently to justify logging operations. In addition to this there are, of course, other scattered blowdown timber losses.

Very truly yours,

RICHARD E. MCARDLE, *Chief.*
By HOWARD HOPKINS.

Receipts from national forests, State of Oregon

	Timber	Grazing	Land use	Power	Total net receipts	Due State 25 percent
Fiscal year 1955	$24,179,078.54	$189,397.74	$50,100.17	$695.70	$24,419,272.15	$4,988,207
Fiscal year 1956 (estimated)	33,035,100.00	189,000.00	50,000.00	700.00	33,274,800.00	6,104,818

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, January 23, 1956.

Hon. WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: Reference is made to your request of January 5, and to Mr. Bill Berg's conversation with our Mr. Ahlberg on January 17 as to anticipated activities of the Forest Service in the State of Oregon as provided in the fiscal year 1957 budget.

Enclosed is a statement of Estimated Obligations for the State of Oregon, Fiscal Years 1956 and 1957, which shows amounts by appropriations. The increase of approximately $600,000 in the appropriation for National Forest protection and management is for the following activities.

(a) Timber sales and management plans	$300,000
(b) Construction of improvements	188,000
(c) Sanitation and care of public campgrounds	35,000
(d) Mining claims	25,000
(e) Maintenance of improvements	47,300
(f) Range resource management	4,700
Total	600,000

We will be glad to furnish additional information.

Very truly yours,

RICHARD E. MCARDLE,
Chief.

By HOWARD HOPKINS.

State of Oregon

	Accounting classification	Fiscal year 1955	Fiscal year 1956 (estimated)
	NATIONAL FOREST ADMINISTRATION		
020	Unit management	$706,036	$745,100
030	Timber use	1,583,254	1,918,900
041	Tree insect and rodent control	578,473	610,470
042	Tree disease control	69,896	70,000
051	Range pest control	2,565	2,500
052	Other range use	85,281	90,000
061	Land exchange and acquisition expense	30,311	30,000
062	General surveys, maps, and boundary posting	44,201	45,000
063	Other land use	32,600	33,100
070	Recreation use	66,185	67,000
080	Wildlife use	15,241	15,300
090	Water use	13,952	14,000
101	Fire prevention and pre-suppression	935,599	987,300
102	Fire suppression	170,578	165,000
110	Maintenance of improvements	364,864	402,300
120	Maintenance of roads	709,482	750,000
130	Maintenance of trails	213,977	220,000
160	Management of land-utilization projects	9,676	10,000
	Total, operating expenditures	5,632,171	6,175,970
201	Nurseries	14,805	15,000
202	Tree planting	382,899	382,000
203	Timber stand improvement	424,074	425,000
205	Range revegetation	28,337	28,000
221	Dwellings and related improvements	63,745	67,300
222	Warehouses, shops, offices, etc	33,308	35,100
223.1	Telephone systems	5,690	6,200
223.2	Radio systems	6,190	6,300
224	Fire-control improvements	6,466	6,800
225	Recreation use improvements	8,143	8,100
226	Wildlife use improvements	----------	----------
227	Range use improvements	100	----------
229	Soil and water control improvements	2,164	2,100
231	Bridge construction	752,541	100,000
232	Replacing temporary bridges by permanent bridges	630,213	300,000
233	Replacing temporary bridges by road construction	49,040	50,000
235	Road construction other	6,289,263	3,572,900
240	Construction of trails	51,234	50,000
	Total investment expenditures	8,748,212	5,054,800
	WORK PERFORMED FOR OTHERS		
310	Reimbursable or advanced	974,630	975,000
320	Nonreimbursable expenditures	995	----------
	Total, nonservice expenditures	975,625	975,000
	STATE AND PRIVATE FORESTRY AND FIRE CONTROL COOPERATION		
400	Administrative expense, State and private forestry	66,340	66,500
411	Cooperation in forest fire control	591,056	636,000
413	Cooperation in forest management and processing	8,412	10,000
432	Cooperation in tree disease control	12	----------
	Total, State and private forestry and fire control	665,820	712,500
	Research (total research funds, all functions)	318,400	320,100

State of Oregon—Continued

Accounting classification	Fiscal year 1955	Fiscal year 1956 (estimated)
STATE AND PRIVATE FORESTRY AND FIRE CONTROL COOPERATION—Continued		
700 Flood control, preliminary examinations and surveys	10,404	----------
710 Surveys and technical directions, tree pests	64,951	65,000
Stores (net fiscal year)	−3,634	----------
Equipment operation, repair, and replacement	570,045	575,500
Deferred charges, roads	−43,517	----------
Total expenditures	16,939,077	13,878,870

Summary of adjustments in fiscal year 1957 budget estimates for Forest Service

National forest protection and management: 1956, $37,782,750; 1957 budget, $41,668,000; increase $3,885,250, as follows:

(a) Timber resource management	+$1,600,000
(b) Range resource management	+100,000
(c) Sanitation and care of public campgrounds	+470,000
(d) Management of other land uses	+250,000
(e) Maintenance of improvements	+465,250
(f) Construction of improvements	+1,000,000
Total, national forest protection and management	+3,885,250

Cooperative range improvements on national forests (fences, stock watering facilities, etc.): 1956, $700,000; 1957 budget, $700,000.

Forest research: 1956, $8,237,300; 1957 budget, $8,900,000; increase $662,700, as follows:

	P. 368, printed budget	Forest Service portion of $12 million supplemental estimate p. 439	Total research increase
(a) Forest and range management research	----------	+$100,000	+$100,000
(b) Forest insect investigations	+$50,000	+25,000	+75,000
(c) Forest disease investigations	+78,000	+25,000	+103,000
(d) Forest Products Laboratory	+318,000	+150,000	+468,000
(e) Forest survey	+160,700	----------	+160,700
(f) Economic investigations	+56,000	+150,000	+206,000
Total, Forest Research	+662,700	+450,000	+1,112,700

State and Private Forestry Cooperation: 1956, $11,385,029; 1957 budget, $11,385,000: decrease in cooperation in forest fire control −$29

Acquisition of Lands for National Forests: 1956, $190,000; 1957 budget, 0; decrease of −190,000

Acquisition of Lands (receipts fund): 1956, $10,000; 1957 budget, 0; decrease of −10,000

Forest Roads and Trails: 1956, $23,997,835; 1957 budget, $24,000,000; increase of +2,165

Control of Forest Pests: 1956, $6,271,500; 1957 budget, $5,120,000; net decrease as follows:

(a) Detection and appraisal surveys (Forest Pest Control Act)	+210,000
(b) Control of Forest Pest (Contingency Fund)	−1,361,500
Total, Control of Forest Pests	−1,151,500

Net, Forest Service—Increase of +3,648,586

Estimated obligation for State of Oregon, fiscal years 1956 and 1957

	Estimated, 1956	Estimated, 1957
Salaries and expenses:		
National forest protection and management	$3,912,490	$4,512,700
Fighting forest fires	180,000	180,000
Control of forest pests:		
White pine blister rust control	120,100	120,100
Forest pest control	75,500	71,000
Forest research	343,400	359,000
Total, salaries and expenses	4,631,490	5,242,800
Forest roads and trails	2,587,800	2,666,750
State and private forestry cooperation	646,200	646,200
Cooperative range improvements (receipt limitation)	41,730	40,080
Expenses, brush disposal	868,720	909,090
Roads and trails for States, national forests fund	2,455,100	3,430,000
Payments due counties, submarginal land program, Farm Tenant Act	1,863	1,863
Payments to States and Territories from the national forests fund	6,104,818	8,318,700
Watershed protection	3,600	2,600
Trust funds: Cooperative work	1,722,400	2,066,800
Total, Oregon	19,063,721	23,324,880

BUREAU OF LAND MANAGEMENT BUDGET, REGULAR, FOR FISCAL YEAR 1957

In addition, the Bureau has responsibility for mineral resources on 358 million acres of land under the jurisdiction of other Federal agencies and private land with mineral rights reserved to the United States.

The total receipts in fiscal year 1957 from revenue-producing activities of the Bureau are estimated to be about $236 million. Of this amount, $38 million will be paid to the States and counties, and the remaining $198 million will be deposited in the Treasury.

MANAGEMENT OF LANDS AND RESOURCES

Management of lands and resources, Bureau of land management

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including $35,000 for the operation and maintenance of access roads on the revested Oregon and California Railroad grant lands ($13,450,000), $18,778,000: *Provided*, That this appropriation may be expended on a reimbursable basis for surveys of lands other than those under the jurisdiction of the Bureau of Land Management: *Provided further*, That, for the purposes of surveying federally controlled or intermingled lands and operation and maintenance of access roads, contributions toward the costs thereof may be accepted. (5 U. S. C. 133a, 133y, 485; 16 U. S. C. 583, 594; 43 U. S. C. 1, 2, 54, 72, 129, 315; 50 Stat. 874); Department of the Interior and Related Agencies Appropriation Act, 1956.)

Appropriated 1956, $13,700,000.[1]
Estimated 1957, $18,778,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Lease and disposal of land and mineral resources	$2,434,679	$3,375,000	$5,512,900
2. Management of grazing lands	1,573,094	1,800,800	1,918,800
3. Forestry	2,664,304	2,708,800	4,087,800
4. Cadastral surveys	1,463,972	1,544,800	1,653,900
5. Soil and moisture conservation	1,700,779	2,758,500	3,351,400

[1] Includes $250,000 appropriated in Supplemental Appropriation Act, 1956.

Program and financing—Continued

	1955 actual	1956 estimate	1957 estimate
Program by activities—Continued			
6. Squaw Butte experiment station	$38,255	$39,400	$39,400
7. Fire suppression	322,113	210,000	210,000
8. Maintenance of physical facilities	84,297	50,000	50,000
9. Maintenance of access roads		35,000	35,000
10. Weed control	646,640	708,100	706,000
11. General administration	902,314	1,951,300	1,212,800
Total obligations	12,090,452	14,281,700	18,778,000
Financing: Unobligated balance no longer available	33,198		
Appropriation (adjusted)	12,123,650	13,700,000	18,778,000
Proposed supplemental due to pay increases		581,700	

PROGRAM AND PERFORMANCE

1. Lease and disposal of land and mineral resources: Applications for all types of land use and for leasing of mineral resources, principally oil and gas, are acted upon. Field investigations are made to determine the best use of resources. An increase for 1957 is provided to handle the increase in workload caused by greater public demand for lands and minerals.

	1954 actual	1955 actual	1956 estimated	1957 estimated
Cases pending, start of year	41,089	58,062	85,302	90,000
New and reactivated cases	99,799	133,367	154,698	165,000
Cases closed	82,826	106,127	150,000	175,000
Cases pending, end of year	58,062	85,302	90,000	80,000

In addition to the above, an increase is provided for the administration of Public Laws 47, 167, 357, and 359, 84th Congress, which affect mining rights.

2. Management of grazing lands: The use of 180 million acres of the Federal range by 30,000 livestock growers is supervised. Proper management of these lands increases the grazing capacity by reducing overuse, unseasonal use, or trespass, and protects them against fire and erosion. The increase in 1957 is for added workload under Public Law 167.

3. Forestry: Over 5 million acres of commercial forest lands in the United States and 40 million acres in Alaska, plus 110 million acres of woodland, are managed. It is estimated that the 1957 program will permit marketing 840 million board-feet of timber having a stumpage value of $23 million.

4. Cadastral surveys: These surveys are required to (1) locate and identify legal boundaries of lands under application for lease or disposal, (2) administer timber sales and manage forest lands, (3) provide legal descriptions necessary to the work of other Government agencies concerned with Federal land, and (4) permit States to receive patents to land granted them when they entered the Union. The increase for 1957 is primarily for surveys related to timber sales and work under Public Law 167.

5. Soil and moisture conservation: The 1957 program plans treatment of 1,300,000 acres of public lands with measures to prevent runoff and erosion and to rehabilitate areas which are in critical condition. Emphasis will be placed on cooperative programs with other agencies in river basin areas. The increase for 1957 is to provide for the second step of a 20-year program.

6. Squaw Butte Experiment Station: In cooperation with the Oregon State Agricultural College, studies are made of management problems on the western ranges. The recommendation made by the last Congress that this station be transferred to the Department of Agriculture is now under consideration, but final conclusion has not yet been reached.

9. Maintenance of access roads: Provision is made for maintaining timber access roads constructed in the revested Oregon & California Railroad grant lands area of Oregon. The funds for this purpose are to be reimbursed to the Treasury from the Oregon and California land-grant fund.

10. Weed control: Provision is made for treating 111,000 acres infested by halogeton and other poisonous and noxious weeds. Since the inception of the program in 1952, 572,900 acres have been treated.

11. General administration: In addition to normal administrative services, provision is made for the collection and distribution of an estimated $236 million in receipts for fiscal year 1957. The increase for 1957 provides for administration of the growing programs of the Bureau.

A supplemental appropriation for 1956 is proposed for later transmission and appears at the end of this chapter.

Construction, Bureau of Land Management

For construction of access roads on the revested Oregon and California Railroad grant lands; acquisition of rights-of-way and of existing connecting roads adjacent to such lands; and for acquisition and construction of buildings and appurtenant facilities in Alaska; to remain available until expended, [$2,300,000] $4,500,000: *Provided*, That the amount appropriated herein for road construction shall be transferred to the Bureau of Public Roads, Department of Commerce: *Provided further*, That the amount appropriated herein for construction of access roads on the revested Oregon and California Railroad grant lands and in addition, amounts available for operation and maintennce of such access roads under the appropriation "Management of lands and resources" are hereby made a reimbursable charge against the Oregon and California land-grant fund and shall be reimbursed to the general fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the act of August 28, 1937. (50 Stat. 874; 16 U. S. C. 594; 43 U. S. C. 2; Department of the Interior and Related Agencies Appropriation Act, 1956.)

Appropriated 1956, $2,300,000.
Estimate 1957, $4,500,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Access roads	$3,137,940	$2,873,973	$4,879,700
2. Buildings		40,057	40,000
Total obligations	3,137,840	2,914,030	4,919,700
Financing:			
Unobligated balance brought forward	−1,085,570	−1,033,730	−419,700
Unobligated balance carried forward	1,033,730	419,700	
Appropriation (adjusted)	2,486,000	2,300,000	4,500,000

PROGRAM AND PERFORMANCE

1. Access roads: Roads are constructed to reach stands of otherwise inaccessible high quality timber in the Oregon and California Railroad grant lands area in western Oregon. The cost of this construction will be reimbursed from the Oregon and California land grant fund (Department of the Interior and Related Agencies Appropriation Act, 1956).

2. Buildings: The 1957 estimate provides for buildings and appurtenant facilities for care and protection of equipment in Alaskan installations.

A supplemental appropriation for 1956 is proposed for later transmission and appears at the end of this chapter.

BUREAU OF LAND MANAGEMENT BUDGET—PROPOSED SUPPLEMENTAL FOR 1956 (PROPOSED FOR LATER TRANSMISSION)

Management of lands and resources, Bureau of Land Management (under existing legislation, 1956): An anticipated supplemental appropriation for 1956 in the amount of $1,200,000 is included in the budget for fighting fires, for processing backlog of applications for public lands and minerals, for acceleration of timber sales, and for the administration of Public Laws 167 and 359, 84th Congress.

Budget authorizations, expenditures, and balances

	1955 actual	1956 estimate	1957 estimate
BUDGET AUTHORIZATIONS AVAILABLE			
Proposed supplemental appropriation		$1,200,000	
Obligated balance brought forward			$150,000
Total budget authorizations available		1,200,000	150,000
EXPENDITURES AND BALANCES			
Expenditures—			
Out of current authorizations		1,050,000	
Out of prior authorizations			150,000
Total expenditures		1,050,000	150,000
Obligated balance carried forward		150,000	
Total expenditure and balances		1,200,000	150,000

Construction, Bureau of Land Management (under existing legislation, 1956): It is proposed to accelerate the construction of timber access roads to reach salable but presently inaccessable Federal timber. Two million dollars is included in the budget for this purpose.

Budget authorizations, expenditures, and balances

	1955 actual	1956 estimate	1957 estimate
BUDGET AUTHORIZATIONS AVAILABLE			
Proposed supplemental appropriation		$2,000,000	
Obligated balance brought forward			$1,500,000
Total budget authorizations available		2,000,000	1,500,000
EXPENDITURES AND BALANCES			
Expenditures—			
Out of current authorizations		500,000	
Out of prior authorizations			1,000,000
Total expenditures		500,000	1,000,000
Obligated balance carried forward		1,500,000	500,000
Total expenditures and balances		2,000,000	1,500,000

BUREAU OF LAND MANAGEMENT—THE OREGON PICTURE

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D. C., February 2, 1956.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MORSE: In accordance with your request of January 5, 1956, it is a pleasure to advise you that the 1957 budget request of this Bureau includes approximately $8 million for expenditure within the State of Oregon for operations. The $8 million includes $3.5 million for regular operations and $4.5 million for construction and maintenance of access roads in the O and C area. In addition, the State and counties should receive about $10 million as their share of receipts.

The above amounts represent an increase of $3.3 million over the current fiscal year. The significant increases in the Bureau's programs are as follows:

Lease and disposal of land and mineral resources, $90,000: These funds will be used to implement Public Laws 167 and 359, and to reduce the backlog in the Portland land office.

Forestry, $946,000: Of this amount, $857,000 will be used to improve the management practices in the O and C area, including expanded reforestation and inventory programs and the placing of an additional 100 MM board-feet of green and salvage timber on the market. It is anticipated that this will result in an increase of $1.2 million in O and C receipts. Eighty-nine thousand dollars will be used to expand the inventory and sales program on public domain lands.

Soil and moisture conservation: An increase of $75,000 has been planned in this program. This will embrace work in 15 community watersheds, including the Langell Valley Pilot Soil Conservation District.

An increase of $2.2 million for construction and maintenance of access roads is designed to open up otherwise inaccessible areas of overmature or damaged timber.

Funds are allotted by area total only and not by State. The amounts indicated above for O and C forest management and construction of access roads are specifically identified in the budget request. Other items are our best estimate based on present needs and include the area office portion of technical services.

I appreciate the interest you have shown.

Sincerely yours,

EDWARD WOOZLEY,
Director.

BUREAU OF INDIAN AFFAIRS, REGULAR BUDGET, FISCAL YEAR 1957

Resources Management, Bureau of Indian Affairs

Appropriated 1956, $12,432,000.
Estimate 1957, $16,100,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Forest and range lands	$2,098,446	$2,295,830	$2,680,000
2. Fire suppression	115,208	140,000	140,000
3. Agricultural and and industrial assistance	1,526,551	1,553,203	1,604,671
4. Soil and moisture conservation	2,677,570	3,832,200	4,084,000
5. Operation, repair, and maintenance of Indian irrigation systems	815,302	811,329	811,329
6. Development of Indian arts and crafts	44,979	77,200	108,000
7. Management of Indian trust property	1,324,753	2,106,830	2,940,000
8. Repair and maintenance of buildings and utilities	$1,572,145	$2,056,854	$3,630,000
9. Weed control	98,245	102,000	102,000
Total obligations	10,273,199	12,975,535	16,100,000
Financing:			
Comparative transfer to other accounts	218,450		
Unobligated balance brought forward	−10,549	−535	
Unobligated balance carried forward	535		
Unobligated balance no longer available	44,809		
Appropriation (adjusted)	10,526,444	12,432,000	16,100,000
Proposed supplemental due to pay increases		543,000	

PROGRAM AND PERFORMANCE

This program promotes the economic advancement of the Indians in the continental United States and of the natives of Alaska through the utilization of their resources.

1. Forest and range lands: This activity covers management, protection, and utilization of the forest, range, and wildlife resources on nearly 50 million acres of Indian-owned lands.

	Calendar years		
	1955 estimate	1956 estimate	1957 estimate
Timber cut:			
Million board-feet	520	600	600
Dollar value	$8,750,000	$10,000,000	$11,500,000
Number of cattle units grazed	985,000	985,000	985,000

2. Fire suppression: This item provides for the suppression and prevention of fires on or threatening Indian reservations. Approximately 57,941,000 acres require protection.

3. Agricultural and industrial assistance: Funds under this activity provide for improved methods in farming; homemaking; the management of a revolving loan credit program for small business enterprises; and fromulation of plans for readjustment legislation pertaining to special trust relationships between Indian tribes and the Federal Government.

4. Soil and moisture conservation: Land-use practices based on land inventories and soil-conservation plans are introduced to control erosion and promote more effective utilization of soil and water resources. Approximately 25.7 million acres, or 48.5 percent of Indian-owned lands, are severely or critically eroded. The job of soil and moisture conservation is approximately 17 percent completed, an increase of 3 percent over 1954.

5. Operation, repair, and maintenance of Indian irrigation systems: Approximately 300 irrigation systems serving about 864,000 acres of Indian and mixed-ownership lands are operated and maintained. About 82 percent of the cost is financed from collections from water users, an increase of 2 percent over 1954.

6. Development of Indian arts and crafts: Production and marketing of the products of Indian crafts are fostered through formation of production groups; establishing of standards; and improving of markets, design, and production methods.

7. Management of Indian trust property: Banking services are provided for Indians; land is purchased, sold, exchanged, and leased; and Indian property and money rights are safeguarded. Consolidation and/or disposal of fractionated land holdings, especially in those areas affected by readjustment legislation is to be accomplished.

Road construction and maintenance (liquidation of contract authorization), Bureau of Indian Affairs

For liquidation of obligations incurred pursuant to authority contained in section 6 of the Federal-Aid Highway Act of 1954 (68 Stat. 73), [$7 million] $11,500,000, to remain available until expended. (Department of the Interior and Related Agencies Appropriation Act, 1956.)

Appropriated 1956, $7 million.
Estimate 1957, $11,500,000.

Program and financing

	1955 actual	1956 estimate	1957 estimate
Program by activities:			
1. Road maintenance	$2,017,929	$2,270,000	$2,220,000
2. Road construction	5,750,991	9,961,080	7,780,000
Total obligations	7,768,920	12,231,080	10,000,000
Financing:			
Unobligated balance brought forward	−30,000,000	−22,231,080	−10,000,000
Unobligated balance carried forward	22,231,080	10,000,000	
Contract authorization (new)			

Status of unfinanced contract authorization

	1955 actual	1956 estimate	1957 estimate
Unfinanced balance at beginning of year	$30,000,000	$21,185,071	$14,185,071
Unfinanced balance at end of year	−21,185,071	−14,185,071	−2,685,071
Appropriation to liquidate contract authorization	8,814,929	7,000,000	11,500,000

PROGRAM AND PERFORMANCE

1. Road maintenance: The Bureau of Indian Affairs road system which requires maintenance includes 18,860 miles of roads located on 179 reservations in 24 of the States.

2. Road construction: The proposed road-construction program for 1957 places emphasis on the completion of unfinished road projects necessary to the economy and community life of the areas served, and the reconstruction of roads to standards acceptable to those local governments willing to assume future maintenance responsibilities.

	1955 actual	1956 estimate	1957 estimate
Grading and draining (miles)	463	388.2	470.7
Surface (miles)	436	482	460.7
Bridge construction (running feet)	2,594	1,709	941
Surveys and plans (miles)	837	678	645

BUREAU OF INDIAN AFFAIRS—THE OREGON PICTURE

Statement of appropriation amounts programed for Indian Service activities in the State of Oregon

Appropriations and activities	Allotment, 1956	Budget estimate	Major increases
Education and welfare services:			
Educational assistance, facilities and services	$1,196,241	$1,462,903	The basic change in the education item is the increased adult training program and increased enrollment of 100 at Chemawa Indian School.
Welfare and guidance services	53,395	56,828	
Relocation services		16,205	Increase provides for relocation officer and clerk in Portland area office.
Maintaining law and order	14,457	16,048	
Total	1,264,093	1,551,994	
Resources management:			
Forest and range lands	149,557	222,957	Increases in this appropriation reflect program expansion. The descriptive title of the activities reflects the purposes for which the funds are allocated.
Agricultural and industrial assistance	124,629	132,517	
Soil and moisture conservation	143,000	192,996	
Operation, repair, and maintenance of Indian irrigation systems	11,500	14,000	
Management of Indian trust property	144,937	203,453	
Repair and maintenance of buildings and utilities	83,796	134,462	
Weed control	1,616	1,620	
Total	659,035	902,005	
Construction:			
Buildings and utilities	227,880	111,500	The 1957 estimate includes $91,000 for construction of additional classrooms at Warm Springs School. The funds for 1957 are for Klamath irrigation project, Modoc Point unit.
Irrigation system	140,476	193,000	
Total	368,356	304,500	
Road construction and maintenance (liquidation of contract authorization):			
Road maintenance	143,000	138,000	Funds for maintenance and construction of roads and bridges on the Klamath, Umatilla, and Warm Springs Reservation.
Road construction	253,350	457,000	
Total	396,350	595,000	
General administrative expenses	166,040	213,567	Included in the 1957 budget are additional funds for expansion of the program.
Grand total	2,853,844	3,567,066	

NOTE.—The 1956 amounts exclude pay increases authorized by Public Law 94, as these funds have not yet been made available.

ADJOURNMENT TO FRIDAY

Mr. CLEMENTS. Mr. President, pursuant to the previous order of the Senate, I move that the Senate stand in adjournment until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 7 o'clock and 1 minute p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Friday, February 10, 1956, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 8, 1956:

GENERAL SERVICES ADMINISTRATION

Franklin G. Floete, of Iowa, to be Administrator of General Services, vice Edmund F. Mansure, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 8, 1956:

UNITED NATIONS

Raymond T. Bowman, of Pennsylvania, to be a representative of the United States of America on the Statistical Commission of the Economic and Social Council of the United Nations.

Mrs. Lorena B. Hahn, of Nebraska, to be a representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

George H. Emery, of North Carolina, to be a consul general of the United States of America.

The following-named Foreign Service officers for promotion from class 2 to class 1:

Elmer H. Bourgerie, of Maryland.
Daniel M. Braddock, of Michigan.
Aaron S. Brown, of Michigan.
Augustus S. Chase, of Connecticut.
Warren M. Chase, of Indiana.
Theodore J. Hadraba, of Nebraska.
Howard P. Jones, of New York.
John H. Madonne, of Texas.
Thomas C. Mann, of Texas.
Robert B. Memminger, of South Carolina.
Marselis C. Parsons, Jr., of New York.
Arthur R. Ringwalt, of Nebraska.
Laurence W. Taylor, of California.
E. Paul Tenney, of Washington.
Sheldon Thomas, of New York.
Ray L. Thurston, of Wisconsin.
Clare H. Timberlake, of Michigan.
Rolland Welch, of Texas.
Clifton R. Wharton, of Massachusetts.
Woodbury Willoughby, of Virginia.

The following-named persons for appointment as Foreign Service officers of class 1, consuls, and secretaries in the diplomatic service of the United States of America:

Frank A. Waring, of California.
Glenn G. Wolfe, of West Virginia.
T. Eliot Weil, of California, to be also a consul general of the United States of America.

The following-named Foreign Service officers for promotion from class 3 to class 2:

Leonard Lee Bacon, of New York.
James D. Bell, of New Mexico.
W. Wendell Blancké, of Pennsylvania.
Byron E. Blankinship, of Oregon.
William C. Burdett, of Georgia.
Frank P. Butler, of New Jersey.
Ralph N. Clough, of Washington.
Wymberley DeR. Coerr, of Connecticut.
Earl T. Crain, of Virginia.
William A. Crawford, of Pennsylvania.
Robert B. Elwood, of Iowa.
Thomas S. Estes, of Massachusetts.
Herbert P. Fales, of California.
Ernest H. Fisk, of Ohio.
Albert B. Franklin, of Massachusetts.
A. David Fritzlan, of Kentucky.
Paul F. Geren, of Arkansas.
John Goodyear, of New York.
Martin J. Hillenbrand, of Illinois.
Douglas Jenkins, Jr., of South Carolina.
Coburn B. Kidd, of Oklahoma.
Augustus S. Chase, of Connecticut.
William Koren, Jr., of New Jersey.
William Leonhart, of West Virginia.
Raymond E. Lisle, of New York.
William Bruce Lockling, of Arizona.
Edwin W. Martin, of Ohio.
Robert H. McBride, of Michigan.
Sydney L. W. Mellen, of Pennsylvania.
William J. Porter, of Massachusetts.
Milton C. Rewinkel, of Minnesota.
Robert W. Rinden, of Iowa.
Terry B. Sanders, Jr., of Texas.
Richard M. Service, of the District of Columbia.
John C. Shillock, Jr., of Oregon.
Harold Shullaw, of Illinois.
Harold Sims, of Tennessee.
C. Allan Stewart, of Arizona.
Wallace W. Stuart, of Tennessee.
John M. Vebber, of Wisconsin.
William A. Wieland, of New York.
William Witman 2d, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

R. Gordon Arneson, of Virginia.
Miss Ruth Bacon, of Massachusetts.
Norman Burns, of Ohio.
William E. F. Conrad, of Ohio.
Carl D. Corse, of Maryland.
John E. Fobes, of Virginia.
Henry J. Kellermann, of Maryland.
Jeffrey C. Kitchen, of Oregon.
Geoffrey W. Lewis, of Virginia.
Graham N. McKelvey, of Illinois.
Daniel F. Margolies, of Maryland.
Jack D. Neal, of Texas.
Theodore B. Olson, of the District of Columbia.
Earl D. Sohm, of California.
Robert L. Thompson, of Maryland.
Edwin Elliott Vallon, of Maryland.
Joseph A. Yager, of Maryland.
Ralph H. Hunt, of Massachusetts, to be a consul general of the United States of America.

The following-named Foreign Service officers for promotion from class 4 to class 3:

J. Wesley Adams, Jr., of Illinois.
Stewart G. Anderson, of Illinois.
Donald C. Bergus, of Indiana.

Thomas D. Bowie, of Minnesota.
Mrs. Katherine W. Bracken, of Florida.
Robert A. Brand, of Connecticut.
Howard Brandon, of Georgia.
Clarence T. Breaux, of Louisiana.
Lewis D. Brown, of New York.
Rolland H. Bushner, of Oklahoma.
Edward W. Clark, of New York.
G. Edward Clark, of New York.
Ralph S. Collins, of Tennessee.
Alfred P. Dennis, of Virginia.
Dwight Dickinson, of New Jersey.
Miss Eileen R. Donovan, of Massachusetts.
Robert J. Dorr, of California.
Leon G. Dorros, of New York.
E. Allen Fidel, of Wyoming.
Seymour M. Finger, of New York.
Richard B. Finn, of New York.
John I. Fishburne, of South Carolina.
John F. Fitzgerald, of Pennsylvania.
William J. Ford, of New Hampshire.
William N. Fraleigh, of New Jersey.
John C. Fuess, of Massachusetts.
Francis J. Galbraith, of South Dakota.
Michael R. Gannett, of New York.
William F. Gray, of North Carolina.
Norman B. Hannah, of Illinois.
John W. Henderson, of Iowa.
Deane R. Hinton, of Illinois.
John D. Iams, of Oklahoma.
Samuel Owen Lane, of California.
G. Wallace LeRue, of Missouri.
Charles K. Ludewig, of the District of Columbia.
Scott Lyon, of Ohio.
James V. Martin, Jr., of Illinois.
Thomas W. McElhiney, of Maryland.
William A. McFadden, of New Jersey.
David D. Newsom, of California.
W. Paul O'Neill, Jr., of Pennsylvania.
Givon Parsons, of Texas.
Leon B. Poullada, of California.
James W. Pratt, of California.
Henry Clinton Reed, of Ohio.
Edward F. Rivinus, Jr., of Pennsylvania.
Randolph Roberts, of Virginia.
Peter Rutter, of Massachusetts.
Lubert O. Sanderhoff, of California.
Joseph A. Silberstein, of New York.
Herbert D. Spivack, of New York.
Emory C. Swank, of Maryland.
Nicholas G. Thacher, of New York.
Robert W. Tucker, of California.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Herman H. Barger, of Virginia.
Louis C. Boochever, of Maryland.
John F. Buckle, of Utah.
Philip M. Burnett, of Maryland.
Thomas Patrick Carroll, of New York.
Frederick R. Carson, of Virginia.
Howard E. Chaillé, of Virginia.
Earle A. Cleveland, of Illinois.
John Hugh Crimmins, of Virginia.
William J. Crockett, of Nebraska.
Robert R. Cunningham, of California.
Theo E. Hall, of Kansas.
William G. Jones, of Maryland.
Neal E. Kimm, of Iowa.
Thomas B. Larson, of Maryland.
Richard E. Morrissey, of New York.
Carmen Richard Pasquale, of Pennsylvania.
Donald L. Ranard, of Virginia.
Irving W. Salert, of New York.
Norvelle H. Sannebeck, of Virginia.
James H. Sherrerd, of Nebraska.
Ben S. Stephansky, of Illinois.
Edward C. Wilson, of Florida.

The following-named Foreign Service officers for promotion from class 5 to class 4:

Robert M. Beaudry, of Maine.
Charles C. Carson, of Mississippi.
Thomas A. Cassilly, of Maryland.
David C. Cuthell, of Connecticut.
Delano McKelvey, of the District of Columbia.
Robert A. McKinnon, of Michigan.
Karl E. Sommerlatte, of Florida.
Robert W. Weise, Jr., of Minnesota.

The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:

Charles C. Adams, of New York.
Thomas W. Ainsworth, of New Hampshire.
Arthur B. Allen, of the District of Columbia.
John Campbell Ausland, of Pennsylvania.
John A. Baker, Jr., Connecticut.
John H. Barber, of California.
Robert J. Barnard, of Wisconsin.
Harry G. Barnes, Jr., of Minnesota.
Raymond J. Barrett, of New York.
Carl E. Bartch, of Ohio.
Frederic H. Behr, of New Jersey.
Alf E. Bergesen, of New York.
Jules E. Bernard, of New York.
Slator C. Blackiston, Jr., of North Carolina.
Vincent S. R. Brandt, of Rhode Island.
Robert C. Brewster, of Nebraska.
Emerson M. Brown, of Michigan.
Robert R. Brungart, of Maryland.
William A. Buell, Jr., of Rhode Island.
William B. Buffum, of New York.
Miss Patricia M. Byrne, of Ohio.
William C. Canup, of Michigan.
William A. Chapin, of Illinois.
Christian G. Chapman, of New York.
Peter R. Chase, of Massachusetts.
Albert C. Cizauskas, of New York.
Carroll E. Cobb, of Colorado.
Stephen A. Comiskey, of Colorado.
Richard H. Courtenaye, of California.
W. Kennedy Cromwell 3d, of Maryland.
Oliver S. Crosby, of Washington.
Donald M. Davies, of Virginia.
Arthur R. Day, of New Jersey.
Jonathan Dean, of New York.
Morris Dembo, of New York.
Walter H. Drew, of Colorado.
Theodore L. Eliot, Jr., of California.
Warrick E. Elrod, Jr., of Illinois.
Lawrence B. Elsbernd, of North Dakota.
James B. Engle, of Iowa.
Richard A. Ericson, Jr., of Minnesota.
John M. Farrior, of North Carolina.
Benjamin A. Fleck, of Pennsylvania.
Robert C. Foulon, of Illinois.
A. Eugene Frank, of Illinois.
John N. Gatch, Jr., of Ohio.
Seymour H. Glazer, of Louisiana.
Culver Gleysteen, of Pennsylvania.
Howard C. Goldsmith, of California.
Raymond E. González, of California.
Herbert I. Goodman, of Pennsylvania.
John G. Gossett, of Oklahoma.
Pierre R. Graham, of Illinois.
Lindsey Grant, of New York.
James C. Haahr, of Minnesota.
William N. Harben, of New York.
Harry W. Heikenen, of Minnesota.
William A. Helseth, of Florida.
Gregory Henderson, of Massachusetts.
Converse Hettinger, of Wisconsin.
Thomas F. Hoctor, of New York.
Max E. Hodge, of New York.
Lewis Hoffacker, of Arizona.
John H. Holdridge, of California.
Jerome K. Holloway, Jr., of Maryland.
Robert B. Houghton, of Michigan.
Robert B. Houston, Jr., of Missouri.
Wharton Drexel Hubbard, of New York.
Paul R. Hughes, of California.
Mansfield L. Hunt, of Maine.
Robert A. Hurwitch, of Illinois.
Edward C. Ingraham, Jr., of New York.
Heyward Isham, of New York.
Alan G. James, of the District of Columbia.
Walter E. Jenkins, Jr., of Massachusetts.
Alexander C. Johnpoll, of New Mexico.
William M. Johnson, Jr., of Massachusetts.
James R. Johnston, of Ohio.
Howard D. Jones, of Oklahoma.
Abraham Katz, of New York.
Warren A. Kelsey, of Massachusetts.
William M. Kerrigan, of Ohio.
Bayard King, of Rhode Island.
David Klein, of Michigan.
Lowell Bruce Laingen, of Minnesota.
Francis X. Lambert, of Massachusetts.
Earl H. Luboeansky, of Missouri.
Dayton S. Mak, of Iowa.
LeRoy Makepeace, of Connecticut.
Philip W. Manhard, of California.
Doyle V. Martin, of Oklahoma.
Walter M. McClelland, of Oklahoma.
James H. McFarland, Jr., of Michigan.
John A. McVickar, of New York.
Francis J. Meehan, of the District of Columbia.
Kermit S. Midthun, of Michigan.
Paul M. Miller, of Maryland.
William B. Miller, of Ohio.
Lawrence C. Mitchell, of California.
Robert E. Moberly, of Idaho.
Sam Moskowitz, of Missouri.
Grant E. Mouser 3d, of Ohio.
Jacob M. Myerson, of the District of Columbia.
E. Jan Nadelman, of New York.
Joseph W. Neubert, of Washington.
Daniel O. Newberry, of Georgia.
John F. O'Donnell, Jr., of Massachusetts.
Robert L. Ouverson, of Minnesota.
Stephen E. Palmer, Jr., of New York.
Richard B. Parker, of Kansas.
John M. Perry, of Massachusetts.
Peter J. Peterson, of California.
Chris G. Petrow, of Massachusetts.
Paul M. Popple, of Illinois.
Clifford J. Quinlan, of Minnesota.
Lawrence P. Ralston, of Connecticut.
James R. Ruchti, of Wisconsin.
David T. Schneider, of Massachusetts.
Peter A. Seip, of Iowa.
Matthew D. Smith, Jr., of South Dakota.
Paul A. Smith, Jr., of Virginia.
Richard E. Snyder, of New Jersey.
C. Melvin Sonne, Jr., of Pennsylvania.
Moncrieff J. Spear, of New York.
William P. Spengler, of Wisconsin.
Daniel Sprecher, of New York.
Thomas C. Stave, of Washington.
Kenedon P. Steins, of Pennsylvania.
William N. Stokes, of North Carolina.
Lee T. Stull, of Pennsylvania.
Kenneth P. T. Sullivan, of Massachusetts.
Jack A. Sulser, of Illinois.
Godfrey Harvey Summ, of New York.
Kingdon W. Swayne, of Pennsylvania.
Robert J. Tepper, of New York.
Herbert B. Thompson, of California.
Malcolm Thompson, of Massachusetts.
David R. Thomson, of the District of Columbia.
Edward J. Thrasher, of New York.
Theodore A. Tremblay, of California.
Edward J. Trost, of New York.
Thomas T. Turner, of Washington.
William N. Turpin, of Georgia.
Philip H. Valdes, of New York.
George S. Vest, of Virginia.
Theodore A. Wahl, of New York.
Peter C. Walker, of New York.
Herbert S. Weast, of California.
Sidney Weintraub, of New York.
Alfred W. Wells, of New York.
Orme Wilson, Jr., of New York.
Stanley B. Wolff, of New York.
Wendell W. Woodbury, of Iowa.
Charles G. Wootton, of Connecticut.
Arthur I. Wortzel, of New Jersey.

The following-named persons for appointment as Foreign Service officers of class four, consuls, and secretaries in the diplomatic service of the United States of America:

Ellis K. Allison, of Maryland.
Lawrence H. Backs, of Washington.
St. John Bargas, of Louisiana.
Josiah W. Bennett, of Maryland.
Mrs. Isabel G. Blackstock, of Utah.
James E. Bowers, of North Carolina.
John A. Bywater, of the District of Columbia.
James S. Cunningham, Jr., of California.
Frank A. Davis, of Ohio.
Jefferson Dix, Jr., of Maryland.
Culver E. Gidden, of Texas.
Robert Whitcomb Heavey, of California.
Michel M. Ivy, of Washington.

Charles M. Johnston, of Maryland.
William Kane, of Virginia.
Andor Klay, of Ohio.
Walter E. Kneeland, of Texas.
Archie S. Lang, of New York.
Chas. E. Laurendine, of Alabama.
Mrs. Ruth A. Lovell, of California.
R. Glynn Mays, Jr., of Maryland.
Carl J. Nelson, of Virginia.
William V. M. Owen, of the District of Columbia.
James C. Powell, Jr., of Texas.
Miss Catherine A. Rock, of Pennsylvania.
Lawrence W. Sharpe, of Ohio.
Charles G. Sommer, of Ohio.
Donald S. Spigler, of Pennsylvania.
Erwin C. Thompson, of California.
Henry T. Unverzagt, of Virginia.
Jack L. Vrooman, of California.

The following-named Foreign Service officers for promotion from class 6 to class 5:

Miss Gloria E. Abiouness, of Virginia.
James E. Akins, of Ohio.
Robert N. Allen, of Oklahoma.
Daniel N. Arzac, Jr., of California.
G. Michael Bache, of Maryland.
George M. Barbis, of California.
Robert E. Barbour, of Tennessee.
Richard W. Barham, of Texas.
Malcolm R. Barnebey, of Texas.
Robert S. Barrett IV, of Virginia.
John A. Billings, of Missouri.
Richard J. Bloomfield, of Virginia.
Lewis W. Bowden, of the District of Columbia.
William G. Bradford, of Illinois.
William R. Brown, of Ohio.
Robert T. Burns, of Indiana.
Charles B. Cook 3d, of Pennsylvania.
Joseph H. Cunningham, of Nebraska.
Thomas A. DeHart, of California.
Walker A. Diamanti, of Utah.
Thomas I. Dickson, Jr., of Texas.
William B. Edmondson, of Nebraska.
Alfred J. Erdos, of Arizona.
Leo Espy, of Oregon.
Miss Barbara C. Fagan, of New York.
John E. Feissner, Jr., of the District of Columbia.
Robert T. Follestad, of California.
William Lee Frost, of Connecticut.
Fred J. Galanto, of Massachusetts.
Samuel R. Gammon III, of Texas.
John L. Gawf, of Colorado.
Charles A. Gendreau, of Minnesota.
H. Kent Goodspeed, of California.
Richard C. Harmstone, of the District of Columbia.
Donald S. Harris, of Connecticut.
William C. Harrop, of New Jersey.
Roy T. Haverkamp, of Missouri.
Robert T. Hennemeyer, of Illinois.
Martin B. Hickman, of Utah.
Howard Hill, of Missouri.
David C. Jelinek, of Wisconsin.
Robert W. Kent, Jr., of California.
C. Dirck Keyser, of New Jersey.
Burton Kitain, of New Jersey.
Miss Paulina C. Kreger, of Ohio.
Paul H. Kreisberg, of New York.
Lyle F. Lane, of Washington.
Myron Brockway Lawrence, of Oregon.
Edwin D. Ledbetter, of California.
Samuel W. Lewis, of Texas.
Charles E. Lilien, of Illinois.
Ralph E. Lindstrom, of Minnesota.
John A. Linehan, Jr., of Massachusetts.
John Lloyd 3d, of New Jersey.
Alan W. Lukens, of Pennsylvania.
John G. MacCracken, of California.
Julian F. MacDonald, Jr., of Ohio.
John C. Mallon, of Kentucky.
Timothy M. Manley, of Connecticut.
David P. Mann, of the District of Columbia.
S. Douglas Martin, of New York.
H. Freeman Matthews, Jr., of Virginia.
Nicholas V. McCausland, of California.
Miss Ruth A. McLendon, of Texas.
John E. Merriam, of California.
Dudley W. Miller, of Colorado.
S. Paul Miller, Jr., of California.
John L. Mills, of Georgia.
Harry J. Mullin, Jr., of Kentucky.
Michael H. Newlin, of North Carolina.
Emmit E. Noland, Jr., of Georgia.
Donald R. Norland, of Iowa.
Hugh B. O'Neill, of Connecticut.
Frank V. Ortiz, Jr., of New Mexico.
Richard B. Owen, of Michigan.
Russell R. Pearson, of Minnesota.
Frederick P. Picard, III, of Nebraska.
Laurence G. Pickering, of Nebraska.
Richard St. F. Post, of Connecticut.
Arthur W. Purcell, of Massachussets.
Jess F. Reed, of Washington.
James F. Relph, Jr., of California.
Robert A. Remole, of Minnesota.
Don W. Rogers, Jr., of Ohio.
Leo J. Ryan, of Florida.
Theodore Sellin, of Pennsylvania.
Robert G. Shackleton, of Ohio.
Allen C. Siebens, of Ohio.
Paul K. Stahnke, of Illinois.
Joseph F. Starkey, of California.
Lawrence L. Starlight, of New York.
Francis R. Starrs, Jr., of California.
Birney A. Stokes, of New Jersey.
William A. Stoltzfus, Jr., of Minnesota.
Jean R. Tartter, of Massachusetts.
Charles W. Thomas, of Illinois.
Richard D. Vine, of New York.
Robert B. Warner, of Michigan.
Robert H. Wenzel, of Massachusetts.
Lewis M. White, of New York.
Victor Wolf, Jr., of New York.
Dan A. Zachary, of Illinois.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert M. Balthaser, of Pennsylvania.
William D. Calderhead, of Texas.
Robert Alexander Campbell, Jr., of the District of Columbia.
Miss Kathryn O. Clark, of the District of Columbia.
Miss Alice W. Clement, of Pennsylvania.
Eiler R. Cook, of Florida.
Jeffery R. D. Crockett, of the District of Columbia.
Robert W. Day, of Maryland.
George Falk, of Maryland.
Jack Friedman, of the District of Columbia.
Robert J. Gibbons, of Ohio.
Clifford H. Gross, of New York.
Ernest S. Guaderrama, of California.
Nez C. Hallett, Jr., of Texas.
Alfred Harding IV, of New York.
Gerrit J. W. Heyneker, of Massachusetts.
Edward C. Howatt, of Virginia.
Miss Marie A. Johnson, of Minnesota.
John Edward Karkashian, of California.
Kenneth W. Knauf, of Wisconsin.
Charles W. McCaskill, of Virginia.
Allan F. McLean, Jr., of Texas.
Miss Mary Louise Manley, of the District of Columbia.
Charles Willis Naas, of Massachusetts.
James M. E. O'Grady, of the District of Columbia.
Onesime L. Piette, of Virginia.
William R. Roof, of South Carolina.
Gerald Schwab, of New Jersey.
Richard G. Smith, of Florida.
Edward O. Steilmacher, of Maryland.
Raymond Thomsen, of Colorado.
Vladimir I. Toumanoff, of New Hampshire.
Ray E. White, Jr., of Virginia.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Craig Baxter, of Ohio.
Arthur E. Breisky, of California.
Thomas R. Buchanan, of Illinois.
Miss Helen E. Kavan, of Ohio.
Robert V. Keeley, of Virginia.
Stephen Low, of Ohio.
David A. Macuk, of New Jersey.
Charles E. Marthinsen, of Pennsylvania.
Byron B. Morton, Jr., of New Jersey.
David W. K. Peacock, Jr., of New Jersey.
Miss Allene M. Roche, of Connecticut.
Samuel H. Weaver, of New York.
Miss Suzanne S. Williams, of Ohio.
Raymond W. Eiselt, of California.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Arthur A. Bardos, of California.
Henry L. Davis, of New Jersey.
Elmer S. Dorsay, of Colorado.
John V. Lund, of California.
Stanley J. Prisbeck, of Pennsylvania.
Garland C. Routt, of Indiana.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

William A. Krauss, of California.
Irvin S. Lippe, of Ohio.
George A. Tesoro, of Maryland.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Saxton E. Bradford, of Arizona.
Daxid W. Smyser, of Maryland.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Basil A. Beardsley, of Ohio.
Francis J. Jeton, of Massachusetts.
A. Grima Johnson, of Louisiana.
Charles M. Shannon, Jr., of Virginia.
Michael Tanes, of Massachusetts.

COLLECTOR OF CUSTOMS

Frank D. Yturria, of Texas, to be collector of customs for customs collection district No. 23, with headquarters at Laredo, Tex.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 8, 1956

The House met at 12 o'clock noon.

The Reverend Fred Carl Wolf, Jr., St. John's Episcopal Church, Corsicana, Tex., offered the following prayer:

O God, the fountain of wisdom, whose statutes are good and gracious and whose law is truth, grant us, we beseech Thee, Thy guidance that we may build upon the surest foundations, that peace and happiness, truth and justice, religion and piety may be established among us for all generations to the glory of Thy name and the welfare of Thy people. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6043. An act to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7588) entitled "An act for the relief of Jane Edith Thomas," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KILGORE, Mr. EASTLAND, and Mr. WATKINS to be the conferees on the part of the Senate.

SWEARING IN OF A MEMBER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania, Mr. ELMER J. HOLLAND, be permitted to take the oath of office today. The certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ELMER J. HOLLAND appeared at the bar of the House and took the oath of office.

IMMIGRATION AND NATURALIZATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 329)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on the Judiciary and ordered printed:

To the Congress of the United States:

Throughout our history immigration to this land has contributed greatly to the strength and character of our Republic. Over the years we have provided for such immigration because it has been to our own national interest that we do so. It is no less to our national interest that we do so under laws that operate equitably.

The Secretary of State, the Attorney General, and the Commissioner of Immigration and Naturalization have made a thorough study of the operation of our present immigration laws, and have advised me concerning the changes and additions which they consider necessary in the national interest. I have carefully reviewed their findings and concur in their conclusions. The recommendations now made are based on those findings and conclusions.

This message takes up four separate and distinct subject matters respecting our immigration policies: (1) the quota system and the use of national origins, (2) the private-relief-bill system of handling hardship cases, (3) unnecessary restrictions and administrative provisions of our immigration laws, and (4) judicial review in deportation. Each such subject matter is treated separately because the problems in each are wholly distinct from the others. Accordingly, the recommendations as to each subject matter will, I hope, be considered separately and each on its own merit.

I

The Immigration and Nationality Act of 1952 was developed essentially as a codification of many separate, and sometimes overlapping and inconsisent, immigration and nationality laws. It was thought inappropriate, in connection with that legislation, to revise our basic immigration policies. Moreover, at that time 1950 census information was incomplete.

The time has now come to consider those policies. Experience in the postwar world demonstrates that the present national-origins method of admitting aliens needs to be reexamined, and a new system adopted which will admit aliens within allowable numbers according to new guidelines and standards.

The Congress has traditionally formulated our basic immigration policies, and will doubtless wish to make its decision as to what new system should be established only after its own study and investigation of all possible choices. There are many factors that must be taken into consideration. Among these are: the needs of this country for persons having specialized skills or cultural accomplishments; close family relationships; the populations and immigration policies of countries sending immigrants to this country; their past immigration and trade relationships with this country; and their assistance to the joint defense of the friendly free nations of the world.

Pending the completion by the Congress of such study and investigation, it is essential that we take interim measures to alleviate as much as possible inequities in the present quota system. Accordingly, I recommend the immediate enactment of the following proposals.

First, the present quota system sets a maximum annual authorization of 154,657 quota immigrants. This figure is derived from a formula based upon the 1920 population. I recommend that total population as shown by the 1950 census be used as the base for determining the overall ceiling. I believe that economic growth over the past 30 years and present economic conditions justify an increase of approximately 65,000 in quota numbers. I recommend that Congress provide for such an increase by fixing the overall ceiling in terms of a percentage of total population as shown by the 1950 census. The new ceiling recommended would be approximately 220,000 quota numbers annually.

In order to eliminate some of the inequity resulting from the fact that several countries have large quotas which they do not use while others have small quotas which are usually oversubscribed, I recommend that the additional quota numbers—i. e., those over and above the 154,657 numbers now provided for—be distributed among countries in proportion to their actual immigration to this country since the establishment of the quota system in 1924.

This method of allocation will help to alleviate the problem of oversubscribed quotas. At the same time no country will have a lesser number of quota numbers allocated to it than at present.

Second, I recommend that the Congress set aside from the increased annual quota 5,000 numbers to be available for admission of aliens without regard to nationality or national origin. Use of these numbers would enable us to meet some of the needs of this country which develop from time to time for persons with special skills and cultural or technical qualifications.

The existing immigration law recognizes somewhat similar criteria for quota immigrants by giving a preference to those whose services are determined by the Attorney General to be needed urgently in the United States because of the high education, technical training, specialized experience, or exceptional ability, and to be substantially beneficial prospectively to the national economy, cultural interests, or welfare of the United States. Our needs and requirements should be determined on the basis of consultation among the various departments and agencies of the Government, and also with the advice and testimony of private organizations.

This special pool has further value as an experimental plan departing entirely from our present system of distributing quotas on a basis of nationality or place of birth. It also would enable us to give greater assistance to persons abroad who have undergone suffering and hardship resisting Communist aggression, who would make beneficial contributions to this country, and who will not have the benefit of the Refugee Relief Act after that act's termination.

Third, quota numbers that are unused by countries to which they are allocated should be made available for use elsewhere. Under our present law quota numbers which are unused by any particular country in the year in which they are available become void and may not be used by any other country.

I recommend enactment of legislation that will permit the utilization of unused quota numbers in the succeeding year. This should be done by pooling the unused quota numbers in each of the following areas: Europe, Africa, Asia, and the Pacific Ocean area. These pooled quota numbers would then be distributed during a 12-month period on a first come, first served basis among eligible applicants of the area, without regard to country of birth within the area. These quotas should be limited to aliens who qualify for preference status under existing law—persons having special skills or close relatives in the United States.

There is a further inequity in the quota system by virtue of the so-called mortgage on quotas resulting from the issuance of visas under the Displaced Persons Act and other special acts. The law provides that visas issued under these acts are chargeable against quotas authorized under the Immigration Act. The result is that the quotas of many countries are mortgaged far into the future. For example, 50 percent of the quota for Greece is mortgaged until the year 2017; for Lithuania, until 2090; for Latvia, until 2274. The total number so mortgaged for the year 1955 amounted to about 8,000, and over the total span of years the aggregate could be as much as 328,000. I recommend the elimination of this unfairness. This is consistent with the action of the Congress in enacting the Refugee Relief Act of 1953. Congress

did not then impose additional mortgages on quotas but provided special nonquota visas for eligible refugees.

II

For some time I have considered that undue and largely useless burdens are placed upon the Congress and the President by the avalanche in recent years of private bills for the relief of aliens. The number of these bills is strikingly high in comparison with the number of public enactments. In the 1st session of the 84th Congress private immigration enactments alone accounted for 413 of 880 enactments, public and private; 3,059 such bills were introduced. During the 83d Congress private immigration enactments accounted for 753 of 1,788 enactments, both public and private; 4,797 such bills were introduced. At the beginning of the present session there were 2,159 private immigration measures pending.

The Congress, in the performance of its constitutional duties, must consider the worthiness of each private immigration bill introduced. The President, in the performance of his constitutional duties, must consider the worthiness of each bill enacted. The Nation's interest would surely be better served if the bulk of these private immigration claims were handled through suitable administrative machinery and if the Congress and the Executive could thus give their full attention to more urgent national problems.

Under the private bill system of handling individual immigration cases, many persons fail to obtain the very relief which others have received, because Congress has not had the time to take up and act on the bills introduced for their benefit. Indeed there are many whose plight has not even come to the attention of the Congress.

For these reasons it is my belief that action is called for to provide the necessary administrative authority to take care of such cases. I hope that such action will be taken without delay so that it may be of help this year. The enactment of such authority, in my opinion, would substantially eliminate the need for private legislative redress in this area. I suggest that there should be vested in the Attorney General limited discretionary powers to grant relief with respect to admission and deportation of aliens. Such discretion should be limited to aliens with close relatives in this country, to veterans, and to functionaries of religious organizations, regardless of the technical statutory ground on which the alien is inadmissible or subject to deportation. These classes of cases embrace the great bulk of the hardship cases which appeal to our sense of fairness. However, no relief ought to be accorded aliens whose presence here would be dangerous to the safety and security of the United States. An appropriate charge against the applicable quota would be made in each case where relief is granted.

It should further be provided by the Congress that there shall be a ceiling on the number of cases in which such discretionary authority may be exercised.

III

Experience under the existing immigration law has established that there are a number of changes, aside from the quota provisions, which should be made in the Immigration and Nationality Act of 1952. Some provisions create unnecessary restrictions upon travel to the United States, while others inflict great hardships upon the aliens affected. Consequently, I make the following recommendations:

Under the present law, every alien applying for a visa must be fingerprinted; and every alien admitted without a visa and remaining in the United States for 30 days or longer, even if here temporarily, must be fingerprinted. Although in our minds no stigma is attached to fingerprinting, it is not a requirement of travel in other countries. We should be the first to remove travel obstacles which hamper the free exchange of ideas, cultures, and commerce. Further, experience over the last 3 years has shown that this requirement does not significantly contribute to our national safety and security. The law should be amended to permit the Secretary of State and the Attorney General to waive the requirement of fingerprinting, on a reciprocal basis, for aliens coming here for temporary periods.

We must recognize the tremendous increase in air and surface travel in recent years. Aliens traveling from one country to another often find it necessary to pass through the United States without any intention to remain in or even visit this country. A South American flying to or returning from Europe, for example, will often pass through the United States. He should not be required to meet all of the standards for admission, coupled with inspection and examination, that normally apply. These requirements result in unnecessary hardships to the traveler, expense to the carrier, and loss of good will, without proportionate benefit to the United States. The law should be amended accordingly.

The present statute contains a restrictive requirement which makes it necessary for immigration authorities to inspect and apply all grounds of exclusion to aliens seeking admission to the mainland of the United States from Alaska and Hawaii. This requirement results in expense to the Government and causes delays and inconvenience in travel. It must be remembered that, by definition in the law, these Territories are part of the United States, and aliens who have entered or are present in them are subject to all the provisions of the act. If the alien was deportable before he came to the mainland, he remains deportable. I recommend the elimination from the law of this unnecessary restriction upon travel.

The immigration laws presently require aliens to specify race and ethnic classification in visa applications. These provisions are unnecessary and should be repealed.

A large group of refugees in this country obtained visas by the use of false identities in order to escape forcible repatriation behind the Iron Curtain; the number may run into the thousands. Under existing law such falsification is a mandatory ground for deportation. The law should be amended to give relief to these unfortunate people.

The inequitable provisions relating to Asian spouses and adopted children should be repealed.

The Immigration Act grants special naturalization benefits to veterans of our Armed Forces who have completed at least 3 years' honorable service, and who can submit proof of admission for permanent residence. Many have been unable to submit this proof. I recommend that proof of admission be not required in such cases.

The present statute is unnecessarily restrictive as to aliens who marry United States citizens. It forbids adjustment to permanent residence if the alien has been in the United States less than 1 year before the marriage. This disrupts the family and is expensive for the alien who must go abroad to obtain a nonquota visa, without proportionate benefit to the United States. I recommend that the requirement of 1 year's presence in the United States before marriage be repealed.

The above covers the principal changes which I recommend as a minimum toward amelioration of the immigration laws. Others will be suggested by the Attorney General.

IV

Just as the Nation's interests call for a larger degree of flexibility in the laws for regulating the flow of other peoples to our shores, there is at the same time a significant need to strengthen the laws established for the wholesome purpose of ridding the country of the relatively few aliens who have demonstrated their unfitness to remain in our midst. Some of these persons have been found to be criminals of the lowest character, trafficking in murder, narcotics, and subversion. Constitutional due process wisely confers upon any alien, whatever the charge, the right to challenge in the courts the Goverment's finding of deportability. However, no alien who has once had his day in court, with full rights of appeal to the higher courts, should be permitted to block his removal and cause unnecessary expense to the Government by further judicial appeals the only purpose of which is delay. I am concerned by the growing frequency of such cases involving as they often do the depraved and confirmed criminal. Accordingly, I have asked the Attorney General to submit to the Congress, a legislative proposal that will remedy this abuse of legal process.

I believe that these changes in our immigration and nationality laws, together with the amendments to the Refugee Relief Act which I have heretofore recommended to the Congress, not only will advance our own self-interest, but also will serve as living demonstrations that we recognize our responsibilities of world leadership. I urge their careful consideration by the Congress.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 8, 1956.*

JOINT COMMITTEE ON ATOMIC ENERGY

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 514) relating to the compensation of the executive director of the Joint Committee on Atomic Energy.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That section 205 of the Atomic Energy Act of 1954 is amended by inserting after the first sentence thereof a new sentence as follows: "The Joint Committee is authorized to fix the compensation of an executive director at a gross rate not in excess of $18,000 per annum, and such executive director shall be in addition to the employees whose compensation may be fixed at basic rates in excess of $8,000 per annum under the provisions of any other legislative authority."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUBCOMMITTEE ON HEALTH AND SCIENCE

Mr. HAYWORTH. Mr. Speaker, at the request of the gentleman from Tennessee [Mr. PRIEST], chairman of the Committee on Interstate and Foreign Commerce, I ask unanimous consent that the Subcommittee on Health and Science may be permitted to meet this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BOY SCOUT WEEK

Mr. TRIMBLE. Mr. Speaker, I ask uanimous consent to extend my remarks at this point in the RECORD and to to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, as all of you know, this is Boy Scout Week. Each of us has been honored to have young members of this great organization visit us this week. One of the proud and happy moments of the week was when young Martin Delaney, of Alexandria, Va., came by our office and honored me with this smile and a Boy Scout lapel button. He is a fine, bright-eyed youngster. These young folks and their sisters throughout the land are our greatest national assets. We are very proud of them.

For some 14 busy years I was honored to be officially connected with the circuit court in one of the judicial circuits of Arkansas. Among other things, that court had jurisdiction over criminal cases. I am proud to say that during all those years, no boy or girl who had been or was a Boy Scout or Girl Scout came before me charged with a criminal offense. What a tribute that is to the great organization which we honor this week.

My colleague, the gentleman from Arkansas [Mr. HAYS], usually makes a statement at this time about Boy Scout Week. However, his aged father is critically ill at home in Arkansas, and he has gone to his father's bedside. Mr. HAYS is a great and good friend of the Scout movement and through me extends his love and affection to the members of the organizaiton.

Mr. Speaker, as a part of my remarks, I wish to insert a letter from President Eisenhower as follows, and one from the Honorable J. Edgar Hoover, Chief of the FBI:

THE WHITE HOUSE,
February 4, 1956.

To the Boy Scouts of America:

On the occasion of the 1956 observance of Boy Scout Week I extend warm greetings and congratulations to you and your leaders.

I am, of course, delighted that the number of Cubs, Boy Scouts, Explorers, and adult leaders now totals more than 4 million. This growth gives heartening assurance that in the years to come our Nation will continue to have citizens prepared in body, mind, and character to serve it and to further its strength and progress.

In preparation for citizenship—for the exercise of its rights and the discharge of its obligations—spiritual training plays a major part. I therefore congratulate you on the fact that your organization will round out its first half century with the 4-year program, "Onward for God and my country"—a program which will strengthen your knowledge of our heritage and your capacity to contribute to the welfare of your fellow man and of the Republic.

As you begin work under this program I wish all of you the greatest possible success.

DWIGHT D. EISENHOWER.

FEBRUARY 6, 1956.

To the Boy Scouts of America:

Present and past members of the Boy Scouts of America have every reason to be proud of the movement's earned record. Since 1910, you and former members have rendered voluntarily services that have greatly enriched the Nation.

There are many reasons why the Boy Scouts of America enjoy widespread respect and approval. The fact you live the Scout oath and law, day by day, is one of them.

Your new 4-year program, "Onward for God and my country," is most timely and needed. It is created to prepare boys to live in today's world, carry their full share of responsibility, give them opportunities to develop physical fitness, self-reliance, and personal courage, a spirit of helpfulness and an understanding of our Government's democratic processes. Most important, you constantly affirm the need for spiritual strength in all you do.

I am informed that your current membership is now more than 4,100,000 Cub Scouts, Boy Scouts, Explorers, and adult leaders. Your grand total membership of 24,500,000 since 1910 is both impressive and inspiring.

My associates join me in congratulating the members of the Boy Scouts of America on its service, integrity, and patriotism. You have set a great example. We are proud of you.

J. EDGAR HOOVER.

In closing, let us give a hand salute to all Scouts everywhere.

FEDERAL PAYROLL

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, today I am introducing, at the request of the Subcommittee on Manpower Utilization and Departmental Personnel Management, Committee on Post Office and Civil Service, legislation which will assist in controlling the number of employees on the Federal payroll.

Today we have about 2,360,000 Federal civilian employees on the Government payroll as contrasted to 1,943,000 just 6 years ago. That is an increase of over 400,000 employees and an increase in payroll costs of about $1.8 billion.

As I have stated on numerous occasions, I am firmly convinced that the essential functions of our Government can be performed with 2 million or less employees.

This legislation will require the executive branch of the Government to furnish full information on the manpower required in connection with pending or proposed legislation. This information will indicate to the Congress the impact that substantive legislation can and often does have on the Federal payroll. Meanwhile, I suggest that all committees require manpower data on pending legislation in order that this information will be available for floor discussion on such legislation.

The bill I am introducing will give the Congress the information needed for aiding in controlling the size of the Federal payroll. It will give the Congress better information on proposed manpower costs. I strongly urge that this bill be given prompt consideration. In the interim, I respectfully suggest that all committees require full disclosure from the executive branch covering planned manpower increases resulting from pending legislation.

IS NEW DISABILITY PENSION FOR SOME A ROADBLOCK TO BAR PENSIONS FOR ALL WAR VETS AT 62?

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I am firmly convinced that we should provide pensions of $100 a month for all honorably discharged war veterans when they reach the age of 62, without any disability or means test.

In the light of this personal declaration, I want to discuss certain phases of H. R. 7886, the modified disability pension bill. It is also known as the war veterans security bill which is apt to give the misleading impression that it applies to all older veterans.

Any pension bill which is an improvement on existing legislation, is deserving of support. But if it is an adroit maneuver to head off mounting demands for a general pension for all war veterans reaching the age of 62, then we must proceed carefully.

It is no secret that the present VA law is defective in some respects.

The Veterans' Administration has too much discretionary power; either to liberalize or tighten up on pensions—that are given only to some older war veterans—under the rating system.

By the VA's yardstick a few undeserving veterans manage to get on the rolls, while a few deserving veterans are discouraged from applying for the pensions that are due them.

The new bill provides that "a person shall be deemed to be permanently and totally disabled upon reaching the age of 65 years."

At first glance, this might seem to apply to all veterans reaching that age. But in a prior sentence, there is the requirement that "No pension shall be payable under this part for permanent disability less than total."

Furthermore, there is an annual income limitation for single or married veterans, beyond which the veteran is not eligible to receive a pension.

This bill is, therefore, an improvement, but still a compromise.

The national legislative bulletin of the American Legion quotes this Associated Press dispatch of January 9, 1956, in the Legion's support of H. R. 7886:

> Nearly three-fourths of Americans over 65 either have no income or less than $1,000 a year, according to a study released today. The report was issued by the Twentieth Century Fund, a nonprofit foundation for economic and social research and education. The study said that of the population over 65 years old, 36 percent have no income of their own, 38 percent have annual income under $1,000; 11 percent have between $1,000 and $2,000 and 15 percent have $2,000 or more.

Applying these ratios to our aging veterans, we find that 74 percent or nearly three-quarters have annual incomes ranging from $1,000 to zero.

This is a compelling reason why we should legislate a national pension for war veterans, beginning at the age of 62.

A program of this type would be more costly, but it would be easier to administer, and it would treat all old soldiers as equal recipients of a nation's gratitude.

At that, it would be but a fraction of the war debt, and it would be a payment to men, instead of war materials that have been used or discarded.

The present issue concerns the relation of H. R. 7886, to this ultimate goal of a national pension for war veterans, beginning at the age of 62.

This bill is a part way measure that represents progress, but should not be regarded as the complete and final answer to the pension question.

One cannot disagree with its intent "to liberalize the basis for, and increase the monthly rates of, disability pension awards."

But one can reserve the right, while supporting this bill, to work for the ultimate goal of pensions for all war veterans 62 years of age and older.

H. R. 7886 is interim legislation, on the road to a genuine and all-inclusive pension for older veterans.

With that clearly understood, I shall vote for this bill.

AMENDMENTS TO IMMIGRATION LAW

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, today I am introducing four separate bills to carry out the recommendations contained in President Eisenhower's special message to Congress relating to amendments of the Immigration and Nationality Act of 1952.

These bills represent progressive steps to assure that we will not be left behind in the cold war. Public pronouncements critical of the present law in this country are often seized upon and twisted by our foes abroad for their own evil purposes.

There is no reason why our immigration and naturalization law should be a whipping-boy for Communist sympathizers and propagandists. We should demonstrate the ever present willingness of the United States to eliminate from our laws any possible grounds for charges of discrimination and unfairness as soon as circumstances so require. I agree with the President that it is time to revise the McCarran-Walter Act. By doing so we can prevent our enemies from exploiting shortcomings in the law in an effort to create dissension among us.

Under one of the bills the present quota system would be revised to take the last 1950 census as the base for computing quotas instead of 1920 in the present law. Unused quota numbers would be pooled for distribution in each of four geographical regions, Europe, Asia, Africa, and Oceania.

In another measure, the present intolerable burden upon the President and the Congress of private bills would be eliminated. This proposal would shift the function of discretionary review of alien cases to the Attorney General, who would pass upon such cases upon the recommendation of the State Department.

A third bill is designed to crack down on the alien racketeers—those who in the past have remained among us for years on end, pending the outcome of judicial proceedings instituted solely for the purpose of protracting their stay. This bill would regulate judicial review of deportation and exclusion orders so that we can expedite the exiling of those relatively few aliens who have clearly demonstrated that they have no right to remain here. Thus we will be able to get rid of such undesirables as those aliens guilty of subversion or serious criminal violations in much speedier fashion than before.

Tomorrow I shall ask for time to explain more fully the contents and implications of the four bills.

I hope the Congress will take speedy action on these measures which will go a long way toward strengthening our hand in the affairs of the world. Passage of these measures will demonstrate to all the world that this Nation continues to stand for its time-honored principles of freedom, equality, and justice.

THE LATE FREDERICK WILLIAM DALLINGER

Mr. HALE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, I regret that I was not on the floor last week when the gentlemen from Massachusetts [Mr. MACDONALD and Mr. MCCORMACK] were speaking of the life and services of the late Hon. Frederick William Dallinger, because at the time of his death and for the entire period of my service here, which dates back to 1943, Judge Dallinger was one of my most distinguished constituents.

When he retired from the bench he went to live in the beautiful town of Center Lovell, Oxford County, Maine. I visited him frequently in his home where he showed me with great and legitimate pride a large room filled with the various mementos of his long life of public service. I shall not recite the biographical details of his life which are contained in the remarks made by my colleague, the gentleman from Massachusetts [Mr. MACDONALD], on February 1.

Judge Dallinger was a most diligent and devoted Member of this House, where he served throughout the decade from March 4, 1915 to March 3, 1925, and again from November 2, 1926 to October 1, 1932, when he resigned to accept appointment to the bench of the United States Customs Court. On this court he served for 10 years. Judge Dallinger took the greatest pride and satisfaction in his career of service here, and in all the friendships and associations which it brought to him. During his terms in this House he made it a point to know personally every one of his colleagues, and he had a strong sense of friendship for all those with whom he served irrespective of political affiliations. While, during the 13 years which he spent in retirement in Maine, he took no active part in politics, he had a very lively interest in everything that went on. I prized his friendship and benefited on many occasions from his counsel. His was a rich and happy life. I shall miss him and shall always honor his memory.

H. R. 6043

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, yesterday the Senate passed the Kings Point bill, H. R. 6043. I, with many others, including my colleagues Mr. BONNER, Mr. BECKER, Mr. WAINWRIGHT, Mr. LATHAM, Mr. BOSCH, Mr. KEOGH, Mr. VAN PELT, the Association of Parents and Friends of Kings Point, led by Mr. John W. Scherger, have worked and hoped for this for many years and now it is with deepest sincerity that I express my gratitude to my friends and colleagues in both parties and in both the House and the Senate for all their help in bringing this about, in recognizing the necessity of maintaining a permanent United States Merchant Marine Academy.

The faith that the Congress has shown in this superb school will not go unrewarded. This Academy is an important factor in the development of a sound merchant marine, and with the benefit of this legislative action and the expected presidential approval, it will be even better abe to fulfill its responsibilities in furnishing well-trained young officers to our merchant marine in peacetime, and a vital source of naval officers when needed for the defense of our great country.

Those of you who have had the opportunity of visiting this school, seeing its beautiful setting, its excellent facilities, and the calibre of its staff and of its student body, understand my pride in having it within my congressional district. They understand, too, why I can say with such complete confidence that this school ranks equally with our three other great military academies.

Since the day of its founding, the United States Merchant Marine Academy at Kings Point has had a proud record of accomplishment, and this further aid that you have given it through this legislation will make possible even greater accomplishments in the future.

My sincere thanks to you all.

POLITICS IN THE WEST

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT. Mr. Speaker, a bunch of Democrat politicians out West, after a look at the other candidates, chanted: "We need Adlai badly."

There is some justice in this. They sure need somebody badly. And Adlai is no more than they deserve.

SALE OF INSTITUTE, W. VA., COPOLYMER PLANT, PLANCOR 980

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 396, to disapprove the proposed sale of the Institute, W. Va., copolymer plant, Plancor 980, as recommended by the Rubber Producing Facilities Disposal Commission report, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the resolution be fixed at not to exceed 2 hours, to be equally divided and controlled by the author of the resolution, the gentleman from Illinois [Mr. YATES], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 396, with Mr. WILLIS in the chair.

The Clerk read the title of the resolution.

The Clerk read the resolution, as follows:

Resolved, That the House of Representatives does not favor sale of the Institute, W. Va., copolymer plant, Plancor 980, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

Mr. VINSON. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, the Committee on Armed Services has recommended against the adoption of House Resolution 396. This resolution, if adopted, would prevent the sale of a Government-owned copolymer facility at Institute, W. Va., to the Goodrich-Gulf Chemical Corp.

Now, Mr. Chairman, last year, after many hours of debate, the House of Representatives rejected a resolution which sought to prevent the sale of the Government-owned synthetic rubber producing facilities to private industry. Two copolymer facilities were not included in that original sales program. The first, located at Baytown, Tex., was not recommended for sale because the Commission could not obtain what they considered to be full fair value. The second copolymer plant, located at Institute, W. Va., and the one under discussion today, was not recommended for sale because no one submitted a bid for that facility.

After approving other recommended sales, the Congress amended the original law by permitting new bids to be taken for the Baytown plant. As a result, the Baytown plant was sold to private industry without objection on the part of anyone. Then Congress amended the law again to permit bids to be taken on this plant at Institute, W. Va.

Now this is the largest copolymer plant in the United States. It has a capacity of 122,000 long tons. No one bid on the plant when it was first offered for sale because it had a reputation of being a high-cost producer and in addition it has no facilities for producing cold rubber.

Bear in mind that the synthetic rubber industry had been in the hands of the Government since 1941, and thus private industry was entering into a new field. Prior to the sale of the rubber facilities, the Government, for practical purposes, had been the sole manufacturer of synthetic rubber with the exception of some special types of synthetic rubber.

After Congress approved the sale of 11 copolymer plants, some interest was indicated in the Institute copolymer plant, so we passed a law authorizing the Commission to take bids and to negotiate with the potential purchasers following the criteria established under the Disposal Act.

Now in all of these sales, the Commission and the Congress has been guided by the original act which required the Commission to obtain full fair value, to assure a fair supply of the end products for small business, to preserve a competitive industry and to protect the national security.

The Commission advertised for bids on the Institute, W. Va., facility and they received the following proposals when the bids were opened on October 7, 1955:

Goodrich-Gulf Chemicals, Inc	$9,000,000
Goodyear Synthetic Rubber Corp	2,000,000
Imperial Commodities Corp	750,000
Edwin W. Pauley	2,000,000
Union Carbide & Carbon Corp	1,500,000
United Rubber & Chemical Co	4,000,000

Now this plant had a gross book value on October 31, 1955, of $18,398,000, and a net book value on that same day of $4,968,000.

After the bids had been opened, the Commission began to negotiate with the prospective purchasers. Three of the bidders withdrew and on November 21, 1955, Goodrich-Gulf increased its bid to $9,500,000, and Mr. Edwin Pauley increased his bid to $2,837,000. Union Carbide & Carbon increased its bid to $2,700,000. So on December 19 the final bids were submitted and that day it was disclosed that Goodrich-Gulf had raised their bid to $11 million, Mr. Edwin Pauley has increased his bid to $5,800,000, and Union Carbide & Carbon had retained their latest bid of $2,700,000.

So the $11 million bid for the plant, plus $333,000 for spare parts, constitutes a very substantial return to the Government. I do not think there can be much argument about full fair value on this facility.

Now let us turn to the question of small business.

Under the terms of the sales contract with Goodrich-Gulf Chemical Corp., the purchaser agrees to make available at fair market prices to small business enterprises in reasonable equal monthly quantities, the following tonnages per year: 21,000 long tons when only one line is in operation; 51,000 long tons when two lines are in operation; and 81,000 long tons when all three lines are in operation.

Now this is by far the largest commitment with respect to small business of any of the purchasers. And I might add that since the sales of the other facilities I know of only one complaint from small business with regard to the availability of rubber to small users, and that apparently was based on a misunderstanding.

The Attorney General, while consulting with the Commission, expressed concern with regard to the enforceability of the commitments contained in the sales contracts with respect to the availability of rubber for small business. The Attorney General said:

I am, nevertheless, concerned about the future enforcement of these contractual commitments when the Commission ceases to exist.

I personally believe that these contracts are enforceable, since the Commission entered into these contracts on behalf of the Federal Government and not on behalf of the individual Commissioners. But, beyond all that is the greatest enforcement weapon in the world, public opinion.

Each one of these purchasers, as well as the Goodrich-Gulf Corp., who will purchase this facility, have agreed to make rubber available to small users. The hearings and the record are clear and unmistakable in this regard. I think we have no reason to be concerned now or in the future with regard to the obligation incurred by the purchasers of copolymer facilities to make rubber available to small business users.

So that leaves us, for practical purposes, with only one question and that is whether or not the sale of this facility will provide for the development within the United States of a free competitive synthetic rubber industry and not permit any person to possess unreasonable control over the manufacture of synthetic rubber.

Now, under the disposal act, the law required the Commission to consult with the Attorney General in order to secure guidance, "as to the type of disposal program which would best foster the development of a free competitive synthetic rubber industry."

In that connection, I call your attention to the fact that the Attorney General advised the Commission that the sale of the Institute plant to the Goodrich-Gulf Chemical Corp., or to the Goodyear Synthetic Rubber Co., "would not best foster the development of a free competitive synthetic rubber industry, since disposal would add significantly to the substantial position presently held by these companies in the field of synthetic rubber."

However, the Commission then advised the Attorney General that of the remaining eligible bidders only Goodrich-Gulf Corp. had offered a purchase price that "met the Commission's views as to full fair value."

And the Commission further concluded, according to the findings of the Attorney General, that—

The only alternative to a sale to Goodrich-Gulf, in the light of the offers received, would be the continuation of this plant in standby with none of its productive potential available to the market.

The Attorney General further stated:

Under the existing statute, not even the Government could utilize this capacity to meet the needs of domestic fabricators, except pursuant to further act of Congress.

The Attorney General went on to say:

Under the act my responsibilities are limited to advising the Commission with respect to (a) the type of disposal program which would best foster the development of a free competitive synthetic rubber industry, and (b) whether the proposed disposition, if carried out, will violate the antitrust laws. In view of this limited statutory responsibility, I do not undertake to evaluate the validity of the Commission's conclusion that the sale of Institute must be either to Goodrich-Gulf or not at all. I therefore accept the Commission's determination on this point. In these premises it is my view that the development of a free competitive synthetic rubber industry would be better fostered by bringing this plant into active competitive production rather than to allow it to lie fallow. * * *

The firm commitment on the part of Goodrich-Gulf to make at least half of the Institute product available to small business enterprises buttresses the foregoing conclusion. Goodrich-Gulf has agreed to make available to small business enterprises at fair market prices 50 percent of the production of the first line at Institute and 73 percent of the production of the next 2 lines. We have been advised by the Commission that this commitment in favor of small business is by far the largest firm commitment offered by any of the bidders for this plant.

Now, you can see the position that the Commission was in as well as the Attorney General.

The Commission felt that they could not recommend the sale to any of the other bidders because none of them would approach anything like the minimum fair value that the Commission had placed on this facility.

Mr. Pauley, the second highest bidder, raised his bid from $2 million to $5,800,000 at the end of the negotiation period; but this was still $3,700,000 less than what the Commission felt was the lowest price they would take for the facility.

On the other hand, Goodrich-Gulf Chemical Corp. raised their bid to $11 million, which was $1,500,000 more than the minimum price that the Commission would accept.

Now there is not much question in my mind that if Mr. Pauley, or any other bidder had been willing to raise their bid to $9,500,000 that the Commission would have recommended the sale to some other purchaser than Goodrich-Gulf Chemical Corp., but nobody other than Goodrich-Gulf would go that high.

And on the other hand, the Attorney General, while recognizing that the sale to Goodrich-Gulf Chemical Corp. would give them the largest GR–S capacity in the Nation, nevertheless realized that if the Commission would not recommend the sale to anyone who would not meet the $9,500,000 figure, that this would prevent the facility from going into production at a time when we are in short supply of rubber.

Now this is a very important matter because natural rubber has been selling for substantially more than synthetic rubber. As a matter of fact, it was up to 48 cents per pound, and it is now around 40 cents per pound. Synthetic rubber is selling for about 24 cents per pound on the average, and yet rubber is in such short supply that consumers are willing to pay the high price for natural rubber.

So from an economic viewpoint, it made good sense to approve the sale and that, in effect, is what the Attorney General has done, although he has called to the attention of the Congress the fact that he probably would have submitted this sale to a court for a judicial determination under section 7 of the Clayton Act had it been a sale between two private bidders. But he also said that since there was no precedent for this type of sale to private industry, he would find that the sale did not violate section 7 of the Clayton Act, since the entire sale would be reviewed by the Congress.

Well, we are in this situation:

If we reject this sale, the plant cannot be offered for sale for at least another 2 years, unless Congress passes a new law. And, under existing law, the Government cannot operate the plant for the production of GR–S. This was done to protect the purchasers from competition with the Government. So, if we do not approve this sale, then we are not going to help the people in the vicinity of Charleston, W. Va., a distressed labor area. This plant will employ as many as 700 people; and the improvements that will be undertaken by the purchaser will certainly improve the employment situation in that area.

And I want to call this to your attention: Under this sale Goodrich-Gulf will end up with about 19.9 percent of the existing synthetic-rubber capacity, plus the announced expansion plans and new plants that will be constructed in the near future. If you just consider existing capacity as it exists today, Goodrich-Gulf will have approximately 25.2 percent of the capacity; but this by and of itself, according to a decision of the Supreme Court, does not violate the Sherman Antitrust Act.

Now I also want to call your attention to the fact that the Congress did not disapprove the sale to Firestone of two copolymer facilities, at a time when those sales gave Firestone 18.8 percent of the total existing capacity.

So what are we talking about?

Basically, we are talking about the difference between 18.8 percent and 19.9 percent of capacity. It seems to me that the Congress would be in an untenable position to have approved a sale which gave Firestone 18.8 percent of the capacity, but disapprove a sale that would give Goodrich-Gulf 19.9 percent of the capacity.

Now I want to make it clear that, if we adopt this resolution, we will prevent the production of 122,000 long tons of GR–S in this Nation, at a time when we are in short supply of rubber. The best thing that could happen from the consumers viewpoint, and from a competitive viewpoint, is to have this plant go into production. It will increase the supply of synthetic rubber in the Nation and will make a substantial increase in the availability of rubber for small-business users.

Mr. Chairman, I sincerely hope that the House will vote against this resolution. Under the original law, we were required to report the resolution or else it became privileged. So, therefore, we have reported the resolution adversely. I hope that the House will overwhelmingly reject this resolution.

However, I also want to say that, if we disapprove this resolution and Good-

rich-Gulf takes possession of the facility, no one of us will have expressed any opinion as to the legality of any future actions on the part of Goodrich-Gulf Chemical Corp. We have antitrust laws, and an Antitrust Division in the Office of the Attorney General. We will expect the Attorney General to keep a close watch on this purchase, as well as other large synthetic-rubber manufacturers. But, so far as the economy of the country is concerned, and particularly so far as the area of Charleston, W. Va., is concerned, I believe we would be doing a great disservice to the American people and to the people of West Virginia if we adopted this resolution.

I urge you to vote against this resolution, so that this sale may take place; that production may start, so that people may be employed in the Charleston, W. Va., area, and that a substantial increase in the production of synthetic rubber will be made available to the American people.

Mr. Chairman, I reserve the balance of my time.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield for a question?

Mr. VINSON. I yield.

Mr. CHRISTOPHER. Can the gentleman tell me the total amount the Government has invested in this plant?

Mr. VINSON. On October 31, 1955, the plant had a gross book value of $18,398,000, and a net book value of $4,968,000. The Commission recommended that it be sold for $11 million.

Mr. CHRISTOPHER. I thank the gentleman.

Mr. VINSON. Let me say that I think the Commission has done a splendid job in getting the prices they have for the plants they have disposed of. We sold the other plants for around $285 million. I thought then and the Congress thought then, overwhelmingly, that we received a good price for the plants.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. SHORT. Since the gentleman has control of the time and I have none, I am sure he will be glad to yield.

Mr. VINSON. I will, with pleasure.

Mr. SHORT. Mr. Chairman, I merely want to say that it is a high honor and great privilege to serve in this body. With all our trials and tribulations and all the requests and disappointments and heartaches and headaches that we have, it is worth coming to Congress to serve with a man like CARL VINSON, whom I consider not only a fine Christian gentleman but also one of the ablest legislators that has ever been sent to this House.

I do not want to be superfluous and I am not going to, but in my humble and honest judgment there is no man in Congress or out of Congress, or in the Defense Department who knows more about the status of our national defense and everything related to it than the gentleman from Georgia [Mr. VINSON].

It has been really exciting, stimuating, comforting, and helpful to sit at his side all these years. He has spoken on this bill. If he would permit me to proceed for 1 or 2 minutes I would like to remind the House that we came dangerously near losing World War II when our source of natural-rubber supply was cut off from Indonesia and the Far East. Not until big Bill Jeffers, former chairman of the board of the Union Pacific Railroad, now gone, came to Washington did we bring order out of chaos. We built up a $700 million synthetic rubber industry and we learned to produce rubber that for some purposes was better than natural rubber in order to win that conflict and to support our domestic economy. But, believing in free individual enterprise, the Congress in its wisdom decided to get out of the rubber business and we have disposed of all these plants except one. That is the one at Institute, W. Va.

West Virginia is a great State. It contributed much to the winning of the war. Those people in that distressed area need this plant, but it is not because of hardship that the Committee on the Armed Services is advocating the sale of this last plant.

I agree with my chairman that the Commission has done a remarkable job. Although Mr. Pauley bid only $2 million for this plant, he raised it to $5,800,000 and the Commission itself set a minimum price of $9,500,000. They finally negotiated with Goodrich to sell the plant for $11 million.

Mr. Chairman, this plant has been idle for 2 or 3 years and it deteriorates rather rapidly. We are losing money. Unless we sell it we will perhaps get nothing. So after a long, patient and exhaustive hearing, the committee unanimously, with the exception of one vote "Present", decided that we should vote against this resolution and get the Government completely out of business. The Commission has done a remarkable job and private enterprise has taken over this and has done a remarkable job also. I hope, Mr. Chairman, we will vote down the resolution disapproving this sale.

Mr. VINSON. Mr. Chairman, I want to express my deep appreciation for the kind, generous remarks of my colleague, the distinguished gentleman from Missouri. So far as this matter is concerned, we are on sound ground. We have done the proper thing. We had a hearing, we took testimony, we had the benefit of the brilliant views of the distinguished gentleman from Illinois [Mr. YATES] who will present his argument in opposition to the sale. I do want to say that the Commission received the fair market value for all of these copolymer and butadine plants. I said to the House last year when we sold the facilities that they were to be congratulated for having obtained such a high price. I have compared it to other sales of Government property that were made and I say that we are receiving more for the synthetic rubber plants than we have received for any other Government facilities that have been sold up to date in proportion to the amount of money invested.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. I, too, want to commend the gentleman for his excellent statement. I am curious to know why there was a disparity in the final bids. I do not want to presume upon the gentleman's time, but I am curious to know why the second bidder was so far below the first, approximately one-half.

Mr. VINSON. That is a very pertinent question. Goodrich-Gulf, bid $9 million. The Goodyear Synthetic Rubber Co. bid $2 million. Now listen to this: The Imperial Commodities Corp. bid $750,000. Here are two of the companies that were engaged in this kind of business. Mr. Pauley came in and bid $2 million. The Union Carbide & Carbon Corp. bid $1,500,000 and the United Rubber & Chemical Co. bid $4 million.

Now, I was somewhat disturbed when this letter came in. Here is a plant that will turn out 122,000 tons annually of GR–S. The Imperial Commodities Corp. only valued it at $750,000, and another concern valued it at $9 million. Well, that disturbed the Commission, so the Commission just said "Now, we are going to say that the minimum price we will submit to the Congress is $9.5 million" because they probably did not like the way these bids were coming in.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Illinois.

Mr. YATES. Is it not possible that the purchaser, Goodrich-Gulf, may have intentionally bid so high in order to make it a monopoly price thus assuring it of achieving a dominant position in the industry?

Mr. VINSON. They did not know what Imperial or any other bidder was going to bid.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Is this one of those privileged resolutions where, if I want to approve of the sale, I vote "No"?

Mr. VINSON. That is correct.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Oklahoma.

Mr. BELCHER. From the standpoint of the future defense of the country, would it not be better to have this plant in operation by private industry?

Mr. VINSON. Of course it will.

Mr. BELCHER. Than probably to let it stand idle?

Mr. VINSON. I am standing here not only on this measure but on other measures trying to get the Government out of business. I stand flatfooted for free enterprise in these matters.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New York.

Mr. CELLER. Does the gentleman know that this successful bidder, the Goodrich Tire & Rubber Company, was not successful as a defendant in an antitrust suit not so long ago?

Mr. VINSON. Yes, we know about that. And we know if they violate the antitrust laws, they should be prosecuted. But, that is no bar and should

not be a bar to people being able to buy that which the Government offers to sell.

Mr. CELLER. Does not the gentleman think it might well be a bar?

Mr. VINSON. Well, the gentleman is the chairman of the great committee. If you want to say that because a corporation has been prosecuted for violating the Sherman antitrust law or the Clayton Act, the Government will prohibit him from doing business with it, you can bring it in here and we will debate it, Now, I do not have jurisdiction over that.

Mr. CELLER. Will the gentleman just briefly answer me this question: The acquisition of this plant, as I understand, will give the Goodrich-Gulf Co. a big percentage of the manufacture of synthetic rubber.

Mr. VINSON. 19.9 percent.

Mr. CELLER. Almost 20 percent of the capacity of the manufacture of synthetic rubber. In view of the antitrust record of the Goodrich Co.—and presently there is a complaint pending against the Goodrich Co. by the Federal Trade Commission, also—in view of that record, do you think it is proper and fair and consistent with the welfare of the Nation to have the Attorney General approve this sale which would give this company now 20 percent of the capacity of synthetic rubber?

Mr. VINSON. I have no hesitancy to say to that, yes, I think it is proper to permit this sale to go through. As a matter of fact, they will have 19.9 percent, you might say 20 percent, and if they violate the antitrust law, let the Department of Justice prosecute them.

Mr. YATES. Mr. Chairman, I yield myself 56 minutes.

Mr. Chairman, a vote against the pending resolution is a vote for monopoly and against free enterprise. A vote against the pending resolution is a vote for more concentration of power and against free competition. A vote against this resolution is a vote for predatory business practices and against opportunity for small business to compete.

This is a vital matter for the State of West Virginia and I hesitated long before filing this resolution. My good friends Mr. BYRD, Mr. BAILEY, Mr. STAGGERS, and the others almost persuaded me that I should not file it. But I feel so strongly about the disposal program and this sale that I felt I must. If the sale is approved, Goodrich-Gulf will open the plant which has lain idle for almost 2 years, giving opportunities for employment to many people in that depressed area. Yet, even though I, too, want employment for the people who live in that area, I wonder whether this sale is all they believe it is. Yesterday the president of Goodrich-Gulf testified that until 1958 only 1 of the 3 lines of this plant will be in operation. Instead of 750 to 1,000 jobs that the chairman of the Committee on Armed Services said would be made available by this sale, the most that will be made available, if that many will be made available, will be approximately 300.

I want to commend the gentleman from West Virginia [Mr. BYRD] for his efforts in this matter. He has done an outstanding job, in filing the bill which resulted in the sale and my defending it. We differ in our opinions concerning its merits but we are still and will continue to be good friends.

Mr. CELLER. Mr. Chairman, would the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. CELLER. Is it not true that the Goodrich company is presently one of the so-called Big Four in the manufacture of products from natural rubber?

Mr. YATES. The gentleman is correct.

Mr. CELLER. Does the gentleman agree with the gentleman from Georgia, the distinguished chairman of the committee, that we should disregard the antitrust record of the Goodrich Co. and allow them to make a purchase at this knock-down price of this synthetic plant?

Mr. YATES. No, I do not. The gentleman has posed a very important point, because the law requires that we consider the record of the Goodrich Co. The law under which this plant was sold requires the establishment by the Commission of a free, competitive synthetic rubber industry, one which will not permit any person to obtain unreasonable control over the manufacture of synthetic rubber or its components.

When Assistant Attorney General Barnes was asked last year about the Goodrich Co. and the other companies which have been purchasers of the plants and which have been the subjects of antitrust suits, he said we could not take their past records and judge what would happen in the future. Nevertheless, in response to a question by Senator DOUGLAS, he said, "It is true the leopards do not change their spots."

While it is true that perhaps we can disregard the antitrust suit against the company in the past, we cannot disregard an existing fact, which is that Goodrich-Gulf is now the subject of a complaint by the Federal Trade Commission because of monopolistic practices in its industry.

Mr. CELLER. Mr. Chairman, if the gentleman will yield further, over and beyond that, would it be fair to let them have this plant when we consider that they are a major factor in the manufacture of products from natural rubber; and now we would be giving them a very firm hold—20 percent—on the manufacture of synthetic rubber and synthetic rubber products?

Mr. YATES. Let me say this, that Goodrich-Gulf will have, not 20 percent of the industry if this sale is approved, but as of this time will have 25 percent of the industry. The figure of 19.9 percent, to which the chairman of the Committee on Armed Services alluded, was the percentage of control this company would possess in the industry after completion of the expansion program which the industry has announced. At this time we do not know whether that program will be completed. Some of the companies may decide not to go ahead with the expansion program. And if that is true, the amount of control by the Goodrich-Gulf Company over the industry will be correspondingly increased. Let us say that its control of the industry is somewhere between 19.9 percent and 25 percent. If this sale is approved they will control one-fourth of the entire synthetic rubber industry in the United States. In my judgment this does not comply with the criterion established in the Disposal Act of 1953.

Mr. CELLER. They have more than that percentage of control of natural rubber, so that they will be in a dominant position not only in the natural rubber field but also in the synthetic rubber field if this sale is consummated.

Mr. YATES. I thank the gentleman for his contribution.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. KEATING. The gentleman has very properly raised this question about monopoly. It is something we are all concerned about, something which it is provided in the law shall be dealt with. The Attorney General's opinion must be asked for in connection with any such sale as to whether it does tend to foster monopoly. Now, what is the alternative? If this sale were turned down and the gentleman's resolution were approved, what then would happen, in the gentleman's opinion?

Mr. YATES. Under the law as it exists today, this plant would not be operated. It would be maintained in a standby condition. But let me point out that this was the situation, too, last year when the sale of the 24 plants was approved. The Baytown, Tex., plant was supposed to be placed in a standby position. The gentleman from Texas [Mr. THOMAS] filed a bill at that time which was considered within 3 weeks, bids were taken, and the Baytown plant was sold. It did not lie idle for any appreciable length of time. That is possible in this case. As soon as action is taken on this bill, if my resolution is approved, this plant can again be offered for sale by appropriate resolution.

Mr. KEATING. It can be, but is it not a fact that the Commission did previously offer it and did not get what they considered an adequate and fair price?

Mr. YATES. Let me refer the gentleman to the Commission's own report last year in which they stated Institute was an installation which no company in the industry thought was worth purchasing. It was described as a high-cost producer. Therefore, nobody wanted to bid for it. Yet now we have Goodrich-Gulf offering what seems to be an enormous price for this installation, one that will permit Goodrich to assume the dominant position in the industry.

Mr. KEATING. The gentleman with great frankness has said that the result of the passage of the gentleman's resolution would be that this plant would lie fallow for the time being. The Commission certainly has made, as this record would indicate, very substantial efforts to dispose of it elsewhere. I think that in the discussion of this question of monopoly which, as I say, we are all concerned about and should be concerned about, attention should be directed to the position of the Attorney General when faced with the question put to him by the Commission, "What

do we do now?" since he had previously expressed some concern about the monopoly aspects. Then the one sentence which seems to me significant is this: "It is my view that the development of a free competitive synthetic rubber industry would be better fostered by bringing this plant into active competitive production rather than to allow it to lie fallow."

Mr. YATES. That is the only reason he approved the sale.

Mr. KEATING. He said in substance, "I don't like the monopoly aspects of it, and if it were free to be sold to anyone at any time, I would say, 'Don't sell.'" I think that is the fair substance of it. But he says that if it means that the plant is going to lie idle, which this record seems to indicate it will, then competition would be better fostered by making this sale.

Mr. YATES. Obviously, there is more competition if Goodrich operates the plant than if it were to lay idle. That is the sole basis of the Attorney General's opinion. Now, let me ask the gentleman a question. Would it not be better to forego $5 million in the purchase price, if by doing so we provided a greater competition in the industry?

Mr. KEATING. I think it is very questionable whether it would be better. You are referring to the second bidder, Mr. Pauley.

Mr. YATES. The second highest bidder, Mr. Pauley.

Mr. KEATING. That is Mr. Pauley who offered some $5 million less than the other bid?

Mr. YATES. Five million dollars, yes.

Mr. KEATING. I do not think I would favor selling to Mr. Pauley who offered some $5 million less and I think the Congress would be severely criticized if it did that.

Mr. YATES. Why?

Mr. KEATING. Because $5 million is still not peanuts and the Commission has ruled the Pauley offer does not measure up to a fair price.

Mr. YATES. How do we know what a fair, full price is? Does the gentleman know what the full, fair value of the plant is?

Mr. KEATING. No.

Mr. YATES. No member of the Congress knows nor have we any way of knowing, because the Commission never furnished the committee and never furnished the Congress with any earnings data which indicates the manner in which it reached its decision on what is the full fair value of the plant.

Mr. KEATING. But I know the difference between $11 million and $6 million.

Mr. YATES. Of course, the gentleman does. The gentleman is on the Committee on the Judiciary. Is it not entirely possible that the amount offered by the Goodrich-Gulf was a monopoly price purposely bid high to enable the company to assume a dominant position in the industry? Of course, that is possible.

Mr. KEATING. It is possible. Anything is possible.

Mr. YATES. Of course, it is possible.

Mr. KEATING. But I do not think there is any evidence in this record to bear out any such proposition as that. And I do not want to be a party to a giveaway program whereby we authorize a sale to Mr. Pauley for $6 million when there is someone else willing to pay $11 million for the same thing.

Mr. YATES. Does the gentleman mean that the fact that the Goodrich-Gulf was the subject of an antitrust suit previously, and the fact that it is now the subject of a suit by the Federal Trade Commission does not indicate that it engages in practices which are monopolistic?

Mr. KEATING. Well, the fact that a suit is pending against anyone does not prove that he is guilty. I hope the gentleman does not make that kind of an argument. Of course, I know nothing of the merits of the suits.

Mr. YATES. Let me just break in to say that Goodrich-Gulf pleaded nolocontendere in that previous case.

Mr. KEATING. I would be delighted if the bid of $11 million was made by some smaller concern and if Goodrich-Gulf were in Mr. Pauley's position of bidding a much smaller figure.

Mr. YATES. I join with the gentleman in that.

Mr. KEATING. But that is not the case before us. I assume probably it takes a huge amount of capital to run a plant like that—and there are relatively few companies which have the capital and the know-how to do such a job, and we have to balance that against the possible monopoly features. On balance it seems to me in this case we should approve of this sale.

Mr. YATES. The gentleman is using the same conditional language of the Attorney General who appeared before the committee yesterday. After he had first said that the sale would not foster competition in industry, Judge Barnes came before the committee and said, and I quote from the transcript:

> We felt that the thing for us to do, as I say, was to frankly state the advantageous situation that existed here, the disadvantageous situation, and under these circumstances give this limited approval which would put the matter in Congress who had originally created the act looking toward the disposition.

You will note that he said "limited approval."

In other words, the Attorney General did not pass upon it. He sent it back to the Congress to pass on it. He did not discuss the antitrust features of it and he did not say clearly and without equivocation that this sale meets the requirements of the antitrust provisions of our laws.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. BELCHER. I think probably the gentleman has nearly answered the questions that I had in mind. The closest bid to the $11 million bid is $5,800,000.

Mr. YATES. That is correct.

Mr. BELCHER. Would the gentleman prefer to disregard the $11 million bid and sell for $5,800,000?

Mr. YATES. The gentleman might or might not prefer to do that if I had sufficient facts on which to base an opinion as to the full fair value of the plant. The Commission was required under law to accept the bid that offered the full fair value with due recognition for protection of a free competitive rubber industry. I do not know whether this bid represents the full fair value. I do not know whether $5,800,000 represents the full fair value. I do know that nobody in the industry was willing to bid $5,800,000 for it a year ago, at the time that other plants were offered for sale. This may be the full fair value. It is entirely possible, too, that Goodrich-Gulf may have offered an inflated price in order that it might achieve a dominant place in the industry.

Mr. BELCHER. In that case the Government would be getting about $5 million more than the plant was worth.

Mr. YATES. Is $5 million sufficient to justify a monopoly?

Mr. BELCHER. I am asking the gentleman. He has more information than I have. I am asking him whether or not, with all the facts considered, that would bring the $5,800,000 up to $11,000,000.

Mr. YATES. The gentleman from Illinois has attempted to answer the question by saying that if the gentleman from Illinois had the facts which would show what the fair value of the plants were, the gentleman would be very happy to answer the gentleman's question. Not having enough facts, the gentleman from Illinois cannot answer that question specifically.

Mr. CURTIS of Missouri. Will the gentleman yield?

Mr. YATES. I yield.

Mr. CURTIS of Missouri. Has the gentleman got the figures as to the other 80 percent of this capacity in the industry? I notice in the report that Firestone presently owns about 18.8 percent. How much of a margin would Goodrich have, after this sale, over its nearest competitor?

Mr. YATES. The report of the Commission indicates, on page 13, what the ownerships were at the time of the sale last year, and what the ownerships would be as of the conclusion of the expansion program which has been announced by the industry. Goodrich itself agrees as of the present time that its ownership is close to 25 percent. It says that after the industry's expansion program is completed, it thinks it will move down from the high figure it now has, to one which will approximate 19.9 percent or even 18 percent. The point I make is that we do not know as of this time whether the proposed expansion program will ever be completed or whether Goodrich will also expand. As of this time, if this sale is approved, the ownership by Goodrich-Gulf will be close to 25 percent.

Mr. CURTIS of Missouri. But there are other giants in the field that are competitors of Goodrich, are there not?

Mr. YATES. Of course there are.

Mr. CURTIS of Missouri. I am not trying to argue with the gentleman. I am trying to get the facts.

Mr. YATES. Well, you know that as well as I do.

Mr. CURTIS of Missouri. I think it ought to be brought out. I wanted to be sure that the relative positions of these

people remained about what they are now.

Mr. YATES. Would it not be better if they did not, and other competitors came into the field?

Mr. CURTIS of Missouri. Oh yes. The gentleman has a point there.

Mr. YATES. Let me show you why I have a point. The Commission sold the Baytown, Tex., plant to an outsider, to a company that was not one of the big four for a very good price. The Commission said to the Goodyear Co., "We will not accept your bid because it will give you too dominant position in the industry." And it rejected Goodyear's bid. What the Commission should do in this case is to seek to find an outsider which they could bring into the industry to aid production, because, as the Attorney General points out, this is the best way to stimulate competition in the industry.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. HESELTON. I notice from the report that this contract would make available to small business, at fair market prices, 50 percent of the production on the first line and about 73 percent on the next two lines.

Mr. YATES. Yes.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. YATES. I yield myself 5 additional minutes.

Mr. HESELTON. I do not find anywhere where Goodrich-Gulf would make this available to small business. The Attorney General apparently says that the disposal sale will create problems of economic concentration. In other words, he indicates to us that there is a real problem here, but there might be other facts which would override it. What I cannot get from the report is what guaranty there is, if any, to small business, that it will get any consideration; or is it a fact that the company will be able to offer it at the same price, and if they do not take it, it is just too bad?

Mr. YATES. With respect to the provision the gentleman refers to, small business is entirely at the mercy of the big companies. In response to questions before the committee, the purchasers stated they would allocate certain portions of their production to small business firms. But this assurance is just a moral commitment. There is no way that any of those small business people can enforce that promise against any of the big companies.

Mr. HESELTON. May I ask the gentleman if he knows whether in fact any small business has recommended this disposal?

Mr. YATES. None that I know of.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. BATES. I did not want to make special reference to the point to which the gentleman from Massachusetts just made, but on yesterday when we had the witnesses before the committee they said it was not only a moral responsibility but also a legal responsibility.

Mr. YATES. Who can enforce it?

Mr. BATES. Which they said was enforcible.

Mr. YATES. By whom?

Mr. BATES. They said it was enforcible.

Mr. YATES. By whom is it enforcible? Who can enforce it? The Attorney General of the United States last year said it could not be enforced.

Mr. BATES. They said yesterday that it was enforcible.

But I want to touch on another point, the one the gentleman mentioned earlier on this question of monopoly.

I do not know and I do not even think that the learned gentleman knows, distinguished lawyer that he is, when a monopoly is created in an industry.

Judge Barnes, when he was before our committee on yesterday, cited certain figures given by a most famous jurist on this question that where 1 individual or 1 firm could have 90 percent of an industry that undoubtedly it was a monopoly; that when the figure was 67 percent that probably it was a monopoly; but he said that when it gets down to 33⅓ percent undoubtedly it is not a monopoly.

Here we are talking about a situation somewhere between 18 percent and 25 percent. Now, what, in the judgment of the gentleman do the percentages indicate in the instant case?

Mr. YATES. I am willing to take Judge Barnes' opinion.

Mr. BATES. Will the gentleman answer?

Mr. YATES. Yes, if the gentleman will let me. I said I am willing to take Judge Barnes' opinion.

Mr. BATES. His argument was based on a court interpretation.

Mr. YATES. You did not let me finish my reply. I said I am willing to take Judge Barnes' opinion that where a purchaser moves into a field there is a relative amount of competition created, greater or less depending on the acquisition. But I say to the gentleman Judge Barnes yesterday said he would give limited approval to the sale; and I refer the gentleman to the transcript of yesterday. Judge Barnes talked about limited approval.

Mr. BATES. But he struck out those words "limited approval."

Mr. YATES. He did not strike that out.

Mr. BATES. If you will read the full committee report you will see that he revised those words and that instead of the phrase "limited approval" he said, "We cannot give an opinion in a limited sense; either we go one way or we go the other."

Mr. YATES. Here is what he said, and I read from the transcript:

> The CHAIRMAN. You classify it as a limited approval? You used the word "limited" there, but don't use that phraseology in your opinion.
>
> Mr. BARNES. No, sir.
>
> The CHAIRMAN. Now, there might be on the floor of the House——
>
> Mr. BARNES. There is no question but that on balance the Attorney General approves the transaction.

On balance, he says. Is that an unqualified approval? Of course it is not.

Mr. BATES. The gentleman knows that in every case it is a little gray; but finally he came out and said on balance. In fact he gives his approval. He cannot give it a little bit, he must make up his mind; and he did on yesterday.

Mr. YATES. The gentleman knows very well that the Attorney General wrestled with himself on this sale; he wrestled with his conscience and finally, he won.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa.

Mr. GROSS. The question that occurs to me is this: Supposing the sale were made at the sum of $5 million to a private individual. Would it be incumbent upon that purchaser to retain possession of the property acquired or could he within 30 days sell it to Firestone or some other purchaser he might elect?

Mr. YATES. The gentleman raises an interesting question. As far as I know there is no barrier.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. YATES. Mr. Chairman, I yield myself 5 additional minutes.

As far as I know there is no barrier to such a sale.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I will yield to the gentleman but first let me finish my statement to the gentleman from Iowa. I recall seeing this in an opinion of the Attorney General—where he stated specifically in his written opinion—that if this were a sale by one private company to another private company rather than a sale by the Government to a private company he would have to sue for an injunction to restrain such a sale under section 7 of the Clayton Act.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. CELLER. We hear a lot of talk about monopolies and violation of the antitrust laws. I refer to section 7 of the Clayton Act as amended by the Celler-Kefauver amendment that provides there is a violation if there is a substantial lessening of competition in any given area. Would not the acquisition of this new synthetic plant by the Goodrich people result in a substantial lessening of competition in a given area?

Mr. YATES. In my opinion, it would and that was also the opinion of the Attorney General until he reversed himself and decided he did not want to disapprove the sale.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. KEATING. I should like to pursue the point raised by the gentleman from Iowa a little further. If this resulted in a sale to Mr. Pauley and he turned around and made a $5 million profit the next day by selling to the

Gulf people, would there be anything in the antitrust laws that would prevent that? I know of nothing. Mr. Pauley is not engaged in the synthetic rubber business now.

Mr. YATES. I refer the gentleman to the opinion of the Attorney General in which he stated that if such a sale were proposed by one private person to another he would sue for an injunction under section 3 of the Clayton Act to restrain such sale.

Mr. KEATING. I think he was referring to the sale by one company engaged in the business to another.

Mr. YATES. Yes, but, as I understand Mr. Pauley's business, he is in the oil business and I would assume he qualifies therefore as one who is in this business and could properly be sued if he proposed to sell to another company.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. MULTER. Am I not correct in saying that the issue before us today is not whether Mr. Pauley can buy this plant or whether this plant should be sold to the Goodrich Co.?

Mr. YATES. That is right.

Mr. MULTER. The gentleman's resolution simply seeks to disapprove this particular sale, is that correct?

Mr. YATES. Yes.

Mr. MULTER. It is not as to who may buy or who may not buy?

Mr. YATES. That is right.

Mr. Chairman, one thing I think we are losing sight of, and I do not think it was brought out adequately by the chairman of the committee, is that this sale must be conducted pursuant to certain criteria established by the Rubber Facilities Disposal Act of 1953. There were three important criteria that we should bear in mind before we decide to approve this sale.

One of those was the requirement for the development of a free competitive synthetic-rubber industry without unreasonable control by any person manufacturing synthetic rubber or component materials. If we believe this sale will give to Goodrich-Gulf a position in the industry which would not permit it to be free and competitive with respect to any of its materials, we must disapprove this sale.

The second criterion is the requirement of the offering to small business of a fair share of the end products and the facilities sold at a fair price. Goodrich-Gulf says: We will allocate a certain proportion of the production to small business. But the Attorney General of the United States stated last year—he has not changed his mind this year—that there is no way in which small business can enforce that contract legally. The company says it is a moral and legal commitment. The Attorney General disagrees. I do not know how any small-business man can go into court and compel Goodrich-Gulf to live up to its agreement.

The third requirement is one of full fair value for the facilities. I do not know whether full fair value for the facilities has been achieved or not. We do know that Goodrich-Gulf bid $11 million, more than twice as much as its next competitor. We know, too, that Goodrich-Gulf as a result of this purchase will take the No. 1 position in the industry, which leads me to conclude that Goodrich-Gulf may have bid high purposely in order to get the plant and move into the No. 1 position.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. In the making of synthetic rubber, is it necessary to use petroleum products or do we find any agricultural products going into the alcohol or synthetic rubber process?

Mr. YATES. Petroleum is used for the most part. Alcohol is used also, but the alcoholic process is 3 cents higher in cost per unit than the petroleum process.

Mr. MILLER of Nebraska. Can the gentleman inform me as to how much agricultural production might find its way into the making of alcohol and synthetic rubber?

Mr. YATES. I am sorry. I just do not know the answer to that question.

Mr. MUMMA. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. MUMMA. In reply to that question, for the past several years I have been endeavoring to get the Department of Agriculture to consider getting rid of some of the surplus wheat to go into the production of alcohol and synthetic rubber, and only today again have I written them a letter to reconsider their stand. They said the price was too high to sell, but at the same time we are continually piling up rental for storage space.

Mr. MILLER of Nebraska. Mr. Chairman, if the gentleman will yield further, I would like to say in that respect that the synthetic alcohol plant at Omaha, Nebr., is about to be sold. It is used almost exclusively for the making of alcohol, and the observation has been made that if 4 percent of the gasoline and alcohol production could be made from agricultural products, there would be no surplus production of agricultural products in this country. Sweden for many years and Germany have been using from 5 to 20 percent, depending on the amount of agricultural products they had to get rid of, and I think it would help the gentleman and the bill a great deal if we could be assured that some agricultural products would be funneled into this plant to make alcohol and synthetic rubber and 101 other things that industry can make out of surplus agricultural products.

Mr. YATES. I thank the gentleman for his statement. I wish I knew more about the subject so that I could reply adequately. I think his contribution is a worthy one, however.

On page 4 of the Commission's report we find the following statement, that "the synthetic rubber industry born as a Government monopoly in the early anxious days of World War II has passed to private ownership. The American concept of free enterprise has become a reality."

Mr. Chairman, if that statement were true, I would not have filed this resolution. It is because I want the American concept of free enterprise to become a reality that I am opposing the sale to Goodrich-Gulf. The only thing that has occurred as a result of this transfer by the Government to Goodrich-Gulf is the transfer from public ownership to private ownership, but what was a Government monopoly before can still be a monopoly if it is transferred to private hands. This would occur, for example, if all the plants were sold to two companies. It would still be monopolistic. But, suppose the purchaser of one plant winds up with 25 percent of the entire industry. Would not the gentlemen of the House think that this certainly was a tendency toward monopoly, if not actually monopoly itself? The Attorney General thought so, too, until the Commission established an upset price of $9.5 million, which, to all intents and purposes, wiped out every other bidder except Goodrich-Gulf. At that point the Attorney General reversed himself and said he would not disapprove the sale because he could not conscientiously say there was less competition with that plant in Goodrich's hands than if it were lying idle.

With the sales of the synthetic rubber plants, the Nation's synthetic rubber industry has been delivered to only very few large corporations, corporations which are already dominant in the rubber industry. Can it not be said that instead of resulting monopoly occurring because of the transfer to one company, that the monopoly resulted as the result of a transfer to a few companies?

Of the 24 plants sold last spring, 60.6 percent of the GR–S facilities went to the big 4 rubber companies and 26.7 percent went to 2 major oil companies, Shell and Phillips. So, we find that 86 percent of the facilities are in the hands of the big 4 rubber companies and of 2 of large oil companies. Of the butadiene facilities, 63.8 percent were sold to companies purchasing copolymer plants, thereby creating substantial vertical integration, despite the fact that such integration was not technologically imperative.

The issue is not one of the highest price, highest maximum financial return. Price is important so that the American people can get their investment back, but the fact remains that the law under which these plants were sold has to be complied with and section 17 (5) of that law does not say that the Commission shall obtain full, fair value without regard to the rest of the requirements. This is what it says. It says that the Commission should receive full, fair value, taking into consideration the policy set forth in section 2.

And, Mr. Chairman, do you know what section 2 requires? Section 2 requires that the facilities shall be disposed of under conditions which will develop a free synthetic rubber industry within the United States. So that the act's

mandate which requires a free competitive synthetic rubber industry is fully as important as the requirement for full, fair value.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. HESELTON. May I refer to the question I asked the gentleman, briefly. I have had an opportunity to read the committee report a little further and I see that the committee states flatly that, "the Attorney General has expressed concern that these contracts may not be enforceable insofar as availability of rubber for small business users is concerned when the Commission ceases to exist. It is the opinion of the Committee on Armed Services that these contracts are enforceable in law by the Federal Government. But certainly the commitments made by each of the purchasers, including the purchaser of the Institute facility, are enforceable through an even stronger enforcement agency, the weight of public opinion."

Mr. YATES. That is right.

Mr. HESELTON. Which is a very peculiar reliance, it seems to me. May I ask the gentleman in what conceivable way could a small business concern go into court and enforce any such commitment as exists here? The Attorney General says he does not think it is enforcible.

Mr. YATES. That is correct. I do not know how it could be done.

Mr. HESELTON. Does the gentleman think they will?

Mr. YATES. No. I agree with the Attorney General, because I do not know how one small business firm could sue to get its proportionate share of the allocation.

Mr. HESELTON. What form of action would he resort to?

Mr. YATES. I have not the foggiest notion. The Chairman told the Committee yesterday that even if he could not do it on the basis of a lawsuit, the bar of public opinion would protect the small-business man.

Mr. HESELTON. I suppose that he might sue for breach of contract. He might try to get into an equity court. But how in Heaven's name could he get an order from an equity court directing the delivery of a certain amount of rubber?

Mr. YATES. I can only reply to the gentleman by saying that what a small-business fabricator would need is not a lawyer but a genius to find some method of enforcing his rights.

Only in the Baytown sale did the Commission keep in mind this mandate about having a free, competitive synthetic rubber industry. In the Baytown sale, the Commission threw out the bid of the Goodyear Company saying that it would have too dominant a position in the industry. Yet they refused to do that in this case. I do not know why.

The Commission declares that with this Institute sale the American concept of free enterprise become a reality. Mr. Chairman, small business will not agree that this is free enterprise. We now see the Nation's synthetic rubber industry within the control of a few giant rubber and oil companies which are both the small-business man's supplier and his competitor. Small-business men know from hard experience that in many fields of business today their freedom is limited by the whim of their large suppliers and competitors. One of the major problems facing the small-business man today is that he is caught in the vise of dependency upon his large producers and fabricators for his own supplies of raw material, knowing that he must compete with them on the distribution level. He is completely at the mercy of the integrated company.

The Federal Trade Commission does not act merely on suspicion. It has recently filed suit accusing the purchaser of engaging in monopolistic practices?

How can we in this House possibly disregard the mandate of the Rubber Disposal Act of 1953 and approve this sale to a company that is only now the subject of a suit for monopolistic practices?

Mr. Chairman, much has been said about the allocation by the facility's purchaser of certain portions of the plant's production to small business, the question the gentleman from Massachusetts [Mr. HESELTON] raised. The fact remains that these allocations are entirely voluntary on the part of the big companies. Certainly, when the Commission ceases to exist—and this is an important point, Mr. Chairman, for with this sale the Rubber Facilities Disposal Commission goes out of existence. The Commission is the party to these contracts. When this commission goes out of existence, who will there be to enforce the rights of the small-business men under the allocations? There has been no transfer of the rights of the Rubber Facilities Disposal Commission to any other organization. When it goes out of existence, as it must when this sale is approved, there is nobody to enforce the rights of the small-business people.

Last year the chairman interrogated each of the purchasers on the amount of the production each would set aside for the small-business firms. There was presumably a satisfactory allocation made for each. Nobody can enforce that agreement. Judge Barnes of the Attorney General's office said that nobody could enforce that agreement. In his letter of transmittal to this House in connection with the sale, on this point of the right of small business to enforce these allocations under the contract, this is what the Attorney General said, and I read from his opinion:

> At this juncture it is appropriate to point out that similar provisions to assure small business enterprises a supply of GR–S that were embodied in the contracts of sale in the Commission's first disposal program were the subject of considerable congressional interest during the hearings on the program. This interest turned upon the question of enforcement of the purchasers' commitments. Assurances were given by the plant purchasers that they considered these pledges binding upon them. In fact, the president of the B. F. Goodrich Co. stated that he considered this commitment both a legal and moral obligation.

Listen to what the Attorney General said:

> I am, nevertheless, concerned about the future enforcement of these contractual commitments when the Commission ceases to exist.

This is by the Attorney General, who wants the sale approved, nevertheless, he is concerned that the commitments will not be enforceable. How can we possibly approve this sale?

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Yesterday in the committee hearings I noticed the gentleman from Illinois who now has the floor had left the room when Judge Barnes was interrogated by a member of the committee on this point. As I recall, Judge Barnes' reply was to the effect that there were two possible remedies. The one he thought most acceptable, the most likely way for the Government to intervene in behalf of small business, would be specific performance. Then following that, as I recall the gentleman from Illinois was still out of the room, at that time the president of the purchasing company took the stand and he was asked by our chairman, the gentleman from Georgia [Mr. VINSON] whether or not he considered this a moral contract, a legal contract, and one that would be enforceable in court. My recollection of the answer of the president was that he considered it both a moral and a legal obligation and that he accepted it as one enforceable in court.

Mr. YATES. I thank the gentleman. I had to go to a meeting of my Subcommittee on Appropriations yesterday and that was the reason I could not remain to hear the testimony of Judge Barnes and the other witnesses.

Mr. CUNNINGHAM. I was not criticizing the gentleman because he was not there. I understand that he had other work to attend to.

Mr. YATES. That is correct. The president of Goodrich-Gulf was asked that same question about the allocation to small business in the other body by Senator FULBRIGHT. In reply to Senator FULBRIGHT he gave the same reply that he did to your committee:

The chairman of the committee of another body then said, "Suppose you are no longer the president? Suppose the board of directors is changed? Will the company still enforce or recognize its obligations?" He said, "I do not know. I assume that they would."

Mr. CUNNINGHAM. Does the gentleman contend that the statement by the president of the company, the purchaser, made before a congressional committee, a part of the record, would not be binding upon the company regardless of who the president and directors are in the future? Is that the gentleman's contention?

Mr. YATES. That is the gentleman's contention, and I am buttressed in that opinion by the Attorney General of the United States who, in connection with the report on this sale, has stated, as I indicated a few moments ago, as follows:

> I am nevertheless concerned about the future enforcement of these contractual commitments when this Commission ceases to exist.

If the Attorney General of the United States is concerned, should not we be

concerned as to who is going to enforce it?

Mr. CUNNINGHAM. Does the gentleman feel that in order to sell these plants we should continue this Commission in perpetuity in order to enforce the contracts of small business?

Mr. YATES. No; as I indicated before the gentleman's committee yesterday in my testimony, I thought that the rights of the Rubber Producing Facilities Disposal Commission in connection with the contracts should be transferred to some permanent agency of the Government, like General Services Administration, for example, so that the rights of small-business men could be enforced, assuming they are enforceable. As of this time, asked as we are to approve this sale, now, we do not know whether this will be done. That is one of the things I think we should do before we approve this sale. We should know definitely that the commitments of the purchasers to small business are in the hands of a competent Government agency, which can enforce their rights in accordance with law.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. MASON. This Commission for the disposal of these plants is the agent of what?

Mr. YATES. Of the Government of the United States.

Mr. MASON. And if, as an agent of the Government of the United States, it enters into certain contracts, specific contracts, and then after the job they are supposed to do is over, would not then the person whom they were the agent of take over and enforce those contracts?

Mr. YATES. Who is the Government of the United States for enforcing the contract?

Mr. MASON. Why the Attorney General, of course, is the legal man to enforce the contracts.

Mr. YATES. On behalf of whom? If the gentleman will recall, suits that are brought by the Federal Government are brought through a specific agency that has jurisdiction over the matter. For example, the War Assets Administration used to sue for certain rights within its jurisdiction. The gentleman would not contend, for example, that an agency of the Government such as the Federal Communications Commission could sue to enforce the allocations under these contracts, would he?

Mr. MASON. No, but I would contend an agency of the Federal Government in whose jurisdiction this would be would have to enforce those contracts.

Mr. YATES. I agree with the gentleman. The point I make in reply is that there is no agency of the Government other than the Rubber Producing Facilities Disposal Commission soon to go out of existence, which has jurisdiction and the right to enforce these contracts.

Mr. BYRD. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. BYRD. I am reading from the basic law, section 20:

> After the Commission ceases to exist, such contracts and leases and other matters involving the Commission shall be administered by such agency of the Government as the President may designate.

I reiterate "shall be administered by such agency of the Government as the President may designate." I think that is all very well, but what happens to the rights before the President designates the successor agency? The President can designate in the future but he is not required to. Suppose he does not; will the gentleman tell me what right of enforcement a small purchaser has? It is obvious the President is going to designate somebody or some agency.

Mr. YATES. Why is it so obvious? Has the gentleman anything to indicate that he will make the appointment?

Mr. BYRD. Does the gentleman have anything to indicate that he will not?

Mr. YATES. I have no indication that he will, and I know the Commission is going out of existence.

Mr. BYRD. I rather suspect that he will appoint somebody.

Mr. YATES. The gentleman is entitled to his suspicions.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. YOUNGER. Do I understand you are advocating the sale to the second highest bidder? Is that the argument you are making?

Mr. YATES. No. The gentleman from Illinois is arguing for the rejection of all bids and throwing open the plant to competitive bidding again.

The chairman of the committee, the gentleman from Georgia [Mr. VINSON], pointed out what a great job the Commission had done in selling these plants last year for something like $280 million. I love the gentleman from Georgia [Mr. VINSON]. I respect him and I revere him, but I most respectfully disagree with him. The Commission has never furnished the Congress of the United States with the data, with the earnings data, which would permit us to know the value of these facilities. It has never given us a valuation based on earnings. That is why I asked the Library of Congress to take the earnings of the Commission and fix such a valuation, one based upon a capitalization of earnings. This was done, using the Commission's own figures and a capitalization of 10 percent, which has been approved by the Commission. The companies exceeded the rated capacity last year. Using the figures of the Commission and the actual production figures, using the 10-year factor, we find instead of the price that the Commission accepted of approximately $289 million for the 24 plants, the Library of Congress indicates that the worth of the synthetic rubber plants to be conservatively $516,273,167—over a half billion dollars. This was in accordance with the estimate of Chairman CAPEHART, of the Banking and Currency Committee of the Senate, when that matter was under consideration in 1953. Congressman Shafer, who was floor manager for the disposal bill in 1953, estimated they would be worth in excess of $350 million. The estimate of the Library of Congress, based upon their earnings, is $516,273,000. If that is their value, can we say that the amount received was the full fair value?

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JOHNSON of California. Can the gentleman tell us who made that estimate? We tried to find out but nobody was able to tell us who he was.

Mr. YATES. I told the gentleman's committee yesterday who the people were that made that estimate.

Mr. JOHNSON of California. No. You just told us a man that the Library Research Department picked out—an economist.

Mr. YATES. I told you the names of the people who computed these figures, and I shall place the computation in the RECORD. The calculation was automatic based on the figures submitted by the Commission.

Mr. JOHNSON of California. Another thing I wanted to bring out is that you have continually referred to the fact that no fair value was ever properly estimated. You were at one time a member of the Illinois Public Utilities Commission?

Mr. YATES. That is correct.

Mr. JOHNSON of California. And you know that when you tried to establish rates for electricity or gas or other utilities, the opinions as to value vary widely. For instance, I was in a lawsuit one time where land values varied from $10 an acre to $500 an acre. These determinations are merely matters of opinion; they are not scientific factual determinations.

Mr. YATES. Will the gentleman permit me to answer him?

Mr. JOHNSON of California. Certainly.

Mr. YATES. The gentleman is right about variances of valuation. But the Commission declared that it was following the congressional mandate to use earnings in determining the value of these properties, and that is all that this statement is based on, the earnings of the properties.

Mr. JOHNSON of California. That is not the only test.

Mr. YATES. I am telling the gentleman what the Commission did.

Mr. JOHNSON of California. The gentleman knows that in appraisals the basis is entirely the opinion of the man who looks at the property, and opinions can vary widely.

Mr. YATES. That is true, but new basic data in this computation is the Commission's. Let me just finish my statement. The valuation I just gave to the House was based upon a price for rubber per pound of 23 cents—and that, Mr. Chairman, is after taxes. This is not before taxes; the $516 million was the computation based on earnings after taxes.

If the price of synthetic rubber should go up from 23 cents, which is likely, if it should go up from 23 cents a pound to 24 cents a pound, the valuation jumps to $605 million. If the price of synthetic rubber goes up to 30 cents a pound—and natural rubber right now is almost 50 cents a pound—the value would be over a billion dollars.

Mr. JOHNSON of California. In my opinion that was just a wild guess of

some economist over there; that is my opinion.

Mr. YATES. Suppose the gentleman reserves his judgment until he examines the valuation in the RECORD tomorrow. I think the Library of Congress experts did a good job. However, the gentleman had every opportunity of calling these people before his committee and cross-examining them.

Mr. JOHNSON of California. No,; we had no opportunity to interrogate them.

Mr. YATES. I gave the names to the gentleman's committee yesterday. They could have been called.

Mr. JOHNSON of California. We had no chance to call the individual as we were completely occupied by the hearings.

Mr. YATES. In conclusion, Mr. Chairman, I offer the following recommendations:

That the sale of the Institute plant to Goodrich-Gulf be set aside.

That new legislation be passed promptly authorizing the Commission to take new bids.

That the Commission should not go out of existence until the rights of small business shall have been protected by enforceable agreements signed by the facility purchasers with a permanent Government agency which will assure that small business shall receive a fair share of the synthetic rubber at a fair price.

Mr. Chairman, I respectfully urge the House to support my resolution.

Synthetic rubber facilities computed net operating profit and capitalized value of facilities in 1955 under assumed conditions

[All amounts are millions of dollars]

Price per pound and facilities for production of—	Computed net profit if all facilities operated at percent of assigned capacity [1]				Capitalized value of earnings [2] at 10 percent when facilities operated at—			
	80 percent	90 percent	100 percent	Annual rate May–December 1955	80 percent	90 percent	100 percent	Annual rate May–December 1955
Copolymer: [3]								
23 cents	16.31	18.35	20.39	24.57	163.1	183.5	203.9	245.7
24 cents	22.24	25.02	27.80	33.51	222.4	250.2	278.0	335.1
25 cents	28.18	31.70	35.22	42.44	281.8	317.0	352.2	424.4
26 cents	34.11	38.37	42.63	51.38	341.1	383.7	426.3	513.8
27 cents	40.04	45.04	50.05	60.31	400.4	450.4	500.5	603.1
28 cents	45.97	51.72	57.46	69.25	459.7	517.2	574.6	692.5
29 cents	51.90	58.39	64.88	78.18	519.0	583.9	648.8	781.8
30 cents	57.83	65.06	72.29	87.12	578.3	650.6	722.9	871.2
Butadiene: [4]								
14 cents	16.54	18.61	20.68	27.06	165.4	186.1	206.8	270.6
15 cents	21.02	23.65	26.28	34.39	210.2	236.5	262.8	343.9
16 cents	25.51	28.70	31.89	41.73	255.1	287.0	318.9	417.3
17 cents	29.99	33.74	37.49	49.07	299.9	337.4	374.9	490.7
18 cents	34.48	38.79	43.10	56.41	344.8	387.9	431.0	564.1
19 cents	38.96	43.84	48.71	63.74	389.6	438.4	487.1	637.4
20 cents	43.45	48.88	54.31	71.08	434.5	488.8	543.1	710.8
Copolymer and butadiene:								
14 and 23 cents	32.85	36.96	41.07	51.63	328.5	369.6	410.7	516.3
24 cents	38.78	43.63	48.48	60.57	387.8	436.3	484.8	605.7
25 cents	44.72	50.31	55.90	69.50	447.2	503.1	559.0	695.0
26 cents	50.65	56.98	63.31	78.44	506.5	569.8	633.1	784.4
27 cents	56.58	63.65	70.73	87.37	565.8	636.5	707.3	873.7
28 cents	62.51	70.33	78.14	96.31	625.1	703.3	781.4	963.1
29 cents	68.44	77.00	85.56	105.24	684.4	770.0	855.6	1,052.4
30 cents	74.37	83.67	92.97	114.18	743.7	836.7	929.7	1,141.8

[1] Net profit per pound of 1.32 cents per copolymer plant output and 1.77 cents per pound for butadiene were computed for estimated annual production near 80 percent, in data supplied to the House Committee on Armed Services by the Rubber Facilities Disposal Commission. Charges for depreciation, interest, and insurance, were based on the actual prices and terms at which the facilities were sold. A higher price for the facilities would increase these costs and reduce net income and capitalized value computed from net income. A higher rate of output would reduce these charges per unit of output and increase net income and capitalized value. The computed net profits and capitalized values included in this table were computed without attempting to make adjustments of depreciation and interest, or other overhead, and direct costs, to reflect costs when borne by private owners and operations at higher than estimated capacity rates.

[2] Computed as 10 times net profits shown in appropriate columns.

[3] Assigned annual capacity 689,600 long tons. Annual production estimated at time of sale, 540,466 long tons. Production at 80 percent of capacity, 551,680 long tons; at 90 percent, 620,640 long tons; at annual rate of May–December 1955, 831,000 long tons, or 120.5 percent of assigned capacity.

[4] Assigned annual capacity 584,000 short tons. Annual production estimated at time of sale, 494,000 short tons. Production at 80 percent of capacity, 467,200 short tons; at 90 percent, 525,600 short tons; at annual rate of May–December 1955, 764,300 short tons, or 130.9 percent of assigned capacity.

The CHAIRMAN. The gentleman from Illinois has consumed 56 minutes.

Mr. VINSON. Mr. Chairman, I yield 15 minutes to the gentleman from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. Chairman, I was the author of H. R. 7301, the bill which became Public Law 336 last year, and which provided for sale of the Institute facility. Plancor 980 is located in my congressional district, a district which is a labor distress areas.

A few months ago the widely circulated U. S. News & World Report presented an article entitled "Where Jobs Are Hardest To Get." In that article it was said that the national average was a fraction more than 1 jobless area per State, but West Virginia was shown as having 13 labor distress areas.

Only last month out of a total population of less than 2 million people, 208,660 of my fellow West Virginians kept body and soul together by virtue of their receiving Government surplus commodities. The sale of the plant at Institute, W. Va., therefore means something in terms of jobs and food and clothing to the people of my State.

The Rubber Producing Facilities Disposal Commission in accordance with the terms of the law proceeded last fall to negotiate a contract of sale of the Institute plant to Goodrich Gulf Chemicals, Inc. The Commission's report has properly been submitted to the Attorney General of the United States and to the Congress. Today, we have before us a resolution which would disapprove the sale. This matter, I believe, has been rather adequately covered already. You have heard the pros and cons. At the risk of repetition, however, I would like briefly to emphasize a few of the salient facts about this sale before you vote on the resolution introduced by my friend and distinguished colleague, the gentleman from Illinois.

The bid submitted by Goodrich-Gulf was, in the words of the Commission, the only bid representing full fair value. On the chart here before you I have shown a bar representing the price offered by Goodrich-Gulf, the amount of $11 million being the high bid.

Some question has been raised as to who is to say what is full fair value? My answer to that would be, that the Commission was created to do this under the law. That was one of the functions which the Commission was expected to perform. Certainly on the basis of the past sales consummated by the Commission, upon the basis of experience, and with all of the pertinent facts and figures possessed by the Commission, the Commission was in a most advantageous position, better than any of the rest of us, to determine just what full fair value would be.

The second highest bid, as you can see here, was the $5.8 million offered by Edwin W. Pauley.

One of the criteria which governed the disposal of these plants was that the sale should best foster the development of a competitive industry. I do not need to tell you that for the Commission to have negotiated a sale to this firm would have meant in reality a Government subsidy, and would have given this firm a competitive advantage over other producers. It would not have best fostered a competitive industry. So the Commission determined that the Goodrich-Gulf offer was the only bid which represented full fair value and which would, at the same time, best serve to strengthen competition in the synthetic-rubber industry.

A question has also been raised as to why the Commission proceeded to negotiate from a figure of $9 million. I quote from the original disposal act, section 16, which says:

In arriving at its recommendation for the disposal of the facilities, the commission shall use as the basis for negotiating the sale of each facility the highest amount proposed to be paid upon each facility.

Goodrich-Gulf proposed to pay $9 million. According to the law, then, the Commission should use as the basis for negotiating the sale the highest amount proposed.

There are some who say that to sell this plant to Goodrich-Gulf would be to contribute to the creation of a monopoly. I realize that the Attorney General stated in his findings that with Institute Goodrich-Gulf would possess 25.2 percent of the total capacity of synthetic rubber production, but the Attorney General went on to state that this figure did not take into account the publicly announced

expansions of competitors. He admitted it in his statement of findings. Many of these competitors have already spent money to expand their plants. They have announced plans for further expansion. So, in order to see just where Goodrich-Gulf will rank among the various synthetic rubber plants, we should in all fairness project our figures into the future to such a time as all competitors will have completed their plans of expansion and to the time when all three lines of the Institute facility will have begun operating.

The Institute facility has 3 units each capable of producing 41,000 long tons. Because of the shortage of butadiene, which is the major raw component of synthetic rubber, it will be impossible for Goodrich-Gulf to operate more than one line of the Institute plant until approximately 18 months hence. Then, how can we say that this company will be in a position of producing one-fourth of all the synthetic rubber in the United States when it will not be able to get but one line into operation for a period of approximately 18 months, at which time the expansions of competitors will have been finalized, and which expansions will necessarily reduce the ratio of Goodrich-Gulf production as compared to that of other competing firms. On the accompanying chart here, you see the maximum percentage of rubber which Goodrich-Gulf will ultimately be able to produce as being 19.9 percent. The next closest producer will be Firestone, with 17.4 percent. There will be a difference between the two top producers of 2.5 percent.

Now, bear in mind that this chart does not take cognizance of the fact that the Shell Co. has announced plans to materially expand its plant. As yet it has submitted no figures as to the extent of expansion it intends to carry out, but, we can rest assured that any expansion by Shell will again serve to materially reduce the percentages of all other competitors including Goodrich-Gulf.

So I repeat that after all planned expansion has taken place, Goodrich-Gulf will produce only 2.5 percent more synthetic rubber than will the nearest competitor, Firestone, and yet following the first disposals in April of 1955, Firestone possessed 18.8 percent of the total capacity, which was 2.2 percent greater than its closest competitor, Goodyear, yet, at that time, mind you, not one question was raised by the Congress or the Commission or the Attorney General about Firestone's possessing 18.8 percent of the total capacity, but now that Goodrich-Gulf is going to possess 1.1 percent more capacity than did Firestone after the first disposals, a lot of people have raised their eyebrows.

Mr. Chairman, Goodrich-Gulf has committed itself to supply small businesses with 50 percent, or 21,000 long tons, of the production of the first line at Institute. The Commission stated that this was the highest commitment made by any bidder on the Institute facilities. Goodrich-Gulf also has committed itself publicly and before congressional committees and to the Commission that it will supply 67 percent of the total output of the Institute facility to small businesses.

Now let us just take a look at the performance of companies which have committed themselves to supplying small businesses.

Let me say parenthetically that Goodrich-Gulf, when it purchased the Fort Natchez plant last year made a commitment to supply small business with 15,000 long tons of synthetic rubber. What does the record show? It shows that Goodrich-Gulf has actually supplied 19,000 long tons to small business. The total overall commitments at the close of the first disposals in April of last year amounted to 106,739 long tons. Let us see what the record of performance shows. There has been some doubt as to the ability or the intention of these producers to supply small businesses with rubber in the amounts committed. The actual performance is shown in this line of the chart. Total sales amount to 144,731 long tons. I would say that this is a performance which would inspire public confidence in the rubber producers of this country.

We now reach the final chart and it raises two questions about Institute: Loss or profit? As it now stands, Institute is costing the Government of the United States $240,000 a year to maintain in standby. The Federal, State, and local governments are not collecting taxes from that plant. Are we going to continue to let this plant deteriorate? Are we going to continue to let it be a dead horse costing the taxpayers $240,000 a year?

On the other side of the chart we find this. If this plant is reactivated, it will mean the immediate employment of about 300 men. My colleague from Illinois [Mr. YATES] said that we will be buying a pig in a poke. I should like to say this. The gentleman raised the point that the plant would only be operating one line. But while that one line is operating, remember this; Goodrich-Gulf is going to spend $6 million modernizing this plant, which will mean additional employment, which will also mean additional purchasing power and a more stable economy in West Virginia. And instead of the Government paying out $240,000 a year, the Government will be a partner in this enterprise. It will be collecting 52 percent of the profits in taxes plus the income taxes from men employed. Not only will the Federal Government be collecting taxes, but the State and local governments will be collecting money in taxes. Moreover, once the institute plant begins operating, it will encourage the location of additional industries in the area. And finally let me say that the reactivation of this plant is in the best interests of national security. Is it not in accord with the military policy of this country to disperse vital industries? This plant is located a long distance away from the synthetic rubber producing plants which are situated in the gulf coast area. I say that we today should take the necessary action to insure the reactivation of this plant by a company which is an experienced and capable producer of synthetic rubber, that it might proceed with modernizing the plant and begin placing into the hands of the consuming public synthetic rubber.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BYRD. I yield to my distinguished colleague from Louisiana.

Mr. BROOKS of Louisiana. I should like to ask the gentleman, inasmuch as this plant is located in his congressional district, is there any opposition locally to the sale of this plant to the Goodrich-Gulf Co.?

Mr. BYRD. I am delighted that my colleague asked that question. There is no opposition. All of West Virginia looks today to the Congress of the United States to make possible the reactivation of this plant.

Mr. BROOKS of Louisiana. May I say further to the gentleman that I have listened to every word of his speech. I think he has presented a very, very strong argument in favor of the ratification of the sale and the voting down today of this resolution.

It strikes me that on the one hand we have a plant that is going to pieces gradually, that is not earning anything; you have people out of work and needing jobs. On the other hand you have an opportunity to sell this plant at a very good price, apparently. It will put people to work, give them jobs, and put this property back on the tax rolls. The locality, too, will profit from a growing industry. If you accept that and put that plant back into operation by selling it to private industry, you still retain the antimonopoly powers of the Government, and you can still go in there at a later date in the event some monopoly practice materializes we do not see today and break it up by the proper and vigorous enforcement of the antimonopoly laws of the country.

Mr. BYRD. I thank my colleague for his comment. I agree with him.

In closing, may I say that I congratulate and commend the Rubber Facilities Disposal Commission on its good work in disposing of these plants. I also wish to thank the others of the West Virginia delegation in the House and Senate and the members of the House Committee on Foreign Affairs for their wonderful assistance in this matter. The Governor of West Virginia has assisted too. I am very much indebted to Congressman VINSON particularly. I must compliment Congressman YATES on his sincerity of purpose. In conclusion, I ask the Members of Congress to vote "no" on this resolution. A "no" vote means the reactivation of the Institute plant at Institute, W. Va., and jobs for my fellow West Virginians.

Mr. VINSON. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, most of my colleagues in the House are well aware that the economy of the State of West Virginia is far below the level of the economy of the Nation as a whole. I am interested in this legislation because of the boost it will mean to West Virginia's economy. There is involved the possibility of some 800 jobs. No State in the Union needs jobs for its workmen more than West Virginia does. I am going to be selfish in my approach.

Let me remind you that if this resolution is disapproved and the sale is permitted to go through the Government will receive a greater percentage of its original investment than it has received in the sale of any 1 of the more than 20 rubber plants that have been disposed of. The Government will relieve itself of the maintenance cost of $240,000 a year. The city of Charleston and the county of Kanawha will be able to acquire, when the title from the Federal Government is passed into the hands of the Goodrich-Gulf people, an assessed valuation of some $10 or $12 million, which will help materially in defraying the costs of the local and county governments, a burden that plant should help share at the present time but which it is not sharing because the title is in the Federal Government.

Again, let me say to you and to the members of this committee that disapproved the resolution offered by the distinguished gentleman from Illinois that I think the committee acted wisely, and I want to commend them. That same committee, the Committee on Armed Services, in allocating several billion dollars worth of Federal installations some few years ago, overlooked the State of West Virginia completely. It is the only one of the 48 States that did not receive some kind of Federal defense facility. Here is an opportunity for the Congress to do something that will help to relieve the economic situation and the unemployment situation which is still rampant in the State of West Virginia. Some 62,000 men and women are still unemployed.

I urge my colleagues to defeat the Yates resolution and approve the sale of this property, as provided in the original bill offered by my distinguished colleague [Mr. BYRD].

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I am glad to yield to the gentleman.

Mr. GAVIN. In that event the vote would be "no"; is that right?

Mr. BAILEY. That is right.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume within the time remaining.

Mr. Chairman, I want first to congratulate and commend my good friend, the gentleman from West Virginia [Mr. BYRD] upon the very splendid presentation he has made in support of his position in this debate. Throughout the debate he has demonstrated real ability, a very fine spirit and a thorough grasp of the problems involved. I know that his motives are of the highest in seeking to have the sale approved.

I want, too, to thank the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON] for the very gracious and very courteous hearing that he gave me yesterday before his committee and for the exceedingly generous manner in which he has treated me at all times.

Mr. Chairman, I have no further requests for time. I want only again to urge the House to consider the effect that this sale will have upon one of the major industries of the country and upon the Nation's economy. If the members believe that this sale will tend to promote monopoly in the synthetic rubber industry, I believe they should support my resolution. I urge them to support my resolution.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa [Mr. CUNNINGHAM], a member of the Committee on Armed Services, to close the debate.

Mr. CUNNINGHAM. Mr. Chairman, many in this room recall the 7th of December 1941. Many in this room recall that shortly thereafter there was great concern in America as to whether or not we would have sufficient rubber to support our defense effort. I recall people advising us to take the rubber mats out of our automobiles. Others advocated turning in our hot-water bottles. I recall that automobile tires were rationed. Why? Because this Congress and the people of America were very much concerned and distressed as to whether or not we would be able to have sufficient rubber to carry on the war successfully. Then, I also recall we had here shortly after Pearl Harbor the Guayule bill to get rubber from the Guayule plant which was brought out by the Committee on Agriculture. We passed that bill. Whatever happened to it, I do not recall. But, shortly thereafter, there were exhibits in the caucus room here and in hotels put on by the petroleum industry and the alcohol industry to show the Members what could be done in the way of synthetic rubber being made from those products with the result that eventually a total of 28 plants was built throughout the United States for the manufacture of various kinds of synthetic rubber such as the butadiene plants and copolymer plants and so forth. Today we are concerned with the disposal of the last of those plants, the copolymer plant.

At this point, I want to pay tribute to the subcommittee of the Committee on Armed Services and to the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], and our former chairman, the gentleman from Missouri [Mr. SHORT], for the help and support they gave to this subcommittee which worked long and arduously to get a bill to provide for a commission to sell these plants to the advantage of the Government of the United States and get them back to private industry. I also wish to compliment and pay tribute to some of the staff members who worked with this subcommittee, particularly Mr. Smart and Mr. Blandford. I think they have done a magnificent job for the American people and for the taxpayers.

Mr. Chairman, I would like to make a couple of observations. In my district, north of Des Moines, we had built during the war a small-arms factory making small-arms ammunition for the war effort. After the war was over, it was declared surplus and eventually sold by the General Services Administration. To whom? To the United States Rubber Co. For how much? For about 10 cents on the dollar of the original cost. There is no provision that the United States Rubber Co. protects small business or that it provide a certain amount of rubber for the country in the case of another war effort. Let me take you to San Diego, Calif. We had a plant out there that cost about $12,500,000 to build. It was declared surplus and was sold to the highest bidder for $1,050,000. It was not long before this bidder resold 15 percent of it for about $3 million. The Korean war came on and we had to get it back, and the owner asked $15 million for the remainder. During a war we have to pay a lot, and then we sell at a loss.

Not so in these rubber-disposal plants. This Commission, appointed by the President under authorization of the Congress, has gotten back almost 100 cents on the dollar for these plants. For the actual sale against the actual cost it would be over 50 percent as compared with the average of all of about 10 percent. I do not see how we can possibly vote for this resolution and throw this back, in face of that record.

This Commission had three objectives when it started out, after its appointment by the President. One was to get as good a price for these plants as possible. The second was to see that small business would get its share of the rubber; and, third, that there would be sufficient rubber produced in those plants that in the event of another war we would not be caught short. In each and every contract there is a guaranty that a certain amount of long tons of rubber will be produced continuously, so that in case of another war or emergency we will not have a shortage of rubber for our forces.

In addition to that, in this particular sale, 67 percent of the long tons to be manufactured at the Charleston, W. Va., plant will be allocated to small business, and percentages similar to that throughout the sale of all these plants has been provided for. I do not see how any Commission could have done a better job for the security of America, for the taxpayers, and for all concerned, including small business, than this Commission has done.

In conclusion I ask you to vote against this resolution. I want to congratulate everyone who had anything to do with the sale of these plants.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

The Clerk read as follows:

Resolved, That the House of Representatives does not favor sale of the Institute, W. Va., copolymer plant, Plancor 980, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

Mr. VINSON. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that it be not agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILLIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Resolution 396, had directed him to re-

port the same back to the House with the recommendation that it be not agreed to.

The SPEAKER. The question is on the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. VINSON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 61, nays 310, not voting 63, as follows:

[Roll No. 7]

YEAS—61

Addonizio	Fernandez	Metcalf
Anfuso	Fogarty	Multer
Ashley	Forand	Murray, Ill.
Aspinall	Friedel	O'Hara, Ill.
Bolling	Garmatz	O'Neill
Boyle	Gordon	Patman
Burdick	Granahan	Perkins
Byrne, Pa.	Gray	Pfost
Cannon	Green, Pa.	Polk
Carnahan	Heselton	Powell
Celler	Johnson, Wis.	Price
Christopher	Jones, Ala.	Rhodes, Pa.
Chudoff	Karsten	Rodino
Davidson	Kelly, N. Y.	Rogers, Tex.
Delaney	Keogh	Sisk
Denton	Klein	Sullivan
Dollinger	Kluczynski	Wier
Elliott	Lanham	Yates
Engle	Mack, Ill.	Zelenko
Evins	Magnuson	
Feighan	Marshall	

NAYS—310

Abbitt	Cole	Harris
Abernethy	Colmer	Harrison, Nebr.
Adair	Cooley	Harrison, Va.
Albert	Coon	Harvey
Alexander	Cooper	Hayworth
Alger	Corbett	Hébert
Allen, Calif.	Cretella	Henderson
Allen, Ill.	Crumpacker	Heriong
Andersen, H. Carl	Cunningham	Hess
	Curtis, Mo.	Hiestand
Andresen, August H.	Dague	Hill
	Davis, Ga.	Hillings
Andrews	Davis, Wis.	Hinshaw
Arends	Dawson, Utah	Hoeven
Ashmore	Dempsey	Hoffman, Mich.
Auchincloss	Derounian	Holifield
Avery	Devereux	Holland
Ayres	Dies	Holmes
Bailey	Diggs	Hope
Baker	Dingell	Horan
Baldwin	Dixon	Hosmer
Bass, N. H.	Dolliver	Huddleston
Bass, Tenn.	Dondero	Hull
Bates	Donohue	Hyde
Baumhart	Donovan	Ikard
Becker	Dorn, N. Y.	Jackson
Belcher	Dorn, S. C.	Jarman
Bennett, Fla.	Dowdy	Jenkins
Bennett, Mich.	Doyle	Jennings
Berry	Durham	Jensen
Betts	Edmonson	Johansen
Blatnik	Ellsworth	Johnson, Calif.
Blitch	Fallon	Jones, Mo.
Boggs	Fascell	Jones, N. C.
Boland	Fenton	Kean
Bolton, Frances P.	Fino	Kearney
	Fjare	Kearns
Bonner	Flood	Keating
Bosch	Flynt	Kee
Bow	Ford	Kelley, Pa.
Boykin	Forrester	Kilburn
Bray	Fountain	Kilday
Brooks, La.	Frazier	Kilgore
Brooks, Tex.	Frelinghuysen	King, Calif.
Brown, Ga.	Fulton	Kirwan
Brown, Ohio	Gary	Knox
Broyhill	Gathings	Krueger
Budge	Gavin	Laird
Burleson	Gentry	Landrum
Burnside	George	Lane
Bush	Grant	Lankford
Byrd	Gregory	LeCompte
Byrnes, Wis.	Griffiths	Lesinski
Carlyle	Gross	Lipscomb
Carrigg	Gwinn	Long
Cederberg	Hale	Lovre
Chelf	Haley	McConnell
Chenoweth	Halleck	McCormack
Church	Hand	McCulloch
Clark	Harden	McDonough
Clevenger	Hardy	McDowell
McGregor	Radwan	Talle
McIntire	Rains	Taylor
McMillan	Ray	Teague, Calif.
McVey	Reece, Tenn.	Teague, Tex.
Macdonald	Rees, Kans.	Thomas
Mackrowicz	Reuss	Thompson, La.
Madden	Rhodes, Ariz.	Thompson, Mich.
Mahon	Richards	
Mason	Riehlman	Thompson, N. J.
Matthews	Riley	Thompson, Tex.
Meader	Rivers	Thomson, Wyo.
Merrow	Roberts	Thornberry
Miller, Calif.	Robeson, Va.	Tollefson
Miller, Md.	Robsion, Ky.	Trimble
Miller, Nebr.	Rogers, Colo.	Tuck
Miller, N. Y.	Rogers, Fla.	Udall
Mills	Rogers, Mass.	Utt
Minshall	Roosevelt	Vanik
Morgan	Rutherford	Van Pelt
Moss	St. George	Van Zandt
Moulder	Saylor	Velde
Mumma	Schenck	Vinson
Murray, Tenn.	Scherer	Wainwright
Natcher	Scott	Watts
Nelson	Scrivner	Weaver
Nicholson	Scudder	Westland
Norrell	Seely-Brown	Wharton
O'Brien, N. Y.	Selden	Whitten
O'Hara, Minn.	Sheehan	Wickersham
O'Konski	Sheppard	Widnall
Osmers	Short	Wigglesworth
Ostertag	Shuford	Williams, Miss.
Passman	Sieminski	Williams, N. J.
Pelly	Sikes	Williams, N. Y.
Philbin	Siler	Willis
Phillips	Simpson, Ill.	Wilson, Calif.
Pilcher	Simpson, Pa.	Wilson, Ind.
Poage	Smith, Kans.	Winstead
Poff	Smith, Miss.	Withrow
Preston	Smith, Wis.	Wright
Priest	Springer	Young
Prouty	Staggers	Younger
Quigley	Steed	Zablocki
Rabaut	Taber	

NOT VOTING—63

Barden	Eberharter	Mollohan
Barrett	Fisher	Morano
Beamer	Gamble	Morrison
Bell	Green, Oreg.	Norblad
Bentley	Gubser	O'Brien, Ill.
Bolton, Oliver P.	Hagen	Patterson
	Hays, Ark.	Pillion
Bowler	Hays, Ohio	Reed, Ill.
Brownson	Hoffman, Ill.	Reed, N. Y.
Buckley	Holt	Rooney
Canfield	Holtzman	Sadlak
Chase	James	Schwengel
Chatham	Jonas	Shelley
Chiperfield	Judd	Smith, Va.
Coudert	King, Pa.	Spence
Cramer	Knutson	Tumulty
Curtis, Mass.	Latham	Vorys
Davis, Tenn.	McCarthy	Vursell
Dawson, Ill.	Mack, Wash.	Walter
Deane	Mailliard	Wolcott
Dodd	Martin	Wolverton

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. O'Brien of Illinois for, with Mr. Mollohan against.

Mr. Barrett for, with Mrs. Green of Oregon against.

Mr. Eberharter for, with Mr. Wolverton against.

Mr. Buckley for, with Mr. Shelley against.

Mr. Walter for, with Mr. Morrison against.

Mr. Rooney for, with Mr. Hays of Arkansas against.

Mr. Bowler for, with Mr. Coudert against.

Mr. Dawson for, with Mr. Jonas against.

Mr. Dodd for, with Mr. Bentley against.

Mr. Holtzman for, with Mr. Beamer against.

Mr. Tumulty for, with Mr. Davis of Tennessee against.

Until further notice:

Mr. Smith of Virginia with Mr. Martin.

Mr. Barden with Mr. James.

Mr. Bell with Mr. Cramer.

Mr. Chatham with Mr. Canfield.

Mr. Deane with Mr. Reed of New York.

Mr. Fisher with Mr. Chiperfield.

Mr. Hagen with Mr. Sadlak.

Mr. Hays of Ohio with Mr. Latham.

Mrs. Knutson with Mr. Judd.

Mr. McCarthy with Mr. Norblad.

Mr. Spence with Mr. Morano.

Mr. BOYLE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. JOHANSEN. Mr. Speaker, rejection of House Resolution 396, just voted by this House, has the effect of approving sale of the Institute, W. Va., copolymer plant to private industry, thereby virtually completing the synthetic rubber disposal program.

I cannot permit this occasion to pass without paying tribute to my distinguished and beloved predecessor, the late Congressman Paul W. Shafer, who was author of both the Synthetic Rubber Act of 1948 and the Synthetic Rubber Disposal Act of 1953.

Today's action by this House is a consummation of the wisdom and labors which he devoted to this problem. I wish, as I know do the Members who served as his colleagues, that he might have been privileged to be here and share in this accomplishment.

It was the Synthetic Rubber Act of 1948 which assured continued operation by the Government of the synthetic rubber plants at a time when there was a real danger that the synthetic rubber industry, under the auspices of either Government or private enterprise, would not survive. It was this legislation which gave the Nation the supply of synthetic rubber urgently needed when the Korean attack occurred 2 years later.

As a firm believer in private enterprise, it was Mr. Shafer's earnest hope that this important segment of American industry would ultimately take its place as a part of the private enterprise system, albeit with adequate safeguards for the interests of national security, a reasonable return to the Government of its investment of tax dollars, adequate safeguards against monopoly abuses and adequate protection for small business.

Congressman Shafer accordingly welcomed the report of the Reconstruction Finance Corporation to the Congress on a proposal for disposal to private industry of Government-owned rubber producing facilities submitted early in 1953. He welcomed this program and he welcomed the support given to this program by President Eisenhower.

A year after the enactment of the Synthetic Rubber Disposal Act of 1953, Congressman Shafer, speaking on the floor of the House March 30, 1954, paid tribute to the work of the Commission appointed by the President to take bids and negotiate for the sale of the Government-owned synthetic rubber plants.

Mr. Shafer at that time and in the face of some passing indications of apathy toward the program within the rubber industry, made this statement:

> I believe there are enough people in private industry in this Nation who have confidence in the future of America to buy these plants at a fair price. I think * * * that there are many companies in this country who are willing to invest in the future of America.

I am sure that were he here today, the late Congressman Shafer would regard the approval given to this and previous

disposal recommendations as a most gratifying vindication of his faith.

Since he could not be here I was proud to be able, by voting against House Resolution 396, to express the satisfaction I feel, and which I am sure he would have shared, over the accomplishments of the House Committee on Armed Services and the Disposal Commission.

GENERAL LEAVE TO EXTEND REMARKS

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the resolution just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ORGANIZATION FOR TRADE COOPERATION

Mr. COOPER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point and include extraneous matter in two instances.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, on April 14, 1955, during the first session of the 84th Congress, I introduced legislation, H. R. 5550, which would authorize United States membership in the Organization for Trade Cooperation. I introduced this legislation as chairman of the Committee on Ways and Means, at the request of the administration.

I have recently received a letter from the President of the United States urging the enactment of this legislation. For the information of the Members of the Congress and other interested persons, I would like to insert at this point in the RECORD the letter which I received from the President and a memorandum prepared for the Cabinet by the Secretary of Commerce, the Honorable Sinclair Weeks, pertaining to the Organization for Trade Cooperation:

THE WHITE HOUSE,
Washington, January 19, 1956.

The Honorable JERE COOPER,
House of Representatives,
Washington, D. C.

DEAR MR. COOPER: You will recall that on December 30, at the bipartisan meeting, I asked that every person present be supplied with a memorandum on the Organization for Trade Cooperation. I enclose a paper prepared for the Cabinet by Secretary Weeks which, in my judgment, tells the OTC story about as briefly as it can be told.

When last July you advised me of your plan to hold hearings on the OTC early in this session, you said that enactment of this legislation is of "vital importance to the continued expansion of markets for our products abroad." This description of our need for OTC is still accurate but this legislation is even more essential today, now that the Soviets have stepped up their activities on the economic front. Not only would the OTC maximize benefits from reciprocal trade agreements for American industry, agriculture, and labor; it would also advance our efforts to strengthen the free world.

The administration will cooperate fully with you in bringing this matter to hearings and in moving it through the Congress as promptly as possible.

With kind regard,

Sincerely,

DWIGHT D. EISENHOWER.

THE SECRETARY OF COMMERCE,
Washington.

Memorandum for the Cabinet.

THE FACTS ABOUT THE OTC: THE ORGANIZATION FOR TRADE COOPERATION

I. WHAT IS OTC?

The OTC would be an organization composed of government representatives from 35 countries, including the major trading nations of the world.

Its major job would be to administer the General Agreement on Tariffs and Trade, in which the United States has participated for a number of years.

H. R. 5550 would authorize the United States to join the proposed OTC.

II. WHAT OTC CANNOT DO

OTC would be exclusively an administrative organization. It could not add to United States obligations under the General Agreement. It could not abridge the powers of the Congress with respect to customs and import duties. It could not make tariff concessions or modify in any way the United States tariff structure.

OTC would not be supranational in any respect. It could not impose obligations on its members. Its method would be persuasion. It could not impair in any way the sovereignty of the United States.

III. NEED FOR OTC

OTC, by attacking measures which discriminate against United States exports and limit the benefits of tariff concessions made to us, would help make our trade agreements truly reciprocal and would facilitate expanding markets abroad for United States industry and agriculture.

Today the General Agreement has no regular administrative machinery. Its business can be conducted, therefore, only at intermittent conferences—this time loss and inefficiency is hurtful to all participating nations. For example, in April 1954 France specially taxes imports from the United States and other countries. With OTC the United States could have had prompt action—without it we had to wait for nearly a year until the cumbersome ad hoc machinery of the General Agreement could be brought to bear on the problem.

OTC is therefore indispensable if we are to resolve currently the many issues constantly arising in day-to-day trade among nations.

OTC would also provide a forum for discussion and solution of other world trade problems, each government remaining entirely free to adopt or reject OTC recommendations.

OTC would also have the important function of assembling and publishing valuable data on worldwide trade movements and trends.

IV. OTC WOULD INCREASE UNITED STATES BENEFITS FROM THE GENERAL AGREEMENT

Today a number of political, military, and financial groupings strengthen the free world and advance American interests abroad. Among these are: NATO (North Atlantic Treaty Organization), SEATO (Southeast Asia Treaty Organization), IMF (International Monetary Fund), IBRD (International Bank for Reconstruction and Development).

Each of these international agreements has an administrative organization to make it effective. The general agreement does not and, therefore, is reduced in value to the United States and every other participating nation. With Soviet economic activities on the increase, the United States must strengthen its cooperation with free nations in the trade field. OTC is essential to this end.

V. UNITED STATES GAINS FROM THE GENERAL AGREEMENT

The general agreement is a multilateral trade agreement among 35 trading nations, including the United States. It is the principal instrument for promoting internationally those trade policies which have been the United States own objectives for many years.

The one major difference between the general agreement and United States policy was eliminated in 1955 when the participating countries gave the United States a broad waiver to impose import quotas unilaterally on agricultural products as required by our domestic agricultural laws.

Under the general agreement many reciprocal tariff reductions have been negotiated and the benefits guaranteed to all members including the United States.

The general agreement encourages the abolition of quotas and import licenses injurious to American enterprise. Between 1953 and 1955, 14 Western European countries removed quantitative restrictions on more than 60 percent of dollar imports.

Through the general agreement, Belgian and German restrictions on imports of United States coal have been almost entirely eliminated, rapidly expanding our coal exports. Previous bilateral discussions between the United States and these countries had failed to accomplish this reduction.

Through mediation under the general agreement international commercial disputes such as one between India and Pakistan involving jute and coal have been amicably settled.

Closer trade cooperation among members of the general agreement has strengthened the western alliance.

VI. SUMMARY

A. The United States has been party to the general agreement for 8 years.

B. The OTC, the agreement's administrative organization, is absolutely essential if United States agriculture, labor, and industry are to receive maximum benefits from the general agreement.

C. OTC could not reduce United States tariffs, increase United States obligations under the general agreement, or impair United States sovereignty in any way.

D. Adoption of H. R. 5550 authorizing United States participation in the OTC is in the national interest.

SINCLAIR WEEKS.

HIGHWAY REVENUE ACT OF 1956

Mr. COOPER. Mr. Speaker, as chairman of the Committee on Ways and Means, I announced the day before yesterday that the committee would begin public hearings on Wednesday, February 15, 1956, on the Highway Act of 1956 (H. R. 9075) introduced by my committee colleague, the Honorable HALE BOGGS, of Louisiana, who served as chairman of the subcommittee on this subject during the last session of Congress.

In announcing these hearings I issued a press release so that interested persons could be informed as to the procedure that may be followed by the committee in conducting these hearings.

The distinguished gentleman from Louisiana also issued a press release with respect to his bill, the Highway Revenue Act of 1956 (H. R. 9075).

So that the Members of Congress and other persons who may be interested in this legislation may have the information contained in these two press re-

leases, I request that they be printed at this point in the RECORD:

HONORABLE JERE COOPER, CHAIRMAN, COMMITTEE ON WAYS AND MEANS, ANNOUNCES PUBLIC HEARINGS ON THE HIGHWAY REVENUE ACT OF 1956 (H. R. 9075)

The Honorable JERE COOPER, chairman, Committee on Ways and Means, today announced that the committee would hold public hearings on the Highway Revenue Act of 1956, H. R. 9075, introduced by the Honorable HALE BOGGS, Democrat, Louisiana. This legislation would provide for raising the necessary Federal revenues to finance the proposed new Federal highway program.

The hearings will began on Wednesday, February 15, 1956, and it is hoped that they can be concluded by Tuesday, February 21, 1956.

Chairman COOPER announced that the hearings will not be limited solely to the revenue sources described in the bill. Comments from witnesses are also desired on other possible revenue sources which witnesses may feel will warrant Committee consideration.

The bill introduced by Mr. BOGGS would raise (1) the present 2 cents a gallon tax on gasoline to 3 cents; (2) the present 2 cents a gallon taxes on diesel fuel and special motor fuels to 3 cents; (3) the present 5 cents a pound tax on tires to 8 cents; (4) the present 8 percent tax on trucks, trailers, and buses to 10 percent; and (5) provide a 3 cents per pound tax on camelback or retread rubber.

The rates of increase for the taxes described above are fixed in the interest of obtaining a free exchange of views on what these rates should be from witnesses appearing before the Committee on Ways and Means. The items on which increases are proposed by the Boggs bill would be temporary increases, effective for only the period in which the proposed highway bill would be in effect. The termination dates for the new rates are fixed at July 1, 1971 under the bill.

The Boggs bill would impose the tax increases described above only with respect to highway vehicles. In addition, it provides a special exemption in the case of the gasoline, diesel and special-motor-fuels taxes for municipal and other local transportation systems.

It is estimated that the proposed new road program, together with the existing highway program (for other than Federal domain roads such as those in the national parks) will cost approximately $35 billion over the next 15 years. Existing highway-use taxes, namely, those on gasoline, diesel and special motor fuels, and tires and tubes are expected to raise approximately $22 billion over the same period. The Boggs bill would raise about $12 billion in additional revenues over the next 15 years to make the highway program self-financing.

Persons desiring to testify on the legislation may arrange to do so by submitting a written request to the clerk of the Committee on Ways and Means, room 1102, New House Office Building, Washington, D. C., by Monday, February 13, 1956. It is desired that to the maximum extent possible interested groups designate one representative as spokesman for an industry or association. The chairman has instructed the clerk to receive prepared statements (in triplicate) from persons who desire to have a statement included in the printed record of the hearings in lieu of a personal appearance. Such statements for inclusion in the record must be received in the committee office not later than February 25, 1956.

Pursuant to the usual committee practice, it is requested that each witness furnish the clerk with 50 copies of his prepared testimony for the use of the committee, 24 hours in advance of his scheduled appearance. Witnesses who desire to have their prepared statements distributed to the press should furnish the clerk with an additional 50 copies for this purpose.

HON. HALE BOGGS, DEMOCRAT, LOUISIANA, MEMBER OF THE COMMITTEE ON WAYS AND MEANS, ANNOUNCES THE INTRODUCTION OF THE HIGHWAY REVENUE ACT OF 1956 (H. R. 9075)

The Highway Revenue Act of 1956 (H. R. 9075) which I have introduced today seeks to provide the framework for the additional revenues required for a pay-as-you-go national roadbuilding program.

The bill which will be considered by the full Committee on Ways and Means at public hearings beginning Wednesday, February 15, 1956, supplements the Fallon bill now being considered by the Committee on Public Works, and is the result of intensive studies on the part of the Ways and Means Committee staff, working with the staffs of the Joint Committee on Internal Revenue Taxation, the Treasury Department, and the Bureau of Public Roads.

This legislation will set aside for highway purposes all of the revenues now derived from gasoline, diesel fuel, special motor fuels, and tires and inner tubes. This represents a vast increase in the present approximately $700 million per annum from these sources now being used for highway purposes.

Over the 15-year period of the program, it is estimated that almost $22 billion of the approximately $35 billion required will be derived from existing revenues.

We have after much study written in exemptions from the proposed increase in taxes. These exemptions would include bus transportation systems operated within metropolitan areas, fuels and tires which are used on vehicles which are not highway vehicles, and the farmers' exemption provided for in legislation recently passed by the House of Representatives.

Every study indicates the tremendous need for the proposed highway program, both from the point of view of the economic development and security of the Nation.

The Congress last year rejected the bond proposal which carried estimated interest charges of about $11 billion. The pay-as-you-go program will save these enormous costs to the American people. Actually, the additional revenues which would be produced by my bill are only about $1 billion more than this interest item alone would have been.

The Commission on Intergovernmental Relations, in its report to the President on June 20, 1955, recommended that the interstate highway system be financed on a pay-as-you-go basis and that the Congress provide additional revenues for this purpose primarily from increased motor-fuel taxes. As stated by the Commission, increased taxes are preferable to deficit financing as a means of supporting larger highway outlays by the National Government, because deficit financing would result in high interest charges and shift the burden of payment to citizens of a future generation who will have continuing highway and other governmental responsibilities of their own to finance.

It is understood that the President, after a conference with the Honorable JOSEPH W. MARTIN, JR., Republican, of Massachusetts, House Republican leader, has decided to abandon his plan for issuing bonds as a means of financing the highway program, and that the President now approves and supports the proposed pay-as-you-go method of financing, to which Mr. MARTIN has pledged bipartisan support.

The following new rates are proposed in the bill: Gasoline, diesel fuel, special motor fuels, from 2 to 3 cents; tires, from 5 to 8 cents; camelback or tread rubber, to be taxed at 3 cents per pound; and the excises upon trucks, buses, and truck trailers, from 8 to 10 percent.

It is estimated that these levies will yield about $12 billion over the 15-year period (fiscal year 1957–71) as set forth in the following table:

Anticipated revenue yield

Item	Rate		Revenue [1]		
	Present	Proposed	Present	H. R. 9075 [2]	Total
Gasoline	2 cents	3 cents	$18.0	$8.6	$26.6
Diesel fuel	do	do	.5	.2	.7
Special motor fuel	do	do	.2	.1	.3
Trucks, buses, and trailers	8 percent	10 percent	(3.5)	.9	.9
Tires	5 cents	8 cents	3.3	2.0	5.3
Camelback		3 cents	0	.2	.2
			22.0	12.0	34.0

[1] Dollar figures in billions.
[2] Adjusted for exemptions previously indicated.

NOTE.—Parentheses indicate figure not included in total.

It is my hope that we will have full cooperation of all of the Government departments, the affected industries, and the public at large so that we may be able to pass this legislation providing the money to build the roads at the same time that we pass the legislation providing for the roads.

UNITED STATES MERCHANT MARINE

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, foreign nations which have objected to the shipment of 50 percent of United States Government-sponsored cargoes on American-flag ships are in effect unwittingly endangering their own security. If, through their efforts and propaganda, they succeed in getting Congress to repeal our Cargo Preference Act—which is the so-called 50–50 law—they will succeed also in driving most of our tramp fleet off the seas. Since the end of the war, the bulk of our tramp fleet has already gone out of business because, being unsubsidized, they have been unable to compete with foreign flagships whose operating costs are from one-fourth to one-third those of United States tramps.

It is estimated by maritime authorities that about 75 additional tramps will go out of business if they are not permitted to carry 50 percent of our aid cargoes and agriculture surpluses being

sold abroad under Public Law 480. While 75 ships is not a huge number, the fact is that, according to military authorities, our Nation is even now about 600 active ships short of the number needed to meet the initial and immediate requirements of an emergency.

The shortage of active ships in the event of an emergency would undoubtedly be much more catastrophic than has ever heretofore been the case in our history. It is quite improbable that we or our allies would have much more than a fraction of the time to prepare ourselves that we had in World War I or II. We would not have the time to reactivate or build the ships which would be needed to meet military requirements. That could well be catastrophic for both our allies and ourselves.

The experience of World War II should be a clear warning to both. Military spokesmen and others have stated that without our merchant fleet we could not have won the war; and that the conflict was a touch-and-go matter, dependent in large measure upon the availability of ships. The wartime head of the Army Transportation Department testified before the House Committee on Merchant Marine and Fisheries to the effect that the No. 1 priority of World War II for a long period of time was not airplanes, tanks, guns, or naval vessels, but was the carrying of cargoes to our European allies. That simply meant that what we needed most was commercial ships to carry the cargoes.

The Germans knew that and therefore intensified their submarine warfare. At the outset of the war they only had about 60 or 70 submarines. The Russians today have at least 400.

Our foreign friends today say that because of a NATO agreement providing for a Defense Shipping Authority we need not be so concerned about an emergency. They say, in effect, that they will supply our defense ship needs. Unfortunately, history contradicts them. They were our allies in World War II, and all of their ships were pooled in an effort to meet shipping requirements. But we found that as in World War I we could not rely upon our allies for the ships we needed. We had to launch a desperate shipbuilding program, and in the final analysis we supplied our allies with about 5½ millions of tons of ships as against some 800,000 tons which they supplied to us.

We barely had time enough to build those vitally needed ships in the last war. We will not have as much time in the next emergency. Our foreign friends would do well to remember this because their own security is at stake. The fewer active ships we have in our fleet the more vulnerable is their own position. Their efforts to scuttle our 50–50 law could well scuttle themselves.

IRRIGATION WATER FOR ARIZONA

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, I have today introduced a resolution directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes.

On June 20, 1955, the Congress extended the act of July 3, 1952, related to research in the development and utilization of saline water. The program was extended for a 13-year period, and the amount of $10 million was authorized for the research program. The program calls for close cooperation and coordination of the saline-water research program with the Atomic Energy Commission and the Civil Defense Administration in the interest of achieving the objectives of the program.

The resolution that I have introduced in the House and which the junior Senator from Arizona will introduce in the Senate is to further implement the idea of the saline program that was adopted in the first session of this Congress. On January 18, 1956, the Honorable Douglas McKay, Secretary of the Interior, in his annual report on the Department's saline-water-conversion program stated that the results achieved thus far, together with the great potential value of opening vast new sources of water supplies through conversion processes, "clearly justify the accelerated prosecution of the work." The Secretary further states that the economical improvement of brackish waters for many irrigation uses is definitely in sight. In the light of the progress that has been made in the conversion of sea water and brackish inland water to fresh water, I feel that it is not too early to begin planning the use of sea water for irrigation purposes in Arizona.

I am aware of the fact that in 1931 the then senior Senator from Arizona, the Honorable Henry F. Ashurst, with his usual foresight, introduced a proposal that the United States acquire land from Mexico which would give the State of Arizona a seaport on the Gulf of California. The reaction of the Mexican Government was not favorable. I am further aware that Article 27 of the Constitution of the Republic of Mexico of 1917 offers a possible impediment to the acquisition of territorial rights for any land in Mexico. However, I am sure that our good neighbors in Mexico are as anxious as we are to adopt the utilization of sea water for the use of people and agriculture, and that it is possible to arrive at an agreement for the transportation of desalinized sea water from the Gulf of California to inland areas of this country and of Mexico. With this aim in view, the resolution has been introduced. It is not my intent thereby to impair in any way the sovereignty which the great Republic of Mexico exercises over the land within its borders.

As the problem of adequate water is one that has ceased to be restricted to the western areas of our Nation, I am sure that representatives of all of our States will recognize the need for adequate preparation for that day when sea water may be usable for irrigation, municipal and industrial purposes.

THE MIDDLE EAST SITUATION

The SPEAKER. Under previous order of the House, the gentlewoman from New York [Mrs. KELLY] is recognized for 120 minutes.

Mrs. KELLY of New York. Mr. Speaker, I have obtained this time today in order to address myself to the most serious and explosive situation existing in the Middle East. I know that many of my colleagues desire to participate in this call for action and I will yield to them after a brief statement.

No one can disagree that the leaders in the Kremlin have thrown a firebrand into the Middle East situation by the shipments of the most advanced military weapons to Egypt and other Arab States.

"This critical situation was termed by a high administration official in the executive department to be a threat in the Middle East as great as Korea." This statement was made to me while I was in Europe and it is contained in the report of my subcommittee on Europe.

Mr. Speaker, on Monday, February 6, 1956, 126 Members of the House of Representatives, including 40 Republicans and 86 Democrats, petitioned the administration to sell arms to Israel in order to offset Egypt's purchase of arms from Czechoslovakia.

This plea was rejected by the administration for the present, but Secretary of State Dulles declared:

> We do not exclude the possibility of arms sales to Israel.

That is a hope.

The Secretary further declared that the foreign policy of the United States embraces the preservation of the State of Israel. It also embraces the principle of maintaining our friendship with Israel and the Arab States.

Continuing, he stated the Middle East security cannot rest on arms alone but rather upon the international rule of law and upon the establishment of friendly relations among neighbors. He added:

> We are actively working toward the establishment of such relations.
>
> The combined influence—

The Secretary continued—

> of the nations which would, under the United Nations Charter and the tripartite declaration, be against any armed aggression is a far more effective deterrent to any potential aggressor than any amount of arms which could be obtained by either side.

Mr. Speaker, it seems to me that this rejection of the Secretary does not conform to the statements made by him in Chicago on December 8, 1955, in his speech entitled "The Foundation for a Firm Peace."

I ask unanimous consent to have this speech of Secretary Dulles printed in full at this point inasmuch as I intend to make references to it. I would like everyone to have the opportunity to read his speech in its entirety. I hope to prove that the action I request and which has been requested in part by 126 Members of the House is first, consistent

with the administration foreign policy; second; it is a necessary part of that foreign policy; and third, the present action of the administration is a contradiction of their present foreign policy.

In his speech on December 8, 1955—and this was made after the Geneva meetings—Secretary Dulles stated:

We are, it seems, in a new phase of the struggle between international communism and freedom. The first post war decade was a phase of violence and threat of violence. • • • Since last spring, this phase of violence seems to have undergone an eclipse. But we should remember that one of the doctrines taught by Lenin and constantly emphasized by Stalin was the need for zigzag.

He continued:

In prudence, therefore, we must act on the assumption that the present Soviet policies do not mark a change of purpose by a change of tactics. We do not, however, want policies of violence to reappear. Therefore, it is useful to have clearly in mind what are the free-world policies which have caused the Soviet Union to shift from tactics of violence and intimidation as being unproductive.

I ask, Mr. Speaker, why not continue policies of the past which have been productive? Why weaken the Mutual Security Control Act, commonly known as the Battle Act? Why give in to England to sell goods to Iron Curtain countries?

In an exclusive interview with Marguerite Higgins, of the New York Herald Tribune, on January 29, 1956, Secretary of Agriculture Benson stated:

The United States has recently had to pass up possibilities of disposing of some of its huge farm surpluses to Russia's Eastern European satellites. The United States could not take advantage of these chances to diminish its mountainous surpluses because of congressional restrictions that any sales of the corn, cotton, lard, etc., piled in American warehouses must be to friendly nations only.

Mr. Speaker, it was my amendment that placed the words "friendly nations" in Public Law 480. If these countries need our surpluses, let us be realistic. Give them to them on the condition that we distribute them.

Let us return now to Secretary Dulles' speech. After explaining the vast importance of the many treaties to which the United States is a signator, he continued:

But now, except for countries of South Asia which choose neutralism, the gaps in the political warning system have been closed. The United States with bipartisan cooperation has made mutual-security treaties with the Philippines, Japan, the Republic of Korea, and with the Republic of China on Taiwan. We have entered into the ANZUS pact. We have joined with seven other nations to make the Southeast Asia Collective Defense Treaty. There is the Balkan Alliance of Yugoslavia, Greece, and Turkey, and the Baghdad pact, which includes the northern tier of Turkey, Iraq, Iran, and Pakistan. All of these treaties are made pursuant to what the United Nations Charter calls the inherent right of collective self-defense. Together they constitute a world-wide political warning system. They prevent the despots from miscalculating that they can use Red armies to conquer weaker nations, one by one.

Please take note that these treaties are called by the Secretary of State a political warning system.

In that portion of his speech following the need and success of the political warning system, the Secretary continues, under the subtitle "The Deterrent of Retaliatory Power":

It is, however, not enough to have a political warning system. It must have backing if it is effectively to deter. That poses a difficult problem. • • • As against the possibility of full-scale attack by the Soviet Union itself, there is only one effective defense, for us and for others. That is the capacity to counterattack. That is the ultimate deterrent.

I am not asking the Department of State for arms to attack or to counterattack, but to deter aggression by those nations who have consistently threatened to drive Israel into the sea; who have stated that Israel to the Arab world is like a cancer to the human body and the only remedy is to uproot it just like a human cancer; who refuse to sit down to a peace conference; who refuse to recognize Israel's existence.

The Soviet Union is recognized as increasing tensions in the Middle East—and I quote from the declaration of Washington, February 1, 1956, from the joint statement issued by the President of the United States and the Prime Minister of Great Britain:

The action of the Soviet bloc in regard to arms supplies to Middle East countries has added to the tensions in the area and increased the risk of war. Our purpose is to mitigate that risk.

Mr. Speaker, our policy must be more than that of mitigating, or rendering less severe, such a risk. We must seek to eliminate such a risk.

To return to Secretary Dulles' speech on December 8, we find the following:

Our mutual security arrangements help provide the local defensive strength needed to preserve internal order against subversive tactics and to offer a resistance to aggression which would give counterattacking, highly mobile forces time to arrive. • • • We earnestly strive for some dependable system of limitation of armament. Until we succeed in such efforts, however, we and our allies must constantly maintain forces, weapons, and facilities necessary to deter armed aggression, large or small. That is an indispensable price of peace.

Mr. Speaker, is not Israel one of our strongest allies? Israel has begged her neighbors to meet her at a peace conference but they refuse.

Again, I read from Secretary Dulles' speech on December 8:

President Eisenhower, speaking last August, pointed out that "Eagerness to avoid war—if we think no deeper than this single desire—can produce outright or implicit agreement that injustices and wrongs of the present shall be perpetuated in the future. Thereby, we would outrage our own conscience. In the eyes of those who suffer injustice, we would become partners with their oppressors. In the judgment of history we would have sold out the freedom of men for the pottage of a false peace. Moreover, we would assure future conflict.

Mr. Speaker, is not the denial of the sale of arms to Israel assuring future conflict by the Arab world when they have sufficient weapons procured through Kremlin assistance?

Mr. Speaker, all of us are interested in the security of the United States—those who disagree on arms to Israel as much as those who agree. However, I do not feel that our stagnant policy in the Middle East helps our security one iota. While other nations may believe in a policy of muddling through, the explosive situation in the Middle East must not be muddled through.

Does United States leadership mean, in effect, saying to the Communists, "Go ahead, gentlemen, ship arms to the Arab States. That's O. K. with us"?

These are fundamental and basic questions we must ask ourselves. It is not a fundamental teaching of our way of life that we declare a policy of eternal enmity. We believe in resolving problems through discussion. But, the Arab States stubbornly refuse to talk with Israel. Even more, the Arab States consistently state that the annihiliation of Israel is their goal. General Nasser, their chief spokesman, as recently as January 16, stated—and this quotation is taken from his monitored speech:

We declare our solidarity with all Arabs from the Atlantic Ocean to the Persian Gulf for the sake of freedom, independence, and the right to existence.

However, in a special dispatch from Cairo to the New York Times on January 16, he is quoted as follows:

From the Atlantic to the Persian Gulf, there is but one Arab nation, which no one will succeed in dividing again.

I realize that the factor of oil in the Middle East is one which is uttermost in the minds of many people.

I realize that oil is important to the free world. But, let me point out that it is even more important to the Kremlin. Their policy in the Middle East is to block shipments of oil to the free world and to use it for their own purposes. The Communists do not love the Arabs any more than they love us. How then, will our policy of closing our eyes to Communist penetration in the Middle East protect either the Arabs or the oil or the free world interests? The Arabs have done very well in their dealings in oil with the free world. How will they do under communist domination? History supplies us with the answer but I am afraid the overtures of the Communists have blinded the Arabs to historical facts. In the U. S. News & World Report of November 4, 1955, General Nasser is quoted as follows:

For us the danger and the thing to worry about now is Israel, not Russia.

General Nasser obviously is no expert on Communist tactics and strategy.

As leaders of the free world, we must insist that there must be a bold, new, positive program for this area. Generalities such as those which have come from the Eisenhower-Eden talks lend some hope. But the explosive situation in the Middle East demands specific action now and fewer generalities. Specifically, I feel that it is essential to the best interests of the United States, the

free world, and the Middle East and all nations therein, that there be held without delay, a peace conference.

Mr. Speaker, the political warning system referred to by Secretary Dulles was a deterrent prior to January 1955, but the U. S. S. R., under the guise of the Geneva atmosphere—and while the foreign ministers were meeting in Geneva in late October and in November—bypassed these treaties and stepped right into the Middle East. By this action, a most critical situation jeopardizes the peace of the free world. The Soviet has ignited old hostilities and is fomenting new ones between the Arab States and Israel for the purpose of increasing the tensions in that area and subverting it for Communist purposes.

I believe it is imperative that solutions to the problems involving the Arab States and Israel be reached without delay.

I believe that the United States should forthwith and in positive terms utilize its influence and exercise its leadership to bring about a conference between the Arab States and Israel and such other friendly nations as may be appropriate for the purpose of discussing and reaching solutions to the major issues confronting the Middle East, including this threat of Communist penetration and subversion of the area, and to solve the political, economic, social and military issues between the Arab States and Israel.

I believe that the United States, Great Britain, and France should reaffirm their adherence to the three power declaration of May 25, 1950 and should take immediate effective measures to meet the threat of Communist penetration and subversion in the Middle East; and that the United States should immediately supply military arms and other forms of military assistance and economic assistance, to such friendly nations in that area which request such aid and are willing to meet at a peace conference.

Mr. Speaker, why do I ask for these specific measures? I ask only because they are needed to implement the principles which the Secretary of State has stated are a necessary deterrent to aggression and constitute the foreign policy of this administration.

Mr. ANFUSO. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New York.

Mr. ANFUSO. Mr. Speaker, I wish to take this opportunity to extend congratulations to my esteemed colleague from New York, Congresswoman EDNA F. KELLY, on her fine presentation of the current critical situation in the Middle East. Our colleague is a very capable legislator and has made a sincere study of this problem. I want to go on record in endorsing her statements.

From a purely American point of view we must face this problem in a traditional manner. We must have the courage and the initiative to lead our allies and to help guide the destiny of the free world. Our country has throughout its entire history always been a beacon of light to colonial and oppressed people, who are yearning to maintain their national independence. Circumstances have willed it so that our country has assumed a position of moral leadership among the free nations, hence we must be extremely careful to maintain that position and to retain the faith and confidence of the other nations.

Today many of the former colonial and persecuted peoples, who gained their freedom and independence since World War II, are struggling with the trials and tribulations of their newly found independence. Some of these nations are being threatened by a militant communism; others are faced with hostile neighbors who allow themselves to become the dupes and pawns of communism. Israel is one of the newly independent countries which finds itself in such a predicament. Some of its Arab neighbors have turned to the Communists for arms and are entering into other alliances with them, not realizing how much they are hurting themselves and to what extent they are exposing the whole free world to the danger of Communist aggression.

I, for one, cannot and will not believe that the Arab countries and their leaders will voluntarily allow themselves to be swallowed up behind the Iron Curtain and in this way completely extinguish every trace of freedom and independence now enjoyed by their people. Right now, however, they are doing everything to bite their nose to spite their face. Their uncompromising attitude is only encouraging Soviet Russia to exploit every opportunity for intrusion into the Middle East—and the Arab people will be the first to suffer when Russia gets a foothold there.

The Arab leaders maintain that they desire peace in the Middle East. But thus far they have shown no willingness to sit down with Israel and negotiate a peace settlement on honorable terms satisfactory to both sides. Nor would they have the Western Powers or the United Nations attempt to negotiate such a settlement. The result is constant tension and a confusing situation which is growing more chaotic with each passing day. The only one who stands to gain from all this chaos and disorder is Communist Russia. The Communists thrive on just such conditions.

As for our own policy in the Middle East, I think the more we seek to appease the Arabs the less cooperation we seem to obtain from them. Appeasement has never brought the desired results. It did not work to prevent World War II and it will not work now.

If we back down on Israel now, I guarantee you that we will not gain the support of the Arab States. We will only lose Israel. But if we give arms and other support to Israel, the Arabs will have more respect for the United States and they will finally realize that we are earnest about peace in the Middle East.

Do you want any better example of firmness or the lack of firmness than what is happening now in Pakistan? When Russia stated that Kashmir belonged to India, Pakistan immediately turned to us for help. We said nothing and we did nothing. We were strangely silent. According to latest reports, Pakistan is now negotiating with Russia—which previously had been so firm against her.

The situation has now become a serious threat to the security of the United States and the whole free world because of the adamant stand taken by the Arab States; hence, we should consider taking effective steps to safeguard our interests and the interests of the free world.

I have urged our Government in the past, and I shall continue to do so again, to make available a substantial amount of arms to Israel which that country needs for defense purposes. I have also urged that we conclude a mutual-defense pact with Israel to guarantee the integrity of its borders and its future existence as an independent nation. I am convinced that if these two steps are taken now by the United States, tension in the Middle East will subside and the threat to the peace of that area will diminish considerably.

There is also a third step which I suggest as a means for easing the tension there, namely, a determined effort to solve the Arab refugee problem. I propose that the United States call on the United Nations to appoint a commission which is to undertake a study of this problem, in an effort to develop a new approach toward a permanent solution. After study of the problem and following consultations with the Governments of the Arab States concerned and with the Government of Israel, the commission is to submit to the United Nations a detailed program for a permanent solution of the Arab refugee problem. It is further suggested that the program be based on a plan to make these refugees self-sufficient and that they be assimilated among their own peoples in the Arab countries. Israel, however, is to admit a limited number of these people consonant with its security regulations and its ability to integrate them within its economy, and it is also to pay a compensation to the refugees who cannot be returned and for this purpose an international loan is to be made to Israel.

Mr. Speaker, in order to make some progress toward a solution of the Arab refugee problem along the lines I have just outlined, I am today introducing a concurrent resolution advocating the creation of a commission by the United Nations to deal with this problem.

May I again commend our colleague for having made a fine contribution on the subject and for granting us the opportunity to express our views in the matter.

Mrs. KELLY of New York. I thank the gentleman from New York [Mr. ANFUSO]. I now yield to the gentlewoman from Missouri [Mrs. SULLIVAN].

STUDY MISSION TRIP TO ISRAEL IMPRESSIVE AND INSPIRING

Mrs. SULLIVAN. Mr. Speaker, may I say, first, that the best way for any Member of Congress to acquire a real education in the foreign policy problems of our country and of the free nations friendly to us is to be fortunate enough to accompany a study mission headed by the gracious gentlewoman from New York, Mrs. KELLY, a ranking member of the House Committee on Foreign Affairs. As chairman of the Study Mission to Europe last fall, the Congresswoman

from New York demonstrated a grasp of foreign affairs which, to me, was simply amazing. I shall forever be grateful for the opportunity which I had to accompany the group, and particularly for the invaluable information which I acquired through the help and assistance of Congresswoman KELLY and her profound knowledge of international affairs.

In all of our interviews with heads of government, foreign ministers or other top officials of the nations we visited, Congresswoman KELLY was so familiar with the problems of each nation that I know it made a favorable—a great—impression on these officials, showing the interest of the Congress of the United States in the problems of all of the free nations. I might add that as a woman Member of Congress I was deeply proud that we women who serve in this House have such an outstanding expert among us in the complex field of foreign policy.

Now as to Israel. In the report which the gentlewoman from New York, as chairman of the Study Mission to Europe, filed recently with the Committee on Foreign Affairs, the statement is made in regard to the visit to Israel that—

> We were able to drive over most of the country, visiting Bersheba on the south, the trenches near the Gaza strip, Haifa, Tel Aviv, Jerusalem, Nazareth, and the north above the Hula Lake, within a few miles of the border. The visit to Israel was enlightening, impressive, and inspiring.

I certainly agree with that. In keeping with that statement, I would like to ask if the gentlewoman from New York would not agree that the determination of the people of Israel to defend themselves, to maintain their freedom and their independence, was the immediate impression one received from the moment one enters the country?

Mrs. KELLY of New York. Yes. I was impressed not only by that fact, but I know that they are a democracy and are endeavoring to pattern their entire life after the Western World. That is the reason I say I know that they are our allies and will be there with us when we need them.

Mrs. SULLIVAN. May I ask the gentlewoman from New York, as Chairman of the Study Mission that went to Europe whether she discovered anywhere in Israel, among any the the people in Israel to whom we talked, a warlike or aggressive attitude? In other words, did those people talk as though they looked forward to committing aggression against any of their neighbors, or was it not entirely a case of their merely wanting to defend themselves and their own country against aggression?

Mrs. KELLY of New York. That is the feeling I have always had. They are very anxious to secure and maintain this country which has been assigned to them and given to them after a long period of years. They are most anxious to have peace there to develop that country for their people and for the neighboring States. The difficult problem to them is that they have been blocked and they are surrounded by enemies. I feel that if peace is brought about there we will bring peace to that section of the world.

Mrs. SULLIVAN. Does the gentlewoman agree with me that our Government's official attitude, that of the State Department, toward Israel is often one of being "neutral" as between a country with a sincere desire to live in peace with its neighbors, on the one hand, and a group of surrounding countries which are as yet unready to accept the peace? How can we be neutral as between such outright contrasts in intention?

Mrs. KELLY of New York. At this point I do not feel that we can be neutral in spite of the need for the oil in this area. That is why I have taken this time today. I think the time has come when we should declare and know and accept our friend, and Israel is our friend; and we should do what we can for Israel to protect it.

Mrs. SULLIVAN. I thank the gentlewoman. I congratulate her on bringing this subject to the floor of Congress at this time. In my report to my own committee, the Committee on Merchant Marine and Fisheries, in connection with our trip to Europe, I said of Israel:

> Israel is a country on the battlefront. One can traverse the entire country in just a few hours, and at some points you can cross the country by car in 20 minutes. Each frontier is an attack point along almost every inch of ground. The prevailing doctrine is hard work and defense.

Certainly it is imperative that this brave little nation be enabled to survive, and it is a fine thing to have this matter brought to the attention of the House of Representatives in such a forthright and able manner as has been done here today by the Congresswoman from New York [Mrs. KELLY]. When I saw the hardships in Israel which the pioneers and settlers there have to undergo to assure the nation's survival, I was vividly reminded of the manner in which our own West was settled—I was reminded of the pioneering spirit which we who live in St. Louis are so well aware of in our own history.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. DAVIDSON].

Mr. DAVIDSON. I thank the gentlewoman very much. I appreciate greatly the opportunity to add to what has already been said in commendation of her remarks and her efforts here on the floor of the House today.

Mr. Speaker, on Tuesday, January 24, 1956, Secretary of State Dulles indicated to his news conference that he was attempting to arrange an agreement whereby partisan discussion of the Middle East situation, and especially discussion of the Israel-Arab crisis, would be off-limits in the presidential campaign. This bald attempt by Mr. Dulles to foreclose discussion on this problem of world concern is in my opinion ill conceived and smacks of the methods employed by totalitarians, who, finding themselves in an untenable position from which they refuse to retreat, take the easy way out, by silencing all who would dare to oppose or criticize them.

I for one am not persuaded by the philosophy of government which Mr. Dulles advocates. I will never subscribe to the view that criticism of policy and open discussion of one's feelings and opinions must be curtailed or halted for any reason. Discussion is the lifeblood of our democratic process; without it there can be nothing but conformity and stagnation.

These are my feelings about the essential elements of public debate. Apparently Mr. Dulles and I are the proponents of opposing views.

With regard to the Middle East and the crisis and tension which now exist in that area, I believe that discussion must take place on a continuing basis so that a just and proper solution is found. There is no truth to Dulles' contention that criticism of the State Department is an attack on the Nation; or that criticism will divide our country or imperil our national unity. The only truth that commends itself is that the Middle East is seething with a discontent and a tension which the United States can alleviate; that Mr. Dulles refuses to disclose his Department's plans; and that, at the same time, he does not want anyone else to make known their ideas about, or criticisms of the present course of our dealings in the Middle East.

I cannot be a party to this distorted view of political activity. I am compelled to address myself to the crisis in the Middle East and to what I believe is the sound approach to the present situation.

We are confronted with a serious problem of balancing our relationships with the many millions of people in the Middle East. I would be the last to advocate that this country act in a fashion to alienate one people simply to curry the favor of another. My position is that we owe it to all people whom we consider our friends to deal with them in an impartial fashion and in a manner which will dissuade all others from embarking on a course of action designed to disrupt the delicate status of peace which now obtains throughout the world.

It will come as no news to my colleagues in the House to learn of the tremendous imbalance of armaments which exists in the Middle East. On January 27, the United Nations published a survey of the arms that had been sent to the Middle East from 1951 to mid-1955. These figures show that during the above period some nine million dollars worth of arms were sent to Israel while over 13 millions were sent to the 5 Arab States of Egypt, Iraq, Lebanon, Saudi Arabia, and Syria. And the survey excluded some rather significant recent developments. For example, they did not include aircraft shipments for any period, nor did they include the British annual subsidy of $23 million to Jordan's Arab Legion, nor arms from France, nor, most significant of all, Communist Czechoslovakia's agreement to sell Egypt $80 million worth of arms.

Yet this overpowering superiority of Arab military strength is only one aspect of the situation. The Arab countries are linked together by treaties in defense alliances, some of them with Western Powers. Israel is without any counterpart to these defense systems, and its exclusion creates a more critical imbalance. In terms of a long-range policy to deter aggression, the United States

has found that creation of mutual-security pacts is eminently successful. We have entered into pacts which bind us to no less than 44 of our friends throughout the world. This has been a procedure adopted to implement the United Nations Charter and to carry into effect the principle of fellowship which pervades that charter.

The only remaining question in light of these facts is the route that we, as a Nation, are to take in bringing peace to this troubled area. In the quest for an answer, we are confronted with several basic truths. In the first place, Israel represents the only true democracy in the Middle East. A great lesson can be learned by the surrounding nations if Israel prospers and grows as it has shown it can during its short existence. On the other hand, the Arab nations, with which Israel must live in peace, have been totalitarian since the dawn of history. Second, Israel, being a democracy, has firmly allied itself with the Western World both in word and action. It has actively sought the aid of the great Western Powers in its struggle for growth and survival. The Arab nations, while outwardly displaying a mantle of neutrality, have courted the Communist world in its struggle to destroy this new nation. This is especially true of Egypt. Its arrangement to purchase arms from Czechoslovakia is but one manifestation of this new alliance. Their attitude in the United Nations has been even less commendatory, abstaining on practically every crucial East-West vote, including the resolution to oppose aggression in Korea.

There is no question in my mind that our loyalty and aid should be extended to those who hold out their hands, in friendship to us. This Israel has continually done. To force her to seek aid elsewhere and to cause her to lose her faith and trust in us would be the most harmful course on which we might embark, for we would, in effect, be sacrificing our only truly democratic friend in the Middle East on the altar of dollars sticky with oil. Our path is clearly marked; all we need do is follow it.

Our first concern relates to the question of armaments. It is my belief and I sincerely advocate that we make available to the State of Israel such military aid in the form of arms as is required by her for her legitimate self-defense. Do not misunderstand, no plea is made that we foment a general arms race. All that is proposed is that we make an attempt to bring into balance the patent superiority which the Arab nations now have over Israel. It will be too late for us to make this contribution after the battle begins. It is best that we attempt to even the scale in the hope that the shipment of arms will act as a deterrent to any and all aggressive tendencies of the Arab nations.

Second, there is the long range problem of bringing a true peace to the Middle East. Again, it is my belief and I sincerely advocate the establishment of a mutual-security pact with Israel and the Arab States. Such a treaty should not be forestalled by the prior condition that boundary disputes be settled between Israel and the Arab States, for such action does not appear to be any nearer reality now than it was in August 1955, when Mr. Dulles first set down this impossible condition.

This treaty is called for both in the name of world peace and in the name of sound logic. Israel, of all the nations in the world, has a history that most clearly parallels our own. As a nation, its growth is attributable to the same spirit of immigration and pioneering that is part of our own heritage. There is between the United States and Israel a basic community of interests and ideals that commends the formation of a defense alliance in the best interests of our own Government and in the cause of world peace.

These then are my views on the Middle East crisis. I have presented them at some length to give emphasis to my position that this situation calls for public debate. It also serves as my answer to the recent comments of the Secretary of State who would prefer to have his actions and those of his Department scrutinized in silence, irrespective of whether or not they are moral, honest, decent, or democratic. Mr. Dulles has asked us not to create issues in this election year. I did not create this issue. It has existed for a long time for those who have eyes to see. Nor will I remain mute for the next 10 months. I have stated, without equivocation, exactly what my position is with regard to this crisis, and the precise terms of the program that I advocate. It will be a blessing for the American people and for the democratic people of the world, if Mr. Dulles will do likewise.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I want to compliment the gentlelady from New York [Mrs. KELLY], not only on her splendid address this afternoon but because of her masterful report, particularly on the subject of Israel which she wrote for the Foreign Affairs Committee. I commend all of you to read that report.

At the outset of my remarks on Israel I should like to place in the RECORD, and I ask unanimous consent therefor, a declaration on the Near East by 94 Democratic Members of this House.

The SPEAKER pro tempore. Is there objection?

There was no objection.

(The matter referred to follows:)

DECLARATION ON THE NEAR EAST BY 94 DEMOCRATIC MEMBERS

Under the Tripartite Declaration of 1950, our Government recognized "that the Arab States and Israel all need to maintain a certain level of armed forces for the purpose of assuring their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole."

Communist weapons and technicians are now pouring into the Near East as a result of the Egyptian-Czech arms deal, imperiling the stability and peace of the region and weakening the defenses of the free world.

The Egyptian-Czech arms deal brings the front of the cold war to the Egyptian-Israel frontier, and the survival of Israel is directly and immediately menaced.

It is vital that our Government act decisively to end the threat of war in the Near East. The best way to do this is, of course, to promote an honorable peace settlement between the parties. To that end we urge that our Government and other interested nations seek by all possible means to negotiate formal treaties within the framework of the United Nations guaranteeing the existing frontiers of Israel and the Arab nations in the Near East that want peace and are ready to enter into such treaties. But to make peace we need agreement to negotiate and until there is agreement by the Arab nations to sit down at the peace table, there is the present danger of a major outbreak of hostilities.

Accordingly, we make this further specific suggestion: That our Government permit Israel to purchase the $50 million of defensive arms which she seeks in this country strictly for purposes of self-defense. Israel is firmly a part of the free world and she may be counted upon not only to defend herself, but also to join in the defense of the free world.

While we are opposed to an arms race in the Near East, we believe that the military capability for safeguarding Israel's national existence must be maintained. We believe the danger of war will be seriously increased if the Arab nations attain a military preponderance capable of use for aggression because of the Communist initiative.

Our Government should continue to offer economic and technical assistance and help to resettle the Palestine Arab refugees with impartial friendship to all in the Near East who will cooperate for peace.

We have heard with regret that there are proposals that Israel be asked to yield vital territory of her small area to the Arab States. We believe this is the road to appeasement, not the road to peace.

The American people will not tolerate anything so immoral as the sacrifice of Israel to Communist infiltration of the Near East. The time to act is now. Failure to take action will encourage the Communist offensive, increase tension, and endanger freedom.

Signed by HUGH J. ADDONIZIO, 11th, New Jersey; CARL ALBERT, 3d, Oklahoma; VICTOR L. ANFUSO, 8th, New York; THOMAS L. ASHLEY, 9th, Ohio; WAYNE N. ASPINALL, 4th, Colorado; CLEVELAND M. BAILEY, 3d, West Virginia; WILLIAM A. BARRETT, 1st, Pennsylvania; JOHN A. BLATNIK, 8th, Minnesota; RICHARD BOLLING, 5th, Missouri; JAMES B. BOWLER, 7th, Illinois; CHARLES A. BOYLE, 12th, Illinois; CHARLES A. BUCKLEY, 24th, New York; JAMES A. BYRNE, 3d, Pennsylvania; CLARENCE CANNON, 9th, Missouri; EMANUEL CELLER, 11th, New York; EARL CHUDOFF, 4th, Pennsylvania; FRANK M. CLARK, 25th, Pennsylvania; IRWIN D. DAVIDSON, 20th, New York; WILLIAM L. DAWSON, 1st, Illinois; JAMES J. DELANEY, 7th, New York; JOHN J. DEMPSEY, A–L, New Mexico; CHARLES C. DIGGS, Jr., 13th, Michigan; JOHN D. DINGELL, 15th, Michigan; THOMAS J. DODD, 1st, Connecticut; ISIDORE DOLLINGER, 23d, New York; HAROLD D. DONOHUE, 4th, Massachusetts; JAMES G. DONOVAN, 18th, New York; CLYDE DOYLE, 23d, California; HERMAN P. EBERHARTER, 28th, Pennsylvania; CARL ELLIOTT, 7th, Alabama; GEORGE H. FALLON, 4th, Maryland; DANIEL J. FLOOD, 11th, Pennsylvania; JOHN E. FOGARTY, 2d, Rhode Island; AIME J. FORAND, 1st, Rhode Island; SAMUEL N. FRIEDEL, 7th, Maryland; EDWARD A. GARMATZ, 3d, Maryland; THOMAS S. GORDON, 8th, Illinois; WILLIAM T. GRANAHAN, 2d, Pennsylvania; Mrs. EDITH GREEN, 3d, Oregon; WILLIAM J. GREEN, Jr., 5th, Pennsylvania; Mrs. MARTHA W. GRIFFITHS, 17th, Michigan; HARLAN HAGEN, 14th, California; WAYNE L. HAYS, 18th, Ohio; DON HAYWORTH, 6th, Michigan; CHET HOLIFIELD, 19th, California; LESTER HOLTZMAN, 6th, New York; Mrs. EDNA F. KELLY, 10th, New York; EUGENE J. KEOGH, 9th, New York; CECIL R. KING, 17th, California; MICHAEL J. KIRWAN, 19th, Ohio; ARTHUR G. KLEIN, 19th, New York; JOHN C. KLUCZYNSKI, 5th, Illinois; Mrs. COYA KNUTSON, 9th, Minnesota; THOMAS J. LANE, 7th, Massachusetts; RICHARD E. LANKFORD, 5th,

Maryland; JOHN LESINSKI, Jr., 16th, Michigan; JOHN W. MCCORMACK, 12th, Massachusetts; TORBERT H. MACDONALD, 8th, Massachusetts; HARRIS B. MCDOWELL, Jr., A-L, Delaware; RAY J. MADDEN, 1st, Indiana; THOMAS E. MORGAN, 26th, Pennsylvania; MORGAN M. MOULDER, 11th, Missouri; ABRAHAM J. MULTER, 13th, New York; JAMES C. MURRAY, 3d, Illinois; THOMAS J. O'BRIEN, 6th, Illinois; BARRATT O'HARA, 2d, Illinois; PHILIP J. PHILBIN, 3d, Massachusetts; MELVIN PRICE, 24th, Illinois; ADAM C. POWELL, Jr., 16th, New York; JAMES M. QUIGLEY, 19th, Pennsylvania; LOUIS C. RABAUT, 14th, Michigan; HENRY S. REUSS, 5th, Wisconsin; GEORGE M. RHODES, 14th, Pennsylvania; PETER W. RODINO, Jr., 10th, New Jersey; BYRON G. ROGERS, 1st, Colorado; JOHN J. ROONEY, 14th, New York; JAMES ROOSEVELT, 26th, California; JOHN F. SHELLEY, 5th, California; ALFRED D. SIEMINSKI, 13th, New Jersey; Mrs. LEONOR K. SULLIVAN, 3d, Missouri; FRANK THOMPSON, Jr., 4th, New Jersey; T. JAMES TUMULTY, 14th, New Jersey; CHARLES A. VANIK, 21st, Ohio; ROY W. WIER, 3d, Minnesota; HARRISON A. WILLIAMS, Jr., 6th, New Jersey; SIDNEY R. YATES, 9th, Illinois; HERBERT ZELENKO, 21st, New York; KENNETH J. GRAY, Illinois; EDWARD P. BOLAND, Massachusetts; WINFIELD K. DENTON, Indiana; PETER F. MACK, Jr., Illinois; THOMAS P. O'NEILL, Jr., Massachusetts; THADDEUS M. MACHROWICZ, Michigan; ANTONIO M. FERNANDEZ, New Mexico.

Mr. CELLER. Mr. Speaker, I shall not read this declaration in detail now, but in that declaration those 94 Members proposed that the United States and other interested nations seek to negotiate formal treaties within the framework of the United Nations guaranteeing the existing frontiers of Israel and the Arab nations in the Near East that want peace and are ready to enter into such treaties.

However, the Congressmen went on to say that in the absence of agreement by the Arab nations to sit down at the peace table, there is the present danger of a major outbreak of hostilities. Accordingly, they propose that our Government permit Israel to purchase $50 million worth of defensive arms which she seeks in this country strictly for purposes of self-defense.

I have been to Israel on four different occasions. I have seen those Israeli people at first hand. I can assure you there is no desire on the part of the Israelis to stage any kind of war against the neighbors of Israel. The word "sholom" is a word you most often hear in Israel. It is a word of greeting. It is a word you hear on departure. It means "peace." It is a time-hallowed word and you hear it on all sides. It is contrary to the very nature of the Israelis to wage any kind of war against anyone. When provoked, however, they will defend themselves and defend themselves to the utmost, unto death. The Israelis will be able to take care of themselves if they are let alone. I say I have been to many nations, to all parts of the world, but I have never seen a people with a greater faith than that of Israelis.

They do not wear their faith as one would the fashion of a hat; no, theirs is a faith that is deep and abiding, a faith in the language of Browning that can move mountains.

And there you see amongst those people a determination as firm as the rock you hold in your hands, and an exultation that is as fierce as a streak of lightning. There you see unmatchable courage. They exemplified that courage on the battlefield when they, a mere handful of some six hundred thousand, successfully stood off the aggression of 7 hostile Arab nations comprising over 40 millions of people, and they fought with a dearth of arms and almost with their bare knuckles. With that faith, and that determination, and that courage, they will indeed be able, as I said a moment ago, be able to take care of themselves.

Now they are confronted with a very severe crisis, a crisis that has developed because of the sale of Czech arms under Soviet auspices to Egypt. Those arms will create an imbalance, and that imbalance bodes ill for Israel. It is our purpose, at least the purpose of those Members who signed this declaration, some 94 Members, to obliterate that imbalance, to create a balance. If there is a balance of arms I am certain it will assure peace.

In all this I want to say a word about Great Britain. Great Britain has been guilty of bad faith here. Great Britain has been supplying military material and armaments to Egypt long before the Czech supplies went into Egypt. I read from the editorial page of the Manchester Guardian:

> The British Government has placed itself in a weak position to complain about Communist supplies, because it was first in the field. Sir Walter Monckton refused to give details of the arms sold by the Government to Egypt, taking refuge behind the old excuse that it would be contrary to all practice to disclose what had been sent.

There you have it, a very responsible journal in England confronts the British with what they did.

When I was in England this past year I learned that England had sent 64, or was in the process of sending, 64 up-to-date, modern Centurion tanks to Egypt. It is very strange that while Egypt under the aegis of Nasser, Lieutenant-General Nasser becomes more bellicose and belligerent daily, England keeps speeding her arms into the Egyptian maw.

Egypt under Nasser denies access to the canal to Israeli commerce, Israeli ships, or any other ships bearing Israeli cargo contrary to the edict and the admonition of the United Nations.

Nasser flouts the resolution of condemnation of the United Nations. He blockades the Israeli port of Elath and now he is trying to block access to Israel by way of the Mediterranean Sea through Czech submarines.

Despite all this England continues to supply arms to Nasser. We are told as an excuse that if Nasser is made strong that will insure peace.

I say to Mr. Eden that is very much like the man who keeps feeding beefsteaks to a tiger in the hope of making that tiger a vegetarian. You are not going to convert Mr. Nasser. If Egypt wants peace Egypt has more arms than she needs; if Egypt wants war she has more arms than she deserves.

Nasser has stated in unequivocal terms that Israel must be destroyed, that it shall be the purpose of the Arabs at all times to annihilate Israel. Specifically he said that Israel is like a condemned prisoner in the dark awaiting execution. That gives you the import of all the pronouncements that are coming out of Egypt, that are coming out of the Arab States as against Israel.

In the face of that what shall the United States do? I think it would be well for Mr. Dulles not to lend too attentive an ear to the plea that may be made to him by Anthony Eden. Mr. Eden believes, unfortunately, that Israel is expendable. He fears there would not be access to oil reserves if Israel is made strong. That is a dangerous doctrine for Mr. Dulles to hear, but I fear me he is going to harken unduly to what Mr. Eden is going to try to sell him, namely, the idea of slicing off a goodly part of Israel and giving it to Egypt, performing a sort of Caesarian operation on Israel.

Israel is small as it is. The doors of small Israel must be kept open to the driven Jew, the Jew that has been tossed about like dry leaves before the chilly autumn blast year after year. Where can these persecuted Jews go, the Jews of North Africa, in Morocco, Tunesia, and Algeria, the Jews from behind the Iron Curtain, who seek surcease from their troubles? Where can they go? There is only one place to which they can repair and that is Israel and the United States must see to it that Israel is kept strong and made stronger so that she can resist the hostile neighbors that surround her and continue as a haven for the driven Jew.

Israel today comprises 5,000 square miles. At the time of the independence declaration in 1948 when she was born as a nation, it was 4,000 square miles. Then the Arabs converged on her, seeking to destroy her, but the Israelis worsted the Arabs in battle and Israel secured a thousand square miles from that war, captured through battle. So today Israel comprises 5,000 square miles, attained as the result of the spilling of much blood, as the result of sweat and tears and the loss of many, many lives. But remember, Israel was originally 40,000 square miles. It covered both sides of the Jordan. Now it is 5,000 square miles and it must remain 5,000.

Today I understand representatives of the Foreign Offices of the United States, France, and England are in a huddle. They are talking about Israel. All we get is talk and more and more diplomatic talk. Meanwhile Israel is in danger. Israel is in danger of what we call a sneak attack because the Russians have supplied Egypt with these MIG's, these jet fighters, tanks, heavy artillery, and submarines. And consider that it is only 8 minutes flight from Cairo to Tel Aviv by a jet plane. While they are in a huddle it is possible those MIG's may unload their bombs upon Haifa, Tel Aviv and Jerusalem. Then what? Israel might be destroyed or partially destroyed. Israel will then be invited to sit around a table, bludgeoned and bloody. Then she may be asked by Anthony Eden: We will give you peace if you allow the Arabs to hold what they have obtained by the sneak attack. Israel may thus emerge with only a tiny portion of land.

It is because we want to give Israel the power to ward off a sneak attack that we 94 Members on the Democratic side

and 40 Members on the Republican side have asked that the United States supply at least financially the equivalent amount of arms that the Czechs have given to Egypt—$50 million worth. If those arms are sent to Israel, she can well take care of herself. If those arms are antiaircraft guns, antitank guns, and subchasers, Israel will be able to ward off the foe. Mind you this, it is in the interest of the United States to supply these subchasers. Think of it. Some 6 or maybe 8 Russian submarines flying the Egyptian flag and manned by Russian technicians are in the Mediterranean in the very shadow of our 6th Fleet stationed in the Mediterranean. They are a danger to our own welfare.

What are we going to do about it? Can we continue to accept the unrealistic, the unfortunately unrealistic, policy of Mr. Dulles and remain silent? It is incumbent indeed upon the United States at least to send those subchasers and the antiaircraft and antitank guns to Israel.

If you go into Israel, no matter where you may be you can, with a twist of your neck, look into hostile territory. When you are at Acre you are only a short distance from Lebanon. In the HiKyria, which is the foreign office of Mr. Sharett at Jerusalem, you look out of the window and you see the barbed-wire demilitarized zone and beyond it is Jordan. If you go down to Elath, you look to the south and you see Egypt; you look to the southeast and you see Saudi Arabia; you look to the east and you see Jordan. No matter where you look in Israel you see enemy territory. Israel does not want anything but to be permitted to protect herself. Why, any talk of Israel being aggressive is ridiculous.

Make a comparison between the military budgets of Israel and Egypt. The military budget of Israel is £126 million. The military budget of the Arab States is £700 million, 5½ times more than that of the Israeli military budget. Egypt's military budget equals almost the entire Israeli budget.

Take the comparison of populations. The population of the 7 Arab states is 30 times greater than the population of Israel. The geographical size of the Arab states is three times the size of tiny Israel. The resources of the Arab states are more than 100 times the resources of Israel. Israel is like a gnat unto an elephant. Therefore, any talk about aggression on the part of Israel is just a lot of nonsense, and I hope indeed that when Mr. Eden and his cohorts speak of the aggressiveness of Israel that there will be somebody at that conference table to tell Mr. Dulles the truth. Mr. Eden does not want to know the truth. As I said, he wants to do all and sundry to hurt Israel. In truth, I should remind him of what Winston Churchill said of Stanley Baldwin: "Why, if he stumbled on the truth, he would pick himself up, brush himself off, and walk away as if nothing happened." Well, the truth must be dinned into Mr. Anthony Eden's ears as well as into the ears of Mr. Dulles.

As has been said, Israel is the only democracy in the Middle East, and wherever the flame of democracy burns, it is incumbent upon democracies everywhere to nurture and strengthen that flame of democracy. The United States has a grave responsibility over and beyond that. The United States helped sire Israel. She was one of those foremost in the United Nations to see to it that Israel became a nation. Now the infant needs protection, and the United States is like a mother to Israel. Whenever did a mother desert her child? And therefore it is necessary for the United States to come forward and help.

Mr. Speaker, I shall place in the CONGRESSIONAL RECORD a recital of the Arab atrocities, the constant rapine and plunder and murder perpetrated by the Arabs on the Israelis. It is a horrendous record. It indicates over a short period of time there were 1,039 casualties of maimed, wounded, and dead among the Israelis in that area.

So, in conclusion, I do indeed hope that reason and truth and decency and honor will descend upon our State Department to the end that defensive arms will be supplied Israel.

(The article referred to is as follows:)

[From Israel Speaks of January 27, 1956]

THE RECORD, IN PART, OF ARAB ACTS OF AGGRESSION, 1953–55

1953

January 4: Three soldiers and a civilian, on the way to Jerusalem, were kidnapped and detained in Jordan for 3 days before news of their whereabouts leaked out. They were released only 3 weeks later, after a series of Israeli protests.

January 10: A number of attacks were made on Israel patrols during the week by Jordanian armed bands. Near Badrus, in the neighborhood of Bet Naballa, an Israel patrol was attacked from prepared positions, while other patrols were attacked in the Bet Surik area and in the district southeast of Hebron, all in Israeli territory.

January 22: An Israeli soldier was killed by the Jordanians in the "Little Triangle" area.

January 28: An Israeli soldier was wounded when a patrol was attacked by a band of armed Bedouin and Jordan soldiers in the Beersheba district.

February 2: A Haifa-Lydda freight train was derailed after it ran over explosives which tore up over 200 feet of track in the vicinity of Kalkilya. Automatic fire opened from the direction of the Kalkilya police station on the Jordan side of the border signaling the train's approach, indicating the careful planning of this operation.

February 19: An Israeli soldier was killed during a skirmish with a Jordan force that invaded Israel northeast of Bet Govrin.

February 25: An Israeli soldier was fatally wounded when Arab forces attacked an Israeli unit near Hebron.

February 26: Members of Dardara, a settlement on the banks of the Huleh, were fired on from Syrian positions.

February 28: A group of armed Arabs ambushed an Army vehicle northeast of Beersheba, but were driven off.

March 9: An Israeli policeman was killed in the Kalkilya area, about 10 miles east of Natanya, when armed marauders opened fire on an Israeli patrol.

March 10: An Israeli who erroneously entered no-man's land in Jerusalem was shot and killed by Arab Legionnaires. When an Israeli policeman tried to enter the area to give the wounded man first-aid treatment, he was fired upon and was forced to retire.

March 12: In Jerusalem, a carpenter was killed, as he was entering his shop, by an Arab Legion soldier who shot at him from his position on top of the walls of the Old City.

March 20: An Israeli soldier was wounded in a clash that occurred south of Bet Govrim.

April 6: Two soldiers on leave were murdered near Kfar Hess by two armed Jordanians.

April 8: A mother and her 21-year-old son were shot and wounded in Kfar Saba.

April 11: Two boats attempted to land infiltrators off the southern coast of Israel. One boat was captured by an Israel patrol. The other boat escaped.

April 13: A watchman was severely wounded in an attack of a Jordanian gang of infiltrators on Israel watchmen near Hadera.

April 17: An Israel patrol was attacked near Mevuot Betar in Wadi Fukin south of Jerusalem by a larger Jordanian military force which penetrated into Israel. Two Israel watchmen were wounded and kidnapped and then murdered in cold blood and dragged across the border.

April 18: A woman was killed on the roof of her house in the Musrara quarter in Jerusalem by Arab Legionnaires.

April 20: One Israel soldier was wounded by an armed Jordan band which penetrated into Israel in the vicinity of Dawayima in the Bet Govrim region.

April 20: A father of five children and his niece, an American citizen on a visit to Israel, were murdered in their house in the Kiryat Moshe quarter in Jerusalem.

April 22: Six pedestrians were wounded, two of them severely, when Jordan Legionnaires opened fire across the demarcation line in Jerusalem from the Sheikh Jarrah quarter in the north to Dir Abu Tor in the south.

May 3: A blind 73-year-old Jew was shot dead after being dragged by three Arab Legionnaires into Jordan territory and first being beaten by them. The act occurred near the maabara of Mekor Haim in Jerusalem.

May 17: Two watchmen of a Jerusalem corridor settlement were shot dead by infiltrators.

May 25: A mother of 7 children was killed, 3 women, 1 man, and 3 children wounded by a Jordan attack on 3 villages of new immigrants near Ben Shemen at the border. In the attack at Bet Nabala, grenades and dynamite were used. Throughout the attacks the marauders covered the villages with heavy automatic fire.

May 27: One Israel soldier was killed, another wounded by an armed Jordan unit crossing the armistice line and penetrating into Israel territory in the Hebron district.

May 28: A Jordan unit crossed the border south of Bet Govrim, took up position 1 mile inside Israel territory and attacked Israel soldiers. Two Israel soldiers were wounded.

May 30: An attack occurred on an open truck carrying children on a holiday trip, 1½ miles west of Meron on the Nazareth-Acry Road. One child was killed, 3 wounded. Tracks of the killer led to the Lebanese border.

June 6: A young man was murdered, one woman wounded in Jerusalem.

June 7: Jordan Arab Legionnaires fired on two Israelis near the railway station in Jerusalem.

June 9: Tirat Yehuda near Ramle was attacked. One Jew was killed, the other inhabitants of his house wounded. The neighboring house was blown up by explosives.

June 10: A house in Mishmar Ayalon near Latrun was demolished. One woman was wounded severely.

June 11: Armed Jordanians penetrated into Kfar Hess, threw grenades, opened fire on villagers. One woman was killed, her husband wounded.

June 17: A Jordan unit opened fire on an Israel unit holding exercises near Wadi Ara. One Israel soldier was killed.

June 19: One watchman was killed and another wounded near Bet Nekofa and Kiryat Anavim.

June 22: An Israel patrol was fired upon by regular Jordan soldiers from over the armistice line in Tul Karem area.

July 9: Two Israel soldiers were killed in the Judean hills.

July 17: One watchman was killed and another wounded by infiltrators in the western suburb of Jerusalem.

August 8: Three Israel soldiers were killed by Jordanians in ambush near Bet Govrim. The Israel soldiers were walking along the road near the village.

August 11: An attack by Jordanians on a youth village for retarded children between ages 8 and 16 took place. Hand grenades were thrown into sleeping quarters at Kiryat Yearim in the Jerusalem corridor.

August 16: A man was killed in Ashkelon by an Arab marauder.

September 2: Hand grenades were thrown in the Katamon quarter of Jerusalem.

September 8: Two men were killed and one wounded in Ahiezer near Lod by Arab infiltrators.

September 8: A passenger bus was attacked near Lod, one wounded.

September 19: An attack took place on Migdal Ashkelon. One Israeli was killed.

October 4: A passenger bus was attacked in the Lydda area.

October 6: A Haifa-Tel Aviv passenger train was attacked by fire in the coastal plain.

October 11: An attack occurred on Kibbutz Neve Ilan. One member was murdered in his bed.

October 13: Several Arab attacks on Yehudiya (Yahud) on the outskirts of Tel Aviv took place. A mother of five children was killed, her 3½-year-old girl and 1½-year-old boy killed. A 70-year-old woman and one child were seriously wounded.

October 21: Two Israel trains were derailed by mines placed by Jordan Arabs on rails near the settlement of Ayal, in the vicinity of Qualqueleyah on the Israel-Jordan border. Thirteen cars were derailed and 130 rails destroyed.

October 30: Armed Jordanians penetrated Neve Ilan, a village in the Jerusalem corridor. They opened fire on the watchmen and stole work tools and other items from the villagers.

November 4: Jordanian National Guardsmen crossed the armistice lines into Israel near Atyr in the northern Negev. The Jordanians seized 3 Israel Bedouins and their flock of more than 350 head of cattle.

November 7: An Israel soldier was kidnapped and killed by Egyptian soldiers. Another Israel soldier was wounded but escaped. The body of the Israel soldier returned by the Egyptians was riddled with bullets fired from 1-yard range, and had knife cuts in the back and stomach.

November 8: Arab Legion soldiers fired on 12 Israel representatives on their way to a meeting of the Israel-Jordan Mixed Armistice Commission near Kfar Budros.

November 12: Arab Legion forces kidnapped 8 Arab women, 2 Arab children, and a Jewish guard while they were picking olives at Bet Safafa, south of Jerusalem, 150 yards inside Israel territory. Later, 7 of the women were returned; the 8th was seriously wounded. Subsequently, the body of the watchman was found near the village. Examination of the body in the presence of U. N. officials disclosed that the guard had been shot seven times in the back.

November 16: Armed infiltrators were discovered by frontier guards in the Jordan Valley.

November 22: A band of Arab infiltrators stole irrigation pipes from the vegetable fields of a village in the western Negev.

November 24: Soldiers of the Arab Legion of Jordan threw stones into the Israel section of Jerusalem from the walls of the Old City. A man standing in front of his home was hurt, and required medical attention.

December 2: An Israel police boat patrolling the Sea of Galilee was fired upon from Syrian positions on the northern bank.

December 4: Marauders from Jordan entered the village of Hatzov, near Gedera, and stole livestock from farmyards there.

December 6: A watchman on guard in the Mount Scorpus area of Jerusalem was wounded, after being fired upon from the other side of the fence of the demilitarized zone.

December 7: Water pipes were stolen from a village near Migdal Ashkelon in the Negev. The thieves' tracks led to the Gaza strip.

December 10: A member of Ein Shemer, a village in the Sharon near the Jordan border, was seriously wounded by infiltrators as she was walking near the "maabara" in which she was employed as a social worker.

December 11: A bus traveling on the northern frontier road between Goren and Shomera was fired upon by automatic weapons.

December 16: The bodies of 2 19-year-old soldiers were found after a day-long search in the vicinity of Bet Govrin near the Jordan border. The soldiers had been shot in the head and their bodies looted. Their rifles, ammunition, army papers, personal belongings and some clothing were missing.

December 18: Infiltrators stole camels from a Bedouin tribe in the Negev. The tracks of the two marauders led to the Egyptian border. On the same night, other infiltrators stole water pipes and other equipment from a village in the western Negev.

December 22: An Egyptian warship fired on an Israel plane in the Mediterranean about five miles from the coast.

December 28: Rifle and automatic fire were opened on an Israeli patrol in the southern Negev by a large group of Jordanians.

December 30: A police patrol boat on the Sea of Galilee was fired upon from across the Syrian border.

December 31: Arab marauders stole irrigation pipes from a settlement near Migdal Ashkelon in the Negev.

1954

January 3: Infiltrators stole fertilizer and water pipes from a western Negev settlement.

January 7: Marauders broke into the village of Neve Ilan in the Jerusalem Corridor and stole quantities of clothing.

January 12: Marauders penetrated Degania Bet in the Jordan Valley. They opened fire on members of the settlement and seriously wounded one of them as the village's guard tried to stop the theft of stores.

January 13: Infiltrators stole water pipes and livestock from two settlements in the Negev.

January 17: Infiltrators stole all of the merchandise of the general store at Menachemia, close to Degania Bet.

January 18: A group of Israel Bedouin shepherds tending their camels in the northeastern Negev were attacked by armed Jordanians who had entered Israel territory. The shepherds and their camels were taken prisoner and transported across the border. A 16-year-old member of the group managed to escape and report the incident to the Israel authorities.

January 19: Israel trains were attacked by armed Jordanians in two separate instances. The first incident occurred when shots from Jordan territory were fired at a Hadera-Lydda train near Kfar Syrkin; the second occurred 1 mile north of Tulkarm on a Tel Aviv-Haifa freight train.

January 25: A Piper Cub plane carrying civilian passengers was fired on while it was flying north of Yad Chana.

January 26: Two Israel Arab residents, a man and a woman of Bet Safafa, a village south of Jerusalem, were abducted by members of the Arab Legion.

January 27: Jordanian forces entered Israel territory and killed a member of an Israel police patrol near Lifta, on the northern outskirts of Jerusalem.

January 29: Draft animals were stolen from the village of Zakaria in the Jerusalem Corridor.

January 30: An Israel police unit patrolling the armistice lines in the central Sharon was attacked by members of the Arab Legion, from four Jordan positions, including the police station at Kalkilia on the Jordan side of the border.

February 2: Jordanians were intercepted by watchmen in the Jerusalem corridor as the marauders were uprooting olive trees and transferring them across the border.

February 4: A group of marauders tried to force their way into the settlement of Mishamar Ayalon, near Ramle.

February 5: Jordan soldiers penetrated over a mile into Israel territory in the northern sector of the Israel-Jordan frontier. They stole a flock of sheep and goats and kidnapped the shepherd.

February 6: A fishing boat from the settlement of Ein Gev was fired on in Lake Kinneret from a Syrian outpost at Koursi.

February 8: Infiltrators penetrated into the village of Balfouria in the Valley of Jezreel and attempted to steal livestock. The farmers exchanged fire with the marauders who escaped across the Jordan border.

February 11: A large group of Jordan national guardsmen entered the no-man's-land in the Latrun area, to which entry is forbidden by the armistice agreement, and opened intensive fire on an Israel unit patrolling the area.

February 14: A watchman was murdered by armed infiltrators near Machaseya, a settlement in the Jerusalem corridor. Two watchmen were patrolling the area when the shots were suddenly fired at them from close range.

February 15: Jordanian forces killed a watchman at another village near Jerusalem.

February 16: A group of workers were attacked on the road leading to Ajur in the southern part of the Jerusalem corridor.

February 19: An Israel patrol encountered about 50 armed and mounted infiltrators from across the Egyptian border. The gang opened fire on the patrol and killed an Israel soldier.

February 20: An Israel Beduin was kidnaped by Egyptian soldiers in a jeep on their way to the border from the Israel-Egyptian Mixed Armistice Commission camp.

February 21: A group of workers were fired on from the southwest section of the old city wall of Jerusalem, under Jordanian control. The shooting continued for 4 hours.

February 28: A civilian plane engaged in spraying the fields of settlements near the northeastern border of Israel was fired on from Syrian positions.

March 2: An Israel unit was attacked by a band of armed Jordanians who had crossed into Israel territory east of Bet Govrin.

March 4: A gang of Jordanians kidnaped an Israel shepherd and stole his flock.

March 4: A band of armed infiltrators shot and wounded a tractorist in the village of Brur Chayil in the northwestern Negev. They robbed the wounded man of clothing and valuables and escaped across the Egyptian border.

March 7: A border policeman was seriously wounded when a police unit was fired on from across the Jordan border.

March 10: An Israel soldier was killed and three soldiers wounded when a mine exploded under the vehicle in which they were traveling near the frontier at Bet Govrim.

March 11: Syrian military positions opened fire on Israel fishing boats on Lake Tiberias. Two boats were hit and damaged. A second attack occurred on March 15 while the Israel-Syrian Mixed Armistice Commission was in

session considering the Israel complaint concerning the March 11 attack.

March 12: Armed members of the Jordan National Guard entered an Israel village south of the Valley of Jezreel and kidnaped an Israel Arab.

March 15: An Israel Beduin was murdered in his tent near Shuval in the Northern Negev.

March 15: Marauders ambushed and shot at a truck of the settlement of G'vulot, in the northwestern Negev, when it was on its way to a maternity hospital with a pregnant woman.

March 17: Eleven Israeli passengers, among them women and children, were massacred in an ambush near Maale Akrabim (Scorpion Pass) on the road from Eilat to Beersheba. The bus slid into a ditch after automatic machine-gun fire instantly killed the driver. The attackers approached the bus and two of them boarded it, firing their machine-guns at the passengers from point-blank range.

March 23: An Israel soldier was wounded when his unit was attacked by Arab marauders near Katana in the Jerusalem corridor.

March 25: Armed Egyptians wounded an Israel soldier and kidnaped a second near the Gaza strip border.

March 26: An Israel watchman was murdered when tommygun bursts were fired at him by Arab marauders near the village of Kisalon in the Jerusalem corridor. The murderers escaped into Jordan territory after stealing the watchman's rifle.

March 29: Four separate thefts of pipes, draft animals, and equipment from Israel settlements in the Western Negev occurred.

April 6: Two Israel soldiers were wounded when fire was opened on them near the settlement of Kissufim.

April 11: Fire was opened from Jordan-held territory on the settlement of Ramat Rachel on the southern outskirts of Jerusalem.

April 14: A farmer plowing in the fields of Yad Chana in the Sharon Plain was attacked and seriously wounded by Jordanian infiltrators.

April 19: Infiltrators from Jordan stole a flock of sheep from the settlement of Ein Gedi on the Dead Sea.

April 23: An Israel border patrol in the Judean hills was attacked from positions in Jordan and was under rifle, machine-gun and two-inch mortar fire for several hours.

April 24: An organized group of marauders attempted to rob the settlement of Kissufim in the Negev. When they were intercepted by an Israel patrol, the Israelis were attacked from across the armistice demarcation line by Egyptian forces stationed in the Gaza strip.

April 24: Both the settlements of B'eri and Nachel Oz were robbed by Arab marauders.

April 29: Arab infiltrators stole irrigation equipment from the settlement of Gvaram in the Negev.

May 1: An Israel patrol was attacked near Ahuzam in the South by a band of Egyptian infiltrators. The patrol killed 1 and wounded 1 of the gang. Information concerning the movements of Israel military personnel and equipment was found on the bodies of the two fallen spies.

May 7: A watchman from the Kastel maabara was killed near the Arza Sanatorium in the Jerusalem corridor. The murdered man was robbed of his ammunition.

May 8: An Israel unit was attacked by Jordanians near Givat Oz, in the Megiddo area. A Jordanian was killed in the clash, and dragged from Israel territory by the Jordanians. An Israel policeman was killed, and a second is missing.

May 9: An Israel border patrol encountered Jordan National Guard men in Israel territory near Hirvat Illin, southwest of Bet Natif in the Jerusalem corridor. In the ensuing clash, two policemen of the Israel patrol were seriously wounded and dragged by the Jordanians into territory under Jordan control where, medical reports show, they were killed at close range by sharp and blunt instruments.

May 14: The pumphouse of the settlement of Alkim, north of the Gaza strip, was broken into and the pump dismantled by Arab infiltrators.

May 23: A band of armed Egyptians crossed into Israel and attacked an Israel Bedouin camp near Bir el-Malga in the western Negev. They stabbed five of the Bedouin, beat others, destroyed the tents and robbed the Bedouin of their ammunition, cattle and donkeys.

May 28: A fire engine from the settlement of Eyal, near the Jordan border in the central Sharon Plain, was attacked by infiltrators on its way to a fire.

May 31: An Israel patrol was attacked by Jordanians while patrolling the Israel-Jordan armistice lines in the vicinity of Um-al-Fahm in the central Sharon Plain. One of the patrol members was wounded.

June 3: Arab infiltrators robbed a grove near Migdal Ashkelon, in the southern plain, of irrigation equipment.

June 8: An Israel soldier was wounded when the Army vehicle in which he and his unit were on patrol north of Kissufim, near the Gaza strip, struck a mine.

June 8: Houses in Jerusalem, near the old city wall, were stoned by Arab legionnaires. Windows were smashed and furniture broken in nearby apartments.

June 12: Organized Arab marauders robbed the settlement of Ein Hashlosha in the northern Negev of large amounts of agricultural produce.

June 19: Five settlers of Mevuot Betar, which is situated in the Judean hills, were ambushed by Jordanians as they were guarding an orchard near the armistice lines. Three of the group were killed.

June 24: Jordanians killed an Israel Arab woman when they fired across the Israel-Jordan armistice lines.

June 27: Arab marauders killed a villager in the town of Ra'anana in the Sharon Plain. The villager was murdered when he came upon the infiltrators robbing his storehouse.

June 30: The Arab Legion opened fire on Jerusalem along the entire sector of the armistice lines within the city. The attack was launched on June 30, and firing continued through July 1 and July 2. Three Israelis were killed and 25 wounded in the 3-day attack.

June 30: Israel police boats patrolling the Lake of Galilee were twice attacked by Syrians from fortified positions near Noursi. The first attack took place on June 30 when 2 Israel policemen were killed and 5 wounded as the Syrians directed machine-gun and mortar fire at an Israel police boat. On July 1, heavy cannon and machine-gun fire was opened on two Israel police boats patrolling the lake.

July 7: A band of Arab marauders robbed the settlement of Carmiyah, in the Negev, of aluminum pipe stores.

July 9: Arab Legionnaires again shot into Jerusalem. This shooting continued sporadically for 48 hours. Arab Legionnaires also threw stones into the New City of Jerusalem on July 7, 9, 10, 11, and 12. Two Israelis, a 12-year-old girl and a 45-year-old man, were hurt.

July 10: One Israeli was killed and two others wounded when Egyptians attacked an Israel unit patrolling the armistice lines near Kissufim.

July 20: An Israel unit patrolling the Israel-Jordan armistice lines in the Lydda area was fired upon from within Jordan territory. A member of the unit was wounded in the head.

July 25: A settler of Beit Gan, a settlement in lower Galilee, was killed by Arab infiltrators.

July 26: The Jordanians attacked Israel farmers operating a combine of the settlement of Netiv Ha-Lamed Heh situated near Jerusalem. An Israel border patrol and a group from the settlement who hurried to the scene were also fired upon by the Jordanians. Five Israelis were wounded during the attack.

August 2–5: Jordan soldiers opened fire upon several sections of New Jerusalem in violation of the Israel-Jordan Armistice Agreement and the renewed ceasefire agreement which followed the 3-day attack on Jerusalem by Jordan forces on June 30, July 1–2.

August 13: The third Jordan attack in as many weeks, upon harvesters from the settlement Netiv Ha-Lamed Heh, in the Jerusalem Corridor, took place.

August 26: Egyptians attacked a group of Israel Beduin in Be'erot Yam, in the Nitzana demilitarized zone. The Egyptian marauders fled with part of the Beduin flocks.

September 2: A bridge on the road to Eilat and telephone wires near the Israel-Egyptian armistice lines were destroyed.

September 4: A tractorist was murdered by Arab infiltrators near Ruchama in the south.

September 5: Armed Egyptians attacked Israel Beduin near Subeita in the Negev. They killed one and wounded a second. The Arab gang escaped across the border with the Beduin's livestock.

September 10: Two Israel soldiers were killed in their observation post near Bir Ma'in, north of the Ayalon Valley in the Jerusalem corridor. The pair were found by a patrol which was sent to investigate their absence. The Arab ambushers had concealed themselves near the observation post.

September 18: A band of armed Egyptians attacked an Israel Beduin encampment at Bir Malaga in the Nitzana demilitarized zone. The Arab gang abducted three young men from the Bedouin encampment after having wounded an old man and the sheikh.

September 20: A house in the village of Hatzav, south of Gedera, was blown up.

September 25: Two brothers, members of the Bet Shikma settlement, were killed in the Negev by Arab marauders who infiltrated into Israel from the Gaza strip.

September 27: Jordanians attacked a shepherd from Ein Hashofet in the hills of Ephraim. They wounded the shepherd and absconded with a flock of 480 thoroughbred sheep. The value of the flock is estimated at IL 75,000.

September 28. Jordanians opened fire across the demarcation line on three watchmen of Bar Giora in the Jerusalem corridor. One watchman was killed and a second wounded.

October 3: Arab Legionnaires opened fire from the Old City Wall upon a group of children playing in the street in Israel's Jerusalem. The children, and a woman, were injured by fragments of stone.

October 11: Irrigation pipes were stolen from Nahal Oz, in the western Negev, by Egyptian infiltrators.

October 20: Guards from the settlement of M'vuot Betar in the Jerusalem corridor were attacked from across the Israel-Jordan armistice lines.

October 25: The water pipe near Mefalsim was blown up by Egyptian infiltrators.

October 28: A band of Egyptian infiltrators stole agricultural produce from the settlement of Sa'ad in the western Negev.

November 1: Jordanians attacked workers near Givat Oz in the valley of Jezreel and were repulsed by an Israel border patrol. One policeman was wounded.

November 5: A bus near Magal was fired upon by Jordanians. A woman was wounded.

November 10: Egyptian marauders stole irrigation equipment from the village of Nir Moshe in the western Negev.

November 22: A group of surveyors near Mevuot Betar in the Jerusalem Corridor were attacked by Jordanians. One of a group of guards, who came to their aid, was wounded.

November 29: Jordanians attacked a unit of the Israel border patrol near Batir in the Jerusalem corridor.

November 30: A border police vehicle on patrol in the Jerusalem Corridor was damaged by a mine planted by Jordanian infiltrators.

December 4: A watchman in Eilat, Israel's southernmost port on the Red Sea, was wounded and a car attacked by Arab infiltrators.

December 8: Five Israel soldiers on patrol in northern Israel were kidnaped by Syrians.

December 11: Arab marauders again attacked and wounded a watchman near Eilat.

December 18: A truck was blown up when it crossed a mine planted near Ein Ya'Hav, north of Eilat.

December 22: Marauders, whose tracks led to the Jordan border, robbed Kfar Shmuel, near Ramle, of livestock.

December 30: Farming equipment was stolen by Egyptians from the settlement of G'vulot in the western Negev.

1955

January 14: Syrians attacked a dredge working on the drainage of the Huleh Swamp in Galilee.

January 16: A Syrian position attacked an Israel fishing boat on Lake Huleh in Galilee.

January 18: Two members of the settlement of M'vuot Betar in the Jerusalem corridor were murdered by Jordanian infiltrators as they slept in a house in Agur, northeast of Bet Govrin in the northern Negev. Their belongings were stolen by the Arab marauders.

January 21: One soldier was killed and one wounded in the vicinity of Nir Yizchak near the Israel-Egyptian border. On the same day, two Israel soldiers were wounded in the Musrara quarter of Jerusalem by shots fired from the Jordan-controlled old city walls.

January 25: Tractorists near Ein Ha'Shlosha in the northern Negev were attacked by Egyptian infiltrators as they were plowing the fields of their settlement. One farmer was killed and a second wounded.

February 1: An Israel soldier was wounded when automatic rifle fire was opened from an Egyptian position at an Israel unit near Nahal Oz in the Negev.

February 2: A Syrian position opened automatic fire at four Israel fishing boats on Lake Kinneret (Sea of Galilee).

February 2: Syrian soldiers fired across the armistice lines at a group of children in Kfar Szold.

February 8: An Israel soldier was wounded by Arab Legion fire in the Sanhedria quarter of Jerusalem.

February 9: An Israel unit was attacked by Jordanian fire southeast of Rosh Ha'Ayin, in the hills of Judea. Two Israelis were wounded.

February 13: An Israel boat at Lake Tiberias was attacked from Syrian positions.

February 18: An Israel patrol southeast of Duweima in the Negev was attacked by Jordanians. One Israel soldier was wounded.

February 25: An Israel cyclist was killed by Arab infiltrators near Rechovot.

February 27: Three students—two Israel Arabs and a young Jewish woman from the United States—were kidnaped by members of Jordan's Arab Legion near Beit Tsafafa, south of Jerusalem. They were returned to Israel the next day after having been interrogated by legion officers.

March 1: A fishing boat from Ein Gev sailing on Lake Tiberias was attacked by fire from Syrian positions.

March 9: Jordanians fired upon workers in fields north of Sde Eliahu in the Beit Shaan Valley.

March 12: An Israel Army vehicle traveling northwest of Kissufim in the south was blown up by a land mine.

March 15: Egyptian marauders blew up a house in the settlement of Sharsheret, not far from the Gaza strip border. The attackers were repulsed by the settlement's watchman and his sister. The watchman was wounded.

March 18: Jordanian infiltrators attacked the settlement of Yizrael near Afule. One settler was killed and a second wounded.

March 24: A 23-year-old woman was killed and 23 persons wounded when Egyptian infiltrators threw hand grenades and fired into a crowd attending a wedding party in the Negev settlement of Patish. The young woman had volunteered to serve as an instructor in the immigrant settlement. Mr. David Ben Gurion and Chief of Staff Moshe Dayan were among the mourners at the funeral which took place the day after the attack.

March 25: Two Israel herdsmen were kidnapped by Arab legionnaires who penetrated into Israel from Jordan territory.

March 28: An Israel Army vehicle exploded when it struck a mine near Nirim in the south. Two Israel soldiers were seriously wounded and died the following day.

April 1: An Israel Army command car was blown up and damaged by a land mine north of Kissufim. One Israeli soldier was injured.

April 2: One Israel command car was blown up by a land mine near Nachal Oz. Five Israeli soldiers were injured. After the explosion three Egyptian Army positions directed mortar, machinegun, and rifle fire at the wreckage, wounding another Israel soldier.

April 9: An Israel command car on routine patrol was blown up by a land mine at Khirbet Maayan in the Nirim area. One Israel soldier was killed on the spot, and another later died of his wounds.

April 16: A house in the Jerusalem corridor village of Zakariya was blown up by Jordanian infiltrators, over the heads of its inhabitants, burying them under the debris. Three women and 2 men were wounded and the house destroyed.

April 18: Syrians opened fire on a number of Israel fishing boats on the Sea of Galilee.

April 28: An Israel patrol uncovered a land mine laid on the road south of Nirim. Members of the patrol, left to guard the site, were attacked by an Egyptian military position.

May 7: Jordanians fired upon harvesters in the valley of Jezreel. An Israel patrol came to their rescue. Four Israelis were wounded.

May 12: Jordanian marauders fired upon watchmen from the Jerusalem corridor settlement of Bar Giora. One of the guards was wounded.

May 17: Three Israel officers were killed and a fourth wounded when an Israel patrol car was blown up by a mine west of Kissufim in the Negev. Several hours earlier another patrol had discovered a mine in the vicinity.

May 18: An Egyptian position opened fire on a group of Israelis traveling near Nitzana. On May 20 Egyptians fired upon U. N. observers investigating the Israel complaint concerning this attack.

May 27: An Israel army vehicle was blown up by a land mine laid in the road northwest of Nirim. Two soldiers were wounded.

May 30: Two Israelis were killed and eight wounded when Egyptian artillery fired upon the settlements of Ein Hashlosha and Nirim in the south. An ambulance rushing to the aid of the wounded was attacked.

June 2: An Israel patrol uncovered a land mine laid by Egyptian infiltrators south of Kissufim.

June 7: Syrians fired on an Israel fishing vessel on Lake Tiberias.

June 17: An 18-year-old girl of Kfar Menachem in central Israel was wounded by Jordanian infiltrators.

June 19: Egyptian infiltrators blew up the pipeline south of Kissufim and severed telephone communications to this southern settlement.

June 21: An Israel patrol in Taibe was fired on by Jordanians. One Israeli was seriously wounded and died several days later.

June 28: Syrians opened fire on Israel vessels sailing on Lake Tiberias.

July 2: Syrians fired on a group of settlers from Gonen, in Upper Galilee, trying to extinguish a fire that had broken out in their fields.

July 14: Syrians fired on an Israel vessel sailing on the Sea of Galilee.

July 20: Several Syrian posts opened heavy fire upon the settlement of Hagovrim.

July 23: Hand grenades were thrown into houses in the Negev village of Patish by Egyptian infiltrators. Three persons were seriously wounded.

July 27: Syrians fired on members of Gonen, in Upper Galilee, as they were walking south of the village.

August 22: Three Egyptian strongpoints attacked an Israel mobile border patrol southwest of Mefalsim. Four Israeli soldiers were wounded.

August 25: An Egyptian ambush in Israel opened automatic fire and threw hand grenades at a civilian jeep northwest of Erez. One of the passengers, a civilian, was killed.

August 27: The water pipeline at Gehah, southwest of Ashkelon, was blown up.

August 28: Two military vehicles were mined northwest of Be'eri. Two soldiers were killed on the spot and four, two of whom died later, were seriously wounded.

August 29: The masts of the radio broadcasting station at Yavne, 29 kilometers in a direct line from the nearest point on the border of the Gaza strip, were destroyed by explosive.

August 29: A family, consisting of five persons was found wounded by gunfire near Kubeiba in the vicinity of Rechovot. One of them later died of his wounds.

August 30: The bodies of four workers from Nes Ziona were found near Bet Oved, 25 miles from the border. They had been killed by gunfire.

August 30: A halted motor vehicle was found on the roadway south of Kfar Menachem. All four of its occupants had been killed by machinegun fire.

September 1: A well was blown up at Yad Mordechai, near the Gaza strip border.

September 3: The water pipeline southwest of Nitzana, 10 miles within Israel territory, was blown up.

September 7: Arab terrorists blew up the water pump in Tirat Zvi in the Bet Shaan Valley.

September 15: Egyptians attacked an Israel vehicle near Erez in the south. An Israeli was killed.

September 22: Two persons were killed and 10 wounded when Arab marauders ambushed an Israel bus just outside of Meron with machinegun fire and hand grenades.

September 27: Syrians fired on an Israel fishing vessel sailing on Lake Tiberias.

October 4: A member of the settlement of Bitha, in the Negev, was killed by Egyptian infiltrators while on guard duty at Gilat, 10 miles from the Gaza strip. The 32-year-old watchman left behind a pregnant wife and five children. Two other settlers were wounded when they attempted to come to his aid.

October 16: Egyptian troops fired on U. N. observers who were on an inspection tour of

the international frontier of the Nitzana demilitarized zone.

October 18: A young soldier on a hunting expedition in the vicinity of Gonen, in northeastern Galilee, was ambushed by five Syrians, wounded by gunfire, and then forced into Syrian territory.

October 30: Egyptian military positions attacked an Israel patrol 2 miles northwest of Nirim.

November 4: Two Egyptian Vampires flew over Nirim, Nir Izhak, and Ein Hashlosha. Another Egyptian plane lingered over Nirim, Patish, Be'eri and Nitzana on the same day. The next day, five separate violations of Israel airspace by Egyptian planes took place in the same area.

November 5: Two homes in Sde Hemed, in the Sharon, were dynamited by Jordanian infiltrators.

November 6: An explosion was averted at the reservoir south of Ein Harod, in the Valley of Jezreel, when an attempted dynamiting by Jordanians was discovered.

November 13: A home in Rosh Ha'ayin, in the Sharon, was blown up by Jordanian infiltrators.

November 20: An Egyptian unit entered the Nitzana demilitarized zone south of Berotayim and attacked an Israel patrol.

November 21: The carpenter's shop and pumping station in Avuka, southeast of Beit Shaan, were dynamited by infiltrators.

November 27: Members of the Arab Legion shot at and killed an Israeli who had entered the noman's-land near the Musrara quarter in Jerusalem.

December 10: Syrian army forces heavily shelled Israel fishing boats and a police escort on the Sea of Galilee (Lake Kinneret).

December 26: Syrians fired across the border at Israelis near Susita in the demilitarized zone in Upper Galilee.

December 27: Egyptians fired upon Israel soldiers southwest of Ein Hashlosha.

December 30: Arab infiltrators ambushed an Israel jeep traveling on the Beersheba-Eilat road, in the center of the Negev. The driver was seriously wounded but escaped through the aid of a truck traveling behind him. Two riders in the jeep were murdered.

Arab violations of armistice agreements

JORDAN

Period	Casualties (killed and wounded)	Sabotage and mining	Armed clashes	Robbery and theft
Apr. 3, 1949–Apr. 30, 1950	38	------	------	------
May 1, 1950–Aug. 30, 1953	421	128	866	3,385
Sept. 1, 1953–Apr. 30, 1954	60	21	222	205
May 1–Dec. 31, 1954	74	2	188	126
Jan. 1–Oct. 30, 1955	32	10	109	154
Total	620	161	1,385	3,870

EGYPT

1951 (as of May 1)	18	10	98	203
1952	29	20	142	541
1953	26	22	99	560
1954	47	9	135	302
1955 (to Oct. 30)	177	47	137	125
Total	297	108	611	1,731

SYRIA

1951 (as of May 1)	83	1	29	8
1952	3	------	16	13
1953	3	------	18	5
1954	4	------	34	10
1955 (to Oct. 30)	5	1	101	4
Total	98	2	188	40

Arab violations of armistice agreements—Continued

LEBANON

1951 (as of May 1)	3	------	9	12
1952	1	------	8	23
1953	9	------	16	16
1954	------	------	8	1
1955 (to Oct. 30)	11	1	6	11
Total	24	1	47	63
Grand total	1,039	272	2,231	5,704

Estimate of damage caused to property by Arab infiltrators and the value of smuggled goods confiscated by Israel authorities and returned through the Mixed Armistice Commissions:

Year	Property returned (IL)	Damage caused (IL)
1952	161,000	517,250
1953	201,620	582,910
1954	210,180	629,250

THE MIDDLE EASTERN DANGER

(An editorial in the Manchester Guardian Weekly)

If Russian MIG fighters have been seen over Cairo, as the Minister of Defense suggested in the House of Commons on Tuesday, the supply of ancient British Valentine tanks to Egypt appears comparatively trivial. Indeed, much of the debate in the House on Tuesday seemed to be on secondary issues. It is important, of course, that any laxity in the administration of arms exports should be tracked down, and Mr. Gaitskell made the most of the failings which there have evidently been. But a trickle of old tanks to the Middle East—and it has been no more than that—is insignificant beside the delivery of fairly new arms both by Communist countries and by the British Government. The Minister of Defense was justified in his contention that, even if the obsolete tanks which have been allowed out of this country were remilitarized, they would not add materially to Egypt's armed strength. It is a different story with Centurion tanks and jet fighters from this country as with Stalin tanks and MIG aircraft from Russia and Czechoslovakia. These have added greatly to Egypt's power and have unbalanced the military situation in the Middle East. The British Government has placed itself in a weak position to complain about Communist supplies, because it was first in the field. Sir Walter Monckton refused to give details of the arms sold by the Government to Egypt, taking refuge behind the old excuse that it would be "contrary to all practice" to disclose what had been sent. (Why should it be contrary to all practice when in Jordan and Iraq only a few weeks ago we held public ceremonies, with Ambassadors and press photographers in attendance, to hand over tanks and aircraft?) There is, however, no doubt that Centurions and Vampires went to Egypt before the first Soviet deliveries began.

The preponderant supply of arms to Egypt, as Mr. Gaitskell said, has created grave danger. The hope of the Arab States for revenge against Israel has been enhanced, and they may soon feel tempted to try to drive the Jews into the sea. The Israelis, too, may feel that because the balance is clearly going against them for the first time since the war, they should strike before the situation becomes worse. The danger is in part of the British Government's own making. It has been aggravated by the Soviet intervention, but Britain itself must bear part of the preliminary blame. For that reason action ought to be taken to make more plain our intentions under the Tripartite Declaration of 1950. Jointly with the United States and France, we ought to say what we shall do both to restore a balance of arms and to deal with any renewal of the war. The promise of supplies to Israel would do much to remove her feeling that she should strike while there is time, and the promise of military action against the violation of frontiers by either side would help to deter Egypt. It is ironical that, having said in the 1950 Declaration that an arms race ought to be avoided, Britain has promoted one to the extent that she ought now to send extra supplies. But the damage has been done, and Israel cannot safely be left weak. As to violation of frontiers, the wording of the 1950 Declaration was plain enough. It said:

"The three governments, should they find that any of these States was preparing to violate frontiers or armistice lines, would, consistently with their obligations as members of the United Nations, immediately take action both within and outside the United Nations to prevent such violation."

Our obligation to defend the present dividing line is evident. (The meaning of Sir Anthony Eden's intervention last Tuesday, when he told Mr. Gaitskell that the language of the declaration was not so clear as Mr. Gaitskell thought, is puzzling.) That undertaking ought, nevertheless, to be reinforced by a statement that Britain and the United States would, if necessary, take military action. Britain has its troops in Cyprus and Libya, and the United States has a fleet handy. In Washington this week their readiness should be reaffirmed.

(Presented as a public service by International Latex Corp., Playtex Park, Dover, Del.)

Mrs. KELLY of New York. Mr. Speaker, I yield now to the distinguished gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter to Secretary Dulles and a reply.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT. Mr. Speaker, this is not a new subject. Ever since the end of World War II and the coming into being thereafter of Palestine as the State of Israel, there have existed tensions and controversies in this area. During that period, when the Secretary of State was Mr. Dean Acheson, many of us urged on the then Secretary of State the importance of the recognition of the integrity of the new state and many of us opposed plans for the shipment of arms and aid of one kind or another to various of the Arab States.

The other day I came across a headline of the year 1950. That headline said: "SCOTT Raps Acheson on Arab Arms Aid."

It did not get me anywhere, and I have about come to the conclusion that attacks on Secretaries of State, be they Mr. Acheson or Mr. Dulles or anyone else, probably will not be as effective an approach as the continuing logical presentation of the reasons why we believe that the preservation of the integrity of the State of Israel can be achieved by preventing the growth of an imbalance in arms between Israel and the Arab world, at least on a temporary basis, but can only be permanently achieved by the negotiation of peace between the parties to this controversy in their troubled area. These negotiations

have a better chance of success if promptly and vigorously pursued.

Together with several other Members of Congress, and representing 40 Republican Members of Congress, we called the other day on Secretary Dulles, having presented him with a letter which I am including in the RECORD, stating our views. Those views included our belief that there should be immediate shipment of arms to Israel to counter the Communist activity in the area, and the shipment of arms from Soviet satellites to Egypt. Those views also included our concern over the resettlement of the refugee problem, the Jordan Valley development; but most of all they concerned means by which we might preserve the peace of the area through the implementation of the Tripartite Pact or by use of the framework of the United Nations if, in proceeding within the framework of the United Nations, we would have a reasonable hope of success.

We talked to Secretary Dulles and from that talk emerged several important developments. In the first place, in an editorial in the Philadelphia Inquirer of January 27, I noted that the Secretary of State at that time had implied that it might be months before a decision would be reached on the arms bid. I think it is real progress to be able to report that peaceful negotiations looking toward peace are now presently being undertaken; that those negotiations are with other members of the Tripartite Pact and presumably with other nations; that as one member of this delegation said to the press after leaving Mr. Dulles, it was expected and the clear implication was received that some determination which would permit the Secretary to make some further announcement could be expected in about a month. This is a great improvement over previous reports that decision might be delayed for many months. If we have succeeded in advancing the time limit in that degree, I think that is an important contribution. We have not changed our mind. We still think that arms to Israel to counter this imbalance are necessary. But the position of the Secretary is that he should be given an opportunity to work out peaceful solutions on the basis as suggested in our letter particularly through the implementation of the Tripartite Pact, the guaranty of existing frontiers, as we suggested, and other methods, including the increase in the number of persons engaged in neutral patrols along the borders.

It is, I think, fair to state that it would be the Secretary's opinion that time is needed to work out some of these problems. Some of us think that that time should not be very long, because we recognize the danger to peace and the menace to our own national security through delay.

But we learned something else. We secured from the Secretary in that conversation a firm policy statement which was reported in the press conference, and that statement is this:

It is one of the basic tenets of American foreign policy that Israel be saved.

Another restatement of the same policy as used by the Secretary was:

It is one of the basic tenets of American foreign policy that the integrity of the State of Israel be preserved.

I think we may say categorically that in learning from the State Department something that we have been very anxious to hear for some time, that the Department has a basic intent that the people who live in Israel shall not be attacked without action on our part and on the part of other friends of Israel who are tremendously concerned about her danger, is an important assertion of policy. An even more important development occurred today when President Eisenhower gave flat assurance that every constitutional method would be used by the United States to avoid outbreak of war in this area.

Naturally the negotiations themselves looking to peace cannot be spread open to the public gaze as each step is taken, because to do that would in itself defeat the purpose of the negotiations.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from New York.

Mr. CELLER. However, the gentleman, I am sure, feels that arms should be sent immediately?

Mr. SCOTT. I have said so.

Mr. CELLER. I am sure he feels that any kind of a declaration may be unable to save Israel if there is any aggression, a sudden aggression on the part of Egypt. The United Nations brought Israel into being. That was a declaration. We joined in that declaration. Then immediately seven hostile Arab nations converged on Israel and sought to destroy her. Israel therefore was sorely put to and had to defend herself with great difficulty. Israel may not be able to defend herself as well now as she did then because of the superiority of arms that Egypt now possesses. So that it is the arms to which we must address ourselves immediately.

Mr. SCOTT. I appreciate the import of what the gentleman has said and I am particularly aware of the danger through the attainment of air superiority on the part of Egypt. That is why I think that what is called for here in the treatment of this matter is expedition. The sooner we act to assure the free world's security, the better.

I think at the same time we have to take at face value the statement of the Secretary of State that within a near period, within some early period, the United States should be aware of whether its steps directed toward a permanent peaceful solution are going to succeed.

The position of the State Department is, "We believe there are better solutions than are now proposed." They say that in their opinion something can be done within the near future. We say if that cannot be done, then at the very least there should be arms aid at that time. We are going to continue that position, we are going to maintain that view to the State Department. We have stated to the Secretary of State that we would like to act as a continuing committee to keep in touch with him because, as the gentleman from New York himself has indicated, we do not look with complete trust upon the intent of the enemies of Israel. Therefore, the watchword, I think, is to be eternally vigilant day by day in the hope that an early solution will appear. I believe we will get that solution sooner if we do not at this time waste our energies in an attack on the Secretary of State, as I used to do when I attacked Mr. Acheson. Mr. Acheson and his administration never did anything for us. I think there are better ways to do it, than to make attacks on Cabinet officers, which confuse the issue with partisan politics.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from New York.

Mr. KEATING. Is it not a fact that in that same conference the Secretary most emphatically made it clear that he was not ruling out the necessity of arms to Israel and that that would be very seriously reconsidered at the time when the present negotiations warranted it?

Mr. SCOTT. The Secretary made the point that what he was saying was more of a revelation and much more of a forward step than had been indicated as American policy up to that time, and, further, that the question of arms to Israel is wide open if other solutions are not arrived at. In fact, the release of arms to Israel remains very much in the picture, if peace negotiations bog down. Yes, in our call on Secretary Dulles, we succeeded in clarifying the picture and we advanced, in our opinion, chances for the solution of this problem.

FEBRUARY 3, 1956.

The Honorable JOHN FOSTER DULLES,
Secretary of State, Department of State, Washington, D. C.

DEAR MR. SECRETARY: As you know many of us, in our individual capacity of Members of Congress, have been in continuing communication with the Department of State concerning the tragic increase of tensions in the Middle East. Your statement of August 26, 1955, outlined the basic concepts which could, through effective implementation, bring peace to this troubled area. In your statement, you outlined certain specific problems requiring solution in order to bring about peaceful conditions. You referred to the lack of fixed permanent boundaries between Israel and its Arab neighbors, the fear of an imbalance of power which might lead to violence on the part of one of the parties to the controversy against the other, and to the tragic plight of the 900,000 refugees whose displacement presents a continual problem.

We, therefore, proceed from the premise that you recognize the great danger to peace in the Middle East. We and the millions of constituents whom we, collectively, represent are gravely concerned about the immediate necessity for finding means to bring about a treaty of peace between Israel and the Arab world.

We, therefore, would like to state in further detail some of the problems which we consider need to be met by our Government and associated governments particularly Great Britain and France. Under the tripartite declaration of 1950, our Government recognized "that the Arab States and Israel all need to maintain a certain level of Armed Forces for the purpose of assuring

their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole." Because of a fear of growing imbalance of arms, the Government of Israel desires to purchase through private sources defensive arms strictly for purposes of self-defense. We have individually, and now collectively, taken the position that Israel as a firm part of the free world should be allowed to obtain in the open market such weapons as would assure her protection against aggression. What is the position of the State Department on this matter?

We do not contend that tension in the Middle East can be finally resolved by the provision of defensive arms alone. We are convinced that immediate negotiations for the conclusion of a treaty of peace between Israel and the Arab world should be undertaken. These negotiations should be effectively implemented by our Government in association with those governments which joined in the Tripartite Declaration of 1950.

It is vital that prompt and decisive measures be taken to end the threat of war in the Near East.

To achieve this end, the negotiation of formal treaties guaranteeing the existing frontiers of Israel and the Arab nations is essential but essential also is a willingness to negotiate such treaties. We believe that a treaty of peace and a guaranty of existing frontiers should be offered to all interested parties in the Middle East and should be implemented promptly as to the frontiers of that nation or those nations which accept the proposed peace terms. Otherwise we continue to be faced with the refusal of some nations to enter into peace negotiations or even to recognize the existence of the State of Israel. What is the position of the State Department in this regard?

There are two additional matters as to which we seek information from the Department: first, we do not believe that economic aid should be extended to any nation which is engaging in warlike or aggressive maneuvers against any part of the free world. Therefore, we would like to go on record as urging our Department of State to consider most carefully further extension of economic aid, denying such aid to those countries which by their actions endanger the peace and security of free nations. What is the position of the State Department in this regard?

Second, we agree with your August 26, 1955, statement concerning the immediate desirability of economic and technical help in resettling those Arab refugees whose continued presence in their present location delays or impedes the possibility of a total solution of the Arab-Israel problem. What progress has been made by our Government and associated nations toward the solution of this matter?

We recognize that the continuing effort of our Government to counter the spread of world communism has many facets. Action taken anywhere may have repercussions in all parts of the world. But we do urgently feel that our constituents will be better informed by frank statements of the position of the Department of State wherever that is possible, consistent with national security. As Members of Congress, who support the aims and objectives of this administration, we are particularly anxious that our constituents be advised that the Department is taking positive steps toward the protection of free nations such as Israel and toward the dissolution of dangers which in threatening the peace of Israel, threaten also the peace of the free world.

We would much appreciate an early response to this urgent expression of our concern.

HUGH SCOTT, 6th District, Pennsylvania; ALBERT P. MORANO, 4th District, Connecticut; KENNETH B. KEATING, 38th District, New York; EDMUND P. RADWAN, 41st District, New York; JAMES G. FULTON, 27th District, Pennsylvania; THOMAS M. PELLY, 1st District, Washington; THOR C. TOLLEFSON, 6th District, Washington; KARL M. LECOMPTE, 4th District, Iowa; R. WALTER RIEHLMAN, 35th District, New York; ALBERT W. CRETELLA, 3d District, Connecticut; HOWARD H. BAKER, 2d District, Tennessee; HORACE SEELY-BROWN, Jr., 2d District, Connecticut; TIMOTHY P. SHEEHAN, 11th District, Illinois; ALVIN M. BENTLEY, 8th District, Michigan; LAURENCE CURTIS, 10th District, Massachusetts; GORDON CANFIELD, 8th District, New Jersey; ROBERT W. KEAN, 12th District, New Jersey; JOHN P. SAYLOR, 22d District, Pennsylvania; JOSEPH L. CARRIGG, 10th District, Pennsylvania; STUYVESANT N. WAINWRIGHT, 1st District, New York; STEVEN B. DEROUNIAN, 2d District, New York; FRANK J. BECKER, 3d District, New York; FRANCIS E. DORN, 12th District, New York; KATHARINE ST. GEORGE, 28th District, New York; BERNARD W. KEARNEY, 32d District, New York; WILLIAM R. WILLIAMS, 34th District, New York; HAROLD C. OSTERTAG, 39th District, New York; THOMAS B. CURTIS, 2d District, Missouri; JAMES T. PATTERSON, 5th District, Connecticut; WILLIAM E. MILLER, 40th District, New York; ROBERT J. CORBETT, 29th District, Pennsylvania; JACKSON B. CHASE, 2d District, Nebraska; PAUL A. FINO, 25th District, New York; RUTH THOMPSON, 3d District, Michigan; GORDON L. MCDONOUGH, 15th District, California; DEWITT S. HYDE, 6th District, Maryland; FREDERIC R. COUDERT, Jr., 17th District, New York; CARROLL D. KEARNS, 24th District, Pennsylvania; DONALD L. JACKSON, 16th District, California; PETER FRELINGHUYSEN, Jr., 5th District, New Jersey.

FEBRUARY 6, 1956.

GENTLEMEN: I have your letter of February 3. I share your concern at the continuing tense situation in the Near East, and at the persistent threat it represents to the peace. Let me say that the foreign policy of the United States embraces the preservation of the State of Israel. It also embraces the principle of maintaining our friendship with Israel and the Arab States.

The Government of Israel, feeling that its peaceful existence is threatened by the large amount of arms now made available to certain Arab countries by the Soviet bloc, desires to purchase from the United States and other countries additional armament to balance what it considers to be the increased threat against it.

The United States recognizes that current developments could create a disparity in armed force between Israel and its Arab neighbors. However, we are not convinced that that disparity can be adequately offset by additional purchases of arms by the State of Israel. Israel has a population of under 2 million, whereas the Arab population amounts to tens of millions, and they apparently have been offered access to huge stores of Soviet bloc material. Under this circumstance the security of Israel can perhaps better be assured by means other than an arms race.

The having in hand, by Israel, of equal or superior arms is not the only deterrent to aggression. Israel is a creation of, and member of, the United Nations; the Arab States are also members, and all are solemnly bound by that Charter to refrain in their international relations from the threat or use of force. The United Nations organization is capable of providing many forms of protection. Furthermore, the United States in 1950 joined with the United Kingdom and France to declare a policy of action within and without the United Nations to deter aggression by either side against the other. United States policy in that respect has recently been reemphasized in the statement issued on February 1, 1956, by President Eisenhower and Prime Minister Eden. The combined influence of the nations which would, under the United Nations Charter and the Tripartite Declaration, be against any armed aggression is a far more effective deterrent to any potential aggressor than any amount of arms which could be obtained by either side.

We do not exclude the possibility of arms sales to Israel. But it is our belief that the security of states in the Near East cannot rest upon arms alone but rather upon the international rule of law and upon the establishment of friendly relations among neighbors. We are actively working toward the establishment of such relations.

In my speech of August 26, 1955, made with President Eisenhower's concurrence, I referred to the fear and tension arising in the area from the lack of fixed permanent boundaries and indicated United States willingness to assist the parties in substituting agreed frontiers for armistice lines. To encourage the parties to work toward such agreement and to assure them that the United States would be prepared to make its contribution to the maintenance of international respect for such boundaries, I stated that the President would recommend that the United States participate in an international guarantee of agreed frontiers. That statement still stands.

You inquire about economic aid. United States policy in the extension of economic aid is based upon the desire to strengthen other free nations. In the case of each aid program we take into account the nature of the project in question and the purpose for which it was intended. I can assure you that United States aid would not be extended for purposes or under circumstances which we judged would undermine peace in any part of the world.

The Arab refugees remain perhaps the most important single source of bitterness existing between the Arab States and Israel. In my speech of August 26, 1955, I proposed that the problem of the Arab refugees be attacked in several ways. I suggested United States participation in an international loan to Israel to assist her in funding her obligation to pay compensation for property left in Israel by the refugees and which is now being utilized by Israel. I recommended assistance to Israel and the Arab States in the rehabilitation of the refugees both by repatriation to Israel to such extent as might be feasible and resettlement in adjoining Arab States. In this connection the Arab States and Israel have accepted, on a technical basis, the Jordan Valley plan which would provide new economic opportunities for several hundred thousand refugees. But final political approval remains to be achieved. Thus, some progress has been realized, but much remains to be done.

I know that you all understand that it is not practical, or in the interest of the goals we seek, to discuss publicly all of the factors involved in this complicated situation. I know you also recognize that the problems of this area must be studied in the larger context of the free world's unceasing struggle against international communism. I have, however, no hesitation in declaring that the United States, seeking for itself to avoid involvement in war, is earnestly striving as a friend of both Israel and its Arab neighbors to relieve the present tension in the area. If the political and economic developments should subsequently become such as to make congressional action desirable or necessary,

the President would, of course, promptly communicate with the Congress.

Sincerely yours,

JOHN FOSTER DULLES.

Mrs. KELLY of New York. I want to thank the gentleman from Pennsylvania. However, I want to point out I made that statement in my opening remarks prior to yielding to other Members. I do want to bring out this point that as a member of the Committee on Foreign Affairs, I took a trip to Europe with a subcommittee and it was only there in Europe that we learned of the Czech-Egyptian arms deal. That is in the record of the subcommittee. It was known to the Department of State as a rumor in the spring. I think it should have been brought to the attention of the House during the session last year. I also feel that had it been brought to the attention of the House, we might have, which I also wrote into the report of the subcommittee, we might have and we should have called off and postponed the Foreign Ministers' Conference in the fall and thus show to the world the insincerity of the Russians.

Mr. MULTER. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY of New York. I yield.

Mr. MULTER. I would like to ask a question of the gentleman from Pennsylvania [Mr. SCOTT]. We all appreciate the intense interest that the gentleman from Pennsylvania [Mr. SCOTT] has had in this problem all through the years and his very sincere approach to it. We all appreciate how important it is that peace negotiations in a delicate situation such as this be carried on behind the scenes, but I would like to have the House advised about, and if it cannot be answeerd orally at least to have the record completed by supplying for the record, a single instance where the Secretary of State has said to the head of any of the Arab States that the United States as a part of our foreign policy guarantees the integrity of the State of Israel. I think that should be made clear—not to us—not to a press conference, but to the Arab States. Now, if we can supply that for the record, I think we will have moved forward a long way. Can that be supplied?

Mr. SCOTT. I would answer the gentleman by saying that, in effect, that is exactly what was accomplished by the tripartite declaration.

Mr. MULTER. That, too, I am sorry to say is not a declaration to the heads of the Arab States. Let us have a statement from the Secretary of State to the heads of these Arab States that this is it.

Mr. SCOTT. I think the gentleman also said that in August of 1955.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I want to add my tribute to the gentlewoman from New York for the opportunity that has been given here today to bring to the attention of all America the fact that this is not in any way a local problem or a problem which affects just a part of the population of our great country. This is a problem which too many Americans fail to realize is fundamental to the security of our own Nation and to the peace and security of the entire world.

First, I think that when the record is written there can be no question as to which side is right in this dispute. America has never been hesitant to move forward on the side of right.

But above all else, I think we should understand very clearly that the present situation is but one of the pawns in the great overall effort of Communist Russia to succeed in her plan of world conquest. If she can get rid of the State of Israel, and if she can wipe it out and have a free corridor into North Africa and into Asia they will have accomplished part of their plan. It is perhaps being accomplished by the help and the aid of the Arab nations. Certainly it is up to our Government to see that this does not happen. Certainly, not only for the humanitarian reasons that have been advanced today for the preservation of the rights of the people of Israel to remain a nation, but above all else, because the rest of the free world is looking to us for a plan of action which will safeguard liberty and freedom, and which can be destroyed if we let our weakest link snap, there must be a firm course of action now. So today, if we repeat the truths that have been recited over and over again, it is merely that the truth needs to be repeated in order that the world at large and all Americans may understand the true issues.

I thank the gentlewoman for giving me this opportunity.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that my colleague [Mr. KLEIN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KLEIN. Mr. Speaker, we are all greatly indebted to the distinguished and lovely gentlewoman from New York [Mrs. KELLY], for bringing this matter to the attention of the Congress.

This problem is presently also receiving the attention of our Government in conjunction with the governments of France and Great Britain. It continues to be one of the most important matters before the United Nations as well.

Many of us are fearful that the recent conference between the President and the Prime Minister of Great Britain may have resulted in some high level decision to further appease the Arab nations at the expense of that tiny democracy, Israel. We must here raise our voices against any such decision. No amount of oil, which seems to be the factor most affecting our position in the Middle East, or for that matter, any monetary or other pecuniary consideration, temporary or otherwise, that we can obtain as a result of "selling out" Israel will in the long run be of benefit to us. The people of this country, as well as many throughout the world, are looking to our Government for world leadership. Israel, as has been said here many times, is our greatest bulwark against Communism in the Middle East. This has been demonstrated time and again whereas many of the Arab countries have been playing "footsie," first with the Nazis, and now with the Communists. They have demonstrated that in a time of emergency when we might need them most, they cannot be depended upon.

It is to be hoped that our Secretary of State and the Prime Ministers of the governments of France and England, which were signatories to the Tripartite Declaration of 1950 will at least live up to their obligations under that agreement.

Again I want to thank my colleague from New York [Mrs. KELLY] for this opportunity of presenting here what I believe to be the views of the majority of this Congress.

Mr. KEOGH. Mr. Speaker, I would like to compliment the gentlewoman from New York on her obviously studied, experienced, and considered presentation today. It is further proof of that which we from New York have known for a long time, that in our colleague on that great Committee on Foreign Affairs we have a Member upon whom we can rely and depend to state lucidly and tersely her position on any difficult subject. It is further justification for us to come more and more to lean and rely upon her judgment in this situation.

The gentlewoman has expressed views to which I can wholly and entirely subscribe. I therefore need not delay the House any longer, other than to say to you, Mr. Speaker, that I am sure that out of this discussion will undoubtedly come the action that seems to be needed.

Mrs. KELLY of New York. I want to take this time to thank the gentleman from New York [Mr. KEOGH] for his remarks. I only wish that I could have that same effect on the State Department with reference to Israel, but at least I tried.

Mr. KEOGH. If I still have a few seconds, I would say whether the gentlewoman has any effect upon the State Department is not as important as the effect we know she will have had after today upon all thinking Americans.

Mrs. KELLY of New York. I thank the gentleman.

I now yield to the gentleman from Massachusetts [Mr. MACDONALD].

Mr. MACDONALD. Mr. Speaker, I would like to join with the other Members in expressing our appreciation to the gentlewoman from New York [Mrs. KELLY] for the great work she has done on this subject and for the fine work done by her committee in the Middle East. I know I express the opinion of many Members of the Congress in stating that we are indeed fortunate to have the gentlewoman from New York [Mrs. KELLY] play the guiding role she has in this field.

It seems a little presumptuous for a freshman Congressman to come before this great body to make suggestions as to what should be done on such a vital issue as the Middle East. However, I think that is typical of the void that exists because our State Department, who should be expert in this field, have

taken no position whatsoever. It seems to me clear that leadership must be had—and had soon—on this subject or we will lose our position in the Middle East through the very virtue that we have not exercised—that of leadership in this area.

So with the knowledge that this is a highly sensitive field I would like to put forth some suggestions that seem to me would be of some help in this troubled area.

It seems clear to me that the following steps would help resolve some of the problems in this area. Of course, it is conceded that there is a good deal of controversy and many problems to be solved, but some action must be forthcoming and forthcoming soon. I suggest that, first, under no circumstances should the United States sell arms to Egypt. If Egypt desires peace she has more arms than she needs. If Egypt wants war she has more arms than she deserves.

Second. United States should enter a mutual-security pact with all peace-loving nations of the Middle East. A pact which would not preclude the entrance of Israel into mutual defense against non-Middle East enemies and which would guarantee the borders of those countries.

Third. Impose economic sanctions on nations that breach the peace. That is, for example, unload our surplus cotton, for which all our taxpayers have paid their tax dollars to support, in Egyptian foreign markets at a low price, if Egypt should breach the peace in this area.

Fourth. Offer concrete help in order to develop Israel's oil resources to their fullest.

Fifth. Provide defensive arms needed by Israel to protect itself against any aggression.

Sixth. By educational methods and by the pressure of world opinion, try to bring to the consciousness of the Arab States that it is to their own self-interest that Israel survive. So that its men of learning, its doctors, its public health experts, its irrigation experts may be utilized by the people of the entire area. So that the whole of the Middle East may flower and peace again shine on the lands from which all mankind sprang.

In my opinion, Mr. Speaker, until these things are done it is only logical to expect that the prestige and influence of the United States will fall even lower in this most important and strategic area of the world.

Thank you, Mrs. KELLY, for allotting me this time.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I would like to commend the gentlewoman from New York for her leadership in this matter and to associate myself with her remarks.

I would like also to commend my friend from Massachusetts and to say that I particularly associate myself with the solutions which he has just set forth.

Mrs. KELLY of New York. I thank the gentleman.

Mr. ASHLEY. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I am very anxious to associate myself with my colleagues and particularly with the gentlewoman from New York [Mrs. KELLY] and to say what a splendid and fine thing she has done today.

Surely, Mr. Speaker, there can be no doubt that the situation in the Near East is far different today than it was a year ago. American policy, if it is to be realistic, must face the fact that Soviet influence is now firmly established in Egypt—a highly volatile and nationalistic country under military rule which currently relies on the Communistic bloc not only for arms, but as the main market for exports, and as a source for economic aid and technical assistance.

If we are to be realistic we must recognize that nothing, now, can keep Russian embassies and emissaries out of the Near East, and that it is wisest to enlist them, as soon and as publicly as possible, in the ranks of those who do not want a second Israel war.

I think that it must be made unmistakably clear, Mr. Speaker, that the sale of arms to Israel—as proposed in the joint declaration signed by Republican and Democratic Members of this body alike—is only a short-range measure to preserve the tenuous peace which exists today more by chance than by design. The sale of arms to Israel, all of us agree, is absolutely consistent with the Tripartite agreement of 1950 which recognizes that the nations of the Near and Middle East must have arms for purposes of self-defense and the stability of the area. Only the conditions have changed. Arab nations which were relatively weak in 1950 today are growing stronger by the hour with the delivery of heavy weapons and jet aircraft from the Soviet Union. Surely there can be no question but that the balance of strength between Israel and her hostile neighbors has been dangerously upset. Nor can we dispute the fact that a tiny oasis of democracy, only 8,000 square miles in area and a mere population of 1,600,000, is surrounded by sworn enemies whose total population is 40 million and whose total territory is in access of 1 million square miles. If the Tripartite agreement was necessary in 1950, as we are all convinced that it was, then surely it is all the more essential today.

The void in United States policy just referred to by the learned and eminent gentleman from Massachusetts, Mr. MACDONALD, must be filled by thoughtful but positive action. The proposals which he set forth would do much to fill the ghastly vacuum which today is causing the entire world such anxiety.

At the risk of repeating myself, Mr. Speaker, let me again say that opportunities for peace are precious because they are only momentary; they must be taken by free people with courage and conviction.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. DONOVAN].

Mr. DONOVAN. Mr. Speaker, needless to say, I am profoundly grateful, and I know I speak for everybody within range of my voice, for this opportunity the gentlewoman from New York [Mrs. KELLY] has presented to all the Members of this House to express their views on the stark conflict that now exists in the Middle East.

The basic facts in North Africa and Asia Minor are bitter. The Arab league in the driver's seat with Egypt at the reins is against us, playing Russia's game. The Arab league opposes the Northern Tier Pact between Turkey, Iraq, Iran, and Pakistan; so does Russia. The United States supports this Northern Tier arrangement as a keystone in our defenses against Russia, yet the timid in our midst temporize.

Israel, the only democracy as we understand the term, in the Middle East, is on our side. To whom, in the name of common sense should our aid and sustenance go, if not to Israel? Should we comfort our enemies and leave our friend naked?

Apart from these stark reflections on the real politics of North Africa and Asia Minor with one eye on the Dark Age and medieval history of militant Islam and its modern counterpart, the Arab league, and the other eye on the heroic struggle of modern Israel for freedom and self-respect, what kind of man would I be if I looked the other way? I cast my lot with Israel and against the Arab league and to the Arab league, as far as I am concerned, we should give nothing, no economic aid, until they back down and show a willingness to play the game as a civilized western world understands the rules.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from Illinois [Mr. BOYLE].

Mr. BOYLE. Mr. Speaker, I, too, extend my appreciation to the gentlewoman from New York on her efforts in pointing up the explosive situation which obtains in the Middle East.

On April 27, 1955, in my salute to Israel on her seventh anniversary, I pointed out that the present administration has released arms to Iraq and the Arab nations while refusing arms to Israel since 1952. Today, we find the United States and the West still furnishing arms to the Arab nations, who are receiving arms from the Soviet Union as well now, and our Secretary of State still refuses to sell arms to Israel. My well-intentioned advice in that speech about a treaty arrangement with Israel has been ignored and refused.

Of course, all the emphasis possible must and has to be directed to the goal of peace. Nobody wants an arms race in the Middle East. But I certainly do not want to see Israel put in the position where she is helpless against her enemies. An arms race can be bad but it would be infinitely worse for democracy and for the world if the United States and the United Nations should permit the Arab States to overrun the beacon of democracy in the Middle East—Israel.

Israel, as we know, is a tiny struggling island of democracy surrounded by forces which threaten its very life and existence. These forces, the Arab nations, see in Israel a threat and living refutation of the systems of despotism and abso-

lutism to which most of these surrounding Arab nations, despite certain lip-service to the contrary, are clearly wedded and devoted.

And more than that, we now have the situation where these enemies of Israel are receiving aid not only from the West but also from the nation that is the greatest threat to our own security, namely the U. S. S. R. And our Secretary of State temporizes and continues to be afraid to sell arms to Israel because he "might start an arms race." The sooner our Secretary of State realizes and understands than an arms race has already been started and that Soviet Russia is running very hard in that arms race by arming the Arab nations against Israel the better off will be not only Israel and the United States, but the whole civilized world as well.

Nobody wants war and everybody will do everything possible to prevent a war from breaking out. But it would be even worse to allow the Arab nations to overrun Israel and as the Arab States say drive them into the sea.

It is not necessary to repeat and mention all of the privations and hardships that the people of Israel suffered at the hands of the Nazi before and during the last war. Let us not put them in the position where they might suffer even more of the same sort of treatment at the hands of the Arabs.

In my salute to Israel on April 27, 1955, I advised that—

> Our Government should not furnish any arms to the Arab States until and unless they sign treaties of peace with Israel and give indications that they will honor and be bound by the terms of such a treaty.

And that—

> Israel should be included in any defense arrangements for the Middle and Near East.

I wish to now repeat those words of advice to our Secretary of State.

Israel needs a security treaty with the United States and she now further needs defensive arms from the United States and the West with which she can deter an Arab attack which she fears is scheduled for this next summer. There are four reasons why Israel fears an attack this coming summer. They are:

First. Progressively increasing Arab hostility. The Syrian delegate to the United Nations has told the Security Council that Israel has no legal or political right to any of its 8,000 square miles of land.

Second. Unconditional Soviet support of the Arab position and Soviet penetration of the Middle East, threatening Israel's national existence and its democratic principles of life.

Third. "A massive infusion of deathly armaments" into Arab countries from both the Communist bloc and the West. This has fused British centurion tanks with soviet MIG jet fighters and bombers, submarines, and artillery, for only one purpose, "war against Israel."

Fourth. The lack of a security alliance with any other nation, causing Israel to feel she stands "alone in her peril."

As I said last April, our Government should make a determined effort to bring about direct negotiations between Israel and the Arab States so that peace between them can be effected. Formal treaties should be prepared within the framework of the United Nations guaranteeing the existing frontiers of Israel and the Arab nations in the Near East that want peace and are ready to enter into such treaties. But our Department of State must also remember that the Arab States are preparing to drive Israel into the sea. For this reason, and this reason alone, the United States and the West must furnish arms to Israel so the Israeli can protect themselves against attack by the Arabs. Accordingly, I join in making this further specific suggestion: that our Government permit Israel to purchase the $50 million of defensive arms which she seeks in this country strictly for purposes of self-defense.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Speaker, I, too, want to commend the gentlewoman from New York for her able presentation today and for bringing this matter to the attention of the Congress.

Mr. Speaker, it is imperative that our Government take firm and decisive action in the Middle East. If the Arab States and Communist Russia are encouraged to believe that the democracies have abandoned Israel, or any country, they will attack as was done in South Korea. I have always believed that if Secretary of State Acheson had taken a firm stand against the North Korean Communists before June 26, 1950, there would not have been an attack on South Korea. A similar situation exists between Israel and the Arab States.

In the face of Egyptian-Soviet arms deals, other Arab States will be emboldened to attack Israel and other countries and, at the same time, follow the Egyptian lead into the Soviet orbit.

In order to prevent another South Korea, this is the time for the West to show clearly that it is ready to defend peace in the Middle East with firm and binding guaranties of support.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I want to commend the gentlewoman from New York, Mrs. EDNA KELLY, for her outstanding contribution in enlightening the Members of the House regarding the critical situation involving the nation of Israel.

At the time that President Truman recognized the infant nation, the people of the free world hoped that Israel would be a beachhead of democracy in the Middle East. We now find that the complex and intricate infiltration maneuverings of the Kremlin has been stirring up dissension among the neighbors of this small democracy, the Soviets are using the same blueprint, with but few changes, on the strategy, that they used when they subjected the now captive nations in Europe under their tyranny. It is high time that our country, the recognized leader of the free world, take decided steps to protect the democracy of Israel from the encroachments of its adjacent enemies who would destroy this small country if they did not fear the repercussions from the free nations of the world. I am alarmed at the actions of our State Department that it is not taking a more decided stand through our ally Great Britain in curtailing the shipment of arms and ammunition to the enemies of Israel. If this cannot be done, at least the free democracies should aid in every way to give Israel the needed arms and airpower to defend itself in case of attack.

Through my experience as chairman of the congressional Katyn Forest Massacre Investigating Committee in the 81st Congress and the Committee on Communist Aggression in the 82d Congress, I can readily see that Soviet communism is at work in the Near East using the same blueprint that it used during the last 20 years in creating suspicions and unrest in Central Europe. All the leaders of the captive nations who observed the Soviet strategy in those days, can easily identify the Kremlin maneuverings in stirring up dissension, bitterness and strife in the Middle East. This is part of the Communist strategy and tactics in its slow and ultimate desire for world control and domination. I firmly believe that the free countries, including our own, must now take a decided stand on the Israel crisis before the Communist propaganda and armament will incite Israel's enemies into a vicious attack upon this small democracy in the Middle East. Concrete steps taken now may avert general war in the Near East.

I am happy to be one of the 94 Members of Congress who signed the petition and which today has been presented to the Congress by our colleague, Congressman CELLER, of New York.

Mrs. KELLY of New York. Mr. Speaker, I yield to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, I have listened to the talks this afternoon and I have been moved deeply. Israel is threatened with annihilation, with being wiped from the face of the world. To save her, to prevent one of the great tragedies of all history, we must act now. Today is being raised the voice of the Congress.

Back of Israel lies here in our United States of America an ocean of sentiment and of emotion. Our Americans of the two most numerous religions have a sentimental historic interest in the area wherein has been established the State of Israel. We have seen this State established in a spirit in which our own country was established, by people who have come from oppression, from hardship, and who saw ahead the sun of a new day of hope. They made great sacrifices. They made a great start. They were men and women and children with a purpose and the hardihood and devotion to fulfill a mission. And in the enactment of their laws they followed so much our own pattern. Here in the United States those of the Jewish religion have been in the minority. In Israel they were in the majority, and one of the first enactments of Israel was to guarantee religious freedom, with no handicap upon any minority. So, in everything that Israel has done we have

seen a reflection of the things that were done in the building of this country.

Now Israel has been brought by the wicked designs of an alien theology to the point of great danger. Arms are being supplied her enemies for her destruction. It is not a matter of months, time for long negotiations and study in the closed offices of the State Department. It is a matter perhaps of days, certainly a matter of weeks or of a few months until it all will end in one of the great tragedies of history. Can we stand idle when all the enemies around Israel are being supplied with arms and the threat is out "Israel will be wiped from the face of the earth." That, I think, is why we have in the House of Representatives of the Congress of the United States are meeting today that all the world may know our demand for prompt action.

And, upon what are we basing our reason? We vote here in the Congress for large sums of money to defend our own country, and we say we are not engaged in a war of armaments. We are not in a race of armaments, what we seek is peace. But in building our own defense we say that to have peace we must have strength. So we would apply that same rule to Israel. We say that in order that there shall be peace in that area, where Israel is our friend, Israel shall have sufficient arms to match the arms that are given her enemies; not to wage war but to preserve the peace by destroying the imbalance that invites war.

My friends—and I am measuring my words—if Israel is permitted to fall, Israel, which is the prototype of our own country in that area, the cathedral of democracy in the Midle East, if Israel is permitted to fall because of our procrastination, because of our cautiousness, because of our lazy indifference, then, my friends, the day may not be far away when our own country will feel the impact because once from the heart of Americans has been lost the spark it may never be regained. What is that spark that carried our country through the years of its founding and through the perplexing problems of growing years? Is it not the spark of our lives and of our traditions that we will not see thrown down and kicked while he is down our brothers and go not to his succor? I hope and pray that never will that spark be lost to us.

Yes, we are striving now to hold high the spirit of these United States which is the spirit of all democracy and in which we find a reflection, brilliant as the rising sun, in our alley, our friend, and brother to our heart, Israel.

For Israel and to all the world we want peace. Peace in this area can be purchased only with strength. We will not stand idly by and permit to grow and expand an imbalance certain to end in war.

In our joint statement calling upon our Government to permit Israel to purchase defensive arms in the United States, close to half of the Members of the House summarized the situation in the Middle East in these words:

> Israel is firmly a part of the free world and she may be counted upon not only to defend herself, but also to join in the defense of the free world.

Being party to an armaments race in the Middle East is a decision fraught with desperate possibilities. Unfortunately Russia seized the initiative. In arming the Arabs, as she is doing through her satellite Czechoslovakia, she has left us no alternative but to arm Israel.

Our own security as well as the security of the free world is now threatened by Communist penetration into the Arab States of the Middle East. Unless Israel is armed an imbalance of armed strength may tempt Egypt to wage war against Israel setting off a conflagration which could be world war III.

The Egyptian-Czech arms deal brings the cold war to the Middle East. The survival of Israel is menaced.

We cannot let Israel down. In abandoning her to the Arabs, an effect which at this point would result from failure to arm Israel would mean that the free countries of Europe and the Far East would be outflanked and our own security jeopardized.

The Arab countries are deceived into believing that Russia is honest and friendly. We know that the Soviet objective is to stymie United Nations action in order to maintain and increase the dangerous tensions existing in that area.

Israel has earned the right to national life. Established in fulfillment of the League of Nations mandate to facilitate the founding of a national home for the Jewish people Israel in little more than a decade has made a remarkable record. Jewish pioneers have restored fertility to the soil and redeemed a land from feudal squalor.

In the few years of national existence, Israel has opened her doors to 700,000 immigrants creating for them new homes and means of livelihood. In Israel equality of opportunity is no myth. Education is a major goal. The country gives the impression of dedicating itself to bringing up and educating its children.

A nation founded upon our own principles of democracy, Israel is dedicated to the betterment of man. Israel must not perish.

Mr. Speaker, I join with my colleagues in commending the brilliant and devoted Congresswoman from New York [Mrs. KELLY] for her masterful presentment today. No better presentment, with the driving power of eloquence combined with compelling sincerity, has been made in this body during the years it has been my honor and my privilege to be a Member. She has rendered a great service to her country, to Israel and to the world.

Mrs. KELLY of New York. I thank the gentleman from Illinois. I now yield to the gentleman from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. Speaker, I wish to compliment the gentlewoman from New York. She has made a very wonderful and able presentation. She and the other gentlewomen of this House perform a tremendously great service, not to their country alone but to all of us. They inspire us all to exert the best that is in us, and their courage, their equanimity, and their adherence to righteous principles, strengthen the rest of us in a way that we can better meet and discharge the manifold and onerous problems which confront us. Walt Whitman stated this thought in a different way when he said:

> A man is a great thing upon the earth, and through eternity, but every jot of the greatness of man is unfolded out of women.

So I pay humble tribute to the gentlewoman. She is sincere. I am likewise sure that every Member participating in this discussion today has spoken in the utmost sincerity.

I am now going to take that which likely will be an unpopular position. Certainly it is a position which easily can be misunderstood. There may be some who will accuse me of making a speech for the Arabs. There may be others who will falsely accuse me of being anti-Jew or anti-Israel. But I would rather be falsely accused, and I would prefer that these things be said against me ill-advisedly than to think within myself that I sat idly by and said nothing and, by so doing, betrayed my own conscience and my own country. I am not pro-Israel or pro-Arab. I am pro-America.

I do not think that the answer is arms now. It is dangerous to think that we can solve the explosive situation presently existing in the Middle East by participating in an arms race at this moment. Mr. Speaker, this is not a matter which can be settled on the basis of emotions or passions. You and I know that everything pertaining to this subject cannot be brought out in an open debate, because there is much information that is highly classified and secret and which, therefore, cannot be divulged in an open discussion like this.

In October and November I visited the countries of Lebanon, Jordan, Syria, Egypt, Iraq, and Israel. I was part of a study mission which engaged in conversation with American officials in those countries. We visited the refugee camps in Jericho and Amman. We talked with Colonel Nasser of Egypt, with the king of Iraq, and with leaders in other Arab countries and Israel. We discussed economic, political, and military problems. On the basis of my observations, as a Member of the House Committee on Foreign Affairs visiting those countries, I am convinced that the answer is not arms now.

Stephen Decatur said, at the beginning of the 19th century:

> My country, may she always be right. But, right or wrong, my country.

I have no doubt that every Member who has spoken today places the well-being of his country first of all. I, too, place the interests of the United States and the welfare of my beloved country—and I hope no one will think me chauvinistic—but I, like you, place the interests and security of my own country above the interests and welfare of any other country or any combination of countries in the world. And speaking from that premise, and on the basis of facts gleaned from my visit to the troubled Middle East, I do not believe that the answer is arms now. Future developments could convince me that this

may be the ultimate solution, and I certainly would hold that the United States should not permit Israel to be wantonly overrun or destroyed. But I do think that for us to supply arms to Israel at this moment would only serve to compound the obstacles to peace in the Middle East. If we furnish arms to Israel, we encourage greater arms shipments to the Arab countries. This can only contribute to an ever-widening vicious circle and perhaps ultimately to the total destruction of Israel itself and to our own involvement in world war III.

I wish to thank the gentlewoman for granting me this time. I told her that my position would not be in accord with the position taken by others who have engaged in this discussion, although I am sure that our ultimate goal is the same. I assure you, Mr. Speaker, that I have participated only with extreme hesitancy. It is a matter which I would not debate openly with anyone, but I simply could not refrain from having the record show that there are other aspects to the matter which cannot be brought into our conversation here but which are certainly to be evaluated if our Government is to properly determine its course of action and the policies to be followed. I do not want the American people to believe for 1 minute that there is only one viewpoint on this question, nor do I want our own State Department to be pressured into following a course of action which, incidentally, may be politically expedient at the moment but which may not be in our own national self-interest.

The issue is larger than Israel. It is larger than the Arab countries. The issue could well be the peace of the whole world. The strategic waterways and the all-precious oil fields of the Middle East are in the balance and, in the titanic could war struggle presently being waged between East and West, we simply cannot afford to see these slip into the hands of the Communists by default.

May I say in conclusion that I believe that the Secretary of State understands the complexities and the potentialities of this problem. I have not always agreed with him on foreign policy. Actually I have usually disagreed, because, in the main, I think that our foreign policy lacks firmness. I have said upon more than one occasion that we are losing ground because our foreign policy is no longer anchored and founded on the bedrock of moral principles. To be assured of this we have only to review the position taken by our Government on the United Nations package deal so very recently. It is time to take a firm stand for principles, as I said in this House on January 26 and again on February 1. Nevertheless I do believe that the Secretary of State is honestly trying to find a workable solution to the dangerous Middle East enigma. If we can find a workable solution short of agitating and encouraging an arms race between two great peoples, I certainly think it to be in the best interests of all to do so.

Mr. WINSTEAD. Mr. Speaker, will the gentleman yield?

Mr. BYRD. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I congratulate the gentleman. I, too, visited some of those countries in 1953. I certainly agree with the gentleman from West Virginia that this is a two-sided question. The sending of arms at this particular time is not the answer. I wonder if all sides, including the Arab countries and Israel, could show good faith by being willing to abide by the established boundary lines set up by the United Nations. I doubt if you would get very much cooperation. I just personally believe that. We are responsible for the setup there. As the gentleman from New York [Mr. CELLER] said, they have about 5,000 square miles now, whereas a few years ago they had 4,000 square miles when this was originally set up. It seems to me, if we are going to take it upon ourselves to force the issue and straighten it out, we should call upon Israel and all the Arab countries to abide by the original setup or the partition until such time as the United Nations or this country, or whoever has the chance, may be able to solve this thing without plunging the whole world into war.

Mr. BYRD. I thank the gentleman for his comments.

Mrs. KELLY of New York. I thank the gentleman from West Virginia [Mr. BYRD]. I know there is no more sincere Member of the House than he. I know there are many who disagree with the speakers today. I hope that we will not always agree. That is our process of government, to bring out those things on which we disagree.

But I do want to say this: I cannot forgive Egypt for taking the arms from the Kremlin and at the same time coming to the United States and asking the United States for economic assistance in building the Aswan Dam. I served notice on the Secretary of State that when the proper time came I was going to oppose economic aid to Egypt unless Egypt agreed to sit down to a peace conference and settle the difficulties, political, economic, and military, with Israel.

I want to mention one thing at this point. There have been many accusations against the State of Israel because of some remarks that she is not willing to adjust borders. At this point I place in the RECORD a statement of Ambassador Eban in 1952, in which he discussed the territorial question:

> These frontiers can only be changed by a process of negotiation and agreement. The peace negotiation would enable the parties to exchange proposals on the manner in which the armistice frontiers might be mutually adjusted for a peace settlement.

I also insert a more recent remark by Mr. Sharett, the Foreign Minister of Israel, in which he expresses the same idea in these words:

> Israel has always declared her readiness, and is indeed anxious, to explore the possibility of certain mutual adjustments of the boundary line, but of unilateral territorial concessions on her part there can be no question.

On that I agree. They should sit down to a peace table and adjust their differences. Then, at that time, we can guarantee borders.

Mr. Speaker, at this time I yield to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, on behalf of my colleague, the gentleman from New York [Mr. DOLLINGER] I ask unanimous consent that he may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore (Mr. EDMONDSON). Without objection, it is so ordered.

There was no objection.

Mr. DOLLINGER. Mr. Speaker, Secretary of State Dulles has once again turned down Israel's request to purchase arms; his reason this time is that we must wait until the new Anglo-American plan of Middle East peace has been tested.

In my opinion, there has been too much complacency and waiting. We have not been given the details of the Anglo-American plan agreed on in the Eisenhower-Eden conference and the length of the contemplated waiting period has not been indicated. It is hoped that the plan includes a firm and unequivocal stand by the United States that Israel is our ally, that we will support her in her efforts to remain free, that we will not permit her to be sacrificed in any way, that the situation requires no appeasement but rather that Israel deserves the right to exist as a democracy and to enjoy the peace for which she has always asked.

The crisis which exists in the Middle East has reached explosive and terrible proportions. The survival of Israel is in jeopardy. The cold war has crept to the Egyptian-Israel frontier, constituting a threat to the free world. Should a shooting war begin there, a world conflagration could ensue. We cannot accurately foretell at this point how many nations would be drawn into the conflict; we do not know whether or not the world itself would remain in existence should another world war be precipitated.

It is imperative that the United States use every means possible to bring a quick and decisive end to the threat of war in the Middle East. It is admitted that the solution is to promote an honorable peace settlement between the parties. I repeat—Israel has always wanted peace, but from the very day of the birth of the new State of Israel, she has lived in a constant state of fear and preparedness—fear of attack and preparedness for war. Egypt has consistently refused to recognize Israel and to negotiate for peace, and has sworn Israel's defeat and downfall.

The Egyptian-Czech arms deal, the weapons and technicians now pouring into the hands of Israel's enemies, and the lack of help to Israel, all place her in a vulnerable and tragic spot. The imbalance of arms which exists must be a great temptation to her enemies to accomplish what they have sworn to do—destroy Israel.

We sat back and permitted the crisis to be created; we watched the tensions grow, and now we are too slow to act. Our Nation must, without delay, act with other interested nations to the end that formal treaties within the framework of the United Nations are achieved which would guarantee the existing frontiers of

Israel and such Arab nations in the Middle East that want peace and are ready to enter into such treaties. Agreement to negotiate is a major problem and we must resolutely work toward the necessary agreement by the Arab nations to sit down at the peace table.

However, such agreement to negotiate is not within sight, while grave danger of a major outbreak of hostilities is a reality. The great imbalance of military power, the preponderance of military and manpower on the side of the Arab nations, are a menace to Israel's very existence. For this reason, our Government should permit Israel, without further delay, to purchase the arms which she has requested. Israel wants no arms race, but she does need help in order to be able to defend herself. By granting Israel's request and giving her all possible aid, we will create a stalemate in arms which will help to ward off any open conflict; we will defeat Russia's cold war aims in the Middle East and avert a new war.

Peace must be achieved. Statesmanship of the highest level is called for and we pray that the efforts of those upon whom the burden rests to push the necessary agreements will be successful, for the present threat to Israel is a threat to democracy and to the best interests of free nations everywhere.

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield.

Mr. McCORMACK. Mr. Speaker, I have listened with a great deal of interest to the views expressed by various Members today. No one misunderstands the purity and the honesty of the motives of the gentleman from West Virginia [Mr. BYRD] even though at times we may disagree with the gentleman. There is not a small thought in his mind. The main question in my mind is what is good for the national interest of the United States. That is the primary question. It seems to me our national interest is more consistent with the national interest of Israel than it is with the national interest of Egypt. Egypt has identified its national interest with the national interest of the Kremlin and the Soviet Union. Certainly our national interest is more consistent with Israel than it is with Egypt, as I said before, and certainly our national interest is completely inconsistent with the national interest of the Soviet Union. All over the world we find what the Soviet Union is doing. They are in French North Africa with Communist arms being sent there by way of Egypt. Why, if France were to withdraw from NATO, in my opinion, they could make a deal tomorrow with the Kremlin to stop the Communist activities in French North Africa. One thing the Kremlin is trying to do is to destroy NATO. This last offer that they made of a 20-year peace with the United States, which the President wisely refused, and then the later offer to include the United States, France and Britain is for the purpose of undermining NATO. If the three nations made that agreement, then there would be no more need for NATO. A year from now they would start breaking their promises again. We know the history of broken promises in any agreement that has been made with the Soviet Union. Indonesia is not in healthy shape. The promises of the Kremlin have been broken in Southeast Asia. There are Communist guerrillas in pretty much control of two provinces of Laos and that is in violation of their agreements.

All over the world you will find Communist penetration, all for the purpose of bringing about their objective—world revolution and world domination. Of course the furnishing of arms alone is not the solution. But who brought about this imbalance? Certainly it was not Israel. I view Israel not as a nation of Jewish origin but like any other little nation of Irish people or any other little nation that might be over there, viewing it objectively and historically. Several thousand square miles; 1,600,000 people, including men, women, and children; surrounded by other countries numbering in the millions. Able to win now if they wanted to. If Israel wanted to move, they could win. They are the ones who are taking actions consistent with peace, trying to stop aggression, going into warfare; because everyone admits if Israel wanted to now they could win. But the question with Israel is, What about a year from now or 2 years from now; or of any other little nation over there? Their racial origin should be of no concern to us. We were the first nation to recognize the new nation of Israel. They are a real democracy. Their government is, in substance, the same as ours. It is the only democracy in that wide area of the world. So the imbalance of arms was not brought about by this little nation or by the United States. It was brought about by Egypt and the Soviet Union. We have to start doing a little reckoning of our own as to why they did it. Certainly it does not show much regard for the prestige and position of the United States when we see things like that happen. So that the question that addresses itself to me as an American—no matter what others' views may be, what is for the national interest of the United States. As I view the national interest of our country it is more consistent with that little nation over there than it is with Egypt, buying arms from the Soviet Union or Czechoslovakia, one of its satellites. Czechoslovakia would not sell any arms if the Kremlin did not permit it. Technically they say it is Czechoslovakia, but who dominates Czechoslovakia? Not the people, but the Government of Czechoslovakia does this at the orders of the Kremlin. Their word cannot be trusted. They are out to dominate the world, and they admit it. They put on a mask of a smile, but the mask of a smile has not changed the same minds that have contributed to sending millions to imprisonment and their death. We had better not be deceived by the mask of a smile. The same minds are there, intent upon world revolution and world domination. The quicker we get back to a policy of diplomatic firmness, where America's position is understood and respected, not disbelieved, not changing from day to day—the quicker we get back to firmness and to the basic policy of peace through strength, the quicker there will be respect for this great nation of ours.

So as I view this question, looking at it from the national interest of the United States, I say that the national interest of my country is more consistent with the national interest of Israel than it is with the Kremlin, selling arms to Egypt; more consistent with the national interest of Israel or Israel's national interest; more consistent with ours than it is with the national interest of Egypt or the Kremlin.

Now on the question of arms, I believe that the imbalance already caused by the Communists should be brought into balance but, if the representatives of the United States, Great Britain, and France, as a result of the meetings now going on, make firm statements that under no conditions will they permit this little nation to be destroyed or weakened, then there will be respect for the power, and dignity, and strength of those three nations. That is the kind of firm language that the Communists understand.

When we showed firmness in Iran they acted. They understand the language of firmness; they also quickly understand the language of weakness. The quicker we get back to being firm in the Middle East, and in southeast Asia, and other trouble spots of the world, the quicker we will get back to affirmative action. From the psychological angle we are on the defensive throughout the entire world. We had better get back to firmness and strength and get back to affirmative action not only in the Near East but in other parts of the world.

Mr. MADDEN. Mr. Speaker, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from Indiana.

Mr. MADDEN. Mr. Speaker, in confirming the statement made by the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], regarding the agreements which the Kremlin makes with other nations I may state that I was a member of the committee which investigated Communist aggression in the last Congress. During our hearing in New York ex-President Hoover testified before our committee. In answer to the question regarding Communist agreements and treaties he answered that between World War I and 1939, at the beginning of World War II, the Kremlin made 36 different agreements with the satellite countries, the countries that today are captive nations, but that when it came time in the judgment of the Kremlin to break those treaties, pacts, and agreements, the Kremlin disregarded, annulled, and figuratively threw those agreements in the wastebasket when they were ready to march and take over those captive European countries.

Further concerning the agreements and the treaties which the Kremlin made during the last 35 years—and this has a very important bearing on the overtures

the Kremlin is now making to our State Department regarding a 20-year truce—United States News and World Report several months ago, published an extended article with a breakdown of the number of agreements and treaties the Kremlin made with the free nations throughout the world. The magazine enumerated those agreements, pacts, and treaties. United States News and World Report stated that out of 52 agreements that the Kremlin made with the free democracies throughout the world during the last 35 years, 50 were discarded, broken, annulled, and thrown in the wastebasket when they saw fit to do away with those treaties, agreements, and pacts.

The only two agreements they kept out of the 52 with the free nations were: first the agreement to go into the Japanese war, to join the Allies against Japan, which was only a two weeks' participation on the part of the Kremlin; and the second was to maintain and give the free world a corridor into Berlin. We know that they even violated that agreement when we were compelled to resort to the air lift several years ago in order to feed the people of Berlin during the blockade.

So, as a matter of fact, out of 52 agreements with free nations the Kremlin really only kept one agreement and that was to go into war against the Japanese nation for 2 weeks at the rear end of World War II. I heartily endorse the statements just made by our majority leader, Mr. McCORMACK, of Massachusetts.

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] and the gentleman from New Jersey [Mr. WILLIAMS] may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DINGELL. Mr. Speaker, on May 25, 1950, the United States of America, France, and the United Kingdom made what is known as Tripartite Declaration.

In that statement the three states expressed their concern over the peace and stability in the Middle East and the impact of arms shipments to that area which would inevitably lead to an arms race among the nations there.

Since that time all the powers involved have ignored the conditions in that area and indeed have almost ignored the existence of the declaration.

As we are all aware arms races are very often a last stage preliminary to actual armed conflict and they increase world tension by geometric progression.

We are all agreed that crying need exists for positive action in the area. America must boldly take the leadership in the Middle East as we must elsewhere. We are the only democratic Nation which has the strength and position of leadership in the free world which would enable strong positive action to avert a conflict which might result in the third world war.

American policy has been singularly vacillating and aimless in this time of stress, not only in the Middle East but elsewhere. At the same time the Russians and their satellites have acted vigorously.

The Soviet bloc has sent, according to recent newspaper releases, some 200 MIG–15 jet fighters, 50 Yushkin fast light bombers, 6 submarines, and large quantities of small arms, artillery, armor, and so forth to Egypt. I presume they have along a number of technicians to train Egyptians and operate some of the equipment itself. Britain, France, and even the United States have sent quantities of arms to Arab countries during recent months. Equally important is the fact that so-called surplus and demilitarized arms have been reconditioned and sent to Egypt and her Arab neighbors by Western European countries.

Two very disquieting things we read in the newspapers are that the Egyptians loudly boast that they will not rest until they have cut out the "Israeli cancer" from the "Arab heart," and they announce to the world how they have completed their first maneuvers with Soviet arms. Does this suggest peaceful intent?

These facts together with other things clearly reveal to us the need for positive action to prevent war. They make crystal clear the precise character of the Egyptian intentions.

As a prominent Israeli said:

> If Egypt desires peace she has more arms than she needs. If she desires war she has more arms than she deserves.

It is also interesting to note that Moslem countries like Pakistan, which have long clearly demonstrated their friendship for the United States and have alined themselves with us in the world struggle against Communist expansionism, are slighted by us in our rush to buy off and placate the Egyptians. Yet Egypt shows no friendship for America and no desire to settle the differences in the area peacefully.

I have heard that the British Government proposes to settle the matter by giving up a portion of Israel's territory to secure peace. This is indeed a return to the days of Chamberlain and his umbrella diplomacy which was to result in peace in our time.

The tragic history of Czechoslovakia and the war which followed reveal the folly and uselessness of such methods for the preservation of lasting peace. Such a policy is as likely to produce peace as for the United States to cede Brooklyn or Michigan's Upper Peninsula or for Britain to cede Scotland to the Arabs.

The last war shows that Egypt was at best a weak, indecisive, vacillating ally. At worst, Egypt came so close to selling out to Germany and the Axis Powers that the British had to run tanks into the very courtyard of Farouk's palace to prevent an actual betrayal. Subsequent dealings with Egypt in the postwar years have shown the orientation of that country continues the same. Some but not all the other Arab countries were no more reliable in that conflict.

It appears that Egypt dreams not only of becoming the dominant power among the Arab powers but of actually creating an Egyptian Empire from the Atlantic to India. To that end Egypt and Egyptian agents foment trouble all throughout that area among other things by inflammatory radio broadcasts into French Morocco, and by fomenting trouble in the Sudan they arouse the more peaceful states to a jihad or holy war. To this we contrast the behavior of our sister democracy, Israel, which has at all times shown herself a stout ally of the West. During World War II and during the troubled period following, she has urged no harsh methods nor stern repression against the Egyptians.

I say that the basis for action by the United States is adequately set forth in the tripartite declaration of May 25, 1955. The principles of that declaration have been ignored, not only by Britain and France but, to our shame, by our own Government.

Our State Department must urge on our friends, France and the United Kingdom, that we together proclaim to the world our continued aggressive espousal of the principles in the tripartite declaration and the three nations will govern our actions accordingly.

The three signatory powers must include in such a declaration that they will immediately take action to prevent country border violations by any country whatsoever.

On January 26, of this year, I made a statement in this RECORD, in which I urged that Egypt be given 48 hours to cease accepting Communist arms and to announce to the world their peaceful intentions. Because of our inaction since that time the situation has deteriorated to such a point that it appears that we must furnish to Israel the defensive arms she asks. I stress that Israel asks only that she be given defensive arms. As to why she must have them we need not speculate. Only 1,700,000 Israelis live in a land the size of our own State of New Jersey. They are surrounded by 40 million Arabs, who are openly and avowedly hostile.

Arab leaders have announced that they now hold Israel like a condemned prisoner on the deck awaiting but the executioner's blow.

We must recognize certain facts. Israel is a country which exists, a de facto country. She is recognized by most governments. We canont permit an existing country to be overthrown by implacable enemies from without.

Israel is the promised homeland of the Jews, for which they waited for centuries. It was Jewish before the coming of the Arabs and will continue to be so. For that we have the promise of the Almighty through his prophets.

What was previously a desert has become a land of green growing things, of industry, and of villages and cities. It has become desirable to the Arabs after being despoiled for years and having been an economic liability.

This has happened because of the industry and frugality of the Israelis. America must never let a people who love their land so much be overwhelmed.

The long-term problems can be worked out considering the needs of all the countries in the area. They may await deliberate action. The arms needs of Israel cannot wait.

Mr. WILLIAMS of New Jersey. Mr. Speaker, I want to commend the gentlewoman from New York [Mrs. KELLY], my distinguished and esteemed colleague with whom I have the pleasure of serving on the Committee of Foreign Affairs, for leading the discussion on one of the gravest problems the free world faces today.

I firmly believe that the people of this country feel we are without a firm policy and are drifting and indecisive in an area of our international relations that should call forth resoluteness on the part of the United States. It seems obvious to me that Israel, a free democratic nation realizing magnificent economic growth in a framework of freedom, is a friend that must be preserved.

The people of this Nation ask firm support for Israel in its present treacherous position. The people of this Nation realize that on our shoulders falls the mantle of leadership in working out a peaceful settlement of the tensions that exist in the Middle East. I commend my colleague [Mrs. KELLY] for her thoughtful proposals for solutions to the problems we face in the Middle East.

Mr. MULTER. Mr. Speaker, I will be very brief in my few remarks on this subject. I think all of my colleagues have done excellently in expressing their views to the House on this very important subject. I understand and respect those Members who have differed with the majority of the Members who have today indicated that one of the ways of solving the problem is to send arms now to Israel.

I would like to clarify the situation in several respects so that we will know precisely where we are going, and why. First, with specific reference to the remarks of the distinguished gentleman from West Virginia [Mr. BYRD] as to the things that are learned behind the scenes and must be kept off the record. I have had the opportunity to travel through the Middle East 3 times—in 1948, 1949, and 1955. I had the opportunity of visiting not only with people in Israel but with people in the Arab States. I had the opportunity of talking not only to the Israeli leaders but to the Arab leaders, both Christian and Moslem.

Upon my return after my last visit, which ended in November of 1955, I went to the distinguished chairman of the House Foreign Affairs Committee and said to him: I would like to attend before your committee and without emotion or statement of opinion recite to you some of the facts I learned while there. Then after hearing in executive session those facts which I learned from the Arabs as well as from the Israelis, from Moslems, Christians, and Jews, you then decide with your committee how much of that, if any, should be made public.

I want to assure you, particularly our distinguished colleague who said there are certain things that must be kept off the record because they are classified things that cannot be discussed in open debate—which causes him to say that this is no time to send arms to Israel, that I am awaiting the call of the chairman of that committee, and will respond any time he wants me. I will give him my testimony under oath if he wants it. I will give him facts, names, and dates. I am willing to sit by and let any other Member of this Congress or anyone outside of the Congress come before the committee and do the same thing. Let those facts be weighed side by side, and on my oath that I took each time that I came to this Congress after being elected, that I will support the Constitution of the United States, and with the same fervor that every Member here has that the interests of our country come first, I say you will have to agree with every Member who stood on this floor today and said that one of the solutions to this problem is to send arms to Israel now. That is only one of the solutions.

Let me indicate to you very briefly why. The little State of Lebanon to the north of Israel is smaller in geographical size than the State of Israel. It is smaller in population than the little State of Israel. With a population of about a million people it has a total army and police force of only 6,000 persons. It is said that the State of Israel can muster an army of 250,000. What is the situation? I was there in 1948 when most of that territory in Lebanon and Israel was barren, arid, and the people were starving.

In 1955 what is the situation? Little Lebanon is prospering. Little Israel is prospering. There is hardly an incident on the Lebanese border. Whenever there has been an invasion from the Lebanese border it has been traced not to the Lebanese but to the Syrians or the Egyptians, using the Lebanese border as a way of getting in and attacking Israel.

If those two little countries have been able to live side by side since the independence of Israel was declared in 1948, if they have been able with that tremendous imbalance in favor of Israel against Lebanon to live peacefully side by side and each prosper, how can anyone say that Israel needs arms today with which to wage a preventive or an aggressive war? They cannot do it logically.

Now, what is the situation across the border in Jordan or in Syria or in Egypt? Today, as it was in 1948 and for years before, the people are still living in mud huts, one-room shacks, and at night they gather their cattle, if they have any, or their goats or chickens into that little hut and sleep there together, because they dare not leave their animals outside. In Israel and in Lebanon, in both Moslem and Christian communities today, where there were these same kinds of mud huts in 1947 and 1948, you find modern structures, with the people living decently, improving their standards of living and asking for nothing except to be let alone so that they can live in peace. At the same time in Jordan, Syria, and Egypt they are still living as they did in the feudal days, with a few people at the top in control and refusing to allow the masses to improve their standard of living. Now, there is your basic trouble. You talk about refugee camps. There is hardly a refugee family within any of the camps in Jordan, Syria, or in Egypt that would not willingly move out if given the opportunity, and it does not take much. There the fault is that of the Jordanian Government, the Syrian Government, the Egyptian Government, and, I am sorry to say, of the British Government. If Britain would cooperate and permit these families to move out, you would have no refugee problem.

In addition to improving the balance of arms that is so necessary today as between Egypt and Israel, let me call your attention to this: Sending arms into Israel is not going to create an arms race. An arms race is on right now, and it is on between Britain, Communist Russia, and her satellite nations. They are both pouring arms into that area, into Egypt and into Syria. What our State Department ought to say to Great Britain is "If you are truly our ally, if you are truly our friend, then you stop this arms race; you stop feeding arms into that area, arms that can be used only for aggression." Jet planes, big tanks, and submarines are not being used and will not be used for internal security in Egypt or Syria or anywhere else. Ask yourselves "Where will these submarines be used that are being sent into Egypt and that are there now?" There is not an Egyptian that knows how to operate a submarine. They are in there with Czech and Russian technicians who will operate them. Yes; they are teaching the Egyptians how to use them.

Against whom do you think those submarines will be used?

Israel has no navy.

The only navy in the Mediterranean at the present time that I know of is the United States Sixth Fleet.

Against whom can those Russian submarines be used?

Submarines were never defense weapons but always weapons of offense. So, when you talk about an arms race, let us understand just what is going on there and let us understand that the sooner we, the United States, call a halt to this, the sooner we make our own country more secure and move another step forward toward the security of the entire world.

Mr. WINSTEAD. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I have observed statements have been made that Israel could overrun those other countries if they so desired, and also that at the present time and in the past they probably were not in a position to defend themselves. If that be true, where did they get those arms, who supplied them, and how did they get the necessary equipment to be in a position to do just the things it is claimed they can do? The point I am trying to get across, if that be true, if we would not furnish arms to those Arab countries, knowing that condition to exist—and I am not accusing Israel that they would do such a thing—it is conceivable that those people could get arms from America to defend themselves against a situation like that, even though they be mistaken about their opinions that they were being overrun. That is the point that has me worried. Perhaps the problem that we have here is one that we helped to create through the United Nations, making

almost an impossible situation for Israel or anyone else over there so far as a peaceful solution is concerned.

I cannot see but what this country may have fallen short in the past in failing to face up to the situation. My personal opinion, which may not be worth much, would be that we should require all those countries to comply with the original boundaries and then go in there, take the initiative and say what should be done. If we do not do something, we are going to lose both sides and be in a worse condition than we have been since this controversy started.

Mr. MULTER. I shall give the gentleman a twofold answer to the question that is bothering him. The arms that Israel has, it purchased from France, Britain, and the United States under the condition that these countries would supervise their use at all times and have access to what they were getting; that is, as to their kind and what they would be used for, and so forth. When Egypt looked to us for arms, the United States said to Egypt, "You, too, may have arms, and we, the United States, will sell them to you. But if we do the same conditions must apply to you, Egypt, as were applied to Israel. We are going to give you arms for internal security and for defense, just as we gave arms to Iraq and Iran and Pakistan and Turkey. But we are going to have people there to supervise and to make sure that these arms are not used for aggression."

Instead of accepting that Egypt replied, "No conditions," and instead purchased arms from Russia. Russia imposed the condition, that she, Russia, send technicians with the arms. That is what has been done.

There is a further answer, and it is this. The United States can say, as it said to 42 other nations, "We offer you in good faith a security pact." When those nations made those security pacts with us we said to each of them, "In the event of aggression against you, we, the United States, will come to your aid."

A complete answer to any Arab state in this area or any state anywhere else is, "The United States will offer you a security pact," whether the country is Israel or whether it is an Arab state. If Israel enters such a pact, she relies on us to see that there is no aggression against her. If Egypt entered such a pact, she knows that we would not run out on her. If little Israel should attack Egypt, after Egypt had made such a security pact with us, there would be very little left of Israel.

Let me say this further—and there is no secret about this. This has been said before. There is not an Arab leader who does not admit that Israel would never wage a preventive or aggressive war against any of her neighbors because Israel knows that if she did she would immediately have world opinion turn against her and she could not survive. She might win the battle, but she would lose the war. Every Arab state knows that.

I have tried to answer the points that are bothering the gentleman. I cannot see how he can gainsay that logic. A security pact would guarantee each side against aggression. I do not want any anti-Arab feeling or any pro-Arab feeling. Nor do I want any anti-Israel or pro-Israel feeling. I do not want any "anti" feeling as to any of these people. I want us to be friends to all. I want the United States to go in and secure the friendship of all of them. But we must say to them, "We want you to be friends to one another."

Mr. WINSTEAD. If the gentleman will yield further, the point I am making is this. I do not know what the answer to this is. I know that we have a very complicated and very involved problem on our hands in this particular area. But is it not true that we are more or less largely responsible, as has been stated here, for this division over there, for setting up Israel?

Is it not true that all these Arab countries who were our friends before we took such an aggressive stand in that determination are now not our friends? Should we not reckon with that problem?

I have not given up the idea that we can maintain friendship with both sides if we would face up to the issue and stop playing with it, stop playing both sides against the middle, as we have in the case of so many other problems throughout the world. Should not all these countries, the Arab countries and Israel comply with the terms of the original boundaries until through the United Nations, we can get a determination of this question? I do not believe personally an arms race will solve that problem.

Mr. MULTER. The gentleman has just skirted one of the important difficulties in that area. If our American diplomats in that area instead of running away from the facts would stand up to every Arab who says to our American diplomats, "You, the United States, are responsible for little Israel, therefore you are more friendly to them and antagonistic to us Arab States"—instead of running away from that or acquiescing in it, they should stand up and say, "We, the United States, are as much responsible for the State of Jordan as for the State of Israel." There was no Jordan until there was this partition by the United Nations. There would have been no independent State of Lebanon if the United States had not stood up for the Wilsonian doctrine of self-determination. There would have been none of these little nations that have come into being since World War II, which today are free and independent and trying to live in the democratic way, except that the United States came forward and said, "We will help you."

We are trying to do the same thing there. The United States' foreign policy does not say to Egypt, "You are totalitarian," or to Syria, "You are totalitarian," or to Jordan, "You are totalitarian, controlled entirely by Britain," nor do we say to Lebanon, "You are not truly democratic." We say, "No matter what your internal government may be, we want to help you in peace." That is what we should continue to do.

The important thing to remember about boundaries in that area is that the 1949 armistice agreements were signed by Egypt, Syria, Jordan, Lebanon, and Israel and were approved by the United Nations and fixed the international boundaries as they now exist. They should not be changed without agreement of those countries. That is what the United States must now unequivocally guarantee.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to extend my remarks following Mrs. KELLY of New York.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, it is all right to have secrecy when public welfare is to be protected, but it is another matter when the people are denied their constitutional right to know what is going on in their Government.

For instance, a newspaper photographer is not free to enter a Federal building for purposes of making a picture—any picture—without first having special permission from the General Services custodian for Federal buildings and grounds in West Virginia. If the custodian is not available, if he is ill or at lunch, this ridiculous situation works a hardship on the photographer and denies the public its right to news. It curbs a free press.

It is somewhat astounding to learn special permission must be obtained before a newspaper cameraman can take a picture of taxpayers waiting in line to pay their income taxes. That sounds mighty foolish, but it's true.

Therefore, in the name of freedom of the press I speak out against Public Law 566, enacted by Congress in 1948, which says that "taking of photographs for commercial or publication purposes within property is prohibited unless prior permission is obtained." There should be modification of the law to incorporate common sense.

Mr. EBERHARTER. Mr. Speaker, I would like to call to the attention of the Members the fact that the Treasury Department in Decision No. 56-977, dated February 3, 1956, has clearly and finally put at rest allegations which have heretofore been leveled against the Swiss watch industry. These irresponsible charges over the past several years have caused serious damage to the fine trade relationship that has existed between the United States and Switzerland. It is very gratifying to see this matter resolved once and for all and I should like to insert in the CONGRESSIONAL RECORD the article on this subject which appeared in today's New York Journal of Commerce entitled "Treasury Rejects Charge Swiss Dodge Watch Duty."

ORGANIZATION FOR TRADE COOPERATION

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 1 hour.

Mr. BAILEY. Mr. Speaker, the Department of State has issued a grossly

misleading pamphlet entitled "Introducing Organization for Trade Cooperation."

In issuing this transparently disingenuous document the Department has turned huckster at public expense. It is using tax money collected from all the people to propagate one side of a highly controversial issue. This represents statism and the outright contempt of fair play so often characteristic of statism.

The use of publicly appropriated funds for such flagrant propaganda reflects an obtuseness and crudity of sensibility that does not belong in our Government and should be stamped out forthwith.

The misrepresentation of the OTC on the eve of legislation in Congress to approve or reject United States membership in the OTC not only represents executive lobbying but lobbying of a low order. The Department of State should be required to register as a lobbying organization and called upon to set forth the cost of issuing and distributing its pamphlet.

Even the form of the pamphlet makes it indistinguishable from the usual literature of privately financed pressure groups. In the contents there is little that is objective. What is said of the OTC—Organization for Trade Cooperation—forms a distorted account of the realities in the case, both by omission and by false emphasis. Many of the most despised tricks of hucksterism are present in the pamphlet. This should be beneath the dignity of our Government, and its pursuit will unquestionably debase the standing of any executive department that engages in such tactics.

If the OTC were designed to be as innocent a Little Red Ridinghood as the State Department's false description would have us believe, that Department would not waste 1 second of time on it, much less any of its appropriation. The State Department is not out to hunt rabbits with an air rifle in its attempt to launch the OTC. It is out for bear with high-powered weapons.

Unfortunately the Department has so far swallowed the despicable art of the totalitarians to deceive the people that it seems to have lost contact with straightforward methods of informing the public. The Department knows that the OTC is not designed to be a mere forum where members of GATT can meet and adjust their differences across the conference table.

In this presentation I have been aided materially by the comments of Mr. O. R. Strackbein, chairman of the Nationwide Committee of Industry, Agriculture, and Labor on Import-Export Policy.

What is concealed in the OTC and thoroughly covered up in the State Department pamphlet is the design to take the regulation of our foreign commerce out of the hands of Congress and lodge it first in the Department of State and then in the international trade organization called the Organization for Trade Cooperation.

The pamphlet is so concerned with disclaimers of OTC powers that it forgets that articles 1 and 3 of the OTC agreement make it clear that the new organization is to give full effect to the purposes and objectives of the General Agreement on Tariffs and Trade, which it would administer.

To say that the OTC would have no power is therefore sophistry or worse. Only the members of GATT acting together under OTC would have power. That is "a distinction without a difference."

Why, if OTC and GATT were to be mere agencies seeking to prevent impairment of the General Agreement, should OTC be provided with an assembly? Assemblies are provided for quite different purposes.

The State Department, for reasons of its own, fails in the pamphlet to point out that the OTC could become a specialized agency of the United Nations if the OTC assembly agreed to take such a step. That is provided in Article 11.

On the other hand, it quotes from the OTC agreement as follows:

> The Organization shall have no authority to amend the provisions of the General Agreement; no decision or other action of the Assembly or any subsidiary body of the Organization shall have the effect of imposing on a member any new obligation which the member has not specifically agreed to undertake.

What does this mean? It sounds most harmless. With respect to the United States it would mean that the OTC could impose no new obligation upon us unless we first agreed to such obligation. That should be most reassuring.

But the question of central importance is who would be we? Who would accept or reject any such new obligation on behalf of the United States?

Would it be Congress?

The answer is "No." It would not be Congress: It would be the State Department. It would be the delegate of that Department speaking for the United States who would act in the Assembly, uninstructed by Congress, thoroughly outside the influence of Congress, perhaps unheard of by Congress and in no way responsive to Congress. In fact, not one person in a million in this country would know what he might be up to. That would be the State Department's own secret.

This is the great bypass of Congress built into the OTC. It has in it a carefully designed pitfall, painstakingly camouflaged by trained hands. That is why the State Department is so strongly in quest for United States membership in the OTC. It could then forget about Congress and the annoyance of congressional elections. It could rise above the storms of democracy and go on its own way. In short the State Department, with congressional approval of the OTC, would have gained its objective of the past 10 years which is, so far as foreign trade regulation is concerned, to drop Congress into the bottom of the well, where the sound of its voice would be muffled and lost.

Is this a mere mirage of the imagination? Can the State Department really have such designs? Can that Department really entertain such a low opinion of Congress?

The record speaks for itself:

First. The State Department has agreed in GATT to the elimination of existing import quotas and to nonestablishment of new ones. This is a responsibility and power of Congress, imposed by the Constitution.

Second. The State Department has likewise agreed to the binding of many tariff rates at particular levels, against increase. This, again, is a function of Congress to be exercised at its will.

Third. The Department has agreed to maintain particular items on the free list. In other words, it has pledged the word of future sessions of Congress. By what right?

The question arises, Where is the voice of the people reflected in biennial elections to be registered? The answer is, Nowhere. At least, no place where anyone would listen. Thus has Congress already been rendered impotent in one of the most important fields of its constitutional authority. The purpose of the OTC is to nail down this impotence, but a reading of the pamphlet gives no hint of that.

The pat answer is that Congress is not really bound by these agreements; that it can still legislate as it sees fit.

Does the State Department say that to the nations with which it negotiates? If not, what kind of a record is the Department writing for this country?

Is it fair play for the State Department to place Congress in the position of legislating at the price of dishonoring the word of the United States in international agreements?

And if Congress did so, what are the names that this body representing the American electorate would be called? Would Congress not be described as irresponsible and lacking in any sense of honor? Would it not call down upon itself all the abuse that minds impatient of the restraints of democracy could generate?

The State Department has been clever, and no doubt its pamphlet on the OTC was devised to be very, very clever. But it may be that the grand design to make boobs out of Congress has been just a little too clever. The I. Q. of Congress may be several cuts above the level attributed to it by the State Department professionals.

THIRTY-EIGHTH ANNIVERSARY OF LITHUANIA'S INDEPENDENCE

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 15 minutes.

Mr. MADDEN. Mr. Speaker, on next Thursday, February 16, all freedom-loving Lithuanians and Americans of Lithuanian descent will commemorate the 38th anniversary of Lithuania's independence.

Lithuania is a nation that has existed for over eight centuries. During this time, its people have enjoyed liberty, freedom, and self-government for long intervals and has also been the victim of aggression and attack during which time independent government disappeared temporarily.

Back in the 14th century, Lithuania enjoyed one of its greatest periods of power and independence after its great

victory at Tannenberg. In the 16th century, Lithuania was compelled to fight a defensive war to maintain its defenses and freedom. Again in the 18th century, Lithuania was exposed to outside attack and brought under Russian domination. During the 120 years of Russian domination, the liberty-loving people of Lithuania revolted against the tyrants on five different occasions. Regardless of the brutalities and treatments inflicted on the Lithuanian people during these revolts of the 18th century, Lithuania continued its drive for freedom and national independence.

During World War I, the German armies overran the Lithuanians and remained there until the end of 1918. The Nazis failed to make Lithuania a German province. Lithuania's official proclamation of independence was issued on February 16, 1918, which was unanimously adopted by the Lithuanian Council and established Vilna as its capital. After the evacuation of the Germans, Soviet troops arrived at the borders of Lithuania. The Red army occupied Vilna in 1919. Again the Lithuanian patriots organized and instituted the Lithuanian army in a battle against the Reds and regained its freedom late in 1919. By a peace treaty, the Soviet Government recognized the sovereign rights of Lithuania over its people and territory.

Lithuania was admitted to the League of Nations on September 22, 1921, and became a full-fledged nation of international status. Lithuanian people instituted land reform, reestablished industry, set up transportation facilities, enacted social legislation, and expanded its educational institutions. No country made greater progress as a free and independent nation in so short a time as Lithuania did up to World War II.

I will not repeat the sordid history of the Soviet duplicity, infiltration, and aggression which again brought slavery and loss of independence to the Communist tyrants. The fight for freedom in Lithuania continues and will continue as long as the Soviet despots inflict their despotism on Lithuania. As long as Lithuania and the peoples of other Soviet captive countries continue their fight for freedom, self-government will surely be reestablished within their borders.

The United States as the world leader must marshal the free nations of the world to aid our captive nations in their fight for freedom.

The American Lithuanian Council at East Chicago, Ind., under the supervision of its president, Mr. Albert G. Vinick, will observe the Lithuanian's 38th Independence Day at St. Francis Hall at East Chicago on Sunday, February 12, 1956. The Lithuanian Council of greater New York will honor Lithuanian's Independence Day at Webster Hall on East 11th Street in New York on Sunday, February 19, 1956. I expect to be present at both these observances which will be only two of the hundreds of similar gatherings throughout the country commemorating this day and urging the people of all free countries, as well as those behind the Iron Curtain, to continue the fight for world freedom.

Mr. Speaker, I wish to incorporate with my remarks a proclamation issued on Lithuanian Independence by Gov. George N. Craig, of Indiana:

PROCLAMATION FOR REPUBLIC OF LITHUANIA DAY, FEBRUARY 16, 1956

Whereas the 16th day of February 1956, will mark the 38th anniversary of the declaration of independence by the people of the Republic of Lithuania; and

Whereas on that day the citizens of the State of Indiana who are of Lithuanian origin or descent will convene in various communities throughout the State to commemorate that occasion and to join their countrymen in the grief of a liberty-loving nation caused by the aggression and the acts of injustice of the Soviet Union which took over Lithuania by force of arms, usurped the sovereign and inalienable rights of the Lithuanian people and proceeded with the extermination of them by mass deportation, imprisonment, and execution; and

Whereas the Lithuanian people are strongly opposed to foreign occupation and oppression and are determined to restore their freedom and sovereignty which has been always recognized by the Government of the United States of America; and

Whereas because of their unmistakable attitude toward communism, which has been struggling for world domination, the Lithuanian people together with over a million Americans of Lithuanian descent represent an important force in the present fight of free nations against Communist aggression; and

Whereas the residents of the State of Indiana feel deep sympathy for the gallant people of Lithuania and of other countries, presently enslaved by the Kremlin imperialism;

Now, therefore, I, George N. Craig, Governor of the State of Indiana, do hereby proclaim Thursday, February 16, 1956, as Republic of Lithuania day in Indiana, urging appropriate observance of the occasion.

In testimony whereof, I have hereunto set my hand and caused to be affixed the great seal of the State of Indiana, at the capitol, in the city of Indianapolis, this 18th day of January 1956.

GEORGE N. CRAIG,
Governor of Indiana.
CRAWFORD F. PARKER,
Secretary of State.

THE PRESIDENTIAL MESSAGE ON IMMIGRATION POLICY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, today the House received a special message from President Eisenhower on our immigration policy and in that message he made a series of recommendations for changes in the law as it now exists. As you Members of Congress know, there has been a great deal of discussion and controversy over our immigration laws during these past several years. A great number of recommendations have been advanced for changes in our basic immigration law in addition to those made by our President today.

The message of the President today calls for sweeping changes in our basic immigration policy. These recommendations call for a reexamination of our national origins system because the President has proposed a new criteria for determining the number of immigrants to be admitted annually and a new formula by which quota numbers will be allocated to various parts of the world. Other recommendations have been made, several of which have been under consideration by the House Committee on the Judiciary for a considerable period of time. Then there are some other recommendations which are completely new.

The President has called upon Congress to take immediate action on legislation which would enact into law his proposals, which obviously means he urges Congress to take action one way or the other during this session. As acting chairman of Subcommittee No. 1 of the Committee on the Judiciary which has special jurisdiction over immigration and nationality laws, I think that public hearings should be commenced as soon as possible on the recommendations advanced by the President as well as those recommendations which have been advanced hitherto by Members of Congress and others. I shall do my part to see that such public hearings are begun as soon as possible so that Congress will have the benefit of all important views on this subject.

The President's message appears to underline the need for a more elastic immigration policy than now exists. I say this because it was necessary to enact special legislation in 1948 to meet the problem of displaced persons who were the victims of World War II, and then again in 1953 Congress found it necessary to enact special legislation in the form of the Refugee Relief Act in order to help out with the many human problems caused by Communist tyranny and aggression in various parts of the world. The likelihood exists that so long as the conspiracy of communism exists in this world and continues its inhumanities and tyrannies against people, we will continue to have refugees who plead with us for religious and political asylum. Since the Refugee Relief Act expires at the end of this year, the possibility exists that Congress will be asked for more special legislation in succeeding sessions unless we are able to find a way of meeting such problems through our normal immigration laws. This, of course, emphasizes the importance of Congress getting all the facts and points of view with respect to the President's recommendations as well as those made previously by Members of Congress, so that Congress can take whatever action is necessary before this session has adjourned.

AN ADDRESS BY PRESIDENT EISENHOWER

Mr. WILSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON of California. Mr. Speaker, during the past few weeks the Nation has been enduring the rather sorry performance of a former President trying to whip up the lagging spirits of his party with inflammatory speeches at money-raising dinners.

In his fuming and foaming, ex-President Truman shows little regard for fact. He continues to write his own version of history. He relies heavily on his newly developed psychic and intuitive powers to predict an awful fate for the Nation now enjoying peace and prosperity unprecedented under his administration.

In his intemperance, Truman continually sets new low records for personal attacks on the President and Vice President of the United States. For example, he continues to compound the myth that Vice President NIXON once called him a traitor. Despite a challenge to explore the Vice President's well-reported remarks, he has failed to come up with the time and place such a statement was alleged to have been made.

A week ago today in a speech before the New York State Democratic Committee, Truman again escaped the bonds of decency by quoting a sign posted at a meeting last month in St. Paul, Minn., which he claimed read:

> In Ike we trusted,
> Now we are busted.

He then went on to promise the Democrats would "give the American people a chance to vote for President and not a regency or part-time chairman of the board."

It ill behooves a former President to engage in personal attacks on his successor. Such remarks are especially unfitting for an ex-President who at the highest point of his steadily declining popularity in office, as revealed by national polls, never came within range of the continued high regard of the people of America for President Eisenhower.

I believe the record high public esteem enjoyed by President Eisenhower reflects to a great degree the sincerity, intelligence, and selfless dedication he brings to his work.

I recently made a grassroots tour of California and other trips to the Middle West and I am aware of the great surge of emotion and affection for President Eisenhower and the prayerful desire by most Americans that he will be able to continue the leadership that has brought us so many heartfelt gains. When the results of his forthcoming medical examination reveal him to be physically fit, I pray the Nation will let him know in a resounding fashion of their confidence in him and of their desire to see him continue to work for lasting peace.

Mr. Speaker, just as an obvious contrast exists between the present and past administration of the highest office of our land, I wish to contrast today the unseemly remarks of the former President on last Thursday with a brief speech made the same day by President Eisenhower at the annual prayer breakfast of the International Council of Christian Leadership at the Mayflower Hotel. Most of us heard President Eisenhower make this impromptu speech that morning. His obvious sincerity and alertness made a deep and favorable impression on all of us regardless of political backing. I include his remarks as a part of my remarks today:

Mr. Chairman and Mr. Hilton and my friends, it is a touching thing that Mr. Hilton has done in presenting to me this plaque and the desk and the chair where I wrote the little prayer that I used at the inauguration some 3 years and more ago.

That incident brought to me a great lesson. It seemed to me a perfectly natural thing to do. I was seeking some way to impress upon the audience at that moment that all of us realized a new Chief Executive was being inaugurated over a Nation that was founded on a religious faith.

Our founding documents so state. In explaining, you know, our Government and what we intended to do in the Declaration, our Founding Fathers held it was our Creator that gave us certain rights, and this Government was set up to sustain them.

So that seemed to me a perfectly natural thing to do, as an emphatic way of showing that I also realized it.

Now it was with some astonishment that I began to see this response—literally thousands of messages coming in, some of them from people who did not particularly think I was the man to occupy that place that day—still applauded that act.

And here is the lesson as I see it. I know very few men, I know very few people that tell me they are atheists or they are even agnostics, but we find among the laity a curious diffidence in merely stating the fact that they believe there is a God and He is more powerful than I and I am dependent upon Him. That is what the prayer did, and it was because a layman as I see it, did do so—and of course, in such a position—that this response came in.

Now I think that that prayer is somewhat related to these prayer breakfasts. We can stay in our quarters—we can pray. But by gathering occasionally—and I understand this whole celebration is a week long—the whole ceremony something of a week long—by announcing to the world that we come up as laymen and meet, making the same acknowledgments that are made in that prayer, we are doing exactly the same thing: We are telling people that this Nation is still a nation under God.

This is terrifically important today. There has been too much of the world that believes the United States to be completely materialistic, boastful, proud, and arrogant. It makes no difference how they have achieved it or how they have been misinformed in order to achieve such a feeling, but it is there. Traveler after traveler, poll after poll, have reported the same thing.

It is such meetings as this, continued, repeated, and brought home to them, that help to dispel this very great and dangerous delusion. It still is a Nation that is founded on the religious faith, with great concern for the sentiments of compassion and mercy that Mr. Hilton so eloquently spoke about. That is what we want others to think about when they think of the United States.

People have talked of the spirit of Geneva. The thing that the spirit of Geneva did accomplish, and at least so far has not been destroyed—one part of it that is valuable—is that people there, in watching that conference, gained a belief that the United States was truly trying to follow in the footsteps of the Prince of Peace, and to establish a just peace for the world.

That is a tremendous gain, in this day of fears, hysteria, and too great—sometimes too great a reliance on force.

Though we be strong, I believe, if I am not misquoting, even the Bible says, "When the strong man armed keepeth his palace, his goods are in peace." We intend to remain that strong, but let us always do it with the certainty that anyone who will come in integrity, observing the moral values that we know are imbedded in this great religious faith, that he will be received as a friend and taken with us down the road to the future in peace.

I had no intention of making a speech. As a matter of fact, I was promised I didn't have to—and I don't know how I got started. But thank you very much.

YALTA AND POTSDAM AGREEMENTS

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I wish to call attention to one of the great tragedies and gross injustices in the wake of those agreements of Yalta and Potsdam, resulting in the present separation from Germany of East Prussia and the expulsion of its population of 2,519,000 people. The expulsion of the East Prussians, and of the 10 million other people of the eastern provinces of the Reich, was a violation of human rights, of international law, and of solemn covenants.

Section 2 of the Atlantic Charter states that the signatory powers "desire to see no territorial changes that do not accord with the freely expressed wishes of the people concerned." The Atlantic Charter was signed not only by the United States President and the British Prime Minister but also by the plenipotentiaries of many governments, including those of Poland and the Soviet Union.

On June 5, 1945, when the zones of occupation were arranged in Germany, the representatives of the four occupying powers, that is, of the United States, Great Britain, France, and the Soviet Union, in their official declaration expressly spoke of Germany within her boundaries as of December 31, 1937.

In their notes of March 25 and May 13, 1952, addressed to the Soviet Government on the question of a peace treaty with Germany, the governments of the three Western Powers have made it abundantly clear that the delimitation of Germany's eastern boundary shall be done at a future peace settlement, following a reunification.

The Government of the United States as well as the Governments of the United Kingdom and the French Republic should not leave the shadow of a doubt that East Prussia and the other German provinces east of the rivers Oder and Neisse are, according to international law, a part of Germany within her boundaries of December 31, 1937, that are today still under wartime Red Polish and Soviet administration. The Government of the United States should seize upon a proper moment to restate the legal position in no uncertain terms.

Two million East Prussian expellees eventually reached West Germany with nothing but their bare hands. It was the obvious scheme of the Kremlin rulers to turn this disappropriated mass of humanity into an advance guard of communism. Such plans fell completely flat. There are no Communist sympathizers to be found among the East Prussians. Their experiences with the Soviets can never be obliterated from their minds. Quietly, and without any hullaballoo, the

East Prussian expellees went to work and in a modest way reestablished themselves in the West German economy. They organized themselves into a fellowship, the Landsmannschaft Ostpreussen, headed by Dr. Alfred Gille, former mayor of Loetzen, now a respected member of the Bundestag—federal assembly—in Bonn.

They have sent to this country as their representative a man who is in an ideal way prepared to speak for them, since his background is a rather unique mixture of East Prussia and the United States. I refer to Dr. Richard Sallet, who is now in this city. He was born in East Prussia at the turn of the century of a family whose history in that country goes back to the original inhabitants, prior to the arrival of the Teutonic knights in 1226. This gives him an unchallengable right to speak for his fellow East Prussians.

When in the early part of the First World War, Russian armies twice invaded East Prussia, Dr. Sallet, then just 15 years of age, followed his brothers, volunteered for infantry service, fought the Russians, and held an officer's commission at the end of the war.

He came to this country in 1921 and assisted, later succeeded, his uncle in Minnesota in editing a weekly newspaper with a sizable circulation among the farmers of the Middle West. Five years as a country editor gave Dr. Sallet a grassroots education in American democracy—incidentally his intense historical interest then made him a life member of the Minnesota Historical Society—and it prompted him to study American government and history at Harvard College where he was graduated with the class of 1928.

He went back to East Prussia and, in 1930, obtained the degree of doctor of philosophy at Königsberg, the university made famous by one of the greatest of all philosophers, Immanuel Kant. Returning to this country, he was appointed to the faculty of Northwestern University, where his courses in the field of government were greatly appreciated.

Before returning, he had with the Soviet regime in Russia a most tragic experience, which left its mark on his thinking. At the time of Stalin's ruthless enforcement of collectivization of the peasant lands, he visited, by horse and buggy and camel, dozens of villages of Volga German peasants. Deeply moved by the cruelty of Soviet policy, he prepared, among Midwest farmers of Russian-German stock, a relief action, only to learn that the Communists had followed his trail through the Russian villages, arresting and carrying off to prison and death every peasant who had shown him hospitality.

The challenge which, in 1933, the Nazi regime in Berlin presented to American-German relations was clearly perceived by Dr. Sallett and stirred him to action. He decided to put his hands to the wheel and, during the following years, was attached to the German Embassy in Washington. Aware of the everwidening rift, and of his own inability to turn the tide, he felt compelled, one day in 1937, by taking up the receiver in the Embassy and calling Berlin over the trans-Atlantic telephone, to request the immediate stop to an anti-American outburst in the Berlin press. The outburst ended abruptly; so did the diplomatic chapter of his career. He did not ask for asylum in this country. Courageously he went back into the dictator's den, still thinking that he might be able to avert the catastrophe. It was of no avail. He was used in a technical capacity in the Berlin foreign office. But the leaders of the revolt against Hitler regarded him as one of the very few in his division whom they planned to appoint to an important post.

At the end of World War II, two young American Army officers, one a Harvard, the other a Northwestern graduate, escorted Dr. Sallet out of Soviet occupied territory and into the Western zones where he became engaged in the reopening of the universities of northwest Germany.

Close observation of foreign service institutions led Dr. Sallet to devote several years to research in this field, the result of which is a painstaking work on the diplomatic service of the three Western countries, France, Great Britain, and the United States, tracing foreign service institutions from the opening of the first French consulates in Egypt in 1251 to the lateral entry reforms in our Department of State in 1953. The book has been hailed as a piece of accomplished scholarship. He has since written a handbook on the United States for the official use of officer personnel of the West German defense forces.

In 1953 the expellees from east of the Oder and Neisse sent Dr. Sallet on a mission to the United States. At that time his aim was to call attention to the 300,000 expellees who were then still living in sub-normal conditions in transient camps. His conversations with Secretary of State Dulles, FOA Director Harold Stassen, Assistant Secretary of State Livingston Merchant and others resulted in a substantial grant to the West German Government to provide housing units for those expellees who were then still living in camps. A bill, introduced at that time by Representative Kersten, Republican, of Wisconsin, requested our Government to grant a $70 million loan for this same purpose.

This time Dr. Sallet has come to the United States as the representative of his East Prussian friends. The feeding, clothing, and housing of the expellees is no longer a pressing problem. They are all working hard and making progress in a modest way. But their aim is definitely to return to the soil of their native land.

The Government of the United States will be well advised to take full account of this aim.

Kremlin policy schemes to uproot humanity, to detach people from their homes, their family, their religion, to shift like cattle the thousands of workers and peasants, following the whims of Communist dictators.

These East Prussians are the very negation of Kremlin policy; they love their homeland, and they hold on to the title to their home, undismayed, undiscouraged, tenaciously.

Dr. Sallet has made the following statement on the position of the East Prussians:

MEMORANDUM ON EAST PRUSSIA

As a result of illegal machinations of Soviet Communist leaders the 2.5 million inhabitants of East Prussia have been expelled from their native land 10 years ago. Hundreds of thousands of these fled in terror ahead of the advancing Soviet forces, whose reputation for mass rape and wholesale murder had preceded them. One million nine hundred thousand East Prussians eventually reached West Germany and the Soviet occupied zone (central Germany) while more than 600,000, i. e., 24 percent, perished on the way. They were either killed or died of starvation and diseases, or committed suicide following outrages to their person.

Of the 75,000 who remained in the Red Polish-administered part, holding on to a meager life on the soil of their ancestors, most had no option but to accept Red Polish citizenship papers. Not more than a handful of German today survive in the Soviet-administered part of East Prussia, the Pregel Valley and Königsberg. The latter, since 1255 an important center of the Order of Knights of St. Mary's Hospital at Jerusalem, crusader and later defender of the faith at these eastern ramparts of Christendom, also is known as having comprised one of the early lodges in Germany of the Masonic Order. Before the last war, Königsberg was a thriving city with close to a half million inhabitants, the seat of a 400-year-old university, world-renowned through the philosopher, Immanuel Kant.

The East Prussians now living in the Federal Republic of West Germany and their kinsmen in the Soviet occupied zone (central Germany) are firmly resolved that title to their native home shall not be lost, and that some day their peaceful return to a free East Prussia will be realized. Occupation by the Soviets and their satellites does not change legal title to the land. It cannot do so. A hundred years of wrong will not add up to one single day of right.

And, citing the great English jurist, Sir Edward Coke, who once had staunchly set forth that his King's edict cannot change the law, "vigilantibus et non dormientibus jura subveniunt,"—the laws aid those who are vigilant, not those who sleep upon their rights. This is the position taken by the nearly 2 million East Prussians living in West Germany. Quite a few of these people are descendants, as are the people of the United States, of families who centuries ago had migrated because of devout religious beliefs, and had found East Prussia a haven of tolerance: Scottish and English Dissenters, French Huguenots, Dutch Mennonites, Austrian and Swiss Reformed. They will not abdicate their right to return to the homes founded by their ancestors.

For the time being, East Prussia seems to lie below the horizon, lost sight of in the darkness behind the Iron Curtain. However, wrongs have the peculiar, and salutary, tendency to be only of temporary nature, though the odds at first may overwhelmingly point the other way. Nazi persecution of Jews led to the doom of the Third Reich while a sovereign State of Israel is now an accepted member of the family of nations. Hitler's conquest of Poland and parts of Soviet Russia did not last. Soviet Russian and Red Polish occupation of East Prussia will not last. It is logical, therefore, and important to plan for the time when we shall face the problem of East Prussia, and to contribute our share that this land, through seven centuries a bulwark of Western civilization, shall again be within the orbit of a free world.

The importance to the West of a free East Prussia should not be overlooked. Relinquishing their hold of Königsberg may, or may not, mean to the Soviets more than the

recent withdrawal of their military forces from Porkkala in Finland. However, the beacon from a lighthouse in East Prussia would bring into view the intervening land up to the Iron Curtain. With the Baltic no longer a closed Soviet lake, it would strengthen the position of Sweden and thus be of advantage to all the Scandinavian countries.

It might prove of great future value if a few enlightened citizens of the United States—later perhaps to be joined by several thoughtful Europeans—should have the vision to take an active interest in, and recommend the study of, the problem of East Prussia. Having in mind the wider aspect of East European cooperation, these men could avail themselves of proper occasions to call the attention of statesmen of the Western World to the problem of a free East Prussia within a free Europe.

Though we do not cross a bridge until we come to it, it is worth noting that Soviet policy gains its points by surprise tactics. It may be wise, therefore, to plan ahead so that we are prepared to cross the bridge when we come to it.

OUR AGED DESERVE A BETTER LIFE

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, within the last few weeks some very cold, hard facts were published which must certainly command the attention of all of us. For they show very forcibly that one of the major problems before this Congress is that of finding means for providing a happier and more abundant life for the aged members of our national community.

Listen carefully to these figures. According to this report, issued by the Twentieth Century Fund on January 8, of this year, nearly three-fourths of Americans over age 65 have no income of their own or get less than $1,000 for an entire year. Here is the brief statistical summary of the pitifully small incomes upon which our senior citizens are trying to manage to live:

Over one-third—or 36 percent—have no income of their own whatever.

About 4 out of every 10—or 38 percent—have a yearly income of under $1,000.

About 1 in every 10—or 11 percent—have annual incomes of between $1,000 and $2,000.

And only 15 percent have income amounting to $2,000 or more for an entire year.

I quote these figures because I believe we must bear them constantly in mind. For the truth of the matter is that we have not faced up to our new responsibilities for the aged which have arisen, ironically enough, because of the very abundance which they have helped to produce during their working life.

We like to remind ourselves that one of the most incredible contributions of our last half-century of progress in this country is the fact that we have added 21 years to life expectancy in less than one full modern generation. That is about the same gain that was made in all the centuries from the time of Christ up to 1900.

We are equally proud of the fact that the miracles of modern production have substantially reduced the number of hours of work required to build a better life for our people. As someone put it recently, the average man at the turn of the century could expect to live 40 years and to work about 70 hours or more a week. In our time, on the other hand, we can expect to live for 70 years, and to work a 40-hour week.

We are justifiably proud of these developments.

But, Mr. Speaker, let us never allow ourselves to disregard the equally challenging figures I have just quoted, which show that one segment of our people have been forced by circumstances to bear the heaviest consequences of these great changes in our national life. I refer, of course, to the older men and women who, after a lifetime of productive endeavor, are now facing the new and distressing problems of maintaining themselves in the years of retirement.

I have long been concerned, as you know, with these problems. On numerous occasions, I have called for congressional action to explore the nature and extent of these problems in the belief that we must act more directly and more constructively at the national level—as well as in our States and our home communities—to insure that years of retirement may be happy and useful years, instead of periods of prolonged misery.

Fortunately for all of us, there is increasing evidence of a growing concern with the problems of the aged in our country. One of the most important publications of recent months, in my opinion, is the challenging study published by the Council of State Governments, entitled "The States and Their Older Citizens." This significant volume documents the story of the tragic consequences of lack of adequate income for too many Americans in the older age groups. Moreover, it emphasizes the fact that lack of adequate financial resources is just one of the problems they are facing. For, in the words of the report:

> The problem of old age has many other facets. They include unequal opportunity for employment; inferior housing; separation from family and friends; widowhood for more than one half of older women; inadequate medical care; lack of insurance against hospitalization; tremendous increase in placement in mental hospitals; loneliness; lack of social participation; underrepresentation in programs of prevention, rehabilitation, and education; and lack of personnel especially trained for helping older persons with their problems.

But, someone may say, how can we possibly find solutions for all of the complexity of problems named in this bill of particulars? Fortunately, most Americans do not accept this defeatist attitude. A single sentence from the conclusions in the report places the responsibility and sets the goals which most of us can subscribe to. It reads:

> These problems, in their totality, represent the failure of our economy, our Government, and our society to design a program which permits older citizens to contribute to our economy and to live healthful, useful, and happy lives in accordance with accepted American standards.

Moreover, as we look about us, we find that action in this direction is already beginning to appear on a variety of fronts. Here and there, throughout the country, action on the part of church groups, unions, individual communities, certain industries and—most challenging of all—on the part of the aged themselves is producing the kind of results which suggest the vital importance of a nationwide attack on these problems.

Faced with the problem of inferior housing and lack of adequate medical care, some communities in the country have instituted foster home care for elderly people who prefer to live with families or out-resident programs in which persons can find suitable living quarters near a center and can come to the center for meals, medical care, occupational therapy, and recreation. Some of our churches are establishing homes for the aged which feature small cottages constructed around a central building. Recently, for example, the Catholic archdiocese of Detroit converted a 700-room downtown hotel into a residential building for persons 65 and over where most patrons pay $110 to $150 a month for lodging, meals, recreation, and medical services.

Universities in all sections of the country have sponsored annual or occasional conferences on different aspects of the problems of aging. In scattered communities and in some industries we are beginning to see the establishment of courses in preparation for retirement, and individual counseling to assist people to plan wisely for their later years.

More and more aged men and women who have been consigned to institutions are being restored to productive lives through rehabilitation programs of geriatric centers associated with general and mental hospitals, and staffed by general practitioners, psychiatrists, social workers, nurses, and other persons experienced in working with the aging.

On the basis of accumulating evidence that most of our senior citizens do not want to retire, unless they are forced to do so, new emphasis is being placed upon the importance of creating new job opportunities for those older men and women who now find it difficult to find employment because of their age. In some States, sheltered workshops have been organized to meet the demand for re-employment by retired workers. In others, training and placement programs are beginning to appear as part of the job-placement procedure. Last year, you will recall, Congress appropriated some $160,000 to finance a number of special research studies on the older worker to cover six major areas: productivity and performance of older workers; the impact of pension costs on hiring policies; an analysis of collective bargaining provisions affecting the employment and retention of older workers; employment patterns, policies, and practices in seven major metropolitan areas; counseling and placement demonstrations for older workers in the same seven

areas; and the recruitment and training of mature men and women to meet labor shortages in such fields as teaching, white collar operations and health services.

These are hopeful signs. But all of us will recognize that they are the small beginnings to the better solution of very great problems. We need more information on all of the problems which face our older people, as a basis for better answers for the future. We need to know more about how adequately, and to what extent, present retirement policies are meeting the needs of our economy as well as the day-to-day needs, having to do with enough food, adequate shelter, and proper medical care for this group in our population.

In this, as in previous sessions of the Congress, I have introduced a bill which would establish a commission on old-age and retirement benefits, because I know our present knowledge in this area is excessively fragmentary. And as long as we have the incomplete story, we shall have conclusions based on half-truths and prejudice. Because adequate income for our aged people lies at the root of so many of their problems, I believe we must start with a complete knowledge of the character and amount of present old-age benefits in terms of their adequacy and in terms of the number of people who are affected.

At the same time, I am convinced that there are many other areas which would be equally fruitful areas for investigation. As the Council of State Governments has pointed out, the prevailing form of service to older persons today is custodial care in the traditional county home, nursing home, or in the chronic illness hospital or old people's home. As a result, the costs of existing services for the aging—largely in terms of custodial care—are excessively high, in spite of the fact that the care which older people are receiving is frequently inadequate. Yet we know that we have developed techniques of rehabilitation which have demonstrated their tremendous potentials in restoring men and women to a high degree of physical self care and mental capacity—facilities which, so far, have been used on behalf of our aged people to only a slight degree.

Finally, Mr. Speaker, I believe that we must be greatly concerned with the human as well as with the statistical story of what is happening to thousands of Americans who have reached their 65th birthday. It may well be that one of the most important contributions each one of us could make would be to bring our own thinking up to date in this regard. We know that the transition from a rural to an urban community has produced tremendous changes in the living conditions of older men and women, and has contributed to the loneliness and isolation which many of them experience. We know that it is usually not possible for the older members of the family to live in the homes of the married children. For too many of them the price of progress has been the loss of a reasonable self-sufficiency and an established role in the family life in their declining years.

Indifference and apathy have taken their toll.

Too often, according to most evidence, older people are made to feel that the public expects them to withdraw from activities and community life, resigning themselves to anonymity or to custodial care, rather than to active, productive and useful lives. This apathy on our part is, in the opinion of the Council of State Governments, a chief obstacle to be overcome because "a prime requisite is an extensive program of public education—one that will dispel popular myths about aging. Once the myths about aging and its inevitable helplessness are dispelled, the major roadblocks to constructive action for older citizens will have been removed."

In marked contrast, by the way, is the attitude of most members of the aged group about themselves. The majority of persons 65 and over do not think of themselves as old. Instead, they think of themselves as middle aged. In a recent study of 3,515 employees 63 and 64 years old, representing 265 industries, 63 percent of the median industrial group reported that they think of themselves as middle aged or younger. This finding confirms the results of an earlier study of 3,000 men and women, the majority of whom classified themselves as middle aged up to the age of 75.

As I have said, the scattered evidence which is now being accumulated must rest heavily upon our consciences and our sense of responsibility toward our senior citizens. I am encouraged by the action which has already taken place at community and State levels in various parts of the country, and through individual and group initiative. I am just as convinced that we are only beginning to understand all the potentialities which lie with further activity in this important area. I believe the Federal Government must assume a more active role in encouraging further development on a broad front, aimed at all of the problems which face our older people. I have expressed my concern in these matters repeatedly on the floor of this House and I promise you, Mr. Speaker, that I shall continue to do so until we have found more positive and more equitable solutions.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FEIGHAN, for 5 minutes today, and to revise and extend his remarks.

Mr. BAILEY, for 15 minutes, on tomorrow.

Mr. KEATING, for 15 minutes, on tomorrow.

Mr. MADDEN, for 15 minutes, today.

Mr. UDALL, for 40 minutes, on Tuesday next.

Mr. MUMMA, for 30 minutes, on February 20.

Mr. ANDREWS (at the request of Mr. WILLIAMS of Mississippi), for 60 minutes tomorrow.

Mr. BAILEY, for 1 hour on Wednesday next.

EXTENSIONS OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CELLER.

Mr. FORAND and to include a statement he gave before the Committee on Banking and Currency and discussion which followed.

Mr. CORBETT.

Mr. MADDEN and to include extraneous matter.

Mr. YATES to revise and extend the remarks he made in Committee of the Whole and to include extraneous matter and some computations and compilations.

Mr. VAN ZANDT and to include extraneous matter.

Mr. MCDONOUGH and to include extraneous matter.

Mr. THOMPSON of New Jersey in two instances and to include extraneous matter.

Mr. MACK of Washington.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles.

S. 1352. An act for the relief of A. J. Crozat, Jr.; and

S. 1584. An act for the relief of Raymond D. Beckner and Lulu Stanley Beckner.

ADJOURNMENT

Mr. BYRD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Thursday, February 9, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1497. A communication from the President of the United States, transmitting proposed supplemental appropriations and other authorizations for the fiscal year 1956, and for other purposes, in the amount of $565,560,965 for various agencies (H. Doc. No. 330); to the Committee on Appropriations and ordered to be printed.

1498. A letter from the Acting Secretary of the Interior, transmitting the report of the Department of the Interior on the Ainsworth unit, Nebraska, of the Missouri River Basin project, pursuant to the provision of section 2 of Public Law 612, 83d Congress (68 Stat. 757) (H. Doc. No. 331); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

1499. A letter from the Assistant Secretary of the Interior, relative to stating that an adequate soil survey and land classification has been made of the lands in the Shafter-Wasco Irrigation District, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

1500. A letter from the Special Assistant to the Secretary of Labor, relative to correcting a typographical error which appears

in a letter from Secretary of Labor Mitchell dated February 6, 1956, which forwarded a draft of proposed legislation entitled "A bill to provide temporary disability insurance benefits for employees in the District of Columbia, and for other purposes." The figure of "$26.00" which appears on page 2 of this letter as the maximum amount of weekly benefits payable under the bill should read "$36.00"; to the Committee on the District of Columbia.

1501. A letter from the Chairman, United States Tariff Commission, transmitting the Eighth Annual Report of the United States Tariff Commission on the operation of the trade-agreements program, pursuant to section 3 of the Trade Agreements Extension Act of 1955, and Executive Order 10082 dated October 5, 1949; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 2108. A bill to repeal certain laws relating to professional examinations for promotion of medical, dental, and veterinary officers of the Army and Air Force; without amendment (Rept. No. 1751). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 2111. A bill to authorize the Secretaries of the Army, the Navy, and the Air Force, with the approval of the Secretary of Defense, to cause to be published official registers for their respective services; with amendment (Rept. No. 1752). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 8107. A bill to amend the Armed Forces Reserve Act of 1952, as amended; without amendment (Rept. No. 1753). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER:

H. R. 9166. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Ways and Means.

By Mr. REED of New York:

H. R. 9167. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Ways and Means.

By Mr. ASHLEY:

H. R. 9168. A bill to provide for the establishment of the Bureau of Older Persons within the Department of Health, Education, and Welfare; to authorize Federal grants to assist in the development and operation of studies and projects to help older persons; and for other purposes; to the Committee on Education and Labor.

By Mr. BUCKLEY:

H. R. 9169. A bill to amend subparagraph (c), paragraph I, part I, of Veterans Regulations No. 1 (a), as amended, to establish a presumption of service connection for chronic and tropical diseases becoming manifest within 3 years from separation from service; to the Committee on Veterans' Affairs.

By Mr. BYRD:

H. R. 9170. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. CRETELLA:

H. R. 9171. A bill to amend and liberalize the provisions of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 9172. A bill to amend the Civil Service Act of January 16, 1883, so as to require that certain reports and other communications of the executive branch to Congress contain information pertaining to the number of civilian officers and employees required to carry out additional or expanded functions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GROSS:

H. R. 9173. A bill to amend the Civil Service Act of January 16, 1883, so as to require that certain reports and other communications of the executive branch to Congress contain information pertaining to the number of civilian officers and employees required to carry out additional or expanded functions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DOLLINGER:

H. R. 9174. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GRANAHAN:

H. R. 9175. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARDY:

H. R. 9176. A bill to amend Public Law 314, 78th Congress, to provide that retired reservists may waive receipt of a portion of their retired pay; to the Committee on Armed Services.

By Mr. HINSHAW:

H. R. 9177. A bill to amend section 405 (a), part IV, of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLMES:

H. R. 9178. A bill to amend the Internal Revenue Code of 1954 to extend the period for amortization of grain-storage facilities; to the Committee on Ways and Means.

By Mr. JENNINGS:

H. R. 9179. A bill to prohibit the use of real property owned by the United States for the production of agricultural commodities, including livestock, which are disposed of by sale; to the Committee on Agriculture.

By Mr. KEATING:

H. R. 9180. A bill to authorize the admission to the United States of certain aliens, and for other purposes; to the Committee on the Judiciary.

H. R. 9181. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H. R. 9182. A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes; to the Committee on the Judiciary.

H. R. 9183. A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. KRUEGER:

H. R. 9184. A bill to provide for the acquisition of a site and the erection thereon of a Federal building in Williston, N. Dak.; to the Committee on Public Works.

By Mr. LOVRE:

H. R. 9185. A bill to amend the act of April 6, 1949, as amended, authorizing the Secretary of Agriculture to make disaster loans; to the Committee on Agriculture.

By Mr. MACK of Illinois:

H. R. 9186. A bill to authorize a 5-year program of grants for construction of medical educational and research facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. MOULDER:

H. R. 9187. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H. R. 9188. A bill to amend the Internal Revenue Code of 1954 with respect to contributions and gifts by corporations to or for the use of schools of engineering and related technical subjects; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H. R. 9189. A bill to amend the Immigration and Nationality Act to permit children adopted by United States citizens to be naturalized in certain cases without satisfying the residence and physical presence requirements; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 9190. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H. R. 9191. A bill to reduce the local contributions required for construction of the Navarro Mills Reservoir on Richland Creek, Tex., from 36 percent to 25 percent of the total cost of the project; to the Committee on Public Works.

By Mr. WATTS:

H. R. 9192. A bill to amend the Watershed Protection and Flood Prevention Act in order that a greater number of local organizations may qualify for assistance under the provisions of such act; to the Committee on Agriculture.

By Mr. ADDONIZIO:

H. J. Res. 523. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, August 27, 1935; to the Committee on the Judiciary.

By Mr. RHODES of Arizona:

H. J. Res. 524. Joint resolution directing the Secretary of State and the Secretary of the Interior, through the Bureau of Reclamation, to study the economic and engineering feasibility of acquiring riparian rights from the Republic of Mexico to water in the Gulf of California for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes; to the Committee on Foreign Affairs.

By Mr. THOMPSON of New Jersey:

H. J. Res. 525. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the 1st conference of State governors for the protection in the public interest of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. Con. Res. 211. Concurrent resolution expressing the sense of Congress with respect to the creation of a commission on the Arab refugee problem within the United Nations; to the Committee on Foreign Affairs.

By Mr. BYRD:

H. Con. Res. 212. Concurrent resolution providing that the United States mission to the United Nations shall take such steps as might be necessary to have each day's session in the United Nations opened with a prayer; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIDSON:

H. R. 9193. A bill for the relief of Mrs. Josephine Bajada; to the Committee on the Judiciary.

H. R. 9194. A bill for the relief of John T. Lipset; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 9195. A bill for the relief of Wickham Courtney Anderson; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 9196. A bill for the relief of Evangelos Christos Mirtsopoulos; to the Committee on the Judiciary.

H. R. 9197. A bill for the relief of Lucienne Canicio Smith; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 9198. A bill for the relief of Aly Wassil; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 9199. A bill for the relief of Sagrario Gonzalez Arrivillaga Yanguas; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 9200. A bill for the relief of Mrs. Maria Guadalupe Aguilar-Buenrostro de Montano; to the Committee on the Judiciary.

By Mr. RUTHERFORD:

H. R. 9201. A bill to provide for the conveyance of certain property of the United States to Harvey V. Lashus; to the Committee on Armed Services.

By Mr. THOMPSON of New Jersey:

H. R. 9202. A bill for the relief of Joseph (Josef) Ams; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

501. By Mr. BUSH: Petition of the American Legion, Department of Pennsylvania, urging enactment into law of H. R. 7886; to the Committee on Veterans' Affairs.

502. By Mr. ROOSEVELT: Petition of the officers of the 26th Congressional District Council, California, of Townsend Membership, in favor of the adoption of H. R. 4471 and H. R. 4472 as amendments to the Social Security Act in place of old-age and survivors insurance and old-age assistance; to the Committee on Ways and Means.

503. By Mr. SMITH of Wisconsin: Resolutions adopted at annual meeting of the Racine Milk Producers Cooperative Association on January 16, 1956; one resolution pertaining to the support program, and the other to the soil-bank program; to the Committee on Agriculture.

504. Also, resolution unanimously adopted at a mass meeting of Americans of Lithuanian descent of the city of Racine, Wis., held under the auspices of the local branch of the Lithuanian-American Council, Inc., on February 5, 1956, to commemorate the 38th anniversary of the Declaration of Independence of Lithuania; to the Committee on Foreign Affairs.

505. By the SPEAKER: Petition of the secretary, Lithuanian-American Council, Inc., Racine, Wis., petitioning consideration of their resolution with reference to asking for bipartisan leadership and cooperation in the field of national defense and foreign policy, etc.; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

The Railroad Retirement Act Should Be Amended To Increase Benefits and Permit Optional Retirement at Age 60 or With 30 Years' Service, With the Annuity To Be Computed on the 5 Years of Highest Earnings

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. VAN ZANDT. Mr. Speaker, recently a subcommittee of the House Committee on Interstate and Foreign Commerce, of which our colleague OREN HARRIS, of Arkansas, is chairman, held hearings on 53 bills designed to amend the Railroad Retirement Act.

After taking testimony from the sponsors of the bills, the hearings were recessed temporarily and when resumed representatives of railroad management, railroad labor organizations, and agencies of Government will be heard.

At the conclusion of the hearings, the subcommittee will make recommendations to the full committee which is expected to perfect a bill for House action during the early summer.

As a sponsor of several bills pending before the House Committee on Interstate and Foreign Commerce, it was my privilege to appear before the committee on January 24, at which time I testified on behalf of my bills to increase benefits for annuitants, pensioners, and widows, and permit optional retirement at age 60 or after 30 years' service, with the annuity to be computed on the 5 years of highest earnings.

The legislation which I have introduced over a period of years represents the wishes of the active and retired railroad employees and their families in my congressional district.

It is in their interest and at their request that I have been making a determined effort for the past several years to have full consideration given to my bills to amend the Railroad Retirement Act.

My statement before the subcommittee of the House Committee on Interstate and Foreign Commerce follows:

Mr. Chairman, once again I am grateful to you and the members of this committee for according me the privilege of appearing before you to explain the bills I have introduced to amend the Railroad Retirement Act.

As all of you know, I represent a large group of active and retired railroad employees and at their request and in their interest I introduced proposed amendments to the Railroad Retirement Act.

Before discussing these amendments I should like to convey to you the attitude of the active and retired railroad employees of my district, as I talked to many of them last fall during the congressional recess.

Not only did I find a lot of dissatisfaction—and may I repeat dissatisfaction—among the retired people because of the failure of Congress to increase benefits, but I also found a general feeling among active railroaders that the Railroad Retirement Act should be revised for the purpose of providing more adequate benefits at the time of retirement.

Mr. Chairman, the basis of the majority of complaints stems from the action of Congress last summer in approving an increase in spouse benefits. The widow and widower are the chief critics of what they call discriminatory action on the part of the Congress.

Frankly, I found it very difficult to answer a widow whose average monthly benefit check is in the neighborhood of $40 when she asked me if I could exist on the scale of benefits paid those in her category.

In addition to the criticism that I received from the widow and widower on my visits to my congressional district last fall, I encountered a concerted and organized drive by actively employed railroaders—especially those in the Altoona, Pa., area where the largest railroad shops in the world are located—in support of amendments to permit retirement after 30 or 35 years of service, or at age 60, with the retirement annuity being computed on the 5 years of highest earnings and not less than one-half of the individual's monthly compensation.

In addition to the personal contacts I had with active railroaders in regard to the new formula of computing annuities, I have received postcards and petitions that contain in excess of 5,000 signatures in support of the proposed change in formula. Mr. Chairman, it is my understanding that this committee has received similar communications urging approval of these proposed amendments.

In all my statements regarding the possibility of liberalizing the Railroad Retirement Act and increasing benefits, I have stressed the absolute necessity of maintaining the stability of the retirement fund and keeping it in a solvent condition to guarantee the payments of present and future benefits with the highest degree of certainty.

Regardless of the repeated admonition that the solvency of the retirement fund is of paramount consideration, there is an honest difference of opinion in disputing the assertion that benefits cannot be increased without a corresponding increase in payroll taxes.

I called attention to this difference of opinion during the last session of Congress when I pleaded for an across-the-board increase in railroad retirement benefits.

In this connection, the views I voiced the past 2 years that my constituents felt an increase in benefits would not impair the financial stability of the retirement fund are worthy of your close examination.

While there is always room for an honest difference of opinion, in view of the widespread insistence that the Railroad Retirement Act be liberalized and benefits increased, I am certain that this committee will review the entire subject and hold adequate hearings at an early date so that final action can be taken on proposed amendments before the 84th Congress adjourns next summer.

Mr. Chairman, I have pending before this committee 14 bills designed to amend the Railroad Retirement Act, and I should like at this time to briefly describe them:

H. R. 856, which provides full annuities at compensation of half salary or wages based on the 5 years of highest earnings, for individuals who have completed 35 years of service or have attained the age of 60.

H. R. 857 repealing the prohibition against the payment of dual benefits to widows which I introduced January 1955 was incorporated in the committee bill H. R. 4744, which became law last year and is now known as the 1955 amendments to the Railroad Retirement Act.

H. R. 858 provides retirement on a full annuity at age 60 or after 30 years of service and that such annuity for any month shall not be less than one-half of the individual's average monthly compensation for the 5 years of highest earnings.

H. R. 859 provides for an across-the-board increase of 25 percent in the annuities and pensions payable to retired railroad employees or their survivors. This bill has been revised since its introduction because of changes made in the Railroad Retirement Act by the 1955 amendments. The bill superseding H. R. 859 is H. R. 7984, which I introduced January 1956.

H. R. 2443 provides that an annuitant may be eligible for his retirement annuity even though he renders compensated service for an employer other than railroads by whom he was last employed before his annuity became effective. This bill covers the situation where a retired employee is denied the opportunity to serve as a clerical employee of a church, civic, fraternal, or social organization.

In regard to the series of bills which I have introduced during the present session of Congress, they are as follows:

H. R. 7982 provides that the present dual benefit restrictions on spouses' annuities shall be eliminated. If this bill becomes a law some 6,000 spouses who have earned social-security benefits in their own right will be entitled to receive such benefits without having the amount deducted from their railroad retirement benefits as is being done at the present time.

H. R. 7984 supersedes H. R. 859 and provides for a 25 percent across-the-board increase in the annuities and pensions payable to retired railroad employees, their widows, or other survivors. This bill is a revision of H. R. 859 and is necessary because of changes made by the 1955 amendments to the Railroad Retirement Act.

H. R. 7990 provides a 10-percent across-the-board increase in the annuities and pensions payable to retired railroad employees, their widows, or other survivors.

H. R. 7988 provides a 15-percent across-the-board increase in the annuities and pensions payable to retired railroad employees, their widows or other survivors.

H. R. 7986 provides a 20-percent across-the-board increase in the annuities and pensions payable to retired railroad employees, their widows or other survivors.

H. R. 7983 is a bill designed to provide a 25-percent increase in widows' annuities.

H. R. 7989 provides a 10-percent increase in widows' annuities.

H. R. 7987 provides a 15-percent increase in widows' annuities.

H. R. 7985 provides a 20-percent increase in widows' annuities.

Mr. Chairman, it is my understanding that the opportunity to appear before this committee is a means of affording members of Congress a chance to explain as briefly as possible the bills they have pending before this committee with respect to amending the Railroad Retirement Act.

Mr. Chairman, in accordance with information you furnished me I am pleased that you plan to hold public hearings at a later date at which time I hope it will be possible to have a more general and detailed discussion of the proposed legislation.

I wish to thank you, Mr. Chairman, and members of the committee for the opportunity to present the views of my constituents who reside in a heavily populated railroad district.

I have translated the wishes of my constituents into legislative amendments and I assure you that I appreciate your intention to consider these proposed amendments to the Railroad Retirement Act.

Issues Facing the Nation

EXTENSION OF REMARKS
OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 8, 1956

Mr. MURRAY. Mr. President, the coming election raises some monumental issues which must be determined by the voters. Their decision in large measure rests upon the record made by the respective political parties and the men who carry their banners in every contest. That decision depends, as well, upon the statement of the issues, and the public's grasp of the problems encountered and the answers given.

Because the senior Senator from Washington [Mr. MAGNUSON], put so simply and so well many of the issues facing the Nation, I request unanimous consent to place in the CONGRESSIONAL RECORD the message he delivered to legislative delegates of the CIO steelworkers, at their January 18 meeting in Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am pleased and honored to be here at your invitation to discuss some of our mutual problems. I always feel at home with a group like this, because I have worked with labor throughout my 25 years of public life.

In a way, our problems are similar.

When I entered politics as a State legislator back in 1933, we were in the depths of the depression. We were fighting for great social reforms.

For example, I piloted through the legislature a bill abolishing the poorhouse in my State. I participated in drafting one of the first old-age assistance laws in the Nation. Many of its provisions became a model for the national statute.

We were fighting to save people's homes—we were fighting for FHA—for federally insured bank deposits—for the Wagner Act—for a square deal for the people—for a square deal for the farmer.

We were successful—over the constant opposition of the Republican Party and their financial backers.

Since that time a whole new generation of young people have become eligible to vote—are participating in the political life of the country. They take for granted many of the things we fought and bled for.

The problem of a man in political life is to reach these people—to make them understand that the things they now enjoy did not just happen.

It took leadership—statesmanship—and the willingness to put your political neck on the block. These things did not just happen—they happened because we believed in them and fought for them.

In labor, too, you have had problems. Many of the rank and file simply take for granted the present-day wage scales, working conditions, and the protection written into law.

Because these things are in existence—are enjoyed by the rank and file—they are apathetic. Their attitude is—they will always be there.

You and I know that is not true. It is a continual fight to maintain the gains labor has won—it is a continual fight to make further progress.

For example, in my State this fall, there will be a "right to work initiative" on the ballot. "Right to work" is a misnomer—it is a slogan dreamed up by the Madison Avenue advertising boys. It has public appeal—but you and I know it would set labor back for 30 years.

We will defeat that initiative—but it is going to take work—and you people here must somehow make the rank and file realize what they have at stake.

The same people who have sponsored these right-to-work measures across the country are in large part the people who financed the Republican Party. They have been clever—they have organized the drive around the local front—but behind that front stand the boys with the money bags, who have never been for labor.

I don't like to inject politics into a meeting like this, but I feel you want me to speak to you frankly—and I must say, in all sincerity, we are dealing with a big-business administration.

The executive branch of this Government is riddled with corporate executives—from the Cabinet on down. Now, there is nothing wrong with the corporate executive—but I raise the question whether just one segment of our economic community should have such a dominant voice in policies and programs that affect all the people.

Suppose we Democrats win the election in 1956—and I am convinced that we will. Then suppose that we proceeded to set up an all-labor Cabinet.

Suppose we make John L. Lewis Secretary of Labor, that we make Dave Beck Secretary of Commerce, that we appoint Walter Reuther—and I have just the job for him—Secretary of Health, Education, and Welfare, and so on down the line.

Can you hear the screams that would go up? People would say we were crazy. Labor itself would not stand for such a program—labor would not let itself be put in that position.

Yet in reverse, that is exactly what this administration has done. They have made it a big-business Cabinet and big-business Government—and those who are not corporate executives are either lame ducks or retired generals.

Our Government is too one-sided and the effects of that are beginning to show up on the economic scene and I think—in the long run—it spells economic trouble.

There are three great economic groups in this country—the farmer, the wage earner, and our corporate or business structure.

For sustained prosperity—for economic stability—these three great segments must move along together. Each must obtain its balanced and equitable share of the Nation's income.

Now what has happened since this administration took over?

The farmers' income has been cut by over $6 billion. Corporate income—business income—has gone up about $6½ billion.

The wage earner is just treading water. His wages have gone up a little, but prices have gone up a little and he is just about where he was in January of 1953—maybe a little worse off because his wages don't buy quite as much.

The farmer is in trouble—and he represents a great reservoir of purchasing power in our Nation. The income—the money—through profit, is piling up at the corporate end of the scale.

We Democrats always operated on the principle that if the wage earners and the farmers have purchasing power, business will do all right.

Farmers' and the wage earners' dollars are spent for a thousand different things and that spending keeps the wheels of the business community turning.

The Republicans and their backers have always operated on the trickle-down theory. I just don't believe it will work.

Unless we can get these three great economic groups moving back on the road together, we are heading for real trouble—in my opinion.

Just a word now about some of these terrible New Deal laws we heard so much about in the 1952 campaign.

I defy anyone in this room to point to a single New Deal law—social security, FHA, unemployment insurance—that this administration has changed.

No; they don't change the law—they don't make a frontal attack. They whittle at these gains by subterfuge and backdoor methods.

The favorite technique is to appoint a man to administer the law who does not believe in it.

You know what they have done to pack the Labor Relations Board—what they have done to the Federal Power Commission—what they have done to the Federal Trade Commission. They picked a man to be Chairman of the Federal Trade Commission who had spent 25 years of his life fighting with the Federal Trade Commission as the legal representative of some of the biggest firms in the country cited for violations.

You do not have to change the law. You can get an administrator who does not believe in it.

I think labor has a terrific stake in the coming election.

The Madison Avenue boys can dream up slick slogans—but slogans are no substitute for performance—and in this administration there is a veritable chasm between what they say and what they do.

No Republican administration—to my knowledge—ever helped the trade union movement. On the contrary—they have subtly sabotaged it. They may play you for votes but they don't believe in what you are trying to do for the average man.

They believe in the specific privileged few—at your expense.

It has been a pleasure to be with you tonight. My final admonition is to be vigilant—be militant—and give your people the facts.

Flood Protection Needed

EXTENSION OF REMARKS
OF
HON. FRANK THOMPSON, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1956

Mr. THOMPSON of New Jersey. Mr. Speaker, one of the most urgent and important matters before the House of Representatives during this session is the matter of flood insurance. During the last year the need for some such program has become ever more apparent. Many of us right here in the House have had first hand experiences with the tragedy which major floods can bring to the areas which we represent. A program for some measure of protection is urgently needed.

The bill which I have introduced would establish a Federal Flood Insurance Administration which could issue policies at rates within the capacity of property owners to pay. The amount of coverage authorized would be up to $10,000 on 1- to 4-family residences, including contents, and up to $100,000 on any other single piece of real or personal property. Private insurance companies, which are presently unable to offer flood insurance at a reasonable rate, would be assisted by Federal reinsurance to provide coverage for loss in excess of the limits of the Federal program. The program would be financed through premium receipts, salvage transactions, and borrowing from the United States Treasury, up to a limit of $1.5 billion. No insurance would be offered under the provisions of the bill to cover risks which are insurable on reasonable terms through private or other public sources.

The past year has been the most expensive year on record in the matter of flood damage, but it must not go down in history like the previous most expensive year, 1951. That was a year which prompted Congress to stir a bit under the consciousness of a national problem, but it failed to take effective action. The private-insurance companies state most emphatically that they cannot do the job. It is up to Congress to act, and the time is now. Legislation to bring about a Federal flood-insurance program of the people at home. This is clearly shown by an editorial which appeared on February 1, 1956, in the Trentonian, one of the leading newspapers in my district. I should like to include it here as a part of my remarks:

[From the Trenton (N. J. Trentonian of February 1, 1956]

PROTECTION NEEDED

A New York engineering firm's prediction that New Jersey, Pennsylvania and other Northeastern States must anticipate rains and storm tides considerably worse than those created last August by Hurricanes Connie and Diane underlines the need for immediate action on both flood relief and flood prevention.

On the basis of the engineers' prediction of greater disasters, the American Insurance Association reiterates that no form of private insurance against flood damage is feasible.

Therefore, it must be concluded that the only possibility of flood insurance lies with the Federal Government. Congressman FRANK THOMPSON said in his weekly report on this page yesterday that many measures have been introduced in Congress, one of them cosponsored by himself and New York's Senator LEHMAN, and that they have been assured high priority in the legislative mill.

It is interesting to note that THOMPSON sees no tendency in Congress to insist on the passage of any one measure as introduced. This could mean that the legislation which eventually reaches the floor will embody the good points of most if not all of the proposed bills.

While insurance of some sort naturally takes priority, it goes without saying that flood prevention will, in the long run, be much more important than relief from losses incurred. Support for dams on the upper Delaware is growing rapidly, and perhaps New Jersey and Pennsylvania can look forward to the day when the river's newly discovered flood potential can be appreciably mitigated. Again, it appears that the Federal Government must lead the way toward that end.

Federal Disaster Insurance

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1956

Mr. FORAND. Mr. Speaker, under leave already granted me by the House I include herewith a statement I made at the February 1, 1956, hearings of the House Banking and Currency Committee, urging prompt enactment of legislation providing for a Federal disaster program.

The statement and the discussion I had with the committee follows:

Mr. Chairman and gentlemen of the committee, unless you have lived through a flood or a hurricane you cannot appreciate what an ordeal it is.

You read about it and see pictures of it and your sympathies are aroused, but to use the vernacular, "you ain't seen nothing."

Gentlemen, I tell you from personal experience, it's a nightmare. Your morale goes to bits and your spirit leaves you. You feel for the moment that the end of the world has come.

That, in a few words, is what happened to us in Rhode Island last August and again in October. It had also happened on several occasions in the past. In 1954 the southern part of the State was hit badly. In 1955 it was the northern part.

I have here a booklet which records the 1954 hurricane disaster, and a sheet of pictures on the 1955 flood. I ask you to study these. They will move you, I am sure. Fortunately, we of New England are a hardy type of people. We soon regain our composure and set out to reestablish our homes and our businesses, hoping that, without too much delay, the Federal Government, the only agency able to do so, will take the necessary measures to control flood damage in the future and establish a program of Federal disaster insurance, at reasonable rates—and when I say "reasonable rates," I mean ranging anywhere from 50 cents to $1 a thousand. I say that because I feel that the Federal Government itself is the only agency that can help in this case, and with full realization that it would be a cost to the Federal Government, a cost to the taxpayers. But, after all, the taxpayers are now footing the bill to a great degree when the Federal Government steps in to give relief in this type of case.

I hope that the rates will be reasonable and within the means of those who may in the future be the victims of natural disasters so that they may be compensated to a degree for their losses and be enabled to rehabilitate their homes and their businesses rather than have to seek public relief.

Private insurance companies will not issue policies against flood or other water damage. It is, therefore, the responsibility of the Federal Government to do it, in view of the fact that natural disasters know no geographical lines.

When I speak of natural disasters, I mean floods, hurricanes, earthquakes, dust storms, tornadoes, cyclones, and so forth, the type of catastrophe that the President proclaims to be a disaster and orders that the facilities of the Government be used to bring relief.

On January 3, I introduced the bill H. R. 7897, to provide for Federal disaster insurance and reinsurance.

It represents a great deal of study and an effort to be practical in approaching a subject which I consider most important and most urgent. And here I want to pay tribute, as Mr. Dodd did, to the legislative counsel's office, because they went out of their way to try to put into legislative language the ideas that I advanced.

My bill is intended to have broad appeal and thus bring in a larger amount of premiums to sustain the fund that if the coverage were restricted to one particular type of disaster, such as a flood or a hurricane.

Disasters of different types strike different parts of the country and for that reason I feel that all the potential victims of disasters are entitled to, and should be given, an opportunity to purchase this type of insurance.

In brief, the bill provides insurance coverage against natural disasters, as defined in the bill itself, for industrial and commercial buildings, homes and household effects.

Household effects, as you will note in section 3 (11) on page 6 of the bill, is defined to mean furniture, furnishings, and equipment necessary and appropriate for the operation of a household. It does not include objects of art nor antiques, nor negotiable papers or bonds, or the like.

No one may obtain insurance or reinsurance under the provisions of this bill except to the extent of his insurable interest, nor if such insurance is available to him from other sources at reasonable rates.

The potential liability of the United States is limited to not to exceed $500 million at any one time, except that on July 1, 1957, and on July 1, 1958, the President may, in his discretion, increase it by another $500 million.

The bill provides that the Administrator of the Small Business Administration shall administer the program. From time to time he is to determine the aggregate amount of such insurance outstanding in each geographical area of the United States and take into account the needs for such insurance in each area.

He shall establish premium rates at the lowest practicable level, taking into consideration the risks involved, and the desirability of providing such insurance at reasonable rates shall be uniform throughout the United States.

Insurance contracts written on household effects are limited to $3,000, with the first $50 of damage deductible.

On real estate the payment of claims would be in full for the first $15,000 and 50 percent of the excess over the first $15,000, with a deductible clause of $100, but the maximum claim allowance on a single item of real estate would not exceed $250,000.

Through an oversight there is nothing in this bill providing insurance coverage of inventories.

I respectfully urge your committee to include inventories in any bill you report out on this subject.

To cite an example of the need of disaster insurance coverage of inventories, let us take the city of Woonsocket, in my district.

Woonsocket has a population slightly in excess of 50,000 with 120 industrial firms providing employment for 11,000 workers.

In the 1955 floods 34 of these firms, employing over 6,000 workers, more than half of the city's work force, were victims of flood damage.

The losses to these firms ranged from a few thousand dollars to a maximum of $750,000.

The aggregate damage to industrial firms—including real estate, machinery, and inventories—was estimated at $4,500,000.

Commercial losses, while more widespread and involving a far larger number of individual firms were lower in dollar value but equally devastating. Nearly 200 commercial firms, many of them small owner-operated businesses and a great majority comprising retail stores, were reduced to almost total loss.

In many instances, accumulations of a lifetime of hard work were entirely wiped out. Losses to these businessmen ranged from a few hundred dollars to well in excess of $100,000 in a few instances. While no exact figures are available, these losses are estimated to aggregate in excess of $2 million.

These amounts do not seem large when we think of the billions in our national budget but I assure you gentlemen that in view of the serious economic situation that has existed in Woonsocket for the past few years, due to the depressed condition of the textile industry, the loss of some $6 to $7 million of property in this area is a most severe loss.

Disaster insurance to communities of this type is really a must if we are to avoid ghost towns.

Getting back to the bill—

The Administrator would issue regulations relative to adjustment and payment of claims.

He would be authorized by contract or otherwise to utilize the facilities, services, information and agencies of private insurers.

If a claim were disallowed the claimant would have a year to institute action in the United States District Court for the district where the property is located or in the Court of Claims.

A Disaster Insurance Fund would be established in the Treasury of the United States, into which would be deposited all premiums and appropriated funds and interest on these funds.

Claims would be paid out of the Disaster Insurance Fund in accordance with awards by or under authority of the Administrator.

Administrative expenses would not come out of the fund but would be paid out of appropriations for that purpose.

The Administrator would appoint an advisory committee of not less than three experts in the field of insurance to advise him with respect to the execution of his functions under this act.

The Administrator would report to the Congress each year, in February, on the operation of the act and recommend legislation needed to improve it.

Persons making fraudulent claims would be liable to a fine of not more than $10,000 or imprisonment of not more than 5 years, or both.

The authority, responsibility, or function of the Administrator would not be affected by the termination of the Small Business Act. He would continue as the Administrator of the Federal disaster insurance program.

That, Mr. Chairman, is my statement.

The CHAIRMAN. Mr. Forand, I know how interested you are in obtaining some help for your people who are in distress, and I think we all share that desire, but don't you think it would be absolutely essential, when we go back and tell our people that we have some help for them, to let them know just exactly what they would have to pay for this insurance?

Mr. FORAND. Very definitely, Mr. Chairman.

The CHAIRMAN. That is one of the main questions. I don't think we can sell them the insurance unless they know what they are going to pay.

Now, the administration witnesses have appeared, and they have introduced a bill, and they say that they cannot tell us the amount people would have to pay for this insurance, that it is purely problematical now. However, they did make 2 surveys, in 2 communities, and the cost in those 2 communities—which I suppose were typical communities—ranged from $115 to $620 per thousand. Now, the insured would have to pay from $69 to $372 per thousand dollars for insurance. What do you think about that?

Mr. FORAND. Mr. Chairman, I personally think the sponsors of that type of legislation are thinking of self-sustaining programs. I take a very different view. I believe this program should be sponsored and paid for by the Federal Government, in participation with the people who are going to be insured, and it is for that reason that I suggested that we fix the rates arbitrarily, between the brackets of 50 cents a thousand to $1 per thousand, realizing that the Federal Government may eventually have to pay out some money, and for that reason I suggest the appropriation of $500 million to start with.

We must realize that each year we have a disaster fund that we in the Congress vote to the President. That disaster fund becomes exhausted, and we vote additional money. Why would it not be wiser, instead of having to continually make appropriations for that purpose, to set up a definite amount of money, $500 million to start with, sell the insurance contracts at the rate where we realize we may be losing money, make it 50 cents to a dollar a thousand, but bearing in mind always the thought that if you have a low rate it is going to appeal to more people. And if you have a wide base, such as I suggest here, you will operate practically on the same basis that the war risk insurance operated on. You will recall we were selling war risk insurance for about $10, and working through the insurance brokers and agencies, each one would receive a dollar for writing a policy contract for the Government.

That program made money. I don't have the figures here, but with your permission I should like to insert them in the record, showing that the war-risk insurance that we had in World War II actually made money for the Government, and unless we have a broad base—and that is the principal reason why I include all these natural disasters—unless you have a broad base the Government will have to foot the major portion of the bill, but through this suggestion it is my thought that people will be hungry to purchase that type of insurance, particularly those who have been the victims of disasters. The premiums collected would lower the cost of the program to the Government.

Mr. MULTER. Mr. Forand, the figures on war-damage insurance, premiums collected, amounted to this: We collected about 250 times as much in premiums as we paid out. That is because we had no damage.

Mr. FORAND. I agree with you a hundred percent, but the appeal was there. Now, the damage has been done in these cases, and I believe there will be more appeal. There will be more appeal to the people to try to purchase this type of insurance.

The war-risk-insurance figures referred to above are as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C., September 26, 1955.

Hon. AIME J. FORAND,
House of Representatives,
Washington, D. C.

DEAR MR. FORAND: In response to your questions on war-risk insurance, the following information is submitted:

1. How much was collected by the Government in premiums for war-risk insurance during World War II?

The Maritime Administration reports that total premiums collected by the Government during World War II for war-risk insurance amounted to $544 million.

2. When was the war-risk agency dissolved?

General administration of war-risk insurance was handled by the Wartime Insurance Committee which was established under the Maritime Commission on December 19, 1941. By Executive order of February 7, 1942, the Wartime Insurance Committee was transferred to the War Shipping Administration. On April 7, 1942, the Administrator of the War Shipping Administration appointed a Director of Wartime Insurance who took over the responsibility for administration of war-risk insurance. By the act of July 8, 1946, the War Shipping Administration was terminated and its functions were transferred to the Maritime Commission on September 1, 1946. By this act, all unobligated funds remaining in the marine and war risk insurance fund on December 31, 1946, were to be covered into the miscellaneous receipts of the Treasury.

3-4. How much money was left on hand at the time of dissolution? What became of this money?

The Treasury Department reports that the remaining balance of $57,751,884.92 in the marine and war risk insurance fund was carried into the surplus fund of the Treasury on June 30, 1948.

Sincerely yours,

ERNEST S. GRIFFITH,
Director.

The CHAIRMAN. I believe I made a misstatement when I cited what the cost would be. That was not per thousand dollars. That was $69 for $10,000 and $372 for $10,000. That was the range. Not per thousand dollars. I would like to make that correct.

Are there any questions?

We are very glad to have your views, Mr. Forand, and we want your assistance.

Mr. FORAND. Mr. Chairman, I am deeply appreciative of the fact that this committee has allowed me to appear, and I also appreciate the fact that each and every member of this committee is sincerely interested in this subject. We all realize it is a difficult problem to solve, but it is one that must be solved, otherwise our people are going to be wiped out completely in several places, and the Lord knows that our public welfare rolls are swelling too fast as it is. We don't want to add to that.

The CHAIRMAN. I know what it will do. In my section it keeps coming.

Mr. FORAND. You have had it.

The CHAIRMAN. We have had it. It has made slums of cities, destroyed property, and if we can give them some relief it will not only relieve them of the effects of disaster, but will also relieve their minds from the apprehension of floods that are coming.

Mr. FORAND. I believe, Mr. Chairman, there is one thing we must realize, and that is this is a type of program that cannot be made self-sustaining, and that the Federal Government will have to appropriate money if we are going to render this type of service.

Mr. MULTER. Mr. Chairman, I have a question.

Mr. FORAND, before you go, and I think the other Members of Congress here ought to know some of the difficulties we are meeting in considering these problems. Most of us who are concerned with the problem have tended to put in bills of one type. All of us were agreed that that was the approach to this type of problem. Of course, the easy answers, let us cure the situation by proper flood control, and so forth. But that is a long-term program, which is going to cost a lot of money, and eventually it will have to be done. But some of us are beginning to feel that this is not the right approach, and I am one of those who introduced a comprehensive disaster-insurance bill. Your bill points it up. Let me indicate to you why.

You recall the national life insurance we had. We found it was costing more to administer the program than we were paying out. Not only premiums collected, but actual administration of the program cost more than we were actually paying out in liabilities. So we decided instead of having all that administration we would give each man a policy, and the Government would make the payment. We were saving money by doing that. We may have the same situation here.

In the case of the crop-insurance program, in the first 7 years we lost $71 million. It is still not a self-sustaining program. In the last few years we have lost $2 million. And that is limited to loss, and to areas, and on a selected basis, and insuring only certain crops and only to the good farmer. In other words, if a farmer has a history of not being able to do a good farming job he cannot get the insurance.

Mr. NICHOLSON. Will you yield?

Mr. MULTER. I yield.

Mr. NICHOLSON. You are talking about flood control, long range and everything, but Representative Forand and I don't have those troubles. Our trouble is from hurricanes and salt water. That is where our trouble comes from. It is not flood control because our rivers apparently take off all the water and dump it into the Atlantic Ocean.

Mr. FORAND. Unfortunately, last August we did have floods.

Mr. NICHOLSON. Well, we had them in Massachusetts, but we also had tidal waves and that is what we are interested in.

The CHAIRMAN. When these disasters occur America has always responded to the necessity of her people. We have aided not only our own people but we have sent immense sums to assist other nations. And I think we will have to take part of the responsibility if we are going to get any relief.

I feel as you do, Mr. Forand, on the subject. It has to be in some form.

Mr. FORAND. It is a realistic approach, I consider, and that realistic approach is the fact that the Federal Government will have to bear the greatest burden. We are doing it indirectly anyway, so why not let these people feel that they are paying a part of the risk, paying for a premium on insurance for a possible risk, and if you broaden your base by including the several disasters throughout the country, of one type or another, I think the appeal for the purchase of this insurance will be very great.

Mr. MULTER. Have you any idea what it would cost per year to administer this program?

Mr. FORAND. I have not.

Mr. MULTER. Will you tell us your thinking as to why you selected the Small Business Administration to administer this program rather than an independent agency or some other agency?

Mr. FORAND. It would be a separate agency. The Administrator of the Small Business Administration is also the administrator of disaster loans under the present system. That is why he was selected.

But if you have noticed, there is a clause in this bill providing that even if the Small Business Administration is wiped out at any time this would be a continuing program, and the Administrator would continue his functions as the administrator of the disaster insurance program.

Mr. MULTER. But I am wondering why you pick an agency that has had no insurance experience as against an agency which has had insurance experience; for instance, the Housing and Home Finance Agency, which has had tremendous insurance experience. They are taking policies all the time, and are adjusting policy losses, and have an insurance department as part of the Agency now. The Small Business Administration is a lending agency, even under the disaster loan program.

Mr. FORAND. That is correct.

Mr. MULTER. Why should we give it to that kind of an agency rather than another agency? If you give it to them they will have to set up a new bureau. Either set up an independent agency or give it to an agency of Government that has had experience in the field.

Mr. FORAND. I am not wedded to this idea, but I felt that when I came before you I should have something concrete to offer. Anything that the committee does to carry out the principles underlying my proposal would be very acceptable and very agreeable.

Mr. MULTER. I am in agreement with you that if you can sell this insurance at a dollar a thousand, you are going to have a lot of takers in the disaster areas. I doubt if you will get any takers if it is on a voluntary basis in the areas which have not yet been visited by floods. As testimony indicates, the fellow on top of the hill is not going to take any flood insurance, but the man down at the bottom of the hill is going to have to pay a high rate.

Mr. FORAND. The fellow at the top of the hill may be struck by a hurricane.

Mr. MULTER. That insurance is presently available to him.

Mr. FORAND. To a very limited degree. I happen to be an insurance broker, and I can tell you that, if you read the fine print in your policy, you will find you don't have the coverage you think you have.

Mr. MULTER. Because in Rhode Island you are in what is now the hurricane area. But you could have gotten that insurance very cheaply 20 years ago, because the area had not been visited by hurricanes. The same as New York. In those days the companies were giving it to us for 10 cents per $100.

Mr. FORAND. That may be true. But don't forget the publicity in the newspapers and over the radio and television have stirred up thinking in the minds of the people in every section of the country.

Mr. MULTER. Let us consider one other phase of your program as you have outlined it, having in mind that you would fix a uniform rate of $1 per thousand, with a maximum liability of $500 million. On that basis you can collect $500,000 a year in premiums. The direct damage only as a result of just the August 1955 floods, in the New England area, was well over half a billion dollars.

Mr. FORAND. True; just direct damage.

Mr. MULTER. Direct and indirect, $1,600,000,000, just as a result of that flood.

Mr. FORAND. But how much money did the Federal Government spend by way of relief work, and is it still spending, as a result of that? Charge that amount against the losses that would be paid under these policies and I think you will find that you have reduced the cost of the insurance program by quite a margin.

Mr. MULTER. As you compare what happened there, just taking one flood, any one of the floods we have had in the last 12 months, as against this kind of a program, I think it would be much smarter for us to say to the people, "In the event of a loss come in and prove your damage, the Government will pay it to you," instead of setting up an insurance program and getting not even the cost of administration of the program out of it. We would only be fooling the people.

Mr. FORAND. Well, Mr. MULTER, I don't care how you do it. I want relief for the people. That is the important thing. And I know that is what you are trying to work out.

Mr. MULTER. We would like to give it to you.

Mr. FORAND. Thank you very much.

The CHAIRMAN. We are glad to have your views, Mr. FORAND. We will consider them in executive session.

Mr. FORAND. Thank you very much.

Opinion Poll Results

EXTENSION OF REMARKS
OF
HON. ROBERT J. CORBETT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1956

Mr. CORBETT. Mr. Speaker, during my years of service in the House of Representatives, beginning in 1939, I have regularly conducted polls in my congressional district of public thinking on vital national issues. These polls have been in the form of a printed questionnaire, requiring simply yes and no answers, mailed to registered voters in my district, regardless of their political affiliation.

Response to these questionnaires have always been excellent. The tabulated results, which virtually constitute a referendum of the district, have proved of enormous value to myself and, I hope, to my colleagues in the Congress.

My congressional district is probably as representative and contains as many varied interest groups as any in the Nation. It has a high concentration of labor, white-collar workers, small business, large industries and some of the finest farmlands found anywhere. Many nationality groups reside therein and the Negro population is considerable. The district includes a thickly populated section of Pittsburgh and many large and small residential towns in northern Allegheny County and extends to important rural areas.

The percentage tabulation of the answers on this latest poll are included below without comment. I trust they will prove as interesting and informative to all who study them as they are to me.

POLL RESULTS

1. Is a tax cut more appealing to you than a balanced budget? Yes, 15 percent; no, 83 percent; no opinion, 2 percent.

2. If a budget surplus is apparent, would you prefer a tax cut to debt reduction? Yes, 29 percent; no, 68 percent; no opinion, 3 percent.

3. Should the United States resist with arms Communist aggression anywhere the people attacked desire help? Yes, 52 percent; no, 38 percent; no opinion, 10 percent.

4. Should the $25 billion interstate highway program be financed with a combination of increased use taxes and bonds? Yes, 67 percent; no, 22 percent; no opinion, 11 percent.

5. Would you object to paying 4 cents, instead of 3 cents postage, for nonlocal first-class mail (ordinary letter)? Yes, 26 percent; no, 73 percent; no opinion, 1 percent.

6. Do you think we are moving with satisfactory rapidity to establish full civil rights for everyone? Yes, 80 percent; no, 15 percent; no opinion, 5 percent.

7. Do you think we are going too far, too fast with the reclamation and irrigation program? Yes, 25 percent; no, 59 percent; no opinion, 16 percent.

8. Do you believe that the proposed $4½ billion foreign-aid program should be cut 25 percent or more? Yes, 77 percent; no, 16 percent; no opinion, 7 percent.

9. Should the Government encourage and guarantee private health insurance programs? Yes, 47 percent; no, 47 percent; no opinion, 6 percent.

10. Do you agree that the administration's farm-price-support program is an improvement over previous programs? Yes, 70 percent; no, 15 percent; no opinion, 15 percent.

11. Eisenhower says our defense preparations are adequate. Do you agree? Yes, 68 percent; no, 19 percent; no opinion, 13 percent.

12. Do you believe that Eisenhower can and should stand for reelection? Yes, 64 percent; no, 22 percent; no opinion, 14 percent.

Frank Sinatra Plans Worldwide Entertainment Tour for Charity

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1956

Mr. McDONOUGH. Mr. Speaker, the House Committee on Education and Labor is currently considering legislation to provide for the interchange between the United States and other countries of creative and performing artists in the field of art, drama, music, and the dance. This program has been proposed to meet the challenge of communism and to promote goodwill and understanding between the United States and other nations of the world by a greater exchange of cultural ideas which reflect national character and custom.

This is, in my opinion, an excellent proposal for improving international relations and is, to some extent, an extension of the overseas tour program in which many American artists in the entertainment field have already participated.

I have been apprised of the fact that Frank Sinatra, perhaps the most popular entertainer in the world today, currently is in contact with our State Department in arranging a forthcoming worldwide tour of charity performances, the first ever undertaken on such a scale by any top-name American entertainment figure. In this highly commendable project, Mr. Sinatra would take several weeks out of his very busy professional career to tour the world late this year in a series of benefit appearances, with all proceeds going to a major charity in each country visited. If this tour, which Mr. Sinatra proposed, materializes, he will indeed become a great good will ambassador for our Nation.

It is worthy of remark how frequently Mr. Sinatra and his fellow artists in the realm of show business offer their time and talents to public-spirited enterprises, and how infrequently the general public learns of their unselfish generosity.

Frank Sinatra, long an international favorite, is motivated in this undertaking by his determination to show the rest of the world what can happen in America to a boy born in humble surroundings. To this project he is contributing more than his time, talent, and prestige. The time which he will take out of his busy and lucrative work schedule in order to make this tour, which he himself proposed, will mean thousands of dollars out of his own pocket. However, he believes that the benefits that could accrue to the United States in terms of good will and improved world relations as result of this tour cannot be measured in dollars.

The sincerity with which artists like Frank Sinatra bring their services to good causes is amply demonstrated by the fact that they are busy at it the year around. Within just the past few months, for instance, Mr. Sinatra has actively campaigned for and aided such projects as the American Heart Fund, the sale of Bonds for Israel, the Peanuts for Polio, and other phases of this year's March of Dimes, and other worthy causes, not to mention numerous personal appearances in behalf of charitable benefits. Within the past few weeks he took the time to appear in a special short subject sponsored by the National Conference of Christians and Jews and shown in the theaters of the Nation as part of Brotherhood Week.

Frank Sinatra's activity in these fields is the more remarkable when considered in the light of the tremendous demands and obligations exacted by such a successful professional career.

Recently this actor and singer added to his already full schedule the new responsibility of motion-picture production. His new company, Kent Productions, Inc., has just completed its initial motion-picture production, a film titled "Johnny Concho," for the United Artists Co. In addition, he is about to add musical conducting to his professional activities with an album for Capitol Records which will feature not Mr. Sinatra's famous singing voice, but rather his conducting the original compositions of a group of great but underrated people, the composers in Hollywood, whose works contribute so much to present-day motion-picture enjoyment. And, in addition to all these activities, Mr. Sinatra still takes time to respond generously to worthwhile and public-spirited undertakings.

Mr. Sinatra has long been a true crusader for a better world. The Academy of Motion Picture Arts and Sciences has given him a special award in recognition of his film The House I Live In, a short subject devoted to furthering tolerance and a better understanding between peoples. In another recent instance he was selected as star of the year by the Interstate Circuit, one of the Nation's largest theater chains, a tribute citing the fact that he never rejects a request from any meritorious cause.

Having done so much for good purpose here in America, Mr. Sinatra now seeks, through his proposed tour, to aid worthwhile causes in other countries as well.

The fine citizenship and unselfish spirit manifest by Frank Sinatra and by many other outstanding figures in the entertainment world are indeed deserving of the sincerest commendation, as well as the warm appreciation of the people of the United States.

In the motion picture and recording industries, Mr. Frank Sinatra today is

considered tops at the box-office. With his great contributions to aid in worthy causes, he should also be considered a top humanitarian and a great American.

Foreign Trade and Antitrust Laws

EXTENSION OF REMARKS
OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1956

Mr. CELLER. Mr. Speaker, some members of the American community engaged in business overseas recently have been making an intensive effort to exempt in varying degrees foreign trade from compliance with antitrust principles. I am disturbed by any movement to curtail antitrust enforcement because I have maintained a firm belief in the benefits derived by the United States from its historical policy of maintaining both domestic and foreign trade free from artificial restraints.

The theme underlying demands for special antitrust privileges in the foreign field essentially is that American business is hampered or obstructed by strict application of our antitrust laws to trade and investments abroad. Numerous proposals have been advanced to remedy this condition. If accepted, these proposals would necessitate reversal of a primary policy of Congress embodied in numerous pieces of legislation and the overruling of a long series of key judicial decisions.

The recommendation of the American Chamber of Commerce in London, for example, would exempt from the antitrust laws acts performed outside the territorial limits of the United States. To accept this extreme proposal would upset a multitude of court decisions going back to 1911 when the Dupont powder trust, combining German, Britain and American explosives manufacturers, was held illegal.

Special treatment for foreign trade under the antitrust laws is urged because customs and laws abroad relating to business differ from those of the United States. This contention also has been examined and rejected by the courts. In the National Lead case against international titanium cartel in 1947, the court reviewed opposing European and United States philosophies and pointed out:

> The major premise of the Sherman Act is that the suppression of competition in international trade is in and of itself a public injury; or at any rate, that such suppression is a greater price than we want to pay for the benefits it sometimes secures. * * * The economic theory underlying the Sherman Act is that, in the long run, competition is a more effective prod to production and a more trustworthy regulator of prices than even an enlightened combination.

Indeed, the Sherman Act does represent a policy of a high order. It is now commonplace to speak of it, in the words of Chief Justice Hughes, as "a charter of economic freedom." Inherent in the statute are values of deep significance to economic and political democracy.

By prohibiting monopolies and restraints of trade, the Sherman Act undertook to provide one thing only, freedom. It does not have the negative purpose of regulating competition. Its single aim was to prevent artificial aggregations of economic power in private hands, by which others could be foreclosed from the free pursuit of callings which are the common right of all. To that end the statute sought to provide freedom of access to lawful callings, freedom of those in the market to exercise and develop their powers and freedom of consumers to choose among products and sellers.

These are the values to be weighed, when you consider conforming with customs and laws of other countries. A reinterpretation of the antitrust laws to permit American concerns to increase their foreign business by combination with their competitors would subordinate our basic policies to the policies of the foreign countries and would hamper the long continued efforts of the United States to encourage foreign nations in realizing the benefits from more competitive economic conditions.

Such interpretation would set the stage for a gradual fusion of the private enterprise system of the United States with the systems abroad, still largely feudal in basic values, in which cartels and cartel members are often instruments of government policy, and territories are divided in terms of national boundaries. Activities and investments abroad by American companies cannot be hermetically sealed off from their activities at home. There is a continuous and inseparable interrelationship and circulation of the capital, credit, technology and knowledge in world commerce. Participation by American firms in restrictive combinations abroad would produce a resulting comixture of the two systems which in the long run would dilute and weaken our own system of free private enterprise.

Although the extra territorial application of the antitrust laws to combinations restraining our domestic or foreign commerce has been clear since the Dupont powder case in 1911, the antitrust program against international cartels has been most active in the period following World War II. Most of the cartel cases have been in this period.

Enforcement of the antitrust laws in these cases to strike down restrictive international arrangements uniformly has had multiform benefits to the economy of the United States. From one industry to another can be found a lowering of prices, a broadening of markets and a growth of productive capacity.

Gains in size and strength have followed for those outside the combination and for the participants who come to enjoy a new birth of freedom. When in retrospect it is possible to see only improvement and growth following anticartel enforcement, it would be a strange kind of reasoning which would look ahead with expectation of deterioration.

Moreover, the presence of this very active program to enforce the antitrust laws against international cartels does not appear to have resulted in any harm to United States overseas operations.

Since 1946 direct investments by United States corporations have jumped from $8 billion to $17.7 billion. In 1954, alone, direct investments increased $1.4 billion.

Since 1946, profits on United States overseas operations of all kinds have nearly tripled, going from slightly over $1 billion in 1946 to $2.8 billion in 1954. In 1954, United States corporations earned profits of $2.3 billion on their direct investment of $17.7 billion, a 13-percent return. This profit is equal to 14 percent of the earnings after taxes of all United States corporations.

These statistics demonstrate the very active antitrust program since the war has not resulted in injury to our overseas commerce.

Another justification for special exemptions for overseas operations is that antitrust enforcement conflicts with and undermines the Government programs designed to assist friendly foreign nations by stimulating investments abroad. The above statistics demonstrate that it is both commercially feasible and that American companies have been able to make profitable investments abroad within the restrictions of the antitrust laws. Rapidly expanding volume of American investment abroad, shown by these statistics, discounts claims that our foreign assistance programs have been harmed by conflicts with our antitrust policies.

Further, the agencies of the Government responsible for implementing the foreign policies of the United States have advised that application of competitive principles to their programs has not resulted in any impairment to their programs. The Department of Defense, for example, advised the Attorney General's Committee:

> We find that in certain cases, adherence to the principles contained in the antitrust laws has inconvenienced and perhaps to some extent delayed Defense Department procurement activities abroad, particularly in areas where cartel arrangements are the rule rather than the exception. However, it is believed that the long-term benefit to be derived from opposing combinations in restraint of trade, a policy now expressed in the Mutual Security Act, counterbalances any advantages which this Department might derive from a less stringent application of antitrust principles to our foreign procurement.

Similarly the State Department summarized its views on relationship of the antitrust laws to promotion of foreign private investments as follows:

> The Department is keenly interested in encouraging American foreign investment. At the same time, it is recognized that investment surrounded by restrictions illegal under the antitrust laws would generally lack the benefits normally expected to flow from United States overseas investment and would be likely to create barriers to the accomplishment of other United States policy objectives. For example, one result could be the creation of restraints on the availability from foreign areas of raw materials important to United States industry. In addition, a United States policy of permitting foreign investment on this basis would

hamper our efforts to encourage foreign countries in developing more competitive economic conditions since it would tend to give support to foreign justifications of cartels as instruments of internal and international trade.

In its administration of the Government's investment guaranty program, the Foreign Operations Administration has advised:

We do not feel that the application of the antitrust laws to foreign commerce has operated to the detriment of the FOA program in any significant way, and it may have contributed to these objectives in many instances.

Representation of FOA could cite only seven cases which had arisen in its guaranty program involving substantial conflicts between proposed technology licensing arrangements and the antitrust laws. In four of these cases the investor was able to modify his licensing agreements and qualify for guaranty assistance. In three instances, the applicant refused for various reasons, to alter the agreements proposed and so was not granted assistance. In these instances FOA did not know whether the proposed arrangements nevertheless were consummated.

It is clear that antitrust has been no substantial bar to Government programs designed to stimulate technical assistance and investments in foreign countries. In any event, to the extent that foreign investments cannot be made except by permitting territorial allocation and price-fixing arrangements now illegal, it is my firm view that the antitrust law should prevail.

Instead of weakening the principles of antitrust applicability to foreign commerce by permitting American firms to enter restrictive arrangements it would seem to be the better course to eliminate the few areas in which American firms now are permitted to combine. Repeal of the Webb-Pomerene exemptions, for example, would be an affirmative step in persuading other countries to abandon similar restrictive practices. That act is a clear negation of antitrust philosophy and was enacted as purely a defensive measure to counteract the economic power of European buying cartels. Times have changed, such protections are no longer necessary.

Further, intensive support should be given by our Government to establish international procedures to cope with restrictions on international trade. Our antitrust laws, in themselves, are not sufficient to eliminate restraints by foreign conspiracies upon the foreign and interstate commerce of the United States. Since many of the participants in such conspiracies are foreign, our courts cannot proceed against all of the parties involved. Some kind of international control of this problem seems to be the only way to protect the American economy against the damage caused by foreign cartel arrangements. Moreover, international control would be much more advantageous to American industry than the present unilateral antitrust enforcement against their foreign operations.

The remedy for this situation is not to admit that United States commerce is to continue to be artificially restrained. To protect our own economy we must lead other countries to recognize the value of antitrust and apply its principles to international commerce.

Cartels foster an economy of scarcity. A free economy provides abundance. Abundance is a powerful weapon for combating the appeal of totalitarianism to impoverished and discontented peoples. Modern competitive man must indeed become cooperative if he is to survive, but cooperation cannot be achieved by the powerlessness which monopoly and restriction inevitably produce. Cartel agreements do more than apply self-imposed restraints; they restrict those outside the group, both consumers and competitors. As to these, the cartel is not a form of cooperation, but of oppression. Only measures chosen pursuant to law to promote the interest of all, by insuring freedom from monopolistic power, can provide the conditions for cooperation.

The Boy Scout Movement

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1956

Mr. MACK of Washington. Mr. Speaker, this week marks the 46th anniversary of the Boy Scouts of America.

Within the brief period of one generation, 46 years, the Boy Scouts of America has grown from a handful to a membership of 2,765,000 boys and nearly 1 million leaders. Nor has this growth ended. Last year the scouting movement in this country added 280,462 additional members. No organization could have grown so fast unless it offered something very worthwhile to American living and culture.

Boy Scouting does offer much of great and enduring value to the youth of America and for the well-being and happiness of our country and its people.

The equalities of character which every Boy Scout is pledged to seek to develop within himself are those of self reliance, courage, reverance for God, helpfulness to others, good health, mental alertness, and moral straightness. All of these are qualities that make for that good citizenship upon which good government depends.

The greatest and most important resource that this Nation possesses is its boys and girls. Upon the development of a nation's youth, more than upon anything else, depends the nation's future. The Boy Scout movement, since it develops boys into better citizens, builds wisely and well for a better, stronger and happier America. May the Boy Scout movement continue to grow and prosper because it serves all that is noblest and best in our national life.

Campaign Expenditures

EXTENSION OF REMARKS
OF
HON. RAY J. MADDEN
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1956

Mr. MADDEN. Mr. Speaker, I was indeed alarmed to read in this morning's paper an article by Drew Pearson wherein he enumerated the fabulous sums of money contributed by the Rockefeller, Pew, Mellon, Du Pont, and other families toward the Republican 1952 campaign. He elaborated in this article how various members of the family circumvented the true intent of the Corrupt Practices Act by the parents and children, cousins, uncles, and aunts all contributing sums of money in order to break down the total amount to avoid the intent of the election law dealing with unreasonable contributions.

I think it is highly necessary for the House to establish a special committee in the 1956 campaign as a watch-dog committee to prevent evasion of the Corrupt Practices Act and avoid the repetition of the millions that were spent by the Republican Party in 1952 and other campaigns. The chairman of the senatorial Campaign Committee, Senator GOLDWATER, and several other leading Republican politicians have been cleverly sending out misleading propaganda alerting the American people against large expenditures from labor organizations.

Let us get the record straight regarding the relative contributions of labor organizations as compared with the Republican Party's financial sponsors. In 1954 the Republican Party received from 738 individuals and families, a sum equal to the total voluntary contributions from 18 million members of organized labor. This amount was $1,434,000. In other words, for every voluntary contribution from a labor-union member of $1, the Republican Party received $1,943 from each of 738 wealthy contributors.

In the 1950 campaign in Ohio, the Hennings investigating committee revealed that the Republican political groups, organizations, and clubs supporting Senator Taft, spent $1,800,000. It was also revealed in the Hennings committee report through the testimony of Ohio senatorial candidate Joe Ferguson and others, that groups made up of Republic Steel, Timken Roller Bearing, NAM, American Medical Association, and so forth, spent approximately $1,200,000 in cleverly written newspaper, magazine, billboard, television, and other forms of advertising for the Republican Party in Ohio. This sum, coupled with the above, placed the cost of the Ohio Republican campaign in 1950 at approximately $3 million. Compare this with the $220,000 voluntary contributions spent in Ohio by all branches of organized labor during the 1950 campaign.

From reports in the newspapers and over radio and television, the American voters have cause to fear as to what

might happen in 1956, if the special interest groups follow the same policy of election expenditures as in 1950, 1952, and 1954. No greater cloud hovers over the American system of free elections and representative Government than the fact that money is beginning to play such an important part in the elections of Presidents, Congressmen, governors, and other State officials. I read where Chairman Hall, of the Republican National Committee, has already admitted that $2 million worth of television time has already been signed. Five million dollars in addition has been raised by the Salute to Eisenhower meetings. There has not been revealed the added millions that will be derived from sources which brought about the great Republican campaign expenditures of 1950 and 1952. As of now, the Democratic Party has been unable to even talk to broadcasting companies regarding television and radio time because of a barren campaign budget.

I know the farmers of Indiana and America are very anxious to get the true facts as to why the Republican campaign promises of 1952 were completely reversed and they received the rural bankruptcy plan of Benson in 1953 and 1954. Apparently in the fall campaign the only television and radio time the Democratic Party will have available to inform the farmers of the true facts involved will be during the 6 a. m. milking hour. On the other hand, the only factual information labor can receive over television and radio as to why the Eisenhower promises of 1952 were not carried out will be the broadcasts at the 4 a. m. change of shift in factories throughout America. National Democratic Chairman Butler's plan to equally divide radio-television time would be a great step forward in enabling the American voter to decide this election on factual information in the true record of both parties. It is highly necessary that to preserve this free republic the Congress take steps to prevent buying of elections through tremendous campaign funds. The American people must know the true facts and issues in this coming campaign and unfortunately, it costs millions to bring this information to the people. The public is entitled to know what is going on in their Government and one of the unfortunate ways to prevent this information from going into the precincts are the fabulous campaign expenditures provided by special privilege groups to buy up radio, television, newspaper, magazine, and all other forms of advertising mediums.

Congress should take steps and take steps now to prevent money from being the deciding factor in the presidential and congressional elections of 1956.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 9, 1956

The House met at 12 o'clock noon.

Rev. C. K. Gebhart, president, the Southwest Ohio Synod Evangelical and Reformed Church, Hamilton, Ohio, offered the following prayer:

Almighty and eternal God, who art the Creator of all things, and yet the Heavenly Father of all people, we humbly bow before Thee, in thankfulness and petition, as the deliberations of this day begin.

For all those who have served our country in the past, we give Thee our thanks. For those who serve it in this hour, we ask Thy blessing. Pour out from heaven a special portion of Thy courage, wisdom, light, and guidance unto those who serve it within these hallowed walls of this Congress.

May we as officials in government, as humble citizens at home, not be as reeds shaken in the winds of doubt and confusion, but help us, O God, that in Thy strength we shall be as a house built upon the rock of Thy eternal word. Guide us into all useful living, that the record of our life span may contain these words, "Well done, thou good and faithful servant."

In the name of Jesus we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 6857. An act to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.; and

H. R. 7156. An act to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Fla.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2889. An act to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah; and

H. R. 8320. An act to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis eradication program for the fiscal year ending June 30, 1956.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7030. An act to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MARTIN of Pennsylvania, and Mr. BENNETT to be the conferees on the part of the Senate.

AMENDING SECTION 208 (B) OF THE TECHNICAL CHANGES ACT OF 1953

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2667, an act to amend section 208 (b) of the Technical Changes Act of 1953 (Public Law 287, 83d Cong.), with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

After line 8, insert:

"SEC. 2. Section 2053 of the Internal Revenue Code of 1954 (relating to deductions from the gross estate for expenses, indebtedness, and taxes) is hereby amended by redesignating subsection (d) to be subsection (e) and by adding after subsection (c) a new subsection as follows:

"'(d) Certain State death taxes:

"'(1) General rule: Notwithstanding the provisions of subsection (c) (1) (B) of this section, for purposes of the tax imposed by section 2001, the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary or his delegate) of any estate, succession, legacy, or inheritance tax imposed by a State or Territory or the District of Columbia, or any possession of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055 or 2106 (a) (2). The election shall be exercised in accordance with regulations prescribed by the Secretary or his delegate.

"'(2) Condition for allowance of deduction: No deduction shall be allowed under paragraph (1) for a State death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided for in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106 (a) (2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in sections 2055 and 2106 (a) (2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106 (a) (2) are required to pay.

"'(3) Effect of deduction on credit for State death taxes: See section 2011 (e) for the effect of a deduction taken under this subsection on the credit for State death taxes.'"

After line 8, insert:

"SEC. 3. Section 2011 of the Internal Revenue Code of 1954 is amended by adding after subsection (d) a new subsection as follows:

"'(e) Limitation in cases involving deduction under section 2053 (d): In any case where a deduction is allowed under section 2053 (d) for an estate, succession, legacy, or inheritance tax imposed upon a transfer for public, charitable, or religious uses described in section 2055 or 2106 (a) (2), the allowance

of the credit under this section shall be subject to the following conditions and limitations:

"'(1) The taxes described in subsection (a) shall not include any estate, succession, legacy, or inheritance tax for which a deduction is allowed under section 2053 (d).

"'(2) The credit shall not exceed the lesser of—

"'(A) the amount stated in subsection (b) on a taxable estate determined by allowing the deduction authorized by section 2053 (d), or

"'(B) that proportion of the amount stated in subsection (b) on a taxable estate determined without regard to the deduction authorized by section 2053 (d) as (i) the amount of the taxes described in subsection (a), as limited by the provisions of paragraph (1) of this subsection, bears to (ii) the amount of the taxes described in subsection (a) before appylying the limitation contained in paragraph (1) of this subsection.

"'(3) If the amount determined under subparagraph (B) of paragraph (2) is less than the amount determined under subparagraph (A) of that paragraph, then for purposes of subsection (d) such lesser amount shall be the maximum credit provided by subsection (b)'.

"SEC. 4. The amendments to the Internal Revenue Code of 1954 made by sections 2 and 3 of this act, and provisions having the same effect as this amendment, which shall be considered to be included in chapter 3 of the Internal Revenue Code of 1939, shall apply to the estates of all decedents dying after December 31, 1953."

Amend the title so as to read: "An act to amend section 208 (b) of the Technical Changes Act of 1953, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill (H. R. 2667) and the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, H. R. 2667, as it passed the House, amended section 208 (b) of the Technical Changes Act of 1953 by making that provision applicable to estates of decedents dying after December 31, 1947, instead of to estates of decedents dying after December 31, 1950. This change was thought necessary because section 208 of the act had permitted for estate-tax purposes the tax-free release of certain powers of appointment of discretionary trust if the grantor was under a mental disability for a continuous period of not less than 3 months beginning before December 31, 1947, and ending with his death. The provision did not extend relief to a grantor under such a disability who died after December 31, 1947, and before January 1, 1951.

The Senate, in acting on this legislation, amended the bill to include an amendment that had been previously added as an amendment to H. R. 6887 by the Senate in the 1st session of the 84th Congress.

As you will recall, Mr. Speaker, H. R. 6887, as it passed the House, provided an extension for 1 year of the time in which income resulting from the discharge of indebtedness of a railroad corporation could be excluded from gross income.

H. R. 6887 was amended by the Senate to provide for the following situation: Existing law measures the deduction for charitable bequests by the amount which the charity actually receives. Therefore, if a State imposes a tax on the charitable bequest and the State tax must be paid from the charitable bequest, the Federal estate-tax deduction permissible because of the charitable bequest is diminished by the amount of the State tax and the amount of the Federal estate tax increased accordingly. If the additional Federal estate tax thus produced must also be paid out of the charitable bequest, the charitable deduction will be reduced again in turn and the estate tax correspondingly increased, with a resulting pyramiding of tax on tax. The combination of State tax and Federal tax thus imposed results in the dissipation of a large part of the bequest intended by the testator for charitable purposes.

The Senate amendment was designed to prevent this pyramiding by granting a deduction for Federal estate-tax purposes for the amount of an estate, succession, legacy, inheritance tax imposed by a State upon a transfer by the decedent for public, charitable, or religious uses described in section 2055 of the 1954 code.

After the adoption of the bill, as amended, by both Houses of Congress, the President indicated his disapproval of the amendment, stating that while he was sympathetic to the objectives of the amendment, certain defects had caused him to reluctantly withhold his approval. The Senate has reconsidered the amendment and incorporated in H. R. 2667 substitute provisions which meet the objections raised by the administration. I urge that the Senate amendment be agreed to.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, the amendment added by the other body to H. R. 2667 was approved with minor variations last session by the unanimous vote of the Committee on Ways and Means. As the distinguished chairman of our committee has explained, the amendment last year was the subject of a memorandum of disapproval from the President. The President's disapproval was based solely upon certain technical deficiencies in the language of the amendment and was not based upon the merits of the proposal. It is my understanding that the language in the amendment now before us meets these technical objections. In view of this fact, I join in asking that the House concur in the amendment.

TO AMEND THE INTERNAL REVENUE CODE OF 1939 TO PROVIDE A CREDIT AGAINST THE ESTATE TAX FOR FEDERAL ESTATE TAXES PAID ON CERTAIN PRIOR TRANSFERS

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7054) to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, after "'transferor')", insert "who was the spouse of the decedent at the time of such person's death and".

Page 2, line 8, strike out "six months" and insert "two years".

Page 3, line 3, strike out "6 months" and insert "two years".

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill (H. R. 7054) and the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, H. R. 7054, as it passed the House, added a new section to the Internal Revenue Code of 1939 to provide that an executor of an estate could elect to take a credit against the estate tax for the amount of tax paid on property passing to a decedent from a person who died within 6 months prior to the decedent's death. In addition, the bill provided that those claiming such a credit should forgo any deduction for previously taxed property allowed by section 812 (c) of the 1939 code. The new section was made available with respect to estates of decedents dying after December 31, 1951, and before August 16, 1954.

The Senate amendments extend the time from 6 months to 2 years in which the two deaths must occur in order to obtain the election and provide that the person from whom the property passed to the taxpayer must be the taxpayer's spouse. I urge that the Senate amendments be agreed to.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill (H. R. 7054).

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, H. R. 7054 is a bill sponsored by my distinguished colleague on the Committee on Ways and Means, the gentleman from Tennessee, Representative BAKER.

Very simply, it corrects a very severe hardship wherein a small estate has been subject to two Federal estate taxes within a period of less than 6 months. The Senate amendment simply increases the 6-month period contained in the House bill to 2 years. I ask that the House concur in this amendment.

AMENDING THE ARMED FORCES RESERVE ACT OF 1952

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8107) to amend the Armed Forces Reserve Act of 1952, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. ARENDS. Mr. Speaker, reserving the right to object, and I shall not, I think the gentleman from Louisiana might well explain to the House exactly the action the Armed Services Committee took and the effect of the bill.

Mr. BROOKS of Louisiana. This bill has one single purpose: It deletes subsection (d), section 262, of the Armed Forces Reserve Act of 1952. At the present time a man entering the National Guard, a volunteer for active duty for training purposes, the committee found had been receiving the pay of E–1, which is $78 a month. The man, however, who for 6 months' training purposes enters the Army Reserve or Navy Reserve or any part of the Federal Reserve receives only $50 per month. We have the situation now of one man in active 6-months training getting from the National Guard $78 a month and another person from the Reserves getting $50. This bill would eliminate this inequity and give the enlistee in the Reserve for training purposes under the 6-months provision of the bill we passed last year $78, the pay of an E–1 soldier.

Mr. ARENDS. In other words, this bill merely equalizes the pay of these individuals who enter the six months' training program and then go into the National Guard.

Mr. BROOKS of Louisiana. The Federal Reserve soldier gets $50; the trainee from the National Guard gets $78. This will equalize the pay.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Does this equalization business reduce anyone's pay?

Mr. BROOKS of Louisiana. No; it merely equalizes the pay of all the buck privates going in under this 6-month program.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 262 of the Armed Forces Reserve Act of 1952 (Public Law 476, 82d Cong.) is hereby amended by deleting subsection (d) thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to extend my remarks at this point on the subject of the development of the Reserve program.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, a great many questions have been asked within recent weeks regarding enlistments under the terms of the Reserve Forces Act of 1955, which I sponsored through the Congress last year. I am glad to be able to report substantial progress is being made in obtaining enlistments under this new Reserve program. The encouraging feature is that enlistments are increasing week by week almost without exception, and by next June the Congress may learn that we have obtained a substantial portion of the goals allotted for the building of our Reserve program.

I include a chart giving the figures for the Army, the Navy, and the Marine Corps:

Enlistments for Army under Reserve Forces Act

ARMY

	Sec. 261, 6-year Reserve enlistment, 2 years' active duty	Sec. 262, 8-year Reserve enlistment with 6 months' training	Sec. 263 (b), incentive program
August	67	65	3
September	453	779	13
October	548	1,243	60
November	670	1,644	86
December	774	2,341	102
January (estimated)	980	2,370	180
Total	3,492	8,442	444
Army grand total		12,378	

MARINE CORPS

August		0	0
September		124	0
October		297	22
November		253	19
December		151	19
January (estimated)		250	40
Total		1,075	100

NAVY

Navy figures do not lend themselves to a monthly breakdown. Since the bill was signed into law under the program the Navy has enlisted under sec. 261 through Dec. 31, 1955, a total of 15,343. The Navy is averaging around 3,000 a month under sec. 261.

NOTE.—The figure that is given under sec. 262, that is 8,442 for the Army and 1,075 for the Marines, is not the figure of the enlistees who are actually in training at the present time in the 6 months' program because many of these have been deferred because of high school enrollment.

From week to week the Defense Department has given me reports showing the current enlistments in the Army. I am happy to be able to report that these enlistments are steadily climbing at the rate of almost 150 persons each week under this new Reserve program. I believe by the end of this month we may be obtaining for the 6 months' training program alone some 1,800 persons per month.

From the chart and explanation set forth above it appears the Marine Corps has an excellent chance of obtaining its yearly quota enlistment under the Reserve active duty training program, which quota has been set at 5,500. Already the marines have obtained more than 1,000 enlistments and they are steadily climbing.

The Navy enlistment program falls under section 262 of the law, which permits enlistments in the Reserve forces for 6 years, coupled with 2 years of active duty in the Navy, with an average of more than 3,000 per month. We can gain tremendous encouragement from the response given to the Navy appeal.

The difficult part of the program, of course, lies in the Army. At the rate these enlistments are climbing, however, there is still hope that before the end of the fiscal year the Army may have obtained a large percentage of its quota for enlistments generally and especially for its quota under section 262 for 6 months' active duty training.

NEWS RELEASES BY SECRETARY OF COMMERCE WEEKS

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PRESTON. Mr. Speaker, Secretary of Commerce Sinclair Weeks is second only to Secretary Benson of Agriculture in maintaining poor relations with the legislative branch of the Government. The most recent example of his ineptness was brought to light this morning when it became known through press circles that Mr. Weeks, aided and abetted by Under Secretary of Commerce for Transportation, Louis S. Rothschild, released the list of Federal aid to airport projects in the various congressional districts approved for the remainder of the current fiscal year, through the National Republican Committee where advanced tips are being given to Republican national committeemen and to selected Republican Members of Congress in order that they might claim credit for having obtained Federal funds for local airports.

This action would not seem so strange if it were not for the fact that in 1954 this administration undertook to destroy the Federal aid to airport program by requesting no funds for it in the President's budget. It was revived by an amendment which I offered on the floor of the House to the Commerce Department appropriation bill providing $22 million to reinstate the program which was overwhelmingly adopted by the Democratic-controlled House.

Secretaries Weeks and Rothschild have clearly demonstrated their political contempt for Members of Congress of the majority party by their conspiracy to claim credit for a program this administration undertook to destroy. In other words, they deny parenthood but are willing to adopt the child.

When congressional indignation became apparent this morning to the Commerce Department, they hastily announced that the program would be announced at 11:45 today at a press conference at the Department of Commerce, and that copies of the program listing various projects would be available on Capitol Hill at 12 o'clock noon.

To say the least, we on this side of the aisle shall not be quick to forget this sort of political shenanigan.

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Speaker, I take this time to make an inquiry of the gentleman from Georgia who just addressed this body.

The gentleman from Georgia is chairman of the subcommittee that handled this program, is he not?

Mr. PRESTON. I am.

Mr. BOGGS. Does the gentleman from Georgia have this list?

Mr. PRESTON. I do not.

Mr. BOGGS. Does any member of the gentleman's committee have this list?

Mr. PRESTON. They do not.

Mr. BOGGS. Where did the gentleman get his information that the Republican National Committee has the list?

Mr. PRESTON. I telephoned the Public Relations Office of the CAA after hearing reports to this effect and was advised that they had nothing to release on it, that they had received repeated calls from members of the press who stated to them they have been advised by the national committee of these various projects.

Mr. BOGGS. Was it not the work of the gentleman that made possible this existing program, and I refer to the gentleman and the other members of his subcommittee?

Mr. PRESTON. And supported by a majority of Democrats and a good many Republicans.

Mr. BOGGS. I submit this is an amazing piece of political propaganda.

THE COMMITTEE ON THE JUDICIARY

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, on last Tuesday the Committee on the Judiciary presented immigration bills in a new manner. Previously each separate immigration bill had been presented on the floor of the House. Under the new system all bills that are in a particular category will be grouped together, as they were last Tuesday, and presented on the floor of the House. In the report the number of each bill will be given together with the names of the sponsor and the beneficiaries. The Committee on the Judiciary will notify each Member of the action taken on his bill.

This has been done for the reason that it will relieve a burden on the President to sign so many individual bills and it will take less time on the floor of the House.

BRIGHT OUTLOOK FOR AMERICAN-FLAG SHIPPING ON GREAT LAKES-OVERSEAS ROUTE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, this morning's announcement that the Great Lakes-St. Lawrence River Seaway—the shipping route between Great Lakes ports and those of Western Europe—has been declared an essential foreign-trade route, carries an encouraging promise for the future of American-flag shipping on this vital waterway.

This determination by the United States Maritime Administration opens the way for American ship operators to receive operating-differential subsidy, provided in the Merchant Marine Act of 1936, for service on this vital avenue of commerce.

At present, Great Lakes shipping—as well as shipping between Great Lakes ports and overseas destinations—is very active and growing in volume. However, there are no American-flag vessels operating between the Great Lakes ports and Western Europe. That entire commerce is carried in foreign-flag vessels.

The decision of the Maritime Commission will give American shipping considerable opportunity to compete with foreign-flag vessels in carrying trade between America's heartland and Western Europe. It will provide assistance to American shipbuilders, and American ship operators. It will mean brighter prospects for Milwaukee's outstanding shipbuilding and port activities.

Mr. Speaker, I earnestly hope that this important development will speed up congressional action on pending legislation providing for the improvement of the Great Lakes connecting channels. I am equally hopeful that it will expedite the necessary surveys of Great Lakes port facilities, and prompt carrying out of the required dredging and related projects. These steps are necessary to complete the opening of the Great Lakes to ocean shipping.

Now that the Great Lakes-Western Europe route has been officially declared essential to our Nation, we must move rapidly ahead in the directions I have just outlined. There should be no delays, no procrastination. The full opening of our great heartland to world commerce, in which American-flag shipping can play its proper role, is a paramount need of our day.

MARITIME LABOR STABILITY

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, during the first session of this Congress, the Committee on Merchant Marine and Fisheries made extensive field studies and conducted hearings on the difficult and complex problems of labor-management relations in our maritime industry.

In the course of these studies, it developed that collective bargaining agreements between different seagoing labor groups, longshore labor groups, and management organizations on the east and west coasts of the United States expire on June 15 and September 30 of each year. The lack of a common expiration date has plagued the maritime industry for years. Strangely enough, both management and labor leaders have recognized this and have stated publicly their support for the establishment of a common termination date. And yet, no real effort has been made to agree upon a satisfactory date. Accordingly I recently undertook to get the parties together in my office.

It is not my desire to have the Merchant Marine Committee interfere in labor negotiations. That is certainly not the function of any congressional committee. But, somebody had to take the initiative, and it seemed to me a natural followup on the extensive work we had done in this field.

I was gratified with the completely objective approach which both management and labor took at the conference. They readily agreed that a uniform date was desirable. The date decided upon, August 1, was selected only because it is halfway between the two dates when the contracts now expire, June 15 and September 30.

If the New York Shipping Association concurs in the date, the road will be open for maritime labor and management to begin an era of unparalleled stability in the industry. I am hopeful that the two great leaders of the seagoing unions, Mr. Joseph Curran and Mr. Harry Lundeberg, will see their way clear to accepting this new date for their contracts, as well. It is my intention to meet with them at the earliest opportunity.

CONSTRUCTION OF A NEW VETERANS' HOSPITAL IN THE METROPOLITAN WASHINGTON AREA

Mr. LANKFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LANKFORD. Mr. Speaker, I was shocked and amazed to hear last evening on the radio a statement which was attributed to the Office of Defense Mobilization. The statement was to the

effect that the ODM was opposed to the construction of a veterans' hospital in the metropolitan Washington area. The reason given for such a stand was that this is a vital area, vulnerable to enemy attack. It was further reported that the ODM called for dispersal of veterans' hospitals.

Now, Mr. Speaker, let us follow this trend of thought—that is the dispersal of veterans' hospitals—to its logical conclusions. If veterans' hospitals are not to be located in any large, urban, industrial areas because of the vulnerability to enemy attack it means that there will be no hospital services available to the veterans in these areas, the very veterans who contributed so much to the great industrial strength of our Nation. It would mean that a large proportion of the labor force in such industrial centers as Chicago, Detroit, Philadelphia, New York, Boston, Baltimore, and San Francisco would be without the facilities which a grateful people and a grateful Congress have determined to be rightly theirs. By the same token, it would mean that the veterans living in the area of the Capital of the greatest of free nations—which freedom they fought for—would be denied these facilities. Mr. Speaker, you may be able to disperse veterans' hospitals but you cannot disperse veterans.

While ODM is calling for the dispersal of veterans' hospitals they have not seen fit to raise their voices against the rather arbitrary attitude taken by the CIA in demanding that its junior Pentagon be located only a stone's throw from the White House. They have not protested against a proposed new State Department Building in the city of Washington. Let them be consistent but above all let them remember that veterans are human beings and are not to be treated as steel plants.

The situation in the metropolitan Washington area is deplorable. Mt. Alto, the only veterans' hospital in the area, was built many years ago as a girls school. It is totally inadequate to meet our needs. We need a new hospital and we need it in this area. The veteran population of this area is tremendous.

Mr. Speaker, I hope that this type of thinking will not prevail and that this Congress will authorize and appropriate the money requested to construct a new veterans' hospital in this area.

FRANK COLLINS, BOY SCOUT

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, yesterday there was given to me one of the great thrills of my experience here as a Member of Congress. I was a breakfast guest of a large and prestiged party that included an associate justice of the Supreme Court of the United States and many others representative of the highest in governmental, civilian, and religious activities. But for Members of the Congress it was the most exclusive affair to which I have been invited during my terms in this body.

No Member of Congress got to that breakfast on his own merits. He was invited there because a young man in his district had rendered the outstanding service to God and country that gave to his Congressman the distinction of being a guest there. I owe my invitation to the service, the devotion, the quality of high character of Frank Collins, selected as one of the 12 outstanding Boy Scouts of the United States. I owe much to Frank Collins, as also does the Second Congressional District of Illinois, to which he has brought this distinction and for which he has set a pattern of good citizenship.

Frank is 17 years old and he resides with his parents at 5543 Dorchester Avenue, Chicago. He is an Eagle Scout and Explorer of Post 2512, sponsored by the Hyde Park Methodist Church. I know that the members of that church must be very happy that a member of the unit sponsored by them has been chosen as one of the 12 outstanding Boy Scouts of the Nation. It is a signal honor. Never before has a member of the Boy Scouts in Chicago been given this most enviable honor.

Frank began as a Boy Scout in December 1947, and achieved Webelos rank. He is a lodge chief of the Order of the Arrow. He participated in 36 days of rugged camping at the Philmont Scout Ranch in 1953, attended the Second National Jamboree of the Boy Scouts of America at Valley Forge in 1950 and also took part in the Eighth World Jamboree last August at Ontario, Canada. He attends Hyde Park High School, where he is president of the Conservation Club and photographic editor of the school annual. How proud and happy the faculty and teachers at Hyde Park must be with this great honor attained by a Hyde Parker.

Frank is a holder of the God and country award. He had 8 years of perfect attendance at Sunday school and is president of the Methodist Youth Fellowship. I especially congratulate and commend this young man for his regularity in attendance. I am sure that if when he is older he is elected to the Congress he will hold to the same rule of regularity in attendance and end up with a perfect record on rollcalls including quorum calls.

He was one of eight Explorers selected to accompany the submarine *U–505* from Montreal to Cleveland. He has built up a mineral collection as his intellectual hobby and on leaving Hyde Park High School intends to study civil engineering.

Here in Washington we have many affairs to which we are invited because we are Members of the Congress. This was a breakfast where being a Member of Congress did not count. Frank Collins earned the invitation for me, and I was never so honored as when I sat by his side, he who had earned for his Congressman this invitation by his own fine service as a good citizen.

Under the slogan "Onward for God and my country," the Boy Scouts are marching on to meet the challenge of these times. As I sat at that breakfast table listening to Frank and the other honored 11 Boy Scouts I could not escape the thought that here in this great Scout movement was the answer to the juvenile-delinquency problem. If our newspapers would give less space to the sensationalism of teen-age gangs and more space to what the Boy Scouts are doing in ingraining in young minds the tenets of good citizenship and the precepts of religion, it seems to me that we would have a much more accurate picture of the American youth of today.

My hat is off to Frank Collins, to his fellow Scouts, to the dedicated leadership of the Boy Scout movement and to all the youth of America which, given the chance, will prove itself and prepare for a better tomorrow.

LEAKING INFORMATION AT THE CAA

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I want to extend my deepest sympathy to the gentleman from Georgia [Mr. PRESTON] who was shocked by the fact that the New Dealers here in the executive departments broke down the other day and gave Republicans some information about what was going on. Heretofore they have been withholding that information. These hold-overs, these New Dealers, have channeled that information to the Democrats. Now it seems that someone—it was not I—learned something about what was going to happen in his district and took a little advantage of it. That is terrible, to give us any information. I hope hereafter they will give us some more.

ELECTRICAL AND MECHANICAL OFFICE EQUIPMENT, HOUSE OF REPRESENTATIVES

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Adminstration, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 526) to amend the joint resolution of March 25, 1953, relating to electrical and mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, to remove officers and committees from certain limitations, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. LECOMPTE. Reserving the right to object, Mr. Speaker, will the gentleman from Missouri explain this joint resolution and the necessity for it?

Mr. JONES of Missouri. I will be happy to.

Most of the Members will recall that a few years ago we provided for the

purchase of electrical office equipment for use in the offices of the Members. We included in that legislation officers of the House and committees of the House, under the same restrictions as individual Members.

This joint resolution would remove the officers of the House and the committees of the House from these limitations. Many of the committees have many subcommittees, and because of this they find it impossible to furnish their subcommittees with sufficient electrical equipment under the law now in effect. We are asking that the committees and the officers of the House be removed from that limitation.

The other change is that we would provide for the use of electric typewriters as standard equipment in offices where they are desired, up to a limit of two machines, which would not be charged to the Member's electrical-equipment account. In the case of those Members who now have electric typewriters charged to their electrical equipment, that charge would be removed. Members who now have manual typewriters and who feel that the work of their offices could be expedited and done more effectively and efficiently with electric typewriters could have up to two of those machines without their being charged to the electrical-equipment account.

Mr. LECOMPTE. It is true, of course, that all Members may have two electric typewriters now if they are willing to have them charged to their equipment account; is that correct?

Mr. JONES of Missouri. That is correct, yes sir.

Mr. LECOMPTE. This resolution just removes that restriction?

Mr. JONES of Missouri. We are removing that part of the restriction, yes sir.

Mr. LECOMPTE. Does it seem necessary?

Mr. JONES of Missouri. Many Members came before our committee and indicated that while, perhaps, it is not necessary, it is desirable. I think with the progress that has been made in the development of office equipment, we have found over the years that electric typewriters have become the generally accepted efficiency machine. May I say for the benefit of the gentleman from Iowa who served on the committee with me, as he knows I was opposed to the first legislation which set up this equipment account.

Mr. LECOMPTE. As I was also.

Mr. JONES of Missouri. And I made certain predictions of what I thought would happen. As a member of this subcommittee, I have tried to bring about not only efficient operation but also more economical operation, and I will continue to do so. I do not want to leave the impression that this is not going to cost some additional money, but we also find that in the conduct of many offices there are added expenses coming along at all times.

Mr. LECOMPTE. What the gentleman says is correct, that he and I stood together in minority, I think, in opposing the electric equipment proposition when it was first inaugurated.

Mr. Speaker, I withdraw my reservation of objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object. I would like to know will the committee staff, the minority members of the staff, under this have an opportunity to get electric typewriters?

Mr. JONES of Missouri. I would presume that any staff would have the opportunity.

Mr. HOFFMAN of Michigan. I know, but the minority, for example, on our committee where we have some 50 employees, we have 2 minority out of 50 and they are both operating with manual typewriters. We would just like to catch up with the other 40.

Mr. JONES of Missouri. I suggest the gentleman talk to his chairman and I am sure that if it is found to be necessary, he will get the typewriters.

Mr. HOFFMAN of Michigan. It is the understanding we are going to get some; is it not?

Mr. JONES of Missouri. I think it is.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. JONES]?

There was no objection.

The Clerk read the joint resolution, as follows:

House Joint Resolution 526

Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical and mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, to remove officers and committees from certain limitations, and for other purposes

Resolved, etc., That (a) subsection (a) of the first section of the joint resolution entitled "Joint resolution to authorize the Clerk of the House of Representatives to furnish certain electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives," approved March 25, 1953, as amended (2 U. S. C., sec. 112a (a)), is amended by striking out the last sentence thereof.

(b) Subsection (b) of the first section of such joint resolution, as amended (2 U. S. C., sec. 112a (b)), is amended to read as follows:

"(b) The value of equipment furnished under this section, together with the value of any equipment purchased under House Resolution 318, 82d Congress, which may be in use in the office of a Member at any one time shall not exceed $2,500. For the purposes of this subsection the value of any article of equipment shall be deemed to be the cost thereof less depreciation, determined in accordance with rules or regulations prescribed by the Committee on House Administration."

(c) Subsection (c) of the first section of such joint resolution, as amended (2 U. S. C., sec. 112a (c)), is amended by striking out ", officer or committee."

(d) Subsection (d) of the first section of such joint resolution, as amended (2 U. S. C., sec. 112a (d)), is amended by striking out ", officer, or committee."

SEC. 2. Such joint resolution approved March 25, 1953, is further amended by renumbering sections 2, 3, 4, and 5 as sections 4, 5, 6, and 7, respectively, and by inserting immediately after the first section thereof the following new sections:

"SEC. 2. In addition to the electric typewriters which may be furnished under the first section of this joint resolution, the Clerk of the House of Representatives, upon request of any Member, shall furnish for use in the office of such Member not to exceed two electric typewriters.

"SEC. 3. The cost of electrical or mechanical office equipment furnished under this joint resolution shall be paid from the contingent fund of the House of Representatives."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WASHITA RIVER BASIN RECLAMATION PROJECT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 363) providing for the consideration of S. 180, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 180) to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Oregon [Mr. ELLSWORTH], and at this time I yield myself such time as I may require.

Mr. Speaker, House Resolution 363 will make in order the consideration of the bill, Senate 180, to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma.

House Resolution 363 provides for an open rule with 2 hours of general debate on the bill itself.

Construction of this project would provide for storing floodwaters to meet the needs for irrigation and for municipal and industrial water supply. The detailed plan of development is set out in House Document No. 219 of the 83d Congress.

The estimated project costs total $40,600,000. The cost allocated to irrigation would be repaid without interest

under the 50-year principle in reclamation law. The amount assigned to be repaid by the irrigation water users would be returned in a period of not more than 55 years, exclusive of any development period. The cost allocated to municipal water would be repaid in 50 years with interest at the same rate which the Federal Government pays on its long-term loans. Municipal water payments to the Federal Government would continue so long as the costs of irrigation works are unpaid.

Irrigation benefits from construction of the works which would be authorized are estimated to be $750,000 annually. The flood-control benefits are estimated to be $734,000 annually.

I hope the rule will be adopted so that the House may proceed to the consideration of this legislation.

I reserve the balance of my time.

The SPEAKER. The gentleman from Oregon [Mr. ELLSWORTH] is recognized.

Mr. ELLSWORTH. Mr. Speaker, as stated by the gentleman from Missouri [Mr. BOLLING] this resolution makes in order consideration of the bill S. 180 for the Washita project. In looking over the report on this bill, I am struck by the fact that a substantial portion of the project has to do with flood control. In the congressional district which I represent we have lately, in December of this past year, suffered terrific flood damages. Six of the seven counties I represent are declared disaster areas, so we know something about floods. We know the value of any legislation which will help in the way of flood control.

There was no objection on our side in the Committee on Rules to the adoption of this rule, and I hope the House will adopt it without delay.

I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. ENGLE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 180) to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 180, with Mr. ABERNETHY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. ENGLE] will be recognized for 1 hour, and the gentleman from Nebraska [Mr. MILLER] will be recognized for 1 hour.

The Chair now recognizes the gentleman from California [Mr. ENGLE].

Mr. ENGLE. Mr. Chairman, the distinguished gentleman from the Committee on Rules, the gentleman from Missouri [Mr. BOLLING] and his associate, the gentleman from Oregon [Mr. ELLSWORTH], on the other side have outlined the general purport of this project. This is a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project in Oklahoma.

The bill we have before us, S. 180, was passed by the Senate on May 2, 1955, without any opposition, it being sponsored in that body by Senator KERR and Senator MONRONEY. The House hearings were held on a similar bill introduced by the gentleman from Oklahoma [Mr. WICKERSHAM].

The Department of the Interior has filed with our committee a favorable report on this legislation, which appears, for those who desire to look at it, on page 7 of the committee report. There are several letters in the latter part of the report because of certain discussions which occurred with regard to the allocation of the funds for this project as between municipal water supply, irrigation, flood control, and so forth. But the key statement made by the Secretary of the Interior is on page 7, in which he says in his letter of June 30, 1955, to Mr. ASPINALL, chairman of the Subcommittee on Irrigation and Reclamation:

> Our review of these documents indicates that the amendments suggested in our letter of May 25, starting on page 2 thereof, and numbered (1) through (4), inclusive, have been covered in S. 180.

The Secretary in a previous letter dated May 25, 1955, approved the project subject to certain amendments being adopted which, as indicated in his letter of June 30 of the same year, have been incorporated in the Senate bill which is before us.

The Bureau of the Budget has also approved the legislation, and their letter appears on page 6 of the report and more particularly at the top of page 7. The Bureau of the Budget, through Mr. Belcher, the Assistant Director states:

> Accordingly, enactment of S. 180 would be without objection only if it is amended to conform to the Secretary's modified project report of July 28, 1953, and the conditions set forth in the above-mentioned letters.

Which, of course, is to be read in conjunction with the statement made by the Secretary of the Interior in his letter.

Another significant fact about this legislation is that the President of the United States in his budget message of last year recommended the appropriation of $500,000 for this project even prior to the time the project was authorized. That matter appears on page 3 of the report as follows:

> It is proposed to initiate construction of the Washita project, Oklahoma * * * in the fiscal year 1955, when authorized. The Washita project is needed to store water for municipal use and possible future irrigation development and for flood protection. * * * An amount of $500,000 is included in the budget as an estimated 1955 supplemental appropriation for these projects.

As I say, it is rather unique for the Bureau of the Budget to approve funds for a project prior to the time the project is actually authorized by the Congress, but it demonstrates, in my opinion, the general support which this project has not only in the Congress but also in the executive branch of the Government.

The cost-to-benefit ratio of this project—rather, to state the case the other way, the benefit-to-cost ratio—is 1.6 to 1, and almost that on direct benefits, because irrigation in this project is not the most substantial feature of it.

The need for this project I think is demonstrated by some of the photographs that you can see if you step out in the Speaker's lobby where there are pictures of the terrible floods. The erratic distribution of the rainfall in the area to be protected by this project is the factor that causes these floods to occur. The map before the committee at this time shows the relationship of the project to the State of Oklahoma—that is shown by the small insert; possibly some of you may not be able to see that because it is small, but the general physical features of the project are indicated on the map which is hanging here to my right.

The committee report on page 1 deals with the need for this project:

> Because of lack of dependable groundwater supplies, cities and industries have had difficulty in obtaining municipal and industrial water and must depend upon surface water sources.
>
> Within the last 20 years crop production in the Washita Basin has been, on the average, reduced by 50 percent because of the drought conditions. At the same time, many cities and towns in the project area have been forced to curtail water use even for domestic purposes. During the summers restrictions have been imposed and enforced by heavy penalties for violation of water-use limitations fixed by ordinances. Construction of the works authorized by this legislation would provide for storing the floodwaters which have resulted in extensive damage and later using these waters to meet the urgent needs for irrigation and for municipal and industrial water supply. The works authorized would be beneficial to fish and wildlife and would meet an important need in the area by providing recreational facilities.

I think this project indicates a format of which we are going to see more as time goes along, and that is that instead of the single-purpose flood-control projects, we are going to build these as multiple-purpose projects in order to catch the floodwaters and save this floodwater for subsequent use.

An examination of the pictures on the outside in the Speaker's lobby will indicate the devastating damage that occurs in this area by reason of the erratic nature of the storms and the waterflow in that area. Yet these people are so hard up for water in the summertime that they have penalties in the municipal ordinances if they wash their cars or water their lawns at the wrong time.

We have seen that same situation in California in the last few months where $150 million of damage was done in one flood; yet next summer we will be so dry that large areas will be in desperate need of water. We have to catch and hold these floods and use the water in the succeeding summer months.

The difference between a single purpose flood control project and a multiple purpose flood control irrigation, municipal water project is this: You have to

build them bigger. If you build a single purpose project that will hold 350,000 acre-feet of water for flood control, that water then has to be released immediately after the flood and gotten out of the way so that the flood storage will then be available to catch a new flood. If a project is going to be used to catch the water and hold it, it has to be big enough to catch one flood and be ready also perhaps to catch all or parts of another.

On the American River development in California, we first planned the Folsom project for 350,000 acre-feet. That was regarded as a mistake because that stream is one of the major sources of water for summertime use. So the project was expanded to a million acre-feet, keeping the 350,000 acre-feet for flood control storage and adding twice again as much for irrigation and municipal uses. This year we had a flood, but it happened that the dam was empty or practically empty because it had just been completed. That dam contained nearly a million acre-feet of flood water and saved the city of Sacramento, our State capital, from going under flood which would have caused damage at least equivalent to the cost of the project. It has been stated by the Army engineers and by other water authorities in California that the Folsom project completed this year has already paid for itself so far as its flood control benefits are concerned.

As I said, this is the same kind of a proposition in this area stricken by these terrible floods. It would cost $20 million to build a single-purpose flood-control project. This project will cost $40 million. But on the allocation of benefits, the allocation for flood control is $15 million; therefore, $5 million of that allocation goes into these repayable benefits that come back to the Federal Government. Instead of building a single-purpose flood-control project that costs $20 million, and that eventually we would have to build anyway, this committee proposes, and I think this is going to be the format that we will see more and more throughout the country, we are going to build this a little bigger. The people are going to pay back the money used to supply municipal water. In this instance it will be something like $13 million. These people in the muncipalities agree, incidentally, that if the irrigators do not go ahead and use any part of these works for irrigation, the municipal water users will pick up the amounts which are allocated in the main structure, that is, in dams for the benefit of irrigation. The municipal water supply constitutes about $12½ million of this project. So, as a consequence, we get a project here which is beneficial to this area in two ways.

It is beneficial because it serves the flood-control needs of the area, and it is beneficial because it makes available to this area, which is in desperate need, water for the common necessities of life, making that water available to them, not only for the period of the payout of this project but for year and years after that.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from California.

Mr. JOHNSON of California. Mr. Chairman, several years ago I had a project known as the tridam project that I tried to get through the House in 1953, but I could not get the approval on the Democratic side to let it pass through the Congress unless this particular project was also coupled with it. We were unable to accomplish that because of resistance on both sides of the aisle. Personally I am heartily in favor of this project. The chairman of the Interior Committee of the House is probably the pioneer in recommending these multiple-purpose projects. He will remember that when the Folsom Dam was first inaugurated, it was a flood-control project. Senator Downey and myself had bills put in and testified to its utility for flood-control benefits. Then later on we had the Engle bill, and it was my pleasure to join with my colleague from California to see that the multiple-purpose project rather than Folsom Dam, as a flood-control dam would be enlarged to a multiple-purpose project. I also think that the record ought to show that the one who really brought the Departments together, the Interior Department and the Army engineers, was our Governor, Earl Warren. These departments were fighting each other over jurisdiction, and the Governor got them in his office and literally bumped their heads together and said, "You better find a way to get along together, not only to stop floods but to conserve water." For that reason I think any project of this kind that we can put on the books will be a splendid investment. This last year we have had the most disastrous year, I think, in the whole history, almost, of our country in having very devastating floods in all parts of the Union. I am very happy to support this bill, and I want to congratulate my colleague on the Armed Services Committee the gentleman from Oklahoma [Mr. WICKERSHAM], who is the author of this bill, and I hope that the bill passes by a unanimous vote.

Mr. ENGLE. I would like to comment on what my friend from California has said, with particular relevance to there being any partisan connotation so far as I am personally concerned with respect to the tridam bill which was before our committee and of which he was the author in the last year or so. There has been, and as long as I am chairman and can prevent it, there will be no consideration of these beneficial water projects on a partisan basis. I would like to say that the gentleman from Nebraska, Dr. MILLER, the ranking minority member of our committee, has cooperated with me and I with him in getting out good and beneficial projects. A week from today we will have the Ventura project, which is sponsored by our friend from California, Mr. TEAGUE. We voted out the other day, authored by the ranking minority member and former chairman of our committee, Dr. MILLER, the Ainsworth project. The Fryingpan project, which is sponsored by Judge CHENOWETH, of Colorado, has been voted out. Last year I recall we had one for our colleague the gentleman from Idaho [Mr. BUDGE] and one for our colleague the gentleman from Oregon [Mr. ELLSWORTH] and just the other day we voted out the Wapinitia project in Oregon for the gentleman from Oregon [Mr. COON]. So, I just cite the record in order that there cannot be any doubt on that point. We take these projects as they come, and we vote on the merits, and we realize that if we do not work together, especially in our great arid West, to build these necessary projects, we are not going to get them built.

Mr. JOHNSON of California. If the gentleman will yield further, I did not intend to say that there was partisanship on the gentleman's side alone. It was there on both sides. I could not get them to join in in support of the two projects and agree that each one would be passed. Consequently, both projects failed of passage in 1953. The tridam project had the approval of the President, the Interior Department, the House and Senate Interior Committees, and yet it failed of passage.

Mr. ENGLE. I am not so sure that they could have been joined.

Mr. JOHNSON of California. I am not criticizing the gentleman's committee. I have had excellent treatment from the gentleman's committee and from the other committees. The gentleman knows that I am not a partisan Member of Congress. I try to figure out what I think is the right thing to do and do it.

Mr. ENGLE. I believe that is true of the gentleman—that he does try to figure out what is the right thing to do and then tries to do it.

Mr. McVEY. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman.

Mr. McVEY. I have been interested in the gentleman's excellent presentation of this subject. I wonder if the gentleman has figures on what the ultimate cost of this project will be when completed.

Mr. ENGLE. When it is completed?

Mr. McVEY. Yes.

Mr. ENGLE. The cost as shown by the reports, which the gentleman will find on the last page of the committee report, is $40,600,000. There is a breakdown there. There is something over $11 million for irrigation, $12 million for municipal water, $15 million for flood control, $839,000 for fish and wildlife, and $550,000 for recreation.

That may not be what it will cost, because the irrigators have 10 years to implement their part of the authorization, which permits them to build some irrigation works. If they do not do that, then all of this irrigation authorization of $11,378,000 will not be used. Approximately $3 million of it will be in these dams. The municipal water users will pick that up and pay it. But it would reduce the total cost of the project to about $32 million, all of which would be repaid with interest, save the interest on the $3 million. And it would reduce the amount for flood control from $20,500,000, which would be the cost of building this project as a single-purpose flood-control project, to the allocation made

here, which is $15 million. Does that answer the gentleman's question?

Mr. McVEY. Yes, sir. I think this is a very worthwhile undertaking.

Mr. ENGLE. As a matter of fact, this way of doing it brings the Federal Government out ahead of where it would be if we built just a single-purpose flood-control project.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Florida.

Mr. HALEY. I wonder if the chairman of the committee would explain to the House what type of land will be brought into production on this irrigation project, and the type of products raised. In other words, is it the intention here to build an irrigation project which will produce more surpluses to be piled up on the surpluses we already have?

Mr. ENGLE. Let me say to the gentleman that the area which would be irrigated here is already in farm operation. We are not going out and bringing in virgin lands. But the water on the land will change the crop characteristics to some extent and to the extent that it does change the crop characteristics it will move in the direction of going away from those items which have caused us the most trouble, like wheat and corn, and move in the direction of irrigated pasture, and things like that, which have caused us the least amount of trouble. I might say that there has not been a very great demonstration of interest, so I understand, in the building of these irrigation features up to this point. That is why the bill provides that these areas will have 10 years in which to make up their mind. But I emphasize that this project does not add to the total area in production. The land is already in production. To some extent it will change the pattern of production, and for the better so far as our surpluses are concerned. Less wheat, for instance, and more irrigated pastures and row crops.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Iowa.

Mr. GROSS. There is included a sizable item for irrigation, $11 million. There is $15 million for flood control and approximately $11 million for irrigation. That is quite an inducement to them to get into irrigation. So I want to renew the question asked by the gentleman from Florida [Mr. HALEY]; what kind of crops are they going to grow on this land?

Mr. ENGLE. They have to pay back the $11 million; do not forget that.

Mr. GROSS. I heard the gentleman state that.

Mr. ENGLE. They are not getting a gift that would represent any inducement to them.

Mr. GROSS. What kind of crops are going to be grown on this land?

Mr. ENGLE. I understand that the crops at the present time are primarily wheat and corn. May I ask the gentleman from Oklahoma [Mr. WICKERSHAM] if that is not correct?

Mr. WICKERSHAM. If the gentleman will yield to me, yes, wheat and cotton and corn. A lot of this area is similar to the area of the W. C. Austin project which is about 50 or 60 miles away. It will grow carrots, spinach, asparagus, okra, onions, and many vegetables; considerable alfalfa. It will probably take out of production a lot of the cotton and wheat and corn which are in surplus. I think the gentleman from Iowa [Mr. GROSS] is right in asking that question. It does not bring in any new reclamation projects. This particular land is suitable for irrigation and much of it is being irrigated at this time by pumps with water out of the river. This project is one of nine similar irrigation, reclamation, and flood control projects. They are multipurpose projects. I can assure the gentleman from Iowa there is no power involved in this project.

Mr. MILLER of Nebraska. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the chairman of the committee, the gentleman from California [Mr. ENGLE], has explained quite thoroughly the provisions of the bill which is presently before us, S. 180.

There are some amendments the committee adopted. I think the gentleman from California brought out the fact that in the 83d Congress there was some controversy over two or three similar bills. There was some controversy over this particular bill at that time, and there was some controversy this year, with some members of the committee raising questions about the production of surplus crops, and about bringing more land under production. They are items that naturally worry people when there are surpluses on hand.

I call attention to the fact that just 11 years ago we had a committee in this House investigating shortages of food. On that committee was one of our former colleagues, Mr. Pace, of Georgia, the chairman; the now Senator from New Mexico, Mr. ANDERSON; Mr. ANDRESEN of Minnesota; and I am not sure but that the gentleman sitting in the chair was a member of that committee. But 8 or 10 Members of this House were investigating shortages of food, of wheat, corn, chickens, pork, and beef. If you want some reading that is rather interesting, get the 4 or 5 reports made by that committee and just let your mind drift back 10 and 11 years ago, when there was a shortage of food. I warn you this shortage could occur again.

The question has been raised here about what might be raised on that land. I think the report shows that 36 percent of the land had been planted to wheat. That was on the Foss project alone. We do not irrigate wheat. So we will not raise wheat, that is then less wheat to add to the now existing surplus.

You will have more alfalfa grown and other crops that are not in surplus. Indeed, less than 1 percent of the corn and wheat is grown on irrigation projects of the 27 million acres of irrigated land under Federal control. Less than 1 percent is added to the crops that are presently in surplus. So I would not worry too much about what will be produced.

Yes, there was some opposition and some questions were raised in the 83d Congress. I think it was wise to hold the measure up until we could adopt some amendments. I believe those amendments have been adopted in the bill as it is at the present time.

May I read the amendments first and then ask the subcommittee chairman, the gentleman from Colorado [Mr. ASPINALL], if they were adopted.

The Department of the Interior in their letter of May 25, 1955, which you will find on pages 4, 5, and 6 of the report, suggested that certain amendments be adopted. On page 6 they suggest that an amendment be adopted to section 2 (b) to provide a final date as of which the interest rate on the municipal water allocation is to be determined, and so forth. Was that amendment or some form of it adopted?

Mr. ASPINALL. The amendment was adopted in the Senate. It will be found in the present bill that is before the Committee. The amendment was discussed in the House committee when we were considering the legislation, and it is presently in the legislation.

Mr. MILLER of Nebraska. I wanted to make it clear that these amendments were discussed and were adopted.

The second amendment is to make it clear that the language of section 2 (c) is not intended to preclude the temporary furnishing of irrigation waters, under contracts appropriate for that purpose, from Foss and Fort Cobb reservoirs with or without the construction of specific irrigation works and to permit, as general reclamation law permits, the use of a development period for irrigation. As I read the bill, that amendment was also adopted.

Mr. ASPINALL. Yes, that amendment was adopted, and is found at the end of section 2 (c) of the bill now before this Committee.

Mr. MILLER of Nebraska. The third amendment was one which, if the Committee determined to include an authorization for irrigation works, would permit the adoption of a variable payment plan for the irrigators and adjustment of the actual period of payment in accordance with the operation of such a formula.

Mr. ASPINALL. That amendment was adopted and is a part of subsection (c) of section 2 of the bill.

Mr. MILLER of Nebraska. Now I would like to read in the RECORD, Mr. Chairman, the last paragraph of a letter from the Secretary as being a part of the bill or in substance a part of the bill. It is in quotations as an amendment:

> There is hereby authorized to be appropriated for construction of the works authorized to be constructed by section 1 of this act the sum of $31,750,000 plus such additional amount, if any, as may be required by reason of changes in the costs of construction of the types involved in the Washita River Basin project as shown by engineering indexes. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

I believe the substance of that amendment was adopted.

Mr. ASPINALL. The amendment, as suggested, sir, does not include additional works for irrigation allocations.

With the additional sums for irrigation then the amount is brought up to $40,600,000 as specifically set forth in this bill to conform in actuality to the desires of the Department.

Mr. MILLER of Nebraska. I thank the gentleman from Colorado. That was my next question, as to the amount in the bill—that answers it completely.

The bill is primarily a municipal water-supply bill and for the control of floods. I think it is an investment in the resources of the United States. I think it is well for this Congress from time to time to take a long view and a broad view of what is needed. Some day I am going to make a speech, Mr. Chairman, of the money we are spending in foreign lands on irrigation projects. I hold in my hand a report which I received a year ago. The report shows that from April 3, 1948, to June 30, 1954, there were 127 irrigation and power projects scattered all over the world that received money from good old Uncle Sam. I defy my colleagues to tell me in what country some of these projects are located. When you read the names, they are almost unpronounceable. There are 127 projects on this list. I understand since June 1954, about 30 more projects have been added. I hope to insert a revised list in the RECORD before long. We are spending more money on irrigation and flood control and power works and irrigation projects all over the world than we are spending in our own country. I think it will make interesting reading, when I insert it in the CONGRESSIONAL RECORD, this revised new list of projects.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. HALEY. In view of the statement just made by the distingiushed gentleman from Nebraska, I hope he will join with us in trying to cut down on some of these projects in foreign countries when the foreign aid bill is before the House.

Mr. MILLER of Nebraska. I will say to the gentleman I have never voted for foreign aid. I think sometimes I might have been mistaken during the war days, but I am starting on my 14th year in the Congress, and I have never yet voted for foreign aid as such. I did vote for UNRRA and lend-lease when the war was on because I thought it was necessary, but the great FOA and the so-called Marshall plan called for tremendous spending and we get back not one penny, and frequently not even good will is returned.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. GROSS. I have never voted for a dime of that foreign giveaway business either. But I do not know how I can go along with a bill of this kind. This ought to be a flood control bill and nothing more or less than a flood control bill, it seems to me. I would like to ask a question about the proposed municipal water supply. What does that go to? Does that provide for filtering beds and for municipal water plants? Just what is the story?

Mr. MILLER of Nebraska. That is to supply water for a number of towns along the river basin that are short of water. They hardly have enough water in their faucets to get a drink. It is for reservoirs. Every penny of it will be paid back, with interest.

Mr. GROSS. I understand, but suppose a new town is established in the district which I have the honor to represent in Iowa, is the Federal Government going out and loan the money to establish a municipal water plant?

Mr. MILLER of Nebraska. No. This is for reservoirs only. The cities do the rest of it.

Mr. GROSS. All right. Will the Federal Government build a reservoir at Avondale, Iowa, which we will say is a town just coming into being as an incorporated town?

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. MILLER of Nebraska. I yield myself 2 additional minutes, Mr. Chairman.

I think if the gentleman will introduce a bill, if he can show any justification for it, the committee will give sympathetic consideration to it.

Mr. GROSS. Where else in the country are we subsidizing municipal water systems as we are doing in this bill?

Mr. MILLER of Nebraska. That is done in several places. A number of our irrigation projects are also municipal water supply projects. That is not a new thing at all. Of course, in these 127 projects scattered all over the world there are many, many municipal projects, outright grants and gifts, on which there is not any return whatever.

Mr. GROSS. This provision for flood control irrigation and municipal water supply is going to result in the development of that particular area, is it not?

Mr. MILLER of Nebraska. It will develop the resources of this country, and the community will pay back all of the money in taxes. Flood-control money is not returned—money for irrigation is reimbursable.

Mr. GROSS. We have plenty of places in the State of Iowa where industries can be located. The gentleman from California [Mr. ENGLE] mentioned the industrial development that can take place as a result of this legislation. We have plenty of places in Iowa where we have sufficient water supply, free from annual floods, where industry can be located. But I am being asked to vote to provide funds to develop more industry in Oklahoma.

Mr. MILLER of Nebraska. It is the same way with soil conservation in the gentleman's State. He does get a healthy slice out of soil conservation. I am sure the gentleman is not opposed to that. This is soil conservation in another manner. It will prevent floods.

Mr. GROSS. Soil conservation in a municipal water supply? That is a new one.

Mr. MILLER of Nebraska. The gentleman has his own views and he is entitled to them, of course.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. MILLER of Nebraska. Mr. Chairman, I reserve the remainder of my time.

Mr. ENGLE. Mr. Chairman, I yield 8 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, this involves a section of Oklahoma which lies in the western or drought-stricken area of our State. The projects under consideration are in the district represented by my colleague from Oklahoma, Mr. WICKERSHAM.

Personally, I want to take this time to thank the distinguished chairman of this committee and the distinguished chairman of the subcommittee and the distinguished ranking minority member of the committee and other members of the Committee on Interior and Insular Affairs for the manner in which this matter has been handled.

I think we all agree that problems of this kind are not partisan problems. Only a few days ago I recall an instance when the majority leadership cleared a bill involving more than a million dollars, by unanimous consent, coming out of the Committee on Public Works, I believe, for a district in California, a bill which, incidentally, carried the name of a Republican Member. Only 2 days ago the entire House, almost unanimously on both sides of the aisle, agreed that we should heed the pleas of our New England colleagues for the protection of municipalities, industries, and homes in that great and dynamic section of our country. I mention these things only to emphasize that matters of this kind affecting the development of our country are nonpartisan in character and are so considered by the leadership of the House.

I also want to take this time to pay tribute to my colleague, the gentleman from Oklahoma [Mr. WICKERSHAM], whose constituents are directly concerned over the outcome of this matter. He has diligently pursued the problem for years. I wish also to pay tribute to my colleague the gentleman from Oklahoma [Mr. EDMONDSON] who is a member of the Committee on Interior and Insular Affairs. Mr. EDMONDSON has returned to his district today on important business. Had he been present he would have spoken in support of this bill. He has worked on it in the committee for many months. He has asked me to read into the RECORD at this time a brief statement in support of the bill.

Mr. HOFFMAN of Michigan. Before the gentleman does that, Mr. Speaker, will he yield?

Mr. ALBERT. I shall be pleased to yield to the gentleman.

Mr. HOFFMAN of Michigan. Can the gentleman give me any information at all as to when if ever the committee will get around to doing something for the erosion and damage done by the floods along the western and southwestern side of Michigan where the highways are washing into the lake?

Mr. ALBERT. While I cannot speak for the committee, I will assure the gentleman that if a measure involving that matter is reported it will certainly receive the sympathetic consideration of the leadership of the House.

Mr. HOFFMAN of Michigan. I certainly appreciate that. Let me say to the gentleman that we have had the sym-

pathy of the Corps of Engineers and of the committee for something like 3 or 4 years. I was hopeful that we might get something besides sympathy, even just the promise of action some time.

Mr. ALBERT. I am sure the gentleman's point is well taken.

Mr. HOFFMAN of Michigan. I do not get anywhere.

Mr. ALBERT. Mr. Chairman, I now read the statement of my colleague [Mr. EDMONDSON]:

STATEMENT OF REPRESENTATIVE EDMONDSON

Mr. Chairman, I do not believe that any Member who has seriously considered the Washita reclamation project, and the very grave and urgent need for it, can offer valid argument against S. 180, which was introduced by both of Oklahoma's Senators and by our colleague, VICTOR WICKERSHAM.

Here is a measure which has the overwhelming support of the House Committee on Interior and Insular Affairs, and the specific approval of the President of the United States, as recently as his 1955 budget message.

Here is a bill which fully embodies the partnership principle favored by this administration, with full provision for reimbursement of Federal investment in irrigation and water supply.

Here is a bill for flood control in a basin which has suffered the devastation of floods at regular intervals since the great flood of 1903—with heavy damage in 1934, 1949, 1951, and 1954.

In the 1934 flood, 17 Oklahomans lost their lives and many more suffered injury or property damage. Three more of our citizens lost their lives in the 1951 flood. The toll in damage to property, roads, bridges, and utilities has been a terrible one throughout the years.

On the other hand, the bill would serve the double purpose of aiding a region which has suffered heavily from drought in recent years, due to absence of any reservoirs for a water reserve.

Some towns in the Washita Basin have been rationing water for years, and some have been hauling in water by truck for years. In the last 20 years, crop production in the basin has fallen by 80 percent, due to drought.

No region in the United States has a more urgent need for Federal assistance to meet its flood and water-control problem, and the committee has found S. 180 to be a practical answer to this need.

I urge the bill's approval by the House.

Mr. Chairman, the gentleman from Iowa, who is one of the most conscientious and able Members of this House, has raised a question with respect to the portion of this particular bill which provides for municipal water. We have the situation, I should like to say to the gentleman, where flood-control reservoirs have been recommended for many years in the Washita system at a cost of more than $20 million. The flood-control portion of these projects under the modified program will amount to some $15 million. So the flood-control cost to the Federal Government has been decreased. The point is the Federal Government will get $20 million worth of flood control for $15 million by adopting this bill.

It would seem to me that in all instances and on principle whenever a flood-control project is to be constructed and other important uses can be made of the particular reservoir with modifications, such as providing domestic water and drinking water for American citizens in the area, it would certainly be the part of wisdom to make provision for a multipurpose project. In this particular case some 16 municipalities are involved and the problem of obtaining water for domestic purposes places upon those communities year after year burdens which they can hardly endure. Some of these communities have taxed themselves to the limit trying to obtain adequate water for their people. They have done everything within the power of local municipalities to provide such water.

Mr. ENGLE. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from California.

Mr. ENGLE. It would be a rather strange situation to catch that water behind a dam and then to release it and let it go on downstream while the people are standing around with their tongues hanging out for a little water?

Mr. ALBERT. I think it would be the part of wisdom to catch this water and sell it to the municipalities, and at the same time decrease the contribution that the Federal Government must make to provide flood control.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Iowa.

Mr. GROSS. Certainly I would have no opposition to a flood-control project, but this goes far beyond flood control.

Mr. ALBERT. My point is, if the gentleman will bear with me, I think it should go beyond the flood-control aspects. Does the gentleman think it would be wise to build a flood-control project, then dump the water which is so badly needed by nearby communities when by catching and holding this water the Government can sell the water to these municipalities at a profit?

Mr. GROSS. Yes, but are not these municipalities capable, after construction of the reservoirs, of obtaining and distributing the water? Are they not capable of running pipes to the reservoirs to get the water and handle it without putting $11 million into the bill for that purpose?

Mr. ALBERT. Of course, that amount is not to be used exclusively to finance the water plants of these municipalities. I would yield to members of the committee who are more familiar with the breakdown to answer that particular part of the question. I am sure a portion of the $11 million is to finance the additional water storage.

Mr. GROSS. It has been stated here this money could be used for filtering beds and so forth and so on, for plants for the distribution of water?

Mr. ALBERT. It is necessary to finance these projects over a period of time.

Mr. GROSS. Why do not the municipalities take care of that expense without putting it in this bill?

Mr. ENGLE. They are going to take care of it. I tried to explain that earlier. Whenever you build a single-purpose flood control dam, you do not have to build it as big, because you do not have to hold the water. You catch the water, and immediately after the flood it is released downstream, so that the flood control capacity of the reservoir is available. When you want to save that water for municipal use and irrigation, you have to have big enough capacity in the dam so that you can hold the water and at the same time have some flood control protection left. I gave the illustration of the case on the American River where we had 350,000 acre-feet. Once we shoved it up to a million acre-feet. We still kept flood control. It cost $300 million, and that was their contribution to enlarge the reservoir. Further than that, the farmers came along and said, "If you do not pay it, we will."

Mr. ALBERT. In this drought-stricken area, out of which thousands of people migrated in the 1930's to California and other States, there now live 160,000 Americans who are trying to earn a livelihood and keep their communities going. These communities have strained their financial resources to the breaking point. Many of them have hauled water in trucks for their homes and domestic use for miles. They have done this summer after summer, and I know the gentleman is going to go along with us in our effort here to provide a partial solution to their problems.

Mr. MILLER of Nebraska. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DAWSON].

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DAWSON of Utah. I yield to the gentleman from Kansas.

Mr. REES of Kansas. There has been so much discussion about the cost of municipal water supply. The question is this: There is an item of $15 million included in this bill under the heading of municipal water supply. Is it the intent and purpose of this legislation that the municipalities benefiting from this water will pay back to the Government, that is reimburse the Government $15 million or whatever the amount may be?

Mr. DAWSON of Utah. I will say to the gentleman that the municipalities will pay back every penny that is advanced for municipal water with interest.

Mr. Chairman, I think the gentleman from Iowa has asked some very pertinent questions, and they should be answered, particularly on this matter of flood control. Now, there is a question as to whether or not this project should have come under the flood-control provision rather than to be considered by the Interior Committee as a reclamation project. But, I must say to the gentleman that under the terms of this bill the Federal Government is getting a greater return for the money it advances for constructing this project than it would if it went under the flood-control provision. As the gentleman well knows, flood-control money is not reimbursable except in certain instances where there are municipal benefits. But, this committee has given very careful and long consideration to the provisions of this bill, and as the gentleman from Oklahoma has explained, it is going to return to the Federal Government more money than they would get if we just went ahead on a piecemeal flood-control basis and then let the water go to waste.

Mr. Chairman, I think it is about time that we realized that the time is fast approaching in this country where we are going to have to pay more attention to the resources of the country, particularly water. Of course, in the past year we have had it brought forcefully to our attention in the East as a result of the great and serious floods. I am one of those who believes in flood-control expenditures. In my State we only have 12 inches of rainfall a year. This question of water is a matter of life and death with us, and if we do not conserve each drop of water that is available to us, we are lost. That is the reason we are fighting so hard to preserve our water rights and develop our projects. Some may say that the municipalities should go ahead and do this themselves. This is one of those projects where the Government must step in, where you have a combination of flood control and also municipal uses of water, and it is one of those projects where we do need Government help.

I trust that you will give this very careful consideration, and at least give us a break with some of these foreign countries where you have been spending money for flood-control projects and dams which never return a single penny to this country; yet here we have a case where the money is going to be repaid, that which is spent for municipal purposes, and I think we should at least give those folks in that drought-stricken area a break.

Mr. MILLER of Nebraska. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, while discussing this proposed new project in Oklahoma, I think it appropriate to digress a moment to mention an accomplished flood control, watershed protection, and reforestation project in my own State of Ohio which is, I think, the outstanding example of a conservation project in the United States or anywhere else.

I refer, of course, to the Muskingum Watershed Conservancy District, of which Louis Bromfield once said:

> The Muskingum Conservancy District is probably the greatest example up to now in all civilization of man's understanding of how to develop his natural environment to his greatest good.

The district had its beginnings in tragedy. The terrible floods of 1913 caused people to consider the need for a new kind of governmental operation to deal with the devastation that periodically swept through the countryside of Ohio. This immediate result was the passage in 1914, in the Ohio General Assembly, of the Conservancy Act, permitting the establishment of a public corporation operating over an entire watershed. The first such district, still operating successfully, was the Miami district. Its experience was a tremendous value when the much larger Muskingum district was organized in 1933.

The Muskingum Conservancy District was formally organized on June 3, 1933, but even before this, district supporters had been meeting with the officials of the Federal Emergency Administration of Public Works. Since there was no Federal flood-control policy at this time, only this agency could make Federal funds available to the district. All expenses before June 3, 1933, including engineering surveys, were paid by contributions from local people, with the exception of a $10,000 grant from the State of Ohio. Once organized, the district made a small levy against the counties it operated in to meet immediate expenses. This was later repaid.

The original Public Works grant of $22,590,000 for the Muskingum project was made on the basis of estimated national benefit which would result from its construction, chiefly flood protection in the Ohio River drainage area outside the Muskingum region, and unemployment relief. Later changes of Federal policy allowed increased payments. Approximate total Federal contribution to the construction program is $42 million.

The State of Ohio estimated that it would cost more than $6 million to replace bridges and highway structures if there were to be another 1913 flood in the Muskingum country. In recognition of the benefits to the State as a whole, the legislature authorized contributions of that amount.

The district itself issued nearly $4 million worth of bonds against its appraised flood-protection benefits. These benefits were estimated to be $12 million on 25,000 pieces of property. A 50 percent benefit assessment was made against these parcels; however, up to 1955, only 1 of the 58 semiannual benefit assessment collections had been made. The waiving of collections has been made possible by a broadened Federal flood-control policy adopted after the district construction was completed. Under its provisions, the War Department was authorized to take over existing flood-control works, and pay for the assets thus acquired. All such payments are used to retire the district's bonded indebtedness.

Last fall the district and the Corps of Engineers entered into an agreement that will complete the reimbursement of the amounts owed to the district by the Federal Government. The sum involved is $525,000. Inasmuch as the understanding was entered into on the basis that payment would be made July 1 this year, I trust that provision for this amount will be included in the civil functions appropriation bill.

The Muskingum Conservancy District has been in existence for a generation now. It is fair to ask what it has accomplished for the people who brought it into being, and for the people of the State and Nation, who also have a stake in it. A box-score summary might read like this:

First. Damaging floods in the Muskingum country have been greatly reduced; the Army engineers estimate benefits to date in the Muskingum and Ohio River drainage at more than $38 million—nearly the cost of the entire project—and they increase every year.

Second. Streamflow below the reservoirs has been maintained and tends to neutralize drought effects. This, coupled with flood control, has greatly encouraged new industry.

Third. New building encouraged by the district lakes has substantially increased tax duplicates.

Fourth. More than 2,500,000 persons a year visit the lakes for recreational purposes. Recreation benefits have been estimated at more than $1 million a year by the National Park Service.

Fifth. Better land use and reforestation have been encouraged throughout the district area.

Sixth. The district has operated without tax revenue since 1939 and pays taxes on the land it owns. Payments to 1954 total $400,000.

I call your attention particularly to the last point. This project is now self-sustaining. Not only does it operate without revenue from taxation, it actually pays taxes on every acre of land that it owns. Few other public projects, if any, can make that statement.

I would like to offer a brief description of the project, which I feel certain will be of interest to everyone who has a conservation problem. For most visitors, the story of the Muskingum Conservancy District can be summed up in the 10 lakes. They are the physical evidence of what has been done, the tangible reminder of the vast change that has been made.

The fact that the lakes exist at all goes back to a basic, far-reaching decision made by the people of the watershed. That was the decision to adopt what is known as headwater flood control, an idea new and somewhat suspect a generation ago.

Early studies centered around 1 or 2 large dams built well down the main stem of the Muskingum. It was soon evident, however, that land values here would be so high, and resulting dislocations so great, that this would not be economic. Further study showed that if a number of dams were built upon the headwater streams, the lower cost of land would offset the cost of more construction. At the same time these many small dams would protect farms, villages, and towns that would be unprotected under the old plan. A dam protects only what is below it. The farther upstream you can reasonably build it, the more it will protect.

With these things in mind, the people of the Muskingum and the Corps of Engineers planned a series of headwater dams, to be built in sites of limited commercial or agricultural value. Once the decision to build a number of dams was made, it became clear that, on 10 of them, the expenditure of very little extra money would raise the dam high enough so that it could impound a permanent pool and still provide all the storage necessary for flood control. These permanent pools became the Muskingum Lakes, the site of a major recreational development.

All told, the reservoirs have a capacity of 1,539,200 acre-feet, of which 1,327,800 acre-feet are reserved for flood control and the remaining 211,400 acre-feet for water conservation or recreation. Individual lakes range in size from 3,550 acres—Seneca—to 420 acres—Beach City. At the time of construction, the district lakes increased Ohio's inland lake area by approximately 50 percent.

If you build a reservoir for any reason whatsoever, you must immediately make plans to protect it. Floodwaters coming down from an unprotected watershed carry enormous quantities of silt. This will settle out behind a dam and reduce the effective storage capacity of the reservoir. There is only one way to check the ever-present threat: you must keep the soil on the hills.

With this in mind, the district acquired a margin of land around its lakes. Land suitable for conventional agriculture was kept in farm crops, and conservation farming methods were instituted at once, with the help of the Soil Conservation Service.

From 40 to 60 percent of the land in many counties in the Muskingum country should never be used for ordinary farming. The slope is too steep, the soil too thin. Trees are the crop choice on these hills. They save soil, reduce runoff—and provide a good financial return.

The district now controls 18,000 acres of timberland—both old woodlots which are being restored and fresh plantings. Including 1955, the district has planted approximately 5,000 acres; plans now anticipate an ultimate planting rate of 1,000 acres a year. Good forestry practice also calls for regular harvesting. The district cuts 800,000 board-feet of its own timber yearly, most of which is sawed in its own mill.

The district's forestry program has been developed and administered by technicians provided by the Soil Conservation Service. The Ohio division of forestry and the United States Forest Service have cooperated in this program.

District planting is done by a unique tree planter, developed by the district with the help of the Soil Conservation Service, Ohio State University, and a manufacturer of tree planting equipment. The machine can plant as many as 1,000 trees an hour—about 2 acres—following a contour furrow across hills so steep nothing else but a crawler tractor can cling to them. In contrast, an average man working by hand will plant 60 trees an hour.

While protection of reservoirs was the immediate and compelling reason for a district land conservation program, there have also been important secondary results. The district is a testing ground—a large laboratory—for the people who created it. Its farmlands and woodlots are small holdings scattered over the Muskingum country, not grouped in one place. Therefore, the methods and techniques which prove to be economical in its operations can also be used economically by other landholders who face similar problems throughout the watershed.

One of the enduring results of the formation of the Muskingum Conservancy District seems certain to be the widespread demonstration of the economic soundness of good conservation practices.

Necessarily, I have not touched upon the new industry, increased property values, and new jobs that have come into the area as a result of this project. Nor have I mentioned the increase in wildlife and the fine fishing now available. These values will continue to increase. There is now proposed the assignment of a United States Forest Service expert for a study of the economic possibilities of new timber developments in the central States. With the Federal Government furnishing the expert and the district furnishing office space and equipment, another cooperative project promises to be of great value to all of the many areas where similar problems in forest economics require solution.

This is one of the items suggested in the new budget for the Forest Service, which I hope the Congress will approve.

In closing, I want to say a word about Bryce C. Browning, secretary-treasurer of the district, who has earned a nationwide reputation as the man who guided the Muskingum project through the years of its growth to the present. I am proud to number him as a member of my constituency.

Mr. ENGLE. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I think the gentleman from Iowa [Mr. GROSS] has been the watchdog of this House since the retirement of our colleague, Bob Rich, of Pennsylvania. I desire to compliment him for being so careful in the expenditure of the taxpayers' money. I think the gentleman is wise in going into many features of this project. He is a good friend of mine. I know that he wants the facts and the facts are these:

If the Committee on Public Works had considered and favorably reported on the Kerr-Monroney-Wickersham bill, then ultimately the flood-control features alone would have cost his taxpayers and my taxpayers $20 million. As it is the cost item for the flood-control feature will be $15 million plus. Cost factors adopted by the committee were based on the old formula.

Another question that the gentleman brought up was whether this will result in a lot of raw land or reclaimed land being brought into production. This will not bring in any additional acreage into cultivation, or any under irrigation that previously was not under cultivation. The gentleman comes from the State of Iowa where they grow a lot of corn. Very little corn is grown on this land now, and there will probably not be any corn grown there in the future.

Gentlemen such as the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and others from the Northwest; the gentleman from Kansas [Mr. REES], and others, are naturally concerned with the overproduction of wheat. I believe I could safely say that the one-third of this land now in wheat will probably be taken out of wheat, because it is not economical to produce wheat under irrigation.

With reference to another question which the gentleman raised, and which I think is proper, I should like to state that there are 10 other projects similar to this multiple-purpose project. In fact, the Altus project has proven to be one of the most successful. That is less than 100 miles away from the Ross and Cobb Creek projects proposed under the Kerr-Monroney and Wickersham bills. It has proven one of the finest projects for that area because of the fact that about 34,000 acres of land were planted under other crops and very little wheat is being grown where a large acreage was previously grown. Many farmers are growing okra, asparagus, spinach, and some other vegetables, including onions and potatoes, as well as alfalfa, and so forth.

I should like to pay particular tribute to the President of the United States who was for this project 2 years ago and 1 year ago. He endorsed same, and included it in his budget message by name. I am confident that he will budget the item and request a supplemental appropriation as soon as we pass this measure.

I should like to give thanks to the Speaker of the House, Mr. RAYBURN, and to the minority leader, Mr. MARTIN, for the valuable assistance that they have given; also to the majority leader, Mr. MCCORMACK, the assistant minority leader, Mr. HALLECK, and to the gentleman from Illinois [Mr. ARENDS], for the cooperation they have given the entire Oklahoma delegation on this important measure.

I should like to pay particular credit to Senator KERR, former Governor of Oklahoma, who foresaw the great possibilities and needs of this project many years ago and to Senator MONRONEY who likewise assisted in guiding the measure through the Senate without an opposing vote. By all means, I should like to give credit to Don McBride who hails from Anadarko, who was in charge of the planning and resources program in Oklahoma prior to the time he came here to work for Senator KERR as a legislative assistant.

Also I desire to pay special tribute to the former chairman of the Committee on Interior and Insular Affairs, the gentleman from Nebraska [Mr. MILLER], and the present chairman, the gentleman from California [Mr. ENGLE]; also to the gentleman from Colorado [Mr. ASPINALL], the chairman of the subcommittee, for their untiring efforts on behalf of this bill and the manner in which they pursued every phase of this bill over a period of weeks. Also I should like to give credit to other Members of the House Interior and Insular Affairs Committee, including the gentleman from Texas [Mr. ROGERS], in whose district this project starts.

I want to say that this is a nonpartisan matter. The gentleman from Oklahoma [Mr. BELCHER], one of the ablest Republican Members of the House, has assisted in this program from the beginning. The Republican national committeewoman, Mrs. Pearl Sayre, lent her efforts, too. It is a good program. The gentleman from Oklahoma [Mr. EDMONDSON] has been most diligent from beginning to end. Our chairman, Mr. STEED and our whip, Mr. ALBERT, as well as Mr. JARMAN and other members of the Oklahoma delegation, have put their shoulders to the wheel to assure consideration and passage of this important irrigation, reclamation, flood control, and city water supply project.

I wish to pay special tribute to the farmers in this western Oklahoma area,

Now, to answer the final question raised by the gentleman from Iowa [Mr. GROSS]. I have a letter here from Mr. Parker Woodall, of Verden, Okla., in behalf of the farmers. I was there last week and the farmers have indicated over a 90-percent signup on the irrigation features of this project. As a matter of fact, indications were that there were as many acres to be signed up for as there would be acres available.

I should like to pay tribute to Mr. Mark Barkley, director of the Bureau of Reclamation of Oklahoma, and Mr. Ira Huskey, a representative of Hon. Raymond Gary, the Governor of Oklahoma, as well as the previous Governor, Hon. Johnston Murray, for their untiring efforts in behalf of this project.

Also Hon. Fred Aandahl, Wilbur A. Dexheimer, and Goodrich Lineweaver, of the Bureau of Reclamation; and George W. Abbott and Sidney L. McFarland, staff members of the House Interior and Insular Affairs Committee, all of whom have so ably assisted in securing the facts upon which to present this Kerr-Monroney-Wickersham project.

Senator MILLIKIN, who at this time is ill, was most helpful in the past in assisting Senators KERR and MONRONEY in securing favorable consideration of this measure in the Senate.

These 11 towns will benefit by this, to wit, corn: Elk City, Clinton, Cordell, Bessie, Rocky, Sentinel, Canute, Hobart, Anadarko, Verden, and Chickasha. Some other cities, including Lawton, have manifested an interest; also the adjacent military establishments.

Twenty-six thousand acres of fertile soil will benefit from the irrigation feature. This, known as the Kerr-Monroney-Wickersham project, really should be dedicated to the families who lost their lives in the serious floods of the past in this particular area.

There is a provision in this for fish and wildlife and recreation, but it is rather small. The real value will actually be many times the estimated value.

Mr. GROSS. If the gentleman will yield, he is saying this is not going to increase corn and small-grain production?

Mr. WICKERSHAM. This will not increase corn production at all. It will decrease corn production some. It will decrease wheat production considerably.

Both the Senators and I feel that with the passage of this measure that it will loosen the log jam and speed the consideration, interest, and passage of a dozen other worthwhile irrigation, reclamation and city water-supply projects in western Oklahoma, thereby greatly increasing the economic value of the western third of our great State.

Mr. Chairman, I trust that the House of Representatives will pass this measure without a dissenting vote and without a rollcall.

I have requested the White House, the Bureau of Reclamation, and the Bureau of the Budget to expedite a budget estimate and to include a request for a supplemental appropriation for this project as soon as the President signs the act.

I have also urged my colleagues on the Appropriations Committee, Hon. CLARENCE CANNON, Hon. LOUIS RABAUT, Hon. JOHN RILEY, Hon. JOE EVINS, and others who handle such matters to give prompt and favorable consideration to the appropriation of sufficient funds to carry out this authorization which we are making today.

Mr. Chairman, on behalf of Senators KERR and MONRONEY, members of the Oklahoma delegation, and myself, I wish to pay special tribute to the untiring efforts of all the board of directors both past and present, including Albert Connel, chairman; Frank Raab, Charles Engleman, Fred Brawner, Harry Hilton, J. R. Symcox, Frank Smith, H. J. Statler, G. D. Adams, George Thiessen, J. E. Heinrichs, Percy Hughes, Herb Reimer, B. E. Crane, August Reuber, Kenneth Sprowls, Colonel Sparkman, Eugene Mann, LeRoy Bunch, Roy Nichols, W. A. Cowans, George Wingo, Elbert E. Karns, Oris Barney, Wallace Kidd, Parker Woodall, Percy Hutson, Houston Hulin, Vic Hewlitt, Harry Pitzer, R. K. Lane, Ted Savage, L. G. Cary, Odie Ditmore, Newt Spradlin, Frazier O'Rear, Esmond Weber, Dr. McLain Rogers, Ralph Duroy, Wade O'Neal, Shelby Wheeler, Frank Kliewer, Marlow Preston, Lou Preston, and Lonnie Preston, as well as many other individuals and many farm leaders, civic organizations, chambers of commerce, city officials who have manifested such a great interest in this important measure.

The Director of the Soil Conservation Service has informed me that this program will not interfere with the upstream Soil Conservation Service program. I have always supported and will continue to support the upstream soil-conservation program.

Mr. ENGLE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I want to join my colleagues of the great State of Oklahoma in the support of this bill. I certainly hope this measure has the unanimous approval of the Members of this body.

The subcommittee under the able chairmanship of our colleague the gentleman from Colorado [Mr. ASPINALL] went very thoroughly into the conditions that exist and gave very serious study to the need for this particular bill and the conditions under which the people in this area have been living.

The people I represent in my area of California are vitally concerned with flood control and reclamation, and are ready and willing to support good measures of this kind at all times for areas that are in need of it, which this area certainly is.

I particularly commend my colleague the gentleman from Oklahoma [Mr. EDMONDSON] on the very excellent work he did on this particular project, because he very zealously worked at all times in an effort to bring about this particular project and to show the need for it.

It is my hope that this bill will pass unanimously today.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma, in accordance with the Federal reclamation laws (act of June 17, 1902, and acts amendatory thereof or supplementary thereto), except so far as those laws are inconsistent with this act, for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial use, and for the irrigation of approximately 26,000 acres of land and of controlling floods and, as incidents to the foregoing for the additional purposes of regulating the flow of the Washita River, providing for the preservation and propagation of fish and wildlife, and of enhancing recreational opportunities. The Washita project shall consist of the following principal works: A reservoir at or near the Foss site on the main stem of the Washita River; a reservoir at or near the Fort Cobb site on Pond (Cobb) Creek; and canals, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use, and for irrigation.

SEC. 2. In constructing, operating, and maintaining the Washita project, the Secretary shall allocate proper costs thereof in accordance with the methods used in determining the allocations made on pages 68, 69, and 70 of House Document 219, 83d Congress, but with appropriate adjustments for changes in actual cost of construction, under the following conditions:

(a) Allocations to flood control, recreation, and the preservation and propagation of fish and wildlife shall be nonreturnable.

(b) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, shall be repayable through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187). Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipalities, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed 50 years from the dates water is first delivered for that purpose, and payments of said construction costs shall include interest on unamortized balances of that allocation at a rate equal to the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term loans outstanding on the date of this act: *Provided*, That such contracts shall provide that annual municipal repayments shall continue at the same rates until the costs of Foss and Fort Cobb Reservoirs allocated to irrigation are fully repaid: *Provided further*, That if irrigation works are constructed, as hereinafter provided, said annual repayment rates shall continue so long as the costs of irrigation works are unpaid.

(c) The authorization for construction of the irrigation works, exclusive of Foss and Fort Cobb Reservoirs, shall be limited, as to each reservoir, to a period of 10 years from the commencement of the delivery of municipal water from the reservoir on which the irrigation unit is dependent. Any contract entered into under section 9, subsection (d) of the Reclamation Project Act of 1939, for payment of those portions of the costs of constructing operating and maintaining the Washita project which are properly allocable to irrigation and which are assigned to be paid by the contracting organization shall provide for the repayment of the portion of the construction cost of the project assigned to any contract unit or, if the contract unit be divided into two or more blocks, to any such block over a period of not more than 55 years, exclusive of any permissible development period, or as near thereto as is consistent with the adoption and operation

of a variable payment formula which, being based on full repayment within the period stated under average conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay: *Provided*, That nothing in this section is intended to preclude the temporary furnishing of irrigation water under contracts appropriate for that purpose from Foss and Fort Cobb Reservoirs with or without the construction of specific irrigation works.

SEC. 3. Construction of the Washita project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serves the project requirements and the relative needs for water of the several prospective users. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of section 2 of this act.

SEC. 4. The Secretary may, upon conclusion of a suitable agreement with any qualified agency of the State of Oklahoma or a political subdivision thereof for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoirs of the Washita project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations as the Secretary may prescribe. No recreational use of any area to which this section applies shall be permitted which is inconsistent with the laws of the State of Oklahoma for the protection of fish and game. The costs of constructing, operating, and maintaining the facilities authorized by this section shall not be charged to or become a part of the costs of the Washita River Basin project.

SEC. 5. Expenditures for Foss and Fort Cobb Reservoirs may be made without regard to the soil survey and land-classification requirements of the Interior Department Appropriation Act, 1954 (43 U. S. C. 390a).

SEC. 6. There is hereby authorized to be appropriated for construction of the works authorized to be constructed by section 1 of this act the sum of $40,600,000 plus such additional amount, if any, as may be required by reason of changes in the costs of construction of the types involved in the Washita River Basin project as shown by engineering indexes. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

Mr. ENGLE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. If there are no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ABERNETHY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 180) to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma, pursuant to House Resolution 363, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE STATE'S RIGHT OF INTERPOSITION

Mr. FLYNT. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Speaker, on yesterday, February 8, 1956, the House of Representatives of the General Assembly of the State of Georgia adopted by a vote of 179 to 1 a very strong resolution of interposition in which without reservation that body reaffirmed its faith, and the faith of the people of Georgia, in our American institutions, in the Constitution of the United States of America, and in constitutional government.

On Monday of this week the Governor of Georgia, Hon. Marvin Griffin, delivered a speech to the general assembly and he urged the adoption of such a resolution, in a scholarly and masterful address in which he appealed to the voice of reason. This is a strong resolution and while there may be some who agree and some who disagree, it removes any doubt which others may have had about the position of the State of Georgia. It stated in no uncertain terms that we do and we shall ever eternally obey the Constitution and laws of the United States of America as they are written, but that we shall not obey illegal decisions of men when they overturn, flout, and defy the law.

Mr. Speaker, as a part of my remarks I include this resolution adopted by the House of Representatives of the State of Georgia, and also the address of Gov. Marvin Griffin before a joint session of the General Assembly of Georgia, as follows:

RESOLUTION TO DECLARE THE SUPREME COURT DECISIONS OF MAY 17, 1954, AND MAY 31, 1955, IN THE SCHOOL SEGREGATION CASES, AND ALL SIMILAR DECISIONS, BY THE SUPREME COURT NULL, VOID, AND OF NO EFFECT; TO DECLARE THAT A CONTEST OF POWERS HAS ARISEN BETWEEN THE STATE OF GEORGIA AND THE SUPREME COURT OF THE UNITED STATES, TO INVOKE THE DOCTRINE OF INTERPOSITION; AND FOR OTHER PURPOSES

Be it resolved by the house of representatives (the senate concurring), That the General Assembly of Georgia doth hereby unequivocally express a firm and determined resolution to maintain and defend the Constitution of the United States, and the Constitution of this State against every attempt, whether foreign or domestic, to undermine and destroy the fundamental principles, embodied in our basic law, by which the liberty of the people and the sovereignty of the States, in their proper spheres, have been long protected and assured;

That the General Assembly of Georgia doth explicitly and preemptorily declare that it views the powers of the Federal Government as resulting solely from the compact, to which the States are parties, as limited by the plain sense and intention of the instrument creating that compact;

That the General Assembly of Georgia asserts that the powers of the Federal Government are valid only to the extent that those powers have been enumerated in the compact to which the various States assented originally and to which the States have assented in subsequent amendments validly adopted and ratified;

That the very nature of this basic compact, apparent upon its face, is that the ratifying States, parties thereto, have agreed voluntarily to surrender certain of their sovereign rights, but only certain of these sovereign rights, to a Federal Government thus constituted; and that all powers not delegated to the United States by the Constitution, nor prohibited by it to the States, have been reserved to the States respectively, or to the people;

That the State of Georgia has at no time surrendered to the general government its rights to maintain racially separate public schools and other public facilities;

That the State of Georgia, in ratifying the Fourteenth Amendment to the Constitution, did not agree, nor did the other States ratifying the 14th amendment agree, that the power to operate racially separate public schools and other facilities was to be prohibited to them thereby;

And as evidence of such understanding, the General Assembly of Georgia notes that the very Congress that submitted the 14th amendment for ratification established separate schools in the District of Columbia and that in more than one instance the same State legislatures that ratified the 14th amendment also provided for systems of racially separate public schools;

That the General Assembly of Georgia denies that the Supreme Court of the United States had the right which it asserted in the school cases decided by it on May 17, 1954, to enlarge the language and meaning of the compact by the States in an effort to withdraw from the States powers reserved to them and as daily exercised by them for almost a century;

That a question of contested power has arisen; the Supreme Court of the United States asserts, for its part, that the States did in fact prohibit unto themselves the power to maintain racially separate public institutions and the State of Georgia, for its part, asserts that it and its sister States have never surrendered such right:

That this assertion upon the part of the Supreme Court of the United States, accompanied by threats of coercion and compulsion against the sovereign States of this Union, constitutes a deliberate, palpable, and dangerous attempt by the Court to prohibit to the States certain rights and powers never surrendered by them;

That the General Assembly of Georgia asserts that whenever the General Government attempts to engage in the deliberate, palpable and dangerous exercise of powers not granted to it, the States who are parties to the compact have the right, and are in duty bound, to interpose for arresting the progress of the evil, and for maintaining, within their respective limits, the authorities, rights, and liberties appertaining to them;

That failure on the part of this State thus to assert its clear rights would be construed

as acquiesence in the surrender thereof; and that such submissive acquiesence to the seizure of one right would in the end lead to the surrender of all rights, and inevitably to the consolidation of the States into one sovereignty, contrary to the sacred compact by which this Union of States was created;

That the question of contested power asserted in this resolution is not within the province of the Court to determine because the Court itself seeks to usurp the powers which have been reserved to the States, and, therefore, under these circumstances, the judgment of all of the parties to the compact must be sought to resolve the question. The Supreme Court is not a party to the compact, but a creature of the compact and the question of contested power should not be settled by the creature seeking to usurp the power, but by the parties to the compact who are the people of the respective States in whom ultimate sovereignty finally reposes;

That the legislation making provision for grants for the benefit of children of school age for educational purposes, as authorized by the amendment ratified by the people at the general election held in November 1954, whereby section 13 was added to article VIII of the Georgia constitution, will enable the people themselves to provide an educational establishment serviceable and satisfactory and in keeping with the social structure of the State, if the doctrine of said school cases of May 17, 1954, is eventually by naked force alone thrust upon this State;

That the doctrine of said decisions should not be forced upon the people of this State, and the public schools terminated thereby, for the Court was without jurisdiction, power, or authority to entertain said school cases, or to announce the doctrine therein asserted by it;

That the Court was without jurisdiction of said cases because (1) the jurisdiction of the Court granted by the Constitution is limited to judicial cases in law and equity, and said cases were not of a judicial nature and character, nor did they involve controversies in law or equity, but, on the contrary, the great subjects of the controversy are of a legislative character, and not a judicial character, and are determinable only by the people themselves speaking through their legislative bodies; (2) the essential nature and effect of the proceedings relating exclusively to public schools operated by and under the authority of States, and pursuant to State laws and regulations, said cases were suits against the States, and the Supreme Court was without power or authority to try said cases, brought by individuals against States, because the Constitution forbids the Court to entertain suits by individuals against a State unless the State has consented to be sued;

That if said Court had had jurisdiction and authority to try and determine said cases, it was powerless to interfere with the operation of the public schools of States, because the Constitution of the United States does not confer upon the General Government any power or authority over such schools or over the subject of education, jurisdiction over these matters being reserved to the States, nor did the States by the 14th amendment authorize any interference on the part of the judicial department or any other department of the Federal Government with the operation by the States of such public schools as they might in their discretion see fit to establish and operate;

That by said cases the Court announces its power to adjudge State laws unconstitutional upon the basis of the Court's opinion of such laws as tested by rules of the inexact and speculative theories of psychological knowledge, which power and authority is beyond the jurisdiction of said Court;

That if the Court is permitted to exercise the power to judge the nature and effect of a law by supposed principles of psychological theory, and to hold the statute or constitution of a State unconstitutional because of the opinions of the judges as to its suitability, the States will have been destroyed, and the indestructible Union of indestructible States established by the Constitution of the United States will have ceased to exist, and in its stead the Court will have created, without jurisdiction or authority from the people, one central government of total power;

That implementing its decision of May 17, 1954, said Court on May 31, 1955, upon further consideration of said cases, said: "All provisions of Federal, State, or local law * * * must yield" to said decision of May 17, 1954; said Court thereby presuming arrogantly to give orders to the State of Georgia;

That it is clear that said Court has deliberately resolved to disobey the Constitution of the United States, and to flout and defy the supreme law of the land;

That the State of Georgia has the right to operate and maintain a public school system utilizing such educational methods therein as in her judgment are conducive to the welfare of those to be educated and the people of the State generally, this being a governmental responsibility which the State has assumed lawfully, and her rights in this respect have not in any wise been delegated to the Central Government, but, on the contrary, she and the other States have reserved such matters to themselves by the terms of the 10th amendment. Being possessed of this lawful right, the State of Georgia is possessed of power to repel every unlawful interference therewith;

That the duty and responsibility of protecting life, property and the priceless possessions of freedom rests upon the government of Georgia as to all those within her territorial limits. The State alone has this responsibility. Laboring under this high obligation she is possessed of the means to effectuate it. It is the duty of the State in flagrant cases such as this to interpose its powers between its people and the efforts of said Court to assert an unlawful dominion over them: Therefore, be it further

Resolved by the House of Representatives (the Senate concurring) —

First. That said decisions and orders of the Supreme Court of the United States relating to separation of the races in the public institutions of a State as announced and promulgated by said Court on May 17, 1954, and May 31, 1955, are null, void, and of no force or effect;

Second. That hereby there is declared the firm intention of this State to take all appropriate measures honorably and constitutionally available to the State, to avoid this illegal encroachment upon the rights of her people;

Third. That we urge upon our sister States firm and deliberate efforts upon their part to check this and further encroachment on the part of the General Government, and on the part of said Court through judicial legislation, upon the reserved powers of all the States, that by united efforts the States may be preserved;

Fourth. That a copy of this resolution be transmitted by His Excellency the Governor to the governor and legislature of each of the other States, to the President of the United States, to each of the Houses of Congress, to Georgia's Representatives and Senators in the Congress, and to the Supreme Court of the United States for its information.

ADDRESS OF GOV. MARVIN GRIFFIN DELIVERED BEFORE A JOINT SESSION OF THE GENERAL ASSEMBLY OF GEORGIA MEETING IN THE HOUSE OF REPRESENTATIVES' CHAMBER AT THE STATE CAPITOL IN ATLANTA

Speaker Moate, Lieutenant Governor Vandiver, members of the general assembly, and my fellow Georgians, we are in session here today to give continuing consideration to the most vital issue to confront this body since its creation.

That is the question of our course of action in the face of decisions by the United States Supreme Court which seek to destroy our system of segregated schools.

Our peril is all the more grave because the means utilized in these rulings strike at the very existence of State authority.

This general assembly has enacted legislation making provision for education grants as authorized by the amendment adding section 13 to article 8 of the Georgia constitution.

This general assembly also has enacted other implementing legislation at this session.

These measures were recommended by the Georgia Commission on Education and by me. It has been my pleasure as chief executive, formally to approve these acts, and they are now the law.

I congratulate you upon this achievement.

We are determined to use all honorable means and legal resources in this fight.

We are now prepared, as and when necessary, and of course not until then, to commit the education of the children of this State to the people themselves.

Through a system of private schools, organized and founded by the school patrons in the local communities, an educational structure serviceable and satisfactory to Georgians will continue as long as the people desire.

We must now direct our attention toward the continued preservation of our public schools. Authorized by the Georgia constitution of 1777, the State's public-school system is the oldest constitutionally authorized system in the United States.

The social structure of the State is secure by reason of the legislation which you have enacted. As a result of these laws, the integrity of the two races in Georgia will be maintained.

But it is your solemn duty as representatives of the people, and it is my solemn duty as chief executive, to utilize every means at our disposal to protect and defend the right of the State to operate her public schools as long as she desires.

We labor under this duty because the public schools of Georgia are good schools, operating in an efficient manner and serving well the children of both races. Also because acquiescence in the edicts of the Supreme Court of the United States over public schools is an invitation to that Court further to extend unlawfully its authority over other matters concerning which they have no rightful jurisdiction.

The Supreme Court had no authority to declare segregated public schools unconstitutional. Therefore, Georgia may not be accused justly of violating her obligations as a member of the Union in continuing to operate her public schools in each and every school district in this State.

As a matter of right under these circumstances, the State ought to be possessed of power to declare that the Court overstepped its authority; that these decisions are null and void, and, thus, to justify before the Nation the interposition of her sovereign power between the Court and her public schools.

The Commission on Education has recommended that you adopt a resolution to that effect.

When I had the honor of addressing you on January 10, I stated it would be my privilege at a later date to present to you my views upon this matter. Since that time I have conferred at length with counsel, and have had the opportunity of meeting in Richmond with the chief executives of the Commonwealth of Virginia and the States of South Carolina and North Carolina and Mississippi.

It is my request that this General Assembly adopt a resolution declaring the decisions of the Supreme Court of the United States in the cases relating to the public schools of Virginia, South Carolina, Delaware, and Kansas, to be null, void, and of no effect.

The Court's attempted usurpation is palpable and flagrant.

The circumstances are such as in my judgment authorize you to take this course.

Now, let us examine the nature and structure of the government provided by the Constitution of the United States, and the fundamental principles of relationship between the States and the Federal Government, with particular reference to its judicial department.

Here are some fundamental truths:

1. In this country sovereignty resides in the people of the respective States.

2. When the Constitution of the United States was formed and the Federal Government established, the people of the respective States delegated a portion of governmental authority to the Federal Government.

3. All of the power not so delegated to the Federal Government is retained by the people of the respective States.

4. The three departments of the Federal Government—the executive, legislative, and judicial—are agencies for the people of the respective States, created for the purpose only of carrying out the authority granted to each department.

5. The Supreme Court of the United States is one of the units of the judicial department of the Federal Government, and can have no authority beyond that delegated by the Constitution of the United States to the judicial department.

6. When any of the three departments of the Federal Government undertakes to exercise authority over matters concerning which it has not been granted power, such an undertaking is illegal and unconstitutional, because it is beyond the authority granted. No exception is made for the Supreme Court of the United States, and if it undertakes to exercise power over a subject concerning which no authority has been granted, its acts are illegal, unconstitutional, and without any lawful force.

7. The Supreme Court of the United States has no jurisdiction over any State of the Union except in the case of suits between States respecting boundary disputes and the like; and suits between the States and the United States in cases of that character.

8. Since the Federal Supreme Court has no other authority to render any judgment against a State, its declaration that the States are prohibited from operating public schools according to the segregated system is wholly without authority of the Constitution.

9. The judicial power of the United States does not in the nature of things extend to interfering with the States in respect of their public-school systems.

10. By these vicious decisions the Court undertakes to establish that its pronouncements are the supreme law of the land. The Court thus disobeys the Constitution, for it is there provided that the Constitution, the laws of the United States made in pursuance thereof, and treaties made under the authority of the United States, shall be the supreme law of the land. The Court assumes further unlawfully the power to judge all the laws of the States according to facts created by the Court, and to veto such laws if in the judgment of the Court they do not meet with its approval.

11. The Supreme Court has no power to judge the extent of its own authority. Its jurisdiction is that which is authorized by the Constitution. When it goes beyond the Constitution it oversteps its powers. It cannot by a mere claim of additional authority confer the same upon itself.

12. The authority which the Supreme Court may exercise must be found within the limits of the judicial power delegated by the States. If the Court attempts to intrude into an unauthorized field, a State possesses the right to take note of the unlawful conduct of the Court and formally to declare the true nature and character thereof, and to denounce the same as null and void. It is the duty of the State in flagrant cases to so interpose its powers between its people and the effort of the Court to assert an unlawful dominion over them. This right of interposition, though not expressly referred to in the Constitution, arises out of the nature and character of that instrument and the Government established by it, and exists of necessity.

The Constitution is in writing so that the powers granted to the Federal Government may be stated.

No other reason exists for a written Constitution.

A government of unlimited power needs no written constitution.

To prevent the Federal Government from thereafter claiming to possess powers not delegated to it, the First Congress submitted to the States for ratification the Bill of Rights, the 10th amendment of which is in the following words:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

The outer limits of the powers of the judicial department are set forth in the third article of the Constitution. The Supreme Court is a part of that department. This article does not attempt to elevate the judicial department over and above any State of the Union or over and above the legislative and executive departments of the Federal Government.

When the Supreme Court of the United States acts beyond the powers delegated to it, it oversteps its authority.

Such acts cannot bind the States from whose people all its powers are derived.

We now reach the question as to the status of the decisions of the Supreme Court of the United States against the public schools.

By these decisions the separate school laws of those States affording each race its own schools were declared violative of the Constitution.

In these decisions the Court said "all provisions of Federal, State, or local law" contrary to the decision "must yield."

The Court thus undertakes to overturn separate school laws of all the States providing segregated education.

The United States Constitution prevents any State from being sued by individuals in the Supreme Court or in any Federal court without the State's consent. For this reason these decisions do not and cannot bind the State of Georgia.

Having no authority to entertain such a case against Georgia, the Supreme Court cannot bind this State by a judgment rendered in suits otherwise entertained. Being without authority to bind the State of Georgia directly, the Court cannot by indirection attain the same result.

The Court was without jurisdiction in these cases for each of two plain and specific reasons: (1) The cases were suits against the States and the Constitution forbids the Court to try them. (2) The controversies were not "cases in law and in equity" and the jurisdiction of the Court is expressly limited to such cases.

In each of the school segregation suits the real defendant was the State but the truth is that this Court refuses to confine itself within limits set up by the Constitution.

The Constitution confines the Judicial Department to matters of a judicial nature and character. Before a suit can be entertained by any Federal court it must be in law or in equity.

The great educational and social questions involved in the school segregation litigation do not relate to cases either at law or in equity.

A judicial controversy is not involved.

The controversy is a public one.

No court can determine it.

No system of law provides for the solution of such matters in judicial proceedings.

The Constitution of the United States provides no exception.

The truth is that the fundamental issue involved in this dispute is determinable only by the people themselves, speaking through their legislative bodies.

What then moved the Court to commit so grave an act of usurpation?

"Partisan politics" does not afford a complete answer.

The whole motivation may be found in pressures far more compelling. A close examination of what the Court has done discloses the true purpose to be nothing less than the destruction of the States.

The great body of the rights of freemen are not embraced within the privileges and immunities of citizens of the United States. These rights are possessed in virtue of State citizenship alone, and it is to the State Government that the citizen looks for protection in respect of these rights.

This is admitted by the Supreme Court.

It was under the equal-protection-of-the-laws clause of the 14th amendment that the Court made these decisions under which it is claimed that the States have no authority to operate separate public schools.

The Court said such separate public-school systems are violative of the following words of the 14th amendment:

"No State shall * * * deny to any person within its jurisdiction the equal protection of the laws."

There is no provision in the Federal Constitution dealing with education or schools.

Not one word or syllable.

Education is one of the subjects reserved to the States.

There are no provisions in the Federal Constitution on the subject of race, except those in the 15th amendment which relate solely to voting.

Nor does the United States Constitution provide one way or another with respect to the subject which so-called do-gooders refer to in vague and general terms as the doctrine of the "equality of mankind."

By what process of reasoning then does the Court attempt to justify its conclusion?

Let the Court speak in its own words, which I read:

"To separate them (the colored children) from others (the white children) of similar age and qualifications solely because of their race * * * generates a feeling of inferiority. * * * A sense of inferiority affects the motivation of a child to learn. Segregation with the sanction of law, therefore, has a tendency to retard the educational and mental development of Negro children and to deprive them of some of the benefits they would receive in a racially integrated school system."

Such a conclusion is absurd on the face of it and insulting to the intelligence.

The decision of the Court does not rest upon any construction of the Constitution. It does not rest upon inequality of protection under the language of the separate school laws. It is based entirely upon the "inferiority complex" finding just quoted.

The Court concocted this ridiculous theory and then pronounced it a part of the supreme law of the land. The dubious character of the several books on sociology and psychology cited by the Court is not here so important as that the Court sought to transmute socialistic theory into law.

Sociology and psychology are not exact sciences.

Their application to public education brings every phase of that subject under Federal jurisdiction. The laws respecting marriage and divorce likewise are subject to revision and review, upon allegations of unconstitutionality, by this new ruling of the Court.

And here, let all remember that central governments of general power are like the grave—they perpetually cry, "Give! Give!" And like the grave, they never return the liberties once taken.

The Court having exceeded its jurisdiction in the respects heretofore pointed out, these decisions are manifestly null and void, unless the Constitution gives the Court the power to determine the extent of its own authority.

The Court cannot be said to have the power to judge of its own authority when its entire authority is under the complete control and dominion of the Congress. Assertions that the Supreme Court can rightly do as it pleases have no basis in the Constitution.

This is not to say that the Supreme Court may not hold a law which is violative of the Constitution to be unconstitutional if it is necessary for the Court to determine this question in order to dispose of a case in law or equity legitimately before it for decision. The Constitution says nothing on this subject, but this power inheres in every Court when necessary to the exercise of its jurisdiction.

But the Court cannot overstep the Constitution.

Nor has the Court any power to say that the Constitution changes in meaning.

The interposition of authority against unlawful and unconstitutional actions of the Supreme Court peculiarly is within the province of the States.

The States alone are parties to the Constitution.

The Federal Government is no party thereto, but the creature thereof.

The States, by the compact of the Constitution, having created the Federal Government, have the right to pronounce as null and void the assertion of unlawful dominion by any of the departments thereof.

The fact that the Constitution does not refer to this right of the States is no evidence that it does not exist. The existence of the power is implicit in the nature and structure of our Government. It is among the reserved rights of the States.

Just as the Supreme Court may declare laws unconstitutional when such is necessary to exercise of the authority committed to it to try cases in law and equity, so the States may declare null and void and unlawful action of the Supreme Court which interferes with the exercise of their reserved rights.

Interposition is no new doctrine. It is one which has been recognized since the beginning and dealt with fully and supported by both Jefferson and Madison who certainly knew whereof they spoke.

Power is coexistent with duty. Each State necessarily possesses sufficient power to discharge the duty owed her citizens. Each State possesses the inherent power needed to discharge her governmental responsibilities.

Georgia has a right to operate and maintain a public-school system utilizing such educational methods therein as in her judgment are conducive both to the welfare of those to be educated and the people of the State generally.

This is a governmental responsibility which lawfully she has assumed.

Her rights in this respect have not been delegated to the Central Government, but on the contrary, she and the other States have reserved such matters to themselves by the 10th amendment.

Being possessed of this lawful right, she is clothed with power to repel every unlawful interference therewith.

The duty and responsibility of protecting life, property, and the priceless possessions of freedom rest upon the government of Georgia as relating to all those within her territorial limits. The State alone has this responsibility.

It would be vain for the State to be charged with the responsibility of protection of the fundamental rights of the people if she is powerless to declare null and void an overstepping of authority by the Federal judiciary.

The procedure of interposition is woven throughout the whole fabric of our constitutional history.

This right has been asserted many times over the years by both Northern and Southern States under a wide variety of circumstances.

Ample precedent for its exercise exists in the constitutional history of our own State of Georgia.

We can be proud that she was one of the first States in the country to rise up against usurpation of her reserved sovereign powers.

On three occasions in the past the Georgia General Assembly has interposed successfully against unconstitutional decisions of the Supreme Court in which the State of Georgia was involved.

The first interposition of Georgia resulted from the Chisholm case in which the State refused to appear because the Federal Supreme Court had no jurisdiction to entertain a suit by a private individual against the State without the State's consent.

The Court refused to obey the Constitution and held that Georgia and other States could be sued without their consent. The 11th amendment resulted, and the Court so rebuked, ordered the Chisholm case and other such cases swept from its records.

Later Georgia again was compelled to interpose against the Court in order to save for the State that enormous portion of her territory occupied by the Cherokee Indian tribes. This important part of our constitutional history appears in the famous cases of *Worcester* v. *Georgia; Cherokee Nation* v. *Georgia* and in the cases of Tassel and Graves.

In this great controversy with the Court, Georgia's interposition again was successful.

Constitutional history books are replete with numerous occasions where States have exercised the right of interposition to protect their people against unconstitutional Federal laws or Court decrees.

Kentucky, Virginia, Pennsylvania, Connecticut, Massachusetts, Rhode Island, New Hampshire, Vermont, South Carolina, Wisconsin, and Iowa, to name a few, have utilized the doctrine of interposition on one or more occasions. In doing so, they recited the very language expounded by Jefferson and Madison.

Invocation of this State's right of interposition is not a substitute for, nor does it take the place of, the plan formulated for going to private schools as a last resort to preserve segregation.

The private school plan is designed to provide segregated schools within the terms of the United States Supreme Court decision.

It is our first, last and only absolute remedy.

Interposition is the assertion of our rights in the hope of preventing a situation which would lead to the abandonment of the public-school system. It is an appeal to reason.

I have gone into considerable detail so that it might appear clearly that the States have both the right and duty of interposition against conduct on the part of the Supreme Court which is not authorized by the powers granted under the Constitution. I have demonstrated that the usurpation in the public-school cases is palpable and deliberate. I have shown that the rule announced by the Court will destroy the States.

Under these circumstances it is certainly, as I see it, the duty of this general assembly to declare these decisions to be null and void.

If by naked force alone the Federal Government unlawully forces these decisions upon us, the legislation which you have enacted at this session will protect the social structure. And at the same time, it will enable the people of the State to care for the eduation of their children. Education can be provided by other than public schools. You have seen to that.

By denouncing these decisions as null and void, you declare what is true under the supreme law of the land.

You vindicate the lawful power of the State.

And you make plain the right of Georgia to continue the operation of her public schools notwithstanding these decisions.

You do much more than that. As the representatives of the people, you place the State's power and prestige squarely in the fight to preserve an indestructible Union of indestructible States.

For that is the issue raised by the Court. Dunring our generation that issue will be determined, and upon its determination rests the future of the American people.

The Court by claiming its own supremacy asserts old doctrine dressed in new form. Absolutism is as old as tyranny. Louis XIV of France said "I am the State." The Stuart Kings of England announced that they ruled by divine right and that the king could do no wrong. But the genius of American institutions is that sovereign power resides in the people of the respective States.

We say with our fathers that no government, no governmental department, no court or other tribunal, has the right to dispose of the fundamental liberties of man. We believe that they derive from Almighty God. That when the great Creator of the universe breathed upon the dust and made an immortal soul, he gave that man certain rights and freedoms beyond the power of government or any court, no matter how supreme.

It is unnecessary to catalog these immunities, but among them are the rights possessed by every man to have a home and rear a family, to choose his own associates, to rear his children according to his belief, to stand erect in the dignity of his personality and to maintain the pride of his inheritance.

The liberties of men never have lasted long under governments of total power. Freedom is a fragile flower and must be tended by the people with that close watchfulness which can be given only to governments close to home and responsive to the local will.

Upon the great issues of the day Georgia always has played the valiant part. Let no one be mistaken about this and upon this issue the State and her people firmly will stand.

Mr. FLYNT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a resolution and an address by Gov. Marvin Griffin, of Georgia.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

DISTRIBUTION OF SURPLUS FOOD TO THE NEEDY THROUGH A FOOD STAMP PLAN

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, 2 years ago this week I introduced a bill to provide for the distribution of certain surplus food commodities to needy persons in the United States, by use of a food-stamp plan. I introduced a revised but substantially similar bill again last year. For the past 2 years I have found that there is a tremendous public interest in this proposal. Many people in St. Louis and welfare and civic leaders from many other parts of the country have written to me to tell me how valuable they think this idea would be not just in helping to dispose of some of our surplus foods but—more importantly—seeing to it that some of this food goes to those who need it most—to needy Americans who are not receiving adequate diets. I know that there are millions of such persons in this country and I think it is a tragic and shameful thing to have hunger in the United States—to have Americans unable to obtain an adequate, nourishing diet.

Mr. Speaker, I have been appealing for 2 years to the House Committee on Agriculture to act on my bill. Similar measures have been introduced within the past year in the Senate, but apparently, there too, the Agriculture Committee has not yet seen fit to act on the plan.

Probably the main reason for the reluctance of the House and Senate Committees on Agriculture to act on a food-stamp plan is the active and vigorous opposition of the Department of Agriculture in claiming that such a plan is not feasible or necessary.

Mr. Speaker, if the Members will look about them in the cities of our country they will see that such a plan is necessary—very necessary—if we are to get enough of the right foods to all of our people. It may not be the quickest or most efficient way of disposing of $8 billion worth of surplus food now in storage—perhaps it would be quicker and more efficient just to ship this food overseas and give it away behind the Iron Curtain or elsewhere, or just dump it in the ocean. I am afraid the Department of Agriculture looks at this food not in terms of the blessing it could be to undernourished Americans living on public assistance but only in terms of a storage headache and a factor in low farm prices.

Mr. Speaker, I intend to do everything I can to persuade the House to adopt a plan for the distribution of some of this surplus food—a billion dollars worth a year—to needy Americans under a food-stamp plan as provided for in H. R. 5105.

The text of that bill is as follows:

H. R. 5105

A bill to provide for the establishment of a food stamp plan for the distribution of $1 billion worth of surplus food commodities a year to needy persons and families in the United States

Be it enacted, etc., That in order to promote the general welfare, raise the levels of health and of nourishment for needy persons whose incomes prevent them from enjoying adequate diets, and to remove the specter of want, malnutrition, or hunger in the midst of mountains of surplus food now accumulating under Government ownership in warehouses and other storage facilities, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to promulgate and put into operation, as quickly as possible, a program to distribute to needy persons in the United States through a food stamp system a portion of the surpluses of food commodities acquired and being stored by the Federal Government by reason of its price-support operations or other purchase programs.

SEC. 2. In carrying out such program, the Secretary shall—

(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

(2) issue, or cause to be issued, pursuant to section 3, food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

(3) distribute surplus food in packaged or other convenient form on the local level at such places as he may determine;

(4) establish standards under which, pursuant to section 3, the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods, and in the conduct of the program generally to assure achievement of the goals outlined in the first section of this act; and

(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this act.

SEC. 3. The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under section 2 (1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under section 2 (3).

SEC. 4. Surplus food distributed under this act shall be in addition to, and not in place of, any welfare assitance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

SEC. 5. In any one calendar year the Secretary is authorized to distribute surplus food under this act of a value of up to $1 billion, based on the cost to the Federal Government of acquiring, storing, and handling such food.

SEC. 6. The distribution of surplus food to needy persons in the United States under this act shall be in place of distribution to such needy persons under section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C., sec. 612c), as amended, and section 416 of the Agricultural Act of 1949, as amended: *Provided, however*, That nothing in this act shall affect distribution of surplus food presently provided for in such sections other than to needy persons as defined in section 7 of this act.

SEC. 7. For the purposes of this act, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

SEC. 8. The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare, and the Secretary of Labor, shall make a study of, and shall report to Congress within 6 months after the date of enactment of this act, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food-stamp plan established by this act to include persons receiving unemployment compensation, receiving old-age and survivor's insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this act by reason of section 7 of this act.

SEC. 9. There are hereby authorized to be appropriated out of any money in the Treasuary not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

THE TIMBER SITUATION

Mr. COON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. COON. Mr. Speaker, the great Northwest, of which the district I represent is a very important part, has timber and mineral resources which are not only of inestimable value to the people of that region, but will, if properly managed furnish the people of the Nation for centuries to come with an ample supply of products manufactured from timber—a list of which is too long to enumerate.

Naturally, the problems of economically and efficiently harvesting and utilizing not only the growing timber but that which has reached maturity or because of storms has been blown down or which has become insect-infested, are many and varied. And in those problems our people are not only vitally interested, but their interests are varied and diverse.

Whether marketing areas are or are not advantageous is a serious problem most difficult of solution, dependent usually upon the supply or lack of supply of timber in that particular area and the number of sawmills.

The necessity of a resurvey to determine how much timber can be cut in a particular area without endangering future supply is apparent.

The issue as to who shall build and maintain access roads so as to make timber available has long been a matter of controversy. That down and diseased timber, and timber that has passed maturity, should be harvested and the fullest possible use made of it is evident.

Joint Senate and House subcommittees were appointed, instructed to hold hearings on the timber situation, ascertain the facts, and report back as to the form and substance which any additional legislation should take, if such was needed.

Unfortunately, the investigation was made and the hearings conducted by a staff which apparently conceived its chief duty to be the discrediting of Secretary of the Interior McKay, the policies which he was following, and the manner in which they were being implemented, rather than a statement of the facts with suggestions as to a remedy, if such was indicated.

The subcommittee deliberately overlooked the fact that many of the decisions attributed to the Secretary of the Interior were based upon reports made by officials who had long been in the Department.

That most of the acts now complained of were the result either of legislation or regulations adopted under previous administrations.

The hearings conclusively show that the subcommittee, in addition to its effort to discredit the Interior Department and the Secretary for what had and was happening with reference to timber, and forgetting the real purpose for which it was established, just jumped the track and busied itself with an attempt to manufacture political propaganda.

At Portland, Oreg., when the western hearings were about to close, the subcommittee literally dragged in the old, threadbare issue of the granting of a patent to the Al Sarena mining claims somewhat like riding a dead horse. This was an issue injected into the campaign in 1954 by Drew Pearson, a master of misstatement and inaccuracy. His contention and that of those who followed his lead was overwhelming repudiated by the voters in November of 1954.

A reading of the record and more especially the testimony of Under Secretary of the Interior Clarence A. Davis, who as Solicitor made the decision granting patent, showed conclusively that, on the record, no other decision could have been made.

That the hearings were used to manufacture political propaganda is evident from the fact that a Republican Congressman was time and again assailed because he sought to assist interested constituents. That is something which every Congressman worth his salt should and does do.

No criticism was forthcoming of Democratic Congressmen, of Democratic Senators, who made similar efforts. The fact that Republican Congressmen were singled out for criticism, held up to the public as engaging in improper activities, while Democrats doing the same thing were not mentioned, is proof in itself of the partisan political trend which was followed in connection with the mining claim.

That the staff and those backing it were not successful in their efforts to smear Secretary McKay, the Department of the Interior, and Republican Congressmen, was due to the efforts of our colleague from Michigan, CLARE E. HOFFMAN, who, at considerable personal inconvenience, attended hearings at Redding, Calif.; Klamath Falls, Medford, Roseburg, Eugene and Portland, Oreg.; Aberdeen and Seattle, Wash.; and actively—and in spite of almost constant efforts to silence him—opposed the unfair method in which the hearings were conducted and the lack of foundation for the false charges made against the Department.

Although there was a joint committee staff of at least five constantly present at the hearings, our colleague from Michigan, the only minority member present, was denied information which might have been helpful to him in following the hearings from day to day. Even when prepared statements were available, the procedure was to give him a copy when the witness took the stand.

That the hearings as conducted were political in their nature; that witnesses were unfairly criticized, their rights as citizens denied, will be shown by casual reading of the record.

As the Representative of a district whose people are vitally interested in timber, in mining, it is my desire to express to my colleagues in the House my appreciation of the service rendered us by our colleague from Michigan, CLARE HOFFMAN.

CREATE A WATER CONSERVATION AND PLANNING SERVICE IN DEPARTMENT OF THE INTERIOR

Mr. UDALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I hope by these remarks to direct attention to legislation I have introduced today to establish a Federal water conservation and planning service.

The plain truth is that water is fast becoming our most critical natural resource. As a Nation we have been living off our water capital in recent years, and our problems are bound to multiply in the years ahead.

Although water is already in short supply in many areas, the most conservative estimate is that our per capita consumption of water will double and our industrial water requirement will treble by 1975. There is reason for alarm, too, in a recent authoritative report which showed that only 58 percent of the Nation's major urban public water supply facilities are adequate to meet present demands. In addition we are told that about 40 million Americans living in various regions are already face to face with water supply problems either involving inadequate quantity or unsatisfactor quality or both.

At the moment the situation is not out of hand, but there is every indication that the problem of water supply will be a paramount national concern within the next few years unless we move now to forestall this crisis. Only a few months ago one of our best-informed water experts stated the problem in these terms:

> Our store of water information, on which we can base actions to relieve prospective water-supply stringencies, is becoming relatively meager and unbalanced. Perforce, we have taken, and will continue to take, first steps toward rational management of our water destiny. But, we are beginning to outreach our information even on areas hitherto considered well covered. A decade or two hence we may be unable to resolve pressing water problems if we fail now to start relevant statistical records and their interpretations.

It is apparent then that in order to assure ourselves of an adequate supply of usable water for domestic, industrial, and agricultural purposes we must either discover and tap new sources of supply, or enlarge the use of our existing sources by developing new methods of water conservation. Failing in this, regimentation will inevitably follow as our governmental bodies are forced to pass legislation to curtail and strictly control the use of water in the public interest.

In looking ahead there would be grounds for optimism if we were aroused to the danger, and if our scientific work in this field was proceeding apace. However, this is decidedly not the case.

From a standpoint of available scientific data, basic water research is one of the most neglected fields of endeavor where the Government and private institutions are concerned. Those in our Federal bureaus who must meet this challenge are understaffed and have insufficient funds with which to tackle the formidable task before them. Although the United States Geological Survey is one of the finest scientific organizations in our country, of necessity its day-to-day efforts are largely directed toward seeking solutions—on what can only be described as a fire-alarm basis—for extreme water-crisis problems in various parts of the country.

Under its present program, in cooperation with the 48 States and other Federal agencies, United States Geological Survey is working on investigations designed to locate our water resources. These investigations are financed in part by Federal funds and in part by funds provided by States and local organizations which request cooperative studies. The 1954 annual report of the Secretary of the Interior recites that there were 43 State cooperative programs underway that year, and 30 other projects of primary concern to Federal agencies. The typical arrangement in these cooperative studies is for the survey to furnish trained personnel, and for all other expenses to be defrayed by the State or local agencies. In practice this tends to limit the work capacity of this department and direct much of its energies into emergency programs. Obviously this prevents the water scientists from developing broad studies which would enable us to anticipate and prevent such crisis.

For purposes of illustration let me describe one area where our watermen might produce remarkable results if they had an adequate work force. United States Geological Survey scientists hold the view that our subsurface reservoirs contain a vast untapped storehouse of fresh water. They tell us that ground water is our most neglected national resource and that only 10 percent of this great water reserve has been mapped out. There is not a State in the Union, say these hydrologists, that does not have ground-water shortage problems.

The vacuum of information in this vital area is dramatized by the fact that

in many regions of our country searchers for water still turn to the "water witch" or "water dowser" and his ancient rites rather than to geologists, who may have only sparse data to go by.

Paradoxically ground-water problems are not confined to the desert areas of our country. In recent years the water supply of some of our great coastal cities—New York, Los Angeles, and Miami, to name a few—have been seriously threatened by the infiltration of sea water into subsurface reservoirs. And again, contrary to expectation, serious underground problems have occurred in many States where rainfall is plentiful. Louisiana, for example, has experienced more trouble from declining wells than Nevada, the most arid State. Coming from a desert area myself, I was surprised to pick up Washington newspapers and find that a serious water famine exists in the nearby basin of the Potomac River. These are but a few instances of the multiplying problems we face in maintaining our water resources.

Once we realize that surplus flow and surplus storage constitute only a small part of our existing supply of water we can get some concept of the challenge we face in discovering and wisely using underground sources of fresh water. The magnitude of the task is demonstrated by the fact that our hydrologists have only meager scientific data concerning the geology and subsurface water of 90 percent of our total land area.

Foremost among the new water-saving methods we must develop are techniques to artificially recharge our underground reservoirs. This infant science could open up a whole new field of water conservation and would make our underground storage a readily renewable resource. Once we are able to manipulate our underground system and store away flood flows that otherwise might evaporate or escape, we will be well on the way to the solution of the major water problems which plague many States.

However, at present we have barely opened the door into this field of water conservation, and if we are to take the hydrologists at their word, we must redouble our efforts to learn these techniques before significant progress can be made in this promising field.

I firmly believe that the only way we can adequately meet our national water crisis is by creating a separate organization where our water scientists can concentrate on basic, unanswered questions with a full complement of trained personnel. Such an enlarged program would be essentially a cooperative venture between the Federal, State, and local groups. This agency could carry out research and factfinding, and come up with answers to the various water dilemmas which confront us in every part of the Nation.

The Government already has many water-use and conservation programs which are functioning well. I refer to the activities of the Bureau of Reclamation, the Soil Conservation Service, and the new programs now starting under the Water Facilities and Watershed Protection Acts enacted in 1954. In my opinion, we should fully support these programs and my legislation would not disturb them in any way.

However, in the field of basic water research we find a hodgepodge of activities and many gaps where little or no work is being done. I propose that all of these efforts be centralized under one specialized department where all of our water work will be carried on with a guidance and unity of purpose which are not possible under the present arrangement. As a starter, all of the work of the Ground Water Branch of the Geological Survey, our saline water research program, and studies of induced precipitation could be placed under this new department.

Some may say that nothing would be accomplished by such a coordination of efforts, except the creation of another unnecessary bureau. It seems to me, however, that it has been our experience, governmentwise, that many sound programs are hampered unless they have a separate identity and a unified leadership. A department with a clear mission to perform can secure from the Congress and from the people the support it needs to do a job of maximum efficiency.

Such a research and factfinding program is a traditional and accepted function of the Federal Government. To a considerable extent, local government and private enterprise become concerned with water problems only when answers are required. But sound answers to local water problems are possible only within a framework of factual data built on statistical records begun years before the local and immediate problems can be defined. Ordinarily, private enterprise and local agencies neither can nor will maintain the many prerequisite long-term records, or undertake the broad research involved. This alone is a summons to Federal responsibility and sums up the need for a national program.

As I have already indicated, I am not proposing a regional program but a national one. Available studies indicate that areas of water abundance have problems which are perhaps more serious than those of the arid States due to the fact that the bulk of our population is located in these regions.

Are we prepared to tackle and solve our water problems? As of today it seems clear that we are not. For many years our water scientists have been quietly telling us that we need to accelerate our water research work.

Belatedly, our policy makers are coming around to this point of view: Last year the second Hoover Commission raised a few eyebrows by recommending in one of its reports that the Federal Government increase its spending on basic research programs; and last month the Presidential Advisory Committee on Water Resources Policy specifically urged an expanded program of collection and evaluation of basic data. For example, it was recommended that ground water research be doubled over a period of 5 years, and that water quality studies be trebled.

It is time we took a hard look at the overall water requirements and resources of the United States. An all-embracing national water program is of the greatest urgency. We must map out our existing water resources and develop new methods of utilizing them before our economy is seriously damaged. Once we have taken stock of the available water we can then set about to wisely put our existing supply to the fullest use.

Our goal should be maximum use and maximum conservation of our full water potential. While sound conservation is now the rule where many of our natural resources are concerned, water-wise we have been rushing headlong to use up our resources without giving though to sound conservation principles.

Each generation should be able to say to its successor, "Here is our land. We give it to you renewed and improved." Unless this generation sets to work at once with new vigor on an adequate national water program it is entirely likely that we cannot honestly make this statement to our children.

HEMISPHERE OF THE AMERICAS

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, the United States has shown a very proper interest in the economic development of our neighbors to the south by economic assistance, technical aid, scientific aid, military training missions, roadbuilding programs, student exchange programs, and others. In many instances, these have been important adjuncts and their value has been fully recognized. However, all of the above-mentioned aid is infinitesimal in comparison with the aid we have poured into Europe and Asia. Unfortunately, in this hemisphere, we have at times shown an inclination to dally with our commitments. Guatemala is a significant example of this. That courageous little Republic cast off the Communist yoke 1½ years ago. The Communists left her treasury stripped. Guatemala needed prompt and effective help. The help given has been slow and inadequate. The whole world has been watching and this hemisphere is particularly alive to the situation. The hour is late, but not too late, to remedy it. However, our interest in Central and South America must never be allowed to rest on that one base.

Broadly stated, the long term and bipartisan objective of United States-Latin American policy is to maintain peace, security, freedom and prosperity throughout this great hemisphere, in our own country, and in those of our partners in the inter-American system. These policies are long term and bipartisan because they reflect the deep feeling of the people of the United States for their neighbors in the other American Republics, and our strong and enduring interest in their well-being and happiness alongside our own.

In our general approach to this goal we seek to emphasize long-range objectives that offer lasting benefits to all the peoples of the Americas for our neighbors as well as to ourselves. No immediate military threat imperils the Western Hemisphere. Fortunately,

therefore, the overwhelming majority of the resources of our sister republics can be directed to their normal, wholesome economic development. Our own economic, mutual defense, political and cultural relations programs in the area can be realistically planned far ahead.

I would like to discuss economic policies. In this field our constant objective should be to cooperate with our sister nations in helping them to develop strong, self-reliant economies. It is in the interest of our own people to have independent, prosperous, and friendly neighbors with the resources and the will to cope with their own national problems.

It has been said—and it is certainly true—that the greatest contribution we can make to the economic development of Latin America lies in our support of an expanding inter-American trade. That trade is worth about $3.5 billion a year to our exporters. Where do our Latin American friends get that kind of money to buy our products? They get practically every dollar of it from sales of their commodities to us. How can we safeguard this tremendously important trade? First, by a policy of resisting understandable efforts by some of our own interested sectors to decrease access to American markets for key Latin-American products. To many of these countries, the sale of such products means the difference between national stability and instability, both economic and political. For example, Venezuela's petroleum market in the United States means for her people the difference between prosperity and possible economic chaos. Similarly, if the existing tonnage of our foreign suppliers of sugar were cut sharply the economics of some would be badly hurt.

It must be remembered in our own interest that if Latin America does not sell to us she cannot buy from us, and Latin-American markets for a great variety of United States products are strong and they are growing. We should never forget a simple basic fact of our inter-American economic community. If by a tariff or quota we reduce—let us say—Mexico's sales of a product to the United States by $100, we may automatically reduce the sales to Mexico by our own farmers and manufacturers by $100.

A great expansion of our trade with the rest of the hemisphere can be brought about without damaging legitimate interests in the United States, We should take advantage of the natural preference on the part of most of our neighbors for dealing with us, or they may in frustration seek to take their business elsewhere.

Two other important aspects of our policy have to do with basic national attitudes in this hemisphere. In spite of the many differences among the American republics—differences in size and wealth, in origins, in religion, and in language—there are great fundamental identities. In the first place, the form of government in all 21 republics is that of a constitutional democracy; the historic development has been from an epoch of discovery through colonial government to independence; and guiding objectives for us all have constantly been peace and progress. As a natural consequence, we have to come to realize that our independence involves our interdependence; that we best withstand attacks on our freedoms when we stand together. Let me amplify a little:

First, the 21 American republics with their similar views on the sovereignty of nations and the freedoms of peoples, constitute a powerful force in the United Nations for making the world a peaceful and properous place for all mankind. The United States works consistently and continuously in cooperation with our sister republics in this global effort which means so much to the security of our own people.

In connection with this matter of inter-American cooperation, I have been asked whether the increasing Soviet attention to Latin America and offers of trade should cause the United States to change its policies toward the other republics in the hemisphere.

In point of fact, it is doubtful that the Russians would see fit to keep their proposed increased trade commitments even if they concluded them. They have a sorry record of performance in this field.

Furthermore, it is clear to thinking people in all of the 21 republics that Russia does not make her bid for friendship and trade in Central and South America because she has any desire to lessen world tensions. It is rather an attempt to increase her own influence in relations between the republics, the better to sow seeds of discord and discontent. Her ultimate objectives are too well known to require further discussions.

The Latin American people will make their own decisions as to where their best interests lie, in the continued close cooperation of all the Americas, or elsewhere.

Hence, there is no reason for the Communist campaign to make us change the course that we are following. On the contrary, I am convinced that any significant change would be regarded by them as a notable success achieved by their propaganda. Insofar as Latin America is concerned, Latin Americans themselves have been pointing at the fact that our relations with the neighboring Republics are mutually friendly and mutually beneficial on the plane of equality and freedom; and that on the other hand, once the Soviets achieve control over any country or any region, they never disgorge it, but keep it and exploit it for Soviet benefit. The expansion of private United States investment in the other American Republics, and the improving investment climate there, gives statistical evidence of close inter-American cooperation. Direct United States investment of this nature is now in excess of $6 billion. Of our total exports, 27 percent go to Latin American markets; and 37 percent of Latin American exports come to our markets. We have aided stability and development in Latin America by encouraging free enterprise, within the countries as well as from without, to make investments there. We have made governmental loans in some countries where other financing for urgently needed projects was not obtainable. In isolated instances, grant-aid has been requested of us and we have cooperated by giving it. Latin America knows that this record of friendship, cooperation, and genuine helpfulness cannot be obliterated. It is there to be seen, and to be kept in mind.

Our country should pursue a strong, nonvacillating, and politically bipartisan set of policies in the area. They should be designed to promote the general welfare of the people of this hemisphere through cooperative programs to develop trade, stabilize economic conditions, expand cultural contacts, assure our mutual defense and encourage the continued growth of our free institutions. We should follow these objectives for the purpose of improving the living standards of the people of this hemisphere, thereby strengthening the security of all our nations—not just to fight communism. The realization of our goals is the most convincing refutation to the false promises of the Communists, in or out of the Western Hemisphere.

A final and most important political objective of the United States is to cooperate with the other American Republics in the preservation of peace in the hemisphere. It is in the interest of all of us that the occasional differences which arise among us be peacefully solved. How can we achieve these objectives? Primarily by cooperating with the 20 other American republics, with mutual respect and confidence, and on the basis of complete equality, in solving our hemisphere problems. The United States for more than half a century has given strong support to the inter-American system of conferences at a common round table to consider and resolve threats to the peace of the hemisphere and means for the peaceful advancement of our nations. The Organization of American States, which has its seat here in Washington at the Pan American Union, is our regional organization within the larger framework of the United Nations. In point of fact it provided and afforded a working model for the United Nations, of which it is one of the most powerful bulwarks.

In this hemisphere, our country and the other American Republics have known, and for 50 years and more have put the knowledge into practice; that one of the best methods of dealing with political problems of the hemisphere is for all our Republics together to use every conceivable practical means of strengthening this inter-American system. The United States should give full support to every effort for making the Organization of American States increasingly hardy and active, capable of taking our tough problems and acting effectively to solve them.

The OAS is one of the most useful organs the New World has yet achieved in the international field. It is based on the premise that in the Americas we should work honestly and loyally to build a future in which all our countries can develop in harmony with each other. We should all be joined in the belief that there shall be built here a political structure which shall be durable because it is upheld by our common respect for representative government rather than by fear and force. This concept will assure

to the smallest the same sovereign dignity that is enjoyed by the strongest.

These statistics serve to point up the importance of another area of our activities involving the information and cultural programs. In the long run, this complex area of our relationships with Latin America may be of determining importance. Most simply it involves the necessity for increasing the number of ideas and aspirations which we hold in common with the people of the Latin-American countries. Beyond that, it means a continuing effort to develop common definitions, because quite often people of different countries discover that they attach different meanings to such concepts as freedom, democracy, or individual initiative. In other words, while it may be possible to translate the words literally, the meanings conveyed by the words are not always the same to all people.

One of the most effective means of developing closer understanding in this area of international relations is through increased personal contacts. Student programs are of particular importance. In 20 or 30 years the present students of all our countries will be running this Government and those of the other American republics. We have a priceless opportunity here to help the young people of all our nations understand the peoples of the entire area, and our common aspirations, for a strong, free and prosperous hemisphere; to encourage democratic institutions and recognition of the need for cooperative undertakings for joint development and mutual security.

These considerations apply also to our United States Information program. Regardless of how fine, or pure, or noble our principles may be, it is difficult to understand how they can prosper unless people are informed of them. It is sensible to ask ourselves just how much do our friends in Latin America know about United States policies. Do our friends understand what we are trying to do? It is through the use of public information programs that we reach the peoples of these countries, and both the quality and quantity of what we have to say had better be effective. Now is the time that we have to explain to these people where we are going, and how we are going to get there.

I believe that we and the other American Republics have an opportunity to establish a model of international cooperation to inspire the whole world. We possess a unique opportunity to demonstrate to the rest of the world how 21 nations of widely varying size, population, and strength can live in harmony without trespassing on each other's sovereign rights. It is hard to overstate the potential impact of this demonstration on the unhappy, frustrated peoples of the Communist satellite states. As long as such examples exist no tyranny can rest easily, because its people are continuously confronted with incontrovertible evidence that better conditions exist elsewhere. This serves to keep alive and nourish the hope of all oppressed peoples that similar conditions may some time be brought about in their part of the world.

We do not intend to try remaking our sister republics into our own image. We must encourage a continuing understanding and respect for each other's ideas, convictions, and cultures, even though these may differ. We are fortunate that there exists among the Latin American Republics a remarkable degree of homogeneity, resulting in part from common historical and geographical factors. But there is also a great deal of dissimilarity among the countries of the Western Hemisphere, and this is in many ways a good thing. The vitality of nations, no less than that of individuals, is closely linked with the healthy competitions and debate which results from difference of opinion and outlook.

In our efforts to reach our common goals in the hemisphere, we should always be glad to offer our cooperation, but I would like to emphasize in closing that within the free republics of the Western Hemisphere, each government makes its own decision as to the programs on which it will embark. We then cooperate with each other to get the job done. I cannot stress too greatly the importance of hemisphere solidarity, progress, and prosperity. From these, all the nations of the hemisphere will benefit—none more than our own country.

WORLD AGRICULTURAL SITUATION

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. HORAN] is recognized for 60 minutes.

Mr. HORAN. Mr. Speaker, the farm problem is everybody's problem. It is a problem that is here and is very real.

I have taken this time today to spread some dependable information upon the record. I believe that if we have more light than heat, we can help the present situation substantially. Certainly we cannot solve the farm problem by merely castigating the very sincere present Secretary of Agriculture, Ezra Taft Benson, any more than in previous years we could find solutions to previous problems in American agriculture merely by casting aspersions on the then Secretaries of Agriculture. To my knowledge they have all had pretty tough sledding.

I have served as a member of the Subcommittee on Agricultural Appropriations for more than a decade. It may be that I take some license here but I would like to say that I have served the administration of four great Americans who were Secretaries of Agriculture—the Honorable Claude Wickard, the Honorable Clinton Anderson, and the Honorable Charles Brannan—and last but certainly not least, the Honorable Ezra Taft Benson. Through those years have also paraded some outstanding Members of this House as chairmen of the House Committee on Agriculture legislation—the late Judge Hampton P. Fulmer was chairman of that committee at the time I came to Congress. He was a lovable person, dedicated to the cause of the American farmer as was his successor, John William Flannigan, Jr., of Virginia, Clifford Hope, and Harold Cooley, upon whose shoulders now rest the trust of rural America if legislation can assist in our present squeeze. And, through the years, it has been my privilege to serve under quite a list of other great Americans, equally devoted to the cause of American agriculture, the chairmen of the subcommittee of the Appropriations Committee that supplies the funds authorized by the Congress and asked for by the Secretary of Agriculture. In my decade of service on that subcommittee, I have had the privilege of working with such men as Judge Malcolm C. Tarver, of Georgia; Everett Dirksen, of Illinois; H. Carl Andersen, of Minnesota; and the present very able chairman of that subcommittee, Jamie Whitten, of Mississippi.

During my service in the Congress, I have seen much constructive work done when men such as those I have named have worked together in a full understanding of what the facts are and what can or cannot be accomplished.

I was particularly impressed at the time when President Eisenhower sent his farm message to the Congress to hear the Honorable HAROLD COOLEY assert that he was going to do his best to keep politics out of the considerations of his committee. I subscribe to that also and with you, I hope that we can promptly be about the business of helping in the present farm situation.

We have already passed one piece of legislation by mutual cooperation and while it is not a big item, at least, it is one step in the right direction. I refer to the removal of the gasoline tax for fuel used on the farm. I am happy also to note that the aisle does not stand in the way of the support for legislation that will greatly liberalize the loaning program of the Farmers' Home Administration. I trust that we can act speedily on the two measures that will provide longer repayment periods and the power to refinance farmers' home loans and generally make more effective that very useful Administration which takes care of the small farmer and those who are the poor risks among our farm population.

Another action that should be taken by the Congress immediately is on H. R. 8751 which would amend the Agricultural Adjustment Act of 1938 to permit farmers to use the grain and wheat they have raised on their own farms to feed their own livestock.

The spectacle of a monastery down in Georgia faced with a penalty of $1.13 a bushel on wheat raised at the monastery, strictly for use there, should give us pause. Last year they raised more than their quota—hence the penalty under the law.

The same thing applies to many small producers. This proposal has already passed the other body and should be passed now in the House.

Through the years I have seen this House take action by full cooperation between the majority and minority parties that were truly helpful in solutions of our farming troubles.

What I have to say today involves one act of the 83d Congress that also was the result of such cooperation. It stands to perform much good today and in the future. I refer, of course, to the very

fundamental work that we are doing through the medium of our newly reinstated Foreign Agricultural Service. Perhaps a little history would serve us well here.

Our efforts to aid the American farmer in intelligent and timely marketing of his surplus crops in foreign countries actually begins in the late 1920's when Nils A. Olsen was Chief of the Bureau of Agricultural Economics in 1928–1935. Olsen was old-fashioned in his thinking, fortunately, for he believed that the American farmer had to have a profitable market for that which he produced. Further, he recognized that there were several agricultural commodities that had a long historical dependency on world markets. He felt that in order to maintain and extend overseas markets, it was important to have an understanding of foreign competition, demand, and marketing practices.

The five principal commodities involved are: First, cotton, an export commodity since 1739; second, tobacco, an export since 1615; third, fruit, since early in the 19th century; fourth, wheat; and fifth, rice. There are, depending on the seasons, many others of lesser importance historically. A new export, of real importance, is fats and oils.

Olsen felt that knowledge of foreign markets could contribute much to a more orderly program of marketing. With wider knowledge, the farmer could better plan his plantings and his shipments.

Olsen's dream resulted in the establishment in the Department of Agriculture of the Office of Foreign Agricultural Service on July 5, 1930. It became the OFAS. Under its authorization, the Department sent specialists abroad to study marketing conditions and thereby to assist the American farmer in obtaining the maximum value for his product by enlarging every possibility in the domestic and the world's consuming areas.

But these specialists soon became more than that. Because they felt the responsibility of their specific and particular mission—the line of responsibility was clear and straight from them through the Secretary of Agriculture to the American farmer. They soon grew to know not only outstanding producers in foreign lands, but those whose business it was to import into those nations those commodities in which they specialized. They returned to the United States periodically and moved from area to area consulting with producers and shippers. They became a dependable liaison between areas of supply and areas of want. Their watchword was "service to the American farmer."

The record of these commodity specialists is good. That record was made during the great, worldwide depression years, and, therefore, adds to the credit they so justly deserve. From a nation famous for its production lines and specialized production, we had sent commodity specialists to help the world enjoy quality and superior condition of our specialized agricultural crops. The idea was original. It was properly directed. It was producing. The dream of Nils A. Olsen was beginning to bear fruit. It seemed that we were on our American way to a new approach and to a new era in foreign trade.

They knew that any American agriculture problem was the problem of every American and they were at work.

And then occurred a jurisdictional dispute at the Cabinet level. The State Department, feeling that everything outside the United States was their concern, and only their concern, looked on any real activity, regardless of its merits, as an invasion of their rights. They laid plans for an amalgamation of all foreign efforts under the State Department. They succeeded, and in 1939 this amalgamation took place with, it should be noted, the Departments of the Army and the Treasury, at least, refusing to go along and insisting that in their specific fields, they be assured their independence.

Under the amalgamation, OFAS employees were offered the opportunity to become employees of the State Department. This was optional and more and more accepted. They were offered far more than the Department of Agriculture could possibly offer: Better pay, shorter hours—since proven, better retirement benefits, more senior rights as to office space and subsistence facilities abroad, a chance for advancement—one employee is today an Ambassador, to my knowledge, and another, to my knowledge, has retired as a Minister of Embassy. It is my belief that the amalgamation actually took from the Department of Agriculture not only the clear straight line of responsibility from the Secretary to the commodity specialists but also the ability of the Secretary to do very much toward the protection of his foreign agricultural workers.

The amalgamation to all intents and purposes destroyed Nils Olsen's dream. Our attachés, as I have indicated, became agents of the Secretary of State rather than the agents of the Secretary of Agriculture. Moreover, we changed the name of the Service from that of Foreign Agricultural Service to the Office of Foreign Agricultural Relations. For a long while it did not make too much difference. The war broke out in 1941, and with it came military and strategic state trading to take over all normal trade and that condition existed by and large until about 1950.

During the war and the postwar rehabilitation period, we had a ready and a commanding demand for everything that the American farmer could produce. After the war, we went all out to feed and to rehabilitate the farmers of our neighboring nations. We had UNRRA and ECA, the Marshall plan, and President Truman's point 4 program, a program that involved the exporting of our know-how to foreign countries. We did bring them back to life, and in so doing we have added to our own problems here in America.

It shall be my purpose here today to show you as nearly as I can some of the facts of life regarding the competition that we are forced to meet. Broadly throughout the world, agriculture production today stands at 119 percent of agricultural production in the prewar years of 1935–39. In the free world, this figure stands at 125 percent.

Now, may I get back to the work that we in the Congress have already done in the name of our American producers to get tooled up so that we may more adequately gage and more adequately understand the problems that we face today in world agricultural production and market competition. Those of us on both sides of the aisle who watched the American farmer rise to his full stature during the war to produce those foods necessary to win the war and the peace, also watched our efforts through the various agencies—UNRRA, ECA, the Marshall plan, point 4, and a host of other activities of a subsidiary nature, to restore production to the farms of devastated Europe and the embattled areas and we felt, seeing what was going on, much as Nils Olsen must have felt in the 1920's. From 1948 on, in our private conversations and to my own knowledge, in our discussions on the Subcommittee on Agricultural Appropriations, we suggested that we should have a stronger foreign agriculture agency in the Department of Agriculture. Many of us at first hand deplored what appeared to be a loose association between our own Secretary of Agriculture at home and those who were supposed to be attached from his Department in our foreign embassies. This was not peculiar to Secretary Benson any more than it was peculiar to his predecessors, Secretary Brannan and Secretary Anderson. As early as 1950, a great many of us on both sides of the aisle undertook to study this problem intimately. As far as our own Subcommittee on Agricultural Appropriations is concerned, our entire subcommittee planned a trip for the purpose of studying this problem. Personally, I made such a trip and upon my return reported informally to the members of the Agricultural Subcommittee of the Appropriations Committee. That was in October 1953. This report was well received and widely reprinted. Following this trip by our subcommittee and following similar trips by the House Agriculture Committee, we did work together to the end that as part of the agriculture bill of August 1954. President Eisenhower signed the bill which returned the agricultural attachés to what we felt was their proper place as, first of all, responsible to the Secretary of Agriculture. We also renamed the Office of Foreign Agriculture Relations to the new name of Foreign Agricultural Service and arranged for the funds supplying it to be appropriated directly from the Department of Agriculture.

Looking back we must say that this should have been done years earlier. It is entirely possible that it should have been done as early as 1948 and I propose now to tell you why. That it was not done is no particular discredit to anyone but a review of the facts as we have them today will indicate that we might possibly have overcome or anticipated some of the problems that today exist and which we will have to live with until we have solved them.

As matters now stand, we are just completing the tooling up of this new agri-

cultural service in the Department of Agriculture that in the future stands to be most useful to the American farmer. Now in order to present some of the facts of foreign agricultural production most effectively at this time, I have had the Department of Agriculture prepare for me some charts which will bring us up to date as to world production.

As I have already stated, in the free world that production is 25 percent greater than it was in the 4 years just prior to World War II. It has been apparent to us for some time that our foreign aid programs should be reassessed to reflect this fact and that this country no longer should appropriate funds for foreign aid that will further aggravate this imbalance.

Just the other day we had the Prime Minister of England reassure us that his country no longer wanted economic aid. Only this week the international relief society that operates under the name of CARE announced that they are pulling up stakes in the free world and are moving their operations to the Orient where people are still hungry and where there is need for aid of this sort.

These charts which I will show you are purposely made as simple as possible. Obviously it will be impossible to reproduce them in the RECORD so I am taking the liberty of removing portions of an excellent pamphlet put out last month by the Foreign Agricultural Service which will deal with world production of at least two commodities which these charts reflect.

This pamphlet is entitled "The World Agricultural Situation, 1956." It contains an amazing amount of information regarding the world production situation. Most of the charts I propose to show you are contained in this publication. I commend this pamphlet to your study.

There are, of course, two commodities that are hurting more perhaps than others in the United States at this time. Mostly these two are suffering because of surpluses in the United States that according to the agriculture law of 1938 indicate the need for acreage reduction.

The first of these is cotton. Today, cotton and its problems is everybody's problem. Today the world supply of cotton stands at approximately 61.8 million bales. That is 3.3 million bales higher than a year earlier and is a new record high. The world production also is a new record high and world consumption is expected to be nearly equal to the 1954–55 record. However, due largely to the fact that in the year 1950 the United States production was unable to meet its overseas commitments, world production during the last four years has skyrocketed and in those 4 years has exceeded world consumption by nearly 10 million bales with the result that end-season world stocks increased by that amount between 1951 and 1955, due mainly to world competition. Our own stocks increased by 8.8 million bales which constitutes 90 percent of the world increase in surplus.

We are told that more than 50 percent of the world cotton stocks had accumulated in the United States by July 31, 1955, while most other countries, both exporters and importers, had reduced their stocks to a minimum in anticipation of some action on the part of the United States Government to reduce the price of cotton for export. Prices of foreign growths of cotton declined sharply during 1954–55 for the same reason and at the beginning of the 1955–56 season they were as much as 8 cents a pound below those for similar quality United States cotton.

As the 1955–56 season opened on August 1, there was an atmosphere of suspense in foreign cotton markets as importers purchased only for current minimum needs and exporters of foreign growths offered their cotton at lower prices in an effort to liquidate their holdings before anticipated reductions in prices of United States cotton for export. Export sales programs now in effect or announced for operation after January 1, 1956, include limitations intended to avoid any serious reaction in world markets that would be detrimental to foreign competitors and holders of stocks. The quantities of United States cotton involved in the programs are not large enough to stimulate exports sufficiently to bring them up even to the 1954–55 low level.

World cotton production in 1955–56 currently estimated at 40.6 million, 500-pound bales, is an increase of 2 million bales above that of a year ago, which was a record high at that time.

Half of the increase occurred in the United States. The United States increase is attributed to a 22-percent rise in average yield per acre that more than offset a 12-percent reduction in acreage under the production-control program. The increase in foreign production was due almost entirely to an increase in acreage.

World cotton consumption is estimated at 36 6 million bales and that is 800,000 bales higher than the previous record figure of 35.8 reported for 1953 and 1954. World consumption has increased steadily since the end of World War II but has not kept rise with the increase in production. Most of the increase, it should be noted, has taken place in countries that produce cotton and at the same time have high industrial development and high standards of living.

Cotton: Acreage and production in major countries, areas, and world average 1935–39; annual 1954–55 and 1955–56 [1]

Major countries	Acreage			Production		
	Average 1935–39	1954–55 [2]	1955–56 [2]	Average 1935–39	1954–55 [2]	1955–56 [2]
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Mexico	725	1,820	2,085	334	1,780	2,0
United States	27,788	10,251	16,882	13,149	13,696	14,6
Total, North America	28,642	21,444	20,058	13,523	15,825	17,16
U. S. S. R.	5,087	(4)	(4)	3,430	(4)	(4)
India	[3] 24,204	18,350	19,000	[3] 5,348	4,250	4,7
Pakistan	(4)	3,185	3,100	(4)	1,300	1,4
Turkey	667	1,440	1,480	249	650	67
China	7,028	9,000	(4)	2,895	3,100	(4)
Syria	85	463	500	28	365	65
Total Asia	33,805	34,771	36,201	9,039	10,297	10,3
Brazil	5,562	4,500	(4)	1,956	1,630	(4)
Argentina	770	1,350	(4)	289	530	(4)
Peru	428	540	540	379	510	495
Total South America	7,060	6,875	7,376	2,711	2,877	3,05
Egypt	1,821	1,639	1,885	1,803	1,598	1,506
Anglo-Egyptian Sudan	489	685	(4)	248	407	(4)
British East Africa	1,876	2,158	(4)	356	354	(4)
Total Africa	6,176	7,054	7,953	2,840	3,167	3,437
World total	81,142	78,330	79,498	31,689	38,410	40,585

[1] Crop year beginning Aug. 1. Production in bales of 500 pounds gross weight.
[2] Preliminary. [3] Pakistan included with India.
[4] Not available.

Cotton: Exports by country of origin, averages 1934–38 and 1945–49; annual 1951–52 through 1954–55 [1]

COUNTRY	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Mexico	105	343	972	992	951	1,253
United States	5,296	4,065	5,711	3,181	3,914	3,585
India	2,746	568	123	292	104	209
Pakistan	(2)	(2)	919	1,273	808	634
Turkey	84	39	261	433	377	233
Syria	12	8	169	181	183	322
Brazil	1,065	1,116	347	145	1,412	1,020
Argentina	133	48	5	271	157	120
Peru	337	301	307	398	361	339
Egypt	1,747	1,451	908	1,727	1,485	1,081
Anglo-Egyptian Sudan	257	287	398	267	413	298
British East Africa	[3] 334	[3] 285	340	445	341	375
Belgian Congo	[3] 133	[3] 208	187	212	199	180
Other	643	1,424	1,727	2,294	2,261	2,571
World	12,892	10,173	12,374	12,111	13,066	12,211

[1] Data relate to year beginning Aug. 1. Bales are equivalent 500 pounds gross weight.
[2] Pakistan included with India. [3] Calendar year prior to 1947.

World stocks of raw cotton increased rapidly during the past 4 years to 21.7 million bales at the beginning of the current season. This figure exceeds estimates for all peacetime years except 1938 and 1946. More than 50 percent—11.1 million bales—of these stocks were located in the United States. Stocks in possession of the United States Government, accumulated prior to that date under price-support program, has reached 8.1 million bales, or 37 percent of the world total.

In January 1955 prices of foreign growths of cotton were approximately equal to those of comparable qualities of United States cotton. A steady decline in prices of foreign growths that began soon after that month may be attributed to prospective large crops abroad, large surplus stocks in the United States, and market rumors that United States Government action to reduce prices of cotton for export was imminent. Prices of United States cotton declined slightly to the loan level, while prices of foreign growths continued downward to a current level for some growths as much as 8 cents a pound under United States prices. United States prices in recent months have been approximately the same or below the loan rate of 33.75 cents per pound for Middling $^{15}/_{16}$-inch cotton at the 14 spot markets.

World trade in cotton under these conditions declined to 12.2 million bales in 1954–55, compared with 13.1 million a year earlier. The decline is attributed to a reduction in stocks and in consumption in nearly all net importing countries except India. Declining prices were the principal cause for reductions in trade, stocks, and consumption in these countries, which account for nearly all world trade in cotton. United States exports amounted to only 3.4 million running bales in 1954–55. Exports during the first 3 months of the current season totaled only half of that for corresponding months last year, but some improvement is expected after January 1, when a new export program to sell up to 1 million bales becomes effective.

The outlook for cotton is that trade and consumption in 1955–56 will be at least as high as in 1954–55, provided most of the uncertainty regarding price trends can be removed from the markets and confidence can be restored in stable world prices at whatever level they reach.

United States production is expected to be reduced in 1956 by further restrictions of acreage to 17.4 million acres, compared with 18.2 million allotted and 17.5 million planted last year.

The sharp decline in prices of foreign growths during the past year probably will result in some reduction in foreign production in 1956–57 and a little increase in consumption and inventories in importing countries.

However, since world production in 1955–56 is expected to exceed world disappearance—consumption plus destroyed—about 3.5 million bales, world stocks will probably be increased by this amount.

Now, let us keep this firmly in our minds. As of right now, the world's supply of cotton is estimated at nearly 62 million bales; the annual world's production as of today is more than 40.5 million bales; the world's annual consumption, while it is on the increase, is only a little more than 36.5 million bales.

You will note by studying this booklet of the Foreign Agricultural Service that we have had record increases in the production of coarse grains, rice, and tobacco. We have had a record crop in fats and oils but we are also exporting a healthy increase to foreign markets. At the same time, the world sugar production continues to rise despite crop restrictions in some of the larger producing areas of the Western Hemisphere. Livestock numbers throughout the world are at a record high. Poultry and eggs are on the increase, as is coffee, tea, chocolate, wool, hides and skins, and jute and hard fibers. Potatoes last year were below previous years. For raisins a favorable export market is forecast, while citrus continues to increase in production and prunes are not expected to figure in the export market for two reasons: First, the unusually strong United States prices, and, second, the large foreign pack.

Now, may we turn to the subject of wheat? It, too, is everybody's business.

The combined world wheat and rye production in 1955 is estimated at 260 million short tons compared with 250 million short tons in the preceding season and the post-war average of 220 million short tons—the period from 1945–49. Rye accounts for less than one-sixth of the total world bread grain production.

The 1955 world wheat crop of 7,300 million bushels was only slightly below the all-time record of 7,400 million in 1952. The estimated increase of 350 million bushels for 1954 is mainly a reflection of larger crops in Canada, Turkey, and the Soviet Union, the latter named country officially reporting a substantially larger area in the spring crop. And may I add here that farmers who visited the Soviet Union last summer brought back some disturbing rumors. We are told that Russia is moving into some of the previously unused areas to the east and reports have it that as high as 75 million acres are planned for planting in wheat. The current issue of Time magazine carries a story on this enterprise, referring to it as the virgin land. The reports we get also indicate that even this 75 million acres may be increased. Those who know the area and who know wheat growing do say that this is a marginal area, subject to extremely cold and vigorous weather. However, given a favorable season, it is entirely possible that the Soviet Union might give further disturbance to our own hopes for export markets. It would appear, however, that Russia is the biggest single nation in the production of food grains.

Because of our reduced acreage in the United States, our own crop was down some 6 percent. It is worthy of note that in Europe, even Italy, normally an importer of wheat, and the Federal Republic of Germany, also a net importer of wheat, had increases of production. Our reports out of eastern Europe and from the Soviet Union are, of course, controlled. We have to resort to their own handouts largely and to such reports as may be gained in other ways for factual information regarding eastern Europe. But we are assured that the overall increase was at least 3 percent for 1955 over 1954. Growing conditions were reported especially favorable in Poland. The total Asian crop was about 25 million bushels greater this year than last with significant shifts occurring among countries. Larger crops were harvested in Turkey, India, and Iran. Small crops were harvested in Pakistan, Syria, and Iraq.

To show you the effect that 1 year of adverse weather can have on world supply of any given crop, we can turn to Turkey who again this year will be an exporter of wheat, whereas a year ago she was a net importer.

In the Southern Hemisphere, the South American crop is estimated to be down somewhat from 1954, but Australia is harvesting a larger crop.

Wheat: World production, 1955 with comparisons

[Million bushels]

Continent or area	Average		1953	1954	1955
	1935–39	1945–49			
United States	758	1,202	1,169	970	916
North America	1,036	1,581	1,809	1,310	1,441
Europe	1,600	1,265	1,730	1,720	1,770
U. S. S. R.	1,240	885	----------	1,340	1,525
Asia	1,558	1,585	1,790	1,790	1,815
Africa	143	134	195	220	190
South America	281	263	330	393	345
Oceania	177	183	203	171	214
World total excluding United States	5,327	4,693	6,221	5,975	6,384
World total	6,085	5,895	7,390	6,945	7,300

But in this whole field of foreign markets, there is a fact that all of us, I believe, should keep uppermost in our minds.

In a report to our Subcommittee on Appropriations for the Department of Agriculture, the Marketing Service through the Foreign Agricultural Service supplied us with a rather interesting list of activities in other countries as regards their use of impediments to trade such as production incentives, export and import quotas, tariffs and other mechanics to protect and encourage

their own domestic production and, of course, to assist their farmers also to make full use of the export market. Here is a partial list that will appear in the written hearings. I might add that I have an incomplete report on the wage rates of these competitors. Our information is with regard to wheat, that France is paying her farmers the equivalent of $2.64 a bushel for soft wheat and $3.04 a bushel for hard wheat, while at the same time she is offering French wheat in the German market, which incidentally has always been a rather important foreign market to us, for $1.75 a bushel. Uruguay, we understand, is paying her wheat producers $3.51 a bushel, Sweden is paying $2.21 a bushel; Turkey is paying the equivalent of $2.49 a bushel, while Syria is paying her producers $2.20 a bushel. Not any of these particular countries is really an important exporter of wheat and probably these incentives mainly are used in the struggle of these countries to become self-sufficient as regards bread grains. However, many of them are the recipients of our economic aid or have been and insofar as they do pay these prices, our incentives are used to produce food grains which are then moved into the export markets in competition with us. This certainly should be kept in mind as we ponder the need for the application of any foreign military aid in this cold war.

When we get into the field of important producers and exporters, however, of bread grain we find Argentina offering wheat at $1.53 a bushel; Canada last October—the latest report I have—reduced her No. 1 Northern Ex-Fort William to $1.70 a bushel; her No. 2 and No. 3 at lesser prices and she is offering No. 4 Northern Ex-Fort William at $1.58 a bushel.

I am told that Australia's offering price, while I do not have the exact figure now, is comparable.

Into any consideration of world problems involving the United States and other wheat-producing and wheat-consuming countries, it would not be complete without some reference to the International Wheat Agreement.

This is an agreement first entered into formally in the year 1949 by 38 countries. Eight more nations joined later, and the volume of wheat within the scope of this agreement of 1949 concerned some 581 million bushels.

This first agreement was based on negotiations going back as far as 1931. The agreement is an international arrangement on multilateral trade; a marketing agreement, that is, on one major commodity. In concept, it is designed to assure stable supplies of wheat to importing countries and a stable market for exporting countries within an equitable price range. It assumes basically the importance of achieving some measure of stability in international trade in wheat that national measures alone cannot, in general, successfully cope with regarding the very great changes that take place in the wheat situation from time to time, and that such agreement provides the broad base through which national wheat production programs can be coordinated.

I have here a brief review of experience under the Second International Wheat Agreement and some problems confronting its renewal. This brief review was prepared for me by Dr. John Kerr Rose, Senior Specialist Division, Legislative Reference Service of the Library of Congress. I would like to submit this complete report for your information. I believe you will find it interesting.

It may be that such a program as the International Wheat Agreement, if successful, might give us some ideas as to its possible application internationally to commodities such as cotton and others.

I would like to also relate some of my own personal experiences with the International Wheat Agreement.

To my knowledge, I am the only Member of Congress who has ever sat in as an adviser at the executive sessions of the International Wheat Agreement. This I did in April 1952, a privilege provided me by the then Secretary of Agriculture, the Honorable Charles Brannan, and with the cooperation of President Truman. These meetings were held in the Church House, a meeting place connected with Westminister Abbey in London. It was a very interesting experience. I sat as an adviser with the American delegation in what was known as the exporters' block. At that time there were but four members of the agreement considered exporters of wheat—the United States, Canada, Australia, and France, the latter, then, at least, with a very small amount. I was attracted to these meetings because under the agreement, it was costing the American taxpayers at least 45 cents a bushel for each one of the nearly 300 million bushels of wheat which we supplied to the International Wheat Agreement. And I come from a wheat area.

At that time, the first 3-year agreement was drawing to a close and the meeting which I attended was the first of a series of meetings designed to lay the ground work for renewal of the agreement. We were persuaded that it was costing the American taxpayer a considerable amount of money, well in excess of $600 million for our 3 years' participation in the agreement. We were anxious to raise the ceiling of the price range from $1.80 to a higher figure. The agreement was renewed in April 1953 with the ceiling raised 25 cents from $1.80 to $2.05. Our experience, under the second agreement, has not been nearly as satisfactory as that under the first agreement. Under the first agreement we managed to average well over one-half billion bushels of wheat by means of this agreement, half of which was American wheat. So far, the figures for the second agreement have been approximately one-half of that total. Negotiations now are underway, the first meeting have been held in October and November at Geneva to renew the agreement. There has been some discussion as to whether or not it would be renewed but most observers believe that it will. Obviously, the new agreement will carry a lower price range and should move more wheat through it. This should be apparent since Canada is now offering good wheat at $1.70 or less a bushel and Australia at about that figure. Probably if renewed at the lower price range, we may step up the movement of our wheat under the International Wheat Agreement. In any event, I am happy to supply for the RECORD, a very interesting discussion of the International Wheat Agreement, what it is and what the prospects are for its renewal:

A BRIEF REVIEW OF EXPERIENCE UNDER THE SECOND INTERNATIONAL WHEAT AGREEMENT AND SOME PROBLEMS CONFRONTING ITS RENEWAL

I. SOME BACKGROUND

The third and final year of the Second International Wheat Agreement is about half completed. Preliminary discussions looking toward renewal were held in Geneva in October–November 1955. Full-dress discussions will commence in February 1956. This makes pertinent and perhaps timely a brief look at the experience and achievements under the present agreement, plus some consideration of existing and emerging problems, not only of the wheat agreement as such, but of the closely interrelated world wheat situation.

The agreement is an international arrangement on multilateral commodity trading—a marketing agreement on one major commodity. In concept it is designed to assure stable supplies of wheat to importing countries and a stable market for exporting countries within a reasonable and equitable price range. It assumes, basically, the importance of achieving some measure of stability in international trade in wheat, that national measures alone cannot in general, successfully cope with the very great changes that take place in the wheat situation from time to time, and that such agreement provides the broad base through which national wheat-production programs can be coordinated. It is not, however, an agreement directed to the control of stocks or production, or of quotas for export, but an agreement which applies a preagreed price range to stipulated quantities of wheat moved in the ordinary course of international trade.

The first agreement, which followed repeated and long continued negotiations dating back to 1931, was signed and ratified in 1949 by 38 countries. Eight more nations joined later and the volume of wheat within its scope was increased to 581 million bushels. In 1953 the expiring agreement was subjected to comprehensive review with the result that the second agreement set a new price range of $2.05 per bushel maximum and $1.55 per bushel minimum for the 3-year life of the agreement as compared with a maximum of $1.80 per bushel and a minimum which declined from $1.50 to $1.20 during the 4-year life of the first agreement. Some other modifications were involved but the most significant difference was that the major importer, the United Kingdom, declined to participate under the second agreement, as did Italy initially. Even more important perhaps has been the sharply changed supply situation under which the second agreement has operated.

II. EXPERIENCE UNDER THE SECOND AGREEMENT

1. With respect to results one might perhaps generalize to the effect that it has functioned less adequately than the first agreement, but under more difficult conditions. It has nevertheless continued to function, whereas some had anticipated complete breakdown.

Grave fears were expressed for the success of the second agreement even before it went into effect, particularly when Britain, the world's largest importer of wheat, steadfastly declined to continue her participation because of the higher maximum price stipulated. Even in retrospect, there are those who still take a dim view of the adequacy

of the agreement and performance under existing conditions:

"Looking back, it is clear that the expiring agreement was already out of date in April 1953, before the signatures renewing it for a second term had dried. By then production of wheat in Europe and Asia had recovered from the ravages of war, and in some countries output comfortably exceeded the prewar average."[1]

2. Wheat has continued to move under the agreement in considerable volume, though in lesser bulk than under the first agreement, and with further decline apparent as the agreement approaches termination. The lesser volume is, of course, in part to be charged to the absence of the United Kingdom among the importers under the second agreement. Italy rejoined in 1954 but her quota was cut to 100,000 metric tons against a previous quota of 1,100,000 tons under the first agreement and an original quota of 850,000 metric tons under the second agreement.

Transactions in wheat and flour recorded under the International Wheat Agreement

Year[2]	Bushels: Wheat equivalent
1949–50	432,120,396
1950–51	530,974,733
1951–52	572,203,753
1952–53	572,268,837
1953–54	225,192,107
1954–55	290,450,000

[2] Year August 1 to July 31.

The early months of 1955–56 would appear to indicate that transactions under the final year of the second agreement will be considerably lower than in the previous year. As of January 20 (table I) with about one-half of the year gone, about 125 million bushels of confirmed transactions had taken place under the agreement as compared with a full quota for the full year of 394,958,000 bushels.

3. The decline in transactions under the agreement appears to have been shared rather evenly by the four exporting countries included (table II).

4. World trade in wheat has held up better than transactions under the agreement.

World exports of wheat and flour, in wheat equivalent[1]

[1,000 bushels]

Year:	World total
1945–49 (average)	877,724
1950–51	986,838
1951–52	1,066,013
1952–53	987,266
1953–54	878,909
1954–55	942,850

[1] Data are for year beginning July 1, so are not strictly comparable with those for the wheat agreement year.

This suggests several possibilities, that is, that wheat may have been moved outside the agreement by the major exporters, that other countries may have increased their exports and that importing countries may have fallen short of guaranteed amounts under the agreement.

5. Some importing countries have fallen far short of their guaranteed purchases under the agreement.

This is, of course, their option under the agreement in as much as prices have not been lowered to the minimum. It does mean, however, that performance under the agreement has not yet been fully tested. That is, we know that the exporting countries did perform by continuing to fulfill their commitments during the first agreement, even though wheat would have brought more than the maximum price. There has not yet been a test of whether importing countries will take their full quotas at the minimum price. Presumably this test has been delayed, or avoided, at the option of the exporting countries, especially the United States and Canada.

6. Prices have shown considerable stability, have not fluctuated widly, though the trend has been a declining one during the second agreement. From a level near the maximum of $2.05 per bushel they have eased, in the face of record supplies, to a level not far above the minimum of $1.55 per bushel. However, just as the first agreement dampened the upward price trend during some or all of the years of its existence (that is, exporting countries sold wheat at prices below those which would otherwise have prevailed) so during all or part of the recent period, prices seem to have been sustained at a level somewhat above those which might otherwise have prevailed.

7. Direct subsidy costs to the United States have averaged about the same per bushel as under the first agreement.

Wheat and flour: United States exports and subsidy payments under IWA 1949–50/1954–55

Year beginning Aug. 1—	Exports in wheat equivalent	Total payments	Average rate per bushel
	Bushels	*Dollars*	*Cents*
1949–50	162,724,041	89,763,201	55.2
1950–51	249,525,545	169,718,889	68.0
1951–52	255,523,772	167,310,593	65.5
1952–53	251,430,145	136,080,203	54.1
Total, 1949 agreement	919,203,503	562,872,876	61.2
1953–54	106,413,887	49,709,502	46.7
1954–55	139,210,000	[1] 105,267,086	75.6
Total, 1953 agreement (2 years)	245,623,887	154,976,588	63.1

[1] Includes an estimated $10,859,632 to be paid in 1955–56 fiscal year.

Source: I. W. A. Branch—Grain Division, CSS.

8. Not only has world production of wheat increased to record levels in recent years but surplus stocks available for export have accumulated in unprecedented volume. Production has risen to a level in excess of 7,300,000,000 bushels in 2 recent years as compared with an average crop of about 6 billion bushels prewar and early postwar. July 1, 1955, stocks in the 4 major exporting countries were a record 1,800,000,000 bushels with the United States carryover in excess of 1 billion bushels, and Canada's carryover even larger in relation to her production and domestic consumption. Even more significant perhaps have been the substantial surplus situations developed in France, Turkey, Sweden, etc.

9. Assurance of supplies under the agreement apparently has not checked the policy of encouraging wheat production, even under substantial subsidy. The United States with a reduction of more than 20 million acres in recent years is about the only country which has attempted to adjust production downward in the face of increasing surplus. Over 96 percent of the world's wheat crop is produced and marketed under price supports or other forms of official incentive and planning.[2] In spite of the sharp decrease in United States acreage, world acreage in wheat production has risen to 483,480,000 acres as compared with about 406 million acres in the early postwar period and about 425 million acres prewar. Acreage trends, probably more indicative of production intent than the yield or production, are shown for some of the more important countries in table IV.

III. LIKELIHOOD OF RENEWAL

It is more than a little difficult to assess the probabilities that a new wheat agreement will be achieved. Representatives of about 60 countries met in Geneva late in October. They were invited especially to suggest and discuss possible modifications to the existing agreement, or alternative forms of agreement. Included were all, or nearly all, the 48 members of the second agreement. Included were the four designated exporters, Canada, United States, Australia, and France, plus several others which now are or would be exporters—Sweden, Turkey, the U. S. S. R., and the Danubian countries.

Our own position has been none too clear. Though United States officials were reported as hinting before the Geneva meeting that the United States might balk at renewal if Great Britain continued to boycott the agreement,[3] later reports indicated that we favored renewal provided the pact could cover "most international trade in wheat."[4]

The position of the world's major wheat importer was even more obscure. An influential British publication observed: "The present scheme no longer bears much reality to the world wheat trade, but if the conference fails to improve upon it then governments might fall back on its renewal, if Britain would rejoin. It is conceivable that Britain might find this politically expedient—given agreement on prices—for the sake of its relations with the Commonwealth producers, Canada and Australia."[5]

Reports from the preliminary Conference were not entirely discouraging as to possible eventual support from the United Kingdom.

Also, spokesmen for the principal importing countries, as distinct from the private traders of those countries, were reported as citing three reasons for importer interest in renewal:[6]

1. Will be very difficult to launch any other international commodity agreement if this one breaks down.

2. In spite of present oversupply and potential decline in world prices, the situation is not necessarily a long-term one, and agreement provides protection if the situation should change.

3. Agreement provides some basis for resistance to still higher domestic support schemes in importing countries.

The other major uncertain factor is Canada. They have appeared to be approaching the verge of desperation as regards the wheat situation. Late in September and early in October the Canadian Wheat Board reduced prices by 5 to 7 cents per bushel. This, for some unclear reason, was done in two moves, about a week apart. The lower grade was reduced the most. The resulting prices were, in Canadian funds, ex-Fort William: No. 1 Northern, $1.70; No. 2 Northern, $1.67; No. 3 Northern, $1.64; No. 4 Northern, $1.58.

The move was variously interpreted as clearing the air before the International Wheat Conference of October 26, as firm notice to the United States that further movement of wheat into the world market at cutrate prices (to relieve tight storage in some areas) would meet with retaliation, etc. In any case it was indicated that the board could hardly reduce prices any further without incurring loss; operating and storage charges added to the $1.40 per bushel initially paid to farmers equaling approximately present reduced prices.

They have had and still have a complex holding operation on the farm front. The

[1] Wheat in Plenty, the Economist, October 1, 1955, pp. 51–52.

[2] Foreign Agricultural Circular, FG 13–55, USDA, April 8, 1955.

[3] New York Herald Tribune, October 23, 1955, p. 24.

[4] New York Times, October 27, 1955, p. 41.

[5] The Economist, October 29, 1955, p. 414.

[6] New York Times, November 2, 1955, p. 49 et seq.

farmers are reported to be very dissatisfied with the present operative results of the wheat pools. With grain traffic channels pretty thoroughly clogged, the farmers cannot deliver this year's crop (nor even in some cases stored stocks from previous crops) to the local elevator where they would be paid the initial base price. They have instead been offered a government scheme for guaranteed bank loans up to $1,500 at 5-percent interest on the security of their farm-stored grain. This proposed palliative is reported to have been received without much enthusiasm.

The Government meanwhile has made at least two other interesting moves. They appear to have explored, at a high level, the possibility of an outlet for agricultural products on the other side of the Iron Curtain. Some wheat and rye have been sold to Poland, but to date no major success in this direction has appeared. Conferences in Ottawa, then in Washington, have been reported as involving an attempt to try to persuade the United States Government not to demoralize the world wheat market any more than its political necessities imperatively demand.[7]

Canada apparently approached the renegotiation not very confident that a new agreement would emerge, in the face of some opposition from the United States and the United Kingdom.[8] However, others surmised that Canada would not be much interested in renewal of the agreement were it not for fear of more United States giveaway programs in the absence of responsibility under the agreement.[9]

Few details have been released from the Geneva Conference of October–November, but comments have not been without hope:

"The International Wheat Conference has ended its meetings at Geneva in a way that will please those who think that any type of agreement is better than none, and disappoint those who hoped that a more constructive scheme would emerge from stabilizing world trade in wheat. The Conference was in favor, in principle, of a wheat agreement, and it considered that a scheme on broadly similar lines to the present one most likely to be acceptable. The Conference will meet again in the new year to start negotiations in earnest. The range of maximum and minimum prices, and the quotas between exporting and importing countries have to be settled, and a number of technical questions as well. No country was at all committed at the present session, but the general feeling was that the prospect of a more broadly based scheme, covering Britain and other countries now outside the present one, were fairly bright. * * *"[10]

Michael Hoffman, reporting from Geneva at the time of the adjournment of the preliminary meeting in November, indicated that the odds appeared favorable that a new agreement would result from 1956 discussion.[11] But it does appear that these preliminary discussions took place in the atmosphere of a buyers market (inevitable under present supply conditions); importing countries were free with their demands, and the United States delegation was disappointed that the first draft of the hoped for 1956 agreement (not yet made available) included many unagreed-upon loophole provisions favoring importing countries.

[7] The Economist, November 26, 1955, p. 762.
[8] New York Herald Tribune, October 20, 1955, p. 11 (sec. 2).
[9] The Journal of Commerce, October 21, 1955, p. 4.

[10] Wheat Pack Clears One Hurdle, the Economist, November 19, 1955, p. 684.
[11] New York Times, November 19, 1955, p. 24.

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, January 26, 1956.

INTERNATIONAL WHEAT AGREEMENT SALES, JANUARY 18–JANUARY 24, 1956, TOTAL 848,000 BUSHELS

The United States Department of Agriculture reported today that during the period January 18, 1956 to January 24, 1956, inclusive, the Commodity Credit Corporation confirmed sales of 848,000 bushels of wheat (including wheat and wheat flour in terms of wheat equivalent) under the International Wheat Agreement against the 1955–1956-year quotas.

The sales for the week included 157,940 hundredweight of flour (368,000 bushels in wheat equivalent), and 480,000 bushels of wheat. The importing country principally involved in this week's sales was Japan.

Cumulative sales by the United States since the opening of quotas for the 1955–56 year on June 27, 1955, total 49,005,000 bushels. (See over). Sales by the United States are through January 24, 1956, and in the case of other exporting countries sales shown are those recorded by the Wheat Council in London through January 20, 1956.

The Department's report also included status as of January 20, 1956 of 1955–56 quotas assigned to territories of member countries (see below).

Status of territorial quotas, 1955–56, as of Jan. 20, 1956

[1,000 bushels]

Importing territory	Quota for crop year	Exporting countries—total sales				Balance [1]
		United States	Canada	Australia	Total	
Belgium: Belgian Congo	1,102	361	629	3	993	109
Netherlands:						
6 islands	441	85	61		146	295
Surinam	255	78	88		166	89
Portugal:						
Angola (PWA)	786	690	(2)		690	96
Cape Verde Islands	39	10	14		24	15
Macao	74	9	35		44	28
Mozambique (PEA)	661		132	355	487	174
Portuguese Guinea	26	4	6		10	16
Portuguese India	331	92			92	239
St. Thome and Principe	53	2	33		35	18
Timor	33			5	5	28

[1] Subject to remainder being within the unfulfilled guaranteed quantity of the parent country.
[2] Less than 1,000 bushels.

TABLE I.—*Wheat agreement sales, 1955–56*

[1,000 bushels]

Importing countries	Guaranteed purchases	United States sales for week [1]	Exporting countries—cumulative sales							Balance
			United States [2]			Australia [2]	Canada [2]	France [2]	Total	
			Wheat	Flour	Total					
Austria	9,186						934		934	8,252
Belgium	23,883	34	762	362	1,124	3	4,430		5,557	18,326
Bolivia	4,042		992	542	1,534				1,534	2,508
Brazil	13,228			216	216				216	13,012
Ceylon	10,288					7,259		363	7,622	2,666
Costa Rica	1,286	6		352	352		303		655	631
Cuba	7,422	96	1,352	2,096	3,458		613		4,071	3,351
Denmark	1,837									1,837
Dominican Republic	1,102	9	10	266	276		228		504	598
Ecuador	2,388		73		73		441		514	1,874
Egypt	14,698									14,698
El Salvador	735	4	28	379	407		123		530	205
Germany	55,116		6,600		6,600	1,992	10,642		19,234	35,882
Greece	12,860		5,190		5,190				5,190	7,670
Guatemala	1,286		26	83	109		40		149	1,137
Haiti	1,837	27		778	778		316		1,094	743
Honduras	735	14	62	128	190		20		210	525
Iceland	404		15	2	17		3		20	384
India	36,744		1,568		1,568	3,024			4,592	32,152
Indonesia	6,246	2		55	55	3,945			4,000	2,246
Ireland	10,105					683	2,854		3,537	6,568
Israel	8,267		168		168		724		892	7,375
Italy	3,674		2,604		2,604				2,604	1,070

[1] United States sales (net of adjustments) for week of Jan. 18 to Jan. 24, 1956.
[2] Sales confirmed by CCC through Jan. 24, 1956.
[3] Sales recorded by Wheat Council through Jan. 20, 1956.

TABLE I.—*Wheat agreement sales, 1955–56*—Continued

[1,000 bushels]

Importing countries	Guaranteed purchases	United States sales for week	Exporting countries—cumulative sales							Balance
			United States			Australia	Canada	France	Total	
			Wheat	Flour	Total					
Japan	36,744	437	5,948		5,948	5,374	8,508		19,830	16,914
Jordan	2,939			3	3				3	2,936
Korea	1,470									1,470
Lebanon	2,756	16		407	407				407	2,349
Liberia	73	1		17	17		4		21	52
Mexico	14,698		2,353		2,353				2,353	12,345
Netherlands	24,802	47	1,026	2,347	3,373	95	1,415		4,883	19,919
New Zealand	5,879					4,221			4,221	1,658
Nicaragua	368	−1		229	229		133		362	6
Norway	8,451	14	1,054	867	1,921		2,925		4,846	3,605
Panama	845	6		266	266		101		367	478
Peru	7,349			20	20				20	7,329
Philippines	8,672	102		2,515	2,515	173	3,016		5,704	2,968
Portugal	7,349	1	1,350	809	2,159	350	223		2,741	4,608
Saudi Arabia	4,409	23		265	265				265	4,144
Spain	9,186		906		906				906	8,193
Switzerland	7,900						3,043		3,043	4,857
South Africa	13,228		1,045		1,045		5,040		6,085	7,143
Vatican City	551		321		321				321	230
Venezuela	6,246	10	48	2,400	2,448		2,003		4,451	1,795
Yugoslavia	3,674									3,674
Total	394,958	648	33,601	15,404	49,005	27,128	48,082	363	124,578	
Guaranteed quantities exporting countries					196,523	45,013	153,078	344	394,958	
Balance					147,518	17,885	104,996		270,380	

TABLE II.—*Transactions in wheat and flour recorded under International Wheat Agreements*

[Bushels, wheat equivalent]

Exporting countries	1st agreement				2d agreement		
	1949–50	1950–51	1951–52	1952–53	1953–54	1954–55	1955–Jan. 20, 1956
Australia	80,805,775	87,265,430	71,252,167	86,673,052	27,777,774	41,245,000	27,128,000
Canada	185,447,268	190,883,744	241,586,122	231,078,276	90,894,059	109,343,000	48,082,009
France	3,306,034	3,885,206	4,085,901	3,380,421	367,437	376,000	363,000
United States of America	162,560,419	248,920,353	255,279,563	251,137,088	106,152,837	139,486,000	49,005,000
Total	432,120,396	530,974,733	572,203,753	572,268,837	225,192,107	290,450,000	124,578,000

Source: World Wheat Statistics, the International Wheat Council, London, April 1955; and various U. S. Department of Agriculture sources.

TABLE III.—*Transactions in wheat and flour*[1] *under the Second International Wheat Agreement*

[Bushels, wheat equivalent]

Importing country	1953–54	1954–55	Guaranteed purchases[2]
Austria		4,956,000	9,186,000
Belgium	15,204,154	20,102,000	23,833,000
Bolivia	1,265,728	824,000	4,042,000
Brazil	3,872,642	7,350,000	13,228,000
Ceylon	10,288,180	5,724,000	10,288,000
Costa Rica	1,324,212	1,284,000	1,286,000
Cuba	5,871,081	7,275,000	7,422,000
Denmark			1,837,000
Dominican Republic	867,960	948,000	1,029,000
Equador	2,401,525	2,254,000	2,388,000
Egypt	1,887,919	588,000	14,697,000
El Salvador	727,101	730,000	735,000
Germany	37,482,584	54,762,000	55,116,000
Greece	4,854,576	12,012,000	12,860,000
Guatemala	1,095,330	1,139,000	1,286,000
Haiti	1,634,482	1,842,000	1,837,000
Honduras Republic	518,940	475,000	735,000
Iceland	286,122	53,000	404,000
India	2,647,185	24,842,000	36,744,000
Indonesia	4,577,824	5,038,000	6,246,000
Ireland	2,696,450	5,928,000	10,105,000
Israel	5,915,092	8,413,000	8,267,000
Italy			3,674,000
Japan	36,945,848	36,875,000	36,744,000
Jordan			2,939,000
Korea	1,064,388	1,472,000	1,470,000
Lebanon	33,650	2,076,000	2,756,000
Liberia	45,703	50,000	73,000
Mexico	2,945,536	150,000	9,186,000
Netherlands	17,219,666	27,967,000	30,314,000
New Zealand	5,853,299	5,879,000	5,879,000
Nicaragua	356,463	367,000	368,000
Norway	6,826,351	8,334,000	8,451,000
Panama	651,390	679,000	845,000

[1] Calculated at actual rate of extraction.
[2] Specifically for year 1954–55.

TABLE III.—*Transactions in wheat and flour under the Second International Wheat Agreement*—Continued

[Bushels, wheat equivalent]

Importing country	1953–54	1954–55	Guaranteed purchases
Peru	676,624	729,000	7,349,000
Philippines	8,653,742	8,708,000	8,672,000
Portugal	4,043,271	2,947,000	7,349,000
Saudi Arabia	1,451,066	926,000	2,572,000
Spain	9,316,494	1,608,000	9,186,000
Switzerland	6,966,199	7,113,000	7,900,000
Union of South Africa	7,633,373	7,653,000	13,228,000
Vaticar City	551,000	559,000	551,000
Venezuela	6,240,636	6,255,000	6,246,000
Yugoslavia	2,238,371	3,633,000	3,674,000
Total	225,192,107	290,450,000	393,047,000

TABLE IV.—*Wheat acreage*

[1,000 acres]

	Average		1953	1954	1955
	1935–39	1945–49			
IMPORTING COUNTRIES					
Austria	630	528	563	588	603
Belgium	394	371	421	455	473
Denmark	319	175	173	211	164
Germany	2,785	2,283	2,832	2,735	3,200
Greece	2,172	1,917	2,581	2,540	2,564

TABLE IV.—*Wheat acreage*—Continued

[1,000 acres]

	Average		1953	1954	1955
	1935–39	1945–49			
IMPORTING COUNTRIES—continued					
Ireland	225	561	380	496	360
Italy	12,577	11,742	12,160	12,100	12,300
Netherlands	233	262	161	272	235
Norway	80	91	43	50	
Portugal	1,720	1,665	1,867	1,907	1,918
Spain	11,253	9,640	10,606	10,670	10,536
Switzerland	183	223	211	223	236
Mexico	1,244	1,244	1,624	1,804	1,804
India	25,490	23,312	24,286	26,310	26,842
Pakistan	9,305	10,337	9,510	10,650	10,700
WHEAT SURPLUS COUNTRIES					
Canada	25,595	24,717	25,513	24,267	21,504
United States	67,293	71,024	67,661	53,712	47,376
Australia	13,128	12,662	10,751	10,499	10,500
France	12,560	10,354	10,430	11,100	11,300
Argentina	15,834	11,432	12,345	13,500	
Sweden	740	749	959	1,068	875
Turkey	8,973	9,436	15,840	15,830	17,790

And now I would like to outline some of the thinking that has gone on in my own area. I feel that the wheat growers out there have tried, diligently to be constructive. Whether or not their program can be made compatible, workable, and successful with the soil-bank plan, I do not know. Perhaps it can. At least it is worthy of consideration—especially if there are to be further merging of ideas—and final compromise.

Obviously, the purpose of all production is consumption. The making available of supplies to every demand that which is accessible and in some cases that which may be discovered or created, may find a new market for wheat. It is when we come face to face with the definition of "production" that we see some of the inequities in existing law and existing practices or regulations. The world agricultural situation is always like a kaleidoscope—ever changing. This is of tremendous importance and while I shall conclude with some references to

additional observations on what might be done to speedily improve the present agricultural picture in America, I would like to comment on my own particular section of the United States.

The agricultural economy of the States of Washington and Oregon particularly is based on wheat. We are isolated in peculiar ways from the rest of the United States and, in fact, because of national laws, from the world. In the north we have Canada with her huge surpluses of wheat and a country that is actually outselling us on many occasions in the export market. Canada, wheat-wise, is desperate and has an aggressive export program. Because of the peculiarity of the loan rates on commodity credit loans, we have to yield the southern, or so-called California market, to the wheat producing areas of southern Idaho and northern Utah. And, of course, freight rates exclude us almost entirely from the eastern United States markets. We are worried, out our way, about the wheat situation—worried particularly because so large a proportion of today's surpluses are in our area. The farmers in my area are much in favor of the so-called domestic parity plan. It is a very simple plan. Certainly, it is worth a brief outlining here. It is entitled to our consideration. It is not too far away from the National Grange's export debenture plan of the late twenties and it does still follow a lot of the general idea of those who, being Americans, whether industrial or agricultural, want a part in our great domestic market—and yet being legally free to compete abroad. It is predicated on first determining what the wheat grower could get for his wheat if he sold it on the open market—sold it, that is, for just what he could get for it.

In addition to the price received in the market place, each wheat grower would receive a certificate for part of his crop, based on his average production. The Secretary of Agriculture would estimate the value of the certificate during the spring of the year. Let us say he estimates the market price will be $1.50 a bushel and that a 100 percent of parity is estimated at $2. The value of the certificate that the farmer would receive would be on that basis—50 cents a bushel. Certificates would then be issued each wheat grower based on his average yield for about one-half of his production, this being the national percentage of wheat used for human consumption.

Assuming that a farmer's average production was 1,000 bushels a year, he would receive certificates on about 500 bushels which would return him 100 percent of parity on half his crop. These certificates would be negotiable and could be cashed at any bank. The certificates could serve to some extent as crop insurance because they would be issued before harvest.

The certificates would come from a revolving fund set up by the Secretary, the money for this fund will come from processors who will purchase certificates on wheat they mill for human food in the United States. The manufactured product will thus carry the cost of the program, in other words, parity from the market place. The banker would honor the certificates presented to him by the farmer and return them to the Secretary's office to be reimbursed. Once the certificate has gone from the Secretary to the farmer to the banker and back to the Secretary, it would be canceled.

The miller would purchase wheat on the open market—recognizing quality wheat with normal price premiums—he would purchase certificates from the banker to cover the number of bushels of wheat processed into food, the value of the certificates being the same as that paid the farmer. The money received from the miller would be forwarded by the banker to the Secretary to be deposited in a revolving fund and used to pay for the certificates which had been distributed to the farmer. In this way the plan is self-supporting. The miller would not buy certificates to cover wheat processed for export, feed, or industrial uses. Farmers would be encouraged to grow quality wheat. The miller could sell competitively in the export market.

The grain buyer would buy the wheat from the farmer at the market price. Wheat would move freely into export and feed channels. A loan would be established at a level to protect the corn producer from undue competition. The market price would ordinarily be above the loan price. The grain buyer and the farmer would once again be in the business of buying and selling wheat on the basis of quality.

It is plain to me that we should be feeding more wheat to our livestock and a sizable portion of today's surplus is better adapted for that purpose. The so-called domestic parity would allow its use for that purpose.

As harvest approached last summer we had a carryover of a little over a billion bushels and a crop of some 911 million bushels.

Today we use about 490 million bushels for food, 100 million for feed, 80 million for seed, and while exports vary, some 270 million bushels for various foreign markets.

Simple arithmetic would seem to indicate that, under present conditions, it would take 15 years to eliminate the present surplus. However, as I shall indicate later, there are other factors—and things the Congress can do if we can agree—that will shorten the period.

The domestic parity plan would increase the amount of wheat now being fed to livestock by some 150 million bushels or a total of about 250 million. Today we feed some 4.5 billion bushels of various grains such as corn, oats, sorghums, barley, and rye, in addition to the small fraction of wheat to livestock. The proposal would make wheat about 3½ percent of the total, as against the 80 percent of the total feed grains now enjoyed by corn.

Farmers out my way feel that this is not a serious threat to the corn farmer and propose the establishment of a loan rate that would preclude wheat from demoralizing the feed-grain market. Corn, of course, is highly essential to livestock feeding and feeders in the Pacific Northwest find themselves paying as much as $14 a ton just for the freight to ship it in. We have not been a corn-producing area—but its production, under the circumstances is on the increase.

A similar provision was passed by this House a couple of years ago but was eliminated in conference. I believe it should be seriously considered now since it would certainly help to remove the three great objections to price supports:

First. That they distort geography and encourage the growing of commodities, especially grains, where they are not best suited to be grown;

Second. That they create surpluses; and

Third. That they hold an umbrella over the world market by making it more difficult for us to compete on world markets.

As you, my colleagues, know, I have supported price supports. I concede that a better program for our farm population is possible—but not yet here. Until that time, I shall have to oppose any program that means a "double cut"—that is, as is inherent in the basic law of 1938, a cut in acreage—and, as under flexibles, a cut in price, at one and the same time. Believe me, our wheat folks out our way would welcome a better program than the one we have. We have, as I have indicated, suggested one. We have really tried. We need your help now.

Domestic parity would at least favor the sale of wheat for what it is worth, within limits, for the purpose at hand both at home and abroad.

It would also change the base for support from acres to bushels—a contention held by many as the only safe basis.

Certain it is, if consumption is the sole purpose of production, that we should be free to feed more wheat, on the small farms as proposed by H. R. 8751 or by a proposal such as the domestic parity plan, or as an alternative, authority to channel 200 million bushels into feed channels for whatever price it will bring.

We are today moving on many bold fronts to help the American farmer out of the cul-de-sac that he is in. He needs our help and our speedy action based on our best judgment.

I think the soil-bank idea is sound—both the acreage and the conservation reserve and I suggest that benefits will accrue much faster than the doubters think. However, even though it may be expected to operate on a voluntary basis, it should be, in some way, broadly applied. Manifestly, it would be unfair for just one commodity to do all of the cooperating.

I feel, however, that the acreage-reserve program should be written with great care since we have, since 1948, seen foreign acres increase while our incentive surpluses have piled up at home. We have belatedly had to invoke the acreage-restriction penalties inherent in the basic law of 1938. Other nations have not, by established law, cut acreages as we have. Care should be used also so as not to penalize farmers who have already started growing grass or who historically use summer fallow. Certainly they should not be hurt.

I agree that our surplus-disposal program under Public Law 480 presents difficulties. Its intent was and is good—to feed the hungry who cannot afford to buy our foodstuffs.

The job of Agricultural Surplus Disposal Administrator, as proposed in President Eisenhower's message is and should be a full-time job—to sell, to barter for strategic materials or to donate wherever there is want and no funds.

It presents difficulties—but it can succeed.

The strengthening of commodity programs as outlined by the President has many ideas to commend it. It is here that the conferees—and the coming farm program will be written in conference—will no doubt find their greatest areas of debate. You and I can only wish them all knowledge and all foresight.

The President has suggested two points that can help the family-size farm and the small or part-time farmer. Certainly we can agree on some sort of dollar limit and to a program to aid the low-income farmer. We can also expand the scope of the Farmers' Home Administration in this field.

The Great Plains program, research and realistic credit policies, all of these should help.

I repeat, the farm problem is everybody's problem. It was everybody's business to win the war. Our agriculture helped to do just that. Our agriculture also helped to put the devastated areas and their people back on their feet after the war. That, too, was everybody's business as America's heart poured out through UNRRA, ECA, the Marshall plan and point 4. That work is now done. Today I insist that it is everybody's business to protect the free farmers of America and to work for their continued, even their renewed freedom. That, again, is in my mind, everybody's business. Can we not get going?

I, for one, want to assist all that I can in its speedy solution.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman with pleasure.

Mr. H. CARL ANDERSEN. The gentleman is too modest in his very recent statement. I believe if any Member of Congress was responsible for calling to the attention of the Congress and of our subcommittee the need for reinstating a strong Foreign Agricultural Service that gentleman was WALT HORAN, of Washington.

Mr. HORAN. I thank the gentleman. May I say right here that this was a matter of cooperation, it was a meeting of minds on this problem. I know that out subcommittee planned a trip in 1953 to visit the embassies and see what needed to be done to make stronger our forces in the foreign field for agriculture. It may have been a little late, but we did that. I made a similar trip and reported when I came back to my subcommittee. That report was very widely read. As a matter of fact, I had to mimeograph it twice in my office and distributed over a thousand copies. It was also reproduced in trade magazines. Other members of the Committee on Agriculture of the House did the same thing. As a result, by joint action we restored the Office of Foreign Agricultural Service to the Department of Agriculture. We did that when President Eisenhower signed the bill in August 1954, but we took the word "Office" out of it because we wanted a Foreign Agricultural Service. We also returned the attachés to the Secretary of Agriculture because we felt if you are going to hold any Secretary, I do not care from which party he comes, responsible for the things at home, he should have all the tools in his hand to work with when it concerns conditions abroad.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Iowa.

Mr. GROSS. What caused the foreign production to increase was the foreign WPA program, was it not?

Mr. HORAN. Well, the gentleman has a point.

Mr. GROSS. And we are about to build a dam that will increase the cotton production down in Egypt.

Mr. HORAN. The gentleman has a point.

Mr. GROSS. Mr. Speaker, if the gentleman will yield, does the gentleman have any charts or figures on the imports of agricultural products?

Mr. HORAN. The gentleman will find some in that booklet, if he will read it.

Mr. GROSS. Of course, the gentleman knows that dollarwise our imports during the last fiscal year exceeded our exports by nearly $1 billion.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield.

Mr. WHITTEN. I hesitate to interrupt the gentleman while he is making his fine presenation, but I would like the record to show, and the membership to know, that we appreciate the very fine work our most able colleague has done for years on our committee and in the Congress. He and I have differed sometimes on the means as to how to reach an objective, but we have never failed to have the same objectives of sound agricultural programs during all the years we have worked together. I wish to commend the gentleman for the painstaking effort he has given to the study and preparation of his presentation he has made here today. As most of you know, during the years we have stood shoulder to shoulder on the House floor to protect agriculture's proper place in our economy and I anticipate we will continue to do so. I congratulate the gentleman, and appreciate very much his efforts.

Mr. HORAN. I thank the gentleman.

Mr. HARRISON of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield.

Mr. HARRISON of Nebraska. Those countries are not in the International Wheat Agreement?

Mr. HORAN. Argentina is not. Canada and ourselves are the biggest part of the agreement, as exporters. Australia and France are also classed as exporters. The members of the Soviet bloc are not members of the IWA.

Mr. HARRISON of Nebraska. Australia is not in either?

Mr. HORAN. Oh, yes. It was a very interesting experience. We met at the Church House in London, which is really a part of Westminster Abbey, and we sat right down in the well, just like it is here. We sat here, France sat there, Canada over here, and Australia over there; four exporters, although France only exports about 7 million bushels of wheat, or did at that time. So they are not too important, as exporters of wheat.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from New York.

Mr. KEATING. I rise with considerable deference to the gentleman's greater knowledge about this whole agricultural picture, it is so much greater than mine.

There is very little wheat grown in the area from which I come, although there is some. What is the background of the law which provides that if a fellow raises wheat for his own consumption to feed to his own livestock he shall be subjected to a fine if he raises more than the permitted amount?

Mr. HORAN. I have already touched on that. I have urged support of Mrs. ST. GEORGE's bill which would allow that feeding. If a producer has a marketing quota and if he should exceed that amount and feed it on his property he is liable to a penalty under existing law.

Mr. KEATING. It just seems to me—I do not like to use the word "un-American" because I think it is thrown around too loosely—but it seems so contrary to what the gentleman and I have been taught and have been brought up to believe in this great country, that a fellow is going to be stopped from raising enough to feed his own stock, and on top of that is going to be subjected to a fine by his Government. I have had 2 or 3 instances where the farmers were aroused and I share their resentment.

Mr. HORAN. The law should be changed and I hope it is changed tomorrow because the law is not right.

Mr. KEATING. I will be happy to support such a change.

Mr. HORAN. So will I. I want to say that the domestic parity program, which is endorsed by practically all wheat-growers out my way, puts allotments on a bushel and not on an acreage base. That is another thing that should be considered if we are going to have Government controls, price supports, and that sort of thing.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say that I certainly do not differ with my friend or with the gentleman from New York. May I say that this law as it now exists has had bipartisan support through the years. There is a little more background, however, than indicated, and that is the producers of wheat and the other commodities have voted these limitations on themselves in order thereby to get the support prices. If you give high prices on the basis of limiting production, and if you let the commodity

be used for different purposes or domestically at reduced prices, then you will upset the whole program and add tremendously to costs. I am not differing with the gentleman's approach to it, but there was a little more basis for the present condition than appears on the surface.

In reference to price supports on so many bushels, pounds, or bales, many farmers believe they are in favor of that. We have mistakenly tried to regulate world production by regulating the American farmers. The farmer prefers to cut down production acreagewise because by the use of fertilizer he produces the same or more. The average farmer knows he can have less acres and produce the same amount. He sees he can have controls without controls. What many farmers fail to realize each time he produces more on less acreage he cuts his acreage for the next year.

Mr. HORAN. Our wheat crop has only been reduced about 6 percent.

Mr. WHITTEN. In cotton practically none. So we will have to consider the proposition of having a control program which will work and prevent our farmers from constantly increasing his overhead and reducing his acreage still further for the next year with still increasing costs. Of course, as the gentleman knows, I am fully convinced we must keep United States commodities offered in world markets at competitive prices, if any program is to work.

Mr. KEATING. In reply to the gentleman from Mississippi, may I say that the farmers in my area voted down this limitation on production. Are they governed by the vote throughout the country?

Mr. WHITTEN. If they are in a commercial area, yes. I am not familiar enough with the situation to know as to the designation of the gentleman's territory. The law requires—I think it is a three-fourths vote. It is a tremendously large percentage, at any rate. You have individuals who vote against it, but they have to ride with the majority. That is the democratic way of doing things. I am not familiar with whether the gentleman's area is in a commercial area or not.

Mr. HORAN. I will say this: It has been recommended by the Secretary of Agriculture that the number of noncommercial areas be increased, and that in itself needs consideration and needs sincere thought.

Mr. KEATING. To establish this as a noncommercial area would solve the problem?

Mr. HORAN. That is right.

Mr. KEATING. I am interested in this problem, and I am anxious to have the help of everyone I can on it.

Mr. HORAN. I thank the gentleman.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I don't know that I stressed the advantage of getting to a pound, bushel, or bale type of support. The average farmer feels that he wants controls by acreage, because by adding fertilizer and other things he can defeat the acreage reduction by producing more from the reduced acreage, but he is kidding himself, because as he defeats it one year the next year he has the acreage cut still further and he has to buy more fertilizer and other things to offset it. So you have a constant cutting back of acreage and an increase in overhead, but perhaps not any reduction in production, and acreage is moved each year from my bill section to the Mississippi Delta and even more from the Delta to other States.

Mr. HORAN. That is very true.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Iowa.

Mr. HOEVEN. First of all, I want to commend the gentleman for a very splendid and factual presentation of the world's agricultural situation. In view of the fact that the gentleman is a member of the Agriculture Appropriations Subcommittee, I do hope that his subcommittee will carefully review the present status of our agricultural attachés. They were set up by the Congress to be salesmen for American agriculture commodities in foreign countries. That certainly was the intent of the Congress. It was my privilege last November to travel with the Subcommittee on Foreign Operations of the Committee on Agriculture in South America, where we conferred with all of the agricultural ministers and all of our agricultural attachés in the respective countries we visited.

Although the agricultural attachés in their new assignments have not been functioning very long, it is my impression that they are doing a pretty good job. I am not quite sure, however that these attachés are free agents as the Congress intended them to be; I am afraid that in many instances, they are still under the domination of the State Department.

I think we should insist that they be the agents of the Department of Agriculture whose job it is to sell American surplus commodities and to find markets for American farm products in general.

Mr. HORAN. May I reply to that? I think the gentleman will be happy to read our hearings, because, without exception, the members of our subcommittee on both sides of the aisle express that same fear. We inquired as to their office space, their subsistence allowances, and so forth. And we particularly made this point, that they are there to serve the American farmer. There may come a time when they have to stand on their own two feet in that embassy in order to do that. We want them to carry dignity at all times, but we want to be sure that they are not treated as second-class citizens in any of our embassies in the world.

This is my view of an embassy—and I may be wrong—that it should reflect the Cabinet of the United States. Certainly the Ambassador is the top man. Someone should be boss and represent the President. Certainly the attachés should represent the various departments of our American Government which has rightful business abroad. They should be attached from the Department of Agriculture, or the Department of Commerce, or what have you, to the embassy. They should be under the command of the Ambassador who represents, and is appointed by the President. But other than that they should be able to stand on their own two feet and defend the cause and the purpose of the Department from which they came.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield further?

Mr. HORAN. I yield to the gentleman.

Mr. HOEVEN. Just where would the gentleman draw the line? An agricultural attaché, the gentleman says, is under the supervision of the Ambassador who represents the State Department; and that is true. But is the agricultural attaché required to do everything in conformity with the program of the State Department? If so, he cannot possibly be the free agent the Congress intended him to be.

Mr. HORAN. No; to me it means that the door of the Ambassador's office is always open to the representative of, in this case, Mr. Benson, the Secretary of the Department of Agriculture. If something arises that needs solution it is up to the Secretary of Agriculture to work it out here at our home base.

Mr. HOEVEN. The only point I want to make is that the intent of Congress should be carried out.

Mr. HORAN. That is right.

Mr. HOEVEN. And the committees of Congress should see to it that such intent is carried out.

Mr. HORAN. I think the gentleman and I are agreed upon this.

Mr. HORAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a study of the International Wheat Agreement prepared by Dr. John Kerr Rose, of the Legislative Reference Service, and also to include certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ELECTRIC POWER FOR CAPITOL HILL

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 15 minutes.

Mr. BAILEY. Mr. Speaker, following the introduction of H. R. 9076 by the distinguished gentleman from New York [Mr. COLE] on Monday of this week, two Washington newspapers gave front-page attention to the proposal. For the record, I believe that a few facts about the potential cost factor involved should be made clear at this time.

H. R. 9076 bears the title: "A bill authorizing surveys and studies bearing upon the possible use of atomic energy for utilities service requirements of buildings and grounds under the Architect of the Capitol, and for other purposes."

I want it understood, Mr. Speaker, that I am not presuming to oppose the bill at this time. It has been referred to the

Joint Committee on Atomic Energy and will not necessarily go very far under its own power. I merely wish to correct some of the implications which the proposal has produced. Most readers of the Evening Star and the Washington Post and Times Herald quite likely were impressed with the possibility of setting up an atomic power plant in Washington—at least H. R. 9076 was given such prominent space that an uninformed person would assume that there is apparently some practical basis for suggesting such a project.

In my mind there are two ways of looking at this proposal. First, I question whether Members of Congress are deserving of an electrical service that would cost the taxpayers anywhere from eight times to infinity the price we are now paying for electricity.

On the other hand, is there any reason why Members of Congress and the citizens of Washington should be subjected to the risk involved in setting up an atomic reactor in this area? Of course, I realize that the matter of where the powerplant would be established is something that the proposed survey would eventually determine; but the fact remains that if the plant site is sufficiently distant from the Nation's Capitol to protect us from the fallout that would occur in the event of an accident, then you are going to have your plant so far from Capitol Hill that the whole intent of the project will be dissipated.

To me H. R. 9076, regardless of whether Congress or even the Joint Committee takes any action on it, provides encouragement and ammunition for the Atomic Energy Commission to continue to shoot the works with taxpayers' money in an attempt to develop a source of energy which is not now needed and which may become obsolete before conventional sources of power are exhausted. At the present time the Potomac Electric Power Co. is generating electricity through coal-fired boilers. The cost per kilowatt-hour is 6 mills.

Is anyone so unconcerned about the Federal budget as to recommend that the Capitol buildings convert to an electricity that is going to cost at least 52 mills per kilowatt-hour? I use this figure because a spokesman for the Atomic Energy Commission recently admitted that it is the expected cost of the power that will be generated at the atomic plant in Shippingport, Pa., where the Government has gone to great expense to set up a demonstration reactor. Actually no one knows how great an amount will ultimately be shown on the price tag.

The submarine *Nautilus* is testimony that our scientists and engineers are able to harness the power of the atom for perhaps any job they may wish to assign it. Congress has provided the funds for the development of this and other atomic-powered vessels, and we will not be reluctant to make whatever other appropriations are necessary in the defense of our country. But the *Nautilus* also makes it possible for us to realize what vast expenditures are necessary for the construction and operation of atom powerplants, and from this project Congress should take a lesson so that we will not go overboard on the uneconomic application of fissionable materials.

On page 241 of the Background Material for the Report of the Panel on the Impact of the Peaceful Uses of Atomic Energy, there is shown these questions which were submitted by the panel and answered by Rear Admiral Rickover:

Question A. What would be the cost per shaft horsepower for a nuclear-propelled vessel as compared with one propelled by conventional power? (Both capital cost and operating cost?)

1. Capital costs: A replacement *Nautilus* powerplant will cost about $18 million. The cost of an oil-fired plant of equivalent horsepower is about $2,500,000. Therefore, the capital cost of the only presently operating shipboard nuclear-propulsion plant is about seven times the cost of an oil-fired plant of equivalent horsepower.

The machinery plant cost of a conventional ship varies, depending on the type of ship, between 15 and 30 percent of the total ship cost. Multiplying the cost of the powerplant of a given vessel by 7 would increase the vessel cost by a factor of 2 to 3.

2. Operating costs (exclusive of fuel costs): The complexity of a nuclear powerplant requires more and better trained personnel for operation, maintenance, and repair than a conventional plant. It is conservatively estimated that the total wages for engineering personnel and the cost of repair and maintenance would increase by a factor of two.

Question B. What would be the fuel cost for a nuclear-propelled commercial vessel compared with one propelled by conventional power, assuming vessels of equal cargo-carrying capacity and similar types of cargo and travel at similar speeds?

The fissionable material consumed by the nuclear plant represents but a small part of the nuclear fuel cost. When fabrication, reprocessing, and handling are included, nuclear fuel cost increases many times. The fuel cost computed in this manner for the *Nautilus* is about 50 times the cost of fuel oil for equal shaft power generation. Technology, not yet proven, is expected to lower nuclear fuel cost for reactors of this type to 15 or 20 times fuel oil cost within 5 years. Because of the extreme care in fabrication, and the special materials required to insure that radioactive fission products do not escape from the nuclear fuel elements, it is unlikely that nuclear fuel cost will compete with that of fuel oil for many years. Even if the nuclear core were supplied at no cost, it would still cost more to operate the ship than with conventional fuel.

Question C. Are there any types of ships essentially uneconomic for conventional propulsion which nuclear propulsion might put into competitive commercial trade?

Since a nuclear powerplant will increase operating and capital costs, it does not seem possible that nuclear power will place into competitive commercial trade any type ship which is uneconomic for conventional propulsion.

To get back to the atomic energy service for Capitol Hill, I think it important that we have a general understanding about the availability of coal supplies for the Potomac Electric Power Co. Once this picture is firmly established, Congress is not going to be impressed by any talk about the need for expediting development of commercial atomic-power plants.

Where Pepco obtains its coal may vary from time to time, but ordinarily it would move in from West Virginia, Virginia, and Pennsylvania. The recoverable reserves of bituminous coal in West Virginia and in excess of 50 billion tons. Pennsylvania has approximately 30 billion tons of minable reserves, and Virginia more than 10 million tons. Add to these the 3¾ billion tons of minable coal in Maryland—most of whose mines are currently inactive because they were put out of business largely through forced competition with residual oil imports—and you will find that these four States contain enough minable coal to last for more than three centuries at current rates of production. Under the circumstances, is there any justification for an attempt to rush, at the taxpayers' expense, the development of a new fuel to replace this source which has served so economically over the years? If the proposal to supply Capitol Hill with atomic-generated electricity ever becomes law, I do not know whether the plan would be extended to other Government buildings; I do know that Congress should make certain that there is adequate power to run the money presses night and day at the Bureau of Engraving and Printing if we are going to pay for such an expensive service.

What happens to H. R. 9076 is of no concern at this time; what should be prevented is its use as a springboard for advocates of excessive waste of public funds in atomic power experimentation.

RECOMMENDATIONS FOR AMENDMENT IN OUR IMMIGRATION LAWS

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. KEATING] is recognized for 15 minutes.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include an analysis of certain legislation.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, my purpose in asking for time to address the House is to discuss briefly four bills—H. R. 9180, H. R. 9181, H. R. 9182, and H. R. 9183—introduced yesterday to carry out President Eisenhower's recommendations for amendment in our immigration laws.

At this juncture of world affairs, when the people of this Nation should be firmly united, we are assailed from time to time by demagoguery and impassioned heroics on public platforms and in the press that would seek to divide us and set one race, or sect, or creed against the other. And one of the most often used sounding boards for charges of prejudice and bigotry, either rightly or wrongly, has been the immigration system of the United States. Of course, I do not question the motives, patriotism, or sincerity of any single one of my colleagues in this body. I refer merely to the known fact that frequently their remarks are seized upon by dangerous and subversive elements here and abroad and twisted about for their nefarious purposes.

The public interest, Mr. Speaker, or if you will, the enlightened self-interest of this great Nation, demands that we

throw the lie in the teeth of those elements. We must demonstrate the ever-present willingness of the United States to eliminate from our laws any possible grounds for charges of discrimination and unfairness as soon as the circumstances so require. This country has arrived at that point in our national development where reconsideration of the immigration laws has become a necessity. This is not in derogation of the attitude or work of those Members of this body which resulted in the enactment in 1952 of the present immigration code. On the contrary, Mr. Speaker, I say that the time has come for progress or else this country will be left behind in the present world conflict, cold though it may be.

The President of the United States has recommended changes in the immigration and naturalization laws, and, believing they are worthy of our immediate study in detail, I have introduced four separate bills with the request that each be considered on its individual merits.

The first bill would revise the present basic quota system. The total amount of the quota would be increased from 154,657 to 219,461 by use of a formula of one-seventh of 1 percent of the total population of the United States according to the 1950 census. The so-called minimum quota areas would have their quotas increased from 100 to 200, and it is proposed that subquotas of colonies shall be increased from a maximum of 100 to 200. Each quota area would first receive its present quota. The increment resulting from use of the 1950 census as a basis for computation would be distributed among the various quota areas, in proportion to the amount of immigration therefrom during the 30 years between 1924 to 1955. Five thousand numbers would be reserved, however, for assignment to skilled specialists whose services are needed in the United States without regard to their national origin or country of birth.

Mr. Speaker, this system constitutes a departure from the national-origins system because distribution of the increase in the quota is weighted by the fact that during that 30-year period there was much immigration wholly unrelated to national origins or the national-origins system, such as the great numbers of nonquota immigrants, and aliens who came here under the Displaced Persons Act of 1948 and the Refugee Relief Act of 1953.

Under the present law unused quota numbers, and I understand that perhaps as many as one-third are unused, are completely wiped out. This unfortunate result would be eliminated by this bill, which would permit the assignment of unused quota numbers annually to four regional quota pools, Europe, Asia, Africa, and Oceania. Regardless of the particular country of birth within the region, eligible aliens would be able to receive these quota numbers, but only if they are of the classes entitled to a preference status under the law by reason of their skills, or close relationship to citizens or resident aliens.

One important feature of this bill is the elimination of the so-called mortgage upon the several quotas resulting from the Displaced Persons Act and some special "sheepherder" laws.

I concur in the view of the President that computation and distribution of quota numbers, generally, is a matter for the legislature—in accordance with the provisions of this bill—and not the province of an administrative commission or body.

The second bill, Mr. Speaker, is designed to eradicate the burdens placed upon the members of the Committee of the Judiciary, all the other Members of this body, and the President of the United States, resulting from the introduction and necessary consideration of overwhelming numbers of private relief immigration bills. That subject now approaches a national calamity, disguised though it may be, because of the time and energy it robs, when we and the President should be devoting our attention to other, more pressing matters of national importance. Adjustment of the immigration status of aliens, and the granting of exceptions from the ordinary standards laid down in the immigration laws should be a function of an administrative officer except in the most unusual circumstances. This bill proposes to vest the Attorney General with discretionary authority to admit to the United States, upon recommendation by the State Department, regardless of the grounds of excludability—other than subversive grounds—United States soldiers or war veterans, religious functionaries, or aliens having close citizen relatives. Similarly, he would have power to adjust the status of aliens already here if they are within the same categories. The total ceiling would be 5,000 per annum of cases which could be disposed of in this manner.

The third bill, Mr. Speaker, makes a number of technical changes, in addition to substantive revisions, which I believe are of great benefit not only to aliens but also to the national welfare. Among those, this bill would permit the Attorney General and the Secretary of State to waive the requirement of fingerprinting for nonimmigrant aliens. Transit through the United States of aliens from one foreign country to another would be facilitated, with proper safeguards permitted to be established by the Attorney General. Changes would be made in respect to the procedure for exclusion hearings and for the institution of deportation proceedings. The Attorney General would be vested with authority to relieve from deportation certain worthy refugees in this country who, to avoid forcible repatriation behind the Iron Curtain, misrepresented their identities and nationalities when applying for visas under the Displaced Persons Act.

A discriminatory provision in the law relating to the immigration of Asian spouses under the quota of an accompanying non-Asian spouse would be deleted. Special naturalization benefits would be provided for soldiers and veterans of our Armed Forces; extension of reentry permits would be authorized for close relatives of our soldiers abroad. Expeditious naturalization would be provided for adopted children of soldiers and other American citizens required to go abroad in the performance of their duties.

Certain illegitimate and adopted children would be granted an immigration status under the law, an additional measuse to prevent the separation of families. The requirement would be eliminated that an alien specify his race and ethnic classification in his visa application, and two technical and unnecessary grounds for exclusion from the United States would be eliminated. Deportation provisions relating to narcotic-law violators would be strengthened by this bill to remove any possible doubt as to their deportability, and provisions relating to exclusion of aliens convicted of minor offenses would be clarified. An important change would be made in the distribution of the quota by giving the fourth preference category a known percentage, that is 10 percent, of the total quota instead of the unknown number called for by the present law.

It is intended that these proposals, so briefly summarized, and the others contained in this bill should benefit the country as a whole. They would improve administration of the law and serve greatly to alleviate some of the more stringent requirements of the existing law. At the conclusion of these remarks I shall insert a more detailed description of the provisions of this bill.

While we are properly concerned with the interests of the alien, our primary duty is, of course, to the United States itself. One of the greatest problems that has faced this country is the matter of abuse of the judicial process, not only with respect to the multiplicity of reviews of criminal convictions, but also the use of judicial proceedings by deportable aliens for the purpose of delaying or defeating the proper application to them of the laws. Let it not be thought that I would advocate any measure which would deny to any person access to our courts. On the contrary, I heartily support the proposition that persons affected by administrative decisions under the immigration laws should have access to judicial review. But somewhere that review must come to an end. Somewhere the Government must be able to find itself in a position to enforce the law if right and justice so require.

Whereas, under ancient practice, habeas corpus was the sole means for review of deportation orders, aliens now have access to various forms of court proceedings. Deportation may be delayed for years while the alien racketeer sojourns peacefully among us, pending the outcome of judicial procedings instituted for no other purpose than to protract his stay.

This bill would establish a single uniform method of judicial review of deportation orders. The procedure would be expeditious and convenient for the alien as well as for the Government. Frivolous and repititious court actions would be eliminated to the fullest extent. Review of an exclusion order would be restricted to habeas corpus, a procedure which has traditionally been found entirely satisfactory. I hope that this bill

will be enacted so that the judicial process will no longer be available as a weapon to defeat the will of Congress as expressed in the immigration laws.

The President of the United States has on several occasions requested consideration and revision of the immigration laws. I am of the view that the welfare of this country demands that we answer his requests with the enactment of appropriate legislation along the lines he has recommended.

EXPLORATORY STATEMENT RELATING TO H. R. 9181 TO AMEND THE IMMIGRATION AND NATIONALITY ACT, AND FOR OTHER PURPOSES

A discussion of each of the provisions of this bill recommending changes to be made in the Immigration and Nationality Act of 1952, is set forth below.

SECTION 1

Existing law requires that certain aliens who have been excluded or deported from the United States may not reapply for admission unless the Attorney General first grants permission to do so. This is an unnecessary and expensive complication in our immigration procedures and should be eliminated since there are now ample safeguards in the law against the readmission of unqualified aliens. Particularly is this true when consideration is given to the documentary requirements in the statute which contemplate a preliminary screening by a consular officer before the alien receives a travel document. Allied provisions in the statute require prosecution of aliens who have returned to this country without having obtained the necessary permission from the Attorney General. Section 1 of the proposal would provide for repeal of these requirements.

SECTION 2

The act contains provisions permitting the Attorney General and the Secretary of State to waive the requirement of travel documents in certain instances on behalf of nonimmigrant aliens. The exercise of this power in individual emergency cases is now limited to those which are "unforeseen." The quoted word is unnecessarily restrictive and should be eliminated. The provisions of section 2 of the proposal would effect this desirable change.

SECTION 3

Aliens coming to the mainland from Alaska and Hawaii are presently required to undergo the same inspection and are subject to the same grounds of exclusion applicable generally to aliens coming from foreign countries. Inasmuch as aliens entering Alaska and Hawaii from foreign countries are subject to all of the provisions of the Immigration and Nationality Act, this requirement is believed to be unnecessary. Moreover, it causes added expense to the Government and occasions delay and inconvenience in travel. The necessary amendment is provided in section 3 of the bill.

SECTION 4

The law now requires that all aliens applying for visas must be fingerprinted, and that every alien admitted without a visa who is here for 30 days or more must be fingerprinted. This requirement is regarded as objectionable by many persons abroad, and is an obstacle to travel and the free exchange of ideas and cultures. Moreover, experience has not shown that insofar as temporary visitors are concerned fingerprinting has contributed materially to the national safety and security. Accordingly, authority should be given to the Secretary of State to promulgate regulations waiving fingerprinting of nonimmigrant aliens applying for visas. Similar authority should be conferred upon the Attorney General to prescribe rules waiving fingerprinting of nonimmigrant aliens already in the United States. Section 4 of the proposal would accomplish these purposes.

SECTION 5

In prescribing the procedures for the conduct of hearings before special inquiry officers of the Immigration and Naturalization Service, to determine eligibility of persons to enter the United States—so-called exclusion hearings—existing law provides that such hearings shall be conducted by a special inquiry officer. The law does not specifically provide for the assignment of an additional officer to present evidence at such hearings. In regard to deportation proceedings the existing statute provides for the assignment of an additional officer to present the Government's case. In order to remove any doubt as to the authority of the Attorney General to assign an additional officer to perform the prosecutive functions in exclusion cases, in his discretion, where he deems such procedure to be desirable in particular cases, express statutory authority should be provided. Section 5 of the proposal would remove any doubt as to the authority of the Attorney General to make such assignments of examining officers in exclusion cases.

SECTION 6

There has been a tremendous increase in air and surface travel throughout the world and many aliens traveling from one foreign country to another find it necessary to pass through the United States. Under contracts authorized to be entered into between the Attorney General and operators of transportation lines such aliens may be exempted from certain documentary requirements of the Immigration and Nationality Act. However, they must undergo the examination and inspection required of aliens generally, resulting in some instances in their exclusion or deportation. The enforcement of this requirement has resulted in severe hardship as well as loss of good will and unnecessary expense to both the Government and the operators of transportation lines where the aliens would otherwise pass through this country in direct transit. To alleviate this unfortunate situation authority should be vested in the Attorney General to dispense in his discretion with this requirement in individual cases. Section 6 of the proposal would accomplish this purpose. The guaranties entered into by the Attorney General with the aliens and the operators of transportation lines, it is believed, would provide ample safeguards.

SECTION 7

This section would amend section 241 (a) (1) of the act so as to authorize the Attorney General, in his discretion, to grant relief from deportation to certain refugees admitted under the Displaced Persons Act of 1948. Section 241 (a) of the act makes mandatory the deportation of persons who gained admission by means of fraudulently obtained visas. There is a substantial number of refugees in the country who obtained visas by using false identities in order to avoid being forcibly repatriated behind the Iron Curtain. Under the present law their deportation is mandatory, and this section would authorize the Attorney General to grant relief to the alien if the misrepresentation was made to avoid repatriation to his homeland where he would be persecuted and not for the purpose either of evading the quota restrictions or preventing the investigation of his background.

SECTION 8

This section would provide that deportation proceedings may be instituted otherwise than by a warrant of arrest. Under a practice of long standing, deportation proceedings have been instituted by a physical arrest of the respondent. Such action has been regarded on occasions as being unduly harsh, particularly when the alien is a child of tender years, or is of advanced age, or for some other reason is not likely to abscond. Although section 242 (b) of the present law prescribes the deportation hearing procedure, it does not specify the manner in which such proceedings must be initiated. The Department of Justice has recently adopted the practice of commencing a deportation proceeding with an order to show cause, reserving a physical arrest for those cases in which custoday and detention of the alien is regarded as necessary in the public interest or safety. While this procedure is regarded as being entirely within the contemplation of the law, enactment of this section would afford an unmistakable statutory sanction for this less drastic procedure.

SECTION 9

This section would amend section 245 of the act, which authorized administrative adjustment of the status of certain nonimmigrants. Among those who may thus be granted permanent residence under existing law are those aliens who marry United States citizens. The law, however, forbids the granting of permanent residence if the alien has been in the United States less than 1 year before the marriage. This situation has resulted in the disruption of families and adds unnecessary expense to aliens who are forced to go abroad to obtain a nonquota visa, without compensating benefits. This section of the bill would, therefore, eliminate the requirement of 1 year's presence in the United States before marriage.

SECTION 10

This section would liberalize those provisions of existing law granting special naturalization benefits to alien members of the Armed Forces and to certain alien veterans, and would con-

solidate and codify a number of related statutes. Existing law grants special benefits in this regard to aliens who have completed at least 3 years' peacetime honorable service in the United States Armed Forces. The advantages of the law, however, are available only to those who were lawfully admitted to the United States for permanent residence. These requirements have the effect of denying benefits to many worthy soldiers who, because of oversubscribed quotas, or other reasons, are unable to obtain an immigration visa, and to those who, because of service-connected disabilities, have been honorably discharged before completing the required 3 years' service. The proposed amendment would eliminate the requirement of lawful admission for permanent residence and would extend the benefits to those who were prevented from completing the necessary 3 years' service because of disabilities received while serving. In recent years the Congress has enacted a number of statutes providing special naturalization benefits for members of the Armed Forces. Separate statutes were enacted extending these special benefits to persons who served honorably in the Armed Forces during the Spanish-American War, during World War I, during World War II, and during the Korean conflict. This section would consolidate these separately enacted statutes and would make uniform the conditions for naturalization although based upon service during different conflicts in which the United States may have been involved. Proper safeguards are contained in the proposal to limit the advantages of this new legislation to those who served in an active duty status, and were honorably discharged.

SECTION 11

Section 241 (a) (11) of the act provides for the deportation of alien violators of the narcotic laws. This vital provision is needed to rid the country of a thoroughly undesirable group of aliens. It has become apparent that the act should be amended to eliminate some of the obstacles which have been encountered in the enforcement and application of the law. For example, while the act now provides for deportation of aliens who have been convicted of engaging in illicit traffic in narcotic drugs, and so forth, it does not call for the expulsion of an alien convicted of possession, in the absence of an allegation in the record of conviction itself that such possession was for one of the illegal purposes specified. Moreover, although the act provides for deportation of an alien convicted under any law relating to illicit traffic in drugs, and so forth, it does not specify that an alien convicted only of conspiracy to violate a narcotics law shall be deported. This section of the proposed legislation will appropriately amend section 241 (a) (11) of the act so as to accomplish these desirable changes.

SECTION 12

Section 241 (b) of the act provides that an alien convicted of a crime involving moral turpitude shall not be deportable if the sentencing judge has made a recommendation against deportation. The section has been interpreted as preventing the deportation of an alien convicted of unlawful trade in narcotics. This section of the proposal would make it clear that section 241 (b) does not apply to an alien convicted as a drug law violator and whose deportation is sought because of the drug law violation.

SECTION 13

Section 101 (b) of the act defines the term "child" as used in titles I and II. This section of the proposal would amend the definition by adding two further categories of children. The first would clarify the law so that the illegitimate child would, in relation to his mother, enjoy the same status under immigration laws as a legitimate child. It is believed that the drafters of this provision of the act did not intend to deprive an illegitimate child of the status he enjoyed under earlier law, but it appears that the language contained in section 101 (b) requires the interpretation that an illegitimate child may not be considered the child of his mother.

The second change would extend the definition of "child" to adopted children under limited circumstances. An adopted child may not be given the status of child under the immigration laws. This has led to hardship in many cases, particularly where a child was adopted at a young age, long before his adoptive parents contemplated emigration to the United States. If in such cases the child is born in a country with a heavily oversubscribed quota, he cannot accompany his adoptive parents to the United States since he cannot derive quota chargeability from his parents. It is therefore desirable that consideration be given to an amendment whereby a child adopted while under the age of 12, and who has lived with his adoptive parents for at least 2 years prior to the visa application may be considered a child under the immigration laws. A proposal of this type would prevent abuse through ad hoc adoptions made only for the purpose of circumventing the immigration laws.

SECTION 14

Section 202 of the act deals with the determination of quotas to which immigrants shall be chargeable. This section would revise section 202 so as to grant to an Asian spouse the benefit of the quota of an accompanying spouse, and permit the Asian spouse of a native of a Western Hemisphere country to be classified as a nonquota immigrant if accompanying, or following to join, such spouse.

SECTION 15

Section 203 of the act establishes the bases upon which immigration visas shall be allocated within the quotas. Subsection (a) (1) (B) prescribes a first preference status for spouses or children accompanying principal aliens who come within the category covered by subsection (a) (1) (A). This section of the proposed legislation would accord such preference status also to spouses and children following to join such aliens. In addition, the quota allocations would be revised by giving the fourth preference category, that is, brothers, sisters, sons, and daughters of citizens, a fixed 10 percent of the quota, in lieu of the present percentage of an undetermined left-over amount of quota numbers which the present statute permits. This change is regarded as desirable to make this preference a reality. Section 203 (a) (2) of the act provides that parents of an American citizen are entitled to second preference quota status only if the petitioning citizen is at least 21 years of age. Subsection (a) (4), which affords fourth preference status to brothers, sisters, sons, and daughters of citizens, does not limit that preference status to such kin of citizens who are at least 21 years of age. This section would amend section 203 (a) (4) so as to limit its operation to those cases in which the petitioning citizen is likewise at least 21 years of age. It would also amend the section so as to accord the same preference quota status to the spouse and child of such a brother, sister, son, or daughter of a citizen, if such spouse or child is accompanying or following to join the relative.

SECTION 16

The present act permits the Secretary of State to determine the amount of nonimmigrant visa fees on the basis of reciprocity. This section of the legislation would vest the Secretary with a desirable discretion to deviate from this rule when politically or otherwise necessary in the national interest. It would also clarify the present statute with respect to the manner of computing the amount of such visa fees.

SECTION 17

Section 212 (a) (9) of the act specifies the classes of aliens who shall be excluded from the United States because of criminal involvement. This section would amend section 212 (a) (9) so as to clarify and incorporate within the basic act the pertinent provisions of section 4 of Public Law 770, 83d Congress (68 Stat. 1145), which in effect, but not in form, modified section 212 (a) (9) of the Immigration and Nationality Act with respect to aliens who have been convicted of or have admitted the commission of petty offenses.

SECTION 18

Section 221 (f) of the act provides in part that an alien crewman may be admitted to the United States if his name appears on a crew list visaed by a consular officer, "until such time as it becomes practicable to issue individual documents." The quoted requirement for individual documents has proved to be most difficult of achievement and unduly burdensome. This section would delete the quoted matter, thus eliminating the requirement that all alien crewmen eventually must be in possession of individual visas.

SECTION 19

Section 222 of the act prescribes the contents of a visa application. Subsection (a) deals with applications for immigrant visas and subsection (c) deals with nonimmigrant visas. Both require information as to race and ethnic classification. This section would elimnate this requirement since the terms are not susceptible of definition and have served no useful purpose in the administration of the Immigration and Nationality Act.

SECTIONS 20 AND 21

Section 352 of the act sets forth circumstances under which naturalized citizens shall lose their citizenship by virtue of residence abroad. Sections 353 and 354 enumerate categories of persons to which section 352 shall not apply. Sections 20 and 21, respectively, of the accompanying proposal, would extend to veterans of World War I and II, and their spouses, children, and dependent parents, broader foreign residence privileges. The amendments would extend, first, to veterans of World War II, retroactively, the provisions of section 406 (h) of the 1940 act; and, second, restore to veterans of World War I that part of the provisions of section 406 (h) of the 1940 act which permitted World War I veterans to reside in the country of nativity or former nationality. The proviso to the proposed amendment contained in section 20 is designed to make clear what is thought to be the intent of Congress that the spouse, children, and dependent parents of such a veteran shall enjoy the same foreign residence privileges as does the veteran.

SECTION 22

Section 223 of the act relates to reentry permits. Subsection (b) authorizes the Attorney General to issue reentry permits under certain circumstances. However, such permits shall be valid for not more than 1 year from the date of issuance and may be extended for periods aggregating not more than 1 year. This has resulted in hardships to certain alien spouses and children of servicemen stationed abroad for extended tours of duty. This section would add a proviso to the subsection to provide that "the Attorney General may in his discretion extend the validity of the permit of a spouse or child of a member of the Armed Forces of the United States stationed abroad pursuant to official orders for such period or periods as the Attorney General shall deem appropriate."

SECTION 23

Section 323 of the act, relating to the naturalization of children adopted by citizens of the United States, would be amended by this section so as to authorize the naturalization of children adopted by United States citizens in those cases in which the parent is stationed abroad in the Armed Forces or in the employment of the United States Government, or of an American firm or international organization when it is intended that the child reside abroad with the parent until the parent's employment is terminated. The new provision would confer benefits upon adopted children similar to those conferred upon spouses of citizens under the provisions of section 319 (b) of the act. Specifically, the present requirements for residence and physical presence in the United States by the child before he may be naturalized would be waived. This amendment is regarded as necessary to avoid separation of families.

Mr. HESELTON. Mr. Speaker, will the gentleman yileld?

Mr. KEATING. I yield.

Mr. HESELTON. I have been greatly interested in the gentleman's outline of the purposes and objectives of the bills he has introduced. It is my understanding that the bills are intended to carry out the excellent recommendations submitted by the President in his recent special message. Am I correct in that understanding?

Mr. KEATING. That is correct.

Mr. HESELTON. Am I also correct in understanding that in the gentleman's opinion the bills as he has drafted them, not only protect fully the interests of this country but also the interests of those people who seek to come to this country and who would become fine citizens?

Mr. KEATING. I believe the legislation which I have introduced is in conformity with the President's recommendations, and that the enactment of those measures would result in bringing to this country people who would make fine American citizens, and exclude from this country those who would not, and assist in the deportation from this country of those undesirable aliens, few in number, but who have caused such great difficulty here, and who have not lived up to the high standards that our country sets for citizenship, and would therefore bring about a more effective balance in our immigration laws and, perhaps as important as anything else, would improve our international relations with other countries in convincing them that we practice sincerely those principles which we proclaim so loudly.

Mr. HESELTON. I congratulate the gentleman sincerely for his efforts. He deserves the support of all of us who are interested in those principles.

Mr. KEATING. I thank the gentleman.

Mr. LANE. Will the gentleman yield?

Mr. KEATING. I yield.

Mr. LANE. I would like to rise at this time to congratulate and compliment the gentleman from New York on his very able statement that he has delivered to the House. I say that as a member of the Committee on the Judiciary of this House I know that this subject matter is one that is close to the gentleman's heart. During his service on that committee the gentleman has taken a very active, sincere, and conscientious interest in all of the immigration bills that have come before us. I want to join with him in support of these measures which he has offered to the Congress, following the message of the President of the United States. Especially am I interested, as he is, in the quota system which has been in effect now since 1920. Both of us feel I am sure that at this particular time, 1956, Congress should take another look at the system due to the fact that times have changed over the years and some change in the present law is mandatory.

I want to close by stating again that I know my colleague from New York is most sincere in this matter and he may depend on my support along these lines.

Mr. KEATING. I certainly appreciate the remarks of the gentleman from Massachusetts and I know in service on the committee how helpful he has been in trying to improve our immigration laws, as he has in all respects in his work on our committee. I am sincerely grateful to him for his kind remarks.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 20 minutes, on Thursday, February 23.

Mr. HOFFMAN of Michigan, for 15 minutes, on Friday, February 10.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BOGGS and to include extraneous matter.

Mr. MACHROWICZ.

Mr. ROOSEVELT and include certain tables.

Mr. PELLY.

Mr. COLMER (at the request of Mr. ALBERT) and include extraneous matter.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6043. An act to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy;

H. R. 6790. An act for the relief of Anna K. McQuilkin;

H. R. 6857. An act to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.; and

H. R. 7156. An act to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Fla.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Friday, February 10, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1502. A letter from the Deputy Secretary of Defense, relative to 34 reports from the Departments of the Army, Navy, and Air Force covering 61 violations of section 3679, Revised Statutes, and Department of Defense Directive 7200.1 "Administrative Control of Appropriations Within the Department of Defense," pursuant to section 3679 (1) (2), Revised Statutes; to the Committee on Appropriations.

1503. A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation entitled "A bill to amend the Armed Forces Leave Act of 1946 by authorizing payments to survivors of former members for unused leave credit"; to the Committee on Armed Services.

1504. A letter from the Acting Attorney General, transmitting a draft of proposed legislation entitled "A bill to authorize the

admission to the United States of certain aliens, and for other purposes"; to the Committee on the Judiciary.

1505. A letter from the Acting Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend the Immigration and Nationality Act, and for other purposes"; to the Committee on the Judiciary.

1506. A letter from the Acting Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes"; to the Committee on the Judiciary.

1507. A letter from the Acting Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

1508. A letter from the Chairman, District of Columbia Armory Board, transmitting the Eighth Annual Report of the District of Columbia Armory Board, including the financial statement for the fiscal year ending June 30, 1955, pursuant to Public Law 605, 80th Congress; to the Committee on the District of Columbia.

1509. A letter from the Chairman, Federal Communications Commission, transmitting a report on backlog of pending applications and hearing cases in the Federal Communications Commission as of December 31, 1955, pursuant to section 5 (e) of the Communications Act as amended July 16, 1952, by Public Law 554; to the Committee on Interstate and Foreign Commerce.

1510. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 15, 1955, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Irondequoit Bay, N. Y., authorized by the River and Harbor Act approved July 24, 1946 (H. Doc. No. 332); to the Committee on Public Works and ordered to be printed with one illustration.

1511. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated September 19, 1955, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of harbor at Betterton, Kent County, Md., authorized by the River and Harbor Act approved July 24, 1946 (H. Doc. No. 333); to the Committee on Public Works and ordered to be printed with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 101. A bill relating to the administration by the Secretary of the Interior of section 9, subsections (d) and (e), of the Reclamation Project Act of 1939; with amendment (Rept. No. 1754). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Missouri: Committee on House Administration. House Joint Resolution 526. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical and mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, to remove officers and committees from certain limitations, and for other purposes; without amendment (Rept. No. 1755). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. S. 101. An act for the relief of Fernanda Milani; with amendment (Rept. No. 1756). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 117. An act for the relief of Ana P. Costes; with amendment (Rept. No. 1757). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 1212. An act for the relief of Dr. Lincoln Roy Manson-Hing; with amendment (Rept. No. 1758). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 396. An act for the relief of Theresa Pok Lim Kim; with amendment (Rept. No. 1759). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H. R. 9203. A bill to provide that the Secretary of the Navy shall select a site to which the naval magazine at Port Chicago, Calif., may be moved and report to the Congress thereon, and to suspend the acquisition of land in the vicinity of such naval magazine pending the making of such report; to the Committee on Armed Services.

By Mr. CLARK:

H. R. 9204. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIS of Georgia:

H. R. 9205. A bill to authorize the Secretary of the Army to furnish memorial markers commemorating certain deceased members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

H. R. 9206. A bill to readjust postal classification on certain educational and cultural materials; to the Committee on Post Office and Civil Service.

By Mr. HALEY:

H. R. 9207. A bill to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands; to the Committee on Interior and Insular Affairs.

By Mr. HUDDLESTON:

H. R. 9208. A bill to amend the Federal Employees' Group Life Insurance Act of 1954 to authorize the optional purchase of additional amounts of group life and accidental death and dismemberment insurance by individual employees in certain cases; to the Committee on Post Office and Civil Service.

By Mr. JUDD:

H. R. 9209. A bill to provide domestic and community sanitation facilities and services for Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEOGH:

H. R. 9210. A bill to remove inequities by imposing limitations on the period during which the United States may retain, without the payment of interest, overpayments under section 722 for taxable years beginning prior to January 1, 1942; to the Committee on Ways and Means.

By Mr. LOVRE:

H. R. 9211. A bill to preserve the wheat acreage history of farms voluntarily underplanting their allotments; to the Committee on Agriculture.

By Mr. MACK of Illinois:

H. R. 9212. A bill to amend part III of Veterans Regulation No. 1 (a) to liberalize the criteria for determining eligibility for pension payable thereunder, and to increase the amount of pension so payable to veterans who have attained the age of 60 years; to the Committee on Veterans' Affairs.

H. R. 9213. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN:

H. R. 9214. A bill to amend the District of Columbia Redevelopment Act of 1945 so as to afford certain preferences to businesses displaced by slum clearance or redevelopment and business property owners affected thereby; to the Committee on the District of Columbia.

By Mr. O'BRIEN of New York:

H. R. 9215. A bill to amend the Organic Act of the Territory of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 9216. A bill to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILBIN:

H. R. 9217. A bill to recognize the Italian-American World War Veterans of the United States, Inc., a national nonprofit, nonpolitical war veterans' organization, for the purposes of bestowing upon it certain benefits, rights, privileges, and prerogatives; to the Committee on Veterans' Affairs.

By Mr. PILCHER:

H. R. 9218. A bill to amend Public Laws 815 and 874, 81st Congress, which provide assistance to local educational agencies in areas affected by Federal activities; to the Committee on Education and Labor.

By Mr. PRESTON:

H. R. 9219. A bill to provide for the sale by the Secretary of the Army of certain real property of the United States not needed in the operation of Camp Stewart Military Reservation, Ga., to the former owners of such property; to the Committee on Armed Services.

By Mr. ROOSEVELT:

H. R. 9220. A bill to amend the act of September 1, 1954, to correct certain inequities with respect to the compensation of prevailing wage-rate employees, to provide longevity compensation for such employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SCOTT:

H. R. 9221. A bill to authorize the admission to the United States of certain aliens, and for other purposes; to the Committee on the Judiciary.

H. R. 9222. A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H. R. 9223. A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes; to the Committee on the Judiciary.

H. R. 9224. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 9225. A bill to repeal the act of August 9, 1946, providing for the preparation of a membership roll of the Indians of the Yakima Reservation; to the Committee on Interior and Insular Affairs.

By Mr. UDALL:

H. R. 9226. A bill to create a Water Conservation and Planning Service in the Department of the Interior; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG:

H. R. 9227. A bill to amend the hospital survey and construction provisions of the Public Health Service Act with respect to transfer of unused allotments; to the Committee on Interstate and Foreign Commerce.

By Mr. MURRAY of Tennessee (by request):

H. R. 9228. A bill to readjust postal rates; establish a Commission on Postal Rates; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 9229. A bill to amend sections 201 and 202 of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H. R. 9230. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. TAYLOR:

H. R. 9231. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WITHROW:

H. R. 9232. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES of Missouri:

H. J. Res. 526. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical and mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, to remove officers and committees from certain limitations, and for other purposes; to the Committee on House Administration.

By Mr. VAN ZANDT:

H. J. Res. 527. Joint resolution to authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to Gen. John J. Pershing; to the Committee on House Administration.

By Mr. MILLER of Nebraska:

H. J. Res. 528. Joint resolution to limit the spending powers of the Congress and to provide for reduction of the national debt; to the Committee on the Judiciary.

By Mr. SIKES:

H. J. Res. 529. Joint resolution to provide for the observance and celebration of the quadricentennial anniversary of the establishment of the first settlement in Florida; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. Con. Res. 213. Concurrent resolution expressing the friendship of the people of the United States for the people of Italy and expressing the hope that Italy will remain one of the free and democratic nations of the world; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States that the purpose of S. 863 is approved by the General Assembly of the State of Colorado, and urging that this legislation be passed or that similar legislation be passed, etc.; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H. R. 9233. A bill for the relief of Harry Alexander; to the Committee on the Judiciary.

By Mr. EBERHARTER:

H. R. 9234. A bill for the relief of Gus Santes, also known as August Anthony Tsantes; to the Committee on the Judiciary.

By Mr. HOLT (by request):

H. R. 9235. A bill for the relief of Bogdan Sarich; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 9236. A bill for the relief of Mrs. Toki Lewis; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 9237. A bill for the relief of Pero Corak; to the Committee on the Judiciary.

H. R. 9238. A bill for the relief of Ljubomir Barac (also known as Ljubo Barac); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

506. By Mr. SHORT: Petition of Mrs. Frances Neccum, and other citizens, of Polk County, Mo., protesting alcoholic beverage advertising on radio and television; to the Committee on Interstate and Foreign Commerce.

507. Also, petition of parishioners of the First Christian Church of Aurora, Mo., protesting the advertising of alcoholic beverages on radio and television; to the Committee on Interstate and Foreign Commerce.

508. Also, petition of parishioners of the First Baptist Church of Aurora, Mo., protesting the advertising of alcoholic beverages on radio and television; to the Committee on Interstate and Foreign Commerce.

509. Also, petition of Mrs. Anna Hall, and other citizens, of Aurora, Mo., urging support of S. 923 and H. R. 4627, prohibiting the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages; to the Committee on Interstate and Foreign Commerce.

510. Also, petition of Henry Easson, and other citizens, of Carthage, Mo., urging the adoption of H. R. 4471 as an amendment to the Social Security Act in place of the present program of old-age and survivors insurance and old-age assistance; to the Committee on Ways and Means.

511. By Mr. WAINWRIGHT: Petition of Horace J. Wells, and 72 neighbors and friends, of Riverhead, N. Y., urging the use of the powers of Congress to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages; to the Committee on Interstate and Foreign Commerce.

512. By the SPEAKER: Petition of the deputy city clerk, Elizabeth, N. J., with reference to the city council being in favor of selling war materials and supplies to Israel, etc.; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

The Anniversary of the Yalta Pact

EXTENSION OF REMARKS
OF

HON. THADDEUS M. MACHROWICZ
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1956

Mr. MACHROWICZ. Mr. Speaker, tomorrow marks the 11th anniversary of the signing of the Yalta Pact, which resulted in the enslavement of millions of people of central and eastern Europe and Asia.

Since that fateful day of February 11, 1945, Soviet Russia has grown in leaps and bounds as a menace to world peace, and in direct proportions the position of the United States has dropped as a leader of the free world.

The time has long passed for futile and partisan recriminations for our part in the Yalta agreement. The fact remains that, though we entered into the agreement with a misplaced faith in Soviet promises—promises which have been systematically violated—the results are a national disgrace and the time is long overdue for a formal recognition of that fact.

The sad fact is that, despite political recriminations and protestations of the errors of judgment of those who participated in the Yalta agreements, the bitterly criticized tactics and policies then used are still in force and effect in our State Department. We still continue to deal with Soviet Russia as an honest partner and not as an unscrupulous outlaw. And all this despite the fact that we know so much more about Soviet treachery now than we did in 1945, when the Yalta agreement was entered into.

Our position of free-world leadership can be maintained only if we adopt and adhere to a policy of firmness and of refusal to compromise on matters of principle. It was that willingness on our part to compromise on matters of moral rights that has helped the expansion of the Communist empire and is continuing to bring about a loss of our own international respect and prestige. We can regain it only by basing our foreign policy on moral principles and not on expediency. We have no moral right to build up the hopes of the capitive nations and then cruelly shatter them, by continuing to barter their lives and future for sham promises which we accept as a pure matter of expediency, and which we should know from past bitter experience, will eventually be broken again, as they always have been in the past, when it serves Soviet Communist purposes.

On this sad anniversary, let us soberly analyze our errors of the past and in the interest, not only of justice, but of our own national security, resolve to learn from past experiences, and deal with the

Communist threat to world peace in a resolute manner, with courage and moral strength, which is the only way to gain respect not only for our loyal allies in the free world, but also of the Communists themselves.

Was 1955 a Boom Year?

EXTENSION OF REMARKS
OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1956

Mr. ROOSEVELT. Mr. Speaker, I have read the economic report of the President with great interest, particularly that portion which deals with the problems of small business. As a member of the Select Committee on Small Business, I would at this time like to make the following statement concerning our general economic situation and the plight of small business during the 3 years of the present administration as revealed by the President's economic report.

WAS 1955 A BOOM YEAR?

The economic report of the President reveals that in the last 3 years our country has—

(a) Failed to maintain the rate of economic growth which took place in both war and postwar periods.

(b) Brought about a rapid inflation of prices in the big-business industries and an offsetting deflation in the more competitive segments of the economy, namely the farm and small business segments.

(c) Resulted in very little increase in productive capacity but in greatly increased corporate profits, at the expense of farmers and consumers.

(d) Resulted in the greatest increase in the Federal debt of any peacetime period in history, as well as the greatest increase in consumer debt and in the debt of State and local governments of any like period in either peace or war.

Rates of economic growth

	3 years, 1952 to 1955	3 years, 1949 to 1952
	Percent	*Percent*
Gross national product in 1955 prices	8.4	21.2
Per capita personal income in 1955 prices, after taxes	7.0	7.3

In 1955 the gross national product, which is the value of all goods and services produced in the Nation, was only 8.4 percent greater than in 1952. This represents an average growth of 2.8 percent per year in the 3 years of this administration. The Nation's output of goods and services would have to increase between 3 and 3.5 percent per year just to keep up with increasing productivity per man-hour of work, to say nothing of the effects of increasing population and increased numbers of people working.

In the last 3 years of the Truman administration, 1949 through 1952, the gross national product increased 21.2 percent, or an average yearly rate of 7.1 percent. Similarly the growth between 1939 and 1952 was 6.8 percent per year. The above comparisons are all based on goods and services valued at 1955 prices.

The 1955 per capita personal income, after taxes, also failed to keep pace with the growth in the Truman and Roosevelt administrations. The comparisons shown in the economic report in terms of 1955 prices reveal that the 1955 per capita income, after taxes, was 7 percent above 1952, which was equal to a yearly increase of 2.3 percent. Also in 1955 prices, there was a 3.6 percent average yearly increase in per capita income between 1939 and 1952.

Big corporations were the beneficiaries in the 1955 boom

(Dollars in billions)

	1955	1952	Percent change from 1952
CORPORATIONS			
Corporate profits, after taxes	$41.4	$36.9	+12
Corporate depreciation and amortization allowances [1]	$14.5	$10.4	+39
Dividend payments	$11.1	$9.0	+23
Stock prices (December index)	$333.6	$203.4	+64
Big manufacturers' profit rate [2] percent	14.1	11.1	+27
Small manufacturers' profit rate percent	6.4	11.4	−39
PERSONAL INCOME			
Income from interest	$15.6	$12.3	+27
Salaries and wages	$215.4	$190.5	+13
Proprietors' income	$27.3	$25.7	+6
Farm income	$11.1	$14.3	−22

[1] Excludes banks and insurance companies.
[2] Annual rates of profits, after taxes, as percent of stockholders' investment, 1st 9 months of 1952 compared with 1st 9 months of 1955—corporations with more than $100 million of assets and corporations with less than $1¼ million of assets.

Nineteen hundred and fifty-five was a boom year—the greatest in history—for the big corporations. Compared to 1952 total corporate profits, after taxes, increased $4.5 billion, or 12 percent, despite the fact the profits of smaller corporations were way below 1952.

In addition, industrial and utility corporations alone had another $4.1 billion of increased income from depreciation and amortization allowances, largely as a result of the 1953 and 1954 changes in the tax laws—income from depreciation and amortization for banks and insurance companies is not reported.

Corporations paid out 23.3 percent more in dividends, and the price of corporate stocks was 64 percent higher at the end of 1955 than at the end of 1952.

Small-business profits since 1952 have, however, fared much like farmers' income. In the first 9 months of 1952, profits of manufacturing corporations with less than one-fourth million dollars of assets were at an annual rate of 11.4 percent of stockholders' investment. Profits of the giant manufacturing corporations—those with more than $100 million of assets were at a corresponding rate of 11.1 percent. In the first 9 months of 1955, the profit rate, after taxes, of the smaller corporations had dropped 39 percent, while the rate for the giant corporations had gone up 27 percent.

Other comparisons between 1955 and 1952 were as follows:

With the higher interest rates, persons who received personal income from interest received 26.8 percent more such income.

Labor income increased 13 percent although there were 3 percent more people employed.

Proprietors' income, from professions and unincorporated business increased only 6.2 percent.

Farm income dropped 22.4 percent.

The administration has claimed that the changes it has brought about in corporate taxes, interest rates, and credit policies would encourage investment and increase productive capacity. Although corporate operations in 1955 took $4.5 billion more in profits after taxes, and $4.1 billion more in depreciation and amortization, than in 1952, the corporate outlays for plant and equipment—including new and replacement items—was only $2.1 billion more than in 1952.

In 1955, the total investment made in producer plant and equipment, by both corporate and noncorporate business, was only $3.6 billion more than in 1952, and most of this was taken up by increases in prices of producers' durable goods and increased construction costs. In 1952, investment in new plant and equipment was $8 billion more than 1949, and in 1948 it was $14.3 billion more than in 1945.

I have, with reluctance, concluded that it is a sorry record set out in the economic report of the President.

Debt charges

(In billions)

	3 years postwar, 1952 to 1955	3 years Korean war, 1949 to 1952	3 years postwar, 1945 to 1948
U. S. Government	+$13.4	+$10.2	−$25.8
State and local governments (net)	+12.6	+7.7	+2.5
Consumer debt	+10.4	+8.7	+8.7
Home mortgage debt	+37.7	+26.9	+14.7

The record of the national debt draws a neat distinction between promises and performance. In spite of all of the campaign promises to reduce the national debt, the Federal debt has been increased by $13.4 billion between the day this administration took office in 1953, to the end of 1955.

This staggering peacetime increase in the Federal debt has been made despite the fact that substantial assets inherited by the administration, such as the synthetic rubber plants, have been sold or otherwise separated from Federal ownership, the liquidation of which should have gone to reduce the debt. Moreover, services to the public have been severely cut back; for example, loans for small business such as were made by RFC have been virtually stopped.

The Truman administration increased the Federal debt only $10.2 billion in the preceding 3 years, although it had the expenses of the Korean war, plus substantial economic aid and assistance to our allies in that period. In the first 3

postwar years following World War II, between the end of 1945 and the end of 1948, President Truman reduced the Federal debt by $25.8 billion. While the Federal debt has been piling up during the past 3 years, other debt obligations of the general public have been growing by leaps and bounds. The debt of State and local governments has increased by $12.6 billion; consumer installment debt and charge accounts has run up another $10.4 billion; and home mortgage debt has shot up by $37.7 billion.

The supposed economic achievements of 1955, cited in the President's report claims that these have "been accomplished without the specious aid of price inflation." That is just specious reporting of the facts. There has been a tremendous inflation in the prices of the big industries since the beginning of 1953, and most of this has taken place in the last year and a half. Faced with galloping inflation in these prices, the administration has maintained the overall buying power of the dollar by policies which have brought rapid deflation in farm and small-business prices.

Prices of steel, aluminum, copper, and other metals have jumped 16 percent since the first of 1953, and the profits in these industries last year, after taxes, was 13 percent of the stockholders' investment. Prices of all machinery and transportation equipment together have increased 9 percent, and the after-taxes profit rate in these industries last year was 15 percent.

Prices of motor vehicles have increased 6 percent, and the profit rate in this industry was 21 percent last year.

The fact that increased prices of the giant corporations have gone into increased profits is reflected in the phenomenal rise in stock prices and stock dividends. Although big business profits were already lush in 1952, they have now shot up to unparalleled levels. In the first 9 months of 1952 profits, after taxes, of the giant manufacturing corporations, those with more than $100 million of assets, were at an annual rate of 11.8 percent of stockholders' investment. In the first 9 months of 1955, their profit rate had shot up to 14.1 percent, or a 27 percent increase in the profitability of these giants, not counting about equal increases in their income resulting from the generous depreciation and amortization allowances which have been put into the tax law since 1952.

While big business prices have shot up, many small business prices have gone down. For example, prices of textiles and apparel have gone down 5 percent since the first of 1953, and the profit rate in these industries last year was only 5 percent. These are typical small-business industries. The prices received by farmers have fallen by 16 percent since the first of 1953.

The administration sponsored tax relief for the big corporations in 1953 and 1954, on the theory that these corporations would be induced to make capacity expansions, which the country needs. These tax changes, particularly dropping the excess profits tax, merely gave the big corporations an incentive for raising prices and taking more profits. The excess profits tax tended to place a ceiling on the amount of profits a corporation could take without increasing its investment. Dropping the tax removed the ceiling. The exorbitant prices and profits which have resulted have done almost nothing to increase productive capacity, but they have stimulated the big corporations to buy up and merge the capacity of smaller firms. The inevitable result will be even less competition to check prices and profits.

I do not suggest putting the excess profits tax back on the books, but I point out that it is urgently necessary to adopt a graduated corporate tax, similar to the graduated rates for personal taxes. Such a graduated rate would tend to put a ceiling on monopoly profits and at the same time encourage an expansion of smaller firms.

This or any succeeding administrations cannot continue policies of plundering our economic system, robbing the poor to fatten the rich, without bringing us to economic disaster. Feeding the poor on slick propaganda is no substitute for sound economic management.

Boy Scout Week

EXTENSION OF REMARKS
OF
HON. WILLIAM M. COLMER
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 9, 1956

Mr. COLMER. Mr. Speaker, every Member of the Congress is conscious of the fact that this is Boy Scout Week. A week appropriately set aside to emphasize the importance of this great movement among the youth of America.

In the past few day a Boy Scout has visited each of our offices and personally presented each of us with a Boy Scout badge to be worn in our lapels during the week. I was much impressed by this occasion when I was thus honored, as I am sure every other Member was impressed. And like my colleagues in the Congress, it is a pleasure to thus lend my support to this great organization which has for its basic purpose the preparation of the youth of the country for good citizenship of tomorrow. Mr. Speaker, in my judgment there is no more effective agency in carrying out this great task than this splendid organization.

The splendid young Scout who presented me with my badge with Keith Bryan, from our neighboring State of Maryland. In presenting this badge he had the following to say:

I am Cub Scout Keith Bryan. During Boy Scout Week, February 6–12, the Boy Scouts of America are celebrating their 46th anniversary. As a representative of the Boy Scouts of America, we want you to join in our celebration by wearing this Scout badge during Boy Scout Week.

The Boy Scouts of America was chartered by Congress in 1916. This week our Nation will honor its 3 million Scouts and leaders. In 46 years, more than 20 million men and boys have been members of the Boy Scout organization. Many of these boys have grown to become outstanding leaders.

The National Capital Area Council, which I represent, has a membership of 33,484 boys and over 12,000 adult leaders. We want to invite you to say "Happy Birthday" to the Boy Scouts of America by wearing this Scout badge in your lapel during Boy Scout Week.

May I in turn say to Keith and through him to the thousands of other splendid boys making up this worthwhile organization: "To you also many happy returns of the day. May both you and your organization continue to grow and continue paying such splendid dividends to your country and your God."

Peace-Debts Payments

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 9, 1956

Mr. BOGGS. Mr. Speaker, on December 31 the British Government paid its fifth installment in repayment of the reconstruction loan negotiated with this country at the end of World War II. At the time that the loan was made a number of Americans prophesied that not one cent would ever be repaid, and I am sure that they, to say nothing of the American taxpayers, are only too happy to find themselves proved wrong.

The American taxpayer should, however, be aware of what this repayment means in the world economic situation as it exists 10 years after the loan was made. The payment of this year's installment cannot have been easy for Britain at a time when her gold and dollar reserves were under heavy pressure and she was having to take special internal measures to expand her export trade. It is important that we should realize how much Britain's ability to service her debts depends upon her export trade. This year's payment to the United States represents the value of her exports to this country for 3 months—a heavy burden indeed. Britain's ability to continue payments on the loan and to buy from this country the products of farm and industry which she needs will depend to a large extent on whether American trade policies permit her to earn enough.

We cannot have tariff walls, complicated and uncertain customs procedures, quotas and trade restrictions, and at the same time expect repayment of debts from abroad. It is futile for us to expect other countries to buy American exports and to pay back their debts unless we are prepared to allow them to earn the dollars with which to do so. Let us therefore press forward instead with trade policies suited to our own enlightened self-interest.

[From the New Orleans Times-Picayune of January 3, 1956]

PEACE-DEBTS PAYMENTS

With Britain's fifth annual installment of principal and interest on the loan made by the United States to Britain in 1946, a payment amounting to the value of about 3 months of British exports to the United States has been made. The 1946 loan of approximately $4.3 billion is repayable in 50

equal annual payments of $138 million, which includes interest at 2 percent. Of the 5 payments made thus far, which total $690 million, $266 million has been paid on principal and $424 million as interest. This peace debt, which was incurred primarily to cover essential purchases by Britain from the United States after the war, still amounts to considerably more than $4 billion.

This annual loan payment at year's end serves to focus attention on Britain's race to close the dollar gap—an attempt that seems to be almost as far from success as it was several years ago. The trouble is that Britain annually buys more from the United States than this country buys from Britain. Even the all-out effort in 1955 to close this dollar gap, which brought British exports to the high of $560 million during the year, still left Britain in the red by some $320 million. For the British bought $880 million worth of American products.

This situation points up once more the need for continued American efforts to buy more abroad from Great Britain and other friendly nations. It's good business to increase our purchases from our own good customers.

Right-to-Work Laws

EXTENSION OF REMARKS
OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1956

Mr. PELLY. Mr. Speaker, an organization called Job Research, Inc., in my State of Washington is now in the process of soliciting required signatures so that an initiative providing for a so-called right-to-work law can be included on the November ballot.

About 18 States have adopted such laws, and, of course, I am vitally interested in the success or failure of this initiative.

In order to honestly and properly consider the merits of this proposition, I have read as much material on this subject as I could find. This material has been obtained from the Library of Congress, the Department of Labor, and other sources. Recently one of my district's most objective newspapers, the Bremerton Sun, published an editorial based on this subject. The newspaper stated it had received conflicting requests relative to the proposed right-to-work legislation for which signatures to place it on the ballot now are being solicited. On the one hand it received an outright request for free advertising space to promote the initiative. On the other was the president of the Washington State Federation of Labor's letter urging against the newspaper's giving such aid.

After stating that space was not given to anyone or any cause, the writer of the editorial chided labor for not stating its case with more facts. Why, he asked, should not folks sign the initiative petitions? What would the measure's effects be on the State's jobholders, union and nonunion?

Since I have been in the process of seeking such facts, and because I have been studyng the pros and cons with regard to the advisability on a national scale of retaining section 14 (b) in the Taft-Hartley law, I feel prompted to offer some thoughts on this subject because, frankly, much of what I have read is emotional as against being analytically objective.

It is very easy, Mr. Speaker, for a political group or individual on the basis of wishful thinking and expediency to support or oppose such a law. Likewise a labor or business organization can be accused or actually motivated by selfish considerations, so, as pointed out by the Bremerton Sun, the people are entitled to detailed arguments based on something more than slogan support or opposition. In this case, as is generally known, the Secretary of Labor, Mr. James P. Mitchell, has been forthright and specific in pinpointing his objections. He has said that while these are called right-to-work laws, that is not what they really are. Actually, according to the Secretary, these are laws which make it impossible for an employer to bargain collectively with his employees about the security of their union. Secretary Mitchell has called upon the States which have passed these laws to give them further consideration, because, as he said, these laws do more harm than good. His reasons were these: First, they do not create any jobs at all; second, they result in undesirable and unnecessary limitations upon the freedom of working men and women and their employers to bargain collectively and agree upon conditions of work; third, they undermine the basic strength of labor organizations.

Now, there is nothing new or startling about the fact that some people selfishly or honestly differ from the Secretary, but I am of the opinion that the vast majority of American citizens, regardless of whether they classify themselves as part of management or labor, support the position of President Eisenhower, who has said:

> Trade unionism has become a vital part of American life. The activities of the American labor movement have brought about social and economic reforms which have enriched the lives not only of union members but of millions of other Americans.

I personally, Mr. Speaker, believe certain deep South and farm States which have put these right-to-work laws on their statute books have been shortsighted from an economic standpoint. But, of course, there are more important issues than prosperity. Therefore, in reaching a decision I have sought to place spiritual values and the basic freedoms before standard of living and general welfare arguments.

A year ago one of these right-to-work bills was passed by the Kansas Legislature. This bill, house bill 30, was vetoed by a great Republican Governor, Fred Hall. I have turned to his message vetoing house bill 30 as an example, convincing to me, of the triumph of intelligence and integrity over emotionalism. On this account I now include a condensed version of Governor Hall's message to interpret his objections to the Kansas law. There are differences in wording between the Kansas and the proposed Washington laws, it is true, but, as I see it, in a general sense at least his arguments hold equally for both. As such, the following expresses my views and opposition to initiative 198 in my State of Washington:

After a thorough analysis of the bill I find it is not a solution to any labor-management problem in the State of Kansas. The name "right-to-work" is a misnomer. The bill provides no greater protection for the individuals right-to-work, or right to refrain from joining a union than is provided by the present law.

House bill 30 has only one real purpose to ultimately destroy both the right of labor to organize and the principle of collective bargaining. It will accomplish this purpose by prohibiting maintenance of membership in labor unions under State law. This is now carefully guaranteed to labor under the Taft-Hartley Act.

My opinion of the purpose of this bill is substantiated by many authorities and well informed people throughout the country.

The late Robert A. Taft said: "It is a mistake to forbid all union contracts."

Former Governor of Kansas, the Honorable Alf M. Landon, in a speech July 7, 1954, said: "There is much feeling being generated over so-called right-to-work legislation, and that is a catchy title. * * * I am going to first state what I consider to be some elemental truths.

"(1) Every employee has a right to join a union if he wants to.

"(2) Every employee has a right to refuse to join a union if he wants to.

"(3) Every employer has a right to sign a contract for a union shop if he wants to.

"Yet this so-called right-to-work legislation would deprive the employer of that right. It would also deprive the employees of the right to joint a union and negotiate for a union shop. It is not a question of whether we believe in the union shop or not. The question involved in this legislation is government interference with the independence of both management and labor to negotiate whatever kind of contract they may agree upon."

The enactment of the right-to-work bill may be remembered as a dark hour in Kansas legislative history. I doubt that there has ever been a time that the people of Kansas, the members of the legislature and the Governor have been subjected to a greater campaign of propaganda. House bill 30 is a lobbyist bill. The words "right-to-work" have become a magic phrase, and, like magic, few really understand them.

The campaign to enact this law began several years ago and was instigated by a few men who would profit by such a law. They carried their propaganda campaign through every community in the State. They have used every method at their command including many respectable organizations to influence and crystallize public opinion in favor of this bill. We can only speculate how much money has been spent and is still being spent on radio, telegrams and newspapers to influence the legislature and the Governor in their judgment.

I have been deeply disturbed by the efforts of the proponents of House bill No. 30 to turn the farmers of Kansas against labor in Kansas.

In the senate debate a senator said: "Farmers are more interested in this bill than any other group. One thing that has disturbed farmers is a statement of Walter Reuther of the CIO that labor is raising a fund of $25 million to get the guaranteed annual wage." The senator adds: "This means if you guarantee wages for the working man you must guarantee profits for the groceryman and it can only lead to a socialistic government."

This is not a sound argument. It has nothing to do with either the rights of individuals to work or not to join a union. It

does betray the real purpose of House bill No. 30. It is not legislation for the problems of today but for the fears of tomorrow. This argument goes to the very foundations of America. America is essentially a classless country. Those who would put one group of people against another to make it otherwise are doing their country a great disservice. The rights of all groups in America are entitled to equal consideration and protection.

President Eisenhower expressed the rightful place of labor when he said:

"Today in America, unions have a secure place in our industrial life. Only a handful of unreconstructed reactionaries harbor the ugly thought of breaking unions. Only a fool would try to deprive workingmen and workingwoman of the right to join the union of their choice. I have no use for those, regardless of their political party, who hold some foolish dream of turning the clock back to days when unorganized labor was a huddled almost helpless mass. The right of men to leave their job is a test of freedom. Hitler suppressed strikes. The drafting of strikers into the Army would suppress strikes. But that also suppresses freedom. There are some things worse, much worse, than strikes—one of them is the loss of freedom."

I am aware of the fact that many States in the Union have enacted laws similar to House bill No. 30. In doing so I believe they have acted contrary to the great heritage and freedoms of America. Throughout the country this law has become a symbol to labor of its loss of freedom. We are not obliged to follow their lead. Many wrongs do not make a right, and the hucksters' tactics cannot make a wrong thing a right thing. It is time to face up to this issue and set an example for others to follow.

The people of Kansas believe in the right of labor to organize and in the principle of collective bargaining. I will not approve any law which destroys this right and this principle. House bill No. 30 will ultimately do both. It is not constructive, but punitive, legislation. It is clearly contrary to the best interests of all the people of Kansas.

It is with great personal regret that I must differ with you on the merits of this bill. I am hopeful that on further reflection you will agree with me. This is not an easy decision to make. I have no alternative. It would be wrong for this bill to become law in Kansas. As the Governor, it is my duty to say so and to act accordingly.

SENATE

FRIDAY, FEBRUARY 10, 1956

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou Eternal Spirit, whose holy purposes are beyond defeat, we come seeking Thy righteous will and craving Thine enabling strength to do it. Thou knowest that constantly we pray "Thy kingdom come," but we confess that often the flaming hope of that kingdom of love has grown dim, as hatred and selfishness and man's inhumanity to man have desecrated the earth which could be so fair. But, in spite of temporary rebuffs, give us to see that wherever hatred gives way to love, wherever prejudice is changed to understanding, wherever pain is soothed and ignorance banished, there Thy banners go and Thy truth is marching on.

And so, with all our inadequacy we pause this quiet moment that amid the din of conflict we may keep step with the distant drum beat of Thy sure victory. We ask it in the name of that One who has changed a cross of defeat into a crown of triumph and whose kingdom has no frontier. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C. February 10, 1956.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ALAN BIBLE, a Senator from the State of Nevada, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. BIBLE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 8, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 336)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Banking and Currency:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a report of the National Advisory Council on International Monetary and Financial Problems submitted to me through its Chairman, covering its operations from January 1 to June 30, 1955, and describing, in accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development for the above period.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 10, 1956.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the amendments of the Senate to the following bills of the House:

H. R. 2667. An act to amend section 208 (b) of the Technical Changes Act of 1953 (Public Law 287, 83d Cong.); and

H. R. 7054. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers.

The message also announced that the House had passed a joint resolution (H. J. Res. 514) relating to the compensation of the executive director of the Joint Committee on Atomic Energy, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 6043. An act to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy;

H. R. 6790. An act for the relief of Anna K. McQuilkin;

H. R. 6857. An act to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.; and

H. R. 7156. An act to provide for the conveyance of certain land of the United States to the Board of County Commissioners of Lee County, Fla.

HOUSE JOINT RESOLUTION PLACED ON CALENDAR

The joint resolution (H. J. Res. 514) relating to the compensation of the executive director of the Joint Committee on Atomic Energy, was read twice by its title and placed on the calendar.

BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY

The ACTING PRESIDENT pro tempore. The Chair has been requested by the Vice President to announce that he has appointed the Senator from New Jersey [Mr. CASE] a member of the Board of Visitors to the United States Merchant Marine Academy, pursuant to Public Law 301, 78th Congress.

BOARD OF VISITORS TO COAST GUARD ACADEMY

The ACTING PRESIDENT pro tempore. The Chair has been requested by the Vice President to announce that he has appointed the Senator from Connecticut [Mr. BUSH] a member of the Board of Visitors to the Coast Guard Academy, pursuant to Public Law 38, 78th Congress.

NOTICE OF HEARING ON BILLS RELATING TO INSURANCE AGAINST LOSS DUE TO FLOODS AND SIMILAR NATURAL DISASTERS

Mr. CLEMENTS. Mr. President, on behalf of the chairman of the Subcommittee on Securities of the Senate Committee on Banking and Currency, the junior Senator from New York [Mr. LEHMAN], who is absent from the Senate by leave of the Senate, I desire to give notice of a public hearing to be held by the subcommittee on pending bills relating to insurance against loss due to floods and similar natural disasters. Presently pending before the subcommittee on this matter are three bills, namely, S. 2768; S. 2862, together with an amendment in the nature of a substitute for that bill; and S. 3137. The hearing will begin at 10 a. m., Thursday, February 16, 1956, in room 301, Senate Office Building.

All persons who desire to appear and testify at the hearing are requested to notify Mr. J. H. Yingling, chief clerk, Senate Committee on Banking and Currency, 303 Senate Office Building, Washington, D. C., telephone: National 8-3120, extension 865, as soon as possible, and, in any event, before the close of business on Wednesday, February 15, 1956.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, there will be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and I ask unanimous consent that no statement made in connection therewith exceed 2 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. CLEMENTS. Mr. President, before the Senate proceeds with the transaction of routine business in the morning hour, I should like to announce that the first order of business today, at the conclusion of the morning business, will be the consideration of the urgent deficiency appropriation bill, as was announced on Wednesday.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, reports from the Departments of the Army, Navy, and Air Force, on the overobligations of appropriations (with accompanying papers); to the Committee on Appropriations.

AMENDMENT OF CAREER COMPENSATION ACT OF 1949

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend the Career Compensation Act of 1949 to include natural children of the spouse of a member in the definition of "children" (with accompanying papers); to the Committee on Armed Services.

AMENDMENT OF ARMED FORCES LEAVE ACT OF 1946

A letter from the Secretary, Department of the Air Force, transmitting a draft of proposed legislation to amend the Armed Forces Leave Act of 1946 by repealing the prohibition on payments to survivors of former members for unused leave credit (with an accompanying paper); to the Committee on Armed Services.

REPORT OF INTERDEPARTMENTAL COMMITTEE ON NARCOTICS, TREASURY DEPARTMENT

A letter from the Secretary of the Treasury, transmitting, for the information of the Senate, a report to the President of the United States, by the Interdepartmental Committee on Narcotics, dated February 1, 1956 (with an accompanying report); to the Committee on Finance.

REPORT OF UNITED STATES TARIFF COMMISSION

A letter from the Chairman, United States Tariff Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission on the operation of the trade-agreements program (with an accompanying report); to the Committee on Finance.

REPORT OF UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

A letter from the Chairman, United States Advisory Commission on Educational Exchange, Department of State, transmitting, pursuant to law, the semiannual report of that Commission, for the period July 1–December 31, 1955 (with an accompanying report); to the Committee on Foreign Relations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a certification that an adequate soil survey and land-classification had been made of the lands in the Shafter-Wasco Irrigation District, and that lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of December 31, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

READJUSTMENT OF POSTAL RATES

A letter from the Postmaster General, transmitting a draft of proposed legislation to readjust postal rates; establish a Commission on Postal Rates; and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of New York; to the Committee on Post Office and Civil Service:

"Resolution memorializing Congress relative to taking census of citizens of the United States

"Whereas the constitution of this State requires that the readjustment and alteration of senate districts and the reapportionment of members of the assembly be based upon the number of inhabitants, excluding aliens in the State and in the political subdivisions thereof, and further makes the last preceding Federal decennial census controlling as to the number of inhabitants in the State and in the various political subdivisions thereof; and

"Whereas no provision is made under the law of the United States for ascertaining in connection with the taking of the Federal decennial census, the number of inhabitants excluding aliens in the several States and in the political subdivisions thereof; and

"Whereas as a result thereof, each time the Federal decennial census is taken, it is necessary for this State, at considerable expense, to arrange with the Bureau of the Census to ascertain and report to this State the number of inhabitants excluding aliens in the State and in its various political subdivisions, so that compliance may be made with the above described provisions of the constitution of this State in the next succeeding readjustment and alteration of the Senate districts and reapportionment of members of the assembly: Now, therefore, be it

"*Resolved (if the assembly concur)*, That the President and the Congress of the United States be respectfully memorialized to make provision by Federal law for ascertaining in the taking of each Federal decennial census the number of inhabitants excluding aliens in each of the States and in the political subdivisions thereof; and be it further

"*Resolved (if the assembly concur)*, That copies of this resolution be transmitted to the President of the United States, the Secretary of the United States Senate, the Clerk of the House of Representatives of the United States, and to Members of Congress elected from New York State, urging them to devote their efforts to accomplish the purposes of this resolution.

"By order of the senate,

"WILLIAM S. KING,
"Secretary."

"In assembly January 30, 1956, concurred in without amendment.

"By order of assembly,

"ANSLEY B. BORKOWSKI,
"Clerk."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 2

"Memorializing the Congress of the United States to pass and adopt legislation denying Federal ownership of unappropriated water of natural streams in Colorado and the West and confirming the rights of appropriation thereof under the State laws

"Whereas the United States of America has, from time to time, claimed the ownership of the unappropriated waters of the Western States, including the unappropriated waters of the State of Colorado; and

"Whereas the Western States, including Colorado, deny that the United States of America is the owner of said waters; and

"Whereas the State of Colorado by its constitution has declared 'the water of every natural stream, not heretofore appropriated, within the State of Colorado, is hereby declared to be the property of the public, and the same is dedicated to the use of the people of the State, subject to appropriation as hereinafter provided';

"Whereas it is highly desirable that Congress by legislation confirm and declare that the water of every natural stream in Colorado and other Western States are reserved for appropriation for beneficial uses under the laws of the States and that all uses of the Federal Government and its agencies, permittees, licensees, employees, and wards shall be acquired in conformity with and under State law; and

"Whereas the Honorable FRANK A. BARRETT, United States Senator from the State of Wyoming, has introduced into the United States Senate a bill numbered S. 863, which is designed to accomplish the above purpose: Now, therefore, be it

"Resolved by the Senate of the 40th General Assembly of the State of Colorado (the House of Representatives concurring herein), That the purpose of S. 863 be and the same is hereby approved by the General Assembly of the State of Colorado and the Congress of the United States is hereby urged to pass and adopt said legislation or similar legislation whereby the claims to Federal ownership of unappropriated waters in the Western States shall be denied and that the unappropriated waters of Colorado and the West shall be confirmed to have been dedicated to the public subject to appropriation for use under and in conformity with State law; be it further

"Resolved, That a copy of this memorial be transmitted to the Secretary of the Senate of the United States and the Chief Clerk of the House of Representatives of the United States and to each Senator and Representative from the State of Colorado and to Senator FRANK A. BARRETT, Senator from Wyoming.

"STEPHEN L. R. MCNICHOLAS,
"President of the Senate.
"MILDRED H. CRESSWELL,
"Secretary of the Senate.
"DAVID A. HAMIL,
"Speaker of the House of Representatives.
"LEE MATTIES,
"Chief Clerk of the House of Representatives."

A letter from the Assistant Secretary of State, transmitting a resolution adopted by the Supreme Soviet of the U. S. S. R., relating to the exchange of delegations between the Supreme Soviet of the U. S. S. R. and the parliaments of foreign states; to the Committee on Foreign Relations.

A resolution adopted by the City Council of the City of Elizabeth, N. J., favoring the sale of war materials and supplies to Israel; to the Committee on Foreign Relations.

By Mr. THURMOND (for himself and Mr. JOHNSTON of South Carolina):

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Finance:

"Concurrent resolution memorializing Congress to enact legislation to provide social-security coverage for the municipal policemen and firemen of South Carolina

"Whereas municipal policemen and firemen are not entitled to social-security coverage under the present social-security law; and

"Whereas the municipal policemen and firemen of South Carolina desire social-security coverage because their present retirement coverage is inadequate; and

"Whereas the municipal policemen and firemen of certain other States do not wish social-security coverage because they have adequate retirement coverage without social security: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Congress of the United States be memorialized to enact suitable legislation to amend section 218 of the Federal social-security law so as to provide for the extension of social-security coverage to municipal policemen and firemen of the State of South Carolina on a State and local option basis; be it further

"Resolved, That a copy of this resolution be forwarded to each United States Senator from South Carolina, each Member of the House of Representatives of Congress from South Carolina, the chairman of the Ways and Means Committee in Congress, and the chairman of the Finance Committee of the United States Senate."

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

H. R. 12. An act to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities and milk; and for other purposes; without recommendation.

PROPOSED AGRICULTURAL ACT OF 1956—AUTHORIZATION FOR COMMITTEE ON AGRICULTURE AND FORESTRY TO HAVE PRINTED MAJORITY REPORT AND MINORITY VIEWS ON THE FARM BILL DURING THE RECESS OF THE SENATE

Mr. ELLENDER. Mr. President, this morning, a little after midnight, the Commtitee on Agriculture and Forestry voted to report a farm bill. I was informed a few minutes ago that the staff is now at work preparing the bill for submission to the Senate. It may be that it will not be completed until after the Senate concludes its business today. I should like to have it printed as soon as possible, so that it may be read and studied by all persons interested.

I ask unanimous consent that the bill, as well as the report, may be filed during the recess of the Senate.

The report will not be ready at the time the bill is reported, but I should like permission to file the report as soon as may be possible so that Senators who may desire to study the report as well as the bill may have ample opportunity to do so.

Mr. CLEMENTS. Mr. President, it is my understanding that the Senator from Louisiana wishes to file his report during the recess of the Senate.

Mr. ELLENDER. That is correct.

The ACTING PRESIDENT pro tempore. Does the Senator's request include the minority views as well as the majority report?

Mr. ELLENDER. That is correct.

Mr. CLEMENTS. I am sure the Senator from Louisiana would want to modify his request to include both the minority views and the majority report.

Mr. ELLENDER. That is correct.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Subsequently, the bill (S. 3183) to provide an improved farm program was received, read twice by its title, and placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 3175. A bill for the relief of Jose Ramon Perez Doalto; to the Committee on the Judiciary.

By Mr. MURRAY (for himself, Mr. BENDER, Mr. DOUGLAS, Mr. HUMPHREY, Mr. KUCHEL, Mr. MCNAMARA, Mr. MORSE, and Mr. SCOTT):

S. 3176. A bill to amend the Federal Food, Drug, and Cosmetic Act, so as to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome or adulterated poultry or poultry products; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 3177. A bill to provide for the preservation of acreage history for the purpose of future wheat acreage allotments where such allotments are underplanted because of unfavorable weather conditions; to the Committee on Agriculture and Forestry.

By Mr. ERVIN:

S. 3178. A bill to waive section 143, of title 28, United States Code, with respect to the United States District Court for the Western District of North Carolina holding court at Bryson City, N. C.; to the Committee on the Judiciary.

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 3179. A bill for the relief of Redentor Ligot Romero; to the Committee on the Judiciary.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. CLEMENTS (for himself and Mr. ROBERTSON):

S. 3180. A bill to amend title 28 of the United States Code to authorize the appointment of two United States commissioners for Cumberland Gap National Historical Park; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CLEMENTS when he introduced the above bill, which appear under a separate heading.)

By Mr. SCHOEPPEL:

S. 3181. A bill to exempt certain shipments of farm produce from the tax on the transportation of property; to the Committee on Finance.

(See the remarks of Mr. SCHOEPPEL when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 3182. A bill for the relief of Dr. Cheng-en Lu; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 3183. A bill to provide an improved farm program; an original bill, placed on the calendar.

(See statement concerning the above bill, which appears under a separate heading.)

By Mr. WATKINS:

S. 3184. A bill to amend the Bankhead-Jones Farm Tenant Act so as to authorize the Secretary of Agriculture to make or insure loans to farmers and stockmen for the purpose of refinancing existing debts, and for other purposes; to the Committee on Agriculture and Forestry; and

S. 3185. A bill to amend the Bankhead-Jones Farm Tenant Act so as to adjust the loan limitations of title II so as to provide more effective assistance to production and subsistence loan borrowers.

(See the remarks of Mr. WATKINS when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. J. Res. 143. Joint resolution to direct the Secretary of the Interior to determine the best means of eliminating the hazards within the city of Klamath Falls, Oreg., caused by a canal under the jurisdiction of the Bureau of Reclamation; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

The following resolutions were submitted, considered, and agreed to:

By Mr. CLEMENTS:

S. Res. 210. Resolution authorizing the Committee on Labor and Public Welfare to employ four additional clerical assistants for the month of February 1956.

(See the remarks of Mr. CLEMENTS when he submitted the above resolution, which appear under a separate heading.)

By Mr. DOUGLAS:

S. Res. 211. Resolution relative to the death of Representative CHAUNCEY W. REED, late a Representative of the State of Illinois.

(See the remarks of Mr. DOUGLAS when he submitted the above resolution, which appear under a separate heading.)

COMPULSORY INSPECTION OF POULTRY AND POULTRY PRODUCTS

Mr. MURRAY. Mr. President, one of the major and vital health needs of the Nation today is legislation to provide for the compulsory inspection of poultry.

It is amazing, but true that today, 50 years after the enactment of the Meat Inspection Act, poultry still need not be inspected to assure the consumer a clean and wholesome product. Filthy and diseased poultry may be, and often is, sold with immunity.

This intolerable situation has had dire results. For example, the Public Health Service reports that an average of one-third of the reported cases of food poisoning are traced each year to poultry or poultry dishes.

Some 26 diseases have been found transmissible from poultry to man and they are taking their toll annually. These illnesses include the influenza-like and sometimes deadly psittacosis or ornithosis; the infection, salmonellosis; the viral Newcastle Disease and fungus infections.

Periodically, and cyclically, diseased poultry causes a large outbreak of disease. Thus, for example, in 1954, an ornithosis epidemic broke out among turkeys in Texas. Several hundred men and women, especially in poultry processing plants, became ill. Several persons were fatally stricken.

Equally dangerous and despicable are the filthy conditions in which some poultry is processed. Some plants are rodent-infested. Sewage disposal is primitive and even nonexistent. Dust, dirt and fecal matter are allowed to stick to the birds. Slimy and rotting poultry is processed.

These are not imaginary horrors. These are facts from affidavits of poultry workers and from the reports of Food and Drug Administration inspectors.

Contamination of poultry processed under these unsanitary conditions may result in some extremely serious diseases in man. These include typhoid fever, paratyphoid fever, dystentery, infectious hepatitis and chemical poisonings.

The overwhelming majority of the industry, of course, attempts to maintain good standards of product wholesomeness and sanitation. But there are a sufficient number of chiselers in this fast growing industry to make legislation necessary. Not only do these men who are after the fast buck endanger health, but they are unfair competition to the honest poultry processors who go to great expense to maintain modern and sanitary plants and sell only healthy poultry.

The difficulty is the absence of a compulsory inspection system with power to stop these abuses. A voluntary program does exist, but it covers only 21 percent of poultry in interstate commerce and is ineffective in assuring wholesomeness of even this comparatively small amount.

The Food and Drug Administration currently has neither the authority nor the appropriations to stop this serious health problem. Further, very little effective State and municipal legislation on the subject exists.

The problem is clearly one for new legislation from Congress.

Literally dozens of organizations have long recognized this need. For example, such widely varying groups as the Conference of State and Territorial Health Officers, the Amalgamated Meat Cutters and Butcher Workmen (AFL-CIO), the Institute of American Poultry Industries have called for mandatory inspection. Trade associations, labor unions, public health groups, veterinary groups, women's clubs have all asked for legislation.

Therefore on behalf of myself, the Senator from Ohio [Mr. BENDER], the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from California [Mr. KUCHEL], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from North Carolina [Mr. SCOTT], I introduce, for appropriate reference, a bill to amend the Federal Food, Drug, and Cosmetic Act, so as to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome or adulterated poultry or poultry products. The measure would establish a Poultry Inspection Service in the Food and Drug Administration. It would be the task of this unit to inspect poultry for wholesomeness and poultry plants for sanitation.

Wholesomeness would be assured by inspection both before and after slaughter. According to health authorities, this is the only means for truly protecting the consumer. Inspection after slaughter alone will not do the job.

All poultry will be labeled after inspection. The healthful birds will be marked as wholesome by the inspector. Only poultry with such a tag will be allowed in interstate and foreign commerce.

Diseased, adulterated or otherwise unfit poultry would receive another marking. It will be denatured or destroyed at the processing plant under the inspector's supervision.

In addition, the bill provides for reinspection if that should be necessary. Suspect and condemned poultry will be quarantined or segregated to prevent the possible infection of healthy birds.

The detailed rules and regulations for the inspection will be prescribed by the Secretary of Health, Education, and Welfare. The bill establishes the basic policy and framework from which he would develop those regulations.

The Secretary is also empowered to develop standards for plant sanitation and for sanitary practices in processing. If an inspector finds a plant to be violating these standards, he will refuse to mark that establishment's poultry as wholesome until the firm complies with the sanitation rules and regulations. Without the inspection tag, the poultry will, of course, be barred from interstate commerce.

The bill provides for injunction proceeding and penalties of up to 3 years imprisonment and a $10,000 fine in case of violations. Among the prohibited and punishable acts are refusal to allow inspectors access to poultry processing plants; the delivery, receipt, or sale in commerce of uninspected poultry and the forgery or counterfeit of inspection marks.

In short, this bill will effectively meet the health hazards posed by filthy and diseased poultry. It will guarantee consumers wholesomeness of product and provide them with the protection they badly need.

I believe the measure deserves the careful consideration and support of every Senator. Its enactment will be a significant step forward in public health. I intend to do everything in my power to see to it that the Congress approves this legislation promptly.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3176) to amend the Federal Food, Drug, and Cosmetic Act, so as to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome, or

adulterated poultry or poultry products, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

REDENTOR LIGOT ROMERO

Mr. NEUBERGER. Mr. President, on behalf of my colleague, the senior Senator from Oregon [Mr. MORSE], and myself, I introduce, for appropriate reference, a bill for the relief of Redentor Ligot Romero. The bill would grant Mr. Romero permanent residence in the United States. This young man, a native Filipino, a distinguished concert violinist, is threatened with deportation because of a technical violation of our immigration laws.

Mr. President, I request that a very heartwarming article by J. Campbell Bruce which appeared January 12, 1955, in the San Francisco Chronicle accompany my remarks in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the article will be printed in the RECORD.

The bill (S. 3179) for the relief of Redentor Ligot Romero, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on the Judiciary.

The article, presented by Mr. NEUBERGER, is as follows:

IMMIGRATION LAW INJUSTICE—MUSICIAN FACES DEPORTATION

(By J. Campbell Bruce)

Redentor Ligot Romero arrived in San Francisco in December of 1952 with an old violin under his arm, and visa in his pocket and a song in his heart.

He was at last in the land of his dreams, bent on soaking up Western musical culture and taking it back to the Philippines. Since then—though many a day passed without a meal—he lived happily in the world of music.

But he didn't read the fine print—the fine print of the 301-page McCarran-Walter Act, the organic immigration law of the United States. He did not even know about section 248.

And so he's got to get out of the country by February 1.

Why?

Just one of those quirks in the law. Nothing the immigration officials here can do about it—they've got to enforce the law.

VISITOR'S VISA

It seems that Romero arrived on a visitor's visa. He was told he could later change to a student's visa, and in due course he applied for such a change.

That's where section 248 came in. It says an alien "lawfully admitted to the United States as a nonimmigrant, who is continuing to maintain that status," can change to another nonimmigrant status. That is, from a visitor to a student.

But Romero hadn't been just window shopping, gawking at the cable cars and maybe wondering at Yosemite's granite walls.

For one thing, he was studying music—Mozart, harmony, composition and such, at San Francisco State College. Visitors can't study.

For another thing, he got mighty hungry after a while. So, for several months, he sold kitchen utensils on week-ends. Visitors can't sell kitchen utensils, or anything else. It deprives American salesmen of a livelihood.

RECITAL, TOO

And then there was the recital at the Marines Memorial Theater. An immigration official said it would be all right—and even attended the concert. But still, under the law it might have deprived an American musician of a job.

Equally as bad, he played violin solos during Sunday services at various churches in the East Bay.

Romero, a frail, myopic young man of 25, is bewildered and confused by it all.

"Ever since a little boy, I had a dream of studying music in America. My father's promise, even in the guerrilla days, was to send me after the war. Then he had money. After the war, we had none."

His father, a prominent Manila lawyer, fought at Bataan as an American Army officer, escaped, was later killed as a guerrilla. His mother also lost her life. Young Romero still has the scar of a bayonet wound—he was only 13 at the time.

ORIENT TOUR

He kept alive his dream to study in the United States and "acquire the techniques to help my country culturally." At 18 he toured the Orient as a concert violinist; at 20 he was conductor of the Guam Symphony Orchestra.

He has already studied here under Henri Temianka, of the Paganini Quartet; is now studying under Sidney Griller, of the Griller Quartet; and hoped to study under Darius Milhaud at Mills. For the past year and a half he has been concert master (principal player) of the San Francisco Civic Recreation Symphony Orchestra.

Says Griller: "He has a remarkable talent as a musician and great promise as a composer. His main desire in life is to absorb the music of the West and take it back to his people."

Says Josepha Heifetz, pianist, who has accompanied him: "It's plain stupid to send him back to the Philippines. Why should this young person be treated as a criminal?"

COSTLY TRIP

Romero, of course, isn't a criminal. He isn't a dope peddler, nor an addict; isn't diseased, nor insane; isn't a subversive. He's admissible for entry. But not for a change of status from visitor to student. So he has to go all the way to the Philippines to pick up a student's visa, at a round-trip cost of $1,338.70 by air, $1,175 by steamship.

He hasn't got that kind of dough. But if he doesn't go voluntarily, he'll be deported—and then he can never return.

Perhaps this was the sort of thing that President Eisenhower had in mind when in his state of the Union address the other day he called for revision of the McCarran-Walter Act.

APPOINTMENT OF TWO COMMISSIONERS FOR CUMBERLAND GAP NATIONAL HISTORICAL PARK

Mr. CLEMENTS. Mr. President, I introduce, for appropriate reference, a bill to amend title 28 of the United States Code to authorize the appointment of two United States commissioners for Cumberland Gap National Historical Park.

Section 631 of title 28, United States Code, authorizes the appointment of park commisisoners for Big Bend, Crater Lake, Glacier, Hawaii, Isle Royal, Lassen, Mesa Verde, Mammoth Cave, Mount Ranier, Olympic, Rocky Mountain, Sequoia, Shenandoah, Yellowstone, Yosemite, and Great Smoky Mountain National Parks.

On December 14, 1955, under authority of title 16, United States Code, section 261, the Cumberland Gap National Historical Park was established with lands lying within the States of Tennessee, Virginia, and Kentucky, with more than half of the park area lying in the latter State.

The bill proposes to amend section 631, title 28, United States Code, so as to authorize two park commissioners for the Cumberland Gap National Historical Park, one to be named by the District Court for the Eastern District of Kentucky and the other to be named by the joint action of the District Court of the Eastern District of Tennessee and the District Court of the Western District of Virginia.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3180) to amend title 28 of the United States Code to authorize the appointment of two United States commissioners for Cumberland Gap National Historical Park, introduced by Mr. CLEMENTS (for himself and Mr. ROBERTSON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

EXEMPTION OF CERTAIN SHIPMENTS OF FARM PRODUCE FROM TAX ON TRANSPORTATION OF PROPERTY

Mr. SCHOEPPEL. Mr. President, I have received a number of letters calling attention to the 3-percent transportation tax, which is imposed on agricultural products including livestock which the farmer delivers to the market.

The tax was a war-time measure and it creates a great deal of discrimination against farmers in getting merchandise to market.

The Senate is quite familiar with the present plight of the farmer, and I think the time has come when this provision of the law should be repealed.

I therefore introduce a bill which will repeal this provision of the law, and ask that it be referred to the appropriate committee.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3181) to exempt certain shipments of farm produce from the tax on the transportation of property, introduced by Mr. SCHOEPPEL, was received, read twice by its title, and referred to the Committee on Finance.

IMPLEMENTATION OF ADMINISTRATION'S FARM PROGRAM

Mr. WATKINS. Mr. President, I introduce, for appropriate reference, two bills to implement the administration's farm program. I ask unanimous consent that a statement prepared by me, relating to the bills be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bills, introduced by Mr. WATKINS, were received, read twice by their titles, and referred to the Committee on Agriculture and Forestry, as follows:

S. 3184. A bill to amend the Bankhead-Jones Farm Tenant Act so as to authorize the Secretary of Agriculture to make or insure loans to farmers and stockmen for the purpose of refinancing existing debts, and for other purposes; and

S. 3185. A bill to amend the Bankhead-Jones Farm Tenant Act so as to adjust the loan limitations of title II so as to provide more effective assistance to production and subsistence loan borrowers.

The statement presented by Mr. WATKINS is as follows:

SUPPLY MORE CREDIT TO WORTHY FARMERS

In his special agricultural message sent to the Congress nearly a month ago, President Eisenhower stated that "the administration is determined to see to it that an adequate supply of credit remains readily available to our farmers at all times."

Private local credit institutions are doing a good job of providing credit to farmers who can meet the credit standards required to insure repayment. Most of those farmers who produce the bulk of our annual marketable crop value are not experiencing difficulty in obtaining credit.

But even many of these farmers are borrowing increasing amounts. For example, the Federal Land Bank System and its 1,100 local farm loan associations lent farmers who had adequate collateral some $487 million in 1955. This represented a 59-percent increase, however, over 1954. Of this $487 million, nearly $338 million represented "new-borrowed money." During 1955 also, local production credit associations, some 498 in number, which form the other part of the Cooperative Farm Credit System of the Farm Credit Administration loaned to farmers an additional $1.4 billion dollars, secured by adequate collateral.

However, the responsibility of "assuring adequate and sympathetic coverage of agricultural credit requirements which cannot be met by private financial institutions" as President Eisenhower expressed it in his special agricultural message, belongs to the Farmers Home Administration. Loans made to farmers, by the Farmers Home Administration, who cannot meet the collateral and other credit standards of private banks, etc., and the lending institutions of the Farm Credit Administration, increased in value from $212 million in 1951 to well over $300 million in 1955.

But due to the cost-price squeeze which farmers have been experiencing for several years now, a large number of FHA and other borrowers, especially those in drought disaster areas and young farmers just getting started, are having extreme difficulty meeting their credit obligations. In the intermountain States of Colorado, New Mexico, Utah, and Wyoming, the Federal Government has made economic and production disaster and special livestock loans, during the period 1953–56, totaling $20,142,855. It appears quite certain that many farmers who got these loans will be forced from agriculture not because they are not good, efficient farmers, but because they haven't adequate financial resources to see them through the temporary crisis agriculture is experiencing. As Secretary Benson pointed out in his February 1, 1956, talk before the Minnesota-Iowa Swine Producers Association at Austin, Minn., "It takes money to make money in farming as in other businesses."

Because I have faith in the American farmer, I send to the desk two bills which would enable the Farmers Home Administration to make a more adequate supply of credit available to farmers.

The first would authorize the Secretary of Agriculture, through the Farmers Home Administration, to—

1. Make or insure loans for the purpose of refinancing, consolidating, renewing, or extending all, or part, of the existing debts of the applicant for farm operating and subsistence expenses, whether secured or unsecured by real or personal property.

2. Such loans are to be made to farmers operating family-type farms who are unable to repay their existing indebtedness in accordance with present repayment schedules and who cannot secure refinancing through private or cooperative sources on terms that they could be expected to meet under present circumstances.

3. Such loans are to be repaid when it appears that the borrower can obtain a loan from cooperatives or private sources, including the local loan associations and Production Credit Associations under the terms borrowers can meet.

4. Such loans are to carry such interest rates and conditions of repayment as the Secretary of Agriculture deems advisable under the circumstances, provided, however, that the total principal indebtedness of a borrower shall not exceed the fair value based on earning capacity or the normal market value of the farm.

5. The aggregate total of such loans shall not exceed $45 million in any 1 fiscal year.

The second bill will permit the Farmers Home Administration to provide more effective assistance to production and subsistence loan borrowers by providing that—

1. The term of any such loan shall not exceed 11 years from the date the original loan was made. This extends from 7 to 11 years the repayment period.

2. No person who has failed to liquidate his indebtedness in 11 consecutive years shall be eligible for additional loans until such indebtedness has been paid.

ELIMINATION OF HAZARDS CAUSED BY A CANAL IN THE CITY OF KLAMATH FALLS, OREG.

Mr. NEUBERGER. Mr. President, on behalf of my colleague, the senior Senator from Oregon [Mr. MORSE], and myself, I introduce, for appropriate reference, a joint resolution. I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Oregon may proceed.

Mr. NEUBERGER. Mr. President, on behalf of my colleague [Mr. MORSE] and myself, I introduce a joint resolution directing the Interior Department to find the best and most feasible means of eliminating the terrible dangers caused by a deep and swift Bureau of Reclamation canal which winds through the heart of the city of Klamath Falls, Oreg. The joint resolution carries a $5,000 appropriation to finance this humanitarian and urgent undertaking.

The project is humanitarian because during the past 30 years a total of 25 unfortunate persons have lost their lives by drowning in this canal. The project is urgent because every hour that this canal exists in its present form, some man, woman, or child may die.

Last October, I inspected this canal, with a group of public-spirited and responsible Klamath Falls citizens known as the Fence the Canal Committee. I saw for myself this hazard. The canal twists through the very core of Klamath Falls, a community of some 16,000 people. It touches backyards and school playgrounds. In some places the canal banks are low. In other reaches, the canal is in a virtual gorge. Naturally, such a flow of water is especially tempting and inviting to children. When I was in Klamath Falls, a child of 3 had just perished in the canal's cold flow. The grief-stricken parents were members of the committee. No force on earth can bring that little boy back to life, but it is within the authority of the Congress of the United States to take steps to make sure that other little boys will not share his sad fate.

At the time when I toured this perilous canal, it was felt that fencing with cyclone fences was the most practical means of eliminating the danger. Since then, other solutions have been recommended. Some citizens fear that children could still surmount the fence. Others think covering the canal completely might be a more permanent remedy. Still others advocate a complete relocation of the canal, entirely outside the city limits of Klamath Falls.

Because of these conflicting proposals, it has seemed to me advisable to order the Interior Department to survey and review the situation, and to suggest the most practical solution. Such a study, I am told, will cost approximately $5,000. This small expenditure is amply justified when we consider that human life is at stake, particularly the lives of little children. Had the canal been fenced or covered or moved prior to last fall, 3-year-old Patrick Callahan, the most recent of its 25 victims, would not have drowned.

Fred B. Robinson, of Klamath Falls, is chairman of the Fence the Canal Committee. He and his associates have kept me informed on the gravity of the problem. Many families in Klamath Falls, the instant they cannot locate their children out of doors, are terrified. They immediately think the canal has claimed another young life. I believe, Mr. President, that this menace must be ended. The United States Government has a direct responsibility, because it is a Bureau of Reclamation canal. Perhaps the United States Government should finance the entire project, ultimately. Perhaps it should be cooperative among National Government, city, and county. I am not yet prepared to recommend the exact formula. That will have to wait on the survey proposed by the joint resolution I am introducing today.

There are about 5.6 miles of an open ditch through the most densely populated sections of Klamath Falls. Would any city tolerate for long such a peril, if it already had cost the community 25 precious lives? I do not blame the good

citizens of Klamath Falls for their indignation and outrage. I only wonder that they—and particularly the parents of children living in the city—have endured the menace as long as they have. Furthermore, think of the psychological problem which this situation poses to teachers and school authorities, in view of the proximity of the Bureau of Reclamation canal to schools and school-recreational facilities.

Mr. President, this ditch is a monstrous hazard, and it must be eliminated. I commend the good citizens of Klamath Falls, and particularly the Fence the Canal Committee, for the initiative and leadership they have shown in trying to do something to goad us in Government into exercising our responsibility in this matter.

So that the Senate will realize I am not exaggerating when I discuss this menace, I ask unanimous consent that there be printed in the RECORD, together with my remarks, a statement by Dr. S. M. Kerron, health officer of Klamath County, detailing the number of deaths each year since 1925, and the ages of the victims, through drowning in this watery graveyard. I also ask unanimous consent that there be printed a report of the Fence the Canal Committee, as summarized by its chairman, Mr. Fred B. Robinson; and that a copy of the joint resolution be likewise included in the RECORD.

My own personal inspection of the so-called A canal of the Reclamation Bureau in Klamath Falls has convinced me that this resolution should be speedily enacted, if the Federal Government is to do its duty to the people of this major community in southeastern Oregon.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution, statement, and report will be printed in the RECORD.

The joint resolution (S. J. Res. 143) to direct the Secretary of the Interior to determine the best means of eliminating the hazards within the city of Klamath Falls, Oreg., caused by a canal under the jurisdiction of the Bureau of Reclamation, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, referred to Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas in the approximately 38 years during which the A canal, under the jurisdiction of the Bureau of Reclamation, has been in operation within the city of Klamath Falls, Oreg., 25 persons have drowned in such canal: Now, therefore, be it

Resolved, etc., That the Secretary of the Interior shall provide for an investigation and study for the purpose of determining the best means of eliminating the hazards within the city of Klamath Falls, Oreg., caused by the A canal under the jurisdiction of the Bureau of Reclamation.

SEC. 2. There is authorized to be appropriated such amount not in excess of $5,000 as is necessary to carry out the provisions of this joint resolution.

The statement and report, presented by Mr. NEUBERGER, are as follows:

AFFIDAVIT CONCERNING DEATHS FROM DROWNING IN THE UNITED STATES BUREAU OF RECLAMATION CANAL AT KLAMATH FALLS AND VICINITY

STATE OF OREGON,
County of Klamath, ss:

I, S. M. Kerron, M. D., being first duly sworn, depose and say:

That I am the duly appointed, qualified, and acting health officer for Klamath County, State of Oregon; that by virtue of such position I have in my possession a record of the deaths occurring in Klamath County, State of Oregon.

That from said record I have compiled the following list of persons who have drowned in the United States Bureau of Reclamation Canal from its source, through the city of Klamath Falls, and through the most populated portion of the suburbs of Klamath Falls, and to Homedale Road, Klamath County, beginning from the year 1925 and to and including October 14, 1955, including the ages of the persons who drowned, to-wit:

Year	Number	Ages
1925	0	
1926	2	40 and 66.
1927	1	5.
1928	0	
1929	0	
1930	1	10.
1931	1	10.
1932	1	33.
1933	1	6½.
1934	0	
1935	1	10.
1936	0	
1937	1	65.
1938	0	
1939	1	35.
1940	0	
1941	5	1, 30, 48, 40, and 49.
1942	2	8 and 41.
1943	1	10.
1944	0	
1945	2	22 and 15.
1946	1	36.
1947	1	46.
1948	0	
1949	0	
1950	0	
1951	0	
1952	1	47.
1953	1	63.
1954	0	
1955	1	3.
Total	25	

That the purpose of this affidavit is to show from the official records of Klamath County, State of Oregon, the true and correct number of persons who have drowned in the said United States Bureau of Reclamation canal, and to point up the need for remedial action.

S. M. KERRON, M. D.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Sacramento, Calif., December 13, 1955.

Mr. FRED B. ROBINSON,
Klamath Falls, Oreg.

MY DEAR MR. ROBINSON: In response to your letter of November 7, 1955, I wish to inform you that the Bureau would require funds in the amount of about $5,000 to investigate the practicability and feasibility of the various proposals you have made with regard to the "A" canal.

As stated in my letter of October 28, 1955, the Bureau does not have the funds nor the authority to make such studies.

Sincerely yours,

C. H. SPENCER,
Regional Director.

REPORT OF THE FENCE THE CANAL COMMITTEE
(By Fred B. Robinson)

Following the drowning of little Patrick Callahan, age 3, in the Government A canal on September 28, 1955, Mayor Paul Landry appointed a Fence the Canal Committee on October 4, 1955.

This committee, as it started to function, consisted of eight citizens; namely, Fred B. Robinson, chairman; Mrs. Kathy MacDonald, Mrs. Mike Holland, Mrs. Jack Elliott, Mrs. Josephine Kittridge, Mr. Frank Z. Howard, Mr. M. L. Shepherd, and Mr. Robert D. Puckett. Our specific task, emphasized by Mayor Landry, was to study not only the matter of fencing, but any and all other remedial measures that appeared feasible.

One of the first steps in studying a problem of this kind is to find out just how big a proposition it really is. Proceeding along this line, the following facts emerge:

1. Total length of canal under consideration, from headgate to Homedale Road, 6.2 miles.

2. Headgate to west portal of tunnel at Conger Field, 2,200 feet.

3. Length of tunnel under hill (west edge Conger Field to Prospect Street), 3,300 feet.

4. East portal of tunnel (Prospect Street) to city limits at Washburn Way, 2.2 miles.

5. Washburn Way to Homedale Road, 3 miles.

6. Total length of open canal, from headgate to Homedale Road, 5.6 miles.

In other words, deducting the 3,300 feet of canal already underground between Conger Field and Prospect Street, from the 6.2 miles total, leaves 5.6 miles of open, dangerous ditch through our most thickly populated area.

With the size of the problem thus outlined, the next step becomes one of studying the several possible things that can be done to and with the canal. The remedial measures appear to be four in number, although there may be others. These 4 can be listed under 4 general headings, namely:

1. Fence it.
2. Put it underground.
3. Move it elsewhere.
4. Use some combination of the first three.

Each of the four will be discussed briefly; advantages and disadvantages cited, cost figures given where available, pertinent facts cited, where known, followed by a statement of status—or progress—to date and a suggested plan of community action to secure the relief we want.

At this point it might be well to emphasize that there probably is no one single, perfect, happy solution to the problem. There will be good and valid objections to every one of the suggested remedial measures, just as there are good and valid reasons for each one. Some of the proposals may seem utterly fantastic, from a cost standpoint. They should, nevertheless, be brought up and weighed for what they are worth in any long range, permanent plan of solution. The fact that they are mentioned does not necessarily mean that the committee is recommending or endorsing them. We're keeping in mind that whatever is done must be eventually paid for by somebody, and it may end up by being local dollars that will do it. Whether it is ours or someone elses, it is going to cost money, whatever is done.

Furthermore, this is a long, long range proposition, not a stop-gap problem. The A canal has now been in operation 38 years. It will probably continue in operation 10 times that long—380 years. This is something to be figured in terms of 2, 3, or 5 centuries hence, as well as the immediate present. A permanent solution is needed, so

let's not be too anxious to settle for just any cheap compromise that is offered.

* * * * *

CONCLUSION

With the majority of the fence-the-canal committee present, it was unanimously voted to present the foregoing as our committee report, together with the following:

FINDINGS AND RECOMMENDATIONS

We find that something can be done to eliminate this canal danger from our community.

We find that the Bureau of Reclamation has already made somewhat of an engineering study of the very same measures we are suggesting. Also, that they are willing to proceed further with this study, to the end of finding ways and means of remedying this dangerous and hazardous situation, providing they can get funds and authority to do so. This is proven by a letter from Mr. C. H. Spencer, regional director of their Sacramento office, dated December 15, 1955, in which he says:

"The Bureau would require funds in the amount of $5,000 to investigate the practicability and feasibility of the various proposals you have made with regard to the A canal."

We know that Senator NEUBERGER and Congressman COON are aware of our problems, through first-hand inspection. Also, that both are ready to help us in every way possible, once they know what we want.

The recommendations follow naturally. First we should cooperate with the Bureau of Reclamation by having our Congressmen get them the necessary $5,000, plus whatever additional is needed, for an immediate, complete, and thorough engineering survey.

Secondly, as a community, we should insist that any and all surveys be aimed at getting the A canal out of town entirely.

Third, we should ask for a revision in the Bureau of Reclamation timetable, to the end that disposition of the A canal be made both a "next" and a "must" in their program.

Fourth, we should insist on speedy action all along the line, to the end that funds for construction work on the substitute for the A canal be included in the 1957–58 fiscal year budget of the Bureau of Reclamation.

Lastly, we should settle for nothing less than moving the A canal out of town, and abandonment of its present right-of-way, providing an engineering survey shows this to be feasible.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENT

Mr. WILLIAMS. Mr. President, I submit an amendment, intended to be proposed by me, to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes.

The purpose of the amendment is to provide for termination of social-security benefit payments to any person upon his conviction of espionage, sabotage, treason, sedition, or subversive activities.

The subject has been brought to my attention by an article in the Washington Daily News of October 27, 1955, in which it is pointed out that a convicted man, who was one of the top Communists in the country, is drawing social-security benefits while serving his term in the Atlanta Penitentiary.

Unless my amendment is adopted, after this man has served his time and is deported to Russia, his social-security payments will follow him to Russia.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in my remarks at this point in the RECORD.

There being no objection, the amendment was received, referred to the Committee on Finance, and ordered to be printed.

The article, presented by Mr. WILLIAMS, was ordered to be printed in the RECORD, as follows:

RED INMATE GETS $88.10 MONTHLY SECURITY FROM HAND HE TRIED TO BITE

(By Jack Steele)

The Social Security Administration each month mails a check for $88.10 to a Communist inmate of the Federal penitentiary at Atlanta, Ga.

It goes to Alexander Bittelman, a high-ranking Red now serving a 3-year sentence there for conspiring to advocate overthrow of the United States Government by force and violence.

The $88.10-a-month payment is made to the 65-year-old Mr. Bittelman under the Government's old-age insurance program. He can cash the check and spend the money. And, furthermore, it isn't subject to income tax.

DOUBLE SECURITY

His monthly check is a sort of double security from the hand of the Government he tried to bite.

Even that isn't the whole story.

Mr. Bittelman gets the check even though he hasn't paid a penny of the $6,000 fine imposed when he was sentenced on February 3, 1953, for violating the Smith Act.

And the Government keeps on paying his social security even though it expects to deport him to his native Russia as soon as he finishes serving his sentence.

Government officials did a lot of stuttering today trying to explain the Bittelman case. They were partially tonguetied because the social-security laws bar disclosure of details of the cases of individual beneficiaries.

HYPOTHETICAL

This picture was pieced together from what they could and would say about a hypothetical case similar to Mr. Bittelman's.

Social security laws and regulations do not bar payments to prisoners. Old-age insurance is based on taxes paid by both employees and employers in covered industries. The theory seems to be that it is a statutory right which is not canceled—as many others are—by conviction for a serious crime.

(The only exception, which does not apply to the Bittelman case, is that payments may not be made to a person who would thus benefit from his own crime, such as a woman who murdered her husband and thus became eligible for social security.)

There is no legal bar to payments to persons convicted under the Smith Act or other antisubversive laws. Presumably, anyone serving a sentence for treason would receive social security if eligible.

Social security checks cannot be seized or garnisheed by the Government or any other creditor.

Both the Justice and Health, Education, and Welfare Departments are investigating the Bittelman case—presumably to see if there is any way these loopholes in the law can be closed.

If not, they may ask Congress to amend the law next year.

CREDIT

Credit for bringing the Bittelman case to light goes to William H. Hardwick, warden of the Atlanta Penitentiary.

Warden Hardwick declined to talk about the case today, but it was learned that he did some vigorous eyebrow raising when Mr. Bittelman's social-security checks began to turn up at the prison several months ago.

He reported the situation to the Bureau of Prisons, which told him to continue delivering the checks until further orders and bucked the case along to the Social Security Administration.

Mr. Bittelman is one of the founders of the Communist Party in this country. He came to the United States in 1912 after having been deported to Siberia by the Czar for revolutionary activity. He attended an underground meeting in 1920 at Kingston, N. Y., at which the party was supposedly formed, and later served as a member of the party's national committee.

Mr. Bittelman was one of 13 second-string Communist leaders convicted under the Smith Act in January 1953. He began serving his sentence last January 11. His home was at Croton-on-Hudson, N. Y. He once worked for a New York publishing house, but it is not known whether this is where he earned his social security.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the CONGRESSIONAL RECORD, as follows:

By Mr. MURRAY:

Statement by Mr. George B. Burger, vice president, National Federation of Independent Business.

ADDRESS BY MISS LAURA CLAY AS TEMPORARY CHAIRMAN OF KENTUCKY CONVENTION ON NOVEMBER 27, 1933

Mr. BARKLEY. Mr. President, yesterday was the anniversary of the birthday of one of the outstanding women of Kentucky, Miss Laura Clay, who lived in Lexington. She was a daughter of Cassius M. Clay, who was our Ambassador to Russia, appointed as such by President Lincoln nearly a century ago.

Miss Clay was one of the ablest among all that fine galaxy of women in Kentucky who have contributed so much to the educational, political, and moral atmosphere of our State.

Her father, Cassius M. Clay, was one of the most colorful men who ever lived in Kentucky, and belonged to that rather amazing Clay family for which Kentucky has been famous for more than a century and a quarter.

Cassius M. Clay built a magnificent mansion in Madison County, Ky., not

far from Richmond, on an estate of 1,200 or 1,500 acres of bluegrass land. That magnificent house has been in a state of disrepair for a number of years. I myself visited it last year, just to see it in all its beauty and magnificence, and it really struck me as a pity that, in view of its historic interest and significance, nobody had restored the old Cassius M. Clay mansion, and saved it from becoming entirely a wreck.

Miss Laura Clay was an outstanding advocate of woman suffrage, and she was at one time a member of Susan B. Anthony's cabinet, as it was called. She was also an active member of the Women's Christian Temperance Union. In spite of that fact, however, she presided over the convention in Kentucky which ratified the constitutional amendment repealing the 18th amendment.

I have received from Dr. Mary Scrugham, of Lexington, a sister of former Senator Scrugham, of Nevada, who served in the Senate a great many years ago, a copy of the speech Miss Laura Clay made to the convention held in the State of Kentucky on the 27th day of November 1933, assembled for the purpose of ratifying the amendment repealing the 18th amendment.

I have been requested to have the address printed in the RECORD, and I take great pleasure in asking unanimous consent that the address by Miss Clay which is very short, be printed at this point in the RECORD. It shows that notwithstanding Miss Clay's sentiments otherwise, she advocated the repeal of the 18th amendment to the Constitution for the reasons she gave in the speech.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Friends, delegates, and fellow citizens, I have the honor to extend greetings to you on this historic occasion. The people of Kentucky have voiced at the ballot box their mandate to repeal the 18th amendment to the Federal Constitution and to adopt the 21st amendment.

Whatever other motives may have been mingled in giving this mandate it is evident that it expresses widespread and deep-rooted conviction among our people of the right of States to govern their internal and local affairs. And it designates that one office of the Federal Government is to uphold the States in their authority by protecting them from certain outside violations of their laws.

With this renewed affirmation of the rights of the States, we may go forward with courage in solving the problems which face us on our way to better and higher social conditions under our State constitution and laws.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to consider executive business, for action on the nominations on the Executive Calendar, beginning with the new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees the Secretary will proceed to state the nominations on the Executive Calendar, beginning with the new reports.

FEDERAL TRADE COMMISSION

The Chief Clerk read the nomination of Sigurd Anderson, of South Dakota, to be Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1952.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Coast and Geodetic Survey nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc.

Without objection, the nominations are confirmed.

UNITED STATES COAST GUARD

The Chief Clerk proceeded to read sundry nominations in the United States Coast Guard.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Coast Guard nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc.

Without objection, these nominations are confirmed.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

IMPROVEMENT IN BENEFITS FOR NEEDY OLDER CITIZENS—AMENDMENT

Mr. LONG. Mr. President, I ask unanimous consent that I may proceed for 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and the Senator from Louisiana is recognized for 10 minutes.

Mr. LONG. Mr. President, on behalf of the senior Senator from Georgia [Mr. GEORGE] and myself, I submit, and send to the desk, an amendment to H. R. 7225, and the request that it be printed and referred to the appropriate committee. I am especially pleased to have the senior Senator from Georgia join me in sponsoring this amendment, because it deals with a type of legislation with which he has had more experience than has any other Member of this body. As I have said many times, it has been one of my greatest privileges to serve and work with the senior Senator from Georgia; and I know of no matter on which I would rather work with him than this one.

What we are proposing, Mr. President, is an improvement in the welfare benefits for our needy older citizens. Under the amendment, the Federal matching formula would be revised. Instead of the present formula under which the Federal Government pays four-fifth of the first $25, it would be required to pay five-sixths of the first $30.

In other words, instead of $20 out of the first $25, the Federal share would be $25 out of the first $30 per month. Above the initial $30, there would be 50–50 matching of State and Federal funds up to a maximum of of $65, instead of the present maximum of $55.

Although the technical details are not yet completely worked out, we are planning to redraft the amendment so that no State will be able to use the new formula except with the effect of increasing benefit payments in the particular State. In other words, a State could elect to continue to use the present formula without an increase in benefit payments, or to adopt the proposed new formula and increase benefit payments $10 a month or some fraction thereof. The necessary technical means for accomplishing this must be worked out in the Finance Committee.

Mr. President, I ask unanimous consent that throughout next week this amendment may be open for the addition of the names of cosponsors. I believe that Senators will find, upon examination, that this proposed legislation is of great importance and is extremely timely. Therefore I should like to afford Senators who may so desire an adequate opportunity to add their names as cosponsors.

I also ask that the proposed amendment be printed in the RECORD at this point.

The ACTING PRESIDENT pro tempore. The amendment will be received, referred to the Committee on Finance,

temporarily held at the desk, be printed, and be printed in the RECORD.

The amendment submitted by Mr. LONG, for himself and Mr. GEORGE, is as follows:

At the end of the bill, add the following new title:

"TITLE III—PROVISIONS RELATING TO PUBLIC ASSISTANCE

"AMENDMENTS TO MATCHING FORMULA FOR OLD-AGE ASSISTANCE

"SEC. 301. (a) Section 3 (a) of the Social Security Act is amended to read as follows:

"'SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1956, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan, not counting so much of expenditure with respect to any individual for any month as exceeds $65—

"'(A) five-sixths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $30 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Purto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.'

"(b) The amendments made by subsection (a) of this section shall be effective on and after October 1, 1956."

Mr. LONG. Mr. President, this amendment will be of substantial benefit to more than 2,500,000 aged persons who are in need of assistance. These people can well be described as the least of them all in that while they have contributed much in work and effort to the growth of this Nation, they are no longer productive in an economic sense. Undoubtedly many individuals have made great profit and accumulated riches as a result of the work of these 2,500,000 aged citizens. However, they themselves have little to show for their contribution.

This will be the first forward step to improve the condition of these 2,500,000 aged people since the year 1951—5 years ago—when a Democratic Congress under the leadership of the then Democratic leader, Ernest McFarland, the then junior Senator from Arizona, on behalf of himself and a large number of his colleagues, offered a successful amendment to the public-welfare program which had the effect of increasing the matching funds for the needy people of the Nation.

I have undertaken to prepare a certain amount of basic information which I am sure most Senators would want to have available in the study of this proposal. The complete data for old-age and survivors insurance payments in 1955 are not yet available. Therefore, I have been compelled to rely upon the figures for 1954 in order to obtain a nationwide comparison of welfare and social-security payments. I am, therefore, making available for the record three charts I have prepared.

The first is a tabulation of the cost of my proposed amendment to the Federal Government, assuming that each State in the Nation were to avail itself of the opportunity to participate in the liberalized matching formula and further assuming that State expenditures for public welfare purposes are approximately the same as they were in the year 1954. While neither assumption may be entirely correct, I feel that the national average will be within 5 percent of the figures I have prepared in table I.

This table shows approximately the amount of additional Federal funds which would be made available to the welfare programs of the various States and Territories of this Nation, assuming that each one elected to qualify for liberalized matching formula.

Therefore, Mr. President, I ask unanimous consent that table I may be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I

WE CAN AFFORD LIBERALIZATION NOW

The cost to the Federal Government of liberalizing the matching formula for assistance to our aged needy would not be great. The increases available to the States and the cost to the Treasury are outlined in the chart below, based on present caseloads:

Proposal: Raise Federal matching funds for old-age assistance to five-sixth of $30 plus one-half up to $65.

Annual increase in Federal funds, assuming each State complies

Alabama	$5,306,524
Arizona	1,181,914
Arkansas	3,332,189
California	23,443,405
Colorado	4,335,355
Connecticut	1,477,922
Delaware	106,751
District of Columbia	245,983
Florida	5,333,196
Georgia	5,910,900
Idaho	706,496
Illinois	7,827,809
Indiana	2,468,337
Iowa	3,330,871
Kansas	2,766,006
Kentucky	3,326,460
Louisiana	7,571,225
Maine	993,792
Maryland	779,425
Massachusetts	7,660,071
Michigan	6,075,485
Minnesota	4,173,656
Mississippi	4,236,660
Missouri	$7,946,640
Montana	748,964
Nebraska	1,433,124
Nevada	231,995
New Hampshire	522,675
New Jersey	1,689,152
New Mexico	662,695
New York	8,359,794
North Carolina	3,105,900
North Dakota	655,631
Ohio	8,689,873
Oklahoma	7,848,302
Oregon	1,603,993
Pennsylvania	4,134,156
Rhode Island	657,133
South Carolina	2,596,860
South Dakota	640,260
Tennessee	3,893,820
Texas	13,436,460
Utah	783,803
Vermont	534,604
Virginia	1,092,749
Washington	5,128,057
West Virginia	1,430,160
Wisconsin	3,419,253
Wyoming	340,656
Alaska	144,578
Hawaii	132,653
Total United States	184,459,372

Mr. LONG. Mr. President, the second tabulation undertakes to show the number of people in each State who are receiving old-age assistance payments under the public-welfare program and also those receiving payments under the old-age and survivors insurance phase of the social-security program. In this table the third column of figures is particularly important because it demonstrates the percentage of aged persons receiving neither old-age assistance nor old-age and survivors insurance payments in 1954.

I should like to call the attention of my colleagues to the fact that a study recently completed by the Twentieth Century Fund has demonstrated that nearly three-fourths of the persons aged 65 or above have either no income or an income of less than $1,000 a year. Referring to the nationwide average of 45 percent of individuals who are receiving payments from neither old-age assistance nor old-age and survivors insurance, it is rather obvious that there are millions of aged people in this Nation today whose continued existence depends upon such meager assistance as their children or relatives are able to provide.

I feel sure that both great political parties desire to make progress in reducing the wretchedness and penury that are all too prevalent in this, the greatest and wealthiest Nation on the face of the earth.

We are told that the broadened social-security program will result in a gradual reduction of public-welfare cases. We are further told that within 20 years practically all aged persons of 65 years or over will be entitled to receive old-age and survivors insurance or other retirement income, amounting to at least $75 a month. But that does not meet the present problem. That does not solve the personal problems of the 14 million aged persons who are with us today.

I am sure my colleagues would agree with me that we would be derelict in our duty were we to overlook the millions of aged citizens who are in need of additional income today and take the irresponsible attitude that many of these problems will solve themselves after these worthy citizens who have contributed much to the growth and wealth of this Nation have passed out of this world and into the next.

I ask unanimous consent to place in the RECORD table 2, which I have prepared.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II

State	Per capita income as percent of average per capita income for United States, 1954 ($1,770)	Population aged 65 and above 1954 (estimate)	Percent of aged receiving neither OAA nor OASI, 1954	Percent of aged on OASI rolls, 1954	Percent of aged on OAA rolls, 1954	Percent of aged receiving OASI or OAA or both 1954 [1]
Alabama	61.6	214,000	41.4	29.7	29.6	58.6
Arizona	72.4	53,000	40.0	40.1	20.2	60.0
Arkansas	55.3	163,000	42.4	27.1	32.3	57.6
California	122.2	1,044,000	39.4	44.2	26.0	60.6
Colorado	95.3	129,000	37.9	34.6	40.9	62.1
Connecticut	133.4	201,000	44.1	50.2	9.4	55.9
Delaware	124.0	29,000	50.9	44.2	5.8	49.1
District of Columbia	125.4	63,000	64.2	32.0	4.9	35.8
Florida	91.0	297,000	33.3	48.9	23.4	66.7
Georgia	69.9	243,000	36.9	26.3	40.1	63.1
Idaho	81.0	49,000	50.6	35.5	18.1	49.4
Illinois	121.8	854,000	50.9	40.0	11.4	49.1
Indiana	103.6	392,000	51.2	40.1	9.6	48.8
Iowa	94.2	293,000	58.6	29.5	14.5	41.4
Kansas	95.4	209,000	56.7	29.6	16.5	43.3
Kentucky	68.7	251,000	50.1	30.0	22.3	49.9
Louisiana	73.6	193,000	22.7	27.2	62.0	77.3
Maine	84.3	95,000	40.1	50.3	14.3	59.9
Maryland	109.6	181,000	54.3	40.8	5.9	45.7
Massachusetts	108.6	510,000	39.6	49.0	17.9	60.4
Michigan	114.0	534,000	45.0	44.3	14.3	55.0
Minnesota	92.9	304,000	52.7	33.1	17.1	47.3
Mississippi	49.3	159,000	39.2	20.4	42.6	60.8
Missouri	98.7	434,000	43.3	33.2	30.7	56.7
Montana	97.7	59,000	55.4	32.2	15.6	44.6
Nebraska	92.4	144,000	62.0	27.4	12.6	38.0
Nevada	136.4	13,000	47.7	40.3	20.4	52.3
New Hampshire	90.7	60,000	42.2	49.8	10.7	57.8
New Jersey	125.4	450,000	47.0	49.5	4.6	53.0
New Mexico	78.4	39,000	45.4	27.0	31.2	54.6
New York	122.2	1,430,000	48.8	45.8	7.3	51.2
North Carolina	67.2	253,000	53.2	28.0	20.4	46.8
North Dakota	67.0	54,000	67.6	18.8	15.3	32.4
Ohio	112.0	785,000	47.3	42.3	13.2	52.7
Oklahoma	82.9	209,000	35.1	26.6	25.7	64.9
Oregon	99.3	153,000	42.9	48.6	13.2	57.1
Pennsylvania	100.9	978,000	48.2	46.8	6.0	51.8
Rhode Island	103.0	78,000	37.5	54.9	10.7	62.5
South Carolina	60.1	130,000	43.0	25.5	33.1	57.0
South Dakota	75.3	63,000	61.7	23.2	17.4	38.3
Tennessee	68.5	254,000	48.2	27.2	26.6	51.8
Texas	88.9	891,000	40.1	27.0	37.6	59.9
Utah	85.8	49,000	46.7	37.4	36.9	53.3
Vermont	79.6	40,000	45.3	41.5	17.2	54.7
Virginia	83.6	237,000	50.9	33.2	7.3	40.1
Washington	110.1	240,000	37.2	45.3	25.3	62.8
West Virginia	69.6	152,000	41.9	42.6	16.7	58.1
Wisconsin	96.4	346,000	49.9	40.2	12.8	50.1
Wyoming	100.5	22,000	54.0	32.4	18.5	46.0
Alaska		4,742	27.2	47.6	25.2	72.8
Hawaii		25,000	51.4	42.4	7.3	48.6
Puerto Rico		85,578	32.0	15.7	52.5	68.0
Virgin Islands		2,011	56.6	9.7	33.9	43.4
United States	100.0	13,729,000	45.3	39.7	18.7	54.7

[1] Not total, does not duplicate concurrent recipients of both.

Source: Department of Health, Education, and Welfare, Bureau of the Census.

Mr. LONG. The third table demonstrates the actual numbers of individuals drawing old-age and survivors' insurance payments and old-age assistance. It further shows the percentage of State and Federal contributions to public welfare for aged persons for the year 1954. In addition, this column shows the average monthly payment per recipient during the year 1954.

Several facts should be particularly noteworthy to most Senators. One of these facts is that States with low per capita income are generally States of a predominantly agricultural economy. It is in those States that the lowest percentage of persons are protected by old-age and survivors' insurance. These classes, farmers and farm laborers, are not protected by social security. It is true that those who are presently productive will have the benefit of social-security coverage in the future. However, that does not meet their problem today.

Those who are no longer able to work do not now and will not in the future have the benefit of old-age and survivors' insurance payments. Therefore, we have a high percentage of aged persons drawing old-age assistance payments under State public-welfare programs. In addition, there are many aged persons who are not receiving any sort of assistance, although they need it very badly, because of the inability of the States to make even a modest contribution toward adequate welfare payments for these persons.

Senators will note that the old-age assistance payments were substantially higher in 1954 in States with low per capita income than the payments in those same States were several years before. Much of this result can be explained by the McFarland amendment, which a large number of my colleagues joined in cosponsoring in the year 1952. It was this amendment that caused the Federal Government to put up $20 to match the first $5 of State contribution. Such liberal Federal matching as provided by the McFarland amendment made it possible for low-income States, like Mississippi, Arkansas, Alabama, Georgia, North Carolina, and others, to make genuine headway in meeting the tremendous problems of poverty of the aged existing within those States.

The amendment the senior Senator from Georgia and I are offering will make possible further progress in that direction. At the same time our amendment will meet another problem. States with higher per capita income, particularly those States where a large percentage of their aged people are already protected by old-age and survivors' insurance, have found themselves able to advance public-welfare payments to the aged beyond the $55 at which Federal matching ceases.

To provide an extra $5 of Federal matching for those States of high income, States which make large contributions to Federal revenues and relatively small withdrawals against the public-welfare programs, would not permit those States to benefit in any genuine way. If those States cared to advance welfare payments to their general welfare citizens, the additional $5 of Federal matching would be offset by the fact that the additional contribution of the State above $55 would not be subject to Federal matching.

Therefore, in justice and fairness, those States with higher per capita income, in return for their support of a program that assists those with low per capita income, are entitled to demand and expect that the Federal Government will match State contributions to old-age assistance, at least as high as $65. Therefore, the amendment being offered by the senior Senator from Georgia and myself recognizes this fact and undertakes to provide additional matching to the extent of $65.

I ask unanimous consent to place in the RECORD the third table to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III

State	Per capita income as percent of average per capita income for United States, 1954 ($1,770)	Population aged 65 and above, 1954 (estimate)	Number of aged persons receiving OASI benefits, December 1954	Number of aged persons receiving OAA grants, December 1954	Number of aged persons receiving OASI or OAA or both, December 1954 [1]	Number of aged persons receiving neither OASI nor OAA, December 1954	Federal payments for OAA, 1954	Federal percent of OAA payments, 1954	State and local payments for OAA, 1954	State percent of OAA payments, 1954	State per capita expenditure for OAA, 1954	Average OAA monthly payment per recipient, 1954	Average OASI (primary) benefit, December 1954
							Millions		*Millions*				
Alabama	61.6	214,000	63,560	63,353	125,361	88,639	$16.7	76	$5.4	24	$6.85	$30.23	$51.55
Arizona	72.4	53,000	21,228	13,890	31,770	21,230	5.4	58	3.9	42	10.01	55.34	58.19
Arkansas	55.3	163,000	44,164	52,703	93,815	69,185	14.9	73	5.6	27	10.61	33.79	48.58
California	122.2	1,044,000	461,653	271,347	632,928	411,072	107.8	48	117.3	52	18.53	67.44	58.73
Colorado	95.3	129,000	44,623	52,793	80,089	48,911	19.7	39	30.4	61	35.36	90.50	56.43
Connecticut	133.4	201,000	100,975	16,805	112,308	88,692	6.6	40	9.8	60	7.21	83.23	65.67
Delaware	134.0	29,000	12,819	1,675	14,234	14,766	.6	60	.4	31	2.22	39.40	59.67
District of Columbia	125.4	63,000	20,139	3,057	22,536	40,464	1.1	59	.8	41	2.12	52.75	57.73
Florida	91.9	297,000	145,347	69,461	198,064	98,936	24.4	65	13.2	35	10.91	46.00	59.44
Georgia	69.9	243,000	63,978	97,489	153,331	89,669	30.3	70	12.9	30	11.85	37.51	60.30
Idaho	81.0	40,000	17,406	8,862	24,195	24,805	3.3	57	2.5	43	9.71	54.55	53.62
Illinois	121.8	854,000	341,400	97,755	419,608	434,802	37.3	55	30.4	45	7.88	39.69	61.94
Indiana	103.6	392,000	160,664	37,712	191,398	200,602	12.5	58	9.1	42	5.20	47.58	58.31
Iowa	94.2	293,000	86,503	42,577	121,223	171,777	16.3	55	13.2	45	11.52	57.02	54.60
Kansas	95.4	209,000	61,792	34,464	90,573	118,427	13.4	50	12.4	50	13.28	64.52	54.06
Kentucky	68.7	251,000	75,309	55,965	125,475	125,525	16.6	71	6.7	29	7.83	34.91	53.95
Louisiana	73.6	193,000	52,539	119,634	149,141	43,859	46.8	64	26.5	36	25.48	50.71	51.54
Maine	84.3	95,000	47,788	12,619	56,879	38,121	4.7	66	2.4	34	7.93	46.38	55.25
Maryland	109.6	181,000	73,839	10,652	82,751	98,249	3.6	63	2.1	37	2.22	44.82	58.03
Massachusetts	108.6	510,000	249,907	91,220	303,028	201,972	25.7	43	47.5	57	17.08	75.93	62.36
Michigan	114.0	534,000	236,372	76,453	298,815	239,825	28.1	57	21.6	43	7.36	54.43	64.37
Minnesota	92.9	304,000	100,749	52,074	143,796	160,204	19.1	47	21.2	53	12.95	65.12	57.41
Mississippi	49.3	159,000	32,354	67,799	98,674	62,326	16.9	77	5.0	23	9.82	28.04	47.19
Missouri	98.7	434,000	144,186	133,398	246,277	187,723	51.8	65	27.9	35	19.37	49.47	56.62
Montana	97.7	59,000	18,972	9,340	26,293	32,707	3.6	55	3.0	45	11.11	57.67	55.75
Nebraska	92.4	144,000	39,506	18,154	54,694	89,306	5.7	62	4.2	38	3.89	49.77	53.69
Nevada	136.4	13,000	5,243	2,654	6,801	6,199	1.1	58	.8	42	8.75	56.32	56.70
New Hampshire	90.7	60,000	29,860	6,464	34,663	25,337	2.5	53	2.2	47	8.94	58.65	57.50
New Jersey	125.4	450,000	222,850	20,718	238,689	211,311	7.6	48	8.2	52	2.97	66.89	64.09
New Mexico	78.4	39,000	10,530	12,181	21,207	17,703	4.2	64	2.4	36	8.45	45.96	52.24
New York	122.2	1,430,000	654,934	104,496	731,836	698,164	32.8	42	55.6	58	6.17	77.04	61.36
North Carolina	67.2	253,000	70,725	51,597	118,308	134,422	14.0	74	4.8	26	4.49	31.21	52.11
North Dakota	87.0	54,000	10,152	8,276	17,514	36,486	3.0	50	3.0	50	9.56	60.65	50.57
Ohio	112.0	785,000	332,128	103,443	413,642	371,358	39.5	55	31.9	45	8.41	57.59	63.20
Oklahoma	82.9	290,000	55,512	95,616	135,713	73,287	36.8	56	28.8	44	29.56	57.56	52.62
Oregon	99.3	163,000	73,419	20,207	87,363	65,637	7.7	49	8.1	51	9.90	64.82	58.51
Pennsylvania	100.9	978,000	457,792	58,780	506,513	471,487	20.3	61	12.9	39	3.39	45.84	62.72
Rhode Island	103.0	78,000	42,829	8,361	48,749	29,251	3.1	52	2.8	48	7.23	57.36	61.63
South Carolina	60.1	130,000	33,182	43,017	74,138	55,862	12.1	73	4.5	27	7.51	31.84	51.98
South Dakota	75.3	63,000	14,640	11,010	24,143	38,857	4.0	67	2.0	33	9.13	44.58	52.14
Tennessee	65.5	254,000	69,159	67,527	131,693	122,307	20.4	71	8.3	29	8.50	34.54	50.93
Texas	88.9	591,000	159,572	221,927	354,079	236,921	72.3	70	30.9	30	12.34	38.75	52.67
Utah	83.8	49,000	18,334	9,542	26,130	22,870	3.7	55	3.1	45	9.32	59.59	58.18
Vermont	79.6	40,009	16,005	6,860	21,888	18,112	2.4	67	1.2	33	9.60	44.29	55.83
Virginia	83.6	237,000	78,757	17,340	95,089	141,911	4.5	74	1.5	26	1.65	29.56	54.53
Washington	110.1	240,000	108,623	60,609	150,038	89,362	23.2	50	22.9	50	19.06	61.55	59.52
West Virginia	69.6	152,000	64,685	25,310	88,358	63,642	7.1	74	2.5	26	4.79	30.96	56.81
Wisconsin	96.4	346,000	139,110	44,325	175,296	172,704	16.9	49	16.9	51	9.47	62.44	59.73
Wyoming	100.5	22,000	7,127	4,061	10,126	11,874	1.6	55	1.3	45	9.47	58.45	56.49
Alaska		4,712	2,256	1,679	3,452	1,260	.6	52	.6	48	5.85	62.94	56.15
Hawaii		25,000	10,609	1,822	12,138	12,862	.6	64	.3	36	1.78	44.25	56.49
Puerto Rico		85,578	13,410	44,523	58,189	27,389	1.6	39	2.6	61	1.84	7.79	40.71
Virgin Islands		2,011	105	682	872	1,139	.1	50	.06	50	4.15	13.89	42.11
Foreign				34,162									
United States	100.0	13,720,000	5,454,174	2,564,286	7,514,339	6,214,170	$93.6	56	$66.6	44	9.86	51.90	59.14

[1] Net total, does not duplicate concurrent recipients of both.

Source: Department of Health, Education, and Welfare, Bureau of the Census.

Mr. LONG. One further point deserves the attention of my colleagues. Our Nation is already reaching the point where the enormous productive capacity of our workers and our factories is exceeding the ability of our people to consume. These surpluses are being accumulated and cutbacks in production are in prospect. Already our agricultural surpluses are one of our most perplexing problems of government.

I might point out that studies of the spending pattern of persons in low income brackets show that most of their income is spent for food. The additional $185 million of Federal funds distributed in welfare programs will be of considerable benefit to the American farmer in solving the surplus problem. It will also contribute in a small measure to the problem of overproduction in other aspects of the American economy.

I ask unanimous consent to place in the RECORD a résumé of a study of the spending of persons in low income families.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

Percent of family[1] income spent on food, 1953

Family income:	*Percent*
Below $2,000	59.4
$2,000–$4,000	31.2
$4,000–$7,500	27.2
Over $7,500	17.8

[1] Includes single person and multiperson families.

Source of basic data: Departments of Commerce and Agriculture; Fortune magazine.

FOOD EXPENDITURE DEFICIENCY IN LOW-INCOME FAMILIES

The estimate of the food expenditure deficiency of families with incomes of less than $2,000 is based on family budget requirements for an adequate diet purchasable at moderate cost in March 1955, published by the Department of Agriculture. Data on actual family food expenditures by income brackets were taken from various scources. The income distribution data are those for 1953 from the Department of Commerce. The summary computations follow:

Data for low-income groups

Estimates for 1955	Below $1,000 [2]	$1,000 to $2,000 [1]	Total or average
Numbers:			
Individuals, unattached	2,000,000	2,600,000	4,600,000
Families	980,000	3,400,000	4,380,000
Average adequate expenditure: [2]			
Individuals, unattached	$570	$570	$570
Families	[3] 1,090	[4] 1,150	1,136
Average expenditure deficiency:			
Individuals, unattached	$220	----------	$96
Families	365	266	286
Aggregate deficiency:	*Millions*	*Millions*	*Millions*
Individuals, unattached	$440.0	----------	$440.0
Families	357.7	$901.0	1,258.7
Individuals and families combined	797.7	901.0	1,698.7

[1] Disposable income in 1953 dollars.
[2] At March 1955 retail prices.
[3] Estimated amount required for 3.0 members.
[4] Estimated amount required for 3.5 members.

ESTIMATED FOOD CONSUMPTION DEFICIENCIES AMONG LOW-INCOME FAMILIES, 1953

The data underlying the computation of food consumption deficiencies for low-income families appear in the 1949 Food Consumption Surveys of the Department of Agriculture. Though relating to the spring of 1948, they were considered representative of 1953 consumption differences between low- and high-income groups. The standards used to measure adequacy of family consumption were taken from the moderate-cost food plans published by the Department of Agriculture in Helping Families Plan Food Budgets (October 1952), and supplements thereto. The latest available supplement showed adequate family diets purchasable at September 1954 prices. Both types of data were converted to 1953 population and income distribution data. The resulting food consumption deficiencies for eight food categories were as follows:

Food category	Annual deficiencies in millions of pounds for families with disposable incomes: [1]			Total deficiency as percent of total civilian consumption
	Below $1,000	$1,000 to $2,000	Below $2,000	
Leafy vegetables	372	1,400	1,772	10.9
Citrus fruits and tomatoes	240	516	756	4.3
Potatoes (including sweet)	255	660	915	5.5
Other fruits and vegetables	296	714	1,010	2.9
Milk equivalent (million quarts)	708	2,233	[2] 2,941	7.6
Meats, poultry, fish	168	346	514	1.9
Eggs (million pieces)	662	2,110	2,772	4.4
Flour and cereals	112	124	240	1.0

[1] Included in the below $1,000 category are some 980,000 multiperson families. In the $1,000 to $2,000 category are some 3.4 million multiperson families, and also included are 2 million unattached individuals whose incomes fell in the below $1,000 group; these latter were so classified because of greater per capita comparability, and correspondingly those individuals with incomes above $1,000 were excluded entirely.

[2] A quart of milk weighs 2.15 pounds. Therefore, the annual deficit for the 2 lowest groups combined was about 6.3 billion pounds.

APPAREL-COTTON CONSUMPTION DEFICIENCY, 1953

In the case of civilian apparel-cotton consumption, the 1953 estimated average consumption by families with incomes between $3,000 and $4,000 was used as a standard of adequacy. This quantity was derived from the 1953 average consumption of all civilian families (30 pounds), by adjusting for the percentage difference between the average consumption in dollar expenditure terms for apparel by all groups and that of the above-mentioned income group. The resulting deficiencies in the two lowest income groups were as follows:

Family disposable income	Per family		Aggregate	
	Percent inadequacy	Quantity (pounds)	Million pounds	Bales (net) (thousands)
Below $1,000	81	24.0	23.5	49
$1,000 to $2,000	58	[1] 13.2	71.5	149
Total			95.0	198

[1] Includes an estimated average deficiency of 17.5 pounds for 3.4 million multiperson families and 6 pounds for 2 million unattached individuals.

Mr. HUMPHREY subsequently said: Mr. President, it was my understanding that during the address of the Senator from Louisiana [Mr. LONG], when he submitted an amendment on the social-security bill, he left the sponsorship of the amendment open for a few days, so that other colleagues might join in submitting it. The Senator from Louisiana has spoken to me about the matter during the past week on several occasions. I wish to commend him for offering the amendment.

At this time I wish to associate myself with this proposal, and, after having spoken to the Senator from Louisiana about it, to become a cosponsor, along with the Senator from Georgia [Mr. GEORGE] of the amendment offered by the Senator from Louisiana.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLEMENTS. I not only wish to associate myself with the remarks of the Senator from Minnesota, but, like the Senator from Minnesota, I desire to become a cosponsor of the proposed amendment.

The ACTING PRESIDENT pro tempore. The RECORD will so show.

INCREASED AIR STRENGTH DISPLAYED BY COMMUNISTS

Mr. SYMINGTON. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Missouri is recognized for 5 minutes.

Mr. SYMINGTON. Mr. President after the astounding presentation of increased air strength displayed by the Communists in extensive flights over Moscow last May 17, I said on the floor of the Senate that the United States might well be in the process of losing control of the air.

The next day, May 18, President Eisenhower said:

It just isn't true that the United States has lost in a twinkling all the great technical excellence and development of its airpower.

Later that same day I said:

Where the President got the expression "in a twinkling" I do not know. That was not my expression. That is his expression.

My remarks resulted from information about Communist airpower which was released last Friday by the Department of Defense.

If that information was true, then my statement "the Communists are at least in the process of surpassing the United States" was correct.

It is interesting to note that only last night the second ranking officer in the Air Force, Vice Chief of Staff Gen. Thomas D. White, told an audience in Cincinnati that Russia has "almost closed their air power gap by beating the United States at our own game—production."

In airplane after airplane—

Continued General White—

they are approaching us in quality and surpassing us in quantity.

In other words, Mr. President, what I predicted last year is now being formally acknowledged by this administration as only too true.

Now I should like to dwell for a few minutes on a press conference President Eisenhower held day before yesterday.

At that conference a reporter asked:

Two Democratic Senators have charged in the last week, sir, that the United States lags seriously behind the Soviet Union in the production and development of guided missiles. Do you agree with that opinion, sir, and if not, could you give us your view?

To this the President stated:

Well, I am always astonished at the amount of information that others get that I don't.

The report of this press conference shows that at that point there was laughter.

Mr. MANSFIELD. Mr. President, will the Senator yield?

My SYMINGTON. I am very glad to yield to my distinguished friend from Montana, who is always interested and wise with respect to our national defense.

Mr. MANSFIELD. I am delighted that the Senator from Missouri is making this speech at this time, because he is being consistent in his efforts over the past 3 years to bring home to the people of the country the truth.

The President was surprised, and the American people are being surprised, at the fact that we are in such a weakened position today, not only in the field of missiles, but in the air, under the sea, diplomatically, and otherwise, on a worldwide basis. I think the President ought to know that we do read the newspapers, and that we get what is public information. We put the pieces of the pattern together and come up with a fairly complete story.

Furthermore, it should be brought home to the American people, as the distinguished Senator from Missouri is doing and has been doing, that for 3 years this administration has been practicing economy at the expense of the national security of the Nation. The people are entitled to know the truth; and they will not find it in rosy state of the

Union messages, or in glowing reports issued by the State Department.

Mr. SYMINGTON. I thank the Senator for his wise remarks.

If the President is surprised at what the Congress knows that he does not know, I suggest that he receive from the Department of Defense the same briefings that Department gives to the proper congressional committees.

Later in the press conference the President said:

> Now there are only so many scientists; there are only so many channels you can pursue, and, indeed, one of the things you have to watch is this: Don't try to develop too many at once or you get in each other's way, and you block them all through the confusion and the demands you make on the scientific pools and every other kind of thing that you have in this whole field.

One of my chief concerns is that what the President says should not be done is exactly what is being done today.

The missile-development picture is being spread around to the point where concentration on the most important weapon of all, development of long-range ground-to-ground missiles, is being sacrificed so more people may have a finger in the new pie.

The President then proceeded to describe the horrors of atomic war—and I am sure all of us agree any such possible war would be horrible.

That is why we have been urging so long that our current defenses, especially our retaliatory power, should be both adequate and modern.

That is why we are so worried by the fact that our Strategic Air Force, because of the current thin trickle of new bomber production, is now obsolescent and rapidly becoming obsolete.

That is why we should, now, do everything possible to increase this bomber production, just as we should also do everything possible to overcome the current Communist lead in the long-range ballistic missile field.

The President then continued in his press conference:

> This thing is being researched and developed as rapidly as it can be done in this country so far as my experts and my people in the Defense Department tell me.

But who is the expert who has been telling him? Is it the Assistant Secretary of the Air Force, Mr. Trevor Gardner, under whom the long-range missile program was being developed, and who has just resigned in protest against the "figures before forces—money dominant" approach still being used, plus the growing confusion incident to the whole missile picture?

Or is it the Secretary of Defense, who not so long ago expressed himself as believing the development of an atomic airplane was comparable to finding out why potatoes turned brown when fried?

Regardless of source, the President is badly informed if he believes this country could not move faster in the missile field.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my distinguished friend from Louisiana.

Mr. LONG. I am pleased the Senator from Missouri is addressing himself to this subject. Although sometimes I have disagreed with him on the question of Armed Forces spending, one thing we have always agreed upon, and that is the importance of giving priority to the guided missiles program. Undoubtedly that is the weapon of the future.

As the Senator well knows, since I left the Committee on Armed Services and he became a member of that committee, I have from time to time taken him aside and pointed out to him the extent to which I was worried about the serious problem confronting us in connection with guided missiles. Often I particularly pointed to the threat of submarine-launched guided missiles.

Now we are confronted with the danger of long-range missiles, which can be launched without warning, and from which, apparently, there is no defense. Such missiles can practically wipe out the largest cities and most populated areas of our country in one fell stroke.

That is a situation to which we must be alert. Certainly we have lost a great deal of ground and a great deal of time. So far as can be determined, the program is far behind the point where it should be. Although my knowledge of the subject is no better than that of any other Senator's, my impression has been that Russia has always been ahead of us in this area, and undoubtedly still is.

Mr. SYMINGTON. I thank the distinguished Senator from Louisiana. I agree with what he has said, especially about submarines. We all realize that submarines could provide excellent launching platforms for missiles.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the great Senator from Kentucky, who, based on his long experience, is so often the voice of wisdom.

Mr. BARKLEY. I was very much disturbed last evening to read about a speech made in Cincinnati by General White.

Mr. SYMINGTON. I previously mentioned that speech.

Mr. BARKLEY. General White's remarks seem to confirm, at least by analogy, the protest of Mr. Trevor Gardner, which resulted in his resignation.

It disturbs me profoundly to be told by a person partially in charge of the program that the only respect in which we are ahead of Russia is in having more bases than Russia, but that otherwise she is ahead of us, particularly in the number of planes. In other words, we are apparently ahead only in the number of bases and in the technical knowledge of our operators. Russia has overtaken us within the past few years in other fields, and she might well overtake us in the matter of qualification of her personnel. Certainly she is ahead of us in the number of pilots and in all items of equipment.

It disturbs me profoundly to be told by those in charge of our program that our only advantage now is in the fact that we have many more bases from which we can inaugurate defensive and offense operations.

Does the Senator feel that General White's statement confirms the protest of Mr. Gardner?

Mr. SYMINGTON. I do not think there is any question about it. I should like to answer the distinguished Senator from Kentucky by saying that slowly but surely all circumstances give credence to the belief that the position of the administration is, money is more important than security.

Mr. BARKLEY. I also wish to call attention to the analysis of the news last evening by Mr. Eric Sevareid, who is a very intelligent newspaperman and analyzer of conditions. I do not believe anyone could have listened to his analysis of the news last evening without becoming profoundly disturbed at what seems to be a lackadaisical attitude of many officials in our Government, if not most of them, toward the gradual creeping up to our position by our only potential enemy, without our Government doing what is necessary to be done to prevent closing the gap between Russia and the United States.

Mr. SYMINGTON. I thank the distinguished Senator from Kentucky. I heard the broadcast to which he has referred, and I also heard the broadcast along the same line by one of the great deans of radio broadcasting, Earl Godwin. The distinguished junior Senator from Montana in effect summarized what was said by both these gentlemen, and I am very glad the Senator from Kentucky also was aware of it. I thank him for his constructive observations.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. SYMINGTON. Mr. President, I ask for an additional 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, the Senator from Missouri may proceed.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my distinguished friend from North Carolina, that very able Senator with whom I have the honor to sit on the Armed Services Committee.

Mr. ERVIN. We hear a great deal of boasting by the adherents of the administration with regard to reducing the expenditure of Federal funds. I should like to ask the distinguished Senator from Missouri if I am correct in the conclusion that virtually the only way whereby national expenses have been reduced by the present administration has been at the expense of national defense.

Mr. SYMINGTON. The Senator from North Carolina is entirely correct. In the three years of this administration there has been a decrease in the cost of government of $4 billion. Yet, the fact is that between seven and eight billion dollars have been cut from the national security portions of the budget. Therefore, the cost of government under the present administration in the past 3 years, except for what the administration has taken out of national-defense

expenditures, has increased by more than $4 billion.

Very few people are aware of that fact. I thank my distinguished colleague from North Carolina for bringing it out.

Later in the same press conference the President was asked the following question:

Mr. President, to go back to that missile situation for a moment, Senator SYMINGTON said that Russia has tested an intercontinental missile which will travel hundreds of miles further than anything we have tested. Do you know that to be a fact?

To this he replied:

You are asking questions now—you are asking a question—that I have habitually refrained from remarking on.

Now I did say this: That there are various kinds of missiles, and in certain fields I am sure we are well ahead of the other side. In certain fields I think they are probably ahead of us. But those are limited fields in a great big field. I think overall, we have no reason to believe that we are not doing everything that human science and brains and resources can do to keep our position in a proper posture.

This statement might lead some people to believe that our being ahead in some missiles and the Communists being ahead in others is nothing to worry about—sort of a balance.

The facts are that our missile development may be ahead in the short-range area, but their missile development is ahead in the area that counts by far the most—the long-range area.

Another erroneous opinion the American people might gather from this press conference is that this country is in fact doing all it can in the missile field.

That is not correct. As of today, we are operating almost on a business-as-usual basis.

Not enough of the brains and resources of this country are being used in this major challenge to our survival—and that amount is being reduced in effectiveness by being spread too thin.

In summary, therefore, neither in organization, nor in effort, is the United States doing anywhere near what it should be doing, in modernizing our current combat forces, or in the long-range missile field.

Mr. President, at this point I ask unanimous consent that there be inserted in the RECORD an able editorial, Missiles and Services, appearing in the New York Herald Tribune as of today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MISSILES AND SERVICES

The resignation of Mr. Trevor Gardner as Assistant Air Force Secretary for Research and Development has given new impetus to the controversy over the American missile program. Mr. Gardner has attributed his resignation to "an honest difference of opinion over the importance and scope" of his work; he has claimed that Air Force research and development should receive $200 million more than it has been granted and has called for "a very highly accelerated program" on both the intermediate range ballistic missile, which is being developed by the Army, and the long-range missile, which falls within the Air Force's jurisdiction.

The sum of Mr. Gardner's statements suggests that the overall potentialities of missile development have not yet been fully exploited by the United States. There is also the broad hint that differences among the services—among which guided missile research is divided—may be among the factors hindering greater progress. Defense Secretary Wilson has virtually conceded this last possibility by creating a new post in his Department, with overall supervision of missile work. Presumably the President had this new post in mind when, after acknowledging that the Russians are probably ahead of us in some fields of missile development, he said, "we have no reason to believe that we are not doing everything that human science and brains and resources can do to keep our position in a proper posture."

The importance of the missiles race—the race toward that ultimate weapon that could carry a hydrogen bomb to a point 5,000 miles away at 10 times the speed of sound—cannot be overstated. To be sure, from the summit meeting in Geneva there emerged a general agreement that hydrogen warfare, as such, could mean only mutual suicide. But this did not, as Sir Anthony Eden told the Senate, end the indirect threat—"and its consequences can equally be mortal."

The Soviet Union has adopted a new technique. Its offers of military and economic aid to such nations as Afghanistan, India, Burma, Egypt, Saudi Arabia and, most recently, Pakistan are an effort to break up existing alliances of free nations and woo the uncommitted peoples to the Soviet side. They are an attempt to alter the balance of power to communism's advantage by methods short of war—but not without the possibility of armed conflict.

In this contest the ultimate weapon could play a decisive part, even although never employed against an enemy. If the Soviet Union should be the first to obtain a long-range ballistic missile it would unquestionably have a deleterious effect upon the moral fiber of the free world, sapping the resolution of many nations, weakening their will to self-defense. The situation would be similar to that of free Europe before NATO, when the huge Red army was a dominant military fact on the continent. But then the American A-bomb was a deterrent. What, except another ultimate weapon, could deter a missile that could strike with a speed and power and range beyond anything man has experienced?

Obviously, the United States and its allies must develop means of sustaining and exporting freedom, and of presenting the moral values, the practical advantages, of a system of human dignity and liberty to the uncommitted peoples. The free world must obtain the initiative in this contest, instead of merely answering the Soviet thrusts. This requires a strong economic base at home—fiscal integrity, wise use of resources.

But, it is equally obvious, the United States cannot fall behind in the missiles race, for that might mean the balance of power would be tipped against us definitively. A broad attack on the scientific front is one essential—scientists and engineers to meet the increasing Russian competition in this field (with the Soviet Union producing more than twice as many engineers in a year than the United States); diversified research and development in both pure and applied science.

The idea has been broached in several quarters that the most efficient means for achieving a breakthrough on the decisive missile sector is another Manhattan project—a concentration of scientific effort similar to that which produced the atomic bomb, under a direction wholly separate from the armed services. It is difficult for laymen to decide whether this method, or the present organization, headed up by a new chief in the Defense Department, would be the best solution. But the nations can be sure that the President will give serious consideration to all the possibilities. If "crash programs" under a "Manhattan district" are essential, budgetary considerations and service interests should by all means be subordinated to the great aim of assuming definite leadership in the search for the ultimate weapon. It is essential to world peace.

Mr. SYMINGTON. I believe a Manhattan project to correct the current unfortunate missile program along the lines of that project which concentrated on an entirely new weapon in World War II would be inadvisable.

A committee headed by 1 of the Secretaries of the 3 services, with a chairman who had the power of coordination and decision, reporting directly to the Secretary chosen, would be far better than a Manhattan project.

A Manhattan project setup would first take this new-weapons system—not new weapon, but new-weapons system—out of the services; and then, at some later date, be faced with the effort of working it back into the services, with all the attendant delays and misunderstandings.

Mr. President, at this point I ask that a significant column, The Gardner Story, by Joseph and Stewart Alsop, appearing in the Washington Post this morning, also be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MATTER OF FACT

(By Joseph and Stewart Alsop)

THE GARDNER STORY

The reasons for the resignation of Assistant Secretary of the Air Force Trevor Gardner are like the layers of an onion. The outside layer involves matters of personality and organization, as well as dusty old Pentagon rivalries. But when you peel down to the heart of the onion, you find a nugget of fact which involves the very survival of the United States.

The real turning point in the Gardner story came several months ago, when almost certain knowledge became available to the American Government that the Soviets had produced missiles with ranges up to 1,500 miles. Gardner was himself responsible for the successful American effort to find out where the Soviets really stand in the missile race and this grim knowledge, in turn, led rather directly to his resignation.

Before the Soviet success was known, the American long-range missile program had been very much of a one-man show. When Gardner came on the scene in the spring of 1953, as Air Force research and development chief, the intercontinental missile, or ICBM, program had been a limping, low-priority affair.

It was wholly in the research stage, and Secretary of Defense Charles Wilson, who then tended to regard all research as wasteful nonsense, was getting ready to cut it out entirely. But Gardner, a man of strong views, protested loudly. Wilson at length agreed to submit the whole matter to a high-level committee of scientists, headed by Dr. John Von Neumann. The Von Neumann committee in turn recommended not only against cancellation of the project, but in favor of giving it the highest priority.

Wilson thereupon put Gardner in charge of the program. In this capacity the strong-willed Gardner made numerous enemies in the Pentagon and the aircraft industry. He also alienated the implacable Lewis Strauss, chairman of the Atomic Energy Commission when he publicly supported Dr.

Robert Oppenheimer for his contributions to national security. Gardner's large array of enemies undoubtedly explains in part the charge of conflict of interest which has been brought against him.

While making his collection of enemies Gardner spurred important breakthroughs in the long-range missile field. Then came the knowledge of the Soviet success in producing the intermediate 1,500-mile missile, known as the IRBM. This grim evidence that the Soviets were far ahead of this country in the missile field simply could not be disregarded.

The Pentagon reaction took two forms. First a whole cat's cradle of missile committees was formed. There is a top level coordinating committee headed by Under Secretary of Defense Reuben Robertson, another committee under Secretary of the Air Force Donald Quarles, an Army-Navy coordinating committee, and so on.

Having run his own show, Gardner now had to report to this array of committees, as did others working in the long-range missile field.

The result was the maximum of organizational confusion.

At the same time, Wilson approved a decision to undertake a crash program to produce an IRBM, and thus match the Soviet success.

Because the Army had produced the much-publicized Redstone missile—actually little more than an improved version of the German V-2—the Army was assigned the IRBM project. The Air Force automatically resisted the Army's claim. So did Gardner, but not on the usual strictly bureaucratic grounds.

Gardner argued that the IRBM, while strategically of enormous value to the Soviet Union, would have far less value to the United States. He conceded that it was probably a mistake not to have tried for the intermediate missile in the first place. But now, he argued, the only way to trump the Kremlin's ace was to be first in the field with the true ultimate weapon, the 5,000-mile intercontinental missile. A crash program for the IRBM would only cut into the limited technical manpower and resources available for the ICBM, to which every available man and dollar ought now to be devoted.

But Gardner lost this fight, and, partly as a result, his recommended budget for long-range missile and other Air Force research and development work was out on the order of $200 million. At the same time, when Wilson at length decided to appoint a "czar" to make some sense out of the organizational cat's cradle, Gardner was passed over as "too controversial."

Altogether, the man who almost single-handed saved the American long-range missile program from total extinction may be said to have been poorly rewarded. But such personal considerations aside, it is worth pondering the somber nugget of fact which is found at the heart of the Gardner story—the fact that the Soviet Union is unquestionably ahead of the United States in the life-and-death missile race in the area where it really matters.

Mr. SYMINGTON. Mr. President, at this point also I ask that there be printed in the RECORD an able editorial from the St. Louis Post-Dispatch of February 6 bearing on this subject.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SYMINGTON WARNING

Senator SYMINGTON, of Missouri, caps a long series of criticisms of the administration for a dilatory guided missile program with the declaration that Soviet Russia is well ahead of the United States in developing an intercontinental ballistic missile. Since he is a former Secretary of the Air Force and is a member of the important Senate Armed Services Committee, his words demand the utmost consideration. He certainly should know whereof he speaks.

The Missouri Senator says that Russia has fired a long-range ballistic missile "hundreds of miles farther" than anything the United States has been able to produce thus far. And he says that he makes this statement from positive knowledge. So it would be foolish not to take his statement with utmost seriousness.

If the Defense Department is guilty of all the neglect and the "coasting along" on the guided-missile program that Senator SYMINGTON alleges, Secretary of Defense Wilson has a lot to account for and President Eisenhower should see that an accounting is made.

Back in early 1954 the Senate Appropriations Committee charged that the guided-missiles program was "disorganized" and gave Secretary Wilson several months in which to straighten out matters and report back. The report, when it finally was made after long delay, was stamped "secret."

Since that report there have been many charges by Members of Congress and military men and scientists to the effect that the United States is lagging and also that confusion exists. Among critics is Senator JACKSON, of Washington, also a member of the Armed Services Committee, who warned last week that the Soviets might be first with a 1,500-mile intermediate missile. If so, he said, the balance of world military power would shift against the West.

Major interest in the missile field has been centering on the intercontinental missile, which most scientists and military men assert may turn out to be the ultimate weapon. Some say that such a weapon, equipped with atomic warhead and traveling at 16,000 miles an hour, might be achieved in as short a time as 5 years.

The immediate danger is that Soviet Russia may use the long-range missile it now possesses—once it is in full production—to threaten our allies in Europe. After that it may develop the missile into a true intercontinental weapon against which there now is no known defense. If Russia should beat the United States in this race it would have a powerful ace in the hole.

Senator SYMINGTON recognizes these dangers when he urges an all-out effort in this country, 7 days a week, night and day, to recapture the lead in the guided missile race. The Senate Armed Services Committee should take heed of his warnings and, if necessary, call Secretary Wilson before it.

Senator SYMINGTON served the cause of peace in his Meet the Press interview, also by underscoring the necessity of "waging peace" and he righly enough saw no conflict in being on guard militarily and sponsoring at the same time a proposal for eventual disarmament. All the while an adequate defense deters potential aggressors, the goal of the United States should be to win a permanent peace through the channels of negotiation and international agreement.

Mr. SYMINGTON. Mr. President, the people should know the facts.

With that premise, I ask that at this point an able editorial from the Washington Evening Star of February 6, entitled "How Does He Know?" be placed in the RECORD.

And also I ask that an able editorial entitled "An Answer Required" from the St. Louis Globe-Democrat of February 7, be placed at this point in the RECORD.

I also ask that an able editorial from the Providence Journal of February 7 calling for a prompt accounting be inserted at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of February 6, 1956]

HOW DOES HE KNOW?

The bare facts of record are enough to rebut any challenge of Senator SYMINGTON'S motives in his attack on the administration's handling of the defense program. No one in public life has made a greater contribution to the building and maintenance of our strategic air arm which, for 10 dangerous years, has held the Russians in check. And we do not believe that Senator SYMINGTON, at this late hour, would be trying to make a partisan issue out of the vital question of American airpower.

Nevertheless, many watchers must have come away from his appearance on Meet the Press yesterday with a certain sense of bafflement.

Senator SYMINGTON said the Russians have tested a ballistic missile that went hundreds of miles farther than any we have tested. And he stated, not as a belief but as a fact, that the Russians are ahead of us in ballistic missiles.

How does he know this? Does he have exclusive sources of information, or is the same information on which he relies available to the Defense Department? If so, what is the explanation of the reassuring statements which have come from the Pentagon? If the Russians are ahead in this critical field, why are we operating our own missile program, as Senator SYMINGTON puts it, on a 5-day week basis?

This could well be a life-or-death matter for this country. But we do not see how any worthwhile national decision can be reached on the basis of undocumented accusations by Senator SYMINGTON or equally undocumented statements to the contrary by defense officials. Senator SYMINGTON says that Congress should conduct a full, frank, open hearing and tell the people everything, so that we can get to work and do the job that must be done. Perhaps this is the answer. But if such a hearing is held, the Missouri Democrat and those who agree with him ought to be ready and willing to produce the evidence on which they base their accusations.

[From the St. Louis Globe-Democrat of February 7, 1956]

AN ANSWER REQUIRED

Senator SYMINGTON'S charges that the Communists are in the process of winning the effort to produce a long-range missile, and that they are actually ahead of this country, deserve an answer by the administration.

Senator SYMINGTON is not the usual critic who will say anything for a headline. He is a fully competent and thoughtful student of our defense program. In his years of experience as Secretary of the Air Force and in other high Government positions, he has seen both sides of the defense picture.

Perhaps this Nation has maintained, or even widened, its lead in the new era of defense and attack techniques, as the administration claims. Certainly every American hopes so. On the other hand, the American people have been fed so much misinformation over the years, by both Democratic and Republican administrations, on the state of our preparedness that the public has a right to be frankly skeptical.

There is a considerable feeling that the administration's statements on the state of our defense are almost too good to be true. Some of Secretary Wilson's assurances sound too much like Louis Johnson when he was Secretary of Defense, that we are cutting the fat and not the sinew.

Mr. Johnson was proved wrong; though fortunately, Mr. Wilson's statements have not been put to the test of war.

There have also been fears that the Eisenhower administration is too interested in a balanced budget, or that needless risks are being taken in our necessary defense spending to provide a balanced budget. If it is so, it is a fearful chance for no objectives, no matter how praiseworthy, is worth risking the strength of a Nation which alone can deter attack.

In any event, Senator SYMINGTON and the American people deserve an answer. We hope Senator SYMINGTON is wrong and our guess is that no one hopes so more than the Senator himself.

It is too grave a problem, however, to be dusted under the rug for on its answer could rest the very lives of millions of Americans.

Consonant with national security, the administration must answer the charges which Senator SYMINGTON has raised.

[From the Providence Journal of February 7, 1956]

SYMINGTON CALLS FOR A PROMPT ACCOUNTING

In the running controversy over the relative positions of the United States and Soviet Russia in development of guided missiles, Senator STUART SYMINGTON, Democrat, Missouri, has filed the most positive charge yet heard from a responsible official:

"I don't believe that they are ahead of us in ballistic missiles," he recently said in a nationally televised interview. "I state that they are ahead of us."

Such a claim of positive knowledge of Soviet superiority in this crucial area demands positive comment on behalf of the Eisenhower administration. Senator SYMINGTON is a member of the Armed Services Committee and a former Secretary of the Air Force, which must be presumed to mean that he has sources of information and technical understanding to support his allegations. The deeply disturbing questions he has related cannot be left hanging in midair, whatever political overtones may be detected in the controversy.

Mr. SYMINGTON himself wants his charges and the administration's answers thrashed out as publicly as possible through a congressional investigation. Because of the extremely sensitive nature of the subject, he suggests that the method of the MacArthur hearings of 1951 be used to screen testimony for security requirements before its release.

Such an investigation would doubtless seek not only to answer the central question of whether the United States is lagging in the missile race, but to find out whether the reasons for this alleged situation are as Senator SYMINGTON describes them. The principal reason, he charges, is simply that the administration has failed to "concentrate" its efforts in guided missile development and to authorise the overtime payments needed to get the work off a "5-day week" basis. He indicates he could produce testimony from major private contractors for the Defense Department proving they are being held in check.

Senator SYMINGTON implies that the reason for this policy, in turn, is the administration's desire to hold down military spending for budgetary and political purposes. And in order to conceal the resulting American lag in missile development, he charges that deliberately misleading reports of relative United States and Soviet capacities are being issued to the public. Here again, the Senator indicates he can cite admissions by high administration figures that they believe in giving the American people an optimistic picture of the defense situation.

Whether or not a congressional investigation is the best way to consider these serious matters, it seems to us President Eisenhower has a responsibility to volunteer some answers at the first opportunity. It may be, of course, that the billion-a-year level to which our guided missile program has now moved represents the most efficient expenditure of money and effort we can make. Perhaps Secretary of Defense Wilson's recent announcement that he will appoint a czar for missile development means we are going over to a "crash" program.

In any event, the administration has plainly got to take account of these recent reports of Soviet superiority in ballistic missiles and jet bombers. They come not only from Senator SYMINGTON but from Senator JACKSON, Democrat, of Washington, who asserted last week that the Russians already have a missile with a 1,500-mile range. This would represent a considerable step toward the so-called ultimate weapon, the intercontinental ballistic missile (IBM) fitted with an H-bomb warhead, against which there is now no apparent means of defense.

The disruption of the balance of power that would result if the Soviet Union should perfect such weapons before we do would indeed, as Senator SYMINGTON says, give the Communists an excellent chance of blackmail of many of our allies. Beyond that, decisive Soviet superiority in systems for delivering nuclear weapons could conceivably mean a threat to the survival of the United States itself.

Mr. SYMINGTON. I agree with these editorials; and I believe the American people should be given promptly all truth about this grave matter which would not help a possible enemy.

May I again quote our great leader Senator LYNDON JOHNSON, of Texas, who said last year that "the strength of a nation depends upon the will of the people—and that in a democratic form of government that will can only function if the people are informed."

Mr. President, these facts and these editorials should be examined carefully by all those men and women who wish to remain free.

Mr. MANSFIELD. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield.

Mr. MANSFIELD. Again, I wish to commend the Senator from Missouri for his consistent efforts, and I wish to propound this question: Is it significant that General White was allowed to make his speech last night in Cincinnati without its being in any way screened, censored, or red penciled, as seems to have been the case in previous years?

Mr. SYMINGTON. I hope the new Secretary of the Air Force will not attempt to hold up the frank statements and beliefs of the people in his service; and I hope the same is true of the Secretaries of the other services. I understand that the talk made by General White last night was actually made for General Twining, Chief of Staff of the Air Force, and that is good. It looks as if by fighting force we may get more of the truth with respect to our relative strength against the Communists than what has been dished out to the people in the past 3 years.

Mr. MANSFIELD. Is it true that at the present time the Soviet Union exceeds us in strength under the sea, on land, in the air, and is very likely ahead of us in the development of long-range intercontinental missiles, perhaps intermediate-range missiles, and is perhaps also at least up with us so far as quality and need are concerned, in the development of A- and H-bombs? Is that a fairly accurate statement of fact as the Senator understands the situation today?

Mr. SYMINGTON. To be sure that I have the Senator's question in mind—it has a number of component parts—let me say that it is now conceded that the Soviets are ahead of the United States in quality and quantity of newest fighters. It is now conceded that the Communists are far ahead of the United States in quantity of jet bombers. It is conceded the United States is well ahead of the Communists in the number of medium jet bombers. It is now generally conceded the Soviet Union is ahead of the United States in the production of modern long-range intercontinental jet bombers.

We believe we are ahead in the technical training of our crews, and we believe we are ahead in base structure. So far as the missile picture is concerned, we are ahead in some, but behind in the long-range ballistic missile field, the most important new weapon the world faces today.

So far as the atomic and hydrogen bomb situation is concerned, to the best of my knowledge the Communists have a large number of atomic bombs, as well as late type hydrogen bombs.

It should be remembered that the relative number of bombs is becoming less important. What is becoming evermore important is having enough bombs plus the capacity to deliver them in a sudden and devastating attack. The current military advantage in surprise is so tremendous we must recognize that our only hope in the future is certain knowledge on the part of any possible enemy that if he attacks us, we, in turn, can destroy him.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Missouri may have 5 additional minutes.

Mr. SYMINGTON. Mr. President, I appreciate the kindness of the Senator from Montana, but at this time I am ready to yield the floor.

Mr. MANSFIELD. Mr. President, I should like to ask 1 or 2 more questions.

Mr. SYMINGTON. Then, Mr. President, I ask unanimous consent to have 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. The Senator from Missouri answered most of the points I raised. What about our strength as compared with that of the Soviet Union so far as craft under the sea and our land forces are concerned.

Mr. SYMINGTON. The Secretary of the Navy and the Chief of Naval Operations have both stated that the Soviets have more than 400 submarines. A large percentage of them are modern, of the latest type. The Soviet therefore, is far ahead of us under the sea. The Communists have hundreds more submarines in use than we have, and hundreds more than Hitler had when he started his all-out attack against the free world. Again I say that no better base for slinging

long-range missiles could be found than a submarine, concealed until it surfaced to fire.

Mr. MANSFIELD. What about land forces?

Mr. SYMINGTON. The Soviet has 175 divisions of which some 60 to 70 divisions are considered to be mechanized. The Chinese Communists have some 200 to 400 divisions, smaller than ours. Against that the United States has 19 divisions, of which 4 are training divisions.

We cannot lift and support properly a single division overseas without cutting into our strategic Air Force lift. Therefore much of our very small Army comparatively is nevertheless not modern. Some of it is obsolescent and some of it is obsolete.

Mr. MANSFIELD. I wish to thank the Senator. I hope the figures he has laid before the Senate will be read and studied with care by the American people. I hope the administration itself will take another look at the situation in which we find ourselves today and will take action which will make it absolutely certain that insofar as it is possible to do so the security of this country will always be adequately safeguarded.

Mr. SYMINGTON. I thank with deep appreciation my distinguished colleague from Montana.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I am happy to yield.

Mr. DOUGLAS. I have been deeply impressed by the statement, very careful and very guarded in nature, of the distinguished Senator from Missouri. I think it is time the administration and the American people awaken to the great danger in which we are placed. I hope the press will play its part in making certain that the facts as stated by the Senator from Missouri are made known to the people.

It is not true, however, that the force which has been working for the reduction of expenditures is commonly believed to be the Secretary of the Treasury, Mr. George M. Humphrey?

Mr. SYMINGTON. First, I thank the distinguished senior Senator from Illinois, who has been a great leader in the fight for adequate military strength, for his kind remarks. As to who is responsible for placing money ahead of security, he would know more about that than I would. It is my understanding however, that there are two groups in the Government. One believes that figures are more important than forces; the other believes forces are more important than figures. I have heard that Secretary Humphrey is one of those who think the most important consideration is a balanced budget, this as against national security. But the Senator from Illinois would know more about that than I.

Mr. DOUGLAS. Is it not true that Secretary Humphrey has consistently taken credit for the reduction in expenditures, which, as the Senator from Missouri has shown, has been confined to military outlays?

Mr. SYMINGTON. That may well be correct. In that connection, in support of the Senator's position, much of the increased cost of Government, aside from reductions in defense strength, is the result of the increased interest rate which the Government has been willing to pay for money to finance the greatest increase in national debt this country has ever experienced in 3 consecutive peacetime years.

Mr. DOUGLAS. In other words, the increased interest rate, for which the Secretary of the Treasury and the Federal Reserve Board are at least partially responsible, has caused greater outlays by the Federal Government.

Mr. SYMINGTON. The Senator from Illinois is entirely correct.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the very able and distinguished Senator from Kentucky.

Mr. CLEMENTS. I take this opportunity to commend the Senator from Missouri for again bringing to the attention of the American people the importance of keeping our strength at the position where it should be in relation to the strength of the other nations of the world.

One reason why I think it is so important that the Senator speak as he does is that on every occasion when he has brought matters of this kind to the attention of the American people, some benefits have come to our defense posture as a result.

I remember 3 years ago, when the Senator first made statements on the floor of the Senate about the weakening of the Air Force of the United States. There were those who made light of his remarks. In the budget for the fiscal year 1954 the appropriations for the Air Force were cut materially. But the next year the executive branch of the Government saw the mistake it had made in the previous year, and there was a restoration of the funds in the budget. However, the unfortunate part was that we had lost a year. We had lost a year in developing the planes which were needed, and we had lost a year in training the manpower which was necessary to operate those planes.

Mr. SYMINGTON. That is correct, and I am very grateful to the Senator for bringing it out.

Mr. CLEMENTS. What the Senator from Missouri has pointed up this morning is information which should be given to the American people not merely from the floor of the Senate. It should be given to the American people by the responsible administrative officials of the Government who are entrusted with that phase of the Government's activities.

I commend my friend from Missouri for his statement in the interest of the security of the country. I hope that he will continue his efforts from time to time to enlighten the American people with relation to their security.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to proceed for 3 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SYMINGTON. I again thank the distinguished senior Senator from Kentucky. The American people are not being given all the facts. Despite the protestations in the recent press conference, and notwithstanding the emphasis laid on research and development, it is a fact that in this year, 1956, we will spend $27 million less for research and development than was spent in 1955.

I close my remarks, Mr. President, by saying, in the words of the chairman of the Freedom of Information Committee of the American Society of Newspaper Editors, that there has never been a free government which was secret; and there has never been a secret government which was free. As free people, we must know the truth if we are to do what is necessary to preserve that freedom.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my very able colleague from Minnesota.

Mr. HUMPHREY. I wish to express my gratitude and thanks to the Senator from Missouri not only for bringing to the attention of the Senate, as he has done consistently throughout the years, some of the weaknesses in our defense structure, but also for citing what could be done to improve the situation.

The Senator from Missouri is like the old Roman senator, Cato, who consistently reminded the Romains of what would happen to their country unless Carthage was destroyed. He kept repeating the cry: "Delenda est Carthago"—Carthage must be destroyed. What the Senator from Missouri says is that we must strengthen our defenses and make them realistic in terms of the struggle for power in the world.

I thoroughly agree with the Senator and thank him. As he has indicated in his speech, the United States of America continues to extend itself by commitments all over the world; and commitments have to be placed against the ability to back them up.

Mr. SYMINGTON. The Senator is right.

Mr. HUMPHREY. We are signing more and more treaties, and we are talking about negotiating even more treaties than the ones to which we are signatory at the present time.

It seems as though the administration is burdened with a kind of legal mentality. They seem to feel that if we sign a document, the security of the world becomes absolutely perfect. With all due deference to my lawyer friends, that is a lawyer's complex. In other words, the feeling seems to be that if we sign a contract for peace, we can then dismiss another division of troops. It is beyond me how the administration can feel that way.

When we signed the SEATO treaty, we began to withdraw our power from the Far East.

When we have inspired the Middle Eastern Treaty Organization, as the Secretary of State said today—he said he was the inspiration of the Middle Eastern Treaty Organization; but, of course, he denies having done anything except to inspire—we start to withdraw some of

our forces from the Middle East and the Mediterranean.

There seems to be a strange dedication to the theory that every time we sign a treaty, we should withdraw just a little more of the forces in being. As I understand, the Senator from Missouri is concerned about that. He feels that if we are making commitments, we ought to back them up.

Mr. SYMINGTON. That is true. Would not the Senator from Minnesota, a distinguished member of the Committee on Foreign Relations, agree with me that one of the probable reasons why we have lost so much ground in recent years is that other nations know we are not keeping up our guard?

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that I may speak for an additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I am confident the Soviet Union realizes the very fact to which the Senator has adverted, namely, that we have permitted ourselves to become weakened proportionately to the advances which have been made by the Soviet Union and her satellites.

The single major international political factor today is the sense of confidence which the Soviet Union exhibits. Until 3 years ago the Soviet Union exhibited a sense of insecurity in her international relations. Today, under Bulganin and Khrushchev, with the forces in being which the Soviet Union has, and with apparently the economic strength which the Soviet has been able to bring to bear upon its military for the first time, every political writer of any consequence throughout the world points out that the Soviet Union is marching with a confident stride.

Frankly, they are simply telling us to take a sneak every once in a while, such as in the Middle East. Three years ago they would not have dared to do what they have done recently in the Middle East.

Mr. SYMINGTON. I thank my distinguished colleague.

WORDS OF ANDREW JACKSON TO REMEMBER

Mr. McNAMARA. Mr. President, many of my distinguished colleagues will be busy this month recalling the words of a great President, Abraham Lincoln. I think it appropriate, without specific reference to any acts of the 84th Congress, that we also recall a few words of another great President, Andrew Jackson. Therefore, I shall read a brief quotation which appeared in the February 1 Studebaker Weekly News. It reads:

RIGHT TO COMPLAIN

When the laws undertake * * * to make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics, and laborers * * * have a right to complain of the injustice of their Government.

THE AL SARENA MINING CO. CASE

Mr. NEUBERGER. Mr. President, on February 8, in addressing the Senate, I discussed the Al Sarena mining case in some detail. I shall not plow furrowed ground by detailing the case again. I was severely critical of the Interior Department for which I consider shameful negligence in its custodianship of valuable natural resources in that case.

However, Mr. President, I have a proposal to make to Secretary McKay by which I believe he can show whether or not the Al Sarena decision was in good faith. Let me state my proposal.

In January of 1954, over 2 years ago, the Interior Department granted the Al Sarena Mining Co. patent to 15 controverted mining claims in the Rogue River National Forest of Oregon, based on the assertion that these claims were sufficiently mineralized to warrant operation of a mine. Since that time, the Al Sarena Co. has done no mining. However, the Senate Committee on Interior and Insular Affairs has just received severance-tax and fire-protection-tax statements from the Oregon State Tax Commission indicating that during 1954 alone the company cut on its claims some 2 million board-feet of fir and pine timber. Perhaps 3 or 4 times as much timber is still growing on this land.

Mr. President, I propose that Secretary McKay publicly and forthwith request the Al Sarena Co. to operate a mine on these 15 disputed mining claims. I also propose that the Secretary accompany his request with a plea to the company to stop cutting the timber still standing on these claims.

In that way, Mr. President, Secretary McKay could show the good faith claimed for his department. The proof of every pudding is in the eating. Mr. McKay granted the Al Sarena claims for operation of a mine. There has been no mining; there has been only the commercial logging of trees in the Rogue River National Forest—trees which were a virtual gift to the mining company.

I recommend that Secretary McKay tell the Al Sarena Co. to operate a mine. I recommend that Secretary McKay tell the Al Sarena Co. to stop cutting fir trees and pine trees. I recommend that, unless his requests are complied with, Secretary McKay bring suit in Federal court to recover these claims for the Government.

Let us ascertain whether our Secretary of the Interior is interested in ore mining or in tree mining.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, communicated to the Senate the intelligence of the death of Hon. CHAUNCEY W. REED, late a Representative from the State of Illinois, and transmitted the resolutions of the House thereon.

The message announced that the House had passed, without amendment, the bill (S. 180) to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 8107. An act to amend the Armed Forces Reserve Act of 1952, as amended; and

H. J. Res. 526. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical and mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, to remove officers and committees from certain limitations, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 2667. An act to amend section 208 (b) of the Technical Changes Act of 1953, and for other purposes; and

H. R. 7054. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers.

HOUSE BILL REFERRED

The bill (H. R. 8107) to amend the Armed Forces Reserve Act of 1952, as amended, was read twice by its title and referred to the Committee on Armed Services.

CHANGES IN THE IMMIGRATION AND NATIONALITY ACT

Mr. HUMPHREY. Mr. President, we waited a long time for the President's recommendations as to how the Immigration and Nationality Act should be revised to remove the inequities and institutionalized bigotry contained in the present law.

The distinguished chairman of the Senate Judiciary Subcommittee on Immigration brought to the attention of the Senate last July 30 the continued lack of success he had had in his efforts to learn the administration's proposals in regard to changing the McCarran Act.

Appended to the statement of the Immigration subcommittee's chairman were a number of statements made by President Eisenhower during the 1952 presidential election campaign. In 1952, Mr. Eisenhower made such eloquent statements as this:

No man's race or creed or color should count against him in his economic or civil or any other rights. Only second-class Americanism tolerates second-class citizenship. It's time to get rid of what remains of both, and that includes rewriting the unfair provisions of the McCarran Immigration Act.

That is what President Eisenhower—then Candidate Eisenhower—told the large crowd assembled on Boston Common on October 22, 1952. A week later he said to an audience in the Bronx, in New York City:

We need to rewrite the unfair provisions of the McCarran Immigration Act to get the bigotry out of it.

But, Mr. President, I am afraid this was merely one more example of how eloquence can outrun performance.

The chairman of the Subcommittee on Immigration documented for us quite fully last July his inability to get any response from the President providing specific recommendations as to how to eliminate from the McCarran Act the bigotry of which he spoke during the election campaign. Further, the Subcommittee on Immigration had an equally singular lack of success in its attempts to get testimony from those administration officials responsible for administering the immigration and nationality law.

Let me quote the statement of the chairman of the Immigration Subcommittee to the Senate on July 30, 1955:

> It is highly desirable for the Senate Committee on the Judiciary and initially its subcommittee on Immigration and Naturalization to have the current attitudes of the executive branch of the Federal Government before them. It is important to further orderly study of the subjects for the Senate committee members to hear first from authorized spokesmen for the administration. To this end, on behalf of the subcommittee of which I am chairman, I have invited the Secretary of State and the Attorney General to appear before us in person and present the views of the administration relating to the immigration and nationality matters coming within the range of operations of their executive departments.

The ACTING PRESIDENT pro tempore. The time of the Senator from Minnesota has expired. The Senate is still operating under the 2-minute rule.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may have an additional 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, I have been reading from the statement of the chairman of the Subcommittee on Immigration. This is not the statement of the junior Senator from Minnesota. I continue to read from the statement of the chairman:

> Also, I have written the President of the United States suggesting that he direct certain Cabinet officers to testify before our subcommittee. In addition to the Secretary of State and the Attorney General, I suggested the Secretaries of Defense, Commerce, Labor, and Agriculture.
>
> A curious situation exists in relationship to policies of our basic immigration and naturalization laws: While it is true in the main that we have fairly clear ideas of the stands on the Immigration and Nationality Act of 1952 taken by private citizens and organizations working in those fields, we do not have anything approaching a clear understanding of the present attitude of the present administration regarding immigration and naturalization.

It is true, Mr. President, that President Eisenhower did send a letter in response to an inquiry by the then chairman of the Subcommittee on Immigration, the Senator from Utah [Mr. WATKINS], on April 6, 1953. But as the present chairman of the subcommittee rightly pointed out:

> It does not contain a single recommendation from the President for positive legislation but instead it lists 10 points "among the administrative provisions of the law which it is claimed may operate with unwarranted harshness.

The chairman of the Committee on the Judiciary, the Senator from West Virginia [Mr. KILGORE], said:

> Instead of recommending legislation, the President suggested a study of the operation of many of the provisions of the Immigration and Nationality Act of 1952.

Well, Mr. President, the long wait is over. It is amazing what wonders can be worked every 4 years, though, in this case, I am afraid it is a rather small wonder.

The President has sent to Congress his recommendations on how the Immigration and Nationality Act should be revised. But are they recommendations which would "get the bigotry out of it"—to use the words of Candidate Eisenhower?

I am afraid not, Mr. President. The President has sent to us a recommendation that the Congress study the Immigration and Nationality Act. Then his message states:

> Pending the completion by the Congress of such study and investigation, it is essential that we take interim measures to alleviate as much as possible inequities in the present quota system.

And then the President enumerates for us the interim measures he proposes we take. Some of them are good interim measures, Mr. President.

But this subject has been studied to death. In case the President does not know it, a Presidential Commission on Immigration and Naturalization made its report on January 1, 1953. It had taken oral testimony on the subject from some 400 persons all over the Nation, and received written statements from approximately 234 others. Its testimony runs to some 2,100 pages, and can be obtained from the Superintendent of Documents, if the President should care to see it. The report of the commission is 304 pages long, and is a very excellent report. It is the definitive work on what is wrong with the McCarran-Walter Immigration Act.

I cannot understand what could have been going on in the executive branch during the last 3 years that would lead the President to think that we should study the Immigration and Nationality Act some more.

It so happens that I proposed some interim measures of my own—'way back in 1953. Some of the President's interim measures are suspiciously like the interim measures I proposed on July 31, 1953.

At that time I wrote President Eisenhower a letter. It contained the interim measures I had introduced in the Senate. In the letter I called for President Eisenhower's support for a bipartisan ecort to ease some of the harsh and discriminatory provisions of the present law.

Noting, at that time, that both candidates during the 1952 campaign had been agreed on the need for revision of the Immigration and Nationality Act, I described my proposal to the President as "a fair beginning bill, on which reasonable men of both parties could agree at this time without the necessity of overhauling our immigration laws drastically, desirable as that may be."

My letter stated:

> My bill does not constitute a complete revision of the present Immigration and Nationality Act. It does not go as far as I would like it to go and as some of us are suggesting in other legislation. In all probability, it does not go as far as you would wish it to go. However, it seems to me to be a fair beginning.

That was in 1953, Mr. President. I never intended that the interim measures of 1953 would still be the interim measures of 1956. When I proposed those measures, I thoroughly expected that by 1956—3 years later—all the studies would have been made, all the administration spokesmen would have been heard from, and all the unfair provisions of the McCarran Immigration Act would have been rewritten. I never knew that an interim could last quite so long.

The President's message does not contain a recommendation that would eliminate the national origins quota system, which fixes into our immigration law the discriminatory assumption that the people of some nations are less worthy of coming to our country than are the people of other nations. Instead, the President has taken over the proposal I made back in 1953—namely, that unused quotas be pooled, so that they can be used in a succeeding year for the people of countries whose quotas are filled. As an interim measure, this proposal has merit. But it does not eliminate the national origins quota system.

In fact, Mr. President, the proposals sent to the Congress by the President would add a new concept to our immigration policies. In utilizing the unused quotas which are pooled, the President proposes that this be done on a regional basis, and that quota numbers be pooled in each of the following areas: Europe, Africa, Asia, and the Pacific Ocean area. This, I suggest, adds to the national origins quota system a regional origins quota system.

In making such a proposal—even as a temporary palliative—those in the executive branch who thought of this idea prove themselves to be peculiarly insensitive to what is fundamentally wrong with the national origins quota system. I shall not put it more strongly than that. They would preserve the worst characteristic of the quota system; in fact, they would bring it forth in new form.

Mr. President, I do not think it is necessary for me to spell out why the national origins quota system is discriminatory. I have spoken and written on this subject at considerable length in the past. Now we have proposed a regional origins quota system for the utilization of unused quotas.

As regards the quota system, I should like to call the attention of the Senate to only one point which is not always sufficiently emphasized. That is its consequences for us, in our relations with the peoples of other nations. If we wonder why many of the people of Asian nations, especially, have become suspicious of us and no longer regard us as their friends, we should not overlook the part our Immigration and Nationality

Act has played in promoting this hostility. Can we expect the people of India or the people of Burma or the people of any other Asian country to have friendly feelings toward us, when we have embodied in our immigration law a quota system under which we seem to consider them inferior in some way to the people of other nations? Not only is this inherent in the national origins quota system, but as if to emphasize this attitude, the Asian-Pacific triangle concept was added to the 1952 act. This makes a determination of an applicant's admissibility for immigration to the United States on the basis of whether more than half of his ancestry is traceable to Asia. This is racist doctrine of the most blatant sort. There is no room for it in the laws of our land.

I say we cannot disregard the significance these discriminatory features of our immigration law have for our relations with other peoples, Mr. President. It is most regrettable that the proposals sent to Congress would add a regional origins quota system to what was already bad enough.

The national origins quota system could be eliminated through adoption of the unified quota system contained in Senate bill 1206, introduced by the Senator from New York [Mr. LEHMAN] and other Senators, including myself. I am happy to be a cosponsor of this bill. It would truly rewrite the unfair provisions of the McCarran Act and get the bigotry out of it.

I deeply regret that after 3 years, the President could not have come up with something better than interim measures, although many of them, as I have said, are excellent recommendations, worthy of our consideration and adoption.

But I think that after a 3-year wait, we could have rightfully expected from the administration something more than "interim measures." I presume that the interim—in this instance—lasts only through November.

I respectfully suggest to the President that he instruct those in the executive branch responsible for the administration of this law—the Secretary of State and the Attorney General—to cooperate with the Congress and to appear before the Subcommittee on Immigration. Then we can proceed with the business of passing S. 1206, and so eliminate the national origins quota system which brings such shame upon this Nation throughout the world.

Mr. President, I hope the interim immigration proposals I have recommended will quickly be enacted. I certainly pledge my support to that end. I say most kindly, but with very positive force, that for 3 years, now, we have been waiting for a basic revision of the act; and that 3-year period could have been used to good avail.

Mr. CLEMENTS. Mr. President, so far as I know, there is no further morning business to be transacted.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

URGENT DEFICIENCY APPROPRIATIONS, 1956

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of House bill 9063, the urgent deficiency appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the bill be read for amendment, and that the committee amendments be first considered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and the secretary will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, on page 2, after line 13, to insert:

CHAPTER II

DEPARTMENT OF DEFENSE-MILITARY FUNCTIONS

DEPARTMENT OF THE ARMY

Maintenance and operations

Notwithstanding the proviso under the heading "Maintenance and operations" in title III of the Department of Defense Appropriation Act, 1956, the Murphy General Hospital in Boston (Waltham), Mass., may be utilized during the fiscal year 1956 to meet any requirements of the military, naval, and air forces and other Government agencies, including the requirements of the New England Division of the Army Corps of Engineers.

Mr. HAYDEN. Mr. President, in connection with this amendment, I am advised that the emergency which we were led to believe existed does not actually exist, and that in reality the Corps of Engineers are now occupying a part of the hospital. Since it appears that the provisions of the amendment authorizing an exchange are no longer necessary and the transfer can be handled administratively, I ask unanimous consent that the amendment be rejected.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is rejected.

The next amendment was, on page 3, line 4, to change the chapter number from "II" to "III."

The amendment was agreed to.

The next amendment was, under the heading "Department of Defense—Civil Functions," on page 3, after line 13, to insert:

General expenses

For an additional amount for "General expenses", $30,000.

The amendment was agreed to.

The next amendment was, on page 3, line 17, to change the chapter number from "III" to "IV."

The amendment was agreed to.

The next amendment was, under the heading "District of Columbia—Operating Expenses—Executive Office," on page 3, line 24, after the word "conventions", to strike out "$43,500" and insert "$40,000."

The amendment was agreed to.

The next amendment was, on page 4, line 7, to change the chapter number from "IV" to "V."

The amendment was agreed to.

The next amendment was, under the heading "Legislative Branch," on page 4, after line 8, to insert:

SENATE

SALARIES, OFFICERS AND EMPLOYEES

Office of the Vice President

Office of the Vice President: For an additional amount for clerical assistants to the Vice President, $6,270;

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

Administrative and clerical assistants to Senators: For an additional amount for administrative and clerical assistants for Senators, to provide additional clerical assistants for each Senator from the State of California, so that the allowance for administrative and clerical assistants for such Senators will be equal to that allowed other Senators from States having a population of over 13 million, the population of said State having exceeded 13 million inhabitants, $4,780;

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

Office of Sergeant at Arms and Doorkeeper: For an additional amount for office of Sergeant at Arms and Doorkeeper, $8,350: *Provided*, That effective August 1, 1955, the basic annual rates of compensation of the following positions shall be: superintendent, press gallery, $5,340; first assistant superintendent, press gallery, $4,740; second assistant superintendent, press gallery, $3,840; third assistant superintendent, press gallery, $3,300; fourth assistant superintendent, press gallery, $2,580; secretary, press gallery, $2,100; superintendent, radio press gallery, $5,220; first assistant superintendent, radio press gallery, $4,020; second assistant superintendent, radio press gallery, $3,540; third assistant superintendent, radio press gallery, $3,000; and superintendent, periodical press gallery, $4,320;

In all, salaries, officers and employees, $19,400.

CONTINGENT EXPENSES OF THE SENATE

Reporting Senate proceedings: For an additional amount for reporting the debates and proceedings of the Senate, $5,465.

Furniture: For an additional amount for materials for, repairs of, and the purchase of furniture, $5,000.

Inquiries and investigations: For an additional amount for expenses of inquiries and investigations, fiscal year 1955, $40,000.

Inquiries and investigations: For an additional amount for expenses of inquiries and investigations, $900,000.

Motor vehicles: For an additional amount for maintaining, exchanging, and equipping motor vehicles, $5,000.

ADMINISTRATIVE PROVISION

For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the appropriations under the heading "Senate" shall be held and considered to be effective as of the first day of the first pay period which begins on or after the date of such enactment.

Mr. ELLENDER. Mr. President, I should like to ask a question about this amendment.

Mr. HAYDEN. Certainly.

Mr. ELLENDER. I notice an item for an "additional amount for clerical assistants to the Vice President." Why is that necessary?

Mr. HAYDEN. Because the Vice President does not have the proportionate amount of money Senators have for the employment of clerical assistants; and the volume of work in the Vice President's office has been greatly increased. Upon consideration, the committee decided that the Vice President was entitled to have additional funds.

Mr. CLEMENTS. Mr. President, will the Senator from Arizona yield to me, so that I may make an observation in regard to the question asked by my friend, the Senator from Louisiana?

Mr. HAYDEN. I yield.

Mr. ELLENDER. First, Mr. President, let me say that, as my good friend, the Senator from Arizona, well knows, I am normally in constant attendance on the Appropriations Committee, on which I serve. However, ever since this session convened, I have been very busy with the farm bill. I am glad to say that a little after midnight—in fact, it was early this morning—the Committee on Agriculture and Forestry voted to report the new farm bill; and I hope to report the bill today, and to submit the report thereon a little later.

I do not like to ask questions of my good friend, the Senator from Arizona, about a bill with which I should be familiar; but because of the fact that I have been so busy with the work of the Committee on Agriculture and Forestry, I was unable to attend the hearings of the Appropriations Committee on this bill. Therefore, I hope the Senator from Arizona will excuse me if I ask certain questions about the bill.

Mr. HAYDEN. Certainly.

Mr. CLEMENTS. Mr. President, will the Senator from Arizona yield to me at this time, so that I may make an observation?

Mr. HAYDEN. Of course.

Mr. CLEMENTS. At the time when an upward adjustment was made in the clerical staff allocations to Members of the Senate, a corresponding allocation adjustment was not made to the Vice President.

Mr. ELLENDER. So this amount is proposed merely because Senators received an increased amount? Is that the way this amount was determined?

Mr. CLEMENTS. In this connection, I may say that the Vice President made what the chairman of the committee thought was a good case.

Mr. ELLENDER. Did the Vice President request it; did he appear?

Mr. CLEMENTS. Yes; the Vice President asked for it.

Mr. ELLENDER. Very well.

I also notice an additional amount for the Senators from the State of California. Is that due to an increase in population?

Mr. HAYDEN. Solely.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, under the subhead "Architect of the Capitol", on page 7, after line 3, to insert:

Capitol buildings and grounds

Senate restaurants: For repairs, improvements, equipment, materials, and all necessary incidental expenses, to provide improved facilities for the Senate restaurants, Capitol Building, $20,000, to remain available until expended and to be expended by the Architect of the Capitol under the supervision of the Senate Committee on Rules and Administration, without regard to section 3709 of the Revised Statutes, as amended.

Mr. ELLENDER. Is that item for the purpose of paying an operating deficit?

Mr. HAYDEN. No. It is for the installation of better equipment.

Mr. ELLENDER. Why is it necessary to install additional equipment there, when we are now in the process of building a new Senate Office Building, which I understand will be equipped with a fine restaurant.

Mr. HAYDEN. This item is for improvements in the restaurant in the Capitol Building. Certain worn-out equipment needs to be replaced.

Mr. ELLENDER. Mr. President, as everyone knows, we have been spending considerable amounts of money on that restaurant.

Mr. HAYDEN. But in view of the complaints, perhaps better equipment would result in better service.

Mr. ELLENDER. What sort of equipment will be obtained by means of the amendment?

Mr. HAYDEN. The following equipment:

Serving pantry, refrigeration, $2,200.
Chef's refrigeration, $3,750.
Produce refrigeration, $3,750.
Meat refrigeration, $3,750.
Dairy refrigeration, $2,500.
Salad refrigeration, $950.
"O" box dual compressor, $800.
"O" box thermobank, $800.
Electric feeder cable and miscellaneous, $1,500.

Mr. ELLENDER. Will that be in addition to the facilities now in the restaurant?

Mr. HAYDEN. The old equipment which is to be replaced has been in use for 20 years. Modern refrigeration is needed, in order to keep the food fresh, for consumption by Senators and their guests.

Mr. ELLENDER. At present there is a move to extend the east front of the Capitol Building. It is my understanding that project has reached the point where that addition may be built soon. As the Senator from Arizona well knows, when the new Senate Office Building was first proposed—I refer to the one now being erected—I suggested that the east front of the Capitol be extended, and that provision be made for a restaurant in which the Members of the Senate and the Members of the House of Representatives could dine together, and thereby make the restaurant a paying concern.

However, as the Senator knows, we have a separate restaurant at present, which costs the taxpayers from $45,000 to $50,000 a year to maintain. I call it a subsidy.

Mr. HAYDEN. That is considerably less than the cost a few years ago.

Mr. ELLENDER. I understand that, but it should not cost a dime. If we are to build the proposed addition to the Capitol, it strikes me that we ought to be able to install in it a large restaurant to accommodate both Senate and House Members. I believe a joint restaurant would be a paying venture. Instead, we continue these expenses, and continue to pay what I call a subsidy, in order to feed hungry Senators 1 or 2 meals a day.

Mr. HAYDEN. The principal patronage in the present Capitol restaurant is at noon. If there were 3 full meals served during the day, the restaurant could be paying for itself. The restaurant cannot pay its way on a noon-lunch basis.

Mr. ELLENDER. That was the reason why I contended, before the Committee on Appropriations, that instead of building the new Senate Office Building, which will cost more than $20 million, and which will cost the taxpayers the equivalent of $10,000 for each Senator, in addition to what it will cost merely to operate it, we should complete the east front of the Capitol. If we extend the east front of the Capitol building, space could be provided for a restaurant adequate to take care of both Senate and House Members. It would pay for itself. Instead, we continue to make appropriations to cover the expenses of two restaurants—one for the Senate and one for the House. Sooner or later I hope the present separate restaurant facilities will be disposed of. The space could probably well be utilized for office rooms for Senators or committees, and the restaurant could be located, as I have said, in the area which will be available by the erection of the addition to the east front of the Capitol. Are we to continue to spend money on the old restaurant? Did the committee take that question into consideration?

Mr. HAYDEN. It did. The equipment of the restaurant is so antiquated that it cannot render efficient service; it is constantly deteriorating, and must be replaced. I have stated the respective items and their cost.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment on page 7, beginning in line 4.

The amendment was agreed to.

The next amendment was, at the top of page 8, to insert:

CHAPTER VI

ARCHITECT OF THE CAPITOL

ACQUISITION OF SITE, CONSTRUCTION AND EQUIPMENT, ADDITIONAL SENATE OFFICE BUILDING

Acquisition of site: In addition to the real property contained in square 725 in the District of Columbia heretofore acquired as a site for an additional office building for the United States Senate under the provisions of the Second Deficiency Appropriations Act, 1948, approved June 25, 1948 (62 Stat. 1028), the Architect of the Capitol, under the direction of the Senate Office Building Commission, is hereby authorized to acquire, on behalf of the United States, by purchase, condemnation, transfer, or otherwise, for purposes of extension of such site or for additions to the United States Capitol Grounds, all other publicly or privately owned real property (including alleys or parts of alleys and streets) contained in said square 725 and all publicly or privately owned real property (including alleys or parts of alleys and streets) contained in square 724 in the District of Columbia, and

there is hereby appropriated for such purposes $4,500,000, which, together with the unexpended balance of the appropriation for Acquisition of Site contained in the Second Deficiency Appropriation Act, 1948, shall be available for such purposes until expended, and there are hereby authorized to be appropriated such additional sums as may be required for such purposes: *Provided*, That for the purposes of this chapter and of the aforesaid act of June 25, 1948, squares 725 and 724 shall be construed to extend to the outer face of the curbs of sidewalks surrounding such squares: *Provided further*, That any proceeding for condemnation brought under this chapter shall be conducted in accordance with the act entitled "An act to provide for the acquisition of land in the District of Columbia for the use of the United States," approved March 1, 1929 (16 D. C. Code, secs. 619–644): *Provided further*, That notwithstanding any other provision of law, any real property owned by the United States and contained in squares 725 and 724 shall upon request of the Architect of the Capitol, made with the approval of the Senate Office Building Commission, be transferred to the jurisdiction and control of the Architect of the Capitol, and any alley, or part thereof, contained in such squares, shall be closed and vacated by the Commissioners of the District of Columbia in accordance with any request therefor made by the Architect of the Capitol with the approval of such Commission: *Provided further*, That upon acquisition of any real property pursuant to this chapter, the Architect of the Capitol, when directed by the Senate Office Building Commission to so act, is authorized, under the funds appropriated hereunder, to provide for the demolition and removal of any buildings or other structures on, or constituting a part of, such property and, pending demolition, to lease any or all of such property for such periods and under such terms and conditions as he may deem most advantageous to the United States and to provide for the maintenance and protection of such property: *Provided further*, That the jurisdiction of the Capitol Police shall extend over any real property acquired under this chapter: *Provided further*, That the Architect of the Capitol, under the direction of the Senate Office Building Commission, is authorized to enter into contracts and to make such other expenditures, including expenditures for personnel and other services, as may be necessary to carry out the purposes of this chapter and to obligate the additional sums herein authorized prior to the actual appropriation thereof.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WILLIAMS. It is my understanding that this section, chapter VI, will be stricken from the bill. There is opposition to it.

Mr. HAYDEN. I wish to explain to the Senate that, opposition having developed to chapter VI, and it being highly important that the bill become a law at the earliest possible date, it was decided to let this particular provision be stricken on a point of order. It is subject to a point of order.

Mr. ELLENDER. Mr. President, I make the point of order that it is legislation on an appropriation bill.

Mr. HAYDEN. The point of order must be conceded. I had filed a motion to suspend the rule, but evidently that course is impracticable today, so I shall not resist the point of order, and the Chair may sustain it.

Mr. ELLENDER. Mr. President, I raise the point of order.

The ACTING PRESIDENT pro tempore. The point of order is well taken, on the ground that chapter VI is general legislation on an appropriation bill.

The clerk will state the next amendment.

The next amendment was, on page 10, line 16, to change the chapter number from "V" to "VII."

Mr. HAYDEN. Mr. President, in view of the previous action with respect to chapter II and chapter VI, this amendment should be rejected.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment on page 10, line 16.

The amendment was rejected.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DOUGLAS. What has been the disposition of the proposed appropriation of $4.5 million for additional land for a new Senate Office Building?

The ACTING PRESIDENT pro tempore. That provision was stricken out on a point of order, on the ground that it was general legislation.

Mr. ELLENDER. Mr. President, in this connection I wish to state that if this amendment had been adopted, it would permit the purchase of the half-block which remains in the rear of the new Senate Office Building, which is now in the process of construction. It would entail an expenditure for the purchase of square 724, in which the Carroll Arms, the Plaza Hotel, and a number of other buildings are now located.

I point out that the total assessment on this property—and the assessment seems very low to me—is about $2,191,805 for the various lots included in these two blocks. If this land were purchased by the Government, the city fathers would lose a little more than $50,000 annually in taxes.

It is my hope that before any further land is acquired in connection with the Senate Office Building we may go into the subject thoroughly and—if the proposal can be justified—that the authorization be included in a regular bill, instead of a deficiency bill. It will be recalled that during the closing days of the 80th Congress some member of the Senate Appropriations Committee brought forward a proposal for an appropriation to build the Senate Office Building, which is now in process of construction. It was not until the next day that some of us learned that the project had been authorized in a deficiency bill.

We now have before us a similar situation. It is sought to add to the bill the unnecessary expense of $4.5 million, which, in my opinion, would be but a drop in the bucket. The property could not be acquired for that sum.

I understood that this half-block was to be used to provide parking space to accommodate the officials, clerks, and administrative assistants who serve Senators. I think we are going "haywire." The national budget is now in an unbalanced condition. It has been in that condition for practically all of the past 24 years. Under those circumstances, we ought to cut corners at every opportunity. Every time appropriations such as the one here proposed come before us, it is my intention to oppose them.

I think we have enough facilities now. As I pointed out, for 8 years, with the assistance of my good friend from Illinois [Mr. DOUGLAS], I was able to prevent the construction of the new Senate Office Building. However, it is now being built today. I repeat that the erection of this building will entail expenses to the taxpayers which will be the equivalent of an additional $10,000 for each Senator. I believe that such costs are unconscionable, and I hope they will be eliminated hereafter.

Mr. HAYDEN. I assure the Senator from Louisiana that legislation will be properly introduced and referred to the appropriate committee in connection with this project. A bill will be introduced, and it will be considered in the regular way.

I may add that if Senators had not made the grave mistake we made 8 years ago of delaying actions, we would now have a new Senate Office Building, at half the cost.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, there was one question which I overlooked asking. It relates to the amendment containing the item under the head of "Office of Sergeant at Arms and Doorkeeper." I should like to have the situation clarified. Are we providing for another doorkeeper?

Mr. HAYDEN. No. This item merely comes under the title of the office of Sergeant at Arms and Doorkeeper. It relates to the pay of employees in the Press Gallery. Senators will remember that on the closing night before adjournment last year the Senate adopted a resolution, which was sent to the House, to equalize the pay of employees in the Senate Press Gallery with the pay of corresponding employees in the House. However, the resolution was so drawn that the actual pay scales were based upon the House schedules rather than ours. This proposed change in language, whereby the Senate base is adopted, will make a difference of $360.35 a year. It will accomplish exactly what the Senate sought to accomplish in the closing hours of the last session of Congress.

Mr. ELLENDER. Then the increase in salaries will amount to only $360.35?

Mr. HAYDEN. No. The increase in salaries which was agreed to will equalize the pay of those occupying similar positions in the Senate with the pay schedules for corresponding positions in the House. The equalization was provided just before the Congress adjourned last year. The amendment we are discussing would add $360.05 to what was provided then, so as to make the base pay the Senate base pay, not the House base pay.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CLEMENTS. Is it not a fact that it would do exactly the same as was done

by resolution in the closing hours of the last session?

Mr. HAYDEN. Exactly.

Mr. CLEMENTS. It would increase the overall pay of the Press Gallery by $360 a year and bring it in line with the $60 multiple formula which is used. Is that correct?

Mr. HAYDEN. That is correct. It is a matter of convenience in the bookkeeping operations of the financial clerk of the Senate.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. I refer to page 6, to the item of $40,000 for inquiries and investigations. How does that item differ from the item for expenses of inquiries and investigations, $900,000, just below on the same page?

Mr. HAYDEN. The $40,000 is a hangover from last year.

Mr. ELLENDER. What does the Senator mean by a hangover? Is it the same item?

Mr. HAYDEN. It is the same item.

Mr. ELLENDER. Is it for the same purpose?

Mr. HAYDEN. It is.

Mr. ELLENDER. As I recall, last year we provided $1,200,000 for inquiries and investigations.

Mr. HAYDEN. The Senate authorized inquiries and investigations at a cost of $2,124,120. The appropriation for that purpose $1,224,000.

Mr. ELLENDER. The sum of $40,000 is the remainder of what was authorized? Is that correct?

Mr. HAYDEN. That is correct.

Mr. ELLENDER. As the Senator knows, there are pending quite a number of resolutions which, contrary to what I thought would be done, carry increased amounts in many cases, and quite a number of the special subcommittees are continued, although in some cases there had been promises made that they would come to an end.

After the holiday period those resolutions will be taken up by the Senate. I hope we can trim some of them, and perhaps do away with some of the subcommittees. That is my hope, and I also hope that I shall have some assistance in that regard from the Senate.

Mr. HAYDEN. Mr. President, there is one other matter I wish to mention. I have received a letter, dated February 9, 1956, from Hon. HAROLD D. COOLEY, chairman of the House Committee on Agriculture. It contains a recommendation adopted by unanimous vote of that committee, that there be included in the pending bill $700,000 to provide for the planting of trees. A part of the letter reads as follows:

As you are aware, most of the seedlings available to farmers are produced by State and private nurseries in connection with the United States Forest Service under the provisions of section 4 of the Clarke-McNary Act.

The letter goes on to state that the examination showed that a sufficient number of acres were available to call for the expenditure of $700,000, and that that sum would enable 200 million additional trees to be planted.

I took the matter up with the chairman of the House Committee on Appropriations, who stated that, inasmuch as his committee would consider a series of supplemental estimates which were submitted this week in House Document 390, covering about $565 million, which are urgent deficiencies of one kind or another, and because he was satisfied a second supplemental bill would be promptly reported to the House, he would prefer to have hearings before his committee on the proposal to appropriate funds for tree planting.

Under the circumstances, Mr. President, I have not offered an amendment as requested but I should like to have the letter from Chairman COOLEY included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES, U. S.,
COMMITTEE ON AGRICULTURE,
Washington, D. C., February 9, 1956.

Hon. CARL HAYDEN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I hate to approach you at this late hour with a proposed amendment to the urgent deficiency appropriation bill (H. R. 9063) which I understand is to be considered in the Senate tomorrow. However, there appears to be no other alternative if we are to prevent a serious setback in our reforestation program.

There are a large number of bills now pending before the Congress to encourage reforestation and the planting of trees. The mere introduction of these bills and the public discussion connected with them has so stimulated public interest in this kind of a program that, I am informed, the demand for tree seedlings has already increased in many States beyond the present capacity of nurseries to supply.

As you are aware, most of the seedlings available to farmers are produced by State and private nurseries in cooperation with the United States Forest Service under the provisions of section 4 of the Clarke-McNary Act. In the routine process of obtaining information from the Forest Service with respect to available tree seedlings, in preparation for hearings on some of these bills by the House Committee on Agriculture, our staff discovered day before yesterday that there is a present unused capacity in State and private nurseries that could result in production of more than 200 million additional seedlings this year if funds were available.

The production of tree seedlings is, however, a seasonal business. In most instances tree seeds, like other agricultural seeds, are planted in the spring. No matter how much money might be available in the next fiscal year for this purpose, the trees which it will make possible cannot be planted until the spring of 1957.

On the other hand, if an item of $700,000 could be made available to the Forest Service for this work within the next 2 or 3 weeks, seeds could be planted this spring and more than 200 million seedling trees could be made available a year earlier than would be possible if we wait for the next regular appropriation bill.

I am informed by the House Appropriations Committee that there will be no bill except the urgent deficiency appropriation bill, reported by your committee yesterday and scheduled for Senate consideration tomorrow, through which this money may be made available in time for its use this spring.

This appeal to you to offer an amendment to this bill on the Senate floor adding an item of $700,000 for the cooperative production of tree seedlings is made by direction of the House Committee on Agriculture pursuant to unanimous action of the committee in executive session yesterday, February 8, 1956.

Sincerely yours,
HAROLD D. COOLEY,
Chairman.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 9063) was read the third time and passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. BRIDGES, and Mr. SALTONSTALL conferees on the part of the Senate.

Mr. HAYDEN. I do not believe it will be necessary to go to conference on the bill. If it is necessary to do so, I have taken the precaution of asking that the conferees be appointed.

In the event that it is not necessary to go to conference on the bill, I ask unanimous consent that the Vice President or the President pro tempore be authorized to sign, during the adjournment or recess following today's session, duly enrolled bills or joint resolutions passed by the two Houses.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CRIMINAL PENALTIES FOR DAMAGING OR DESTROYING AIRCRAFT

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1489, S. 2972.

The ACTING PRESIDENT pro tempore. The secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2972) to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, the purpose of the bill is to amend the Civil Aeronautics Act of 1938, as amended, to provide suitable punishment, first, for the willful damaging or destruction of air carrier aircraft used in interstate, overseas, or foreign commerce; second, for attempts to damage or destroy such aircraft; and, finally, for knowingly imparting or conveying false information concerning such attempts.

The recent disaster at Longmont, Colo., in which a United Air Lines plane was destroyed by the explosion of a time bomb placed in the baggage carried on the plane, killing all 44 persons aboard, has

focused attention on the need for such legislation. While there are Federal statutes now in effect which may be applicable in some cases of this type, none of these statutes was drafted with this type of problem specifically in mind, with the result that the statutes now in effect either do not adequately cover the subject matter or do not provide penalties commensurate with the magnitude of the offense.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 902 of the Civil Aeronautics Act of 1938, as amended, be further amended by inserting at the end thereof the following new subsections:

"DAMAGING OR DESTROYING AIRCRAFT

"(i) (1) As used in this subsection, the term 'destructive substance' means any explosive substance, flammable material, infernal machine, or other chemical, mechanical, or radioactive device or matter of a combustible, contaminative, corrosive, or explosive nature.

"(2) Any person who willfully sets fire to, damages, destroys, disables, or wrecks any civil aircraft used, operated, or employed by an air carrier or foreign air carrier in interstate, overseas, or foreign air commerce; or

"Any person who willfully sets fire to, damages, destroys, disables, or wrecks any aircraft engine, propeller, appliance, or spare part with intent to damage, destroy, disable, or wreck any such aircraft; or

"Any person who, with like intent, willfully places or causes to be placed any destructive substance on, about, in or near any such aircraft, or any aircraft engine, propeller, appliance, spare part, fuel, lubricant, hydraulic fluid, or other material used or intended to be used in connection with the operation of any such aircraft, or any cargo carried or intended to be carried on any such aircraft, or otherwise makes or causes to be made any such aircraft, aircraft engine, propeller, appliance, spare part, fuel, lubricant, hydraulic fluid, or other material unworkable or unusable or hazardous to work or use; or

"Any person who, with like intent, willfully sets fire to, damages, destroys, disables, or wrecks, or places or causes to be placed any destructive substance on, about, in or near any shop, supply, structure, station, depot, terminal, hangar, ramp, landing area, air-navigation facility or other facility, warehouse, property, machine, or apparatus used or intended to be used in connection with the operation, loading, or unloading of any such aircraft or making any such aircraft ready for flight, or otherwise makes or causes to be made any such shop, supply, structure, station, depot, terminal, hangar, ramp, landing area, air-navigation facility or other facility, warehouse, property, machine, or apparatus unworkable or unusable or hazardous to work or use; or

"Any person who, with like intent, willfully incapacitates any member of the crew of any such aircraft; or

"Any person who willfully attempts to do any of the aforesaid acts or things—

"shall be fined not more than $10,000 or imprisoned not more than 20 years, or both.

"Any person who is convicted of any such crime, which has resulted in the death of any person, shall be subject also to the death penalty or imprisonment for life if the jury shall in its discretion so direct or in the case of a plea of guilty if the court in its discretion shall so order.

"IMPARTING OR CONVEYING FALSE INFORMATION

"(j) Any person who imparts or conveys or causes to be imparted or conveyed information, knowing such information to be false, concerning an attempt being made, or to be made, to do any act or thing which would be subject to criminal penalty under subsection (i) of this section, or concerning the existence of circumstances or conditions which are likely to damage, destroy, disable, or wreck, or which would render unworkable or unusable or hazardous to work or use, any civil aircraft, used, operated, or employed by an air carrier or foreign air carrier in interstate, overseas, or foreign commerce, or any aircraft engine, propeller, appliance, spare part, fuel, lubricant, hydraulic fluid, or other material used or intended to be used in connection with the operation of any such aircraft, or any shop, supply, structure, station, depot, terminal, hangar, ramp, landing area, air-navigation facility or other facility, warehouse, property, machine, or apparatus used or intended to be used in connection with the operation, loading, or unloading of any such aircraft, or making any such aircraft ready for flight, shall be fined not more than $10,000 or imprisoned not more than 20 years, or both."

LLOYD BOHLKE

Mr. WATKINS. Mr. President, the Drew Pearson column published in the Washington Post and Times Herald on Thursday, February 9, contained the following item:

FIRED FOR TALKING

It doesn't pay to express your views against the Benson farm program if you want to keep a job with the Government. That is what Lloyd Bohlke, of Prosser, Wash., has just discovered, after he appeared on a television program, Questions Before the House.

Bohlke had been trying to operate an 80-acre potato farm near Prosser, but couldn't make both ends meet and had to quit. He knew the truth of what Secretary Benson had said about the difficulty of small one-man farming. But he got a job with the Kennewick Irrigation District near Yakima on January 2. The job paid $7,500. On January 3, however, Bohlke made the mistake of appearing with Miss Virginia Burnside on her television program and spoke out frankly about the difficult problem the small farmer faces today. He also wasn't too complimentary to Benson policies.

Shortly thereafter Bohlke was fired by Reclamation Bureau officials working for Secretary of the Interior McKay. They replaced him with Van E. Nutley, at $10,000 annually.

NOTE.—Bohlke was former master of the Rattlesnake Grange, had been a farmer for years, belonged to no left-wing groups.

Mr. President, I could not believe that this could possibly be a correct account, with all the insinuations involved, of the firing and hiring of Lloyd Bohlke, of Prosser, Washington, the gentleman involved in the story.

I made an inquiry of Secretary of the Interior Douglas McKay's office, requesting their comment on the incident. Today I received a letter from Secretary McKay in answer to my inquiry. The letter reads as follows:

DEAR SENATOR WATKINS: I am grateful to you for calling to my attention the allegation in the Drew Pearson column this morning that an employee of the Bureau of Reclamation had lost his job because he criticized the policies of another Government department. Your interest in this matter is understandable, since you are a member of the Reclamation Subcommittee of the Senate Committee on Interior and Insular Affairs.

When you called me, I told you I could not believe that there had ever been any such episode as that described in the Pearson column. I am happy to report to you that I find upon inquiry my confidence was fully justified.

Pearson asserted that Lloyd Bohlke was fired from the Kennewick Irrigation District by Bureau of Reclamation officials and replaced by Van E. Nutley at $10,000 annually.

I am informed that Mr. Bohlke is not and never has been an employee of the Bureau of Reclamation.

Mr. Nutley has been a career employee of the Bureau of Reclamation for 20 years. He is chief of the Field Engineering Office of the Bureau for the Kennewick Division.

The Kennewick Irrigation District is an independent organization of water users who contract with the Federal Government for repayment of the cost of a share of the Kennewick Division of the Yakima project. The Bureau of Reclamation has no jurisdiction over the Kennewick Irrigation District nor are district employees on the payroll of the Bureau of Reclamation.

Recently the directors of the Kennewick Irrigation District approached the Bureau of Reclamation, requesting the services of Mr. Nutley. Mr. Nutley was reluctant to leave the Federal service. However, because of his experience on construction of the Kennewick Division, it was recognized that he would be of particular value to the Kennewick Irrigation District in its operation.

Accordingly, he has been granted a 6 months' leave of absence without pay from the Federal payroll to enter the service of the Kennewick Irrigation District.

The Department of the Interior and the Bureau of Reclamation are not informed as to whom he replaced or why.

Sincerely yours,

DOUGLAS MCKAY,
Secretary of the Interior.

Mr. President, in connection with the reference to the Secretary of Agriculture in the Pearson article, let me say that I have had a personal acquaintance with Secretary of Agriculture Ezra Taft Benson running back many years. I have known him to be honest and upright and a man who does not take vindictive action against anyone who may criticize him. Such actions would be completely contrary to his nature. In the interest of truth and fairness I thought the article and the answer to it ought to be placed in the RECORD. The facts speak for themselves.

MEDALS AND DECORATIONS IN THE UNITED STATES MERCHANT MARINE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1490, Senate bill 2711.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2711) to authorize medals and decorations for outstanding and meritorious conduct and service in the United States merchant marine, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing on the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, the purpose of the bill is to authorize the Secretary of Commerce to give official recognition to acts of heroic conduct or extraordinary skill or service on the part of members of the United States merchant marine, or for service on merchant marine vessels in time of war or national emergency under certain conditions of danger to life; and to issue citations as public evidence of deserved honor and distinction to United States or foreign ships which participate in gallant or outstanding action in marine disasters, and other emergencies.

The bill would also repeal, effective July 1, 1954, three laws which provided somewhat similar authority in years past, but which are now inoperative, inasmuch as the periods in which rights could accrue under those statutes have expired.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) the Secretary of Commerce is authorized, under such rules and regulations as he may prescribe, to provide and award with the concurrence of the Secretary of the Treasury: A merchant marine distinguished service medal to any person serving in the United States merchant marine who distinguishes himself by outstanding act, conduct, or valor beyond the line of duty, and a merchant marine meritorious service medal to any person serving in the United States merchant marine for meritorious act, conduct, or service in line of duty, but not of such outstanding character as would warrant an award of the distinguished service medal.

(b) No more than one distinguished service medal or meritorious service medal shall be awarded to any one person, but for each succeeding act, conduct, or service justifying such an award, a suitable device may be awarded to be worn with the medal or ribbon. In case any person who so distinguishes himself or so acts or serves as to justify the award of a medal under this section, dies before the award can be made to him, the award may be made and medal presented to such representatives of the deceased as the Secretary of Commerce deems proper.

SEC. 2. The Secretary of Commerce is authorized to provide and issue, under such rules and regulations as he may from time to time prescribe, a distinctive service ribbon bar to each master, officer, or member of the crew of any United States ship who serves or has served after June 30, 1950, in any time of war, or national emergency proclaimed by the President or by Congress, or during an operation by Armed Forces of the United States outside the continental United States, for such period of time and in such area or under such conditions of danger to life as the Secretary may set forth in regulations issued hereunder. Such bars shall be provided at cost by the Secretary or at reasonable prices by private persons when authorized for manufacture and sale by the Secretary. Whenever any bar presented under the provisions of this section is lost, destroyed, or rendered unfit for use, without fault or neglect of the owner, such bar may be replaced at cost by the Secretary or at reasonable prices by private persons authorized by him.

SEC. 3. The Secretary of Commerce is authorized to issue, with the concurrence of the Secretary of the Treasury, a citation as public evidence of deserved honor and distinction to any United States ship or to any foreign ship which participates in outstanding or gallant action in marine disasters or other emergencies for the purpose of saving life or property. The Secretary of Commerce may award a plaque to a ship so cited, and a replica of such plaque may be preserved, under such rules and regulations as the Secretary may prescribe, as a permanent historic record. The Secretary of Commerce may also award an appropriate citation ribbon bar to the master or each person serving on board such ship at the time of the action for which citation is made, as public evidence of such honor and distinction. Whenever such master or person would be entitled hereunder to the award of an additional citation ribbon, a suitable device shall be awarded, in lieu thereof, to be attached to the ribbon originally awarded. In any case of a proposed award or citation to a foreign ship or to a master or person serving aboard such ship, such award or citation shall be subject to the concurrence of the Secretary of State.

SEC. 4. The manufacture, sale, possession, or display of any insignia, decoration, medal, device, or rosette thereof, or any colorable imitation of any insignia, decoration, medal, or device, or rosette, provided for in this act, or in any rule or regulation issued pursuant to this act, is prohibited, except as authorized by this act or any rule or regulation issued pursuant thereto. Whoever violates any provision of this section shall be punished by a fine not exceeding $250 or by imprisonment not exceeding 6 months, or both.

SEC. 5. (a) The following acts of Congress are repealed effective July 1, 1954:

(1) The act entitled "To provide for the issuance of devices in recognition of the services of merchant sailors," approved May 10, 1943, as amended (57 Stat. 81, 59 Stat. 511, 60 Stat. 884; U. S. C., title 50, War, Appendix, secs. 753a–753f).

(2) The act entitled "Providing for a medal for service in the merchant marine during the present war," approved August 8, 1946 (60 Stat. 960; U. S. C., title 50, War, Appendix, secs. 754–754b).

(3) The act entitled "To provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943, as amended (57 Stat. 162, 60 Stat. 905, 60 Stat. 945; U. S. C. title 50, War, Appendix, secs. 1471–1475).

(b) Notwithstanding the repeal of the acts of Congress in subsection (a) the Secretary of Commerce is authorized, under such rules and regulations as he may from time to time prescribe to make replacements at cost or permit replacements at reasonable prices by persons authorized by him of the awards, medals, decorations, or other articles issued under such acts, if lost, destroyed, or rendered unfit for use, without fault or neglect on the part of the owner.

ADDITIONAL ASSISTANTS FOR THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. CLEMENTS. Mr. President, I submit an original resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 210), as follows:

Resolved, That the Committee on Labor and Public Welfare is authorized, from February 1, 1956, through February 29, 1956, to employ four additional clerical assistants to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with section 202 (e), as amended, of the Legislative Reorganization Act of 1946, and the provisions of Public Law 4, 80th Congress, approved February 19, 1947, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

GRATUITY TO MARGARET K. HAMMOND

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1494, Senate Resolution 207.

The PRESIDING OFFICER. The clerk will state the resolution by title, for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 207) to pay a gratuity to Margaret K. Hammond.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the the resolution was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Margaret K. Hammond, sister-in-law of Nancy E. Hammond, an employee of the Senate at the time of her death, a sum equal to 6½ months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

MEMORIAL TO GEN. JOHN J. PERSHING

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1497, Senate Joint Resolution 95.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 95) to authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to Gen. John J. Pershing.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the joint resolution (S. J. Res. 95) was considered, order to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the American Battle Monuments Commission, whose former Chairman was the late John J. Pershing, General of the Armies of the United States, is authorized and directed to prepare plans and estimates for the erection of a suitable memorial to Gen. John J. Pershing, together with recommendations with respect to site, design, and materials, for submission to the Congress at as early a date as practicable. Such plans shall, prior to submission to the Congress, be approved by the National Commission of Fine Arts with respect to the design and materials to be used.

PRINTING OF BIENNIAL REPORT OF THE CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1493, Senate Resolution 195.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 195) to print the 37th biennial report of the Convention of American Instructors of the Deaf.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the resolution was considered and agreed to, as follows:

Resolved, That the report of the proceedings of the 37th biennial meeting of the Convention of American Instructors of the Deaf, held at West Hartford, Conn., June 26 to July 1, 1955, be printed with illustrations, as a Senate document.

PRINTING OF REVISED EDITION OF SENATE DOCUMENT NO. 233, 81ST CONGRESS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1495, Senate Resolution 208.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 208) authorizing the printing as a Senate document of a revised edition of Senate Document No. 233, of the 81st Congress, entitled "Federal Corrupt Practices and Political Activities."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the resolution was considered and agreed to, as follows:

Resolved, That the revised edition of Senate Document No. 233 of the 81st Congress, entitled "Federal Corrupt Practices and Political Activities" be printed as a Senate document.

DEATH OF REPRESENTATIVE REED OF ILLINOIS

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a resolution from the House of Representatives, which the Secretary will read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
February 10, 1956.

Resolved, That the House has heard with profound sorrow of the death of Hon. CHAUNCEY W. REED, a Representative from the State of Illinois.

Resolved, That a committee of 14 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Attest:

RALPH R. ROBERTS, *Clerk*.

Mr. DOUGLAS. Mr. President, I submit a resolution and ask that it be read.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution submitted by the Senator from Illinois.

The Chief Clerk read the resolution (S. Res. 211), as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHAUNCEY W. REED, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. DOUGLAS. Mr. President, CHAUNCEY W. REED was a Member of the House of Representatives for more than 20 years. He served that body with fidelity, and became chairman of its Committee on the Judiciary. While I was not a personal friend of Mr. REED or a member of his political faith, I know that he was kindly in nature. I never knew him to do a vicious or vindictive thing. He served the country with fidelity to the principles in which he believed, and his death is a real loss to the Nation and to my State.

Mr. CLEMENTS. Mr. President, I did not know CHAUNCEY REED very long, but in the short time during which I was associated with him in the House of Representatives I knew him quite intimately. As a matter of fact, when I was assigned office space as a Member of the House, my office was directly across the hall from that of CHAUNCEY REED.

I remember very pleasantly the many kindnesses which I received at his hands. On my first day, his office staff was made available to help me obtain the necessary equipment and other facilities which are needed to put a Representative's office into operation.

I should like to associate myself with the remarks of the Senator from Illinois [Mr. DOUGLAS] with reference to the fidelity with which Representative REED served any cause in which he believed.

Mr. President, I think this is the appropriate time for the Senate to take action on the resolution offered by the Senator from Illinois, and I ask unanimous consent that the Senate proceed to its consideration.

The resolution was considered by unanimous consent, and unanimously agreed to.

The ACTING PRESIDENT pro tempore. The Chair appoints the senior Senator from Illinois [Mr. DOUGLAS] and the junior Senator from Illinois [Mr. DIRKSEN] the committee on the part of the Senate to attend the funeral of the late Representative REED.

Mr. CLEMENTS. Mr. President, as a further mark of respect and honor to the memory of the deceased Representative, I move that the Senate now adjourn until 12 o'clock noon on Tuesday next.

The motion was unanimously agreed to; and (at 1 o'clock and 55 minutes p. m.) the Senate adjourned until Tuesday, February 14, 1956, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 10, 1956:

UNITED STATES DISTRICT JUDGE

Ross Rizley, of Oklahoma, to be United States district judge for the western district of Oklahoma, vice Edgar S. Vaught, retiring.

UNITED STATES PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service:

APPOINTMENTS, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW AND REGULATIONS, EFFECTIVE DATE OF ACCEPTANCE

To be senior surgeons

Anibal R. Valle
Paul Q. Peterson
Trois E. Johnson

To be surgeons

Osamu Hayaishi
Gerald R. Cooper
Phyllis Q. Edwards
Henry K. Beye
Frank W. Mount
Jack Orloff
William L. Bunch, Jr.

To be senior dental surgeon

Clarence A. Eggler

To be dental surgeon

Paul H. Keyes

To be sanitary engineers

Arve H. Dahl
Paul W. Reed

To be senior scientists

Lloyd W. Law
Everette L. May

To be scientist

Melvin H. Goodwin, Jr.

To be veterinarian

Raymond J. Helvig

To be senior nurse officer

Mary O. Jenney

To be nurse officer

Doris E. Roberts

To be dietitian

Dorothy M. Youland

APPOINTMENTS IN THE REGULAR AIR FORCE

The following-named persons for appointment in the Regular Air Force in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of 1947); title II, Public Law 365, 80th Congress (Army-Navy-Public Health Service Medical Officer Procurement Act of 1947); and section 307 (b), Public Law 150, 82d Congress (Air Force Organization Act of 1951), with a view to designation for the performance of duties as indicated:

To be captains, USAF (Dental)

Samuel W. Askinas, AO2238795.
Edward R. Beidelman, AO2023995.
James F. Crosby, Jr.
Edward R. Martin, AO2261130.

To be first lieutenants, USAF (Medical)

Arthur Barnes.
Kenneth H. Bleifer.
Walter M. Bowerman, O2273704.
Andrew W. Butchko.
Fred G. Conrad, AO3043227.
Cecil G. Edwards, AO2004061.

William M. Hammon, AO3043200.
John Y. Harper, Jr.
William E. Karnes, AO3043173.
Herbert H. Kaufmann, AO2260303.
John T. King, Jr.
Emanuel Milder, AO3044019.
Stephen A. Ockner, AO3043260.
Carl G. Peterson, Jr., AO3043203.
Roy E. Sawyer, AO3044368.
Kuno C. Schwarz.
John A. Shoener.
James H. Thorpe, AO2261894.
Eugene L. Weston.
Marion J. Williams, AO3001245.
Terrell R. Woodmansee, AO3043230.

To be first lieutenants, USAF (Dental)

John A. Barton, Jr., AO3000497.
David O. Boxwell.
Ray L. Klaeser, AO2240544.
Fred L. Pavlikowski, AO2261841.

The following-named persons for appointment in the Regular Air Force in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of 1947), and section 307 (b), Public Law 150, 82d Congress (Air Force Organization Act of 1951), with a view to designation for the performance of duties as indicated:

To be captain, USAF (Chaplain)

James R. Sullivan, AO2217269.

To be first lieutenant, USAF (Chaplain)

Ralph R. Monsen, AO2240489.

To be first lieutenants, USAF (Judge Advocate)

Charles P. Grahl, AO1905123.
James LaBar, AO2218429.

The following-named person for appointment in the Regular Air Force in the grade indicated, with date of rank to be determined by the Secretary of the Air Force under the provisions of section 101 (c), Public Law 36, 80th Congress (Army-Navy Nurses Act of 1947), as amended by section 5, Public Law 514, 81st Congress, and Public Law 37, 83d Congress; with a view to designation for the performance of duties as indicated under the provisions of section 307, Public Law 150, 82d Congress (Air Force Organization Act of 1951):

To be first lieutenant, USAF (nurse)

Mary A. Chamberlin, AN2248728.

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of 1947):

To be first lieutenants

Lewis F. Acker, Jr., AO2269825.
Joseph Adamo, AO2232396.
Christopher S. Adams, Jr., AO2245431.
John O. Adams, AO1862767.
Jacques J. P. Adnet, AO2249429.
Lawrence C. Albers, AO589611.
Jesse M. Allen, AO1849943.
William E. Allen, AO2216716.
John V. Allison, AO1912135.
Donald M. Altman, AO590367.
Richard L. Anderson, AO1910131.
Robert C. Anderson, AO2226644.
Robert L. Anderson, AO2245202.
Stuart M. Andrews, AO2226645.
John J. Andrichak, AO1919094.
Richard C. Andrus, AO1869740.
Earl J. Archer, Jr., AO1908987.
Frank M. Areen, AO2222420.
Eugene C. Austin, AO760580.
Joseph C. Bailey, AO938619.
Ora J. Baird, Jr., AO1908990.
Robert C. Baldwin, AO1907836.
Theodore M. Ball, Jr., AO2249656.
Donald E. Bandow, AO2244802.
Alfred C. Barbee, AO1853888.
William R. Barber, Jr., AO2225906.
Elmer L. Barnes, AO1908491.
Kyle D. Barnes, Jr., AO2227181.
Robert J. Barnhill, AO2249168.
James E. Barrett, AO2231887.
John A. Bayless, AO2224836.
Glenn J. Beadle, AO2230638.
Weldon A. Behrend, AO2231246.
Thomas L. Beight, AO2250812.
Mortimer F. Bennet, AO2077093.
Robert A. Bens, AO2250896.
Paul E. Bergeron, AO2230036.
Paul A. Bergerot, AO1909032.
Robert J. Berns, AO2251193.
Robert L. Beyers, AO590746.
Vernon L. Binett, AO2094093.
Howard S. Bialas, AO1865687.
Lloyd H. Black, Jr., AO2058403.
Ronald E. Black, AO1863948.
Albert R. Blair, AO2244592.
William M. Blakeslee, AO2225679.
Kennith W. Blan, AO2087013.
William H. Blankfield, Jr., AO2218241.
Paul L. Bogar, AO2024019.
Paul J. Bonseigneur, Jr., AO838036.
William T. Booy, AO2226889.
George B. Bot, AO1865252.
William C. Boyd, AO2074011.
Robert E. Brodersen, AO722272.
Arthur J. Brojer, AO591304.
Ralph L. Brooks, AO2225735.
Marion D. R. Brown, AO2223823.
Murray P. Brush III, AO2225914.
William R. Buice, AO956290.
Louis F. Burel, Jr., AO1855555.
Dale L. Burns, AO2238542.
John J. Burns, AO816991.
Joseph Burns, AO2086771.
Richard D. Burns, AO2237754.
Duncan R. Butts, AO2216807.
Bernard P. Byrne, AO938970.
Harry B. Cadwell, AO877940.
Alonza L. Caldwell, AO1864763.
Don L. Campbell, AO1853455.
Alan D. Campen, AO1903556.
Marvin J. Carcich, AO2218096.
Carl A. Carlson, AO2221601.
Ross L. Carson, AO1808890.
Harold W. Chapman, AO2218377.
Ben F. Chartier, AO2217305.
John P. Chervenak, AO2226599.
Lyle D. Clawson, AO1849756.
William L. Clutter, AO2224036.
Gomer W. Cochran, AO938515.
Ray E. Codding, AO947474.
Charles S. Cogburn, Jr., AO714026.
David B. Coleman, Jr., AO2065956.
John W. Collens III, AO774950.
Albert W. Conner, AO2023097.
Richard M. Connor, AO1911403.
Gilland W. Corbitt, AO945458.
Robert A. Cornetti, AO2216287.
Donald R. Cossman, AO2227206.
Daniel J. Cotter, AO2228322.
Arista H. Cowan III, AO2231709.
David B. Creekman, AO2218648.
Eugene P. Cunneely, AO2216583.
Robert W. Cunningham, AO2226891.
Andrew R. Curtis, Jr., AO939948.
Edward A. Daigle, AO2230949.
James W. Dain, Jr., AO2249311.
Robert C. Damen, AO2265157.
Charles T. Dancer, AO2227263.
Walter F. Daniel, AO935208.
William J. Daniel, AO714039.
Arcangelo M. D'Arcangelo, AO2223076.
Donald M. Davis, AO782198.
Loren W. Davis, AO841914.
William E. Deats, AO786900.
Thomas J. Deegan, AO2074952.
Louis C. Delisio, AO2249669.
Frank Delmerico, Jr., AO825588.
Raymond D. Deuschle, AO1853080.
Jack H. Devault, AO2226828.
Edwin D. Dodds, AO2226829.
Bruce A. Dolan, AO2226595.
George A. J. Doll, AO2074357.
William J. Donelan, AO2250600.
Theodore E. Dorris, AO2225827.
George C. Dostal, AO2237084.
L. E. Dowell, AO785174.
James J. Dowling, Jr., AO2238177.
Donald R. Drake, AO2075142.
Bill C. Driver, AO2237076.
William H. Drumm, Jr., AO930360.
Bernice A. Dubose, AO591125.
John C. Dunn, AO1847701.
Wallace E. Durst, AO2223206.
Harvey M. Dykes, AO2245934.
James H. Eaton, Jr., AO1846765.
Robert W. Elkins, AO2230649.
Robert C. Evans, AO2098472.
Walter E. Evans, AO1862488.
William A. Eveland, AO1861508.
Henry S. Fairchoth, AO2220541.
James E. Falconer, AO2231470.
Joseph F. Falls, AO839503.
James R. Fay, AO2218166.
John M. Fear, AO2246768.
Warren P. Fisher, AO2226666.
Donald L. Flood, AO1905337.
Richard C. Fontaine, AO2216842.
William Ford, AO2247881.
Calvin L. Frederick, AO1909563.
John P. Frink, AO2232600.
William H. Fulton, Jr., AO2250269.
Frederick Funston III, AO2222546.
Darrell A. Galienberger, AO2216891.
George A. Garcia, AO2227312.
Verne D. Gardina, AO940197.
Arthur J. Gardner, AO1853778.
Clyde H. Garner, AO2226302.
Joseph S. Garner, AO2067695.
Frederick J. Gavin, Jr., AO2222142.
George A. Genereux, AO2249212.
Robert J. Ginn, AO707040.
David N. Glancy, AO2231541.
Donald C. Glenn, AO2230523.
David A. Goodwin, AO2225407.
Miller Graf, AO2234404.
James I. Granger, AO2226040.
Harold L. Graybill, AO926553.
Arnold L. Grover, AO708680.
Lawrence A. Guenther, AO2227789.
Edward P. Gumphrey, AO2081443.
Paul E. Gushwa, AO2223385.
Walter B. Haaser, AO832184.
Gordon M. Haggard, AO2235291.
Patrick J. Halloran, AO1911414.
Thomas M. Hamilton, AO2216026.
Lester T. Hansen, AO2060979.
Orrin C. Harmon, Jr., AO1862491.
Charles A. Harris, AO2226389.
John C. Harris, AO1903210.
William B. Hartman, AO2237078.
Charles Hasert, AO1911845.
John W. Hatten, AO1857620.
Ernest A. Headberg, Jr., AO1906328.
Thomas M. Hedrick, AO2251260.
Gilbert L. Heller, AO2027100.
William B. Hellkamp, AO1853779.
Wallace D. Henderson, AO2229036.
George F. Hennrikus, Jr., AO771924.
Harold C. Henschel, AO722313.
Eldon L. Herron, AO2216606.
David W. Hess, AO2226932.
Maynard N. Heth, AO1909850.
Edward D. Higgins, AO1911905.
James R. Hildreth, AO2246477.
Kenneth D. Hill, AO2230768.
Roy E. Hilliard, AO2231195.
Joseph C. Hinman, Jr., AO1910882.
Victor R. Hollandsworth, AO2283885.
Robert D. Hook, AO2231229.
Raymond L. Hope, Jr., AO2231797.
Francis W. Howard, AO693210.
Edwin G. Hudspeth, AO926694.
Merrill W. Huise, AO1857653.
Richard F. Hum, AO877298.
Calvin T. Hunt, AO2072757.
Robert E. Hunter, AO2229443.
George G. Hupp, AO2095417.
John W. Jaacks, AO2225296.
Donald A. Jabusch, AO1910242.
Bobby W. Jackson, AO1909815.
Larry H. Jackson, AO1862322.
Craig G. Jacobie, AO2224884.
Terrence C. James, AO1912358.
Robert D. Janca, AO2227008.
Victor A. Janega, AO2252924.
Jack J. Jeangerard, AO2223277.
Kay D. Jefferson, AO2235008.

Charles D. Johnson, AO1847622.
George H. Johnson, AO723368.
Jay J. Johnson, AO2217298.
John N. Johnson, AO782551.
Mahlon D. Johnson, AO2251234.
Basil R. Jones, AO2227215.
Herschel D. Jones, AO2057933.
Oscar W. Jones, Jr., AO2223193.
Robert L. Jones, AO763219.
Robin L. Jones, AO2246166.
Norman Karas, AO1865804.
Robert H. Kelley, AO2220192.
Virgil P. Kendall, Jr., AO2225095.
Paul M. Kennedy, AO1909327.
Clifford D. Kern, AO1341437.
John W. Kiernan, AO829875.
Vernon L. Kimler, AO2249455.
Robert L. Kinard, AO841726.
Robert S. King, AO1909605.
Karl F. Kinkel, AO2249762.
Charles W. Kinney, AO1908430.
James R. Kiser, AO1909329.
James R. Krause, AO2225121.
Paul M. Kunichika, AO2230127.
David T. Kuntz, AO2231799.
Leon Kyropoulos, AO2252802.
Thomas E. Lacy, AO2218719.
Chester C. Lamb, Jr., AO2224889.
James C. Lamiell, AO825203.
William M. Lamont, AO1909496.
Robert M. Law, AO2223285.
Eugene H. Lehman, AO2249232.
Melvin H. Lewin, AO1851000.
Donald H. L'Heureux, AO2247207.
Francis N. Libby, AO1910517.
William E. Lindberg, AO2060539.
Richard M. Linton, AO2225615.
Ian R. Little, AO2222326.
Stanley R. Little, AO1910622.
Donald E. Lockstrom, AO2238490.
Wendel W. Lorenger, AO2223634.
James S. Love, AO2232396.
Thomas C. Lowry, AO2225853.
Eugene W. Loy, AO2230065.
Erwin E. Luark, AO2227545.
Daniel H. Lufkin, AO2253052.
Carter P. Luna, AO2224483.
Herbert L. Lunsford, AO2246249.
Stanley R. Luther, AO1911582.
Allan E. MacNicol, AO2248062.
Mark W. Magnan, AO817490.
Theodore E. Majoros, AO1904462.
Michael M. Marker, AO770703.
Stanley N. Marker, AO2080746.
Lyle B. Marshall, AO1911034.
John A. Martin, AO2223223.
Rocci S. Mastroberti, AO2226159.
Alan Mateer, AO2092824.
Fred J. Maurada, Jr., AO2254577.
Calvin R. Maurer, AO1905225.
Oscar Mauterer, AO2078621.
Allen D. Maxwell, AO2233731.
John C. Mayers, AO2225192.
Robert G. Maynard, AO2225325.
Leon S. McAdams, Jr., AO2251339.
Douglas G. McComas, AO2223537.
William C. McCord, Jr., AO2224052.
Dalton W. McCullar, Jr., AO2224603.
John P. McDonough, Jr., AO2222955.
Walter J. McFarland, AO1852566.
Charles D. McManus, AO2220262.
Donald J. McNamara, AO2231898.
Starling Meahl, Jr., AO1905134.
David B. Means, AO2224978.
Alan S. Mencher, AO2233711.
Castor Mendez-Vigo, Jr., AO2249055.
Homer J. Merfeld, AO2224168.
Cyrus J. Merritt, AO2247031.
Robert F. Mielke, AO833956.
August A. Miller, AO2227281.
William E. Miller, AO1862295.
Robert W. Milling, AO1854082.
Hershal Mitchell, AO2218255.
Michael M. Mitchell, AO2223464.
Donald M. Moats, AO1848145.
Robert M. Mohr, AO2226941.
Joseph F. Moran, AO2223588.
Leonard M. Moreland, AO2225327.
James F. Morgan, AO1850852.
William F. Morgan, AO2225798.
Arthur H. Morrill, Jr., AO2222840.
Donald D. Moss, AO2219611.
Waldo J. Moulton, Jr., AO1851019.
Elmer E. Murphy, AO2070688.
Walter F. Murphy, AO1910766.
Pierce M. Myers, Jr., AO2069567.
William D. Myers, AO2075449.
Norman C. Nadon, AO824704.
Tollef O. Nasby, AO2220279.
Philip E. Neale, Jr., AO1864985.
Allen C. Neimeyer, AO1912037.
Albert L. Neuhauser, AO2100312.
Thomas J. Neville, AO2092323.
Gilbert O. Nicholson, AO821344.
Allen W. Nicola, AO768196.
Jerry A. Nohe, AO2227476.
John P. O'Gorman, AO 2237814.
Orren H. Ohlinger II, AO1911212.
Earl T. O'Loughlin, AO2224242.
Gerald M. O'Meara, AO2227063.
William C. Opfer, Jr., AO715302.
Wilbur L. Osborne, AO2082088.
Albertus B. Outlaw, AO1903944.
Norris W. Overton, AO2216660.
Phillip M. Ozenick, AO1847570.
Gerald C. Paquin, AO2064639.
Karl S. Park, AO2227720.
Arthur L. Parker, AO2229608.
Robert S. Parker, AO2225625.
Richard R. Parks, AO2223541.
Ralph S. Parr, Jr., AO823933.
Robert E. Pasekoff, AO2252633.
Alexander Patrick, AO2221856.
Dewey Patton, Jr., AO2090037.
Herbert J. Peck, AO2226490.
Herbert A. Pederson, Jr., AO1908355.
Daniel C. Perkins, Jr., AO2244752.
Michael Perrone, AO1849669.
Don A. Persons, AO591022.
James D. Pewitt, AO2225874.
Joseph L. Phinney, AO2223195.
Philip J. Piccione, AO2215996.
Robert E. Pierce, AO1856200.
Richard M. Pittenger, AO2015042.
George F. Pitzke III, AO2249410.
John W. Planinac, AO2073866.
Carwin J. Pomeroy, AO1907988.
Charles A. Post, AO2245001.
John K. Powers, AO2022997.
Joseph L. Price, Jr., AO715589.
William P. Procter, Jr., AO2094248.
Edwin L. Proctor, AO2225204.
Ray O. Pugh, AO2226867.
Frank D. Ramsey, AO1849130.
Robert P. Randall, AO2228826.
Thomas J. Reagan, AO2216697.
Morris D. Reed, AO2226763.
John R. Reeder, AO 2237528.
Joseph F. Regan, AO2071241.
Jack W. Reid, AO2218038.
William G. Reschke, Jr., AO2217405.
Sidney I. Richard, AO2248580.
Donald A. Riess, AO2084008.
Bob A. Roberts, AO2225880.
Donald E. Roberts, AO2224753.
Littleton S. Roberts, Jr., AO2082122.
William H. Roberts, AO1909525.
Earl B. Roehm, AO2223544.
Dow A. Rogers, Jr., AO832491.
Andrew F. Romanak, AO2224175.
Andrew C. Rowe, AO2223785.
Claude R. Rowell, AO2216087.
Judson H. Ruth, AO2226727.
Richard J. Sadorf, AO2076027.
Robert H. Sayre, AO1909769.
Lester J. Schaub, AO2080564.
Franklin E. Schneider, AO2094258.
Ray W. Schrecengost, Jr., AO1908449.
Mack D. Secord, AO2246189.
Jack K. Selden, Jr., AO2225332.
Eldon B. Severson, AO765849.
Billy E. Shannon, AO2217361.
Bryant M. Sharp, AO828343.
George R. Shipley, AO2081599.
Edwin F. Shippey, Jr., AO2098883.
Robert B. Siegel, AO2222867.
Ivan D. Skinner, AO2224619.
Niles F. Smith, AO2224983.
William G. Smith, AO2224361.
Lawson E. Snyder, AO722898.
Robert L. M. Snyder, AO1855533.
Thomas D. Soapes, AO1904190.
Robert F. Soergel, AO2249406.
Herbert L. Spear, AO2072372.
Frank E. Spieldenner, AO2222757.
Dameron R. Spruill, AO2225260.
Edward E. Stallcup, AO2072030.
Myles J. Standish, Jr., AO2076036.
James L. Stanley, AO591426.
James B. Stanphill, AO1904443.
Richard L. Starkel, AO940625.
James W. St. Cin, AO2217057.
Ronald A. Stinson, AO2226507.
Charles Storch, AO2225717.
William P. Sullivan, AO2226202.
William K. Sutton, AO1853644.
Thomas C. Swol, AO1849637.
Edmond P. Sykes, AO2066733.
John D. Tanner, AO2224682.
Henri L. Tapie, AO2087597.
Chester D. Taylor, Jr., AO2250851.
Eugene T. Taylor, AO2226509.
Llewellyn M Taylor, Jr., AO2223660.
Gerald E. Teachout, AO2080147.
John R. Thomas, AO2250671.
Paul D. Thompson, AO2227684.
Roland D. Thorson, AO2222576.
William A. Tilford, AO941672.
Thomas L. Titus, AO2221761.
Eduardo G. Torres, AO2220862.
Robert H. Troshynski, AO2226922.
Gene T. Tyner, AO590675.
Stephen J. Ungvary, Jr., AO2226946.
Louis E. Valenta, AO1909239.
Joseph A. Vaughan, Jr., AO1908606.
Emmett S. Walden, Jr., AO2245012.
James A. Watkins, AO2224029.
William H. Watkins, AO591445.
James E. Watson III, AO723486.
James W. Weber, AO2245601.
Sumner W. White, AO1910813.
Lawrence W. Whitford, Jr., AO2216895.
Lebaron Whittier, AO2226742.
Paul L. Wieland, AO2227254.
William A. Wiese, AO2235342.
Phillip M. Willer, AO2226089.
Alton C. Williams, AO2225274.
Henry B. Williams, AO755484.
G. B. Williford, Jr., AO2226743.
Stephen N. Willis, AO935201.
Carrol D. Wilson, AO589947.
Robert W. Wilson, AO2224757.
Carl P. Wittenberg, AO2224270.
John L. Wolfe, AO2215172.
James W. Wood, AO784258.
Charles E. Woodford, AO1910680.
Lennon E. Wright, AO1862274.
William J. Wright, AO941586.
Ralph A. Yates, AO2251148.

To be second lieutenants

Kenneth L. Abney, AO3006711.
Gerald J. Adler, AO3015750.
Fernando Alexander, AO3005671.
Fred R. Allen, AO3024936.
Owen W. Allen, Jr., AO3019261.
Gerald R. Almond, AO3036212.
Alvord V. P. Anderson III, AO3034153.
Gerald W. Anderson, AO3013996.
Henry T. Antoszek, AO3015248.
Charles L. Arndt, AO3010905.
Wallace E. Arrington, Jr., AO3034188.
Donald K. Artean, AO3023617.
Hubert L. Bain, AO3016094.
James K. Baisden, AO3003951.
James D. Baker, AO3005962.
Paul J. Balfe, AO3022881.
Daniel A. Ball, AO3007769.
Robert Ball, AO2248558.
Marc S. Barthello, Jr., AO3023596.
Thomas S. Bateman, AO3011616.
Jack Bath, Jr., AO3017130.
John M. Batten, AO3010381.
David S. Baugh, AO2205573.
Charles A. Beckwith, Jr., AO2205686.
Reagan H. Beene, Jr., AO3014944.
Rodney S. Belden, AO3020603.
Willis A. Belford, Jr., AO3008011.
Edward J. Bell III, AO3008052.
Donald N. Benbow, AO3016332.
Robert B. Bennett, AO3022124.
William V. Bierek, AO3021433.
Dwight E. Bigelow, Jr., AO3007783.
Earle M. Binckley, AO3022449.

Harley S. Black, AO3006246.
John M. Blake, AO3006165.
Thomas A. Blake, AO3006753.
Robert W. Bleier, AO3023675.
Lowell P. Bohn, AO3005996.
George T. Boone, AO2207677.
Richard D. Boswell, AO3024769.
Richard M. Bouchard, AO3035427.
Joe C. Boyer, AO3030652.
Gene Bradshaw, AO2210520.
William E. Branch, Jr., AO3019947.
Milton L. Brantly, AO3008327.
Michael H. Brann, AO2220030.
Brian Brewer.
Boris E. Bright, AO3019758.
Irwin Brooks, AO3022827.
Bill V. Brown, AO3008200.
Wendell L. Brown, AO3025853.
John R. Buehler, AO3017693.
William Burgdorf, AO3006679.
Gunning Butler, Jr., AO3014004.
James D. Butt, AO3011261.
Robert A. Byrkit, AO3010664.
Allen Byspiel, AO3019347.
Phillip I. Caleb, Jr., AO3004290.
Charles J. Carey, AO3018574.
Paul J. Carlton, AO3014703.
Charles R. Carney, AO3035023.
James R. Carver, AO3026162.
Albert W. Catlett, AO3006210.
Louis E. Catlett, AO3011115.
Elbridge G. Chadwick, AO3006735.
Albert J. Chasse, AO3025447.
Daniel R. Christian, AO3020066.
William C. Christman, AO3005317.
Robert S. Clark, AO3006790.
Forrest N. Cobb, AO3010750.
Charles O. Cole, Jr., AO3006797.
Wayne L. Combs, AO3019809.
Oscar C. Conway, AO3033823.
John A. Cosgrove, AO3011983.
William E. Couch, AO2251433.
Dennis E. Courtaney, AO3003841.
William J. Cullen, Jr., AO3007838.
Kenneth C. Culp, AO3022476.
Hugh J. Cunningham, AO3013105.
Leonard S. Czarnecki, AO3023444.
William M. Dalton, AO3035517.
Ervin F. Dauenhauer, AO3006817.
Barney A. Daughtry, Jr., AO3016679.
Frederick E. Davis, AO3021571.
James R. Davis, AO3008216.
Norman B. Davis, AO3009645.
Paul E. Davis, AO3017320.
Albert J. Degroote, AO3024559.
Robert F. Dellaripa, AO3033964.
Robert A. Delmar, AO3018178.
Vincent E. Delvecchio, AO3021707.
Armen Dermen, AO3012805.
Ralph L. Donaldson, AO3034090.
James K. Doyle, AO3008457.
Clyde E. Duncan, AO3007349.
William C. Dunn, AO3023335.
James L. Earl, Jr., AO2251804.
James F. Eberwine, AO3018696.
Kevin F. Eck, AO3021457.
Neil L. Eddins, AO3025399.
Hans A. Einstein, AO3026345.
John G. Eklund, AO3007860.
Andrew J. Eliopoulos, AO3017916.
John N. Elliott, AO3019540.
Willie E. Elmore, Jr., AO3022561.
James C. Enney, AO3006851.
Richard B. Enzian, AO3006852.
Ralph C. Erchinger, AO3012961.
Richard E. Evans, AO3006854.
Donald C. Falkner, AO3007365.
Robert W. Fanning, AO2253769.
William P. Feeley, AO3019733.
James L. Fisher, AO2207953.
Richard L. Fitzpatrick, AO3023304.
Charles R. Floyd, AO2205472.
Roland F. Fluck, AO3025691.
Wallace E. Fluhr, AO2209099.
Dudley J. Foster, AO3005228.
Joe T. Fox, AO3017658.
John F. Frazier, AO2229587.
Jack E. Freeman, AO3016916.
Gene A. Fronk, AO3014789.
Leonard L. Fross, AO3009203.
Arnold E. Furlong, AO3016818.
Thomas H. Gallagher, AO3007827.
Floyd E. Galloway, Jr., AO3019709.
Frank B. Garczynski, Jr., AO3035871.
John W. Garrett III, AO3012996.
Chester J. Gasear, AO3002656.
Roy L. Gentry, Jr., AO3022458.
Richard A. Gerber, AO3023099.
Sterling D. Goode, AO3015238.
Norman Goodman, AO3033668.
Donald S. Goodrich, Jr., AO3024747.
Coe F. Gordon, Jr., AO3023415.
Douglas H. Gordon, AO3019819.
John N. Gordon, AO2206682.
James D. Gormley, AO3011418.
Darr L. Goss, AO3014022.
Robert S. Graff, AO3036111.
Campbell W. Gray, AO3018525.
Robert W. Grayson, AO3012650.
Robert C. Green, AO3034415.
George H. Greenleaf, AO3006899.
James R. Griffin, AO3023602.
Lindy C. Gunderson, AO3017694.
Frederick V. Habenicht, AO3017782.
Thomas G. Haggard, AO3013747.
Francis G. Halturewicz, AO3023246.
Gene E. Hamman, AO3026289.
Henry F. Hartsell, AO3021847.
Joe L. Harvell, Jr., AO2206528.
William T. Hascall, AO3018917.
John V. Hawkins, AO3008237.
Charles B. Hennessey, AO3009523.
Richard Hickenbottom, AO3010926.
James L. Hime, AO3008968.
Joe B. Hollingsworth, AO3018990.
William V. Holloway, AO3009524.
Joseph J. Hope, AO3009939.
Cecil M. Hook, Jr., AO3004108.
Sommers I. Howard, AO3026354.
Nicholas H. Howell, AO3022773.
John A. Hudson, AO3023023.
William D. Hughes, AO3007936.
John W. Humke, AO3023294.
Robert G. Hyden, AO3019068.
Orville D. Ingalsbe, AO3011102.
Donald L. Irwin, AO3023091.
Richard H. Jackson, AO3021316.
Henry J. Jenson, AO3022633.
Henry R. Johnson, AO3012078.
Richard D. Johnson, AO3035227.
Robert D. Johnson, AO3014075.
Ted S. Johnston, AO3008359.
Walter F. Jordan, Jr., AO2254983.
Brent Kaplan, AO3011997.
Karl S. Karrenbrock, AO3007949.
Henry D. Keenan, AO3019383.
Ernst J. Kellerstrass, AO2207631.
Charles R. Kennedy, AO3007465.
Thomas B. Kerr, AO3016107.
Billy J. King, AO3024265.
Billy J. Kittrell, AO3007954.
Willie A. Knight, Jr., AO2245565.
Frederick L. Knoke, AO3022901.
Kenneth M. Knox, AO3007956.
Richard J. Koelling, AO3022009.
Edward J. Kroen, AO3022200.
James N. Kulpan, AO3017263.
Robert J. Kuska, AO3023096.
Donald L. Lamberson, AO3017662.
Edward B. Landry, AO3011083.
Donald C. LaPorte, AO3022125.
Roland M. Larsen, AO3017183.
Herbert E. Larson, AO3010936.
Kirke LaShelle, Jr., AO3026222.
Wayne G. Lauten, AO3018498.
Jack G. Lee, Jr., AO3011058.
James W. Lee, AO3034634.
Vernon R. Lee, AO3022596.
Ercole R. Leonassi, AO3026223.
George F. Lewis, AO3022729.
Omer H. Liefer, AO3023420.
Frederick S. Lockwood III, AO3011015.
Henry E. L. Luhrs, AO3014328.
Kenneth G. Lundie, AO3014394.
Albert E. Lyons, AO3017152.
Howard B. Mall, AO3023343.
John F. Mann, Jr., AO2256817.
Billy J. Martin, AO3014625.
Ward R. Martin, AO3010765.
Joseph P. Martino, AO3012972.
John A. Mason, AO3016463.
Billie J. Massey, AO3026406.
James R. Matthes, AO3023439.
Harrison W. Matthews, AO3025411.
Virgil C. McAmis, AO3006092.
Robert J. McClellan, AO3022753.
Earl D. McClintock, AO3006532.
Glenn H. McFadden, AO3002701.
Francis J. McGouldrick, Jr., AO3022062.
Charles E. McGovern, AO2230050.
John R. McKenzie, AO3018667.
Ivan L. McKinney, AO3006255.
Ray D. McLaughlin, AO3024124.
Royce H. McNeill, AO3006506.
Carl W. Miller, AO3007537.
Charles L. Miller, AO3007038.
Billie B. Mills, AO3007540.
Chris Millson, Jr., AO3012096.
Leighton N. Mishou, AO3008257.
Marvin L. Montgomery, AO3009780.
Stanley A. Moody, AO3003297.
John K. Mooney, AO3024752.
Arthur M. Moore, Jr., AO3012981.
Richard A. Moore, AO3023726.
Frederick J. Morgan, AO3007052.
David C. Morrill, AO3034030.
Jack A. Morris, AO3010539.
William F. Morris, AO3021001.
Charles F. Mortun, Jr., AO3020001.
George E. Nancarrow, AO3012198.
Richard F. Nelson, AO3014464.
Russell T. Newman, AO3017119.
Stanley C. Newman, AO3034171.
George A. Nial, AO3013010.
Richard H. Nichols, AO1804615.
Charles E. Norby, AO2235343.
Thomas M. Oakes, AO3008050.
Richard E. Olin, AO3008516.
Joe R. O'Neal, AO3014925.
Howard D. Ortel, AO3012876.
Thomas M. O'Shaughnessy, AO3018139.
John V. Ott, AO3025534.
Eugene Owens, AO3007076.
William C. Palumbo, AO3007583.
Herbert W. Pangia, AO3008398.
David V. Pearson, AO3015931.
Russell L. Peate, AO3004371.
Samuel C. Pennington III, AO3024126.
Leonard A. Perlich, AO3003939.
Donald J. Pfannenstiel, AO3024738.
Harold L. Phelps, AO3006208.
Peter J. Phillips, AO3026226.
Charles R. Pinson, AO3017045.
James L. Pitts, Jr., AO3026031.
Harold C. Pluenneke, AO3021926.
Lewis W. Poe, AO2207613.
William Poehlman, Jr., AO3035034.
John Polmchek, AO2261869.
Clarence E. Poole, AO3008073.
Michael T. Popovich, AO3009094.
Richard Powell, AO3013039.
Robert J. Powers, AO3008076.
Lowell T. L. Proctor, AO3018736.
Charles E. Pugh, AO3012912.
Joe B. Purkhiser, AO3035508.
Stanley J. Pytel, AO3021917.
William D. Ralph, Jr., AO2246570.
Bruce R. Rauhe, AO3014406.
Robert H. Reed, AO3006586.
Ben A. Roberts, AO2245727.
Charles E. Rogers, AO2207719.
Philip A. Rowe, Jr., AO3034708.
Wheeler D. Samples, Jr., AO3005950.
Robert M. Sather, AO3008279.
Charles L. Saxe, Jr., AO2220822.
Ernest T. Scambos, AO3034647.
Bobby R. Scarlett, AO3012759.
David F. Schafer, AO3019213.
Carl N. Schaffhauser, AO3022370.
Edward P. Schelonka, AO2208854.
Stanley J. Schill, AO2217771.
George J. Schmidt, AO3035649.
William J. Schoder, AO3019249.
James A. Scott, AO3023219.
Russell J. Scott, AO3020843.
Frank P. Scruggs, Jr., AO3008410.
James F. Seegers, AO2208744.
James L. Shanks, AO3008282.
Edward E. Shapleigh, AO3008413.
Bobby T. Shields, AO3018548.
Gerard C. Shinn, AO3008415.
Roy E. Shy, AO3015495.
Joseph C. Simmons, AO3025238.
Howard B. Sivils, Jr., AO3014614.
Frank E. Sizer, AO3017054.

Sheldon H. Slater, AO3012895.
Harold F. Smith, AO3008285.
James C. Smith, AO3024979.
William J. Sparkman, AO3017937.
Richard A. Spinner, AO3008288.
Maurice G. Stack, AO3024980.
Kenneth H. Stargardt, AO2216090.
Thomas J. Stefan, AO3026038.
Harold I. Steinberg, AO3046441.
William J. Stelpflug, AO3033958.
Gene J. Stergar, AO1861235.
Denver Stone, AO3006023.
Gordon E. Stone, AO3014616.
Lewis W. Stone, AO3006398.
John E. Streit, AO3026425.
James E. Strub, AO2246597.
Russell D. Stuckey, AO3017154.
Floyd B. Sweet, Jr., AO3019293.
Harris J. Taylor, AO3022354.
Kenneth W. Taylor, Jr., AO3036680.
Arnold L. Telford, AO3014067.
Russell E. Thoburn, AO3015632.
Cornelius A. Thomas, AO3012218.
James C. Thomas, AO3007184.
James H. Thomas, AO3015223.
James K. Thompson, AO3035492.
John H. Thulin, AO3006214.
Fred R. Tice, AO3013361.
John J. Tonz, AO3020203.
William H. Townsley, AO3007190.
Clarence W. Troutman, AO3006452.
Lester W. Tucker, AO3007701.
Edward H. Turek, AO3015144.
Alvin R. Turner, AO3034132.
Donald E. Ulrich, AO3006670.
Rodney D. Vanderhoof, AO3016940.
Frank T. Van Lierde, AO3012298.
David J. Vanyo, AO3015036.
James E. Vaughan, AO3007708.
David R. Vehling, AO3003853.
Edwin T. Veith, AO3012299.
George L. Von Tersch, AO3016841.
Henry D. Voss, Jr., AO3012408.
Donald F. Waitt, AO3034094.
Robert P. Wakefield, AO3024562.
Donald J. Waldron, AO3016321.
Robert E. Waller, AO3020087.
Neil I. Walters, AO3015594.
Gerald Waltman, AO3023957.
Everett B. Watson, AO3007210.
John F. Watson, Jr., AO3022913.
Saul Waxman, AO3023895.
Kenneth L. Weber, AO3011043.
George E. Wehling, AO3033691.
Charles H. Weidner, AO3017626.
James P. Wells, AO3006456.
Kenneth L. Westby, AO3020152.
Ruric H. Wester, Jr., AO3008188.
Karl L. Wiegand, AO3015457.
John White, AO3006671.
John A. Wilkes, Jr., AO3021548.
Ernest W. Williams, AO3020940.
Roger L. Williams, AO3010344.
Herbert G. Wilson, Jr., AO3025778.
Lewis R. Wilson, AO3025436.
James W. Wold, AO3022661.
Richard E. Wolfsberger, AO3019672.
Milton B. Wood, AO3022942.
Theodore E. Workman, AO3025614.
Daniel J. Zimmerman, AO3010002.
Ralph W. Zoerlein, AO3021836.
Donald G. Zumstein, AO3023472.

The following-named persons for appointment in the Regular Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of 1947); and section 301, Public Law 625, 80th Congress (Women's Armed Services Integration Act of 1948):

To be first lieutenants

Joyce E. Harris, AL2230459.
Dorotha N. Wunderlich, AL2220907.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Olie R. Snead, Altoona, Ala., in place of T. A. Phillips, transferred.

Loyd C. McMillan, Daphne, Ala., in place of C. G. Stimpson, retired.

Robert L. Cockrell, Double Springs, Ala., in place of B. L. Butler, retired.

Annie G. Chambers, Gainesville, Ala., in place of V. C. Roberts, retired.

Heamon P. Salter, Jr., McKenzie, Ala., in place of J. B. Parker, transferred.

James C. Weatherwax, Moulton, Ala., in place of L. F. Howell, retired.

Grover C. Kicker, Jr., Mountain Creek, Ala., in place of G. E. Culver, retired.

Robert H. Blacklidge, Spruce Pine, Ala., in place of William Britton, resigned.

Jeff D. Cleckler, Thorsby, Ala., in place of J. D. Merchant, deceased.

Roy Wesley Rhodes, Tuscaloosa, Ala., in place of H. M. McLeod, removed.

ALASKA

Neva M. Pichler, Platinum, Alaska, in place of A. A. Webster, resigned.

Louise F. Trafton, Tok Junction, Alaska, in place of C. H. Trafton, resigned.

ARIZONA

Eric E. Nelson, Bisbee, Ariz., in place of J. N. Caretto, deceased.

Lucille E. Baughman, Cavecreek, Ariz., in place of P. C. Bradley, retired.

Carl M. Isaacson, Hereford, Ariz., in place of N. I. Freihage, resigned.

Joe H. Cittadini, San Manuel, Ariz. Office established April 1, 1954.

Alvertia M. Boss, Silver Bell, Ariz. Office established June 1, 1953.

Margaret N. Parkhurst, Tacna, Ariz., in place of V. M. Kelland, resigned.

Miles T. Preston, Wickenburg, Ariz., in place of G. C. Wentworth, retired.

Dick Groves, Willcox, Ariz., in place of L. B. McAleb, deceased.

ARKANSAS

Leonard E. Woods, Cash, Ark., in place of W. M. Freeze, Jr., resigned.

William R. Nutt, Hamburg, Ark., in place of C. O. Sawyer, retired.

Lonnie G. Smith, Havana, Ark., in place of E. B. Mitchell, resigned.

Ferman R. Rogers, Luxora, Ark., in place of S. C. Ingram, resigned.

Dorothy G. Moses, McCaskill, Ark., in place of J. S. Moses, retired.

Hunt Singletary, Marion, Ark., in place of J. F. Rieves, retired.

Dillard H. Collins, Salem, Ark., in place of H. J. Humphries, resigned.

CALIFORNIA

Beatrice A. Gleason, Calabasas, Calif., in place of A. S. Weber, resigned.

Henry Payne Thayer, Newport Beach, Calif., in place of J. T. Boyd, Jr., resigned.

Ethel R. Sherrill, Nubieber, Calif., in place of R. L. Moslander resigned.

Raymond T. Whitney, Pedro Valley, Calif., in place of Mary Blume, retired.

William R. Robinson, Point Arena, Calif., in place of W. H. Stuart, retired.

CONNECTICUT

Alice N. Allen, North Granby, Conn., in place of Sam Goldschmidt, retired.

FLORIDA

Warren J. McMillan, Jr., Alachua, Fla., in place of R. E. Phillips, resigned.

Howard L. Evans, Bradenton, Fla., in place of Sam Wooten, resigned.

Darence Junior Jones, Eau Gallie, Fla., in place of Hugh McCormick, resigned.

Rufus M. Miller, Flagler Beach, Fla., in place of Leona Knight, resigned.

Maury J. Bialock, Madison, Fla., in place of L. B. Crandall, retired.

Ross Rath, McIntosh, Fla., in place of W. W. Waters, removed.

Mary F. R. McGee, Melrose, Fla., in place of F. B. Stewart, retired.

Warren A. Ray, Opa-Locka, Fla., in place of W. S. Griffiths, resigned.

Samuel H. Wallace, Pompano Beach, Fla., in place of T. J. Nobles, retired.

Kenneth B. Sears, Tavares, Fla., in place of C. S. Daniel, retired.

Fred Wagner, Tice, Fla., in place of B. L. Ward, resigned.

Lucille B. Morris, Yankeetown, Fla., in place of N. M. Knotts, resigned.

GEORGIA

Carey H. Melton, Ashburn, Ga., in place of J. J. Story, retired.

Wendell C. Leggett, Baxley, Ga., in place of Ira Leggett, retired.

George A. Lowman, Bloomingdale, Ga., in place of F. E. Waller, deceased.

Homer Coy Anderson, Cusseta, Ga., in place of N. K. Rogers, deceased.

Robert L. Roland, De Soto, Ga., in place of W. C. Dalton, deceased.

Thurman O. Mobley, Glennville, Ga., in place of L'Bertie Rushing, removed.

Robert D. Murphy, Jr., Greenville, Ga., in place of J. T. Freeman, deceased.

Branson C. Minter, Jakin, Ga., in place of E. C. Roberts, retired.

Ione B. Todd, Lithia Springs, Ga., in place of T. L. Harbin, retired.

Jerry L. McCullough, Ludowici, Ga., in place of H. B. Chapman, transferred.

Annie T. Gilbert, Pendergrass, Ga., in place of N. N. Braselton, deceased.

William I. Cushing, Pine Lake, Ga., in place of C. W. Hogan, Sr., removed.

Clarence M. Brown, Riceboro, Ga., in place of L. B. Richardson, deceased.

David H. McDaniel, Rossville, Ga., in place of J. C. McDaniel, retired.

Herbert C. Ray, Talking Rock, Ga., in place of Jewell Morrison, retired.

Robert M. Ellis, Villa Rica, Ga., in place of U. W. Busby, removed.

James F. Woodall, Woodland, Ga., in place of A. L. Pound, retired.

HAWAII

John W. Ornellas, Hamakuapoko, Hawaii, in place of A. F. Baldwin, retired.

May L. Au, Hauula, Hawaii, in place of L. P. Pickard, removed.

Raymond Ornellas, Hoolehua, Hawaii, in place of Josephine Makaiwi, deceased.

Masamitsu Nakamura, Kahuku, Hawaii, in place of R. M. Haitsuka, resigned.

Rose M. Shimizu, Kualapuu, Hawaii. Office established February 16, 1952.

Zenmitsu R. Arakawa, Maunaloa, Hawaii, in place of M. E. Cowan, resigned.

Harold H. Yoshida, Pahala, Hawaii, in place of Lee Loon, deceased.

Elsie M. Enanoria, Pasuhau, Hawaii, in place of H. T. Gyotoku, deceased.

Barbara B. Perry, Puunene, Hawaii, in place of M. F. Xavier, transferred.

IDAHO

George Paul Bragg, Ketchum, Idaho, in place of A. G. Barry, retired.

Eytholle M. Greer, Rupert, Idaho, in place of H. B. Colwell, retired.

Gaylord R. Colvin, Jr., White Bird, Idaho, in place of V. A. Shuck, deceased.

ILLINOIS

Josephine C. Hanfelder, South Roxanna, Ill., in place of D. M. Magee, resigned.

Frank G. Brown, Salem, Ill., in place of C. H. Roberts, transferred.

INDIANA

Richard W. Gavin, Battle Ground, Ind., in place of A. C. Whiteside, retired.

Edward Stucky, Berne, Ind., in place of Rena Zehr, deceased.

Mary Ann Massa, Blanford, Ind., in place of James Perona, retired.

Mark A. Galloway, Cromwell, Ind., in place of Mildred Robertson, deceased.

Robert A. Diddie, Crown Point, Ind., in place of O. J. Sauerman, retired.

Mary A. Stites, Deputy, Ind., in place of E. M. Reiff, removed.

Guy E. Edds, Dugger, Ind., in place of H. M. Collins, resigned.

Maurice F. Keilman, Dyer, Ind., in place of L. E. Hoffman, deceased.

Richard B. Lash, Farmersburg, Ind., in place of Ray Dills, deceased.
Perry W. Hitchcock, Farmland, Ind., in place of F. B. Hoppes, retired.
Roscoe G. Brown, Laconia, Ind., in place of Grace Pittman, retired.
James H. Nelson, Ladoga, Ind., in place of O. H. Scott, deceased.
George M. Smith, Medora, Ind., in place of H. H. Zollman, resigned.
Paul Burns, Oakland City, Ind., in place of T. J. Lemasters, retired.
Henry Kenneth Dennis, Pekin, Ind., in place of J. R. Hall, retired.
Arthur R. Bietry, Richmond, Ind., in place of F. B. Pickett, deceased.
Stanley G. Oesch, Topeka, Ind., in place of R. J. Clark, deceased.
Clarence R. Howe, Troy, Ind., in place of O. R. Huff, deceased.
Charles David Keller, Valparaiso, Ind., in place of R. B. Wise, retired.
Evart Julian, Winslow, Ind., in place of J. D. Arnold, retired.

IOWA

Thomas J. Hamilton, Epworth, Iowa, in place of S. J. Callahan, retired.
Jerry J. Snoble, Hazleton, Iowa, in place of G. E. Sherrer, retired.
Charles E. Boyles, Woodward, Iowa, in place of H. C. Calonkey, retired.

KANSAS

Thomas M. Holmes, Altamont, Kans., in place of M. E. McRae, transferred.
Raymond R. Miller, Hanston, Kans., in place of H. J. Hunter, retired.
Jack R. Houston, Seneca, Kans., in place of Gordon Alvis, removed.
Leroy E. Blocker, Wetmore, Kans., in place of J. A. Hanks, retired.

KENTUCKY

Joseph S. Rhodes, Jr., Frenchburg, Ky., in place of C. M. Swim, retired.
John T. Durham, Greensburg, Ky., in place of R. E. Vaughn, retired.
Rees H. Dickson, Jeffersontown, Ky., in place of B. H. Dean, removed.
Barber L. Shelton, Nortonville, Ky., in place of J. B. Ellington, retired.
Thomas C. Thomson, Providence, Ky., in place of C. E. Withers, deceased.
Walter W. Buckman, Simpsonville, Ky., in place of R. A. McDowell, retired.

LOUISIANA

Marlin M. Ryder, Deville, La., in place of J. M. Wilbanks, retired.
Edith C. Lafargue, Keithville, La., in place of A. J. Lafargue, resigned.
Louise E. Osborn, Roseland, La., in place of A. E. Morse, resigned.

MAINE

Raoul D. Cyr, Madawaska, Maine, in place of Paul Archambault, deceased.

MASSACHUSETTS

Edgar H. Peterson, Acton, Mass., in place of B. E. Hurley, retired.
Robert R. DeRosier, Billerica, Mass., in place of F. A. Rogers, retired.
William H. Folkins, Groton, Mass., in place of T. F. Donahue, retired.
John H. Knox, Littleton, Mass., in place of P. J. Smith, deceased.
Nathaniel A. Nash, Oakdale, Mass., in place of Laura Boulais, retired.

MICHIGAN

Joseph B. Woodrow, Jr., Augusta, Mich., in place of C. E. Richardson, removed.
Viberta M. Martin, Bancroft, Mich., in place of J. N. Carruthers, resigned.
Frank R. Sweeney, Bay City, Mich., in place of W. J. Schindehette, retired.
Carl R. Sterner, Dryden, Mich., in place of Floyd Slate, retired.
Theodore H. Lyon, Eaton Rapids, Mich., in place of W. V. Clegg, retired.
Robert W. Dullinger, Hubbard Lake, Mich., in place of A. H. Thompson, retired.
Alfred J. Pini, Hubbell, Mich., in place of T. J. Kaufman, retired.
Justin A. Mitchell, Leonidas, Mich., in place of Diana Wardwell, removed.
John Burdette Shaft, Leslie, Mich., in place of V. E. McIntee, transferred.
Richard F. Minzey, McBain, Mich., in place of R. W. Gilliom, resigned.
George T. Anderson, Mayville, Mich., in place of E. M. Lynch, retired.
John P. Danielson, Michigamme, Mich., in place of M. E. Devins, retired.
Raymond W. Hooker, Mount Pleasant, Mich., in place of L. R. Haight, transferred.
Rolla B. Crandell, Northstar, Mich., in place of V. C. Eyer, retired.
David L. Bellinger, Rosebush, Mich., in place of R. P. McConnell, retired.
William F. Kunst, St. Claire Shores, Mich., in place of D. E. Visnaw, removed.
John E. Luttmann, Sturgis, Mich., in place of H. E. Augspurger, resigned.
Burr D. Eveleth, Jr., Ubly, Mich., in place of G. I. Holdship, retired.
Albert A. Hebda, Wyandottee, Mich., in place of Adam Przybylski, resigned.

MINNESOTA

Preston H. Anderson, Blackduck, Minn., in place of G. M. Squires, deceased.
Carl O. Palmer, Buffalo, Minn., in place of L. E. Torrison, transferred.
Emmet H. Beckman, Bird Island, Minn., in place of J. D. Fehlhaber, resigned.
Edmonde K. Evanson, Canby, Minn., in place of H. A. Nelson, deceased.
Ralph W. Breitenbach, Darwin, Minn., in place of C. V. Miller, Jr., resigned.
Neil S. Rasmusson, Emmons, Minn., in place of C. L. Guthier, deceased.
Erwin D. Beutel, Lake Elmo, Minn., in place of R. A. Collopy, retired.
Adelbert O. Ames, Springfield, Minn., in place of W. J. Mueller, deceased.

MISSISSIPPI

Murray H. Martin, Bentonia, Miss., in place of B. F. Gerrard, retired.
James T. Caviness, Blue Mountain, Miss., in place of W. N. Guyton, retired.
Hilliard E. Griffin, Coffeeville, Miss., in place of F. H. Cooke, retired.
James Marion Parks, Doddsville, Miss., in place of V. E. Pentecost, retired.
Taylor V. Beasley, Harperville, Miss., in place of N. B. Eley, retired.
Hade W. Sessums, Lena, Miss., in place of W. M. Windham, deceased.
Donald D. Hale, Lumberton, Miss., in place of L. D. Fulmer, retired.
Willie D. Brantley, Sebastopol, Miss., in place of L. R. Anthony, retired.
James B. Johnston, Shubuta, Miss., in place of L. N. Mixon, deceased.
Robert T. Freeman, Union, Miss., in place of S. O. Taylor, deceased.
Herbert L. Hogue, Walnut Grove, Miss., in place of M. C. Ferguson, retired.

MISSOURI

Lawrence L. Voelker, Bertrand, Mo., in place of M. T. Russell, deceased.
Gordon A. Rollins, Carthage, Mo., in place of C. O. Smith, removed.
Herschel E. Morris, Clifton Hill, Mo., in place of W. E. Malone, transferred.
Roy Scantlin, Crocker, Mo., in place of F. L. Decker, resigned.
Ernest A. Homan, Jr., Marquand, Mo., in place of M. R. Ellis, resigned.
Edward D. Hogan, Martin City, Mo., in place of J. F. Roberts, resigned.
Floyd S. Drew, Quiln, Mo., in place of M. E. Christie, deceased.
Sylvia Cooper, Sheldon, Mo., in place of Evelyn Steward, resigned.

MONTANA

Charles E. Rice, Bozeman, Mont., in place of Jack Cruickshank, resigned.
Irma M. Hughes, East Glacier Park, Mont., in place of Cleola Ralston, retired.
Mabel W. Boman, Frenchtown, Mont., in place of L. L. Bowman, resigned.
Ellis Crosby Willis, Fromberg, Mont., in place of Jeanette Ross, retired.
Catherine Ann Triplett, Geyser, Mont., in place of R. J. Armont, resigned.
E. LaVerne Kaufmann, Grassrange, Mont., in place of J. J. Grogan, resigned.
Stephen Sams, Joliet, Mont., in place of H. C. Wilcox, deceased.
Alice H. Klempel, Lambert, Mont., in place of M. P. Browne, retired.
Lillian A. Hylland, Richland, Mont., in place of M. B. Squires, resigned.
Raymond A. Merritt, Roundup, Mont., in place of Margaret Huppe, retired.
Robert Julian, Sheridan, Mont., in place of F. A. Marsh, retired.

NEBRASKA

Bernard A. Boots, Ashby, Nebr., in place of Joyce Hubbard, retired.
John H. Rethwisch, Carroll, Nebr., in place of M. W. Ahern, retired.
Beulah M. Kitchens, Greenwood, Nebr., in place of Elsie Kelly, retired.
Robert Eugene Maw, Hershey, Nebr., in place of I. D. Brownfield, retired.

NEVADA

Mortimer W. Wagner, Boulder City, Nev., in place of O. E. Rhoades, transferred.
Efton E. Swindler, Hawthorne, Nev., in place of M. L. Andrews, retired.

NEW HAMPSHIRE

Lillian M. Tashjian, Beebe River, N. H., in place of J. H. Hopkins, resigned.

NEW JERSEY

Francis E. Coffey, Blackwood Terrace, N. J., in place of V. E. Wise, removed.
Allegra M. Sweet, Closter, N. J., in place of Warren Eckerson, retired.
Anthony J. Pellecchia, Hanover, N. J., in place of O. C. Whaites, retired.
Frances L. Pitcher, Holmdel, N. J., in place of T. W. Hance, retired.
Charles A. Hicks, New Market, N. J., in place of R. F. Murray, deceased.
Harry E. Apgar, North Branch Depot, N. J., in place of W. W. Bunn, retired.
Harvey W. Dawson, Pedricktown, N. J., in place of K. A. Cooney, retired.
Clyde A. E. Snyder, Sr., Point Pleasant, N. J., in place of W. T. Johnson, deceased.
Michael Yurcisin, Roebling, N. J., in place of George Majoros, Jr., removed.
Grace V. Ellis, Rosemont, N. J., in place of E. T. Sherwood, retired.

NEW MEXICO-TEXAS

Asa N. Ealy, Anthony, N. Mex.-Tex., in place of P. E. Darybshire, resigned.
Matthew J. Price, Fort Stanton, N. Mex., in place of C. A. Terrell, deceased.
Irene G. Fullerton, Prewitt, N. Mex., in place of J. D. LaFont, resigned.
Jose M. Maestas, Jr., Santa Rosa, N. Mex., in place of J. Z. Sanchez, retired.

NEW YORK

Margurette E. Stark, Altona, N. Y., in place of B. I. Coultry, retired.
Bernice M. Murphy, Cattaraugus, N. Y., in place of J. B. Kilburn, retired.
Marta E. Hoffmann, Commack, N. Y., in place of M. S. Otten, retired.
Wendell C. Wilber, Delanson, N. Y., in place of L. A. Rockwell, resigned.
Raymond V. Seaman, Gilbertsville, N. Y., in place of H. B. Brown, retired.
Harry C. Cotier, Hicksville, N. Y., in place of W. G. Mollitor, retired.
Burdette W. Playfoot, Horseheads, N. Y., in place of W. A. Danaher, retired.
Noel R. Pearson, Little Valley, N. Y., in place of James Case, retired.
Fred H. Woolschlager, Lowville, N. Y., in place of S. J. Day, deceased.
David O. Rourke, Madrid, N. Y., in place of W. J. Finnegan, resigned.
Willis Clayton Farnham, Manlius, N. Y., in place of E. B. Koons, retired.
James E. Reilly, Massapequa Park, N. Y., in place of J. M. Southard, removed.

Percy Pembleton, Monroe, N. Y., in place of J. T. Crotty, retired.
Howard A. Searle, Newfane, N. Y., in place of S. E. Dodge, retired.
Archie C. Davidson, New City, N. Y., in place of J. A. Lynch, removed.
Joseph F. Ambrose, Thornwood, N. Y., in place of M. C. Eichhorn, resigned.
Ruth H. Dexter, Wampsville, N. Y., in place of M. E. Perry, retired.

NORTH CAROLINA

Judson G. Burrell, Barnardsville, N. C., in place of S. M. Brigmon, retired.
Ruth A. Farrior, Calypso, N. C., in place of Russell Best, retired.
Clifford O. Scott, Dobson, N. C., in place of R. L. Folger, removed.
Charles L. Alexander, Kings Mountain, N. C., in place of W. E. Blakely, resigned.
Dexter G. Oakley, Lawsonville, N. C., in place of J. T. Tucker, transferred.
Robert A. Liles, Lilesville, N. C., in place of W. B. Flake, retired.
John B. McLaughlin, Newell, N. C., in place of S. B. Wilson, retired.
Alice H. Graves, Seagrove, N. C., in place of J. L. Kearns, deceased.
Martin T. Southard, Stokesdale, N. C., in place of H. G. Cook, retired.
Ruth E. Parrish, Summerfield, N. C., in place of M. M. Ellington, retired.
Ida R. Irvine, Tarheel, N. C., in place of W. J. Monroe, retired.
Jasper M. Brown, Troy, N. C., in place of G. A. Holt, transferred.

NORTH DAKOTA

Otto W. Chapek, Anamoose, N. Dak., in place of H. R. Wold, transferred.
Dennis F. Evert, Edgeley, N. Dak., in place of W. A. Gamble, deceased.
Charles S. Moores, Finley, N. Dak., in place of N. A. Anderson, retired.
Edward Barth, Fort Yates, N. Dak., in place of L. J. Hokanson, retired.
Edith M. Lyle, Havana, N. Dak., in place of E. E. Parrow, transferred.
Ira V. Martin, Hettinger, N. Dak., in place of E. E. Jacobsen, retired.
Lawrence D. Larsen, Kindred, N. Dak., in place of A. A. Ringen, retired.
Clyde E. Ellison, Leonard, N. Dak., in place of F. C. Schroeder, retired.
Lillian R. Van Doren, Medora, N. Dak., in place of J. J. Eaton, retired.
Leo E. Tibbs, Minot, N. Dak., in place of Nellie Dougherty, retired.
Mons K. Ohnstad, Jr., Sharon, N. Dak., in place of M. K. Ohnstad, retired.
Brownell H. Cole, Valley City, N. Dak., in place of C. K. Otto, retired.
Ardell C. Bakko, Walcott, N. Dak., in place of A. M. Hanson, resigned.

OHIO

Jasper Kirt Everett, Cairo, Ohio, in place of O. B. Morris, deceased.
Beulah M. Lowe, Clayton, Ohio, in place of Vane Wagner, retired.
William R. Davis, Creston, Ohio, in place of W. P. Hookway, retired.
Ruthella D. Termeer, Dublin, Ohio, in place of W. W. Hill, removed.
Samuel W. Brown, East Liverpool, Ohio, in place of R. C. Benedum, deceased.
William A. Gail, Jr., Fowler, Ohio. Office established May 16, 1954.
Donald G. Woodward, Geneva-on-the-Lake, Ohio, in place of Eusebio Pera, retired.
Samuel R. Kerns, Leesburg, Ohio, in place of Clare Trent, retired.
Robert F. Burton, Middle Point, Ohio, in place of L. E. Clawson, deceased.
Galen A. Seeger, New Springfield, Ohio, in place of C. F. Stewart, retired.
Walter H. Cowles, Walbridge, Ohio, in place of E. I. Ducket, removed.
Clarence R. Trumbull, Jr., Weston, Ohio, in place of J. P. Businger, resigned.
Lell A. Smith, Wheelersburg, Ohio, in place of H. W. Staker, retired.
Elvin B. McKay, Wilmington, Ohio, in place of J. F. Smith, removed.

OKLAHOMA

Donald E. Jones, Byars, Okla., in place of J. D. Corbett, resigned.
Paul O. Wright, Hobart, Okla., in place of F. E. Gillespie, retired.
Guy W. Willibey, Sapulpa, Okla, in place of G. B. Grigsby, resigned.
Winslow W. Campbell, Stonewall, Okla., in place of R. H. Greenlee, resigned.
James B. Cox, Tahlequah, Okla., in place of W. H. Balentine, retired.
Gene L. Taylor, Wann, Okla., in place of D. M. Bailey, resigned.

OREGON

Willard A. Hughitt, Redmond, Oreg., in place of A. H. Tifft, retired.
Robert C. Wright, Taft, Oreg., in place of J. R. DeJardin, deceased.
Roger C. Smoot, Talent, Oreg., in place of P. S. Terrill, deceased.
Russell C. Neitzel, Westport, Oreg., in place of Mayrue Gregory, retired.
Catherine E. Weckerle, Winchester, Oreg., in place of M. L. Nance, resigned.

PENNSYLVANIA

Alvin J. Oldham, California, Pa., in place of E. W. Sulek, resigned.
Joseph T. Hauser, Delaware Water Gap, Pa., in place of E. T. Brodhead, retired.
Florence L. Willard, Derrick City, Pa., in place of H. J. Robbins, declined.
George N. Sterner, Dewart, Pa., in place of H. B. Sterner, deceased.
Edwin B. Kimmel, Elderton, Pa., in place of J. F. Mulberger, retired.
Louis J. Prime, Emporium, Pa., in place of J. E. Burnside, retired.
Edward J. Flood, Flourtown, Pa., in place of H. W. Billingsley, resigned.
Wilmer E. King, Harrisburg, Pa., in place of L. A. Werner, retired.
James F. Timony, Hazleton, Pa., in place of C. A. Hanlon, retired.
Mary C. Pratt, Hopwood, Pa., in place of F. W. Coughanour, Jr., resigned.
John H. Hayes, Kersey, Pa., in place of C. E. Boyer, retired.
John R. Dietcher, Jr., Line Lexington, Pa., in place of J. P. Rice, retired.
William Robert Miller, Linglestown, Pa., in place of A. M. Schaner, retired.
George E. Palko, Loyalhanna, Pa., in place of T. S. Walter, resigned.
Millie Morelli, Ludlow, Pa., in place of M. E. Logan, retired.
William Lisle Stephenson, Mahaffey, Pa., in place of E. C. Mahaffey, transferred.
Fred D. Cleavenger, Mapletown, Pa., in place of Fred Cleavenger, retired.
Henry Douglas Carpenter, Middletown, Pa., in place of R. M. Tritch, resigned.
Robert P. Icelow, New Hope, Pa., in place of G. L. Corrigan, retired.
Charles M. Manwiller, Palmyra, Pa., in place of I. B. Earley, resigned.
Alfred A. Yarnell, Petersburg, Pa., in place of H. C. Cresswell, deceased.
Donald C. Shaffer, Portage, Pa., in place of J. W. Nash, removed.
George Spishock, Pricedale, Pa., in place of M. A. Turner, retired.
Malcolm Decker, Ramey, Pa., in place of Leonard Buranovsky, resigned.
Howard A. Miller, Richfield, Pa., in place of J. H. Snyder, resigned.
Lester I. Heist, Robesonia, Pa., in place of B. M. Kintzer, retired.
Elvin Charles Kaufman, Rockwood, Pa., in place of E. L. Leaphart, retired.
Robert A. Hunt, Sandy Lake, Pa., in place of George McConnell, deceased.
Donald J. Locke, Shade Gap, Pa., in place of W. M. Locke, retired.
Irvin K. Davis, Slatington, Pa., in place of G. S. Behler, resigned.
Glenn Crise, Smithton, Pa., in place of H. C. Johnston, removed.
John R. Hench, Spring Grove, Pa., in place of J. S. Stambaugh, retired.
Mary I. Hoy, Villa Maria, Pa., in place of R. C Pierson, retired.
Robert H. Jenkins, Wapwallopen, Pa., in place of G. M. Barrall, transferred.
Ernest O. Clayton, Waynesburg, Pa., in place of W. R. Cumpston, removed.

SOUTH CAROLINA

John W. Stevenson, Carlisle, S. C., in place of M. B. Ratchford, deceased.
Sara M. Campbell, Clio, S. C., in place of K. L. McIntyre, retired.
John M. Harrelson, Drayton, S. C., in place of G. S. Orpin, resigned.
Myrtle E. Case, Ocean Drive Beach, S. C., in place of C. O. Hester, declined.
Joseph W. Milling, Jr., Ridgeway, S. C., in place of J. D. Boyd, transferred.
Samuel A. Elliott, Windy Hill Beach, S. C., in place of B. E. Reynolds, Sr., resigned.

SOUTH DAKOTA

Howard B. Jones, Armour, S. Dak., in place of G. E. Hagen, retired.
Ethel M. Flood, Brandon, S. Dak., in place of R E. Peterson, retired.
Dale R. Dunn, Dell Rapids, S. Dak., in place of J. A. Nesby, retired.
Ofa M. Simpson, Fort Pierre, S. Dak., in place of M. E. Fackelman, resigned.
Raymond C. Drayer, Frankfort, S. Dak., in place of N. F. King, retired.
Marvin R. Smith, Gettysburg, S. Dak., in place of Fred Shroyer, retired.
Raymond A. Andersen, Irene, N. Dak., in place of J. R. Andersen, removed.
Kenneth W. Anderson, Midland, S. Dak., in place of J. E. Elrod, removed.
Morris F. Broe, Mobridge, S. Dak., in place of J. E Meyer, removed.
Russell C. Bernhard, Parkston, S. Dak., in place of W. H. Fergen, retired.
Maurice L. Wilhelm, Redfield, S. Dak., in place of E. B. Humeston, retired.
LaVerne R. Hughes, Stickney, S. Dak., in place of N. E. Gruenzner, deceased.

TENNESSEE

Morris F. Dozier, Ashland City, Tenn., in place of J. W. Nicholson, retired.
Doris M. Huffman, Bartlett, Tenn., in place of A. J. Jones, retired.
Willie L. Newberry, Gleason, Tenn., in place of G. P. Brummitt, retired.
Kathleen West Keeton, Helenwood, Tenn., in place of L. E. Ryan, removed.
Ulysses B. Coker, Jacksboro, Tenn., in place of B. T. Queener, retired.
George L. Bowman, Lenoir City, Tenn., in place of H. M. Calloway, retired.
William B. Tatum, Lyles, Tenn., in place of D. P. Lyell, removed.
Frank L. Oakes, Milligan College, Tenn., in place of N. H. Taylor, resigned.
Albert M. Daniel, New Market, Tenn., in place of B. L. Loy, retired.
Larry E. Hagood, Persia, Tenn., in place of R. M. Morelock, retired.
John W. Jennings, Rives, Tenn., in place of H. H. Hunt, retired.
Joe A. Lavender, Rock Island, Tenn., in place of W. E. Moore, retired.
Harold D. Huff, Thompsons Station, Tenn., in place of M. L. Cannon, retired.
William Raymon Kea, Waynesboro, Tenn., in place of C. A. Galloway, retired.

TEXAS

Williams S. Clements, Atlanta, Tex., in place of H. H. McWilliams, deceased.
Elmer E. Cryer, Bartlett, Tex., in place of H. O. Lindeman, deceased.
Marion Lee Neal, Baytown, Tex., in place of N. B. Ballard, transferred.
James Q. Pennington, Bluegrove, Tex., in place of R. O. Childs, removed.
Homer B. Adams, College Station, Tex., in place of T. O. Walton, retired.

Joseph A. Campbell, Covington, Tex., in place of B. O. Sanford, retired.
Edward H. Webster, Floydada, Tex., in place of B. H. Smith, retired.
Richard Thomas Cowan, Fort Worth, Tex., in place of D. C. Jernigin, deceased.
James P. Fortenberry, Friona, Tex., in place of S. H. Osborn, resigned.
Howard W. Curtis, Galena Park, Tex., in place of E. P. Minnock, removed.
Anita D. Wilkison, Hidalgo, Tex., in place of Rafaela Guerra, removed.
Henry T. Davis, Justin, Tex., in place of R. C. Dooley, transferred.
Ronald A. Helfenstine, Kennedale, Tex., in place of Sallie Helm, resigned.
Samuel J. Morse, Jr., Linden, Tex., in place of N. L. Stanley, transferred.
Robert D. Bohning, Lometa, Tex., in place of W. E. Everett, deceased.
Jeffie M. Griffith, Lockney, Tex., in place of H. B. Machen, resigned.
Annie E. Kain, Matagorda, Tex., in place of M. E. Pennington, retired.
William M. Turnbough, Meadow, Tex., in place of H. M. Welch, resigned.
Joyce M. Kee, Melissa, Tex., in place of M. E. Nichols, retired.
Mable D. Tompkins, Montague, Tex., in place of Fowler Magee, retired.
Ruby L. Ferrell, North Zulch, Tex., in place of A. C. Black, removed.
Hal Singleton, III, O'Donnell, Tex., in place of J. M. Noble, Jr., transferred.
Herbert W. Havemann, Orange Grove, Tex., in place of D. P. Seidel, declined.
Kyle C. Elam, Port Arthur, Tex., in place of F. C. Toups, deceased.
Ocie K. Milner, Jr., Quitman, Tex., in place of J. T. Morse, transferred.
Doris F. Wiess, Sabine Pass, Tex., in place of Lura Moss, removed.
James D. Tidwell, Simms, Tex., in place of N. E. Webb, retired.
Alda R. McDougal, Smyer, Tex., in place of S. W. Arnett, deceased.
Hal M. Knight, Sterling City, Tex., in place of A. L. Johnson, removed.
Thomas J. Pippin, Van, Tex., in place of E. R. Cunningham, deceased.
Charles S. Engle, Jr., Wolfe City, Tex., in place of B. W. Clayton, resigned.
Henry M. Durham, Woodville, Tex., in place of A. H. Hughes, retired.

UTAH

Henry D. Malmgren, Centerfield, Utah, in place of Affalone Jensen, retired.
June I. Hunsaker, Honeyville, Utah, in place of P. T. Boothe, retired.

VIRGINIA

Hershel E. Boyd, Raven, Va., in place of A. W. Horton, retired.
Ervin C. Brown, Sweet Briar, Va., in place of C. M. Hunt, transferred.
William W. Edwards, Union Level, Va., in place of A. P. Gordon, retired.

WASHINGTON

Glenn R. Fredericksen, Cashmere, Wash., in place of S. J. Hughes, removed.
John E. Harrison, Eastsound, Wash., in place of E. B. Gibson, deceased.
Dwight L. Cruea, Everson, Wash., in place of H. L. Thompson, resigned.
Henry Grosso, Harper, Wash., in place of R. C. Henery, resigned.
Clifford E. Swenson, Harrington, Wash, in place of C. A. Scott, failed to return from military duty.
Viola B. Boyd, Marlin, Wash., in place of Hans Christoffersen, deceased.
Kenneth E. Roberts, Nooksack, Wash., in place of L. G. Pike, retired.
Robert F. Whitten, Ocean Park, Wash., in place of W. C. Pearson, retired.
Marion E. Keeney, Pacific Beach, Wash., in place of Sydney Moon, resigned.
Paul E. McMahan, Randle, Wash., in place of F. L. Magill, deceased.
Josiah F. Lester, Wenatchee, Wash., in place of R. H. Maus, resigned.

WISCONSIN

Shirley E. Conway, Albany, Wis., in place of A. H. Meinert, retired.
Ruth E. Hogan, Ashland, Wis., in place of C. J. McGeehan, retired.
Arnold C. Works, Augusta, Wis., in place of T. F. Boehrer, retired.
Roy Bump, Baraboo, Wis., in place of R. J. Osborne, retired.
Elsbeth P. Jacob, Caledonia, Wis., in place of W. F. Ehrhardt, resigned.
Wallace Gordon Yadon, Delavan, Wis., in place of J. T. Murphy, retired.
Edward L. Williams, El Dorado, Wis., in place of C. F. Abbs, resigned.
Joseph L. List, Pound, Wis., in place of L. H. Culver, retired.
Orlan L. Prestegard, Readstown, Wis., in place of N. M. Johnson, resigned.
Harold A. Meyer, Shawano, Wis., in place of W. J. Milsap, resigned.
Henry L. Yulga, Stevens Point, Wis., in place of H. J. Glinski, resigned.
Neal E. Jones, Wausau, Wis., in place of G. R. Schoenfeld, retired.
Hartvig J. Elstad, Whitehall, Wis., in place of W. A. Johnson, transferred.
Raymond J. Chamberlain, Whitewater, Wis., in place of R. J. Kiernan, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 10, 1956:

FEDERAL TRADE COMMISSION

Sigurd Anderson, of South Dakota, to be Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1952.

COAST AND GEODETIC SURVEY

Rear Adm. H. Arnold Karo to be Director of the Coast and Geodetic Survey for a term of 4 years.

The following-named persons for permanent appointment to the grade of captain, in the Coast and Geodetic Survey, subject to qualifications provided by law:

John H. Brittain	Wilbur R. Porter
Emil H. Kirsch	Percy L. Bernstein
George R. Shelton	Charles A. Schanck
George A. Nelson	

UNITED STATES COAST GUARD

APPOINTMENTS

The following-named persons to be lieutenants:

Warren R. Cushman	Alfred R. Hackbarth
James L. Brewer	John W. Leadbetter, Jr.

The following-named persons to be lieutenants (junior grade):

John D. Franks	Gilbert P. Sherburne
Bertrand J. Ronneberg	John D. Costello
	James R. Kelly
Herbert S. Hammaren	Clarence R. Gillett
Raymond H. Baetsen, Jr.	Charles E. Jurgens
	John H. Byrd, Jr.
David J. Linde	Glenn N. Parsons
William J. Glass	Robert G. Moore
Richard B. Brooks	Leon D. Santman
Edward G. Taylor	Patrick M. Jacobsen
David C. McClary	Harry J. Gardner
Robert T. Platt, Jr.	Henry N. Helgesen
Kenneth G. Wiman	Peter J. DeLaat, Jr.
Robert V. Hackney	Robert A. Carlston
Melvin W. Hallock	Robert B. Sims
James M. Barrett, Jr.	Sieguard E. Waldheim
John R. L. Hihn	Eugene G. Verrett
Sidney O. Tharrington, Jr.	Peter A. Morrill
	Ralph S. Kelley, Jr.
Robert C. Branham	James E. Thompson
John R. Lobkovich	David F. McIntosh
Gerald O. Lesperance	Donald C. Thompson
Carlton E. Russell	William S. Black
Willie W. Thurmond, Jr.	George E. Stickle, Jr.
	Joseph Stech
Robert D. Peters	John D. Steinbacher
Edmond Janczyk	Vincent E. Keyes
Robert S. Lucas	William H. Clark, Jr.
Bruce W. Dewing	Herbert G. Lyons
Herbert W. Eley	John F. Ellis

The following-named persons to be chief warrant officers, W–4:

John L. Price	Ross J. Hensley
Kurt F. Czybora	August Dannenberg
James E. Barr	Gabriel V. Denisov
Harvey E. Willis	Preddie G. Bookout
Thurman Salter	Milton H. Bradley
Harold G. Weber	Frank Fitch
Russell D. Erickson	Ronald S. Jacobs
William Miller	John E. Midgett
Walter F. Booth	Richard E. Walker
Jesse M. Jenkins, Jr.	Edward L. Masters
"A" "J" Beard	Edward C. Brichta
Frederick H. Raumer	James G. Leadbeater
Nulland E. Mahar	George W. Rickles
James E. Bill	Darcy W. Reid
Hubert R. Lindsey	Lester R. Chenoweth
Harlan E. Sterling	Henry McAllister
Alexander J. Cseh III	Milo Taber
George W. Madsen	

The following-named persons to be chief warrant officers, W–3:

Ludwig K. Rubinsky	Hudson M. Cooper
Michael Travers	Harold M. Schiffbauer
Seward S. Smith	John T. Borys
Lloyd M. Probst	Louis Breitenbach
Frank J. Macedonia	Roscoe Smith
Eugene Linneman	Ray E. Newton
George M. Seaman	Edward F. Birmingham
Raymond C. DeSelms	
Joseph E. Acker	Robert A. Johnson
John T. Hendrix	Joseph F. Van Cleave
Myles P. Lattin	Robert F. Anderson
Melvin H. Eaton	John H. Elliott
Michael J. O'Leary	

The following-named persons to be chief warrant officers, W–2:

Wendell C. Leatherman	Carl A. Simon
	George S. Drew
Carl F. Michael	Rudolph E. Anderson
Donald H. R. Fraser	William K. Cooper
Christian A. Weitzel	Donald Cobaugh
Walter R. Goldhammer	Gerald M. Davis
	Luther C. Knight
Fred M. Guild, Jr.	Ellis P. Ward
Harold W. Wooley	Charles C. Colmer
John A. McCullough, Jr.	Edward E. Walker
	Donald A. Nystrom
Benjamin F. Weems	Herbert L. Johnson
Norman J. Wirsching	John A. Dearden
LeRoy F. Lander	Louie W. Stanley
William I. Janicke	Martin J. Trieschmann
Charles H. Sanders	
Jack D. Rodgers	James A. Lovewell
Marshall K. Phillips	Artell B. Crowley, Jr.
William R. Wessel	Martin F. Groff
Gordon R. Campbell	Lloyd T. Twiford
Ronald McClellan	Robert E. Lee
Millard W. Johnson	George A. Davisworth, Jr.
Daniel W. Cluff	
Robert C. Ashdon	George W. Hupper
William E. Hughes	Joseph L. Richardson
Stanley Thoroughman	Joseph D. Edwards
Victor A. Adams	Charles I. Carpenter
Jack S. Breschini	Roy Merrill
Leo V. Walsh, Jr.	Adrian Fulcher
Shelbert P. Creech	George J. McKinlock
Glenn N. Nelson	Dwight F. Conyne
David A. Smith	Walter S. Yeargain
William H. Thorrington	Robert J. Krueger
	George C. Werth
Warren E. Riley	Alva W. Henderson
Raymond I. Trenck	Herbert H. Oakes
Floyd V. McCombs	Christopher D. Elling
Daniel C. Giller	John C. Carney
Leslie A. Mears	Philip L. Regan
Robert J. Klestinec	Karl V. Macklin
Millard W. Foster	

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 10, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, Thou art of all friends the nearest, of all counselors the wisest, and of all helpers the ablest and most willing to minister unto our needs in times of crises and confusion.

We pray that Thy spirit may inspire us with an earnest and eager longing to contribute more generously and wholeheartedly to the welfare and peace of all mankind.

We thank Thee for the life and character of Thy servant, our colleague, who now dwells in eternal blessedness, forever with the Lord.

Thou hast opened unto him the gateway to the larger life and received him into Thy nearer presence.

Grant unto the sorrowing and lonely the consolations of Thy grace and may they yield themselves without murmur or complaint to that divine providence which is too wise to err and too kind to injure.

In Christ's name we offer our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On January 20, 1956:

H. R. 5614. An act to amend the Communications Act of 1934 in regard to protests of grants of instruments of authorization without hearing.

On January 25, 1956:

H. R. 1022. An act for the relief of Antonio Andrea Chitato;

H. R. 1145. An act for the relief of Ora L. Powers;

H. R. 1146. An act for the relief of the Pacific Music Supply Co.;

H. R. 1183. An act for the relief of Baldomero R. Garcia, Teresa Garcia y Braganza, Francisco Garcia, Teresita Garcia, and Eduardo Garcia;

H. R. 1752. An act for the relief of Johanna Juresic Grgurich;

H. R. 1768. An act for the relief of the Jefferson and Plaquemines Drainage District and certain persons whose properties abut on the Federal Government's right-of-way for Harvey Canal in Louisiana;

H. R. 1910. An act for the relief of Blanka Goldstein;

H. R. 2273. An act for the relief of Der Chuck Yee and Wu Mei On;

H. R. 2296. An act for the relief of Simone Gilliland; and

H. R. 3027. An act for the relief of Leo E. Vorhaeghe.

On January 28, 1956:

H. R. 936. An act for the relief of Mrs. Elena Apostolescu Bustiuc;

H. R. 1219. An act for the relief of the estate of Mrs. Margaret A. Swift;

H. R. 1447. An act for the relief of Aleksandra Borkowski;

H. R. 2278. An act for the relief of Consuelo Calderon de Villarreal;

H. R. 2466. An act for the relief of Marino and Giselda Proni;

H. R. 2467. An act for the relief of Ivo and Elia Monari;

H. R. 4582. An act to amend the Internal Revenue Code of 1954 with respect to deductions from gross income of amounts contributed to employees' trusts;

H. R. 5428. An act to amend the Internal Revenue Code of 1939 with respect to the period of limitation for filing claims by certain transferees and fiduciaries for credit or refund of income taxes;

H. R. 7036. An act to amend section 37 of the Internal Revenue Code of 1954 with respect to the earned income limitation on retirement income;

H. R. 7282. An act relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with respect to its capital gains; and

H. R. 7364. An act relating to the application of the documentary stamp tax to transfers of certain obligations paid for in installments.

On January 31, 1956:

H. R. 1015. An act for the relief of Mr. and Mrs. Derfery William Wright.

On February 2, 1956:

H. R. 1496. An act for the relief of Leong Ding Foon Quon; and

H. R. 7871. An act to amend the Small Business Act of 1953.

On February 10, 1956:

H. R. 5844. An act to increase the fee for executing an application for a passport;

H. R. 7930. An act authorizing the completion of the initial stage of development for flood control and other purposes in the Russian River Basin, Calif.; and

H. J. Res. 471. Joint resolution to permit FHA title I repair assistance to new homes damaged by major disasters.

ADJOURNMENT UNTIL TUESDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE NEW ORLEANS MARDI GRAS

Mr. MORRISON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MORRISON. Mr. Speaker, each year when the Mardi Gras is being celebrated in the city of New Orleans as it has been for many generations, the Louisiana State Society here in the Nation's Capital has an annual Mardi Gras ball. The president of our State society is Mr. Felix Broussard. Each year this Mardi Gras ball is given about the same time that the Mardi Gras is being celebrated in the city of New Orleans.

We give this ball in Washington and dedicate it to a Louisiana industry. Last year the ball was dedicated to the rice industry and the year before to the sugar industry. This year our ball will be held tomorrow night and will be dedicated to the great oil industry of Louisiana.

I would also like to point out that each year we have many, many beautiful young ladies who come to Washington from all parts of Louisiana as queens of the various festivals throughout the State. There are 25 queens in all and I think everyone will agree with me when you look up into the gallery and see those 25 beautiful queens along with the queen of all queens, Miss Lee Anna Martino, of New Orleans, who will reign over this Mardi Gras ball tomorrow night. She also ruled as queen last fall at the Louisiana Gulf Coast Oil Exposition at Lafayette, La. Miss Martino is a graduate of Sacred Heart High School and Ursuline College, of New Orleans. She is one of the most beautiful ladies in all the South and I am sure she will make the Washington Mardi Gras a most gorgeous queen.

Her king will be Mr. William L. "Buddy" Billups, president of one of the South's largest independent oil companies with headquarters in Hammond, La. Mr. Billups has been an outstanding businessman in the oil field for many years and is known and respected throughout the entire oil industry. Not only have these beautiful queens come for the Mardi Gras party, but also have distinguished citizens from both Louisiana and Texas and at this time I would like to mention a few: Mr. and Mrs. Willard Johnson from Texas; Mr. and Mrs. Harry Brown from Houston, Tex.; Mr. and Mrs. W. J. Boudreau of Lake Charles, La.; Mr. and Mrs. I. W. Hoskins from Lake Charles, La.; Gov. Jimmy Davis from Louisiana; State Senator and Mrs. C. H. Downs from Louisiana; Mr. and Mrs. J. Moody Ellington from Louisiana; Mr. and Mrs. Stanley H. Freeman, Mr. J. R. Tully, Mr. Garnett, Jr., and Mr. and Mrs. L. C. Latham, Mr. and Mrs. Charles D. Saunders, Mr. and Mrs. Ford Graham, and Louisiana Democratic Committeeman Mr. Camile Gravel and wife, all from Louisiana.

The tableau of the ball will be Louisiana under 11 flags and perhaps be the most spectacular and dazzling ball ever given in Washington. Many of Washington's top officials will be there including Adm. Arthur W. Radford, Chairman, Joint Chiefs of Staff, and other notables, about 1,500 in all. The ball will be held at the Sheraton Park Ballroom, one of the most beautiful and largest in the world.

Below is a list of the queens and the festivals that they represent where they reigned as queen of each festival in Louisiana.

Names and addresses of Louisiana queens:

Miss Dixie Breithaupt, sugarcane festival, New Iberia, La.

Miss Sandra Briese, paper festival, Bogalusa, La.,

Miss Lois Boudreaux, dairy festival, Abbeville, La.

Miss Vita Brown, Louisiana fur festival, Hackberry, La.

Miss Rosalyn Gates, sweetheart of the American Legion, Bogalusa, La.

Miss Donna Loyce Hamic, camellia festival, Lafayette, La.

Miss Glen Hope, spirit of Mardi Gras, New Orleans, La.

Miss Sharon Horne, peach festival, Ruston, La.

Miss Marie Lise Labbé, Southwest Louisiana Madri Gras, Lafayette, La.

Miss Lorette LeMarie, Delcambre fishing industry, Delcambre, La.

Miss Carolyn Leonards, international rice festival, Crowley, La.

Miss Ann McCaleb, north Louisiana delta festival, Bastrop, La.

Miss Bobbie Ann Mistich, orange festival, Buras, La.

Miss Sherry Posey, holiday in Dixie, Shreveport, La.

Miss Martha Richard, domino festival, Cheneyville, La.

Miss Pauline Sanders, future farmer of America, Baton Rouge, La.

Miss Kay Sellers, yambilee festival, Opelousas, La.

Miss Myrna Bea Soileau, cotton festival, Ville Platte, La.

Miss Judy Taylor, Louisiana livestock and pasture festival, Marksville, La.

Miss Elsie Theriot, shrimp festival, Morgan City, La.

Miss Allison C. Townsend, Louisiana Farm Bureau, Baton Rouge, La.

Miss Nealyne Tullas, rose festival, Bogalusa, La.

Miss Patricia Welsh, Miss Independent Oil, Lake Charles, La.

Miss Sherry Yarbrough, Florida Parishes dairy and agriculture, Kentwood, La.

Miss Pat Zimmer, forest festival, Winnfield, La.

Ladies in waiting to her majesty: Miss Patricia Bean, Miss Barbara Boggs, Miss Katherine Bourg, Miss Lucille Breaux, Miss Vaughn Burdin, Miss Elizabeth Coulon, Miss Deidre Rose Dwen, Miss Sarah Foret, Miss Ann Gravel, Miss Carrie Sue Hooks, Miss Marguerite Willis.

Mr. John McHugh, official chaperon.

Officers of the Louisiana State Society are: Felix W. Broussard, president; T. A. Thompson, vice president; J. W. Hanley, sergeant at arms.

I feel greatly honored that I have the privilege of being the chairman for this 1956 Washington Mardi Gras ball dedicated to the oil industry of Louisiana.

Mr. HOFFMAN of Michigan. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair may say that he intends to submit a message from the President of the United States when this is over, then recognize the gentleman from Illinois. That is all the business we will have today.

Mr. HOFFMAN of Michigan. Mr. Speaker, do I understand then that is the end of the program for today?

The SPEAKER. It is.

Mr. HOFFMAN of Michigan. Mr. Speaker, if that is all there is to it, I withdraw my point of order that a quorum is not present.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 336)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed, with illustrations:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a report of the National Advisory Council on International Monetary and Financial Problems submitted to me through its Chairman, covering its operations from January 1 to June 30, 1955, and describing, in accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development for the above period.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 10, 1956.*

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2667. An act to amend section 208 (b) of the Technical Changes Act of 1953, and for other purposes; and

H. R. 7054. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House following the legislative program and any special orders heretofore entered was granted to Mr. FERNANDEZ, for 15 minutes, on Tuesday next.

EXTENSION OF REMARKS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent, inasmuch as I had a special order, that I may extend my remarks in the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE LATE CHAUNCEY W. REED

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. ALLEN.]

Mr. ALLEN of Illinois. Mr. Speaker, it is with deep regret and a heavy burden on my heart that I announce to the Members of the House the passing of our beloved friend, CHAUNCEY W. REED.

CHAUNCEY REED was vitally interested in his work. He was conscientious. He had but one real objective in mind, and that was to serve his country and his people to the best of his great ability. He worked untiringly to serve his constituents. He loved this great House of Representatives and its membership. He has left his mark on the history of his country through his devoted service on the important Committee on the Judiciary, of which he served as chairman the last Congress.

CHAUNCEY REED was a kindly man, always anxious to assist his colleagues and to offer advice from his great well of wisdom. He never failed to put his associates and his friends ahead of himself. While all of us knew and understood his great contribution to the work of the Congress, I think that those of us who have served with him down through the years will always remember with affection those times when he would retire to the cloakroom, light a cigar, and hold court by spinning yarns and tales of his experiences in the legal profession.

He was definitely honest in all things—mentally honest, as well as otherwise. I would say he was ruggedly honest. In addition to that, he was courageous; he had moral courage at a time when we need that virtue perhaps more than all other virtues.

CHAUNCEY W. REED, Republican, of West Chicago, Ill., was born at West Chicago, Ill., June 2, 1890; educated in West Chicago public and high schools, Northwestern University, and Webster College of Law; city treasurer of city of West Chicago, 1913–14; during World War I served in the 86th Division of the United States Army; was first commander of Naperville Post, No. 43, American Legion, and served as national garde de la forte and national conducteur of La Société des 40 Hommes et 8 Chevaux; elected State's attorney of Du Page County, Ill., in 1920, 1924, 1928, and 1932; served 4 terms as secretary of the Du Page County Bar Association and 2 terms as president of the Illinois State's Attorney's Association; chairman of the Du Page County Republican central committee for 8 years; associated in the practice of law at Wheaton, Ill., with Judge Russell W. Keeney; member of the Du Page County, Illinois State, and American Bar Associations; married to Ella Stegen in 1929 and has three children—Barbara Ann, James William, and Thomas Henry, elected to the 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82d, 83d, and 84th Congresses; chairman of the Committee on the Judiciary for the 83d Congress.

Mr. Speaker, I am particularly happy to include in my remarks a telegram from Father Joe Lonergan, who was a close friend of our colleague. Father Joe Lonergan was national chaplain of the American Legion. His telegram is as follows:

AURORA, ILL., *February 9, 1956.*

Congressman LEO ALLEN,
House Office Building,
Washington, D. C.:

Please give Mrs. Chauncey Reed, Barbara, James, and Thomas my heartfelt sympathy and my prayers in the departure of her husband and their father and my comrade and friend. It would be a great privilege to stand over his grave at burial to assist in the final salute to a great American.

Father JOE LONERGAN.

Mr. Speaker, the body will lie in state at Lee's Funeral Home, Fourth and Massachusetts Avenue NE., Friday, February 10, 3 p. m. to 3 p. m. Saturday, February 11.

The body will then be moved to C. E. Norris & Son, undertakers, 112 Main Street, West Chicago, Ill., and lie in state Sunday afternoon, February 12, and Monday, February 13. The funeral will be Tuesday, February 14, 2 p. m., American Legion Hall, West Washington Street, West Chicago, Ill.

Funeral services will be conducted by Euclid Lodge, No. 65, A. F. and A. M., of Naperville, with honorary Knight Templar escort, Aurora Commandery, No. 22, Aurora, Ill.

Burial will be at Glen Oak Cemetery, West Chicago.

It is the wish of the family that any tokens of sympathy be sent to American Cancer Society, Inc., 521 West 57th Street, New York, N. Y.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the distinguished gentleman from New York, the chairman of the Committee on the Judiciary [Mr. CELLER].

Mr. CELLER. Mr. Speaker, it was with sad heart that I heard of the demise of our beloved colleague, CHAUNCEY REED.

I served with him on the Committee on the Judiciary for over 20 years and developed for him a most affectionate regard. We all learned to know his integrity of purpose, his kindliness, his courtesy, as well as his keenness of perception in understanding the problems that confronted him, not only as a member of the Committee on the Judiciary but also as its chairman.

He respected the high tradition and history of this committee. His chairmanship of the committee greatly enhanced its prestige, and when I followed him I tried to do all in my power to follow his path.

He leaves behind him a good name, the best of all bequeaths.

Our condolences go forth to his wife, his children, and his dear ones. All of us shall sorely miss him.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to my colleague, the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, so deeply I feel the loss with the passing of my personal friend and colleague that I do not know how to express what is in my heart.

He and I first came to Congress in the same year—a little over 20 years ago. From the day I first met him he won my affection and respect. As I worked with him on mutual problems, on matters of special interest to our State of Illinois, and on various national questions, my admiration of him constantly grew. To know him was to love him. To work with him was to admire him. Today my heart is filled with sorrow beyond measure.

CHAUNCEY REED was a man of great intellectual ability and absolute intellectual honesty. He was indeed an accomplished lawyer. For four successive terms, prior to coming to Congress, he served as State's attorney of Du Page County, Ill. He also served two terms as president of the Illinois State's Attorney Association. This was a statewide recognition of his unusual legal knowledge and ability and his honesty and integrity in the performance of his duties.

Notwithstanding his many attainments and many accomplishments, both in Illinois and here in Congress, notwithstanding the honors that came to him, CHAUNCEY REED remained just a quiet, entirely unassuming man. He approached everything and dealt with everyone with patience and with understanding. He would have made a great judge, just as he made a great chairman of the House Judiciary Committee.

As a member of the Judiciary Committee and at one time its distinguished chairman, he was directly responsible for many important measures now the law of the land. They are monuments to his work in Congress. I was proud to call Chauncey my friend.

To his lovely wife and fine family I extend my deepest sympathy. I hope they might find some consolation in the knowledge that their loss is shared by countless people.

Weep not that their toils are over,
Weep not that their race is run;
God grant we may rest as calmly
When our work, like theirs, is done.
Till then we yield with gladness
Our treasures to Him to keep,
And rejoice in the glad assurance
He giveth His loved ones sleep.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, CHAUNCEY REED was a great legislator who not only did his work constructively and effectively but in a quiet manner that produced results. He served his district with loyalty and distinction. He served his State and his country with the same loyalty and distinction.

CHAUNCEY REED was not only a great man but over and above that he was a good man. There are some who are great who are not good, and as between greatness and goodness I would rather see goodness than greatness. But in the case of CHAUNCEY REED he was not only great but he was good.

To Mrs. Reed and her loved ones I extend my profound sympathy in their bereavement.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, it was with deep sorrow that I learned that death had taken another friend from our midst.

CHAUNCEY REED came to the Congress at the same time I did, and there were not many of us on this side of the aisle in those days.

But the very limit of our numbers, I think, strengthened the bonds of comradeship among those of us who were here then. My friendship with CHAUNCEY REED continued on down through the years and it was a matter of great satisfaction for me when he became chairman of the Judiciary Committee in the Republican 83d Congress.

Affable and able, conscientious and hard working, CHAUNCEY REED demonstrated his ability, his thoughtfulness, and his diplomacy as chairman of his committee.

It was under his fine leadership that the committee brought forth a series of legislative proposals to which reference has already been made designed to give the Federal Government new legal weapons in this Nation's long and hard battle to uncover and prosecute Communist conspirators within our borders.

Most of these measures were enacted with substantial majorities, a testimonial to their rightness and to the feelings of this body with respect to those who would betray America.

These measures are now law, and will stand as major contributions in the career of CHAUNCEY REED to the preservation of liberty in our land.

To his bereaved widow and her fine children I offer my deepest sympathies.

May they take some measure of comfort, at least, in the knowledge that their husband and father lived a useful life, dedicated to the service of his beloved country.

Mr. ALLEN of Illinios. Mr. Speaker, I yield to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Speaker, it was with deep regret that I learned of the passing of our distinguished colleague, Mr. CHAUNCEY REED. I had the privilege of serving with him on the Committee on the Judiciary since I became a Member of the House of Representatives. It was on that committee that I learned to know the great qualities of this man, as has been demonstrated by those who have paid tribute to him here today. It was while serving with this committee that I learned that CHAUNCEY REED was always fair, honest and sincere in all decisions that he made regardless of political affiliation. Now that he has passed on, we will miss him not only in the House of Representatives but on our Committee on the Judiciary. Mr. Speaker, I want to pay my deep respect to his widow and to his fine children.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, the passing of our dear colleague CHAUNCEY REED, has affected us all with a deep sorrow that it is difficult to express. We have lost a great leader, patriot, astute legislator, and friend. While he was in our midst, he set us an example of faithfulness, sincerity, honesty, and untiring devotion to our responsibility which we will find a challenge to emulate. Now that he is gone, his memory will remain with us, for it is not possible to forget such a man.

I best knew CHAUNCEY REED through our work together on the Judiciary Committee. When I first came to Congress he was kindly and helpful to me—a stranger to him. He welcomed me to the committee. During our friendship, we talked much together, and his wis-

dom, derived from experience, made a deep impression upon me.

His services on the Judiciary Committee are well known to all of the Members. As chairman of the committee in the 83d Congress he guided, with consummate skill, the workings of a busy and diversified program. In his dealings with his work and his fellow men he was a competent, thorough, and enlightened person. He believed, as Samuel Johnson put it, that—

> The law is the last result of human wisdom acting upon human experience for the benefit of the public.

In all his actions in public life, Chauncey was guided by the principles of a man whom all of us revere, Abraham Lincoln. Like that earlier son of Illinois, Chauncey was a stanch believer in the right of man to be free and that government should not have the power of economic life over the people. His work among us reflected his belief in the words of Lincoln.

I think Chauncey would agree with me that the highest compliment I could pay him would be to compare him with the Great Emancipator. As Lincoln said of his own principles, so by his actions among us, could CHAUNCEY REED have said: "I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live up to what light I have. I must stand with anybody that stands right; stand with him when he is right and part with him when he is wrong." Lincoln said it, but Chauncey proved to us that he, too, could have uttered those words.

Worthily he lived, worthily he served. We honor him for what he was and for what he did. We remember him for his triumphant hope and unfailing faith and hard work.

In the years to come I shall remember his ability, his accomplishments, his constructiveness, his noble character, and all that he stood for. In my memory I shall always cherish his friendship.

My prayer is that his family will be consoled by the fact that his life was well and valuably spent. I extend to them my deep and sincere sympathy upon their loss.

Mr. O'BRIEN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'BRIEN of Illinois. Mr. Speaker, in the death of the Honorable CHAUNCEY W. REED, the Members of Congress will share with the people of Illinois a great loss.

Elected to the 74th Congress and each succeeding Congress, CHAUNCEY REED was ever on the alert to be helpful to his constituents, his colleagues, and his country. His untiring efforts and accomplishments as a member of the Committee on the Judiciary are well known.

It is with great sorrow that I join with my fellow Members of Congress to pay my deepest respect to CHAUNCEY REED'S memory, and extend to his family my sincere sympathy on their irreparable loss.

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, as broken as are the hearts on the Republican side of this House, so are broken the hearts of his Democratic colleagues. On both sides of the aisle the love for CHAUNCEY REED was universal and his passing has united us in a common grief. With broken hearts we come to give tribute to his memory.

To me has come a very personal grief. Perhaps longer than any Member of this body I have known CHAUNCEY REED. In the yesterdays, when I was a young man, I was invited to his community to give an address on Memorial Day and then taken for dinner into the warm glow of the parental home of CHAUNCEY REED, then a lad in high school. That was the beginning of my friendship with him, my understanding of and my love for CHAUNCEY REED.

I shall always remember him as the highest expression in his thoughts, his actions, and his words of the vibrant spirit of an old-fashioned but imperishable American patriotism. He loved this country of ours. He loved all of its traditions, and he loved and respected and revered the memory of all the noble men and brave women who in their respective generations had made the fabric of our great Republic.

When I came to this body, many years after my first meeting with CHAUNCEY REED in the home of his parents, he had preceded me by many terms and had the standing and the prestige earned by years of distinguished service. He helped me in every way. I know of no occasion when CHAUNCEY REED was not smiling and helpful. Never in his entire life was he guilty of a petty act. Never did a word come from his lips that brought injury to another's feelings. He represented the very best of Illinois. Oh, to me he was so much a personification of the spirit of Illinois. Yes, as has been said, he was like Lincoln in many ways; brilliant but always humble, helpful, always optimistic, always finding in people the best because that was the measure of his expectation. He never permitted high station and the advantage he had attained by worth to unbalance him. He just belonged to the people of which he was a part.

We are going to miss CHAUNCEY REED, but we who remain are going to be stronger servitors of this country of ours and our democracy because of the pattern that CHAUNCEY REED has left for us.

To the wife, the daughter, and the sons, for whom we feel so deeply, we can join in the strengthening assurance that the spirit of CHAUNCEY REED is eternal and will abide with them forever.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. MCVEY]

Mr. MCVEY. Mr. Speaker, it was with deepest regret that I learned yesterday of the passing of our good friend and colleague, CHAUNCEY W. REED. Congressman REED was one of the first Members of this body with whom I consulted when I came to the Congress.

By reason of his long tenure in office, his able leadership, and his wise judgment I found his advice most helpful in all the years that followed. I believe CHAUNCEY REED felt it a high privilege to be a Member of this distinguished body. We are going to miss him sorely, but we cannot always understand the pattern of life.

The Committee on the Judiciary, of which he was a minority member, has lost an able representative. I wish to join with you in extending my sympathy to the members of his family in this hour of great sorrow. I know that nothing we can say here will mitigate to any great extent the sorrow his family must feel, but I hope it is comforting for them to know that we grieve with them in this hour of bereavement.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, I think that on occasions such as this all of us are aware that words are woefully weak and that only deeds and acts are great.

I would not want this opportunity to pass without saying a word about the passing away of a very, very dear personal friend. I appreciated very much what the gentleman from Illinois [Mr. O'HARA] said when he stated that he never knew of CHAUNCEY REED doing a petty thing. To me it was that characteristic of the man that made him so great. I never heard him say an unkind word about any other colleague or any other person. I talked with him many times because I was interested in some constitutional amendments from time to time. I discussed them with him because I held high regard for his wisdom and his knowledge on subjects pertaining to the Constitution of the United States.

To me he was one of the kindest persons I have even known. We shall miss his presence here, but no mound of earth can still the voice of CHAUNCEY REED in the Halls of this House of Representatives. We shall continue through the years to give heed to that voice.

We sit here in days when we must be very careful that we do not allow prejudices or preconceived notions, to dominate the positions we take. I do not know that I ever knew a person who was as free from petty prejudices and who brought an objective viewpoint to any piece of legislation that he considered than CHAUNCEY REED.

I extend to his wife and all members of his family my very deepest sympathy.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, during times of such grief the heart is so full that the tongue becomes limping; and yet I would fail in something that I owe myself as much as I owe it to CHAUNCEY REED, if I did not try to express my tribute to him.

I happened to be on the corner opposite the New House Office Building yesterday when the American flag was lowered to half-mast to show the respect that a grateful Nation gives to those who have served her well. I wished that his family might have seen that outward token of the grief and of the honor that we all pay CHAUNCEY REED.

I could not help thinking of the long 21 years of his service in this Congress. It was a poignant memory to me, because the Chauncey Reeds, the Churches and the Hallecks, and Leslie Arends came to the House of Representatives in the 74th Congress, quite young then, but full of hope and very full of purpose. These belonged to that small Republican band, in one Congress reduced to 89, who stood by their principles with great moral courage. It was, you remember, the second Congress of the first term of President Roosevelt, and CHAUNCEY REED has served his country and his district ever since—a momentous 21 years in the history of this country, in the history of this world covering historic events and programs at home and two wars abroad: a great war fought and won; an action in Korea fought and ended—problems, questions, tensions.

CHAUNCEY REED met every test, every problem foreign and domestic with equanimity, with strength, with Christian faith. He saw much time pass into history, and he helped mold and build that history. He was never frightened, nor dismayed; he always knew that if you had high principle and held to it, all would still be well.

I think also, however, of the 21 years of his service to a district. It happens that Mr. REED's district adjoins mine. Our districts run side by side for miles in Illinois. I know how today hearts are grieving there, the hearts of those he has helped in these 21 years, the hearts of those who respected him most because he stood for that kind of integrity in Government which is after all the best test of any man's service.

I think of Mrs. Reed and of the children with very deep sympathy. The days ahead are not going to be easy, but I can assure her that those days will be made lighter and the future brighter than it looks today, by the knowledge of what CHAUNCEY REED has been to them; and to this very great country which he loved; and to the world which he helped shape in the last 21 years. I trust that their grief will be more bearable in the knowledge that it is shared by all who knew him.

We of the Illinois delegation have lost more than we can express. There was strength in CHAUNCEY REED. There was a poise in him, every time that he entered a discussion, that helped us all. There was a gentleness which calmed even the most troubled spirit. None of us yet have had time to realize quite what we have lost, but we do know, Mr. Speaker, that the Illinois delegation throughout future history will be stronger because of CHAUNCEY REED; and that those who served with him will, because of his example and his spirit, find their own courage and purpose strengthened, and their faith enriched and immortalized.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Speaker, many beautiful tributes are being paid to our colleague, the Honorable CHAUNCEY W. REED, from our great State of Illinois, and it is impossible for me to do his memory justice in this simple presentation.

He was a great American. His judicial temperament was well known to us; he was fair in his dealings, and untiring in his efforts to do what he thought best for all concerned. His eternal rest is the reward of one who gave unsparingly, unselfishly of himself in time of tensions and of threats.

I got to know Chauncey quite intimately, as we were neighbors, owning little summer homes on one of the lakes in Wisconsin. We would meet on occasions and do a little fishing, relaxing and talking.

I like to think of him as a friend, and he was a good and sincere friend of mine. He was also a friend of those who wanted to enjoy and be inspired by his qualities of character and personality.

On behalf of Mrs. Gordon and myself and our family, I extend deepest sympathy to Mrs. Reed and CHAUNCEY'S family.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Speaker, I certainly concur with the many splendid tributes which have been paid to my distinguished friend and colleague, CHAUNCEY REED. It so happened that my first committee assignment when I came to Congress was to the Committee on the Judiciary, where I first became acquainted with Chauncey. It was obvious to a new member of that committee that he was an excellent lawyer. Not only was he an excellent lawyer, but the approached all problems with a completely fair and judicious mind. He had what many judges lack, in my opinion; he was born with a judicial temperament. In other words, he approached a problem with an open mind and dealt with it on the basis of the logic of the facts. It so happened, also, that something over 2 years ago, Chauncey and I were in the hospital at the same time. My room was opposite his, and there for the first time I had the opportunity of meeting and visiting with his family. Chauncey was an exceedingly patient man. I never heard him complain about the action of any colleague. It has been said here that he was never intemperate in his remarks, and that is certainly true. He was a kindly disposed human being to all, and to everyone he extended the innate fairness that was his. Certainly in this very dark hour it must be a great matter of comfort to his wife and to his family to know that in the Congress of the United States it could be verily said that CHAUNCEY REED had no enemies. The Members were all his friends, and it could in fairness be said of him that he was a friend to every Member of Congress. Certainly the world will be something of a better place to live, and to me it has been a better place to live, in being associated with men like CHAUNCEY REED, who had the deeper seriousness of the responsibility of his office and at the same time the innate fairness of granting to everyone the right to differ in viewpoint as to the problems of the day.

To his family—Mrs. Reed and the children—Mrs. O'Hara and I extend our deepest sympathy.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Speaker, within my limited capacity, I, too, want to pay my humble respects to the memory of this great American and to say something by way of consolation to his grieved loved ones that may in some measure let them know the wide affection all of us from each corner of America felt for this great man. When I first came to the Congress 15 years ago I had an office assigned next to that of his, and I got to know this great American. Immediately I recognized him for the greatness that he possessed. He was exercised about great things, but he was never too busy to take time out for small things. He was never impatient with those of us of lesser learning or contemptuous of us of different political philosophies. He was truly a great American, and we shall miss him indeed. He believed fervently in the Constitution and he had a great knowledge of it. Few, indeed, have ever been in this body who had a greater knowledge of that great document. He believed in a government of laws and not of men, and he practiced it. He never willfully hurt anybody. His having been here will make this a better place for that reason, and his having left us will leave a void which will be difficult, Mr. Speaker, to fill. I just want to say that I personally shall miss him, like the great State which he represented, and the fine family which now grieves for him.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Speaker, I join with my colleague from Illinois and other Members of this great body in mourning the passing of CHAUNCEY REED, of Illinois. This body has lost a great Member. Illinois has lost a great son.

I think of those words:

> Greater love hath no man than this, than he who is willing to lay down his life for his friends.

CHAUNCEY REED was that type of man. I come from the southern part of Illinois and I have not enjoyed as close a relationship with Mr. REED as have some of the Members of the Chicago area. But my constituents and I know of the great work Mr. REED has done in this body. They have always respected him, knowing him to be a man of high caliber and a great statesman.

May I say to his wife and family that although the words that are uttered on this floor today may not ease their grief, or really comfort them, I would like them to know that each one extends his sympathy with the deepest of sincerity, and the great friendship and work of CHAUNCEY REED will be indelible in the hearts and minds of friends, colleagues, and citizens for time to come.

Mr. KEATING. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. MCCULLOCH] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, it was with great sorrow that the Members of the House heard the news of the passing of CHAUNCEY REED.

Those of us who knew and admired CHAUNCEY REED as a friend and colleague through the years of his service in the House of Representatives join in the expression of deepest sympathy to the members of his family in their bereavement.

He served his home district, the 14th of Illinois, faithfully and well. He brought his rich personal and legal experiences in West Chicago to bear on the intricate legislative problems which were his to consider. Both as a member and as chairman of the Committee on the Judiciary, he won the esteem and affection of all his associates. His achievement in bringing about improvement of the Federal bankruptcy laws was notable. His continuing interest and skill in the law made him a true lawyers lawyer.

CHAUNCEY REED'S devotion to principle and his untiring efforts were far beyond the common line of duty. He may be counted among those who served his country well. He will be sorely missed by those of us who were his friends.

Mr. KEATING. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HILLINGS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HILLINGS. Mr. Speaker, it was with deep sorrow that I learned of the passing of our esteemed colleague, CHAUNCEY REED. Those of us who served under him during his chairmanship of the Committee on the Judiciary in the 83d Congress and as ranking minority member of the committee in other Congresses, will remember him in days to come.

His service to his State and country was most outstanding. CHAUNCEY REED began public life as a city treasurer, later was elected State's attorney, and subsequently became a national figure because of his work with the Committee on the Judiciary.

I join my colleagues in the House of Representatives in paying tribute to a great American and extending my sympathy to his family.

Mr. KEATING. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. MEADER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEADER. Mr. Speaker, I wish to join my colleagues in their tribute to CHAUNCEY REED.

It was my privilege to serve under CHAUNCEY REED'S chairmanship on the Judiciary Committee in the 83d Congress. His equanimity and fairness in presiding over the committee sessions, which were turbulent at times, were a contribution to the work of a busy and important committee which it will be hard to replace.

CHAUNCEY REED had the attributes of a great lawyer. His calm and dispassionate analysis of a legal problem, his persistent determination to arrive at a fair solution and his ability to harmonize conflicting viewpoints were his outstanding qualities. He was not a firebrand and spoke infrequently. But, when he did speak, he inspired confidence that his views were the result of careful reflection and mature consideration.

CHAUNCEY REED'S bereaved ones should take comfort from the knowledge that in a critical period in our Nation's history he contributed much to the accomplishments of the Judiciary Committee and the House of Representatives and was a stanch fighter in the cause of good government.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I join with my colleagues in expressing my deep regret over the passing of our former colleague, CHAUNCEY W. REED. To his widow and children I extend my profound sympathy.

It was my privilege to know CHAUNCEY REED quite intimately and I have always been proud to claim him as a summer constituent. He and his famly spent the summer vacation months at Powers Lake in Kenosha County, which is within my congressional district. I know from information that has come to me that Chauncey did considerable electioneering in my behalf with the residents in that area, all of whom were greatly attached to him because of his kindly manner and sincerity.

Mr. Speaker, CHAUNCEY W. REED was indeed a soldier, patriot, and statesman. He, like many of us, lost no time in enlisting for service in World War I with the high objective of making the world safe for democracy. He served with distinction in that war as a member of that famous 86th Division. Upon his return to civilian life he helped to organize and was the first commander of the Naperville Post, No. 43, of the American Legion. On the national level he continued to serve with the Forty and Eight. Thus he helped to firmly establish the American Legion in his own community. While so engaged he was elected State's attorney in DuPage County as a Republican. He served the Illinois State Republican Committee for 8 years and was elected to the 74th Congress and each succeeding Congress since that time.

Mr. Speaker, those of us who served with CHAUNCEY W. REED know how consecrated he was to the responsibilities of that great committee, House Judiciary. We shall miss him from our ranks but we know that he has left his imprint upon this body.

Mr. Speaker, I have lost a personal friend who on many occasions has upon my request given me sound counsel and advice.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, very beautiful tributes have been paid today to CHAUNCEY REED. I would like to add a thought of interest and heart and the esteem in which he was held to what has already been said. I should like to mention one incident that typified CHAUNCEY REED'S greatness, to me, and showed so plainly the love of the people of Illinois and the workers all over the United States for Mr. REED.

I attended a meeting with him of a group of watch workers. CHAUNCEY REED had been trying to save the watch industry and to protect the workers. Their respect and their love for him was obviously very deep.

I can see CHAUNCEY REED, always strong in sickness and in health, always courageous when in pain, he had great physical as well as moral courage, always upright in stature and character like Abraham Lincoln, a true follower of God. Mr. Speaker, I mourn his passing with Illinois and his wonderful family and with my colleagues and with the Nation.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the life and the accomplishments of CHAUNCEY REED, at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, with all Members of the House, I deeply regret the untimely passing of CHAUNCEY REED. He was a man of splendid ability, of high character. He was really a man among men.

Mr. HOFFMAN of Illinois. Mr. Speaker, the news of the death of CHAUNCEY REED has brought grief to the many friends he had acquired in a lifetime which was marked by honorable public service.

In the State of Illinois, and particularly in the Chicagoland area, he occupied a position of prominence for many years. I am proud to say that my acquaintanceship with him has been one of long standing; through the years, my respect and affection for him have grown steadily.

When I came to Washington in 1949, as a Member of the 81st Congress, Chauncey greeted me with the cordiality and kindness which were so much a part of him. I knew that at any time I could call upon him for advice and assistance, and that it would always be forthcoming. I shall miss him very much, as will the many who have had the privilege of being associated with him over the years.

I should like to convey my deepest sympathy to Mrs. Reed and to their children in their great loss.

Mr. BOYLE. Mr. Speaker, I join my colleagues in mourning the death of my beloved friend from the State of Illinois, CHAUNCEY W. REED. His passing is a

singular loss to the House of Representatives, to the Judiciary Committee, to the Republican Party, and to me personally. As a fellow Congressman from Illinois and a fellow member of the Judiciary Committee, my association with him formed a friendship between us which I valued deeply.

On the day that I came to the Judiciary Committee, he said to me, "You will like this committee." And it was so. His service and his example helped make it so, for CHAUNCEY REED was highly respected and admired for his personal friendliness, lack of partisanship, and integrity. He was a tower of legal acumen, and represented a long and vast accumulation of empirical legal knowledge. CHAUNCEY REED was also a hard and conscientious worker. When I visited him at the Naval Hospital 2 weeks ago, his one and only concern was when he could get back; he kept talking about returning to do his part of the job.

For 21 years, the 14th Congressional District of Illinois was represented by an able and courageous legislator, who justified their selection through an unfailing devotion to duty.

It is very hard to accept the fact that CHAUNCEY REED is no longer with us in this Chamber. To his wife, his children, and his family, I extend my deepest and most heartfelt sympathy.

Mr. KLUCZYNSKI. Mr. Speaker, the untimely death of my dear friend, CHAUNCEY W. REED, was a tragic loss to all of us who knew and loved him.

He was a conscientious public servant, and his honesty and courage, his devotion to the principles for which he stood, endeared him to everyone. His character and kindly personality radiated warmth and affection wherever he went. I always shall cherish the memories of our fine associations and his true friendship.

The people of his district have not only lost a great statesman, they lost a genuine and a true friend.

To his widow and children, I wish to extend my sincere condolence and sympathy.

Mr. EBERHARTER. Mr. Speaker, I was deeply grieved when I learned of the passing of our friend and colleague CHAUNCEY W. REED. Chauncey, as we who knew him well addressed him, has left behind many, many friends who will not soon forget the important role he played in shaping the destiny of this body and therefore the history of the United States. He was a true gentleman with a keen intellect, always tolerate of other peoples' views. His courage in standing up for what he believed and his devotion to these principles never faltered during his 21 years of service in the House of Representatives.

When I visited him last Sunday at the Naval Medical Hospital in Bethesda, Md., he greeted me in the same affable, cheerful, and genial manner which has characterized him over the years and which has endeared him to so many hearts. CHAUNCEY REED set a fine example by his faith in God and man that is an inspiration to all of us who knew him.

I extend my most heartfelt sympathy in this sad hour to Mrs. Reed and their three children.

Mr. PRICE. Mr. Speaker, I join my colleagues from Illinois in paying tribute to the memory of CHAUNCEY REED.

I have known CHAUNCEY REED since the first day of his service in the House of Representatives. Although I was not a Member at that time, it was my good fortune to form a close association with him through frequent visits to his office and almost daily conversations on matters of interest to constituents in Illinois.

Every member of the Illinois delegation held CHAUNCEY REED in the highest esteem. All his colleagues in this House recognized his great ability as a statesman and saw in him sterling traits which made him a congressional leader.

In his long years of service in Congress he brought honor to himself and to his native State of Illinois.

An outstanding lawyer before he began his career in Congress, he sought assignment on the Judiciary Committee of the House and his legal knowledge and his judicial wisdom has been of invaluable aid to the committee and the House through the years.

With all his great contributions in Congress, our colleague still found time to maintain an active and important interest in activities of the American Legion and many civic organizations. His was a worthwhile and useful life, which left a good influence wherever he walked.

His fine family has my most sincere sympathy.

Mr. LANE. Mr. Speaker, our able colleague and cherished friend has been called to his heavenly reward.

Yesterday his spirit left us.

And there is an emptiness in our hearts.

For CHAUNCEY REED was every inch a gentleman; kind, considerate, and with the humble dignity befitting a representative of the people.

The cold words of biography reveal that he was a veteran, a lawyer, and one of the senior Members of the United States House of Representatives in consecutive service.

These facts do not do him justice.

From West Chicago, Ill., he came to Congress 22 years ago. At the time of his death he was ranking Republican on the House Judiciary Committee, and had previously served as chairman when his party controlled the House.

As chairman of Subcommittee No. 2 of the Judiciary Committee, of which CHAUNCEY REED was a member, I valued his fine legal mind and his judicial temperament.

Fair play was inbred in his character. Training and experience mellowed it with the precious wisdom that we shall miss.

The world goes on, in the belief that every good man can be replaced, when his time comes.

This is true only in a material sense.

To family, friends, and associates, there can never be a substitute for a man like CHAUNCEY REED. The qualities that attracted us to him will never be duplicated. They cannot be. There was only one CHAUNCEY REED.

We join with his survivors in bereavement.

Praying that his memory will help us to live up to his fine example for the rest of our days.

Mr. FEIGHAN. Mr. Speaker, the passing from our midst of our respected colleague, CHAUNCEY REED, brings sorrow to everyone who had the privilege to know him. Mr. REED lived a rich and useful life. Early in his distinguished career, he exhibited his interest in public service. His friends were legion. They were among his constituents, who repeatedly rewarded his efforts and showed their confidence and faith in his ability by consistently returning him to Congress as their able Representative since 1935. It has been my privilege for the past 13 years to serve as a member of the Committee on the Judiciary with Mr. REED, during two terms of which service my good friend, CHAUNCEY REED, was chairman. During those years, I had come to know Chauncey very well. His concern was for the welfare and security of our country, and his every action was dedicated toward those ends.

The passing of our dear friend is also a personal loss to me. Chauncey was a devoted husband and father. To Mrs. Reed and their children I extend my deepest sympathy.

Mr. MILLER of New York. Mr. Speaker, I would like to pay tribute to my former chairman, dear friend, and colleague, CHAUNCEY REED.

It was with deep sorrow and saddened heart that I learned the news of his passing. To have had the privilege of knowing and working with such a great chairman, able lawyer, true and devoted friend, and sagacious legislator is one of the pleasures I have received through being a Member of this great body.

Those of us who served with him on the Judiciary Committee respected his wisdom, sincerity, integrity, and conscientious devotion to the responsibilities and tasks that confronted us. CHAUNCEY REED'S untiring efforts and true and loyal dedication to principle rose far beyond the ordinary line of duty. His service to his district, State, and country was outstanding. I shall always cherish my friendship with such a distinguished American.

My heartfelt sympathy goes to Mrs. Reed and his family in their bereavement.

Mr. ROONEY. Mr. Speaker, it was with great sorrow that I learned of the passing of our respected and distinguished colleague, Hon. CHAUNCEY W. REED, who served here in the House of Representatives for over 21 years.

Chauncey represented the 14th Congressional District of Illinois with great honor and distinction. He was the ranking minority member of the great House Committee on the Judiciary at the time

of his death and had served as chairman of this committee during the 83d Congress. He rendered invaluable service as a member and chairman of this important committee and contributed greatly to the improvement of our judicial system, law enforcement, and the development of our laws.

Chauncey's friends on both sides of the aisle held him in high esteem and greatly admired him for his courage, ability, and devotion to his legislative work. I had a very deep respect and affection for him and feel that I have lost a dear friend. I shall miss him very much. Mrs. Reed, his daughter and sons have my deepest sympathy in their bereavement.

Mr. MASON. Mr. Speaker, the terms statesman, legislator, lawyer, and American are used in their finest senses when they are applied to our beloved colleague, CHAUNCEY REED, of Illinois. It is with great sorrow that we face the loss of one whom we have loved as a man and respected as a Member of this House. It is with a sad heart that I pay tribute to CHAUNCEY REED.

Ever since I came to Congress I have regarded him as a close, personal friend—perhaps the closest among my colleagues. He entered Congress 2 years before I did; and in the 20 years of our association here, there has never been a time when I could not rely upon his good judgment.

The deeper I am touched the more difficult it is for me to give expression to my feelings. I know of no better words to express what I presently feel than the words of the following poem that I have committed to memory. The poem expresses both sympathy for the loss of a dear one, and the hope of immortality and reunion.

There is no death! the stars go down
To rise upon some other shore,
And bright in heaven's jeweled crown
They shine forevermore.

There is no death! the dust we tread
Shall change beneath the summer showers
To golden grain, or mellow fruit,
Or rainbow tinted flowers.

There is no death! although we grieve
When beautiful familiar forms
That we have learned to love
Are torn from our embracing arms.

Although with bowed and breaking heart,
With sable garb and silent tread
We bear their senseless dust to earth,
And say that they are dead.

They are not dead! they have but passed
Beyond the mists that blind us here
Into the new and larger life
Of that serener sphere.

Tho' disenthralled and glorified,
They still are here and love us yet:
The dear ones they have left behind
They never can forget.

Mr. POFF. Mr. Speaker, one of the first helping hands extended to me when I came to Congress in 1953 was the firm, friendly hand of CHAUNCEY REED. Not in an attitude of noblesse oblige and not in the manner of an all-wise statesman to an uninitiated freshman Congressman, but in a true spirit of human brotherhood he offered to guide me along the tortuous and sometimes frightening path which the new Member of Congress must follow. From that first meeting until the last my respect, admiration, and love for him constantly increased. He was a man without moral fault and with many outstanding virtues. He was a man without an enemy and with many friends among his colleagues of the House. His passing leaves a void which cannot easily be filled in the ranks of the Committee on the Judiciary which he loved so dearly and indeed in the citizenship of this country which he served so faithfully.

Our hearts go out in warm affection and tender sympathy to the members of his family and that vast legion of friends who mourn his passing. For he was not alone a leader of men but a brother of men, a brother whose spirit of fraternal compassion touched the hearts of all who crossed his path. That compassion sprang from his deep and abiding reliance upon the Supreme Architect of the Universe, the well-head of all compassion.

Truly, he left footprints on the sands of time, footprints which all who aspire to serve the people might pridefully follow.

Mr. MACK of Illinois. Mr. Speaker, it was with great sorrow the Members of the House heard the sad news of the untimely passing of our beloved colleague CHAUNCEY REED. In his passing, the State of Illinois has lost a true statesman and we in this House have lost a treasured personal friend. His life should be an inspiration for others to emulate.

CHAUNCEY REED left his own monument. It is a dedicated Christian life founded on character, integrity, loyalty, and ability. It is a dedicated life of distinguished service to his constituents, to our great State of Illinois, and to all America. The State of Illinois and our country have lost a great man, but we are all better for having known him.

His friendliness penetrated rugged partisan barriers, especially in his legislative work with fellow Members, and radiated throughout this Chamber I treasured his friendship, advice, and counsel, and fond memories of CHAUNCEY REED will be inseparable from my service in the House of Representatives.

His loved ones should find solace in the fact that he left them a rich heritage of love and affection and devoted service to his country.

Mr. VELDE. Mr. Speaker, I was greatly shocked and highly grieved to learn of the passing of our colleague, CHAUNCEY W. REED. While we all had been advised during the last days of his illness that the black angel of death would soon come for him, nevertheless one is never quite prepared for the passing of a friend or loved one.

Having served in Congress with CHAUNCEY REED for more than 7 years, I can truthfully say that there is no other Member of this great body who was more respected by me. As a freshman Member of the House, I always considered CHAUNCEY REED as one of my finest tutors and friend. His legal ability, honesty, and integrity was always above question. His loyalty and patriotism to his country was exhibited through his fine work with the American Legion and other patriotic organizations. His deep religious feelings were exhibited by his work in Masonry and in the church. CHAUNCEY REED's death is a great loss to this body, to his country, to his friends, and to his family.

I wish to extend my heartfelt sympathy to his widow, his fine children, and all his close friends.

Mr. CHIPERFIELD. Mr. Speaker, it was with profound sorrow and the keenest sense of personal loss that I learned of the passing of our good friend and beloved colleague from Illinois, CHAUNCEY W. REED. As a Member of this body he lived up to its highest and best traditions in the performance of his duties; he had the mature wisdom of an understanding heart, a mind enriched with a knowledge of government and a full-rounded experience in legislative procedure. He guarded zealously the integrity and prerogatives of the Congress and the Committee on the Judiciary, which he served as chairman during the 83d Congress.

It was my good fortune to look to Chauncey for guidance when I was first elected. I came to admire him and respect him as a fine, patriotic, conscientious public servant, and a friend of all who knew him. He was unassuming in his manner but stood firm as a rock for the principles which he believed were for the betterment of our country.

Everyone takes pride in a man who thinks straight, says what he thinks, and votes the way he talks. Such a man was CHAUNCEY REED. He worked and voted for what he believed was right. He had unbounded courage to publicly state his convictions and stood steadfast by those convictions.

I join with my colleagues in extending my sympathy to his family. We will miss his human qualities which endeared him to us all.

Mr. CHELF. Mr. Speaker, with the passing of our dear friend and colleague, the Honorable CHAUNCEY REED, his great State of Illinois and America have lost a faithful, devoted, competent, industrious, and outstanding public servant. The death of CHAUNCEY REED is that of another loyal Representative of the people who has fallen in the line of duty on the battlefield of good government. He was a soldier in every sense of the word, because, notwithstanding intense pain and suffering, he kept at his post of duty, taking care of his great people to the very end. "Greater love hath no man than this—that he lay down his life for a friend." CHAUNCEY REED actually gave his life for his friends and his constituents. He would have lived longer had he not given so much of himself without proper rest—without taking the time out to relax and follow his doctors' advice. His great love for his people and his interest in their many problems kept him going when he knew in his heart that he was not physically able.

All of us who comprise this House know that we have lost not only a friend but an outstanding leader as well. Those of us who were privileged to be associated with him on the House Judiciary Committee shall long remember his wisdom and ability. We have all profited by our close association with this lovable, fearless, and tireless worker for the common good. The fruits of his labor shall stand out as an eloquent monument to his everlasting glory. The words of his mouth and the meditations of his heart were acceptable to the Master.

May God bless and keep his family always.

Mr. ALLEN of Illinois. Mr. Speaker, I offer a resolution (H. Res. 399).

The Clerk read the resolution, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. CHAUNCEY W. REED, a Representative from the State of Illinois.

Resolved, That a committee of 14 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The Chair appoints as members of the funeral committee the following Members on the part of the House: Mr. O'BRIEN of Illinois, Mr. DAWSON of Illinois, Mr. GORDON, Mr. HOFFMAN of Illinois, Mr. VELDE, Mr. YATES, Mrs. CHURCH, Mr. KLUCZYNSKI, Mr. SHEEHAN, Mr. O'HARA of Illinois, Mr. POFF, Mr. BOYLE, Mr. GRAY, and Mr. MURRAY of Illinois. The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 50 minutes p. m.), under previous order, the House adjourned until Tuesday, February 14, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1512. A letter from the Chairman, United States Advisory Commission on Educational Exchange, Department of State, transmitting the 15th Semiannual Report of the United States Advisory Commission on Educational Exchange for the period July 1 to December 31, 1955, pursuant to section 603 of Public Law 402, 80th Congress (H. Doc. No. 335); to the Committee on Foreign Affairs and ordered to be printed.

1513. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to amend the Career Compensation Act of 1949 to include natural children of the spouse of a member in the definition of 'children' "; to the Committee on Armed Services.

1514. A letter from the Acting Attorney General, transmitting the second of the reports required by section 208 (e) of the Defense Production Act of 1950, as amended by Public Law 295, 84th Congress, pursuant to section 708 (e) of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

1515. A letter from the Secretary of the Treasury, transmitting a copy of the report to the President of the Interdepartmental Committee on Narcotics showing the result of a survey of narcotic conditions in the United States with respect to the distribution and use of narcotic drugs; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. House Joint Resolution 518. Joint resolution relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas; with amendment (Rept. No. 1761). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. House Joint Resolution 521. Joint resolution relating to Maryland tobacco acreage allotments and marketing quotas; without amendment (Rept. No. 1762). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. House Joint Resolution 455. Joint resolution relating to burley tobacco acreage allotments and marketing quotas; without amendment (Rept. No. 1763). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 7723. A bill to authorize the Secretary of Agriculture to convey certain lands in Phelps County, Mo., to the Chamber of Commerce of Rolla, Mo.; without amendment (Rept. No. 1760). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H. R. 9239. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARRIGG:

H. R. 9240. A bill to correct an inequity resulting from the setting of the effective date of Public Law 68 of the 84th Congress; to the Committee on Post Office and Civil Service.

By Mr. FINO:

H. R. 9241. A bill to extend benefits under the Federal Employees' Compensation Act to persons injured while engaged in civil-defense activities during World War II; to the Committee on Education and Labor.

By Mr. LANE:

H. R. 9242. A bill to amend the Immigration and Nationality Act, to regulate judicial review of deportation and exclusion orders, and for other purposes; to the Committee on the Judiciary.

H.R. 9243. A bill to authorize the admission to the United States of certain aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 9244. A bill to revise the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. SHEPPARD:

H. R. 9245. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON:

H. R. 9246. A bill to amend the Armed Forces Leave Act of 1946 by authorizing payments to survivors of former members for unused leave credit; to the Committee on Armed Services.

By Mr. RHODES of Pennsylvania:

H. J. Res. 530. Joint resolution to establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs; to the Committee on Rules.

EXTENSIONS OF REMARKS

Enforcement of Antitrust Laws

EXTENSION OF REMARKS
OF
HON. JAMES E. MURRAY
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Friday, February 10, 1956

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by Mr. George J. Burger, vice president, National Federation of Independent Business.

I have observed with considerable interest, as many of my colleagues must also have noted, the splendid action of this small business organization over the years to protect small business and the free-enterprise system by making as their principal objective all-out, vigorous enforcement of the antitrust laws.

The statement relates to a serious situation caused by the attempt of the big rubber manufacturers and the major oil companies to monopolize the distribution of tires, batteries, and accessories. It is an alarming situation, and arouses my interest in view of the fact that during my chairmanship of the Senate Small Business Committee, one of the first major actions of the committee in 1942 was to study the small business problems of the tire and rubber manufacturers and retailers. The complete report is embodied in Senate Committee Print No. 3, 77th Congress, 1st session, and I read from the report:

Despite the fact that the major petroleum marketers proclaim their stations are largely

operated by independent businessmen, it is not difficult to discover that so far as having the right to select a brand of tires is concerned, this independence is in reality nonexistent.

This was in 1942, Mr. President, and here some 14 years later the Federal Trade Commission issues a report which discloses, in substance, a $12 million override of $147 million in tire, battery, and accessory sales through 74,000 gasoline service stations, by Firestone with Shell, Texas, and Atlantic; by Goodyear with Shell and Atlantic; and by Goodrich with Texas. This all happened within a 2-year period, and I am just wondering what happened in the preceding years. In other words, it is self-evident that independence of free enterprise ceased to exist due to these combines.

There is pending before the Congress a bill I have repeatedly introduced, which would break once and for all time the hold by big rubber and oil interests established in an effort to monopolize that industry, and I am referring to my bill, S. 50. I shall urge the Senate Committee on Interstate and Foreign Commerce to start hearings at the earliest possible moment.

I have also been advised that the National Federation of Independent Business has recently polled its nationwide membership, comprising approximately 100,000 independent business and professional men—all individual voting members—and the poll discloses: 56 percent for S. 50, 37 percent against, 7 percent no vote.

It is because of the conditions I have related that I believe it is important for my colleagues and all readers of the CONGRESSIONAL RECORD to note that my remarks are confirmed by the nationwide small business organization whose statement I have asked to have printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Montana?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The action of the Federal Trade Commission, now headed by the Honorable John W. Gwynne, in its findings as to alleged violations of the antitrust laws by three rubber and three oil companies—Goodrich-Texas, Goodyear-Atlantic Refining, and Shell-Firestone—to attempt to monopolize retail tire distribution was hailed today by George J. Burger, vice president, National Federation of Independent Business, as the "removal of a major roadblock from the path of small business after a 15-year-old exposé made by the Senate Small Business Committee in its report to the 77th Congress, 1st session, 1941."

The committee at that time came to its conclusions after a national survey was made of the small business problems of the tire and rubber manufacturers and retailers which discloses there was no real free enterprise due to the ties existing between major oil and major rubber companies.

"The big question in the minds of independent business," Burger added, "was what was the contributing cause for the delaying action these past 15 years in coming to definite findings?" And, he further states that the recent actions of the Small Business Committees of the Congress in exploring the operations of the Federal Trade Commission in its enforcement of the antitrust laws were long overdue, and it is apparent that the present leadership recognizes this and now is taking more aggressive action in the enforcement of the laws.

Burger concluded: "Small business in all lines of industry will now watch with considerable interest that this case receives top priority over any and all other actions of the Federal Trade Commission to follow through."

Demagoguery

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, February 10, 1956

Mr. HOFFMAN of Michigan. Mr. Speaker, under date of February 7, 1956, the Democratic State central committee, controlled by the UAW-CIO, sent out a letter stating that it intends to defeat the six Michigan Republican Congressmen—and I am one of them—who voted for the gas bill.

The letter charges that those who voted against the bill "sold out the people back home," undoubtedly meaning those who purchase gas. It asks whether the six accepted or intended to accept campaign contributions from the oil and gas interests.

Those who voted for the bill did not directly or indirectly sell out anyone nor will their action in any way contribute to an increase in the price of gas as used by the consumer.

The transportation of gas from the well to the consumer is now regulated by the Federal Government. The price paid by the consumer is regulated in Michigan by the State Public Service Commission.

There is no more reason why the Federal Government should control the production of gas at the well than there is that it should control the making, sale, and transportation of automobiles.

Always I have voted against an extension of the power of the Federal Government, against measures designed to limit the rights of the people or of the States.

In answer to the CIO's Democratic State central committee's inquiry as to whether I accepted or intended to accept contributions from the oil and gas interests, my answer—as the CIO well knows—is that I never have and I never expect to get any.

No part of the $1,035,958 spent in 1954 by labor organizations in political activities came to me. Nor was a dollar of the $272,714 political fund of the UAW-CIO-PAC spent in my behalf.

The sworn statement of the CIO on file with the Clerk of the House shows that over the years the CIO has, as it did last year, made political contributions to my political opponent. Undoubtedly, the reason was that they expected he would be their "rubber stamp," their "yes man," vote for their legislative program here in Washington.

The current press carries the statement that the political bigwigs of the AFL-CIO, meeting at Miami Beach, are contemplating spending some $2 million to defeat Congressmen who do not bow to their will. Looks as though the labor bosses, with their campaign millions, have congressional candidates who will not kiss the collective labor "foot," over a barrel.

Apparently, the CIO intends to continue to use funds paid in by its members—even though they are Republicans—to support its hand-picked candidates running under a Democratic label. This money, according to the union announcement, comes "from two sources, voluntary contributions from union members and from union treasuries."

SENATE

TUESDAY, FEBRUARY 14, 1956

Dr. Lawrence D. Folkemer, of the Lutheran Church of the Reformation, Washington, D. C., offered the following prayer:

Almighty God, we begin this session in prayer to Thee, for Thou art the source of all wisdom, human and divine. Without Thee we can do nothing holy, nothing righteous, and nothing lasting; yet with Thee all good things are possible.

As Thou in Thy providence didst lead our forefathers to this land wherein they found refuge from oppression and freedom to worship Thee: we beseech Thee ever to guide our Nation in the way of Thy truth and peace, so that we may never fail in the blessing which Thou hast promised to that people whose God is the Lord.

Enlighten and uphold the President and all the Members of the Congress. Grant them understanding and guidance, that under their peaceable governance, Thy people may be guarded and directed into righteousness, quietness and unity. Help us, O God, to be a nation under Thee, a nation strong in faith, in principle, and in passionate desire to minister to the well-being of all peoples and to lead the world into peace.

Hear us, O Lord, in these our earnest petitions, for we ask them in Thy holy name. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 10, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the

nomination of Douglas Maxwell Moffat, of New York, to be Ambassador Extraordinary and Plenipotentiary to Australia, and withdrawing the nominations of Emory D. Estes, Jr., to be postmaster at Hawkins, Tex., and Henry Vance Raab, to be postmaster at Horsham, Pa., which nominating message was referred to the Committee on Foreign Relations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

On request of Mr. NEELY, and by unanimous consent, the Committee on the District of Columbia was authorized to meet during the sessions of the Senate today and tomorrow.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, since the Senate meets today following an adjournment there will be, of course, the usual morning hour. I ask unanimous consent that any statement made in connection with the transaction of the routine morning business be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AUTHORITY FOR REASSIGNMENT OF CERTAIN NAVAL OFFICERS

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to provide authority for the reassignment of officers of the naval service restricted in the performance of duty to an unrestricted duty status, and for other purposes (with accompanying papers); to the Committee on Armed Services.

REPORT OF ATTORNEY GENERAL

A letter from the Acting Attorney General, transmitting, pursuant to law, a report of the Attorney General, relating to a survey conducted by the Department of Justice of the rapid tax amortization program as applied to the petroleum industry, and the present status of voluntary agreements and programs under the Defense Production Act (with an accompanying report); to the Committee on Banking and Currency.

REPORT ENTITLED "SOVIET DETERRENTS TO INCREASED FOREIGN TRADE"

A letter from the Deputy Director, Mutual Defense Assistance Control, International Cooperation Administration, Washington, D. C., transmitting, pursuant to law, the seventh Battle Act report to Congress entitled "Soviet Deterrents to Increased Foreign Trade," for the first half of the year 1955 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON FOREIGN SURPLUS PROPERTY DISPOSAL

A letter from the Secretary of Commerce, reporting, pursuant to law, on foreign surplus property disposal, for the year 1955; to the Committee on Government Operations.

DISPOSITION OF UNITED STATES CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

A letter from the Secretary of State, transmitting, pursuant to law, a report of United States contributions to international organizations, for the fiscal year 1955 (with accompanying papers); to the Committee on Foreign Relations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION

A letter from the Assistant Secretary of the Interior, certifying, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Meeker-Driftwood unit, Frenchman-Cambridge division, Missouri River Basin project, Nebraska, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation; to the Committee on Interior and Insular Affairs.

CONCESSION PERMITS IN CERTAIN NATIONAL PARKS

Three letters from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of proposed concession permits in Kings Mountain National Military Park, S. C., Great Smoky Mountains National Park, Tenn., and Sequoia and Kings Canyon National Parks, Calif. (with accompanying papers), to the Committee on Interior and Insular Affairs.

NATIONAL VOLUNTARY SERVICE WEEK

A letter from the Administrator, Veterans' Administration, Washington, D. C., transmitting a draft of proposed legislation authorizing and requesting the President of the United States to proclaim the week of April 15, 1956, as National Voluntary Service Week (with accompanying papers); to the Committee on the Judiciary.

ADVANCEMENT OF SCIENTIFIC AND PROFESSIONAL RESEARCH AND DEVELOPMENT PROGRAM, DEPARTMENT OF DEFENSE

A letter from the Chairman, United States Civil Service Commission, transmitting a draft of proposed legislation to promote the interests of national defense through the advancement of the scientific and professional research and development program of the Department of Defense, to improve the management and administration of the activities of such department, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the city council of the city of Cincinnati, Ohio, favoring an accelerated program for the improvement of the interstate highway system; to the Committee on Public Works.

A resolution adopted by the board of directors of the Tulare Lake Basin Water Storage District, Hanford, Calif., favoring the enactment of legislation to provide funds for flood control on Kaweah and Tule Rivers, Calif.; to the Committee on Appropriations.

The petition of Ruth Gomez, of Los Angeles, Calif., praying for the enactment of the Social Security Act Amendments of 1956, relating to a reduction of the age of women from 65 to 62 years, for receiving benefits of retirement; to the Committee on Finance.

A resolution adopted by Our Lady of Fatima general assembly fourth degree (patriotic), Knights of Columbus, Suffolk County, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treatymaking power; to the Committee on the Judiciary.

A resolution adopted by Farm Bureau Advisory Council, No. 41, Blanchester, Ohio, relating to Presidential succession, and so forth; to the Committee on the Judiciary.

PLACING OF VIRGIN ISLANDS ON A MORE FAVORABLE BASIS IN REGARD TO PUBLIC ASSISTANCE PROGRAM

The PRESIDENT pro tempore laid before the Senate bill No. 168 of the First Legislature of the Virgin Islands of the United States, first special session 1956, relating to the placing of the Virgin Islands on a more favorable basis in regard to the public assistance program of the Federal Social Security Act, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolution to petition the Congress of the United States to place the Virgin Islands on a more favorable basis with the States of the United States in regard to the public assistance program of the Federal Social Security Act

Whereas in 1950 the Congress of the United States, with the laudable purpose of participating with the Virgin Islands government in a program for relieving want and suffering among needy persons in the islands, extended to the Virgin Islands the public assistance portion of the Federal Social Security Act, but included certain special and unfavorable provisions and limitations applying to such Federal participation in the Virgin Islands program; and

Whereas during the 6 years the Federal program has been in operation in the islands, the Virgin Islands government has substantially increased its own effort to help its needy citizens, more than doubling its own appropriations for the purpose during this period (increasing the Virgin Islands own expenditures for the program from $117,000 in the fiscal year 1949–50 to $250,000 authorized for the fiscal year 1955–56); and

Whereas despite the increased Virgin Islands effort, and despite the fact that Virgin Islands recipient rates are lower than the national averages, the unfavorable provisions which now govern Federal participation in the public assistance program of the Virgin Islands have kept assistance standards at deplorable levels (with food allowances averaging 13 cents a meal for an adult and 9 cents per meal for a child of 12 years) and have worked great hardship upon the needy of these islands; and

Whereas the Virgin Islands government has developed, with the Federal aid available in the past 6 years, a program of assistance which is soundly based on policies reviewed and approved by the United States Department of Health, Education, and Welfare, which is conservatively administered by personnel of long experience and sound training, and which is closely and continuously supervised by the aforesaid United States agency and has been evaluated thereby as sound and satisfactory; and

Whereas in the old-age and survivors insurance program, tax rates as well as benefits in the Virgin Islands are identical with those in the rest of the Nation; and in all other grant-in-aid programs the conditions applying to Federal participation in the Virgin Islands programs are the same as for other jurisdictions; and

Whereas the accompanying document entitled "Representations of the Virgin Islands Regarding Amendments Needed to the Provisions of the Federal Public Assistance Program Affecting the Virgin Islands" sets forth those special and unfavorable provisions of the United States law as it applies to the Virgin Islands which cause hardship

to the people and government of these Virgin Islands: Now, therefore, be it

Resolved, and it is hereby resolved, That the legislature of the Virgin Islands does hereby petition the Congress of the United States to:

(a) Remove the overall maximum of $160,000 now imposed upon annual Federal participation in the Virgin Islands program, which is an arbitrary limitation of a type that does not apply in the rest of the Nation, and which is less than the Federal matching being earned by the Virgin Islands this year even on the unfavorable matching formula now in effect for the Virgin Islands.

(b) Include Federal matching for assistance to the needy parent or other relative caring for needy children in the Virgin Islands, as is provided for parents caring for children in the States and other Territories.

(c) Revise the formula for Federal matching of Virgin Islands assistance payments to the same basis as, or to one that compares favorably with, that afforded other jurisdictions of the United States. To this end, attention is called to the recommendations of the subcommittee of the Ways and Means Committee of the United States House of Representatives which visited our islands in 1949, studied our program and problems, and made well-considered proposals in regard to revision of our matching formula.

Thus passed by the legislature of the Virgin Islands on January 27, 1956.

Witness our hands and the seal of the legislature of the Virgin Islands this 27th day of January, A. D., 1956.

WALTER I. M. HODGE,
President.
JORGE RODRIGUEZ,
Legislative Secretary.

FUNDS FOR AGRICULTURAL RESEARCH SERVICE IN NORTH DAKOTA—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the board of directors of the Garrison Diversion Conservancy District, at Fargo, N. Dak., relating to funds for agricultural research service in North Dakota.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

RESOLUTION ON RESEARCH FUNDS FOR AGRICULTURAL RESEARCH SERVICE IN NORTH DAKOTA ADOPTED BY BOARD OF DIRECTORS OF GARRISON DIVERSION CONSERVANCY DISTRICT, NORTH DAKOTA, JANUARY 12, 1956

Whereas the United States Bureau of Reclamation is investigating the Garrison Diversion project under which it is proposed to irrigate over 2 million acres of land in at least 22 counties and provide water for other beneficial use; and

Whereas the Congress of the United States in 1955 authorized the establishment of the Sheyenne development farm in North Dakota by the Bureau of Reclamation and appropriated funds for its establishment and operation; and

Whereas in connection with the operations of the other two existing development farms in North Dakota a program of agricultural research is being conducted by the Agricultural Research Service of the United States Department of Agriculture; and

Whereas no provision has been made in the United States Department of Agriculture for the establishment of such a research program on the Sheyenne development farm; and

Whereas the Sheyenne development farm will provide a means to demonstrate irrigation in a new area in the Garrison Diversion project where, heretofore, no such provision existed; and

Whereas it is highly desirable that an agricultural research program be inaugurated in connection with the operation of the Sheyenne development farm that will provide basic and essential data relative to irrigated agriculture in that area: Now, therefore, be it

Resolved by the board of directors of the Garrison Diversion Conservancy District at a regular meeting at Fargo, N. Dak., on January 12, 1956, That the Congress of the United States be urged to supplement the United States Department of Agriculture appropriation insofar as it pertains to the Agricultural Research Service in North Dakota to the extent that adequate funds would be available to that agency for the establishment and operation of agricultural research program in connection with the Sheyenne development farm; be it further

Resolved, That copies of this resolution be sent to the members of the congressional delegation from North Dakota, the Chairman of the Committee on Appropriations for the United States House of Representatives and the United States Senate, the Secretary of Agriculture, the Director of the Bureau of the Budget, and the Administrator for the Agricultural Research Service, United States Department of Agriculture.

REIMBURSEMENT FOR COST OF RELOCATION OF UTILITY FACILITIES—RESOLUTION

Mr. THYE. Mr. President, the Minnesota Railroad and Warehouse Commission has recently adopted a resolution recommending that utility companies be reimbursed for the net cost of relocation of their facilities in connection with Federal highway projects.

I ask unanimous consent to place the text of this resolution in the CONGRESSIONAL RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas Federal highway aid projects are carried on and largely financed by the Federal Government in the interests of Interstate Commerce and National Defense and are accordingly supported by general taxation of all citizens; and

Whereas such highway projects frequently require the relocation of utility facilities so as to permit the widening, straightening, and regrading of highways, as well as the construction of grade separations and multiple lanes to meet present day needs of automotive traffic; and

Whereas H. R. 8836, introduced by Representative GEORGE H. FALLON, would increase expenditures for Federal aid for primary and secondary roads from $700 million annually to $775 million annually over the next 3 years, and would in addition authorize the appropriation of Federal funds averaging more than $2 billion annually for the fiscal years beginning 1957 and ending 1969; and

Whereas there are 284 telephone companies operating exchanges and 1600 farmer line companies in the State of Minnesota, practically all of which are small family-owned or mutual companies operating in rural areas with limited capital funds and small margins of net income; and

Whereas the cost of relocating such utility facilities must be considered in the establishment of rates and charges, which costs will increase substantially with expansion of Federal Highway Development, thereby placing unreasonable burdens on the customers of said utility companies; and

Whereas the Federal Highway Act presently authorizes payment of Federal funds to cover the cost of relocating railroad facilities involved in railroad grade crossing elimination projects; and

Whereas it is the belief of this Commission that costs of relocating utility facilities should be considered a part of the cost of the highway improvement and borne by the general taxpayers, and that utility companies should be afforded the same relief given to railroads under existing law rather than placing the cost burden on utility users unfortunate enough to be in the direct path of highway improvement projects: Now, therefore, be it

Resolved, That the Minnesota Railroad and Warehouse Commission recommends that Congress, in the adoption of Federal aid highway legislation, provide that utility companies be reimbursed for the net cost of relocation of their facilities; and be it further

Resolved, That copies of this resolution be sent to each United States Senator and Representative from the State of Minnesota, and to Representative FALLON.

MINNESOTA RAILROAD AND WAREHOUSE COMMISSION,
PAUL A. RASMUSSEN,
Chairman.
HJALMAR PETERSEN,
Commissioner.
E. W. LUND,
Commissioner.

GYPSY MOTH ERADICATION; ELIMINATION OF FEDERAL TAX ON GASOLINE USED ON THE FARM—RESOLUTIONS

Mr. THYE. Mr. President, the Minnesota Agricultural Laws Study Commission has recently adopted two resolutions which I ask unanimous consent to have incorporated in the CONGRESSIONAL RECORD. One of the resolutions deals with the eradication of the gypsy moth which has become a serious problem. It is my hope that Congress will approve adequate funds for a program of eradication of this potentially dangerous insect.

The other resolution deals with the question of eliminating the Federal tax on gasoline used on the farm. There is such general support of this proposal that I do not believe I need comment on it other than to say that I hope for early Congressional action.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

AGRICULTURAL LAWS STUDY INTERIM COMMISSION OF THE LEGISLATURE OF THE STATE OF MINNESOTA

Resolution memorializing the Minnesota Members of the United States Congress to do all in their power to provide for an adequate federal appropriation to be used in the eradication of the gypsy moth

Whereas the gypsy moth (Porthetria dispar), since its introduction into the United States during the 19th century has spread from the New England States into the State of Michigan; and

Whereas the continued invasion of this insect presently is threatening the North Central States of Minnesota and Wisconsin and if not adequately attacked with insecticides will continue on its destructive path to the Western States; and

Whereas the gypsy moth is a ravenous destroyed of mixed forests and orchards, concentrating but not limited to apple and oak trees; and

Whereas timely control measures can prevent the wholesale destruction of forests and orchards which require many years of care and cultivation and which represent a greater expenditure of time and money than would appropriate opportune control measures; and

Whereas the Federal Government has in the past made appropriations to curtail the spread of this insect and to reduce the costly damages which it causes: Now, therefore, be it

Resolved by the Agricultural Laws Study Interim Commission of the Legislature of the State of Minnesota, That the Minnesota Members of the Congress of the United States be requested to do all in their power to provide for the appropriation of $1,500,000 to be used in the eradication of the gypsy moth; be it further

Resolved, That copies of this resolution be sent to the President of the United States and the Secretary of Agriculture.

Approved January 17, 1956.

ALVIN O. HOFSTAD,
Chairman.
MILAN BONNIWELL,
Secretary.

Resolution memorializing the Minnesota Members of the United States Congress to promote the abolishment of the Federal tax on gasoline used by farmers in the operation of farm equipment off-the-highway system

Whereas the continuing upward trend in farm operating costs and the downward trend in farm prices threatens acute distress to farmers throughout the United States; and

Whereas the farmer has greatly increased the amount of farm equipment so as to produce more efficiently and to continually increase his standard of living; and

Whereas the operation of farm equipment requires the use of increasingly large quantities of gasoline, and a great proportion of such gasoline used by farmers is consumed solely on the farm without travel on the highways; and

Whereas the Federal gasoline tax requires that farmers pay 2 cents on every gallon of gasoline used in the operation of farm equipment off the highway; and

Whereas the President of the United States has proposed the removal of the 2-cent Federal tax on gasoline used by farmers off the highway: Now, therefore, be it

Resolved by the Agricultural Laws Study Interim Commission of the Legislature of the State of Minnesota, That the Minnesota Members of the Congress of the United States be requested to do all in their power to promote the passage of legislation which will repeal the Federal gasoline tax on gasoline used by the farmer off-the-highway system; be it further

Resolved, That copies of the resolution be sent to the President of the United States and the Secretary of Agriculture.

Approved January 17, 1956.

ALVIN O. HOFSTAD,
Chairman.
MILAN BONNIWELL,
Secretary.

RESOLUTIONS BY RED RIVER VALLEY FARMERS ON THE AGRICULTURAL PROGRAM

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a series of resolutions recently adopted by a group of farmers in the Red River Valley, at Halstad, Minn.

Mr. LANGER. Mr. President, reserving the right to object, I ask the Senator from Minnesota if the meeting at Halstad was held last week.

Mr. THYE. Yes. The Senator from North Dakota is holding in his hand the same newspaper article I have on my desk, and the same series of resolutions which I have just asked unanimous consent to have printed in the RECORD.

Mr. LANGER. At that meeting the farmers of Traill County, N. Dak., met with farmers from Minnesota.

Mr. THYE. The Senator is correct. The Senator from North Dakota and I represent producer groups on our respective sides of the Red River Valley. There is a section of the Red River Valley in North Dakota and a section of the Red River Valley in Minnesota. Halstad lies close to the border. The Senator from North Dakota holds in his hand the same resolutions and article to which I have referred.

Mr. LANGER. Mr. President, I join my distinguished colleague in offering these resolutions for printing in the RECORD.

Mr. THYE. I am delighted to have the Senator join me, because we join in representing the Red River Valley producer groups.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

1. Resolution for full parity

Whereas the economic position of the Red River Valley farmers is in jeopardy as a result of continuously falling farm prices and increasing farm costs; and

Whereas the Department of Agriculture is predicting even further price declines and increased costs in 1956; and

Whereas the sliding scale of farm-price supports holds no promise of correcting the situation; and

Whereas that the so-called modern parity formula will tend to lower parity prices on most basic crops: Be it therefore

Resolved, That we the farmers and businessmen assembled here at Halstad, Minn., demand support prices be restored to parity on all basic crops and that the so-called modern parity formula be discarded; be it further

Resolved, That the Secretary of Agriculture enforce commodity unit allotments to limit production to needs plus a reasonable reserve.

2. Resolution for Soil Bank Act

Be it resolved, That soil-bank plan as proposed in the present Congress gives no promise of fair prices, and must not be accepted as of any help as to prices but only as a long-term conservation measure.

3. Resolution for imports

Whereas imports of grains, livestock, and sugar have been detrimental to the American farmer and the entire Nation; and

Whereas imports of these commodities have been shipped to our country at a pace that has meant lower and lower prices on what we sell: Be it therefore

Resolved, That this assembled group of farmers go on record in opposition to any importation of farm products that are being produced in surplus in the United States.

4. Resolution for Sugar Act

Since the domestic beet-sugar industry is permitted to market under present laws only 22 percent or 1,800,000 tons in any one calendar year compared with the current consumption of 8,350,000 tons this forum recommends as follows:

A. An immediate basic quarter increase of 85,000 tons for domestic beet areas.

B. Whereas the domestic sugar industry would receive a 55-percent share of future growth or consumption above the base figure of 8,300,000 tons.

C. That the present act be extended to include the above amendments 6 years to December 31, 1962.

5. Resolution for the subsidy of livestock

Be it resolved, That the United States Department of Agriculture be instructed to take immediate action to stimulate livestock prices by aiding American farmers, and not to the processors as is being done at the present time.

6. Resolution for expanded school lunch

Whereas the health of our young people of these great United States should be of paramount concern; and

Whereas the surpluses of our country merit the consideration of a stamp plan to get surplus commodities into the hands of the needy underprivileged and tax-supported institutions, such as mental hospitals, schools for the blind, and the like: Now, therefore, be it

Resolved, That we urge immediate adoption of a stamp plan for channeling part of our surplus commodities into the hands of our school-lunch program, to the needy, aged, and underprivileged.

7. Resolution for Federal support

We recommend a $25,000 ceiling on the amount of Federal support any one farmer might get for any crops.

RESOLUTIONS OF KANSAS WATERSHEDS ASSOCIATION

Mr. CARLSON. Mr. President, I have received a copy of the resolutions adopted by the Kansas Watersheds Association at its annual meeting on January 27.

The Kansas Watersheds Association has been most active in promoting and developing a program of control of water run-off at its source and an improved soil conservation program.

Our State is one of the first States in the Union to commence projects under the Hope-Aiken Watershed Act and we are now receiving the benefits from this program in some areas.

These projects were truly pilot projects and the resolutions adopted by the Kansas Watersheds Association state that the present administrative interpretations of the Hope-Aiken Watershed Act are seriously impeding the watershed program. I would call this to the attention of the Department of Agriculture and sincerely hope that any adjustments that are necessary from the administrative standpoint may be made immediately.

The other recommendations in the resolutions are of equal concern to those in our State who are interested in the program of water and soil conservation.

I present the resolutions, and ask unanimous consent that they be printed in the RECORD, and referred to the Committee on Agriculture and Forestry for consideration.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Resolution 1

Whereas the current ACP program is providing an increased incentive to the farmer for participation in soil conservation; and whereas we believe that this new program will result in a greatly increased ACP program;

therefore we recommend that the limit of ACP payments to an individual farmer be increased from $1,500 to $5,000 and that pooling agreement payments be increased accordingly.

Resolution 2

Whereas we believe that there will be a great increase in soil conservation and watershed programs; therefore we recommend substantial increase in Federal ACP watershed and SCS appropriations.

Resolution 3

Whereas we believe the present administrative interpretations of the Hope-Aiken Watershed Act is seriously impeding the watershed program, therefore we recommend that such administrative rulings be modified to provide for greater consideration of the farmers on the land work in any cost-sharing formula.

Resolution 4

Whereas there has been proposed the establishment of a National Land and/or Soil Conservation Bank; and whereas we believe that a National Water Conservation Bank is equally essential to national prosperity and should not be considered separately; therefore we recommend that water conservation and storage be established as an integral part of any National Soil Bank plan.

Resolution 5

Whereas certain projects were for flood control recommended by the Corps of Engineers before their construction and whereas these projects were constructed for the purpose of flood control and whereas irrigating districts below such projects have proven impractical we therefore object to the $80,000 appropriation recommended in the President's budget for study of the possibility of an irrigation project below the Kanopolis Dam and Reservoir.

MILITARY STATUS FOR PUBLIC HEALTH SERVICE—RESOLUTION

Mr. CARLSON. Mr. President, I have received from Dr. Thomas R. Hood, executive secretary of the Kansas State Board of Health, copy of a resolution adopted by the Association of State and Territorial Health Officers at its last annual meeting.

This resolution urges that legislation be enacted by Congress to authorize the President in times of national emergency to declare the Commissioned Corps of the Public Health Service to be a military service, with accompanying benefits.

In Kansas we have an outstanding State health program and I urge that the Senate give consideration to the resolution sent to me by Dr. Thomas R. Hood, the executive secretary.

I present the resolution, and ask unanimous consent that it be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Resolution 3

Resolution in support of military status for Public Health Service

Whereas the Public Health Service has been a commissioned service of the United States Government over a period of many years and, by act of the President of the United States, was given military status during World War II but reverted from military status to nonmilitary status on July 4, 1952; and

Whereas the Commissioned Corps of the Service has engaged and continues to engage in national defense activities including the provision of medical services to the Coast Guard and the staffing of both foreign and domestic posts on the same basis as the Armed Forces; and

Whereas responsibilities for defense preparations have been appreciably extended by virtue of the delegations made on July 14, 1954, by the Federal Civil Defense Administrator to the Department of Health, Education, and Welfare and subsequently by the Secretary of the Department of Health, Education, and Welfare to the Public Health Service, such responsibilities including: (a) the control of biological and chemical warfare, (b) the development of a mobile inactive reserve corps for the relief of areas subjected to enemy attack, and (c) the development of plans and the coordination of all essential health services to be provided through State and local health authorities for (1) reducing vulnerability to attack, (2) minimizing the effect of attack, and (3) rapidly reestablishing service essential to the safety and well-being of the Nation; and

Whereas in addition to its ordinary responsibilities the Public Health Service, within recent years, has been called on to greatly expand its activities by the development and staffing of the National Institutes of Health, the increased staffing requirements as a result of the transfer of the Indian health program which includes 58 Indian hospitals, the promotion of world health through international health organizations including the World Health Organization and the Pan-American Sanitary Bureau; and

Whereas these greatly increased activities of the Public Health Service have created an emergency with respect to the recruitment of needed qualified personnel, including both physicians and nurses, to meet the responsibilities of the Public Health Service: Be it therefore

Resolved, That the Association of State and Territorial Health Officers strongly recommend that legislation be enacted by the Congress to authorize the President in times of national emergency to declare the Commissioned Corps of the Public Health Service to be a military service with accompanying benefits; it is further

Resolved, That the association strongly recommend that legislation be enacted to provide reserve training and retirement credits comparable to those of the military forces thereby strengthening the ability of the Public Health Service to maintain its existing personnel and recruit additional personnel to meet its expanded responsibilities; and be it further

Resolved, That the Association of State and Territorial Health Officers recommend this action through the proper executive and legislative channels of the Federal Government and, in addition, direct the secretary of this association to forward a copy of this resolution for distribution by the health officer of each State or Territory to all representatives in Congress from his State.

EXECUTIVE REPORTS OF A COMMITTEE

The PRESIDENT pro tempore. As in executive session, as a Senator and chairman of the Committee on Foreign Relations, the Chair reports favorably, the nomination of Robert R. Bowie, of Massachusetts, to be an Assistant Secretary of State, and Executive Q, 83d Congress, 1st session, an international convention to facilitate the importation of commercial samples and advertising material, dated at Geneva, November 7, 1952, without reservation, and a report (No. 3) is submitted thereon.

Without objection, the nomination and convention will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPARKMAN (for himself, Mr. MAGNUSON, Mr. JACKSON, Mr. MORSE, Mr. NEUBERGER, Mr. LONG, Mr. DOUGLAS, and Mr. HUMPHREY):

S. 3186. A bill to provide for the establishment of a Commission on National Housing Policy; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA:

S. 3187. A bill to repeal section 9 (h) of the National Labor Relations Act, as amended, relating to non-Communist affidavits; to the Committee on Labor and Public Welfare.

S. 3188. A bill for the relief of Stephen Kuang-Tao Hsu; to the Committee on the Judiciary.

(See the remarks of Mr. McNAMARA when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 3189. A bill providing incentive payments for the marketing of lightweight hogs; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 3190. A bill to authorize the Federal National Mortgage Association to enter into advance commitment contracts to purchase, and to purchase at par, certain mortgages covering low-cost residential housing; to the Committee on Banking and Currency.

By Mr. LANGER:

S. 3191. A bill for the relief of Jose Maria Arias-Ortega; to the Committee on the Judiciary.

By Mr. THYE:

S. 3192. A bill for the relief of Chi Fang Tung and his wife, Ching Mei Koo Tung; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 3193. A bill for the relief of Natalia Kozlov Kavazov Kolubaev (Koljubajer, Kolubajev); and

S. 3194. A bill for the relief of Henry Lappeman; to the Committee on the Judiciary.

By Mr. GREEN:

S. 3195. A bill to authorize the Administrator of General Services to convey certain lands in the State of Rhode Island to the Town of North Kingston, R. I.; to the Committee on Government Operations.

By Mr. BYRD:

S. 3196. A bill for the relief of Helen Mar Stanger; and

S. 3197. A bill for the relief of Ann Christine Dotson; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself, Mr. BARRETT, Mr. CARLSON, and Mr. MANSFIELD):

S. 3198. A bill to amend section 317 (a) of the Packers and Stockyards Act, 1921; to the Committee on Agriculture and Forestry.

By Mr. PAYNE (for himself, Mr. BEALL, Mr. BENDER, Mr. BENNETT, Mr. BUSH, Mr. BUTLER, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CURTIS, Mr. DIRKSEN, Mr. FLANDERS, Mr. HRUSKA, Mr. IVES, Mr. LANGER, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MARTIN of Pennsylvania, Mr. SALTONSTALL, Mr. SMITH of New Jersey, Mrs. SMITH of Maine, Mr. THYE, and Mr. WELKER):

S. 3199. A bill to improve governmental budgeting and accounting methods and

procedures, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. PAYNE when he introduced the above bill, which appear under a separate heading.)

By Mr. ERVIN:

S. 3200. A bill for the relief of Frances A. Seed; to the Committee on the Judiciary.

By Mr. DANIEL (for himself and Mr. JOHNSON of Texas):

S. 3201. A bill to direct the Secretary of the Army or his designee to convey a 2.915 acre tract of land situated about 6 miles south of the city of San Antonio, in Bexar County, Tex., to the State of Texas; to the Committee on Armed Services.

RESOLUTIONS

Mr. LANGER submitted the following resolutions, which were referred to the Committee on Post Office and Civil Service:

S. Res. 212. Resolution to investigate the relative cost of postage paid by the Fargo Forum on newspapers and the cost of transmission through the mails of such copies for the past 10 years;

S. Res. 213. Resolution to investigate the amount of subsidies received by Time, Life, and Fortune magazines since January 1, 1940; and

S. Res. 214. Resolution to investigate payments of subsidies by the Post Office Department since January 1, 1940.

(See the remarks of Mr. LANGER when he submitted the above resolutions, which appear under separate headings.)

PROPOSED COMMISSION ON NATIONAL HOUSING POLICY

Mr. SPARKMAN. Mr. President, on behalf of myself, the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON], the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER], the Senator from Illinois [Mr. DOUGLAS], the Senator from Louisiana [Mr. LONG], and the Senator from Minnesota [Mr. HUMPHREY], I introduce, for appropriate reference, a bill to provide for the establishment of a Commission on National Housing Policy.

I ask unanimous consent that the bill and a sectional analysis of it be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and sectional analysis will be printed in the RECORD.

The bill (S. 3186) to provide for the establishment of a Commission on National Housing Policy, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

DECLARATION OF POLICY AND PURPOSE

SEC. 1. The Congress finds that the general welfare and security of the Nation and the health and living standards of the people require a dynamic housing industry and an increasing availability of residential housing and related community development. The Congress further finds that the periodic discounting of Government-supported mortgages demonstrates the lack of an orderly mortgage market and tends to negate public policy, and that it may be desirable to develop new sources of investment funds to meet the housing needs of the Nation. It is the purpose of this Act to authorize an intensive study to be made of ways and means of encouraging a flow of investment capital to provide financing, through an orderly and adequate market, sufficient to support a level of residential construction compatible with the housing demands and needs of the population and the capacities of a balanced, high-level economy.

ESTABLISHMENT OF THE COMMISSION ON NATIONAL HOUSING POLICY

SEC. 2. (a) There is hereby established a commission to be known as the Commission on National Housing Policy (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of fifteen members as follows:

(1) The Administrator of the Housing and Home Finance Agency, the Commissioner of the Federal Housing Administration, the Administrator of Veterans' Affairs, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Federal Home Loan Bank Board, the President of the Federal National Mortgage Association, and the Secretary of the Treasury, all ex officio; and

(2) Eight persons to be appointed by the President from private life, such persons to be selected on the basis of their qualifications and experience in the field of housing or mortgage finance.

(c) The Chairman and the Vice Chairman of the Commission shall be selected by the Commission from among its members at its first meeting.

(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(e) Eight members of the Commission shall constitute a quorum.

COMPENSATION AND STAFF

SEC. 3. (a) The members of the Commission who are serving ex officio shall serve without compensation in addition to that received for their other services in the Government, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission. The members of the Commission from private life shall each receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

(b) The Commission may—

(1) appoint and fix the compensation of such personnel as it deems advisable without regard to the civil-service laws and the Classification Act of 1949, as amended;

(2) make such expenditures (including expenditures for actual travel and subsistence expenses of employees and witnesses, not exceeding $15 for subsistence expense of any one person for any 1 calendar day) for personal services, printing and binding, and for such other matters as are necessary for the efficient execution of its functions under this act; and

(3) procure, without regard to the civil-service laws and the Classification Act of 1949, as amended, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

(c) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

DUTIES OF THE COMMISSION

SEC. 4. The Commission is authorized and directed to conduct an inquiry with respect to the current and prospective residential housing needs of the country and the capacity of the economy in general and of the building industry and mortgage market in particular to meet these needs. The Commission shall formulate recommendations which shall include but not be limited to the following subjects:

(1) The short-term and long-term housing needs of the Nation;

(2) The discounting of Government-supported mortgages;

(3) Long-term prospects for developing new sources of investment funds to meet the housing needs of the Nation, including but not limited to private and semiprivate pension funds and trusts; and

(4) The extent to which the resources of the Federal National Mortgage Association can be utilized to stabilize the mortgage market.

OBTAINING INFORMATION

SEC. 5. (a) The Commission may, in connection with its inquiries and studies under this act, hold such hearings and hear such witnesses as it may deem appropriate.

(b) All departments and agencies of the Government are authorized and directed to cooperate with the Commission in its work and to furnish the Commission such information and assistance as it may require in the performance of its functions and responsibilities.

REPORTS

SEC. 6. The Commission may submit interim reports of its studies under section 4 to the Congress and the President at such time or times as it deems advisable, and shall submit its final report with respect to such studies to the Congress and the President not later than December 31, 1956. The final report of the Commission shall include its recommendations (including recommendations for governmental action, either legislative or administrative, as it shall deem necessary) with respect to the matters referred to in section 4, and such other related matters as it shall determine to be appropriate. The Commission shall cease to exist 90 days after submission of its final report.

The sectional analysis presented by Mr. SPARKMAN is as follows:

SECTIONAL DIGEST OF BILL TO PROVIDE FOR THE ESTABLISHMENT OF A COMMISSION ON NATIONAL HOUSING POLICY

Section 1: Declaration of policy and purpose. Two main objectives are set forth, (1) to determine the levels of residential construction deemed necessary and desirable, and (2) to encourage a flow of investment capital to sustain these levels of housing activity. Three reasons are advanced to support the need for the Commission: (1) The general welfare and security of the Nation and the health and living standards of its people require a dynamic housing industry and an increasing availability of residential housing and related community development; (2) the periodic discounting of Government-supported mortgages demonstrates the lack of organized mortgage market and tends to negate public policy; (3) there is an immediate need to develop new sources of investment funds to meet the housing needs of the Nation.

Section 2: (a) Establishes the Commission on National Housing Policy.

(b) Provides for 15 members, 7 Federal officials from agencies having programs that affect the field of housing, and 8 persons to

be appointed by the President from private life.

(c) The Chairman and Vice Chairman of the Commission shall be selected by the Commission from among its members at its first meeting.

Section 3: Provides for compensation and staff.

Section 4: Sets out the nature and scope of the Commission's duties. The Commission is required to formulate recommendations covering the short-term and long-term housing needs of the Nation; the ability of the money market to finance these needs; the discounting of Government-supported loans in the mortgage market; the prospects for developing new sources of mortgage funds, including pension funds; the extent to which FNMA can be utilized to stabilize the mortgage market.

Section 5: (a) The Commission is authorized to hold hearings.

(b) All departments and agencies of the Government are authorized and directed to cooperate with the Commission.

Section 6: Reports. The Commission shall make interim reports from time to time to the President and the Congress, and shall make a final report not later than December 31, 1956. The Commission shall cease to exist 90 days after the submission of the final report.

Mr. SPARKMAN. Mr. President, I introduce this bill in an effort to do something constructive about the widespread practice of discounting Government-supported mortgage loans in the money market.

There has been for some time a considerable uncertainty about the status of Government-supported mortgages in the money market. The discounting of VA-guaranteed and FHA-insured loans—in some parts of the country as high as 12 percent—is a recurring practice that tends to negate public policy. It is a practice that for all practical purposes cancels out the policy set forth by the Congress in establishing both the Federal Housing Administration insurance system and the Veterans' Administration loan guaranty program for GI home purchasers.

There is virtually no Government-supported mortgage being given today at par. I submit, Mr. President, that the interest rate for home loans set by the Congress is a nullity if the money market can, through the practice of discounting, exact its own terms.

I have said repeatedly that I do not feel that we should let the money market have the complete power of decision in the field of home building and home ownership. After all, Mr. President, the money market should be a means toward achieving human objectives, and not an end within itself. This is a fundamental tenet of our national life, and one that we should never lose sight of in our deliberations.

The human objectives to which I refer are well stated in the declaration of national housing policy set forth in the Housing Act of 1949:

> The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation.

Of course, the solution to discounting is not merely to prohibit the practice. For discounting is a symptom and not the disease itself. The disease is the chronic shortage of financing sufficient to sustain a level of home building that will meet the basic needs of the American people.

My bill, Mr. President, would take the necessary first step toward a solution of the discounting problem. This bill would establish a Commission which would be required, by the end of this year, to determine the short-term and long-term housing needs of the Nation, to assess the ability of the money market to finance these needs, and to recommend the methods of developing new sources of financing in order that the housing needs of the American people will not be neglected simply because of a failing of the money market.

REPEAL OF SECTION 9 (H) OF NATIONAL LABOR RELATIONS ACT, AS AMENDED

Mr. McNAMARA. Mr. President, I introduce, for appropriate reference, a bill to repeal section 9 (h) of the Taft-Hartley Act (Public Law 101, 80th Congress). There are, I believe, many parts of this law which urgently need correction, and there are a number of bills pending now which would achieve this purpose.

The section my bill today would repeal is section 9 (h), requiring the officers of all labor organizations to sign a non-Communist affidavit before their unions can be entitled to the facilities of the National Labor Relations Board.

This section has been in the law since its enactment in 1947. It is, I feel, grossly unfair to the thousands of patriotic Americans who are leaders of our great unions. They are singled out for a special stigma applied by Congress. The threat of communism, I agree, is a serious one, but I fail to see what we can accomplish by making all labor leaders second-class citizens just to penalize a few who have abused their positions by serving a conspiracy rather than the interests of the workers.

I am sure my colleagues remember the disputed Durkin-Eisenhower proposals to amend the Taft-Hartley Act in 1953. The failure of the Administration to follow campaign promises and press for these amendments forced the late Martin P. Durkin, in good conscience, to resign his post as Secretary of Labor.

One of his proposals called the non-Communist affidavit, "not only discriminatory, but also ineffective." The recommendation at that time was to eliminate the affidavit. In 1954, however, the President backtracked in his labor message to Congress and proposed that the non-Communist affidavit procedure be extended also to employers. Thus, instead of eliminating the evil, it would be compounded, and two groups of second-class citizens would be created.

I urge the Senate to give favorable consideration to the bill and to remove this stigma from a group of our finest citizens.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3187) to repeal section 9 (h) of the National Labor Relations Act, as amended, relating to non-Communist affidavits, introduced by Mr. McNAMARA, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

INCENTIVE PAYMENTS FOR MARKETING OF LIGHTWEIGHT HOGS

Mr. HUMPHREY. Mr. President, earlier today I introduced a bill (S. 3189) providing incentive payments for the marketing of lightweight hogs.

I now ask unanimous consent that Senate bill 3189 be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (S. 3189) providing incentive payments for the marketing of lightweight hogs was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in order to assure the orderly marketing of an adequate national supply of hogs and pork products, to encourage the increased domestic consumption of pork and pork products, to maintain the productive capacity of our hog farming industry, and to avoid the feeding of hogs to less desirable weights, the Secretary of Agriculture is authorized and directed, whenever he finds (1) that the annual pig crop for any year will exceed the average pig crop for the 10 preceding years, or (2) that the national average price received by farmers for hogs is less than 90 percent of the parity price therefor, to make incentive payments to hog producers to encourage the marketing of hogs for slaughter at live weights of 200 pounds or less.

SEC. 2. The amounts of incentive payments under this act shall be established by the Secretary at such level, not less than $1 or more than $3 per hundredweight, as he determines is necessary to carry out the purposes of this act except that (1) whenever the national average price received by farmers for hogs in any month is less than 85 percent of the parity price for hogs, the incentive payment for such month shall not be less than $2 per hundredweight, and (2) whenever such average price for any month is less than 80 percent of such parity price, the incentive payment for such month shall be $3 per hundredweight. No producer shall be eligible to receive incentive payments under this act totaling in excess of $1,200 in any calendar year.

SEC. 3. The Secretary is authorized to use any funds of the Commodity Credit Corporation, and any funds appropriated by section 32 of Public Law 320, 74th Congress (49 Stat. 774; 7 U. S. C. 612c), as amended, in making the payments provided by this act.

SEC. 4. Every purchaser of hogs for slaughter shall supply to the producer of such hogs a ticket, in such form as may be prescribed by the Secretary, showing the number of hogs sold in weight classes of 200 pounds or less and the total weight of the hogs so sold. Such producer shall make application for the payment of incentive benefits under this act by filing the ticket received by him from the buyer with the county committee for his county appointed under section 8 (b) of the Soil Conservation and Domestic Allotment Act.

SEC. 5. Payments shall not be made under this act after December 31, 1960.

IMPROVEMENT OF GOVERNMENTAL BUDGETING AND ACCOUNTING METHODS AND PROCEDURES

Mr. PAYNE. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Maine may proceed.

Mr. PAYNE. Mr. President, I introduce, for appropriate reference, on behalf of myself and the junior Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BENDER], the Senator from Utah [Mr. BENNETT], the Senator from Connecticut [Mr. BUSH], the senior Senator from Maryland [Mr. BUTLER], the Senator from South Dakota [Mr. CASE], the Senator from New Mexico [Mr. CHAVEZ], the junior Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], the Senator from Vermont [Mr. FLANDERS], the senior Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. IVES], the Senator from North Dakota [Mr. LANGER], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], the senior Senator from Maine [Mrs. SMITH], the Senator from Minnesota [Mr. THYE], and the Senator from Idaho [Mr. WELKER], a bill to improve governmental budgeting and accounting methods, by amending the Budget and Accounting Act of 1921 and the Budget and Accounting Procedures Act of 1950.

It is unanimously agreed by all authorities in the field that the present Federal fiscal system has serious shortcomings, but there is extensive disagreement as to the improvements which should be made. During the last decade there has been considerable progress along the road to sound budget and accounting practice, both by the Congress and by the executive branch through administrative action, but there is still a long way to go.

For several years now the senior Senator from Virginia [Mr. BYRD] and the senior Senator from New Hampshire [Mr. BRIDGES] have been attempting to focus attention on some of the many loopholes that exist in our Federal fiscal operations. They have both become recognized authorities in the field of fiscal problems. The Senator from Virginia, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, has done outstanding work in pinpointing major deficiencies in the present fiscal system. The Senator from New Hampshire, as a member of the second Hoover Commission, has made a significant contribution in the excellent recommendations of that Commission in its report to Congress entitled "Budget and Accounting" submitted in June 1955.

As one who has had experience as a public administrator at both the Federal and State level in the field of finance and budget work, I have a great deal in common with Senators Byrd and Bridges. After observing the procedures of the Federal Government at first hand as a member of the Senate for 3 years, I cannot longer sit by without joining my colleagues who have worked long and hard on this problem of such vital importance to our Nation and without raising my voice in support of affirmative corrective action in this field of fiscal reform.

There have been an infinite number of proposals for improving our fiscal systems aimed at all phases of the process. Many of these, I believe, are necessary in the long run. However, it seems to me that until we have placed the budget and accounting systems on a sound, modern basis, so that we are generating accurate and complete data, no alteration in the procedural aspects of the system can realize its maximum effectiveness. In the fields of data generation or budget and accounting, the real heart of the problem is personnel. The right type of personnel with a deep-rooted conviction and desire can make almost any system work well. On the other hand Congress cannot legislate the necessary desire or conviction. But Congress can provide the tools and framework to make the job easier for competent personnel.

I have made a rather thorough study in regard to just what can be done to improve our budget and accounting procedures at the Federal Government level. To my mind the recommendations of the second Hoover Commission contained in its report entitled Budget and Accounting are the soundest and most complete available. As an accountant with many years of experience in both Government and private business I can and do endorse the majority of recommendations contained in that report.

I realize that the Hoover Commission drafted and had introduced several bills which would implement many of its budget and accounting recommendations. However, these bills include only those recommendations that require legislative action, and do not include those that could be implemented by administrative action. For that reason it seemed to me that a bill including all of the recommendations that should or could be carried out at this time should be considered. Several of the recommendations are of such a nature that they cannot be successfully carried out until proper groundwork is laid. The remaining recommendations if put into effect will lay that groundwork.

The bill I am introducing today is designed to put into effect the majority of the recommendations, omitting in general only those that require a sound foundation. It does include some recommendations that could be carried out by administrative action. While I fully realize the desirability of leaving the executive branch as free as possible in the matter of administration, I also feel that the problem of financial budgeting and accounting is of such importance that the Congress should very clearly set forth the basic requirements by statute. As we all know, the ultimate control of the national purse rests with the Congress, and because of this I feel that it is proper for Congress to establish the manner and form of budget and accounting system which it wishes followed. The fact that many of the procedures, which this bill would require, have not been adopted in the past indicates the need for a congressional mandate. It is my hope that this Congress will take some positive action to institute sounder fiscal procedures in the Federal Government.

Mr. President, I ask unanimous consent that the text of the bill, together with a section-by-section analysis be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and section by section analysis will be printed in the RECORD.

The bill (S. 3199) to improve governmental budgeting and accounting methods and procedures, and for other purposes, introduced by Mr. PAYNE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

AMENDMENTS TO THE BUDGET AND ACCOUNTING ACT, 1921

SECTION 1. (a) Section 213 of the Budget and Accounting Act, 1921, as amended (31 U. S. C. 21), is amended by adding at the end thereof the following: "The director shall utilize information obtained under this section, among other purposes, to prepare comprehensive reports, other than purely fiscal reports, showing the financial results of the activities of the departments and establishments. Such reports shall be prepared on a fiscal-year basis, or at such shorter intervals as the director may deem practicable, and shall be transmitted to the President and to the Congress."

(b) Section 216 of such act, as amended (31 U. S. C. 24), is amended to read as follows:

"SEC. 216. (a) For purposes of administration and operation, cost-based budgets shall be used by all departments and establishments and their subordinate units. Fund allocations within the departments and establishments shall be made on the basis of such cost budgets.

"(b) Subordinate operating units within a department or establishment shall submit quarterly performance reports to the head of such department or establishment, and the head of each department or establishment shall submit a report to the Bureau, not later than September 30 of each year, on the conduct of its operations in the preceding fiscal year. The Bureau shall, on the basis of such reports, submit an annual performance report to the President for all the departments and establishments.

"(c) Requests for regular, supplemental, or deficiency appropriations which are submitted to the Bureau by the head of any department or establishment shall be prepared on a cost basis and shall include such data and be submitted in such manner as the President may determine in accordance with the provisions of section 201 of this act.

"(d) The budget, required by section 201 of this act to be transmitted to the Congress, shall contain information on program costs and accomplishments, and a review of performance by organizational units whenever such units do not coincide with performance budget classifications."

(c) Title II of such act, as amended, is amended by adding at the end thereof a new section as follows:

"SEC. 218. The Director, under such rules and regulations as the President may prescribe, shall designate and assign qualified personnel of the Bureau to serve in the principal departments and establishments, as

determined by the President, for the purpose of maintaining a continuous review by the Bureau of Budget preparation and administration within any such department or establishment, and to further assist the Bureau in carrying out its managerial functions and responsibilities. Not more than two persons for each principal subdivision of a department or establishment shall be assigned by the director to any one department or establishment, and, insofar as practicable, persons so assigned to any department or establishment shall possess the combined skills of the statistician, cost accountant, administrative expert, and program analyst. No such person shall be so assigned to any department or establishment for more than 2 consecutive years."

AMENDMENTS TO THE BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950

SEC. 2. (a) Section 104 of the Budget and Accounting Procedures Act of 1950 (31 U. S. C. 18a) is amended by adding at the end thereof a new sentence as follows: "Each executive agency of the Government shall, under the general supervision of the Director of the Bureau of the Budget, take whatever action may be necessary to achieve, insofar as is possible, consistency in its organizational structure, budget classifications, and accounting systems."

(b) Section 113 of such act (31 U. S. C. 66a) is amended by adding at the end thereof the following new subsection:

"(c) As soon as practicable after the date of enactment of this subsection, the head of each executive agency shall, in accordance with standards prescribed by the Comptroller General, cause the accounts of such agency to be maintained on an accrual basis to show currently, completely, and clearly the resources, liabilities, and costs of operations of such agency with a view to facilitating the preparation of cost-based budgets and agency reports as required by section 216 of the Budget and Accounting Act, 1921. The accounting system required by this subsection shall include adequate monetary property accounting records as an integral part of the system."

(c) Such act is further amended by adding after section 119 thereof the following new sections:

"STAFF OFFICE OF ACCOUNTING

"SEC. 120. (a) There is hereby established in the Bureau of the Budget, under the supervision of the director thereof, a Staff Office of Accounting, the head of which shall be the Assistant Director of Accounting, to be appointed by the President, and to receive compensation at the rate of $——— per annum.

"(b) It shall be the duty of the Assistant Director for Accounting—

"(1) to develop and promulgate an overall plan for accounting and reporting by the various executive agencies which is consistent with the principles, standards, and related requirements prescribed by the Comptroller General of the United States pursuant to section 112 of this part;

"(2) to expedite, guide, and assist in the introduction of modern accounting methods in the executive agencies which are consistent with such overall plan;

"(3) to set reasonable and definite schedules for the performance of the functions of such agencies and to watch and report on their progress;

"(4) to stimulate the building of competent accounting and auditing organizations in such agencies and to assist actively in the selection, training, and retention of capable personnel; and

"(5) to report to the Director of the Bureau of the Budget at least once each year, and at such other times as the Director may require, with respect to the status of accounting in each of the executive agencies.

"COMPTROLLERS FOR EXECUTIVE AGENCIES

"SEC. 121. (a) The head of each executive agency is authorized and directed, with the advice of the Assistant Director for Accounting, to provide for the appointment of a Comptroller who shall be directly responsible to him, and who shall have the following functions and duties—

"(1) to supervise and direct the setting up and maintenance in such agency of adequate accounting and auditing systems and procedures in conformity with the overall plan prescribed by the Assistant Director for Accounting pursuant to section 120 hereof;

"(2) to direct the recruitment, training, and development of qualified accounting personnel for such agency;

"(3) to develop and be responsible for reliable and informative financial reports for internal management purposes and for submission to the Congress and the various executive agencies;

"(4) to interpret and advise upon significant aspects of the financial reports of the agency; and

"(5) to direct the preparation of budgets at operating levels for the information of the head of the agency or other officials responsible for budget policies in such agency, and to review the execution of such budgets."

SIMPLIFICATION OF ALLOTMENT SYSTEM FOR ALLOCATING FUNDS

SEC. 3. It is the intent of the Congress that each executive agency, as defined in section 118 of the Budget and Accounting Procedures Act of 1950, shall take whatever steps are necessary to simplify the allotment system for allocating funds to operating units within such agency, and in making such simplification each agency shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one allotment for each appropriation affecting such unit.

SINGLE AGENCY ACCOUNTS

SEC. 4. (a) Each executive agency, as defined in section 118 of the Budget and Accounting Procedures Act of 1950, shall, in accordance with principles and standards prescribed by the Comptroller General, maintain a single account under each appropriation title or fund.

(b) This section shall take effect on the first day of the first fiscal year commencing after the date of enactment of this act.

JOINT STUDY BY BUREAU OF BUDGET AND GENERAL ACCOUNTING OFFICE

SEC. 5. (a) The Director of the Bureau of the Budget and the Comptroller General shall jointly undertake a study and investigation to determine—

(1) what steps can be taken to eliminate (A) duplicate accounts within the Treasury Department, and (B) duplicate accounting as between the Treasury Department and the other departments and agencies of the Government; and

(2) the adequacy of internal auditing in the executive departments and agencies of the Government.

(b) The Director of the Bureau of the Budget and the Comptroller General shall report the results of their study and investigation together with such recommendations as they deem appropriate, to the Congress not later than two years after the date of enactment of this act.

The section-by-section analysis presented by Mr. PAYNE is as follows:

SECTIONAL ANALYSIS OF PAYNE BILL TO IMPROVE GOVERNMENTAL BUDGETING AND ACCOUNTING METHODS

Section 1 (a): This section is designed to directly implement recommendation No. 22 of the Hoover Commission Budget and Accounting Report. The Commission did not specify the period comprehensive financial reports should cover, but it seemed reasonable that they should be on a fiscal-year basis. However, it also seemed desirable to give the Director of the Bureau of the Budget some discretion, since experience might well prove that such reports would be of more value if based on shorter periods. Hoover Commission recommendation No. 22 is as follows:

"RECOMMENDATION NO. 22

"That the Congress consider amending the Budget and Accounting Procedures Act of 1950 to make the Bureau of the Budget responsible for developing comprehensive reports (other than purely fiscal reports) showing the financial results of the activities of the Government as a whole and of its major component activities."

Section 1 (b): This section is intended to carry out Hoover Commission recommendations Nos. 2, 3, 4, and 6. Basically, it would require the use of cost-based budgets by all the agencies, for all management purposes. With regard to the requirement of quarterly reports to agency heads by subordinate units, the Hoover Commission made no direct recommendation. However, in line with the objective of improving the fiscal management function, such reports seem desirable, and, also, they will form the basis of the annual report the agency head is required to submit to the Bureau. Hoover recommendations Nos. 2, 3, 4, and 6 are as follows:

"RECOMMENDATION NO. 2

"That the executive agencies report annually to the Bureau of the Budget on the conduct of their operations. On the basis of the agencies' reports and other available information, the Bureau should prepare for the President an annual report on performance for the executive branch as a whole.

"RECOMMENDATION NO. 3

"That, for management purposes, cost-based operating budgets be used to determine fund allocations within the agencies, such budgets to be supplemented by periodic reports on performance.

"RECOMMENDATION NO. 4

"That the executive budget continue to be based upon functions, activities, and projects adequately supported by information on program costs and accomplishments and by a review of performance by organizational units where these do not coincide with performance budget classifications

"RECOMMENDATION NO. 6

"That executive agency budgets be formulated and administered on a cost basis."

Section 1 (c): This section would put into effect recommendation No. 1. This, in particular, is one of the provisions that could be handled administratively. It would place employees of the Bureau in the executive agencies to help carry out the Bureau's managerial functions by maintaining a continuous review of budget preparation and administration. It is believed that this measure would be a major factor in achieving sound budget and accounting methods and would aid in developing some degree of uniformity in this field. The provision limiting the Bureau to not more than two persons for each principal subdivision of an agency was designed to place some initial limit on the number of personnel so employed. It may be found later that a different limiting number would be better. It is hoped that this problem will be carefully explored by the committee in studying this bill. Hoover recommendation No. 1 is as follows:

"RECOMMENDATION NO. 1

"(a) That the Bureau of the Budget expand and make more effective the discharge of its managerial and budgeting functions;

"(b) That in order to do this, among other things, it should place in important agencies one or more well-qualified employees whose

duties should include continuous year-round review, at the site of the agency, of agency budget preparation and administration and other facets of the Bureau's managerial responsibilities; and

"(c) If necessary, the Congress should increase the resources of the Bureau of the Budget for that purpose."

Section 2 (a): This provision simply states legislatively recommendation No. 5 of the Hoover Commission, which is as follows:

"RECOMMENDATION NO. 5

"That the agencies take further steps to synchronize their organization structures, budget classifications, and accounting systems."

Section 2 (b): This section is designed to carry out recommendations Nos. 14 and 16. This provision is a natural corollary of cost based budgeting. In practice it will mean that it will be possible for management to determine at any given time its fiscal status. Monetary property accounting is essential to determine with any degree of accuracy the fiscal status of an agency, either for management purposes or for the Congress. Hoover recommendation Nos. 14 and 16 are as follows:

"RECOMMENDATION NO. 14

"That the Government accounts be kept on the accrual basis to show currently, completely, and clearly, all resources and liabilities, and the costs of operations. Furthermore, agency budgeting and financial reporting should be developed from such accrual accounting.

"RECOMMENDATION NO. 16

"That the executive agencies accelerate the installation of adequate monetary property accounting records as an integral part of the accounting systems."

Section 2 (c): This section would put recommendations Nos. 10, 11, and 12 of the Hoover Commission into effect. First, it would establish a Staff Office of Accounting in the Bureau of the Budget headed by an Assistant Director and lists his duties. It is realized that there are valid objections to legislating an administration organization. On the other hand there is a clearly demonstrated need for improvement in accounting and it would seem, in view of congressional control of the purse, entirely proper for Congress to take this type of action. As the system contemplated in this bill is tested with experience there is nothing to prevent the Director of the Bureau from recommending changes. Recommendation No. 12 is covered in the duties of the Assistant Director.

The second part of the section would create the position of comptroller in each agency and generally outlines his duties. Actually almost every agency has a position that in some respects corresponds to a comptroller, but there is wide variation in the powers and duties of these positions in the various agencies. In the interest of promoting improved fiscal performance it is believed that much could be achieved through the clear delineation of the major functions of an agency comptroller. Hoover Recommendations Nos. 10, 11, and 12 are as follows:

"RECOMMENDATION NO. 10

"That there be established under the Director of the Bureau of the Budget a new Staff Office of Accounting headed by an Assistant Director for Accounting, with powers and duties as follows:

(a) To develop and promulgate an overall plan for accounting and reporting, consistent with broad policies and standards prescribed by the Comptroller General. These broad policies and standards should continue to be developed in cooperation with the executive branch.

(b) To expedite, guide, and assist in the introduction of modern accounting methods in the executive agencies consistent with the overall plan.

(c) To set reasonable but definite time schedules for performance and to watch progress.

(d) To stimulate the building of competent accounting and auditing organizations in the executive agencies and to assist actively in the selection, training, and retention of capable personnel.

(e) To report at least annually to the Budget Director with respect to the status of accounting in each of the executive agencies.

"RECOMMENDATION NO. 11

"That as an aid to financial management the position of Comptroller be established in the principal agencies and major subdivisions thereof embracing the following duties and functions;

(a) To direct the setting up and maintenance throughout his agency of adequate accounting and auditing systems and procedures in conformity with the provisions of the Budget and Accounting Procedures Act of 1950.

(b) To direct the recruitment, training, and development of qualified accounting personnel.

(c) To develop and be responsible for reliable and informative financial reports for (1) internal management purposes and (2) for issue to the Congress and other executive departments or agencies.

(d) To interpret and advise upon significant aspects of the financial reports.

(e) To direct the preparation and review execution of budgets prepared at operating levels for the information of top management which is responsible for budget policies.

"RECOMMENDATION NO. 12

"That the selection of agency comptrollers and the building of competent accounting organizations in the executive agencies through the selection, training, and retention of capable personnel be an important phase of the guidance and help to be given by the Assistant Director for Accounting in the Bureau of the Budget."

Section 3: This section relates to recommendation No. 13 of the Hoover Commission. Since this provision will take some time to implement and depends on the installation of adequate accounting systems as well as determining just what are operating units in the various agencies, the bill states this objective as congressional policy. Hoover recommendation No. 13 reads as follows:

"RECOMMENDATION NO. 13

"That the allotment system be greatly simplified. As an objective each operating unit should be financed from a single allotment for each appropriation involved in its operation."

Section 4: This section is a direct statement of recommendation No. 17 of the Hoover Commission. The maintenance of multiple accounts is one of the greatest deterrents to sound financial accounting. Hoover recommendation No. 17 reads as follows:

"RECOMMENDATION NO. 17

"That each department and agency be authorized to maintain a single account under each appropriation title or fund for controlling the amount available for the liquidation of valid obligations."

Section 5: This section carries out recommendations Nos. 20 and 25 of the Hoover Commission. As a matter of fact the Bureau of the Budget and the General Accounting Office have already done considerable work along these lines in the past and probably would continue to do so. However, it seemed desirable to include these recommendations in the bill, since there was nothing to be lost thereby, and a congressionally authorized study has more effect than an unofficial one. Hoover recommendations Nos. 20 and 25 are as follows:

"RECOMMENDATION NO. 20

"That the Bureau of the Budget and General Accounting Office make a study to determine what can be done to eliminate (a) duplicate accounts within the Treasury Department, and (b) duplicate accounting as between the Treasury Department and the various departments and agencies.

"RECOMMENDATION NO. 25

"That the Bureau of the Budget and the General Accounting Office be requested to make an intensive study to determine the adequacy of internal auditing in Government agencies and what steps should be taken to improve it."

INVESTIGATION OF SUBSIDY TO THE FARGO FORUM

Mr. LANGER. Mr. President, I submit a resolution, together with a statement, and I ask unanimous consent that the clerk may be permitted to read the statement.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The Chief Clerk read the statement, as follows:

HOW MUCH HAS THE SUBSIDY TO THE FARGO FORUM COST THE TAXPAYER?

The people of my State raise the finest quality of No. 1 dark, northern, spring wheat, while unfortunately, the wheat produced in other States is of a soft variety. You would naturally suppose that the newspapers of the State would be endeavoring to get the farmers who produce this wheat 100 percent of parity. These daily newspapers of North Dakota ought to be leading the fight for the farmers for 100 percent of parity. Instead of that, we find some of them not only opposed but belittling the idea and actually bemoaning the fact the farmer is subsidized.

Which prompts me to demand an investigation as to how one of the leading newspapers, the Fargo Forum, is itself subsidized while fighting subsidization of the farmer; and constantly, of course, being the spokeswoman for the large outside interests which live off the farmers, the laboring man and small-business men.

The amount of the subsidy during the years has run into the tens of thousands of dollars. Only a few years ago, this newspaper was purchased for almost nothing and partially through being subsidized at the taxpayers expense. It now has a large four-story brick building with a basement and at the taxpayers expense through subsidization with all kinds of fancy printing presses. To get rid of competition, it bought out the Courier News, a morning newspaper and later sneaked over to Moorhead, Minn., across the Red River, and got its fangs into the daily paper over there. It therefore has a monopoly and of course the larger it has become the more postal subsidy it has at the expense of the taxpayer.

The Fargo Forum can print lies in its newspaper and actually circulate it among the taxpayers at the expense of the taxpayers themselves. It has become so powerful that some politicians are actually afraid of it although God only knows why. Certainly no person who ever went through the first grade could help but detect its senseless and baseless attacks on public officials who don't kowtow to it—whether it is the mayor of the town, the sheriff of the county, the dog catcher, or a United States Senator. Because of its subsidy at the taxpayers expense, it

gets its news from the United Press, the Associated Press, and it has made so much money that it now owns part of a radio station. It charges exorbitant prices for advertising and the poor merchants have to advertise in that paper because there is no other daily paper in the town, aside from some shoppers guides. A few years ago, one of these, the Fargo Gazette, operated by the distinguished M. L. Rutz, finally closed shop. Mr. Rutz moved to Arizona where he now operates two large newspapers.

I believe the taxpayers of North Dakota, particularly the farmers, who the Fargo Forum believes should have no 100 percent subsidy, will be interested in knowing how much subsidy the Fargo Forum has received under the postal rates from the United States Government at the taxpayers expense during the last 10 years. I am therefore introducing a resolution asking that a complete investigation be made by the Committee on Post Office and Civil Service to ascertain the amount of subsidy and to make it public so that the farmers, laborers, and small-business men may know that they themselves are fighting the octupus that has its fingers around their necks and which is daily attempting to put a larger burden upon the backs of the taxpayers and its foolish editorials.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 212) was referred to the Committee on Post Office and Civil Service, as follows:

Resolved, That the Senate Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the difference between (a) the amount paid in postage by the Fargo Forum, a daily newspaper published in Fargo, N. Dak., for the transmission through the United States mail of copies of such newspaper during the 10-year period ending on February 14, 1956, and (b) the amount of the cost to the Post Office Department of transmission through the United States mail of copies of such newspaper during such period.

SEC. 2. For the purposes of this resolution the committee, from the date of the adoption of this resolution until January 31, 1957, inclusive, is authorized to (a) make such expenditures as it deems advisable, (b) employ upon a temporary basis technical, clerical, and other assistants and consultants, and (c) with the consent of the heads of the departments and agencies concerned and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF SUBSIDIES PAID TO TIME, LIFE, AND FORTUNE MAGAZINES

Mr. LANGER. Mr. President, I submit another resolution and ask that the clerk may read a short statement in connection with it.

The PRESIDENT pro tempore. Without objection, the statement will be read.

The Chief Clerk read as follows:

LUCE GETS HIS SUBSIDY AT TAXPAYERS EXPENSE

Upon various occasions I have spoken about the enormous subsidies given to Henry Luce, who heads some magazines familiarly known as Time, Life, and Fortune, the last one being appropriately named because of the fortune that this person has made at the expense of the taxpayers of this country because of the subsidies given his magazines by the United States Government.

I do not know how much these magazines pay their reporters, but judging from some of the stuff published in these, I believe they are being woefully underpaid; and I doubt whether some of them get enough to support themselves and their bunch of children properly. This is important, because these reporters, particularly in Washington, write about the Senators and the Representatives; and I believe that every Senator and Representative should know what miserable and niggardly salaries some of these reporters may be getting. Likewise, the farmers, laborers, and small-business people who pay the overwhelming amount of taxes in this country are entitled to know how much subsidy is being paid such a useless magazine as is Time. Certainly, if Time, Life, and Fortune, with their large volume of advertising at the exorbitant rates they are getting are still entitled to a subsidy at the taxpayers' expense, the little farmer trying to eke out a living on 160 acres to support his wife and brood of children is entitled to have one, too.

Believing that these small folks will be interested in knowing just how much subsidy these magazines have received, I am introducing a resolution asking the Committee on Post Office and Civil Service to make a full and complete investigation as to how much subsidy Time, Life, and Fortune have received since January 1, 1940.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 213) was referred to the Committee on Post Office and Civil Service, as follows:

Resolved, That the Senate Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the amount of subsidy received by Time, Life, and Fortune magazines since January 1, 1940 from the Post Office Department.

INVESTIGATION OF PAYMENT OF SUBSIDIES BY POST OFFICE DEPARTMENT SINCE JANUARY 1, 1940

Mr. LANGER. Mr. President, for the past 2 years attempts have been made to increase the postal rates. Both the Postmaster General and the President of the United States have recommended such increases. Before we increase the rates, I believe we should find out how much of a subsidy is being paid by the Post Office Department to various classes of mail users. Therefore I am submitting a resolution, to find out what subsidies we are paying them and what we are paying also by subsidy to manufacturers and lumber interests and the airplane industry, and to various other enterprises.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 214) was referred to the Committee on Post Office and Civil Service, as follows:

Resolved, That, in order to provide the Senate with adequate information upon which to determine what action should be taken upon the Postmaster General's recommendation for increases in postal rates, the Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation for the purposes of determining (1) what users of the facilities of the postal service are being subsidized and to what extent they are being subsidized under the provisions of existing laws relating to the operation of the postal service, and (2) what subsidies are being paid or have been paid since January 1, 1940, under other provisions of law to mining, petroleum, lumbering, shipping, shipbuilding, automobile manufacturing, air and rail transportation, farming, and other segments of American industry.

SEC. 2. For the purposes of this resolution the committee, from the date of the adoption of this resolution until January 31, 1957, inclusive, is authorized to (a) make such expenditures as it deems advisable, (b) employ upon a temporary basis technical, clerical, and other assistants and consultants, and (c) with the consent of the heads of the departments and agencies concerned and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENT

Mr. THURMOND (for himself and Mr. JOHNSTON of South Carolina) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AGRICULTURAL ACT OF 1956—AMENDMENTS

Mr. HUMPHREY. Mr. President, I submit an amendment, intended to be proposed by me to the bill (S. 3183) to provide an improved farm program, which was reported by the Committee on Agriculture and Forestry on February 10, 1956. The amendment refers to hog marketing and premium payments.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Subsequently, Mr. HUMPHREY asked and obtained unanimous consent that the amendment be printed in the RECORD.

The amendment is as follows:

On page 4, between lines 22 and 23, insert the following:

"HOG MARKETING PREMIUM PAYMENTS

"SEC. 107. (a) In order to assure the orderly marketing of an adequate national supply of hogs and pork products, to encourage the increased domestic consumption of pork and pork products, to maintain the productive capacity of our hog farming industry, and to avoid the feeding of hogs to less desirable weights, the Secretary of Agriculture is authorized and directed, whenever he finds (1) that the annual pig crop for any year will exceed the average pig crop for the 10 preceding years, or (2) that the national average price received by farmers for hogs is less than 90 percent of the parity price therefor, to make incentive payments to hog producers to encourage the marketing of hogs for slaughter at live weights of 200 pounds or less.

"(b) The amounts of incentive payments under this section shall be established by the Secretary at such level, not less than $1 or more than $3 per hundredweight, as he determines is necessary to carry out the purposes of this section except that (1) whenever the national average price received by farmers for hogs in any month is less than 85 percent of the parity price for hogs, the incentive payment for such month shall not be less than $2 per hundredweight, and (2) whenever such average price for any month is less than 80 percent of such parity price, the incentive payment for such month shall be $3 per hundredweight. No producer shall be eligible to receive incentive payments under this section totalling in excess of $1,200 in any calendar year.

"(c) The Secretary is authorized to use any funds of the Commodity Credit Corporation, and any funds appropriated by section 32 of Public Law 320, 74th Congress (49 Stat. 774; 7 U. S. C. 612c), as amended, in making the payments provided by this section.

"(d) Every purchaser of hogs for slaughter shall supply to the producer of such hogs a ticket, in such form as may be prescribed by the Secretary, showing the number of hogs sold in weight classes of 200 pounds or less and the total weight of the hogs so sold. Such producer shall make application for the payment of incentive benefits under this section by filing the ticket received by him from the buyer with the county committee for his county appointed under section 8 (b) of the Soil Conservation and Domestic Allotment Act.

"(e) Payments shall not be made under this section after December 31, 1960."

On page 4, line 24, strike out "107" and insert "108."

Mr. HUMPHREY. Mr. President, I submit another amendment to the bill (S. 3183) to provide an improved farm program, to provide authorization for the Secretary of Agriculture to make incentive payments to producers who market cattle and hogs at lighter-than-normal weights.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Subsequently Mr. HUMPHREY asked and obtained unanimous consent that the amendment be printed in the RECORD.

The amendment is as follows:

On page 4, between lines 22 and 23, insert the following:

"LIGHTWEIGHT CATTLE AND HOGS

"SEC. 106. (a) In order to encourage the marketing of cattle and hogs at lighter-than-normal weights, the Secretary of Agriculture is authorized and directed, in accordance with such regulations as he may prescribe, to make incentive payments to producers who market cattle and hogs at lighter-than-normal weights.

"(b) Such payments shall be made from funds appropriated by section 32 of Public Law 320, 74th Congress (49 Stat. 774; 7 U. S. C. 612c), as amended, and shall be in such amounts as may be determined by the Secretary to be necessary to carry out the purpose of this section."

On page 4, line 24, strike out "107" and insert "108."

AGRICULTURAL ACT OF 1956—PRESS RELEASE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with the bill (S. 3189) providing incentive payments for the marketing of lightweight hogs, introduced today by me, and the two amendments which I submitted today to the bill (S. 3183) to provide an improved farm program, a press release prepared by me.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY PRESSES FOR PREMIUM PAYMENT PLAN TO HOG PRODUCERS

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, continued his efforts in the Senate today to direct new farm legislation more toward the pressing problem of low income to hog producers.

Senator HUMPHREY introduced legislation calling for establishment of marketing premium payments as incentives for marketing of lighter weight hogs, describing it as a "self-regulating plan for easing depressed conditions in hog markets" by adjusting meat supply to demand.

The proposal was introduced both as a separate bill, and as an amendment to the pending new farm bill.

Senator HUMPHREY had previously outlined his measure in the Senate, and submitted it to the Senate Committee on Agriculture for consideration in drafting the present new farm bill.

While it lacked one vote of a majority for inclusion in the new bill just reported out, Senator HUMPHREY said some members of the committee who voted against it agreed the plan appeared to have merit but felt it should be the subject of separate hearings. For that reason, he said, he is proceeding with it as an independent bill as well as a floor amendment.

Senator HUMPHREY said his proposal for "lean bacon" incentives ranging from $1 to $3 per hundredweight to get hog producers to market hogs at 200 pounds or less, instead of the average of 240 pounds for all marketings last year, could reduce the available amount of pork in the market enough to restore hog prices to fair levels where such incentives were no longer needed.

The bill provides for starting with incentives of $3 per hundredweight, and lowering the payments as hog prices improve. It would end all premium payments when prices in the market place again reach 90 percent of parity.

Senator HUMPHREY said past marketing history indicated prices could be restored to 90 percent of parity if 800 million pounds of pork were eliminated from the market.

"We could reach that goal by spending only $198 million under this incentive plan, compared with cost of at least $400 million if we attempted to remove the same amount of meat from the market by direct purchases because of the increased share of the purchase price going to processors," Senator HUMPHREY explained.

Senator HUMPHREY said the new farm bill as now written "fails to adequately answer the immediately pressing problem of low income among Midwest hog producers."

Mr. HUMPHREY. Mr. President, I should like to call to the attention of my colleagues that as of last week I discussed the proposal on the floor of the Senate, and the CONGRESSIONAL RECORD of Wednesday last week includes a full statement relating to these particular proposals. Therefore, I am not going to enter a new, extended statement in the RECORD, since the information concerning the proposals is to be found in the RECORD, as I have indicated.

INVENTORY REPORT ON FEDERAL REAL PROPERTY (S. DOC. NO. 100)

Mr. HAYDEN. Mr. President, at a meeting of the Committee on Appropriations on February 8, it was recommended that a committee print of the Inventory of Federal Real Property as of June 30, 1955, compiled by the General Services Administration at the request of the committee, be printed as a Senate document, with illustrations.

I present the committee print, and ask that it be so printed.

I also ask unanimous consent that the correspondence relating to the report, together with a press release and fact sheet on the inventory, be printed as a part of my remarks.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered; and, without objection, the correspondence and press release will be printed in the RECORD.

The correspondence and press release are as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., February 3, 1956.

The Honorable CARL HAYDEN,
Chairman, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: We are pleased to submit the attached report covering the inventory of Federal real property in the continental United States as of June 30, 1955.

This inventory report was prepared pursuant to the committee's request "that a second report be compiled as of June 30, 1955, to be issued as a Senate document in January 1956, and that the reporting procedures and compilations be continued as of the end of each fiscal year thereafter."

The real property inventory project, the largest and most complex job of its kind ever undertaken by the Government, brings together in a single place all the Federal real property in the United States. It consolidates information from 11,777 individual reports on Federal installations which cost, in total, $32.5 billion, excluding any value for public domain lands.

The attached inventory report, in addition to including real property changes since December 31, 1953, the date of the previous report, also reflects refinements to data previously reported. Although considerable progress has been made during the past year in improving real property records throughout the Government, much work remains to be done.

The inventory has facilitated the efforts of the Bureau of the Budget, the General Services Administration and the respective agencies in reviewing and evaluating the need for the retention or disposal of real properties. The result has been a material increase in the utilization and disposal of excess and surplus property.

It has served to promote real property consciousness in the various agencies and has stimulated the improvement of agency procedures for the accounting and management of their properties.

The real property inventory has also been invaluable in furnishing Members of Congress, the press, trade associations, State and municipal governments, and private citizens with information never before available on the real property holdings of the Federal Government.

As requested by the committee in Report No. 411, dated June 2, 1955, we are compiling an additional report to cover federally owned properties outside of the continental United States.

We wish to express our appreciation for the splendid cooperation received from Mr. Earl Cooper of the committee's staff, the participating agencies, and the Bureau of the Census.

Cordially yours,

EDMUND F. MANSURE,
Administrator.

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D. C., February 4, 1956.

The Honorable EDMUND F. MANSURE,
Administrator, General Services Administration, Washington, D. C.

DEAR MR. MANSURE: The committee is in receipt of the Inventory Report on Federal Real Property in the United States as of June 30, 1955, prepared by your administration pursuant to the committee's request. This report revises as of the end of the last fiscal year the inventory as of December 31, 1953, the summary of which was issued as Senate Document No. 32 in April of 1955.

The summary report of this current inventory, with supporting charts and tables, is being issued as a Senate document and made available to all Federal agencies as well as the public generally. We recommend that a set of the electric accounting machine detail data sheets be furnished to the Senate and House Appropriations Committees and Government Operations Committees and to the reporting agency, and that file and working copies of these sheets will be available also in your administration for reference.

It is most encouraging that the inventory has been of valuable use, as set forth in your letter, and the resulting economies are certain to become increasingly apparent as the inventory is reissued for succeeding fiscal years.

The committee commends you and your administration for the splendid work that has gone into the preparation of this most complex inventory and for the cooperative way in which you have complied with the purposes of the committee in issuing the report as well as implementing its use in bettering accounting, management, utilization and disposal activities concerning the Government's real property.

Very sincerely yours,

CARL HAYDEN.
STYLES BRIDGES.

RELEASE BY SENATE COMMITTEE ON APPROPRIATIONS, TUESDAY, FEBRUARY 14, 1956

A new Senate document gives today a complete record of how much real property the United States owns within its continental boundries and what it has cost since 1789 to acquire the real estate.

The Senate Committee on Appropriations authorized publication of the document with its innumerable facts and figures on Government realty.

Entitled "Inventory Report on Federal Real Property in the United States as of June 30, 1955," the document sums up the findings and the totals from a complete inventory of all Federal holdings in land, buildings, and structures, and facilities.

In announcing the report on behalf of the committee, Senator CARL HAYDEN, committee chairman, stated that "the massive inventory gives the Government for the first time current and complete information on its realty holdings." He pointed out that the inventory records them up to June 30, 1955, the close of the Government's last fiscal year.

Senator HAYDEN said that the General Services Administration, with the assistance of all civilian and defense agencies, compiled the inventory and prepared the report at the committee's request. GSA will make similar compilations every year from now on.

Today's report presents the inventory data on a current basis and verifies as well as adjusts previous findings. At committee request, GSA completed its first realty inventory last April, covering holdings up to December 31, 1953.

To illustrate the report's scope and detail, Senator HAYDEN cited among its highlight findings that:

The Government owns 21.4 percent of the continental United States.

The Government has acquired real estate since 1789, costing $32.5 billion, excluding domain lands.

Government holdings are the sum of land costing $2.4 billion (exclusive of domain lands), buildings costing $14.5 billion, and structures and facilites (for power development, flood control, and similar uses) costing $15.6 million.

In releasing the report, Senator HAYDEN said that Edmund F. Mansure, Administrator of General Services, "deserves congratulations for GSA's superior performance in producing an inventory and a report which will prove invaluable to the legislative and executive branches of the Government." The chairman added:

"With its accurate listing of 11,777 installations to which the Government holds title, the inventory will enable Members of Congress to understand more precisely and more fully the problems with which legislation must deal in improving the acquisition, management, and disposal of real estate by the Government.

"It will also enable the executive branch to carry out better its management duties. All the agencies now know exactly what they own and therefore can determine what they do not need and can dispose of."

Senator HAYDEN said the principal changes in the report from its predecessor, covering holdings through December 1953, "show that previous data have been reconciled and the information further refined." He cited as examples:

"The report for 1953 showed that the Government owned 405.1 million acres while the current, more accurate figure is 407.9 million. Similarly, the first-cost figure was $30.2 billion, but we now know the correct amount is $32.5 billion."

He pointed out that the report indicates that much of the change in dollar cost reflects improvements in the inventory system rather than the acquisition of new property.

The report shows the Government now owns 384,916 buildings, consisting of nearly 2.2 billion square feet of space. The square footage is about the same as reported earlier.

The holdings are contained in 11,777 "installations," with an installation defined as a reporting unit. Usually a single office building or post office, an installation also may be a national park, military reservation, or hydroelectric project. When these installations spread across State boundaries, the parts in each State were reported separately.

From the standpoint of installations the Post Office Department led the list with 3,086. Immediately following is the Department of Defense, including Corps of Engineers civil functions, with 3,015. The Treasury has 1,436 installations and the Interior Department has 1,065. Interior also holds 84 properties in trust for Indians. The Government Printing Office has only 1 installation.

Over $20 billion, or 61.9 percent, of the total real-property holdings owned by the Federal Government is in the hands of the Department of Defense. The other 38.1 percent, costing $12.4 billion, represents the holdings of all other agencies of the Government.

Only 5 agencies have holdings in all 48 States and the District of Columbia. These are Interior, Post Office, GSA, Veterans' Administration, and the Department of Defense. Of the latter, only the Army is located in each State. The Navy and Air Force have installations in 47 States and the District of Columbia.

Grazing lands comprise 178 million acres of the total owned by the Government, with forest and wildlife preserves accounting for 176 million. The military uses 17.9 million acres, excluding its airfields, which consist of 2.3 million acres. The balance of the land is devoted to reclamation and irrigation, power development, and other uses.

The report shows, excluding trust properties, that the Federal Government owns 87.1 percent of the land in the State of Nevada. Second largest percentage is in Utah, where the Government owns 70.2 percent. It owns 29.8 percent of the District of Columbia, excluding the property in the jurisdiction of the Architect of the Capitol. At the bottom of the list is Connecticut, in which the Government owns two-tenths of 1 percent of the land.

The inventory, as distinct from the inventory report, is a huge compilation of approximately 2,300 pages. As its size prevents economical publication, original electrical accounting-machine copies will be available to legislative and executive arms directly concerned with property management. These include the Committees on Appropriations, Committees on Government Operations, Bureau of the Budget, and General Accounting Office. Each Federal agency will receive the segment dealing with properties in its custody.

As the management agency for Federal real property, GSA will retain the master copy. Except for sections dealing with security installations, it will be available for inspection on request.

In releasing the report, Senator HAYDEN also disclosed that the committee has asked the General Services Administration to make a similar inventory of United States-owned properties outside the continental limits. It will be made public in March.

NOTICE OF CONSIDERATION OF NOMINATION OF DOUGLAS MAXWELL MOFFAT TO BE AMBASSADOR TO AUSTRALIA

The PRESIDENT pro tempore. As a Senator and as chairman of the Committee on Foreign Relations, the Chair

desires to announce that the Senate received today the nomination of Douglas Maxwell Moffat, of New York, to be Ambassador of the United States to Australia. Notice is given that this nomination will be considered by the Committee on Foreign Relations, at the expiration of 6 days.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MARTIN of Iowa:

Tabulation showing results of questionnaire mailed by him to Iowa.

SELECT COMMITTEE TO INVESTIGATE ATTEMPT BY A CAMPAIGN CONTRIBUTION TO INFLUENCE THE VOTE OF A SENATOR

Mr. GEORGE. Mr. President, I ask unanimous consent to make a very brief statement.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Without objection, the Senator from Georgia may proceed.

Mr. GEORGE. Mr. President, the select committee appointed under Senate Resolution 205 has gathered the great bulk of the facts concerning the incident reported to the Senate by the junior Senator from South Dakota [Mr. CASE]. There is still some detailed information to be obtained, and some documents remain to be examined. But, from the examination thus far made by the select committee, the broad outlines of the matter are clear.

There still remains, of course, the question of whether the information would justify a recommendation by the committee for a broadening of the investigation. There are not now before the committee sufficient facts to enable it to make this determination.

Therefore, the committee invites any Senator or any other person who has any evidence of improper pressure on either side of the so-called gas bill—the Harris-Fulbright bill—to come forward and state the facts to the select committee. Upon that basis, the committee will be able to make a determination of the course to be recommended to the Senate.

Mr. President, I may add that the committee will not be in further open session during the present week. Some members of the committee have engagements outside the city; and the committee will not be in session again, as a committee, until the latter part of this week or the first few days of next week.

FULL PROSPERITY FOR AGRICULTURE

Mr. HUMPHREY. Mr. President, a 118-page study entitled "Full Prosperity for Agriculture" was published last November by the Conference on Economic Progress. To many of us it appeared a thoughtful and useful study of trends in agriculture and goals we should be seeking to achieve. In view of the current problems in agriculture, it would appear that such studies by various groups should be encouraged as a useful contribution to public thinking and public discussion.

During Edward R. Murrow's nationwide television program on January 26, Secretary of Agriculture Benson gave what I regard as a distorted misreading of a few phrases from the pamphlet, drawn quite out of context.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement prepared by Leon H. Keyserling, consulting economist and author of the pamphlet, in answer to misrepresentations by Secretary Benson about this study. As we know, Mr. Keyserling was formerly chairman of the Council of Economic Advisers to the President.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[Study published by Conference on Economic Progress on November 27, 1955]

STATEMENT IN ANSWER TO MISREPRESENTATIONS ABOUT FULL PROSPERITY FOR AGRICULTURE

In Edward R. Murrow's nationwide television program on January 26, Secretary of Agriculture Benson indulged in a completely distorted misreading of a few phrases drawn out of context from Full Prosperity for Agriculture, a 118 page study published on November 27, 1955, by the Conference on Economic Progress. Specifically, the Secretary said that this study urged that about 2 million farmers be forced off the land; and he made rather derisive reference to some members of the national committee of the conference, including some distinguished farm leaders and two of the most distinguished leaders of American labor who vigorously favor an improved farm program not only as a matter of simple economic justice but also because industrial workers cannot remain permanently secure if farmers remain in deep trouble. The Secretary's distortions of this study have been widely repeated or paralleled in various parts of the country.

Full prosperity for agriculture raises for intelligent public consideration how farm income may be improved, farm production best adjusted to maximum needs for domestic consumption and exports, and the structure of the farm plant reconciled with these other two objectives with due recognition for the value of farm life as a good in itself. This study points out that, under the 1955 structure of farming, there were about 100,000 very large or giant commercial farms, including some "factories in the field," comprising about 8 percent of the total number of commercial farms, but contributing about 26 percent to total farm sales and receiving at least that percentage of total farm income. The average family income of the owners of these farms may have been as high as $12,000, with many very much higher. At the other extreme, there were about 1.3 million commercial farms, coming to about 38 percent of the total, but contributing only about 8 percent to total farm sales and receiving perhaps a smaller percentage than this of total farm income. The average family incomes of these farms was about $1,400, and only $1,000 of this miserably inadequate average was derived from farming. These terribly depressed farm units are largely in the South, and many of their inhabitants eke out even a substandard livelihood only by part-time nonfarm work. In between these two extremes, there were about 2 million more or less adequate family-type farms, less than 60 percent of the total, and contributing about 64 percent to total farm sales and receiving somewhere in that neighborhood of total farm income. (The final 2 percent of farm sales comes from about 1½ million noncommercial farms.) The incomes of these family-type farm families, along with that of agriculture as a whole, have declined drastically in recent years, so that perhaps more than half of them have annual incomes below $3,000. But these more or less adequate family-type farms would be the proper model for American agriculture, if their incomes and opportunities could be sufficiently raised.

To bring better balance into this farm structure, the conference study proposes for consideration a series of policies to prevent further dominance by the very large and giant farms; and that by 1960 the number of more or less adequate family-type farms—small, middle-sized, and moderately large—be increased by about half a million, and that their share of total farm sales and income be increased from about 64 percent to at least 70 percent. To enlarge so substantially the number of these family-type farms, the study contemplates that a large number of the miserably poverty-stricken farms, horribly inadequate both as to size and income, be helped to become adequate family-type farms. But it also recognizes that there can be no hopeful solution for many of the people who now derive some income from these poverty-stricken farms (some as owners and some as tenants or workers) unless there are some improved opportunities for movement into industrial work, either full-time or to supplement their farm-derived incomes. Counting both some of those who own these terribly substandard units, and some of those who do hired part-time or full-time work on farms but who are not farm owners at all, it is estimated that some movement by some of these people into industrial work by 1960 might result in an overall decrease by about three-fourths million in the number of people engaged in full-time or part-time farm work, and that these with the nonworking members of their families might number approximately 2 million. Many of these people are so utterly depressed that no farm program alone can assure them an American standard of living.

Any long-range adjustment in the farm population along these lines would be much slower than that projected by most other competent studies. Comparing 1955 with 1929, the farm population has declined from more than 30 million to about 22 million, or from about ¼ to about 13½ percent of the total population. Secretary Benson knows perfectly well that anybody who said there were not going to be any further adjustments in the farm population between now and 1960 would not know what he was talking about; and the Secretary knows further that President Eisenhower on various occasions has identified improved industrialization and employment opportunity as one significant aspect of bringing a better life and better incomes to the farm population. If Secretary Benson has any proposals whereby all of the 700,000 farm-operator families with incomes of less than $1,000 a year, and all of the 2 million with incomes of less than $2,000 a year, can be transformed into farm operators of sufficient size and earn enough farm income to enjoy an American standard of living, without overproduction or excessive income-subsidy, he ought to reveal these proposals.

The conference farm pamphlet does not propose to force any farmers off the land. But it does state that "masses of underemployed people on the farm, eking out a substandard living, nullify any assertion that the economy as a whole enjoys full employment, production, and purchasing power." And it does state that "the process of putting people through the wringer as a means of redistributing our productive resources be-

tween farm and nonfarm work is neither efficient from the economic viewpoint nor justifiable from the human viewpoint * * * neither farm nor industrial workers should be rationed and reassigned by the brutal process of unemployment and deflated income. Instead, private and public economic policy * * * should not only be protective to individuals during the transition process, but also should be used to prompt them toward the transition by income inducements rather than income deflation." In short, the study urges an expanding full employment environment in which all who work for a living, everywhere, shall have opportunity to make a genuine election of their work, and to join in parity enjoyment of the American standard of living.

The attitude of the conference farm pamphlet is further illustrated by this language: "Asking industry to absorb the surplus labor supply of agriculture is just as bad as asking the farm economy to absorb the surplus labor supply of industry. The experience of 1954, when some industries advertised to recruit workers from the farm areas at one time of year, and then told them to go back to the farm at another time of year, is no sound guide to future action * * * This problem should not be approached in the spirit of shifting a farm burden to industry or an industrial burden to agriculture, thus fomenting artificial conflicts between the two groups * * * A general full employment program for the whole economy is essential equally to the well-being of agriculture and to the well-being of all the people * * * the maintenance of full employment and the full utilization of our productive potential in the overall economy are goals which should unite farmers, workers, and business interests in a mutual and vigorously sustained effort."

Secretary Benson and others misrepresenting the conference farm study, ignore the high goals and vigorous programs which it sets forth to help lift farm income toward income parity with other groups. The study proposes that total farm income from all sources be lifted in 1956 to about $3½ billion above the current level. This would mean an increase of more than $150 in the per capita income of the farm population. The study proposes that the total income of the farm population from all sources be lifted from about $19 billion in 1955 to about $29 billion in 1960, which would lift the average per capita income of the farm population from all sources from about $865 in mid-1953 to about $1,450 by 1960. Even the higher figure would be only about two-thirds that of the nonfarm population as a whole by 1960 in a full-employment environment. The study proposes that the number of farm operator families with incomes under $1,000 a year be reduced from 12.5 percent of all farm operator families in 1953 to only 2 percent by 1960; that the number with incomes between $1,000 and $2,000 a year be reduced from 24.5 percent to 5 percent; that the number with incomes between $2,000 and $3,000 be reduced from 20 percent to 11 percent; and that the number with incomes above $4,000 be increased from 28.4 percent to 66 percent. The study proposes that the general average income of all farm operator families be brought up to an average of about $5,400 by 1960, compared with $3,460 in 1953. The study proposes specific measures to redirect farm income protection, so that most of it would go to the family-type farm rather than to the giant farm. What goals has Secretary Benson ever set to move American farm families in this upward direction, and what programs has he ever offered to accomplish this objective?

The conference farm study is unique in the high goals which it sets forth for the improvement of farm income and living standards, in its concentration upon the protection and advancement of the family-type farm, in its insistence that the farmer should receive income parity and not just price parity, and in the range and boldness of the practical programs which it recommends to accomplish these objectives. No contrast could be more vivid than that between this farm pamphlet and the contrived deflation of farm income and living standards which has been taking place at an accelerating rate during the most recent years.

Secretary Benson's improper and indefensible attack upon the conference farm study has been reiterated widely in various publications; there is some appearance of a unified effort further to confuse the public and to bamboozle the farmer.

The Secretary might well consider abandoning the habit of (a) endorsing unjust attacks upon the American farmer, which he says he has not read (the Harper's article), or (b) attacking reasonable proposals to help the American farmer, which evidently he has not read. Above all, he might abandon the idea that unjustified slurs upon individuals and groups, designed to inflame prejudice rather than to evoke reason, and to play one group against another when all should work together, can help to get agriculture out of its serious plight.

Mr. HUMPHREY. Furthermore, Mr. President, I also ask unanimous consent to have printed in the RECORD a copy of a letter I have just addressed to Secretary of Agriculture Benson, asking if he had ever actually read the pamphlet which he ridiculed in public. Mr. President, I hope my colleagues will not think I am being unkind in this instance. I have asked this question of Secretary Benson because the last time he commented on an article, he later had to admit that he had not read it. This time, I shall withhold any comment until I find whether Secretary Benson has read the article. If he read it, I shall be glad to do battle with him at the proper time and place. When his reply is received I shall place it in the RECORD. I think the public should know whether he actually read the pamphlet, and, if so, what his real evaluation of it turned out to be.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 14, 1956.

The Honorable EZRA TAFT BENSON,
Secretary of Agriculture,
United States Department of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: During your appearance on the recent Edward R. Murrow program, you took occasion to criticize excerpts from the pamphlet Full Prosperity for Agriculture, put out by the Conference on Economic Progress.

May I inquire whether or not you personally read this full pamphlet? Had you read it at the time of the Murrow show? Or were your remarks directed only at portions of it to which your attention had been directed?

I am interested to know if you have read the entire study, because, if so, I would like to ask your reaction to the overall case it presents for full prosperity in agriculture rather than just comments on isolated portions taken somewhat out of context.

Sincerely,

HUBERT H. HUMPHREY.

LINCOLN DAY ADDRESS BY SENATOR AIKEN

Mrs. SMITH of Maine. Mr. President, this past Sunday, at an observance of the birthday of that great American, Abraham Lincoln, here in Washington, at the Lincoln Museum, one of the most illustrious Members of the United States Senate delivered an address which I feel should be read by every Member of Congress.

I am sure that everyone who reads the address, by a man who is a veritable Lincoln in his own time and in this modern age, will be moved by the thoughts expressed by the senior Senator from Vermont [Mr. AIKEN].

I ask unanimous consent that his address be incorporated in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR GEORGE D. AIKEN

It is highly appropriate that people are meeting all over our country today to pay their respects to the memory of Abraham Lincoln.

As citizens of this great Union of States to which freedom-loving people the world over now look for leadership, we do well to pay homage to the man whose utter devotion to that Union and whose steadfastness of purpose made our present position of leadership possible.

It is with a feeling of reverence that we commemorate his birthday on this historic spot.

There is no need to discuss the tragic event which occurred here.

We are all familiar with the years of pain and bitterness leading up to that event.

We are all familiar with the nearly disastrous years that were its consequence.

We know how the Union that Lincoln had struggled so heroically to preserve, already torn apart by 4 years of bitter strife, was further divided and distressed by the crime which was committed in this very place.

We know how the forces of vengeance which had been held in check by Lincoln's firmness for the right swept over the broken Southern States in an hysterical wave without precedent.

We know how reconstruction became a terrifying nightmare of stupid, passionate recriminations and the satiating of incredible greed instead of the peaceful rehabilitation which Lincoln had planned for a united nation.

It is not our place, however, to quarrel with history. Rather, it is our place to use history as an inspiration to carry on to greater success the programs and policies of today.

None of the great national heroes of the United States has through his character and deeds inspired us to greater service than the one whose birthday we now commemorate.

It is fitting, therefore, that at this time we recall the traits of this humble man and consider them in the light of the present day.

Lincoln's greatness stemmed from the fact that he was a man of positive ideas.

He was against slavery, but his greatness did not stem from his resolute stand against slavery, but rather from his positive belief in human freedom and in the common people of the world.

He was humble.

He believed in his fellow men.

He was strong for the right as he saw it.

His strength in his own time and his enduring position as one of the immortals springs from these traits.

I am not sure but what the stories of his having been a great rail splitter are exaggerated, but he was a great builder of ideals.

The world still needs idealists.

The world still needs people who look ahead.

The world still needs people of humility—who have an abiding faith in their fellow beings.

Lincoln's acts of greatness had their roots in that period of our history when the United States was emerging from a rather weak debt-ridden nation into a period of expansion, with a rapid increase in population, the settlement of the great West, and the beginning of the industrial revolution.

He was keenly interested in the promise of national greatness, which was the portent of those times.

This interest and his vision of a greater nation were indicated in his annual message to Congress of 1862, wherein he declared:

"The great interior region, bounded east by the Alleghenies, north by the British Dominions, west by the Rocky Mountains and south by the line along which the culture of corn and cotton meets * * * already has above 10 millions of people and will have 50 million within 50 years if not prevented by political folly or mistake * * * it is the great body of the Republic. * * * In the production of provisions, grains, grasses, and all which proceeds from them, this great interior region is naturally one of the most important in the world * * * yet this region has no seacoast, touches no ocean anywhere."

He pointed out how the channels to the sea must always be kept open to what we now know as the Great Lakes region.

We may well surmise that he envisioned the St. Lawrence Seaway almost a hundred years before it fell the lot of another great President—Dwight D. Eisenhower—to put in motion the forces which are now resulting in the construction of that great waterway.

The population of the Great Lakes region does now exceed the 50 million people which Lincoln predicted for it.

Had he foreseen that it would be nearly a hundred years before his vision would come true, he might have been impatient.

Patience, however, was one of his virtues.

Even in his first inaugural address he made this clear.

Much as he hated slavery, he was loath to take drastic action to achieve its end.

Instead he stressed reliance on "time, discussion, and the ballot box" and firmly stated "my paramount object is to save the Union, and not either save or destroy slavery."

How often do we in Congress see men today eager to achieve success of a noble objective and undertake to do so by methods which may conceivably result in greater evils than the one they seek to correct and, at the same time, make accomplishment of their original purpose impossible.

Had Lincoln in his early months as President undertaken to bring about the end of slavery, he might have failed not only to bring an end to slavery, but might have lost the Union as well.

The great humanitarian who longed for freedom for all conditions of men would not willingly permit his desire to end slavery to imperil the Union.

Of all the epitaphs that have been written for him, none is more fitting than these words: "He preserved the Union."

It is not always easy to keep unswervingly on a course which one knows to be right when the popular acclaim of the day is reserved for those who respond to what is most popular at the time.

To keep on the course one deems to be right is often to invite ridicule, intolerance, slander, and abuse.

Presumably, no man in public life was ever the victim of more vicious and unremitting attacks upon his appearance, his character and his policies, than was Abraham Lincoln.

He was beset by jealousies among his lieutenants.

His opponents put every conceivable obstacle in the way of successfully carrying out his policies.

His enemies would have broken the heart and the spirit of a lesser man.

It may be that his heart and his spirit were depressed by these repeated attacks, but his determination never faltered.

Men and their methods haven't changed much since Lincoln was President.

Why is it that when a President—any President—tries to do right—tries to do the best he can for his country and the people who live in it—he is subjected to venomous and slanderous attack?

Whether we like the President or not, whether he is of our own political party or not, it is the duty of every one of us to assist him in carrying out the obligations of his office.

When I see today the obstacles put in the way of President Eisenhower's efforts to provide better education for more people; better health for all people; better and sounder programs for farmers; better highway programs; and even his efforts to maintain a stable domestic economy and better international relations—then I realize more poignantly than ever the almost superhuman qualities of patience, endurance, and unfaltering courage which Lincoln had to have at a time when the existence of the Union itself was at stake.

Through all the trials and tribulations of preserving the Union, Lincoln found time to look into the future of our national expansion.

It was during that terrible period of the War Between the States, when brother was pitted against brother and the fate of the Union was hanging in the balance, that the great agricultural expansion of our country really began to blossom.

As a Vermonter, I am particularly proud that among Lincoln's stanch supporters in the United States Senate was Justin S. Morrill of Vermont.

Perhaps it was because Morrill was born and raised in a small hill town in our small agricultural State where poverty was not unknown that he and Lincoln found so much in common.

In the year 1862, the Morrill Homestead Act—a vitally important Lincoln measure—passed the Congress.

Prior to 1860, many unsuccessful efforts had been made to turn the public lands over to the people, but it was not until this homestead law was passed that a successful start was made in formulating our public-lands policy.

The Morrill Act was the turning point in the history of the settlement of the West.

Prior to this measure, settlers had been at the mercy of land grabbers who acquired land, sold it at large profits and always moved westward for more, new quick sales.

There were those who insisted that the western lands be sold and the money received deposited in the Federal Treasury.

Probably today Lincoln would have been accused of sponsoring a giveaway of our public resources, but in his message to the Congress at the end of 1863, he said:

"The people have a higher and more enduring interest in the early settlement and substantial cultivation of the public lands than in any direct revenue from the sale of them."

He recognized the need for universal public education long before he became Chief Executive.

Back in the 1850's, while he was speaking in Illinois, he gave no quarter to those who argued that the ignorant whites of the prairies did not deserve or need education.

"It is assumed that labor and education are incompatible," he once declared. "According to that theory a blind horse on a treadmill is a perfect illustration of what a laborer should be—all the better for being blind, that he could not kick understandingly."

As one who had little early opportunity for education, Lincoln probably recognized the need for universal education more clearly than did many of his more erudite contemporaries.

He consistently held that to be free, labor—whether on the farm or in the factory—must be educated.

His ideas quickly found support in Senator Morrill, who introduced the most important piece of Federal educational legislation ever passed up to that time, the Morrill Act of 1862.

The Morrill act provided for the founding and maintenance of land-grant colleges where subjects related to agriculture and what were then called the mechanic arts would be taught.

The purpose was to provide a liberal and practical education for the industrial classes.

It was indeed natural that Senator Morrill, of Vermont, and President Lincoln, of Illinois, should work together with a common purpose, that of making life better for all the people.

Vermont was the first State to abolish slavery constitutionally.

Vermont was 1 of 6 States which, in the Presidential election of 1856, had given the majority of its votes to the infant Republican Party and, in 1860, had given to Candidate Lincoln the highest percentage of its vote of any State in the Union.

Another major piece of legislation passed by the Congress in the year 1862 called for the establishment of the United States Department of Agriculture.

This new law laid emphasis on one of the primary responsibilities of the Department today, the development of more efficient production by exhaustive and continuing agricultural research.

Three years earlier, in a speech before the Wisconsin Agricultural Society in Milwaukee, Lincoln revealed his concern for more scientific farming.

He expressed his belief in deeper plowing, soil analysis and experiments with various soils and manures.

He said he thought that costs of production could be cut at least in half by improved methods.

Although the McCormick reaper was at that time the last word in farm machinery, Lincoln was looking ahead to the time when we would be using a "steam plow" to do our farm work better and cheaper and also get it done earlier in the season.

He humorously indicated that the fuel for the new steam plow, namely, water, would not be very expensive.

I don't know what he would think of the modern diesel and gasoline-operated tractors, but in all probability he would take a good look at them and then start figuring out how to build better ones.

It was so characteristic that the thoughts he gave to the problems of the small farmer and factory worker and his hopes and plans for a better future were given during the most critical period of American history.

Lincoln had very definite ideas as to what the functions of the Federal Government should be.

Just as we have today, there were people in those days who felt that the Federal Government should be responsible for their well-being, that the Federal Government, in fact, owed them a living.

I guess people haven't changed much in this respect since government began.

There always have been those who are willing to exchange freedom for security, regardless of the fact that in so doing they would be sure to lose both.

While formerly they were noticeable only as individuals, attempts are made today to organize and to use them.

They are supine material for schemers and plotters and for those to whom our form of government is a hateful thing.

So long as men like these exist, the tenets of democracy will be in danger and eternal vigilance will be the price of freedom.

Lincoln stated his principles about Federal responsibility for the individual in these words:

"The legitimate aim of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well, for themselves. * * *

"In all that the people can individually do as well for themselves, government ought not to interfere."

Nearly a hundred years later, another great President expressed his belief in government responsibilities in this way:

1. "The Federal Government should perform an essential task only when it cannot otherwise be adequately performed," and

2. "In performing that task, our Government must not impair the self-respect, the freedom, and the incentive of the individual."

President Eisenhower also urged the agents of government to "let the general good be your yardstick on every great issue of our time."

America should be everlastingly thankful that the philosophy of Abraham Lincoln is also the philosophy of Dwight D. Eisenhower.

We should be eternally grateful that the man in the White House today, like Lincoln, is a great moderator, yielding to no extreme faction of the left or of the right—that he has given this country moderate ideas, moderate laws, moderate executive action, and, in so doing has brought about the respect of the people of other nations and, most important of all, the full confidence of all Americans.

With men like Lincoln and Eisenhower as our examples, we, as individuals, should be inspired to greater service.

It is our duty, no less than it was Lincoln's, to see that our Union and our democratic form of government are preserved.

It is our duty, no less than it is President Eisenhower's to see that government must not ever be used to impair the self-respect, the freedom, and the incentive of the individual.

The ways of men have not changed much since time began, some are good, some are bad, some are thoughtful, some are irresponsible, some will shoulder their share of the burden cheerfully, while others seek to avoid it in every way possible; some look into the future, others do not see beyond tomorrow.

The great task remaining before us is still unfinished.

We will always have before us the threat of those who would undermine the strength of our democracy and the freedom of the individual.

Let us think of these things on this birthday of Abraham Lincoln and rededicate ourselves to the preservation of those institutions for which he fought, for which he suffered indignities and persecution, and for which he finally gave the last full measure of devotion.

DANGEROUS LAG IN PRODUCTION OF B–52 BOMBERS

Mr. SYMINGTON. Mr. President, recently there has been much talk about guided and ballistic missiles. But there has been very little talk about current combat forces in being.

Nothing is, or could be, more important than the status, the modernity, of our current combat equipment—that equipment which would have to be used today in case this country was attacked.

As example, there has been far too little attention given to bomber production—or rather to the lack of bomber production.

We now know the Communists are ahead of us in the long-range ballistic missile field; and, therefore, we know that if there is one weapon critically needed, in quantity, to maintain the security of the free world, it is our new intercontinental jet bomber, the B–52.

But in accordance with policies now in practice, plans for the production of this vital plane are still being carried on largely on a business-as-usual basis.

The other day I asked why there was so little production of B–52's, considering how badly and how soon we need them.

The answer was: "We have three problems—the first is money; the second is money; and the third is money."

Mr. President, in this country we now work an 8-hour day, and a 5-day week.

On the basis of last month's production of B–52 bombers, we are producing more automobiles in less than 2 minutes than we will make B–52 bombers in the next year.

Of course, it is easier to make a car than a bomber. But consider the extent of this difference.

We now know of the tremendous increase in Soviet air strength. Nevertheless, no responsible person can say we are making anything that even approaches an all-out effort to keep up with them.

Apparently the United States has now given up any effort to rival the Soviet in fighter production.

Are we now also giving up in bomber production?

At this point in the RECORD, I ask unanimous consent to have printed a most informative article, written by one of America's best known public figures who, in addition to his other talents, is a well-informed citizen in the field of aviation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT I BELIEVE ABOUT AMERICAN AIRPOWER

(By Arthur Godfrey)

Here and there in these memoirs, I have mentioned my love affair with aviation. It is an affair in which I take genuine pride, because it gives me a chance to do something tangible for my country—this America that I love so deeply. This is the task I had in mind when I said, in an earlier chapter, that I expect to continue in broadcasting for a while longer because I have a job to do. I've been working on it for some years, but it is still far from finished.

The job is simply this: I want to help inform the people of this country about America's desperate need for airpower—now. I believe that because of our failure to understand properly the modern meaning of the term "adequate airpower" we are gradually reaching a dangerous and untenable situation.

I am aware, of course, that most folks think they already know about airpower. If you ask the average guy in the street whether he's for airpower, the chances are he'll say, "Why, sure." And if you ask him, further, whether he thinks we've got it in this country, he'll say, "Yes, we have." He votes for it and he thinks he's getting it. But the tragic fact is that we are not getting it—at least, not the right kind and not quickly enough.

And I now firmly believe that the Russian Communists would long ago have overrun all Western Europe but for one thing: Their completely justified fear of SAC under General LeMay. Sure, no man is indispensable, and someday Curt will retire, but through his foresight and ability to organize and train, there will be others to take over. And the fact remains that LeMay will go down in history as the one man who had the vision and the understanding and the know-how and the sheer guts to whip SAC into shape at the crucial time when it was so desperately needed. That time was every moment of the past 5 years, and will be every moment of the next 5—at least.

Some of my badly misinformed friends had told me that the B–36 was such a monstrosity that the crews manned them only at gunpoint, that they often mutinied rather than take off in one, that they were rarely able to get them into the air, that the planes were slow and cumbersome, and so vulnerable to fighter attack as to be absolutely useless. You may think this sounds fantastic, and it was. None of it is true.

To be sure that I could speak authoritatively on these matters, I flew B–29's, B–50's and B–36's. Then I went to Wichita and flew the then-new B–47 all-jet medium bomber—which since that time has replaced all of SAC's B–29's and B–50's. I had once been told by a Cabinet officer that it cost $18,000 for JATO—jet-assisted take-off—alone to get a B–47 off the ground. Yet I took that ship off the field at Wichita, climbed to an altitude of almost 8 miles, approached a speed of Mach 0.9 and landed without ever using anything but the throttle.

The B–36 is also quite an airplane. Perhaps it is big and cumbersome as modern aircraft go, but it has a lot of virtues, including the fact that it has the lowest accident rate of any of our bombers. It flies very high, having an effective operational altitude higher even than some jet aircraft, and it has such tremendous firepower that it can be a highly dangerous proposition for attacking fighter planes. Yet the plain fact is that the B–36 should have been patted affectionately on the fanny long ago and retired. It is obsolescent, and has been for some time, but it is the only intercontinental bomber we have in quantity, and we will have to make do with it until we get the B–52's we so urgently need. And there is the rub. The best and most efficient bomber we have today is the remarkably fast, long-range, nuclear B–52. The vexing problem is that the number in actual service is so small as to be pathetic, and at the rate they are being produced today it will be 24 years before we have the number required to provide the minimum protection this country must have. Are you shocked? I hope so.

We actually need something like 1,200 B–52 jet bombers in our offensive striking force. These aircraft, with their crews of six highly trained men, can carry and deliver the modern nuclear weapons with deadly accuracy, and they can fly where they have to go and get back. In the face of such a force—which, incidentally, would not cost more than $10 billion a year to maintain—no enemy in his right senses would dare provoke a war. And that, of course, is what I am talking about, what I am crusading for—a powerful striking force to keep the peace. We do not want war. We want a striking force so awesome that there will not be any war.

But we also want to be ready if some power-mad dictator takes leave of his senses and decides to conquer the world, including us. Let us be more specific. The current friendlier attitude of the Russians should not fool anybody. Soviet Russia is still a deadly and constantly threatening danger to our country, and that danger is pinpointed in the Soviet long-range bomber force. Unquestionably, the Soviet is building intercontinental bombers faster than we are. They could not possibly have got as many into the air as they did last May Day unless their program was well advanced. Remember how fast they built all those MIG's? And now, to show you how smart they are, they are junking their MIG's.

All the Russian Navy and 1,000 divisions of Russian foot soldiers—if they had them—couldn't hurt our homeland, but one even inaccurately placed nuclear bomb could make rubble of New York. A Russian air attack could so cripple and devastate this country that it might never rise again, and we couldn't stop the attack once it was launched.

The next major war, if we have one, will open with a battle of long-range bombers, and we must be able to get the upper hand in this battle, fast and conclusively. Our first targets must be the enemy force that can bring atomic bombs to this country. We must smash at it with everything we have, wrecking their air bases, their combat airplanes, their atomic stockpiles, their whole capacity to make air war upon America. We must prevent as much of their bomber force from leaving the ground as is possible, reducing the number of enemy planes our Continental Air Force will have to deal with.

And here I return to one of the central facts of this matter. No American bombing mission, once launched, was ever turned back short of its target by enemy action. It is, therefore, only reasonable to assume that any first-class bomber force would have the same success. Despite anything we can do in the way of continental fighter defense, some enemy planes will get through. And, since nowadays one horrible H-bomb is all that's needed to wipe out an entire city, we can't afford to allow even one plane to arrive over target. So we must never let the enemy get off the ground.

What I propose is an immediate, thorough, and public investigation—by elected representatives of the people—of the Soviet long-range, nuclear-bombing capability and of the means by which it can be countered or destroyed, if necessary. It is my contention that we, as a people, are badly confused about our military situation. I think we have failed to understand the terrible potential of the SOVSAC—Soviet Strategic Air Command—and therefore fail to realize that the only answer to it is a long-range nuclear-bombing force, not only as powerful as theirs but far superior. As a matter of fact, anything short of this is a witless waste.

Now and then somebody tells me, with a touch of scorn, that I am not a military authority. Of course, I am not, and I don't pretend to be. Neither, except for my knowledge of flying, do I have an information about these matters that isn't available to everyone. The plain fact is, however, that I have personally investigated this problem far more intensively than the average citizen—perhaps even more carefully than most newspaper and magazine writers—and I do know what I am talking about. Moreover, I launched this crusade for airpower on my own, simply because it is the consuming conviction of my life; I wasn't egged into it by Air Force brass. I say this plainly, because everyone knows of my close friendship with Curt LeMay.

I want to make it plain also that, in urging a full public investigation, I certainly don't want to see airpower become a political football. But I am convinced it is only through an investigation that we will get the needed action. One thing that is sure to come out in such an investigation is that guided missiles, radar screens, and fighter planes are no substitute for long-range bombers, and another is that air reserve units do not take the place of a regular Air Force. This is a full-time job for the best men and the best planes we can get. Moreover, we must pay these men enough to get top-notch personnel who will stay on the job. After all, we can't expect patriotism to take the place of decent wages.

Another thing: It was recently announced that our military inventory amounts to $124 billion in the United States of America. Yet we have far less than $10 billion in SAC—the only outfit we've got in being that can deter an enemy long-range bomber attack. Something is obviously wrong, and it doesn't take a military genius to see it.

These are the things I believe about airpower, and I feel them so strongly that last spring I resigned my coveted commission as commander in the Naval Reserve, because I wanted to be free to speak my piece. I intend to go right on speaking it in my programs on the air.

Mr. SYMINGTON. Note, Mr. President, that in this article, and after years of careful investigation, Mr. Arthur Godfrey states we should have 1,200 B–52 bombers, as soon as possible.

As he points out, on the basis of recent production, to obtain that number of B–52 bombers would take 24 years.

Mr. President, at this point I should like to have printed in the RECORD an article entitled "Lag in Missiles Program Draws Heavy Fire," as it appeared in the Washington Sunday Star of February 12, 1956.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The first grim crescendo of cold war II was painfully building last week. Among the many themes contributing to the gathering dissonance, five predominated.

Missiles race: Alarm spread from Capitol Hill to high places in the Pentagon—but not, significantly, to the White House—over the United States rapidly diminishing lead in the most important single phase of the arms race—for the world's first intercontinental ballistic missile.

Great debate: Democrats in Congress, obviously sensing a 14-karat election-year issue, set about laying the groundwork for a great debate, to see for themselves—and let the American people know—whether the Republican administration has been pushing the Nation's defense program with the urgency required.

Soviet pressure: The Soviet Union was swiftly developing what could become a broad new campaign of ballistic blackmail, to pry several of America's NATO and SEATO allies out of the free world camp. Next week's 20th Congress of the Communist Party of the Soviet Union no doubt will elaborate the strategy.

Brush-fire wars: The United States disclosed it would stage a hastily organized three-power military exercise in Thailand this weekend. It will be an obvious show of military force, dramatizing for our SEATO allies our ability to react quickly to any threat of brush-fire war.

Second term: President Eisenhower, whose personal prestige has become an important factor in the free world's power equation, set March 1 as a tentative deadline for making up his mind about a second term. A Gallup public opinion poll published Friday in the New York Herald Tribune showed 61 percent of the Nation's voters, Democratic and Republican, want him to run again despite his heart trouble. This intensified still further the feverish speculations streaming out of Washington, not only into the world press but into secret diplomatic pouches of the world's Washington embassies as well.

Two things—the pressure of a presidential election year and the honest anxieties in the Pentagon over the decline of the deterrent—have spurred Democrats to make their first concerted challenge of the President in the field where he is an acknowledged expert—military affairs. Senator STUART SYMINGTON of Missouri, who served as the first Secretary of the Air Force under President Truman, issued the challenge last Sunday:

"Right now, today, the most important missile we have in development is being operated on a 5-day week."

On Wednesday President Eisenhower told his news conference:

"This thing—the guided-missile program—is being researched and developed as rapidly as it can be done in this country, so far as my experts and my people in the Defense Department tell me."

Earlier, Democratic Senator HENRY M. JACKSON, of Washington, had called for a 3-shift, 7-day week in the missiles field. On Friday, Senator SYMINGTON directly challenged the President's press conference statement. There were repercussions in the Defense Department, too, as proponents and opponents of the elongated airpower stretch-out rallied for the great debate.

SYMINGTON'S CHALLENGE

The week opened with the challenge from Senator SYMINGTON. On NBC television's Meet the Press last Sunday there occurred this exchange:

Question: Senator, the implication of what you yourself have been saying and what some other Senators have been saying for a long time is that the country is in fact in a very dangerous lag militarily in regard to the Soviet Union; is that correct?

"Senator SYMINGTON. Why, yes; that is correct."

Question. All around.

"Senator SYMINGTON. That is correct."

The Senator made these points:

"The Russians * * * have fired—tested—long-range ballistic missiles hundreds of miles farther than anything this country ever tested. * * * They are in the process of winning the most important race of all. They are ahead of us in the development and production of long-range missiles. Of that there is no question in my mind whatsoever.

"I do not believe the Soviets are ahead of us in the ballistic missile; I state they are ahead of us in the ballistic missile. * * * That in itself to me is a national tragedy and it shows that they could, when they get them in production in quantity * * * have an excellent chance of blackmailing many of our allies.

"I'm confident that if the executive branch and the President asked the Congress for heavy additional funds that they will be furnished by the Congress this year.

"What I do think we ought to have is a full, frank, open congressional hearing in this matter where everything is told the American people that won't help a possible enemy, and get to work and do the job from here out the best we can.

"The Congress reversed a cut in the Marines, a heavy cut of some 22,000. * * * But the Department of Defense went right ahead and carried out their plans to keep the Marines reduced below the figure for which Congress appropriated the money."

GARDNER'S SACRIFICE

Spectacular support for Senator SYMINGTON's charges came on Tuesday. The brilliant 40-year-old "father" of the intercontinental ballistic missile, Air Force Assistant Secretary Trevor Gardner, was disclosed to have submitted his resignation—in a considerable huff.

At a press conference Wednesday Mr. Gardner mentioned three major complaints against his Defense Department superiors:

1. Although faced with the known Soviet surge, they had not put the long-range missile program on a "crash" or "wartime emergency basis" as he had recommended.

2. Requests for Air Force research and development appropriations, for the year beginning next July 1, were set too low—by one-third. Instead of the $610 million his superiors asked the request should have been for about $810 million, he said. This year's spending on research and development also fell $200 million short, he believes.

3. Letting all three services—Army, Navy, and Air Force—scramble for scientists to

develop the various missiles is wasteful, in his opinion.

PENTAGON CAREER

The story of Mr. Gardner's career in the Pentagon is not new in the annals of big government. Mr. Gardner came to Washington under the Republicans, determined to drain the water out of the research and development program. In due time, however, he became convinced that research and development was, on the contrary, far too dry already.

His first battle was with Defense Secretary Charles E. Wilson and Roger M. Kyes, Mr. Wilson's deputy. They arbitrarily had withheld $350 million a year from all Pentagon research and development administrators and at the same time instituted a long-haul, steady-spending policy.

The $350 million cut would have stifled all new research projects and even would have crippled those under way. Intense pressure from all three services eventually reversed this decision. Mr. Gardner used some of the Air Force money to rescue the lanquishing intercontinental missile project.

But the concept of keeping research and development spending at a constant level has been tenaciously retained to this day. It is Mr. Gardner's basic thesis that research and development must obtain a moderately increasing appropriation if it is to improve its effectiveness. There are limits, of course, to how much can be spent. But research is an ever expanding phenomenon.

A look at current Air Force research and development spending shows why. The fiscal year 1957 budget allots $610 million. Half of this goes into plant maintenance of existing equipment and salaries.

Roughly, $300 million will be left for actual research. But the average life of a research project is 5 years. That means only one-fifth, or $60 million, is available for new research projects each year. The other $240 million goes for programs already underway.

Actually, there is enough basic research knowledge available—and in need of exploitation if the Russians are to be matched—so that scientists believe $250 million to $300 million ought to be spent on new projects every year. Scientists are available to exploit these research channels, Mr. Gardner claims.

One of his specific complaints is that a significant breakthrough last July, perhaps in heat-resistant metals or nuclear power for aircraft, was not quickly exploited despite his urgent pleading. He had asked for a $200 million supplemental appropriation to push the project. But supposedly his request never got past Air Force Secretary Donald A. Quarles, himself a former research and development official, who thought it would stand no chance against the administration in the front office.

Both House and Senate committees have indicated they want to hear Mr. Gardner's full story, perhaps within the next 10 days.

PRESIDENT'S EVALUATION

On Wednesday President Eisenhower did not deny Senator SYMINGTON'S charges of the preceding Sunday. In fact, he obliquely corroborated them.

"In certain (missile) fields I think they (the Russians) are probably ahead of us," he said. "But," he added, "those are limited fields in a great big field."

He also said that "In certain fields I am sure we are well ahead of the other side." These, Senator JACKSON indicated later, are probably in defensive missiles, like the Army's nike antiaircraft missile; the Air Force's ground-to-air Bomarc and air-to-air Falcons; or the Navy's air-to-air Terriers.

Mr. Eisenhower's obvious intention was to minimize the importance of what he termed "limited" Soviet successes and to emphasize the overall lead which he apparently believes the United States still enjoys. He made these other points:

1. We can't lead across the board in missiles.

"This whole field of guided missiles is a very broad one. * * * In this whole field, broad as it is in the production of engines, of instruments for guiding them, methods of propulsion, kinds of warheads, and everything else, it would be idle to say that always you could be sure that in every single one of these fields we are ahead of anybody else."

2. Scientist shortage precludes following many of the leads research turns up.

"There are limits to what you can do in research and development. * * * There are only so many scientists; there are only so many channels you can pursue."

3. Even if Russians get ICBM first, we still have valid deterrent in SAC's piloted aircraft. Until Communists can stop them, why buy something new?

"We know that today we have means—and so do other nations—of delivering these bombs in such a way that they cannot be 100 percent effectively intercepted. * * * If we find that this [guided missile] is a cheaper, better way of doing anything than we have now, more accurate, well, then, that is fine."

THREE OTHER VOICES

Before the week was out three other prominent voices spoke out. Air Force Secretary Donald Quarles radiated confidence. But Deputy Chief of Staff of the Air Force Gen. Thomas D. White was guardedly pessimistic. He said the Russians have almost closed their air-power gap by beating us at our own game—production. * * * In airplane after airplane they are approaching us in quality and surpassing us in quantity.

America's superiority now rests "almost entirely," General White added, on its worldwide base system and "better, more experienced" crews.

More support for the optimists came from an unexpected source—Sir Frederick Brundrett, top scientific adviser to Great Britain's Minister of Defense, who is privy to whatever intelligence information London has collected on the missiles race.

Reached in Ottawa by the Sunday Star, he volunteered the opinion that "the United States is ahead of anybody else in the world, generally. I don't think the Russians are as far ahead as they seem to be credited with. I don't know for sure, of course; but if I were asked to bet, I would bet against the Russians' firing a 1,500-mile missile this year."

Sir Frederick denied, however, that Britain already has medium-range rockets of 700-mile or 800-mile reach capable of hitting Berlin or the Soviet satellites. He said he believes the Soviet Union is ahead of Britain in this field.

Mr. SYMINGTON. Better than any previously read, Mr. President, this article packages the problem incident to our failing relative military strength as against that of the great and growing Communist conspiracy.

Later on I shall discuss this article in more detail.

United States experts still believe this country is ahead in a few of the component parts incident to trained manpower. But the Communists have just shown they also know something about training.

As evidence, we in this country and Canada have always taken pride in our hockey teams. The Communists only recently took up the game of hockey seriously. In the recent Winter Olympics, however, both the United States and Canada failed to score a single goal against the Communists' team. The latter ran away with these Olympics, breaking several world records.

Mr. President, a recent headline in the paper stated, "Russia Conquers All Nations." Mr. President, I am glad that headline was on the sports page, not the front page.

Should we boast excessively of our training superiority in airpower when we know that recently more than one-third of our modern jet fighters attached to the Tactical Air Command were grounded because of lack of mechanics?

Mr. President, this brief summary this morning again shows how we are planning to pass air superiority over to the Communists.

No one should be surprised, because during this year, 1956, we plan spending over $1 billion less for aircraft procurement than last year.

And no one should be surprised when later these shocking conditions get worse—because in 1955, we purchased less than one-fourth the number of combat planes we purchased in 1952.

This means fewer planes in the future instead of more.

This is the truth.

The American people can get little consolation from the fact that as Communist plane production steadily increases, we steadily decrease our own plane production.

The people have the right to know, however, why in this the richest country in the world, as we continue to expand our aid and military commitments all over the world, at the same time nevertheless we adopt policies which steadily reduce our relative air strength as against the air strength of the great and growing Communist conspiracy.

In that connection, Mr. President, I ask unanimous consent to have printed in the RECORD at this point an outstanding editorial from the Washington Daily News of February 11, 1956, entitled "We Can Face the Facts."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Congress is not only the legislative branch of the Government but also the watchdog of the executive department. Congress legislates and appropriates; the executive department executes; Congress watches, reviews, and investigates how the country is run. It is all part of our system of checks and balances.

For some time Congress has been falling down on its fuction to investigate and examine publicly programs in the fields of foreign policy and defense. More often than not hearings on these issues are behind closed doors. Most of those held in public have been perfunctory.

For several weeks now the public has been subjected to some very disturbing statements about our defense program. Only Congress can get at the facts.

General Ridgway has accused the Pentagon of putting budgetary and political considerations ahead of defense requirements.

Senator SYMINGTON for a year has been saying that the United States is losing the race for air power supremacy with the Soviets. Now he says we have lost the race to the Reds on the medium-range guided missile.

The Air Force's top missile research man, Trevor Gardner, has resigned, charging that

not enough priority or urgency is being given to the missile program.

Now Gen. Thomas D. White, Vice Chief of Staff of the Air Force, says: "The Soviets are presently beating us at our own game—production. * * * They have been and are outproducing us in all categories but medium jet bombers. * * * The Communists are making scientific and technological advances at a faster rate than we."

At his last news conference President Eisenhower said he thought the missile program was being "researched and developed as rapidly as it can be in this country"—at least, he added, that's what his experts in the Pentagon told him.

But most of the other statements challenge the Pentagon experts and Senator SYMINGTON is now challenging the statement of the President.

The American people never have been afraid of the truth—even when it is unpleasant. They have never flinched from sacrifices when necessary for defense. Ten postwar years have taught them that superior military power is the only thing the Bolsheviks understand. Without it there can be no assurance of survival.

Surely the time has come when the people who pay the bills—and who will have to die if war comes—are entitled to a full public review and appraisal of our defense program.

If the Bolsheviks are, as General White says, "approaching us in quality and surpassing us in quantity" in air power, our people not only have a right to know but more important, need to be told what must be done to regain this major deterrent against the Reds.

We can never match the Soviets on the ground. But we certainly can more than match them—indeed, exceed them decisively—in the air.

All details of military matters cannot be aired in public. But the Armed Services Committees of Congress certainly are dutybound to examine publicly the overall defense program, to let its defenders and critics face each other, and to provide the people with all the truth that will not aid the enemy.

Mr. SYMINGTON. The American people are the ones who may pay with their lives and fortunes if the policies to which I have referred are continued. Under our form of Government they have the right to know all the truth that will not help a possible enemy.

THE PRESIDENT'S RECOMMENDATIONS FOR AMENDING THE IMMIGRATION AND NATIONALITY ACT OF 1952

Mr. SMITH of New Jersey. Mr. President, last week, on February 8, the President sent to Congress his special message on immigration, in which he made a number of recommendations for reforming our immigration laws.

The President's recommendations embodied in proposed legislation recently introduced by the senior Senator from Utah [Mr. WATKINS], will make a real contribution to liberalizing and reforming the Immigration and Nationality Act of 1952. At the time that act was passed, I voted against it and also voted to uphold President Truman's veto, because I felt from my experience with our relations with foreign countries some of the provisions of that legislation were unjust and not in line with the best traditions of our Nation with regard to immigration.

It is for these reasons that I recommend wholeheartedly President Eisenhower's recent message on this vitally important subject.

I note with special approval the President's recommendation for substituting the 1950 census for the 1920 census as a basis for determining the number of immigrants to be admitted annually. This will permit an increase of about 65,000 in quota numbers annually.

Changes recommended to permit the transfer of unused quotas from one country to other countries are needed, as is the recommendation for a special pool for the admittance of 5,000 aliens of special qualifications without regard to nationality or origin.

There are other important items in the President's message which, if approved by the Congress, will eliminate many injustices and impracticalities in our present immigration laws.

Mr. President, it is my strong conviction that these recommendations and those previously made by President Eisenhower with respect to the Refugee and Relief Act should be acted upon favorably during this session.

THE SECURITY PROGRAM AND LETTER-CARRIER HUEY

Mr. NEUBERGER. Mr. President, in the course of its security program, the Post Office Department recently suspended from duty Mr. Lowery E. Huey, a letter carrier in Portland, Oreg. Mr. Huey has more than 28 years of service to his credit; he is within about one and a half years of retirement on 30 years of service. Mr. Huey delivers letters to homes in the Woodstock district of Portland. The Department has suspended him on charges that his continued service as a letter carrier in this Portland residential district is "not clearly consistent with the interests of national security."

The charges against Mr. Huey include allegations concerning letters he wrote to newspapers as far back as 1937, meetings he attended in 1945 and 1946, newspapers and magazines which he has read, and association with causes which were espoused by Communists. So far as I know, none of these allegations refer to Mr. Huey's conduct since 1949—that is, during the past 7 years.

The Post Office Department investigated charges against Mr. Huey's loyalty to the United States in 1950. After a hearing, at which many citizens of Portland testified in his behalf, he was cleared and reinstated in his job with the Department. The repetition of these charges now is the result of the reopening of old loyalty cases under the "security" standard of the administration. In view of the system of secrecy which is maintained as to the evidentiary basis of security charges, I naturally do not know what that basis is in Mr. Huey's case; but, so far as I know, it is not charged that anything he has done since being cleared 6 years ago has now made his continued service as a letter carrier inconsistent with our national security.

Mr. Huey, incidentally, is not the kind of person who would make a secret of his past or present beliefs and actions. He has insisted that he has never been a Communist, and that what he has said and done, what he has read and listened to, has been his right as it is the right of every free American.

LETTER CARRIERS' UNION SUPPORTS MR. HUEY

There was a time, Mr. President, not so very long ago, when the mere statement of loyalty charges against a Federal employee—charges that he had attended the wrong meetings, read the wrong periodicals, or written the wrong letters to editors—would be enough to condemn him in the public eye. I think I can say with some pride that the people of Oregon on the whole never did fall victims to this mid-century hysteria. But I believe that everywhere times have changed. In Portland, in any case, Mr. Huey's suspension from his long-time job as a letter carrier has brought much public attention, and attracted many people to his defense. I have received numerous letters from people whom he has served on his mail route and from other friends of his, testifying to their confidence. His union, Multnomah Branch No. 82, of the National Association of Letter Carriers, and the Central Labor Council of Portland and Vicinity, to which he has been a delegate for over 20 years, have written me in his behalf.

It is, of course, to be hoped that Mr. Huey's answer to the charges against him will satisfy the Department that our Nation will be safe if he continues to deliver mail in the Woodstock district of Portland. This will reduce the time of suspension without pay for himself and save the Department both trouble and expense. If his answer does not by itself satisfy the Department, he will receive a hearing on the charges in Portland. I have written the Postmaster General to request that such fair and open hearing, if necessary, will be held as speedily as it can be arranged.

SENATOR ADDRESSES LETTER TO POSTMASTER GENERAL

I ask unanimous consent, Mr. President, that my letter to the Postmaster General may be printed with these remarks, followed by a letter to me from the Central Labor Council of Portland and Vicinity and my answer to it, and by articles about Mr. Huey's suspension from the Oregonian of January 31 and February 5, 1956, from the Oregon Journal of January 31, 1956, and from the Oregon Labor Press of February 3, 1956.

There being no objection, the correspondence and the newspaper articles were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
February 13, 1956.

Hon. ARTHUR E. SUMMERFIELD,
Postmaster General
of the United States,
Washington, D. C.

DEAR MR. SUMMERFIELD: I am writing you with reference to the case of Mr. Lowery E. Huey, for many years a letter carrier in Portland, Oreg., who has been suspended by your Department pending your decision on your charges that his continued service as a carrier on a Woodstock district route is not clearly consistent with the interests of national security.

The charges against Mr. Huey's loyalty to the United States were previously investigated and, after a hearing at which many citizens of Portland testified in his behalf, he was cleared for continued employment by your Department in 1950. I understand that the repetition of these charges at this time has occurred as a result of the reopening of old loyalty cases under the security standard of this administration. So far as I know, they are based on allegations concerning Mr. Huey's conduct and acts, all of which occurred prior to the date of his earlier investigation and hearing. It is not charged that anything he has done since your Department's last investigation and decision to clear him has made his continued service as a letter carrier inconsistent with national security.

I am told that Mr. Huey is within about 1½ years of being able to retire from the postal service with 30 years' service to his credit. His suspension on the reopened security charges against him at this time has attracted considerable public attention in Oregon. Mr. Huey's experiences have been reviewed in the press, and I have received many letters from people whom he serves on his letter route and from his other friends testifying to their confidence in him. His union, Multnomah Branch No. 82 of the National Association of Letter Carriers, and the Central Labor Council of Portland and vicinity, to which he was a delegate for over 20 years, have written me in Mr. Huey's behalf.

As I understand your procedures, Mr. Huey will receive a hearing in Portland on the charges on which you have suspended him, unless his written reply to those charges is by itself sufficient to establish to your satisfaction that his continued service as a letter carrier is consistent with the security of the United States. It is, of course, very much to be hoped that his answers will succeed in establishing this, so as to reduce the time of suspension for himself and to eliminate unnecessary work and expense for the Post Office Department. However, in view of the secrecy of the basis for security charges, I naturally do not know what that basis is in Mr. Huey's case. If his written reply does not dispose of the charges against him, I hope that a fair, open, and complete hearing will be arranged as speedily as possible to permit him to meet those charges by his own testimony and that of his friends and associates.

Respectfully yours,

RICHARD L. NEUBERGER,
United States Senator.

PORTLAND, OREG., *January 31, 1956.*

Hon. RICHARD L. NEUBERGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The following resolution was unanimously adopted by the Central Labor Council of Portland and vicinity with instruction that a copy be sent to you for your favorable consideration:

"Whereas Lowery E. Huey, for over 20 years a delegate to the Portland Central Labor Council representing the Letter Carriers of Branch 82, has now for the second time been suspended from his duties after having been cleared of all charges on January 19, 1950, by the United States Civil Service Commission Loyalty Review Board; and

"Whereas Delegate Huey's latest suspension as of January 3, 1956, is allegedly based on security reasons despite the fact that several reputable attorneys, thoroughly familiar with this case have found no evidence that Delegate Huey was ever disloyal or a security risk; and

"Whereas it is to the interest of the Central Labor Council that its members shall not be unfairly convicted of being security risks and thereby convict the Central Labor Council by association: Be it therefore

"*Resolved*, That the Central Labor Council of Portland and vicinity hereby requests Senator NEUBERGER to probe into the Post Office Department records of this case to insure that Delegate Huey has an early hearing based on credible evidence, and that the hearings include members of the press and other mutually acceptable observers."

Respectfully,

CENTRAL LABOR COUNCIL OF PORTLAND AND VICINITY.
GUST ANDERSON, *Secretary.*

FEBRUARY 6, 1956.

Mr. GUST ANDERSON,
Secretary, Central Labor Council,
Labor Temple, Portland, Oreg.

DEAR GUST: Thank you for sending me a copy of the resolution adopted by the Central Labor Council urging me to get an early, fair, and open hearing for Mr. Lowery A. Huey on the security charges made against him by the Post Office Department.

From the information I have received, which indicates that this is merely a rehash of the charges on which Mr. Huey was cleared 6 years ago, I believe that an injustice is being done Mr. Huey and I shall be glad to do what I can for him.

With best wishes to you and your associates,

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

[From the Oregonian of January 31, 1956]

COUNCIL ASKS HEARING FOR VETERAN POSTMAN DROPPED AS SECURITY RISK

The Portland Central Labor council Monday night called on Senator RICHARD L. NEUBERGER to look into security charges which have caused the suspension from his job of a long-time delegate to the council and to see to it that the delegate has an early and fair hearing.

A resolution unanimously adopted by the council declared that Lowery E. Huey, delegate to the council for 20 years and a member of branch 82, letter carriers, had been suspended for the second time by the Post Office Department in Washington, D. C., on security charges, although he had been cleared of these charges on January 19, 1950, by the Civil Service Commission loyalty review board.

It was brought out that Huey is just 16 months short of 30 years' service with the Post Office Department and that close to retirement with maximum pay. It also was said some of the charges date back to 1937 and have to do with meetings Huey is said to have attended.

The resolution asked the hearing be based on creditable evidence and that members of the press and other mutually acceptable persons be included as observers. The resolution was presented by Joe Biondeau of the hotel service employees and 11 other signers.

Methods by which the State board of health checks health hazards in industry were explained by William Applegate, industrial hygiene engineer for the board.

J. D. McDonald, president of the State federation of labor, reported that the joint AFL and CIO committee is making progress in working out plans for the merger of the two organizations on a State level.

[From the Oregonian of February 5, 1956]

MAIL CARRIER ASKS HEARING

Lowery E. Huey, a Portland letter carrier for almost 30 years and a delegate to Portland Central Labor Council for more than 20 years, has asked for a hearing before a three-man board where he will defend himself against security charges that brought about suspension from his job only a few months before retirement.

Huey was cleared by a Federal loyalty review board of similar charges in January 1950 but they bobbed up again to result in his suspension in January of this year. Huey will make a fight to get the job back and will have the support of the Portland Central Labor Council in a demand for a fair hearing, based on creditable evidence. The labor council called on Senator RICHARD L. NEUBERGER to look into the charges and see that Huey gets a square deal and a speedy hearing.

The charges allege principally that Huey read newspapers and magazines which were edited by Communists and that he attended meetings which were sponsored by Communists or which they also attended. He also made some speeches and wrote some letters to newspapers which have been cited against him in the case.

Huey said that he did take some Communist newspapers, that he did get a magazine published by the Russian Embassy on Russia and that he did contribute to Russian relief drives—all during the war when Russia was an ally and fighting on the same side against Fascist dictators.

COMMUNISTS SPOTTED

But, he declared, he has never been a Communist because he would not belong to any organization where he had to take orders. He said he spotted Communists in labor organizations and among the unemployed, but the unemployed and the labor unions got rid of them, so he could see no danger in the Communists under those circumstances. Yet included in the charges are those that he associated with Communists and attended meetings with them and read their papers.

Huey said he at one time served as secretary of a group of unemployed which met in the basement of a Woodstock church. He attended meetings of unemployed in the role of a social researcher to find out the problems in depression and wartime days.

He said he subscribed to a west coast Communist paper because it reported on labor activities.

"Many employers also took it," he said.

The only Communist meeting he said he remembers attending was one in 1946 which was a drive for funds for Russian relief. He said he felt Russia needed the help.

Most of the activities with which he is charged happened when he was on leave from the post office and working as a boilermaker in the shipyards, Huey explained. He was a layer-out and drafted patterns for some of the work done by others. He was sent to the job by the Federal Civil Service Commission and returned to the post office after the war.

ANSWER SENT TO WASHINGTON

Huey was born July 1, 1894, at Bellvue, Kans., lived in Oklahoma a number of years, worked on the east coast in the shipyards, then on the railroads and came to Oregon in 1920. He went to work for the post office in 1927 and belonged to the letter carriers and to boilermakers local 72. He was a member of the Progressive Citizens of America, which promoted Henry Wallace for President and Glen Taylor, of Idaho, for Vice President. He belongs to the Knights of Pythias. He has long been active in civil service and in union affairs.

"These charges," said Huey, "make old friends afraid to speak to you. They intimidate public employees and put fear in their hearts. They accuse me of association with Communists. I also have associated with Reed College professors, students, and graduates. I have some 400 patrons on my route from the Woodstock station and they probably represent a total of 1,000 persons whom I contact frequently. Many of them would gladly testify for me."

[From the Oregon Journal of January 31, 1956]

LABOR ASKS FIRING QUIZ—MAILMAN DENIES SECURITY RISK

The Portland Central Labor Council Monday night called for an investigation by Senator RICHARD L. NEUBERGER of the recent suspension by the Post Office Department of a Portland mailman for security reasons.

The mailman, Lowery E. Huey, was suspended January 3.

The council unanimously adopted a resolution urging that NEUBERGER investigate to insure that Huey has an early hearing based on credible evidence and that the hearing include members of the press and other mutually acceptable observers.

The resolution, presented to the council by 11 delegates and Jim Goodsell, editor of the Labor Press, was passed without discussion.

Following the meeting, Huey said the charges against him are "in general, that I followed the Communist line and preached the Communist line."

He denied emphatically he is or was a Communist, saying, "I never could go into an outfit that gives orders as I understand the Communists do."

Six years ago the United States Civil Service Commission Loyalty Review Board cleared Huey of similar charges.

Huey had been an employee of the Post Office Department for approximately 28 years and was scheduled to retire in 16 months. He is a delegate to the labor council from the letter carriers union.

The resolution contended that several reputable attorneys familiar with his case have found no evidence that he was ever disloyal or a security risk. It added that "it is to the interest of the Central Labor Council that its members shall not be unfairly convicted of being security risks and thereby convict the Central Labor Council by association."

Huey is planning to file an answer to the charges with the Post Office Department along with a request for a hearing.

[From the Oregon Labor Press of February 3, 1956]

MAILMAN'S FIRING EYED BY COUNCIL

The Central Labor Council has asked for a "full and fair hearing, based on credible evidence" for a veteran Portland letter carrier and council delegate who has been suspended from his job for alleged security reasons.

The defendant, Lowery E. Huey, has been a delegate to the central labor council for more than 20 years, representing Letter Carriers Local 82. He was recently elected secretary of the council's civil service section.

The Post Office Department suspended Huey from his job as a neighborhood mailman January 3 when he was just 16 months short of 30 years' service and eligibility for a full retirement pension.

Huey was suspended from his job on the same general charges in 1949. In January of 1950 he was cleared by a United States loyalty review board, and was reinstated by the post office.

Huey has emphatically denied that he is or ever was a Communist, saying: "I never could go into an outfit that gives orders as I understand the Communists do."

The council's resolution, passed without a dissenting vote at the meeting Monday night, was signed by Council President Bill Way, Labor Press Editor Jim Goodsell, Douglas G. Ellis, Jim Schmunk, Edward J. Hawes, Charles E. Dodge, M. L. McDuffee, Joe Blondeau, Eugene J. Watson, Emil E. Hoberg, M. E. Lienard, and R. S. Pickett.

Text of the resolution was as follows:

"Whereas Lowery E. Huey, for over 20 years a delegate to the Portland Central Labor Council representing the letter carriers, has now for the second time been suspended from his duties after having been cleared of all charges on January 19, 1950, by the United States Civil Service Commission Loyalty Review Board; and

"Whereas Delegate Huey's latest suspension as of January 3, 1956, is allegedly based on 'security reasons' despite the fact that several reputable attorneys, thoroughly familiar with this case, have found no evidence that Delegate Huey was ever disloyal or a security risk; and

"Whereas it is to the interest of the Central Labor Council that its members shall not be unfairly convicted of being security risks and thereby convict the Central Labor Council by association: Be it therefore

"Resolved, That the Central Labor Council request Senator RICHARD NEUBERGER to probe into the Post Office Department records of this case to insure that Delegate Huey has an early hearing based on credible evidence, and that the hearings include members of the press and other mutually acceptable observers."

SEVENTH ANNUAL PANCAKE DERBY

Mr. CARLSON. Mr. President, I wish to call to the attention of the Senate that today in Liberal, Kans., and Olney, England, the seventh annual pancake derby is being run.

This is an event of international goodwill, and since the beginning of these races, many people from England and the United States have not only talked about this program, but there have been interchanges of visits by numerous persons interested in them.

Pancake races have featured Olney's Shrove Tuesday, observance for more than 500 years. The rules of the contest require that contestants must flip a pancake into the air and catch it in a skillet three times while scampering over a 415-yard course. The winner of the race is determined by the actual amount of time consumed in running the course and complying with the rules of the contest. Speed is only half of the basis in winning this contest. The other is to have the women so trained that they can stop and flip their pancake without loss of the cake and with the least possible time.

Last year the Vicar of Olney, England, Ronald Collins, visited the United States and was received with honor not only in Liberal, Kans., but in many other important cities, including Washington, D. C.

Last year the winner of this race, Mrs. Binnie Dick, of Liberal, visited Washington and was received at the White House. This year she is ineligible to participate in the contest, as she has won two consecutive races.

Friendly contests between the peoples of nations constitute one of the outstanding methods of creating good will and neighborly feelings. This may not be regarded as an athletic event, but at the same time, it brings about friendly rivalry between the countries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 180) to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River basin reclamation project, Oklahoma, and it was signed by the President pro tempore.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, February 14, 1956, he presented to the President of the United States the enrolled bill (S. 180) to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma.

PLIGHT OF THE NATION'S AGRICULTURE—ADDRESS BY SENATOR ANDERSON

Mr. BIBLE. Mr. President, on the evening of January 28, 1956, in the grand ballroom of the Mayflower Hotel, in Washington, D. C., the distinguished junior Senator from New Mexico [Mr. ANDERSON] delivered an address of striking timeliness.

The occasion was the congressional dinner, nationality division of the Democratic National Committee. The Honorable G. Mennen Williams, the able young Governor of Michigan, presided, and his remarks in introducing the Senator from New Mexico were especially appropriate.

The Senator from New Mexico, as a former Secretary of Agriculture under President Truman, is especially qualified to discuss the plight of the Nation's agriculture. Also as chairman of the Joint Committee on Atomic Energy, he has had opportunity to observe the impact of international problems on our American life.

His observations with respect to the present Secretary of Agriculture and the present Secretary of State are especially impressive in the light of the current agricultural problem and the attention that is centered on the conduct of our foreign affairs.

I ask unanimous consent that the address delivered by the Senator from New Mexico be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR CLINTON P. ANDERSON AT THE CONGRESSIONAL DINNER, NATIONALITIES DIVISION OF THE DEMOCRATIC NATIONAL COMMITTEE, WASHINGTON, D. C., JANUARY 28, 1956

Anyone who walks the corridors of the Capitol today finds his elected representatives absorbed by two problems: the farm problem and the problem of our foreign relations. Every participant in this Nationalities group is immediately attracted to these questions because so many of us have ties back to another country where the way of life is largely agricultural. Naturally, many of these farmers who immigrated to this country found their way into agricultural pursuits. All through the States of Iowa, Wisconsin, Minnesota, the Dakotas, and Nebraska you find whole areas that were built up by those individuals who saw in America a chance for

freedoms, opportunities and the pursuit of happiness which they had not known in their homeland.

On my bookshelves at home I have a book entitled "The Swedes in South Dakota." There were huge immigrations of Swedes in the 1860's and as I turn the leaves of the book I find not only the name of my father, but of my cousins and uncles and aunts. A whole section of the Dakotas was filled by the Swedish migration.

They came looking for land, land that was free. Jim Hill became their patron saint because as he stretched his railroads across the western prairies he made advantageous sales to the Scandinavian and German immigrants. They could acquire one quarter of a section by homestead route, another quarter section by a tree claim, and then buy the alternate quarters from the railroad to give them a full section of land. It was a day of great opportunity not only to those who entered agriculture but to those who were employed in industry because they did not like their jobs they could pick up their belongings and go west to make a new home and a good living.

It's because my father was born in Sweden that by instinct and inheritance I am attracted to the problems of the farm and to those matters of international relationships which touch the peoples in land over the seas.

Every time we come closer to an election the farm problem gets more attention. For 3 years farm prices have been moving downward. We Democrats occasionally differ among ourselves as to causes and sometimes as to proposed remedies, but we are agreed on one subject. That is that the farmer has been getting proportionately less and less of the consumer's dollar, a smaller and ever smaller share of national income, and a persistent reduction in his markets at home and abroad.

I'm sure Secretary Benson has good intentions, but he may be headed the wrong way. For instance, he said this to the Farm Bureau Convention on December 16, 1953: "Let me assure you that though the solution of the farm problem may still be in the future, considerable progress has been made along the road to recovery. I believe that 1953 has marked the turning point—in the right direction."

Let's look at the farmer's road to recovery. On the day that Mr. Eisenhower was elected President parity stood at 99 percent. I know it had been higher and I know it got lower before Mr. Eisenhower was inaugurated, because people worried over what his administration would do to the farmers, but on the day he was elected parity stood at 99 percent. And today it stands at 80 percent. That's the lowest it has been since 1940. That is one landmark on the road to recovery.

When Mr. Eisenhower was elected President the farmer's share of the consumer's dollar was 47 percent. True, it had been up to 54 percent in 1945, but it went on down until today it stands at 38 percent, almost a record low and the lowest it has been since 1939. That is another milestone on the road to recovery.

When Mr. Eisenhower was elected net farm income was running at the rate of $15 billion per year. Today it is running at the rate of $10.5 billion per year and the Department estimates it may drop lower in 1956. That is the third milestone on the road to recovery. From these we may conclude that what Mr. Benson referred to as the right direction is not the direction that agriculture was traveling during the years of Democratic administration.

When I read these comments by the Secretary I am reminded of a flyer who flew the Atlantic Ocean, but claimed that he really thought he was flying to the west coast. The press named him "Wrong Way Corrigan." Now I worry, because the Secretary said on December 15, 1954, "We are headed in the right direction at last." That talk of the right direction bothers me, because what seems to be meat to him is poison to the American farmers.

Of course the recent blast by Republican Congressmen against the Secretary might have been brought on by the speech of Secretary Benson to the National Council of Farm Cooperatives only 2 weeks ago in which he proclaimed that there was, and I quote, "* * * a new buoyancy in the market place—a new hope—a new vigor and zest. * * *" Right after he said it, all grain prices dropped. The zest wasn't in the bulls, it was in the bears. Every farmer knows the difference.

Someone urged me to see a new film called I'll Cry Tomorrow. I couldn't, farmers are crying today.

Frankly, I do a little farming myself, and my experience helps me understand the protests from livestock producers. On the 14th of January 1955, I bought 208 calves that weighed 87,155 pounds and I paid $15,339.47 for them. I put them on rough pasture for a few months, then on irrigated permanent pasture, and then put them in a feed lot and fed them ensilage, chopped alfalfa, and oats with a generous mixture of prepared supplement with stilbestrol. I sold them in the last 2 weeks. I had lost a few head by bloat in the rich pasture where I kept them all summer, but the 198 head that remained weighed 140,750 pounds. They brought me $19,669.88 in the market. By the time I took off commissions, feed en route to the market, charges of the livestock meat board, trucking, and a delivery charge, I netted about $17,000 for cattle that had cost me a year ago $15,339. When I then take out the cost of the supplement I find that I broke even so far as cash is concerned. I got nothing for my roughage, nothing for my pasture, nothing for my ensilage, nothing for my alfalfa, nothing for my oats, nothing for the services of the men who fed them. In fact, I could sing the song, "I Got Plenty of Nothing." My only comfort is that my wife and I have had the company of the cattle all year long.

But on January 16 an Associated Press dispatch tells that John Morrell & Co., packers, reported that their net income for the last fiscal year has risen from 64 cents a share in the previous year to $3.37 a share this past year. The packers did all right, but I wasn't looking in that direction. The movie star may cry tomorrow, but the farmers are crying today.

Now to pass from the dismal farming scene to a happier, more buoyant portion of the national spectrum. I refer to that very hopeful, happy, optimistic note sounded by the Secretary of State who is now engaged in a heroic effort to rewrite history in his own image and likeness. We had 4 brinks in the same week, 1 of them was the solution to a robbery in Boston, and the other 3 were triumphs in diplomacy. I'm not sure which was the most fascinating recital, but I know that I read with wonder and amazement how we had been brought 3 times to the verge of war without getting into the war. Whether that is or is not what Mr. Dulles calls "the necessary art," people were certain to be attracted to the frankness of the observations by the Secretary of State to this effect: "If you are scared to go to the brink, you are lost."

Now in addition to the diplomatic consequences there may have been political consequences all along the pathway to the brink. Let's take a look—brink by brink.

The first brink came in 1953 when Syngman Rhee ordered the release of thousands of Communist war prisoners. Let's accept the appraisal of his accomplishment by Mr. Dulles, although in the published record at the time I find no evidence whatever that an American ultimatum was delivered, hinted at, or even contemplated. Right now my question is: What took place thereafter on the American scene where the people I know do not believe that the closer you get to war the nearer you are to peace. I overlook the possibility that the Communists may find in a magazine article excellent material for their propaganda mill as I try to see what took place at home.

From the Democratic standpoint, the first brink in 1953 did us no damage. That fall the Democrats won 6 out of 7 congressional elections. Two of these districts we won for the first time in history—the victory of LESTER JOHNSON in the 9th district of Wisconsin and of HARRISON WILLIAMS in the 6th district of New Jersey.

Also, in the fall of 1953, the Democrats won a victory of enormous strategic importance by the election of able and attractive Robert B. Meyner to the governorship of New Jersey, the first time a Democrat had been elected governor in that State in 20 years. So the 1953 brink was not so bad for us Democrats at the polls.

Many touching scenes are connected with these heroic and historical episodes. For example, there was the very sweet scene which followed the dramatic speech of the President as he took office. He announced to a cheering joint session of the Senate and House that he was unleashing Chiang Kai-shek and would no longer allow the 6th Fleet to hold him bottled up in Formosa but would let him rain his savage blows upon the Communists on the mainland of China. See him today as the Generalissimo stands among the tea gardens in Formosa and says over and over to himself:

"How dear to my heart are the scenes on the mainland
Since Ike has unleashed me to battle the Reds.
But now that we're free to depart from Formosa,
We pull up the covers and sleep in our beds."

The second brink was Indochina in early 1954. I have no way of knowing whether Eden did or did not find himself able to bargain from Dulles' strength, as the magazine article claims. If our Secretary of State was so pleased by what he accomplished at Geneva, why did he pack his bags and come home in high dudgeon? But if I accept for the moment his claims of great accomplishment in the Indochina crisis of 1954, I wonder what happened at home after we passed the brink? How did it affect the Americans? And particularly, what did it do to the Democrats?

That fall, to put it briefly, we won 25 out of 38 Senate races. Our Democratic candidates for Congress got the highest percentage of popular votes that they had received since 1934—a period of 20 years. We won 500 seats in State legislatures from the Republicans, and we lost only 5—a nice comfortable ratio of 100 to 1

We won eight more governors and lost none. We won in Maine, Minnesota, and Pennsylvania for the first time in 20 years; in New York for the first time in 12 years. New York and Pennsylvania, by the way, have the greatest number of votes in our electoral college. As a westerner I am glad we won in Connecticut with able and popular Gov. Abe Ribicoff, but I take more joy out of the fact that we redeemed part of the great Democratic desert that had been building up in the arid Southwest. We won back the governorships of Arizona, Colorado, and New Mexico. In these three, the desert now flourishes like the rose, and drought will never again invade our pleasant pastures. That brink wasn't too tough.

So I come to the third brink—Formosa Straits in 1955. The effects of this brink are not quite so stimulating to the Democrats because Democrats helped in the passage of a resolution which clarified the American position on Formosa and gave strength to the President in his position as our leader

in foreign affairs. I do not regret that the Democrats displayed the true measure of a responsible party promptly upon taking over control of the Congress, but I point out that the brink itself did not disappoint our party. In California we elected the first Democratic State senator since 1912. In West Hartford we took control of the council for the first time in 100 years. In Michigan the Democrats won five out of eight statewide contests, the first time they have had such success in a spring statewide election since 1933. In November, Indiana Democrats did a wonderful job in municipal elections, to the end that the Democrats now control the mayor's office in 73 cities, whereas the party's previous high record was 56 in 1930, just ahead of the Franklin Roosevelt landslide. So the third brink didn't hurt us.

Isn't there a nursery rhyme (if not, I'm sure there should be)—a nursery rhyme that goes like this:

"Every time he touched the brink,
He plunged his party in the drink."

Now that we have joined the brink of the year club, no one knows where the 1956 salvation will take place. I can only predict that it will probably result in the same political disaster as have these past endeavors. We have won the cities after one of the brinks. We've won the legislatures after another brink. We won the governorships and control of the House and Senate after a third brink.

What can the fourth brink bring us except the Presidency itself, and to that task of winning the White House in 1956 I am sure the nationalities groups will steadfastly dedicate their endeavors from now until November.

ADDRESS BY VICE PRESIDENT BEFORE 70TH ANNUAL LINCOLN DAY DINNER

Mr. PAYNE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of the address delivered by the Vice President of the United States before the 70th annual Lincoln Day dinner, on February 13, 1956.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF ADDRESS BY THE VICE PRESIDENT OF THE UNITED STATES BEFORE THE 70TH ANNUAL LINCOLN DAY DINNER OF THE NATIONAL REPUBLICAN CLUB, THE WALDORF-ASTORIA HOTEL, NEW YORK CITY, FEBRUARY 13, 1956

May I first tell you some of the reasons why appearing before the National Republican Club's Lincoln Day dinner in New York is such a special privilege for me?

Because New York gave to the Republican Party not only one of the greatest governors in our Nation's history, but also a man who, with such high courage, dedication, and dignity was the Republican standard bearer in two national campaigns—Tom Dewey.

Because New York has given to the Republican National Committee—in Len Hall—a man who as national chairman has done a job unsurpassed in history by any chairman of either party.

Because to compensate for the expensive political accident temporarily occupying the Governor's Mansion in Albany, I know that New York, ably guided by its party chairman, Jud Morhouse, will this November give a Republican colleague to a great Republican Senator—IRV IVES; increase its splendid 26-man Republican delegation in the House; and assure an even bigger majority for the Republican candidate for President than it did in 1952.

This is the 70th annual Lincoln's Birthday dinner sponsored by this great Republican organization. In those years the Republican Party has seen many great days. But never since the days of Lincoln has the Republican Party had a greater moment, nor a better cause to present to the people, than it has today.

I say that for three reasons: Because of what we have done; because of what we stand for; because of our leadership.

Let us examine first the magnificent record of the first 3 years of what all of us hope will be 8 years of the Eisenhower administration.

First, let's think back to what we left behind. Three years ago there was war in Korea.

Federal controls stifled our Nation's economy.

Every day the people's take-home pay, pensions, and insurance were buying less and less at the corner store.

All over Washington, plans were underway to socialize and federalize America's farmers, the medical profession, housing, schools, and power, including the atom.

Most distressing of all, a great majority of the American people, Democrats and Republicans alike, had lost faith in the honesty, the integrity, and the reliability of those who served them in Government.

Now—today—after 3 years of Eisenhower leadership and policy we find this situation:

For the first time in 15 years the world is at peace.

Our economy has been freed from the dead hand of Federal control.

The American people have had the biggest tax cut in history.

For the first time since the Republican 80th Congress, we not only have already achieved a balanced budget, but our Republican President has submitted a balanced budget for next year as well.

And what is the result? Through these economic policies America is today enjoying its greatest prosperity in history with gross national product, personal income, consumer expenditures, individual assets, and scores of other economic indicators at all-time highs.

The plans for socializing basic American institutions have been filed in the wastebasket, and if the Democratic Congress does even a half-way job, the Eisenhower program, offered in the state of the Union message this year, will produce more schools, more highways, more hospitals, more child welfare services, more medical research, more health insurance, better working conditions, higher wage standards, more homes, than our predecessors ever dreamed of.

And, probably most important, we have restored dignity, honesty, integrity, and dependability in public service to our Government in Washington, D. C.

On the basis of this record, I am going to make some categorical claims which I think cannot be questioned.

Never has an administration kept its promises more faithfully than this administration.

Never has an administration done a better job for all the people than this administration.

Never have the American people had more reasons to be grateful for the leadership of a President than they have for President Eisenhower's today.

And, because in so short a time it has so far advanced the best interests of all our people, regardless of party, I say the Republican Party is in truth the majority party in America today.

There are, of course, some who do not share our enthusiasm for this record. But in the long history of American political campaigns never have we heard criticisms more negative, more contradictory, more petty, than those being offered today by the leading Democratic candidates for the presidency, who can best be described as three candidates in search of a crisis.

The Eisenhower-Dulles foreign policy seems to be a favorite target at the moment.

Since they cannot agree among themselves on what is wrong with that policy, let us examine the case against it being made by the leading Democratic candidate (with apologies to Mr. DeSaplo)—Mr. Stevenson.

We find Mr. Stevenson has trouble even agreeing with himself. Of course, I don't believe we should be too hard on Mr. Stevenson. I know what a difficult time he must be having to find any honest legitimate grounds on which to criticize President Eisenhower and his leadership.

But I fear that unless he changes his present course, it will begin to look as if the State which gave the Nation Abraham Lincoln, the great railsplitter of 1860, has produced in Adlai Stevenson the great hairsplitter of 1956.

He complained about the President's meeting at Geneva with what he termed a "third-string Communist leader," but now he suggests there might be some merit in negotiating a security pact with the Communists.

He says we are too strong and too weak, too firm and too flexible, too belligerent and too timid. And lately he shrinks at the suggestion that the United States may have found it necessary to be on the brink of war in order to keep the peace.

This is not the time or place to examine our policies in detail, but these claims I make without fear of contradiction:

The test of failure or success of foreign policy is whether it results in war or peace—and I am sure 165 million Americans will agree with me when I say it is a lot better to be on the brink than in the drink as far as war is concerned.

And that, in the final analysis, is the difference between the Truman-Acheson policy and the Eisenhower-Dulles policy: The Truman-Acheson policy got us into war; the Eisenhower-Dulles policy got us out.

This, in essence, is the Eisenhower-Dulles policy:

In Lincoln's words from his second inaugural address, "We are dedicated to do all which may achieve and cherish a just and lasting peace."

As a party which for 50 years has never led the Nation into war, we believe we qualify as experts in the art of making and keeping peace.

President Eisenhower was elected on a pledge to stop the war in Korea. He kept that promise and did more. He avoided our participation in war in Indochina and in Formosa. At Geneva, he led the whole world away from the possibility of atomic warfare. And today he is giving of his strength, wisdom, and faith to the end that a just and abiding peace in the world may be achieved for all mankind.

Ours is a policy of peace, peace without surrender, peace without appeasement, peace without abandonment of the enslaved peoples of Europe and Asia, peace with strength controlled by wisdom and restraint supported by the will and power of America and the free world.

I would suggest that if Mr. Stevenson has nothing more constructive to suggest than criticism, he join with millions of his fellow Democrats in the country and some of the outstanding Democrats in the Congress who have so loyally supported, and are supporting the Eisenhower-Dulles foreign policy—a policy which deserves support because it got us out of one war, has kept us out of others, and provides the best chance for peace without surrender in the years ahead.

A second major ground of criticism of the Republican administration is that it is for the big fellow and against the little fellow; for the employer and against the worker; for the rich and against the poor.

As a great Democratic Governor of New York, Al Smith, used to say, "Let's look at

the record." Let us look at the record solely in terms of the 65 million American wage earners. Has this administration been good or bad for them?

What does the wage earner want?

He wants a job.

He wants high wages.

He wants purchasing power.

He wants a sound security program for the future.

He wants a government he can trust and respect.

Today, America's wage earners have: more jobs at higher wages, with greater purchasing power, sounder security and fewer strikes than at any time in history. And they have peace to boot, and a government they know they can trust.

May I respectfully suggest that I do not fear the participation of union leaders in the next campaign. Every union leader should be interested only in one thing, the welfare of the members of his union. Let each of them apply this test, under which administration have union members had it the best?

They will find that union members are better off today than they have ever been in the history of unions. And I submit that if they act on the basis of what has proved to be best for their members, every union leader in America will be out shouting from the house tops this November for 4 more years of the Eisenhower administration.

To put it in a nutshell, this is our case: Our Republican administration is now proving, for the first time in nearly 30 years, that we can have prosperity without war, full employment outside of uniform, and security without regimentation and controls. We are proud of that record, and we believe that the American people, whom we represent, are proud of it too.

At the outset tonight I said we could be proud not only of what we have done, but also of what we stand for.

At this point would you permit me to philosophize for a moment.

More and more these days we hear that there are no real differences between the two parties. But there are differences and they are important to every citizen. To find them we, of course, must first note how the parties are alike.

We know that both Republicans and Democrats want America to live in peace and to help keep the peace by staying strong.

We know that both parties want to be good to our people.

They want our people to have rising living standards, good schools, good homes, adequate diets, more and better jobs.

They want our Government to be honest, loyal, and decent.

In short, both parties want ours to be a healthy and happy Nation, daily growing stronger in every way.

So our parties are alike in many important ways. But beneath this harmony the parties are very different in how they see each individual citizen.

We, of course, must always identify which Democratic Party we are referring to. For the moment let us define the Democratic Party in terms of its ADA, big city boss clique which controls its national conventions.

That Democratic Party has lost track of the individual. It has become the slave of doctrines of uniformity, mediocrity and regimentation. In its eyes our people have dissolved into a multitude to be politically manipulated and managed. The Government, an all-wise aristocracy, rules the common people, and they will obediently plod along as they are told. The individual has been swallowed up in a herd of unknowns.

We see this philosophy showing up all the time in Democratic pronouncements. There is endless emphasis upon the averageness of Americans. There is steady appeal to mass and class. The rich, big business, the Wall Street gang, economic royalists, the moneyed interests—these are the group words, the class words, that we hear all the time in Democratic propaganda. There can be no home there for the individual.

It is indeed tragic that the soul of Jefferson's great individualistic party of a century and a half ago has become so blighted today. It is blighted by an obsession for the common and average. It is blighted by an addiction to classes and masses.

And so, in a sort of helpless way, the Democratic Party today grinds out policies that are in fact reactionary. Often they amaze the still uninfected Democrats, most of whom voted for President Eisenhower in 1952, as much as they disturb Republicans.

Republicans reject this managed masses idea of the Democrats. We consider it repugnant to American tradition. It is not what true liberals believe in. Americans are not a milling mass. Our society's purpose is to fulfill the aspirations not of the middle class, the lower class, the rich or powerful, but the aspirations of our Marys and Johns, our Margarets and Jims, whatever their status.

To these ends, we must keep each individual as free as possible. This means a tight halter on the powers of government. Such a government in turn must largely depend on individual and local resolution of public problems. This is why we Republicans fight every unnecessary encroachment upon individual liberty.

This is the truly liberal viewpoint of government. Its opposite is a big centralized government, putting more and more restrictions on individual freedom. That is reaction. While there is yet time we must all understand that truly liberal government keeps the individual as free as possible—that always a reactionary government moves toward dictatorship through needless infringement of individual rights.

So there we have the great fundamental of our party: We hold high the liberal standard of individual freedom.

And we clearly see the opposite—the Democratic addiction to reactionary mass and class ideas in which individualism tends to wither and die.

There's another big difference between our party and the big city machine, left-wing alliance which for 24 years has named and controlled Democratic candidates for President—and will do so again in 1956. It is in the ability of the parties to reach the goals we all believe in.

Perhaps in no other field is there a greater contrast between Democratic campaign promise and Democratic congressional performance than with respect to civil rights and race relations.

Just the other day out in California, Mr. Stevenson and Mr. KEFAUVER talked about it again and, as usual, they contradicted each other and then each of them contradicted himself.

Despite the unquestioned good intentions of some of those in their northern wing, the Democrats know their hybrid party is helpless and futile in this field and will stay that way.

They know, too, that President Eisenhower's great Republican administration has registered the greatest advance for the rights of racial minorities since the Emancipation Proclamation itself.

We have abolished racial segregation in the District of Columbia, in the Armed Forces and in Federal contracts and civilian employment.

Through the Interstate Commerce Commission we have abolished racial discrimination in travel by bus, boat, and rail.

And, speaking for a unanimous Supreme Court, a great Republican Chief Justice, Earl Warren, has ordered an end to racial segregation in the Nation's public schools.

And we did all this in just 3 years. The only hope for continued progress toward the realization of the American dream of equal opportunity in every respect for every American is through the election not only of a Republican President but a Republican House and Senate.

May I add one further word as we consider what our party stands for. We can all be thankful that President Eisenhower has given the Republican Party the forward look and it is our New Deal friends who are now trapped by their own reactionary philosophy, wailing at the wall for a return to discredited economic policies which never have provided and never will provide prosperity except in time of war.

I realize that there are some even within our own party who criticize this administration on the ground that it is too liberal, too progressive. Let us consider the alternative. The choice is not between the Eisenhower program and something more conservative but between the Eisenhower program and something more radical.

The American people are not going to stand still. They want progress. And they want an administration which does not look to the past, or is satisfied with the present, but one which by deeds even more than words shows the way to new and greater hope for the future.

How do we differ from our Democratic friends in this respect?

We believe the road to progress is through the programs which rely primarily upon individual rather than Government enterprise—that government can and should be progressive and humanitarian without being socialistic.

The birthday of the first Republican President is a particularly appropriate time for all to remind ourselves that the Republican Party in its greatest days has always been, is now, and will continue to be the party of progress.

Finally, we can be proud as Republicans tonight because of the leadership we offer to the Nation and the world.

May I say a word first about the Cabinet to which New York has made such a significant contribution in our Secretary of State and Attorney General.

When our opponents charge that this is a businessman's administration, I don't believe we should back away or apologize. This should be our answer: The Government of the United States is the biggest business in the world. As such, President Eisenhower believes it ought to have the best management in the world.

And no achievement of this administration has been more in the national interest than getting seasoned and tested practical leaders of the caliber of Secretary Humphrey, Wilson, and Weeks, and scores like them, to come to Washington to provide the kind of management that gives us the most return in services from every tax dollar we invest.

There is little that I can add about President Eisenhower's leadership which was not said on January 20 at the salute-to-Eisenhower dinners in which New York played such a splendid part.

But may I say what I believe is in the hearts of the great majority of Americans, regardless of party. For a number of reasons we love and admire President Eisenhower.

Certainly because he has given us the inspired leadership which has brought America the greatest peace and prosperity and progress any people have enjoyed in the history of nations.

But most of all because of the man he is. Americans like to be proud of the man in the White House. In our history we have been fortunate in having some great Presidents. Some have been Republicans. Some have been Democrats. Our first Republican President, Abraham Lincoln, was one of the greatest. And today we have a man cast in that same great mold in President Eisenhower.

We know we need never fear that he will debase his high office by deeds or words which are cheap, crude, or petty. We know he will not deliberately misrepresent or distort for political goals. We know that we always can proudly hold this President of the United States up to our children as a man who has faith in God, faith in America, and one who has brought dignity, respect, and integrity to the highest office in the land.

For such a glowing record, for such a truly liberal philosophy, for such a great man, we can be thankful tonight. Let us show our appreciation by our dedication to winning the victory this November which will assure continuation of the policies and leadership which to the great majority of our people have brought the best 3 years of our lives.

RENUNCIATION OF UNITED STATES CITIZENSHIP BY JOHN P. JOHNSON, FORMERLY GENERAL MANAGER OF THE ALASKA RAILROAD

Mr. WILLIAMS. Mr. President, I ask unanimous consent to speak for not to exceed 8 minutes.

The PRESIDING OFFICER. Without objection, the Senator from Delaware may proceed.

Mr. WILLIAMS. Mr. President, Mr. John P. Johnson, former General Manager of the Alaska Railroad, has renounced his American citizenship in order that he might avoid being returned to the United States to answer a criminal indictment which has been pending in our Federal courts at Anchorage, Alaska, since September 23, 1953. In this indictment it is charged that Mr. Johnson, in his official capacity as General Manager of the Alaska Railroad, had used his position to divert business to companies in which he had a specific interest or control. The Alaska Railroad is a wholly owned Government corporation and as Manager Mr. Johnson was on the payroll of the United States Government.

The charges were that he diverted business to his companies on exceptionally favorable terms and thereby enriched himself at the expense of the United States Government. A detailed description of these charges is found in the CONGRESSIONAL RECORD of April 1, 1955, volume 101, part 3, pages 4254–4257.

On October 6, 1955, the final chapter on this strange episode was written when Mr. Johnson's application for citizenship in Colombia, South America, was approved by that country.

Apparently Mr. Johnson, by taking this drastic step of giving up his citizenship, will avoid prosecution for irregularities allegedly committed by him during his term as a public official. However, I emphasize once again what I stated on April 1, 1955; namely, that unless our retirement laws are amended this man who has skipped the country to avoid prosecution for fraudulent activities committed while serving as a public official will upon reaching the retirement age, January 1, 1964, still be eligible for a lifetime annuity at the expense of the American taxpayers of $3,012 per year.

Congress has adopted a proposal wherein retirement benefits are denied to any public official convicted of treason or corrupt practices committed in connection with his line of duty as a public official; but that law is applicable only upon convictions in the court.

It was proper that the law be so written since the presumed innocence of any man is always recognized until after he is convicted in the courts, but in this instance we have a situation where a high public official skips the country to avoid prosecution and even goes to the extent of renouncing his citizenship to avoid being brought back. It is my opinion that the law should be extended to withdraw retirement benefits from Mr. Johnson or any other such case.

From the very beginning, this case has been surrounded by a series of peculiar circumstances; for instance, the alleged irregularities of Mr. John P. Johnson and certain other top officials of the Alaska Railroad were first called to the attention of both the Department of Justice and the Department of the Interior as far back as 1949.

Both agencies started investigations, but soon they became involved in a jurisdictional fight as to who should handle the investigation, with the net result that nothing was done and Mr. Johnson emerged from the affair with a $3,600 salary increase.

Mr. Johnson continued to draw his $18,000 salary as General Manager of the railroad while these charges were still floating around and the investigation was being tossed between the two agencies like a hot potato, until finally in 1953 they got down to business, and on September 15, 1953, a sealed indictment was returned against Mr. John P. Johnson, charging him with violating section 434 of title 18 of the United States Code.

Section 434 makes it a felony for an officer of the United States, in the scope of his employment, to transact business on behalf of the United States with any firm of which he is an officer or agent, or in the profits or contracts of which he has a pecuniary interest.

This indictment, returned by the grand jury on September 15, 1953, was sealed, and it was not released until March 22, 1955.

At the time this sealed indictment was returned, Mr. Johnson was still serving as the General Manager of the Alaska Railroad, drawing a salary of $18,000 a year, and he did not resign from that position until 6 weeks later, October 27, 1953; whereupon Mr. Johnson, apparently aware of the pending indictment, skipped the country and went to Colombia, South America.

Under the existing law, Mr. Johnson will upon reaching retirement age, January 1, 1964, be eligible for a $3,012 annual retirement benefit, notwithstanding the fact that he skipped the country and even gave up his American citizenship to avoid answering charges involving his conduct while serving as a public official as contained in an indictment now pending in the Federal courts at Anchorage, Alaska.

Senate bill 1949 was introduced in May 1955 to plug this loophole, and I am once again appealing to the Senate Post Office and Civil Service Committee to give this problem their early consideration.

Following my remarks on the case of Mr. Johnson on April 1, 1955, I suggested to the Department of Justice that if the State Department were to cancel his passport, Mr. Johnson would be forced either to return to the United States and answer the charges, or to forfeit his American citizenship.

The State Department was informed by the Department of Justice of the relevant facts in the case, and it was requested to withdraw Mr. Johnson's passport on the grounds that he should not be permitted to remain in a foreign country on a United States passport while allegations of offenses against the United States were pending against him.

On May 23, 1955, the State Department contacted the Embassy at Bogota, Colombia, and was advised that Mr. Johnson's passport was in a field camp, but that he would return to the United States early in July.

On June 3, 1955, the State Department further advised that they had received information from the Embassy at Bogota that Mr. Johnson had applied for Colombian citizenship on May 6, 1955, which was just 5 weeks after I exposed his case on the floor of the Senate. The Embassy at Bogota explained that they had not known of this action when writing their letter of May 23 indicating his prospective return, but expressed the opinion that the likelihood of favorable approval of Mr. Johnson's application for Colombian citizenship was extremely doubtful, since our Government had filed official notice with the Colombian authorities of the pending indictment against Mr. Johnson.

However, on August 31, 1955, the Department of Justice was notified by the State Department that, despite information given to the Colombian authorities by our Embassy, it was expected that Mr. Johnson would become a Colombian citizen.

Finally, on February 7, 1956, in a telephone conversation with the State Department, I was advised that they had received informal notification that Mr. Johnson had been granted his naturalization papers on October 6, 1955.

With this background, I am once again urging the prompt approval by the Congress of S. 1949. In so doing, I am not overlooking the fact that we must always recognize the innocence of any man until he has actually been convicted in our courts. However, in this instance, when a high public official skips the country and even takes such drastic steps as to forfeit his American citizenship to avoid answering serious charges involving his conduct as a public official, certainly we are justified in presuming the man's guilt to the extent of denying him any benefits under any retirement system supported by the American taxpayers.

Mr. President, I ask unanimous consent to have incorporated in the RECORD as a part of my remarks a copy of S. 1949.

There being no objection, the bill (S. 1949) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the act entitled "An act to prohibit payment of annuities to officers and employees of the United States

convicted of certain offenses, and for other purposes," approved September 1, 1954 (68 Stat. 1142), is amended by adding at the end of section 2 thereof a new subsection as follows:

"(c) In any case in which, after the date of enactment of this subsection, any person under indictment for any offense within the purview of the first section of this act willfully remains outside the United States, its Territories, and possessions, for a period in excess of 1 year with knowledge of such indictment, no annuity or retired pay shall be paid, for any period subsequent to the end of such 1-year period to such person or to the survivor or beneficiary of such person, on the basis of the service of such person as an officer or employee of the Government."

SEC. 2. The first sentence of section 3 of such act is amended to read as follows: "Any amounts contributed by any such person toward the annuity the benefits of which are denied under this act, less any sums previously refunded or paid as annuity benefits, shall be returned to such person, upon appropriate application therefor, with interest to the date of his conviction of any offense described in the first section of this act or of the commission by him of any violation of section 2 (a) or 2 (b) of this act or of the expiration of the 1-year period referred to in section 2 (c) of this act, as the case may be, or the date of enactment of this act, whichever is later, at such rates as may be provided in the case of refunds under the law, regulation, or agreement under which the annuity is payable, or if no such rates are so provided at the rate of 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year."

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LANGER. As the distinguished Senator from Delaware knows, a subcommittee of the Committee on Post Office and Civil Service is at present preparing a bill for a new retirement law. It happens that I am the ranking Republican member of the subcommittee. I wish to assure the Senator from Delaware, in view of his statement this morning, that most certainly in the new retirement act there will be a provision to take care of a situation such as he has just described.

Furthermore, as the ranking Republican member of the subcommittee, I assure the Senator that I shall do everything possible to procure immediate action on his bill, which has been pending for several months, since the Senator introduced it.

Mr. WILLIAMS. I thank the Senator from North Dakota.

Mr. LANGER. I may say that, in my opinion, it will be passed. It is hard for me to understand how a man could have robbed our Government as far back as 1949 and not thus far have been prosecuted. Can the Senator enlighten me on that point?

Mr. WILLIAMS. I too, am somewhat puzzled, because the case was fairly well documented at that time. I pointed this out in my speech on April 1, 1955. Both the Department of the Interior and the Department of Justice were alert to the conditions in the office of the Alaska Railroad in 1949.

Since that time there have been three separate FBI investigations, each of which substantially supported the allegations upon which the man has now been indicted. Notwithstanding that, about all that can be found in the record is a little bickering between the Department of Justice and the Department of the Interior as to which department was to have the right to investigate the case. No action was taken in any instance.

As I pointed out in my remarks, Mr. Johnson emerged from the investigation with a promotion and a $3,600 salary increase. In my opinion, there is no possible justification for that action. It was not until 1953 that any affirmative steps were taken to clear up these conditions.

Mr. LANGER. Mr. President, will the Senator further yield?

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS. Mr. President, I ask unanimous consent for five additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. As soon as the indictment was returned, why was not Mr. Johnson arrested? All the Government had to do was to send a teletype message to Alaska, ordering his arrest.

Mr. WILLIAMS. Not being an attorney, I cannot answer the Senator's question. The indictment was returned on September 13, 1953. It was a sealed indictment, however. Nevertheless, Mr. Johnson continued to serve in his position and remained on the payroll of the United States Government for about 6 weeks following the return by the grand jury of the sealed indictment. During that time he was not arrested. Again, I do not understand why he was not picked up. But he left the country, and the sealed indictment was not released to the public until some time in 1955. Whether he skipped the country before the September 13 date, I do not know. He could have been on annual leave at the time, thereby accounting for his resignation not being effective until sometime in October. In any event, he has avoided criminal prosecution.

Mr. LANGER. The Senator from Delaware knows that there are a United States marshal and a United States attorney in Alaska. All that was necessary to be done was to send a teletype message to Alaska to have Mr. Johnson taken into custody. Is not that correct?

Mr. WILLIAMS. Yes; but the indictment was returned in Alaska, so everyone concerned was right there.

Mr. LANGER. Why was not Mr. Johnson arrested?

Mr. WILLIAMS. That is one of the questions to which I wish the Senator from North Dakota would help me find the answer. It should be answered.

Mr. LANGER. I shall be delighted to join with the Senator from Delaware in making an investigation of the situation. It is very strange that a man who was indicted in 1953 should not have been arrested.

Mr. WILLIAMS. The indictment was returned in September 1953, but Mr. Johnson's resignation from his position was not effective until some time in October 1953, or about 4 or 6 weeks after the indictment had been returned. During that time, according to the record, no effort was made to arrest him or pick him up. The exact date on which he left the United States I do not know. Nevertheless, when further information was obtained, it developed that the man was in South America. Sometime during that interval, therefore, a passport had been issued to him by our Government, and he was allowed to leave the country.

Mr. LANGER. Did the Senator from Delaware in his previous speech on the floor make any statement as to how much Mr. Johnson had stolen from the Government?

Mr. WILLIAMS. No; I do not. I outlined the reports as submitted by the Department of Justice and the various other agencies to the extent to which they stated some of the minor details of the charge.

GEN. CARLOS P. ROMULO

Mr. BUTLER. Mr. President, citizens of the State of Maryland over a period of many years have valued highly the statesmanlike qualities of Gen. Carlos P. Romulo, the Philippine Ambassador to the United States. Not only from afar have they been thrilled by his outstanding accomplishments in furtherance of world peace, but, to their great satisfaction, they have observed at close range his worthwhile activities, which have contributed to the strengthening of friendly ties between his great people and our fellow citizens of the United States.

The University of Maryland, the outstanding institution of the State's educational system, has recognized his exceptional capabilities and singled out the Philippine Ambassador for its outstanding achievement award. The citation was presented by Dr. Wilson H. Elkins, president of the University of Maryland.

In order that the United States Senate, and through it the people of the Nation, may be informed of this deserved tribute to General Romulo, I ask unanimous consent that the account in the Baltimore Sun of February 5 be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

M CLUB HAILS GENERAL ROMULO—PHILIPPINE DIPLOMAT AWARDED HONORARY LETTER

(By Edwin H. Brandt)

The University of Maryland's All-Americans and the school's two undefeated teams were honored by the M Club last night at the Emerson Club in a program highlighted by an address by Gen. Carlos P. Romulo, Philippine Ambassador to the United States, and former president of the United Nations General Assembly.

Romulo, who captivated the audience with his engaging personality and straightforward speech, accepted an honorary membership in the M Club and the outstanding achievement award from Dr. Wilson H. Elkins, president of the University of Maryland.

DELIVERS WARNING

At the same time, he delivered a warning on the threat of communism in Asia and asked for recognition and respect for the Asian peoples. General Romulo received a standing ovation at the conclusion of his address, at which time he asked for the use

of the Golden Rule in determining future Far East policy.

Tommy Mont, new head football coach at Maryland, made the awards to Terp All-Americans on the undefeated football team and national championship lacrosse team, and an NCAA boxing champion from Maryland.

They were Bob Pellegrini, All-America center and cocaptain; Charlie Wicker, attack; Jim Keating, midfield; and John Simmons, defense, of the lacrosse team; and Vince Palumbo, 132-pound ring titleholder.

Other awards went to Halfback Ed Vereb, cocaptain, along with Pellegrini, for excellence in leadership, academics, and athletics; Rennie Smith, attackman on the lacrosse team, for his contributions to university athletics; and Quarterback Lynn Beightol, for his sportsmanship.

OTHERS HONORED

Besides Romulo, A. E. Duncan, founder-chairman of the Commercial Credit Corp., and George Cook, first president of the Terrapin Club, were made honorary members of the M Club.

Two members of the newly organized Maryland Hall of Fame also attended, Robert Garrett and Frank Baker receiving certificates, while Mrs. George Herman Ruth received a certificate for her late husband, Babe Ruth. Jimmy Foxx, the fourth member of the hall, could not attend because of illness.

These awards were made by Governor McKeldin, while Al Heagy, president of the M Club, made special merit awards to Frank Cronin, boxing coach; Jack Faber, co-coach of the lacrosse team; Jim Kehoe, head track coach; Bill Krouse, wrestling coach; and Doyle Royal, soccer coach.

THE AMERICAN MERCHANT MARINE

Mr. BUTLER. Mr. President, it must be disconcerting to anyone even casually impressed with the importance of America's merchant fleet to the country's prosperity and security, to note the readiness, nay, the eagerness, of some responsible Government officials to bend over completely backwards in efforts to help—not our own merchant marine, but rather the foreign shipping that already has taken over the great majority of America's ocean commercial cargoes.

To those of us in the Congress, on the House side as well as in the Senate, who have labored against great odds to save and strengthen this "fourth arm of defense," such official concern for the advancement of foreign shipping, no matter what the ensuing harm to our own dwindling merchant fleet, is little short of maddening.

I submit that the subversion—and it amounts to just that—by high Government officials of congressional intent as expressed so repeatedly in the various 50–50 enactments of the past decade, has progressed to such an extent that it is high time the Congress did something about it.

As Senators will recall, the principle that Government cargoes should be transported in vessels of the United States goes back half a century, to the act passed in 1904 requiring 100 percent utilization of vessels owned in or by this country for transportation of supplies of all kinds for the Army and the Navy. Thirty years later, this principle was again approved by Congress in Public Resolution 17, 73d Congress, 1934, which required that all—not 50 percent, but 100 percent—all cargoes financed by the Export-Import Bank or any other instrumentality of Government should be carried in American bottoms. This resolution has never been repealed or modified.

Beginning with the Economic Cooperation Act of 1948, and down to the enactment of the Permanent Cargo Preference Law in 1954, Congress incorporated this principle of the 50–50 transportation by American vessels in 8 separate and distinct acts covering foreign aid and mutual defense.

Yet, as the Senate committee hearings, which were held prior to the passage of the Permanent Cargo Preference Act, showed so clearly, and as the hearings of the House Merchant Marine Committee, in the present session continue to show, responsible agencies of the Government charged with carrying out the will of Congress, as it has been so often and so clearly expressed, have let it be known to the whole world that they oppose the will of Congress.

No wonder foreign shipping interests—who now carry three times as much of American cargoes as our flag vessels do—no wonder they have the gall to demand even a greater share of that transportation. And, as their right, mind you, Mr. President.

These foreign interests not only enlist the support of our representatives in their own countries, but they have the gall to send representatives to this country to make known their demands to all and sundry. We have no right to protect our own shipping by assuring them a very minor portion of the total American export and import cargoes—they tell us. We should subsidize American shipping further, they advise.

Our own State Department, our Agriculture Department, and our foreign assistance officials not only agree with them, but they take up the cudgels for these foreign groups—against the American merchant marine and the shipbuilding industry which President Eisenhower, Sir Winston Churchill, and other leading military officials agree, was the determining factor for victory in World War II and the Nation's rugged standby in the Korean incident.

Of course, these foreign interests will object to buying from us when they know our foreign representatives are on their side, and when they can look for such bonanzas as the British achieved when they refused to take some $20 million worth of tobacco, ostensibly because half of it would have to be transported in American vessels. As a result of their protests, and our weak-kneed governmental policies in such matters, they got the tobacco—for nothing.

Disguise this transaction any way they will, we gave them the tobacco. And this is how we did it: We sold it to them, ostensibly, but we did not take payment from them. They took the tobacco, and kept the purchase money to build barracks for American flyers who are stationed in England to help protect that country. Our Government leases the barracks, and pays an annual rental for them, but the barracks will be the property of the British Government when our troops leave. Until then the American Government will pay rental, to add to the millions of dollars worth of American tobacco which we sold them.

Our agency officials have offered many specious arguments to attempt to justify their support of the foreign attacks upon the cargo-preference law. However, I think bottom was reached on February 6, before the House committee, when an International Cooperation Administration official gave as a reason for his agency's opposition to 50–50 that it caused an additional administrative burden that ICA would like to avoid.

Maybe we had better be more careful in the future, and not enact laws that cause administrative troubles to the agencies which are set up to administer them.

Or perhaps it would be better to insist that the officials chosen to administer such laws be persons who believe in the principles expressed in such laws, and who will work to support, rather than subvert, the will of Congress as thus expressed.

The State Department warns of possible reprisals, but every shipping man can tell you, Mr. President, of such reprisals against American shipping that antedated the Cargo Preference Act or the earlier expressions of Congress in this field.

Perhaps there is just one more aspect to this subject which requires airing at this time. Mr. President, I am reluctant to take the floor to make reference to the farm bill, S. 3183, before the measure is taken up for debate, but I consider it imperative that one issue be clarified at the earliest possible moment.

I refer to the widespread statement that the Senate Committee on Agriculture and Forestry denied hearings to veterans' organizations and to representatives of the merchant marine before writing into the bill, at the last moment, a clause that would impair the provisions of the cargo-preference law which the Congress enacted and which the President of the United States approved 18 months ago.

It is difficult for me to believe that members of the committee knowingly closed the door to well-informed citizens who desired to submit facts and figures relating to the administration of the statutory provisions which require that at least 50 percent of cargoes which are Government financed be transported in American-flag ships. Despite my own personal views, however, the rumor persists that requests for hearings were made and that the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER] gave assurances that these witnesses would be heard.

In connection with this latter point, I have been referred to a declaration made by the senior Senator from Louisiana on the floor of the Senate on July 20, 1955, when he asserted:

I wish to give assurance that if a similar bill comes before us next year, we shall go into the question of the 50–50 cargo pref-

erence provision. That will probably be done in January or February of next year.

There is another reason for the widespread comment as to the lack of hearings on this important legislation. At the very time when our Committee on Agriculture and Forestry was giving attention to the innumerable issues involved in the farm legislation, the House Merchant Marine and Fisheries Committee, as mentioned earlier, has been devoting itself to lengthy and most revealing evidence on the 50–50 question. I am informed that a great number of witnesses, including Government representatives, farm bureau spokesmen, and representatives of foreign shipping organizations and of the American maritime industry have been heard. It is further stated that overwhelming support to the preservation of the 50–50 provisions has been voiced by witnesses, and that only scant backing of the efforts to delete this provision has been evidenced.

It would certainly seem that the Senate committee would be as much interested in learning of the latest available information as is the House committee. Especially would this seem significant in light of the knowledge that our colleagues on the House side do not even have specific legislation pending before them as they continue their searching investigation. Because of the fact that no one in this body will consciously do anything to undermine our defense potential, I am constrained to suggest that we ought not to decide upon eliminating provisions which are said to represent the difference between success and failure of our flagship operations.

But entirely apart from our decision on the ultimate question of desirability or undesirability of the continuance of the 50–50 statute, I believe it is necessary that the record be made clear as to whether the Senate Committee on Agriculture and Forestry did or did not refuse to grant hearings to interested citizens. If such a denial occurred, after formal assurances made on the Senate floor by the chairman of the committee, why was such precipitate action taken?

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until noon on Thursday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. HUMPHREY. Mr. President, is the Senate still operating in the morning hour? Has the morning hour been concluded?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The morning hour has not been concluded. Is there further morning business?

Mr. CLEMENTS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. CLEMENTS. Before the conclusion of the morning business, the acting majority leader would like to make a statement with reference to the legislative program on Thursday, and to list a number of items which appear on the calendar, and which will be subject to consideration and being called up on Thursday and Friday of this week. The list is, as follows:

Calendar No. 1385, Senate Concurrent Resolution 55, to print for the use of the Senate copies of certain hearings and reports of the Internal Security Subcommittee of the Judiciary Committee of the Senate.

Calendar No. 1387, Senate Resolution 159, extending the time for certain expenditures by the Committee on Public Works.

Calendar No. 1388, Senate Resolution 176, authorizing the Committee on Rules and Administration to make expenditures and employ temporary personnel.

Calendar No. 1400, Senate Resolution 175, authorizing additional expenditures by the Select Committee on Small Business.

Calendar No. 1401, Senate Resolution 166, to investigate matters pertaining to the improvement of the Federal Criminal Code.

Calendar No. 1402, Senate Resolution 169, to authorize an investigation of national penitentiaries.

Calendar No. 1403, Senate Resolution 172, to make a study of immigration and naturalization matters.

Calendar No. 1404, Senate Resolution 174, to investigate the administration of the Internal Security Act of 1950, and other laws for protection of the internal security of the United States.

Calendar No. 1405, Senate Resolution 155, authorizing the Committee on Banking and Currency to investigate certain matters, and authorizing expenditures therefor.

Calendar No. 1406, Senate Resolution 165, to make a study of matter pertaining to constitutional rights.

Calendar No. 1407, Senate Resolution 167, to examine the administration of the Patent Office.

Calendar No. 1408, Senate Resolution 168, to investigate certain problems arising in connection with European refugees.

Calendar No. 1409, Senate Resolution 170, to make a study of the antitrust laws of the United States and their administration.

Calendar No. 1410, Senate Resolution 171, to examine the administration of the Trading With the Enemy Act.

Calendar No. 1411, Senate Resolution 173, to conduct a study of juvenile delinquency in the United States.

Calendar No. 1412, Senate Resolution 160, authorizing further expenditures and temporary employment of additional assistants by the Committee on Banking and Currency to study public and private housing.

Calendar No. 1476, Senate Resolution 163, to investigate certain problems relating to interstate and foreign commerce.

Calendar No. 1477, Senate Resolution 183, authorizing the Committee on Interior and Insular Affairs to make a study of minerals, materials, and fuels, and certain other matters within its jurisdiction.

Calendar No. 1478, Senate Resolution 153, extending the time for an investigation of the administration of the civil-service system and the postal service.

Calendar No. 1479, Senate Resolution 154, extending the time for a study of the Government employees security program.

Calendar No. 1481, Senate Resolution 188, to provide additional clerical assistance and funds for the Committee on Government Operations.

Calendar No. 1183, Senate Concurrent Resolution 65, to create a joint congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President.

Calendar No. 1485, S. 3053, to extend the time within which the District of Columbia Auditorium Commission may submit its report with respect to the civic auditorium to be constructed in the District of Columbia.

Calendar No. 1491, Senate Resolution 180, providing additional funds for the Committee on Interstate and Foreign Commerce.

Calendar No. 1492, Senate Resolution 194, authorizing the Committee on Labor and Public Welfare to employ four additional temporary assistants.

Calendar No. 1496, Senate Resolution 193, to provide additional funds for the Committee on Labor and Public Welfare.

Calendar No. 1499, Senate Joint Resolution 111, relating to burley tobacco acreage allotments and marketing quotas.

Calendar No. 1500, Senate Joint Resolution 141, relating to Maryland tobacco acreage allotments and marketing quotas.

Calendar No. 1501, Senate Joint Resolution 136, relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas.

Mr. President, the order in which those measures have been stated does not indicate the order in which they will be called up on either Thursday, Friday, or at a later date.

I should like the Senate to be on notice that these measures have been cleared for presentation to the Senate in the usual manner, and any one of them is subject to consideration on those days. It might be well for me to state that a great majority of these measures are resolutions authorizing funds for various Senate committees.

Mr. ELLENDER. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I am delighted to yield.

Mr. ELLENDER. I wonder whether arrangements can be made to have the resolutions taken up in sequence, instead of at widely separated times. I make the suggestion because in most cases the resolutions will involve approximately the same arguments.

Mr. CLEMENTS. Mr. President, I do not think we are now able to state the order in which the resolutions will be taken up.

Mr. ELLENDER. What I had in mind is to have all the resolutions involving the authorization of funds come up in order, one after another.

Mr. CLEMENTS. It is my view that that can be done, with possibly some exceptions because of certain reasons which perhaps cannot be anticipated today. I can think of a good many reasons why some Senator might wish to have the consideration of a particular resolution delayed for a few days.

Mr. ELLENDER. In my judgment we shall be disposing of them one way or another.

Mr. CLEMENTS. I believe that when the first of them is brought up, there will be continuous discussion of the resolutions until they are disposed of.

Mr. ELLENDER. That is what I have in mind. I thank the Senator from Kentucky.

Mr. CLEMENTS. Mr. President, I thank my friend, the Senator from Minnesota [Mr. HUMPHREY], for permitting me to make the statement at this time.

If the Senator from Minnesota will permit me to impose upon him for another moment or two——

Mr. HUMPHREY. Certainly.

AUTHORIZATION TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DURING THE ADJOURNMENT

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Vice President or the President pro tempore be authorized to sign, during the adjournment following today's session, duly enrolled bills and joint resolutions passed by both Houses.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, the reason for making that request is that the urgent deficiency appropriation bill may well be in that status before Thursday. If so, it is quite important that the bill be signed, inasmuch as meeting the February 15 payroll may well depend upon such action.

Mr. HUMPHREY. Mr. President, it is always a pleasure for me to cooperate with my good friend, the able Senator from Kentucky, and I have been very happy to do so.

Mr. CLEMENTS. Mr. President, that is really an understatement; for there is no Member of this body who is more ready than is my friend, the Senator from Minnesota, to cooperate in expediting the handling of the various matters before the Senate, or in having them proceed in the orderly way.

Mr. HUMPHREY. I thank the Senator from Kentucky very much.

AID TO CEYLON

Mr. HUMPHREY. Mr. President, over the weekend, announcement was made that the administration has at last decided to extend $5 million in economic aid to the independent nation-state of Ceylon, this year. An injustice toward one of the staunchly anti-Communist nations of South Asia has finally been redressed. I welcome this reversal in our Government's position. I have long advocated it. It is long overdue.

Ceylon has previously been regarded as ineligible under the terms of the Battle Act, which denied United States assistance to countries trading in strategic materials with Communist nations. Ceylon's transgression was her agreement in 1952 to send Communist China 50,000 metric tons of rubber a year, in exchange for 270,000 tons of rice. The 5-year trade pact expires in 1957.

Actually, Ceylon was faced with a serious shortage of rice and foreign exchange at the time when the agreement was made in 1952. Furthermore, Mr. President, representatives of the Government of Ceylon were in Washington, desperately attempting to make arrangements to obtain rice with which to feed the hungry people of Ceylon. Most regrettably, through some technical difficulties and lack of imagination, no such agreement was made. Finally, the Government of Ceylon was driven, by sheer necessity, because of the threat of hunger and riot, to make the agreement with Communist China.

The actual quantities of rubber shipped by Ceylon to Communist China have declined recently. But at last, Mr. President, we have learned to put this trade agreement—dictated, as it was, by extreme economic pressures—into the counterbalancing context of Ceylon's significance to the free world as a living, vital, young, Asian democracy. Application of the restrictive provisions of the Battle Act has been avoided by taking a more realistic view of the situation.

Mr. President, I digress to point out that the record of the Government of Ceylon is outstanding in terms of democratic principles and institutions. Ceylon was a partner of the United States of America in World War II; and, as all of us know, during that war Ceylon suffered a great deal. Ceylon has always been friendly to the United States of America, and has demonstrated the finest elements and qualities of free, democratic institutions of government.

During the course of her rubber agreement with Communist China, Ceylon has nevertheless consistently refused to enter into diplomatic relations with either the Soviet Union or Communist China. In fact, Ceylon would not even so much as permit an exchange of cultural groups with them, and would not even so much as permit athletic groups to be exchanged with them. Neither would she permit any other group of citizens of Red China or the Soviet Union to visit her. Ceylon has a record of stanch anticommunism that is unequaled either in Asia or elsewhere in the world.

Last spring at the Bandung Conference of Asian and African nations, the Prime Minister of Ceylon, Sir John Kotelawala, was one of the most effective spokesmen against Communist imperialism. I am sure that every American remembers with happiness and pride the courageous words and the firm position taken by the great Prime Minister of Ceylon, whom we affectionately call "Sir John."

Yet, with the exception of our sending to her a three-man technical assistance mission in 1951, prior to the rubber agreement, Ceylon has had no direct economic help from the United States.

For months, Mr. President, I have actively pressed for a revision of our attitude on economic aid to Ceylon. I am delighted that the President of the United States has now reversed its previous stand and has taken new high ground in our relationships with that country. I wish to commend the President for this action.

On June 17, 1955, I wrote the Secretary of State asking him to review our decision against aiding Ceylon.

On that occasion I said:

DEAR MR. SECRETARY: I am inquiring as to the possibility of economic and technical assistance to Ceylon in the forthcoming fiscal year. I realize the complications in providing economic and technical assistance to Ceylon due to the limitations of the Battle Act and the trade pact that Ceylon has with Communist China.

I have been investigating, however, the circumstances under which this pact was entered into, and it appears to me that we are denying a free country assistance that is desperately needed. I am sure that the State Department fully understands the grave difficulties that the Government of Ceylon faced in terms of food shortage when the trade agreement was signed with Red China. Also, the Department is undoubtedly familiar with the splendid record of Ceylon as a free nation with a free government. If ever there was a country that is anti-Communist, it is Ceylon. She is the unfortunate victim of a tragic and desperate situation. Back in 1952 Ceylon had a critical shortage of rice. We were unable to help her, or at least did not, even though the government of Ceylon had appealed to us for assistance.

I respectfully urge that you review this situation and see whether or not something can be done under the special funds made available to the President for the Far Eastern region. Surely the performance of the Prime Minister of Ceylon at the recent Bandung Conference merits special consideration on the part of our Government. I will welcome your advice and comments.

Sincerely,

HUBERT H. HUMPHREY.

On July 6, 1955, the Assistant Secretary of State informed me that a "careful examination of the possibility of aid to Ceylon is underway." His letter read as follows:

DEAR SENATOR HUMPHREY: Your letter of June 17, 1955, acknowledged by telephone on June 22, urges that a review of the question of aid to Ceylon be undertaken and invites the advice and comment of the Department of State.

There is general recognition in the executive branch of the Government of the very real contributions of Ceylon to the cause of the free world, and a careful examination of the possibility of aid to Ceylon is underway. Naturally, this examination must take account of the security implications related to Ceylon's sales of rubber to Communist China.

The executive departments are continuing their exploration of the matter on an urgent basis and will be giving attention to the considerations set forth in your letter. The Department appreciates the expression of your views and will be prepared to comment later as to the results of the scrutiny to which this matter is at the moment being subjected.

In case you wish further background of this problem, officers of the Department would be prepared to discuss it with you.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary
(For the Secretary of State).

On July 15, 1955, I again wrote the Assistant Secretary of State expressing the urgency of this reexamination of our policy toward Ceylon. My letter read as follows:

You may recall that on the date of June 17 I directed a letter to the Secretary of State concerning the possibility of economic and technical assistance to Ceylon in the forthcoming fiscal year. Attached is a copy of that letter.

I received your reply of July 6, and am grateful that the Department is making a careful examination of the possibility of aid to Ceylon. From what I gather, the Ceylonese Government is having difficult budgetary problems. Furthermore, there is an election taking place there very shortly, and announcement of any aid to Ceylon would have favorable political consequences. Moreover, it would be appropriate recognition of the service that the Prime Minister of Ceylon rendered the cause of freedom and, in particular, the United States at the recent Bandung Conference.

I am confident that upon careful reexamination of the Ceylonese situation that the Department will find it possible to arrange for economic and technical assistance. Please give this your personal consideration. Bring it to the attention of the Secretary and those who are reviewing our relations with Ceylon.

Sincerely yours,

HUBERT H. HUMPHREY.

On July 15, 1955, I also wrote to the then Special Assistant to the President, Mr. Nelson Rockefeller, asking him to consider this question from the perspective of his own special function in the administration. I should like to quote from my letter of July 15 and his reply of July 29. In my letter of July 15, I had this to say in a letter to Nelson A. Rockefeller, special assistant to the President, the White House, Washington, D. C.—I quote but one paragraph, inasmuch as the letter covers other topics:

Now here is another matter that I want to bring to your attention. On June 17, I wrote to the Secretary of State concerning our relations with Ceylon. Attached is a copy of that letter. Also attached is a copy of the letter of July 6 from the Assistant Secretary, Mr. Thruston B. Morton. I am also attaching a copy of my most recent letter to him.

I believe this matter of vital importance. My letters are self-explanatory. I am sure this falls within your area of activity. See what you can do on this. You will be serving our Nation well if we can clarify this situation.

Kindest regards.

Sincerely yours,

HUBERT H. HUMPHREY.

I am pleased to note that on July 29, 1955, I received the following reply:

DEAR HUBERT: Thank you very much for your letter of the 15th which I found on my return.

* * * * *

With regard to United States policy on assistance to Ceylon, I have made some inquiries about this situation. I am assured that very careful consideration is being given to the possible modification of the former United States position. As you well recognize, it is a thorny problem because it involves the application of principles that have been laid down under congressional mandate through the Battle Act. I am genuinely sympathetic with your view that a number of very strong considerations make it desirable for our relations with Ceylon to be both sympathetic and helpful, and shall be glad to do anything that I can to bring this about.

With best wishes,

Sincerely,

NELSON A. ROCKEFELLER,
Special Assistant.

I wish to express a personal note of thanks to Mr. Rockefeller and to the State Department for their very constructive attitude in this matter and for their helpfulness.

It is a source of considerable satisfaction to me, as I know it is to others who have urged a change in the administration's policy toward Ceylon, to find that our efforts have at last been successful. The details and terms of our aid agreement with Ceylon will be announced this week.

In order to be exceedingly fair, let me say that we in Congress did not facilitate the matter very much by the strict provisions we have applied in the Battle Act, particularly as it relates to a country which has been so friendly to us as has Ceylon.

Ceylon is still hoping to obtain a nuclear reactor from the United States. She was a strong contender for the site of the Asian nuclear training center proposed last year by the United States, which is to be established in the Philippines. There have been indications, however, that the State Department is considering providing a nuclear reactor for Ceylon also. While no final decision has been made on this matter, I hope it will be made shortly, and that the decision will be an affirmative one. Let us continue to show our Asian friends that we have a stake in their friendship and their future.

I conclude by saying that the action which has been announced by the executive branch, in terms of our relationships to Ceylon, will stand us in very good stead in the Asian areas of the world, because that country is thoroughly symbolic and representative of the new Asia, the free Asia, and the democratic Asia. I hope we will carefully examine our policies with relation to every other country, and I also hope that what we shall do will not be too little too late.

I cannot help but say that I have been deeply disturbed in recent days to note the overtures which have been made by the Soviet Union to Pakistan and Turkey. I say, as a Senator, that under no circumstances must we permit the Soviet Union to gain a foothold in either Turkey or Pakistan. Both those countries are important for the security of the free nations of the world. Particularly with reference to Turkey, we ought to come to grips with the problems of that country, and recognize that whatever economic aid may be needed in Turkey, it should not be considered strictly on a business investment basis, but rather on a basis of national security and national defense.

It is my intention at a later date to have some comments on American relationships with Turkey, and what I believe can be done.

Furthermore, it is absolutely essential that once we have negotiated a mutual security pact with Pakistan, we stand behind her economically and in terms of technical assistance, and not rely entirely upon military assistance. Pakistan is fighting hard for the fulfillment of her economic potentialities and for opportunities for her people, and therefore it is very important that we assist and aid her in the pursuit of those opportunities.

Very shortly we shall be called upon for an evaluation of what we can do or for a final determination of what we are willing to do, in terms of economic aid for India.

Here again, Mr. President, the security of the United States and the well-being of the free world are at stake. It is countries like India which offer great opportunities for freedom and for the strengthening of all the collective forces of freedom in the world.

I repeat, Mr. President, what I said on many other occasions, that one reason why we need long-term economic aid, a proposal to which I subscribe, is that such a proposal is dictated by the peculiarities of the economic conditions in some of the Asian and African countries.

Therefore, we ought to be willing to assure them of long-term assistance, each year reviewing the budgetary situation with reference to the amount of the assistance. However, we should not always come in second best. Too many times we talk a great deal about seizing the initiative. I suggest that we take the initiative, maintain it, and hold on to it. We should do so politically, economically, and culturally, as well as in terms of technical and scientific assistance programs.

In my opinion such a program represents the future well-being of our country. All too often we put ourselves in the position of going into a particular area with extended and expanded programs only after the Soviet Union has already made its initial offer to assist that area.

I should like Asian nations and African nations to know that the United States of America aids them and assists them, not because Communists threaten their countries, or because foreign foes are at their borders, but because the United States of America believes in the full development of those nations and wants to participate with other countries in the fulfillment of their potentialities and their hopes and aspirations.

THE VICE PRESIDENT'S STATEMENT REGARDING THE CHIEF JUSTICE OF THE UNITED STATES

Mr. STENNIS. Mr. President, while reviewing the political achievements of the present administration and in preparation for entering the race for an endorsement term, the Vice President last night, in his address in New York

City before the Republican Club dinner, made special reference to the school-segregation decisions of the United States Supreme Court. He refers to these decisions as being written and the Court's being led, not by the Chief Justice, but by a Republican Chief Justice. The Vice President said:

> And, speaking for a unanimous Supreme Court, a great Republican Chief Justice, Earl Warren, has ordered an end to racial segregation in the Nation's public schools.

The Vice President thus officially acknowledges and confirms the fact that the decision was a political one. He further confirms a fact already known by many of us, namely, that we have passed from that era when the Constitution is what the Constitution says it is, and have gone over into the era in which the Constitution is what the Justices say it is.

Although the Vice President's statement of last night on this subject has put the Chief Justice and the decision right in the middle of the forthcoming political campaign, ordinarily injurious to the Court, he has nevertheless rendered a service to the Nation by openly characterizing and branding this decision for what it is, purely a political one.

I deplore the fact that Court decisions are referred to as political achievements, but it represents conditions which have developed over the years. These are conditions for which the Court itself is responsible. I think, Mr. President, that this condition is just another fact which will require a reappraisal of our Supreme Court, as to its usurpation of the powers belonging to the States, its jurisdiction, and, finally, the method of selecting its members.

Certainly we have slipped a long way from a nonpolitical, nonpartisan tribunal when, approaching a national election, the Chief Justice of the United States is referred to as a great Republican Chief Justice by the Republican Vice President, while recounting the political achievements of a Republican administration. The Vice President has made clear the situation.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. HILL. The Senator from Mississippi will recall that the Constitution of the United States speaks of a "Chief Justice of the United States," which lends emphasis to the idea that the Chief Justice of the United States represents the people and is not a representative of any political party. Is that not correct?

Mr. STENNIS. The Senator is correct. The Chief Justice is not the Chief Justice of the Supreme Court, but the Chief Justice of the United States. That is the title that is provided in the Constitution itself.

Mr. HILL. Is it not also true that the present Chief Justice, described by the Vice President—who, of course, is a candidate himself for political office—as a member of the Republican Party, was appointed to the court after the segregation case was pending before the court, and that that case was the important pending business before the Supreme Court at the time the Republican Chief Justice, as the Vice President has designated him, was appointed?

Mr. STENNIS. The Senator is correct. I do not know that that fact ties in exactly with what was stated, but it is certainly a part of the background, and serves to fill out the background.

Mr. HILL. It is certainly a part of the background.

Mr. STENNIS. It undoubtedly is.

Mr. HILL. I thank the Senator.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, and for other purposes.

ADJOURNMENT TO THURSDAY

Mr. STENNIS. Mr. President, so far as the acting majority leader knows, no Senator wishes to address the Senate.

Therefore, Mr. President, in accordance with the order previously entered, I now move that the Senate adjourn until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 1 o'clock and 39 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, February 16, 1956, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 14, 1956:

DIPLOMATIC AND FOREIGN SERVICE

Douglas Maxwell Moffat, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

WITHDRAWALS

Executive nominations withdrawn from the Senate, February 14, 1956:

POSTMASTERS

Henry Vance Raab, Horsham, Pa.
Emory D. Estes, Jr., Hawkins, Tex.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 14, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, Thou art the inspiration of all the lofty ideals and principles by which we should live and the source of the strength and courage we need to make them real and regnant in our daily life.

Grant that we may be guided by Thy divine wisdom as we strive to make a worthy contribution to the cause of freedom and to the right solution of our many difficult national and international problems.

May we ever wait upon Thee for they who wait upon the Lord shall be strong and of good courage.

Inspire us with a sense of our personal and individual responsibility in the building of a civilization in which righteousness and justice, good will and brotherhood are given the place of preeminence.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Friday, February 10, 1956, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. BRIDGES, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

The message also announced that the Senate had adopted the following resolution (S. Res. 211):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHAUNCEY W. REED, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn until Tuesday next.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 2711. An act to authorize medals and decorations for outstanding and meritorious conduct and service in the United States merchant marine, and for other purposes;

S. 2972. An act to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes; and

S. J. Res. 95. Joint resolution to authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to Gen. John J. Pershing.

The message also announced that the Presiding Officer appointed the Senator from Connecticut, Mr. BUSH, a member of the Board of Visitors to the United States Coast Guard Academy, and the Senator from New Jersey, Mr. CASE, a member of the Board of Visitors to the United States Merchant Marine Academy.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 56–6.

ADJOURNMENT UNTIL THURSDAY NEXT; PROGRAM FOR REMAINDER OF THE WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ARENDS. Reserving the right to object, Mr. Speaker, and I shall not object, I wonder if the majority leader can at this time inform us of any program for the balance of the week.

Mr. McCORMACK. For Thursday I am going to program the bill (S. 926) relating to the Ventura River reclamation project. I cannot tell now as to anything else that may come up. I know of no conference reports to be considered. I understand the urgent deficiency appropriation bill will be considered in a few minutes, and that a motion that the Senate amendments be concurred in will be made.

With the usual reservations, I will say that that is the only legislation I know of for the remainder of the week, having in mind the agreement that was made as to the legislative program in view of the Lincoln's Birthday speeches that were being made throughout the country.

Mr. ARENDS. I thank the gentleman, and I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Reserving the right to object, Mr. Speaker, can the gentleman give us any idea when the foreign WPA bill will be up?

Mr. McCORMACK. I do not know about the WPA part. The gentleman means the foreign aid bill?

Mr. GROSS. In quotation marks, yes.

Mr. McCORMACK. Those are the gentleman's quotation marks, not mine. I am unable to state now. I do not know whether hearings have been started yet, but I will make inquiry about that.

Mr. GROSS. Does the gentleman not think we ought to get that bill up so that we may get some idea whether there will be any money left to take care of some of the needs of our own people?

Mr. McCORMACK. Without answering one part of the gentleman's inquiry, I think the bill is important to bring up for the national interest of the United States.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

URGENT DEFICIENCY APPROPRIATIONS, 1956

Mr. CANNON. Mr. Speaker, I call up the bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, and for other purposes, with amendments of the Senate thereto, and ask unanimous consent for their present consideration.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 23, insert:

"General expenses

"For an additional amount for 'General expenses,' $30,000."

Page 3, line 8, strike out "$43,500" and insert "$40,000."

Page 3, after line 16, insert:

"SENATE."

Page 3, after line 16, insert:

"Salaries, officers and employees"

Page 3, after line 16, insert:

"OFFICE OF THE VICE PRESIDENT

"Office of the Vice President: For an additional amount for clerical assistants to the Vice President, $6,270."

Page 3, after line 16, insert:

"Administrative and clerical assistants to Senators

"Administrative and clerical assistants to Senators: For an additional amount for administrative and clerical assistants for Senators, to provide additional clerical assistants for each Senator from the State of California, so that the allowance for administrative and clerical assistants for such Senators will be equal to that allowed other Senators from States having a population of over 13 million, the population of said State having exceeded 13 million inhabitants, $4,780."

Page 3, after line 16, insert:

"Office of Sergeant at Arms and Doorkeeper

"Office of Sergeant at Arms and Doorkeeper: For an additional amount for office of Sergeant at Arms and Doorkeeper, $8,350: *Provided*, That effective August 1, 1955, the basic annual rates of compensation of the following positions shall be: superintendent, press gallery, $5,340; first assistant superintendent, press gallery, $4,740; second assistant superintendent, press gallery, $3,840; third assistant superintendent, press gallery, $3,300; fourth assistant superintendent, press gallery, $2,508; secretary, press gallery, $2,100; superintendent, radio press gallery, $5,220; first assistant superintendent, radio press gallery, $4,020; second assistant superintendent, radio press gallery, $3,540; third assistant superintendent, radio press gallery, $3,000; and superintendent, periodical press gallery, $4,320."

Page 3, after line 16, insert:

"In all, salaries, officers, and employees, $19,400."

Page 3, after line 16, insert:

"CONTINGENT EXPENSES OF THE SENATE"

Page 3, after line 16, insert:

"Reporting Senate proceedings: For an additional amount for reporting the debates and proceedings of the Senate, $5,465."

Page 3, after line 16, insert:

"Furniture: For an additional amount for materials for, repairs of, and the purchase of furniture, $5,000."

Page 3, after line 16, insert:

"Inquiries and Investigations: For an additional amount for expenses of inquiries and investigations, fiscal year 1955, $40,000."

Page 3, after line 16, insert:

"Inquiries and Investigations: For an additional amount for expenses of inquiries and investigations, $900,000."

Page 3, after line 16, insert:

"Motor Vehicles: For an additional amount for maintaining, exchanging, and equipping motor vehicles, $5,000."

Page 3, after line 16, insert:

"Administrative provision

"For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the appropriations under the heading 'Senate' shall be held and considered to be effective as of the first day of the first pay period which begins on or after the date of such enactment."

Page 4, after line 1, insert:

"Capitol buildings and grounds

"Senate restaurants: For repairs, improvements, equipment, materials, and all necessary incidental expenses, to provide improved facilities for the Senate restaurants, Capitol Building, $20,000, to remain available until expended and to be expended by the Architect of the Capitol under the supervision of the Senate Committee on Rules and Administration, without regard to section 3709 of the Revised Statutes, as amended."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, I move that the House agree to the Senate amendments.

Mr. Speaker, the amendments which have just been read by the Clerk add approximately $1 million to the House bill. But, practically all of them, specifically, $994,865, and as a matter of fact, all with the exception of two small amendments, are Senate housekeeping items with which we are not concerned.

The only two on which we are really in disagreement are one involving $30,000 for general expenses of the Corps of Engineers and another involving a reduction of $3,500 in the amount requested for permanent registration of voters here in the District of Columbia, preliminary to the first election—May 1, 1956—of delegates to the national conventions.

Under the circumstances the House is warranted in agreeing to these two minor amendments in order to expedite appropriation of funds needed in the next few days.

By way of summary, the budget estimates received by the House from the Bureau of the Budget aggregated $64,505,201. The Committee on Appropriations recommended $61,504,201, a cut of $3,001,000. The bill passed by the House totaled $64,670,201, an increase of $3,166,000. The Senate again increased it to $65,695,066 and the pending motion is to agree to that amount.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I see nothing in this bill that would justify sending it to conference; so I shall not object.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion to concur in the Senate amendments.

The motion was agreed to, and a motion to reconsider was laid on the table.

GUIDED MISSILES

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, the dispute over the progress or lack of progress of the missile program points up the fact that the President and only the President can make certain essential decisions which may determine the security of the United States.

No decision by a so-called regency can decide certain crucial matters of defense policy. Even decisions of the National Security Council in some important instances cannot be made to stick.

We are informed by the newspapers that the President is currently being brought up to date on the many factors contributing to lack of progress in the missiles program. I hope this is true, since only the President has both the information on which to base a decision and the authority to make that decision stick. He cannot effectively delegate that power and authority.

Although the subject is shrouded in much secrecy, there is no question but that the differences of opinion existing in the various branches of the service as to the aim of the missiles program is, to some degree, responsible for our lack of progress. According to authoritative sources, we are permitting the Soviet Union to surpass us in this most critical area of defense.

We have lacked clear and positive direction in the aim of our missiles program. If we are to have a crash program on an accelerated, wartime basis, are we to concentrate on a medium-range missile, which apparently is possible of earlier achievement, or are we to stake all on a program aimed at attaining a missile of true intercontinental range, the so-called ultimate weapon of modern warfare?

There is the further question of whether to concentrate our principal effort on ballistic missiles or to expend more effort on other types of missiles, such as those which can be guided to their destination.

It seems obvious that the Department of Defense has been able to make no decision with sufficient finality in this matter. It appears equally obvious, since this question has come up again and again, that the National Security Council has not been able to make a decision which has stood up without question.

This leaves the President alone with the final responsibility. Now that he once again is undertaking the regular work load of his office, we must hope that he will as promptly as he can obtain all the information on which such a vital decision must be based and then make it.

It appears to many persons in and out of Congress that this has been too long delayed. On it may depend the security not only of the United States but of all the nations of the free world.

INTERNATIONAL AFFAIRS

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CARNAHAN. Mr. Speaker, an important aspect of the exercise of United States leadership in international affairs revolves around United States participation in international organization activities. An important element of that participation relates to the United States membership in 10 specialized agencies of the United Nations in which our country plays a leading role. These agencies are: Food and Agriculture Organization, FAO; International Bank for Reconstruction and Development, IBRD; International Civil Aviation Organization, ICAO; International Labor Organization, ILO; International Monetary Fund, IMF; International Telecommunication Union, ITU; United Nations Educational, Scientific, and Cultural Organization, UNESCO; Universal Postal Union, UPU; World Health Organization, WHO; and World Meteorological Organization, WMO.

Recognizing the importance of these activities, the Subcommittee on International Organizations and Movements maintains a close watch over their activities from the point of view of how they serve the best interests of the United States in the context of our foreign policy. The scope of subcommittee jurisdiction is "to deal with questions relating to the United Nations and its specialized agencies, other present and proposed international organizations, and the development of international law, and those aspects of communism, fascism, nationalism, and other political ideas basically affecting international relations." The members of the subcommittee, of which I am privileged to serve as chairman, are: Hon. THOMAS S. GORDON, Democrat, of Illinois; Hon. CLEMENT J. ZABLOCKI, Democrat, of Wisconsin; Hon. WAYNE L. HAYS, Democrat, of Ohio; Hon. CHESTER E. MERROW, Republican, of New Hampshire; Hon. WALTER H. JUDD, Republican, of Minnesota; and Hon. KARL M. LECOMPTE, Republican, of Iowa.

During both sessions of the 83d Congress the subcommittee held extensive hearings on the United Nations and the specialized agencies, as well as other international organizations in which the United States participates. These hearings were printed and made available to the public. There was also printed and made available to the public during the last Congress a report of the Special Study Mission on International Organizations and Movements, under the chairmanship of the Honorable CHESTER E. MERROW, which made an on-the-spot study of the seven specialized agencies of the United Nations located in Europe: FAO, WHO, ILO, ITU, WMO, UPU, and UNESCO.

In order to bring this information up to date, the subcommittee will begin a series of hearings on the specialized agencies of the United Nations, commencing Monday morning, February 20, 1956, at 10:30. The subcommittee will strive particularly to evaluate United States participation in the specialized agencies, bearing in mind that the United States is a heavy contributor to these organizations and devotes considerable time and effort in participating in their work. It will be the function of the subcommittee to determine the effectiveness of United States participation, the effectiveness of the specialized agencies themselves, to determine their role in the United Nations system, and, finally, to determine in the light of these considerations whether or not United States participation is in the best interests of the United States.

Mr. Speaker, I wish to announce that it is the desire of the subcommittee to hear as many witnesses as possible. Should it prove impossible for the subcommittee to hear all of those who desire to testify, written statements will be considered by the subcommittee and included as part of the printed hearings.

It will be greatly appreciated if those who wish to testify would communicate in writing with Mr. Boyd Crawford, staff administrator, House Foreign Affairs Committee, room G–3, the Capitol, Washington, D. C.

VETERANS' HOUSING LAW

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimons consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, I am introducing two bills today relative to veterans. I want to invite the attention of the House to the terms of those bills. Of course, in 1 minute I have no time to read the bills, but one of them is introduced to correct an inequity of charging what is known as discount on the veterans' housing loans. It has been developed before the Committee on Veterans' Affairs that these so-called discounts vary from 2 percent to as high as 11 percent in some cases. I do not know why it should be dignified as a "discount." It is a lug, and that is all it is. Even if it is paid by the seller of the house, no one is naive enough to think that it would not be passed right on to the veteran. If the seller knows he will have to pay a "fee" discount or whatever you may call this lug, he will add it to the selling price the veteran must pay.

This bill is designed to make a direct loan, if the mortgage companies do not want a guaranteed loan, at 4½ percent at par.

The SPEAKER. The time of the gentleman has expired.

HON. JOSEPH P. KENNEDY, JR.

Mr. MACDONALD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MACDONALD. Mr. Speaker, I would like to draw the attention of the Members of the House to an editorial which appeared in the nationally known Boston Catholic newspaper, the Pilot, on Saturday, February 11, 1956, paying tribute to one of our great war heroes and the elder brother of our distinguished former colleague, the junior Senator from Massachusetts.

This editorial pays tribute to a young man who had more promise of brilliance, had a more lasting impact on his fellow students, friends, and teammates than any single individual it has ever been my privilege to know. There never has been any young man of his years who was more straightforward, frank and serious or who more wholeheartedly had the respect and admiration—but also the love of all persons who had close contact with him.

While in a larger sense perhaps this editorial is a tribute to the wonderful work of the entire Kennedy family, to me that work itself is a reflection of the character and life of the individual in whose name these charitable works are performed. The loss of Joseph P. Kennedy, Jr., or Joe as he was better known to all, was an almost irreconcilable blow, not only to his loving and admiring family but to all who were ever exposed to his strong, winning, and unforgettable personality.

The great works done in his name, most properly will enshrine his memory in the minds of those who did not know him. Nothing could be added to his memory that would further enshrine him in the hearts and minds of all who had the unforgettable experience of knowing him.

I would like to join the thousands of people from all walks of life, the Pilot, and all the citizens of Massachusetts in paying tribute to Joe and the entire Kennedy family for the enormous selfless service rendered to all the people of our State and Nation by the Joseph P. Kennedy, Jr., Foundation.

Mr. Speaker, I want to take this opportunity to commend the Pilot for its emotionally inspiring editorial and express my sorrow that the foundation ever had to be called into existence in the memory of Joseph P. Kennedy, Jr., but also to offer the thanks and gratitude of the people of my district and the State of Massachusetts for the continuing good works which are being done by the Kennedy family in his name.

This, indeed, is as it should be, for Joseph P. Kennedy, Jr., even in his youth had dedicated himself to a life in the public interest, and like the rest of his distinguished family had dedicated himself to service of all the people for whom he had a deepseated and genuine love. He died in defense of his country, had he lived he would have served the public, as the Joseph P. Kennedy Foundation is now doing.

A Hero's Legacy

The test of real greatness is often measured in the use that we make of our misfortunes. Personal human tragedy and an experience of death are for some people crushing events which seem to bring men to the end of a road from which there is no escaping, to smother them in a sorrow beyond all human enduring. And yet for others even the most trying incidents serve as a renewal of faith and a rededication to cherished ideals. For these, the darker the night, the more they see the glory of the distant stars. Sorrow is a sure separator, setting the weak apart from the strong.

During World War II, a young United States Navy flier, like American boys everywhere, went gallantly to war in the service of his country; he carried that combination of duty and daring ever characteristic of American fighting men, so much admired by our allies, and so much feared by our enemies. His name was Joseph P. Kennedy, Jr., a son of one of Boston's best known families, and a name already conspicuous in patriotic service. From one flight he was destined not to return; in valor and courage he made the total sacrifice for his country.

In the years that have passed, the memory of this young hero has not in any measure been forgotten and in the days ahead it will shine brighter with each passing hour. His family has established in his name a foundation which, faithful to his own willing spirit, distributes in expanding largesse, financial aid to worthy causes. In the proper sense of true charity, it concerns itself notably with the handicapped and the infirm, with those who are, in fact, unable to do very much for themselves. It assists the young and the old, the troubled and the reclaimed, the school and the church. Some funds push back the research frontiers of science, others set the hand of human compassion on the brow of the suffering. Every area of human life, it seems, feels in some manner the tender ministrations of a hero's memory.

Surely all of this is a tremendous tribute to a young man who in the full promise of his youth offered his life for his country. It is also, however, an immensely gracious gesture which reveals the character of a great Christian family. For members of this family, even in tragedy, the hand of Providence is the hand of God, and no power on earth can bring them to forget His loving sovereignty. From the blessings which He has bestowed upon them they are eager to pass on a benediction to others.

No one will fail to see some significance too, in the fact that the Kennedy Foundation has consistently channeled its benefactions through the organized charities and projects of the church. This in no manner limits its dispersal in the community since any observer will see at once that the institutions assisted care for people of every religious and racial background. What it does, however, is to make plain that these are no mere philanthropies, scattered about as one might scatter an excess of abundance, but acts of kindness rooted in religious and spiritual motivations. There can surely be a world of difference even in the same act when the reasons that move to action are themselves widely separated. The Lord himself reminded us that our motives are of first importance, offering his divine reward to those "who give a cup of cold water in my name." When each charity, from faithful hearts, carries with it the sign and the seal of Christ's church, who can begin to estimate its heavenly reward?

In all of this we must see too an obvious encomium for the zealous archbishop of Boston. No citizen of our city, indeed no citizen of our Nation, but knows that there is a heart on fire with the willingness to work for others, to wear himself out so literally in assisting the less fortunate. To give so generous an aid to the archbishop's many charities is to share in the blessings and prayers which each day are offered for his intentions. In joining the charity of a great Christian family with the zeal of a far-seeing churchman, the entire community is enriched while the memory of a youthful hero is eternally enshrined.

SPECIAL ORDER VACATED

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the special order granted me today be vacated, and that I may address the House on Tuesday next for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

A BILL TO PROTECT THE MENOMINEE INDIANS

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have today introduced H. R. 9280, a bill to right the wrong that is about to be done to the Menominee Indian Tribe by the so-called Menominee Termination Act (Public Law 399, 83d Cong., June 17, 1954).

Prior to 1817, the Menominee Indian Tribe occupied approximately 9,500,000 acres of land in Wisconsin and upper Michigan. By a series of treaties culminating in the treaty of May 12, 1854 (10 Stat. 1064), and the treaty of February 11, 1856 (11 Stat. 679), the Menominee Tribe relinquished to the United States all its lands except 10 townships, comprising 233,902 acres, located in Shawano and Oconto Counties, approximately 50 miles northwest of Green Bay, Wis. Article 2 of the treaty of May 12, 1854, provides that "the United States agree to give and do hereby give, to said Indians for a home, to be held as Indian lands are held," the townships described. Article 6 provides "this treaty to be binding on the contracting parties as soon as it is ratified by the President and Senate of the United States." The treaty was signed for the United States by Francis Huebschmann, Superintendent of Indian Affairs, and for the tribe by its "chiefs, headmen, and warriors." The United States Senate on August 2, 1854, consented to the ratification of the treaty, and on the same day President Franklin Pierce signed the treaty. By this treaty the United States assumed a permanent obligation for the welfare and protection, as its wards, of the Menominee Indians.

The Tribal Forest

The Menominees—today more than 3,000 in number—have lived on their reservation on the Wolf River in Wisconsin ever since. Of the 233,902 acres, 8,330

acres are used for industrial, residential, and agricultural purposes, 2,500 acres are in lakes and streams, and the remainder in forest land—a superb, mature virgin forest of white pine, hemlock, maple, and birch, comprising roughly 20 percent of the remaining forest of the entire State of Wisconsin. Pursuant to the Forest Preservation Acts of June 12, 1890 (26 Stat. 146), and of March 28, 1908 (35 Stat. 51), the forest has been logged on a scientific sustained-yield basis. The operation of the logging and sawmill industries on the reservation has made the tribe, as wards of the United States, almost entirely self-supporting.

Public Law 399 directs the Secretary of the Interior to transfer to the tribe no later than December 31, 1958, all the property, real and personal, held in trust by the United States for the tribe pursuant to the treaty of May 12, 1854. This means that, on that date, the Menominees will lose their present status as wards of the United States and will become in every respect like any other citizen of the United States with all the privileges and all the problems that this implies. These problems, of course, include liability for State property taxes. The difficult questions attendant on a transfer from wardship and from a unique tribal society to a new and complicated status must be either answered by that time or left unresolved. This withdrawal by the Federal Government is to occur whether or not a suitable plan for the protection of the tribe and its property has been worked out, and whether or not the tribe and the State of Wisconsin wish the withdrawal to take place. Needless to say, the tribe did not consent to Public Law 399.

A DEFECTIVE LAW

In the close to 2 years since passage of Public Law 399 the inadequacies apparent in it then have become even more serious. There are many reasons why Public Law 399 is defective:

First. The law, never consented to by the tribe, violates the solemn treaty entered into by the United States with the tribe on May 12, 1854. That treaty gave to the Menominees their land "for a home, to be held as Indian lands are held." The provision that the land "be held as Indian lands are held" means, of course, that the lands are to be exempt from State taxation. When the Menominees, in a series of treaties, relinquished their rights to their 9,500,000 acres of land in Wisconsin and upper Michigan and accepted the present 233,902 acres, they acquired by treaty the right to a tax-free status as far as State taxation is concerned. We are rightly outraged when Soviet Russia violates a solemn treaty. Respect for treaty obligations should begin at home.

COSTS OF ADVISORY SERVICES

Second, the law imposes on the tribe the duty to "formulate and submit to the Secretary a plan or plans for the future control of the tribal property and service functions now conducted by or under the supervision of the United States"—section 7—and provides that the tribe shall retain the services of qualified management specialists, including tax consultants, to help prepare such a plan—section 6. But these specialists must be paid for by the tribe out of their own tribal funds—section 6. We are in effect asking the Menominees, out of their limited funds to make a substantial expenditure that is properly ours; to themselves underwrite our effort to relieve ourselves from a treaty obligation to them of the United States. A plan good enough to enable the tribe to live under it in the centuries to come requires top professional advisers. It is surely impractical to expect that tribal leaders can convince 3,000 unsophisticated Indians of the wisdom and necessity of such planning and of the need for a major outlay for specialist advice from the modest tribal resources. In fact, 19 months after the passage of Public Law 399, and with the time clock ticking the months to termination time ominously away, the tribe has not retained, so far as I know, one single consultant or specialist to help it in its plan. True, it is getting much sincere and helpful voluntary advice from outside sources. But this is no substitute for advice retained by the tribe on a professional basis. The United States, I submit, owes it to the tribe to pay the reasonable costs of such services out of Treasury funds.

Third. The law makes no provision that, before termination, there must be in existence a plan approved by either of the interested parties—the tribe or the State of Wisconsin. If such a plan does not come into being, the Secretary of the Interior is nevertheless obliged to terminate the trusteeship on the termination date, December 31, 1958. At stake here are millions of dollars in property, including an extremely valuable timber resource and a long-established mill; a community whose organization has been adapted by a century of experience to its own special circumstances; a legal and practical situation that requires much thought and planning for solution. Yet the application of expert advice and planning has hardly begun. Unless in less than three short years all this can be accomplished—facts collected and analyzed, plans made, and necessary changes inaugurated—the tribe will be confronted by social and economic chaos. The Menominees will be out on their own regardless of their wishes, of practical common sense, and the welfare of either the tribe or the people of Wisconsin.

LACK OF STANDARDS

Fourth. The law sets up no standards whatever to guide the tribe in preparing the plan for its own future existence. According to members of the tribe, this is seriously handicapping them in their present planning. Standards are particularly needed with respect to the preservation of the forest, with respect to providing a means of compensating those members of the tribe who may wish to sell their share in the tribal assets. It is imperative that any plan provide for the withdrawal of individual shares without crippling the capacity of the tribe to maintain itself socially and economically; and that the plan ensure the integrity of the forest against piecemeal mutilation for the payment of such individual shares.

Fifth. The law, in providing the inflexible termination date of no later than December 31, 1958, may create a chaotic legal situation. It becomes increasingly likely that a sensible plan for the tribe can only be evolved by amending the Wisconsin constitution. The Wisconsin constitution presently provides that county governments must be uniform—article IV, section 23—and that the system of statewide property taxation must likewise be uniform—article VIII, section 1. Yet the political and economic viability of the Menominee Tribe when it goes on its own may well depend on the setting up of a system of county government and a system of property taxation tailor-made for the tribe. The Wisconsin constitution can be amended only by the passage of an amendment by two successive legislatures and then by a referendum of the people—article XII, section 1. No constitutional amendment to take care of the Menominee situation has as yet even been introduced. The earliest time in which the introduction could be accomplished would be when the legislature meets in January 1957. An amendment passed there would then have to be passed by the legislature whose session takes place in 1959. A referendum could probably not be held until 1960, and legislation to implement the referendum, assuming it passed, could not be considered prior to the 1961 legislature. From all this it is obvious that to cut the tribe adrift on December 31, 1958, might be fatal both to the tribe and to its forest.

THE FOREST ENDANGERED

Forced into an impractical form of government and into an impractical form of taxation by the State, the tribe would not be able to sustain its forest. This splendid natural monument would then have to be sacrificed on a sheriff's-sale basis. As Wisconsin Tax Commissioner Harry Harder testified on March 11, 1954—hearings, Indian Affairs Subcommittee of the House Committee on Interior and Insular Affairs, 83d Congress, 2d session, part 6, March 11, 1954, page 659:

> I am concerned about that, and probably our welfare department is concerned about that; because if they have to go to heavy taxation of their timberlands, that means they will have to cut on some other basis than their present sustained-yield method. And as soon as that happens, the forests will eventually deplete, and we may have a substantial welfare problem. That is a problem the State of Wisconsin now has with the Indians in the Bad River Reservation, where the lands were allotted, and the Indians sold their lands, and now they are on relief, in prosperous times as well as poor times.

H. R. 9280, while retaining the goal of Federal termination at the earliest decent time, would amend Public Law 399 in the following three particulars:

First. It would authorize the Secretary of the Interior to pay for the services of specialists out of Federal funds, instead of requiring the tribe to pay for such specialists out of its own tribal funds.

CONVENIENCE OF THE TRIBE

Second. It would provide that the Federal Government's trusteeship should end only when a satisfactory plan for the tribe's future has been evolved, and not before. The December 31, 1958, date as an "out-you-go, ready or not" date is eliminated. Instead, termination shall occur as soon as a plan agreed to by the three interested parties—the tribe, the Secretary of the Interior, and the State of Wisconsin—is approved. The plan, moreover, must contain provision for a viable economy for the tribe, for a method of compensating enrolled members of the tribe who wish to sell or otherwise dispose of their beneficial interests in the tribal property, and for the preservation forever of the tribal assets of the forest—on a sustained-yield basis—water, soil, and fish and wildlife. A satisfactory plan encompassing these ends may take many possible forms. What is essential is that these ends be paramount in the preparation of the plan.

Third. The law would also authorize the Secretary to transfer to the Tribe title to any buildings and road equipment now on the Menominee reservation in order to confirm the tribe's title to these assets.

These proposed amendments have been worked out by the tribe itself and by its attorneys, in consultation with myself and with many people who are interested that our Government honestly discharge its obligation to the Indians. The General Council of the tribe, meeting at Keshena, Wis., last Saturday, February 11, 1956, unanimously approved the proposed bill.

Unless the Congress acts soon, we shall in December 1958, commit a breach of moral obligation, threaten serious damage to a community built by a hundred years of experience and, perhaps, force liquidation of forest and other resources under fire-sale conditions and at a sacrifice of sound conservation principles. Enactment of H. R. 9280 can redeem the good faith of the United States. It can insure that the forest, the water, the land, and the wildlife continue to be the heritage of the people of Wisconsin, including the Menominees, "while grass grows and water flows."

STRIKES IN THE AMERICAN MARITIME INDUSTRY

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, during the first session of this Congress, the House Merchant Marine and Fisheries Committee initiated an extremely thorough study of the American maritime industry. One of the facets of this study was the labor-management relationship within the industry. We found a basic deficiency that needed correction revolved around the manner in which the labor contracts have been executed during the past 10 years. The several agreements covering both onshore and offshore labor have different expiration dates on both the west coast and the east coast. That is to say, on the west coast the longshore contract has expired on June 15, whereas the offshore contract has expired on September 30; and on the east coast exactly the opposite is the case—the offshore contract expires on June 15, whereas the longshore contract expires on September 30.

The result has been what is usually referred to as a whipsaw. This is the situation whereby each union has shown a tendency to outdo the other in the securing of gains. Both the labor unions and the management of the industry have recognized this to be undesirable and detrimental to their best interests. In fact, the leaders of all the principal labor unions so stated publicly during the hearings held by the Merchant Marine Committee and unanimously indicated their support for a uniform termination date for all maritime labor contracts.

I am happy to report, Mr. Speaker, that on February 6, the chairman of the Merchant Marine Committee, the Honorable HERBERT C. BONNER, in consultation with the Honorable THOR C. TOLLEFSON, ranking minority member, called together the leaders of both management and labor groups dealing with the longshore phase of the industry in an informal conference and proposed to them the establishment of a uniform termination date. I am advised that the leaders of the labor unions on both the east coast and west coast, together with the leaders of the management group on the west coast, have agreed upon August 1, as a satisfactory date for the termination of their labor agreements. It now remains only for the New York Shipping Association to indicate its concurrence with this date in order for it to be effective and to remove this very basic deficiency from the labor-management picture of the maritime industry.

I wish to commend Mr. Harry Bridges, president of the International Longshoremen's and Warehousemen's Union, and Capt. William Bradley, president of the International Longshoremen's Association, for the statesmanlike approach which they have taken to this vexing problem. They have shown by their action in this matter that maritime labor is equal to the great responsibility placed upon it. I am convinced that the establishment of a uniform termination date will prove of lasting benefit to this great industry.

As I have indicated, the only group which to date has failed to indicate their agreement with the common termination date is the New York Shipping Association. This group is composed of both American-flag and foreign-flag operators. It would be tragic, Mr. Speaker, if the members of this group should refuse to accept the new date. In fact, I would suspect that if the new date is turned down, the foreign-flag operators would be responsible. I should hope that we would not be placed in the position of having our foreign competitors dictate our national maritime policy.

I want to pay my respects to the gentleman from North Carolina [Mr. BONNER], who has vigorously and impartially worked for the betterment of the American-flag merchant marine.

MODERNIZING BUSINESS TAXES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, it is not often that a newspaper or a newspaper writer does a really good job of reporting on a legislative issue affecting business, particularly when it is an issue on which the super-giant corporations might be opposed. Consequently, I would like to call attention to an article by Mr. Rodney Crowther, of the Washington Bureau of the Baltimore Sun, which appeared in the Sun on Sunday morning, February 12. Mr. Crowther has written an extremely clear account of the pending bills to amend the tax rates on corporate income. He has described very clearly Senator FULBRIGHT's bill, which would reduce taxes on the first $25,000 of corporate income and thus aid small business; and he has also given an exceptionally clear account of the bill I introduced, H. R. 9067. This latter bill would substitute for the present tax rate a systematically graduated tax scale which would substantially reduce taxes on corporations receiving $25 million net income or less. This legislation is of wide interest to business, and it is important to every citizen because it bears directly on the question whether the economic system will continue to grow and provide jobs for our increasing labor force, and it bears directly on a more vital question. Since repeal of the excess profits tax the concentration of all business and all productive wealth into the hands of a few multi-billion-dollar corporations has been greatly accelerated. The question is whether the distortions in present tax rates are to be corrected to correct this unwholesome development. I invite the Members' attention to Mr. Crowther's news summary as follows:

CUT IN SMALL FIRMS' TAXES TO BE SOUGHT—RELIEF WILL BE PRESSED AT THIS SESSION OF CONGRESS

(By Rodney Crowther)

WASHINGTON, February 11.—Tax relief for small business will be pressed energetically at this session of Congress—most likely in connection with legislation extending for another year the 52-percent corporation tax rate.

Despite a high level of business activity generally, reports reaching Members of Congress indicate that a multitude of small concerns need help of some sort.

The President in his state of the Union message to Congress declared that there has been "a steady improvement in the economic health of small business."

"WE SHALL CONTINUE"

"We shall continue to help small-business concerns to obtain access to adequate financing and to competent counsel on management, production, and marketing problems.

• • • We shall continue to make certain that small business has a fair opportunity to compete and has an economic environment in which it may prosper."

In the current hearings on the President's economic report by the House-Senate Economic Committee, Senator DOUGLAS, Democrat, of Illinois, chairman, and Representative PATMAN, Democrat, of Texas, have insisted that something more concrete than access to good financing must be assured small concerns.

The one place where small concerns are squeezed hardest by Government policy, itself, Members of Congress are insisting, is in the matter of taxation. On the small fellow, they say, the tax take is so heavy as to make it almost impossible for any but the luckiest to do any capital accumulating for expansion out of earnings.

Two major proposals have so far been advanced for tax relief for small concerns—one in the House by Representative PATMAN, who is chairman of the House Small Business Committee, the other in the Senate by Senator FULBRIGHT, Democrat, of Arkansas.

GETS HUMPHREY STAND

The Patman bill would inaugurate a system of graduated income taxes for corporations, similar to the graduated system for individuals.

Last Friday, PATMAN asked George M. Humphrey, Secretary of the Treasury, whether he would support the graduated tax scheme for business, and Humphrey answered he would not.

He was asked whether he would consider the tax scheme proposed in the Senate by Senator FULBRIGHT, a proposal to switch about the corporation normal and surtaxes, and Humphrey promised to have a study made of that scheme. But he made no commitment.

Meantime, this week, PATMAN sent Humphrey a two-page letter, enclosing a copy of his graduated income-tax bill and urging the Treasury Secretary to reconsider his stand.

MENTIONS PURPOSE

PATMAN said that the purpose of his bill "is not merely to throw some crumbs to small business" but to "check some fundamental and clearly dangerous changes which are taking place in the economic system."

Under PATMAN'S plan corporations at the low end of the income scale would pay considerably less taxes and those at the top of the scale somewhat more.

The decrease would apply all the way up to $25 million of net income; beyond that level, a higher rate would apply.

Those with $10 million net income would pay 10 percent less; those with $100,000, would pay 53 percent less.

PATMAN said that under his plan the top marginal rate would be 75 percent, which rate would apply to that part of a corporation's net income which is in excess of $1 billion.

LETTER QUOTED

In his letter to the Secretary of Treasury, PATMAN said:

"Since the changes made in the tax law in 1953 and 1954, the supergiant corporations are not only taking a much larger slice of the national income through tax allowances granted by these changes, they have also raised prices taking greater excess profits than ever before.

"The result is that a few supergiant corporations are rapidly on the way to acquiring all the Nation's productive wealth, while small- and medium-sized business is being squeezed out."

Tax circles here see no chance that the Treasury will view the graduated-tax scheme favorably.

There is a better chance, many believe, that they might give encouragement to the FULBRIGHT scheme which would be a less drastic move.

EXPLANATION GIVEN

What FULBRIGHT would do would be make the present surtax rate the normal rate on corporations, and the present normal rate the surtax. The normal is now 30 percent and the surtax 22 percent on net earnings in excess of $25,000.

Then, having made the reversal, he would add one percentage point to the surtax rate, making it 31 percent, to make up for the loss of revenue which otherwise would occur.

POLITICAL DECISION OF THE SUPREME COURT

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, the decision of the Supreme Court of the United States ending segregation in the public schools was a political decision. It was without precedent and without any single, solitary legal decision to back it up. I have stated on this floor that it was a sociological political pronouncement by the Supreme Court. I hereby and herewith document that statement by inserting herewith the account of NIXON'S speech as it appears in the morning's issue of the Washington Post and Times Herald. On the radio last night I heard with my own ears Vice President NIXON take credit for this decision for the Republican Party and pay his tribute to one Earl Warren for this decision. Before the decision came out President Eisenhower conjectured on the verdict of the Court. This, too, was without precedent in our tripartite form of Government. Never before had a President, to my knowledge, had information on what a court was about to do.

Mr. Speaker, there is no rhyme or reason why the wrecking crew in the Supreme Court should destroy the way of life my people have know since the dawn of this Republic. The great masses of the people are going to pay no attention to it. If it is seriously implemented it will bring on bloodshed and strife and hatred and dissension among the races who long since learned to get along in harmony.

Mr. Speaker, it is an ironic twist of fate that there are those in public office now and there are those running for public office now who would liquidate every white person south of the Mason-Dixon line if such were necessary to curry the favor of that iniquitous outfit known as the NAACP.

[From the Washington Post and Times Herald of February 14, 1956]

NIXON CREDITS RACIAL GAINS TO HIS PARTY—VICE PRESIDENT NOTES REPUBLICAN ISSUED INTEGRATION RULING

(By Chalmers M. Roberts)

Vice President RICHARD M. NIXON last night claimed Republican administration credit for sweeping advances in the civil-rights field, including Chief Justice Earl Warren's Supreme Court ruling which ordered an end to public-school segregation.

In a New York Lincoln Day dinner speech at the Waldorf-Astoria Hotel, NIXON declared the "hybrid" Democratic Party is "helpless and futile" in the fields of "civil rights and race relations." By contrast, he said, "President Eisenhower's great Republican administration has registered the greatest advance for the rights of racial minorities since the Emancipation Proclamation itself."

NIXON said "we have abolished" racial segregation in the District of Columbia, in the Armed Forces, in Federal contracts, and civilian employment and, "through the Interstate Commerce Commission we have abolished racial discrimination in travel by bus, boat, and rail." Then NIXON added:

"And, speaking for a unanimous Supreme Court, a great Republican Chief Justice, Earl Warren, has ordered an end to racial segregation in the Nation's public schools.

"And we did all this in just 3 years."

He called the leading Democratic presidential contenders "three candidates in search of a crisis," an obvious reference to Adlai Stevenson, Senator Estes Kefauver, and Gov. W. Averell Harriman.

NIXON said Stevenson and KEFAUVER had "contradicted each other and then each of them contradicted himself" in recent west coast statements on civil rights and race relations.

The Vice President declared that Illinois, which gave the Nation Lincoln, "the great rail splitter," had produced Stevenson, "the great hair splitter."

NIXON at one point declared that the Republican Party "is in truth the majority party in America today" because it has "so far advanced the best interests of all our people." This was in sharp contrast to a speech last March 15 in which NIXON said his party was "not strong enough to elect a President," but had to have a "presidential candidate strong enough to get the Republican Party elected."

At no point in his prepared text did NIXON directly refer to President Eisenhower running for a second term although at one point he said that union leaders, if they act on the basis of what is best for union members, would be out shouting this November for 4 more years of the Eisenhower administration.

The Vice President said Mr. Eisenhower, in the first 3 years "of what we all hope will be the 8 years of the Eisenhower administration," had given the Nation "inspired leadership which has brought America the greatest peace and prosperity and progress any people have enjoyed in the history of nations." Nixon said the President was a man cast in the same great mold as Lincoln and that Mr. Eisenhower had brought dignity, respect, and integrity to the Presidency.

NIXON called on his audience to "show our appreciation by our dedication to winning the victory this November which will assure continuation of the policies and leadership which to the great majority of our people have brought the best 3 years of our lives."

The Vice President took an obvious swipe at former President Truman in declaring that when the Eisenhower administration took office, "a great majority of Americans had lost faith in the honesty, integrity, and reliability of those who served the Government."

NIXON said that "we know" both parties "want America to live in peace and to help keep the peace by staying strong," and that both want a "healthy and happy Nation." But he charged there was a "Democratic addiction to reactionary mass and class ideas in which individualism tends to wither and die."

"Another big difference" between the parties, he said, is that "the big city machine, left-wing alliance" had named Democratic

presidential candidates "for 24 years" and "will do so again in 1956."

NIXON said he realized that some Republicans "criticize this administration on the ground that it is too liberal" but the alternative, he said, was "something more radical," not "more conservative."

In defending the administration against Democratic attacks on its conduct of foreign policy, NIXON alluded to Secretary of State John Foster Dulles' "brink of war" magazine statement. Said NIXON:

"The test of failure or success of foreign policy is whether it results in war or peace—and I am sure 165 million Americans will agree with me when I say it is a lot better to be on the brink than in the drink so far as war is concerned. And that, in the final analysis, is the difference between the Truman-Acheson policy and the Eisenhower-Dulles policy; the Truman-Acheson policy got us into war; the Eisenhower-Dulles policy got us out."

NIXON, who spoke before the National Republican Club, was presented with the club's second annual award for outstanding service to the Nation. Former New York Governor Thomas E. Dewey presented the emblem, a bronze head of Abraham Lincoln.

ATOMIC POWERED CAPITOL

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I take pleasure in calling to the attention of the House of Representatives a statement by the distinguished commentator, Morgan Beatty, in his News of the World broadcast on February 6. He was discussing an act which attracted little attention at the moment but which has inherent in it matters of great moment. He referred to the introduction by the distinguished Senator from New Mexico, Mr. ANDERSON, and our distinguished colleague the gentleman from New York [Mr. COLE] of bills to authorize a great demonstrator powerplant which would provide light and heat from the Capitol and other nearby Government buildings. I am glad to reprint his broadcast here:

And the news tonight is the world of tomorrow, the atomic age, symbolized by a building every school child knows as well as he knows his own home.

That building is the Capitol of the United States. And proposed for it, and all the massive Government buildings around it is a great demonstrator powerplant whose light and heat will come from atomic energy.

Quietly this afternoon, two Members of the 84th Congress became the bellwethers of the Atomic Age Capitol. Congressman STERLING COLE, of New York, and Senator CLINTON ANDERSON, of New Mexico.

They had the warm approval of the leaders of the Congress. Speaker SAM RAYBURN, of the House, and the majority and minority leaders of the Senate, LYNDON JOHNSON, of Texas, and WILLIAM KNOWLAND, of California.

Actually, the atomic bill is far more than a mere atomic powerplant plan. It may well usher into our midst for the first time a 25-year, perhaps a 50-year cycle of planning for the physical structure of government in our Nation's Capital.

Architect George Stewart has a series of blueprints in a little cubicle of an office in a remote wing of the Capitol. There the functional Capitol of the future is being dreamed up to cover many acres of ground in the general area of Capitol Hill.

The atomic powerplant will become a part of a sort of national functional government zone in Washington. In the heart of it would remain the Capitol. Not a workshop in the future as it is now, so much as a shrine of freedom for all the people.

There, if the plans go through—and many of them are on their way, there any American citizen may gaze on the great and familiar dome any night—it will be ablaze with light—from atomic energy. He may visit the first atomic powerplant ever designed to be an exhibit for the people who literally brought atomic energy to the world in 1945.

A great transportation center, perhaps with continuous subway service among Government buildings will take him to visit any committee room or either House of Congress in a new functional building. If he wishes to take himself back through the years to see the living history of his country, he can take the Capitol tour without the discomforts of parking problems. There will be vast underground parking some distance away from the scene. There will be a great restaurant under the dome, perhaps for the convenience of John and Jane Doe, Americans, and their children and their history teachers.

That is the vision opened today by Congressman COLE and Senator ANDERSON.

Speaker SAM RAYBURN cast an appraising eye down the atomic bill they offered to the House. He realized, perhaps more than most of the old timers that the time has come to plan for the future.

The Speaker says, "our Capitol is the only government building in the world of its kind where the front yard is a parking lot. That should not be." He and his Senate colleagues, have already begun the project of bringing the front of the Capitol forward, where it was intended to be—back in the Civil War days—so the dome will sit gracefully on top instead of hanging over in front like a derby hat, with the crown extending beyond the brim.

The atomic bill today was the second step toward acknowledgment, that it is no longer possible to let the Capitol and its great governmental functions just grow like Topsy.

Architect Stewart has already surveyed the history of the Capitol. He has discovered that expansion of the physical government in the Capitol Hill area has been far too haphazard, far too unplanned. So as the Senate and the House build new office buildings the need has come for more power and light. Congressional leaders are stepping in to see what can and must be done now.

Today's atomic bill does not immediately plunge us into the atomic age. It merely authorizes a study of a demonstration atomic powerplant. Nobody expects it to be economical, or to provide cheap power comparable to present electric power. It is an experiment that could, however, speed up the scientific revolution of the future. It will provide the people of the United States and 5 million of them come to Washington every year to see their Capitol. It will provide them with close contact with the new age to come. The Atomic Energy Commission has already started making studies. The Congress is now launched toward further studies. Architect Stewart would be authorized to hire engineers, scientists, and other professionals to map out every step that would be necesary to bring atomic power to Capitol Hill. All the pros, all the cons would be thought out carefully before the plunge is taken.

The whole Capitol family of buildings would be involved. Senate and House Office Buildings. The Capitol, the Supreme Court Building, Congressional Library, the Botanical Garden, the Legislative Garage, the Government Printing Office, the Washington city post office, and Folger Shakesperian library. And other buildings yet unborn, even on blueprints would be considered. Possibly such a building would be the functional Capitol of the future, built to recognize the evolution of government—to stress the importance of committees, as well as formal sessions of Congress.

I asked Speaker RAYBURN about these things tonight. And he said, "These are things that are going to have to be studied out, but it's a strange thing, we have not done our planning properly in the past. Do you realize, there isn't even a reception room here in the House of Representatives where a Congressman may have a little visit, with a fellow back home. That is not right. And we're crowded into corridors—not enough room, anywhere you look."

Yes sir, it's time to take another look at Miss Columbia high up there on the dome, a plan for her future and the future of all her visitors.

The Capitol of the atomic age.

And that's the news of the world, transcribed and direct. Until tomorrow, this is Morgan Beatty.

GENERAL LEAVE TO EXTEND REMARKS

Mr. EDMONDSON. Mr. Speaker, in connection with the special order that I have on February 16, I ask unanimous consent that other Members who desire may revise and extend their remarks at that time.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that others who may desire to do so may have permission to extend their remarks in the RECORD in connection with a special order which I have for today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

MURPHY ARMY HOSPITAL, WALTHAM, MASS.

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, every year a persistent effort is made to close down the Murphy Army Hospital in Waltham, Mass.

Someone, working anonymously, seems to be carrying on a personal vendetta against this hospital, with no concern for the hundreds of servicemen and their dependents who will be seriously affected if this conspiracy succeeds.

There was a two-pronged attack last week.

While the flood-relief bill was up for consideration in the United States Senate, one Senator attached an amendment to the bill that would have closed the

Murphy Army Hospital at once. The fact that the Senator was less interested in the flood problem and more determined to use the flood bill as a vehicle for striking a swift and surprising blow at the hospital is indicative of a stubborn purpose.

The second maneuver was to use the Army engineers as a pretext for evicting the hospital. The engineers have to leave their present quarters in Boston due to the fact that the expiring lease will not be renewed by the owners of the property. Using this as a force play, the enemy or enemies of Murphy Hospital tried to have the engineers transferred to the hospital thereby compelling the staff and patients to move elsewhere even though there is plenty of space accommodation for the engineers in several Massachusetts communities that have empty industrial plants.

This subtle campaign to liquidate Murphy Army Hospital is utterly without conscience.

It is damaging to the morale of servicemen in this area whose decision to make the Army their career is influenced by guaranties of convenient and adequate medical care for themselves and their dependents. The closing of Murphy General Hospital which is the key medical facility of the Army in Massachusetts would betray their hopes and their faith.

I appeal to President Eisenhower, who, as a professional soldier, learned the need and the worth of providing this form of security for our servicemen, their wives, and their children, to dissuade the Pentagon from abandoning this hospital.

We, of the Massachusetts delegation in Congress, condemn the threats, the sharpshooting tactics, and the enveloping maneuvers that harass Murphy Army Hospital, keeping staff members, employees, patients, and their relatives, in a constant state of crisis.

Unless we have firm commitments that Murphy Army Hospital will continue to serve Army personnel and their dependents in this area, and on a permanent basis, we shall have no recourse but to insist on an investigation, for there is more to this than meets the eye.

BOOKER T. WASHINGTON NATIONAL MONUMENT

Mr. ASPINALL. Mr. Speaker, by direction of the chairman of the Committee on Interior and Insular Affairs, I ask unanimous consent that that committee may have until midnight tonight to file a report on the bill (H. R. 6904) to provide for the establishment of the Booker T. Washington National Monument.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

INDUSTRIAL USE OF FARM COMMODITIES

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I have today introduced a bill that will stimulate industrial use of our farm commodities.

Much of the legislation affecting agriculture has been confusing and contradictory. One group of laws has been constantly working at cross purposes with another group. For example, Public Law 480 of the 83d Congress gave the Secretary of Agriculture broader authority to expand foreign sale of farm commodities; foreign aid and international agreements negotiated through the State Department close off many foreign markets. High rigid supports encourage greater production; acreage allotments discourage it. Soil conservation, research, and a myriad of other programs encourage the farmer to grow more and more, and at the same time a confusing maze of regulations demand that he grow less and less.

The fact that is lamentably overlooked is that agriculture, a traditionally free and enterprising industry, is being throttled by administrative and legislative fiat dictated by different branches of the Federal Government in a pattern of confusion and frustration. The bill reported to the Senate by its Agriculture and Forestry Committee is the epitome of contradiction. With one breath it asks the farmer to place his land in the soil bank and to curtail production; with the next breath it encourages him to produce more through high, rigid parity payments. One section of the bill pays him for producing less, the next section pays him for producing more.

In my judgment the oversupply of farm commodities has contributed to a distressing situation because Congress and previous administrations have failed to enact a sound storage and a sound marketing program. There has been too little emphasis given to on-the-farm storage. There has been too little thought given to marketing these products, except through the ordinary domestic and foreign channels. With this in mind, Mr. Speaker, I have introduced a bill to help bring about a broad expansion of the markets for the agricultural commodities that are causing so much national concern and which have caused such a noticeable and tragic loss in farm income.

This bill specifically creates a commission to draft legislation that will stimulate industrial use of our agricultural commodities. The Commodity Credit Corporation, as of December 31, 1955, had an investment of $6,082,180,000 in supported farm crops and loans on an additional $2,584,129,000 worth. Since the inception of this program in October 1933 the Government's participation in buying and selling farm commodities has resulted in a net loss to the taxpayer of $2,720,817,458, and this figure does not include the cost of administering the various programs. A substantial share of this loss has been self-inflicted because no alternative has been provided except to store these commodities for long periods of time until spoilage surely resulted. The Government, in its wisdom, could not unload these products into the ordinary channels of trade without a certain depressing effect upon the markets. In this way, a tremendous potential has been wasted.

What I have proposed through this bill is not an innovation in any sense of the word. Sweden and other countries have for many years recognized many industrial uses for their agricultural commodities, and have applied them to good effect. These possibilities should be examined by this country's Government.

During World War II there was a private company in Omaha, Nebr., producing industrial alcohol from grain. From this operation it has been demonstrated that deteriorated grain can be used as well as the first-rate product to distill alcohol, which, in turn, can be used in producing synthetic rubber and in motor fuel. The starch from one bushel of wheat or corn will produce 2¾ gallons of 190-proof alcohol. The grain residue can be then recovered to produce high protein feed concentrates that are in short supply at the present time.

The alcohol from 1 bushel of grain will produce about 6 pounds of butadiene, which in turn will produce about 6 pounds of synthetic rubber. Should all the synthetic rubber used in America be made from grain alcohol, this operation alone would consume nearly 200 million bushels of grain annually.

Research has also demonstrated the practicability of using alcohol in the fuel for automobiles, trucks, tractors, and airplanes, and the potential here is astonishing. Automobiles in the United States use about 49 billion gallons of gasoline per year. If alcohol were used in gasoline at a 5 percent mixture, this use would consume nine-hundred-and-fifty-odd-million bushels of grain yearly.

The Government is presently using large quantities of alcohol as a fuel for jet planes, rockets, guided missiles, turbojets, and reciprocating engines. Most of this alcohol is now made from imported blackstrap molasses, but if our domestic farm producers were given the benefit of this market many millions of bushels of wheat, corn, and sorghum grains could be absorbed.

I have discussed here only one major avenue that may be opened by this legislation. There are many others existing at the present time, and our industrious and ingenuous research scientists will broaden these horizons as their work progresses. Our surplus problems are not created by overproduction primarily, but by shortsighted application of our knowledge. This bill will help to provide a remedy.

A. O. SMITH CORP. HONORS THE SMITH CLAN

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, Milwaukee, Wis., is the home of the A. O. Smith Corp., one of the industrial giants of this country. It perhaps is the leader in its field, and today, in order to honor all members of the Smith clan born on Tuesday, February 14, the A. O. Smith Corp. will present a free Permaglas water heater. This will mark the production of the three millionth Permaglas water heater made by this company.

Mr. Speaker, as one of the Smith clan, I am pleased to call this matter to the attention of the House of Representatives.

LENTEN SERVICES AT THE LUTHERAN CHURCH OF THE REFORMATION

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I take this time to announce to the Members that noonday services will be held at the Lutheran Church of the Reformation during the Lenten season which begins Wednesday, February 15. The Lutheran Church is easily accessible. It is located at 212 East Capitol Street, just 2 blocks east of the Capitol Building. The services are interdenominational. I am sure Members will find these services to be a source of inspiration so much needed during these days.

I am including a copy of a letter of invitation from Dr. Lawrence D. Folkemer, pastor of the church, also a schedule indicating the names of the speakers and the dates of their appearance:

LUTHERAN CHURCH
OF THE REFORMATION,
Washington, D. C., February 9, 1956.

To Members of the Congress and Their Staff:

DEAR FRIENDS: For many years, noonday Lenten services have been conducted at the Church of the Reformation for the community on Capitol Hill. These services have been a source of inspiration for thousands of men and women who have desired a short period each day for meditation, prayer, and rest. Lent has historically given Christians an opportunity to deepen their spiritual life and to face their daily tasks with renewed faith and devotion.

The services are interdenominational in nature. Guest clergymen from all denominations are invited to speak. Lent is a fitting season for people of all churches to worship their common Lord. Very often Members of the Congress attend together and worship with those of their staff.

It is our special hope that our Congressmen will be able to attend the first service on Ash Wednesday, February 15, from 12:05 to 12:30, the first day of the sacred Lenten season. Special prayers will be offered in behalf of our President and our Nation's leaders in these trying times.

May we cordially invite you to attend and make available this invitation also to the members of your staff.

Sincerely yours,

LAWRENCE D. FOLKEMER,
Pastor, Church of the Reformation.

THE SCHEDULE OF SPEAKERS

Ash Wednesday, February 15, 1956: Dr. Lawrence D. Folkemer, pastor, Church of the Reformation.

Thursday, February 16: Rev. Donald W. Prigge, associate pastor, Church of the Reformation.

Friday, February 17: Dr. Carl Simon, Keller Memorial Lutheran Church.

Monday, February 20, and Tuesday, February 21: Dr. Frederick Reissig, executive secretary of the Federation of Churches.

There will be no service on February 22.

Thursday, February 23, and Friday, February 24: Dr. Carl Heath Kopf, First Congregational Church.

Monday, February 27, Tuesday, February 28, Wednesday, February 29: Dr. Clarence W. Cranford, Calvary Baptist Church.

Thursday, March 1, and Friday, March 2: Dr. Clarence W. Cranford.

Monday, March 5: Dr. M. Chandler Stith, District of Columbia Baptist Convention.

Tuesday, March 6, and Wednesday, March 7: Dr. Albert P. Shirkey, Mount Vernon Methodist Church.

Thursday, March 8, and Friday, March 9: Dr. George M. Docherty, New York Avenue Presbyterian Church.

Monday, March 12, and Tuesday, March 13: Dr. Edward H. Pruden, First Baptist Church.

Wednesday, March 14, and Thursday, March 15: Fr. James M. Duncan, Ascension and St. Agnes Episcopal Church.

Friday, March 16: Dr. Joseph R. Sizoo, The George Washington University.

Monday, March 19: Dr. Joseph Sizoo.

Tuesday, March 20, and Wednesday, March 21: Dr. J. Phillip Palmquist, Foundry Methodist Church.

Thursday, March 22: Mrs. Clarence T. Nelson, Augustana Lutheran Church.

Friday, March 23: Dr. Edward L. R. Elson, National Presbyterian Church.

HOLY WEEK

Monday, March 26, and Tuesday, March 27: Dr. Philip G. Scott, Westmoreland Congregational Church.

Wednesday, March 28: Rev. Paul Schearrer, Takoma Park Presbyterian Church.

Thursday, March 29—Holy communion: Dr. Lawrence D. Folkemer, Church of the Reformation.

Friday, March 30—Good Friday service, 12 to 3 p. m.: Guest preachers.

PEACE AND PANCAKES

Mr. HOPE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Speaker, today there is being held in Olney, England, and Liberal, Kansas, U. S. A., the seventh annual Shrove Tuesday international pancake race. To some this may be of little interest, but I feel that it is an event of considerable significance.

For more than 500 years, housewives in Olney have engaged in this pancake race on Shrove Tuesday. The race is run over a course of 415 yards; contestants are required to toss a pancake in the air and catch it in a skillet twice, once at the start of the race and again at the finish.

Seven years ago the junior chamber of commerce at Liberal, Kansas, some of whose members were familiar with the Olney race and its history, proposed an international race between the housewives of Olney and Liberal. The idea caught hold immediately and every year since 1950 this race has been held. Up to date each town has won three races. There has been keen competition as well as great interest.

In previous runnings of this race there has been an official representative of the British Government present at Liberal and an official representative of the American Government at Olney. The event has taken on international significance.

There may be some who scoff at the idea that an event of this kind can contribute to international peace and good will I do not share the views of those who feel that way. I am not sure but what in the aggregate events of this kind contribute far more to a better understanding among the peoples of the world than international conferences no matter how important they may be.

Last fall the vicar of the church at Olney, Rev. R. C. Collins, visited Liberal. Representatives of Liberal in turn have visited Olney and have become acquainted with its people. These visits have brought about a close understanding between the people of the 2 communities and to a lesser extent between the people of the 2 countries.

A year so so ago an editorial writer in the Hutchinson (Kans.) News-Herald, speaking of this race, said:

If the people up and down the main streets of American, English, German, French, Russian, Chinese, and Indian towns could develop just enough communication to realize they were pretty much alike down under their separate customs, the cold war would soon dissolve and with it all threats of a hot one. The greatest present trouble with the world is that there aren't enough pancake derbies.

There is a lot in what this editorial writer said. Peace, when it comes, will come through mutual understanding and a realization that the interests of the world's people are mutual and can only come about through cooperation.

OLD-AGE INSURANCE AMENDMENTS OF 1956

Mr. KNOX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KNOX. Mr. Speaker, I have today introduced legislation which is designed to make major and long overdue improvements in the old-age and survivors insurance program.

The principal improvements that would be affected by my bill are, first, an increase in the minimum primary insurance benefit from its present level of $30 to $35 per month; and, second, provision for the payment of old-age and survivors insurance benefits to all individuals who have attained the age of 70 who are not under present law eligible to receive old-age and survivors insurance benefits.

Mr. Speaker, the inadequacy of the present minimum primary insurance

benefit of $30 is apparent to all of us. It is not sufficient to provide to its recipient either a subsistence or an existence. The provision of my bill which would increase the minimum benefit by $5 per month would only add $150 million per year to the cost of the system but would give the many old-age annuitants who are receiving the minimum benefit an increase in the monthly amount they receive of 20 percent. When the great good of such an increase in benefit payments is weighed against the modest increase in cost, the merit in my proposal to increase the minimum primary insurance benefit to $35 per month makes favorable consideration of my bill urgent.

At the present time nearly 60 percent of the 14 million men and women in the United States now age 65 and over, either receive old-age and survivors insurance benefits or are working in covered occupations and are acquiring credit toward retirement benefits under the old-age and survivors insurance system. About 70.5 million persons have worked long enough in covered employment to be insured under the program, and nearly 30 million of them are permanently insured. However, there is an important segment of our population which is not eligible for old-age and survivors insurance benefits and which is in dire need of the protection afforded by this program against destitution and poverty.

I refer to those senior citizens who through old age, ill health, or some other reason, were never able to acquire sufficient quarters of coverage to become eligible for benefits under the social-security program. For the most part, the people who would be eligible for the first time for benefits under my bill are those persons who because of age were unable to take advantage of the new-start provisions of the 1950 Social Security Act.

It is estimated that the average yearly cost of the provision of my bill making benefits available to persons age 70 and over would be $600 million. This figure would be slightly higher in the initial years of the amendment because of the greater number of people who would be affected. To finance the cost of these additional benefit payments, my bill would provide that the old-age and survivors insurance trust fund would be reimbursed for resulting expenditures by the general funds of the Treasury. This reimbursement feature of the bill will guard against the impairment of the actuarial integrity of the fund that might otherwise result from the increased benefits that would be payable.

The Federal matching on old-age assistance payments would be terminated with respect to persons who draw minimum old-age and survivors insurance benefits under the provisions of my bill. This discontinuance of Federal matching would mean that the Federal cost of the old-age assistance program would be reduced in the first year by approximately $625 million. In the long run it is estimated that old-age assistance costs to the Federal Government would be reduced by $4 billion. Thus, persons who are solely dependent on public assistance for their necessities of life at the present time, could under my bill look to insurance benefits of the old-age and survivors insurance system for the Federal portion of the money they now receive from the State public welfare agency. It should be made clear that my bill would not affect the portion of old-age assistance benefits now paid by the States.

It will be recalled that the maximum Federal contribution to old-age assistance is $35. By making old-age and survivors insurance benefits available to such individuals in the amount of $35, there would be no loss of benefits to needy individuals.

I have long believed that a demonstration of poverty and destitution should not be required of our aged citizens in order to be eligible for assistance in their old age. The principle that when people have no other means of subsistence they must be supported from public funds, has been a part of our American way of life since earliest colonial times. There are many American citizens today who do not have sufficient income to provide themselves with even a subsistence standard of living and who have not made application for public assistance because of their objection to the interference in their private lives of public welfare workers. My bill would humanely provide benefits to such individuals which they would draw every month as a matter of right and which would permit them to maintain their financial integrity and self respect.

Mr. Speaker, because my bill provides for reimbursement of the old-age and survivors insurance trust fund from the general funds of the Treasury, there would be no loss to present contributors to the system. We would be doing today what the present old-age and survivors insurance system is designed to do in the future—we would be achieving virtually universal coverage both with respect to our present working population and our retired population. The fact that these people have not previously qualified for old-age and survivors insurance benefits cannot be attributed to any fault of their own. Congress has been slow in expanding coverage under the program and has denied to many of our citizens the opportunity of attaining eligibility for old-age and survivors insurance benefits.

Mr. Speaker, from the standpoint of equity, fair play, and justice, the Congress will be removing an inequity in our present social-insurance program by the enactment of my bill.

MODERNIZATION OF THE SOCIAL SECURITY ACT

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the widespread demand for modernization of the Social Security Act is becoming more and more evident. The inequalities and the injustices which need to be rectified have been put before Congress by many Members in both Chambers.

As an example of the recognition by responsible State legislative bodies of these problems which affect so many of our fellow Americans, I have received, by order of the House of Representatives of the Legislature of Alabama, a copy of Alabama House Resolution 25, introduced by Representative Kelly, and adopted by that House of February 7, 1956. I include it at this point in the RECORD:

House Resolution 25

Be it resolved by the House of Representatives of the Legislature of Alabama:

1. That the House of Representatives of the Legislature of Alabama hereby lends its endorsement to House Resolution 7848, introduced in the House of Representatives of the United States Congress by Representative JAMES ROOSEVELT, Democrat, California, which calls for a sweeping overhaul of the public assistance section of the Federal Social Security Act, the making available of additional Federal funds for public assistance purposes, and the requirement of uniformity in the public assistance laws of the 48 States by the establishment of a single standard of qualifications for the applicants and recipients of such assistance.

2. That the house of representatives of the legislature also endorses House Resolution 7225, introduced in the House of Representatives of the United States Congress by Representative JERE COOPER, Democrat, Tennessee, and sponsored by the majority of the House Ways and Means Committee, which calls for payment of disability benefits to workers at age 50 and to disabled children over 18; the lowering of the eligibility age for widows, wives, and women workers from 65 to 62; and extension of the coverage of the Federal Social Security Act to include certain classes of professional people. This will bring millions of Federal money to Alabama for the widows, children, handicapped, and the aged which they would not get otherwise if 7848 and 7225 become law.

3. That the clerk of the house of representatives transmit duly authenticated copies of the resolution to each of the following: George McLain, chairman of the old folks lobby, Hotel Congressional, 300 New Jersey Avenue SE., Washington 3, D. C.; Representative James Roosevelt; Representative Jere Cooper; each member of the Alabama delegation in the United States Congress; the Clerk of the United States House of Representatives; the Secretary of the United States Senate; and the Honorable James E. Folsom, Governor of the State of Alabama; and that the clerk of the house also transmit a copy of this resolution to the members of the press, and cause a copy to be spread on the Journal of the House of Representatives of the Legislature of Alabama.

Adopted by the house of representatives February 7, 1956.

THE GAS BILL AND CAMPAIGN CONTRIBUTIONS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include certain newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the Michigan Democratic State Central Committee, controlled by the UAW–CIO, in a release dated February 7, charges Michigan Republicans who

voted for the gas bill with accepting campaign contributions from the gas interests and adds that it "intends to make a major campaign issue against the 6 Republican Congressmen." The committee finds no fault with the Democratic leaders of the House and Senate, both of whom supported the bill, nor with the 22 Democratic Senators who voted for it.

Condemning Republicans, condoning Democrats who cast the same vote, shows the committee has no political principles. They falsely charge that Republicans who voted for the bill "sold out the people back home." But they say nothing about Democrats who voted the same way. Of course, the truth is that no one sold out anyone.

There is ample room for an honest difference of opinion on the merits of the gas legislation, no necessity for questioning the motives of anyone, but the CIO Democratic State Central Committee cannot resist or refrain from its usual mudslinging policies.

Generally speaking, those who believe that the power of the Federal Government and of the bureaucrats should be extended, voted against the bill. Those who believe that all powers not expressly delegated by the Constitution to the Federal Government should be retained by the States and the people of the States, voted for it.

Always I have voted against extension of the power of the Federal Government, against measures designed to limit the rights of the people or of the States.

The charge that the passage of the bill would increase, its defeat lessen, the price of gas to the consumer is without any foundation whatsoever. The price of gas to the consumer is regulated by the States—in Michigan by the Public Service Commission.

The price of gas has been going up, and, if the price of everything else, except farm products, goes up, it is reasonable to assume that, regardless of legislation, the price of gas will go up.

The transportation of the gas from the well to the distributor, because it is interstate business, is regulated by the Federal Government.

The so-called gas bill provides that the Federal Government shall not control the production of gas at the well.

There is no more reason why the Federal Government should control the price or production of gas at the well than it should control the local gas-making plant, the production and the price of oil or coal, the amount of dues collected by the local union or the chamber of commerce.

If the driller for natural gas is lucky and makes a profit, don't worry, the tax collector, local, State, and Federal, will visit him.

To the CIO's Democratic State Central Committee's inquiry as to whether certain Congressmen accepted or intended to accept contributions from the oil and gas interests, my answer is—as the CIO should well know—that I never have gotten, and I never expect to get, any.

No part of the $1,035,958 spent in 1954 by labor organizations in political activities came to me. Nor was a dollar of the $272,714 political fund of the UAW-CIO-PAC spent in my behalf.

The sworn statements of the CIO, on file with the Clerk of the House of Representatives, show that over the years the CIO has, as it did last year, made political contributions to my political opponent. Undoubtedly, the reason was that they expected he would be their "rubber stamp" their "yes man," vote for their legislative program here in Washington.

Why do not the CIO, the PAC, the AFL, Railway Labor's Political League, Labor's Political League, and other labor organizations which make campaign contributions, publicize the payments which they make to political candidates, some of them exceeding $30,000 to one candidate?

The current press carries the statement that the political bigwigs of the AFL–CIO, meeting at Miami Beach, are contemplating spending some $2 million to defeat Congressmen who do not bow to their will. Looks as though the labor bosses, with their campaign millions, have Congressional candidates who will not kiss the collective labor "foot," over a barrel.

Apparently, the CIO intends to continue to use funds paid in by its members—even though they are Republicans—to support its hand-picked candidates running under a Democratic label. This money to be used for political candidates and purposes, according to the union announcements, comes "from two sources, voluntary contributions from union members and from union treasuries."

Of course union members have the right to contribute to campaign funds but unions do not have the right to use dues or special assessments to make campaign contributions unless they are voluntarily paid in for that purpose.

While the Michigan CIO called for defeat of Republicans who voted for the gas bill, will it support the Republican Members of the House and the Senate who voted against it? It sure will not.

The foregoing is proof, if any was needed, that there is no real Democratic Party in Michigan. It is but the mouthpiece of the UAW–CIO, of those labor leaders who would establish an over-all labor government at Washington. Do you want Congressmen who are UAW–CIO Democratic stooges?

TRANSFER OF CERTAIN SPECIAL ORDERS FROM WEDNESDAY TO THURSDAY

Mr. McCORMACK. Mr. Speaker, I understand there are some special orders that have been entered for tomorrow. I ask unanimous consent that the Members having such special orders for tomorrow may, if they desire, have them transferred to Thursday, and that they be first in order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, that puts them ahead of all the rest of the Members who obtained special orders for Thursday.

Mr. McCORMACK. What is wrong with that?

Mr. HOFFMAN of Michigan. I was on last week, and because the House adjourned over, I did not have my special order transferred.

Mr. McCORMACK. The gentleman from Massachusetts, had he thought of it, would have attempted to protect the gentleman.

Mr. HOFFMAN of Michigan. Mr. Speaker, with that, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE CYPRUS ISSUE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include a clear-cut, objective editorial, in which I am in agreement, entitled "The Cyprus Issue Should Be a Test Case for the Moral Basis of United States Diplomacy," appearing in the February 13, 1956, issue of Life magazine.

As the author of the resolution against colonialism and Communist imperialism, which was unanimously passed, last year, by both branches of the Congress, I hope the people of Greece and of Cyprus will realize that the American people are their friends, and that the overwhelming feeling of the people of the United States is strongly favorable to the aspirations of the people of Cyprus. The people of Greece and Cyprus should not overlook this important fact.

This strong public opinion existing in the United States in favor of Cyprus and the aspirations of the great majority of its people, is having considerable influence in our present Government, which influence is rapidly increasing in favor of the position of Cyprus and of Greece and of their people.

As a matter of fact, public opinion in America is being aroused against the unwise and untenable position that the present Government has placed the United States in in the minds of many millions of persons—of directly or indirectly supporting colonialism. This position is as far removed from the minds of the American people as anything can be.

The people of Greece and of Cyprus can depend on the overwhelming opinion of the American people in support of their position.

In my opinion, the question of Cyprus is bound to be settled in a satisfactory manner, and in the near future.

No matter how keenly disappointed the people of Greece and Cyprus are at the present time, I hope they will not lose sight of the real, lasting view, the

strong friendship between them and the people of the United States.

[From Life magazine of February 13, 1956]

THE CYPRUS ISSUE SHOULD BE A TEST CASE FOR THE MORAL BASIS OF UNITED STATES DIPLOMACY

"Of course we do not always agree at every point," said the British Prime Minister to the United States Senate last week, "but it is the strength of our unity that we have no need to conceal this." Amen. The points of disagreement—East-West trade, Quemoy-Matsu, etc.—can be lived with when they are mutually recognized. It is when they are too long ignored that they make trouble.

That, we fear, is what has happened to the question of Cyprus. The status of this pretty island, a crown colony of 500,000 British subjects, has been more or less correctly regarded as one of Britain's internal problems. But Britain's continuing failure to solve it is by now not only involving United States prestige throughout the eastern Mediterranean, but endangering NATO's whole southern front.

What makes Cyprus urgent is that the Greeks are having an election this month (February 19). Twice in the past 12 years Greece has been rescued from communism only by civil war—in 1944 with British help, in 1947–49 with American (under General Van Fleet). The nation whose ancestors invented democracy is now in danger of an unintentional surrender to communism via the ballot box.

The present Greek Premier, Constantin Karamanlis, is one of the most promising young politicos the non-Communist world has produced since the Philippines produced Magsaysay. Karamanlis is a fresh new face in a country weary of its own aging political hacks and opportunists. But the latter have formed a strong coalition, which includes the Communists, in their effort to defeat him. If they win, Greek foreign policy could be expected to shift from NATO to neutralism.

Unfortunately Karamanlis' pro-Western sentiments are a political liability to him in Greece today, while the opportunists see their opportunity in the fact that "popular-front" communism is becoming almost respectable again—only 6 short years after civil war. That is the measure of how fast and how far Western prestige has tumbled in Greece. The reasons for the tumble are various, but the operative one is Cyprus.

The Cypriots, 80 percent of whom are ethnically Greek, ask their British rulers for a promise of self-determination at some definite date, with an ultimate view to enosis (reunion) with Greece. Their leader is the bland and capable "ethnarch," Archbishop Makarios. Their opponents are the Turkish minority on the island, the Government of nearby Turkey (see map), and the British, to whom Cyprus is chiefly important as the site of their huge new eastern Mediterranean air and naval base.

British diplomacy gave Makarios a big boost by at first refusing to discuss self-determination or enosis at all. This led to a wave of underground terrorism and open resistance on Cyprus which has so far cost 15 British dead, hundreds wounded on both sides and scores jailed under martial law. The British have even threatened to break all British precedent by jamming Cyprus' radio reception. Their negotiators meanwhile have engaged in a slow, dithering retreat before Makarios' demands, each step of which has been too little and too late to win them any credit for either sincerity or imagination.

Greek (no less than Cypriot) sentiment is overwhelmingly pro-Makarios. The archbishop could probably swing the Greek election if he were to denounce either party as "soft" (i. e., pro-British) on the Cyprus issue. It is the issue in Greece today—not a social or economic issue, but a foreign policy issue. And it gets its heat from the fact that it is also a moral issue—involving the right of Europe's largest remaining European colony to self-determination.

The principle of self-determination is Wilsonian. The moral basis of foreign policy is an Eisenhower-Dulles specialty. What then has the United States done about Cyprus? It has backed the British at all critical points in the negotiations, and otherwise stood aloof, not wanting to alienate Turkey. As a result the United States shares the opprobrium of British policy in Greece today.

To appreciate Greek feelings, suppose Chinese Communist MIG's shot down several United States passenger planes over the China Sea—and the Indian Government addressed identical notes to Red China and the United States urging both sides to cut out this rowdyism. We would regard such a note as a vulgar impertinence. That is how the Greeks felt last fall when, after Turkish mobs had burned and pillaged the Greek section of Istanbul, Secretary Dulles sent identical notes of reproof to Greece and Turkey. When Greeks hear United States foreign policy described as "moral," they want to throw up.

Diplomacy is a dangerous and complex art at best; and when it takes morality for its guide, it adds a complication without subtracting any. Moral principle is nevertheless the only possible guide for an American foreign policy. Anticommunism is also difficult and dangerous enough without the complicating problem of how and how fast the West should liquidate the remnants of its own colonialism. The Communists can exploit this liquidation whether it goes slow or fast. In the Cyprus issue the Communists are pressing Makarios from one side and Karamanlis from the other. These two natural allies of the West are prevented from acting as such because Cyprus is still denied self-determination. The preelection atmosphere in Greece has become a frantic one in which such hard words as treason and betrayal are becoming commonplace.

The obstacles to self-determination for Cyprus are real but not insuperable. The British base could become a NATO base, and the Turkish minority could be assured constitutional protection. Let us hope the British-Cypriot negotiations have reached their long-delayed agreement before these words see print. It would be tragic if further delay should cost the West, through the defeat of Karamanlis, the NATO ally first singled out and preserved by the Truman Doctrine. In private, the State Department is for self-determination. The time has come to make it known that we are for it, within the free world as well as without. The time has come for Americans to let Greeks know that we have not lost interest in their fortunes nor our willingness to take their side.

Said the Eden-Eisenhower declaration of Washington last week, "We uphold the basic right of peoples to governments of their own choice." The time has come to implement this Anglo-American principle in Cyprus. A principled foreign policy is the hardest kind to achieve, but the kind whose solutions last the longest.

UNIFORM APPEALS RIGHTS FOR FEDERAL EMPLOYEES

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include two letters.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, on the opening day of this session of Congress I introduced a bill in the House to provide for uniform appeals and grievance procedures in the Federal Government. The bill is numbered H. R. 8002, and it affects approximately one-half of all Federal employees. I would like to speak today about this legislation, explain its purposes, and answer the report submitted on this measure by the Comptroller General of the United States.

THE NEED FOR REMEDIAL LEGISLATION

Under the laws which are presently in effect, roughly one-half of Federal employees have no statutory right to ask for a hearing—or to appeal—any adverse personnel action. They can be fired, suspended, furloughed without compensation, downgraded, or debarred from future employment without being given a chance to defend themselves at a hearing, or through an appeal. The only thing which the law provides for them is a right to advance notice of removal or suspension.

Further, our laws do not establish any uniform grievance procedures for 50 percent of Federal workers. There is no statutory provision which would entitle them to fair treatment in matters involving complaints about working conditions, reassignments, letters of reprimand, short suspensions, or nonselection for promotion.

The Congress has established appeals and grievance procedure for veterans employed by the National Government, but it has failed to provide equal justice under the law for the other half of Federal employees.

This state of affairs is neither fair nor conducive to harmony and efficiency in Federal Government. The executive branch has tried to remedy the situation through a maze of administrative regulations and directives. On the strength of such directives, a sadly deficient patchwork of appeals and grievance procedures has been established within some executive departments and agencies. These procedures lack uniformity and strength which come from statutory rights. They are incapable of assuring equal and fair treatment to all Federal workers.

CONDITIONS CRITICIZED BY CONGRESSIONAL COMMITTEES

The conditions which I have described briefly have been in existence for quite some time. They have been investigated and criticized as recently as 1953 and 1954 by two separate congressional committees. Unfortunately, little has been done to remedy them, and, until the introduction of H. R. 8002, there was no legislation pending which would bring fairness and uniformity to the appeals and grievance policies and practices of the Federal Government.

THE PROVISIONS OF H. R. 8002

The bill which I have introduced, H. R. 8002, proposes to remedy this situation. It is based on the findings and recommendations of duly constituted congressional committees which have investigated the deficiencies existing in this particular area. Further—and this is a point which I made clear at the time when I introduced H. R. 8002—my bill will in no way impair, jeopardize, or otherwise affect the rights extended by

law to the one-half of Federal employees who are veterans.

In general, H. R. 8002 is intended to accomplish the following objectives:

First. To provide uniform appeals machinery for all Federal employees.

Second. To establish broad standards for the introduction of generally uniform grievance procedures.

Third. To encourage better training of supervisory personnel to solve grievances promptly, if possible, on the local level, and with the help of employee representatives.

Fourth. To direct the Civil Service Commission to assume jurisdiction over substantive issues in appeals. The Commission up to now has been restricting itself to the consideration of mere procedural issues. It is maintained that the Commission cannot properly discharge its responsibilities for the well-being of Government employees by dodging substantive issues.

THE COMPTROLLER GENERAL'S REPORT

H. R. 8002 was referred to the Committee on Post Office and Civil Service, and a report thereon was promptly requested from the appropriate executive agency. On January 31, I received a communication from the Honorable TOM MURRAY, chairman of the Post Office and Civil Service Committee, in which Chairman MURRAY transmitted a copy of the report submitted on H. R. 8002 by the Comptroller General of the United States.

I would like to include that report in the RECORD. It read as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D. C., January 25, 1956.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives.

DEAR MR. CHAIRMAN: Your letters of January 6 and 9, 1956, acknowledged January 9 and 11, request our views on H. R. 8002 and H. R. 8147, respectively. The stated purpose of the two bills—which are identical—is to provide a more equitable system for the settlement of disputes arising from personnel actions in the classified civil service, and of grievances and complaints of all Government personnel, and for other purposes.

One of the main features of the bill is to extend to nonveteran Government employees the same rights of procedure and appeal concerning removals, suspensions from duty for more than 30 days, and reductions in rank or compensation which are now granted to veterans under section 14 of the Veterans Preference Act of 1944, as amended (5 U. S. C. 863).

The removal and suspension from the service of nonveteran employees in the classified civil service for reasons other than security and reductions in force are now governed by section 6 (a) of the act of August 24, 1912, as amended by the act of June 10, 1948 (5 U. S. C. 652), as follows:

"(a) No person in the classified civil service of the United States shall be removed or suspended without pay therefrom except for such cause as will promote the efficiency of such service and for reasons given in writing. Any person whose removal or suspension without pay is sought shall (1) have notice of the same and of any charges preferred against him; (2) be furnished with a copy of such charges; (3) be allowed a reasonable time for filing a written answer to such charges, with affidavits; and (4) be furnished at the earliest practicable date with a written decision on such answer. No examination of witnesses nor any trial or hearing shall be required except in the discretion of the officer or employee directing the removal or suspension without pay. Copies of the charges, the notice of hearing, the answer, the reasons for removal or suspension without pay, and the order of removal or suspension without pay shall be made a part of the records of the proper department or agency, as shall also the reasons for reduction in grade or compensation; and copies of the same shall be furnished, upon request, to the person affected and to the Civil Service Commission. This subsection shall apply to a person within the purview of section 863 of this title, only if he so elects."

Under the above-quoted provisions of law an employee in the classified civil service prior to removal or suspension from the service is insured of his being informed of the charges against him with an opportunity to answer within a reasonable time and to have such answer considered by administrative officials in the form of a written decision thereon. While the act does not give an employee the right to appeal the decision of the agency to the Civil Service Commission, the regulations of the latter agency (section 9.106) do provide that an employee may, within 10 days after the effective date of a separation, demotion, reassignment, or suspension, request the Commission to investigate whether the procedures in the above act, as amplified by the Commission's regulations (section 9.102) have been followed. However, the Commission has no authority to pass upon the sufficiency of the reasons which form the basis of the action by the administrative office.

As opposed to the benefits accorded to civil-service employees (nonveterans) those employees coming within the purview of section 14 of the Veterans' Preference Act of 1944, are entitled to 30 days' advance written notice of any proposed removal, suspension for more than 30 days, furlough, or reduction in rank or compensation, and to an appeal to the Civil Service Commission either on the merits or the procedural aspects of a particular case.

We do not believe the employment rights of nonveteran employees in the classified civil service have been appreciably affected by the denial of 30 days' advance notice of any adverse personnel action or the right of appeal to the Civil Service Commission on the substantive features thereof. On the contrary, our view is that the employment rights of classified civil service employees (nonveterans) are amply protected by the act of August 24, 1912, as amended, and the regulations of the Civil Service Commission.

If the proposed legislation here involved be enacted it would further limit the authority of the head of an agency in the removal of inefficient and undesirable personnel and would subject his judgment to reversal by the Civil Service Commission, a situation which is not conducive to sound personnel administration.

While the argument that all classes of Federal personnel should be accorded the same employment rights is not without merit, we would favor the limitation of veterans rights to accomplish that purpose rather than increasing the employment rights of nonveteran employees. This could be accomplished along the lines of the recommendation of the Hoover Commission which is contained in its report to the Congress (Personnel and Civil Service), dated February 1955, pages 67 to 75.

Undoubtedly, the cost to the Government would be increased in the event of further extension of appeal rights to nonveteran civil service employees, since there not only would be an increase in the number of appeals handled by the Civil Service Commission but also an increase in litigation in the Court of Claims and the United States District Courts.

We would have no objection to standardization and consolidation of existing appeals and grievance procedures where feasible throughout the Government service. However, we would like to reserve any comments as to how this best could be accomplished until such time as these matters might be made the subject of a separate bill.

Referring again to the extension of appeal rights to nonveteran employees, we suggest for consideration, in the event the committee determined to report favorably on the bill or bills, an amendment of section 14 of the Veterans Preference Act of 1944, to accomplish such purpose, rather than by the method proposed in the two bills.

Because of the foregoing comments we recommend against enactment of H. R. 8002 and H. R. 8147.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Needless to say, the Comptroller General's report disturbed me greatly. The report implied that the conditions prevailing in the field of Federal appeals and grievance procedures are satisfactory—whereas congressional investigations produced entirely different reports. In the past several weeks, I received numerous letters from Federal employees in many different parts of our Nation, which have strengthened my opinion about the inadequacy of the existing procedures and policies, and which are at variance with the views expounded by the Comptroller General.

A REPLY TO THE REPORT

Neither can I agree with some of the other issues raised by the Comptroller General in his report. For that reason, I have written to Chairman TOM MURRAY, of the Post Office and Civil Service Committee, expressing my strenuous objections to the report rendered on H. R. 8002 by Mr. Campbell. I should like to read my letter for inclusion in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 13, 1956.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, United States House of Representatives, Washington, D. C.

DEAR CHAIRMAN MURRAY: Thank you for sending me a copy of the report rendered by the Comptroller General of the United States on H. R. 8002, the bill which I introduced to provide uniform appeals and grievance procedures for our Federal employees.

In his report, the Comptroller General expressed the opinion that "the employment rights of classified civil-service employees (nonveterans) are amply protected by the act of August 24, 1912, as amended, and the regulations of the Civil Service Commission;"

That the proposal outlined in H. R. 8002 "is not conducive to sound personnel administration" because it would limit the removal authority of administrative officials;

That the proposal may be objectionable from the standpoint of economy, for the extension of appeal rights to nonveterans in the civil service would cost the Government some money.

Finally, the Comptroller General suggests that, if Congress wishes to equalize appeals rights of classified workers, it should limit the rights of veterans to accomplish this purpose—rather than increase the employment rights of nonveterans.

I wish to express my strenuous objection to each of the four points raised by the Comptroller General in rendering his report on H. R. 8002.

I believe that the proposal outlined in H. R. 8002 is badly needed. I have received numerous letters from Government employees all over the country attesting to this fact. Books and articles have been written on the subject, supporting this view. I shall not, however, resort to such support for my proposal. Instead, I shall call upon the findings of two separate congressional investigations, which reviewed this matter thoroughly, and on whose specific recommendations H. R. 8002 was based.

I am referring to House Report No. 1759, 83d Congress, 2d session, and to Senate Document No. 33, 83d Congress, 1st session. Both reports dealt with appeals and grievance procedures in the Federal Government. They recommended the enactment of remedial legislation to provide an equitable system for the settlement of disputes arising from personnel actions in the classified civil service, and of grievances of all Government personnel.

With regard to the first two points raised by the Comptroller General, as listed in the second paragraph of this letter, I would like to quote from the findings of House Report No. 1759, 83d Congress. The report stated, in part, that:

"The executive branch of the Government is without adequate machinery to guarantee equal and fair treatment to all Federal employees in respect to appeals from adverse personnel actions.

"This situation creates an ideal climate for bias and injustice which is repugnant to our native sense of fair play. A failure of positive assurance against arbitrary and capricious acts by management in our Federal Government constitutes a real weakness in the system of justice that all English-speaking peoples have built up over many centuries * * * there is no justification for continuance of the present situation which in effect relegates our nonpreference Federal employees to the status of second-class citizens, in comparison with others, in certain classes of appeals from adverse personnel actions."

And, further, with reference to grievance procedures:

"Grievance machinery in the executive branch, if properly used, would be adequate and some agencies are making effective use thereof. However, it is not being applied with any degree of uniformity and in a number of agencies its full potential is being wasted."

I would also like to refer to the Senate document cited above which, on pages 3–5, decried the fact that "appeals and grievances policies and practices in the Federal Government as a whole are in a state of confusion;" that they are based upon a "patchwork" of laws and executive regulations; that they lack uniformity and consistency, and are often couched in vague, and ambiguous terms; and that the existing conditions have tended "to breed confusion and misunderstanding and to cause resentment, distrust, and exasperation on the part of employees and management alike."

These are not empty words. They have been carefully weighed by responsible congressional committees which have investigated existing conditions. Perhaps the Comptroller General ought to become acquainted with those reports, before dismissing the remedies proposed as being unnecessary.

The third point raised by the Comptroller General in his report on H. R. 8002 should have no bearing on the issue at hand. There is no room for pecuniary considerations when one attempts to correct an injustice. I do not believe that the Federal Government should deny fair treatment to some of its employees in the field of appeals and grievance procedures for the sake of saving money. This is no field for pennypinching.

As to the Comptroller General's suggestion that veterans' rights in Federal employment be curtailed, I personally do not believe that you can cure the existing shortcomings in that manner. The employment rights granted to veterans by Congress may be reviewed by Congress. Until such action is taken, however, it behooves the executive branch and all concerned to work within the principles established by our national legislature, and to provide equitable conditions within such a framework.

Mr. Chairman, I earnestly hope that your committee will give early consideration to this matter, and initiate a thorough study of the deplorable conditions prevailing in the area of Federal appeals, grievance procedures and policies. I am confident that such a study will demonstrate—beyond any shadow of doubt—the urgent necessity of enacting remedial legislation along the lines suggested in H. R. 8002.

With best wishes, I am,

Yours sincerely,

CLEMENT J. ZABLOCKI,
Member of Congress.

CONCLUSION

Mr. Speaker, in conclusion, I wish to reiterate my belief that remedial legislation, providing for uniform and equitable appeals and grievance procedures in the Federal Government, is badly needed.

I believe that the Federal Government must be fair in the treatment of its employees. We should not perpetuate inequalities for the sake of saving some money. Neither do I believe that we should attempt to equalize appeals and grievance procedures by withdrawing from the veterans the rights which have been extended to them in this area.

Such action on our part would constitute a step backward in the field of personnel relations, and further depress the morale of our Federal employees. I would rather see no change than a change for the worse.

The Federal Government should be big enough, and fair enough, to give adequate protection against any possible capricious whims of its officials to all Federal employees.

For these reasons, I sincerely hope that legislative remedy, along the lines proposed in H. R. 8002, will be considered promptly and favorably by the Committee on Post Office and Civil Service, and by the entire House.

REPEAL OF THE FEDERAL CABARET TAX

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I rise to discuss my reasons for introducing a bill today to repeal the Federal cabaret tax. Although my comments are concerned chiefly with the effect such repeal would have on Michigan, the rest of the country would receive similar benefits.

In order to suggest what effect the repeal of the Federal cabaret tax would be likely to have on the State of Michigan, it is desirable first to set forth some of the facts concerning the tax. The cabaret tax is a Federal tax of 20 percent imposed on amounts paid for admission, refreshment, service—including checkroom service—or merchandise, at any roofgarden, cabaret, or other similar place furnishing a public performance for profit, by or for any patron or guest who is entiled to be present during any portion of such performance.

Prior to World War II, the rate was only 3 percent for the full amount of charges, with an exemption of all charges under $2.50. The present rate has been in effect since 1945, even though the tax rate on other amusements, except for racetracks, was cut from 20 to 10 percent, effective April 1, 1954. The following table gives the total cabaret tax collections for Michigan and for the United States for fiscal years 1946 through 1955:

Receipts from Federal tax on admissions to roof gardens, cabarets, etc., fiscal years 1946–55

[In thousands of dollars]

Fiscal year	United States receipts	Michigan receipts
1946	72,077	3,312
1947	63,350	2,968
1948	53,527	2,765
1949	48,857	2,673
1950	41,453	2,266
1951	42,646	2,423
1952	45,489	2,138
1953	46,691	2,276
1954	38,312	1,832
1955	39,271	[1] 1,950

[1] Estimated.

Source: Annual reports of the Commission of Internal Revenue, 1946–55.

The trend of these tax receipts is striking. For the United States as a whole there has been a decline in a decade from over $70 million annually to under $40 million. In Michigan the decline has been from over $3 million to less than $2 million. At the same time total internal-revenue collections in Michigan rose from $1,970 million in fiscal year 1946 to $5,672 million in fiscal year 1955.

The significance of this decline in the cabaret-tax receipts, from all the evidence ascertainable, lies in the fact that this tax, adding 20 percent to the already high cost of such entertainment, has caused a marked falling off of patronage and this has led to the closing of cabarets and similar amusement places all over the country, particularly by hotels. A survey by the American Hotel Association indicates that the number of rooms in which the cabaret tax was applicable has dropped from a high of 700 to 250 by 1950.

The repeal or reduction of this tax to a prewar or similarly low level would, it is only reasonable to presume, lead to the reopening of many of these places of entertainment in hotels, restaurants, and elsewhere, with attendant increased employment of musicians, dancers, other entertainers, cooks, waiters, and busboys. People, driven away by the high tax, would patronize these amusement places once more. In fact, it is most probable that the resulting increase in spending and employment would result in a net increase in total tax revenues rather than in any loss. In this connec-

tion, the following estimate submitted by the National Licensed Beverage Association to the Senate Committee on Finance in 1954 is of interest:

> Survey conducted by National Licensed Beverage Association indicates that if tax were eliminated 2½ times as many establishments would use live entertainment. Estimate is that present payrolls for music and entertainment would be doubled. Additional income tax collected on this payroll would more than offset the approximately $36 million that would be collected under the present rate.[1]

It is also conceivable that the increased availability of entertainment rooms in hotels would attract young people who now tend to patronize less-desirable and less-well-patrolled amusement spots. At any rate, it has been claimed by M. O. Ryan, of the American Hotel Association, that—

> When these entertainment rooms in hotels are obliged to close, or to abandon their entertainment upon which the tax is applicable, young people seeking a dine-and-dance entertainment are driven to patronize taverns and outlying night clubs, many of which do not offer the same wholesome surroundings and patrolled facilities as do such entertainment rooms in hotels.[2]

In summary, it may be said that if the tax were repealed there would certainly be an increase in the number of hotels and restaurants offering cabaret types of entertainment; more employment would be provided for entertainers, musicians, waiters, and others; it is unlikely that the Federal Government would suffer a net loss in revenue; and more persons could afford dine-and-dance entertainment in a desirable environment.

SIGNING OF ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Thursday the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

KOREA

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, much is being said that the world is at peace. On that I would like to observe with particular reference to Korea that the situation there is certainly not a condition of peace. May I point out that there are a million and a half armed men facing each other on a battleline of a few hundred miles. There exists there a condition of war and at present merely an armistice. Under no circumstances can that be described properly and fairly to the people of this Nation as a condition of peace. Truly, there is no shooting, except on patrols, there is no firing, but that is all. The condition is one of war, actually and legally.

AN APPEAL FOR FAIRNESS FOR THE ARKANSAS BASIN

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. EDMONDSON] is recognized for 60 minutes.

Mr. EDMONDSON. Mr. Speaker, I am here this afternoon, with several colleagues from the neighboring States of Arkansas and Oklahoma, to talk to you about a river—a great and a mighty river, at times beautiful and at times terrible—the Arkansas.

When I wrote to you, on February 8 of this year, that we wanted to talk to you for 2 hours on this floor about a matter of great urgency to our States, I did not exaggerate the situation. A Member does not seek 2 hours of time on the floor of the Congress on a matter of little moment.

During the period of my service in the House I have taken the floor to deliver a prepared speech on possibly 6 or 7 occasions. I hope to speak again, on other matters of importance to our State and our Nation. I have never addressed the House before, however, and I do not expect to address it in the future, on a matter of greater urgency to 4 million citizens of 2 great States, than the subject matter of today's remarks on this floor.

The Arkansas River Basin program, in my honest opinion, is as vital to the future of Oklahoma and Arkansas, as the American Air Force is vital to the security of our country.

From the standpoint of the two States' development and safety, it is just as necessary as the jet bomber is necessary to the Strategic Air Command.

Furthermore, the program is just as practical and sensible, on the basis of careful engineering studies and planning, as any multipurpose program for river basin development ever presented to the Congress of the United States.

Formal approval of the program was given by Congress in 1946, after long and intensive hearings and committee study.

The principal objectives of the plan approved by Congress are simple and easily stated. By a series of dams and locks, the Corps of Engineers would bring under control the floodwaters of the great Arkansas River and its tributaries, providing a 9-foot, year-round channel for navigation from the region of Tulsa, Okla., to the Mississippi River, southeast of Pine Bluff, Ark.

In all, 19 low-head dams and locks and 4 higher-head dams, with power-generating capacity, will do the job for the Arkansas Basin. More than 8 million acre-feet of water will be impounded along the basin, ending the flood destruction of half a century and providing effective control of water for beneficial use by industry.

In this entire Nation of ours, which has spent nearly $10 billion on water-development projects and navigation since 1941, only one great river basin remains without water transportation. That is the Arkansas River about which I am talking today—on which Congress has authorized development of navigation since the year 1946.

Last year, after 10 years of waiting while the Nation repaired the wounds of World War II and fought the bitter conflict in Korea, this Congress finally took action to start the wheels of navigation turning on the Arkansas River program.

In was in this House, by a decisive vote on the floor, that we made the decision to appropriate $900,000 to begin construction on 2 key dams in the Arkansas program—Eufaula Dam and Reservoir, in Oklahoma, and Dardanelle Dam and Reservoir, in Arkansas. It was a glorious day for those of us in the House from the two States—and the dawning of a new day for more than 4 million Arkansans and Oklahomans.

In the other body, the program received an even more substantial and convincing legislative endorsement. To the $900,000 construction money for Eufaula and Dardanelle, were added $1 million to begin construction on the Oologah Dam and Reservoir, near the birthplace of Will Rogers in Oklahoma, and $150,000 in final planning money for Keystone Dam, west of Tulsa.

All of these appropriations were approved in conference between the two Houses, given final approval on the floor of both Houses, and signed into law by the President.

I do not believe that any basin program in our history could point to a more emphatic endorsement and approval by a session of Congress, than we received for the Arkansas Basin program in 1955.

It was a great victory for water navigation, flood control and water resource development, in a region of our country long the victim of alternate drought and flood damage, and there were celebrations in many streets in Oklahoma and Arkansas, and a new spirit of optimism in counties which had suffered critical loss in population since 1940.

We held a great dedication ceremony at the site of Eufaula Dam, and thousands of happy Oklahomans and Arkansans gathered to eat barbecue and watch while members of the Oklahoma delegation turned dirt at a point designated by top officers of the Army engineers—who were also in attendance, and optimistic concerning the future of the Arkansas Basin program.

As further evidence of congressional intent with reference to the basin approach along the Arkansas, the same 1st session of the 84th Congress also enacted legislation authorizing interstate compacts between the States of Oklahoma

[1] In U. S. Congress, Senate Committee on Finance, Excise Tax Reduction Act of 1954, hearing, March 15, 1954, p. 164.

[2] Letter to the Legislative Reference Service, Library of Congress, November 15, 1948.

and Arkansas, and Oklahoma and Kansas, concerning the use of the Arkansas River and its tributaries. The governors of all three States moved ahead vigorously to initiate negotiations—since these bills, also, were given executive approval.

Over the entire Arkansas Basin program there was only one dark cloud.

While signing the civil functions appropriations bill, the President had given expression to executive concern over a number of projects listed in the bill, which had not been given previous approval by the Bureau of the Budget. The Arkansas Basin projects at Keystone, Eufaula, and Dardanelle were in this group—and there has been executive mystery concerning their status ever since.

From the Army engineers, we have had assurance that planning work was going forward as rapidly as possible, and there have been frequent progress reports.

Members of the Oklahoma delegation met with high-ranking officers of the Army engineers in the fall, in Tulsa, and were informed that certain funds would be needed to continue construction on all three projects after July 1, 1956. Informal estimates of construction requirements were supplied, and a timetable of construction plans was outlined.

All the while, there were rumbles from Washington—where the entire program had just been given the sanction of congressional approval and specific appropriations, but where executive reluctance to perform the actual job of starting construction became increasingly apparent.

Outstanding citizens of Oklahoma and Arkansas, including leaders of both the Democratic and Republican Parties, came to Washington to see the President. They talked to officials in the Bureau of the Budget and the White House, and were given assurances of sympathetic consideration.

Confident of the strong approval given the program by Congress, of the careful planning and longtime support of the Army engineers, the people of Arkansas and Oklahoma waited for the President's new budget.

On January 16, 1956, that budget message was read in the Congress.

On page M–68 of that message, we found these words concerning the Arkansas Basin program approved by the Congress:

> Funds were added by the Congress to the 1956 budget to begin construction on Eufaula Reservoir and Dardanelle lock and dam. This would, in effect, commit the Federal Government to a cost of over $1 billion for the development of the Arkansas River for navigation, since the major benefits from these 2 structures would not be realized until the entire navigation development is completed. I regard the development of the Arkansas River for navigation as not being of sufficiently high priority at this time to justify this large financial commitment. Therefore, I am not requesting funds for continuation of work on these two structures.

These, Mr. Speaker, are the words of the budget message.

If allowed to stand as a decision of Government, Mr. Speaker, they are the words of doom for the Arkansas Basin program—for all that it means in terms of flood control for thousands of river bottom farmers, for all that it means in terms of ready power and water for industry and agriculture, for all that it means in terms of river navigation, and water rates on freight, for a great section of our country which has long paid the penalty for lack of water development.

Yes, Mr. Speaker, these are the words of doom for the great dream of the Arkansas Basin, of a new day for the 4 million people of 2 States.

And the words of the budget message, Mr. Speaker, may also be the words of doom for something even more important, in this country of ours, than the Arkansas Basin program.

Make no mistake about it, my colleagues, there is more at stake here, for Members of Congress, than a river program in 2 of the 48 States.

The power and prerogative of Congress itself—the legislative authority as set forth in article I of the Constitution—these also may well be at stake in this issue.

The question of whether or not a certain river shall be made navigable, through construction of dams and locks, is a legislative question.

By its act of authorization, and by specific appropriation, this Congress has spoken on the question in the case of the Arkansas Basin.

The first section of the first article of our Constitution is both clear and explicit:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

The President is without legislative authority, with the single exception of veto power, which was not exercised in this case. On the contrary, the President signed the bill providing funds to start construction of Eufaula Dam and Dardanelle Dam.

There can be no valid claim of item veto power in the face of clear-cut decisions of the Supreme Court on the question. In the 1929 pocket veto case, chapter 279, United States Reports, page 655, the Court restated the law on this point, and emphatically held that the President's veto power could neither be enlarged nor reduced.

In this instance, however, it would appear that equivalent power—in defiance of established tradition and Supreme Court holdings—is being claimed for and in behalf of the President.

For if the Executive can decline to spend funds appropriated to begin construction on a project, and block the request by Army engineers for more construction money, does he not possess and exercise a power equivalent to the item veto?

What a weapon for retribution upon the Members of Congress who dare to ignore Executive requests for legislation.

What a powerful weapon of party policy, in the enforcement of discipline upon a Member who is not regular in his voting.

What a powerful weapon of political persuasion, in the regions of the country where public works are needed and provided by Congress, should the President have the power, after appropriation bills are signed, to re-examine each project and determine that some are of "insufficient priority."

I cannot believe, Mr. Speaker, that our Soldier President, with lifetime training in respect for the powers of Congress, and in recognition of its responsibility and authority, is fully aware of the power which is claimed for him in the budget message of 1956.

I have heard from the lips of this same President, in clear and ringing tones, the assurances that he intends to recognize and give full credit to the responsibilities of the Congress—and to work with the Congress in the spirit of cooperation.

It is hard to reconcile that position with a finding, in the message on the budget, that a program authorized and appropriated for by the Congress—and duly signed by the President—is not "of sufficiently high priority at this time to justify this large financial commitment."

Mr. Speaker, I will not abandon hope that our President will repudiate this language.

I cannot abandon hope that the Bureau of the Budget will reconsider its position with reference to the Arkansas Basin program, already approved by this Congress, and sorely needed by the people of two States.

We shall continue our efforts to secure reconsideration and modification of the Executive position, bringing to bear as much patience and understanding as possible in seeing the administration point of view. We are aware of the great problem of bringing the budget of our country into balance, and of maintaining our costly preparedness program.

At the same time, Mr. Speaker, the people of Oklahoma and Arkansas are also aware of the billions of dollars which they have helped to provide for navigation upon the other great river systems of our country.

We are glad—for the sake of our country—that navigation has been developed and made possible along the Ohio River, along the Tennessee, along the Missouri, the Illinois, the Cumberland, and the Allegheny.

The citizens of Oklahoma and the citizens of Arkansas have patiently paid their taxes, for many years, to provide the locks and dams that have made these great navigation programs possible—and we would not recall, or begrudge, a single American dollar that has been spent in this worthwhile national program.

But we are also aware, Mr. Speaker, that the day is long, and the hour is late, and the time has come for the same kind of program in the valley of the Arkansas.

Pay no attention, my colleagues, to those who tell you that navigation of the Arkansas is a fantastic and expensive scheme, or dream of a boondoggler.

In the year 1925, a Secretary of Commerce of these United States made a speech in Kansas City, before a conference of the Mississippi Valley Association. These words are worth repeating:

> I visualize the Mississippi system as 9,000 miles of connected waterways—a transportation system in which some 3,100 miles are trunklines and 6,000 miles are laterals.

That is, a main north-south trunkline 1,500 miles in length, reaching from New Orleans to Chicago and there connecting with the Great Lakes system, and crossing this, a great east-west trunkline 1,600 miles in length, from above Pittsburgh through Cairo to Kansas City. Over a large part of these main stems we can maintain 9 feet of depth.

In addition to these main trunks we must diligently improve feeders through the Tennessee, the Cumberland, the Arkansas, the upper Missouri, the upper Mississippi, the Monongahela, the Allegheny, and other streams to workable depth for modern craft.

It will serve the vast heart of American agriculture and will place great commercial and industrial cities with upwards of 7 million people in the cheapest of communication with each other and cheaper transportation of agricultural and bulk commodities over a great hinterland of States.

These were the words, Mr. Speaker, of a man with a worldwide reputation as a careful engineer—and a man never accused by anyone of boondoggling—Secretary of Commerce Herbert Hoover.

The feasability of navigation of the Arkansas River was recognized, as early as 1925, by a Republican named Herbert Hoover—and I am hopeful that a Republican named Dwight Eisenhower will also recognize it, in 1956. Surely that is not too much to expect from the dynamic conservatism of 1956.

Should the President refuse to accept the Arkansas Basin program, however, the fight for the program will not be abandoned.

In the subcommittee, in the full Committee on Appropriations, and on the floor if necessary, the fight will go on.

Just a few days ago, Mr. Speaker, the great Mississippi Valley Association, meeting in St. Louis, adopted the following resolution:

We recommend that Congress appropriate sufficient funds to expedite the authorized program for the Arkansas River Basin for flood control, bank stabilization, navigation, and incidental hydroelectric power.

The Keystone, Eufaula, and Oologah Dams in Oklahoma, and the Dardanelle and Ozark Dams in Arkansas, are key installations for this program, and we recommend that funds be especially provided for these installations. The Oologah Dam will be self-supporting because of existing commitments for purchase of water to be impounded, and is necessary for the welfare of several communities.

We urge that construction funds be appropriated to continue the Toronta Dam on the Verdigris and for the planning of the Elk City on the Verdigris, and the Twin Dam on the Neosho.

We recommend that the Corps of Engineers provide the Congress and the Bureau of the Budget with data showing as nearly as possible a specified period of years for the completion of the entire program, and the annual amount of appropriations necessary for such completion; and upon receipt of this data, the Bureau of the Budget include the funds for each year indicated in the data, but in any event, Congress provide the funds necessary to so progress the program.

In any event, Mr. Speaker—in any and every event—the Congress must provide the funds for the program.

The future development of Arkansas and Oklahoma will rest in the balance, until the funds are provided.

The completion of the great river network envisioned by a Secretary of Commerce in 1925—provided for by this Congress in 1955—will also rest in the balance.

And something more, Mr. Speaker, will also rest in the balance: the power and authority of the Congress of the United States, and the right which we exercise under the Constitution, to legislate for the country—to provide for fairness and equity in the spending of public funds amoung the several States, in the building of a greater and a stronger nation for our children.

The Arkansas Basin program is part of that greater and stronger nation we all seek to build for tomorrow.

Because our cause is just and right, because our position under law and Constitution is strong and secure, because of the great need of our people, and because of the fundamental fairness of the Congress of the United States—we shall await your verdict upon the Arkansas Basin with confidence, and without fear.

Mr. WILLIS. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Louisiana.

Mr. WILLIS. First, I want to commend the gentleman for bringing this subject to the attention of this body. Incidentally I have served and am serving as vice president of the Mississippi Valley Flood Control Association. We are all, of course, interested in the type of projects the gentleman has referred to.

We had in the lower Mississippi valley a similar experience of frustration of the will of Congress by the Bureau of the Budget and the Executive Department in 1953.

In 1952 while the previous administration was in control the appropriation for the lower Mississippi and its tributaries was somewhat over $60 million—that is for the servicing of the seven States from Cairo, Ill., to New Orleans, La. In 1953, the first year after the current administration came into power the general appropriation for the seven States was cut down to something below $50 million. But that is not all. By fiat, order, and executive decree from the Executive Department down the line instructions were issued to retrench 20 percent below the appropriation of $50 million. I was very much disturbed about that action and about the implications behind the subject that the gentleman has so very effectively discussed before this body. I commend the gentleman. He certainly can count on my cooperation and I know the cooperation of many others to correct this sort of maneuvering.

Mr. EDMONDSON. I thank the gentleman, who is one of the great champions of water resource development in this Congress.

Mr. FERNANDEZ. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I want to join with my friend, the gentleman from Louisiana, in commending the gentleman from Oklahoma for his splendid statement he is making to the House.

Mr. EDMONDSON. I thank the gentleman for his remarks.

Mr. METCALF. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Montana.

Mr. METCALF. I wish to add my commendation to the gentleman from Oklahoma for bringing this important matter before the House at this time. I want to call attention to the case of the Helena Valley Irrigation District for which an appropriation was made just as the gentleman has described for the river development in his area. The people of Helena Valley went ahead and completed the organization of an irrigation district, relying on that appropriation. Members of the Bureau of Reclamation went into court and testified that the repayment contract could be executed, that it was a feasible program and they testified that the irrigation district should be formed. Later the same department put impossible conditions upon starting the project; on conditions that were directly contrary to the sworn testimony that was given in the district court. This is but another example of Executive veto whereby the beginning of a project is surrounded with conditions that are impossible to perform and which from the inception the bureau knew were impossible to perform and directly contrary to the sworn testimony that representatives of the bureau gave in open court.

Mr. EDMONDSON. I thank the gentleman. He is referring to the case of veto by regulation where we have here veto by inaction or simply veto by fiat on the part of the Executive.

Mr. METCALF. That is correct. There are various methods of veto and this administration is using every one of them in vetoing these very worth-while projects.

Mr. LONG. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Louisiana.

Mr. LONG. I, too, wish to commend the gentleman from Oklahoma for the splendid statement he has made and wish to associate myself with the remarks and assure him of whatever help I may be able to give the gentleman.

Mr. EDMONDSON. I thank the gentleman. I see on the floor here one of the great champions of the Arkansas Basin program, a gentleman who joined in authorship of the $900,000 amendment by which these programs were vitalized in the last session, the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Speaker, I thank the gentleman very much. I know of his vigorous efforts to secure activation of this program and I wish to join my colleagues in commending him for the steps he has taken to meet this situation.

The gentleman from Oklahoma has discussed two points, one the basic principle which obviously we believe in, those who have spoken today, and it seems to me that that is so fundamental there should be no difference of opinion on the power of the Congress to give a directive to the executive branch of the Government to develop such public works programs. That is basic in our governmental philosophy. The Constitution does not mention the Bureau of the Budget and for its officials to usurp

authority in the fashion described by the gentleman from Oklahoma is doing violence to our governmental principles.

The gentleman's second point is that the Bureau of the Budget has failed to use good judgment in its attitude toward the Arkansas Basin's development, even if its officials were given discretion and they, of course, do have limited discretion in these matters. They have disregarded the recommendations of the engineers and have retarded the development of an area that is waiting for such economic expansion as will give to this country an additional asset in our economic growth. They have shown no faith in the possibilities, or little faith at least, of an area that covers millions of acres of fertile land and with a potential industrial development that this country desperately needs. This lack of faith, in my judgment, is to be deplored as much as their disregard of constitutional principles. Does the gentleman agree with me on that point?

Mr. EDMONDSON. I agree thoroughly with my friend from Arkansas.

Mr. HAYS of Arkansas. I do not want to impose on the gentleman, but if he will yield just another moment, I will make an additional comment.

Mr. EDMONDSON. I will be glad to yield.

Mr. HAYS of Arkansas. The gentleman and I attended a meeting in Tulsa the other day in which we were privileged to hear some addresses of real significance by Maj. Gen. John R. Hardin, of the Mississippi River Commission; Mr. Clarence Byrns, editor of the Fort Smith Southwest American; Senators McClellan, Kerr, Monroney, and others. These addresses all pointed up the significance of the opinion the gentleman is expressing.

Mr. Speaker, I ask unanimous consent to include as part of my remarks the address of Mr. Byrns made at the St. Louis meeting of the Mississippi Valley Association a few days previous to the Tulsa meeting.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The matter referred to is as follows:

THE ARKANSAS BASIN AND THE UNITED STATES

(Address by Clarence F. Byrns, Fort Smith, Ark., to the Mississippi Valley Association Convention, St. Louis, Mo., February 7, 1956)

I am very grateful for the opportunity to discuss with you a problem and an opportunity, common to the people of the Arkansas Basin, the entire Mississippi Valley and the United States.

I speak in a dual capacity, I am editor of the Southwest American and Times Record, daily newspapers at Fort Smith, Ark. I have lived on the Arkansas River and worked as a newspaper man for 41 years. I have had the rare good fortune to have two publishers who believe a newspaper should do everything in its power to improve the economy of the people in the area it serves. The full development of our natural resources has been my chief interest and responsibility for the past 30 years.

I speak, too, as chairman of the Arkansas-Oklahoma interstate committee for Arkansas River development, composed of three men from each State, appointed by the Governors at the request of the two basin associations. The two States have merged their interests into one single program, one single hearing and a united effort to bring about the full development of our water resources. In this effort we have the full support of every member of the senate and house from the two States. We are greatly heartened by the support given us by the Mississippi Valley Association in resolutions and in active work in Washington.

I was thrilled yesterday by the addresses of General Potter and Representative Smith. I endorsed every word they said and the basic theme: "One valley, one problem, one opportunity."

General Potter's graphic description of the magnificent results on the Missouri River was to our people a preview of what can be done on the Arkansas. We have long recognized that the waste of water is unforgivable. We have made progress toward its conservation but not nearly enough. We are well aware of the great progress that has been made in the Ohio Basin and everywhere else on the inland waterway system under the magic influence of water transportation.

Ten years ago, when we won approval for the Arkansas multiple-purpose program for navigation, flood and silt control, power and related benefits, General Peter Feringa described the Arkansas Basin in our congressional hearing as "rich in natural resources, rich in agriculture, rich in the determination of its people." Yesterday, General Potter aptly described the basin as "the greatest navigation potential in the country."

The Arkansas is a big river, a big project of big importance to the whole Mississippi system and to the United States.

It is the longest river in the Nation undeveloped for navigation. It rises in the Rockies in Colorado and flows 1,450 miles through eastern Colorado, Kansas, Oklahoma, and Arkansas. Its drainage area is 870 miles long and an average 185 miles wide, a total area of 160,500 square miles. That is roughly equal to the total area of Missouri, Illinois, and Ohio.

The normal average flow of the Arkansas River at Fort Smith is 24 million acre-feet per year. That is 50 percent greater than the Colorado which is the lifeblood of the fastest growing area in the Nation.

The peak flow of the Arkansas at Fort Smith in the 1943 flood was 850,000 cubic feet per second—greater than the 573,000 cubic feet per second in the Missouri at Kansas City in the disastrous flood of 1951.

The watershed had in 1950 a population of 3,760,000 land-locked people whose incomes are well below the national average, chiefly because their great treasure of water has not been adequately conserved, wisely used and harnessed to provide the area with competitive transportation costs.

The biggest problem before the Nation and the world today is a fast-growing population and the necessity to feed them in future years. Every 8 seconds a new baby is born. Every 12 seconds there's a new mouth to feed, allowing for the deaths. At that rate of gain, by 1975 we shall have not less than 220 million people in this country.

We have now a great surplus of food products. It is temporary surplus. A growing population will turn surplus into deficit much quicker than we think.

We shall need every acre of productive soil, every gallon of indispensable water, every development of natural resources that aids in building and sustaining food supply and the national economy.

Every major stream in the great Mississippi system, except the Arkansas, has navigation, incomplete but magnificently effective. The Arkansas has none.

Developed under the plans approved 10 long years ago by Congress, this basin will become a great market for your products, a great source of raw materials for your industry. Undeveloped it will remain a handicap to the whole Mississippi Valley, with its inland waterway system operating like a man with a paralysed leg.

Population is moving west and south. But not to us. Arkansas and Oklahoma have lost population since 1940. The reason is basically our inability to develop industrial use for manpower to replace the dwindling need for workers in agriculture. Mechanization has reduced our farm population. They go to town to get a job. There are never enough jobs to go around. So they go elsewhere to earn a living.

And what are we doing about industrialization? Everything in our power in the face of an insuperable barrier. We have made much progress in both States, but not enough. We have established new industries with our own money. We have brought into the two States capital from other areas. But we are effectively barred from competition for the largest and fastest growing industrial operations in America—steel and chemicals.

Heavy industry, as you well know, will go only where there is abundant water—water for enormous and growing consumptive use and water for cheap transportation. Industry looks ahead to the water needs of the years ahead. The need for water 20 years from now is estimated at least two and a half times the present consumption. Rain still falls as it always did. But we must conserve it and use it thoroughly and effectively in the years ahead.

Industry looks at freight costs with critical eye. It must. We are so handicapped by high transport costs that we hit a brick wall when we attempt to talk to heavy industry, except those which use relatively little water and get their raw materials in our own States.

For example, the steel rail rate from Pittsburgh to Little Rock is $19.80 per ton. The barge rate from Pittsburgh to Memphis is $4.68 in 300-ton lots. The rails move no heavy steel into Little Rock. Trucks pick it up from the barges at Memphis and move it into Little Rock at a total barge and truck cost less than half the rail rate. Fertilizer, essential to our agriculture, costs $11.14 per ton from Sheffield, Ala., to Fort Smith. It moves to Helena, Ark., on the Mississippi, for $3.26.

Our transportation costs are so high we have to run very fast to stand still in competition.

With the solid backing of our congressional delegations, the influence of the Mississippi Valley association and of many others who recognize the need, we have done much to control floods. Twelve of the 24 reservoirs in the multiple-purpose plan have been built. Five are above Fort Smith within the area which affects our flood levels. They have cut flood heights 2½ to 3 feet. We have done much bank stabilization since 1950, essential to protection of our richest lands against river erosion and essential to the navigation program. We have not done enough.

But we have had no new construction of reservoirs since the Arkansas program was approved in 1946, except completion of projects started before the war, and a start on Oolagah Dam on the Verdigris River with funds provided in 1955, and considered by the Corps of Engineers justified for flood control and power alone.

We have coordinated public and private power in a most effective way. Private and public power merged their resources in the Southwest Power pool during the war so that no single day's work was lost for lack of power. They are cooperating now, exchanging power and making use for peaking purposes of all Federal power not sold to preferred customers. Private power companies have repeatedly offered to build power facilities with their own funds in future multiple-purpose dams and pay the Government for the falling water. We have no

problem with utility opposition. There isn't any. The utilities want this program.

We have developed irrigation rapidly in recent years. In Arkansas alone since 1949 irrigation of lands outside the rice fields has expanded from 16,000 acres to 260,000 acres.

We have been stymied on navigation. The Korean war interfered. The edict of "no new starts" has been a severe handicap. For 2 years, from 1953 to 1955, the whole project was under restudy by the Corps of Engineers. That restudy raised the annual benefit from 26.3 million in 1945 to 61 million and the benefit-to-cost ratio from $1.08 to $1.15. The Corps of Engineers restored the Arkansas project to the active list.

In 1955 the Bureau of the Budget recommended no funds for new reservoirs in the Arkansas Basin. Congress overrode the budget recommendations in 1955, partially as a result of revolt against Budget Bureau usurpation of congressional powers, partially because of the insistence of our people and the powerful Mississippi Valley association. Funds were provided to complete planning and start construction on Eufaula Dam in Oklahoma and Dardanelle Dam in Arkansas, for completing planning on Keystone in Oklahoma, and to initiate construction on Oologah in Oklahoma. The ban on new starts was lifted.

The budget recommendations this year provide nothing for Eufaula, Dardanelle and Keystone. The budget message said the Arkansas project does not have sufficient priority to justify the Government committing itself to its construction.

We are not willing to accept that. We say Congress has already committed itself and the executive branch to completion of the Arkansas project as speedily as possible.

In this effort we need your help. We need the help of every agency and every individual who can see ahead to the great need for water conservation and the full use of the capacity of the Nation to produce.

The Arkansas program is practical, economically justified and sorely needed, not alone for us but for all the Nation.

It will connect Tulsa, Okla., with the Mississippi River, with a 465-mile, 9-foot, year-round channel, maintained by slackwater lakes created by 19 low-head dams and locks and four higher-head projects producing power. The river will be held within its natural channel except at the four higher-head dams. The total area flooded will be less than 100,000 acres, or which 50,000 is wild land.

Tributary dams, essential to navigation and to silt control, will provide complete flood protection. As of now, we have 2,710,000 acre-feet of flood storage upstream from Fort Smith. After completion of the dams for which Congress provided funds in 1955—four to be built by the Corps of Engineers and one by the Oklahoma Grand River Dam Authority—we shall have 6,537,000 acre-feet of flood storage. When the entire program is finished, we shall be able to impound 8,000,000 acre-feet and take all the terror out of the Arkansas River.

This is no new idea to you. You know what navigation and water control does. You have benefited from them through the years. This country has spent some $9.5 billion on water improvement projects since 1941. We in the Arkansas Basin have paid our share of the cost gladly. We have waited patiently for our share of the construction. We have not got it. We ask no special favors. We ask only equity and an opportunity to make our full potential contribution to the economy of our area, the great Mississippi Basin and the entire Nation.

In the office of Doane's Agricultural Service here in St. Louis appears this significant placard: "You don't have to dream to work here, but it helps a lot."

I live on a bluff overlooking the Arkansas River between Fort Smith and Van Buren. Sometimes I stand on my front porch and look 45 miles down the valley of the Arkansas to Mount Magazine, and dream.

I see two phases of the river.

I see what it is and what it has been. I remember the disaster of 1943, when water took out our highways, destroyed our water supply lines, flooded our factories and our homes. I remember that the river has overflowed its banks 70 times in 30 years. I know that droughts afflict our farms twice in each average growing season. I know that 37.5 million acre-feet of water flow out of Oklahoma every year into Arkansas, and we add to it and let 80 million acre-feet flow out of Arkansas, unused—a treasure going to waste.

I look again and I see a paradise of plenty in Arkansas and Oklahoma, once we have tamed and harnessed our abundant water. I see a great new market for the industries you have built in the developed areas of the Mississippi Valley. I see a growing population, a rising income, a greater capacity to produce for your children and mine.

I see great barge towns taking out our raw materials, our wheat, oil, canned food, coal, timber, bauxite, rock, an infinite variety of products of industries we have established here and those we shall at long last attract.

I see other great barge loads coming up river, bringing us at competitive freight costs goods from all the world—steel from the great centers, chemicals from the banks of the inland waterways, automobiles, farm equipment, oilfield supplies, fertilizers.

I see a great area restored to a competitive basis. I see our people coming back home. I see new people coming to share in the development of America's last great frontier. I see income rising to national average levels and above and full opportunity to develop our basic resources—soil, water, and the infinite capacities of our people.

Then I come back from dreams of tomorrow and face the reality of today. This is our critical hour. This is your critical hour. The Arkansas Basin is an integral part of the Mississippi Basin, neglected, often promised, often denied.

We need you. You need us. Together we can build here an economy and a culture beyond our history or our dreams.

Mr. HAYS of Arkansas. In this address Mr. Byrns has developed some of these basic points and has made reference in a specific way to the potentialities of this neglected area. And, I might add that I have never seen the leadership of the two States of Arkansas and Oklahoma—Kansas and Missouri were also represented—with such united sentiment on a matter affecting their welfare as was exhibited in the Tulsa meeting.

Another point I would like to make is that on March 31, 1955, Maj. Gen. S. D. Sturgis, Chief of Engineers, addressed a letter to the chairman of our Public Works Committee, the gentleman from New York [Mr. BUCKLEY], in which he set out the desirable features of this project, and with the gentleman's tolerance I will just read 1 or 2 sentences from it:

> After consideration of all of these factors I have concluded that the Arkansas River project with the modifications described previously, which I propose to make, should remain authorized as an approved long-range plan for water-resource development in the Arkansas River Basin. It should no longer be considered as deferred for restudy.

In other words, the Bureau of the Budget cannot fall back on any alleged technical advice that in disregarding the will of the Congress in this instance they are doing something on the basis of later suggestions by the Corps of Engineers. That is refuted in positive fashion by this letter.

Going on with his statement:

> However, only those features of the plan indicated previously in this letter as justified separately at the present time should be considered as a part of the active program.

It was on the basis of the inquiries made by the Congress and the material made available to them that the go-ahead signal was given by the representatives of the people who have the responsibility for these decisions. So, I regard it as nothing less than shocking for the Bureau of the Budget to make judgments of that kind in the face of advice by the Corps of Engineers and the studies that have been completed.

Now, it should be clear to the Bureau of the Budget and those affected by these decisions, the taxpayers of this country, that the Congress at no time has been indifferent to the types of restudy that save money on any given project. The screening that is done by the committees of the Congress is so adequate and so proficient that the taxpayers may know that there is no waste in these procedures.

General Hardin told us the other day, for example, that a restudy on the Arkansas plan had resulted in a single alteration that would mean a saving of $60 million. That kind of a restudy we all favor.

The Bureau of the Budget will know always that their recommendations that affect previous congressional judgments will never be met with any indifference on the part of the Congress. But the record is clear, and I would remind the Bureau of the Budget that Congress did not take lightly its original responsibilities in connection with the development of the Arkansas Basin. First in 1946, a later study with important amendments in 1949, and then these recurring studies by our able member of the Committee on Appropriations should convince even the least friendly person to the Arkansas Valley that a scientific job has been done, and that there is no hope for the people of our area unless their Representatives in the Congress rise up in their defense to insist that the judgments of the Congress be carried out.

Mr. EDMONDSON. Mr. Speaker, I thank the gentleman for his fine contribution to this discussion. I especially appreciate his placing in the RECORD the wonderful address delivered by Mr. Clarence Byrns, the editor of the splendid newspaper in Fort Smith. I think it is one of the great speeches of all time on the subject of the Arkansas Basin development and I am very pleased that the gentleman placed it in the RECORD.

Mr. Speaker, I yield at this time to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I would also like to add my commendation to others that have been given the gentleman for his very fine presentation of what, to me, is a most fundamental and important principle.

I would emphasize that this is not something which is local to any given

area of the country, but which is applicable almost all over the United States where improvements are necessary for the better way of life of the people of our whole country.

I would like to bring out, however, one other thing. I think the gentleman will find that the power of the Bureau of the Budget is something which goes beyond even reclamation projects or power or other projects of that kind which have to do with the Corps of Engineers. I think the gentleman will find that the Bureau of the Budget exercises powers which are perhaps little understood by the people of this country; that they intimidate, for instance, some of the executive agencies of the Government itself asking for the necessary funds to do the job that they think they ought to do.

As an example of that in the Small Business Administration, as I went about the country into the various Small Business offices, I found continually a request that they be given additional staff in order to be able properly to execute their duties. And yet, when you come back here to Washington you find that the Bureau of the Budget has told the Small Business Administration that it cannot have any more money regardless of what the need may be.

It seems to me that the time has come for the Congress, perhaps, to go into the subject more fully of the powers of the Bureau of the Budget and particularly to see to it whether we should not have in the legislative branch what some State legislatures, including that of my own State of California, have set up, a legislative budget officer who could properly advise the Members of the Congress as to their rights in relation to the budget which is presented to us by the executive branch of the Government.

I want to add my commendation of the gentleman and say that I am sure he will have the support of all of us who have the same important principle in mind.

Mr. EDMONDSON. Mr. Speaker, I thank the genleman who has demonstrated once again his interest in the problems of the entire country, and all of the people of the United States. We deeply appreciate that interest.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to my colleague from Oklahoma.

Mr. ALBERT. Mr. Speaker, I had not intended to interrupt the gentleman from Oklahoma, my colleague, at this point. But I think in view of the excellent discussion we are having on this issue, this is an appropriate time to dispose of this phase of this matter.

First of all I desire to commend my distinguished and able colleague and friend for the fine presentation he is making, and I want to advise the House and the country what his own constituents know already, that the manner in which he has pursued the problem of the development of the Arkansas River Basin which runs through the heart of his district, and the effort and intelligence that he has put into this problem, have endeared him to his constituents and to all the people of Oklahoma. He has left no stone unturned to bring about the development of this great area which means so much to our people. The gentleman has instructed himself in a short period of time in all of the aspects of this problem, and he has pursued it with a zeal, which certainly in the end is bound to bring results. It was his efforts last year that resulted in an appropriation for the Eufaula Dam.

The gentleman and I share the problem connected with the development of the Arkansas. The great Arkansas River divides the eastern sections of our districts. The Canadian River, which is the largest of the tributaries of the Arkansas, also separates a portion of our districts. One of the most important projects in the whole Arkansas Basin is the Eufaula project, which when constructed will create a great reservoir that will bring benefits not only to his district and mine but to the entire State of Oklahoma and the entire Arkansas and Mississippi Basins.

I do not desire to discuss that point now, but while we are on this point of government by the Bureau of the Budget I would ask my colleague if it is not a fact that the action of the executive branch, particularly the Bureau of the Budget, in this instance has amounted to an item veto on the part of the executive department of a measure passed by the Congress.

Mr. EDMONDSON. In answer to that I would say to my distinguished colleague that it has, in my opinion, exceeded in effectiveness and also in seriousness an item veto, because in a veto the House within a very short time has the right of review of the decision.

Mr. ALBERT. The gentleman is correct.

Mr. EDMONDSON. In this instance we have not even had the opportunity to review the executive decision to hold up on construction, which is apparently the action which has been taken with reference to Dardanelle and Eufaula.

Mr. ALBERT. We have appropriated funds on approved projects recommended by the Corps of Engineers on legislation authorized many years ago by the Congress. Is it not a fact that under the circumstances the administration is refusing to proceed to carry out the will of Congress on projects which have greater economic value than unauthorized projects which the administration has sent up to the Congress this year?

Mr. EDMONDSON. I do not think that on justification there can be any question of the fact that there is full and ample justification for these projects. I am not completely acquainted with the justifications supplied on some of the other projects presented before this Congress but I do know the justification for the Arkansas basin program, and it is substantial. The last figures I saw for it were that the Arkansas Basin program would return annual benefits in excess of $60 million, that is, a $60-million return annually on this program, and I do not know of many programs that can claim anything approaching that.

Mr. ALBERT. Has the Bureau of the Budget or the White House furnished the gentleman or, to his knowledge, the citizens of the Arkansas basin, any reasons why the administration has blatantly refused to administer laws passed by the Congress?

Mr. EDMONDSON. The only reason supplied to me has been from lower echelons of authority to the effect that there has not been a clearance granted for construction, and that clearance was required as to all the items that had not been approved by the Bureau of the Budget.

Mr. ALBERT. I desire to ask the gentleman whether the administration contends that it is not proceeding with these internal improvements because the status of our international affairs will not justify them. Is that the reason why the administration is holding up these projects?

Mr. EDMONDSON. I think that might be implied in the statement that this particular project is not of sufficiently high priority at this time. But I do not know what legislative authority there is for the determination of greater priority for projects outside the United States, and nonmilitary projects on which our Government is preparing to spend literally hundreds of millions of dollars. Of course, I do not want to divert this discussion to the extent of discussing our entire foreign policy.

Mr. ALBERT. The gentleman who is addressing the House, as well as the gentleman from Arkansas [Mr. HAYS], and I, have consistently, supported the bipartisan-foreign program of this country, and I am sure we desire to continue to do so. In this connection, we have been told that the Secretary of State is reported to have said, that we can make the people of Egypt feel good toward us if we spend some several million dollars helping them to construct a dam. Do you not think the people of the Arkansas Basin would also feel pretty good about the Congress of the United States and the administration if they helped us with our problems too?

Mr. EDMONDSON. Not only would the people of our basin feel better about it, but I think the people of the United States as a whole would look with much greater favor on the construction of locks and dams on the Arkansas River than they will on the construction of a dam in faraway Egypt.

Mr. ALBERT. We have here the situation of the administration recommending that we spend money in a foreign country, which is reportedly trading in arms with Communist countries and yet the administration is refusing to carry out the mandates of Congress to build structures right here in the heart of the United States.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I will yield in a minute, but first I want to thank my good friend from the Third District of Oklahoma for his very generous remarks with regard to my own efforts and zeal in this instance. Personally, I am inclined to believe that his ability and knowledge of parliamentary procedures together with the great prestige which he enjoys in the House of Representatives, as well as the similar contributions of my good friends

the gentlemen from Arkansas [Mr. HAYS] and [Mr. TRIMBLE] have had a great deal more to do with the progress of this program than my own zeal in behalf of this program. But I do, of course, appreciate his remarks.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. HAYS of Arkansas. I am glad the gentleman deferred yielding long enough to say just that because I would like to speak to that point very briefly, and to say that his modesty is admirable and we know him to be a modest person. But one of the heartwarming things that happened at Tulsa, and I know my friend, the gentleman from Oklahoma [Mr. ALBERT] will be interested in this, was evidence of the great affection and respect that the people of the gentleman's district have for him and their awareness of the fight that he had made in behalf of their interests. I am happy to join in these tributes to our friend [Mr. EDMONDSON]. The gentleman from Oklahoma [Mr. ALBERT] made reference to the recommendations of the administration for a dam in a foreign country. As a member of the Committe on Foreign Affairs, I do not propose to prejudge the merits of that recommendation, but I do want to make this comment, and it will bear repetition, that this is not an expenditure—it is an investment. If they can bring the foreign dams that are proposed into that category of investments, it will, of course, be viewed with greater favor by the Congress or the proposals may be justified, perhaps, on a security basis. But the point is that if we are to help other countries, and if we are to meet our vast responsibilities in the defense of the free world, then the revenues of this Government must be maintained at a high level. We are proposing here an investment that will enable the people of the United States to continue to carry their obligations for defense. Without this vision and forward-looking policy that puts wealth producing projects into areas where there are latent resources, we can never hope to have permanently sound fiscal policies in these United States. So to that extent, I think the relationship of foreign investments or foreign expenditures to the problem at hand is logical. The reference is justified.

May I add that this is the only major river in the Nation that has not been developed. There is not a single instance in all the history of public works expenditures by this Government in which the benefits have not greatly exceeded the expenditures. In every instance in which the engineers' recommendations have been followed and the projects completed, the revenues of the Federal Government have profited as a result of it.

Mr. EDMONDSON. On that point I think the gentleman will recall the results of a study made several years ago which showed that the average benefits over about a 20-year period of developed navigation programs would exceed by 300 percent the initial estimates as to benefits by the Corps of Engineers.

Mr. HAYS of Arkansas. I am glad the gentleman has brought that out. The gentleman has given the executive department something to ponder in the facts he has marshaled today in the splendid statement he is making to the House. We would have a different situation and perhaps a less severe problem, if, instead of 1 budget, we had 2 budgets, one with current expenditures and receipts and another with the capital investments that do not belong in the current operations picture whatever. Some day the Congress may find a way to meet that situation in a simple way, and investment items may be properly viewed in relation to the expenditures for current operations.

I thank the gentleman profoundly for yielding to me.

Mr. EDMONDSON. I thank the gentitleman. I would like to yield at this time to another true champion of our Arkansas River Basin, one of the leaders for the adoption of these amendments, the gentleman from Arkansas [Mr. TRIMBLE].

Mr. TRIMBLE. Mr. Speaker, I do not intend to encumber the RECORD with a long statement. I do wish, however, to add my commendation to those of my colleagues for the fine statement made by the gentleman from Oklahoma [Mr. EDMONDSON].

In the Arkansas Basin we are in distress, to put it mildly. Here is a great artery of trade and commerce, impaled upon the whim of some person in the Bureau of the Budget, who I doubt has ever seen the artery. The gentleman from Arkansas [Mr. HAYS] has already asked permission to put into the RECORD a speech made by Mr. Byrns, and I would like at this time to ask unanimous consent to insert in the RECORD as a part of my remarks a speech made by Mr. Everett T. Winters at St. Louis. He is executive vice president of the Mississippi Valley Association.

The SPEAKER pro tempore. Is there objection?

There was no objection.

(The matter referred to is as follows:)

WATER AND WEALTH

(Address by Everett T. Winter, executive vice president, Mississippi Valley Association)

Opportunity sometimes wears strange disguises, but today I believe she beckons with open arms. It is not my prerogative to say whether she has knocked before in the Arkansas Valley. Much more important is to recognize what she offers now. I am convinced it is a great deal.

Just three decades ago to the month at a conference similar to the one we are holding here in Little Rock today, Herbert Hoover, then Secretary of Commerce, speaking in Kansas City, said:

"The topography of our country, the present and future necessities of our population, the development we have already accomplished, and, above all, the goodness of Providence in our natural water channels clearly define for us two major inland waterway systems, the Mississippi system and the Great Lakes system.

"I visualize the Mississippi system as 9,000 miles of connected waterways—a transportation system of which some 3,100 miles are trunk lines and 6,000 miles are laterals. That is, a main north-south trunk line 1,500 miles in length, reaching from New Orleans to Chicago and there connecting with the Great Lakes system, and crossing this, a great east-west trunk line 1,600 miles in length, from above Pittsburgh through Cairo to Kansas City. Over a large part of these main stems we can maintain 9 feet of depth.

"In addition to these main trunks we must diligently improve feeders through the Tennessee, the Cumberland, the Arkansas, the upper Missouri, the upper Mississippi, the Monongahela, the Allegheny, and other streams to workable depth for modern craft.

"It will serve the vast heart of American agriculture and will place great commercial and industrial cities with upwards of seven million people in the cheapest of communication with each other to cheaper transportation of agricultural and bulk commodities over a great hinterland of States."

Those words were spoken in 1925. In the intervening years much of Mr. Hoover's prophecy has been fulfilled. We have a 9-foot channel, or better, on the Mississippi River from Minneapolis and St. Paul to the Gulf of Mexico. We have a 9-foot channel on the Illinois River, connecting the Mississippi with the Great Lakes, and we have even started construction on the rebuilding of the Calumet-Sag Channel which links the Illinois Waterway with the Great Lakes and the commerce of the world. We have 9-foot channels on the Ohio and the Monongahela and we have successful commercial navigation on the Tennessee, the Cumberland, the Missouri, and the Allegheny.

There is only one link in the Mississippi system which Mr. Hoover visualized, on which his prophecy has not come to pass.

It is that link—the Arkansas—we have met here today to talk about.

Before we get down to cases on the Arkansas, let's look for a moment at what has happened on some of the other links. I am quite sure Mr. Hoover, in his most optimistic moment, did not foresee in 1925 what has happened on these rivers in the last few years.

The Tennessee River was carrying 2,869,000 tons of freight annually in 1943. By 1953 the annual tonnage had grown to 7,119,000 tons, and last year the Tennessee carried 8,415,000 tons of freight. In 1943, the Cumberland River carried less than three-quarters of a million tons of freight. By 1953 the annual traffic had grown to 2½ million tons, and the 1954 total was approximately the same.

Twelve years ago, the Missouri River carried less than 400,000 tons. In 1953, this traffic had grown to 966,000 tons and last year the total was a million and a half tons. Mr. Hoover mentioned the upper Mississippi. That stretch of the main stem carried 3,442,000 tons in 1943. By 1953 the traffic had increased to 14¾ million tons and last year the total was 16¼ million tons. The Monongahela consistently averages about 33 million tons a year and in 1953, the peak year thus far, the total was 33,370,000 tons. The Allegheny, also mentioned by Mr. Hoover, averages about 4 million tons annually. I could go on describing the amazing growth of inland waterway transportation in the last three decades since that history making conference was held back in 1925.

The figures I have cited emphasize other considerations which are even more significant.

Wherever these rivers have been developed and put to economic use for navigation, flood control, water for industry, and irrigation, new industries have been established, more jobs have been created, population has increased and the people have prospered. It is significant that there is in this country only one city with a population of a half million or more which is not located on or adjacent to commercial navigation. That city is Denver, and there have been other factors which have contributed to Denver's growth in recent years. Denver is great because of controlled water but in her case she used that water for the irrigation of dry land.

It is true today, and it will become increasingly true in the future, that water is

the key to industrial and population growth. Industry must have the advantage of low-cost water transportation for the assembly of bulk raw materials and to compete in world markets. Industry must also have water for manufacturing processes. The fact is that water is now the most widely used natural resource in manufacturing and the location of new industries depends in a large measure upon the availability of ample water supplies.

One of the significant developments of the postwar years has been the development of industry and the growth of population in the interior of this country. The center of population has moved steadily westward and southward, which is a trend that directly concerns us here today. Despite the fact that population and industry are moving in this direction along the Arkansas River you have suffered a loss in population and you have not enjoyed your share of the prosperity of the last three decades.

It seems obvious that one reason why this area has not kept pace is the fact that not nearly enough work has been done on the Arkansas River to link this section with the rest of the Mississippi Valley. This meeting today can, and should, be the turning point at which Arkansas and Oklahoma will be put on the bandwagon and assured their just share of the prosperity that inevitably follows the full development of a great river.

I am not suggesting that the great States of Arkansas and Oklahoma have not made important progress in their fight against the ravages of floods. Perhaps no State in the Union has impounded more potentially destructive floodwaters than has Arkansas. Your Senators and your Congressmen have rendered an impressive service in bringing about authorizations and appropriations by Congress which have made possible such great water-impounding projects as the reservoirs at Bull Shoals, Norfolk, Nimrod, Blue Mountain, Narrows, Table Rock, Blakely Mountain, and others. Oklahoma has likewise made significant progress with the Dennison, Oologah, Fort Gibson, Ten Killer Ferry reservoirs and others in that State.

But it is not enough merely to impound destructive floodwaters. It is the proper economic use of those surplus waters that changes a liability into a valuable asset. Oklahoma has not as yet made use of any of her impounded water for navigation and Arkansas, it must be said, has not used her stored water to the fullest extent for this purpose.

Let's look for a moment at what has happened to population in this area as a result of the lack of navigation. In Arkansas, along the Arkansas River from Little Rock to the Mississippi River, there are two counties which have made population gains and two others which show losses. The gains, which average 21.4 percent, are, as you might suspect, in counties that have river ports. The two counties which have suffered population losses averaging 13.2 percent have no river ports. If you follow the Arkansas River west of Little Rock you find 8 counties with an average loss in population of 18.6 percent and only 1 county that has shown a gain of 2.2 percent.

Down on the Ouachita River, only one county has gained population. That is Ouachita County which has an increase of 6.1 percent. Union, Ashley, Calhoun, and Bradley Counties have suffered an average loss of 10.8 percent, with Calhoun having suffered a loss of 26 percent in 10 years. The moral should be plain. There is a definite relationship in Arkansas between navigation and population.

Both Arkansas and Oklahoma suffered population losses in the decade between 1940 and 1950. The 1950 census showed that Arkansas' population had dropped from 1,949,387 in 1940 to 1,909,511 in 1950, a loss of 2 percent. In the same decade Oklahoma's population fell from 2,336,434 to 2,233,351, a loss of 4.4 percent.

I am certainly not suggesting that either State will continue to lose population. But I think it is clear that there are some specific things that can be done to not only offset the losses that have been suffered in the past but also to accelerate the growth of the future.

In this area you have some important advantages. I mentioned earlier the importance of water to industry—and you have in your systems of reservoirs ample water supplies to offer industry. Sometimes we do not realize how important such reservoirs are to industry. Let me cite just a few examples. It requires 65,000 gallons of water to make a ton of steel. It takes 1,000 gallons to produce a pound of rayon. It requires 300 gallons of water to make a barrel of beer. I could go on, but I think the point is clear. Water is needed for nearly all industrial processes and will be needed in far greater quantity in the future.

There are other aspects of the problem. The increasing use of air conditioning in home and factory means the use of more water. As population grows, so does the demand for domestic water supplies. Today industry uses eight times as much water as it did in 1900. By 1975 it is estimated industry will use two and a half times as much water as it does today. In fact, industry's withdrawal of water now about equals withdrawals for irrigation. Another way of putting it is the report of the President's Materials Policy Commission during World War II, which revealed that plans to build at least 300 industrial or military establishments had to be abondoned or modified because of an inadequate water supply.

The second requisite for industrial development is low cost transportation which means, of course, water transportation. Since the first colonists came to this country, industry has always located where it could take advantage of low cost water rates. Similarly, agriculture has prospered most where water transportation is available.

There are two faces to the transportation dollar. One is the saving made possible by the use of the waterways for the products for which this form of transportation is intended. It is a conservative estimate that these savings average more than $2 a ton on most commodities. The other side of the coin is the savings made possible by the influence of water transportation on rail rates. I could cite instance after instance in which water competition has materially lowered the rail rates, and we know from the experience of the past that once water competition was eliminated the rail rates would automatically increase.

For many factories, businesses and farmers, these transportation savings can mean the difference between profit and loss; between an expanded market and a restricted market, between overseas markets and sometimes no market at all.

To put it another way, it can be pointed out that on 11 of the principal navigation channels of this country today, waterway transportation is saving the shippers in freight costs a sum more than double the total of the amortization of the cost of construction, interest on the Federal investment in the channels and the cost of maintenance and operation. One waterway link shows a ratio of benefits to costs of as high as 14.8 to 1. This link happens to be the Gulf Intracoastal Waterway. On the lower Mississippi the ratio is 9.5 to 1, on the Monongahela it is 9.4 to 1. On the Illinois Waterway it is 8.1 to 1, and on the Ohio it is 7.3 to 1.

These ratios do not include the savings to shippers through water-compelled rail freight rates, nor the differential in handling costs of bulk commodities. Obviously, it is easier, cheaper, and faster to load or unload one 1,000-ton barge than twenty-five 40-ton coal cars, or 1 million-gallon barge than 100 10,000-gallon tank cars.

What do these figures mean to the people of Arkansas and Oklahoma? First, they mean that with ample water reserves and low-cost water transportation on the Arkansas River, you will build industry in these States. It means also that you will make agriculture more prosperous because low-water rates mean more return for the farmer on what he sells. More industry and a more prosperous agriculture mean more business for your wholesalers and retailers, more jobs for your people and a more stable and diversified economy.

There are a few skeptics who say navigation on the Arkansas River is not feasible. They say there are not enough products to be moved by water, and they insist that the improvement of the river for commercial navigation would cost far more than the traffic would justify.

In answer to them, we can point out that both the Army and the Congress have officially decreed that the Arkansas is navigable—and that the benefits more than justify the cost. Economic justification is one of the requisites for approval by both the Army engineers and the Congress, and it should be noted that the Army engineers in all their history of working with the inland waterways have never overestimated the benefit to cost ratio in determining the feasibility of a navigation project. In every instance where improvements have been made on their recommendation, the actual tonnages carried have exceeded their conservative estimates.

On the Ohio River, for example, the Army engineers' original estimate in 1908 was 9 million tons annually. In 1954 the actual traffic on the river amounted to 55 million tons. On the Illinois River, the estimate in 1933 was 8,330,000 tons. Traffic in 1954 on this link totaled 15,364,000 tons. For the upper Mississippi project, the estimate in 1930 was 9 million tons annually. In 1954 this section of the river carried 16,205,000 tons.

No one who is familiar with the spectacular development of inland waterway transportation can doubt that the estimates for the Arkansas are even more conservative. There are many commodities and raw materials which would contribute to impressive tonnages on the Arkansas if the river were improved for navigation. Millions of tons of steel are used each year by the oil industry. More steel is used in the construction industry and by fabricators. Savings running into millions of dollars annually could be made if this steel could move from the steel centers of the Middle West into these States by water. In Oklahoma alone it is estimated that about a half million tons of the materials used to make fertilizers are shipped in annually. Water transportation would lower the cost of these fertilizers to the farmers.

One of the principal cash crops of this area is cotton. Cotton, as you know, requires a great deal of commercial fertilizer. Farmers of this area can make substantial savings not only on fertilizers manufactured in this area but also on commercial fertilizers shipped into this area. Let me cite a specific example: The rail rate on fertilizer from Sheffield, Ala., to Fort Smith, with 60,000 pounds minimum, is $9.40 per ton plus 15 percent plus 3 percent; on a 30,000-pound minimum shipment the rate is $10 per ton plus 15 percent plus 3 percent. The barge rate from Sheffield, Ala., to Helena, Ark., on fertilizer, with a 500-ton minimum, is $2.76 per ton plus 15 percent plus 3 percent; on a 400-ton minimum the rate is $3.20 per ton plus 15 percent plus 3 percent. This is one side of the story. Let's look at the other side—the rail rate on cotton from Fort Smith, Ark., to New Orleans, with a minimum shipment of 25,000 pounds is $16.80 per ton

plus 15 percent plus 3 percent; on a 65,000-pound minimum the rail rate is $13 per ton plus 15 percent plus 3 percent. The barge rate on cotton from Memphis to New Orleans, with a 300-ton minimum shipment, is $2.84 per ton plus 15 percent plus 3 percent. You can see from these figures that the farmer will benefit immensely when water transportation is available in this area, not only in the low-cost barge rates but also in the influence these rates will have on rail rates.

This area ships vast quantities of petroleum and petroleum products which can move by water. Bauxite is an important raw material from this area which can move by water. Wheat and rice are agricultural commodities which can find ready markets at home and abroad if water transportation is available. Eastern Oklahoma has reserves of high-grade coal estimated at 5 billion tons. Today that coal is virtually priced out of the market because of high freightrates.

The improvement of the Arkansas River for navigation was authorized by Congress in 1938. Since then there have been other authorizations for some of the flood-control reservoirs which will contribute to navigation. I submit to you it is time something happend to bring this authorization to a reality. I can promise you the wholehearted support of the Mississippi Valley Association, which I represent.

Our platform for 1955, unanimously adopted at our last annual meeting, recommended that "Congress appropriate sufficient funds to expedite the authorized project for the Arkansas Basin for flood control, bank stabilization, navigation and incidental hydroelectric power." In addition, we made specific recommendations for key dams in both States, for the Ouachita Basin, the St. Francis Basin, the Cache Basin and the White River Basin. We stand ready to work with you in these projects.

We cannot afford to think in small terms or make little plans for the future. I am convinced it is time we take a long hard look at our program of permanent public works, not only in the Arkansas Basin, but everywhere in this country. By 1975 it is now estimated we will have in the United States a population of 200 million people. This is a gain of 40 million and is the equivalent of the total population of the six New England States, plus New York, Pennsylvania and Maryland.

It is estimated it will take 121 million hogs, 10,500,000 cattle, 30 billion pounds of fluid milk, and nearly 15 billion dozen eggs just to feed the newcomers in the next 20 years, to say nothing of the clothing, houses, automobiles and other things they will require. We need to lift our sights on the public improvements the newcomers will need, too. We shall need more transportation, larger water reserves, more roads and many other things. I said at the outset that opportunity in Arkansas and Oklahoma beckons with open arms. Perhaps it is more accurate to suggest that opportunity is pleading with us in our deliberations today to act now to bring about the development authorized by Congress, to build up the industry and agriculture of these States and to come into the heritage that is rightfully yours to possess and to use to build a better life and a more stable economy.

Mr. TRIMBLE. Mr. Winters and Mr. Byrns have outlined far more ably than I could the situation on the Arkansas River, and its great merit. As far as I am personally concerned, I join with my colleagues and all of the others in their effort to effect the construction of this great project which when completed will add so much to the lifeblood of commerce in the great Southwest, of which we are all proud. It is a proud section of this great land of ours. We are for the whole country, and we think the development of the East, the North, the South, the West, or any section helps us. We also feel that the development of the Southwest, particularly the Arkansas basin, will be a good thing for the country as a whole.

Mr. EDMONDSON. I thank the gentleman, and I appreciate also his inserting the fine speech made by Mr. Winters of the Mississippi Valley Association. It is a fine address, and we are deeply appreciative of the support of that splendid association.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. WICKERSHAM. I wish to compliment the gentleman from Oklahoma for his diligence in this matter. I trust that the Administration will have this program well under way by 1957, the 50th anniversary of our great State. It will not only promote commerce and industry but it will also save a great amount of property and quite a number of lives, and it will also help us to reduce the high freight rates we have to pay in Oklahoma.

Mr. EDMONDSON. I thank my colleague for his most timely remarks. I too hope we can celebrate our 50th anniversary with full steam ahead on the Arkansas River Basin project.

Mr. Speaker, I ask unanimous consent to extend in the RECORD at this point an exchange of correspondence between myself and the chairman of the House Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], and also a statement from our colleague from Oklahoma [Mr. JARMAN].

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

(The matter referred to follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 8, 1956.

Hon. CLARENCE CANNON,
House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: I respectfully call your attention to special orders granted in my name on next Monday and Tuesday, February 13 and 14—at which time several of us in the Oklahoma and Arkansas delegations will be discussing a matter of great urgency to our States: continuation of the Arkansas Basin development program.

We do not wish to impose unnecessarily upon the time of the House, but believe all Members will wish to be informed on a matter involving a question of grave importance to this Congress: whether the Executive, after signing into law an appropriation bill providing for starts on construction of two important dams in adjoining States, can thereafter block legislative will and direction by delaying construction and using the Budget Bureau to head off further appropriations?

The Eufaula and Dardanelle Dams, and the Arkansas Basin program—which Congress voted to get under way last session—are now being held up under these conditions.

We do not believe Congress will accept this situation, and we will be seeking your understanding and help next Monday and Tuesday. Many thanks.

Sincerely yours,

ED EDMONDSON.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON APPROPRIATIONS,
Washington, D. C., February 10, 1956.

Hon. ED EDMONDSON,
House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: Have your letter of February 8 and am in heartiest accord.

You may be certain I shall cooperate at every opportunity.

With kindest regards and best wishes,

Your friend,

CLARENCE CANNON.

REMARKS OF REPRESENTATIVE JOHN JARMAN

Mr. Speaker, I join with my Oklahoma colleagues and with our fellow colleagues from Arkansas in urging the prompt continuation and completion of the Arkansas Basin development program.

I believe that Congress has made clear its intent to push this program to completion and that this intent should not be circumvented by executive action through the Bureau of the Budget.

This project should not be postponed any longer.

Mr. EDMONDSON. Mr. Speaker, we have been extremely gratified in the support of the Arkansas Basin program and the expression of willingness to help us from the chairman of the House Committee on Appropriations.

Mr. FERNANDEZ. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to my colleague from New Mexico.

Mr. FERNANDEZ. I want to take this time to thank both the Oklahoma delegation and the Arkansas delegation for the splendid help they have given us in our flood control irrigation problems in New Mexico in the past. We appreciate the splendid cooperation we have received from both these delegations.

As a member of the Committee on Appropriations I shall do everything I can for the gentleman's project, for I believe in the development of the resources of our country.

I see before me over the Speaker's dais a quotation from the words of Daniel Webster. If the gentleman will allow me, I shall read it:

Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

I thank the gentleman, again, and his colleagues for their cooperation in such projects, which we are always happy to reciprocate.

Mr. EDMONDSON. I thank my very good friend from New Mexico.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to my colleague from Oklahoma.

Mr. ALBERT. I thank the gentleman, and again I want to commend my colleague. I am pleased that the gentleman has mentioned the Eufaula Reservoir as one of the great projects in the Arkansas system for which $450,000 was appropriated last year. Is that not correct?

Mr. EDMONDSON. It is.

Mr. ALBERT. I will ask the gentleman first of all if the Eufaula Reservoir

would not impound waters on the largest tributary of the Arkansas.

Mr. EDMONDSON. It would impound waters both on the North Canadian and the South Canadian.

Mr. ALBERT. I will ask him also if this has not been considered by the Corps of Engineers as one of the key structures in the development of the Arkansas.

Mr. EDMONDSON. It has been from the very inception of the plan for the Arkansas Basin project.

Mr. ALBERT. I ask my colleague whether the overall program, particularly the navigation program, of the Arkansas depends largely upon the previous construction of the Eufaula Reservoir due to its great silt-retaining capacity. Is that not true?

Mr. EDMONDSON. It is my understanding that navigation will not be feasible until the Eufaula Dam has been constructed, and there is no point in talking about navigation until it is constructed.

Mr. ALBERT. I now ask my friend if it is not also true that notwithstanding the present policy of the administration regarding the construction of hydroelectric power dams, the Eufaula Dam is nevertheless one of the rare projects where the production of hydroelectric power can be justified under that policy. Is that not true?

Mr. EDMONDSON. It is my understanding that the justification for the Eufaula Dam can be sustained even under revised circular A–47 because of its power potential and because of its great flood protection potential and other benefits.

Mr. ALBERT. I thank the gentleman.

BUILDING COSTS

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, I speak today of a matter which is causing grave concern among home builders throughout this great Nation.

It is estimated that there are now 46,800,000 dwelling units in existence. Fifty-six percent of these are owned outright by the occupants. The average or typical home price for new construction, nationwide, at this time, is ten to fifteen thousand dollars. Residential construction from 1950 to the present time amounted to a gross sum of $79 million. The Commerce Department estimate for 1956 is for $44 billion for home construction and 1,200,000 units including 92,000 prefabricated homes would be built. In 1955, 1,300,000 were built.

Truly, America is a great Nation; prosperous, growing, and freedom loving. We have managed to provide housing for a great proportion of our citizens regardless of income. Nothing like this has ever been accomplished elsewhere. Nothing behind the Iron Curtain approaches it.

You are familiar, I am sure, with the many problems facing America's homeowners and home builders today. Building costs are at an all-time high. There are taxes, gas, light, and water bills, and other incidental expenses which must be paid. But one problem that is among those of grave concern to the majority of home builders and of homeowners is the home mortgage.

Home mortgages are held by savings and loan associations, life insurance companies, and commercial banks.

Banking and lending institutions, most of them on Wall Street, control this Nation's mortgage debt to the extent of $82.8 billion.

But here is the basic problem of immediate concern: If a home builder or homeowner wishes to mortgage his home, he finds it very difficult and frequently impossible to get a banking or lending institution to accept his mortgage unless he is willing to pay a premium, or in other words, accept a discount. The banks now discount as much as 5 percent before they purchase the mortgage. This means that for every $10,000 mortgage bought, $500 is immediately collected by the lending institution. This discount is in addition to the normal handling or service charges plus interest during the life of the mortgage.

The annual take on this apparently is well in excess of half a billion dollars—out of the pockets of America's home builders. It is difficult to understand how this situation could have been permitted to arise—more difficult to understand how it is permitted to continue. The lending institutions have nothing to lose in that mortgages are guaranteed as safe papers by the Federal Government. There is no element of risk for them.

It is a condition which should be corrected immediately. The Federal Government should provide, if necessary, a ready market for home mortgages. In fairness to business, this Federal mortgage market should be available only when the mortgages cannot be sold on the private market without excessive discounts. Five percent or any amount approaching it is an excessive discount.

In order for this matter to be successfully resolved, the Congress should enact new basic legislation or re-enact legislative provisions, previously in force, to assure the homeowner this saving. The proper agency of Government should be empowered immediately by Congress to purchase these mortgages from the homeowner at any time and in any amount justified by national conditions for the protection of American families and their homes.

UPPER COLORADO STORAGE PROJECT

The SPEAKER pro tempore (Mr. BOGGS). Under previous order of the House, the gentleman from New Mexico [Mr. FERNANDEZ] is recognized for 15 minutes.

Mr. FERNANDEZ. Mr. Speaker, in a few days, we hope, the upper Colorado storage project bill will be before us for consideration. The able members of the Committee on the Interior who have worked on this bill now for 2 years, will show the membership of the House, if given the opportunity, the vast importance of this project, and that it is feasible, that it is sound, and that it is necessary.

But before they can do that, the rule making consideration of the bill in order must be passed. My purpose today is only to plead, on behalf of my State, and on behalf of the other States affected—yes, and on behalf of all the States—to give us the opportunity to debate the bill on its merits, to consider it, and to vote on it.

I urge the membership to vote for the rule so that these States, so deeply interested in the harnessing, storage, and utilization of the upper Colorado River waters, may not be foreclosed from presenting the facts, and so that Members be not foreclosed from hearing the facts on the merits of the bill.

As one indication of the importance of this bill, let me respectfully remind the House that a great and solemn pact between the upper and lower States of the Colorado Basin was entered into in Santa Fe 34 years ago, dividing the waters of the river for purposes of orderly development and utilization. That pact between those States, and affecting also our neighbor republic of Mexico, was made under the authority of Congress and approved by it.

That great and solemn pact is and will be a nullity, and its great purpose will be frustrated, so far as the upper Colorado River States are concerned, unless orderly development of the upper Colorado River is undertaken.

That solemn compact allocated 7½ million acre-feet of water per year to the lower basin, 7½ million acre-feet of water to the upper basin, and 1½ million acre-feet of water to the republic of Mexico. Mexico is getting, instead, and will continue to get unless the compact is carried out, as much as 4 million acre-feet per year. The compact is useless to us in the upper States unless we can have storage reservoirs to impound our share of the waters, and to put them to use.

The lower basin, with the construction of Hoover Dam, and other reservoirs, huge tunnels and canals, and vast hydroelectric works, has been fully developed at a cost of many hundreds of millions of dollars. Hundreds of thousands of people from New Mexico, Oklahoma, and other States have poured into California to operate irrigation farms or to work on irrigation farms, and in the vast industrial plants which were made possible by that development. We do not begrudge California any of it, but rejoice with it in its phenomenal growth.

All we ask is that we be given the same opportunity and the same assistance from the Federal Government, which alone can make such development possible. It is true that it will cost hundreds of millions of dollars, a sum that seems vast when you look at the entire upper-basin proposal; but the only sensible way to direct its development is by an orderly planning for the entire basin now.

These amounts of money will be expended, not now but through many decades in the future, on plans which we are asking Congress to make now in the interests of efficient and orderly development. We are asking the Congress to plan not for ourselves of this generation, but for all posterity and for many generations to come. None of us will live

to see all of these projects completed and put into operation. These plans are for the future of our country, and those future generations will bless the courage and the vision of this Congress, or whatever Congress does authorize such plans.

As these waters and the power development are put to beneficial use, and even as the work progresses, millions and eventually billions of dollars will be returned in taxes to the Treasury in the years to come, over and above direct repayments on the sums advanced.

Indeed, if one but stops to think, the amount to be expended in this project during the contemplated 30 to 50 years of its development is not so large, compared to like expenditures made in the 30-year period of development in the lower basin, at a time when dollars were harder to get and of higher value in purchasing power.

We are grieved, of course, that people in the lower basin who profited by 30 years' development under the compact through the aid of Congress now seek to prevent the carrying out of the compact insofar as the upper States are concerned. The compact would be useless, meaningless, a travesty on the good faith of our people and of our States, if they succeed. If they succeed, a grave and irreparable injustice will be done.

Great public utilities able to serve the many great defense plants and other industrial establishments in southern California have flourished there. These great corporations have done and are doing a splendid work.

I am proud to say that in 1928 the Honorable John Morrow, in this House, as Representative from New Mexico; the Honorable Edward T. Taylor, of Colorado; Senator Sam Bratton, of New Mexico; Senators Phipps and Waterman, of Colorado; Senator John B. Kendrick, of Wyoming; and Senator William King, of Utah; and other Representatives and Senators from the upper States, stood with California in the battle for the construction of Hoover Dam against great opposition and helped make possible the development of southern California.

Can we be blamed if we grieve now, when those great utility and industrial corporations which we helped make possible, should now use their great strength to nullify the benefits of the Santa Fe compact as it applies to us?

It is said that a corporation is defined as an artificial person created by law, with power to sue and be sued, to contract and be contracted with, and to carry on the business for which it was created. The law can and does invest a corporation with almost all of the attributes of a natural person in the business world, but there is one thing that the law cannot do: it cannot invest a corporation with a heart or a conscience.

Understandably a corporation acts with one goal in mind and one goal only, to provide and to preserve profits and advantages for its stockholders. It is concerned with that and that only. In that endeavor such corporations feel justified in expending vast sums of money to ward off any possible danger real or imaginary which might in the distant future stand in the way of their expansion, and in the way of expanded profits and advantages for their stockholders.

But the Members of this House, this Congress, and the Nation do have a heart and do have a conscience. They know what is going on. There is no money—no matter how lush the funds may be, no matter how strong the adverse propaganda provided by those funds may be—that will prevail against right and justice before this House, the Congress, and the Nation. We have faith that right and justice will prevail.

ALASKA'S CONSTITUTION

The SPEAKER pro tempore. Under previous order of the House, the Delegate from Alaska [Mr. BARTLETT] is recognized for 45 minutes.

Mr. BARTLETT. Mr. Speaker, on Sunday, February 5, 1956, delegates to the Alaska Constitutional Convention, in session at the University of Alaska for the preceding 75 days, affixed their signatures to a constitution for the future State of Alaska. This constitution, including two ordinances, will be presented to the voters of Alaska for ratification or rejection April 24.

Since under terms of pending statehood legislation the Alaska constitution must have the approval of the Congress prior to admission of Alaska as a State of the Union, I take especial pleasure in presenting here the constitution written by the 6 women and 40 men who served as delegates:

CONSTITUTION OF THE STATE OF ALASKA

(Preamble)

We the people of Alaska, grateful to God and to those who founded our Nation and pioneered this great land, in order to secure and transmit to succeeding generations our heritage of political, civil, and religious liberty within the Union of States, do ordain and establish this constitution for the State of Alaska.

ARTICLE I

Declaration of rights

Inherent Rights

SECTION 1. This constitution is dedicated to the principles that all persons have a natural right to life, liberty, the pursuit of happiness, and the enjoyment of the rewards of their own industry, that all persons are equal and entitled to equal rights, opportunities, and protection under the law, and that all persons have corresponding obligations to the people and to the State.

Source of Government

SEC. 2. All political power is inherent in the people. All government originates with the people, is founded upon their will only, and is instituted solely for the good of the people as a whole.

Civil Rights

SEC. 3. No person is to be denied the enjoyment of any civil or political right because of race, color, creed, or national origin. The legislature shall implement this section.

Freedom of Religion

SEC. 4. No law shall be made respecting an establishment of religion, or prohibiting the free exercise thereof.

Freedom of Speech

SEC. 5. Every person may freely speak, write, and publish on all subjects, being responsible for the abuse of that right.

Assembly, Petition

SEC. 6. The right of the people peaceably to assemble, and to petition the government shall never be abridged.

Due Process

SEC. 7. No person shall be deprived of life, liberty, or property, without due process of law. The right of all persons to fair and just treatment in the course of legislative and executive investigations shall not be infringed.

Grand Jury

SEC. 8. No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the Armed Forces in time of war or public danger. Indictment may be waived by the accused. In that case the prosecution shall be by information. The grand jury shall consist of at least 12 citizens, a majority of whom concurring may return an indictment. The power of grand juries to investigate and make recommendations concerning the public welfare or safety shall never be suspended.

Jeopardy and Self-Incrimination

SEC. 9. No person shall be put in jeopardy twice for the same offense. No person shall be compelled in any criminal proceeding to be a witness against himself.

Treason

SEC. 10. Treason against the State consists only in levying war against it, or in adhering to its enemies, giving them aid and comfort. No person shall be convicted of treason, unless on the testimony of two witnesses to the same overt act, or on confession in open court.

Rights of Accused

SEC. 11. In all criminal prosecutions, the accused shall have the right to a speedy and public trial, by an impartial jury of 12, except that the legislature may provide for a jury of not more than 12 nor less than 6 in courts not of record. The accused is entitled to be informed of the nature and cause of the accusation, to be released on bail, except for capital offenses when the proof is evident or the presumption great, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

Excessive Punishment

SEC. 12. Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted. Penal administration shall be based on the principle of reformation and upon the need for protecting the public.

Habeas Corpus

SEC. 13. The privilege of the writ of habeas corpus shall not be suspended, unless when in cases of rebellion or actual or imminent invasion, the public safety requires it.

Searches and Seizures

SEC. 14. The right of the people to be secure in their persons, houses and other property, papers, and effects, against unreasonable searches and seizures, shall not be violated. No warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Prohibited State Action

SEC. 15. No bill of attainder or ex post facto law shall be passed. No law impairing the obligation of contracts, and no law making any irrevocable grant of special privileges or immunities shall be passed. No conviction shall work corruption of blood or forfeiture of estate.

Civil Suits; Trial by Jury

SEC. 16. In civil cases where the amount in controversy exceeds $250, the right of trial by a jury of 12 is preserved to the same extent as it existed at common law. The legislature may make provision for a verdict by not less than three-fourths of the jury and, in courts not of record, may provide for a jury of not less than 6 or more than 12.

Imprisonment for Debt

SEC. 17. There shall be no imprisonment for debt. This section does not prohibit civil arrest of absconding debtors.

Eminent Domain

SEC. 18. Private property shall not be taken or damaged for public use without just compensation.

Right to Bear Arms

SEC. 19. A well-regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed.

Quartering Soldiers

SEC. 20. No member of the Armed Forces shall in time of peace be quartered in any house without the consent of the owner or occupant, or in time of war except as prescribed by law. The military shall be in strict subordination to the civil power.

Construction

SEC. 21. The enumeration of rights in this constitution shall not impair or deny others retained by the people.

ARTICLE V

The legislature

Legislative Power; Membership

SEC. 1. The legislative power of the State is vested in a legislature consisting of a senate with a membership of 20 and a house of representatives with a membership of 40.

Members; Qualifications

SEC. 2. A member of the legislature shall be a qualified voted who has been a resident of Alaska for at least 3 years and of the district from which elected for at least 1 year, immediately preceding his filing for office. A senator shall be at least 25 years of age and a representative at least 21 years of age.

Election and Terms

SEC. 3. Legislators shall be elected at general elections. Their terms begin on the fourth Monday of the January following election unless otherwise provided by law. The term of representatives shall be 2 years, and the term of senators 4 years. One-half of the senators shall be elected every 2 years.

Vacancies

SEC. 4. A vacancy in the legislature shall be filled for the unexpired term as provided by law. If no provision is made, the governor shall fill the vacancy by appointment.

Disqualifications

SEC. 5. No legislator may hold any other office or position of profit under the United States or the State. During the term for which elected and for 1 year thereafter, no legislator may be nominated, elected, or appointed to any other office or position of profit which has been created, or the salary or emoluments of which have been increased, while he was a member. This section shall not prevent any person from seeking or holding the office of governor, secretary of state, or Member of Congress. This section shall not apply to employment by or election to a constitutional convention.

Immunities

SEC. 6. Legislators may not be held to answer before any other tribunal for any statement made in the exercise of their legislative duties while the legislature is in session. Members attending, going to, or returning from legislative sessions are not subject to civil process and are privileged from arrest except for felony or breach of the peace.

Salary and Expenses

SEC. 7. Legislators shall receive annual salaries. They may receive a per diem allowance for expenses while in session and are entitled to travel expenses going to and from sessions. Presiding officers may receive additional compensation.

Regular Sessions

SEC. 8. The legislature shall convene each year on the fourth Monday in January, but the month and day may be changed by law.

Special Sessions

SEC. 9. Special sessions may be called by the governor or by vote of two-thirds of the legislators. The vote may be conducted by the legislative council or as prescribed by law. At special sessions called by the governor, legislation shall be limited to subjects designated in his proclamation calling the session or to subjects presented by him. Special sessions are limited to 30 days.

Adjournment

SEC. 10. Neither house may adjourn or recess for longer than 3 days unless the other concurs. If the two houses cannot agree on the time of adjournment and either house certifies the disagreement to the governor, he may adjourn the legislature.

Interim Committees

SEC. 11. There shall be a legislative council, and the legislature may establish other interim committees. The council and other interim committees may meet between legislative sessions. They may perform duties and employ personnel as provided by the legislature. Their members may receive an allowance for expenses while performing their duties.

Rules

SEC. 12. The houses of each legislature shall adopt uniform rules of procedure. Each house may choose its officers and employees. Each is the judge of the election and qualifications of its members and may expel a member with the concurrence of two-thirds of its members. Each shall keep a journal of its proceedings. A majority of the membership of each house constitutes a quorum to do business, but a smaller number may adjourn from day to day and may compel attendance of absent members. The legislature shall regulate lobbying.

Form of Bills

SEC. 13. Every bill shall be confined to one subject unless it is an appropriation bill or one codifying, revising, or rearranging existing laws. Bills for appropriations shall be confined to appropriations. The subject of each bill shall be expressed in the title. The enacting clause shall be: "Be it enacted by the Legislature of the State of Alaska."

Passage of Bills

SEC. 14. The legislature shall establish the procedure for enactment of bills into law. No bill may become law unless it has passed 3 readings in each house on 3 separate days, except that any bill may be advanced from second to third reading on the same day by concurrence of three-fourths of the house considering it. No bill may become law without an affirmative vote of a majority of the membership of each house. The yeas and nays on final passage shall be entered in the journal.

Veto

SEC. 15. The governor may veto bills passed by the legislature. He may, by veto, strike or reduce items in appropriation bills. He shall return any vetoed bill, with a statement of his objections, to the house of origin.

Action Upon Veto

SEC. 16. Upon receipt of a veto message, the legislature shall meet immediately in joint session and reconsider passage of the vetoed bill or item. Bills to raise revenue and appropriation bills or items, although vetoed, become law by affirmative vote of three-fourths of the membership of the legislature. Other vetoed bills become law by affirmative vote of two-thirds of the membership of the legislature. The vote on reconsideration of a vetoed bill shall be entered on the journals of both houses.

Bills Not Signed

SEC. 17. A bill becomes law if, while the legislature is in session, the governor neither signs nor vetoes it within 15 days, Sundays excepted, after its delivery to him. If the legislature is not in session and the governor neither signs nor vetoes a bill within 20 days, Sundays excepted, after its delivery to him, the bill becomes law.

Effective Date

SEC. 18. Laws passed by the legislature become effective 90 days after enactment. The legislature may, by concurrence of two-thirds of the membership of each house, provide for another effective date.

Local or Special Acts

SEC. 19. The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination. Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected.

Impeachment

SEC. 20. All civil officers of the State are subject to impeachment by the legislature. Impeachment shall originate in the senate and must be approved by a two-thirds vote of its members. The motion for impeachment shall list fully the basis for the proceeding. Trial on impeachment shall be conducted by the house of representatives. A supreme court justice designated by the court shall preside at the trial. Concurrence of two-thirds of the members of the house is required for a judgment of impeachment. The judgment may not extend beyond removal from office, but shall not prevent proceedings in the courts on the same or related charges.

Suits Against the State

SEC. 21. The legislature shall establish procedures for suits against the State.

ARTICLE III

The Executive

Executive Power

SECTION 1. The executive power of the State is vested in the governor.

Governor: Qualifications

SEC. 2. The governor shall be at least 30 years of age and a qualified voter of the State. He shall have been a resident of Alaska at least 7 years immediately preceding his filing for office, and he shall have been a citizen of the United States for at least 7 years.

Election

SEC. 3. The governor shall be chosen by the qualified voters of the State at a general election. The candidate receiving the greatest number of votes shall be governor.

Term of Office

SEC. 4. The term of office of the governor is 4 years beginning at noon on the first Monday in December following his election and ending at noon on the first Monday in December 4 years later.

Limit on Tenure

SEC. 5. No person who has been elected governor for 2 full successive terms shall be again eligible to hold that office until 1 full term has intervened.

Dual Office Holding

SEC. 6. The governor shall not hold any other office or position of profit under the United States, the State, or its political subdivisions.

Secretary of State: Duties

SEC. 7. There shall be a secretary of state. He shall have the same qualifications as the governor and serve for the same term. He shall perform such duties as may be prescribed by law and as may be delegated to him by the governor.

Election

SEC. 8. The secretary of state shall be nominated in the manner provided by law for nominating candidates for other elective offices. In the general election the votes cast for a candidate for governor shall be considered as cast also for the candidate for secretary of state running jointly with him. The candidate whose name appears on the ballot jointly with that of the successful candidate for governor shall be elected secretary of state.

Acting Governor

SEC. 9. In case of the temporary absence of the governor from office, the secretary of state shall serve as acting governor.

Succession; Failure To Qualify

SEC. 10. If the government-elect dies, resigns, or is disqualified, the secretary of state elected with him shall succeed to the office of governor for the full term. If the governor-elect fails to assume office for any other reason the secretary of state elected with him shall serve as acting governor, and shall succeed to the office if the governor-elect does not assume his office within 6 months of the beginning of the term.

Vacancy

SEC. 11. In case of a vacancy in the office of governor for any reason, the secretary of state shall succeed to the office for the remainder of the term.

Absence

SEC. 12. Whenever for a period of 6 months, a governor has been continuously absent from office or has been unable to discharge the duties of his office by reason of mental or physical disability the office shall be deemed vacant. The procedure for determining absence and disability shall be prescribed by law.

Further Succession

SEC. 13. Provision shall be made by law for succession to the office of governor and for an acting governor in the event that the secretary of state is unable to succeed to the office or act as governor. No election of a secretary of state shall be held except at the time of electing a governor.

Title and Authority

SEC. 14. When the secretary of state succeeds to the office of governor, he shall have the title, powers, duties, and emoluments of that office.

Compensation

SEC. 15. The compensation of the governor and the secretary of state shall be prescribed by law and shall not be diminished during their term of office, unless by general law applying to all salaried officers of the State.

Governor; Authority

SEC. 16. The governor shall be responsible for the faithful execution of the laws. He may, by appropriate court action or proceeding brought in the name of the State, enforce compliance with any constitutional or legislative mandate, or restrain violation of any constitutional or legislative power, duty, or right by any officer, department, or agency of the State or any of its political subdivisions. This authority shall not be construed to authorize any action or proceeding against the legislature.

Convening Legislature

SEC. 17. Whenever the governor considers it in the public interest, he may convene the legislature, either house, or the two houses in joint session.

Messages to Legislature

SEC. 18. The governor shall, at the beginning of each session, and may at other times, give the legislature information concerning the affairs of the State and recommend the measures he considers necessary.

Military Authority

SEC. 19. The governor is commander-in-chief of the armed forces of the State. He may call out these forces to execute the laws, suppress or prevent insurrection or lawless violence, or repel invasion. The governor, as provided by law, shall appoint all general and flag officers of the armed forces of the State, subject to confirmation by a majority of the members of the legislature in joint session. He shall appoint and commission all other officers.

Martial Law

SEC. 20. The governor may proclaim martial law when the public safety requires it in case of rebellion or actual or imminent invasion. Martial law shall not continue for longer than 20 days without the approval of the majority of the members of the legislature in joint session.

Executive Clemency

SEC. 21. Subject to procedure prescribed by law, the governor may grant pardons, commutations, and reprieves, and may suspend and remit fines and forfeitures. This power shall not extend to impeachment. A parole system shall be provided by law.

Executive Branch

SEC. 22. All executive and administrative offices, departments, and agencies of the State government and their respective functions, powers, and duties shall be allocated by law among and within not more than 20 principal departments, so as to group them as far as practicable according to major purposes. Regulatory, quasi-judicial, and temporary agencies may be established by law and need not be allocated within a principal department.

Reorganization

SEC. 23. The governor may make changes in the organization of the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive order. The legislature shall have 60 days of a regular session, or a full session if of shorter duration, to disapprove these executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

Supervision

SEC. 24. Each principal department shall be under the supervision of the governor.

Department Heads

SEC. 25. The head of each principal department shall be a single executive unless otherwise provided by law. He shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session, and shall serve at the pleasure of the governor, except as otherwise provided in this article with respect to the secretary of state. The heads of all principal departments shall be citizens of the United States.

Boards and Commissions

SEC. 26. When a board or commission is at the head of a principal department or a regulatory or quasi-judicial agency, its members shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session, and may be removed as provided by law. They shall be citizens of the United States. The board or commission may appoint a principal executive officer when authorized by law, but the appointment shall be subject to the approval of the governor.

Recess Appointments

SEC. 27. The governor may make appointments to fill vacancies occurring during a recess of the legislature, in offices requiring confirmation by the legislature. The duration of such appointments shall be prescribed by law.

ARTICLE IV

The judiciary

Judicial Power and Jurisdiction

SEC. 1. The judicial power of the State is vested in a supreme court, a superior court, and the courts established by the legislature. The jurisdiction of courts shall be prescribed by law. The courts shall constitute a unified judicial system for operation and administration. Judicial districts shall be established by law.

Supreme Court

SEC. 2. The supreme court shall be the highest court of the State, with final appellate jurisdiction. It shall consist of three justices, one of whom is chief justice. The number of justices may be increased by law upon the request of the supreme court.

Superior Court

SEC. 3. The superior court shall be the trial court of general jurisdiction and shall consist of five judges. The number of judges may be changed by law.

Qualifications of Justices and Judges

SEC. 4. Supreme court justices and superior court judges shall be citizens of the United States and of the State licensed to practice law in the State, and possessing any additional qualifications prescribed by law. Judges of other courts shall be selected in a manner, for terms, and with qualifications prescribed by law.

Nomination and Appointment

SEC. 5. The governor shall fill any vacancy in an office of supreme court justice or superior court judge by appointing one of two or more persons nominated by the judicial council.

Approval or Rejection

SEC. 6. Each supreme court justice and superior court judge shall, in the manner provided by law, be subject to approval or rejection on a nonpartisan ballot at the first general election held more than 3 years after his appointment. Thereafter each supreme court justice shall be subject to approval or rejection in a like manner every 10th year, and each superior court judge every 6th year.

Vacancy

SEC. 7. The office of any supreme court justice or superior court judge becomes vacant 90 days after the election at which he is rejected by a majority of those voting on the question, or for which he fails to file his declaration of candidacy to succeed himself.

Judicial Council

SEC. 8. The judicial council shall consist of seven members. Three attorney members shall be appointed for 6-year terms by the governing body of the organized State bar. Three nonattorney members shall be appointed for 6-year terms by the governor subject to confirmation by a majority of the members of the legislature in joint session. Vacancies shall be filled for the unexpired term in like manner. Appointments shall be made with due consideration to area representation and without regard to political affiliation. The chief justice of the supreme court shall be ex officio the seventh member and chairman of the judicial council. No

member of the judicial council, except the chief justice, may hold any other office or position of profit under the United States or the State. The judicial council shall act by concurrence of four or more members and according to rules which it adopts.

Additional Duties

SEC. 9. The judicial council shall conduct studies for improvement of the administration of justice, and make reports and recommendations to the supreme court and to the legislature at intervals of not more than 2 years. The judicial council shall perform other duties assigned by law.

Incapacity of Judges

SEC. 10. Whenever the judicial council certifies to the governor that a supreme court justice appears to be so incapacitated as substantially to prevent him from performing his judicial duties, the governor shall appoint a board of three persons to inquire into the circumstances, and may on the board's recommendation retire the justice. Whenever a judge of another court appears to be so incapacitated as substantially to prevent him from performing his judicial duties, the judicial council shall recommend to the supreme court that the judge be placed under early retirement. After notice and hearing, the supreme court by majority vote of its members may retire the judge.

Retirement

SEC. 11. Justices and judges shall be retired at the age of 70 except as provided in this article. The basis and amount of retirement pay shall be prescribed by law. Retired judges shall render no further service on the bench except for special assignments as provided by court rule.

Impeachment

SEC. 12. Impeachment of any justice or judge for malfeasance or misfeasance in the performance of his official duties shall be according to procedure prescribed for civil officers.

Compensation

SEC. 13. Justices, judges, and members of the judicial council shall receive compensation as prescribed by law. Compensation of justices and judges shall not be diminished during their terms of office, unless by general law applying to all salaried officers of the State.

Restrictions

SEC. 14. Supreme court justices and superior court judges while holding office may not practice law, hold office in a political party, or hold any other office or position of profit under the United States, the State, or its political subdivisions. Any supreme court justice or superior court judge filing for another elective public office forfeits his judicial position.

Rule-making Power

SEC. 15. The supreme court shall make and promulgate rules governing the administration of all courts. It shall make and promulgate rules governing practice and procedure in civil and criminal cases in all courts. These rules may be changed by the legislature by two-thirds vote of the members elected to each house.

Court Administration

SEC. 16. The chief justice of the supreme court shall be the administrative head of all courts. He may assign judges from one court or division thereof to another for temporary service. The chief justice shall, with the approval of the supreme court, appoint an administrative director to serve at his pleasure and to supervise the administrative operations of the judicial system.

ARTICLE V

Suffrage and Elections

Qualified Voters

SECTION 1. Every citizen of the United States who is at least 19 years of age, who meets registration requirements which may be prescribed by law, and who is qualified to vote under this article, may vote in any State or local election. He shall have been, immediately preceding the election for 1 year a resident of Alaska and for 30 days a resident of the election district in which he seeks to vote. He shall be able to read or speak the English language as prescribed by law, unless prevented by physical disability. Additional voting qualifications may be prescribed by law for bond issue elections of political subdivisions.

Disqualifications

SEC. 2. No person may vote who has been convicted of a felony involving moral turpitude unless his civil rights have been restored. No person may vote who has been judicially determined to be of unsound mind unless the disability has been removed.

Methods of Voting: Election Contests

SEC. 3. Methods of voting, including absentee voting, shall be prescribed by law. Secrecy of voting shall be preserved. The procedure for determining election contests, with right of appeal to the courts, shall be prescribed by law.

Voting Precincts: Registration

SEC. 4. The legislature may provide a system of permanent registration of voters, and may establish voting precincts within election districts.

General Elections

SEC. 5. General elections shall be held on the second Tuesday in October of every even-numbered year, but the month and day may be changed by law.

ARTICLE VI

Legislative apportionment

Election Districts

SECTION 1. Members of the house of representatives shall be elected by the qualified voters of the respective election districts. Until reapportionment, election districts and the number of representatives to be elected from each district shall be as set forth in section 1 of article XIV.

Senate Districts

SEC. 2. Members of the senate shall be elected by the qualified voters of the respective senate districts. Senate districts shall be as set forth in section 2 of article XIV subject to changes authorized in this article.

Reapportionment of House

SEC. 3. The governor shall reapportion the house of representatives immediately following the official reporting of each decennial census of the United States. Reapportionment shall be based upon civilian population within each election district as reported by the census.

Method

SEC. 4. Reapportionment shall be by the method of equal proportions, except that each election district having the major fraction of the quotient obtained by dividing total civilian population by 40 shall have 1 representative.

Combining Districts

SEC. 5. Should the total civilian population within any election district fall below one-half of the quotient, the district shall be attached to an election district within its senate district, and the reapportionment for the new district shall be determined as provided in section 4 of this article.

Redistricting

SEC. 6. The governor may further redistrict by changing the size and area of election districts, subject to the limitations of this article. Each new district so created shall be formed of contiguous and compact territory containing as nearly as practicable a relatively integrated socioeconomic area. Each shall contain a population at least equal to the quotient obtained by dividing the total civilian population by forty. Consideration may be given to local government boundaries. Drainage and other geographic features shall be used in describing boundaries wherever possible.

Modification of Senate Districts

SEC. 7. The senate districts, described in section 2 of article XIV may be modified to reflect changes in election districts. A district, although modified, shall retain its total number of senators and its approximate perimeter.

Reapportionment Board

SEC. 8. The governor shall appoint a reapportionment board to act in an advisory capacity to him. It shall consist of five members, none of whom may be public employees or officials. At least one member each shall be appointed from the southeastern, southcentral, central, and northwestern senate districts. Appointments shall be made without regard to political affiliation. Board members shall be compensated.

Organization

SEC. 9. The board shall elect one of its members chairman and may employ temporary assistants. Concurrence of three members is required for a ruling or determination, but a lesser number may conduct hearings or otherwise act for the board.

Reapportionment Plan and Proclamation

SEC. 10. Within 90 days following the official reporting of each decennial census, the board shall submit to the governor a plan for reapportionment and redistricting as provided in this article. Within 90 days after receipt of the plan, the governor shall issue a proclamation of reapportionment and redistricting. An accompanying statement shall explain any change from the plan of the board. The reapportionment and redistricting shall be effective for the election of members of the legislature until after the official reporting of the next decennial census.

Enforcement

SEC. 11. Any qualified voter may apply to the superior court to compel the governor by mandamus or otherwise, to perform his reapportionment duties or to correct any error in redistricting or reapportionment. Application to compel the governor to perform his reapportionment duties must be filed within 30 days of the expiration of either of the two 90-day periods specified in this article. Application to compel correction of any error in redistricting or reapportionment must be filed within 30 days following the proclamation. Original jurisdiction in these matters is hereby vested in the superior court. On appeal, the cause shall be reviewed by the supreme court upon the law and the facts.

ARTICLE VII

Health, education, and welfare

Public Education

SECTION 1. The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution.

State University

SEC. 2. The University of Alaska is hereby established as the State university and constituted a body corporate. It shall have title to all real and personal property now or hereafter set aside for or conveyed to it. Its property shall be administered and disposed of according to law.

Board of Regents

SEC. 3. The University of Alaska shall be governed by a board of regents. The regents

shall be appointed by the governor subject to confirmation by a majority of the members of the legislature in joint session. The board shall, in accordance with law, formulate policy and appoint the president of the university. He shall be the executive officer of the board.

Public Health

SEC. 4. The legislature shall provide for the promotion and protection of public health.

Public Welfare

SEC. 5. The legislature shall provide for public welfare.

ARTICLE VIII

Natural resources

Statement of Policy

SECTION 1. It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.

General Authority

SEC. 2. The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

Common Use

SEC. 3. Wherever occurring in their natural state, fish, wildlife, and waters are reserved to the people for common use.

Sustained Yield

SEC. 4. Fish, forests, wildlife, grasslands, and all other replenishable resources belonging to the State shall be utilized, developed, and maintained on the sustained-yield principle, subject to preferences among beneficial uses.

Facilities and Improvements

SEC. 5. The legislature may provide for facilities, improvements, and services to assure greater utilization, development, reclamation, and settlement of lands, and to assure fuller utilization and development of the fisheries, wildlife, and waters.

State Public Domain

SEC. 6. Lands and interests therein, including submerged and tidal lands, possessed or acquired by the State, and not used or intended exclusively for governmental purposes, constitute the State public domain. The legislature shall provide for the selection of lands granted to the State by the United States, and for the administration of the State public domain.

Special-Purpose Sites

SEC. 7. The legislature may provide for the acquisition of sites, objects, and areas of natural beauty or of historic, cultural, recreational, or scientific value. It may reserve them from the public domain and provide for their administration and preservation for the use, enjoyment, and welfare of the people.

Leases

SEC. 8. The legislature may provide for the leasing of, and the issuance of permits for exploration of, any part of the public domain or interest therein, subject to reasonable concurrent uses. Leases and permits shall provide, among other conditions, for payment by the party at fault for damage or injury arising from noncompliance with terms governing concurrent use, and for forfeiture in the event of breach of conditions.

Sales and Grants

SEC. 9. Subject to the provisions of this section, the legislature may provide for the sale or grant of State lands, or interests therein, and establish sales procedures. All sales or grants shall contain such reservations to the State of all resources as may be required by Congress or the State and shall provide for access to these resources. Reservation of access shall not unnecessarily impair the owners' use, prevent the control of trespass, or preclude compensation for damage.

Public Notice

SEC. 10. No disposals or leases of State lands, or interests therein, shall be made without prior public notice and other safeguards of the public interest as may be prescribed by law.

Mineral Rights

SEC. 11. Discovery and appropriation shall be the basis for establishing a right in those minerals reserved to the State which, upon the date of ratification of this constitution by the people of Alaska, were subject to location under the Federal mining laws. Prior discovery, location, and filing, as prescribed by law, shall establish a prior right to these minerals and also a prior right to permits, leases, and transferable licenses for their extraction. Continuation of these rights shall depend upon the performance of annual labor, or the payment of fees, rents, or royalties, or upon other requirements as may be prescribed by law. Surface uses of land by a mineral claimant shall be limited to those necessary for the extraction or basic processing of the mineral deposits, or for both. Discovery and appropriation shall initiate a right, subject to further requirements of law, to patent of mineral lands if authorized by the State and not prohibited by Congress. The provisions of this section shall apply to all other minerals reserved to the State which by law are declared subject to appropriation.

Mineral Leases and Permits

SEC. 12. The legislature shall provide for the issuance, types, and terms of leases for coal, oil, gas, oil shale, sodium, phosphate, potash, sulfur, pumice, and other minerals as may be prescribed by law. Leases and permits giving the exclusive right of exploration for these minerals for specific periods and areas, subject to reasonable concurrent exploration as to different classes of minerals, may be authorized by law. Like leases and permits giving the exclusive right of prospecting by geophysical, geochemical, and similar methods for all minerals may also be authorized by law.

Water Rights

SEC. 13. All surface and subsurface waters reserved to the people for common use, except mineral and medicinal waters, are subject to appropriation. Priority of appropriation shall give prior right. Except for public water supply, an appropriation of water shall be limited to stated purposes and subject to preferences among beneficial uses, concurrent or otherwise, as prescribed by law, and to the general reservation of fish and wildlife.

Access to Navigable Waters

SEC. 14. Free access to the navigable or public waters of the State, as defined by the legislature, shall not be denied any citizen of the United States or resident of the State except that the legislature may by general law regulate and limit such access for other beneficial uses or public purposes.

No Exclusive Right of Fishery

SEC. 15. No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State.

Protection of Rights

SEC. 16. No person shall be involuntarily divested of his right to the use of waters, his interests in lands or improvements affecting either, except for a superior beneficial use or public purpose and then only with just compensation and by operation of law.

Uniform Application

SEC. 17. Laws and regulations governing the use or disposal of natural resources shall apply equally to all persons similarly situated with reference to the subject matter and purpose to be served by the law or regulation.

Private Ways of Necessity

SEC. 18. Proceedings in eminent domain may be undertaken for private ways of necessity to permit essential access for extraction or utilization of resources. Just compensation shall be made for property taken or for resultant damages to other property rights.

ARTICLE IX

Finance and taxation

Taxing Power

SECTION 1. The power of taxation shall never be surrendered. This power shall not be suspended or contracted away, except as provided in this article.

Nondiscrimination

SEC. 2. The lands and other property belonging to citizens of the United States residing without the State shall never be taxed at a higher rate than the lands and other property belonging to the residents of the State.

Assessment Standards

SEC. 3. Standards for appraisal of all property assessed by the State or its political subdivisions shall be prescribed by law.

Exemptions

SEC. 4. The real and personal property of the State or its political subdivisions shall be exempt from taxation under conditions and exceptions which may be provided by law. All, or any portion of, property used exclusively for nonprofit religious, charitable, cemetery, or educational purposes, as defined by law, shall be exempt from taxation. Other exemptions of like or different kind may be granted by general law. All valid existing exemptions shall be retained until otherwise provided by law.

Interests in Government Property

SEC. 5. Private leaseholds, contracts, or interests in land or property owned or held by the United States, the State or its political subdivisions shall be taxable to the extent of the interests.

Public Purpose

SEC. 6. No tax shall be levied, or appropriation of public money made, or public property transferred, nor shall the public credit, be used except for a public purpose.

Dedicated Funds

SEC. 7. The proceeds of any State tax or license shall not be dedicated to any special purpose, except when required by the Federal Government for State participation in Federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this constitution by the people of Alaska.

State Debt

SEC. 8. No State debt shall be contracted unless authorized by law for capital improvements and ratified by a majority of the qualified voters of the State who vote on the question. The State may, as provided by law and without ratification, contract debt for the purpose of repelling invasion, suppressing insurrection, defending the State in war, meeting natural disasters, or redeeming indebtedness outstanding at the time this constitution becomes effective.

Local Debts

SEC. 9. No debt shall be contracted by any political subdivision of the State unless authorized for capital improvements by its governing body and ratified by a majority vote of those qualified to vote and voting on the question.

Interim Borrowing

SEC. 10. The State and its political subdivisions may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that

year, but all debt so contracted shall be paid before the end of the next fiscal year.

Exceptions

SEC. 11. The restrictions on contracting debt do not apply to debt incurred through the issuance of revenue bonds by a public enterprise or public corporation of the State or a political subdivision, when the only security is the revenues of the enterprise or corporation. The restrictions do not apply to indebtedness to be paid from special assessments on the benefited property, nor do they apply to refunding indebtedness of the State or its political subdivisions.

Budget

SEC. 12. The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year, setting forth all proposed expenditures and anticipated income of all departments, offices, and agencies of the State. The governor, at the same time, shall submit a general appropriation bill to authorize the proposed expenditures and a bill or bills covering recommendations in the budget for new or additional revenues.

Expenditures

SEC. 13. No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

Legislative Postaudit

SEC. 14. The legislature shall appoint an auditor to serve at its pleasure. He shall be a certified public accountant. The auditor shall conduct postaudits as prescribed by law and shall report to the legislature and to the governor.

ARTICLE X

Local government

Purpose and Construction

SECTION 1. The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

Local Government Powers

SEC. 2. All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

Boroughs

SEC. 3. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

Assembly

SEC. 4. The governing body of the organized borough shall be the assembly, and its composition shall be established by law or charter. Each city of the first class, and each city of any other class designated by law, shall be represented on the assembly by one or more members of its council. The other members of the assembly shall be elected from and by the qualified voters resident outside such cities.

Service Areas

SEC. 5. Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services.

Unorganized Boroughs

SEC. 6. The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

Cities

SEC. 7. Cities shall be incorporated in a manner prescribed by law, and shall be a part of the borough in which they are located. Cities shall have the powers and functions conferred by law or charter. They may be merged, consolidated, classified, reclassified, or dissolved in the manner provided by law.

Council

SEC. 8. The qualified body of a city shall be the council.

Charters

SEC. 9. The qualified voters of any borough of the first class or city of the first class may adopt, amend, or repeal a home rule charter in a manner provided by law. In the absence of such legislation, the governing body of a borough or city of the first class shall provide the procedure for the preparation and adoption or rejection of the charter. All charters, or parts or amendments of charters, shall be submitted to the qualified voters of the borough or city, and shall become effective if approved by a majority of those who vote on the specific question.

Extended Home Rule

SEC. 10. The legislature may extend home rule to other boroughs and cities.

Home Rule Powers

SEC. 11. A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

Boundaries

SEC. 12. A local boundary commission or board shall be established by law in the executive branch of the State government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first 10 days of any regular session. The change shall become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

Agreements; Transfer of Powers

SEC. 13. Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

Local Government Agency

SEC. 14. An agency shall be established by law in the executive branch of the State government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties prescribed by law.

Special Service Districts

SEC. 15. Special service districts existing at the time a borough is organized shall be integrated with the government of the borough as provided by law.

ARTICLE XI

Initiative, referendum, and recall

Initiative and Referendum

SECTION 1. The people may propose and enact laws by the initiative, and approve or reject acts of the legislature by the referendum.

Application

SEC. 2. An initiative or referendum is proposed by an application containing the bill to be inititated or the act to be referred. The application shall be signed by not less than 100 qualified voters as sponsors, and shall be filed with the secretary of state. If he finds it in proper form he shall so certify. Denial of certification shall be subject to judicial review.

Petition

SEC. 3. After certification of the application, a petition containing a summary of the subject matter shall be prepared by the secretary of state for circulation by the sponsors. If signed by qualified voters, equal in number to 10 percent of those who voted in the preceding general election and resident in at least two-thirds of the election districts of the State, it may be filed with the secretary of state.

Initiative Election

SEC. 4. An initiative petition may be filed at any time. The secretary of state shall prepare a ballot title and proposition summarizing the proposed law, and shall place them on the ballot for the first statewide election held more than 112 days after adjournment of the legislative session following the filing. If, before the election, substantially the same measure has been enacted, the petition is void.

Referendum Election

SEC. 5. A referendum petition may be filed only within 90 days after adjournment of the legislative session at which the act was passed. The secretary of state shall prepare a ballot title and proposition summarizing the act and shall place them on the ballot for the first statewide election held more than 180 days after adjournment of that session.

Enactment

SEC. 6. If a majority of the votes cast on the proposition favor its adoption, the initiated measure is enacted. If a majority of the votes cast on the proposition favor the rejection of an act referred, it is rejected. The secretary of state shall certify the election returns. An initiated law becomes effective 90 days after certification, is not subject to veto, and may not be repealed by the legislature within 2 years of its effective date. It may be amended at any time. An act rejected by referendum is void 30 days after certification. Additional procedures for the initiative and referendum may be prescribed by law.

Restrictions

SEC. 7. The initiative shall not be used to dedicate revenues, make or repeal appropriations, create courts, define the jurisdiction of courts or prescribe their rules, or enact local or special legislation. The referendum shall not be applied to dedications of revenue, to appropriations, to local or special legislation, or to laws necessary for immediate preservation of the public peace, health, or safety.

Recall

SEC. 8. All elected public officials in the State, except judicial officers, are subject

to recall by the voters of the State or political subdivision from which elected. Procedures and grounds for recall shall be prescribed by the legislature.

ARTICLE XII

General provisions

State Boundaries

SECTION 1. The State of Alaska shall consist of all the territory, together with the territorial waters appurtenant thereto, included in the Territory of Alaska upon the date of ratification of this constitution by the people of Alaska.

Intergovernmental Relations

SEC. 2. The State and its political subdivisions may cooperate with the United States and its Territories, and with other States and their political subdivisions on matters of common interest. The respective legislative bodies may make appropriations for this purpose.

Office of Profit

SEC. 3. Service in the Armed Forces of the United States or of the State is not an office or position of profit as the term is used in this constitution.

Disqualification for Disloyalty

SEC. 4. No person who advocates, or who aids or belongs to any party or organization or association which advocates, the overthrow by force or violence of the Government of the United States or of the State shall be qualified to hold any public office of trust or profit under this constitution.

Oath of Office

SEC. 5. All public officers, before entering upon the duties of their offices, shall take and subscribe to the following oath or affirmation. "I do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as _____ to the best of my ability." The legislature may prescribe further oaths or affirmations.

Merit System

SEC. 6. The legislature shall establish a system under which the merit principle will govern the employment of persons by the State.

Retirement Systems

SEC. 7. Membership in employee retirement systems of the State or its political subdivisions shall constitute a contractual relationship. Accrued benefits of these systems shall not be diminished or impaired.

Residual Power

SEC. 8. The enumeration of specified powers in this constitution shall not be construed as limiting the powers of the State.

Provisions Self-Executing

SEC. 9. The provisions of this constitution shall be construed to be self-executing whenever possible.

Interpretation

SEC. 10. Titles and subtitles shall not be used in construing this constitution. Personal pronouns used in this constitution shall be construed as including either sex.

Lawmaking Power

SEC. 11. As used in this constitution, the terms "by law" and "by the legislature," or variations of these terms, are used interchangeably when related to lawmaking powers. Unless clearly inapplicable, the lawmaking powers assigned to the legislature may be exercised by the people through the initiative, subject to the limitations of article XI.

Disclaimer and Agreement

SEC. 12. The State of Alaska and its people forever disclaim all right and title in or to any property belonging to the United States, or subject to its disposition, and not granted or confirmed to the State or its political subdivisions by or under the act admitting Alaska to the Union. The State and its people further disclaim all right or title in or to any property, including fishing rights, the right or title to which may be held by or for any Indian, Eskimo, or Aleut, or community thereof, as that right or title is defined in the act of admission. The State and its people agree that, unless otherwise provided by Congress, the property, as described in this section, shall remain subject to the absolute disposition of the United States. They further agree that no taxes will be imposed upon any such property, until otherwise provided by the Congress. This tax exemption shall not apply to property held by individuals in fee without restrictions on alienation.

Consent to Act of Admission

SEC. 13. All provisions of the act admitting Alaska to the Union which reserve rights or powers to the United States, as well as those prescribing the terms or conditions of the grants of lands or other property, are consented to fully by the State and its people.

ARTICLE XIII

Amendment and revision

Amendments

SECTION 1. Amendments to this constitution may be proposed by a two-thirds vote of each house of the legislature. The secretary of state shall prepare a ballot title and proposition summarizing each proposed amendment and shall place them on the ballot for the next statewide election. If a majority of the votes cast on the proposition favor the amendment, it shall be adopted. Unless otherwise provided in the amendment it becomes effective 30 days after the certification of the election returns by the secretary of state.

Convention

SEC. 2. The legislature may call constitutional conventions at any time.

Call by Referendum

SEC. 3. If during any 10-year period a constitutional convention has not been held, the secretary of state shall place on the ballot for the next general election the question, "Shall there be a constitutional convention?" If a majority of the votes cast on the question are in the negative, the question need not be placed on the ballot until the end of the next 10-year period. If a majority of the votes cast on the question are in the affirmative, delegates to the convention shall be chosen at the next regular statewide election, unless the legislature provides for the election of the delegates at a special election. The secretary of state shall issue the call for the convention. Unless other provisions have been made by law, the call shall conform as nearly as possible to the act calling the Alaska constitutional convention of 1955, including, but not limited to, number of members, districts, election and certification of delegates, and submission and ratification of revisions and ordinances. The appropriation provisions of the call shall be self-executing and shall constitute a first claim on the State treasury.

Powers

SEC. 4. Constitutional conventions shall have plenary power to amend or revise the constitution, subject only to ratification by the people. No call for a constitutional convention shall limit these powers of the convention.

ARTICLE XIV

Apportionment schedule

Election Districts

SECTION 1. Members of the house of representatives shall, until reapportionment, be elected from the election districts and in the numbers shown below.

District No.	Name of district	Number of representatives
1	Prince of Wales	1
2	Ketchikan	2
3	Wrangell-Petersburg	1
4	Sitka	2
5	Juneau	2
6	Lynn Canal-Icy Straits	1
7	Cordova-McCarthy	1
8	Valdez-Chitina-Whittier	1
9	Palmer-Wasilla-Talkeetna	1
10	Anchorage	8
11	Seward	1
12	Kenai-Cook Inlet	1
13	Kodiak	2
14	Aleutian Islands	1
15	Bristol Bay	1
16	Bethel	1
17	Kuskokwim	1
18	Yukon-Koyukuk	1
19	Fairbanks	5
20	Upper Yukon	1
21	Barrow	1
22	Kobuk	1
23	Nome	2
24	Wade Hampton	1

Senate Districts

SEC. 2. Members of the senate shall be elected from the senate districts and in the number shown below.

	Name of district	Composed of election districts—	Number of senators
A	Southeastern	1,2,3,4,5, and 6.	2
B	Ketchikan-Prince of Wales	1 and 2	1
C	Wrangell-Petersburg-Sitka	3 and 4	1
D	Juneau-Yakutat	5 and 6	1
E	Southcentral	7, 8, 9, 10, 11, 12, 13, and 14.	2
F	Cordova-Valdez	7 and 8	1
G	Anchorage-Palmer	9 and 10	1
H	Seward-Kenai	11 and 12	1
I	Kodiak-Aleutians	13 and 14	1
J	Central	15, 16, 17, 18, 19, and 20.	2
K	Bristol Bay-Bethel	15 and 16	1
L	Yukon-Kuskokwim	17 and 18	1
M	Fairbanks-Fort Yukon	19 and 20	1
N	Northwestern	21, 22, 23, and 24.	2
O	Barrow-Kobuk	21 and 22	1
P	Nome-Wade Hampton	23 and 24	1

Description of Election Districts

SEC. 3. The election districts set forth in section 1 shall include the following territory:

1. Prince of Wales: All of Prince of Wales, Dall, Forrester, Suemez, Baker, Lulu, Noyes, Warren, Kosciusko, and the Kashevarof Islands as well as adjacent offshore islands.

2. Ketchikan: That area of the mainland drained by streams flowing into Revillagigedo Channel, Behm Canal, Burroughs Bay, and east side of Clarence Strait from the southermost point of the Alaska-British Columbia boundary line to and including Lemesurier Point; and those islands of Ernest Sound and east of Clarence Strait, including Revillagigedo, Gravina, Annett and Duke Islands, and other adjacent smaller islands.

3. Wrangell-Petersburg: That area of the mainland north of election district No. 2 and south of, and including, the area draining into Frederick Sound to Cape Fanshaw on the north and partly bounded on the north by a line drawn between Cape Fanshaw and the north side of Pybut Bay that area of Admiralty Island drained by streams flowing into Frederick Sound; that area of Baranof Island drained by streams flowing into Chatham Strait to but not including that area drained by streams flowing into Peril Strait, and including Kupreanof, Mitkof, Kulu and Coronation Islands and other smaller adjacent islands.

4. Sitka: Those parts of Admiralty Chichagof, and Baranof Islands not included in

election districts Nos. 3, 5, and 6, and Kruzof Island and other smaller adjacent islands.

5. Juneau: The mainland north of Election District No. 3 up to and including the area drained by streams flowing into Berners Bay on the north and that area of Admiralty Island north of election district No. 3 and drained by streams flowing into Stephens Passage, Seymour Canal, Lynn Canal, and their tributaries, and including Douglas Shelter, and Benjamin Islands, and other small adjacent islands.

6. Lynn Canal-Icy Straits: That part of the mainland not included in election district No. 5 drained by streams flowing into Lynn Canal, Glacier Bay, Icy Strait, Cross Sound and their tributaries and the Pacific Ocean, to and including the area drained into Icy Bay to the west those part of Admiralty and Chichagof Islands drained by streams flowing into Icy Strait, Cross Sound, and their tributaries, and Yakobi, Lemesurier, and Pleasant Islands and other smaller adjacent islands.

7. Cordova-McCarthy: That area draining into the Gulf of Alaska and Prince William Sound, from but not including that area draining into the south side of Icy Bay on the east, to Knowles Head on the west, including Hawkins, Hinchinbrook, Kayak, and Middleton Islands, and other smaller adjacent islands, and that area drained by the Copper River and its tributaries up to and not including the Tickel River on the west and up to and including the Chitina River on the east.

8. Valdez-Chitina-Whittier: That area drained by all streams flowing into Prince William Sound from Cape Junken on the west to Knowles Head on the east, including Montague, Latouche and Knight Islands, and adjacent smaller islands, and all of the area drained by the Copper River and its tributaries above and including the Tiekel River on the west, and above but not including the Chitina River on the east.

9. Palmer-Wasilla-Talkeetna: That area from and including Susitna on the south, drained by the Susitna River and its tributaries, and that area drained by the Little Susitna River from and including Flat Lake on the south; and that area draining into Knik Arm from and including Fish Creek and its tributaries on the west side of Knik Arm, to and including the area draining into the Knik River from the north, and from the south to the highway bridge.

10. Anchorage: That area around Turnagain Arm and east of Knik Arm drained from streams flowing into Turnagain Arm and Knik Arm, from and including Placer River on the south, to and including Knik River highway bridge on the north; that area east of Knik Arm and north of Cook Inlet drained by Goose Creek and its tributaries on the east, and the Little Susitna River south of Flat Lake, and the Susitna River south of but not including Susitna, the area west of Cook Inlet drained by Ivan, Lewis, Theodore Rivers and their tributaries to but not including Beluga River on the south.

11. Seward: That part of Kenai Peninsula draining into the Gulf of Alaska from Gore Point on the west to Cape Junken on the east, and the area draining into Turnagain Arm from and including the drainage of resurrection Creek on the west to but not including Placer River on the east, and to and including the confluence of the Kenai and Russian Rivers on the west.

12. Kenai-Cook Inlet: That area of Kenai Peninsula drained by streams flowing into the Gulf of Alaska, Cook Inlet, and Turnagain Arm, from and including the area drained into Port Dick on the south to Gore Point, to but not including Resurrection Creek on the north, and the area east of the confluence of the Kenai and Russian Rivers and that area west of Cook Inlet drained by all streams flowing into Cook Inlet from Cape Douglas on the south, to and including the Beluga River, including Elizabeth Island and adjacent islands in Cook Inlet.

13. Kodiak. The part of the Alaska Peninsula drained by all streams flowing into the Pacific Ocean from Cape Douglas on the east to but not including Kujulik Bay on the west; and all adjacent offshore islands, including the Semidi Islands, and Kodiak Afognak, Trinity, Chirikof Islands, and other smaller islands in the immediate vicinity, such as the Barren Islands and the Chugach Islands.

14. Aleutian Islands: The part of the Alaska Peninsula west of and including the drainage of Meshik River and Kujulik Bay, and all of the Aleutian and Pribilof Islands and adjacent offshore islands west of and excluding the Semidi Islands and Sutwik Island.

15. Bristol Bay: The area drained by all streams flowing into Bristol Bay from Cape Newenham on the west to but not including the Meshik River on the south.

16. Bethel: The area drained by all streams flowing into Baird Inlet Etolin Strait, and Kuskokwim Bay, that area drained by the Kuskokwim River and its tributaries up to, and including the area drained by the Tuluksak River on the east bank of the Kuskokwim River and the area drained by tributaries up to the opposite point on the west bank of the Kuskokwim River, and including Nunivak Island and St. Matthew Island and adjacent islands.

17. Kuskokwim: The area drained by the Kuskokwim River and its tributaries above and not including the area drained by the Tuluksak River on the east bank, and the area drained by tributaries above the opposite point on the west bank of the Kuskokwim River, and the area drained by the Yukon River from Tuckers Slough to but not including the area drained by the Khotol River.

18. Yukon-Koyukuk: The area drained by all streams and their tributaries flowing into the Yukon River from and including Khotol River on the west to and including Hess Creek on the east, and that area drained by the Tanana River and its tributaries up to but not including Clear Creek, near Blair Lakes, on the east and that part of Goldstream Creek up to but not including Nugget Creek and Spinach Creek, and that portion drained by the Chatanika River up to but not including Vault Creek.

19. Fairbanks: That area drained by the Tanana River and its tributaries from and including Clear Creek near Blair Lakes, on the west, to the Alaska-Canada boundary on the east, and also that area drained by Goldstream Creek and its tributaries upstream from, and including Nugget Creek and Spinach Creek, and that portion drained by the Chatanika River and its tributaries upstream from, and including Vault Creek.

20. Upper Yukon: That area drained by the Yukon River and its tributaries from, but not including, Hess Creek on the west, to the Alaska-Canada boundary, and that area drained by streams flowing into the Arctic Ocean from, but not including Kuparuk River on the west, to the Alaska boundary.

21. Barrow: The area drained by all streams flowing into the Arctic Ocean from Cape Lisburne on the west, to and including the area drained by the Kuparuk River and its tributaries on the east.

22. Kobuk: The area drained by all streams flowing into the Arctic Ocean and Kotzebue Sound, from Cape Lisburne on the north, to and including the area drained by the Goodhope River and its tributaries on the south.

23. Nome: That part of the Seward Peninsula and adjacent areas drained by all streams flowing into the Kotzebue Sound, Bering Strait and Norton Sound, from, but not including the area drained by the Goodhope River and its tributaries on the north, to but not including, the area drained by the Pastolik River on the south, and King, Little Diomede, St. Lawrence, Sledge, and Stuart Islands, as well as adjacent offshore islands.

24. Wade Hampton: The area drained by the lower Yukon River and its tributaries, from Tuckers Slough to the mouth at the Bering Sea; and the area drained by all streams flowing into the Bering Sea and Norton Sound, from and including Hazen Bay on the south, to and including the Pastolik River on the north.

ARTICLE XV

Schedule of transitional measures

To provide an orderly transition from a Territorial to a State form of government, it is declared and ordained:

Continuance of Laws

SECTION 1. All laws in force in the Territory of Alaska on the effective date of this constitution and consistent therewith shall continue in force until they expire by their own limitation, are amended, or repealed.

Saving of Existing Rights and Liabilities

SEC. 2. Except as otherwise provided in this constitution, all rights, titles, actions, suits, contracts, and liabilities and all civil, criminal, or administrative proceedings shall continue unaffected by the change from Territorial to State government, and the State shall be the legal successor to the Territory in these matters.

Local Government

SEC. 3. Cities, school districts, health districts, public utility districts, and other local subdivisions of government existing on the effective date of this constitution shall continue to exercise their powers and functions under existing law, pending enactment of legislation to carry out the provisions of this constitution. New local subdivisions of government shall be created only in accordance with this constitution.

Continuance of Office

SEC. 4. All officers of the Territory, or under its laws, on the effective date of this constitution shall continue to perform the duties of their offices in a manner consistent with this constitution until they are superseded by officers of the State.

Corresponding Qualifications

SEC. 5. Residence, citizenship, or other qualifications under the Territory may be used toward the fulfillment of corresponding qualifications required by this constitution.

Governor to Proclaim Election

SEC. 6. When the people of the Territory ratify this constitution and it is approved by the duly constituted authority of the United States, the governor of the Territory shall, within 30 days after receipt of the official notification of such approval, issue a proclamation and take necessary measures to hold primary and general elections for all State elective offices provided for by this constitution.

First State Elections

SEC. 7. The primary election shall take place not less than 40 nor more than 90 days after the proclamation by the governor of the Territory. The general election shall take place not less than 90 days after the primary election. The elections shall be governed by this constitution and by applicable Territorial laws.

United States Senators and Representative

SEC. 8. The officers to be elected at the first general election shall include 2 Senators and 1 Representative to serve in the Congress of the United States, unless Senators and a Representative have been previously elected and seated. One Senator shall be elected for the long term and one Senator for the short term, each term to expire on the third day of January in an odd-numbered year to be determined by authority of the United States. The term of Representative shall expire on the third day of January in the

odd-numbered year immediately following his assuming office. If the first Representative is elected in an even-numbered year to take office in that year, a Representative shall be elected at the same time to fill the full term commencing on the third day of January of the following year, and the same person may be elected for both terms.

First Governor and Secretary of State: Terms

SEC. 9. The first governor and secretary of State shall hold office for a term beginning with the day on which they assume office and ending at noon on the first Monday in December of the even-numbered year following the next presidential election. This term shall count as a full term for purposes of determining eligibility for reelection, only if it is 4 years or more in duration.

Election of First Senators

SEC. 10. At the first State general election, 1 senator shall be chosen for a 2-year term from each of the following senate districts described in section 2 of article XIV A, B, D, E, G, I, J, L, N, and O. At the same election, 1 senator shall be chosen for a 4-year term from each of the following senate districts, described in section 2 of article XIV A, C, E, F, H, J, K, M, N, and P.

Terms of First State Legislators

SEC. 11. The first State legislators shall hold office for a term beginning with the day on which they assume office and ending at noon on the fourth Monday in January after the next general election, except that senators elected for 4-year terms shall serve an additional 2 years thereafter. If the first general election is held in an even-numbered year, it shall be deemed to be the general election for that year.

Election Returns

SEC. 12. The returns of the first general election shall be made, canvassed, and certified in the manner prescribed by law. The Governor of the Territory shall certify the results to the President of the United States.

Assumption of Office

SEC. 13. When the President of the United States issues a proclamation announcing the results of the election, and the State has been admitted into the Union, the officers elected and qualified shall assume office.

First Session of Legislature

SEC. 14. The governor shall call a special session of the first State legislature within 30 days after the Presidential proclamation unless a regular session of the legislature falls within that period. The special session shall not be limited as to duration.

First Legislators: Office Holding

SEC. 15. The provisions of section 5 of article II shall not prohibit any member of the first State legislature from holding any office or position created during his first term.

First Judicial Council

SEC. 16. The first members of the judicial council shall, notwithstanding section 8 of article IV, be appointed for terms as follows: 3 attorney members for 1, 3, and 5 years, respectively, and 3 nonattorney members for 2, 4, and 6 years, respectively. The six members so appointed shall, in accordance with section 5 of article IV, submit to the governor nominations to fill the initial vacancies on the superior court and the supreme court, including the office of chief justice. After the initial vacancies on the superior and supreme courts are filled, the chief justice shall assume his seat on the judicial council.

Transfer of Court Jurisdiction

SEC. 17. Until the courts provided for in article IV are organized, the courts, their jurisdiction, and the judicial system shall remain as constituted on the date of admission unless otherwise provided by law. When the State courts are organized, new actions shall be commenced and filed therein, and all causes, other than those under the jurisdiction of the United States, pending in the courts existing on the date of admission, shall be transferred to the proper State court as though commenced, filed, or lodged in those courts in the first instance, except as otherwise provided by law.

Territorial Assets and Liabilities

SEC. 18. The debts and liabilities of the Territory of Alaska shall be assumed and paid by the State, and debts owed to the Territory shall be collected by the State. Assets and records of the Territory shall become the property of the State.

First Reapportionment

SEC. 19. The first reapportionment of the House of Representatives shall be made immediately following the official reporting of the 1960 decennial census, or after the first regular legislative session if the session occurs thereafter, notwithstanding the provisions as to time contained in section 3 of article VI. All other provisions of article VI shall apply in the first reapportionment.

State Capital

SEC. 20. The capital of the State of Alaska shall be at Juneau.

Seal

SEC. 21. The seal of the Territory, substituting the word "State" for "Territory," shall be the seal of the State.

Flag

SEC. 22. The flag of the Territory shall be the flag of the State.

Special Voting Provision

SEC. 23. Citizens who legally voted in the general election of November 4, 1924, and who meet the residence requirements for voting, shall be entitled to vote notwithstanding the provisions of section 1 of article V.

Ordinances

SEC. 24. Ordinance No. 1 on ratification of the constitution, ordinance No. 2 on the Alaska-Tennessee plan, and ordinance No. 3 on the abolition of fish traps, adopted by the Alaska Constitutional Convention and appended to this constitution, shall be submitted to the voters and if ratified shall become effective as provided in each ordinance.

Effective Date

SEC. 25. This constitution shall take effect immediately upon the admission of Alaska into the Union as a State.

Agreed upon by the delegates in constitutional convention assembled at the University of Alaska, this fifth day of February, in the year of our Lord 1956, and of the independence of the United States the 180th.

William A. Egan, President of the Convention; delegates: R. Roland Armstrong, Dorothy J. Awes, Frank Barr, John C. Boswell, Seaborn J. Buckalew, Jr., John B. Coghill, E. B. Collins, George D. Cooper, John M. Cross, Edward V. Davis, James P. Doogan, William A. Egan, Truman C. Emberg, Helen Fischer, Victor Fischer, Douglas Gray, Thomas C. Harris, John S. Hellenthal, Mildred R. Hermann, Herb Hilscher, Jack Hinckel, James Hurley, Maurice T. Johnson, Yule F. Kilcher, Leonard H. King, William W. Knight, W. W. Laws, Eldor R. Lee, Maynard D. Londborg, Steve McCutcheon, George M. McLaughlin, Robert J. McNealy, John A. McNees, Col. M. R. Marston, Irwin L. Metcalf, Leslie Nerland, James Nolan, Katherine D. Nordale, Frank Peratrovich, Chris Poulsen, Peter L. Reader, Burke Riley, Ralph J. Rivers, Victor C. Rivers, John H. Rosswog, B. D. Stewart, W. O. Smith, George Sundborg, Dora M. Sweeney, Warren A. Taylor, H. R. VanderLeest, M. J. Walsh, Barrie M. White, Ada B. Wien.

ORDINANCE NO. 1

Ratification of constitution

Election

SECTION 1. The constitution for the State of Alaska agreed upon by the delegates to the Alaska Constitutional Convention on February 5, 1956, shall be submitted to the voters of Alaska for ratification or rejection at the territorial primary election to be held on April 24, 1956. The election shall be conducted according to existing laws regulating primary elections so far as applicable.

Ballot

SEC. 2. Each elector who offers to vote upon this constitution shall be given a ballot by the election judges which will be separate from the ballot on which candidates in the primary election are listed. Each of the propositions offered by the Alaska Constitutional Convention shall be set forth separately, but on the same ballot form. The first proposition shall be as follows:

"Shall the constitution for the State of Alaska prepared and agreed upon by the Alaska Constitutional Convention be adopted?" Yes ☐ No ☐

Attest:

THOMAS B. STEWART,
Secretary of the Convention.

Canvass

SEC. 3. The returns of this election shall be made to the Governor of the Territory of Alaska and shall be canvassed in substantially the manner provided by law for Territorial elections.

Acceptance and Approval

SEC. 4. If a majority of the votes cast on the proposition favor the constitution, then the constitution shall be deemed to be ratified by the people of Alaska to become effective as provided in the constitution.

Submission of Constitution

SEC. 5. Upon ratification of the constitution, the Governor of the Territory shall forthwith transmit a certified copy of the constitution to the President of the United States for submission to the Congress, together with a statement of the votes cast for and against ratification.

ORDINANCE NO. 2

Alaska-Tennessee plan

Statement of Purpose

SECTION 1. The election of Senators and a Representative to serve in the Congress of the United States being necessary and proper to prepare for the admission of Alaska as a State of the Union, the following sections are hereby ordained, pursuant to chapter 46, SLA 1955.

Ballot

SEC. 2. Each elector who offers to vote upon the ratification of the constitution may upon the same ballot, vote on a second proposition, which shall be as follows:

"Shall ordinance No. 2 (Alaska-Tennessee plan) of the Alaska constitutional convention, calling for the immediate election of 2 United States Senators and 1 United States Representative, be adopted?" Yes ☐ No ☐

Approval

SEC. 3. Upon ratification of the constitution by the people of Alaska and separate approval of this ordinance by a majority of all votes cast for and against it, the remainder of this ordinance shall become effective.

Election of Senators and Representative

SEC. 4. Two United States Senators and one United States Representative shall be chosen at the 1956 general election.

Terms

SEC. 5. One Senator shall be chosen for the regular term expiring on January 3, 1963, and the other for an initial short term expiring on January 3, 1961, unless when they are

seated the Senate prescribes other expiration dates. The Representative shall be chosen for the regular term of 2 years expiring January 3, 1959.

Qualifications

SEC. 6. Candidates for Senators and Representative shall have the qualifications prescribed in the Constitution of the United States and shall be qualified voters of Alaska.

Other Office Holding

SEC. 7. Until the admission of Alaska as a State, the Senators and Representative may also hold or be nominated and elected to other offices of the United States or of the Territory of Alaska, provided that no person may receive compensation for more than one office.

Election Procedure

SEC. 8. Except as provided herein, the laws of the Territory governing elections to the office of Delegate to Congress shall, to the extent applicable, govern the election of the Senators and Representative. Territorial and other officials shall perform their duties with reference to this election accordingly.

Independent Candidates

SEC. 9. Persons not representing any political party may become independent candidates for the offices of Senator or Representative by filing applications in the manner provided in section 38–5–10, ACLA 1949, insofar as applicable. Applications must be filed in the office of the director of finance of the Territory on or before June 30, 1956.

Party Nominations

SEC. 10. Party nominations for Senators and Representatives shall, for this election only, be made by party conventions in the manner prescribed in section 38–4–11, ACLA 1949, for filling a vacancy in a party nomination occurring after a primary election. The names of the candidates nominated shall be certified by the chairman and secretary of the central committee of each political party to the director of finance of the Territory on or before June 30, 1956.

Certification

SEC. 11. The director of finance shall certify the names of all candidates for Senators and Representative to the clerks of court by July 15, 1956. The clerks of court shall cause the names to be printed on the official ballot for the general election. Independent candidates shall be identified as provided in section 38–5–10, ACLA 1949. Candidates nominated at party conventions shall be identified with appropriate party designations as is provided by law for nominations at primary elections.

Ballot Form: Who Elected

SEC. 12. The ballot form shall group separately the candidates seeking the regular senate term, those seeking the short senate term, and candidates for representative. The candidate for each office receiving the largest number of votes cast for that office shall be elected.

Duties and Emoluments

SEC. 13. The duties and emoluments of the offices of Senators and Representatives shall be as prescribed by law.

Convention Assistance

SEC. 14. The president of the Alaska Constitutional Convention, or a person designated by him, may assist in carrying out the purposes of this ordinance. The unexpended and unobligated funds appropriated to the Alaska Constitutional Convention by chapter 46, SLA 1955, may be used to defray expenses attributable to the referendum and the election required by this ordinance.

Alternate Effective Dates

SEC. 15. If the Congress of the United States seats the Senators and Representatives elected pursuant to this ordinance and approves the constitution before the first election of State officers, then section 25 of article XV shall be void and shall be replaced by the following:

"The provisions of the constitution applicable to the first election of State officers shall take effect immediately upon the admission of Alaska into the Union as a State. The remainder of the constitution shall take effect when the elected governor takes office."

ORDINANCE NO. 3

Abolition of fish traps

Ballot

SECTION 1. Each elector who offers to vote upon the ratification of the constitution may upon the same ballot, vote on a third proposition, which shall be as follows:

"Shall ordinance No. 3 of the Alaska Constitutional Convention, prohibiting the use of fish traps for the taking of salmon for commercial purposes in the coastal waters of the State, be adopted?" Yes ☐ No ☐

Effect of Referendum

SEC. 2. If the constitution shall be adopted by the electors and if a majority of all the votes cast for and against this ordinance favor its adoption, then the following shall become operative upon the effective date of the constitution:

"As a matter of immediate public necessity, to relieve economic distress among individual fishermen and those dependent upon them for a livelihood, to conserve the rapidly dwindling supply of salmon in Alaska, to insure fair competition among those engaged in commercial fishing, and to make manifest the will of the people of Alaska, the use of fish traps for the taking of salmon for commercial purposes is hereby prohibited in all the coastal waters of the State."

ARMED SERVICES RESERVE PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Louisiana [Mr. BROOKS] is recognized for 15 minutes.

Mr. BROOKS of Louisiana. Mr. Speaker, I have just read the Associated Press statements attributed to Gen. Maxwell Taylor in the Face the Nation radio program. General Taylor indicated, so the Associated Press states, that the Pentagon is going to ask the Congress for more authority, including the draft, to build up our Army Reserve program. He said, especially, that only 19,000 men have enlisted for 6 months' active training under the terms of the Reserve Act of 1955, which went into effect in August of last year. In fairness to General Taylor, I have heard similar statements from other Pentagon leaders.

It may be that the power to draft men into the Ready Reserve of the United States Army may eventually have to be given to the Pentagon. It is not now necessary. I have an idea, however, that Congress is going to insist that the provisions of the new Reserve Act be implemented before granting to the Pentagon additional power to force men into the military services.

The Subcommittee on Reserves of the House Armed Services Committee recently made a full investigation of the operation of the new Reserve Act. In a printed report, which is available to everyone, it called attention to the failures of the Pentagon to implement the act and urged certain action be taken at once to increase our Ready Reserve manpower. I am again calling the attention of the Pentagon to certain implementation which our subcommittee believes should immediately be brought about. General Taylor is the great military leader who did a magnificent job in leading our troops in Korea. He can do just as fine a job as an administrator and as Chief of Staff of the United States Army in putting into effect some of the unused provisions of the Reserve Act of 1955.

I have recently written the Secretary of Defense Charles Wilson, urging him to implement the provisions of the act which permit the early release from the Army of men who have at least 12 months' service into the Active Reserves. The law permits him to release up to 150,000 men during this and the next year, making a total of 300,000 going into the Ready Reserve for Active Reserve duties. I would like to observe to our able and courageous Chief of Staff of the United States Army that the implementing of this provision will give us 300,000 Army reservists at once. I have received no reply from the Secretary of Defense; but since this provision especially applies to the Army Reserve, it would be appropriate for General Taylor to act in this respect.

Our committee insisted that the Coast Guard immediately implement the provisions of the law covering the Coast Guard that it may begin to build up its reserve organization. The Treasury Department is trying to extend the provisions of the law covering the Coast Guard to 1963, although the act plainly says that the program of building up the Reserves should be completed by 1960. The Pentagon should insist that the Coast Guard Reserve be built up at once rather than being delayed to 1963.

Our committee calls attention to the fact that men who volunteer for the Army Reserve are being drafted. They are being drafted in spite of the fact that as reservists they can be called to active duty in accordance with the provisions of the law. I have called this abuse of authority to the attention of the Pentagon, showing that we cannot hope to get the best results in our work to build up our Reserve forces in the Army if these same men, after they volunteer for duty in the Reserve, are immediately drafted into the Regular Establishment.

Only recently, the President handed down Executive orders seeking to implement the provisions of the law covering those with special skills. Gen. Maxwell Taylor can help considerably by getting behind this program giving these men the opportunity to take 6 months' training in lieu of the draft because of their special skills.

Although Congress appropriated some $32 million to the Air Force for the purpose of building armories for our Reserve Forces, I regret to have to tell the House that only some $4 million of this sum has been made available for use to build facilities badly needed to train our Reserves. This money should be made available at once and our Reserve work should not be impeded by the action of the Pentagon in holding up funds appropriated by Congress when they are badly needed by the Reserves.

Assistant Secretary of Defense Carter Burgess has done a great job in trying to get the Pentagon to get behind the Reserve program and he is entitled to much credit. Gen. Maxwell Taylor and other Pentagon leaders can do likewise. Every figure at my command indicates that steady increase of enlistments in the Army Reserve are made from week to week, and these figures are most encouraging. If the Pentagon will fully implement the Reserve Act of 1955, we will soon have an Army Reserve of a half million men in the Ready Reserve of the Army doing Active Reserve duty.

The Air Force Reserve program is proceeding according to our testimony to the point that it has 92 percent of the Air Force Reserve quota. The Air National Guard is over 100 percent recruited on its quota. The Navy Reserve program is in good shape and I compliment the Navy on the job it is doing. Even the Army National Guard is moving forward in its work of expanding our Reserve program. With proper cooperation and some enthusiasm from the Pentagon, I believe yet that our present program will work—even as to the Army.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WILLIS.

Mr. JENSEN and to include copy of a soil conservation bill which he introduced on February 7, 1949.

Mr. BURDICK and to include a speech he delivered at Chicago.

Mr. WILLIAMS of New York and to include an address delivered by Hon. LESLIE C. ARENDS.

Mr. HIESTAND and to include extraneous matter.

Mr. BENTLEY (at the request of Mr. KNOX) and to include extraneous matter.

Mr. UTT and to include a memorandum from the Secretary of the Interior.

Mr. JONES of Alabama and to include an editorial.

Mr. DOYLE and to include extraneous matter.

Mr. HOFFMAN of Michigan and to include a newspaper article.

Mr. ANFUSO (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. ZABLOCKI.

Mr. DINGELL and to include extraneous matter.

Mr. ALBERT to revise and extend his remarks and to include extraneous matter.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FLYNT (at the request of Mr. WILLIAMS of Mississippi), for 60 minutes on Thursday, February 16.

Mr. FISHER, for 20 minutes on Thursday, February 16.

Mr. BARTLETT, for 45 minutes today.

Mr. BROOKS of Louisiana, for 15 minutes today.

Mr. EDMONDSON, for 1 hour on February 16, and to revise and extend his remarks.

Mr. BOW, for 45 minutes on February 27.

Mr. HOFFMAN of Michigan, for 20 minutes on Monday, Tuesday, Wednesday, and Thursday of next week.

Mr. POWELL (at the request of Mr. MCCORMACK), for 60 minutes on Thursday, February 16.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2711. An act to authorize medals and decorations for outstanding and meritorious conduct and service in the United States Merchant Marine, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2972. An act to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 95. Joint resolution to authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to General John J. Pershing; to the Committee on House Administration.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 180. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on February 10, 1956, present to the President, for his approval, bills of the House of the following titles:

H. R. 2667. An act to amend section 208 (b) of the Technical Changes Act of 1953, and for other purposes;

H. R. 6043. An act to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy.

H. R. 6790. An act for the relief of Anna K. McQuilkin;

H. R. 6857. An act to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.;

H. R. 7054. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers; and

H. R. 7156. An act to provide for the conveyance of certain land of the United States to the board of county commissioners of Lee County, Fla.

ADJOURNMENT

Mr. TRIMBLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 54 minutes p. m.), under its previous order, the House adjourned until Thursday, February 16, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1516. A letter from the Secretary of State transmitting the fourth report on the extent and disposition of United States contributions to international organizations for the fiscal year 1955, pursuant to section 2 of Public Law 806, 81st Congress (H. Doc. No. 337); to the Committee on Foreign Affairs and ordered to be printed.

1517. A letter from the Assistant Secretary of the Interior relative to stating that an adequate soil survey and land classification has been made of the lands in the Meeker-Driftwood unit, Frenchman-Cambridge division, Missouri River Basin project, Nebraska, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

1518. A letter from the Secretary, Department of the Air Force, transmitting a draft of proposed legislation entitled "A bill to provide for the interservice transfer of commissioned personnel of the Army, Navy, Air Force, and Marine Corps"; to the Committee on Armed Services.

1519. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to provide authority for the reassignment of officers of the naval service restricted in the performance of duty to an unrestricted duty status, and for other purposes"; to the Committee on Armed Services.

1520. A letter from the Secretary of Commerce, transmitting a report of surplus property disposed of during the past year by the Department of Commerce, Maritime Administration, pursuant to the Surplus Property Act of 1944 and authority delegated by the Foreign Liquidation Commissioner, and in accordance with section 404 (d) of Public Law 152, 81st Congress; to the Committee on Government Operations.

1521. A letter from the Acting Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 7, 1943 (57 Stat. 380) as amended by the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

1522. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession permit with Avondale Farms, which, when executed by the Superintendent, Great Smoky Mountains National Park, will authorize the concessioner to sell fresh milk to campers in the Chimneys public campground in Great Smoky Mountains National Park, Tenn., during a 3-year period beginning January 1, 1955, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1523. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession permit with Dr. J. E. Feldmayer, which, when executed by the Superintendent, Sequoia and Kings Canyon National Parks, will authorize the concessioner to provide medical services in Sequoia and Kings Canyon National Parks, Calif., for a 1-year period beginning January 1, 1956, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1524. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession permit with the Kings Mountain Little Theater, Inc., which, when executed

by the Superintendent, Kings Mountain National Military Park, will authorize the concessioner to present a historical drama and sell refreshments at the amphitheater in Kings Mountain National Military Park, S. C., during a 6-month period beginning April 1, 1956, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1525. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation entitled "A bill authorizing and requesting the President of the United States to proclaim the week of April 15, 1956, as National Voluntary Service Week"; to the Committee on the Judiciary.

1526. A letter from the Chairman, United States Civil Service Commission, transmitting a draft of proposed legislation entitled "A bill to promote the interests of national defense through the advancement of the scientific and professional research and development program of the Department of Defense, to improve the management and administration of the activities of such department, and for other purposes"; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee on Interior and Insular Affairs submits a supplemental report on H. R. 3383, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes; without amendment (Rept. No. 1087, pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 9132. A bill to provide for the approval of the report of the Secretary of the Interior on the Ainsworth unit of the Missouri River Basin project; without amendment (Rept. No. 1764). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6374. A bill to repeal legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navaho Indian Reservation; with amendment (Rept. No. 1765). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6904. A bill to provide for the establishment of the Booker T. Washington National Monument; without amendment (Rept. No. 1766). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:

H. R. 9247. A bill to amend section 5 (a) of the Federal Trade Commission Act with respect to certain unfair methods of competition in connection with the sale of motor vehicles; to the Committee on Interstate and Foreign Commerce.

H. R. 9248. A bill to amend the Federal Trade Commission Act to permit certain contracts and agreements establishing exclusive representation by distributors in specified geographical areas and requiring such distributors to sell only in these areas; to the Committee on Interstate and Foreign Commerce.

H. R. 9249. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers excise tax certain automobiles furnished without charge to schools for use in driver-training programs; to the Committee on Ways and Means.

H. R. 9250. A bill to amend title II of the Social Security Act to increase the amount of outside income which a widow with minor children may earn without suffering deductions from the benefits to which she is entitled under such title; to the Committee on Ways and Means.

H. R. 9251. A bill to amend the Federal Trade Commission Act with respect to certain contracts, agreements, or franchises to enable manufacturers of automobiles and trucks, and their franchise dealers, to protect their good-will in the business of manufacturing and distributing automobiles and trucks, made or sold by them, by restricting franchise dealers from reselling to certain unauthorized persons; to the Committee on Interstate and Foreign Commerce.

By Mr. BARTLETT:

H. R. 9252. A bill to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating in Hawaii and Alaska; to the Committee on Interstate and Foreign Commerce.

H. R. 9253. A bill to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Georgia:

H. R. 9254. A bill to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the Clark Hill Reservoir; to the Committee on Public Works.

By Mr. BURDICK:

H. R. 9255. A bill to provide for the acquisition of a site and the erection thereon of a Federal building in Williston, N. Dak.; to the Committee on Public Works.

H. R. 9256. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 9257. A bill to amend title 18 of the United States Code, so as to provide for the punishment of persons who assist in the attempted escape of persons in Federal custody; to the Committee on the Judiciary.

H. R. 9258. A bill to amend the Federal Employees' Compensation Act to provide compensation for employees of the United States suffering injuries from war-risk hazards or during detention by an enemy; to the Committee on the Judiciary.

By Mr. CHRISTOPHER:

H. R. 9259. A bill to amend title III of the Servicemen's Readjustment Act to remove certain impediments to the processing of applications for Veterans' Administration direct loans, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 9260. A bill to amend title III of the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DINGELL:

H. R. 9261. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. DORN of South Carolina:

H. R. 9262. A bill to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the Clark Hill Reservoir; to the Committee on Public Works.

By Mr. EDMONDSON:

H. R. 9263. A bill to amend title III of the Servicemen's Readjustment Act to remove certain impediments to the processing of applications for Veterans' Administration direct loans, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 9264. A bill to amend title III of the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. FARRINGTON:

H. R. 9265. A bill to amend the Hawaiian Organic Act, as amended, relating to the audit of government (Territorial and county) accounts; to the Committee on Interior and Insular Affairs.

By Mr. HAYS of Arkansas:

H. R. 9266. A bill to amend Public Law 874, 81st Congress, relating to financial assistance to schools in federally impacted areas, so as to provide such assistance with respect to handicapped children; to the Committee on Education and Labor.

By Mr. HILLINGS:

H. R. 9267. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. IKARD:

H. R. 9268. A bill to provide for adjustments in the lands or interests therein acquired for certain reservoir projects located in the State of Texas, by the reconveyance of certain lands or interests therein to the former owners thereof; to the Committee on Public Works.

By Mr. KELLEY of Pennsylvania:

H. R. 9269. A bill relating to certain inspections and investigations in metallic and nonmetallic mines and quarries (excluding coal and lignite mines) for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein, and for other purposes; to the Committee on Education and Labor.

By Mr. KILGORE:

H. R. 9270. A bill to amend Public Laws 815 and 874, 81st Congress, which provide assistance to local educational agencies in areas affected by Federal activities; to the Committee on Education and Labor.

By Mr. KILDAY:

H. R. 9271. A bill to incorporate the State Guard Association of the United States of America; to the Committee on the Judiciary.

By Mr. KNOX:

H. R. 9272. A bill to amend Title II of the Social Security Act to authorize payment of old-age insurance benefits to all individuals who have attained age 70, and to increase the minimum amount of all monthly insurance benefits payable under such title; to the Committee on Ways and Means.

By Mr. METCALF:

H. R. 9273. A bill to provide for research and technical assistance relating to the control of salt-marsh and other pest mosquitoes of public health importance and mosquito vectors of human disease; to the Committee on Interstate and Foreign Commerce.

H. R. 9274. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MACK of Illinois (by request):

H. R. 9275. A bill to stabilize agricultural production, stimulate forestry, and conserve the Nation's soil resources; to the Committee on Agriculture.

By Mr. MADDEN:

H. R. 9276. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of Nebraska:

H. R. 9277. A bill to establish a commission to prepare legislation providing for increased industrial use of agricultural products; to the Committee on Agriculture.

By Mr. OSTERTAG:
H. R. 9278. A bill to amend the act entitled "An act authorizing Federal participation in the cost of protecting the shores of publicly owned property," approved August 13, 1946; to the Committee on Public Works.

By Mr. PRICE:
H. R. 9279. A bill to appropriate funds for construction of the Jefferson National Expansion Memorial at the site of Old St. Louis, Mo., as authorized by the act of May 17, 1954 (68 Stat. 99); to the Committee on Appropriations.

By Mr. REUSS:
H. R. 9280. A bill to provide for the formulation of a plan for control of the property of the Menominee Indian Tribe and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROOSEVELT:
H. R. 9281. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUFORD:
H. R. 9282. A bill to amend title III of the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 9283. A bill to amend title III of the Servicemen's Readjustment Act to remove certain impediments to the processing of applications for Veterans' Administration direct loans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SISK:
H. R. 9284. A bill to amend the Organic Act of the Territory of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SPENCE:
H. R. 9285. A bill to amend section 14 (b) of the Federal Reserve Act, so as to extend for 2 additional years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury; to the Committee on Banking and Currency.

By Mr. TEAGUE of Texas:
H. R. 9286. A bill to modify the basis upon which Veterans' Administration gratuitous benefits may be granted to women as widows; to the Committee on Veterans' Affairs.

H. R. 9287. A bill to amend title III of the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 9288. A bill to amend title III of the Servicemen's Readjustment Act to remove certain impediments to the processing of applications for Veterans' Administration direct loans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of Texas:
H. R. 9289. A bill to authorize the Secretary of Agriculture to make payments to producers of corn, wheat, cotton, peanuts, rice, and tobacco who have complied with acreage-allotment programs for 1954, 1955, and 1956; to the Committee on Agriculture.

H. R. 9290. A bill to amend the Texas City Claims Act; to the Committee on the Judiciary.

By Mr. VAN ZANDT:
H. R. 9291. A bill to amend part VIII of Veterans Regulation No. 1 (a) to extend by 18 months the period within which education and training may be afforded certain veterans; to the Committee on Veterans' Affairs.

By Mr. VINSON:
H. R. 9292. A bill to amend the Career Compensation Act of 1949 to include natural children of the spouse of a member in the definition of "children"; to the Committee on Armed Services.

By Mr. WOLVERTON:
H. R. 9293. A bill to increase the amount authorized for the erection and equipment of suitable and adequate buildings and facilities for the use of the National Institute of Dental Research; to the Committee on Interstate and Foreign Commerce.

By Mr. BLATNIK:
H. R. 9294. A bill relaing to certain inspections and investigations in metallic and nonmetallic mines and quarries (excluding coal and lignite mines) for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein, and for other purposes; to the Committee on Education and Labor.

By Mr. COLMER:
H. R. 9295. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; to the Committee on the Judiciary.

By Mr. WHITTEN:
H. R. 9296. A bill to amend the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, and the Federal Farm Mortgage Corporation Act to authorize the Farm Credit Administration on behalf of and in the name of the Federal Farm Mortgage Corporation to make loans to farmers of the type formerly made by Land Bank Commissioner, and for other purposes; to the Committee on Agriculture.

By Mr. ADDONIZIO:
H. J. Res. 531. Joint resolution to establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs; to the Committee on Rules.

By Mr. ANFUSO:
H. J. Res. 532. Joint resolution to establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs; to the Committee on Rules.

By Mr. FEIGHAN:
H. J. Res. 533. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

H. J. Res. 534. Joint resolution to waive certain provisions of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. J. Res. 535. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

By Mr. HARRISON of Virginia:
H. J. Res. 536. Joint resolution proposing an amendment to the Constitution to provide for the separate election of the Vice President; to the Committee on the Judiciary.

By Mr. HULL:
H. J. Res. 537. Joint resolution to authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to Gen. John J. Pershing; to the Committee on House Administration.

By Mr. McCORMACK:
H. J. Res. 538. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1956, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SAYLOR:
H. Res. 400. Resolution to authorize a study leading to the establishment of a research and development program for the coal industry; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alabama, memorializing the President and the Congress of the United States relative to the Legislature of Alabama endorsing H. R. 7848 and H. R. 7225 now pending in the Congress; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to make provision by Federal law for ascertaining in the taking of each Federal decennial census the number of inhabitants excluding aliens in each of the States and in the political subdivisions thereof; to the Committee on Post Office and Civil Service.

Also memorial of the Legislature of the Virgin Islands, memorializing the President and the Congress of the United States to place the Virgin Islands on a more favorable basis with the States of the United States in regard to the public-assistance program of the Federal Social Security Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:
H. R. 9297. A bill for the relief of Amin Habib Nabhan; to the Committee on the Judiciary.

By Mr. BOSCH:
H. R. 9298. A bill for the relief of Kerttu Poutiainen Mayblom; to the Committee on the Judiciary.

By Mr. BOYLE:
H. R. 9299. A bill for the relief of Mrs. Shirin Behzad Isaac; to the Committee on the Judiciary.

By Mr. DINGELL:
H. R. 9300. A bill for the relief of Harold F. Cameron; to the Committee on the Judiciary.

By Mrs. FARRINGTON:
H. R. 9301. A bill to confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Trent Trust Co., Ltd., Honolulu, T. H.; to the Committee on the Judiciary.

By Mr. HOLIFIELD:
H. R. 9302. A bill for the relief of Hideo Konya; to the Committee on the Judiciary.

H. R. 9303. A bill for the relief of Mrs. Eloisa Valdez-Rizo de Cervantez; to the Committee on the Judiciary.

By Mr. PELLY:
H. R. 9304. A bill for the relief of Rachel Nethery; to the Committee on the Judiciary.

By Mr. PHILLIPS:
H. R. 9305. A bill for the relief of Ruth Erika Lerche Conrad; to the Committee on the Judiciary.

By Mr. PRICE:
H. R. 9306. A bill for the relief of William Yasuda and Toshio Yazawa; to the Committee on the Judiciary.

By Mr. RABAUT:
H. R. 9307. A bill for the relief of Mrs. Katharina Wolf; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:
H. R. 9308. A bill for the relief of Albert B. Hearndon; to the Committee on the Judiciary.

By Mr. ROONEY (by request):
H. R. 9309. A bill for the relief of Max Trichter Newman; to the Committee on the Judiciary.

By Mr. ROOSEVELT:
H. R. 9310. A bill for the relief of Ng Kwock Gee and Ng Kwock Jom; to the Committee on the Judiciary.

By Mr. WIER:
H. R. 9311. A bill for the relief of John C. Matlon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

513. By Mr. GROSS of Iowa: Petition of 96 farmers in the vicinity of West Branch, Iowa, urging Congress to enact legislation to provide cost of production plus profit prices for farm products consumed in the United States; to the Committee on Agriculture.

514. By Mr. HAYS of Arkansas: Petition of Mr. and Mrs. Simon Neff, Conway, Ark., and others urging approval of H. R. 4627 which would prohibit the advertising of alcoholic beverages in interstate commerce; to the Committee on Interstate and Foreign Commerce.

515. By Mr. NORBLAD: Petition signed by Mrs. P. A. Johnstone and 72 other members of the Veterans Club of Oregon State College, Corvallis, Oreg., urging the enactment of S. 533 to increase educational benefits for veterans; to the Committee on Veterans' Affairs.

516. Also, petition signed by Mrs. W. J. Clapshaw and nine other citizens of Washington County, Oreg., urging that the Townsend plan, as defined in H. R. 4471, be enacted into law; to the Committee on Ways and Means.

517. By Mr. O'HARA of Minnesota: Petition of Anna Stratte, of Farmington, Minn., and 147 other signers, protesting the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

518. Also, petition of Eugene C. Taplin, of Madelia, Minn., and 266 other signers, protesting the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

519. Also, petition of Mrs. Henry Esch, of Garden City, Minn., and 86 other signers, protesting the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

520. Also, petition of Mrs. Louisa Butterworth, of Mankato, Minn., and 15 other signers, protesting the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

521. Also, petition of N. B. Hansen, pastor of Main Street Lutheran Church, Hutchinson, Minn., and 234 other signers, protesting the advertising (by radio, television, billboard, and press) of alcoholic beverages, and the transportation of such advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

522. Also, petition of Miss Eliza Wilson, of Vernon Center, Minn., and other citizens, protesting the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

523. Also, petition of the Reverend Ralph Lutter, pastor of First Calvary Baptist Church, South St. Paul, Minn., and 87 other residents of Farmington, St. Paul, and South St. Paul, Minn., protesting the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

524. Also, petition of Mrs. Evan Johnson and 107 other residents of Blue Earth, Minn., and vicinity, protesting the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

525. Also, petition of Mrs. E. M. Schendel and 182 other residents of Blue Earth, Minn., and vicinity, protesting the advertising of alcoholic beverages over radio, television, newspapers, and magazines; to the Committee on Interstate and Foreign Commerce.

526. Also, petition of Mrs. Hazel M. Amundson, and 41 other residents of Waterville, Minn., and vicinity, protesting the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

527. By the SPEAKER: Petition of O. O. Owens, Tulsa, Okla., petitioning consideration of their resolution with reference to transmitting a copy of his amended and supplemental petition, relative to asking "for an investigation of collusion, conspiracies, frauds, forgery, and other crimes of officers, attorneys, and agents of Internal Revenue Service (formerly the Bureau of Internal Revenue) to extort money fraudulently represented to be income tax"; to the Committee on the Judiciary.

528. Also, petition of the clerk of council, city hall, Cincinnati, Ohio, petitioning consideration of their resolution with reference to adopting the necessary legislation in order to provide for an accelerated program for the improvement of the Interstate Highway System; to the Committee on Public Works.

529. Also, petition of the secretary, Lithuanian American Council, Pittsburgh, Pa., petitioning consideration of their resolution with reference to requesting the United States to develop an overall dynamic program of foreign policy for the defeat of the international Communist conspiracy, etc.; to the Committee on Foreign Affairs.

530. Also, petition of Cristino Urena Castanon, Guadalajara, Jalisco, Mexico, petitioning consideration of their resolution with reference to asking for a visa in order to work and reside in the United States, etc.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Revision of the McCarran-Walter Immigration Act

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1956

Mr. BENTLEY. Mr. Speaker, under leave to revise and extend my remarks in the CONGRESSIONAL RECORD, I wish to insert the following statement regarding revision of the McCarran-Walter Immigration Act:

STATEMENT FROM CONGRESSMAN ALVIN M. BENTLEY, REPUBLICAN, OF MICHIGAN

I have received a letter dated January 17, 1956, from Mr. Saul Grossman, executive secretary of the Michigan Committee for the Protection of Foreign Born and enclosing a resolution concerning the McCarran-Walter act. The resolution apparently supports Gov. G. Mennen Williams in his demand for the repeal of the act and calls on Michigan's congressional delegation to sign a discharge petition to force H. R. 501 (a bill for repeal) out of committee.

I have said before and wish to repeat that I do favor certain revisions (not repeal) of the McCarran-Walter Immigration Act. I have also attempted to caution those who sincerely desire to change this law to be careful of the company they keep. This warning is specifically designated against individuals such as Mr. Grossman.

According to the public records of the un-American Activities Committee, Grossman has been named by witnesses testifying under oath as having attended conferences of the Michigan Communist Party, Communist Party schools, and as having been an active member of the party itself. When called before the committee, he took the fifth amendment and was voted by the House of Representatives in contempt of Congress in 1952. In 1953 he was indicted for contempt by a Federal grand jury on 3 counts and, in December, was found guilty on 1 count by the United States district court for the District of Columbia. The United States Court of Appeals reversed this conviction only last month.

The Michigan Committee for Protection of Foreign Born has not been cited. It is understood, however, to have cooperated with the American Committee for Protection of Foreign Born which was cited by the Attorney General in 1948 as subversive and Communist. Following his indictment, Grossman was publicly supported by the Civil Rights Congress which was also cited as subversive in 1948.

In view of the foregoing, I am certain that those persons or organizations who wish to repeal or modify the McCarran-Walter act will give Mr. Grossman and the Michigan Committee for the Protection of Foreign Born the consideration which they deserve. The support of such persons and organizations can, in my opinion, only endanger the chance of amending or improving the legislation in question.

Tadeusz Kosciuszko

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1956

Mr. DINGELL. Mr. Speaker, on February 12, we celebrated the anniversary of two great men, who both contributed so much to the freedom which we Americans enjoy today. Indeed, Mr. Speaker, that day was not only the birthday of Abraham Lincoln, but also of Tadeusz Kosciuszko. It is well said that although born in different times, and on different continents, the two men shared the same philosophy and the same love of freedom for all. Their ideals are no less perfect today than they were in their times, and indeed, they are as vitally necessary to our American civilization as they were in

the trying times in which these two great men lived.

Benefiting from a broad education at Warsaw, Brest-Litovsk, Mezieres and Paris, 30-year-old captain of artillery, Tadeusz Kosciuszko, sailed in 1776 to fight for America's freedom. Through his talents, he became a general officer in the United States Army and earned the confidence and respect of his Commander in Chief. He served with distinction at Saratoga and Yorktown. Thomas Jefferson was his especial friend and the executor of his will. No mercenary he, Kosciuszko willed all his American property to a fund for the education of Negroes. He recognized their problem and advocated education as a means of solution which commended itself to Washington, Jefferson and, later, to that great Virginian, Robert E. Lee. We should prudently follow this path today by improving and extending education to all.

In Poland's hour of need, Kosciuszko fought Prussian and Russian armies with great courage and skill. The combined forces of both these autocratic states were required to destroy Poland's independence in 1795, but the freedom which Kosciuszko loved continued to burn in his breast and in the hearts of all his fellow Poles.

When Napoleon and the Tzar sought to use Kosciuszko's influence with the Polish people, he rated the tyrants' overtures at their proper value and refused to become their pawn. Washington, in his farewell address, spoke for Kosciuszko and for all mankind who have learned by bitter experience how high to value the tyrant's pledge.

The morality of tyrants of his day did not confuse Kosciuszko. Rather, it led to broader understanding and a profound respect for the individual paths by which free and independent men find a common front in the struggle for a decent world order.

Kosciuszko literally died in the saddle; at the age of 71, his death was the result of a fall from his horse. A doer as well as a thinker, it might be said of Kosciuszko, as Pericles described the men of Athens, that he was a lover of wisdom and of beauty without affectation.

In saluting Kosciuszko, we of the 20th century salute the best of the 18th—the men who first made America free. Yet each of us knows within himself that so long as Soviet Russia continues to ruthlessly dominate the lives of free men, no one is truly free.

Americans carry the burden of billions of dollars spent each year for arms. Our young men are taken away from their homes and their peacetime pursuits to serve as citizen soldiers for the defense of their country, and our factories turn out materials of war instead of goods for peace and a better life for all.

And yet we bear our load in the happy knowledge that it is far less heavy than that of our brothers in the Poland which gave us Kosciuszko and Pulaski. Men who were once free citizens of other countries also know how Russia makes mockery of freedom and democracy.

Let us rededicate ourselves to the proposition that all men can and must be made free. To that end we must continue to press vigorously for the right of self-determination guaranteed in the Yalta Agreement which Soviet Russia scorns.

That right we will secure, not only for our American people but to others, by all means short of war.

It is in this dedication, and in the vigorous pursuance of it by all possible means, that we most honor the two great men whose birthdays we celebrated on February 12.

Address by Hon. Leslie C. Arends at Lincoln Day Dinner, Hotel Utica, Utica, N. Y., on Saturday Evening, February 11, 1956

EXTENSION OF REMARKS
OF

HON. WILLIAM R. WILLIAMS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1956

Mr. WILLIAMS of New York. Mr. Speaker, under leave to extend my remarks, I would like to include a speech by the distinguished minority whip of the House of Representatives, Congressman LESLIE C. ARENDS, of Illinois, which he made February 11, 1956, at a Lincoln Day observance dinner, held at Hotel Utica, Utica, N. Y., under the auspices of the Oneida County Republican Committee.

Congressman AREND'S speech follows:

It is a great privilege and a real pleasure for me to be able to participate with you this evening in paying homage to Abraham Lincoln—our first Republican President and a great American whose name and whose deeds will live forever.

I would be less than honest not to confess to you that I was a bit hesitant about coming here for this occasion. It was not that I did not desire to come. I had heard from many what a fine annual affair this is. I now can see for myself why those who have participated on your annual program have been so enthusiastic.

You have had so many outstanding speakers on previous Lincoln Day dinners that I frankly wondered whether I could measure up to what you might expect of me. But I am here. And I am sure the others who have been here from Congress before me will agree with me when I say that your Congressman, WILLIAM WILLIAMS, is one of the most persuasive men in the Congress.

The Republican National Committee had suggested during this Lincoln Day recess period that I make a speaking tour in California. I had planned to make the trip. Then along came my friend and colleague, BILL WILLIAMS, with his usual quiet, persuasive way. And so, as George Gobel would say, "there you are, and here I am."

You certainly demonstrated that you know your politics as the science of good government when you sent to Congress to be your spokesman in national affairs a man of BILL WILLIAMS' fine character and outstanding ability.

As the Republican whip of the House it is part of my job to keep close check on the attendance and performance record of each and every Republican Member of Congress. By virtue of the very nature of my duties as the Republican whip, I have an intimate knowledge of the record of BILL WILLIAMS. You surely know—without my telling you—the truly high quality of representation he has given this district.

I never have had to seek him out to be present on the floor of the House for some particular vote. He was always there. I never have had to concern myself as to how he would vote on a matter involving a proven principle of government. BILL WILLIAMS has always stood firm for principle, when others might allow themselves to be swayed by the political expediencies of the moment.

I will say, speaking not only as a friend but in my official capacity as the Republican whip, that no Member of Congress has a finer record of performance, both in the work of the Committee on Agriculture and on the floor of the House, than your own BILL WILLIAMS. I know you are proud of him. You have a right to be. He is a real Republican and a fine American.

And tonight we are paying homage to another real Republican and fine American—one of the greatest of the great.

I look upon Abraham Lincoln—a plain, God-fearing man—as the very symbol of democracy and the very embodiment of the American way of life. He came from a humble log cabin in Kentucky to occupy the White House. His life expresses, as nothing else can, the individual freedom and opportunity that is America.

As Abe Lincoln himself expressed it in a speech at New Haven, Conn., in 1860: "I am not ashamed to confess that 25 years ago I was a hired laborer, hauling rails, at work on a flatboat—just what might happen to and poor man's son. I want every man to have a chance."

To insure these United States of America as a land of freedom and opportunity, that every man may have his chance, Abraham Lincoln devoted his life, founded our Republican Party and ultimately gave his life. Let us be no less devoted.

In 1864, when our country was torn with internal strife and Abe Lincoln was struggling with a heavy heart to restore peace and unity, he had occasion to make a few remarks to an infantry regiment. This is what he said, with his customary humility: "I happen temporarily to occupy this big White House. I am a living witness that any one of your children may look to come here, as my fathers' child has. It is in order that each one of you may have, through this free Government which we have enjoyed, an open field and a fair chance—that the struggle should be maintained that we may not lose our birthright."

We in our day are likewise called upon in the circumstances of our day to maintain this struggle for freedom and opportunity that we may not lose this precious birthright.

As we reflect on the life and character of the immortal Abraham Lincoln, our hearts fill with renewed devotion to our cherished heritage of freedom and opportunity for which he so nobly gave "that last full measure of devotion." In his words and by his deeds he has left footprints on the sands of time to show us the way, to inspire us and give us courage in our darkest hours.

Of course, we in Illinois take special pride in this great American. He practiced law in the immediate vicinity of my congressional district and served four terms in the Illinois State Legislature, as well as one term as a Member of Congress from Illinois.

The important fact is that he lived in the days of the pioneers. In this environment he acquired those sterling qualities of honesty and humility, patience and charity, self-reliance and industry; and, above all else, faith in God and his fellowmen.

Abraham Lincoln does not really belong to any one State. He does not belong solely to Kentucky, where he was born; nor to Indiana, where he was raised as a boy; nor solely to my own State of Illinois, where he rose to national greatness.

Lincoln belongs to the ages—to all Americans—to all peoples.

But he uniquely belongs to the Republican Party. He was our first national leader. He shaped our formative years as a political party.

The basic principles of freedom under a constitutional Government that Abraham Lincoln advocated are the traditional principles of the Republican Party. With time, conditions and circumstances change. But proven principles for individual conduct and proven principles for good government will live forever.

Lincoln believed that the Government belonged to the people, should be conducted for the people, by the people. That continues to be the doctrine of the Republican Party.

Lincoln believed that a government that governs the least governs the best. That continues to be the doctrine of the Republican Party.

Lincoln believed in equal rights for all and special privileges for none. That continues to be the doctrine of the Republican Party.

Lincoln believed in frugality. He believed that debts and taxes can be chains of bondage as much as other forms of enslavement. That continues to be the doctrine of the Republican Party.

Lincoln believed in honesty and integrity. He looked upon public office as a public trust. That continues to be the doctrine of the Republican Party.

It has been such traditional principles as these that have made America strong and great. It is to such traditional principles that our country is being returned under the crusading dynamic leadership of President Eisenhower.

As the people looked to Lincoln for forthright leadership in a period of grave national crisis, the American people look today to President Eisenhower, and the Republican Party, for the same forthright leadership in this critical period, when our very existence as a free people is threatened.

Lincoln kept faith. With determination and with courage, he applied himself to the problems of his day. He saved this Nation from self-destruction.

We are keeping faith. With determination and with courage, we, too, are applying ourselves to the complex problems of our day. With the full cooperation of the Republican Members of Congress, President Eisenhower is again furnishing the country the forthright leadership so earnestly desired by all Americans and so sorely needed to preserve the American way of life.

We Republicans are engaged in the tremendous job of reconstruction; spiritually, economically, militarily and governmentally. We have the appointed task to repair the great damage wrought by 20 long years of New Deal-Fair Deal misrule. It will take time; it will take courage; and, it will take patience to repair completely the damage wrought by many years during which the socialistic planners of the Democrat Party distorted and circumvented our Constitution and shackled our economy.

In this work of reconstruction we are, as immortal Abraham Lincoln expressed it in memorable words at Gettysburg, "Dedicated to the great task remaining before us * * * that this Nation, under God, shall have a new birth of freedom."

As Lincoln kept faith, we are keeping faith. Truly remarkable progress has been made in just three short years. Much has been accomplished. But much remains to be done.

A great deal of which has been accomplished can be credited to the fact that we have in the White House another Republican who, like Lincoln, is a man of great spiritual and intellectual stature. He has but one ambition: that is to do that which is best for all of us that all of us, and our children to come after us, may as a free people ever enjoy peace, progress, and prosperity.

I venture the prediction that this period of our history will come to be known as the Republican era of stability and solid progress. It will stand in sharp contrast to the previous 20 years of debts, taxes, subversion, immorality, confusion, uncertainty, inflation and war.

As the very first step for meeting the great task before us, President Eisenhower determined it shall be the firm policy of his administration to adhere to the fundamental principles of our constitutional form of government. We now have in the White House a President who believes in the Constitution of the United States. To him it is not the straitjacket against which the New Dealers-Fair Dealers complain. To him the Constitution is a living document within the framework of which we can work together as a team to solve our problems and insure the people their rights and liberties.

During these past 20 years of misrule we have seen our Constitution distorted, circumvented, and even ignored. We experienced White House dictation, ridicule of the Congress and even an abortive attempt to pack the Supreme Court.

This shameful era has ended. With the Eisenhower administration we have returned to our constitutional form of government. Immediately upon taking office President Eisenhower inaugurated policies and procedures to restore Congress to its proper place in our system of government as the voice of the people, the doer of the people's will and the protector of their liberties.

This is precisely the same attitude taken by Abraham Lincoln. In a speech at Pittsburgh on February 15, 1861, Lincoln said: "By the Constitution, the Executive may recommend measures which he thinks proper, and he may veto those he thinks improper, and it is supposed that he may add to certain indirect influences to affect the action of Congress. My political education strongly inclines me against a very free use of any of these means by the Executive to control the legislation of the country."

That was the intent of our Founding Fathers, that was the principle of government followed by Abraham Lincoln, and it is the principle of government being followed by Dwight D. Eisenhower.

President Eisenhower regularly consults with the leaders of the people's representatives in Congress. We meet with him regularly each week for a discussion of pressing problems and possible solutions by legislative or Executive action. These White House conferences provide opportunity for a free exchange of views and ideas between the President and the Congress as the voice of the people.

President Eisenhower's immediate predecessors did not consult with the Congress and recommend. They arbitrarily demanded certain measures be passed, without changing a comma; and insisted that every dollar requested be appropriated, without question. When the Congress refused their demands there followed White House attempts at political purges. There followed ridicule and abuse of your Congress as an arm of the Government.

Recall, for example, President Roosevelt's "Rubberstamp Congresses" and his efforts to purge the recalcitrants of his own political party. Recall President Truman's abuse of the Republican 80th Congress, notwithstanding the fact it complied with the people's wishes by cutting the cost of government, reducing taxes and improving labor-management relations. Recall President Truman's free use of the veto power and his repeated refusals to give the Congress the information it sought in order to legislate for the people the Congress represented. Recall the secret agreements entered into by the Executive and foreign commitments made without any consultation at any time with the Congress.

Our steel mills were seized without regard to the constitutional prohibition against taking private property of any man or group of men. Our country was even plunged—practically overnight—into a stalemate war in far off Korea, without any prior consultation of any kind with the Congress.

With our Republican administration this shameful era ended. From a government by executive dictation, order, and decree that we experienced for 20 long years under the Democrats, we have changed to a government of law as expressed by the people through their own Representatives in Congress. We Republicans have brought an end to the era of government by men and have ushered in an Abraham Lincoln era of government of, for, and by the people.

Our constitutional form of government is being revitalized in other respects. For 20 long years we have seen the Federal Government assume more and more authority at the expense of the States and local communities. So extensive had the centralization of power in Washington become that our States were becoming little more than geographic boundaries on a map.

We Republicans have not only stopped this dangerous, destructive trend. We have reversed it. Not only do we Republicans emphasize local self-government, local rights, and local responsibilities, we emphasize individual rights and liberties. We emphasize freedom and opportunity. We emphasize individual initiative and ingenuity. That is the American way of life.

Since we Republicans took over our national leadership there has been a moral and spiritual reawakening.

For 20 long years under the New Dealers-Fair Dealers, who control the Democratic Party, we have witnessed immorality, graft, greed, corruption, and in general a moral degeneration of our people. They offered something material to induce the people to follow them. Theirs was a dollar a vote philosophy.

But they never offered anything spiritual. They never sought to point out to our people that man is a spiritual as well as a material being. "Man cannot live by bread alone," and for 20 long years our people were actually starving for spiritual leadership.

All this has been changed under the forthright leadership of our Republican administration. President Eisenhower has brought about a moral and spiritual reawakening in the country.

No nation, however strong in a material sense, can long endure if it is not strong morally and spiritually. It is a lesson of history. Just as Abraham Lincoln showed the way, President Eisenhower has shown the way to moral and spiritual strength. That, to me, is one of our foremost accomplishments.

In these 3 short years our Nation has also become economically strong. This period of peace, progress, and prosperity stands in sharp contrast to the previous period of war, ever-mounting debts, ever-increasing taxes, ever-expanding Government, and widespread uncertainty.

Just consider for a moment what we have accomplished. When we Republicans took office—only 3 years ago—we were at war. It was an undeclared war in far-off Korea, in which we had no voice. It cost billions upon billions of dollars. More important, it cost the lives of 33,237 American boys and 119,196 wounded; some of whom will never see or walk again.

We ended that unnecessary, costly war. We brought peace in the world. And today, thanks to our Republican President's capacity for world leadership, we are in a stronger

international position than we have ever been. We have seized the diplomatic offensive.

To be sure, it is not a certain peace. Yet we are on the march, for the first time in more than a decade, toward international justice and stable international peace. We are on the march for permanent peace and security with a leader who knows best how to achieve it.

In our untiring efforts for permanent peace and security we are following two basic principles. One is that the American people themselves shall at all times have a voice in the course pursued. The era of secret agreements has ended. Ours is the policy of keeping the people fully advised at all times and of giving the people, through their representatives in Congress, a definite voice in the decisions made.

A second basic principle in our Republican foreign policy is that we shall be firm and strong. While we are determined to insure peace, we are not so foolish to think that concessions and appeasement insure peace. That was the naive theory of the previous Democrat administrations, but it is not the policy of our Republican administration.

The Democrats have made much ado over the so-called "brink of war" statement of Secretary of State Dulles. In this, as in all things, they are desperately searching for an issue and desperately trying to becloud the facts.

The fact is that "the brink of war" is nothing more or less than the administration's policy, endorsed by Congress itself in the Formosa resolution, of making certain our allies and our potential enemies know that we say what we mean and we mean what we say. It is this firm, definite policy that has served to deter anyone with thoughts of aggression.

Of this I am sure: Our people would rather that we use "brink of war" policy than be in war itself, and that's exactly what the policy has accomplished.

We are following a principle enunciated by Abraham Lincoln when he said: "With malice toward none, with charity for all, with firmness in the right." That's the essence of our foreign policy, "firmness in the right." Our friends and enemies know it. Because they know it, war has been avoided, and we are closer to permanent peace than we have ever been. We hold no malice. We seek nothing. We seek only to be free to live and to let others live in peace and freedom. That is what is conceived to be right—a God given right—and for that right we shall, under a Republican administration, be always courageous and firm.

Yes, we have achieved peace. We have done more than that. We have given our people both peace and prosperity. We are proving to our Democrat friends you can have both.

The unemployment problem of the 30's was never solved in 20 long years. World War II temporarily solved it. The Korean war temporarily solved it. But no real solution is temporary.

No real prosperity is based on war. Real prosperity has but one real basis—and that is the reality of peace.

We can be proud of the comparative ease with which the country made the transition from the Democrat wartime economy to the Republican peacetime economy. Such a transition is always difficult. Maladjustments are more or less certain to occur. Some still exist but steps are being taken to correct them.

You may recall that in making this transition the Democrat prophets of doom and disaster began to beat the war drums. But their loud cries of an impending depression, of doom and great disaster, never materialized. Our Republican administration not only brought peace, not only made possible a transition from war production to peacetime production with a minimum of hardship—we have ushered in a period of prosperity never before achieved. Home, industrial, public, and other construction are setting new high records. Civilian employment has reached an all-time peak of 65 million. For the first time in history personal income is exceeding the $300 billion level.

The average weekly wage of manufacturing workers has risen to almost $80. That is almost $9 more per week than it was a year and a half ago.

But that's not the whole story. The important fact is that not only have wages in dollars increased but what those dollars will buy has become stable. We Republicans have stabilized the dollar so that what the wage earner receives is a real wage.

The halting of inflation and the creation of an economic prosperity based on peace instead of war is no mere accident. It is the result of the policies put into effect by your Republican administration under President Eisenhower.

It is the result of our continuing to adhere to the principles advocated by Abraham Lincoln. In a speech on the floor of the House, when he was a Member of Congress from Illinois, he said: "We hold the true Republican position. In leaving the people's business in their hands, we cannot be wrong." And that is exactly the policy being followed by your Republican administration.

We released the energies of our people and private enterprise by removing Government controls on prices, wages, rents, and materials. We reversed the trend toward an all-powerful Federal Government in Washington and have been steadily taking the Government out of competition with private enterprise. We cut Government spending and passed the savings on to the people. We provided incentives to industry and business to create jobs by reducing their tax burdens and other aids. In short, your Republican administration has placed our whole economy on a solid foundation that all the people may enjoy progress and prosperity.

To be sure, there are still certain areas where complete adjustment from wartime to peacetime production has not yet been made. There are still problems to be solved. And the farm problem is the most notable. Farm prices continue to decline. But it must be borne in mind we have not yet put into effect our entire Republican farm program. It must be borne in mind that from the previous administrations we have inherited huge surpluses which continue to depress farm prices.

Nonetheless, the decline in farm prices which started in the Truman administration has been slowed down. We are vigorously pursuing a program for the disposal, at home and abroad, of the huge surpluses. We are finding new markets and new uses for the products of the farm.

I am confident that we are on the way to a solution of the farm problem. It will take time. It will take patience. But we Republicans are determined we shall find the solution and not simply play politics at the expense of our farmers.

It seems to me that the stoppage of inflation and the general stabilization of our economy is one of our great accomplishments of your Republican administration. It means considerably more than the Democrat proposal of a $20 tax reduction, which would only have meant the average family would have to spend that much and more in the price rise it would have caused. But Democrats are interested in lure for votes that they get power. We Republicans are instead working for national strength that our country may have power.

Why does the average man now have more take-home pay? Why is it more? There are two reasons: one is that under the rise, careful, painstaking direction of your Republican administration the inflation has been halted. And, secondly, we have in this brief period of less than 3 years cut the cost of Government to the extent that we have given the taxpayers $7,400,000,000 to spend for themselves, rather than have the Government spend it for them. And believe me, we have every reason to believe that more tax reduction is on the way if Republicans are left in control of our fiscal affairs.

The Democrats are trying to make it appear that the tax reduction favored the rich. The 10-percent cut was made in personal income taxes of all in the middle and lower brackets, consisting of 85 percent of the taxpayers. Does that favor the rich? All excise taxes, such as on electrical appliances, movie theater tickets, railroad fares, toilet articles, and various items in the average family budget, were reduced from 25 to 10 percent. Does that favor the rich? It is the average working man and woman who constitute 85 percent of the consumers in America.

The fact is that two-thirds of the huge tax reduction brought about in just 2 years goes directly to the average wage earner and his family. We Republicans are interested in making certain the average man, the average American, is able to find steady employment, and able to progress. We are achieving that objective and we are now entering upon a period of progress and prosperity never equaled in our history.

I wish I had the time to outline all that has been accomplished in this brief period of less than 3 years. On all fronts, foreign and domestic, governmental and economic, military and moral, we have made an outstanding record for a freer and stronger America. After 20 years of New Deal-Fair Deal misrule, with programs to make us a socialistic state, we have been engaged in repairing the damage they have done. We are engaged in rebuilding our whole national economic and governmental house in accordance with proven American principles of sound economics and good government.

Yes, we Republicans have something of which we can be proud. We have a truly American program for peace, progress, and prosperity. We have a record to show we know how to put that program into effect, and our record shows the effectiveness of the program. In just less than 3 years the whole country is beginning to enjoy its fruits. We are in a Republican era of stability. We are in a period of peace, progress, and prosperity.

That's exactly what the American people want. It is your job and mine to see that they really get what they want. If we do our job as we should, a complete Republican victory in November is a certainty.

In 1859 Abraham Lincoln made this pledge: "I have enlisted for the permanent success of the Republican cause." We here tonight pledge we shall do no less.

Tadeusz Kosciuszko

EXTENSION OF REMARKS

OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1956

Mr. ZABLOCKI. Mr. Speaker, last Sunday, February 12, marked the birthdays of Abraham Lincoln and of Tadeusz Kosciuszko, the outstanding Revolutionary War hero.

The Americans, and the people of Poland both revere the memory of this great man who fought for freedom on two continents. The story of his life is

an illustrious example of man's age-old quest for liberty.

Kosciuszko was born in Poland and educated there, graduating from the Warsaw Cadet School with highest honors. The King of Poland, impressed with his engineering ability, sent him to France where for several years Kosciuszko attended military schools. Upon his return, he was commissioned a captain in charge of Krakow's fortifications. There was little opportunity for the use of his talents in Poland, so the news of the outbreak of hostilities in America kindled his imagination and in the summer of 1776 Kosciuszko arrived in America on his own initiative and his own expense.

He joined the Northern Army in 1777 and his construction of fortifications and choice of battlegrounds contributed much to the success of the Continental Army.

American youth has paid tribute to Kosciuszko by erecting a monument to his memory at West Point—for it was Kosciuszko who first suggested the spot where West Point now stands, for a military school.

The story of the contributions made by Kosciuszko to the cause of freedom in the United States and in Poland is known to millions and has been repeated many times on this floor. As we pay tribute to his memory, may we recall the words of the famous poet, John Keats, who wrote:

Good Kosciuszko, thy great name alone
Is a full harvest whence to reap high feeling;
It comes upon us like the glorious pealing,
Of the wide spheres—an everlasting tone.

Don't Let Them Sell Us Up the River

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1956

Mr. HIESTAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement relative to the upper Colorado River storage project bill. This bill is scheduled for the floor during the week beginning February 27.

My statement is based on information contained in the minority report on the bill.

The Hoover Commission, in its bipartisan study of reclamation projects, reports that in the water-resources field, five conditions must be found necessary for the success of reclamation projects:

First. They must have technical feasibility.

Second. They must be sound financially.

Third. They must have fertile soil capable of agricultural production over long periods of years.

Fourth. They must have adequate and suitable water supply.

Fifth. There must be farmers available who are interested in and enthusiastic for irrigation agriculture.

Relating these to the project before Congress, the record shows there is question as to the technical feasibility of the proposed 700-foot Glen Canyon Dam; the financing is wholly unsound; the soil by and large is of dubious quality, and the water supply is actively in litigation in the Supreme Court.

The Commission further found "experience shows that the farmers alone cannot bear the whole cost of irrigation projects."

Conceding this, would it not be a proper inquiry for Congress to determine what the farmers should pay? Should they pay only 12 percent, as this bill allows? If so, who should bear the balance of the cost, local area residents or the taxpayers in every corner of the Nation?

The Hoover Commission makes a suggestion on this score—that the beneficiaries (including States) contribute at least 50 percent—which may well be forgotten if the "hydro-headed" monster now before Congress becomes law.

I believe that the people are entitled to and will demand a thorough consideration of the Hoover Commission recommendations in the light of this boondoggle project before the Congress. This project goes against every one of the five conditions which must be met before any reclamation scheme can be successful.

It is an attempt to deprive the taxpayers in every part of the Nation of money during the next 100 years which has no business being spent even in 1 year.

Mental Health Legislation for Alaska

EXTENSION OF REMARKS
OF
HON. JAMES B. UTT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1956

Mr. UTT. Mr. Speaker, a recent editorial in the Santa Ana Register, Santa Ana, Calif., regarding the mental health legislation for Alaska, has resulted in a number of protests from my constituency. The attached statement from the Secretary of the Interior on this subject is enlightening and, I believe, will do much toward erasing any misunderstanding. Since wide publicity has been given to this controversial matter, under unanimous consent, I include the statement in the CONGRESSIONAL RECORD so that people throughout the United States may have a knowledge of just what the legislation proposes:

STATEMENT CONCERNING ALASKA MENTAL HEALTH BILL

The editorial which appeared in the Santa Ana Register on January 24, 1956, purports to show that the Alaska mental health bill will establish a 1-million-acre "Siberian concentration camp" in Alaska. The editorial also states that, if the bill is enacted, anyone with a grudge against another person can have him railroaded into this concentration camp. Lastly, the editorial says that provisions for reciprocity in the bill will enable the governors of all the States to exile their mentally ill to Alaska. These statements are based upon a misunderstanding of the terms of the legislation.

The provisions of the bill now before the Congress can best be understood against the background of existing Federal statutes relating to the care and treatment of the Alaskan mentally ill. Under these laws which date from 1900, a person suspected of being insane is apprehended by the United States marshal, lodged in the nearest jail—because there is usually no other safe place in which to lodge him—and in due course tried before the United States Commissioner and a jury of laymen which determines whether the person is insane. If found to be insane, the patient is then transported by the United States marshal, often in the company of convicted criminals, to Morningside Hospital, the private institution in Portland, Oreg., which provides care and treatment under a contract with the Department of the Interior. Approximately 368 patients are now hospitalized at Morningside under this contract.

There are also in Morningside Hospital a number of mentally defective children, some of whom are less than 5 years old. One was admitted when only 18 days old. These unfortunate children had to be tried before a jury before they could be sent to Morningside for care and treatment.

The existing statutes relating to the Alaskan mentally ill were possibly justified when enacted in the early part of this century. Today the commitment proceedings are archaic and barbaric. The Territory of Alaska has also developed economically and politically until it is now in a position to assume responsibility for the commitment and care of its mentally ill. This selfsame responsibility is now exercised by each of the 48 States and the Territory of Hawaii.

Against this background, the Department of the Interior, the Department of Health, Education, and Welfare, and the Bureau of the Budget drafted legislation intended to modernize the outdated commitment procedures for the Alaska mentally ill and to transfer to the Territory, where it belongs, the responsibility for their care and treatment. This is the legislation which was considered by the House of Representatives Committee on Interior and Insular Affairs in public hearings in Washington, D. C., and Portland, Oreg., and which was favorably reported on July 25, 1955. Subsequently, during a series of hearings in Alaska in October 1955, the committee heard virtually unanimous endorsement of the Alaska mental-health bill.

Basically, there are two parts to the pending legislation. The first relates to the hospitalization of the mentally ill and the second to grants to the Territory to assist it in undertaking this new responsibility. In keeping with modern emphasis on facilitating access to needed medical care, the Alaska mental-health bill authorizes admissions to qualified hospitals either on the patient's voluntary application or on the basis of application by others supported by medical certification. Such admissions, however, do not authorize compulsory detention of the patient and there is further preserved, even to the patient who is certified as dangerous and hospitalized under emergency procedures, the right to a discharge unless judicial proceedings are promptly instituted. In addition to the right of discharge and the availability of habeas corpus to protect the right, a right of petition for a judicial determination of his mental condition is also provided and may be invoked either by the patient or by others.

Nowhere in the Alaska mental-health bill is there authority for a person to be hospitalized without a prompt review of his mental condition nor is there authority for a

patient to be held against his will without a judicial proceeding.

Because the Federal Government has exercised exclusive jurisdiction with respect to the Alaskan mentally ill during a period when the States were building up their present hospital facilities and personnel, it was our belief that the Territory should be assisted in assuming its new responsibility. Accordingly, we recommended a $6 million grant over 10 years to aid the Territory in establishing and operating a mental-health program and a $6,500,000 grant to assist it in constructing hospital facilities. Additionally, a grant of land to the Territory was recommended. In this connection it should be pointed out that Alaska's potential tax base is considerably narrowed because the Federal Government now holds more than 98 percent of Alaska's 375 million acres.

The legislation now before the Senate authorizes the Territory to select up to 1 million acres of vacant, unreserved, and unappropriated public lands of the United States in Alaska. All such lands so selected and the income from them are to be administered as a public trust for the hospitalization and care of the mentally ill. The 1 million acres will not be set aside as a hospital site, but it is the purpose of the legislation that the revenues and income from the sale or lease of the lands will be used to help the Territory meet the costs of caring for its mentally ill.

The editorial mentions that a section of the original bill as submitted by the Department of the Interior had been deleted. This section provided penalties against any person who willfully causes, conspires with, or assists another person to cause unwarranted hospitalization or the denial to any individual of rights granted by the bill. The Department feels that this provision should be retained and has recommended to the Senate that it be restored.

The editorial specifically objects to section 119 (c) of the bill which authorizes the Governor to enter into a reciprocal agreement with any State for the care and treatment of Alaskans, or for care and treatment in Alaska of residents of such States. This provision was included so as to authorize treatment at Alaska's expense (or that of the State concerned) in instances where repatriation would not be in the best interest of the patient. This provision, as well as others in section 119, must be read in connection with subsection (d) which states that "due consideration shall be given to the relationship of the patient to his family, legal guardian, or friends, so as to maintain relationships and encourage visits beneficial to the patient."

The editorial also states that under the bill judicial proceedings for commitment will be held under the direction of a United States Commissioner who can omit notice to the patient, need not require the patient to be present, and who can exclude anyone from the hearing. Again, this is an instance of a complete misunderstanding of the provisions of the legislation. The bill provides specifically that notice of a hearing shall be given the proposed patient, his legal guardian, if any, and to one or more of the other interested parties, if any. On the other hand, the language provides that if the Commissioner has reason to believe that notice would likely be injurious to the proposed patient, such notice may be omitted. Obviously, there will be occasions in which a notice to appear before a court for a sanity hearing will have a severely injurious effect upon the mental condition of the patient. Similarly, it may not be in the best interest of the patient himself to be present at a hearing, or for the Commissioner to hold a hearing open to the public at large. However, the bill does not authorize star chamber proceedings. Notice is required to be given at least to the legal representatives, friends, and other interested parties and the patient, his guardian, and other interested parties are afforded an opportunity to appear, testify, and to present and cross-examine witnesses.

It is stated in the editorial that the Commissioner may make a commitment for an indeterminate period or for 6 months. Properly stated, the Commissioner may order the patient's hospitalization either for an indeterminate period or for a temporary observational period not exceeding 6 months if the patient is found to be mentally ill and, if because of his illness he is likely to injure himself or others if allowed at liberty, or if he is in need of custody, care or treatment in a hospital. While the bill also authorizes the head of the hospital to impose certain restrictions on correspondence and visitors, every patient specifically retains the right of habeas corpus upon petition by himself or a friend. Restrictions on correspondence and visitors may be imposed only if it is determined that they are necessary for the medical welfare of the patient.

Rather than provide the machinery for a police state, the bill is intended to correct outdated and barbaric practices and to provide enlightened treatment for the mentally ill of Alaska. As Congressman LEO W. O'BRIEN, chairman of the Territories Subcommittee, stated on the floor of the House of Representatives:

"This bill is designed to erase a blot from our national honor, to treat sick people as such and not as criminals."

Land Bank and Soil Conservation

EXTENSION OF REMARKS
OF
HON. BEN F. JENSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1956

Mr. JENSEN. Mr. Speaker, on February 7, 1949, I introduced a soil conservation bill, H. R. 2368, and on March 23, 1949, I received unanimous consent to have printed in the CONGRESSIONAL RECORD of that day, a copy of my bill and an analysis explaining quite in full the provisions of the bill.

I have good reason to believe that my bill, H. R. 2368, was the first soil bank—soil conservation bill to be introduced in Congress. But up until a few months ago, no Secretary of Agriculture, nor Congress, nor any farm organization seemed interested in such a bill. However, I am pleased to say that, some of the top officials of the Department of Agriculture now in power have for some time taken a keen interest in the provisions of H. R. 2368.

Mr. Speaker, had H. R. 2368 been made the law of the land soon after I introduced it, I am very certain the farm problem as it now exists would not have developed. I am gratified to see that, the agriculture bill which was recently adopted by the Senate Agriculture Committee corresponds in many of its provisions with the provisions of H. R. 2368, but apparently in greatly expanded form, which I presume is necessary at this late date in order to hasten its effectiveness.

My purpose in having my bill and analysis of it again printed in the RECORD at this time is, in the hope that the reading of same by Members of the Senate and by the Members of Senate and the House conferees, it will be helpful to them in writing a good farm bill which is so desperately needed now. I had, of course, hoped that the House Committee for Agriculture had seen fit during the past 40 days to hold extensive hearings, so I and many, many others could have been heard on this all important legislation, but such was not the case, hence all a House Member can do is to do as I have here done and then vote on the bill as it comes out of conference to the House.

My bill and analysis follows:

H. R. 2368

A bill to provide for establishment of a soil- and water-conservation policy, the coordination of soil- and water-conservation activities of the Department of Agriculture, and for other purposes

Be it enacted, etc., That this act may be cited as the Soil Conservation Act of 1949.

DECLARATION OF POLICY

SEC. 2. (a) That it is hereby recognized that the lack of a sound national soil- and water-conservation policy as a foundation for other agricultural programs; the wastage of soil and moisture resources on farm, grazing, and woodland of the Nation, resulting from soil erosion; failure to maintain and improve soil fertility; improper lay-out for farm- and ranch-irrigation systems and use and management of irrigation water thereon; inadequate farm drainage; improper use of land; and, development of land unsuited for sustained agricultural use, is a menace to the national welfare.

And that it is hereby declared to be the policy of Congress to provide permanently for using the Nation's land in accordance with its capabilities and the treating of it in accordance with its needs; for the control and prevention of soil erosion; for the maintenance and improvement of soil fertility; for the conservation, proper use, and management of agricultural water resources; and for the sound development and use of agricultural land resources and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, and protect public health, and public lands, and the Secretary of Agriculture, from now on, shall coordinate all activities of the Department of Agriculture with relation to soil erosion; soil fertility maintenance and improvement; conservation, use, management, and disposal of farm and ranch waters; development and changes in use of agricultural land; and shall recognize as basic the conservation of soil and water resources in the formulation of other agricultural programs, and in order to effectuate this policy is hereby authorized, from time to time—

(1) to conduct surveys, investigations, and research, in cooperation with the State experiment stations, relating to the character of soil erosion, loss of soil fertility and productive capacity, water wastage, land misuse, and the preventive measures needed, to publish the results of any such surveys, investigations, or research, and to disseminate information concerning such methods;

(2) to provide technical assistance to soil-conservation districts and other conservation districts deemed by the Secretary to be qualified in the preparation, carrying out, and maintenance of locally developed and adopted programs for soil and water conservation, preservation and improvement of soil fertility and sound land use on farms, ranches, and other land in such districts; for rehabilitation or construction of needed individual and group farm and ranch drainage and irrigation systems and in conserving, managing, and disposing of irrigation water in such districts; and for necessary guidance

of a widespread application program of recurring conservation practices requiring little or no on site (on farm or ranch) technical assistance for those farmers and ranchmen not yet reached in the schedule for assistance in adopting a basic conservation farm or ranch plan or not desiring to participate in the comprehensive program in such districts;

(3) to provide technical guidance, supplementing the efforts of the State extension services, and the local, county, and State committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, to landowners and operators in those agricultural areas not included in soil conservation or other districts in the widespread application of recurring conservation practices requiring little or no on site technical assistance. In addition, technical assistance may be provided in these areas in the preparation of a limited number of basic conservation plans on farms or ranches for demonstration purposes; and

(4) to complete, as rapidly as possible, a conservation survey of the Nation's farm and ranch lands; to analyze, publish, and distribute the inventory thus secured; to provide copies of land-use capability maps to landowners and operators for their own units of land and to assist them in interpreting and utilizing such maps; to survey and classify by capabilities for agricultural use the lands in existing, proposed, or potential agricultural development projects or the agricultural parts of multiple-purpose projects; to determine the suitability of such lands for sustained agricultural use; and to provide technical and other aids necessary to, or to clear, level, and otherwise develop project, woodland, cut-over, and other lands needed and suitable for agricultural use.

ASSISTANCE

SEC. 3. (a) In furtherance of the policy expressed in section 2 of this act, the Secretary is also authorized to cooperate or enter into agreements with, or to furnish financial or other assistance to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem appropriate. Such assistance may include, but is not limited to, financial payments, conservation materials, planting stock and seed, use of equipment, or other similar materials and aids: *Provided*, That in furnishing financial or other assistance authorized under this act to any person with respect to land situated within a soil-conservation or other conservation district which meets the standards established by the Secretary of Agriculture, such assistance shall be made available only through, or in cooperation with, such districts.

(b) In determining the nature and extent of the assistance to be furnished, the Secretary of Agriculture shall take into consideration—

(1) the recommendations of the governing bodies of soil-conservation or other conservation districts concerning the need for, and the capabilities of such districts to use effectively, the funds, materials, or equipment;

(2) the urgency and extent of the need for such funds, materials, or equipment to prevent irreparable damage to agricultural land and water resources; and

(3) the availability of technical assistance to assure the most effective use of such funds, materials, or equipment.

PAYMENTS

SEC. 4. (a) Any financial payment authorized to be made to any person under the provisions of this act shall be a class A, B, or C payment and shall be made on such terms and conditions as the Secretary of Agriculture may prescribe except—

(1) class A payments shall be made for conversion of land that has been for the previous two or more years in grain, row, and other soil-depleting crops to non-soil-depleting uses such as meadow, hay, pasture, and woodland, in order to encourage livestock and forest production and prevent permanent loss to the productive capacity of the land. The first payment shall not exceed 50 percent of the cost of converting the land to grass or trees, and payments may be made not more than five times thereafter at a rate of one-fifth of the original cost as determined by the Secretary of Agriculture on a generally fair and reasonable basis for continuing the land in nondepleting use. After June 30, 1952, class A payments may be made only when such conversion of land is initiated and carried out as a part of a complete farm or ranch conservation plan, and if such conversion of land is initiated and carried out on the basis of a cooperative agreement between a soil-conservation or other conservation district and the landowner or operator;

(2) class B payments shall be made for practices and improvements of a permanent or semipermanent nature, such as terrace systems, drainage and irrigation installations, farm ponds, range water-diversion systems, and for other practices and improvements as may be required to prevent permanent loss to the productive capacity of the land. Such a payment shall not exceed 60 percent of the cost of such practice or improvement, as determined by the Secretary of Agriculture on a generally fair and reasonable basis, and shall be made only once. After June 30, 1952, class B payments may be made only when such practice or improvement is carried out as a part of a complete farm or ranch conservation plan, and if such practice or improvement is carried out on the basis of a cooperative agreement between a soil-conservation or other conservation district and the landowner or operator;

(3) class C payments shall be made for recurring practices that will retard depletion of soil fertility, such as liming, fertilizing, grass seeding, crop rotation, cover cropping, mulching, and prevention of stubble burning. Such payments may be made annually and shall not exceed 50 percent of the cost of performing such practice, as determined by the Secretary of Agriculture, on a generally fair and reasonable basis.

(b) Classes A, B, and C payments shall be classified according to such areas and practices as the Secretary of Agriculture may determine and announce for each fiscal year.

(c) Classes A and B payments may be made to a landowner or operator only when the governing body of the conservation district has certified to the Secretary of Agriculture through the local, county, and State committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, in accordance with certification standards prescribed by the Secretary of Agriculture; that the work has been performed in accordance with the provisions of this section, except that prior to June 30, 1952, classes A and B payments may also be made to a landowner or operator with respect to land not within the boundaries of a soil-conservation or other conservation district under such terms and conditions as the Secretary of Agriculture may prescribe.

(d) Class C payments may be made to a landowner or operator with respect to land within or without the boundaries of a soil-conservation or other conservation district when the local committee, established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, has certified, as specified in subsection (c), that the work has been performed in accordance with subsections (a) and (b) of this section.

(e) In making classes A, B, and C payments the Secretary of Agriculture shall, insofar as practicable, utilize as his agents the local, county, and State committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended.

SEC. 5. The members of conservation district governing bodies shall not receive Federal compensation for services rendered or reimbursement for expenses incurred under the terms of this act. This provision regarding Federal compensation and expenses, however, does not preclude their being compensated for their services, travel, and other expenses by the State, county, or district.

SEC. 6. (a) In furtherance of the policy expressed in section 2 of this act, the Secretary of Agriculture is also authorized—

(1) to provide for the employment of, and with State extension services jointly to select, necessary personnel to assist locally with conservation education activities primarily (a) in the areas critically in need of conservation treatment not now in districts and (b) in supplementing the county extension staffs in soil-conservation and other districts in preparing the way for conservation, farm planning, and application action on the land;

(2) to cooperate or enter into agreements with or to furnish financial or other aid to, any agency, governmental or otherwise, or any person subject to such conditions as he may deem necessary, for the purposes of this act; and

(3) to acquire submarginal agricultural lands, or rights or interests therein, by purchase, gift, or otherwise, and to sell federally owned lands suitable for agricultural use to neighboring landowners needing additional acreage to complete a sound farm unit, or in family-sized units to veterans and others desiring to engage in farming or ranching, using procedures consistent with title I of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937, whenever necessary for the purposes of this act.

SEC. 7. The acts authorized in sections 2, 3, and 4 may be performed—

(1) on lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(2) on any other lands, upon obtaining proper consent or the necessary rights or interests in such lands.

SEC. 8. As a condition to the extending of any benefits under this act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this act, require—

(1) agreements or covenants as to the use of such lands; and

(2) contributions in money, services, materials, or otherwise, to any operations conferring such benefits.

SEC. 9. For the purposes of this act, the Secretary of Agriculture may—

(1) secure the cooperation of any governmental agency;

(2) subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees as he may deem necessary; and any persons with technical or practical knowledge may be employed and compensated under this act on a basis to be determined by the Civil Service Commission; and

(3) make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of lawbooks and books of reference, for printing and binding, for the purchase, operation, and maintenance of passenger-carrying vehicles, and perform such acts, and prescribe such regulations, as he may deem proper to carry out the provisions of this act.

SEC. 10. In recognition of (1) the necessity for technical assistance in determining and applying needed conservation practices and

measures, and in assuring the effective use of such grants-in-aid as may be necessary to supplement the contributions of landowners and operators in establishing such conservation practices and measures; (2) the impossibility of practically separating the responsibility for the conservation of water or the sound use of land from the responsibility for soil conservation and the prevention of soil erosion; (3) the desirability of having all technical action programs involving conservation, irrigation, drainage, water development, and flood control on farmlands, as well as the development of new agricultural lands, technically directed by one agency; and (4) the desirability of taking advantage of existing relationships and working arrangements already developed with conservation districts organized under the laws of the respective States, the Secretary of Agriculture shall utilize the agency known as the Soil Conservation Service in carrying out the powers conferred on him by sections 2, 3, and 6 of this act and the local, county, and State committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, in carrying out the powers conferred on him by section 4 of this act, and in order that there may be proper coordination of the activities including grants-in-aid involving soil and water conservation, sound land development and use, drainage, irrigation, and other physical adjustments of farm and ranch lands, the Secretary of Agriculture is authorized and directed to transfer to the Soil Conservation Service such functions, funds, personnel, and property of other agencies in the Department of Agriculture as he may from time to time determine necessary to avoid duplication, achieve economy, and carry out the spirit of this act.

SEC. 11. There are hereby authorized to be appropriated for the purposes of this act such sums as Congress may from time to time determine to be necessary. And the Secretary is directed in presenting his first budget to Congress after the passage of this act to recommend a preliminary conservation timetable, based on currently available information, as a guide to Congress in making appropriations. On completion and analysis of the conservation survey of the Nation's land, the Secretary shall revise and improve the conservation timetable and present it to Congress for use in determining annual appropriate needs.

REMARKS OF HON. BEN F. JENSEN, OF IOWA, WEDNESDAY, MARCH 23, 1949

Mr. Speaker, on February 7, 1949, I introduced in the House of Representatives a soil conservation bill, H. R. 2368.

ANALYSIS OF H. R. 2368

This legislation provides a national land policy, and the legislative framework for the effective administration of a United States Department of Agriculture soil conservation program that will assist our farmers and ranchers to conserve and make proper use of their soil and water resources—and will get the job done in the shortest possible time.

In addition, there are provisions which will help to correct the problem of surplus in certain crops. Land-use-conversion payments will encourage farmers to use some of the land contributing to such surplus for the production of crops for which there is greater demand, such as grass for meat and dairy livestock and timber. When the proper and necessary changes in land use are made I am sure there will be no need for acreage allotments. In bringing about a balance in agriculture production the Government will be better enabled to support farm prices permanently at a full 90 percent of parity.

By using about $100 million annually of the funds now being used for soil conservation payments, for land-use-conversion payments, as provided in my bill, 24 million acres of land could be converted from soil-depleting crops to soil-conserving crops in the next 6 years. This would bring our food, feed, grain, fiber, and meat production into better balance, and greatly assist in flood prevention, and soil, woodland, and water conservation.

Conservation payments and grants-in-aid are provided in such manner that the taxpayer can be assured that the Nation will receive a dollar's worth of benefits in true, effective soil conservation for every dollar spent. Farmers receive more responsibility in administering their own national soil and water-conservation program. No new agencies are established. The Soil Conservation Service, Extension Service, and Production and Marketing Administration are each given more responsibility and without duplication.

If H. R. 2368 becomes the law of the land it will begin to bring "soilicide" to an end, the crime too often committed against the priceless topsoil of Mother Earth. It will insure a more stable income for our farmers, which in turn will insure an adequate and stable income for workers, business, and industry. It will be an effective program to help reduce price-depressing surpluses; increase the speed and quality of soil-conservation work in the Nation, while strengthening the farmer-managed institutions engaged in such work; keep more rainfall on the land where it falls, and thus lower flood crests and reduce reservoir sedimentation; give better protection of our rich agricultural uplands and bottom lands, human lives, livestock, and buildings; save the taxpayers'—your—money through a more efficient and effective farmer-managed water, woodland, and soil-conservation program; provide the legislative and administrative framework to put our agricultural house in order—for any national or international emergency.

National land policy

A productive and prosperous agriculture is a must for the Nation's prosperity. The wealth of our Nation is wholly dependent upon the productivity of our soil. As the topsoil is destroyed or weakened through erosion or overuse, the productive capacity of that land is lowered. Food costs rise and a lowered standard of living results. This legislation provides that we use our agricultural land within its capability for safe production, and that we treat each acre in accordance with its needs.

National conservation survey

Early completion of a nationwide survey of our farm, ranch, and woodlands to determine the productive capacity and conservation needs of each acre is provided. A land capability map shall then be made available to each landowner, showing how each acre should be used according to its capabilities for safe production.

Conservation timetable

A conservation timetable shall be developed as a guide to the Nation in determining the speed with which our farm, ranch, and woodlands should be treated to prevent further extensive damage.

Sound farm units

H. R. 2368 will assist landowners in acquiring acreage to complete a profitable farm, and thus reduce much land overuse resulting from uneconomic-size units.

Technical assistance

Technical help for effecting proper land use and conservation treatment shall be made available to all farmers. Inside conservation districts, technical help shall include on-site assistance to plan and apply a properly coordinated conservation program. Until a district is organized, such help shall be limited to helping farmers carry out the more simple but effective conservation practices.

Conservation payments

To encourage proper use and conservation of our agricultural resources, land use conversion, soil conserving, and soil building payments and grants-in-aid shall be made available.

Class A: To avoid surpluses resulting from overuse of the land, payments shall be made to assist farmers in converting the use of land that has been for the previous 2 or more years in grain, row, and other soil-depleting crops. This will encourage a balanced production of food, feed, grains, and fiber.

Class B: Payments shall be made to help farmers defray the cost of applying certain permanent or semipermanent soil and water conservation measures. Generally, such payment shall be made only once.

Class C: As an added incentive to encourage farmers to hold their topsoil through proper land use, and other soil and water conservation practices, class C payments may also be made annually for recurring practices that will retard depletion of soil fertility.

Local conservation districts and farmer committees

This legislation recognizes that farmers themselves are best qualified to administer their own national conservation program on a local and community level. Farmer-voted conservation districts organized under the laws of respective States and directed by their respective boards of soil-conservation commissioners and supervisors, and county agricultural conservation association, and State production and marketing administration committees shall be the principal farmer-managed organizations through which the Government shall assist farmers with their soil and water conservation problems.

Agencies to be used

Primarily, three governmental agencies shall carry out the provisions of this act. Each is well schooled in the art of doing its part in soil and water conservation.

Soil conservation service

Because it is impractical to separate the technical, conservation payment, and grants-in-aid assistance in soil conservation, erosion control, drainage, irrigation, water-conservation development, and flood prevention on farm and ranch land, the Soil Conservation Service shall be responsible for all such provisions of this act, except for the specific responsibilities of County Agricultural Conservation Association and State Production Marketing Administration committees.

Extension service

This legislation provides for the needed personnel for county extension staffs for educational work in conservation districts and in areas critically in need of conservation treatment not now in conservation districts.

Production and marketing administration

The County Agricultural Conservation Association and State Production and Marketing Administration committees shall be the agents of the Secretary of Agriculture in making all class A, B, and C conservation payments.

Federal lands

With cooperation of the agency having jurisdiction, all of the conservation survey, timetable, and technical assistance provisions of this act may be made available for the conservation of federally controlled lands.

We must save the soil by which we live. Rich productive soil will insure the survival of America.

Results of Questionnaire Mailed to Iowa

EXTENSION OF REMARKS

OF

HON. THOS. E. MARTIN

OF IOWA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 14, 1956

Mr. MARTIN of Iowa. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a tabulation of the votes I have received from the State of Iowa in response to my annual questionnaire.

On January 14, I mailed 41,886 questionnaires to the people of Iowa. I distributed similar questionnaires in the First Congressional District of Iowa for 5 years and this is my second statewide distribution.

The only statement accompanying the questionnaire was a letter printed thereon as follows:

JANUARY 14, 1956.

DEAR FRIEND: The following questions are based primarily on President Eisenhower's message to the 2d session of the 84th Congress on the state of the Union, and his special message to Congress on agriculture. I am sending this questionnaire to every 20th householder of Iowa—both town and country. (I have used rural directories for each county, and all city directories. For towns without householder directories, I have used every telephone directory obtainable.)

In order to help us tabulate the returns, please check your answers but do not add any comments on this side. Use the back of this sheet for your comments if you wish. Your individual opinions will be kept strictly confidential.

I am also distributing yellow sample copies to other persons for their information regarding the poll we are taking. These yellow copies will not be tabulated but replies to them will be highly valued by me.

This questionnaire gives Iowa householders the opportunity to join together without regard to party affiliation in stating their views on the issues covered in the questionnaire. I plan to summarize and present to Congress the returns received during the next 4 weeks. Undoubtedly Congress will consider this summary as the prevailing view of Iowa on these issues. Later on I will send a copy of my report to each person to whom questionnaires and sample copies have been mailed. I hope my report will be of interest.

We have received a total of 6,393 replies which are included in the tabulation. This return of 15.26 percent is unusually high for this type of poll. When I first started these polls, Dr. George Gallup predicted returns of 8 to 10 percent.

The occupations listed by those replying were as follows:

Farmer	2,812
Labor	1,085
Business	623
Professional	588
White collar	650
Miscellaneous	635

Yellow sample copies were distributed freely and we received 5,588 sample-copy replies which are not included in our tabulation.

This year brought the largest number of good discussions I have ever received in response to my questionnaire. These special discussions are always of utmost value.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Questionnaire—Tabulation of total vote

	Total vote	Yes	No	Percentage Yes	Percentage No
1. Do you approve President Eisenhower's general foreign policy?	5,808	4,543	1,265	78.22	21.78
2. Do you favor continuing foreign military aid?	5,874	4,011	1,863	68.28	31.72
3. Do you favor continuing foreign economic aid for another year?	5,864	4,071	1,793	69.42	30.58
4. Do you favor putting foreign economic aid on a new long-term footing?	5,763	1,586	4,177	27.52	72.48
5. [Funds spent to date on atomic and hydrogen bombs have been primarily for their military use.] Do you approve additional expenditures by our Federal Government to develop and apply atomic and hydrogen energy to peaceful purposes?	6,131	5,462	669	89.09	10.91
6. Do you approve the transfer of unused immigration quotas to countries whose quotas are in short supply?	5,706	2,427	3,279	42.53	57.47
7. Do you favor basing immigration quotas on the percentage of the various national groups in the United States according to the 1950 census instead of the 1920 census, which is used now?	5,611	3,308	2,303	58.96	41.04
8. [The Organization for Trade Cooperation is proposed to administer the General Agreement on Tariffs and Trade to which the United States is a party.] Do you favor United States membership in the Organization for Trade Cooperation provided it is strictly an administrative agency without power to control United States tariff policies?	5,403	4,630	773	85.69	14.31
9. Do you favor the following amendment to the United States Constitution: "No treaty or other international agreement shall of itself be law within the United States, nor shall it enlarge the power of the Congress to enact law?"	5,420	3,755	1,665	69.28	30.72
10. Do you approve the "soil bank" plan which will give farmers negotiable certificates for surplus commodities in exchange for taking already allotted acres out of crop production; and which will share costs of establishing and continuing conservation uses on lands most needing them?	5,936	3,942	1,994	66.41	33.59
11. Do you approve acreage allotments to qualify corn producers for the benefits available under the soil-bank acreage reserve program?	5,812	4,032	1,780	69.37	30.63
12. Do you approve price supports for corn to all producers on a basis comparable with other feed grains in lieu of acreage allotments?	5,590	2,927	2,663	52.36	47.64
13. Do you approve selling surplus farm commodities to "unfriendly" nations?	6,030	2,803	3,227	46.48	53.52
14. Do you approve sales of surplus farm commodities in domestic markets at prices lower than presently required, namely, 105 percent of the support price plus carrying charges?	5,745	3,541	2,204	61.64	38.36
15. Do you approve permitting farmers to raise and feed wheat outside their quotas?	5,892	2,072	3,820	35.17	64.83
16. Do you approve supports at the highest levels that will not encourage the accumulation of new surpluses, for farm commodities on which price supports are discretionary with the Secretary of Agriculture?	5,701	3,960	1,741	69.46	30.54
17. Do you approve limiting the amount of price support loans to any one individual or farming unit?	6,094	5,083	1,011	83.41	16.59
18. Do you approve a rural development program to help low-income farm communities by attracting new industries to these areas?	6,108	5,589	519	91.50	8.50
19. Do you favor exemption from Federal gasoline tax, the gasoline used on farms?	6,219	4,078	2,141	65.57	34.43
20. Do you favor reduction of taxes before balancing the budget?	6,096	1,274	4,822	20.90	79.10
21. When the Federal budget is balanced do you favor reduction of the Federal debt before reducing taxes?	6,049	4,050	1,999	66.95	33.05
22. Do you favor an increase in postal rates to meet Postal Department deficit and to provide better post-office buildings and equipment where needed?	6,098	3,618	2,480	59.33	40.67
23. Do you approve a 40,000-mile interstate highway system over a period of 10 years at an estimated Federal cost of $25 billion, if it requires an increase in Federal highway-user taxes?	6,090	3,260	2,830	53.53	46.47
24. Do you approve direct Federal grants to States to help build schools?	6,020	4,012	2,008	66.64	33.36
25. Do you favor requiring registration of union pension and welfare funds and disclosure of financial transactions involving them?	5,859	5,168	691	88.21	11.79
26. Do you favor extending minimum wage law coverage to retail, chain-store, hotel, and service employees?	5,875	4,061	1,814	69.12	30.88
27. Do you favor private insurance for losses due to natural disasters such as floods, tidal waves, hurricanes, earthquakes, etc., with the Federal Government subsidizing private companies for excessive losses on insurance issued by them?	5,875	2,990	2,885	50.89	49.11
28. Do you favor direct Federal insurance covering losses caused by natural disasters, provided such insurance is sold on a commission basis by private individuals or firms?	5,645	2,545	3,100	45.08	54.92
29. Do you approve extending social security old-age insurance to all groups of workers not presently covered by social security insurance or some equivalent plan?	6,077	5,081	996	83.61	16.39
30. Do you approve making women eligible for old-age insurance benefits at 62 years of age instead of 65 years, and disabled persons at 50 years of age instead of 65 years, if such changes require increased OASI assessments?	6,065	4,058	2,007	66.91	33.09
31. Do you favor the use of a food-stamp plan or some equivalent plan to enable needy people to eat more meat when meat is in excess supply?	6,133	5,202	931	84.82	15.18
32. Do you favor the Federal Government's reinsuring privately run voluntary hospitalization and surgical insurance plans?	5,717	1,835	3,882	32.10	67.90
33. Do you favor Federal expenditures for research activities of the National Institutes of Health, and for research and teaching facilities of non-Federal institutions?	5,690	3,816	1,874	67.07	32.93
34. Do you favor continuation of the Federal Government's low-rent public-housing program?	5,791	4,005	1,786	69.16	30.84
35. Do you favor free Government treatment of a veteran for non-service-connected disability when there is doubt of his ability to pay for needed treatment?	6,080	3,608	2,472	59.34	40.66
36. Please check the 6 issues you think most important today:					
(a) Government spending		(3) 3,518			
(b) Balancing the budget		(5) 3,275			
(c) Reduction of debt of Federal Government		2,562			
(d) Taxation		3,030			
(e) Farm prices and policies		(1) 4,808			
(f) United States foreign trade policies		2,179			
(g) Control of communism in America		(4) 3,891			
(h) Labor policies		2,088			
(i) Defense and war preparedness		(6) 3,171			
(j) Maintaining peace		(2) 3,927			
(k) American foreign policy		2,197			
(l) Corruption in government		2,822			

The total tabulation of the white ballots appears on this page and the tabulation by occupations follows on the next page.

MY DUTY AS A MEMBER OF CONGRESS

Mr. MARTIN of Iowa. Mr. President, each year I have received several inquiries regarding the purpose and use

made of my questionnaire. The source and substance of the questionnaire grew out of my analysis of the President's reports and messages to Congress, and I developed my method of distribution of it after consultation with Dr. George Gallup. The purpose of the questionnaire is best described in the words of Edmund Burke, 18th-century British statesman, as follows:

Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinions high respect; their business unremitting attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions, to theirs—and above all, ever, and in all cases, to prefer their interest to his own.

But a representative's unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to any man, or to any set of men living. These he does not derive from your pleasure—no, nor from the law and the Constitution. They are a trust from providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Total vote of the questionnaire by occupations

	Farmer		Labor		Business		Professional		White collar		Miscellaneous	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1. Do you approve President Eisenhower's general foreign policy?	1,854	628	738	264	503	84	473	78	537	89	438	122
2. Do you favor continuing foreign military aid?	1,584	971	717	301	427	161	431	118	492	115	360	197
3. Do you favor continuing foreign economic aid for another year?	1,686	853	673	349	427	157	436	116	466	145	383	173
4. Do you favor putting foreign economic aid on a new long-term footing?	640	1,862	243	763	167	403	215	326	171	432	150	391
5. [Funds spent to date on atomic and hydrogen bombs have been primarily for their military use.] Do you approve additional expenditures by our Federal Government to develop and apply atomic and hydrogen energy to peaceful purposes?	2,340	354	955	90	541	53	516	56	580	53	530	54
6. Do you approve the transfer of unused immigration quotas to countries whose quotas are in short supply?	1,097	1,410	289	628	246	321	265	285	270	346	260	289
7. Do you favor basing immigration quotas on the percentage of the various national groups in the United States according to the 1950 census instead of the 1920 census, which is used now?	1,435	974	563	431	321	232	321	210	348	239	320	217
8. [The Organization for Trade Cooperation is proposed to administer the General Agreement on Tariffs and Trade to which the United States is a party.] Do you favor United States membership in the Organization for Trade Cooperation provided it is strictly an administrative agency without power to control United States tariff policies?	1,950	363	807	162	488	52	468	45	522	67	395	84
9. Do you favor the following amendment to the United States Constitution: "No treaty or other international agreement shall of itself be law within the United States, nor shall it enlarge the power of the Congress to enact law"?	1,590	716	676	297	383	154	351	174	424	157	331	167
10. Do you approve the "soil bank" plan which will give farmers negotiable certificates for surplus commodities in exchange for taking already allotted acres out of crop production; and which will share costs of establishing and continuing conservation uses on lands most needing them?	1,758	889	637	377	400	178	390	155	396	211	361	184
11. Do you approve acreage allotments to qualify corn producers for the benefits available under the soil-bank acreage reserve program?	1,913	722	609	367	405	163	366	156	388	208	351	164
12. Do you approve price supports for corn to all producers on a basis comparable with other feed grains in lieu of acreage allotments?	1,387	1,114	509	444	270	291	219	278	260	317	282	219
13. Do you approve selling surplus farm commodities to "unfriendly" nations?	1,419	1,247	320	720	288	306	272	276	288	330	216	348
14. Do you approve sales of surplus farm commodities in domestic markets at prices lower than presently required, namely, 105 percent of the support price plus carrying charges?	1,718	885	488	490	339	218	326	187	349	233	321	191
15. Do you approve permitting farmers to raise and feed wheat outside their quotas?	770	1,871	424	567	200	380	224	297	217	389	237	316
16. Do you approve supports at the highest levels, that will not encourage the accumulation of new surpluses, for farm commodities on which price supports are discretionary with the Secretary of Agriculture?	1,954	508	597	367	386	183	322	192	351	231	350	170
17. Do you approve limiting the amount of price support loans to any one individual or farming unit?	2,311	431	833	188	506	88	462	85	507	115	462	104
18. Do you approve a rural development program to help low-income farm communities by attracting new industries to these areas?	2,472	229	953	86	554	47	508	56	574	49	528	52
19. Do you favor exemption from Federal gasoline tax, the gasoline used on farms?	2,563	209	433	623	253	355	244	329	232	395	353	230
20. Do you favor reduction of taxes before balancing the budget?	547	2,135	279	763	111	496	84	477	114	522	139	429
21. When the Federal budget is balanced do you favor reduction of the Federal debt before reducing taxes?	1,797	863	607	420	432	178	415	143	417	214	382	181
22. Do you favor an increase in postal rates to meet postal Department deficit and to provide better post-office buildings and equipment where needed?	1,341	1,336	729	321	404	198	389	168	440	187	315	270
23. Do you approve a 40,000-mile interstate highway system over a period of 10 years at an estimated Federal cost of $25 billion, if it requires an increase in Federal highway-user taxes?	1,150	1,536	610	441	392	208	415	146	424	201	269	293
24. Do you approve direct Federal grants to States to help build schools?	1,688	963	788	251	354	239	362	193	434	188	386	174
25. Do you favor requiring registration of union pension and welfare funds and disclosure of financial transactions involving them?	2,204	301	849	153	561	40	513	40	580	48	461	79
26. Do you favor extending minimum-wage-law coverage to retail, chain-store, hotel, and service employees?	1,470	1,036	930	121	324	271	421	135	507	120	409	131
27. Do you favor private insurance for losses due to natural disasters such as floods, tidal waves, hurricanes, earthquakes, etc., with the Federal Government subsidizing private companies for excessive losses on insurance issued by them?	1,147	1,440	538	471	314	266	315	228	367	260	309	230
28. Do you favor direct Federal insurance covering losses caused by natural disasters, provided such insurance is sold on a commission basis by private individuals or firms?	1,145	1,327	509	474	235	329	179	345	240	355	237	270
29. Do you approve extending social security old-age insurance to all groups of workers not presently covered by social security insurance or some equivalent plan?	2,129	521	933	123	508	91	468	95	543	92	500	74
30. Do you approve making women eligible for old-age insurance benefits at 62 years of age instead of 65 years, and disabled persons at 50 years of age instead of 65 years, if such changes require increased OASI assessments?	1,629	1,045	875	176	361	233	328	231	449	181	416	141
31. Do you favor the use of a food-stamp plan or some equivalent plan to enable needy people to eat more meat when meat is in excess supply?	2,443	296	864	177	454	147	437	115	510	118	494	78
32. Do you favor the Federal Government's reinsuring [privately run voluntary hospitalization and surgical insurance plans?	746	1,739	429	567	155	426	145	397	159	449	201	304
33. Do you favor Federal expenditures for research activities of the National Institutes of Health, and for research and teaching facilities of non-Federal institutions?	1,610	840	696	309	361	203	377	170	413	189	359	163
34. Do you favor continuation of the Federal Government's low-rent public-housing programs?	1,769	771	729	268	342	235	368	180	422	191	375	141
35. Do you favor free Government treatment of a veteran for non-service-connected disability when there is doubt of his ability to pay for needed treatment?	1,553	1,115	725	319	336	268	280	276	381	253	333	241
36. Please check the 6 issues you think most important today:												
(a) Government spending	(4) 1,484		(2) 648		(3) 374		(5) 318		(4) 359		(4) 335	
(b) Balancing the budget	(6) 1,309		565		(2) 418		(6) 312		(6) 336		(4) 335	
(c) Reduction of debt of Federal Government	1,010		462		264		200		262		304	
(d) Taxation	1,246		(5) 569		(6) 320		255		(5) 338		302	
(e) Farm prices and policies	(1) 2,500		(1) 658		(1) 440		(1) 404		(1) 456		(2) 370	
(f) United States foreign trade policies	1,133		258		188		223		216		161	
(g) Control of communism in America	(3) 1,512		(3) 638		308		258		329		(3) 346	
(h) Labor policies	786		404		263		203		256		176	
(i) Defense and war preparedness	1,180		(5) 619		(5) 328		(4) 328		(3) 391		(6) 325	
(j) Maintaining peace	(2) 1,823		(4) 634		(4) 358		(2) 338		(2) 399		(1) 375	
(k) American foreign policy	800		319		239		(2) 336		284		217	
(l) Corruption in government	(5) 1,388		511		250		167		228		268	

Upper Colorado Scheme's Revenue Apportioning Provisions Unprecedented and Unsound

EXTENSION OF REMARKS
OF
HON. CLYDE DOYLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1956

Mr. DOYLE. Mr. Speaker, the new provision of the upper Colorado River storage project scheme for apportioning revenues to each of the States of Colorado, New Mexico, Utah, and Wyoming is unprecedented and unsound.

The revised bill H. R. 3383 contains in section 5 (e) an unprecedented proposal of apportioning by arbitrary percentages all of the net revenues from power to the four States of the upper Colorado River Basin. These apportioned revenues are to be reserved for use to subsidize uneconomic irrigation projects solely in those States. This means on the one hand that the Federal Government and the taxpayers would be holding the bag in the probable event that the revenues available to certain of these States under the proposed inflexible proposal would prove insufficient to repay the irrigation costs as required, while on the other hand certain other States might have revenues available in excess of repayment requirements of initially authorized irrigation projects and would demand authorization of additional irrigation projects on the basis of avaliability of such funds, regardless of economic justification or need.

There has been no report by the Secretary of the Interior or the Bureau of the Budget on this unprecedented proposal which on its face is unsound and bad business for the Federal Government. It represents a total departure from existing law, which, under the Hayden-O'Mahoney amendment of 1938—43 United States Code Annotated, section 392a—requires that net revenues from power, after the power allocation has been repaid, be covered into the Treasury as miscellaneous receipts.

The huge concealed Federal subsidy to the States of Colorado, Wyoming, Utah, and New Mexico is unwarranted and unconscionable.

Under the proposed plans of financing the project, the concealed subsidy by way of accumulating interest on money borrowed to construct the project would be huge. Its burden would have to be borne by the Nation's taxpayers for generations to come.

Under the repayment provisions of the Senate approved project bill, the concealed Federal subsidy on only the projects recommended by the Secretary of the Interior—Glen Canyon and Echo Park storage units and 11 participating projects—as estimated and admitted by the Bureau of Reclamation would be $1,153,000,000 over the repayment period or $3,150 per acre on the 366,000 acres to be irrigated. If the four additional storage units and the Navaho, San Juan-Chama, and Gooseberry participating reclamation projects authorized by the Senate bill are included, the corresponding Federal subsidy, based upon equivalent methods of computation, would amount to $4 billion or over $5,000 per acre on the 745,000 acres to be irrigated.

Under the repayment provisions of House project bill, the concealed Federal subsidy on the minimum number of projects authorized by the bill—4 storage units and 11 participating projects—would amount to $1.6 billion at the end of the overall repayment period of 90 to 95 years, or $4,300 per acre on the 366,000 acres to be irrigated; but with the inclusion of additional projects contemplated for authorization, the subsidy would be substantially the same as under the Senate approved bill, namely $4 billion or $5,000 per acre.

As compared to Federal subsidies amounting to $3,000 to $5,000 per acre that would be involved in the project, the value of irrigated land in the area of the proposed reclamation projects averages only about $150 per acre.

In view of the fact that the crops that would be grown on the proposed project's high altitude marginal land would be largely hay, grain, and forage crops for livestock, and dairy products, which are now largely surplus and would in turn be resubsidized under the farm program, the huge Federal subsidy required for the proposed upper Colorado River project would be a totally unwarranted and unconscionable burden on the Nation's taxpayers for many generations hence.

The benefit-cost ratio has been distorted contrary to reclamation law in an attempt to justify the project's unsound economics.

The bill would, in effect, approve the use of the so-called benefit-cost ratio for testing the economic justification of irrigation projects. This has never been authorized by law. The testimony shows that, as now practiced, the benefit-cost ratio is simply a device used in attempting to justify projects which are both economically and financially infeasible, first, by use of fictitious and unrealistic values to inflate the benefits, while, second, at the same time, overlooking factors of cost to the Nation which would result from the project.

Example No. 1: On one participating project—the Hammond—the Reclamation Bureau would collect from the farmers only $2.02 per acre per year, but says the direct benefits are $41.50 per acre per year, or 2,000 percent of the amount it would require the farmer to pay. This contrast in benefits and repayment ability is simply not believable. Any formula achieving such a result obviously needs a drastic overhauling.

Example No. 2: The Government's revenues from firm power production at Hoover, Davis, and Parker Dams would be decreased as much as 25 percent during the time—which may be as long as 25 years—the storage dams of the proposed project are filling. This loss has been ignored by the Bureau.

In view of these major discrepancies, coupled with the fact that most of the projects named in the bill have a marginal benefit-cost ratio under the Bureau's own figures, there should be an independent review of the Bureau's computations by a group of impartial expert economists. On the Seedskadee project, for instance, the Bureau had to find $638,500 of "indirect benefits" and $313,100 of "public benefits" to add to the finding of $614,500 in "direct benefits"—all items over a 100-year period—to arrive at a final ratio of only 1.46 to 1. The "indirect benefit" category includes such nebulous factors as "the increase in profits of all business enterprises handling, processing, and marketing products from the project and profits of all enterprises supplying goods and services to the project farmers," while the "public benefits category is even more speculative, including dollar figures for Bureau guesses as to the "increase or improvement in settlement and investment opportunities, community facilities, and services and stabilization of the local and regional economy."

The only true criterion of economic justification of reclamation is reimbursability which has been the required basis of findings of feasibility since the inception of Federal reclamation in 1902. It should be maintained in the law without change. This the project utterly fails to do.

The Past, the Present, the Future

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1956

Mr. HOFFMAN of Michigan. Mr. Speaker, recently a political science instructor asserted that for 20 years your Representative had been carrying on a campaign against the 20th century, believing that time ended with the 19th century. He said the voters should "unite against the bad habit of Hoffmanism in the Fourth District." The gentleman speaks in riddles.

Everyone knows that time marches on. Sensible people learn from past experience, think of the future, not just of today. We need not build an ark on Mount Ararat. Sound thinking people, aware of today's realities, know that unless we use more common sense, return and adhere to certain age-old fundamental principles, our people will be drowned by the floodwaters of communism, public debt, or overwhelming taxation, or by all three.

When Adam and Eve were banished from the Garden of Eden because they associated with a snake, it became evident that if they were to live, it would be necessary for them to hustle for themselves.

Today, some folks—a few with their heads in the clouds—think we can get food, clothing, homes, and most things we want by legislation. In 304 a Roman emperor, evidently of the same mind as the instructor, sought to solve the people's ills by price-fixing laws and government control of the activities of the people. In the centuries gone by,

several other nations have attempted through the enactment of laws, to create prosperity, contentment, and happiness. All failed—legislation does not satisfy hunger.

As long as the earth goes 'round, as long as we have day and night, as the seasons follow each other, there is no reason to believe that any individual or group of individuals, no matter how advanced their learning, how fine sounding their theories, will be able either to change or to overcome nature's laws which have been in existence not only in the 20th century, but since the dawn of civilization.

HOFFMANISM

Several years ago a publication, desiring to discredit me, sent an astute reporter into the district to write me down. She came up with the statement "the voice you hear in Washington is not the voice of CLARE HOFFMAN, but the voice of the people of the District." Making audible in Washington the voice of the people of the District is a worthwhile public service.

Unless I am completely mistaken, the people of the fourth district are thoroughly convinced that if they are to reap, they must sow; that if they are to harvest, they must plant, prune, and spray. That, if they are to live in comfort, they must work, be thrifty, conserve and wisely use their resources. That, if they are to live in peace, they must be tolerant of their neighbor's rights. That, if the welfare of the individual and of the Nation is to continue, recognition of physical facts, of nature's laws and moods, is necessary. That adherence to the Ten Commandments and the Golden Rule, even though they be old—not a 20th century creation—is in the end the best policy for all.

The Government—without money, except as we furnish it—cannot itself take care of us. It can only write laws to protect us from injustice.

In formulating the policies which will insure our present and future welfare and security, it will be foolish to disregard the experiences and the lessons of the past.

If that be Hoffmanism, let those who think the principles of the Constitution, the policies which have given us so much, are shopworn, old fashioned, make the most of it.

Jeanerette, La., and the Civic Spirit

EXTENSION OF REMARKS

OF

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1956

Mr. WILLIS. Mr. Speaker, pride in one's hometown is a very fine thing and I am always pleased when I find someone advertising his or her community at every opportunity. I have had occasion to note a good example of this fact during a visit to Washington by my constituents, Dr. and Mrs. K. P. Brown, of Jeanerette, La. Dr. and Mrs. Brown came to the capital for three main reasons—to attend the annual Mardi Gras ball of the Louisiana State Society, present Louisiana camellias to the Nation's First Lady, and last but certainly not least, to tell everyone about Jeanerette.

With these enthusiastic civic leaders on their trip to Washington were the many lovely Louisiana festival queens who were honored at the Mardi Gras ball, and 24 other Louisiana beauties—choice camellias from 3 of Jeanerette's outstanding floral gardens, including those of Dr. and Mrs. Brown, Mr. and Mrs. Bernard Beaullieu, and Peter Derise—for presentation to Mrs. Eisenhower. But that was not all. There was a large supply of well-prepared and attractively illustrated pamphlets from the chamber of commerce listing the many features offered by Jeanerette and surrounding area, in the heart of the famed Teche country, and which the visitors saw to it were well distributed.

With the fine community spirit demonstrated by Dr. and Mrs. Brown, Jeanerette is certain to continue its forward march as an agricultural, industrial, educational, and religious center, and, as the chamber of commerce pamphlet also stresses, the recreation capital of southwest Louisiana. In short, it points out in many ways how this enterprising city offers every opportunity for a happy, comfortable, and profitable way of life.

United Nations and Communism

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1956

Mr. BURDICK. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include the following speech I made before the Abraham Lincoln National Republican Club at Chicago, Ill., on Saturday, February 11, 1956:

The very origin of the United Nations had a communistic coloring. Russia was very conspicuous in the organization of the pact, and a Russian and Alger Hiss were the main operators arranging the provisions of the Charter. Did Russia at that time have an idea of working for peace within the organization she was foremost in organizing? I think the answer is "No." As Russia is a follower of Karl Marx it might be advisable to examine his manifesto. One of the principles set forth is a directive to Communists "to make any agreement with a capitalistic nation; keep the agreement as long as it benefits you; scrap it when it stands in your way in the complete destruction of capitalism."

The aim and purpose of the Communists was then—when the United Nations was organized—is now, and always will be to destroy capitalism anywhere and everywhere. We knew then, or our leaders ought to have known, that the Russian philosophy was clearly defined.

If order to gain prestige themselves, in order to more easily follow their plan of destruction they talked peace, yet while talking it they were fomenting war. That peace talk finally got stale and the United States could see, if their leaders were not asleep, that while pretending peace they were actually spreading a cold war as fast as possible.

The Charter of the United Nations was approved by the Senate with only two dissenting votes and those were cast by members of the nonpartisan league which in World War I was branded as disloyal. If the vote to approve the charter came up today, Senator after Senator would reverse himself. The peace propaganda spread by the Russians was so strong in the United States at the time of the approval of the charter that Senators as well as educators, ministers, and other intellectuals were taken completely off guard and this dangerous document was ratified.

What is the situation today? Both the United States and Russia sit side by side in the sessions of the United Nations, both pledged to obtain and preserve the peace of the world; both pledged to oppose aggression anywhere and everywhere, yet in our efforts to stop wars, we find our friend in the United Nations, Russia, fomenting and aiding aggression. Count the money and lives we expended in Korea, and you can see the effect of this Russian support to aggression.

The song of peace having faded, the Russians now bring up another slogan, which may fool a lot of people right here in the United States. The slogan now is peaceful coexistence. In both of these propaganda efforts of Russia they have a tremendous advantage over us, because we are asleep—right here from the Nation's Capital, the stream of propaganda is continually going out, while we have no such privilege in Russia. How dumb we have been. We blurted right in and recognized the Russian Government and thereby condoned the brutal destruction of property and lives of the people behind the Iron Curtain.

There isn't an American who would not do his utmost to bring relief to the people behind the Iron Curtain, but that cannot be done. We can't arm them, we can't even feed them. We have attempted to arm distressed nations, but in the end the engines of war have gone into the possession of the Communists. In Vietnam it took the Communists a month to haul home the enormous stocks of munitions which fell into their hands. In China, after the State Department deserted Chiang Kai-shek, the enormous stores in munitions, once intended for Chiang, went into the possession of the Reds of China. I would like to help the Polish people, the Czech people, the people of Latvia, Estonia, Lithuania, Bulgaria, Hungary, China, and all the others, but there is no way of doing it. We could, if we stopped long enough to think, do a lot for these people to preserve in them the spirit of liberty and freedom, and that would be:

First, withdraw recognition of this autocratic and despotic government and let the people in those countries know that we do not condone this ruthless government and do not put our stamp of approval on the summary executions of millions of people who show any disposition to rebel against this regime. But when we sit here like scared children and approve of that kind of government, the people who are oppressed must lose hope when this great freedom-loving Nation approves the daily torture method meted out to them by their conquerors.

The second thing is get the Russians out of the United Nations or get out ourselves. Every move we have ever made to establish world peace has been vetoed by the Communists, when at the very moment their vetoes were cast, they were talking peace.

How long it will take this country through its legal representatives to see the absolute impossibility of accomplishing world peace or any other peace—anywhere, at any time—remains to be seen, but for several years I have seen the impossibility of this and have said so, when only a handful of the Members of Congress agreed with me.

I remember one day at lunch at the Republican table that I presented a resolution to the Members for their signature, opposing the United Nations as then constituted, and two signatures were all I could muster. Now there are 138 Members who are not afraid to oppose it.

The United Nations project No. 1 is to settle matters in the area around Jerusalem, but what do we find? We find there the timberbox that is more than apt to bring about a major conflict. Russia, our buddy for peace, has rushed in and fomented war. There will be war there just as long as both sides are armed, and they are armed by members of the United Nations. This presents a sorry spectacle of two of the great nations, sitting side by side in the councils of the United Nations—one trying to bring about peace and the other trying to foment war. What kind of membership is this that the United Nations seems so proud of?

Turning now to the activities in the United States carried on by this Russian-inspired United Nations, we see a darker picture.

This Nation does not need any lessons in the way of freedom should go and how far it must extend. For example, do we need to have to subscribe to a genocide law? Have we ever been guilty of race murder or destruction? We have always respected minorities; we have always stood squarely for free speech, free religion and a free press. Why does this communistic United Nations have to redefine any of these cardinal principles of the Constitution? Yet that is exactly what this organization is striving for. First, free speech is well defined in the Constitution. Yet this organization insists on redefining our own Constitution. They say every person shall have the right to full free expression of mind, except as limited by law and except when it conflicts with the design of the United Nations to further world peace. Just as soon as we make exceptions, then free speech is no more; the same applies to free religion—the Russians would dearly love to destroy our belief in Jesus Christ and substitute for the Saviour Karl Marx, Lenin or Stalin. Doesn't the first amendment to the Constitution allow us free and unlimited religion? Why do they seek to change it—who seeks to do it? The Communists, because they are infidels, and in the past many religious organizations have let themselves be hoodwinked by this non-Christian band of assassins.

Isn't a free press protected under our Constitution? If it is, and it is, why change it to say that the United Nations shall be the judge of what we may publish?

The worst part of the whole scheme to change our Constitution is the way citizens of this country are dealt with, should they be charged with violating the edicts of this organization. Their revision goes as far as to say that if any citizen makes any statement that hurts the feelings of any group or any member group, he has violated this Charter of the United Nations and can be made to stand trial. But where will he be tried? Will he be tried here in the United States where he made the statement and be protected by our laws and the Constitution? No, he will not. He will be tried wherever the United Nations says he must be tried. He can be hustled out of this country and tried in Russia if he has maligned the Russians. He will not have the protection of the laws or the Constitution of his own country, but will be tried under such rules as the court of the United Nations promulgates. How do you free American citizens like this diabolical program? Yet that is exactly what this Genocide Convention of law will do if approved by the Senate and the President.

There can be no question, whatever, that the avowed purpose of the United Nations is to build a world government and make each nation merely an integral and subordinate part of this government. The United States must, therefore, surrender its sovereignty as an independent and constitutional government in order to partake of the blessings of this communistic-designed world government. Isn't that what the Communists are working for? Can there be any mistake about it? They want world dominion, and if we ever project ourselves into such an organization the job will be done. In this government a world congress will be set up on the basis of population, and it is axiomatic that with Russia, and her allies, the majority of that world congress will be composed of representatives who are opposed to our form of government. This is incontrovertibly true if Red China is ever permitted a membership in the United Nations.

This, therefore, being the purpose of the United Nations, let us see what means its advocates propose to use in order to build this world government. Most of the proponents are educated people—some of them among the most highly educated people in the country. They are fully aware that the vast majority of the people here love their country and would give their lives, as many have in the past, to preserve it. They know that we have great admiration for our great statesmen of the past, as is demonstrated annually by the celebrations of the birthdays of some of our great men like Washington, Jefferson, and Lincoln. They know how the children of the United States revere the builders of this great Nation.

Knowing this, they are smart enough to know that the place to start to undermine this loyalty to our institutions is among the schoolchildren of the United States. The agency of the United Nations which is to be used to eradicate this loyalty and patriotism for our Government is called UNESCO—spelled out it means the United Nations Educational and Scientific and Cultural Organization.

Teachers of UNESCO—at least a lot of them—have been educated at Columbia University to teach our children that loyalty and patriotic feeling for one nation is wrong and will be an impediment to loyalty and devotion to a world government. They propose to the children that they should devote their loyalty not to the United States, but to this super world government. Washington's Birthday is not to be celebrated, but in place of any reference to Washington the time is to be used to advance the cause of a world government. These proponents feel if they can successfully indoctrinate the youth of the land, that the rest of the battle can be won easily.

The unfolding of the purposes and objectives of the United Nations is now so obvious—that the building of a world government is their goal—that the citizens of America ought to see that in the end the sovereignty of the United States and the Constitution of the United States is destroyed.

If world peace is the purpose of the United Nations, why is it that this organization wishes to busy itself with repealing our laws and our Constitution? Why do they single out the United States as the victim of their destruction? The people have made our laws and our Constitution, and nowhere else on the surface of the globe have any people made greater progress under their own laws or Constitution.

The Fujii case in California is directly in point. There an attempt was made to set aside and repeal the laws of the State of California in regard to Japanese aliens owning property. To the astonishment of Americans the lower court did set aside the California statutes, in this regard, under the authority which the court found in the Charter of the United Nations. Fortunately for this country that decision was reversed, but it was not the fault of the United Nations that this decision was not upheld.

A more striking case was the Steel Seizure case before the Supreme Court of the United States. In that case the question before the Court was: Did the President have the constitutional power to seize the steel industry? The case was argued precisely on that ground.

None of the judges could find any provision in the Constitution of the United States for such a seizure. If the steel industry could be seized, all other forms of business could be seized by a President, including the farming and livestock industry. It therefore appeared that the case must be decided in favor of the steel companies. But much was to happen, and what happened was the most far-reaching decision ever handed down by the Court in its history. The Chief Justice in his opinion admitted that there was no provision in the Constitution authorizing this seizure, but listen. He produced the Charter of the United Nations as his authority and decided in favor of the seizure.

Fortunately for the life of this Nation, 5 Judges of the Court upheld the Constitution, 3 put the Charter of the United Nations superior to the Constitution, and 1 Judge took no part.

Suppose, for example, that if the majority of the Court had sustained the views of the Chief Justice, where would our Constitution have been? It would have been a dead instrument, superseded by the Charter of the United Nations. Some people do not believe that God Almighty has anything to do with what happens to this Government, but I do believe it. In all our history there seems to be a power, which we cannot see, that guides the destiny of this great Government. In this case the majority of the Supreme Court rose to the importance of the occasion and sustained the Constitution of the United States. Doesn't this action and the attempt to abrogate the Constitution in the highest court of the land lead the people of this country to take a new look at this insidious attempt to destroy our Government? We never in our history came as close to the destruction of the Constitution as we did in this case.

I do not believe that the people of the United States are ready and willing to abandon a government that guaranties life, liberty, and the pursuit of happiness and the protection of all citizens for a communistic inspired world government.

The fight is still on, and I want to do my humble part to preserve the greatest Government on earth.

Speaking before a club that bears his name, and in a State that gave this Nation and the world Abraham Lincoln, one of the greatest leaders in liberty and freedom in the entire history of the world, I feel we can well pause to hear his words uttered during the throes of a civil war then ranging on this continent:

"It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us here to be dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth."

Big-City Congressman Discusses Farm Problems

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1956

Mr. ANFUSO. Mr. Speaker, in the November 1955 issue of Capper's Farmer there is published an article which I wrote for that well-known farm magazine, entitled "Why I Voted for High Price Supports." I believe that many of my colleagues will be interested in the views expressed there.

Under leave to extend my remarks in the RECORD, I wish to insert the article, which reads as follows:

A BIG-CITY CONGESSMAN TELLS "WHY I VOTED FOR HIGH PRICE SUPPORTS"

(By VICTOR L. ANFUSO)

(Brooklyn's "Farm" Congressman: Congressman ANFUSO, author of the accompanying article, is an influential member of the House Agriculture Committee, not because of his knowledge of farming but for what he knows about consumers' food problems. Consumers do not resent farm programs, Mr. ANFUSO declares. High supports for farm commodities assure them of plentiful food supplies at reasonable prices. Food surpluses are good, Mr. ANFUSO believes. But they are getting too much bad publicity. He thinks surpluses could be used to fight communism among hungry and discontented people. He is sponsoring legislation that will make it easier for foreign countries to buy our surpluses. He was in Europe this summer looking for possible ways to increase our farm exports. VICTOR L. ANFUSO came to this country in 1914 at the age of 9, son of an immigrant Sicilian shoemaker. He started his career as a shoeshine boy in Brooklyn streets. A lawyer by profession, he was a colonel in the super-secret OSS in World War II, where he gained some of his experience with Communists. He was responsible for a quarter million letters from American to Italian citizens urging them to vote against left-wing candidates in postwar elections. He is well known also for his fight against juvenile delinquency.)

I honestly can't tell a field of soybeans from clover, and you can sell me buckwheat for cottonseed. But talk about the price of a shirt, or loaf of bread, and I'm your man.

Make no mistake, I'm in Congress to look out for the downtown workingman and his family. Three million of them in Brooklyn expect a lot.

As the first city member of the House Committee on Agriculture, I'm obligated to tell the consumer side of the food story. Our big New York metropolitan delegation demanded a spot for consumers on the committee, and I gladly accepted.

Simply, our story is that we need abundant food supplies—at reasonable prices. That's all. If we have that, we're not going to kick. It seems to me there isn't as much consumer resentment about farm programs—and their cost—as is generally supposed.

The attitude of Brooklyn people toward you, the farmers, I believe, is typical. It's this: the workingman and his wife don't give much thought to where food comes from—unless prices are high. Then, you get it in the neck along with the middleman. On the other hand, when retail prices are down, they don't give you much credit either.

When a Brooklyn housewife complains to me about the high cost of food, I tell her four things:

Farmers get only a fraction of the total food price. She knows a loaf of bread costs between 16 and 18 cents. But she's surprised to learn the wheat in that loaf is worth only 2 cents to the farmer. Also, if farmers got all their feed grains free, it still would make only a difference of a penny in the price of a quart bottle of milk. The rest goes for transportation, processing, wholesaling, retailing, and to the union truckdriver who delivers the goods. She can understand this, for 9 chances out of 10, her husband is a union man.

Farmer income is not high, relatively. She's surprised to learn an average farmer's wife must make ends meet on less spendable income than she does. Her husband probably earns more than $2,800—the average for factory workers.

Grocery and clothing prices would be higher if farmers didn't produce as much as they do. Food costs are not out of line with other things she buys.

Farmers don't have bargaining power to maintain income, like union members do. Nor can they shut down production to fit demand, like industries do. Price supports are the best substitutes for these things, so far.

For these same four reasons I voted for price supports at 90 percent of parity. I know of several "downtown" Congressmen who went along with me after I pointed these things out on the House floor. Frankly, it was these "city" votes which made the difference in the House 206 to 201 vote this year to restore 90 percent supports.

I tell my Brooklyn constituents—and Congressmen who expect me to guide them on farm legislation—it's a myth to believe reduced supports mean reduced consumer prices. High supports assure them of abundant supplies at reasonable prices. While I'm not wedded to straight-on 90 percent, I do think the principle is sound. Eventually, I'm sure we'll be able to develop an even better program.

But flexibles don't solve anything—and they don't help consumers either.

There are other things we can do to lower consumer prices—and still provide a fair return to farmers. For example, Agriculture Committee Chairman COOLEY and I have introduced the so-called terminal markets bill. This calls for modernizing marketing facilities for handling perishable commodities in cities. Building up-to-date markets would cut costs—lead to lower prices for vegetables, poultry, meats, eggs, and dairy products.

We could also spend more research dollars on the use of commodities you produce. A lot of money each year goes for researching farm production problems. While that's extremely important, we should put new emphasis on developing new and more efficient uses for farm commodities. We all benefit from that—and we all pay for it, too, through taxes.

High supports, to my way of thinking, can encourage you to produce needed abundance. On the other hand, they also assure you a living wage if you are forced to trim back production. This, flexibles don't do.

As for surpluses, I think they're a good thing—a sort of consumer insurance which is better than money in the bank. I sincerely believe that some of your own leaders are going overboard in saying surpluses are bad.

We all know how important surpluses are in event of drought, crop failure, or war. But we don't have to wait for a bomb to drop to make them pay off. I know from first-hand experience that lack of food causes discontent. Discontent is fertile soil for communism.

A bushel of wheat, a case of dried whole milk, or a case of macaroni often will do a lot more good in winning support of hungry people than a 6-inch shell or a machine gun.

I suggest two things. First, we should make it easier for foreign countries to get our surpluses. I am sponsoring a bill in Congress to let them get it on credit. Millions of people in countries tottering between East and West are hungry. But their governments often don't have the cash with which to buy our surpluses. My tour of Europe this summer pointed this up sharply. We should also pay at least part of the overseas freight cost of surpluses destined for welfare purposes abroad.

Second, I propose we offer free, and in good faith, our surpluses to the needy people in Iron Curtain countries. This should be done on a people-to-people basis—from American citizens to, say, Russian citizens. If the Soviet government permits it, fine. If they spurn the offer, we would reap favorably publicity throughout the world. I also think time is getting ripe for direct trade with Iron Curtain countries.

Those are some of your farm problems. But consumers have their problems, too. We are as anxious for you to know our problems as you are for consumers to understand you. Don't underestimate that. This is by no means a one-way street.

One of our biggest worries, and you can understand this, is that more farmers and farmworkers might be forced off the land and onto city streets. I believe flexible price supports would speed this up to a dangerous exodus. This would mean more competition for city jobs, increased unemployment.

It could set up a chain reaction eventually reaching back to the farm—by reducing demand for farm products. That's against the best interests of those who produce food and those who consume it—and that includes all of us.

Those of us from industrial areas want to keep our factories humming and our workers working. But how can this be done if we let farm income decline? Unless Congress restores 90 percent supports, you are in for more farm income declines this year and in 1956.

I am alarmed by one of the biggest ironies of our day: Industry is going on to new record-high profits and workers are making more money this year than ever. Practically everybody is enjoying boom-times. Everybody, that is, but the farmer. If this isn't changed soon, agriculture may pull the rest of the economy down into a national depression. We fear the economic chain reaction of a farm depression.

You can see what city folks think of farm prosperity when you consider these facts:

A $1 billion decline in farm income results in a drop of $240 million in farm spending for machinery and equipment. American farmers normally use more steel a year than the amount used in production of automobiles. You use more petroleum than any other single industry. You use enough rubber each year to make 24 million tires. You use enough electricity to supply the combined needs of cities like Chicago, Detroit, Baltimore, and Houston.

This means city jobs.

Farmers also must realize that expenses of city families have risen to a record high in recent years. And when wages fail to keep up with the cost of living city workers reduce their purchases of farm products.

A lot is being made about the fact that farmers now are in the minority, in Congress—and thus may not get a fair break. I don't think this is as dangerous as some people would have you believe. You are engaged in producing food, clothing, and raw materials. You comprise the Nation's No. 1 industry. As far as I can see, food will always come from our farms. We as consumers need to keep you producing.

"Old farm hands" on the Agriculture Committee, like Kansas' Representative CLIFFORD HOPE, keep me in close touch with your problems. In turn, they expect me to keep them abreast of the consumer side of things. This exchange of viewpoints is probably my biggest value on the committee—to you as farmers and to the consumers I represent. This balance is working smoothly—even though I'm 1 of 34 on the committee.

In Congress, I have appealed and will continue to appeal to my city colleagues to help provide the legislation you need. On the other hand, I expect to call upon the lawmakers from rural areas for their support of legislation needed by city people. This means things like increasing the minimum wage and more adequate housing.

When you talk about farmer-consumer relationships, you finally reach the inescapable conclusion that there is a definite interdependence between us. That's just as true as the fact that farm prosperity is essential to the prosperity of the Nation.

We in the cities are hearing a lot about a "consumer revolt" that's supposed to be coming along over farm programs. Frankly, I don't see any sign of one. Are we supposed to rebel? If we are, we don't know it.

I do think, however, that consumers don't know your story as well as they should. They're more confused than angry about price programs and surpluses. If they had access to the facts, I am sure they would understand. I am just as sure you would understand if you knew all the facts about consumer problems.

The machinery to build better understanding between farmers and consumers already is present. Your great farm organizations—whether they recognize the fact or not—have the responsibility of keeping you posted on consumer problems. By the same token, organized consumer groups—such as labor unions—must present your problems to their members. Business and civil organizations, as well as the chamber of commerce, also have a duty to perform in this regard.

Industries, such as agricultural chemicals and machinery makers, have a big stake in a strong agriculture, and should play their part.

When you get right down to it, the American economy is one great unit and all phases of it must be geared to the general welfare and prosperity of the Nation as a whole. Congress must recognize this and provide for it.

Destroying the farmer is no help to the city dweller. The fact is that prosperous farmers are essential to the prosperity of the industrial workers.

Often I'm asked: "How come you're on the Agriculture Committee with that bunch of farmers? What do you know about farming?"

My answer, simply, is this: You don't have to know how to milk a cow to recognize dairy trouble. Farm business is everybody's business. If the farmer is in trouble, we, as consumers, want to know about it. We're proud enough to think we can help.

SENATE

THURSDAY, FEBRUARY 16, 1956

The Right Reverend Monsignor Ignatius Albavicius, of the American Lithuanian Council, pastor of the Lithuanian Church of St. Anthony, Cicero, Ill., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Eternal Father, Creator of the universe, who hast made man free, look lovingly upon the nations of the earth which suffer persecutions for their acknowledgement of Thy supreme dominion, and struggle for the rights of freedom which Thou hast so graciously bestowed upon them. Bless their constant efforts for God and country, so that their sacrifices, made pleasing to Thy sight, will bring to them a true liberation from enslavement, tyranny, and oppression.

Bless the august Senate of the United States of America, that its promise of liberty for enslaved nations may become a powerful force against the black grasp of the evil which is threatening destruction and seeking to devour all humanity.

Thou, who didst guide the Thirteen Colonies in their struggle for freedom into a great and leading Nation, and who hast equal concern for the small and the great, glance most graciously upon the small countries, and particularly those bordering the Baltic Sea, who are gripped in the agonizing throes of tyranny.

Deliver, O God, from its present anguish Lithuania, which is bathed this day with the tears of innocent children and distraught mothers. List her among the free and independent nations of the world. Grant that justice shall not perish, and that the world may know the reason for her suffering, for in Thy sight the sorrows of mankind are never unnoticed.

From Thee, O benign dispenser of all good, the great and the small await the bestowal of blessings and happiness. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 14, 1956, was dispensed with.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Pursuant to the order of the Senate of February 14, 1956,

The PRESIDENT pro tempore announced that on February 14, 1956, the Vice President had signed the enrolled bill (H. R. 9063) making appropriations for the fiscal year ending June 30, 1956, which had previously been signed by the Speaker of the House of Representatives.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on February 15, 1956, the President had approved and signed the following acts:

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes;

S. 1959. An act to direct the Secretary of the Army or his designee to convey a 6.89-acre tract of land out of a 199,959-acre tract of land situated in the vicinity of Houston, Harris County, Tex., to the State of Texas; and

S. 2990. An act to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955.

REPORT OF HOUSING AND HOME FINANCE AGENCY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Banking and Currency:

To the Congress of the United States:

Pursuant to the provisions of section 802 (a) of the Housing Act of 1954, I transmit herewith for the information of the Congress the Eighth Annual Report of the Housing and Home Finance Agency covering housing activities for the calendar year 1954.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 16, 1956.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr CLEMENTS, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

On request of Mr. NEELY, and by unanimous consent, the Committee on the District of Columbia was authorized to hold a hearing this afternoon during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule, inasmuch as the Senate meets today following an adjournment, there will be the usual morning hour. I ask unanimous consent that any statement made in connection with the routine morning business be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON VIOLATION OF AN APPROPRIATION APPORTIONMENT

A letter from the Assistant Secretary of the Treasury, reporting, pursuant to law, a violation of an apportionment of an appropriation for the Defense Production Act Lending Activity for the fiscal year 1955; to the Committee on Appropriations.

INTERSERVICE TRANSFER OF COMMISSIONED PERSONNEL OF THE ARMED FORCES

A letter from the Secretary, Department of the Air Force, transmitting a draft of proposed legislation to provide for the interservice transfer of commissioned personnel of the Army, Navy, Air Force, and Marine Corps (with an accompanying paper); to the Committee on Armed Services.

TRANSFER OF CERTAIN OFFICERS TO MEDICAL SERVICE CORPS OF THE NAVY

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to authorize transfer of officers of the Nurse Corps of the Regular Navy and Naval Reserve to the Medical Service Corps of the Navy, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

DISPOSITION OF THE U. S. S. "HARTFORD"

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to authorize the disposal of the U. S. S. *Hartford*, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT OF FINANCIAL STATUS OF CONFERENCE OF STATE SOCIETIES, INC.

A letter from Harold B. Barnett, certified public accountant, transmitting a report on his examination of the records of the treasurer of the Conference of State Societies, Inc., for the period June 1, 1954, to May 31, 1955 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF FOREIGN CLAIMS SETTLEMENT COMMISSION

A letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D. C., transmitting, pursuant to law, a report of that Commission, as of December 31, 1955 (with an accompanying report); to the Committee on Foreign Relations.

PROVISION OF WAR-RISK AND CERTAIN MILITARY AND LIABILITY INSURANCE FOR AMERICAN PUBLIC

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war-risk insurance and certain military and liability insurance for the American public, as of December 31, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON PENALTY MAIL

A letter from the Acting Postmaster General, transmitting, pursuant to law, a report showing the number of envelopes, labels, wrappers, cards, and other articles bearing penalty indicia procured or accounted for through that Department during the fiscal year ended June 30, 1955, by the executive departments, independent establishments, organizations and persons authorized by law to use the penalty privilege (with an accompanying report); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Alabama; to the Committee on Finance:

"House Resolution 25

"Be it resolved by the House of Representatives of the Legislature of Alabama:

"1. That the House of Representatives of the Legislature of Alabama hereby lends its endorsement to House Resolution 7848, introduced in the House of Representatives of the United States Congress by Representative JAMES ROOSEVELT, Democrat, of California, which calls for a sweeping overhaul of the public assistance section of the Federal Social Security Act, the making available of additional Federal funds for public assistance purposes, and the requirement of uniformity in the public assistance laws of the 48 States by the establishment of a single standard of qualifications for the applicants and recipients of such assistance.

"2. That the house of representatives of the legislature also endorses House Resolution 7225, introduced in the House of Representatives of the United States Congress by Representative JERE COOPER, Democrat, of Tennessee, and sponsored by the majority of the House Ways and Means Committee, which calls for the payment of disability benefits to workers at age 50, and to disabled children over 18; the lowering of the eligibility age for widows, wives, and women workers from 65 to 62; and extension of the coverage of the Federal Social Security Act to include certain classes of professional people. This will bring millions of Federal money to Alabama for the widows, children, handicapped, and the aged, which they would not get otherwise, if 7848 and 7225 become law.

"3. That the clerk of the house of representatives transmit duly authenticated copies of the resolution to each of the following: George McLain, chairman of the Old Folks Lobby, Hotel Congressional, 300 New Jersey Avenue SE., Washington 3, D. C.; Representative James Roosevelt; Representative Jere Cooper; each member of the Alabama delegation in the United States Congress; the Clerk of the United States House of Representatives; the Secretary of the United States Senate; and the Honorable James E. Folsom, Governor of the State of Alabama; and that the clerk of the house also transmit a copy of this resolution to the members of the press, and cause a copy to be spread on the journal of the House of Representatives of the Legislature of Alabama.

"Adopted by the house of representatives February 7, 1956."

The petition of Miss W. S. Pratt, of Miami, Fla., relating to old-age assistance under the social-security law (with an accompanying paper); to the Committee on Finance.

A resolution adopted by Brooklyn Council, No. 60, Knights of Columbus, Brooklyn, N. Y., favoring the enactment of the Bricker amendment, relating to the treatymaking power; to the Committee on the Judiciary.

A resolution adopted at a mass meeting assembled at Manhattan Center, New York City, relating to the extradition of Willie Reid to the State of Florida (with an accompanying paper); to the Committee on the Judiciary.

The petition of O. O. Owens, of Tulsa, Okla., praying for a redress of grievances; to the Committee on the Judiciary.

A resolution adopted by the Board of Supervisors of Niagara County, N. Y., relating to a referendum on the power issue in the State of New York; to the Committee on Public Works.

A resolution adopted by the City Council of the City of Oceanside, Calif., favoring the rehabilitation of the Marine Corps Boat Basin at Camp Pendleton, Calif.; to the Committee on Public Works.

CHANGE OF NAME OF FRESNO VETERANS' ADMINISTRATION HOSPITAL TO BERTRAND W. GEARHART VETERANS' HOSPITAL—RESOLUTION

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, and appropriately referred, a resolution adopted by the City Commission of the City of Fresno, Calif., memorializing the Congress to name the veterans' hospital there after the late Representative in Congress, Bertrand W. Gearhart.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Resolution 4518

Whereas there is located in the city of Fresno that veterans' institution known as the Veterans' Administration Hospital; and

Whereas said veterans' hospital renders service to the San Joaquin Valley and central coastal regions; and

Whereas this hospital would not have been possible were it not for the efforts of the late Congressman Bertrand W. Gearhart; and

Whereas Bertrand W. Gearhart was ever willing to lend a helping hand to a deserving veteran, giving freely of his time and efforts in all worthy veterans' causes; and

Whereas, because of the great esteem with which Bertrand W. Gearhart is held by his fellow veterans and by the community of Fresno: Now, therefore, be it

Resolved, That the City Commission of the City of Fresno does memorialize Congress to name the Fresno Veterans' Administration Hospital after the late Bertrand W. Gearhart as an honor due and fitting; and be it further

Resolved, That the city commission requests all veterans groups and all interested citizens to, by letter or resolution, support the stand of our Congressman in his attempt to have this great institution called the Bertrand W. Gearhart Veterans' Hospital.

ALLEVIATION OF EXCESSIVE UNEMPLOYMENT IN CERTAIN AREAS—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the city council of Two Harbors, Minn., endorsing S. 2663, the bill I cosponsored with Senator DOUGLAS to alleviate conditions of excessive unemployment in certain economically depressed areas.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the city of Two Harbors, Lake County, Minn., is located in a section of the State generally dependent on the area's natural resources, which are basically the mining industry and forest products supplemented by the tourist trade, which supply only seasonal work resulting in excessive unemployment during the winter season; and

Whereas the city of Two Harbors has reached a point in its development where it is imperative that a new sewage disposal plant and a new water purification plant be constructed for the protection of the health and welfare of its residents: Therefore, be it

Resolved, That the city council and the mayor of the city of Two Harbors go on record favoring endorsing the depressed areas bill;

Resolved further, That a copy of this resolution be forwarded to Senator PAUL H. DOUGLAS, Senator HUBERT HUMPHREY, Senator EDWARD THYE, and Congressman JOHN A. BLATNIK.

Adopted this 6th day of February 1956.

ARVID J. ENGSTROM,
President, City Council.

Attest:

RAYMOND W. GUSTAFSON,
City Clerk.

Approved by the mayor of the city of Two Harbors this 7th day of February 1956.

GUST KRAGSETH,
Mayor.

PROPOSED HIGHWAY LEGISLATION—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the General Drivers, Inside Workers and Helpers Local of Albert Lea, Minn., urging the passage of highway legislation during this session of Congress.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

ALBERT LEA, MINN., *February 7, 1956.*

Hon. H. H. HUMPHREY,
United States Senator,
Washington, D. C.

DEAR SENATOR: The following resolution has been approved by our membership:

"Whereas America faces a grave crisis because more and more vehicles daily crowd highways, a burden which will double by 1970; and

"Whereas lagging highway construction and hit-and-miss planning has contributed to this situation in the past; and

"Whereas it is estimated that poor highways cost taxpayers some $4 billion yearly in deaths, accidents, and high insurance rates; and

"Whereas better roads will not only benefit all citizens in this Nation on wheels, but are necessary to national defense, economic expansion, and full employment: Therefore be it

"*Resolved*, That Local Union No. 845 go on record contacting our Senators and Representatives in Washington urging them to fight to pass a bold, long-range program for highway construction whose costs will be equitably distributed among all highway users on an across-the-board basis."

OSCAR JEPSON,
Secretary-Treasurer, General Drivers, Inside Workers, and Helpers.

AMENDMENT OF AGRICULTURAL ACT OF 1949—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the Plummer Commercial Club of Plummer, Minn., urging the passage of my bill, S. 1991, amending the Agricultural Act of 1949.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas the farmer today cannot exist without price protection, while other industries and labor are protected by laws which tend to bolster their economy, and

Whereas the present price-support program discriminates against farmers in our area who are limited to only one basic crop, while price supports on the nonbasic crops they raise are ruinous, and

Whereas price supports are needed on perishable farm products to stabilize these prices, and

Whereas limitations on the amount of price supports allowed to each farm operator would eliminate many abuses of the farm program, and

Whereas Senate bill 1991, 84th Congress, 1st session, contains many of these desirable provisions: Now, therefore, be it

Resolved, That the Plummer Commercial Club of Plummer, Minn., favors passage of Senate bill 1991 or any other bill which will accomplish these objectives; be it further

Resolved, That copies of this resolution be mailed to Minnesota representatives in the Senate and the House of Representatives, to the Secretary of Agriculture, to the Agricultural committees in Congress, and other persons likely to be interested.

Adopted this 30th day of January 1956.

THE PLUMMER COMMERCIAL CLUB,
S. L. GAUTHIER, *President.*

PLUMMER, MINN.

AMENDMENT OF RAILROAD RETIREMENT ACT—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted at a regular meeting of Lodge No. 827 of the International Association of Machinists of Minneapolis, Minn., urging amendments to improve the Railroad Retirement Act during this session of Congress.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

MINNEHAHA LODGE, No. 827,
INTERNATIONAL ASSOCIATION OF MACHINISTS,
Minneapolis, Minn., January 10, 1956.

Senator H. H. HUMPHREY,
Senate Building, Washington, D. C.

DEAR SIR: At the regular meeting of Lodge No. 827, I. A. of M., held December 14, 1955, a resolution was read and discussed, that was written and circulated by Lodge No. 620, I. A. of M.

In part this resolution read as follows:

"Whereas the cost of living based on the bare necessities of life has increased from a consumers price index of 100 in 1937 to 191.7 on June 15, 1955, representing a cost-of-living increase of 91.7 percent; and

"Whereas annuities under the Railroad Retirement Act in 1937 were also based on the bare necessities of life, and the maximum annuity then was $120 per month as compared with the present maximum of $165 per month, representing an increase of only 40 percent in maximum annuities as compared with a 91.7-percent increase in the cost of living for the same periods; and

"Whereas the average annuity paid in May 1955, under the Railroad Retirement Act was just under $102: Now, therefore, be it

"*Resolved*—

"(a) That annuities granted thereunder shall be increased so as to have the same purchasing power comparable to when the act was first adopted in 1937; and

"(b) That full annuities shall be paid all railroad employees retiring with 30 years of service."

Lodge 827 felt that it is very important, that we increase the annuities so as to have the same purchasing power comparable to when the Retirement Act was enacted.

We feel that this should be corrected at the next session of Congress.

Lodge 827 also wishes to point out that in many cases our members are forced to work past the retirement age of 65, until such time as their wives also reach the age of 65, and become eligible for retirement benefits. This then, makes it financially possible for the employee to retire.

Therefore we wish to recommend that the Railroad Retirement Act be amended to provide, that when an employee retires at the age of 65, with 30 years' service, that his wife would then be eligible for her benefits at the age of 60.

We hope that you will do all that is possible toward improving the Railroad Retirement Act.

Very sincerely,

J. S. GLYNN,
Recording Secretary.

RESOLUTIONS OF PRINCETON (MINN.) COOPERATIVE ASSOCIATION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a number of resolutions adopted by the Princeton Cooperative Association, Princeton, Minn., at their annual meeting.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

DECEMBER 23, 1955.

The following resolution was passed at our Princeton Cooperative annual meeting, December 10, 1955:

"We believe that a more effective dairy support program must be developed to maintain and encourage the family type dairy farm. This can be done through a system of production payments to the farmer, as such a system would assure the farmer a fair return and offer the lowest practical price for the consumer, and also avoid heavy purchases and storage by the Government. This should also apply to poultry products. We recommend adoption of such a program at 100 percent of parity to the producer."

DECEMBER 23, 1955.

The following resolution was passed at our Princeton Cooperative annual meeting, December 10, 1955:

"YOUTH AND COOPERATIVES

"Young people are the beneficiaries today of much devoted and unselfish work of their forefathers who built strong and progressive cooperatives.

"They are the guardian of a great cooperative heritage, and as such are responsible for insuring full development of the institutions they have inherited.

"But young people alone cannot fulfill their responsibilities. They need the agressive help of older persons who now exercise major control of cooperative services.

"We urge the Midland family of cooperatives to intensify their support to programs of cooperative youth activities: Co-op Youth Camps, FFA and 4-H Club cooperative projects and programs, tours and visits to cooperative facilities and annual meetings.

"We further urge that the younger members of the cooperatives be invited to the membership meetings and be encouraged to participate in the meeting, assigned to committee functions, and, where practicable, be appointed to junior boards of directors."

DECEMBER 23, 1955.

The following resolution was passed at our Princeton Cooperative annual meeting, December 10, 1955:

"The REA is, and has been self-liquidating. We strongly support the extension of the rural electrification and rural telephone programs and urge that adequate funds be provided both to enable new systems to be developed and for present systems to be expanded so that they can handle future demand.

"We recommend that appropriations be made providing readily available credit to REA cooperatives for construction of their own generating facilities."

DECEMBER 23, 1955.

The following resolution was passed at our Princeton Cooperative annual meeting, December 10, 1955:

"BETTER RURAL ROADS

"We urge improvement of farm-to-market roads and ask that counties make a greater share of road funds available for work on township roads.

"We urge support of constitutional amendment No. 2 the proposal to make a new distribution of motor vehicle tax revenues which would be more favorable to the rural roads.

"We suggest that if new revenue is needed to finance Minnesota's road program such additional highway user taxes be based on user responsibility for road costs.

"We urge that spring road restrictions be adjusted so that the pounds per axle on single tire wheels be half of that on dual tire wheels 50-foot truck bill.

"We urge the enactment of a bill in the next session of the State legislature legalizing 50-foot trucks making uniform truck limits between States."

DECEMBER 23, 1955.

The following resolution was passed at our Princeton Cooperative Association annual meeting December 10, 1955:

"TAX EQUALITY

"Cooperatives pay their fair share of taxes just as other businesses do. Cooperatives should not be required to pay income tax on patronage dividends to patrons. These refunds are taxed as personal income to the patron, therefore, it would constitute double taxation if the cooperative were also to be subject to income tax on these refunds. Farmers should be alert against efforts of the National Tax Equality Association or other groups who seek to destroy cooperatives through punitive taxation.

"FEDERAL GASOLINE TAX

"We recommend that gasoline used for nonhighway agricultural purposes be exempt from the Federal gasoline tax.

"We further recommend that receipts of the Federal tax be earmarked for road purposes.

"INCOME TAX AND EXCESS PROFITS TAX

"We support the principle of the graduated income tax. When, in spite of such a tax, some incomes get disproportionately high, they should be reduced by an excess-profits tax which would take away unwarranted profits and put these funds to work in our economic system through public works programs such as schools, hospitals and road building.

"We advocate the plugging of tax loopholes.

"Corporations should perform their functions and duties without huge subsidies in the form of unneeded tax write-offs."

FINANCING OF RURAL ELECTRIFICATION ADMINISTRATION COOPERATIVES—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resoluiton adopted by the Wild Rice Electric Cooperative of Mahnomen, Minn., vigorously opposing any change in the present system of financing REA cooperatives as suggested in the Hoover Commission report.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

"Whereas the Hoover Commission and other agencies have made recommendations designed to change the present system of financing REA cooperatives and provide financing rather than the public financing, and

"Whereas many REA cooperatives would be wholly unable to procure necessary private financing and those that could would be obliged to pay a much higher rate of interest which might well be prohibitive and would work to the detriment of the REA systems and might well destroy many cooperatives, and

"Whereas the REA is so far self-sustaining and is being operated without expense to the taxpayers and at some profit to the lender and since the present method of financing is economically sound the same should not be changed: Now, therefore, be it

"Resolved, That Wild Rice Electric Cooperative, Inc., of Mahnomen, Minn., be and through its board of directors urges all Senators and Representatives in the Congress from the State of Minnesota to vigorously oppose any change in the present system of financing REA cooperatives and to do their best to see that said system is not changed; be it further

"Resolved, That a copy of this resolution be mailed to each Senator and Congressman in the Congress of the United States from the State of Minnesota and to the Honorable Ancher Nelsen, Administrator, Rural Electrification Administration, and to Mr. Clyde T. Ellis, general manager, National Rural Electric Cooperative Association, and such other officials and agencies as may be deemed to be interested, and that a copy be published in the Rural DeLight."

Mr. Albin Shimota seconded said motion and the same being put to a vote the motion was unanimously carried.

I, Hjalmer Pederson, do hereby certify that: I am the secretary of Wild Rice Electric Cooperative, Inc. (hereinafter called the cooperative); the above is a correct copy of the original minutes entered in the minute book of the cooperative of the regular meeting of its board of directors of February 7, 1956; at the meeting all the directors, except G. E. Gunnarson and William P. Ulrich, were present and acted throughout; and none of the resolutions contained in the attached copy of the minutes has been rescinded or modified.

In witness whereof, I have hereunto set my hand and affixed the seal of the cooperative this 7th day of February 1956.

HJALMER BEDERSON,
Secretary.

PER CAPITA PAYMENTS TO INDIANS—LETTER AND PETITION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a letter and petition I have received from the Red Lake Indians of Red Lake, Minn., expressing the urgency, and endorsing the passage, of per capita payments to Indians during this session of Congress. This petition supports legislation I have introduced in my bill, S. 1632.

There being no objection, the letter and petition were referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

RED LAKE TRIBAL BUSINESS ASSOCIATION,
Red Lake, Minn., Feb. 9, 1956.

Hon. HUBERT H. HUMPHREY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Please find enclosed herewith a petition submitted by the Red Lake Indians living in the vicinity of Ponemah, Minn. This only further adds proof of the pudding on the urgent need for a per capita payment for the Red Lake Band as they were denied of their request in the first session of the 84th Congress.

It is a lamentable fact that the present economic conditions still exist after so many years in which the Red Lake Band has called the attention of Congress in their previous requests for per capita payments from their tribal funds. Bills are introduced in Congress for areas of depression in Minnesota but our reservation is excluded from this consideration. The President of the United States urges Congress to overhaul the Nation's immigration laws to wipe out "inequities" and ease the way for 220,000 foreigners to come to this country as permanent residents each year and this is justified by the country's past growth and "current economic conditions." With the economic conditions such as they are on the local scene within our reservation, uncertainties and inequities are permitted to prevail without any thought of overhauling for the permanent and original residents of this country.

This request for a per capita payment should be authorized immediately, this spring when it will be most beneficial and there should not be any compromise for the amount requested for.

With kindest regards.

Respectfully yours,

ROGER A. JOURDAIN,
President.

PETITION

We, Red Lake Indians living in the vicinity of Ponemah, Minn., request that you do everything possible to have Congress authorize a per capita payment for the Red Lake Indians immediately for the following reasons:

1. Many of the Indians at Ponemah have inadequate food and inadequate clothing due to the fact that employment is very limited inasmuch as the only employment that is available is fishing, and that is seasonal employment and only employs a very limited number of Indians, and logging which is likewise seasonal and in which also very few Indians are employed.

2. For the most part, the only source of livelihood is relief and it is almost impossible to get relief authorized for the Indians in the Ponemah area.

3. Most of the Indians at Ponemah are destitute and while willing to work are unable to find any type of employment.

AMENDMENT OF INTERSTATE COMMERCE ACT, AS AMENDED—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the General Drivers Local No. 346, of Duluth, Minn., urging Congress to vote against S. 1920 and H. R. 6141, to amend the Interstate Commerce Act, as amended,

which contains legislation based on the Weeks Committee report.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas attempts are being made in this session of Congress to pass discriminatory legislation against the trucking industry based on recommendations of the Presidential Committee on Transportation and Organization, commonly known as the Weeks Committee; and

Whereas such legislation would restore the railroad monopoly on transportation abolished by Congress in 1920; and

Whereas small truckers would be driven from business by powerful railroads through use of cutthroat competition; and

Whereas this would jeopardize the employment of 6½ million men and women in the trucking industry; and

Whereas a weak trucking industry would allow railroad monopoly to bring higher prices and poorer service to the public by discriminating against shippers and communities: Therefore, be it

Resolved, That the General Drivers, Warehousemen, Helpers, and Inside Employees Local Union, No. 346, of Duluth, Minn., instruct all its members to urge their Senators and Representatives to vote against Senate bill 1920 and House bill 6141, which contain legislation based on the Week's committee report; such legislation being harmful to the interests of the general public, the trucking industry, and organized labor.

GILBERT W. EWER,
Secretary-Treasurer, General Drivers, Warehousemen, Helpers, and Inside Employees Local Union, No. 346, Duluth, Minn.

THE GREAT LAKES BASIN COMPACT—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Great Lakes Commission, at Chicago, Ill., on December 12, 1955, relating to congressional consent to the Great Lakes Basin compact.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Great Lakes Basin compact provides that the eight Great Lakes States—Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin—and the Provinces of Ontario and Quebec may become party to the compact; and

Whereas ratification of the compact by Illinois, Indiana, Michigan, Minnesota, and Wisconsin has made the compact effective; and

Whereas the approval of the Great Lakes Basin compact by the Congress is desirable and essential to obtaining the participation of the Canadian Provinces; and

Whereas legislation introduced in the 1st session of the 84th Congress—S. 3688, H. R. 7550, and H. R. 7812—grants approval to the compact: Therefore be it

Resolved, That the Great Lakes Commission meeting in Chicago, Illinois, on December 12, 1955, urges early consideration and approval by the United States Congress of the Great Lakes Basin compact; be it further

Resolved, That the Council of State Governments be requested to send copies of this resolution to the members of the congressional delegations from the eight Great Lakes States and to members of the Senate Committee on Foreign Relations and the Committee on Foreign Affairs in the House of Representatives.

RESOLUTIONS OF AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the annual convention of the American National Cattlemen's Association, at New Orleans, La., on January 11, 1956.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS PASSED JANUARY 11, 1956, AT 59TH ANNUAL CONVENTION OF THE AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION, NEW ORLEANS, LA.

NO. 1. ENDORSING S. 2548

We endorse the principles of S. 2548, concerning the administration of national forest and other lands under the jurisdiction of the Secretary of Agriculture, as passed by the Senate of the 83d Congress. We request our legislative committee to work toward an enactment of this legislation at such time and in such manner as it may deem advisable.

NO. 2. TERM PERMITS

Recognizing that feed supplies on Forest and Taylor lands have been reduced to abnormally low levels by the widespread drought, we recommend that appropriate and adequate allowance be made by the various Federal agencies in arriving at carrying capacities in the issuance of term permits.

NO. 3. RAIL RATES

Whereas railroad rates on livestock have been increasing steadily; and

Whereas the railroads now propose an additional 7 percent increase in rates on livestock: Therefore, be it

Resolved, That the American National Cattlemen's Association is strongly opposed to any further increases in railroad rates on livestock.

NO. 4. BEEF PURCHASE PROGRAM

Whereas, the beef cattle industry of the United States is faced with an overpopulation of beef cattle; and

Whereas, the present slaughter of she-stock is not sufficient to reduce the beef-producing capacity of the Nation; and

Whereas, a reduction of cattle numbers in the United States to a limited extent would be to the best interest of those dependent directly and indirectly upon the livestock industry; and

Whereas many of those engaged in the production of beef cattle are faced with financial reverses that could lead to bankruptcy; and

Whereas a healthy agricultural and livestock economy is necessary to the maintenance of a prosperous national economy; and

Whereas the Federal Government has in the past initiated emergency purchase programs to aid other industries and other segments of agriculture: Therefore, be it

Resolved, That the officers of the American National Cattlemen's Association take immediate steps to advise the Secretary of Agriculture of this deplorable situation in the beef-cattle industry; and be it further

Resolved, That in order to bring the supply of beef in line with the demand, that the officers of the American National Cattlemen's Association request the Secretary of Agriculture to expand and accelerate the present beef purchase program for foreign-aid countries and the school-lunch program that would insure the reduction of the beef-cattle population of the United States.

NO. 5. RECOMMENDING QUOTAS FOR IMPORTS

Whereas the livestock producers and feeders in the United States are facing a very serious financial crisis; and

Whereas this crisis is due largely to the large supply of meat products at the retail level; and

Whereas this condition is being further aggravated by importation of foreign meats and livestock: Therefore, be it

Resolved, That the American National Cattlemen's Association go on record as recommending that quotas be set up on all livestock and livestock products in order to limit imports to the number of pounds exported in 1955.

NO. 6. BRAND INSPECTION

Whereas administration problems have arisen between the packers and stockyards administration and the States that do now conduct brand inspection; and

Whereas benefits will accrue to the livestock industry if States are authorized to offer brand inspection services capable of meeting present or future needs of the industry: Therefore be it

Resolved, That the American National Cattlemen's Association at their convention in New Orleans, La., hereby endorses and pledges to support the proposed legislation which in effect authorizes such brand inspection services, as are required by the laws of the respective States, to be performed in federally posted livestock yards situated within such States.

NO. 7. ANAPLASMOSIS

Whereas anaplasmosis has become a serious disease in many States and to an unknown degree in the balance of the Nation: Therefore be it

Resolved, That we request the States in cooperation with the Federal Government to carry on a comprehensive survey testing program to determine the degree of infection throughout the Nation;

Also that we urge Congress to appropriate adequate funds to carry on research on prevention, control, and eradication of the disease.

NO. 8. BRUCELLOSIS

Whereas we recognize that the public health of our Nation necessitates eradicating brucellosis from beef cattle as well as dairy cattle: Therefore be it

Resolved, That we suggest 1960 as a goal at which time brucellosis in the United States would be eradicated and that adequate State and Federal funds be provided for both research and eradication;

Also we request prompt recognition by each State and the United States Department of Agriculture of areas completely free of brucellosis in addition to the new recognized modified certified brucellosis-free areas;

Also we urge our members to carry on an accelerated calfhood vaccination program in range areas in order to make complete eradication less costly when ultimately achieved.

NO. 9. H. R. 6815

Whereas H. R. 6815 indicates a lack of understanding of the type, location, and economic use of the lands concerned; and

Whereas authority of the Secretary of Agriculture, which he must have to allow rational use of the lands would be repealed by the bill; and

Whereas the portion of the bill providing for transfer to States, counties, or other political subdivisions, sets up conditions which quite possibly could set up barriers to good land use in the future: Therefore be it

Resolved, That we oppose enactment of H. R. 6815.

NO. 10. DISPOSAL OF LAND-UTILIZATION LANDS

Whereas the United States Bureau of the Budget and current legislative proposals recommend disposition of certain grazing and agricultural lands at present temporarily administered by the United States Forest Service, and known as land-utilization project lands, which were purchased under various Federal Emergency Relief Acts including title III of the Bankhead-Jones Act; and

Whereas the complicated manner in which these lands were acquired gives rise to special

local problems in various communities: Therefore be it

Resolved, That any legislation in regard to disposal of these lands embody the principles of H. R. 5088 as it was introduced in the 1st session of the 84th Congress.

NO. 11. MARKET RESEARCH

Be it resolved, That the American National Cattlemen's Association request that the United States Department of Agriculture, through its research service, in addition to its regular staff, facilities, and statistical information, employ an outside competent consulting organization to make a complete market survey to determine the following points:

1. What is the ultimate potential in the United States from a beef consumption standpoint.

2. What should the cattle industry do in the way of promotion, advertising, and research to accomplish that suggested goal.

3. How much money should the cattle industry raise to carry out the suggestions; and

4. What method, or methods, should be devised within the cattle industry itself to provide the funds: Be it further

Resolved, That such research funds be made available as quickly as possible from funds appropriated for research work.

NO. 12. LONG-TERM LIVESTOCK CREDIT

In this period of depressed livestock prices it is tremendously important that adequate livestock credit at reasonable interest rates be available to farmers and ranchers, and we instruct our legislative committee to work with the Department of Agriculture, the Treasury Department, Federal Reserve System, banks, and other established credit agencies toward the setting up of a plan within the framework of the present banking system that would accomplish this objective.

NO. 13. THE HARRIS BILL

Whereas the Supreme Court of the United States in the Phillips decision empowered the Federal Power Commission to fix the price the producer and landowner could receive at the wellhead for natural gas; and

Whereas gas is an important product of ranch and farm land, the production of which has none of the characteristics of a public utility business, but is a risk-taking, competitive business; and

Whereas a free, competitive market for the products of our soil has fostered the greatest possible production of needed products to the benefit of all; and

Whereas this decision in the Phillips case will take from the individual the right to control his property and put that power in the hands of the Federal Government and take us further on the road to centralization of power in the Federal Government; and

Whereas such power by the Government may well be the beginning of laws to regulate all industries in this country, including the livestock industry; and

Whereas the Harris bill, which would free the producer of natural gas from direct regulation at the wellhead by the Federal Power Commission, is pending in Congress: Therefore be it

Resolved, That we recommend to Congress that the Harris bill be enacted into law so as to restore the right of the individual property owner to dispose of the products of our soil in a competitive market under the long-established doctrine of free enterprise without unnecessary and unwarranted Federal regulation.

NO. 14. NATIONAL BEEF COUNCIL

The members of the American National Cattlemen's Association at their annual convention in Reno, Nev., in 1955, authorized and directed its president to take such steps as he deemed proper to sponsor the establishment of a beef council to encourage the consumption of beef and beef products and to coordinate the promotional activities of national, State, and local cattle organizations in beef promotion.

On the basis of this directive the National Beef Council was organized on April 25, 1955, and incorporated under the laws of Illinois as a nonprofit corporation. As so organized it is composed of State beef councils which are statewide organizations of cattle breeders, growers, and feeders with the principal objective of promoting the sale and consumption of beef; and national livestock or agricultural organizations having a major interest in cattle production, feeding, breeding, or marketing.

The members of the American National Cattlemen's Association duly assembled at their annual convention in New Orleans, January 8–11, 1956, have carefully reviewed the organizational progress of the National Beef Council and its State Beef Council membership; have reviewed the proposed national program of beef promotion; and have studied the ways and means of financing such program by the cattle industry.

On the basis of such review, consideration, and study, the following resolutions in respect to the National Beef Council and beef promotion are duly adopted:

Resolved—

1. That Jay Taylor, president of the National Beef Council and the other officers of that organization be commended for their leadership and effort in the organization of the National Beef Council for the purpose of promoting the sale and consumption of beef through a national coordinated program; that the American National Cattlemen's Association approves the organizational structure of the National Beef Council, its type of membership, purposes and objectives; that Forest Noel be commended for his work in the interests of the cattle industry as executive director of the National Beef Council;

2. That the American National Cattlemen's Association approves its membership in the National Beef Council as the first national member of that organization;

3. That the American National Cattlemen's Association strongly urges the cooperation of the Department of Agriculture to aid, rather than hinder, the efforts of the State Beef Council members of the National Beef Council in adopting and inaugurating State programs for the voluntary deduction of funds from the proceeds of sale of cattle through recognized marketing agencies to be used for the purpose of beef promotion and that it instruct the packers and stockyards division in the enforcement of the Packers and Stockyards Act to recognize validly constituted State beef councils as the proper agency within any State for the handling of such funds.

4. The American National Cattlemen's Association endorses and approves the program and statement of policy as presented by Forest Noel, executive director of the National Beef Council, and recommends the adoption of a budget by the National Beef Council for its national program of beef promotion as outlined and set forth in such report and that such budget be met by the cattle industry itself by State, according to the volume of cattle sales in each State.

NO. 15. COOPERATIVE RESEARCH

Whereas one of the foremost concerns of the American National Cattlemen's Association is the efficient production of beef, not only in view of the immediate cost price squeeze but also to supply the long-term protein needs of the Nation at the lowest possible cost to the consumer; and

Whereas the American National Cattlemen's Association feels that the expenditure of funds in behalf of the cattle industry would be most beneficially employed in research channels; and

Whereas a limited amount of research in cooperation with ranchers on the ranchers' own land and involving his own cattle has already shown that the cost of producing beef may be reduced by at least 25 percent in the few limited areas so far involved in this cooperative effort; and

Whereas the beef cattle producers in a nationwide survey conducted by the American National Cattlemen's Association have in all regions of the Nation given second to the top preference to pasture and range management as the most wanted type of research: Therefore be it

Resolved, That the American National Cattlemen's Association recognize the benefits thus far demonstrated through this small scale cooperative approach by ranchers and the several research agencies involved; and be it further

Resolved, That the American National Cattlemen's Association recommend that pasture and range research be steered more directly into this channel of cooperative approach on a nationwide scale and implemented with sufficient additional funds; and be it further

Resolved, That the cattle producer on as local a basis as practicable be heard by his research agencies in the annual planning of projects and the requests for funds for such projects, and be it further

Resolved, That the cattle producer be appraised periodically of the disbursement of such research funds and the current results of such research projects in order assure the accomplishment of the purposes intended.

NO. 16. SOIL BANK

Whereas the United States Department of Agriculture is proposing to develop within the national farm program a soil bank by retiring productive farm acres into production of soil building legumes and grass crops; and

Whereas increased grazing land and forage production would further increase the already surplus supply of beef, thereby further jeopardizing the economic position of ranchers and long-time beef producers of this Nation: Therefore be it

Resolved, That soil-bank acreage not be used for grazing livestock or for the production of such forages as hay, silage, or seed under any circumstances.

NO. 17. RESEARCH LABORATORY

Whereas our research committee has determined a critical need for expanded research in the field of livestock diseases: Therefore be it

Resolved, That the Congress of the United States appropriate and make available to the USDA, adequate funds for the establishment and operation of a livestock disease research laboratory some place in the range-cattle producing area of the United States.

NO. 18. MUCOSAL DISEASE

We request the Congress of the United States appropriate and make available to the USDA a minimum of $150,000 for research into the mucosal disease complex and the ultimate eradication of these diseases.

NO. 19. S. 630

There is introduced in the present session of Congress S. 630 better known as the Barrett bill introduced by Senator FRANK BARRETT, of Wyoming.

The American National Cattlemen's Association, assembled in New Orleans, January 11, 1956, hereby endorse the principles embodied in this bill.

NO. 20. BEEF GRADING STUDY

Whereas Federal meat grading and its related problems to our industry has become a very important issue: Therefore be it

Resolved, That the president of the American National Cattlemen's Association appoint a committee to make a very thorough and careful study of the entire problem at the producer, feeder, packer, jobber, wholesaler, retailer and consumer level, and be

prepared to report its findings at least by the next annual convention.

NO. 21. BEEF GRADING

Whereas the United States Department of Agriculture Federal Beef Grading Service has made many improvements in their services during the past year: Therefore be it

Resolved, That the American National Cattlemen's Association commend and thank the Department for these improvements, and we ask that they continue their supervisor and grader training programs to bring about more uniformity between areas.

NO. 22. HALL OF FAME

We endorse the movement that is sponsoring the establishment of a National Cowboy Hall of Fame and Museum that will result in the construction of a shrine to the memory of the outstanding pioneers and livestock people who contributed so much to the building of the West.

NO. 23. COMMENDING SECRETARY OF AGRICULTURE

We enthusiastically register our commendation and approval of the courageous and sound approach taken by the Honorable Ezra Taft Benson in his efforts to maintain a free agricultural economy in our country; and hereby express our appreciation to him for again appearing on our program and delivering the inspirational talk outlining the new program for agriculture.

NO. 24. WITHDRAWAL OF LAND FOR MILITARY RESERVATION

Whereas existing withdrawals from the public-domain inventory by the defense agencies exceed in area the combined acreage of the States of Massachusetts, Maryland, New Hampshire, and Delaware; and

Whereas if present application for similar withdrawals in Nevada, California, New Mexico, and Arizona are approved, an additional land mass equal to the States of New Jersey and Rhode Island plus 50 Districts of Columbia will have also been taken for exclusive use; and

Whereas present withdrawals by the defense agencies are equivalent to a strip of land 11 miles wide extending from New York City to San Francisco and pending applications, if approved, will increase the width of said corridor to 14 miles; and

Whereas said withdrawals represent the lowest form of natural resource utilization because citizen entry into such areas for the purpose of creating wealth by the application of capital and labor to the natural resources as well as citizen entry for recreational purposes is forbidden; and

Whereas many such withdrawals duplicate each other and there is no orderly rotation of their use or a multiple use thereof by the various defense agencies for like purposes; and

Whereas the public interest requires:

1. That pending applications for withdrawals from the public-domain inventory be denied;

2. That existing withdrawals be studied to the end that every possible waste of natural resources, through duplication, be stopped;

3. A congressional policy of rotation of use of air reservations and training areas for ground troops and proving grounds be established;

4. A procedure be established for a periodic review of the continued need for such military reservations;

5. An inventory be made of the entire public-lands inventory, reserved and unreserved, and said acreage classified by the Secretary of the Interior to the end that the acres containing the least valuable natural resources shall be used by the defense agencies;

6. That the Department of State institute negotiations with the Republic of Mexico to see if Mexico can contribute acres adjacent to our south border for use by our defense agencies, as that nation's contribution toward the defense of our North American Hemisphere inasmuch as the Dominion of Canada and the United States of America are contributing manpower, electrical and atomic energy, money and equipment, as well as a substantial real-property inventory: Therefore, be it

Resolved, That the association authorize and direct its officers and committee members to appear before the current session of Congress and advocate legislation which will carry the foregoing proposed statements of public policy into being.

NO. 25. INVOLUNTARY CONVERSION

Whereas some stockmen in our industry have been and are being forced to liquidate their livestock holdings because of drought conditions; and

Whereas present income-tax regulations make no allowance for the involuntary conversion of the livestock into cash because of the threat of drought; and

Whereas this condition works a considerable hardship upon those who must sell their herds and buy them back in a year or two: Therefore be it

Resolved, That this association support an amendment to the Internal Revenue Act which will make allowance for the involuntary conversion of livestock herds in drought areas.

ALLOTMENT OF ADDITIONAL ACRES FOR CERTAIN WHEAT FARMERS—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Kinloss-Dewey Farmers Union Local, of Fairdale, N. Dak., signed by Harry Bergquist, president, and Howard C. Johnson, secretary, relating to the allotment of additional acres for certain wheat farmers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FAIRDALE, N. DAK., *October 12, 1955.*

The Honorable Senator LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR LANGER: By resolution at the September meeting of the Kinloss-Dewey local a motion was made and carried that support be given to Senator YOUNG's proposal to allow an additional 50 acres to the individual farmers allotted wheat acreage for seeding durum wheat. The same formula would apply to all growers regardless of size of farms.

As executives of this local we are glad to present this view to you. Perhaps it might help in formulating a durum program.

Sincerely,

KINLOSS-DEWEY FARMERS UNION LOCAL.
HARRY BERGQUIST, *President.*
HOWARD C. JOHNSON, *Secretary.*

RESOLUTIONS OF MANITOWOC CENTRAL LABOR COUNCIL

Mr. WILEY. Mr. President, I have received today from Joseph Osesek, secretary of the Manitowoc Central Labor Council, two resolutions bearing upon the Nation's future transportation system.

The first pertains to rapid action on highway improvement legislation, an issue which I certainly feel merits the speediest possible conclusive action on the part of the House of Representatives and then the Senate in final form.

The second pertains to opposition to the recommendations of the Presidential Committee on Transportation and Organization.

I present the resolutions, and ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas America faces a grave crisis because more and more vehicles daily crowd highways, a burden which will double by 1970; and

Whereas lagging highway construction and hit-and-miss planning has contributed to this situation in the past; and

Whereas it is estimated that poor highways cost taxpayers some $4 billion yearly in deaths, accidents, and high insurance rates; and

Whereas better roads will not only benefit all citizens in this Nation on wheels, but are necessary to national defense, economic expansion, and full employment: Therefore be it

Resolved, That we instruct all members to contact their Senators and Representatives in Washington urging them to fight to pass a bold, long-range program for highway construction whose costs will be equitably distributed among all highway users on an across-the-board basis.

Whereas attempts are being made in this session of Congress to pass discriminatory legislation against the trucking industry based on recommendations of the Presidential Committee on Transportation and Organization, commonly known as the Weeks Committee; and

Whereas such legislation would restore the railroad monopoly on transportation abolished by Congress in 1920; and

Whereas small truckers would be driven from business by powerful railroads through use of cutthroat competition; and

Whereas this would jeopardize the employment of 6½ million men and women in the trucking industry; and

Whereas a weak trucking industry would allow railroad monopoly to bring higher prices and poorer service to the public by discriminating against shippers and communities: Therefore be it

Resolved, That we instruct all members to urge their Senators and Representatives to vote against Senate bill 1920 and House bill 6141 which contain legislation based on the Weeks Committee report; such legislation being harmful to the interests of the general public, the trucking industry, and organized labor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ERVIN, from the Committee on Armed Services.

S. 1135. A bill to amend the act entitled "An act to establish Civil Air Patrol as a civilian auxiliary of the United States Air Force and to authorize the Secretary of the Air Force to extend aid to Civil Air Patrol in the fulfillment of its objectives, and for other purposes"; without amendment (Rept. No. 1480).

By Mr. SALTONSTALL, from the Committee on Armed Services:

H. R. 8101. An act to authorize the Secretary of the Army to give 25 World War II paintings to the Government of New Zealand; without amendment (Rept. No. 1481).

By Mr. STENNIS, from the Committee on Armed Services:

H. R. 2430. An act to release certain restrictions on certain real property heretofore

granted to the city of Charleston, S. C., by the United States of America; with amendments (Rept. No. 1482).

By Mr. GREEN, from the Committee on Rules and Administration:

S. Res. 215. Resolution to investigate matters pertaining to the common defense generally and certain specific matters; with an amendment (Rept. No. 1486).

JUVENILE DELINQUENCY AMONG THE INDIANS — REPORT OF A COMMITTEE (S. REPT. NO. 1483)

Mr. LANGER. Mr. President, pursuant to Senate Resolution 62, 84th Congress, 1st session, as extended, from the Committee on the Judiciary, I submit a report, made to it by the Subcommittee to Investigate Juvenile Delinquency, on Juvenile Delinquency Among the Indians. I ask that the report be printed, with illustrations.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from North Dakota.

EXTENSION OF GREETINGS TO THE SUDAN—REPORT OF A COMMITTEE (S. REPT. NO. 1485)

Mr. SMITH of New Jersey, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 128) to extend greetings to the Sudan, reported an original concurrent resolution (S. Con. Res. 70) to extend greetings to the Sudan, which was placed on the calendar, as follows:

Whereas it is the policy of the Government of the United States to suggest the orderly evolution of peoples and nations to self-determination throughout the world; and

Whereas the people of the United States support the concept that other peoples should have an opportunity freely to choose their own national destiny under circumstances which will enable them to assume and maintain an equal station among the free nations of the world; and

Whereas the Senate and the House of Representatives of the Sudan adopted on December 31, 1955, a transitional constitution providing that the Sudan shall be a sovereign democratic republic; and

Whereas the Sudan achieved independence on January 1, 1956: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States extend its most cordial greetings to the Parliament of the Sudan on the occasion of Sudanese independence, express the earnest hope that the Parliament and the people of the Sudan will enjoy continuing success in the development of a sovereign democratic republic, and reaffirm the friendship of the United States for the people of the Sudan.

IMPROVED FARM PROGRAM—REPORT OF A COMMITTEE (S. REPT. NO. 1484)

Pursuant to the order of the Senate of February 10, 1956,

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted a report, with minority and individual views, Mr. SCHOEPPEL, Mr. HICKENLOOPER, and Mr. EASTLAND, on the bill (S. 3183) to provide an improved farm program, which was ordered to be printed.

INVESTIGATION OF MATTERS PERTAINING TO COMMON DEFENSE GENERALLY AND CERTAIN SPECIFIC MATTERS—REPORT OF A COMMITTEE

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably an original resolution to investigate matters pertaining to the common defense generally and certain specific matters.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 215) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Armed Services, or any duly authorized subcommittee thereof, is authorized under section 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) common defense generally;

(2) the War Department and the Military Establishment generally;

(3) the Navy Department and the Naval Establishment generally;

(4) soldiers' and sailors' homes;

(5) pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces;

(6) selective service;

(7) size and composition of the Army and Navy;

(8) forts, arsenals, military reservations, and navy yards;

(9) ammunition depots;

(10) maintenance and operation of the Panama Canal, including the administration, sanitation, and government of the Canal Zone;

(11) conservation, development, and use of naval petroleum and oil-shale reserves;

(12) strategic and critical materials necessary for the common defense.

SEC. 2. For the purpose of this resolution the committee, from March 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $176,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on Federal employment and pay for the month of December 1955. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, DECEMBER AND NOVEMBER 1955, AND PAY, NOVEMBER AND OCTOBER 1955

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for December 1955 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In December numbered—	In November numbered—	Increase (+) or decrease (−)	In November was—	In October was—	Increase (+) or decrease (−)
Total [1]	2,343,688	2,362,158	−18,470	$969,657	$937,603	+$32,054
Agencies exclusive of Department of Defense	1,176,480	1,182,511	−6,031	439,311	424,025	+15,286
Department of Defense	1,167,208	1,179,647	−12,439	429,746	412,978	+16,768
Inside continental United States	2,139,197	2,154,839	−15,642			
Outside continental United States	204,491	207,319	−2,828			
Industrial employment	701,107	708,705	−7,598			
Foreign nationals	306,153	307,127	−974	29,890	27,914	+1,976

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during December 1955, and comparison with November 1955, and pay for November 1955, and comparison with October 1955*

Department or agency	Personnel				Pay (in thousands)			
	December	November	Increase	Decrease	November	October	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	76,405	78,143		1,738	$27,026	$26,678	$348	
Commerce [1]	42,876	43,096		220	19,070	18,529	541	
Health, Education, and Welfare	44,881	44,896		15	17,409	[2] 16,627	782	
Interior	46,504	47,428		924	19,507	19,250	257	
Justice	30,432	30,576		144	14,451	13,787	664	
Labor	5,259	5,277		18	2,417	2,354	63	
Post Office	509,722	510,870		1,148	179,086	175,016	4,070	
State [3]	29,080	28,995	85		11,080	10,535	545	
Treasury	78,318	78,900		582	34,512	32,335	2,177	
Executive Office of the President:								
White House Office	369	372		3	213	212	1	
Bureau of the Budget	422	424		2	276	267	9	
Council of Economic Advisers	33	34		1	24	24		
Executive Mansion and Grounds	68	70		2	23	22	1	
National Security Council [4]	27	28		1	18	17	1	
Office of Defense Mobilization	300	284	16		167	164	3	
President's Advisory Committee on Government Organization	5	5			3	3		
President's Commission on Veterans' Pensions	38	29	9		16	14	2	
Independent agencies:								
Advisory Committee on Weather Control	19	13	6		7	8		$1
Alexander Hamilton Bicentennial Commission	7	8		1	4	4		
American Battle Monuments Commission	696	781		85	102	102		
Atomic Energy Commission	6,234	6,211	23		3,290	3,084	206	
Board of Governors of the Federal Reserve System	562	562			276	266	10	
Boston National Historic Sites Commission [5]	1		1					
Civil Aeronautics Board	574	[2] 568	6		320	295	25	
Civil Service Commission	3,950	3,929	21		1,807	1,702	105	
Commission of Fine Arts	9	10		1	1	1		
Export-Import Bank of Washington	166	164	2		103	93	10	
Farm Credit Administration	1,048	1,049		1	516	495	21	
Federal Civil Defense Administration	946	912	34		484	448	36	
Federal Coal Mine Safety Board of Review	8	8			5	4	1	
Federal Communications Commission	1,100	1,101		1	594	522	72	
Federal Deposit Insurance Corporation	1,129	1,138		9	560	482	78	
Federal Home Loan Bank Board	627	627			296	281	15	
Federal Mediation and Conciliation Service	343	344		1	238	228	10	
Federal Power Commission	675	673	2		365	363	2	
Federal Trade Commission	607	609		2	348	327	21	
Foreign Claims Settlement Commission	152	153		1	71	69	2	
General Accounting Office	5,616	5,670		54	2,588	2,481	107	
General Services Administration	25,894	25,854	40		9,240	8,712	528	
Government Contract Committee	15	14	1		8	8		
Government Printing Office	6,658	6,720		62	2,853	2,708	145	
Housing and Home Finance Agency	10,300	10,374		74	4,878	4,646	232	
Indian Claims Commission	13	13			10	9	1	
Interstate Commerce Commission	1,927	1,888	39		972	911	61	
Jamestown-Williamsburg-Yorktown Celebration Commission	3	3			2	2		
John Marshall Bicentennial Celebration Commission [6]		2		2	1	1		
National Advisory Committee for Aeronautics	7,548	7,541	7		3,541	3,347	194	
National Capital Housing Authority	268	267	1		97	92	5	
National Capital Planning Commission	32	31	1		14	14		
National Gallery of Art	325	318	7		107	100	7	
National Labor Relations Board	1,121	1,127		6	628	604	24	
National Mediation Board	104	102	2		77	68	9	
National Science Foundation	238	242		4	115	93	22	
National Security Training Commission	4	4			2	2		
Panama Canal	15,274	15,233	41		3,477	3,161	316	
Railroad Retirement Board	2,230	2,226	4		854	820	34	
Renegotiation Board	480	486		6	310	363		53
Rubber Producing Facilities Disposal Commission	9	10		1	5	4	1	
St. Lawrence Seaway Development Corporation	26	26			19	19		
Securities and Exchange Commission	701	697	4		400	378	22	
Selective Service System	6,856	6,840	16		1,696	1,620	76	
Small Business Administration	760	772		12	434	415	19	
Smithsonian Institution	681	698		17	262	247	15	
Soldiers' Home	996	996			233	213	20	
Subversive Activities Control Board	33	33			22	21	1	
Tariff Commission	200	200			117	117		
Tax Court of the United States	141	142		1	95	90	5	
Tennessee Valley Authority	16,374	16,962		588	8,033	7,402	631	
United States Information Agency	10,500	[2] 10,452	48		2,787	2,632	155	
Veterans' Administration	177,559	178,281		722	60,749	58,117	2,632	
Woodrow Wilson Centennial Celebration Commission [7]	2		2					
Total, excluding Department of Defense	1,176,480	1,182,511	418	6,449	439,311	424,025	15,340	54
Net change, excluding Department of Defense			6,031				15,286	
Department of Defense:								
Office of the Secretary of Defense	1,904	1,958		54	1,122	1,065	57	
Department of the Army	[2] 437,009	443,139		6,130	155,368	153,533	1,835	
Department of the Navy	402,148	411,415		9,267	158,292	151,476	6,816	
Department of the Air Force	[8] 326,147	323,135	3,012		114,964	106,904	8,060	
Total, Department of Defense	1,167,208	1,179,647	3,012	15,451	429,746	412,978	16,768	
Net change, Department of Defense			12,439				16,768	
Grand total, including Department of Defense	2,343,688	2,362,158	3,430	21,900	869,057	837,003	32,108	54
Net change, including Department of Defense			18,470				32,054	

[1] December figure includes 345 seamen on the rolls of the Maritime Administration and their pay.
[2] Revised on basis of later information.
[3] December figure includes 7,442 employees of the International Cooperation Administration as compared with 7,369 in November.
[4] Exclusive of personnel and pay of the Central Intelligence Agency.
[5] New agency, created pursuant to Public Law 75, 84th Cong.
[6] Deactivated Dec. 29, 1955, in accordance with Public Law 581, 83d Cong.
[7] New agency, created pursuant to Public Law 705, 83d Cong.
[8] Subject to revision.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during December 1955, and comparison with November 1955*

Department or agency	December	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	75,235	76,932	----------	1,697
Commerce [1]	39,923	40,082	----------	159
Health, Education, and Welfare	43,115	43,122	----------	7
Interior	42,219	42,787	----------	568
Justice	29,897	30,051	----------	154
Labor	5,135	5,150	----------	15
Post Office	507,221	508,369	----------	1,148
State [2]	7,642	7,610	32	----------
Treasury	77,348	77,925	----------	577
Executive Office of the President:				
White House Office	369	372	----------	3
Bureau of the Budget	422	424	----------	2
Council of Economic Advisers	33	34	----------	1
Executive Mansion and Grounds	68	70	----------	2
National Security Council [3]	27	28	----------	1
Office of Defense Mobilization	300	284	16	----------
President's Advisory Committee on Government Organization	5	5	----------	----------
President's Commission on Veterans' Pensions	38	29	9	----------
Independent agencies:				
Advisory Committee on Weather Control	19	13	6	----------
Alexander Hamilton Bicentennial Commission	7	8	----------	1
American Battle Monuments Commission	15	15	----------	----------
Atomic Energy Commission	6,218	6,194	24	----------
Board of Governors of the Federal Reserve System	562	562	----------	----------
Boston National Historic Sites Commission [4]	1	----------	1	----------
Civil Aeronautics Board	570	[5] 564	6	----------
Civil Service Commission	3,934	3,913	21	----------
Commission of Fine Arts	9	10	----------	1
Export-Import Bank of Washington	166	164	2	----------
Farm Credit Administration	1,036	1,037	----------	1
Federal Civil Defense Administration	946	912	34	----------
Federal Coal Mine Safety Board of Review	8	8	----------	----------
Federal Communications Commission	1,073	1,073	----------	----------
Federal Deposit Insurance Corporation	1,128	1,137	----------	9
Federal Home Loan Bank Board	627	627	----------	----------
Federal Mediation and Conciliation Service	343	344	----------	1
Federal Power Commission	675	673	2	----------
Federal Trade Commission	607	609	----------	2
Foreign Claims Settlement Commission	152	153	----------	1
General Accounting Office	5,508	5,621	----------	53
General Services Administration	25,788	25,749	39	----------
Government Contract Committee	15	14	1	----------
Government Printing Office	6,658	6,720	----------	62
Housing and Home Finance Agency	10,149	10,225	----------	76
Indian Claims Commission	13	13	----------	----------
Independent agencies—Continued				
Interstate Commerce Commission	1,927	1,888	39	----------
Jamestown-Williamsburg-Yorktown Celebration Commission	3	3	----------	----------
John Marshall Bicentennial Celebration Commission [6]	----------	2	----------	2
National Advisory Committee for Aeronautics	7,548	7,541	7	----------
National Capital Housing Authority	268	267	1	----------
National Capital Planning Commission	32	31	1	----------
National Gallery of Art	325	318	7	----------
National Labor Relations Board	1,100	1,106	----------	6
National Mediation Board	104	102	2	----------
National Science Foundation	238	242	----------	4
National Security Training Commission	4	4	----------	----------
Panama Canal	550	549	1	----------
Railroad Retirement Board	2,230	2,226	4	----------
Renegotiation Board	480	486	----------	6
Rubber Producing Facilities Disposal Commission	9	10	----------	1
St. Lawrence Seaway Development Corporation	26	26	----------	----------
Securities and Exchange Commission	701	697	4	----------
Selective Service System	6,663	6,646	17	----------
Small Business Administration	760	772	----------	12
Smithsonian Institution	680	697	----------	17
Soldiers' Home	996	996	----------	----------
Subversive Activities Control Board	33	33	----------	----------
Tariff Commission	200	200	----------	----------
Tax Court of the United States	141	142	----------	1
Tennessee Valley Authority	16,374	16,962	----------	588
United States Information Agency	2,382	[5] 2,390	----------	8
Veterans' Administration	176,306	177,024	----------	718
Woodrow Wilson Centennial Celebration Commission [7]	2	----------	2	----------
Total, excluding Department of Defense	1,115,366	1,120,992	278	5,904
Net decrease, excluding Department of Defense	----------	----------	5,626	
Department of Defense:				
Office of the Secretary of Defense	1,843	1,897	----------	54
Department of the Army	[5] 368,355	372,822	----------	4,467
Department of the Navy	370,026	378,106	----------	8,080
Department of the Air Force	283,607	281,022	2,585	----------
Total, Department of Defense	1,023,831	1,033,847	2,585	12,601
Net decrease, Department of Defense	----------	----------	10,016	
Grand total, including Department of Defense	2,139,197	2,154,839	2,863	18,505
Net decrease, including Department of Defense	----------	----------	15,642	

[1] December figure includes 345 seamen on the rolls of the Maritime Administration.
[2] December figure includes 1,620 employees of the International Cooperation Administration as compared with 1,605 in November.
[3] Exclusive of personnel of the Central Intelligence Agency.
[4] New agency, created pursuant to Public Law 75, 84th Cong.
[5] Revised on basis of later information.
[6] Deactivated Dec. 29, 1955, in accordance with Public Law 581, 83d Cong.
[7] New agency, created pursuant to Public Law 705, 83d Cong.
[8] Subject to revision.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during December 1955, and comparison with November 1955*

Department or agency	December	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,170	1,211	----------	41
Commerce	2,953	3,014	----------	61
Health, Education, and Welfare	1,766	1,774	----------	8
Interior	4,285	4,641	----------	356
Justice	535	525	10	----------
Labor	124	127	----------	3
Post Office	2,501	2,501	----------	----------
State [1]	21,438	21,385	53	----------
Treasury	970	975	----------	5
Independent agencies:				
American Battle Monuments Commission	681	766	----------	85
Atomic Energy Commission	16	17	----------	1
Civil Aeronautics Board	4	4	----------	----------
Civil Service Commission	16	16	----------	----------
Farm Credit Administration	12	12	----------	----------
Federal Communications Commission	27	28	----------	1
Federal Deposit Insurance Corporation	1	1	----------	----------
General Accounting Office	48	49	----------	1
General Services Administration	106	105	1	----------
Housing and Home Finance Agency	151	149	2	----------
National Labor Relations Board	21	21	----------	----------
Panama Canal	14,724	14,684	40	----------
Independent agencies—Continued				
Selective Service System	193	194	----------	1
Smithsonian Institution	1	1	----------	----------
United States Information Agency	8,118	[2] 8,062	56	----------
Veterans' Administration	1,253	1,257	----------	4
Total, excluding Department of Defense	61,114	61,519	162	567
Net decrease, excluding Department of Defense	----------	----------	405	
Department of Defense:				
Office of the Secretary of Defense	61	61	----------	----------
Department of the Army	[2] 68,654	70,317	----------	1,663
Department of the Navy	[3] 32,122	33,309	----------	1,187
Department of the Air Force	42,540	42,113	427	----------
Total, Department of Defense	143,377	145,800	427	2,850
Net decrease, Department of Defense	----------	----------	2,423	
Grand total, including Department of Defense	204,491	207,319	589	3,417
Net decrease, including Department of Defense	----------	----------	2,828	

[1] December figure includes 5,822 employees of the International Cooperation Administration as compared with 5,764 in November.
[2] Revised on basis of later information.
[3] Subject to revision.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during December 1955, and comparison with November 1955*

Department or agency	December	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	2,829	2,821	8	
Commerce	2,424	2,427		3
Interior	7,543	7,864		321
Treasury	5,639	5,779		140
Independent agencies:				
Atomic Energy Commission	146	145	1	
Federal Communications Commission	13	13		
General Services Administration	971	939	32	
Government Printing Office	6,658	6,720		62
National Advisory Committee for Aeronautics	7,548	7,541	7	
Panama Canal	7,454	7,351	103	
Tennessee Valley Authority	13,582	14,091		509
Total, excluding Department of Defense	54,757	55,691	151	1,085
Net decrease, excluding Department of Defense			934	

Department or agency	December	November	Increase	Decrease
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 204,708	[2] 207,153		2,355
Outside continental United States	[1] 34,464	[2] 34,832		368
Department of the Navy:				
Inside continental United States	230,650	[2] 234,859		4,209
Outside continental United States	6,452	6,670		218
Department of the Air Force:				
Inside continental United States	164,173	163,668	505	
Outside continental United States	5,813	5,832		19
Total, Department of Defense	646,350	653,014	505	7,169
Net decrease, Department of Defense				6,664
Grand total, including Department of Defense	701,107	708,705	656	8,254
Net decrease, including Department of Defense				7,598

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of December 1955 and comparison with November 1955*

Country	Total		Army		Navy		Air Force	
	December	November	December	November	December	November	December	November
Denmark	2	2					2	2
England	7,092	7,135			30	30	7,062	7,105
France	24,912	24,458	17,281	[1] 16,952			7,631	7,506
French Morocco	6,160	6,060	239	241	1,006	1,048	4,915	4,771
Germany	111,421	112,290	87,880	[1] 88,619	2,014	2,015	21,527	21,656
Japan	149,269	149,947	87,210	[1] 87,210	18,440	18,421	[2] 43,619	43,416
Korea	6,059	6,692	6,059	[1] 6,692				
Libya	210	411					210	411
Netherlands	47	46					47	46
Norway	17	17					17	17
Saudi Arabia	463	463					463	463
Trinidad	501	506			501	506		
Total	306,153	307,127	198,669	199,714	21,991	22,020	85,493	85,393

[1] Revised on basis of later information.

[2] Subject to revision.

NOTE.—The Germans are paid from funds provided by German governments. The French and English reported by the Army and Air Force are paid from funds appropriated for personal services. All others are paid from funds appropriated for other contractual services.

FOREIGN NATIONALS

Table 5 segregates and accounts for certain categories of personal services rendered to the United States Government overseas, which cannot be regarded as ordinary direct employment.

Generally, this personal service is rendered military agencies overseas under agreements with the foreign governments. In most cases the employment is indirect. The foreign governments hire the employees. The United States military agencies in most cases administer or direct the activity.

The source of the funds for the payment of these employees varies. The Germans are employed without direct reimbursement by the United States and by agreement payment is made from the German economy. The Japanese are employed under a master labor contract between United States agencies and the Japanese Government.

French and English are employed for the Army and Air Force under agreements with the respective governments. Funds originally appropriated for "personal service" are used for this purpose. The Koreans and others are paid under varying contractual agreements with funds appropriated for "other contractual services."

Personnel hired and used under such circumstances cannot be properly considered in the same category as regular employment, but they are used and should be counted for what they are.

The Joint Committee on Reduction of Nonessential Federal Expenditures is endeavoring to identify these groups of employees and to count them along with, but separate from, the regularly reported United States employment overseas.

STATEMENT BY SENATOR BYRD

Executive agencies of the Federal Government reported regular civilian employment in the month of December totaling 2,343,688. This was a net decrease of 18,470, as compared with employment reported in the preceding month of November.

This was the fourth consecutive monthly decrease and the fourth decrease reported since January 1955.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1956, which began July 1, 1955, follows:

Month	Employment	Increase	Decrease
July	2,384,595	307	
August	2,385,043	448	
September	2,366,069		18,974
October	2,365,183		886
November	2,362,158		3,025
December	2,343,688		18,470
Net decrease, 1st 6 months, fiscal year 1956			40,000

Total civilian employment in civilian agencies during the month of December was 1,176,490, a decrease of 6,031 as compared with the November total of 1,182,511. Total civilian employment in the military agencies in December was 1,167,208. This was a decrease of 12,439 as compared with 1,179,647 in November.

Civilian agencies reporting the major decreases were: Department of Agriculture with a decrease of 1,738, the Post Office Department with a decrease of 1,148, the Department of the Interior with a decrease of 924, Veterans' Administration with a decrease of 722, Tennessee Valley Authority with a decrease of 588 and the Department of the Treasury with a decrease of 582.

In the Department of Defense decreases in civilian employment were reported by the Department of the Navy with a decrease of 9,267, the Department of the Army with a decrease of 6,130, and the Office of the Secretary of Defense with a decrease of 54. The Department of the Air Force reported an increase in civilian employment of 3,012. This was the eighth consecutive monthly increase in civilian employment by the Air Force. The total cumulative increase for these 8 months was 19,810.

Inside continental United States civilian employment decreased 15,642 and outside continental United States civilian employment decreased 2,828. Industrial employment by the Federal agencies in December totaled 701,107, a decrease of 7,598.

These figures are from reports certified by the agencies, as compiled today by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,343,688 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports includes some foreign nationals employed in United States Government activ-

ities abroad, but in addition to these there were 306,153 foreign nationals working for United States military agencies during December who were not counted in the usual personnel report. The number in November was 307,127. A breakdown of this employment for December follows:

Country	Total	Army	Navy	Air Force
Denmark	2			2
England	7,092		30	7,062
France	24,912	17,281		7,631
French Morocco	6,160	239	1,006	4,915
Germany	111,421	87,880	2,014	21,527
Japan	149,269	87,210	18,440	43,619
Korea	6,059	6,059		
Libya	210			210
Netherlands	47			47
Norway	17			17
Saudi Arabia	463			463
Trinidad	501		501	
Total	306,153	198,669	21,991	85,493

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

Donald Aubrey Quarles, of New Jersey, to be Secretary of the Air Force;

Clifford Cook Furnas, of New York, to be an Assistant Secretary of Defense;

Mansfield D. Sprague, of Connecticut, to be General Counsel of the Department of Defense;

David Sarnoff, of New York, to be a member of the National Security Training Commission;

Homer Ferguson, of Michigan, to be a judge of the Court of Military Appeals for the remainder of the term expiring May 1, 1956, vice Paul W. Brosman, deceased; and

Homer Ferguson, of Michigan, to be a judge of the Court of Military Appeals for the term of 15 years expiring May 1, 1971.

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably approximately 320 nominations of flag and general officers in the Army, Navy, Marine Corps, and Air Force, and approximately 20,000 nominations in the Army, Navy, Marine Corps, and Air Force in grades from ensign to colonel. All these names have already appeared in the CONGRESSIONAL RECORD. So to save the expense of printing this list on the Executive Calendar, I ask unanimous consent that the nominations be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDENT pro tempore. Without objection, it is so ordered.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ERVIN:

S. 3202. A bill for the relief of the town of Murphy, N. C.; to the Committee on the Judiciary.

By Mr. LANGER (for Mr. CAPEHART):

S. 3203. A bill for the relief of Onoufrios Argyros; to the Committee on the Judiciary.

By Mr. DWORSHAK (for himself and Mr. WELKER):

S. 3204. A bill to amend the Commodity Exchange Act so as to prohibit trading in onion futures through any board of trade designated as a contract market under the provisions of such act; to the Committee on Agriculture and Forestry.

By Mr. BARKLEY:

S. 3205. A bill for the relief of Erna Barbara Kreutner; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

S. 3206. A bill for the relief of Saveria Velona Gangemi; to the Committee on the Judiciary.

S. 3207. A bill to amend the act enetitled, "An act incorporating the Archaeological Institute of America" to increase the value of real and personal property that such institute may hold; to the Committee on the District of Columbia.

(See the remarks of Mr. SMITH of New Jersey when he introduced the last abovementioned bill, which appear under a separate heading.)

By Mr. DIRKSEN (by request):

S. 3208. A bill for the relief of Moses Rosenberg; and

S. 3209. A bill for the relief of Paul Edward Horn; to the Committee on the Judiciary.

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 3210. A bill to change the name of the Clearwater National Forest in Idaho to the Bernard DeVoto National Forest; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. LEHMAN:

S. 3211. A bill for the relief of Pierre Eugene Brodin; and

S. 3212. A bill for the relief of Kappaka Sita Rao and her minor child, Kappaka Vijalakshmi Rao; to the Committee on the Judiciary.

By Mr. LEHMAN (for himself, Mr. SPARKMAN, Mr. KEFAUVER, and Mr. LANGER):

S. 3213. A bill for the establishment of a temporary National Advisory Committee for the Blind; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. THURMOND (for himself, Mr. JOHNSTON of South Carolina, Mr. RUSSELL, and Mr. GEORGE):

S. 3214. A bill to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the Clark Hill Reservoir; to the Committee on Public Works.

By Mr. McNAMARA:

S. 3215. A bill authorizing the Postmaster General to provide for the use of special canceling stamps or postmarking dies in order to encourage registration for voting in general elections; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE:

S. 3216. A bill for the relief of Constantinos Vasilios Lilies; to the Committee on the Judiciary.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. BUSH:

S. 3217. A bill for the relief of Mrs. Thomas L. Davidson; to the Committee on the Judiciary.

By Mr. HRUSKA:

S. 3218. A bill for the relief of Joaquin Flores-Munoz; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 3219. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the transfer of certain surplus property of the United States in the Saint Joseph's Bay Military Reservation, Gulf County, Fla., to the former owners thereof; to the Committee on Government Operations.

S. 3220. A bill for the relief of Col. Ray E. Dingeman; and

S. 3221. A bill for the relief of Dr. Tscheng-Sui Feng; to the Committee on the Judiciary.

By Mr. MORSE:

S. 3222. A bill to provide for the regulation of the business of making loans of $1,000 or less in the District of Columbia and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 3223. A bill to amend section 206 of the Merchant Marine Act, 1936, as amended, relating to the construction revolving fund; and

S. 3224. A bill to amend section 206 of the Merchant Marine Act, 1936, to provide for the sale of ship mortgages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under a separate heading.)

By Mr. COTTON:

S. 3225. A bill for the relief of Giulio Gildo Spessot; to the Committee on the Judiciary.

By Mr. EASTLAND (for Mr. KILGORE):

S. 3226. A bill to amend section 77 (c) (6) of the Bankruptcy Act; to the Committee on the Judiciary.

(See the remarks of Mr. EASTLAND when he introduced the above bill, which appear under a separate heading.)

By Mr. McCARTHY:

S. J. Res. 144. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1956, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. LEHMAN (for himself, Mr. IVES, and Mr. HUMPHREY):

S. J. Res. 145. Joint resolution granting the consent of Congress to the State of New York to negotiate and enter into an agreement or compact with the Dominion of Canada for the establishment of the Niagara Frontier Port Authority with power to take over, maintain, and operate the present highway bridge over the Niagara River between the city of Buffalo, New York, and the city of Fort Erie, Ontario, Canada; to the Committee on Foreign Relations.

(See the remarks of Mr. LEHMAN when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. BENDER:

S. J. Res. 146. Joint resolution providing that the week beginning March 4, 1956, and ending March 10, 1956, be designated as National Advertising Week; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

Mr. SMITH of New Jersey, from the Committee on Foreign Relations, reported an original concurrent resolution (S. Con. Res. 70) to extend greetings to the Sudan, which was placed on the calendar.

(See text of concurrent resolution printed in full, which appears under the heading "Reports of Committees.")

RESOLUTION

Mr. STENNIS, from the Committee on Armed Services, reported an original resolution (S. Res. 215) to investigate matters pertaining to the common defense

generally and certain specific matters, which was referred to the Committee on Rules and Administration.

(See resolution printed in full when reported by Mr. STENNIS from the Committee on Armed Services, which appears under the heading "Reports of Committees.")

AMENDMENT OF CHARTER OF INCORPORATION OF ARCHAEOLOGICAL INSTITUTE OF AMERICA

Mr. SMITH of New Jersey. Mr. President; I introduce for appropriate reference, a bill amending the charter of incorporation of the Archaeological Institute of America. Under the original act incorporating the Institute in 1906, the Institute was limited in the amount of real estate and personal propery which it could hold to one million dollars. The effect of my bill would be to raise the limitation imposed upon such holdings by the Institute to $20 million. I understand that Representative MULTER, of New York, is introducing an identical bill in the House of Representatives today.

The Archaeological Institute of America is active in promoting archaeological studies by investigation and research both in the United States and in foreign countries. Its membership now totals close to 3,000 classical scholars, professional acheologists, and interested laymen, with 40 local societies in prominent localities throughout the United States—including Princeton, N. J.

With a current endowment of over a quarter of a million dollars, and every expectation of continuing growth, there seems to be little reason for limiting the assets of this worthwhile Institute to the present $1 million. I urge that the Congress approve this change in the charter of the Archaeological Institute of America.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3207) to amend the act entitled "An act incorporating the Archaeological Institute of America" to increase the value of real and personal property that such institute may hold, introduced by Mr. SMITH of New Jersey, was received, read twice by its title, and referred to the Committee on the District of Columbia.

CHANGE OF NAME OF CLEARWATER NATIONAL FOREST IN IDAHO TO BERNARD DEVOTO NATIONAL FOREST

Mr. NEUBERGER. Mr. President, on behalf of myself, and my colleague, the senior Senator from Oregon [Mr. MORSE], I introduce, for appropriate reference, a bill to change the name of the Clearwater National Forest in Idaho to the Bernard DeVoto National Forest.

Bernard DeVoto, who died in November of 1955 at the untimely age of 58, was one of the most illustrious conservationists who has lived in modern times. He fought with tongue and pen to safeguard our natural resources of timber, wildlife, soil, meadows, fisheries, and scenic grandeur.

There is a precedent for this action. A few years ago, I stood in a glade at LaWisWis Forest Camp, in the State of Washington, when the Columbia National Forest formally became the Gifford Pinchot National Forest, honoring the great conservationist and forester who, with President Theodore Roosevelt, set aside our vast forest reserves approximately half a century ago.

Why have I selected the Clearwater Forest to bear Mr. DeVoto's name? Mr. DeVoto, who was born at Ogden, Utah, made the study of Lewis and Clark one of the passions of his life. He wrote a great volume on their pioneer trek, the Course of Empire. He edited a volume of their epochal Journals. He himself went over the Lewis and Clark trail with a valiant forester who studied each campsite and bivouac on that trail, the late Elers Koch, of Missoula, Mont.

In the Clearwater National Forest, the trail of Lewis and Clark may be seen as it was a century and a half ago—when it was the rugged Lolo Trail, which took the Nez Perce Indians across the Bitterroot Range to buffalo wallows on the upland prairie to the eastward. Mrs. Neuberger and I have trudged over the Lolo, and we have thrilled to the rock cairns left behind by Meriwether Lewis and William Clark so long ago. Nowhere else does the handiwork of the two immortal captains still exist in primitive and untouched splendor.

So, if any national forest is to be named for the late Bernard DeVoto, it should be the forest, Mr. President, where the trail of Lewis and Clark lingers. Mr. DeVoto won the Pulitzer prize for literature in the realm of frontier history.

Even in death, Mr. DeVoto's fidelity to our Western outdoors will be honored. His ashes now repose in a vault of the United States Forest Service at Ogden, where he was born. In late July, after the snow has left the high passes in the Bitterroots, the ashes of this brilliant man will be scattered along the Lochsa River, where Lewis and Clark and their ragged band carried our flag westward a century and a half ago. This was one of his final desires. Mrs. DeVoto and members of the Forest Service will thus unite the author's last remains with one of the most historic trails in the annals of the American West.

Let me say, Mr. President, that the name Clearwater, which would be abandoned under my bill, still will be the nomenclature for one of the vast rivers of the Pacific Northwest. Furthermore, it is not a name of historical significance. When Lewis and Clark came down this river, starting on its headwaters, they called it the Kooskooskee. Of course, this name is now gone. The source of the Clearwater is the Lochsa River, which combines with the Selway River to form the main middle fork of the Clearwater River.

Mr. President, I am joined in this bill by the distinguished senior Senator from Oregon [Mr. MORSE], who was a close friend of Mr. DeVoto and about whom Mr. DeVoto was preparing an article for Harpers magazine, at the time of Mr. DeVoto's death.

I ask unanimous consent that the bill be printed in the RECORD, together with a tribute to Mr. DeVoto which I wrote for the Progressive magazine of January 1956, under the title "Defender of the Wilderness," and a fine and informative editorial from the Oregon Daily Journal of Portland, of January 9, 1956, entitled "On the Trail of Lewis and Clark," describing the new transcontinental highway in this wilderness area.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, tribute, and editorial will be printed in the RECORD.

The bill (S. 3210) to change the name of the Clearwater National Forest in Idaho to the Bernard DeVoto National Forest, introduced today by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas Bernard DeVoto, who died in November of 1955, devoted his life to the preservation of our scenic outdoors; and

Whereas the late Bernard DeVoto was particularly vigilant in defense of the natural resources of our vast system of national forests; and

Whereas because of his effective crusading for conservation, many selfish raids on the resources of the national forests ended in failure; and

Whereas in this work the late Bernard DeVoto eloquently expressed the firm determination of the American people to protect and safeguard our national forests and their wealth in timber, water, grass, wildlife, and scenery.

Be it enacted, etc., That the national forest situated in the State of Idaho known and designated as the "Clearwater National Forest" shall hereafter be known and designated as the "Bernard DeVoto National Forest."

The tribute and editorial presented by Mr. NEUBERGER are as follows:

DEFENDER OF THE WILDERNESS

(By Hon. RICHARD L. NEUBERGER, of Oregon)

Bernard DeVoto once told me that, above and beyond everything else, he would like to have been with Lewis and Clark on that first of all treks across our continent. This privilege having been denied him, he did the next best thing. He became the principal defender of the realm Lewis and Clark explored. Let some greedy looter touch so much as one pine grove or a single foaming waterfall, and DeVoto was off to the rescue—armed with a portable typewriter that shot dum-dum bullets.

He voted and he paid his taxes in Massachusetts, on the edge of the Harvard Yard. He frequented the magazine offices, publishing houses, and broadcasting studios of Manhattan Island. He was an intellectual and a sophisticate, and he never made any bones about it. Yet, when he died suddenly this past November, the deepest sorrow must have been in the far-off mountain ranges and lonely canyons of the West. This might have astonished him, for once he wrote:

"I have nothing to do with the West. I broke the story of the attempted land-grab in 1946 and, because at that time I happened to be the only slick-paper journalist who was a qualified conservationist, the spotlight has been on me ever since * * * I do go West a lot. I love the country. I have a lot of friends out there * * *."

Thus did he play down his role as protector of the wilderness. But others knew that role for what it actually was. After DeVoto's death, at the early age of 58, the former Chief of the United States Forest Service, a lean man named Lyle F. Watts,

said to me, "He was our best friend, because he wasn't afraid of anybody or anything, and because he could command an audience. Our natural resources are a whole lot less safe today, now that he is dead, than they were last night, when Benny DeVoto was alive."

DeVoto had a profound faith in the average person's love of this land and its bounty. He visited my wife and me in February of 1954, a few weeks before I filed for United States Senator. Over broiled Chinook salmon from the Columbia River at lunch, we wondered if a Democrat could get elected in the State of Oregon, where it hadn't been done since 1914. My adversary was to be the incumbent Senator, who had sponsored the surrender of the oil tidelands, the relinquishment of public grazing and timberlands, and the yielding up of Hells Canyon.

After DeVoto had bidden goodbye to us and walked down the steep steps in front of our old frame house, he abruptly turned on the sidewalk and puffed back up the cement steps. I came halfway to meet him. Breathing deeply from the exertion, he faced me in the bright sunlight. A faint smile creased his face, with its broad mouth and wide, flattened nose. He could not have been described by his own mother as a handsome man, yet a kind of aura lighted his eyes as he spoke.

"Be of good cheer, my friend," he said. "The American people have never yet voted to abandon their natural resources when the issue was understood by them—and they never will. Everything's going to be all right. I'm just about sure of that."

Throughout the hard, bruising Oregon campaign which followed, a stream of small checks came steadily from Cambridge. They were the result of dinner parties "for Neuberger," given by DeVoto and his personable wife, Avis. Often the signatures on the checks were of celebrated teachers, writers, and scientists. Some of them I knew to be Republicans. When I later asked Mrs. DeVoto about this political heresy on the part of her guests, she replied, "Oh, certainly, but when Benny told them of the grand fight you were making for conservation out in Oregon, they couldn't resist. He just melted them away, and they reached for their checkbooks."

He was that sort of man. To him, halfway measures were worse than none when the American outdoors seemed in peril. He was the first person to sniff danger when a presumably innocent bill was introduced by Senator Guy Cordon and Representative HARRIS ELLSWORTH, both of Oregon, allowing lumber companies to be reimbursed with public timber of their own selection rather than in money, when the Government took over any of their land for reservoirs, highways, or military encampments. The bill might have slipped through Congress almost without notice, had not DeVoto led off with a bristling "Easy Chair" in Harper's, warning that the legislation could give the country's biggest lumber operators a foothold in the national forests from which they might never be wrested.

II

Another writer would have let the matter go at that. But with DeVoto, who was born in Ogden, Utah, this was merely the beginning. He wrote innumerable letters about the Cordon-Ellsworth bill. He goaded groups like the Wildlife Management Institute and the National Wildlife Federation. He summoned the Wilderness Society and the Sierra Club to battle. He set up headquarters at his own expense in the Hay-Adams House, where he conferred with people like Representative LEE METCALF, of Montana and Senator HERBERT LEHMAN, of New York. He irritated his editors at Harper's by hammering away on the issue of natural resources, when they thought the interests of magazine circulation dictated more diversified contents in "The Easy Chair."

Yet, although the Cordon-Ellsworth bill for timber exchanges had the full backing of the Republican administration, it was voted down decisively, 226 to 161, by a Republican House of Representatives. Many Members of the House told me that a man who never participated directly in this rollcall deserved nearly full credit for the outcome. "Without DeVoto," said Representative METCALF, "the bill probably would be part of our Federal statutes right now."

Wesley A. D'Ewart, then a Republican Congressman from Montana, tried harder than anyone else to bring about passage of the timber-exchange legislation. He also was the author of a grazing bill which would have given 18,000 privileged livestock operators greater control over upland meadows in the national forests than would have been vested in 33 million Americans who enjoy using this domain for fishing, camping, hiking, and hunting. When Secretary of the Interior McKay recently appointed D'Ewart as his assistant in charge of public lands administration, DeVoto heard the firebells clanging. He was embroiled in the battle against D'Ewart's confirmation by the Senate at the time that death claimed him. This cause, and many others, will suffer for want of his pungent phrasemaking and his boundless energy.

I have thought frequently that Benny DeVoto loved the West because he knew so much about it. Riding with him one afternoon on the Great Northern's gleaming Empire Builder, I listened to a recital of each place along the line where some mountain man had snared a beaver or hidden in the bullrushes to save his scalp. When DeVoto felt that Oregon had not properly marked historic points on the campfire trail of Lewis and Clark, the Easy Chair which ensued helped to shame our State into some corrective measures.

Perhaps DeVoto's most controversial essay appeared in Harper's in 1947, entitled "The West Against Itself." Its theme was that the major demands for exploiting the timber, minerals, water, and scenery of the West always had come from westerners, who, in turn, were under heavy political and economic pressure from absentee landlords. This exploitation contrasted with orderly development. The doctrine was hotly challenged, particularly by leading figures in the Republican Party, who kept promising a new and brighter era in western progress if only a dyed-in-the-wool westerner could become Secretary of the Interior.

In January of 1953, President Eisenhower appointed as Secretary of the Interior a native of Oregon and that State's former governor, Douglas McKay. This dyed-in-the-wool westerner endorsed the bill to give preferential privileges in the national forests to big lumber operators. He approved the relinquishment of the tidelands oil deposits. He endorsed commercial invasion of the national-park system. He led the crusade to abandon Hells Canyon to the Idaho Power Co., which is incorporated 3,000 miles away in Maine. He suggested turning over the the John Day power site on the Columbia River to Pacific Power & Light, another Maine-incorporated company. He fired the career biologist heading the Fish and Wildlife Service and replaced him with a political appointee.

Westerners, looking at the wreckage of the resource program in their region, remembered DeVoto's reminder of Theodore Roosevelt of Oyster Bay, N. Y., and of Gifford Pinchot of Connecticut and Pennsylvania, who had teamed up originally to set aside the national forests for the people. Westerners remembered how DeVoto had told them of Franklin D. Roocsevelt of Hyde Park, N. Y., who had built Grand Coulee and Bonneville Dams, and of Harold Ickes, of Chicago and Oscar L. Chapman, born in Virginia, who had administered these dams in the public interest. They thought of the westerner who was taking Hells Canyon away from them, and they wished they had heeded the warnings voiced by DeVoto.

There was a place above all others that held DeVoto's heart. On the lofty divide above the Lochsa fork of the Clearwater River in Idaho, wavers a thin and overgrown trail. Lewis and Clark tottered along that trail when they were near starvation. Tears of excitement and high adventure filled Benny's eyes on the day he trod the trail himself. This, to him, was all that Valhalla could ever be, the wilderness, the solitudes of lodgepole pine and alpine fir, the tossing meadows of bear grass, that path where the first white men had come so long ago.

III

It was an experience he never forgot. It lived with him until his death. One memorable evening, in the spring of 1955, he recalled it to me as we ate prime ribs in the paneled dining room of the Carlton in Washington. I know that this sumptuous atmosphere faded for DeVoto, and that he was back again on the trail with Meriwether Lewis and William Clark, whose marvelous exploits of exploration are the substance of his greatest book, the Course of Empire.

DeVoto wrote: "Whenever I go back to the bitterroots, I realize afresh that they are my country, Traveler's Rest to Lolo Pass, to Crooked Fork, to the Lochsa, and on down the works of the Clearwater * * *. To everyone his own desire in mountains, mountain meadows, and mountain streams, but for me the best of the West is the Lochsa country * * *. If working journalists are rewarded on the far shore, I will sometime get a long summer within a few miles of the Powell Ranger Station."

I prefer to think that courage and persistence and integrity are qualities of character which never die. The next time that I go down the Lochsa and over the Lolo Trail with his friend Bud Moore, the district forest ranger, perhaps we shall see DeVoto in faded breeches and green flannel shirt and his old logger's boots. And we shall hear him, too, in the lilting roar of the Lochsa, as it surges through the timbered fastnesses which he thought so important to save for the next generation of Americans.

[From the Oregon Journal]

ON THE TRAIL OF LEWIS AND CLARK

The Lolo Pass in Idaho crosses some of the roughest country in the United States. It was made famous by Lewis and Clark in their return journey from the Pacific Ocean at Seaside in 1806. It gained further fame as the route that Chief Joseph of the Nez Perces followed in his audacious attempt to escape with his tribe into Canada rather than to submit to confinement on a Federal reservation.

Now Lolo Pass is receiving new and wide attention as the route of a proposed modern highway which will more closely tie points in Oregon, Idaho, and Montana.

Portland has become interested in helping to advance the construction of the Lolo Pass, or Lewis and Clark Highway, not only because of new recreational areas that would be tapped, but because of additional trade that might be developed.

The Portland Chamber of Commerce has named a special committee to devote itself to expediting the construction of the highway.

Very swift progress, however, cannot be expected. It will cost a good many millions of dollars of both Federal and Idaho State funds before the job can be done at modern standards. A 20-mile section in the heart of the Idaho Rockies is so far marked only by survey lines. The Portland committee has been advised that Federal funds have been made available at the west end for construction during the next fiscal year. If a similar contract can be made for construction at the east end of the 20-mile interval, Lolo Pass

will be opened to first travel in about 5 years. Otherwise a period of 10 years is in prospect.

In view of the modern roads that have been built elsewhere, tying Portland to its trade territory, it is surprising to find how distances might be shortened. It will be 71 miles less between Portland and Missoula via Lewiston and St. Maries. It will be 22 miles less than the present route via Spokane. From Boise to Missoula, the distance will be shortened by 106 miles.

In the meantime, it would open up a country that is now little known, but wildly adventurous in its peaks and gorges and mountain scenery.

More than incidentally, the new road would make accessible some 2 billion feet of pine timber, which could be moved either west or east in accordance with market demands.

Since the Lewis and Clark Highway would nearly bisect Idaho, neither northern nor southern Idaho people have shown the interest that they would if the road touched more populous sections of the Potato State.

But the highway has the stronger recommendation of shortening travel involving all four States of the Pacific Northwest and, indeed, of points in Canada.

There can be no doubt that the tourist travel alone would justify construction.

It is to be hoped, therefore, that Idaho State's Highway Department, the Federal Bureau of Public Roads, and the United States Forest Service will join their forces and their funds to make the Lewis and Clark, or Lolo Pass, Highway a reality in not more than 5 years. Perhaps even that time could be shortened.

TEMPORARY NATIONAL ADVISORY COMMITTEE FOR THE BLIND

Mr. LEHMAN. Mr. President, on behalf of myself, the Senator from Alabama [Mr. SPARKMAN], and the Senator from Tennessee [Mr. KEFAUVER], I introduce, for appropriate reference, a bill to create a Temporary National Advisory Committee for the Blind. This measure would create a nine-member committee to study work for the blind on a Federal, State and local level. The committee would then make a report to Congress on a long range plan of services to our blind population.

Work for the blind has always been of interest to me. During my term as governor of the State of New York, it was my privilege to witness the efficient operation of many State agencies serving the blind. For many years, I have been a close observer of the work done by the American Foundation for the Blind, Inc. It is with pleasure that I announce the support of that fine organization for this proposal.

Since 1879, Congress has taken cognizance of the needs of the blind and has enacted legislation to meet those needs. However, there has never been any unified legislation which has incorporated a planned approach for a long range program to meet the needs of this handicapped group. I believe the committee authorized in this bill will remedy this situation by making needed recommendations.

Today we have more than 320,000 blind persons in this country. Various types of services are rendered to that group by tax supported agencies now housed in many Federal departments. An equal diffusion of services exists within our State governments. At the present time, these various agencies and departments spend approximately 150 million tax dollars. While I strongly believe that less fortunate individuals should have every service necesary to help them overcome their handicaps, I am equally convinced that we should strive to receive the full benefit of our Federal expenditures. In my opinion, the proposed bill would accomplish this task by pointing the way to the elimination of duplicating administrative services.

Mr. LANGER. Mr. President, would the distinguished Senator from New York have any objection to including my name as a cosponsor of the bill?

Mr. LEHMAN. Mr. President, I am delighted to do so.

Mr. LANGER. I have been very much interested for a great many years in the work of the school for the blind, in North Dakota.

Mr. LEHMAN. I am delighted to know that.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3213) for the establishment of a temporary national advisory committee for the blind, introduced by Mr. LEHMAN (for himself, Mr. SPARKMAN, Mr. KEFAUVER, and Mr. LANGER), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

USE OF SPECIAL CANCELING STAMPS OR POSTMARKING DIES

Mr. McNAMARA. Mr. President, I introduce, for appropriate reference, a bill authorizing the Postmaster General to provide for the use of special canceling stamps or postmarking dies in order to encourage registration for voting in general elections. The bill may be considered political, but it is definitely nonpartisan. It would simply do this: As soon as possible after enactment, the Post Office Department would provide a special canceling stamp or postmarking die with the legend "Are you registered to vote?" The legend would be used during the period February 1 to September 30 of each even-numbered year.

I am sure that my distinguished colleagues on both sides of the aisle can readily see the advantages of this. Too many of our citizens forget their duty to vote until it is too late to register. With such a reminder on every piece of mail they receive, I believe many citizens will do their duty, and will register to vote.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3215) authorizing the Postmaster General to provide for the use of special canceling stamps or postmarking dies in order to encourage registration for voting in general elections, introduced by Mr. McNAMARA, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

CONSTANTINOS VASILIOS LILLES

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill for the relief of Constantinos Vasilios Lilles. The Board of Immigration Appeals has refused to reopen or reconsider its decision to dismiss an appeal from the order of its special inquiry officer requiring the deportation of Constantinos Vasilios Lilles. This man is married to an American citizen, residing in Portland, Oreg., and is the father of 2 children, who are also American citizens. He has been living in Portland since 1949, and in that time has become a responsible businessman and an exemplary individual in his community. His personal conduct and his devotion to the American way of life have been attested by his friends and neighbors in the community.

Surely this family should not now be separated, perhaps permanently, from their father and husband. This bill would direct the Attorney General to discontinue deportation proceedings against Mr. Lilles, and stipulates that he shall not again be subject to deportation by reason of the same facts which gave rise to the current proceedings.

I ask that the bill be considered promptly. This is a difficult case in which the facts found by the immigration officials are not free from doubt. I believe that those doubts should be resolved in favor of maintaining a family together and not denying a wife and children, who are American citizens, of the head of the household.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3216) for the relief of Constantinos Vasilios Lilles, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on the Judiciary.

DISTRICT OF COLUMBIA SMALL LOAN ACT

Mr. MORSE. Mr. President, I introduce a bill to provide for the regulation of the business of making loans of $1,000 or less in the District of Columbia and for other purposes. I ask to have the bill referred to the appropriate committee, and be subjected to early hearings.

I wish to make it perfectly clear that I am willing to consider any appropriate amendments to the bill, which amendments may be deemed to be advisable after the committee has completed hearings on the bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3222) to provide for the regulation of the business of making loans of $1,000 or less in the District of Columbia and for other purposes, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on the District of Columbia.

AMENDMENT OF MERCHANT MARINE ACT OF 1936, AS AMENDED

Mr. MAGNUSON. Mr. President, foremost among the recommendations made in the maritime subsidy policy report of the Department of Commerce, in April 1954, were two of the utmost importance to the country's maritime in-

dustry: First, reactivation of the ship construction revolving fund authorized under section 206 of the Merchant Marine Act of 1936, as amended, and, second, the sale of Government ship mortgages to help finance new vessel construction through deposit of the proceeds of such sale in the construction revolving fund.

These recommendations, born of the long and expert study of maritime problems that had been conducted under the sponsorship of the then Undersecretary of Commerce for Transportation, Mr. Robert B. Murray, Jr., went into some detail as to the purposes for which moneys in this construction fund were to be expended, and the sources from which such moneys were to be derived. These suggested sources were listed in the Commerce Department report in this order: First, appropriations for ship construction; second, receipts from sale of ship mortgages; third, interest and principal payments on ship mortgages owned by the Government, and, fourth, sale and charter receipts.

Following the publication of the abovementioned maritime subsidy policy report, it was announced from the White House that legislation to implement the recommendation made in the report would be forthcoming, for submission to the Congress. When such legislative proposals were finally drawn up, late in 1955, and submitted for approval of the Bureau of the Budget, preparatory to transmission to the Congress, a roadblock appeared. The proposals were disapproved by the Budget Bureau, according to announcements in the press. The will of Congress, as expressed in the Merchant Marine Act, 1936, as amended, was not to be permitted to find expression.

This construction revolving fund had been operative until 1947, at which time there were in it moneys in excess of $206 million. But by a provision in the Independent Offices Appropriations Act of 1948—Public Law 269, 80th Congress, 2d session—the balance in the fund as of June 30, 1947, was carried to surplus funds and covered into the Treasury. Similar provisos have prevented reestablishment of the fund each year since 1948, and proceeds of the sales of mariner-type vessels and others have been reverted to the Treasury, instead of fulfilling their dedicated purpose of financing new-vessel construction.

If the American merchant marine is ever to achieve the tremendous replacement program now facing it, reestablishment of this construction revolving fund is of the highest urgency. With the pressure on the present and future administrations to balance the budget, it is entirely conceivable that funds for new-vessel construction will be kept to a minimum far below the actual needs of the next 5 to 10 years.

If the revolving fund were in operation, a great deal of pressure for budget funds would be removed, and the maritime replacement program would undoubtedly be advanced thereby.

Through required regular reports from the Secretary of Commerce, Congress would retain full control over the management of the funds involved, while, at the same time, the responsible Maritime Administration authorities would have at hand an invaluable supporting facility in their efforts to program and accomplish the orderly replacement of the great bulk of privately owned commercial vessels which were built mostly during World War II and the normal useful life of which will expire between the years 1962–65.

I, therefore, introduce, for appropriate reference, two bills to amend the Merchant Marine Act, 1936, as amended, one to authorize restoration of the construction revolving fund and the second to provide for the sale of ship mortgages, and so forth, and the deposit of the proceeds of such sales in the vessel-construction fund.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. MAGNUSON, were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 3223. A bill to amend section 206 of the Merchant Marine Act, 1936, as amended, relating to the construction revolving fund; and

S. 3224. A bill to amend section 206 of the Merchant Marine Act, 1936, to provide for the sale of ship mortgages, and for other purposes.

AMENDMENT OF BANKRUPTCY ACT

Mr. EASTLAND. Mr. President, on behalf of the Senator from West Virginia [Mr. KILGORE], I introduce, for appropriate reference, a bill to amend section 77 (c) (6) of the Bankruptcy Act. It has come to my attention that a minor amendment to section 77 of the Bankruptcy Act enacted in 1935 has resulted in possible inequities in the matter of setting rates in reorganization proceedings under that act.

The amendment of 1935 referred to did no more than to provide a procedure by which a reorganization court could authorize a lessee railroad company to reject a lease while at the same time protecting the interest of the public in maintaining service over the lines formerly subject to lease. The amendment of 1935 did not specify, however, the manner in which compensation is to be determined for the service performed over the former leased line or its general status after rejection of its lease.

It would appear that upon the rejection of its lease the lessor loses the right to the stipulated rent. Since the operation is for its account, it is my opinion that the standards of compensation to be applied should be those laid down by the Congress in the Interstate Commerce Act for such operations generally. Otherwise, the lessor would be deprived both of its rights as a lessor and its rights as an owner of property required to be operated under the statutory scheme in the public interest.

This amendment is intended to accomplish that purpose and would make plain that a former lessor railroad company is to receive fair compensation from the operation of its lines after the termination of the lease, in the form of rates and divisions established on its behalf in accordance with the provisions of the Interstate Commerce Act regulating rates and divisions of rates for all other railroads not being operated for an agreed compensation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3226) to amend section 77 (c) (6) of the Bankruptcy Act, introduced by Mr. EASTLAND (for Mr. KILGORE), was received, read twice by its title, and referred to the Committee on the Judiciary.

NIAGARA FRONTIER PORT AUTHORITY

Mr. LEHMAN. Mr. President, on behalf of myself, my colleague, the senior Senator from New York [Mr. IVES], and the Senator from Minnesota [Mr. HUMPHREY], I introduce, for appropriate reference, a joint resolution granting the consent of Congress to the State of New York to negotiate and enter into an agreement or compact with the Dominion of Canada for the establishment of the Niagara Frontier Port Authority with power to take over, maintain, and operate the present highway bridge over the Niagara River between the city of Buffalo, N. Y., and the city of Fort Erie, Ontario, Canada.

I ask unanimous consent that the text of the joint resolution, together with a short summary explaining its purpose, be printed at this point in my remarks.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution and summary will be printed in the RECORD.

The joint resolution (S. J. Res. 145) granting the consent of Congress to the State of New York to negotiate and enter into an agreement or compact with the Dominion of Canada for the establishment of the Niagara Frontier Port Authority with power to take over, maintain, and operate the present highway bridge over the Niagara River between the city of Buffalo, N. Y., and the city of Fort Erie, Ontario, Canada, introduced by Mr. LEHMAN (for himself, Mr. IVES, and Mr. HUMPHREY), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the Congress hereby consents to the negotiation and entering into of a compact or agreement between the State of New York and the Dominion of Canada providing for (1) the establishment of the Niagara Frontier Port Authority substantially in accordance with the provisions of chapter 870 of the laws of 1955 of the State of New York as amended or supplemented; (2) the transfer of the operation, control, and maintenance of the present highway bridge (the Peace Bridge) over the Niagara River between the city of Buffalo, N. Y., and the city of Fort Erie, Ontario, Canada, to the Niagara Frontier Port Authority; (3) the transfer of all of the property, rights, powers, and duties of the Buffalo and Fort Erie Public Bridge Authority acquired by such authority under the compact consented to by the Congress in Public Resolution 22 of the 73d Congress, approved May 3, 1934 (48 Stat. 662), to the Niagara Frontier Port Authority; and (4) the consolidation of the Buffalo and Fort Erie Public Bridge Authority with the Niagara Frontier Port Authority

and the termination of the corporate existence of the Buffalo and Fort Erie Public Bridge Authority.

SEC. 2. The right to alter, amend, or repeal this joint resolution is hereby expressly reserved.

The summary presented by Mr. LEHMAN is as follows:

MEMORANDUM IN SUPPORT OF JOINT RESOLUTION OF CONGRESS CONCERNING THE NIAGARA FRONTIER PORT AUTHORITY

Chapter 870 of the 1955 Laws of the State of New York provided for the creation of the Niagara Frontier Port Authority. The authority consists of 11 members, 8 of whom are residents of the State of New York and appointed by the Governor and 3 of whom are to be residents of and appointed by the Dominion of Canada. The existence of the authority commenced upon the appointment of the eight United States authority members.

Under the provisions of the Niagara Frontier Port Authority Act, jurisdiction over all the assets and property acquired or held by the Buffalo and Fort Erie Public Bridge Authority is to pass to the Niagara Frontier Port Authority as agent of the city of Buffalo and the Dominion of Canada.

To effect this purpose, approval by resolution of Congress is required.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD,

By Mr. McCARTHY:

Statement prepared by him relating to the case of the United States against Hughes.

By Mr. WILEY:

Address delivered by him before the Optimist Club at Oshkosh, Wis., on February 16, 1956.

THIRTY-EIGHTH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. IVES. Mr. President, it is once again my privilege to join with our fellow citizens of Lithuanian descent in commemorating the founding of the Republic of Lithuania. On this, the 38th anniversary of the independence of this gallant nation, we in America reaffirm our traditional friendship for the people of Lithuania with a feeling of deep sorrow for their tragic subjugation by the Soviet invaders.

The conquest of Lithuania and her Baltic neighbors remains a dark chapter in world history. The people of the United States look to the future with hope and inspiration, secure in the knowledge that the heritage of freedom which is Lithuania's cannot succumb to Russian tyranny.

Lithuania's gallant resistance to the Soviet aggressors is a shining symbol of mankind's battle against the forces of evil. On the commemoration of independence day, we voice our prayers for the liberation of this valiant nation.

Mr. HUMPHREY. Mr. President, today is the 38th anniversary of the independence of Lithuania. On February 16, 1918, the Lithuanian people freed themselves after 123 years of Russian rule. During their long period of subjugation, the devout and dedicated people of Lithuania had persevered in their resistance to tyranny, and faithfully preserved their heritage of freedom and faith. Therefore, it was not surprising that in 1918, when political independence was finally achieved, there was an immediate resurgence of national culture and the enjoyment of free institutions.

The Lithuanian people established a democratic form of government. Under it they prospered economically and socially. Centuries of hope blossomed in a generation of achievement.

Suddenly, on June 15, 1940, the Soviet Union violated all of its treaty commitments with Lithuania, and the Red army moved in. Without provocation or justification, and in utter contempt of international law, the Soviet Union overran the independent Baltic countries and installed regimes deliberately organized to obliterate the new-found freedom of the peoples concerned.

Since then Soviet Russia has used the whole impact of its ruthless totalitarian might to exterminate the Lithuanian sense of nationhood. The Soviet system has been imposed, and Lithuania has actually been incorporated in the Union of Soviet Socialist Republics. Thousands of Lithuanians have been executed, and hundreds of thousands have been shipped to Siberia. Every effort has been made to obliterate the national sentiment of the Lithuanian people.

But that sentiment survived earlier periods of foreign tyranny. It is still alive in the hearts of Lithuanians today. We Americans who cherish independence as a right of all peoples want the Lithuanian people to know that we do not and will not condone the tyranny that has overrun and subjugated them. We rejoice that the national spirit of the Lithuanian people has already proved itself stronger than the brutality of the Communist police.

We want the citizens of Lithuania to know that the people of America and of the free world have not forgotten Lithuania's glorious history of independence. The free world will never complacently accept Soviet occupation of Lithuania. We are confident that one day the national independence won 38 years ago will be recovered, and that Lithuania will again be free.

Mr. DOUGLAS. Mr. President, we who enjoy the blessings of liberty must never forget that there are other peoples who toil beneath the lash and chains of communistic slavery.

Today is the 38th anniversary of the declaration of independence by Lithuania. Along with the other fine Baltic peoples—the Estonians, the Latvians, and the Finns—the Lithuanians have fought a magnificent and unending battle to preserve their liberties. They have fought on the battlefields against the Czars of Russia, the Nazi war machine, and against the Communist regime of Russia. They have continued to fight the great battle for liberty from the underground. Their country has been sacked, not once but several times. Hundreds of thousands of their people have been slain, sent to the slave camps of Siberia, their lands expropriated and peopled with Russian Communists.

The Soviets seek to carry out a war of extinguishment by every possible means.

Still, the Lithuanian people are resisting with every force of mind and body. They refuse to accept Communist teachings. They insist upon and fight for their God-given right to a place in the free world. They preserve their religious principles against Communist atheism. They respect the rights of the individual man, and for those rights they suffer agonies of persecution. They keep alive in youth the love of liberty.

Through their great refugee organizations in the free world, they indict communism before the world, and succeed in maintaining hope among the enslaved.

I am glad that at the Geneva conference we raised the question of their freedom. I regret that it was not pressed with more determination and resolution. President Roosevelt refused to recognize the illegal seizure and oppression of the Baltic peoples, and that has been settled policy ever since. In 1954, the Senate reaffirmed this policy in a separate resolution.

We have sought in many ways to aid them in their struggle for independence. The Lithuanians and other Baltic peoples residing here in the United States have made tremendous contributions of funds, food, and clothing to assist their oppressed brothers.

But words are not enough. We must devise stronger pressures to convince the Communists that aggression and oppression cannot survive in a contest with liberty, and that they have nothing to fear in granting freedom to these great and peace-loving peoples. The Baltic peoples want nothing more than liberty and to be left alone to work out in peace the great social and economic advances which they were accomplishing at the time when they were seized. It is my hope that the State Department will proceed to press this matter, not in an irresolute manner, but with sterner arguments and diplomatic pressures.

To the enslaved peoples behind the Iron Curtain I would say: Do not lose hope. We have not forgotten you, nor will we ever forget you. The midnight of oppression will surely be lifted, for nowhere has liberty been permanently extinguished from the earth.

Mr. PAYNE. On behalf of the junior Senator from Connecticut [Mr. PURTELL], I ask unanimous consent that there be printed in the body of the RECORD a statement which he has prepared on Lithuanian independence.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PURTELL

It is with mixed emotions that we commemorate the 38th anniversary of Lithuanian independence. On the one hand, with the most profound sorrow we must recognize the tragic fact that—as has been true over the past 16 years—this brave and splendid country is still pinned beneath the yoke of Communist oppression. On the other hand, with equally profound humility and admiration, we recognize the inspiring courage and tenacity with which the people of Lithuania pursue their struggle for the great ideal of freedom. It is also with hope that we commemorate this day. For the fact that the courage and tenacity of the Lithuanian peo-

ple will ultimately bear fruit is beyond question. The long and glorious history of this valiant country and the sturdy character of her people attest to this.

These are not the first perilous times Lithuania has experienced. In the past there have been dark lapses of subjugation and misery. But these have always been enlightened by the unceasing heroism of those who would not despair or give up, and this heroism—this spirit—has always ultimately led to freedom and independence. Before World War I, Lithuania was under Russian domination for 120 years. Yet, never was the glorious goal of liberty lost sight of. During that period no less than five major revolts against Russian tyranny occurred.

It was not until 1918 that the Lithuanians managed to declare their independence. Even so, they still had to battle the Red Army in 1919, and negotiate a peace treaty in 1920 before they could devote themselves completely to the task of consolidating their country. However, in a remarkably short time, by means of land reform, industrialization, improved transportation, social legislation, and education, the Lithuanians established a model progressive and peace-loving country.

Tragically, this joyous taste of freedom was brief. In 1940, only a little over two decades after the establishment of its independence, Lithuania once again became a victim of her overpowering neighbor. Though it is now enslaved, we know that the spirit of the people is undaunted and indomitable. Evidence of this is exemplified by such remarkable acts of courage as that of the six men who set out to carry an appeal of the Lithuanian people to Pope Pius XII. Of this 6, 4 lost their lives in the perilous journey through East Prussia, Poland, and the East German zone, but from the shadows of oppression 2 managed to survive and complete the mission.

Here in the United States, the Lithuanian-Americans strive in all ways possible to help the cause of Lithuanian freedom. To name a few of their many activities, they have assisted such organizations as the United States Information agencies, the Voice of America and Radio Free Europe in exposing Soviet propaganda, and they have done much to aid the many Lithuanian refugees.

But the Lithuanian-Americans are not alone in the mighty desire for the liberation of Lithuania. The United States Government has never recognized the forcible annexation of the Baltic countries by the Soviet Union, and supported by the American people in general, stands firm in the hope that soon the gallant country of Lithuania may once again take its rightful place as an independent member of the family of nations.

Mr. PAYNE. Mr. President, on behalf of the junior Senator from Maryland [Mr. BEALL], I ask unanimous consent to have printed in the RECORD at this point a statement which he has prepared on Lithuanian independence.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BEALL

Today, as we commemorate the 38th anniversary of Lithuania's independence, we have mixed feelings mingling in our hearts.

Foremost, of course, is the deep sorrow we suffer when we contemplate how that freedom-loving nation has been forced to bow before the yoke of a foreign power.

It is always sad to see men forced to succumb to overwhelming odds. It is particularly heartrending when the men who are forced to yield to such oppression are as valiant as our friends in Lithuania.

There is, however, another aspect to our sentiments today.

On this anniversary date, we feel actually jubilant in the realization that Lithuania is attempting to preserve the spirit of freedom despite the chains which have been thrown around it physically.

We rejoice that there is light where the persecutor would have darkness; independent thinking where the oppressor would have servile conformity; hope where the aggressor would have despair.

We commiserate with our Lithuanian friends because of their present unfortunate plight, but we thank them for showing that their traditions are stronger than the enslaver's bonds.

Today our hope and prayer is that Lithuania may once again breathe the fresh air of freedom in a new and lasting order such as it has consistently championed.

Mr. CLEMENTS. Mr. President, although this is the 38th anniversary of Lithuania's independence, it is an anniversary which cannot be celebrated in Lithuania itself. That country is held today in the iron grip of Communist imperialism.

But Americans will always cherish freedom, not only for themselves but for all the peoples of the world. I know that we all hope and pray that the day will come again when the proud people of Lithuania will again be the masters of their own destiny.

Mr. SMITH of New Jersey. Mr. President, today, February 16, we commemorate the 38th anniversary of the independence of the gallant little nation of Lithuania, established in 1918. As all of us are aware, the opportunity for Lithuania to enjoy an independent and free status within the family of nations was unfortunately limited to a short span of slightly over two decades. In June of 1940, the Russians annexed the Lithuanian Republic into the Union of Soviet Socialist Republics, in the inauguration of the pattern of Soviet expansion which was to be pursued following World War II. Lithuania was one of the first casualties of the cold war.

During its tragically short period of independence, Lithuania possessed a respected position among the free and self-governing nations. The forced enslavement of the Lithuanian people by the Soviet Union has been consistently deplored and condemned by the Government of this country. We have always reaffirmed our dedication to the cause of a free Lithuania.

Unfortunately, the people of Lithuania will not be able to partake in the commemoration of the anniversary of their independence, this year—a celebration which has been denied them for the past 15 years, under Soviet and Nazi domination. Yet Lithuanians in this country, Americans of Lithuanian descent, and, indeed, all Americans, will once more be expressing the hopes of all the Lithuanian people, when they commemorate the anniversary of their 1918 independence with the fervent prayer that Lithuania may soon be able to regain, once again, her rightful position among the family of free nations.

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared relative to the 38th anniversary of the independence of the Republic of Lithuania.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MCCARTHY

On February 16, 1918, 38 years ago today, the Republic of Lithuania declared its independence and thus regained its freedom after several centuries of Russian rule. For 21 years thereafter the people of Lithuania lived as a free, independent, and peaceful member of the community of nations. Then, in October 1939, Communist Russia treacherously took advantage of the European war situation and forced Lithuania to sign a mutual-assistance pact with the Soviet Union, which compelled Lithuania to admit Russian military missions to its territory. This pact callously violated the provisions of a nonaggression pact signed by Russia and Lithuania in 1926. It was the beginning of the end of Lithuanian independence. In the spring of 1940, the Soviet Union broke the mutual-assistance pact, so-called, sent the Red army into Lithuania, and incorporated that defenseless country into the Soviet Union.

Since 1940, the Lithuanian people, those of them who have survived, have lived a life of uninterrupted horror. Lithuania itself has become a Soviet concentration camp, its inhabitants the victims of a persecution devoted to the extermination of the last vestiges of Lithuanian national life. Freedom, of course, is nonexistent. Economically, Lithuania has been ruthlessly exploited as an expendable vassal of the Soviet master state. Worse still, her men and boys have been deported by the tens of thousands to slave-labor camps in Siberia.

Yet, throughout this desperate period of national tragedy, the Lithuanian people have held fast to their ideals. Magnificent resistance groups have continued to operate under the gravest hazards. The Lithuanians continue to treasure freedom in their hearts, even if its exercise is denied them. They continue to aspire to national independence, even though the Communists are determined to keep them in chains, and even though the free world seems, at times, resigned to their enslavement.

In this country, Americans of Lithuanian descent have tried to keep the torch of liberty burning. The Senators will remember that it was Lithuanian-Americans and other Americans of Eastern European background who organized popular demonstrations against Mr. Molotov on his tour of the United States last summer. On this and on many other occasions, Lithuanian-Americans have participated conspicuously in expressing the antipathy of the American people for the Soviet regime.

I think it is fitting, on the anniversary of the declaration of Lithuanian independence, that we in America once again declare our full support for the Lithuanian people in their fight for freedom. The Lithuanian people, through their determination and courage, have set a magnificent example for the free world. They remind us that we can never rest until freedom is restored to all people now living in Communist captivity.

Mr. McNAMARA. Mr. President, on this February 16 we observe a significant event—the 38th anniversary of Lithuania's independence. In our country and in the other free nations of the world, Lithuanians have little to rejoice about, for their tiny country on the Baltic is today anything but free and independent.

Yet, the fact that free people everywhere join the Lithuanians today in marking this 38th anniversary is significant in itself. It means that Lithuania, its neighbors Estonia and Latvia, and every other nation which longs to be free

of the yoke of tyranny and totalitarianism, have not been forgotten.

We in America, who have known the joys and benefits of freedom for 180 years, will never forget the Lithuanians and the millions of others who now live in a world of fear. Our hearts go out to them on this day, and every day, until they can again be free.

Mr. BUSH. Mr. President, in commemorating the 38th anniversary of Lithuanian declaration of independence, we pay tribute to the gallant people of Lithuania who, today, on their own soil cannot publicly celebrate this most auspicious occasion which marks a milestone in their struggle for freedom.

On this eventful occasion, which is shrouded in darkness in its native land by Soviet oppression, we pause for a moment to express our admiration for the undaunted courage of the Lithuanian people, who have so long endured the deprivation of freedom and justice which are the inalienable rights of the democratic peoples throughout the world, and who, in spite of subjection to the indescribable brutality of Soviet tyranny have resolutely maintained their spirit and devotion to the principles of freedom and democracy.

The people of this country who cherish individual freedom and national liberty as their most priceless possession, join the Lithuanians throughout the world in their renewed devotion to a cause that would restore to Lithuania her freedom and the assumption by the Republic of her rightful place in the family of free nations which she so richly deserves.

Mr. LEHMAN. Mr. President, I ask unanimous consent to be permitted to speak for not more than 5 minutes on the subject of Lithuanian independence.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. LEHMAN. Mr. President, today we opened our deliberations with a prayer to Almighty God, that justice may one day again prevail in nations such as Lithuania, whose anniversary of independence we observe today. A Lithuanian representative of the church, as guest chaplain, has invoked the divine blessing on this legislative branch, that we may see more clearly the issues which have split the world in two.

Perhaps it would be fitting on this occasion, as we commemorate the independence of a brave, though small nation, to ask ourselves what it is that distinguishes our American position toward the Russian satellite states. Is it that we object to the accretion of Russian power through the acquisition of these states? Is it solely that we are righteously indignant because a state that was once in the western community of nations is now in a hostile bloc? Is it that we berate ourselves for having let a ripe plum slip from our grasp? Of course, the answer to all these questions is a ringing "No."

What, then, is the answer? Why do we urge, at every opportunity that is offered us, that the satellite states of Eastern Europe be allowed the right of freedom and independence? It is because we recognize and uphold the essential dignity of the human being, wherever in the world that dignity is impinged upon.

Man has an inherent and inviolable right to the choice between good and evil, truth and falsehood, right and wrong. He must be allowed the alternative of stimulating his appetites for the material things in life or searching for the enduring principles which govern human relations. When this right is abrogated, all our free civilization is endangered. National boundaries can no longer blind us to the dangers to ourselves when these rights are violated anywhere.

It is for this reason that we call to mind today the search for true human dignity on the part of the Lithuanian people.

The Lithuanian struggle for independence has a long history. During their 120 years under Russian domination, 5 major revolutions took place. The Napoleonic era saw Lithuanian volunteers unite to form 9 regiments to fight for the liberation of their country. The defeat of Napoleon, however, brought an end to the provisional Lithuanian Government. Churches, schools, and monasteries were abolished as Czar Nicholas instituted an arbitrary policy of Russification. Undaunted by previous failures, the Lithuanians again rebelled in 1863–64, only to be crushed again with cruelty, Siberian exile, and forced emigration. In 1905, another revolt suffered the same consequences.

The present oppressions of this long-suffering people make ancient history fade in comparison. A recent congressional inquiry brought out that since World War II more than 600,000 men, women and children have been exiled into the vast stretches of Asiatic Russia, while Russians have been brought in to take their places.

The history of Soviet relations with Lithuania is a typical example of Communist diplomatic practices. In the peace treaty of Moscow of July 12, 1920, the U. S. S. R. stated categorically:

> Russia, without any prejudice recognizes the self rule and independence of the State of Lithuania with all the juridical consequences. * * * And for all times renounces with good will all the sovereignty rights of Russia, which it has had in regard to the Lithuanian nation or territory.

For Communist rulers, both past and present, treaties are merely pieces of meaningless paper. Lithuania was Russia's first victim. By means of threats and intimidations a so-called 15 year Mutual Assistance Pact was extracted from Lithuania. This was merely a smokescreen for Soviet annexation. On June 15, 1940, which is a day of infamy in recent Lithuanian history, Soviet troops occupied the land. With the exception of the 3 years of German occupation during the war, the Soviets have been there ever since.

Americans may well be proud of their relations with this unhappy land. The United States Government and its citizens made important contributions to the attainment of Lithuanian independence. During the First World War the 14 points of President Woodrow Wilson, notably the principle of self-determination, brought inspiration to Lithuanians in their struggle for independence and facilitated their winning of independence. Americans of Lithuanian descent have continued to furnish moral and material support to their friends and relatives at home. Since the forceful seizure of Lithuania by the Soviets, the United States has steadfastly refused to recognize the Soviet annexation.

During the course of World War II President Roosevelt met with Prime Minister Churchill of Great Britain and issued a declaration of policy which has continued to be a valid expression of the principles upon which United States foreign policy is based. In the Atlantic Charter we pledged "to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

May we soon see the day when those noble words of our great wartime President are realized in Lithuania and throughout the world.

Mr. MARTIN of Pennsylvania. Mr. President, February 16, 1956, is the 38th anniversary of the declaration of independence for the people of Lithuania.

This is of special significance in the Commonwealth of Pennsylvania, which I have the honor in part to represent, because Pennsylvania is the home of so many fine Americans of Lithuanian descent.

I am proud, indeed, to join with my colleagues of the House and Senate in paying tribute to the people of Lithuania, and to comment on the importance of this anniversary. It is the goal of all Americans of Lithuanian descent that the land of their ancestors will one day be free of communistic oppression and tyranny.

Almost 16 years ago Lithuania went under the Iron Curtain as the result of unprovoked aggression by the Soviet Union.

To the courageous and freedom-loving citizens of Lithuania, we send our encouragement to carry on in the cause of liberty, and our prayers are for their deliverance.

Let us renew our efforts, together with all freedom-loving people of the world, and continue with increased vigilance to espouse the cause of independence for Lithuania.

Mr. COTTON. Mr. President, it is especially fitting that we, in the United States, take note of the 38th anniversary of the independence of Lithuania, which is celebrated February 16, 1956. We must mark this important anniversary here in the United States and in the free world because the people of Lithuania cannot do so because of the iron yoke of Communist tyranny.

The history of a free and independent Lithuanian nation goes back more than 700 years—and it is a glorious history. The people of Lithuania nurtured and developed their love of freedom and their love of God throughout the centuries despite the repeated conquest and intervention of her more powerful neighbors.

After more than a century of domination by czarist Russia, an independent Lithuania took its rightful place in the world at Vienna on February 16, 1918, and enjoyed 22 years of freedom. In 1940, the Soviet Union began its systematic efforts to destroy the Lithuanian nation, its people, its language, its religion, and its traditions. But I am confident that the Communists will not succeed in destroying the love of freedom in the hearts of its people.

In our own country, there are many Americans of Lithuanian descent and friends of Lithuania who work constantly to let the captive peoples know that they are not forgotten and that we have not accepted or recognized their present status.

We share the universal hope of Lithuanians that their nation will again be free and able to pursue the democratic way of life and we must all continue to work and pray for the achievement of that objective.

Mr. SALTONSTALL subsequently said: I was unavoidably detained during the morning hour, and I should like to join with other Senators in paying tribute to the 38th anniversary of the Lithuanian independence.

Today we honor the valiant nation of Lithuania. It was on February 16, 1918, that the people of Lithuania adopted a declaration of independence which established it as an independent state. This was the culmination of centuries of struggling to make Lithuania a free nation.

Historically, Lithuania has been the victim of its great power neighbors. Only in 1918 was she able to declare her independence. Her status as a free country was short in duration, but during that period she demonstrated a persisting desire to be a progressive and modern state. We, in Massachusetts, have a number of fine citizens of Lithuanian descent. They are good and hard-working people, thoroughly loyal to the United States, and they have expressed to me on numerous occasions their sincere hope that Lithuania may one day be free.

The United States still takes the firm position that it is the right of all nations to choose the form of government under which they will live. President Eisenhower's policy on liberation for the Baltic nations from Russian domination continues to give hope to the people of Lithuania.

CELEBRATION OF 180TH ANNIVERSARY OF SIGNING OF THE DECLARATION OF INDEPENDENCE—EDITORIAL FROM THE BANGOR DAILY NEWS

Mrs. SMITH of Maine. Mr. President, the lead editorial of the February 11–12, 1956, issue of the Bangor (Maine) Daily News brings a message which I believe is most worthy of the serious interest and consideration of every Member of Congress. Because of this, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Bangor Daily News of February 11–12, 1956]

BEING OUT THE BANDS AND BUNTING

In a recent letter to the News, a Brewer reader called attention to the fact that July 4 will mark the 180th anniversary of the signing of the Declaration of Independence. She proposed a joint Bangor-Brewer celebration and expressed fear that "our children are going to grow up thinking the 4th of July is just a day to eat watermelon" unless this great day receives the public attention it used to get.

We agree with the reader's suggestion and sentiments 100 percent. Only we would go further. We believe there should be a grand revival of Independence Day celebrations from Maine to California.

Independence Day is America's No. 1 holiday. It marks the birth of our free and sovereign Nation. Yet we have seen its observance deteriorate rapidly in recent years. It now is principally noted as a day when the accident toll may set a new record as pleasure-seekers whoop it up on our highways.

What a shameful contrast from the feelings held by our Founding Fathers. John Adams, second United States President, for instance, wrote his wife, Abigail, as follows on the occasion of the Declaration signing:

"It ought to be celebrated, as the day of deliverance, by solemn acts of devotion to God Almighty. It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires, and illuminations, from one end of this continent to the other, from this time forward, evermore."

These words represent humble yet two-fisted, wholehearted patriotic fervor, the kind that prevailed in the glorious days of the Revolution. Can we hope to protect the freedom we have inherited if our own fervor is any less in these perilous times?

The old-time type of observance probably cannot be revived. The automobile has revolutionized the American way of life and among other things has brought about a decline in the popularity of the hometown type of Fourth of July. Perhaps it would be better for groups of communities to hold joint programs. They would be fewer but bigger and more attractive to motorized America. The programs should revive the spirit of 1776 in terms of 1956.

The vacation season will be in full swing. This suggests staging some bang-up celebrations for both visitors and residents. The time to start is now, for successful programs require considerable planning and some fund raising.

There is another reason for thinking about Independence Day in February. This is the birthday month of the Nation's two greatest leaders—Abe Lincoln, whose anniversary is on Sunday, and George Washington, whose anniversary is on the 22d.

Who'll start the patriotic parade?

REPORT OF DEPARTMENT OF DEFENSE ON BILLY MITCHELL

Mr. WILEY. Mr. President, it has been my pleasure to introduce Senate Joint Resolution 121 to authorize the President to confer posthumously on the late Col. Billy Mitchell a commission as a major general of the United States Army.

I have been pleased to receive the response from Secretary of the Army Wilber M. Brucker to an inquiry on the part of the Senate Armed Services Committee as to its stand on my joint resolution. I am glad to say that the Department of the Army reports favorably.

I trust, therefore, that this measure, which was introduced on January 27, will be taken up for early action by my colleagues on the committee.

I send to the desk the text of the Department's reply, and ask unanimous consent that it be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 6, 1956.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services, United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to Senate Joint Resolution 121, 84th Congress, a bill authorizing the President to issue posthumously to the late Col. William Mitchell a commission as a major general, United States Army, and for other purposes. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The proposed legislation would authorize the President to issue posthumously to Col. William Mitchell a commission as a major general, United States Army, as of the date of his death in 1936. The Secretary of the Army would be authorized and requested to amend the records of the Department of the Army so as to carry Colonel Mitchell as a major general at the time of his death.

The records of the War Department, now the Department of the Army, show that Gen. William Mitchell entered Federal service during the Spanish-American War as a private, on May 14, 1898, and later served as signal officer, United States Volunteers, in the grades of second lieutenant and first lieutenant from June 8, 1898, to April 26, 1901. He served in Cuba from December 1898 to August 1899, and subsequently in the Philippine Islands at the time of the Insurrection. On April 26, 1901, he entered the Regular Army as a first lieutenant, Signal Corps; was promoted to captain March 2, 1903; major July 1, 1916, and lieutenant colonel May 15, 1917, to October 14, 1918, and as brigadier general, Air Service, from the latter date to June 30, 1920.

On July 1, 1920, he was promoted to the permanent grade of colonel, and was Assistant Chief of the Air Service with the rank of brigadier general from July 16, 1920 to March 4, 1921 (when recess appointment expired), and again held that office from April 27, 1921, to April 26, 1925, when he reverted to his permanent grade of colonel. He resigned as a colonel, Air Service, effective February 1, 1926.

General Mitchell was on the initial General Staff Corps eligible list; was a distinguished graduate of the Army School of the Line in 1908; a graduate of the Army Staff College in 1909, and was detailed in the General Staff Corps from February 14, 1913, to June 7, 1916. He served overseas from the spring of 1917 to February 1919, and participated in seven major operations. He was awarded the Distinguished Service Cross for repeated acts of extraordinary heroism in action, and for displaying bravery far beyond that required by his position as Chief of the Air Service, 1st Army, American Expeditionary Forces. He was also awarded the Distinguished Service Medal for exceptionally meritorious and distinguished services as Air Service Commander, first of the Zone of Advance and later of the 1st Corps and 1st and 2d Armies. Other decorations conferred upon him include the British Order of St. Michael and St. George; the French Croix de

Guerre with Palm and Legion of Honor, and the Italian Order of St. Maurice and St. Lazarus.

As a result of his trial and conviction for violation of the 96th Article of War by a general court-martial, which convened at Washington, D. C., October 28, 1925, General Mitchell was sentenced "to be suspended from rank, command, and duty with forfeiture of all pay and allowances for 5 years." The sentence was approved except that so much thereof as adjudged forfeiture of all of the allowances and one-half of the monthly pay of the accused, a total of $397.87 monthly, was, during the pleasure of the President, suspended. The sentence was promulgated in General Court-Martial Orders No. 3, War Department, dated January 26, 1926. On the same date, a copy therof was delivered to the then Colonel Mitchell. His resignation as an officer in the Army, dated January 26, 1926, was received in the War Department the following day and accepted by the President to become effective as of February 1, 1926. Information contained in the files is to the effect that General Mitchell died February 19, 1936.

Inasmuch as General Mitchell rendered service during the World War as a brigadier general, he was entitled to bear that official title after his resignation, in accordance with the provisions of section 2, act of June 21, 1930 (46 Stat. 798).

If it is the desire of the Congress to honor the memory of the late General Mitchell in the manner proposed, the Department of the Army offers no objection to the enactment of Senate Joint Resolution 121.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

FARM COMMODITY PRICES

Mr. LANGER. Mr. President, a short time ago I read into the RECORD a letter from Mrs. Edgar Randall, of Pleasant Lake, N. Dak., stating that she was selling eggs at 6 cents a dozen. Later I submitted a letter showing that that was the price the hatchery in Brooklyn, N. Dak. was paying.

Shortly thereafter, I placed in the RECORD a letter from a farmer and his wife who live in McKenzie, N. Dak., saying that the best price they could get for dressed roosters was 7 cents a pound, and they refused to sell them at that price.

Today I have received the following letter:

> The other day I sold a beef hide for 1 cent a pound—26 cents—for the whole hide of a yearling beef.
>
> Hoover days are here again. I hope I can find some sucker to take over my farm in the spring—I'm done.

The letter is signed by Ted Wallace, of Palermo, N. Dak.

Mr. President, I may add that my mail is filled with letters telling about the desperate condition of the farmers in the Northwest.

THE BENSON FARM PROGRAM

Mr. CLEMENTS. Mr. President, the more things change, the more they remain the same. From the beginning of time, men who have brought trouble upon others have sought to distract public attention from their errors by pointing to a scapegoat. It is one of the oldest techniques in political history. The Romans had a phrase for it—divide and rule. Under this policy, they kept their empire going for hundreds of years.

This morning, the Secretary of Agriculture demonstrated that he is one of the shrewdest Romans of them all. At least, he has demonstrated an extraordinary ability to find a scapegoat, and to distract attention from his own mistakes and the mistakes of this administration. It was with a sense of surprise and shock that I read his remarks in San Francisco as reported by one of the great news services.

The Secretary has a very simple answer to the farmer's problems. He has looked over the national scene and his advice to agriculture is—blame labor.

It is a simple formula. He asks farmers to forget about falling prices; forget about higher costs of operation; forget about an Agriculture Department whose philosophy is that there are too many farmers, anyway.

"Forget about all these things," he says to the men who grow the food and fiber for our Nation. "Forget about all these things and blame your troubles upon other people who may have gotten a few breaks in recent years."

Mr. President, this is one of the sharpest examples I have seen of the differences in philosophy between the two great parties of our Nation.

Under previous administrations, improved living standards for one of the great segments of our society would have been hailed with joy. Past administrations would have been happy to have the information that people were living better and enjoying life more fully.

Past administrations would have concluded that the answer is to bring up both farm income and labor income. They would not have tried to play the two groups against each other in a cynical effort to distract people from the contemplation of their own troubles.

To what conclusion can the Secretary be leading? Is he trying to tell the farmers that they can prosper only at the expense of labor? Or is he trying to tell labor that it is too prosperous and that it must give up a part of its prosperity and cut back to lower levels of living?

Mr. President, the farmers have had 4 years of the Bensonizing process. It is a process that has succeeded—succeeded in keeping farm prices below the parity levels which they had enjoyed in previous administrations.

But apparently the Secretary of Agriculture is not satisfied with what his Department has done. He now wants to Bensonize labor—it seems that one Cabinet post is not enough for him.

I shall not engage in a long controversy over this issue. It is not necessary because there is a basic point of philosophy at stake that is apparent to all.

I cannot agree with the Secretary's implied philosophy that only one section of our economy can be prosperous at a time. I believe that if we apply our intelligence and our determination to the problem we can insure an increasingly better life for all.

The objective of government should not be common misery, but common well-being and common economic health.

Neither do I believe that the farmers will permit themselves to be distracted by this effort to bring class divisions into our society. They know already who is for them and who is against them, and they will settle the issue at an appropriate time.

Farm legislation will be handled on the basis of bringing agriculture up rather than bringing labor down; and the Secretary might as well reconcile himself to that fact.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLEMENTS. I am pleased to yield to my colleague if I may be granted a little extension of time.

Mr. BARKLEY. The fundamental act creating the Department of Agriculture provided that it should be its objective to promote the welfare of farmers.

Mr. CLEMENTS. That is correct.

Mr. BARKLEY. The fundamental act creating the Department of Labor provided that it should promote the welfare of labor.

Mr. CLEMENTS. To that I thoroughly agree.

Mr. BARKLEY. Is the Secretary of Agriculture complaining that the Department of Labor has been too successful in its promotion of the welfare of labor, and therefore wishes to blame it for the unfortunate condition of the farmer? Or is his statement an admission that the Department of Agriculture has not promoted the welfare of the farmer?

Mr. CLEMENTS. I certainly would draw the inference that labor had done very well; and if I may add my own expression in answer to the question of my colleague, certainly we know that the Department of Agriculture has not properly spoken for the farmers.

Mr. BARKLEY. Does the Senator agree with me that the better off laboring people are, the better able they are to buy farm products?

Mr. CLEMENTS. I heartily agree with that statement. They are the farmers' best customers.

Mr. BARKLEY. I thank the Senator for his statement, which is entirely in harmony with my own views.

Mr. HUMPHREY. Mr. President, I was very much interested in the comments of the acting majority leader, the senior Senator from Kentucky [Mr. CLEMENTS]. I have before me an Associated Press dispatch of this morning relating to the speech delivered by the Secretary of Agriculture at San Francisco, in which the Secretary declared that less than half the increase in wage rates in food industries granted since 1947 was justified by increased productivity.

It has been perfectly obvious for a number of months that the Secretary of Agriculture has followed a predetermined course of action to cover up for the gross inefficiency, mismanagement, and uneconomic principles and policies

of his administration. This preconceived course of action is to throw the blame upon the backs of workers in factories, and to say to the farmer, "All your trouble is due to labor."

The interesting thing is that another Cabinet officer, Mr. Mitchell, Secretary of Labor, goes about the country praising organized labor, and telling its members about the great contribution they are making to the national well-being and the total national economy.

This, of course, is not unusual in this administration, in which several voices are speaking at the same time, and all saying different things. It is regrettable that there is no coordination. It is regrettable that different departments of Government are in open conflict with one another.

Mr. Benson can talk all he likes about what labor has done and what labor has not done; but what the farmer wants to know is what Mr. Benson is going to do that is good and constructive. The farmers know what Benson's programs have done to them. Now they would like to know what this administration's farm programs are going to do for them.

The Secretary of Agriculture would have been a much more honorable man and a much better informed man if he had pointed out in his San Francisco speech that before 1947 the workers in the food-processing industry and the meatpacking industry were one of the lowest paid groups of workers in the United States. Every decent citizen in this country knows that the packinghouse workers were at the lower end of the economic ladder. They were receiving very low wages.

Furthermore, the Secretary would have been much more helpful in his comments if he had said that the major wage increases took place before 1950, and before 1952, Mr. President. In 1952, the farmer of America received more than 90 percent of parity, and the worker of America had a dollar of better purchasing power. Factory workers were enjoying the fruits of their labor, and the farmers were enjoying the fruits of their production.

Do not worry, Mr. President. It is not the laboring man who is causing the farmer's trouble. It is this administration, from the White House down to the Department of Agriculture, and those who adhere to the false economic doctrines of this administration in the field of agriculture.

Mr. President, in connection with my comments on Mr. Benson's recent speech at San Francisco, relating to labor costs, I ask unanimous consent to have printed in the RECORD my press release of February 17.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONGRESS INQUIRY PROMISED INTO FARMER-HOUSEWIFE PRICE SPREADS

Growing price spreads between farmer-producers and housewife-consumers will be studied by the Joint Committee on the Economic Report, Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, revealed today.

Senator HUMPHREY made public a copy of a letter from Senator PAUL DOUGLAS, chairman of the joint committee, agreeing to such a study and confirming that plans were being made for getting it underway.

Senator HUMPHREY recently wrote Senator DOUGLAS calling attention to what he described as misleading inferences in Department of Agriculture price studies on the price spread between producers and consumers.

At that time, Senator HUMPHREY said, in part:

"I, for one, am not satisfied with a 'report' on such price spreads by a Secretary of Agriculture for whom the advertising agency of one of our big food chains has been engaged to do a promotional 'build up,' to sell him to the American farmer.

"I would greatly prefer an objective analysis of the facts. I understand organized labor has shown complete willingness to have such an examination of the facts, so the public will know the truth. For that reason, I would like to urge that the Joint Committee on the Economic Report undertake such a study. I think the consuming public is entitled to it."

In reply, Senator DOUGLAS wrote:

"I agree with you that we should go into the spread between farmer and housewife, and probably other wage-price relationships as well, and I am making plans for such a study."

Senator HUMPHREY had previously objected to what he described as "an organized effort to turn farm people against city workers, by blaming agriculture's present cost-price squeeze on higher wages of labor—instead of taking a serious look at what is happening to the middlemen's profits."

Finally, Mr. President, I called upon one of the committees of the Congress, the Joint Committee on the Economic Report, which is not a committee which is particularly for agriculture, labor, or industry, but a joint committee composed of Members of both Houses, Republicans and Democrats, to make a complete study of the price spreads between the farmers or producers and the housewives or purchasers, and to ascertain who is at fault.

I called upon the committee to find out if there has been labor gouging, if there have been too big wage increases. I am interested in learning the facts.

I am happy to report that the Senator from Illinois [Mr. DOUGLAS], chairman of that committee, has already stated that the committee will enter upon such a study. If the Department of Agriculture had been doing its duty, it would have completed such an objective study. However, no one can accept the alleged facts emanating from the Department of Agriculture today, because they are prejudiced and prejudged.

I have another suggestion to make to Mr. Benson. I should like to have him explain to the people of the United States why he is touring the country and making political speeches while his own Department is unable to answer letters submitted to it by Senators.

There is in the Secretary's office today a letter signed by 11 Senators. It is dated the 31st of December 1955. The Secretary of Agriculture is parading around the country and is making speeches in San Francisco and in other cities, while that letter remains unanswered. The Secretary's office refuses to take care of the business of his Department. Oh, the Department has had time to answer little letters to Harper's magazine, but it does not have any time at all to answer letters from Senators.

I have formally compained to the Secretary's office because of its failure to cooperate with Members of Congress. The Department of Agriculture has become so partisan, so determined to justify its own mismanagement and its own economic fallacies, that it does not have time to take care of the business of American agriculture.

I also learned the other day that the Republican National Committee is about to spend $250,000 to defeat provisions in the farm bill which were added to it in an effort to do something for the welfare of agriculture. In other words, a quarter of a million dollars is being spent for Republican propaganda in order to defeat the farm bill in the Senate. It is a farm bill which has been reported by a majority of the committee. Let Mr. Benson go through the country and explain that to the farmers of America.

I shall talk more on this subject. I shall be visiting with Mr. Benson from time to time.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point my press release of February 14.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

GOP TO SPEND QUARTER MILLION FIGHTING FARM INCOME GAINS, SENATOR HUMPHREY SAYS

Farmers of the Nation were warned by Senator HUBERT H. HUMPHREY, Democrat, Minnesota, that the Republican National Committee was about to spend $250,000 to defeat the only provisions in the new farm bill that would increase farm income.

"I am reliably informed that the Republican National Committee has authorized spending a quarter of a million dollars on an advertising and public relations campaign purportedly to support the administration's version of the farm bill," Senator HUMPHREY said.

"What they obviously mean is to defeat the improvements added by the Senate Committee on Agriculture designed to increase income of farmers this year.

"I am shocked by such a brazen repudiation of the bipartisan work of the Senate Committee on Agriculture, after all the lip service the Secretary of Agriculture has given to keeping politics out of the farm bill," he declared.

"The only provisions in the new bill meaning more income for farmers this year were new provisions added by the Senate Committee," Senator HUMPHREY declared.

"Not one thing in the administration's proposal adds to farm income this year, despite all the misleading impressions being given the American people.

"It is time they told the people the truth—that the administration's version of the soil bank was designed solely at solving its own problem of what to do about the surplus on its hands, without any intention of bolstering farm income this year.

"All that the soil bank payments amount to are replacement of income a farmer would have been entitled to if he planted up to his full allotment, instead of taking a voluntary cut. It is just partially replaced income, not in any way increased income.

"The entire emphasis of the administration's proposal has been upon what the farmer does not produce, without any regard or concern for prices on what he does produce.

"We have corrected this by seeking to assure more farmers of some semblance of decent prices for what they do produce, as a means of enabling more of them to cooperate in production adjustments without drastic loss of farm income.

"If the Republican National Committee insists of its Madison Avenue high-pressure advertising campaign against these changes made by our Senate Committee on Agriculture, it is just one more indication that the Republican Party does not really care very much about what happens to farmers and farm income.

"All they seem concerned about is getting rid of food stocks now in Government hands, regardless of what happens to the farmer.

"If they are as concerned as they profess about this so-called but greatly overrated surplus, why don't they start really giving some attention to wiser use of our abundance both at home and abroad, through such ideas as a domestic food stamp plan to supplement diets of low-income families, and a world food bank to combat famine abroad?" Senator HUMPHREY asked.

Mr. HUMPHREY. Mr. President, I notice that in Minnesota Mr. Benson said the junior Senator from Minnesota had convinced Mr. Stevenson that he should be in favor of 90 percent of parity. I may say to the Secretary of Agriculture that if he will give me 10 minutes of his time, I will convince him, too, if he is a reasonable man. The trouble with him is he is so busy speaking in St. Paul and Austin, Minn., and in San Francisco, and generally running up and down the country trying to justify an unjustifiable policy, that he does not have time to administer his department.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

The PRESIDENT pro tempore. The time of the Senator from Minnesota has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that I may be permitted to ask my question of the Senator from Minnesota.

The PRESIDENT pro tempore. Is there objection? The Chair hears none and the Senator from South Carolina may proceed.

Mr. JOHNSTON of South Carolina. Mr. President, is it not true that during our committee hearings for the past 3 years, when we have called upon the Secretary of Agriculture to answer certain questions, the invariable reply of his Department has been, "We are making a study of the proposition"? Every time the answer has been, "We are making a study," or "The study is still going on." They have done nothing for the farmer. Is that not correct?

Mr. HUMPHREY. I may say to the Senator that the Department of Agriculture is like a post-graduate school. Everything is being studied and studied and studied, but no conclusion is ever reached. I have just been informed that the Secretary of Agriculture has been so busy speaking in various parts of the country that he has not had time to appear before the Joint Committee on the Economic Report. He has not had time to answer a communication I sent to him relating to official proceedings of a Senate committee.

Mr. JOHNSTON of South Carolina. He was so busy, apparently, that when we were drafting a farm bill, he sent other persons from his Department to answer questions we might wish to ask of his Department. Is that not correct?

Mr. HUMPHREY. The Senator is correct; and the persons he sent did not have the answers, either.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may be allowed 2 additional minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Minnesota may proceed.

Mr. HUMPHREY. I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I should like the attention of the Senator from South Carolina as I ask this question of the Senator from Minnesota. Is it not possible that the Secretary of Agriculture believes that probably the study in which he and his Department have been engaged for nearly 4 years will terminate within another year?

Mr. HUMPHREY. The Senator has put his finger on the most pertinent fact, namely, that his 4-year course of study will soon come to a conclusion.

I should be delighted to chip in for any cost that may be involved to give him and his associates a diploma and send them on their way. [Laughter.]

DREW PEARSON'S COMMENT ON LEW WALLACE

Mr. MORSE. Mr. President, I ask unanimous consent to speak for 5 or 6 minutes, to explain an insertion which I should like to make in the RECORD at this point. It is a matter of such seriousness that I do not wish to make the insertion without a full explanation on the floor of the Senate.

When I was in Portland, Oreg., last Friday, Mr. Lew Wallace, one of the leaders of the Democratic Party in our State, a former National Democratic Committeeman, a former Democratic State Senator, a man who has been a Democratic candidate for Governor in our State and who has taken a position of great leadership in the Democratic Party in Oregon for a great many years, asked to confer with me about a matter very serious to him, and involving a dispute with Mr. Drew Pearson.

I had the conference with Mr. Wallace. He told me he felt a great wrong had been done him, and that he would appreciate it very much if I would place in the CONGRESSIONAL RECORD his position in connection with the controversy and his reply to Mr. Pearson. He said he felt it was due him that there be an official record made of his side of the controversy. I told Mr. Wallace that I would be very glad to render that service for him if he would send the material to me. That is what I am about to do.

Since returning to Washington I have received a letter from Mr. Wallace dated February 11, 1956, in which he says:

MY DEAR WAYNE: These clippings will give you full facts regarding the affair I spoke to you about.

He goes on to say:

I am really burned up about this.

He also stated in his letter:

I made demand on both Pearson and KEX for retraction.

He points out that he feels that a gross injustice has been done him. As a Senator from Oregon and therefore as a representative of Mr. Wallace in this body, I think it is only fair and proper that his position in this controversy be made a matter of record.

One of the clippings Mr. Wallace sent to me is an article which appeared in the Oregon Journal of Friday, January 27, 1956, entitled "'Dear Doug' Letter Denied at the Hearing."

I ask unanimous consent, Mr. President, that this newspaper clipping be inserted in the RECORD at this point in my remarks.

There being no objection, the clipping was ordered to be printed in the RECORD, as follows:

"DEAR DOUG" LETTER DENIED AT HEARING

WASHINGTON, January 27.—Staff members of the congressional committee investigating the Al Sarena mining patents case Thursday afternoon categorically denied any knowledge of a "Dear Doug" note from President Eisenhower to Interior Secretary Douglas McKay concerning the case.

So did Under Secretary Clarence A. Davis, who as Solicitor of the Department in 1954 decided to grant the controversial mining patents in the Rogue River National Forest in Jackson County.

The "Dear Doug" note was alleged by Drew Pearson, radio commentator and newspaper columnist, to have been written across the face of a letter from Lew Wallace, Oregon insurance man and Democratic politician, to Eisenhower. Wallace allegedly asked speed in settling the case.

Eisenhower, according to evidence Pearson said was in the hands of the Senate investigating subcommittee, wrote across the face of the letter a note directing McKay to "see what can be done" about the matter.

(The Pearson column appeared in the Journal Thursday.)

AL SARENA LETTER NEWS TO WALLACE

Lew Wallace, Portland insurance man, Thursday, said he had no recollection of writing a letter to President Eisenhower asking consideration of the Al Sarena mine patent case.

Wallace's name came into the hearing in Washington, D. C., on the basis of a report of Drew Pearson that such a letter was in the files of the staff of the congressional committee investigating the case.

"I do not recall ever writing such a letter, and I have no record of it in my files," said Wallace. "Drew Pearson called me last week and asked if I wrote such a leter, and I told him I could not remember doing it.

"Then I checked my files and called him back to say I could find no copy."

Mr. MORSE. Mr. President, in the course of this newspaper story I find the following paragraphs:

The "Dear Doug" note was alleged by Drew Pearson, radio commentator and newspaper

columnist, to have been written across the face of a letter from Lew Wallace, Oregon insurance man and Democratic politician, to Eisenhower. Wallace allegedly asked speed in settling the case.

Eisenhower, according to evidence Pearson said was in the hands of the Senate investigating subcommittee, wrote across the face of the letter a note directing McKay to "see what can be done" about the matter.

(The Pearson column appeared in the Journal Thursday.)

The article then goes on to say:

Lew Wallace, Portland insurance man, Thursday said he had "no recollection" of writing a letter to President Eisenhower asking consideration of the Al Sarena mine patent case.

Wallace's name came into the hearing in Washington, D. C., on the basis of a report of Drew Pearson that such a letter was in the files of the staff of the congressional committee investigating the case.

"I do not recall ever writing such a letter, and I have no record of it in my files," said Wallace. "Drew Pearson called me last week and asked if I wrote such a letter, and I told him I could not remember doing it.

"Then I checked my files and called him back to say I could find no copy."

There is another newspaper clipping, Mr. President, which Mr. Wallace has sent me and which I should like to have made a part of the record in regard to this matter. It is an article appearing in the Oregonian of Friday, January 27, 1956, from which I should like to read the part dealing with Mr. Wallace:

Drew Pearson's statement that Lew Wallace of Portland influenced the Interior Deparment's granting of Al Sarena mining patents by writing a personal letter to President Eisenhower was heard by Portland radio listeners last Sunday. In the radio broadcast Pearson identified Wallace by name.

Pearson repeated the statement in his syndicated column in the Oregon Journal Thursday afternoon, but identified the writer not by name but only as "a friend of President Eisenhower's."

Wallace, long active in Democratic politics, ex-State senator and unsuccessful opponent to Secretary McKay for the governorship of Oregon, said Thursday night Pearson had called him from Washington last week and asked him about the purported letter.

Wallace said he told Pearson he did not remember writing a letter to the President. He said he had written several letters to Secretary McKay, but certainly none on the Al Sarena case. Wallace said search of his files revealed no copy of a letter to Eisenhower, or of any letter referring to Al Sarena. But, said Wallace, he was unwilling to make a categorical denial he had written to Eisenhower because he sometimes writes letters at the request of friends and sends them the copies of the letters, keeping none for himself.

Wallace said the letter produced at the hearing Thursday, in which Assistant Interior Secretary Wormser was named, probably was one of several he wrote to McKay concerning a matter having no connection with Al Sarena.

"I wrote the letters because I think the Interior Department gave one of my friends a bad time, and I still think it did," said Wallace. He identified the "friend" for whom he interceded as the Midwest Monolith Cement Co. of Laramie, Wyo.

Mr. President, the third clipping which Mr. Wallace has sent me and which I wish to make a part of the record in connection with this matter is one which appeared in the Portland Journal of January 28, 1956. It contains a copy of the contents of a letter which Mr. Wallace sent to Drew Pearson in reply to Mr. Pearson's charge that Lew Wallace wrote a letter to the President on the Al Sarena matter. It reads as follows:

Lew Wallace, Portland insurance man whose name was injected into the Al Sarena mine hearings in Washington last week, has written a letter to Drew Pearson, columnist, asking for a correction of a story told on a Pearson radio broadcast and in Pearson's column.

Wallace, a Democrat, told Pearson there is no truth in the story that he had any part in the Al Sarena matter or that he wrote a letter to President Eisenhower on the subject. The White House branded the Pearson story a "scurrilous lie" and the congressional committee staff said there is no such letter in the files taken from Secretary Douglas McKay.

Wallace wrote:

"I believe it was on January 19 you called me long distance and asked me if I had written a letter to President Eisenhower. From your conversation I understood that the letter was a request to have Secretary McKay kill the Al Sarena mining claims application. You said it took a Democrat to get the President into action.

"I told you I did not think I had ever written the President a letter. You held the phone until I hastily checked my files and I again told you I had no copy of such a letter. After the call I thoroughly checked my files and was sure I had never written the President on any matter whatsoever and immediately called you back and so advised you. Despite this information, on Sunday, January 22, you stated over radio and TV that, 'Lew Wallace, an Oregon Democrat and insurance man, wrote President Eisenhower.' This came as a complete surprise to me and was a total untruth from beginning to end. Again on January 26 in your column in the Oregon Journal you refer to this letter without using my name. These untrue and unjustified acts on your part have been embarrassing and have done great harm to me.

"You well know that I have been a longtime leader of the Democratic Party in Oregon. Many times elected State senator, Democratic national committeeman. Twice my party has nominated me for governor. No one is more opposed than I to giving away our timber under any circumstances, but especially under the cloak of a mining patent.

"You have, with your terrific broadcasting and publicity facilities, misrepresented me to the public, placing me in exactly the opposite position to which I hold in the Al Sarena deal. Such misrepresentation is damaging to my reputation and contemplated action. It is important to point out to you that I am at the present time considering seriously filing for party office in the Democratic primary in Oregon.

"I direct that you forthwith correct your statement both on the radio and TV and in the Oregon Journal column. This must be done fully and appropriately with dispatch so that the people in your audiences will know that the former statements on your part as they referred to me were totally wrong in every respect, otherwise I shall seek other means to correct those false statements."

Mr. MORSE. The newspaper statements which I have just read or inserted in the RECORD are the material which Mr. Lew Wallace has submitted to me. They speak for themselves and they constitute Mr. Wallace's reply to Drew Pearson. I wish to say for the RECORD that I have known Mr. Wallace for a great many years. Aythough for a while we were on opposite sides of the political fence, and, therefore, engaged in some political differences in our State, I also wish the RECORD to show that I have always held him in very high regard. I am satisfied that he has presented his honest views, opinions, and beliefs in regard to his controversy with Mr. Pearson. I have no intention of becoming personally a party to that controversy. I wish only to make it very clear, however, that when any constituent of mine finds himself in the situation in which Mr. Wallace finds himself, he is entitled to receive from me the kind of service I am seeking to render to Lew Wallace by putting into the RECORD my constituent's point of view and the facts as he believes them to be.

I hope, Mr. President, that as a result, Mr. Wallace will be in a position to work out in a satisfactory manner his controversy with Mr. Pearson. I deeply regret the incident, and I am happy to be of this service to Mr. Wallace.

SERIOUS SITUATION OF CERTAIN EXISTING MILITARY HOUSING UNITS

Mr. SPARKMAN. Mr. President, as chairman of the Subcommittee on Housing of the Senate Committee on Banking and Currency, I feel that I must call to the attention of my colleagues in the Senate a situation which has caused me considerable concern within the past few months.

I refer specifically to the fact that 10 percent or more of existing military housing units that were privately built and financed are now in serious trouble.

Most of the privately owned military housing now in existence was built under the authority of Public Law 211, approved August 8, 1949. It is often referred to as Wherry Act housing.

In the 6 years from the date of enactment to September 30, 1955, 265 projects, aggregating 82,637 housing units, had been authorized.

But at the present time, Mr. President, foreclosures, defaults, and low occupancy rates threaten the financial stability of the entire program.

Mr. President, I ask unanimous consent to place in the RECORD, at this point, four tables, relating to Wherry housing foreclosures, defaults, and occupancy rates, that provide the factual basis for my analysis.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Foreclosures instituted on Wherry housing projects, as of December 31, 1955*

	Number of units
Forest Hills AEC, Paducah, Ky	500
Stockton Annex NSC, San Joaquin County, Calif	43
Bauer-Day AEC, Richland, Wash	500
Deseret Chemical Depot, Tooele, Utah	25
Crane Navy Ammunition Depot, Martin County, Ind	200
Total	1,268

TABLE 2.—*Wherry housing projects in default, Dec. 31, 1955*

	Number of units
Green Cove Springs Naval Station, Clay County, Fla	392
Patuxent River NAS–NATC, St. Mary's County, Md	1,000
Tobyhanna Signal Depot, Tobyhanna, Pa	200
Hill Air Force Base, Ogden, Utah	350
Blue Grass Ordnance Depot, Richmond, Ky	65
Naval Powder Factory, Indian Head, Md	379
Total	2,386

TABLE 3.—*Wherry housing projects less than 95 percent occupied, Oct. 31, 1955*

	Number of units	Units vacant	Percent occupied
Richland AEC, Richland, Wash	500	174	65.2
Fort Sill, Lawton, Okla	500	60	88.0
Hill AFB, Ogden, Utah	350	89	74.5
Chincoteague NOTS, Chincoteague, Va	306	22	92.8
Olathe NAS, Olathe, Kans	196	10	94.8
Deseret Chemical Depot, Tooele, Utah	25	24	4.0
Monogram NCS, Newport News, Va	20	11	45.0
Northwest NCS, Norfolk County, Va	26	11	57.7
Tobyhanna Signal Depot, Tobyhanna, Pa	200	93	53.5
Oceana NAS, Princess Anne County, Va	554	108	80.5
Blue Grass Ordnance Depot, Richmond, Ky	65	12	81.5
Naval Powder Factory, Indian Head, Md	379	71	81.5
Letterkenny Ordnance Depot, Chambersburg, Pa	48	8	83.3
McDill AFB, Tampa, Fla	800	115	85.6
Whidbey Island NAS, Whidbey Island, Wash	300	28	90.6
Fort Riley, Junction City, Kans	400	35	91.2
Total	4,669	871	------

TABLE 4.—*Wherry housing projects less than 95 percent occupied, Nov. 30, 1955*

	Number of units	Units vacant	Percent occupied
Tobyhanna Signal Depot, Tobyhanna, Pa	200	82	59.0
Milan Arsenal, Milan, Tenn	100	38	62.0
Richland AEC, Richland, Wash	500	169	66.2
Naval Powder Factory, Indian Head, Md	379	78	79.4
Blue Grass Ordnance Depot, Richmond, Ky	65	13	80.0
Letterkenny Ordnance Depot, Chambersburg, Pa	48	9	81.2
Oceana NAS, Norfolk, Va	554	100	81.9
Corpus Christi NAS, Corpus Christi, Tex	340	50	85.2
MacDill AFB, Tampa, Fla	800	118	85.3
Carswell AFB, Fort Worth, Tex	600	68	88.6
Green Cove Springs NS, Green Cove Springs, Fla	392	33	91.5
Whidbey Island NAS, Whidbey Island, Wash	300	21	93.0
Fort Campbell, Hopkinsville, Ky	1,200	77	93.5
Little Creek Amphibian Base, Norfolk, Va	400	21	94.7
Total	5,878	877	------

Mr. SPARKMAN. Mr. President, these tables show that from eight to ten thousand units—more than one out of ten—are in trouble because of foreclosures, defaults, or low occupancy.

These facts on military housing were developed by the Subcommittee on Housing, and a more extensive statistical analysis is presented in the annual report of that subcommittee, pages 31–40, which was submitted to the Senate on January 26, 1956.

Obviously, it is not to the advantage of the Federal Government to take title to these Wherry housing projects. So long as these projects are occupied and are in sound financial condition, the Federal Government is not called upon either to expend money from the FHA insurance funds or to devote time, effort, and money to managing these projects. The FHA, of course, realizes this and has, so far as I know, taken steps to help the private owners to continue to operate their properties.

I am disturbed, however, by the fact that most of these foreclosures, defaults, and dangerously low occupancy rates are brought about by the reduction in the number of military or other personnel assigned to the various bases. This has happened in spite of the fact that the statute required the Secretary of Defense to certify to the FHA Commissioner "that such installation is deemed to be a permanent part of the Military Establishment, and that there is no present intention to substantially curtail activities at such installation."

Although Wherry housing was constructed at supposedly permanent bases, where there was no intention of curtailing military activities, we have an increasing number of foreclosures and defaults and a growing list of bases where occupancy has fallen below a safe margin.

This problem would be difficult enough if there were no further complicating factors. However, in 1955, the Congress enacted Public Law 345, which contained a new title VIII providing for additional military housing. The Committee on Banking and Currency was given to understand that one of the difficulties the military had in obtaining adequate military housing was the requirement of permanency with respect to military bases. In order to facilitate the provision of adequate housing for members of the armed services, the Congress removed the requirement that housing must be constructed at a "permanent" base, and provided in the new law that the Secretary of Defense must certify only that "there is no intention so far as can reasonably be foreseen to substantially curtail the personnel assigned or to be assigned to such installation."

The various services are currently attempting to take advantage of the liberal provisions of the new title VIII military housing law and are scheduling as many new housing units as possible prior to the present expiration date of the act.

Thus, we have this paradox: While there are increasing instances of default under the old Wherry program, there is an increasing demand for new housing units under the new military housing program.

I think it is high time that someone issued a word of warning.

I would caution the military that, to the widest extent possible, existing projects should be utilized. These projects were undertaken often at the request of the military and involved not only the investment by private citizens but also the contingent liability of the Government. We cannot afford to discard existing housing simply because we might be able to get something new.

I would also caution the military to exercise the greatest care in locating new units, and in certifying to the need for them. While the Secretary of Defense is no longer required to certify that new units are to be located at permanent installations, we are all aware that Congress had no intention of locating new housing units at military installations which 12 months from now may be ghost towns.

I would also caution the FHA that it is not required merely to rubber-stamp the demands of the military. It is true the military can override the FHA under certain conditions, but that does not relieve the FHA from the responsibility of reporting its own estimate of what the need is.

At this point I should like to say that I have always been in favor of adequate housing for military personnel, and I certainly would not want to deny adequate housing to military personnel on any arbitrary basis. I do say, however, that we have a responsibility to private citizens who in many instances were invited by the military to participate in the military housing program. We have a responsibility to avoid unnecessary losses by the FHA, and we should, in good commonsense, use our existing inventory of housing whenever we can properly do so without undue hardship to anyone concerned. Furthermore, it is my intention, through the facilities of the Housing Subcommittee, to continue to follow and evaluate activities under the military housing program.

During last year's discussion on the new title VIII program, I pointed out that there was a real need to keep FHA in the picture. It did not seem appropriate to me to permit the use of the FHA insurance system for military housing purposes without giving FHA some authority to exercise an independent judgment with respect to the need for new military housing in a particular market area.

The difficulties to which I have referred and which may result in substantial losses, prove the validity of my contention that even for special purpose housing, such as military housing, FHA participation serves a worthwhile purpose.

DISMISSAL BY FEDERAL JUDGE BAILEY ALDRICH OF CHARGES AGAINST LEON J. KAMIN

Mr. McCARTHY. Mr. President, I ask unanimous consent that I may speak for 5 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Wisconsin is recognized for 5 minutes.

Mr. McCARTHY. Mr. President, I am terribly reluctant to impugn the qualifications of a Federal judge to discharge the responsibilities of his office; yet certain information in this regard has come to my attention which, I believe, needs to be transmitted to the Senate.

Senators will recall that several months ago a man by the name of Leon J. Kamin was tried in the United States District Court of Judge Bailey Aldrich, in Boston, on a charge of contempt of Congress. The background of the Kamin case, insofar as it is relevant here, is that he worked in the late 1940's on a secret radar project in a plant doing defense work under Government contract, and that he admitted being a paid official of the Communist Party until "the fall of 1950." Kamin was cited for contempt of Congress, and was indicted, for refusing to tell the Senate Subcommittee on Investigations the names of Communists working in defense plants. The subcommittee, under my chairmanship, was at that time investigating communism in defense plants.

Kamin's trial, which began last October in Boston, was originally to have been a jury trial with Judge Aldrich presiding. Judge Aldrich, however, dismissed the jury before evidence was taken, and heard the case himself, after having declared a mistrial on the ground that the jury heard applause for me from the courtroom corridors when I arrived to testify. On November 2, Judge Aldrich dismissed 4 of the 6 counts against Kamin. On January 5, he dismissed the remaining two counts on the ground that, in investigating communism in privately owned defense plants, the subcommittee was operating outside its jurisdiction.

The declaration of a mistrial struck me as an unusual decision, to say the least. It did not seem reasonable to believe that a jury, which presumably had been screened for undue "pro" or "anti", was selected, would be influenced by an indication of support for me on the part of outsiders. I trust it was not news to any of the jurors that I had a few supporters in the Boston area. Similarly, I was taken aback by Judge Aldrich's ultimate decision that the subcommittee had exceeded its authority. That a Senate subcommittee authorized to investigate "the operation of Government activities at all levels with a view to determining its economy and efficiency" had the right, indeed the duty, to discover whether Government defense funds were being spent on projects infiltrated by subversives, seemed to be to go without saying. The Senate, in voting the contempt citation, evidently agreed. I commented, after the trial was over, that Judge Aldrich's decision was ridiculous; I wondered privately whether his rulings had not indicated a curious prejudice against congressional investigating committees which attempt to expose Communists. But, suspicions notwithstanding, I let the matter drop.

Last Friday, I received information that convinced me the matter should not have been dropped so quickly. This information is the result of research conducted by an outstanding newspaper, the New Bedford, Massachusetts, Standard-Times. The research, as I understand, was conducted by the Standard-Times independently; certainly I was not aware of it, nor, to my knowledge, was anyone associated with me. The Standard-Times investigation revealed the following:

On August 18, 1955, some 2 months before the Kamin trial, Gov. Christian Herter, of Massachusetts, placed Judge Aldrich's name in nomination before the Governor's Executive Council for reappointment as trustee of the Massachusetts Memorial Hospital. A formal notice of the nomination was mailed to the judge that day, together with a non-Communist affidavit card. The notice requested that the affidavit be signed and returned as soon as possible. Final action on the judge's appointment was put off until the next meeting of the executive council on September 1, as is required of all appointments.

Before the convening of the September 1 council meeting, Governor Herter received a letter from Judge Aldrich, but the non-Communist affidavit was not enclosed. The judge asserted in this letter that it was against his principle to sign a statement of that kind, and stated further that, if necessary, he would forego reappointment to the hospital board rather than sign it.

In that connection, I may say that one of the members of my staff called Judge Aldrich this morning and asked him whether it was true that he had refused to sign the non-Communist affidavit. Judge Aldrich confirmed that it was true, and said it was against his principle to sign such an affidavit.

Let me read to Senators the affidavit which Judge Aldrich refused to sign 2 months before he heard the Kamin case. It contains just 2 sentences:

No. 1:

I am not a member of the Communist Party.

No. 2:

I am not now, nor have I ever been, nor shall I ever knowingly become a member of any organization that believes in, or advocates, the overthrow by force of our American form of government.

That was the affidavit which Judge Aldrich refused to sign.

Upon learning of Judge Aldrich's refusal to sign the affidavit, Governor Herter so advised Governor's Councillor Charles J. Gabriel. Gabriel and other members of the executive council then agreed that no exception would be made for Judge Aldrich or anyone else. They informed Governor Herter that "if Judge Aldrich doesn't sign the affidavit, he has only himself to blame for the consequences."

Mr. Gabriel was then asked to call on the judge, and did so. Judge Aldrich again refused to sign.

During these negotiations, the September 1 meeting of the executive council came and went, without any action being taken on the Aldrich appointment. Finally, on September 13, after Aldrich had been persuaded that his failure to sign the non-Communist affidavit would cause great embarrassment to the Herter administration, to the judiciary, and to himself, and would lead to an "explosion" on the Governor's Executive Council, he signed the affidavit. The signed affidavit was delivered to the executive council by special messenger, less than 48 hours before the dealine council meeting of September 15.

Now, Mr. President, assuming the facts gathered by the Standard-Times to be true, what are we to say of a Federal judge who rebels against signing a statement which merely says, in effect, "I am not a Communist and do not believe in the forcible overthrow of our Government," and agrees to sign it only after severe pressure has been brought to bear on him—and then proceeds to sit as judge and jury in the trial of a man who is charged with unlawfully frustrating congressional attempts to investigate communism?

I do not charge that Judge Aldrich is a Communist, or that he has Communist sympathies; I pass no judgment on those questions. I do charge, however, that Judge Aldrich was manifestly unqualified to try the Kamin case. He should have disqualified himself before the trial, on grounds of prejudice, and his failure to do so was a most reprehensible dereliction of duty.

That a rebellion against signing a non-Communist oath is indicative of prejudice against congressional committees investigating communism, hardly needs to be said. It is common knowledge that hatred of non-Communist oaths, and hatred of those who pursue and expose Communists, is symptomatic either of Communist leanings, or of membership in the current anti anti-Communist "civil liberties" cult—in any event, that the two prejudices go hand in hand. That Judge Aldrich, in such circumstances, should have proceeded to try the Kamin case is, to say the very least, disgraceful. And his rulings during the course of that trial are not helpful in rebutting the presumption that he was prejudiced.

I may say that when my staff called Judge Aldrich this morning, he reminded my staff that I would be testifying in a case in his court in the very near future. He said, "Now, I don't want it to seem like this is a threat." But if that was not a threat, I do not know what it was.

The power of the Senate to investigate communism, and thus to help protect our country against subversion, was seriously jeopardized, Mr. President, by Judge Aldrich's decision in the Kamin case. In the light of the unpleasant information I have related, I believe that steps should be taken to remedy the situation. If the facts are as they have been stated to be, the Justice Department should, of course, appeal the decision on grounds of the judge's prejudice. Meanwhile, I suggest that the Senate Committee on the Judiciary investigate the case to ascertain the full story.

DEATH OF MORTON TOMPKINS

Mr. MORSE. Mr. President, Oregon has just lost, by death, one of its finest citizens and civic leaders, Mr. Morton Tompkins.

Mr. Tompkins was a past master of the State Grange. He has been one of our farm leaders for many years, and formerly was a member of our State legislature.

I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a brief biographical sketch of Mr. Tompkins and an enumeration of some of the great public services he rendered in the positions he held in the State of Oregon.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

Morton Tompkins, former State Grange executive; farm leader; ex-legislator.

Born in Oregon City, Oreg., March 7, 1895.

Son of Josephus and Sarah (Hunsaker) T. (early pioneers and born in Oregon).

Married Maud B. Wilson, August 8, 1903. Children: Russell, Joe (veterans of World War II), Lorene (Mrs. Vern Reierson).

Resident of Oregon since 1885; active in agriculture many years.

Served as representative in the State legislature 1929–31.

Former overseer, Oregon State Grange, succeeded Ray Gill as master in 1942; past master, McMinnville Grange.

Member of several cooperative farm organizations; delegated by United States Department of Agriculture to study agricultural matters in Europe at request of British Government, 1943.

Former owner, large diversified vegetable, dairy, and fruit farm; 70-acre orchard.

Home, Dayton.

Author of Oregon school bus law.

One of the fathers of Oregon Public Utilities Districts law.

Advocate of Federal comprehensive river development.

Mr. MORSE. Mr. President at this time I wish to read a telegram which I sent at the time of Mr. Tompkins' death:

Oregon has suffered a great loss at the death of Morton Tompkins. He lived an active and fruitful life which enriched our State and the Nation. The good that he did in agriculture, multipurpose river development, education, and other fields will live after him. I join with fellow Oregonians and Grangers in mourning his death and in extending condolences to his family.

WAYNE MORSE,
United States Senator.

INVESTIGATION OF NEW JERSEY GASOLINE-PRICE WARS

Mr. MORSE. Mr. President, the February issue of National Petroleum News contains a very commendatory article on the hearings which the junior Senator from Minnesota [Mr. HUMPHREY] has been conducting with respect to the gas-station problem throughout the country. As a member of the subcommittee, in my judgment the Senator from Minnesota is entitled to all the fine things which the article says about the procedure he has been following in connection with the hearings. I ask unanimous consent that the article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUMPHREY PROBE NEARS FINISH—SENATOR PLANS ONE MORE HEARING WITH FTC AND DJ; THEN HE'LL FOLD HIS TENTS AND STUDY THE SITUATION

Senator HUBERT H. HUMPHREY'S investigation of the New Jersey gasoline-price wars is grinding to a halt. The Minnesota Democrat plans to hold one more hearing, for testimony from the Federal Trade Commission and Justice Department, and then close up shop.

According to the annual report of the Senate Small Business Committee, HUMPHREY is ready to put a big question to the two Government agencies: "What action have you taken to prevent or suppress the use of practices which many service-station operators charge serve only to prolong and to intensify price wars?"

When HUMPHREY and the staff of his Small Business Subcommittee on retailing, distribution, and fair-trade practices get the answer to that question, they plan to wrap up what they feel is a study in miniature of gasoline marketing and distribution problems in the United States.

The Senator and his staff have been delving into the complex New Jersey situation for more than a year. They have heard dealer associations and individual retailers accuse major oil companies of discriminatory pricing practices. They have also heard the companies deny discrimination and refuse blame for the disastrous price wars.

In every phase of his investigation HUMPHREY pointed out that he was on a fact-finding foray, with no intent to persecute or prosecute—at that time. The record seemed to back him up. He questioned closely and often doggedly, but always politely and intelligently. His treatment of major oil company officers drew him letters of praise from several executives who testified before the subcommittee.

Privately, however, HUMPHREY has found at least some of the companies operating in New Jersey to be guilty of some marketing sins. His biggest problem now is what to do about it.

The New Jersey investigation began in December 1954, when the subcommittee sent a questionnaire to the 12 major companies involved in the Garden State price turmoil. The questionnaires were returned promptly to the committee, with pledges of full cooperation.

Dealers and dealer associations had their say before HUMPHREY in Washington last summer, and in Newark, N. J., in the fall. In Newark, HUMPHREY also heard State officials, including Gov. Robert B. Meyner. All the State officers did was to claim opposition to any solution "which constitutes price fixing" and say that any solution would have to be made at the Federal level.

The most recent stage of HUMPHREY'S probe brought representatives of 12 major oil companies to Washington in December.

The witnesses' names and companies read like a bluebook of oil-marketing officials: Robert Scholl, vice president of Esso Standard Oil Co.; James E. Dyer, president of Sinclair Refining Co.; Charles J. Guzzo, vice president of Gulf Oil Corp.; J. G. Jordan, vice president for marketing, Shell Oil Co.; H. A. Jackson, vice president of Tide Water Associated Oil Co.; Dwight T. Colley, vice president of Atlantic Refining Co.; Willard W. Wright, general sales manager for Sun Oil Co.; S. C. Bartlett, vice president of the Texas Co.'s domestic sales department; Herbert Willetts, vice president of Socony-Mobil Oil Co.; Burt W. Pickard, president of California Oil Co., and Hugh E. Jackson, general manager of sales for American Oil Co.

Except for his criticism of Esso's "dual-distribution" system and sales to American Petroleum Co. (formerly American Garage), HUMPHREY got along famously with the executives. The oil company officers agreed with HUMPHREY that price wars hurt dealers. HUMPHREY agreed with the company men that the big boys, too, were getting hurt. The executives offered a number of specific recommendations for relief of price-war conditions, which HUMPHREY accepted and promised to study.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8320) to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis eradication program for the fiscal year ending June 30, 1956; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. ABERNETHY, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following joint resolutions in which it requested the concurrence of the Senate:

H. J. Res. 455. Joint resolution relating to burley tobacco acreage allotments and marketing quotas;

H. J. Res. 518. Joint resolution relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas; and

H. J. Res. 521. Joint resolution relating to Maryland tobacco acreage allotments and marketing quotas.

Mr. CLEMENTS. Mr. President, has the morning business been concluded?

The PRESIDING OFFICER. The Chair knows of no further morning business. If there be no further morning business, morning business is closed.

BURLEY TOBACCO ACREAGE ALLOTMENTS

Mr. CLEMENTS. I move that the Senate proceed to the consideration of Calendar No. 1499, Senate Joint Resolution 111.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 111) relating to burley tobacco acreage allotments and marketing quotas.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky [Mr. CLEMENTS].

Mr. KNOWLAND. I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold his suggestion of the absence of a quorum?

Mr. KNOWLAND. Certainly. I withhold the suggestion of the absence of a quorum.

Mr. MANSFIELD. Mr. President, speaking seriously, would the Chair define what is meant by the morning hour?

The PRESIDING OFFICER. The morning hour embraces the 2-hour period following the meeting of the Senate after an adjournment. If there is no further morning business to be transacted, morning business is closed.

REVIEW OF FOREIGN POLICY—II: UNITED STATES FOREIGN POLICY AND SOUTHEAST ASIA

Mr. MANSFIELD obtained the floor.

Mr. CLEMENTS. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. I am glad to yield for a question.

Mr. CLEMENTS. Mr. President, does the Senator from Montana wish me to suggest the absence of a quorum? I make the inquiry because many more Members may wish to be on the floor to hear the distinguished Senator from Montana make his speech.

Mr. MANSFIELD. The acting majority leader is very kind. However, I would just as soon make my remarks without the Senator suggesting the absence of a quorum. If Members of the Senate do not wish to hear them, they may read them in the RECORD, if they so desire.

Mr. CLEMENTS. I can assure my friend from Montana that it is not a fair appraisal of Members' views to leave any inference that they might not wish to hear the remarks of the Senator from Montana. The reason I made the suggestion is that I have read the Senator's speech, and I believe it is worthy of being heard and read by every Member of the Senate. Even though not many Senators are on the floor at this time, I am sure the speech will be read with interest by every Member of the Senate.

Mr. MANSFIELD. I appreciate the comments of the distinguished senior Senator from Kentucky.

In recent weeks Members of the Senate have addressed themselves to the question of the need for a review of the foreign policies of the Nation. When I discussed the question here in the Senate on January 20 I made this statement:

> I intend to raise the issues of foreign policy on the floor at intervals throughout the session. I hope to do so in the spirit of national responsibility and without challenging the integrity or the patriotism of any individual or the political party now in control of the executive branch of the Government. I will be only too glad to give credit where credit is due. By the same token, however, I do not propose to ignore or gloss over the shortcomings, weaknesses, and inadequacies of foreign policy as I see them.

Mr. President, it is in that spirit that I shall attempt to make a contribution to the review today.

Let me begin by saying that I believe there is only one valid justification for the enormous and costly responsibilities which this country has assumed throughout the world in the last decade. Peace for this country has become increasingly inseparable from peace everywhere. The fate of our freedom is linked to that of freedom elsewhere in the world.

I do not share the views of those who contend that some sort of mystical world leadership compels us to act abroad in every situation. I do not agree with those who hold that we must assert this leadership by flexing our nuclear or vocal muscles at the slightest provocation. Nor do I agree with those who argue that this same leadership requires us to spend billions simply to prove that we are more generous than the Russians.

On the other hand, I have no common ground with those who ignore the vast changes which have taken place in the international position of the United States. We are in this world—this small, crowded, dangerous, and promising world—whether we like it or not. No ancient dream of isolated splendor will insulate us from its currents. That was a fine dream and an appealing one—that 19th century dream of a safe and contented America, removed from the troubles of the rest of the world. It has not been the leaders—Republicans or Democrats—in the White House or in the Department of State who have shattered it. Rather, it has been the scientists and the technologists of whom this country has produced its share and of whom we are justifiably proud. For those—and I believe only a few remain—who still persist in that dream of isolation, unmoved by the jet planes and guided missiles overhead, I suppose there will be no awakening except for that instant of reality before some nuclear holocaust blasts us all into extinction.

What I am trying to say is that the United States cannot escape from the realities of this era of human history. If we cannot retreat into a nonexistent fortress America, however, neither can we charge out in every direction with bombast, billions or bombs. If we are to have effective policies, it seems to me that we cannot assume that either action or inaction in foreign policy is of itself good or desirable. We have got to measure every major activity against two general standards. Does the activity contribute to the preservation of peace and the security of freedom? Does it contribute to these ends in reasonable degree commensurate with the costs?

It is against those two standards that I ask the Senate today to examine with me the policies which we are following in Southeast Asia. We do not lack for information on the situation there. The American press has performed a great public service in keeping the Nation informed on developments in the region. It is a region, moreover, which Senators in increasing numbers have visited in recent years so that even from within our own midst we have several first-hand observations.

I recall meeting the distinguished minority leader [Mr. KNOWLAND] there in 1953 and I know that the able Senator from Washington [Mr. JACKSON] has only recently returned from the area. Others who come readily to mind as having visited the area in recent years include the Senator from Rhode Island [Mr. GREEN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], the Senator from New Jersey [Mr. SMITH], the Senator from Louisiana [Mr. ELLENDER], the Senator from Washington [Mr. MAGNUSON], the Senator from Kentucky [Mr. CLEMENTS], and others.

Until recent years Southeast Asia has been on the whole remote from our awareness. Except for the Philippines over which this country exercised sovereignty, the area was largely a preserve of the European powers. For decades and in some case centuries, ancient nations of the region were colonies. The United Kingdom held Burma, Malaya, Singapore, Ceylon, and others. In Indochina, the French were predominant. Indonesia was under Dutch control. The Portuguese ruled in several areas.

Whatever its virtues, colonialism produced the enmities of inequality. It produced these enmities in varying degrees among all the peoples of Southeast Asia. It produced them generally in direct ratio to the reluctance of the European powers to provide avenues to eventual equality and freedom for these peoples.

Let us face that fact in all honesty. The past is past but we shall never bury it until we are prepared to face it. There were reasons why regions of Asia became colonial preserves. It will not serve the cause of present understanding for us in the Western World to delude ourselves with the pious belief that only selfless motives led to the expansion of western influence into Asia. There were such motives to be sure; but there was also the excessive zeal for gain and power which characterized the western nations, including Russia, in the 19th century.

By the same token, it will not serve the cause of present understanding for this generation of Asians to ignore the shortcomings which existed in their countries at the time they became colonies. Nor will it serve that cause for them to turn their backs now on the real social and economic contributions which the western nations have made to their societies.

It comes with particular ill grace to find the present Soviet leaders attempting, as Messrs. Khrushchev and Bulganin did on their recent Asian tour, to pour salt on these old sores of colonialism. Have they forgotten that their forebears were among the most voracious in extending western domination in Asia? And for all their words about national independence, there is very little indication that the present Soviet leaders have abandoned the predatory habits of their fathers. We will look in vain in central Asia for some tangible evidence that they have. What subject people of the Russians have direct contact with the new Asian nations to the south and east?

Whatever may have been the situation prior to World War II, the fact is that Western colonialism is dead or dying throughout Southeast Asia. The Southeast Asia of yesterday is no more. Where once there were colonies, there are now free nations—some 10 of them within a compass marked roughly by China on the north, the Pacific on the east, Australia on the south, and India on the west.

This region of Southeast Asia is the size of Western Europe and is even less populated. It is rich in minerals and petroleum, and it contains some of the most fertile agricultural lands in the world.

Although each is a distinct national entity, the countries of Southeast Asia are linked by ties which grow out of a common heritage and many common problems. Together these countries make up one of the major political regions of the world. And together with other peoples in Asia and Africa—new nations and nations coming into being—they constitute a powerful force in the flow of world events.

That was the significance of the Bandung Conference of Asian-African nations last year. It was not, as some treated it, a popularity contest between the Soviet Union and ourselves. It is true that we were criticized by several

of the nations at the conference and were praised by others. So, too, were the Russians. We were elated at the praise and dismayed by the criticism. So, too, presumably, were the Russians. I suppose that is understandable. It seems to me, however, that if we wish to develop sound policies, we would do well to concern ourselves less with applause and criticism which are the food and gall of actors and more with the deeper forces which are operating in these countries. We can hardly hope to compete with the Russians as actors; I trust that those responsible for the conduct of this Nation's foreign policy can excel them in statesmanship and sincerity.

The deeper forces which motivate Southeast Asia were clearly revealed at Bandung and they are reflected in the policies of virtually all the nations of that region. They are forces which arise from a deep devotion to national independence, from a desire for progress in a material sense and from a more distant, but nonetheless real, goal of responsible and humane government. These are forces powerful and sweeping enough to drive millions of people into action. There are other factors—ideologies and dreams of ancient grandeur, for example. These affect the situation in Southeast Asia. They sometimes tend to obscure the basic forces, but they do not change them.

National independence material progress, and responsible and humane government—these are the drives which have spurred the vast changes in southeast Asia during the past decade. And they will continue to dominate developments in that region in the decades that lie ahead.

The policies of this country must take these forces fully into consideration. They must also take into consideration still another factor. Each government in Southeast Asia has its own concepts of how to pursue its national objectives. Sometimes these concepts will not be in accord with our own. When there are variations between their views and ours as to how to proceed, we can propound, we can propose, and we can palliate. There is one course we cannot afford to take, in all due respect to their independence and our national dignity. We cannot afford to follow a foreign policy based on pique or pleasure with the words of this Asian leader or that. What we do now in our relations with Southeast Asia will have a significance for this country long after the contemporary leaders both there and here have passed from the scene.

More important than current disagreements over methods and personalities is the fact that there is nothing inconsistent as between the objectives of the Southeast Asian people and our own long-range interests. Their objectives are in many ways a replica of our own basic national aspirations. We, too, have struggled through revolution and wars to establish and to preserve national independence. We, too, have sought material progress from the earliest days of our history. We, too, have worked to perfect our political institutions.

As the new nations of Southeast Asia progress toward their basic objectives, this Nation gains in the process. Why is that the case? To begin with, one of our principal concerns with respect to Southeast Asia is a security interest. It is a legitimate interest, for it was into the weakness of Southeast Asia that the militarists of World War II penetrated as a precondition for their attack on the United States. As the Southeast Asian nations strengthen the bases of their independence, our own security is increased.

We also have an interest in the material development of Southeast Asia. The people of Asia are not without their genius and creative energy. Their magnificent achievements of the past—and there are many—suggest the dynamic contribution which these people can make to the general enrichment of mankind in the modern era. Out of their development, moreover, can come growing opportunities for mutually beneficial trade and exchange. Our total commerce with Western Europe, an area of comparable size and population, was over $7 billion in 1955. With Southeast Asia, it was $3 billion. The difference only begins to suggest the ultimate possibilities of trade if Southeast Asia develops in an economic sense.

We have finally an interest in the political progress of Southeast Asia. Let me emphasize, however, the distinction between interest and interference in these matters. It is one thing to look with sympathy on the adoption of American concepts of democracy by others. It is another to attempt to sell these concepts to them. A number of the new governments of Southeast Asia reflect the influence of the American Constitution, the Declaration of Independence, and other great state papers. That is a mark of recognition of the universality of our greatest political minds. It ought to be a source of both pride and humility to this generation of Americans. It is a disgraceful disrespect, however, to talk of exporting our system of government or the American way as though it were some article of commerce to be marketed by Madison Avenue.

Let the Red Chinese and other Communist nations persist in that false sense of mission which requires them to force their own peculiar systems on the unreceptive. It does not serve the interests or the dignity of this country to suggest that we emulate it.

There are signs that, during the past decade the Southeast Asian countries have moved toward all three of their basic objectives. I base this observation on my visit to Southeast Asia last fall, and on reports by other Members of Congress, and by press correspondents. There are limited but unmistakable signs of progress. In most countries a tolerable measure of internal order now prevails. The great threat of a Communist military advance through Indochina into the balance of Southeast Asia has receded, at least for the moment. Production of crops is rising. New industries are being developed. Commodities from Japan and the western nations are appearing in the markets of Southeast Asia in increased supply. Perhaps most significant, free elections were held last year in virtually every country in the region. In some cases, these were the first general elections with universal suffrage ever to take place in these nations. Whatever their shortcomings, they typify the zealous search for more responsible government which is going on in most of the Southeast Asian countries.

Mr. President, we shall make a tragic error, however, if we take the first signs of progress as assurance of a secure future for Southeast Asia. The area is a long way from that. The shadow of the militant Chinese colossus still slants across its neighbors to the south. A lull in the conflict in Indochina is no guaranty that it will not be resumed by the Communists in the near future. A satisfactory rate of economic development by even the most elementary standards is still lacking in most of the countries. Some of the governments in the area are plagued by a corruption and inertia which tend to open rather than narrow the gulf between them and their peoples.

We have, I believe, played some small part in the progress of Southeast Asia. Our policies with respect to Southeast Asia have been effective to the extent that they have been in harmony with the fundamental objectives of the peoples of that area. They have been effective to the extent that they have supported the desire for secure national independence, for material progress, and for responsible political institutions.

Mr. President, I should like now to turn to the major aspects of these policies and to their shortcomings as I see them. Let me say, first, that I recognize that policy for Southeast Asia cannot be divorced from consideration of policy elsewhere. The administration, for example, may have reasons for continuing—as it has done—conversations between an American Ambassador and a Chinese Communist representative for 7 months in Geneva. There may be reasons, reasons which the administration has not seen fit to make public, reasons of which the Senate is not aware. Nevertheless, I know that these conversations must be a cause of uneasiness to many Members of the Senate.

In the same way, they are a source of uncertainty in many countries in Southeast Asia. Questions naturally arise there as well as in the Senate as to where these conversations are leading. They have the effect of introducing a note of uncertainty into all of our policies in that area.

The conversations affect also the large overseas Chinese population in Southeast Asia, numbering several millions, who are settled in communities like Singapore, Djakarta, and Bangkok. The loyalties of these communities have teetered between Peking and Formosa for a decade. What this country does or does not do respecting the Chinese Communist regime exercises a very great influence on them.

I repeat, I do not question the right of the administration to talk with the Chinese Communists, if it so desires. I merely point to these conversations as one example of how actions by this Government, presumably made necessary by

conditions elsewhere, have an inevitable impact on our policies in Southeast Asia. One could also point to others, as, for example, the conditions which grow out of our close relations with Western European nations. These relations have sometimes led to actions or statements affecting Southeast Asia which have been—to say the least—not well received there.

In the absence of full information, we must assume that the executive branch would not make adjustments of this kind if they were avoidable. It seems to me, however, that even when due allowance is made for the unavoidable, our policies for Southeast Asia remain characterized by an inadequacy of understanding and an inertia of ideas.

The principal instrument of policy through which we have attempted to assist the nations of Southeast Asia in maintaining their independence is the treaty that bears the name of the region. At the request of the President, I was a delegate to the Manila Conference at which the Southeast Asia defense treaty was drawn up. Together with the Secretary of State and the distinguished Senator from New Jersey [Mr. SMITH] I signed the treaty on behalf of the United States. The Senate gave its consent to ratification by a vote of 82 to 1.

If the Senate will recall the situation which existed in 1954, when the treaty was considered, its significance will be appreciated. It was signed at a time when the Communist drive into Indochina threatened to spill over into the rest of Southeast Asia. The treaty was intended primarily to rally the will of other Asian nations to protect their independence and to resist a further advance of Communist totalitarianism.

I signed that treaty, and I cast my vote for its ratification. I did so with a full awareness of its limitations.

I signed because I believed the treaty served a useful purpose in terms of this nation's interest in peace and in freedom. I believe it continues to do so. And so long as we remain a party to it, the obligations which we have assumed under it must remain inviolate.

Situations change, however, and as they do we must be prepared to adjust this treaty as well as other policies accordingly. The principal limitation of the treaty when it was signed, as it is now, is that it carries too heavy a reliance for the defense of Southeast Asia on nations outside the area. It has moreover, yet to secure the participation of nations like India, Burma, Ceylon, and Indonesia, whose interests in the area are in many ways more direct than our own. Finally, it has aroused some fears in Southeast Asia that the old ghost of western colonialism may emerge in a new form. These fears are unfounded but we cannot ignore their effect on the nations which have them.

The limitations of the treaty have never been a secret. They have been discussed many times in the press. What disturbs me is not so much the limitations themselves as the apparent unwillingness of the executive branch to face them and its inertia in taking steps to deal with them.

In addition to the Southeast Asia defense treaty, this country is supplying military aid to a number of countries in the region to assist them in building the defenses of their national independence. I have supported programs of assistance of this kind. On repeated occasions, however, I have stressed the need for extreme caution and responsibility in employing this arm of foreign policy. That such caution and responsibility were not being employed became unmistakably clear to me last summer when I brought to the attention of the Senate the shoddy procedures in allocating funds under these programs. The Senate will recall that of some $3 billion appropriated for the year for military aid, the Defense Department obligated about $700 million, or roughly 25 percent of these funds, in the last 24 hours of their expiring authority to do so.

I think I ought to pinpoint that statement a little more and say that this money was appropriated in the last 5 hours of the last day of the last fiscal year.

We have got to face the fact that military aid is a two-edged sword. We have been told many times of its virtues. We have not been sufficiently alerted to its dangers.

I tell the Senate in all candidness that I was dismayed at some of the reports from responsible quarters which reached me while I was in Southeast Asia. According to these reports, not a small part of the weapons used in the Viet Minh advance in Vietnam and Laos were of American manufacture. They had come into Communist hands via defections and defeats of forces we had armed, via the smuggling trade in weapons and by supply from Communist China.

I do not know how significant this factor of weapons supplied by us being turned against us and friendly nations is in the total picture of Asia. Perhaps we shall never know. One thing certain, however, is that it is not without significance, and I have yet to see those who are responsible for the administration of these aid programs demonstrate sufficient awareness of its significance.

I believe this body cannot emphasize too strongly the need of extreme caution in tendering military aid to any country. At the least, I believe we must make certain that it goes to governments only in quantities and of a kind that they can use effectively to meet a genuine military threat. I believe further that it should go to governments that are striving, as in South Vietnam and the Philippines, to base themselves strongly in their own peoples. In the long run, only such governments are likely to survive in Southeast Asia and only such governments make reliable allies.

I turn now to the second major aspect of American policy respecting Southeast Asia which is aid-other-than-military. I apologize to the Senate for the use of this cumbersome term, but I can find no other. Aid-other-than-military, as I use it, embraces such euphonies as direct forces support, defense support, development assistance, technical assistance, the President's fund for Asian economic development, all of which have been coined to describe various activities of the Government in providing assistance abroad.

I mention these terms not to embarrass the lexicographers of the executive branch, but merely to emphasize what I believe to be the major problem in this aspect of our policy. The aid-other-than-military program in Southeast Asia, in a phrase, is bogged down in bureaucracy.

I believe assistance programs have a place in the foreign policies of this Government, provided the emphasis is on mutuality, provided they fill a genuine need, and provided they are judiciously and expertly administered. I have seen technical assistance programs conducted at a cost of less than a million dollars, as in Nepal several years ago. There a handful of American technicians were performing an admirable service in the interests of that country and the United States. I have seen others involving tens of millions of dollars which were the height of futility.

I repeat, I believe this country can serve its own interests as well as those of Southeast Asian countries through aid programs but the level of expenditures is not the real measure of utility. It is the manner in which funds are expended that is the critical issue.

I tell the Senate frankly that I am disturbed when I am told—as I was told several months ago—by the Prime Minister of a Southeast Asian country that "the improvement in relations between your country and mine dates from the discontinuance at my request of your aid program."

What lies behind a comment like that made in all sincerity by an outstanding Asian leader? How are we to reconcile this fact with requests from the executive branch for long-range aid programs and increased expenditures?

I believe we must go back to the fundamental drives in Southeast Asia if we are to understand the Prime Minister's comment and the existing shortcomings in the aid program which, instead of correcting, the administration appears bent on compounding.

The Southeast Asian peoples seek material progress, it is true. They seek it, however, within the framework of their two other fundamental objectives, within the framework of national independence and responsible government. These objectives—all of them—cannot be reconciled unless the initiative for economic development in Southeast Asia comes preponderantly from the peoples of that area. They do not desire a material progress that is made to order for them in the United States, in Soviet Russia, or anywhere else. They do not desire it so desperately that they can be bought by either side. If they could, they would hardly be worth the buying. Aid programs, moreover, no matter how large the amount, no matter how much scintillating surface progress they may produce, will not serve the interests of the people of that area or our interests unless its benefits reach the people. And unless it serves the interests of the people and not the few, it does not serve our interests.

I regret to say so, but the argument which is often made to the effect that

we must outbid the Russians in offers of aid to Southeast Asia reflects very little credit on us or on the nations of that area. I am sure the argument is made in good faith, out of a genuine desire to help. It is an argument, however, which demeans us because it demeans the peoples of Southeast Asia. The decent, the self respecting, the independent in Southeast Asia will resent the implication that they can be bought.

The argument that we must outbid the Russians is as invalid as the demand that aid be limited only to those who agree with us in every instance or who speak the words which flatter us. Has this country so departed from its basic principles, have its citizens so forgotten their training from earliest childhood that we would make generosity contingent upon a groveling gratitude? I do not think we have, but sometimes those who speak of these matters make it sound as though we have.

If competition with the Russians is not the sole criterion for aid programs, neither is an absolute alinement with us or an adoration of us—real or professed—the criterion. Policies change. Leaders go on, at most, for a lifetime. The real interests of this Nation—interests which Members of the Senate must consider and safeguard—are more enduring than that brief span.

In these terms, the criteria of any aid program is: Does it serve our interests by alining itself with the desires of the peoples of Southeast Asia for national independence, for material progress, and for responsible and humane government? Regardless how amiable the recipients, it does not serve our interests if it encourages dependence rather than independence; if it becomes a means for irresponsible governments to become increasingly irresponsible.

In general, I believe rational programs of technical assistance, of this Government and/or the United Nations, administered without political strings, serve the long-range interests of this Government. Congress sponsored that type of activity when it established the technical assistance program in 1950. It is the only type of long-range continuing grant aid which Congress has ever endorsed.

With respect to other aid programs, however, it seems to me that each situation must be judged on its merits as it arises. In certain cases, as in South Vietnam for example, where a difficult economic transition is being made under constant Communist pressure, additional assistance may be warranted in our own interests. Such aid programs, however, must be clearly designed to achieve a given purpose over a set period of time. They should not carry an implication of a continuing, general commitment by this country.

If other foreign assistance in economic development is required by Southeast Asia beyond that which is now available through existing credit facilities, then it seems to me preferable that it be financed by long-term loans of the most generous terms, rather than as grants. Loans carry no implication of dependency, and I believe the Southeast Asian nations would prefer them to grants. It is strange, to say the least, that the agitation for grants seems to arise more in the executive branch in this country than in Southeast Asia itself.

I should like to turn now to one other question before concluding. The contention is often made that we must increase not only our military and nonmilitary aid, but also our so-called psychological activity. I am not sure that I understand precisely what increasing psychological activity means, but I assume it has something to do with multiplying the output of words printed or spoken, since the United States Information Agency is seeking $50 million in additional appropriations, or a 57-percent increase, over the current year. It would be interesting to know how many additional words can be produced for that sum.

Some years ago the able Senator from Arkansas [Mr. FULBRIGHT] and the able Senator from Iowa [Mr. HICKENLOOPER] headed an investigation of this program which helped to reorganize it on a sound and reasonable basis. It appears now that the administration desires to return it to a basis of sound and fury.

There is a place for an intelligent information and exchange program in supporting and disseminating the foreign policies of this Nation in Southeast Asia. The Fulbright program and the Smith-Mundt program for the exchange of persons, for example, are a credit to this Nation and to the farsightedness of the Senators whose names they bear. The American libraries abroad, which the Senator from Iowa [Mr. HICKENLOOPER] did so much to safeguard and improve, provide valuable services for the country and its commerce and other relations with these countries. I am sure there is even a place for radio and press and other modern information services in supporting American policies, provided they are handled with intelligence and restraint.

There is no place for any information program, however, regardless of its intent, which suggests, by its very magnitude, a cultural offensive on the part of this Nation. To those who would say that we should do more in this connection, I can only reply that, in my opinion, what we are already doing comes perilously close to the border of excess. Our desire to make them know is understandable, but in the process we must not cheapen the finest ideals and the deepest beliefs of this Nation.

I ask the Members to consider for a moment certain questions which I believe will make this clear. What would be the reaction in your State, Mr. President, or in mine to occasional visits of Buddhist priests from Cambodia to study at our universities? I think we would be honored by such visits, and would welcome them, if the visitors lived, as they would, simply and unassumingly in our midst. I should think we would react the same way if they maintained in our midst a small library to which Americans could go to study life and culture in their country. The examples could be multiplied, but what I am trying to make clear is that there could be a real utility, an enrichment of our life by activities of that kind, and that most of us would welcome it.

But suppose, Mr. President, 20 or 30 Cambodians descended on your State with printing presses, radios, and the other paraphernalia of modern communications. Suppose they subjected the people of your State, day after day, month after month, and year after year to an unceasing flow of words on the virtues of Cambodian life and the evils of some other way. You might agree, I am sure, that Cambodian life was indeed virtuous. But I also believe that you would begin to wonder why these Cambodians had come to your State, and after a while you would begin to wonder when they were going home. Should we assume that Cambodians, Burmese, or any other peoples will act any differently to the presence in their midst of a substantial body of foreigners or of an offensive of words, whether it comes from the United States, Soviet Russia, or any other country?

To those who would say that this is a cheap way to stop communism, I can only reply there is no cheap way, nor is there even an expensive way in Southeast Asia, if it depends primarily on the initiative and energy of this country.

No country in that region or any other region will avoid totalitarianism primarily through our efforts. Nations find freedom because they have the will to freedom and the native leaders to guide them effectively toward its promise. We delude ourselves if we believe that we can substitute either for that will or that leadership. We will do more harm than good if in Southeast Asia we seek to supply our words and our deeds for the words and deeds that must come only from the peoples directly involved.

Mr. President, I have completed my review of the Southeast Asian situation. I should like now merely to summarize the conclusions, in terms of our policies, to which this review has led me.

First. The United States should make clear that it stands solidly behind our present obligations under the Southeast Asia defense treaty. At the same time, however, we should also make clear that we are always prepared to consider a reduction in our role in the defense of that area under certain conditions. The conditions are either a recession in the totalitarian threat to Southeast Asia, or the strengthening of its defenses by the accession of nations more directly concerned to the treaty, or by other defensive arrangements.

Second. The executive branch should make a careful reexamination of the premises under which it dispenses military aid. It must bring into its calculations, more emphatically than it has in the past, such factors as genuine need and the capacity of recipient governments in terms of their defense and the degree of responsibility which they show to their own peoples.

Further, the executive branch should report as fully as possible to the American people on the extent to which American equipment has fallen into the hands of the Communists in Asia. If it fails to do so in the near future, then the appropriate committees of Congress might well consider a complete investigation of this matter.

Third. Nonmilitary grant aid as a permanent element of American foreign policy should be limited, as was intended by Congress, to the technical assistance or the point 4 program. If the executive branch presents a prospectus for a useful and effective expansion of this program—and I am not at all sure that this is possible—then I believe Congress should give it sympathetic consideration.

Large-scale grants of economic aid to any country, when necessitated by unusual circumstances, however, should be considered individually on their own merits by the Congress.

If the Southeast Asian and other underdeveloped countries seek long-range aid for economic development unavailable through existing sources, such aid should be considered so far as possible for whole regions, and on the basis of repayable credits of the most generous terms. The executive branch should present specific proposals in this connection and should not seek a permanent blank check which reveals little of the extent to which this country might be committed without the clear understanding of the American people and the consent of the Senate and Congress as a whole.

Mr. O'MAHONEY. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Montana yield to the Senator from Wyoming?

Mr. MANSFIELD. I am glad to yield.

AMERICA SEEKS FREEDOM, NOT EXPLOITATION

Mr. O'MAHONEY. I wish to express my personal appreciation of the address the Senator from Montana has just made to this body. I think it is worthy of the most earnest attention by all Members of Congress, by the President, by the State Department, and by the public. I wish it could be given the space it deserves in the press. This expression of fundamental American principles which the Senator from Montana has made is one which sadly needs continuous repetition in this critical hour of international relations.

As I understood his remarks, the Senator from Montana has set forth the sound principle that American foreign policy should be directed at the main objective of helping other peoples who desire freedom to help themselves, and not of making them or seeming to make them the instruments of any selfish policy of our own.

America has no selfish policy with respect to foreign nations. America does not seek any conquest. America does not seek to subjugate any people anywhere in the world. America does not seek to determine the sort of government that any people may choose for themselves. We want them to be free, both politically and economically.

Under our basic principles, America stands for the freedom of individual citizens everywhere in the world. We want them to be free to govern themselves, without regard to any incidental benefit which we or other peoples may derive from aiding them to achieve that goal.

America stands for free government, not for colonialism or totalitarianism. What we give, we give with our hearts and not for the purpose of exploitation. So I am greatly appreciative of what the Senator from Montana has said.

Mr. MANSFIELD. Mr. President, let me say to my oldtime friend, the distinguished Senator from Wyoming, that I appreciate his remarks. I wish to say that what he has just stated has been better stated than in my speech, because he hewed to the lines of the old Wilsonian principles, and they are still sound.

Mr. HUMPHREY. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to join the Senator from Wyoming in his very appropriate and fitting commendation of the address which has just been delivered by the Senator from Montana.

I should like to ask the Senator from Montana a question, which I am sure he will be able to answer. I am interested in ascertaining whether he has any information regarding the comparative size of the official Soviet groups in Southeast Asia, in contrast with the size and numbers of United States missions there. In other words, are we doing more in Thailand, let us say, than the Russians are—or in any of the other countries of Southeast Asia? Can the Senator from Montana enlighten us on that point?

Mr. MANSFIELD. Let me say to the distinguished Senator from Minnesota that I do have those figures, and I considered putting them in the RECORD. I am delighted that he has brought the matter to the attention of the Senate. It was quite difficult to obtain the figures, but finally we were able to arrive at a fairly close approximation:

In Cambodia, the United States has 61 people; the Soviet Union has none.

In Laos, the United States has 33 people; the Soviet Union has none.

In Vietnam, the United States has 246 people; the Soviet Union has none.

In Indonesia, the United States has 154 people; the Soviet Union has 35.

In the Philippines, the United States has 399 people; the Soviet Union has none.

In Thailand, the United States has 196 people; the Soviet Union has 30.

In Burma, the United States has 55 people; the Soviet Union has 32.

Those are the closest possible figures I could obtain; and of course I have corresponding figures in the case of the representatives of the United Kingdom and France in these countries. I think it might be proper for me to ask unanimous consent to have the tabulation printed at this point in the RECORD; and I now so request, Mr. President.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Official representatives of foreign governments stationed in certain Southeast Asian countries

Country of origin	Country in which stationed						
	Cambodia	Laos	Vietnam	Indonesia	Philippines	Thailand	Burma
United States [1]	61	33	246	154	399	196	55
U. S. S. R.	0	0	0	35	0	30	[2] 32
United Kingdom	10	10	26	36	9	20	31
France	[3]	[4] 16	[5]	10	4	0	6

[1] United States figures do not include military aid mission personnel.
[2] Figures as of summer 1955; an increase may occur shortly in connection with economic activities.
[3] The French diplomatic mission in Cambodia is somewhat larger than in Laos but the exact figure is not known. There are over 400 French military personnel in Cambodia.
[4] Diplomatic only; some 2,000 French military are in the country.
[5] The French are in the process of removing officials who formerly served in the Vietnamese administration. "Several hundred" civilians remain and some 10,000 military.

LUTHERAN STATEMENT ON COLONIALISM

Mr. HUMPHREY. Mr. President, I hesitate to take the floor at this time, following the splendid address which has just been delivered by the distinguished Senator from Montana [Mr. MANSFIELD].

However, there is a matter which recently was brought to my attention as a result of a conference being held in the Midwest, in my home city of Minneapolis. I should like to call the attention of the Senate to a resolution adopted by the National Lutheran Council, meeting in Minneapolis, Minn., February 11, 1956. The resolution asks the United States Government to follow a "clear and unequivocal policy on the issue of colonialism." The resolution points out something which I have repeatedly emphasized on this floor, namely, that our country's "traditions and policies" have been historically overwhelmingly weighted against colonialism.

The delegates to the National Lutheran Council accurately recognized one of the increasing deficiencies in the present conduct of our foreign policy. Their resolution states:

> The voting record of the United States of America delegates to the United Nations has been interpreted by many, especially among the peoples of Africa and Asia, to indicate a change in the opinion of the people of the United States of America regarding colonialism.

THE GOA QUESTION

The National Lutheran Council resolution declares quite correctly, Mr. President, that peoples overseas have interpreted recent official American statements and acts as suggesting a change in our traditional anticolonial attitudes. There is no question that one well-known case in point was the Secretary of State's unfortunate comment on Goa, issued in a joint communique with the Portuguese Foreign Minister on December 2, 1955.

I should like to add that the comments which have come from some of our officials with reference to other colonial

questions have also been subject to misinterpretation—or, perhaps I should say, subject to a rising sense of misunderstanding by the people of other countries. I should call to the attention of the Senate, in particular, to the fact that the sort of "hands off" attitude which our Government has expressed on the issue of Cyprus, for example, has surely not stood us too well amongst some very fine and noble people, such as those of Greece.

The situation relating to Cyprus, as I understand it, and the indecisiveness of our own position, or the apparent lack of clarity of our own position, have caused a rise of anti-American feeling in Greece which is anything but encouraging and satisfying to us. As a matter of fact, it is a new dimension in our relationships with the Kingdom of Greece.

Mr. President, I do not wish to stir up the smouldering ashes of a controversy which occurred 2 months ago—a controversy which has been succeeded by the Secretary of State's even greater indiscretion in Life magazine last month. I would not raise the Goa question again, except for two facts.

The first is that yesterday we had ample proof that the resentment over the Secretary of State's Goa position is still a burning question in India. The President of India took the high state occasion of the opening of the Indian Parliament to protest Mr. Dulles' behavior once more. He did it in specific, direct, and personal terms. I shall return to the President's speech in a moment.

The second reason I mention the Goa controversy again is a more curious one. While Mr. Dulles' Goa remarks continue to be important enough for Presidential comment in India, there is apparently little understanding of the significance of this issue among some of us here. I refer to the insertion on page 1343 of the CONGRESSIONAL RECORD of January 26, 1956, of Mr. Dulles' original Goa statement, accompanied by certain absolving remarks from the senior Senator from Wisconsin [Mr. WILEY]. It was said on this floor, for example, that—

> The Secretary of State made a justifiable statement on that occasion. I am sure that he had no intention of offending the Indian people or Government. A fair reading of his statement supports that view.

Mr. President, we are not concerned with what the Secretary intended. I do not impugn his motives. We are concerned with what he did. The adverse Indian reaction to his Goa statement was perfectly predictable, even before the dispatches reach us from New Delhi. Whatever his intentions, it is Mr. Dulles' function as Secretary of State, to avoid unnecessarily and heedlessly irritating the delicate balance of opinion in the uncommitted countries of Asia. On this occasion, as on others, Mr. Dulles showed that he failed to grasp the exceedingly important psychological dimensions of the conduct of diplomacy.

I note that one emphasis of the very fine address of the junior Senator from Montana [Mr. MANSFIELD] was on this very point; namely, the manner of the conduct of our foreign policy, the psychological dimensions of the conduct of our diplomacy. It is not only what we do, but how we do it. It is not only what we provide in terms of economic and military assistance, but the manner in which such provision is afforded to others.

The remarks of the Indian President yesterday, 2 months after the event, show just how serious the repercussions have been. I read from an article from New Delhi appearing in this morning's New York Times:

INDIA'S PRESIDENT CRITICIZES DULLES—DECRIES VIEW ON GOA VOICED BY SECRETARY, WHO IS GOING TO NEW DELHI NEXT MONTH

(By A. M. Rosenthal)

NEW DELHI, INDIA, February 15.—The President of India criticized John Foster Dulles today, less than a month before the Secretary of State was scheduled to visit here.

Dr. Rajendra Prasad, 71-year-old first President of the Indian Republic, said his Government deeply regretted a statement by Mr. Dulles last December that Goa, on India's west coast, was a Portuguese "province."

Dr. Prasad, opening the 12th session of the Indian Parliament, said Mr. Dulles' statement carried the "further implication" that Portuguese "conquests" in India were an integral part of Portugal.

Mr. Dulles has explained that the United States was not abandoning its neutral position on the controversy over Goa, which the Indians want to see incorporated into the republic. The Indians say that Mr. Dulles, as an international lawyer, must have known that calling a territory a province implied that it could not be separated from the motherland.

The fact that Dr. Prasad mentioned the statement in his speech was interpreted as a move by the Indian Government to underscore its ire at Mr. Dulles' remark. The President's speech to Parliament is always the work of the Cabinet, and in foreign affairs that means Prime Minister Jawaharlal Nehru.

DETERIORATION IN AFFAIRS

Mr. Dulles is scheduled to arrive in New Delhi March 9, after the meeting in Karachi of the Southeast Asia Collective Defense Treaty Organization. There was little in the President's speech to indicate that Mr. Dulles would have a particularly happy time here politically. In fact, it was one more demonstration of how little common ground exists between the United States and India on major international issues.

The President, who spoke first in Hindi and then in English, said that there had been a deterioration in world affairs after the progress made at the Geneva conferences of the heads of government and foreign ministers of the United States, Britain, France, and the Soviet Union. He made it plain that India believed this deterioration could be traced to the West's network of military alliances, including SEATO, as the Asian defense treaty has been designated.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a chronology of press commentary during the period December 2 to 8, immediately following the issuance of the GOA statement. I have had this chronology especially prepared in my office.

There being no objection, the chronology was ordered to be printed in the RECORD, as follows:

December 2, 1955: Communique issued by Dulles and Dr. Paulo Cunha, Portuguese Minister of Foreign Affairs. The statement concluded:

"Various statements attributed to Soviet rulers visiting in Asia, which included references to the policies of Western Powers in the Far East and allegations concerning the Portuguese provinces in the Far East, were discussed by the two Foreign Ministers."

This was put in the context of "an atmosphere of excellent understanding" between Dulles and Cunha and "the strengthening of Portuguese-American relations."

(The statement went on to deplore Soviet fomenting of hatred between East and West.)

This statement was made while questions were beginning to be asked in the Indian press about the blatant abuse of Indian hospitality being exhibited by the Russian leaders, whose visit to India had been regarded as otherwise a smashing diplomatic success.

There are two issues which excite Indian emotions today above all others—Goa and Kashmir. The Russians had already spoken out on Goa, calling its rule by Portugal a "shame to civilization" (Bulganin), and "an insect feeding on human blood" (Khrushchev). They were about to make statements affirmatively supporting India's position on Kashmir as well.

December 4, 1955: Outburst of indignation over the Dulles-Cunha statement reported from New Delhi.

Dispatches spoke of—

"The Dulles statement may become an international issue after its full implications have been studied" (Reuters).

"Undercutting of John Sherman Cooper, who has recently stated that the United States takes no position in regard to Goa" (United Press).

"Shocked surprise" (Reuters).

"Portugal can easily regard the Dulles statement as support to its contention that Goa is an integral part of the mother country, a Province" (Reuters).

"India was drawing up tonight an angry protest" (New York Times).

"New Delhi is stunned" (New York Times).

"The reaction in the United States and other Western circles (in India) was one of shock. The general attitude was that the Dulles statement had cut the ground from under Ambassador Cooper's campaign to convince the Indians the United States has not taken sides in the controversy over Goa" (New York Times).

"The Dulles-Cunha statement might have wiped out whatever benefits the West might have hoped to salvage from the Soviet leaders' tour of India. * * * The general opinion in American circles (in Delhi) was that the State Department had been briefed by its embassy in New Delhi on the emotional importance of Goa in India and that the decision to make a joint Portuguese-United States statement calling Goa a Portuguese 'province,' must have been made in full knowledge of the furious reaction it would arouse in India" (New York Times).

December 5, 1955: Indian newspapers describe Dulles' action as "diplomacy at its worst." His selection of time, manner, and companion for issuance of a statement on Goa could not have been less imaginative.

WAITING FOR CLARIFICATION

When asked for clarification in his press conference, Mr. Dulles did not retreat. Instead he used legalistic arguments—the kind least likely to impress Indians:

"Question. Mr. Secretary, does this Government regard Goa as a Portuguese province?

"Answer. As far as I know, all the world regards it as a Portuguese Province. It has been Portuguese, I think, for about 400 years.

"Question. Mr. Secretary, did you say 'province' or 'colony?'

"Answer. Province.

"Question. You said that all the world regards it as a Portuguese province. India does not, apparently.

"Answer. I do not think that the Indian Government questions the status of these various portions of territory that are gov-

erned by Portugal as being under Portuguese law 'provinces.'

"Question. Mr. Secretary, did you have any idea that this reference to Portuguese provinces would stir up the tempest that it did in India when you included it in the statement?

"Answer. Well, we did give it very careful consideration. The communique was not lightly issued."

"In India, the Dulles statement is viewed as a major United States blunder" (New York Times).

"Wave of anti-American feeling in India has no precedent."

"There is no question on which the Indians feel more strongly (than Goa)"—"dynamite." (Christian Science Monitor).

"The Indians have hit the ceiling; the biggest story of the day." "Mr. Dulles should have known better—he should have known the Indian reactions to any even indirect mention of Portuguese control of Goa. He should have said nothing rather than something that would infuriate the Indians who can reach the boiling point quicker over Goa than over almost any other subject in the world" (Washington correspondent, Christian Science Monitor).

December 6, 1955: Dulles statement "knocked the props from under American and British hopes to profit eventually from the Bulganin-Khrushchev practice of ignoring Indian neutrality and attacking the West" (Associated Press).

"The word 'provinces' seems to say that the United States accepts the Portuguese contention that Goa is Portuguese beyond recall, though India says it is a colony in Indian territory. If Mr. Dulles has stated the American position on Goa, this is out of line with American attitudes on the whole question of colonialism. And no less out of line with Mr. Dulles' own belief that the United States must take a vigorous stand on behalf of self-government even against the wishes of some of its most valued allies." "Surely the provincial status of Goa, where about 1,450 non-Indians, including Europeans of Portuguese descent, live among 640,000 people of purely Indian origin, is open to question no matter how long Portugal has kept its footing there" (Christian Science Monitor editorial).

"Dulles may have given the Soviets a fresh propaganda weapon by his recent statement on Portuguese Goa" (Calcutta, Associated Press).

"He (Dulles) was given every chance to modify or qualify his statement on Portuguese Goa that so infuriated the Indians. Instead he stood firm. He didn't back down a single inch from his previous position. Some of his aids shudder to think what India's reaction to Mr. Dulles' latest statement will be. * * * His 'claiming words,' however precise legally, have only aroused the Indians to fever pitch—for to them Goa is not a legal problem at all, but an emotional one greater than any other" (Christian Science Monitor staff correspondent).

"Nehru told Parliament in Delhi that the Dulles statement 'is a matter of far-reaching consequences'" (New York Times).

"There could be no doubt about the deep embarrassment felt at the highest levels in the (State) Department. Those officials who would discuss the matter conceded that publication of the statement had been a serious miscalculation" (New York Times).

The Hindustan Standard said that in "a major blunder of United States foreign policy," Mr. Dulles had decided to squander the good will and affection of the Indian people.

"Officials at the State Department said that the Dulles-Cunha statement had not been cleared with Ambassador Cooper before it was issued, but it had been cleared with top officials of both the European and Middle East, African, South Asian divisions of the State Department."

December 7, 1955: A formal protest has been drawn up in India, and Ambassador Cooper has seen Foreign Secretary Subimal Dutt twice to discuss the "storm over Goa" (New York Times).

Bombay Free Press Journal terms the Dulles reference "odious" and "an unabashed espousal of colonialism."

Lucknow National Herald declared that "if the United States is ganging up with Portugal, we should know it."

"Indians regard Moscow as an ally in the Goa case and the United States as leaning toward Portugal, no matter what diplomats say" (New York Times).

December 8, 1955: Bombay (Reuters): Police arrested anti-American demonstration leaders protesting against the Dulles statement. American consulate in Bombay was heavily guarded by armed police.

Influential Times, of India, today accused Dulles of "monolithic stupidity" and of committing "a gaff which it is difficult to conceive of even a village idiot perpetrating. If ever the cloven hoof of colonialism peeped out of an official statement, it is in the unfortunate declaration to which Mr. Dulles lent his name. Mr. Dulles has done exactly what Bulganin and Khrushchev contrived he do, and he blundered into the trap they cleverly laid for him."

"Undoubtedly (Dulles) created difficulties for Ambassador Cooper, who has been making every effort to establish the fact that the United States is not taking sides" (New York Herald Tribune).

"If the Secretary of State intended to assuage Indian feelings, his choice of language was not exactly felicitous. * * * Is it not time for this country to take the lead in attempting to persuade both India and Portugal to refer the Goan problem to the United Nations for a plebiscite that will take account of the wishes of the Goan people themselves?" (Washington Post, editorial).

Dulles has made "a serious mistake" on Goa. "Mr. Dulles agreed to a joint communique which to all appearances placed him on the Portuguese side. That will do Portugal no particular good, and it has angered India. The net result it would seem will be to disqualify Mr. Dulles as a conciliator in the Portuguese-Indian dispute" (Walter Lippmann.)

Mr. HUMPHREY. Mr. President, on December 8, 1955, there appeared in the Hindu, of Madras, one of the most respected independent newspapers in India, an editorial stating the Indian position. I ask that its full text be reprinted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

There were a few statements among those made by the Soviet leaders during their tour of India, to which the Western Powers could have taken exception. But the Soviet leaders' characteristically forceful criticism of the continuance of colonialism in certain parts of Asia was certainly not one of them. In reference to Goa, Mr. Bulganin said that there is no justification for the Portuguese colony of Goa to exist still on the ancient territory of India. It is a shame on civilized people. One could understand Portugal smarting under this plain speaking, but the Soviet Prime Minister was not saying anything which has not already been recognized as correct by enlightened public opinion throughout the world. It is unfortunate that Mr. John Foster Dulles, United States Secretary of State, should have persuaded himself to join the Portuguese Foreign Minister in issuing a statement capable of being interpreted as lending countenance to the continuance of colonialism in a camouflaged form. When the first brief summary of the joint communique was received in this country, it naturally created a furore because it appeared to represent a major shift in American policy in which India was vitally interested. But our Prime Minister very properly told Parliament that he would await an authoritative confirmation and clarification of the statement by the American Secretary before going further into the matter. Since then the text of the joint statement has been published and Mr. Dulles has elaborated on the point in the course of a press conference.

WHERE WAS THE NEED?

Mr. Dulles has explained that he did not take or attempt to take a position in the matter. This was in reply to a question whether he was attempting (in the joint communique) to give the support of the United States to the Portuguese position in the controversy with India. Then where was the need for his specific reference to Goa and Macao? Mr. Dulles' reply was that it was primarily "a statement directed against the use of hatred and prejudice and against the intervention of those elements into a situation which needed to be dealt with in a spirit of calm." According to Mr. Dulles, "the allegations of the Soviet leaders concerning the Portuguese Provinces in the Far East" were calculated to introduce an atmosphere of hatred and prejudice and so he thought it was appropriate to make some comment against it. But we cannot see that the only statement made by the Soviet Prime Minister on this point is susceptible of this interpretation. It is a kind of statement which anybody who is convinced of India's case in Goa would make without being guilty of incitement to hatred. There is no evidence that Indian opinion has been particularly inflamed by the Soviet leader's statement on the subject. If anything was calculated to do so, it is the brutality of Portuguese administration in Goa and the barbarity of its methods in suppressing the freedom movement in that territory. If Mr. Dulles was anxious for a calm and peaceful settlement of the problem, he should have been more concerned with advising Portugal to stop these atrocities and take the path of negotiation. As it was, the Portuguese Foreign Minister was so elated by the wording of the joint communique that he went straight to the American Press Club and bragged about defending ourselves by force.

INDIA'S ONLY INTEREST

The only question in which India is mildly interested is whether these latest statements by Mr. Dulles add up to any change in the attitude of the United States of America to the question of Goa from the one authoritatively expounded on previous occasions. It has never been this country's understanding that the United States had supported Portugal's claims in Goa and this impression has been confirmed by the American Ambassador's various statements to the press in recent months. Mr. Dulles' reference to Goa as a Portuguese Province has been widely interpreted as implying that America does not regard Goa as a colony, but as an integral part of Portugal. But his categorical statement that Goa was definitely outside the scope of the North Atlantic Treaty Organization suggests that Portugal cannot expect to be helped militarily to hold on to Goa.

AN UNEASY FEELING

This is good so far as it goes. But the fact remains that the whole episode, beginning with the joint communique, has created an uneasy feeling that the United States is resiling from her traditional anticolonial policy. Greater would be the pity if this were so, merely as a reaction to the fact that the Soviet bloc also is proclaiming its opposition to colonalism in Asia from the housetops.

ONLY THE LABEL HAS CHANGED

Goan leaders in Bombay have reacted to the stand taken by Secretary of State Dulles

in his recent joint communique with Dr. Cunha, the Portuguese Foreign Minister. Mr. T. B. Cunha, Chairman of the Goa Action Committee, said in Bombay in December 8, "It was on the basis of a simple legislative trick played by the Portuguese in 1953 that the Portuguese Foreign Minister claims that Goa was a Portuguese province and Mr. Dulles wants to prove that he is not in favor of colonialism.

He said that the basic law ruling all Portuguese possessions in Asia and in Africa was still the Colonial Act of Dr. Salazar. Article II of this act says "It belongs to the organic essence of the Portuguese Nation to fulfill the historic mission of possessing and colonising overseas dominions, of civilizing native populations which are comprised therein and using all moral influence which is granted to them by the patronage of the East."

Mr. Cunha added: "In 1953 a simple legislative trick was played to conceal the retrograde colonial doctrine" to counter India's charge of colonialism against Portugal in relation with Goa.

The title of the Colonial Act was removed and the whole law was integrated into the Portuguese Constitution. He said the words "colonies" and "colonial" were replaced by "overseas provinces," thus the label was changed but the contents of the bottle remained the same.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD four additional items from the American press, summarizing the Goa incident. One is a dispatch to the New York Times, one a letter to the Washington Post, and two are articles in the New York Post.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times]

GOA ISSUE A WINDFALL FOR RUSSIANS IN INDIA—SOVIET LEADERS CONSIDERED FRIENDS WHILE DULLES AROUSES ASIAN IRE

(By A. M. Rosenthal)

NEW DELHI, December 10.—Perhaps there is not an enormous amount the West can do now about reconciling independence pressures, Soviet propaganda, and security demands. But there are other issues that do not involve military security which have been handled in such a way in Washington as to make our enemies merry and our friends desolate. Take the case of Goa.

For more than 400 years Portugal has ruled this tiny colony on the west coast of India. The British have left the Indian subcontinent. The French have left it. Indians will not rest easy in their national pride until Portugal leaves it.

For the past 2 years, while emotions over Goa rose, the United States has studiously maintained a neutral attitude. Then, 10 days ago, Secretary of State Dulles issued a statement.

The statement, also signed by Portuguese Foreign Minister Cunha, criticized the Russian leaders for their violently worded denunciations of Portuguese rule in India—that seemed to be the main purpose. So far as India is concerned there were a number of things wrong with that statement.

INDIAN RESENTMENT

For one thing, Indians resent the fact that Mr. Dulles issued a statement concerning India with the Portuguese Foreign Minister as cosignor. It is true that Prime Minister Nehru has no compunctions about issuing statements jointly with our opponents. But part of the price of being a democratic big power is that you have to tread very carefully.

Even more unpalatable from the Indian point of view was that the statement referred to the Portuguese "provinces" in India. To say a territory is a province carries the implication that it is part of the motherland and so not a matter for international dispute.

Indians prepared a stiff protest to the United States and if it is not delivered it will only be because harried United States Ambassador John Sherman Cooper has been working day and night to smooth things over. But the political damage is done.

The Dulles statement has been violently denounced by the press of India, Singapore, Burma, and Ceylon. They are calling it one of the great diplomatic blunders of modern history. And the Western community in New Delhi agrees. Western opinion here is that the Secretary of State committed the cardinal diplomatic error of risking much for little or no chance of gain.

This is not just a tempest in a little local teacup stirred up by "anti-Americans." Said the Times of India, a paper regarded by some Government officials as much too kind toward the United States:

"If Goa and Macao are provinces so presumably are Latvia and Estonia. If it is not colonialism for a foreign country to hold Goa and Macao then it cannot be imperialism for Russia to dominate Rumania and Czechoslovakia. Is Soviet imperialism then a myth and not the reality which Washington has so far portrayed it as being?"

WORSE EFFECT CLAIMED

The Times of India article, written by its editor, said the Dulles-Cunha statement would have an even worse effect on Indo-American relations than United States military aid to Pakistan.

"Such a gesture can only imply that Washington is writing off India from the democratic slate," said the article.

If that statement were true and the United States had written off India, it would be a momentous matter and should be examined publicly and carefully. The fact that it is not true loses much of its significance because so many Indians believe it is true.

[From the Washington Post]

MR. DULLES AND GOA

I have been a close student of American history and have admired the traditions of democracy and of individual freedom in this land. It was, therefore, with a shock that I read the joint communique of the Secretary of State, Mr. Dulles, and the Portuguese Foreign Minister, Dr. Paulo Cunha.

It is difficult to believe that the official representative of a country which itself fought colonialism to achieve independence and which has proclaimed its adherence to the principles of national freedom and self-determination should subscribe to a statement which virtually underwrites Portuguese colonialism. It was only in July last that the Congress adopted a resolution against colonialism which received the commendation of the President.

The Secretary of State himself, speaking at Seattle in June last year, declared that this country was against colonialism and yet in that joint communique Mr. Dulles has agreed to describe Portuguese possessions and colonies in Asia (including those on the mainland of India) as Portuguese provinces. In his reply at the press conference on December 6, the Secretary of State said that "all the world regards Goa as a Portuguese province."

Surely, not all the world. Apart from India, countries like Burma and Ceylon as well as several other Asian countries refuse to recognize these as Portuguese provinces. Indeed, until 1951, Portuguese possessions in India were not called provinces at all but were governed under the Portuguese Colonial Act and it is inaccurate to state that they have been Portuguese provinces for 400 years.

Besides, does occupation for centuries sanctify a wrong? If the mighty British Empire could walk out of India, by what moral law by which Mr. Dulles always swears does Portugal hold on to its possessions? France, which had also possessions on the mainland of India for nearly two centuries, withdrew with mutual good will and by agreement.

It is well known by now that nearly 64 percent of the people of Goa are Hindus. It is well known also that there are no civil liberties in Goa and the local national movement is held down by force of arms. At the least, why does not Portugal talk over this matter with India when India's offer to negotiate has been open? Would Portugal agree to a plebiscite under international supervision which is advocated for Indochina and Kashmir?

British members of Parliament have suggested recently that there should be some mediation on this question, but mediation is impossible when one side refuses even to talk. Prime Minister Nehru did not need any advice from outside about the need for peaceful settlement; it is a settled policy of the Indian Government to do so and they have placed a ban on the entry of Indians into Goa even at the risk of unpopularity.

There have been protests and not without justification that the Soviet leaders have abused India's hospitality during their visit and have made vitriolic attacks on Western countries. But by the same standards, has not the United States allowed the Portuguese foreign minister to abuse American hospitality in getting the Secretary of State to adopt a partisan attitude?

Reports from India show that the Russian leaders overplayed their hand and there has been embarrassment and concern even in Indian official circles at the speeches of Mr. Khrushchev. The Indian press reactions are there for anyone to see. Indeed, Prime Minister Nehru took every opportunity to assert publicly and in the presence of the Russian visitors that India was in no camp and that India wanted to maintain friendly relations with other countries and did not believe in criticizing them.

Apart from the fact that the United States will now be taken as having lined up with the reactionary policy of Portugal, the joint communique was most inopportune in that it has directly played into the hands of the Russian leaders, who will use it as a trump card for their propaganda against American support of colonial regimes while professing anticolonialism. It is true not merely of Soviet Russia but of all countries, including the United States and India, that deeds are more important than words.

BHAGWAT PRASAD SINGH.

WASHINGTON.

[From the New York Post]

THE GOA BLUNDER—I

(By William Richardson)

The British nomenclature which makes a wireless out of a radio, a tube out of a subway, a lorry out of a truck, and a truck out of a railway boxcar, also has its especially descriptive word for newspaper clippings, those carefully collected tatters of yellowing newsprint which are the currency of the famous. The British call them cuttings.

It is hereby suggested that the clipping service of the State Department adopt the usage of the Queen's English on the subject.

For the clippings, which must be flowing back to the State Department this week from Europe and India—that is, if any diplomatic representatives had the courage to clip and mail them—are not just clippings. They are as cutting as they can be, as sharp as a razor and twice as keen. They are so dangerously sharp a man could cut his career on one of them, with almost mortal results. And in the hands of the political opposition they might be judged a "deadly weapon" and come under whatever clause of the Sullivan

law which deals with sharp-edged instruments.

In case the lethal cuttings were mailed back to the State Department, and in case they were pasted without casualty in Mr. John Foster Dulles' library of scrapbooks (another unfortunate phrase which arose out of the habit of Victorian ladies for pasting sentimental wisps of hair and textiles in a book of "scraps"), the folio might be entitled "Mr. Dulles' Big Mistake."

That is what the Manchester Guardian entitled the episode with an astonishing lapse of accuracy for one of the most accurate of newspapers. Any copyreader or subeditor who could translate the plurality of Mr. Dulles' mistakes into the singular is either an optimist or a British Republican.

The storm of controversy was over Mr. Dulles' joint statement with Portuguese Foreign Minister Dr. Cunha on the state of the contested Portuguese colony on Goa in India. If you will remember, Mr. Dulles, with a Biblical Ruth-like devotion to colonialism, said to our NATO partner, Dr. Cunha, and then to the world, something like "Whither thou goest will I Goa." (That is only an approximate translation.)

What prompted this astonishing statement was the fact that Russia's Nikita Khrushchev, touring India with Marshal Bulganin, had indicated rather strongly that he believed in India's claim to the Portuguese colony. Thus, in Indian eyes, what had been merely a two-ring traveling circus by those Marxist brothers became a three-ring festival when Dulles, dressed in political tights as usual, stepped into the sawdust of this arena from which a performing British lion had recently retreated with catlike grace and forethought.

Said the Times of India:

"What Bulganin and Khrushchev have been attempting to do in a strenuous whirlwind tour of India and Burma through a series of carefully worked out speeches Mr. Dulles has succeeded in achieving from an armchair in Washington. Indeed, if Bulganin and Khrushchev were seeking an ally to foster their plan (to foment trouble between East and West), they have found one in a totally unexpected quarter."

The Times of India compared Mr. Dulles to a donkey, a metaphor which will not be at all appreciated by American Democrats; but, then, they must remember that the elephant is a hard-working beast more sacred in that part of the world than in that strange and fabled land labeled "GOP" on the maps of political geography. The Manchester Guardian, however, reported from Bombay that "many a harassed American diplomatist in India today" would agree with the donkey-image.

Pointing out that even the British, who have been Portugal's ally for hundreds of years, hadn't gone to the lengths that Dulles did, the Times of India said a British Minister's statement dismissing the Khrushchev-Bulganin circus as "childish nonsense" made more sense than Dulles' inflammatory statement about the virtues of colonialism.

But the Indian reaction, described as an almost traumatic wound, is not, observers here believe, the most damaging aspect. This was one more object lesson pointing up one of the major goals of the Russian southward expansionism through the Moslem world and India. The strategic formula here, to paraphrase Lenin, would be that the road to dividing Britain and America lies through Delhi.

And so this week the newspaper clippings and the "cuttings" flowed into London with their alarms. One of the most telling was from the New Statesman and Nation, which quoted New York Post Columnist Theodore Kaghan as saying: "The genius that John Foster Dulles has for louing up American foreign affairs has never shone more brilliantly than it shines today in Asia, where the United States-Portuguese statement * * * once again clinches our association with the evil of colonialism and undoes countless man-hours of patient labor on the part of the United States Foreign Service." The New Statesman added:

"Mr. Dulles just had to prove Mr. Khrushchev right."

THE GOA BLUNDER—II

(By William Richardson)

When Mr. Dulles first made his joint statement with Portuguese Foreign Minister Dr. Cunha on the status of the Portuguese colony of Goa in India, it attracted little attention in the British press.

Only after a storm of controversy had been stirred up in India did this indorsement of old-fashioned colonialism receive the critical assessment that it was bound to call forth in Britain.

British newspapers saw the statement as being extremely unfortunate because it came at a time when the Russians were exploiting their alleged anticolonialism throughout the Moslem world—from Dakar to Djakarta—and making hay while the sun set on Western influence in the East.

Said the Times of India:

"If ever the cloven hoof of colonialism peeped out of an official statement it is in the unfortunate declaration to which the United States Secretary of State has lent his name."

The newspaper, Hindu, which is noted for its moderation, said Dulles has "dropped a brick" and commented:

"There is no evidence that Indian opinion has been particularly inflamed by the Soviet statement on Goa. If Mr. Dulles was anxious for a calm and peaceful settlement he should have advised Portugal to stop its atrocities and take the path of negotiations. The only question in which India is mildly interested is whether these statements by Mr. Dulles add up to any change in the attitude of the United States to the question of Goa."

Strategically, the tiny Portuguese colony is of little moment to the Western alliance, although it is a valuable source of revenue to the Portuguese who, as a NATO ally, still manage to retain the largest purely colonial system in the world today, if it is taken in ratio to the size and population of the mother country. Portugal itself, with a population of 8,500,000 people living under a benevolent dictatorship in 34,500 square miles controls overseas territories, including Angola, with a population of 4,154,266 in an area of 488,000 square miles; Indian colonies including Goa with a population of 700,000 on 1,500 square miles; Cape Verde Islands with a population of 150,000 in 1,500 square miles; Sao Thome and Principe Island in the Gulf of Guinea with 60,000 in 372 square miles; Portuguese Guinea with 510,000 people in 14,000 square miles; Portuguese East Africa with 6 million people in 297,657 square miles, and Portuguese Timor in Malaya with 442,000 people in 1,600 square miles.

Needless to say, Portuguese currency is the hardest in Europe. So, naturally, the Dulles-Cunha statement extended far beyond the boundaries either of India or Britain. It reverberated through the entire colonial areas of the world.

This cut right across the search in America for a New Look in America foreign policy, although colonials are not sure whether it is a new look or a new blindness. In the past 3 months, since Russia moved into the Moslem world with guns and rubles, it has been clear to strategists that the new strategic center of gravity would be today in the Moslem girdle, tomorrow in Africa, and the colonial areas of the Western Hemisphere.

The Goa statement fell strangely from the lips, or secretarial typewriter, of the Secretary of State, who only last spring was backing the anti-French and anti-Bao Dai revolutionaries in Indochina with the truly colonial-in-the-American-sense observation, "After all, we fought for our independence."

The new policy enunciated by the Goa statement came at a most inopportune time. It coincided almost exactly with the United States Strategic Air Command's fears, as expressed by the Alsop brothers in their column, that our bases for the 36-hour atom defense of the West were endangered in colonial areas by a nationalism which Mr. Dulles now apparently would stifle.

Mr. HUMPHREY. Mr. President, through diplomatic channels there have been requests from India for a clarification of our position on Goa, and there has been a reply from the State Department. The President of India implied in his speech yesterday that the Indian cabinet cannot be fully satisfied with whatever assurances it has received. I am sure no one who has the best interests of American-Indian friendship at heart can hope for any further prolongation of this controversy.

But can we not derive from this unfortunate experience some lessons for the future conduct of our foreign policy? A lawyer-like attitude toward emotional political questions in Asia, or toward the embarrassing debates of colonial matters in the U. N., can be utterly self-defeating. The Russians are now deliberately conducting their foreign policy and shaping their foreign policy statements to attract the uncommitted peoples of the world in whose hands may lie the future balance of power. Khrushchev said on Tuesday in his speech to the 20th Congress of the Soviet Communist Party, that the third point in his foreign policy program was "to reinforce indefatigably the bond of friendship and cooperation with the republic of India, Burma, Afghanistan, Egypt, Syria, and other states that stand for peace."

Here is a challenge which we cannot avoid. In taking up that challenge let us consider sending some of our best, most representative, articulate spokesmen to Asia. On the diplomatic level, Ambassador Cooper in India is surely one of these.

I wish to compliment Ambassador Cooper for the good work he is doing, and for the very splendid report he made to the Committee on Foreign Relations. His efforts can be supplemented by visits of such men as Walter Reuther, the energetic and exceptional vice president of the AFL-CIO. There are indications that Mr. Reuther will be going to India in the near future. He can be of invaluable help in offsetting the success of the recent Soviet diplomatic achievements there. I hope he will go, and that more like him will follow. This is one way—an important way—for us to redress the balance against us in Asia.

Mr. President, as I conclude my remarks I should like to say it has become more important than ever that a very careful reappraisal and analysis of our foreign policy in the Asian area be made; it is long overdue. We have very disconcerting reports from the Republic of South Korea, for example, as to the manner in which our aid is being used there and as to the dictatorial tendencies of the Syngman Rhee government. There are disconcerting reports also with respect to our economic relationships with

Japan and the growing tension between our country and Japan.

There is also a very disheartening development which is taking place in the Philippines. The Philippine Islands ought to be the showcase of Asian democracy. They ought to have the most careful attention and cooperation on our part. However, as the Senator from Montana [Mr. MANSFIELD], has so well pointed out, we must work with the responsible leadership in the Philippine Islands, and also in other countries, and not try to superimpose our will on the people.

I rose to point out that, as one Senator, I am not satisfied with what I hear about developments in South Korea. I am not pleased with what I hear about the misuse of American economic and military assistance. I am not happy about what I believe is the economic situation in the Philippines. I base that feeling mostly on letters and communications which have come to me.

Furthermore, I believe it is fair to say that our foreign relations with countries in Southeast Asia, as the Senator from Montana has so well pointed out, are at the present time in a much more unhappy state than they have been for many years.

Time seems to be running out in those areas. Strange as it may seem, we find ourselves on the defensive, instead of in a commanding lead and in a position of friendship, in that area of the world. Our relationships with every country in southeast Asia are worthy of our very best diplomatic talent.

It might be very well indeed for the appropriate Senate committees to examine into the appointment of attachés, with respect particularly to the number of commercial attachés, the number of labor attachés, and the number of business and agricultural attachés assigned to the Southeast Asian area of the world.

If we do that, we will make a contribution to American foreign policy. It is the responsibility of all of us to debate the subject of our international relationships responsibly and constructively. Certainly we do not serve the public good, or protect the security of our country, when we close our eyes to obvious realities.

Mr. President, I understand that at the present time the United States has no Ambassador to South Korea or to the Philippines. It seems to me those are matters of utmost importance which require immediate attention by both the executive and legislative branches of our Government.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S. 926) to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California.

The message also announced that the Speaker of the House of Representatives, pursuant to the provisions of title 10, sections 1055, 1056, and 1854, United States Code, had appointed as members on the part of the House, to the Board of Visitors to the United States Air Force Academy, Mr. DEANE of North Carolina, Mr. ROGERS of Colorado, Mr. CANFIELD of New Jersey, and Mr. CHENOWETH, of Colorado.

BURLEY TOBACCO ACREAGE ALLOTMENTS

Mr. CLEMENTS. Mr. President, I renew my motion that the Senate proceed to the consideration of Senate Joint Resolution 111.

The PRESIDIING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky [Mr. CLEMENTS] that the Senate proceed to to the consideration of Senate joint Resolution 111.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 111) relating to burley tobacco acreage allotments and marketing quotas.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, this joint resolution would cancel the 15-percent reduction in burley tobacco acreage allotments required by the marketing quota announced for this year.

I ask unanimous consent to have printed in the RECORD as a part of my remarks the report of the committee on Senate Joint Resolution 111.

There being no objection, the report (No. 1477) was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. J. Res. 111) relating to burley tobacco acreage allotments and marketing quotas, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would cancel the 15-percent reduction in burley tobacco acreage allotments required by the marketing quota announced for this year. In view of the present tobacco supply conditions and reductions taken in allotments in previous years your committee feels that the reduction required this year would be unnecessarily severe. The report of the subcommittee which considered this bill is attached.

REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY ON SENATE JOINT RESOLUTIONS 111, 136, AND 141

Your subcommittee to whom was referred the joint resolutions (S. J. Res. 111) relating to burley tobacco acreage allotments and marketing quotas; (S. J. Res. 136) relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas; and (S. J. Res. 141) relating to Maryland tobacco acreage allotments and marketing quotas, having considered the same report thereon with the unanimous recommendation that they pass without amendment.

Hearings were held jointly with the Tobacco Subcommittee of the Committee on Agriculture of the House of Representatives on House Joint Resolution 455, a companion resolution to Senate Joint Resolution 111.

Last year, after it appeared that the 1954 crop of burley tobacco was considerably larger than had been anticipated at the time the 1955 quota was proclaimed, Congress passed Public Law 21 to increase the 1955 reduction in acreage to 25 percent, and thereby forestall too severe a cut in 1956. However, the 1956 quota requires a further reduction of 15 percent. This quota was based on the November 1 crop report of 520 million pounds, and it is now estimated that the 1955 crop will not exceed 472 million pounds. In view of this situation your subcommittee believes that a 15-percent cut at this time in addition to the 25-percent cut last year would be unnecessarily severe and Senate Joint Resolution 111 therefore would restore the 15-percent reduction imposed this year. The additional reduction provided last year by Public Law 21 would in no way be affected by this resolution, nor would the minimum acreage allotment prescribed by that law be affected. The new minimum prescribed by Public Law 21 was included in that law at the request of representatives of the growers and no change is proposed. The apparent overwhelming acceptance of Public Law 21 by the growers was demonstrated when they voted 96 percent in favor of the reduced quota proclaimed under that law.

Due to the urgent need to alleviate the severe cut imposed this year prior to planting time, no report has been obtained from the Department of Agriculture. However, a spokesman for the Department testified at the hearings that the Department would not object to the passage of this resolution, if similar relief were given to producers of fire-cured, dark air-cured, and Maryland tobaccos, since, generally, the same set of circumstances apply to these types of tobacco also.

In accordance with the recommendation of the Department your subcommittee recommends enactment of Senate Joint Resolution 136 which makes similar provision for fire-cured and dark air-cured tobaccos to restore cuts of 15 and 20 percent, respectively, and Senate Joint Resolution 141 which makes similar provisions for Maryland tobacco to restore a cut of 15 percent.

EARLE C. CLEMENTS, *Chairman.*
W. KERR SCOTT.
ANDREW F. SCHOEPPEL.

Mr. CLEMENTS. Mr. President, when the Secretary of Agriculture announced the quota for burley tobacco last November, as he was required to do under the law, the figures used by the Department in making its calculations were proven by the crop, when it was marketed, to be much too high. The computation was based on 520 million pounds. The marketing of the tobacco showed a crop of only 472 million pounds. It is for that reason, Mr. President, that the subcommittee of the Committee on Agriculture and Forestry which considered the matter has recommended the enactment of the pending joint resolution.

Although the Department of Agriculture did not wholly endorse the joint resolution, it offered no objection to it. The only question raised by the Department was that there were two other types of tobacco faced with the same set of circumstances, and that if what is requested is to be done for burley tobacco, it should be done also for the

other two types of tobacco. A measure affecting those two types of tobacco is being presented to the Senate today. It was introduced in the Senate by my distinguished colleague [Mr. BARKLEY] and myself.

We traveled last fall, before the first Tuesday in November and after that time, throughout the tobacco producing areas of our State, and we became convinced that the crop would be an unusually short one. We suggested to the Secretary of Agriculture in November that the crop would be approximately 470 million pounds. That was not our own judgment, but that of the men in the trade who, from their long experience, knew quite well whereof they spoke.

Mr. President, I think this joint resolution is fair and just, and I take it there will be no opposition to it in the Senate.

Mr. GORE. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. GORE. I wish to congratulate the able Senator from Kentucky for his forthright concern and activity on behalf of the tobacco farmers and the tobacco industry generally. In my opinion the joint resolution is equitable and fair. As the Senator has stated, the Department of Agriculture overestimated the crop in the last marketing season. Thus the 15-percent cut was unnecessary and, therefore, inadvisable.

I wish to join the distinguished Senator in support of the joint resolution, and to reiterate my congratulations to him.

Mr. CLEMENTS. Mr. President, I am happy to hear the Senator from Tennessee express himself on this measure, because he lives in the burley tobacco area of his State, and understands the importance of acreage to the people there.

Mr. BUTLER. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. BUTLER. The joint resolution before the Senate is not concerned with Maryland tobacco, but there is a companion resolution, as the Senator knows, bearing upon that subject, which will be taken up after the disposition of the measure now pending. Is it not true that the difficulty comes about by reason of the fact that the 1954 crop was such that last year it was necessary, instead of cutting the quota 15 percent, to cut it 25 percent, but the 1955 crop was not so large as had been anticipated, and for that reason it is necessary to restore some of the cuts made in the quota?

Mr. CLEMENTS. The Senator is correct. The 1954 crop brought on not only a 10-percent cut by the Department, but a 15-percent voluntary cut for which the growers themselves voted in a referendum.

Mr. BUTLER. Mr. President, I wish to congratulate the Senator from Kentucky for his foresight in introducing this measure, and I shall heartily support it. I hope he will support the measure which is designed to help the tobacco growers of Maryland.

Mr. CLEMENTS. The Senator from Maryland is very kind, and I assure him that, following the disposition of the pending joint resolution, the other measure will be brought up.

Mr. LANGER. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. LANGER. We do not raise any tobacco in North Dakota, but we are interested in the tobacco situation in Kentucky, and I hope the Senator will support us in securing assistance for the wheat growers in our State.

Mr. CLEMENTS. I think the Senator will find that my support will be 100 percent.

Mr. BARKLEY. Mr. President, will my colleague from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. BARKLEY. The colloquy just had confirms and justifies the Woodrow Wilsonian doctrine of open covenants openly arrived at. [Laughter.]

Mr. CLEMENTS. That is correct.

Mr. BARKLEY. I not only join my colleague in what he has said on this subject, but, as he knows, I joined him in introducing the measure to restore the cut made by the Secretary of Agriculture last fall in the production and acreage of burley tobacco.

As has already been indicated, 97 percent of the farmers voted for the restoration of the 15-percent cut provided in the measure which the Senator sponsored and which I supported in the Senate. The type of tobacco produced in the season of 1955 was an unusual type, in that the season made it propitious for the farmers to produce a larger percentage of what might be called cigarette tobacco than is usual in the burley region. I think that accounts, in part, for the higher price which the farmers received for that particular type of burley tobacco. But the shortage in the poundage of the crop certainly justifies the restoration of acreage which the Secretary cut for this year in his November proclamation.

The senior Senator from Kentucky and I, together with the Kentucky Members of the House from the burley region, protested against that cut when it was impending. Our recommendations, if considered at all, did not receive sufficient consideration to be adopted. Thereafter, the Secretary of Agriculture made a cut of 15 percent.

The resolution merely restores the situation to what it would have been without the cut. My colleague and I introduced the joint resolution in the Senate, and a similar measure was introduced in the House by the Kentucky Members of that body.

While I joined my colleague in introducing the joint resolution, because I was interested in it, nevertheless whether the Senate measure or the House measure finally becomes law, I think it should be known as the Clements-Watts or the Watts-Clements measure. I am sure it will be approved by the President upon recommendation of the Secretary of Agriculture.

So I wish to congratulate my colleague upon his alertness in sponsoring the measure, and also the Members who have been interested in the same subject in the House of Representatives for their sponsorship of a similar measure there. It makes no especial difference which measure, either the Senate or the House, finally becomes law, but I think it ought to be known that the Members of both the Senate and the House have been alert in looking after the interests of the tobacco growers of Kentucky, Tennessee, and the other States which produce this type of tobacco. A little later we shall show our interest in the other States by voting for resolutions affecting States other than our own.

I join my colleague in supporting the joint resolution, and in the hope that it will immediately become law.

I thank the Senator from Kentucky for permitting me the opportunity to make this statement.

Mr. CLEMENTS. I appreciate the kind comment by my colleague. It is in line with his usual approach to matters of this kind. Certainly no Member of this body, over a long period of years, has made greater contributions to proposed legislation dealing with farmers' problems, and tobacco questions in particular, than has my colleague from Kentucky. Consequently, it is more heartwarming than ever when he makes the kind comment he made a few moments ago.

It is very generous of him to call it the Clements-Watts or the Watts-Clements measure, rather than the Clements-Watts-Barkley or the Barkley-Watts-Clements measure.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. ELLENDER. The Committee on Agriculture and Forestry considered the joint resolution and reported it unanimously. To make the record perfectly plain, the joint resolution in no manner changes the Tobacco Act; it merely cancels the voting which was done by the farmers, in which they reduced their quota 15 percent in addition to the 25 percent on which they had previously voted.

Mr. CLEMENTS. The statement that this measure in no wise changes the farm legislation as it deals with tobacco is correct. The Department of Agriculture cut the burley crop 10 percent a little more than a year ago, as it affected last year's crops. The growers were of the opinion that a 10-percent reduction was not sufficient; and desiring properly to police their industry, the farm commodity they were growing, they suggested a 15-percent cut. Legislation was required to do this, and the measure which was passed provided that a vote should be taken by the burley growers. Not only did they accept the 15-percent cut which they had suggested should be made, but the acceptance was by 97 percent of the burley growers. I may say to the Senator from Louisiana that that was the largest participation in any vote which has ever been taken in the burley field. The joint resolution merely restores to the growers of burley tobacco the same quota they had last year.

Mr. ELLENDER. And that is 25 percent below——

Mr. CLEMENTS. That is 25 percent under the crop of the year before.

Mr. ELLENDER. That is correct.

Mr. CLEMENTS. I may say to the Senator from Louisiana that the measure is justified on another ground. In the year 1955, the quantity of tobacco used

was some 50 million or 60 million pounds greater than the production of that year.

Mr. ELLENDER. I thought the subcommittee made a very good case. I presume that is why the committee was unanimous in its recommendation of the resolution.

Mr. CLEMENTS. The chairman of the committee is being very modest. He understands tobacco legislation very well and was one of the strongest supporters of the joint resolution when it was before his committee.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That notwithstanding any other provision of law and the proclamation by the Secretary of Agriculture of a national marketing quota for burley tobacco for the 1956–57 marketing year pursuant to section 312 of the Agricultural Adjustment Act of 1938, as amended, and the State and farm acreage allotments established pursuant thereto, the 1956 State acreage allotments of burley tobacco proclaimed by the Secretary of Agriculture (20 Federal Register 8845) shall be increased so as to result in a State adjustment factor for each State under section 725.717 of the burley and flue-cured tobacco marketing quota regulations, 1956–57 marketing year, issued by the Secretary of Agriculture (20 Federal Register 4571), equal to 1.0, and all 1956 farm acreage allotments of burley tobacco shall be redetermined on the basis of such State adjustment factor. The production from the increased acreage required by this resolution shall be in addition to the national marketing quota for the 1956–57 marketing year.

Mr. CLEMENTS. Mr. President, at the desk is House Joint Resolution 455, which is identical with Senate Resolution 111, which has just been passed. I ask the Chair to lay before the Senate, House Joint Resolution 455, and that the Senate to proceed to its consideration.

The PRESIDING OFFICER laid before the Senate the joint resolution (H. J. Res. 455) relating to burley tobacco acreage allotments and marketing quotas, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the consideration of the House joint resolution?

There being no objection, the Senate proceeded to the consideration of the joint resolution (H. J. Res. 455) relating to burley tobacco acreage allotments and marketing quotas.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution (H. J. Res. 455) was ordered to a third reading, read the third time, and passed.

Mr. CLEMENTS. Mr. President, I move that the vote by which Senate Joint Resolution 111 was passed be reconsidered and that the joint resolution be indefinitely postponed.

The PRESIDING OFFICER. Without objection, the vote by which Senate Joint Resolution 111 was passed is reconsidered, and without objection, Senate Joint Resolution 111 is indefinitely postponed.

IMPROPER PRESSURES ON MEMBERS OF CONGRESS

Mr. CLEMENTS. Mr. President, 2 days ago I sent to every Member on this side of the aisle a letter calling to his attention a statement made on the floor by the distinguished Senator from Georgia [Mr. GEORGE].

I ask unanimous consent that the letter and the statement be inserted at this point in the RECORD as a part of my remarks.

It seems to me that the question raised by the senior Senator from Georgia is one of the utmost importance. I wanted to be doubly sure that every Member of the Senate and every person in the country who has any information that might be pertinent to the subject of improper pressures on Members of Congress be aware of the situation.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

FEBRUARY 14, 1956.

DEAR SENATOR: There were only a few Senators on the floor today when Senator WALTER F. GEORGE, of Georgia, made the enclosed announcement. Because of its extreme importance, I thought you would like to have his statement taken verbatim from the RECORD.

Sincerely,

EARLE C. CLEMENTS,
Acting Majority Leader.

Mr. GEORGE. Mr. President, the select committee appointed under Senate Resolution 205 has gathered the great bulk of the facts concerning the incident reported to the Senate by the junior Senator from South Dakota [Mr. CASE]. There is still some detailed information to be obtained, and some documents remain to be examined. But the broad outlines of the matter are clear, from the examination thus far made by the select committee.

There still remains, of course, the question of whether the information would justify a recommendation by the committee for a broadening of the investigation. There are not now before the committee sufficient facts to enable it to make this determination.

Therefore the committee invites any Senator or any other person who has any evidence of improper pressures on either side of the so-called gas bill—the Harris-Fulbright bill—to come forward and state the facts to the select committee. Upon that basis, the committee will be able to make a determination of the course to be recommended to the Senate.

Mr. President, I may add that the committee will not be in further open session during the present week. Some members of the committee have engagements outside the city; and the committee will not be in session as a committee until the latter part of this week or the first few days of next week.

Mr. KNOWLAND. Mr. President, under date of February 14, 1956, I addressed to every Member on this side of the aisle a letter which reads as follows:

FEBRUARY 14, 1956.

DEAR SENATOR: The enclosed statement by Senator WALTER F. GEORGE, chairman of the select committee, was made on the floor of the Senate today. In view of the fact that a number of Senators were unable to be present at the time, I am sending the same to you for your information.

With best personal regards, I remain

Sincerely yours,

WILLIAM F. KNOWLAND,
Minority Leader.

Attached to the letter was a copy of the statement by the Senator from Georgia [Mr. GEORGE] which has been printed in the RECORD at the request of the acting majority leader.

VISIT TO THE SENATE BY DR. MANUCHEHR EQBAL

Mr. GREEN. Mr. President, Dr. Eqbal, chancellor of Tehran University and member of the Senate of Iran, is visiting the United States on an international exchange leader grant in order to study the administration of American universities. He is a distinguished specialist in infectious diseases and was Minister of Health of Iran during and for several years after World War II. Dr. Eqbal is a courageous patriot and statesman of his own country and a genuine friend of the United States, who dared to continue to show this friendship throughout a period of great difficulty during the Mosadeq regime. His present visit is his first to this country.

Born in 1908 in Meshed, Manuchehr Eqbal received his medical training in France and is a member of the French Academy of Medicine. Beginning his official career in Meshed, he soon transferred to Tehran as a specialist in infectious diseases, and in 1938 added to his activities as a professor of medicine and pathology at the University of Tehran. From 1943 until June 1950 he served in a succession of Iranian cabinets, most frequently as Minister of Health, but also holding, at various times, portfolios for posts, telegraph and telephone, education, roads, interior, and finally, roads and communications. From June 1950 until September 1951 Dr. Eqbal was Governor General of Azerbaijan, that strategic northwestern province bordering on the Soviet Union. He returned to his professorial position at the University of Tehran during the remainder of the Mosadeq regime. In March 1954 he was elected to the senate from the Tehran constituency, and in January 1955 became chancellor of Tehran University by nomination of the university senate and appointment of His Imperial Majesty, Shah Mohammad Reza Pahlavi.

Dr. Eqbal is married. He speaks fluent French, little English.

I am very glad he is present on the floor. I desire to present to the Senate, Dr. Eqbal. [Applause, Senators rising.]

MARYLAND TOBACCO ACREAGE ALLOTMENTS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1500, Senate Joint Resolution 141.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 141) relating to Maryland Tobacco Acreage Allotments and marketing quotas.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. CLEMENTS. Mr. President, the joint resolution would cancel the 15 percent reduction in Maryland-tobacco acreage allotments required by the marketing quota announced for this year. The reason for the cut made by the Department of Agriculture was that the Maryland crop was overestimated.

I see present on the floor the distinguished Senator from Maryland [Mr. BUTLER] who is the author of the pending measure. I know he will want to make some remarks on it.

Mr. BUTLER. Mr. President, I thank my distinguished colleague from Kentucky. My remarks will necessarily be very brief, because all the facts and circumstances in connection with Senate Joint Resolution 111 apply with equal force to Senate Joint Resolution 141.

I may add Mr. President, that my colleague [Mr. BEALL], who is temporarily absent, joins me in the proposal now pending, and I am certain he would be very happy to see it passed by the Senate.

Mr. CLEMENTS. Mr. President, I join the Senator from Maryland in urging the Senate to pass the joint resolution.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 141) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That, notwithstanding any other provision of law and the proclamation by the Secretary of Agriculture of the national marketing quota for Maryland tobacco for the 1956–57 marketing year pursuant to section 312 of the Agricultural Adjustment Act of 1938, as amended, and the State and farm acreage allotments established pursuant thereto, the 1956 State acreage allotments of Maryland tobacco proclaimed by the Secretary of Agriculture (20 Federal Register 8847) shall be increased so as to result in a State adjustment factor for each State under section 727.717 of the Maryland tobacco marketing quota regulations, 1956–57 marketing year, issued by the Secretary of Agriculture (Federal Register 6069), equal to 1.0, and all 1956 farm acreage allotments of Maryland tobacco shall be redetermined on the basis of such State adjustment factor. The production from the increased acreage required by this resolution shall be in addition to the national marketing quota for the 1956–57 marketing year.

Mr. CLEMENTS. Mr. President, I do not know whether the Senator from Maryland would care to make the motion, or whether he desires to have me move, that House Joint Resolution 521 be taken up and substituted for the Senate joint resolution just passed.

Mr. BUTLER. I should be very happy to have the Senator from Kentucky make the motion.

Mr. CLEMENTS. Mr. President, on the clerk's desk there is House Joint Resolution 521, which I ask to have laid before the Senate.

The PRESIDING OFFICER laid before the Senate the joint resolution (H. J. Res. 521) relating to Maryland tobacco acreage allotments and marketing quotas, which was read twice by its title.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 521.

There being no objection, the joint resolution (H. J. Res. 521) was considered, ordered to a third reading, read the third time, and passed.

Mr. CLEMENTS. I move that the vote by which the Senate Joint Resolution 141 was passed be reconsidered and that the joint resolution be indefinitely postponed.

The motion was agreed to.

FIRE-CURED AND DARK AIR-CURED TOBACCO ACREAGE ALLOTMENTS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1501, Senate Joint Resolution 136.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 136) relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 2, line 2, after the word "fire-cured," to strike out "dark fire-cured, and," and in line 3, after the word "air-cured", to insert "and Virginia sun-cured", so as to make the joint resolution read:

Resolved, etc., That, notwithstanding any other provision of law and the proclamation by the Secretary of Agriculture of a national marketing quota for fire-cured and dark air-cured tobacco for the 1956–57 marketing year pursuant to section 312 of the Agricultural Adjustment Act of 1938, as amended, and the State and farm acreage allotments established pursuant thereto, the 1956 State acreage allotments of fire-cured and dark air-cured tobacco proclaimed by the Secretary of Agriculture (20 Federal Register 8846) shall be increased so as to result in a State adjustment factor for each State under section 726.717 of the fire-cured, dark air-cured and Viriginia sun-cured tobacco marketing quota regulations, 1956–57 marketing year, issued by the Secretary of Agriculture (20 Federal Register 6066), equal to 1.0, and all 1956 farm acreage allotments of fire-cured and dark air-cured tobacco shall be redetermined on the basis of such State adjustment factor. The production from the increased acreage required by this resolution shall be in addition to the national marketing quota for the 1956–57 marketing year.

The amendments were agreed to.

Mr. CLEMENTS. Mr. President, the joint resolution would cancel the 15- and 20-percent cuts in acreage allotments for fire-cured and dark air-cured tobaccos, respectively, required by the marketing quotas announced for this year.

The same set of circumstances involved in Maryland tobacco and burley tobacco, which have been discussed, apply to the type of tobacco covered by the pending measure.

I ask unanimous consent that a copy of the report be printed in the RECORD at this point.

There being no objection, the report (No. 1479) was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. J. Res. 136) relating to the fire-cured and dark air-cured tobacco acreage allotments and marketing quotas, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill would cancel the 15- and 20-percent cuts in acreage allotments for fire-cured and dark air-cured tobaccos, respectively, required by the marketing quotas announced for this year. In view of the present tobacco-supply conditions your committee feels that the reductions required this year are no longer necessary. The report of the subcommittee which considered this bill is attached. The committee amendments simply correct the reference in the bill to the marketing quotas regulations.

REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY ON SENATE JOINT RESOLUTIONS 111, 136, AND 141

Your subcommittee to whom was referred the joint resolutions (S. J. Res. 111) relating to burley tobacco acreage allotments and marketing quotas; (S. J. Res. 136) relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas; and (S. J. Res. 141) relating to Maryland tobacco acreage allotments and marketing quotas, having considered the same report thereon with the unanimous recommendation that they pass without amendment.

Hearings were held jointly with the Tobacco Subcommittee of the Committee on Agriculture of the House of Representatives on House Joint Resolution 455, a companion resolution to Senate Joint Resolution 111.

Last year, after it appeared that the 1954 crop of burley tobacco was considerably larger than had been anticipated at the time the 1955 quota was proclaimed, Congress passed Public Law 21 to increase the 1955 reduction in acreage to 25 percent, and thereby forestall too severe a cut in 1956. However, the 1956 quota requires a further reduction of 15 percent. This quota was based on the November 1 crop report of 520 million pounds, and it is now estimated that the 1955 crop will not exceed 472 million pounds. In view of this situation your subcommittee believes that a 15-percent cut at this time in addition to the 25-percent cut last year would be unnecessarily severe and Senate Joint Resolution 111 therefore would restore the 15-percent reduction imposed this year. The additional reduction provided last year by Public Law 21 would in no way be affected by this resolution, nor would the minimum acreage allotment prescribed by that law be affected. The new minimum prescribed by Public Law 21 was included in that law at the request of representatives of the growers and no change is proposed. The apparent overwhelming acceptance of Public Law 21 by the growers was demonstrated when they voted 96 percent in favor of the reduced quota proclaimed under that law.

Due to the urgent need to alleviate the severe cut imposed this year prior to planting time, no report has been obtained from the Department of Agriculture. However, a spokesman for the Department testified at the hearings that the Department would not object to the passage of this resolution, if similar relief were given to producers of fire-cured, dark air-cured, and Maryland tobaccos, since, generally, the same set of circumstances apply to these types of tobacco also.

In accordance with the recommendation of the Department your subcommittee recommends enactment of Senate Joint Resolution 136 which makes similar provision for fire-cured and dark air-cured tobaccos to restore cuts of 15 and 20 percent, respectively and Senate Joint Resolution 141 which makes similar provision for Maryland tobacco to restore a cut of 15 percent.

EARLE C. CLEMENTS,
Chairman.
ANDREW F. SCHOEPPEL.
W. KERR SCOTT.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 136) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BARKLEY. Mr. President, as I heard the amendment read, it struck out the words "dark fire-cured." Is that correct?

Mr. CLEMENTS. Mr. President, I ask that the clerk restate the amendment.

The PRESIDING OFFICER. The amendment was to make the joint resolution conform to the House joint resolution.

Mr. CLEMENTS. That is correct.

Mr. President, has the Senate joint resolution been passed?

The PRESIDING OFFICER. It has been passed.

Mr. CLEMENTS. Mr. President, there is at the desk House Joint Resolution 518, an identical measure, which has been passed today by the House of Representatives.

I ask the Chair to lay before the Senate House Joint Resolution 518.

The PRESIDING OFFICER laid before the Senate the joint resolution (H. J. Res. 518) relating to fire-cured and dark air-cured tobacco acreage allotments and marketing quotas, which was read twice by its title.

Mr. CLEMENTS. Mr. President, I ask unanimous consent for the immediate consideration of the House joint resolution.

There being no objection the joint resolution (H. J. Res. 518) was considered, ordered to a third reading, read the third time, and passed.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the vote whereby Senate Joint Resolution 136 was passed be reconsidered and that the joint resolution be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF COPIES OF CERTAIN HEARINGS AND REPORTS OF THE INTERNAL SECURITY SUBCOMMITTEE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of calendar No. 1385, Senate Concurrent Resolution 55.

The PRESIDING OFFICER. The concurrent resolution will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 55) to print for the use of the Senate copies of certain hearings and reports of the Internal Security Subcommittee of the Judiciary Committee of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution which had been reported from the Committee on Rules and Administration, with amendments.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, so that the Senate may consider the 2 House bills and 1 House joint resolution which are at the desk, and which relate to the housekeeping of the House of Representatives.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I concur in the statement of the acting majority leader that these measures deal with the housekeeping arrangements of the House of Representatives; and normally, under our procedures of comity with the House of Representatives, this is the way such measures are handled.

INCREASE IN AMOUNT OF TELEPHONE AND TELEGRAPH SERVICE FURNISHED TO MEMBERS OF THE HOUSE OF REPRESENTATIVES

The PRESIDING OFFICER laid before the Senate the bill (H. R. 8796) to increase the amount of telephone and telegraph service furnished to Members of the House of Representatives, and for other purposes, which was read twice by its title.

Mr. CLEMENTS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

PRORATED STATIONERY ALLOWANCE FOR CERTAIN MEMBERS OF THE HOUSE OF REPRESENTATIVES

The PRESIDING OFFICER laid befor the Senate the bill (H. R. 8787) to provide for a prorated stationery allowance in the case of a Member of the House of Representatives elected for a portion of a term, which was read twice by its title.

Mr. CLEMENTS. Mr. President, I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ELECTRICAL AND MECHANICAL OFFICE EQUIPMENT FOR THE USE OF MEMBERS, OFFICERS, AND COMMITTEES OF THE HOUSE OF REPRESENTATIVES

The PRESIDING OFFICER laid before the Senate the joint resolution (H. J. Res. 526) to amend the joint resolution of March 25, 1953, relating to electrical and mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, to remove officers and committees from certain limitations, and for other purposes, which was read twice by its title.

Mr. CLEMENTS. Mr. President, I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

NATIONAL WATER-RESOURCES POLICY

Mr. WATKINS obtained the floor.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WATKINS. Mr. President, the report of the President's Advisory Committee on Water Resources Policy was submitted to the Congress in mid-January, and now is undergoing consideration in the Public Works Committee.

Legislation to implement these far-reaching recommendations undoubtedly will be debated by this Congress and by many succeeding Congresses. Formulation of a clear-cut national policy and establishment of sound, uniform procedures in this vital field of water-resource development undoubtedly will take years to achieve, but I think the Eisenhower administration and its predecessors and successors who have made and will make concrete contributions to this movement in the executive field, will deserve the gratitude of future generations for their long-range interest in a basic, complicated field of human enterprise.

Unfortunately for the West, this opening of the congressional debate on a national water-resources policy comes at a time when the 53-year-old reclamation program, the most economically defensible of the Nation's water-resource programs, is being undermined by wholesale misrepresentations and misinformation. There is no doubt that reclamation is at the crossroads, and that the national reclamation program—in fact, all water-resource development—is in jeopardy.

There certainly is no doubt that reclamation is under the most vicious and intensive attack ever made upon it within my lifetime, and with less cause. These

attacks are being waged upon reclamation in the wake of the program's 50th anniversary, when the 17 western States commemorated the anniversary of the passage of the far-reaching National Reclamation Act of 1902. They are being made following the ceremonial repayment-contract burning, this winter, of the initial contract of $11 million in the Salt River Valley of Arizona, where the first harvests from reclamation projects were made half a century ago.

Similar success stories are now being written at other pioneer Federal reclamation projects, and additional chapters will unfold as other project units, now nearing maturity, are paid for and the books closed.

Yes, Mr. President, reclamation in the United States is in a position to win national and international acclaim for its half century of achievements. Yet it finds itself the object of gross misrepresentation and bitter attack. This attack is not a partisan matter.

President Eisenhower placed his administration on record as a supporter of reclamation projects by repeated references in his state of the Union message and other formal pronouncements. He followed up these pledges by recommending more than one billion dollars' worth of new projects, and by earmarking $5 million, in the current budget, for initiating construction of two large Federal reclamation projects in the fiscal year 1956. He repeated these recommendations in the annual messages delivered last month.

For many years, the national platforms of both political parties have pledged support for the reclamation program.

Congressional leaders of both parties have pledged their support to reclamation, and, I firmly believe, will provide good legislative cooperation during the second session of the 84th Congress.

Yet, the fact remains that, to date, only two new major reclamation projects have been authorized by the 84th Congress; and pending projects have faced, and apparently are destined to continue to face, heavy opposition in the press and in the Congress.

Mr. President, have you heard some of the things that these caustic and generally misinformed critics are saying about reclamation? Here are a few samples:

First, a well-known columnist, who professes to be an authority on water-resource problems, announced that he had spent 6 months of intensive review of the reclamation program. His so-called research report disclosed that in these 6 months the only favorable thing he could find about reclamation was that the program had demonstrated that by supplementary irrigation, farmers in the East and South could improve the quality and quantity of their crop production.

Second, a prominent newspaper which recently has been plugging for flood insurance and a large expansion of completely subsidized Federal flood-control projects in the Northeastern States, has attacked multiple-purpose reclamation projects as ridiculous, unwarranted expenditures of public funds.

Third, Congressmen, representing areas that have richly benefited from largely nonreimbursable flood-control and navigation projects, have wrongly charged that reclamation projects, reimbursable by water-users and power-users in the area affected, actually are paid for out of taxes collected from States outside the project area.

Fourth, individuals and publications in a very considerable number, including a former governor of one of our Western States, have been asserting that soundly planned reclamation projects would cost "the taxpayers" $5,000 an acre or more, just to "grow hay" or "to benefit a few farmers," completely ignoring the source of funds for reclamation construction and the multiple-use nature of reclamation projects.

These are some of the charges made in the intensive attack now being conducted against reclamation. I can assure you, Mr. President, that many persons in places of prominence throughout the country, who are poorly informed about the positive results of reclamation, are hearing so many of these repetitive charges that they are believing them, and are aiding, directly or indirectly the unjustified attack upon the soundest and most economically defensible of our water-resource-development program.

What is the reason for this? What has brought about the situation that has put reclamation on the defensive at the halfway mark in a century of reclamation progress?

Perhaps the reclamationists are partly to blame for this situation.

I remember the story—probably apocryphal—of the young lawyer who, on an appeal to the United States Supreme Court, proceeded to argue some elementary legal principles in presenting his case. When one of the judges of the Supreme Court said to him, "Mr. Jones, I think you may safely assume that this Court understands those basic principles," the young attorney replied, "If your Honor please, that is the assumption I made in the lower court. That is the mistake I made there. That is why I am here."

Is it possible that we have erroneously assumed that the people of this country and the current Members of the Congress really understand the basic principles on which the reclamation program is based? Is it possible that by reason of that error, we have failed to keep before the people and the Congress the sound reasons for reclamation and other water-development policies?

It is not my purpose at this time to go into arguments about the merits of specific projects. But what is vitally important is that the opponents of some specific projects have been attacking the entire program of reclamation—in fact, all water-resource development. In their shortsighted eagerness to gain their immediate ends, they have viciously attacked the basic principles on which all water-resource development is founded. If this false antireclamation, antiwater-resource-development propaganda is not countered by giving the American public the true story, the tragic result is only too obvious.

It may not have been the purpose of these unfair and untruthful critics to bring down the house of reclamation and other water development upon the heads of all of us; but if they had deliberately set out to accomplish this purpose, they could not have made a better start on the job than they are now attempting.

But what is done is done. We cannot roll back history. We must face the situation as it is. We must accept the challenge to one of the greatest national policies for redemption of the land and subduing of the earth that this country has ever undertaken. I shall content myself with defending reclamation; and I shall leave the defense of other aspects of water-resource development to representatives of States which benefit to a greater degree from them.

Recently, in my own State, I listened to a speech by a great educator, who pointed out the necessity of the teaching profession to go positive. That was his way of describing a constructive program which put the teachers on the offensive in support of our educational program and the educator's part in it.

Now if we may take a leaf from the educators' book, let us declare our purpose to go positive, to be constructively on the offensive. We need no excuse for taking that position. Indeed, our enemies and our so-called friends have literally forced us into it. The importance to the country of our program demands it.

In going positive, it might help us, as a matter of background, to consider what has been happening in the reclamation field in some other countries.

In 1953 it was my Immigration and Refugee Committee assignment to spend 3 months in Europe studying a refugee program which is being largely supported by the United States through the United Nations and other agencies.

In Holland, it is claimed, there is the highest concentration of population per square mile of any place in the world.

The Dutch Government, faced with the ever-present problem of trying to match land resources with a heavy annual increase in population, has made heroic efforts in the past to add to its domain by reclaiming a large area from the sea, and presently has underway a vast project for reclaiming land now covered by the Zuyder Zee, an arm of the turbulent North Sea.

A representative of the Netherlands Government showed me the immense dike that has recently been finished, which walls off the Zuyder Zee from the North Sea. The plans, which are already well advanced, is to cut the Zuyder Zee into sections by dikes, then pump out the sea water, section by section, wash the land with fresh water until the salt deposits are leached out, so the land becomes available for agricultural and industrial use.

This new reclamation program, when finished, will add approximately 10 percent to the arable area of Holland.

With the history of the gallant Dutch people in mind, a Frenchman was led to

declare, "God created the world, but the Dutch made Holland."

When the last gap in the Zuyder Zee dike was finished, a monument was erected to mark the event. On its surface were inscribed these words: "a nation that lives, builds for the future."

How well the Dutch have demonstrated that great truth. Although it has cost their Government hundreds of millions, if not billions, of dollars to carry out this program of land reclamation from the sea, who is there to say that it was an unwise program and not in the national interest of that plucky little country?

Curiosity led me to inquire of the Dutch Embassy in Washington how the people of Holland were integrated into this program. In fact, I wanted to know more about the details, because what had happened and what is happening is so dramatic and so far reaching.

I paraphrase the verbal report from the Netherlands Embassy:

Before World War II Holland reclaimed 50,000 acres in the Zuyder Zee at an average cost of approximately $800 per acre. This investment for dikes, drainage, roads, and other development work was met entirely by the Government as a contribution to the national economy.

Producing farms ranging in size from 30 to 150 acres are then leased to experienced farmers on a 6-year basis. Government-guaranteed credit is made available to these colonizing farmers to help them become established. Title to the land was to remain in the National Government.

Rentals are comparable to those charged for developed private land. In other words, the farmers pay nothing for the land reclamation worth $24,000 to $120,000 per farm. Costs for developing the 240,000 acres now being reclaimed from the Zuyder Zee are substantially higher than the prewar costs of $800 per acre.

The spokesman for the Netherlands Embassy said that it is acknowledged that the costs of reclaiming these lands are too great for private enterprise to undertake. National sponsorship is justified not only for the food production, but also for contributions made to employment, to the creation of new markets, and for homes and other economic contributions of national interest.

Without such building for the future, growth of Holland would have ceased many generations ago. It is no accident that Holland has survived the rigors of wars and fierce competition for the markets of the world and is today one of the world's most stable and progressive nations.

Other nations have reclamation programs, although not quite so striking and dramatic as that of Holland.

In many European and Asiatic countries, mountain areas have been terraced to their very summits for agricultural purposes. Even soil has been carried on the backs of human beings to build these terraces; and in years when rainfall was light, water has also been carried by the same method to irrigate the growing crops planted thereon.

In Egypt, the old and the new exist side by side. There one may see human pumps—a man with buckets hinged to a pole contrivance which he operates by hand to lift water from a stream into an irrigation ditch. The donkey, the camel, and water buffalo operate a wheel bucket lift.

Farther up the stream a huge reclamation dam is built to impound the waters of the Nile, and in its lower reaches a comparatively modern distribution system conveys the water onto the thirsty lands. An even larger dam on the Nile has been proposed to greatly expand this program.

Thus it goes, nation after nation. These are instances of reclamation the hard way. They should be an object lesson to all nations that planning and building of water and soil conservation should begin early in the history of the country—long before the need reaches the emergency stage.

In ancient times in the Near East, in Palestine and surrounding countries, where much of the land is desert, bloody wars have been fought for possession of the river valleys and oases where water supplies were available.

In our times one of the causes for the great unrest in this same area is the scarcity of water. A reclamation program for that area is considered so important that President Eisenhower sent Eric A. Johnston as special envoy to the Near East to attempt to bring peace in that area by offering to build a comprehensive reclamation project which would put to beneficial use, for agriculture and industry, all the waters of the Jordan Valley. Thus water resource development becomes a weapon of our foreign policy to prevent war. We also have used it in Europe, Africa, and Asia, to strengthen those countries against communism.

Such complex and pressing problems of water supply are not confined to the arid area of the earth or even of our country.

The recent experience in New York City in facing a water shortage—in an area otherwise well-watered—is an example of what may happen anywhere, and, as a matter of fact, has been happening in many humid areas of the United States.

One authority has stated that the water needs of industry are soaring as new processes and products constantly require more water. Today industry uses eight times as much water as it did in 1900. It is estimated that by 1975 it will use 2½ times as much as it does now.

It may surprise us to know that the Nation's withdrawals of water for industry now about equal withdrawals for irrigation. It is also claimed that irrigation in the humid areas of the country is now growing faster than in the arid West.

The President of the United States has recognized this situation, and is now urging that we think as a Nation of an overall water resource policy; that we no longer talk of reclamation and flood control as distinct policies, but only as a part of the overall program to meet the national needs.

The rapid increase in the population of the United States is also another factor which must be considered in any consideration of an overall water supply problem. Our population is increasing at approximately 3 million a year, and in a little less than 12 years, this country, at the present rate of increase, will have more than 200 million people. And each year the increase in use of water per person becomes larger.

Reclamation and water resources development in the United States is imperative if this Nation is to continue to grow.

For the benefit of those who are not familiar with reclamation history, let me review some of the reasons for adoption of the Federal reclamation program.

The 1902 Reclamation Act made possible the bringing together of landless men and their families, a 160-acre homestead carved out of public lands, and water with which to irrigate it. It required the citizen to repay the cost of construction on an amortized basis.

Later, the repayment period, which was originally 10 years, was extended several times to meet the increased financial burden as the projects grew more difficult and costly to construct.

It also required the settler to pay his share of the operation and maintenance of the project.

The land and the water were unused resources, largely going to waste. Both the land and the water could be used over the years if properly taken care of, in many cases gaining in fertility and production.

From its modest beginning, the program expanded until it supplied a supplemental water right for lands privately owned; it provided incidental power produced in connection with irrigation storage dams. Later the production of power became an important factor, not only for its own sake, but as incidental to the larger multiple-purpose reservoirs which were built as the more comprehensive programs on entire river systems were being developed.

From a one-unit program it expanded into programs involving whole river systems, planned to be built on a comprehensive scale. Evolution in the reclamation program from the small beginning has been greatly in the public interest. Instead of the hit-and-miss, helter-skelter way the program began, it has now, in projects such as the upper Colorado River storage program, become a model of careful planning for the overall use of a river system, or part of a river system.

From the very beginning it was realized that the consumptive use of water for beneficial purposes must have priority over all other uses. And from the beginning the power facilities were included as a part of the irrigation reclamation project, either directly or indirectly, through the use of revenues from the sale of power to aid in putting the water to a beneficial consumptive use for agricultural, domestic, and industrial purposes.

I have recently been reviewing the proceedings in Congress when the 1902 reclamation bill was under consideration. The debate was interesting and informative. The sponsors of the bill

made an excellent constructive case for the proposed legislation.

I have selected from the numerous speeches made, two quotations which bear directly on the overall national policy involved.

The first is from the late Senator Hoar, who represented the great State of Massachusetts in the United States Senate. Said Senator Hoar in 1902:

> We have no special interest in the matter of irrigation, but as Americans we have in it a vast interest. There is a great space on the earth's surface nearly waste and barren now, which by reasonable and moderate expenditure can be converted into a fertile and blooming garden and can blossom as the rose. I have no doubt there are on this continent lands largely useless now, on which under proper development and with proper human agencies tens, and perhaps scores and perhaps hundreds of millions of human beings, are within a century or less to be located in happy American homes, and I for one, as a New England man, as a Massachusetts man, and as a lover of my country, welcome the inauguration of the policy which is to bring that to pass * * *.
>
> The reclamation of these arid lands will be almost like adding a new continent to our domain, a vast expanse opened for the employment of the energies and the activities of our people. With these lands reclaimed, we will have a country capable of maintaining between the Atlantic and Pacific three or four hundred millions of people. The wealth which would be added to the Nation is beyond calculation.

How prophetic and statesmanlike were the remarks of this great American over 50 years ago. Members of Congress of the present generation can well profit by the wisdom he exhibited.

My colleagues from New England should especially be interested in view of the serious flood-control problems now confronting that area.

I now quote from a speech made by Representative Dalzell, of Pennsylvania, in support of the 1902 legislation:

> The fact is that carrying out of this new national policy for transforming our own arid region into a fertile and populous part of our national territory is just as much a national duty and just as much a national function as was the building of the great dikes of Holland. It is actually the creation of a new country where nothing could exist unless the Government as a great national undertaking made the territory reclaimed habitable for man so that population and everything that goes to make up a government could be brought into being. The sea would still be flowing over great areas of the richest and most fertile parts of Holland if the Government had not built the great dikes which now protect those lands from being submerged by the ocean. In our case the situation is the same in principle. The limit of development by private capital has been generally reached. No private schemes can ever cope with the gigantic task of stopping the floods of the Missouri, the Columbia, the Colorado, and the other great rivers of the West that now carry such immense volumes of water to waste in the ocean.

Senator Hoar and Representative Dalzell were farsighted in their statesmanlike approach to the overall problem of the development of our resources in the arid West. They saw clearly the Nation's responsibility; they saw a large part of the continent would remain as an arid waste unless it could be redeemed through the miracle of irrigation which would also make it possible to develop all of its latent resources.

It never occurred to them to think that it was the primary duty of individual citizens to redeem those desert areas and thus add a new continent to our domain.

They knew at that stage that the pioneers of the West had done all that was within their power to make the desert areas habitable and productive.

Here was a larger task—a problem far beyond the ability of individuals to perform. Here was a task of redeeming vast continental areas so that these, added to our productive areas, could sustain, in the language of Senator Hoar, a population of "three or four hundred millions of people."

In providing for the development of the West, the Federal Government found open to it two ways of doing the job: The Government could do the job itself; or it could do what it did do in the Reclamation Act, provide for a partnership with its own citizens whereby they would develop these resources under terms which would make it possible for them to succeed and at the same time accomplish the long-range objectives of the Government.

The Theodore Roosevelt Dam project in the Salt River Valley in Arizona, already mentioned in this discussion, is an excellent illustration of the way the partnership program was intended to operate.

That project proved greatly more to the advantage of the United States than it did to the individual citizens in the Arizona Valley.

Let me illustrate. The United States loaned to its citizens, sponsors of the project, on a series of long-term contracts, a total of $24,631,302. As a result of that arrangement, there were brought together desert land, water that was being wasted, and homeless people, in such a way that the people were able to provide for themselves homes and opportunities, become independent, repay the $11 million borrowed on the initial contract, make payments on the expanded-program contracts, and in addition create a tax income for the United States of over one-half billion dollars over the 50-year payout period.

But that is only a part of the story. That self-same land and water which are constantly being renewed by nature are still being used in that valley and, if used intelligently, as they are now being used, those resources can be used permanently. The water itself is being used for all purposes in that area, and it is the basis for community growth and industrial development.

Those enjoying the fruits of this original partnership arrangement will continue to pay into the national Treasury untold hundreds of millions of dollars of Federal income taxes. Considering our present fiscal situation, I think I would not be exaggerating if I should say that income taxes will also be required permanently.

The All-American Canal and Imperial Valley project is another good example of the partnership program between the Federal Government and the people who are beneficiaries of the project. In this case the irrigators were not required to pay any of the cost of the dam-storage project, although it made possible for them to have a dependable regulated supply of water instead of periods of alternate floods and shortages of water.

In addition, the project made possible the construction of a very profitable powerplant by the water users at Pilot Knob which in time will bring enough profits to the water users to greatly aid them in repaying their obligation to the United States.

The Salt River Valley development, which is a typical reclamation project, gives meaning to what a very distinguished American, whose name I have no authority to use at the moment, said to me recently:

> I have felt for many years that the United States would be acting in its enlightened self-interest if it placed men and their families on reclamation projects without requiring them to repay any of the costs of the construction of the water project.

If this suggested policy were followed, it would place reclamation on the same basis with flood-control projects which are built entirely at Government expense, and in which the beneficiaries are not required to repay the cost of construction—either principal or interest. In fact, the Federal Government even operates and maintains these flood-control reservoirs, many of which are used for other purposes as well.

One case involves a process of reclaiming lands by applying stored water to make them produce, and also a part of it for industry and human consumption, and the other a process of reclaiming and protecting lands from the effects of floods so that they will continue to be productive for crops and safe for that use, as well as safe for households. The overall effect is the same. In either case we shall have production and a safe long-range economy which will make the areas desirable, habitable, and profitable.

In the early days of the program there was little practical recognition of the benefits which reclamation projects would give to a community, to the State where they were located, or to a region, or to the Nation as a whole.

The whole burden of repaying the cost of construction, operation, and maintenance was placed upon the irrigators, even though their neighboring business and professional friends were enjoying prosperity as a result of the money brought into the communities from the sale of the farmers' crops produced under the project, ofttimes without any financial profit to him. He probably would get a bare wage for himself and family, but, all too frequently, no profit on his investment.

The irrigators were employers as well. They put money into circulation through wages and purchases of commodities used in their operations and for their family's needs. This made good business for the community; in fact, in numerous cases it was the sole economic basis for sustaining the entire community. The communities were also provided with water for domestic and industrial uses which was of great importance.

As the program has evolved, more recognition is being given to these community benefits. As a result, conservancy districts have been organized which have power to levy taxes to assist in repaying the construction costs of the projects.

The Hoover Commission took note of this situation to the extent of recommending that conservancy districts on a State basis be organized so that the entire State could help repay the cost of the projects within the State.

Although, as I have already demonstrated, there was in the beginning a recognition of the great benefits the Nation would receive from the reclamation program, yet recent attacks on reclamation, and possibly our own neglect in presenting our case, have dimmed the Nation's understanding of the great benefits it has received and will continue to receive.

One bright spot in the general misunderstanding has been the Hoover Commission's comment on the justification for Federal interest in irrigation. The comment, which I consider a distinct service to reclamation and the Nation, reads as follows:

> The justification for Federal interest in irrigation is not solely to provide land for farmers or increase food supply. These new farm areas inevitably create villages and towns whose populations thrive from furnishing supplies to the farmer, marketing his crops, and from the industries which grow around these areas. The economy of seven important cities of the West had its base in irrigation—Denver, Salt Lake City, Phoenix, Spokane, Boise, El Paso, Fresno, and Yakima. Indeed these new centers of productivity send waves of economic improvement to the far borders, like a pebble thrown into a pond. Through irrigation, man has been able to build a stable civilization in an area that might otherwise have been open to intermittent exploitation.

And with equal justification the Commission could have added most of the cities and towns in southern California to the list of those mentioned as having thgir economy based on irrigation, much of it provided by the Federal reclamation program.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. LANGER. I should like to suggest to the Senator from Utah that he might include in the list the city of Billings, Mont., which has become a great and outstanding city in the Northwest.

Mr. WATKINS. I thank the Senator for his suggestion. We might consider most of the West, where new reclamation projects have brought under cultivation many areas which it was beyond the ability of the pioneers to develop. The projects have created new commonwealths. As Senator Hoar said 50 years ago, they have practically added a new continent to the area of the United States. The cities and towns of the West have greatly benefited from the projects. That is true of Billings, Mont., and of many cities in South Dakota and North Dakota and, in fact, in all the 17 reclamation States.

Mr. LANGER. At one time, aside from income derived from mining, there was very little income in Montana on which income taxes were paid. At the present time 1,719,000 acres of irrigated lands are located in the State, and the people of the State are now paying a great deal of money in income taxes to the Federal Government. Is that not correct?

Mr. WATKINS. That is correct. That is true of all the West. In fact, many of the cities and towns and smaller communities follow the pattern of the Salt River Valley in Arizona, where an expenditure of a little more than $24 million has resulted in the past 50 years in the receipt of over a half billion dollars in Federal income taxes. All that is based on the one necessary requirement, namely, water—water for industry, water for municipal use, and water for farms. Water has so transformed many desert areas as to constitute almost a modern miracle.

Reclamationists should also be encouraged by the conclusion the Commission reached that "Indeed these new centers of productivity send waves of economic improvement to the far borders, like a pebble thrown into a pond." They might be justified in believing far borders was intended to mean the boundaries of the Nation. This interpretation would make sense, because it is in keeping with the facts.

But what an opportunity the Commission overlooked to make it crystal clear that the whole Nation was included in the area reached by the waves of economic improvement.

In any analysis of reclamation, it should be considered that water for consumptive use in areas of limited water supply is all important. Power is a by-product of genuine reclamation projects and would be useless without a sufficient water supply to go with it.

It also should be considered that reclamation is only one of numerous progressive measures undertaken to develop the resources of this country in the national interest since the Constitution was adopted. Programs for canals, railroads, rivers and harbors, merchant marine, airlines, and the aircraft industry, defense industries, agriculture, American business, and many other activities, have received contributions from the Federal Government at some time in their history—usually on a completely nonreimbursable basis.

The Government has worked in each field to bring about development of its resources through partnership programs with its citizens. That is the free enterprise way of doing the job. In most every program the United States has had full value in return for its investment. That program of partnership with its citizens has made America the most powerful nation in the world today.

The reclamation partnership program joins good land and good water with good people. This combination creates new fertile acres, new wealth which will produce food and fiber in perpetuity. In one sense, a nation is only as strong and enduring as its food supply. In another and more important sense, no nation can be strong unless there exists a deep spirituality among its citizens. Fulfilling the commandment God gave in the beginning "to multiply and replenish the earth and subdue it" is one of the best ways to develop those spiritual forces every nation must have to endure. The good earth is man's best friend. In Proverbs it is declared, "Where there is no vision, the people perish." The subduing of the earth requires imagination and vision. Let us have that same vision that inspired the Dutch to live their creed that "A nation that lives, builds for the future."

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. LANGER. I regret that more Senators were not on the floor to hear the Senator's excellent speech this afternoon. It is one of the finest addresses I have heard on the subject of reclamation. I wish to compliment and commend the Senator from Utah for what he has said on the floor of the Senate today. I hope some of our colleagues, particularly Senators from Eastern States, who do not understand reclamation and who time and time again have voted against some of our projects in the West, because they feel reclamation does not pay for itself, will read the speech of the able Senator from Utah.

Mr. WATKINS. I thank the Senator for his very kind and gracious compliment. I join with him in the hope that other Senators will read the statement I have made today with respect to what the basic philosophy of the reclamation program is, what it has been able to accomplish, and what it intends to accomplish. It is not by any means a give-away program. Rather, it is one by which the United States joins with its citizen in a great partnership enterprise to redeem deserts and to make useful and profitable the desert lands for homes and villages and cities and towns in our great civilization.

PRINTING OF COPIES OF CERTAIN HEARINGS AND REPORTS OF THE INTERNAL SECURITY SUBCOMMITTEE

The Senate resumed the consideration of the concurrent resolution (S. Con. Res. 55) to print for the use of the Senate copies of certain hearings and reports of the Internal Security Subcommittee of the Committee on the Judiciary.

Mr. EASTLAND. Mr. President, Senate Concurrent Resolution 55 authorizes the publication for use of the Senate of a number of reports of the Internal Security Subcommittee of the Judiciary Committee of the Senate. The cost involved is $11,447.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. Can the Senator tell us how many of these reports were printed previously?

Mr. EASTLAND. Yes. I have the facts here. There are 12 reports.

Mr. ELLENDER. Are there 12 separate reports?

Mr. EASTLAND. Yes. They were issued over a period of years.

Mr. ELLENDER. And the request is to have them all reprinted?

Mr. EASTLAND. A certain number of each report for the use of the Senate.

Both Democratic and Republican Senators are receiving requests for these reports.

Mr. ELLENDER. How many have already been printed? I understand there are 12 different reports. How many of each have already been printed?

Mr. EASTLAND. We are asking to have printed 5,000 additional copies of our report on our year-long investigations of the Institute of Pacific Relations in 1952. We have had available only 8,700 copies of this report and have none on hand now, although it is one of the subcommittee's basic documents.

Mr. ELLENDER. So that prior to this time 8,709 copies were printed?

Mr. EASTLAND. Yes; and they have been distributed. We are still receiving calls for them.

We have no copies remaining of the report on Communist infiltration of Government departments, and only 2,300 copies of the report on the United Nations.

Mr. ELLENDER. How many copies of those reports were printed?

Mr. EASTLAND. I shall have to get that information for the Senator. I think a few thousand copies were printed.

In 1955 we issued two reports, one on the Korean war and related matters and one on the subcommittee's activities for 1954. Of the Korean war report we have only 800 left of the 47,000 allowed us by the Senate. We are asking for less than half that number at this time.

We have 800 copies remaining of the 8,500 copies allowed us of the 1954 report, and are asking an additional 20,000 copies of that document.

The publication entitled "Documentary Proof That the Communist Party, U. S. A., Teaches and Advocates the Overthrow of the United States Government by Force and Violence," was a monograph compiled by the Federal Bureau of Investigation, based primarily on the writings of leaders of the Communist conspiracy. Copies of the document, 11,000 in all, are completely exhausted, and we are asking for 8,000 to meet the continued demand.

The 6 volumes of hearings which we are asking to have reprinted are among those which are requested most often, and in only 1 case are we asking for more than the number originally printed. The exception is the first volume of the United Nations hearings. We received only 2,400 copies and have none on hand. We are asking for 5,000 copies. We are asking for the same number of copies of parts 2 and 5 of these hearings. We have 1,500 left of the 9,600 copies of part 2 originally allowed us, and only 500 of the 9,500 copies of part 5 which were printed for our use.

We originally had 16,000 copies of Communism in Labor Unions, of which we have 2,600 copies on hand and are asking for an additional 8,000 copies.

We had 29,000 copies of "Communist Propaganda Part I," we have 3,200 on hand, and are asking for 5,000 additional. We had 25,000 copies of part II of the same hearings, have 1,000 left, and are asking for 5,000.

The public demand for the publications of the subcommittee is both continuing and recurring.

Mr. President, the Committee on Rules and Administration went fully into the question and has approved the resolution. I see no reason for not making copies available to Senators who desire them.

Mr. HENNINGS. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. HENNINGS. May I ask the distinguished chairman of the Subcommittee on Internal Security, of which I happen to be a member, if it is not a fact that the entire sum involved in the printing of these documents is not much in excess of $11,000?

Mr. EASTLAND. That is correct.

Mr. HENNINGS. And the demand for them is constantly recurring, and various persons have written the subcommittee and its staff requesting these documents?

Mr. EASTLAND. That is correct.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield further?

Mr. EASTLAND. I yield.

Mr. ELLENDER. Judging from the statement made by the distinguished Senator from Mississippi, these documents are provided by the committee only on request, and are not being voluntarily distributed by the committee.

Mr. EASTLAND. That is correct.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The amendments of the Committee on Rules and Administration were on page 1, line 4, after the word "reports," to strike out "before" and insert "of"; on page 2, line 15, after the numerals "5,000", to insert "and"; and in line 17, after the numerals "5,000" to strike out the semicolon and "and not to exceed 25,000 copies of such hearings as may be held or reports made on the subject of 'Strategy and Tactics of World Communism,' Eighty-fourth Congress, and not to exceed 25,000 copies of such hearings as may be held or reports made or documents published by the Internal Security Subcommittee, during the Eighty-fourth Congress."; so as to make the concurrent resolution read:

Resolved, etc., That there be printed for the use of the Senate Committee on the Judiciary the amounts stated after each item of the following hearings and reports of the Internal Security Subcommittee of the above committee during the sessions listed: Institute of Pacific Relations (S. R. 2050), Eighty-second Congress, second session, 5,000; Activities of United States Citizens Employed by the United Nations (report No. 2), Eighty-third Congress, second session, 5,000; Interlocking Subversion in Government Departments (report), Eighty-third Congress, 1st session, 20,000; Korean War and Related Matters (report), Eighty fourth Congress, first session, 20,000; Report of the Internal Security Subcommittee for 1954, Eighty-fourth Congress, 1st session, 20,000; Documentary Proof that the Communist Party, United States of America, Teaches and Advocates the Overthrow of the United States Government by Force and Violence (hearing), 82d Congress, second session, 6,000; Communism in Labor Unions (hearing), 83d Congress, second session, 8,000; Communist Propaganda (pt. 1), 83d Congress, second session, 5,000; Communist Propaganda (pt. 2), 83d Congress, second session, 5,000; Activities of United States Citizens Employed by the United Nations (pt. 1), 82d Congress, second session, 5,000; Activities of United States Citizens Employed by the United Nations (pt. 2), 83d Congress, first session, 5,000; and Activities of United States Citizens Employed by the United Nations (pt. 5), 83d Congress, first session, 5,000.

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to.

The title was amended, so as to read: "Concurrent resolution to print for the use of the Senate Committee on the Judiciary copies of certain hearings and reports of the Internal Security Subcommittee of the Judiciary Committee of the Senate."

ADDITIONAL FUNDS FOR THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1496, Senate Resolution 193.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The CHIEF CLERK. A resolution (S. Res. 193) to provide additional funds for the Committee on Labor and Public Welfare, which was reported from the Committee on Labor and Public Welfare without amendment, and subsequently reported from the Committee on Rules and Administration with an amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 193).

The amendment of the Committee on Rules and Administration was at the beginning of line 14, to strike out "$15,000" and insert "$10,000", so as to make the resolution read:

Resolved, That the Committee on Labor and Public Welfare is hereby authorized to expend from the contingent fund of the Senate, during the 84th Congress, $10,000 in addition to the amount, and for the same purpose, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

Mr. HILL. Mr. President, this resolution was unanimously reported by the Senate Committee on Labor and Public Welfare and by the Senate Committee on Rules and Administration. It provides for $10,000 for what we might call the general housekeeping affairs of the committee. Most of the funds will undoubtedly be expended for stenographic services. There is no special investigation involved, but simply the regular functioning of the committee.

Mr. ELLENDER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. ELLENDER. Is what is now requested in addition to the $10,000 usually provided for the use of the committee?

Mr. HILL. That is correct. We had a large number of hearings last year, before a number of subcommittees,

Practically all the funds were spent for stenographic services.

Mr. ELLENDER. The Senator is requesting $10,000 for next year?

Mr. HILL. For the present year.

Mr. ELLENDER. In other words, the $10,000 regularly provided was spent in the first 6 months of the year?

Mr. HILL. I would not say the first 6 months. The committee began to function a year ago last January and it held some hearings during the recess of the Congress. The funds are now about exhausted. The Committee has been operating approximately 13½ months.

Mr. ELLENDER. What I wish to make plain is that what the Senator is requesting is additional money to carry on investigations of the standing committee?

Mr. HILL. The Senator uses the word "investigations". The consideration of proposed legislation is involved. It involves hearings on proposed legislation pending before the committee.

Mr. ELLENDER. Of course, as the Senator knows, the $10,000 per Congress provided each standing committee can be used for investigative purposes.

Mr. HILL. The Senator is correct.

Mr. ELLENDER. So the addition of $10,000 will mean that the Committee on Labor and Public Welfare will have $20,000 for the purpose of conducting investigations, $10,000 plus $10,000.

Mr. HILL. No; I did not say that. If the committee had any funds now, we would not be here asking for these funds.

Mr. ELLENDER. I may not have made myself understood. Each standing committee is allowed $10,000 for investigations and hearings. The Senator from Alabama received that amount for his committee.

Mr. HILL. We received that amount and expended it.

Mr. ELLENDER. I may say, then, that what the Senator is asking is that the regular amount be supplemented to the extent of $10,000.

Mr. HILL. The Senator from Louisiana is correct.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 193), as amended, was agreed to.

ADDITIONAL ASSISTANTS FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar 1492, Senate Resolution 194.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 194) authorizing the Committee on Labor and Public Welfare to employ four additional temporary assistants.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. HILL. Mr. President, the resolution simply continues in the service of the Committee on Labor and Public Welfare four additional persons who have been employed by the committee for several years. These persons were employed during the 83d Congress, when our Republican friends were in control of the committee, and they have been employed during the 84th Congress. The work of the committee is so heavy and there is so much to be done that there has been ever since these persons were employed a very definite need for their services.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield.

Mr. ELLENDER. When the Senator first submitted a similar resolution in the 83d Congress, as I recall, it was to make possible the reemployment of certain persons to do work which they had previously been doing. Was any effort made to reduce the total staff when these persons were first employed by the committee?

Mr. HILL. When they were first employed?

Mr. ELLENDER. Were they not discharged when the Republicans took control?

Mr. HILL. Oh, no; they were employed during all the time the Republicans were in control of the committee.

Mr. ELLENDER. I know Mrs. Harman was discharged.

Mr. HILL. I may say that the positions, irrespective of the persons holding them, were maintained. A similar resolution first was agreed to by the Senate on January 30, 1953; another similar resolution was agreed to by the Senate on January 26, 1954; and a third similar resolution was agreed to by the Senate on February 4, 1955. This would be the 4th year during which the committee would have the services of these 4 additional persons.

Mr. ELLENDER. Those resolutions were to employ Mrs. Vivien Harman, Paul Sample, Marjorie Whittaker, and Helen Eagle?

Mr. HILL. That is correct.

Mr. ELLENDER. Those four persons were employed, as I recall, when the Republicans took control.

Mr. HILL. No. Those positions were filled while the Republicans were in control during the 83d Congress. As I recall, they were not filled at that time by the particular persons named by the Senator from Louisiana.

Mr. ELLENDER. When the Republicans took control, was a resolution agreed to providing for four additional employees?

Mr. HILL. Yes; I have just read the dates when those resolutions were agreed to. The first resolution was agreed to on January 30, 1953, which was about the time the Republicans took control of the committee.

Mr. ELLENDER. Were four persons similarly employed by the committee prior to that time?

Mr. HILL. We had had employees, but they had been employed by virtue of special funds the committee had received.

For instance, the Subcommittee on Health of the full committee had received special funds.

Mr. ELLENDER. At one time, as I recall, the committee had a kind of watchdog subcommittee, which has now been discontinued.

Mr. HILL. The Senator from Louisiana is correct.

Mr. ELLENDER. It was after that subcommittee had been done away with that the additional employees were sought by the committee.

Mr. HILL. That is correct; and the Senate allowed those four employees in the 1st session of the 83d Congress, the 2d session of the 83d Congress, and the 1st session of the 84th Congress, which was the session immediately preceding the present session.

Mr. ELLENDER. Has the committee any special investigations now in progress, for which the committee is seeking funds?

Mr. HILL. The committee has in progress a special investigation of union welfare and pension funds, as the Senator may recall, but that investigation is now coming to a close, and the subcommittee which made the investigation is to make its report on March 1. No further funds have been asked or are being sought for that special investigation.

Mr. ELLENDER. So the only additional money and staff which the committee will obtain during the present session, as I understand, are these four employees and the $10,000 which the Senate has just granted.

Mr. HILL. So far as we can now see; unless something unforeseen should arise; or unless our hearings should be lengthy and our bills for stenographic reports or other expenses should be unusually large. We are now asking for the amounts of money and the personnel with which we hope to finish the session.

The PRESIDING OFFICER. The resolution is open to amendment. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 194) was agreed to, as follows:

Resolved, That the Committee on Labor and Public Welfare is authorized, from February 1, 1956, through January 31, 1957, to employ four additional clerical assistants to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with section 202 (e), as amended, of the Legislative Reorganization Act of 1946, and the provisions of Public Law 4, 80th Congress, approved February 19, 1947, as amended.

ADDITIONAL CLERICAL ASSISTANCE FOR COMMITTEE ON GOVERNMENT OPERATIONS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar 1481, Senate Resolution 188.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 188) to provide additional clerical

assistance and funds for the Committee on Government Operations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 188) which had been reported from the Committee on Rules and Administration with amendments.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, this resolution, as approved by the Committee on Government Operations, and also by the Committee on Rules and Administration, calls for authorization of a budget for the expenditure of $215,000 for the operations of the Permanent Investigating Subcommittee of the Committee on Government Operations.

Last year, when I became chairman of the committee, it was operating on a budget of $214,000, as I recall. In the reorganization, or at least partial reorganization, of the committee staff, we undertook to be conservative and economical, realizing that in the course of the change it would take a litttle time to get the work under way. We reduced the budget for last year from $214,000, at the time when I became chairman of the committee, to $190,000.

Since then, and for the past year, we have operated, under that resolution, at a cost of approximately $175,000—returning to the Treasury, or having available to return to the Treasury, approximately $15,000 of the $190,000.

I am sure Members will be interested in knowing why an increase is requested for this year. There are two reasons: First, we were able to operate on the $190,000 budget because we were conservative.

Second, we were able to return to the Treasury approximately $15,000 because we had the loan of a staff member from the Appropriations Committee. The Appropriations Committee has a staff of technical assistants; and we were given the loan of one of those staff members, and his salary was carried by, and paid out of the allowance to, the Appropriations Committee. When preparing the budget for this year, I spoke about this matter to the chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN]. It occurred to me—and he readily agreed—that it would be a better housekeeping arrangement for our committee to include in its budget for this year the salary of that staff member, instead of having the Appropriations Committee carry it as a part of its expenditures. So that accounts for approximately $13,600 of the increase.

Then, Mr. President, since the last budget was approved, Congress has enacted legislation increasing by 7½ percent the salaries of all employees. That 7½-percent increase amounts to an addition of between $11,000 and $12,000, approximately, in the case of the Permanent Investigating Subcommittee.

Then, Mr. President, the mileage allowance, for witnesses and witness fees have also been increased. That increase accounts for another $1,200, approximately.

So, Mr. President, in this case we are, in reality, asking for identically the same budget, in value and in purchasing power, so to speak, that we had as of last year.

Now I shall be glad to answer any questions.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. ELLENDER. The Senator said that he saved $15,000 of the $190,000.

Mr. McCLELLAN. That is correct.

Mr. ELLENDER. And that he was asked by the chairman of the Appropriations Committee [Mr. HAYDEN] to pay one of the employees from the funds of the Senator's committee, rather than having him paid from the funds of the Appropriations Committee?

Mr. McCLELLAN. Let us get it straight. We saved $15,000 out of the budget which I presented last year, by reason of the fact that the Appropriations Committee loaned us a staff member and paid his salary.

Mr. ELLENDER. As a matter of fact, the Senator's committee could have paid that salary and stayed within the budget of $190,000.

Mr. McCLELLAN. We could have. However, we had a very close budget, and by reason of the circumstance to which I have referred, we saved the money.

Mr. ELLENDER. As I understand, the only additional expense involved is the 7½-percent increase in salaries.

Mr. McCLELLAN. Plus the increase in mileage for witnesses and witness fees.

Mr. ELLENDER. How much does that amount to? Did the Senator say that would amount to $1,200?

Mr. McCLELLAN. The mileage has been increased from 7 to 10 cents. Travel expenses for witnesses have been increased, I believe, from $9 to $12. I have forgotten what the witness fees are.

Mr. ELLENDER. What is the total?

Mr. McCLELLAN. Of necessity, that must be an estimate.

Mr. ELLENDER. What is the estimated difference?

Mr. McCLELLAN. That would make a difference of a little more than $1,000, based upon last year's expenses, according to the best calculation I can make.

Mr. ELLENDER. A difference of $1,000 for what?

Mr. McCLELLAN. For witness fees and mileage.

Mr. ELLENDER. What else?

Mr. McCLELLAN. Travel allowances have been increased from $9 to $12 a day.

Mr. ELLENDER. I am trying to make some calculations on the basis of the Senator's statement. As I understand, of the $190,000 allocated to it last year, the committee could have paid the salary of an extra employee who was borrowed from the Committee on Appropriations.

Mr. McCLELLAN. Yes. We could have done that.

Mr. ELLENDER. So the only additional amount necessary would be by reason of the increase in salaries, which amounts to about 7½ percent, which would represent a figure of about $13,000, plus increased travel expenses.

Mr. McCLELLAN. That is correct. However, there is this additional factor: Bear in mind that last year, when the budget was made so tight, it was contemplated that it would require 2 or 3 months to make adjustments in the staff, and that there would be some saving. Now the staff is organized. We do need one additional clerical worker and an additional member on the professional staff. However, as soon as those two are employed, it is to be assumed that the expense stated will continue for the remainder of the year.

Mr. ELLENDER. The $15,000 which the Senator saved represented the salary of one of his professional employees; did it?

Mr. McCLELLAN. That is correct.

Mr. ELLENDER. The other employee referred to is a clerical worker. What will his salary amount to?

Mr. McCLELLAN. That shows how closely we calculated the budget last year; and I am trying to do the same thing again.

Mr. ELLENDER. If we add to the $190,000 the salary of the additional clerical worker expected to be employed——

Mr. McCLELLAN. Plus one additional investigator, who is asked for.

Mr. ELLENDER. That is in addition to the present staff?

Mr. McCLELLAN. Yes.

Mr. ELLENDER. The Senator expects to employ two persons in addition to the number now employed by the committee?

Mr. McCLELLAN. That is correct.

Mr. ELLENDER. Why is it necessary to employ those two additional people, aside from the employee formerly borrowed from the Appropriations Committee? As I understand, his salary could have been taken care of within the $190,000 budget for last year.

Mr. McCLELLAN. That is correct. It is a matter of judgment as to what we need. I may say to the Senator that we could use twice the staff we have, insofar as the workload is concerned. The reason I do not ask for more —and I am thinking in terms of obtaining satisfactory results—is simply that members of the committee, with their other duties and responsibilities, do not have the time to process the cases. We have stated what we think we shall require, and we are operating just as economically as possible, consistent with doing a good job.

I point out to the Senator that as a result of 1 investigation last year we saved the Government between $1,400,000 and $2,400,000, up to the present time. Some of that will probably be spent later, but there was actually a saving at that time.

I point out further that in the course of the investigation of procurement for the military services—and we have not nearly completed that investigation; it

requires time to dig out the facts—we have discovered that, while the claims amount to more than $500,000, the Government had on hand money which it had not paid out, and which it was able to withhold, to the extent of $165,000.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. KNOWLAND. We desire the Senate investigating committees to have ample funds with which to carry on their work. We are only trying to be helpful, insofar as the question of appropriations is concerned.

As the Senator knows, year after year, the expenditures for these purposes have increased. That has happened under both political parties.

It occurred to us, from an examination of the figures, that last year the committee—which, I may say, is highly respected in the Senate, as is its distinguished chairman—had authorized funds of $190,000. The funds spent were $169,811. I understand from the colloquy between the Senator from Arkansas and the Senator from Louisiana, that one of the employees working for the committee has been carried on the payroll of the Committee on Appropriations.

Mr. McCLELLAN. That is correct.

Mr. KNOWLAND. If that salary were transferred to the payroll of the Government Operations Committee, what would the increase amount to?

Mr. McCLELLAN. It would amount to approximately $13,600.

Mr. KNOWLAND. So, as the Senator has pointed out, within the figure of $190,000, the committee would have been able to take care of that amount.

Mr. McCLELLAN. Yes. Of course, in addition, our committee paid his traveling expenses. His salary was all that was charged to the Appropriations Committee.

Mr. KNOWLAND. In addition, there have been some adjustments in salaries; and, as the Senator has pointed out, travel allowances have been changed to some extent during that period of time.

Mr. McCLELLAN. That is correct.

Mr. KNOWLAND. What does the Senator estimate the increase to be?

Mr. McCLELLAN. The 7½ percent increase in salary would amount to between $11,000 and $12,000. That is my best estimate of the expense we expect to incur by reason of increased salaries.

Mr. KNOWLAND. I should like to cooperate with the distinguished Senator and not delay him. The committee is doing some excellent work. I had hoped the Senator might be able to agree to a figure of $200,000, which, it seems to me, in view of the facts which have been brought out in the colloquy as to what was authorized last year, what was spent last year, and what adjustments were made, might represent a proper figure. I had hoped that the Senator might be prepared to cooperate to that extent. I am sure that if, after a period of time, some unusual situation should develop, the Senator would not find us uncooperative in trying to solve his problems.

Mr. McCLELLAN. I am confident of that. The only suggestion I have is that, after Congress recessed and the Members all had left the city, if the committee, with work to do, should run short, there would be no way to obtain funds. The work would have to be suspended. I think the RECORD clearly indicates to the Senate that if we do not require this money for legitimate use, for good purposes, it will not be spent. I have tried to follow that policy consistently as long as I have been serving as chairman of the committee. I dislike to make the budget too tight. I like to feel that we have some freedom of action to incur expenses if it should become necessary to do so.

Mr. KNOWLAND. Let me say to my good friend that we shall have to make the Government budget a little tighter. The distinguished Senator is one of those who has supported, on the Appropriations Committee and elsewhere, economy in Government. I was hopeful that we might be able to come to an adjustment with relation to this figure.

Mr. McCLELLAN. I believe the chairman of the committee showed his good faith, when he took over the committee, by reducing the budget. I am not critical of the other budget, but the other budget was without question more than what I am asking for, or, certainly equal to it. I felt it was my duty to undertake to tighten the budget within proper limitations. That was done. The committee has operated within the budget. We have a volume of work built up, and it takes time, when a change of administration occurs, so to speak, to get the committee reorganized and set up properly.

I feel that we have made a good record and that we have saved money for the Government, and that we have more than made a record to warrant all that we may ask for in the years to come.

We have in process some important investigations. In that connection I should like to say that the carrying on of investigations into extravagance and corruption is almost like undertaking to pursue a criminal, so far as getting evidence is concerned. I do not mean that in any ugly sense. However, it is necessary to engage investigators and other persons who know how to make inquiries and how to develop the necessary facts.

Mr. ELLENDER. Is it not correct to say that a subcommittee of the Committee on Armed Services is engaged in the same work, or in similar work?

Mr. McCLELLAN. That is correct. I might say, in that connection, that if all committees of Congress having jurisdiction would police all the departments of Government, it would not be necessary to maintain a special investigating committee.

Mr. ELLENDER. I should like to ask a further question. Would the $200,000 suggested by the distinguished Senator from California [Mr. KNOWLAND] be sufficient to carry on the committee's work in the same manner as last year? Would not that amount be sufficient?

Mr. McCLELLAN. It might be, and it might not be. It is impossible to determine the amount accurately. If I thought I was asking for one nickel more than the committee needed, I would immediately yield to the suggestion which has been made. However, I should like to point out that when we get into an investigation it is impossible to anticipate all the expenses which may be incurred. It is impossible to prepare an accurate estimate.

If our record of performance does not recommend itself to the Senate, then I do not know how to prepare a budget. Mr. President, I stand on that statement. If our record does not recommend itself to the Senate, I do not know how to prepare a budget.

Mr. ELLENDER. I should like to make a short general statement which may be applicable to many of the resolutions which the Senate will consider today.

As the Senate well knows, I have devoted quite a bit of time to studying committee budgets and in trying to keep them within reasonable bounds.

As I have previously shown, from year to year these budgets for standing committees and their so-called temporary subcommittees have constantly been increased, to the point where the total budget required to operate the legislative branch of the Government has become alarmingly large.

Since the passage of the Reorganization Act of 1946, we have had quite an increase in the number of professional employees working on committee staffs—not only on standing committees, but also on so-called special committees.

In the past 3 or 4 years I have noticed that there is a definite and increasing trend toward committees organizing themselves into subcommittees with each subcommittee providing itself with a separate professional and clerical staff. These subcommittee staffs are in addition to the maximum staff of the standing committee provided in the Reorganization Act.

When the Reorganization Act was passed it provided that each standing committee should be entitled to hire 4 professional staff members, 1 chief clerk, 1 assistant chief clerk, and 4 assistant clerks, or stenographers, making a total of 10 staff members for each standing committee.

In 1949, the Senate Committee on the Judiciary prevailed upon the Senate to enact a joint resolution, with no time limit, under which that committee was provided 2 additional professional staff members and 3 more clerks, making a total of 15. This is the only standing Senate committee which has a permanent staff of 2 additional professional members and 3 clerks, the only committee which has authority to hire 6 professional staff members, a chief clerk, an assistant chief clerk, and 7 stenographers.

All the other committees of the Senate have authority to hire only 10—the number of staff members provided by the Reorganization Act.

From year to year many of the committees have asked for additional clerical assistants. A moment ago we heard the distinguished Senator from Alabama, who heads the Committee on Labor and Public Welfare, ask for four additional clerks. The same situation prevails with several other committees.

When the Reorganization Act was placed on the statute books, a certain

amount of money was set aside for salaries to pay the prescribed number of employees for each committee. That amount has grown from year to year, until now it has reached the sum of $111,445.

We must bear in mind that each standing committee receives $111,445 each year to pay for its four professional staff members, a chief clerk, an assistant chief clerk, and four other clerks.

The Committee on the Judiciary, as I pointed out a while ago, because of what its members describe as an excessive workload, was able to get the Senate to increase its budget to $159,583. That amount of money is made available to the Committee on the Judiciary each year, for clerk hire, without the committee having to ask for it.

It includes the regular committee allocation of $111,445 plus the funds required for salaries of the additional employees authorized for the Judiciary Committee under the special resolution I have referred to. That joint resolution gave five additional assistants to the committee, and added to the budget of the Committee on the Judiciary the sum of $48,138.

In addition to these amounts authorized to hire staffs for the standing committees, the Legislative Reorganization Act also provide for a Legislative Reference Service in the Library of Congress. That Legislative Reference Service was intended to supplement the staffs provided standing committees under the Reorganization Act. Today the Legislative Reference Service has 158 employees, with a budget of $1,003,000.

Remember, Mr. President, those 158 employees are available for the use of Senate committees.

But is this all the additional assistance these committees have available? No, Mr. President. There is the office of the Senate Legislative Counsel which provides assistance. In the office of the Legislative Counsel there are 11 attorneys and 4 clerks, and the budget for last year was $153,000. For the coming year, because of increases in salaries, the budget will have to be increased to $165,000.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. KNOWLAND. I wish to say to the Senator, and I am sure he will agree, that we all wish to see the legislative arm of the Government provided with sufficient help to do its work, and in the overall cost of Government it is a small proportion of the national budget. But because under the Constitution we do have control of the pursestrings, we have a double obligation, as the Senator has ably pointed out. These special resolutions are over and above the regular allotments for the standing committees provided for in the Reorganization Act, which allows each committee to have four professional staff members, a chief clerk, assistant clerk, and certain assistants. They are provided for without having a special resolution.

If my figures are correct, in the 80th Congress the amount appropriated for special committees was $1,673,839.59, and there were 46 resolutions.

In the 81st Congress the amount appropriated was $1,939,473.01, with 61 resolutions.

In the 82d Congress the amount appropriated was $3,087,991.30, with a total of 61 resolutions.

In the 83d Congress the amount appropriated was $3,165,123, with 63 resolutions.

In the 84th Congress, 1st session, the amount appropriated was $2,594,422.79; and, if I am not mistaken, the sum total of the resolutions which are either under consideration or which have already been agreed to, will at least double that amount, because that was only for the 1st session of the 84th Congress, so it will amount to almost $5,000,000.

All we are trying to do is to hold the amount within reasonable bounds. I think the Congress of the United States, when the facts are presented, if there is any emergency situation which must be met, will be prepared to consider additional amounts under such circumstances.

This growth has taken place under Republican control of the Congress as well as under Democratic control. I make no argument on a partisan line at all. We are not seeking to deprive committees of an opportunity to carry on their work, but the suggestion we have made is that they live within the amounts allocated last year plus such additional adjustments as may be justified because of change in mileage payments or other expenses.

That is what we are asking in this instance and in other instances that will follow. This committee, as is true of many others, has done a good job, and I do not feel that we are in any sense cutting them to a point where they cannot do a good job.

Mr. ELLENDER. I thank the Senator from California for his observations.

I have never objected to the appropriation of money for any legitimate investigation. The record will so show. What I have objected to is some Senator coming before this body and saying he will need so much to complete a job, and then finding that the job will never end. Let us take, for example, juvenile delinquency. I remember former Senator Hendrickson, of New Jersey, coming before the Senate and asking for $75,000 to begin an investigation of the juvenile-delinquency problem.

The next year he said, in effect, "I made a mistake. I could not get through with the $75,000. I want $175,000."

Surely, we all thought that with that sum the Senator would be able to complete the investigation; as I recall, we were so assured. But has it ended? It is still going on. We still have that subcommittee, headed by the Senator from Tennessee [Mr. KEFAUVER] continuing its studies. All that has been accomplished, as I understand, is that a few reports have been made describing and dramatizing the problem.

As I have said, Mr. President, I am not opposed to conducting any legitimate investigations, but it strikes me that the committees of the Senate should place greater reliance upon the special facilities provided for them in the Reorganization Act, rather than hiring a multitude of special employees.

I referred a while ago to the Legislative Reference Service, where there are 158 persons employed, professional and clerical, available to give assistance to committees.

Mr. O'MAHONEY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. In a moment.

The Office of the Senate Legislative Counsel, with 11 attorneys, should also be used to a greater extent.

I wish to say in that connection, Mr. President—and I do not wish to say it boastfully—that the Committee on Agriculture and Forestry is a very busy committee. It has been exceptionally busy since last November. I have been unable to take a vacation of more than a week. The committee has been busily engaged in trying to get before the Senate a farm bill.

Mr. O'MAHONEY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I will be happy to yield to my friend in a moment.

What did I do, Mr. President, in order to get the farm bill before the Senate? I did not seek to employ additional investigators, lawyers, clerks, and stenographers. I utilized the facilities of the Library of Congress. I got special attorneys from the Office of the Legislative Counsel to sit with us. If more of the committees would do that, we could do away with many of the special staffs which we are now asking to continue.

Mr. President, I have here a list prepared for me by the Legislative Reference Service of the Library of Congress, which list I am informed was compiled from reports made from time to time to the Senate.

In June of 1934, prior to the Reorganization Act, the total number of employees of all committees was 259. As of June 1955 the total number was 513. That is almost double.

Let us see how these 513 employees are distributed.

The Committee on Agriculture and Forestry is entitled to 10 persons, 4 professionals and 6 clerks. The committee has 8. It is difficult, but we do our work. We have assistance from the Library of Congress and the Office of the Legislative Counsel.

The Appropriations Committee has 47 employees.

The Armed Services Committee has 23 employees.

The Banking and Currency Committee has 43 employees.

The Finance Committee has six employees. The reason for that, as the Senate well knows, is that there is in the congressional organization a joint committee on taxation which has a special staff, and the finance committee makes use of that joint committee.

Committee on Foreign Relations, 14; Committee on Government Operations, 35; Committee on Interior and Insular Affairs, 27; Committee on Interstate and Foreign Commerce, 38; Committee on the Judiciary—listen to this one—147; Committee on Labor and Public Welfare, 40; Committee on Post Office and Civil

Service, 38; Committee on Public Works, 11—one over the number allowed—the Committee on Rules and Administration, 20; Committee on Small Business, 10.

I point out these facts merely to indicate that in my considered judgment if the chairmen of the various committees of the Senate now seeking special funds were to use the facilities provided under the Reorganization Act in the same manner as some Senators are trying to do, there would not be any need for all the extra employees now on the Senate payroll.

As the Senator from California pointed out a moment ago, the various amounts which are provided each year for special staffs, including expenditures for investigations and the salaries of those who do the investigating, have been on the increase.

For fiscal year 1954, the amount so expended was $1,936,217.29. For fiscal year 1955, the fiscal year ending last June 30, the amount was $2,118,331.19.

If the amounts which are now being sought are voted today or during the week, they will far exceed the figure I have just mentioned as having been spent during fiscal year 1955.

As I have calculated it roughly, the Committee on the Judiciary, in addition to the $159,583 which it is getting under the Reorganization Act and its special resolution adopted in 1949, plus another $10,000 to pay for investigation expenses, thus making a total of $169,583, this committee is now asking for an additional sum of $1,083,000. The rest of the committees together will receive a little more than that—a million and some hundred thousand dollars.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I shall yield first to the Senator from Wyoming, who previously asked me to yield.

But first let me say that I made a rough estimate of the amount which the Committee on the Judiciary will receive—that is, if the entire amount they have asked for is granted—and it is $1,083,000.

I have made a rough estimate with respect to all other committees—and that does not include some resolutions which have already been acted upon—and the total is $1,128,000. I feel certain that a good deal more money bill be asked for in the course of the last half of this year.

I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. I thank the Senator from Louisiana. I had asked him to yield at the moment when he was saying that Congress provides the Legislative Reference Service as an aid to the various committees. The implication of the Senator's statement was that few of the committees use the Legislative Reference Service. The Senator from Louisiana, as Chairman of the Committee on Agriculture and Forestry, testifies for himself that he has used the Legislative Reference Service. I wish to testify for myself, as chairman of the standing Subcommittee on Patents, Copyrights, and Trademarks of the Committee on the Judiciary that our subcommittee has not hesitated to use the Legislative Reference Service.

Mr. ELLENDER. That is, in connection with investigations.

Mr. O'MAHONEY. In connection with investigations; absolutely.

Mr. ELLENDER. But the regular committee has not done so.

Mr. O'MAHONEY. Not the committee; it is in connection with the investigations made by the subcommittee. We have repaid the Legislative Reference Service for the cost of the salaries of their personnel; so that there is no duplication for cost.

Thus, so far as this subcommittee is concerned—and I followed a similar practice in an earlier day, when I was chairman of various committees—we have used to the utmost all the facilities which are afforded us from the Library of Congress.

However, I point out to the Senator another significant fact which he may have overlooked. I do not know whether it has been called to his attention. The total staff of the Committee on Appropriations, of which the Senator from Louisiana is a very able member—I used to serve on that committee and served with the Senator, and can testify as to his diligence and ability in discharging the work of that committee.

Mr. ELLENDER. I thank the Senator from Wyoming.

Mr. O'MAHONEY. The Committee on Appropriations today has only 28 employees.

Mr. ELLENDER. According to this material prepared by the Library of Congress, we have on the payroll 43 employees.

Mr. O'MAHONEY. I have just sent to the office of the Committee on Appropriations to obtain that information, and I tell only what has been reported to me.

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. The Bureau of the Budget has a vast staff; in addition, practically every executive department of the Government has a budget office of its own, with employees numbering from 40 to 50 in each such office. The Senate committee is thus inadequately staffed, and able as they are, the clerks are outnumbered.

The point I wish to make in this discussion is that Congress will be stripping itself of the personnel it needs in order to carry on the work which has been placed before us, unless we agree to the resolutions which have been approved by the Committee on Rules and Administration.

I, together with the chairman of the Committee on the Judiciary, the Senator from West Virginia [Mr. KILGORE], appeared before the Committee on Rules and Administration to testify to the need of appropriations with which to carry on the work of our investigations.

No one appeared before the committee to oppose our request. We were asked to submit a budget, and we prepared a budget.

I am proud to be able to say that one of the members of the Committee on the Judiciary was good enough to compliment me upon the fairness of the budget which our Subcommittee on Patents established. We showed, down to the split penny, every cent that was expended, for whom, and for what purpose it had to be done.

Then we appeared before the Committee on Rules and Administration, and that committee, with a full attendance at its meeting, went over the various resolutions, heard the evidence, and decided what the amount of the appropriation should be. The request I made at that time, as chairman of the Subcommittee on Patents, Copyrights, and Trademarks, for the study we are now making of the patent system, a study which has aroused interest all over the United States, to the extent that our preliminary report has been in great demand, was reduced by the Committee on Rules and Administration. We have made no complaint about that.

I wish to make it clear to Senators who have assembled here this afternoon that the Subcommittee on Patents, in presenting its resolution, did its best to be economical, and at the same time do the work which it had to do.

I know that to be the case with other Senators, such as the chairman of the Committee on Government Operations, the Senator from Arkansas [Mr. MCCLELLAN]. No one can challenge the integrity, the ability, and the sincerity of the Senator from Arkansas. Nobody can doubt that the work which he has been doing in conducting the activities which are required to be carried on by the Legislative Reorganization Act is needed. When we balance the appropriations of Congress against some of the other expenditures in Government, our eyes are opened.

Mr. ELLENDER. If the Senator will do that on his own time.

Mr. O'MAHONEY. Mr. President, are we under a time limitation?

Let me complete my statement, and then I shall subside. I shall perhaps take the floor again when the resolution for the Committee on Interior and Insular Affairs is taken up.

Mr. ELLENDER. That is another committee which has divided itself into a number of subcommittees in the past few years.

Mr. O'MAHONEY. Senator, let us not forget that the Committee on Interior and Insular Affairs is a combination of what were once five different committees.

Mr. ELLENDER. I know that.

Mr. O'MAHONEY. Those five different committees were so combined by the Reorganization Act. The jurisdiction of the committee extends from the very eastern shores of the Virgin Islands to the western shores of the Aleutian Islands in the Pacific, to the western shores of the Hawaiian Islands in the Pacific. The jurisdiction of the committee covers half of the globe, and some complaint is now being made about $40,000, so that there will be cut down the ability of the committee to investigate the innumerable matters which will come before it.

Mr. ELLENDER. Inasmuch as the Senator is on the subject of the Committee on Interior and Insular Affairs, I

wish to point out that those subcommittees existed previously.

Mr. O'MAHONEY. They were separate committees.

Mr. ELLENDER. Through January 1955 there was a total of $34,000 provided in the way of special funds. Through January 31, 1956, the amount was $70,000. Now the Senator is asking for $177,000. In other words, the amount is increasing every year. It seems that every committee, whether it has work to do or not, is coming to the floor to see that there is maintained a separate staff for each of the subcommittees.

Mr. O'MAHONEY. Does the Senator contend that the subcommittees on which I serve, such as the Patents Subcommittee, the Antitrust Subcommittee, and the Civil Rights Subcommittee, are subcommittees which have nothing to do, and are merely asking for money for the pleasure of spending it?

Mr. ELLENDER. No; I do not mean that at all.

Mr. O'MAHONEY. Of course, the Senator does not.

Mr. ELLENDER. But it strikes me that most of the committees could operate in the same manner as some of us have operated our own committees. Last year I could have spent $111,000 in the Committee on Agriculture and Forestry, but I got by with less than $50,000.

Mr. O'MAHONEY. Mr. President, I should like to place in the RECORD the following facts from page M21 taken from the President's message on the budget:

The legislative branch for 1955 had an appropriation of $65 million.

The funds appropriated to the President amounted to $4,881,000,000.

In addition to the funds for the Executive Office, the independent offices received the following appropriations:

The Atomic Energy Commission, $1,857,000,000.

The Veterans' Administration, $4,505,000,000.

Other offices under the independent offices appropriation received a total of $3,008,000,000.

The General Services Administration received $978 million.

The Housing and Home Finance Agency received $1,270,000,000.

The Department of Agriculture received $7,655,000,000.

The Department of Commerce received $1,096,000,000.

I shall skip the expenditures covering the Department of Defense, because that, of course, represents an emergency need.

Let us consider the civil functions of the Department of Defense. That department received $646 million. That department involves public-works projects all over the country. Unless Congress staffs itself properly, it will not be able to know what the projects are.

The Department of Health, Education, and Welfare, which affects all the people of the United States, had an appropriation in 1955 of $1,994,000,000.

The Department of the Interior had an appropriation of $548 million.

The Department of Justice had an appropriation of $182 million.

The Department of Labor had an appropriation of $395 million.

The Post Office Department had an appropriation of $2,733,000,000.

The Department of State had an appropriation of $137 million.

The Treasury Department had an appropriation of $7,553,000,000.

There was an appropriation for the District of Columbia general fund of $22 million.

Mr. ELLENDER. I should like to point out that all those matters are considered by the Committee on Appropriations.

Mr. O'MAHONEY. Of course. What I am saying to the Senator and to the Senate is that it is absolutely impossible for the legislative committees of this body to deal with the multiplicity of problems which are being poured on the Senate and the House of Representatives, unless the committees have additional appropriations.

Of a total of $65 million for the Congress for the next fiscal year, the requests for funds by committees will not, at the very utmost, exceed $2½ million. I think it is money which will be spent in the interest of the people. More than that, it is money which we will spend in the defense of the legislative body of the United States. This is the body which was created by the first article of the Constitution of the United States, and which was given the full power, in conjunction with the other branch of Congress, to legislate for all the people of the United States.

Senators know how great the burden is upon them. Mr. President, we shall cripple ourselves unless our committees are empowered to carry on the investigations by contingent appropriations, because, otherwise, we shall be dependent upon the reports we shall get from the executive departments and from the Legislative Reference Service.

The Legislative Reference Service sends out no investigators. Of course, the departmental employees cover the field, but when they appear before committees of Congress they are under an obligation of law not to make any statement with respect to appropriations which has not been cleared by the Bureau of the Budget. They are bound by the authority of their chiefs.

In the years I served on the Committee on Appropriations with the Senator from Louisiana, it was my experience that we could not get the facts when we needed them, and sometimes we were forced to pass appropriation bills without sufficient knowledge.

I am merely asking the Senate now to stand behind the Committee on Rules and Administration, and grant us the funds which the Committee on Rules and Administration, after hearing and examination, decided was good for the Congress.

I thank the Senator very much.

Mr. GREEN. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield for a question, not for a speech.

Mr. GREEN. I had no intention of making a speech.

Mr. ELLENDER. The reason I made that statement was that the Senator from Wyoming asked me to yield for a question, and then made a speech.

Mr. GREEN. I will ask a question, and hope the Senator from Louisiana will make a speech.

I understood the Senator from Louisiana to say the Committee on Rules and Administration has 20 employees. As chairman of that committee, I should like to ask whether that was the Senator's statement.

Mr. ELLENDER. I obtained that figure from the Library of Congress. Yes; the figure for that committee is 20.

Mr. GREEN. Let me ask where the Senator from Louisiana obtained that information. So far, I have heard of only 12 employees of the committee.

Mr. ELLENDER. This information was obtained from Dr. George B. Galloway, who is employed by the Library of Congress.

Mr. GREEN. I cannot understand such a figure. If all the other figures in the data the Senator has before him are as misleading as that one—for our committee has only 12 employees, instead of being almost double that number, the argument must fall.

Mr. ELLENDER. According to Dr. Galloway's memo, the figures I have given were for the periods June 1944 and June 1955.

Mr. GREEN. I do not know anything about that.

Mr. ELLENDER. That is what I am talking about.

Mr. GREEN. Does the Senator from Louisiana mean that for that entire period the committee had 20 employees, or that there were 20 different employees, distributed over that period?

Mr. ELLENDER. In June 1955 these figures show the committee had 20 employees.

Mr. SPARKMAN. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. ELLENDER. I yield for a question.

Mr. SPARKMAN. Mr. President, the able Senator from Louisiana has stated that 43 persons were employed by the Banking and Currency Committee. Let me say that I have just checked on that figure with our staff director.

Mr. ELLENDER. That figure is for June 1955.

Mr. SPARKMAN. That figure involves persons who have been on the staff and then have been laid off.

But the actual number presently employed, including those working permanently for the Banking and Currency Committee comes to 24, plus 3 on loan from other agencies, or a total of 27. The total number budgeted for the entire staff, including those employed by the housing subcommittee, and including the several persons working for the committee under special resolutions now pending before the Senate would be 30.

Mr. ELLENDER. As the Senator from Alabama knows, every 6 months a report must be made by each committee, and filed with the Senate and printed in the CONGRESSIONAL RECORD.

Mr. SPARKMAN. Yes.

Mr. ELLENDER. When Dr. Galloway's figures were compiled, evidently the committee reports for the last 6 months of 1955 had not been placed in the CONGRESSIONAL RECORD. But the report which I obtained from Dr. Galloway covers the periods June 1944 and June 1955; and the figures I have noted here represent the number of employees for each committee on those dates. The number may have been changed since last June; I do not know.

Mr. SPARKMAN. But is it not true that the figures the Senator from Louisiana has given include persons who had been on the staff, and then were dropped from the staff during that period of time, and also include persons who have been employed to substitute for such previous employees? In other words, there will be overlappings and duplications.

Mr. ELLENDER. That is possible.

Mr. McCLELLAN. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. McCLELLAN. A while ago I observed—but I did not interrupt the Senator from Louisiana in the course of his speech—that he stated, I believe, that there were 35 employees of the Committee on Government Operations. Is that correct?

Mr. ELLENDER. Yes.

Mr. McCLELLAN. I wish to inform the Senator from Louisiana that there are only 27. So the other figure is in error.

Mr. ELLENDER. Does the Senator from Arkansas mean there are only 27 at present?

Mr. McCLELLAN. Yes. In the larger figure, the Senator from Louisiana is bound to be including a certain number of replacements. Therefore, the Senator from Louisiana has an exaggerated total, instead of an exact one.

Mr. ELLENDER. The figures I have given cover, as I have just indicated, definite periods. In view of the fact that we realized that these resolutions would come up early in the session, perhaps in January, the figures were prepared ahead of that time; and the figures I have presented do not include the reports which were made in January, for the preceding 6 months. These figures cover the number of employees up to June 1955—as I have indicated in my remarks.

Mr. McCLELLAN. Let me say to the distinguished Senator from Louisiana that at the moment I would not undertake to answer for the latter part of 1944, although I think the figure still is an exaggerated one. But I can say to him that now the correct number is 27, plus 1, or a total of 28. Based on what I know now, that is the total number, the largest number of employees the Senate Committee on Government Operations has had at any time since the first of 1935. I think that is absolutely accurate. We have not had that many, all the time.

Mr. ELLENDER. I have based my remarks on a tabulation furnished me by the Library of Congress. I wish to say to the Senator from Arkansas that it is not my purpose to misrepresent the facts.

Mr. McCLELLAN. I am sure it is not. However, I did not want an inaccurate impression to be left in the RECORD.

Mr. ELLENDER. I shall certainly have this matter looked into, and if there has been an error in the tabulation, I shall submit a corrected table to the Senate tomorrow.

Mr. McCLELLAN. When that is done, I hope the Senator from Louisiana also will check to ascertain whether replacements are counted, as well as the total number of employees at any one time.

Mr. ELLENDER. These figures were obtained from the Library of Congress. I have also obtained from the Library an account of what each committee has done during the first session of this Congress, including the reports which have been made and the hearings which have been held. I have a summary of that information, which I propose to refer to in due time.

Mr. GREEN. Mr. President, I should like to ask whether the question asked of the Library of Congress was as to how many persons had been employed during that period of time or how many persons were employed at any specific time during that period. The two questions would elicit entirely different information.

Mr. ELLENDER. The information given was for the first 6 months of 1955.

Mr. GREEN. I am sure the Senator from Louisiana will admit that the two figures would be entirely different. For instance, if the Committee on Rules and Administration had two permanent employees a year, but if they were changed or replaced every 6 months, in a period of 6 years the total number would be 24—but not 24 at any one time.

Mr. ELLENDER. I do not know how the Library of Congress proceeded, but I shall find cut and inform the Senate tomorrow.

Mr. GREEN. Mr. President, I think the Senator from Louisiana has been misled by the figures. They show the total number of employees in that period, regardless of the number of changes which have occurred among the employees.

Mr. ELLENDER. It may be that Senators are not cognizant of the period to which I referred. I am not referring to the situation as of today.

I suppose there have been some changes between June 1955, and January 1956. That is possible. But the table I have before me was prepared by the Library of Congress from information taken from the CONGRESSIONAL RECORD.

Mr. GREEN. The table may be perfectly correct; I do not question that. But the question is whether that number of persons was employed during that time.

Mr. ELLENDER. The table shows they were.

Mr. GREEN. Suppose 10 were hired one year, and 10 were hired the second year, and 10 were hired the third year. Then it could be said that a total of 30 were hired, although there never would have been more than 10 at any one time.

Mr. ELLENDER. I have no reason to doubt that these figures are correct.

Mr. GREEN. That may be, but the argument based on them is not correct.

Mr. ELLENDER. These figures reflect the number of persons employed during that period.

Mr. GREEN. Certainly. But that means nothing unless we consider the number of persons employed at any one time.

Mr. ELLENDER. On tomorrow—I suppose we shall be in session then—I shall answer the question the Senator from Rhode Island is now asking. But from the information I was able to obtain from Dr. Galloway it may be that when he shows that 20 persons have been employed by the Committee on Rules and Administration, he had in mind those who were employed to hold the hearings in New Mexico. The Senator from Rhode Island remembers that there were quite a large number there. I believe the distinguished Senator from Missouri [Mr. HENNINGS] was on that subcommittee.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HENNINGS. I recall that a sum in excess of $200,000 was spent in connection with the election contest in New Mexico.

Mr. ELLENDER. That is correct.

Mr. HENNINGS. And the contest failed.

Mr. ELLENDER. As I have said, the figures may indicate the actual number of employees who were on the payroll at that time.

Mr. GREEN. What the answers mean depends on how the questions are worded.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. Did the Senator read the figure for the Interstate and Foreign Commerce Committee?

Mr. ELLENDER. According to the Library of Congress tabulation, the figure for that committee is 38. That was for June 1955.

Mr. MAGNUSON. The misleading part about these totals is that we have a regular staff of 10 employees, and we have 10 temporary employees. However, among those 19, some of the temporary employees may work for only 2 months, for example, on a given project. I think the totals given are arrived at by adding all those who worked during the year. Our regular staff is only 10, but our budget this year calls for 26. The figure of 38 would probably mean that we have made some special studies, on which we have employed people for 3 or 4 months. I think that is the misleading part of the totals.

Mr. ELLENDER. I will obtain the correct figures for the RECORD.

Mr. President, I do not intend to speak further. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a summary of Senate investigations authorized during the 84th Congress, 1st session, and the

reports which were made by the various investigating committees.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SENATE INVESTIGATIONS AUTHORIZED DURING THE 84TH CONGRESS, 1ST SESSION AND REPORTS THEREON

COMMITTEE ON AGRICULTURE AND FORESTRY

Senate Resolution 123: Increasing the limit of expenditures by the Committee on Agriculture and Forestry. Agreed to July 22, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11227. Authorized $20,000.

Reports of Senate Committee on Agriculture and Forestry

Disposal of agricultural surpluses, cotton. April 1955. Committee print, 84th Congress, 1st session.

A study of alternative methods for controlling marketings of burley tobacco. November 2, 1955. Committee print, 84th Congress, 1st session.

Price spreads in the canning industry. Staff study of income, costs, and profits in the canning industry. Fiscal year 1954–55. November 7, 1955. Committee print, 84th Congress, 1st session.

COMMITTEE ON ARMED SERVICES

Senate Resolution 28: Extending the authority of the Committee on Armed Services for hearings and investigations. Agreed to February 4, 1955, CONGRESSIONAL RECORD, volume 101, part 1, page 1160. Extended the authority for investigations by the Preparedness Subcommittee. No additional funds were requested.

Senate Resolution 72: Authorizing expenditures for hearings and investigations by the Committee on Armed Services. Agreed to March 28, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3805. Authorized $160,000.

Senate Resolution 119: Increasing the limit of expenditures for hearings before the Committee on Armed Services. Agreed to July 22, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11227. Authorized $10,000 additional funds.

Reports of Senate Committee on Armed Services

Interim report on civil defense by the Subcommittee on Civil Defense. May 1955. Committee print, 84th Congress, 1st session.

Preparedness Subcommittee: Investigation of preparedness program. First report of the * * * subcommittee. September 1955. Committee print, 84th Congress, 1st session.

Preparedness Subcommittee: Investigation of the preparedness program. Second report * * * Report on concentration of defense contracts, July 1950–December 1954. October 1955. Committee print, 84th Congress, 1st session.

Preparedness Subcommittee: Investigation of the perparedness program. Third report * * * review of procurement program Air Force passenger seats. October 1955. Committee print, 84th Congress, 1st session.

Preparedness Subcommittee: Investigation of the preparedness program. Fourth report * * * Navy aircraft procurement program. Interim report on F 3 H development and procurement. 1955. Committee print, 84th Congress, 1st session.

Preparedness Subcommittee: Investigation of the preparedness program. Fifth report * * * Lack of use of military property and the cost to the Government of overestimating military requirements. January 13, 1956. Committee print, 84th Congress, 2d session.

Subcommittee on National Stockpile: Titanium, report of the subcommittee on national stockpile and naval petroleum reserves * * * May 1955. Committee print, 84th Congress, 1st session.

Report of the subcommittee on Officer Grade Limitations * * * to consider the reports submitted by the military services in response to section 404 of the Officer Grade Limitation Act. April 18, 1955. Committee print, 84th Congress, 1st session.

Operation of article VII, NATO Status of Forces Treaty. Report of special subcommittee. July 29, 1955. Senate Report 1268, 84th Congress, 1st session.

Report by Senator RALPH E. FLANDERS to Committee on Armed Services * * * on visit to facilities of the NACA, April 8–13, 1955. May 1955. Committee print, 84th Congress, 1st session.

COMMITTEE ON BANKING AND CURRENCY

Senate Resolution 23: To investigate problems relating to economic stabilization and mobilization. Agreed to February 4, 1955, CONGRESSIONAL RECORD, volume 101, part 1, page 1167. Authorized $100,000 for investigation of stock exchanges and the Securities Act of 1934.

Senate Resolution 57: Authorizing further expenditures and temporary employment of additional assistants by the Committee on Banking and Currency. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3174. Authorized $100,000 for a continuing study of the whole field of housing.

Reports of Senate Committee on Banking and Currency

Stock market study: Report of the Committee on Banking and Currency. May 26, 1955. Senate Report 376, 84th Congress, 1st session.

Factors affecting the stock market: Staff report to the Committee on Banking and Currency. July 30, 1955. Senate Report 1280, 84th Congress, 1st session.

Federal disaster insurance: Staff report to the Committee on Banking and Currency. January 9, 1956. Senate Report 1313, 84th Congress, 2d session.

Settlement costs: Staff report to the Subcommittee on Housing, pursuant to Senate Resolution 57. 1955. Committee print, 84th Congress, 1st session.

Housing for the aged: Staff report to the Subcommittee on Housing, pursuant to Senate Resolution 57. January 4, 1956. Committee print, 84th Congress, 1st session.

COMMITTEE ON FOREIGN RELATIONS

Senate Resolution 36: Extended the time for a study by the Committee on Foreign Relations on technical assistance and related programs. Agreed to February 4, 1955, CONGRESSIONAL RECORD, volume 101, part 1, page 1166. Authorized $52,000 for continuing the investigation.

Senate Resolution 93: Appointing a subcommittee to work toward the goal of world disarmament. Agreed to July 25, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11347. Authorized $25,000 for the Subcommittee on World Disarmament.

Senate Resolution 128: To provide additional funds for the Committee on Foreign Relations. Agreed to July 22, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11227. Authorized $10,000 additional funds.

Senate Resolution 133: Increasing funds for a study by the Committee on Foreign Relations of technical assistance and related programs. Agreed to July 29, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11974. Authorized $15,000 additional funds for conducting the study authorized by Senate Resolution 36.

Reports of Senate Committee on Foreign Relations

Multilateral technical assistance program: Staff study No. 1, Subcommittee on Technical Assistance Programs. March 29, 1955. Committee print, 84th Congress, first session.

Organization and administration of technical assistance programs: Staff study No. 2, Subcommittee on Technical Assistance Programs. April 1955. Committee print, 84th Congress, first session.

Soviet technical assistance in non-Communist Asia: Staff study No. 3, Subcommittee on Technical Assistance Programs. June 10, 1955. Committee print, 84th Congress, first session.

Summary of reports of American citizens abroad on technical assistance programs. Staff study No. 4, Subcommittee on Technical Assistance Programs. December 22, 1955. Committee print, 84th Congress, first session.

Control and reduction of armaments: Interim report of the Committee on Foreign Relations, Subcommittee on Disarmament, pursuant to Senate Resolution 93. January 17, 1956. Senate Report 1397, 84th Congress, second session.

COMMITTEE ON GOVERNMENT OPERATIONS

Senate Resolution 41: Authorizing additional expenditures and the employment of further temporary assistants by the Committee on Government Operations. Agreed to February 21, 1955, CONGRESSIONAL RECORD, volume 101, part 2, page 1852. Authorized $190,000 for the Permanent Subcommittee on Investigations.

Reports of Senate Committee on Government Operations

Army personnel actions relating to Irving Peress: Report of the Committee on Government Operations made by its Permanent Subcommittee on Investigations. July 14, 1955. Senate Report 856, 84th Congress, first session.

Textile procurements in the military service: Report of the Committee on Government Operations made by its Permanent Subcommittee on Investigations. January 16, 1956. Senate Report 1380, 84th Congress, 2d session.

Inefficiencies in Department of Agriculture grain-bin program: Report of the Committee on Government Operations made by its Permanent Subcommittee on Investigations. January 24, 1956. Senate Report 1443, 84th Congress, 2d session.

(Additional reports are in progress.)

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Senate Resolution 37: Providing additional funds for the study of strategic and critical materials. Agreed to February 4, 1955, CONGRESSIONAL RECORD, volume 101, part 1, page 1168. Authorized $70,000 for an investigation of stockpiling and the need for stockpiles in connection with national defense.

Senate Resolution 39: Authorizing the Committee on Interior and Insular Affairs to employ temporary additional assistants. Agreed to February 4, 1955, CONGRESSIONAL RECORD, volume 101, part 1, page 1170. Authorized $60,000.

Senate Resolution 106: To provide additional funds for the Committee on Interior and Insular Affairs. Agreed to June 21, 1955, CONGRESSIONAL RECORD, volume 101, part 7, page 8823. Authorized $10,000 additional funds.

Senate Resolution 117: Increasing the limit of expenditures by the Committee on Interior and Insular Affairs. Agreed to July 22, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11227. Authorized $7,750 additional funds.

Reports of Senate Committee on Interior and Insular Affairs

Titanium: Staff report, Special Subcommittee on Minerals, Materials, and Fuels Economics. August 1955. Committee print, 84th Congress, 1st session.

Manganese: Report of Subcommittee on Minerals, Materials, and Fuels, to the Committee on Interior and Insular Affairs. September 26, 1955. Committee print, 84th Congress, 1st session.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Senate Resolution 13: To investigate certain problems relating to interstate and foreign commerce. Agreed to February 4, 1955, CONGRESSIONAL RECORD, volume 101, part 1, page 1165. Authorized $200,000 for investigations of (1) maritime matters, including a continuation of the study of the maritime subsidy program; (2) communications; (3) domestic surface transportation; (4) civil aeronautics; (5) fisheries and wildlife.

Senate Resolution 35: Provided for a study of merchant-marine training and education in the United States. Agreed to July 25, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11332. Authorized $30,000 to conduct the study.

Reports of Senate Committee on Interstate and Foreign Commerce

The automobile marketing practices study: Interim report of the Subcommittee on Automobile Marketing Practices. July 1955. Committee print, 84th Congress, 1st session.

Utilization of privately owned shipping by Department of Defense: Interim report of the Subcommittee on Merchant Marine and Fisheries. July 1955. Committee print, 84th Congress, 1st session.

Investigation of television networks and the UHF–VHF problem: Progress report prepared by Robert F. Jones, special counsel. February 1955. Committee print, 84th Congress, 1st session.

Television network regulation and the UHF problem: Memorandum prepared by Harry M. Plotkin, special counsel. February 1955. Committee print, 84th Congress, 1st session.

Trip leasing: Report of the Subcommittee on Surface Transportation of the Committee on Interstate and Foreign Commerce. July 1955. Committee print, 84th Congress, 1st session.

COMMITTEE ON THE JUDICIARY

Senate Resolution 58: To further increase the limit of expenditures under Senate Resolution 366, 81st Congress, relating to the internal security of the United States. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3174. Authorized $260,000 for the Subcommittee on Internal Security.

Senate Resolution 61: Authorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3181. Authorized $200,000 for the Subcommittee on Antitrust and Monopoly Legislation.

Senate Resolution 62: To study juvenile delinquency in the United States. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3188. Authorized $125,000 for the Subcommittee To Study Juvenile Delinquency in the United States.

Senate Resolution 125: Agreed to July 22, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11227. Amended Senate Resolution 62 by increasing the authorization to $154,000.

Senate Resolution 63: Providing funds for an examination and review of the administration of the Trading With the Enemy Act. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3177. Authorized $58,500 for the Subcommittee To Examine and Review the Administration of the Trading With the Enemy Act.

Senate Resolution 64: Extending the authority to investigate problems connected with emigration of refugees from Western European nations. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3178. Authorized $36,500 for the Subcommittee To Investigate Problems Connected with Emigration of Refugees and Escapees.

Senate Resolution 65: To authorize an investigation of national penitentiaries. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3178. Authorized $8,672.79 for the Subcommittee on National Penitentiaries.

Senate Resolution 66: To provide additional funds for the Committee on the Judiciary. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3179. Authorized $102,000 for the Subcommittee on Immigration and Naturalization.

Senate Resolution 67: To authorize a study of the narcotics problem in the United States. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3180. Authorized $30,000 for a study of narcotics problems by the Subcommittee on Improvements in the Federal Criminal Code.

Senate Resolution 137 increased the limit of expenditures by the Committee on the Judiciary. Agreed to July 29, 1955, CONGRESSIONAL RECORD, volume 101, part 9, page 11974. Authorized $20,000 additional funds for study of narcotics problem.

Senate Resolution 92: Providing funds for an examination and review of the administration of the Patent Office and of the statutes relating to patents, trademarks, and copyrights. Agreed to May 11, 1955, CONGRESSIONAL RECORD, volume 101, part 5, page 6087. Authorized $50,000 for the Subcommittee on Patents, Copyrights, and Trademarks.

Senate Resolution 94: Increasing the limit of expenditures by the Judiciary Committee. Agreed to May 11, 1955, CONGRESSIONAL RECORD, volume 101, part 5, page 6088. Authorized $50,000 for the Subcommittee on Constitutional Rights.

Reports of Senate Committee on the Judiciary

The Korean war and related matters: Report of the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws, to the Committee on the Judiciary. Eighty-fourth Congress, first session. Committee print, 84th Congress, 1st session.

Soviet political treaties and violations: Staff study for the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws, of the Committee on the Judiciary. Eighty-fourth Congress, first session. Committee print, 84th Congress, 1st session. (Also published as S. Doc. 85, 84th Cong.)

Subversive Activities Control Act of 1950: Report of the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws, to the Committee on the Judiciary. Eighty-fourth Congress, first session. Committee print, 84th Congress, 1st session.

The Communist Party of the United States of America, what it is, how it works: Report of the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws, to the Committee on the Judiciary. December 21, 1955. Committee print, 84th Congress, 1st session.

Foreign trade conferences: Staff memorandum of the Subcommittee on Antitrust and Monopoly * * * pursuant to Senate Resolution 61, 84th Congress, 1st session. Committee print, 84th Congress, 1st session.

Subcommittee on Antitrust and Monopoly: Activities * * * July 1955. Committee print, 84th Congress, 1st session.

Memorandum of instructions to staff of the Subcommittee on Constitutional Rights, of the Senate Committee on the Judiciary. 1955. Committee print, 84th Congress, 1st session.

Juvenile delinquency: Interim report of the Committee on the Judiciary * * * pursuant to Senate Resolutions 89 and 190, 83d Congress. March 14, 1955. Senate Report 61, 84th Congress, 1st session.

Comic books and juvenile delinquency: Interim report of the Committee on the Judiciary, pursuant to Senate Resolutions 89 and 190, 83d Congress. March 14, 1955, Senate Report 62, 84th Congress, 1st session.

Television and juvenile delinquency: Interim report of the Subcommittee on Juvenile Delinquency, 1955. Committee print, 84th Congress, 1st session.

Youth employment and juvenile delinquency: Interim report of the Subcommittee To Investigate Juvenile Delinquency, pursuant to Senate Resolution 62, 84th Congress, 1st session. Committee print, 84th Congress, 1st session.

The illicit narcotics traffic: Report * * * containing a summary of preliminary findings and recommendations of the Subcommittee on Improvements in the Federal Criminal Code, pursuant to Senate Resolution 67. January 23, 1956. Senate Report 1440, 84th Congress, 2d session.

COMMITTEE ON LABOR AND PUBLIC WELFARE

Senate Resolution 40: Continuing the authority of the Committee on Labor and Public Welfare to investigate employee welfare and pension plans and funds subject to collective bargaining. Agreed to February 21, 1955, CONGRESSIONAL RECORD, volume 101, part 2, page 1851. Authorized $190,000.

Senate Resolution 132: To provide additional funds for the Committee on Labor and Public Welfare. Agreed to July 30, 1955, CONGRESSIONAL RECORD volume 101, part 10, page 12194. Authorized $5,000 additional funds.

Reports of Senate Committee on Labor and Public Welfare

Welfare and pension plan investigation: Interim report to the Committee on Labor and Public Welfare * * * January 1955. Committee print, 84th Congress, 1st session.

Welfare and pension plan investigation: Interim report * * * pursuant to Senate Resolution 40, 84th Congress, 1st session. July 1955. Committee print, 84th Congress, 1st session.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Senate Resolution 20: Authorizing the employment of additional personnel by the Committee on Post Office and Civil Service and appropriating funds therefor. Agreed to February 21, 1955, CONGRESSIONAL RECORD, volume 101, part 2, page 1850. Authorized $125,000 to investigate the administration of the Government employees' security program.

Senate Resolution 33: For an investigation of the administration of the Civil Service Commission, and the Post Office Department. Agreed to May 11, 1955, CONGRESSIONAL RECORD, volume 101, part 5, page 6092. Authorized $75,000.

Report

Senate Committee on Post Office and Civil Service: Summary of activities. Report of the Committee on Post Office and Civil Service, during 1st session of the 84th Congress. September 23, 1955. Senate Report 1307, 84th Congress.

COMMITTEE ON PUBLIC WORKS

Senate Resolution 70: Increasing the limit of expenditures by the Committee on Public Works. Agreed to March 18, 1955, CONGRESSIONAL RECORD, volume 101, part 3, page 3180. Authorized $100,000 for a study of the national highway program.

SELECT COMMITTEE ON SMALL BUSINESS

Senate Resolution 103: Increasing the limit of expenditures by the Select Committee on Small Business. Agreed to June 21, 1955, CONGRESSIONAL RECORD, volume 101, part 7, page 8823. Authorized $50,000.

Reports of Senate Select Committee on Small Business

Maintenance of the mobilization base: Report * * * on directives and orders relating to the maintenance of the mobilization base. July 30, 1955. Senate Report 1272, 84th Congress, 1st session.

MSTS bidding procedures: Report * * * on the bidding procedures of the Military Sea Transportation Service. July 30, 1955. Senate Report 1273, 84th Congress, 1st session.

Military procurement, 1955: Report * * * on participation of small business in military procurement. July 30, 1955. Senate Report 1274, 84th Congress, 1st session.

Sixth annual report of the Select Committee on Small Business, United States Senate. January 12, 1955. Senate Report 1368, 84th Congress, 2d session.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 1, line 11, after the word "the", where it appears the first time, it is proposed to insert "prior."

The amendment was agreed to.

The next amendment was, on page 2, line 1, after the word "concerned", to insert "and of the Committee on Rules and Administration."

Mr. ELLENDER. Mr. President, I offer an amendment to reduce the amount from $215,000 to $200,000.

The PRESIDING OFFICER. The amendment is not in order at this time.

The question is on agreeing to the committee amendment on page 2, line 1.

Mr. SALTONSTALL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	McCarthy
Allott	Frear	McClellan
Anderson	Fulbright	McNamara
Barkley	George	Morse
Barrett	Gore	Neely
Bender	Green	Neuberger
Bennett	Hayden	O'Mahoney
Bible	Hennings	Payne
Bush	Hickenlooper	Robertson
Byrd	Hill	Russell
Carlson	Holland	Saltonstall
Case, N. J.	Hruska	Schoeppel
Chavez	Humphrey	Smith, Maine
Clements	Jackson	Smith, N. J.
Cotton	Jenner	Sparkman
Curtis	Johnston, S. C.	Stennis
Daniel	Kerr	Symington
Dirksen	Knowland	Thurmond
Douglas	Langer	Watkins
Dworshak	Lehman	Wiley
Eastland	Magnuson	Williams
Ellender	Mansfield	Young
Ervin	Martin, Pa.	

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. JOHNSON], the Senator from West Virginia [Mr. KILGORE], and the Senator from North Carolina [Mr. SCOTT] are necessarily absent.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

Mr. SALTONSTALL. I announce that the Senators from Maryland [Mr. BEALL and Mr. BUTLER], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], the Senator from Pennsylvania [Mr. DUFF], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. IVES], the Senator from California [Mr. KUCHEL], the Senator from Iowa [Mr. MARTIN], the Senator from Michigan [Mr. POTTER], the Senator from Connecticut [Mr. PURTELL], the Senator from Minnesota [Mr. THYE], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

The PRESIDING OFFICER. A quorum is present.

Mr. McCLELLAN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, line 1.

The amendment was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. ELLENDER. Mr. President, I move that the figure "$215,000" be stricken and that "$200,000" be inserted in lieu thereof.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Louisiana.

The CHIEF CLERK. On page 2, line 15, it is proposed to strike out "$215,000" and insert in lieu thereof "$200,000."

Mr. ELLENDER. Mr. President, it is my belief, from the colloquy which took place between my friend from Arkansas [Mr. McCLELLAN] and myself, that $200,000 will give to the committee the same number of employees it had last year?

Am I correct in that?

Mr. McCLELLAN. It would give to us the same number of employees, less one.

Mr. ELLENDER. Does the Senator refer to the employee whose salary was paid by the Appropriations Committee?

Mr. McCLELLAN. No; there is only one extra employee in the budget. There are two vacancies on the staff, one of which has developed since the first of the year.

Mr. ELLENDER. I understood the Senator to say that if the committee is given $215,000 it would be in position to pay the employee who has been paid by the Appropriations Committee.

Mr. McCLELLAN. That is correct.

Mr. ELLENDER. And the committee intends to employ two more persons.

Mr. McCLELLAN. I was in error when I said "two more," except with this qualification: It will be one more than we had last year, but there is a vacancy in a position which was filled last year.

Mr. ELLENDER. Am I in error in assuming that $215,000 will pay for employing only one more employee?

Mr. McCLELLAN. That is all that is contemplated.

Mr. ELLENDER. That employee is for what purpose?

Mr. McCLELLAN. Clerical purposes.

Mr. ELLENDER. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator from Louisiana withdraws his amendment.

The resolution is open to further amendment.

Mr. KNOWLAND. Mr. President, I offer an amendment to strike out "$215,000" and insert in lieu thereof "$195,000."

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from California.

The CHIEF CLERK. On page 2, line 6, it is proposed to strike out "$215,000" and to insert in lieu thereof "$195,000."

Mr. KNOWLAND. On that amendment, Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCARTHY. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. McCARTHY. May I suggest to the very able Senator from California that he withhold his amendment for the time being. I wonder if he knows of the work the committee is doing at the present time. For example, the committee has now developed in the current hearings the fact that 250 million pounds of copper wire were shipped to Communist Russia by one of our allies which has been receiving American aid. The wire is for use in the construction of jet planes.

We have developed that 60,000-kilowatt motors are being shipped to Communist Russia.

Mr. KNOWLAND. I will say to the Senator that earlier, before the Senator was in the Chamber, I commended the distinguished chairman of the committee [Mr. McCLELLAN] for the able work that has been performed by the committee, and I also commended the committee itself.

It was pointed out, however, that under the Legislative Reorganization Act each of the standing committees starts out without any special resolution, with some $11,368 available to it for committee staff, plus certain additional funds, amounting, I think, to an item of $10,000.

I also pointed out that last year the committee was authorized to expend $190,000, and of that amount the committee spent $169,811. There were certain adjustments because the committee had borrowed one staff member from the Appropriations Committee and there were certain increases in mileage, and expenses, and so forth, of which we are fully cognizant.

We were prepared to approve, without all this discussion, the $190,000 item, which would be the same as last year, during which, as I pointed out, the committee expended $169,000.

Finally, as a result of the colloquy on the floor between the distinguished Senator from Louisiana, who has also been interested in this general subject, and myself, we agreed that the sum of $200,000 would not be unreasonable. I pointed out to the distinguished Senator that I am sure, under his leadership, if it is found as a result of new evidence or additional investigation that a greater sum is needed, the committee will meet with a friendly, and, I feel, a cooperative attitude on the part of the Senate, on both sides of the aisle.

But we are trying to hold these special committees within reasonable bounds.

I placed in the RECORD the fact that the funds for these committees have

increased since the 82d Congress from approximately $1,003,000 until, in the 83d Congress, they reached the sum of about $3 million. In the first session of the 84th Congress two and a half million dollars were provided, and the special resolutions which have already been submitted and those which are now in the process of going through committees will add another two and a half million dollars, which will bring additional appropriations for special committee work to more than $5 million, as compared with approximately $3 million in the last Congress.

I do not want the legislative arm of the Government to be handicapped in its proper work, but, since we are charged with the keeping of the public purse-strings, it seems to me we have a double responsibility, and should at least try to do these things within reasonable bounds. I do not think the position which we have taken is unreasonable, in light of the evidence presented to the Senate.

Mr. McCARTHY. I may say to the very able Senator from California that while I have not always agreed with the chairman of the committee [Mr. McCLELLAN], I believe he has pared the budget down to the lowest possible figure at which the committee can operate effectively. The staff of the committee is doing an outstanding job. I think the chairman is conducting the committee in excellent fashion. We are developing facts which must be brought to light. For example, the current hearings are showing a shocking state of affairs, namely, that some of our allies who are receiving American money are using it to build machine tools which can be used in the Russian war economy and are shipping them to Russia, where they can be available for atomic- and hydrogen-bomb development.

I think it would be a grave mistake to reduce the amount requested by the Senator from Arkansas. I think he had cut the amount to the very bone when he made the request. The money is needed for an adequate staff. It would be playing with the national security to cut the amount further. I say that with all due respect to the very able Senator from California.

Mr. KNOWLAND. I will say to the distinguished Senator from Wisconsin that it is not a pleasant thing to suggest that the sum the committee should have should be reduced or limited, because each committee, of course, feels that it is doing a fine job, and there is no doubt that most of the committees are. Certainly, this committee is one of the committees doing a good job, and I have so acknowledged. I would not wish to see any proper investigation by the committee limited in the slightest degree, and particularly in the fields which the Senator from Wisconsin has mentioned. But I do not believe the adjustment we have proposed is unreasonable. It is a greater amount than the committee had last year. It is in addition to the regular funds which it has under the Legislative Reorganization Act. If the committee finds at the end of the year that the estimates have not been correct, so far as I am personally concerned, I would be prepared to join in the consideration of what the committee felt was necessary for a proper extension of its investigations. But we must start some place, and this is the first committee to come before us. We are not trying to cut to a point where the work of the committee will be in the slightest handicapped.

Mr. ELLENDER. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. ELLENDER. A moment ago I asked the Senator from Arkansas whether the $200,000 I had suggested would give him sufficient funds to carry on with the same number of employees as he had last year, and he said, "No." I am correct in my statement, am I not?

Mr. McCLELLAN. Yes.

Mr. ELLENDER. As I understand, $215,000 will give the committee the same force it has used in the past.

Mr. McCLELLAN. Plus one clerical employee.

Mr. ELLENDER. That is the way I understand it. If the committee were given $195,000 and absorbed the extra employee coming from the Appropriations Committee, then it would necessarily have to get along with how many?

Mr. McCLELLAN. Probably one more employee.

It is necessary to bear in mind that there are other expenses besides simply salaries. We have not traveled around holding hearings, which we have the authority to do. I have tried to operate the committee with the greatest economy in every action it has taken.

Mr. ELLENDER. Did the Senator last year have an item for traveling expenses?

Mr. McCLELLAN. Yes, for traveling expenses.

Mr. ELLENDER. The committee incurred traveling expenses, then.

Mr. McCLELLAN. Yes, but it is not possible to make these budgets completely tight. This is an estimate. It was necessary to employ an accounting firm. Much of the work is of the kind which makes it necessary to go into a company's office and examine its books to ascertain what it is doing. In the investigation into the procurement service, it is necessary to have good accountants. Those who are being investigated will not come forward, lay their books on the table, and say, "Here is what we did wrong."

Last year that item exceeded the amount we anticipated would be necessary. Much depends on the nature of the work we encounter.

Mr. KNOWLAND. We have not yet come to a consideration of the major appropriation bills. In the overall expenditures of the Government, this item may seem like peanuts. But in the final analysis, we must keep in mind that there are many persons in this country who have to go to the bank and borrow money in order to make their income tax payments.

Unless we can keep within reasonable bounds the constantly increasing costs of Government, whether they be in the legislative or the executive arm, it will be hard to stop this appropriation and the next one that will follow along.

I do not feel that my proposal is an unreasonable one. I hope it will be concurred in by the Senate.

We shall soon have under consideration the requests of another series of committees, some of which may not have as good a case as has the Committee on Government Operations. Nevertheless, I feel an obligation, as I am certain the Senator from Louisiana feels it to be his obligation, to call these matters to the attention of the Senate. Then the Senate, in its judgment, can take whatever action it desires.

Mr. McCLELLAN. Mr. President, first I wish to thank and to express deep and sincere appreciation to the junior Senator from Wisconsin [Mr. McCARTHY]. I take this occasion to say that we have worked together cooperatively. He has given me his cooperation in these investigations. We have had a common purpose and a common objective. We are operating the committee just as economically as we can. So far as I know and have been able to observe, the Committee on Government Operations is not operating in any sense as a partisan committee. The truth is that when there have been under consideration or under investigation those of the opposite party I probably have leaned over a little further to make certain that I extended to them every consideration and courtesy to which they were entitled. I have possibly been even more restrained in my remarks, more so than I would have been if, under the same circumstances, the persons had been of my own political affiliation.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CLEMENTS. Is it not a fact that this budget had the approval of every member of the Senator's committee, on both sides of the table?

Mr. McCLELLAN. I have had no disapproval of it from any source that I know of.

Mr. CLEMENTS. Is the amount being asked for here today the same amount as was granted to the committee 2 years ago?

Mr. McCLELLAN. At that time, as I believe—and I think the Senator from Wisconsin will recall it—the amount was $214,000. Am I not correct?

Mr. McCARTHY. That is correct.

Mr. McCLELLAN. Last year there was a period of some readjustment and reorganization, as always happens when there is a change in administration. We got off to a slow start.

Senators will recall we had particularly under investigation the Peress case. What kind of mail were Senators receiving from all over the country? "Who promoted Peress?" The mail of every Senator was flooded with such inquiries. It was necessary for the committee to acquire a staff to investigate the matter and determine what happened. We laid everything on the line.

Such an investigation does not result in any financial profit. It does not result in a saving of money. But it is a service which has to be performed.

We have not been receiving any such requests since that time, which certainly shows conclusively that the procedures

which were being employed by the Government were not calculated to give the right protection to the Government. As a result of our investigation, we found some 40 errors in their procedures, which were corrected, and we instigated some 22 new procedures to remove conditions which we found.

Not only is the Committee on Government Operations a committee whose functions and duties are to try to instill economy into the Government. The committee also has the responsibility of studying the Government from the standpoint of efficiency and better operations.

I wish to read excerpts from a letter dated January 23, 1956, which I sent to the chairman of the Committee on Rules and Administration together with this budget. Although I shall read only excerpts, I ask unanimous consent that the entire letter may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
January 23, 1956.

Hon. THEODORE F. GREEN,
Chairman, Committee on Rules and Administration,
Washington, D. C.

MY DEAR SENATOR: Reference is made to Senate Resolution 188 (84th Cong., 2d session) which was introduced in the Senate on January 19, 1956, requesting funds for the operation of the Senate Permanent Subcommittee on Investigations for the period from February 1, 1956 to January 31, 1957. Prior to submitting this resolution to the Senate the budget was approved by the Committee on Government Operations.

Attached hereto is the estimated budget for the operation of this subcommittee for the next year beginning February 1, 1956, together with a statement of the proposed staff salaries. You will note that it is estimated under this budget that it will require $215,000 to operate the investigating subcommittee, as any moneys left from the subcommittee under Senate Resolution 41 of the 84th Congress, 1st session, will automatically revert back to the contingent fund of the Senate.

We are requesting a higher appropriation than last year, when we received $190,000 of which we expect to return to the Treasury $15,000, because, with the organization of the subcommittee completed we have found it necessary in order to properly meet our responsibilities to have another investigator and stenographer on the staff of the subcommittee. In addition, we have had to make allowances in our budget for Mr. Paul Kamerick who worked during the past year for the subcommittee, but who remained on the payroll of the Committee on Appropriations. It was felt by Senator HAYDEN and myself that it would be more appropriate for Mr. Kamerick to be placed on the subcommittee payroll for the coming year. In addition, as you are aware, during 1955 a legislative increase of 7½ percent was granted in salaries, and the per diem allowance for investigators and witness fees, which are important factors in our appropriation, was increased from $9 to $12 a day, and the mileage for investigators and witnesses from 7 cents to 10 cents a mile.

The members feel that the subcommittee operated efficiently and economically during the past year and a good deal of good was accomplished. We intend to continue to operate in the same manner. The subcommittee investigations and hearings extended through the operations of many of the Government agencies, including the Departments of the Army and Agriculture, the Foreign Operations Administration, the Air Force, the State Department, Treasury Department, the Interstate Commerce Commission, and the Department of Commerce.

In the Irving Peress matter, the hearings revealed that some 48 errors were committed by the Army in connection with the commissioning, transfer, promotion, and honorable discharge of Peress. As a result of these hearings the Army took 19 corrective measures in order to uncover and deal with security cases.

Because of what was uncovered by the investigations and hearings in the Domestic Grain Bin program, the Department of Agriculture and the Naval Inspection Service have instituted 21 corrective measures.

In the investigation conducted in connection with Military Textile Procurement, bribery, perjury, collusion, and fraud, and improper inspection were revealed, as well as the method of making large secret profits through deviations at the expense of the Government. As a result of our subcommittee hearings, claims are now being pressed by the Government for over a half-million dollars on these improper profits. Two Army, 1 naval and 1 Treasury Department employee were dismissed from Government service. An Air Force officer resigned in the face of a court martial. Twelve persons and corporations were suspended and two others were debarred and placed on the "Consolidated List of Debarred Ineligible and Suspended Bidders." New procedures were instituted in procurement of patented components which will save the Government in the future hundreds of thousands of dollars.

In the FOA-Pakistan Grain Elevator case, the subcommittee's uncovering of collusion in the negotiations for the award of the contract prevented FOA from granting a contract to the apparent high bidder and saved the Government possibly a million dollars. In the Military Textile Procurement investigation and this investigation the subcommittee saved the Government many times the value of its appropriation.

Its investigation of conflict of interest situation resulted in the resignation of Harold E. Talbott as Secretary of the Air Force, and Hugh W. Cross as chairman of the Interstate Commerce Commission.

Hearings were held with regard to Communists in defense plants, and the subcommittee also held executive hearings in connection with tariff on imported watches, and American prisoners held in Iron Curtain countries. In addition, various other matters have been made a matter of study by the staff, such as east-west trade.

In considering the budget for the next year it was the opinion of the members of the subcommittee that if the subcommittee intended to investigate adequately those matters under the committee's jurisdiction, it would be necessary to maintain a staff of 19, including the minority counsel. It has been the experience of this subcommittee that by making constant inquiries into the activities of Government agencies, savings can be effected in cases of inefficiency or waste. In addition, the result of a planned investigation program of necessity tends to make for better efficiency and economy in those agencies which are the subject of inquiry of the subcommittee.

If there is any further information you desire concerning the operation of this subcommittee during the coming year, I will be glad to confer with you or the members of your committee.

Sincerely yours,
JOHN L. MCCLELLAN,
Chairman.

Mr. McCLELLAN. Mr. President, I read from the letter, as follows:

The members feel that the subcommittee operated efficiently and economically during the past year and a good deal of good was accomplished. We intend to continue to operate in the same manner. The subcommittee investigations and hearings extended through the operations of many of the Government agencies, including the Departments of the Army and Agriculture, the Foreign Operations Administration, the Air Force, the State Department, Treasury Department, the Interstate Commerce Commission, and the Department of Commerce.

Mr. President, I mentioned the Irving Peress case. This was what I reported to the Committee on Rules and Administration with respect to that matter.

In the Irving Peress matter, the hearings revealed that some 48 errors were committed by the Army in connection with the commissioning, transfer, promotion, and honorable discharge of Peress. As a result of these hearings, the Army took 19 corrective measures in order to uncover and deal with security cases.

I believe I previously said 22.

The next investigation which the committee conducted was as to the grain bin program. I read from my letter, as follows:

Because of what was uncovered by the investigations and hearings in the domestic grain-bin program, the Department of Agriculture and the Naval Inspection Service have instituted 21 corrective measures.

They were measures designed to save waste, to prevent fraud upon the Government, and to bring about more efficiency and also economy.

In the investigation conducted in connection with military textile procurement, bribery, perjury, collusion and fraud, and improper inspection were revealed, as well as the method of making large secret profits through deviations at the expense of the Government. As a result of our subcommittee hearings, claims are now being pressed by the Government for over a half-million dollars on these improper profits. Two Army, one Naval, and one Treasury Department employees were dismissed from Government service. An Air Force officer resigned in the face of a court martial. Twelve persons and corporations were suspended and two others were debarred and placed on the "Consolidated List of Debarred Ineligible and Suspended Bidders." New procedures were instituted in procurement of patented components which will save the Government in the future hundreds of thousands of dollars.

I could point out much more with respect to that one investigation; and probably we are not halfway through with it yet. It will be necessary to hold further public hearings, and there will be further disclosures. But as a result of that one investigation, we have saved, from what has been developed, the equivalent of what the committee has asked for operating expenses for 2 years. In addition, there has been removed from the Government an inefficient group of officials, and procedures have been initiated which, if followed this year, will more than save for the United States Government the cost of operating the committee at $215,000 a year.

Yes, the amount can be referred to as peanuts; and that may be true. But this peanut can be planted, and the

Government will reap economy and efficiency.

On the record which this committee has made, based on the evidence it has adduced, I challenge anyone to say that the committee has wasted one dollar. On the contrary, it has produced results. I think every Member of Congress will applaud the work of the committee, and I believe the American people will applaud it.

So if the Senate desires to hamper the committee, if it wants, on this record, in effect to repudiate its judgment and its program, then it may cut the appropriation. If the Senate wants this work to continue, and if it approves of what the committee has done and the results it has achieved, then I hope the amendment now pending will be rejected.

SEVERAL SENATORS. Vote! Vote!

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from California. [Putting the question.]

Mr. McCARTHY. Mr. President, I ask for a division.

The PRESIDING OFFICER. All in favor of the amendment——

Mr. McCARTHY. Mr. President, I withdraw my request for a division.

Mr. McCLELLAN. Mr. President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the resolution, as amended.

The resolution (S. Res. 188), as amended, was agreed to, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946 and in accordance with its jurisdictions under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized from February 1, 1956, through January 31, 1957 (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable; and (3) with the prior consent of the head of the department or agency concerned, and of the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $215,000, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

Mr. CLEMENTS. Mr. President, I move that the Senate reconsider the vote by which Senate Resolution 188 was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to.

Mr. CLEMENTS. Mr. President, I should like to have the attention of the Chairman of the Committee on Government Operations. It is obvious that an amendment should be made to the resolution, for the simple reason that money has been appropriated for 1 month out of the 12-month period covered by the resolution as originally reported.

I offered an amendment on page 1, line 7, to change "February" to "March," and on page 2, line 6, to change "$215,000" to "$197,083.34."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

Mr. McCLELLAN. Mr. President, I should like to understand the effect of the amendment. Do I understand that it would grant to the committee an appropriation for 11 months, on the basis of $215,000 for 12 months?

Mr. CLEMENTS. According to the best of my calculations, the amount in my proposed amendment represents eleven-twelfths of $215,000.

Mr. McCLELLAN. And the money for the month of February is taken care of in a previous resolution. Is that correct?

Mr. CLEMENTS. The Senator is correct.

Mr. McCLELLAN. Thus, the appropriation requested would be for 11 months. Is that correct?

Mr. CLEMENTS. Yes, at the rate of $215,000 for 12 months.

Mr. McCLELLAN. I think the amendment is quite proper, Mr. President, and I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. CLEMENTS].

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the resolution as amended.

The resolution (S. Res. 188), as amended, was agreed to, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946 and in accordance with its jurisdictions under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized from March 1, 1956, through January 31, 1957, (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable; and (3) with the prior consent of the head of the department or agency concerned, and of the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $197,083.34, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

EXTENSION OF TIME FOR FILING REPORT BY DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1485, S. 3053.

The PRESIDING OFFICER. The clerk will state the bill by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3053) to extend the time within which the District of Columbia Auditorium Commission may submit its report with respect to the Civic Auditorium to be constructed in the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment on page 2, after line 15, to insert:

SEC. 3. Notwithstanding the provisions of section 3 of such act approved July 1, 1955, there are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of such act.

So as to make the bill read:

Be it enacted, etc., That subsection (c) of the first section of the act entitled "An act creating a Federal commission to formulate plans for the construction in the District of Columbia of a civic auditorium, including an Inaugural Hall of Presidents and a music, fine arts, and mass communications center," approved July 1, 1955 (Public Law 128, 84th Cong.), is amended by striking out the word "and" at the end of paragraph (3) and by striking out paragraph (4) and inserting in lieu thereof the following new paragraphs:

"(4) make a report to the President and to the Congress, together with its recommendations, by May 1, 1956; and

"(5) after the submission of its report and recommendations, continue in existence until the construction of the auditorium has been completed and render such assistance in the establishment thereof as it deems advisable."

SEC. 2. Subsections (a) and (c) (1) of the first section of such act are each amended by striking out "civic auditorium" and inserting in lieu thereof "national civic auditorium."

SEC. 3. Notwithstanding the provisions of section 3 of such act approved July 1, 1955, there are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of such act.

Mr. CLEMENTS. Mr. President, the distinguished chairman of the Committee on the District of Columbia is present, and I am sure he has a statement to make.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. CLEMENTS. I yield.

Mr. ELLENDER. As I understand, the Commission was created last year, and no funds were involved.

Mr. CLEMENTS. I take it the Senator from Louisiana is directing his question to the chairman of the committee, is he not?

Mr. ELLENDER. Yes.

Mr. NEELY. The Senator from Louisiana is correct.

Mr. ELLENDER. Why is it necessary to provide funds now?

Mr. NEELY. There are no funds provided for in the bill. The bill comprises solely authorization. All the work which has been done for the Commission—and a great deal has been done—has been done by volunteers, and it has not cost a nickel so far.

Mr. ELLENDER. The bill does not provide for any funds?

Mr. NEELY. No.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, after line 15.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EUROPEAN REFUGEES

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1408, Senate Resolution 168.

The PRESIDING OFFICER. The clerk will state the resolution by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 168) to investigate certain problems arising in connection with European refugees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with amendments.

OPERATIONS OF OFFICE OF BUREAU OF INTERNAL REVENUE IN PHILADELPHIA REGIONAL AREA

Mr. WILLIAMS. Mr. President in recent months a cloud of mystery has been surrounding the operations of the office of the Bureau of Internal Revenue in the Philadelphia regional area.

For many years this area has been under suspicion, and about 6 months ago exploded into the sensational headlines of how a prominent lawyer in that area, with an average income of about $150,000 a year, had neglected to file his tax returns over the past several years. This was followed a few weeks later by the disclosure of the case of another attorney who likewise had failed to file or pay his taxes. Then on January 20, 1956, Mr. Alfred Chamberlin, the Regional Internal Revenue Service Commissioner, shocked the whole Philadelphia-Camden-Delaware area with the sensational announcement that they had discovered that nine more attorneys in that area were also guilty of not filing their tax returns or of making payments. I quote Mr. Chamberlin's statement as it appeared in the Philadelphia Daily News of January 21, 1956:

> Yesterday, L. Alfred Chamberlin, regional Internal Revenue Service Commissioner, said 9 more attorneys practicing in the Philadelphia area face prosecution for failure to file income tax returns. Their names were withheld.
>
> The new cases do not include the Schofield nor that of a second Philadelphia lawyer, Clarence J. Corcoran. The latter was charged with failing to file returns over a 10-year span on an estimated income of $144,000.
>
> Three of the tax-dodging attorneys are practicing in Philadelphia, Chamberlin said. Four practice in Wilmington and two in Camden, he said.

I quote that statement and call attention to the fact that this does not represent an approximate number, but he was specific when he said nine. He even went so far as to break down that number, by stating that 3 practiced in Philadelphia, 4 in Wilmington, and 2 in Camden. There can be no question that this was a deliberate announcement of charges against 9 attorneys in that area.

That statement without further certification had the immediate effect of placing the entire legal profession in that area under a cloud of suspicion. It was a blanket indictment against the profession as a whole; and it was so interpreted, not only by the attorneys, but by the citizens in those States, as well.

Recognizing this, I immediately called upon the Treasury Department for identification of those involved in these charges. If the Treasury Department knew of 9 attorneys in that area who had failed to file their tax returns and pay their taxes as charged, then there was no reason why they should not be immediately identified and prosecuted. On the other hand, if they had not thoroughly investigated these 9 cases to the point where they were certain of their guilt, then a thorough explanation should be made as to why such an irresponsible charge was released.

On yesterday, a reply was received from Mr. Harrington, the Commissioner of Internal Revenue, refusing this request. I quote from his letter:

> The newspapers in the Philadelphia region have carried the story that our test revealed nine lawyers who had failed to file income-tax returns and that we were going to recommend prosecution in these cases.
>
> The decision to recommend prosecution in a case which has been investigated by the Intelligence Division is made in the office of the Assistant Regional Commissioner (Intelligence) in the regional office, which in this case would be Philadelphia. The file on the case, together with the recommendation, then goes to the regional counsel, also in the regional office. The regional counsel reviews the case, and, if he concurs in the recommendation for prosecution, the file on the case is then referred to the Department of Justice in Washington, where it is again reviewed. If the Washington attorneys for the Department of Justice concur in the recommendation, the file is sent to the United States attorney in Philadelphia for such action as he may deem to be appropriate. The United States attorney may proceed to secure an indictment or he may reject the case for one reason or another.
>
> I am reciting these facts in order to give you a background of information to show that a recommendation for prosecution by the Internal Revenue Service does not necessarily mean that the case will proceed to the point of indictment. To publish the names of these lawyers at this time would undoubtedly be as damaging to them as the news that they had been indicted. It seems to me that, before these men are pointed out to the public as subjects for criminal prosecution, they should be given a fair chance to have their cases thoroughly reviewed by the various legal minds through the channels in which the cases will move, as I have indicated above.

In conclusion, he said that for the reasons outlined above, he was rejecting the suggestion that the individuals be identified.

To the extent that Mr. Harrington is trying to be fair to these 9 men, in that he wants to be sure of their guilt before disclosing their names, I commend him. In fact, the first suggestion I made to him when this number was first released was that, if such had not already been done, he instruct the officers in that area to make a personal contact with every man referred to, to see whether there was any question as to their liability, and, in cases where there were questions, to reexamine their records, to make sure that the appearance of one of these individuals on their records as a tax delinquent was not the result of inneragency administrative errors or accounting deficiencies.

While I cautioned him in this connection, that warning should not have been necessary. There is no excuse for such precautions not having been taken in the first place. Every precaution should have been taken, and the regional commissioner had a direct responsibility to know what he was talking about when he issued a statement saying that in that area there were 9 attorneys who had not filed their returns.

As the situation now stands, with this rejection by the Commissioner of Internal Revenue of the proposal to release these names, the Treasury Department has thrown out a blanket indictment against the members of the legal profession, without producing the evidence to back up its charges.

This means, if we accept this decision, that the members of the bar in the Philadelphia-Camden-Wilmington area will continue to remain under a cloud of suspicion until some indefinite date in the distant future. Certainly that is not right.

It goes even beyond that; it means that the citizens of Delaware and the Philadelphia-Camden areas are in the position of not knowing whether they are employing as their counsel, members of the legal profession who themselves may be in court or behind bars before their own cases reach a conclusion.

It is only natural that attorneys exercise great discretionary powers over the settlement of estates and the administering of trust funds, and in the public interest it is imperative that this element of suspicion be substantiated or withdrawn.

This situation cannot be tolerated. Not only is it unfair to the people in that area, who naturally will be utilizing the services of this profession, but it is definitely unfair to those members of the legal profession who have been trying to abide by the law.

I carry no brief either for or against these 9 men. I have no knowledge regarding their identity. But in the interest of fairness to all concerned, I am insisting that these men be identified.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a letter which the Senator from Pennsylvania [Mr. MARTIN], the Senator from Delaware [Mr. FREAR], and I are sending, today, to Mr. Harrington, the Commissioner of Internal Revenue, insisting upon his taking appropriate steps either

to identify these men or withdraw the charges.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., February 16, 1956.

Hon. RUSSELL C. HARRINGTON,
Commissioner of Internal Revenue,
Department of the Treasury,
Washington, D. C.

DEAR MR. HARRINGTON: Your letter of February 13, 1956, outlining your reasons for your refusal to release the names of the 9 lawyers in the Philadelphia-Wilmington area who on January 20, 1956, were charged by your regional commissioner with failure to file their tax returns or to pay their taxes, is acknowledged.

We commend you for your effort to make sure of your case before releasing the name of any taxpayer, but it is inconceivable that your regional commissioner did not think of this and take these precautions before issuing his statement of January 20.

Having proceeded to the point of definitely charging that there are 3 attorneys in Philadelphia, 4 in Wilmington, and 2 in Camden who have not filed their returns, you now have a responsibility to identify these individuals and thereby remove what presently constitutes a blanket indictment against all members of the legal profession or, otherwise, to withdraw the charge.

It is an intolerable situation as it now stands. Not only is this embarrassing to all members of the legal profession, but every citizen in that area utilizing the services of an attorney is in the position of having had his confidence shaken in his own attorney by wondering, "Is he one of them?"

It is most unfortunate that your Department released this statement in the first place without having been ready to support the charges, but we cannot accept your reasons for an indefinite delay in clearing up this situation after having proceeded this far.

Once again we are asking that the Treasury Department either identify these men by filing charges or publicly retract the statement of January 20, 1956.

Yours sincerely,

EDWARD MARTIN.
JOHN J. WILLIAMS.
J. ALLAN FREAR.

JOINT COMMITTEE TO ARRANGE FOR INAUGURATION OF THE PRESIDENT-ELECT

Mr. GREEN. Mr. President, I desire to have Senate Concurrent Resolution 64 called up.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The unfinished business is Senate Resolution 168, Calendar 1408.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, so that Senate Concurrent Resolution 64 may be considered, in accordance with the wish of the Senator from Rhode Island.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 64) providing for a joint committee to arrange for the inauguration of the President-elect of the United States, January 20, 1957, which was, in line 7, to strike out "twentieth" and insert "twenty-first".

Mr. GREEN. Mr. President, let me say that Senate Concurrent Resolution 64 has been agreed to by both the Senate and the House of Representatives, and amendments to the concurrent resolution have been adopted by both bodies.

The concurrent resolution as submitted by me, and passed as agreed to by the Senate on February 3, 1956, provided for a joint committee to arrange for the inauguration of the President-elect of the United States, on January 20, 1957. On that day I was absent from the Senate, having been excused in order to attend the inauguration of the new President of Brazil. In my absence, Senate Concurrent Resolution 64 was amended to include the Vice-President-elect.

Senate Concurrent Resolution 64, as amended by the Senate, was agreed to by the House of Representatives on February 7, 1956, after it was further amended by the House to change the date in the text of the resolution from "January 20, 1957" to "January 21, 1957." The concurrent resolution is now back before the Senate for consideration of the House amendment.

I have no objection to either the Senate amendment, which added the Vice-President-elect, or to the House amendment, which changed the date from January 20, 1957, to January 21, 1957. I believe, however, that a statement in clarification of my position and of proposed further amendments, which I am about to offer, is in order.

As my colleagues in the Congress well know, under the Constitution, as amended, the terms of the President and the Vice President end at noon on the 20th day of January 1957, and the terms of the President-elect and the Vice-President-elect begin at the same instant—Constitution of the United States, amendment XX, effective October 15, 1933; 62d United States Statutes at Large, page 672; title 3, United States Code, section 101. Accordingly, although I was well aware when I submitted Senate Concurrent Resolution 64 that the 20th day of January, in the year 1957, would fall on a Sunday, I employed that date in my resolution because it was fixed by the established law.

In 1957, for the first time since the ratification of the 20th amendment, January 20 will fall on a Sunday in an inaugural year. Under the old law, when Presidents of the United States were inaugurated on March 4, there were four occasions on which March 4 fell on a Sunday in an inaugural year. The former occasions were: In 1917, Woodrow Wilson's second term; in 1877, Rutherford B. Hayes' first term; in 1849, Zachary Taylor's first term; and in 1821, the beginning of James Monroe's second term.

In 1916, a Senate concurrent resolution was adopted by the Congress providing for a committee to arrange for the inauguration of the President-elect, which carried in its text the date "March 5, 1917." I refer to Senate Concurrent Resolution 27 of the 64th Congress. President Wilson actually took his oath of office as President, however, at the Capitol, on Sunday morning, March 4, 1917. Present at the occasion were his Cabinet and a few friends. On the next day, Monday, March 5, 1917, the inaugural ceremony was repeated in public for the benefit of the crowd which assembled at the east front of the Capitol.

On the three prior occasions in our history when March 4 fell on a Sunday in an inaugural year, there were no similar concurrent resolutions. In 1877, President Hayes took the oath of office on Saturday, March 3. Chief Justice Waite administered the oath in the red room of the White House. On the following Monday, March 5, the Chief Justice again swore President Hayes in at the formal ceremony on the occasion of the President's Inaugural Address.

In 1849, President Taylor did not take his oath of office until Monday, March 5, at 12 noon. It took place at the public inauguration ceremonies in front of the great portico. This occasion gave rise to a claim, apparently never completely resolved, that Senator David R. Atchison, President pro tempore of the Senate, was, under the Succession Act of 1792, actually President of the United States for 1 day, beginning at noon on March 4, 1849.

In 1821, President Monroe took the oath of office on March 5.

Today, the ending and beginning of a Presidential and Vice Presidential term is clearly defined in the 20th amendment to the Constitution which provides:

> The terms of the President and Vice President shall end at noon on the 20th day of January * * * and the terms of their successors shall then begin.

In my humble opinion, if the President-elect of the United States does not take his oath of office until noon on Monday, January 21, 1957, then, pursuant to the provisions of Public Law 199 of the 80th Congress, the Speaker of the House of Representatives will actually be the President of the United States from noon on January 20, 1957, until noon on the following day. Of course, I have no objection to having the Honorable SAM RAYBURN occupy the White House and only regret that his term of office, under those circumstances, would be so short lived. To those who are opposed to SAM RAYBURN'S elevation to this high office, I can only say that they will have to use irresistible persuasion on the next President-elect to make him take his oath of office at noon on Sunday, January 20, 1957.

Because the people of the State of Rhode Island, the smallest State in the Union, have no aversion to a citizen of the largest State taking possession of the White House, and because I feel that Senate Concurrent Resolution 64 provides for a committee to make arrangements for the public ceremonies attendant upon the assumption of office by a new President, I now suggest that the Senate agree to the amendment adopted by the House. In order to avoid any misunderstanding or any possible interpretation of Senate Concurrent Resolution 64 which would affect the law on Presidential succession, however, I offer

an amendment to the resolution, as follows: On page 1, line 6, before the word "inauguration", insert the word "public."

In addition, I offer a further amendment, as follows: In the title of Senate Concurrent Resolution 64, before the word "inauguration" insert the word "public"; after the words "President-elect", insert the words "and Vice President-elect"; and, after the word "January", strike the date "20", and insert instead the date "21."

I ask unanimous consent that my amendments to Senate Concurrent Resolution 64 be now considered and approved; and that Senate Concurrent Resolution 64, as amended, be agreed to by the Senate.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. KNOWLAND. I was wondering if the Senator would care to amplify the reasons for inserting the word "public," rather than, in the original language, merely referring to the "inauguration." As the Senator will recall, at the fourth inaugural of President Franklin D. Roosevelt, he determined to have the ceremony at the White House, since it was a case of reelection to the office. No one knows who the next President of the United States may be. He may be a reelected President or a new President.

Mr. GREEN. The idea is that with these four amendments—two of which have already been adopted, and the two I now offer—it will be possible to distinguish between the public inauguration and privately taking the oath in the White House or anywhere else the President-elect might choose. Of course, we would not want to do away with the public inauguration. Otherwise, as I have tried to make clear, this ambiguity might make it possible for the claim to be made that someone else than the elected President was President during that one day.

Mr. KNOWLAND. All I wish to do is clarify the legislative history. Let us assume, for the moment, that President Eisenhower were reelected, and that he might choose, as President Franklin D. Roosevelt did, to have an inaugural ceremony at the White House instead of at the Capitol. Would the language suggested by the Senator foreclose the joint committee from such arrangements?

Mr. GREEN. No. As I understand, he could take the oath privately in the White House on Sunday, January 20, and later a public inauguration could be held, the next day. We might distinguish between the two ceremonies, and call one the inauguration and the other the affirmation, or celebration of the inauguration.

Mr. KNOWLAND. I understand that. However, because of the fact that January 20 falls on Sunday, the President-elect might privately take the oath of office on Sunday, and have the public or formal ceremonies the following day.

Mr. GREEN. We might call that the installation.

Mr. KNOWLAND. But suppose the present President should be reelected, as occurred during the Franklin D. Roosevelt administration, and that he should choose to have the ceremony at the White House. Would that be foreclosed under the language suggested by the Senator?

Mr. GREEN. No; it would not be foreclosed. He might forego the public inauguration if he so desired.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. SALTONSTALL. I think the Senator from Rhode Island has made it clear, but in order to make the RECORD still clearer, let me ask one or two questions.

The President would take his oath on Sunday and become the President of the United States, whether he were a reelected President or a new President.

Mr. GREEN. That is correct.

Mr. SALTONSTALL. In connection with the public inauguration on Monday, is it the Senator's idea that the President-elect should again take the oath, or would the ceremonies on Monday be ceremonies of celebration, when he should make his speech and go through with all the other ceremonies?

Mr. GREEN. I think the public would like to see him take the oath over again. However, I do not think it is necessary legally.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. LEHMAN. We have had some experience with matters of this kind in the State of New York.

The Constitution of the State of New York provides that the term of a governor shall end at midnight on December 31. However, he is not inaugurated until noon of the following day. Invariably the Governor, whether he be a new governor or a governor who has held office previously, has taken his oath of office at the executive mansion at 1 minute after 12 o'clock midnight December 31, and has been publicly inaugurated the following day.

The PRESIDING OFFICER. The first amendment offered by the Senator from Rhode Island will be stated.

The LEGISLATIVE CLERK. On page 1, line 6, before the word "inauguration" it is proposed to insert the word "public."

The PRESIDING OFFICER. The amendment is not in order, because the Senate cannot amend its own concurrent resolution after it has been agreed to by the House.

Mr. GREEN. Mr. President, may I ask unanimous consent that the amendment be held to be in order, if a point of order is raised?

Mr. CLEMENTS. Will the Chair state the parliamentary situation?

The PRESIDING OFFICER. The Chair has held that the amendment offered by the Senator from Rhode Island [Mr. GREEN] adding the word "public" is not in order.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. If the Senate does not concur in the House amendment and requests a conference with the House, would it be possible for the conferees to make the change?

The PRESIDING OFFICER. The Chair is advised that the conferees would not have any authority to take into consideration any amendments which were not in disagreement.

Mr. CLEMENTS. Mr. President, will the Chair state the procedure that should be followed in connection with this matter?

The PRESIDING OFFICER. The Chair is advised that all that the Senate may consider is the amendment of the House of Representatives, which is before it.

Mr. GREEN. Mr. President, I ask unanimous consent that I may withdraw my amendment, and merely move that the Senate concur in the House amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GREEN. I believe the understanding is perfectly clear on the RECORD without the use of the word "public." I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

EUROPEAN REFUGEES

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of calendar 1408, Senate Resolution 168.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate resumed the consideration of the resolution (S. Res. 168) to investigate certain problems arising in connection with European refugees.

Mr. LANGER. Mr. President, I ask unanimous consent that the clerk may read a statement on the resolution which I have prepared.

The PRESIDING OFFICER. Is there objection?

There being no objection, the legislative clerk read the statement, as follows:

JUSTIFICATION FOR CONTINUATION OF THE SUBCOMMITTEE ON REFUGEES AND ESCAPEES

1. President's message of May 27, 1955.

President's state of Union message, January 5, 1956.

In the first message, he expressed concern about the operation of the act and recommended 10 ways in which it should be liberalized.

2. Subcommittee held hearings on April 13, 14, 15, 20, 21, 22, and May 27, 1955, on the administration of the Refugee Relief Act.

3. Eight bills introduced.

Subcommittee held extensive hearings during the month of June 1955, as a result of which a report has been written.

4. Although 214,000 persons are permitted to come in under the act, prior to the time the subcommittee held hearings and the act had already been in operation 18 months in March 1955, 29,485 visas had been issued. The statistical report from the Department of State dated January 27, 1956, shows that as of that date 79,846 visas have been issued.

5. The subcommittee chairman gave weekly reports on the floor of the Senate concerning the status of visa issuances.

6. The act expires December 31, 1956, and it is felt that there is an imperative need for the continuing close surveillance of Congress of the administration of the act which is done through the instrumentality of this Subcommittee on Refugees.

7. Your subcommittee chairman and the general counsel held extensive conferences, sessions, and meetings and addressed large gatherings in New York, Chicago, St. Louis, Jefferson City, and Boston.

8. First-hand information has been gathered in Europe and the Near and Middle East on the general operation of the act.

9. Two hundred thousand pieces of mail have been sent out by the subcommittee and thousands of pieces of correspondence have been answered.

10. In spite of all this, although the total funds allowed for the operation of the subcommittee was $36,500, by exercising the very strictest economy, $16,361 remained unexpended.

Mr. LANGER. Mr. President, the subcommittee has had the active cooperation in the Department of State of both Mr. Scott McLeod and Mr. Pierce J. Gerety, whom President Eisenhower appointed to take special charge of this matter.

When we prepared the original budget, we asked for about $3,000 less. However, a peculiar situation arose by reason of the fact that one of the employees of the subcommittee became ill, and the doctors have certified that the illness is apparently incurable. I took the matter up with the full Committee on the Judiciary, and by unanimous vote the committee decided not to discharge the employee. It decided that inasmuch as she worked for the committee for quite a long time, the fact that she became ill should not result in her discharge.

The matter was then taken up with the Committee on Rules and Administration, and it reported the resolution unanimously to the Senate. Were it not for the fact of the employee's illness, I believe we could have continued with $33,000, possibly $32,500. We do not spend any more money than we absolutely must spend. Out of last year's appropriation we returned $16,600.

Mr. ELLENDER. I had intended to ask a question on that point. Last year the subcommittee received $36,500. Is that correct?

Mr. LANGER. That is correct.

Mr. ELLENDER. Of that amount the committee spent how much?

Mr. LANGER. About $20,000.

Mr. ELLENDER. Only $20,000 was spent last year? Is that correct?

Mr. KNOWLAND. It was $21,276.84.

Mr. ELLENDER. Why would not the Senator from North Dakota be satisfied with an appropriation of $25,000?

Mr. LANGER. The reason is that the President's message, for example, asked that 5,000 tubercular patients be admitted. That necessitates an investigation. In addition to that, the Senator from Massachusetts [Mr. SALTONSTALL] has introduced a bill to amend the law providing for the admission of 20,000 Armenians. That will mean hearings.

Mr. ELLENDER. Are those amendments proposed to the present act?

Mr. LANGER. That is correct.

Mr. KNOWLAND. There is also on the Senate Calendar No. 1403, Senate Resolution 172, to make a study of immigration and naturalization matters.

In that connection, the Committee on the Judiciary is asking for $102,000, which presumably would deal with changes in the Immigration and Naturalization Act. I was going to propound the same question to the distinguished Senator from North Dakota. In view of the fact that the subcommittee spent only $21,276.84 last year, why may we not assume that $25,000 would take care of its expenses for the next year?

Mr. LANGER. Is the Senate going to punish the subcommittee for saving money?

Mr. KNOWLAND. No.

Mr. LANGER. If we had spent $36,000, would the Senator have agreed to give us the same amount this year?

Mr. KNOWLAND. No; we would not do that, because we would propound the same questions with respect to the precise reasons for the amount spent last year. The figure is not sacrosanct.

Mr. LANGER. It is not sacrosanct, but the budget was carefully worked out and submitted to the subcommittee and then to the full committee. The items are stated in detail.

Mr. President, may we have order?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Senate will be in order.

Mr. JOHNSTON of South Carolina. Mr. President, the Senator from North Dakota, who was formerly chairman of the Judiciary Committee, is chairman of this particular subcommittee. He is the only Republican who is chairman of any subcommittee. I serve on the subcommittee with him. I am also a member of the subcommittee on immigration. We must not confuse the two committees. There is quite a difference.

Mr. KNOWLAND. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KNOWLAND. The Senator is not suggesting that because my friend the Senator from North Dakota is a Republican we should not propound the same questions to him with reference to committee expenditures that we would propound to Members on the other side of the aisle. We are certainly trying not to approach the problem in any partisan manner. The same question will be propounded to Republicans as to Democrats.

Mr. JOHNSTON of South Carolina. Not at all. But I wish the Senator to know why the Senator from North Dakota was speaking on the matter. He is chairman of the subcommittee. I do not want the Senate to penalize the committee because it was economical last year.

Mr. HENNINGS. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HENNINGS. I also happen to have the honor of serving on the subcommittee with the distinguished Senator from North Dakota. In fact, I moved in the Judiciary Committee that the distinguished Senator from North Dakota, who was formerly the chairman of the Committee on the Judiciary, be made the chairman of the subcommittee, and that was accordingly done. I know something of the work of the subcommittee. I know the great dedication and energy with which the Senator from North Dakota has conducted his subcommittee, particularly on matters relating to the refugee program, which, as the distinguished minority leader knows, occasioned considerable discussion and which is now recommended by the President of the United States as an instrument of foreign policy.

The Senate voted to admit some 214,000 escapees and refugees.

Mr. President, I cannot protest too strongly, in the presence of the foreign policy of the United States as suggested by our own President, against the work of this subcommittee being impeded or deterred in any respect. I know the distinguished chairman of the subcommittee would not be asking for the money if he did not need every penny of it. I know of the work that has been done, and I hope the amount will stand as recommended by both the Judiciary Committee and the Committee on Rules and Administration.

The PRESIDING OFFICER. The committee amendments will be stated.

The first amendment was on page 2, line 3, after the word "the", where it appears the first time, to insert "prior",.

The amendment was agreed to.

The next amendment was in line 13, after the word "exceed", to strike out "$33,361.75" and insert "$33,000."

Mr. KNOWLAND. Mr. President, I wish to offer an amendment to the committee amendment, to insert in lieu of the figure "$33,000" the figure "$25,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California to the committee amendment.

Mr. CLEMENTS. Mr. President, as I understand, the amendment to the amendment would reduce the appropriation from $33,000 to $25,000.

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. CLEMENTS. Mr. President, I offer the following amendment: On page 1, line 11, strike out "February" and insert "March" in lieu thereof; and on line 13, page 2, to strike "$33,000" and insert "$30,250" in lieu thereof. This is for the purpose of making the authorization for eleven-twelfths of the year. One month, February, has already been taken care of out of other authorizations. The amendment would provide for 11 months at the same rate as the $33,000 for a full year.

The PRESIDING OFFICER. Since the amendment offered by the Senator from Kentucky would be an amendment to the committee amendment, the

action previously taken on the committee amendment will require reconsideration.

Mr. CLEMENTS. I ask unanimous consent that the vote by which the committee amendment was agreed to be reconsidered.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to is reconsidered. The clerk will state the amendment offered by the Senator from Kentucky.

The LEGISLATIVE CLERK. On page 1, line 11, it is proposed to strike out "February" and insert in lieu thereof "March"; and on page 2, line 13, it is proposed to strike out "$33,000" and insert in lieu thereof "$30,250."

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

If there be no further amendment to be proposed, the question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to the problems in certain western European nations created by the flow of escapees and refugees from Communist tyranny.

SEC. 2. For the purposes of this resolution, the committee, from March 1, 1956, to January 31, 1957, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the department or agency concerned and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $30,250 shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

INVESTIGATION OF NATIONAL PENITENTIARIES

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1402, Senate Resolution 169.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 169) to authorize an investigation of national penitentiaries.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. CLEMENTS. Mr. President, it is not the intention of the leadership to have the resolution considered this evening. It has been made the unfinished business and will be the first order of business when the Senate convenes tomorrow.

Mr. President, I desire to make a unanimous-consent request.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

ORDER FOR RECESS UNTIL TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECRETARY BENSON'S REASONS FOR LOW FARM INCOME

Mr. CLEMENTS. Mr. President, I ask unanimous consent that an excellent statement prepared by the distinguished junior Senator from North Carolina [Mr. SCOTT] be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCOTT

Today's news reports out of San Francisco carry an account of a speech made by Secretary of Agriculture Benson that is absolutely unbelievable.

In his speech, according to the news reports, Mr. Benson lays the blame for low farm income at the door of the American wage earner.

He is trying to convince the American public that the workingman—the man who works for an hourly wage—is responsible for the mess that has been made of our farm economy.

He made his speech before a meeting of western meatpackers. He told the packinghouse executives that the unjustified high wages they are paying their employees is the reason for the declines in farm income.

A blind man can plainly see that Secretary Benson is dabbling in demagoguery.

He is trying to make the farmers hate the wage earners. He is trying to tell the farmers that they are paying for the prosperity the workers in town are enjoying. He is being ridiculous, and he knows it.

Time and time again, Secretary Benson has demonstrated that he never has intended to face the farm problems squarely and stand ready to do something about them.

Today's speech is a new angle. For a while he tried to convince the public that the Democratic Party brought on the farm problems. That backfired. Then he said it was 90 percent price supports. At another time he said it was overproduction. Now he says it is the wage earner—the very person who buys the farmer's products. Tomorrow, it may be Mickey Mouse. The Secretary is a desperate man, and he has resorted to desperate tactics.

If Secretary Benson was one-tenth as interested in the welfare of the farmers as he is in finding excuses for his own miserable failures, then we wouldn't have the farm problems we have today.

If and when the Secretary tries to find ways to solve our farm problems instead of blaming them on someone else, we can get about the business of cleaning up the mess he has created.

SHIPMENT OF POTENTIAL WAR MATERIALS BY THE UNITED STATES TO SAUDI ARABIA

Mr. HUMPHREY. Mr. President, I have in my hand a copy of a press report available to the Members of the Senate in the cloakroom, and I read from it the following:

The United States has sold Saudi Arabia 18 modern tanks, it was learned today.

The tanks are aboard a ship scheduled to leave Brooklyn, N. Y., tomorrow.

The transaction was expected to bring protests from Israel, which has been seeking $80 million worth of American weapons on bargain terms to offset Communist arms supplied to Egypt.

The State Department explained to the United Press, in response to questions, that Saudi Arabia requested the tanks last spring and the United States agreed to sell them last fall. They are only now being shipped, however.

Department spokesman Lincoln White said the tanks "are intended for training purposes and will be used in connection with the United States training mission now in Saudi Arabia."

He said the tanks are being supplied under a "reimbursable assistance agreement" signed with Saudi Arabia in 1951. Under the agreement, Saudi Arabia can buy military equipment, if the United States approves, for her internal security purposes.

White said Saudi Arabia also has requested other military equipment which has not yet been supplied. He declined to say what other arms the Saudi Arabians are seeking.

The 18 tanks are M-41 Walker Bulldog light tanks. They are the American Army's standard light tank.

They can travel 40 miles an hour. They carry a 76-millimeter gun, a .50 caliber machinegun, and a .30-caliber machinegun and are manned by 4 men. They cost $135,000 apiece, but White declined to say how much Saudi Arabia paid for them.

The M-41 tank was developed after World War II. It was delivered to United States Army forces for the first time around the end of 1952.

The tanks are now aboard the steamship *James Monroe* in Brooklyn. The vessel is scheduled to put in at a Saudi Arabian port, the State Department spokesman said.

Besides being alined against Israel, Saudi Arabia is disputing with Britain over control of the oil-rich area around the Buraimi Oasis on the southeast Arabian Peninsula. However, United States officials saw no chance the United States-supplied tanks would be used against the British there.

Presumably the United States notified Britain of its plan to sell the tanks to Saudi Arabia before actually approving the deal. The United States, Britain, and France work closely in trying to keep the arms balance from getting out of hand in the Middle East.

White emphasized that United States approval of the tank sale to Saudi Arabia came before knowledge of the Czech-Egyptian arms deal was known. He was unable to give the exact date. However, the Czech-Egyptian deal became general knowledge the first week of last September.

White said no thought is being given to blocking the shipment now.

Officials explained that they do not feel the tank shipment for Saudi Arabia will increase tension in the Middle East.

The United States has supplied other military equipment to Saudi Arabia under the 1951 agreement. It also has sold arms to both Egypt and Israel under similar arrangements, but officials said these have involved only nominal amounts.

Egypt tried to buy arms under its agreement with the United States just last summer, but negotiations broke down over prices.

Egypt then worked out its arms deal with Czechoslovakia.

Western diplomats hope their Middle East peace plans will be successful.

The Israeli Embassy here had no immediate comment on the Saudi Arabian shipment.

Mr. President, I think this is a rather alarming dispatch. I recall that only a few days ago there was a conference in Washington between the Prime Minister of Great Britain, the President of the United States, the Foreign Minister of Great Britain, and the Secretary of State of the United States. Following that conference a statement was released which indicated that the United States, Great Britain, and, subsequently, France would seek to promote peace in the Middle East. Furthermore, our Government from time to time has deplored the arms race in the Middle East. Our Government has indicated, Mr. President, strong protests regarding the sale of arms to Egypt by Czechoslovakia, a Communist satellite state.

Here we were, just a few weeks ago, loudly and strongly condemning the Soviet satellite, Czechoslovakia, for the sale of arms to Egypt. We sent our ambassadors and diplomats back and forth across the Atlantic and the Mediterranean, trying to placate the situation, trying to see what could be done to avoid stirring up these troubled waters. We apparently indicated to the world that we were opposed to an arms race in the Middle East, but here we are, not through some broker, not through some back-door means, but through the Government of the United States, selling to Saudi Arabia 18 modern tanks, 76 millimeter cannon, 50-caliber machineguns, and 30-caliber machineguns. The tanks in question are some of the best tanks in the United States Army. This comes at a time when the sovereign of the state of Saudi Arabia has declared that the State of Israel should be destroyed; when Saudi Arabia, as a matter of fact, is in conflict with our ally, Britain, over certain oil deposits; when the Soviet Union is doing everything it can to stir up trouble in the Middle East and has stated, for the first time, in a very belligerent and confident manner, that the Middle East is within its sphere of influence and within its orbit.

It seems to me, Mr. President, the Congress of the United States, through its appropriate committees, is required to look into this situation. I wish to know now whether the United States of America is supplying arms to Middle Eastern States. If it is, why has our State Department turned down the request of the State of Israel for $50 million worth of arms? That state has a right to preserve itself. It is a democracy. It represents free institutions. It fought for its liberty. It believes in free speech, and a free press.

This kind of action on the part of our Government weakens our moral position in the efforts to obtain peace in the Middle East. Moreover, it further upsets the balance of power in that area. Soviet Russia must be laughing out loud tonight, as we have paraded before the world our self-righteous, moral indignation at the shipment of arms by Czechoslovakia to Egypt. If we were going to sell arms, we should never have let the Soviet sell arms to Egypt. If we were going to be in the arms business, we should have been in it earlier.

I am not going to accept any puny policy on the part of the State Department, to the effect that this deal was made before Czechoslovakia delivered arms to Egypt. Our Government knew at the time of the conference at the summit that Egypt was in negotiation with Czechoslovakia for arms. It becomes appalling to me how little information we can have when we are supposed to have it.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. I wish to ask the distinguished Senator from Minnesota, who is a member of the Committee on Foreign Relations, what is the policy of the present administration with respect to the State of Israel?

Mr. HUMPHREY. I gather that the policy has been one of friendship. The policy of our Government was as follows: We were the first to recognize the independence of Israel. We sponsored the membership of the state of Israel in the United Nations. Throughout the years, we have loaned her money through the Export-Import Bank. We have made available economic assistance through the mutual security and foreign-aid programs.

I have gathered that we were a friendly Nation. But it is obvious that there are in the Middle East tremendously powerful, hostile forces, and those hostile forces are today being fortified by the purchase of modern tanks. Our desire should be to bring peace to the Middle East. Our desire should be to bring stability to the Middle East. No one will profit from the struggle in the Middle East except the Soviet Union.

Mr. SYMINGTON. As I understand, the Government of the United States refused to sell any arms to Israel.

Mr. HUMPHREY. It has consistently refused to do so.

Mr. SYMINGTON. Despite the fact that the Communists were selling arms to Egypt. Is not that correct?

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. It is correct, is it not, that the King of Saudi Arabia made a statement about the number of lives he would be willing to expend to bring about the destruction of Israel?

Mr. HUMPHREY. He said he would be willing to give 10 million lives for the extinction of the State of Israel; and this is the country that is to receive the tanks.

Mr. SYMINGTON. If the United States should send tanks to Saudia Arabia, it would be aiding Saudi Arabia in case that nation decided to carry through its desire to exterminate Israel. Is not that so?

Mr. HUMPHREY. It is my feeling that those tanks, once they get into the possession of the sovereign State of Saudi Arabia, will be in that state's possession for whatever use Saudia Arabia may ultimately wish to make of them. To be sure, the dispatch says that they are being sent for training purposes. Training for what? Training to be used.

Mr. SYMINGTON. Even though we had some type of contract before we decided to take only a neutral position in the matter, we could have canceled the contract at any time or we could have refused to ship the tanks if we thought it unwise to do so.

Mr. HUMPHREY. The tanks right now are loaded on a ship in Brooklyn Harbor. That shipment could be stopped immediately. It was my hope that we would be able to prevent any shipment of arms to any country in the Middle East. Of course, with Czechoslovakia sending arms to Egypt, there is naturally fear on the part of the other states in the Middle East, particularly, in this instance, the State of Israel.

I have not said a word on the floor of the Senate about the Middle Eastern arms crisis, because the situation is a delicate one. I think Senators have shown great restraint. I read in the newspaper yesterday that George Allen, a distinguished diplomat, said war was close in the Middle East. He said the Middle East was in such a state that war could break out any day.

It has been said that we should be exceedingly careful about what we say. There have been some reports to the effect that there should be no public discussion of the Israeli-Arabian or Israeli-Egyptian question.

I have not discussed the matter, but I say it is a fine how-do-you-do for the State Department to say this question ought not to be opened up for the kind of controversial discussion which inevitably will result, and then to sanction, and not only to sanction, but to enter into an arrangement to sell powerful tanks to a nation which has already dedicated the energy of its entire people to the destruction of a neighboring country.

Mr. SYMINGTON. Does the Senator know that fairly large numbers of British tanks, as I understand through the aid of certain countries of the free world, have gone to Egypt?

Mr. HUMPHREY. I have heard that. I understand they have been handled through one of the sales firms on the mainland of continental Europe, in either Belgium or Holland.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. I should like to ask the distinguished Senator whether, from the standpoint of protection of the free world, he sees any difference between approving the shipment of arms to the Communists by one of the allies of the free world and, in effect, shipping them to the Communists ourselves.

Mr. HUMPHREY. From the standpoint of the actual security and safety of the free world, there is no difference. There may be a technical difference on the basis of the power of a sovereign state, but if we are in alliance together, if we are in common purpose, then, indeed, there is no difference.

Mr. SYMINGTON. In the Permanent Subcommittee on Investigations of the

Government Operations Committee, we have now ascertained that, since August 1954, 254 million pounds of copper have been shipped to the Communists by countries of the free world, with the approval of the United States. That is more than 125,000 tons of copper. While that was going on, our Government, for its stockpile, was paying premium prices for copper on the world market, as compared with domestic prices, and at the same time, it is known that the target of the stockpile of the United States has not been reached.

Does not the Senator agree that it is extraordinary that we should allow our allies to ship directly to the Kremlin hundreds of millions of pounds of copper, large quantities of aluminum, large quantities of magnesium, large quantities of rubber, and, what is the most important of all, the latest and most modern machine tools? Does not the Senator agree it is extraordinary that this administration would allow that to happen, and at the same time be so adamantly opposed to the shipment of any arms to Israel?

Mr. HUMPHREY. It seems incredible. I am very much interested in the study being made by the Committee on Government Operations. I know the Senator realizes it is very difficult to form a valid judgment on this question until all the facts are developed. I do not know whether our Government could have prohibited some of those shipments, but certainly we did not need to approve them, and we could have sharply protested.

Mr. SYMINGTON. Mr. President, will the Senator yield further at that point?

Mr. HUMPHREY. I am glad to yield.

Mr. SYMINGTON. It is a fact that in a discussion of the question some departments of the Government opposed making the heavy shipments of critical war materials, while other departments overruled the departments which opposed such shipments. The net result was that we, as a government, approved the shipments.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. It seems to me, as I have followed the newspapers and statements from our State Department and the foreign offices of our allies, the only justification which has been offered for the course which has been followed is a desire to eliminate, or at least greatly reduce, the tensions which exist. I will ask the distinguished Senator from Minnesota if he does not agree with me that the shipments of tanks, instead of reducing tensions in the Middle East, have vastly increased, and will inevitably vastly increase, the tensions which exist?

Mr. HUMPHREY. I cannot help believing the result will be the creation of further tension, and a further aggravation of the problems in that area. After all, I think we all ought to recognize that the people of Israel have been told again and again that they would be driven into the sea, that they would be destroyed. They have been told that, regardless of the consequences or the time or whatever the difficulties, their state would be destroyed.

I regret to have to say that one of the participants in that sort of doctrine and threat has been the sovereign state of Saudi Arabia, but it has been. I realize the importance of our Government's having good relationships with all the states in that area, and I want our Government to have good relationships with them; but what bothers me is that at a time when the situation is so critical one of our most distinguished diplomats, and a responsible officer of the State Department, Mr. George Allen, could say war could break out at any time in that area and say, in substance, that probably, we would be contributing to that possibility by the shipment of arms.

Furthermore, I think we have lost any moral argument we ever had by this one act. Insofar as rebuking the Soviets or Communist Czechoslovakia is concerned, I am afraid that now Pandora's box probably has been opened throughout the Middle East.

Mr. LEHMAN. Mr. President, will the Senator yield for another question?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. It has been claimed that the only reason or justification for providing arms is to make the country which is the recipient or the purchaser of the arms secure from aggression, either from within or from the outside. I now ask the Senator from Minnesota whether he knows of any country that is threatening Saudi Arabia at this time, or has threatened it for a long time in the recent past.

Mr. HUMPHREY. I surely do not. The only country which seems to be in difficulty with Saudi Arabia at the present time is our great ally, Great Britain. I gather we are not furnishing tanks to Saudi Arabia so that she may engage in any kind of military operations against our great ally, the United Kingdom. It is quite obvious that the tanks are being made available, as the dispatch states, under agreement, for so-called defensive purposes by Saudi Arabia.

I would have no objection if I felt that was the only purpose, but when a State or the head of a State has vowed the destruction of one of its neighbors, and has gone to great pains to explain how it will be done, it seems to me we are aiding and abetting that possibility.

Furthermore, I repeat that if this is to be the policy of our Government, then I think we are shamefully derelict in our responsibility to preserve a balance of power if we do not sell arms to Israel. The Israeli Government has been asking for them.

I might say now for the record that this is a very poor way of solving the problem—first by one country's getting arms, and then another country's getting arms. That has never been my idea of a solution of the problem. But we apparently have no policy in the Middle East. That is apparently one weakness which is glossed over. When it is said that everything is wonderful, we simply do not want to be reminded of the tinderbox in the whole area of the Near East or the Middle East.

I, for one, cannot help feeling a sense of responsibility on the part of our Government. After all, as a Member of Congress, I know we have voted hundreds of millions of dollars for the benefit of that area. Our desire should be peace with justice, and we should be using every faculty and every facility at our command to bring these countries into a peaceful arrangement. Surely if we are going to guarantee arms or provide arms to anyone, we should do so to a friend.

Let me say with equal candor, Mr. President, that at the present moment in the Middle East the strongest nation is Israel. Even though her population is slightly in excess of 1½ million, she has the strongest military establishment there. If we are going to have an ally there, I suggest we have one which has strength, namely, Israel. Israel would be a good ally.

In the past I have suggested that we have with Israel a mutual security pact, an open-end pact, with other nations eligible to participate or to try to get a guaranty of the frontiers and boundaries in that area, through having the nation-states in the vicinity or region agree to those boundaries, and backed up and supported through the United Nations.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield for several other questions?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. Of course, the Senator from Minnesota is familiar—very much more familiar than am I—with the declaration to which the United States, Great Britain, and France were signatories in 1950.

Mr. HUMPHREY. I am very well aware of it.

Mr. LEHMAN. It seems to me that this act by our Government, namely, supplying arms, including tanks and possibly other equipment, to Saudi Arabia, thus increasing the imbalance between the countries, is directly in contradiction of the spirit of the declaration of 1950.

Mr. HUMPHREY. I think no other conclusion than the one the Senator from New York has stated can be reached. I venture the thought that if this sale of tanks to Saudi Arabia is but a preparatory step to the sale of arms to Israel, it would be well for those of us who serve in the Government of the United States to be informed of that matter. I can possibly foresee that after some discussion in the Senate and some expression of public indignation or public criticism of what has happened, the State Department might say, a few days later, "We sold those tanks to Saudi Arabia so we would not be accused of playing favorites or being prejudiced or partial when we sold arms to Israel."

I venture to say this because I have noticed that on many occasions the State Department tries to wiggle out of such difficulties. The State Department is strong on making excuses. So I mention this possibility ahead of time.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. In the dispatch I notice the following:

White emphasized that United States approval of the tank sale to Saudi Arabia came before knowledge of the Czech-Egyptian arms deal was known. He was unable to give the exact date. However, the Czech-Egyptian deal became general knowledge the first week of last September.

Today is February 16. I have not heard a word of this deal. So far as I know, no announcement of any character regarding such a deal has been made by our State Department or by any other agency of our Government, until today.

I ask the distinguished Senator from Minnesota, who is a member of the Foreign Relations Committee, whether he had any knowledge whatsoever, until today or within the very recent past, of the shipment of these tanks to Saudi Arabia.

Mr. HUMPHREY. No; I had no such knowledge. That does not mean that it had not been made available to some persons; it simply means that I, as one member of the committee, had not received any such information, nor had I heard of it through radio or press communications, nor had I even heard it rumored.

I should like to see the dispatch for a moment. The Senator from New York has been kind enough to hand it to me, and I hold it before me. I think that now, again, the loquaciousness of the State Department has put it in a rather embarrassing position. I read from the dispatch:

White emphasized that United States approval of the tank sale to Saudi Arabia came before knowledge of the Czech-Egyptian arms deal was known.

In other words, what Mr. White is saying is that we were ready to sell arms to the Arab nations, and now we find ourselves complaining because the Soviets are selling arms to the Arab nations. Any moral grounds we might have had have been completely wiped out. What we are really getting down to now is the question, "Who got the business? Who sold the arms?"

In fact, in the dispatch I notice this:

Egypt tried to buy arms under its agreement with the United States just last summer, but negotiations broke down over prices. Egypt then worked out an arms deal with Czechoslovakia.

Again, it was not a matter of principle, but it was a matter of price. It was not that we were not willing to contribute arms to the Middle East; the difficulty was that the price was not right.

Mr. O'MAHONEY. Mr. President, will the Senator from Minnesota permit me to make a comment at this time?

Mr. HUMPHREY. I am glad to yield for that purpose to the Senator from Wyoming.

Mr. O'MAHONEY. In referring to the dispatch, which the Senator from Minnesota has been so kind as to hand to me, let me say that, as he has said, this is a rather alarming notice, as carried by the United Press, is it not?

Mr. HUMPHREY. It assuredly is.

Mr. O'MAHONEY. The spokesman for the State Department is described in the dispatch as being Mr. Lincoln White. What his position is, I do not know. But his statement is that the tanks "are intended for training purposes and will be used in connection with the United Nations training mission now in Saudi Arabia."

He was queried by the reporter. According to the report:

White said Saudi Arabi also has requested other military equipment which has not yet been supplied. He declined to say what other arms the Saudi Arabians are seeking.

It occurs to me that the Foreign Relations Committee of the United States Senate can very well ask Mr. White and his superior, the Secretary of State, Mr. John Foster Dulles, what other arms the Saudi Arabians are seeking and what the plan of the State Department is with respect to them.

It also appears from the dispatch that the tanks are now abroad the steamship *James Monroe*, in Brooklyn. Apparently the vessel is still there.

In another part of the dispatch, Mr. White is quoted as saying:

No thought is being given to blocking the shipment now.

It occurs to me that the Senate Committee on Foreign Relations might well ask a question or two of the Department of State as to whether Mr. White spoke authoritatively, whether he spoke with the approval of the Secretary of State and, above all, whether this matter has been presented to the President of the United States, for his judgment as to whether the steamship *James Monroe* should be permitted to sail with the arms, and for his judgment as to whether any additional arms should be sold to the Middle East, particularly to Saudi Arabia.

I thank the Senator from Minnesota for permitting the interruption.

Mr. HUMPHREY. Mr. President, I wish to say to the Senator from Wyoming that his has not been an interruption; it has been a very valuable contribution.

I think the Senator from Wyoming has stated exactly what is in the minds and on the hearts of many of us, namely, that this information should be made available.

I, for one, wish to say that I think it would be a sad mistake of national policy to have this ship sail with the tanks aboard. Furthermore, I regret to say that at the very time when the diplomatic and military situation is at its most grave point in the Middle East, we seem to play into the hands of those who would cause trouble. Also this decision is made at the very time when our President is away from the White House. It seems that every time a decision of such significance is made, it is made when there is not the proper supervision available to doublecheck it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I should like to say if it is true that the sale of these tanks was made by the United States Government, rather than by independent brokers.

Mr. HUMPHREY. I gather, according to the dispatch, at least, that it was a sale by the Government.

Mr. DOUGLAS. Even if it were made by brokers, the Government would have to approve it.

Mr. HUMPHREY. Yes. This sale required formal Government approval.

Mr. DOUGLAS. Is it not true that Saudi Arabia, from the large oil royalties which it receives from American companies, has been carrying on an anti-Israel campaign throughout the Middle East?

Mr. HUMPHREY. It has been more or less the fountainhead of the anti-Israel campaign.

Mr. DOUGLAS. Is it not true that the Moslem Brotherhood, for example, has been largely financed by Saudi Arabian money derived in turn, from oil royalties?

Mr. HUMPHREY. That has been the generally accepted view.

Mr. DOUGLAS. Is it not also true that the anti-British propaganda which is now being distributed in the Middle East is also largely financed by Saudi Arabia?

Mr. HUMPHREY. The Senator is correct. However, I think the Senator will be reassured to note that, while our Government officials did not ascertain whether or not the tanks were to be used against Israel, they did say in the dispatch that the United States officials see no chance that United States supplied tanks would be used against the British.

Mr. DOUGLAS. But they might be used against Israel.

Mr. HUMPHREY. Apparently there was no indication that they would not be so used. However, I notice that this Government goes out of its way to say that the British had been consulted. The dispatch says:

Presumably the United States notified Britain of its plan to sell the tanks to Saudi Arabia before actually approving the deal. The United States, Britain, and France work closely in trying to keep the arms balance from getting out of hand in the Middle East.

Mr. DOUGLAS. The Israelis see Egypt increasing in strength because of the arms being shipped to her by Czechoslovakia and indirectly by Britain. They now see Saudi Arabia increasing in strength through arms which the United States is shipping to that country.

Mr. HUMPHREY. The Senator is correct.

Mr. DOUGLAS. Both Egypt and Saudi Arabia have declared eternal hostility to Israel.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Will there not be a great temptation, therefore, for the Israelis to attack now, when they think they may have the preponderance of firepower, rather than to wait and see themselves submerged by the material which the Communist countries, Great Britain, and the United States are now furnishing to their enemies? In other words, might not this situation provoke the Israelis to take the offensive?

Mr. HUMPHREY. It should be a further incentive to provoke preventive war or preventive action, so to speak, on the

part of the Israelis. Military experts say today that the armed forces of Israel are superior to those of any of their neighbors. Her neighbors continue to vow destructive of the State of Israel. Israel continues to ask for peace. I was under the impression that our country was going to contribute to peace. That ought to be our mission, our destiny. I do not see a contribution to peace in contributing to the Arab world in the arms race, when we have consistently refused to do business with one of the best little friends we ever had, the State of Israel.

Mr. DOUGLAS. In other words, we shut off arms to the one democratic country in the Middle East, but we join the Communist countries and Great Britain in arming the Arab States.

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. DOUGLAS. Saudi Arabia is probably the most autocratically governed of all the Arab States. It has not made the progress which Iraq, for example, has made. So here we are, arming one of the most irresponsible, warlike nations of the Middle East, and at the same time denying arms to Israel.

Mr. HUMPHREY. That is the only conclusion one can draw.

Mr. President, I wish to bring my remarks to a close. I protest this sale of arms.

Mr. DOUGLAS. Mr. President, I wish to join the Senator from Minnesota. I express the opinion that in my judgment the Secretary of State should be brought before the Foreign Relations Committee and asked to explain this entire matter. I cannot understand any legitimate reason for this action.

Mr. HUMPHREY. I concur in what the Senator from Illinois has said. I charge on the floor of the Senate that our Nation has exemplified no consistent foreign policy or international policy in the Middle East that is ascertainable or definable. It is because we have been playing the policy of expediency that we find ourselves in this grave difficulty, and we are continuing to be expedient when we should be principled, and when we should be using the good offices of the United States of America and of our neighbors and allies to bring peace in this area, rather than to contribute to the arms race. Ultimately such a course will lead to war. The words of our own Under Secretary of State so indicate, as of yesterday. However, today the State Department ignores what was said yesterday.

Mr. O'MAHONEY. Mr. President, I desire to add a few words. In my judgment the Department of State will be confessing serious error if it does not immediately, before the next 24 hours shall have passed, seek the opportunity to appear before the Foreign Relations Committee of the Senate and explain this business. The officials of the Department of State have the initiative. They are carrying on the policy. I think the time has come, before this vessel leaves port, for the State Department to express itself to the Congress of the United States and the people of the country.

Mr. DOUGLAS. Mr. President, I join the Senator from Wyoming in his statement. I should like to add another thought, which I think was implicit in what he said, namely, that no sailing rights should be granted to the *James Monroe* until a satisfactory explanation has been offered by the Department of State; and that in the meantime an embargo should be placed upon these arms.

Mr. O'MAHONEY. With that statement I completely concur.

Mr. HUMPHREY. Mr. President, I associate myself with my colleague on that very point. I think this is extremely serious business. I hope our President will be notified of the pending shipment of arms, and I hope action will be taken to stop that ship from leaving port.

Surely the Secretary of State, or whoever else may be responsible, should respect the requests of those of us who have spoken up tonight, and at least reply to us and give us the information for which we ask, before any sailing rights are granted to this ship.

RECESS

Mr. CLEMENTS. Mr. President, pursuant to the order previously entered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 30 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Friday, February 17, 1956, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 16, 1956:

IN THE REGULAR ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. All officers are subject to physical examination required by law.

To be captains, Medical Corps

Abrams, Fredrick R., O72320.
Baker, Floyd W., O71901.
Baker, George I., O72674.
Barrett, O'Neill, Jr., O72321.
Bergin, James J., O72322.
Bingham, Wilbur G., Jr., O72382.
Blakely, Gene T., O72383.
Blough, Leland S., O72324.
Boehrer, Philip M., O72325.
Bouzard, Walter C., O72407.
Brown, William C., O72409.
Buchanan, Richard S., O71322.
Burt, Howard, O72446.
Canby, John P., O72327.
Carey, Philip O., O72328.
Carnes, Marion M., Jr., O72384.
Castellot, John J., O72688.
Ceccarelli, Frank E., O72839.
Chamblin, Stuart A., Jr., O71459.
Cheitlin, Melvin D., O72385.
Conrad, Marcel E., Jr., O71658.
Cook, Hugh H., Jr., O71659.
Cox, William A., O73027.
Deubler, Keith P., O72412.
Douglas, William F., O72465.
Duffield, John R., O73093.
Einarson, John, O72705.
Ford, Samuel M., O73094.
Gibson, Jack L., O72371.
Goldsmith, Ralph S., O72413.
Gottlieb, M. Milton, O72880.
Green, Henry D., O71197.
Griffin, Martin E., Jr., O72373.
Guenter, Kenneth E., O71504.
Hamaty, Daniel, O71202.
Hatch, Robert P., O72414.
Hathaway, Clinton R., Jr., O72892.
Herman, Robert H., O72335.
Holland, Charles R., O72486.
Hunt, Albert C., O72607.
Jefferson, Samuel C., O71815.
Johnson, Waine C., O71816.
Joy, Robert J. T., O72415.
Kawas, Elias E., O73041.
Kent, Alfred H., O71686.
Kernan, Philip McC., Jr., O72612.
Kiel, Frank W., O72613.
Knox, Gaylord S., O71821.
Kortis, Howard I., O71689.
Lawler, James C., O72916.
Longfellow, Don W., O71695.
Louro, Jose M., O72342.
Ludwig, James M., Jr., O71384.
Lukasik, John, O71829.
MacNair, Donald S., O71830.
McCarty, James E., O71835.
McFadden, Archibald W., O71702.
McGregor, John G., Jr., O72935.
McKeon, Edward C., O71941.
Morris, John A., Jr., O73219.
Myers, John E., Jr., O72421.
Pearson, Jack W., O71246.
Pogrebniak, Alexander, O72350.
Potenza, Austin D., O72397.
Price, Frank W., O72351.
Price, Ira B., O72352.
Richardson, Arthur W., O73076.
Rodriguez, Ariel, O72424.
Ryan, James H., O69552.
Sanders, Lester W., Jr., O72426.
Scalettar, Raymond, O72399.
Scherz, Robert G., O72646.
Schonholtz, George J., O72400.
Seitzman, David M., O72647.
Sorenson, Roger W., O72428.
Snyder, Dale R., O73079.
Story, Stratton R., O73054.
Wayman, George W., O72403.
Weinstein, David B., O72404.
Whitcomb, David T., O71895.

To be captains, Dental Corps

Dobson, Charles W., O72699.
Ferguson, Dan S., O70334.
Guernsey, Louis H., O72886.
Hanson, Jay G., O68797.
Jaggers, Joe H., O72739.
King, Thomas J., O71533.
Kuttas, George, O71691.
Montgomery, Robert W., O69991.
Safar, Milo R., O69553.
Thompson, Calvin W., O73118.
Wheatley, Robert E., O69828.

To be captains, Veterinary Corps

Crippen, James G., O71474.
Fountain, Edmund L., O73030.
Fowler, James L., O73069.
Kepp, James C., O73042.
Lyday, James M., O73047.

To be captains, Medical Service Corps

Adams, Adam E., O69843.
Altman, Robert M., O65304.
Baxter, Roy E., O68076.
Blair, Eugene B., O67553.
Braveman, Milton, O65501.
Callaghan, Donald F., O65253.
Crook, Samuel L., Sr., O70316.
Cross, Jack, O69892.
Cross, John R., O58354.
Dickinson, Francis G., O65313.
Dienel, Richard M., O65981.
Drury, Orcutt P., O71914.
Duttweiler, David W., O65498.
Duvall, William H., O69907.
Favorite, Frank G., Jr., O65980.
Franz, Raymond J., O65992.
Hemphill, James A., O70371.
Horner, James M., O72489.
Huggins, Lewis H., O70386.
Hurtt, Clarence M., O70388.

Keane, Walter J., O69961.
Learnard, Donald L., O69968.
Lewis, Milton A., O70407.
Little, Roger W., O65220.
Lovett, James H., Jr., O66040.
Lysak, William, O72376.
Madere, Glenn W., Jr., O65200.
Marshall, Paul S., O70421.
Matter, Harlan G., O71938.
Monahan, Fergus T., O65291.
Myers, William J., Jr., O71943.
Nibley, Carlyle, Jr., O65297.
Parker, James W., O72347.
Plemon, Thomas H., Jr., O66070.
Pond, Nathaniel H., O71951.
Price, Donald L., O66072.
Read, John K., O67858.
Reynolds, Daniel J., O66082.
Scanlon, John E., O62012.
Shellhase, Leslie J., O66096.
Therrien, Alvin A., O70527.
Thompson, Herbert J., O67625.
Tipton, Vernon J., O65299.
White, Raymond H., O70561.
Whitney, Richard W., O65197.
Wiest, Bernard J., O66122.
Willett, Gordon, O66123.
Wilson, John J., O70566.
Woodrum, James B., O62802.
Wykoff, Dale E., O58678.
Young, Claude E., O58792.

The following-named officers for promotion in the Regular Army of the United States under the provisions of section 107 of the Army-Navy Nurses Act of 1947, as amended. All officers are subject to physical examination required by law.

To be captains, Army Nurse Corps

Ackerman, Mary I., N2526.
Archer, Joan D., N1843.
Aycock, Erline T., N2559.
Bradley, Mary L., N2530.
Brosmer, Margaret M., N1849.
Carroll, Helene D., N2632.
Casey, Marguerite C., N2569.
Christensen, Donna M., N2527.
Cook, Margaret, N2633.
Daniels, Mary J., N2634.
Dean, Martha, N2541.
DeLaney, Ramona E., N2550.
Dolan, Gertrude A., N2637.
Doyle, Rita F., N2694.
Eckhoff, Genevieve E., N2548.
Evans, Kathleen E., N2638.
Everett, Anna E., N2534.
Farland, Vivian, N2574.
Finney, Jean P., N2706.
Flagg, Alice N., N2618.
Flynn, Euleta O., N2669.
Frazier, Doris S., N2348.
Gausling, Anita L., N2681.
Gieldseth, Betty M., N2583.
Ginsberg, Miriam K., N2590.
Gubics, Ellen F., N2611.
Harris, Lillian L., N2652.
Hill, Louise, N2584.
Horton, Virginia A., N2691.
Houdek, Rosemary, N2563.
Houseknecht, Edith M., N2664.
Jablunovsky, Anne C., N2022.
Jacoby, Jane E., N1854.
Jankowski, Josephine J., N2020.
Johnson, Elizabeth F., N2692.
Kane, Helen M., N2564.
Koenig, Jane L., N2642.
Koenig, Kathryn A., N2521.
Kutyla, Mary M., N2717.
LeBlanc, Claire V., N1851.
Levangie, Catherine L., N1939.
Liebowitz, Ethel, N1852.
Loucks, Phyllis M., N2606.
Lynch, Emily R., N2529.
Malewicz, Wanda, N2696.
Marta, Katherine M., N1853.
Mathews, Peggie M., N2645.
McKinney, Frances L. T., N2532.
Morin, Felice R., N1865.
Moseley, Leanora M. W., N2648.
Pak, Regina, N2651.
Patterson, Ruth E., N2670.
Piller, Vivian L., N1938.
Quinn, Mary C., N2671.
Reid, Kay M., N2553.
Rocovich, Dorothy J., N2608.
Ryan, Patricia A., N2704.
Sammons, Nadine G., N2554.
Schiffman, Regina H., N2567.
Schneider, Patricia M., N2023.
Setter, Marian J., N2707.
Shields, Marian C., N2672.
Smith, Elsie L., N2543.
Smith, Nancy V., N2578.
Starkey, Elizabeth J., N2587.
Sulpizio, Virginia M., N1802.
Vandiver, Frances O., N2533.
Wiley, Jane R., N1841.
Wilson, Ruth A., N2347.

To be captains, Army Medical Specialist Corps

Adams, Rachel H., M10148.
Anderson, Marilyn J., M10133.
Barnes, Joan A., M10157.
Bearden, Florence M., J70.
Henson, Nellie A., M10128.
Keegan, Nanette G., M10152.
Kinnison, Dorothy M., M10127.
Lambertson, Elizabeth L., M10139.
Leath, Mary K., M10130.
Mendler, Helen M., M10153.
Perry, Joan H., M10096.
Peterson, Dorothy J., M10156.
Reynolds, Cora D., M10141.
Wakefield, Patricia, M10143.
Westhoven, Mary F., M10144.
Witte, Eileen B., R10144.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Ferguson, John S., Jr., O4024740.
Ifwerstrom, James B.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Adair, Edwin L.
Bever, Lloyd J., O2275432.
Bolt, Donald A., O2275578.
Bonilla, Kenneth B., O2211827.
Boyce, Henry W., Jr., O2275436.
Butler, Bruce, Jr., O2275414.
Fawcett, James L., O2275607.
Gordon, Walter C., Jr., O2275556.
Graziani, Leonard J., O2275418.
Hefner, James D., O1878121.
Hilkert, Fred G., O2275395.
Huebner, Gilbert D., O2004151.
Kalish, Paul E., O2275370.
Kline, Henry M., Jr., O2275417.
Landerman, Nathaniel S., O2275447.
Marston, Frederick J., Jr., O1883085.
Martz, Douglas G., O2275610.
McClelland, James P., Jr., O2275379.
McCune, Frederick K., O2275406.
Miller, Wilbur H., Jr., O2275435.
Moskovitz, William S., O2275597.
Nay, Leston B., Jr., O2275609.
Point, Robert B., O2275608.
Provins, Austin A., A2275602.
Shinbein, Aaron.
Willner, David L., O2275448.

The following-named persons for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Addison, Richard L., O4010351.
Martin, David C., O4010165.
Shalikashvili, Othar J., O4030633.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Aldrup, Earl W., Jr.	Killough, Charles K.
Anderson, Valjean C.	Kortier, Charles S.
Bear, Ben H., II	McNaul, James P.
Bradley, William M., Jr.	Morey, James R.
	Moses, George W.
Brown, Loy D.	Nichols, Neal K.
Damron, Herbert C.	Propes, Norman C.
Gates, Norman B.	Stitgen, Stanley F.
Harts, William G.	Stubbs, Harold E.
Kennedy, Irvin D.	Word, Charles E.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 16, 1956

The House met at 12 o'clock noon.

Rev. John F. Boll, St. Michael's Church, Scranton, Pa., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Heavenly Father, in whom are the beginnings and fruition of all good things, reveal in us the fullness of the freedom which is the inheritance of Thy people.

Let the Members of the United States House of Representatives and all those in whose hands rests the grave task of guiding Thy people, let them all be constant in their efforts, fearless in their search, and wise in their counsels, that they may, under Thee, bring forth on this earth and in this land, Thy light and love.

Turn Thy eyes of mercy and Thy uplifting hand of strength to all those who are held in the grip of slavery and degradation. Look on Thy nation of Lithuania that the plight of her people be not forgotten, but may it call all men to come to her aid, to the aid of freedom. May that land once more be allowed to praise Thee without restraint, serve Thee without fear, and love Thee without end.

May the commemoration of Lithuania's independence be effective in making actual what we celebrate today in symbol, in memory, and in hope. May we never forget our suffering brethren even as we pray that we never be forgotten by Thee. Through Christ our Lord. Amen.

The Journal of the proceedings of Tuesday, February 14, 1956, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 14, 1956:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes.

On February 15, 1956:

H. R. 1078. An act for the relief of Dr. Robert C. Jalbuena;

H. R. 1084. An act for the relief of Dorothy Antonia (Suk-fong) Leong;

H. R. 1092. An act for the relief of George Henry Mahoney;

H. R. 1193. An act for the relief of Dr. and Mrs. Ivan Pernar;

H. R. 1198. An act for the relief of Kenneth K. W. Lau and Romana Say Soat Kheng, also known as Mrs. Anne Say Lau;

H. R. 1208. An act for the relief of Mrs. Esther Moreno;

H. R. 1232. An act for the relief of Salvador, Mercedes, and Miguel Chofre;

H. R. 1657. An act for the relief of Louis B. Prus-Latkiewicz;

H. R. 1907. An act for the relief of James Wilson;

H. R. 2049. An act for the relief of Anastasios Selelmetzidis;

H. R. 2525. An act for the relief of Madiros Kebabjian;

H. R. 2782. An act for the relief of Josefa Martinez Infante;

H. R. 2945. An act for the relief of Joan Frances Feeley;

H. R. 3188. An act for the relief of William Lawler;

H. R. 4025. An act for the relief of Mrs. Donald A. Howard (nee Miss Elsa Ursula Kuchinke);

H. R. 4548. An act for the relief of Michele Pica;

H. R. 4612. An act for the relief of Vladimir and Svatava Hoschl;

H. R. 4789. An act for the relief of Mrs. Barbara (Pearson) Boycott;

H. R. 5869. An act for the relief of Andreas (or Andrew) Voutsinas;

H. R. 6298. An act to amend section 601 (g) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit transfer of war housing projects to the city of Moses Lake, Wash., and to other communities similarly situated; and

H. R. 7094. An act to amend section 120 of the Internal Revenue Code of 1939 (relating to unlimited deduction for charitable contributions).

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1957

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a report on the bill making appropriations for the Department of the Interior for the fiscal year 1957.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENSEN. Mr. Speaker, I reserve all points of order on the bill.

BURLEY TOBACCO ACREAGE ALLOTMENTS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 455) relating to burley tobacco acreage allotments and marketing quotas.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, may I ask the gentleman from North Carolina [Mr. COOLEY] if this has anything to do with those charges which are pending in the United States District Court against farmers who fed some wheat to their stock or their poultry?

Mr. COOLEY. It has nothing to do with wheat at all. It has to do with burley tobacco.

Mr. HOFFMAN of Michigan. Oh! Tobacco. I can well understand the gentleman's anxiety about tobacco. When are you going to take care of our farmers?

Mr. COOLEY. This is burley tobacco.

Mr. HOFFMAN of Michigan. It is tobacco, though.

Mr. COOLEY. Take care of what farmers?

Mr. HOFFMAN of Michigan. The wheat farmers, where they have been feeding wheat to their cattle and chickens. Now they are up on a criminal charge.

Mr. COOLEY. I have no control over the criminal prosecution of people who violate the law.

Mr. HOFFMAN of Michigan. No; but I am talking about these bills pending before the gentleman's committee to amend that law.

Mr. COOLEY. We have had full and complete hearings on the bill to which the gentleman refers. Officials of the Department appeared before the committee. The matter was discussed at great length. The bill was actually tabled or laid aside because no one was there to support it other than the authors of the bills and an official of the Department of Agriculture.

Mr. HOFFMAN of Michigan. Then one has to be a member of the committee in order to ask you to consider it?

Mr. COOLEY. No, sir; but bills have already been considered. If you will come over there we will be glad to hear you if you want to be heard.

Mr. HOFFMAN of Michigan. Of course, I do not know anything about the tobacco end of it. You seem to be devoting your time to peanuts, rice, and cotton, so I do not think the gentleman would have time for me.

Mr. COOLEY. Yes; we will always have time for the gentleman from Michigan.

Mr. HOFFMAN of Michigan. When is the gentleman's committee going to meet?

Mr. COOLEY. We meet every morning and afternoon.

Mr. HOFFMAN of Michigan. At what time?

Mr. COOLEY. Ten o'clock usually, in the morning.

Mr. HOFFMAN of Michigan. Tomorrow morning?

Mr. COOLEY. What bill does the gentleman want to be heard on?

Mr. HOFFMAN of Michigan. I want to be heard on the amendment which was proposed by Mr. REED, the gentleman from North Carolina, [Mr. JONAS], and some others, that would do away with that penalty proviso I was talking about.

Mr. COOLEY. You may come before the committee Monday morning at 10 o'clock.

Mr. HOFFMAN of Michigan. Yes; I will be over there.

Mr. COOLEY. All right; we will reserve space for you Monday morning in the committee room.

Mr. HOFFMAN of Michigan. Mr. Speaker, I withdraw my reservation of objection.

Mr. HOPE. Mr. Speaker, reserving the right to object, the gentleman from North Carolina intends, does he not, to make a brief explanation of the bill?

Mr. COOLEY. Yes; I will be very glad to yield to the author of the bill, the gentleman from Kentucky [Mr. WATTS] for an explanation.

Mr. WATTS. Mr. Speaker, Members of the House, House Joint Resolution 455, which I introduced on January 3, 1956, the opening day of the 2d session of the 84th Congress, provides for the nullification of a 15-percent acreage reduction on the burley tobacco growers imposed by Secretary of Agriculture Benson on November 30, 1955. This 15-percent cut was made over the protest of the growers, warehousemen, dealers, associations, and all Members of Congress representing burley tobacco districts and States. Unfortunately, under the present law, the Secretary of Agriculture is required to set the burley tobacco quota on or before November 30 of each year for the next succeeding year. Since the burley tobacco markets are not opened until after November 30, the Secretary is required to guess or estimate the size of the crop for the current year. In setting the 1956 marketing quota for burley tobacco the Secretary estimated the 1955 crop at 520 million pounds. At the close of the marketing season it was determined that the 1955 crop weighed about 470 million pounds, or about 50 million pounds less than was estimated by the Secretary. Thus this legislation was introduced for the purpose of restoring the 15-percent cut that resulted in part from the erroneous estimate.

It is my understanding that the Department of Agriculture will propose legislation to give the Secretary authority to wait until some time in January to set the quota for that year's crop so that he will have accurate information as to the amount of tobacco marketed for the immediate preceding year and thus obviating the necessity of coming to Congress for the purpose of correcting either up or down errors brought about by over or under estimation.

At or about the close of the burley marketing season, on February 7, 1956, the Tobacco Subcommittee of the House and Senate Agriculture Committee called a hearing on House Joint Resolution 455; House Joint Resolution 440, introduced by Mr. CHELF; House Joint Resolution 446, Mr. NATCHER; House Joint Resolution 449, Mr. PERKINS; House Joint Resolution 458, Mr. BURNSIDE; House Joint Resolution 467, Mr. SILER; House Joint Resolution 499, Mr. BASS of Tennessee; House Joint Resolution 507, Mr. JENNINGS; House bill 8103, Mr. BAKER; House bill 8158, Mr. REECE of Tennessee; and House bill 8673, Mr. BURNSIDE; and Senate Joint Resolution 111, introduced by Senators CLEMENTS and BARKLEY.

All persons who appeared and testified were unanimous in their support of the legislation. Clarence Miller, of the Tobacco Branch, Department of Agriculture, appeared and stated that the Department had no opposition to the enactment of this legislation. The Tobacco Subcommittee of the House Agriculture Committee voted unanimously to report

House Joint Resolution 455 to the House Agriculture Committee. The full House Agriculture Committee considered the same the next day and unanimously reported House Joint Resolution 455 to the House of Representatives.

Due to the fact that plant bed sowing time is at hand and the necessity for the farmers to expeditiously know the acreages this legislation, through the fine cooperation of all who are interested in the welfare of the tobacco farmer, has been brought to the floor under suspension of rules in order that it can secure early and expeditious consideration.

The passage of this legislation by the House and the passage in the Senate of a companion bill introduced by Senators CLEMENTS and BARKLEY, of Kentucky, will bring joy and much relief to the financially destitute burley tobacco growers throughout the area in which it is grown. The burley tobacco growers have always taken a realistic attitude in trying to keep supply and demand somewhat in line. They have suffered cut after cut until their bases are now so small that they are in real financial difficulty. If this legislation is not enacted and a 15-percent cut is allowed to stand, many small farmers and tenants will have to leave the farm and seek employment elsewhere. This would be tragic not only to the section of Kentucky that I represent, but to all of the burley tobacco-growing areas. The facts justify the passage of this legislation. The Department of Agriculture has said it has no opposition to its passage. All of the Members of Congress representing burley areas have worked diligently for its passage. I know of no opposition to it. I earnestly urge its passage.

Mr. CHELF. Mr. Speaker, I respectfully urge the passage of House Joint Resolution 455, introduced by my colleague, the gentleman from Kentucky [Mr. WATTS]. This resolution is identical to those that have been introduced by the members of the entire Kentucky delegation and all seek to restore the 15-percent cut authorized by Secretary Benson in the burley tobacco acreage last December.

Those of us from Kentucky feel that this cut was not only unnecessary but unjustified—especially since the 1955 crop was approximately 50 million pounds lighter than had been estimated by the Department of Agriculture experts.

For almost 3 years now, Secretary Benson has made speech after speech that there was nothing wrong with the present farm program. He indicated that if the farmer would be patient, everything would just work out fine. In the past 3 years, Secretary Benson has issued at least 10 or 12 statements about how well off the American farmer was, notwithstanding the fact that his income has dropped in the past few years from $14½ billion to $10 billion, while his debts have increased from $10 billion to approximately $17 billion. This is a dip of one-third in income and an increase in debts of approximately 70 percent during the same period of time.

The oil and gas industry is given a so-called oil-depletion right in the amount of 27½ percent on the theory that the oil pumped from the ground cannot be replaced. The farmer is depleting his soil every day. He takes something out of it that cannot ever be restored, not even with fertilizers concocted by modern science. When the farmer's topsoil is washed away it is gone forever. Why not a depletion allowance for our farmers? There may be some who would call my suggestion on this subject socialism, subsidization, or regimentation. If this be true then big business is up to its ears in it. They like it.

The farmer is having trouble also because of the labor situation. He simply cannot compete with the wages paid by factories located in the nearby metropolitan centers. For instance, a good portion of the Fourth Congressional District of Kentucky, which I have the honor to represent here in Congress, is contiguous to Jefferson County, in which Louisville is located. In the counties of Oldham, Shelby, Spencer, Bullitt, Nelson, Hardin, and Washington, there is an average of approximately 500 to 600 per county who commute daily to Louisville and the General Electric and other factories there. To show how desperate the situation is with respect to the little farmer and the tenant farmer, there are over 700 from my hometown of Lebanon and Marion County that have been driven from the farm because of their inability to make a living. The fact that Lebanon, Ky, is 67 miles south of Louisville is a positive indication how tragic, desperate, and serious the situation is. If this keeps up we will soon lose these fine people because they will not be content to commute forever—soon they will move with their families to the cities.

If this trend of leaving the farm continues, the country, as a whole, is in for much trouble. There are those who believe that Mr. Benson is delighted with this migration to the city on the theory that if there are fewer people on the farm, less will be produced. However, it has gotten far beyond that stage for the very good reason that I do not know of a farmer in my county who is not having great difficulty in locating a tenant. In addition the farmer ought to be given a debt moratorium something akin to the old Frazier-Lemke Act, enacted in the 74th Congress. This ought to include every debt a farmer owes to any or all governmental agencies, as well as to any bank or other lending institution. He also should have a moratorium on any interest that may be due upon these obligations. The reason is quite simple and obvious. He just does not have the money with which to pay—that is the legitimate farmer—the bona fide farmer. Not the "fat cats" or the corporation farmers.

There are many reasons why this legislation should be enacted but the greatest, I believe, is that if something isn't done immediately to give the bona fide farmer, the little farmer and the tenant farmer some incentive, inducement and encouragement to remain on the farm there will continue to be a constant stream migrating to the cities. In the shape that the legitimate farmer is in today, he simply cannot make it. He cannot earn his salt.

Without burdening you here in the House with additional arguments, I do sincerely urge you to pass this House Joint Resolution 455 that will restore this 15-percent cut that Secretary Benson has put into effect. My farmers are suffering—there is much discontent. This is their cash crop—their very economic lifeblood.

We must act now.

Mr. KEATING. Mr. Speaker, reserving the right to object, I find myself on this occasion in agreement with the gentleman from Michigan with reference to his desire to be heard on the bill which would relieve some of these farmers who are being held under fines for feeding some of their surplus wheat to their own poultry. May I ask the gentleman from North Carolina if he would accord me the privilege also on Monday morning at 10 o'clock of being heard on that matter?

Mr. COOLEY. Yes; we will reserve some opportunity for the gentleman to be heard; but I might say that the hearings have been held, transcribed, and printed, and are readily available to the gentleman. It might be a good idea for him to call the committee clerk and obtain a copy of the hearings.

Mr. KEATING. I understand that the action taken by the committee was to table that bill upon which the hearing was held.

Mr. COOLEY. If the gentleman will be there Monday morning we will try to hear him as well as the gentleman from Michigan [Mr. HOFFMAN].

Mr. KEATING. I thank the gentleman.

Mr. JENKINS. Mr. Speaker, reserving the right to object, I understand from what the gentleman has said that what he is asking should be of great benefit to the small grower of burley tobacco wherever they may be located, especially in the State of Ohio, and that being the case, I approve his request completely.

Mr. COOLEY. The gentleman is entirely correct.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection the Clerk read the resolution, as follows:

Resolved, etc., That, notwithstanding any other provision of law and the proclamation by the Secretary of Agriculture of a national marketing quota for burley tobacco for the 1956–57 marketing year pursuant to section 312 of the Agricultural Adjustment Act of 1938, as amended, and the State and farm acreage allotments established pursuant thereto, the 1956 State acreage allotments of burley tobacco proclaimed by the Secretary of Agriculture (20 Federal Register 8845) shall be increased so as to result in a State adjustment factor for each State under section 725.717 of the burley and flue-cured tobacco marketing quota regulations, 1956–57 marketing year, issued by the Secretary of Agriculture (20 Federal Register 4571), equal to 1.0, and all 1956 farm acreage allotments of burley tobacco shall be redetermined on the basis of such State adjustment factor. The production from the increased acreage required by this resolution shall be in addition to the national marketing quota for the 1956–57 marketing year.

The resolution was ordered to be engrossed and read a third time, was read

the third time and passed, and a motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, the farmers of America who produce burley tobacco have no greater champion than our beloved colleague, JOHN WATTS, of Kentucky, nor is there a single member of this Congress who appreciates more the value of the tobacco program than does our friend from Kentucky. During the time that he has served on the House Committee on Agriculture, he has applied himself faithfully and diligently to the work of our great committee. Every assignment which has been given to him he has discharged in magnificent fashion. JOHN WATTS is a real friend of the American farmer. He is devoted to the cause of agriculture, and he has been a great help to me, as chairman of the committee, and I, therefore, feel thoroughly justified in paying him this brief tribute today.

In 1955, the Secretary of Agriculture, by proclamation based upon erroneous estimates, directed a reduction of only 10 percent in the acreage allotments of burley tobacco farmers. JOHN WATTS, realizing that the producers of burley tobacco who had enjoyed the blessings of the program, were willing to bear some of its burdens and make a real effort to reduce supplies, led the fight, if indeed it could be called a fight, to change the law and to authorize a further reduction in the acreage allotments of the producers of burley tobacco. As a result of his efforts, the law was amended and acreage allotments were reduced 25 percent instead of 10 percent.

When the Secretary of Agriculture announced the acreage allotments for the producers of burley tobacco for the year 1956, he based his decision upon erroneous estimates, and he ordered a further reduction of 15 percent for the year 1956. JOHN WATTS was aware of the fact that these estimates were inaccurate, and believing that a further reduction of 15 percent in acreage allotments for 1956 was not justified, he introduced a bill which was referred to our committee, and which is now before the House, to relieve the producers of burley tobacco of the further reduction of 15 percent in acreage allotments for 1956. To JOHN WATTS should be given the credit for the relief which his bill provides for the producers of burley tobacco. Because of his bill the producers of burley tobacco will not be required to reduce their acreage in 1956 below that which they planted in 1955.

Mr. Speaker, I have known many great champions of the producers of burley tobacco. When I came to Congress 22 long years ago, my distinguished and beloved friend, Fred Vinson, then a member of the Ways and Means Committee, was a great champion, and when our beloved colleague assumed greater responsibilities in other higher positions and finally ended his great career as Chief Justice of the greatest country in the world, Virgil Chapman took over as a great champion of the producers of burley tobacco. It was my pleasure to work with both of these very distinguished Kentuckians. Today JOHN WATTS is the grand champion, and today I want to give him credit and pay this brief tribute to this very distinguished and beloved member of our committee.

ACREAGE ALLOTMENT AND MARKETING QUOTAS ON FIRE-CURED AND DARK AIR-CURED TOBACCO

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 518) relative to fire-cured and dark air-cured tobacco allotments and marketing quotas.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That, notwithstanding any other provision of law and the proclamation by the Secretary of Agriculture of a national marketing quota for fire-cured and dark air-cured tobacco for the 1956–57 marketing year pursuant to section 312 of the Agricultural Adjustment Act of 1938, as amended, and the State and farm acreage allotments established pursuant thereto, the 1956 State acreage allotments of fire-cured and dark air-cured tobacco proclaimed by the Secretary of Agriculture (20 Federal Register 6846) shall be increased so as to result in a State adjustment factor for each State under section 726.717 of the fire-cured, dark fire-cured, and Virginia sun-cured tobacco marketing quota regulations, 1956–57 marketing year, issued by the Secretary of Agriculture (20 Federal Register 6066), equal to 1, and all 1956 farm acreage allotments of fire-cured and dark air-cured tobacco shall be redetermined on the basis of such State adjustment factor. The production from the increased acreage required by this resolution shall be in addition to the national marketing quota for the 1956–57 marketing year.

With the following committee amendment:

Page 2, line 2, strike out "dark fire-cured," and insert: "dark air-cured."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, in reference to the House joint resolution just passed, I may say that the explanation is the same with reference to this type of tobacco as obtains with regard to burley tobacco.

MARYLAND TOBACCO ACREAGE ALLOTMENTS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 521 relating to Maryland tobacco acreage allotments and marketing quotas.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That, notwithstanding any other provision of law and the proclamation by the Secretary of Agriculture of a national marketing quota for Maryland tobacco for the 1956–57 marketing year pursuant to section 312 of the Agricultural Adjustment Act of 1938, as amended, and the State and farm acreage allotments established pursuant thereto, the 1956 State acreage allotments of Maryland tobacco proclaimed by the Secretary of Agriculture (20 Federal Register 8847) shall be increased so as to result in a State adjustment factor for each State under section 727.717 of the Maryland tobacco marketing quota regulations, 1956–57 marketing year, issued by the Secretary of Agriculture (20 Federal Register 6069), equal to 1.0, and all 1956 farm acreage allotments of Maryland tobacco shall be redetermined on the basis of such State adjustment factor. The production from the increased acreage required by this resolution shall be in addition to the national marketing quota for the 1956–57 marketing year.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have permission to extend their remarks at this point in the RECORD on the resolutions just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

Mr. EVINS. Mr. Speaker, the Department of Agriculture was wrong in its calcualtions and estimates of tobacco production which resulted in sponsorship of legislation to further reduce burley tobacco acreage allotments for 1955. At the time the bill was considered on the floor of the House, I opposed the measure and voted against a further cut and a further reduction in acreage allotments for our small tobacco farmers. The Department has administratively reduced tobacco acreage allotments from time to time and certainly the bill which was passed to empower the Department to make further reduction was wrong and improper. I am most pleased that legislation is now being considered to repeal this legislation and, therefore, effect a return to earlier tobacco allotment bases and to adjust upward acreage allotments for tobacco for the 1956 crop. The drastic acreage cuts and tobacco produtcion records justify this action.

I am pleased to support this measure to provide increased tobacco acreage allotments for burley tobacco farmers and growers of other types of tobacco. I should like also to commend my colleague and friend the gentleman from Tennessee, Congressman BASS, for his sponsorship of legislation in this regard and for his good work in securing enactment of this legislation along with Chairman COOLEY of the House Agriculture Committee, and other members of the committee.

Mr. NATCHER. Mr. Speaker, I rise in support of the resolutions now pending before the House relating to burley and dark tobacco acreage allotments and marketing quotas. Passage of the pending resolutions will restore the reduction in acreage for burley and dark tobacco ordered by the Department of Agriculture for the year 1956.

An orderly removal of present surplus stocks can be carried out if the 1955 allotments are retained. The action of the burley grower in the referendum which brought about a 25-percent cut in acreage for the 1955–1956 marketing year should remedy any oversupply situation provided a rigid statutory formula for computing the reserve supply level is enforced. Total sales of manufactured tobacco products during the past 8 months have increased, and, under our present statutory formula, burley tobacco stocks may increase accordingly without any disastrous effect. The same situation applies to dark tobacco.

The reason why we have price supports of 90 percent of parity on tobacco today is due to the fact that the tobacco program has never operated at a loss to the Government, and tobacco has paid its way. Tobacco pays in more ways than one. For instance the local taxing communities, States and Federal Government receive some $2½ billion per year in taxes alone from tobacco products. The tobacco producers of my district and State are united in their support of the tobacco marketing quota price supports and inspection program. Believing as I do in 90-percent parity for all of our basic commodities, I realize that to maintain price supports at 90 percent you must have acreage controls.

The tobacco program is not one of governmental regimentation, but is a program which permits the farmer to play the leading part in keeping supply in line with demand.

The Department of Agriculture's estimate of 520 million pounds for burley for the 1955–56 crop is high. It now appears that the figure will be some 465 million pounds. Our tobacco program will carry itself without any additional cut for 1956.

The situation confronting burley is also present with the tobacco farmer who produces dark tobacco. The November 30, 1955, order reduced fire-cured tobacco 15 percent and dark air cured 20 percent.

The Department placed an estimate on one sucker originally at 20,800,000 pounds, and this figure was lowered to 19,500,000. It now appears that only 18 million pounds of this type of tobacco will be sold. Similar estimates apply to the other types.

The farmer in my district is confronted with a serious price cost squeeze, and agriculture generally throughout the United States has reached a critical stage. Every effort must be made immediately to assist agriculture during this critical period.

On January 3, 1956, I introduced House Joint Resolution 446 to restore the cut for burley tobacco, and on February 7, 1956, I introduced House Joint Resolution 522 to restore the cut for fire-cured and dark air-cured tobacco-acreage allotments.

The net income of the farmer in my State for 1955 was off well over $100 million. Parity is 80 percent today, and in 1951 it was 113 percent. The net income of the American farmer for 1947 was $16 billion, and for 1955 it was $10,600,000,000.

In Kentucky the total farm mortgage debt has increased 113 percent from January 1, 1945, to January 1, 1955. Farmers in my district are today selling parts of their land to escape a steadily mounting burden of debt.

Agriculture must be placed on the same plane with the other industries that are prospering at the present time.

Within the past few weeks $15 million worth of surplus tobacco was exchanged for 1,500 housing units in England. Here we have a splendid example of how our surplus tobacco and agricultural commodities can be disposed of in an orderly fashion without any injury to the American farmer.

We recognize the fact that the family-type farm has borne the brunt of the postwar decline in farm income. Tobacco in my State and district is all important to the owner of the family-type farm. The farmers in Kentucky are not entitled to the treatment that they are now receiving and passage of this legislation will go a long way toward correcting this evil.

We must liquidate the widespread farm poverty which now blights the American landscape. The farmers have done their share to produce economically and abundantly, and now they are being penalized by low prices.

I recommend the passage of all pending legislation which will restore the acreage cuts for burley and dark tobacco and respectfully urge every Member to vote for passage of this legislation.

Mr. ABBITT. Mr. Speaker, I rise in support of House Joint Resolution 518, which was introduced by me on February 7, 1956. Its purpose is to restore the 15-percent cut in acreage allotment for 1956 on dark fired tobacco and dark air-cured tobacco. This is a most important bill. It affects about 8,000 dark fired tobacco producers of central and southside Virginia. The Virginia allotment for 1956 is 9,744 acres. The passage of this bill will restore 1,462 acres to the Virginia producers. Virginia dark fired tobacco is not in surplus supply. There is a great need for additional acreage to meet the needs and demands for export. Type 21 tobacco is the best export wrapper in the world. We are not meeting the demands of our exporters. We will lose our trade unless we do supply our foreign customers.

I have just received a letter from Mr. L. von Hurter of the Astra Tobacco Corporation of New York, saying that they had purchased every pile of dark fired wrapper available and were unable to secure a sufficient quantity to meet the demands of the Austrian Tobacco Monopoly and its affiliated factory in Munich, Germany. This is but one instance of the need for an increase in the allotments of type 21 Virginia dark fired tobacco.

I desire to express my deep appreciation to my colleagues on the Agriculture Committee for their wholehearted cooperation in getting this bill before the House for action today. The bill was introduced on February 7, 1956. Our tobacco subcommittee, of which I am chairman, met and approved it that very day. Chairman COOLEY called a special committee meeting of the full Committee on Agriculture on February 8, 1956. They approved the bill unanimously.

I urge that the bill be passed immediately so that our farmers will know just what amount of tobacco they will be permitted to plant. This bill alone will mean over $800,000 to the economy of our dark fired tobacco area of Virginia.

Mr. PERKINS. Mr. Speaker, this bill, House Joint Resolution 455 is similar to my own bill introduced as a companion measure, and will do much to prevent a further decrease in the income of Kentucky farmers. I appeared before the Agriculture Committee in support of this resolution and feel that its approval is necessary to correct an injustice to burley tobacco growers which resulted from the high estimate by the Department of Agriculture of the 1955 burley crop. The 1954 estimate was approximately 10 percent below the actual sales for that year's crop. The following year's estimate appears to have been in error on the other side as the sales which are now complete are almost 10 percent below the final Department of Agriculture estimate of the 1955 crop. This overestimate was the principal basis for Secretary Benson's order requiring an additional cut in the burley acreage for 1956. The lightweight crop of 1955 means that the carryover will be much less than it was estimated as of November 30 when this order was issued. This fact was recognized by the tobacco companies and is clearly reflected in the record prices paid for the 1955 crop. There is every indication that the base acreage for 1955 can be continued indefinitely without increasing the carryover beyond the amount necessary for the proper aging of burley tobacco. In fact, if the disappearance rate of burley tobacco continues to rise as it has in the past, with the exception of 1953, there is no reason why the burley farmer may not look forward to an early increase in his base acreage. In the face of these facts it would be an injustice to require the farmer to make an additional decrease in the one crop in which there has been no reduction in price during the past 3 years. Overproduction in other crops as well as cattle and hogs has caused a drop in farm prices so drastic that the Nation's farm income has fallen more than one third since 1952. During these 3 years there has been no substantial change in the prices paid for burley tobacco except for a sharp increase for the 1955 crop. In this case this body should accept the fact that the big tobacco companies paid a record price for last year's crop as absolute proof that there is no real surplus of burley tobacco regardless of any estimate that the Department of Agriculture may have made last November. Unanimous approval of this bill will be a real step in a long-term relief program for our farmers.

Mr. COOLEY. Mr. Speaker, the House has just unanimously approved three very important bills: One by Mr. JOHN WATTS, of Kentucky; one by Mr. WATT ABBITT, of Virginia; and one by Mr. RICHARD LANKFORD, of Maryland. Two of these bills were introduced on February 7. The bills were considered by the Tobacco Subcommittee of the House Committee on Agriculture on February 8 and on February 9 were reported favorably by the House Committee on Agriculture. Today, February 16, the three bills have been passed by the House and probably will be passed by the Senate this afternoon and will be on their way to the White House for the President's signature. I compliment the authors of these three bills, Mr. WATTS, Mr. ABBITT, and Mr. LANKFORD, all three of whom have been diligent in their efforts and faithful to the farmers they have the honor to represent. All three of these bills became necessary because of decisions based upon inaccurate and erroneous estimates made by those responsible of the administration of the one farm program which has been the greatest success of all the programs for agriculture which have been undertaken.

Mr. Speaker, I am saying all of this with but one purpose and that is to emphasize the fact that when reasonable Members of Congress act with diligence, the legislative branch of our Government can and does move with great expedition. The producers of the several types of tobacco should be grateful to JOHN WATTS, WATT ABBITT, and RICHARD LANKFORD, all of whom are devoted friends of the American farmer and great champions of American agriculture.

ENROLLED BILL

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title:

H. R. 9068. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes.

ENROLLED BILL SIGNED

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Tuesday, February 14, 1956, he did on that day sign the following enrolled bill of the House:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes.

EIGHTH ANNUAL REPORT OF HOUSING AND HOME FINANCE AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying paper, referred to the Committee on Banking and Currency:

To the Congress of the United States:

Pursuant to the provisions of section 802 (a) of the Housing Act of 1954, I transmit herewith for the information of the Congress the Eighth Annual Report of the Housing and Home Finance Agency covering housing activities for the calendar year 1954.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 16, 1956.*

THE LATE EARL RAMAGE LEWIS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, I should like to take this time to announce the death of a very distinguished Ohioan, Hon. Earl Ramage Lewis, who died some 2 or 3 weeks ago.

Mr. Earl Lewis served in this House for four terms. Before coming to the Congress of the United States he had been a member of the Ohio Senate. He served as president pro tempore of the Ohio Senate for 2 years and as the Republican floor leader for 3 years.

He was also manager of the Republican campaigns in Ohio and was active in other fields. Before he entered politics he practiced law for some years. He was a very capable and highly educated man and a very successful lawyer.

Mr. Speaker, we appraise men differently. Some appraise a man on what he has done. Earl Lewis was a man of innate honesty, a man of very high character, and a man of great accomplishment.

He had a family of which he was rightfully proud.

Mr. Speaker, I now yield to the distinguished gentleman from Ohio [Mr. HAYS] who represents the district formerly represented by Mr. Earl Lewis.

Mr. HAYS of Ohio. Mr. Speaker, Earl R. Lewis was my predecessor here in Congress and represented the district I now have the honor to represent for some four terms. He was a distinguished citizen of the Eighteenth District of Ohio and a distinguished citizen of the State of Ohio. He was a graduate of the St. Clairsville High School, which was also the high school I attended. I remember him as the distinguished President pro tempore of the Ohio senate at the time I was attending Ohio State.

He was a member of the Ohio senate in 1927–28 and 1931–34, being Republican floor leader during the latter term. He was president pro tempore of the body in 1931–32. In 1930, he was a Republican campaign chairman. From the Ohio senate, he advanced to Congress, being elected to the 76th, 78th, 79th, and 80th Congresses.

He was born in Lamira, Belmont County on February 22, 1887, son of William D., and Nanna Ramage Lewis, his father being a descendant of a pioneer Belmont County family. After graduating from St. Clairsville High School, he received his bachelor of science degree from Muskingum College in 1911 and his bachelor of laws degree at Western Reserve Law School in 1914. Upon being admitted to the Ohio bar, he began the practice of law at St. Clairsville with Attorney George Thornburg, forming the law firm of Thornburg & Lewis. For a number of years, he served as a trustee of Muskingum College.

He was a member of St. Clairsville United Presbyterian Church and the Masons.

Surviving are his wife, Hazel Neff Lewis, whom he married in 1916; and the following children: Mrs. Paul M. Spurrier, Dayton; Dr. Robert N. Lewis, St. Clairsville; and Dr. Richard E. Lewis, Cleveland; and two brothers, Attorney Roy Lewis, St. Clairsville; and Chester Lewis, Annapolis, both retired naval officers.

The entire community of St. Clairsville will miss Mr. Lewis, because he has been a fixture as well as a distinguished citizen of that community almost his entire lifetime. He was a kindly man, well known and well liked throughout the district, especially in his home county of Belmont, where he was born and lived his entire lifetime. My sympathy goes out to his family and to his many friends for their great loss and I know that many of his colleagues who served with him here will have additional good things to add as to his tenure in the House of Representatives.

Mr. JENKINS. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, when I received the news of the passing of my lifelong friend and former colleague in the House, Earl R. Lewis, despite the fact that I knew he had been in ill health for some time, the message came as a distinct shock, for it is hard to realize that Earl Lewis is gone and never again will we be able to see and talk with him. It was my privilege to know and to count Earl Lewis as my personal friend for some 40 years. We served together in State offices; we served together in the Congress. Never in my life have I known a man of greater integrity or courage than Earl Lewis. He was inherently a good and a peaceful man. He was of a religious nature. He was the type of individual that would never hurt the feelings of any other person or say or do anything that he believed would cause distress to another or that would embarrass some other individual. Yet, he was a man of great courage, and once he took a position, he had the tenacity to stand by his convictions and fight for that in which he believed. He raised a fine family. I knew all of his children as well as his beloved wife. Earl Lewis was a good family man. He was a good neighbor and a good community citizen in St. Clairsville and Belmont County where he lived. He served the 18th District of Ohio with great distinction and with proper reflection upon his own activities as well as upon the people who sent him to Congress. Now that he is gone we will all miss him very, very much, and I am sure that every colleague who knew Earl Lewis, every man who served in the Congress of the United States with him, joins with me in sending to his family our deepest and most sincere sympathies. He has left to them the priceless heritage of a good name and left to those of us who knew him well many precious memories.

Mr. JENKINS. Mr. Speaker, I yield to the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Speaker, it was a privilege and an honor for me to serve with Earl Lewis, representing the 16th District of Ohio. He was a gentleman at every turn of the road, honest and sincere in his convictions, and a fine man. I hope that God wil be merciful to him.

Mr. JENKINS. Mr. Speaker, at this time I yield to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, I will recall Earl Lewis, who entered the House for the first time in the same year I was privileged to come here. Earl Lewis was one of nature's gentlemen. I cannot recall that at any time he spoke ill of anyone. He was always a gentleman. I certainly concur in everything that has been said here in memory of that great man.

Mr. JENKINS. Mr. Speaker, I yield at this time to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Speaker, I, too, with the gentleman from Ohio [Mr. BROWN], and the gentleman from Minnesota [Mr. H. CARL ANDERSEN], was a classmate of Mr. Lewis in the 76th Congress. I endorse with all my heart the things they have said about Mr. Lewis' gentleness, his kindness, and his great strength. I never heard him say an ill word about anybody on any subject.

He served his district with great earnestness. He worked many, many hours at night, more than any of us, perhaps. He was almost overconscientious in the performance of his duties. He spent his strength prodigally, serving his people back home, just as he had done in his State service. He carried his same conscientiousness into his national service.

I knew his wife, his daughter, and his sons well. He was not only a good public servant, he was a good father and a great friend to his wife and to his children.

I feel so broken up at his death that I am as yet unable to talk about him without great emotion. Certainly Mr. Lewis lived a worthy life. He will be missed by all his neighbors. He was a great American, a great father, and a great citizen.

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and also that all Members who so desire may extend their remarks on the life and accomplishments of Earl Lewis at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, it is a privilege to join with other members of the Ohio delegation to speak a word about Earl Ramage Lewis who was here among us during the 78th, 79th, and 80th Congresses. His untimely death last week brought sadness not alone to his family and friends, but to the community which he loved so well, and to many members of both political parties.

Mr. Speaker, a single paragraph from an editorial in the Martins Ferry Times of February 4 tells volumes about the man whom we memorialize today:

Earl Ramage Lewis was a very good attorney who could have reaped a great deal of material gain from the private practice of law, had it not been for the fact that he was motivated by a burning desire to dedicate most of his life in public service to his community and to his fellowman.

It was a mark of deep respect and of the affection in which he was held by his community when Mayor W. K Turner, of St. Clairsville, proclaimed a villagewide suspension of business during the hour of his funeral service.

Under leave to extend my remarks, I include an editorial and two articles from the Martins Ferry Times:

EARL LEWIS

Earl Ramage Lewis was a very good attorney who could have reaped a great deal of material gain from the private practice of law, had it not been for the fact that he was motivated by a burning desire to dedicate most of his life in public service to his community and to his fellowman.

Of Mr. Lewis it can well be said that he died in the service of his country. Not, really, in the same literal sense that we attribute to our military dead.

But the illness which finally removed Mr. Lewis from this mortal coil had its beginning at the time he was serving his fourth term as Congressman from the 18th District of Ohio, and the multitude of work and the pressure of his public burden further intensified that illness.

There are many people who have left behind their mark on the history of Belmont county, and high among them is Mr. Lewis. His distinguished career as a servant of the public in the Ohio Senate and in the United States House of Representatives is equaled by his exemplary life as a private citizen.

One of the finest tributes to Mr. Lewis is that his death is mourned by members of both political parties who recognize him first as an American and second as a political figure.

VILLAGE HONORS EARL R. LEWIS

ST. CLAIRSVILLE.—Out of respect for and in honor of the late Earl R. Lewis, ex-Congressman who died in the Ohio Valley General Hospital, Mayor W. K. Turner, February 4, 1956, issued a proclamation asking a villagewide suspension of business during the hour of the funeral service Saturday afternoon.

The service begins at 2 p. m. in the Johnston funeral home with Dr. Frank William Montgomery of the United Presbyterian Church officiating.

EARL R. LEWIS, FORMER CONGRESSMAN, DIES—DEATH OF NOTED REPUBLICAN LEADER ON WEDNESDAY FOLLOWS LENGTHY ILLNESS

Ex-Congressman Earl Ramage Lewis, 68, prominent Republican leader in eastern Ohio and resident of 230 E. Main St., St. Clairsville, died Wednesday night at 9:10 in the Ohio Valley General Hospital, Wheeling.

He became ill while serving as a Member of the 80th Congress, and had been a patient at the hospital for many weeks.

The deceased was born February 22, 1887, at Lamira, Belmont County, a son of William D. and Nanna Ramage Lewis, his father being a member of a pioneer Belmont County family.

After graduating from St. Clairsville High School in 1906, he received his BS degree from Muskingum College in 1911 and an LLB degree at Western Reserve University Law School in 1914.

Upon being admitted to the Ohio bar he practiced by himself until 1919 when he formed a partnership with George Thornburg. He served as trustee of Muskingum College for many years.

Mr. Lewis was best known in politics having been a member of the Ohio Senate in 1927–28 and 1931–34, being Republican floor leader during the latter period and was president pro tempore of the body in 1931–32. In 1930 he was Republican campaign chairman. From the Ohio Senate he advanced to Congress, being elected to the 76th, 78th, 79th and 80th Congresses. His first illness developed during the later term.

Fraternally, Mr. Lewis was a Mason, Scottish Rite and Shriner; member of the Elks, Blue Pencil Club, and a charter member of the Rotary. He was a devout member of the St. Clairsville United Presbyterian church.

Surviving are his widow, Mrs. Hazel Neff Lewis, who became his bride in 1916, and the following children: Mrs. Paul M. Spurrier of Dayton, Dr. Robert N. Lewis of St. Clairsville, and Dr. Richard E. Lewis of Cleveland; two brothers, Attorney Roy Lewis of St. Clairsville, and Chested Lewis of Annapolis, both retired Naval officers.

The body is at the Johnston Funeral Home, St. Clairsville, where friends may call.

Services will be held at the Johnston Chapel with Rev. Frank W. Montgomery officiating at a time to be announced later. Burial will follow in Union Cemetery, St. Clairsville.

Mr. McGREGOR. Mr. Speaker, in the passing of our former colleague, Earl Lewis, the country really has lost a great American. Earl Lewis will be remembered in history as a champion of the freedom that he cherished and as a competent, courageous, and forceful legislator. His life is an example of devotion to his country. The State of Ohio has suffered the loss of a beloved son and the country has been deprived of a great citizen.

We extend to his loving wife and family our sympathy in their bereavement.

STATEMENT BY GEORGE MEANY, PRESIDENT AFL–CIO

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, in the New York Times for Wednesday, February 15, 1956, there appears a story, originating in Miami Beach, which reads as follows:

George Meany rejected today a request that maritime unions affiliated with the merged labor movement meet with the International Longshoremen's and Warehousemen's Union and the International Longshoremen's Association.

Mr. Meany made no effort to conceal his anger at the request for a discussion of shipping problems made in a letter sent to him by Representative HERBERT C. BONNER, Democrat, of North Carolina, who is chairman of the House Merchant Marine Committee.

"It ought to be a matter of great interest to the American people when a Member of Congress suggests that we sit down with Commies and gangsters," the president of

the American Federation of Labor and Congress of Industrial Organizations declared. "We have no intention of doing it, whether Mr. BONNER likes it or not."

The International Longshoremen's and Warehousemen's Union, headed by Harry Bridges, was expelled from the CIO 6 years ago on charges it was Communist controlled. The International Longshoremen's Association was dropped from the AFL in 1952 for failure to rid itself of underworld elements.

Ordinarily, Mr. Speaker, I would pay no attention to a story of this kind. But here is a statement from the leader of a great labor organization representing millions of American workers. In all fairness, I am convinced that Mr. Meany has been misled in this situation, and I should like to place the facts of the matter before the American public.

During the 1st session of the 84th Congress, the Merchant Marine and Fisheries Committee undertook a comprehensive study of the maritime industry with the prime purpose in mind of attempting to ascertain why this country does not presently have the strong, vigorous merchant marine contemplated by the Merchant Marine Act of 1936. It seemed to me and to the other members of the committee that no stone should be left unturned in efforts to get to the root of whatever deficiency might lie in the way of a healthy merchant marine.

Almost at the outset of our study, serious problems developed in the field of labor-management relationships in this industry. The committee attempted a detailed analysis of all the issues and phases of these problems and over a period of months conducted field studies, closed off-the-record meetings, and open hearings. The results of our work are set forth in House Report No. 1658 entitled "Labor-Management Problems of the American Merchant Marine."

One of the conclusions in that report, which incidentally was unanimously approved by the membership of the House Merchant Marine Committee, reads as follows:

(a) Some union leaders have permitted personality conflicts and animosities to influence decisions to the detriment in the long run of not only the American merchant marine and the national defense of the United States, but even the welfare of their own membership. Demands by union leaders for higher pay and greater benefits have, at times, failed to take into account the financial impact on the companies, the Government, and the taxpayers. This tendency, where it occurs, could cause great harm to the American merchant marine, although tragically it might be followed by those who most strongly favor the American-flag shipping and are in a position to lose the most by its demise.

It is no secret in the industry that an open break occurred here in Washington last March between Mr. Harry Lundeberg, president of the AFL seagoing union and Mr. Joseph Curran, president of the CIO seagoing union. Consequently, the first recommendation in the committee's report reads as follows:

The president of the newly formed labor group, the American Federation of Labor and the Congress of Industrial Organizations, should evert all possible and proper influence to work out a unified labor approach on the part of the seagoing unions.

Thereafter, under date of January 31, 1956, I addressed the following letter to Mr. George Meany, president of the AFL–CIO:

Mr. GEORGE MEANY,
President, AFL-CIO
Washington, D. C.

DEAR MR. MEANY: During the 1st session of the 84th Congress, this committee conducted a study of labor-management problems in the maritime industry. Extensive hearings were held both in closed and open sessions before the committee, and I am enclosing a copy of the printed record of the open hearings. Recently the committee unanimously adopted a report containing its conclusions and recommendations with respect to the problems in this area. A copy of the report is also enclosed.

Your attention is directed particularly to the first recommendation contained on page 31 of the report. It was the hope of the committee that the recent merger of the two great labor groups of this country might form the basis for some effective and beneficial action toward working out some of the differences which presently exist among the unions, particularly in the seagoing phase of the maritime industry. I would appreciate receiving your reaction to the overall problems in this field and particularly to the committee's recommendation to which reference is made above.

Sincerely,

HERBERT C. BONNER,
Chairman.

Mr. Speaker, these documents speak for themselves. I did not make public the letter of January 31 to Mr. Meany, because I regarded it as somewhat personal in nature in that I merely asked for his reaction to the overall problems in the field of maritime labor relations. I have not received any reply or acknowledgment to that letter but, of course, I feel completely justified in quoting it at this time in view of the press story in yesterday's Times.

I have nothing further to add except to express the hope that Mr. Meany will reread my letter, as well as the committee's report, and then join with the committee in its attempts to promote a better climate for his great industry.

SPECIAL SCHOOL MILK PROGRAM AND BRUCELLOSIS ERADICATION PROGRAM

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8320) to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis eradication program for the fiscal year ending June 30, 1956, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, ABERNETHY, HOPE, and AUGUST H. ANDRESEN.

SHAME—AND COURAGE—IN ALABAMA

Mr. UDALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, a poet once wrote these words: "Never send to know for whom the bell tolls, it tolls for thee."

It seems to me that the wisdom of these words applies to democratic societies—as well as to humanity at large. Hence, to paraphrase, as a democratic people we stand together as one, and anything of great human concern that happens in any State or city happens to us all.

In one day last week at Tuscaloosa, Ala., America descended to the depths and rose to the heights. A mob—the ruthless destroyer of the very fabric and conscience of a democracy—gathered on a university campus and worked its will.

But there was another side to the picture. We saw the remarkable courage of Miss Autherine Lucy, risking her life for principles imbedded in our Constitution. This young American gives us great pride in the human spirit.

And we take great pride, too, in the courage of a newspaper down the street — the Tuscaloosa News — which boldly denounced this ugly demonstration. The American free press had a moment of glory when the News declared its position.

The great body of Americans who believe in the innate decency and lawfulness of their fellowmen, whether they reside in the North, South, East or West, are frightened, and perhaps heartened, by these events.

We must earnestly hope that the wise counsel of the News will not go unheeded, and that those who love our country will preserve its finest traditions in the days of trial ahead.

With this preface, I present the editorial published by the Tuscaloosa News shortly after the riot. It should give pause to those who are quick to issue sweeping condemnations of "the South," and new hope to those who believe the real South is preparing to move forward in the face of this great challenge.

PEACE AT WHAT PRICE

When mobs start imposing their frenzied will on universities, we have a bad situation.

But that is what has happened here at the University of Alabama. And it is a development over which the University of Alabama, the people of this State, and the community of Tuscaloosa should be deeply ashamed—and more than a little afraid.

Our Government's authority springs from the will of the people. But their wishes, if we are to be guided by democratic processes, must be expressed by ballot at the polls, by action in the legislative halls, and finally by interpretation from the bench. No intelligent expression ever has come from a crazed mob, and it never will.

And make no mistake. There was a mob, in the worst sense, at the University of Alabama Monday.

Every person who witnessed the events there with comparative detachment speaks of the tragic nearness with which our great university came to being associated with a murder—yes, we said murder.

And "if they could have gotten their hands on her, they would have killed her," that was

the considered judgment, often expressed, of many who watched the action without participating in it.

The target was Autherine Lucy. Her "crimes"? She was born black, and she was moving against Southern custom and tradition—but with the law, right on up to the United States Supreme Court, on her side.

What does it mean today at the University of Alabama, and here in Tuscaloosa, to have the law on your side?

The answer has to be: Nothing—that is, if a mob disagrees with you and the courts.

As matters now stand, the university administration and trustees have knuckled under to the pressures and desires of a mob. What is to keep the same mob, if uncontrolled again, from taking over in any other field where it decides to impose its wishes? Apparently, nothing.

What is the answer to a mob? We think that is clear. It lies in firm, decisive action. It lies in the use of whatever force is necessary to restrain and subdue anyone who is violating the law.

Not a single university student has been arrested on the campus and that is no indictment against the men in uniform, but against higher levels which failed to give them clean-cut authority to go along with responsibility.

What has happened here is far more important than whether a Negro girl is admitted to the university. We have a breakdown of law and order, and abject surrender to what is expedient rather than a courageous stand for what is right.

Yes, there's peace on the university campus this morning. But what a price has been paid for it.

HUMANE SLAUGHTERING OF LIVESTOCK AND POULTRY

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, there is an increasing demand for prompt action by Congress to enact legislation to require the use of humane methods in the slaughter of livestock and poultry shipped in interstate commerce.

I need not elaborate on some of the present cruel and inhumane practices being employed by the slaughtering industry of our Nation. They are well known and have been documented by personal experience and by the reports of various humane societies.

Despite the fact that many new devices guaranteeing humane slaughtering are now available, these abuses continue on a wide scale. Remedial legislation has been introduced in the House and Senate, requiring that humane slaughtering methods be adopted by the slaughtering industry within a 2-year period. These bills, H. R. 6099, introduced by Congresswoman GRIFFITHS and H. R. 7672, introduced by Congressman HIESTAND, are now pending before the House Agriculture Committee.

Mr. Speaker, it is my hope that favorable action will be taken on these bills in this session of Congress. As one of my constituents recently stated in a letter—

I've no doubt that the brilliant minds who have come up with so many complex methods for mass killing could, for a change, emerge with a simple answer to this one.

THIRTY-EIGHTH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise, and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, today is the 38th anniversary of the independence of Lithuania, a friendly Baltic country which has made an important contribution of its human resources in the past to help make our own country strong and great, but a country which, alas, is not now free and independent.

We have been inspired this morning by the opening prayer of our guest chaplain for the day, an American priest of Lithuanian ancestry, and we want the people behind the Iron Curtain in Lithuania to know that the House of Representatives of the Congress of the United States is devoting a part of its session today to expressions by its members in recognition of this anniversary which means so much in Lithuania's long and troubled history. We send them, in behalf of the American people, a message of hope and of confidence.

In my State, which has a population almost equal to that of Lithuania, although Lithuania is five times as large in area, we are proud of our many fellow citizens who are of Lithuanian origin and ancestry. In Connecticut those persons who are of Lithuanian birth are the ninth largest group of foreign-born citizens, and their native-born children and grandchildren increase this number manyfold, so that a great many Connecticut families are tied to Lithuania by blood, but an even greater number, consisting mostly of people who perhaps never have seen Lithuania, are tied to the people of that valiant country by bonds of affection.

Soviet imperialism has made the people of Lithuania captives. By subversion and by force they are ruled by those who are not of their free and independent choice. But the passion for freedom that burns in the breasts of all mankind has not cooled in Lithuania. On the contrary, the determination to have their country once again free and independent is greater than ever.

Therefore, on this 38th anniversary of Lithuanian Independence Day, the people of my State and of all of the United States send a warm and heartfelt greeting, with a message that our people and the whole free world pray for their deliverance and seek every practicable opportunity to aid them in their noble aspirations.

THIRTY-EIGHTH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Speaker, today, February 16, marks the 38th anniversary of independence for Lithuania. It is a time to forcefully remind freedom-loving nations of the three million Lithuanians living behind the Iron Curtain who were deprived of their right to freedom by the onslaught of Soviet gangsterism. The valiant Lithuanians showed the world 38 years ago, that freedom can be earned and won. But the tragic footnote to their struggle is that although freedom may be won it may also be lost through no fault of the vanquished when a stronger and ambitious nation abuses its power in the world community of nations.

The Lithuanian people are not shouldering their grief alone. For people throughout the world realize that as long as one nation may be overrun and victimized, the foundation and structure of all remaining free nations is weakened. Lithuania's freedom is temporarily lost. But the preservation of freedom elsewhere is encouraged by the defiance we see in those who live under the yoke of bondage.

By their defiance of and struggle with the Soviet rulers in their small country, Lithuanians are demonstrating constantly their national character and the dedication to freedom which is deserving of eventual fulfillment. Let me, as only one among many who sympathize with the enslaved Lithuanian people, offer them the hope of an independent future and praise for a valiant struggle toward this goal.

SUBCOMMITTEE NO. 3 OF THE COMMITTEE ON THE JUDICIARY

Mr. WILLIS. Mr. Speaker, I ask unanimous consent that subcommittee No. 3 of the Committee on the Judiciary may be permitted to sit during general debate on Monday next, February 20.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

ANNOUNCEMENT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I note with great personal pleasure that our distinguished friend and colleague the gentleman from California [Mr. SHELLEY] is back with us. Mr. SHELLEY is as all Members well know, one of the outstanding Members of the House. He serves his district and his country with fidelity and distinction. He is an assistant Democratic whip and has served in that capacity with great effectiveness.

I know I express the feelings of all Members when I say we are happy to have him back with us.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have permission to sit during general debate on the bill this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. I take this time to ask the majority leader if he might at this time advise us as to the program for next week.

Mr. McCORMACK. On Monday is Consent Calendar.

H. R. 8710, to amend the Armed Services Procurement Act of 1947, will be considered. I have been informed by the chairman of the committee that there will be a rollcall requested on this bill. If the rollcall is ordered, it will take place on Monday.

On Tuesday there will be the call of the Private Calendar.

There are three resolutions from the Committee on House Administration. Those will have preferential status.

First, House Resolution 356, the Government Operations Committee.

Second, House Resolution 372, the Small Business Select Committee.

Third, House Resolution 373, the Committee on Banking and Currency.

The Interior Department appropriation bill for 1957 will follow.

I do not want to commit myself now as to the order in which these will be taken up.

Wednesday is Washington's Birthday, and Washington's Farewell Address will be read, and, as is the custom, there will be no business.

For the remainder of the week it is undetermined, but I will announce any business later. There is the usual reservation that conference reports may be taken up at any time.

Mr. ARENDS. I thank the gentleman. Is it planned to go over from today until Monday?

Mr. McCORMACK. Yes.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

VENTURA RIVER RECLAMATION PROJECT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 394) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (S. 926) to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and the ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr TRIMBLE. Mr. Speaker, this resolution makes in order S. 926, which authorizes the Secretary of the Interior to construct a reclamation project.

I know of no objection to the rule. There was no objection before the Committee on Rules, and I know of no objection to the bill itself.

I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and I reserve the remainder of my time.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Arkansas has so ably explained, this resolution, House Resolution 394, makes in order consideration of the bill S. 926, a measure which has already passed the other body, to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project in California.

I just want to take a minute to say that it is a pleasure to call up a bill of this type, because it is one of the relatively few reclamation projects coming before this House, where all the money is to be paid back to the Federal Government. Not that alone, but interest also will be paid to the Federal Government on the money advanced so that with the exception of some $160,000 in funds the Federal Government will not only get back every penny that is advanced for investment in this project, but will also receive full interest on all of the money that has been lent, and that is a pretty fine thing, after all, and I think worthy of our full consideration.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I have here a copy of what is known as the Magazine of Wall Street. It is a nice slick-paper proposition, an 85-cent number. I would like to call attention to an editorial in the February 4 issue of this publication and quote certain excerpts, as follows:

> The forward-looking, self-respecting farmer has made a record of production increase since 1940 which compares most favorably with that of industry.

This means, we take it, that unless a farmer does not meet the specifications of Wall Street he is neither "forward-looking" nor "self-respecting."

"Obviously," says this slick-paper Wall Street publication, "80 percent of farmers are a problem."

This can only mean that this Wall Street mouthpiece would liquidate all but 20 percent of the present farm operators.

> While they are a problem (80 percent of the farmers), they are just as obviously not a farm problem. They are an eleemosynary problem—

Continues the voice of Wall Street.

In other words, 80 percent of today's farmers are simply seekers of alms and charity. So it is over the hills to the poorhouse and the tender benevolence of Wall Street for 80 percent of our farmers.

But wait—Wall Street has a solution for the farm problem. Listen to this:

> Every attack on the farm problem holds the promise that some day the free market will return. Actually, the return of the free market is the solution of the farm problem.

Does this editor advocate an end to tax writeoffs for industry; an end to Government rate fixing and subsidies for railroads, shipping lines, and airlines; an end to billions of dollars in guaranteed Government loans to banks and a host of other subsidies to business and industry? What blue chip stocks on Wall Street's gambling table are not subsidized directly or indirectly by the Federal Treasury? His "free market" for farmers means freedom to sell at the buyer's price and freedom to buy at the seller's price. When and if that glorious day again comes to agriculture, as it did in the late twenties and early thirties, this addle-brained editor will likely be out of a job with plenty of time to review history and watch numerous of his now happy Wall Street colleagues leap from the windows of skyscrapers.

If he looks closely he may even find another great philanthropist and baron of Wall Street masquerading in a woman's dress and hiding in the coal bunkers of a tramp freighter, trying to escape punishment for the frauds he committed because a "free market," farm bred depression brought his empire crashing to the ground.

And then a final warning from New York City's latest contribution to its ever growing list of farm experts:

> A real friend of the farmer would tell him now that the subsidy program in whatever guise should be junked as of the 1956 crop, while there is still enough good-will toward the farmer to assure individual farmers of the collective hold they need in adjusting to the fact that they are no longer needed in the farm population.

There you are, you "kulaks" of American agriculture. Your "real friend," the Magazine of Wall Street, says 80 percent

of you have got to go. Do you want to draw straws, and do you want blindfolds? The voice of the mighty has spoken.

Mr. TRIMBLE. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LITHUANIAN INDEPENDENCE DAY

Mr. McCORMACK. Mr. Speaker, for more than 2,000 years, Lithuanians have lived in their historic homeland, one of the Baltic countries in northeastern Europe. As an ethnic group they are the most numerous among the Balts and their country is the largest of the three Baltic countries. They number no more than 3 million and probably have never been more numerous; their size is in no sense commensurate with the high place which they hold in European and world history. As dauntless warriors and as hard working peasants, as devout Christians as well as stout defenders of their inalienable rights, they are second to none among all East Europeans. As a matter of fact, they are second to none among any throughout the world.

As tribes and clans they were noted for their bravery and daring against the Livonian knights in the north, the Teutonic knights in the south, and also against the onrushing Mongol hordes coming from the east. That was before the founding of the Lithuanian state some 700 years ago.

From the late Middle Ages and almost to the end of the 18th century—1385 to 1795—Lithuania was united with Poland and thus formed one of the largest states in central and eastern Europe. In 1795, when Poland was unfortunately partitioned and ceased to exist as an independent state, a similar unfortunate fate overtook Lithuania. In 1795 all of Lithuania fell to Russia and from that date until the Bolshevik revolution of 1917 she remained a Russian province.

The world rocking events of the First World War, plus the overthrow of the Czarist Russian regime, ushered in a new era for the struggling, freedom- and liberty-loving Lithuanians. On February 16, 1918, when Lithuanian leaders proclaimed the political independence of their country, that seemed the realization of an ideal cherished by all Lithuanians for more than 100 years.

During the next twenty-odd years of national independence Lithuania became a progressive democracy; Lithuanians valued their independence with justified pride and were ready to defend it against the ever-present threat of Soviet communism as well as against the rising German nazism. Of course they knew that it was a physical impossibility for them to ward off either of these dangerous foes alone, yet they held to the last until finally, on October 10, 1939, they were forced to acquiesce to the suicidal demands of the Soviet Union.

Mr. Speaker, Lithuania is now a part of the Soviet Union by force. It is one of the Soviet Republics. But the spirit of the people of Lithuania lives on for freedom and independence. I dare say that at least 98 percent of the people of Lithuania despise their Communist dictators and are waiting patiently for the day of deliverance.

It is well on an occasion of this kind when we celebrate Lithuanian Independence Day to recount the bravery of these great people and their deep faith, their love for God, and their intense desire for freedom and independence. It is well that we utter words in this chamber and in other places throughout the United States that transmit to those living in Lithuania a hope of early independence and early liberty.

Mr. AYRES. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. WIGGLESWORTH] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, it is a pleasure and privilege on this 38th anniversary of the declaration of independence by the people of Lithuania to join with my colleagues here in the Congress of the United States in tribute to this gallant and long-suffering people across the Atlantic.

All of us, I know, sympathize deeply with the 3 million or more Lithuanians in the homeland who have been forced to undergo untold suffering since they were compelled by the Kremlin to live their lives behind the Iron Curtain.

We are familiar with and admire greatly the progress and the contribution which they made to the world during the period of their independence.

We feel a sense of deep regret in the termination by force of that independence which was so dear to their hearts.

We are deeply indebted to our Americans of Lithuanian descent, a million or more in number, who have contributed and continue to contribute so greatly to the welfare and progress of America. We send to those in Lithuania today our greetings and our sympathy and the hope that Lithuania may once again play its proper role in association with the free nations of the world.

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, it appears appropriate today, on the 38th anniversary of the founding of the Republic of Lithuania, to pay our tribute to that valiant country, whose indomitable spirit of freedom and love of independence have not been crushed or obliterated by the years of oppression it has suffered at the hands of Soviet Russia. It is also fitting to salute the courage of the Lithuanians who live behind the Iron Curtain and of those in our country who are bound to Lithuania by ties of blood and affection. The persisting devotion of the Lithuanians to the idea of freedom and their stubborn resistance against yielding to the oppressive and dictatorial pressures of the U. S. S. R. are a constant reminder to the free peoples of the world of their undying desire to regain their liberties and independence.

The Government of the United States has steadfastly refused to recognize the forcible annexation of Lithuania to the Soviet Union and again feels proud of its consistent policy of nonrecognition of the incorporation of Lithuania as a republic of the U. S. S. R.

The courage with which the Lithuanian people have continued fighting in order to reestablish the independence of their country stands as a magnificent symbol of hope and devotion to the ideals of freedom and democracy. This long history of firm resistance against foreign oppression is a guiding light to all peoples engaged in the struggle for liberty and self-determination.

Although Lithuania as a country is small in size, she is great in spirit, for she has obstinately refused to yield to the oppressor. Lithuania has never let the idea of freedom be erased from her national conscience. The determination of her people to preserve Lithuanian independence and her cultural identity in the face of such tremendous odds is hailed by all freedom-loving persons as the prelude to the eventual freedom of Lithuania from foreign control. I, therefore, would like to extend the warm admiration and encouragement of the American people to the heroic peoples of Lithuania on this day commemorating their independence, February 16, 1956.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

UNITED STATES AIR FORCE ACADEMY

The SPEAKER. Pursuant to the provisions of title 10, sections 1055, 1056, and 1854, United States Code, the Chair appoints as members of the Board of Visitors to the United States Air Force Academy the following Members on the part of the House: Mr. DEANE, of North Carolina; Mr. ROGERS of Colorado; Mr. CANFIELD, of New Jersey; and Mr. CHENOWETH, of Colorado.

READING OF WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to a special order agreed to on February 7, 1956, the Chair designates the gentleman from New Jersey [Mr. WILLIAMS] to read Washington's Farewell Address immediately following the reading of the Journal on February 22, 1956.

VENTURA RIVER RECLAMATION PROJECT, CALIFORNIA

Mr. ENGLE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 926) to authorize the Secretary of the Interior to construct, oper-

ate, and maintain the Ventura River reclamation project, California.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 926, with Mr. ROGERS of Colorado in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ENGLE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill is a measure to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project in California. This is a small project in the coastal area of our State about 60 miles north of the city of Los Angeles. The map which is displayed here on the floor of the House will indicate the general relationship of the project to the geography of the State; the small insert at the lower left hand corner of the map indicates the relationship of the Ventura River project to the city of Los Angeles and the city of Santa Barbara, being on the coastline of California approximately 60 miles northwest of the city of Los Angeles and some 20 to 25 miles south of the city of Santa Barbara. The general display of the project works appears on the larger map and will be described in more detail by my colleague, Congressman TEAGUE, the author of the House companion of the Senate bill, when he speaks in just a few minutes. The bill before us is the Senate bill, which passed the Senate without opposition. The House hearings were held on H. R. 3488, authored by the gentleman from California [Mr. TEAGUE]. For purposes of parliamentary convenience, the Senate bill has been reported to the House and is before the committee at this time.

This project, to give the legislative history of it, has been approved by the Secretary of the Interior, his approval appearing on page 5 of the committee report which is before you, in the following language:

> Subject to your committee's consideration of the above amendment and of the views expressed in the attached letters from the Bureau of the Budget dated June 29 and September 8 and the amendments called for thereby, we recommend that either H. R. 3427 or H. R. 3488 be enacted.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The gentleman says it has been approved by the Secretary of the Interior.

Mr. ENGLE. That is correct.

Mr. HOFFMAN of Michigan. Is that right?

Mr. ENGLE. That is what I said, yes.

Mr. HOFFMAN of Michigan. If this bill is passed and the money is appropriated, will the gentleman or some of the subcommittee be accusing the Secretary of the Interior of conducting a giveaway program as they have been doing all along this year?

Mr. ENGLE. This is certainly not a giveaway program.

Mr. HOFFMAN of Michigan. How can I be assured that it is not?

Mr. ENGLE. If the gentleman will just wait a minute, I will tell him.

Mr. HOFFMAN of Michigan. I assure the gentleman that I will be glad to know.

Mr. ENGLE. When I discuss the economics of the project, the gentleman will find out. I propose to demonstrate to the gentleman that the capital cost of this project will be more than repaid. That is, the project will cost $27 million and the Federal Government will get back $37 million.

Mr. HOFFMAN of Michigan. I know, but the facts do not seem to have very much to do with the making of charges of this kind. I refer the gentleman to a subcommittee of the Committee on Government Operations, the so-called Chudoff committee. It does not make much difference what the facts are. If the Secretary is going to be accused of giving away something here, or if this is another giveaway program, I want to oppose it, and I think some other Members do. If it has merit, and there is no such evidence, that is all right; that is something else again.

Mr. ENGLE. The gentleman is a member of the Committee on Government Operations.

Mr. HOFFMAN of Michigan. Surely, and I know what I am talking about.

Mr. ENGLE. And he is much more familiar with what goes on there than I am.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. This bill has for its purpose the development of natural resources, not that of giving them away; is that not so?

Mr. ENGLE. That is correct.

Mr. HOFFMAN of Michigan. Mr. Chairman, that may be the fact, as the gentleman from Massachusetts says. But that does not have anything to do with the making of charges nor the holding of hearings. The minority of the Committee on Government Operations is in this position. The committee has some 50 odd employees. Coming up next Tuesday is an application for $625,000 to be spent on investigations. The minority does not get any chance at all to put in their side of the case. So far as the committee hearings are concerned, they will not even call witnesses on the other side. I do not want to be a party to any more giveaway programs or any enterprises of that kind.

Mr. ENGLE. I should like to assure the gentleman that he will not be if he supports this legislation.

Mr. HOFFMAN of Michigan. I have the highest respect for the gentleman's opinion.

Mr. McCORMACK. Mr. Chairman, if the gentleman will yield further?

Mr. ENGLE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If my friend from Michigan [Mr. HOFFMAN] will support us Democrats, there will be no more giveaways.

Mr. HOFFMAN of Michigan. In view of the record that has been made over the years, of the billions of dollars that have been given away across the seas, while I do not want to question the gentleman's accuracy, or his judgment, there is a screw loose somewhere in his reasoning.

Mr. ENGLE. Mr. Chairman, we will be very glad to have the gentleman support this bill on the basis that it is a bill recommended by the administration as a resource-development project.

I was just completing what I had to say about the Secretary of the Interior's recommendation which was sent up by Mr. Fred Aandahl, the Assistant Secretary of the Interior, under date of September 20, 1955. I call attention to the fact that although the letter refers to the bill, H. R. 3488, that bill is identical with and deals with the same subject matter as the one now before the committee.

Mr. HOFFMAN of Michigan. Mr. Chairman, if the gentleman will yield just once more?

Mr. ENGLE. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I do not want the gentleman to misunderstand me. I served with the gentleman years ago and I have the utmost confidence in his ability and his judgment. The only point I am trying to get clear in my own mind is that the Secretary having gone along with this, there will not be some former employees of the Department coming before our committee to charge that this is a giveaway; and if they do charge that this is a giveaway, I am wondering if I can depend on the gentleman to come over and justify the project and back up the Secretary?

Mr. ENGLE. The gentleman can count on me backing up this project.

Mr. HOFFMAN of Michigan. I would not ask the gentleman to go any further than to support those which his committee reports favorably.

Mr. ENGLE. Those are the ones I shall be very happy to support.

The Bureau of the Budget has also given this project its approval. This appears more particularly on page 6 of the report, suggesting certain amendments. The amendments suggested by the Department of the Interior and by the Bureau of the Budget are incorporated in the Senate bill, now before us.

The President of the United States, in his recent budget message included an item for appropriation for the commencement of the construction of this project, subject to authorization of the project by Congress. This is the 2d instance within the past 10 days that we have had a bill on the floor as to which that holds true, the last being the Washita project passed last Thursday, which the President recommended for appropriation subject to authorization by the Congress. The same is true, as I say, as to this project and I mention it because it demonstrates the clearness of the support of this proposed legislation by the executive branch.

This is a project which is outstanding, in that it has probably the highest benefit-to-cost ratio of any project we have had before the Congress in my experience. The cost-to-benefit ratio is 4.25 to 1.

The Trinity River project which was here last year had a benefit-to-cost ratio of over 3 to 1. It is very seldom that a project of this character comes in, and that is the reason this project will pay out over a period of 40 years with interest on the municipal water and a return to the Federal Government of $10 million more than the $27 million which the project will cost.

The need for this project is predicated upon the unique characteristics of the area, in particular the geography of the area and the rainfall characteristics. Ventura is located on the coastline. The Ventura River is about 20 miles long, thus being a very short river. The mountains which lie immediately east of Ventura rise to 6,000 feet, and of course, then, the ground slopes from there to sea level.

The erratic rainfall which occurs in the winter comes down off the mountainside and sweeps to the coastal plain in devastating floods. Then the streams dry up, leaving the people parched and without water. The streamflow of the Ventura River varies from some 3,000 acre-feet annually to over 225,000 acre-feet annually. There will be in some years tremendous amounts of water, as much as 200,000 or 225,000 acre-feet, coming down that stream, and perhaps in the next year there will be only 3,000 acre-feet of water.

The purpose of this project is to catch these floods and to equate the availability of that water over a period of years in order to make the water available for domestic, municipal, and irrigation uses.

Some concern has been expressed from time to time about crops. The crops raised in this area are uniquely the California types: oranges, lemons, avocados, walnuts, grapes, deciduous fruits, and truck crops, with only a small acreage in irrigated pasture.

This project calls for approximately 57 percent of the cost to be allocated to irrigation and 43 percent to municipal water.

Mr. HOFFMAN of Michigan. Has the gentleman finished? I do not want to interrupt him, but will the gentleman yield?

Mr. ENGLE. I was going to discuss the allocation of costs in this project, and then I will yield to the gentleman.

The water cost for this project is approximately $60 an acre-foot. To put that in comparative terms so that you can understand what this means, the cost of water in the Central Valley project is $3.50 an acre-foot canal side. These people are prepared to pay $60 an acre-foot to get this water on their land. The irrigators producing these crops that bring in very heavy financial yield per acre, such as lemons, avocados, and deciduous fruits of one kind or another, can afford to pay a good deal for water, and they will pay about $35 an acre-foot. Because of the necessity for this water, the people who are getting the municipal water, which would be about 43 percent, will step in and pick up on their tax bill the other $25 per acre-foot. The total contribution from municipal and industrial users to this project in order to pay for the irrigation works will be something like $6,500,000 over and above the amount which would ordinarily be allocated to repayment by municipal and industrial users.

In short, the people have gone into a district and voted to tax themselves in order to meet the cost of this project over and above what the irrigators are able to pay.

As I previously indicated, the total cost of the project is $27 million. The total repayment to the Federal Government will be $37 million, because the water supplied for municipal and industrial purposes carries interest, and that interest over the pay-out period will amount to about $10 million, bringing the total repayment to the Federal Government to more than $37 million. So this is one case in which the Federal Government will not only get its investment back but $10 million in addition, representing a complete reimbursement to the Federal Government plus interest on a portion of the money.

This is one of the best projects that we have ever had before our committee. I am sure it represents the best benefit-to-cost ratio that we have seen on any project in the Congress in my experience. It is a good project. It is a very much needed project and I hope it has the support of the Members in committee.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I am delighted to yield to my old friend and colleague with whom I served on the Committee on War Claims very agreeably as he mentioned previously in our discussion today.

Mr. HOFFMAN of Michigan. As we are all aware, the other body has had a committee investigating the use of money in connection with the passage of the so-called gas bill. It is also a matter of common knowledge that another committee of that body is investigating the use of money in connection with the passage of the bill. In view of the publicity that has been given to the vote on that bill; has the gentleman any knowledge or any intimation or any hint that anyone anywhere has used any money in connection with this bill?

Mr. ENGLE. None whatever.

Mr. HOFFMAN of Michigan. Well, I have not heard of it either, but I was just wondering if we passed this bill would there be somebody, if we adopt or defeat it—somebody out in that community or elsewhere who would come along with a story and then want one side of the issue investigated. I am heartily in favor of these investigations that the other body as held provided that they will go along and ascertain if such be the fact whether any moneys have been given in opposition to the support of the bill. But there is nothing of that kind in this one. In view of what has happened, I just want to advise the gentleman I feel under obligation to inquire as to each and every one of these bills as they come up.

Mr. ENGLE. This is a very little project and so far as I am aware, there is no one of very much consequence in business or industry who has any particular interest in it, and we do not have any reason to suppose that anybody is handing any contributions around to get votes for this bill which passed the other body without a dissenting vote.

Mr. HOFFMAN of Michigan. I assume the gentleman is correct about that. I hope the gentleman will not take my next question as any sort of intimation that I am questioning his ability or patriotism or integrity or anything else, but does the gentleman by rumor—I know that he would not directly know—know of anything that Drew Pearson wants to say about any crookedness in connection with this bill?

Mr. ENGLE. Not to my knowledge.

Mr. HOFFMAN of Michigan. Yes; I know the leader tells you to forget that one. But my only thought was inasmuch as Pearson has lied about the President, about the Speaker, and about the Senate majority leader—I guess not the leader of the House—maybe Drew thinks he does not have any influence—I do not know but he is mistaken about that—but has the gentleman heard any scuttlebutt or something in connection with this bill?

Mr. ENGLE. Not an iota of scuttlebutt or rumor has come to my attention along the line mentioned by the gentleman.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Colorado.

Mr. ASPINALL. Would my chairman feel that he would like to advise the committee as to the contributions already made by the people of Ventura on the work that has been done so far, and also as to the present status of the repayment contract?

Mr. ENGLE. Yes; I am glad the gentleman called my attention to that. The people of Ventura have put up nearly $800,000 to handle the surveys and engineering incident to this project. In other words, they paid for it themselves. In addition to that, they have already formed their district. They have held an election and they voted the approval of the repayment contract by a vote of a ratio of 30 to 1. The repayment contract provides, as I have previously stated, for the taxpayers to step in and put up about $25 out of every $60 which goes into the cost of this project.

Mr. UDALL. For the enlightenment of our delightful colleague from Michigan [Mr. HOFFMAN], I wonder if the gentleman would not agree with me that whatever the political result of the passage of this bill, it will perhaps be the reelection of his delightful colleague from California [Mr. TEAGUE].

Mr. ENGLE. I suspect it will not hurt the gentleman from California in his district, who incidentally has done a very fine job in pressing for this legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. BUDGE. Mr. Chairman, I yield myself 1 minute for the purpose of yielding to the gentleman from California [Mr. SISK].

Mr. SISK. I simply wanted to say that I wanted to commend our distinguished chairman [Mr. ENGLE] on the very excellent presentation he has made of this subject. As far as I know, this is the finest project in the United States

from the standpoint of the ratio of benefits to cost. It would be my hope that this House would pass this particular bill unanimously because of the equities and the fitness of this project in California.

Mr. BUDGE. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. TEAGUE].

Mr. TEAGUE of California. Mr. Chairman, the Ventura River project is, by any standard, one of the most highly desirable and beneficial water projects ever to come before this body for consideration.

The Ventura River and Coyote Creek are typical of southern California streams. As you will observe from the map behind me, it is proposed to build a dam on the Coyote Creek with a capacity behind it of 250,000 acre-feet of water. Part of this water will flow into the reservoir from Coyote Creek, but the bulk of it will come from the Ventura River. The water from this source will reach the reservoir by means of a 5-mile conduit from the Robles diversion dam, which is also shown on the map.

The Ventura River, into which Coyote Creek flows, is only approximately 20 miles in length but is the principal drainage source for a very mountainous section of southern California. There is a most serious water shortage in this part of southern California. The wells of the farmers in recent years have dropped to dangerously low levels. Some have gone dry and the pumping costs in others have become almost prohibitive. In this general area, the rainfall will vary from 8 or 10 inches a year up to 25 or 30 inches. The difficulty is that all of this rainfall, sometimes adequate and frequently grossly insufficient, occurs in the winter months. There is practically no precipitation from May to November. This means, of course, that these streams flow heavily, and frequently in flood proportions during the winter and they dry up entirely in the summer.

Obviously, the solution to this problem is to catch and retain the water which wastes into the ocean during the wet season. It must be stored and released for using during the dry periods. A very sensible, sound, and economical answer is before us for consideration today.

The entire cost of this project is estimated to be $27,500,000. All of this sum, except $160,000, is reimbursable to the Federal Government. Nearly half will be returned with interest.

There are several unique and distinguishing provisions in this bill and the general proposal which I would like to point out:

First. We have an outstanding unanimity of opinion in the area affected in support of the proposal. This is illustrated by: (a) The formation of the Ventura River water district under the laws of the State of California. This district, from its inception, has had the wholehearted support of an overwhelming majority of people living in the area. (b) The fact that this water district has advanced over $800,000 to the Federal Government for the completion of the necessary reports, plans, and specifications. (c) The approval of the repayment contract which was submitted to a vote of all voters living within the district in November 1955. The contract, the terms of which had been agreed to by the directors of the district and the Secretary of the Interior, was approved by a vote of 8,116 to 271, a ratio of better than 30 to 1.

Second. I wish to make it abundantly clear that we are not by the passage of this bill contributing to our agricultural surplus problem. The land involved, almost in its entirety, grows only highly-specialized crops, such as oranges, lemons, avocados, walnuts, deciduous fruits, and truck crops. There is a small amount of irrigated pasture and alfalfa, but no wheat, cotton, corn, tobacco, hogs, or any of the other products which are causing us such special concern today.

Third. The average size of the farms in the area is approximately 39 acres. Over 80 percent of these properties are farmed by owner-operators.

Fourth. I spoke a moment ago about the repayment contract. Some of its terms deserve special mention: (a) I am advised that this is the first contract providing that the several millions of dollars in interest paid to the Federal Government must go into the United States Treasury and cannot be used for project payout or credited to principal. This is not only fair but, of course, is advantageous to the United States of America. (b) The agreement is a repayment contract. It is not a water service contract. In addition to making water charges, the Ventura River water district under the terms of the act under which it is organized is authorized to levy taxes. Both water receipts, as well as tax receipts, will thus be used to meet maturing installments. (c) Under the terms of the contract, the Ventura River water district is required to take over and operate and maintain all project works at its own expense. (d) The interest rate to be paid is the average rate to be certified by the Secretary of the Treasury paid by the United States on long-term securities as of the date of the project is authorized. (e) Interest must be paid during construction on accrued costs.

Fifth. The benefit-to-cost ratio is 4.25 to 1. This is convincing evidence of the economic soundness of the plan. I believe this is the highest benefit-to-cost ratio project ever submitted to Congress.

Sixth. Due to the erratic nature of the streams involved, there is no power feature whatsoever in connection with the proposal.

Seventh. The region to be served by the Ventura River project is not within the area served by water from the Colorado River.

Eighth. We are in no way concerned with taking water from one watershed to another. All of the water which will be stored behind the Casitas Dam, which is the name of the actual proposed dam, will come from the same watershed.

Ninth. I am advised that the Bureau of the Budget considers this project to be entirely economically feasible and sound and the letter that agency has submitted to the Committee on Interior and Insular Affairs so indicates.

Tenth. A number of property owners in the area wishing to doublecheck the findings of the Bureau of Reclamation engaged the Stanford Research Institute, a highly reputable investigative agency, to make a thorough and independent report on this proposal as a whole. The results of that report bore out the findings of the Bureau in the matter of urgency of the water shortage and economic soundness of the project.

Eleventh. This whole measure has been carefully screened by the Subcommittee on Interior and Insular Affairs, and the full committee of that body, by that body itself, by the House Interior and Insular Affairs Subcommittee, by the full committee, and by the Rules Committee of this body. After these screenings, the proposal received virtually unanimous approval from all committee members in both bodies. After full explanation and careful inquiries on the floor, the proposal passed the other body without dissenting vote.

We have, then, a situation where we have before us a project which is admirably conceived and designed to conserve water which is now wasting into the sea and to cure a most serious water shortage. Furthermore, it will return to the United States over 99 percent of the money advanced, plus 8 or 10 million dollars in interest. Further, the insuring of an adequate water supply is certain to increase the Federal income tax receipts which will be derived from the residents of the Ventura River area.

I most sincerely urge a favorable vote.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Colorado.

Mr. ASPINALL. Will the gentleman advise the Committee why it is necessary for the Federal Government to lend aid to this project, inasmuch as it has such a high benefit-to-cost ratio?

Mr. TEAGUE of California. Yes; I will be very happy to. The reason is this: There is only one suitable dam site in this whole area. The municipal and industral interests of the area could probably afford to do the job themselves, but, if they did, the farmers would be left out. The farmers simply cannot afford to build this sort of a project and pay for it in toto. Under our project the municipal and industrial people are making it possible for farmers to get water which they otherwise could not obtain.

Mr. ASPINALL. It would be absolutely impossible to float any bond issue on that type of project?

Mr. TEAGUE of California. It would be completely impossible.

Mr. DAWSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Will the gentleman tell us what portion of the grant of the Government in this case will be nonreimbursable?

Mr. TEAGUE of California. Approximately $160,000. In other words, 99 percent of the whole project is reimbursable.

Mr. DAWSON of Utah. It is my understanding that the major portion of this also bears interest to the Government?

Mr. TEAGUE of California. Not the major portion, but almost half bears interest.

Mr. DAWSON of Utah. May I take this occasion to commend the gentleman for the excellent statement he has made and assure him that as one appreciative of the value of conserving water and helping these arid areas to put it to proper use, I shall support him. The gentleman has made a splendid contribution.

Mr. TEAGUE of California. I thank the gentleman.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I would like to join my colleague on the Committee on Interior and Insular Affairs in expressing my wholehearted support of this project. This is one of the best justified projects we have had before the committee. The gentleman, the chairman of the committee, and other members of the California delegation are to be congratulated upon the way in which they have diligently pushed this legislation for the good of their State.

Mr. TEAGUE of California. I thank the gentleman very much.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That, for the purpose of supplying water for the irrigation of lands in Ventura County, Calif., and for municipal, domestic, and industrial use therein, and for other incidental beneficial purposes, the Secretary of the Interior is authorized to construct, operate, and maintain the Ventura River reclamation project comprising, as its principal works, Casitas Dam and Reservoir on Coyote Creek, Robles diversion dam on Ventura River, a canal to carry water from the Robles diversion dam to Casitas Reservoir, and other conduits and related facilities to deliver water to the lands and area to be served by the project.

SEC. 2. (a) In constructing, operating, and maintaining the Ventura River project, the Secretary shall be governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) except as is otherwise provided in this act.

(b) In furnishing water for irrigation and for municipal, domestic, and industrial uses from the Ventura River project the Secretary shall charge rates with the object of returning to the United States during a 50-year payment period (including any development period) all of the costs incurred by it in constructing, operating, and maintaining the project which the Secretary finds to be properly allocable to the purposes aforesaid and of interest, as hereinafter provided, on the portion of the construction cost which is allocated to municipal, domestic, and industrial water.

(c) Any contract entered into under section 9, subsection (d), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1193, 43 U. S. C., sec. 485 (h)) for payment of those portions of the costs of constructing, operating, and maintaining the Ventura River project which are allocated to irrigation and assigned to be paid by the contracting organization may provide for the repayment of the portion of the construction cost of the project assigned to any project contract unit or, if the contract unit be divided into two or more irrigation blocks, to any such block over a period of not more than 50 years or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within the period stated under normal conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay.

(d) Notwithstanding any other provision of law to the contrary, all net revenues derived by the Secretary from the furnishing of water for municipal, domestic, and industrial use shall be applied first to the amortization of that portion of the cost of constructing the Ventura River project which is allocated to that purpose with interest on the unamortized balance thereof at the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this act and thereafter to the amortization of that portion of the cost of constructing the project which is allocated to irrigation but which is beyond the ability of the irrigation water users or their contracting organization to repay as provided above.

(e) The Secretary is authorized, subject to such rules and regulations as he may prescribe, to turn over to any contracting organization or to an organization which is designated by it for that purpose and which is satisfactory to the Secretary the care, operation, and maintenance of such portions of the Ventura River project as are used solely or principally for the benefit of that organization.

(f) Minimum basic facilities may be provided for the accommodation of the visiting public at Casitas Dam and, if responsible local interests agree to assume the operation and maintenance thereof, at the project reservoirs. The costs of such facilities shall be nonreimbursable.

SEC. 3. There is hereby authorized to be appropriated for construction of the Ventura River project the sum of $27,600,000 plus such amounts, if any, as may be required by reason of changes in construction costs as may be indicated by engineering cost indices applicable to the types of construction involved herein and, in addition thereto, such sums as may be required to operate and maintain the project.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. ROGERS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 926) to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California, pursuant to House Resolution 394, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SPANISH-AMERICAN WAR ANNIVERSARY

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 60 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, 58 years ago last night this country of ours started on the road to her destiny as the Nation having the responsibility to make this a better world for all mankind. Fifty-eight years ago last night the lives of 266 Americans were blotted out in Havana Harbor. Fifty-eight years to me does not seem a long span of life, and yet if we look ahead, 58 years from now will be February 16, 2004. We will be in the 21st century. So, I presume that to the younger generation of today looking back 58 years is looking back a long way.

Mr. Speaker, sometimes I think that the present generation, because of the tremendous events that followed the Spanish-American War, World War I, and World War II and all the reshaping of this universe of ours has not placed the proper appraisal on the importance of the Spanish-American War which resulted from the sinking of the *Maine* in Havana harbor with a loss of 266 American lives 58 years ago February 15.

I think that future historians will speak of the war that began with the sinking of the *Maine* over half a century ago, as the war that brought to the American Hemisphere its present world responsibility. The Spanish-American War was quickly over. It was brilliantly fought; for the first time the American Navy fighting and gloriously winning simultaneously in the Atlantic and the Pacific; for the first time an overseas army, one fighting in Cuba and in Puerto Rico, and one in the far away Philippines. There was an interlude of peace; then, World War I. Another interlude of peace while the muscles were being strengthened for another combat in World War II. Out of this half century or more came the world that we have today which is a new world. It is a new world because it is built on a new concept, that in all the world you must have equality, you must have understanding, you must have a broadening of the horizons of life for every person, for every man, woman, and child. There cannot be a world with 2 sides to 1 street: on 1 side children who go to bed hungry; on the other side, children who go to bed surfeited with things they do not need; on the one side the master nation and on the other side the slave nation.

You cannot have that in this new world, the building of which was started 58 years ago.

Mr. Speaker, I should like to express what I think must have been in the subconscious minds—even though they did not have quite the language to frame their thoughts—of the 266 Americans

whose lives were given 58 years ago last night to start, by the sacrifice of their lives, mankind's march of destiny. I would express it this way. The Americas stand between what some regard as the death throes of Europe and the birth pains of the Orient. In between may come 500 years or 1,000 or more, or maybe less, that I think history will call the golden centuries of American influence. As the cycle always goes around, then because of its great wealth, its great number of people, its natural resources, and in conformance I think with the divine purpose which is expressed in the cycles, the Orient will come into its era of challenging responsibility. If that be a true concept, then there is a responsibility upon all of us in the Americas to think in hemispheric terms. Today, of course, Argentina is closer to Washington than Illinois was in the earlier days of our country.

Recently, a special Committee on Housing, of which I am a member, visited Puerto Rico. There in Puerto Rico is stationed the Strategic Air Command of the Caribbean area. We have installations in Cuba and in our own United States we have the Strategic Air Command. This brought home to me the interdependence of the Americas. As we are needed by our neighbors so are we in need of our neighbors. We must do everything to encourage a greater hemispheric affection. I like the term affection. And by affection I mean that warmth of feeling among all the peoples of the Americas, that our neighbors shall have in their hearts a real love for the people of our own United States; and that in the hearts of our people there will be a love for them.

Last December it was my great privilege to go to Cuba. Fifty-seven years ago, I was just turning 16—I was 15 when I was enlisted—when I arrived in Cuba. I had been a sophomore in a high school in the district so long and ably represented by the distinguished gentleman from Michigan [Mr. HOFFMAN]. I went there filled, of course, with a love for my own United States, and also with the dream of and a love for a free Cua.

We landed on the coast of Cuba, in small boats, holding above us smoking Springfield rifles. Cuban soldiers and American soldiers fought as comrades in arms at the siege of Santiago. We were sharers in a common dream. The touch of what was to be we felt within us, and we called it destiny. The siege was successful; the war was won; Cuba was freed of her bondage. I returned, as others of my comrades, to my studies in the high school at Benton Harbor, Mich. Fifty-seven years passed, and it had never been my privilege to revisit Cuba. Last December I returned. It was 5 days steeped in emotion. To the people of Cuba as they manifested it to me in so many ways it was an equally deep and sincere emotion. The lad who had left them after their war for independence was won, left to return to his high-school books, had returned as the last Spanish American War veteran in the House of Representatives. I shall never forget that homecoming. Some of the comrades I had served with there were black and some were white; they came up to me and threw their arms around me and kissed me, and I threw my arms around them and kissed them. It was an emotion I shall never forget.

Mr. MURRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield.

Mr. MURRAY of Illinois. I join my colleague from Illinois, who is the sole veteran of the Spanish-American War in this Congress, in this commemoration of the 58th anniversary of the sinking of the *Maine*. The Spanish-American War veterans may not number a great many representatives among their lot in this session of the Congress but in our colleague from Illinois they certainly have most able representation. In his public and private life our most eloquent colleague has portrayed the great contribution the Spanish-American War veteran made to this country much better than could any words that I could express. On this day on which we "Remember the *Maine*" we ought to reexamine our legislative records with respect to the pensions our laws provide for these patriots and their widows and resolve that we will carry out our obligation to the Spanish-American War veterans and their widows in a small measure parallel to their great contribution to our country. Each and every one of the Spanish American War veterans volunteered his services and life to our country. Despite this voluntary contribution, at this time our laws provide only $50 or $55 per month for the support of the widows of these veterans. I think the pension should be increased.

Mr. O'HARA of Illinois. I thank my beloved colleague from Illinois. He has suggested that this Congress might do something along that line. Let me say there is one bill upon which the United Spanish War Veterans, the organization of veterans of that war, is concentrating now. It is for a larger pension for our widows. I think these widows are now receiving something like $50 a month. They do not have social security. They are old women. They are in poverty, they are in need. The veterans of the Spanish-American War are asking that their pensions be increased to $75 a month. I think every Member of this House can show his affection for the Spanish War veterans by giving this deserved and needed pittance to these widows. Do this and you will make very happy the few remaining veterans of the war with Spain.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Oklahoma, our beloved whip.

Mr. ALBERT. I hope the gentleman's efforts to get an increase for the widows of the Spanish War veterans will materialize this year. I have a number of such deserving widows in my district, and it does not seem to me to be quite fair that the widows of war veterans would receive less money than some of the recipients of welfare checks receive.

Mr. O'HARA of Illinois. That unhappily is the situation. It will mean so much to these widows to get a little more to eke out an existence and to the Spanish American war veterans themselves it will be a manifestation of God's blessings because they are thinking of the widows and not of themselves.

Mr. Speaker, I take this occasion to express my great appreciation for the courtesy and kindness extended to me by the President of Cuba, Gen. Fulgencio Batista, who once had been a sergeant as I had been a corporal; the Ambassador of Cuba, Dr. Campa, and by the president and members of the Cuban Congress and the many other officials of Cuba; by our Ambassador to Cuba, Mr. Gardner, and the members of his staff; by the press and by the many other men and women I met during my visit there. I wish especially to express my appreciation of the many courtesies and attentions so graciously and with such a high measure of efficiency, extended by Col. Ramon Barquin. My thanks and affection also to Lt. Claudio Medel, designated as my aide during my visit.

Last night, following the usual custom, there was a meeting, as there always is here in Washington, observing the anniversary of the sinking of the *Maine*. Present was the Ambassador from Cuba with his entire staff, the resident commissioner from Puerto Rico, and a representative of the Ambassador from the Republic of the Philippines. It was a memorable service largely attended. I thought the address of the Cuban Ambassador, which was delivered in Spanish, but of which an English translation was made available, was one of the best talks I have ever heard. So, Mr. Speaker, I am extending my remarks to include this address and the remarks of our own beloved colleague, the Resident Commissioner of Puerto Rico, and the representative of the Republic of the Philippines, together with the full program of last night's memorable services.

We Spanish War Veterans have always had a deep love for the United States. We speak of the spirit of 1898 as one might speak of a religion. It was a war enveloped in a spiritual climate. The Spanish fleet came out of Santiago. Within a short time, it was destroyed. The commanding naval officer turned to his men and said, "Don't cheer, men, the poor devils are dying." Here was Spain, and instead of demanding tribute, we gave money to Spain with which to build herself up. We sent money to Puerto Rico to help her people who were in distress, and we sent money to Cuba and to the Philippines. We did not ask anything for ourselves, but we gave of our resources everything that we could even for the fallen enemy—Spain. That was the spirit of 1898. Mr. Speaker, I hope that with each succeeding year more and more emphasis will be given to that because that is proof to all the world that here in the United States of America there is no desire to take advantage for ourselves, but always to give to help so that others may share the good things we enjoy.

Mr. Speaker, it is time that I should close. But again, on the 15th day of February of next year or the date nearest to that on which we convene, if my constituents re-elect me, and in every yeat that I am in this Congress, I shall ask your patience and your indulgence to

observe the anniversary of the sinking of the *Maine*.

Mr. Speaker, I ask unanimous consent that any Members who may desire to do so may extend their remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield.

Mr. PRICE. I would like to compliment the gentleman from Illinois upon his very fine presentation this afternoon. Other members of the Illinois delegation look with pride on the distinguished record of the gentleman. We are aware of his service to his country in the Spanish-American War and we felt great pride at the time the Cuban Government invited the gentleman to Cuba, to be honored for the good relationship he has promoted through the years for our sister republic in the Caribbean area.

Mr. O'HARA of Illinois. I thank the gentleman. I might remark that a number of years ago my wife said to me, "Barratt, do you always have to in every speech refer to the Spanish-American War? If you don't mind dating yourself, why date me?"

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinios. I yield.

Mr. LANE. I wish to express my congratulations and my best wishes to the gentleman from Illinois for his very, very worthwhile remarks today. I am satisfied in my mind, and I know I reflect the feelings of other Members of the House, that the gentleman from Illinois is well versed on this subject matter. I know of no one who knows more about the subject of the Spanish-American War and Spanish-American War veterans than the gentleman from Illinois. He is to be congratulated, and I am pleased he has brought this matter to the attention of the House today.

Mr. McVEY. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield.

Mr. McVEY. I, too, want to commend the gentleman for this very excellent presentation in connection with the Spanish-American War.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Georgia.

Mr. LANHAM. I too want to commend the gentleman from Illinois for the splendid statement he has made and for his services to the Republic. I wish also to join with him in urging that we do something more for the veterans of the Spanish-American War.

Mr. O'HARA of Illinois. I am sure the veterans and their widows deeply appreciate the remarks and the support of the distinguished gentleman from Georgia.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Michigan.

Mr. RABAUT. No one, Mr. Speaker, could listen to the beautiful remarks and the sincere expressions of the gentleman from Illinois without knowing that every one of them is clear in his mind and deep in his heart; and I want to congratulate the gentleman for his devotion to his pals of yesteryear and to their wives.

Mr. O'HARA of Illinois. And many of those pals came from Michigan. I would like to see the legislature of Michigan consider the placing of monuments to the Michigan regiments that served in the Santiago campaign. At San Juan Hill there is a memorial park, and Massachusetts is the only State that has erected tablets to each of the regiments of that State that served in the campaign.

MEMORIAL EXERCISES IN WASHINGTON

Mr. Speaker, that the sinking of the *Maine* 58 years ago, an event of tragedy and of dastardly design that started a sequence of events that opened to the world a new era, is not forgotten by the present generation was shown last evening by the large and sympathetic gathering that attended the annual Maine Memorial Exercises of the United Spanish War Veterans at the Department of Commerce auditorium. I am most grateful to Earl Godwin for his generous and most appreciated mention of this event in his popular and widely audienced broadcast. Also to the Washington newspapers, to the patriotic societies and especially to the Daughters of '98, captained by Maude Dudley, and the Sons of Spanish-American War Veterans, headed by James L. Davis.

Charming hostess was Mrs. Mary E. Chapin, auxiliary department president, assisted by her staff. Serving on the executive committee were Robert W. Livingston, president; Edward A. Johnson, secretary; Orin P. Bailey, Elvin M. Luskey, Harry F. Patterson, John S. Macaboy, Joseph N. Reuter, Charles H. Appich, Francis S. Strawser, Harry C. Schafer, John H. Smith, and David P. Morton.

The chairman of the reception committee was Walter F. Eich, his fellow members being Frank G. Berry, Frederick L. Fridley, Herman P. Gould, Otto C. Hauschild, Amos F. Jackson, Thomas A. Wilkinson, Charles E. Graffins, Ralph S. Gibson, Isaac W. Wright, Edward G. Painter, Floyd Pitzer, Peter Roesle, Glen Seaman, William F. Smith, John H. Smith, Henry Rigby, H. V. Swearingen, and John W. Kite.

The guests of honor included Dr. Miguel Angel Campa, Ambassador of Cuba, and his staff, Dr. Antonio Fernós-Isern, Resident Commissioner of Puerto Rico, and his staff, Mauro Calingo, Minister Counselor, representing the Ambassador of the Philippines, and the Embassy staff.

The full program follows:

Master of ceremonies: George H. Warwick, adjutant general, United Spanish War Veterans, introduced by John Wilson, commander, Department of the District of Columbia.

Prelude: United States Marine Band Orchestra; M. Sgt. Ralph Bucca, conducting.

Call to order: John Wilson.

Presentation of colors: William F. Griffith, United Spanish War Veterans.

Invocation: Capt. Harry C. Wood, Chaplain, United States Navy.

Solo: Miss Gretta W. Ludwig, national auxiliary soloist.

Address: Miguel Angel Campa, Ambassador of Cuba.

The National Anthem of the Republic of Cuba: United States Marine Band orchestra.

Message to veterans: Dr. Antonio Fernós-Isern, Resident Commissioner of Puerto Rico.

Selection: United States Marine Band Orchestra.

Address: Mauro Calingo, Minister Counselor, representing Ambassador Carlos P. Romulo, of the Philippines.

Solo: Miss Ludwig.

Address: The Honorable BARRATT O'HARA, Member of Congress, of Illinois.

The National Anthem of the United States: United States Marine Band Orchestra.

Retiring of the colors.

Benediction: Charles C. Lewis, Department Chaplain, United Spanish War Veterans.

Taps: Trumpeter Frederic Erdmann, United States Marine Band.

Following is the address of His Excellency, Dr. Miguel Angel Campa, Ambassador of Cuba, at the *Maine* memorial exercises held at the Department of Commerce Auditorium under the auspices of the United Spanish War Veterans, on Wednesday, February 15, 1956:

CUBA: AMBASSADOR CAMPA'S ADDRESS

Mr. Chairman, distinguished veterans of the Spanish-American War, ladies and gentlemen, this is not the first time that I have had the honor of participating in the commemoration of the 15th of February 1898, the date on which the tragic happening occurred, which year after year we remember with great sentiment.

Being a native of the city of Habana, and hardly an adolescent at the time, the house of my family being very close to the harbor, I lived that night of anguish and those mournful days of the latter part of the nineteenth century that so profoundly stirred the colonial city, then very different in population and in atmosphere from the beautiful and flourishing capital of the Republic of Cuba today.

Later, successive responsibilities of my career, and as Secretary of State, offered me the privilege of speaking on two occasions before the symbolic monument erected by the people of Cuba in the Malecón Ocean Drive in Habana, to the memory of the victims of the *Maine*, a monument bearing the cannons and chains of that battleship; relics of its might and of its destiny.

Only 3 days ago, as Ambassador of Cuba to the Government of this great Republic, I rendered an emotional homage of placing a wreath and saying a prayer at the Arlington tomb where remains in everlasting sleep those illustrious sons of the country of Washington and Lincoln.

Now, on this solemn occasion, we congregate once more, Cubans and Americans, identified in our duty to glorify our common dead with a deep spirit of brotherhood, strengthened by the memory of the fallen great; and united by those bonds of outstanding friendship created through the course of history, whose first link is the surprising event which occurred on the night of the 15th of February 1898 in the harbor of Habana.

For more than a century Cuba had been stubbornly struggling to find a place for herself among her sisters of the great America. The last war for independence, begun by José Martí in 1895, had been going on for more than 3 years. Two antagonizing tendencies were facing each other. Thousands of Cubans had perished in the struggle; the country was completely ruined. But the spirit of rebellion was kept alive and active. There

were more than enough hands and willingness, but there was lack of armaments.

The people of the United States were frankly friendly to the Cuban liberators, and they manifested daily their sympathy for the Cuban cause in Congress, through the press, and in the streets, but governments, always watchful of their high responsibilities, hesitated to recognize the belligerence of the Cuban patriots, a circumstance that undoubtedly would have hastened the conclusion of the bloody conflict, but which, however, at the same time would have signified immediate war with Spain.

The unexpected blaze of that tragic night gave another and new trend to the Cuban-Spanish conflict.

The profound emotion of an entire Nation was agitated, and the Congress of the United States by a joint resolution, declared the right of the Cubans to be free.

The absolute sacrifice of human life cannot be measured by spiritual or material dimensions; it has true meaning and it grows in proportion to its historic significance.

The derivations of this happening are fundamental, because they determined the birth of a new era in the whole continent.

The Spanish-American War, which put an end to the Cuban problem, brought about the immediate results that gave America—yours and ours—the feeling of its immortal destiny. Not only did it proclaim the success of a just cause, such as is the liberty of the people of this hemisphere, but it reaffirmed the outstanding postulate of the Monroe Doctrine, pointing out to the world an international behavior; the fulfillment of the pledged word by preparing the dawn of a good neighbor policy which would make the Pan Americanisms of Blaine grow and flourish, which up to then had appeared theoretical or timid.

This is the true integration of the happenings that began with the 20th century; this is the logical and thorough adjustment of the events that came about during the 58 years that have transpired since the holocaust of the *Maine*. From there begins the gradual process of the relations of the 21 American Republics, bringing about juridical, moral, and pacific atmospheres that have taken us firmly and with confidence to agreements of reciprocal continental defense and security, making this America a separate world which is governed by friendship, cooperation, and justice.

And thus, the popular slogan "Remember the *Maine*" created by sentimental emotion, always maintains its historical effectiveness because it is the starting point of a new spirit full of memorable happenings and of noble initiatives.

Mr. Chairman, Veterans of the Spanish-American War, it would be fruitless and in vain for me to put into words the honor which I feel in being with you here tonight. As a youth I was present at the beginning of the Cuban nation; I felt very closely the enthusiasm of your guest and the supreme values of your glory.

I could hardly foretell at the time this gift of destiny—to see myself someday in Washington, seated at the same table with the soldiers of San Juan, El Caney; the sailors of Santiago, the brothers of the Centaurs of Teddy Roosevelt and of Calixto Garcia.

The years have gone by for you and me, but they do not count when one has lived immortal days; when one has the title of a veteran of such a crusade; because the remembrance of past deeds constitutes the renewal of an eternal spring which defies the wrinkles of the flesh, and the unavoidable march of time.

PUERTO RICO: DR. FERNÓS-ISERN

Following is the address of Dr. A. Fernós-Isern, Resident Commissioner of Puerto Rico, at the Maine Memorial Exercises, February 15, 1956, Department of Commerce Auditorium, under the auspices of the United Spanish War Veterans:

It is a pleasure and honor to join with the National Organization of the Spanish War Veterans in this memorial service in commemoration of the men who lost their lives in the sinking of the United States Battleship *Maine* in Havana harbor on February 15, 1898.

To appreciate fully the grave significance of this anniversary, it is necessary to step back briefly through the years of history. At the moment when first the joyful cry filled Columbus' flagship, the Santa Maria, with news that land had at last been sighted, it was predestined that the countries which were to be settled in this New World would eventually assume the station of free communities in a free New World.

This was destiny in its purest and most mysterious form. Columbus' discovery was to result in the creation of a vast empire, under the aegis of the Crown of Spain, one on which the sun would never set. But destiny would have it that as a logical consequence of Columbus' discovery, this empire would ultimately sever its ties with the Old World. In truth, the family of the Americas was conceived at the very moment that the cry "Land Ho" reached Columbus' ears.

We are all familiar with the events which filled the ensuing pages of history—how new lands were found to supplement Columbus' discovery; how the settlers came to spread the European flags across the continents and islands of America; how parts of the New World were plundered and how civilization took root.

Eventually, 13 British colonies became 1 free Nation; the pioneer, ultimately the leader. The Spanish colonies also became independent of the mother country, all except Cuba and Puerto Rico. In Cuba, the larger island, unrest was seething and there lived a great desperation to achieve independence. Puerto Rico, the smaller island, sympathized with its Caribbean sister and, indeed, many Puerto Ricans took an active part in the Cuban struggle for independence. The situation in Cuba strongly attracted the sympathies of the United States. Being a free people, they, themselves, remembered the oppression inflicted by a mother country.

The *Maine* was in Havana on a friendly mission. Again came the hand of destiny. The tragic event of the sinking of the *Maine* marked a point of no return. It marked the instance in which the Cubans and Puerto Ricans definitely turned their backs on the Old World, definitely to take their station as members of this New World which they naturally are. It is for this reason more than any other that the Cuban people and the Puerto Rican people can never permit the sinking of the *Maine* to become dim in their recollection. Events which followed bore out the predicition of the Cuban patriot, José Marti, that Puerto Rico and Cuba must stand or fall together. Their futures were predestined to develop not along identical lines, but certainly along parallel lines.

The Puerto Rican people will always, on this anniversary of the sinking of the *Maine*, pay homage to the all-volunteer American Army which effected their liberation. They mourn the loss of the 266 officers and men of the *Maine;* and the additional thousands who lost their lives in the subsequent struggle. For the United States entry into the war was more than an act of liberation. It was the beginning of what has now been marked by half a century of democratic development, inspired by the United States and made possible by the leadership and protection afforded by the United States. Allow me to express on behalf of the people of the Commonwealth of Puerto Rico their most grateful thanks to the veterans of the Spanish-American War.

PHILIPPINES: MINISTER CALINGO

Following is the address delivered by Minister Mauro Calingo on the occasion of the 58th anniversary of the destruction of the battleship *Maine* under the auspices of the United Spanish War veterans, February 15, 1956, Washington, D. C.:

Mr. Chairman, distinguished guests, ladies and gentlemen, I wish to thank you, Mr. Chairman and the members of the executive committee, for inviting the Ambassador of the Philippines, whom I have the honor to represent, and the members of the staff of the Philippine Embassy to these memorial exercises commemorating the destruction of the battleship *Maine*.

The destruction of the *Maine* at 9:40 on the evening of February 15, 1898 while peacefully riding at anchor in the harbor at Havana triggered a chain of events which led to the end of Spanish rule in the western hemisphere and terminated Spain's career as a colonial power. But the first blow for the Maine and the oppressed people of Cuba was to be struck by the United States not in Cuba but in the Philippines half way around the world where the people, suffering under similar conditions as the people of Cuba, had revolted against Spain 2 years before the sinking of the *Maine* and had established a government of their own.

With your indulgence, ladies and gentlemen, I propose to speak to you on the significance of the destruction of the *Maine* to the Philippines.

Spain declared war on the United States on April 24, 1898, but 5 days before that the United States Congress had passed a resolution containing demands which amounted to a virtual declaration of war against Spain. At the outbreak of the war, the American Asiatic squadron under the command of Commodore George Dewey was in Hong Kong, and shortly thereafter Dewey was instructed to proceed to the Philippines and to commence operations at once against the Spanish fleet.

Dewey arrived at Manila Bay late in the evening of April 30, but he did not attack the Spanish fleet anchored in the bay until early the following morning, May 1, 1898. Closing in until he was 6,000 yards from the enemy, Dewey gave his famous order to the captain of his flagship: "You may fire when ready, Gridley." And thus was fired the first shot for the *Maine*. The Battle of Manila Bay, in which all of the Spanish vessels were destroyed while none of the American ships was seriously damaged and in which there was not one American killed and only seven were wounded, will always remain as one of the most brilliant victories in the history of naval warfare.

The Spanish-American War was formally ended by the Treaty of Paris of December 10, 1898, under which Spain ceded the Philippines to the United States. The Filipino people had never recognized the right of Spain to cede the Philippines to the United States. They protested against this provision of the treaty through their envoy, Mr. Felipe Agoncillo, first in Paris and later in Washington, D. C. They believed that, having lost effective control over the islands, Spain had no legal and moral right to cede the Philippines. They believed that, like any other people, they were entitled to be free and independent under a government of their own choosing, and they were prepared to defend their freedom with their lives, if need be. And so, when the Americans attempted to exercise authority over the country, they found the Filipinos arrayed against them and before they knew it the fight was on.

For 3 years there had been over a thousand conflicts between the Americans and the Filipinos which cost the American Government about $170 million. This, however, was nothing compared to the cost of the enormous toll in human life. There were deeds of the highest valor and heroism on both sides as well as abuses and unnecessary cruelties. The gallant death of Gen. Gregorio del Pilar at Tirad Pass and of Gen. Henry C. Lawton at San Mateo and of a thousand other unknown heroes who perished in the conflicts will always be a reminder to future soldiers and historians that valor and heroism are not the monopoly of any people, but that every race has a fair share thereof. Finally, because of the superiority of American arms and of the solemn declaration of President McKinley that the United States did not come to conquer nor to exploit the Philippines but to educate and to uplift her people, the Filipinos laid down their arms and collaborated with the Americans in laying the foundations of a stable and enduring government dedicated to the policy of "the Philippines for the Filipinos."

For almost 50 years we labored together to make the Philippines the show window of democracy in the Far East. You were a good and understanding teacher, we were an eager and earnest student. A public-school system, which will forever stand as a lasting monument to your altruism, was established at an early stage with ex-soldiers acting as teachers. Later, men and women in large number came from the United States to teach our people and to spread among them the gospel of democracy and the American way of life. Indeed, these teachers have carved for themselves and for America a lasting place of affection in the hearts of our people.

You extended to the Philippines the provisions of the Bill of Rights in your Constitution, except trial by jury and the right to bear arms. You introduced into our country your system of criminal and civil procedure as well as a number of your substantive laws, while leaving in force the existing Spanish laws on property and family relations, commerce, crimes, and others, thus producing in the Philippines a happy blending of civil law and Anglo-Saxon jurisprudence. An efficient civil-service system, a system of courts, and municipal and provincial governments were organized in which Filipinos were increasingly given preference over Americans. An excellent public-health service was established as a result of which we have been able to wipe out cholera, smallpox, and other highly dangerous diseases which until now are exacting a heavy toll of human lives in other areas of the world.

I think I should also mention here the introduction of the English language into the Philippines and the rich heritage that goes with it. This language, which is now the most dominant in the world and which over the years has been one of the chief vehicles of expression in man's fight for larger freedoms, is one of our official languages and there is scarcely a boy or girl in the Philippines who has reached the age of 7 without having been introduced to the English language. Today with 21 million people, it can truly be said that the Philippines is one of the major English-speaking areas of the world.

I have no intention, however, of giving you the impression that the American record in the Philippines has been absolutely spotless. Both during the hostilities incident to military occupation and after the establishment of civil government, abuses and excesses had been committed now and then. Viewed, however, from the perspective of the years such abuses and excesses dwindle into insignificance compared to the massive achievements of the American rule in the Philippines, which is one of the few shining chapters in this history of colonialism.

But, of course, the American record in the Philippines could not have been possible without the assistance and cooperation of the Filipino people who have matched your altruism by their loyalty to the ideals of freedom and democracy and have reciprocated your friendship in equal measure. During the dark days of the last world war, we stood by you in spite of overwhelming odds. At a time when other subject peoples were taking advantage of the war to throw off their foreign rulers, we fought side by side with you in the open as well as underground. Over the underground radio, we heard the voice of your great President, Franklin Delano Roosevelt: "Your freedom will be redeemed and your independence established and protected." It was the voice of a great people, speaking through a great leader, giving assurance that a promise previously pledged in honor would in honor be redeemed.

And so it was that on July 4, 1946, true to your word, we regained our independence. I shall never forget that fine morning when, from a special stage facing Manila Bay which 48 years before was the scene of the famous battle resulting from the destruction of the *Maine*, the Stars and Stripes was slowly, gracefully, and gloriously pulled from the top of the pole by your Ambassador, Mr. Paul Vories McNutt, while at the same time President Manuel Roxas raised the Philippine flag slowly, gracefully, and gloriously to fly alone forever, we hope, over the skies of the Philippines.

The independence of the Philippines on July 4, 1946, gave impetus to, if it did not really start, a chain reaction in international relations which resulted in the independence of other subject countries like India, Pakistan, Burma, Ceylon, Vietnam, Laos, Cambodia, Indonesia, Israel, Libya, and quite recently the Sudan. Eleven independent countries within a period of less than 10 years. Perhaps never before in the history of the world have so many become free in so short a time.

As we look in retrospect over the years since the destruction of the *Maine*, we see the end of the Spanish empire, which was one of the greatest the world has ever known; we see the emergence of the United States of America from a continental power to a position of world leadership; we see the Philippines and Cuba and a multitude of other countries become free and independent. But we also see the rise of a new power which is more ruthless, more terrible, than the old form of colonialism. It is a sinister power which enslaves the body and corrupts the mind and soul of man. Its avowed purpose is to conquer the world and already it has engulfed within its dark empire a number of once proud and independent peoples.

In the face of this ever-present menace to the free world, it behooves us, as we commemorate tonight the 58th anniversary of the destruction of the *Maine*, to pause for a moment and to ponder the message of the gallant men who died in it, and that is, to keep the world safe for freedom and democracy.

Mr. EDMONDSON. Mr. Speaker, the gentleman from Illinois [Mr. O'HARA] has just made another of the great speeches for which he is noted in this House. I do not know of any Member who has done more, through the years, to protect and defend the rights of the veterans of the Spanish-American War. It is a pleasure, at all times, to listen to the stirring oratory of our colleague from Illinois, and there is never doubt that he speaks from the heart. The Spanish-American War veterans and their widows have a great champion in BARRATT O'HARA.

THE STATE DEPARTMENT AND THE TARIFF

The SPEAKER pro tempore. Under the previous order of the House the gentleman from West Virginia [Mr. BAILEY] is recognized for 1 hour.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that I may revise and extend the remarks I am about to make and also that the members of the panel who take part in the discussion may also be permitted to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, on previous occasions I have addressed my colleagues from the well of the House on the subject of import quotas. I have introduced a bill, H. R. 9069, which would pave the way for establishment of import quotas on foreign imports by the United States Tariff Commission. I have done this as a cosponsor of the Lanham bill, H. R. 8954. This same legislation is being sponsored by a great number of my colleagues.

We, in the Congress, have reached a crisis in the matter of our trade relations. Legislation now pending in the House Ways and Means Committee would, if approved, complete the abject surrender of the authority delegated by the Constitution to the Congress to regulate treaties, trade, and tariffs.

Let me try to develop for you exactly what I mean.

We all know that Congress under the Constitution is appointed as the branch of our Government that is to regulate our foreign commerce and also to have charge of the tariff.

During the past 10 years this power has been slipping away. The way has been well prepared by the Department of State. And, oddly enough, the power that we have lost has come to rest in that Department. The result, to repeat, is that today we are at the crossroads.

What do we find when we seek to exercise our legislative function today in this field? It is startling, to say the least. We find the Constitution disregarded, in fact, held in such low esteem by the State Department as to border on contempt. For at least 10 years that Department has sought to possess itself of the power of Congress over tariffs and trade and it has all but succeeded. It has indeed behaved in international conferences as if there were no other source of this power than the executive. I say the Department has all but succeeded, and that is true; but it has fallen just short of its goal.

It has forgotten to amend the Constitution.

Nevertheless, the State Department has moved so far and has so well entrenched itself that to all intents and purposes it is now the dominant branch of this Government in directing our tariff and trade policies. It has succeeded in sidestepping the Constitution and in so doing has very nearly placed Congress in an untenable position. But, again, not quite.

What brings this conflict to a head is the prospect that we face when we come to consider import quota legislation.

Experience with import competition has been intensive since the war and especially since foreign countries have recovered and with our assistance have built many modern plants, mills, and factories to replace those that existed before the war.

Reduced tariffs stimulated imports as never before and resulted in keen competition for the domestic market. In my State this was true of pottery, glassware, marble, spring clothespins, chemicals, and residual fuel oil. As we looked about for a remedy to cope with this situation we came upon the escape clause of the Trade Agreements Act. This was an amendment adopted by Congress in 1951, of which I had the honor of being the author.

All five of the products that I have mentioned went before the Tariff Commission at different times under the escape clause, but no remedy ever came out. In two cases the Commission did send a recommendation to the White House. These were the handmade glassware and the spring clothespin cases, but the President rejected both recommendations. He drew his advice from the State Department and other executive departments.

This avenue was therefore clearly blocked—not by Congress but by Executive veto. The question arises why the Executive did not save the time and energy of the Tariff Commission and the various industries by vetoing the escape-clause legislation in the first place.

Moreover, it began to become clear that in many cases a restoration of the tariff to its previous level would, in any event, have done little to reduce the wide competitive advantage enjoyed by the foreign exporters to this country. What was needed and what in several cases was recommended by the Tariff Commission was import quotas.

More and more industries and agricultural groups have reached the conclusion that quotas offer a more suitable instrument for the reasonable and sensible regulation of our imports than does the tariff by itself, under particular conditions of import competition. Import quotas can prevent imports from overrunning the market and upsetting all attempts at orderly marketing. They can prevent imports from wantonly upsetting the price-wage structure, that is often in a definite and even delicate balance.

Quotas can be used to set aside a part of the market for the imports of particular products and thus assure the domestic producers that the market for their own output will not be relentlessly taken away from them. Why should they fall a victim to imports that derive their competitive advantage from low wages, long hours of work, and generally inferior working conditions to those tolerated in this country? If we insist on exacting from our employers fair pay, short hours, and good working conditions, it is not only unfair but treacherous to expose them to a type of competition that is free of such exactions.

In all these various factors of cost Congress itself has passed laws such as minimum-wage legislation, maximum-hours legislation, social security, unemployment compensation, and so forth—that lead to higher production costs. It has therefore been the responsibility of Congress to see to it that the producers upon whom these conditions have been imposed should not be put at a distinct disadvantage in competing with imports. And Congress undertook to do just that by passing the escape-clause amendment.

The escape clause itself authorizes import quotas but makes them subject to Presidential approval.

Now, what do we find?

The State Department does not like quotas; and the President has more than frowned on quotas.

Yet, quotas are a means of regulating foreign commerce, and Congress has the responsibility of regulating our foreign commerce.

The State Department has gone so far as to sign an international agreement that pledges the United States to shun quotas in the future and to drop those it now has. That was done in the General Agreement on Tariffs and Trade.

What then becomes of the power of Congress?

We are now squarely faced with this question. A general import quota bill has been introduced. But the State Department has pledged other countries that Congress will do nothing with such legislation. And the President frowns on quotas and has steadfastly refused to impose quotas under the escape clause. This Executive attitude, let me add, is not new. Actually it reflects the influence of the State Department upon the Chief Executive.

Where does the power reside? Where should it reside? There can be no question where the Constitution has placed it. Also, it is clear that the Constitution has not been amended to change the authority.

The State Department maneuver in agreeing in an international executive agreement that we will not establish new quotas thus creates an intolerable situation. It is as if that Department were here on the floor and could outvote all of us put together; or better yet could simply wave a finger of disapproval at any legislator who should make so bold as to introduce an import quota bill and require him to take his seat.

How could the State Department know in 1947, when it negotiated the General Agreement on Tariffs and Trade, in which the import quota was outlawed, that Congress would never change its mind? Since then much experience with import competition has been accumulated. Much of this experience points unmistakably toward the use of import quotas.

Also several congressional elections have been held since 1947. The time has come when Members have decided to seek legislation authorizing import quotas. This was not the sentiment in 1947 but it is the sentiment now; and this sentiment will grow.

Is Congress to be precluded from legislating its will and that of the electorate if the State Department has only to insert a provision in an international agreement pledging this country against such a course of action?

That is the question. The answer seems obvious but the reality of the situation is that the Congress, this very minute, is under the shadow of such an agreement.

There should be an opportunity to bring all this out in a public hearing on the import quota bill and I urge that hearings will be held in the near future so that the RECORD may be set straight and so that tariff and trade legislation may get back on the constitutional track.

Some days ago, I paid my respects to our State Department in caustic language over their issuance of a propaganda sheet supporting H. R. 5550, which would take the United States into the Organization for Trade Cooperation, OTC. This is just a blind for GATT—the illegitimate group in Geneva known as the General Agreement on Tariffs and Trade.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Connecticut.

Mr. PATTERSON. May I say to the gentleman that I agree with everything he has said. The gentleman is to be complimented on his statement. I represent a district that has been severely affected by the import of these cheap foreign-made goods, like the gentleman from West Virginia. On top of that we have had a devastating flood that affects the present-day market.

Mr. Speaker, my district—the Naugatuck Valley of Connecticut—not only was the hardest hit in the flood disasters of last year, but also has the unique and unfortunate distinction of being hard hit last year by the influx of cheap-labor imports that are invading the domestic market and competing with Connecticut-made bicycles, woodscrews, needles, and watches and clocks produced by the highest skilled precision workers in America.

Our military procurement officials recognize the urgent need of keeping intact the skilled technician force of the watch-clock industry essential to maintaining the defense mobilization base. It is no secret that at this moment a number of the precision workers are working on certain components of our guided-missile program. However, we cannot long maintain this pool of highly skilled workers essential to national defense if the American market is destroyed by the unfair competition of manufactured products produced abroad by workmen employed at substandard wages.

Anyone who has studied the situation must realize that the problem of competitive imports is far from being solved.

For the past year business has been at such a high level in many industries that the problem has been obscured. The market has been able to absorb increased imports and domestic production as well in many instances. But in certain sections of the country and in the case of certain products, the domestic manufacturers are hard pressed. Moreover, if a slump in business comes,

the damage from imports will become increasingly apparent. The foreign goods are being brought into the country because they can undersell those made at home; inevitably, imports will rise and domestic production decline during depressed periods or instances even of mild recessions.

Pending before the Tariff Commission today are seven cases in which American industries have asked relief from imports under the so-called escape-clause procedure. It takes an average of 7 months to dispose of 1 of these cases and, if we are to judge from the past, their hopes of getting anything helpful out of the proceedings are negligible.

In most cases the applications came about because foreign imports were displacing the sales of an American industry in the American market; the reason: lower production costs abroad due to low wage rates. Many of our foreign competitors do not observe or require any minimum general wage. Hence the terms of competition between our producers and their overseas counterparts are often grossly unequal.

Many of the industries threatened are comparatively small in size, such as bicycles, woodscrews, needles, and watches and clocks. To my mind, this in no way prejudices their opportunity to exist under the American wage system.

For some time it has been evident that tariffs cannot compensate for this disparity in wages. In the almost negligible number of cases where tariffs have been raised, the increases have either been inadequate or foreign producers have found ways of circumventing the higher duties.

Another, and I believe, more effective means of remedying import damage is open to us: The import quota. Quotas make it possible for domestic producers to live with foreign competition by assigning a reasonable share of the market to imports. They can be made flexible enough so that both domestic and foreign producers can share equitably in an expanding market. Similarly, in a temporary market recession, imports can be made to bear their share of the burden in reaching an adjustment.

They have the added advantage of enabling producers here and abroad to plan production on a longer term, hence more economical, basis. Unlike tariffs, quotas can be tailored to apply to a variety of competitive conditions.

Domestic agriculture has used quotas for a number of years very effectively and, curiously enough, some of the domestic producers who benefit from shutting out foreign products, wanted tariffs on domestic manufactured articles lowered still further. Theoretically, there is authority in existing legislation for import quotas on manufactured goods but, to all intents and purposes, the legislation is meaningless for it is never used.

There are many factors to be considered in import competition. Obviously, men are thrown out of work and their loss of purchasing power hurts not only their industries but the communities in which they live. Eventually this injury may extend to the entire economy.

Another factor to be considered in import competition is national security. Some comparatively small industries are vital to national defense. For example, the Office of Defense Mobilization lists six which are in a special category: clocks and watches, oil, cordage, fluorspar, stenciled silk, and dental burrs. Labor represents an unusually high proportion of overall costs in these industries. For example, in watches, it is between 80 and 90 percent. Chiefly because of high labor costs in proportion to wages abroad, these industries are highly vulnerable to large-scale imports.

I know something about the clock-and-watch industry since half of it is concentrated in Connecticut and there are four companies in my district.

To be considered skilled in this particular industry, the workers must have from 3 to 12 years specialized on-the-job training. The average is between 6 and 8. Before he can be considered proficient in the complex work of tool and die-making—or mass produce parts to microinch measurements—the horological worker must complete the equivalent of a doctor's education in machine tooling.

Severe foreign competition in this industry has become pronounced in a matter of a few short years. As recently as 1951, when the tariff on imported clocks was reduced 50 percent at the negotiations at Torquay, England, less than 700,000 clocks were imported. In 1955, clock imports exceeded 3 million or more than 4 times the number imported in 1951. If the rate of increase between 1954 and 1955 is permitted to continue it could take only about 4 more years to displace the domestic industry.

In the case of pin-lever watches—with one or no jewels—which account for about a quarter of the total output of horological items in the United States, imports also set a record of 3 million in 1955. This occurred despite the partial restoration of the watch tariff in 1954, which the President ordered after an exhaustive investigation by several departments of the executive branch and an investigation by a Preparedness Subcommittee of the Senate.

While he stated that his decision was primarily based upon the economic injury to the watch industry, the President clearly pointed out that the action was intended to help preserve what he regarded as a key national asset.

He had good reason. During World War II the horological industry engineered and produced 3,500,000,000 parts and components of timing devices and more than 25 million complete military items.

The list of items which the Government records show were supplied in less than adequate quantities during World War II is dangerously lengthy. It includes timepieces needed by our railroads, aviation, communications and transportation industries as well as special devices requested by hospitals, research laboratories, industrial plants and mining operations.

Additional difficulties were created by the shortage of repair parts for foreign-made timepieces. In late 1944 the parts shortage for imported timepieces became so severe that the State Department had to intervene in order to procure the necessary replacements from the Swiss.

Even during the Korean emergency the inadequate capacity of the domestic horological industry forced the Government to purchase 30 million parts from the Swiss industry to make fuses.

I doubt that many of us believe a future enemy will provide a grace period in which to follow such casual procedures.

An article I saw recently in the London Economist stands out in my mind. Many of you will perhaps remember that the British allowed their horological industry to deteriorate to the vanishing point before World War II. They had to rely on the United States and other friendly countries for timing devices. The British Government restored the industry after the war and here is what a recent article in the Economist said of that decision:

> The reasons for the deliberate revival of these industries in Britain by the government are openly strategic. Clock mechanisms are as much at home inside shells and bombs as on mantelpieces; in wartime there is a premium on labour skilled in high precision instruments, and demand for ordinary clocks and watches goes up.

It is hardly necessary to add that the experience of the British should be warning enough to the wise.

But is it?

I was deeply concerned to learn the result of a survey of employment conducted in Connecticut clock and watch plants recently. It showed that between 1954 and 1955 the industry lost more than 2,000 production workers. What impressed me most were the losses in key job classifications such as tool and die-makers. In the 12-month period taken, the number of toolmakers fell 33 percent. The number of employed die-makers showed no gain since 1950. In a typical apprentice job such as screw machining, employment had fallen off nearly 75 percent. This all happened in 1955, a year of prosperity by almost anybody's standards.

I hope in this rather lengthy recitation that the connection between our defense needs and imports has not been overlooked.

Before this session is over we will all have heard many proposals concerning the import problems of many industries and their proposed cures. For years, the Congress has debated the question of proper tariff levels, without reaching a definitive or effective conclusion.

The problem may never be resolved.

Frankly, it is time that we developed a more effective means of dealing with imports than the tariff.

Where, as in the case of the horological industry, there is an overriding reason for protection in some form, we must devise positive workable machinery. A workable solution, such as import quotas, must be adopted by this Congress before it is too late.

Mr. BAILEY. I thank the gentleman from Connecticut. I am aware of the situation that confronts the industries of his State and, also, I am aware of the difficulties his State has encountered in the recent severe flood. The gentleman's State, as well as many others that are suffering by having a rather weak economy compared with the rest of the Nation, needs some relief on import

quotas on most of the products that are imported into his State of Connecticut.

Mr. PATTERSON. I thank the gentleman. I appreciate his remarks very much. I am sure the people of my district also appreciate the gentleman's thoughts in this connection.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Georgia.

Mr. LANHAM. The gentleman spoke of import quotas. Is it not true that the State Department has entered into an agreement seeking to bind the Congress or making it impossible for the Congress to impose import quotas?

Mr. BAILEY. That is correct.

Mr. LANHAM. The movement now is in the direction of creating an international organization to regulate our tariffs and would have the effect of approving everything that has been done by these agreements?

Mr. BAILEY. That is correct.

Mr. LANHAM. And make it impossible for the imposition of import quotas.

Mr. BAILEY. May I say to the gentleman from Georgia that it is my intention to call on him as the author of the import-quota legislation now pending in the Congress to explain briefly what the object of that legislation is.

Mr. LANHAM. I thank the gentleman.

Mr. BAILEY. I would like to digress from my formal remarks at this point to say that every industry in the United States today is a pawn in the international game of politics with old man Dulles sitting in at the poker table playing our hand at Geneva.

Today I have proof that the Department of Commerce and even the White House is resorting to this same low type of propaganda that the State Department is using. I have here, Mr. Speaker, a communication which I assume was received by all of my colleagues in the House from Bryson Harlow, Assistant to President Eisenhower, in which every Member of the Congress is told to support the continuation of our trade agreements and support the move to take the United States into the agreement on tariffs and trade at Geneva where we will only have 1 of the 34 voices to determine our future tariff and trade policy.

Mr. Speaker, it is a travesty on legislative procedure to have the White House plead with individual Members of Congress to support legislation. They have an appropriation to operate their Department, but it does not include authority for them to become propagandists. I am seriously thinking of introducing a resolution demanding that all of these Departments—the State Department, the Commerce Department, and even the White House—if they do not let up on this kind of tactics, be required to register under our Lobbying Act and show all of their expenditures and where the money is coming from to pay for the propaganda they are using to take away from this Congress its constitutional rights and vest them in an illegitimate setup in Geneva, where we will have just one word out of the 35 to determine the future trade policies of our country.

Mr. SMITH of Kansas. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Kansas.

Mr. SMITH of Kansas. Mr. Speaker, I should like to associate myself with the gentleman in what he has to say about the State Department running our foreign-trade policy, with particular emphasis placed on what it is doing to the farm economy of this country.

Mr. Speaker, every time that I get up on the floor to speak on the subject of tariffs and trade in this body I experience a sense of unreality. It is very much as if I were merely talking to hear my own voice, with the words reverberating from wall to wall only to fall flat to the floor.

When I reflect that I am, indeed, in the House of Representatives of the United States of America this sense of unreality grows even more pronounced. As I utter words about the tariff, about import competition, about quotas, about injury to domestic producers, and similar aspects of our foreign commerce, I seem to move into a strange never-never land.

This troubles me deeply, because I am aware that I was elected to Congress in an official election of the United States, to represent the Sixth Congressional District of the State of Kansas. As a Representative of one district of the United States out of 435, I feel certain responsibilities as a legislator.

In most other questions that come before this body I feel that a debate on this floor has real meaning. When, however, we move into a question on tariffs and trade this feeling leaves me. It is not because the Congress is not then engaged in a field that is not its own. A look at the Constitution reassures me in no uncertain terms that we are in a field that belongs to the Congress, namely, the regulation of our foreign trade and the shaping of our tariff policy. The Constitution is very explicit in this field. There is no twilight zone, no area of uncertainty. The Constitution says very clearly that the Congress shall regulate our foreign commerce and shall also lay and collect taxes, duties, and so forth.

Very well. But in the past 10 years something has happened in this area of our legislation. To be sure, we have the necessary power no less than the responsibility as these are set forth in our organic law. Yet, somehow, something is wrong. Somehow, when we have a question of tariffs and trade before us, something ominous crosses our path.

Never mind the fact that I am a duly-elected representative of the people, supposedly free to vote in accordance with my view of the issue. Oh, it is said, I am still free to vote according to the sentiments of the district that I represent. But—and here is the source of my feeling of unreality—if I do vote as I would in all other ordinary circumstances, I will be in the awkward position of voting to repudiate a solemn obligation of my country.

To say the least, this is both shocking and confusing. I ask myself, am I so immature or lacking in discernment that I have gone off the track? That is always a possibility in this complicated world. On the other hand, there is the equal possibility that someone else has gone off the track. We have been living in a fast-moving world. Under such circumstances there is always the possibility that expediency may have moved upon the scene and caused some people to forget or to set aside the principles of government to which we must adhere if we are to continue the system to which we have been dedicated.

I shall be very specific in order to bring this feeling of unreality down to earth. Where does it come from?

The Congress has before it two conflicting courses of action. One is in the line of our constitutional authority and responsibility. The other represents an abdication of that authority and responsibility.

Two bills before us represent these opposite alternatives. One would authorize the Tariff Commission to establish import quotas under conditions laid down by the Congress. This action would be in clear conformity with the Constitution. It would represent a method of regulating our foreign commerce. I refer to the general import quota bill that has been introduced as a means of coping in a sensible manner with the difficult problem of import competition that confronts many of our industries, including the petroleum industry of my State. It seeks to make it possible to live with such competition despite the great differences in production costs here and abroad. It would recognize the need of other countries to export to this country but at the same time would prevent such imports from progressively driving our producers, faced with higher costs of production, out of our own market.

The other bill proposes membership of the United States in the Organization for Trade Cooperation or OTC. Approval of this bill would confirm the air of unreality of which I have spoken.

Let us take a minute to analyze the situation.

The first bill that I have just mentioned covers ground that lies completely within the province of Congress, namely, the regulation of imports by use of import quotas. This is a universally recognized method of regulating imports. Virtually all countries make use of quotas. The United States itself has some quotas on imports of agricultural products. I, myself, feel that the quota method of regulating imports represents a sound approach to the problem of dealing with import competition.

Now it happens that certain people in the Department of State do not like import quotas. They began 10 years ago to put their ideas into effect. Of course, they were not elected by the people to do this. They made no political race on a platform pledged to outlaw import quotas. They were simply hired, mostly from the teaching halls of our universities, and more particularly from schools of economics—they were hired, I say, to work in the Trade Agreements Division of the State Department. They had no popular mandate, no certificate of representation of any part of the electorate.

But this did not keep them from legislating. As long ago as 1947 they told this second session of the 84th Congress

how it could legislate or more specifically how it could not legislate. They did this by legislating for us through the medium of an international executive agreement called the General Agreement on Tariffs and Trade, signed in Geneva, Switzerland, October 30, 1947, but never submitted to Congress for ratification.

Naturally you ask, how could the State Department through an international agreement made in 1947 tell this body how to vote or how not to vote in 1956? The answer is very simple.

The State Department agreed with a score of other countries, including all the leading commercial countries of the world, that we would foreswear the use of import quotas and that we would abolish those that were already in existence. Beyond that the Department also has agreed to other undertakings of the same character. It has agreed to the binding of tariff rates at given levels and has further agreed that certain specified items will remain on the free list. Examples are newsprint, frozen tuna and coffee.

And that is how the Department of State has predetermined our votes on this floor in the field of tariffs and trade.

Of course, it goes without saying, that the State Department had not the least right to make these forward commitments. By what possible interpretation of the Constitution could any executive department, even if acting for the President under delegated authority, bind you or me 5, 10, 15, 20 or more years ahead by agreeing that we will not exercise our power of the vote?

Yet, here we are: bound by an international agreement that may or may not be to our liking. Mind you, GATT is not a treaty ratified by the Senate. We are bound as tightly as an unauthorized moral obligation will bind us. We are bound as securely as considerations of international relations will bind us.

But we are still free—so we are told. Yes, indeed, we are free—free to dishonor the United States before the world. We are free to repudiate the pledged word of this country. We are free to draw upon us all the vituperation that would be poured on us, all the imputations of the failure of democracy, or irresponsibility of parliaments, of yielding to selfish local pressures, should we repudiate the action of the State Department.

This, gentlemen, is the air of unreality in which I find myself. The air of freedom that we breathe has become tainted and breathing it induces a strange reaction. It makes me feel as if I were standing in some alien body where things may not be what they seem. But this is the Congress of the United States, gentlemen; and let us not forget that.

We should take steps, direct steps, steps not hobbled by ambiguity, to reassert from this day on the undoubted authority of the Congress to legislate freely under the Constitution. We should make it clear that if the State Department makes agreements abridging this right it will do so at its own peril instead of placing the Congress in a position of irresponsibility and unreliability.

I for one do not relish the spot on which we find ourselves. It makes no difference how we got there. I say let us get off that spot. For the sake of the integrity of this body and in behalf of the honesty of our foreign policy, let us set the record straight.

With respect to the two bills previously mentioned—we should vote our untrammeled views and pass the import quota bill, if we think that is a sound method of regulating our foreign trade. As for the other bill, for example, the proposal to approve United States membership in the Organization for Trade Cooperation—OTC—we should reject it in no uncertain terms.

Its approval would have the same effect as amending the Constitution. If that is what we want, the Constitution itself prescribed the method. The Congress alone canont change the basic law of the land nor can it do so in league with the State Department; and we should neither attempt it nor condone any move to take such a shortcut.

Mr. BAILEY. Mr. Speaker, I want to thank the gentleman from Kansas [Mr. SMITH] and may I say to him that the next group that is going to feel the bad effects of our trade policy is the farm group. I do not know whether the gentleman from Kansas is aware of the fact that if we enter into the General Agreement on Tariffs and Trade at Geneva, we will have signed away our rights to set up subsidies, which will mean the death of 90 percent, or any other percentage below that, of parity. It would also mean that you could not have a sugar quota to protect the sugar producers of Louisiana. It would also mean you could not have any kind of subsidy or import quota in the field of farm activity.

Mr. SMITH of Kansas. I appreciate that. May I also make this observation: We hear so much today about personal rights, democratic rights, yet it is historical fact that the first legislation the Congress of the United States took up when it started back in New York City was not the Bill of Rights, it was trying to establish a tariff to protect the infant industries of the United States.

Mr. BAILEY. I thank the gentleman from Kansas.

At this time, Mr. Speaker, I see on the floor the distinguished gentleman from Georgia [Mr. LANHAM], the author of the import quota bill. I should like to call Mr. LANHAM to the well so that he may briefly tell the Members just what the purpose is of his proposed legislation.

Mr. LANHAM. I think there is no trend in America today that is so dangerous to our American way of life as the usurpation of the powers, duties, and responsibilities the Constitution places in the legislative body, in the Congress, first of all by the Chief Executive and then by the Supreme Court. The gentleman from West Virginia [Mr. BAILEY] says that our Constitution has not been amended so as to prevent the Congress from imposing import quotas. The Supreme Court just has not gotten around yet to amending the Constitution in that respect. It has already amended our Constitution in other respects, though I shall not speak of that today, but the Supreme Court will do this if you just give it a chance. It will amend the Constitution in this respect without any action by the Congress.

I say that this usurpation of the legislative function by the Chief Executive and the Supreme Court constitutes the most dangerous trend in our way of life today. Somehow the Congress must reassert itself in this field. We supinely surrendered all of our powers with reference to making the tariff. First of all, of course, we created a Tariff Commission. That was necessary because of the complexity of the subject but remember that the Tariff Commission is an arm of the Congress, it is an agency of the Congress. Now, however, in our reciprocal trade agreements year by year we have given more and more power to the Chief Executive to override not only the Congress but the Tariff Commission which, as I say, is an arm of the Congress.

I went along with this program not realizing fully the danger involved. It was first brought home to me when the textile industry of my district called attention to the fact that they were meeting very heavy competition from textiles imported from Japan where labor is paid just about one-tenth of what we pay our textile workers in America.

My first reply was, "You have a remedy under the escape clause." Even then it did not fully strike home to me what we had done and that we had made it unlikely that the Congress could do anything about it when a matter of this kind came up.

They said, "We have tried that and we get nowhere." It is only occasionally that the President does what the Tariff Commission recommends in these matters. You recall that last year we made an effort on the floor of the House to strengthen the escape clause and to strengthen the peril point provision in our law. We came within an ace of doing it. If we had not had the President against us and the leadership of the House, we would have done it anyhow. But, we failed. Since that time I have made up my mind that I am going to oppose any further surrender of the power of the Congress to the Chief Executive or to the Supreme Court or to anybody else. I am going to devote most of my time at this session in trying to get back into the hands of Congress the power and the duty that still rests upon us and which was placed there by the Constitution. That is one reason, and the main reason, that I have introduced this import quota bill. I have no pride of authorship. I did not draft the bill. I met with a group including the gentleman from California [Mr. WILSON], the gentleman from West Virginia [Mr. BAILEY], and a group of labor people and a group of industrialists in Washington before we came back here. We planned ways that we might regain for the Congress the right to legislate and to regulate our foreign commerce. We decided that the imposition of import quotas was a good way to do it; that it was better even than the imposition of tariffs. So this import quota bill does not change our tariff laws in

any respect. It does not make it impossible for us to impose tariffs or for the Tariff Commission to do it. But, it does try to get back the power that our State Department, under the GATT agreement, has bargained away. It does that by a flexible bill which makes it possible for any industry which is threatened by imports having reached a certain point as compared with the total market for that product in America to ask the Tariff Commission to impose import quotas. It is a very flexible arrangement, and there are contained in it also provisions that make it possible to give larger quotas to those nations that raise their wages and standards of living. It does not hamper or impede foreign commerce as tariffs do. I ask you if you are interested further, and I hope you will be, that you look at pages 1732 to 1733 of the CONGRESSIONAL RECORD for January 31. There you will read a more detailed outline of the provisions of this bill.

I introduced one bill, and then at a later date it was redrafted, and it is a much better bill than the one which I originally introduced. H. R. 8954 is explained on those pages of the RECORD, and I hope that you are going to read it. I think, as our colleague from West Virginia [Mr. BAILEY] has said, we have reached the crossroads. We have reached the peril point. Now they ask us to pass this OTC bill. It is fraudulent. By the memorandum sent out by the State Department, they take us for fools. They have very little regard for the Members of Congress anyhow, and they must think we are stupid according to the pamphlet that they have put out trying to justify the passage of this bill which would set up the OTC, an international organization one step farther away from the Congress. They have a legislative body in this OTC provision. Why do they want a legislative body, if it is simply going to be an administrative body to carry out or administer the agreements that they have already entered into in the GATT program? They say we are not going to agree to anything that America has not already agreed to. What do they mean? Congress? No. No. That is where they mislead us. If you will read that pamphlet you will get the idea that they cannot enter into any agreement unless we Members of Congress, who should legislate on this subject, have agreed to it. That is not what they mean at all. They mean unless they have already entered into it. By "they" I mean the State Department. How stupid can we be? I just do not believe that this Congress is going to be stupid enough to agree to this OTC. The only way to stop it is for all the industries in America that are threatened by this foreign trade to band together. I believe in expanded trade and we have to have it, but we do not have to let our own industries be destroyed in order to get it. We have had expanded foreign trade for 25 years. Our tariffs have been reduced now to the point where many of our industries in America are threatened with destruction. I, for one, do not intend to vote to put this power further away from the Congress, but I am going to try to get it back, and I hope you will join with me and that we will succeed at this session of the Congress.

Mr. BAILEY. I want to thank the gentleman for his very fine contribution.

I see on the floor the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT]. I am sure he will have something of interest to add to this particular subject, and I yield to the gentleman.

Mr. VAN ZANDT. Mr. Speaker, the State of Pennsylvania is one of our most diversified States industrially. In this fact lies much of its economic strength.

It is not generally known that besides coal, in which the Keystone State is in the forefront, Pennsylvania industry and agriculture account for a vast variety of products. These include glassware, pottery, hats, chemicals, vegetables, electrical appliances and equipment, machinery, a variety of cotton, woolen, silk and synthetic textiles, scientific and optical goods, leather and leather goods, wallpaper, tile, tools, hardware, oil, cordage, and tobacco. This is by no means the whole list but it gives an indication of the diversification of our industries.

Much of this industry is in the category of small or medium-sized enterprise. There are literally thousands of individual companies and only a few would qualify as big business. I repeat that in this wide variety of industry lies much of the economic strength of the State. Many a community draws its subsistence from some industry centered in its confines and depends for its well-being on the employment made possible by the industry located there.

For the future of the State of Pennsylvania it is necessary that this industrial diversity be preserved. We cannot afford to place all our eggs into one economic basket.

It is commonly known that wherever there is dependence upon 1 industry, or at best 2 or 3, there will be found economic instability, dependence upon the outside and great and continuing fear of impending adversity. Therefore, we should count ourselves lucky, not only in Pennsylvania, but in all States where diversity of industry exists.

It should be emphasized that this development of variety and diversity was not all by accident. If it was not caused by national policy the way was at least paved for it by such policy. Alexander Hamilton was highly conscious of the need for a diversified economy and for that reason supported protection of industry against adverse foreign competition.

The need for such protection in the proper degree is no less important today than it was in the time of Alexander Hamilton. In other words, having attained a broad diversification of industry we want to keep it.

Our reliance in the past has been on the protective tariff. Today, however, we see the tariff cut to a low level as a result of the trade-agreements program. In addition, the situation is aggravated because we find it all but impossible to get an administrative remedy when an industry is badly damaged by imports resulting from low duties.

For this reason I am in full support of the general import quota bill introduced by the gentleman from Georgia [Mr. LANHAM]. I also want to endorse the views of previous speakers concerning GATT and the proposed new international trade organization which is being paraded before us under the deceptive name of Organization for Trade Cooperation. We know from past experience how much cooperation we were promised and how much we actually got.

I have observed the activities of the State Department in its handling of tariff and trade matters and know exactly what to expect.

Mr. Speaker, American industry and agriculture have no standing in the eyes of that department except on a level that is inevitably several cuts below that of considerations of international diplomacy. Considerations of diplomacy, as these are viewed by our State Department personnel, have over a period of years been raised to the status of "be all and end all,"—in other words to a level of overriding priority over all else. As a necessary consequence considerations of the well-being of our home industry and agriculture automatically take a back seat.

This deplorable situation has developed because of a delegation of power by Congress to the President under the Trade Agreements Act. This power, handed to the State Department by the President, resulted in 1947 in a long end run when the State Department took us into GATT. From there on the old Cordell Hull program of straight tariff reduction was gone. Ambitious empire builders took over in the State Department, and it took them little time to put Congress in a straitjacket.

They saw in the grant of power given them in the Trade Agreements Act a means of entrenching themselves while the going was good; and they made the most of it. Import competition had not yet aroused many American industries to vigilance and the time was therefore opportune to sew up for the Department of State the dominant position it had assumed in dealing with tariff and trade matters.

Not only did the Department of State push Congress out of the way but it made handy men out of the Tariff Commission, which is an agency of Congress.

The State Department was able to set itself up in this manner because of the postwar climate; and it overlooked few maneuvers to gain its end. When the fog had lifted Congress had been pushed into the unenviable position of having a choice of going along or breaking the international obligations of the United States.

The whole trouble lay in the fact that Congress was careless in its delegation of power and that the use of this loose delegation fell into the hands of ambitious bureaucrats. They knew what they wanted and they set out to accomplish their objectives.

They made an international agreement that contained such broad terms that to all intents and purposes the State Department replaced Congress not only in calling the shots from day to day in

international tariff-cutting conferences, but in determining the direction and very makeup of our foreign trade policy. The Department did not bother, because it did not have to bother, to keep Congress advised, much less ever to ask Congress for guidance.

Whenever Congress did take a hand, which was only when renewal of the Trade Agreements Act came up, the State Department was careful to disavow its ambitions but did make it clear that what it had done was, in its estimation, within the delegated powers.

Mr. Speaker, in my judgment Congress has no power to delegate to any department or agency authority in such a manner that Congress itself can be deprived of its original constitutional power through exercise of the delegated authority by the recipient of it. I shall go further and say that no delegated authority can with propriety and with respect for our system of government be used as a means of embarrassing the source of the authority.

What has this to do with the import quota bill? It has a great deal to do with it.

One of the several steps of the State Department in its quest for control of our trade policy was the signing away in the General Agreement on Tariffs and Trade of any intent that we might have, that is, that Congress might have, to impose import quotas.

Such action could only spring from a grotesque sense of the disposition of powers in our Government or from an ambition so powerful that it rode roughshod over any restraining considerations.

So we, the Congress of the United States, are out of bounds in seeking import-quota legislation as embodied in the bill of the gentleman from Georgia [Mr. LANHAM]. Yes, Congress is out of bounds as it seeks to deal with the problem of import competition in a manner that will best preserve the industrial and agricultural diversification of this country.

Things have drifted very far when we find ourselves in this unenviable position. The point is that we can in fact still legislate; but, if we do legislate contrary to the general agreement, or GATT, we clash with our international obligations, as determined by the State Department. We are placed in the position of repudiating the solemn obligations of this country.

I think we should give unmistakable notice to the State Department that henceforward we in the Congress expect to legislate under the Constitution and that any department that seeks to deprive us of this function except at the price of international censure will do so at its own peril.

For this reason, I am also opposed to United States entry into the Organization for Trade Cooperation. That would be nothing less than consent by Congress itself of its own degradation; and I do not go along with that. In fact, I am strongly opposed to any such step. It would be in the opposite direction to the one we should take.

Aside from the other advantages of a quota system, properly set up and properly administered, the bill that has been introduced would return to Congress its power to regulate our foreign trade. It also would serve notice that we intend to use import quotas when, in our judgment, they are necessary for the proper protection of our industry and agriculture no less than their workers.

The State Department has forfeited the grant of power that came to it through the President by delegation from Congress. It has forfeited it by an unseemly abuse and by debasing the branch of the Government that extended the power to it.

For this reason I join the following spokesmen of organized labor in Pennsylvania in their general opposition to the unrestricted importation of cheaply manufactured foreign goods.

The following excerpts are from the statements of spokesmen for Pennsylvania labor groups who testified before the House Ways and Means Committee last year in opposition to the extension of the Reciprocal Trade Agreements Act of 1955:

EXCERPTS FROM TESTIMONY AND PROTESTS AGAINST IMPORTS, INJURIOUS TO AMERICAN INDUSTRY AND LABOR, PRESENTED TO GOVERNMENTAL COMMITTEES AT WASHINGTON BY REPRESENTATIVES OF NATIONAL AND INTERNATIONAL UNIONS, IN 1955—THESE UNIONS REPRESENT HUNDREDS OF THOUSANDS OF MEMBERS IN PENNSYLVANIA—THE EXCERPTS ARE PART OF OFFICIAL GOVERNMENTAL HEARINGS RECORDS UPON THE TRADE EXTENSION ACT OF 1955

Allied Printing Trades Association, by Leo J. Buckley:

"Board of Governors of the Allied Printing Trades Association is composed of the presidents of the five printing trades unions affiliated with the American Federation of Labor; namely, the International Typographical Union, the International Printing Pressmen's Union, International Brotherhood of Bookbinders, International Photo-Engravers Union, International Stereotypers' and Electrotypers' Union.

"The membership of these unions numbers approximately 350,000. Their interest in H. R. 1 arises from two sources. One is the extremely low level to which the tariff on books has been reduced. The other is the subsequent tearing down of a vital part of the so-called manufacturing clause of our copyright law."

United Brick and Clay Workers of America, A. F. of L., by Nathan Duff, counsel:

"We strenuously oppose the constant and continuous lowering of tariffs without safeguards. Here is a perfect example: Where are you going to stop? You have strangled us. You have strangled us on the ground that you must render economic assistance to a defeated nation like Germany.

"If you strangle other industries as you have strangled us—and I ask again where will it stop? Assuming you permit the importation of products that will hurt automobiles and steel and coal and chemicals, then we in turn will become a Communist nation because those people must depend upon somebody for a livelihood. If they can't depend on the free-enterprise system, they will have to depend upon government."

United Brotherhood of Carpenters and Joiners of America, A. F. of L., by Peter E. Terzick, editor of the Carpenter.

"To the thousands of members of the United Brotherhood of Carpenters and Joiners of America who earn their living directly or indirectly in the American plywood industry, tariffs are of more than academic interest.

"Tariffs have become meat on the table and shoes on the kids—or rather, the absence of realistic tariffs has posed a growing threat of no meat and no shoes.

"The plywood industry is a case in point. Ever since 1950, foreign plywood—particularly that made in Japan, has usurped ever greater percentages of the domestic market. The peril point has long since been reached, but as yet no relief has been forthcoming. If relief is not forthcoming soon, the domestic plywood industry, one of the major props of our war effort during World War II, will face permanent disaster.

"Under the circumstances, tariff relief is overdue for plywood and such allied products as doors. We do not advocate the elimination of plywood imports, but we do advocate a tariff schedule that will bring foreign plywood prices more closely into line with actual domestic production costs. To think of reducing plywood tariffs still further is plain suicide for a major American industry."

American Flint Glass Workers Union of North America, A. F. of L., by Harry H. Cook, international president:

"It would be a very short-sighted policy to allow highly skilled craftsmen, so necessary to our national defense, to be thrown out of their jobs as a result of economic appeasement.

"Imports are steadily on the rise, having increased from $5,200,000 in 1949 to $8,100,000 in 1953.

"The plight of the industry has been further accentuated by the rejection by the President of the United States on September 9, 1954, of the Tariff Commission's recommendation for relief under the escape clause. Thus, any action from that source has been exhausted.

"This rejection was a source of great disappointment to our industry and our general membership of fine American workers. Needless to say, this decision has not only weakened confidence in the escape clause, but also in the recommendations to the president by the Tariff Commission."

International Glove Workers Union of America, A. F. of L., by Thomas Durian, president:

"An American can't do a day's work on a bowl of rice and some gruel, but for example Japanese can; and that goes for other people in foreign lands as well. This doesn't mean that Americans are better than others; but an American wants better things and better living conditions. He wants to earn his own living, at a trade he has learned, and not to be a charge of public charity.

"We must stem the tide of products made by cheap subsidized foreign labor or we will have no jobs and live no better than those from whom we should protect ourselves."

International Handbag, Luggage, Belt, and Novelty Workers' Union, A. F. of L.:

"The more than 100,000 persons depending for a livelihood on the breadwinners directly engaged in the handbag industry and the like number of dependents depending on those engaged indirectly in the production of all raw materials and accessory items which go into the making of handbags (leathers, plastics, flannels, paperboard, frames, mountings, locks, trimmings, paper boxes, thread, wrapping paper, and twine, etc.), plead respectfully with the Committee on Ways and Means to reject any further reductions or lowering of our tariffs on ladies' handbags and pocketbooks of all kinds and categories because of the extreme hardships we suffer today, whose heavy load, if increased, we shall not be able to bear."

United Hatters, Cap and Millinery Workers International Union, A. F. of L., by Marx Lewis, general secretary-treasurer:

"What troubles us particularly with respect to the pending legislation is that those who are hellbent to lower duties under the reciprocal trade treaty program are unwilling to take into consideration the problems with which various industries are confronted and

would, if they could, abolish every safeguard which is needed to protect industries against destruction—destruction which could very well be achieved without furthering the objectives they seek to advance in more than the slightest degree."

International Brotherhood of Operative Potters, A. F. of L., by E. L. Wheatley, first vice president:

"If the proponents of the vicious H. R. 1 would dare to be so brazen as to attempt in the face of past history to prove without question the advantage of this proposed measure to any industry confronted with unfair competition and low-wage nations the bill would not be quite so bitter. However, as it affects the American pottery operative, disaster is bound to be the end result, and if and when our Government whittles away all protection, which has been continued since the early thirty's, the ultimate will be the elimination of the American dinnerware industry and the American pottery market will be a battleground for the foreign pottery manufacturers which will in no way tend to improve the economy of the foreign pottery worker."

United Textile Workers of America, A. F. of L., by Anthony Valente, international president:

"Our concern in the matter of textile tariffs stems mainly from the discretion afforded the President in his authority to reverse the decisions of the Tariff Commission even when peril and injury are proven, and the probability that the textile industry of the United States will be victimized in negotiations with Japan under the General Agreement on Tariffs and Trade. The fact is that the American textile market is a prime Japanese objective. We believe the exchange of trade should be arranged upon a selective basis.

"We fear the danger of selecting the United States textile industry, per se, for experimentation and a further lowering of textile tariffs, not only by the Executive, but through the GATT negotiations."

United Wall Paper Craftsmen and Workers of North America, A. F. of L., by M. C. Firestone, secretary-treasurer:

"In 1950 it was estimated that imports had already displaced 15 percent of domestic manufacturers' delivery of comparable goods. Today that figure is in the range of 25 to 30 percent, and it is still on a sharply rising trend.

"During the past 17 years the number of rolls of wallpaper imported rose 546 percent. During the same period domestic production decreased approximately 50 percent.

"In a market in which nearly one-half of all the employees have been laid off, this startling percentage rise in imports must be regarded as desperately alarming. In view of such circumstances, the voice of protest should not go unheeded and the prophecy of economic hardship should not be disregarded."

United Glass and Ceramic Workers of North America, CIO, Burl W. Phares, international president:

"We as trade unionists in a free society well recognize the need for trade among the free nations of the world today; however, we cannot agree with the theory of making the industrialists of foreign nations more secure financially at the expense of the American employer, American workman, and American taxpayer, as well as subjugating his own workers by a substandard of living.

"CIO further urges that foreign-trade agreements be based upon natural advantages such as traditional national skills and resources, rather than substandard wage scales. We urge that international fair labor standards be applied, particularly to articles for which tariff reductions are sought. CIO feels that the gains from maintaining and increasing the level of foreign trade must be shared by those producing the goods. We are not interested in a program which would simply enrich speculative importers or profiteers from forced labor."

United Textile Workers of America, CIO, by Solomon Barkin, director of research:

"The textile industry is an outstanding example of the perils of thoughtless tariff policy. Since 1951 the industry has been suffering its worst depression in 20 years. Employment has shrunk from a million and a quarter to 900,000. Scores of mills, including some of the Nation's largest, have been liquidated. There is a question whether, in a war emergency, the remaining capacity would be adequate to clothe the military and civilian population.

"The textile depression cannot be blamed on foreign competition. Nevertheless, such competition has been highly damaging in certain fabrics, including those that would be of primary military importance. The efforts of our union to correct this damage by proper interpretation of the existing law have been ignored."

United Mine Workers of America, Independent, Thomas Kennedy, vice president:

"I want to call particular attention to the dumping of residual oil on the eastern seaboard, most of which comes from Venezuela, not a Communist dictatorship, but a military dictatorship, which from the standpoint of freedom and justice is just as bad as a Communist dictatorship.

"Residual oil last year displaced over 30 million tons of American coal. We had in the American coal-mining industry in the month of December 1954, over 143,000 persons unemployed, with thousands of others working part time.

"If the dumping of residual oil were stopped and placed upon a quota basis, it would mean about 3 weeks extra work for the coal-mining industry. It has been pretty well established that the dumping of commodities on our shores is wrong and in violation of every concept of fairness and equity and yet the practice continues merrily along its way."

Amalgamated Lace Operatives of America, Levers Section, independent, by Frederick Dixon, president:

"We have traditionally opposed the Trade Agreements Act because of its damaging effect on the working lives of those employed in the American lace industry.

"We have been living under the trade program and its tariff-cutting policies for the past 20 years. The duty rates on numerous items have been cut not once, but repeatedly. This repetitious policy has enabled foreign nations to flood our markets with low-wage goods, and in so doing has brought about economic recession to many American industries and unemployment to the labor force they employ."

National Industrial Independent Union Council, Don Mahon, secretary.

Electrical Workers Independent Union, Roger M. Rettig, president:

"Many industries, in which our members are employed, have suffered loss of business due to foreign competition, which has resulted in the unemployment of many of our members.

"For example, the highly skilled electrical industry has been seriously affected by the present tariff laws. Nothing is more vital to our national defense than the supply of electricity. This supply cannot be maintained or increased during national emergency without power transformers.

"During the last year and one-half, practically all large power transformers purchased by our Government have been bought in Europe. The 12½ percent tariff on transformers has by no means been any protection from foreign competition, when the wage rates paid by European firms are approximately one-fourth of that paid to skilled transformer employees in this country.

"In February 1954 a comparison of the wage rates in the transformer industry, in this country and foreign countries was made. It was found that foreign rates ranged from 33 cents per hour to 56 cents per hour, while the companies employing our members were paying an average rate of $2.20 per hour. Since labor costs are such a large portion of the total cost of a power transformer, it is apparent that the only solution is a higher tariff to protect American firms and workers."

Order of Railway Conductors and Brakemen, by W. D. Johnson, vice president and national legislative representative; also for the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen and Enginemen:

"We fully realize that we cannot live 'unto ourselves alone' and progress as a great Nation. We must, therefore, have trade agreements that provide for exports and imports, but not to the extent of destroying our domestic industries, agriculture, and labor standards. Therefore, if and when the operation of any part of the trade agreements brings mass unemployment to American citizens, something should be promptly done to correct the injustice."

"The overall unemployment in the railroad industry is quite substantial at the present time and the future outlook from any employment standpoint is not very encouraging."

"We railroad employees have felt the effects of foreign residual oil since shortly after hostilities ceased in World War II. The aggregate loss in wages to this alien product amounted to more than $268,136,000 from 1946 through 1954. Again, I point out that this figure was computed by using only the percentage of United States produced coal carried by the railroads each time and applying it to the coal equivalent of residual-oil imports."

Brotherhood of Railway Trainmen, by Harry See, national legislative representative:

"The brotherhood generally supports the principle of reciprocal trade, until such time as it begins to make serious inroads on the stability of our national economy. When even a small portion of our economy is threatened, we feel that a closer look should be taken at our international trade agreements."

"I have in mind specifically the coal and transportation industries, and that part of our trade setup dealing with the importation of residual fuel oil. I appeared before this committee in May 1953, and acquainted its members with the loss in employment in only one section of the country that can be related to the unrestricted importation of residual oil. Today the situation has grown worse."

Mr. BAILEY. I thank the gentleman from Pennsylvania [Mr. VAN ZANDT].

At this time I desire to yield to the distinguished gentleman from Georgia [Mr. DAVIS] for some comments on the textile industry and cotton growing in the South, as affected by our trade agreement.

Mr. DAVIS of Georgia. Mr. Speaker, I wish to commend and compliment the distinguished gentleman from West Virginia [Mr. BAILEY] and my distinguished colleague from Georgia [Mr. LANHAM], who has already spoken on this subject. I thank them for the firm stand which they have taken, and are taking, to preserve industry in this country as against destruction by the importation of foreign goods from countries where the labor scale is far below that of our own country; so far below that we cannot have effective competition.

I wish to thank them for the stand they are taking in behalf of the workers of our country to save for our laboring people the jobs which they will lose if our markets are flooded with goods coming in from countries where the labor scale is as low in some instances as one-tenth of the wage which we pay our people in this country.

I associate myself with the gentlemen and concur in the sensible, logical statements which they have just made on this very important subject.

Mr. Speaker, the first Trade Agreements Act was passed in 1934. That is slightly over 20 years ago. The act has been renewed 9 or 10 times in that period, the last time, for a 3-year period, from 1955 to 1958. The whole purpose of the program was to expand the export markets of the United States by reducing barriers to trade throughout the world, including our own.

We negotiated 29 bilateral agreements between 1934 and the time of the Geneva Conference in 1947. Then the bilateral system was abandoned in favor of the multilateral system. The Geneva Conference, attended by slightly over 20 countries, resulted in the General Agreement of Tariffs and Trade, usually referred to as GATT. This agreement went into effect January 1, 1948, and was the first of a series of multilateral conferences, the most recent one of which was concluded last spring. It was at that conference that Japan was admitted as a member.

Today the fifth of the multilateral tariff-cutting conferences is in session in Geneva. Possibly the tariff on a thousand items of our imports will be cut another 15 percent, which is the limit permitted under the last Trade Agreements Extension Act.

The fact is that the United States has in these past 20 years reduced the tariff very drastically. On dutiable items the average duty has been reduced from a little over 50 percent during the 1931–35 period to slightly over 12 percent today. This represents a cut of a full 75 percent. That is to say, our average tariff today is only one-fourth as high as it was 20 years ago. If our duty collections are averaged over all our imports the overall burden on our imports is only slightly over 5 percent. That is because nearly 60 percent of our imports are free list products.

As a result of these sharp reductions in our tariff rates the United States is today one of the lowest tariff countries of the world. Only half a dozen other countries have lower average rates.

An examination of the practices followed by other countries in the regulation of their imports shows that they rely very extensively on devices other than the tariff. One of the favored systems is that of exchange control. This puts the whole question of import control into the hands of the Government. Another device is the import license. This represents an even more strict control in some instances than exchange control as such. Even when exchange is available the issuance of an import license is not necessarily assured. Then there are bilateral trading arrangements that amount in many instances to a form of barter. Machinery may be traded for beef, or textiles for grain. Another common form of control and restriction is the import quota. In some instances outright embargoes are used.

The United States, on the other hand, has exercised no exchange control nor does it require import licenses. With the exception of a few quotas on agricultural products, such as raw cotton, wheat, peanuts and sugar, we make no use of the import quota. Our reliance is almost wholly on the tariff.

In my judgment this is a mistake.

The quota is a more flexible instrument than the tariff and in many instances is the only method of regulating the flow of imports without imposing tariff rates of several hundred percent. The quota is particularly suited to the regulation of imports in those instances where the imported product comes from countries of widely different levels of wages. In such cases a single tariff rate is an unsuitable instrument because it treats all competition alike and thus favors the low-wage countries. For example, if the tariff rate on a given article is 20 percent it offers a clear competitive advantage to the countries that because of low wages can sell at the lowest prices.

Assume that an article made in this country costs $2.50. If imported from country A it costs, let us say, $2, but is offered by country B at $1. A rate of 20 percent would bring the price of the article from country A to $2.40, since the duty on the $2 item would be 40 cents. The same 20 percent rate applied to the import from country B would raise the $1 item to only $1.20.

This is no extreme example as the experience of any industry that faces Japanese competition has shown. Under such circumstances the tariff has two weaknesses. First, it has little effect in protecting the domestic industry against the damaging competition that comes from low-wage countries. Second, it goes far to deliver our market into the hands of the very competitors that do the most damage, to the exclusion or restriction of the imports from countries that maintain higher wage standards.

An import quota, on the other hand, would halt this unfortunate effect of the tariff. So long as we adhere to the most-favored-nation clause we cannot correct the situation by adherence to the tariff alone. If we raised the rate so that the competition from the low-wage countries would come to our level, that is, to $2.50, a rate of 150 percent would be required on the $1 article. This, however, would drive the countries offering the $2 product out of our market by raising their product to a cost of $5, compared with our cost of $2.50. The final effect would be to drive the higher-standard countries out of our market for the benefit of the low-standard countries.

I have cosponsored a bill on import quotas originally introduced by my colleague, the gentleman from Georgia [Mr. LANHAM]. It would reverse this undesirable trend and in fact would offer an incentive to low-wage countries to raise their wages. They could gain this advantage under the bill without depriving the higher-wage competitors of their share of our market. For example, if a foreign industry in which wages are only 15 percent of the level of wages in the same industry in this country should raise its wages sufficiently to bring their wages up to 20 percent of our level, that industry would be given a 10-percent enlargement of its quota, but without taking away from other countries any part of their quotas. And, of course, the higher-standard countries would enjoy the same opportunity. A similar increase in their wage level in relation to ours would obtain the same enlargement of their quotas for them.

If the American market has the strong attraction to foreign exporters as we are led to believe, they could expand their trade with us by narrowing the competitive gap that is so damaging to our producers.

The bill has been drawn in a manner to overcome the usual objections to quotas. This has been done by providing flexibility both to meet short-term developments, such as shortage in the domestic supply or the accumulation of a surplus, and long-term developments to avoid rigidity. It also provides for the entry of new countries into our market.

It is not a restrictive trade bill. Provision is made for sharing the domestic market with imports without permitting imports to drive our own producers to the wall. Cutbacks from the attained level of imports are provided only when imports have increased rapidly and gained a considerably larger share of our market at the expense of domestic industry in a matter of 1 or 2 years, or if imports have already captured more than 20 percent of the market.

It would also make it possible for a domestic industry if seriously injured by imports to regain some of its lost market if imports had taken more than 30 percent of our market. This would be left to the discretion of the Tariff Commission.

One of the most important features of the bill is the authority it would bestow upon the Tariff Commission. Under carefully defined limits laid down in the bill, the action of the Commission in establishing a quota would be final. This means that the President could not exercise a veto over the Tariff Commission as he does under the escape clause of the present Trade Agreements Act.

The bill would also deprive the State Department of its practice of binding Congress against the exercise of its constitutional authority by means of certain provisions in trade agreements.

It is not widely known that by this practice the State Department has already agreed to eliminate existing quotas on agricultural products as soon as possible and not to impose new ones. Among these quotas are those on the imports of raw cotton, wheat, wheat flour, dairy products and peanuts. This means that the Department has spoken not only for the present Congress but for past ones and for future Congresses. It has already bound a number of items on the free list without consulting Congress and it has bound numerous rates against an increase. This seems like high-handed action and puts Congress into the position of either

bowing to the State Department or violating our international agreements. This is an intolerable situation regardless of how it came about. The State Department should be called to account and asked to explain by what authority it has agreed to matters that lie distinctly in the province of congressional power.

In order to confirm and perpetuate this perilous practice Congress is being asked to approve United States membership in the Organization for Trade Cooperation or OTC. A bill proposing this has been introduced. This organization would administer the General Agreement on Tariffs and Trade; but note that the provisions of that agreement have never been brought before Congress and the resolution proposing United States membership in the OTC does not bring GATT before Congress. Yet the articles of the OTC provide that it would be established to give full effect to the purposes and objectives of the General Agreement or GATT. In short, approval of OTC would carry with it approval of GATT without Congress having that complicated document before it. In other words Congress is asked to approve something, the character of which is not disclosed.

The whole approach is anything but straightforward and is of a piece with the strategy of the State Department to wrest control of our tariff and trade policies from Congress.

It is time that Congress withdrew the delegated power that has been abused in this fashion. The general import quota bill, quite apart from its other merits, would go far to reestablish Congress in its constitutional position of regulating our foreign commerce. I hope that hearings on the bill will be held and the bill brought before this body for its consideration in this session. Time is a very important factor in the competitive invasion of our market from the outside and early action is very urgent.

Mr. BAILEY. Mr. Speaker, I desire to thank the very able gentleman from Georgia for his contribution.

At this time I desire to recognize the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Speaker, perhaps it is ironic that this country's high wage levels have made it particularly vulnerable to the undermining effects of foreign competition, which operates under much inferior standards. It is becoming glaringly evident, however, that no amount of tariff-rate adjustments can compensate for the gap which separates our wage system from those overseas.

Not only have tariffs been proved incapable of offsetting varying wage standards and competitive conditions abroad, but under existing law, the adjustments possible—with a 50-percent maximum ceiling on increases—cannot hope to equalize competitive situations—such as ours with Japan—where the foreign worker or fisherman gets a tenth of what his counterpart in the same occupation receives in the United States.

At the present time, of course, an industry damaged by import competition may file a petition for relief under the so-called escape clause. The Tariff Commission is empowered to recommend a tariff increase, or even import quotas, if an industry can prove its case. No quota recommendation has ever been carried out, however.

In fact, experience has shown that this escape route is more likely to end in a stone wall. Of approximately 54 cases on which the Commission has taken final action, relief has been obtained in only 6. Yet even when the tariff has been restored or raised, there is little certainty that this action will have the intended effect. With their wide advantage in labor costs, foreign producers have leeway to cut prices still further or else may resort to borderline subterfuges to circumvent the tariff.

The American tuna industry is a firsthand example of what I am talking about:

In 1948 about 9 million pounds of frozen tuna were imported into the United States. Last year imports reached a total of 172 million pounds, or very nearly 20 times what they were 8 years ago.

In 1948 imports amounted to less than 3 percent of United States consumption; today they represent over 72 percent. Our domestic tuna fishing industry is now trying to exist on what amounts to little better than a quarter of the total raw fish market.

The situation has brought our west-coast fisheries and many industries allied with fishing practically to a standstill. Despite tremendously increased domestic consumption of tuna, employment in the American tuna fleet is now down to 2,000.

Between 1948 and 1955 fishermen's earnings have been reduced by 40 percent.

Prices paid to American fishermen for their catch have fallen more than 30 percent. Profits on sales to canneries have diminished to nothing, and in some cases, less than nothing. In other words, our fishing industry is fast becoming a losing proposition.

Besides these direct inroads, imports of canned tuna which bypass our west-coast canneries have quadrupled in the 1948–55 period.

The story of how our once huge Pacific coast fisheries are being liquidated is incomplete without reference to the plight of other industries on which Japanese imports are inflicting equally heavy damage. In the Tacoma shipyards, for example, where most of the southern California fleet was built, not a single new tuna clipper has been built in the past 4 years. Lacking incentive to replacement, the highly mechanized Pacific fishing fleet is aging rapidly. In the Northwest, the ranks of our highly skilled shipyard workers are being drastically thinned as the armada of low-cost Japanese fishermen rapidly backs the American fishing industry into the position of an ex-industry.

As the market for American-caught fish vanishes, so do jobs and business for boatyards and suppliers of engines and equipment in some 300 allied industries in 35 States. The squeeze on our industry which extends from San Diego to Puget Sound applies equally to our salmon, crab, halibut, and herring fisheries.

The squeeze threatens to endanger not only individual fisherman, boat, and yard owners and processors but the entire west-coast economy.

The experiment with the tariff on tuna has been a costly one. As of today, frozen and fresh tuna is duty free. Tuna in brine has a low duty granted in a trade pact negotiated with Iceland during World War II through the State Department, although ironically enough, Iceland does not catch, export, or even import tuna.

A situation in which a major American industry—one, in fact, which helped build the west coast—faces destruction, demands action. Where a tariff will not succeed a reasonably based import quota must be applied to avoid disaster.

A quota which limits imports from Japan on a flexible percentage basis, based upon the market, need neither arrest competition nor upset our relations with Japan. Instead, it will save a decisively important industry while there is still time.

Mr. BAILEY. Mr. Speaker, I want to thank the gentleman from California [Mr. UTT] for his contribution. At this time I should like to yield to the gentleman from Massachusetts [Mr. LANE], who, I am sure, has some interesting figures on products from New England, such as textiles, boots and shoes, watches, and other articles.

Mr. LANE. Mr. Speaker, I want to compliment the gentleman from West Virginia [Mr. BAILEY] for his very able presentation and also the other endorsing remarks of Members who have joined with him on this subject matter. This is perhaps one of the most important matters that will come before this Congress at this session.

Mr. Speaker, 2 weeks ago I joined with other Members of this body in support of the Lanham import quota bill and introduced an identical bill.

I am fully aware that, as the speeches of previous speakers have made clear, Congress should not be in the position of having to authorize itself to do that which the Constitution imposes upon it as one of its enumerated powers.

Nevertheless it seems necessary to do this because of what has happened to our power to regulate foreign commerce under the delegation of authority to the President to make trade agreements.

What took place can be very simply expressed. The State Department made agreements in behalf of the President that had the effect of immobilizing Congress in the future. In the guise of agreements made under a temporary grant of power the State Department undertook to make permanent arrangements. Should the power at any time be withdrawn by Congress, this body would be compelled to recognize the agreements even though they ran indefinitely into the future, that is, beyond the expiration date of the delegated power.

This would perhaps not have been objectionable if the agreements had not cut across the power of Congress to work its own will in the future; but when the

State Department sought to freeze the sentiment of a particular Congress, which in effect was to let the State Department work its own will, it unquestionably passed beyond the limits of its delegated authority.

The import-quota bill, as has been made clear on the floor this afternoon, provides for nothing that would not be wholly within the power of Congress. It seeks to regulate our foreign commerce in a manner that would be beneficial to our industry and our workers without at the same time restricting imports in any unnecessary degree.

While the bill's passage would not of itself create a single quota it would authorize establishment of quotas by the Tariff Commission if after investigation and hearings it found as a fact that the conditions laid down in the bill actually existed in the importation of any given product. While there would be nothing automatic about the imposition of quotas the bill lays down not only the policy but the conditions under which, and the manner in which, Congress would undertake to regulate imports.

The bill would not of itself alter a single tariff rate. All trade agreement rates would remain at the level to which they have been reduced. That would be recognition of the delegated power of the President to reduce rates by 50 percent as specified in the Trade Agreements Acts of the past.

It would, however, serve notice that Congress reserves the right to use import quotas since Congress has not and in any case cannot relinquish this power, short of a constitutional amendment.

As previous statements have brought out, consideration of this legislation inevitably drives us head on against the OTC proposal. Approval of the OTC would not only imply ratification of the highhanded actions of the State Department but would seal the transfer of power from Congress to that Department. Denials of such a result are meaningless in view of the State Department record in the past 10 years, that is, since it prepared the way for the multilateral trade agreement known as the General Agreement on Tariffs and Trade.

That record is unmistakable, and nothing in it stands out in bolder relief than the consuming ambition of the State Department to gain exclusive power to run our foreign-trade policy.

This being the case, the machinery of the OTC, with its assembly and its stated objective, would be ideally suited to accomplish the Department's purpose.

Consider the very disclaimer of power in the OTC articles itself. The parade of disclaimers put out by OTC's sponsors and supporters arouses further suspicion.

Very disarmingly one of the articles of the OTC says that the organization would have no power to impose any new obligation upon any member without its consent.

That would seem like a solid safeguard until it begins to dawn upon the reader of the article that so far as the United States is concerned all the consent needed to impose new obligations upon us would be the consent of the State Department itself, without any reference to or consultation with Congress.

If that Department wonders why its words of reassurance and those of other OTC sponsors are regarded with suspicion the answer can be found in just such efforts at concealment and such shocking lack of candor.

I do not believe that the Congress will relish this effort to pull the wool over its eyes. Nor will it view with approval such a method of dealing with the public.

The record that has been written in this field by the State Department has not gained for it the confidence necessary to attract to it any further grant of power or even to assure continuation of the power it has so unwisely abused.

The quota bill is entitled to full support on its own merits, but that is not enough. The way must be cleared for it in such a way that the source of the power to regulate our foreign trade will not again be lost sight of. The Department of State in particular has ignored the source of its delegated authority and has been guilty of muddying the waters as a means of converting its temporary hold of the reins into an unchallengeable grip. The Congress cannot accede to any such scheme; and this we should make clear in our action in the present session.

Mr. BAILEY. I thank the gentleman from Massachusetts for his valuable contribution.

Mr. Speaker, I now yield to the gentleman from South Carolina [Mr. DORN].

Mr. DORN of South Carolina. Mr. Speaker, I wish to take this opportunity to commend the distinguished gentleman from West Virginia [Mr. BAILEY]. I do not know of anyone in this Congress who has spent more time or given more thorough and conscientious study to a problem than he has to this one. This is a very serious problem that is affecting our country today.

I believe all of us with industries affected by the importation of goods from abroad should support this bill empowering the Tariff Commission to establish quotas. This is a constitutional power that belongs to the Congress. I do not know how we can rectify this situation and do justice without retaining the power that is given us in the Constitution.

Representing an area where the principal industry is the manufacture of textile goods, I want to warn this Congress and the people of my district not to be fooled by the Japanese maneuver of last fall when they reduced their export of textile goods to the United States. The Japanese know this Congress is in session; they know this bill is under consideration; and they are not going to do anything right now that would warrant our taking drastic action. They are lying low for an obvious reason, so that when this Congress adjourns, they can flood this country with textile goods.

I will say this, Mr. Speaker, I think the idea of reciprocal trade between the United States and other countries is a wonderful thing. It has always existed, even back in the days of Greece and Rome. But never before in the history of the world has a country with a surplus of textile goods, for example, been asked to import from another country the same type of product. We produce more textile goods than the rest of the world combined and it is absurd and ridiculous for us to import textiles which are already in surplus because of agreements we have with other countries. I say again that no one would be so foolish in this country as to get up and propose that Brazil import coffee or that India import tea or that the Malay States import raw rubber. Yet, that is exactly what the Department of State is asking us to do today. They are asking us to import tuna fish, manufactured textiles, glassware, and pottery goods which we already have in surplus. At the same time, they would not dare to ask Brazil to import coffee or India to import tea.

Mr. BAILEY. This is the same group which is proposing to spend some $300 or $400 million of the American taxpayers' money to build a huge dam on the Nile River to irrigate about 2 million acres of fine long-fiber cotton land. I am wondering what we are going to do with the surpluses of cotton that we already have.

Mr. DORN of South Carolina. I would like to answer the question which the distinguished gentleman propounded a moment ago. I am glad he brought that up. That is exactly what they propose to do. Anything that hurts the textile industry of the United States will hurt the cotton farmers of America because the American textile industry is presently buying 75 percent of all the cotton grown in the United States. According to recent figures, the sale of Japanese textile goods to the United States increased to a total of $120 million in 1955 as against $95 million in 1954, while their purchase of United States cotton dropped from $173 million in 1954 to $107 million in 1955.

Mr. Speaker, foreign competition has a keener edge today than in prewar years because of the modern machinery that has been installed in many foreign countries, largely as a result of our economic aid. This means that we ourselves paid for a great part of the potential competition when we gave billions of dollars to other countries. This potential is now fast developing into actual competition.

We have seen it come up rapidly in textile goods and the end is not in sight. Competition from Japan is beyond the capacity of the domestic industry to touch. Labor rates in Japan are about a tenth of the rates prevailing here. While our industry may be more efficient than the Japanese it is not so far ahead that it can overcome this extreme wage handicap. In any case, the proof of the pudding is in the eating. Imports from Japan last summer and fall flooded our market and there was nothing our industry could do to put on the brakes.

Had it not been for the fact that the Japanese themselves feared the effects of this flood, it would not have been halted. Seeing the danger of an adverse reaction in this country, the Japanese temporarily held up her exports of textiles to this country. But let us not delude ourselves, what the Japanese were

able to do before, they will be able to do again, and at a time chosen by themselves.

It is ridiculous to suggest that the threat to our industry has been removed. It is still there to be reactivated at any time and, once more, there will be nothing that we can do about it. Our industry will be harassed as time goes on, its future clouded, its forward planning dampened, and its present under a Damoclean sword.

This condition is totally unnecessary. Our industry—not only the textile industry, but other industries in other parts of the country, need not be in so hopeless a position. It is of our own doing or at least with our passive consent. Congress has not only the power but the duty to regulate our foreign commerce; and the competitive condition under which imports enter this country is one of the obvious subjects of such regulation.

There are those who seek to minimize the competitive force of the Japanese textile imports. Among these we find the Secretary of Commerce and the Department of Agriculture. This is a shortsighted view. It is not difficult to discern where the competitive advantage lies and if nothing is done to restrain that competition the textile industry will revert to the list of sick industries.

The temporary pull-back by Japan should fool no one. The tuna fisheries on the West Coast know something about this. In 1952 when a tuna tariff bill was before Congress and when an escape clause action was pending, Japan unilaterally agreed to a self-imposed quota of 12,000 tons of frozen tuna a year. As the danger of quota action by the United States receded the Japanese increased their shipments until in 1955 they amounted, not to 12,000 tons, but to more than 50,000 tons, representing more than a fourfold increase.

I am told that the original quota of 12,000 tons was too low, in fact, well below the then current level of Japanese exports of tuna to this country, and thus created an artificial shortage. This fact led to calls by the American importers for more tuna. This in turn placed the Japanese in a position of putting the blame for the upward revision of the quota on none other than Americans themselves. Something of the same order may be expected to happen after the dramatic halt by Japan of her textile exports to this country. It may well force American importers to cry for a resumption of such exports. Then Japan can point to this demand as an excuse for flooding us again.

Today something over 40 percent of the domestic market for frozen tuna is being supplied by Japan. All this invasion has been accomplished by Japan in a matter of 7 or 8 years.

It is not the mark of wisdom, therefore, to minimize the injury done to our own textile industry by imports to date; and it is worse yet to wave aside the threat that hovers over us.

There is experience in this field in other products beside tuna. In the case of bicycles, the invasion of imports started in 1949 at a very low level. In 1955 foreign bicycles supplied 38 percent of our whole domestic market. Groundfish fillets offer another example. From imports of 10 million pounds they rose to 130 million pounds in 10 years and have taken about half the whole market.

So let us not be fooled. What happened in these other cases can happen to textiles. The question is how much duplication of similar experiences is necessary to open the eyes of the State Department.

Oh, there is much sympathy expressed toward the distressed industries when they come to Washington, but they are sent from pillar to post, up one blind alley and down another and yet nothing is done. Year after year while these industries have sought one administrative remedy after another, the tide of foreign competition has risen higher and higher; and yet no remedy is in sight.

What does all this add up to?

To me it adds up to something very much wrong. And I have little difficulty placing my finger on the trouble. It all goes to the domination by the executive, more specifically the State Department, of our foreign trade, including the tariff. And I can tell you that this intolerable situation will not change unless the Congress does something about it.

That is why I support the import quota bill which I have introduced along with other Members.

Under that bill Congress would take back the power conferred upon it by the Constitution to adjust the tariff and otherwise to regulate the foreign commerce of this country. It would call for the establishment of import quotas if the Tariff Commission found that the conditions set forth in the bill were actually present in the import competition of any product. While the Congress itself would not administer the law, its agency, the Tariff Commission, would do so under the directions contained in the bill. The State Department would be excluded from the decisions.

And this brings us to the point of saying a few words about the State Department domination of our tariff and trade policy, such as we have witnessed since that Department negotiated the General Agreement on Tariffs and Trade in 1947.

By writing broad provisions into the general agreement against import quotas and by agreeing not to raise the duties reduced in the agreement and by binding many rates at existing levels or on the free list, the State Department presumed to speak for and bind Congresses not yet elected. Such action was manifestly uncalled for. Not even Congress itself can bind a future Congress. Otherwise we might as well eliminate elections.

There is now before the Congress a bill, styled H. R. 5550, that seeks to put the stamp of approval of Congress itself on this stripping of its power. This is the purpose of the proposal to approve the Organization for Trade Cooperation or OTC.

Hearings on the bill are in the offing. Also involved in the bill is approval of the General Agreement on Tariffs and Trade, without submission of the agreement itself for approval.

Since the import quota bill is in conflict with provisions of GATT, that bill, as well as the articles of GATT, should be included in the hearings if we are to legislate intelligently. The three are closely interwoven.

Many Members of this body will be interested to know that the existing import quotas on raw cotton, peanuts, dairy products, wheat and wheat flour and sugar are in jeopardy if the OTC is approved. The door would be closed against quotas on industrial products. The challenge is immediate and compelling.

The OTC proposal represents the most crucial tariff and trade legislation to come before us in 20 years. It should be aired thoroughly to determine its full implications and ramifications.

Mr. BAILEY. At this time I yield to the gentleman from California [Mr. WILSON] 3 minutes.

Mr. WILSON of California. Mr. Speaker, as Representative in Congress of the district comprising San Diego, Calif., I have on numerous occasions called the attention of this House to the plight of the tuna industry. The tuna fisheries represent one of the leading industries in my area and together with tuna canning are among the leading industries of the whole State of California.

The tuna industry began to experience trouble in 1951 and has been in greater or lesser degree of trouble since. Today the fishery branch of the industry is in deep trouble.

The difficulty has been caused by the great expansion of imports from Japan, both of frozen tuna and of tuna canned in brine.

In 1952 the industry sought legislation in the form of a 3-cent-a-pound duty on frozen tuna which was and still is on the free list. The House passed the bill without opposition but it failed to pass the Senate. Imports have increased by leaps and bounds since 1952.

As a reassurance of the domestic fisheries who supported an escape clause action before the Tariff Commission with respect to tuna canned in brine, on which the tariff had been cut in half, Japan imposed an export quota on her shipments of frozen tuna to this country. Oddly enough this quota restriction represented a sharp cutback of the export volume current at the time and was more drastic than necessary. The figure was set at 12,000 tons per year—when the market was attuned to imports of 20,000 tons or more.

In due time American canners sought a liberalization of the self-imposed quota. This placed Japan in the position of responding favorably to an American request. From year to year, with the danger of legislation out of the way and the escape clause petition denied, the exports have risen and are now well above 50,000 tons, or more than four times as large as the original quota imposed by Japan on herself. Present imports supply more than a third to a half of our market.

In the meantime the American clipper fleet—the part that is responsible for most of the domestic tuna catch—has dropped from over 200 boats to around 165. At the same time Japan has increased her fleet and she is in a position to drive our fleet from the seas by the

simple device of offering cheaper tuna. This she has no trouble doing because of her low labor standards compared with those of our industry. It is the story familiar to all industries that find themselves in competition with low-wage areas of the world.

The Department of State was familiar with all this all the way through. Toward the end of 1954 that Department issued a list of items for negotiations for tariff reductions in a contemplated new international trade conference under GATT. The tuna industry made strong representations against any further tariff reductions, pointing to the then already existing need for greater protection. Nevertheless nearly all possible tuna items were listed.

Hearings were held by the Committee for Reciprocity Information, and again the industry, including representatives of the workers, pointed out the difficult conditions already confronting it because of imports. Nevertheless, the State Department reduced the duty on tuna canned in oil from 45 to 35 percent, bound the low rate on tuna canned in brine at 12½ percent and also bound frozen albacore tuna on the free list. Albacore is by far the most important tuna import from Japan.

As other Members have noted, these bindings have only one significance. The State Department has posted a sign meant for Members of Congress. It says, "Hands off." It might have added, "Reserved for State Department bargaining purposes."

I am in complete agreement with my colleagues who deny the right of the State Department thus to put the halter on Congress. No such departmental right of interdiction of Congress can anywhere be found. I am sure that even Congress itself cannot properly agree to keep its legislative hands off any project that falls under its legislative jurisdiction. At best, a given Congress could speak only for itself. It could in no way bind a future Congress.

Nevertheless the State Department has in fact agreed to such bindings. It has done more. It agreed in a general provision of the General Agreement on Tariffs and Trade to renounce import quotas. Article XI of GATT says:

> 1. No prohibitions or restrictions other than duties * * *, whether made effective through quotas * * * or other measures, shall be instituted or maintained by any contracting party (i. e., member).

Such exceptions to the article as were adopted do not apply to imports of industrial products so far as the United States is concerned. Only agricultural products may be restricted by import quotas by the United States and these only under certain conditions, if they are subject to a governmental control program.

The net of it is that so far as quotas on tuna products are concerned the posting is still "Hands off—by order of the Department of State."

In spite of this I joined with the gentleman from Georgia [Mr. LANHAM] in the introduction of a general import quota bill. I am no more ready than he to surrender our legislative authority to the Department of State.

In my opinion, the general import quota bill offers the best way out of our difficulty. It would not be retroactive. Import quotas could only be established to govern future imports. All interested parties would first be heard by the Tariff Commission and no quota would be established except on order of the Commission after a public hearing, covering a particular product.

Such a bill, if passed, would do no violence to existing trade. True enough, it would stop imports from taking over the market; but it would not prevent imports from growing with an expanding market. It would, indeed, prevent imports from absorbing all the expansion, much of which is usually the result of costly promotional work of the domestic industry; but it would not prevent their sound growth.

Allowable imports would be in terms of a share or percentage of the market and this share would remain constant except on compelling evidence that the share was too low or too high.

There can be little question that a quota so designed would not only pump new life into the tuna fisheries by assuring them of a given share of the market; it would also assure the canners of an adequate supply of frozen tuna without sacrificing the domestic industry. The bill provides flexibility, both to meet a failure of the domestic supply by opening the way to a temporary liberalization of the quota, and to prevent a dangerous surplus from developing, by authorizing a temporary cutback in imports if stocks pile up and cause disruption of the market.

Thus the quota could not be abused by either the domestic suppliers of the raw product, that is, the boat owners, nor the canners through excessive and market-depressing imports of frozen tuna. The seams of the quota could be opened or tightened, as the necessity of the case dictated.

A suitable tariff rate on frozen tuna would not easily be found although theoretically it exists. A quota, however, can be tailored to suit the best interests of both the suppliers of the raw material—frozen tuna—and the domestic canners—who use both the domestic and imported frozen tuna. A quota on tuna canned in brine could also be set at a point that would allow imports to continue near the attained level. It would, however, throw a ceiling over imports and prevent their running away with the market.

A quota, under the bill, could be established on raw tuna alone, on tuna canned in brine alone, or on both separately or in some combination based on total poundage of tuna imports. If necessary, tuna canned in oil could also be brought under control.

I urge that hearings be held on this bill. Congress should not be asked to pass on OTC without examining all its implications, especially its endorsement of GATT and therefore the renunciation of import quotas as a means of regulating our foreign commerce.

Mr. BAILEY. Mr. Speaker, I would like to express my appreciation for the remarks of the gentleman from California [Mr. WILSON].

Mr. McVEY. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. McVEY. I have listened with greatest sympathy to the remarks of our colleague this afternoon on the subject of international trade. This matter has given me grave concern for some time. I am looking forward with interest to the discussion of this subject when the bill is taken up.

Mr. BAILEY. Mr. Speaker, at this time I would like to conclude the presentation by calling on the distinguished gentleman from Georgia [Mr. FLYNT] to consume the remainder of the time available.

Mr. FLYNT. Mr. Speaker, I would like to commend and compliment my friend, the able and distinguished gentleman from West Virginia [Mr. BAILEY] and also my colleagues, the gentlemen from Georgia [Mr. LANHAM and Mr. DAVIS], as well as all of the others who have participated in this discussion today.

Mr. Speaker, I want to urge approval by the House of Representatives and the Congress of the United States of the proposed bill to provide for import quotas, H. R. 8954, which was introduced by my colleague, the gentleman from Georgia [Mr. LANHAM]. At the same time I want to urge this, the greatest deliberative body in the world, to defeat and vote down by an overwhelming majority the request of the administration to approve OTC, the Organization for Trade Cooperation. Within the last few days each Member of this House has received on stationery from the White House, dated February 13, 1956, a request for approval of OTC. Attached to this letter from the White House are several almost persuasive reasons why this body should approve OTC. I urge that we reject OTC, because it is one more request for the surrender of the powers of the Congress of the United States to either the executive or the judicial branch.

This particular request for another such surrender, Mr. Speaker, goes even further than that. It is a request for the surrender of the sovereign power of the United States of America to an international body which would set up a super state. If and when the time ever comes that our Nation surrenders, one by one, the sovereign powers which we possess today, then we shall be driving, one after another, nails into the very coffin of the American way of life, and we shall be accomplishing by indirection that which the forces of international communism cannot, by themselves, accomplish directly.

We must resist every effort to surrender the sovereign power of the United States.

We must equally and with equal vigor and with all our strength resist every effort by any other branch of our Government, the executive or the judicial branch, to usurp any of the rights which are conferred upon the Congress of the United States by the Constitution of the United States of America.

The voice of the gentleman from West Virginia today is not a voice crying in the wilderness. I know it to be the voice of experience. What he tells you today in urging your support of H. R. 8954, this import quota bill, he tells you with full knowledge of what this so-called reciprocal-trade program has done to the people he represents in West Virginia.

It applies also to what has happened to the people of the Fourth District of Georgia. Within the Fourth District of Georgia I have seen one of the large segments of our great textile industry destroyed during the last 4 years because of excessive imports from the Empire of Japan. One of the world's largest manufacturers of velveteen goods has been forced to suspend completely their velveteen operation because the textile plants of Japan have within 4 years' time taken over most of the American velveteen market.

Mr. Speaker, the same thing could happen in some other phases of industry in many congressional districts throughout this country. It has happened to the district represented by the distinguished gentleman from West Virginia [Mr. BAILEY], just as it happened to the Fourth District of Georgia, and it can happen all over America and plants will close down and people lose their jobs because of this outrageous proposal to give away the sovereign rights and sovereign powers of the United States as well as the delegated powers of the Congress of the United States.

Mr. Speaker, I urge the approval of this bill to provide for import quotas, H. R. 8954, and I ask that at the proper time this House, as nearly unanimously as possible, vote down the President's request that we approve the Organization for Trade Cooperation.

Mr. Speaker, the signing of a trade agreement with the Empire of Japan last year has precipitated the need for legislation to prevent our cotton textile industry and other industries that find themselves in a similar situation, from falling before a particularly vicious form of competition that in all fairness they should not be asked to face.

Legislation during the past 20 years has raised production costs in this country to a high level and at the same time has greatly reduced the competitive flexibility of such costs. Minimum wage legislation, farm price supports, unemployment compensation, social security, and other laws have all added to the cost burdens of production.

At this very time, when already imports from Japan were rising rapidly, the tariff was reduced on such imports, thus widening the advantage already enjoyed by that country. Japan needed no such inducement. She was already enjoying a great competitive advantage in shipping her textiles and other products to us.

The slash in the tariff could therefore be regarded by Japan as an open invitation to flood our market and that is exactly what happened. Shipments of textiles to this country climbed at so rapid a rate that Japan herself became alarmed and put a temporary halt on textile exports to this country.

Now, obviously the American textile industry cannot rely on such unilateral self-imposed limitations by Japan. There would be no guarantee that such limitations would not be relaxed from time to time, according to the judgment of the Japanese, with the result that the domestic industry would operate in an atmosphere of uncertainty and fear. This would not be a healthful situation. It would go far to cripple our industry and in the end would create a dependency upon Japan.

It is no reflection on Japan but a simple statement of fact that our producers cannot compete with the 15-cent-an-hour labor of that country. Japan has installed much modern textile machinery with our financial help and this together with the glaring wage differential confers on the Japanese producers an insuperable competitive advantage. This is a fact of economics that our State Department seemingly is unable to grasp or, grasping it, steadfastly ignores it while chasing diplomatic phantoms hither and yon.

The need for a limitation on textile imports from Japan having been admitted by Japan herself there should be no objection if this country devised the system and provided for its administration by ourselves rather than Japan. Private agreements between citizens of this country and foreign exporters run counter to our laws against restraint of trade and can therefore not be promoted.

The tariff having been reduced rather than increased last year, it is obvious that no reliance can be placed on that instrumentality as a means of regulating imports from Japan. It is true that application for restrictions may be made under the escape clause if serious injury occurs. However, there must be a term of operation under the agreement before action can be taken; and the Tariff Commission is allowed 9 months in which to make a recommendation to the President, and the President is allowed another 2 months in which to reach a decision on any such recommendation. In some instances the President has kept the issue open for much longer periods than 2 months and then finally rejected the remedy.

Moreover, the record of cases under the escape clause creates extreme skepticism about the value of the clause. In only about 1 case out of 10 has any relief actually been given. In 2 of the 6 cases favorably acted upon by the President out of some 50 that have come before the Tariff Commission, only partial relief was granted. This is not a record to raise hopes in the breasts of domestic producers. The inevitable conclusion is that no real reliance can be placed in the escape clause. This is not because Congress has not made it clear that it intended the clause as a real remedy, but because the advice of the State Department has been more favorably received by the President than the legislative voice of Congress.

This is not as it should be, particularly since the very part played by the executive in this field is at the sufferance of Congress. Only by acting under a delegation of authority from the Congress to the executive does that branch of the Government have a place in the administration of tariff and trade laws. That the delegation has been roundly abused can no longer be rightfully doubted. I shall explain what I mean.

Since the tariff would be of little use in regulating imports of cheaply made goods, whether they come from Japan or elsewhere, a more suitable method of controlling such imports would be the import quota. The tariff has the defect of being applied equally to all countries. Therefore, if the rate is made high enough to affect imports from the lowest wage countries it will exclude imports from the countries where higher standards prevail; while if the rates are tailored to suit the higher standard countries they will be too low to produce the least effect on the low-standard countries. In either case the tariff will favor the low-wage countries.

The import quota, on the other hand, is free of this defect. At the same time it is more flexible and, therefore, more adaptable to the many different competitive situations faced by our domestic producers.

For these reasons I have joined with other members of this body in sponsoring a general import quota bill.

But what do we find?

We find that the Department of State in its zeal to mold our foreign-trade policy while vested with delegated power conferred in the first instance by the Congress on the President, has thrown a roadblock across the path of Congress. Such action represents an odd concept, indeed, of what may be done with delegated power. It is, in fact, a serious affront not only to Congress as the repository of the constitutional power to regulate foreign commerce, but to its dignity and intelligence.

Obviously if Congress cannot delegate its power without seriously compromising its future exercise thereof it would be far better to withdraw the delegation.

The Department of State economists for reasons of their own were dead set against import quotas. As a mental attitude this was their right; but they were not satisfied with a seat on the sidelines. They saw in the power delegated to the President under the Trade Agreements Act an opportunity to put their private views into effect. The General Agreement on Tariffs and Trade, negotiated in Geneva, gave them their opportunity. Into it they wrote a general rule against the establishment or maintenance of import quotas.

By writing such a renunciation of quotas into an international agreement, it was clear, they would be placing the question beyond the reach of Congress, except in the unlikely event that Congress, brushing aside the woeful consequences, should ignore such impudence and call their hand.

And this is exactly what the Congress should do right now; for we find that the general import quota bill would be in violation of the general agreement on tariffs and trade. This is the same as saying that the State Department while acting under a temporary grant of power

to the Executive by Congress, busied itself fashioning, after the manner of the Lilliputians, means of binding Congress down. And that is what happened. I repeat this represents a strange use of delegated power. And I dare say that this delegation has now been held so long that the Department of State has virtually forgotten the source of it. Also we will find the Department strongly defending its abuse of power and objecting strenuously to any interference with it.

The proof of this is to be found in the negotiation of a new international agreement that calls for creation of the Organization for Trade Cooperation or OTC. By this maneuver the Department of State seeks to make permanent the temporary delegation of power as it exists under the Trade Agreements Act. It seeks through congressional approval of United States membership in this new international trade body in which we would have one vote, to walk out from under any probability of recall by Congress of the delegation of power. This makes of the question of approval of the OTC the most crucial issue in 20 years of trade legislation.

I for one want to keep the reins in the hands of Congress, and cleanly so, not all fouled up with backtalk and trumped-up plausibilities. As one Member I wish to go on record as condemning severely the gross abuse by the State Department of the power passed to it temporarily and indirectly by Congress. It comes with very poor grace that the recipient of such power should so far forget the realities of the situation as to seek the profound embarrassment of the source of the power and the compromise of its standing before the world. This means Congress.

The situation calls for hearings not only on the OTC but on the import-quota bill and the general agreement on tariffs and trade, all at the same time. The time for a complete reexamination of our position has arrived.

Mr. BAILEY. Mr. Speaker, at this time I thank the distinguished gentleman from Georgia for his excellent remarks, also the gentleman from Pennsylvania [Mr. FLOOD] for permitting us to use 10 minutes of his time.

Mr. GRAY. Mr. Speaker, I join with the gentleman from West Virginia [Mr. BAILEY] and my colleagues who have so ably presented to the Congress today, the true picture concerning what foreign imports have done to many of our domestic industries. I join with them in supporting the import quota bill and opposing the proposed OTC.

Time will not permit me here today to list all of the reasons why we need the import quota bill enacted into law. I believe that some trade with foreign nations should be allowed, but certainly not at the expense of choking off our own domestic industries where American people are forced on the unemployed rolls to the benefit of foreign nations. I can give one prime example of the effects of foreign imports on a domestic industry in the case of coal.

In 1955 there were 36 million tons of coal displaced due to residual oil imports. To give you an idea of how this practice is affecting the domestic industry, I want to tell you of the situation exiting in southern Illinois and I am firmly convinced that much of our trouble stems from foreign trade—cheap labor—competition.

In my 15-county congressional district of southern Illinois, there are 15,000 less coal miners today than in 1951. We have 51,000 persons receiving Government surplus food, a great percentage of these recipients are coal miners and their families. They are good, decent, God-fearing people who have worked hard all their lives in an industry that has allowed them to raise their children, send them through school, and now to a great extent, foreign imports have put them out of work at an age they are unable to find other employment.

I think it is high time that this Congress took care of our own American people and our very important American industries before considering what is best for some foreign nation in a reciprocal trade program.

I urge every Member of this Congress to act swiftly in passing the import quota bill and opposing the OTC, in order that Americans will be afforded the opportunity to earn a livelihood for themselves and their families; an opportunity to which they are entitled here in this great land of plenty.

LITHUANIA: A VICTIM OF SOVIET COLONIALISM

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. FLOOD] is recognized.

Mr. FLOOD. Mr. Speaker, it has become the custom in Congress to pay tribute at this time of year to the people of Lithuania. Today it is my pleasure—more than a pleasure, it is indeed a great honor—to commence the tributes of this year 1956.

Soviet Russia has laid down many lines of propaganda which it pursues with the zeal of the fanatic; but none has been more consistent, and vitriolic, than the charge leveled at the Western Powers of colonialism and imperialism. Last autumn and early winter we witnessed the spectacle of the two leading men in the Soviet Union—Premier Nikolai A. Bulganin and the boss of the Soviet Communist Party, Nikita S. Khrushchev—traveling throughout the subcontinent of Asia from Afghanistan through India to Burma and back, condemning with all the venom in their souls the Western colonial system. In every conceivable way these two leaders tried to open up old wounds inflicted long ago by the Western nations. In every conceivable way they tried to widen the breach of misunderstanding between the former colonial territories and the West. In every conceivable way they tried to direct the excited sensitivities of former colonial peoples in such a way as to serve the broad global aims of Soviet policy.

Obviously Bulganin and Khrushchev hoped to create in the minds of Asians the image that the Soviet Union was their champion; that the Soviet Russians were in fact the leaders of all the forces opposed to colonialism; that they themselves stood as the perfect example of the spirit of anti-imperialism.

Mr. Speaker, nothing could be further from the truth.

Indeed, it is an insult to the intelligence of any people for the Soviet Government to make such preposterous statements. No state in the modern world—perhaps, even in all history—is more dedicated to imperialism, colonialism, and mass suppression of nationalities than the Soviet Union. And if ever the anniversary of Lithuanian independence had any meaning whatever, it is to remind the world that Lithuania stands as a monument of Soviet colonialism and Soviet imperialism.

For centuries Lithuania had been an independent nation; but it was her misfortune to be absorbed into the old Russian Empire at the close of the 18th century. When World War I ended, however, Lithuania won her independence and succeeded in establishing an independent national state. For two decades Lithuania prospered. In every way—political, economic, social, and cultural—the people of Lithuania demonstrated to the world their ability to govern themselves. But, like her sister Baltic States, Estonia and Latvia, Lithuania stood in the path of Soviet expansion westward. On the pretext of fears of the Nazi menace, the Soviet Government, without regard for past guaranties of Lithuanian sovereignty, imposed upon that nation a pact of mutual assistance which provided for the stationing of Soviet troops on Lithuanian soil. This was a clear infringement of the sovereign authority of the Lithuanian people. It violated every treaty that bound the Moscow Government to recognize Lithuanian independence and respect her territorial integrity.

The pact of mutual assistance of 1939 proved to be a step preparatory to outright conquest. For in June 1940 Soviet armed forces, having invaded Lithuania, occupied the entire country. Forthwith, opposition was ruthlessly suppressed; single-slate elections represented by Communists or pro-Communists were held; and in August 1940 the willing tools of Soviet oppression asked the Supreme Soviet of the Soviet Union to admit Lithuania as a Soviet Republic within the U. S. S. R.

World War II interrupted the Soviet conquest, but as the German war machine recoiled along the eastern front and as Soviet troops pressed forward across eastern Europe, Lithuania again fell under Soviet domination.

Since the war, the Soviet Government has continued its work of sovietizing Lithuana. In the course of a few years the entire state—its constitutional, political, economic, social, and cultural order—has been molded into the Soviet image. The great suffering that resulted from this process of sovietization, I could not underestimate; for sovietization was carried through in Lithuania with the maximum use of all the oppressive instruments of the Soviet system: forced collectivization, mass arrest and deportation, terror, slave labor, and general widespread suppression.

To the people of Lithuania we send our warmest regards on this the an-

niversary of their national independence. We have not forgotten them—let them be assured of that; nor shall we ever forget them. If ever there was a people that deserved the tributes of mankind, it is the Lithuanian people. They are martyrs for the cause of liberty; they have lost what is most cherished of all gifts—freedom and national independence—and their spirit, remaining pure and undefiled, longs for the day when both freedom and national independence will once again be theirs to have and hold.

Until that day—and pray God it is not too distant—Lithuania will remain the symbol of all that is despicable in the Soviet communism. A monument of man's inhumanity to man, Lithuania will stand as a reminder of Soviet imperialism and Soviet colonialism, the most brutal and ruthless imperialism and colonialism the world has ever known. And when Bulganin, Khrushchev, and Molotov, or any other Soviet leader spews forth his vitriolic epithets on Western colonialism, let all the free world point to Lithuania—the prime example of Soviet colonialism—and ask: "Where on God's earth have we or any other people seen the likes of such injustice, oppression, and tyranny?"

I do not expect that this would excite any remorse within the hearts and minds of the unconscionable Soviet leaders—they know no remorse, and they are men without consciences—but it would at least reveal to the people of Asia, and the rest of the world, the duplicity and mendacity of the Soviet leaders when they beat the dead horse of Western colonialism.

Mr. Speaker, Soviet colonialism must be exposed.

This is the message of Lithuania to the world in this year 1956.

Until such time when the Lithuanian people will again be free and independent, we shall never diminish our efforts, as a nation dedicated to freedom, to do whatever is within us to give heart to the disheartened, to give hope to the hopeless, and to lift up the downtrodden whose burden of oppression and tyranny weighs down the heart, the mind, and the soul. Freedom is a living thing; it is something of the spirit that cannot for long be suppressed. So long as a spark of this spirit, however small, remains flaming within the hearts of the Lithuanian people, the destiny of Lithuania will be, as indeed it must be, freedom and national independence.

Resolution 401

Resolution to express the sense of the House of Representatives with respect to the restoration of the rights of the people of Lithuania

Whereas Lithuania had been an independent kingdom and grand duchy since the 13th century; and

Whereas Lithuania alone had withstood and held the Germanic Drang nach Osten, or onslaught, and protected the plains of Russia, and at the same time held at bay, in a confederation with Poland, the Mongol and Muscovite aggression from the East; and

Whereas Lithuania had provided religious, linguistic, and cultural liberty to the Catholic, Protestant, Orthodox, Moslem, and Jewish people of varied races under its rule; and

Whereas Lithuania's Academy at Vilnius and lesser schools in the domains under the administration of Lithuania had been the seats of Western Christian culture, whose easternmost frontier followed the pre-1772 frontiers of Lithuania; and

Whereas Lithuania with its decentralized administration based on general suffrage of the nobility and urban communities helped develop the traditions of self-government and elective institutions in eastern Europe in the areas lying between the autocracies of Russia and Prussia; and

Whereas natives of Lithuania had contributed to the development of the United States—Alexander Carolus Curtius had been the first high school teacher in the Dutch colony of Nieuw Amsterdam (1659–61), Thaddeus Kosciuszko had rendered great services in the American Revolution, and masses of Lithuanian immigrants and their descendants had loyally served the United States in every generation; and

Whereas Lithuania had been dismembered in 1795 between Russia and Prussia, regained independence during a brief period in 1812, had risen in arms against the Russian oppression in 1831, and 1863–64, revolted peacefully in 1905, had suffered a total ban on all Lithuanian printing during the 40-year period 1864–1904, yet the spirit of freedom remained alive and on February 16, 1918, the independence of Lithuania was restored again; and

Whereas Lithuania was recognized by the United States as an independent Republic in 1922, and friendly relations between the two countries were steadily maintained; and

Whereas during the 22 years of independence the Republic of Lithuania had rapidly recovered from the devastation of war and foreign occupation, progressed in all fields of state, social and cultural life, retained institutions of democracy during the difficult period when tyrannies were established in neighboring Nazi Germany and Soviet Russia, and the Republic of Lithuania faithfully performed all its treaty and international obligations as a loyal member of the League of Nations; and

Whereas Lithuania was one of the first victims of the Nazi-Soviet conspiracy against peace and humanity, viz, the Ribbentrop-Molotov Pacts of August and September 1939, and Lithuania was occupied by the Red Army of the Soviet Union following an ultimatum at the moment when France was falling under the Nazi onslaught, and the Soviet Union annexed Lithuania in 1940; and

Whereas the Government of the United States solemnly condemned the Soviet aggression against Lithuania, Latvia, and Estonia in a statement dated July 23, 1940, and refused to recognize the annexation of Lithuania by the Soviet Union, and the Legation and Consulates of Lithuania function freely in this country, while in Lithuania itself passive resistance to the alien rule and ideology remains strong: Therefore be it

Resolved, That it is the sense of the House of Representatives that the United States should never agree to a perpetuation of the injustice and should morally aid the people of Lithuania in restoring their freedom, human rights, and political independence.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Indiana.

Mr. MADDEN. Mr. Speaker, I wish to commend the gentleman from Pennsylvania [Mr. FLOOD] for reserving this time today in order to call the attention of the Members of the House and also the attention of the world to the plight and the tyrannical conditions under which Lithuania, that freedom-loving nation, has battled through the centuries for self-government and independence and to the fight she is waging today. Her efforts have met with successes and failures through these long generations. I know of no Member of this House who is more highly qualified to speak on the subject of Soviet colonialism than the gentleman from Pennsylvania [Mr. FLOOD]. I was chairman of a special Congressional committee investigating the Soviet massacre of over 14,000 Polish leaders in the Katyn Forest. The gentleman from Pennsylvania [Mr. FLOOD], was a member of this special committee, and he devoted a great deal of time and work toward the success of that investigation. We held hearings not only in this country but also in Europe, and over 250 witnesses testified before our committee. These witnesses not only confined themselves to Soviet colonialism and the brutality and the tortures inflicted by the Soviets in regard to Poland but also in regard to Lithuania and all other captive nations. The gentleman from Pennsylvania also has had a great deal of experience through the years as a member of a special subcommittee of the Committee on Appropriations pertaining to State Department matters which necessitated him going to Europe on a great number of occasions, and he received firsthand information on Soviet colonialism and Soviet infiltration and tactics over the years. I know of no greater service that a Member of the Congress can render to the millions of people throughout the world who are not familiar with Soviet colonial tactics than to reveal, as the gentleman is revealing here today, how tyranny was inflicted upon Lithuania and the other captive countries.

Mr. Speaker, on last Wednesday, February 8, I addressed the House on the commemoration of the 38th anniversary of Lithuanian independence. I shall not again repeat the remarks I made at that time regarding Lithuanian independence and the great fight this liberty-loving country has made for centuries. Next Sunday I will be in New York to speak before a mass meeting of Lithuanians and friends of Lithuania sponsored by the Lithuanian American Council of Greater New York.

Last Sunday, February 12, the American Lithuanian Council of Lake and La-Porte Counties had a large meeting at St. Francis Church Hall in East Chicago, Ind., commemorating the anniversary of Lithuanian independence. I ask unanimous consent to incorporate with my remarks the resolution which was unanimously adopted on that occasion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

(The matter referred to is as follows:)

Whereas the people of Lithuania, one of the first victims of the Stalin-Hitler conspiracy, have been forcibly deprived of the exercise of their sovereignty and of the basic rights of individual, religious, political, social, cultural, and economic liberty, and are subjected to inhuman policy of oppression, terror, murder, and mass deportations to Siberia and other parts of vast Soviet territory; and

Whereas because of their manifest and unmistakable attitude toward international

communism, the people in Lithuania, backed by their kinsmen in the free world, represent a reliable outpost in the present defense line of the free nations against Communist aggression; and

Whereas when the evil forces of enslavement are directed by the single hand of the Kremlin masters of hundreds of millions of human beings, no nations, great or small, can regain freedom unaided by others; and

Whereas the eyes of the unfortunate are set on the United States of America, which always has been looked upon as the strongest champion of the oppressed: Therefore be it

Resolved, That this meeting appeal to the President, the Government of the United States, and both Houses of Congress not to change the President's statement, to keep alive the spirit, liberation of enslaved nations as part of the foreign policy; be it further

Resolved, That this meeting expresses its gratitude to the Government of the United States for its ever-growing initiative in supporting the cause of free Lithuania and for its favorable attitude toward the suffering Lithuanian nation; and be it finally

Resolved, That we, Lithuanian Americans of the Calumet area of Indiana, reaffirm our adherence to the American democracy and pledge our wholehearted support of the Government in its efforts to stop Communist aggression and to secure an international peace founded on principles of freedom and justice for all the people on the earth.

ALBERT G. VINICK,
Chairman, East Chicago, Ind.
Rev. PETER CELESIUS,
Secretary.

Mr. FLOOD. Mr. Speaker, I now propose to introduce a resolution, which I should like to have inserted in the RECORD following my original remarks a few minutes ago on this subject, to be printed at that point in the RECORD.

The resolution outlines by paragraph the political history of Lithuania and concludes to this effect:

Whereas the Government of the United States solemnly condemned the Soviet aggression against Lithuania, Latvia, and Estonia in a statement dated July 23, 1940, and refused to recognize the annexation of Lithuania by the Soviet Union, and the legation and consulates of Lithuania function freely in this country while in Lithuania itself passive resistance to the alien rule and ideology remain strong: Therefore, be it

Resolved, That it is the sense of the House of Representatives that the United States should never agree to a perpetuation of the injustice and should morally aid the people of Lithuania in restoring their freedom, human rights, and political independence.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Mr. Speaker, I yield to the gentleman from Connecticut.

Mr. SADLAK. Mr. Speaker, I desire to join with my colleague, the gentleman from Pennsylvania [Mr. FLOOD], and those who have participated in these commemorative exercises this afternoon. I was of the impression that the gentleman would take more of his time and that he would, as he had in past years, yield to Members on this and on the other side in order that there might be made of record the opinions of many other Members of this body.

I believe, Mr. Speaker, the distinguished gentleman who now has the floor has covered very much the remarks which I had intended to make this afternoon. There will be some variation, but in substance they will be pretty much in line with what he has said. In view of that, I join with him and our other colleagues today and ask unanimous consent that I may extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, these periodic remarks and speeches lamenting the fate of the poor Iron Curtain countries might often seem pointless toward achieving any tangible results; some people might even consider it a waste of time. But to me, they are reminders which serve as a constant warning to Soviet imperialism that the nationalistic spirit of these subjugated peoples merely lies smothered, not dead. And should the right spark be struck, the impassioned feelings of these victims of imperialism will ignite and rise up like a sheet of flame in angry defiance, seeking vengeance for the terrible persecution and cruelty suffered under their Communist masters.

Mr. Speaker, on January 24 of this year, I inserted in the daily RECORD a letter pointing up the plight of the Lithuanian people and their neighbors suffering under Soviet domination. The letter is as appropriate now as it was then.

The Lithuanian nation is a typical example of Communist tyranny and brutality. Since 1941, the population of this small country has been reduced almost 50 percent, from 3 million to some 1,500,000 people. Literally hundreds of thousands of innocent men, women, and children have been deported into Soviet Union slave labor camps.

These infamous atrocities have persisted since 1940 when Soviet forces occupied Lithuania in flagrant violation of existing nonaggression pacts between the Baltic States and Russia. Prior to 1940, Lithuania enjoyed the rights and privileges of a free nation dating back to their Independence Day, February 16, 1918, exactly 38 years ago today.

It gave me much pleasure last Sunday, February 12, to participate with some 450 people at the Lithuanian American Citizens Club at Hartford, Conn., in exercises commemorating the 38th anniversary. In addition to short speeches, a program of singing and dancing in Lithuanian costumes was presented. But it was really my celebration too, for the country of my ancestors has suffered, and continues to suffer, the identical fate of Lithuania. Like the Lithuanians, the Poles are also under the yoke of the Soviet Communists, and are waging a continuous struggle to become free again.

Reading into the history of these two small countries, I was pleased to find a genuine kinship from the time the Polish Queen Jadwiga married the Lithuanian King Jagello back in the year 1386. This kinship was proudly exemplified by the Lithuanian Government in 1939 when it persistently refused to join Germany in the invasion of Poland, despite German promises and threats.

It is needless to take up the time and repeat the treachery, mass murders, prison incarcerations, and tortures the Soviet forces have inflicted upon the brave and liberty loving people of Lithuania. All of us here are or should be aware of what Communist tyranny can inflict on innocent human beings. But nevertheless, we must create this awareness in others in order to maintain the fight against Communist aggression, until that day comes when freedom will be restored to Lithuania and other captive nations.

Looking at Lithuania's short breath of freedom between 1918 and 1940, let us examine the progress and prosperity of independent Lithuania at that time. Here are a few statistics: The number of primary schools was increased from 677 to 2,696. There were over 100 secondary schools constructed, and 4,000 advanced students enrolled at the university at Kaunas. Every city of more than 5,000 population supported opera seasons with the world's great operas, many of them translated into Lithuanian, presented under conditions making it possible for all who desired to attend. There were special schools for music, art, and ballet. Industry and business advanced to peaks unparalleled in any other country of 3 million. Almost everyone owned his own home or farm. This is the record made by the people of Lithuania when they and their Government were free. Among her Baltic neighbors, Latvia and Estonia, Lithuania had the most cordial relations, which culminated eventually in the conclusion of the Baltic Entente.

Politically, the Lithuanian people proved their ability to govern themselves and determine their own destiny. Economically the Lithuanians prospered, expanding their economy to suit the needs of the nation. In every respect therefore, the Lithuanian nation advanced rapidly in establishing a vigorous and prosperous state.

These facts clearly refute any Moscow argument justifying incorporation of Lithuania on the grounds that Lithuania was formerly Russian territory, and that the Soviets had a right to claim their lost heritage. But we know that such Russian arguments are merely pretenses for their ultimate goal, namely, the enslavement and sovietization of the whole world.

Despite all, Lithuanians have never ceased resisting their Communist oppressors, and the United States has never recognized this cruel Russian annexation of a small country. They have despoiled property owners, have persecuted religious worshipers, and have subjected Lithuanians to incessant propaganda and political indoctrination. Thus far, terror and brainwashing have failed and the Lithuanian people continue to reject Russian tyranny.

An example of this resistance can be found in the very classrooms where the Communist line is preached. Here, Lithuanian students refuse to obey Russian prohibition of patriotic Lithuanian songs, and hanging of flags, but on each anniversary of Lithuanian independence, many youths are arrested for conducting private meetings, community sings, and hearing private church services and masses.

While these atrocities persist, here in our own country there are many Ameri-

cans of Lithuanian descent, and friends of Lithuania, like ourselves here in the House of Representatives and in the other body, who work constantly to let the captive peoples know that they are not forgotten, and that we in America are not reconciled to their fate. Our own President and we in Congress have decried, in ringing words, the cruel despotism of the Soviet rule and have brought a renewal of hope to the Lithuanian captive people and their families abroad. Our activity today will stimulate men of good will everywhere to oppose Soviet tyranny.

My words today, Mr. Speaker, are dedicated first to the enslaved Lithuanians whose courageous struggle for freedom should not be in vain; next to Americans of Lithuanian extraction whose tireless efforts toward achieving this freedom I greatly admire. But with a venomous warning and vindictive fury, I direct the impact of my words to the Soviet regime whose exploitation and terrorization of these small countries will some day end, inflicting terrible retribution on the Russian leaders, for the horrible crimes of the Communist government.

Mr. FLOOD. Mr. Speaker, I might say that the gentleman who has just spoken spoke to me earlier in the day and advised me he would be here and make these remarks and suggested he would like some time on this occasion.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks on this subject, at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There is no objection.

Mr. FOGARTY. Today, the 16th of February 1956, marks the 38th anniversary of the declaration of independence of the Republic of Lithuania. For the past several years it has been my practice to speak here in the House of Representatives on this historic occasion and to join with my colleagues to pay tribute to the courageous founders of that republic.

Any attempt to recite in detail the many highlights of Lithuania's great history would certainly be beyond my ability. That story has been told and retold. The valiant deeds of Lithuanian men and women of the past have been repeated over and over again—particularly those deeds of fathers and mothers who have kept alive the fire of freedom which was Lithuania's first love. So also the deeds of children who refused to let Lithuania die in spite of the most concerted efforts in history to destroy all trace of a nation and a people.

Lithuania is an old nation—with a glorious history dating back to the second century. Its liberation and independence was proclaimed on February 16, 1918, after centuries of subjugation by the Russian regime. Unfortunately, as has been so well developed here today, that independence was short lived. As a result of World War II, attended by three military occupations, the Lithuanian Republic was destroyed and its people once again enslaved. That enslavement, Mr. Speaker, was of her physical and corporal entity alone—her soul remained free. We are as sure as that night follows day that the spirit of freedom is still alive in Lithuania. Freedom deeply cherished and willingly paid for with the blood of patriots will not be denied—it cannot be denied. We are convinced that one way—God will it to be soon—its fires shall again burst forth and this valiant nation once more take its rightful place among the free nations of the world.

We, in America, cannot help but feel the great sadness bearing on our brothers of Lithuanian descent. That great country which has suffered so much in the cause of liberty and justice again tastes the bitter tears shed as her sons are made slaves of the Soviet monster.

The contribution of the Lithuanians in America and their descendants gives us some idea of the national vitality of that country. It is an indication that confidence and faith in Lithuania's future is well-placed. The distinctive culture, the deep-rooted traditions, and the rich folklore of the Lithuanian people have greatly enriched our own country. Their contribution has been magnificent and I am proud that so many of them are citizens of my State of Rhode Island.

To the many persons of Lithuanian descent and origin I extend my congratulations on this—the 38th anniversary of the declaration of independence of Lithuania. On this day, of so much significance to all Lithuanians, I join my hopes with theirs that their mother country may soon be delivered from its present domination and become again a free and independent nation.

Mr. RADWAN. Mr. Speaker, 38 years ago, on February 16, 1918, Lithuania officially proclaimed its independence. For 22 years the Lithuanian people enjoyed the advantages of a free society and were granted the rights of freedom of speech, assembly, and religion as promulgated in their constitution. Unfortunately, today Lithuania will be celebrating that historic day secretly, but Lithuanians throughout the free world and Americans of Lithuanian descent will openly proclaim this anniversary of independence in their behalf.

The unscrupulous Soviets on August 3, 1940, with the aid of a fraudulent mutual security pact incorporated the Lithuanian nation into the Soviet Union and obliterated the hard-earned freedom of this small Baltic nation. The United States was quick in denouncing the aggression against and the seizure of the Lithuanian Republic, and to this day still maintains diplomatic recognition of Lithuania and continues to deal with their diplomatic and consular representatives. The pattern of aggression against Lithuania was typical of the techniques used by the Soviets in other satellite countries. A policy of Sovietization completely engulfed the cultural, political, and economic life of Lithuania. Terror, which is a basic instrument of Soviet policy, has been an ever-present factor in the enslavement of the Lithuanian people. Eyewitness testimony received before the Select Committee on Communist Aggression of the House of Representatives relates the physical torture, brainwashing, mass oppression, and deportation techniques the Soviets have used in trying to keep the Lithuanians under subjugation.

Fortunately, resistance to oppression still remains in this persecuted country and this will continue as long as there is hope for eventual liberation. Therefore, it is essential on the occasion of the anniversary of Lithuanian independence that freedom-loving people the world over bolster this desire for emancipation by voicing their concern for the enslaved nation and by expressing their belief that a nation which has fought so valiantly for freedom will not struggle in vain and will once more enjoy the benefits of freedom.

Mr. WIDNALL. Mr. Speaker, today marks the 38th anniversary of the Declaration of Independence of the people of Lithuania. I would like to take this all too brief time to voice my earnest tribute to the Lithuanian people. Exiled from their homeland by the ruthless pillage of Soviet expansion, thousands today display the same spirit of independence that has always been inherent in their character.

Lithuania was annexed as a vassal state by the Czars in the great partition of 1795. On February 16, 1918, Lithuanians gathered in conclave at their ancient capital of Vilnius and declared their independence, particularly of Russia.

The independence of this proudly able people was once more set aside in 1940 when the Soviet Union unjustly seized Lithuania against the will of the people. This was in direct violation of a nonaggression pact they had signed with the Lithuanian Government the previous year.

On June 15 and 16, 1940, the Soviet soldiers callously grouped about 60,000 possible leaders of Lithuania into boxcars and shipped them like cattle into exile in Siberia, a system highly regarded both by the Nazis and the Soviets.

This, despite the great progress made in that 20-year period from 1919 to 1939 by Lithuania as an independent nation. Great strides were made in that brief time in agriculture, industry, education, and the reassertion of a national culture by the Republic of Lithuania.

Since the Soviets took over the small Republic of about 9,000,000 in 1940, nearly 3,000,000 of these hardy people have been either murdered or sent into exile for trying to reestablish their independence. Most churches have been closed; homes destroyed. Other ethnic groups have been brought in to take the places of those removed for political expediency.

This shameful record stands today as a reminder to the world that no nation is safe from wholesale destruction by the Soviets.

It would be well for us to recall at this time that once we, too, were a small nation; that once we, too, needed the help and encouragement of stronger nations to sustain us in our years of travail until we had gained our independence.

No more fitting time could we select than this nation's Day of Independence, February 16, to urge that the United States delegation to the United Nations protest this unjust treament of a sovereign people and protest this unwarranted occupation of the Republic of Lithuania.

Mr. KLEIN. Mr. Speaker, the anniversary of the independence of Lithuania gives all of us who are concerned with universal freedom, an occasion to express our sympathy and fellow feeling for those who have been deprived of their inherent rights.

It is sad, indeed, that in Lithuania itself, this anniversary occasion is driven underground; and that the people of that land cannot express openly their deep emotions upon this day.

We have the good fortune to live in a land in which we can speak out fully and forthrightly. Perhaps, in some way, our expression of identity with the cause of liberty-loving people everywhere, will reach out across all barriers and hearten those who are battle weary. We, in America, wish those fighters for freedom well, and assure them of our unflagging interest in their welfare.

Mr. AUCHINCLOSS. Mr. Speaker, I am glad to join with my colleagues in the commemoration of the 38th anniversary of Lithuanian independence and I consider it a privilege to do honor to this country whose birth was at the beginning of the 11th century. During all these years since its founding, Lithuanian independence has been threatened from time to time and indeed was destroyed, but this brave country maintained its spirit and belief in the dignity of human liberty and again proclaimed its independence in 1918. Invaded by the Bolshevik Army, it repelled its invaders and finally restored its sovereignty and independence.

Lithuania prospered as an independent nation until the beginning of the German aggression in 1939 when its security was once more threatened. In 1940 the ruthless Soviet Union took over the control of the country and these freedom-loving people are to this day prisoners of the Soviets. Ever since this time Lithuanians the world over have kept the lamp of freedom burning in their hearts and have adhered to their belief that human beings were born to be free and not subject to the domination of a tyrannical state.

It is well that Members of Congress express their sympathy to these brave people with the hope that they will be encouraged to hold high the principles which they believe in and aid them by our prayers to look forward to the day when their sovereignty may once more be restored.

Mr. McDONOUGH. Mr. Speaker, today is the 38th anniversary of the independence of Lithuania, an independence that was won after more than 100 years of subjugation by the Russian Empire. In 1918 following World War I, the people of Lithuania achieved their goal of independence from Russia, and Lithuania became a republic ready to take its place among the democratic nations of the world during that same year.

A people less consecrated to the principle of individual liberty and less devoted to their national tradition might have lost their national identity during the long term of their enslavement, but the flame of hope burned bright in the hearts of the people of Lithuania, and their hope was justified with the establishment of Lithuania as an independent nation.

Unfortunately after a brief 22 years of independence from 1918 to 1940, Lithuania again was seized by Soviet Russia. This was a tragic blow to the cause of freedom in the world, and the liberation of Lithuania is a matter of deep concern not only to the people of Lithuania and those of Lithuanian ancestry, but to all freedom loving people everywhere.

During its brief history as an independent nation, Lithuania advanced the standards of commerce, agriculture and industry, and improved the economic status and the physical welfare of Lithuanian citizens in accordance with the principles of democracy. And today the people of Lithuania who cannot openly commemorate the anniversary of their nation's independence, pray in secret for their liberation from the Red tyrant.

All Americans join with the Lithuanian people and those of Lithuanian ancestry on this 38th anniversary of the Republic of Lithuania in prayer that the hope and faith of this gallant nation shall be justified, and that Lithuania shall be delivered from its captivity and once again take its rightful position among the free democracies of the world.

Mr. HOLTZMAN. Mr. Speaker, once again we mark the anniversary of the declaration of independence by Lithuania.

Thirty-eight years ago that country established itself as an independent country, free of Russian rule for the first time in 123 years. Unfortunately, the Republic of Lithuania fell under the heel of Soviet aggression in 1940. Then during World War II she suffered under the Nazi occupation, and once again was seized by the U. S. S. R. Since that time her people have been persecuted and enslaved by the Communists.

We here in America, particularly those of Lithuanian descent, are determined that Lithuania shall one day regain her freedom. We must continue to work for the liberation of her people, and must do our part now in penetrating the Iron Curtain to bring encouragement and hope to those who look to us for assistance and inspiration.

The United States has refused to acknowledge the annexation of Lithuania, and the other Baltic countries, by the Soviet Union. And, although Lithuania has become a tragic victim of tyranny, and has ceased to be an independent republic, we look to the future when she will once again be in a position to throw off the yoke of oppression, and reestablish herself as a free nation.

On this public occasion we want to reassure the people of Lithuania that we shall strengthen our efforts to see that the cause of liberty will triumph, and we shall strive relentlessly for the liberation of that country.

We pray that with the help of God this day will not be far distant.

Mr. CANFIELD. Mr. Speaker, the 38th anniversary of Lithuanian independence is being observed today by Lithuanians everywhere, on both sides of the Iron Curtain.

Although the observance in some places may have no outward signs, and be limited to a prayer fervently breathed from the heart, it is a day to bring hope and courage to those still struggling under the yoke of tyranny and new determination to those of her children who now breathe the air of freedom.

Let it not be said that Lithuania has lost its independence. This is not true. Its independence has been temporarily set aside; held in trust in the hearts of its people until that day when the iron hand shall be loosened from its throat and its brave people once more lift up their heads as free men.

Freedom for Lithuania means more than freedom for just one nation, one people. It is essential that all nations be free if civilization is to continue its forward march.

We who have been blessed with liberty cannot afford to turn our backs on such nations as Lithuania, and all nations stifled by the iron grasp of communism. One nation enslaved is a threat to the freedom of all. As no man can be an island entire unto himself, so no nation can stand apart and enjoy freedom while others are crushed by tyranny, for every bit of freedom that is lost anywhere in the world makes every man that much less free. In the words of John Donne, ask not "for whom the bell tolls. It tolls for thee," wherever freedom is destroyed.

Mr. PHILBIN. Mr. Speaker, I am greatly honored to join my valued colleagues and the gallant Lithuanian people and my friends of Lithuanian descent in my district and in this country in commemorating and hailing the 38th anniversary of Lithuanian independence.

To strike a personal chord, I may state that I have the highest regard and admiration for the many Lithuanian people in my district and State—in fact, throughout the Nation—that I have intimately known or have had the privilege to observe. These persons of Lithuanian descent and their progeny are not only a great credit to the glorious native land from which they sprung, but they brilliantly adorn our American life and its best traditions of citizenship.

Like the people of Lithuania itself, they are devout in their religious beliefs and loyal to the principles of freedom. They are dedicated to the American Constitution and to the American way of life. They are in the foremost ranks of splendid, patriotic American citizens, and could not possibly be excelled in their devotion and loyalty to the country and the high standards of their allegiance. Many of them occupy distinguished positions and lofty stations in the religious, political, civic, business, and community life of the Nation, and they have greatly contributed to the development of our spiritual ideals and national well-being.

If I may touch briefly on the broader aspects of this great day, I should like to emphasize some of the problems arising from the present unhappy plight of the Lithuanian nation. Though it is a nation consecrated to God, freedom, and democracy, though its history is replete with bitter sacrifice for liberty, Lithuania is and has been in recent years held fast in a cruel bondage of tyranny and

oppression. The Iron Curtain shuts it off from the rest of the world; its hospitable, gay, and dedicated people are enslaved by Soviet edict and denied intercourse and communication with other peoples and other nations. Lithuania is the victim of shameful diplomatic betrayal and ruthless domineering dictators, and as yet the nations of the free world have not found the pathway through international action to secure the liberation from the shackles which bind the people of this great nation to selfish, aggrandizing, exploiting masters who press the thorns of subjugation upon the brow of a proud people. In this respect their plight is no different than that of many other people, like the noble Poles, the Estonians, the Latvians, the Ukrainians, the Bulgarians, the Rumanians, the Albanians, and others east and west who have fallen prey to the insatiable appetite of Red imperialism and the suave, unconscionable, political compromises of free-world leaders willing to barter the liberties of hundreds of millions of people on the merciless auction block of diplomatic intrigue for what has turned out to be less than the proverbial mess of pottage.

How about the Atlantic Charter? Are its contents to be meaningless, are its exalted phrases to be mere empty symbols of a faith that has not been kept? How about the pious declarations of countless diplomatic meetings, the ceaseless prattling about human rights, the hypocritical pretenses of unswerving devotion to free peoples, the promises and pledges of early liberation? Are these to be shunted aside and forgotten? Or will real Americans remember and honor the promises and pledges that were solemnly made to the peoples of the world when they were called upon to spill their blood in a great war to preserve free institutions? What is this Government doing to keep or redeem these pledges that have been so casually and so cynically broken?

These are some of the questions that the American people want answered. Diplomats of the free world still chatter unceasingly about peace and still profess their intention to achieve it. Our leaders denounce the Soviet because their words of peace are not translated into "action." Are we not guilty of the same offense ourselves when we fail to keep the promises we solemnly made to induce free peoples of the world to join us and make great sacrifices with us in order to defeat the forces of tyranny and save the world from communism as well as fascism?

What is the formula for peace? Can it be found in further compromise and appeasement? I think not. Can it be found in Fabianism—in delaying vital decisions, in plain stalling and dangerous procrastination, in putting off the settlement of the great issues of peace and war with sweet, noble words until our potential adversaries attain the military and economic strength to wage a ruthless war against us? I have protested that course since the end of World War II.

Where does the United Nations fit into this picture? What has the United Nations done to prevent further aggression in the world, to outlaw infiltration and subversion of free nations, to promote the cause of liberation of subject peoples? How effective has the United Nations been in promoting its own aims of securing permanent world peace? Is our situation better or worse than it was in 1945 when Japan surrendered? Is the Orient closer to freedom or to communism as a result of the bloody Korean war, the only war this Nation did not win? Is Europe freer from Communist influences and more determined to protect itself against them? Are conditions in the Near East and Africa more stabilized than they were then? Is there less or more communism in the world? Are more people under its heavy pall?

Then the question becomes, what have we achieved at all toward securing the peace? What has the United Nations done to this end with its billions of foreign aid? What has the combined free world been able to do by so-called international cooperation? What has our own Nation done to make our own position strong in the world and to strengthen ourselves against possible Soviet aggression, against the infiltration, propaganda, and subversion that continually besets us, against the espionage that continually steals our most precious military and economic secrets? Against the subversion that beats down incessantly upon our bewildered people? These are questions the American people would like to have answered and soon.

There is no better time than now to seek the answers and to demand action in behalf of the unfortunate, oppressed peoples of Lithuania, Poland, and all the other nations in a similar situation than on this great independence day of Lithuania. Is this the end of the ideals of independence, liberty, and democracy of which our own Nation boasts?

We are reminded by some slick and spineless free-world diplomats, not to speak of a section of the effete, sycophantic, and fainthearted in our own midst that any firm, resolute position by this country would result in world war III and the atomic destruction of our civilization. That may or may not be so. Certainly modern weapons pose the prospect of widespread, dreadful destruction this world has never known. But be that as it may, this Nation must live with current realities, this great free Nation must remain free. Far better perhaps that it should be completely destroyed, devastated and laid to waste, reduced to the nameless dust than that it should be surrendered to the Godless, merciless forces of Soviet tyranny—its people enslaved and shackled in the same bondage that so many other helpless small nations now suffer at the hands of a would-be great Communist world state led by the Marxists of the Soviet.

It is time for us to make up our minds, whatever the results and whatever the dire probabilities, that these problems of life and death for freedom confronting us will never be solved by weakness, faintheartedness, and procrastination. They will be solved, if at all, in the way which America has always solved its problems, by adherence to principles of freedom and justice, by staunch, unswerving loyalty to our spiritual and political ideals. When have Americans faltered and refused to take risks when freedom was at stake? If our ideals are surrendered or compromised not only freedom in America but freedom everywhere will be lost and every nation in the world will be hammered into the iron casting of the Communist superstate.

Let us remember these facts today as we hail Lithuania and all the fine things she and her gallant people have stood for through the years. Let us resolve to reiterate our feelings of friendship, our profound sympathy, our renewed pledges of faith in free institutions, our intention to help her and other nations in their heartfelt and righteous aspirations for release from tyranny and restoration to the blessings of freedom, our own unbending determination to defend the heritage of freedom. It is in this way and only in this way that we can maintain our prestige in the world, secure the safety of our own Nation and move toward lasting peace.

Mrs. KELLY of New York. Mr. Speaker, the expression of concern, heartfelt sympathy, and hope which the American people wish to extend to the peoples of subjugated Lithuania on the occasion of this 38th anniversary of their independence—and I refer to subjugated Lithuania and not to the subjugated people of Lithuania for the spirit of such courageous and splendid people will never be subjugated—is of a depth which can only be felt by a people who themselves enjoy, understand, and treasure the precious good fortune of living in a true democracy.

The American people are deeply concerned about the Lithuanian people. Wherever there is human suffering and misery in the world, Americans are concerned. Moreover, the American people are concerned as long as there is any area on the face of the earth where freedom in all its manifestations does not exist. And finally, the American people are concerned because as long as such countries as Lithuania are absent from their rightful place in the community of independent nations, there cannot be true peace in the world.

The concern and sympathy the American people feel for victimized Lithuania is all the more profound because of the realization that its noble people possess a long and great tradition of independence. The Lithuanian's struggle is not for a yet untried ideal of liberty and freedom. They have actually experienced the immeasurable joy of its reality, and they must, therefore, find more painful and intolerable than ever the form of government and the way of life which have been foisted upon them by the oppression and barbarism of Communist enslavement.

But in the glory of Lithuania's past rests the glory of Lithuania's future. Lithuania became a united country in the 13th century, and remained independent until the end of the 18th century when she was brought under complete Russian domination. Despite 120 years of this domination, the Lithuanians

never forgot their own grand heritage. During that bleak period, at least five major but unsuccessful revolts were attempted. However, in 1918 the time was ripe, and on February 16, the Lithuanians declared their independence.

In the remarkably short period between the time of that impressive declaration and 1940 when they once again fell prey to the overwhelming force of Russian aggression, the people of Lithuania proved their exceptional talent for independence by moulding a happy, prosperous, progressive, and peace-loving democracy.

The American people are confident that the determined and courageous Lithuanians, having once known the overwhelming satisfaction of freedom, having once known the satisfaction of living under a democratically constituted government, and having once known the indescribable gratification of freedom of worship, will never give up until a like situation again prevails throughout their land.

The people of Lithuania are not forgotten. The United States has consistently refused to recognize the seizure of Lithuania by the Soviet Union. Through the tireless efforts of such United States agencies as its information agency, and such private organizations as the Lithuanian-American Council, the world is constantly alerted to the fallacies of Soviet motive and propaganda. We only hope that the time is not too far distant when the need for such alerts will no longer exist, and the independence of Lithuania may once again be celebrated within the confines of her rightful boundaries.

Mr. ADDONIZIO. Mr. Speaker, today the people of Lithuania commemorate the 38th anniversary of their independence. On this solemn occasion, I would like to join with my fellow Americans of Lithuanian extraction in paying tribute to the brave people of Lithuania. We in America have not forgotten the Lithuanian people in their hour of need, and we fervently hope and pray that they will, in the not too distant future, acquire once again their cherished dream of freedom with the right to reestablish their democratic form of government based upon Christian ideals. It is most appropriate on this occasion also to remind the gallant people of Lithuania that we are very conscious of their present plight under the atheistic and communistic rule of the Soviet Union. We take this opportunity to reaffirm the principle of self-determination, with its affirmation that regardless of the size of a country, large or small, it has the right to choose its own form of government. We hope that conditions will present themselves whereby Lithuania shall again achieve her rightful place among the family of free nations.

As early as the 16th century, the people of Lithuania were faced with the problem of defending their homeland from the increasing power of Russia. These brave people, full of courage and fortitude, demonstrated their love for liberty and freedom by initiating 5 major revolts in the 120-year period that Russia dominated their country. The revolt of 1831 brought severe consequences to the Lithuanians. Czar Nicolas I ordered sweeping and repressive measures in retaliation that hit all forms of Lithuanian culture. One of their most energetic efforts in organized revolt was the insurrection of 1863–64, in which the struggling continued for 18 months. Here again they did not taste victory and their efforts were severely punished. Some of the heroic Lithuanians were executed, some were forced to flee the country, while others were exiled to Siberia. Despite this human suffering the sturdy people of Lithuania have not been deterred in their effort toward freedom and independence.

When the Great World War came Lithuania was still pursuing her drive for national sovereignty. The forces of the Kaiser's Germany overran the country in 1915 and occupied their territory until the end of the war. During the German stay, an organization representing the various political parties was established to advance the cause of independence. This organization appointed an executive committee of five to negotiate with the leaders of the German military occupation forces in an attempt to obtain Lithuanian independence.

The aspirations of the Lithuanians were not met with any great enthusiasm since the German militarists intended Lithuania to be a province. The Germans countered by attempting to form a Lithuanian advisory council consisting of prominent Lithuanians. However, this countering plan failed, and the German Government finally authorized the convocation of a Lithuanian national conference which first assembled on September 18, 1917. This conference is remembered uppermost for its work in drafting a declaration "calling for Lithuania's elevation to the status of a sovereign nation." The conference also elected a national council which, in a short time, became recognized as the real spokesman for the Lithuanian nation.

In 1918, Lithuania, still threatened with foreign pressures, was determined to rid her lands of invaders, and on February 16, 1918, the national council took a bold step in adopting a declaration reaffirming their desires and wishes for "the reestablishment of an independent Lithuania on a democratic basis, with Vilna as capital and the severance of all political ties which have linked it with other nations." This declaration became Lithuania's official pronouncement calling for national independence. Although the people of Lithuania were slowly reaching their goal for freedom, they still had agonizing ordeals to pass through. The last battle with the Red forces was fought in late 1919 and a peace treaty was signed in Moscow which recognized "the sovereignty and independence of the State of Lithuania with all juridical consequences resulting from such recognition." Following this action, Lithuania was soon recognized by the other powers and she began her happy, though short, future as a free democratic republic. She was admitted to the League of Nations on September 22, 1921.

The next 20 years saw a period of progress and of achievement in Lithuania. Following the Great World War, Lithuania made up for the lost time brought about by the foreign invaders. The government took the initiative in bringing about land reform and social legislation. Improvements in transportation and education were pursued with diligence. The advancements made by the new republic would certainly serve as proof that Lithuania was capable of governing its own affairs, and that national sovereignty had been long overdue.

The period of freedom with all of its precious liberties came to an abrupt ending for the courageous Lithuanians. After achieving an admirable record in reestablishing their free nation on a firm footing, they were again threatened by Communist Russia. After laborious efforts coupled with suffering beyond human endurance, Lithuania's liberties were about to be temporarily ended. The Soviet Union, performing in the usual manner, completely ignored her treaty obligations which she signed with the state of Lithuania. In 1939, the Soviet Union violated Lithuanian sovereignty by signing a secret agreement with Nazi Germany turning over to the Nazis certain territory belonging to Lithuania. Despite these ordeals, Lithuania opened her doors and offered assistance to the Polish refugees who came pouring across her borders after the fall of Poland.

The forced mutual-assistance pact sealed the fate of the Lithuanians under Soviet domination. This pact provided that military bases for Soviet troops were to be established in Lithuania. From that time to the present, the brave people of Lithuania have been subjected to the communistic rule of the Soviet Union.

The history of the communistic domination of the small country has not been a pleasant one. Applying their usual tactics, the Reds moved with a deliberate plan to overthrow the Lithuanian democratic government and establish a government favorable to the Soviet Union. Once the Government was in the hands of the Communists, the Soviets initiated their system of government by regimentation. Martyrdom and persecution suffered by the Lithuanians were legion. The church, recognized by the Communists as a source of inspiration to the Lithuanians, became one of the main targets listed for destruction. Some of the leading personnel connected with religious organizations were executed, and property belonging to their institutions was confiscated. The final blow came when the Communists forced the incorporation of Lithuania into the Soviet Union. With this blow came the collectivization of farms and state ownership of the factors of production.

The position of the United States Government has remained unchanged in the matter of nonrecognition since Acting Secretary of State Sumner Welles stated on July 23, 1940:

> During these past few days the devious processes whereunder the political independence and territorial integrity of the three small Baltic republics—Estonia, Latvia, and Lithuania—were to be deliberately annihilated by one of their more powerful neigh-

bors, have been rapidly drawing to their conclusion. * * *

The policy of this Government is universally known. The people of the United States are opposed to predatory activities no matter whether they are carried on by use of force or by threat of force. They are likewise opposed to any form of intervention, on the part of one state, however powerful, in the domestic concerns of any other sovereign state, however weak.

Secretary of State John Foster Dulles in reaffirming the position of this Government, stated on November 30, 1953:

The United States, for its part, maintains the diplomatic recognition which it extended in 1922 to the three Baltic nations. We continue to deal with their diplomatic and consular representatives who served the last independent governments of these states.

Acting Secretary of State Walter B. Smith stated on February 15, 1954:

The United States continues to recognize the independence of Lithuania because we know that the present situation in the Baltic States was brought about by direct Soviet aggression and has never been confirmed by the free expression of the will of the peoples concerned.

This year the sturdy people of Lithuania approach their 16th year under the atheistic rule of the Communists. These outstanding people, fortified by a firm belief in Christian principles have not despaired in their cause for freedom. They stand firm and continue in their endeavors to regain their rightful place in the international community. They have faith and hope and they know that on some future February 16, they will once again celebrate their independence as a free nation.

Their devotion for their homeland and freedom can be seen in the various organized groups united to end Communist rule. Evidence of their work can be seen in the recent directive issued in Moscow which ordered the ouster of the Communist Premier in Lithuania. This was brought about, no doubt, by the fact that the Lithuanians were continuing their forceful resistance to Red rule and Moscow was dissatisfied with the Russification program in Lithuania. Further evidence of their bravery and courageous deeds can be interpreted from a radio broadcast of January 20, 1956, addressed to Lithuanians who continue to work against the Soviet rule to give themselves up to Soviet authorities. Only those made of the finest mettle could endure the inhuman treatment suffered by the Lithuanians. We can only hope that the heavy yoke borne by them will not last too much longer. A study of history tells us that where there is a desire for freedom, it certainly cannot be denied forever. The history of United States independence bears this point out.

On this 38th anniversary of Lithuanian independence our outstanding citizens of Lithuanian descent pay tribute to their brothers who are oppressed and cut off from their friends in the Western World. Our worthy citizens, especially those of Lithuanian extraction, have served as a source of inspiration and encouragement to the people of Lithuania in their fight for freedom. They will continue to lend moral support to their brethren who suffer under the oppressive yoke of communism. The thoughts and prayers of our citizens go out to the heroic people of Lithuania in their period of distress.

Mrs. ROGERS of Massachusetts. Mr. Speaker, Thursday, February 16, is the 38th anniversary of the independence of Lithuania. This is a noteworthy day for Lithuanians not only in the home country but everywhere in the world. On this important occasion I am proud and delighted to join with my fellow Americans of Lithuanian descent in the celebration of their independence from Russia.

For more than 100 years prior to World War I, Lithuania was a part of the Russian Empire. That the determined and proud Lithuanian people are resolute and resolved in their purpose is proved by the fact that during this long century of domination by Russia under the czars, the Lithuanian people never lost sight of their national identity or their national goal.

Finally, in 1917, when the Russian Empire under the absolute rule of the czars collapsed, the Lithuanian people had their chance. On February 16, 1918, they proclaimed their independence from Russia and established Lithuania as an independent country in the society of free nations. For the next 20 years, the strong people of Lithuania worked long and hard to build up their little, wonderful country. But then, after two decades, World War II came and ushered in far-reaching changes brought about by unprincipled leadership in the possession of tremendous power. Early in World War II, stalwart and brave Lithuania lost its hard-won independence to the aggression of communism.

Under the pretense of liberation, the Communist Red armies invaded Lithuania and virtually made the Lithuanian people prisoners of Communist Russia. Under the domination of the Communist regime of Russia, Lithuania was sealed off from the rest of the world. The Lithuanian people were now behind the Iron Curtain. The Lithuanian people faced the choice of cooperation or death. In their hearts, however, the Lithuanian people knew their spirit could not be crushed. Knowing that the tremendous force of Communist Russia could largely command their physical activities, they knew that this force, regardless of its strength, could never command or control their spirit and determination.

Since Communist Russia closed the iron door on the independence of Lithuania, the stalwart people of this great country, as well as the Lithuanian people now citizens of other countries and particularly the American people of Lithuanian descent, have resolved that this door will someday be opened and that the sunlight of freedom and independence will again be celebrated in this magnificent country. It is for this reason that Lithuanians everywhere continue the celebration of their independence day, February 16, 1918. Freedom-loving people everywhere in the world extend to them congratulations and a helping hand and encouragement and strength that their goal will again be achieved.

Having shown the strength of their character in striving for independence for over 100 years against the czars of Russia, this great character of the Lithuanian people will continue to strive and work and fight until their independence is once again reestablished. In this, every person of Lithuanian nationality has faith. This faith will never be destroyed because the Lithuanian people know their goal is right, their purpose is just, and their spirit is determined.

As the Representative from the Fifth District of Massachusetts, the district of Lexington and Concord, the district where the freedom of mankind was born, I am honored to have this opportunity personally to express my hopes and faith in the ultimate success of the people of Lithuania in gaining their freedom and independence from Communist Russia.

The Lithuanian people and their country have a long and respected history. Long after communism has ceased to be a force and no longer is a shackle upon the spirit of mankind, Lithuania will be a respected member of the free nations of the world.

Mr. FINO. Mr. Speaker, of the nations of the world who fight to defend the right of peoples to choose the form of government under which they prefer to live, none is a more stirring example than the nation of Lithuania. Today is the 38th anniversary of her declaration of independent statehood and we, the people of a free and democratic republic, sincerely add our warm understanding and encouragement to the Lithuanians who so long have striven for freedom and independence.

Small in size and victimized by historical circumstance to suffer repeated encroachments by her more powerful neighbors, Lithuania has attempted over the years to clear her lands of foreign oppressors in order to give her citizens the chance to create their own government and way of life.

In the 13th century she was a congeries of independent principalities, which were steadily subjected to the increasing pressures of Muscovite designs. Devastation, war, and foreign domination were her fate when at different times she found herself striving valiantly but futilely to drive back the aggressors from her country. At the period of the First World War, Germany tried to make Lithuania into a German province, but finally acceded to her demands and on February 16, 1918, Lithuania became an independent state.

Her social, economic, and political record between the wars was good, and Lithuania assumed both the obligations and duties of a progressive, modern state. However, her hopes for continued freedom were to be crushed between the pincer drive of Germany and Russia into the Baltic area, and after a preliminary period of conquest by the Russians, occupation by the Germans, and then reconquest by the Russians, Lithuania was formally annexed to the Soviet system in 1944. Since that time Lithuania has been held within the Russian orbit as a Soviet republic. The United States Government, however, has consistently refused to acknowledge her incorporation within the Russian imperialistic system and continues to recognize Lithuania as a free and independent nation.

As one American diplomat has put it:

Out of the depths there comes a cry from a nation which for centuries has been forced to be inarticulate. It is not a demand for privilege, for territory to which it might have only a historical claim; it is a cry for life.

The great day of reckoning which the world awaits, therefore, is that the cry which comes from the hearts of the people of Lithuania will find its just and proper answer: eventual independence for freedom-loving Lithuania.

Mr. VAN ZANDT. Mr. Speaker, the 38th anniversary of the national independence of Lithuania is observed on February 16, 1956, while that peace-loving nation of 3 million God-fearing people remains in chains forged by the ruthless Russian leaders in their diabolic plan of world domination.

Already 70 million people in Eastern Europe have been subjugated by Soviet Russia while the masters of the Kremlin send their emissaries throughout the world piously professing their peaceful intentions although their past and continuing sins against humanity cry to heaven for vengeance.

These inhumanities are written in blood on the memories of mankind and in the hearts and souls of the once free nations now trapped behind the Iron Curtain.

The history of the brave Lithuanian nation is replete with sorrow and relentless persecutions and from generation to generation only a deep and abiding faith in God has sustained her valiant citizens.

Although recorded as an independent state as far back as the 11th century, as early as the first century Roman historians spoke of the Lithuanians as being adept in tilling the soil.

Down through the centuries Lithuania has been plagued with continued conquests and persecutions at the hands of more powerful nations.

It was in 1795 that Lithuania lost its independence when it became a pawn in the hands of Russia, Prussia, and Austria.

For 120 years Russia ruled Lithuania with an iron hand.

Despite this period of ruthless subjugation Lithuania refused to allow the fires of liberty and freedom to be extinguished with the result that her sons and daughters with an unfailing faith in God preserved and handed down to posterity the blazing torch of freedom that burns fiercely in the hearts and souls of the Lithuanian people.

Lithuania with its neighbors Latvia and Estonia have been swallowed up by the Soviets while the free nations of the world gasped in dismay.

With a population of 3 million God-fearing and peace-loving people, Lithuania was subjected to the worst form of international fakery when the rulers of the Kremlin conducted rigged elections in 1940.

The fake elections were held under the supervision of the Red army and the results were announced by Moscow and published in London newspapers 24 hours before the polls closed in Lithuania.

Someone in the Kremlin got the signals mixed because the so-called elections were conducted for 2 days instead of 1 day.

The extension of the phony election would have made no difference in the results but the action of the Kremlin on announcing the results proved to the world the most colossal piece of fakery every perpetrated on a nation in particular, and the world in general.

For over 15 years since these sham elections the 3 million Lithuanians have lived a life of bondage and servitude with their cruel, atheistic masters in the Kremlin attempting to convince an outraged world that the Lithuanians have become assimilated and are part and parcel of the godless Russian regime.

Meanwhile, over a million of American citizens of Lithuanian descent are powerless save for their prayers to assist the land of their forefathers.

This Nation along with other free nations of the world has protested in vain against the actions of the cruel masters in the Kremlin.

One thing is certain and needs repeating on this 38th anniversary of the independence of Lithuania and that is that the free nations of the world are not yielding one inch in retreat from the avowed determination to restore human dignity to all mankind now prisoners behind the Iron Curtain.

The cries of anguished souls caught in the Red grip of terrorism and persecution mingle with their prayers and with the divine supplications of free people everywhere as they entreat a loving and merciful God to rescue such nations as Lithuania from the jaws of the Russian Bear.

Therefore, on this 38th anniversary of Lithuanian independence to the 3 million Lithuanians whose independence has been temporarily lost, and to over a million Americans of Lithuanian descent, we as a Nation send forth a ray of hope by reaffirming our undying belief in the human dignity of mankind.

We rededicate ourselves to the task of ending the scourge of communism in the knowledge that unless all nations on the face of the earth have their liberty and freedom restored, such a God-given heritage is threatened for those nations fortunately outside the Russian sphere of domination.

As long as America and the other free nations of the world stand steadfast in defense of human dignity and cling tenaciously to our faith that God made man in His own image and likeness, we are fortified by a spiritual armor that cannot help but hasten the day for the liberation of all God's children on the face of the globe.

Mr. MARTIN. Mr. Speaker, I rise to salute the people of Lithuania and all Americans of Lithuanian descent on this occasion of sweet memories—the observance of the 38th anniversary of the independence of this gallant little land. Because under the domination of Soviet communism, observance of Lithuania's independence day is prohibited in Lithuania itself, the event assumes added significance wherever people of Lithuanian blood are gathered together in the world of freedom. The event is being commemorated today by over 1 million Lithuanian-Americans under the leadership of the Lithuanian-American Council.

One might ask: Why do we observe the independence day of a nation which is not independent and which is not free?

It is because the sacred memory of the fact that Lithuania once enjoyed freedom and liberty provides us with the opportunity to rededicate ourselves to a determination that freedom-loving peoples can never be content until the independence of Lithuania and other small states is restored in accordance with the wishes of their peoples.

We observe this day to reaffirm our belief that Lithuania has a sacred, inherent right to freedom and independence and that she is within every moral right to assert it at every opportunity.

The truth is that no great nation can enjoy maximum security if it is willing to accept complacently the yoke of slavery upon any sister nation, no matter how small it may be. For the same forces which have thrust slavery upon the small state are merely biding their time to vanquish the larger states whenever they think they are powerful enough to do so.

That is why Lithuania's cause must of necessity become the cause of every freedom-loving American. That is why it must be the cause of free men everywhere in the world.

Mr. LANE. Mr. Speaker, today, in the United States Congress, we publicly honor the 38th anniversary of Lithuania's independence.

And we serve notice on Communist imperialism, with its headquarters in Moscow, that it must purge itself of every conquest before it can enjoy, in the company of free and self-governing nations, the fruits of peace.

As to how and when the captive nations will be liberated must depend upon time and circumstance and the inevitable collapse of communism, which is supported by feet of clay.

Deception, treachery, force, and terror can never permanently subjugate the people of any country, including Russia.

No one knows this better than the uneasy Communists.

With all the material power of guns, and secret police, and propaganda, they appear to control every captive nation.

But it is only an appearance.

The techniques of communism are powerless to overcome the minds and hearts and souls of people who are dedicated to God and freedom.

The Reds cannot relax, even in Russia.

The leaders do not trust one another.

They cannot rely upon party members as the day of retribution approaches.

Communism can never understand that for every crime it commits it must suffer punishment in the name of justice.

But that is the nature of the beast.

Today the free world pays tribute to the unyielding spirit of independence that glows in the heart of every Lithuanian.

It irks the Communists that they can never crush this spirit in Lithuania or silence the tribute paid on Lithuania's national holiday throughout the world.

We in the United States fervently believe in the right of people to govern themselves.

Lithuanians take heart.

Be patient.

Draw strength from the fact that Americans honor the anniversary of February 16, 1918, when Lithuania became an independent republic.

And hear us as we pledge to work for the day when Lithuania will be free, self-governing, and happy again.

Mr. RABAUT. Mr. Speaker, on February 16, 1956, the world will observe the 38th anniversary of the independence of the Lithuanian people. The world will celebrate this day, for the people of Lithuanian cannot.

Lithuanians throughout the world must feel a terrible regret and sorrow as they ponder the plight of their countrymen under the shadow of the hammer and sickle. The brave citizens of Lithuania have known nothing but grief for almost two decades. These poor people rightly felt that freedom and national sovereignty would be restored with the cessation of hostilities in 1945, only to be subjected to a new and more far-reaching tyranny than they had dreamed possible.

Lithuania was a modern country. It was looking ahead. Lithuania was one of the most progressive nations to be formed in the present century and had the brightest possible future. The land reform act and system of compulsory education, plus the rapidly developing cooperatives, made her the envy of many.

Unfortunately, all this was short-lived. Lithuania had existed but twenty-odd years—a mere flicker in the pages of history—when she was overrun by a war machine a hundred times the size of her small army. Sixteen years later an uninformed observer might possibly expect Lithuanians at home and abroad to have conceded defeat and despaired of ever again having a homeland. Nothing could be farther from the truth. Three million Lithuanians in the Baltics and 1 million Lithuanian-Americans know in their hearts that one day the invaders will be driven from their beloved nation and the flag of a free Lithuania will again ripple over their peace-loving countryside. May this day be soon.

Today we should all stop just a moment and think of the unfortunate people in various parts of the world who once knew freedom and, God willing, shall again know the many privileges we here in America so often take for granted.

Mr. GORDON. Mr. Speaker, I am happy to have this opportunity of joining with the distinguished gentleman from Pennsylvania, our colleague, Mr. FLOOD, in giving expression to my affection for the noble people of Lithuania.

Today, 38 years ago on February 16, 1918, the people of Lithuania joined to formulate an independent republic for themselves. But that republic only lives in the hearts of those who have survived the oppressions of enslavement by the Communists.

It was a prosperous and vigorous industrial and agricultural country. Lithuania today does not enjoy that freedom, and today these enslaved people are pleading to the free world for the restoration of their freedom and the removal of the shackles of the Soviet rulers.

At Vilna on February 16, 1918, after over a century of domination by the Russian czars, the independent Republic of Lithuania took its rightful place in the family of free nations, a place it enjoyed for 22 years until, with the advent of World War II, Lithuania was overrun by, in turn, Russian and Nazi aggressors. And in 1940 the Soviet Union began the systematic program, which we have come to recognize all too well—planned starvation, collectivization, and physical enslavement, which program continues to the present day.

The tightly guarded borders permit no chance of escape, or bring to the free world what deplorable conditions those gallant people must bear. The Communists have invented youth volunteer battalions to dispose of unwanted people and many are shipped to deep Siberia.

The so-called Communist land reform, the kolkhozes—theoretically peasant-owned farm operatives—now have been changed into government-operated farms, or sovkhozes, consisting of from 2,500 to 12,000 acres each. The land is now 100 percent collectivized.

There are many more women than men employed in agriculture. For instance, on 1 kolkhoz consisting of 10,000 acres, there are about 500 women and about 200 men, most of them old. All the young men are recruited into the army, and after their service never seem to return to the kolkhozes.

Through social and material oppression, the peasant class has become the lowest in the country. They are hungry. All they produce they must give to the government. Their own pay keeps them on the brink of starvation. All the farm produce goes to Russia, primarily to the Leningrad region, and the one-time very high production of farming in Lithuania has dropped more than 50 percent. Collectivization of the land, lack of interest, and deportations are the main reasons for agricultural disaster.

As the time passes, the Russian language becomes practically the official language of Lithuania. The youth is pressed to join the Communist youth and pioneer organizations, and there is intensive indoctrination of the youth through the schools. There are many special ideological schools for selected students; for instance, in 1 region with a peasant population of about 30,000, the Communists this autumn opened 9 political schools with 500 pupils.

The commissars and other high officials for almost every institution in Lithuania come from Russia.

The history of this brave and gallant little nation is written in the blood of its valiant patriots whose only desire was for freedom and independence and never reaching out to grab or annex neighboring territories. Today the same spirit of sacrifice is a dominant characteristic of the Lithuanian people.

It is a proud privilege that I can freely stand before you in this House of Representatives and join with you in saluting the Lithuanian people on their national independence day, and I pray that it will not be too long before peace and freedom will be restored to Lithuania and the countries behind the Iron Curtain.

Mr. VANIK. Mr. Speaker, on this 38th anniversary of the independence of Lithuania, it is well to reflect upon the patience of these enslaved people behind the Iron Curtain denied the liberties and the freedoms which are our good fortune.

In Cleveland, we have a large segment of the population who are of Lithuanian extraction. They have made a tremendous contribution to the civic life of our community. In their diligent work and provident thrift, in their respect for the Constitution and the laws of our community, they are exemplary citizens. They have always been proud of their culture and heritage. They have always been concerned with the welfare of their less fortunate relatives and friends who remained in Lithuania.

The Lithuanians behind the Iron Curtain dearly love America. No people have fought more valiantly for so long to establish their independence and freedom. These 3 million Lithuanians behind the Iron Curtain, enslaved by their oppressors and deported for work in Communist slave-labor camps and subjected to collectivism, will never be sovietized.

While we are grateful for the tremendous contribution and the integrity of Americans of Lithuanian extraction, we must never overlook those enslaved Lithuanians whose perseverance and resistance to communism deserves a restoration of freedom and democracy to their homeland.

Mr. BECKER. Mr. Speaker, I wish to join with my colleagues in the House today in commemorating the 38th anniversary of Lithuania's independence. My prayers and good wishes go to that great nation in her struggle for freedom.

Mr. REUSS. Mr. Speaker, another anniversary day has come around marking the birthday of a small but gallant nation which is today enslaved behind the Iron Curtain. It is proper that we should note this day—the 38th anniversary of the independence of Lithuania—because all Americans of all national origins share a common belief that Lithuania should once again be free and a common faith that once again she will be free.

Last March 16, in this House, my colleagues and I spoke of the elements of a dynamic United States' foreign policy. I said then, and I repeat now, that our goal must be the withdrawal of Russia from Lithuania and the other enslaved states. Together with the other free nations now enslaved, Lithuania can then become part of a larger central European community of nations based upon a respect for human rights and dedicated to peace and justice.

The United States has never recognized the so-called annexation of Lithuania by the Soviet Union. Today we reaffirm our confidence that the many years of struggling and suffering which the people of Lithuania have endured,

without abandoning their hope for the eventual restoration of their nation's independence, will not be in vain.

Mr. CURTIS of Massachusetts. Mr. Speaker, on this 38th anniversary of Lithuania's Independence Day, I rise to salute the courage and patriotism of the people of Lithuania.

This date is close to the anniversary of Abraham Lincoln, at which time the hearts and minds of Americans are focused on the ideals of human freedom, which are foundation stones of our democracy. Let us tell the people of Lithuania that Americans view with sadness the present divided state of Europe, and believe that the day of liberation for enslaved nations must come.

Mr. BYRNE of Pennsylvania. Mr. Speaker, it is a privilege for me to address you and my colleagues today, the 38th anniversary of the independence of Lithuania.

Too little attention has been paid to the brilliant traditions and heroic struggles of this small Baltic state. Lithuania has a long history, dating back to the Middle Ages, at which time it was one of the great nations of Europe. A peaceful and independent existence, however, has never been its lot. Time and time again, during the past 8 or 9 centuries, it has been invaded, occupied, conquered, and partitioned. And yet, it has always risen again. Surely, this is an indication that the spirit of Lithuania is indomitable.

Having spent several centuries under domination from without, Lithuania was determined to be independent in the 20th century. It proclaimed its independence on February 16, 1918, and established Vilna as its capital. But Lithuania was not allowed to rest. In 1919 its capital was invaded and occupied by the Russians. Resistance was organized and the Reds were defeated late in that same year. The brave little nation then made great strides toward regaining its position of prominence among the family of nations. It was admitted to the League of Nations in 1921, and entered on a program of improvements in all fields—social, political, and economic. Its progress was recognized on all sides and it appeared to be well on the way toward full development of its resources.

Disaster struck again, however, in the Second World War. The all-embracing holocaust which began in 1939 was not to overlook Lithuania. At the mercy of the Russians in 1940–41, it revolted against the Red masters at the time of the German invasion of Russia and again proclaimed its independence. Nazi totalitarianism could not tolerate such actions and quickly put an end to them. Lithuania then initiated a vital and most effective underground system of resistance to the German dictators. With the defeat of Germany, Lithuania, hoping again for a free existence, was once more overrun by the Russians who expelled the Nazis and remained to rule.

One could not blame the Lithuanian people if they were to assume a defeatist attitude following such tribulations. And yet, available records and intelligence sources confirm that the spirit of independence still fires the hearts of these courageous men and women. They live for and dream of the day on which the flag of free Lithuania may once again wave over their land.

Let us salute them today and pledge our continued efforts to support their dauntless, undying flight for freedom.

Mr. CARRIGG. Mr. Speaker, February 16 marks the 38th anniversary of the independence of Lithuania and later during the same year in 1918 Lithuania became a republic.

The anniversary of this day, which we now celebrate, brings to our mind very vividly the birth of independence and freedom in our own country many years before.

We realize full well the long hard road that was traveled by the Lithuanian people prior to the time they could shake off the yoke of bondage and call themselves free; however, this freedom was not theirs for long for in 1940 Lithuania was seized by the Russians and immediately the cloak of censorship was dropped over that little country and today it is engulfed with the other satellite nations behind the Iron Curtain.

Today we realize more than ever the wonderful contribution that was made to America in the past by people of Lithuanian descent, who brought to our shores a culture and refinement that we have been able to absorb and which has meant a stronger and better America for us.

Just as the spirit of freedom lived on in the minds of the early American settlers during the days of the Revolution, so also does that spirit of freedom still grow in the hearts of the Lithuanian people in their own country.

Today we honor these people and it is our fervent prayer and fond hope that one day they too will regain that precious gift and to that end we join them in our prayers.

Mr. MURRAY of Illinois. Mr. Speaker, I wish to join with my colleagues and with the Lithuanian people who today somberly mark the 38th anniversary of Lithuania's liberation from the oppression of the Russian bear's claw and the founding of their Republic.

Although the martyrdom of Lithuania under the claw of this Communist beast has been clearly etched in the annals of history through the agony and blood of the patriotic sons and daughters of this nation, the tyrant has not and never shall extinguish its heroic spirit of freedom, independence, and religion.

The undying faith that these people place in the Almighty God and in the free nations of the world is valiantly portrayed in the death of 4 of 6 courageous men who carried an appeal from the Lithuanian people to Pope Pius XII through East Prussia, Poland, the East German Zone into the free world.

I would like permission to insert into the RECORD the text of this appeal which was translated from the September 21, 1954, issue of Katolsk-Ugeblad, Copenhagen, by Richard Brackett, S. J.:

Holy Father, shepherd of all Catholics: We Roman Catholics from the Republic of Lithuania humbly entreat your Holiness' intercession. Faced with extermination, subjected to a reign of terror, hungry, naked, accustomed to much bloodshed, deprived of all rights and cut off from the rest of the world, we ask your protection and assistance.

During the past 9 years we have lived under an occupation of terror and violence. With our lives at stake, we send this message to Your Holiness about the sufferings of our people and herein render an account of the 20th century of merciless godlessness that is communism and unveil the manifold lies concerning religious freedom in the Baltic lands. As long as the great oppressors have not liquidated us entirely, we will continue to proclaim the clear truth about the impending tragedy of our people. This is testament of our dying fatherland. Fortunate are those who have died and have not lived to see what is happening to our country.

Holy Father, forgive us if we who are alive seem to be jealous of the dead. No man can ever imagine what we have lived to see—no man shall ever be able to imagine it. There is no comparison even with the dreadful assaults of the Tartars. In June 1940, within the space of 3 days, almost 40,000 Lithuanians, men, women, and children, the aged and the sick, without any respect for condition and without any judgment or court sentence being passed, were herded into crude carts and taken away to Siberia.

We can still hear the cries of the dying from those carts. The persecution that began in blind fury has today become a well-planned extermination of our country, a crucifixion under the Russians. It is estimated that it will take 10 years to carry out this plan in all its details.

Five years have already elapsed and we exist no longer as a nation. Eighty-seven percent of the Lithuanian people are Catholics and the influence of religion on our people was and is today very great. Communists know all too well that as long as the influence of religion remains unimpaired, our people will be able to offer resistance. The newly appointed priests are difficult to distinguish from political agents. Their god is a god who has borrowed his strategy from Lenin.

On the other hand, the priest who is free from blame is stamped as a thief, a murderer, a robber, whom a court of justice out of respect to his holy orders sentences to 15 years of hard labor in Siberia.

Eighty percent of our priests have either been banished to Siberia or are living in various hiding places throughout the land and belong to the underground movement in our forests.

The corpses which are thrown from the carts or even lie in front of the church are only imaginary representations to the outside world, while the naked, scarred bodies of men and women which lie here for days—until their mothers or children identify them—are dread realities to us.

Holy Father, we ask ourselves day by day: where are the nations of the civilized world, where are the hundreds and millions of Christians? Do men exist who will fight for truth and the rights of humanity? Are these men found no longer? Have the Christian nations of the world been asleep in a dream of a false sense of security? Do they think that the hordes from the East will stop with our extermination? Communism is preparing to lay waste the entire world, our civilization, culture and Christianity itself.

No one can afford to let himself be blinded to this fact: Communism waits only for the opportune moment.

When this letter reaches Your Holiness, perhaps we may no longer be alive; when it reaches the outside world, many of those who carried it on their person will have fallen before Communist bullets. Holy father, grant us, who are dying for our faith, for

our country, your blessing. Praised be Jesus Christ, Lord of the living and the dead.

I fervently pray that this appeal will be granted.

Mr. MULTER. Mr. Speaker, on this 38th anniversary of Lithuanian independence, I hail Lithuanians all over the world.

Today Lithuania exists under the yoke of Communist aggression and the commemoration of its freedom is, indeed, a sad occasion for all free peoples. Yet it is comforting that this aggression has been unable to strike down the spirit of the people of Lithuania and their love of liberty.

The chain of oppression may be a heavy one, the torturing period a seemingly endless one, but history teaches that new legions of fighters for freedom always spring from the blood of patriots and heroes—fighters ready to carry secretly in their tenacious souls the sacred torch of liberty up to the day when its purest light will blind the eyes of the oppressors. This is the thought that gnaws relentlessly at the heart of the tyrants who know they can crush the flesh of an entire nation, but they cannot eradicate from the hearts of men the burning passion for rebellion against tyranny. Not long ago the entire world witnessed an example of this when thousands of enslaved persons at the Vorkuta slave-labor camp, in throwing themselves against tanks and machineguns, proved that their weakened bodies still carried the unconquerable spirit of free men.

It is my privilege to take this opportunity to remind the people of Lithuania that freemen everywhere support their desire to regain the right of self-determination. We must continue to support the American policy of nonrecognition of the Russian annexation of Lithuania.

We in this country pray that the spirit of so gallant a nation will continue to burn in the hearts of all who love freedom, and that the day is not far off when independence will be restored to Lithuania.

Mr. ROONEY. Mr. Speaker, it is a distinguished privilege to participate in the observance of the 38th anniversary of the declaration of Lithuania's independence. I am glad to join my colleagues in giving encouragement and support to the hundreds of thousands of American citizens of Lithuanian birth and descent upon the occasion of this significant anniversary and to pay tribute to the captive people of Lithuania whose undaunted spirit has been an inspiration to all the freedom-loving peoples of the world.

This anniversary should again be a warning to all free peoples of the evils of Communist conspiracy practiced by the Soviet tyrants. It should imbue all of us with a determination to protect our precious liberties and should serve as a reminder of our solemn obligations toward those unfortunate and defenseless people behind the Iron Curtain who have experienced intense hardship and suffering as the result of their enslavement by the Russian Communists.

This brave little nation has survived other oppressions and I am confident that the people of Lithuania due to their indomitable spirit and superlative courage will regain their God-given right to life and liberty.

I sincerely hope that this government shall continue in its pledge to work for the liberation of the people of Lithuania and all Communist satellite peoples.

Mr. KEATING. Mr. Speaker, today marks the 38th anniversary of Lithuania's independence. This should be a day of rejoicing and happiness, but unfortunately it is not. For Lithuania, which so courageously set out as an independent nation, is now crushed under the iron heel of Communist tyranny.

This small and fiercely proud Baltic country flourished for 22 years. In those years the Lithuanian nation compiled an impressive list of achievements, especially in the way of agrarian reform, universal education, and in her state opera, theater, and ballet. We are bound to admire greatly the progress made by Lithuania during the period of her independence.

In 1940, however, all of this came to an end and the Soviet dictators began a systematic attempt to crush out the spirit of liberty in the little republic. The story of the oppression and suffering of the Lithuanian people in the years that have followed is far too long to be forgotten. It is far too solemn to lack inspiration.

We cannot, as professed lovers of liberty, allow this subjugation of a free people to go by unnoticed and unchallenged. Our Government today at least does not recognize officially the annexation by Russia of Lithuania and her Baltic neighbors.

A negative approach such as this is not enough, however. We do not know many of the exact details of what is going on behind the Iron Curtain in Lithuania, but certainly there is truth in the reports we get time and time again of mass liquidation of her citizens and mass deportations to Russian concentration camps. All of this is unquestionably a denial of the fundamental rights and freedoms granted by the charter of the United Nations. We would like to know the facts.

I am sure all of us agree that freedom cannot be achieved overnight, but we must not let this grave national group give up hope. The struggle for liberation must go on, and in this field all subjugated people need and deserve the support of the free world.

We should continue to bend our efforts to convince the satellite people that we really want them to be free and to show them what part they can play in this effort. Radio Free Europe and related organizations are doing a good job. Great care must be taken by these agencies to avoid raising the hopes of these subjugated people falsely, but at the same time we must continue to bolster up their spirits.

We must continue our economic and political pressure as well as our ideological programs, to combat the injustices imposed by the Soviets. We must demonstrate beyond any doubt that no relaxation on our part is to be expected unless the captive countries are freed from Russian domination. Let us never forget that the masses imprisoned behind the Iron Curtain will remain potential deterrents to Soviet aggression as long as they know they have not been forgotten by the outside world.

Lithuania—so small in geographical size, yet so large in its desire to be free—symbolizes the struggle today against the forces of Communist tyranny.

It is a wonderful thing that the 1 million descendants of Lithuania in this country celebrate each year the independence of their nation which is no more. It is a courageous thing they do—and it is only by such zealous devotion to liberty that freedom can be achieved.

I am sure that all Americans join with us today in the fervent hope that this spirit of freedom will not die, and that this once proud Republic of Europe may one day in the not too distant future again play her part as a member of the family of free nations.

Mr. KLUCZYNSKI. Mr. Speaker, today we are again celebrating the rebirth of the Lithuanian state which took place 38 years ago. Let me concentrate for a while on that small but proud nation, with a glorious history dating back to the 13th century.

Although Lithuania regained her independence on February 16, 1918, that date was by no means the beginning of an independent Lithuania. That took place in the Middle Ages when this small peace-loving nation was able to withstand German drives to the east and when they protected Europe against the Mongol and Tatar invasions.

As one historian put it—

> They (Lithuania) furnished a power and a government behind which the eastern Slavs could live in peace and safety with a freedom that was unknown in Muscovite Russia. They blessed their subjects with more human freedoms than in the neighboring countries. They encouraged education and toleration, and they played their part in the general development of European civilization.

Yet in 1795, almost 160 years to this day, Russian Governor General Ryepnin after a 1-year trial, completed his purge of democratic influence in Lithuania and proclaimed to the people of that country the annexation of Lithuania, north and east of the Nemunas River, by the Russian Empire.

In the United States at that time the first two-party system began to form and the people, of their own free will were privileged to aline themselves with one or the other parties, Hamilton or Jefferson.

In Lithuania and Poland a dark curtain descended, depriving the people of their most sacred rights. Nationalistic trends were being stamped out and those who opposed it were deported to Siberia. The official language became Russian and for the first time under Catherine the Great, who died 1 year later, the grip of the newly established secret police would be felt.

Not until the end of World War I did Lithuania gain her independence and sovereignty. Although Lithuania was still occupied by German troops on February 16, 1918, the State Council of Lithuania met and signed the independence of that nation, and it was ratified months later by the defeated German Government.

The independence of this brave nation did not last long. Almost 22 years later, after having enjoyed freedom and complete sovereignty, once again Lithuania was invaded. The Soviet invasion which followed the Ribbentrop-Molotov pact was one of the most calculated and brutal examples of international intrigue. Mass deportations once again began and as far as we can learn, they have not ceased to this day. Once in a while someone courageous enough comes out from behind the Iron Curtain drawn over Lithuania and brings us news which Soviet Russia has been trying to withhold from us.

We had the case of the three fishermen, Kublickas, Grismanauskas, and Paulauskas, who after having locked up the crew of a fishing boat in the Baltic Sea, succeeded in rowing their lifeboat to Sweden. We could talk to Stase Norkaite, another courageous woman who jumped from a Soviet fishing boat off Denmark and swam to shore. There are others who in a lesser or greater degree made their escape from the present Lithuanian "Paradise." There will be many more, as long as that unfortunate country remains the "Lithuanian Socialist Republic" of the U. S. S. R.

Let us hope and pray it will not last long.

Mr. MACHROWICZ. Mr. Speaker, today marks the 38th anniversary of the declaration of Lithuania's independence. I wish to join with my colleagues to hail this great day in the annals of the Lithuanian nation. It is well to remember today that it was, under the great American doctrine of the right of self-determination for every nation, so well enunciated by that great President, Woodrow Wilson, that Lithuania, on February 16, 1918, declared her independence.

Communist treachery has since then deprived that great nation of its independence and subjugated it into a state of slavery. The world knows today, thanks to the report of the Special Committee on Communist Aggression, of which I had the honor to be a member, of the brutal acts of Communist oppression, of the mass murders and deportations, denial of basic human rights, and other acts of barbaric oppression perpetrated by the Soviet aggressors on the Lithuanian people.

And yet we continue to treat the Soviets as our legal partners instead of criminal outlaws, which they are. We continue to base our hopes on agreements with them, refusing to take into consideration the fact that every previous agreement made by them was systematically scrapped and violated whenever it ceased to serve their purpose of promoting world domination.

On this anniversary of Lithuania's declaration of independence, I pay tribute to the heroic resistance of the Lithuanian people to Communist russification and their devotion to the cause of liberty. I hope and trust that the day for their freedom may be near at hand, and that this Nation shall lead the way in the free world in a forthright struggle for justice to all nations, large or small.

Mr. ZABLOCKI. Mr. Speaker, February 16 marks the 38th anniversary of Lithuania's independence and on this occasion, I wish to join with my colleagues in paying tribute to the indomitable determination of the people of Lithuania to persevere in the battle for the freedom of their homeland.

This anniversary ought to remind us of the grim and tragic plight which has befallen Lithuania and the other nations behind the Iron Curtain. Occupied by the Communist forces, these nations have been deprived of their rightful independence, and their peoples have been stripped of their rights and liberties. Oppression and persecution have become the order of the day in those lands as a consequence of the Kremlin-directed regime of terror. They have been used as pawns by the Communists in their grand design for world domination. They have been robbed of their economic resources, pillaged and raped.

In spite of the inhuman sufferings which they had to endure, the people of Lithuania—and of the other once-free nations—have not been conquered by their Communist masters. There is ample evidence to show that they remain devoted to the cause of freedom, that they long for and seek the hour of liberation.

I believe that it is proper for us, on this anniversary of Lithuania's independence, to reaffirm our dedication to the principles which call for liberty and self-determination for all nations. As we express our deep sympathy to the people of Lithuania in their suffering, may we also reassure them that our Nation shall not rest until the yoke of oppression is lifted from their shoulders.

Mr. DODD. Mr. Speaker, the plight of the Baltic States has been a deep concern of mine for a long time. A few years ago I had the privilege of serving on the special committee which investigated Communist aggression in that area. Today we are all again reminded by this 38th anniversary of Lithuanian independence that the Baltic countries and particularly Lithuania are still held in Red bondage. The sorrow that all free men must feel over the continued enslavement of that country can only be alleviated by the indications that the Lithuanian people have not lost hope in their ultimate release. The magnificent dream of Lithuanian independence which blossomed 38 years ago today still lives in the hearts of the people who gave it fruit and substance and national faith. It is difficult for us, who live in freedom, enjoying prosperity and comparative peace, to contemplate the agonizing darkness which at this very hour shrouds the Lithuanian people. But even in the midst of cruel captivity and unbelievable oppression the Lithuanian people have kept faith in their democratic dream. Their courage should give us all heart for their fight is our fight, their struggle is ours, and if we too keep the doctrine of freedom in such high reverence, we may some day hope to join hands with these brave people in the hour of their deliverance. God grant that time may not be too far off.

Mr. O'HARA of Illinois. Mr. Speaker, it has become the practice of this House on February 16, Lithuanian Independence Day, to pay tribute to the valor, and the indomitable fight for freedom and independence waged by the people of Lithuania. At this time communism is waging a propaganda war against western democracies emphasizing every error past or present. One of their favorite themes is "colonialism" which despite our record, they are endeavoring to fasten even upon the United States of America while they depict themselves as champions of the oppressed. On Lithuanian Independence Day it may not come amiss to examine the case of Lithuania as an example of the benign attitude of the U. S. S. R. toward small countries.

Lithuania was at the height of her power during the 14th century. At that time Vilna became its capital. The decline came in the 18th century; a decline marked by complete Russian domination for 120 years, years during which time Lithuania made 5 efforts to win freedom from the Russian yoke. Despite hangings, exile to Siberia, immigration and ruthless attempts to Russianize the country, Lithuania's drive for freedom and national independence persisted, and the attempt to Russianize failed completely.

Year after year Members of Congress have paid tribute to the tragedy, and the glory, of the Lithuanian people, and their fight to achieve freedom and independence. Fondly we have referred to the establishment of the democratic Republic, following World War I, and point with pride to the prosperity which was marked by land reforms, improvement of agriculture, railroad building, and growth of small industries of those happy days of freedom. That was a period of cultural renaissance as well as social and economic progress in which most of the world rejoiced, and to which we still happily refer.

RUSSIAN REACTION UNFRIENDLY

Peace and prosperity in Lithuania, however, was no occasion for rejoicing by Lithuania's neighbor, Russia.

In Izvestia, the official organ of the Soviet Government this statement of policy appeared December 25, 1918:

> Estonia, Latvia, and Lithuania are directly on the road from Russia to Western Europe and are therefore a hindrance to our revolution * * * this separating wall has to be destroyed.

In 1918, however, Soviet Russia was too weak to carry out its plan. Therefore the policy was one of apparent friendliness. The Republic of Lithuania and the U. S. S. R. mutually agreed to respect each other's sovereignty and territorial integrity. On April 4, 1934, this pact of nonaggression was extended to December 31, 1945. On this occasion Mr. Litvinov, Commissar for Foreign Affairs stated:

> The whole world must know that our proposal is not of a temporary character, has not been caused by incidental conjectural circumstances, but is an expression of our constant termless policy of peace, of which the fundamental element is preservation of

the independence of the young states which you are representing here.

Reassuring words. But how inconsistent with the deeds which followed.

August 23, 1939, the Soviet Union and Nazi Germany concluded a treaty of nonaggression. The secret protocol provided that:

> The territory of the Lithuanian State falls to the sphere of influence of the U. S. S. R. As soon as the government of the U. S. S. R. shall take special measures on the Lithuanian territory to protect its interests, the present German-Lithuanian border * * * shall be rectified in such a way that the Lithuanian territory situated to the southwest of the line marked on the attached map shall fall to Germany.

IRON HEEL DESCENDS

With the outbreak of World War II, Lithuania attempted to remain neutral. However, October 1939, Soviet Russia forced upon Lithuania a "mutual assistance pact," which provided for the maintenance of a large Russian military garrison on Lithuanian territory. Next year in complete violation of their agreement the Soviet rushed in troops and dealt a final blow to the independence of Lithuania. Along with tanks and bayonets the Soviets brought their elaborate system designed to enslave both bodies and minds. The NKVD began ruthless persecutions. All religious and cultural organizations were outlawed. Religion was proclaimed "the opium of the people." Portraits of Stalin and Lenin were placed in classrooms. Children were forced to join youth organizations where they were taught to spy upon their parents, to abandon religion and "forget that they were Lithuanians."

In spite of persecution the Lithuanians held firm. An active underground was organized. Red flags were torn down secretly, posters mocking the Communist slogans would appear in the morning, churches were more crowded than ever. Resistance was countered with intensified persecutions which only served to strengthen Lithuanian national consciousness.

June 1941 mass deportations began. It seemed directed mainly against the intelligentsia but farmers, trades people even laborers were sent behind the Ural Mountains. From June 14 to June 21 Lithuania lost 65,000 people. People were herded into freight cars where they remained for days without food or water. Families were separated; many died before they reached slave labor camps.

It had been the Soviet plan to deport 700,000 Lithuanians but the German invasion interfered. Three years of Nazi occupation followed. Then the Red army closed in again. Sixty thousand Lithuanians fled the threat of the sickle and hammer.

From the moment Russian Communists set their feet on Lithuanian soil, they knew that subjugation of that people would not be a simple matter of propaganda adorned with rosy promises. Lithuanians fought for freedom and political independence. Having enjoyed it for more than 20 years they would not surrender it peacefully. When the Communists found they could not win the Lithuanians they determined on extermination.

RUSSIAN PLOT TO EXTERMINATE

The first few weeks of the occupation saw little violence. It required some time to disperse the secret police throughout the country. Moreover, the Soviets were determined to justify their aggression in the eyes of the Western democracies. They therefore held a farcical election and elected a Peoples Council, supposed to be representative of the wishes of the Lithuanian people. One week before the election Soviet tanks were patrolling the city streets and soldiers swarmed over the countryside. On July 11–12, 1940, 2 days before the election, 2,000 people, many of them former government officials, statesmen, intellectuals, professional men, businessmen, priests were arrested.

After the election arrests continued but on a broader scale. Farmers who failed to meet the enormous crop quotas, workers who expressed disappointment with the new regime, even high-school boys who were caught raising the national flag were arrested. Within 2 months there were 12,000 arrests.

Even before Lithuania was annexed by Russia, the Kremlin had decided to exterminate the people. Mass arrests proved to be too slow. Orders from Moscow called for 700,000 Lithuanians to be deported. Preparations began in July 1940. Here are some of the categories of people to be sent to slave-labor camps: Active members of the National Party, the party in power preceding annexation; other anti-Communist parties, the Christian Democrats, Socialists, Liberals, members of all student corporations at the universities, all former policemen; officers of the Lithuanian Army, employees of the Red Cross; clergy of all religions; members of major Catholic organizations, Esperanto enthusiasts, landlords, merchants, bankers, owners of factories, hotels, and restaurants.

The Commissar of Internal Security issued instructions to local operative groups for execution of the undertaking. On the night of June 14, soldiers aroused hundreds of people from their beds and took them away. While this operation was conducted at night, after the first night everyone knew that extermination of the Lithuanians had started. Panic and despair seized the population, but with Red troops stationed in every community, resistance was impossible.

SEVEN HUNDRED THOUSAND LITHUANIANS DEPORTED

Arrests and deportations continued all through the postwar years. According to the statistics of the Ethnographical Institute of Makchaul in Moscow, 700,000 Lithuanians have been deported. The term "internal immigration" does not hide the ugly fact of genocide.

During the years of Lithuanian independence when the land reforms were in operation, the small farmer prospered. The result was that independent farmers doubled their output as compared with that of the same land under the czars. Now there are no individual farmers in Lithuania. No peasant joined the collective farms voluntarily, but they were forced into a slave labor system. During 9 years of Soviet occupation production has dropped 60 to 70 percent under that of the period of independence.

A recent report from the country indicates that the Soviets have crushed active resistance. As Father John M. Znotinas of St. Peter's Church, a refugee from Lithuania, has told me the people are without means of resistance, they have no arms, they are surrounded by secret police, even their children are encouraged to spy upon them. How can there be overt resistance?

The last armed clash between the Lithuanians and the MVD occurred in 1951 according to the testimony of a refugee who landed in Sweden, October 1955. But this refugee reports all the people of the three Baltic nations are united in their hatred of the Soviets. Occupation of their country, naturally, is hard to bear. On the other hand, if a child uses a Rusisan word at home he is reprimanded by his parents. Although study of Russian is compulsory at school, the result is that young people attending classes at the university do not understand enough Russian to comprehend a lecture in that language.

This is a hopeful sign. A hope that passive resistance to communism continues and that the day of Lithuanian independence will soon be dawning.

On this Lithuanian anniversary occasion we in the House of Representatives of the Congress of the United States raise our voices in protest against the cruel enslavement of a great and noble people and in assurance that always we will stand by them with the loyalty and fidelity of one brother standing arm to arm by the side of another brother. Men and women of Lithuanian birth and descent have contributed mightily to the weaving of the fabric of these United States. They are part and parcel of us, of our common country, of our traditions and of our faith. This is the bond that ties the heart of the United States to the heart of free Lithuania.

Mr. DOLLINGER. Mr. Speaker, today, February 16th, is the 38th anniversary of the independence of Lithuania.

After many years of subjection and sacrifice, the people of Lithuania were finally successful in achieving independence in 1918. Their happiness and freedom were shortlived for in 1940 they fell victims of the Soviet drive for world domination and today are under the Russian yoke and behind the Iron Curtain.

We salute the brave people of Lithuania who, when they were free, held an honored place in the family of free nations. Their outstanding achievements under freedom by way of land reform, their industry and intelligent management, their business and economic pursuits, universal education programs, fostering of music and the arts, to mention a few of their accomplishments, earned them the respect and admiration of all.

We want the people of Lithuania to know that we sympathize with them in the dark days that have befallen them; that we have not forgotten their plight;

that we support them in their fight for freedom and look forward to the day when the yoke of oppression will again be lifted from them. We repeat our promises to help them in every way possible and to miss no opportunity to speed the day of their liberation.

Millions of Americans are joining today in sending their greetings and encouragement to the courageous people of Lithuania. We know that their strength of character, high ideals, and determination, will once again win for them the freedom they so richly deserve.

Mr. KEARNEY. Mr. Speaker, I am happy to join with my colleagues in the House of Representatives today in observing the 38th anniversary of the independence of Lithuania.

The past year has been another long period of heartbreaking adversity for the proud, freedom-loving people of Lithuania. It has been time spent in isolation in the vast moral wasteland which separates the free world from the unfortunate peoples behind the Soviet Iron Curtain.

Lithuania with its traditions of national sovereignty reaching back as far a sthe 13th century has been deprived of national independence by more than one tyrannical power in history. Then in 1918 the Lithuanian people regained the rights and privileges of self-government and they made of this an opportunity for the establishment of a proud record as an independent nation and member of the world community of freedom-loving peoples.

The threat to Lithuania as a nation has never been more grave than at the present time, under its Soviet dominated government. The people are offered such glittering generalities as "a higher community," "enlightenment," or a "part in the Communist struggle for peace," and meanwhile the underlying drive for Russification of the Lithuanian people, politically, culturally, and economically proceeds step by step.

Today on this historic occasion it is fitting that the people of the United States extend their sincere best wishes to the gallant Lithuanian patriots in the steadfast belief that a great spirit such as that which has sustained Lithuania through other periods of moral and physical slavery will sustain them once again in these critical and trying times.

Mr. PRICE. Mr. Speaker, today the peoples of the free world join freedom-loving Lithuanians and Americans of Lithuanian descent in observing the 38th anniversary of Lithuanian independence. To those in my great State of Illinois who look with pride to their Lithuanian ancestry, I extend my personal felicitations and offer congratulations as they join in a worldwide commemoration of this day.

The people of Lithuania through eight centuries enjoyed liberty and self-government for long intervals. They have also been oppressed for long periods, during which their independence disappeared. They have been the victims of aggressors and have suffered through the centuries from attacks and rule of tyrants.

Russian domination has always been a threat to the peace and freedom of Lithuania. On at least five different occasions the people of Lithuania revolted against Russian tyrants and won back their independence. Regardless of the brutality and inhuman treatments inflicted on this brave people, the yearning for freedom was so imbedded in their hearts that even in centuries long past they never ceased to fight for independence.

Even as Lithuanians of other generations threw off the oppressors' yoke, so too, will these proud and religious people of our time, with God's help, prevail over the Communist aggressors. Lithuania will be free again because its people will always resist domination of tyrants.

After World War I, Lithuania became a free nation, took its place in the League of Nations and began immediately to make progress as an industrious nation.

It is not necessary to repeat the sordid history of Soviet treachery and aggression which once again brought loss of independence. Lithuania was infiltrated by Communists and its government seized by the Soviet tyrants.

The people of the United States send encouragement to the people of Lithuania and join them in the hope that soon their great country will once again be free and independent.

Mr. CELLER. Mr. Speaker, I think it most important that we give thought to the fact that this day, February 16, 1956, is the 38th anniversary of the independence of Lithuania, and that this anniversary cannot be celebrated in Lithuania. It is left to Lithuanians all over the free world, and to us, to keep the vision and the memory and the hope of independence alive for this presently enslaved country.

Through the efforts of the Lithuanian American Council, recognition of this day will be observed in all parts of our country, and will help to confirm and broaden the determination that Lithuania will once again regain her freedom. Despite the slight evidence of face-lifting which the Soviet Union has recently manifested in the easing of some visa restrictions for foreign visitors, no such changes have been permitted for Lithuania. During the period of Soviet domination, less than a dozen escapees from Lithuania have managed to reach the West, yet returning German war prisoners of war have told of stories of large numbers of escapees who have been deported to the far reaches of the Soviet empire.

In commemorating the 38th anniversary of the independence of Lithuania, the free world marks its hope that this brave country will see independence again soon.

Mr. ANFUSO. Mr. Speaker, another anniversary of the independence of the little Baltic state of Lithuania has rolled around and is being observed by the free world with a feeling of sadness. Lithuania and the people of that country are still subjugated and enslaved under the harsh yoke of communism.

It is good that we observe these occasions, sad as they may be, because it serves as moral encouragement to the people of Lithuanian descent in this country and to their kinsmen in Lithuania. Resistance to the Communist occupant in that country has never ceased, nor will it ever cease there or in any other country whose people are oppressed by the tyranny of communism.

Soviet Russian leaders keep on denouncing colonialism and imperialism, while pretending to pose as the champions of oppressed people. Yet, within its own confines of the Iron Curtain, Russia has set up a brand of colonialism and tyranny which has no equal in the annals of mankind. Communist Russia has chalked up a long and black record which is truly a disgrace to modern man. In Lithuania, for example, the Communists are practicing a ruthless suppression of all national sentiments and of every trace of freedom. There is speedy liquidation of all those who dare to breathe a word about freedom or national independence. Culture and religion in this country which has made such wonderful contributions to Western civilization have been destroyed for all practical purposes.

It is most difficult for the people of the United States and all freedom-loving people to stand aloof and watch silently as communism tramples upon these subjugated nations. We have always been and always will be opposed to the subjugation of any nation, and we shall at all times be happy to help such nations gain their national independence. While the policy of Soviet Russia is to expand the Iron Curtain so as to engulf as many nations as possible, we must be determined to break it wide open wherever it now exists.

On the occasion of the 38th anniversary of Lithuania's independence, we send our greetings and our prayers for early liberation of Lithuania and its people from the evils of communism.

Mr. HESELTON. Mr. Speaker, it is a great privilege to speak in commemoration of the 38th anniversary of the declaration of independence of the country of Lithuania.

This courageous country of a little more than 21,000 square miles in area and a population of 3 million before the Second World War, has a history of oppression dating back to the 13th century when Gediminas successfully consolidated the Lithuanian state. However, invasions from unfriendly neighbors continued and internal discord plagued the country until the period when Vytautas the Great became the ruler of Lithuania. The country, under his government, grew and expanded in Western culture and Christianity. It was during the 16th century that Lithuania began to feel the force of Russia for the first time and during the 18th century, history shows the decline of this country through devastating wars in which she lost much of her territory. The following 120 years were spent under Russian domination during which time five revolutions were attempted unsuccessfully. During the First World War Lithuania was finally able to overthrow the binding ties of first, Germany, and finally, Russia late in 1919. She was recognized by the Soviet Government as a sovereign and independent state and admitted to the League of Nations on September 22, 1921.

After thousands of years of perseverance, the country was free.

And what were the results of this freedom?

Expansion.

Progressive expansion in farming, industry, transportation, social legislation, and in education. Prior to World War I, 450 families owned 3.5 million acres of all land, or 22 percent. The census in 1930 showed a total of 287,380 farms comprising a combined area of 10,671,048 acres of land.

Production in all stages of agriculture increased considerably. Industrial enterprises increased from 2,474 to 16,131 in a period of 19 years. Transportation advances were also seen. More railroads were built carrying more passengers and tons of freight; highways were improved and inland waterways and construction of new installations at ports were started. New and more hospitals and schools were constructed. Better labor standards were inaugurated and health insurance was instituted providing for 133,400 workers and their families.

Just as a bright new day was dawning for the people of Lithuania, World War II broke out and the tyrant's heel was felt again. Lithuania adopted a policy of strict neutrality. However, as a result of secret agreements between Germany and her then ally, Russia, Soviet troops were based in Lithuania.

Early in 1940, the insidious operations of the Soviets began. Inciting workers against Lithuanian authorities and unjustified accusations against the Lithuanian Government that Russian soldiers had been kidnapped were but the beginning of the poison the Communists had injected into the first phase of their incorporation of Lithuania into the Soviet Union and by July 1940, their nefarious plans were complete.

The spirit of this valiant and resourceful people is still alive. In spite of deportations to slave labor camps in Siberia, in spite of daily privations, fear, imprisonment for no crime, and the loss of all liberties, they continue to fight their aggressors—looking forward to the day when again Lithuania will be free. We in the United States know of their struggles for freedom. Our hearts and prayers go out to this undaunted country and its fearless people. I am confident that this country will aid Lithuanians in every possible way to regain their liberty and freedom.

Mr. ROOSEVELT. Mr. Speaker, it is, indeed, a pleasure to join with my fellow Representatives here today in honoring the noble and courageous people of Lithuania who today commemorate the 38th anniversary of their declaration of independence, which was proclaimed on February 16, 1918. Their observance of this great day will be celebrated silently in the homeland, for the Communist oppressors have forbidden the Lithuanians to express the love and devotion they hold for the principles of freedom and democracy.

The Soviet Union applied the typical Communist methods in an effort to enslave and destroy the will of the sturdy people of Lithuania and has sought to force them to give allegiance to Moscow. Despite the loss of their liberties and the brutal treatment they have endured, the Lithuanians refuse to recognize Communist Russia as their overlord. They continue to offer resistance to the Soviet Union. Their determination not to yield to the aggressors exemplifies the strong character of these extraordinary people.

The Lithuanians have, since 1940, offered active resistance to Soviet rule of their homeland. Well aware of the consequences of acting against the Soviet rule, they continue in their drive for freedom. Despite a 15-year program of Russification, we read press reports in 1956 which indicate that the spirit of these heroic people has not broken. They stand ready, fortified by their belief in Christian ideals, to shed their blood to achieve independence and break away from the Communist yoke. They have faith and hope and they will not despair before they see the dawn of victory.

The history of Lithuania has been mixed with both glory and tragedy. In their early history the Lithuanians were called upon to defend Europe when the Tatars came from the East and threatened western civilization. They suffered persecutions beyond human endurance during their 120 year subjugation under Russia.

When they achieved their independence in 1918, the Lithuanians lived a happy and prosperous life. They made much progress and added many contributions to the culture of Western Europe. Lithuania became a respected member of the League of Nations in 1921.

Once again after two decades of a happy experience under a freely elected government of their choice, they were engulfed by the tyrants of Soviet Russia. They were incorporated into the Soviet Union against their will, without even the opportunity to express themselves in the matter. The United States, as well as other democracies who espouse the cause of freedom and justice, continue the policy of nonrecognition of Russia's aggression in the Baltic States.

The desire of these gallant people to obtain their liberties and freedom is so strong that they will never succumb to the principles of communism. Our sincere wish on this solemn occasion is that the flag of freedom will soon wave again over this gallant nation.

I am confident that their untold sacrifices will not be in vain for their determination and faith in God will lead them to victory over the aggressors and right will prevail over evil.

Mr. McVEY. Mr. Speaker, on February 16 Lithuanians throughout the world will be observing the 38th anniversary of their homeland's independence. This observance offers us an opportunity to pause and reflect upon the suffering of the enslaved Lithuanians and to consider what we and the other free nations can do to encourage them during this time of oppression and to assist in making possible their eventual liberation.

The glorious history of this nation discloses the constant struggle for freedom which it has made against the tyrannical forces of aggression and proves that the liberty and freedom of any nation cannot be taken for granted, but preserved only by eternal vigilance and a strong national defense against enemies from within and without. During her period of independence, 1918–40, Lithuania made remarkable progress in every phase of life and received the recognition of the other free nations for her cultural, educational, and economic growth. All of these achievements were suspended and destroyed when this country became occupied for the second time by Russia in 1940; then by the Nazi forces, 1941–44; and then reoccupied and ruled by the Soviet forces up to the present day. Even though Lithuania's national status has been eradicated by Communist Russia, her people have not despaired and are fully united in their determination to reestablish their complete independence and to once more resume their tasks of development and progress.

On this anniversary day I wish to assert my own hope that in the not too distant future all obstacles in the way of peace will be hurdled and that the day of freedom will again come for these courageous people.

Mr. SMITH of Wisconsin. Mr. Speaker, I am pleased to have an opportunity to join with other Members of the House of Representatives in presenting my thoughts on the independence of Lithuania, as we observe its 38th anniversary of that event.

The people of the free world and especially the people of the United States have been shocked at the utter ruthlessness of Communist Russia in seizing a free nation such as Lithuania. It has suffered the fate of Latvia and Esthonia, but by the will of God and eternal vigilance on the part of the people of these three Baltic free states, liberty and independence will surely come. Russian aggression will be eliminated when the world realizes that there is no longer any room for ruthless aggression among civilized nations. The present Communist conspiracy will fall of its own weight when the Russian people realize they are but slaves of a totalitarianism that is a blight upon the face of the earth.

Mr. Speaker, the very great need at the moment is for free Lithuanians, such as the hundreds of groups which we have in this country, to keep alight the fires of freedom in high hope and in confidence that Lithuania will once again be independent and assume its proper place in the family of nations.

The history of events since Russia has occupied Lithuania is clear to all the world. Upon the pretext that Germany was about to occupy Lithuania, Soviet Russia moved in and occupied that country. When Communist army garrisons had been established in Lithuania, Latvia and Esthonia the red armies were moved from the Baltic States and placed along the Finnish frontier in preparation of an assault on Finland. This was in late November 1939. Soviet Russia at that time was merely looking for a pretext to move its armies of occupation into those unfortunate countries.

After occupation was well established the Communists spread false accusations against the Lithuanian government and

in 1944 deputized one of its commissars to make sure that a pretext for occupation had been established. One of the false charges was that Lithuanians had been kidnaping and killing Russian soldiers and when the Lithuanian government demanded the right to be heard on these charges the Soviet government refused to honor the requests. The Lithuanian Commission on the other hand found the charges had been absolutely false but that made no difference to the Russian terrorists.

Attempts were made to negotiate a peaceful understanding between Russia and Lithuania, but these attempts were ignored and to this day, Mr. Speaker, the United States Government has refused to recognize the occupation of the three Baltic countries.

Mr. Speaker, this is to the credit of the United States and we must forever insist and maintain that under no circumstances will we be parties to the bargaining away of the right of independence for Lithuania and her sister Republics.

The challenge to Americans of Lithuanian descent is to continue to battle for a free Lithuania and the slogan at all times must be to carry on for freedom and liberty in a Christian country until the fight is won and recognition is achieved.

Mr. Speaker, I want to congratulate those Americans of Lithuanian descent who are carrying on this fight and may God sustain them in their efforts.

Mr. DINGELL. Mr. Speaker, we Americans who are cognizant of the benefits of a free Nation happily proclaim the achievement of that independence every Fourth of July. Lithuania normally celebrates their declaration of independence on February 16. Unfortunately, for 16 years Independence Day has not been an occasion for celebration in Lithuania. The freedom which Lithuania had gained on February 16, 1918 was lost when Hitler and Stalin signed their nonaggression pact and spelled the doom of Lithuania's independence. During the course of World War II, the Soviets subjugated the powerless Baltic nations and have kept them under bondage ever since. In the process of complete Sovietization many of the courageous Lithuanian people were executed and deported. However, it is encouraging to note that despite the totalitarian techniques of terror the Lithuanians to this day have steadfastly opposed the Soviet tyrant. The mere fact that the Soviets have found it expedient to use these terror tactics is tangible evidence that the struggle for freedom still exists in this captive country. Moreover, this heroic fight for liberation is a symbol for suppressed nations everywhere and has won the gratitude of all the free nations of the world.

On the 38th anniversary of Lithuanian independence the American people, ever mindful of the blessings of their own Declaration of Independence, join with all Lithuanians in hoping for the day when this enslaved nation will be released from its bondage and will once more be welcomed in the family of free nations. We are positive that their struggle will not be in vain.

Mr. BENTLEY. Mr. Speaker, Once again it is my pleasure and honor to call the attention of the House to the fact that today is the 38th anniversary of the independence of Lithuania.

This small Baltic nation only dated its modern independence from February 16, 1918, the date we are commemorating today. But the Lithuanian people have a long and glorious history behind them. Their traditions, their culture, their language, their fierce desire for freedom, all are reasons why foreign occupation of their homeland since 1940 has not been able to quench the spirit of independence in their hearts.

During my work with the Select Committee on Communist Aggression of the 83d Congress, I was able to learn much of the details of the Soviet takeover and domination of Lithuania. Based upon the information we received, it is my conviction that none of the Communist-enslaved peoples desire liberty more, that none of these peoples are prepared to sacrifice more for freedom than are the people of Lithuania.

This Government has never recognized the incorporation of Lithuania into the Soviet Union and, I am confident, has no intention of doing so. I know that all friends of freedom for the captive peoples were greatly encouraged by President Eisenhower's Christmas message in which he stated that the people and the Government hoped and believed in freedom for the enslaved peoples behind the Iron Curtain and intended to work through every peaceful means to bring about this freedom. This is, and will remain, a keynote of American foreign policy.

It is our hope that the recognition of occasions such as this and the sending of our expressions to the people to whom they refer will clearly demonstrate to the entire world that the American Congress and the American people whom we represent here are fully behind the President in his belief and determination. May the day come soon when all peoples who are now enslaved by colonialism, of the Soviet version as well as other kinds, will have the God-given right of self-determination and freedom to choose the political, economic, and social structures under which they wish to live.

Mr. RODINO. Mr. Speaker, the Lithuanian people are justly proud of their long and glorious history. For centuries the Lithuanian Kingdom was a powerful force in the whole of eastern Europe. The Lithuanians not only succeeded in repelling at least some of the incursions of barbarian invaders coming from the East into northeastern Europe, but they also were champions and an advance guard of Christianity in that part of Europe. Late in the 16th century the Lithuanians united with the Poles, and formed a dual monarchy. However, a great deal of independence was retained by both countries. The union lasted for 200 years. During that time the destiny of Lithuania was wedded to that of Poland, and in the late 18th century when Poland was partitioned, a part of Poland and all of Lithuania were incorporated into the Russian Empire.

The loss of national independence by Lithuania did not mean the loss of the Lithuanian spirit of independence. Throughout their trying years under tsarist domination the Lithuanians learned that individual or group well-being could not be fully achieved or enjoyed without national political independence. They learned that in order to enjoy the benefits of their labor, they should have complete freedom in their homeland. Consequently, for more than 100 years, until the day whose 37th anniversary we are now celebrating, they worked ceaselessly for the realization of their most cherished ideal, for the independence of Lithuania. None of the restrictive and repressive measures of the Russian regime, none of its harshness, nor its proscription of the Lithuanian language and culture, none of these could prevent the patriotic and freedom-loving Lithuanians from striving for the realization of their national dream. They fought for it openly as well as clandestinely. They staged open rebellion against their oppressors more than once, but they had to wait until World War I for the actual achievement of their national independence.

When Lithuania became a democratic republic, the war was still raging, and most of Lithuania was still under enemy occupation. Soon, however, the war ended and all Lithuanians joined hands, not only in the fullness of joy to celebrate their victory, but also for the rebuilding of their now liberated country. In this task they were remarkably successful. In a few years normalcy was restored, and Lithuania was blessed with prosperity and progress and peace.

For more than two decades the Lithuanians lived in the happiness of freedom. But then came rude shocks from the sudden unleashing of evil international forces. Hemmed in between the vast military machines of Nazi Germany and Communist Russia, little Lithuania could not hope to cope with either. When World War II came, its independence was lost as the Russian Communists took over the country in 1940. During the course of the war the Lithuanians had to exchange one oppressive alien regime for another; they experienced the horrors of both communism and nazism. In the end it was the Red Army which held the country in its iron grip.

For more than 10 years now the Red regime has been there with its commissars and spy rings, with its informers and executioners, and it has literally changed the life of Lithuania to one of regimented horror. Of course, no Lithuanian under the Red Government is allowed to celebrate his national independence day. We of the free world, fortunately, do not share his lot. We do share, however, his feelings and his hopes. And on his behalf we solemnly celebrate this independence day. We ardently hope that soon he will be free to celebrate that day as we do it here.

Mr. FORAND. Mr. Speaker, mindful of the turbulent conditions of world affairs today, we join our prayers with those of the patient, brave, and persevering Lithuanian people in commemorating the 38th anniversary of their independence, an independence that was short lived and wrested from them by cruel tyrants.

Like all subjugated peoples, the Lithuanians, and their leaders in exile, realize that liberation will not come overnight, and that until it does come resistance will exact a terrible price in death and mass deportations.

They also realize that the time for small nations as self-contained entities is over and that they must seek salvation in a wider all-European organization. But for the present the fight for liberation must invoke all the values that go with the building of a nation, and independence.

In her never-ending valiant effort to gain this independence, Lithuania, like the other eastern European nations, led a precarious political life between the two powerful police states of Soviet Russia to the east and Nazi Germany to the west.

The infamous pact between Hitler and Stalin in 1939 brought about her conquest. In 1940 Russia moved in, while the Nazis in 1941 and 1942 took over the country. Terror was practiced by both regimes. Toward the end of the war the Russian armies again occupied Lithuania and once again initiated a reign of terror. Thousands of Lithuanians were executed and hundreds of thousands were deported to Siberia. At the same time an equal number of Russians were settled inside Lithuania and the attempt was made to obliterate the national sentiment and free spirit of the people.

Things have not changed in the past few years, all the terrible methods of the modern police state are still being practiced by the Russians.

Because of this domination over body and soul, there are no public demonstrations in that unfortunate country on what would otherwise be a joyous national holiday. Any such display or attempted demonstrations would be immediately halted with force and violence resulting in additional harsh punitive measures on the suffering populace by the Red tyrants. No matter how gallant the spirit of a people may be, it would be suicidal today to take issue with firing squads. In their stead we, here in the United States House of Representatives, will carry their feelings to all by raising our voices in their behalf.

We in America, and I am sure all other freedom-loving people, have not forgotten the unfortunate plight of the Lithuanian people.

We want them to know that we support them in their fight for freedom. We are not unmindful of the fact that under present circumstances they can do little for themselves; that the present government of their country is not one of the will of the people but rather one that has been imposed upon them by force.

We have not forgotten their valiant fights of the past against tyranny and dictatorship and we entertain a fervent hope that the day will soon come, as it did in 1918, when the great people of Lithuania will rise in their wrath and again break the Soviet yoke that they have carried around their necks, but not in their hearts.

Mr. FALLON. Mr. Speaker, in these days when our hearts and minds are attuned to the unceasing entreaties for help and understanding for the oppressed over the world, no plea to our conscience and for our sympathy is more appealing than that of the people of Lithuania for national liberation. Although a tiny nation geographically and subjected to repeated foreign incursions and influence historically, Lithuania has never surrendered her ideals or permitted her longings for ultimate political independence to be crushed.

Over six centuries ago the principalities, which were to be the nucleus of present-day Lithuania, were united for the first time, and in the succeeding years the Lithuanians strived for political unity and the assertion of their own desires in the formation of a national state. Even with the steadily growing pressures of neighboring powers to force her to deviate from the course she had set for herself, she fought to preserve her national traditions and aspirations. Her efforts to destroy the bonds imposed by outsiders and to remain true to the principles of democracy, demonstrated the survival strength of her consciousness as a nation. Today we see that she has remained faithful to the memories of her glorious historical past and that she has never allowed the terrible wrongs she has suffered at the hands of invaders to stifle her undying passion for freedom and independence.

With humility and compassion we, the people of the United States, applaud this courageous Nation of Lithuania for her unending attempts to free herself from the Soviet yoke of avarice and oppression and reassure her again that the United States stands firm in her policy of self-determination for all the Baltic States. Following the First World War the Americans of Lithuanian descent handed a declaration to the President of the United States whose resounding words are still as true and meaningful today as they were then. In part this declaration read:

> At this critical moment, when the world is called upon to solve a very important problem, namely, that of establishing a humane and assuring a lasting peace, we, the empowered representatives of the Lithuanian Nation, assume the privilege and duty of declaring that it is our sincere belief that lasting peace can be established only if every living nation be given the right to determine her own destiny.

It seems especially fitting, therefore, that we Americans, fellow sympathizers of the Lithuanian people in their fight for the cause of democracy and of freedom, should give our tenderest and strongest support to Lithuania on the 38th anniversary of her independence.

Mr. PATTERSON. Mr. Speaker, nothing warms the heart of an American more than to witness the triumph of freedom over slavery and tyranny. For many years we Americans have been warmly sympathizing with the tragic plight of the peoples of Lithuania and feeling a rising surge of resentment against the appalling events of suppression and brutality to which the Soviet Union has persisted in subjecting them. Today, on the 38th anniversary of the declaration of independence of Lithuania, we pause, therefore, to give a resounding salute to the heroic Lithuanians who continue to fight to free themselves from Russian domination.

Over six centuries ago the ethnic groups that were to form the future state of Lithuania began the struggle for unification and sovereignty. During those same centuries the Lithuanians suffered repeated defeats and mistreatment by foreign armies. With her more powerful neighbors constantly pressing in on her and eventually partitioning or absorbing her, one might think her will to survive would have been crushed or her aspirations for national liberation diverted. But such was not the case with Lithuania, because underneath her factual incorporation into the political jurisdiction of other powers there remained the undying devotion to her ideals of national self-determination and a belief in the dignity of man and the right to determine her own political destinies.

Lithuania was one of the first of the victims of Soviet expansion to the west. Using the innocent-sounding phrase "peaceful coexistence" to blanket her real intentions in regard to Lithuania and the other Baltic nations, Soviet Russia progressively and systematically blotted out the slightest semblance to liberty and justice and by devious processes annihilated the political independence of the Baltic States. Lithuanians, however, deeply believe in the rule of reason, of justice, and of law and have never let their spirit be conquered. Recently the Moscow regime admitted its dissatisfaction with the economic and political situation within Lithuania and openly berated the Lithuanians for their "bourgeois nationalism." This term, it must be explained, means the natural Lithuanian aspiration for independence and opposition to Soviet rule. What an inspiration to the free world is this spectacle of indomitable national pride and of courage in the face of the most oppressive dictatorship of modern times.

We Americans cannot afford the luxury of complacency or escape our responsibilities to the peoples of Lithuania. The very existence of the Soviet tyranny is a threat to all democratic people in the world. May we take a page from the heroic history of Lithuania and proclaim today, as we have in the past, that we stand at the side of the true representatives of Lithuania and will always recognize the diplomatic and consular representatives of free Lithuania, giving unceasing support to her cause. Several years before she declared her independence, a small group of her delegates accredited to an international conference enunciated her desires for national independence. One section of that proclamation read:

> The Lithuanian nation with its own traditions, culture, national ideals, and its individuality, believes that the only way a nation can survive is to acquire its own rights in all domains of life, and that the nation should direct its own destiny.

No more sincere declaration of intent to be free can be found than this one, and it will act as a guide to us in our struggles against the forces of evil and tyranny.

Mr. FULTON. Mr. Speaker, again we friends of Lithuania commemorate February 16, 1956, as the 38th anniversary

of Lithuania's independence. We in the United States have not forgotten our friends and relatives in Lithuania and the countries of Eastern Europe and look ahead to that wonderful day when freedom and independence will be restored.

We continue to celebrate this independence anniversary on February 16, 1956, with renewed hope. We are encouraged because of President Eisenhower taking the firm stand that our United States foreign policy will be aimed toward obtaining the liberty and freedom of all the citizens of Lithuania and the satellite countries now behind the Iron Curtain.

The fine spirit of new hope is shown by the determined resolve of the many United States citizens of Lithuanian descent as well as their friends, who met on Sunday, February 12, 1956, to celebrate this independence anniversary at the Lithuanian Hall on the South Side in Pittsburgh, Pa. We all renewed our pledge of devotion to the citizens of Lithuania, and it was inspiring to me as a member of the House Foreign Affairs Committee to have this outpouring of citizens and clergy still strong in their resolution for liberty and freedom.

The citizens of Lithuania and the Eastern European countries will again be free and independent and peaceful nations dedicated to friendly progress and cooperation with the citizens of the free world.

Mr. HILLINGS. Mr. Speaker, last February 16 the Lithuanian Americans, of whom there are almost 1 million in our country, celebrated the 38th anniversary of Lithuania's independence.

Lithuania is a country with a rich, historical background. It was an independent state as far back as the 12th century and at one time comprised a vast area of Eastern Europe. Since 1940, however, the valiant people of Lithuania have been under the domination of the Soviet Union. The legal government of Lithuania as well as those of its neighbors, Latvia and Estonia, was deposed by the masters of the Kremlin and Lithuania is now incorporated as part of the Soviet Union with attendant terror and loss of freedom. Since the Reds have taken over Lithuania, hundreds of thousands of these brave people have been deported to slave labor camps.

On Saturday night, February 18, 1956, I had the honor to address a group of fine, patriotic Americans of Lithuanian extraction who belong to the Lithuanian-American Society of Los Angeles. The president of the society is Mr. Anthony F. Skirius.

Mr. Speaker, I believe that our country can well be proud of the patriotism of the Lithuanian Americans and their devotion to our principles of freedom and justice. It is my hope that once again Lithuania may be free and throw off the yoke of Soviet slavery.

OUR IMMIGRATION LAWS—ATTACKS ON OUR NATIONAL ORIGINS QUOTA SYSTEM MUST BE REPULSED

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Texas [Mr. FISHER] is recognized for 20 minutes.

Mr. FISHER. Mr. Speaker, I rise today to voice my opposition to the President's proposal that the Congress make a drastic change in our traditional national origins quota system for the admission of aliens to this country.

President Eisenhower, in his message to Congress last week, referred to what he described as inequities in the present quota law. He called for a change from the 1920 base from which annual immigrant quotas are determined, to the year 1950. He went further to ask for an even more drastic change, when he stated:

> Quota numbers that are unused by countries to which they are allocated should be made available for use elsewhere.

And then he called for legislation which would permit unused quotas which now expire at the end of each year, to be used in succeeding years and to even be transferable to other countries which exceed their annual quotas.

To the casual observer these proposed changes may sound innocuous. But the fact remains that their enactment would account for a net increase in population from Europe to this country by more than 100,000 annually. And once these changes are made we can be sure more and more demands will be made for even more drastic changes in the future.

Here is how the increase would come about. Under our 1920 quota law a total maximum of 154,657 immigrants, if they properly qualify, may be admitted. But not all of this number are admitted because in some countries, such as England and Germany, where the quotas are highest, as a general rule less than half of their annual quotas are taken. Under present law they are not transferrable to other countries. But the President proposes to jump the total figure from around 100,000 or less now admitted annually—in 1954 there were 94,000—to 220,000 by the proposed changes in the law—a net increase of more than 100,000 quota immigrants each year.

FRAUGHT WITH DANGER

Mr. Speaker, I am convinced this proposal is fraught with danger to our country and to our future. If enacted the plan will amount to another break in the dike that has controlled in a fair and orderly manner the admission of immigrants to the United States during the past 30 years. We all know that our immigration laws have been under terrific political fire for 10 years. Pressures for more admissions have been built up. Inroads have been made. The camel has been poking his nose into the tent, and with some progress and encouragement he has become more determined.

UNITED STATES HAS BEEN MOST GENEROUS IN ACCEPTING REFUGEES

There are those who say we must be the asylum for the millions who seek new homes and want to migrate from Europe. They say it is our humane responsibility to do more and more to relieve the conditions brought on by overpopulation. But, Mr. Speaker, the facts are that we have done more than our share in the relocation of displaced people who were victims of the war-born upheavals in Europe. Under the Displaced Persons Act of 1948 a total of more than 400,000 aliens were admitted. Then in 1953 came the Refugee Relief Act to bring in 209,000 more of Europe's surplus population. That is in addition to the regular stream of quota immigrants. It is in addition to hundreds of thousands of non-quota immigrants from other countries in the Western Hemisphere where the quota law does not apply. It is in addition to a tremendous influx from Puerto Rico, to which I shall refer in a moment.

Just how benevolent has this country been in its immigration policy? Since World War II we have admitted more than 2 million aliens for permanent residence—not counting the 209,000 being admitted under the Refugee Act.

Indeed the United States has been liberal and more than equitable toward immigration. Of the more than 1 million European refugees resettled by the International Refugee Organization, 1 out of 3 has been taken by the United States.

The United States—

Says the New York World-Telegram—

> should do all it can to assist these people in finding new homes in areas of opportunity. But this country has long since passed the point where it can operate under a policy of unrestricted immigration, which is virtually what some people are seeking.

NATIONAL ORIGINS QUOTA SYSTEM IS UNDER ATTACK

Mr. Speaker, crusading for a breakdown in our restrictions on immigration, the enemies of our immigration policy center their heaviest attack on the national-origins quota system. By that formula the number of quota immigrants from each country is limited to one-sixth of 1 percent of the inhabitants of the United States who in 1920 traced their origins to that particular country. That works out to an annual total, from 85 countries, of 154,657—to which I have previously referred.

This national-origins system is designed to do four things:

First. To limit the annual number of quota immigrants who can come to the United States.

Second. To determine the nationality of those who come so as to maintain the historic population pattern of the United States.

Third. To put all quota nations on an equal footing.

Fourth. To keep the immigration problem beyond the reach of politics and pressure groups.

By this system the number from each country is determined by mathematicians, not politicians.

But now more than at any time since our quota system was enacted more than 30 years ago political pressures are being brought to bear on the Congress to change the program; and, as I have said, serious inroads have been made and are being made which, unless checked now, could lead to the virtual scrapping of our restrictions and systematic method of admissions.

That is why, Mr. Speaker, the people should be aroused to the reality of the danger. It is time for those who are

concerned about this trend to "ring the bell and tell the people."

After all, what is really wrong with the national origins system of determining quotas? What system could be more fair and more equitable? And the 1920 date is a proper one because that year marked the basic change from the wide-open immigration policy to more orderly admissions, limited in numbers. There could be no year that would be more appropriate for the purpose, unless the objective is to find a date that will admit more immigrants.

It has become popular in certain circles in recent years to want to tamper with the law, to weaken it here or there, to tear down its effectiveness. It makes good compaigning fodder in certain areas. It will be recalled that former President Truman often took pot-shots at our quota system and its operation; Adlai Stevenson has followed suit. And now President Eisenhower has made recommendations which, the message states, were prepared for him. Obviously, therefore, the danger is real and it is imminent. Unless the American people themselves, through the force of public opinion, assert themselves firmly, there is no way of knowing where these attacks upon our traditional immigration restrictions will lead.

PUERTO RICAN INFLUX ADDS TO OUR PROBLEM

Mr. Speaker I have spoken of our part in solving Europe's refugee problem. In addition to the admission of displaced persons there have been hundreds of thousands of war brides who, very properly, have entered. And on top of all that that there has been a postwar influx of our own citizens from Puerto Rico. In 1950 there were, in continental United States more than 300,000 Puerto Ricans, a number equivalent to more than 10 percent of the 1950 population of the island of Puerto Rico. This represents an increase of more than 200 percent over the 69 967 Puerto Ricans in continental United States in 1940.

According to a report published by the Bureau of Applied Social Research, Columbia University, January 1954, the total number of Puerto Ricans in continental United States was 569,000, as of December 1953. This was an increase of 267,625 in just a 3-year period, or nearly 50 percent. At this rate, there will be more than 800,000 by the end of this calendar year.

This influx, added to the hundreds of thousands who have come in from Europe during the past 10 years, and that added to the vast numbers from the Western Hemisphere, create very difficult housing and social problems. Take New York City, for example, the place, incidentally, where much of the agitation for liberal immigration policies come. Figures are difficult to obtain as to the number of Puerto Ricans on relief there. The New York Welfare Department is and has been hesitant about giving out such figures for fear of labels such as "bias" or "prejudice." It is a fact, however, that shortly after President Eisenhower's inauguration the president of New York's City Council asked for $25 million in Federal aid for the city to help solve its migrant problems. In 1 year, 1950, the relief bill in New York City for Puerto Ricans was reliably reported at $15,600,000. And that relief burden, of course, has been substantially increased since 1950.

I mention Puerto Rico only for the purpose of pointing up the fact that we have a rather serious domestic immigration problem of our own. That island has a population density of 652 per square mile, as compared with 211 in Europe. Therefore, unless some change is made in the arrangement with Puerto Rico, it can be assumed that large numbers of people from that island will continue to migrate to the mainland. Do we not have enough problems that are unavoidable without going out of our way to voluntarily create new ones—such as aggravating the issue by increasing immigration from Europe?

UNITED STATES CANNOT BE DUMPING GROUND FOR WORLD'S SURPLUS POPULATION

Now, Mr. Speaker, let us direct our attention further to this world population matter. I have said this country cannot afford to become the dumping ground for the world's surplus overproduction of people. It is no longer valid to meet the issue by saying the United States is made up of immigrants, and that fact accounts for our strength. For a long time the New World depended upon immigrants to meet its needs and to exploit its vast resources. But now population-wise we are self-sustaining and independent. So the old argument of the need for more and more immigrants, however valid at one time, no longer holds good. This calls for a reevaluation of our decisions; a reappraisal of our needs, our responsibilities, and the relationship of our immigration policies upon our future. Let us review this population thing for a moment.

The population of the world is presently estimated at 2,655,000,000. That compares with the estimate of 2,455,000,000 in 1950. These are United Nations figures. But our headache comes from Europe because most of our quota immigration originates there. Europe's population, outside the Iron Curtain, is increasing at the rate of 3 million annually. The Population Bulletin points out that for a century the specter of overpopulation has haunted Europe's chancelleries. Even before World War I the need for more living space for Europe's multitudes was a threat to world peace.

EMIGRATION HAS NOT SOLVED EUROPE'S PROBLEMS

The hope that European emigration would be an effective safety valve has proved to be an illusion. Yet many people still insist that emigration alone can solve Europe's problems. What they fail to realize, the Bulletin points out, is that 90 million people would have to be moved out of Europe if her population were to be set back to the 1925 level. Since then, Europe's agricultural productivity has not greatly changed, her trading position has declined, and the era of colonialism has virtually ended.

Since the beginning of the 19th century, 60 million people have migrated from Europe. Yet Europe's population increased from 148 million in 1800 to 396 million in 1950. And at the present rate, the total will approximate 436 million in 10 years.

Just suppose we yield to the pressure to break down our restrictions and admit 1 million, or 10 million, from Europe—would that solve their over-population problem? Of course not. Actually history teaches that reduction in density often leads to acceleration in rate of increase.

ITALY AS EXAMPLE

Let us pursue this line of thought a moment. The Bulletin uses Italy as an example to prove that migration alone will not solve population problems. The demographic history of Italy shows that Italy's migration of 439 people to the United States between 1791 and 1800, grew steadily over a century to reach 2 million in the decade 1901–1910. More than 1 million Italians came to our shores in the following decade. In the 117 years between 1820 and 1936 almost 5 million Italians entered. Migration to other lands was also heavy. It is estimated that 17 million Italians have left their homeland since 1820.

Today one-third of the total population of Argentina and one-fourth of the white population of Brazil are Italian by birth or descent.

Yet during that period of heavy migration, Italy's population growth at home was among the highest in Europe. In Sicily, where the rate of emigration was twice as high as that of the Italian mainland, the population increased much faster than in Italy proper.

Now, what does this prove? Italy's history shows that mass migration over more than a century has not effectively relieved the pressure, nor the misery of the people. Yet the demand continues that other lands must absorb Italy's surplus millions. As a stock of people, they are fine. The Italians have contributed much to civilization. But we have reached the point where in justice to ourselves and to our future we can no longer absorb so many from overpopulated centers such as Italy. Yet the agitation grows by the day for a more liberal immigration policy.

POPULATION INCREASE IN UNITED STATES

What about our own rate of increase? Today we have more than 165 million. Our increase is approximately 3 million per year. By 1960 we will have 180 million; by 1975—which is not far off—the Census Bureau tells us the total will crowd 200 million. We know that this country is in a period of the greatest population growth in history.

As I have emphasized, this trend is worldwide. It is estimated that if death rates are controlled and fertility continues at the present level, it would take only 30 years or less for the world population to double. This would mean 7 billion by the year 2010, and 15 billion a century hence.

There are those who say that nature will take care of the problem—that controls, pestilence, and possibly wars, will take their grim tolls and, as they have done in the past, help to reduce population pressures that have plagued the world for centuries. But while much can be done by way of planned parenthood and education, in seeking solutions we

must not think in terms of war and disease to ease future pressures. Let us plan on a higher level.

NEW APPRAISAL CALLED FOR

But just another word before I leave the subject of population trends. Let us take one more look. Since 1650 the pattern of world population growth has changed drastically. An authoritative report reveals that this trend has brought a persistent, accelerating increase in the rate of growth and in total numbers. It has been estimated that between 1650 and 1850 numbers grew at an average annual rate of 0.4 percent; at 0.7 percent between 1850 and 1900; and at 0.9 percent between 1900 and 1950. Today the rate is the highest in the history of mankind—over 1 percent.

The world has sustained a fourfold increase in population in the last 300 years.

WE MUST HOLD THE LINE

Again, Mr. Speaker, we must face up to the issue: In this world beset with multiplied millions in overpopulation, do we want to lower our guard, weaken our restrictions, and become the asylum for Europe's teeming millions who are surplus to their needs and a burden to their economies?

We can be thankful for the foresight and vision of those who enacted the quota limitation law more than 30 years ago. The passage of that law added substantially to our present standard of living. By checking the influx of immigrants which marked the decade preceding 1920 the effects of the great depression were to some extent ameliorated. That immigration policy put into effect 30 years ago, under attack today, has undoubtedly added to our happiness, our strength and our welfare. It has helped to reduce unemployment and to ease the terrific postwar housing shortage.

Some one said a politician is a man who thinks of today, a statesman is one who thinks of the future. If our statesmen of 30 years ago could foresee the need for reduced immigration, then in the face of unprecedented rate of population increase today and our capacity to meet our foreseeable manpower needs, surely we have the intelligence and courage to meet the challenge today and think in terms of the future. If we do, I have no doubt that we will keep our present national origins quota system inviolate.

THE ARKANSAS RIVER BASIN

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Oklahoma [Mr. EDMONDSON] is recognized for 1 hour.

Mr. EDMONDSON. Mr. Speaker, I am deeply grateful to the many Members of the House of Representatives, some of them from districts many miles removed from the Arkansas River Basin, who have written or spoken to me during the past week to give assurance of their support for the basin program.

It is heart warming to find in one's colleagues a generous understanding of the problems of a great river basin which has long been the victim of uncontrolled water, suffering the penalties of both drought and flood, and the added penalty of freight rates not competitive with water transportation.

It is also heart warming to find in those same colleagues a ready willingness to join in the fight to secure construction of projects now being blocked by Bureau of the Budget dictatorship—or what might be called "veto by inaction."

I have discussed the matter of executive unwillingness to go ahead with construction on projects both authorized and appropriated for by Congress with many Members of the House. I have yet to talk to a single member who did not share the indignation of the Oklahoma and Arkansas delegations, over an executive decision that lawfully funded projects could be blocked by an executive decision that they did not possess "sufficiently high priority at this time."

As I stated on the floor the other day, we intend to continue our discussions with officials of the Bureau of the Budget and this administration, in an effort to secure a modification of this indefensible position. At the same time, we look forward with confidence to a decision by the Congress in this session—regardless of Budget Bureau obstructionism—which will amount to a fresh legislative direction to go ahead with the Arkansas Basin program.

The Members of the House of Representatives have already spoken emphatically with their votes, in support of the finding that the Arkansas Basin program is good business for America.

When we provided construction-start money, in the last session, for three key dams in this program, we testified firmly to congressional faith in a basin project first authorized in 1946. When the President signed the appropriation bill funding the starts on Oologah, Eufaula, and Dardanelle Dams, and providing final planning money for Keystone Dam, he assuredly gave the program all the legal sanction it could expect under our Constitution.

It is a program that is good business for our country.

I know the President has respect for military opinion, and assuredly shares in the high regard universally held for the Army engineers. The other day, in St. Louis, Brig. Gen. W. E. Potter, of the Corps of Engineers, had this to say:

> The hard fact now confronts us that the harnessing of our rivers is an economic necessity of the first order if we are to meet the consumptive water demands of a nation heading toward 200 million people by 1975. Water supply for municipal and industrial purposes is fast becoming one of the gravest domestic problems with which our Nation is faced. Industry now uses eight times as much water as it did in 1900. By 1975 it may well be using 2½ times as much as today. Water problems are building up at a rate much faster than we are providing the facilities to solve them.
>
> The Chief of Engineers, General Sturgis, whom I have the honor to represent today, has repeatedly warned that the Nation is rapidly approaching a water crisis.

As to the extent of that crisis in Oklahoma and Arkansas, let doubting Thomases check no further than the drought-disaster records of the Nation for the past 3 years, to resolve all doubts.

We need the Arkansas Basin program, and need it urgently, to stabilize and store a supply of water. In the midst of a water famine, we are shocked by the cold fact that 37½ million acre-feet of water flow unused out of Oklahoma each year. In Arkansas, the wasted, unused flow is the staggering total of 80 million acre-feet annually. It would be good business, we believe, to harness and use that water. It is bad business to let it go to waste.

The State water engineer for California, in figuring the cost of the recent California floods, put a value of $10 an acre-foot on their wasted flood waters this year.

If we place a value of only one-tenth the California figure on Oklahoma and Arkansas water, we have an annual waste of $37,500,000 in the Sooner State, and $80 million in neighboring Arkansas.

It would be good business, we believe, to stop that waste.

From the standpoint of flood, the Arkansas Basin program is good business. Oklahoma has suffered flood damage for every single year since 1935, and the damage has been measured in the millions of dollars in 13 of those 21 years. The figures for Arkansas are equally grave.

Can anyone dispute the fact that it is very good business, for America, to stop the tragic toll from flood?

There are numerous other counts on which the justification for the Arkansas Basin program is based, and based solidly, by the engineers responsible for the master plan. The other day I stated on the floor that Army engineers had calculated annual benefits at more than $60 million. The actual benefit estimate, as given in the January 1955 report of the Southwestern Division entitled "Water Resources Development in Oklahoma," is stated in these words:

> Eufaula Reservoir is a key unit in the multiple-purpose plan for development of the Arkansas River for flood control, generation of hydroelectric power, navigation, and other purposes. The area which would benefit from flood control consists of the overflow land of the Canadian and Arkansas Rivers downstream from the project. Anticipated average annual benefits that would accrue from the operation of the multiple-purpose plan are $60,996,000.

That is an annual benefit figure which looks like good business for America, any way you look at it.

To the President's budget message objection over commitment of the Federal Government to a cost of over $1 billion, the people of Oklahoma and Arkansas can only respond with a plea for fairness in Federal expenditures in the field of water development.

According to the authoritative book by Hoyt and Langbein, Floods, published by the Princeton University Press in 1955, the enlarged land and water resources development program of the Missouri Basin Interagency Committee in 1952 had an estimated cost of $11,244,265,000. Of that sum, $3,381,345,000 represented cost of Army engineer projects in the Missouri Basin, and $4,427,581,000 represented cost of Interior Department projects in the Missouri Basin.

Alongside these figures, the President's estimated cost for the Arkansas Basin is a modest total for a program which will benefit at least five States directly, and many others indirectly.

In the Ohio River Basin, the program approved in 1938 calls for construction of 80 reservoirs and over 240 local protection works, at an estimated cost of approximately $1,800,000,000. There are billion-dollar basin programs for the Tennessee River, the Columbia River, the lower Mississippi, and the Colorado.

Why should this administration slam the door on the hopes and plans of 4 million people in the valley of the Arkansas—the only great river valley in the United States without navigation?

The people of Arkansas and Oklahoma are citizens of this great country, too. They sent their sons from the hills and prairies to fight for the rights of American citizenship, in every war since the settlement of the two States.

They are entitled to the rights and privileges of that citizenship, and included among those rights and privileges is the right to be benefited by laws enacted by Congress for the development of their rivers.

Such a law has been enacted for the Arkansas Basin, and money has been appropriated to implement it.

We ask nothing less of the Executive than our rights under law.

In the case of the Arkansas Basin program, it will be good business for America to grant those rights.

For the information of the House, here are a few engineering facts concerning the Arkansas Basin program:

The first reservoir projects authorized in the Arkansas River Basin in Oklahoma by the 1936 Flood Control Act included the Fort Supply, Optima, Great Salt Plains and Hulah Reservoirs. These were selected by the Congress from projects studied in the 308 report on the Arkansas River, and they will assist in meeting the needs of the areas as regards flood-control and water-resource development.

The 1938 Flood Control Act authorized a system of reservoirs primarily for flood control on the Arkansas River and its major tributaries in Oklahoma and Arkansas. The Oklahoma portion of this system, as modified by the 1941 and later acts, includes Canton, Heyburn, Keystone, Oologah, Pensacola, Markham Ferry, Fort Gibson, Tenkiller Ferry, and Wister Reservoirs. The reservoirs in Arkansas are Blue Mountain and Nimrod.

Under authority of the River and Harbor Act of 1946, the water resources of the States within the Arkansas River Basin are being developed as a coordinated multiple-purpose plan, which includes flood control, hydroelectric power, navigation to the vicinity of Tulsa, recreation, water supply, irrigation, and pollution abatement. In this plan, the navigation route would begin on the Verdigris River at Catoosa, Okla., and would follow that stream to its mouth via several cutoffs and canals, thence via the Arkansas River to the Mississippi River. In addition to the cutoffs and canals, the multiple-purpose plan within the State of Oklahoma includes 4 navigation locks and dams, 3 of which are on the Verdigris River; channel enlargements; bank stabilization work; snagging and dredging; and the Keystone, Oologah, Pensacola, Markham Ferry, Fort Gibson, Webbers Falls, Tenkiller Ferry, Eufaula, and Short Mountain Reservoirs. The Webbers Falls and Short Mountain Reservoirs are on the main stem of the Arkansas River within the navigation route and are proposed for power generation and with navigation locks in the dams. The projects downstream in Arkansas are Ozark and Dardanelle Reservoirs which are also designed to provide power generation and navigation locks. There are 15 navigation locks and dams proposed for the main stem in Arkansas.

The multiple-purpose plan, as authorized, included units of the earlier systems of authorized and approved reservoirs, and modified the Oologah and Tenkiller Ferry Reservoirs to provide for production of hydroelectric power.

Navigation plan for Arkansas and Verdigris Rivers: A navigation plan for the Arkansas River in Oklahoma and Arkansas, and the Verdigris River in Oklahoma to the vicinity of Tulsa and Catoosa, was authorized by the River and Harbor Act of 1946. Cost of navigation improvements on these rivers in the State of Oklahoma, consisting of locks and dams, two multiple-purpose reservoirs, bank stabilization, channel enlargements, and dredging, would be $321,175,000.

The plan of improvement for the navigation on the Verdigris River involves a 52-mile reach from Catoosa to the mouth. This reach of the stream would be canalized by the construction of 3 dams and 3 locks, in addition to cutoffs and channel enlargements at bends. Alterations of existing improvements would be required. The improved channel would have a minimum depth of 9 feet and minimum bottom width of 150 feet.

The plan of improvement for navigation on the Arkansas River below the mouth of the Verdigris River, a distance of about 100 miles in the State of Oklahoma, includes installation of navigation locks in the multiple-purpose Short Mountain and Webbers Falls Reservoirs. In the reach below Short Mountain Dam and above Fort Smith, Ark., there would be constructed one other lock and dam, as well as bank stabilization and channel rectification works at various points. Alterations to existing improvements would be required. The improved channel would have a minimum depth of 9 feet and minimum bottom width of 250 feet.

The information here quoted, and further details as to individual projects in the basin program, appear in the publication Water Resources Development in Oklahoma, issued by the Corps of Engineers' Dallas office in January 1955.

Mr. SMITH of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Mississippi who was instrumental in the last session in securing the adoption of amendments to implement the Arkansas Basin program.

Mr SMITH of Mississippi. Will the gentleman tell me whether I am correct in my understanding that the Budget Bureau has refused to release funds to begin construction of this work for which funds were appropriated in the last Congress for the Arkansas Basin?

Mr. EDMONDSON. The gentleman is eminently correct with reference to the key projects; so far as Dardanelle and Eufaula are concerned the Budget Bureau has cleared money only for planning purposes and has cleared no money for construction.

Mr. SMITH of Mississippi. Did the Bureau of the Budget give any reason to the gentleman and his other colleagues in the Arkansas Basin as to why these construction funds were not set up for these two important parts of the project?

Mr. EDMONDSON. The only explanation is that which is implied in the President's budget message of January 16, in which the President stated he did not feel that the Arkansas Basin program was sufficiently high priority to justify such a large commitment of funds.

Mr. SMITH of Mississippi. Certainly the Congress thought otherwise in regard to the Arkansas Basin project apparently, did it not?

Mr. EDMONDSON. If you can conclude anything at all from the amendments which were adopted on this floor, accepted by the other body and agreed to in conference, I would say that the congressional expression has been pretty emphatic and conclusive.

Mr. SMITH of Mississippi. The President signed the appropriation bill containing these funds, did he not?

Mr. EDMONDSON. He did.

Mr. SMITH of Mississippi. There is no authority under the Constitution for the President to exercise any item veto in an appropriation bill, is there?

Mr. EDMONDSON. There is no item veto provided in the Constitution or in the statutes, as the gentleman well knows.

Mr. SMITH of Mississippi. Apparently the will of the Congress in this matter is being overlooked or just completely thwarted if we are frank about the method in which the executive department is acting in this case. It would seem to me that the matter should be called to the attention of the Congress and those of us who passed on this legislation last year, that it also should be made fully known to the public throughout the country and that the people who are interested in water resource programs over the country should realize that even if the Congress appropriates money for actions like this it is possible that the will of the Congress can be thwarted by Executive action if this precedent is allowed to become established in the future.

Mr. EDMONDSON. The gentleman is correct. I may say I have discussed this matter of the Executive unwillingness to go ahead with many Members of the House and I have yet to talk to a single Member who did not share the indignation of the Oklahoma and Arkansas delegations over the Executive decision that lawfully funded projects could be blocked by a finding on the part of the Executive that they did not possess sufficiently high priority at this time.

Mr. SMITH of Mississippi. It is my hope that the executive department will have the good grace and the good sense to reverse its action in this field before further action by the Congress; but if it does not, I hope that the gentleman and his colleagues from Arkansas and all of us who are interested in sound water resource development over the country will join together in securing in the forthcoming appropriation bill for this work adequate sums with a further direction by the Congress that the acts of construction go ahead and that funds be released for this work.

Mr. EDMONDSON. I thank the gentleman for his statement. I may say in that connection that we have already had from a good many members of the Appropriations Committee of the House an indication of their great sympathy for our position and of their willingness to cooperate at the first opportunity when this matter is brought before the Appropriations Committee. We are hopeful it can be handled in the Appropriations Committee. If it is not handled in the Committee on Appropriations, then we may have to call on the gentleman from Mississippi to assist us on the floor again as he did so ably in the last session of the Congress.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. I thank the gentleman. I appreciate the reference the gentleman has made to the value of this investment to the Nation as a whole. And that bears repetition, because we are not proceeding exclusively with the region's interest in mind. We are entitled to point out the great returns to the Nation as we speak of the development of this basin; and just as the St. Lawrence Seaway and other river programs received wide support from other sections of the country, so we come to the Congress and ask for consideration for this area that is potentially such an important factor in the Nation's economic life.

The development of hydroelectric power along this stream is something that has received technical study. It should not be a controversial matter, and is not controversial in our section. The Dardanelle and the Ozark Dams, for example, are involved. The gentleman from Arkansas [Mr. TRIMBLE] has had a good deal to do with securing the recognition of the Ozark project. In the case of Dardanelle I can say on authority that the representatives of the great private utilities in our part of the country have given it their endorsement and have urged its construction.

One of the most effective statements that was made to the Committee on Public Works at the time the plan was originally considered was by the head of the Arkansas Power & Light Co. which serves that area.

The gentleman from Oklahoma is rendering a great service in continuing to call attention to the importance of proceeding without further delay with a program that is going to mean so much to the country and to our defense program. We have said little about the defense phases, but when the cost of electric power at these installations is considered, the fact that an emergency might create an urgent need for power is sometimes overlooked. What is power worth? It is worth what it costs when an emergency exists. As long as we live in the present peril it seems to me there should be that added consideration of the necessity for proceeding in these areas where sound programs have been developed to round out a hydroelectric production program that will make the Nation feel a little safer.

Mr. EDMONDSON. I thank the gentleman for his fine statement and for the energy and the effort he is devoting to this enterprise.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Again I want to compliment my colleague for bringing this matter so forcibly to the attention of the House. This great area which the gentleman is describing to the House at this time lies in the very heart of America. It is a region that is blessed with tremendous resources which await the development of its water resources fully to exploit.

In the Arkansas Basin is the greatest coal reserve in the midcontinental area of the United States. The finest type of coal in the midcontinent area is produced in the Arkansas Basin.

This is a region which abounds in vast areas of high-grade agricultural land subject to floods. It is an area in which some of the finest land in the Southwest is yearly subject to terrific floods. This is an area in which there are growing requirements for electricity, as pointed out by the distinguished gentleman from Arkansas [Mr. HAYS]. The rural electric cooperatives, municipalities, and public utilities of this area are constantly working on the problem of future supplies of electricity in Oklahoma and Arkansas and other States in that section of the country.

We have in the Arkansas Basin, the Canadian and Arkansas, North Canadian, and other tributaries, some of the greatest oil fields in the world and some of the greatest if not the greatest gas fields in all the world. This is a tremendously important area. In this area are located some of the largest and most important defense establishments in the United States.

All of these things add up to a matter of great importance to our country as a whole.

The delay on the part of the administration in recognizing the relative importance of this great basin as compared to other great river watersheds of the country is difficult indeed for those of us who live in that area to comprehend.

Mr. EDMONDSON. I thank the gentleman for his fine statement.

Mr. TRIMBLE. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Arkansas.

Mr. TRIMBLE. The Arkansas is the last great undeveloped river in America. On the main stem are the Dardenelle, the Ozark, the Short Mountain, and the Webbers Falls projects. They are all important. They are in the program. I talked to General Itschner a while ago. If this program moves forward, all four of those dams, as my colleague has said, mean so much not only to the Southwest but to the whole country. I do hope it is permitted to go forward, if not by action by the Bureau of the Budget then by action of this Congress.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. CHRISTOPHER. Mr. Speaker, I want to thank the distinguished gentleman from Oklahoma not only for yielding this time to me, but for the wonderful way in which he has handled the Arkansas River development project. I want to assure the gentleman from Oklahoma and the Members of the House that I will be only too glad to offer what assistance I can not only as a member of the Committee on Interior and Insular Affairs, but also with my vote on the floor of the House. I am interested in the development of the Missouri River Basin as the gentleman from Oklahoma is interested in the development of the Arkansas River Basin.

But now I want to digress from that subject a little. I found an article in the Washington Post and Times Herald the other night which interested me very much. I would like to quote a part of that newspaper article:

> HAGERSTOWN, MD., February 14.—House Republican leader, JOSEPH W. MARTIN, JR., of Massachusetts, today told a Lincoln Day dinner here that the Eisenhower administration has stopped wasteful Government spending and what he said were Democratic gravy trains. "The wealth of this Nation does not belong to the state," he said, "it belongs to the American people; and the Republican Party, the party of Abraham Lincoln, is determined to place it once more in their hands."

That reads nice and sounds good, but I wonder how it checks with the facts. When I read that article, I determined to check it against the facts. So having the time to do so this morning, I pulled out of my desk the report of the budget and looking at page 1165, I found these figures. In 1950 the budget was $39.6 billion. In 1951 it was $44 billion. In 1952 it was $65.4 billion. In 1953 it was $74.3 billion. That makes a total of $223.3 billion. That represented the last four Truman budgets. I never did think that Harry was tightfisted, and to listen to the Republican propaganda that I have had to listen to over the radio and television, in the press, and even on the floor of this House, I had about concluded that the Democrats were the most wasteful people in the world when they were in control of this Government. Well, I took the Eisenhower budgets, and we have four of them now. In 1954, the Eisenhower budget was $67.8 billion. In 1955, it was $64.6 billion. In 1956, it was $64.3 billion. In 1957, it was $65.9 billion. That makes a total of $262.6 billion, which is $39,300,000,000 greater for 4 years than Harry Trumans' last four budgets. If we had any gravy train during the administration of Harry Truman, they evidently have not been stopped because the cost of operating them has not stopped. Maybe we have swapped Republican engineers for Democratic engineers, but if we ever had any gravy trains running, they are still running because this administration has budgeted $39,300,000,000 more for operating this Government for 4 years than the Truman administration spent in operating the Government for 4 years.

Now if that is the way to save money, if that is the way to stop gravy trains, then the folks who taught me what little

I know about figures did not do a very good job.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the subject of the Arkansas River Basin.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I yield back the balance of my time.

FEDERAL AID TO SCHOOL CONSTRUCTION

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized.

Mr. POWELL. Mr. Speaker, I have just received a reply to my wire to the White House of February 2. Excerpts from my wire are as follows:

If the executive branch of the Federal Government is going to make such a statement concerning the use of Federal funds to support the Supreme Court decision, that statement should by all means, to have any practical value, be released now before Congress considers the legislation. In the second place, there should be a clear ruling from the Attorney General of the United States as to whether the executive branch has the legal authority. In the third place, there should be a specific statement that this then is the policy of the executive branch of the Government. In the fourth place, if the foregoing has been clearly and understandably so stated, then there should be finally a statement by you or the Attorney General that you will apply this policy to the Federal aid-to-school-construction bill if it is enacted by Congress. Lacking a statement on all the four foregoing points, I respectfully submit that my amendments are therefore not unnecessary nor extraneous.

The reply is as follows:

THE WHITE HOUSE,
Washington, February 10, 1956.

The Honorable ADAM CLAYTON POWELL, Jr.,
House of Representatives,
Washington, D. C.

DEAR MR. POWELL: On behalf of the President, I acknowledge your telegram of February 2. I have been requested to advise that no such statement as that to which you refer is presently scheduled. The executive branch will, of course, continue fully to discharge whatever obligations are imposed upon it whether by congressional enactment or by the Constitution as interpreted by decision of the Supreme Court of the United States. Executive obligation under legislation cannot, of course, be predicted until its specific provisions become known through its enactment by the Congress.

With best wishes.

Sincerely,

BRYDE N. HARLOW,
Administrative Assistant to the President.

With the executive branch of Government now indicating that it will not make a statement, and with the executive branch of Government indicating that it will "discharge whatever obligations are imposed upon it whether by Congressional action" it is now obvious that the Powell amendments to the Federal aid to school construction bill are mandatory.

Seven objections have been raised to my amendments:

First. The National Education Association and the American Federation of Labor state that my amendments are not necessary due to the fact that the courts have already handed down a decision. Proof that this is incorrect is that the Comptroller General of the United States on January 23, 1956 indicated to me that he would not withhold funds unless so directed by Congress. Further proof is that despite the decision, $75 million of Federal funds are now being channeled for educational purposes to the defiant States. If the court decisions were sufficient, then the Comptroller General would withhold funds and those funds would not now be received.

Second. The New York Times, in an editorial of February 13, and Mr. James Marshall, former president of the board of education of the city of New York, in a letter to the New York Times on February 8, say that an injunction can be obtained to stop the use of Federal funds. This is totally incorrect. In 1923, the Supreme Court ruled in the case of Massachusetts against Andrew Mellon that no taxpayer could obtain an injunction to stop the use of Federal funds.

Third. It has been stated by some of the opponents of the Powell amendments that no such amendments have ever before been passed by the Senate. This is not true. In 1940, Senator Wagner proposed a civil-rights amendment to the Draft Act which was carried by a vote of 50 to 20 with 23 Southern Senators abstaining. While it is true that this is in relation to discrimination, it nevertheless was an amendment in keeping with the Supreme Court decision which at that time was "separate but equal." Now that the "separate but equal" is finished, new amendments in the United States Congress must deal with the matter of integration. In fact, the Supreme Court on May 31, 1955, in their decision said:

All Federal law must now yield to this new principle.

Fourth. Adlai Stevenson has come out against the amendment because he believes in moderation and gradualism. You cannot apply the principle of moderation and gradualism to any legislation that is a crash legislation which will be over within 4 years. I ask this question of Mr. Stevenson and his crowd: "How can new Jim Crow schools built in States that are defying by legislative action the Supreme Court help even gradualism?"

Fifth. The Christian Science Monitor has pointed out that my amendments are punitive. This they are not. In the first place, I am not forcing integration upon any school district. If they do not want to integrate, that is a matter to be taken up in other ways. But if they do want to integrate, then, and only then, can they receive Federal funds. My amendments are not punitive because my second amendment would hold the accumulated funds for the whole 4 years of the bill until any district now segregated does integrate during the life of the Kelley bill or the McConnell substitute.

Sixth. It has been indicated that this would even hurt Negro children. I am happy to announce that every single editor of every single Negro newspaper in this country, monthly, weekly, and daily, who has replied to my letter, has indicated 100 percent backing of the Powell amendments.

Seventh. That the sentiment of the American people is not in favor of such amendments. This is totally erroneous. I have just conducted a quick questionnaire of the Members of the House of Representatives and the answers to these questionnaires mailed to every Member of the House are now running more than 2 to 1 in favor of the Powell amendments. In this regard, I would like to quote finally the closing paragraph of Mrs. Roosevelt's column in the Washington Daily News on February 3:

, Like so many things this is not a simple question and one wonders if it might be possible to meet it in any other way. But I have decided that in the long run it is more important to us as a nation to show the world that we believe in equality of opportunity, that we realize that any kind of segregation is discrimination whether it comes about because of race, color, or creed and that we are determined to show the world that we believe in the things we preach.

I therefore will not withdraw my amendments and must press them.

On this coming Tuesday, February 21, at 4 p. m., all of my colleagues who have introduced bills in an attempt to bring about some form of guaranties of civil rights are joining, all of us together, in calling a meeting of 200 plus Members of the House, both Republican and Democrat, to further discuss our civil-rights plans for the balance of this session of Congress.

LITHUANIAN INDEPENDENCE DAY

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized.

Mr. FEIGHAN. Mr. Speaker, today is the 38th anniversary of the independence of Lithuania. I am happy to take this occasion to pay tribute to the heroic people of that enslaved nation. All Members of Congress are ever mindful of the tragic events which brought about the enslavement of the peaceful nation of Lithuania by the Russian Communists. Thinking people will never forget the deceit, duplicity, infiltration, subversion, and armed aggression carried out by the Communists against Lithuania. I am equally certain that we Americans will never give diplomatic recognition to, or in any way approve of, the Russian occupation of Lithuania.

On this occasion it is fitting that we recall the traditional United States position with respect to the sovereign rights of the Lithuanian nation and people. President Truman, during his administration, made it clear that the United States had not and would not recognize the Russian conquest and occupation of Lithuania. Secretary Dulles made a similar statement in 1953 before the House Select Committee To Investigate Communist Aggression. President Eisenhower has also made concurring statements to this effect. Hundreds of responsible national organizations and groups have memorialized the President and Congress on this question in order to make certain that our diplomats would

not sacrifice the cause of Lithuania on the chopping block of expediency.

The Kremlin will never cease its efforts to cause the United States to sacrifice little Lithuania and the other captive nations, any more than the Russian leaders will desist in their efforts to cast a blanket of silence over the unbelievable crimes they have committed against all of humanity. The latest maneuver of the Kremlin in this regard took place only a few weeks ago when Bulganin sent a personal letter to President Eisenhower in which, among other things, he proposed that the United States enter into a treaty of friendship and mutual understanding with the Russians. All of us were heartened by President Eisenhower's action in rejecting this Kremlin trick. But those of us who know the details of the manner in which the Russian Communists invaded Lithuania, as well as the other Baltic Nations of Estonia and Latvia, will never forget that a so-called treaty of friendship and mutual understanding was forced upon each of those nations by the Kremlin. I say forced upon them, because it is a fact that the Foreign Ministers of each of those countries were called to Moscow and ordered to sign, not negotiate, a treaty of friendship and mutual understanding which had been concocted by the Kremlin. It will also be recalled that the Russian Communists entered into a treaty of friendship and mutual understanding with Nazi Germany in August 1939, and that this treaty plunged the world into World War II. Treaties of friendship and mutual understanding with the Russians, therefore, can bring nothing but evil results and misery for any nation gullible enough to enter into such a treaty with the Russians.

In my judgment, the Kremlin expected to accomplish a number of important objectives if they could have tricked us into becoming partners of such a treaty. It is generally agreed that the Russians made this proposal in order to cause the United States to relax its vigilance, to destroy our defense establishments, to break up security arrangements with other nations of the free world, and to take away still more of the stigma which has been attached to the Russian Communist conspiracy as a consequence of their cruel inhumanities over a long period of years. But I believe that the Russians had still other motives behind their proposal and that foremost among these was to gain for themselves legal recognition by the United States of their illegal occupation of Lithuania and all the other non-Russian nations, not only the captive nations of central Europe, but also the captive non-Russian nations held within the Soviet Union. This is necessarily so because such a so-called treaty of friendship and mutual understanding would establish a status quo and would silence the voice of truth of the United States. We would then be prohibited from keeping alive before world opinion the tragic case of the Communist enslavement of Lithuania and the other non-Russian nations; we would be forced to speak only about pleasant things which in reality did not exist, and to close our eyes and ears and hearts to the massive crime of genocide now taking place within the Russian Communist Empire.

It is more than obvious that if the United States should ever enter into such a so-called treaty of friendship and mutual understanding with the Russians, the United States will then be party not only to recognizing the illegal Russian occupation of all the enslaved nations, but indeed to condemning those nations to a life of perpetual slavery.

As we commemorate this 38th anniversary of Lithuanian independence and hold out our hands of friendship and hope to the heroic Lithuanian people in the homeland, we all express the fervent hope and prayer that Lithuania will soon again be free and independent.

THE LINCOLN DAY SPEECH OF VICE PRESIDENT NIXON

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Minnesota [Mr. McCARTHY] is recognized for 1 hour.

Mr. McCARTHY. Mr. Speaker, Vice President NIXON's Lincoln Day speech in New York was a surprising performance in view of the recently initiated program to put over the new model RICHARD NIXON. The speech was delivered at the 70th annual Lincoln Day dinner of the National Republican Club. The new NIXON was to be a man of integrity, moderation, a man who was especially concerned with the accuracy of his statements. However, in his Lincoln Day speech, NIXON reverted to type.

He demonstrated, in this speech, his characteristic disregard for fact, his characteristic use of misrepresentation and misleading and distorted statements. This was a speech by the man who is said to bring new meaning to the office of Vice President. What this new meaning really and specifically is has never been fully explained. It is indicated that this Vice President has a greater part in the function of the executive offices and in the Cabinet than had other Vice Presidents.

Three explanations exist to his new vice-presidential activity: First, that he is ineffective in the Senate; second, that the President needs help; and, third, that something has to be done with NIXON.

After a few introductory remarks, the Vice President launched into a recital of the present state of affairs under the Republicans as compared to those under previous Democratic administrations. "Think back," he said, "to what we left behind. Three years ago there was a war in Korea." Yet, the Vice President forgot to mention that negotiations began at Kaesong on July 10, 1951, were transferred to Panmunjom on October 25, 1951, and continued there until the armistice on July 27, 1953.

"Federal controls," continued the Vice President, "stifled our economy." This statement is contrary to the facts in the President's Economic Report of 1956, which shows that corporate profits in the last 3 years under President Truman were $5 billion higher than in the 3 years under President Eisenhower. Gross investment was the same during the last 3 Truman years as it has been in the 3 Republican years. Under the Democratic administration, defense spending, a support to the economy, was $10 billion less than under the Republicans.

"Every day," stated Vice President NIXON, "the people's take-home pay, pensions, and insurance were buying less and less at the corner store." Presumably the Vice President is referring to the cost of living. Again, his statement is contradicted by reports issued by the present administration. The cost of living rose but slightly after the Democratic President was given emergency powers, and it had actually started to decrease in November 1952. Except for the first 3 months after the Republicans took over the administration, the cost of living has never dropped beneath its low point of January 1953, when the Democrats left office. One reason that the overall cost of living has not risen more drastically is that the price of food has been consistently declining, which fact partly compensates for the higher costs of other goods—in addition to medical care, housing, rent. Also, for those in our country engaged in agriculture, costs have steadily risen while prices have steadily declined.

From 1942 to 1946, a Democratic President, with emergency powers, and the Democratic Congresses kept the cost-of-living increase to only 23 points on the old consumer price index. On the other hand, the Republican 80th Congress refused to consider a rational abandonment of presidential emergency powers, and the cost of living jumped 32.4 points from 1946 to 1948. It is clear that it was in this period of 2 years under the Republican Congress that the main assault was made on the "people's take-home pay, pensions, and insurance." It was not in the early fifties.

The Vice President also stated that when the Republicans took over in 1953:

> All over Washington plans were under way to socialize and federalize America's farmers, the medical profession, housing, schools, and power, including the atom.

Yet he mentioned no evidence to support this sweeping generalization.

RICHARD NIXON continued, saying:

> Most distressing of all, a great majority of the American people—Democrats and Republicans alike—had lost faith in the honesty, the integrity, and the reliability of those who served them in Government.

But he makes no reference to the intensive campaign of the Republicans to create this very attitude.

Then, after describing the world situation under the Democrats, the Vice President dismissed the present situation by saying that "for the first time in 15 years the world is at peace." Perhaps he merely overlooked the facts that the French Premier has just been stoned in Morocco, that there is trouble in Algeria, that violent action has just occurred in Cyprus, that the Arabs and the Jews are feuding in the Middle East, that serious tension exists in Formosa, in Korea, and in Indochina. He also neglected to mention that the Democrats successful met similar difficult situations in Greece,

Indonesia, Palestine, Kashmir, and Berlin between 1946 and 1950.

Returning to the domestic scene, Mr. NIXON asserted that "the American people have had the biggest tax cut in history." This is a misrepresentation that has been repeated so often in the last several years that the Republicans themselves are beginning to believe it. As a matter of fact, the Republican-claimed $7.4 billion tax reduction breaks down in this way: $3 billion reduction in individual income taxes; $2 billion reduction resulting from the repeal of the corporation excess-profits tax; $1 billion reduction in excise taxes; and $1.4 billion reduction resulting from the new codification of the tax laws.

This $3 billion reduction in individual income taxes resulted from the automatic expiration date fixed by the Democratic 82d Congress when they passed the Revenue Act of 1951. The Democratic 81st Congress had scheduled the expiration of the excess-profits tax, which the Republicans had extended for 6 months in the 83d Congress. The $1 billion reduction in excise taxes had been proposed as a relief measure by the Democrats, but had been opposed by the administration. The $1.4 billion revenue reduction occasioned by the codification of the tax laws in 1954 was, in a sense, accidental, since in debate over this bill the Republicans emphasized that the bill provided tax revision, not tax reduction. It is this last "accidental" reduction that the Republicans can justly claim as their own, plus the $2 billion reduction in excess-profits taxes on corporations which they had previously extended.

The Vice President continued his story:

> For the first time since the Republican 80th Congress we not only have already achieved a balanced budget, but our Republican President has submitted a balanced budget for next year as well.

This statement is false. In fiscal year 1951, under the Democrats, the publication Economic Indicators shows that the net revenue was $47.6 billion and expenditures were $44.1 billion. In addition, the Vice President gives credit to the 80th Congress for a surplus in 1948, but this surplus was administered by a Democratic President. If the Vice President were consistent, he would have to give credit to the Democratic Congress now for any possible surplus in fiscal year 1957.

Mr. NIXON takes great credit for the administration's management of the budget in fiscal year 1956. But, in fact, the administration predicted a deficit of $2.4 billion for 1956, and their prediction was proved false by an unpredicted increase in revenue. Still this 1956 budget is not balanced, since the House has just had to pass an urgent deficiency appropriation bill. The Senate has yet to act on this measure. When fiscal year 1956 is finally closed, and all of the bills are paid, then it will be time to claim a balanced budget. At the present time, the Vice President is a little too quick to skip over the remaining 4 months in fiscal 1956.

For Mr. NIXON to state that the President has submitted a balanced budget for fiscal year 1957 is again misleading. The President's budget is as yet no more than a "paper" budget, not one of fact. There is evidence to believe that some of the estimates in the President's budget proposals are somewhat unrealistic. His proposed expenditures fail to include those for an adequate farm program that has been promised or for the needed highway program. The expenses for the Tennessee Valley Authority are listed outside of the budget. The President assumes that there will be an increase in postal rates. He also assumes a fairly conservative level of revenue. Yet, if the budget is to be really balanced, this level of revenue will have to be increased by higher tax collections.

It is also strange that RICHARD NIXON, as well as other Republicans, should boast of a budget containing expenditures in excess of $65 billion, when they consistently criticized President Truman for budgets in the $30 billions before the Korean emergency. During the Truman administrations, including the years of the Korean emergency, the national debt was decreased $13.1 billion. Under the Republicans it has increased over $8 billion. The all-time high for the national debt was reached under the Republicans when the debt reached over $280 billion in 1955.

Vice President NIXON went on to say that as a result of the economic policies of the Republicans the Nation was enjoying the greatest prosperity in history. The only new economic policies of the Republicans were the "hard money" policy, which they were forced to abandon quickly at great cost to the Government; special tax treatment for persons owning business stocks; and consumer credit inflation.

The Vice President continued to say that "plans for socializing American institutions have been filed in the wastebasket." He then said that the Republicans were offering more social services than the Democrats ever dreamed of, and he listed them, but he failed to distinguish how these Republican social services differed from the Democratic "socialistic" services. He might have mentioned that the Republicans are offering more socialized schools, more socialized highways, more socialized hospitals, more socialized child welfare, more socialized health insurance, improved socialized working conditions, higher socialized 90-cent minimum wage standards, and more socialized homes. Under the Democrats, such programs would have been branded as "socialistic," but under the Republicans Mr. NIXON terms them "social services." A fine distinction.

He continued:

> And, probably most important, we have restored dignity, honesty, integrity, and dependability in public service to our Government in Washington, D. C.

He failed to mention the civil servants outside of Washington. He overlooked the security "numbers game," which has gone far to demoralize the civil service. And, most of all, he forgot to mention such Republican influence dispensers as Roberts, Talbott, and Strobel.

But he continued:

> On the basis of this record, I am going to make some categorical claims which I think cannot be questioned.

His first claim was that—

> Never has an administration kept its promises more faithfuly than this administration.

A look at the 1952 Republican platform shows these promises. A look at the present record shows how faithfully they have been kept. The platform promises "the development of a sound farm program—a prosperous agriculture with free and independent farmers is fundamental to the national interest." Under this "sound" program, many farmers have left their farms, the costs of farming have risen while farm prices have steadily fallen. The platform "favors" statehood for Alaska and Hawaii. We still have but 48 States. The platform promises a "reduction of expenditures by the elimination of waste and extravagance so that the budget will be balanced and a general tax reduction can be made." The latest budget proposals ask for $65 billions in expenditures. No Eisenhower budget has yet been balanced in fact, only on paper and in press releases. The platform promises that "We will aid small business in every practicable way." Since the last half of 1952, small business profits are down 66 percent, while big business profits are up 46 percent. Small business investors' returns went down 57 percent, while big business investors' returns went up 36 percent. Small business failures are up 36 percent. The platform states: "Our goal is a reduced national debt." The debt is higher than any previous peacetime high. The platform looks "happily forward to the genuine independence of captive peoples." Austria has been released from Soviet domination, but John Foster Dulles paid tribute on the occasion of the Austrian independence to the work of his Democratic predecessor, Dean Acheson. The platform promises more. The record shows a similar record of achievement.

The Vice President made another claim:

> Never has an administration done a better job for all the people than this administration.

The record shows that some of the people have done well under this administration, but others have not done so well, or have done very badly. Corporate profits are up 26 percent. Corporation take-home pay was up 115 percent for U. S. Steel, up 74 percent for Alcoa, up 49 percent for General Motors; up generally 10 percent for stockholders. The average worker's income was up only 7 percent. This take-home pay was up only 3 percent. The farmer's income is down 11 percent. Big business failures are down 15 percent; small business failures are up 21 percent. Mr. NIXON states that "There are, of course, some who do not share our enthusiasm for this record." This is a true statement, and the

Vice President should have full credit for it.

Mr. NIXON next criticized Adlai Stevenson for his criticism of the Republican foreign policy:

> We find Mr. Stevenson has trouble even agreeing with himself. I know what a difficult time he must be having to find any honest legitimate grounds on which to criticize President Eisenhower and his leadership.

Mr. NIXON complained of Adlai Stevenson's criticism of the results of the Geneva Conference, and his criticism of John Foster Dulles' "brink of war" philosophy. Mr. NIXON seems to have forgotten the glowing phrases he used in speaking of Geneva before it took place. And again he must have forgotten the considerably more sober statements made by President Eisenhower and Mr. Dulles after the Conference ended. The President, upon his return from Geneva, cautiously stated that we had only made a begining and a month later he warned against the "pottage of a false peace." The Wall Street Journal stated about Geneva that the Russians have won "victory for a smile." Roscoe Drummond in the New York Herald Tribune wrote that the Kremlin has "now got all it wants for nothing." No one ever termed either of these papers organs of the Democratic Party.

Mr. Stevenson was certainly not alone in deploring the "brink of war" philosophy enunciated by Secretary Dulles. The Senate was almost in uproar as they demanded an explanation from the Secretary; even the members of the Foreign Relations Committee had not been informed that we had been three times to the "brink" and back. And the Secretary considerably mollified his philosophy, admitting that in election years one makes statements that one does not ordinarily make. Then Henry Luce absolved the Secretary of all blame.

It is difficult certainly to be consistent in either appraising or criticizing the Republican foreign policy. The policy itself is too inconsistent and shifting for a balanced examination.

The Vice President then turned his attention to the Democratic Party:

> We must always identify which Democratic Party we are referring to. For the moment, let us define the Democratic Party in terms of its ADA, big city boss clique which controls its national conventions.

He claimed that the Democratic Party has "lost track of individual," that it is the—

> slave of doctrines of uniformity, mediocrity and regimentation. In its eyes our people have dissolved into a multitude to be politically manipulated and managed.

The party, said the Vice President, has maintained a "steady appeal to mass and class."

The speeches of Republican Cabinet members, such as Ezra Benson, Charles Wilson, and Douglas McKay, indicate which party believes in management of the people and their Government, which party believes in setting class against class—city dwellers against the rural people, consumer against producer, big-business man against the small-business man. In 1953 Secretary McKay told the chamber of commerce: "We're here in the saddle as an administration representing business, and industry." Secretary of the Treasury Humphrey has stated to the Committee on Ways and Means that there are no social implications to be considered in setting tax rates, and that America needs big business to do things in a big way. Benson talks to city groups and blames the farm problem on the farmers; he talks to farm groups and blames it on the high wages earned by city groups. Mr. NIXON seems to have overlooked these Republican officials and their words and deeds.

Civil rights are another area in which Mr. NIXON claims great Republican accomplishment. Where the Republicans have advanced the cause of civil rights, they are to be praised, but the case is not as clear as Mr. NIXON would have it be. He mentions that the promises and the performances of the Democrats show a great contrast in this area. He mentions the different stands on school integration taken by Adlai Stevenson and the other Democratic candidates for the presidential nomination. Mr. NIXON stated:

> President Eisenhower's great Republican administration has registered the greatest advance for the rights of racial minorities since the Emancipation Proclamation itself.

He claimed that the Republicans abolished segregation in the armed services, in the District of Columbia, in Federal contracts, in the field of civilian employment. He seemed to forget that integration commenced in the Armed Forces under President Roosevelt in 1944, and has been continued ever since. It is not yet complete. Mr. NIXON has also lived in the District of Columbia long enough to know that integration has been progressing for over 10 years. It is not yet complete. During World War II, President Roosevelt established the Fair Employment Board, which was to see that no segregation occurred under Federal contracts. This Board is still in existence, and has continued to exist, although with modifications and changes in name. For Mr. NIXON to claim that the Republicans ended segregation in the civil service is a complete distortion. The Civil Service System has worked on a "merit" basis that has been continually improved since the last century. In addition, the Civil Service Commission is supposed to be an independent agency, not a wing of the Republican Party.

Mr. NIXON also claimed the order of the Supreme Court ending segregation in the schools on a progressive basis as a victory for the Republican Chief Justice Earl Warren. This statement has been uniformly condemned throughout the country as a slur upon the Supreme Court and the Chief Justice.

Mr. NIXON, in commenting upon Adlai Stevenson's position on integration in the schools, seems to be deliberately inconsistent, since Mr. Stevenson's position is one of careful balance and is in essential agreement with both the decision of the Court and the statements of the President.

Actually, had RICHARD NIXON chosen to speak honestly of the accomplishments of this administration, he could have made a presentable case. The record of the Republicans is not altogether a bad record. But it appears that even when he has a legitimate case, the Vice President hesitates to use it. He seems to prefer the methods which were successful for him in his campaign for public office at three different times: first, for the House of Representatives; second, for the Senate; and third, for the Vice Presidency. He then and now seems to prefer half truths and distortions.

He appears to have lost confidence in the truth.

MARSE HENRY AND THE OLD LADY AT THE CORNER

Mr. NATCHER. Mr. Speaker, February 16, 1956, commemorates the 116th anniversary of the birth of Henry Watterson. Henry Watterson served as a Member of Congress from August 12, 1876, to March 3, 1877. He was also to become one of the outstanding citizens of Kentucky, owner and editor of the Louisville Courier-Journal for 50 years, an excellent orator, student of politics and history, and one of the finest newspaper editors ever produced in the United States.

On February 16, 1840, Henry Watterson was born in Washington, D. C., the son of Harvey McGee and Tabitha Black Watterson, of Tennessee, where Henry was to spend many happy times on the estates of his two grandfathers.

After serving two terms in Congress Harvey Watterson returned to Tennessee. In 1851 he accepted a position in Washington as editor of the Washington Union. The Wattersons took up residence for awhile at the old Willard Hotel.

Henry had developed from a sickly baby into a frail little boy. At Willards he met most of the great men of the day, Webster, Clay, Seward, Douglas, Calhoun, Staunton, Jefferson Davis, Thaddeus Stevens, Cass, and many others who appeared in that colorful, dynamic period to make history. During these formative years Henry saw history made, heard constant discussions of politics, policies, and the newspaper business. His lasting enthusiasms became politics, history, and all classes and types of people. He was fascinated with people and they were usually charmed with him.

He was sent to the Philadelphia Protestant Episcopal Academy where he shortly became editor of the school paper, the Ciceronian, and amazed his teachers with his prodigious memory. His time was divided between school in Philadelphia, visits to Washington, and summers in Tennessee. It was during the summers in Tennessee that three important things happened to him: First, at 9 years of age he lost the sight of his right eye; second, he developed a hatred of any and all forms of slavery which later extended to dictatorship; and, third, he was caught up in the religious wave then sweeping the South and found a faith that sustained him the rest of his life.

At 18 he decided to become a poet and under a nom de plume published several poems in Harper's magazine. This decided him. He thought the best way to accomplish his aim was to work on a

newspaper and use his spare time for writing. His father gave him an allowance and Henry went to New York where he began his career with 2 years hack work for Raymond of the Times and Dana of the Tribune. These men were two of the finest editors and publishers of the time. They became Henry's friends.

In 1860 Henry returned to Washington to work for Col. A. Dudley Mann on the Washington States, to become the Washington correspondent for the Philadelphia Press, and received a job in the Department of the Interior.

Lincoln became President and was one of the last persons Watterson met in the Capital before the Civil War. Lincoln made an indelible impression on him. He was to write years later:

Let us highly resolve that we will follow no leader, that we will heroize no favorite, who in his private life and public counsels, does not practice the moderation, emulate the justice and display the fortitude and patience of Abraham Lincoln.

Watterson went back to Tennessee where he was soon caught up in the war fever and joined the Confederate Army. He was assigned to staff duty with General Polk until illness forced him to resign. He spent the following winter as a reporter for the Nashville Banner getting out of Nashville just ahead of the Federal troops. As he walked toward Murfreesboro Gen. Nathan Bedford Forrest's cavalry came by, and Watterson jumped into an empty saddle and galloped off with them to find himself in the army again, attached to the staff of General Forrest.

The Bank of Tennessee started publication August 1, 1862 of the Chattanooga Daily Rebel to express the views of the State. Six months later Watterson was asked to take over as editor.

When Bragg was forced to retreat the paper was loaded into an army wagon and was published any place they could stop long enough. This was only one of many papers in the South that was on the run. It was during this period that Watterson met Walter N. Haldeman in Nashville. Mr. Haldeman was the publisher of the Louisville Courier and had been forced to flee to Bowling Green to publish his paper as the Louisville-Bowling Green Courier. He was again forced to flee; this time to Nashville, where to keep the Kentucky identity, he dated his paper from Bowling Green, and it was jokingly referred to as the Louisville-Bowling Green-Nashville Courier.

In 1865, Henry Watterson married Rebecca Ewing and to them were born five children.

The end of the war brought poverty. Henry went to Cincinnati for a short time to work for Gen. Calvin W. Starbuck on the Evening Times, but returned to Nashville with Albert Roberts and George Purvis. They took over the Nashville Banner and in a year's time made it into a prosperous paper.

He was contacted by George D. Prentice of the Louisville Journal who offered him the position of editor in chief and a half interest in his paper. Haldeman, who was back in Louisville, offered him the same position on the Courier and a block of stock. Watterson suggested that the Courier and Journal be combined on an equal basis. Haldeman turned down the proposition and Henry accepted Prentice's offer. He found Louisville too small for two good papers so again proposed to Haldeman that they buy out a small paper and combine the three into one really good one. This time Haldeman agreed and the citizens of Louisville were amazed on Sunday, November 8, 1868, to find a new paper on their doorsteps, the Courier-Journal.

Watterson was 28 years old and was now launched on a job that was to last for 50 years. His policies were to help establish better understanding between North and South, establish justice for the Negro, and to develop an appreciation in the South for Lincoln and the things for which he stood. His second editorial stated:

There can be no peace as long as the carpetbagger reigns in Dixie. There can be no peace as long as the North allows itself to look upon the South either as a quasi-belligerent or as a conquered province. That is not the road to peace. There must be a mutual spirit of forgiveness. There must be a reciprocal spirit of charity. Government is intended to bless and not to injure mankind. Republican government is designed to be tolerant and liberal, resting on the consent of the governed. The Union professes to be equal. The people claim to be just. Alas, for the pretensions of us all.

Watterson now took his place in the world of personal journalism in the United States. This was an era when people read men not newspapers. He soon found his place in a galaxy of stars, Dana of the Sun, Bennett of the Herald, Greeley of the Tribune, Raymond of the Times. Watterson outshone them all in colorful dynamic personality and forcefulness of writing.

Grant was President when knowledge of the corruption in the Government became known. Greeley sounded the call for action. The liberal Republican movement was started. Watterson took an active part in the convention held in St. Louis in 1872. Though he was amazed when Greeley received the nomination, he lost no time in taking a stand for him. In an editorial published May 17, 1872, he answers the question of the day, "What ought the democracy to do?"

The election of Greeley over Grant would gain for the Democratic Party, because it would gain for the country, reform in the civil service.

The election of Greeley over Grant would establish the supremacy of civil authority, and the country would no longer be cursed by the domination of a military ring.

The triumph of Greeley over Grant would be an emphatic recognition of the principle that the power of the Federal Government is limited by the Constitution and that the proper guaranty of local interests is found in State legislatures.

The American centennial year of 1876 was a momentous one for Watterson. The country was growing, Louisville was growing, the Courier-Journal was growing, and Watterson's stature was growing by leaps and bounds. During this year the Courier-Journal moved from its cramped quarters on Jefferson Street to larger ones at Fourth and Liberty. Sunday, November 8, 1908, 40 years after the establishment of the Courier-Journal Watterson gave it a new name when he wrote:

Forty years of shine and shower have passed over the good gray head of the Old Lady at the Corner.

Thus the Courier-Journal became affectionately known as the Old Lady at the Corner.

By 1876 Watterson was well known for his editorials and oratory. After the part he had taken in Greeley's race he was known in political circles. He was selected as a delegate at large to the National Democratic Convention which met at St. Louis on June 27, 1876, and became temporary chairman. His sense of humor is well shown in his description of his plight which in part was:

One might as well attempt to drive six horses by proxy as to preside over a national convention by hearsay. I lost my parliamentarian at once. I just made my parliamentary law as we went. Never before or since did any deliberate body proceed under manual so startling and original. But I delivered each ruling with a resonance—it were better called an impudence—which had an air of authority.

Tilden received the Democratic nomination and Hayes the Republican nomination, thus beginning a campaign that was to almost plunge the country into civil war before it was decided.

Earlier in June Edward Y. Parsons, Representative in Congress from the Louisville District, died and Watterson was asked to run. He accepted the challenge, was overwhelmingly elected, served from August 12, 1876, to March 3, 1877, fulfilled one of his early ambitions, but refused to run for the long term.

The presidential campaign of 1876 went on with fireworks and skulduggery. When the November returns were counted Tilden needed only one more electoral vote to win and Florida, South Carolina, and Louisiana had not been heard from. The votes in these three States were under question due to illegalities in the votes. An investigation was started. An electoral commission was set up that reached no conclusion until March 2, 1877, just 2 days before the inauguration. They gave the votes of the three States to Hayes. Watterson always declared that Tilden was actually elected, basing his conclusion on conditions he observed while a member of the delegation sent to investigate matters.

Eighteen hundred and eighty found Watterson again attending the National Democratic Convention as a delegate. This time he seems to have taken only a quiet part and neither he nor the Courier-Journal played any outstanding role.

Eighteen hundred and eighty-four was another story. Henry's friends, Grover Cleveland and John Griffin Carlisle, of Kentucky, were both candidates for nomination. He felt that Cleveland was inexperienced and his ideas were not known. Watterson was put on the platform committee where, through a 50-hour continuous session, he battled for "tariff for revenue only" but had to be content with a moderate tariff plank. Cleveland was swept into office as a reformer. Watterson remained his friend until just before the

1892 election though the tariff bill of 1887 did not satisfy him.

In 1892 the differences on the tariff remained. On February 22, 1892, the New York State Democratic Committee instructed the New York delegation for Hill. Cleveland had no intention of letting this stop him, while Watterson thought that he should abide by this decision and wrote:

> Now that the Democrats of New York have spoken, through the regular and lawful channels appointed for party expression * * * Mr. Cleveland is no longer a possibility.

Watterson was named a delegate at large and again served on the committee on resolutions, where he waged war for tariff reduction and was defeated. After Cleveland again became President, Watterson exchanged letters with him which only widened the breach. Never again did they speak or so much as look at each other.

In 1896 Watterson was in Switzerland when the news reached him that Bryan had been nominated for President. The Courier-Journal was against Bryan's theory of "free silver" and a telegram to Haldeman contained the catch phrase of the campaign, "No compromise with dishonor."

Haldeman called for a convention in Chicago and nominated Palmer for President. Thus was born the Gold Democratic Party which caused McKinley to be President and nearly wrecked the Courier-Journal.

Watterson rushed home to find the Courier-Journal on the brink of financial disaster and feeling running high against it. He began to help straighten out the mess. First he supported Goebel for governor and after Goebel's death supported his successor, J. C. W. Beckham. After Goebel's death Kentucky was glad to forget politics for awhile and feelings cooled off. The losses were recouped and everything was serene until 1900 when Watterson supported Bryan for the Presidency to the amazement and amusement of the country. Henry realized that Bryan knew the free silver issue was dead, and considered him better than McKinley, who, he complained, was owned by big business.

In 1904 Theodore Roosevelt was nominated by the Republican Party and Watterson began to "lambaste" him. Watterson considered that Roosevelt had the ambitions of a dictator and was controlled by the "money devils."

Roosevelt and Watterson had much in common. They had both been frail children, had had eye trouble, were well educated, cultured, shared a love of good food, good company, and a good game of cards. Though Watterson attacked Roosevelt's public career on any and all occasions, they remained personal friends and enjoyed each other's company.

In 1908 Watterson again supported Bryan, as the lesser of two evils, against Taft whom he considered a mere extension of Roosevelt and Roosevelt's ambitions.

Upon meeting Wilson, Watterson was much impressed with his intellect and knowledge of government. At this time an editorial called "Wilson the hope of the Democracy" became the catch phrase of the 1912 election. Just before the National Convention in 1912 Watterson found that Wilson was backed by eastern monied interests. He broke with him, and, as a result, managed to keep the Kentucky delegation with Champ Clark though he supported Wilson after he received the nomination.

At the beginning of World War I Watterson realized the true cause of the war. The more notes Wilson wrote and the more vacillating he became the more angry became Watterson's editorials until he finally published the famous "To Hell with the Hohenzollens and Hapsburgs" which swept the country.

When the United States declared war in April 1917 Watterson wrote two editorials, Vae Victus, April 7, and War Has Its Compensations, April 10. Vae Victus says, in part:

> There are times when feeling must be sent to the rear; when duty must toe the line; when the aversion brave men have for fighting must yield to the adjuration "Give me liberty, or give me death". That time is now upon us.
>
> Unless Patrick Henry was wrong—unless Washington and the men of the Revolution were wrong, that time is upon us. It is a lie to pretend that the world is better than it was; that men are truer, wiser; that war is escapable; that peace may be had for the planning and the asking.

The theme of "War Has Its Compensation" was an assault on pacifism, and states:

> The man who is for peace at any price—who will fight on no provocation—for no cause—is apt to be either what men call a poor creature, or an imposter set on by ulterior considerations. He may have an unworthy motive, or a selfish interest, or he may be a victim of the coward's fear of battle, or be obsessed by the doctrinaire's theory of universal brotherhood. But craven or crank, or scheming rogue, he dishonors the noble heritage of manhood, which being common to us all, is only prized and extolled in conspicuous cases of sacrifice or prowess.

These two editorials won for him the Pulitzer prize and gave the final glory to his career. His remark to the managing editor of the Courier-Journal was:

> The gander-legged boys in the city editor's room will find out that the old man is a promising journalist.

The following year Watterson rounded out 50 years as editor and part owner of the Courier Journal. He was 78 years old and had some writing he wished to do, so he sold his shares to Mr. Robert Worth Bingham, but stayed on for another year as Editor Emeritus, writing when he pleased on subjects that interested him. In 1919 he resigned when he opposed the League of Nations.

Watterson spent the next 2 years writing and divided his time between Louisville and Florida where he died December 22, 1921, after a 3-day illness.

With the death of Watterson an era ended. He was the last of the great personal journalists. Newspapers exchanged colorful personalities for double responsibilities.

In the gallery of journalistic giants Watterson stood out for his personal traits of energy and magnetism. In the professional field he excelled in excellent characterization, rhythmic prose, rich and flowing style, keen wit and knifelike thrusts. We have never seen another like him and, in this day of standardization, are not likely to meet another Marse Henry.

FREEDOM OF THE SEAS

Mr. WILSON of California. Mr. Speaker, the doctrine of the Freedom of the Seas has been an intimate part of the policy of the United States since the Thirteen Colonies of the eastern seaboard joined together in this Union. Freedom to use the highways of the sea for defense, for carrying commerce, and for fishing has materially contributed to the growth of the Nation and, in matter of fact, to the growth of the nations of the free world. We have fought wars in more than one instance in our short history to preserve our free access to the highways of the sea.

Of the concerns which the United States has in this matter, defense is the primary one. We who serve on the Armed Services Committee have this driven home to us on almost a daily basis. It is the oceans which join together the nations of the free world and make them a unit capable of defending themselves. Freedom to use the seas and the air space above them for instant military communication and contact, without encumbrance from belts of neutrality or the regulation of the adjacent coastal state is an indispensable element in the defense of the free world. Without it the ability of the United States and other strong maritime nations to defend the militarily weaker members of the free world, as well as themselves, would shrink, and any diminution in the extent of the high seas weakens the defense of the free world and the ability of the United States to contribute to that defense.

Hardly less important to the defense of the free world than the free movement of military traffic by air and sea between its elements, is the movement of normal commerce between the nations of the world. In this postwar period in particular the United States has expended tens of billions of dollars to build up the economics of the free-world nations. An absolute essential to this program is the free movement of raw material to manufacturing areas, the free flow of manufactured articles among countries, and the unimpeded transmission of food from where it is harvested to where it is used.

Many of the principal sea lanes of the world which carry this essential traffic run close to shores either as they pass from sea to sea, as in the approaches to the Panama Canal and the Straits of Southeast Asia, or as seamen hug the lee shore to avoid the storms and perils of the sea, as in the Gulf of Tehuantepac, at Cape Hatteras, and so forth. Any extension of the breadth of the territorial sea by individual countries which would cover these sea lanes with belts of sovereign territory would pose a threat to this essential traffic, in spite of any simultaneous declaration that ocean traffic would not be interfered with, for the reason that any right which a sovereign

nation may grant to pass through its territory that sovereign may also withdraw or modify at a later time.

Also important to the defense of the free world is the right of access to the food resources of the sea. Such valued members of the free world community as Japan, Iceland, and Norway depend for their very life on the food which they take from the high seas. Others like England, Germany, France, Spain, Portugal, Korea, the Netherlands, and Greece have a very considerable dietary stake in being able to harvest the sea in as economical and free manner as is possible consonant with the needs for conserving the resources. The United States itself takes nearly 5 billion pounds of protein food from the sea each year and is second only to Japan among the fishing nations of the world.

The use of common resources and facilities by varied interests brings problems whether the users of the common are individual persons or individual sovereign nations. This is the case with that greatest of common properties of the world, the high seas. Last year 50 nations gathered at Rome under the auspices of the United Nations to consider the specialized problems connected with the conservation of the living resources of the sea and made recommendations to the International Law Commission and the General Assembly of the United Nations. The International Law Commission last year spent nearly its whole session working on the codification of international law as it applies to the use of the sea and it will similarly devote most of this year's session to this complex subject. Its report will be studied and debated and acted upon by the General Assembly in New York this fall.

Mr. Speaker, the reason I allude to this subject at this time is because of actions taken recently by the Inter-American Council of Jurists at its meeting in Mexico City earlier this month.

The council was under instructions from the Council of the Organization of American States to make a study of the juridical side of these questions which might be useful to the specialized conference on this subject which has been called for this spring by the Organization of American States, as an aid to the deliberations in progress in the United Nations.

The Council of Jurists did not attempt, however, to make such a study. It now is apparent that several of the representatives there had, as we say, wired the meeting against the United States before it started. Instead of careful study and debate of this complex and vital subject, a resolution had been prepared in advance which was introduced and railroaded through with debate and study deliberately choked off. The vote was 15 in favor and 1 against, with 4 abstentions. The United States was the only country to vote against the resolution.

In the declaration and reservation made by the United States through its distinguished and able delegate, William Sanders, are these statements:

The United States voted against and records its opposition to the resolution on Territorial Waters and Related Questions. Among the reasons indicated were the following:

That the Inter-American Council of Jurists has not had the benefit of the necessary preparatory studies on the part of its permanent committee which it has consistently recognized as indispensible to the formulation of sound conclusions on the subject;

That at this meeting of the Council of Jurists, apart from a series of general statements by representatives of various countries, there has been virtually no study, analysis, or discussion of the substantive aspects of the resolution;

That the resolution contains pronouncements based on economic and scientific assumptions for which no support has been offered and which are debatable and which, in any event, cover matters within the competence of the specialized conference called for under resolution LXXXIV of the 10th Inter-American Conference;

That much of the resolution is contrary to international law;

That the resolution is completely oblivious of the interests and rights of states other than the adjacent coastal states in the conservation and utilization of marine resources and of the recognized need for international cooperation for the effective accomplishment of that common objective; and

That the resolution is clearly designed to serve political purposes and therefore exceeds the competence of the Council of Jurists as a technical juridical body.

In addition, the United States delegation wishes to record the fact that when the resolution, in the drafting of which the United States had no part, was submitted to committee I, despite fundamental considerations raised by the United States and other delegations against the resolution, there was no discussion of those considerations at the one and only session of the committee held to debate the document.

Mr. Speaker, we understand that our many neighbors to the south are among the stanchest allies we have in these troubled times. We understand also that inside their borders it is frequently politically pleasing for their representatives to take cracks at the big neighbor to the north. Such interfamily actions and reactions is one of the heartwarming freedoms and strongest bonds that mark the relations between the free nations of the world as contrasted with the slave nations.

But here actions have been taken which, if followed up, will damage the fabric of defense not only of the hemisphere but of the whole free world. Basic and fundamental doctrines have been tampered with in a light, carefree manner without study and debate. Log-rolling tactics have been used which are not condonable in the community of nations.

Mr. Speaker, such actions damage the very spirit of the Organization of American States. They cause one to ponder whether the military aids, the economic aids, the political aids and related policies which the United States has been pursuing in this hemisphere do not need reexamination and reevaluation. For a small coastal country to claim as its own territory broad stretches of the high seas is a fine thing from the narrow nationalistic view, perhaps. But how is that small country to get its produce to market if the paths to it pass through the territory of other sovereigns? Who is to defend it if its defender's wings are so clipped?

We are sure that mature study and reflection of these deep and basic issues by our neighbors to the south will cause them to take steps that will correct the irresponsible actions of their delegates at this technical meeting. Otherwise we are just as certain that the United States will require to reexamine many of its policies on these subjects, and take such actions as its heavy load of worldwide responsibilities demand.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MATTHEWS and to include extraneous matter.

Mr. FERNANDEZ and to include extraneous matter.

Mr. METCALF and to include extraneous matter.

Mr. ROOSEVELT and to include extraneous matter.

Mr. UDALL.

Mr. DINGELL in two instances and in each to include extraneous material.

Mr. MILLER of Nebraska (at the request of Mr. FORD).

Mr. OSTERTAG.

Mr. LIPSCOMB and to include extraneous matter.

Mr. HOSMER in four instances and to include extraneous matter.

Mr. DONOHUE (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. ANFUSO (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. DAVIDSON (at the request of Mr. MCCORMACK) in two instances and include extraneous matter.

Mr. AVERY (at the request of Mr. MCVEY).

Mr. DIGGS (at the request of Mr. RABAUT) and to include extraneous matter.

Mr. WICKERSHAM and include extraneous matter.

Mr. POWELL and include a statement regarding the anniversary of the independence of Nepal.

Mr. THOMPSON of New Jersey (at the request of Mr. EDMONDSON) in two instances, in each to include extraneous matter.

Mr. KEATING.

Mr. CANFIELD.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BROWN of Georgia, for 15 minutes, on Monday next.

Mr. FEIGHAN, for 20 minutes today, and to revise and extend his remarks.

Mrs. ST. GEORGE (at the request of Mr. AYRES), for 30 minutes on Monday next.

Mr. MCCARTHY, for 1 hour today.

Mr. FEIGHAN, for 20 minutes on February 21, and to revise and extend his remarks.

By unanimous consent, the special order for 15 minutes granted to Mr. GRAY

for today was vacated and special order was granted for 15 minutes on Tuesday next.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on February 14, 1956, present to the President, for his approval, a bill of the House of the following title:

H. R. 9063. An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes.

ADJOURNMENT

Mr. BASS of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 32 minutes p. m.), under its previous order, the House adjourned until Monday, February 20, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1527. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1956 in the amount of $417,800 for the legislative branch (H. Doc. No. 338); to the Committee on Appropriations and ordered to be printed.

1528. A letter from the Assistant Secretary of the Treasury, transmitting a report relative to an apportionment made for the Defense Production Act Lending Activity for the fiscal year 1955, pursuant to section 3679 of the Revised Statutes, as amended, and section 15 (d) of Budget-Treasury Regulation No. 1; to the Committee on Appropriations.

1529. A letter from the Assistant Secretary of the Navy (Personnel and Reserve Forces) transmitting a draft of proposed legislation entitled "A bill to authorize transfer of officers of the Nurse Corps of the Regular Navy and Naval Reserve to the Medical Service Corps of the Navy, and for other purposes"; to the Committee on Armed Services.

1530. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to authorize the disposal of the U. S. S. *Hartford*, and for other purposes"; to the Committee on Armed Services.

1531. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the third semiannual report of its activities for the period ending December 31, 1955, pursuant to section 9 of the War Claims Act of 1948 (62 Stat. 1240; 50 U. S. C., App. 2001–2016), as amended, and of section 3 (c) of the International Claims Settlement Act of 1949 (64 Stat. 12; 22 U. S. C. App. 1621–1627), as amended; to the Committee on Foreign Affairs.

1532. A letter from the Secretary of Commerce, transmitting a report relative to war-risk insurance and certain marine and liability insurance for the American public for the period as of December 31, 1955, pursuant to section 1211 of Public Law 763, 81st Congress; to the Committee on Merchant Marine and Fisheries.

1533. A letter from the Acting Postmaster General, transmitting a tabulation showing the number of envelopes, labels, wrappers, cards, and other articles bearing penalty indicia procured or accounted for through this Department during the fiscal year ended June 30, 1955 by the executive departments, independent establishments, organizations, and persons authorized by law to use the penalty privilege, pursuant to section 302, title III, of Public Law 785, 80th Congress; to the Committee on Post Office and Civil Service.

1534. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated September 2, 1954, submitting an interim report, together with accompanying papers and an illustration on a survey of Pecos River and tributaries, Texas and New Mexico. This report is submitted under the authority for a preliminary examination and survey of Pecos River and tributaries, Texas and New Mexico, authorized by the Flood Control Act approved June 28, 1938. It is also submitted in final response to two other authorizations listed in the report (H. Doc. No. 339); to the Committee on Public Works and ordered to be printed, with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5310. A bill to quiet title and possession with respect to certain real property in the city of Pensacola, Fla.; without amendment (Rept. No. 1767). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6268. A bill to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects; without amendment (Rept. No. 1768). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 4604. A bill relating to the issuance of certain patents in fee to lands within the Blackfeet Indian Reservation, Mont.; with amendment (Rept. No. 1769). Referred to the Committee of the Whole House.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6990. A bill to provide for the conveyance of certain lands by the United States to the Board of National Missions of the Presbyterian Church in the United States of America; with amendment (Rept. No. 1770). Referred to the Committee of the Whole House.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 8607. A bill to authorize and direct the Secretary of the Interior to convey to David Peters, or to his heirs or assigns, title to land held by the United States in trust for him; without amendment (Rept. No. 1771). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 9312. A bill to provide that members of the Board of Education of the District of Columbia may be removed for cause; to the Committee on the District of Columbia.

By Mr. ALBERT:

H. R. 9313. A bill to permit the official flag of the State of Oklahoma to be flown beneath the flag of the United States within the State of Oklahoma during the year 1957; to the Committee on the Judiciary.

By Mr. ALLEN of Illinois:

H. R. 9314. A bill granting the consent of Congress to the States of Illinois and Wisconsin to enter into a compact relating to interstate public-school districts where an educational community extends into both such States; to the Committee on the Judiciary.

By Mr. ANDREWS:

H. R. 9315. A bill to provide an effective date for the act of August 1, 1955, which amended the inheritance tax provisions of the District of Columbia Revenue Act of 1937; to the Committee on the District of Columbia.

By Mr. ASPINALL:

H. R. 9316. A bill to amend section 3 (e) of the Railroad Retirement Act of 1937 to provide that the minimum amount of the annuity payable to any individual thereunder will not be affected by the entitlement of such individual (or any other individual) to social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. BEAMER:

H. R. 9317. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Michigan:

H. R. 9318. A bill to confer jurisdiction upon the United States Court of Appeals for the District of Columbia to review certain claims for benefits and payments under laws administered by the Veterans' Administration; to the Committee on the Judiciary.

H. R. 9319. A bill to amend subsection (b) of section 3 of the Securities Act of 1933, to provide that responsible officers or other persons shall be liable in damages on account of untrue statements or material omissions in statements or documents filed under such subsection as a condition of exemption; to the Committee on Interstate and Foreign Commerce.

By Mr. BOGGS:

H. R. 9320. A bill to amend the Tariff Act of 1930 to place crude bauxite and certain calcined bauxite on the free list; to the Committee on Ways and Means.

H. R. 9321. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. BONNER:

H. R. 9322. A bill to authorize officers of the Coast and Geodetic Survey to act as notaries in places outside the continental limits of the United States and in Alaska; to the Committee on Merchant Marine and Fisheries.

By Mr. BROYHILL:

H. R. 9323. A bill to promote the efficient and economical operation of the executive branch of the Government through the establishment of a Civil Service Replacement Board; to the Committee on Post Office and Civil Service.

By Mr. BURDICK:

H. R. 9324. A bill granting certain grazing, fishing, and hunting rights to the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak.; to the Committee on Interior and Insular Affairs.

By Mr. BURNSIDE:

H. R. 9325. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions and for other purposes; to the Committee on Ways and Means.

By Mr. BYRD:

H. R. 9326. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARRIGG:

H. R. 9327. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CURTIS of Missouri:

H. R. 9328. A bill to allow a deduction for income-tax purposes, in the case of a disabled individual, of expenses for transportation to and from work; to the Committee on Ways and Means.

By Mr. DAVIDSON:

H. R. 9329. A bill to provide for averaged taxable income; to the Committee on Ways and Means.

By Mr. DEMPSEY:

H. R. 9330. A bill to amend section 7 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. DOLLIVER:

H. R. 9331. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. GAMBLE:

H. R. 9332. A bill to amend the Federal Highway Act to provide for the inclusion in the Federal-aid highway system of certain parkways, notwithstanding tolls are collected for use thereof; to the Committee on Public Works.

By Mr. GATHINGS:

H. R. 9333. A bill to amend the Commodity Exchange Act to give to certain consuming processors of cotton the privilege of buying cotton futures contracts in certain cases; to the Committee on Agriculture.

By Mr. GEORGE:

H. R. 9334. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRIFFITHS:

H. R. 9335. A bill to grant natives of the dependency of Malta unlimited access to the immigration quota for Great Britain; to the Committee on the Judiciary.

H. R. 9336. A bill establishing a general policy and procedures with respect to payments to State and local governments on account of Federal real property and tangible personal property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HIESTAND:

H. R. 9337. A bill to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes; to the Committee on House Administration.

By Mr. KING of California:

H. R. 9338. A bill to amend section 1234 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. LANDRUM:

H. R. 9339. A bill to authorize the exchange of certain lands of the United States situated in Union County, Ga., for lands within the Chattahoochee National Forest, Ga., and for other purposes; to the Committee on Agriculture.

By Mr. MAGNUSON:

H. R. 9340. A bill to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature; to the Committee on Ways and Means.

By Mr. MARSHALL:

H. R. 9341. A bill to provide for incentive payments for the marketing of lightweight hogs; to the Committee on Agriculture.

H. R. 9342. A bill to provide incentive payments for the marketing of cattle; to the Committee on Agriculture.

By Mr. METCALF:

H. R. 9343. A bill relating to certain inspections and investigations in metallic and nonmetallic mines and quarries (excluding coal and lignite mines) for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein and for other purposes; to the Committee on Education and Labor.

By Mr. MILLER of Maryland:

H. R. 9344. A bill to amend chapters 4, 5, 6, and 8 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 9345. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of Nebraska:

H. R. 9346. A bill to amend section 317 (a) of the Packers and Stockyards Act, 1921; to the Committee on Agriculture.

By Mr. MOULDER:

H. R. 9347. A bill to amend title 18, United States Code, to make unlawful certain practices in connection with the placing of minor children for permanent free care or for adoption; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 9348. A bill to amend the act entitled "An act incorporating the Archeological Institute of America" to increase the value of real and personal property that such institute may hold; to the Committee on the Judiciary.

By Mr. MURRAY of Illinois:

H. R. 9349. A bill to provide for voluntary coverage under the Federal old-age and survivors insurance system for self-employed veterinarians; to the Committee on Ways and Means.

By Mr. MURRAY of Tennessee:

H. R. 9350. A bill to promote the interests of national defense through the advancement of the scientific and professional research and development program of the Department of Defense, to improve the management and administration of the activities of such department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'HARA of Illinois:

H. R. 9351. A bill to amend the Small Business Act of 1953 to assist small businesses which are displaced by urban renewal projects by providing grants and loans to cover certain costs incurred in the relocation of such businesses; to the Committee on Banking and Currency.

By Mr. PATTERSON:

H. R. 9352. A bill to amend the Small Business Act of 1953 to extend the maturities of certain business and disaster loans and to provide that interest shall hereafter be charged on any disaster loan only on the amount in excess of $250,000; to the Committee on Banking and Currency.

By Mr. PHILBIN:

H. R. 9353. A bill relating to the import tax on sugar used after June 30, 1955, as livestock feed or in the production of livestock feed; to the Committee on Ways and Means.

By Mr. RABAUT:

H. R. 9354. A bill to provide that in determining income of World War I veterans and their widows for the purpose of ascertaining eligibility for pensions, payments under title II of the Social Security Act shall not be taken into account; to the Committee on Veterans' Affairs.

By Mr. RHODES of Pennsylvania:

H. R. 9355. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY:

H. R. 9356. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes; to the Committee on Education and Labor.

By Mr. SADLAK:

H. R. 9357. A bill to amend the Internal Revenue Code of 1954 to provide that certain losses arising from a major disaster may be carried back 5 years; to the Committee on Ways and Means.

By Mr. THOMSON of Wyoming:

H. R. 9358. A bill to require the Administrator of Veterans' Affairs to issue a deed to the city of Cheyenne, Wyo., for certain land heretofore conveyed to such city, removing the conditions and reservations made a part of such prior conveyance; to the Committee on Veterans' Affairs.

H. R. 9359. A bill to permit the transfer of wheat acreage allotments of lands taken by the United States Government for a governmental or other public purpose; to the Committee on Agriculture.

By Mr. UDALL:

H. R. 9360. A bill to provide for the establishment of a Commission on National Housing Policy; to the Committee on Banking and Currency.

By Mr. VAN ZANDT:

H. R. 9361. A bill to establish a pension program for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. WEAVER:

H. R. 9362. A bill to amend title III of the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 9363. A bill to amend title III of the Servicemen's Readjustment Act to remove certain impediments to the processing of applications for Veterans' Administration direct loans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H. R. 9364. A bill to amend section 3731 of title 18 of the United States Code relating to appeals by the United States; to the Committee on the Judiciary.

By Mr. HAYWORTH:

H. R. 9365. A bill to provide equitable reimbursement for certain postal field service employees for loss of pay incurred through the establishment of the effective date for reclassification, conversion, and pay administration under the Postal Field Service Compensation Act of 1955; to the Committee on Post Office and Civil Service.

By Mr. MACDONALD:

H. R. 9366. A bill to provide for the reimbursement of athletes selected by the United States Olympic Association to represent the United States in the games of the 16th Olympiad for certain expenses incurred by them; to the Committee on Foreign Affairs.

By Mr. WICKERSHAM:

H. R. 9367. A bill to amend section 403 (b) of the Civil Aeronautics Act of 1938 to permit the granting of reduced-rate transportation to ministers of religion; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHLEY:

H. J. Res. 539. Joint resolution to establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs; to the Committee on Rules.

By Mr. BURNSIDE:

H. J. Res. 540. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. GRAY:

H. J. Res. 541. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H. J. Res. 542. Joint resolution to establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs; to the Committee on Rules.

By Mr. MAGNUSON:
H. J. Res. 543. Joint resolution authorizing the Commissioner of Public Roads to designate a highway system to be known as the Lewis and Clark National Tourway; to the Committee on Public Works.

By Mr. METCALF:
H. J. Res. 544. Joint resolution authorizing the Commissioner of Public Roads to designate a highway system to be known as the Lewis and Clark National Tourway; to the Committee on Public Works.

By Mrs. PFOST:
H. J. Res. 545. Joint resolution authorizing the Commissioner of Public Roads to designate a highway system to be known as the Lewis and Clark National Tourway; to the Committee on Public Works.

By Mr. RODINO:
H. J. Res. 546. Joint resolution to amend the act of August 20, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton; to the Committee on the Judiciary.

By Mr. CELLER:
H. J. Res. 547. Joint resolution authorizing and requesting the President of the United States to proclaim the week of April 15, 1956, as National Voluntary Service Week; to the Committee on the Judiciary.

By Mr. HAYWORTH:
H. J. Res. 548. Joint resolution to establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs; to the Committee on Rules.

By Mr. RADWAN:
H. J. Res. 549. Joint resolution granting the consent of Congress to the State of New York to negotiate and enter into an agreement or compact with the Dominion of Canada for the establishment of the Niagara Frontier Port Authority with power to take over, maintain, and operate the present highway bridge over the Niagara River between the city of Buffalo, N. Y., and the city of Fort Erie, Ontario, Canada; to the Committee on Foreign Affairs.

By Mr. RODINO:
H. J. Res. 550. Joint resolution to establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs; to the Committee on Rules.

By Mr. ADDONIZIO:
H. Con. Res. 214. Concurrent resolution expressing the friendship of the people of the United States for the people of Italy and expressing the hope that Italy will remain one of the free and democratic nations of the world; to the Committee on Foreign Affairs.

By Mr. RODINO:
H. Con. Res. 215. Concurrent resolution expressing the friendship of the people of the United States for the people of Italy and expressing the hope that Italy will remain one of the free and democratic nations of the world; to the Committee on Foreign Affairs.

By Mr. WILLIAMS of New Jersey:
H. Con. Res. 216. Concurrent resolution to urge the President to undertake additional steps to strengthen free world unity in economic, scientific, and informational fields; to the Committee on Foreign Affairs.

By Mr. FLOOD:
H. Res. 401. Resolution to express the sense of the House of Representatives with respect to the restoration of the rights of the people of Lithuania; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. ASPINALL: Memorial of the Legislature of the State of Colorado, memorializing the Congress of the United States to pass and adopt legislation denying Federal ownership of unappropriated water of natural streams in Colorado and the West and confirming the rights of appropriation thereof under the State laws; to the Committee on Interior and Insular Affairs.

By Mr. FORAND: Resolution of the Rhode Island General Assembly memorializing Congress to implement and execute plans and recommendations of the Corps of Army Engineers relative to the dredging of Bullock Cove in the town of East Providence; to the Committee on Public Works.

By Mrs. ST. GEORGE: Memorials of the State of New York relative to taking census of citizens of the United States; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:
H. R. 9368. A bill for the relief of Marcos Go; to the Committee on the Judiciary.

By Mr. AYRES:
H. R. 9369. A bill for the relief of Stavros Kyriakides; to the Committee on the Judiciary.

By Mr. BENNETT of Florida:
H. R. 9370. A bill for the relief of Mrs. Kalman Imredy; to the Committee on the Judiciary.

By Mr. BROWN of Ohio:
H. R. 9371. A bill for the relief John R. Henry; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:
H. R. 9372. A bill for the relief of Dr. Cristjo Cristofv, his wife, Jordana Dilova Cristofv, and his children, George and Daphne-Kremena Cristofv; to the Committee on the Judiciary.

By Mr. FRIEDEL (by request):
H. R. 9373. A bill for the relief of Ezra Evans; to the Committee on the Judiciary.

By Mr. HAYWORTH:
H. R. 9374. A bill for the relief of Chui Pui Tsang; to the Committee on the Judiciary.

By Mr. KLEIN:
H. R. 9375. A bill for the relief of Samuel Morris Cohen; to the Committee on the Judiciary.

H. R. 9376. A bill for the relief of Girolamo Badalamente; to the Committee on the Judiciary.

By Mr. LIPSCOMB:
H. R. 9377. A bill to provide for the sale to the Eagle Rock Young Men's Christian Association of certain real property located in Los Angeles County, Calif.; to the Committee on Government Operations.

By Mr. MERROW:
H. R. 9378. A bill for the relief of Mrs. Maria (Schandl) Cote; to the Committee on the Judiciary.

By Mr. MILLER of California:
H. R. 9379. A bill for the relief of Heron Puebla-Vargas; to the Committee on the Judiciary.

H. R. 9380. A bill for the relief of Miguel Segundo-Estrada; to the Committee on the Judiciary.

By Mr. MURRAY of Illinois:
H. R. 9381. A bill for the relief of Robert Marino; to the Committee on the Judiciary.

By Mr. PATMAN:
H. R. 9382. A bill for the relief of Lt. Percy Hamilton Hebert; to the Committee on the Judiciary.

By Mr. RODINO:
H. R. 9383. A bill for the relief of Bastiaan Van Leeuwen; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:
H. R. 9384. A bill for the relief of Evelyn Albi; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:
H. R. 9385. A bill conferring jurisdiction upon the Court of Claims to render findings of fact with respect to the claim of George W. Angell, Jr., against the United States; to the Committee on the Judiciary.

By Mr. UTT:
H. R. 9386. A bill for the relief of N. W. Winterstein; to the Committee on Banking and Currency.

By Mr. WAINWRIGHT (by request):
H. R. 9387. A bill for the relief of Letita Tremari; to the Committee on the Judiciary.

By Mr. WINSTEAD:
H. R. 9388. A bill for the relief of Mr. and Mrs. H. P. Webb; to the Committee on the Judiciary.

By Mr. ZABLOCKI:
H. R. 9389. A bill for the relief of Irena Wierzchowska; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

531. By Mr. CANFIELD: Resolutions adopted by the Utility Co-Workers' Association at its convention on January 21, 1956, concerning social security revision, income tax revision, State of New Jersey Labor Relations Board and Sunday work; to the Committee on Ways and Means.

532. By Mr. FORAND: Petition of Mrs. Philip E. Thomas, and 42 others from Rhode Island, urging enactment of legislation to get alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

533. By Mr. HAYS of Arkansas: Petition of Mrs. Forney B. Lile, Little Rock, Ark., and others, urging approval of H. R. 4627 which would prohibit the advertising of alcoholic beverages in interstate commerce; to the Committee on Interstate and Foreign Commerce.

534. Also, petition of Mrs. F. M. Davis, Little Rock, Ark., and others, urging approval of H. R. 4627 which would prohibit the advertising of alcoholic beverages in interstate commerce; to the Committee on Interstate and Foreign Commerce.

535. By Mr. HINSHAW: Petition of over 700 names, signed by the people of Alhambra, San Gabriel, South Pasadena, and other points in that vicinity of southern California urging enactment of legislation prohibiting the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of States under the 21st amendment to control the sale of such beverages; to the Committee on Interstate and Foreign Commerce.

536. By Mr. O'HARA of Minnesota: Petition of Mr. and Mrs. Clayton Ankeny, of Blue Earth, Minn., and 130 other signers, protesting the advertising of alcohol beverages over radio, television, newspapers and magazines; to the Committee on Interstate and Foreign Commerce.

537. By Mr. SMITH of Wisconsin: Resolution adopted by the department executive committee, the American Legion, Department of Wisconsin, favoring an investigation of the activities of the Fund for the Republic; to the Committee on Un-American Activities.

538. By the SPEAKER: Petition of the grand knight, Brooklyn Council, No. 60, Knights of Columbus, Brooklyn, N. Y., petitioning consideration of their resolution with reference to expressing their support of the principles of the proposed Bricker amendment to our Federal Constitution; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Senator Wiley Before the Optimist Club, Oshkosh, Wis.

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Thursday, February 16, 1956

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address which I delivered before the Optimist Club at Oshkosh, Wis., on February 16, 1956.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY PLEDGES CONTINUED BATTLE AGAINST YOUTH DELINQUENCY; SAYS YOUNGSTERS AND ADULTS TRULY INSPIRED BY PRESIDENT EISENHOWER'S LEADERSHIP

I am happy, indeed, to be in Wisconsin again, and to have lunch with you here.

I want to say that, in a world with too many cynics and pessimists, it is a pleasure to be among optimists.

All of us need to be optimistic, in facing the challenges, difficulties, and opportunities of our times.

NUMEROUS ISSUES FACING CONGRESS

Indeed, there are so many challenges facing us that it is almost hard to choose among them and decide which particular one to discuss with you today.

In Washington, for example, the Senate has pending before it right now a new farm bill. This farm bill incorporates a new soil-bank idea to conserve the Nation's soil resource, as well as to reduce the surplus problem. We are certainly going to pass some form of the farm bill, and definitely, some form of the soil-bank idea.

Not long after we finish the farm bill, we are going to take up the social security bill. Beyond question, we are going to extend coverage to upwards of a million more employees and self-employed, including lawyers, accountants, and other professionals. Moreover, we are going to liberalize pensions for widows.

Meanwhile, the House of Representatives is going to put the finishing touches on the Nation's new highway bill. The only big controversy that remains is how to finance the program. Highway taxes are going to have to increase, but it is still uncertain as to how much the average motorist will pay, and how much heavy trucks will have to pay.

Another issue engaging our attention is a study of the work of the oil and gas lobby in connection with the recently passed natural-gas bill.

These, then, are but a few of the topics which we face in Washington, and which you face here in Oshkosh.

OPTIMIST'S CLUB WORK FOR YOUTH

One problem in which Optimist Clubs have rightly been interested is, of course, the problem of juvenile delinquency.

I want, at this time, to highly commend your club for the great and admirable youth work you are performing.

The boys of America, and the country itself, owe Optimist Clubs a great debt of gratitude for your splendid efforts in providing our promising manhood with hobbies and vocational guidance and recreational opportunities and facilities, including such things as sports, woodworking, and swimming.

This is the kind of guidance and leadership we need for the youngsters of America.

DELINQUENCY IN AMERICA

As many of you know, I am a member of the Senate Judiciary Juvenile Delinquency Subcommittee. For the past year, we have had the unpleasant job of investigating delinquency among the youth of our country.

We discovered many sobering and shocking facts. There were:

Over 485,000 youngsters brought before juvenile courts.

Over 200,000 young folks had run away from home.

Over 100,000 youths had been confined in common jails, usually with hardened criminals.

ACTION ON BILL FOR DELINQUENCY PREVENTION

To help prevent delinquency among our young folks, I have sponsored legislation to provide grants-in-aid to States and local communities for delinquency prevention programs.

Other Senators have sponsored companion measures, and it appears certain that some form of this legislation will be enacted before the end of the session.

Meanwhile, the life of the Senate Juvenile Delinquency Subcommittee, itself, should be extended, so that we can complete our study and our legislative recommendations. We have numerous reports soon to be released on motion pictures, education, religion, pornography and related phases.

In any event, we need continued constructive activities by groups such as your own.

YOUTH NEEDS OPPORTUNITY

The difficulty, of course, is not basically with our youth.

I believe, instead, that we as a Nation, are unfortunately not providing them with sufficient challenge and opportunity, with ample outlets for their boundless energy.

As a result, we are wasting a vast reservoir of new thoughts, ideas, talents, and skills. I believe that our youths could learn more of the mechanical skills and of the arts at a much earlier age; could be better prepared, by training, for adulthood; could assume greater responsibilities than they now do.

MOST YOUTHS ARE NOT DELINQUENTS

The statistics on juvenile delinquency throughout the country seem large and startling; yet, these are usually small in contrast to the successful and wholesome millions of youths who have fine records of home and community activities, who resolve their own problems, who are independent, responible individuals.

These will become the outstanding citizens of tomorrow.

In Milwaukee County, for example, it was discovered that only 2½ percent of the youngsters get into trouble with the law. That is, of course, 2½ percent too much, but at least it indicates that 97½ percent of the youngsters are getting along all right.

IDOLS OF YOUTH: LINCOLN AND WASHINGTON

As you well know, most of our young people have a habit of adopting idols from both the present and the past. These help to mold the character and life of the youngster.

We, ourselves, serve as examples, so we must all constantly strive to live up to the high principles we teach our young folks.

Not only youth, but also nations, have their idols—men and women whom they admire and respect.

We all know that in the month of February, we celebrate the birthdays of two of our greatest forefathers: George Washington, the Father of our County; and Abraham Lincoln, the Great Emancipator, whose birth date was honored on Sunday.

The spirits and beliefs of these two great men still guide our Nation and strengthen the sense of patriotism in the hearts of our countrymen.

Over the years they serve as symbols of genuine leadership and statesmanship.

CRISIS: PAST AND PRESENT

Both Washington and Lincoln faced crisis—different in scope, but similar in gravity—to those we face today.

For example, George Washington fought for freedom and independence of our country. We now are engaged in striving for freedom and survival for the free world.

Abraham Lincoln faced the problem of a divided country. Today, President Eisenhower and our Nation face the problems of a divided world.

In 1861—seemingly a long time ago—Abraham Lincoln emphasized the need to keep abreast of progress. He expressed a great thought that is especially true today.

He said:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so must we think anew, and act anew."

THINKING ANEW AND ACTING ANEW ON SLAVERY

"Thinking anew and acting anew" means, for example, continuing our bold program to keep alive the spirit of freedom behind the Iron Curtain.

As we are all aware, the Soviet Union has recently protested against our relatively new device—the propaganda balloons sent by the Crusade for Freedom behind the Curtain.

As for our governmental activity, and the Red protests against weather balloons drifting over Russia, we are trying to keep these balloons along the routes for which they were basically intended.

But there should be no interference with the right of a private organization, the Crusade for Freedom, sending encouraging messages to the enslaved peoples of Czechoslovakia, Hungary, Poland, East Germany, and Russia itself, urging them to keep the flame of liberty bright in their hearts.

We, who pay homage to the Emancipator, Abe Lincoln, can hardly fail in our responsibility to the enslaved peoples of Eastern Europe or eleswhere.

We must think and act boldly in their behalf and on behalf of peace and freedom throughout the world.

OTHER DYNAMIC RESPONSES TO TODAY'S NEEDS

The occasion is still piled high with difficulty. So, thinking anew and acting anew requires also:

(a) Speeding up America's scientific research, particularly in the field of guided missiles and nuclear weapons, as well as in peaceful application of atomic energy.

(b) Strengthening the Nation's Reserve forces, which are presently, according to all reports, in sadly undermanned strength.

(c) Keeping our domestic economy rolling in high gear with 65 million employed; keeping all segments—industry, labor, agriculture strong and prosperous.

IKE—AN INSPIRATION TO ALL AMERICANS

But before I leave the matter of inspiring examples, I want to point out that we have today another great symbol in the office of the Presidency.

I know that you will believe me that I am sincerely not making a partisan reference when I say this:

History will record Dwight D. Eisenhower in the ranks of our greatest Presidents, as

it records the names of Washington, Lincoln and others.

Regardless of how you or I may have voted in November 1952; regardless of how you or I may choose to vote in November 1956, I believe that you may feel as I do, that America can be proud of the man who now occupies the White House.

Public opinion polls have shown that he is still at the peak of his popularity. These polls reflect the fact that the American people clearly recognize the honesty, the selfless dedication, the strength, the judgment which Dwight D. Eisenhower has brought to his office.

My friends who may be Democrats in this audience, or any audience, may and do differ with the President on various issues. Indeed, we Republicans have our intra-party differences, as well. But we Americans do not allow our party affiliations to befog our eyes on true examples and patriotism.

There are few Democrats among us who would, for example, dispute the greatness of Republican Teddy Roosevelt, or few Republicans who would dispute the greatness of Woodrow Wilson.

So, too, with admiration and respect, we will all wait the President's decision as to whether he will or will not run again.

I personally don't know what that decision will be.

I earnestly hope, however, that wholly aside from any partisan consideration he will decide to run again. To do so would, in my judgment, be another great forward step for peace. It would be also a dramatic demonstration of the power of a man's spirit, or of a man's moral strength—the power of a man's soul in action, to reduce the significance of any imperfections in a man's bodily condition.

AN AMAZING CHAPTER IN PRESIDENTIAL PRESS RELATIONS

Meanwhile, however, the President's utter frankness about his health, his willingness to talk about this delicate matter completely, openly, frankly, is another magnificent demonstration of the straight-shooting character of this man in the White House.

The man from Abilene has not tried to withold a single fact. His tireless Press Secretary, James Hagerty, has helped him write one of the most amazing chapters in presidential relations with the American press in our entire history. Day after day, night after night, side by side with his Chief, Jim Hagerty has literally exhausted himself, to comply with the press' every wish, to know the up-to-the minute facts about Ike's condition.

By contrast, in the world of dictatorship, there would never be the slightest inkling of the true physical conditions of the head of state.

Even in the free world, great leaders have suffered disabilities which have often been withheld from public knowledge.

But we have been witnessing today one of the most remarkable demonstrations in our history, of the strength of our own free Nation. The people have been entitled to the facts. The people have received the facts—straight, impartially, accurately, promptly.

We may all be proud that this Republic is so strong, that there has never been fear in anyone's heart concerning our people's getting the facts on this matter.

"Ye shall know the truth, and the truth shall set you free"—free of fear, free of doubt, free of misunderstanding.

Whatever Ike's decision, he will have earned his lasting place among the most honored of American Chief Executives.

Whatever the decision of the American electorate next November, we will not soon forget this great term of office of a great man.

THE WORLD OF TOMORROW

Now and in time to come, we must and will remain strong.

Meanwhile, to those of us who are optimists and I assure you I am a member of your club; in spirit, if not in fact—we must look forward confidently to the future, to the great things of tomorrow.

The world of tomorrow will be a fascinating place in which to live. There will be stirring advances in all the things we are enjoying today.

There will be more jet propulsion, atomic power, and electronic devices.

There will be new food for higher nutritional levels and better standards of living.

There will be new forms of pleasure and entertainment, such as "regular" color TV.

We will have better disease control and longer life expectancy.

Our culture will be further enriched with the best thoughts, arts, and ideas of all cultures.

LIFE IN THE NEW WORLD

To live in this great, new, challenging world, we must adapt ourselves to its needs and its fast moving pace. The spirit of youth must never die within us.

We must never cease to be imaginative, to "dream dreams and see visions," and to be attuned to the progress of our times.

CONCLUSION

If we dedicate ourselves to progress, to high ideals, to improvements of our way of life, we can—to quote Lincoln—be assured that, under God:

"This Government, of the people, by the people and for the people shall not perish from the earth."

The Fabulous Case of United States Against Hughes

EXTENSION OF REMARKS

OF

HON. JOSEPH R. McCARTHY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1956

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement prepared by me on the subject of the fabulous case of United States against Hughes.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MCCARTHY

The fabulous case of *United States* v. *Hughes*, concluded last week in New York, indicates the unconscionable lengths to which powerful liberals in this country have gone, and will still go, in order to discredit and defame those who are attempting to expose the Communist conspiracy.

The United States prosecuting attorney, in his opening statement at the Hughes trial, described the case as "one of the most fantastic schemes * * * in all the annals of political intrigue." This was, if anything, an understatement.

Paul Hughes came to my office late in 1953 seeking a job. I never saw the man; but members of my staff interviewed him and turned down his application. He then went to a number of prominent liberals, posing as a McCarthy investigator. The liberals paid him handsomely for a mountain of scandalous and defamatory information about me and the committee—information that is now admitted to be completely false. (An example of the sort of information Hughes peddled: The McCarthy committee maintained an arsenal of submachine guns and lugers in a secret cache in the Senate Office Building.) All in all, the anti-anti-Communists paid their secret spy $10,800 for such information in an effort that they now admit was designed to eliminate McCarthy.

The names of the men who were involved in this attempt to defame a committee of the United States Senate and its chairman read like a Who's Who of my leading political opponents over the past 6 years: Joseph L. Rauh, chairman of the ADA; Clayton Fritchey, deputy chairman of the Democrat National Committee and editor of the Democratic Digest; Telford Taylor, chairman of the National Committee for an Effective Congress (which masterminded the censure movement); James Wechsler, editor of the New York Post; Philip Graham, James Wiggins, Alfred Friendly, publisher, editor, and managing editor, respectively, of the Washington Post; and Paul Porter, partner of the law firm of Arnold, Fortas & Porter, attorneys for Owen Lattimore.

The main issue in the Hughes' trial was whether Rauh and his cohorts knew that the information they paid for was false—or whether, through their unreasoning hatred of MCCARTHY and congressional investigating committees, they had been duped into believing that Hughes' manifestly ridiculous reports were authentic. The verdict, which resulted in the freeing of Hughes, indicates that an impartial jury believed the liberals were in the plot as deeply as Hughes. Hughes was indicted for perjury on six counts. Four of them charged that he had lied when he told a grand jury that several of these liberals were involved in an attempt to get Harvey Matusow to repudiate his testimony against Communists. The other two counts charged that Hughes lied when he testified that Rauh knew that fictitious documents furnished by Hughes were indeed fictitious, and that Rauh knew that the name "Bill Decker," which was affixed to the documents as an attesting witness, was a fictitious name, and was in reality an alias for Paul Hughes.

On 2 of the 4 counts involving Matusow, the jury voted unanimously to acquit Hughes; on the other two it split. On the remaining two counts, involving Rauh, chairman of the ADA, the jury voted 11-1 that Hughes had not lied when he said Rauh was aware that the documents were fraudulent.

Even if the liberals are to be believed when they claim they were innocent dupes (which the jury verdict makes difficult), they stand convicted of hypocrisy and duplicity of the worst sort. For years they have attempted to frighten the American people with concocted stories about paid secret informers; then, on their own showing, they turn around and hire one of their own. For years they have railed against smearing people on the basis of unsubstantiated evidence; yet on their own showing, Rauh and Fritchey paid $10,800 for smear material to an imposter whose credentials they never bothered to verify. For years they have piously pleaded for fair play in politics; yet on their own showing they paid thousands of dollars for such items of advice from Hughes as that "MCCARTHY will not be defeated by extensive use of fair play (or) squeamishness," and that a Senate committee and its chairman can be discredited only "by relaxing somewhat on ethics."

I am convinced that the full truth behind this ugly attempt to discredit a Senate committee has not yet been revealed—that probably many prominent people are involved beyond those already named. I believe, therefore, that a congressional committee ought to be instructed to investigate the entire matter. I wonder if you agree with me. Since I want you to have all the facts, I regret that space does not permit more than a brief explanation of the case in this letter. A detailed and revealing ac-

count of the case can be found in the February 8 and February 15 issues of National Review magazine, 211 East 37th Street, New York City.

Lincoln's Birthday and Brotherhood Week

EXTENSION OF REMARKS.
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. ROOSEVELT. Mr. Speaker, on Monday, February 13, 1956, the Textile Workers Union of America, in conjunction with their education program, conducted for the benefit of their rank and file members of local unions, a ceremony during which a wreath was placed at the Lincoln Memorial in Washington, D. C. Because of the close proximity of Lincoln's birthday and the specially designated week known as Brotherhood Week, I prepared the following brief remarks for delivery on that occasion:

Brotherhood Week comes as a timely and forceful reminder that we, in America, must take a spiritual inventory and rid ourselves of any prejudice that we might be inclined to harbor against any religion, race, or group.

Never in the history of the Nation has the need been greater for a unified people joined together in the bonds of common understanding. Prejudice is a hateful business at any time. It is even more hateful these days, when people of all faiths—Protestant, Catholic, and Jew—are considered dangerous by those biased persons who believe that man was made for the state and not the state for man.

The occasion for a needed spiritual inventory is Brotherhood Week. This special week, designated as February 19–26, is an annual observance sponsored by the National Conference of Christians and Jews, which is now celebrating its 26th anniversary.

Every race, every creed has contributed its heroes to the advancement of mankind. Courage and integrity are the monopoly of no group. Why should we be prone to condemn races or creeds for minor prejudices, when there is greater opportunity in honoring them for their achievements? Why not seek the good and ignore the evil? We are together in this journey toward a better civilization for all mankind. Should we not strive to make it as pleasant a journey as possible?

In paying tribute to Brotherhood Week, we are in keeping with the traditions which have been handed down to us by the architects of our freedom. The spirit of brotherhood is not new. It is best exemplified for us in the Declaration of Independence and in the Constitution.

Brotherhood Week emphasizes one of the great principles of the American way of life. We believe in the principle that the dignity and worth of the individual is important. We believe that he is endowed by our Creator with certain rights and our Constitution guarantees those rights to him.

There is more to brotherhood than a willingness to "tolerate" people whose skin color happens to differ from one's own or who choose to pray to God in a different way. True brotherhood is understanding.

All that is best in America stands with increasing strength in firm opposition to forces of retrogression and despair. The dignity of man requires firm adherance to the principles and practices of civil and political liberties—freedom from bigotry. Those who belong in the free world understand this.

One of the best preparatory steps for enduring peace is to exemplify the spirit of good will and brotherhood in our daily lives. With that spirit we should be nothing but optimistic about the future. Understanding between peoples is indicative of progress.

It is my hope that all Americans will join in wholehearted support of Brotherhood Week, so that we may become fully aware of the need for the preservation of that spirit of fellowship and understanding so essential to our well-being as a Nation and as a community of the world.

A Bill To Restrict and Limit the Use of Government-Held Real Estate

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. MILLER of Nebraska. Mr. Speaker, on February 7, 1956, I introduced H. R. 9131 which would restrict and limit the use of Government-held real estate.

This bill is simply a matter of good housekeeping. It was introduced for the purpose of preventing the Government from using its land in any way that would contribute further to the huge supplies of agricultural commodities that are creating distress in our farm markets. Passage of this bill would demonstrate the good faith of the Congress is recommending the soil-bank program. By retiring its own land, the Government would be taking the lead.

American farmers have been asked by this administration, and by the Agricultural Committee of the United States Senate, to stop producing a large number of their cash crops on nearly 40 million acres of land, under the premise that an oversupply of livestock and a mountainous surplus of certain supported commodities have caused the prevalent agricultural distress. The Government can make a substantial contribution toward the success of the soil-bank program and toward relieving the congestion in the farm market place by passing H. R. 9131.

The Federal Government is the Nation's largest landholder and landlord. It owns more than 456 million of the Nation's 1.9-billion-acre total. In other words, the Federal Government owns or controls approximately 25 percent of the total land area in the continental United States, and nearly 50 percent of the total farm land area in this country.

A substantial portion of this Government-held land is not being used for governmental purposes. Instead, much of it is now outleased for the production of crops—principally wheat and corn, which make up a large part of the $8 billion worth of surplus agricultural commodities.

The Defense Department is one of the chief offenders. Beginning on January 4, 1956, and continuing for several days thereafter, the House Interior and Insular Affairs Committee held hearings into the land-use policies of the military departments. The testimony and records submitted reveal many interesting things, but it was especially impressive to me that the Defense Department, as only one agency of the Government, holds more than 24 million acres of land in the United States, as well as an additional several million acres in Hawaii and Alaska and the Trust Territories. By way of comparison, these holdings in the United States exceed in area the States of Massachusetts, Maryland, New Hampshire, Delaware and Connecticut. Or, put another way, these land holdings are the equivalent of a strip of land 11 miles wide from New York to San Francisco.

This empire has been created ostensibly for natural security reasons, but it is astonishing that more than 10 percent of the military land is being used in competition with private farm operators. The following table shows the extent to which military land is being out-leased for agriculture and grazing. It also shows the annual income to the Federal Government from those sources:

Outleasing of Defense Department landholdings in United States, June 30, 1954

Branch	Acres held	Agriculture acres	Grazing acres	Total acres	Consideration
Army	5, 253, 208	366, 299	538, 816	905, 116	$1, 156, 384. 72
Navy	3, 778, 417	70, 135	111, 282	181, 418	655, 146. 06
Air Force	12, 141, 024	15, 923	495, 847	511, 770	169, 622. 30
Army civil works		742, 390	188, 173	930, 563	1, 311, 287. 94
Total		1, 194, 747	1, 834, 116	2, 528, 867	3, 292, 441. 02

The Department of Defense holds land in each of the 48 States and the District of Columbia, from a mere 1,335 acres in Vermont to a tremendous 3,886,067 acres in Nevada. Its land-use policies are felt in every State, and it would be safe to assume that crops are being produced in great quantities on military land in nearly every State.

In my own State of Nebraska, the Defense Department owns or controls 107,168 acres of land for defense purposes. Only 20 acres were acquired through withdrawal from the public domain. The balance has been acquired by condemnation, purchase, grant, lease, or other means from choice privately owned farmlands in the heart of an outstanding agricultural region. Military installations now occupy some of the finest farm ground in the State of Nebraska, near Wahoo, Hastings, Grand Island, and Sidney, although military use extends to only a small portion of the areas. As a matter of fact, approximately 77,500 acres of this total are

being used to produce crops, and more than 6,000 acres are being used to graze livestock. In other words, 72 percent of the military land in Nebraska is being farmed, and 6 percent is being grazed.

The investment of the United States Government in this land and the fixtures located thereon is appraised by the Department of Defense at $207,700,000. This, Mr. Speaker, equals 8 percent of the 1950 appraised valuation of all farmlands and buildings in my State.

The principal crops that are grown on this military empire are wheat and corn, and they are the 2 commodities that make up a great part of the Government's $8,666,309,000 investment in farm products. One leaseholder, with more than 3,000 acres of military land under his control, last year received a price support loan of $96,521 on 42,671 bushels of wheat. Other military leaseholders approached these figures, and I am sure that the records for other States will show that this situation is not extraordinary.

These lands are also being used to produce crops such as alfalfa, grasses, legumes, and nitrogenous plants that are not in critical oversupply, and I have no objection to a continuation of these practices. I do feel, however, that if the soil-bank program is adopted by the Congress and becomes a part of the law of the land, these practices should be made to conform to the prescribed soil-bank regulations.

The Federal Government cannot continue to talk out of both sides of its mouth. It cannot continue a "do as I say, not as I do" attitude. If it advocates a program that requires a more limited production of supported commodities, it should be the first to show the way.

I hope, Mr. Speaker, that H. R. 9131 will receive the careful consideration and strong support of every Member of Congress who is willing to help relieve distress in the vital farm sections of our economy.

Proposed Commission on National Housing Policy

EXTENSION OF REMARKS
OF
HON. STEWART L. UDALL
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. UDALL. Mr. Speaker, I have today introduced a bill to create a Commission on National Housing Policy.

This bill is identical with S. 3186 introduced Tuesday by the junior Senator from Alabama, Mr. SPARKMAN, and cosponsored by seven other Senators. It is designed to provide information as to why there are threatened cutbacks in the vital housing industry and to provide logical moves to correct any shortcomings.

Part of the trouble, I believe, can be traced readily to uncertainty about the status of Government-supported mortgages in the money markets under the Veterans' Administration and Federal Housing Administration programs.

More will be found in the capital-short areas of the Nation—for the most part those sections showing fastest growth—where the Federal National Mortgage Association has not been functioning as intended.

This bill is broader in scope than H. R. 9053, which I introduced on February 2. The purpose of H. R. 9053 was limited to amending the FNMA Charter Act to make that agency function as the Congress intended, to stimulate home construction capital-short areas instead of depressing it by policies which aggravate the shortage of mortgage funds.

I have in mind particularly the FNMA policy of requiring that common stock in FNMA be purchased by the local primary mortgage buyer before the agency will—in its secondary market function—buy the mortgage.

In addition to this, there is the widespread practice of discounting Government-supported mortgage loans in the money market.

Elimination of this practice was one of the major aims cited by Senate sponsors of S. 3186. Because the supply of money is short in many areas, discounting on VA and FHA insured loans is prevalent, reaching as high as 12 percent in some parts of the country.

I was pleased to note the concern with this situation evinced by Senators sponsoring S. 3186, as well as their interest in expanding the function of FNMA in stabilizing the mortgage market.

Mr. Speaker, I hope there will be early and sympathetic consideration of both of these measures by appropriate committees of the House. The housing industry's health has an important effect on the Nation's economy.

Nepal's Independence Day

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. POWELL. Mr. Speaker, I wish to extend to the people of Nepal, His Majesty Mahendra Bir Bikram Shah Deva, and Mr. Iswary Raj Misra, First Secretary, Chargé d'Affaires ad interim in the United States, sincere felicitations and best wishes on the occasion of the fifth anniversary of independence, February 18, 1956.

From 1846 to 1951 Nepal was virtually ruled by the Rana family a member of which always held the office of prime minister, the succession being determined by special rules. The ruling Rana family had seized power and installed themselves as hereditary prime ministers and commanders in chief, and in other key positions. The king was maintained as a figurehead. His life and contacts were supervised by the Ranas.

In 1950 events moved fast. His Majesty the late King Maharajadhiraja Tribhuvana Bir Bikram Jang Bahadur Shah Bahadur Shamsher Jang escaped from the clutches of tyranny and became the symbol of the revolutionary movement to oust the Ranas. The revolutionists recalled King Tribhuvan back to his throne, where he presided over the first year of Nepal as a democracy.

On February 18, 1951, His Majesty the late King Tribhuvan announced far-reaching constitutional reforms. By his forthright actions, the King successfully overthrew the rule of a Nepali clan and so freed the country from a feudal yoke. The Ranas held Nepal together because they ruled with a strong hand, spent much on the army, and had a short way with political opponents. The new government tries to win popular support by spending money on education and social services.

Nepal is passing through a difficult period of transition from an autocratic to a democratic regime. In March 1955 King Tribhuvan passed on, and Prince Mahendra became King of Nepal. The revolution freed the country, but Nepal remained in political turmoil. Nepal's new King, His Majesty Mahendra Bir Birkram Shah Deva, is working hard to solve the political crisis which he inherited from his father.

King Mahendra is devoted to his responsibilities of leadership of his people. Despite opposition, one of his first acts was to call a conference of all political and social organizations in Nepal to request from them suggestions pertaining to the establishment of a stable democratic regime. King Mahendra is trying to evolve a stable democracy in a country which, in a few years, has risen from almost obscurity to a key strategic position. He has promised to hold the first ever general elections in Nepal, and strive for the maintenance of democratic government.

For the present King Mahendra, while desiring to place power in the hands of a popularly elected prime minister, is left as Nepal's supreme ruler. Meanwhile the eyes of the world are fixed upon Nepal until the stable regime of King Mahendra's dreams is firmly established.

Nepal is one of the United Nations' new members. She is also an associate member of the Economic Commission for Asia and the Far East, an agency acting within the framework of the policies of the United Nations, designed to assist the governments of the region in their efforts to reconstruct and develop the economic structure of their countries. Under the Colombo plan of aid to South Asian nations, Nepal receives substantial financial help.

The United States heartily supports the ideals of democracy everywhere. East and West meet in Nepal in a very specific way. From the United States and other sources emanate programs to help Nepal emerge out of feudalism; to strengthen its economy; encourage it to set up democratic institutions, and so ward off infiltration which threatens everywhere on the periphery of communism's empires. The hundreds of miles of the Himalayas stretching across Nepal's frontier no longer constitute an

impregnable fortress. The United States realizes this fact and is trying to help this nation overcome its lack of defense—economic, military, and geographic.

I salute Nepal on this momentous occasion of independence day and pray for her continued peace, prosperity, and progress as she embarks upon a new year of national life.

The Communists Are on the Move Again With Aid, Trade, Arms, Good-Will Missions, Student Exchanges, Athletes, and Neutrality Propaganda, Adlai Stevenson Warns—I

EXTENSION OF REMARKS
OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1956

Mr. THOMPSON of New Jersey. Mr. Speaker, the New York Times of Wednesday, February 15, 1956, reports that Gov. Adlai E. Stevenson charged in a speech in Seattle, Wash., that the Eisenhower administration has left the country unprepared for a new Communist cold-war offensive. He described the Nation's situation as more perilous than ever.

The presidential candidate charged the administration was trying to sell instead of explain United States foreign policy to the one-third of mankind not yet committed to the Soviet Union or to the West.

He declared that, because of conflicting ideas in Government departments, the administration is attempting to conduct one foreign policy for the Nation and another for the Republican Party.

Meanwhile—

Mr. Stevenson asserted—

the cold war has entered a new phase. The Communists are on the move again—with aid, trade, arms, good will missions, technical missions, student exchanges, athletes, and neutrality propaganda—while people in high places in our Government shout "no help to neutrals—you've got to be for us or against us."

The issues confronting the Nation at this time, are, I believe, graver than at any time in our history. The calm and confident tones with which Khrushchev addressed the 20th Congress of the Soviet Communist Party and the text of the speech shows that the crisis which we face is of a dimension and quality never before encountered.

It is because I believe that Governor Stevenson has made one of the most important speeches of our time and discussed the problem with dignity and clarity that I include excerpts from his speech here.

I have introduced two measures which I believe will assist us to meet this crisis. One, House Joint Resolution 474, would establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs.

It gives me great pleasure to be able to say that Senator J. W. FULBRIGHT, author of the great act of the Congress on exchange of persons, has introduced a companion measure in the Senate as Senate Joint Resolution 120, and Senator HUBERT H. HUMPHREY has joined Senator FULBRIGHT as cosponsor of the measure. In the House Members who have joined with me in sponsoring the joint resolution include the gentleman from New Jersey, HUGH J. ADDONIZIO, the gentleman from New York, VICTOR L. ANFUSO, the gentleman from Pennsylvania, GEORGE M. RHODES, and the gentleman from New Jersey, HARRISON A. WILLIAMS, JR.

I am hopeful that many more of my colleagues from both parties will join in introducing this measure in the House. I am including the text of my invitation to them to join in sponsorship of this joint resolution as part of my remarks. I have developed therein why I believe such a joint congressional committee is highly important now and what I think its functions should be.

A second measure of mine, H. R. 8920, provides for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals. Minnesota's distinguished Democratic Senator, HUBERT H. HUMPHREY, has introduced a companion measure in the Senate as S. 3116.

I am confident that if these two basic proposals are enacted into law we would be in a tremendously improved position for meeting the Russian drive at this critical time in our country's history.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 10, 1956.

MY DEAR COLLEAGUE: I have introduced a joint resolution, House Joint Resolution 474, to establish a joint congressional committee to be known as the Joint Committee on United States International Exchange of Persons Programs. Such a joint committee will be able to make an important contribution to these international exchange programs.

It gives me great pleasure to be able to say that Senator J. W. FULBRIGHT has introduced a companion measure in the Senate as Senate Joint Resolution 120, and Senator HUBERT H. HUMPHREY has joined Senator FULBRIGHT as cosponsor of the measure.

I am hopeful that you and many other colleagues of mine from both parties will join with us in introducing this measure in the House. The text of our joint resolution is enclosed herewith for your study.

We believe that international exchange of persons has proved to be a valuable means of developing closer cooperation among the nations of the free world. The need for such cooperation is every day more apparent. The United States Government is using this technique both for building better understanding of our country abroad and for technical cooperation and economic development. Large exchange programs are now operated by the Department of State. Students, teachers, prominent specialists and leaders in many fields are exchanged and outstanding cultural performers are sent abroad under these programs. The Congress authorized these programs through the Smith-Mundt Act (Public Law 402, 80th Cong.), the Fulbright Act (Public 584, 79th Cong.) and several other acts. American technical experts are sent abroad and foreign nationals are brought to the United States for training under the International Cooperation Administration (formerly FOA and point 4).

The Congress receives reports from the Secretary of State on these programs and reviews their operation annually in connection with appropriations. The Smith-Mundt Act also provides for a United States Advisory Commission on Educational Exchange which reports directly to the Congress on a semi-annual basis.

All of these programs are reviewed separately, and by different congressional committees. They are extremely complex both from the point of view of administration and source of funds, and all use dollars and foreign currencies and rely to a large extent on the efficient use of private resources here and abroad.

It is, therefore, not surprising that some confusion has persisted in the Congress as well as in the public mind as to the relationships that exist between these programs. Yet broad public understanding and public acceptance of these exchange programs are essential if Congress is to support them. It is, we believe, imperative that this understanding be achieved and the confusion ended in order that these important activities can achieve the most useful results.

No concerted or continuing review of these programs and their relationships to each other has ever been undertaken by the Congress. Such a review is of the utmost importance and would be of inestimable benefit to the Congress and to the public. It would help all of us to make a more realistic appraisal of these programs.

The Joint Committee on United States International Exchange of Persons Programs which our joint resolution would establish will provide the necessary review to insure the most effective planning, operation, and administration of these important facets of our international relations.

Discussing the perennial crisis of exchange appropriations in Congress, Senator H. ALEXANDER SMITH, writing in the October 1955 issue of the news bulletin of the Institute of International Education, points out that although private exchange programs long antedate Government activity in this field, the role of the Federal Government is most significant and in recent years has become nearly indispensable.

Over the past few years, as he makes clear, a definite pattern has emerged in the process of getting appropriations for the Government's participation in international educational exchange programs, for instance: The President requests funds for an adequate program; the House of Representatives slashes this figure nearly in half. The Senate restores the full amount; and the final figure is a compromise between the two. The result, the Senator observes, is clearly insufficient appropriations, and he calls for grassroots understanding.

May I hear from you as to your interest in this legislation at your earliest convenience?

With kind regards.

Sincerely yours,

FRANK THOMPSON, JR.,
Member of Congress.

[From the New York Times of February 15, 1956]

EXCERPTS FROM STEVENSON'S SPEECH AT SEATTLE DEMOCRATIC DINNER

SEATTLE, WASH., February 14.—Following are excerpts from the text of a speech by Adlai E. Stevenson at a Democratic fund-raising dinner here tonight:

"This is one of our great doors to the Pacific and beyond lies Asia—our customer and competitor, our friend and enemy. And Asia, I daresay, may well be the area of decision in the great conflict of our times between development by consent and development by coercion, between communism and freedom.

"Just as growth and development are the most significant facts about this new western area of the United States, so it is about Asia. There the political revolution has been delayed a century or more and with it has come the technological revolution that, thus redoubling the sudden violence of the transition from the past to the future, Asia means to develop and quickly, for they have discovered from us of the West that misery, oppression, hunger, and disease are not the immutable destiny of man.

"So they mean to improve living standards quickly. Can they do it the western way, our way, with democracy and the voluntary cooperation of the people or must they do it by dictatorship and forced cooperation—the Communist way?

"Well, these are great questions that are going to be answered on your doorstep and sooner, I fear, than many of us think or hope."

DIFFERENCE ON METHODS

"There is no division among Americans on party grounds with respect to our desire for peace or our foreign policy objectives, but there are crucial differences among us as to methods, and the vigor with which we shall pursue them.

"I am not, the newspapers and writers to the contrary notwithstanding, one of those who feels, or says for partisan advantages, that all the Administration, the President and the Secretary of State, have done in this field, is wrong or have wholly failed.

"But, likewise, I am shocked when I read every day that all is well. That any criticism of this administration and its frequent and foolish failures is just campaign oratory, and that whatever a Democrat says about the conduct of our foreign affairs must be taken with a grain of salt.

"If debate and discussion of our most important problem by partisans is to be discredited and ignored, then how, when, and by whom are the people to be informed about their most important concern?

"Because these are our most important concern, because they are the issues of survival and, in need of life and death, I am persuaded that no greater misfortunate could befall us than an electorate asleep or complacent or indifferent about the world and our central position in it. * * *

"The fact of the matter is that as we enter the second debate since the last war, devastated, bleeding Russia is more powerful than ever before and enfeebled, war-torn China is a prevading influence through Asia.

"We have been spending $40 billion a year for peace and security—and there is none. There isn't even preponderant power in the new weapons any longer, as we are now learning from escaping facts. Yes, and resigning figures.

"Instead of resting complacently on last summer's rosy summit, the spirit of Geneva (which was promptly stamped 'made in Washington') has suddenly given way to the realization that our situation is more perilous than ever.

"France is paralyzed and sorely pressed; Germany dismembered and restless; the guns are rumbling again in the Formosa Straits; nationalism is ready through awakening Islam; Soviet arms and influence are creeping into the Middle East (and we welcome anxiously these days assurances that security of Israel, which we helped create, is a genuine concern of our Government).

"BRINK OF WAR

"And, meanwhile, the uncommitted third of mankind is listening to what we say and watching what we do unhappily. Too often what they hear and see leaves the emphasis on Goa and colonialism, on 'the brink of war.' And atomic devastation of Asians, on more military pacts. And less economic assistance, and finally on confusion and contradictions that reveal all too clearly an administration which tries to sell foreign policy instead of explain it; which tries to conduct one foreign policy for the Nation and another for the Republican Party, at the same time—to the dismay of our friends, the delight of our enemies, and the confusion of the neutrals.

"Meanwhile, the cold war has entered a new phase. The Communists are on the move again, with aid, trade, arms, good will missions, technical missions, student exchanges, athletes, and neutrality propaganda—while people in high places in our Government shout 'No help to neutrals—you got to be for us or against us.'

"Our Government is unprepared for this new Communist offensive, which has been in the making since Korea and the death of Stalin. * * *

"On the basis of the record of the past 3 years, and in view of the decline of our prestige and influence, it is small wonder that the administration talks about keeping foreign policy out of the campaign, and its press agents assure us that all criticism is just 'campaign oratory.'

"* * * Too often, of late, we have been urged to forget that the essential quality of democracy—distinguishing it from those societies where citizens are not masters but slaves—is that we trust and rely not on catch words and phrases, like 'peace and prosperity,' but upon a whole people's judgment, because it is a wisdom superior to that of the wisest man or small group of men.

"And I want to affirm, as we start out new on this campaign, the conviction that it's our primary obligation to make the election next fall an expression of a whole people's informed judgment about our problems.

"* * * There are those who say that there is no longer any real difference between the Republicans and Democrats—and I must concede that this is an illusion the Republicans do their best to foster in election years."

THE FARM PROGRAM

"Secondly, a hasty reading of the proposals that are being fed into the congressional hopper these days would lead one to believe that a Republican President is revising recent Democrat platforms.

"But when we look beneath the surface, we see little more than a grudging concession to the minimum demands of political expediency, in a campaign year.

"We see a farm program patched together from old Democratic proposals by a political party in hasty retreat from its own program, which set out to get rid of the farm surplus and a substantial number of small farmers in the process.

"We see an education program advanced only when public demand could no longer be deferred—a program still too small to meet our national shortages.

"We see a highway program offered as a replacement for last year's proposal, which turned out to be a bonanza for the bankers and a device to keep the cost out of the Federal budget.

"* * * But an even more significant index to the present approach is to be found behind the scenes, in the administration of the program the erstwhile 'great crusaders' inherited from the Democrats, and to which they still pay lip service, at least in election years.

"Here we see a steady cutting back and emasculation that affects vital segments of our economy, like soil conservation, flood controls, resource development, food and drug administration, rural electrification, aid to small farmers, and so forth.

"Here we find the Secretary of Interior proposing to put a man in charge of our public grazing lands who has long defended the right of private owners to a feudal interest in the public domain.

"Here we find a long-time critic of public housing in charge of public housing, which already suffers from financial malnutrition that would have been shocking even to the late Senator (Robert A.) Taft.

"Here we find the administration fostering small-scale waterpower developments by private utilities instead of the full-scale multi-purpose projects. Here we find our Government obstructing that great regional development, the TVA (Tennessee Valley Authority)—and winding up in a malodorous mess when the Democrats finally exposed the Dixon-Yates deal.

"Now all these things are being done by a regime in Washington that prides itself on its business-like management and efficiency—that, indeed, is manned by its echelon by the biggest of American business. So it is, I think, pertinent to inquire whether this record really can be construed as good business, good business for all the American people.

"I say it can not, that no business ever prospered which suffered from lack of foresight, which attempted to take out today's profits without thought of tomorrw.

"Business in this country is not secure, for example, when the income of American farmers has declined by 27 percent in 3 years, and when this whole, vital segment of our economy is in distress.

"It is the genius of the Democratic Party that we have been able to bring together all the elements in our political economy to put the farmer and the workingman and the consumer at the council tables of Government along with the businessman—and so bring forth programs in which all Americans move forward together, with no single interest gaining ground at the expense of another.

"I submit that this is the way it has to be if we are to realize the full promise of the future that lies ahead—the future of promise and peril in which this Nation is called upon to lead the free world and this, finally, is why I have undertaken this campaign of 1956—in the deep belief that my party, and only my party, can restore to Washington the combination of responsibility and human concern which this age demands of America."

The Communists Are on the Move Again With Aid, Trade, Arms, Good-Will Missions, Student Exchanges, Athletes, and Neutrality Propaganda, Adlai Stevenson Warns—II

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1956

Mr. THOMPSON of New Jersey. Mr. Speaker, on July 27, 1954, President Eisenhower sent a message to the Congress requesting the sum of $5 million to be expended at his discretion to meet extraordinary or unusual circumstances arising in the international affairs of the Government. The message stressed the need to participate in international trade fairs, where the Russians had made tremendous gains in advertising their way of life through their products. The President went on to say that in the cultural and artistic fields as well, we need greater resources to assist and encourage private musical, dramatic, and other cultural groups to go forth and demonstrate that America too can lay claim to high cultural and artistic accomplishments.

The funds were appropriated in the closing days of the 83d Congress and the

International Educational Exchange Service in the Department of State took charge of the cultural programs. The Department of Commerce was charged with the trade fair program and the United States Information Agency gave strong informational support to these activities overseas.

The administration and the Congress had come to the conclusion that, in the words of the President, "nothing is more dangerous to our cause than to expect America's message to be heard if we don't bother to tell it."

It may be truthfully observed that this represented a complete reversal in Republican thinking. That this is so is shown by the fact that a subcommittee of the House Education and Labor Committee under Republican leadership in 1954 rejected 14 bills calling for a similar program saying:

> We cannot endorse any of them. We do not believe this is a proper area for the expenditure of Federal funds.
>
> The 14 bills were sponsored by Democratic Members of the Congress which apparently made them unacceptable to the Republican leadership, yet the Democratic Members of the House voted the funds requested by the President without chiding him for the treatment given the Democratic proposals, or for his failure to mention these measures and the repeated claims of the present administration that this program was conceived by the President in 1954.

In a recent letter to the Congress Theodore C. Streibert, Director of the United States Information Agency, said this program was undertaken in the face of the urgent necessity of combatting the growing Communist cultural offensive which has posed a great threat to our position throughout the world. The program, he stressed, has been carried out for the past 2 years under the authority of the President's emergency fund for international affairs—Supplemental Appropriation Acts, 1955 and 1956—by the Departments of State and Commerce and the United States Information Agency.

Mr. Streibert said that—

> The program has facilitated presentations throughout the world by outstanding United States performing artists and athletes who have been enthusiastically received. It also has supported United States exhibits at important trade fairs and exhibitions in every geographic region, which, likewise, have attracted great interest. Because the program has proved successful and because of increasing Communist activity in similar programs, it has been decided to request the Congress to place the program on a permanent basis.
>
> The program so authorized will continue to be the President's program, one to which he gives his interest and support. All authorities in the bill run to the President and it will be his decision as to the duties and responsibilities of the departments and agencies which will carry it out. In this way continued flexibility will be insured.
>
> Funds available to this program will continue to be used in part to underwrite performing artists and athletes in their tours abroad to the extent that admission receipts are insufficient to cover the total costs involved. Such funds will also support United States participation in international cultural and sports festivals and competition. The funds will also help finance United States exhibits of varying types at international trade and industrial fairs abroad.

On January 30, 1956, I introduced a bill, H. R. 8920, "to provide for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals." This legislation was first introduced by me as H. R. 6874 on June 16, 1955, and hearings were held on my measure by the House Education and Labor Subcommittee on Distinguished Civilian Awards and Cultural Interchange and Development on July 5 and 6, 1955.

It gives me great pleasure to be able to say that Senator HUBERT H. HUMPHREY, the distinguished Democratic Senator from Minnesota, introduced a companion measure to my bill as S. 3116, on February 2, 1956.

It is our hope that the Federal departments and agencies concerned with this program will report on our bills as requested in the very near future in order that the Congress may commence hearings on them. In this connection it is important to bear in mind that the Senate Appropriations Committee said, in its report to the Senate on the President's emergency fund last year, that this fund should be made a part of the regular budget. It is with this recommendation in mind that I have developed and sponsored this legislation.

I include as part of my remarks a letter I have received from Theodore C. Streibert, director of the United States Information Agency, and an excerpt from the fourth review of operations of that Federal agency; an article from the Washington Star by Brian Bell regarding a tour abroad by the Air Force Orchestra of which my friend and colleague from Pennsylvania, CARROLL D. KEARNS, was guest conductor; and an article from the New York Times on the Seventh Army Symphony, which musical organization has been highly successful in winning the respect of Europe.

These articles afford striking evidence of the impact abroad of American cultural achievements.

UNITED STATES INFORMATION AGENCY,
Washington, January 30, 1956.

The Honorable FRANK THOMPSON, Jr.,
House of Representatives.

DEAR MR. THOMPSON: I have read with interest the bill H. R. 8497, which you recently introduced, placing on a permanent basis the program currently being carried out under the President's Emergency Fund for International Affairs, to demonstrate American cultural and industrial achievements abroad.

I very much appreciate your long-standing interest in this progrom and your vigorous support of it. As you are aware, the program has been exceptionally successful, and its impact upon world opinion has been gratifying. I am in complete agreement with you that permanent statutory authorization is now most desirable.

Your constructive thinking in this matter has been of great value to us, and I want to express to you the Agency's sincere thanks.

Sincerely yours,

THEODORE C. STREIBERT,
Director.

UNITED STATES INFORMATION AGENCY, FOURTH REVIEW OF OPERATIONS, JANUARY 1–JUNE 30, 1955

HIGHLIGHTS OF THE HALF-YEAR

These were foremost among United States Information Agency activities during the first half of 1955:

The Agency contributed to world understanding of the ratification of Western European Union, admission of Germany into NATO, progress toward a workable plan of world disarmament, freedom for Austria and democratic gains at the Bangkok and Bandung conferences.

The Agency energetically carried out its responsibility of achieving maximum psychological benefit from activities supported by the President's Emergency Fund: United States participation in international trade fairs (administered by the Department of Commerce) and presentation of American cultural attractions to audiences overseas (administered by the Department of State). Using press, radio, films, and personal contacts, USIS [1] representatives increased the size of attending crowds and heightened the favorable impression made by these events.

The Agency stepped up its work of promoting worldwide understanding of the United States' comprehensive atoms-for-peace program.

In the pages that follow, these activities and others are described in greater detail.

America's cultural stature

Through all media the Agency acquainted the public in many foreign cities with the appearances of United States artists and musicians.

One of these events—concerts in the Far East by the Symphony of the Air (formerly the NBC Symphony)—was so popular that 2,000 Tokyo students stood in line for 27 hours for tickets, and a Nippon Times headline proclaimed: "A Nation Falls for 94 Men."

The program to demonstrate United States cultural achievements also included:

USIA's Music in America exhibit, which drew large crowds in India, England, Scotland, Wales, and Sweden.

A display of American watercolors in the Philippines, which earned highly favorable comment from the Manila Chronicle, tireless critic of the United States.

Highlights of American Painting, which went to 22 cities and towns in Turkey, Norway, Ethiopia, and Spain, where Spanish Minister Robert Alcover declared that America exports "more than cannons, arms, and dollars."

Handcrafts of the United States, which brought South Americans evidence that, as Rio de Janeiro's Diario Carioca said, "even in the country of mass production, the traditional handcrafts peculiar to European civilization are maintained."

Among other cultural events publicized abroad were:

Salute to France, Paris performances by top American musical and stage personalities, and subsequent appearances in other cities by many of these artists. Salute attractions included the Philadelphia Orchestra, the New York City Ballet, and performances of Medea, Oklahoma, and the Skin of Our Teeth.

Concerts by the noted American violinist, Isaac Stern, in Iceland and Yugoslavia.

Near and far-eastern concerts of Negro spirituals by the Jubilee Singers.

Spectacularly successful performances of the opera Porgy and Bess in Europe and the Near East.

Of this cultural program, U. S. News & World Report said: "American performers are making a good impression and causing many foreigners to revise their idea of America as backward in the arts."

United States at overseas trade fairs

The agency gave strong informational support to official United States exhibits at 14 international trade fairs. For example:

The United States exhibit at the Verona fair demonstrated American farming methods to a half million Italians.

In Frankfurt, thousands saw a typical American home.

---

[1] The Agency's overseas personnel and activities are known as USIS (U. S. Information Service).

In Paris, the United States exhibit caused the French Minister of Industry and Commerce to observe: "It brings us a lesson in optimism from a people whom we believed a short time ago to be threatened by a depression—which never occurred."

[From the Washington (D. C.) Sunday Star magazine of February 12, 1956]

CONGRESSIONAL CONDUCTOR

(By Brian Bell)

A Pennsylvania Representative is equally adept at conducting a symphony orchestra and the affairs of his congressional district.

Representative CARROLL D. KEARNS, once a professional opera singer, guest-conducts the Air Force Orchestra. Sharing the podium with his longtime friend, Col. George S. Howard, regular conductor, Mr. KEARNS has led the musicians in Europe, Iceland, and this country.

Last year, Mr. KEARNS joined the Air Force Orchestra in Denmark and conducted the Irish Suite by Leroy Anderson at 10 concerts there and in Germany. The sight of an American legislator conducting a symphony orchestra was surprising but appealing to the Europeans.

"It was a thrilling experience," Mr. KEARNS said. "One official told us the concerts were worth more to the United States toward improving foreign relations than 500 communiques or a thousand speeches.

"The orchestra gave an all-American program. The audiences were familiar with Beethoven, Brahms, and the great masters, but the idea was to bring our music to them—show them we had fine composers, too.

"An especially big hit was a solo on the harmonica, a German instrument, from Gershwin's Rhapsody in Blue. The audiences also demanded encores from our singer, who did some Negro spirituals.

"When I conducted, I always made a reference to the musicians as our 100 musical ambassadors—which I think they were. The boys said they liked the promotion."

Mr. KEARNS again joined Colonel Howard on the podium earlier this month, in the Representative's home district. They conducted the all-State band, composed of the best high-school musicians in Pennsylvania, at Meadville.

In Congress since 1947, Mr. KEARNS first appeared with the Air Force Orchestra as a baritone soloist, back in 1948.

"We gave the performance at the Department of Interior auditorium after only one rehearsal," Mr. KEARNS remembered. "I forgot the last eight bars of my number but George and the boys played on beautifully."

Mr. KEARNS worked his way through college as a railroader. He received his doctor's degree from the Chicago Musical College.

While at the latter institution he sang in five operas with Irene Dunne, later to become a famous movie star. Mr. KEARNS spent 3 years with the American Opera Co. and was a concert baritone.

He was a teacher and supervisor of public schools in Greenville, Pa.; dean of men and head of the music department of Slippery Rock State Teachers College and Superintendent of Schools at Farrell, Pa., before being elected to Congress. He knew Colonel Howard when the latter was head of a music college.

Mr. KEARNS has high praise for the Air Force Orchestra and believes it to be the third best in the world, rating only the New York and Boston symphony orchestras ahead of it. He says he considers overseas appearances by our military musical groups are fine weapons in diplomatic psychological warfare.

The Air Force band and orchestra can resolve itself into a 100-piece marching band, a 90-piece symphony orchestra, an 85-piece symphonic band, a 25-voice glee club (the "Singing Sergeants") and 5 dance bands including the "Airmen of Note" and the "Crew Chiefs."

The band has appeared on 4 continents and toured 26 countries. It played to 100,000 people nightly for 17 consecutive nights at Chicago's Soldier Field and 50,000 people daily for 34 days in Toronto, Canada. It played before 250,000 people at Soesterburg, Holland, and holds attendance records in 21 foreign cities.

The orchestra's weekly recorded broadcast, A Serenade to Britain, a half-hour show transcribed for the British Broadcasting Corp., is heard by an estimated 11 million listeners. World-wide USAF Band radio programs have 40 million listeners weekly.

Mr. KEARNS is justifiably proud to conduct this fine group of musicians. The orchestra plans to practice more for its musical diplomacy abroad and the legislator-conductor will be with them in the future when he can get off from his full-time job on the Hill for his part-time vocation on the podium.

[From the New York Times of February 5, 1956]

MILITARY ORCHESTRA—SEVENTH ARMY SYMPHONY WINS EUROPE'S RESPECT

(By Paul Moor)

STUTTGART.—Josef Haeusler, music critic on the Badisches Tageblatt in Baden-Baden and a man whose opinions are respected in Germany, recently wrote the following about a concert by an American orchestra in the studios of the Southwest German Radio:

"Characteristic of the orchestra is an exceedingly responsive, bright, at times sharp or even aggressive sonority, which, although it suffers from occasional unevenness of intonation, revels in its brilliance and intensity. This is transmitted through the strong impulses of a deep and vital pleasure in performing, which makes the playing a living expression."

He was writing not about any of the major American orchestras that have toured Europe in the last few years, but about the Seventh Army Symphony, an improbable military organization (the only one of its kind in the world) that is also quite possibly the busiest symphonic group in the world—it played 258 concerts all over Europe in 1954 and 1955—and certainly one of the most successful American good-will ambassadors on the international scene.

HIGH STANDARDS

Providing uncompromisingly high-standard programs for GI and civilian audiences, the orchestra has won enthusiastic audience reception and respectful critical attention wherever it has played during the 4 years of its existence.

It has maintained its excellence in the face of a tremendous problem that no conventional orchestra has to face: when a man's military service is over, he goes home, no matter what time of the year it is. The average time a man spends with the orchestra is only about 14 months, and the turnover is literally constant.

The orchestra was established in the spring of 1952, thanks in large measure to the sympathetic interest of Lt. Gen. Manton Eddy, then commanding officer of the Seventh Army. One story has it that the twitting General Eddy got from his German friends about the cultural level of "Hillbilly Gasthaus," and some other programs on the American Forces network, played a certain part.

ARMY MEN

The orchestra's schedule would probably kill an organization less young and resilient. These men are, after all, in the Army, and their duties as soldiers, on top of their rehearsal and concert activities, result in what would be a punishing routine even if one overlooks the tremendous amount of traveling required of them.

The educational background of its first violinist, 27-year-old Philipp Naegele—he studied at Queens College, Yale and Princeton and has a Ph. D. in music history and was a Fulbright scholar—is somewhat above the orchestra's average, but not terribly much so.

Pfc. Ronald Ondrejka, 23, former violist in the orchestra and its present conductor, has two degrees from the Eastman School of Music and formerly played in the Rochester Philharmonic. His predecessor was the brilliantly gifted Kenneth Schermerhorn.

Schermerhorn took over the Seventh Army Symphony from James Dixon, a Dimitri Mitropoulos protégé now at the University of Iowa. When Ondrejka's service time is completed early this year, his successor will be chosen in open auditions by a group of German symphonic and operatic conductors.

AUDITION WINNERS

In the case of the last three conductors, each was the orchestra's assistant conductor before winning the auditions for the top job. The orchestra's present assistant conductor is Pvt. Henry Lewis, a serious and gifted 23-year-old Negro who played bass in the Los Angeles Philharmonic for 4 years before he was drafted.

Probably the orchestra's greatest advantage, as far as competing artistically with European groups is concerned, is that special verve, dash, flair, or whatever you want to call it that musicians seem to have from being American and being young. They really play American—and this is what makes their audiences in Europe sit up and blink, for it is a quality of zest and alertness not identified with European orchestral tradition. At its best, the orchestra is technically no match for dozens of professional orchestras here, but that special quality, that flair, makes up for many technical shortcomings.

To the orchestra's particular credit is the fact that the Seventh Army Symphony has given many European audiences their first chances to hear works by Aaron Copland, Walter Piston, Samuel Barber and other American composers. But this is only part of the orchestra's accomplishment in the field of good will; for, by having won many a European's respect for Americans as composers and performers, it has also won a new general respect for the land whose uniform its members wear.

Golden Opportunity for the Kremlin

EXTENSION OF REMARKS

OF

HON. HAROLD C. OSTERTAG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1956

Mr. OSTERTAG. Mr. Speaker, Premier Bulganin of Soviet Russia has twice proposed a treaty of friendship with our Government in recent weeks. President Eisenhower wisely rejected the offers, pointing out that it is deeds and not words, which create international confidence and bespeak the true motives underlying national policies—deeds, for

example, such as assisting to the status of nationhood some 600 million people—the record to which the West can point, since World War II.

Today, on the 38th anniversary of the independence of Lithuania, Premier Bulganin and his colleagues in the Kremlin have a golden opportunity to prove their good faith, by a comparable deed which could illuminate the pages of history for all time to come. All they need do is restore independence to Lithuania, as an initial step in a systematic program of freeing all of the subjugated peoples behind the Iron Curtain.

Such a deed could lift men's spirits throughout the world. It would give substance to the Kremlin's protestations of noble motives, and dispel the specter of nuclear warfare that now haunts the world.

Will the Kremlin seize this golden opportunity? I am afraid not. And until it does, we shall do well to examine carefully any proffers of friendship.

Meanwhile, let us join in tribute to the unconquerable spirit of the peoples of Lithuania and their Baltic neighbors, whose will-to-resist has never been broken. Their courage in the face of tyranny, their inflexible determination to restore their lands to freedom and independence, will unquestionably be rewarded, one day, in the reemergence of sovereign, independent nations.

Professor of Economic Geography Declares Upper Colorado Project Gigantic Highway Robbery

---

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1956

Mr. HOSMER. Mr. Speaker, J. Russell Smith, emeritus professor of economic geography, Columbia University, is one of the Nation's leading experts on the interrelation of economics and geography. As such, his opinions should carry great weight, even with Members of the Congress of the United States.

When such a man as Professor Smith is moved to characterize the upper Colorado project proposal as "that gigantic scheme of highway robbery," it is time for Congress to take a sober view of its responsibility to safeguard the people's money.

I have received the following communication from Professor Smith concerning the proposal:

SWARTHMORE, PA., *February 8, 1956.*

Hon. CRAIG HOSMER,
House of Representatives,
Washington, D. C.

DEAR MR. HOSMER: Thank you for your letter of the 6th concerning that gigantic scheme of highway robbery, the Glen Canyon Dam.

As an economic geographer it seems to me to be a shocking waste of national resources to use that water for irrigating plateau land, of which we have a lot, that will not grow anything that cannot be grown on 250,000 square miles of land further east. Whereas it could if it were allowed, go down into the subtropical climate where it could produce commodities that could not be produced in any similar quantity elsewhere in the country.

As to that money waster, the Reclamation Service: I have great faith in facts and while I follow these matters from a very long distance, it seems to me that a paralyzing case can be made if we get the facts of 15 or 20 enterprises that the Reclamation Service has recommended with the amount that they recommended for it and then the amount that they later did spend.

This would show them up as experts at baiting us on, like the classic case of the carrot in front of the ox.

Sincerely yours,

J. RUSSELL SMITH.

In accordance with Professor Smith's suggestion to reveal just how far wrong the Bureau of Reclamation has been in its cost estimates on projects authorized in the past, I submit the entire available record between 1903 and 1952 as compiled by the Second Hoover Commission. It is a sorry record, indeed:

Project	Date of authorization	Estimated total cost at time of authorization	Estimated total cost, June 30, 1952
Hondo, N. Mex.	1903	[1] $359,000	$371,788
Milk River, Mont.	1903	1,000,000	9,881,774
Newlands, Nev.	1903	1,250,000	7,899,479
North Platte, Nebr.	1903	2,516,000	27,939,501
Salt River, Ariz.	1903	2,800,000	26,244,688
Uncompahgre, Colo.	1903	1,300,000	8,965,959
Belle Fourche, S. Dak.	1904	2,100,000	5,288,236
Buford-Trenton, N. Dak. (old)	1904	(2)	223,423
Lower Yellowstone, Mont.-N. Dak.	1904	1,200,000	3,533,219
Minidoka, Idaho-Wyo.	1904	2,600,000	43,706,054
Shoshone, Wyo.-Mont.	1904	[1] 7,828,000	23,673,962
Yuma, Ariz.-Calif.	1904	3,000,000	5,806,743
Boise, Idaho	1905	[1] 10,852,000	66,371,338
Carlsbad, N. Mex.	1905	[1] 605,000	5,800,683
Garden City, Kans.	1905	[1] 419,000	334,475
Huntley, Mont.	1905	900,000	1,552,159
Klamath, Oreg.-Calif.	1905	[1] 4,470,000	18,871,222
Okanogan, Wash.	1906	444,000	1,633,973
Rio Grande, N. Mex.-Tex.	1905	2,317,113	27,337,078
Strawberry Valley, Utah	1905	1,250,000	3,498,994
Umatilla, Oreg.	1905	1,000,000	5,324,457
Yakima, Wash.	1905	10,000,000	60,359,928
Sun River, Mont.	1906	7,372,000	10,059,013
Williston, N. Dak.	1906	(3)	400,095
Orland, Calif.	1907	[1] 607,000	2,564,519
Grand Valley, Colo.	1911	[1] 3,621,669	6,768,733
King Hill, Idaho	1917	527,230	1,967,854
Yuma auxiliary, Arizona	1917	(4)	2,266,487
Riverton, Wyo.	1920	9,465,000	26,626,000
Owyhee, Oreg.-Idaho	1926	17,715,000	18,998,744
Vale, Oreg.	1926	3,598,000	4,962,697
Weber River, Utah	1927	3,000,000	2,725,885
All American Canal, Ariz.-Calif.	1928	38,500,000	67,614,755
Boulder Canyon, Ariz.-Nev. (Hoover Dam and powerplant)	1928	126,500,000	172,070,000
Bitter Root, Mont.	1930	750,000	1,037,087
Baker, Oreg.	1931	200,000	281,589
Burnt River, Oreg.	1935	550,000	601,026
Central Valley, Calif.	1935	170,000,000	737,774,000
Colorado Basin, Wash.	1935	487,030,228	754,476,000
Frenchtown, Mont.	1935	220,000	290,797
Humboldt, Nev.	1935	2,000,000	1,214,321
Hyrum, Utah	1935	930,000	953,854
Kendrick, Wyo.	1935	20,094,000	37,736,385
Moon Lake, Utah	1935	1,500,000	1,599,359
Ogden River, Utah	1935	3,500,000	4,735,284
Parker Dam, Ariz.-Calif. (power)	1935	21,767,000	24,201,208
Provo River, Utah	1935	9,974,000	33,452,199
Sanpete, Utah	1935	375,000	374,540
Truckee storage, Nevada-California	1935	1,600,000	1,092,423
Buffalo Rapids, Mont.	1937	3,055,000	5,669,336

[1] Estimated in H. Doc. 1262, 61st Cong., 3d sess., Fund for Reclamation of Arid Lands, 1911.

[2] Combined cost of Williston and Buford-Trenton estimated in 1911 at $1,195,000.

[3] Included in estimate of Yuma project.

Project	Date of authorization	Estimated total cost at time of authorization	Estimated total cost, June 30, 1952
Colorado-Big Thompson, Colo.	1937	$31,702,772	$164,131,000
Colorado River, Tex.	1937	20,000,000	23,961,794
Deschutes, Oreg.	1937	8,000,000	12,943,000
Gila, Ariz.	1937	19,474,000	[4] 50,083,860
Pine River, Colo.	1937	3,240,000	3,471,437
Tucumcari, N. Mex.	1937	8,278,000	[5] 15,540,011
Austin, W. C., Okla.	1938	5,600,000	12,295,102
Fort Peck, Mont.-N. Dak. (exclusive of powerplant and dam)	1938	----------	$26,400,000
Fruitgrowers Dam, Colo.	1938	$200,000	200,309
Buford-Trenton, N. Dak. (WCU)	1939	1,500,000	1,238,546
Paonia, Colo.	1939	3,030,000	6,723,308
Rapid Valley, S. Dak.	1939	1,118,000	927,412
Colorado River, Ariz.-Calif.-Nev. (front work-levees)	1940	(6)	[6] 12,196,000
Eden, Wyo.	1940	2,445,000	6,152,000
Mancos, Colo.	1940	1,475,000	3,026,000
Mirage Flats, Nebr.	1940	2,560,000	3,282,588
Newton, Utah	1940	595,000	712,591
San Luis Valley, Colo. (1st unit)	1940	17,405,000	56,230,577
Davis Dam, Nev.-Ariz.-Calif.	1941	41,200,000	118,902,056
Palisades, Idaho-Wyo.	1941	24,092,000	76,601,000
Scofield, Utah	1943	640,000	943,889
Balmorhea, Tex.	1944	347,000	429,554
Hungry Horse, Mont. (powr)	1944	48,319,000	102,900,000
Intake, Mont.	1944	62,000	90,530
Missoula Valley, Mont.	1944	250,000	278,762
Rathdrum Prairie, Idaho	1944	300,000	482,360
Lewiston Orchards, Idaho	1946	1,466,000	2,488,000
Arnold, Oreg.	1947	220,000	205,535
Cachuma, Calif.	1948	32,310,000	36,967,000
Ochoco, Oreg.	1948	1,500,000	849,830
Preston Bench, Idaho	1948	453,000	449,554
Solano, Calif.	1948	45,577,000	47,111,000
Fort Summer, N. Mex.	1949	1,798,000	2,434,257
Grants Pass, Oreg.	1949	100,000	100,000
Weber Basin, Utah	1949	69,534,000	70,385,000
Canadian River, Tex.	1950	----------	96,079,100
Eklutna, Alaska	1950	20,365,400	33,800,000
Middle Rio Grande, N. Mex.	1950	30,179,000	29,606,000
Vermejo, N. Mex.	1950	2,679,000	2,919,000
Collbran, Colo.	1952	----------	17,236,000
MISSOURI RIVER BASIN			
Bostwick division, Nebraska-Kansas	1944	$8,104,000	[7] $62,795,000
Canyon Ferry unit, Montana	1944	11,025,000	28,544,000
Crow Creek pump unit, Montana	1944	1,525,000	1,766,000
Frenchman-Cambridge division, Nebraska	1944	26,894,500	[7] 73,943,000
Kirwin, Kans.	1944	10,000,000	20,474,000
Marias, Mont. (lower unit)	1944	19,700,000	67,878,000
Rapid Valley unit, South Dakota	1944	2,470,000	9,630,000
Webster unit, Kansas	1944	7,900,000	24,630,000
Angostura unit, South Dakota	1944	3,300,000	14,163,000
Boysen unit, Wyoming	1944	8,202,000	34,254,000
Dickinson unit, North Dakota	1944	254,630	1,324,000
Fort Clark unit, North Dakota	1944	----------	774,000
Keyhole unit, Wyoming-South Dakota	1944	750,000	4,630,000
Savage unit, Montana	1944	----------	564,000
Cedar Bluff unit, Kansas	1944	7,611,000	18,286,000
Heart Butte unit, North Dakota	1944	2,497,280	6,223,000
Shadehill unit, South Dakota	1944	2,327,000	11,445,000
St. Francis unit, Colorado-Kansas	1944	13,311,600	15,589,000
Missouri diversion unit, Montana	1944	23,831,000	51,993,000
Jamestown unit, North Dakota	1944	6,984,000	8,576,000

[4] Exclusive of contemplated allocation of $1,553,565 of cost of Imperial Dam herein included in All American Canal project.

[5] Exclusive of cost of storage works (Conchas Dam) constructed by Corps of Engineers.

[6] $100,000 per year.

[7] Except for total estimated cost, figures include $3,467,000 of the cost of Corps of Engineers Harlan County Dam allocated to irrigation.

[8] Except for total estimated cost, figures include $6 million of the cost of Corps of Engineers Red Willow Dam allocated to irrigation.

United States Technical Cooperation and Assistance Program

EXTENSION OF REMARKS
OF
HON. VICTOR WICKERSHAM
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. WICKERSHAM. Mr. Speaker, I feel compelled to say something about a small bomb that Ezra is about ready to set off that will materially affect the United States technical cooperation and assistance program abroad. It is nothing new or surprising to us for Mr. Benson has just about "slid" the dirt farmers of this country out of business and into bankruptcy by his agricultural policy so aptly described in the editorial in the December issue of Harper's, which called the American farmer a pampered tyrant and indicated that the farmer is a burden to the taxpayers, and that their dole is a permanent right.

At first I was surprised when I heard that Mr. Benson is carrying out a specific act which will pull the rug out from under our agricultural and technical-assistance program abroad.

Right now Mr. Benson has his movers actively engaged in moving the Foreign Training Division of USDA's Foreign Agriculture Service out of the South Agricultural Building into isolated, shabby, and unsuitable offices in a temporary building located at 900 Independence Avenue. What a shame.

It is this foreign training staff of about 40 trained men and women who serve as receptionists, liaisons, training specialists who plan training programs for agricultural diplomats, administrators, and agricultural technicians who come to the United States to find out what has made the farmers and agriculturists of the United States of America the greatest and most successful in the world. These people spearhead the agricultural training programs connected with the internationally known program for which our great Oklahoman, Dr. Henry G. Bennett, gave his life in Iran while on duty supervising point 4 program activities.

This week, February 13–17, this all-important staff will set up headquarters in this temporary building known as the Escanaba Building, where unemployed people gather to seek work through the United States employment agency located there. A unit of CIA, formerly located in that shack, moved out to other quarters. Remember, this is the place foreign diplomats will gather when they come to this country to get information regarding agricultural training and information. It is also the concentration point where unemployed persons go to seek jobs. This is not the kind of environment to which we should subject important foreign people who we are trying to impress.

Some of our foreign visitors might want to buy some of our surplus farm products. Who knows.

Again I say it is a shame. It is this bad trait of Mr. Benson that keeps him forever tripping the farmers of our good country. He cannot blame this latest move on his letter writers. It appears now that he may be trying to destroy this international agricultural program which also reaches out into economic development, international friendship, international political fields.

Could it be that Benson's efforts to destroy or make ineffective the training for foreign agricultural dignitaries and technicians is a part of Mr. Dulles' "lead us to the brink policy," and so forth?

Ninety-first Anniversary of the Emancipation Proclamation

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. DINGELL. Mr. Speaker, this year the Nation marks the 91st anniversary of the Emancipation Proclamation. Under leave to extend my remarks, I should like to have printed in the RECORD the following letter to Mr. Luther Keith, of the Detroit, Mich., Catholic Interracial Council, who was the chairman of the council's program and dinner held on Sunday, February 12, 1956, commemorating this anniversary:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 8, 1956.

Mr. LUTHER KEITH,
Detroit, Mich.

DEAR MR. KEITH: Please express to the members of the interracial council my sincere regret that I am unable to attend the anniversary program dinner this Sunday at St. Leo's Church.

This year, as the Nation marks the 91st anniversary of the Emancipation Proclamation we would do well to pay tribute to the courage and the faith in American ideals of our Negro citizenry which is so dramatically demonstrated by the recorded history of the past 91 years.

In making such a tribute we may observe, in retrospect, that what has been characterized as "Negro progress" has been, in fact, American progress; for what has appeared to be a struggle by a segment of our people to rid themselves of second-class citizenship has been and is a struggle of the whole American community to realize our dream of true democracy.

Today Americans are becoming aware that the disease of prejudice and hatred affects the whole Nation, regardless of the immediate objects of such prejudice and hatred. It breeds lawlessness and violence and in recent months it has erupted into revolt against the supreme authority of the land. Such lawlessness and violence have served to characterize a national disgrace which has consumed the energies of large numbers of our people which might otherwise have been directed to bringing greater and more abundant benefits to the national community and to the local communities in which they live. Such lawlessness and violence have served to focus the floodlight of national and world scrutiny upon the advocates of 19th century social patterns in this, the 20th century. Under this scrutiny the course which our Nation must take becomes crystal clear. We cannot turn back the clock, even for a moment. We cannot cast aside 91 years of sacrifice. We cannot close, even slightly, a door that is not yet fully open, nor can we hesitate to open it all the way. We cannot deal indecisively with elements which place bias before decency and personal hate before law and order. We must face these matters now and we must act now to hold the Nation to the course it has taken 91 years to chart.

In commemorating this 91st anniversary, as we acknowledge the confidence of Negroes in America, let us as a national community resolve that our confidence in America and our faith in the future is no less than theirs, and let us do so by concrete legislative and social action.

With best wishes for a most successful and enjoyable affair.

Sincerely yours,

JOHN D. DINGELL.

Religious Persecution Behind the Iron Curtain

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. ANFUSO. Mr. Speaker, the Communist war against religion and religious freedom continues unabated in the Iron Curtain countries. Despite occasional reports to the contrary, there has been no letup in the campaign of the godless against everything that is sacred and holy. All great faiths are menaced by this atheistic communism, which is seeking to destroy all religions and every trace of religious freedom.

A very tragic case in point is that of Archbishop Joseph Beran, of Prague, Czechoslovakia, who has been imprisoned by the Communists nearly 5 years ago and was forcibly removed from Prague and is being kept at an unknown place. To the people of Czechoslovakia yearning for true freedom, Achbishop Beran is to this day a symbol of their struggle for freedom. His suffering and the inhuman terror to which he is subjected during these 5 long years are inextricably bound with the suffering and the terror of the people of Czechoslovakia.

As these innocent men continue to suffer amidst the stony silence of the civilized world, I wonder at times whether we have become callous or insensible to the crimes being perpetrated against them. The free world must not forget them in their lonely hours of agony and mental suffering. We must speak out anew in condemnation of this godless evil which has brought so much misery and suffering upon mankind. We must continue to demand the freedom of Archbishop Beran and others who are suffering a similar fate. We must continue to encourage these people so that they can be morally and mentally strengthened to survive the inhumanities to which they are subjected.

By our silence we seal their fate. By raising our voices in protest we give them hope and we bring to the attention of the world the true facts of religious persecution in the Communist-domi-

nated lands. As long as innocent men like Archbishop Beran remain behind Communist bars, there is no freedom of religion behind the Iron Curtain.

Birthday of Kosciusko

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. KEATING. Mr. Speaker, February 12 marked a very special day in the hearts of lovers of freedom everywhere. All over the world it was celebrated as the birthday of Abraham Lincoln. In America and Poland at least it was celebrated as the birthday of Thaddeus Kosciusko as well.

The parallels between these two men are striking. Both men fought courageously, in their own ways and in their own times, for the liberty of man and for the right of each nation to determine its own way of rule. Both believed in the dignity of man. Both dedicated their lives to free man from oppression. Both contributed richly to make this Nation great. Their nobility of character, devotion to principle, and love of justice for all men continue to inspire us today.

Thaddeus Kosciusko was born on February 12, 1746. He came to this country in 1776 as one of hundreds of Polish patriots who won undying glory by aiding us in winning the Revolutionary War. These men were not soldiers of fortune or adventure seekers. They were true believers in the freedom of man. Most of them had fought for Poland for that ideal before crossing the seas to aid us in our cause.

Immediately upon arriving in this country Kosciusko applied for military service. He was accepted and charged with drawing up plans for fortifying the Delaware River. The success of this project earned him a commission as colonel of engineers in the Continental Army.

The remainder of his work in the War of Independence is a matter of history. How he directed the construction of fortifications at West Point. How he erected defenses at Saratoga which played such a vital role in our victory there. How he engaged in the Battle of Charleston and was among the first of the Continental Army to enter the city after the British evacuated. By the close of the war he was a brigadier general.

For a time after the war he remained in his adopted land, but when it became apparent that there was hope for a resurgence of freedom in his native Poland, he returned to join the fray. There he led a tiny but inspired army of patriots in its resistance to the Russian tyrant. The odds against him were great and the outcome inevitable, but he fought bravely on. Imprisoned once for 2 years, he was eventually exiled to Switzerland, where he died in 1817.

We honor General Kosciusko today, not only because he fought for our independence but because he was a vigorous champion of the universal cause of human freedom as long as he lived. His name, indeed, is enshrined in the hearts and minds of the American people. I am proud to state that a street in my home city of Rochester bears his name.

But let us bear in mind that while we here in this country enjoy the blessings of freedom, the native land of Thaddeus Kosciusko, who fought to make our land free, still suffers under the cruel yoke of tyranny. We have neglected the plight of Poland too long. She is too good a friend for us to treat in this fashion. Though we are engaged in cold but mortal combat with the forces of communism the world over, we cannot allow ourselves to forget others who have sacrificed for freedom and fought the common enemy. We should do all in our power to bolster up the spirit of our friends in Poland.

To that end, let us extend and expand the Voice of America and United States Information Agency programs, so that the voice of the free world will continue to penetrate the Iron Curtain.

Above all, let us protest to the United Nations concerning the many injustices going on today in Poland. In the past conquerors and exploiters of Poland have always permitted the Poles to retain intact their cultural traditions and their sense of national history, as well as their native language. Now, however, the heel of Moscow grinds deep. Reports from behind the Iron Curtain indicate that not only Poland's culture and history, but her language as well, are being systematically destroyed by the Russians. We must not let the names of titans such as Mickiewicz, Sienkiewicz, Paderewski, and Kosciusko die out. We must not let the flame of freedom they helped feed die out. We must protest to the United Nations the injustices in Poland.

The finest way in which we can honor the memory of that gallant Pole who came to our aid in 1776 is to dedicate ourselves to assist in every possible way to gain freedom for Poland and for all men everywhere. Let us reiterate our faith in freedom and reaffirm our determination to work to make the world safe for the democracy for which Lincoln and Kosciusko fought so bravely.

Nations Mark World Day of Prayer

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. CANFIELD. Mr. Speaker, under leave to extend my remarks, I would like to pay tribute to the church women of the world, who tomorrow are marking the annual World Day of Prayer, in this Nation and in 134 foreign lands across the world.

The church women have chosen for the theme of this year's observance "Thy will be done," words taken from that most perfect of all prayers. Beginning at dawn over the Fiji Islands and sweeping across the world in a great chain of prayer, man's innermost longings for world peace and understanding will be sent heavenward tomorrow in every dialect, every tongue.

A day that brings together all nations in a great fellowship of prayer cannot help but have an uplifting effect on all of mankind and who knows what great and wonderful things may be achieved through it? It was Tennyson who said, "More things are wrought by prayer than this world dreams of," and we in this country have recently had a demonstration of the power of this great and limitless resource. A few months ago the President of this great Nation was stricken and the hearts of the whole world were moved to pray for his recovery. A few days ago the President's physicians were able to report him well and sound and again prayers of thanksgiving rose from the lips of men and women in this and every nation on the globe.

I cannot help but feel that this tremendous outpouring of sincere prayer, plus the President's own deep and abiding faith, were able to bring about this happy circumstance.

When men and women lift minds and hearts to God in unselfish, sincere prayer, then lives can be changed, miracles wrought, hatred transformed into love, and bitterness and conflict into peace.

Atomic Energy and the Solid Gold Cadillac Upper Colorado Project

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. HOSMER. Mr. Speaker, production of electric power by atomic energy is not a dream of the future. The age of nuclear power is here.

Today the United States is engaged in a vital contest with the Soviets to maintain its nuclear leadership not only in weapons, but equally in economic uses of the atom's secrets. If we fail in this, then we will fail to stem the tide of ruthless, aggressive, dictatorial communism. Such a failure would not be America's alone, but would be shared by people everywhere who look to us to preserve the peace and maintain the freedom and dignity of mankind.

Yet in the midst of this deadly struggle, Congress is being asked to waste hundreds of millions of dollars worth of our resources to build hydroelectric plants as "cash registers" for irrigating arid land at high altitudes in Colorado, New Mexico, Wyoming, and Utah. This is a project so infeasible that its water revenues

could repay less than 15 percent of its cost. It is a project that could only add to the Nation's bulging agricultural surpluses.

I refer, of course, to the "solid gold Cadillac," multi-billion-dollar upper Colorado River storage boondoggle.

If political pressures are so great in an election year that Congress cannot resist this greatest stunt since P. T. Barnum invented the "egress," at least it should be carried off in a manner minimizing its drag on the Nation's vital strength in the great battle against the Communist evil.

If Congress should insist on spending billions of dollars to put arid new land under cultivation and at the same time enact a $1 billion a year program to deposit 40 million acres of farmland in "soil banks," then at least in the process it should provide something of national benefit to salve the welts on United States taxpayer's backs.

This can be done if Congress firmly and courageously yanks out of the bill every cent of the $504,212,000 provided for "horse and buggy" hydroelectric plants and directs this amount of money be used to build nuclear-electric facilities.

Such a substitution has a greater value merely than giving the United States nuclear-electric program a half billion dollar shot in the arm to spur it toward supremacy over the Reds. The idea may well save from ruin the already shaky financial structure of the upper Colorado scheme. It is presently based on selling 6-mill power for the next hundred years. Obviously, 6-mill power will be rendered competitively obsolete in a fraction of that time by nuclear-electric developments. Starting out with nuclear power plants, they could from time to time be modernized and bring power production costs down. Starting out with hydro plants, nothing could be done to stop them from being turned into history's most monumental white elephants by swiftly unfolding technological developments.

In short, not only do common sense tactics vis-a-vis Soviet developments demand this nuclear for hydroelectric substitution, but dollars and horse sense as well demands it.

This is particularly true because there is no need for water storage behind power dams to enable the upper basin to make the new uses of 600,000 acre-feet of water annually contemplated in the bill. Over a million acre-feet of new uses can be made without such storage. The unnecessary storage provided for hydroelectric uses would permit evaporation from extensive lakes surfaces of over 300,000 acre-feet of precious water annually—125 percent of the amount put to beneficial use.

In the water short West this is an additional and compelling reason to pull out the hydro plants and put in nuclear ones.

There is no justification for building great hydroelectric dams when atomic power can be more effectively utilized. Circumstances in these trying times do not warrant foisting this solid gold-Cadillac reclamation plan on the already overburdened United States taxpayer.

The Armenian Uprising

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. DINGELL. Mr. Speaker, on the 35th anniversary of the historic February 18 revolt, freedom-loving Armenians worldwide pray for another uprising in Armenia and to the four corners of the Soviet Union by the various groups who like the Armenians live in a reign of terror. And this uprising must come before the whole of Armenia's youth are done away with, as reported in a recent series of articles by Mr. V. Valadian, an analyst of Soviet affairs and well-known Armenian writer. Valadian said:

> Soviet papers reported that 4,000 Armenian youth had been sent to forced labor in the Kazakh steppes. The dispatch of Armenian young people to Kazakhhistan has continued without pause, that the total has reached $10,000 or thereabouts. Most of the young men and women are students. Others are construction workers.

This in itself is an example of how the Soviet maintains its iron rule on its subjects, by steadily draining the country of its freshest, most promising youth. The youth who the Soviet fears may be the leaders of another February 18, 1921.

There are many significant events in recent and contemporary history which are not well known. Some important events which took place more than three decades ago, events in which freedom-loving men fought valiantly against the then growing power which today threatens the very basis of our way of life, are not as familiar to us as they should be. The revolt which the Armenian people staged against the Communist tyranny of the Kremlin 35 years ago is one of those little known but important events.

The Armenian people had lost their national political independence more than 500 years ago, but throughout that long period they had contrived to maintain their national entity and had firmly clung to the idea of national independence. Toward the end of World War I, they saw their chance, seized upon it and declared their independence in May of 1918. At that time Russian communism, as an international force, was in its infancy, though a definite threat to the newly born Armenian Republic. Even so, the new state managed to stave off both Turkish nationalist and Russian Communist threats for more than 2 years. But toward the end of 1920, it was clear that, unless the Armenians were aided by the West, their independence as well as their freedom was doomed. Unfortunately that gloomy prediction was fulfilled. In the fall of that year, when nationalist Turks and Communist Russians launched their simultaneous attack against the Armenians, their country was overrun and their independence destroyed. By the end of December, Communist Russians succeeded in bringing most of Caucasian Armenia under the Soviet hegemony.

In the course of the next 2 months the Armenian people learned the brutal nature of Soviet tyranny, which in its train produced intolerable oppression and caused endless misery. In mid-February of 1921 the Armenians, under the inspiration of their fearless leaders, revolted against their Communist oppressors. They acted in complete unison and with such determination and resolve that in a few days they expelled their unwelcome overlords from the country, and on February 18 they again asserted their national independence. This revival, however, proved to be of short duration. In the course of less than 2 months, Russian Communists gathered strength and again attacked Armenia, this time with a larger force. By early April, Armenia was once more engulfed in the massive blood-bath of Communist tyranny.

For almost 35 years, Soviet tyranny has been maintained over Armenia with an iron hand, and its oppressive yoke weighs heavily upon the people there. The helpless Armenians, however, even when subjected to inhuman treatment by the ruthless minions of the Kremlin, have not relinquished their claim to freedom and their right to national independence. Theirs was one of the first successful attempts to overthrow Communist tyranny. And today nothing would please us more than to see them freed from the clutches of deadly communism and once more regain their national political independence. In commemorating that revolt, we not only pay tribute to the memory of those who gave their lives for a noble cause, but we also express our profound admiration for those who still steadfastly cling to the ideals held in common by all free men.

Tax on Average Taxable Income: Explanation of Proposed Legislation

EXTENSION OF REMARKS
OF
HON. IRWIN D. DAVIDSON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. DAVIDSON. Mr. Speaker, I introduced today for appropriate reference a bill designed to mitigate the existing harsh and inequitable effects of the impact of high surtax rates on persons with fluctuating incomes. As proposed, the bill is made limited in scope in order to take into account the revenue cost.

Under the present statute, each taxable year is treated as a completely independent tax-producing unit. Accordingly, if an individual earns a greater amount in one year than in the next, he must pay tax in the first year upon the higher bracket rate in effect for such year without opportunity to offset against this amount—or the taxes paid with respect to it—the lower income of the succeeding or preceding years. The necessity to compute taxes on a year-by-year basis, while a necessary administrative expedient, is based upon the concept of a relatively constant income level.

This bill seeks to even out the income on an annual basis for a limited number of years, even though it in fact may have been received in irregular amounts for these years.

As applied, the proposed legislation would permit an individual to treat the current year and the first or the first and second year preceding as one economic unit. Such individual would total his taxable income for the 2- or 3-year period involved—whichever produces the lesser averaged amount—and would be liable for tax as if he had received the averaged taxable income for each of the 2 or 3 years in question.

Thus, if an individual has taxable income for 1955 of $10,000, for 1956 of $20,000, and for 1957 of $30,000, the average taxable income for 1955 and 1956 is $15,000. If 1955, 1956, and 1957 are taken into account such average is $20,000. The taxpayer has an opportunity to utilize the first, or the first 2 preceding taxable years, whichever produces the most favorable result. In any event, since the averaging period permitted is limited to 3 years including the taxable year, no problem of adjustment of returns or of computations made for a period beyond the statute of limitations is presented.

In order to prevent the application of the averaging principle where minor changes in income are present, the bill—subsection (b)—provides that the rule of averaging is not available unless the tax rates without application of the legislation differ by 5 percentage points or more. This would mean that the rate applicable to the income for the taxable year as compared with the first or second preceding taxable year must change brackets by 5 points. For example, an income of $10,000—taxed at 38 percent—would not be available for averaging unless the income in a later or preceding year was taxed at 43 percent—$14,000—rate. Such a rule will limit the revenue cost and confine application to true fluctuating income situations.

In order to prevent doubling up of benefits averaging is not available where the taxpayer switches from a joint return to a separate status or from a separate return to a joint return status during the period covered by the averaging; that is, the taxable year, the first preceding taxable year or the second preceding taxable year. The benefits of averaging are available, however, if the taxpayer's return, whether or not on a separate or joint basis, is consistently filed, either on a joint or separate basis.

The proposed legislation would not operate unless an election in form prescribed by the Secretary was filed. This will permit administrative control over the provision.

In the event that the averaging principle produces a decrease in tax for the taxable year, the taxpayer may apply such decrease against unpaid installments for the taxable year. If, in addition, it appears that a refund is also likely, then at the taxpayers' request the return for the taxable year and the preceding taxable year or years will be examined by the Revenue Service within 90 days from the filing of the return and a refund at the expiration of such period will be automatically granted. This will enable the legislation to provide practical, monetary relief for people whose incomes have dropped sharply. This may be obtained by offset against installment payments due or through actual cash refund.

Safeguarding Free Enterprise

EXTENSION OF REMARKS
OF
HON. WILLIAM H. AVERY
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. AVERY. Mr. Speaker, under leave to extend my remarks, I wish to call attention of the Congress to legislation pending before the Committees on Interstate and Foreign Commerce and Ways and Means which I consider vital to the future welfare of the automobile dealers of America and to the Nation in general.

On February 14 I introduced H. R. 9251, H. R. 9247, H. R. 9248, and H. R. 9249, bills which strike directly at the heart of the problems with which the automobile dealers of this Nation are faced. They are designed specifically to safeguard legitimate and reputable dealers from the unethical practices of so-called fly-by-night operators in the trade. In general, they are similar to bills introduced previously for this group of businessmen.

I am convinced the problems which face the automobile dealers today are a menace to the economy of the entire Nation. I have introduced the aforementioned bills to emphasize the seriousness of the situation and as a means of stating my firm support of corrective legislation.

I have long held the belief that the preservation of this great Nation is coupled directly to economic considerations which have always been a traditional part of our culture and customs. Foremost among these considerations is the spirit of free enterprise, the right of an individual to progress independently through competitive endeavor. Our standard of living, the highest in the world, is testimonial to the virtues of this form of economic policy.

However, during the course of growth under the free enterprise system, there crop up periodically a parasitical group of irresponsible firms which threaten the livelihood of the entire trade. Such is the case now in the automobile sales industry. Unethical firms are operating on a shoestring, so to speak, with low sales prices resulting from the fact they offer no service on merchandise sold, little or no warranty of merchandise performance, and no intention to maintain business operations permanently in the same locality. These irresponsible operators are bilking the public of tremendous sums of money each year at the direct expense of reputable and legitimate automobile dealers, whose sales, warranties, and service result in an overhead too high to allow them to compete on the open market with the fly-by-night operators.

I am particularly troubled by any threats to small-business operations in this Nation. I consider small business, both in industry and agriculture, as the economic foundation not only of this country but of the world. And I also consider the thousands of American automobile dealers an integral part of this firm economic base upon which our Nation was founded and has prospered to the point of world leadership.

I have made specific reference to the automobile dealers of America, but my views also can and should be applied to include small-business operations of all types and forms. Proprietors of these business concerns are the backbone of community life in this country. They have spent much time and effort in establishing reputable firms which conscientiously serve the best interests of the community. These men and women are civic leaders as well as business leaders and their lives have been devoted to this dual role.

However, the service they offer to the community is costly to maintain and many are faced with the prospect of financial failure unless something positive is done to safeguard their economic lives from unscrupulous competition. Their loss would be an immeasurable blow to the economic and social welfare of this country. All they ask is the right to serve the Nation in a spirit of free enterprise, unhampered by unfair trade practices.

The Congress should not sanction any legislative devices which will tend to stifle free enterprise. Nor should it hesitate in removing parasitical growths which stand in the path of healthy economic growth. It must safeguard free enterprise. The bills which I have introduced serve that objective.

Senator Paul Douglas Opposes Upper Colorado Boondoggle

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. HOSMER. Mr. Speaker, Senator PAUL DOUGLAS, of Illinois, has a considerable reputation as an economist. Of the "solid gold cadillac" upper Colorado River storage project he said this during debate on the issue in the other body last year:

> This is a lavish, extravagant, unjustified program. It is about the worst program I have ever seen during the time I have been a Member of the United States Senate. It would be a waste of the taxpayers' money. * * * To my mind it is not justified on any basis whatsoever, and I hope the bill will be defeated.

Those who may as yet be undecided with respect to this issue should be considerably influenced by the words of Senator DOUGLAS.

I will quote further from his remarks made in the other body on April 20 of last year so that they may be before my colleagues for evaluation:

It is because I believe that this project is not good for the Nation that I oppose it.

The area covered by this bill is the worst place in the country at which to develop hydroelectric power. * * *

The cost of installing power capacity in the area covered by this bill will be over $500 per kilowatt, or 4 to 5 times the cost on the Tennessee River, and more than 5 times the cost of most dams on the Columbia River. * * *

If we were to pick out one of the worst places in the United States at which to erect a public-power project, we would pick out this one. * * *

I doubt that this sum—the appropriation for power—will be paid out, for power from coal oil and shale oil in this region can probably be produced at the same or a lower cost. Furthermore what about atomic energy? Will not that be ready for use in 60 years?

* * * so if we add the hidden interest costs, which will amount to more than $1,100,000,000, the cost of the irrigation features will come to more than $2 billion and the total cost of all features to probably close to $3 billion or more.

The average cost of construction, let alone interest, for the project as a whole would be $952 an acre * * * if we include interest, the cost per acre will be $2,142. The cost for the central Utah project with interest will be $3,953. These are fantastic figures. The most fertile land in the country * * * is not worth more than $600 or $700 an acre. Here we are proposing to spend more than $2,000 an acre for land which, when fully irrigated, will not be worth more than $150 an acre. On a big project, we will be spending approximately $4,000 an acre.

We must remember that these irrigation projects are not in low altitudes * * * (at which) the average temperature is high and the growing season long. They are, instead, in the mountains, at altitudes from 4,500 to 7,500 feet, where the growing season is short, where the winters are long, and where the crops produced will be, by the admission of the proponents of this bill, primarily alfalfa, hay, and some corn, for the feeding of livestock. These are costs which cannot be borne. Irrigation can better be used to put water on the more fertile land of the Midwest to raise the yields per acre there. This would be at a very low cost instead of at the astronomical costs of this project.

* * * who then will pay for this gigantic project? The interest is forgiven, and borne by the taxpayer. Eighty-five percent of the principal is not to be paid by those who own the land, but is supposedly to be saddled on the power revenues. If we examine the costs and the power revenues, we find that it would be almost impossible for the power system to earn the money necessary to meet the 85 percent of direct irrigation costs. * * *

This is a lavish, extravagant, unjustified program.

H. R. 1823

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. METCALF. Mr. Speaker, roadblocks are troublesome things. They delay you in getting wherever it is you are going. Sometimes they force you to change your plans because of the delay. Often, of course, they are necessary for the public welfare or safety, and the inconvenience can be overlooked for a short time.

But a permanent roadblock standing in the path of more than 40 million Americans year after year is another thing. It forces those millions of Americans to seek some detour, some means of reaching a destination they fear can never be reached via the blocked main highway.

It is a roadblock like this that has resulted in attempts for the past several years to build a detour such as H. R. 1823.

The roadblock, so old and solid that it appears incapable of removal even with the concerted effort of these millions of Americans, is the inadequate appropriations granted each year for recreation facilities in the national forests of our country. At first glance this roadblock might appear to be penny-wise and pound-foolish. But even that old phrase does not fit the situation—this roadblock is penny-foolishness.

The detour has been under construction during four Congresses. It is still not open to traffic, but with one more push during this construction season it can reach its goal.

What is this detour? In the main it is the same route as was proposed in the Tackett bills of the 81st and 82d Congresses and the Baker bill of the 83d Congress.

It establishes public recreation use of the national forests as a congressional policy; there is no such policy now.

It sets aside 10 percent, but not more than $5,500,000 yearly, of the revenues of national forests for development, maintenance, and operation of national forest recreation facilities, safety, and sanitation; for more than 40 years there has been a similar setting aside of forest revenues for roads, schools, and trails, but there has been none for recreation.

It provides that in those few forest areas where fees are charged for use of recreation facilities—and it should be noted such charges already are being made—all of the money received must be spent on recreation facilities. And it limits the recreation fee-charging authority of the Forest Service in two ways. The Service would be permitted to make charges only for use of those recreation areas which are especially equipped and substantially improved. And the Service would be permitted to make charges only for those areas in which the amounts estimated to be so collected would justify the expenditures necessary to make the collections. The Forest Service estimates that only for 200 of the 4,700 improved picnic and campground areas could fees be charged under the standards established by this legislation. At present, the Forest Service's fee-charge authority is not limited by law. Also, it should be pointed out that receipts from such charges as would be made under this bill would be deducted from the amount of funds made available under the other section of the bill which calls for setting aside of 10 percent of all national forest revenues for recreation facilities.

May I point out that the House Appropriations Committee of the 81st Congress, in its report on the Department of Agriculture appropriation bill for fiscal year 1950, declared:

One of the activities of the Forest Service requiring considerable amounts of money is that of the construction and maintenance of facilities in recreational areas on the national forests. The committee believes it is entirely possible as well as right and proper that the Forest Service should impose a schedule of charges upon those using the national forest recreational facilities sufficient to offset the expenditures required for the construction and maintenance of the facilities. The principle of requiring the recreationist to pay the cost of services incident to his use of the facilities is recognized and such requirements are imposed and enforced in many places in the Forest Service.

I have been pleased to learn of the widespread support which is being given this bill, H. R. 1823. Many sportsmen's and conservation organizations have been joined by other groups in backing the measure.

Among the national and international organizations which are supporting this bill are: National Wildlife Federation, Izaak Walton League, Wildlife Management Institute, International Association of Game, Fish and Conservation Commissioners, Outdoor Writers Association of America, National Parks Association, American Nature Association and the Gencral Federation of Women's Clubs.

Grassroots support is evident in abundance also. Among the many State and local groups which have affirmed their backing of the bill are the Conservation Federation of Missouri, League of Ohio Sportsmen, Vancouver Chapter of the Washington Wildlife League, Montana District Council of Lumber and Sawmill Workers, and many more.

The national forests, comprising 181 million acres in 38 States, Alaska and Puerto Rico, provide the last great public-access area for millions of sportsmen. The Nation's farmlands and private forests can no longer accommodate the growing army of Americans seeking recreation in the out-of-doors.

More leisure time, the ever-shortening workweek, longer vacations, better highways, more automobiles, improved living standards—and perhaps above all a deeply felt desire of mankind to get back to nature—explain this movement. Barbecue grates in the backyards, picnics in the city parks, camping trips in the solitude of the forests—all are a part of this trend. It is becoming vital for the health of America that we citizens have opportunity to get away from it all and enjoy our natural surroundings. Many of our social and health problems would be reduced if we could get more people into the open more often. Particularly in this regard, I think of the juvenile delinquency which is a national problem.

The importance of our national forests in this connection cannot be denied.

A major part of our big game herds, as well as large supplies of game birds

and small game, are found in the national forests. Within these forests are some 81,000 miles of streams and more than 2 million acres of lakes, open to public fishing.

Over and beyond the millions of hunters and fishermen, many millions of citizens turn to the national forests each year for other forms of outdoor recreation: for picnicking and camping, for nature study, for winter sports, or for plain, unscientific enjoyment of fresh air and the out-of-doors.

Because of their wide distribution, the forests are the most generally accessible large public areas adapted to outdoor recreation in the country. National forests are only a few minutes driving time from urban areas; for example, Denver, Duluth, Sacramento, San Diego, Tallahassee, Spokane, Albuquerque, Butte, Phoenix, Portland—both Portland, Oreg., and Portland, Maine—St. Louis, Asheville, Erie, Houston, Salt Lake City, Seattle. The Angeles National Forest adjoins the great metropolitan area of Los Angeles.

The Forest Service does not encourage urban types of recreation because of a belief these should be enjoyed in city and county areas. The Service tries to keep the facilities simple and appropriate to the environment. The Service does not conduct tours, give lectures, or sponsor organized sports. National forest recreation supplements the recreational facilities of States, cities, and the national parks, and does not compete with or duplicate them.

No one form of outdoor recreation can satisfy all people. The national forest recreation development has been that for which the particular area is best suited and for which the need is evident.

Consider the variety of features and recreation resources of the various forests. Gorges, waterfalls, natural bridges, wildlife refuges, ponds, scenic drives, glaciers, totems, observatories where bear can be watched fishing for salmon, 120,000 miles of riding and hiking trails, cliff dwellings, wilderness areas, buffalo herds, ice caves, medicinal springs, prehistoric ruins, volcanic lava flows, old immigrant trails, Indian pictographs, the last home of the giant California condor, virgin timber, flows of mineral water, giant redwoods, deep canyons, Pikes Peak, cypress swamps, palm forests, scenes of Indian massacres, fantastic wind-and-water-worn rocks, bayous screened with Spanish moss, caves, beaches, fossil beds, ghost towns, ancient pueblo ruins, scenic lookout points, beaver colonies and their many dams, flower-filled Alpine meadows, tropical trees, orchids and tree ferns, huckleberries and mushrooms in profusion, and beautiful stands of all kinds of trees.

Just standing and looking at all those features would take several lifetimes. But the list of what people do in the national forests includes much more than mere looking. Hiking, camping, fishing, hunting, picnicking—all come to mind easily. Add to those such activities as swimming, boating, mountain climbing, horseback riding, pack trips, photography of wildlife and scenery, dude-ranch vacationing, canoeing, skiing, tobogganing, snowshoeing, bow and arrow hunting, wildflower viewing, rock collecting, trailer camping, "John-boat" float trips, ice fishing, bird-dog field trials. Surely there is something here for everyone—just like a political platform.

People of all walks of life enjoy and use the national forests. For many of the poor people of this Nation they are by far the finest outdoor recreation facilities available. The man who is a low-wage earner is able to go into the nearby forest, camp out inexpensively, and enjoy the great out-of-doors fully as much as any of his more fortunate neighbors. Here he finds the greatest public hunting and fishing areas in the Nation—millions of acres without a "No trespassing" sign. The States manage the fish and game, and State licenses are required for hunting and fishing. The Forest Service and the State cooperate closely on management of the habitat.

The forests are open to all who come to enjoy them. In 1924 there were 4 million recreational visits to the national forests. In 1946, 18 million visits were reported. Last year there were 45 million recreational visits to the national forests. If the present rate of increase merely continues and gets no larger, the recreational use of the forests will be 80 million visits annually by 1963.

Of the past year's 45 millions who used the forests, nearly one-half are credited with having gone to picnic grounds, camping areas, and similarly improved locations. About one-third went into unimproved areas and wilderness areas as campers, hikers, hunters, fishermen, and trail riders. Most of the remainder were cared for at organized camps on land leased from the Forest Service; these people represented the least cost to the Federal Government inasmuch as full responsibility for the care and maintenance of the areas and buildings was assumed by the sponsoring organizations; in such cases the Forest Service usually needs only to follow regular inspections with suggestions for improvement. On the other hand, little is provided for the sanitation and care of camp grounds in the so-called wilderness areas, with the result that too often they are neglected. The heaviest cost to the Forest Service is in connection with the more than 20 million people who use the picnic and camping grounds. Yet the Forest Service in the latter instance is able to spend only some 8 cents per visit.

The importance of the national forests for the many forms of outdoor recreation is a fact created and recognized by the American public.

In my State of Montana, the Forest Service is able to spend only about $60,000 annually on recreation facilities. Only $60,000 for facilities that attracted 1,311,000 persons during 1954.

Tourism is a great industry in Montana. It is estimated that tourists spend $80 million a year in the State, making vacations the State's third largest industry.

National forest recreation is important from the standpoint of the economic well-being of many communities—not only in Montana, but across the Nation.

Because of the importance of the forests for recreation, in some areas the States, counties, and cities have attempted to fill the gap. These governmental units have contributed generously toward the operation and maintenance of national forest recreation areas which are greatly used by local people. In 1954, contributions in money, time and materials which were reported by the Forest Service from these sources totaled $1,250,000. California, Utah, Colorado, the cities of Tucson, Salt Lake City, Ogden, Denver, Los Angeles, and others are helping to keep conditions passable on some heavily used areas. Some 10 percent of this $1,250,000 was turned over to the Forest Service, and the Service performed the work; the remainder was done by the cooperating local governmental bodies and organizations themselves.

These local governmental units have been doing as much for recreation in our national forests as has the Federal Government. Our national forest recreation appropriations for the past 5 years have been as follows:

Year:	*Appropriation*
1952	$611,900
1953	646,000
1954	940,000
1955	970,000
1956	1,670,000

Richard E. McArdle, Chief of the Forest Service, has declared:

> Our most urgent and immediately pressing problem is to get on top of the job of adequate cleanup and maintenance of existing recreational improvements. Although we have had some recent increases in appropriations, although we have shifted part of the load to concessioners, and although we have been getting more cooperation from local agencies, we are losing ground.

Chief Forester McArdle mentioned another way in which the forests have been kept open for public use despite the lack of adequate appropriations. That is the shifting of responsibility onto the shoulders of concessioners. Concessioners have been allowed to operate most of the larger and especially equipped campgrounds and picnic areas—the few locations in which a special charge is made to users. Areas operated by concessioners help by relieving the Forest Service of the cost of cleanup and maintenance at these areas, but it is only a partial solution. As I noted earlier, the Service estimates that at most there are only 200 of the 4,700 improved campground and picnic areas that are large enough and improved to sufficient degree to be profitably operated as charge areas. The public fees at these charge areas now average 15 cents per person per day. In addition, of course, there are concessions for resorts, organizations camps, summer homes and winter sports areas, all authorized by permit. The total annual revenue from these limited charges is some $500,000. It is not being reinvested in forest recreation facilities, but is going directly into the Federal Treasury.

Because the money available from all sources simply hasn't been enough to

meet present needs, much less keep up with the growing demand for more facilities, the Forest Service has found it necessary to close a number of recreation areas. At least, we in Montana have been fortunate. Thus far no national forest recreation facilities in Montana have been among those closed because of deterioration and lack of sanitation.

These recreation facilities, built in large part by the CCC and other emergency agencies 20 years ago, are simply worn out. And seemingly no amount of persuasion can wrest the money needed for these facilities from our traditional appropriations process.

Testifying before a Senate Subcommit on Appropriations in 1952, the Forest Service administrators estimated that an immediate capital investment of $7,169,000 was needed to provide satisfactory facilities for sanitation and public safety and to rehabilitate all essential public-use areas. They estimated at that time that $17,135,000 was needed to expand the capacity of existing recreation areas and to construct new areas to take care of the public overload. The total capital investment needed in 1952 was more than $24 million. They did not get the funds.

Now, 4 years and some 150 million visitors later, the Forest Service still believes that approximately $24 million would fill the capital investment bill, and that $3,300,000 yearly would take care of current cleanup and maintenance.

I believe that over the course of several years these needs could be met by reinvesting a portion of the forest receipts in these recreation facilities. Forest receipts in fiscal 1955 exceeded expenditures by some $18 million. The profits went into the Treasury.

It is because of the failure after failure which has been the lot of all attempts to increase the flow of appropriations for forest recreation purposes that I introduced H. R. 1823. The purposes of this bill should be familiar; hearings were held on similar bills during both the 81st and 82d Congresses, the Tackett bills, and during the 83d Congress, the Baker bill. This is not a new proposal.

In the 81st Congress the bill was objected to on the Consent Calendar. In the 82d Congress it was tied up in the Rules Committee. In the 83d Congress it failed to receive consideration in the Agriculture Committee because of the press of other legislation.

In business a continual reinvestment of a portion of the profits is just plain good business. In government, however, it brings forth objections from tourists who held that such detouring of the appropriation process is not provided on the map of government. I appreciate their concern for the purity of this theory. But I also know of the crying need for increased funds for recreation facilities in the forests. And I know of the continual failure to win necessary appropriations. Detours are not shown on the road maps, but they exist and they serve a worthwhile purpose.

I believe that if the detour permits the reinvestment of funds only in those cases where the revenue is plowed back into the operation itself, there is a sound basis for distinguishing that practice from that of setting aside funds out of general revenue.

We have several precedents for this reinvestment of revenues.

The Migratory Bird Stamp Act of 1934 allocates funds in this fashion.

The Pittman-Robertson Act of 1937 and the Dingell-Johnson Act of 1950 provide for excise tax on sport, hunting and fishing equipment, and the funds so collected are administered by the Fish and Wildlife Service under a Federal wildlife restoration program.

Above all, for more than 40 years there have been two such precedents right in the national forests themselves.

Ever since 1908, 25 percent of all money received from the forests has been reinvested in public roads and schools in counties in which there are national forests.

And since 1913, 10 percent of all national forest receipts have been reinvested by the Forest Service for construction and maintenance of roads and trails within the forests.

I might note that the reinvestment for recreation of another 10 percent of the receipts or not more than $5,500,000 annually, as proposed in H. R. 1823, will not reduce the funds set aside in the above two acts.

Also it should be pointed out that in those two acts there is no limit on the amount that can be expended yearly. The proposed $5,500,000 limit on recreation facility expenditures in my bill is one the Forest Service believes will be adequate for current work and a reasonable amount of progress on the backlog of needed capital investments—and so that limit on spending is provided in the bill. This is no blank check.

Recently two special governmental commissions—the Commission on Intergovernmental Relations, known as the Kestnbaum Commission, and the Commission on Organization of the Executive Branch of the Government, known as the Second Hoover Commission—made comments of interest.

The Kestnbaum report recommended that the allocation of revenues for particular purposes as done under the Pittman-Robertson and Dingell-Johnson Acts be discontinued, but the Report made no criticism of the allocation of revenues which have been made in the case of the national forests for more than 40 years. Further, in listing arguments against its recommendations, the committee reported:

> The Pittman-Robertson and Dingell-Johnson Acts have been supported strongly by State and Federal wildlife and conservation organizations. * * * State fish and game officials, almost without exception, favor the present pattern of operation under these acts. * * * The State conservation officials do not believe that earmarking in itself is undesirable. Many cases of earmarking commonly accepted, such as the apportionment of tax to schools, roads, township, county governments, have been in effect for many years. * * * Earmarking becomes undesirable only when so large a portion of the available total funds are earmarked that legislation looses its flexibility and ability to adjust for changing needs.

The Kestnbaum report also recommended "that recreational programs be formulated and carried out with full recognition of the fact that all levels of Government have a responsibility for developing and maintaining adequate facilities for recreational purposes, and that these facilities be administered with adequate protection against the hazards of fire, bad sanitation and undue traffic risk. Provision of recreational opportunities has become increasingly important because of changes in conditions and ways of life. Our increasing population, urbanization, and mobility, and the advent of the shorter workweek and paid vacations have changed tremendously the recreation habits and desires of the people. All levels of government have a definite responsibility for providing adequate facilities for outdoor recreation."

The Second Hoover Commission's report on water resources and power recognized the need for more funds for forest recreation, noting that facilities in national parks, monuments and forests are overcrowded, that waterfowl numbers and fishery resources are on the decline, that there is a critical present need for great outdoor recreational facilities for both weekenders and vacationers. The Hoover Report declared national recreation needs will be accelerated in the years just ahead because of increasing population, shorter work periods and greater leisure, and advances in spendable income.

Fifty years ago when the Forest Service came into being, it was directed to operate the national forests with this goal:

> All land is to be devoted to its most productive use for the permanent good of the whole people, and not for the temporary benefit of individuals or companies. * * * and where conflicting interests must be reconciled the question will always be decided from the standpoint of the greatest good of the greatest number in the long run.

I believe that in keeping with this statement of basic policy, our national forests must be enabled to meet the recreational needs of millions of Americans. I believe that, in view of past experiences, the only way to adequately meet these needs is through passage of H. R. 1823.

Most people do not like detours. I do not like them; they usually are not as well designed as the main highways; they may not stand up well under long usage; they may take longer to arrive at the destination. But they do arrive there. And that has not been the case on the roadblocked main highway for forest recreation appropriations.

H. R. 1823 is a detour. But it is not the first detour that has been built. Other such detours in connection with the national forests are still standing up well after more than 40 years of use. The choice is clear. It is time to open this detour for the American public.

Echo Park Deletion—Cleverest Stunt Since P. T. Barnum Invented the "Egress"

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. HOSMER. Mr. Speaker, in the palmiest days of his great career as a showman, the incomparable P. T. Barnum discovered the profits of his animal shows were dwindling. The kind of naive folk in his tent became so intrigued with the strange and wonderous animals on display they stayed on and on to view them lingeringly.

This, of course, produced long lines waiting outside for room to get in. It vastly discouraged additional cash customers, anxious, but for the long wait, to pour more admissions into the great entrepreneur's coffers.

In a stroke of wizardry, P. T. solved the problem. He had a large sign painted with a giant directional arrow pointing in an appropriate direction with the bold legend: "To the Egress."

Trusting spectators unhesitantly followed the arrow to view what they believed would be another exotic animal, possibly even a cross between an emu and a tigress. They soon found themselves on the cold side of the exit.

The temporary deletion of Echo Park dam and power facilities from the proposed upper Colorado River storage project is the cleverest stunt since P. T. Barnum invented the "egress."

The supporters of the gigantic upper Colorado River project admit that in its present form it is "an engine without pistons."

Yet they are asking Congress to pass this incredible bill, and force the Nation's taxpayers to suffer a loss of more than $4 billion.

The "pistons" of the upper Colorado project was Echo Park Dam. Conservationists throughout the country fought Echo Park Dam because it would flood a part of Dinosaur National Monument.

Facing certain defeat, the bill's supporters finally informed the conservationists that Echo Park Dam would be taken out. The conservationists accepted this promise and withdrew their opposition.

It is apparent from the record that the conservationists have walked into a trap.

Although Echo Park may have been deleted temporarily from the bill at hand, it can no more be taken from the project than can history be abolished by destroying the pages on which it is written. If this Congress passes any bill, it simply means that Echo Park must be authorized later to help salvage the taxpayers' investment.

The Department of the Interior, the Bureau of Reclamation, and numerous individuals have testified repeatedly that Echo Park Dam is absolutely vital to the feasibility of the upper Colorado River project.

For instance, on January 18, 1954, Under Secretary of Interior Ralph A. Tudor testified before the House Interior Committee as follows:

Mr. TUDOR. We think Echo Park is a necessary part of the project, yes, sir.

Mr. ENGLE. You think it would be like taking the engine out of the automobile, then?

Mr. TUDOR. I might say it might be like taking the pistons out. We feel definitely that the feasibility of the entire project would be placed in hazard if Echo Park were left out and some alternative substituted.

There is nothing in the world to prevent Congress from returning Echo Park Dam to the bill. If the bill can be passed without its "pistons," obviously it will not work, and the "pistons" will have to be put into the engine.

By withdrawing their opposition to the bill, the conservationists are racing toward the egress. They are being lulled to sleep, and they will wake up some morning to find that Echo Park Dam is to be built in Dinosaur National Monument.

The record before Congress is replete with unqualified statements by Reclamation Bureau officials and others that Echo Park must be in the project or the project will not work, cannot pay out, and would fail to provide the development desired.

Here are excerpts from that record:

Mr. AANDAHL, Assistant Secretary of the Interior.[1] With respect to the need for the Echo Park Reservoir, our recommendations remain unchanged. We still recommend the construction of the Echo Park Dam and Reservoir.

Mrs. PFOST.[2] In your opinion, are there other sites that would be as beneficial to the project as Echo Park?

Mr. AANDAHL. No; I think Echo Park is way out ahead——

Mrs. PFOST. There is no other substitute?

Mr. AANDAHL. It is way out ahead of alternates that might be proposed.

Mr. W. A. DEXHEIMER, Commissioner, Bureau of Reclamation.[3] The proposed use of the canyon sections of the Dinosaur National Monument for water and power developments was contemplated long before the original 80-acre area was enlarged to its present size of over 200,000 acres in 1938. A number of power-site withdrawals prior to that year are evidence of this fact. Recognition of the importance of these potential power developments was given in the President's proclamation enlarging the 80-acre monument. The supervision of the area by the National Park Service under this proclamation was not to affect the operation of the Federal Water Power Act of June 10, 1920, as amended, and administration of the monument was subject to the reclamation withdrawal of October 17, 1904.

The plan before you for coordinating the development of the water and power resources of Green and Yampa River Canyons along with their scenic and recreation values is therefore consistent with the language and spirit of the proclamation. The Department has no doubts as to the appropriateness of creating an artificial lake and adjoining facilities within the bounds of this particular national monument. It would not create a precedent for invasion of other parks. The precedent, if any, was created in 1938 when the boundaries were extended to the canyon areas with a clear understanding that water conservation and power development had prior right to the use of those areas.

Mrs. PFOST.[4] Mr. Commissioner, is Echo Park essential to the economic feasibility of the upper Colorado project?

Mr. DEXHEIMER. Yes. Although, by elimination of parts of the project, the economic feasibility might be established for something less. But it would not be, we think, the proper way to meet the ultimate or even the present needs of the upper basin.

Mr. DEXHEIMER.[5] It (Echo Park) is essential in the upper reaches of the area, and without it we would be unable to make the full development anticipated and would probably have to leave out even some of the participating projects which are recommended at the present time, or some of the units in participating projects, and it would greatly decrease the financial feasibility of the overall plan.

Mr. E. O. LARSON, regional director, region 4, Bureau of Reclamation.[6] Here are the principal advantages of including Echo Park Dam and Reservoir in the Colorado storage project plan:

1. With respect to storage capacity and power generation, Echo Park would be second in size to Glen Canyon in the reservoir system planned for the upper basin.

2. Evaporation losses per acre-foot of water stored in Echo Park would be less than any other major storage site in the upper basin.

3. Construction of Echo Park Reservoir in place of Dewey Reservoir, the best alternative outside of a national monument, would save an estimated 200,000 acre-feet of evaporation losses annually, a significant quantity of water in the arid West.

4. Echo Park Reservoir, located just below the junction of the Green and the Yampa Rivers, would be integrated with the upstream Flaming Gorge and Cross Mountain Reservoirs in regulating the flows of the rivers, that is, when they are constructed. In addition, it would contribute materially to the feasibility of reservoirs at Split Mountain and Grey Canyon sites downstream on the Green River. This is why Under Secretary Tudor mentioned that Echo Park was the wheelhorse in the upper basin.

5. The use of the Echo Park site is the key to the economical development of the upper end of the upper Colorado River Basin. The site is strategically located with respect to upstream power markets of the proposed system of dams and powerplants and the basin's many resources awaiting development, such as phosphate rock for fertilizer, chemicals, oil shale, coal, natural sodium carbonate, and many other important minerals.

Mr. SISK. Could I ask you this question, Mr. Merriell: Do you feel that Echo Park represents a more important feature of this project, let us say, than Glen Canyon, assuming that only a portion of the project could be built?

Mr. FRANK C. MERRIELL, Chief Engineer of the Colorado River Water Conservation District.[7] In some ways it does. In the first place, where this project will sell power, the first places are in the vicinity of Salt Lake and of Denver, and the most direct transmission that can be devised in the project is from Echo Park to each of those places. Now, that is the principal reason, and there

---

Part I

[1] Aandahl, Hon. Fred G., March 9, 1955, p. 32.

[2] Aandahl, Hon. Fred G., March 9, 1955, p. 36.

[3] Dexheimer, W. A., March 9, 1955, p. 51.

[4] Dexheimer, W. A., March 9, 1955, p. 174.

[5] Dexheimer, W. A., March 10, 1955, p. 193.

[6] Larson, E. O., March 10, 1955, pp. 193–194.

Part II

[7] Merriell, Frank C., March 11, 1955, p. 471.

are other collateral reasons. There is a possibility of a very great industrial use right close to Echo Park in the phosphate beds of the Uinta Mountains, and other possibilities in the Uinta Mountains, in the Grand Valley, in industrial use, whereas Glen Canyon is a long ways from there.

BRIANT H. STRINGHAM, Vernal, Utah.[9] Opponents of the project, most of whom are well-intentioned citizens, base their chief argument on the false premise that the building of Echo Park dam within the Dinosaur National Monument will set a precedent for the commercial invasion of all parks and monuments. This argument is not based on facts as the following official documents will show. These instruments also prove that it was definitely understood by officials and the people at the time the monument was enlarged that power and reclamation projects were to be constructed inside the monument at some future time, and that the area would be subject to several other existing rights.

On June 10, 1920, the Federal Water Power Act was passed creating the Federal Power Commission. This Commission was given authority to grant licenses to construct dams in national monuments according to the opinion given by Councilor Abbott representing the House Subcommittee on Reclamation and Irrigation. However, on March 3, 1921, the Congress amended the Federal Water Power Act taking from the Power Commission and giving to the Congress authority to grant licenses to construct dams within parks and monuments, but in doing so, the Congress added these significant amendments: "As now constituted or existing." Thus leaving the authority in the Federal Power Commission to grant licenses for construction of power dams in newly created monuments such as Dinosaur. President Roosevelt recognized this fact in his proclamation enlarging the monument.

Mr. GEORGE D. CLYDE, commissioner of interstate streams for Utah.[9] Mr. Chairman, I think the Echo Park Dam is absolutely necessary to this project. The Echo Park Dam, in my opinion, occupies the same position that I would, for example. I am pretty good with both arms and both legs. You can cut one arm off and I can still live, and you can cut two arms off and I can still live, and you can cut both legs off and I can still live, but I am not much good. And Echo Park dam is an essential unit in this thing because it is a basinwide project, and it must be considered in terms of the series of storage dams, their operation to provide for water for consumptive use, provide the water to meet the obligation to the lower basin, and to provide for power generation. All of those three are inextricably tied together.

Mr. DIXON:[10] You concur in his testimony that there is no substitute equal to Echo Park as a dam site.

Mr. CLYDE. Yes, sir; I am convinced in my independent analysis as well as review of many, many reports, that there is no substitute for Echo Park.

Hon. JOSEPH C. O'MAHONEY, a United States Senator from the State of Wyoming.[11] So I say without any hesitation or equivocation that the creation of the expanded Dinosaur National Monument in 1938 on the 14th of July had nothing to do with the preservation of any historical site or the preservation of any scientific area. On the contrary, it was an attempt to use for scientific purposes, for development purposes, water that had previously been recognized as one of the best sources of waterpower in the United States.

MILWARD L. SIMPSON, Governor of Wyoming.[12] Echo and Glen Canyon Dams are vital elements in the development of the upper basin States.

H. T. PERSON, dean of engineering, University of Wyoming, Laramie, Wyo.[13] In regard to Echo Park Reservoir—this unit is one of the very important units in the team of storage units necessary for the fullest development of the water resources of the upper basin. Its strategic location below the confluence of the Green and Yampa Rivers, its low-evaporation losses and its contribution to maximum power production makes it an essential unit in the upper basin development. The grandeur, the spiritual and esthetic values of the canyons of the Echo Dam site are acknowledged. The Echo Park Reservoir will not destroy these values. Echo Park will eliminate some sections of river rapids—but there are hundreds of miles of river rapids in the vast areas of the upper Colorado River Basin. Echo Park Reservoir will make the recreational values of this vast area available to hundreds of thousands of people every year—rather than to just those few hundred daredevil river runners who now have that opportunity. Echo Park Reservoir is in the Dinosaur National Monument. However, the evidence is documented and clear, that the people of the area were given assurance in 1938 when Dinosaur Monument was extended to include the Echo Park area, that establishment of the extensive monument would not interfere with the use of the area for grazing, or with the development of the water resources of the area.

G. E. UNTERMANN, director, Utah Field House of Natural History, Vernal, Utah.[14] Much of the opposition of rabid conservation groups to a proposed dam in Dinosaur National Monument is baseless and unrealistic.

HERBERT F. SMART, Salt Lake City, Utah.[15] Conservationists opposed to the construction of this dam say there is a principle involved. Yet actually the only principle involved is one of the integrity of the Government and the people, including conservationists, in keeping promises and assurances, and abiding by conditions incident to the enlargement of the Dinosaur National Monument. The question of the inviolability of a national monument is not at issue here. The question of the inviolability of promises incident to the enlargement of the boundaries is involved. The integrity of our national party system is predicated upon good faith, and conservationists interested in preserving the inviolability of our national park system should be the first to recognize and, in good faith, insist upon compliance with the conditions under which the Dinosaur Mounment boundaries were extended, namely, subject to power and reclamation withdrawals.

To many of us who have been a part of the conservation movement in the West, we are at a loss to understand the motives of conservationists opposing a project which will result in such a material gain to conservation objectives and principles. In the best tradition of Gifford Pinchot, the passage of the Colorado River storage project will mean the greatest good to the greatest number for the longest period of time.

ANGUS MCDONALD, legislative assistant, National Farmers Union.[16] Sites other than those recommended by the Department of Interior have been suggested because it was contended that the building of a dam at the Echo Park site would be an invasion of the national park system and would forever mar the natural beauty of the area. The record will show that the original monument created by President Wilson consisted of 80 acres which would not include Echo Park and when President Roosevelt expanded the monument by Executive order in 1938, that he provided that expansion of the monument should not bar the building of power projects. In other words, the Echo Park site has never been part of the national park system. The mere fact that it was called a park did not make it a national park. It is also contended that development of the water resources of the upper Colorado and the Echo Park site would impair it as a recreational center and that in some way it would disrupt the Dinosaur Monument. Geography indicates that the bones of the dinosaurs, if any, would not be disturbed, because the dinosaur graveyard is down the river from the Echo Park site. Impounding water behind the Echo Park would not submerge a single dinosaur bone. On the contrary the proponents of the project tell us that the creation of a huge lake behind the Echo Park would enhance the recreational opportunities and that roads would be built into the area so that many more thousands of people could enjoy recreational activities, whereas at the present time, the area is relatively inaccessible.

Hon. ARTHUR V. WATKINS, a United States Senator from the State of Utah.[17] This puts the shoe on the other foot. It is not a national monument that is being invaded—it is a matter of some misled or misinformed conservationists who are trying to urge that Uncle Sam violate his integrity and treat as mere scraps of paper solemn reservations in the public interest in the Dinosaur Monument area that precede the limited monument proclamation by 17 to 34 years. It ill-behooves honest conservationists to take such an untenable position, because we who love our parks and monuments should strive to preserve as honorable and legal commitments the reservations of public lands for such a noble and worthy use as parks and monuments. Therefore, how can we, in the same breath, ask that equally binding and legal reservations for water development, be invaded, especially when the monument proclamation itself recognizes and exempts from the Dinosaur Monument land reservation these previous withdrawals for water resource development?

INDEX TO QUOTED STATEMENTS

Colorado River storage project: Hearings before the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs, House of Representatives, 84th Congress, 1st session, on H. R. 270, H. R. 2836, H. R. 3383, H. R. 3384, and H. R. 4488 to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes.

[9] Stringham, Briant H., March 14, 1955, pp. 551–552.

[9] Clyde, George D., March 14, 1955, p. 559.

[10] Clyde, George D., March 14, 1955, p. 571.

[11] O'MAHONEY, Hon. JOSEPH C., March 16, 1955, p. 615.

[12] Simpson, Milward L., March 16, 1955, p. 619.

[13] Person, H. T., March 16, 1955, p. 623.

[14] Untermann, G. E., March 16, 1955, p. 650.

[15] Smart, Herbert F., March 16, 1955, pp. 683–684.

[16] McDonald, Angus, March 16, 1955, p. 703.

[17] WATKINS, Hon. ARTHUR V., March 16, 1955, p. 706.

Lithuanian Independence

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1956

Mr. DONOHUE. Mr. Speaker, last Saturday, February 11, 1956, the Worcester, Mass., Lithuanian organizations celebrated Lithuanian Independence Day

with an appropriate program held at the Lithuanian Naturalization Hall at 12 Vernon Street.

The program was sponsored by the Lithuanian Aid Association. Among the other societies taking part in the ceremony were the Lithuanian Community of America, Worcester branch; the Lithuanian Naturalization and Social Club; Lithuanian National League of America; Lithuanian Women's Club, Lithuanian Alliance of America, Branch 57; St. Casimir's; St. George's; St. Ludwig's and Birute societies; Lithuanian Aged Aid Society and the Lithuanian National Society of America.

Mr. Vincent Macys was general chairman, assisted by Michael Zemaitaitis, vice chairman; Leonard Kacinskas, secretary; John Dvareckas, treasurer; John Pipiras, financial secretary; Miss Anna Taraila, assistant secretary; and John Palubeckas, master of ceremonies.

In connection with the celebration, I have been asked to include the addresses delivered by myself and a most prominent Lithuanian American, Anthony J. Miller, Esq., over radio station WNEB in Worcester, Mass.

The addresses follow:

LITHUANIAN INDEPENDENCE DAY ADDRESS DELIVERED BY ANTHONY J. MILLER, ESQ.

As an American citizen of Lithuanian descent, I am proud and privileged to join in this program commemorating the founding of the Republic of Lithuania.

This annual ceremony is dear to the hearts of all Lithuanian-Americans because it is held to recollect that day of February 16, 1918, which marked the end of well over a century of suffering under a hostile, foreign rule. Lithuania, on that day, stood forth as an independent, democratic republic. There was cause for rejoicing and the future was faced with confidence.

This is the 38th anniversary of the independence of Lithuania. What did the Lithuanians accomplish during the brief period in which they were their own masters and the Government of Lithuania was of, for, and by the people of Lithuania?

Let me give you a few figures: In 2 decades when Lithuania was free the number of primary schools was increased from 677 to 2,696. There were constructed over 100 secondary schools, including 2 years of college, and 4,000 advanced students were enrolled at the great university at Kaunas. Every city in Lithuania of more than 5,000 population supported opera seasons with the world's great operas, many of them translated into Lithuanian, given under conditions making it possible for all who so desired to attend.

Everywhere there were special schools for music, art, and ballet. Industry and commerce reached peaks never before attained in a country of a population of not many more than 3 million. Practically everyone owned his own home or his own farm. This is the record made in 22 years when the people of Lithuania were free and the Government of Lithuania was of, for, and by the people of Lithuania. No people in all the history of the world ever made a record surpassing that of the people of Lithuania when Lithuania was free.

There is something in the Lithuanian blood that will not tolerate injustice and that can withstand the most savage inroads of tyranny. The source of the spirit of freedom that is in the Lithuanian people goes back many, many years. It was 1,500 years before the birth of Christ that the Lithuanians came to settle themselves in Europe. It is said that the origin of the Lithuanian race is lost in the mists of time. Probably it came from the Himalayan Mountains of north India, one of the tribes belonging to the Aryan group of thousands of years ago.

The settlement of Lithuanians in Europe was on the rolling plains along the shores of the Baltic Sea, a land of rich and fertile earth, heavily forested, and with wide rivers and many lakes. In modern times, it is described as a heart-shaped land of 33,000 square miles, lying between Russia and Germany, like a walnut in the jaws of a nutcracker.

From 1500 B. C. to this year of A. D. 1956 the Lithuanians have been a vital force for freedom in Europe and their descendants now numbering over a million who came to the United States of America have in this land of ours been a vital force for freedom.

When Tartar hordes swept out of the East, their objective being the overwhelming of Europe, the Lithuanians rallied to beat back the invaders. When to the West the Huns and other Germanic tribes came with fresh threats, again the Lithuanian people rallied and beat back the invading hordes.

In the first centuries after the birth of Christ the worship of the Lithuanians was that of a pagan mythology. Perkunas was the god of thunder and lightning, Zemininkas the god of earth, and Viehpate the god of life. Then came Christianity. One of the first of a long line of powerful Lithuanian leaders was King Mindaugas, who succeeded in gathering the other Lithuanian dukes under his banner and who 700 years ago was crowned King of Lithuania. For three centuries the unconquerable legions of Lithuania held the balance of power in Eastern Europe. The word of the Lithuanian was law through much of what is now Poland and Germany and beyond Moscow in Russia.

In 1572 the Polish throne was given up and in 1795 the country was overwhelmed by the legions of Russia. There followed the tide of diplomatic intrigue, the Napoleonic wars, and the oppression of the czars. Always did the Lithuanians refuse to accept their conquerors.

Three times in the 19th century they rose and revolted against overwhelming odds. Again at the dawning of the 20th century they revolted, their spirit still beyond the power of tyranny to crush. Loyal freedom-loving Lithuanians were torn from their homes and thrown in the hellholes of Siberia, but no power, no torture could quench their spirit.

Then in 1918 freedom came again to Lithuania. Again she was free to form her own government and take her place in the family of nations. In the 22 years of Lithuanian independence a record was written in successful self-government of which any people could be proud.

Today again Lithuania is in the enslavement of a brutal tyrant but the spirit of freedom, which centuries of oppression have never succeeded in crushing, lives on among the people of Lithuania.

On this anniversary day, then, I ask you to join with me in sending across the seas to our beloved but still enslaved people of Lithuania this message:

"Be not discouraged, be not downhearted. The night may be long and dark but the sun of the morning is soon to break upon you, your homes, and your land. Each day that passes brings your blessed country closer to inevitable independence. We shall not fail you and will work and pray together with you until your liberty is accomplished."

LITHUANIAN INDEPENDENCE DAY ADDRESS DELIVERED BY UNITED STATES REPRESENTATIVE HAROLD D. DONOHUE, OF MASSACHUSETTS

As your Representative in the United States Congress, I am honored to take part in these exercises commemorating the 38th anniversary of the declaration of Lithuanian independence.

As you are all aware, 38 years ago Lithuania made known to the world that it was an independent nation, exercising the right of self-government and self-determination. This declaration of Lithuanian independence was one of the great milestones in the history of a liberty-loving people whose struggle for self-government continued over centuries.

From the 16th century on, Lithuania was almost in a constant battle against aggressive neighbors, but never gave up hope to preserve the Lithuanian tradition for freedom. During 120 years of Russian domination, no less than five distinct major revolts took place in Lithuania. Back in the early 1800's, Czar Nicholas the First invoked a sweeping policy to Russify Lithuania. Repressive measures were taken against all forms of Lithuanian culture, literature, language, schools, religion, and governmental offices.

In 1863 and 1864, another revolt took place which failed after a struggle of 18 months. Another revolution in 1905 brought fresh hopes for independence, but failed.

During World War I, the German armies overran the country and remained there until the end of the war. During this time, uprisings, negotiations, and minor rebellions did not cease.

On February 16, 1918, the Lithuanian National Council unanimously adopted a declaration calling for the reestablishment of an independent Lithuania on a democratic basis, with Vilna as the capital and the severance of all political ties which linked it with other nations. This declaration became Lithuania's proclamation of independence.

After the evacuation of Lithuania by Germany in November and December 1918, Russian troops arrived at the border of Lithuania and again made an effort to subjugate the nation. The last battle with the Red army was fought late in 1919 which culminated in a peace treaty signed July 12, 1920.

On September 22, 1921, Lithuania was admitted to the League of Nations, thus Lithuania became a full member of the international powers. The permanent constitution was adopted August 1, 1922. It was an instrument which followed the blueprint of western democracy. The state of Lithuania was an independent democratic republic; the people were accorded the constitutional rights of freedom of speech and assembly; the constitution guaranteed freedom of religion; the independent Lithuanian Government instituted land reforms; industrial production proceeded to ascend; neglected railroads were rebuilt and transportation improvement was inaugurated throughout the land; social legislation and education were expanded and it did not take long before the new independent democracy was functioning with the precision of nations much older.

The Lithuanian people proved, during the period of time from their declaration of independence up until the Hitler-Stalin menace devastated Europe, that its people could give the world a practical example of true democracy in action.

During the period from 1920 to 1939, the Lithuanian Government entered into peace treaties, nonaggression pacts and mutual assistance agreements with the Soviet Union. By reason of typical and well-known Communist duplicity and treachery, every one of these agreements was discarded and nullified by Russia when they saw the opportunity was ripe to enslave the Lithuanian people.

The long and dismal record of the mass liquidations, prison incarcerations and tortures brutally inflicted by the Soviets upon the brave and liberty-loving people of Lithuania would take hours to recite. It is a black page of world history vividly revealing the barbaric tyranny that godless Communist dictators imposed upon innocent human beings.

This terrible and frightening record is accurately drawn up in the final summary report of the Congressional Committee To Investigate Communist Aggression published on December 31, 1954. The basic findings, conclusions, and recommendations outlined in that report should awaken the consciousness of all still free peoples throughout the world to the danger and intent of the Communist conspiracy.

It is, indeed, a solemn warning of the cruel treatment any nation and people falling under the domination of the Kremlin iron heel will receive.

That is why we as your fellow Americans and this Government, in our own interest, cannot and should not relax our efforts of assistance to Lithuania, and all other enslaved nations under Communist domination, in regaining their rightful freedom.

The attitude of the United States Government in regard to the present status of Lithuania is, of course, universally known. The United States has never sanctioned the forced incorporation of Lithuania, with Latvia and Estonia, into the Soviet Union and still continues to recognize them as sovereign states. Many other free democracies also regard the Baltic nations as being deprived of their independence by an act of aggression having neither legal nor moral justification.

However, nonsanction is not enough. We must be increasingly insistent in demanding that the Soviet leaders restore the liberty of Lithuania and the other oppressed countries as proof of their declared intention to cooperate for peace in the world. There can never be any true and lasting peace in a world that is half slave and half free. The conscience of the still free world will never be clear until Lithuania has regained her freedom and let us rededicate ourselves tonight to that objective, praying that it be God's will to occur in the near future.

National Negro History Week

EXTENSION OF REMARKS
OF
HON. CHARLES C. DIGGS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. DIGGS. Mr. Speaker, I would like to recall for my distinguished colleagues some remarks which I made last year at just about this time. We were then, as now, observing National Negro History Week. At that time international strife had centered our national concern upon the necessity for developing strong unity between ourselves and other peoples of the world who share a basic faith in democratic principles. We were using every means at our disposal to present the American case to the world in an effort to assure all people that American belief and practices upholds the concept of equality of men in matters of justice and opportunity. I felt impelled at that time to point out the significance of the program of the Association for the Study of Negro Life and History of the Cultural Heritage and the Contributions of the Negro Race to Society. It was pointed out that through the daily continuation of its program, the Association's purpose is to give America the opportunity to combat the evils of prejudice and fear which are the results of miseducation and noneducation that this country might better its own national human relations and retain its stature in world opinion. Its yearly observance of Negro History Week is a reminder to American people who rightly do say that education is an aid in the solution of racial problems, that such information is and has been available over the years. It has been produced by 31 years of research, documenting of information from legislative records, newspapers, our Nation's archives, and from numerous other accepted, legitimate sources of historical fact. This was a purpose which the association assumed because the facts, although always a matter of historical record, remained unassembled and undisseminated.

During the year since the last observation, progress in human relations has been gravely jeopardized in certain areas of our Nation and this state of affairs has resulted in severe internal conflict. In view of this situation, National Negro History Week ought to have a special concern to every Member of the liberal bloc of Congress as we face issues which concern principles of democracy as they are applied to American minority groups. The theme of the national observance for 1956, Negro History in an Era of Changing Human Relations, describes with accurateness the major issue which faces the legislators, political aspirants, the present administration and the citizens of this Nation—changing human relations. When, by way of example, the New York Times newspaper includes in 1 issue at least 9 news reports or articles upon issues of civil rights, we are forced to concede that human relations are of serious national concern, that changes are in demand and cannot be ignored or deflected until some undetermined time. Yet in reading our current daily news accounts, we know that too many legislators and leaders in government try to convince themselves and hide from the rest of the world the fact that in this country, designated the land of freedom and opportunity, discrimination, segregation, and injustices are inflicted against a large, even though minority, portion of the American citizenry and have no other reason for their imposition except race or creed. Although there are attempts not to admit these injustices or to minimize them, modern means of communication makes these efforts futile and ridiculous. Undoubtedly to ease the conscience and justify these imbalances between declared concepts and practice of democracy, as a long established custom the history of the contributions of the Negro to the welfare and progress of this Nation has been painstakingly omitted from the ordinary textbooks and other educational tools with which our school and university students, interest groups, and interested individuals of all age groups are familiar.

Negro citizens have no wish to be set aside and designated as a special group, even in their contributions to the society to which they belong, but until an honorable and democratic victory has been won in human rights and the history of the Negro is admitted and given its factual place in world history, the Association for the Study of Negro Life and History must pursue its course as one role in the minority group battle for life, liberty, and opportunity to pursue happiness. The objective is, as stated, "not merely to emphasize Negro history but rather the history of the world void of national bias, race hate, and religious prejudice." In view of the pronouncements on the role that truthful education can play in the solution to internal conflict, it is time that our legislators, educators, and citizens questioned the reason for almost complete silence in the textbooks used in schools and universities of this Nation on the subject of the role of Negro citizens in the development of America to its present position of world leadership in cultural and material aspects. Outside of the fact that there was an era of slavery of Negro people within this Nation, there is an appalling lack of information concerning the participation of Negroes in the life of our Nation and how they served the Nation in the Halls of Congress as far back as the 1860's, and in the halls of justice, in education, medicine, arts, and every other field of endeavor, and given their lives in this country's battles throughout the centuries of its progress.

National Negro History Week is not a weak gesture for short-lived acclaim, but a reminder to Americans, as the association itself points out in the following quotation by Dr. John Hope Franklin, world historian, that "The strength of this Nation lies in the diversity of its cultural heritage as well as in its political unity and military might. No other nation can boast of such remarkable assimilation of peoples of differing cultural and ethnic backgrounds, all contributing to the richness and the strength of the whole. The dramatic and significant story of the Negro is one of the prime examples of what the strength of this Nation is and what it may become as it moves into a new era in human relations."

I would add only that it is these contributions by the various racial groups of Americans which gained for our Nation its place of respect. A judgment is not unchanging and the world which made the judgment of America watches us in our human relations. Our world status, if it is to remain unchanged, calls for our meeting the problems in human relations which do exist and taking forceful, effective action to erase them. Use of the means to proper education regarding the Negro is one step in the right direction.

Bob Sikes: A Great Friend of Forestry

EXTENSION OF REMARKS
OF
HON. D. R. (BILLY) MATTHEWS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. MATTHEWS. Mr. Speaker, I am very proud of the development of the forestry industry in the State of Florida, and in particular in the Eighth District of Florida which I have the honor to repre-

sent. One of the most devoted friends of our great forestry program is the dean of of our Florida delegation, the Honorable BOB SIKES, who so capably represents the Third District of Florida. This last year Congressman SIKES made a number of talks on forestry throughout our State. He made a splendid address at a meeting at the research station at Olustee in my district. I am pleased to include for the RECORD another great address he made for the annual meeting of the American Forestry Association at Jacksonville, last October. Congressman SIKES' address follows:

A REPORT ON FORESTRY PROGRESS IN THE SOUTH

(By Hon. ROBERT L. F. SIKES, of Florida)

Ladies and gentlemen, I am happy to welcome you to Jacksonville, Fla., and to the South. I hope you will enjoy and profit by every minute of your stay here. I hope you will see the South and its forestry opportunities and problems not as a casual visitor but as a careful observer and that you will take back with you an understanding of what the South is achieving.

A few years ago one of our great pulp and paper corporations, the International Paper Co., issued a remarkable annual report called A Report to the People of the South. It illustrated how the prosperity of the people was dependent upon forestry progress being made on the company's lands. I am sure that company would not object if I copied their expression of good public relations and expanded their idea in a report to you. So, I would like to give you who have come here from all over the Nation a report on forestry progress in the South.

I come from northwest Florida where many of the counties are more than three-fourths forested. It is a real piney-woods country. Years ago I saw the great virgin pine cleared by the steam skidders, and the remains of logging railroads scattered like bones from a skeleton on a barren, wasted country. I have seen the annual fires set by men on horseback as far as they could ride. More recently I have seen the change to protection and a start toward proper management under which the great green regrowth of pine will reclothe our plains and hills with a new wealth. I have seen the development of the pulp and paper industry—there are three of these wonderful industries in my district alone—the International Paper Co., the St. Joe Paper Co., and the St. Regis Paper Co.—all with great, well-managed land holdings.

I have lived with forestry in the South and therefore I must ask you to forgive the seemingly too frequent use of the personal pronoun. Forestry is a personal matter to me and a personal matter to the people of my district. Forestry must be a personal matter to you, too, as indicated by your presence and active interest in this meeting. Forestry is important not only regionally but also nationally. What the South does affects the Nation. Our success or failure in producing the forest products needed in war or peace will have a lot to do with the welfare and prosperity of everyone, be he a Kansas farmer or a Brooklyn shoe clerk.

Through protection and development of its forest regrowth the South has become the great forest factory of the Nation. With 222 million acres of commercial forest land the South is producing and can be counted upon to continue to produce a great wealth of forest products. Incidentally, when I speak of the South I am including not only the Deep South but also Virginia, West Virginia, Kentucky and Missouri. I need not remind you of the great many uses of our forests, but a moment might be well spent in considering new uses as well as old. Let me give you an example: Two centuries ago in this area longleaf pine was cut and charred slowly to make pitch. The pitch was collected by the crude method of draining it into a pit dug in the earth. Fifty years ago longleaf pine was chipped or hacked and the gum collected in a box chopped into the base of the tree. Then, in addition to tar, we produced turpentine and rosin. Now with modern conservation methods of working the trees, using bark chipping, acid and spiral gutters and removable double-headed nails which do not damage the tree, we are producing high quality gum or oleoresin which is being used in a great number of products—medicines, paints, linoleum, paper and even as lubricants needed by jet airplanes.

Certainly we are making great strides in our forest products industries. Since World War II the South has experienced an industrial expansion never dreamed possible. Industrial capacity for paper making has doubled. I know that some people in the South and the Nation had their misgivings about this great paper company expansion. For example, when one big company wanted to expand its plant in my district 3 years ago, I was consulted and I deliberated for a long time due to the high timber drain estimates. I checked with company officials and foresters. We studied forest survey reports. Based largely upon the company's plans for sustained forestry my advice was to encourage the expansion. The forestry plans are being carried out and I feel that I can report that my decision has been fully justified as the wisest course of action.

We are in reality enjoying a cellulose age when you think of our multiwall paper bags and cartons which package almost everything from milk to concrete, the hardboard, insulating board, and newsprint, and hundreds of cellulose products. I hope you will visit one of our great pulpmills while you are here. I have also mentioned naval stores. You are in the heart of the colorful naval stores belt here and I hope you'll get out of your cars to examine some working trees and perhaps a central steam still. Our lumber industry is booming and many of our big lumber companies like the Neal Lumber Co. of Blountstown, Fla., and the Alger-Sullivan Lumber Co., of Cantonment, Fla., for example, are doing a splendid forestry job.

Last year the South planted 516,477 acres, three-fourths of the Nation's total planting. May I brag a little bit by saying that in tree planting the South leads the Nation? Florida, Georgia, Louisiana, and Mississippi lead all the States in tree planting. The State of Georgia is now producing more than 100 million trees per year. The State of Florida is increasing the capacity of its State nurseries to about 80 million. In addition to this, many of the paper companies have tree nurseries or are in process of establishing them. Their combined production will exceed 50 million trees this year. In this field we are making great progress but before we become complacent let's remember that the South still has 26 million acres of idle forest lands in need of planting and probably an equal area in poorly stocked woods where interplanting is needed to obtain full production. We need to produce 1 billion trees per year if we are to get on with the job.

As most of you know the tree-planting program is a cooperative State-Federal-private landowner venture began in 1924 under the Clarke-McNary Act. I am proud of the partnership relationships which have been time tested under this act and the Cooperative Forest Management Act of 1950 in which I had a part. These acts show what can be done by working together in true partnerships. Federal money and technical assistance are needed in all States, particularly the lagging States, and to provide uniformity of programs and to guarantee that the national interest is protected.

In the field of private forest management I am sure the South is leading the Nation and that in no other part of this Nation will you see as much timber marked for selective cutting, as much thinning and timber stand improvement work, and as much general private forest management activity anywhere as in the South. The only dark cloud in this bright picture is that most of this fine forestry is on the large holdings while the small landowner isn't keeping up. In fact, I believe the small woodlands are deteriorating. The small woodland owner rarely is getting the technical help he needs to put his woods under good management. All of the large timber companies have staffs of able foresters working on company lands and most of them will help the neighboring small woodland owners. In fact, I am told that some 150 conservation foresters employed by industry are helping small woodland owners and coordinating their services with the 112 farm foresters that are on the States' payrolls working under the State-Federal partnership set up by the Cooperative Forest Management Act of 1950. But that's a mere advance cadre of what is needed if we are within a reasonable length of time to help the 2 million small woodland owners of the South who own 157 million acres.

In research we are moving ahead slowly and painstakingly. Scientists are working diligently to find new uses for forest products and new ways to grow more and better trees. Some land which once grew majestic longleaf pines is now covered with worthless brush. How to remove this brush and reforest in an economical way is one of our biggest problems. Research will lead the way. Within 50 miles of Jacksonville are two Federal research facilities: The United States Forest Service Research Center at Lake City, Fla., and the Naval Stores Laboratory of the United States Agricultural Research Service at Olustee, Fla. In my district the Chipola Forest Station at Marianna is studying important production problems. In addition, the Union Bag & Paper Co. has a research center at Savannah and the West Virginia Pulp & Paper Co. has one at Charleston, S. C.

In the field of protection, I wish I could report to you tonight as I might have done a year ago that the South is making great progress. Here my optimism gives way to grave concern. We had about 86 percent of all the fires in the country, 95 percent of the area burned and about 90 percent of the area still unprotected. In the past year the South has really taken a terrible licking from wild fires. Let me tell you of only four cases which have been reported to me recently:

1. In one of our States an incendiarist, just for meanness, set 20 fires in one night. While thousands of acres of valuable timber were burning up, the State caught the incendiarist, hauled him before the local judge and he admitted his guilt. The judge sentenced him for 2 years and immediately suspended the sentence. The same judge the same day sentenced a man caught stealing a small quantity of food to 6 months at hard labor.

2. In the great Commonwealth of Georgia they had very disastrous fires in the Okefenokee Swamp area. The swamp was extremely dry and the area is very remote and inaccessible. Many fires in that swamp were caused by lightning but many of the large fires around the swamp were of incendiary origin. They entered the swamp where they could not be controlled. Later the wind blew them out of the swamp onto the high-valued pine areas where they destroyed millions of dollars' worth of timber. One man-caused fire near Fargo, Ga., burned about 90,000 acres of some of the best pine timber in the South. The effect of the fires in southeast

Georgia during 1955 will be felt by the forest products industries in the Southeast for many years to come.

3. In my own State, Florida, there were many damaging fires last spring. Some of the most disastrous fires were in the Madison-Taylor County area. March 7, firebugs or incendiarists strung fires for about 6 miles. This fire soon roared out of control and was joined by the Foley fire that started March 10. These 2 fires were finally controlled on Sunday, March 13, but not until 57,000 acres were ravished. Eight thousand additional acres in the same general area were destroyed by numerous small fires during the same period. These were not ordinary surface fires; they were roaring, terrifying crown fires that destroyed everything in their path.

4. In North Carolina in May a fire swept across 200,000 acres before it was controlled. So hot was this fire that it rolled right over the coastal waterway. At a meeting held June 20 at New Bern it was brought out that the personally able State forester was not equipped and did not have the organization and reserves to handle a blowup situation. Why didn't he have an adequate setup? It was brought out in the hearings that the State forester was doing the best he could but he just couldn't finance the setup needed. Why didn't he have the money? As a Member of Congress I must take part of the blame but each one of you must also accept a share of the blame for this failure in protection. Here's why. The State forester of North Carolina received for protection under the Clarke-McNary Act of 1924 only $295,466 of Federal money. The State, counties, and private sources put in over 3 times as much—$988,105—giving him a total of $1,283,571, which was inadequate. Why doesn't he get adequate funds? In the past 10 years Federal expenditures for fire protection in this partnership have increased 50 percent, but this is less than the estimated cost-of-living increase. During the same period State expenditures have jumped 335 percent. I can speak only from the Federal side. He doesn't get more simply because the Federal Government, which originally intended in 1924 to match the State funds, has failed to redeem its responsibility. This is the case with all of our States. I mention North Carolina because of the public interest in this case.

Why doesn't the Federal Government meet a full 50–50 share of the cost of protection from forest fires? Congress has tried hard to provide the appropriation which would do this. In doing so, of course, it is anxious to listen to advice of all of the people. You would think that everyone would advise Congress to appropriate adequate sums for its just share of protection, wouldn't you? I thought so, too, until I found that our efforts were being hamstrung. For example, let me read you a resolution which was given wide circulation by the National Lumber Manufacturers Association: National Lumber Manufacturers Association Release NL–92–55 Sea Island, Ga., May 21:

"The industry leaders also recommended a gradual reduction in Federal forest fire protection payments to the States and urged development of multiple land use programs for the national forests."

The spokesmen of the lumber industry will tell you that their interests lie in economy and in the reduction of Federal taxes. But let us consider this point more fully—from the standpoint of the whole picture rather than of the tiny facet labeled forest fire protection and management.

Let me give you a few figures for the fiscal year ending June 30, 1951. According to the Handbook on Federal Grants-in-Aid published by the American Parents Committee, Inc.: The Empire State, New York, received $286,076,374 of Federal aid of which one-tenth of 1 percent, $284,079, was for all forestry cooperation, including protection. Ohio received $137,944,138 of Federal aid, of which only $77,220 was for forestry. Florida received a total of $86,973,619 of Federal aid of which forestry, including protection, amounted to six-tenths of 1 percent, $565,748. The total amount of Federal payments to States amounted to $4,041,215,778. Forestry, including cooperation with the States for forest fire fighting was two-tenths of 1 percent, $9,950,612. Forestry assistance has never been adequately financed by the Federal Government. But every time we try to increase the appropriation for forest protection there are some who say that this is unnecessary, and the increase is not appropriate. The costly fires of last spring provide their own answer to this question.

I am hopeful that in the future forestry appropriations for Federal-State cooperation will be given more favorable consideration. You must make certain, however, that your Representatives in Washington actually represent you and carry out your wishes. If you want more Federal assistance in fire protection, go after it. Don't let lobbyists persuade the administration and Congress that Federal assistance isn't needed and that the States and counties will pick up the check. The States are already way ahead of the Federal Government now in protection expenditures and just haven't been able to do the entire job. It is time that the Federal Government met its responsibilities to share 50–50 in fire prevention costs as intended under the Clarke-McNary law of 1924.

I am sure you believe as I do that wildfire is no respecter of State lines and that the disastrous uncontrolled fire is an enemy—the enemy not only of Florida and the South but also of the entire Nation. Within the next decade how many board feet of lumber for boxes will be grown on the burned areas? How many units of naval stores so vitally needed in times of war will be produced from the scarred, blackened trees of burned-over areas? Can the Nation, confronted with the threat of a world war III, afford to neglect such wastefulness? Let's not kid ourselves that because we have atom bombs we can win easily. The struggle may be a long one and victory may ultimately be won by the side which has best developed its long-term resources. All acres would be needed in full productivity not as idle or burned-over wastelands. Thrifty, well-managed forests could be essential for victory.

War is not inevitable. In the event we are favored with a peaceful future we will still need our forest resources. We will need forest products not only for domestic consumption but also to maintain our position in world trade. Economists tell me that there is a shortage of many types of woods in the world's markets. With its favorable location, its climate and soils the South can produce abundant forest crops. The South can be a strong factor in the Nation's domestic and international prosperity.

I'd like to sum up by saying in my report to you that the South is making forestry progress. We are proud of our forestry achievements of the last 50 years. We are proud of our area planted to trees, of the establishment of our great forest industries, of our large well-managed private forest holdings, of our publicly owned National and State forests, and particularly we are proud of the results of our forest research. In general, we are proud of our protection work too. Although we have just experienced a terrible setback in our forest protection, I would like to think that the terrible fires of this spring won't occur again. But we all know that they will if the fire-fighting organizations are not manned and equipped to stop them. They happened once and they can happen again if something is not done about it. I am deeply concerned and I know you must be too. We must do something to overcome this setback and to insure full progress ahead. We must stand up and be counted as to whether or not we will go forward in favor of adequate protection. Our forests are growing and our population is growing—therefore our problems are growing. We must go forward, changing methods with changing times, but steadfastly striving to achieve our goal. Let us ever keep in mind that our goal is the well managed and protected forest resource serving factories with work and money for the people who live here and providing products for the Nation. We will neither accept nor compromise with anything else.

The Upper Colorado River Storage Project—A Patchwork Proposal

EXTENSION OF REMARKS

OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1956

Mr. LIPSCOMB. Mr. Speaker, the upper Colorado River storage project is scheduled to be brought before this Chamber for consideration next week. Before any such serious consideration can be deserved, many inherent inconsistencies and fatal defects in the proposal should be eliminated.

The House should not be expected to further patch this patchwork proposal on the floor of this Chamber in final debate. At the least the bill should be recommitted to the House Interior and Insular Affairs Committee for further study and hearings upon reports from the Secretary of the Interior and the Bureau of the Budget. The projects proposed to be authorized, the repayment provisions of the bill, and the economic and financial aspects thereof have never been fully reported upon by the Secretary of the Interior or the Bureau of the Budget.

There are many unresolved questions as to engineering, economic, and financial feasibility of the proposed projects which demand further study and report before Congress acts on this proposal. These unresolved questions affecting the engineering, economic and financial feasibility of the projects proposed in the upper Colorado River storage project bill should be reviewed by an impartial board of qualified engineers and experts and reported upon before Congress takes any further action. Such a board of review and procedure is recommended by the Presidential Advisory Committee on Water Resources Policy for all water resources projects. The proposed upper Colorado River storage project, with its intricate web of engineering and financial arrangements, cries out for such a review.

The haste and pressure under which this whole project has been presented to the Congress has already resulted in a strange piece of legislative history. In a rather unusual step, a majority of the House Interior and Insular Affairs Committee, on February 8, 1956, considered and approved amendments to H. R. 3383, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project

and participating projects, some 7 months after a rule had been obtained on a bill which had been vigorously put forward as being a measure which would satisfy all interests and endanger none.

A principal amendment carves up excess revenues expected to be produced from the power dams and apportions them among Colorado, New Mexico, Utah, and Wyoming to be used in repaying construction costs of participating projects within those States. This totally new concept constitutes in effect a new bill. It and all the other amendments had less than 2 hours before the House Interior and Insular Affairs Committee. It had no time at all before the Rules Committee. There was no executive department comment at all, with the exception of a brief letter from the Reclamation Bureau, which gave no substantiating information. This action is contrary to the orderly processes of the House. It should not be permitted.

The new H. R. 3383 contains all of the vices of the original, and more, such as the direct apportionment of project revenues. In addition, geological material has come to light since the end of the first session of this Congress which requires most urgent consideration by qualified people. It has received none. Furthermore, the administration's soil-bank proposal now before the Congress would require taking presently cultivated land out of production to cut down surpluses. H. R. 3383 would put new lands into cultivation and provide more water for lands already in crops—some of which may well be placed in soil-bank reserve—to grow more surpluses. It simply does not make sense.

Save for the extraordinary provision apportioning power revenues among the four States in which the projects will be built, the bill remains substantially the same. The only change in projects enumerated has been the substitution of San Miguel and Yellow Jacket for Woody Creek, all in Colorado.

PRINCIPAL OBJECTIONS

Principal objections to the bill which call for answer and revisions in the bill before any serious consideration by the Congress are the following, which have been outlined by members of the House Committee on Interior and Insular Affairs in House Report No. 1087, 84th Congress, 1st session, issued on July 8, 1955, and supplemented by part 2 of this report issued on February 14, 1956:

First. The $1½ billion upper Colorado storage project approved by the Senate, and the ostensibly smaller House bill, are one and the same thing. In actuality the project is the nondivisible $1½ billion entity described in House Document No. 364 of the 83d Congress. Only segments of that entity are contained in the House bill. Although such expensive and controversial integral parts of the whole project as Echo Park have been deleted from the House bill to make it appear palatable, they cannot be deleted from the project. Authorization of the initial segments will make mandatory later authorization of the remainder so that power revenues can be obtained to help repay the investment.

Second. Invasion of Dinosaur National Monument by Echo Park Dam and power facilities will be unavoidable if the bill passes. The effort to delete Echo Park is misleading. Echo Park is an integral part of the project which will be required for inclusion at some future time in the effort to rescue vast expenditures on an infeasible project. As the bill now stands, the committee is sending to the House a bill which the Commissioner of Reclamation has conceded is economically infeasible.

Third. The project will damage the Nation's agricultural economy. The project would grow crops already in agricultural surplus. The project will service, for the most part, only marginal agricultural land. When needed, there exists at least 20 million acres of undeveloped land which can be placed in production at a fraction of the cost of acreage serviced by the project.

Fourth. The ultimate direct and hidden costs of the project total at least $5 billion. This figure is probably low because it is based on Bureau of Reclamation cost estimates which have proved notoriously short of actual construction costs.

Fifth. Ninety-eight percent of the project's cost would be borne by the taxpayers of the 44 States in which the project is not located.

Sixth. The appropriation authorization of $760 million is misleading. It actually amounts to $933,468,300 based on Bureau of Reclamation estimates. It should be $1.6 billion to reflect actual direct construction costs.

Seventh. The huge concealed Federal subsidy to the States of Colorado, Wyoming, Utah, and New Mexico flowing from the project are unwarranted and unconscionable.

Eighth. The project's financial scheme is wholly unsound and will burden taxpayers for generations to come. Irrigation projects are financially infeasible, requiring an average subsidy of 88 percent of their cost. Project repayment provisions are unrealistic and economically indefensible. The project's financial scheme is based on the impossible assumption that 6-mill power will be marketable for the next 100 years. Low cost nuclear electric power developments and potentialities have been disregarded and ignored. The project is not self-liquidating. The project's power dams are unneeded for power and are included only to subsidize irrigation components.

Ninth. Central Utah—initial phase—the project's largest irrigation segment, is the most infeasible of all. The estimated cost of this project for the irrigation features alone is $127 million to irrigate 160,000 acres at a cost of $794 per acre, exclusive of hidden interest subsidy by the taxpayers. The Bureau of Reclamation studies show that the water users could repay only $94 per acre, or 12 percent of the construction cost, over a period of 70 years.

Tenth. Water rights upon which the project depends for power revenues are now in litigation before the Supreme Court and may never become available.

Eleventh. Three physical and geological difficulties in addition to Echo Park make the project unreasonable and impractical: (a) There is doubt whether Glen Canyon can support a 700-foot dam; (b) the construction at Glen Canyon will endanger Rainbow Natural Bridge; (c) large quantities of water may be forever lost by absorption into the sandstone walls of Glen Canyon Reservoir.

Twelfth. The benefit-cost ratio has been distorted contrary to reclamation law in an attempt to justify the project's unsound economics.

Thirteenth. Fifty years of reclamation law, precedent, and experience are jettisoned by the project.

Fourteenth. The project wholly ignores the Hoover Commission report.

Fifteenth. The bill includes projects which have been disapproved by the Bureau of the Budget.

Sixteenth. The bill varies substantially and materially from the administration-approved project. The bill's projects are different. A reexamination of economic justification of the project, called for by the administration, is missing. Financial repayment features are basically contrary from those approved and recommended by the administration.

Seventeenth. The project should not be authorized at this time because the economic, engineering, and financial surveys prerequisite to its proper evaluation are still inadequate and incomplete.

Eighteenth. The project would critically impair the quantity and quality of water to which the lower Colorado Basin States, particularly southern California, have prior rights.

Nineteenth. The project would critically impair operations at Hoover Dam and lose $187 million in revenues to the Federal Treasury.

Twentieth. The assistance to the Navajo Indians in the bill is negligible. Cost of the project's benefits is $200,000 for each and every Navajo farm.

Twenty-first. The project would forever tie the future of the intermountain West to a horse-and-buggy farm economy and forestall development of its rich industrial potential.

RECENT DEVELOPMENTS

Recent material affecting this project and the new committee amendments have not been given any serious consideration.

There are physical and geological difficulties in connection with the Glen Canyon storage unit which cast doubt on its engineering and financial feasibility.

The bill is wholly incompatible with the recommendations of the Presidential Advisory Committee on Water Resources Policy which issued its report on December 22, 1955.

The project would seriously impair water rights in the lower basin of the Colorado River. H. R. 3383 is planned on interpretations of the Colorado River compact which are the exact opposite of those involved in the planning and operation of Hoover Dam. These interpretations are at issue in Arizona versus California, now before the Supreme Court. Arizona, California, Nevada, New Mexico, Utah, and the United States are parties to this litigation and will be bound by the result. The Court recently

denied a motion to join the upper basin States as such, at this stage of the proceedings, by a 5-to-3 vote, without opinion. The important thing, however, is that the United States will be bound by the final decision and will be required to operate its projects, whether in the upper States or the lower, in accordance with that decision. That decision will determine which set of assumptions, those on which lower-basin projects have been built and are operating or those on which the upper-basin project is planned, is correct. Both cannot be. While this litigation is pending and while the water rights remain in doubt, Congress should not authorize H. R. 3383.

There are no justifiable reasons for rushing through the Congress, without adequate opportunity for vitally necessary revisions, a project as obviously questionable as the upper Colorado River storage project.

Nothing New Under the Sun—Upper Colorado Storage Project and Hoover Dam

EXTENSION OF REMARKS
OF
HON. ANTONIO M. FERNANDEZ
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1956

Mr. FERNANDEZ. Mr. Speaker, no great venture was ever undertaken by this country of ours but what timid souls and others not so timid but for varying reasons, have shuddered and cried out with dismay at what was being proposed. It was so in the development of the lower Colorado River which was initiated with the construction of that great manmade reservoir of water and power, the Hoover Dam, formerly known as Boulder Dam.

The debates in Congress on the Boulder Dam act are replete with warnings that the construction of this great work was "preposterous," "dangerous," "indefensible," "absurd," and as one good Senator put it "likely to lead to the most tremendous man-made catastrophe in the history of the human race." At another point he said that it was "a menace to the lives of thousands of people which might result in the greatest manmade disaster in history."

And so it is with the upper Colorado River storage project shortly to be considered by the House. On February 6, in the CONGRESSIONAL RECORD, the gentleman from California [Mr. HOSMER], has an insertion with respect to the upper Colorado River entitled "The Greatest Engineering Blunder in Our History." In that insertion he tells us that last summer he hopped down into the depths of Glen Canyon, in a helicopter, and in no time—with the aid no doubt of a gunnysack in which to collect his samples—he found devastating evidence against the upper Colorado storage project. He found that both the Colorado River, and the San Juan River a hundred miles away, were covered with Chinle, which Chinle when touched by water dissolves, so he warns us; and, says he, the Glen Canyon Dam would be not a mighty reservoir of water and power, but a "billion dollar mud puddle."

But that is not all he found. Notwithstanding studies made by able engineers who have studied the project for years in thorough detail, and at great expense, the gentleman from California for the first time discovered that there were two gaping subterranean caverns, so huge they can hold 350 million acre-feet of water, or, as he says, "26 years flow of the whole Colorado River," and, he gravely tells us, that is where the water will go.

So it was with Boulder Dam back in 1928. Of the Senator who warned of Boulder Dam being equally disastrous back in 1928, the venerable California Senator, Hiram Johnson, said in the great Boulder Dam debate:

> He knows more than all the engineers who have examined this project; and he, with his technical skill, with his ability as an engineer, with his knowledge of earth strata, with his infinite variety in dealing with dams, with his constructive genius—he says * * * that this can not be done; and, therefore, his ipse dixit having been uttered, it must not be done.

After reviewing what he described as the 40-page 2-day speech of the Senator in question, Senator Johnson concluded with these words:

> And so I say to the Senator * * * and others, who, from one motive or another, follow him, and those he follows: Fear not; this dam can be built, and, under the providence of God, will be built. It will be another milestone in progress and achievement, another tribute to American ability, skill, and courage.

And, of course, as everyone knows, the development of southern California, initiated by the building of Boulder Dam, more than fulfilled the predictions and the hopes of that great Senator and the sponsors of that project. It would have been disastrous for this country if the agricultural production, and the hydroelectric and industrial production, which resulted from the enactment of that bill, had not been available to America during the last war.

On the House side during the Boulder Dam debate, this is what was said:

From a Member from a northeastern city, and a very fine and sincere Member for whom I have the greatest respect, at page 9784 of the RECORD of May 24, 1928:

> This bill proposes to irrigate 500,000 additional acres of land that is not now being irrigated, and the land is so highly productive that it will very materially work to the injury of agriculture through the competition it will involve.
>
> They talk about bills to improve the agricultural situation, and then they bring in here bills which are designed to hurt the agricultural situation; bills which will make the situation a great deal worse than it is now.
>
> Is it not about time that those Members representing agricultural interests and who have the interests of agriculture at heart shall put a brake on this type of legislation and decide that the Government shall not, by the expenditure of the taxpayers' money, try to make worse and worse the agricultural situation?

And from another northeastern Member, at page 9978:

> The farmers are crying for relief from overproduction, but still we go on reclaiming more lands for agricultural production. * * *
>
> I am opposed to constructing a dam that will constitute a menace. The proposed dam would be at least 675 feet high from the bedrock. That is four times as high as Niagara Falls. It is 120 feet taller than the Washington Monument.

He predicted the dam would not hold, and he said:

> It is appalling to think what destruction would follow in the wake of such a wall of water as would follow the breaking of the proposed dam. The territory is subject to earthquakes.

From a western Member, at page 9500:

> I have opposed it because it is entirely unsound in its economic aspects and will mean the loss to the Federal taxpayer of every dollar expended upon it. * * * I have opposed it because it is based upon an engineering scheme so absurd, so dangerous, so badly conceived that it can only be called preposterous.

And again at page 9502, he said:

> Let us pause for a moment in order that we may hear from the people of Imperial Valley. Under date of February 5, 1927, the vegetable growers of Imperial Valley wrote me, in part, as follows:
>
> "The only people who would benefit from this legislation are the real-estate speculators. There is no sense in bringing more land into cultivation when 90 percent of the farmers in the Imperial Valley cannot now make a reasonable earning on their investment. Any new land brought into bearing can only be used for producing such products as we now produce on the land under cultivation and on which we are unable to make any money."
>
> And there is still another of their basic representations which they must know is not true, and that is that this project can be paid for through the sale of electric power. * * * They know that the Federal Government will lose every cent of capital it puts into this project.

Many more such arguments were echoed back in 1928. But even as the sponsors of Boulder Dam and the lower basin had faith in 1928, and as they have seen their faith fully justified by history, so we who believe in the upper Colorado storage project have faith in the wisdom of this Congress, and we have faith that, as Hiram Johnson said of Boulder Dam:

> It will be another milestone in progress and achievement, another tribute to American ability, skill, and courage.

And, may I add, foresight.

Israel and the Eisenhower Administration

EXTENSION OF REMARKS
OF
HON. IRWIN D. DAVIDSON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 15, 1956

Mr. DAVIDSON. Mr. Speaker, on February 8, 1956, I addressed this House

concerning the horrendous crisis in the Middle East. I attempted to describe the seething caldron which the Communists are stirring with a ladle of hate and which threatens at this very moment to spill over a world which cannot under any circumstance abide another war. I attempted, as an American, to show that it was a matter of enlightened self-interest to preserve peace in the Middle East and not to allow a friendly democracy, however small, to stand alone against the obvious Arab plan to attack and destroy her. I pleaded that this great Nation extend to Israel, a creation of the United Nations, the hand of friendship and encouragement in the form of a security pact just as we have done with 44 other nations in the family of those yet free. I beseeched that Israel be permitted to purchase defensive arms to defend herself and deter this cruel aggression.

Alas, I fear my words are inadequate with this administration; they fall on deaf and callous ears.

Following that speech, a colleague approached me. He is a man for whom I have profound respect and affectionate regard. He sits as a distinguished member of our House Foreign Affairs Committee. He complimented me upon my efforts and favored me with a most candid and revealing dissertation on the subject. The point of view which he expressed was, I believe, an accurate reflection of this administration's position with regard to the Arab-Israeli exigency. He told me that he appreciated my concern, but wished me to give consideration to the State Department's point of view. His suggestion was that Israel should not waste what little money it might have for defensive arms. "It might be better," he said, "to rely upon the United Nations which created Israel to protect it." This concept, I believe, needs be answered.

In November 1947 the United Nations decided upon the establishment of the State of Israel. Within days, the Arabs started war. In an attempt to negate the action of the United Nations, they attacked from all sides. No one interfered. No member of the U. N. gave help to Israel, or attempted to stay that attack even when Jerusalem was partly destroyed. The brave Israelis, numbering less than 600,000, beat back the oncoming hordes, 40 million of them, with their bare hands. They did not consider themselves heroes. They were the people who came out from Dachau and Auschwitz and the ghetto of Warsaw. In the protection of their lives and the lives of their children, they were brave, and they were sustained with a single secret weapon, two words: "Ein Brara," no choice. No one came to their assistance. They fought their battle for survival alone.

If the whole question of Israel's security were left to the Security Council, there would surely be a Russian veto. The United States refuses to enter into a security pact with Israel in conformity with the spirit of the United Nations, a consummation devoutly to be wished. But even if it did, which is patently now quite doubtful, help would come too late. A plane flies from Cairo to Tel Aviv in a matter of a few minutes.

At this point, I wish to make crystal clear Israel does not want American boys to shed blood for her. Israel does not want war. It wants peace. In the present framework of the perilous situation that exists, the Arabs refuse to talk peace. They refuse to enter the same room with Israel representatives. They refuse to recognize Israel's very existence.

Recently on television, Dr. Farid Zeineddine, the Syrian Ambassador to the United States, said that Israel's very existence was an aggression. He so referred to this little democracy, which was morally born of the conscience of the world as expressed by the United Nations. No, Israel needs peace so that it can continue its miraculous good works. It does not want arms to attack anyone. It wants defensive arms to protect itself. The people of Israel do not wish to place the responsibility for the lives of their children on the intercession of any foreign power. They are resolved, make no mistake, that the Arabs will not occupy their country. They will fight for every inch of their territory and every precious grain of sand.

Yet, Mr. Dulles, speaking for the Eisenhower administration said and I quote: "It would seem that Israel's security could be better assured in the long run through measures other than the acquisition of additional arms. These other measures include reliance on the United Nations." What does "in the long run" mean? The holocaust may be tomorrow, next week, or next month.

Israel, a friendly democracy, is asking for defensive weapons. They are not asking for bombers or submarines, but interceptive fighters, antiaircraft guns, and tanks to stand against tanks. Mr. Eisenhower, and Mr. Dulles speaking for him, abhors an arms race. Five months ago, we suffered the shock of learning about the arms deal between Egypt and the Communists. Two hundred and fifty million dollars worth of arms were practically given to Egypt—fighters, bombers, tanks, submarines. This is not the only source of arms to the Arab States. The United States itself, and England, have contributed to their imbalance of military might. It makes it so tempting and inviting for the Arab world to attack. Israel did not start an arms race, and does not want one now. There was Arab superiority, especially in aircraft, even before and during the deal with the Communists. And the Israelis were not afraid. But now the imbalance is so great and the probability of aggressive attack so imminent, that Israel calls upon its friend in the family of free nations to help to ward off the blow.

There is a point beyond which flesh and spirit cannot prevail against cold steel. Only by the acquisition of effective defensive weapons can she deprive Egypt of the incentive to launch the attack. Even Mr. Dulles recognizes this, for he said:

> I think if I were sitting where they are, I might entertain the same feeling.

Let us not be ostriches and hide our heads in the sand. Is there any one in the world who doubts that the Arabs purchased their arms to attack Israel? Does any one think that the Arabs get arms from the Communists in order to fight the Communists? The Arabs are famous for their duplicity. Did they fight in the Second World War against Hitler? The few Palestinian Jews supplied three times as many soldiers to the anti-Nazi forces as did the whole Arab world during World War II. How long shall we be fooled by Nasser's blackmail and his talking out of two sides of the mouth? Nasser outsmarted the Western World with his arms deal with the Soviet bloc. Soon he will be ready for the battle.

Yet my friend and colleague of the Foreign Affairs Committee poses the question:

> Is there danger that we may drive the Arab world into the Communists' orbit?

That, too, I should like to answer. It is a point that needs clarification.

The answer is "No." As one who has visited the Middle East, I can tell you that the Arab potentates who control the destinies of their countries in many cases do so from sumptuous villas on the Riviera. Their totalitarianism and feudal domination of the Fellaheen and impoverished populace is something which does not lend itself to communism. The oriental sheiks and potentates have for too long ridden herd over their suffering masses to turn to communism; their heads would be the first to roll and they know it.

Israel has no desire to bleed again as it did in 1948. It does not wish to offer up its youth to casualty lists. The gardens, the forests, the farms, the hospitals, and schools which they built upon the cruel dry sands of their country, they do not wish to see reduced to rubble. They want peace. They still hope and pray that those who gave the world the Koran will accept the hand of those who gave the world the Bible. But Israel's hand must be made strong enough to repel the attack, to deter the incentive for that attack.

President Eisenhower himself declared that every country has a right to get arms for legitimate self-defense. This means that Israel, too, has that right. Arms as a deterrent is the declared policy of the United States. The whole world knows there is no other deterrent.

Israel is a small country, but that was also true of Ethiopia. In 1939 when Czechoslovakia was sold down the river in the Treaty of Munich by Chamberlain with Hitler, the younger Masaryk said:

> In a world where there is no security for small nations, there is none for big ones.

Eight months later, World War II started.

The threat to Israel is a threat to Western civilization and standards. If

the feudal Arab States were to become democracies as Israel is, there would be peace and cooperation in the Middle East. Why then shall we give lipservice to democracy? This administration thus far has made a sorry record in international affairs. Dictatorships have been helped and democracies have been left unaided. What do you think is the effect on small nations everywhere?

My friend of the Foreign Affairs Committee then asked the $64 question. "What about the oil?" Very well, if needs be, we will set up the scale and weigh the interest of oil companies against the blood of human beings. But will peace in the Middle East mean the loss of oil? Will giving Israel defensive arms to fend off its annihilation mean loss of oil? Are we not more likely to lose everything if war breaks out in the world again, if aggression is not stopped in its tracks?

The Israelis do not want war. They want to live. They have been threatened with death, but they have known death. These are people who have more space in the world when they are dead than when they are alive. In the end, they will survive and survive in freedom, no matter what the odds. But the plea I make today is in the name of morality and in the name of decency and in the name of a democratic, friendly nation whose contribution to the health, welfare, and living standards in its part of the world is perhaps one of the major reasons for Arab hate and intransigence.

SENATE

FRIDAY, FEBRUARY 17, 1956

(Legislative day of Thursday, February 16, 1956)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer.

God of all grace: Thou hast taught us that in quietness and in confidence shall be our strength. On this day of prayer, when around the earth the incense of intercession arises from the agonized needs of Thy children, we, too, in this chamber of governance, would climb the world's great altar stairs which slope through darkness up to Thee, the giver of all good. We wait now in penitence and contrition for Thy benediction, that we may face whatever the day brings in the gladness of Thy guidance, in the glory of Thy service, and in the solemn realization that we are indeed our brothers' keepers.

On this day we would join the millions under all skies in the mystery of prayer, by which more things are wrought than this world dreams of. We do not ask for Thy bestowal upon us of any material thing. We would ask that Thou wouldst make us men of pure hearts, purged of the mire of moral failures, freed from the lure of selfish advantage and of the prejudice which blinds our inner eyes and warps our judgment. And, above all, in turmoils without and within, day by day, we would find—

"A little place of mystic grace,
Of self and sin swept bare,
Where we may look upon Thy face,
And talk to Thee in prayer."

In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 16, 1956, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that there be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and that any statement made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROPOSED CONCESSION PERMITS, GREAT SMOKY MOUNTAINS NATIONAL PARK

Two letters from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of proposed concession permits in the Great Smoky Mountains National Park, Tenn. (with accompanying papers); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF APPLICATIONS FOR PERMANENT RESIDENCE FILED BY CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIEN DEFECTORS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Chen Sie Wei from a report transmitted to the Senate on June 6, 1955, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of his immigration status (with an accompanying paper); to the Committee on the Judiciary.

THE WHEAT PROGRAM—RESOLUTIONS OF LEITH FARMERS UNION, LOCAL 1046, NORTH DAKOTA

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, reolutions adopted by the Leith Farmers Union, Local No. 1046, of North Dakota, relating to the wheat program.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE LEITH FARMERS UNION, LOCAL 1046, ON FEBRUARY 13, 1956

Whereas the quality wheat program is the new sliding scale program in disguise, is unworkable and appears to be intended to create confusion in the minds of consumers and producers alike.

Therefore we vigorously condemn any discriminatory quality wheat or other commodity programs designed to aid speculators and discredit rigid parity supports or direct production programs.

Whereas the present sliding scale program is not reducing surplus farm production but is eliminating family farms and small-business men by the thousands: Therefore be it

Resolved, That we, the members of the Leith Farmers Union Local propose that production payments at full parity direct to the farmer, based on a unit per farm system be substituted in the case of wheat we recommend a limit of 3,000 bushels.

Whereas industry has been reimbursed for converting from wartime to peacetime production and was permitted buying surplus war production plants at or below 20 percent of cost.

Therefore we propose that farmers be permitted to buy their surplus crops at or below 20 percent of Government cost provided they plant no crops that are in surplus that crop year.

Passed unanimously the 13th day of February 1956, by the Leith Farmers Union, Local No. 1046.

ALMERT F. RINDT,
President.
MRS. JOHN H. WOLF,
Secretary.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DWORSHAK:

S. 3227. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Little Wood River reclamation project, Idaho; to the Committee on Interior and Insular Affairs.

By Mr. CARLSON:

S. 3228. A bill to readjust postal rates; establish a Commission on Postal Rates; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HICKENLOOPER:

S. 3229. A bill making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

By Mr. STENNIS:

S. 3230. A bill for the relief of John R. Hill; to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY:

S. 3231. A bill to authorize certain improvement of the Minnesota River for flood control and allied purposes in the vicinity of Mankato and North Mankato, Minn.; to the Committee on Public Works.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY (by request):

S. 3232. A bill for the relief of Josef Kranz; to the Committee on the Judiciary.

By Mr. FULBRIGHT:

S. 3233. A bill to amend Public Law 874, 81st Congress, in order to establish a permanent program of financial assistance for local educational agencies under the provisions of such law, and for other purposes; and

S. 3234. A bill to amend Public Law 815, 81st Congress, in order to provide a permanent program of assistance for school construction under the provisions of titles III and IV of such law, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HENNINGS, made subsequent to the introduction of the above bills by Mr. FULBRIGHT, which appear under a separate heading.)

FLOOD PROTECTION WORKS FOR CITIES OF MANKATO AND NORTH MANKATO, MINN.

Mr. HUMPHREY. Mr. President, one of the most splendid undertakings of the Federal Government in behalf of the people of the United States has been the gradual, but steady program of protection of our citizens from the terrible onslaught of floodwaters. But there is much yet to be done. In the past several years citizens in many part of the Nation whose experience had not previously embraced the terrors of floodwaters were driven from their homes, their possessions destroyed, and even their loved ones lost. From New England to California, the awesome power of floodwaters has been dramatically demonstrated.

In Minnesota we have, too, intimate knowledge of the power of the rivers. We, too, have seen floods strike swiftly, with little warning, leaving utter devastation in their wake.

In southern Minnesota the Minnesota River winds gently through the rolling countryside for most of the year, through rich farmland and past thriving, prosperous towns and cities. But the Minnesota can, and does with great frequency, turn ugly.

The cities of Mankato and North Mankato straddle the Minnesota River where it makes a sharp bend from a southeasterly course to a northward course. Mankato, a city of approximately 19,000 people, is situated on the south bank, while North Mankato, a city of about 5,000 people, lies within the bend of the river on the relatively low ground of the north bank. Mankato is also the site of the confluence of the Blue Earth River with the Minnesota.

These 2 cities from time to time have undergone various degrees of flooding during the spring high stages of the 2 rivers. In April 1951 a severe flood in the Mankato vicinity caused immediate property damage in the 2 cities amounting to more than $2 million. The actual damage in Mankato amounted to $545,436, while the smaller city of North Mankato suffered even more disastrous damage amounting to $1,552,000. Only the most energetic efforts prevented loss of life in the cities. Following this disaster the 2 cities undertook to construct a measure of protection for themselves against future flooding by constructing levees, installing pumps, and other flood-control works at a total cost of $215,294. It is strongly felt that these works are wholly inadequate for a flood the size of or greater than the 1951 flood, and might, in fact, because the flood channel has been narrowed, cause even greater destruction if the levees were to break or be overtopped.

It is clear that a comprehensive flood-control project capable of protecting these communities from such disasters as struck them in 1951 is urgently needed. The interim report of the district engineer proposes such a project capable of protecting the cities of Mankato and North Mankato against a flood with discharge about 50 percent greater than that of the 1951 flood—the largest flood of record.

The estimated first cost to the United States is $1,692,000—a sum which is, significantly, several hundred thousand dollars less than the sum of the damage suffered by the citizens of Mankato and North Mankato in a few short days of 1951.

At the same time, the necessary estimated Federal first costs have been materially reduced by the great initiative of the citizens of these two cities in completing, at a cost of over $200,000, certain necessary flood-control improvements.

The city governments of Mankato and North Mankato, the Central Labor Union, commercial interests, and other local interests are on record in favor of the district engineer's report. Responsible local interests have pledged themselves to bear the estimated first costs, annual costs, and to cooperate in every way with Federal authorities.

The protection of Mankato and North Mankato from the spring floods that threaten disaster each year is a most urgent project. The report of the district engineer of the St. Paul district was approved by the division engineer on January 11, 1956. It is now before the Board of Engineers for Rivers and Harbors, and I confidently expect the approval of that body in the near future.

In order that there will be no delay following the anticipated approval of this project by the executive branch, I introduce for reference to the appropriate committee, a bill to authorize as a Federal project the construction of suitable flood-protection works for the cities of Mankato and North Mankato, Minn.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3231) to authorize certain improvement of the Minnesota River for flood control and allied purposes in the vicinity of Mankato and North Mankato, Minn., introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Public Works.

FEDERAL AID TO EDUCATION—SCHOOL CONSTRUCTION

Mr. HENNINGS. Mr. President, I ask unanimous consent that the two bills introduced today by the Senator from Arkansas [Mr. FULBRIGHT] may be printed in the RECORD, and I request that the bills be kept at the desk for 10 days so that other Senators may join as cosponsors.

The PRESIDENT pro tempore. Without objection, the bills will be printed in the RECORD, and lie on the desk, as requested by the Senator from Missouri.

The bills, introduced by Mr. FULBRIGHT, are as follows:

S. 3233

A bill to amend Public Law 874, 81st Congress, in order to establish a permanent program of financial assistance for local educational agencies under the provisions of such law, and for other purposes

Be it enacted, etc., That the first sentence of subsection (a) of section 2 of the act of September 30, 1950 (Public Law 874, 81st Cong.), as amended, is amended by striking out "of the 6 succeeding fiscal years" and inserting in lieu thereof "succeeding fiscal year."

SEC. 2. Section 3 of such act is amended by striking out "ending prior to July 1, 1957" wherever appearing therein.

SEC. 3. Subsection (b) of section 3 of such act is amended by inserting before the period at the end thereof a comma and the following: "or had a parent who was on active duty in the uniformed services (as defined in sec. 102 of the Career Compensation Act of 1949)."

SEC. 4. Subsection (c) of section 3 of such act is amended (1) by striking out in the first sentence of paragraph (1) the following: ", minus 3 percent of the difference between such sum and the total number of children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during the preceding fiscal year"; (2) by striking out in the second sentence of paragraph (1) the following: "the 3 percent deduction, or the requirement of 10 or more children, contained in this paragraph, or both", and inserting in lieu thereof the following: "the requirement of 10 or more children contained in this paragraph"; and (3) by striking out in clause (D) of paragraph (2) the

following: "succeeding year", and inserting in lieu thereof the following: "succeeding fiscal years."

SEC. 5. Subsection (d) of section 3 of such act is amended by striking out the next to the last sentence in such subsection and inserting in lieu thereof the following: "In no event shall the local contribution rate for any local educational agency in any State in the continental United States for any fiscal year be less than the average of the local contribution rates (i) of all local educational agencies in the continental United States receiving payments under this section for such fiscal year, (ii) determined for the second fiscal year preceding such fiscal year, and (iii) determined without regard to this sentence."

SEC. 6. Subsection (e) of section 3 of such act is amended by striking out "; and, in the case of Federal payments representing an allotment to the local educational agency from United States Forestry Reserve funds, Taylor Grazing Act funds, United States Mineral Lease Royalty funds, Migratory Bird Conservation Act funds, or similar funds," and inserting in lieu thereof a comma and the word "and."

SEC. 7. Subsection (a) of section 4 of such act is amended to read as follows:

"INCREASES HEREAFTER OCCURRING

"SEC. 4 (a) If the Commissioner determines for any fiscal year—

"(1) that, as a direct result of activities of the United States (carried on either directly or through a contractor), an increase in the number of children in average daily attendance at the schools of any local educational agency has occurred in such fiscal year; and

"(2) that such activities of the United States have placed on such agency a substantial and continuing financial burden; and

"(3) that such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance but is unable to secure sufficient funds to meet the increased educational costs involved,

then such agency shall be entitled to receive for such fiscal year an amount equal to the product of—

"(A) the number of children which the Commissioner determines to be the increase, so resulting from activities of the United States, in such year in average daily attendance; and

"(B) the amount which the Commissioner determines to be the current expenditures per child necessary to provide free public education to such additional children during such year, minus the amount which the Commissioner determines to be available from State, local, and Federal sources for such purpose (not counting as available for such purpose either payments under section 2 of this act or funds from local sources necessary to provide free public education to other children).

For the next fiscal year such agency shall be entitled to receive 50 percent of such product, but not to exceed for such year the amount which the Commissioner determines to be necessary to enable such agency, with the State, local, and other Federal funds available to it for such purpose, to provide a level of education equivalent to that maintained in the school districts in such State which in his judgment are generally comparable to the school district of such agency. The determination whether an increase has occurred for purposes of clause (1) hereof for any fiscal year shall be made on the basis of estimates by the Commissioner made prior to the close of such year, except that an underestimate made by the Commissioner pursuant to the foregoing provisions of this sentence shall not operate to deprive an agency of its entitlement to any payments under this section to which it would be entitled had the estimate been accurate. The determination under clause (B) shall be made by the Commissioner after considering the current expenditures per child in providing free public education in those school districts in the State which, in the judgment of the Commissioner, are generally comparable to the school district of the local educational agency for which the computation is being made."

SEC. 8. Subsection (d) of section 8 of such act is amended by striking out "during the period beginning July 1, 1953, and ending June 30, 1957", and inserting in lieu thereof "after June 30, 1953."

SEC. 9. Subsection (a) of section 10 of such act is amended by striking out "either of the two succeeding fiscal years", and inserting in lieu thereof "any succeeding fiscal year."

SEC. 10. Such act is amended by inserting at the end thereof the following new section:

"PAYMENTS FOR EDUCATION OF HANDICAPPED CHILDREN

"DETERMINATION OF PAYMENTS

"SEC. 11. (a) In the case of any school (including other institutions providing educational training) which provides free public education, together with such training and other services (including room and board) as may be necessary to provide such education, to handicapped children, if the Commissioner determines for any fiscal year beginning after June 30, 1956—

"(1) that, as a direct result of activities of the United States (carried on either directly or through a contractor), an increase in the number of children in average daily attendance at such school has occurred in such fiscal year; and

"(2) that such activities of the United States have placed on such school a substantial and continuing financial burden; and

"(3) that such school is exercising due diligence in availing itself of State and other financial assistance, but is unable to secure sufficient funds to meet the increased educational cost involved;

then such school shall be entitled to receive for such fiscal year an amount equal to the product of—

"(A) the number of children which the Commissioner determines to be the increase, so resulting from activities of the United States, in such year in average daily attendance; and

"(B) the amount which the Commissioner determines to be the current expenditures per child necessary to provide education and necessary training and other services in such school to such additional children during such year, minus the amount which the Commissioner determines to be available from State, local, and Federal sources for such purpose (not counting as available for such purpose any funds from local sources necessary to provide education in such school to other children).

For the next fiscal year such school shall be entitled to receive 50 percent of such product but not to exceed for such year the amount which the Commissioner determines to be necessary to enable such school, with the State, local, and other Federal funds available to it for such purpose to provide a proper level of education. The determination whether an increase has occurred for the purpose of clause (1) of this subsection for any fiscal year shall be made on the basis of estimates by the Commissioner made prior to the close of such year, except that an underestimate made by the Commissioner pursuant to the foregoing provisions of this sentence shall not operate to deprive a school of its entitlement to any payments under this section to which it would be entitled had the estimate been accurate.

"DEFINITION OF HANDICAPPED CHILDREN

"(b) For the purposes of this section the term 'handicapped children' shall include children who are deaf, blind, or afflicted in any manner which prevents them from receiving an elementary or secondary education in the regular public schools.

"CONSULTATION WITH SCHOOL AUTHORITIES

"(c) All determinations of the commissioner under this section shall be made only after consultation with the authorities of the school involved."

S. 3234

A bill to amend Public Law 815, 81st Congress, in order to provide a permanent program of assistance for school construction under the provisions of titles III and IV of such law, and for other purposes

Be it enacted, etc., That the last sentence of section 301 of the act of September 23, 1950 (Public Law 815, 81st Cong.), as amended, is amended to read as follows: "There are hereby authorized to be appropriated such sums as the Congress may determine to be necessary for such purpose."

SEC. 2. The first sentence of section 303 of such act is amended by striking out ", the last of which shall be not later than June 30, 1956, by" and inserting in lieu thereof "prior to".

SEC. 3. The first sentence of subsection (a) of section 304 of such act is amended by striking out "the regular school year 1955–1956" and inserting in lieu thereof "the following school year."

SEC. 4. Subsection (a) of section 305 of such act is amended to read as follows:

"SEC. 305. (a) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this title may not exceed the sum of the following:

"(1) The estimated increase, since the prior school year and through the following school year, in the number of children residing on Federal property (A) with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), or (B) who have a parent on active duty in the uniformed services (as defined in section 102 of the Career Compensation Act of 1949), multiplied by 95 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

"(2) The estimated increase, since the prior school year and through the following school year, in the number of children (A) residing on Federal property, or (B) residing with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), or (C) who have a parent on active duty in the uniformed services (as defined in section 102 of the Career Compensation Act of 1949), multiplied by 50 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

"(3) The estimated increase, since the prior school year and through the following school year, in the number of children whose membership results directly from activities of the United States (carried on either directly or through a contractor) multiplied by 45 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; but this paragraph

(3) shall not apply unless the school district of such agency is partly or wholly situated within an area with respect to which, for the purposes of this act, the Commissioner, after consultation with other appropriate agencies of the Federal Government, finds: (A) That a new defense plant or installation has been or is to be provided therein, or an existing defense plant or installation therein has been or is to be reactivated or its operation substantially expanded, and (B) that substantial in-migration of defense workers or military personnel is required to carry out activities at such plant or installation, and (C) that the minimum school facilities required for the free public education of the children of such defense workers or military personnel are not available. For purposes of this paragraph, the Commissioner shall not consider as activities of the United States those activities which are carried on in connection with real property excluded from the definition of Federal property by the last sentence of paragraph (1) of section 210, but shall (if the local educational agency so elects pursuant to subsection (b)) consider as children whose membership results directly from activities of the United States children residing on Federal property or residing with a parent employed on Federal property. In computing for any local educational agency the number of children in an increase under paragraph (1), (2), or (3), the estimated number of children described in such paragraph who will be in the membership of the schools of such agency at the close of the following school year shall be compared with the estimated number of such children in the average daily membership of the schools of such agency during the prior school year."

SEC. 5. Subsection (c) of section 305 of such act is amended by striking out "the regular school year 1953–1954" and inserting in lieu thereof "the prior school year."

SEC. 6. Subsection (d) of section 305 of such act is amended (1) by striking out "the regular school year 1955–1956" and inserting in lieu thereof "the following school year"; (2) by striking out "110 percent" and inserting in lieu thereof "106 percent"; (3) by striking out "the regular school year 1953–1954" and inserting in lieu thereof "the prior school year"; and (4) by striking out "the school years 1953–1954 and 1955–1956" and inserting in lieu thereof "the prior school year and the following school year."

SEC. 7. The first sentence of section 310 of such act is amended by inserting after "June 30, 1956" a comma and the following: "or on June 30 of any fiscal year thereafter."

SEC. 8. Title III of such act is amended by adding at the end thereof the following new section:

"DEFINITIONS

"SEC. 312. For the purposes of this title, the term—

"(1) 'prior school year' means, with respect to any application filed under this title, the regular school year immediately preceding the regular school year during which such application is filed; and

"(2) 'following school year' means, with respect to any application filed under this title, the regular school year immediately succeeding the regular school year during which such application is filed."

SEC. 9. Subsection (c) of section 209 of such act is amended by striking out "during the period beginning July 1, 1951, and ending June 30, 1957" and inserting in lieu thereof "after June 30, 1951."

SEC. 10. Subsection (b) of section 401 of such act is amended to read as follows:

"(b) There are authorized to be appropriated for the fiscal year ending June 30, 1954, and the succeeding fiscal years such sums as may be necessary to carry out the provisions of this section. There are also authorized to be appropriated such sums as may be necessary for administration of such provisions. Amounts so appropriated, other than amounts appropriated for administration, shall remain available until expended."

SEC. 11. The amendments made by this act shall be applicable only with respect to applications filed after June 30, 1956, and to funds appropriated for fiscal years beginning after June 30, 1956.

TRANSFER OF CERTAIN PROPERTY TO STATE OF MINNESOTA—AMENDMENTS

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 210) to authorize the transfer of certain property to the State of Minnesota, and for other purposes, which were referred to the Committee on Interior and Insular Affairs and ordered to be printed.

IMPROVED FARM PROGRAM—AMENDMENTS

Mr. GEORGE, for himself and Mr. KERR, submitted amendments, intended to be proposed by them, jointly, to the bill (S. 3183) to provide an improved farm program, which were ordered to lie on the table and to be printed.

Mr. KERR submitted amendments, intended to be proposed by him, to Senate bill 3183, supra, which were ordered to lie on the table and to be printed.

Mr. KERR, for himself and Mr. GEORGE, submitted amendments, intended to be proposed by them, jointly, to Senate bill 3183, supra, which were ordered to lie on the table and to be printed.

AMENDMENT OF SOCIAL SECURITY ACT—ADDITIONAL COSPONSORS OF AMENDMENT

Pursuant to the order of the Senate of February 10, 1956,

The names of Mr. BARRETT, Mr. BENDER, Mr. BUSH, Mr. CHAVEZ, Mr. CLEMENTS, Mr. DOUGLAS, Mr. EASTLAND, Mr. ELLENDER, Mr. GREEN, Mr. HENNINGS, Mr. HILL, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. KILGORE, Mr. LEHMAN, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MORSE, Mr. MURRAY, Mr. NEELY, Mr. NEUBERGER, Mr. PASTORE, Mr. PAYNE, Mr. SCOTT, Mr. SMATHERS, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. WELKER, and Mr. YOUNG were added as additional cosponsors of the amendment submitted by Mr. LONG (for himself and Mr. GEORGE) to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes.

ADDRESS PRINTED IN THE RECORD

On request, and by unanimous consent, an address was ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address delivered by him over radio station WGN, Chicago, Ill., on February 12, 1956, on the subject of lowering women's eligibility age for pensions, etc.

DISMISSAL BY FEDERAL JUDGE BAILEY ALDRICH OF CHARGES AGAINST LEON J. KAMIN

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that I may make a brief statement, not to exceed 4 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Massachusetts is recognized.

Mr. SALTONSTALL. Yesterday, as appears on page 2632 of the CONGRESSIONAL RECORD, the junior Senator from Wisconsin [Mr. MCCARTHY] made a brief statement about the refusal of Judge Bailey Aldrich, of Massachusetts, to sign an anti-Communist oath. I am sorry I was in committee and not on the Senate floor at the time the statement was made. I did, however, investigate the situation immediately and found the following to be the facts.

Judge Bailey Aldrich was recommended by me to the President for an appointment as a Federal judge in my home State. The recommendations contained the enthusiastic support of the Boston Bar Association, the Massachusetts Bar Association, and many individual citizens of repute. He was appointed and confirmed by the Senate. When he took his oath as a judge of the Federal court, he swore to the following statement:

I am not a Communist or a Fascist. I do not advocate, nor am I a member of any organization that advocates, the overthrow of the Government of the United States by force or violence or other unconstitutional means, or seeks by force or violence to deny other persons their rights under the Constitution of the United States. I do further swear I will not so advocate nor will I become a member of such organization during the period I am an employee of the Federal Government.

During the past summer, Judge Aldrich was reappointed by Governor Herter as a trustee of the Massachusetts Memorial Hospital. This hospital is a privately supported institution to which the Governor of the Commonwealth appoints two of the trustees. After accepting the appointment, Judge Aldrich was asked to sign the following affidavit:

I am not a member of the Communist Party. I am not now nor have I ever been nor shall I ever knowingly become a member of any organization that believes in or advocates the overthrow by force of our American form of government.

He demurred at signing this affidavit because he believed that it was inappropriate as a judge of the Federal court to be asked to sign such an affidavit in the

State. He further felt that it was unnecessary because of the oath that he had taken to be a Federal judge about 12 months before.

When he found that the Governor's council, which, under Massachusetts law, has the responsibility of approving the Governor's appointments, believed that he should sign it, he did so, and he is now serving as an unpaid trustee of one of our finest hospitals.

This is all there is to say. I trust we shall not make a mountain out of a molehill. We have too many difficult problems to consider that affect all our constituents from every State.

I ask unanimous consent to have printed at the conclusion of the brief statement I have just made an article which appeared in the Boston Herald of February 17, 1956, which gives a fuller description of the circumstances of the case.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Governor Herter last night said that when it was explained to Federal Judge Bailey Aldrich that it was a requirement of the executive council to have nominees to State offices sign a non-Communist statement, Judge Aldrich willingly signed it.

Earlier in the day, Judge Aldrich had been assailed on the floor of the United States Senate by Senator JOSEPH R. MCCARTHY for delay in signing the statement following his reappointment as a trustee of the Massachusetts Memorial Hospital.

"UNQUALIFIED," HE SAYS

It was only after "severe pressure" that Judge Aldrich did sign it, charged the Wisconsin Republican.

At the same time, MCCARTHY described Judge Aldrich as being "manifestly unqualified" to try the case of Leon J. Kamin, former Harvard researcher, who was found not guilty by Aldrich of contempt of Congress in refusing to answer questions by MCCARTHY during a hearing of the latter's committee in Boston.

In explaining the incident last night, Governor Herter described it as a misunderstanding. He recalled that Aldrich could not understand why, after having been cleared for his judicial appointment by the FBI, he should sign such a statement.

THOUGHT IT INDIGNITY

In a letter to Governor Herter at the time, Judge Aldrich wrote that he considered it something of an indignity for a member of the Federal judiciary to be called upon to subscribe to an affirmation of non-Communist affiliation.

1953 COUNCIL RULE

The appointment required confirmation by the executive council. And in 1953 the council adopted a rule that all appointees of the Governor must sign such a non-Communist statement before confirmation would be considered.

At a news conference last night, the Governor added that the judge apparently felt it was somewhat ridiculous to question seriously the loyalty of a man only recently appointed to the Federal bench.

When Judge Aldrich was sworn in before Chief Federal Judge George C. Sweeney on April 29, 1954, more than a year before the State incident, he took oath to the affidavit required of all Federal civil officers, which sets forth that the affiant is not a Communist or a Fascist, nor a member of an organization advocating the overthrow of the Government.

CALL BY GABRIEL

It was explained at the Governor's news conference that when the signed statement asked of Judge Aldrich had not been returned after some time, Executive Councilor Charles J. Gabriel (R–Hingham), called on the judge. He explained to him that the signing was a routine matter required of all persons appointed or reappointed to State posts.

Judge Aldrich thereupon signed the statement. This was September 13, 1955. Two days later his reappointment was confirmed by the executive council. The Governor had made the nomination for Aldrich's reappointment on August 18.

MCCARTHY said he did not charge that Judge Aldrich was a Communist or that he has Communist sympathies. He would pass no judgment on these questions, he added.

"I do not charge that he was manifiestly unqualified to sit on the Kamin trial, that he should have disqualified himself on the ground of prejudice," MCCARTHY asserted.

APPEAL URGED

MCCARTHY voiced the opinion that the Justice Department should appeal the acquittal of Kamin by Judge Aldrich. There has been a somewhat general expression of opinion at the Federal Building that the Government has no right of appeal.

MCCARTHY added that yesterday one of his staff talked with Judge Aldrich and asked him if it were true that he at first refused to sign an affidavit which accompanied a formal notice of his renomination as a trustee.

"Judge Aldrich told staff member that Aldrich said it was against his principles to sign such an affidavit," related MCCARTHY.

While Judge Aldrich refused to enter the controversy, it was learned that the judge observed that he did not recall saying it was against his principles to sign the statement. An informed source said Aldrich replied that he already had been cleared by the FBI, when he was appointed to the bench, and that he didn't think he ought to be asked to sign another statement. Purportedly, he characterized it as a reflection on the judiciary to make such a request.

THREAT CHARGED

MCCARTHY also told the Senate:

"When one of my staff talked with Aldrich today the judge reminded him that I would be testifying in a case before his court before not too long. He told my staff member that he did not want to think this was a threat.

"But if that wasn't a threat, I don't know what one is."

Wendell H. Furry, 50-year-old physicist and associate professor at Harvard, was cited for contempt along with Kamin by the United States Senate as a result of refusal to answer certain questions at the same McCarthy committee hearing here. Both men admitted they once had been Communists, but would not name fellow party members on the grounds of conscience and with the contention they did not know those persons to have committed any illegal act.

GROUNDS DIFFERENT

But Judge Aldrich found Kamin not guilty on completely different grounds. He ruled MCCARTHY exceeded his authority when he sought to question Kamin as to whether he knew of any Communists in defense plants. He ruled that MCCARTHY's authority as chairman, at that time, of the Senate investigations subcommittee was limited to Government operations.

Furry has not yet been tried. This presumably is the case referred to as one coming up in the Federal court before not too long.

MCCARTHY was a witness against Kamin and presumably will be against Furry.

Judge Aldrich announced his decision acquitting Kamin on January 5. The Kamin trial started in October.

FULL CLEARANCE

The Federal jurist, like all other presidential appointees, was investigated by the FBI and was given full clearance before his nomination by the Senate in 1954. The affidavit to which he swore at the time of his assuming the bench set forth:

"I am not a Communist or a Fascist. I do not advocate nor am I a member of any organization that advocates the overthrow of the Government of the United States by force or violence or other unconstitutional means, or seeking by force or violence to deny other persons their rights under the Constitution of the United States.

"I do further swear I will not so advocate, nor will I become a member of such organization during the period that I am an employee of the Federal Government."

The Massachusetts statement which he sought to waive sets forth:

"I am not a member of the Communist Party.

"I am not now, nor have I ever been, nor shall I ever knowingly become a member of any organization that believes in or advocates the overthrow by force of our American form of government."

SINKING FUND AND USE OF BUDGET SURPLUSES TO RETIRE DEBT

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I received from Mr. W. T. Heffelfinger, Fiscal Assistant Secretary of the Treasury Department, containing certain information relative to the national debt sinking fund, together with a table which accompanies the letter.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington.

Hon. WILLIAM F. KNOWLAND,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR KNOWLAND: Receipt is acknowledged of your note of February 1, 1956, enclosing a letter from Mr. Walter S. Heller, of Heller, Bruce & Co., San Francisco, Calif., requesting information relative to the sinking fund and the use of budget surpluses to retire debt.

There is attached a table which shows sinking fund and other statutory debt retirements under special provisions of law, covering the fiscal years 1918 through 1955. After World War I provision for a sinking fund was included in the Victory Liberty Loan Act, passed March 3, 1919. Initially, there was provision for appropriations each year to the sinking fund of amounts equal to 2½ percent of the aggregate amount of bonds and notes outstanding on July 1, 1920, issued under the various Liberty Loan Acts, less an amount equal to the par amount of any obligations of foreign governments held by the United States on that date. The appropriation each year also includes amounts equivalent to the interest that would have been paid during the year on the securities purchased or redeemed out of the sinking fund during the year or previous years. The appropriation required each year to the sinking fund was later supplemented under the provisions of the Emergency Relief and Construction Act of 1932 and the National Industrial Recovery Act of 1933.

The balance in the sinking fund appropriation account on the Treasury's books

amounted to $10,297,000,000 on June 30, 1955. This is merely a book balance and represents an authorization to use funds for debt retirement. It does not represent cash set aside for this purpose. Outside of a reduction in debt that might be made through a reduction in the Treasury's cash balance, debt can be retired only to the extent that the Government's revenues exceed its expenditures.

The Secretary of the Treasury has broad authority to retire public debt obligations in addition to utilizing the sinking fund. The act of March 3, 1881 (U. S. Code, title 31, sec. 741) contains the following provisions:

"The Secretary of the Treasury may at any time apply the surplus money in the Treasury not otherwise appropriated, or so much thereof as he may consider proper, to the purchase or redemption of the United States bonds: *Provided*, That the bonds so purchased or redeemed shall constitute no part of the sinking fund, but shall be canceled."

The following authority is contained in section 19 of the Second Liberty Bond Act, as amended (U. S. Code, title 31, sec. 754a):

"SEC. 19. Notwithstanding any other provisions of law, any obligations authorized by this act may be issued for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills, of the United States or to obtain funds for such purchase, redemption, or refunding, under such rules, regulations, terms, and conditions as the Secretary of the Treasury may prescribe."

In recent years the Treasury has retired debt through the sinking fund to only a very limited degree and has relied mainly on other statutory authority. The budget surpluses of the fiscal years 1947, 1948, and 1951 were used to retire debt, as shown below. Differences between the surpluses and the amount of debt retired are due mainly to fluctuations in the Treasury's cash balance.

The decrease of $11,136 million in the outstanding public debt in the fiscal year 1947 was largely effectuated through a reduction in the cash balance of $10,930 million. The cash balance had been built up in the previous fiscal year by the Victory Loan Drive in December 1945. As defense expenditures following the end of the war dropped off more quickly than had been anticipated, the excess cash balance was used to retire debt.

[In millions of dollars]

Fiscal year	Budget surplus	Decrease in outstanding public debt	Change in general fund balance
1947	$754	$11,136	−$10,930
1948	8,419	5,994	+1,624
1951	3,510	2,135	+1,839

I hope this furnishes the information needed by Mr. Heller. As requested his letter is returned herewith.

Very truly yours,

W. T. HEFFELFINGER,
Fiscal Assistant Secretary.

TABLE 31.—*Statutory debt retirements, fiscal years 1918–55*

[In thousands of dollars. On basis of par amounts and of daily Treasury statements through 1947, and on basis of public debt accounts thereafter; see "Bases of tables"]

Fiscal year	Cumulative sinking fund	Repayments of foreign debt	Bonds and notes received for estate taxes	Bonds received for loans from Public Works Administration	Franchise tax receipts, Federal Reserve banks	Payments from net earnings, Federal intermediate credit banks [1]	Commodity Credit Corporation capital repayments	Miscellaneous gifts, forfeitures, etc.	Total
1918					1,134				1,134
1919		7,922	93						8,015
1920		72,670	3,141		2,922			13	78,746
1921	261,100	73,939	26,349		60,724			[2] 5,010	427,123
1922	276,046	64,838	21,085		60,333			393	422,695
1923	284,019	100,893	6,569		10,815			555	402,850
1924	295,987	149,388	8,897		3,635			93	458,000
1925	306,309	159,179	47		114	680		208	466,538
1926	317,092	169,654			59	509		63	487,376
1927	333,528	179,216			818	414		5,578	519,555
1928	354,741	181,804	2		250	369		3,090	540,255
1929	370,277	176,213	20		2,667	266		160	549,604
1930	388,369	160,926	73		4,283	172		61	553,884
1931	391,600	48,246			18	74		85	440,082
1932	412,555		1			21		53	412,630
1933	425,660	33,887			2,037			21	461,605
1934	359,492	357						15	359,864
1935	573,001		1					556	573,558
1936	403,238							1	403,240
1937	103,815	142						14	103,971
1938	65,116	210						139	65,465
1939	48,518	120		8,095		1,501		12	58,246
1940	128,349			134		685		16	129,184
1941	37,011			1,321		548	25,364	16	64,260
1942	75,342			668		315	18,393	5	94,722
1943	3,460							4	3,463
1944	−1							3	2
1945								2	2
1946								4	4
1947								(3)	
1948	746,636			8,028		1,634	45,509	[4] 209,828	1,011,636
1949	7,498					178		[4] 81	7,758
1950	1,815					261	48,943	[4] 690	51,709
1951	839					394			1,232
1952	551					300			851
1953	241					285			526
1954						387			387
1955						231			231
Total	6,972,263	1,579,605	66,278	18,246	149,809	9,224	138,209	226,769	9,160,404

[1] Act of Mar. 4, 1923 (42 Stat. 1456, sec. 206 (b)), requiring division of net earnings, was amended by act of May 19, 1932 (47 Stat. 159, sec. 3). Act of Aug. 19, 1937 (50 Stat. 715, sec. 30), provides for franchise tax.
[2] Includes $4,842,066.45 written off the debt Dec. 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.
[3] Beginning with 1947, bonds acquired through gifts, forfeitures, and estate taxes are redeemed prior to maturity from regular public debt receipts.
[4] Represents payments from net earnings, War Damage Corporation.

TABLE 32.—*Cumulative sinking fund, fiscal years 1921–55*

[In millions of dollars. On basis of public debt accounts; see "Bases of tables"]

Fiscal year	Appropriations	Available for expenditure during year [1]	Debt retired [2]	
			Par amount	Cost (principal)
1921	$256.2	$256.2	$261.3	$254.8
1922	273.1	274.5	275.9	274.5
1923	284.1	284.2	284.0	284.1
1924	294.9	294.9	296.0	294.9
1925	306.7	306.7	306.3	306.7
1926	321.2	321.2	317.1	321.2
1927	336.9	336.9	333.5	336.9
1928	355.1	355.1	354.7	355.1
1929	370.2	370.2	370.3	370.2
1930	382.9	382.9	388.4	382.9
1931	392.2	392.2	391.7	392.2
1932	410.9	410.9	412.6	410.9
1933	425.6	425.6	425.7	425.6
1934	438.5	438.5	359.5	359.2
1935	493.8	573.2	573.0	573.0
1936	553.0	553.2	403.3	403.3
1937	572.8	722.7	103.7	103.7
1938	577.6	1,196.5	65.2	65.2
1939	580.9	1,712.2	48.5	48.5
1940	582.0	2,245.6	128.3	128.3
1941	585.8	2,703.2	37.0	37.0
1942	586.9	3,253.1	75.3	75.3
1943	587.8	3,765.6	3.4	3.4
1944	587.6	4,349.7		
1945	587.6	4,937.4		
1946	587.6	5,525.0		
1947	587.6	6,112.6		
1948	603.5	6,716.0	746.6	746.6
1949	619.6	6,589.0	7.5	7.5
1950	619.7	7,201.2	1.8	1.8
1951	619.8	7,819.2	.8	.8
1952	619.8	8,438.1	.6	.6
1953	619.8	9,057.4	.2	.2
1954	619.8	9,676.9		
1955	619.8	10,296.7		
Total	17,261.3		6,972.3	6,964.6
Deduct cumulative expenditures	6,964.6			
Unexpended balance	10,296.7			

[1] Amount available each year includes unexpended balance brought forward from prior year.
[2] Net discount on debt retired through June 30, 1955, is $7.7 million.

ALLOWANCES FOR STATE GOVERNORS

Mr. KNOWLAND. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, information I have received from the Legislative Reference Service of the Library of Congress relating to salaries and other perquisites of the governors of the 48 States.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
Washington, D. C., January 11, 1956.

To: Hon. WILLIAM F. KNOWLAND,
(Attention: Mr. Gompierre.)
From: American Law Division.
Subject: Itemized allowances for State governors.

From the most recent appropriation acts available to us we have endeavored to ascertain the precise sums, over and above their salaries, allotted to State governors for maintenance purposes. These sums are listed below together with citations to the statutory authorizations for such allowances.

Alabama: Salary, $12,000; mansion fund, $20,000.

The fund is available to pay all expenses incident to the operation and maintenance of the governor's official residence, including all provisions, servants, upkeep, and other items, and also all expenses for public or official memorials, entertainment, travel, and

other items incident to his office, or authorized by him, except that no part of the fund shall be used to pay the personal household expenses of the governor or any of the members of his immediate family. Code (Supp. 1953), title 55; sections 172, 179 (2); laws 1953, act No. 522, applicable to the fiscal year ending September 30, 1955.

Arizona: Salary, $15,000; for personal services: travel, $3,000; subscriptions and organization dues, $1,000; entertainment, $2,500. (Code Ann. (Supp. 1954) §§ 12–713, 12–718; laws 1955 ch. 139 § 1 (6), applicable to the fiscal year ending June 30, 1956.)

Arkansas: Salary, $10,000; governor's mansion: A total of $22,600 for maintenance of the governor's mansion was appropriated for each of the fiscal years in the biennium, 1956–57, to be disbursed as follows: salaries for housekeeper-secretary, $3,600; chef, $3,000; two house servants, $1,800 each; and a third house servant, $1,500; extra help, $1,000; and maintenance, $9,900. An additional sum of $11,370 also was appropriated for repairing and refurnishing the governor's mansion. (Laws 1955, acts, nos. 64, § 1, 148.)

A lump sum monthly installment of one-twelfth of the annual allotment for maintenance of the governor's mansion may be withdrawn by the Governor to be used by him for payment of all expenses incurred in the operation of the mansion, including the purchase of food and all miscellaneous items of a minor nature. Funds so withdrawn are not subject to preaudit or postaudit; but the Governor shall file with the legislature an annual summary statement of expenditures made him of the funds thus withdrawn, together with a statement of the adequacy of the amount of said funds for operation of the mansion. (Stats. Ann. (Supp. 1953) § 12–306.)

California: Salary, $40,000; for support of the governor's official residence, $17,400. (Government Code (West, 1955) § 1060; (Supp. 1955) § 12000; Laws 1955, ch. 777, items 28–30 (applicable to the fiscal year ending June 30, 1956), ch. 1168 § 14.)

Colorado: Salary, $17,500.

The chief of the State highway patrol provides a motor vehicle and driver for use by the governor. (Rev. Code (1953) §§ 56–1–1 (2a, 3b), 120–10–19, 130–11–1; Laws 1955 ch. 21 § 3 art. 2 (1), applicable to the fiscal year ending June 30, 1956.)

Connecticut: Salary, $15,000; commodities, $5,000 for each of the fiscal years in the biennium ending June 30, 1955; residence, the land, buildings, furnishings, and improvements of the governor's official residence shall be maintained by the comptroller at the expense of the State. [NOTE.—The amounts appropriated to the comptroller are not itemized to the extent necessary for the determination of what portion of the funds allocated to the latter officer were to be expended on maintenance of the governor's official residence.] (Gen. Stat. (1948) § 104; (Supp. 1953) § 1487c; Special Laws 1953, No. 620, pp. 1241, 1243, 1260–1261 (applicable to the fiscal biennium ending June 30, 1955).)

Delaware: Salary, $12,000. (Code Ann. (West, 1953) 29:2101; Laws 1953, ch. 217, p. 358.)

Florida: Salary, $20,000; governor's mansion expense; (a) $11,000 in salaries and (b) $25,000 in contingent expenses, payable to governor where necessary.

When the governor travels within the State, $15 per diem for subsistence is authorized; and when he travels on State business without the State, a per diem subsistence allotment of $20 is granted. (Stat. Ann. (West, Supp. 1954) §§ 111.01 (n.1); 282.01; Laws 1955 chs. 29638, 29843, 29966 (items 20–21, applicable to the fiscal year beginning July 1, 1955).)

Georgia: Salary, $12,000 plus an additional amount of $800 annually for each 4 years of service * * *, so that the final annual base salary of the governor shall not exceed $16,000.

An automobile is furnished by the State for official use of the governor; and he has been authorized to obtain property and liability insurance on said automobile, subject to reimbursement by the executive department for the cost of the premiums paid out by him for such insurance.

Governor's mansion: [NOTE.—Current appropriation acts are not contained in the volumes of Georgia Session Laws; and, consequently, it is not possible to determine how much was allocated for the support of said mansion in 1955. The Council of State Governments, in a report prepared in April 1953, indicated that $12,000 had been appropriated for maintenance in the latest fiscal year, presumably the year ending June 30, 1953.] (Const. (1945), in Code Ann. (Supp. 1955) sec. 2–3001; Code Ann. (1937) sec. 40–107; (Supp. 1955) sec. 69–707; laws 1925, pp. 1614–1615; Laws 1955, p. 397.)

Idaho: Salary, $10,000; Governor's residence, $12,600 was allocated for maintenance and operation during the fiscal biennium ending June 30, 1957; subsistence expenses, the actual and necessary subsistence of the governor, while traveling in connection with the performance of official duties, is exempt from the statutory provisions pertaining to the determination of allowances for State and employees. (Code Ann. (Supp. 1955), secs. 59–501; 67–2007 to 67–2006; laws 1955, ch. 189.)

Illinois: Salary, $25,000, together with the use and occupancy of the executive mansion. Executive mansion, $99,360 was allocated for the fiscal biennium ending June 30, 1957. No itemization of this gross total is yet available. In the appropriation act adopted in 1953 the allotment for the governor's mansion embraced allocations for: salaries for extra help and for regular employees, contractual services, commodities, and equipment. (Ann. Stat. (Smith-Hurd, Supp. 1954), ch. 53, sec. 1; laws 1953, p. 134, 1955 S. B. 414.)

Indiana: Salary, $15,000; Governor's mansion, a sum of $12,000 annually is granted for the maintenance and other expenses of the governor's mansion. (Stat. Ann. (Burns, Supp. 1955), secs. 49–901a, 49–901b; Laws 1955, ch. 303, sec. 2, p. 859.)

Iowa: Salary, $12,500; governor's residence, a total of $36,150, for each fiscal year of the biennium ending on June 30, 1957, was appropriated for "Salaries, support, maintenance, and miscellaneous purposes, including funds for the governor's expenses connected with office" in the amount of $4,000. (Code Ann. (West, Supp. 1954), sec. 7.8; laws 1955, ch. 1, sec. 20.)

Kansas: Salary, $15,000; Governor's mansion, $9,976 for salaries and wages for the fiscal year ending June 30, 1956.

Other operating expenditures: "Administration, including entertainment of officials and other persons as guests," $35,200 for the fiscal year ending June 30, 1956.

Other operating expenditures: Mansion, including entertainment of officials and other persons as guests at the mansion, $20,350 for the fiscal year ending June 30, 1956 (includes "lighting, heating, care of grounds, and other upkeep and maintenance of executive mansion, including domestic help; entertainment and expense of official and other persons as guests").

Contingencies ("to be used without limitation at the discretion of the governor"): $5,000 for the fiscal year ending June 30, 1956. ((Gen. Stat. (Supp. 1953), sec. 75–3101; laws 1955, ch. 13, sec. 11.)

Kentucky: Salary, $15,000; mansion: The Governor shall have the use of the mansion, and the furniture therein, free of rent, but no furniture shall be purchased at the expense of the State, except from a specific appropriation for that purpose. [NOTE.—The amounts allocated to the "Governor's office" in the appropriations for the fiscal years in the biennium ending June 30, 1956, are not itemized; and hence no determination can be made of the precise sums made available for maintenance of the Governor's mansion. According to the report prepared in April 1953 by the Council of State Governments, $14,605 was allotted for said purpose, presumably for the fiscal year ending June 30, 1953.] (Rev. Stat. (1953) sec. 11.020; (Supp. 1955) sec. 64.480; laws 1954, ch. 78, p. 170.)

Louisiana: Salary, $18,000; Governor's mansion, $17,742 for each of the fiscal years in the biennium ending June 30, 1956. This amount is exclusive of salaries payable to employees at the Governor's mansion. The amounts to be expended on the salaries of such employees is not itemized and cannot be determined. (Rev. Stat. Ann. (West, 1953) sec. 49.141; (Supp. 1954) sec. 49.201; laws 1954, Act No. 231 (items 2, 5).

Maine: Salary, $10,000; Governor's mansion, a total of $23,919 for the fiscal year ending June 30, 1956; and $23,619, for the fiscal year ending June 30, 1957 was allocated for personal services, capital expenditures, and all other expenses connected with the maintenance of the Governor's mansion; expense account, the Governor's expense account, as appropriated by the legislature, shall be available for expenditure at his discretion. A sum of $15,000 for each of the fiscal years in the biennium ending June 30, 1957, was allocated to this account, which is not subject to audit, except as "to the total amount to be paid." In addition, a continuing reserve of $1,500 is to be credited to the expense account of a governor-elect, for expenditure at his discretion, "provided that he is governor-elect to his first term." (Rev. Stat. (1954) ch. 11, sections 1–2; (Supp. 1955) ch. 11, sec. 2–A; laws 1955, ch. 181, p. 903.)

Maryland: Salary, $15,000; Governor's mansion, $19,250 was allocated for operation and maintenance of the Governor's mansion during the fiscal year ending June 30, 1956. (Const. art. 2, sec. 21; laws 1955, ch. 339 (item 06.01.00.02).)

Massachusetts: Salary, $20,000. (Ann. Laws (Michie, 1952), ch. 6, sec. 1.)

Michigan: Salary, $22,500. (Stat. Ann. (1952), sec. 3.255 (1).)

Minnesota: Salary, $15,000. (Stat. Ann. (West. Supp. 1954), sec. 350.02 (1).)

Mississippi: Salary, $15,000; Governor's mansion, $25,000 was allocated in 1954 for the furnishing of water, lights, fuel, furniture, and equipment, and repairs to the governor's mansion and for all other expenses incidental to the operation of the mansion and grounds, including actual and necessary expenses for receptions and other entertainment at the mansion. (Code Ann. (Supp. 1954), sec. 4175 (3); laws 1954 chs. 18–19.)

Missouri: Salary, $25,000.

Of the sum of $100,000 allocated for salaries in the fiscal biennium ending June 30, 1953, it is not possible to determine, for want of itemization, what portion thereof was expended on salaries for "household employees, butler, cooks, waiters, waitresses, chauffeurs, and others." A sum of $30,000 for the same biennium was appropriated for acquisition of various items of equipment; but again, the part thereof expended on maintenance and repair of the governor's mansion cannot be determined.

Travel expenses: $5,000, for the fiscal biennium ending June 30, 1953. (Ann. Stat. (Vernon, 1951), sec. 8.110; (Supp. 1955), sec. 26.010; laws 1951, pp. 56–58.)

Montana: Salary, $12,500; Governor's mansion, $7,525 for salaries and expenses for each of the fiscal years in the biennium ending June 30, 1957 was appropriated. (Rev. Codes Ann. (1947), sec. 82–1306; (Supp. 1955), sec. 25–501; laws 1955, chs. 237, 277, H. B. No. 418, pps. 783, 788.)

Nebraska: Salary, $10,000; Governor's mansion, $62,000 was allocated for the fiscal biennium ending on June 30, 1957, for the "governor's office and mansion, salaries, wages, and maintenance, including travel expenses." The portion of this sum expended solely on maintenance of the mansion cannot be determined.

A total of $200,000, representing a part of the proceeds to be collected from a special 1-mill levy, was authorized to be "expended upon approval of the State Building Commission for a governor's mansion." (Const. art. 4, sec. 25; Rev. Stat. (Supp. 1953), sec. 24-201.01; laws 1955, chs. 222, sec. 7, p. 625, 279, 282.)

Nevada: Salary, $7,600 ($15,000 after expiration of the term of the incumbent governor which expires in January 1959); governor's mansion, $13,900 was appropriated for the support of the mansion at Carson City for the fiscal biennium ending June 30, 1957. (Laws 1955, chs. 319, sec. 1, 322, sec. 2.)

New Hampshire: Salary, $12,000. (Rev. Stat. Ann. (1955), sec. 4:41.)

New Jersey: Salary, $30,000. (Stat. Ann. (West 1956, sec. 52:15-1; laws 1954, ch. 46, p. 134 [a salary of $30,000 is set forth in the appropriation act for the fiscal year 1955; whereas the statutory authorization mentions only $20,000].)

New Mexico: Salary, $15,000; governor's residence, $15,000 was allocated for each of the fiscal years in the biennium ending June 30, 1957, for "maintenance, utilities, domestic salaries, and general upkeep." (Stat. Ann. (1954), secs. 4-5-1, 4-5-2, 6-1-13; (Supp. 1955), sec. 11-4-4; laws 1955, chs. 23, 287, pp. 787-788.)

New York: Salary, $50,000; travel expenses, $21,200 (includes $3,000 each to the secretary, counsel, and executive assistant of the governor in lieu of all traveling expense within the State). Household, laundry, refrigerating supplies, and expense, $500; for incidental expenses for official and public functions, $5,000; Governor's mansion, $10,500, "for incidental expenses of the executive mansion and equippage and food for servants." (Const. art. 4, sec. 3; Executive Law (McKinney, 1951) sec. 2; laws 1954, ch. 41 (applicable to the fiscal year ending March 31, 1955).)

North Carolina: Salary, $15,000; expense account, $5,000 annually (an allowance in attending to the business for the State and for expenses out of the State and in the State in representing the people thereof incident to the duties of his office. In addition * * *, the actual expenses of the Governor while traveling outside the State on business incident to his office shall be paid * * *. Governor's mansion, a convenient and commodious furnished dwelling house, supplied with the necessary lights, fuel, and water shall be provided * * *; and an automobile and driver shall be provided. For lack of itemization, it is not possible to determine how much of the $78,637 and $78,944 allocated to the governor's office for the fiscal years 1956 and 1957, respectively, will be expended on the mansion and the automobile. (Gen. Stat. Ann. (1952) secs. 122-10, 147-10; (Supp. 1955) sec. 147-11; laws 1955 ch. 907.)

North Dakota: Salary, $9,000 (for each of the fiscal years in the biennium ending June 30, 1957); travel expense, $1,500 (for each of the fiscal years in the biennium ending June 30, 1957); Governor's mansion, a sum of $200,000 was appropriated in 1955 to erect and equip an executive mansion on the capitol grounds. (Laws 1953 ch. 305 sec. 5; 1955 chs. 23, 66.) [NOTE.—In 1893 a statute was enacted authorizing the purchase and erection of a suitable residence for the Governor, but the last appropriation expressly relating to the maintenance thereof, amounting to $6,100 for the fiscal biennium ending on June 30, 1947, appears to have been enacted in 1947 (laws 1893, ch. 62; 1944-1945 ch. 60 p. 122)].

Ohio: Salary, $25,000; Governor's mansion, Ohio does not include appropriation acts in its session laws, and no appropriation act, either for the current or recent fiscal years, is available. For the biennium ending December 31, 1948, a total of $28,960 was appropriated and comprised the following items for each of the years, 1947 and 1948: Salaries, $4,760; wages, $1,550; food, $2,500; fuel $375; cleaning, $225; agricultural, $60; other supplies, $125; equipment (household and wearing apparel), $650; repairs, $75; motor vehicle repairs, $50; water, $220; light, heat, and power, $700; communications, $440; and sundry items, $250. (Rev. Code Ann. (page, Supp. 1955), secs. 141.01; appropriation acts passed in 1947, pp. 82-83.)

Oklahoma: Salary, $15,000; Governor's mansion, $9,000 for support and maintenance of the mansion during each of the fiscal years in the biennium ending June 30, 1957. (Stat. Ann. (West, 1938) Tit. 74, sec. 7 (Supp. 1954) Tit. 74, sec. 250.)

Oregon: Salary, $15,000; expenses, $400 per month (for expenses necessarily incurred but not otherwise provided for). (Laws 1955 chs. 324, 706, 751.

Pennsylvania: Salary, $25,000; governor's residence, a general State authority is vested with authority to construct, equip, maintain, and operate an official residence in Harrisburg [as] the official residence of the governor. In 1953 sale of the older executive mansion at 311 North Front Street, in Harrisburg, was authorized. (Stat. Ann. (Purdon, Supp. 1954) title 71, secs. 69, 1707.4; laws 1953, No. 152.)

Pennsylvania does not include its appropriation acts in its volumes of session laws; and the budget for the 1953-55 biennium does not contain any itemization of the amount requested for the support of the governor's office.

Rhode Island: Salary, $15,000. (Laws 1948, ch. 2157.)

South Carolina: Salary, $15,000; travel, $3,600; governor's mansion, $18,050 (for wages, telegraph and telephone, repairs, water, heat, light and power, supplies, insurance, equipment for household and for grounds, and for other fixed charges and contributions). (Code Ann. (Supp. 1954) sec. 1-102; laws 1955, No. 234, sec. 5 (applicable to the fiscal year ending June 30, 1956).)

South Dakota: Salary, $12,000; travel, $3,600 (for each of the fiscal years in the biennium ending June 30, 1957). Governor's mansion, allocations for operation of the mansion are not set forth as an item in the funds made available to the governor's office, and hence cannot be ascertained. (Laws 1955, chs. 237, sec. 1, 281, 320.)

Tennessee: Salary, $12,000; governor's mansion and travel expenses: It is not possible to determine what portion of the $73,000 allocated to the governor during each year of the fiscal biennium ending June 30, 1957, is to be expended on maintenance of the governor's residence and on travel. (Code Ann. (Williams, Supp. 1952), sec. 183.1; Laws 1955, ch. 229, pp. 856, 871.)

Texas: Salary, $25,000; governor's mansion, $50,000 for the fiscal biennium ending August 31, 1957 (for furnishings, fixtures, equipment, supplies, chinaware, linen, landscaping, repairs, utilities, telephone, telegraph, wages, salaries, labor, and contingent for maintenance and upkeep of governor's mansion and grounds); travel expenses, it is not possible to determine how much of a total sum of $90,000 appropriated for various purposes during the fiscal biennium ending August 31, 1957, will be available for travel expenses incurred by the governor. (Laws 1955, chs. 3, 519, p. 1448.)

Utah: Salary, $10,000; governor's residence, provision was made in 1955 for the transfer, on or before February 1, 1957, to the State Historical Society of the official governor's residence, acquired originally as a gift in 1937. Although it was also stipulated in this authorization of conveyance that $20,000, or so much thereof as may be necessary, could be expended to defray upkeep of this property, the appropriation act, applicable to the fiscal biennium ending June 30, 1957, allocated a total of $43,350 for the governor's residence. (Code Ann. (1953), sec. 67-1-8; (Supp. 1955), secs. 67-1-8.1; laws 1955, ch. 164 (items 5-6, 8).)

Vermont: Salary, $11,500. (Laws 1955, No. 165, sec. 1.)

Virginia: Salary, $17,500; governor's mansion, $27,873 and $24,419 were appropriated for the fiscal years 1955 and 1956, respectively, of the biennium ending June 30, 1956.

Discretionary fund: $65,000 for each of the fiscal years of the biennium ending June 30, 1956, was appropriated "to be expended by the governor for such objects or purposes, including reorganization studies, as the governor in his discretion, may deem proper to meet any contingencies or conditions which may arise from time to time." (Const. sec. 72; Code Ann. (Michie, 1949), secs. 2-68 to 2-69, 14-11.)

Washington: Salary, $15,000; governor's mansion, $24,000 was appropriated for maintenance during the fiscal biennium ending June 30, 1957. (RCW (1951), sec. 43.03.010; laws 1955 Ex. ch. 16.)

West Virginia: Salary, $12,500 ($17,500 after January 1957); governor's residence, $31,350, for each of the fiscal years in the biennium ending June 30, 1953, was appropriated for "current general expenses, including compensation of servants and employees, household maintenance, cost of official functions, and any additional household expenses occasioned by such official functions." (Code Ann. (Michie, 1955), secs. 309, 326; laws 1951 ch. 8, pp. 23-24.)

Wisconsin: Salary, $18,000; expenses, "The governor shall be entitled to his expenses in connection with * * * all conferences of governors"; contingent expenses, a sum of $3,000 is made available annually for contingent expenses "to be expended on order of the governor and at his discretion"; but a statement of such expenditures must be submitted to the legislature at the beginning of each session; governor's residence, in the absence of itemization, it is not possible to ascertain what portion of the funds made available to the governor are expended on maintenance of an official residence. In fact no reference to such residence is to be found in provisions of appropriation acts or the code. (Stat. (1951), secs. 20.02 (1-2); 20.73; laws 1955, chs. 204, sec. 7 (item 148); 445.)

Wyoming: Salary, $12,000; governor's residence, $40,000 (appropriated for the fiscal biennium ending June 30, 1957); governor's conference, $1,500 was allocated for expenses for the fiscal biennium ending June 30, 1957; governor's car, a passenger car is provided for the governor's official use. (Comp. Stat. Ann. (1945), secs. 18-116, 22-111; (Supp. 1955) secs. 18-702; 22-604; laws 1955, ch. 241, sec. 2.)

NORMAN J. SMALL,
American Law Division.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on the nominations on the Executive Calendar, beginning with "New Reports."

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations, beginning with "New Reports."

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will proceed to state the nominations on the Executive Calendar, beginning with the "New Reports."

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Robert R. Bowie, of Massachusetts, to be an Assistant Secretary of State.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COURT OF MILITARY APPEALS

The Chief Clerk read the nomination of Homer Ferguson, of Michigan, to be a judge of the Court of Military Appeals for the remainder of the term expiring May 1, 1956.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Homer Ferguson, of Michigan, to be a judge of the Court of Military Appeals for the term of 15 years expiring May 1, 1971.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of Clifford Cook Furnas, of New York, to be an Assistant Secretary of Defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Mansfield D. Sprague, of Connecticut, to be General Counsel of the Department of Defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE AIR FORCE

The Chief Clerk read the nomination of Donald Aubrey Quarles, of New Jersey, to be Secretary of the Air Force.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NATIONAL SECURITY COMMISSION

The Chief Clerk read the nomination of David Sarnoff, of New York, to be a member of the National Security Training Commission for the remainder of the term expiring June 19, 1958.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE ARMY, NAVY, MARINE CORPS, AND AIR FORCE

The Chief Clerk proceeded to read sundry nominations, approximately 320 in number, of flag and general officer rank in the Army, Navy, Marine Corps, and Air Force, together with sundry nominations, approximately 20,000 in number, in the Army, Navy, Marine Corps, and Air Force in grades from ensign to colonel.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc.

Without objection, the nominations are confirmed.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the President be immediately notified of the nominations confirmed this day.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

The PRESIDENT pro tempore. Without objection, the Senate will resume the consideration of legislative business.

The Senate thereupon resumed the consideration of legislative business.

INVESTIGATION OF NATIONAL PENITENTIARIES

The Senate resumed the consideration of the resolution (S. Res. 169) to authorize an investigation of national penitentiaries, which had been reported from the Committee on Rules and Administration, with an amendment, on page 2, line 1, after the word "the", where it appears the first time, to insert "prior", so as to make the resolution read:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and inspect national penitentiaries.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $8,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I understand that the pending measure is the resolution providing $8,000 for an investigation of national penitentiaries.

The PRESIDENT pro tempore. Yes, the pending measure is Calendar 1402, Senate Resolution 169, to authorize an investigation of the national penitentiaries.

Mr. CLEMENTS. That is correct.

Mr. ELLENDER. What is the status of the resolution, Mr. President?

The PRESIDENT pro tempore. The resolution is open to further amendment.

Mr. ELLENDER. Mr. President, I offer the following amendment: On page 2, in line 11, after the word "exceed", strike out "$8,000", and insert in lieu thereof "$5,000."

Mr. CLEMENTS. Mr. President, let me ask the Senator from Louisiana whether he will withhold submitting the amendment until the sponsor of the resolution has had an opportunity at least to present his case for it.

Mr. KNOWLAND. Mr. President, at this point will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. KNOWLAND. Actually, I think the Senator from Louisiana is being very liberal with his amendment, because according to the figures I have, last year $8,672.79 was authorized, but the funds spent were $196.14. I was hopeful that the amendment of the Senator from Louisiana might provide for funds in the neighborhood of $2,500, rather than $5,000.

Mr. ELLENDER. Mr. President, I so modify my amendment.

The PRESIDENT pro tempore. The amendment of the Senator from Louisiana will be modified accordingly.

Mr. JOHNSTON of South Carolina. Mr. President, as chairman of the standing Subcommittee on National Penitentiaries of the Committee on the Judiciary, I desire to make a few brief remarks relative to the activities of the subcommittee during the past session. The other members of the subcommittee are the senior Senator from Missouri [Mr. HENNINGS], the senior Senator from North Dakota [Mr. LANGER], and the junior Senator from Idaho [Mr. WELKER].

The subcommittee was allocated the sum of $8,600 to carry on its functions. Out of that sum, it expended a total of only $298.28, the balance being returned to the contingent fund of the Senate.

Mr. President, I hope the Senate is not going to penalize the subcommittee because it economized last year and because there was no uprising in any Federal penitentiary.

I am glad to say that the Federal penitentiaries and reformatories throughout the United States had no trouble whatsoever last year. However, that is no absolute assurance that we shall not have any trouble during the coming year.

Mr. ELLENDER. Mr. President, will the Senator yield at that point?

Mr. JOHNSTON of South Carolina. I yield.

Mr. ELLENDER. Has the committee ever held any hearings on the subject, or is the information available based merely upon visits by Senators to the various penitentiaries?

Mr. JOHNSTON of South Carolina. Where there is no trouble, there are only visits to the penitentiaries. That is the reason why we have economized during the past year.

Mr. ELLENDER. As I understand, of the eight-thousand-dollars plus, only an item of some $200 was spent. What was that $200 spent for?

Mr. JOHNSTON of South Carolina. It was spent for transportation incurred by Senators who visited the penitentiaries.

Mr. ELLENDER. Could the Senator state for the RECORD who took the trips, and where they went?

Mr. JOHNSTON of South Carolina. I think it will be found that no large sum was spent on any visit. I am informed that the money was spent by three Senators, namely, the Senator from Missouri [Mr. HENNINGS], the Senator from Idaho [Mr. WELKER], and the Senator from North Dakota [Mr. LANGER].

A good many of the penitentiaries were visited by members of the committee, and in many cases no expense account whatsoever was submitted, because they were in the city where the penitentiary was located, and they made the visit and inspection without any charge whatsoever to the Government.

These funds are authorized for Senators only. The Attorney General and the Director of the Bureau of Prisons have welcomed and encouraged these visits for, they say, such visits by Senators: First, keep prison administrators on their toes; second, raise the morale of prison employees; and, third, serve as a safety valve for prisoners, who are wanting an opportunity to voice real or imaginary grievances.

These visits, completely unannounced, do a great deal of good to maintain order and discipline and help to prevent, in my judgment, riots such as have occurred in State prisons.

As long as thousands of our people are in prisons and penitentiaries, and as long as the only supervising and investigation body is the United States Senate, I think it is a prime duty of the Senators to visit and inspect the various institutions.

Mr. ELLENDER. The reason I am asking the question, I may say to my good friend from South Carolina, is that we who are interested in these expenditures and are trying to get to the bottom of them frequently have difficulty in obtaining such facts.

It strikes me that ways and means ought to be devised whereby those of us who are interested in these expenses can obtain the information without any difficulty.

Mr. JOHNSTON of South Carolina. The Senator from Louisiana does not believe that any of these funds were misused, does he?

Mr. ELLENDER. Not with respect to this particular committee.

Mr. JOHNSTON of South Carolina. I will say to the Senator from Louisiana that, with respect to the subcommittee of which I am chairman, as well as the full committee, of which I am chairman, and other subcommittees, there was not a single instance in which money was not returned. In most cases about half of what was appropriated last year was returned. In most cases I am requesting even less this year than was appropriated last year. In the case of some subcommittees I am asking for amount saved from appropriations last year.

Mr. ELLENDER. The Senator knows that situation does obtain with respect to all committees.

Mr. JOHNSTON of South Carolina. I know that; but the Senator can verify the fact that it is true with respect to this particular subcommittee.

Mr. ELLENDER. I was particularly desirous of ascertaining how much was spent for travel. For example, the Juvenile Delinquency Subcommittee and some other subcommittees incurred large traveling expenses. However, when we seek such information, it is pretty difficult to obtain. Last year I suggested to my good friend from Rhode Island [Mr. GREEN], who is not present at the moment, that when the Rules Committee looks into expenditures for the previous year, it ought to be furnished with an itemized statement showing how the money was spent, particularly with regard to travel expenses. I am not saying that there have been any abuses in any one particular committee, but my feeling is that there may have been some.

Mr. JOHNSTON of South Carolina. The amount of $298.20 is very small as an expenditure for these purposes.

Although the statement I have made demonstrates the frugality with which the subcommittee funds were used, it is not indicative of its activity.

All the members, when other business found them in the vicinity of a Federal penal institution, took advantage of the opportunity to make a visit to such institution at no cost to the subcommittee.

The members also were required to spend considerable time and effort in answering correspondence, filling requests for advice and help forwarded by inmates, insofar as legislative ethics would permit.

Typical of the reports made by members to the full committee is that of the senior Senator from Missouri [Mr. HENNINGS] concerning the Federal correctional institution at Danbury, Conn., which appears in full in the CONGRESSIONAL RECORD of February 5, 1955, and the very fine report of the junior Senator from Idaho [Mr. WELKER] relative to Lewisburg penitentiary and the Federal correctional institution at Milan, Mich.

Mr. President, I ask unanimous consent that the latter report be printed in the RECORD as part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON INSPECTION OF FEDERAL PENITENTIARY AT LEWISBURG, PA., AND THE FEDERAL CORRECTIONAL INSTITUTION AT MILAN, MICH.

(By United States Senator HERMAN WELKER)

In pursuance of my responsibility as a member of the Subcommittee on National Penitentiaries, I made an inspection on December 5, 1955, of the United States Penitentiary at Lewisburg, Pa., and the Federal correctional institution at Milan, Mich., on December 6, 1955. I informed the Director of the Federal Bureau of Prisons, Mr. James Bennett, of my contemplated visit, and asked him to notify the wardens of each institution that I wished to be shown about the entire prison, given an opportunity to talk with any and all members of the staff, interview any prisoner who wished to see me or other members of our committee. I also expressed willingness to interview those prisoners who might present any problems which would be of interest to the committee. Mr. Bennett, whom I thought it best not to invite to accompany me, assured me that he would be most happy to have me visit the institutions, and I was to feel free to follow whatever course would develop the information I desired. Knowing of my experience in prison matters and of my background in prison work, the Director of Prisons urged me especially to participate in one of the classification meetings so that I would note not only the procedure followed in determining the work, housing, and treatment of each prisoner, but also inform myself as to the characteristics, sentences, and attitudes of men coming into the institution as prisoners. He also made available to me the individual case histories of any of the prisoners in the institution.

GENERAL OBSERVATIONS

In accordance with this plan I first made a general inspection of the layout and housekeeping and maintenance standards of each institution. I also noted in my inspection of the institutional plant the appearance, attitude, and demeanor of the inmates. I took note also of the manner in which the staff and officers of the institution conducted themselves, their manner in dealing with the prisoners, their dress and appearance. I also questioned several of them about their duties and responsibilities.

In a word, the overall impression made upon me by both institutions was extremely favorable. They were clean and orderly throughout, sanitation was maintained at a high standard, the food seemed to me to be good. The menu, for instance, on the day of our Lewisburg visit, consisted at luncheon of a very good beef stew, which I ate myself, macaroni, beans, pie, and coffee. It was served cafeteria style, and each inmate was given an opportunity to select what he wished to eat and serve himself of all except the rationed items, which on this particular day were the beef stew and pie. As I watched the prisoners come into the dining room at Lewisburg I was struck by the fact that they seemed relaxed and without noticeable tension, yet orderly and well disciplined. The officers assigned to the dining room supervised the serving of the meal and the conduct of the inmates in a quiet and efficient manner and without resorting to shouted commands. The officers at Lewisburg, or elsewhere in the Federal Prison Service, do not carry clubs or weapons of any kind.

I noted a number of colored officers at both Milan and Lewisburg whom I was informed were most valuable additions to the staff. Every effort is being made to break down the policy of segregation according to races which has been characteristic of almost all prisons for a great many years.

Overcrowding

While the Lewisburg prison, as I have indicated, seemed clean and orderly, it was obvious that it had reached its capacity and some areas of the institution were overcrowded. The maintenance of order and general administration of the institution is complicated not only by this overcrowding but by the fact that over 60 percent of the inmates live in open dormitories. There are 15 dormitories each housing from 35 to 50 men. The prisoners sleep and spend a considerable amount of their working time in these barracks-like quarters with only incidental supervision by a prison officer. The staff of the institution is not large enough to permit the assignment of an officer to each dormitory. He must proceed from one floor to another in making his rounds which of course makes the maintenance of discipline, the prevention of fights, and the suppression

of undesirable contacts and actions most difficult. The institution, while architecturally most striking in its Gothic motif, was built at a minimum cost and at a time when the preponderant number of prisoners being committed were relatively minor offenders swept into the institution by the enforcement of the prohibition amendment, check forgery statutes and the like. Now the institution is required to take care of a high percentage of serious violators including automobile thieves, bank robbers, interstate hijackers, military offenders, as well as some of the most notorious saboteurs and Communists in the United States. Single cells and individual rooms are available only for the most difficult of these groups. The warden frequently expressed his apprehension about the inadequacy of the physical plant and suggested that the institution be made safer and more modern by converting some if not all of the existing dormitories into single rooms. As will be noted later, I thoroughly agree with the warden in this respect and urge that attention be given to this problem and funds be made available for its solution.

Rehabilitation

The work and industrial program of the institution seems to be entirely adequate. Every prisoner at Lewisburg is assigned to a specific job either in the industry manufacturing various steel products for the Government or to some maintenance or construction job. There are few penal institutions in the country where there is so little idleness or where there is greater activity than at Lewisburg. In addition to the work program, school, vocational training and similar opportunities for self-improvement are provided. During the evening hours classes of all kinds are conducted, the well-stocked library is open for use by the inmates. An outdoor sports program is available to all prisoners in good standing and inside recreation in the form of basketball and similar games can be taken advantage of by the prisoners under appropriate supervision, of course.

My impression of all these activities and the program for the inmates was that it provided ample opportunities for self-improvement and reasonable outlets for the energies of the prisoners without being extravagant or having any aspect of coddling the prisoners. The institution in a word seems to be doing an excellent job in carrying out its primary function of teaching its inmates to be self-reliant, self-respecting members of the community upon their release. No man need leave Lewisburg without a trade or having gained some useful skill. Rehabilitation, I believe, is more than a figure of speech at Lewisburg.

I talked to a number of prisoners individually and in private about their problems. Several of them explained to me the background of their offenses and their hopes for early attention to their cases. These included several life termers, 2 or 3 Communists, as well as a number of elderly short-term offenders. None of the prisoners expressed any particular animosity toward the institution, although several of them were inclined to be bitter toward those responsible for their long sentences, and some felt that adequate and objective consideration of their parole applications had not been afforded them. These interviews brought home to me the need for further studying the sentencing procedures of the Federal courts and some inquiry into the manner in which the parole system actually operates.

Discipline

I not only interviewed prisoners whose cases had attracted my attention, but I also visited the disciplinary section of the institution. The segregation quarters where men are isolated for infractions of the rules were quite unlike any I had previously seen.

Each person undergoing punishment was in a room lighted by a large unbreakable glass window, ventilated by what is virtually an air-conditioning system. The unit is under constant supervision. Prisoners held in segregation are not fed on bread and water as was formerly the custom, but are given a monotonous but balanced diet of vegetables but no meats or desserts. Each man who is committed to punishment has his case heard by a board of three senior officers of the institution and is given an adequate opportunity to explain his conduct. One of the men to whom I talked in isolation had committed a serious crime of violence and attempted to shoot it out with the arresting officers. Ever since he has been in Lewisburg he has been extremely hostile and aggressive, has assaulted an officer, and refused to comply with the institutional routine. I talked with him at some length and tried to impress him with the fact that he could not take the law into his own hands or conduct himself without regard for the rights of others. He certainly seems headed for more serious crimes and it seems we are not doing our thorough duty in protecting society from such individuals when we cannot keep them under restraint until they have manifested a more desirable attitude. This particular prisoner, for instance, wanted a transfer to Alcatraz so that he could live up to his boast that he would outdo John Dillinger, "Pretty Boy" Floyd, and "Machine Gun" Kelly once he was released. Some further study needs to be given our laws with respect to such cases.

FEDERAL CORRECTIONAL INSTITUTION AT MILAN

I followed much the same procedure on my inspection of the Federal Correctional Institution at Milan, Mich., which was made on December 6, 1955. I was met at the airport by the warden and conducted about the institution, attended a classification meeting and interviewed a number of inmates.

The institution at Milan was planned as a medium custody correctional institution and originally designed to handle only short-term offenders. It has no wall but part of it is surrounded by a chain-link fence. The original plan of taking only "improvable" short-term offenders at Milan has been changed and it is now designated to receive narcotic drug peddlers, many of whom have quite long sentences. In addition, the institution receives short-term prisoners from the Detrot-Cleveland-Toledo area. As a matter of fact, the prisoner population at Milan is more heterogeneous than those confined at Lewisburg or, I understand, most of the other Federal institutions.

The increasing number of violators of the Narcotics Act being committed to Federal prisons is a cause of considerable concern as it is proving more and more difficult to separate the confirmed drug peddlers and thus prevent them from infecting nonusers. Those in charge of the prison system have long felt that if peddlers could be prevented from enlisting new recruits for their nefarious trade, it would aid materially in preventing the spread of the drug habit. However, sufficient facilities are not now available to implement this policy. The problem is complicated still further at Milan because here also there is only a limited amount of individual room and cell space available for the segregation of the more serious and difficult prisoners. About 71 percent of the men at Milan live in open dormitories. Some of these are even larger than the ones at Lewisburg previously commented upon.

This institution is another one that was built at a minimum cost. At the time it was built, it cost only about $1,500 per inmate.

Some of the more modern prisons being constructed in this country are, I understand, costing from $15,000 to $20,000 per prisoner. When adjustment is made for the changing price levels, the Milan institution could be built today for about one-third the cost of some of our modern walled prisons.

INDIVIDUAL TREATMENT

Despite the fact that the prison plant at Milan makes more difficult supervision of the prisoners and their rehabilitation it seemed to me that a good job was being done redirecting and helping its inmates. As at Lewisburg there is an intensive work program, trade training facilities, school, and an actve medical program. However, Milan has no psychiatrists and it is impossible therefore to provide the psychiatric attention. The shortage of psychiatrists in the Federal prison service is, I understand, acute and is brought about partially by inadequate salaries and partly because psychiatrists everywhere are in extremely short supply.

The food, housekeeping, and general maintenance of the institution was good and the institution layout quite attractive. I was surprised to learn how few custodial officers are assigned to this institution housing an average of about 700 inmates. The entire custodial staff consists of 61 officers. When an account is taken of the fact that the officers work a 40-hour week, are entitled to 26 working days of annual leave, and 15 days of sick leave, the complement of officers on duty in ratio to the number of prisoners is extremely small. For instance, there are only 7 officers on duty from midnight until the day shift arrives. This includes the outside tower and patrol officers, the lieutenant in charge, leaving 4 men on duty in the interior of the institution.

It must be remembered in this connection also that upwards of 400 men are quartered in open dormitories. Custodial hazards under such circumstances are obvious.

Classification

I spent a considerable portion of my visit to Milan participating in the meeting of the classification committee and interviewing the prisoners. One or two of the men were being held in segregation at their own request because they feared other inmates against whom they had testified. The necessity of incarcerating some prisoners in the same institution where codefendants against whom they have testified are also housed is one of the difficult problems of prison administration. The vindictiveness that prisoners harbor toward others who cooperate with the law enforcement agencies or testify in court against some other individual is understandable, but the apparent intensity of this feeling toward so-called stool pigeons can be ascertained only through firsthand contact with prisoners. I also interviewed several income tax violators as well as several prisoners convicted for attempting to overthrow the Government. Each case was interesting and gave me additional opportunity to appreciate the importance of careful consideration by legislators, judges, and parole boards of the penalties invoked for such infractions of the law.

Personnel

As at Lewisburg I got a most favorable impression of the warden, his immediate assistant and the staff of the instituiton. As at Lewisburg I was impressed with the need for action with regard to more evenhanded administration of the retirement statute and an improvement in the salary standards of the custodial officers.

The beginning salary of a prison officer is now $3,670 per year. When his retirement, insurance, and tax are deducted he has a take-home pay of about $55 per week. This seems to me to be wholly and completely inadequate for the hazardous and responsible duties of a custodial officer. The prison officer in the Federal service is in no sense of the word a person who merely mans a tower, or opens and locks doors. His great value lies in his ability to lead, counsel, and inspire those under his direction. To find such men in the highly industrialized Detroit area for salaries being offered by the Government is extremely difficult.

CONCLUSIONS

Visits to institutions like Lewisburg and Milan and interviews with prisoners of the kind I have described are most revealing and indicate the need for the committee to continue its study of the entire Federal law enforcement program. They are also most useful and valuable as background information in passing upon the request of the prison service for funds. In this connection I have the following recommendations to submit:

1. Further consideration should be given to the needs of the prison service for money to maintain and improve its plant and structure and for at least two new Federal penal institutions. As previously indicated, the need for additional single cells or rooms both at Milan and Lewisburg is obvious and imperative. There are a number of other repair and maintenance items that are also in need of attention. The powerplant at Lewisburg, I understand, is in need of replacement and removal from the interior of the institution where it now constitutes a hazard. It should be moved to a site beyond the walls. Due to our rapidly increasing population, the increase in crime, overcrowding of our existing facilities, and the time required for building, no time should be lost in starting construction on at least two new Federal penal institutions.

2. Prisoners who have no money of their own at the time of discharge are allowed by the Government a maximum of $30 and transportation to their home community. Because of shortage of appropriations only a few receive this maximum allowance. The amount allowed is obviously not enough to permit the prisoner to supply his needs while he is looking for a job and otherwise attempting to adjust himself in the community. This limitation on the amount of funds allowed the prisoner on discharge ought to be raised to at least $100. Under existing regulations a prisoner who is permitted to attend the funeral of a close relative must pay not only his own expenses, but those of the guard who accompanies him to and from the prison.

Both Warden Wilkinson and Warden Stucker would like to see regulations changed to permit certain prisoners to make these trips unattended.

3. A considerable number of the prisoners at Lewisburg and elsewhere in the Federal system are violators of the Code of the District of Columbia. The District does not have sufficient maximum custody facilities to enable them to take care of some of their most troublesome prisoners. This is a situation which is in need of attention and adequate facilities provided the District so that they can take care of their own prisoners.

4. While, as previously indicated, the morale of the officers of the institution seems to be good on the whole, a number of the staff outlined to me the fact that the retirement laws are inequitable. Officers who entered the service as guards are eligible for retirement at the age of 50 after 20 years of prison service, but other members of the staff whose duties are equally hazardous are not entitled to consideration under the section of the Retirement Act applying to law-enforcement officials. A medical technical assistant, for example, who must supervise the care and treatment of sick and insane prisoners, is not eligible for retirement under this law because of the interpretation of the Civil Service Commission to the effect that such employees are not primarily engaged in the detention of prisoners. Such an interpretation, it seems to me, does not carry out the intent of the act which was to make it possible for the Prison Bureau to maintain in its service a group of physically fit, alert, and able personnel who would command the respect of the prisoners. Necessary legislation to rectify this matter has been passed by the Senate and is pending in the House. It should have the early and favorable attention of the House Committee on Civil Service.

4a. An upgrading of custodial officers also seems to me to be of the utmost importance. As indicated, the take-home pay of a custodial officer upon the entrance into the service is only $55 per week and the average take-home pay of all custodial officers is $72 per week. When stock boys in many industrial plants are receiving $80 per week and the cost of living for a family with 2 children is now estimated at about $90 per week, it is obvious that justice as well as good sense requires attention to this problem. Officers who must not only daily stake their own safety and well-being but also fend off efforts of unscrupulous prisoners to secure favors through petty bribery, are deserving of more consideration by their employer.

I understand that estimates for requests for funds to make possible this upgrading have been submitted from time to time to the appropriate authorities but have not been looked upon favorably. I hope that our committee will join me in attempting to bring about an upgrading of the personnel at the earliest opportunity.

5. As previously indicated, the sentencing methods of the Federal courts and the parole system is in need of further study to the end that more even-handed justice will prevail and those men who have faithfully followed the rules of the institution and earned their credits may be given trial on parole.

6. Finally, I urge that members of our subcommittee as well as others who have a responsibility for the appropriation of funds to the Federal Prison System visit the institutions frequently. I think that if they are able to do this they could note the able manner in which the system is being administered and acquaint themselves as well with the problems of those in charge.

Operating institutions of this kind is one that is fraught with great difficulty. The fact that there have been no riots at Lewisburg or Milan and few escapes is due to the able, efficient, and dedicated manner in which Warden Wilkinson and Warden Stucker, and their associates, carry out their responsibilities. They are deserving of the highest praise for their attention to duty beyond the bare requirements of the job and for the manner in which obstacles inherent in the physical plant and structure of the institutions have been overcome.

Much credit is due to the Director of our United States Bureau of Prisons, James V. Bennett. The results of his administrative ability, his understanding, and his humanitarian approach to the difficult problems of prison administration are much in evidence in both of the institutions visited by me. We are fortunate indeed to have a man of Mr. Bennett's experience and ability at the head of our prison system.

Mr. JOHNSTON of South Carolina. Mr. President, I certainly hope the Senate will not reduce the allowance for this purpose to $2,500. We would be very much embarrassed if there should be an uprising at one or more of the penitentiaries, and we did not have sufficient money to fulfill our responsibility.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. ELLENDER. Would the Senator be agreeable to the figure of $5,000?

Mr. JOHNSTON of South Carolina. I would not object to $5,000, so far as I am personally concerned. However, I wish the Senate to know that it makes no difference what amount is appropriated. Probably a large part of the fund will be returned, unless there is an uprising in some penitentiary.

Mr. ELLENDER. Mr. President, I wish again to modify my amendment, by making the figure $5,000.

The PRESIDENT pro tempore. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 2, line 11, it is proposed to strike out "$8,000" and insert in lieu thereof "$5,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

The amendment was agreed to.

The resolution (S. Res. 169), as amended, was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and inspect national penitentiaries.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisible; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. CLEMENTS subsequently said: Mr. President, I ask unanimous consent that the vote by which Senate Resolution 169, to authorize an investigation of national penitentiaries was agreed to, be reconsidered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, I offer an amendment on page 1, line 9, to strike the word "February" and insert in lieu thereof the word "March"; and on page 2, line 11, to strike the figure "$5,000" and insert in lieu thereof the figure "$4,583.34."

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Kentucky [Mr. CLEMENTS].

The amendments were agreed to.

Mr. CLEMENTS. The reason for offering the amendments is to provide an appropriation for 11 months, instead of 12 months.

The PRESIDENT pro tempore. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 169), as amended, was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV

of the Standing Rules of the Senate to examine, investigate, and inspect national penitentiaries.

SEC. 2. For the purposes of this resolution the committee, from March 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $4,583.34, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

IMPROVEMENT OF THE FEDERAL CRIMINAL CODE

Mr. SPARKMAN. Mr. President, I move that the Senate proceed to the consideration of Calendar 1401, Senate Resolution 166.

The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 166) to investigate matters pertaining to the improvement of the Federal Criminal Code.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Alabama [Mr. SPARKMAN].

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment.

Mr. SPARKMAN. Mr. President, the Senator from Texas [Mr. DANIEL] is expected to handle this resolution on the floor of the Senate. I am informed that he is detained. He will be present later. I understand that the Senator from Oregon [Mr. NEUBERGER] plans to make a speech. I wonder if he is ready to proceed at this time.

Mr. NEUBERGER. Mr. President, I regret to inform the acting majority leader that I am not prepared to proceed at this time. I thank him for his courtesy.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order to proceed to the consideration of Calendar 1401, Senate Resolution 166, to investigate certain matters pertaining to the improvement of the Federal Criminal Code, be vacated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME FOR CERTAIN EXPENDITURES BY COMMITTEE ON PUBLIC WORKS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1387, Senate Resolution 159.

The PRESIDENT pro tempore. The Secretary will state the resolution by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 159) extending the time for certain expenditures by the Committee on Public Works.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, yesterday, during the debate on a number of resolutions, I made a general statement concerning the skyrocketing number and costs of Senate investigations. I referred to great increases in committee staffs. I was questioned by a number of chairmen of committees with respect to the number of employees on each committee. I stated that I had obtained from the Library of Congress Legislative Reference Service some information showing the status of committee staffs in June 1944, prior to passage of the Reorganization Act. The information supplied me by the Legislative Reference Service showed that at that time, committee employees totaled 259. I also stated that the figures I had indicated that in June 1955, the total number of employees of all committees, including all subcommittees, was 513. Then I outlined how the 513 committee staff members were distributed among the standing committees of the Senate. These figures were challenged by a number of committee chairmen as being excessive, and I promised to obtain for the Senate an explanation of how the totals were achieved. Since that time my office has been in touch with Dr. George B. Galloway, senior specialist in American Government of the Legislative Reference Service who supplied the disputed data, to ascertain how he proceeded to obtain these figures.

This morning Dr. Galloway sent a letter addressed to me, dated February 17, stating how he had obtained these figures.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the entire letter of George B. Galloway, senior specialist in American Government of the Legislative Reference Service, Library of Congress.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C., February 17, 1956.

Senator ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR ELLENDER: On February 15 we received an oral rush request from your office for information regarding changes over the past decade in the size of Senate committee staffs. In reply to this request we submitted the following information orally.

First, we stated that as of June 1944 the aggregate number of Senate standing committee employees was 259. We took this figure from a tabular analysis of the congressional staff prepared by the Senate and House disbursing clerks in 1945 for the La Follette-Monroney committee.

Second, we stated that the total number of Senate committee and subcommittee employees reported for the period ending June 30, 1955, was more than 500. And we supplied a breakdown of this total by committees.

We derived the 1955 figures from the semiannual reports of committees on personnel and funds as published in the CONGRESSIONAL RECORD on July 19, 1955, volume 101, part 8, page 10871. These reports listed the names, professions, and compensation of the members of the professional and clerical staffs of the committees and subcommittees of the Senate who were employed by them during the period from January 1, 1955, to June 30, 1955. This is the information we understood you desired.

There is a disparity, however, between the size of committee staffs in a period covered by these semiannual reports and the total number of actual committee staff positions. The actual number of employees on committee payrolls fluctuates from time to time with changes in committee activities and with the turnover in their staffs. About two-fifths of the members of Senate committee staffs during the first session of the 84th Congress (1955) were regular, full-time employees; the remainder worked for shorter, varying periods of time. Hence the disparity between the figures furnished by the Legislative Reference Service for the full 6-month period and the figures mentioned on the Senate floor yesterday by various committee chairmen as to the size of their staffs at a given date.

Since we know of no consolidated public record of the number of authorized positions on the staffs of Senate committees, we could only inform you of the actual total number of committee employees as given in the official reports of the committees themselves, published in the CONGRESSIONAL RECORD.

In order to make a comparison of the number of persons actually on the payroll of Senate committees at different dates, it would be necessary to examine the Senate payroll which is not available to the Legislative Reference Service. We have access only to published records. And the figures we furnished for June 1944 and for the January–June 1955, period may not be strictly comparable. May we not suggest, therefore, that you consult the disbursing clerk of the Senate if you wish to make precise comparisons?

If they were available, the official figures would show, I think, that there has been a marked expansion of the Senate committee staffs over the past decade. Whether or not this expansion has been justified by the great increase in the legislative and supervisory functions of the committees of the Senate since the Second World War is a question upon which we express no official opinion.

Very sincerely yours,
GEORGE B. GALLOWAY,
Senior Specialist, American Government.

Mr. ELLENDER. Mr. President, in Mr. Galloway's letter he admits that there may have been some duplications involved in his calculations, and that it is also possible that the compilation given me included some consultants who were not employed during the entire year, but whose names appeared when the various committees made their semiannual reports.

Mr. President, I also had my own office take the most recent reports furnished by each committee after January 1 of

this year, and obtain an accurate count of the employees of each. This revised computation shows that permanent staffs, plus other professionals and clericals employed by the standing committees under the authority of various special resolutions totaled 386 as of December 31, 1955. The RECORD indicates that aside from the permanent employees, a number of the committees employed consultants and other part-time help, some of whom worked 2 months, others 3 months. They have not been included as permanent employees in the tabulation my staff prepared.

The total number of Senate Committee employees as of December 31, 1955, reflected by reports made to the Senate since January 1, 1956, is 386.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement headed "Status of Committee Staffs," in connection with the letter of Mr. Galloway.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Status of Committee Staffs

[Supplied by Dr. George B. Galloway, Library of Congress, via telephone, Feb. 15, 1956]

June 1944 (prior to Reorganization Act) total staff, all committees ..... [1] 259
June 1955 total Senate committee staff (including subcommittees) 513

These figures include:

	Galloway figures	Revised figures [2]
Agriculture	8	5
Appropriations	47	28
Armed Services	23	21
Banking and currency	43	25
District of Columbia	6	5
Finance	6	5
Foreign Relations	14	14
Government Operations	35	27
Interior	27	24
Interstate and Foreign Commerce	38	30
Judiciary	147	103
Labor	40	32
Post Office	38	27
Public Works	11	10
Rules	20	13
Small Business	10	17
Total	513	386

[1] Source: Disbursing clerk of Senate via Dr. Geo. B. Galloway; see also p. 352, Congress at the Crossroads, 1946.

[2] Prepared by staff of Senator ELLENDER, based on reports of Senate committees showing employees as of Dec. 31, 1955.

Mr. ELLENDER. Mr. President, I shall have more to say in connection with the pending resolution at a later time.

Mr. KERR. Mr. President, I offer an amendment to Senate Resolution 159, which would change the limitation of expenditures by the Committee on Public Works in the amount of $55,000 for 11 months, beginning March 1, 1956, and ending January 31, 1957, so that there would be available to the committee $55,000 for 11 months instead of $100,000 for 12 months.

Mr. CLEMENTS. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. CLEMENTS. Is the Senator changing the date of February 1 to March 1?

Mr. KERR. That is correct.

Mr. ELLENDER. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. ELLENDER. It is my understanding that the resolution before the Senate at this time simply reappropriates the unexpended balance of money appropriated last year.

Mr. KERR. Which was unexpended.

The PRESIDENT pro tempore. The Chair understands that the resolution which is before the Senate is Senate Resolution 159.

Mr. ELLENDER. Mr. President, the resolution now before the Senate provides for the reappropriation of the unexpended balance of the sum of $100,000 which was made available to the Public Works Committee last year. I may say to the Senator from Oklahoma that in order to achieve his purpose, it would probably be necessary to change the resolution entirely and have it merely provide for $55,000 for the 11 months to which the Senator referred a moment ago.

Mr. KERR. The Senator from Louisiana is entirely correct. The amendment I offered would have made the $55,000 contained in the previous amendment available during the fiscal year, instead of the $100,000 which would have been effective under Senate Resolution 159.

Mr. ELLENDER. I suggest that a proviso be placed at the end of the resolution as drafted, to the effect that not more than $55,000 shall be expended during the period which the Senator from Oklahoma has mentioned—that is, from March 1, 1956, to January 31, 1957.

The PRESIDENT pro tempore. The clerk will state the proposed amendment.

The LEGISLATIVE CLERK. On line 6, after the quotation marks, it is proposed to insert a colon and the following proviso:

Provided, That not more than $55,000 of the amount authorized by S. Res. 70 shall be expended during the period from March 1, 1956, to January 31, 1957

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to, as follows:

Resolved, That section 1 of Senate Resolution 70, 84th Congress, 1st session, agreed to March 18, 1955 (increasing the limit of expenditures by the Committee on Public Work) is amended by striking out "January 31, 1956" and inserting in lieu thereof "January 31, 1957": *Provided*, That not more than $55,000 of the amount authorized by S. Res. 70 shall be expended during the period from March 1, 1956, to January 31, 1957.

IMPROVEMENT OF THE FEDERAL CRIMINAL CODE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar 1401, Senate Resolution 166.

The PRESIDENT pro tempore. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 166) to investigate matters pertaining to the improvement of the Federal Criminal Code.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 5, after the word "the", where it appears the first time, to insert "prior", so as to make the resolution read:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and conduct a full and complete study of any and all matters pertaining to the improvement and strengthening of the Federal Criminal Code, including ways and means of improving the laws and enforcement procedures designed to control the illegal trafficking in narcotics, marihuana, and similar drugs in the United States.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $35,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The resolution is open to further amendment.

Mr. DANIEL. Mr. President, the resolution would merely provide the necessary work incident to improving and strengthening the Federal Criminal Code. The sum of $35,000 would be made available for the coming year.

The report is entitled "Investigation of Matters Pertaining to the Federal Criminal Code on Narcotics." That is a mistake, as will be realized by reading the resolution.

The subcommittee of the Committee on the Judiciary has several matters of great concern and of great interest which it will have to investigate during the next year.

Our investigation into the narcotics traffic has been completed. Fifty thousand dollars was appropriated for that purpose. On January 1 there was an unexpended balance of $24,000. Of course, the committee has incurred some expenses since that time. The committee did not use all the money appropriated to it for the narcotics investigation. It still has some of the work on

narcotics to be completed, in the way of drafting proposed legislation, meeting with the representatives of different departments for this purpose. To complete that work, the committee will have to have some hearings on specific legislation. The appropriation requested is only a small amount, which would provide only for one counsel and two stenographers, a total sum of $35,000 for the year for the work which the subcommittee will do.

I may say the Senator from Texas tried in the beginning to cut down the amount in line with the views expressed by the Senator from Louisiana regarding these matters.

Mr. ELLENDER. I may say to the Senator from Texas that when he made his report to the Senate on the narcotics investigation on January 9 of this year, I was very much elated to learn that he had completed his work, and that not only had he completed his work, but had returned to the Treasury the portion of the appropriation which was not used.

Now I understand legislation must be drafted in order to carry out the recommendations of the subcommittee.

Mr. DANIEL. That is correct, sir.

Mr. ELLENDER. May I ask my good friend why the office of the legislative counsel could not do that work. We have in that office 11 attorneys who are very well paid. I do not suppose the Senator could find anywhere better legislative draftsmen than those men. They are experts in drafting legislation. I am wondering why the proposed legislation could not be drafted by them instead of employing special counsel to do the drafting.

Mr. DANIEL. We are using the special counsel who went through the investigation. If the Senator will remember from the report which our committee has already made, many provisions need to be changed and many improvements need to be made in our narcotics laws. It is absolutely impossible to turn the matter over to our regular legislative counsel now, because they are not familiar with all the facts. They do not have the evidence and the knowledge as to the changes which need to be made. But we are using them in the final drafting. They are working with us.

We have found it takes the full time of three lawyers, including one of our legislative assistants, to do the work. I may say to the Senator that it is a very complicated subject.

Mr. ELLENDER. I may say to my good friend from Texas that I realize that, but, as he knows, after a bill is introduced, it is referred to the department of Government which is affected. In this case, if a proposed law were submitted, it would go to the Justice Department, and I presume that Department would point out and recommend language correcting such flaws as there might be in the proposed law.

Mr. DANIEL. We are trying now to confer with all the agencies affected—the Narcotics Bureau, the Customs Bureau, the Immigration and Naturalization Service, the Border Patrol, and the Justice Department. We are constantly having conferences with them to try to work out the details so that proper legislation can be enacted this session. If we do not do that, we will never get any narcotics legislation through this session of Congress. The subject is so important that legislation should be enacted at this session. In the long run it will save money, if the Senator will not object to the committee's having one lawyer and two stenographers.

Mr. ELLENDER. I do not object to the purpose, but I think the committee could live within a budget of, say, $20,000, and employ a counsel and two stenographers for 6 months. In my humble judgment, that amount would be ample.

Mr. DANIEL. Does not the Senator believe that the subcommittee has conducted an important nationwide investigation with the least amount of money that has ever been used for such an investigation?

Mr. ELLENDER. Yes. The Senator did a good job. I complimented him earlier this year when I said, as appears on page 275 of the RECORD of January 9, 1956:

> Mr. President, I wish to join my good friend from Maryland [Mr. BUTLER] in the compliments he has just paid my good friend from Texas [Mr. DANIEL]. I tried to reduce the amount of appropriations, and I am glad to note that the distinguished Senator from Texas has not only returned to the Treasury $15,000, but, as I understand, the committee has completed its work and the Senator is to be highly complimented for it. I know he has done a good job. I feel confident that the money has been very well spent.
>
> Mr. DANIEL. I thank the Senator from Louisiana. But is the Senator from Louisiana under the impression that he tried to reduce this appropriation?
>
> Mr. ELLENDER. I had that in mind.
>
> Mr. DANIEL. This is one which the Senator did not try to cut.
>
> Mr. ELLENDER. I was speaking generally.
>
> Mr. DANIEL. The Senator overlooked this one, and we are going to return some money to the Treasury.

Now we discover that the Senator is through with the investigation, but he has to have a staff to draft proposed legislation. I say the Senate already employs good lawyers, who are capable of drafting the proposed legislation. If the Senator states to us that he needs the 1 lawyer and 2 clerical assistants proposed in the resolution I think it should not take them more than 3 months to do the work. However, I am agreeable to making their tenure 6 months, say to June 30, 1956. I think $20,000 should be ample for that period of time.

Mr. DANIEL. I should like to save every dime that can be saved, and I think we will be able to save some money in the investigation, but I would not want to tie the hands of the subcommittee. We are not considering narcotics legislation alone. We have before our committee several bills, one of which would make it a Federal criminal offense to commit acts of violence on aircraft and similar conveyances. The purpose of such a bill is to try to get on the books a law that will cover actions such as that committed by the young man who was responsible for destroying the lives of all the passengers on an airplane which blew up over Colorado.

There is a bill before the subcommittee which would prohibit the blending of wheat unfit for human consumption with wheat suitable for human consumption.

There is another bill which would punish any person who travels in interstate or foreign commerce and transports a minor for indecent purposes.

There is another bill before the subcommittee which would prevent the use of the words "United States" or "U. S." by insurance companies, or the use of pictures of the Capitol in their advertising. In our State considerable losses have been incurred because many people were led to believe a certain insurance company was backed by the Federal Government.

There is much more than merely the proposed narcotics legislation to be considered by the subcommittee.

Mr. ELLENDER. Let me point out that the Senator from Texas is entirely correct when he states there are quite a number of subcommittees of the Judiciary Committee. For example, there is the Internal Security Subcommittee and the Antitrust Subcommittee. Will proposed antitrust laws be considered by the Senator's subcommittee?

Mr. DANIEL. No.

Mr. ELLENDER. I understood that the Senator from Texas had just mentioned such legislation. Perhaps I did not understand him.

Mr. DANIEL. No; not antitrust laws.

Mr. ELLENDER. The fact remains that the Judiciary Committee has spawned a number of subcommittees. There is the Subcommittee on Juvenile Delinquency, the Subcommittee on Trading With the Enemy, the Subcommittee on Escapees, and several others.

As I pointed out a while ago—in fact, on yesterday—the Judiciary Committee has, in addition to four professional staff members, a number available to all standing committees, two more, who are permanent. It also has a large clerical staff. In addition to those, the multitude of Judiciary Committee subcommittees have been provided with—and I presume they will continue to be provided with—a great deal of money with which to hire more employees to conduct investigations.

I also pointed out yesterday that the Judiciary Committee had, as of December 31, 103 employees. The amount which the Senate is being asked to appropriate for the Judiciary Committee this year—and, of course, that includes the $35,000 which the Senator from Texas is requesting—will be $1,083,000, plus $159,000 which it receives as a matter of course, for regularly employed professionals and clerks.

Mr. President, it strikes me that with all those workers, and with the assistance which can be obtained from the Legislative Counsel, who are regularly employed by the Senate for the purpose of drafting proposed legislation, the Senator from Texas could, I am sure, do with $20,000 for his subcommittee.

So, Mr. President, I move that the resolution be so amended.

Mr. DANIEL. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. ELLENDER. Then, Mr. President, I shall submit my amendment later.

Mr. DANIEL. Mr. President, the Senator from Louisiana has inferred that the Senator from Texas is requesting this money. I wish to make it perfectly plain that, so far as the Senator from Texas is concerned, if the Senate wishes to reduce the amount, or eliminate it entirely, and thus relieve me of the work which has been assigned to me by the chairman of the Judiciary Committee, I am perfectly willing to be relieved. But the chairman of the committee stated what he wanted our subcommittee to handle, and in writing our budget I have tried to write an "Ellender budget," one to which the distinguished Senator from Louisiana could not possibly object—namely, $35,000 for the standing subcommittee, with only one counsel and two stenographers.

I say in all frankness that I believe that all these budgets would be higher if it were not for the Senator from Louisiana. But he should give credit to some of us who have trimmed down our budgets to rock bottom before we bring the resolutions to the floor of the Senate.

Mr. ELLENDER. But to employ one counsel and two clerks will not cost $35,000.

Mr. DANIEL. If the Senator from Louisiana will examine the budget, I think he will find the expenses are at the very minimum.

Mr. CLEMENTS. Mr. President, will the Senator from Texas yield to me?

Mr. DANIEL. I yield.

Mr. CLEMENTS. I wish to commend the Senator from Texas not only for the fine work he has done during the previous year but also for the economy-minded budget he has presented and provided for in the resolution. I hope the Senate will agree to the resolution.

Mr. HENNINGS. Mr. President, will the Senator from Texas yield to me?

Mr. DANIEL. I yield to the Senator from Missouri.

Mr. HENNINGS. I should like to join the distinguished acting majority leader in commending the fine, substantial, and constructive work the distinguished Senator from Texas [Mr. DANIEL] has rendered to the Senate and, indeed, to the country, especially by means of his inquiry into the narcotics traffic and the legislation he has recommended in that connection, in addition to other very important inquiries into the administration of criminal law.

As one of his colleagues on the Committee on the Judiciary, I know he has devoted himself to its work, not only during this session of Congress, but also in the intervening period, sometimes known as the recess period—although not actually that for most of us.

So I hope the Senate in its good judgment will sustain his very reasonable and modest request.

Mr. DANIEL. I thank the Senator from Missouri.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield to me?

Mr. DANIEL. I yield.

Mr. KNOWLAND. I wish to state that, as the Senator from Texas knows, in the case of a number of these resolutions we have been critical of the amounts requested.

However, after a very thorough survey of the request the Senator from Texas has made, and in view of the information which has been presented on the floor today, I am prepared to support the amount proposed by the Senator's resolution, with the one amendment which I understand the acting majority leader will offer, which merely will make the authorization on an 11-month basis.

Mr. DANIEL. That is correct; and that amendment is acceptable.

I thank the distinguished minority leader.

Mr. ELLENDER. Mr. President, I offer the following amendment: On page 2, line 15, after the word "exceed", strike out "$35,000" and insert in lieu thereof "$20,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was rejected.

Mr. CLEMENTS. Mr. President, I offer an amendment, on page 2, in line 1, to strike out the word "February" and insert in lieu thereof the word "March"; and in line 15, after the word "exceed", to strike out "$35,000" and insert in lieu thereof "$32,083.34".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the resolution, as amended.

The resolution (S. Res. 166), as amended, was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and conduct a full and complete study of any and all matters pertaining to the improvement and strengthening of the Federal Criminal Code, including ways and means of improving the laws and enforcement procedures designed to control the illegal trafficking in narcotics, marihuana, and similar drugs in the United States.

SEC. 2. For the purposes of this resolution the committee, from March 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $32,083.34, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

READING OF WASHINGTON'S FAREWELL ADDRESS

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Chair has been requested by the Vice President to announce the designation by him, under authority of the order of the Senate of January 24, 1901, of the Senator from Minnesota [Mr. HUMPHREY] to read Washington's Farewell Address on February 22 next.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its labors today it stand adjourned until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE STATE OF OUR NATURAL RESOURCES

Mr. NEUBERGER. Mr. President, on February 14, 1956, the former Secretary of the Interior, the Honorable Oscar L. Chapman, made a most important statement on the development of our natural resources to the Joint Congressional Committee on the Economic Report.

I think I am fairly well informed in the realm of natural resources and conservation. It is my opinion that Oscar L. Chapman was one of the most outstanding Secretaries of the Interior in the history of our country. We now are familiar with the Al Sarena case. It is significant that terrific congressional pressure was exerted on Oscar Chapman to grant the patents to this timberland in the Rogue River National Forest of Oregon, on the pretext of a so-called mining claim.

Mr. Chapman resisted that pressure. When he left office as Secretary of the Interior, this timberland was still in the custody of the United States Forest Service, where it belonged. Less than 1 year after Mr. Chapman's successor took office, the political pressure had succeeded and the Al Sarena patents were granted. Today this timber is being harvested, but there is no mining operation. This contrast between two Secretaries of the Interior tells something of the vigilance with which Oscar L. Chapman protected our natural resources.

Furthermore, Oscar L. Chapman advocated full development of the great hydroelectric power site at Hells Canyon on the Snake River, where today his successor in office is settling for piecemeal and far less than full development.

Mr. President, so that the Senate may be informed of the forward-looking views of the ex-Secretary of the Interior on the whole question of natural resources development, I ask that the greater portion of Mr. Chapman's statement to the Committee on the Economic Report be

printed in full in the body of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE STATE OF OUR NATURAL RESOURCES

(Statement by Oscar L. Chapman, former United States Secretary of the Interior, before the Joint Congressional Committee on the Economic Report, February 14, 1956)

I appreciate the opportunity of meeting with this committee. It is my wish in reporting to you in response to your invitation on the economic state of our natural resources, to be both realistic and factual. Where I speak out against certain current resource performances and policies, it is in the hope that the Congress having heard will reverse these trends before they bring down on us inescapable punishment.

I am not an alarmist. However, my studies and the cold facts of our natural resources show that this high resource plateau on which I believe our society rests firmly, while still strong, is somewhat eroded. It can be preserved if our leaders demonstrate positive purpose and program and respect our established national policies.

This is serious business with me. It could not be otherwise. After four decades in which I have witnessed world convulsions and wars from various vantage points from enlisted man in the United States Navy to United States Secretary of Interior primarily responsible for executing resource conservation and development programs according to law, I have reached certain conclusions. I believe they are appropriate for your information and consideration.

The natural resources with which this country was uniquely blessed and which have, do and can sustain our chosen way of life, are our only real national wealth.

Without any claims whatsoever to military competence, it is obvious to me that eventually the fate of this Nation in the world struggle that commands congressional attention rests on the strength of our economy. This fate in turn rests on an economy which is securely anchored in our natural resources.

We have proved that to ourselves the hard way in the two greatest wars of history. In our eager desire for planes and tanks and ships and materiel we learned again and again that to possess such essential finished products we had to have the raw materials—iron, steel, oil, kilowatts, coal, aluminum, food, timber—in other words, the natural resources. We got them. With booming steel guns we sailed to victory on a sea of oil under a canopy of power-produced aluminum planes. We tapped our treasure trove of resources as need demanded, as indeed we should have done, and survived. What I am trying to bring into perspective is that we survived on and by our natural resources.

While it is easy to dramatize the role of our resources in time of war, it is even more pertinent to fix that role in the peace and prosperity we now enjoy and seek to preserve. It is the care, conservation, husbanding, and utilization of those natural resources that has made possible our standard of living that is the envy of the world. Those same resources make possible the defense of our way of life.

Therefore, since the inception of our Government, Congress naturally and properly has taken an intense interest in protecting the public interest by writing the rules for our resource utilization.

In our early colonial days of plenty, with a virtually unexplored vastness of resources stretching westward to the Pacific, that was not too difficult a task. As the country filled up with people it became more of a problem, but our leaders, regardless of partisanship, rose to the need and hammered out a set of principles now embedded I hope everlastingly in our statutes for the development and protection of our resources. Many of these statutes, but not all, are among the thousands of laws administered by the Secretary of Interior. So while occupying that office I have become familiar with their intent and purpose.

I might add I also am a firm believer in their basic philosophy of providing for a dynamic expanding American economy.

Likewise, that experience revealed to me that skyrocketing populations—and our present 166 million Americans are officially forecast to become 200 million in less than 20 years—inevitably impose a multiplying burden on our resources. Consequently, the never-ending struggle to possess or control them for private profit must inevitably become even more intense and violent. And that brings us to the situation with which this committee and this Congress is confronted in considering this annual economic report.

We still remain a land of plenty it is true today, but our resource ramparts have been reached. We are the people who chew up our resources faster than any other people on earth. Thus, in seeking to fulfill our demands, we have recently passed from the "have" to the "have not" side of the ledger among the nations in many important categories of resources.

It is later than we think in the natural resource world.

Oil is not the only absolutely vital resource in which the United States has passed from the "have" to the "have not" category. We have recently made that shiftover in iron, which we now import in growing quantity as the ore map of the world is shifting. The place of steel in our civilization is well stated by the Senate Committee on Small Business of the 81st Congress which declared flatly: "The power to govern the distribution of steel is the power of life and death in the economic world. The way in which it is exercised determines which businesses grow and which do not, which industries expand and which do not, which States and regions prosper and which do not."

Thus this power to govern the distribution of steel as it has been exercised, has brought us from being the world's leading exporter to 1955 when our requirements forced us to import 24 million gross tons of high-grade iron ores. Our iron ore imports nearly trebled in the past 5 years.

In fact, we have likewise turned the corner from the happy boulevard of the "have" nations into the blind alley of the "have not" nations in many elements that are the very vertebra of our metallic backbone. The United States remains both the greatest producer and greatest user of metal in the world. Let it be here recorded (although it may have been omitted from the economic report before you) that our American metal economy has become dependent on imports. This includes such vital metals as bauxite, copper, lead, manganese, chromium, nickel, cobalt, fluorspar, zinc, antimony, zirconium, and a host of others. Some metals such as tin we never had. There are lots of natural resources vital to our welfare which I will not even mention. Others of vast importance, such as farm-produced food, I will leave to be reported on by better qualified witnesses you have available.

The drive is still on to slash our remaining forests, though we have never gotten ourselves 100 percent on the sustained yield basis for our sawtimber. The resources in our national parks, other than the recreational service to which Congress dedicated them, are rich prizes in the game of grab. So too the resources in the other kinds of reserves established by you. The push on them will inevitably increase with the pressure of increasing humanity and its needs. So let us be on guard.

I wish to conclude this short report on the state of our natural resources with a somewhat more detailed accounting of where we stand and where we seem to be going with two absolutely vital resources with which I have had much responsible experience—water and electric power. None of us can imagine sustaining our way of life without a continuing and driving development of these resources. But the sad story is we are neglecting them—sometimes shamefully, and frequently in betrayal of the national policy and in defiance of the laws passed by the Congress.

In view of your interest in and responsibility for keeping our United States strong let me, before developing the water and power aspect of my statement, draw your attention to three insufficiently noted programs abroad. While we contract, other nations expand their developmental programs for resources.

India, sometimes referred to as an undeveloped nation, has developed over the years about three times the irrigated acreage of the United States. That is not a derogatory comparison, for India may need ten times our irrigated acreage. Nehru's government has undertaken a program of expanding India's water control works as much in the decade through which we are now passing as had been done in the century prior to India's independence. That's the backbone of India's economic program. They proudly display the dams, canals, and powerhouses under construction or completed to all important visitors.

Now let us look into an area of the world about which much is said, but not in connection with its resource development. I feel I would be remiss in helping this committee to the fullest extent if I did not draw your attention to a little known report published in India which tells in detail about water and power developments in China. Our views about the country notwithstanding, I believe you will agree, our own security demands we know all we can learn about any country.

And one of the things we can learn is that one of China's projects recently completed is the North Kiangsu Canal. It will provide flood control, aid navigation and irrigate 4 million acres. The canal is 420 feet wide (wider than any in the United States) and 100 miles long.

This and more is told in the report called A Visit to River Valley Projects in China by Kanwar Sain, chairman of the Ministry of Irrigations and Power of India.

Russia, which is a bigger country with more people in it than ours, also happens to have a water resource development program that may have some comparative interest, though again it is not cited as a model. The Soviet's proclaimed program is to irrigate 70 million acres in 15 years, to buttress its strength by producing food to nourish 100 million more Communists. That would be about three times as many irrigated acres added to the Russian economy in 15 years as the total public or private, Federal or local, irrigation in the United States achieved in the century we've been at the task. It would be my guess that while the Communists will fall considerably short of such a stupendous program in the time scheduled, the water gains to their economy on the basis of the work already accomplished will outstrip ours in the same period.

Look, too, at some individual items in Russia's resource-construction program—four hydroelectric powerplants, each of which will spark Russian industry with more kilowatts than our greatest—the Grand Coulee Dam, on the Columbia River. The Soviet big 4 are Kuibyshev Dam, that started producing power on the Volga River last month; the Stalingrad plant, and the 2 largest hydro stations in the world, at Bratsk, on the Angara River, and at Krasnoyarski, on the Yenisei River, in eastern Siberia, which are scheduled to start grinding out their 3 million capacity kilo-

watts each—half again as much as Grand Coulee—in about 1960.

Those overseas facts were not passed on to you in last year's or this year's economic report. But I do find in that report some justification in taking your time with such comparisons, for the 1955 edition of the President's Economic Report itself says: "Of all our natural resources, none requires more immediate attention than water."

Well, what kind of attention is reclamation getting? Just about none. It would be in liquidation if the Congress had not insisted on carrying through some going construction projects and proceeding with some additional ones the administration did not want. The firm figures tell their own tale. The hi-lo-and-out figures show a collapse in reclamation-construction financing from $336.1 million in fiscal year 1950 to $115.6 million in fiscal year 1954—the first year of the Eisenhower administration. The fuller comparison is an average annual reclamation-construction appropriation of $194 million in the 8 years of the previous administration—including the Korean conflict cutback, as compared with $136 million annual average in the 4 years of the present administration, including the new budget now before the Congress, plus peacetime prosperity, and congressional increase. That's the story of water in reclamation. And, in view of the fact reclamation requires—and gets—full repayment for the Treasury and is about the best investment—not expenditure—our Government makes, no economy sloganeering is a logical explanation.

The Army Engineer Corps civil functions is an outstanding water-control activity, and it also got the "immediate attention" treatment. The first Eisenhower administration budget knocked it down about $174 million from the previous year. But after a few object lessons, including New England and west coast floods, Congress stepped in to rescue considerable of the Army program, which in the 4 years of this administration averages about $54 million annually under the annual level of the prior 8-year averages.

TVA not only got "immediate attention"—it got the shock treatment.

Those are the three big United States water programs—if you can now call them programs. My belief is that this administration has no water program. President Eisenhower seems to share that belief, for in reporting to you in the state of the Nation message last month he said he wished to "reemphasize the critical importance of the wise use and conservation of our great natural resources * * * water in particular * * *." He went on in a fashion that strangely reveals the differences between promise and performance to say: "The need for a development of our water resources is such that we must make faster progress without delay * * *" and that "A comprehensive legislative program for water conservation will be submitted to the Congress" later—I hope not too little too much later.

On January 17, 1956, President Eisenhower sent to the Congress the report of his Cabinet Advisory Committee on Water Policy. I sympathize with the distinguished Cabinet officers in their endeavor to bring together a maze of reactionary ideas and fit them into the realities.

The report in one breath asserts, "There is no single 'national' water problem." Yet it would set up directly under the President a Coordinator of Water Resources "to provide Presidential direction to agency coordination, and to establish principles, standards, and procedures for planning and development of water-resources projects."

In other words, we would have a coordinator of the coordinators with the result that the layering process, of which there has been vigorous complaint, would be multiplied.

I am intrigued by the proposals that would concentrate authority in an independent board of review to analyze the engineering and economic feasibility of projects and report to the President through the coordinator. I respectfully suggest that this is a far cry from simplification of Government activities in a field so vital to the existence, lives and property of 166 million people.

We already have the Regional or River Basin Water Resource Committees. They need strengthening. But they should operate through established agencies, not through a new bureaucratic setup.

I favor giving permanent status to the existing interagency committee, advisory in character, but I can see lack of effectiveness and freedom of expression or action were it dominated by a super coordinator as chairman.

My observation and experience of 20 years in Government service dealing with water and related resources problems impels me to urge that the Congress take hold of this situation promptly and effectively. The handling of the water problems and policy, and especially their implementation for prompt and effective solutions, should be simplified.

Established agencies in the Executive Department should be utilized, and given adequate funds to secure and hold the services of top technicians and policymakers.

Let me touch briefly on the saline water program which I had the honor of initiating as Secretary of the Interior with administration support in 1952. Both the Executive Department and the Congress must share responsibility for the inadequate approach to converting ocean water into fresh water supplies for coastal cities, hardpressed for municipal sources for domestic and industrial purposes. The demineralization of brackish water in the inland areas, while carrying a lesser dramatic appeal, is a corollary equally vital to cities, towns and irrigated agriculture.

I believe the saline water program offers the most effective means of augmenting the supply of fresh water for the coastal cities and for purifying interior supplies for domestic, industrial, and agricultural uses. Results so far show we are well on our way.

Mr. Chairman, there is agreement by all of the water policy and related committees that the United States is facing a crisis in water. Control of floods and the turning of raging waters by storage into useful purposes, like power production or irrigation, is too obvious to need emphasis.

The floods may get wetter and wider and the droughts drier and dustier, but all we've done about it recently is to talk, pray for rain, watch the fields burn, ship out the livestock, clear out the flood debris, rebuild the inundated cities, plants, and homes. We have the plans. We have the laws. We have the know-how. But we are abandoning the time-tested program of Federal action and responsibility for a "you do it, not me" slogan that isn't doing the job.

I am sorry I can't give you a parallel dollars rundown on other resource developments. I only checked up on water because of the President's report to this committee over a year ago that "of all our natural resources, none requires more immediate attention than water."

Now let us look as realists at another important resource—electric energy. Here again happily, just as I agree with the administration's statement on water needing immediate attention, I am in total agreement with another administration's statement that: "It is generally recognized that electric power is one of the most important factors in the advancement of a nation's economy, the strengthening of its security, and the raising of its standard of living." This pronouncement keynoted a recent publication of the International Cooperation Administration when for a moment others were looking at where the rest of the world was going. You won't find it in the domestic economic report of the President before you.

You will also not find in either report the fact that in power production and consumption per citizen we are losing out in comparison with other nations. The United States no longer leads this changing world in per capita power production and use. That's the meaningful figure that compensates for differences in national size and population. For that matter, we no longer lead the Western Hemisphere, or even the nations on this continent, in per capita use.

Norway is way out ahead with 6,340 kilowatt-hours per capita. Canada comes second with 4,780 kilowatt-hours per citizen. The United States is a poor third, with 3,350 kilowatt-hours per American—barely ahead and rapidly being overtaken by Sweden and Switzerland.

Those are the physical facts of life as reported by the United States Federal Power Commission's latest score card and confirmed by the United Nations. So the question naturally arises, "How does it happen, and what, if anything, are we going to do about it?" Even if we could forget about the rest of the world, we are not even meeting our own domestic power demands, and our economy is retarded as we fight desperately to double our own power production each decade.

And I'm not derogating the accomplishments of private power corporations. They are producing 76 percent of United States power, while only about 14.9 percent of the Nation's power capacity is federally generated and some 9.1 percent comes from non-Federal public agencies such as REA co-ops, municipalities and public-power districts. All told, the United States produces about 40 percent of the world's electric power, and that figure has recently dropped 3 percent as our lag accelerates.

I don't want you to write off our dilemma simply as a public-private power fight. While we do allow ourselves the suicidal luxury of such a fight—and we're the only Nation that does, while those that top us in per capita production and consumption (which happen to enjoy extensive public power) just cannot understand what we are brawling about—I am not here just as a public-power advocate. We absolutely require all the kilowatts both public and private power can produce to preserve the national economy in which we are interested.

We are not getting the kilowatts we must have. Our economy cannot expand, as it must, if we abandon public power. One reason is that since 1953 we have been confronted with a deliberate conspiracy to arrest low-cost public power development. The Congress has done considerable to remedy such matters when it saved the TVA momentarily from being cut. And last July it directed that a number of good Federal power projects, all disapproved by the administration, must proceed in the public interest. The big reclamation ones, Trinity in California and Yellowtail in Montana and Wyoming with which I had much to do, have not started yet. The Hells Canyon proposal, despite endorsement by both House and Senate subcommittees of Congress where I brought it 5 years ago, has undergone executive vicissitudes that make it almost a classic symbol of how not to develop our resources for the service of the people. To compound confusion, the administration is now rushing off hurriedly to expend our substance on a remarkably similar but more expensive proposal for full development of a potential water and power resource known as the Aswan Dam in Egypt which our spokesmen describe as an absolute economic must on the Nile, even while they say Hells Canyon Dam would be a peril on the Snake River in the United States. This project will cost $1,300,000,000.

So the plain fact of the matter is that by a system of nullification, indirection, and

obfuscation, accompanied by a pressure campaign and display of the hucksters' arts such as we have rarely beheld, national power policy and resource development has been and is being reversed regardless of the laws you have passed and you have preserved. And we are paying the economic penalty therefor.

Facts will come out—and a few might come out in your review of the economic report. Just as a starter if nobody else separates performance from promise this committee might point out that if "the need for developing our water resources is such that we must make faster progress without delay" that end is obviously defeated by putting, for example, the Missouri Basin program in our heartland in mothballs by cutting its financing 60 percent from the 1950–51 level down to the 1954–55 level. Likewise, giving away Hells Canyon to a private corporation for incomplete resource development yielding a quarter of the flood control and less than two-thirds of the kilowatts at double the price Federal development would produce is not the immediate action that will bring the country economic prosperity.

I appreciate this opportunity to appear before you. I came in response to your invitation, as I have always come to the Congress, because I know there are things the Congress can do to preserve and buttress our resource base. You have done much already, and in your disposition of the many mills, authorizations, and appropriations before you in this final session of the 84th Congress I am confident you will do much more.

I thank you.

ADEQUATE SCHOOLS A PARAMOUNT NEED—NO AMENDMENT SHOULD BE ALLOWED TO DEFEAT AID TO EDUCATION

Mr. NEUBERGER. Mr. President, the great and paramount need of our country today is of adequate schools. Only Federal aid to education can assure this goal in many hard-pressed school districts. The great majority of all Americans who are concerned about our children's future, North or South, East or West, Democrat or Republican, have come to recognize this fact.

This bipartisan support for Federal aid to schools is itself the best testimony to the urgency of the need. The Republican platform in 1952 opposed such aid. Last year the administration was still barely lukewarm toward Federal grants to help local school districts build the schools they must have. But the inexorable course of the growing crisis, and the evidence of public demand brought out at the White House conference of last fall, forced the administration to reverse its position. That is how great the recognized need is, Mr. President.

ADMINISTRATION NOW FORCED TO ACCEPT FEDERAL AID TO SCHOOLS

Today the national leaders of both parties support programs of Federal aid to school construction—programs which do not differ so much that they could not be reconciled in an acceptable bill; yet passage of any and all Federal aid-to-education bills is jeopardized by proposals to add an antisegregation clause, such as the so-called Powell amendment. It is generally conceded that Members of Congress from States which have traditionally had segregated schools—although this practice has now been declared unconstitutional—will consider it incumbent upon themselves to oppose any Federal aid-to-schools bill which includes such a clause, even if they would otherwise support it; and that, therefore, no such Federal aid bill will be enacted at all.

Mr. President, I believe that Federal aid to education should not be permitted to die because of insistence on antisegregation language in such legislation.

I absolutely oppose segregation or discrimination between human beings for reasons of race or color—or, for that matter, religion or nationality—in our schools or anywhere else.

I favor legislation to prevent such segregation or discrimination. I have cosponsored many such bills in the Senate. In the legislature of the State of Oregon, I was the original sponsor of Oregon's fair employment practices law, which was a pioneer in its field. Together with my wife, also a State legislator, I have fought for civil rights legislation in our State, including abolition of the ban on mixed marriages, a ban which stemmed from frontier bigotry against our American Indians.

Like many others, Mr. President, I am shocked and angered by instances of violence and organized belligerency against the constitutional rights of Americans of colored skin. Like many others, I am impatient for the final attainment of that great ideal of equality for all Americans which was written into our Constitution in the 14th amendment, almost a century ago. It is not an easy decision to oppose a clause in Federal school legislation that, on its face, would appear to promote that goal.

But, Mr. President, I favor civil-rights legislation on its own, and I favor Federal aid to education on its own. It must be plain to everyone that nothing is gained toward either the education of our children or their civil rights when vitally necessary school construction is prevented by the defeat of the Federal-aid bill because of an antisegregation rider.

SEGREGATION HAS LONG BEEN WRONG—NOW OUTLAWED BY COURT DECISIONS

I repeat, I oppose the segregation of school children because of the color of their skins. Racial segregation and discrimination have long been wrong—the great flaw in our record of accomplishment of the ideals we hold to be peculiarly American—the dark blot on the fair image which our Nation presents to hundreds of millions of nonwhite people abroad. But now it has been determined by the Nation's highest tribunal to be unconstitutional, as well as wrong. The Supreme Court has held school segregation unlawful and has instructed the lower courts to see that it is ended. It does not require an act of Congress, an amendment to Federal school-construction legislation, to outlaw segregated schools—particularly not an amendment to Federal school-construction legislation which fails of enactment.

The Supreme Court's unanimous decision—and its power to review its execution by the lower courts—can stand on its own, Mr. President; we only belittle it if we hold that Federal aid-to-school construction will be abused if left to judicial surveillance under the Court's ruling, without further antisegregation restrictions.

Regrettably, it is perhaps inevitable that an issue which so deeply involves the life-long commitments of millions of people will become a matter of political controversy. I believe what I say today is right; but my friends who favor the Powell amendment firmly believe they are right, and those who seek to continue segregation passionately believe that we are wrong and that they are right. Perhaps it would be unrealistic to expect such an issue to remain outside the political realm in an election year.

ADLAI STEVENSON PLACES SCHOOLS ABOVE POLITICS

Yet, Mr. President, at least one of the principals in this year's political campaigns has unflinchingly faced the difficult implications of the aid-to-education issue. Adlai E. Stevenson has resisted any temptation to win political support of either side by joining in a bitter and hopeless debate over enforcing an amendment to a bill which would not become law, to restrict the use of funds which would not be appropriated, to prevent segregation in schools which would not be built. Adlai Stevenson has reminded us that the Supreme Court has declared the law and is supervising its enforcement, and that what is at stake now is the vital question of adequate schools for America's children—the position which he so eloquently explained to the National Education Association in Chicago already last July, when he called for $400 million in Federal funds annually to match State and local school-construction funds. And I am proud to say, Mr. President, that when Governor Stevenson speaks of the Supreme Court of the United States, he does not count up that six of its members are Democrats, including a former great Democratic Senator from Alabama and a former illustrious Democratic Senator from Indiana. Mr. Stevenson, as a candidate, cares more about protecting the integrity and continued effectiveness of our great, independent courts than do high spokesmen for the present administration, who seek to draw the Supreme Court and the Chief Justice into partisan politics.

Mr. President, some people who know well Governor Stevenson's opposition to segregation and discrimination in all its forms have been disappointed that he does not favor the Powell amendment or a similar clause, at the risk of defeat of all Federal aid to education. But many other liberal and thoughtful commentators have spoken up for facing realities in this search for two goals of what our country should be—the equal goals of the color-blind society, and of giving every American child an opportunity to get the best and fullest education of which he is capable. They have spoken up for resisting the temptations of partisanship in an election year—for responsibility in offering only proposals which may in fact speed solutions, not proposals which merely express an ultimatum given by one side in this great debate to the other.

In the potentially explosive issue of the change of long-segregated school systems to constitutional integration, what the Nation needs is constructive leadership. It is characteristic of Adlai Stevenson that, although he is a candidate and not President, he seeks to offer that

leadership even at the possible cost of some votes. Let me quote, Mr. President, some very cogent remarks on this question of leadership made by the distinguished news analyst of the Columbia Broadcasting System, Mr. Eric Sevareid, in his broadcast of February 14, 1956:

The President has great moral influence, South as well as North; he is against the Powell amendment and has indicated his opposition to any forcible Federal policing measures; but he has done so only in an offhand way, in a news conference; at some point, he is going to have to speak out, as the head of the Nation. It should not be left to the leader of the party out of office to do this; so far it has been. The only impressive call to calmness and common sense has come from Mr. Adlai Stevenson, though this has already cost him dear, politically, among some Negro and some labor groups. He is against the Powell amendment and against Federal policing attempts in the South.

Governor Stevenson's leadership in this crisis has also been praised in recent editorials in the Washington Post and Times Herald of February 10 and 16, 1956, the Christian Science Monitor of February 15, 1956; its contrast with the recent utterances of the Vice President on the subject are pointed up by the San Francisco News of February 15, 1956. I ask unanimous consent to have the text of Mr. Sevareid's broadcast and these editorials printed at the end of my remarks.

There being no objection, the material was ordered to be printed in the RECORD.

(See exhibit A.)

Mr. NEUBERGER. Mr. President, I urge that we face up to reality. The children of America need schools. Only Congress can draw upon the financial resources to help school districts all over the Nation to build those schools. This is the year in which we must act to accept the principle of Federal school aid, and to start the flow of funds into the empty coffers of school districts which face the onrush of new generations of American children with rickety, unsanitary, overcrowded firetraps for school buildings—whether it be the $400 million a year proposed by Governor Stevenson and the Kelley bill, or the $250 million a year proposed by the administration.

I wish we lived in the kind of world, Mr. President, where simply because we want to, we could add the Powell amendment to the school bill—and then make it stick and pass a Federal-aid bill. But we do not, too many Members of Congress, some of whom will ringingly support an antisegregation rider, still oppose giving our schools the help they really need.

CHILDREN WILL BE THE LOSERS IF SCHOOL BILL IS DEFEATED

Suppose, then, that we add the Powell amendment and Federal aid to education then dies in Congress. Who will be the losers? Will it be the politicians who have fought on the two sides of the issue? Will it be those leaders of various organizations on both sides of the issue who demand that aid to education be uselessly sacrificed just so that the Nation be clearly divided on the principles they espouse—100 percent or not at all? Just as logically, they might make a fight over continued segregation in intrastate transportation in some States by offering an amendment to the Federal highway bill that no Federal funds shall go to build roads that are traveled by buses on which so-called Jim Crow rules are enforced. More logically, perhaps, for segregation in schools is already unlawful, without such an amendment. But, while a fight over segregation in buses might likewise doom the highway bill, the backers of an antisegregation amendment choose to make their fight over Federal funds for school construction. In my lexicon, Mr. President, the children's bill is more important and more urgent than the road bill.

No, Mr. President; if the Powell amendment kills the school bill, the losers will be the boys and girls of America. They will pay the penalty. They will lose the formative years of their lives in overcrowded classes, in firetrap school buildings, under other circumstances not properly or generously financed. Thomas Jefferson once told us that our young people come this way but once. When a child loses out on the kind of education needed to prepare it for successful life and good citizenship, that child has lost out forever—through the rest of its life.

I am concerned, Mr. President, about boys and girls, of whatever race, color, nationality, or religion. If Federal aid to education is throttled, we do not only penalize the poorest States, with the poorest school districts, in which the tradition of segregation—now illegal—is still strongest. The schools of a legally integrated slum can be just as overcrowded and unsanitary as segregated ones, and the losers will also be the children of Detroit and St. Louis, Chicago and Los Angeles, Cleveland and New York. There are millions of colored children in these cities.

For all practical purposes, it is conceded that addition of any antisegregation clause, such as the Powell amendment, will mean the doom of Federal aid to education in this Congress. Confronted by such a stern and inflexible choice, I make my choice. I will take an aid-to-education bill without such an amendment, rather than see it perish with the amendment.

EXHIBIT A

ERIC SEVAREID, CBS RADIO NEWS ANALYSIS, FEBRUARY 14, 1956

Good evening, it now seems to be touch and go whether the agonizing question of school integration in the deep South, with all its undertones of primitive human feelings, can be kept out of partisan politics this year. If it cannot be kept out or, at the least discussed dispassionately, many observers here are convinced we are in for most serious internal troubles, including widespread violence, and an impression of America abroad that will not only be humiliating but disastrous to our moral position in the world.

Already, this question is beginning to separate the men from the boys in American politics. It is safe enough for a northern governor, like Mr. Harriman, of New York, to demand Federal force to compel integration in the old South, and to support the Powell amendment that would deny Federal school funds to areas maintaining segregation. It is safe enough for a Southern white supremacy Senator like EASTLAND, of Mississippi, to cry outright defiance of the Court and the law of the land. But this happens to be one of those rare situations in which the moderate position requires more courage than the extreme positions. To counsel moderation, patience and understanding in this matter is not only the position of courage, it also happens to be the position that corresponds to the reality. It is a little hard to see how anyone with even a working knowledge of the old South can believe that the use of force to produce school integration will produce anything except riots and bloodshed and set integration back a long, long way; John L. Lewis used to say you cannot dig coal with bayonets; far less can you force children, white or black, to a school that is a center of tension and fear; how the learners could learn or the teachers teach in such a situation is beyond comprehension.

It is equally hard to see how denying school-construction funds to areas not yet integrated is going to produce integration; it is far more likely first, that the Powell amendment will simply guarantee that no school aid bill is passed by this Congress, making the school facilities crisis worse, not only in the South but in every State in the union. Federal punitive or penalizing tactics will unquestionably destroy the influence of the southern liberals, who have been working slowly and steadily for racial equalities. They would simply have to quit the field and fall silent, as the men of anger take over completely.

The President has great moral influence, South as well as North; he is against the Powell amendment and has indicated his opposition to any forcible Federal policing measures; but he has done so only in an offhand way, in a news conference; at some point, he is going to have to speak out, as the head of the Nation. It should not be left to the leader of the party out of office to do this; so far it has been. The only impressive call to calmness and commonsense has come from Mr. Adlai Stevenson, though this has already cost him dear, politically, among some Negro and some labor groups. He is against the Powell amendment and against Federal policing attempts in the South.

[From the Washington Post and Times Herald of February 10, 1956]

MR. STEVENSON'S COURAGE

When Adlai Stevenson rose to address his Negro audience in the Wilkens Hotel at Los Angeles last Tuesday, he was confronted with a clear-cut choice between demagogy and statesmanlike candor. He chose the latter course, and it would be a sad reflection on the popular American intelligence to believe that because of this he imperiled his chances for the Presidency.

What Mr. Stevenson's audience wanted to hear were Mr. Stevenson's views of the crisis that has arisen in the Southern States in consequence of the Supreme Court ruling which has outlawed the practice of race segregation in the public schools. Mr. Stevenson's rival in the California Democratic preferential primary election, Senator ESTES KEFAUVER, has been making a strong play for the support of the organized Negro vote, which might conceivably be decisive in that State. Just what pledges Mr. KEFAUVER has given the Negro leaders are still a matter of mystery. According to one report, he has promised to support the Powell amendment to the Federal school-aid bill which would deny any Federal funds to States in which segregation is still practiced. Senator KEFAUVER has now denied that he has committed himself to any position on the Powell amendment; but, whatever the reasons, many Negro leaders now seem persuaded that he is the warmer champion of their cause and are accordingly shifting their allegiance and support to him.

Thus with respect to the question of the southern schools Mr. Stevenson was placed clearly on the defensive. He met the challenge by a great show of intellectual honesty, refusing to pretend that political complexities admit of simple and drastic solutions. He is opposed to segregation and has always been in favor of full race equality; but as far as the southern States are concerned he believes that this must come about through gradual enlightenment and acceptance rather than immediate coercion. Thus he flatly rejected any proposal to enforce the Supreme Court ruling by means of Federal troops or police. He pointed out the absurdity of supposing that prejudices, social usages and traditions that are older than the Republic could be abruptly eradicated by such methods and said the effect of such an effort would simply be to "Balkanize" the South. Earlier Mr. Stevenson had refused to indorse the Powell amendment, on the very reasonable ground that it would only lead to a determined filibuster by the southern Senators that would defeat the Federal-aid bill in toto.

It took a great deal of courage for Mr. Stevenson to make openly, and under such circumstances, so fair a statement of the actualities. He opposed the counsel of common sense to the sort of fanaticism that has been well defined as "redoubling your efforts when you have forgotten your aims." He may have lost a few potential votes, but he has also strengthened the impression of his qualities of statesmanship.

[From the Washington Post and Times Herald of February 16, 1956]

POLITICS AND CIVIL RIGHTS

Adali Stevenson's plea that political leaders of both parties keep the public school segregation issue out of the 1956 election campaign seems to have little hope of realization. With feelings so inflammable on either side, politicians can hardly forbear to ignite them. Yet they may touch off a disastrous explosion. The torch held aloft by Governor Harriman when he urged withholding Federal funds from States where school integration is not achieved forthwith may make a lovely light; but it will do nothing whatever to promote either integration or education. In its way it may be as dangerous as the cross burned on the altar of white supremacy by the rabid crew represented by Senator EASTLAND. And the bald attempt by Vice President NIXON to make political capital out of the fact that the Supreme Court happened to decide the school segregation cases during a Republican administration seems as shabby as it is mischievous.

We are at a climactic stage in the development of race relations in the United States. An historic pattern is being swept away. Ancient wrongs which find their only justification in a tradition based on bigotry are at long last being righted. It is only natural that Negroes who have suffered these wrongs should be impatient to inherit their full rights as citizens of the United States. Justice is so clearly on their side that it is almost as affront to ask them for moderation and continued patience. Nevertheless, moderation and continued patience are likely to bring them to their goals much more speedily than intransigeance and intemperance.

If the school-segregation issue falls into the hands of the extremists and the political exploiters, an evolutionary process which came to maturity as a result of American economic and social growth—and which the Supreme Court merely recognized and ratified—will be frustrated and delayed. For it is plain that a harmonious integration of different races is one of the many matters that cannot be accomplished by the points of bayonets. This is by no means to say that justice and law and order ought not to be resolutely enforced by governmental authority. It is to say simply that kindliness, tolerance, mutual trust and good will are indispensable ingredients of every social adjustment.

"It is my conviction," Hamilton Basso wrote the other day in a distinguished letter to the New York Times, "that once the South is rid of its fear that it will be required to reorganize the whole of its society within a few months or years it will begin noticeably to obey those impulses of decency, kindness, and honorable behavior which, because of the statements of its extremists, would now seem to be blocked off." The South's extremists respond to extremists from the North—and vice versa. No doubt it was this consideration that led the Supreme Court to order integration in flexible terms attuned to varying conditions; it ordered a "prompt beginning," not an immediate completion. And it ordered compliance to be judged in the judicial atmosphere of Federal courts, not in an executive agency subject to political pressures. The firmness with which such action can be taken was demonstrated yesterday by a Federal court in New Orleans which declared Louisiana's 1954 segregation laws unconstitutional.

This is preeminently a time when the test of statesmanship is restraint. The change in customs and institutions demanded of the South involves the birth of a new era. Birth is never without birth pangs. It calls for compassion and understanding.

[From the Christian Science Monitor of February 15, 1956]

TEST FOR AMERICANS

The political maturity of the American people is deeply challenged by the segregation issue. If they let zealots on either side take over and make it into a political football the eventual working out of the problem will be delayed and vast harm done to the Nation at home and abroad. There is not going to be another civil war over mixed schools. No responsible leader is prepared to send Federal troops into the South, but some irresponsible and ambitious politicians are willing to fan the flames of hate and unreason to warlike pitch by encouraging the belief that coercion will be used.

Fortunately, the topman in each party has spoken for moderation. President Eisenhower opposes the effort to try to force desegregation by withholding Federal aid from segregated schools. He has pointed out that the Supreme Court specifically provided there be a gradual implementation, and placed implementation in the hands of local courts. Adlai Stevenson has taken the same position. Both men uphold the Supreme Court decision. Both point to the necessity for reasonable methods of carrying it through.

Mr. Stevenson has developed at greater length the case for gradualism. In an admirable statement last weekend he declared:

"True integration requires more than the mere presence of children of two races in the same classroom; it requires a change in the hearts and minds of men. No child can be properly educated in a hostile atmosphere."

The Democratic standard bearer of 1952 usefully reminded Americans that the stroke of a pen does not change customs and traditions centuries old. Also that to attempt punitive Federal action in a whole region where public opinion does not uphold a court ruling may actually delay the process of integration in education. Talk of coercive action—and talk is all it will be—does not improve the prospects of any Negro, but, as Mr. Stevenson said, "arms the extremists and disarms the men of good will in the South who with courage and patience have already accomplished so much."

Leaders in both parties verge on dangerous ground when they appeal to race feeling. Possibly we cannot ask them to refrain from claiming concrete gains achieved for the Negroes. Vice President NIXON did that very effectively in his Lincoln Day speech. He was much less sound when he linked the school desegregation decision to a Republican chief justice. Not only were 6 of the 9 Justices joining in the decision Democrats; such talk flouts the President's idea to keep the Supreme Court out of politics.

The plea should be heeded also in the South, where some politicians are trying to make it the fashion not merely to defy the decision but to belittle the Court and attack its members. But some acts of an embattled minority may be more easily understood than those of leaders in the rest of the Nation—in either party—who suggest threats of coercion which they know can never be applied but which arouse passions on both sides.

Mr. Stevenson truly said that Americans face one of the ultimate tests of democracy and of our system, in which there can be no greater disservice to our country than to exploit for political ends the racial tensions of this moment. Civil rights can have a decent and useful place in the campaign. But the voters should turn against every politician who tries to tell them that he or his party will—or can—solve the problem by force rather than reason.

[From the San Francisco News of February 15, 1956]

NIXON IN NEW YORK

Perhaps it is too much to expect of the usual politician—when he gets before such a partisan audience as, say, a Republican Lincoln Day gathering—to restrain his braggadocio or his epithet, or to remember caution when he spouts off on inflammatory issues.

Too much to expect, perhaps. But an elementary understanding of decency, with even a dash of commonsense, ought to be sufficient to dissuade any responsible political leader from exploiting the controversy symbolized by the outbreaks on the University of Alabama campus.

Vice President NIXON, no less, we regret to say, violated this reasonable concept of seemliness in his Lincoln Day address in New York. He did it on two counts.

He bragged unmercifully of Republican accomplishments in the field of civil rights. And he dragged the Supreme Court into sidewalk politics by the outlandish claim that it was a Republican Chief Justice who ordered an end to segregation in the schools.

What the Vice President said was inaccurate, unnecessary, and unpardonable. It was a disservice to the Eisenhower administration and a shocking undercut to the prestige and impartiality of the Supreme Court.

Those who would impute partisanship to the Supreme Court risk the anger of a people jealous of their basic institutions. Even the late F. D. R., at the top of his popularity, beheld that wrath. It can happen to such as DICK NIXON.

Racial prejudice, seated deep in emotion and tradition, never can be mitigated by reckless utterance or political artifice.

Adlai Stevenson, in applaudable contrast to the Nixon speech, epitomized the only sane and honoroble policy when he said:

"This condition imposes special burdens on all of us and even heavier burdens on public officials. I can think of no greater disservice to our country than to exploit for political ends the tensions that have followed in the wake of the Supreme Court decision."

INVESTIGATION OF PROBLEMS RELATING TO INTERSTATE AND FOREIGN COMMERCE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1476, Senate Resolution 163.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 163) to investigate certain problems relating to interstate and foreign commerce.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 163) to investigate certain problems relating to interstate and foreign commerce, which had been reported from the Committee on Rules and Administration with an amendment. On page 2, line 8, after the word "the", where it appears the first time, to insert "prior", so as to make the resolution read:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) interstate and foreign commerce generally;

(2) maritime matters;

(3) domestic surface transportation;

(4) communications;

(5) civil aeronautics; and

(6) fisheries and wildlife.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $250,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, Senate Resolution 163 was approved by a unanimous vote of the Committee on Rules and Administration and a unanimous vote of the Committee on Interstate and Foreign Commerce.

For the information of the Senate, let me say that last year under a similar Senate resolution, the Committee on Interstate and Foreign Commerce received, for special studies, $200,000. Of this amount we turned back approximately $49,000. Subsequently, under a special Senate resolution, we received $30,000 for a study of the maritime training and education program. The subcommittee which made a study of the maritime academies was headed by the Senator from Maine [Mr. PAYNE] and myself. The study was completed on time, and we turned back $13,000.

The regular staff of the committee consisted of 10 employees. At present we have 19 temporary employees, who are conducting many of the numerous activities of the committee. I may point out for the record some of the studies initiated or continued. Some of them were continued even from the previous Congress.

One of the studies relates to the Cabinet Committee Report on Transportation, and the implementing legislation, Senate bill 1920. The so-called Cabinet Committee report is a comprehensive report which contemplates a complete revision of the entire transportation policy of the United States. It would require not only many experts, but lengthy reports, and the borrowing of employees from the Interstate Commerce Commission if the studies were to be continued, as recommended by members of the committee.

The reason we are asking for an extra $50,000 this year is that if the committee decides to go ahead with the implementing legislation, Senate bill 1920, which, as I say, is based upon a Cabinet Committee report submitted by the administration, which is urging its immediate consideration, it will require a great number of skilled staff members to handle it. It involves a revision of all the freight rates in the United States, the long-and-short-haul provisions, and so forth. It would establish minimum levels. It would primarily affect railroads in many aspects, as well as the trucking industry, and all other phases of transportation. I told the Committee on Rules and Administration that if the committee should decide not to proceed with the proposed legislation at this session, we would not need the $50,000.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. If I may be allowed to conclude, I shall be glad then to yield to the Senator from Louisiana.

The Committee on Interstate and Foreign Commerce is a busy committee. For a long time I served on the Judiciary Committee, which I am sure is the busiest committee in the Senate. However, I think I can say in all fairness that the Committee on Interstate and Foreign Commerce is the second busiest committee. I wish to point out some of the problems we now have before us, which require additional skilled staff members.

To begin with, let me say to my good friend from Louisiana the natural-gas bill was before our committee. We conducted hearings for 7 or 8 weeks. The stenographic bill alone ran to almost $4,500. This subject has been before the committee on many occasions.

Mr. ELLENDER. Let me suggest that the work of the committee on the gas bill was all in vain, because I understand that the President has vetoed it.

Mr. MAGNUSON. I do not know. As the Senator from Louisiana knows, I was against it. At least, the proponents were entitled to the hearings. Many Senators, including the majority of the committee, wanted such hearings.

Every year we go into the matter of freight-car shortages. Last year we had one of the worst boxcar shortages in history. That subject required hearings, and it was necessary to send a man into the field to consult with railroad representatives. That occupied the services of one employee.

There is also the question of Alaskan transportation.

We have a continuing inquiry, which was started by the distinguished Senator from Ohio [Mr. BRICKER] in 1954, with full committee approval, into the problems of the television industry, involving very-high frequencies and ultra-high frequencies.

We must consider telephone and telegraph problems, particularly with respect to the matter of overseas cable operation.

There is before the committee an omnibus aviation bill.

We are considering the question of local airports. We have a comprehensive 5-year Federal airway program, for which the President is requesting an initial appropriation.

Then there is the question of the permanent certification of the Territorial airlines and international air routes.

Last, but not least, there is the subject of merchant marine and fisheries. I intend to introduce, within the next 10 days, an omnibus fishing bill, covering all fisheries in the United States. We have never had a national fisheries policy. Consideration of that bill will require a great deal of work. We are also proceeding in committee with a complete study of automobile marketing practices. We have had several men working on it, along with 2 stenographers.

In addition, we have under inquiry the subject of newsprint. The committee is also going into the subject of antigambling and antiracketeering legislation. Another subject I should mention is that of atomic-powered ships.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ELLENDER. As I recall, when former Senator Johnson of Colorado was chairman of the committee, the committee had appropriated to it approximately $400,000 to hold hearings in connection with transportation problems. What became of that money?

Mr. MAGNUSON. The distinguished former Senator from Colorado turned a great deal of that money back to the Senate. He and former Senator Myers of Pennsylvania and the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Ohio [Mr. BRICKER] held hearings for many weeks on that subject.

The committee employed rate experts, and went into the comprehensive and complex problems involved in the subject of surface transportation. The committee filed a report on its inquiry. However, that inquiry was not held for the purpose of initiating legislation, such as is our purpose at the present time. That inquiry was a complete study of surface transportation problems.

Mr. ELLENDER. What good came of it? Was any legislation suggested?

Mr. MAGNUSON. I do not know what good came out of it. I know that the study is constantly being referred to. It is a sort of bible of our whole transporation industry and its problems. I must admit that no legislation resulted from the inquiry, and that no legislation on that subject is pending at the moment.

Mr. ELLENDER. At page 873 of the CONGRESSIONAL RECORD I find the semiannual statement submitted by the Senator from Washington with respect to the number of employees of his committee. The regular employees shown there number 10, do they not?

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. Of those employees, four are professional employees. Is that correct?

Mr. MAGNUSON. That is correct. The remaining employees are stenographic employees.

Mr. ELLENDER. Stenographic and clerical.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. The Senator then submitted another list.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. That list includes an additional 18 employees as of December 31, 1955. Is that correct?

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. Then there is another list showing two persons, and those persons are shown as engaged in a study of merchant-marine training and education.

Mr. MAGNUSON. That is correct. Those two employees were engaged in the study of merchant-marine training and education, and that study has been completed.

Mr. ELLENDER. Therefore, at the present time the Senator's committee has a staff of 10 regular employees, as provided under the Reorganization Act, plus some 18 others. Is that correct?

Mr. MAGNUSON. The budget of the committee calls for 16 employees on a temporary basis, and 26 altogether.

Mr. ELLENDER. Last year the Senator asked for $200,000. Is that correct?

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. He returned, unexpended, $50,000. Is that correct?

Mr. MAGNUSON. Approximately $50,000; that is correct.

Mr. ELLENDER. As I understand, the same staff members will be employed. The Senator will not increase the number of employees?

Mr. MAGNUSON. I can explain that to the Senator.

Mr. ELLENDER. I should like to know why the Senator is asking for $250,000 instead of the $150,000 he spent last year.

Mr. MAGNUSON. I can explain that to the Senator. What happened was that we thought we would proceed with the inquiry into the radio and television industry last fall. That is a very broad subject, and will require a great deal of research and a big staff, including a temporary counsel and some additional assistants. Congress adjourned early last year, Senators left the city, I could not get a quorum together, and I could not get anyone to handle the inquiry. Therefore we did not need all the money we requested. As I told the Committee on Rules and Administration, we turned that money back. The inquiry is now proceeding, and money for it is included in the budget. We will need almost $50,000 for the broad inquiry into the subject of radio and television.

Mr. ELLENDER. Inasmuch as this is an election year, does the Senator expect to continue that work this year?

Mr. MAGNUSON. We are engaged in it now.

Mr. ELLENDER. I mean, does the Senator intend to continue it throughout the year?

Mr. MAGNUSON. We are at it now. The fact that this is an election year does not mean that the staff is not busy. The staff is working all the time.

(At this point Mr. MAGNUSON yielded to Mr. NEUBERGER, who addressed the Senate on the subject of the President's veto of the natural-gas bill; Mr. NEUBERGER'S remarks, and the remarks of other Senators on the same subject appear in today's RECORD under the appropriate heading following the adoption of S. Res. 163.)

Mr. ELLENDER. According to page 5 of the report on the pending resolution, I notice that the Senator contemplates hiring 26 additional persons, whereas last year a total of 20 additional employees were hired for special investigations.

Mr. MAGNUSON. Probably 26 additional employees will not be hired. Probably we will keep the number down to 18, to handle the regularly scheduled work of the committee. As I stated to the Committee on Rules and Administration, if we are required to proceed with the so-called Cabinet committee transportation inquiry, which is now before the Senate in the form of Senate bill 1920, under no circumstances could we go ahead with the inquiry without hiring at least 8 or 10 additional employees. We would require experts and lawyers, and persons with ICC experience. If we did not go ahead with the inquiry, I would turn the money back, as I told the Committee on Rules and Administration.

Mr. ELLENDER. Why does the Senator not wait until he determines whether he will go into that matter? This is an election year; all of us will wish to get away from the city by at least the middle of July. I do not see how such bills can be taken up and considered during this session.

Mr. MAGNUSON. Whether that be done or not, the work has to go on. The staff must continue its work. The ICC, for example, is working on it, and they may have as many as 50 people engaged now in order to get a report to us. The fact that it is an election year does not mean that the staff is not going ahead with its work. The inquiry involves the whole policy and concept of transportation in the United States.

The Senator from Louisiana asks, why we do not wait. There may be an occasion when the committee will decide to go ahead with hearings, and it may not be convenient to appear before the Committee on Rules and Administration or consult the Senator from Louisiana. I cannot see much difference between waiting and getting the money, and having it for this session and turning back such amounts as may not be used.

Mr. ELLENDER. What do the regular staff members on the committee do?

Mr. MAGNUSON. What do they do?

Mr. ELLENDER. Yes; that is what I should like to know. Do they not attend to special legislation, as is done on other committees, such as the Committee on Agriculture and Forestry?

Mr. MAGNUSON. The Committee on Agriculture and Forestry deals only with agriculture. We have a staff member provided for under the Reorganization Act who deals with aviation. We have one who deals with communications, which includes radio, telephone, telegraph, and so forth. We also have a staff member who deals with merchant marine and fisheries, which is quite a problem in my State and in the State of Louisiana. We have another staff member who deals with surface transportation. We have stenographers and secretaries who have to handle the mail. We are at the present time holding hearings on the Langer bill to prohibit the advertising of liquor in interstate commerce. If the staff members tried to answer one-tenth of the mail received, they would be busy from now until Congress takes its recess.

Mr. President, unless there are other questions, I should like to say that I feel that the budget which I have presented is a very modest one. We told the Committee on Rules and Administration about the program of work which the committee had before it, and, after examination by members of that committee, the committee unanimously approved the amount requested.

Mr. President, I yield the floor.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Martin, Pa.
Anderson	Fulbright	McCarthy
Barkley	George	McClellan
Barrett	Gore	McNamara
Bender	Green	Morse
Bennett	Hayden	Neely
Bible	Hennings	Neuberger
Butler	Hickenlooper	O'Mahoney
Byrd	Hill	Payne
Carlson	Holland	Robertson
Case, N. J.	Hruska	Russell
Clements	Humphrey	Saltonstall
Cotton	Jackson	Schoeppel
Curtis	Jenner	Smith, Maine
Daniel	Johnson, Tex.	Sparkman
Dirksen	Johnston, S. C.	Stennis
Douglas	Kennedy	Symington
Duff	Kerr	Thurmond
Dworshak	Knowland	Watkins
Eastland	Langer	Wiley
Ellender	Lehman	Williams
Ervin	Magnuson	Young
Flanders	Mansfield	

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from West Virginia [Mr. KILGORE] and the Senator from North Carolina [Mr. SCOTT] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senators from Connecticut [Mr. BUSH and Mr. PURTELL], the Senator from Indiana [Mr. CAPEHART], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], the Senator from New York [Mr. IVES], the Senator from Arizona [Mr. GOLDWATER], the Senator from California [Mr. KUCHEL], the Senator from Michigan [Mr. POTTER], the Senator from Iowa [Mr. MARTIN], the Senator from New Jersey [Mr. SMITH], the Senator from Minnesota [Mr. THYE], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent because of illness.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). A quorum is present.

The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 8, it is proposed to strike out the word "prior".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. KNOWLAND. Mr. President, I offer an amendment on page 2, line 18, to strike "$250,000" and insert in lieu thereof "$200,000". That is the amount which the committee had last year. It expended $149,540.32.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SALTONSTALL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue the call of the roll.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Duff	Humphrey
Anderson	Dworshak	Jackson
Barkley	Eastland	Jenner
Barrett	Ellender	Johnson, Tex.
Bender	Ervin	Johnston, S. C.
Bennett	Flanders	Kennedy
Bible	Frear	Kerr
Butler	Fulbright	Knowland
Byrd	George	Langer
Carlson	Gore	Lehman
Case, N. J.	Green	Magnuson
Clements	Hayden	Mansfield
Cotton	Hennings	Martin, Pa.
Curtis	Hickenlooper	McCarthy
Daniel	Hill	McClellan
Dirksen	Holland	McNamara
Douglas	Hruska	Morse
Neely	Saltonstall	Thurmond
Neuberger	Schoeppel	Watkins
O'Mahoney	Smith, Maine	Wiley
Payne	Sparkman	Williams
Robertson	Stennis	Young
Russell	Symington	

The PRESIDING OFFICER. A quorum is present.

The clerk will state the amendment offered by the Senator from California [Mr. KNOWLAND].

The CHIEF CLERK. On page 2, line 18, it is proposed to strike out "$250,000" and insert in lieu thereof "$200,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

Mr. ELLENDER. Mr. President, I shall not delay the Senate unduly. This is another instance in which a committee has been divided into a number of subcommittees; each subcommittee must have its own separate staff, including investigators and lawyers. Last year this committee obtained $200,000, and it spent $150,000. The purpose of the amendment is to provide the committee with the amount of money it received last year—not what the committee spent, but what the Senate gave the committee last year.

As the record shows, last year, in addition to the 10 regularly employed assistants—4 professional and 6 clerical employees—the committee utilizied 18 additional professional and clerical assistants to carry on work of the various subcommittees. Two other employees were employed under the authority of a separate resolution concerning a study of the merchant marine academy. I understand that study has been completed.

Mr. President, the record shows, as I have just indicated, that if the committee is given the $200,000 proposed under this amendment that amount would still be $50,000 more than the committee actually spent last year. It strikes me that my good friend from Washington should accept that amount.

The committee's large expenditures for investigations began during the 83d Congress, 1st session, when an additional amount of $115,000 was voted. During the second session of the 83d Congress it received $115,000, the same amount as in the preceding session.

Last year, as I just indicated, the amount was increased from $115,000 to $200,000. Of the $200,000 appropriated, about $150,000 were spent.

The amendment which has been proposed by the Senator from California [Mr. KNOWLAND] was one I had intended to propose. I am very hopeful the Senate will adopt the amendment, and thereby provide the committee the same amount it received last year; I see no need for the $250,000 requested.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

Mr. ELLENDER. Mr. President, I ask for a division.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DANIEL in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from California.

Mr. ELLENDER. Mr. President, on this question I request a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. CLEMENTS. Mr. President, I offer the following amendment: On page 2, in line 4, to strike out "February" and insert "March"; and in line 18, to strike out "$250,000" and insert "$229,166.67".

The PRESIDING OFFICER. The amendment of the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. On page 2, in line 4, after the word "from", it is proposed to strike out "February" and insert in lieu thereof the word "March".

On the same page, in line 18, after the word "exceed", it is proposed to strike out "$250,000" and to insert in lieu thereof "$229,166.67".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment.

If there be no further amendment to be submitted, the question is on agreeing to the resolution, as amended.

The resolution (S. Res. 163) as amended, was agreed to, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) interstate and foreign commerce generally;
(2) maritime matters;
(3) domestic surface transportation;
(4) communications;
(5) civil aeronautics; and
(6) fisheries and wildlife.

SEC. 2. For the purposes of this resolution the committee, from March 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $229,166.67 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PERSONAL STATEMENT

Mr. LANGER. Mr. President, I rise to a point of personal privilege.

About 1 hour ago I noticed that the Washington News for today carried the headline, "Taxpayers Get Tab for Senator LANGER's 11 Business Trips."

On the next page the headline reads, "LANGER's Trips Home Cost the United States $2,400."

I expect these headlines will appear in the headlines in North Dakota.

Mr. President, I ask unanimous consent that the article may be read by the clerk.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Chief Clerk read as follows:

LANGER'S TRIPS HOME COST THE UNITED STATES $2,400

(By Jack Steele)

The United States Senate has more official business to transact in North Dakota than you might think.

At least that's what it says in the annual financial report of the Secretary of the Senate made public today.

The report shows that Senator WILLIAM LANGER, Republican of North Dakota, charged the Senate—and therefore the taxpayers—for 11 round trips to his home State during the 1955 fiscal year.

His 11 trips home, several of which were made in his private auto, cost the Senate and the taxpayers nearly $2,400.

Senator LANGER certified that all 11 were made on official business of the Senate.

ONE TRIP

(Each Senator supposedly is entitled to only one round trip home at taxpayers' expense during each session of Congress. He is paid for this at the rate of 20 cents a mile. This trip is not covered in the Secretary's report.

(Many Senators, especially if they happen to head a committee or subcommittee, work in an extra free trip or two home a year by charging it up to committee business.

(But Senate officials conceded that Senator LANGER's 11 trips apparently had set some sort of record.)

CHARGED 11

Senator LANGER charged up his 11 trips home to the Senate Judiciary Committee, of which he was formerly chairman and is now ranking GOP member, and to 4 of its subcommittees.

The subcommittees are those on juvenile delinquency, antitrust and monopoly, refugees and Federal penitentiaries.

Four of Senator LANGER's trips home were charged to the Juvenile Delinquency Subcommittee.

This could mean either that North Dakota has more juvenile delinquents than most States or that this subcommittee has a bigger travel budget than others.

Senator LANGER's most expensive trip home covered the period from December 23, 1954, to January 3, 1955, and was charged to the Judiciary Committee, of which he was then chairman. It cost $330.35.

MOTOR AND AIR

He first drove to New York, where he apparently spent Christmas Day. Then he flew to Fargo and went by car again to Bismarck, where he spent New Year's.

His expense account for this trip includes $9 a day per diem allowance for 10 days—which covers the two holidays.

Senator LANGER also charged the Senate for a trip home, leaving Washington on August 30, 1954—10 days after the Senate recessed.

He first drove to New York, then to Lewisburg, Pa., where he inspected the Federal penitentiary, and then on to Bismarck. Naturally, this was charged to the penitentiary subcommittee.

Mr. LANGER. Mr. President, that article was written by a reporter by the name of Jack Steele. I do not know just why Mr. Steele does not like me. In any event, he did not do me the courtesy of calling me or making the slightest investigation about these trips, insofar as I am personally concerned or so far as my office is concerned. He, or whomever he represents, was willing to crucify me without any honest attempt to get the facts and endeavored to fool the people.

Since seeing this newspaper article a while ago, I have not had time to assemble the details regarding all the trips I took, but I have before me now notations on 15 of them, and I wish to bring this information to the attention of the Senate.

For Mr. Steele's information, I want him to know that I was reelected in 1952, so there could not possibly be any connection between my reelection and these trips, because at that time I had between 5 and 6 years to serve.

Mr. President, I am very proud of the fact that ever since I have held public office—whether as Attorney General of North Dakota or Governor of North Dakota or Senator from North Dakota—as soon as I took office, I got out of private business. The day I assumed the office of Attorney General of North Dakota I canceled all the lawsuits I had, and turned all of them over to my former associates, and did not take a dollar, even though I might legally have been entitled to some of those fees. I want my political enemies here and at home to know that and to put that in the newspapers.

When I became Governor of North Dakota, I did likewise. I had been practicing law, and had one of the finest practices in the State. The day I became Governor, I got out of that law firm, and did not touch a single lawsuit during the time I was Governor of the State of North Dakota, and turned over all that money to my former associates, and did not take one dollar of it—as will be evidenced by my income-tax returns.

Then I was elected to the Senate of the United States. When I was elected to the Senate, I made up my mind to do just one thing, namely, to be the best United States Senator that North Dakota ever had, to be an honor and an adornment to the Senate of the United States. I got out of all private business of every kind and description—farming and every corporation I was interested in personally—so that I could devote every minute of my time in behalf of the United States Senate and in behalf of the people of my State. I did exactly that, and I want my friends to know it, Mr. President.

Furthermore, I want them to know that during all the time I was attorney general of North Dakota and during all the time I was governor of North Dakota and during the entire time I have been a United States Senator from North Dakota—a total of 23 years—I have never hired a daughter or a son of mine, and I have never hired my wife, and I have never hired any other blood relative and put any one of them on a public payroll when I had to make an appointment. I want Senators to know that, Mr. President; I am proud of that record.

In view of the fact that Jack Steele has mentioned certain trips, I want him to know that the Foreign Relations Committee, for example, of which I am a member, last year wrote to me and said I could go anywhere in the world if I wanted to make any investigation. However, I have never taken a trip to Europe or Asia, Mexico, South America, Russia, or anywhere else in my life, Mr. President, at the expense of the taxpayers. I took one trip abroad, and it was paid for privately; I went to Germany, Austria, Norway, Sweden, and Denmark, and I paid for that trip myself. So much for that.

We come now to the reason why I took those trips out home. Mr. President, Jack Steele and the people he represents intended to hurt me. As a matter of fact, as so often happens, he has, instead, helped me.

In one case I went to North Dakota—and I am selecting these trips just at random—after I received a complaint from some 40 elevator companies, both independent and cooperative, that the Commodity Credit Corporation wheat which was being shipped out of North Dakota was not being tested properly; that instead of using the usual dockage tester which they had used for years the roller belt test was instituted with great resultant losses to the elevators and the farmers. That hearing was held publicly at Fargo, N. Dak. There were present at that time perhaps 75 or 100 elevator men, including groups from the States of Minnesota and South Dakota. Why should not I charge that trip? I went there personally to see that those elevator companies and farmers got a square deal.

I may add, Mr. President, that only a short time afterward, at a public hearing in Minneapolis, Mr. James Bell, in charge of the Commodity Credit Corporation in Minneapolis, came there and testified before me in connection with men from the States of Minnesota, North Dakota, and South Dakota. Now, fellow Senators, this accounts for one trip. We are interested in the truth, so let us take up another trip.

As I have said, I am selecting these trips just at random. The Heffiefinger Co., in Minneapolis—Mr. Heffiefinger is national treasurer of the Republican Party—in one fell swoop gobbled up the assets of the Russell Miller Milling Co., and obtained control of 134 elevators in the States of North Dakota and South Dakota. Mr. President, I am a member of the Antimonopoly Subcommittee, and I wish to investigate the purchase of these 134 elevators and why a farmer living in a little town where there are 2 elevators should be obliged to sell his grain to 1 company that owned both elevators, and could do away with competition, with the result that the farmers could not obtain a fair price for their wheat and their other grain. So I went to North Dakota and made my investigation. I stopped at Minneapolis. I had Attorney Wayne Smithey, of our Judiciary Committee, there. We sub-

penaed the former president of the Russell Miller Milling Co., Mr. James Mulloy. We had a public hearing at which perhaps 500 people were present. Why should not a United States Senator charge for that trip, Mr. President? Why should not the antitrust laws be enforced? Why should 1 concern be allowed to gobble up 134 elevators overnight?

Now we come to another trip I took: The Governor of North Dakota, Norman Brunsdale, called a meeting in behalf of the Indians of the State of North Dakota. He invited there all the county commissioners of the counties in which Indian reservations are located; he invited there the State welfare board; he invited the Indian Service Commissioner, John Hart, and his associates; and he invited the Tax Commissioner; and he invited the Senators and Representatives from North Dakota by letter and the Governor's letter is in my file. Of coure I went there, to be present at that hearing.

As a result of the hearing, what happened, Mr. President? A few weeks later, we arranged to have a hearing on juvenile delinquency. At the hearing, in Governor Brunsdale's office, we had testimony lasting all day. At one of the meetings, Glenn Emmons, the Indian Commissioner, was present. We had testimony that on New Year's night, between 40 and 50 girls and boys, juveniles, were put in a Federal jail at Fort Yates, N. Dak., and used a common toilet, and all were in one room, and could look at each other between the bars. When the Senator from Tennessee [Mr. KEFAUVER] later came to hold the juvenile delinquency hearing, he said—I use his description of it—that it was the worst jail he ever saw in all his life.

We filed a complaint with Glenn Emmons, and got $50,000, and had a decent jail built. Mr. President, what is wrong when a United States Senator protects the Indians who are wards of the United States Government, after the Governor of the State invites him to go there?

Some weeks after I returned from that hearing, we had a hearing at Fort Yates, N. Dak., on the question of juvenile delinquency. I went there with the Senator from Tennessee [Mr. KEFAUVER]. For 4 days we traveled from one reservation to another. Mr. President, why should not a Senator be paid when he protects the rights of the Indians in four reservations? We investigated the matter of juvenile delinquency among them, all at public meetings with scores of witnesses appearing before us.

I went to New Mexico on that kind of hearing. I went to Arizona. I went to southern California. The situation among the Indian juveniles is one of the most deplorable facts the country is faced with. In each case we filed a report. As a result of the hearings, a report was filed with the Senate. Yet this man Jack Steele would have the people believe that the Senator from North Dakota charged $2,400 on business trips for doing nothing.

Now we come to the fifth trip. Jack Steele mentions 11. After the juvenile delinquency hearings, the legislature of North Dakota notified me that it would like to have me meet with the legislative committee on Indian affairs, and with the county commissioners in the counties where reservations were located. In the constitution of North Dakota there is a provision to the effect that supervision by the States may not be imposed upon the Indians without the consent of the Indians. That provision is different from the provision in the constitution of South Dakota, for example. The legislature wished to introduce a constitutional amendment. That amendment is now being submitted to the voters of North Dakota. The members of the legislative committee wanted to talk it over with me and we had a public hearing, attended by 200 folks interested in Indian matters. Of course, I went there, in order that the Indians out there might be protected. I ask, is there anything wrong about a Senator dealing with a Federal matter of that kind?

Now we come to a sixth trip to North Dakota. Senators are familiar with the Corsi hearings, and the charges made by Mr. Corsi.

Hearings were held before the Refugee Subcommittee on the various charges made by Mr. Corsi, among them the charge that refugees were not coming over here at the proper rate, that the right kind of refugees were not coming, and so forth. Because of the peculiar testimony, I took the question up with a group in North Dakota, headed by Rabbi Schwartzchild. I met with them, just as I have met with governors' committees in other places. Only 2 weeks ago I went to San Francisco, Calif., in connection with the cases of some 241 refugees, with respect to whom assurances had been filed more than 2 years ago, and yet not one of those refugees had come into this country. Of course, I went out there, and charged the expense to the Government.

We now come to the seventh trip. The Indians in Alaska have been neglected. For many years the situation up there has been one of starvation and suffering. The Senator from Tennessee [Mr. KEFAUVER] delegated me to take a trip to Alaska with James Bobo and Mr. Peter Chumbris, staff members of the Juvenile Delinquency Subcommittee. What was wrong about my going to Bismarck, N. Dak.? It was on my way. Was I expected to go by way of Missouri and Los Angeles? Of course, I charged for that trip; but the fact that Bismarck happened to be on the way should not bother my political enemies.

I come now to another trip out home which I took. In 62 years of statehood North Dakota never had a circuit judge. I was a member of the Judiciary Committee when the question of a circuit judgeship arose. I recommended Charles J. Vogel, a Federal judge, who, by the way, happens to be a Democrat. The Office of the Attorney General, in a Republican administration, objected. The result was that I went out to the State of North Dakota to consult with some of the best lawyers in the State—I have been gone from there most of the time for 15 years—to see whom we should select for the office of circuit judge. Is there any reason why I should pay for that trip? The net result was that we got a circuit judge for the eighth judicial circuit, the first one in the history of the State of North Dakota.

Then there was another trip some months later. The Senate had passed a bill providing for an additional judge in North Dakota, and when Mr. Vogel was transferred from the Federal judgeship to the circuit judgeship, there were two vacancies. Immediately there were candidates from town after town who wanted to be appointed to the Federal judgeship. Of course, I went out to North Dakota to investigate the merits of the various candidates. The people were entitled to two good judges, and it was my job to get them. I discussed them with many lawyers, which required some time. Is there any reason why, as a member of the Judiciary Committee, I should not be investigating the merits of various candidates who are to be appointed judges, for life, from the State of North Dakota? When we were through, my colleague [Mr. YOUNG] and I agreed that we had two of the best Federal judges in any State in the Union.

I come now to another trip. In North Dakota we have a general welfare board. It is comprised of very reputable citizens. Among them is an executive secretary, a young veteran by the name of Carlisle Onsrud. It is conceded that he is one of the best welfare representatives in the United States.

Mr. Onsrud had made an investigation at the request of the welfare board, of the small-loan sharks who were robbing the poor people on relief in the State of North Dakota. His report was to the effect that there were several thousand poor people in the State of North Dakota paying anywhere from 200 to 300 percent interest.

Our Juvenile Delinquency Subcommittee held hearings in North Carolina. Professors from Duke University presented evidence on this subject.

I had been in Topeka, Kans., in connection with the effort to wipe out the small-loan shark business. I was supported by the late Senator Arthur Capper's newspaper in that city. The result was that a small-loan act was passed in the State of Kansas, wiping out the small-loan sharks, who charged 200 or 300 percent interest. The lawful interest rate on such loans in Kansas is now the legal rate.

So I went to the capital city of Bismarck in North Dakota for the investigations with State officials, in an effort to wipe out the small-loan sharks in North Dakota.

When I returned I wrote a letter to every member of our legislature, both house and senate, in an effort to wipe out the small-loan-shark business. We almost succeeded. The bill was defeated by a vote of 23 to 22 in the Senate of North Dakota. South Dakota enacted such a statute 4 years ago.

Mr. Steele mentions only 11 trips. I think he has missed some. On another trip I investigated the flood-relief situation. Thousands of acres of land had been flooded at Lake Alice. Last week the House, by unanimous vote, passed a bill to recompense farmers whose land

had been flooded. The bill is now pending before the Senate Judiciary Committee, of which I am a member. It involves hundreds of thousands of dollars. Of course, I went out to look over the situation.

I might possibly be criticized for one trip—but only one. A man in the penitentiary in Leavenworth wrote me a letter stating that he had been confined for a long time, although he was innocent. He said he came from North Dakota. He wanted me to see if I could not help him get out of prison.

On my way to Leavenworth to investigate the penitentiary, I turned aside long enough to make an investigation in the State of North Dakota into this man's character. I might possibly be criticized for that, but I believe that when a man is in the penitentiary and has no friends, it does no harm for a United States Senator to try to ascertain the facts and circumstances surrounding the case, as he had requested me to do.

I took another trip to North Dakota. That was in connection with the investigation of pornographic literature. In our Subcommittee on Juvenile Delinquency we have a large map showing the location of sources of such material. We learned that in Baltimore one man had a $150 million business, sending out filthy literature to the boys and girls of the United States. The map showed that he maintained three branches in North Dakota, and some in practically every State in the Union.

I took this matter up with our legislature in North Dakota. Mr. Peter Chumbris, of our subcommittee, went out. Today as a result of that trip we have on the statute books of North Dakota the best law against circulating that kind of literature to be found in any State in the Union. If such literature is found in an automobile, the automobile can be confiscated. If an airplane carries that kind of literature, it is possible to confiscate the airplane. It is a model law, which has been submitted to every State in the Union at their requests.

That is not all, Mr. President. In our investigation in New York, testimony by Mr. Bobo showed that a man in Houston, Tex., who deals in this kind of rotten, dirty, filthy literature, had an agent in North Dakota by the name of Levine. The result was that Mr. Levine was arrested and is now facing trial in the State of North Dakota.

Mr. Steele speaks about 11 trips. He does not speak about the trip I made to the jewel-bearing plant at Rolla, N. Dak. The Defense Department established the only jewel-bearing plant in the United States at Rolla, N. Dak. Those jeweled bearings are so tiny that people working with them must use a——

Mr. BARKLEY. A magnifying glass.

Mr. LANGER. No; they need more than that. They need a microscope to see those tiny jeweled bearings. Ten thousand of them can be held in the palm of a hand. The plan is to manufacture 100 million of them, and put them in a stockpile, so that if war breaks out again we will not be dependent upon Switzerland for those jeweled bearings. The number of jeweled bearings used in watches is very small. However, a hundred of them are used in the front of an airplane. They are used in farm tractors and in diamond drills. That plant was set up at Rolla, N. Dak. I was asked by Mr. John Hart, executive director of State Indian commission, because some trouble had arisen in connection with that work, to come out to the jewel-bearing plant. I went out there. That is 15 trips, Mr. President. Mr. Steele says I only charged for 11 trips. It may be that I have four trips coming to me. I will certainly check very carefully to see whether the United States Government owes me for at least four more trips and possibly more. If it does, I shall certainly put in some vouchers to the Government. When I get to the office I will check to see whether the Government owes me for other trips.

I repeat that I have no business in North Dakota. My only business is being a United States Senator for the United States of America. I have no business of any kind, not even farming business. When I have been out there to look at some of the farms, not once have I driven inside to talk with a tenant. That is all in charge of Mr. Franklin Gokey. I have no business in North Dakota. The only business I have is that of being a United States Senator.

Mr. President, I cannot tell the Senate how much I appreciate the fact that Mr. Jack Steele wrote his article. His writing it enables me to let the people of North Dakota know how busy I have been in Washington in their interests. I want the people of North Dakota to know that they have WILLIAM LANGER for United States Senator and that he is fighting for their interests. I want the people of North Dakota to know that their Senator is not to be diverted to make money in any lawsuit or to take care of any other business. I work 365 years for the people of the United States of America, particularly for the people of the State of North Dakota.

Mr. KNOWLAND. Three hundred and sixty-five days, not years.

Mr. LANGER. I thank my distinguished friend, the Senator from California for correcting me. I hope I will be here for 365 years, because I cannot imagine any people that I would rather work for than the honest, God-fearing, Christian people of the State of North Dakota. It is a great honor to represent them in the greatest deliberative body in the world. Therefore, when a man like Jack Steele writes an article, without first even calling me and without even making any kind of investigation, and sends his article broadcast all over the world, the only thing I can say is that that man ought to hang his head in shame, because he is a disgrace to the profession of being a reporter for a responsible newspaper.

VETO OF NATURAL GAS BILL

During the debate on Senate Resolution 163, to investigate certain problems relating to interstate and foreign commerce,

Mr. NEUBERGER. Mr. President, will the Senator from Washington yield to me for a brief announcement?

Mr. MAGNUSON. I am glad to yield.

Mr. NEUBERGER. Mr. President, it may be of some interest to the Senate to have me read a short dispatch which has just come in on the news ticker. It reads as follows:

THOMASVILLE, GA.—President Eisenhower today vetoed the controversial natural gas bill. Bitter Senate debate on the measure touched off an inquiry, into a $2,500 campaign contribution spurned by Senator CASE, Republican, of South Dakota.

Mr. President, I should like to say that the President of the United States has done the right thing and the courageous thing and the enlightened thing. I believe a great number of American people will support and approve the veto of the natural gas bill. In my opinion, the action the President has taken in refusing to put his signature on the natural-gas bill is an affirmation and an endorsement of the very heroic and valiant fight made in the Senate against the bill. That fight was led by the distinguished Senator from Illinois [Mr. DOUGLAS].

Mr. MAGNUSON. Mr. President, I did not intend to yield for too long.

Mr. NEUBERGER. Will the Senator permit me to proceed for 1 more minute?

Mr. MAGNUSON. I yield.

Mr. NEUBERGER. That fight was led by the distinguished Senator from Illinois [Mr. DOUGLAS], the distinguished Senator from New York [Mr. LEHMAN], the distinguished Senator from Missouri [Mr. HENNINGS], and the distinguished Senator from Oregon [Mr. MORSE].

Mr. MAGNUSON. Mr. President, I should like to have the Senator yield to me at that point. He has referred to a fight on the floor of the Senate. Fights on the floor of the Senate are a little more dramatic, as a rule, but I should like to call attention to a fight that took place on that bill in a committee room, and that fight was led by only four of us on that committee.

Mr. NEUBERGER. I should like to say that the Senator from Washington did not give me an opportunity to speak for a full minute. I wished to add that the President's action also confirmed the view of the minority of the Committee on Interstate and Foreign Commerce, led by the able chairman of that committee, the senior Senator from Washington [Mr. MAGNUSON], who submitted to the Senate minority views against the adoption of the natural gas bill. I believe the President's veto of that bill in a way associates the President's view with the minority views submitted by the distinguished senior Senator from Washington and his colleagues on the committee, who dissented from the majority. I regret that the Senator from Washington did not give me an opportunity to complete my remarks.

Mr. MAGNUSON. Perhaps I should have yielded more time to the Senator.

Mr. NEUBERGER. I wish to commend the President of the United States for what he has done on the gas bill.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may

be printed in the body of the RECORD the message of the President of the United States vetoing H. R. 6645. I am sure the message has been read in the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

The veto message of the President of the United States is as follows:

To the House of Representatives:

I am unable to approve H. R. 6645, to amend the Natural Gas Act, as amended. This I regret because I am in accord with its basic objectives.

Since the passage of this bill, a body of evidence has accumulated indicating that private persons, apparently representing only a very small segment of a great and vital industry, have been seeking to further their own interests by highly questionable activities. These include efforts that I deem to be so arrogant and so much in defiance of acceptable standards of propriety as to risk creating doubt among the American people concerning the integrity of governmental processes.

Legally constituted agencies of Government are now engaged in investigating this situation. These investigations cannot be concluded before the expiration of the 10-day period within which the President must act upon the legislation under the Constitution.

I believe I would not be discharging my own duty were I to approve this legislation before the activities in question have been fully investigated by the Congress and the Department of Justice. To do so under such conditions could well create long-term apprehension in the minds of the American people. It would be a disservice both to the people and to their Congress. Accordingly, I return H. R. 6645 without my approval.

At the same time, I must make quite clear that legislation conforming to the basic objectives of H. R. 6645 is needed. It is needed because the type of regulation of producers of natural gas which is required under present law will discourage individual initiative and incentive to explore for and develop new sources of supply.

In the long run this will limit supplies of gas which is contrary not only to the national interest but especially to the interest of consumers.

I feel that any new legislation, in addition to furthering the long-term interest of consumers in plentiful supplies of gas, should include specific language protecting consumers in their right to fair prices.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 17, 1956.*

Mr. AIKEN. Mr. President, I wish to take this opportunity to commend President Eisenhower on his veto of the natural gas bill which was passed by the Senate 2 weeks or so ago. I hope the Democratic policy committee will not feel too disappointed because the President has vetoed one of the major planks in its program, and I am sure the American people will be eternally grateful for the action which the President has taken.

Mr. HENNINGS. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. HENNINGS. I, too, take great satisfaction in the fact that our Chief Executive has vetoed the so-called amendment to the Natural Gas Act of 1938. I also happen to be a member of the Democratic policy committee. There are 9 members of that committee, I should like to say to my distinguished friend from Vermont who, I am sure, wishes to be set right as to the facts, that 5 members of the 9 members of the Democratic policy committee voted against the natural gas bill and, of course, a greater proportion of Democrats voted against the bill in the Senate than the proportion of Republicans who voted for the bill.

Mr. AIKEN. I commend the members of the Democratic policy committee, but I regret that it was made a matter of such major importance.

Mr. HENNINGS. I am afraid my distinguished friend has misunderstood me. I should have said that 5 out of the 9 members of the Democratic policy committee voted against the bill, and 4 members voted for the bill.

Mr. AIKEN. I do not understand how the bill got on the floor, if the majority were opposed to it. I have always understood that the Democratic leadership was very insistent that the bill be taken up and passed at this session, but I commend the Senator from Missouri for taking the position which he did. He and others on both sides of the aisle apparently were disgusted with the methods used by certain proponents of the bill. I am not referring to Members of the Senate.

Mr. HENNINGS subsequently said: Mr. President, earlier in the day there was some discussion between the distinguished Senator from Vermont and myself, and, later, with the distinguished senior Senator from Kentucky, relating to the vote of the policy committees of the respective parties on the natural-gas bill.

The record shows that the Democratic policy committee which consists of Senators JOHNSON of Texas, CLEMENTS, HENNINGS, GREEN, RUSSELL, KERR, MURRAY, and HAYDEN, voted as follows: 4 in favor of the bill, and 5 opposed to the bill.

I have just been handed a summation of the Republican policy committee vote. That committee consists of Senators BRIDGES, MILLIKIN, YOUNG, KNOWLAND, SALTONSTALL, AIKEN, BENDER, BENNETT, BRICKER, BUSH, BUTLER, CAPEHART, CARLSON, CASE of South Dakota, COTTON, DIRKSEN, DUFF, HICKENLOOPER, KUCHEL, SMITH of New Jersey, Mrs. SMITH of Maine, WELKER, and WILEY——

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HENNINGS. I am very glad to yield to the distinguished minority leader.

Mr. KNOWLAND. I think the RECORD ought to be clear that the Senator has taken the list of the members of the policy committee and indicates how they voted on the floor. He is not purporting to indicate the vote in the policy committee.

Mr. HENNINGS. No; I am not purporting to indicate the vote in the policy committee, because, as a matter of propriety, it has always seemed to me that votes in policy committee meetings were taken in executive meetings.

Mr. KNOWLAND. So the Senator has taken the names of those who constitute the policy committees, and then he has stated how they voted from the yea and nay vote on the bill itself.

Mr. HENNINGS. That is correct.

Mr. KNOWLAND. Without this explanation there might be a misinterpretation of what the Senator from Missouri has said.

Mr. HENNINGS. That is correct. I would not have adverted to the matter except that earlier today the distinguished Senator from Vermont made some remarks about it.

According to the information compiled and furnished to me, the record of the votes among the Republican policy committee membership shows that a total of 14 Senators voted in favor of the bill, 7 opposed the bill, 1 paired in favor of the bill, and 1 member did not vote.

I hope my statement will serve to clarify some of the discussion which ensued on the floor today with respect to the policy committees.

Mr. MAGNUSON. Mr. President, I am pleased that the President of the United States saw fit to take the admonition in the minority views of the Senate Committee on Interstate and Foreign Commerce, followed the good advice contained in it, and vetoed the natural-gas bill.

Mr. ELLENDER. Mr. President, I wish to say that I am very much disappointed at the action taken by the President. I brand it as purely political. I have thought for a long time, in fact, I told many reporters that I did not think the President would run for reelection, but I have now changed my mind. This veto means to me that he will run for reelection.

After reading the veto message, it becomes obvious that the President has vetoed a bill he believes in. The reasons he cites for the necessity of legislation freeing natural-gas producers from Washington control are precisely the same as those advanced in its favor by the supporters of the bill, they are the foundation of the bill.

When read as a whole, and when one considers the fact that President Eisenhower's veto is in direct opposition to the recommendations of his Fuels Advisory Commission as well as what are obviously his own sentiments, it is clear that the veto message, is a purely political step along the road to a second-term candidacy.

Mr. KNOWLAND subsequently said: Mr. President, because of some comment made earlier in the day whereby some criticism apparently was directed toward the Democratic policy committee for bringing before the Senate the natural-gas bill, and in the absence of the distinguished majority leader the Senator from Texas [Mr. JOHNSON], for whom I have the highest regard and respect, I

feel that a statement of fact should be made by me at this time.

The natural-gas bill was not taken up in the Senate by the Democratic leadership until there had been full consultation with me as minority leader of the Senate.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I should like to complete my statement; then I shall be happy to yield. At the previous session the bill was passed by the House of Representatives, with the support of Speaker RAYBURN and the Republican leadership of the House. Both the Senate and the House Republican leaderships had every reason to believe that the legislation was in conformity with the recommendation of the President's Cabinet Committee. It restored the law, we believed, to where it was prior to the decision of the Supreme Court in the Phillips case. We believed it was in conformity with the principle that there is no more justification to regulate natural gas at the wellheads than to regulate coal at the minehead. I supported the bill because I thought it was sound and in conformity with the policies of the administration.

If there has been any violation of the criminal statutes, such violations should be prosecuted to the full extent of the law.

I recommended that the bill be signed into law. I still believe it should have been signed. The merits of the bill warranted its approval. I have full confidence in the integrity of Congress, both of the Members who voted for the bill and those who voted against it.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CLEMENTS. In further explanation of the position of the Democratic policy committee with reference to the bill, I can assure not only the Senator from California and the Senator from Vermont, but also every other Member of the Senate, that when the matter came before the policy committee it was recommended that it be considered by the Senate without any expressed dissent on the part of any member of the policy committee. I did not vote for the bill on the floor of the Senate, but, like other members of the policy committee, I did not want to use the policy committee as an agency to strangle thought in connection with legislation which should be brought to the floor of the Senate for determination.

I can assure the Senator from California that that statement will not be disputed by any other member of the policy committee.

Mr. KNOWLAND. I did not intend to make a statement on the floor, but because of some colloquy, I felt in fairness to the distinguished majority leader of the Senate, who is absent at this time, a statement should be made. I am prepared on my own behalf to accept a full share of responsibility for the bill having been called up in the Senate, for the reasons which I have heretofore stated.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CLEMENTS. I do not want to leave the thought with any Member of the Senate that all the members of the policy committee voted for the bill. Five members of the policy committee opposed the bill when it was up for final passage in the Senate, and only four members supported it. When the time came for action on it in the policy committee, there was no announced dissent to having the bill considered on the floor of the Senate.

Mr. KNOWLAND. I wish to say to the distinguished Senator that I think I can be as partisan as can any other Member of the Senate, when that is required, but I also have a profound respect for the Senate of the United States as a great American institution, and if certain statements have been made because of the absence of facts, I feel that the record should, at least, be set straight.

Mr. CLEMENTS. I regret that I was not on the floor, but was engaged in other business, at the time the colloquy occurred. I appreciate very much the minority leader taking the position he has taken in order to clarify the RECORD, and I am sure the majority leader will be grateful to him also.

Mr. AIKEN. Mr. President, I accept the explanation of the minority leader of the Senate that the Republican leadership of the Senate as well as the Democratic leadership of the Senate was responsible for the natural gas bill being considered and passed by the Senate, but I still thank God that we have in the White House a man who, irrespective of the position of the leadership on either side of the aisle, has at heart the interests of the American people and the utmost devotion to his duty as President of the United States.

Mr. KNOWLAND. Mr. President, I do not wish to prolong the discussion with the distinguished Senator from Vermont, who, certainly, had every right to cast the vote which he cast, and I also think that every Senator has the right to have an honest difference of opinion on any piece of legislation. I do not believe the Senate of the United States needs to yield to the executive branch in having at heart the best interests of the country.

Mr. AIKEN. Mr. President, I am very sorry the leadership on both sides of the aisle saw fit to bring to the floor of the Senate a bill which, according to the President did not involve the best interests of the consumers.

Mr. MORSE. Mr. President, I do not desire to speak at any great length, but I wish to commend the minority leader for making the record clear as to the parliamentary steps taken in bringing the natural-gas bill to the floor of the Senate.

As the minority leader will recall, I participated in the debate at the time. There was a feeling within the cloakrooms of the Senate that attempts should be made to prevent the bill from coming to the floor of the Senate. I said then that, as a liberal I would never be a participant in any attempt to bottle up any measure that was ready for debate and a vote on the floor of the Senate. I pointed out that the bill had come to the calendar toward the end of the last session of Congress with a substantial majority vote of the committee which had jurisdiction over it. It was a bill which had been on the Senate calendar for months. It was a bill which had been passed by the House of Representatives during the last session of Congress. It was a bill which at the beginning of this session of the Congress was ready for debate and a vote in the Senate. As I said on the day when it was decided to schedule the gas bill for debate and I am proud of my statement and repeat my position today, I shall never be a party to any attempt to lock up within the councils of the Senate of the United States proposed legislation which should be debated and voted upon, even though I may be against the measure. Such steamroller tactics have no place in this body.

At that time I spoke highly of the position taken by the leadership of the Senate, including the leadership on both sides of the aisle for taking the position that the bill should be brought up for vote. I said then, as I say now, that it was a measure which should be defeated in the public interest.

The bill has now been vetoed, and I have to eat a little crow. I said during my speech against the bill that if it should be vetoed I would eat crow, because I did not expect it to be vetoed. I so spoke in the course of my remarks on the floor of the Senate on February 6, because I was satisfied that the President of the United States was going along with the unsound principles of the proposed legislation.

May I say that when I eat a little crow today I shall not be eating any feathers, because of the split intellect represented by the veto message. It is a Dr. Jekyll-Mr. Hyde veto message. It is a veto of split reasoning. The major and minor premises of the message have no logical relationship. It states, in the first place, that the President thinks the objectives of the bill are fine and that he is in accord with them. Then he goes on to talk about a subsidiary matter which has developed since the debate started and refers, by implication, to the Case incident. By implication the President spreads innuendoes which raise questions about the integrity of Congress. But I cannot read the message without reaching any other conclusion than that the President is for the principles of the measure. He says something about protecting the consumer from unfair prices, but we cannot find a word in the veto message indicating what kind of an amendment the President would add to the substantive nature of the bill. The message approves the objective of the bill. But I repeat what I said during the debate, that the objective of the bill is to raid the gas consumers of America. It is bad legislation, but the President does not believe it is bad legislation. He says he is vetoing the bill because he thinks some subsidiary matters have developed which raise some question as to the conduct of a small segment of the industry that sought the passage of the bill. He speaks of activities that were so arrogant as to raise doubts about the integrity of governmental processes.

However, such questions have nothing to do with the merits of demerits of the bill. If he favors the objectives of the bill he should have signed it. He has not explained to the American people his stand on the substantive nature of the bill except by the language in his veto message which, in my opinion, shows his approval of the substantive nature of the bill. If he did not approve the substantive nature of the bill, then he should have come forward with some recommendations as to how the bill should be amended in order to meet this little gimmick which he puts into the last sentence of the veto message. Therefore, the message represents a split intellect engaged in split reasoning. I am sorry that the President did not come out with a clear and clean-cut veto message in which he says he vetoes the bill because it is against sound public policy. The Senate needs no assistance from the President in protecting the integrity of the legislative process. His veto powers should be exercised in relation to the demerits of bills passed by the Congress. In this message he works both sides of the political street and ducks the merits of the real issue involved.

Mr. BARKLEY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. BARKLEY. Do I correctly understand from the remarks of the Senator from Oregon that he understands the veto by the President means that if the same bill, in exactly the same terms, were passed through Congress without the implied taint involved in the Case affair, the President would sign it?

Mr. MORSE. I think the veto message is subject to that interpretation, up to the last sentence. In the last sentence he says:

> I feel that any new legislation, in addition to furthering the long-term interest of consumers in plentiful supplies of gas, should include specific language protecting consumers in their right to fair prices.

I am at a loss to know what the President means, because everything that precedes that language would indicate that he approves of the substantive nature of the bill. Here is what he says:

> I am unable to approve H. R. 6645, "To amend the Natural Gas Act as amended." This I regret because I am in accord with its basic objectives.
>
> Since the passage of this bill, a body of evidence has accumulated indicating that private persons, apparently representing only a very small segment of a great and vital industry, have been seeking to further their own interests by highly questionable activities.

Then he says:

> I believe I would not be discharging my own duty were I to approve this legislation before the activities in question have been fully investigated by the Congress and the Department of Justice. To do so under such conditions could well create long-term apprehension in the minds of the American people. It would be a disservice both to the people and to their Congress. Accordingly, I return H. R. 6645 without my approval.
>
> At the same time, I must make quite clear that legislation conforming to the basic objectives of H. R. 6645 is needed.

Legislation conforming to the basic objectives of the bill, I repeat, is legislation that will not protect the consumers of America. That is why I participated in the fight against the bill and voted against the bill. I think it is clear from the veto message that if the Case incident had not arisen, the President probably would have signed the bill.

So, Mr. President, the President is trying to walk down both sides of the street at the same time, but he is not going to get by with it, because the American people are going to see through the split intellect and split reasoning involved in this veto message.

This is not a veto message in which the President comes out against the bill from the standpoint of protecting the consumer interests.

Mr. BARKLEY. The Senator states that the President said incidents have occurred since the passage of the bill which have compelled him to veto it, thereby reflecting upon the integrity of the Senate. But does not the Senator from Oregon recall that during the process of the passage of the bill, a majority of the Senate, composed mostly of those who voted for the passage of the bill, refused to do anything to protect the interests of the consumer?

Mr. MORSE. That was the position of those of us who were opposed to the bill. We thought a provision should have been included to protect the consumer, but the proponents of the bill refused to accept our amendment which would have protected the consumer.

But in defense of the President, he leaves the matter of fair prices for the consumer in the air, in suspension, by this sentence:

> I feel that any new legislation, in addition to furthering the long-term interest of consumers in plentiful supplies of gas, should include specific language protecting consumers in their right to fair prices.

Apparently the President thinks there ought to be some language in the bill which is not in the bill, about consumer prices. But he makes no recommendation as to what it should be. Yet he sent a veto message which, up to that point, is a veto message in support of the consumer raid objective of the bill. His veto message supports another very bad objective of the bill. The objective is to take Federal jurisdiction away from the Federal Government under the interstate-commerce clause of the Constitution to regulate gas prices at the wellhead. It is a further attempt to weaken our Federal system of government. I discussed this issue at length in the debate against the bill and pointed out that the President has been a party to the antifederalist movement.

Mr. BARKLEY. By implication, the veto message disagrees with those who refused to amend the bill by providing for some sort of protection to the consumer, which amendment was defeated in the Senate by a yea-and-nay vote.

Mr. MORSE. In my judgment, the Senator from Kentucky is correct.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. FULBRIGHT. I regret that I was standing outside the door talking to reporters about this matter when the Senator from Oregon was speaking. Perhaps the Senator covered the question I desire to ask. How does he interpret the second sentence in the second paragraph of the veto message:

> These include efforts that I deem to be so arrogant and so much in defiance of acceptable standards of propriety as to risk creating doubt among the American people concerning the integrity of governmental processes.

In the Senator's opinion, is the President insinuating that the Senate was subverted in passing the bill?

Mr. MORSE. My interpretation is that, by implication, the President is referring to the Case incident. He implies that the Congress was subjected to improper influences which raise doubts as to the integrity of our legislative process. He uses such an innuendo as an alibi for vetoing a bill which he says in effect is sound in principle and objective.

Mr. FULBRIGHT. If I may remind the Senator from Oregon, the President's own Cabinet Committee on Fuel Policy, I believe, recommended legislation substantially like the bill.

Mr. MORSE. It recommended the principle of such legislation.

Mr. FULBRIGHT. And also the Federal Power Commission recommended it.

Mr. MORSE. That is correct.

Mr. FULBRIGHT. So the sentence I have read is a very curious sentence.

Mr. MORSE. The message is a very curious veto message.

Mr. FULBRIGHT. Does the Senator believe that the second paragraph, which sets forth the real reason why the President vetoed the bill, has any relation to the merits of the bill?

Mr. MORSE. That paragraph cannot be reconciled with either the merits or the demerits of the bill. It has no connection with the merits or the demerits of the proposed legislation.

Mr. FULBRIGHT. Would the Senator agree with me that the reason given for the veto has no relation to the merits of the bill?

Mr. MORSE. In my judgment, the message constitutes a political "out."

Mr. AIKEN. Mr. President, I realize how difficult it is to please anyone who has dedicated himself to the embarrassment of the President in every way possible; but, at the same time, I point out that in his message the President states that the bill which he vetoed did not adequately protect the interests of the consumer.

I also point out that Senators across the aisle who now criticize the President's veto message voted for amendment after amendment which was designed to protect the interests of the consumer. I do not know on what good ground they now stand in criticizing the President for recommending the very things which they themselves recommended when the bill was on the floor only a week or so ago.

Mr. DANIEL. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. DANIEL. Does not the Senator realize that in the entire 10-page bill only 2 paragraphs related to the producers, and that all the remainder of the 10 pages of the bill contained provisions for the protection of the consumers?

Does not the Senator realize also that the Senate committee and the House committee followed the recommendations of the President's Cabinet Committee report, and placed in the bill language which had been recommended for the protection of the consumers, and went even further by providing additional protection? In the 10-page bill, all but 2 paragraphs on 1 page were written for the protection of the consumers.

Mr. AIKEN. Mr. President, I did not yield for a speech.

Mr. DANIEL. I ask the question. What was recommended by the White House, the President's Cabinet Committee, or the Federal Power Commission which would have been better for the consumers than that which was written into the bill?

Mr. AIKEN. I merely point out that an amendment was offered by the junior Senator from Rhode Island [Mr. PASTORE], simply stating that "the interests of the consumer shall be considered in the application of the bill," or words to that effect, and that the proponents of the bill voted solidly against the amendment and rejected it. The simple words, "interests of the consumers shall be considered," were, I think, the words used, but the proponents of the bill refused even to accept those 3 or 4 little words.

There is no other conclusion to draw than that the bill itself was not designed to give consideration to the interests of the consumers, when the proponents of the bill refused to accept those three or four little words.

Mr. BENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Ohio.

Mr. BENDER. The veto of the gas bill was expected in the light of what happened during the consideration of the bill. I believe the Nation at large will approve the President's action, under the circumstances.

When the junior Senator from Rhode Island [Mr. PASTORE] offered his amendment, I placed in the RECORD the press conference interview of the President, when the President was asked a question about the protection of the consumers. I supported the Pastore amendment, and if the amendment had been agreed to, I would have voted for the bill. There is no question in my mind about the need for some legislation on this issue.

For the enlightenment of the Senate I should like to read the remarks I made on the floor of the Senate including the President's statement at his press conference. They read as follows:

Mr. BENDER. Mr. President, at his press conference on June 29, President Eisenhower had presented to him a long question by the correspondent of a Texas newspaper, as follows:

"Mr. President, sir: I believe I am right in this * * * you have always taken a stand consistently against price controls. And that was in your 1952 campaign and what you have done since. Now I wonder if you feel there should be any exception in the price of gas at the wellhead?"

The President replied:

"Well, of course, you bring up a question that has been one of the most argumentative in all this field of Federal control over the natural resources of America.

"There is a bill in Congress now. Progress is certainly being made. And here is the problem: How do you defend adequately and properly a consuming public?

"And how do you encourage at the same time the utmost in exploration and exploitation of the natural resources—in this case, gas?

"One way you could kill off all exploration and raise the price of gas unconscionably would be just to stop exploring for it, so just a simple answer saying we are going to control gas at 8 cents a thousand or something like that just won't do it.

"So this is a complicated problem. And my feeling is this: Congress is actually making progress because they are trying to devise a bill which, at one and the same time, protects the consumer * * * (and) will encourage exploration.

"All the details of this bill I am not completely certain about * * * it seems to me that progress is being made in this complex problem."

Mr. President, much has been heard and said about the Harris-Fulbright bill and its advantages and disadvantages. But everyone seems to agree that first and foremost we should protect the interests of the consumer. In fact, that is what the authors claim the bill does.

The opposition has pointed out that they cannot find such protection provided for in the bill, but I believe both the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Oklahoma [Mr. MONRONEY] have stated that such purpose is covered in the bill even if not spelled out in definite language.

The Senator from Rhode Island [Mr. PASTORE] has offered an amendment which favorably impresses me as one that all Senators can support, because it certainly does what the opponents claim they want and what the proponents claim the bill does. So the Senator's amendment brings out, directly, that which both sides agree is necessary, namely, "protection of the interest of the consumer."

This short amendment, "protection of the interest of the consumer" inserted in two places in the bill—one in line 25 of page 6, following the comma, and the other in line 11 of page 10, following the comma—will assure the consumers in my State, Ohio, and the consumers in other States, that they will have an adequate supply of gas, and at prices which we believe will be in line with what they ought to pay.

While there is still some gas produced in the State of Ohio, more than 90 percent of it is imported from the Southwest. Ohio folk, to a large extent, heat their homes with gas. They have come to look upon this fuel as a necessity, and they call upon me to help them secure an adequate supply at a reasonable rate.

Therefore, if the bill shall be amended to provide that the Federal Power Commission, in determining the reasonable market price the pipeline can charge the distributing utility, shall consider, among other things, "the protection of the interest of the consumer," I feel that my constituents will be protected, and I will support the proposed amendment and the bill.

I have not been a Member of the Senate very long, but I was a Member of the other body for 14 years. I have never known, in my time, a Member of either body to be for sale. Any implication on the part of anyone to the effect that one who is elected to this high office is for sale is, I think, wholly out of order; and I am certain that there was no such thought or implication in the mind of the President when he wrote his veto message. Not once during the debate did the President or any representative of the administration attempt to influence the thinking of Congress on this issue. The President indicated in his veto message, as he said in his press conference, that there was need for some legislation of this type.

I do not deserve any special credit for having voted against the bill and for all the amendments. I do not question for a moment the judgment, the sincerity, the integrity, or the high standards of my fellow Senators who voted other than as I did. But I resent very deeply the attempt in any way to insinuate that any politics at all was involved in the veto of the bill.

Our President, now as always, has acted in a manner which is for the best interests of the people.

In any event, I do not like the implication that the administration or the President by this veto is animated by political motives. The President is the most popular President we have ever had in our times. His action on the gas bill would not affect his popularity. If he were to run for reelection, he would win by an almost unanimous vote. There is no one in our party or in the other party who could defeat him.

The President acted as he did entirely because he felt the best interests of the Nation were involved, and not for any other reason.

The President did not need to veto the bill in order to get elected for a second term. That is his decision to make. If he wants to run for a second term, he does not need to campaign. So any implication that he is using this veto as a political vehicle is utter nonsense.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. BENDER. I yield.

Mr. KENNEDY. The Senator has mentioned the Pastore amendment, and the fact that Members had an opportunity to vote for it and thus protect the consumers. How many members of his party voted for the Pastore amendment?

Mr. BENDER. I have no idea.

Mr. KENNEDY. Out of the 40 Members who voted for the amendment, only 10 of his party voted for the amendment, and 30 Democrats voted for it. That was the amendment which would have given protection to the consumer, as the Senator has mentioned.

Mr. BENDER. I have no desire in any way to reflect on the thinking of any Member of this body, whether he be a Democrat or a Republican. I merely wish to emphasize my point that the President did not need to veto the bill because he lacked popularity. He is the most popular man we have ever had in the presidency. His popularity is deserved because he is a humble, good man, and he has done a good job.

Since somebody else has injected politics into the matter, I felt, as a Republican, I should speak and say the things that are in my heart.

Mr. BENDER subsequently said: Mr. President, with further reference to the colloquy with the Senator from Massachusetts [Mr. KENNEDY] concerning the

vote upon the Pastore amendment to the natural gas bill, it was stated that 40 Senators voted for the Pastore amendment, of which 10 were Republicans and 30 were Democrats.

The RECORD shows that on the Pastore amendment 15 Republican Senators, and not 10, voted "yea;" and 25 Democratic Senators voter "yea." Thirty Republican Senators and 23 Democratic Senators voted "nay."

Mr. DANIEL. Mr. President, I think the President of the United States has made a great mistake in vetoing the Harris-Fulbright bill, especially for the reason given therefor.

If the President thought the bill was needed and that it should be enacted into law for the protection of both producers and consumers, he should have considered the bill on its merits and should have signed it.

The reason given for the veto seems to have been based on the fact that there was some evidence that certain persons may have committed questionable acts in attempting to influence a Member's vote. We have the Congress and the courts to investigate, prosecute, and punish anyone who has committed a wrongful act in an attempt to influence the Congress, and I strongly favor such investigations and such punishment; but thus far we have heard of only 1 out of 8,000 producers that has been involved in such allegations.

It seems to me the President should have followed the same course which was followed in the Senate when we considered the bill on its merits. Bills should be acted upon by the Congress and the President upon their merits and not upon the actions of a small segment of those who are for or against them.

The extraneous matters should be considered by the Congress and the courts in separate actions as provided by law.

It seems to me that the reasoning for the veto is most unfortunate, and casts reflection upon Members of Congress. It is unfortunate that the President has allowed what he terms "a very small segment of a great vital industry" to influence him against the merits of the bill and cause him to overrule the principles on which he campaigned and on which he was elected. He has also overruled the recommendations of his own Cabinet committee, the recommendation of the Chairman of the Federal Power Commission, and the decision of a majority of the Congress of the United States.

Mr. WILEY. Mr. President, while I made some brief remarks on the subject previously, I cannot let the words of the Senator from Texas go unanswered. In my opinion, the President's action—and I weigh my words—provides for the Nation a dynamic moral uplift. I believe his action indicates that the President has fully recovered, and that he is not a special pleader for any group. He represents all the people of America.

I wish to spend a moment to amplify what I meant when I said the President's action provides for the Nation a dynamic moral uplift. There has been too much oil in the national picture for years, and the implication has been very clear that the President of the United States has been influenced by the "big oil boys" in the oil regions. I never thought he was. My own experience with him in other matters has convinced me that he has an open mind. In several instances I have seen him weigh all the facts and then arrive at his decision.

I repeat, and I want to say this calmly, that I would not for one moment challenge the sincerity, the honesty, the judgment, and the integrity of the Senators who come from the oil-producing and gas-producing areas of the country. In many respects we are all special pleaders for interests in our own States. I come from a State which produces nearly 17 million pounds of milk. I would be remiss in my duty if I did not try to do that which was necessary for my people. Consequently, I have a great deal of sympathy for those who represent in large measure the great number of so-called millionaire oil people in oil sections; but I also understand there are many common consumers in those sections and many common people who are not millionaires.

I also understand that in the United States there are approximately 165 million persons, and that when a great national policy is involved, it is my function to consider the remainder of the people of the United States, even if the policy involved should run contrary to the milk interests of my State.

The President of the United States said in the veto message, which I regard as a very concise and able message:

> I believe I would not be discharging my own duty were I to approve this legislation before the activities in question have been fully investigated by the Congress and the Department of Justice.

I believe in that sentence he was mirroring and stating in substance the conception of every thinker in America.

I continue to read from the veto message:

> To do so under such conditions could well create long-term aprehension in the minds of the American people. It would be a disservice both to the people and to their Congress.

Then the President said something which shows how frank and how clear thinking he is:

> At the same time, I must make clear that legislation conforming to the basic objectives—

Note the "basic objectives," Mr. President—

> of H. R. 6645 is needed. It is needed because the type of regulation of producers of natural gas which is required under present law will discourage individual initiative and incentive to explore for and develop new sources of supply.

There the President has accepted what some might question, and what was questioned on the floor of the Senate. But, again, it shows that the President is considering the interest of the public.

Mr. President, listen to the concluding sentence:

> I feel that any new legislation, in addition to furthering the long-term interest of consumers in plentiful supplies of gas, should include specific language protecting consumers in their right to fair prices.

Mr. JOHNSTON of South Carolina. Mr. President, who would not say that?

Mr. WILEY. I do not think anyone would not say it.

Mr. JOHNSTON of South Carolina. I should not think anyone would dare say anything but that.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Wisconsin yield?

Mr. WILEY. Mr. President, I wish to say that anyone who did not have a special interest would say that.

Mr. JOHNSTON of South Carolina. Certainly.

Mr. WILEY. Mr. President, anyone who has a fair mind, and who is interested in seeing that the consuming public is protected, would say that.

We debated for days the question whether the bill should include the words "fair and equitable" or the words "fair market price," or whether the bill should remain in the form it then was in. So on this very floor there was a difference of opinion about the standard which should be used to protect the interest of the consuming public.

I said on that occasion, and I say it again now, that we in the Congress might very well stop continually criticizing the other branch of Government, which under the Constitution has its own functions to perform. In an election year it is so easy always to see that white spots are black. Our immunity on the floor should not degenerate into license.

Mr. President, I have just returned from my State; I have been there for quite a time, for reasons which must be apparent to anyone. I am satisfied that a great deal of the personalities and the mudslinging and the superficial political differences are befuddling the people of the Nation. Today, there is great prosperity in the United States, and the national income amounts to approximately $327 billion. There is prosperity in every segment except the farming community. As a result, the people are becoming complacent, as was the case before Pearl Harbor. Today many areas of the United States are only 5 or 6 hours away from Siberian bomber bases. Certainly it is time for us to awaken to the changed geographic facts of life, instead of indulging in petty politics.

Mr. SYMINGTON. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. SYMINGTON. I was interested in what the distinguished Senator said about bombers.

Mr. WILEY. Yes.

Mr. SYMINGTON. Last month in the United States, 611,190 automobiles were built. That is fine, and shows the great productive genius of the American people. However, everyone knows that our production of intercontinental bombers is at least as important as anything else for the defense of the free world.

Under this administration, however, despite the fact everything was on schedule, last month the number of large bombers built in the United States amounted to less than one-thousandth of 1 percent of the number of automobiles built last month.

Mr. BENDER. Mr. President——

Mr. WILEY. Just a minute, please, Mr. President, I wish to reply to the

comment the Senator from Missouri has made.

I am not a military expert; neither do I forget that daily, weekly, and monthly the technique of warfare is changing. If the President of the United States and those who advise him determine that we should not have a great mass army, I will follow their lead. If, on the other hand, they determine that the answer is guided missiles, I will follow that lead. In other words, I am not an expert, and I do not pose as one. Neither do I criticize the distinguished Senator from Missouri, who just spoke. I think he is doing a good job in bringing such matters to the attention of the people who have to make the decisions—not the public, in this respect, because, again, we confuse the public about details about which we know practically nothing. We are talking now about guided missiles which Russia has, and such missiles will travel 1,500 miles. We are also talking about the potential guided missile of next year, with a range of perhaps 5,000 miles.

Mr. President, let me point out how conditions change: A year ago last November, Milwaukee, in my State, was circled with Nike sites. The conclusion was reached that by means of the great-circle route, Milwaukee is only a few hours' flight from Siberia. In fact, Mr. President, it was only 2 weeks ago that a passenger plane flew from Montreal to London in 6 hours and 12 minutes; and the distance from upper Siberia to Milwaukee is about the same—in short, it could be covered by a large bomber plane in less time. Consequently, what has been done? In northern Michigan, one of the greatest intercepter fields in all the world is now being built, with the idea that if the Russian bombers come, they can first be intercepted by the intercepting fighters. If the bombers get past them, then what? Then they will be met by the Nikes, which can be guided up to 200 miles, and will take a crack at them.

If the guided missiles or bombers get past the Nikes, then it is goodby Milwaukee. That is the point of these remarks. This was not the case when I first came to the Senate. Then Milwaukee and Wisconsin were isolated. Now we are the firing line in the next war, if it comes.

In Hiroshima, 1 small A-bomb took 70,000 lives. Our H-bomb, which we now have, has a fallout which will cover the entire State of Wisconsin, as well as other States.

So the answer which I wish to make to the distinguished Senator from Missouri is that military technique is constantly changing, as is everything else. In such cases we are dealing with unknown continents, as Columbus did. Like Columbus, we do not know exactly where we are going; and, like Columbus, perhaps we shall not know where we have been, after we have been there.

But my point is that the big problem in our country is to alert the American people to the facts of life today. It has been said of Winston Churchill that for 10 years he tried to awaken Britain to the danger of Hitler. Let me say to my colleagues that in February and March of 1941, some of us tried to awaken America to the danger of Japan; and the RECORD shows that this speaker asked the President to inform us, as to our defenses in Hawaii and the Philippines, and I said, "Will our fleet be caught, as the Russian fleet was caught by the Japanese in the Russo-Japanese war?" But the apathy of our people was great, Mr. President. Then came December of 1941, when our fleet was caught by the Japanese at Pearl Harbor. We were caught, because we were asleep, and not alert. While at Pearl Harbor we had 2 years to pick up the pieces, we shall never again have more than 2 hours to pick them up. To me the basic issue today, is, Will we be alert, and adequate, if the hour comes? The people of America should be alerted to the facts. For defense we are spending $36 billion, which is roughly 10 percent of the national income of approximately $327 billion. So instead of spending time on personalities and petty argument, let us alert ourselves to our responsibility, so that we will be adequate to save America by seeing that we provide an adequate defense.

Mr. BENDER. Mr. President, referring to the statement by the distinguished Senator from Missouri [Mr. SYMINGTON] with respect to bombers and automobiles, such comparisons mean very little so far as our defense machine is concerned. It seems that we are going from a discussion of gas to a discussion of our defense machinery. I should like to comment on the defense machine.

Certainly we have confidence in what the great Secretary of Defense, Charles Wilson, is doing. We have confidence in what the administration is doing in the matter of providing not only an adequate defense, but the best defense machine of any country anywhere in the world.

The proof of the pudding is in the eating thereof. The fact of the matter is that the Communists respect power, and that is the only thing they do respect. We are powerful today, and are doing a better job for less money. Antiquated machines which were used 5 years ago certainly are not being produced today, but new machinery and new equipment are being produced in abundance. This country has never been so strong and powerful, and has never enjoyed greater respect by the people—even our adversaries—than is the case today.

As I previously stated, under our cumbersome system there are certain laws on the statute books which the administration must necessarily accept, because it does not have a Congress of its own party in power. Otherwise, changes would be made, and some individuals in Government would not be retained.

When the Senate changed over from a Republican Senate to a Democratic Senate, we had a majority of minus one, thanks to the Governor of Ohio, who appointed a New Dealer in place of the late Senator Taft. We had a majority of minus 1 in the Senate at that time, but when the Democrats, with a majority of 2, took over, practically every Republican on the payroll went out the window, as fast as a cat goes through a dog show. All the employees of the Senate were changed. If the administration were not encumbered by some civil-service requirements they could do even better.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BENDER. I yield.

Mr. JOHNSTON of South Carolina. The Senator continues to mention the civil service. Does the Senator wish to repeal all the civil-service laws on the statute books?

Mr. BENDER. I did not say that. Of course not.

Mr. JOHNSTON of South Carolina. The Senator wants to get rid of all the Democrats, which could be done if there were no civil-service laws.

Mr. BENDER. That may be the Senator's interpretation, but it is not mine. I did not say that. I believe in the civil service. I believe in protecting career employees, and I have done so repeatedly, not only in this body, but in the other body as well, and, before I came here, as an Ohio State Senator. I have always been a friend of the civil service. However, I say that it is impossible, under certain rules which have been established over the 20 years of the New Deal and the Fair Deal, to get rid of some of the people whom the administration would possibly like to get rid of in order to do a better job. This administration has not been a patronage administration, but an administration of principle. It has done the best job possible. As I say, the proof of the pudding is in the eating thereof.

Does the Senator wish me to yield further to him?

Mr. JOHNSTON of South Carolina No; but I gather from the Senator's statement that he is in favor of having the spoils system, and putting everyone out that he wishes to put out. That cannot be done under the civil-service system.

Mr. BENDER. Obviously, my friend is for the spoils system. When the Senate leadership changed on January 3, the new leadership threw out all the Republicans, with the exception of 6 or 7, and they were only half Republican anyway. The new leadership put in an entirely new group, which is their right. That is their privilege. I do not criticize them for that, because the civil-service regulations were not in effect with respect to those positions. However, I am speaking about civil employees in the administration.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BENDER. I know that when I tangle with my distinguished friend, the great statesman from Kentucky, I am really sticking my neck out; but I yield.

Mr. BARKLEY. The Senator need not be embarrassed. I merely wish to ask him how the Democrats could have thrown out so many Republicans unless the Republicans had previously thrown out all the Democrats and put Republicans in. [Laughter.]

Mr. BENDER. All I can say is that the Republicans made the mistake, when they were in control, of retaining practically half the Democrats, before the Democrats took over. But even those who were retained went out the window.

Those are the facts. No one is more expert on that question than is the distinguished former Vice President and great Senator from Kentucky.

Mr. BARKLEY. I thank the Senator from Ohio for the compliment. But does he mean to say that he is opposed to the extension of the civil service which was brought about under a Democratic administration?

Mr. BENDER. It was brought about in the beginning by the great Theodore Roosevelt, a good Republican.

Mr. BARKLEY. It was multiplied 100 percent by the great Franklin D. Roosevelt, who came along later.

Mr. BENDER. It certainly was modified. As a result of certain protection, there are many persons in the Government who possibly should not be in the Government. I believe in giving them protection, but I believe in having able and qualified employees in the Government.

Mr. BARKLEY. They all took an examination which was supposed to determine their qualifications.

Mr. BENDER. Many of them started as messengers or clerks, and have now become members of important commissions and bodies, and they assume other authority, because of the years they have spent in the service. However, thousands of them were blanketed in the service without taking examinations under the New Deal.

Mr. BARKLEY. Does not the Senator believe that the humblest human being may aspire to promotion?

Mr. BENDER. Certainly. I was not born with a silver spoon in my mouth. My life has always been a struggle.

Mr. BARKLEY. The Senator is not intimating that I was born with a silver spoon in my mouth, is he?

Mr. BENDER. No; I certainly do not intimate that at all. I admire anyone who, under our form of government, helps himself up the ladder. As a matter of fact, every important official of the Bell Telephone Co. in America was a poor boy 30 years ago. Many of them were messengers, and held other minor positions. I believe in advancement However, it is impossible for Cabinet members to get rid of certain employees in their departments, because they do not have the votes in Congress to change the laws in order that they may eliminate inefficiency.

I believe thoroughly in civil service, but I also believe that there should be some protection for the taxpayers.

Mr. BARKLEY. The Senator from Ohio may be interested in knowing that when the Democrats came into power in 1933, in the Department of Agriculture every employee, except 1 or 2 Assistant Secretaries, was under civil service. The Secretary of Agriculture could not change those employees, and he did not change them. Therefore he inherited men and women who had been taken into the service by civil-service methods.

Mr. BENDER. It is entirely possible that they are good people.

Mr. BARKLEY. I am sure the Senator would think they are good people if they are Republicans.

Mr. BENDER. If they are Republicans, possibly they are good people. I can give you a list of Democrats that are just as good.

Mr. BARKLEY. I believe people are good regardless of their politics.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BENDER. I yield.

Mr. JOHNSTON of South Carolina. I should like to have the Senator tell me what law he wants changed. Does he want the veterans' preference law changed?

Mr. BENDER. Is my good friend trying to be facetious?

Mr. JOHNSTON of South Carolina. No; I have asked the Senator a question.

Mr. BENDER. I voted for that law.

Mr. JOHNSTON of South Carolina. I should like to know how the law should be changed.

Mr. BENDER. I worked for that law as much as my good friend from South Carolina did.

Mr. JOHNSTON of South Carolina. I should like to have the Senator tell me what he wants done.

Mr. BENDER. It would be desirable to have an inventory made, and I believe the committees of Congress, including the committee of the Senator from South Carolina, should undertake to determine just what should be done to correct some of the situations which have been pointed out by the McClellan committee, on which the Senator from Missouri [Mr. SYMINGTON] serves with me. He knows what I am talking about. I am talking about people in strategic places who have no right to handle some of the matters they are handling.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield further?

Mr. BENDER. I yield.

Mr. JOHNSTON of South Carolina. I gather from the Senator's statement that when the Republicans are in control there should be a flexible civil service in the Government. Is that correct?

Mr. BENDER. No; I do not believe that at all. I believe that the Senator would like to get rid of a few Democrats, even though he is a stanch Democrat. I also believe that possibly there are some Republicans we would like to turn over to the Senator from South Carolina. However, I am not discussing that point. I am talking about the quality of the present administration, handicapped as it is because it does not have a Congress of the same party.

Mr. JOHNSTON of South Carolina. What I am asking the Senator from Ohio is to name some people he wants to get rid of, what law he wants changed, and how he wants that law to be changed.

Mr. BENDER. I could give the Senator a long list. I did not know the subject was to come up suddenly on the floor of the Senate, or I would have given him a list. I can give the Senator a list, and very soon.

Mr. BENDER subsequently said: Mr. President, when I was being interrogated on the floor earlier by the distinguished senior Senator from South Carolina [Mr. JOHNSTON], I did not have certain information which I have now received. I ask unanimous consent to have printed as a part of my remarks an excerpt from the CONGRESSIONAL RECORD, volume 99, part 8, pages 10838, 10839, and 10840.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

GOVERNMENT EMPLOYMENT WITHOUT REGARD TO CIVIL SERVICE AND CLASSIFICATION LAWS

Mr. WATKINS. Mr. President, will the Senator from Oregon yield for an insertion in the RECORD?

Mr. MORSE. I yield.

Mr. WATKINS. Mr. President, much has been said since January 20, 1953, to make it appear that the new Republican administration is conducting an unconscionable raid on the civil service in the interest of finding employment for Republican job seekers.

The Republican administration has a long way to go if it hopes to catch up with the Democratic administrations of the past 20 years in providing jobs for the party faithful by circumventing the civil-service rules and regulations and the Classification Act.

To illustrate my point, I request unanimous consent to insert in the RECORD immediately following my remarks a list of laws enacted during the period March 9, 1933, through July 7, 1952, which authorized the employment of personnel without regard to the civil service and classification laws. This list was prepared for me by the United States Civil Service Commission, and I am informed that it is not exhaustive.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

"A list of laws enacted by the Congress of the United States during the period from March 9, 1933, the beginning of the 73d Congress, through July 7, 1952, the adjournment of the 82d Congress, carrying provisions authorizing employment of personnel without regard to civil service and classification laws.

"COVERAGE OF THE LIST

"The list is not exhaustive, although it purports to be comprehensive within certain boundaries. These boundaries are drawn to eliminate references that would not only add to the bulkiness of the list, but would so becloud its purpose that its usefulness and accuracy could well be questioned.

"Therefore, to keep the list within a proper perspective the following kinds of references have been omitted:

"1. Laws creating small commissions or committees to exist for a short period of time to perform some specific duty such as: 'An act to provide for the appointment of a commission to establish a boundary line between the District of Columbia and the Commonwealth of Virginia.'

"2. Laws authorizing participation by the Federal Government in celebrations, expositions, and fairs, such as the California Exposition Commission, the Texas Centennial Commission, operation of the Freedom Train, and the Paris Exposition.

"3. Provisions appearing in the annual appropriation acts appropriating sums to various agencies for the employment of experts, consultants, or other personnel usually on a temporary basis. The amounts of money are usually not very large and the provisions seem to have no degree of uniformity. Sometimes they appear only once; sometimes they appear 2 or 3 times and then are dropped.

"4. Laws pertaining to participation in international organizations such as a law providing for membership and participation by the United States in the International Refugee Organization.

"5. Laws pertaining to the District of Columbia government such as those dealing with policemen and firemen.

"6. Laws pertaining to employees outside continental United States.

"USE OF THE LIST

"The short titles of the laws are used if available; otherwise the long titles are shortened.

"The date approved means the date the President signed the law.

"The page reference in the citations to the statutes at large is to the page on which the provision appears rather than to the page on which the law begins.

"The section of the law is listed to make it easier to find.

"Some of the provisions examined authorized employment without regard to civil-service laws; some authorize the fixing of compensation without regard to the classification act; some authorize both. Therefore, the last column is divided into two parts to indicate from which law the employees are exempt. The symbol X is used to show an exemption.

"Often the provisions exempting personnel from the civil-service laws and/or classification act are limited to certain officers and employees. Where such is the case, the limitation is set out in a footnote.

"Title of act	Date approved	Citation to statutes at large	Section number	Exempt from—	
				Civil-service law	Classification Act
Agricultural Adjustment Act	May 12, 1933	48 Stat. 37	10	X	
Emergency Farm Mortgage Act, 1933	do	48 Stat. 49	33	X	X
Federal Emergency Relief Act of 1933	do	48 Stat. 56	3 (b)	X	X
Tennessee Valley Authority Act of 1933	May 18, 1933	48 Stat. 59	3	X	
Corporation of Foreign Bondholders Act, 1933	May 27, 1933	48 Stat. 93	203	X	X
For the establishment of a national employment system and for cooperation with the States in the promotion of such system.	June 6, 1933	48 Stat. 114	2	X	X
Home Owners' Loan Act of 1933	June 13, 1933	48 Stat. 131	4 (j)	X	X
National Industrial Recovery Act	June 16, 1933	48 Stat. 195	2 (a)	X	X
Federal Emergency Administration of Public Works	do	48 Stat. 200	201 (a) (b)	X	X
Emergency Railroad Transportation Act, 1933	do	48 Stat. 211	2	X	X
Federal Farm Mortgage Corporation Act	Jan. 31, 1934	48 Stat. 345	1	X	X
For loans to farmers for crop production and harvesting during the year 1934	Feb. 23, 1934	48 Stat. 355	4	X	X
Regulation of cotton industry	Apr. 21, 1934	48 Stat. 605	17	X	X
Securities Exchange Act of 1934	June 6, 1934	48 Stat. 885	4 (b)	[1] X	[1] X
Communications Act of 1934	June 19, 1934	48 Stat. 1067	4 (f)	[2] X	[2] X
To establish a National Archives of the U. S. Government	do	48 Stat. 1122	2	X	
National Housing Act	June 27, 1934	48 Stat. 1246	1	X	X
Federal Savings and Loan Insurance Corporation	do	48 Stat. 1256	402 (c) (5)	X	X
Tobacco Control Act	June 28, 1934	48 Stat. 1279	10 (c)	X	X
For loans to farmers for crop production and harvesting during the year 1935	Feb. 20, 1935	49 Stat. 29	4	X	X
To regulate interstate and foreign commerce in petroleum and its products	Feb. 22, 1935	49 Stat. 33	9 (b)	X	
Emergency Relief Appropriation Act, 1935	Apr. 8, 1935	49 Stat. 117	3	X	X
Protection of land resources against soil erosion	Apr. 27, 1935	49 Stat. 164	4 (2)	[3] X	[3] X
National Labor Relations Act	July 5, 1935	49 Stat. 451	4	[4] X	
Central Statistical Board	July 25, 1935	49 Stat. 499	4	[5] X	[5] X
Social Security Act	Aug. 14, 1935	49 Stat. 636	703	[6] X	
Potato Control Act of 1935	Aug. 24, 1935	49 Stat. 790	218	X	X
Public Utility Act, 1935	Aug. 26, 1935	49 Stat. 837	31	[7] X	[7] X
Federal Power Act, 1935	do	49 Stat. 859	310	[8] X	[8] X
Railroad Retirement Act, 1935	Aug. 29, 1935	49 Stat. 972	8 (c)	X	X
Federal Alcohol Administration Act	do	49 Stat. 977	2 (c)	X	X
Rural Electrification Act, 1936	May 20, 1936	49 Stat. 1366	11	[9] X	
Bureau of Navigation and Steamboat Inspection	May 27, 1936	49 Stat. 1384	5 (a)	[10] X	
Thomas Jefferson Memorial Commission	June 3, 1936	49 Stat. 1399	2 (c)	X	X
For loans to farmers for crop production and harvesting during 1937	Jan. 29, 1937	50 Stat. 6	5 (a)	X	X
Providing for the consruction and maintenance of a National Gallery of Art	Mar. 24, 1937	50 Stat. 52-53	4 (c)	[11] X	[11] X
Bituminous Coal Act of 1937	Apr. 26, 1937	50 Stat. 73	2 (a)	[12] X	[12] X
Office of Consumers' Counsel		50 Stat. 74	2 (b) (3)	[13] X	[13] X
To establish a Civilian Conservation Corps	June 28, 1937	50 Stat. 320	5	X	
Bankhead-Jones Farm Tenant Act	July 22, 1937	50 Stat. 528	41 (a)	X	
To authorize completion, maintenance, and operation of Bonneville project	Aug. 20, 1937	50 Stat. 736	10	[9] X	[9] X
To create a commission and extend further relief to water users on reclamation and Indian irrigation projects.	Aug. 21, 1937	50 Stat. 738	2	X	X
To provide for taking census of partial employment, etc	Aug. 30, 1937	50 Stat. 883	2		[14] X
Federal Crop Insurance Act	Feb. 16, 1938	52 Stat. 73	507 (a)	X	
To authorize completion, maintenance, and operation of Fort Peck project for navigation.	May 18, 1938	52 Stat. 406	9	[9] X	[9] X
Emergency Relief Appropriation Act, 1941	June 26, 1940	54 Stat. 622	21 (b)	X	X
Selective Training and Service Act, 1940	Sept. 16, 1940	54 Stat. 894	10 (a) (3)	[15] X	[15] X
Making an appropriation to the United States Maritime Commission for emergency cargo ship construction.	Feb. 6, 1941	55 Stat. 6	1	[16] X	[16] X
Emergency Relief Appropriation Act, 1942	July 1, 1941	55 Stat. 404	16 (b)	X	X
National Youth Administration Appropriation Act, 1942	do	55 Stat. 490	Par. 16	X	X
National ArchivesTrust Fund Board Act	July 9, 1941	55 Stat. 582	8 (b)	X	
To provide for the planting of guayule and other rubber-bearing plants and to make available a source of crude rubber for emergency and defense uses.	Mar. 5, 1942	56 Stat. 127	2 (a)	X	X
To authorize the Secretary of Agriculture to provide Federal meat inspection during the present war emergency in respect of meatpacking establishments engaged in intrastate commerce only, in order to facilitate the purchase of meat and meat food products by Federal agencies.	June 10, 1942	56 Stat. 351	2 (c)	X	X
National Youth Administration Appropriation Act, 1943	July 2, 1942	56 Stat. 573	Par. 15	X	X
Emergency Relief Appropriation Act, 1943	do	56 Stat. 642	15 (b)	X	X
Settlement of Mexican Claims Act of 1942	Dec. 18, 1942	56 Stat. 1058	2 (b)	X	X
Surplus Property Act of 1944	Oct. 3, 1944	58 Stat. 706	5 (a)	[17] X	[17] X
To amend Bonneville Project Act	Oct. 23, 1945	59 Stat. 546	5	[18 19 20] X	[20 21] X
To establish a Department of Medicine and Surgery in the Veterans' Administration	Jan. 3, 1946	59 Stat. 679	14 (a), 14 (b)	[22] X	[22] X
Atomic Energy Act, 1946	Aug. 1, 1946	60 Stat. 771	12 (4)	[23] X	[23] X
Veterans' Canteen Service	Aug. 7, 1946	60 Stat. 888	2 (e)	[24] X	[24] X
To establish an Office of Selective Service Records to liquidate the Selective Service System, etc.	Mar. 31, 1947	61 Stat. 32	6 (a) (4)		X
To exclude interns, student nurses, and other student employees of hospitals of the Federal Government from the Classification Act and other laws relating to compensation and benefits of Federal employees.	Aug. 4, 1947	61 Stat. 727	1, 2		X
Economic Cooperation Act of 1948	Apr. 3, 1948	62 Stat. 139	104 (e)		[25] X

[1] Exemption applies to certain officers, attorneys, and other experts.

[2] Exemption applies to a secretary, a director for each division, a chief engineer, and not more than 3 assistants, a general counsel and not more than 3 assistants, and temporary counsel for performance of special services.

[3] Exemption applies for not more than 8 months after passage of act; thereafter employees are to be appointed in accordance with civil-service and classification laws.

[4] Exemption applies to an executive secretary, attorneys, examiners, and regional directors.

[5] Exemption applies to persons appointed for temporary periods, not exceeding 12 months.

[6] Exemption applies to attorneys and experts.

[7] Exemption applies to attorneys, examiners, and other experts.

[8] Exemption applies to certain officers, attorneys, examiners, and experts.

[9] Exemption applies to attorneys, engineers, and experts.

[10] Exemption applies to technical staff.

[11] Exemption applies to director, assistant director, secretary, and chief curator.

[12] Exemption applies to the secretary, a clerk to each commissioner, the attorneys, the managers and employees of the statistical bureaus, and such special agents, technical experts, and examiners as the Commission may require.

[13] Exemption applies to clerk to the counsel, the attorneys and such special agents and experts as the counsel requires.

[14] Exemption applies to temporary personnel.

[15] Exemption applies to clerical and stenographic employees for local boards.

[16] Exemption applies to personnel engaged in the maintenance, repair, operation, or management of plants or facilities.

[17] Exemption applies to special assistants, certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts.

[18] Exemption applies to assistant administrator, chief engineer, and general counsel.

[19] Exemption applies to physicians to examine the laborers, mechanics, and workmen.

[20] Exemption applies to experts.

[21] Exemption applies to laborers, mechanics, and workmen on construction work.

[22] Exemption applies generally to medical specialists; however, some of the personnel are subject to the civil-service and classification laws.

[23] The law provides that officers and employees shall be appointed in accordance with the civil-service and classification laws "except to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws."

[24] Exemption applies to personnel necessary for the transaction of business at canteens, warehouses, and storage depots.

[25] Exemption applies to not more than 100 employees.

"Title of act	Date approved	Citation to statutes at large	Section number	Exempt from—	
				Civil-service law	Classification Act
To provide basic authority for certain functions and activities of the Weather Bureau	June 2, 1948	62 Stat. 286	3	[26] X	[26] X
To authorize establishment of internships in Department of Medicine and Surgery of the Veterans' Administration.	June 19, 1948	62 Stat. 536		X	X
To provide for Commission on Renovation of the Executive Mansion	Apr. 14, 1949	63 Stat. 46	2 (f)	X	X
Classification Act of 1949	Oct. 28, 1949	63 Stat. 954–957	202		X
			204		
			205		
Rural Rehabilitation Corporation Trust Liquidation Act	May 3, 1950	64 Stat. 100	4 (a)	X	X
Federal Records Act of 1950	Sept. 5, 1950	64 Stat. 584	503 (c)		[27] X
Renegotiation Act, 1951	Mar. 23, 1951	65 Stat. 20	107 (c)	X	
To confirm the status of certain civilian employees of nonappropriated fund instrumentalities under the Armed Forces with respect to laws administered by the Civil Service Commission.	June 19, 1952	66 Stat. 139	1	X	X
Communications Act amendments, 1952	July 16, 1952	66 Stat. 711	3 (2)	[28] X"	

[26] Exemption applies to employees for meteorological investigations in the Arctic.
[27] Exemption applies to National Historical Publications Commission.
[28] Exemption applies to a legal assistant, an engineering assistant and a secretary for each commissioner and an administrative assistant for the chairman.

Mr. FULBRIGHT. Mr. President, I merely wish to say a word or two about the veto message on the gas bill. It has already been commented on at length. I deeply regret that the President saw fit to veto the bill. It carried out to a great extent, the recommendations of the President's Cabinet Committee on Energy Supplies and Resources of last spring and the recommendations of the chairman of the Federal Power Commission.

The last sentence of the President's message suggests need for specific language protecting consumers, which is superfluous, because the Federal Power Commission itself was created for the very purpose of protecting the consumer. The main objective and main function of the FPC is to protect the consumer in the administration of either this or any other law which is given to the Commission to administer.

The committee report at page 34 brings that fact out very clearly. I recall very well in the questions before the committee that the chairman of the Federal Power Commission was asked who represented the consumer in the hearings before the Commission. He said, "The Commission represents the consumer; that is their function."

There is no misunderstanding as to what the function of the Commission is and what its responsibility is with regard to the protection of the interests of the consumer. We all understand that.

What I deeply regret is that the President chose to base his veto largely on an irrelevant matter. That is serious, not only with regard to this legislation, but also with regard to all other legislation that may come before Congress. When I contemplate the possibility and probability of important legislation in the Senate being influenced by irrelevant matters of this kind, it seems to me we are confronted with an extremely difficult task in seeking to play a responsibile part in the Government of this country.

I cannot help believing that the President's action in this respect grows out of a lack of information and understanding about the legislative processes of our Government. Had he realized that many bills come before the Senate and that many people normally seek to influence our decisions, not in any disreputable or illegitimate manner, but in a perfectly legitimate manner, I am sure he would not have vetoed the bill. The Constitution specifically guarantees to the people the right of petition, and it is implied throughout the Constitution that there should be a close consultation between constituents—and that includes businesses—and Members of the Senate. We recognize the necessity of that. If some irresponsible person among 160 million people seeks to take advantage of that relationship that should be no reason for the defeat of measures which in themselves and on their merits are perfectly proper.

I believe that this action of vetoing, for grounds that are not, in my view, justifiable, sets a precedent which may plague the Senate for many years to come.

It is difficult indeed to carry on the Government, particularly the legislative end of it, without having the cooperation and understanding of the executive branch. To use the veto in this manner for reasons unrelated to the merits of the legislation seems to me to be a very bad governmental practice.

Mr. LEHMAN. Mr. President, I wish to give President Eisenhower the credit he deserves for having vetoed the natural-gas bill. I am confident the Senate will uphold the veto. I sent a telegram to President Eisenhower urging him to veto the bill, and I told him in the telegram that his disapproval of the bill would be applauded by Members of both parties.

I wish to honor my pledge to President Eisenhower. He deserves full credit, and I want him to know that if there is an attempt to pass the bill over his veto, I, and many of my colleagues on this side of the aisle, will be be fighting in support of his veto.

It is noteworthy that both Democrats and Republicans voted against the gas bill. Indeed, more Democrats voted against it than voted in favor of it. Even aside from the arguments on the bill—which in my view are indubitably and overwhelmingly in opposition to it—the proposed legislation was under a cloud. The circumstances surrounding its passage have been brought out in the incident involving our colleague, the junior Senator from South Dakota [Mr. CASE], and it became imperative that the the measure be set aside until the whole situation had been exhaustively examined. The President's veto was the only way.

Mr. President, I have something to contribute to the investigation of undue pressures in behalf of this legislation. I have received evidence—very interesting evidence—that at least one company, and perhaps more, in my State has applied pressure on its employees to get them to write to me in support of the natural-gas bill.

It is a firm that manufacturers machinery, including machinery for gas companies. I have not named and will not name that firm in any public statement. I shall turn over to the Privileges and Elections Subcommittee of the Rules Committee all the evidence that I have. I have on my desk the letter transmitting this material.

A few days ago, Mr. President, I recorded my monthly radio report to the people of New York State. In that report I included reference to the pressure that was applied to me in behalf of the natural-gas bill.

I ask unanimous consent that the text of this radio report, which deals mostly with the natural-gas bill controversy, be printed in the RECORD at this point.

There being no objection, the text of the radio report was ordered to be printed in the RECORD, as follows:

NEW YORKER'S REPORT ON THE NATION

(Text of Senator HERBERT H. LEHMAN'S second radio report to the people of New York State during the 2d sess., 84th Cong.)

Fellow New Yorkers, I am speaking to you from Washington in this second of my series of radio reports on the national picture, as I see it.

The past 4 weeks have been eventful ones for the Nation and very busy ones for me.

Although it wasn't good news, the big news was the final passage of the Harris-Fulbright bill, the amendments to the Natural Gas Act. I fought against that bill. I voted against it. I am afraid its passage is going to be costly, very costly, to the consumers of New York State and the Nation.

In my last broadcast, I talked to you about that bill, which will result in raising the price of the gas you use in your kitchen stoves, and in heating your homes. It is a great thing for the big oil and gas producers of Texas, Louisiana, and Oklahoma. Their profits will grow. They will be exempt from rate regulation by the Federal Power Commission. They are going to be permitted to charge whatever the market will bear.

Some of us in the Senate fought long and hard against this bill. In spite of our efforts, it passed. It was not a partisan matter.

Leaders of both parties were involved in the relentless push for this bill. And there were both Democrats and Republicans lined up in valiant opposition.

The passage of the Harris-Fulbright bill was neither a victory nor a defeat for either political party as such. But it was a defeat for the 30 million domestic consumers of natural gas in America.

The lobbyists for the big oil and gas producers were everywhere, and well supplied with money to spend to promote their cause. But there were relatively few lobbyists representing the millions of consumers of America. Some of us in the Senate tried to represent the consumers, but we were far outnumbered.

As I record this broadcast, the gas bill is is at the White House, awaiting the approval—or the disapproval—of the President. Harry Truman, who vetoed a similar bill in 1950, used to say that the President of the United States is the only lobbyist for all the 150 million consumers of America. I regret to say that while the gas bill was under consideration in the Senate, President Eisenhower did not lobby in behalf of the consumers of America. He did not raise his voice in opposition to the gas bill.

As I record these remarks, the President can still act to defend the interests of the consumers of America. He can still veto the Harris-Fulbright bill.

I do not know what President Eisenhower is going to do. Perhaps by the time my remarks are broadcast—certainly before midnight on February 18—he will have acted. I hope he will support the interests of the consumers of America, and not those of the big oil and gas producers.

During the past week or 10 days, the front pages of the newspapers of the country have been carrying the story of the investigation of the $2,500 campaign contribution to Senator CASE of South Dakota—a contribution from a man connected with the oil and gas industry.

It is a shocking story, and a disturbing one. It is shocking that it should have happened at all. It is disturbing to think that if Senator CASE had not chosen to make the incident public, we might never have known anything about it.

The whole situation needs to be exhaustively investigated. The activities of the gas and oil lobby need to be completely aired. The public needs to know whether any other so-called campaign contributions were promised or made, this year, or in previous years, to any Senator or Member of the House.

The public wants all the facts, about all the activities of the oil and gas producers and their lobbyists, in pushing this legislation through.

Those Senate committees which have responsibility for investigating this situation should set no limits on their inquiry, except the limits of accuracy. The pressures that were applied to Members of Congress should be traced to their sources, wherever those sources are, however highly placed they may be. The whole network of influence, if there is such a network, should be exposed. If there was nothing improper about the lobbying activities of the gas and oil producers, the public should be reassured of that, too. The only way they will be reassured is by a thorough and painstaking investigation.

One piece of evidence of questionable pressure tactics has come to my personal attention, and I want to tell you about that.

I received thousands of letters and telegrams on this legislation, the overwhelming majority of which urged me to vote against the Harris-Fulbright bill. But I did receive some communications urging me to vote for the bill. Some of these correspondences frankly identified themselves as stockholders in oil companies. I appreciated their frankness and I certainly understand their point of view.

But there were some communications I couldn't understand because they came from working men and women * * * people, who, as I saw it, stood only to lose by the passage of this legislation.

Well, then I learned something which threw some light on the subject. I found that at least one company, a manufacturer of machinery, had been putting the pressure on its employees to put the pressure on some of us in the Senate to vote for the bill.

Each employee of this company received a letter from the management. This letter bore the scare-words, "Your job is at stake", and proceeded to tell the worker why he ought to favor the Harris-Fulbright bill.

There is nothing so terribly wrong about that. The management had a right to propagandize its employees if it wanted to. But there was a kicker. Enclosed with the letter was a postcard, all inscribed with a message, addressed to me, urging me to vote for the Harris-Fulbright bill. All an employee had to do was sign. But that wasn't all. Each employee was told to sign the post card given him, and turn it back to his supervisor for stamping and mailing.

Now I have no idea whether there was any suggestion that if the employee failed to turn in a signed post card, he would be disciplined or punished in any way. I don't know how much pressure was actually applied to get those employees to turn in those post cards. That is something which would have to be factually established by investigation.

But it certainly explains some of the communications I received in favor of the Harris-Fulbright bill. I am inclined to think that, at best, this was an unfortunate practice. At worst, depending on the facts and circumstances, it was improper.

The fact is that the union to which these employees belonged protested to me. Moreover, the local union went officially on record in opposition to the Harris-Fulbright bill.

I have told this story because it illustrates how some pressure mail, directed to Members of Congress, originates. It shows how the heat was turned on, in this case at least, to push this legislation through. For whatever it is worth, I am turning the letters I received in regard to this situation over to the Senate committee investigating the oil and gas lobby.

I want to turn briefly now to another subject which interests us all, the subject of Housing.

One of the failures of this administration, in my judgment, has been in the field of housing—in failing to use its powers to insure a comprehensive and effective housing-construction program that will not only meet the housing needs for today, but which will anticipate the needs of tomorrow.

The increase in our population and the increase in the size of families is now reflecting itself in a vastly increased demand for housing. Even with the relatively high rate of current housing construction, we are still building only about half the new homes this Nation needs, and most of those being built are for higher-income families. Yet the unsatisfied demand we see today will seem inconsequential in comparison to the demand during the years soon to come.

We badly need—immediately—more housing for low-income families, more housing for middle-income families, and more housing for elderly people. While we are eliminating a few slums, we are making new ones at a rapidly increasing rate. Housing is deteriorating throughout the Nation. The time to act is now—not later when the problem has become insoluble.

I believe we must make a fresh start on the housing problem. For this reason, about 2 weeks ago, I introduced a broad new housing bill. Under the terms of my bill, 200,000 public-housing units for low-income families would be annually authorized.

Of these 200,000 new units, 10 percent would be set aside for elderly couples and elderly single persons. Many of these older members of our society are subsisting on meager pensions and annuities. Their income has been made shockingly inadequate by the increased cost of living. Instead of living in surroundings conducive to contentment, many of these elder people are forced to live today under miserable and unhealthful conditions. By providing special units for the elderly in each public-housing project, a critical need will be met.

To stimulate construction of housing for middle-income families—a sadly neglected group—a special program of loans and mortgage guaranties would be provided. Lending authority of $1 billion is authorized for this program, which would actually cost the Government nothing in the long run.

A subject somewhat related to housing, on which I have been working these past weeks, is flood insurance. Some days ago I introduced a new flood-insurance bill to protect the homeowners and businessmen of New York State and of the Nation against the risk of catastrophic loss through flood damage.

We had such floods in New York State. Many of our people suffered disastrous losses. I have proposed, in association with a number of other Senators, a system of Government insurance to protect our people against these kinds of losses. We have started to hold hearings and hope to be able to report a bill in the very near future.

I have also been working on the subject of juvenile delinquency and on legislation to develop the power potential at Niagara.

I have come to the end of my time, on this program. I have so much more that I would like to say to you, but it must wait for another opportunity.

Meanwhile, my best wishes to all of you, and if you have any reactions to these or any other matters, don't hesitate to write me.

Mr. LEHMAN. Mr. President, I also ask that the text of the telegram I addressed to President Eisenhower urging him to veto the bill, together with the acknowledgment I received from Mr. I. Jack Martin, administrative assistant to the President, be printed in the RECORD at this point.

There being no objection, the text of the telegram and the reply thereto were ordered to be printed in the RECORD, as follows:

FEBRUARY 15, 1956.

Hon. DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.:

I have seen press reports which indicate you are giving serious consideration to a veto of the Harris-Fulbright natural-gas bill. I am much encouraged by this prospect. Speaking for the millions of natural-gas consumers of my State I urge you to disapprove the bill. I can assure you that your veto of this unwise bill would be applauded by Members of both parties in New York State and by the great majority of people throughout our Nation. This issue, of course, cuts across party lines. I hope you will act in defense of the gas consumers of America.

HERBERT H. LEHMAN,
United States Senate.

THE WHITE HOUSE,
Washington, February 15, 1956.

The Honorable HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR: I am pleased to acknowledge receipt of your February 15 telegram

to the President which reached here after his departure for Georgia. I can assure you that the views you express respecting the natural-gas bill will be made known to the President and that he will give them careful consideration before he acts on this important matter.

With kind regards,

Sincerely,

I. JACK MARTIN,
Administrative Assistant to the President.

Mr. NEUBERGER. Mr. President, I understand that when I read on the Senate floor the brief news-ticker dispatch concerning the President's veto of the natural-gas bill, I was ahead of a deadline on that announcement by about 20 minutes. This was inadvertent on my part. I did not notice the 2 o'clock listing on the announcement torn from the ticker. I assure any Associated Press reporters who might have been inconvenienced that I regret this action on my part. Once having been a newspaperman myself, I realize the difficulties and problems under which the members of the press work, particularly in an atmosphere of great tension and constantly changing events, such as this.

In conclusion, let me reiterate my belief that it is satisfying to know the natural-gas bill is not to become law. The President's veto was in the public interest, in my opinion. I am only sorry that his message did not express disagreement with the purposes of the natural-gas bill.

INVESTIGATION OF MATTERS PERTAINING TO THE COMMON DEFENSE GENERALLY AND CERTAIN SPECIFIC MATTERS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1505, Senate Resolution 215.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 1505, Senate Resolution 215, to investigate matters pertaining to the common defense generally and certain specific matters.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 215), which had been reported from the Committee on Rules and Administration with an amendment.

Mr. STENNIS obtained the floor.

Mr. ELLENDER. Mr. President, is the Senator from Mississippi going to explain the resolution?

Mr. STENNIS. Yes.

Mr. ELLENDER. Do I correctly understand that the amount called for by the resolution is the same as has been authorized in the past, and that it is to be used for the same purpose?

Mr. STENNIS. That is correct.

Mr. President, the resolution is to authorize the budget for the Armed Services Committee's Subcommittee on Preparedness. The resolution calls for the same monthly amount as was authorized for this purpose last year, although last year a considerable sum was returned unused. Last year there was a budget of $160,000 for 10 months; and $80,000 of that was returned, unused. That was due, in part, to the illness of the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], who is chairman of the Preparedness Subcommittee.

It is expected that the subcommittee will have a more active calendar this year. Nevertheless, we are not requesting an increase in the funds which were allowed for the last year.

There has been filed with the Armed Services Committee and with the Committee on Rules and Administration a complete budget, with the items for all these expenditures, which are routine, and which follow the same course and same general pattern of activity as in the past. No increased amount is requested to take care of the 7½ percent salary increase which we made last year, and no increase is requested to cover the extra travel allowance which we authorized last year, because those added amounts can be absorbed in the amount requested.

At this time I shall be glad to yield to any Senator who may wish to ask questions, which I shall be glad to attempt to answer.

Mr. ELLENDER. Mr. President, I wish personally to compliment the Senator from Mississippi for not requesting an increase in the funds over last year's appropriation. That is what I have hoped other committees and subcommittees will do.

Mr. STENNIS. Mr. President, I appreciate the remarks of the Senator from Louisiana. However, I am not entitled to the compliment he has extended. The senior Senator from Texas [Mr. JOHNSON] is chairman of this subcommittee, and he works on it very carefully and diligently, and has a great interest in it.

Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD, prepared remarks in further explanation of the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR STENNIS IN SUPPORT OF SENATE RESOLUTION 215

Senate Resolution 215 is to authorize necessary expenditures for the operations of the Preparedness Investigating Subcommittee during the period March 1, 1956, through January 31, 1957.

This subcommittee, authorized by unanimous vote of the Committee on Armed Services, is the committee's "watchdog" over the Department of Defense and the Nation's defense effort as a whole. More specifically, the committee has charged us with the responsibilities of "exercising a continuous watchfulness over matters within the jurisdiction of the Armed Services Committee through a continuous study of all policies, programs, activities, operations, facilities, requirements, and practices of the Department of Defense, the armed services, and other agencies exercising functions relating to them, and the administration thereof in all respects."

The membership of the subcommittee, appointed March 29, 1955, is made up of myself as vice chairman, Senator JOHNSON of Texas, chairman, and Senators KEFAUVER, SYMINGTON, BRIDGES, SALTONSTALL, and FLANDERS.

During the approximately 10 months of our operations since the first of April 1955, the subcommittee has issued five reports.

These reports have presented the results of our investigations regarding corporate profits and return on net worth of airframe manufacturers for the period 1942 through 1945; the concentration of well over half of the dollar value of our defense prime contracts among 100 companies; a review of the Air Force's procurement of certain types of aircraft passenger seats; the Navy's development and procurement program for the F3H jet fighter; and a report on the Army's failure to estimate its materials requirements accurately and to utilize expensive Government equipment properly.

Two of these reports were interim reports and the ultimate benefit to the Nation as a result of our inquires in terms of dollars cannot yet be evaluated, while another of the reports did not involve a large sum of money. But I would like to mention that as a result of the subcommittee's actions as reported upon in our fifth report, a thorough reevaluation of a procurement program involving over $2.5 million has been undertaken with the distinct promise of considerable savings to the Government.

A quick preview was given the Senate and the public in our first report, dealing with the profits of airframe manufacturers, of the outline of a program now underway by the subcommittee—a program that is unquestionably the most important that we have undertaken or could undertake. This is the broad, overall inquiry into the status of this Nation's strength in the air. Our study in this area ranges from the development, production, and maintenance of our airframes, engines, rockets, and missile systems to the strength and adequacy of the military organizations assigned to utilize these weapons.

This extraordinary broad investigation was instituted in the summer of 1955, but due to the complexity and wide coverage of the information requested from the Department of Defense and the various services, the necessary information has only now begun to arrive in sufficient quantity for our evaluation of our Nation's airpower position to get underway.

In my opinion, our activities in this field alone will justify the approval of the amount which we are requesting for another year's operations.

We also have underway, in addition to our continuing work of "spot-checking" hundreds of situations about which questions are raised, numerous studies and investigations which will lead to hearings or reports, or both. These include a scrutiny of the policies and procedures followed to build up our stockpiles of strategic and critical materials; a preliminary examination of the situation regarding housing furnished our troops under the Wherry Housing Act; a further view of the development and procurement of the Navy's F3H jet fighter; a broad study of the disposal of so-called surplus materials and the methods of disposal used by the services together with a concurrent investigation into the possibility of those same items being simultaneously procured; an investigation into the procedures followed by the Bureau of Ships and its local offices with regard to the treatment of certain small defense contractors; and an investigation dealing with the many aspects of the legal difficulties involved in enforcing discipline among the United States troops stationed in foreign countries.

During the past 10 months we have operated under a budget of $160,000, and we

are returning over half of that amount to the Senate. Our start late in the year, and the fact that we did not expand our staff or even replace those who resigned after the adjournment of the Congress, are among the factors which enable us to return over $80,000 out of our authorized funds.

For the coming year, we are requesting funds on the same basis as our previous budget, but for an 11-month period, of $176,000. We plan to expand our staff and increase the subcommittee's activities, for we believe that the jurisdictions and responsibilities given our subcommittee are of the utmost importance to the Senate and the Nation—for while attempting to assure ourselves that our defense is superior, we are, too, constantly striving to find—and finding—means by which the great cost of this defense can be substantially lessened.

The PRESIDING OFFICER. The amendment of the Committee on Rules and Administration will be stated.

The LEGISLATIVE CLERK. On page 2, in line 21, before the word "consent", it is proposed to insert "prior".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the resolution, as amended.

The resolution (S. Res. 215), as amended, was agreed to, as follows:

Resolved, That the Committee on Armed Services, or any duly authorized subcommittee thereof, is authorized under section 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) common defense generally;

(2) the War Department and the Military Establishment generally;

(3) the Navy Department and the Naval Establishment generally;

(4) soldiers' and sailors' homes;

(5) pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces;

(6) selective service;

(7) size and composition of the Army and Navy;

(8) forts, arsenals, military reservations, and navy yards;

(9) ammunition depots;

(10) maintenance and operation of the Panama Canal, including the administration, sanitation, and government of the Canal Zone;

(11) conservation, development, and use of naval petroleum and oil shale reserves;

(12) strategic and critical materials necessary for the common defense.

SEC. 2. For the purpose of this resolution the committee, from March 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $176,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDITIONAL FUNDS FOR THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1491, Senate Resolution 180.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 180) providing additional funds for the Committee on Interstate and Foreign Commerce.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. MAGNUSON obtained the floor.

Mr. ELLENDER. Mr. President, I should like to ask a question of the Senator from Washington.

Mr. MAGNUSON. I yield.

Mr. ELLENDER. The $10,000 called for by the resolution is in addition to the $10,000 which the committee regularly obtains from the Senate by way of the Reorganization Act, is it not?

Mr. MAGNUSON. My understanding is that it is the regular $10,000 given the committee each year.

Mr. ELLENDER. It is not necessary to have a resolution for that purpose; the $10,000 provided in the Reorganization Act automatically comes to the committee.

Mr. MAGNUSON. No; I think a resolution calling for it must be adopted by the Senate.

Mr. ELLENDER. How much will the committee of which the Senator from Washington is chairman have to spend if this resolution is approved?

Mr. MAGNUSON. For the regular committee?

Mr. ELLENDER. During this Congress.

Mr. MAGNUSON. This resolution calls for the regular amount provided for each committee.

Mr. ELLENDER. But the committee already has had $10,000; the Reorganization Act so provides.

Mr. MAGNUSON. For last year.

Mr. ELLENDER. Yes, I believe it becomes available at the beginning of the fiscal year.

Mr. MAGNUSON. No; as I understand, it became available on January 30.

Mr. ELLENDER. At any rate, that money is available from year to year. This resolution calls for an additional $10,000.

Mr. MAGNUSON. I shall have to check into that.

Mr. President, let me suggest that until I can obtain the information the Senator from Louisiana requests, the resolution be temporarily laid aside.

Mr. ELLENDER. Mr. President, I have no objection to it; I was merely trying to clarify the RECORD.

Mr. MAGNUSON. I shall obtain the information and shall place it in the RECORD.

Mr. CLEMENTS. Mr. President, will the Senator from Washington yield, so that I may ask whether it is agreeable to the Senator from Louisiana to have the resolution agreed to, and to obtain permission for the Senator from Washington to place the material referred to in the RECORD?

Mr. ELLENDER. Yes.

Mr. MAGNUSON. I shall place the facts and figures in the RECORD.

Mr. MAGNUSON subsequently said: Mr. President, I now submit the material I promised the Senator from Louisiana I would obtain. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

Under the Legislative Reorganization Act, each committee is allotted at the beginning of a Congress the sum of $10,000 to take care of its so-called routine expenses such as payment of witness fees, telephone expense, and the expense of shorthand reporters for reporting hearings on legislation and nominations. When that sum has been used up it is customary to offer a resolution, such as the one now pending, to replenish the fund. For example, as I recall it, the Committee on Agriculture and Forestry exhausted its $10,000 last summer and was given an additional $20,000 before the 1st session of the 84th Congress adjourned. The pending resolution is, therefore, of a routine nature.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 180) was agreed to, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce is authorized to expend from the contingent fund of the Senate, during the 84th Congress, for the purposes specified in section 134 (a) of the Legislative Reorganization Act of 1946, $10,000 in addition to the amount authorized in such section.

INCREASED RETIREMENT BENEFITS FOR FEDERAL WORKERS

Mr. CARLSON. Mr. President, I have received from retired Federal employees in the State of Kansas a number of telegrams in which they urge that the Senate Post Office and Civil Service Committee add an amendment to Senate bill 2875, which provides for increased retirement benefits for our Federal workers. The amendment suggested would increase the present retirement benefits to Federal employees who already have retired. These former retired Federal employees made contributions to the Federal retirement fund during their service with the Government, and I urge that their request be heard.

I ask unanimous consent, Mr. President, that these telegrams be printed in the RECORD and that they be referred to the Senate Post Office and Civil Service Committee, where hearings are already being held on retirement legislation.

The PRESIDING OFFICER. The telegrams will be referred to the Com-

mittee on Post Office and Civil Service; and, without objection, the telegrams will be printed at this point in the RECORD.

The telegrams submitted by Mr. CARLSON are as follows:

TOPEKA, KANS., *February 11, 1956.*

Hon. FRANK CARLSON,
United States Senate,
Washington, D. C.:

In behalf of approximately 3,500 civil-service retirees of Kansas, we respectfully urge you to contact Senator OLIN D. JOHNSTON, chairman of the Post Office and Civil Service Committee. Please urge him to report favorably the amendments to S. 2875 which were proposed by the National Association of Retired Civil Employees. The bill completely disregards the welfare of the civil-service employees now in retirement, whereas these amendments will give them the fair and just consideration to this aged group of your constituents. We thank you for your previous support of the retirees in our State.

E. C. CANNON,
President, Topeka Chapter No. 2.

TOPEKA, KANS., *February 11, 1956.*

Senator FRANK CARLSON,
Senate Office Building,
Washington, D. C.:

The more than 3,400 civil-service retirees in Kansas will appreciate it if you will contact Senator OLIN JOHNSTON, chairman, Post Office and Civil Service Committee, and urge him to report favorably the amendments to S. 2875 which were proposed by the National Association of Retired Civil Service Employees. This bill provides increases in annuities of active employees of the Government when they retire but completely disregards us who have already retired. We believe, in all justice, consideration should be given this aged group of your constituents who paid 100-cent dollars for their annuities and are now being paid 50-cent dollars. We are appreciative of your previous consideration for retirees in Kansas.

S. D. FLORA,
Secretary, Chapter No. 2.

JUNCTION CITY, KANS., *February 13, 1956.*

Honorable Senator CARLSON,
Washington, D. C.:

DEAR SENATOR CARLSON: Civil-service retirees No. 383 in Kansas respectfully and strongly urge you to promptly contact Senator OLIN D. JOHNSTON, chairman of Post Office and Civil Service Committee urging him to favorably report amendments to S. 2875 which were proposed by National Association of Retired Civil Employees. The bill completely disregards civil-service employees already retired and these amendments will give them the just consideration due this aged group of your constituents. We thank you for your previous sympathetic consideration of Kansas retirees.

Very respectfully,

GEORGE HARDING,
President, Chapter No. 383.

LAWRENCE, KANS., *February 13, 1956.*

Senator FRANK CARLSON,
Senate Office Bldg.,
Washington, D. C.:

In the name of 3300 civil-service retirees in this State we respectfully urge you to promptly contact Senator OLIN D. JOHNSTON, Chairman of the Post Office and Civil Service Committee. Please urge him to favorably report the amendments to S. 2875 which were proposed by the National Association of Retired Civil Employees.

LOUISE L. BAKER,
Secretary.

ADDITIONAL EXPENDITURES AND TEMPORARY EMPLOYEES FOR COMMITTEE ON BANKING AND CURRENCY

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1412, Senate Resolution 160.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 1412, Senate Resolution 160, authorizing further expenditures and temporary employment of additional assistants by the Committee on Banking and Currency to study public and private housing.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Banking and Currency without amendment, and subsequently had been reported from the Committee on Rules and Administration with amendments, on page 2, in line 5, before the word "consent", to insert the word "prior"; and in line 15, after the word "exceed", to strike out "$120,000" and insert "$100,000".

Mr. SPARKMAN. Mr. President, the purpose of this resolution is to obtain the necessary appropriations for the committee to continue the Subcommittee on Housing at a reduced level as compared with its operations of last year. Last year the Senate appropriated $100,000 for the operation of this subcommittee, on the basis of 10 months. We asked this year that we be allowed an appropriation at the same rate, which would be $120,000 for 12 months.

The Committee on Rules and Administration reduced the amount by $20,000, and allowed us $100,000 for operation for the entire year. I think this is entirely reasonable. But certainly I do not feel that we ought to be asked to take any further cut. As a matter of fact, under this arrangement we have had to release one of our employees in order to come within the budget for this year. We have already taken a cut.

Our Government obligates itself to the extent of $10 billion a year for additional housing. The investment to enable us to watch that program—and I invite attention to the fact that the subcommittee not only watches the program and studies it, but also handles legislation pertaining to housing—represents one one-thousandth of 1 percent of the total obligation of the United States Government in housing each year. I know that it is a good investment, and I certainly hope that the amount which has been approved unanimously by the Committee on Rules and Administration and by the Committee on Banking and Currency unanimously will be approved by the Senate.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KNOWLAND. This is one of the important committees of the Senate. Senators on this side of the aisle, as well as on the other side, have a high regard for the chairman of the Housing Subcommittee.

I invite the attention of Senators to the fact that the amount authorized last year was $100,000. The amount spent was $67,467.25. I am frank to admit that, in view of the way the votes have been going in connection with suggestions that costs might be reduced to some extent, I do not feel very highly encouraged about offering an amendment.

We thought it might not be out of line to provide $75,000 for the committee, which would be more than it used last year. At the same time, such action would at least indicate that the Senate is not unmindful of the heavy burdens the taxpayers are bearing.

Mr. SPARKMAN. Let me say to the able and distinguished minority leader that it might be well to remember that at the time the subcommittee was established last year, 2 months had gone by, so the appropriation last year was on the basis of 10 months. We had to build our staff after that. As a matter of fact, we required a couple of months to organize the staff.

Those two circumstances explain, very largely, the fact that we did not use nearly all of the appropriation last year.

There was one further circumstance. We arranged with the General Accounting Office to supply us with two men. For some reason the General Accounting Office did not feel that it had to be reimbursed for the portion of the year during which we used them. However, for this year, if we use any such employees, we shall have to reimburse the General Accounting Office. That circumstance saved the committee some $18,000, on an annual basis, last year. However, if we were to continue those employees for this year, we would have to pay for them. We have already released one of them, because of the reduction which the Committee on Rules and Administration made. The Rules and Administration Committee cut our appropriation by $20,000.

Mr. KNOWLAND. Mr. President, first of all, I am glad the General Accounting Office feels—and I hope the Senate will feel—that if the employees referred to are to be borrowed in the future, they should be paid by the Senate. I think it is only fair to the Senate to know what its committees are costing it. Also, no charge should be made to the General Accounting Office for an employee not working in that agency.

I ask the distinguished Senator from Alabama how many employees were on the staff last year, for the 10-month period?

Mr. SPARKMAN. The greatest number we had at any one time, including the 2 from the General Accounting Office, was 12.

Mr. KNOWLAND. How many are contemplated under the new request?

Mr. SPARKMAN. The budget is set up for 11, which takes care of the 1 we

already released to the General Accounting Office.

Mr. KNOWLAND. Are all these employees employed in the city of Washington?

Mr. SPARKMAN. They are all here, and they all give their full time to this subcommittee work.

The Senator knows, of course, that the ranking member of the subcommittee and the ranking member of the Committee on Banking and Currency, the Senator from Indiana [Mr. CAPEHART], joins in the sponsorship of the resolution.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ELLENDER. What does this subcommittee do? Does it hold hearings on proposed legislation, or is it merely a watchdog committee?

Mr. SPARKMAN. A few minutes ago I pointed out that the subcommittee does both jobs. It handles and studies legislation for the committee——

Mr. ELLENDER. Is there any such legislation now pending before the committee?

Mr. SPARKMAN. Oh, yes.

Mr. ELLENDER. In the nature of amendments to existing laws?

Mr. SPARKMAN. No. They have not come up yet from the administration but we expect them within the next few weeks. Various bills have been introduced. I believe the Senator from Louisiana knows that each year we try to come forward with an omnibus bill. It is anticipated that about April we shall hold hearings on the proposed legislation.

In addition, in November we held 2 days of hearings on the financial situation. The Senator knows that at one time home-mortgage financing became quite tight. At that time the Government put into effect certain restrictions. We held 2 days of hearings in Washington. We brought in persons interested in the program from various parts of the United States, including investment bankers, mortgage people, Government officials, and others.

Mr. ELLENDER. As I understand, hearings were held last year or the year before on the windfall profits which were made in connection with FHA loans.

Mr. SPARKMAN. That was year before last.

Mr. ELLENDER. Is the continuing observation of such situations one of the functions of the subcommittee?

Mr. SPARKMAN. We continue to watch the situation. If we receive a complaint with respect to any project, from any part of the United States, we go into it immediately. What we are trying to do is to stay on top of the situation, so that we can prevent bad spots from developing.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KNOWLAND. Originally I proposed to offer an amendment providing for $75,000. I wonder if the Senator would be prepared to accept an amendment providing $90,000 for the subcommittee.

Mr. SPARKMAN. I hope the Senator will not insist upon such an amendment. We have set up what we consider to be a tight budget. I do not believe the Senator can find a committee more careful in the expenditure of its funds than is our committee. We do not try to spend money simply because we have it. We have established what we consider to be a tight schedule. As I mentioned a few moments ago, already we have had to release one employee who was very valuable to us. We had two men from the General Accounting Office who knew how to go into the various questions which arise in connection with the different projects. If we are to suffer another reduction of $10,000, we shall have to let another employee go.

Mr. KNOWLAND. I was hoping that it might be possible to make some slight reduction, to demonstrate to the executive branch that we should like to make some reductions in the executive branch, and to set a good example.

Mr. SPARKMAN. The Committee on Rules and Administration went into the subject carefully, and reduced the appropriation by $20,000.

I feel we have submitted as tight a budget as we ought to be expected to try to get by on.

The PRESIDING OFFICER. The Secretary will state the committee amendment.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out "$120,000" and insert in lieu thereof "$100,000".

Mr. KNOWLAND. Mr. President, to keep the record straight, I offer an amendment to the committee amendment, to strike the sum of $100,000 and to insert in lieu thereof $90,000.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The CHIEF CLERK. In the committee amendment, on page 2, line 15, it is proposed to strike out "$100,000" and to insert in lieu thereof "$90,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California to the committee amendment.

The amendment to the amendment was rejected.

Mr. CLEMENTS. Mr. President, I offer an amendment to the committee amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out "$100,000" and insert in lieu thereof "$91,666.67".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. CLEMENTS. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 1, it is proposed to strike out "February" and insert in lieu thereof "March".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. CLEMENTS].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 160), as amended, was agreed to, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV (1) (d) 4 of the Standing Rules of the Senate, to make a complete study of any and all matters pertaining to public and private housing.

SEC. 2. For the purposes of this resolution the committee from March 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $91,666.67, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EMPLOYMENT OF TEMPORARY PERSONNEL BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1388, Senate Resolution 176.

The PRESIDING OFFICER. The Secretary will state the resolution by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 176) authorizing the Committee on Rules and Administration to make expenditures and employ temporary personnel.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the resolution was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) the election of the President, Vice President, or Members of Congress;

(2) corrupt practices and contested elections;

(3) credentials and qualifications;

(4) Federal elections generally;

(5) presidential succession.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ANNOUNCEMENT AS TO PENDING BUSINESS ON MONDAY

Mr. HENNINGS. Mr. President, I have been advised that it is the determination of the leadership of the majority to make the pending business on Monday next Calendar No. 1483, Senate Concurrent Resolution 65, to create a joint congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President.

THE "BRINK OF WAR" ARTICLE IN LIFE MAGAZINE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter I sent to editors of several newspapers in Minnesota. The particular letter I am asking to have printed is addressed to the editor of the Austin Daily Herald, of Austin, Minn., and refers to an editorial published in that newspaper on January 19, 1956.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 15, 1956.

H. E. RASMUSSEN,
Editor, the Austin Daily Herald,
Austin, Minn.

DEAR MR. RASMUSSEN: Your editorial of January 19, 1956, regarding my role in the controversy over Secretary Dulles' Life magazine article, has just come to my attention. Frankly, I am disappointed over your refusal to discuss the significant issues involved in this controversy, and to dismiss my own criticisms as partisan-inspired.

Actually, as you know, few of the newspapers in this country dismissed this issue so casually. Quite the reverse. Most of the informed reaction in America was as critical of Mr. Dulles as was the reaction elsewhere in the free world. For 2 weeks Communist propaganda had a field day.

In this context, the charge of "partisanship" is as irrelevant as the charge of "appeasement." It would be highly unfortunate if the broad brush of editorial bias should be allowed to obscure the basic, fundamental issues involved. I hope you will examine the detailed statements I made during the debate on the Senate floor, particularly those of January 12, 17, 18, and 25, which appear in the CONGRESSIONAL RECORD.

Meanwhile, perhaps, my own most succinct answer to your editorial criticism is contained in the following summary of the Dulles controversy which I released on January 23:

The Life magazine article on Secretary Dulles was unfortunate, untimely, immodest, and inaccurate. It played into the hands of the Soviet propaganda machine, raised doubt among our allies, and weakened confidence in our leadership at home.

Unfortunate as this all is, Mr. Dulles' interview has produced one hopeful result. It has sparked a debate on American foreign policy which was already long overdue.

Secretary Dulles has been criticized all over the world in the strongest possible terms. His article was bad history and worse diplomacy. It canceled out much of the patient effort of the Voice of America program during the past year to destroy the Communist-inspired impression of us as a nation of bombs and bomb-minded men.

The storm of criticism has swept from America to Europe and on across the crucial middle world from Africa to Japan. Respected American journalists have called the Secretary of State reckless, incomprehensible, exasperating, the originator of the planned mistake. Distinguished European newspapers have called him the incredible Mr. Dulles, the edgy gambler, a sort of military-minded Hairbreadth Harry, who specializes in narrow escapes.

My conviction that this adverse world reaction was inevitable compelled me to speak out immediately in the hope of offsetting some of the damage.

I believe with all my heart in bipartisanship in foreign affairs. Bipartisanship was developed under a Democratic administration, and has been continued by the Democrats during the Eisenhower administration.

Unfortunately President Eisenhower has refused to read the Life article and the Secretary has refused to clarify it. Neither of these attempts to abdicate responsibility will satisfy the American people.

Life Editor Henry Luce, an avid pro-Eisenhower Republican, after a week of radio and newspaper advertising heralding the Dulles article, has now attempted to shield the Secretary by taking responsibility for the vivid headlines, phraseology, substance, editing, and Life's "own review of the historical record." The respective contributions of the Life editor and Mr. Dulles could, of course, easily be determined, for there exists a recorded transcript of the original interview which Mr. Dulles has expressly refused to release.

I take no pleasure in Mr. Dulles' discomfort. But let there be no mistake about it—

"There is bipartisan support for the principle of peace through strength. Mr. Dulles' article took credit for unilateral atomic jingoism.

"There is bipartisan support for collective measures for free-world defense. Mr. Dulles' article took credit for single-handed bluffs, some of which were apparently imaginary.

"There is bipartisan support as Mr. Dulles himself has said, for 'making clear what our intentions are to prevent miscalculation.' Mr. Dulles' article dangerously obscured those intentions and improved the chances for miscalculation everywhere."

It is doubly unfortunate that Mr. Dulles has now become a center of controversy with all but his loyal party and editor friends against him, at precisely the time when we Americans should be constructively reexamining our foreign policy in the light of new Soviet tactics.

Significant charges have been made by General Ridgway and others that our military strength has been cut for budgetary and political reasons. Meanwhile, the Russians are maintaining their armed power, surpassing us in training scientists and engineers, and catapulting ahead of us in a worldwide political, cultural, economic, and psychological offensive.

At this critical juncture, we are handicapped by diplomatic immobility and an apparent bankruptcy of vigorous new ideas. We are failing to implement the good ideas we already have. We are not communicating effectively with vast numbers of non-Communist peoples in Asia, Africa, South America, and even in Europe. In countless ways we are failing to relate our objectives, policies, and ideals to theirs.

All Americans should be turning their united attention to these grave matters in an affirmative, bipartisan way. I think I have a record of bipartisanship. I have supported 93 percent of the foreign policy positions proposed by President Eisenhower, both as to the authorization and appropriations.

I expect to continue to support the President in this session on many foreign policy questions when it is quite predictable that many and sometimes most of the members of his own party will refuse to do so.

During the coming weeks I intend to discuss in considerable detail the far-reaching foreign policy issues which affect us in many critical areas. I shall also be chairing the sessions of a special Senate subcommittee on disarmament. These issues are not inconsequential. They affect the very life of our Nation, and the lives of hundreds of millions of individuals in the United States and throughout the world. It is disgraceful that at this high moment of history we have just had to defend our national reputation against the momentous indiscretions of our own Secretary of State.

Mr. Editor, since you have used your column to attack my role in the Dulles' controversy, I respectfully request that you reprint this letter to acquaint your readers with my reply.

Sincerely,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, in my letter I set forth some of my points of view, particularly with relation to foreign policy, and also with respect to what I consider to be some of the most unfortunate aspects of the article in Life magazine, as that article relates to what appeared to be a fair interpretation of American foreign policy.

As I said, similar letters were sent to other newspapers in Minnesota, and I ask unanimous consent to have printed at this point in my remarks the list of editors and newspapers to whom similar letters were sent by me.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Editor, Sleepy Eye Herald-Dispatch, Sleepy Eye, Minn.

W. S. Southmayd, editor, the Vision, Vesta, Minn.

Floyd W. Emerson, editor, the Brainerd Daily Dispatch, Brainerd, Minn.

H. E. Rasmussen, editor, the Austin Daily Herald, Austin, Minn.

Editor, Winona Daily News, Winona, Minn.

C. H. Russell, editor, Mankato Free Press, Mankato, Minn.

TANK SHIPMENTS TO SAUDI ARABIA AND WHEAT FOR EGYPT

Mr. HUMPHREY. Mr. President, my final words on the floor of the Senate last evening were to express the hope that the President of the United States would be notified of the imminent shipment of tanks to Saudi Arabia.

I said I hoped action would be taken to stop the ship bearing those tanks from leaving the port of Brooklyn, N. Y.

I am happy to note that this action has been taken, and I join other Senators in expressing my gratification.

I should like to note that it is most peculiar that the President of the United States should not know that this very important action was about to take place. In view of the critical and tense and highly explosive situation in the Middle East, it is most unusual that the President of the United States should have had to be notified of this action at a late hour and that he should have had to take action on it at 3 o'clock in the morning in order to prevent the shipment of tanks to Saudi Arabia. It indicates to me a lack of cooperation and coordination in the executive branch of the Government.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I do not wish to yield at this point.

I believe it further indicates that had not some of us in the Senate sharply criticized this pending shipment, the shipment would have taken place. Apparently it was scheduled to take place in regular order, and it was only because of a press dispatch and an inquiry on the part of an alert reporter that the Senate received any information about it.

Other events affecting the Middle East situation have recently come to my attention. Together with what occurred yesterday, I believe they call for some specific and positive action by the Senate.

Yesterday we were concerned about tanks for Saudi Arabia. Today I wish to raise a question about wheat for Egypt.

Mr. President, I hold in my hand an invitation issued by the Egyptian Embassy in Washington last month. In it the Egyptian wheat purchasing committee invites bids for the supply of 55,000 tons of wheat under an ICA regulation, and for 4,000 tons of wheat under Public Law 480. The bids were conditioned on "attached terms."

Among the attached terms were the following conditions, and unless American bidders were prepared to accept them, they need not apply:

Wheat must not be shipped on—

1. Vessels blacklisted by Egyptian Government.

2. Any vessel passing through Israelian territorial water or ports.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the documents issued by the Egyptian Embassy dealing with this subject.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

EMBASSY OF EGYPT,
Washington, D. C.:

The wheat purchasing committee, Egyptian Embassy, invites tenderers or their representatives to meet at 4 p. m. on Monday, January 23, 1956, at 2300 Decatur Place NW., Washington, D. C., to submit their bids accompanied by the required documents for the supply of 55,000 tons of wheat under section 201.18 (a) (4) of regulation I, ICA, and about 4,000 tons of wheat under Public Law 480, which will be discussed in accordance with the attached terms.

It would be appreciated if those intending to participate would advise the committee (ADams 2-5400, ext. 37) not later than noon of January —, 1956.

EXHIBIT A

TERMS

OPEN ADJUDICATION FOR THE SUPPLY OF 59,000 TONS OF WHEAT UNDER P. L. 480 AND ALSO SECTION 201 (18) (A) (4) REGULATION I, ICA

Tenderers or their representatives are invited to submit bids in person to the Wheat Purchase Committee, Egyptian Embassy, at 4 p. m. on Monday, January 23, 1956, for the supply of about 59,000 tons or shiploads thereof of United States wheat under Public Law 480 about 4,000 tons, and under section 201 (18) (a) (4) regulation I about 55,000 tons ICA.

Quantity

Fifty thousand tons of United States wheat 10 percent more or less or part of said quantity not less than one cargo, inside and/or outside IWA 1956.

Specifications

United States wheat No. 2 (soft and/or hard).

Packing

The required wheat quantity shall be delivered in bulk according to the usual standards under carrier's responsibility for good stowage without any special packing.

Shipment

To be completed during January and February, 1956. Preference will be given to earlier shipment. The Minister of Supply alone can amend shipping dates.

Price

Price of wheat is to be quoted per metric ton (1,000 kilograms) based on:

1. C. and F. Alexandria.

2. F. o. b. any United States ports (indicate name of port).

When quoting C. and F. price bidders must indicate price f. o. b. as well as ocean freight. Embassy has the right to choose which is more suitable, f. o. b. or C. and F. The price is to be quoted in United States dollars and Egyptian currency.

Transportation

Fifty percent of wheat shipments will be transported by vessels under American flags. (1) Dry-cargo liners, (2) dry-bulk carriers and the remaining by vessels under Egyptian flags or chartered by Egyptian navigation companies.

Wheat must not be shipped on—

1. Vessels blacklisted by Egyptian Government.

2. Any vessel passing through Israelian territorial water or ports.

Conditions of payment

Payment for the wheat will be effected in accordance wtih regulation FAS 480-A30-01 for about 4,000 tons and under section 201 (18) (a) (4) regulation I for about 55,000 tons ICA, by opening an irrevocable letter of credit by the Egyptian Government in favor of the seller against presentation of the following documents:

1. Suppliers' invoice with original and five copies, based on the provisions of authorization No. 30-01, under P. L. 480 and/or ICA section 402, P. A. No. 62-010-00-D2-6151.

2. Certificate of origin from United States of America.

3. Copy of the cablegram sent by the beneficiary to the Ministry of Supply indicating the quantity as well as grade of the shipment, the name of the ship, and the date of departure.

Mr. HUMPHREY. Mr. President, these documents are an example of how the Egyptian Government is enforcing its boycott of all parties who have any dealings with Israel. The Arab countries are maintaining an unrelenting boycott and blockade of Israel, in violation of United Nations decisions and principles. The United States is a charter member of the United Nations, and is obligated to abide by the principles and decisions of that organization.

However, it is obvious that these practices are directed not only against Israel, but also against American citizens.

It has long been known in shipping circles that the Egyptian Government blacklists any ship, whether American or sailing under any other flag, which serves Israeli ports. This has had a prejudicial effect upon Israel, which, when it undertakes to purchase supplies in this country, cannot charter ships to transport the cargoes except by paying premiums over the existing market rate.

This applies to foreign as well as to American-flag vessels. However, this is the first time, so far as is known, that the Egyptian Government has openly insisted on conditions which directly affect American ships, American suppliers of foodstuffs, and American surplus foods financed by American taxpayers.

Mr. President, I should like to call to the attention of the Senate the fact that 55,000 tons of this wheat, on which these conditions are to apply, are wheat supplies made available under the provisions of the Mutual Security Act, which provides for direct grants on the part of the Government.

The statutory basis for this program is Public Law 480, which provides for the purchase of American surplus foodstuffs by foreign governments with local currency.

Furthermore, Mr. President, under the provisions of Public Law 664, the Butler Act, such foodstuffs must be shipped 50 percent in United States-flag vessels and 50 percent in approved foreign-flag vessels. The cost of shipping in United States-flag vessels is borne by the United States Government, and, therefore, by the United States taxpayer. Accordingly, since American funds pay for transportation, there is a clear discrimination against any American who does business with Israel.

I here refer, Mr. President, to those shipments which are under the Mutual Security Act, such as grant shipments, and not only to shipments under Public Law 664.

There is nothing in the law itself which either authorizes or prohibits the Egyp-

tian Government from following this procedure, but we do not know whether there has been any interpretation by the administration which would validate this procedure. Mr. President, I am sure that other Senators, too, would like to have the administration's answers to the following questions:

First. Is the administration aware of this practice?

Second. Has it informed the Egyptian Government that it disapproves of it?

Third. Does it intend to take action?

This particular purchase involved 55,000 tons of wheat at a cost of some $5 million. There are indications that the Egyptian Government intends to expand this program substantially, and there is a $25 million program in contemplation.

The procedure which is followed in connection with these purchases is for the foreign government to file an application for a purchase authorization with the Foreign Agriculture Service of the Department of Agriculture. This application spells out the terms. It is approved and issued by the Department of Agriculture, and the foreign government then selects the shipper and submits the name for approval to the Ocean Transportation Service of the Agriculture Department.

Mr. President, I should like to know whether the application for the Egyptian purchase authorization spelled out the terms and whether the Departments of Agriculture and State were thus aware of the Egyptian Government's intention to set up a blacklist.

Mr. President, since it seems entirely probable that American dollars are being used in transactions of this character, can it be concluded that Secretaries Dulles and Benson may be implicitly condoning the Arab blacklist and boycott of Israel? Is the American Government indirectly subsidizing the Egyptian blockade of Israel by acquiescing in Egyptian blacklisting practices on shipping? From all appearances, the State Department has not even protested.

The Egyptian invitation for wheat bids prohibits ships carrying this wheat from calling at Israeli ports. It does so even though some of the shipping involved will be operating under Public Law 664 which requires 50 percent of the shipments to be made in the United States-flag vessels.

The result of this, Mr. President, is that shipping costs undoubtedly will be higher than they would have been if partial loads could be deposited in Israel with other parts of the same shipments deposited in Arab countries. This increase in shipping costs is partly borne by the American taxpayer, and the allegation could be made that this constitutes an indirect American subsidy of the blockade.

Mr. President, I also wish to point out today that an additional feature of present Arab policy in the Middle East has had an intolerable and discriminatory effect on American citizens of Jewish faith. These American citizens have been refused entry and travel visas in certain Middle Eastern countries. Even members of the United States Armed Forces and Government officials have been subjected to this discrimination. Airlines have been compelled to drop Jewish personnel if their routes cross Arab countries. Neither Iraq nor Saudi Arabia permits Jewish passengers to land on their territory.

I am talking about American citizens, Mr. President.

In Saudi Arabia, the American Government is compelled to arrange that there should be no Jews in the personnel, civil or military, which we send to that country.

Mr. President, we are condoning that kind of discrimination. If we permit this kind of violation of American privileges and rights as citizens to take place in any country, the next thing to happen will be that they will select some other national group which is no longer permitted to enter the particular country with which we may do business.

I wish to repeat, Mr. President, that in Saudi Arabia the American Government is compelled to arrange that there shall be no Jews in the personnel, civil or military, which we send to that country. Furthermore, neither Arabia nor Saudi Arabia permits Jewish passengers to land on their territory—American citizens, Mr. President.

Mr. President, no foreign government has the right to discriminate between one American passport and another. Has our Government protested to the governments concerned? Has it pushed its protests with vigor and persistence?

If the charges are true which have come to my attention regarding our official compliance with these restrictive practices on personal movement, and regarding our condoning of Arab boycotting and blockading practices, I think that these questions join that of arms shipments as proper matters for Senate investigation. Today I merely raise these issues. I invite the Senate's attention to the fact that a consultative subcommittee of the Foreign Relations Committee is already establishing in the area of near eastern and African affairs. I suggest that this subcommittee examine administration officials on the implications of the information I have given the Senate this afternoon. I suggest that the subcommittee inquire whether the State Department, Defense Department, and Agriculture Department are following uncoordinated, and at times inconsistent, policies in the Middle East. I think the subcommittee could appropriately consider our present middle eastern shipping policies on everything from tanks to wheat.

I think it is imperative to find out why the tanks which were embargoed at 3 o'clock this morning were ever permitted even to be on the initial step of their way into that very difficult, tense, and agitated area of the Middle East.

Mr. President, I suggest that the Subcommittee on Near Eastern and African Affairs conduct this examination as a preliminary one, with a view to recommending whether a full-scale investigation by the Foreign Relations Committee would be in order. Our military and economic policies should be reviewed dispassionately and immediately, in view of the growing tensions in the Middle East.

Mr. President, I conclude by saying that our Government is not going to be respected nor is its word going to be honored unless we have a consistent, well-developed, clearly ascertainable and understandable policy in the Middle East.

One of the points which Secretary Dulles made in the very controversial article which appeared in Life magazine was to the effect that every nation should know exactly what to expect, that there should be no doubt that those who are in controversy with us should know what our position is, and that they should know the risks they run when they act in a discriminating manner against us or in an way threaten the use of force and violence for the settlement of disputes.

I ask the Government of the United States, I ask the Secretary of State, to give us a clear, definable, unmistakable, understandable expression of the foreign policy of the United States in the Middle East. I ask the Secretary of State to tell us whether we are going to have to be on guard, as Members of the Senate, to prevent further shipments of military weapons into the middle eastern area and into the Arab states.

I ask the Secretary of State to tell us if we are going to sell weapons to the Arab States, or if we are going to supply the request of the Israeli Government for the purchase of tanks and weapons from the United States. I should like to get the answers to those questions. I think we are entitled to know them. I may say that I am rather discouraged in having to play the part of detective to learn what our Government intends to do.

Furthermore, I suggest it is most unusual that the President of the United States had to take action at 3 o'clock this morning to prevent one of the departments of the Government from doing what it ought not to have been doing in the first place.

It is about time the Government of the United States made up its mind as to what our policies are, and what policies are to be pursued, and then to take into its confidence the appropriate committees of Congress with respect to the nature of those policies.

I hope that out of this very unfortunate set of circumstances a lesson may be learned. I trust we shall not constantly have to be engaged in argument and debate over matters which should be settled peaceably, with understanding, and, I may say, with full cooperation between Congress and the executive branch.

Mr. LEHMAN. Mr. President, late yesterday we heard the astounding news that the United States was at the point of shipping 18 modern light tanks to Saudi Arabia. It was almost unbelievable news, but it was true. The tanks were on a pier in Brooklyn, ready to be loaded, and the ship was to have sailed today.

Some of us expressed our feelings on the matter on the floor of the Senate late yesterday. I participated in a colloquy on the subject with the distinguished Senator from Minnesota [Mr. HUMPHREY]. I also made a statement to the press.

I ask unanimous consent that the statement I issued to the press be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENT BY SENATOR HERBERT H. LEHMAN ON TRANSFER OF UNITED STATES TANKS TO SAUDI ARABIA

I am shocked, as the American people must be shocked, to hear that in the midst of the present tense situation in the Middle East, the United States is adding to the tragic tensions by making tanks available to Saudi Arabia. This is really adding fuel to the fire. This action seems to me completely inconsistent, if not in direct violation of the tripartite pact to which we are a signatory.

Instead of supplying arms to Israel to restore the balance of military forces so crudely upset by Communist shipments to Egypt, we are increasing the balance.

We must certainly ask the State Department for an explanation. There must be some kind of an explanation. It sounds too incredible.

Mr. LEHMAN. Mr. President, I am pleased that this shipment has been halted. The whole attitude of the State Department in this matter needs to be thoroughly investigated. I cannot understand what was in the minds of our officials when they approved this shipment. Egypt and Saudi Arabia are allied, and both have declared their firm intention of exterminating Israel. We should be working night and day to engage these nations, along with the other nations of the Middle East, in a concert of peace. We should be supplying arms to Israel to help restore the balance of power in that area, which has now been upset by the shipment of large quantities of arms to Egypt by Czechoslovakia.

To send arms to Saudi Arabia is, as I said yesterday, incredible. I hope the situation will be thoroughly explored by the Committee on Foreign Relations.

Mr. SALTONSTALL subsequently said: Mr. President, I should like to make a brief statement. I listened to the discussion in the Senate last evening with respect to the sending of tanks to Saudi Arabia. The license to ship those tanks was suspended last night, as was reported in the newspapers this morning. That action was taken after the discussion in the Senate and after the senior Senator from New Jersey [Mr. SMITH] had called the matter to the attention of the proper officials in the State Department.

I have talked again with Mr. Allen, Assistant Secretary for the Middle East in the State Department, who has told me that the State Department suspended the license referred to last night, and that the State Department is now looking into other licenses which concern the shipment of any material of a military nature to any of the countries in the Middle East. He stated that there are a number of so-called licenses outstanding which were made over a period of months or years on reimbursable sales. He stated that all those matters are now being looked into, and licenses suspended until the matter can be considered more fully.

TRADE IN STRATEGIC MATERIALS WITH COMMUNIST COUNTRIES

Mr. SYMINGTON. Mr. President, on the floor earlier mention was made about current hearings of the Investigating Subcommittee of the Government Operations Committee.

This subcommittee has recently established the fact that this administration has approved, and is approving, the shipment by our allies to the Communist countries of such critical, strategic war materials as copper, aluminum, magnesium, and, above all, latest model machine tools, including machines indispensable for the manufacture of guided and ballistic missiles and jet airplanes.

This action for decontrol took place in August 1954.

This subcommittee has also just found out that this administration reported to the American people in August 1954 that these approvals of shipments from the free world to the Communist nations were made in the interest of peaceful world trade.

The Congress was informed in December 1954 that copper remained under embargo.

Yesterday, however, the committee received testimony that copper did not remain under embargo—in fact, since August 1954 over 250 million pounds of copper have been sent to the Soviet bloc by the free world.

Would it not be better to have these countries of the free world sell these critically essential war materials to the United States instead of to the Communists? The latter, of course, are using these materials to increase their already tremendous military strength.

This latter suggestion would seem additionally advisable in that the United States has been paying premium prices for some of these materials on the world market, in order to come closer to reaching the goal set for our strategic stockpile, a stockpile necessary to our national security.

I understand the administration has just refused to cooperate with the subcommittee by not making available those documents which would show why these actions have been taken. Congress and the people have the right to know why these unusual actions were taken, because they have helped the Communist war machine.

EXAMINATION OF ADMINISTRATION OF THE TRADING WITH THE ENEMY ACT

Mr. HENNINGS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1410, Senate Resolution 171.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 171) to examine the administration of the Trading With the Enemy Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with amendments on page 2, line 1, after the word "the", where it appears the first time, to insert "prior"; and in line 11, after the word "exceed", to strike out "$80,000" and insert "$50,000", so as to make the resolution read:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to conduct a full and complete examination and review of the administration of the Trading With the Enemy Act.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1956, to January 31, 1957, inclusive is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $50,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. KNOWLAND. Mr. President, I had some discussion of the resolution with the distinguished chairman of the subcommittee. It is my understanding that it may be agreeable with him to change the amount of $50,000 to $41,250. If that be so, the resolution may be agreed to this evening.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to say that I called the Senator from Louisiana [Mr. ELLENDER], and he also agreed to the amendment. I should like to call to the Senator's attention the fact that I returned more than $25,000 last year from a similar fund. I assure the Senator I shall not spend any more than is absolutely necessary.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 2, line 1.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the committee on page 2, line 11.

Mr. HENNINGS. Mr. President, I desire to offer an amendment to the committee amendment on page 2, line 11. I move to strike out the figure "$50,000" and to insert in lieu thereof the figure "$41,250".

Mr. JOHNSTON of South Carolina. Mr. President, if the Senator will yield, I should like to ask if the reduction amounts to one-twelfth of the total sum.

Mr. KNOWLAND. It amounts to somewhat more than one-twelfth of the total.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment on page 2, line 11.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. HENNINGS. Mr. President, I offer another amendment, on page 1, in line 9, to strike out the word "February" and insert in lieu thereof the word "March".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the resolution, as amended.

The resolution (S. Res. 171), as amended, was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to conduct a full and complete examination and review of the administration of the Trading With the Enemy Act.

SEC. 2. For the purposes of this resolution, the committee, from March 1, 1956, to January 31, 1957, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recomemndations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $41,250 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

THE ATTACK ON LEOPOLD D. SILBERSTEIN

Mr. MORSE. Mr. President, countless men have risen in this hall to extol America as the land of opportunity, regardless of birth, race, or creed. I for one thank God that I live in a land where this is so.

Yet this abundance of opportunity must, like our freedom, be constantly and zealously guarded. If it is breached at any point, we are in peril and America will soon cease to be free America. This is still the land of opportunity for all people.

In recent days I have been deeply disturbed by a determined attempt to curtail this freedom of opportunity. The specific target has been Leopold D. Silberstein, a refugee who came to our shores as a direct result of the rise of Hitler. Mr. Silberstein carries proudly the title of American citizen, and has had a most distinguished business record since he arrived on these shores.

I am told that recently Mr. Silberstein, on behalf of the $100 million Penn-Texas Corp., which he heads, purchased approximately 10 percent of the outstanding common stock of Fairbanks, Morse Co., a builder of diesel engines and other industrial equipment.

Under the laws of the State of Illinois, this stock ownership gives Mr. Silberstein the legal right to seek proportionate representation of the board of directors. I am sorry to say that as soon as he made known to the present management of Fairbanks, Morse his intention to seek such representation, he was bitterly and publicly denounced as a raider.

Yet I am reliably informed that the very family that is in control of Fairbanks, Morse and which is sparking this attack, is being opposed by important members of that family. In fact, I am told that the former president of Fairbanks, Morse Co., Charles H. Morse, brother of the present chairman of the board, recently resigned from the board of directors and castigated the present regime. I am also informed that he wrote to Mr. Silberstein late in January, stating that he became especially dissatisfied with the management of Fairbanks, Morse Co. when he learned of a proposal to issue additional stock for what he conceived to be an ulterior purpose. He went on to say in part:

Therefore, when I heard that you might be taking an interest in the corporation, I asked my counsel to communicate with you and decided to support any efforts you may wish to make in order to improve the management of the corporation with which I have been identified for so many years.

From your reputation I am certain that when you assume a voice in the management of the company it will redound to the benefit of us all, and I shall try to be of assistance to you in every way.

I say to the Senate today that, on the basis of the information I have received, which I believe to be completely reliable, the attack on Mr. Silberstein is totally unwarranted. As an answer to those who seek to discount his illustrious record as a builder, I offer for the record a comprehensive article describing his successful business career. The article appeared in the Nation's most authoritative business daily, the Wall Street Journal, on Monday, February 13. I ask unanimous consent to insert the article at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW L. D. SILBERSTEIN HAS RISEN FAST AS A COLLECTOR OF CORPORATIONS—A CAREER WITH ROTHSCHILD, A FLIGHT FROM HITLER—MAJOR EPISODE

(By J. Howard Rutledge and Ellis Haller)

At 10 o'clock this morning in United States district court in Chicago, a new chapter will open in the dramatic financial career of 51-year-old Leopold D. Silberstein.

In 5 years, this polished German-born financier, who is called L. D. by his associates, has built up a United States corporate domain from a single ailing coal company to a group of diversified industrial concerns.

L. D. controls Penn-Texas Corp., the top company, with ownership of only one-half of 1 percent of its common stock. Sales of the miscellany of some 14 companies under Penn-Texas were about $100 million in 1955. But major acquisitions—including Niles-Bement-Pond, Colt's Manufacturing, and Hallicrafters—were not made until late months of 1955. Hence, addition of these companies' sales for full 1956 is expected to boost Penn-Texas volume to near $150 million.

Now Mr. Silberstein hopes to get a foothold in still another industrial field, the manufacture of pumps, diesel engines, and rail equipment. Penn-Texas Corp. has been a heavy buyer of the stock of Fairbanks, Morse & Co., a conservative Chicago firm whose sales of $112 million last year rival those of all the Penn-Texas subsidiaries combined. Today's court action is one technical move in the Silberstein effort to have a voice in Fairbanks-Morse corporate affairs.

AMBITIOUS PLANS

Mr. Silberstein is petitioning Judge Joseph Sam Perry for an injunction to bar the Fairbanks-Morse management from frustrating his ambitions. President Robert H. Morse, Jr., says these ambitions at the moment extend to the naming by Mr. Silberstein of three directors to the F–M board. Mr. Silberstein won't specify how many directors he wants, but concedes he seeks representation on the board.

In his offices at 111 Broadway in New York's Wall Street district, Mr. Silberstein can fold well-manicured hands over a waistline he struggles to control and remark: "It's a game, not really a fight."

Mr. Silberstein has been compared with such fast-rising figures on the post-war corporate scene as Louis Wolfson and Frederick Richmond, both of whom have constructed substantial industrial domains. The comparison is true to the extent that he has assembled under one banner an imposing array of enterprises. Penn-Texas, which he heads as chairman and president, owns companies which make machine tools, aircraft parts, power shovels and revolvers; operate merchant ships and port facilities, and produce oil and gas from wells in six Texas counties.

SWAPPING OF SHARES

The story of how Penn-Texas has underwritten the acquisition of its many subsidiaries is told in its financial records. Partly, the financing has been done by bank borrowings, but mostly by an exchange of Penn-Texas shares for those of acquired companies. Thus, the number of common shares outstanding vaulted from 265,845 shares at the end of 1953 to 1,075,697 shares at the end of 1954.

In 1955, the year of the major Penn-Texas acquisitions, common stock outstanding rose to more than 3 million shares. In addition, Penn-Texas currently has 535,667 shares of a convertible preferred stock outstanding.

Penn-Texas' earnings last year probably totaled about $2 million compared with $852,000 in 1954. The company has paid a dividend of 35 cents a share in each of the past 3 quarters against a previous quarterly rate of 25 cents.

Mr. Silberstein owns less than 15,000 of the currently outstanding 3 million common shares—or about one-half of one percent. But associates and members of his family are important stockholders. Charles K. Silberstein, his 27-year-old son, is the company's vice president in charge of oil and gas.

"L. D.," who serves as chairman of a number of subsidiaries as well as of Penn-Texas, draws a total salary of $80,000 a year for these responsibilities. In addition to his

ownership of under 15,000 common shares of Penn-Texas, he has an option to buy another 50,000 at a price of $20.50; the stock on Friday closed at 17.

What is the background of the controversial Leopold Dias Silberstein?

People who know him only casually find it difficult to reconcile this quiet, bookish little man with the stories centering around his international career. He fled his native Germany to escape Hitler's wrath and, like many a victim of that tyranny, he wandered from country to country seeking permanent abode. Psychologists might say much of "L. D.'s" drive stems from the frustrations of that period.

But Wall Streeters could argue that "L. D." is also influenced by economic forces. If that's the case, he seems fairly sure of the direction in which he's moving.

AIM TO DIVERSIFY

Commenting on the breadth of his corporate setup, Mr. Silberstein says, "It's my aim to diversify just as much as possible. If one industry goes sour, I'm not out of business." His present aim is to build up the machine tool, electronic and nuclear energy phases of the Penn-Texas operation. He foresees the day when most industrial machines will be operated automatically by electronic controls. And his faith in atomic energy is underlined by the fact that just 2 weeks ago he announced the appointment of Dr. Henry M. Hausner, an authority on powder metallurgy and nuclear reactors, as general manager of a newly created Penn-Texas nuclear engineering division.

Actually, Mr. Silberstein in directing Penn-Texas affairs is doing what he knows best. His instinct for business and finance comes as surely to him as hitting a No. 5 iron comes to golfer Cary Middlecoff. As a youth, he got his start with the famous European banking house of Rothschild, and became schooled in the intricacies of international industrial finance.

Along with this experience in finance came detailed knowledge of industries. Particularly, the youthful Silberstein learned about coal—main energy source of the world in those days between the two great world wars. Without knowing it, he was equipping himself for his first major corporate foray in the United States.

During brief visits to this country in the mid-1930's he made a $50,000 investment in depressed Cities Service stock and in railroad bonds. The subsequent years took him to Shanghai, where he spent most of World War II, actively aiding other refugees. Afterward, he rejoined his wife and two children in England where he became interested in R. & G. Pullman, Ltd., a leather company which he still serves as director. In 1948, he brought his family to the United States to live permanently. He was naturalized in 1953.

AN INVESTMENT GROWS

The $50,000 investment of the 1930's had multiplied. Mr. Silberstein reinvested in real estate, formed his own investment company—Uno Equities, Inc.—and traded in securities in special situations, largely over-the-counter. Then he began to look around for a company whose operations he could take over. In those days, he felt he could serve as a professor of sick companies.

Pennsylvania Coal & Coke, says Mr. Silberstein, appealed to him as about the sickest company in one of the sickest industries in the United States. Moreover, he knew about coal. Within a year, he had bought 75,000 shares of the 148,000 outstanding, and won control of the bituminous producer in 1951.

Mechanization seemed to him the answer to the coal industry's problem. He put $2 million into continuous mining machinery made by Joy Manufacturing Co. This permitted 350 miners to extract a million tons of coal where 1,200 men were doing it before. Mr. Silberstein was not an absentee owner. To some miners, it seemed he was continually at their elbows. He made 60 trips into the pits in his first year of control. By the end of that first year, Pennsylvania Coal & Coke was in the black.

Oil and natural gas, the new darlings of the investment world, seemed to him the next logical stepping stone for enlarging the coal company. (Its name was later changed to Penn-Texas.) Since petroleum and gas were fast supplanting coal as a major source of United States energy, L. D. wanted to be represented in those fields, and he added those natural resources to the Penn-Texas empire.

SHARES HIS UNDERTAKINGS

L. D. shares his undertakings with partners. In the Pennsylvania Coal & Coke acquisition, he was joined by much moneyed friends as Erwin Kenmore and Duncan M. Findlay, son-in-law of New York realtor, Charles F. Noyes. Mr. Kenmore is a coal industrialist, and Mr. Findlay is president of an insurance affiliate of the real-estate firm of Charles F. Noyes Co., Inc. These partners are still with him and have shared in his subsequent ventures. Actually, Mr. Silberstein put up only $100,000 of his own money in the Pennsylvania Coal & Coke acquisition.

William Moody, III, member of an old and well-to-do Texas family, joined L. D. to form Tex-Penn Oil and Gas Corp.—and Mr. Moody still shares 49 percent ownership with Penn-Texas. As a base, Tex-Penn acquired 126 oil and gas wells on 16,000 acres of proven land along the gulf coast of Mexico, with annual income of $2 million.

Tex-Penn, of which Mr. Moody is president, quickly laid out $6 million to purchase oil and gas properties from the Sullivan and Garnett interests.

The purchase was financed through a bank loan under terms which required repayment each year of the profits from 50 percent of the oil run. In the first year, about a third of the loan was repaid on this basis.

Mr. Moody, who also serves as a Penn-Texas director, says of Mr. Silberstein admiringly: "I regard him most favorably both as a gentleman and as an exceptionally brilliant businessman. I've had an opportunity to observe his activities and find that his dealings have been conducted in a high class and absolutely fair manner to all parties with whom he is trading."

LESS GLOWING VIEW

But officials of Fairbanks-Morse likely will be less friendly when they appear in court today to reply to the Silberstein challenge.

The injunction Penn-Texas is seeking would prevent the Fairbanks-Morse management from carrying through a proposal to issue 130,000 to 150,000 shares of stock now held in the company's treasury, and exchange these on a share-for-share basis for stock of Canadian Locomotive Co., Ltd., in which Fairbanks-Morse already has an important interest. The Penn-Texas suit alleges the exchange would be unjust because it contends Canadian Locomotive has a per share book value of only $13 against $46 for Fairbanks-Morse. Moreover—and probably more to the point—the Silberstein forces would find the Canadian Locomotive stockholdings in Fairbanks-Morse lined up against them if they must resort to a proxy fight, as now seems likely, to get representation on the Fairbanks-Morse board.

Late last week, it was disclosed that R. H. Morse, Sr., chairman and general manager of Fairbanks-Morse, had bought 50,000 shares of his company's stock in January, bringing his holdings to 230,358 shares. Earlier, the nine directors, including Mr. Morse, Sr., had disclosed their holdings were 247,746 shares. Presumably, the elder Mr. Morse's purchases last month have added to this total.

Mr. Silberstein admits to control of more than 140,000 shares of Fairbanks-Morse stock. He says this consists of 115,000 shares bought outright by Penn-Texas, and another 27,220 shares on which negotiations for purchase have been completed. But President Morse intimates that the Silberstein forces may control much more stock. He says holding of Fairbanks-Morse stock in brokers' names have increased from 209,560 shares to 373,051 shares over the past 5 months, and that this accumulation has taken place in brokerage houses which in the past have been used by Mr. Silberstein in stock purchases.

APPREHENSIVE CHILLS

Is Mr. Silberstein seeking to gain full control of Fairbanks-Morse and ultimately absorb it into the Penn-Texas empire? He maintains his goal doesn't go beyond getting a voice in Fairbanks-Morse management equal to his stock ownership. But chills of apprehension among Fairbanks-Morse directors aren't based on pure fancy. In some past acquisitions "L. D." has moved from a minority stock position to full control.

Up to the moment there's a striking parallel between what has happened in Fairbanks-Morse and what occurred in the proxy battle over Niles-Bement-Pond, the big successful Connecticut machine tool maker which was taken over by Penn-Texas in 1955.

In that contest the Niles-Bement-Pond management attempted to pick up support by trading treasury shares, just as the Fairbanks-Morse management now wants to do. The Connecticut company proposed to exchange a block of its stock for Bell Aircraft shares held by Equity Corp., an investing company, and thus presumably have Bell's support in combating the Silberstein move. Equity decided against the transaction after Mr. Silberstein went to the courts for a temporary injunction, just as he is trying to do today in Chicago.

In the case of Niles-Bement-Pond Mr. Silberstein also asked partial representation on the board. Ultimately he elected a full slate of directors when he showed up at a special meeting of stockholders holding 61 percent of the stock that was voted.

There's one striking dissimilarity with the Niles-Bement-Pond record, however, that's comforting to Fairbanks-Morse partisans. As they go into the fray they're in the healthy position of controlling a big block of their company's shares. The Niles-Bement-Pond management held only a small percentage of that company's stock. (After its acquisition Mr. Silberstein restored to the company its old name of Pratt & Whitney Co., Inc. Although his company is in the Hartford area, it has no connection with a Hartford firm of similar name, the Pratt & Whitney division of United Aircraft Corp.)

REACHING OUT

Penn-Texas has reached out for other enterprises. One was Crescent Co., successful family-owned New England wire and cable company. Penn-Texas bought 48 percent control of Industrial Brownhoist, Midwest heavy material handling equipment manufacturer, from Robert R. Young. It paid about $13 a share for 223,991 shares in July 1953. "L. D." then found himself on familiar ground—a fight with stockholders who were trying to block his 100-percent acquisition. They gave in when Penn-Texas offered them $16 a share for their stock.

In a letter to Fairbanks-Morse stockholders, President Morse of Fairbanks-Morse particularly criticizes Mr. Silberstein's actions following acquisition of Industrial Brownhoist.

Says Mr. Morse: "Within a month after Silberstein's board acquired control, it voted to lend $350,000 of Brownhoist's cash to Pennsylvania Coal & Coke (the first company

acquired by Mr. Silberstein, since renamed Penn-Texas Corp.). After a temporary restraining order was issued, Brownhoist's directors rescinded the loan.

"The new board created additional jobs involving salaries of $87,000 a year in the Brownhoist payroll and elected four of themselves to these jobs—Silberstein at $45,000 per year. When a stockholder's suit was brought to enjoin this board action, the salaries were rescinded and the suit was discontinued."

TAKE ISSUE WITH CHARGES

Mr. Silberstein's associates take issue with these charges. They say the total salaries of all executives of Industrial Brownhoist, now that it's under Penn-Texas control, are less than they were when the company was operating independently. They insist that the creation of additional jobs mentioned by Mr. Morse was not a job-making or payroll padding move, but was to let executives of Mr. Silberstein's choice get experience with Industrial Brownhoist until the terms of incumbent officials ran out. And the proposed $350,000 transaction with Brownhoist's cash, they explain, was intended to finance a joint venture to purchase an oil tanker with a long-term charter contract.

As he acquired companies, "L. D." added executive strength. Included was Oscar L. Chapman, President Truman's Secretary of Interior who now serves Penn-Texas as a director. Also, "L. D." added Maj. Gen. C. T. "Buck" Lanham, retired, World War II combat veteran who later served as public relations director to General Eisenshower at SHAPE. The Penn-Texas board installed the amiable General Lanham as chairman of Colt's Manufacturing Co., when Penn-Texas took over that company.

Learning why this 118-year-old Hartford gun manufacturer interested Penn-Texas probably would require a look over L. D.'s shoulder at the books of his corporate maze and a look into his mind at what he sees in the future. Presently, it could be that Colt's accumulated tax loss could be turned to good use to balance the profits of other Penn-Texas operations. Ahead, Wall Streeters hear that "L. D. may have in mind selling off some of Colt sidelines—a plastics division, a packaging-machinery venture, and valuable real estate.

ANOTHER ACQUISITION?

Some observers estimate Penn-Texas could realize about $5 million from such sales. It's reported that L. D. might then buy another enterprise that would fit nicely with Colt's. Wall Street reports suggest he has been having talks with the Swiss-owned Oerlikon company, important in the fields of precision machinery and guided missiles. This company already has one important plant in the United States.

Colt's has been given back its old name of Colt's Patent Firearms Manufacturing Co. Under that name it was famous as a supplier of revolvers to many of America's western pioneers. At the Hartford plant is a museum—carried on the company's books at $500—whose firearms collection Mr. Silberstein estimates is worth several million dollars in historic value. He is planning to present this collection as a gift to the city of Hartford or the State of Connecticut.

Following the acquisition of Colt's last December, Penn-Texas bought Liberty Products Corp., of Farmingdale, L. I., an important manufacturer of precision aircraft parts. The same month, Penn-Texas completed negotiations for the purchase of Hallicrafters Co., Chicago, a television and electronics equipment manufacturer. Penn-Texas and Hallicrafters' stockholders are expected to approve this transaction in a few weeks, clearing the way for what may be L. D.'s most challenging struggle: his fight over Fairbanks-Morse.

COMEBACK IN THE WOODLANDS

Mr. MORSE. Mr. President, I ask unanimous consent to insert in the RECORD the text of an article appearing in the October 31, 1955 issue of Life. The article is entitled "Comeback in the Woodlands," and its subtitle is "The changing timber industry now grows more timber than it cuts."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMEBACK IN THE WOODLANDS—THE CHANGING TIMBER INDUSTRY NOW GROWS MORE THAN IT CUTS

A 1,000-page report issued last week by the United States Forest Service marked a historic turning point for one of the country's greatest natural resources, its woodlands. Plundered and threatened for decades by careless or greedy cutting, commercial forests—which still mantle a full quarter of the United States—are now no longer shrinking but growing wood faster than it is harvested. Although a staggering 10.8 billion cubic feet is being felled annually, 14.2 billion cubic feet of new timber is being raised every year.

Happiest at the news were the big timber firms, for it measures the success of a 20-year program which has transformed the industry. Mass attacks on insects, mechanized firefighting and new disease-resistant hybrids produce and guard spreading stands of sturdier timber. Machines replace much muscle work of oldtime loggers and increased efficiency rescues mountains of wood formerly wasted.

But the most revolutionary advance is a new philosophy which is changing the face of United States forests. Trees, once only a source of quick profit, have become a carefully tended agricultural crop, a long-range investment. Better practices like block cutting assure a steady supply of wood for decades to come.

The Forest Service report warns, however, that the most useful grades of timber are still being cut faster than grown, and that as demand keeps growing the overall supply may have to double in the next 50 years. The well-managed domains of the big timber firms and the Government comprise only 40 percent of all commercial forests. The rest is split up among 4.5 million private owners who, for the most part, manage their lands poorly. They will have to learn from their bigger brethren, if the United States is to satisfy its future wood needs.

Every phase of tree growing, from seeding to harvest, has been infiltrated by scientific techniques. Geneticists have bred bigger, more disease-resistant timber. To protect existing stands, a 7-year program of aerial spraying guards 4 million acres of Northwest forest against insect pests. In harvesting the crop, mammoth bulldozers, trucks, cable lifts, and grapples now hustle the big logs out of the woods and into the sawmills.

But mechanization has not robbed the industry of its primitive drama. Wiry lumberjacks who put away 10 pounds of food a day still balance on the bobbing logs, wrestling them into a position to float downriver. And in the silent depths of the canopied wilderness majestic redwoods still topple with breathtaking crash to the forest floor.

Because of the seemingly inexhaustible supply of timber which kept woodyards stacked with mighty logs, timbermen were slow to recognize the need for getting the most use out of the trees they cut. But in the face of rising costs they have found new ways to reduce waste. Stumps, once left to rot, are uprooted and used to make turpentine. Snags—tree trunks burned in forest fires—are salvaged for useful timber. Scraps are swept from sawmill floors and sent to pulpmills. As a result of timbermen's newfound frugality the fraction of every tree which is commercially useful has risen in the past 20 years from 30 percent to as high as 70 percent.

Meanwhile wood scientists are searching for ways to improve and find new uses for their products. Chemists are making paperboard tougher and more moisture-resistant. Plywood is being strengthened with more binding glues. And in the field of building materials they are experimenting with laminated wood beams which are as strong, pound for pound, as structural steel.

The biggest increase in the use of wood in the United States is for paper and paper products. In 20 years, the Nation's per capita paper consumption has risen from 200 to 400 pounds a year for bags, boxes, magazines, newspapers, and a multitude of other uses. Meeting the growing demand is the task of a $9 billion industry which converts 2.3 billion logs every year into 30 million tons of paper, and is expected to double its production by 1975.

Of the 33 new pulp and paper mills built since the war 19 are in the South, where cheaper labor and plentiful water exist and where southern pines reach harvestable age twice as fast as pulp trees anywhere else. These combine to make the area the Nation's pulp center.

No branch of the wood business so subjugates the forest as pulpmaking. The South's modern, streamlined plants are equipped with a complicated array of debarkers, chipping machines, digesters, bleaching vats and drying rolls to separate the fibers from the coarse wood and combine them once again into the smooth and uniform texture of paper. It all seems closer to the manmade world of chemistry than to the rustic forests which feed them. One of the most modern mills, the Bowaters Mill, in Calhoun, Tenn., keeps 2.1 million logs in an elaborate artificial storage pond to prevent them from rotting. It is mechanization on Bowaters' massive scale which has doubled the South's pulp production since 1946.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD a speech by Richard E. McArdle, Chief of the Forest Service, delivered on October 17, 1955, in Portland, Oreg., before the Society of American Foresters; my letter to Mr. McArdle, dated October 19, 1955; my letter to Life, dated November 14, 1955; and a reply from Life, dated December 9, 1955.

There being no objection, the speech and letters were ordered to be printed in the RECORD, as follows:

TIMBER RESOURCES FOR AMERICA'S FUTURE—A SUMMARY OF THE TIMBER RESOURCE REVIEW

(By Richard E. McArdle)

Mr. Chairman, members of the society, and guests, I have a difficult assignment this afternoon—almost an impossible one. I am supposed to boil down 3½ years of work on an extremely complex subject—our timber resources—by hundred of individuals inside and outside the Forest Service, and give you the distilled essence in 30 minutes. Frankly, I think I'm going to run over a little bit, and I hope you won't mind too much if I do.

I welcome the chance to give the first report on the Timber Resource Review at this annual meeting of the society. I think this is the right forum for the Timber Resource Review. The report of the Timber Resource Review is a technical one, and on a technical subject. This is the only technical forum of foresters that I know of where representatives will be present from most of the various agencies and groups, private and public alike, who participated in both the planning

phases and the field surveys. It would be a mistake to believe that the report of the Timber Resource Review is, or should be, like a Reader's Digest discussion on some popular topic of the day. We are dealing with one of America's basic natural resources, and oversimplification can be dangerously misleading.

First I want to take about 10 minutes to explain a few things about the Timber Resource Review and then give you some of the highlight findings.

This report of the Timber Resource Review is roughly analogous to a state of the Union report on our timber supplies, both present and prospective. This is the sixth of these periodic, overall appraisals in which the Forest Service has had a hand. The last one was the reappraisal report of about 10 years ago.

A year and a half was devoted to planning the TRR; roughly a year was taken up by collection of data and field surveys, and about a year to compile, summarize the figures, and to write the review draft reports.

One of the unique things about the TRR which distinguishes it from its predecessors is that it was done with a great deal of collaboration by State agencies, forest industries, and others. This made it a much better job than the Forest Service could have done by itself. We have had from the start a national advisory group of 13 different organizations. During the planning phases and the field surveys there were countless meetings and discussions which helped shape the scope of the study and its execution. The Forest Service had about half a million dollars' worth of assistance in one form or another. Sixty-five State agencies collaborated in 37 different States and accounted for 70 percent of all assistance. Collaboration from forest industry came from 149 different sources, including many individual lumber and pulp and paper companies. Then in addition, there were the thousands upon thousands of individual landowners who gave access to their properties. There were only half a dozen cases in the whole country in which such access was denied.

The TRR differs from other Forest Service studies of this general nature in numerous other ways. For one thing, there are no program recommendations in the report. We do not say what should be done, nor who should do it. This is a factual report, plus Forest Service interpretation of what those facts mean. Every effort has been made to present the factual information and the interpretive discussion in a straight-from-the-shoulder, right down the middle approach. We try not to color those facts. We tell you our thinking about them, but we try to present them in such a way as to leave it up to you to do your own thinking.

Now, I expect you want to see one of the TRR reports. Well, here it is, all 9 pounds and 9 chapters, including 5 appendixes. You can see from the list of chapters on the last page of my talk that they cover such subjects as our supply of forest land and timber, growth, and utilization of timber, future wood requirements, protection against destructive agencies, planting, ownership, condition of recently cut lands, and so on. Here, for example, is the statistical appendix of some 78 detailed resource tables, many of them on a State basis. I think this statistical appendix will be a reference source for years to come.

Here is chapter I, which is a summary of the other 8 chapters. This is what most of you will read. What I'm going to give you in a few minutes are the boiled-down highlights from this summary chapter. So you are getting the result of double distillation. First there's the complete report which I have just shown you, then there is the summary of that complete report, which is chapter I, and then there is the summary of the summary which appears at the end of chapter I and which I am going to read to you today.

The initial reaction of some who have seen the report is—why does it have to be so big? My answer again is that this is a tremendously complex subject. I can say with all modesty because I did not participate directly in its preparation that the TRR report is a monumental job. Let's not undersell forestry by a tendency to oversimplification. This is a technical report on a technical subject, and you as foresters should welcome the opportunity to study and digest it. Perhaps I should also warn that no one who reads only the 21 highlights should assume that they have the complete findings of the TRR. As a minimum you should read all of the summary chapters.

How do you get a copy of this report? The answer is that many of you will not be able to get a complete copy right away. This is only a review draft. We've processed 3,000 copies of the summary chapter and 1,500 copies of the rest. Counting the distribution that is being made in the Forest Service and to our national advisory organizations, about a thousand copies are in the mails right now. Most of these are going outside the Forest Service. Every State forester will get three copies. Each forestry school will get a copy. A large number of copies are being sent to member organizations of our national advisory group, among which are represented the various segments of forest industry and other groups. If the demand is such, we will run off additional copies, but since this is a review draft, and will be revised prior to final publication, it seemed best not to make many copies at the outset.

I hope the facts and findings of the Timber Resouce Review will be widely discussed, understood, and debated. The next several months will be a review period, and we invite your comments.

Enough for the preliminaries and explanation. I want to read to you now the 21 highlights. This is the summary of the summary taken as it appears at the conclusion of chapter I. Because of time limitations I may have to omit some of the points, but if I do, they are there for you to study. If you don't already have a copy of this paper, there are plenty available. I don't believe you can absorb all of the 21 highlights at the first reading. I know I couldn't. My suggestion is to take them home and think about them, and to get a copy of the summary, chapter I, as soon as you can. Here are the highlights:

TWENTY-ONE HIGHLIGHTS

1. Continued expansion of the Nation's economy is expected

Any appraisal of future supply and demand for natural resources involves a choice between such basic assumptions as prosperity or depression, population growth or decline, rising or falling standards of living, and peace or war. The Timber Resource Review is geared to a continued rapid rise in population; economic prosperity and higher living standards as reflected in a continued rice in gross national product; and expectations of peace but continued military preparedness.

One of the most fundamental assumptions is that the population of the United States will be 210 million in 1975 and 275 million in 2000, as contrasted to an estimated 165 million in 1955. This would be an increase of 67 percent for 2000 above that of 1955, but the trend is about the same as prevailed during the first half of the 20th century.

Gross national product—the total national output of all goods and services—is estimated to increase from $365 billion in 1952 to $630 billion in 1975 and $1,200 billion in 2000. Although this would be an increase of 229 percent from 1952 to 2000, this trend also is about the same as the actual rate of increase over the past 50 years.

2. Potential demand for timber products is strikingly upward

Two sets of estimates of potential demand were developed for both 1975 and 2000. One set—the so-called lower level estimates—was derived from a projection of past consumption trends, product by product, as influenced by the basic economic assumptions. These estimates reflect a relative decrease in the use of wood, declining per capita consumption, and an increase in real price. The other set—the upper level estimates—is based on the assumption that wood will continue to occupy about the same place that it does now in the national economy and will continue to make up the same proportion of consumption of all physical structure raw materials as at present. Both the lower and upper level estimates indicate substantial increases over 1952 in the amounts of wood which would be consumed.

The lower-level estimate for 2000 indicates that demand for industrial wood (all wood except fuel wood) would be 67 percent greater than 1952 consumption. But even with this large absolute increase there would be a decline in annual consumption per capita from 65 to 62 cubic feet.

The upper-level estimate for 2000 indicates that demand for industrial wood would be 105 percent above 1952 consumption. This would mean a per capita increase from 65 to 76 cubic feet.

In actual figures potential demand estimates for the year 2000 are 18 and 22 billion cubic feet for the lower and upper level estimates respectively, in contrast to 1952 consumption of some 12 billion cubic feet. These potential demand estimates would require a timber cut of 69 and 95 billion board-feet of sawtimber in contrast to the 1952 cut of 49 billion board-feet.

3. The United States must rely chiefly on domestic timber resources—with which it is fairly well endowed, compared to other nations

The United States, including all of Alaska, controls 8 percent of the forested area of the world and 15 percent of the timber under exploitation. Although the area is less than that of some nations, the timber volume is greater than that of most. Canada, for example, has more forest area but less timber than the United States, including Alaska. There are about 4 acres of forest land per capita in the United States, about 9 acres per capita in the U. S. S. R., and about 66 acres per capita in Canada.

In terms of the softwood timber resource, the United States has about 14 percent of the area and 20 percent of the timber volume. Although Canada has a greater softwood area, it has about half as much softwood volume as the United States. More than half of the world's softwood forest area and timber volume belongs to the Soviet bloc of nations.

It is likely that United States imports from Canada will increase but mainly in terms of pulpwood, pulp, or paper. The extent of Canadian resources, the Canadian potential for increased forest growth, the outlook for expansion of the domestic economy of Canada, and the other demands upon Canada for export of her forest products, all point to some increase in United States imports but in amounts insufficient to contribute materially toward satisfying the increased demand in the United States.

4. The Nation has no excess of forest land

Earlier national appraisals of the timber situation have concluded that there is ample forest land to grow needed timber crops in the United States if the land is effectively

used. This is no longer clearly apparent. The long-time trend in the Nation's forest land has been distinctly downward as land has been cleared for agriculture, as highways have been built, and as towns have sprung up and urban areas expanded. There has been no great net change in the area of forest land in recent decades despite a small net increase since 1945. In all probability the long-term downward trend will continue due to expected increases in population, further urbanization, continued highway and power developments, and expansion of agriculture. Considering both this trend in land use and the estimates of potential future demand, it is no longer a clear-cut conclusion that there is ample forest land. On the contrary, further significant reductions in the acreage of land devoted to growing trees should in general be avoided or should be made with full realization that such withdrawals may adversely affect future timber supplies.

5. One-fourth of the forest land is poorly stocked or nonstocked

There are 115 million acres of commercial forest land in the United States which are less than 40 percent stocked. This is about one-fourth of the total commercial forest area, and it includes some 42 million acres which are less than 10 percent stocked. Thus, one-fourth of the forest land is not growing and will not grow timber to anywhere near the productive capacity of the land unless stocking is greatly improved. Moreover, there is a large but undetermined additional acreage which is 40 to 70 percent stocked. These facts mean that the Nation is not making effective use of the land now devoted to forest production.

6. Three-fourths of the forest land is in the East but two-thirds of the sawtimber volume is in the West

The great bulk of the commercial forest land is in the more heavily populated and industrialized eastern half of the country, with three regions, the Southeast, Lake States, and West Gulf Regions, having 40 percent of the national total. On the other hand, the West, including coastal Alaska, with only one-fourth of the commercial forest area, has 70 percent of the sawtimber volume. This is due mainly to heavy stands on the 50 million acres of remaining western old-growth timber. Three States—Oregon, California, and Washington—have about half of the Nation's sawtimber. This great difference in the geographical distribution of forest land in contrast to that of standing timber means that ultimately there will be a significant readjustment in forest industries and of timber cut in order to bring them more in harmony with the location of forest land and its productive capacity.

7. Timber volumes about the same as in 1945

Direct comparisons of timber volumes between those reported by the Timber Resource Review and by the appraisal of the timber situation conducted by the Forest Service in 1945 are not possible. In order to be compared, standing timber volumes need to be adjusted to the same standards.

The 1953 sawtimber volume is 1,968 billion board-feet (excluding Coastal Alaska), which is 2 percent below the adjusted 1945 volume. Sawtimber comparisons show that eastern softwoods declined 2 percent, eastern hardwoods increased 9 percent, and western species declined 5 percent. The 1953 volume of growing stock of 498 billion cubic feet is 2 percent above the adjusted 1945 volume. The most significant features of these trends are the increase in eastern hardwoods and the small decrease in eastern softwoods. The latter should be substantially increasing if future potential demands are to be met.

8. Heavy reliance placed on small group of species

Douglas-fir and ponderosa pine account for 37 percent of the sawtimber volume; southern yellow pines and the oaks for 45 percent of the sawtimber growth; and Douglas-fir and southern yellow pines for 48 percent of the cut. Thus, it is evident that heavy reliance is placed on a small group of species, although they vary in importance, depending upon whether volume, growth, or cut is the criterion.

Western true firs and western hemlock are important in terms of sawtimber volume, accounting for 17 percent of the total, but are relatively unimportant at the present time in terms of growth and cut.

9. Timber quality is declining

There is much evidence that standing timber is declining in quality. Ten percent of total timber volume is in cull trees; two-thirds of eastern hardwood sawtimber would probably classify as grade 3 logs; one-fourth of eastern softwood sawtimber is in the smallest sawtimber diameter class; preferred species or types are gradually being replaced in many areas; and the proportion of total timber volumes in the larger trees is decreasing. This decline in timber quality is an undesirable trend, although not yet a vital factor nationally.

Despite the technological advances which offset in part the need for quality, it is believed that declining quality will become more, instead of less, of a problem during the next several decades.

10. Timber growth is increasing

One of the most favorable factors in the timber situation is that growth is increasing. On a national basis sawtimber growth was nearly 9 percent more in 1952 than the adjusted growth in 1944. Eastern softwood sawtimber growth is estimated to be 12 percent greater than in 1944 and hardwoods 15 percent greater. One-half of all sawtimber growth occurs in the South, with nearly one-third of the total on southern yellow pine.

In the West sawtimber growth decreased 3 percent between 1944 and 1952. As old-growth areas in the West are cut and more second-growth stands reach measurable size western growth should substantially increase.

11. Most eastern species now have favorable growth-cut ratios

Overall growth-cut comparisons tend to be misleading, because they may conceal the often quite different hardwood and softwood comparisons. Likewise overall comparisons include the growth-cut situation in the West which is distorted by the large amounts of residual old growth. Furthermore, balances between growth and cut have little meaning unless the inventory is large enough to meet future potential demands.

However, it is significant that eastern softwood sawtimber growth was 20 percent greater than cut in 1952 and hardwood sawtimber growth was 57 percent greater than cut. The favorable softwood growth-cut ratio was brought about as much by a 16-percent reduction in cut as by a 12-percent increase in growth. Most eastern species now have favorable growth-cut sawtimber ratios, although they continue unfavorable for a few preferred species. In the West the ratio of growth to cut was less than in 1945 due to a decrease in growth and an increase in cut.

12. One-fourth of timber cut not utilized

Of the timber cut in 1952, 1 cubic foot out of every 4 was not utilized. Unused plant residues and logging residues were about equal in volume and totaled nearly 3 billion cubic feet. One-third of the timber cut for lumber was not used, either for fuel or any other purpose. On the other hand, only 4 percent of the timber cut for pulpwood was not utilized. The best utilization was found in the North (82 percent of the cut was used); the West (74 percent used); and the South (72 percent used) show lesser degrees of utilization.

Logging and plant residues can, of course, never be completely eliminated. However, reduction of unused residues is one effective way of making available timber supplies go farther. About 75 percent of the total timber cut is for sawlogs, and the proportion of timber cut which is unutilized is higher for sawlogs than for any other major product. Here is where the greatest opportunity lies for supplementing timber supplies by closer utilization.

13. Destructive agents, principally insects and disease, take extraordinary toll

If it were not for the effect of destructive agents, sawtimber growth in 1952, instead of about equaling timber cut, would have exceeded it by 25 percent. Insects, disease, fire, and other destructive agents killed nearly 13 million board feet of sawtimber in that year, an amount equal to one-fourth the growth. Of this, about 3 billion board-feet were salvaged. The much larger growth impact, which includes not only 1952 mortality but also growth losses in 1952 and subsequent years resulting from 1952 damage, was about 44 billion board feet.

Insects killed 7 times as much sawtimber as did fire in 1952 and disease 3 times as much. In terms of growth impact, disease outranked both insects and fire by more than 2 to 1. The much greater effect of insects and disease in contrast to fire is doubtless due to the greater progress made in fire prevention and control. If the toll of insects and disease could be similarly lessened, a large contribution would have been made toward the growth needed to meet potential future demands.

14. Fifty million acres are plantable

Although planting rates have increased greatly in recent years, and forest plantations in the United States cover about 5 million acres, there is a big job of planting ahead, mainly in the East and mainly on private lands. About 50 million acres, or 10 percent of all commercial forest land in the Nation, need planting if they are to become productive within a reasonable time. This estimate is conservative in that it does not include areas where it is possible to improve stocking by interplanting or where, by planting promptly after cutting without waiting for natural regeneration, it is possible to reduce the time that lands lie idle. If adequately reforested, the area in need of planting might eventually add about 8 billion board feet annually to timber supplies.

15. Forest condition poorest on small farm and other private ownerships, especially in the South

There is conclusive evidence that the condition of recently cut lands is poorest on the farm and other private ownerships. The latter means private ownerships, generally small in size, which are not in farms and not owned by forest industry. These two groups of forest holdings involve nearly 4.5 million private owners and account for 60 percent of the Nation's total commercial forest land. For the country as a whole, only about 40 percent of the farm and 50 percent of the other private ownerships qualified recently cut lands for the upper productivity class.

Small private holdings, regardless of kind of ownership, clearly showed poorer productivity than large- and medium-sized properties. Geographically, productivity of recently cut lands is considerably lower in the South than in other parts of the country, and the farm and other private ownerships show poorer rating for the South than for other sections.

Considering location as well as kind and size of ownership, the small private ownerships of the South are conspicuously below the rest of the country in condition of cut-over lands. These holdings, numbering 1.8 million, are owned mainly by farmers and

the miscellaneous nonforest industry group that makes up the other private category. They comprise 128 million acres, or one-fourth of all commercial forest land of the Nation. Two-thirds of the recently cut lands in this group fail to approximate productivity standards reasonably attainable under average current conditions.

16. Forest condition best on public and forest industry ownerships

In contrast to farm and other private ownerships, about three-fourths of the recently cut lands owned by public agencies and the forest industries qualified for the upper productivity class. Two-thirds of the land owned by forest industry is in large holdings. There was little difference between public ownerships as a group and forest industry as a group. However, there were appreciable variations between different parts of the country, different forest industries, and different public ownerships. The pulp industry with 84 percent of its recently cut lands qualifying for the upper productivity class exceeded the national forests with 81 percent and the lumber industry with 73 percent.

These findings show that there is little distinction between condition of cutover lands in public ownership as contrasted to those owned by forest industry. The contrast is between public and forest industry ownerships on the one hand, which comprise about 40 percent of the Nation's commercial forest land and have 75 to 80 percent of cutover lands in the upper productivity class, and the farm and other private ownerships on the other hand, which make up 60 percent of the forest land and have about 46 percent of their recent cutovers in the upper class.

17. Inadequate stocking is most significant factor in reducing productivity of recently cut land

Over half of the land cut over since 1947 would have been ruled out of the upper productivity class on account of deficiencies in existing stocking. A considerable portion of this area was restored to the upper class due to reasonable prospects of stocking. The fact remains that understocking is the most important cause of recently cut lands failing to measure up to standard.

18. Improved stocking and control of insects and disease offer best possibilities of increasing timber supplies

In addition to timber from commercial forest land in the continental United States and coastal Alaska, there are several possible supplementary sources which need to be placed in proper perspective. In terms of standing timber, there are unknown quantities on reserved but productive forest land and on nonforest land. There are also 180 billion board feet of sawtimber in interior Alaska, and 37 billion board feet in salvable dead trees in the United States and coastal Alaska. There are 56 billion board feet of sound volume in cull trees available for products not requiring high quality material.

On an annual basis there are 2.2 billion board feet of sawtimber consumed for fuel, some of which might be used for other products, and there are 2.7 billion board feet of sawtimber in the form of unused residues. Net imports from Canada might be increased somewhat above the anticipated level (1.2 million cubic feet) assumed in estimating potential demand.

However, the best possibilities for permanently adding to timber supplies seem not to be any of these but instead (a) reducing the nonsalvaged mortality loss of 10 billion board feet annually—four-fifths of which is due to insects and disease, (b) capturing most of the 8 billion board feet annual sawtimber growth potential from the 50 million plantable acres, (c) improving the stocking on the one-fourth of the commercial forest land of the Nation which is medium or poorly stocked, and (d) obtaining sufficiently prompt and adequate restocking on cutover areas so as to maintain their productivity.

19. The key to the Nation's future timber supplies lies with the millions of farm and other private holdings

The greatest advancements in forestry, the best conditions on recently cut lands, and over half the Nation's inventory of softwood sawtimber occur on forest industry and public land. The 23,000 forest industry ownerships account for 13 percent of the commercial forest land; public lands, 27 percent.

In contrast, the farm and other private ownerships have the poorest cutover conditions, are largest in total area, largest in number of owners, and potentially the largest in total timber volumes. Eighty-five percent of these 4.5 million ownerships are in forest holdings of less than 100 acres, and 50 percent have holdings of less than 30 acres.

Unquestionably, the heart of the forest problem of the United States lies with the 3.4 million farm owners and the miscellaneous group of 1.1 million other private ownerships. Although they own mainly very small tracts of forest land, and their principal interests usually are not timber growing, in the aggregate they control well over half of the Nation's commercial timberland and they must continue to supply a substantial portion of the raw materials for forest industry.

20. Growth and inventory needed to sustain potential demands will be much greater than at present

Comparison of present levels of growth and inventory with how much is needed helps to indicate how easy or difficult it may be to meet future demands on a sustained basis.

Estimates of needed growth in 2000 range from 79 to 105 billion board feet of sawtimber, or from 67 to 122 percent above 1952 levels. The lower estimate is based on a lower level demand which reflects a relative decrease in the use of wood, declining per capita consumption, and an increase in the real price of timber products. The upper estimate assumes that wood will continue to occupy about the same role as at present in the national economy.

By 2000 eastern softwood sawtimber growth would need to increase 90 to 154 percent, eastern hardwoods 15 to 52 percent, and western species 121 to 194 percent, depending on whether needs are geared to lower or upper level estimates of demand.

Considering all species together, the changes needed in standing timber inventory are not nearly so pronounced. Although a slight decrease would be possible and still meet lower level demands, about a one-third increase in sawtimber inventory would be needed to sustain the upper level. The needed increases in inventory of eastern species are relatively greater than the needed growth increases for these species. These are offset in part by allowable decreases in the inventory of western species.

21. Potential demands pose tremendous challenge to American forestry

A comparison of the growth and inventory that may be expected in the future with what may be needed to sustain future demands is more significant than comparing future needs with current levels. Projected growth and inventory are what might be expected in the future if all demands are met in the meantime, and if current trends in forestry continue.

Projected sawtimber growth in 2000 ranges from 67 to 25 billion board feet, or from 16 to 76 percent below needed growth for the lower and upper levels of demand respectively. By 2000 eastern softwood sawtimber growth would range from 29 percent below needed growth down to negligible amounts, eastern hardwoods from 16 percent above to 58 percent below, and western species from 28 to 61 percent below, depending on whether timber cut had been geared to lower or upper level demands in the meantime.

Projected sawtimber inventory in 2000 ranges from 2,002 to 968 billion board feet, or from 6 percent above to 65 percent below needed inventory for the lower and upper levels of demand, respectively. Eastern softwood inventory would be seriously affected under either level of demand but under the impact of meeting upper level demands, the inventory of both eastern and western species would be less than half of needs.

In general, the long-range effect of meeting either level of demand would be about the same. The difference is that the effects would be delayed and less pronounced with respect to the lower level. If upper level estimates of demand are met until the end of the century the Nation would be facing serious wood-supply problems before that time, especially in softwood sawtimber. Even hardwood sawtimber would be decreasing. If the lower level estimates prevail, softwood growth by the end of the century would be considerably below that needed to sustain demand.

To fully appreciate the significance of these interpretations, it is essential to bear in mind they are predicated upon a continuation of recent trends in forestry progress. If existing levels of forestry had been assumed and no recognition given to probable intensification, the outlook would be far less favorable.

Forestry is not a short-time proposition. Where this Nation stands in timber supply at the end of the century depends largely on actions taken during the next two decades. Rapid acceleration of recent encouraging forestry trends is vital if the timber resources of the Nation are to be reasonably abundant 50 years hence. Because of the magnitude of potential demand, and the difficulty of extending more intensive forestry to the millions of small holdings, time is important. The potential of the land is adequate. Our challenge is to make better use of it soon.

That concludes the 21 highlights. I think you see now what I meant at the start when I said they wouldn't all sink in at one time.

All generalizations are dangerous. This is especially true of generalizations dealing with a complex technical subject like the timber resources of a whole nation. We found it out when we tried to write the TRR summary; we found it out even more when we wrote the 21 highlights. They don't adequately describe the situation. It isn't that simple. Overall comparisons of growth and drain, for example, are almost meaningless. So my suggestion is: As a minimum read the summary chapter. Do more than just read it. Study it. Again, I say, this is a technical subject. Don't let yourself be drawn into the trap of over-simplification.

We all know that there has been a lot of progress in forestry in recent years. The TRR confirms this. As a forester I personally take a good deal of pride in that progress. I know you do, too. I think also we will all take much satisfaction in the evidence of the TRR that by and large our timber situation isn't getting worse, and in some respects is getting better.

But whether the situation is getting better isn't too much to the point. We can't consider forestry in a vacuum. It isn't enough for present forestry trends to continue; we must consider those trends in relation to population and other things in the national economy that will influence future demand for timber. Population, for example, is going to increase whether we like it or not. So we must look ahead. I want to make it as plain as I possibly can that we foresters have a

tremendous task ahead to get this country's forests geared up to meet the demands that will surely be on them in the not-very-distant future.

Whether there is time enough to gear up to levels of future demand by the end of the century—and still meet increasing needs in the meantime—is a pretty debatable question. I can tell you one thing, for sure: whatever role foresters have occupied in the past, they are going to be a lot more important in the future.

If we accept the asumption that the population of the United States is going to keep on increasing at a rapid rate, and if we accept the estimates of potential timber demand at all seriously—and you certainly can't ignore them—it is going to require an intensification of forestry effort above and beyond what most of us have visualized.

Unless you are willing to sell forestry short—and I don't believe you are; unless you believe that timber products will occupy an ever-decreasing role in our supply of raw materials—and I don't believe you do; unless you are satisfied with continually rising prices—and I don't believe you or anybody else will be; there is no basis for smugness or complacency in our present situation. Instead, we ought to recognize that we foresters have a real job ahead of us. We ought to have the feeling: "Let's roll up our sleeves. Let's get together—and get to work—today."

OCTOBER 19, 1955.

RICHARD E. MCARDLE,
Chief, Forest Service,
Department of Agriculture.

DEAR MR. MCARDLE: I want to congratulate the Forest Service and all who participated in the Timber Resources Review on the progress that has been made in this worthwhile project. I was able to obtain a copy of your speech before the Society of American Foresters and I read it last night. I was anxious to read your speech after I read a story in a Portland paper that implied that the timber future of our Nation was dark. Your excellent speech was an effective answer to such pessimism and prompted me to write at once before my good intentions are swept away by the pressure of many urgent matters.

Let me assure you that I feel that our timber future can be as bright as the public at large, the owners and managers of private timberland and the State and Federal legislators want to make it.

I am impressed by your summary and the message it gets across. To me it means that the future for our timber supply can be guided by actions based on facts and a conscientious study of them.

The Timber Resources Review is a splendid program that is vital to promoting economy which is sound in all dimensions, and providing assurance that the productive capacity of our soil will be maintained. It is especially satisfying that a timber review of this scope can be made available in the year marking the 50th anniversary of the Forest Service.

Can you arrange to furnish a copy of the review draft to my Washington Office, with some of the key information, relative to Oregon, marked for my special attention?

I would be delighted to discuss with you any special facts of the forestry programs which you feel are in the area of congressional action.

Sincerely yours,

WAYNE MORSE.

NOVEMBER 14, 1955.

LETTERS TO THE EDITOR, LIFE MAGAZINE,
Life and Time Building,
New York, N. Y.

GENTLEMEN: I read with considerable interest the October 31 issue of Life which commented on the Timber Resources Review recently issued by the Forest Service in cooperation with many public and private groups.

Announcing the results of the review, Richard McArdle, Chief of the Forest Service, said that there is no basis for smugness or complacency in our present timber situation. He pointed out that 115 million acres of forest land are poorly stocked and that we are not making effective use of land now devoted to forest production.

Mr. McArdle is right. In Oregon, for example, a segment of the timber owning portion of the industry may be growing more timber than it cuts, but this represents a minor fraction of the industry. Many timber operators still cut on the basis of liquidating the timber without any plan for growing a new crop.

More and more Oregon sawmills, especially the smaller ones, are dependent upon Federal timber for their existence. That is why it is so important that we put our Federal timber agencies such as the Forest Service and the Bureau of Land Management on the highest degree of operating efficiency. They must be able to provide access to remote stands of timber, sell the full allowable cut, salvage overmature and insect infested stands and put up sales in a manner that will assure true competition among all buyers, large and small.

Three-fourths of our forest land is in the East, but two-thirds of the timber is in the West. Ultimately, there will have to be a readjustment in forest industry operations so as to bring the timber cut into harmony with the location of the forest land and its productivity.

In view of the fact that the sources of timbar supply are so diversified, I do not see how Life, a magazine that depends upon woodpulp for its very existence, can conclude that the timber industry now grows more than it cuts. In my opinion such a conclusion oversimplifies a critical national problem.

Sincerely yours,

WAYNE MORSE.

LIFE,
New York, December 9, 1955.

The Honorable WAYNE MORSE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MORSE: Thank you for your thoughtful letter about Life's October 31 article, Comeback in the Woodlands. The editors held it for careful consideration, preparing it for publication in our Letters Column. We regret that we were unable to include it.

As we do with each article that appears in Life our staff made every effort to have this one accurate in all details. To be sure that we understood and used the statistics and conclusions of the United States Forest Service report correctly, we went over pertinent passages of the report with Forest Service authorities. It was our primary purpose to show in this article the significant improvements in woodland conditions in the past 10 years—the progress pointed out by the Forestry Service survey. But in keeping with the survey we also wanted to include a warning about the many problems that remain. Thus, while the article correctly states that in all the Nation's commercial timberland more wood is being grown than harvested we also point out on page 110 that the most useful grades of timber still are being cut faster than grown—just as you write—and that improved forestry practices must be started on 60 percent of commercial woodlands to meet future problems. We read the passages on page 110 to forestry experts who found them in keeping with the report. In our limited space we could not, of course, give an analysis of all the remaining problems.

We appreciate your interest and send all best wishes for the Christmas season.

Sincerely yours,

MABEL H. SCHUBERT
(For the Editors).

Mr. MORSE. Mr. President, on December 19 I wrote to Dr. McArdle:

Was the Life article accurate in all details? Do you agree with Life's analysis, and particularly with the subcaption to the effect that the timber industry now grows more timber than it cuts?

I further stated in my letter to Mr. McArdle:

I believe it is going to be necessary to act vigorously in several ways, so that pessimists' views do not become facts and optimists do not lull us into complacency and satisfaction with our limited achievements.

Dr. McArdle gave me a very informative reply under date of February 6, and I ask unanimous consent that his reply be inserted at this point in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT
OF AGRICULTURE,
FOREST SERVICE,
Washington, February 6, 1956.

Hon. WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: This is in response to your letter of December 19 requesting advice on certain aspects of the Life magazine article, Comeback in the Woodlands, which appeared in the October 31 issue. I am sorry my reply has been so long delayed.

To answer your questions as specifically as I can, I do not take exception to the statistical facts presented, but do question the omission of facts of greater significance to the public in understanding the timber-resource situation. For example, the subcaption referred to by you states that "the changing timber industry now grows more than it cuts," and the last sentence of the first paragraph of the article states that although 10.8 billion cubic feet are being cut annually, 14.2 billion cubic feet are being grown.

I don't think anyone would challenge these statements as isolated facts; but consideration of additional facts omitted from the article indicates that the timber situation is not as favorable as these isolated facts imply. The statistics cited on growth and cut in cubic feet include all live timber 5 inches in diameter and larger. However, our greatest demands and cut are for products made from larger trees—the sawtimber class. Annual growth of all sawtimber (47.4 billion board feet) is less than cut (48.3 billion board feet), and the annual growth of softwood sawtimber, on which we are much more dependent than on hardwoods, fails to equal sawtimber cut by 8.5 billion board feet. The growth of western sawtimber was 3 percent less in 1952 than in 1944. Part of the softwood deficit is due to the existence of residual old-growth timber in the West, which is adding little net growth. The deficit in softwood sawtimber growth is almost balanced by a surplus of hardwood growth, but much of this surplus is of low quality and has limited usefulness.

I have stated publicly that overall comparisons of growth and cut have little significance. I call your attention to page 65 of chapter I of the Timber Resource Review report, which explains why such comparisons may mislead or conceal important relationships. The four main reasons given there

why overall growth-cut comparisons have little meaning are:

1. The mature old-growth forests of the West are still being cut. These forests show little net growth, but heavy volumes. Until these old-growth areas are harvested and replaced by new second-growth forests, it can be expected that cut will continue to exceed growth in the West. To incorporate this unusual growth-cut relationship into overall national figures would be inappropriate.

2. Growth-cut relationships between hardwoods and softwoods are significantly different, and softwood and hardwood species are not interchangeable in their merchantability and utility. In overall comparisons adverse softwood relationships may be overbalanced by favorable hardwood relationships, thus concealing the more significant softwood situation.

3. Equally important is the level at which growth-cut balances occur. In other words, a balance between growth and cut at 1952 levels is of little significance if future requirements will bring a demand for cut (and growth to meet it) at much higher levels. Sawtimber growth should increase from 67 to 122 percent above 1952 levels in order to satisfy prospective requirements in the year 2000—only 45 years hence.

4. Growth-cut relationships are frequently different depending on whether they are expressed in terms of the largest sawtimber trees, or all growing stock 5 inches and larger. Usually growing stock growth-cut ratios are more favorable than those for sawtimber. This means that growth-cut ratios are better when merchantable trees of all sizes are considered than when consideration is given only to the larger and generally higher quality trees. As long as most of the cut comes from sawtimber (84 percent), whereas growth is more equally distributed among the large and the small trees, the tendency is for timber to decline in average size. Favorable growth-cut balances in terms of growing stock do not reflect the decreasing size of timber.

The article portrays in text and pictures conditions and improved practices on lands of the major wood-using industries. These industries deserve great credit for this progress which does reflect, as the article emphasizes, a changing attitude toward growing timber as a crop. It is also true that the article conveys the impression that this same new philosophy of a changing timber industry prevails among all private owners of forest land, and you question whether this implication is justified by the facts.

The wood-using industries own 13 percent of the commercial forest land of the Nation. The Life article deals with this group of landowners in portraying current forest-management practices. I emphasize this point because I would not want my comments to be construed as not giving the forest industries due credit for their great accomplishments in forest conservation. The Timber Resource Review survey shows that much overall progress has been made, and that forest industries have moved ahead much faster than any other group of private land owners.

What the article in Life fails to do is to give appropriate recognition to the 4½ million farm and other private ownerships of forest land—mostly small holdings—which comprise 60 percent of the Nation's commercial forest acreage. Forestry progress on this 60 percent needs to be greatly accelerated, and it is these lands which constitute the heart of our timber-resource problem for the future. Life does offer some qualifications in the last paragraph of its text but not, in my judgment, with sufficient emphasis or detail or with accompanying pictures to achieve proper balance for the article as a whole.

Life's statement that large savings have resulted from mass attacks on insects and disease and increased efficiency in utilization are certainly true, and progress in this respect is indeed gratifying. But we must not overlook the fact that destructive agents still exact an extraordinary toll, and far too much of our timber is being left unutilized in the woods and at the mills. Omitted are the facts that: (1) In 1952 insects, disease, fire, and other destructive agents killed nearly 13 billion board feet of sawtimber, an amount equivalent to one-fourth of net annual growth; and (2) about 25 percent of the annual timber cut is not utilized in any form and thus is unrecovered waste.

In my talk before the Society of American Foresters at Portland last October 17, I said:

"We all know that there has been a lot of progress in forestry in recent years. The TRR confirms this * * * by and large our timber situation isn't getting worse, and in some respects is getting better.

"But whether the situation is getting better isn't too much to the point. We can't consider forestry in a vacuum. It isn't enough for present forestry trends to continue; we must consider those trends in relation to population and other things in the national economy that will influence future demand for timber. Population, for example, is going to increase * * * (from 165 million in 1955 to 275 million in the year 2000). So we must look ahead .* * *

"Whether there is time enough to gear up to levels of future demand by the end of the century—and still meet increasing needs in the meantime—is a pretty debatable question.

"If we accept the assumption that the population of the United States is going to keep on increasing at a rapid rate, and if we accept the estimates of potential timber demand at all seriously * * * it is going to require an intensification of forestry effort above and beyond what most of us have visualized."

This is the final thought that the Timber Resource Review intended to leave: Much progress has been made, but there is no basis for complacency in our present timber situation. To meet prospective demands for wood as forecast by trends in population and improved living standards will require a great acceleration in private, State, and Federal forestry effort. This needed step-up is greater than most of us have realized in the past, or recognize today.

Sincerely yours,

RICHARD E. MCARDLE,
Chief.

Mr. MORSE. Mr. President, I should like to speak in praise of the portions of our forest industries that manage their lands on a sustained-yield basis. Their actions constitute an example of enlightened interest.

Historically, one lumber industry has been characterized by very little sustained-yield management of its lands. In many instances, the pattern of private land ownership has been such that the sawmill or pulp mill has been dependent for all or a large part of its supplies on other private or public timber.

This is the important fact that we must not overlook as we consider our forestry problems. This is the fact that Life magazine overlooks.

In Oregon, very few concerns own enough timber to provide the raw material they need. They buy from the national forests timber which is grown on the O. & C. and public-domain lands, which are managed by the Federal Government on a sustained-yield basis. They buy timber from State-managed lands, from lands owned by the Indians, and managed for them by the Department of the Interior, and from small private owners.

Oregon leads the Nation in timber production, and we in Oregon know that our sawmills depend for their very life on timber owned or managed by others.

Life magazine has a large circulation, and it reaches many people in our urban areas who do not always fully understand these problems. It owes it to them to tell the story fully; and this would have been better accomplished by a subcaption that told the readers that, while remarkable improvements have been made, we have a long way to go. Life magazine would have been fairer if it had given 13 percent of its space to describing the accomplishments of the wood-using industry managing its land, and a larger portion to describing what is needed to place the rest of our private land on a good management basis and to put our public land management in better shape.

I do not seek to deride Life magazine, or to proclaim that we are about to cut our last tree; but I do insist that much real work remains to be done in order that our forests, both public and private, can supply our timber needs for the future.

I wish to commend the Forest Service for its work in the timber resource review. It has presented the facts. It is the duty of the press to provide a balanced presentation of the facts, so that its supply of paper will be available at reasonable prices for years to come.

I make these remarks to encourage the press to do this job. The letter of the Chief of the Forest Service to me, dated February 6, 1956, is an interesting document, and indicates the need for objective coverage of the timber situation.

ENDORSEMENT OF THE COLORADO RIVER STORAGE PROJECT

Mr. WATKINS. Mr. President, for many months, now, I have been trying to point out to my colleagues in the Congress and to the Nation's press that the source of most of the opposition to the proposed Colorado River storage project, now before the Congress, is southern California water interests.

I am gratified to report to the Senate today that this opposition has been recognized by a prominent eastern newspaper, the Washington Post and Times Herald. The Post made this delineation this morning in an effectively written editorial. The editorial pointed out that the new arguments brought up by the southern Californians have been answered persuasively by the proponents of the Colorado River project.

The editorial could have added that feed grains and forage crops for livestock are major crops to be grown on project lands. Of these crops, only the feed grains are eligible for price support. But these are largely fed to livestock in the project area. For example, in 1954, only 1.2 percent of the barley produced in Utah, Colorado, New Mexico, and Wyoming went under price supports;

likewise, only 0.01 percent of the corn, and 0.36 percent of the oats went under price supports.

I compliment the editorial staff of the Post for recognizing that this project is a sound, reimbursable project to develop needed water for an area which has invested heavily in planning and has waited many years for this requested authorization. This is one of the fairest editorials, in an eastern newspaper, on the subject of water for the semiarid West that has come to my attention; and I hope that my colleagues in the Congress from all sections of the country will take the very small amount of time required to read it.

I hereby request unanimous consent to have this Post editorial of February 17 printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WATER FOR THE WEST

California's Representatives are attempting a benighted maneuver to kill the upper Colorado storage project. They are squeezing the project from two sides with contentions that irrigated lands which it would bring into production would add to crop surpluses and that the rock structure in the areas around the dams is unsuited to storage. Both contentions have been answered persuasively by proponents. The purpose of the project is to produce power as well as irrigation, and no new cropland would come into use until at least 1963. It would be employed primarily for vegetables and fruits which are not a surplus problem—by contrast with the production of cotton on irrigated land in California and other lower basin States. The Bureau of Reclamation has long since found the rock structures suitable for storage.

Advocates of the upper Colorado project made a wise and in our opinion essential concession to conservationists by eliminating the controversial Echo Park Dam in the Dinosaur National Monument. They also have accepted language in the bill that would protect the Rainbow Bridge National Monument and would guarantee against any encroachment on other units of the national park system. There is no longer any occasion to delay a project which has the support of the Eisenhower administration and which now has the approval of the House Interior Committee. In fairness to the people of the Mountain States who have waited many years for this water development, and who themselves ultimately will pay virtually the entire cost, it deserves prompt congressional authorization.

Mr. WATKINS. Mr. President, in addition, I should like to make a brief supplement to the remarks of the Post relative to the efforts of the project opponents to discredit the engineering of the Glen Canyon Dam through the use of advertising agency gimmicks and shale samples allegedly obtained in the 200-mile area that would be covered by this reservoir.

I have already introduced considerable rebuttal material from responsible engineering sources on this fantastic charge. Today, I wish to add to that material an excerpt from a letter sent to me by a California geological engineer who has spent 2 years studying the Chinle formation for a thesis. The geological engineer who communicated with me, upon reading accounts of this attack in the Los Angeles papers, is Mr. Robert L. Wilson, of Fontana, Calif.

He writes:

I was astounded to hear that the Chinle clays were detrimental to the Glen Canyon project. I have recently completed a 2-year study of the Chinle formation in northeastern Arizona as a thesis problem for my doctor of philosophy degree in geology at the University of Arizona. It is true that the beds containing bentonitic clay will disintegrate when placed in water but, the penetration of water into these beds is practically nill. Unless a current is present to remove the finely divided wet clay the penetration of the water will be on the order of 2 or 3 feet. Some slumping will take place along steep cliffs. In my study of the Chinle in the Navaho Reservation, it was shown that only about 10 percent of the beds contained sufficient bentonitic clays to cause prominent disintegration. There is no Chinle close enough to the dam site to interfere in any way with construction or operation. My conclusion to Representative HOSMER'S statements as reported in the Los Angeles Times is that he has absolutely no basis for any criticism in regard to the Chinle formation.

Mr. Wilson is a former Government employee who participated in some of the field engineering on the Glen Canyon structure for the Bureau of Reclamation. His letter also points out that claims now being made that the Glen Canyon Dam will submerge tremendous quantities of uranium-bearing Chinle shale are without foundation. He estimates that less than 1 percent of the entire Chinle outcrop in that area will be submerged.

I could go on refuting such misrepresentations for some time, but this recital of a few should be sufficient to remind my colleagues of the nature of the attack being made on a project vital to the future of a four-State semiarid area, and to point up my contention that these attacks are an oblique assault on reclamation and on other water-resource-development programs as well.

It is my sincere hope that we can end these misrepresentations and apply ourselves to the larger problem of adopting a fair and uniform water-resource policy, and of subjecting all water development projects to firm but fair and honest scrutiny.

ORDER DISPENSING WITH CALL OF THE CALENDAR ON MONDAY NEXT

Mr. HENNINGS. Mr. President, I ask unanimous consent that the call of the calendar under rule VIII be dispensed with on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED ESTABLISHMENT OF NATIONAL SEED STORAGE FACILITY

Mr. WATKINS. Mr. President, on January 31, I introduced a bill, S. 3095, to provide for the establishment of a National Seed Storage Facility. This I did in the hope of facilitating the development of new crops which, President Eisenhower pointed out in his special agricultural message on January 9, offers real hope for fuller employment of our agricultural resources.

In this respect, therefore, I was deeply gratified to learn that the Grain Research and Marketing Facility Committee of the Department of Agriculture, which held its annual meeting in Washington February 13 through 15, had recommended the creation of a national seed storage facility. As the group phrased it: "Agriculture needs a national seed storage facility to extend the years of vitality of reserve seed stocks."

Mr. President, I should also like to call to the attention of Senators a recent publication of the Utah State Agricultural College Experiment Station relating to the development of safflower, a new crop, and its possibilities and culture in Utah. Safflower research may well offer Utah farmers, and those of other States as well, in the near future a new cash crop. In brief, its culture and possibilities are these:

First. Safflower is a spring annual oilseed plant producing an oil adapted for paint and some other uses, and a press cake or meal residue from the extracting process, which is recognized as a good protein supplement for livestock.

Second. Recent trials indicate that whole safflower seed may well be used as a supplement to other grain as stockfeed.

Third. Safflower is as easily grown as spring wheat and has done well on irrigated land with adequate drainage but only small quantities of water. It has also done well on some of the less arid of the dry-lands of northern Utah.

Fourth. Yields of whole seed have varied from 1,360 to 3,000 pounds per acre with one irrigation per year, and up to 1,340 pounds per acre on dry land in Utah.

Fifth. There is an established market for safflower oil at industrial centers and for oil-seed meal locally, but there is at present no extracting plant nearer to Utah than the coast States.

Sixth. It may be feasible to grow safflower for feed in Utah on some land kept out of wheat or some other restricted crops till safflower has become sufficiently well established as a crop to justify an oil extracting plant and thus, perhaps, establish a new industry in the intermountain region.

INVESTIGATION OF MATTERS CONNECTED WITH THE ELECTION, SUCCESSION, AND DUTIES OF THE PRESIDENT AND VICE PRESIDENT

Mr. HENNINGS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1483, Senate Concurrent Resolution 65. I announce again that it will not be acted upon until Monday.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 65) to create a joint congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution.

ADJOURNMENT TO MONDAY

Mr. HENNINGS. Pursuant to the order previously entered, I now move that the Senate stand adjourned until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, February 20, 1956, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 17 (legislative day of February 16), 1956:

DEPARTMENT OF STATE

Robert R. Bowie, of Massachusetts, to be an Assistant Secretary of State.

THE COURT OF MILITARY APPEALS

Homer Ferguson, of Michigan, to be a judge of the Court of Military Appeals for the remainder of the term expiring May 1, 1956.

Homer Ferguson, of Michigan, to be a judge of the Court of Military Appeals for the term of 15 years expiring May 1, 1971.

DEPARTMENT OF DEFENSE

Clifford Cook Furnas, of New York, to be an Assistant Secretary of Defense.

Mansfield D. Sprague, of Connecticut, to be General Counsel of the Department of Defense.

DEPARTMENT OF THE AIR FORCE

Donald Aubrey Quarles, of New Jersey, to be Secretary of the Air Force.

NATIONAL SECURITY TRAINING COMMISSION

David Sarnoff, of New York, to be a member of the National Security Training Commission for the remainder of the term expiring June 19, 1958.

IN THE ARMY

The following-named officers under the provisions of section 504 of the Officer Personnel Act of 1947 to be assigned to positions of importance and responsibility designated by the President under subsection (b) of section 504, in rank as follows:

To be general

Lt. Gen. Willard Gordon Wyman, O12356, Army of the United States (major general, U. S. Army), in the rank of general.

To be lieutenant generals

Maj. Gen. Edward Thomas Williams, O12818, Army of the United States (brigadier general, U. S. Army), in the rank of lieutenant general.

Lt. Gen. John Wilson O'Daniel, O7342, Army of the United States (major general, U. S. Army), to be placed on the retired list in the grade of lieutenant general under the provisions of subsection 504 (d) of the Officer Personnel Act of 1947.

The following-named officer under the provisions of section 504 of the Officer Personnel Act of 1947 to be assigned to a position of importance and responsibility designated by the President under subsection (b) of section 504, in rank as follows:

Maj. Gen. Samuel Tankersley Williams, O8472, United States Army, in the rank of lieutenant general.

(The above promotion was made during the last recess of the Senate.)

The following-named officer under the provisions of section 504 of the Officer Personnel Act of 1947 to be assigned to a position of importance and responsibility designated by the President under subsection (b) of section 504, in rank as follows:

Maj. Gen. Charles Day Palmer, O15519, United States Army, in the rank of lieutenant general.

(The above promotion was made during the recess of the Senate.)

The following-named officers under the provisions of section 504 of the Officer Personnel Act of 1947 to be assigned to positions of importance and responsibility designated by the President under subsection (b) of section 504, in rank as follows:

Maj. Gen. Alonzo Patrick Fox, O8434, United States Army, in the rank of lieutenant general.

Maj. Gen. Clovis Ethelbert Byers, O12769, United States Army, in the rank of lieutenant general.

Maj. Gen. Clyde Davis Eddleman, O15842, Army of the United States (brigadier general, U. S. Army), in the rank of lieutenant general.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947.

To be major generals

Brig. Gen. John Ray Hardin, O12283, United States Army.

Brig. Gen. James Ogilvie Gillespie, O16711, Medical Corps, United States Army.

Brig. Gen. Paul Irwin Robinson, O17802, Medical Corps, United States Army.

Brig. Gen. Earl Clarence Bergquist, O16998, United States Army.

Brig. Gen. Emerson Charles Itschner, O15516, United States Army.

Brig. Gen. Harry Warren Johnson, O16391, Army of the United States (colonel, U. S. Army).

Brig. Gen. Ralph Morris Osborne, O16399, Army of the United States (colonel, U. S. Army).

Brig. Gen. Waldo Eugene Laidlaw, O16414, Army of the United States (colonel, U. S. Army).

Brig. Gen. John Lawrence Ryan, Jr., O16451, Army of the United States (colonel, U. S. Army).

Brig. Gen. Max Sherred Johnson, O16745, Army of the United States (colonel, U. S. Army).

Brig. Gen. Edward Gilbert Farrand, O16788, Army of the United States (colonel, U. S. Army).

Brig. Gen. Samuel Roberts Browning, O17081, Army of the United States (colonel, U. S. Army).

Brig. Gen. Webster Anderson, O17101, Army of the United States (colonel, U. S. Army).

Brig. Gen. John Cogswell Oakes, O17160, Army of the United States (colonel, U. S. Army).

Brig. Gen. Russell Lowell Vittrup, O17681, Army of the United States (colonel, U. S. Army).

Brig. Gen. Paul Lamar Freeman, Jr., O17704, Army of the United States (colonel, U. S. Army).

Brig. Gen. George Edward Lynch, O17715, Army of the United States (colonel, U. S. Army).

Brig. Gen. Ralph Copeland Cooper, O17741, Army of the United States (colonel, U. S. Army).

Brig. Gen. Andrew Pick O'Meara, O18062, Army of the United States (colonel, U. S. Army).

Brig. Gen. Hamilton Hawkins Howze, O18088, Army of the United States (colonel, U. S. Army).

Brig. Gen. Marshall Sylvester Carter, O18352), Army of the United States (colonel, U. S. Army).

Brig. Gen. William White Dick, Jr., O18384, Army of the United States (colonel, U. S. Army).

Brig. Gen. John Knight Waters, O18481, Army of the United States (colonel, U. S. Army).

Brig. Gen. Hugh Pate Harris, O18518, Army of the United States (colonel, U. S. Army).

Brig. Gen. Earle Gilmore Wheeler, O18715, Army of the United States (colonel, U. S. Army).

To be brigadier generals

Col. Jack William Schwartz, O17823, Medical Corps, United States Army.

Col. Clement Franklin St. John, O18258, Medical Corps, United States Army.

Col. Richard Collins, O29375, United States Army.

Col. Howard Malcom Hobson, O29673, United States Army.

Col. Dwight Benjamin Johnson, O18722, United States Army.

Col. David Peter Schorr, Jr., O18861, United States Army.

Col. Alfred Dodd Starbird, O18963, United States Army.

Col. Richard Davis Meyer, O18963, United States Army.

Col. David Warren Gray, O18988, United States Army.

Col. Theodore John Conway, O19015, United States Army.

Col. Joseph Warren Stilwell, Jr., O19117, United States Army.

Col. Roy Tripp Evans, Jr., O19140, United States Army.

Col. William Francis Ryan, O19142, United States Army.

Col. Harold Keith Johnson, O19187, Army of the United States (lieutenant colonel, U. S. Army).

Col. Jean Evans Engler, O19198, Army of the United States (lieutenant colonel, U. S. Army).

Col. Frederick Robert Zierath, O19211, Army of the United States (lieutenant colonel, U. S. Army).

Col. Ben Harrell, O19276, Army of the United States (lieutenant colonel, U. S. Army).

Col. Gerald Cornelius Kelleher, O38750, Army of the United States (lieutenant colonel, U. S. Army).

Col. Creighton Williams Abrams, Jr., O20296, Army of the United States (lieutenant colonel, U. S. Army).

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 759, 80th Congress, and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress, and Public Law 294, 84th Congress:

To be majors

Donnelly, Henry J., MC, O998133.
Ross, Richard H., MC, O1785816.

To be captains

Akers, William A., MC, O1873597.
Boyd, Howard A., MC, O475262.
Dirks, Kenneth R., MC, O4022575.
Graham, Harvey P., MC, O1634816.
Hennessey, Joseph A., Jr., MC, O1878538.
Hilmar, Norman A., MSC, O1330071.
Hummell, Paul R., MC, O2096886.
Kirkley, John B., MC, O1941715.
Morley, William J., VC, O1767297.
Morris, John H., VC, O1916534.
Person, Jefferson T., MC, O1927962.
Walton, Spencer, MC, O875889.

To be first lieutenants

Abington, Robert B., MC, O1941964.
Appleton, Budd, MC, O2273952.
Basel, Arthur R., MC, O4055737.
Billick, Eugene W., Jr., MSC, O996616.
Boyer, Robert E., JAGC, O991782.
Burley, Mary T., ANC, N900498.
Campbell, Arthur S., MC, O4050744.
Clements, James H., MC, O4050768.
Cooper, Jacqueline L., ANC, N805096.
Dart, Leroy H., Jr., MC, O4050716.
DiMare, Seymour A., MC, O2274253.
Fulton, Nolen W., Jr., MC.
George, Richard E., MC, O4043436.
Guseman, Elsie R., ANC, N805437.
Harris, William M., Jr., JAGC, O2267024.
Hartsock, William D., DC, O1892507.
Hearn, R. E., MC, O1940007.
Henry, Charlotte H., AMSC, R2137.
Hill, Nellie M., ANC, N900452.
Kerr, Russell L., Jr., MSC, O2004244.
King, Hueston C., MC, O2200495.
King, Harriet J., ANC, N735498.
Kirkpatrick, Mable, ANC, N793365.
Knowles, John A., Jr., MC, O974198.
Krapf, Betty A., ANC, N804820.
Kutyla, Mary M., ANC, N804213.
Laux, France A., MC, O4055514.
McDonald, Charles E., MC, O1941924.
McLean, Neil T., JAGC, O2264635.
McReynolds, Rex, Jr., MC, O1942015.
Milligan, Vernon L., DC, O4022415.
Molli, Louis J., MSC, O976634.
Morris, Robert W., Jr., MC, O1340680.
Murray, Ralph E., JAGC, O2266938.
Nickel, Elsie G., ANC, N900565.
Parker, Malcolm R., Jr., MC, O4013314.
Pedigree, Richard B., Jr., MSC, O1874599.
Perrin, Edna M., ANC, N900341.
Prill, Richard D., DC, O1342114.
Rayfield, Roy C., MC, O4050758.
Rea, Robert L., MSC, O998351.
Ricker, Hetty A., AMSC, J100176.
Roesser, Joseph C., MSC, O2051298.
Schein, Sheldon L., MC.
Schlachter, Elsie M., ANC, N778462.
Scott, Jack H., MSC, O2264524.
Shaddy, Raymond W., DC, O1645359.
Shor, Edith E., ANC, N804498.
Smith, Duncan M., DC, O1337496.
Smith, Perry C., MC, O4034802.
Strong, Corinne L., AMSC, M2968.
Waite, Verner S., MC.
Wilkinson, Clarence H., MSC, O2037936.
Wilson, Marjorie J., ANC, N794476.
Wood, Robert L., JAGC, O956312.
Woolvin, Samuel C., MC, O4043409.
Young, William W., MSC, O1861706.

To be second lieutenants

Axtens, Frank W. B., MSC, O4006197.
Cole, Alberta M., ANC, N901792.
Guibor, Milford T., MSC, O4006391.
Kramer, June K., ANC, N902023.
Radke, Myron G., MSC, O2269807.

The following-named person for reappointment to the active list of the Regular Army of the United States, in the grade specified, from the temporary disability retired list, under the provisions of title IV, Career Compensation Act of 1949 (Public Law 351, 81st Cong.):

To be captain

Girton, Ralph H., O57588.

The following-named officers for appointment, by transfer in the Judge Advocate General's Corps, Regular Army of the United States in the grades specified:

To be captains

Awalt, Thomas Y., Jr., O57496.
Barrett, George B., Jr., O60601.
Heisser, George D., O50805.
Huie, Douglas T., O57266.

To be first lieutenant

Finnegan, Marcus B., O59109.

The following-named officer for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service, in the grade specified:

To be captain

Moe, Wayne J., O69990.

The following-named officers for appointment as chaplains in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be captain

Dolan, Francis J., O997114.

To be first lieutenant

Kelly, Orris E., O1335659.

The following-named officers for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Arata, James A., O2275600.
Blincow, John K., O2275598.
Campbell, Lamar M., O1873792.
Chamberlin, Frank H., O2275403.
Conklin, Harvey B., O2275413.
Cook, Elwyn C., O2275439.
Corbet, Paul A., Jr., O2275404.
Cranfill, General L., O2275384.
Dotson, Christopher C., Jr., O2275357.
Elander, Carl R., O2275425.
Etheridge, James E., Jr., O2275421.
Francis, Gordon D., O2103170.
Kamin, Edward J., III, O2275407.
Karr, Walter J., Jr., O2275409.
Mahin, Dorsey T., O980760.
Morris, Alfred D., O2275422.
Nunes, William T.
Riley, John M., O2201822.
Roper, John T., O2004091.
Roper, Maxcy D.
Ross, David E., Jr., O2275364.
Savetsky, Lawrence, O2275369.
Vaughn, Daniel L., O2275371.
Wilder, Buna J., O2275361.
Wills, Alfred G., O2275461.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenants

Ayres, Carl W., O2033734.
Coston, Charles D., O1937888.
Descoteau, Rudolph D., O1887660.
Hale, Delmas M., O1932453.
Skoglund, Clifford E., O2210268.
Young, John D., O1937938.

To be second lieutenants

Brown, Sam A., O4013774.
Fuller, Bernard E., O4005794.
Larson, Harry D., O1927426.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Jackson, Raymond A., O4058970.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Abramowitz, Benjamin L., O4045238.
Jacobs, Carl M.
Macnair, Douglas G., O4025658.
Schneider, William H., O4026144.
Williams, Nevin R., O4046437.
Zoghby, Guy A.

(The above-named officers were appointed or promoted during the last recess of the Senate.)

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947.

To be major generals

Brig. Gen. Carl Ferdinand Fritzsche, O17234, Army of the United States (colonel, U. S. Army).
Brig. Gen. Thomas Lilley Sherburne, Jr., O17293, Army of the United States (colonel, U. S. Army).
Brig. Gen. Stanhope Brasfield Mason, O17295, Army of the United States (colonel, U. S. Army).
Brig. Gen. Robert William Ward, O17637, Army of the United States (colonel, U. S. Army).
Brig. Gen. Paul Wyatt Caraway, O17659, Army of the United States (colonel, U. S. Army).

To be brigadier generals

Col. Charles Breckenridge Duff, O18438, United States Army.
Col. Philip Higley Bethune, O18449, United States Army.
Col. Earle Fremont Cook, O18450, United States Army.
Col. Forrest Caraway, O18466, United States Army.
Col. Mervyn MacKay Magee, O18478, United States Army.
Col. James Irvine King, O18534, United States Army.
Col. Victor James MacLaughlin, O18580, United States Army.
Col. William Rogers Woodward, O18582, United States Army.
Col. John Hugh McGee, O18600, United States Army.

(The above promotions were made during the recess of the Senate.)

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947.

To be major generals

Brig. Gen. James Patrick Cooney, O17338, Medical Corps, United States Army.
Brig. Gen. Emmett James Bean, O12381, United States Army.
Brig. Gen. Frank Sayles Bowen, Jr., O16434, Army of the United States (colonel, U. S. Army).
Brig. Gen. William Henry Nutter, O16095, Army of the United States (colonel, U. S. Army).
Brig. Gen. Henry Randolph Westphalinger, O16130, Army of the United States (colonel U. S. Army).
Brig. Gen. William Preston Corderman, O16387, Army of the United States (colonel, U. S. Army).
Brig. Gen. John Bruce Medaris, O39554, Army of the United States (colonel, U. S. Army).
Brig. Gen. Thomas Morgan Watlington, O16780, Army of the United States (colonel, U. S. Army).
Brig. Gen. Willis Small Matthews, O16932, Army of the United States (colonel, U. S. Army).
Brig. Gen. John Southworth Upham, Jr., O17178, Army of the United States (colonel, U. S. Army).
Brig. Gen. Verdi Beethoven Barnes, O17198, Army of the United States (colonel, U. S. Army).

To be brigadier generals

Col. John Henderson Dudley, O18049, United States Army.
Col. Albert Watson 2d, O18105, United States Army.

Col. James Owen Curtis, Jr., O18108, United States Army.
Col. Tom Robert Stoughton, O18156, United States Army.
Col. James Frederick Ammerman, O18165, United States Army.
Col. John Charles Hayden, O18174, United States Army.
Col. Theodore Francis Bogart, O18245, United States Army.
Col. Daniel Aloysius O'Connor, O29454, United States Army.
Col. Hiram Dudley Ives, O29509, United States Army.
Col. Marion William Schewe, O29748, United States Army.
Col. Lyal Clyde Metheny, O39729, United States Army.
Col. Edward Aloysius Brown, Jr., O18355, United States Army.
Col. Robert Hackett, O18380, United States Army.
Col. Peter Schmick, O18395, United States Army.
Col. Richard Holmes Harrison, O18409, United States Army.
Col. John Archibald Barclay, O18420, United States Army.

(The above promotions were made during the last recess of the Senate.)

The following-named officers for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service, in the grades specified:

To be captain

Coleman, Rennie C., Jr., O69886.

To be first lieutenant

Mastricola, Gust H., O609980.

The following-named persons for appointment as chaplains in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be captain

Carroll, James C., O968400.

To be first lieutenant

Massey, Charles M., Jr., O931910.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress, and Public Law 625, 80th Congress:

To be captains

Farmer, Garland R., VC, O68342.
Franklin, Robert B., MC, O49940.

To be first lieutenants

Barr, Mary L., ANC, N804531.
Diggs, Mary M., WMSC, R2645.
Dolan, Gertrude A., ANC, N2637.
Donald, Alexander G., MC, O957834.
Edwards, Mary A., WAC, L116542.
Hartman, Christine, ANC, N797270.
Imlach, Eleanor H., ANC, N754004.
Jorel, Louis E., MC, O4002609.
Olson, Ruth E., ANC, N776498.
Ramsey, Phyllis M., WMSC, M2898.
Small, Barbara G., WMSC, R2606.
Stender, Frances E., ANC, N901304.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Alden, Alfred M.
Morris, John A., Jr., O1340306.
Puckett, William N., O4024738.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenant

Naegele, Eugene L., O71576.

To be second lieutenants

Baughman, Larry J., O71442.
Cooper, Joe L., O71468.
Gerkey, George E., III, O71497.
Hill, Michael E., O71515.
Hurd, Philip S., O71525.
Lawrence, Marvin D., O71544.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Horner, Roger H.
Houston, Charles, Jr.
Mazur, Mitchell E.
Mixan, Edgar J., O4056748.
Olien, Carl J., Jr.
Russell, Edwin M.
Slaven, Joseph E.
Towey, John B.
Twilley, Leroy G., O4058591.

(The above-named officers were appointed or promoted during the last recess of the Senate.)

The following-named officers for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States, in the grade specified:

To be captains

Furman, Hezekiah W. C., O39464.
Robinson, James R., O50588.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.) and Public Law 36, 80th Congress as amended by Public Law 37, 83d Congress:

To be captains

Pegg, John R. P., MC, O1938875.
Ray, John P., Jr., MC, O971870.

To be first lieutenants

Coleman, Patricia L., ANC, N805551.
Fletcher, John L., MSC, O2208291.
Kurke, Lewis, MC, O4021978.
Turgeon, Beatrice L., ANC, N754342.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Berg, Bruce O., O2275573.
Dankle, Willis K., O2275575.
Devaris, Dionisios P., O2201945.
Kimbrough, John G., O2275346.
Lang, William S., Jr., O2275373.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenants

Brooks, Harry W., Jr., O2014609.
Derhaag, James J., O1876269.

To be second lieutenant

Heath, Arthur M., O1940370.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Besel, Arlen D.
Bliss, Laurence T.
Broadway, Thomas F.
Cocke, Eugene R.
Crandell, Jimmie W.
Ferrier, James A.
Hawkins, Billy W.
Hickman, Jere L.
Hoag, Earl L. T.
Holt, Charles M., Jr.
Hudspeth, Thomas J.
Jessup, Morris M.
Johnson, Charles P.
Jones, Warren A.
Kimmel, Rex M.
Lee, Ronald D.
Lung, Hershel R.
Quinlan, Harry L.
Randolph, William M.
Rockey, James D.
Smith, Carl G.
Talley, Robert E. L.

The following-named officers for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States, in the grade specified:

To be captains

Frantz, Robert L., O28059.
Hutchison, James H., O60282.

The following-named officer for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service, in the grade specified:

To be captain

Shelton, T. J., O36570.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), Public Law 625, 80th Congress, and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress, and Public Law 294, 84th Congress:

To be first lieutenants

Barron, Helen F., WAC, L1010007.
Jackson, Barbara E., ANC, N804658.
Lowell, Edward H., MC, O4039312.
Mathews, Marion E., ANC, N804725.
Pierce, Margaret J., WAC, L1010470.
Piggott, Virginia L., WAC, L1010206.
Sansing, Mary J., WAC, L1020617.
Simmons, Ruth L., WAC, L1010640.
Trible, Elizabeth W., WAC, L1010656.

To be second lieutenants

Capacio, Marguerite L., WAC, L1101749.
Ellis, Janet M., WAC, L1030626.
Gregory, Rita T., AMSC, M2990.
McCarney, Alice M., WAC, L1020644.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenants

Bellis, William H., O1931452.
Bittick, Emmett K., O2003042.
Blazina, Joseph J., O995403.
Boettcher, Henry J., Jr., O1925152.
Brillhart, Allen T., O2265802.
Brown, Norman, O1951677.
Bryan, Edward P., O1885738.
Bryant, Joel W., O1887979.
Clark, John R., Jr., O1925208.
Coad, William F., O2265125.
Connelly, Donald W., O1882029.
Connolly, Thomas P., O1926482.
Coroneos, Paul P., O1915527.
Daly, Donald F., O2028677.
Dupont, Albert A., O2201261.
Dyment, LeRoy W., Jr., O1893087.
Edwards, Richard O., O2023801.
Eicher, William E., O2210615.
Epps, Ferdinand Q., Jr., O1926985.
Evans, Robert B., O1926866.
Fague, Donald L., O1825432.
Fried, George W., O1924674.
Gilbert, John M., O1913255.
Gordon, Robert D., O1890124.
Haff, Peter W., O1693700.
Hanson, Donald F., O1926048.
Jones, Wellington S., O2033834.
Kim, Richard, O2096988.
King, Henry J., O1876468.
Kowalewski, Stanley W., O994211.
Kozlowski, Stanley G., O998117.
Krause, George W., O1881927.
Latoni, Gerardo, O958063.
Ledbetter, Robert C., O1913214.

Leider, Robert, O2028655.
Martin, Irl R., O980548.
Mayer, Anton F., O2103804.
McGrath, Robert W., O996897.
McMurrer, James E., Jr., O1873374.
Miller, Henry B., O1881272.
Montgomery, David F., O1925214.
Murray, Thomas H., O2096850.
Nasby, Joseph A., Jr., O2041817.
Nelms, Norman S., O1925544.
Peterson, Russell B., O1885850.
Repetto, John W., O1922547.
Routh, Elmer L., O1890177.
Samuels, Steven A., O2265937.
Sanford, Eugene S., O2210895.
Savage, Youlon D., O1881972.
Schrepel, Maurice H., O1341300.
Siracuse, Angelo J., O1951052.
Smith, William C., O1879372.
Spieldoch, Richard B., O2021160.
Standley, Robert J., O2014523.
Swift, Robert J., O960982.
Thompson, Richard H., O972791.
Ward, Norman E., Jr., O1893989.
Welch, Joseph H., Jr., O1894207.
Wirthlin, Floyd R., O1890207.
Zamparelli, Alfred A., O1924682.

To be second lieutenants

Abrams, Walter G.
Anderson, Andrew H., O996781.
Beasley, Linton C., O999464.
Bell, Robert S., O1936420.
Boggs, William L., O4005508.
Breese, Wayne L., O1883336.
Bruns, Bernard W., O1880382.
Buckner, Allen M., O4001210.
Burbach, Frederick J. L., O4010005.
Carmichael, Horace H., O4020933.
Cole, William W., O4009455.
Connors, James P., O4018905.
Cooper, Hamilton A., O1892267.
Cowley, John F., Jr., O1889601.
Cunningham, Martin J., Jr., O1890729.
Daggett, Robert W., O4006310.
Damon, James A., Jr., O1880363.
Davis, Edward E., O4011730.
Dietz, Albert L., Jr., O1880704.
Dimsdle, Arthur, O4010405.
Donahue, Robert J., O1936215.
Donnell, Henry K., O4005424.
Dunn, James F., Jr., O4005889.
Edwards, Jerry S., O2028437.
Font Portocarrero, Jorge M., O4005790.
Gallihar, Kay D., O4021007.
Gillespie, John T., O1891417.
Halsted, Thomas A., O4030811.
Harlan, John R., O1937622.
Haws, Elbert D., O1881042.
Henslick, James R., O1884176.
Hingst, John M., O1882706.
Holder, Floyd D., Jr., O4009888.
Imhoff, Maximilian, O1937563.
Johnston, Johnny J., O4006344.
Jordan, Donald R., O1931257.
Keaton, Jack L., O4009518.
Kern, William M., O4019006.
Kupec, Edward W., O1937721.
Lee, Lynn L., O4019422.
Leszczynski, Joseph J., O4009520.
Long, James L., O1914715.
Lucas, William G., O1930368.
Mays, Robert E., O1939549.
McKay, William L., O4012935.
McKnight, James R., O4001364.
Mountain, Benjamin, O4002897.
O'Malley, John M., O4013773.
Owens, Joe S., O1940140.
Parker, Hassel L., O4013039.
Rice, Harrold E., O2104523.
Ricker, Norman H., Jr., O1939800.
Rosenthal, Paul L., O4016551.
Rue, Norman L., O4006016.
Salguero, Manuel M., Jr., O4005505.
Scott, Charles W.
Seager, Richard M., O4006329.
Shipman, Wayne T.
Smith, Dan R., O4016224.
Smith, Donald L., O1940030.
Smith, Marion G., O4011982.
Stieffel, Ray H., O4023460.
Strand, Vincent W., O4012958.
Thomas, Giles R., Jr., O4005382.
Tobey, Joel N., O4005165.
Ton, James G., O1874810.
Veditz, Raymond P., O1928465.
Vorba, Richard G., O4006337.
Wallace, John R., O4010101.
Watkins, William W., Jr., O4001992.
Watson, Jack D., O1881080.
Watts, William D., O4011096.
Watts, William E., O4015966.
Westcott, John C., O4010144.
Wier, Melville B., O4000389.
Wilson, Louis D., O4013484.
Woodruff, Albert R., O4009991.
Woolaver, Philip A., O1891853.
Young, George D., O1939398.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Lachelt, Lowell L.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Allen, Myron
Allison, Thomas S., Jr.
Bell, Walter C., O4051484.
Bonoan, Raymond, O4062526.
Gafner, Richard L.
Gelfer, David A., O4047926.
Gingrass, Robert J.
Harbor, Frank B.
Johnson, Ronald L.
Jordan, Herbert A., Jr.
Stewart, Charles A.
Thomason, Charles H., O4048388.

(The above-named officers were appointed or promoted during the last recess of the Senate.)

The following-named officer for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service, in the grade specified:

To be major

Kifner, Daniel R., O37530.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress:

To be captains

Austerman, Warrington, MC, O467061.
Bennett, Claude E., MC, O1585160.
Berbary, Maurice S., MC, O1941328.
Borris, Robert C., MC, O4022556.
Morss, Dwight F., Jr., MC, O1874375.
Pitner, Robert J., MC.

To be first lieutenants

Dever, Dorothy M., ANC, N901288.
Finney, Jean P., ANC, N762805.
Gilchrist, Priscilla K., WMSC, M2609.
Gipson, Joe B., MSC, O2102798.
Nichols, Wharton A., DC, O2270467.
Osborn, Donald B., DC, O2270468.
Setter, Marian J., ANC, N785661.
Steinhilber, Marion A., ANC, N758323.
Utt, Theodore P., MC, O4028289.

The following-named officers for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States, in the grade specified:

To be first lieutenants

Carrick, Julian B., Jr., O68084.
Clark, Chapin D., O66780.

The following-named persons for appointment as chaplains in the Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Combs, Richard L., O2269269.
Lewis, Francis R., O998515.

The following-named person for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Skipworth, George B., O4029299.

The following-named persons for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Daly, T. F. Gilroy, O1891279.
Harris, James T., Jr., O4010298.
Mills, George A.
Patton, William W., Jr., O1877461.
Smith, James L., Jr., O4010323.

The following-named distinguished military students for appointment in the Medical Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Bradford, Charles E.
Mikkelsen, Richard C.
Timmons, John A., Jr.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Anderson, Harry E.
Ayotte, Ronald J.
Bartonek, James C.
Bates, Donald E.
Beisman, James J.
Berkman, Vincent C.
Blackham, Daryl K.
Bond, Robert E.
Bragg, Laurence M.
Brinkpeter, Charles H.
Brittain, Darrell A.
Brunenmeister, Joseph P.
Byrne, John M.
Cashwell, James E., Jr., O4043068.
Clore, Oren B., Jr.
Cloutier, Harold J.
Dixon, Bryan D.
Edwards, Richard W.
Ezzell, Alan J.
Fargason, LeRoy H. Jr.
Foster, Hadley
Fry, Kenneth L., Jr.
Gleave, Paul R.
Gray, Robert L.
Gumbs, Selvin F., Jr.
Halliburton, Charles L.
Halliburton, John R.
Hansen, Charles M.
Himberg, Ronald O.
Howard, Harvey D., O4045143.
Howell, Leamon E.
Hyde, Herbert K.
Kelley, Donald R.
Kenyon, Gerald P.
Kicklighter, Claude M.
Labonge, Carl A., Jr.
Lindquist, Gary E.
Longuet, Charles, Jr.
Maher, Kevin L.
Martin, James G.
Martin, James R.
Martin, Richard C.
Miller, Duane D.
Moore, James E., O4058872.
Morgans, Williams W.
Nelson, Andrew M.
Osborne, William J.
Pagonas, Peter T.
Pannell, William P.
Rice, Richard C.
Rodina, Stanley L.
Rofrano, Paul P.
Rogers, John E.
Sagramoso, Daniel E.
Sanders, Burnett R., II
Seufert, Edward C.
Simmons, Bobby B.
Simpson, Robert W.
Singletary, Ben B.
Smith, Richard L.
Snyderwine, David L.
Stankevicius, Raymond J.
Stedron, Charles J.
Stone, Joseph L., Jr.
Sullivan, William M.
Thompson, Charles A.
Waldo, Rondel L.
Woods, Roger B.
Yawberg, Harold D.
Zevin, Michael R.

(The above-named officers were appointed or promoted during the last recess of the Senate.)

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified,

under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress:

To be captain

Roberts, Warren J., Medical Corps, O1921082.

To be first lieutenants

McNamee, Edwin T., Jr., Medical Corps, O1880049.

Norris, Russell S., Dental Corps, O1767364.
Stepp, James V., Dental Corps, O990004.
Wright, Gene E., Medical Corps, O4023125.

To be second lieutenants

Dittemore, Irene L., Army Nurse Corps, N805694.

Marquardt, Ruth L., Army Nurse Corps, N902329.

The following-named person for appointment as chaplain in the Regular Army of the United States, in the grade of captain, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Murray, Ralph J., O976890.

The following-named officer for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States, in the grade specified:

To be first lieutenant

Sweitzer, Harvey C., O66108.

The following-named person for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Byrd, Roger D., O4009797.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Wiley, Robert A.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Hammill, William C., O4044794.
Mears, Charles D., Jr., O4041558.

(The above-named officers were appointed or promoted during the last recess of the Senate.)

IN THE ARMY

The following-named officers to be placed on the retired list in the grade indicated under the provisions of subsection 504 (d) of the Officer Personnel Act of 1947:

To be generals

Gen. Joseph Lawton Collins, O5247, Army of the United States (major general, U. S. Army).

Gen. John Ernest Dahlquist, O7120, Army of the United States (major general, U. S. Army).

To be lieutenant general

Lt. Gen. Floyd Lavinius Parks, O10562, Army of the United States (major general, U. S. Army).

The following-named officer under the provisions of section 504 of the Officer Personnel Act of 1947 to be assigned to a position of importance and responsibility designated by the President under subsection (b) of section 504, in rank, as follows:

Maj. Gen. James Edward Moore, O15650, Army of the United States (brigadier general, U. S. Army), in the rank of lieutenant general.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), Public Law 759, 80th Congress, and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress, and Public Law 294, 84th Congress:

To be captain

Smith, Charles M., DC, O966974.

To be first lieutenants

Domnitz, Jack, MC, O4055392.
Farrell, Virginia M., ANC, N900594.
Goska, Francis A., DC, O2274597.
McHughes, Lee M., JAGC, O2264176.
Noonan, Roger G., DC, O2274609.
Vielhaber, David P., MSC, O2203084.
Waldron, Charles A., DC, O1766713.

To be second lieutenants

Beitzel, Barbara A., AMSC, J100198.
Patterson, William J., MSC, O2271711.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Dunbar, John D.
Jones, Richard E., O2275358.
Longway, Ralph E., O2275391.
Sacks, Josiah, O2275583.
Shaw, Glenn R., O2275349.

The following-named officer for appointment, by transfer, in the Regular Army of the United States, with specification of branch, arm, or service, in the grade specified:

To be first lieutenant

Hawkins, Lewis L., O66986.

The following-named persons for appointment in the Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Bruen, John D., O1936201.
Leach, Anthony J., Jr., O1936328.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Carson, Lawrence E.
Haynes, Richard E.
Pace, Donald L.

IN THE AIR FORCE

The nominations of Maj. Gen. Manuel Jose Asensio et al., and the nominations of Millicent Anderson et al., for appointment or promotion in the Air Force, which were confirmed today, were received by the Senate on January 9, 1956, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD, under the caption "Nominations," beginning with the name of Maj. Gen. Manuel Jose Asensio, which is shown on page 257, and ending with the name of Frank Raymond Parsons, Jr., which is shown on page 270.

IN THE NAVY

To be vice admiral

The following-named officers for commands and other duties determined by the President to be within the contemplation of section 413 (a) of the Officer Personnel Act of 1947, to have the grade, rank, pay, and allowances of vice admiral, while so serving:

Vice Adm. Francis C. Denebrink, United States Navy.

Vice Adm. Roscoe F. Good, United States Navy.

Vice Adm. Frederick W. McMahon, United States Navy.

Rear Adm. Walter F. Boone, United States Navy.

Rear Adm. William L. Rees, United States Navy.

Rear Adm. Ruthven E. Libby, United States Navy.

Rear Adm. Lorenzo S. Sabin, United States Navy.

Rear Adm. James H. Thach, Jr., United States Navy.

Rear Adm. Harry D. Felt, United States Navy.

Rear Adm. Bernard L. Austin, United States Navy.

Rear Adm. Edward W. Clexton, United States Navy.

Vice Adm. Murrey L. Royar, Supply Corps, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

Rear Adm. George F. Beardsley, United States Navy, to be Director of Budget and Reports in the Department of the Navy for a term of 3 years.

Adm. James Fife, Jr., United States Navy, retired, to be placed on the retired list with the rank of vice admiral.

Vice Adm. Harold M. Martin, United States Navy when retired, to be placed on the retired list with the rank of vice admiral.

Having designated, in accordance with the provisions of section 413 (a) of the Officer Personnel Act of 1947, the following-named offices for commands and other duties determined by the President to be within the contemplation of said section, to have the grade, rank, pay, and allowances of vice admiral while so serving:

Vice Adm. Alfred M. Pride, United States Navy.

*Vice Adm. Stuart H. Ingersoll, United States Navy.

*Vice Adm. Charles R. Brown, United States Navy.

*Vice Adm. George L. Russell, United States Navy.

*Vice Adm. Stuart S. Murray, United States Navy.

*Vice Adm. Cato D. Glover, Jr., United States Navy.

*Rear Adm. Robert H. Meade, Civil Engineer Corps, United States Navy, to be Chief of the Bureau of Yards and Docks in the Department of the Navy for a term of 4 years.

*Capt. Rawson Bennett II, United States Navy, to be Chief of Naval Research in the Department of the Navy, with the rank of rear admiral, for a term of 3 years.

(NOTE.—The officers whose names are preceded by the symbol (*) were appointed or promoted during the recess of the Senate.)

IN THE MARINE CORPS

Gen. Randolph McC. Pate, United States Marine Corps, to be the Commandant of the Marine Corps with the rank of general for a period of 2 years from the 1st day of January 1956.

Having designated, in accordance with the provisions of section 415 of the Officer Personnel Act of 1947, the following-named officers for commands and other duties determined by the President to be within the contemplation of said section, I nominate them to have the grade, rank, pay, and allowances of lieutenant general while so serving:

Lt. Gen. Vernon E. Megee, United States Marine Corps.

Lt. Gen. Edwin A. Pollock, United States Marine Corps.

(NOTE.—The above-named officers were appointed or promoted during the recess of the Senate.)

IN THE NAVY AND IN THE MARINE CORPS

The nominations of 13,044 routine appointments in the Navy, and the nominations of 3,432 routine appointments in the Marine Corps, which were reported on February 16, 1956, were confirmed today. These nominations were received by the Senate on January 18, 1956, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, beginning with the name of George F. Beardsley, which is shown under the caption "Nominations," beginning on page 786, and ending with the name of William L. Kohler, which is shown on page 811.

EXTENSIONS OF REMARKS

Proposed Lowering of Women's Eligibility Age for Pensions, Etc.

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, February 17, 1956

Mr. WILEY. Mr. President, on February 12, 1956, it was my privilege to deliver an address over Radio Station WGN, in Chicago, Ill., relating to the proposed lowering of women's eligibility age for pensions, and other steps to liberalize the Social Security system. This address is in the form of questions and answers. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY URGES LOWERING WOMEN'S ELIGIBILITY AGE FOR PENSIONS AND OTHER STEPS TO LIBERALIZE SOCIAL SECURITY SYSTEM

I would like to report to you tonight on a subject which is of concern to every single American.

Yes, through the courtesy of WGN I should like to report in some detail on a subject on which perhaps more of my Wisconsin constituents write to me than any other single subject.

That subject is social security.

During the coming weeks, all of us are going to hear a lot more about H. R. 7225. This is a bill which was passed by the House of Representatives last July. This legislation would amend the Social Security Act in a number of important ways. As the Senate Finance Committee and the Senate consider this legislation, we are all going to hear a lot more about extended coverage; about waiting periods, and about disability freeze. It is a subject on which all of us should be informed. I am now going to answer some of the basic questions on this problem.

PRESENT COVERAGE

Question. First off, Senator WILEY, just how many people are now reached by social security in the United States, and how much money do they receive in benefits?

Answer. Eight million out of our 165 million people now draw social security benefits. These 8 million receive about $5 billion a year. That adds up, of course, to an important contribution to the overall stability of our economy.

PROPOSED COVERAGE

Question. If the social security legislation now pending before the Senate Finance Committee is reported out and passed, Senator WILEY, how many more Americans would be added to the 8 million now receiving Government pension checks, and how much more would they draw from the pension fund?

Answer. Over 1 million more Americans would be eligible for social-security benefits. They would receive another $600 million in benefits immediately. Within a few years, the increased benefits would total more than $2 billion.

PROTECTION AGAINST SLUMP

Question. Senator, before you tell us some more about the exact coverage that this bill proposes, I wonder if you would share your own views on the extension of social security to so many Americans over the past 20 years?

Answer. I have always felt that the development of social security has been one of the most important reasons why our economy is protected against a serious slump.

Back in depression days—and I have gone through several of them—our penniless old folks went hungry. But today, for example, through social security we have developed economic insurance for the 14 million Americans who are now over the age of 65.

Question. What has private industry done along this line?

Answer. A great deal fortunately. I have been very favorably impressed with the development of private industry pension plans. They now cover more than 12 million citizens. Social security itself, covers nearly all these 12 million, plus about 50 million more.

And then there are other public plans—for example, for Federal, State, and local workers which account for about 7½ million additional people.

Not many folks realize that besides providing for pensions, we have developed a tremendous reservoir of pension funds—more than $35 billion.

That vast sum in turn is invested in part in corporate stocks and bonds. And that investment provides American business with needed capital for expansion.

NEW GROUPS ELIGIBLE

Question. Well, Senator, specifically, to whom will pension benefits be extended if this legislation passes the Senate?

Answer. Well, in the first place, I would like to say something to couples in this audience, who are looking forward to retirement. Under the present law, the man in the family can retire at 65.

Generally, men marry women younger than themselves. So, the men become eligible for old-age pensions several years before their wives. Under the present social-security law, a man may wish to retire at 65. But he often finds that he and his wife are not able to make ends meet on his pension alone.

So, the proposed legislation would make the wife eligible for her pension—which is about half the size of her husband's—when she is 62. This means that a retiring couple who have reached 65 and 62 would be able to get pensions totaling as much as $162.80 per month.

It is estimated that about 300,000 wives—300,000 couples—would receive this benefit if the legislation is approved.

Question. Do you favor this proposed provision, Senator WILEY?

Answer. Absolutely. It represents a commonsense, fair-minded answer to an important social problem.

Question. What about unmarried women workers at 62 under the proposed legislation, Senator WILEY?

Answer. The single woman worker at 62 will be able to retire immediately on a pension up to $108.50 a month.

AID TO WIDOWS

Question. Senator, turning to the problem of widows, I know that you have long been a champion of improved social security for them. What about benefits for them under the pending legislation?

Answer. Fortunately, quite a few benefits.

Statistics now show that there are 7½ million widows in the United States. In fact, 1 woman in every 10 between the ages of 45 and 54 is a widow. Between the ages of 55 and 64, 1 woman in every 4 is a widow.

Statistics also reveal the fact that 1 woman out of every 2 who becomes a widow has more than 20 years of life ahead of her. Furthermore, many of these women have dependent children still in their care. So, we are all glad to see that this legislation provides survivor benefits up to $81.40 a month for widows. This could bring under social security about 200,000 women at the present time.

MORE COVERAGE

Question. To what other groups would social security be extended under this proposed legislation?

Answer. Over 200,000 self-employed lawyers, dentists, osteopaths, veterinarians, chiropractors and optometrists would be newly covered by the proposed legislation. It would also bring benefits to some farmers who are not now covered. And it would extend the legislation to some owners or tenants on lands who have some self-employment income from their work as farmers.

DISABILITY ISSUE

Question. Let's turn now, Senator, to the controversial features of the proposed legislation. What phases will be debated most strongly in the Senate?

Answer. The disability clauses are probably the most controversial clauses of this legislation.

The main question revolves around the issue of determining the extent to which a person is totally and permanently disabled.

As currently written, the new plan would permit disabled workers to draw full pensions starting at 50. Wives and children of disabled workers however, would not get benefits until the workers reach 65.

The legislation also provides that such workers retired for disability would have to have long records of coverage under the pension system in order to draw their benefits. Moreover, restrictions which are provided in the current legislation would limit the number who would get benefits up to around $100 a month, under this section of the legislation to about 250,000 disabled workers.

HANDICAPPED YOUNGSTERS

Question. How about disabled children?

Answer. The bill definitely extends benefits to disabled children. That means youngsters, who, for physical or mental reasons, are totally incapable of looking after themselves, unfortunately even after they reach the age of 18. Under the present law, the children of a retired worker or of a worker who was insured at the time of his death, receive benefits only until they are 18. But I have had many letters from parents who call attention to the fact that when these benefits

stop at age 18, it imposed tremendous burdens. The bill would correct this situation. And I, for one, am 100 percent in favor of remedying the problem and not leaving these youngsters out in the cold, so to speak. It is estimated that only about 1,000 disabled children would receive benefits.

COST PROBLEM

Question. Senator WILEY, turning to still another phase, I know that your listeners would like to know how much this overall new legislation will cost them.

Answer. That is a very pertinent question. In the first place, if you receive $4,200 or more per year, you would have to pay a payroll tax of $105, instead of the $84 which you are now currently paying.

If you have $3,600 of earnings, you would pay $90 instead of the $72 that you are now paying.

Employers will be called on to match these tax payments. For example, a company with 100 employees would be subject to an added tax of about $2,000 a year. In other words, a total of $1.4 billion would have to be contributed by over 53 million workers and 4.4 million employers.

CHANCES EXCELLENT

Question. What are the chances of approval of this legislation during this session, Senator WILEY?

Answer. Chances are excellent, although there probably will be some changes made. The thing that everybody, legislators and citizens alike, will have to decide at this time is this: Do the higher payroll taxes which this legislation would require offset the value of easing the financial hardship facing a very important segment of our population? That is the $64 question. If our people are willing to pay the price, then benefits can be expanded.

SENATOR WILEY'S BILLS

Question. Your own record would indicate that you feel our people are willing to pay the price for liberalizing benefits, Senator WILEY.

Answer. Yes; I have introduced a good deal of social-security legislation for this very purpose of liberalizing benefits. Thus, I introduced in the present 84th Congress S. 591, which would reduce to 62 years the age at which women may qualify for old-age and survivors benefits. I believe that it will be best if ultimately the age will be reduced to 60 years. I have also introduced S. 1779, which would provide for voluntary coverage under Federal old-age and survivors insurance system for lawyers. Both of these bills have met with very fine response, not only in my own State of Wisconsin but from all over the country.

Also, in order to meet this problem of the increasing number of people who are over the age of 65, I have introduced S. 2279. It would authorize grants to States for the development and improvement of programs and services for the aged and aging.

CONCLUSION

I am anticipating early action on this new social-security legislation by the Senate Finance Committee. I will, of course, urge early Senate passage.

We must do a lot of planning and thinking in this field if we are to adequately meet the needs of our people. Social-security legislation is only one part of the story. Health, housing, recreation, constructive leisure-time pursuit—these are all other aspects of the needs of America's older citizens which perhaps we can discuss at another time.

It has been a real pleasure to be with you this evening.